

## ANNUAL COUNTRY PRESENTATION - SLOVENIA Investment opportunities and incentives in Ghana

Embassy Of The Republic Of Ghana  
And The  
Ghana Investment Promotion Centre

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## PRESENTATION OUTLINE

- Introduction - Location
- Ghana- overview
- Ghana's Competitive Advantages
- Why You Should Invest in Ghana
- The Ghana Investment Promotion Centre (GIPC)
- Key Opportunities
- Investment Procedures
- Investment Incentives and Guarantee
- Some Success stories
- Conclusion



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## LOCATION



Ghana is located in West Africa. It is bordered by Ivory Coast to the west, Burkina Faso to the north, Togo to the east and the Gulf of Guinea to the south.

Ghana is located between latitudes (4° 44'N and 11° 11'N) and longitudes (3° 11' W and 1 ° 11'E).



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## GHANA - OVERVIEW

- Ghana is a lower middle income economy and with a 2012 GDP of \$40.68 billion, it is West Africa's second-largest economy and market.
- Ghana's population is 25.28 million and comprises 11.67 million labour force. Over 60% are employed and 11% unemployment rate.
- Ghana has experienced strong and sustained economic growth over the last 10 years, with an average GDP annual growth rate of 6.5%; this includes the temporary slowdown to 4% in 2009 and the quick rebound to 14.4 in 2011.
- Ghana's strong economic growth has been accompanied by significant increases in FDI inflows into the country.
- From 2006 to 2010, FDI into Ghana increased at a compound annual growth rate of 41%, from \$636 million to \$2.527 billion. Over the last 2 years, there was tremendous increment of 46%, from \$2.527 billion to \$6.821 billion.
- Rank 3rd among top five recipient of Foreign Direct Investment into Africa for 2011 with US\$3.2 billion FDI inflows – World Investment Report (WIR) 2012.



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Economic Indicators	2011	2012
	Outturns	Reviewed
GDP (GSS)	GHC56.28 billion (US\$31.45 billion)	GHC73.1 billion (US\$40.86 billion)
GDP per capita(GSS)	US\$1,380	US\$1,570
Real GDP Growth	14.4%	7.9 %
GDP sector contribution		
•Agriculture	15.7%	22.7%
•Industry	36.2%	27.3%
•Service	48.1%	50.0%
Inflation	8.73%(average for 2011)	8.8 %(Average for 2012)
Reserves (Months of Imports Cover)	3.6 months (US\$5,474.6 million)	3.0 months (US\$ 5,348.9 million)

Source: 2013 Budget Statement, Ministry of Finance and Economic Planning/ Ghana Statistical Service

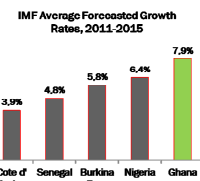


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## GHANA'S COMPETITIVE ADVANTAGES

- Ranked the most business-friendly environment in West Africa -World Bank.
- Sound Macro-economic and Political stability – one of the best in the sub-region.
- 14.4% economic growth in 2011, and forecasted 6-7% growth for next five years - IMF
- Generous investment incentives including tax holidays and customs exemptions.
- Ghana's unique geographically position as the closest country to the centre of the earth provides the capacity to develop a good hub for intra-African market.



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## WHY INVEST IN GHANA

### Political stability

Ghana has practiced a multiparty democracy since 1993 and recently saw a smooth transition of power to our current president H.E. John Dramani Mahama

- 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

### Macro-economic stability

Sound macroeconomic policies being implemented by the Government, giving birth for the first time in the economic history of Ghana, the achievement and sustenance of a single digit inflation rate for the longest period ever.

### Economic Resources

Ghana is richly endowed with human and natural resources which present numerous business opportunities in Oil and Gas, agriculture, manufacturing, tourism, energy, ICT among others.



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## PROMOTING PUBLIC PRIVATE PARTNERSHIP

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.



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## INSTITUTIONAL ARRANGEMENTS - GIPC

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

### Functions Include:

- Investment advisory services
- Joint venture search
- Identification of specific projects for investment promotion
- Grant of investment incentives and provision of investor support services
- Registration of technology transfer agreements
- Negotiation of Bilateral Investment Treaties



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## KEY SECTORS FOR INVESTMENT

- 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



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## OIL AND GAS SECTOR

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 is expected to be GHC 1.12 billion in 2013
- Total Oil production for 2012 was approx. 66,000 barrels per day accruing to GHC1,180.82 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, 2013;



## OPPORTUNITIES – OIL AND GAS SERVICES

- Dedicated shore base with a dedicated mini harbor
- Rig operations
- Logistics and Equipment supply (Supply boats, anchor handling boats, diving vessels, etc)
- Office accommodation for numerous oil service companies
- Helicopter and fixed wing aircraft transportation, vehicle rentals
- Telecommunications, weather forecasting, search and rescue facilities
- Restaurants, catering, 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



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## ENERGY

- Government's major energy policy (electricity) - Universal access to electric power by 2020.
- Current electricity penetration is 74% 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.



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## INFRASTRUCTURE

- Roads
- Public Housing And Property Development
- Rail Transport And Ports



HERITAGE TOWERS, ACCRA



ACCRA-TEMA RAILWAY LINES

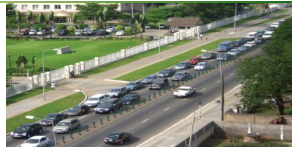


SILVER STAR TOWER AREA, ACCRA



## ROAD

- 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 while 250km of spot improvement works will be done.



