PRESENTATION ON

INVESTMENT OPPORTUNITIES IN GHANA

&

DOING BUSINESS IN GHANA
The Ghana Investment Promotion Centre (GIPC) is a government agency re-established under the GIPC [Act 478] 1994 to promote, coordinate and facilitate investment in the Ghanaian economy.

**Our functions include:**
- Investment advisory services
- Joint venture search
- Identification of specific projects for investment promotion
- Grant of investment incentives and other support services
- Registration of technology transfer agreements
- Negotiation of Bilateral Investment Treaties
## GHANA AT A GLANCE

<table>
<thead>
<tr>
<th>Capital</th>
<th>Accra</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commercial Language</td>
<td>English</td>
</tr>
<tr>
<td>Currency</td>
<td>The Cedi (GH₵)</td>
</tr>
<tr>
<td>Exchange Rate</td>
<td>US$1 = US$ 1.85</td>
</tr>
<tr>
<td>Minimum Wage</td>
<td>GH₵4.48 (US$ 2.8) as at feb. 2012</td>
</tr>
<tr>
<td>Population</td>
<td>24 million  (<em>Ghana Statistical Service, 2010 Census</em>)</td>
</tr>
<tr>
<td>Land Size</td>
<td>238,537 sq. km</td>
</tr>
<tr>
<td>Climate</td>
<td>Tropical (<em>Average 32 Degrees Celsius</em>)</td>
</tr>
<tr>
<td>Type of Government</td>
<td>Constitutional Democracy</td>
</tr>
<tr>
<td>Executive</td>
<td>The President and Cabinet</td>
</tr>
<tr>
<td>Legislature</td>
<td>Unicameral Assembly</td>
</tr>
</tbody>
</table>
GHANA – WORLD RANKINGS

7th largest recipient of Foreign Direct Investment (US$2.5 billion) in Africa – 2011 World Investment Report

Fastest growing economy in sub-Saharan Africa for 2011, with a forecast GDP growth of 13.4 percent – World Bank’s Global Economic Prospects

Ranked 7th out of 53 countries in Africa and 2nd out of 16 countries in West Africa for governance quality – 2011 Ibrahim Index of African Governance

<table>
<thead>
<tr>
<th>Economic Indicators</th>
<th>2011 Outturns</th>
<th>2012 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>GDP (GSS)</td>
<td>GHC56.28 billion (nominal)</td>
<td>--</td>
</tr>
<tr>
<td>GDP per capita(GSS)</td>
<td>US$1,380</td>
<td>--</td>
</tr>
<tr>
<td>Real GDP Growth</td>
<td>14.4%</td>
<td>7.6% (excluding oil)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.4% (overall GDP growth)</td>
</tr>
<tr>
<td>GDP sector contribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Agriculture</td>
<td>15.7%</td>
<td>--</td>
</tr>
<tr>
<td>• Industry</td>
<td>36.2%</td>
<td>--</td>
</tr>
<tr>
<td>• Service</td>
<td>48.1%</td>
<td>--</td>
</tr>
<tr>
<td>Inflation</td>
<td>8.73% (average rate for 2011)</td>
<td>8.5% (average rate for 2012)</td>
</tr>
<tr>
<td>Reserves (Months of Imports Cover)</td>
<td>3.6</td>
<td>3.0 (Not less than)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>4.0 (over the medium term)</td>
</tr>
</tbody>
</table>

*Source: 2012 Budget Statement, Ministry of Finance and Economic Planning*
### Total Registered Projects (SEPT 1994 – MARCH 2012)

<table>
<thead>
<tr>
<th>SECTOR</th>
<th>TOTAL NO. OF PROJECTS</th>
<th>TOTAL ESTIMATED VALUE OF PROJECTS US$ M</th>
</tr>
</thead>
<tbody>
<tr>
<td>AGRICULTURE</td>
<td>228</td>
<td>1,292.41</td>
</tr>
<tr>
<td>BUILDING/CONST</td>
<td>339</td>
<td>9,348.76</td>
</tr>
<tr>
<td>EXPORT TRADE</td>
<td>202</td>
<td>67.51</td>
</tr>
<tr>
<td>GENERAL TRADING</td>
<td>670</td>
<td>1,391.77</td>
</tr>
<tr>
<td>LIAISON</td>
<td>218</td>
<td>48.47</td>
</tr>
<tr>
<td>MANUFACTURING</td>
<td>972</td>
<td>8,509.48</td>
</tr>
<tr>
<td>SERVICE</td>
<td>1206</td>
<td>3,194.98</td>
</tr>
<tr>
<td>TOURISM</td>
<td>376</td>
<td>186.40</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>4,211</strong></td>
<td><strong>24,039.78</strong></td>
</tr>
</tbody>
</table>

