

INVESTMENT, ENTERPRISE AND DEVELOPMENT COMMISSION
9th Session

*Geneva, Palais des Nations,
21 November 2017*

Agenda Item 4

*From decisions to actions – Investment and enterprise development as
catalysts for accomplishing the 2030 Agenda for Sustainable Development:
(a) Investment*

Presentation of the Investment Policy Review: The Gambia

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The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.

Her Excellency, Dr. Touray, Minister of Trade, Industry, Regional Integration and Employment of The Gambia,
Excellencies,
Distinguished delegates,
Ladies and gentlemen,

It is a pleasure to welcome you to the presentation of the Investment Policy Review (IPR) and the first-ever National Entrepreneurship Policy (NEP) of The Gambia. As with all our technical assistance programmes, the IPR and the NEP were initiated at the request of the Government. I wish to express my gratitude to the Ministry of Trade, Industry, Regional Integration and Employment and the Gambian Investment and Export Promotion Agency for their cooperation in facilitating the research for this work. Both the ministry and the agency will also be actively involved in the implementation of our recommendations.

Ladies and gentlemen,

Foreign direct investment to Africa, and to African Least Developed Countries, including The Gambia, has been on a downward trend since 2012. Despite prospects of a moderate rise in flows in 2017, this has been a concerning trend when least developed economies are in need of investment to finance sustainable development.

Investment to The Gambia has even fallen below the average for LDCs and ECOWAS economies. 2016 brought a net divestment position.

Nevertheless, FDI has made an important contribution to the development of The Gambia, particularly in the tourism industry, the financial services sector and in telecommunications. The Government now seeks to reform the business climate to attract more investment and ensure it contributes to the country's sustainable development objectives. Towards this end, the IPR evaluates The Gambia's regulatory environment and sets out recommendations for reform.

Government policy, supported by the IPR process, can succeed at attracting less volatile and more diversified investment flows. The Gambia's location advantages include competitive labour costs, good weather conditions for agriculture, attractive landscapes for tourism. As a member of ECOWAS and on account of its LDC status, the country also enjoys trade preferences that provide access to large markets. The Gambia has the potential to attract investment across various sectors of the economy. The Government requested that the IPR focuses on three priority sectors, namely: agro-processing, light manufacturing and information and communication technology.

One of the critical challenges facing The Gambia, and which partly defines the economy as an LDC, is its high vulnerability to external shocks. These include terms of trade shocks, financial crisis, and weather and climatic changes. All of these can have a disproportionate impact on a population engaged primarily in agriculture. Micro, small and medium-sized enterprises can play a key role in shielding the economy against these factors.

For this reason UNCTAD, in parallel with the IPR process, helped The Gambia develop a National Entrepreneurship Policy to support the development of SMEs. Entrepreneurs can support growth, employment and a more competitive economy. Increasingly, small enterprises are playing an important role in the economy of The Gambia – not only as a source of employment but also as a contributor to economic diversification and transformation. Entrepreneurship, when harnessed strategically, can become a powerful driving force of innovation and domestic investment over the long-term.

With the right coordination of policy levers, SMEs can also partner with foreign investors as local suppliers by providing services and inputs to foreign investment projects, such as food supplies in the hotel industry. In the other direction, foreign companies can have positive spillovers to the SME sector through the transfer of knowledge and management practice.

In coordination with the Investment Policy Review, the National Entrepreneurship Policy seeks to build domestic capacities for the private sector. It sets an example of how investment and entrepreneurship policies can create synergies for domestic business sector development as well as to attract foreign investors.

I believe that while the recommendations of this IPR and the entrepreneurship policy pertain to the specific context of The Gambia, there are lessons for everyone. This includes the financing of sustainable development commitments, through the mobilisation of resources – both foreign and domestic. We hope that the IPR presentation, as well as the scheduled interactions with the private sector and other experts, will provide insights for all member States, and we therefore encourage you to ask questions and share your experiences.

In closing, I reiterate my gratitude to the Ministry and the Gambian Investment and Export Promotion Agency for their collaboration with us to prepare these two reports. I also express my appreciation to other authorities and agencies in the country, as well as the private sector and civil society representatives, who assisted UNCTAD in the review process. Finally, I would like to acknowledge the financial support of the Government of Sweden, which enabled us to prepare the IPR, as well as the United Nations Development Programme of The Gambia for its support with the entrepreneurship policy work.

Thank you.