

GHANA

New opportunities

Africa's Golden Gateway

Welcoming and business-friendly Ghana is using its newfound oil wealth to fuel other sectors, creating a better country for its people and an unbeatable destination for investors.

A beacon of transparency, stability and democracy in West Africa, Ghana is gearing up to ride the crest of a wave as it harnesses its newfound oil and gas resources to fuel growth in other areas of the economy.

Using its strategic location as the region's Golden Gateway and its vast natural resources that include cocoa and gold, the country is driving growth and impressive socioeconomic development in partnership with major international investors.

Ghana's booming economy, expected to grow beyond 13 percent this year, and sound fiscal policies are attracting increasing numbers of foreign partners. Foreign investment last year increased by a staggering 600 percent to \$761 million, up from \$109 million in 2009.

The beautiful country of 24 million people, which is bordered by Burkina Faso, Cote d'Ivoire and Togo, recently started to pump oil from the vast offshore Jubilee Field, which is estimated to contain around 1.5 billion barrels of oil. Industry experts expect Jubilee to generate as much as \$400 million this year, with a second offshore site found last September estimated to hold an additional 1.4 billion barrels.

President John Evans Atta Mills' business-friendly govern-



John Mahama
Vice President

tens of thousands of jobs and yield greater economic prosperity and business and investment opportunities for large sections of the rural population, not just those living in Accra, the country's thriving capital. Sectors that have been earmarked for investors include: oil and gas, information and communications technology (ICT), energy, tourism, agriculture and agri-business, infrastructure, real estate and manufacturing.

Pioneering spirit

A strong supporter of Ghana's trademark pioneering spirit, Vice President John Mahama explains how the government's sensible balance of economic wealth management and social development will prevent the country

and it didn't have any lessons to learn from.

"Ghana, on the other hand, can learn from other models, both good and bad. We will invest the oil wealth in other sectors to increase manufacturing and agriculture.

"I believe a lot of oil revenue should be invested in agriculture to create a new class of farming community: one that has a decent life, access to water, education, health facilities and at the same time produces sufficient food, not only to feed itself and the country, but also for export. Ghana will manage and manage well."

Reducing poverty

The country has already been one of the most successful in terms of meeting its United Nations Millennium Development Goals on poverty. As the National Development Planning Commission announced last September, Ghana is largely "on track to achieving its MDG 1 target, that is, reducing the proportion of the population living in extreme poverty by half.

As Mahama says: "We are exercising prudent management of the economy by keeping the deficit down, keeping inflation down and bringing interest rates as low as possible.

"We have been implementing

indigenous processing capacity and will help add value to our cocoa exports," Mahama observes.

"There is also a venture to put in place a gold refinery, to refine Ghana's gold before it is exported. I can also see the manufacturing sector picking up."

The government's private sector phase two program was launched the same day last December that the first oil was pumped at Jubilee Field, but despite being overshadowed in the news, the vice president is keen to point out it is probably one of the most important policies the current government has ever implemented.

"We are encouraging expansion now, and then will see how government can encourage development in these sectors in terms of access to credit and in terms of entrepreneurial training and several other such programs," he says.

Visit to Japan

The leading donor for around 20 years, Japan's capital and expertise has helped fund many impressive infrastructural projects in Ghana. Most of the country's steel bridges, for example, were built with Japanese official development assistance that opened up access to many parts of the country.

The Tema and Takoradi ports, the fishing harbor, and various highways have all come to fruition thanks to Japanese assistance.

After a visit to Japan last year, President Atta Mills expressed his delight with the restoration by the government of Japan of the yen loan portfolio to Ghana, which was canceled when Ghana went to Highly Indebted Poor Country status.

He also confirmed that links between Tokyo and Accra were stronger than ever, and that a number of Japanese businessmen had expressed extreme interest to invest in Ghana.

Mahama says: "The World Bank estimates we have a shortfall in infrastructure funding of about \$1.6 billion a year and with oil and gas as we can look forward



Ghana is a beautiful place to visit, with breathtaking landscapes and pristine beaches.

to increased revenues coming into the country.

"Japan's private sector should take advantage of the opportunities in Africa—it has the superior technology and Africa has one of the highest rates of return on investment in terms of profits.

"If you ask any of the telecoms companies that have invested in mobile telephony in Africa, they will tell you that the rate of return is 30-40 times higher than you will get anywhere else in the world, so I think this is an opportunity for Japanese investors to take advantage."

Increased confidence

Minister of Trade and Industry Hanna Tetteh remarks on how confidence has grown in the country since the oil discovery as it gives the economy another productive sector.

"The Ministry of Trade is, however, firmly focused on non-oil private sector development," she says.

"We are continuing consultation with different private sector companies, in IT, mining, manufacturing and financial services and will be working on different programs to strengthen and

develop these sectors further.