*Includes the estimated project value of US$3 billion for Asanteman Hong Group Limited and US$2.5 billion for STX Engineering & Construction Ghana Ltd.
## Sectoral Distribution of Slovenia Projects (Sept 1994 – March 2012)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Total No. of Projects</th>
<th>Total Estimated Value of Projects US$ M</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Building/Const</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Export Trade</td>
<td>1</td>
<td>0.02</td>
</tr>
<tr>
<td>General Trading</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Liaison</td>
<td>0</td>
<td>-</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>2</td>
<td>0.16</td>
</tr>
<tr>
<td>Service</td>
<td>1</td>
<td>0.02</td>
</tr>
<tr>
<td>Tourism</td>
<td>3</td>
<td>1.772</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>7</strong></td>
<td><strong>1.92</strong></td>
</tr>
</tbody>
</table>
ECONOMIC RESOURCES AND OPPORTUNITIES

• Ghana is richly endowed with human and natural resources. The latter include mineral wealth, extensive forests resources, and sizable supply of viable land suitable for crop and livestock production, marine and freshwater fish stock and a good potential for hydro-electricity generation.

• These resources present numerous business opportunities in oil and gas, agriculture, manufacturing, tourism, energy, property development among others.
KEY SECTORS AND OPPORTUNITIES

- Oil and gas
- Energy
- Infrastructure
  - Roads
  - Public housing and property development
  - Rail transport and ports
- Agriculture
- Tourism
- Manufacturing including Agro-processing
- Services
  - Information and Communications Technology
  - Financial services
  - Education
  - Health
Ghana’s Estimated Field Size: 400 Million Barrels To Over 1 Billion Barrels (All in the Jubilee Field)

Pumping of Oil commenced On 15 December 2010

• 14 discoveries made since Jubilee discovery
• 8 exploration wells were drilled during the year 2011.
• 6 of these resulted in oil, gas and condensate discoveries.

The Total Value of Crude Oil Exports was US$2.7 billion in 2011

Government estimates total Oil production for 2012 to be 90,000 barrels per day accruing to GH₵1,239.82 million at an average price of US$90 per barrel.

• Current associated gas production is 60 million cu/ft per day
  This is expected to increase to 250 million cu/ft per day by December 2014.

• Appx. US$10 to US$16 billion will be spent developing other discoveries within the decade

Source: Government of Ghana Budget Statement, 2012; GNPC
OPPORTUNITIES – OIL AND GAS SERVICES

- Dedicated shore base with a mini harbor
- Rig operations
- Logistics and Equipment supply
- Office accommodation for numerous oil service companies
- Helicopter and fixed wing aircraft transportation
- Supply boats, anchor handling boats, diving vessels, etc
- Telecommunications, weather forecasting, search and rescue facilities
- Restaurants, catering, vehicle rental, and security services
- Financial Services (Banking and Insurance Services)
- LNG pressure vessels
- Construction, installation, and commissioning of offshore structures
- Pipeline manufacturing from steel
- Welding and Joinery
Government’s major energy policy (electricity) - Universal access to electric power by 2020.

Current electricity penetration is 70% and 100% penetration is expected to be achieved by 2020.

Current Status is 1980 mw, and it is government’s policy to increase to 5000 mw by 2015.

To fill in the gap, government is encouraging Independent Power Producers (IPPs) in addition to the 400 mw Bui dam being developed by government.

There is still opportunity for IPP to fill the remaining gap which can be a combination of Thermal, Hydro and Renewable Energy.
INFRASTRUCTURE

Roads

Public Housing And Property Development

Rail Transport And Ports

HERITAGE TOWERS, ACCRA
SILVER STAR TOWER AREA, ACCRA
ACCRA-TEMA RAILWAY LINES
• Provision of efficient and effective mass transport facilities in all regions of Ghana.

• A total of **54,084km** of routine and periodic maintenance works to be undertaken in 2012 while **250km** of spot improvement works will be done. Projects to be implemented include:

<table>
<thead>
<tr>
<th>Road Name</th>
<th>Location (City)</th>
<th>Anticipated Partners’ Input</th>
</tr>
</thead>
<tbody>
<tr>
<td>The Kwame Nkrumah Circle Interchange Development Project in Accra</td>
<td>Accra, USD 45 million</td>
<td></td>
</tr>
<tr>
<td>The Ring Road Development Project in Accra</td>
<td>Accra</td>
<td>USD 25 million</td>
</tr>
</tbody>
</table>

*Source: Government of Ghana Budget Statement, 2012, Ministry of Roads and Transport*
PUBLIC HOUSING & PROPERTY DEVELOPMENT

Deficit = 1.5 million units
Annual Demand = 150,000 units; Annual supply = 50,000 units

Construction
- Residential (low cost housing, high rise luxury apartments, retirement villages)
- Industrial (light industrial parks, warehousing facilities)
- Commercial (regional shopping centres/malls, office accommodation, storage)

POTENTIAL PROJECTS FOR PRIVATE PARTNERSHIPS

1. **Physical infrastructure** (i.e. roads, water, electricity, drains, sewage systems, etc.) on 10,000 acres of land for the private sector participation in safe and affordable housing delivery countrywide.

