



PARLIAMENT OF SIERRA LEONE

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11th July, 2024

PRESS RELEASE



PARLIAMENT RATIFIES INDIGENOUS SEAPORT AGREEMENT

The Parliament of Sierra Leone on Thursday 11/07/ 2024. debated and ratified with unanimity an Indigenous Seaport agreement for the development and economic growth of Sierra Leone.

The following agreement was approved by the Parliament of Sierra Leone:

Concession Agreement Between the Government of the Republic of Sierra Leone and The Gento Group of Companies (SL) Limited For the Design, Financing, Construction and Operationalization of a Seaport Within the Dublin and Ricket Communities of Banana Islands and Logistics Hub (Habour Terminal) at Kent in Sierra Leone Dated, 5th July 2024.

Presenting the agreement, the Minister of Transport and Aviation, Ambassador Fanday Turay, said the Gento Group of Companies intended to undertake a development of a world class Ports facilities in the south Ricket of Banana Island.

According to him, the construction company specialized in the marine sector, adding that the proposed seaport intended to primarily serve as a hub in the Africa sub region.

Ambassador Fanada Turay underscored that with this agreement, the Nations stands at a critical junction where the demand efficiency, prudent, and infrastructure would be addressed. The Minister informed that the volume of trade had increased and stressed on the need for advancement on marine technology and expansion of Ports' capabilities.

"The Construction of this new seaport is a necessity, in order to keep pace with global standards and to meet the growing needs of our people and Industries" he maintained and went on "Mr Speaker Honourable Members, this seaport is approximately \$2 billion USD investment which is expected to be in full operation within three-year years".

The proposed port the Minister reassured will in no way affect the existing operations of the Queen Elizabeth II Quay.

The Minister highlighted the economic benefits, including the employments of thousands of compatriots, amongst others. He disclosed that the Gento Group of Companies has allocated 10% share to the Government of Sierra Leone and will also be paying royalties and other related fees and charges.

The Minister said the port will serve as a hub to international trade, attracting foreign investors, boasting exportation, durability, and reducing the cost of importation. He also reassured that the port will definitely reduce the global price of goods and services for the benefit of every citizen.

He told the House that the location of the facility is very accessible, strategic and will serve as the future state-of-the-art facility for advanced cargo handling system, expanded docking spaces, that would attract more international shipping lines and Logistics.

According to him, the port has a natural deep water harbour with a water depth of almost 24 metres making it the deepest port in Africa, with an estimated 60 million worth of Cargo capacity of accomodations for larger container vessels annually.

The shipment board is expected to generate a profit margin of over USD 800million for the first three years of operations. The overall vision is to create a port that is not only efficient and secured, but also environmentally sustainable, incorporating technologies that attract ecological footprint.

The port the Minister revealed will be a significant source of revenue through which port fees, customs duties, and other charges that are paid .

The Minister also underscored that the port would attract global connectivities and would serve the subregions including Guinea, Liberia Mali, Ghana, Ivory Coast, Nigeria etc, etc.

He concluded that Gento Group of Companies is equally committed to protecting the environment and has done environmental impact assessment, adding that the development is in line with President Bio's vision.

Chairman of the Oversight Committee, Hon. Maada Lebby thanked the Ministers of Transport and Aviation and Fiance for the implementation of the vision of President Bio. The MP said the agreement is a big boost for the economic transformation. "President Bio promised to give jobs and is becoming a reality," he informed and assured Colleague MPs that the agreement was straightforward and transparent and went to reaffirm the commitment of Gento Group.

On his part, the Deputy Leader of Opposition 2, Hon. Aaron Aruna Koroma appreciated the indigenous nature of the agreement. He thanked the CEO of Gento Group of Companies Mohamed Gento Kamara. The MP said the agreement will right the wrongs in light of the historical perspective of Banana Island and would lead to the influx of trade leading to the reduction of price of goods and

services. He underscored the 20- 24 meter depths of the harbour, which will allow bigger cargo vessels to come to Sierra Leone within lower freight charges . He went on to say the project will put Section 24 of the Finance Act 2024 in moribund as this project will create a retention of proceeds of 100% as against the 30% repatriation as required in the Finance Act, which he said would significantly affect the Foreign exchange market and economy.

"The 10% share is to be owned by the government, and there is a clause for the latter to add share" he disclosed. While commending government for its commitment, he went on to ask the latter to provide a line of credit of at least USD 20Million to Gento Group of Companies through Bank of Sierra Leone at an interest rate of 5%. He however called on the government to consider giving an interest free line of credit since government itself is a shareholder. He went on to positively compare the investment to international companies and encouraged the government through the Ministry of Finance and the Bank of Sierra Leone to initiate engagement with the African Export and Import Bank (AFRIEXIM Bank) to support support the project.