"We want to give incentives for the creation of more jobs. We want input from the private sector, to discover what they really need in terms of assistance and how we can help them more efficiently so we can fill the gaps and the shortcomings.

"Through the private sector development strategy, we will really grow outside the oil sector. "Overall, Ghana has always had access to minerals, particularly gold. We also have manganese, bauxite and iron ore, and diamond reserves that are relatively untouched and undeveloped. There is great potential for more of the mining sector to develop.

"We would also like to be the financial services hub for West Africa. Every year we see more and more multinationals setting up their West Africa offices here and it is very promising.

"Cocoa, in particular, has so much potential as a cash crop for the south and we would also like to revitalize cotton as a cash crop for the north.

"I think for every major business activity outside of South Africa, Ghana is a great choice.

We are politically stable and when there is a defeat at elections, the opposition party steps down with no issue. That is not something that normally happens in Africa!

"With all the political unrest around the world right now, Ghana is still strong and stable and I hope Japan will see this and start to invest more here."

Access to key markets

As a significant member of the Economic Community of West African States (ECOWAS), Ghanaian exporters and businesses enjoy privileged access to hundreds of millions of consumers in the wider region.

In addition, the government, through the Ghana Investment Promotion Centre, provides foreign investors with a broad range of tax and financial incentives, while small, medium- and large-size enterprises all benefit from strong and strictly enforced legal and regulatory frameworks.

With billions of dollars of public and private sector funding, both domestic and foreign, set to pour into Ghana in the coming years, the possibilities for growth and expansion in this progressive African nation are enormous.

"I believe oil revenues should be invested in agriculture to create a new class of farming community: one that has a decent life, access to water, education and health facilities and at the same time produces enough food for Ghana and export."

John Mahama, Vice President

"We are focused on developing private concerns in the non-oil sectors."

Hanna Tetteh
Minister of Trade & Industry

ment has pledged that these massive financial windfalls, which are eventually expected to reach \$1 billion a year, will ensure a "Better Ghana" for the current and future generation.

New facilities, which include hospitals, schools and homes, are being built, vital social projects and programs launched and business parks, export zones, transport infrastructure and state-of-the-art telecoms networks constructed.

Officials believe these huge levels of investment will create

from contracting the so-called "Dutch Disease", which denotes a decrease in price competitiveness, and thus the export, of the country's manufactured goods, as evidenced in the Netherlands' discovery of oil in the North Sea.

"I get a bit irritated when that stereotype is mentioned," the vice president says. "At the time Nigeria and other African countries discovered oil and gas, they did not know how to manage their oil revenues. For Nigeria in particular, it happened in the 1960s, shortly after its independence

an austerity budget to counteract the effects of the global recession and our economy and growth has gone up again, reaching 6.3 percent last year. In fact, we are on course to become the fastest-growing economy in the world this year."

Prosperity has been boosted considerably by the growth in private ventures across many sectors, especially agriculture and agro-processing.

"There are more cocoa processing factories being built, which has boosted foreign-owned and

Invest in Ghana: Africa's Golden Gateway to a safe and stable Investment Destination

Ghana is bursting with golden potential so it's not surprising that smart investors looking for new business opportunities, value-creating operations and higher sustainable returns consider Ghana a viable commercial prospect. The Ghana Investment Promotion Centre facilitates and supports local and foreign investors across all sectors to maximize options and help you grow.



OIL AND GAS



TOURISM



ICT



ENERGY



MANUFACTURING



AGRO AND AGRI BUSINESS



REAL ESTATE DEVELOPMENT



INFRASTRUCTURE



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Sweet taste of success

Ghana's high-quality cocoa beans are big business in Japan, which is why the government is keen to grow the agri-processing business and get more young people interested in tending the chocolate crop.

Employing more than half the population and accounting for almost half of gross domestic product and export earnings, agriculture remains Ghana's most important economic sector.

The country produces a variety of crops across its varied landscape of dry savannas and wet forests, including cocoa, yams, grains, oil palms, kola nuts and timber.

With agriculture driving the economy, government strategies are focused on increasing crop yields through better fertilizers, education, efficiency measures and the utilization of additional land, large tracts of which are available with fertile soil and a climate suitable for the production of many choice crops.

Ghana is therefore ready to harness foreign investment for pre-export processing as it strives to become a food exporter to the world.

Growth in the agricultural sector has averaged more than 6 percent in the last three years, with a total output of \$8.8 billion in 2010. The forecasts for this year are even more promising, as the sector looks set to rise by 6.2 percent.

A report by market intelligence firm Business Monitor International (BMI) even went as far as describing Ghana's food and drink industry as West Africa's most promising long-term prospect, on account of rising consumer spending. Per capita food consumption



Tony Fofie, Chief Executive
Ghana Cocoa Board



Dr. Kwabena Duffuor
Minister of Finance

has been forecast to reach consolidated growth of around 84 percent by 2015, with grocery retail sales slated to quadruple within that time.