2. Construction of 500,000 safe and affordable housing units for home ownership countrywide and rehabilitate, refurbish & maintain government buildings countrywide.

3. Build and rehabilitate 70million gallons per day water treatment plants countrywide.

*Source: Government of Ghana Budget Statement, 2012*
• Rehabilitation of existing railway infrastructure mainly tracks, bridges, signals and telecommunication systems (Western, Eastern & Central lines).

• Modernization of existing railway, expansion to cover whole country especially linking south to the north.

• Modernization of suburban railway services currently operating between Accra and Nsawam, expansion to other areas within Accra-Tema Metropolis using Diesel Multiple Units (DMUs).
PORTS PROJECT IMPLEMENTATION

• Expansion and modernization of Tema and Takoradi Ports – US$ 1.5 billion

• Creation of Inland Port at Boankra, near Kumasi

• Creation of river port at Buipe, Northern Region (on the Volta river)

Phase I: 2012
• Mineral Jetty
• Extended Breakwater
• Dredging Works

Phase II: 2012-2014
• Reclamation works
• Quay walls & Pavement

Type of Funding - GPHA + Private Funding
Agriculture

- Technological and support services: supply and installation of cold chain equipment, packaging, factory building technology
- Distribution services: post-production services in transport, packaging and cold vans
- Standards, training and certification; capacity building for management and market-oriented enterprises; market intelligence research, agricultural finance and insurance

- Production of agricultural inputs
- Storage facilities and haulage services
- Expansion of irrigation facilities
**Ghana has potential irrigable area of 346,000 hectares, 10,000 hectares has been developed**

- Large scale farming of crops
- Supply of machinery to establish hatcheries for day-old chicks
- Floriculture: cultivation of exotic flowers
TOURISM

- Hospitality services-- (multi-hotel resorts, single-hotel resorts, business hotels, lodges and inns, motels, hostels, camping sites)
- Food and Beverage Services
- Entertainment
- Leisure and Sports
- Shopping
- Meeting Facilities

- Tourist Information Shops
- Cultural Centers
- Tourist Transport Services
- Tourist Travel Services
- Tourism Financial Services
- Tourism Medical Services
- Training institutions for the Tourism sector

Moevenpick Ambassador Hotel, Accra

KINTAMPO WATERFALLS
- Food processing
- Cocoa processing
- Pharmaceuticals
- High value textiles and garments
- Wood processing and manufacturing
- Salt production and processing
- Manufacture of electrical and electronic products
SERVICES
(INFORMATION COMMUNICATION TECHNOLOGY )

Development of 2 Science and Technology Parks (STPs) in Ghana by 2015
Areas of focus are ICT, Biotechnology and Precision & Engineering

- Education: software development, networking, VSAT, telecom and IT Engineering
- Production of Business Solutions (software and networking services)
- Business Processing Outsourcing
- Supply of High-Tech Telecommunication Equipments
- Back Office Operations (especially for Financial Institutions)
- Telephony – rural and fixed lines
- Internet Service Provision Service
SERVICES – FINANCIAL SERVICES

Opportunities
- Venture capital companies
- Hire purchase companies
- Export finance companies
- Investment banks
- Mutual funds
- Investment trusts
- Savings and loans companies
- Universal banks
- Development banks
- Insurance companies
- Reinsurance companies
- Mortgage finance institutions
- Leasing companies
## Existing

<table>
<thead>
<tr>
<th>Educational Institutions</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary Schools</td>
<td>21,350</td>
</tr>
<tr>
<td>Junior High Schools</td>
<td>8,850</td>
</tr>
<tr>
<td>Senior High Schools</td>
<td>900</td>
</tr>
<tr>
<td>Public Universities</td>
<td>5</td>
</tr>
<tr>
<td>Private Universities</td>
<td>15</td>
</tr>
<tr>
<td>Tutorial Colleges</td>
<td>11</td>
</tr>
<tr>
<td>Theological Colleges</td>
<td>9</td>
</tr>
<tr>
<td>Public Polytechnics</td>
<td>16</td>
</tr>
<tr>
<td>Distant learning Centres</td>
<td>18</td>
</tr>
</tbody>
</table>

## Opportunities

- **E-Learning Services**
- **Private Tertiary education and Infrastructure services**
- **Publishing**
- **Technical & Vocational education**
The government is currently promoting Public Private Partnership which is key to the delivery of infrastructural and service development by:

• Leverage of public assets and funds with private sector resources from local and international markets.