The protection of the marine lives and the creation of livelihoods for residential fishermen the MP said were very important and also implored the government to consider the reduction of the many fees and charges to be paid by Gento Group including incurring payment for the Engineer who should be the representative of the government in the project .

The Chief Whip of Parliament, Hon. Dickson Rogers also thanked the Minister for bringing very pivotal agreement and informed the House that the agreement is touristic. He said the company would be paying fifty thousand United States Dollars for community development, which he described as sustainable and convenient. He stated that the agreement is part of their Government Manifesto.

Hon. Abdul Karim Kamara Opposition Whip from Kambia District lauded the ownership of the company relating it to his home Kambia District and informed the House that prior to the commencement of the agreement, the company had started developmental projects for the host communities. He underscored the importance of local ownership, highlighting and lauding tangible infrastructures done by local entrepreneurs, including the same company. "This agreement is Sierra Leonean own, let us do justice to it," he maintained and spoke about the economic viability of the agreement.

Contributing to the debate, the Deputy Speaker of Parliament, Hon. Ibrahim Tawa Conteh commended earlier speakers for their contributions and encouraged the Bank Governor and Minister of Fiance to ensure tentation of foreign currencies to support the construction of the seaport project, in order to stabilize the economy. While commending the Minister of Finance for controlling inflation, he said it was time to balance the trade in that direction. "Gento, you have the support of this House," he noted and informed that the latter performance is great. He recalled the company's employment of locals.

In her contributions, Hon Rugiatu Kamara from Tonkolili District lauded the local ownership of the agreement and said that it was a clarion call to Sierra Leoneans living abroad to invest in their country. She reiterated that Sierra Leone is a virgin economy that attracts several potential investments, including agriculture and health amongst others. She thanked former presidents and current for supporting indigenous investments. "We can not move forward, if the chunk of our investment is in the hands of foreigners," she expressed.

She used the opportunity to thank President Bio for bringing a rice project in Makally.

Hon. Joseph Williams-Lamin from Bo District described the day as exceptional and unique with the presence of the Bank Governor and Minister of Finance. The MP spoke about the hugeness of the investment and the efforts of locals in that sector. "We are proud of you, and we can go home happily,"

he maintained and went on to say the agreement was a win, win situation. He said the government is in the right direction.

The Speaker of Parliament Hon. Segepoh Solomon Thomas also used the opportunity to urge the Minister of Finance and the Bank Governor to support the agreement to become credible, adding that, the Government has already made a commitment of twenty million United States Dollars and urged them to attract other financials. "This particular investment is going to help Sierra Leone in various ways," he revealed.

Rounding up the debate, the Acting Leader of Opposition,

Hon. Brima Daniel Koroma encouraged the speaker to draw the attention of Gento Group of Companies to the road transiting from Modern via Parliament to Vice President Office for consideration.

The agreement he said is an indigenous one and assured the House that the opposition would support it.

The Opposition Leader reiterated that they want to ensure that irregularities are corrected in all agreements that come to Parliament and raised concern over a certain Clause in the agreement and requested clarification.

The speaker quickly interjected and ruled that the hanging sentence in that particular Clause be completed.

Continuing, the Acting Opposition Leader advised the Speaker to ensure that henceforth Parliament conduct special session on agreements that come before them and highlighted clauses in the agreement that were not accurate. He used the opportunity to raise concern over the pay as you earn to foreign workers in their countries and in other currencies and not in Leones.

He also continued to highlight and raise concern over some clauses that were dealing with tax exceptions.

The Acting Leader finally encouraged colleague MPs to ratify the agreement and advised the House to modify agreements in the future prior to ratification.

Concluding the debate, the Acting Leader of Government Business, Hon. Bashiru Silikie said the agreement is very unique and would create more local millionaires. He said due diligence had been followed, and the first paragraph pleases him the most. He reflected that the government promised to diversify the economy, and today, it has been done in the area of seaport. He extolled the proactive efforts of Gento Group of Companies and encouraged other compatriots to emulate the same initiative. "This agreement is two billion dollars," he maintained and recalled the suspension of taxation on previous agreements. He informed the House that since an indigenous company had laid the premise, other agreements would henceforth pay taxes of that nature. He expressed happiness over expatriates, exchanging of ideas and knowledge to local as stated in the agreement, adding that in the future, Sierra Leoneans would control the entire business. He encouraged Sierra Leoneans to prepare their minds to tapping into a related career. He used the opportunity to ask the Minister of Finance to give credit lines whilst expressing dismay over high bank interest rate that discourages business. "We expect the Minister of Finance and the Bank Governor to do exactly what is in the agreement," he stated and urged them to support Gento.

"Whatever profit he made will be left in Sierra Leone" he maintained.

He emphasized on robust Committee oversight to monitor the project construction and make sure that what had been ratified be implemented. He thanked MPs for their various contributions.

The Speaker of Parliament vehemently urged the Minister of Finance and the Bank Governor to support the project to succeed.

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