Some major Road development projects to be undertaken include;

Road Name	Location (City)
The Kwame Nkrumah Circle Interchange Development Project in Accra	Accra
The Ring Road Development Project in Accra	Accra



Source: Government of Ghana Budget Statement, 2013, Ministry of Roads and Transport

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## 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 PUBLIC PRIVATE PARTNERSHIPS

- 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.
- Construction of 500,000 safe and affordable housing units for home ownership countrywide and rehabilitate, refurbish & maintain Prestige buildings countrywide.
- Build and rehabilitate 70mgd water treatment plants countrywide.

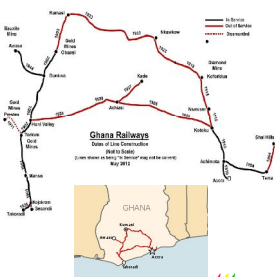
Source: Government of Ghana Budget Statement, 2013



## RAILWAYS

### Opportunities are available for Public Private Partnership (PPP)

- Rehabilitation of existing railway infrastructure mainly tracks, bridges, signals and telecommunication systems.
- 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).
- Rehabilitation of existing railway network – it aims at rehabilitating existing lines (Western, Eastern and Central lines).



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## PORTS PROJECTS 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 Bupe, Northern Region (on the Volta River)

- Mineral Jetty
- Extended Breakwater
- Dredging Works
- Estimated Cost: US\$150m

- Reclamation works
- Quay walls & Pavement
- Estimated Cost: US\$250m
- Master Plan Estimated Cost: US\$700m

Type of Funding - GPHA + Private Funding



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## AGRICULTURE

- **Technological and support services:** supply and installation of cold chain equipment, packaging, etc.
- **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 ( seeds, fertilizers).
- 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 (cereals, cash crops, etc)
- Poultry production, aquaculture, livestock,
- Feeds and fishmeal.



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## 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



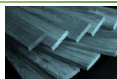
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## MANUFACTURING

Ghana's focus is on attracting private sector investors to set up processing and manufacturing plants in the following areas:

- Food processing
- Cocoa processing
- Pharmaceuticals
- High value textiles and garments
- Wood processing and manufacturing
- Salt production and processing
- Manufacture of electrical and electronic products



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## SERVICES - ICT

- Development of 2 Science and Technology Parks (STPs) in Ghana by 2015 (areas of focus are ICT, Biotechnology and Precision & Engineering)
- Education: software development, networks, 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)
- Internet Service Provision Service
- e-Governance project - to provide centralized information technology and e-services to MDAs as well as metropolitan, municipal and district assemblies.



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## SERVICES – EDUCATION

- Human development, productivity and employment are key thematic areas enshrined in the GSGDA 2010 -2013.
- It is Government 's policy to achieve universal primary education by 2015.
- In line with this, Government is implementing a strong policy of investing in people for job creation.
- There are therefore opportunities for the private sector to invest in the following areas:
  - E-Learning Services
  - Private Tertiary education and Infrastructure services
  - Technical & Vocational education
  - Schools for the physically challenged



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## INVESTMENT PROCEDURE UNDER THE GIPC ACT

### Step 1 - Registration with Registrar General's Department

Incorporate your company at the Registrar General's Department and obtain the following :

1. Certificate of Incorporation
2. Certificate to Commence Business
3. Company's Regulations

### Step 2 - Minimum Equity Contribution for foreigners

Compliance with GIPC Act 478 regarding minimum equity requirements either in Cash or in Kind as follows:

- **Joint Venture**  
US\$ 10,000.00
- **100% Foreign-Owned**  
US\$ 50,000.00
- **Trading Enterprises**  
US\$ 300,000.00

### Step 3 - Registration with GIPC

This process takes up to five statutory working days to complete, provided all documents are in order.

Registration with the GIPC entitles Investor to the Incentives and Guarantees under the GIPC Act 478



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## INVESTMENT INCENTIVES & GUARANTEES

- 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
  - US\$ 10,000 - US\$ 100,000 - 1 quota
  - US\$ 100,000 - US\$ 499,999 - 2 quotas
  - US\$ 500,000 and above - 4 quotas
- 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



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## INVESTMENT INCENTIVES & GUARANTEES

- 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.



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## SUCCESS STORY: THE OCTAGON PROJECT BY DREAM REALTY

- JV between Beirut-based **Jamil Ibrahim Establishment** and **Interplast Limited** of Accra
- Multi-use development centre and is revered as the foremost property of its kind in the capital city- and across the region
- 75,000 sq.m luxury office suites
- 200 rooms 5-star hotel
- 13 floors, 4 elevators
- 5 cinema theatres
- 700 employed in construction, 300 after completion.
- Located in Central Accra, 20 mins drive from the airport.



The center will have world famous branded shops and supermarkets, clinics, banks, governmental and nongovernmental agencies, travel bureaus, etc



- Key player in Ghana's agribusiness sector
- Established in Ghana in 1994
- 9 offices nationwide.
- Head office in Accra
- A leader in cocoa, cashew, rice, sugar, tomatoes paste, palm oil.
- \$55 million in wheat processing plant in Tema
- Best Taxpayer Award
- 650 Direct employment



- Has established a new 60,000 mt cotton ginning facility at Wa.
- 8,500 farmers engaged supplying them with inputs
- GHC300 million small loans to farmers



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## CONCLUSION

The Government of Ghana is Committed to the Adoption of Sound Economic Policies Aimed at Creating an Enabling Environment for Doing Business in Ghana



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## Contact us

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