• Facilitation of investment for private sector through the creation of an enabling environment for PPPs where value for money for government can be clearly demonstrated.

• Increasing the availability of public infrastructure and service and improve service and efficiency of projects

• Provision of a framework for developing efficient risk sharing mechanisms.
The Government of Ghana recognizes the importance of having a competitive investment environment and has therefore pursued a number of programmes in this direction. These are:

- Legal and Regulatory framework
- Policies to reduce the Cost and improve the Ease of Doing business
- Infrastructure Development
Legal and Regulatory framework for investment

A number of legal and regulatory laws have been enacted to improve the investment climate. These include:

• The Ghana Investment Promotion Centre Act 478.

• The Ghana Free Zones Act 504.

• The Minerals and Mining Law (Act 703)

• The Petroleum law, PNDC Law 188

• Security Industry Amendment Act, Act 590)
Improving incentive schemes for investors;

• New GIPC Investment Law before Cabinet

• Re-instatement of the Tourism Law, LI 1817

• Reduction of the corporate tax rate from 22% to 20% for all Hotel and Hospitality companies

• Tax holidays for companies listed on the GSE gone up by 5yrs
Programmes by Government to improve the business environment – cont’d

Policies to reduce the Cost and improve the Ease of Doing business

Some initiatives by Government include:
• Business registration automation by the Registrar General’s Department
• Electronic processing of duty exemptions through the GCNET platform
• e-Governance project
• Establishment of credit reference bureau
• Centralized Collateral Depository System
• Establishment of commercial courts
• Land Administration Project to ensure streamlined land acquisition procedures.
• Alternative Dispute Resolution Mechanisms
Programmes by government to improve the business environment—cont’d

Infrastructure Development

Government is keen on accelerating efforts to fill the country's large infrastructure gaps, consistent with the Ghana Shared Growth and Development Agenda (GSGDA). Some notable infrastructure projects earmarked by Government include,

- Accra Plains Irrigation Project
- Coastal Fishing Harbours and Landing Sites Project
- Tema-Akosombo-Buipe Multi-modal Transportation Project
- Western Corridor Gas Infrastructure Project
- Helicopter Surveillance Fleet for Western Corridor “Oil Enclave”
PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT— CONT’D

• Development of ICT Enhanced Surveillance Platform and Oil Enclave” Road Re-development for Western Corridor

• Western Railway Line Modernization

• Takoradi Port Rehabilitation/Retrofit

• Sekondi Industrial Estate

• Urban Rapid Transport System development
The government is currently promoting Public Private Partnership which is key to the delivery of infrastructural and service development by:

• Leverage of public assets and funds with private sector resources from local and international markets.

• Facilitation of investment for private sector through the creation of an enabling environment for PPPs where value for money for government can be clearly demonstrated.

• Increasing the availability of public infrastructure and service and improve service and efficiency of projects

• Provision of a framework for developing efficient risk sharing mechanisms.
INVESTMENT INCENTIVES AND GUARANTEES- PROVIDED UNDER GIPC ACT 478

- Custom duties exemptions for plant, machinery, equipments and parts thereof
- Graduated and reasonable corporate taxes
- Location incentives of between 25%-50% tax rebates for manufacturing companies
- Tax holidays ranging from 5-10 years depending on sectors

- Automatic immigrant quotas depending on paid-up capital
- Other attractive tax concessions such as accelerated depreciation for plants and buildings, five-year loss carry-over and R&D expenditure deductibility
- Relief from double taxation for foreign investors and employees where applicable
INVESTMENT INCENTIVES AND GUARANTEES-PROVIDED UNDER GIPC ACT 478

- Full repatriation of dividends and net profit attributed to investment
- Transfer of funds in respect of servicing of foreign loans
- Guarantee against expropriation (also enshrined in the Constitution of Ghana)
- Remittance of proceeds in the sale or liquidation of investment

INCENTIVES FOR STRATEGIC INVESTMENTS
For the purpose of promoting identified strategic or major investments, the Board in consultation with the appropriate agencies as the Board may determine and with approval of the President, negotiate specific incentive package in addition to the incentive provided under section 23 & 24 of the GIPC Act.
INVESTMENT INCENTIVES UNDER THE GHANA FREE ZONES PROGRAMME

• 10 year Corporate tax holiday and not more than 8% thereafter

• Immigrant quota for expatriate workers

• Free transferability of profits and dividends

• Guarantee against expropriation.

MAIN REQUIREMENT
Enterprises under the Free Zones Programme must export at least 70% of their products
CONCLUSION

Government has an unwavering commitment to the adoption of sound economic policies aimed at creating an enabling environment for doing business in Ghana.
Contact

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Ghana Investment Promotion Centre (GIPC)

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