The next step for Ghana's agricultural development, then, is value-addition, which will allow it to create a viable agri-processing industry.

Hot chocolate

The importance of cocoa, in particular, to the Ghanaian economy cannot be underestimated. More than 95 percent of the crop is exported, it constitutes 7 percent of GDP and a third of the value of Ghana's merchandise exports.

As the world's second-largest producer, after Cote d'Ivoire, cocoa is the commodity the government is keenest to develop and it is especially compelled to work with the Japanese in bringing the cocoa sector to its fullest potential.

There is a reason for this: some 70 percent of Japan's cocoa imports are from Ghana, illustrating the discerning Asian country's fondness for a high-quality product.

In fact, so adapted is the Japanese palate to chocolate from Ghana that there is a chocolate bar sold in Japan named after the West African country, while Japanese processors send a team to Ghana every year to discuss production and processing.

Maintaining growth

Minister of Finance Dr. Kwabena Duffuor, who has brought inflation down to single digits under his watch, is taking great strides to ensure the oil reserves are handled with great care, having put programs in place even before the oil started flowing to maintain the growth of Ghana's cocoa industry.

With this in mind, his ministry

is providing incentives, bonuses and stabilization funds to keep the cocoa industry growing and to ensure young Ghanaians are attracted to the industry rather than being lured away by oil.

"We started even before the bill was passed" the minister said. "We got the Ghana Cocoa Board to make sure that the production got to 1 million metric tons by 2012 and since then we have been experiencing increases in production.

"I do not have the figures yet, but this I wouldn't be surprised if we are able to hit 850,000 metric tons and if you look at the price we gave last year, it was over 75 percent free on board — the highest ever in Ghana's history.

"The idea was to motivate the farmers to take care of their farms properly and avoid us falling into the traps of other oil exporting countries by ignoring our non-oil sectors, and serve as a motivation to farmers to grow even more.

"We are paying cocoa farmers bonuses and have made social intervention into the cocoa industry so that the farmers will feel happy to be in the industry.

"We are doing lots of things in the agricultural sector because we do not want to see it going down because of oil. We have passed two bills that will help us manage our resources, what we refer to as the Stabilization fund and the Heritage fund. The Heritage fund is like an endowment fund, we put money to cater to the future generations, and the Stabilization fund would be used to manage the budget, so it is quite clear as to what we are going to do and will not fall to that trap, not at all.

"The Ghanaian economy is rising very fast, the Black Star is rising again, and this is the time Japanese people should move in and fly with the star."

Cocoa Board links with Japan

As chief executive of the government agency tasked with the production, research, marketing and quality control of the cocoa crop, Tony Fofie of the Ghana Cocoa Board takes his organization's relationship with Japan very seriously.

"We have a long track record with Japanese banks for taking out loans without defaulting on payments — that is when you build trust and that is not going to change," he says. "As we recover from the crisis, we have started making arrangements again and it is looking good."

The chief executive is of course mindful of Japan's own unique situation as it works to recover from the effects of the devastating earthquake and tsunami that struck earlier this year. "I sent a message to the Chocolate and Cocoa Association of Japan to express our sympathies," he says.

There is indeed a great deal of trust and knowledge-sharing between the two countries. Japanese delegates visit the Cocoa Board regularly to discuss quality control demands and resolve any problems face to face.

"If there are any challenges, we send our staff to Japan to take a look at what they want us to do," Fofie says. "They also need to understand where they are sourcing their beans from. They go to the offices and warehouses to see how we do things, and visit the Tema and Takoradi ports

to see how the cocoa is handled prior to export."

In line with Minister Duffuor's vision, Fofie believes it is crucial to get the younger generation engaged in cocoa production.

"We need to develop labor-saving devices and get young people out of the rural areas to work in the industry, to make it more attractive for them," he says.

"It is all linked to the overall development of the country, because you need running water, you need schools, and you need hospitals in those rural areas, and so we are trying to complement government efforts. The challenge of course is that we need more resources."

Avoiding overproduction

There is also the risk of overproduction. The country is pushing to produce 1,000 tons of the cash crop for 2012/2013, which will mean additional processing facilities, although not necessarily more farmers.

"What we have seen in developed countries is that productivity increases per farmer," Fofie explains. "This obviously increases competition, which is ultimately what we want.

"Our main objective is to produce to a certain level while maintaining our premium quality of cocoa bean. We will never compromise on quality because that is our advantage."

Despite having its sights set on conquering more overseas markets in Asia and Europe, the Cocoa Board is also looking to increase chocolate consumption on a local and regional level.

"We are having to send our cocoa outside to be processed without our farmers knowing

what the final product is! So one of our aims is to make sure that cocoa is processed here so that it can be consumed in our countries. But that does depend on middle growth, on a middle class having the disposable income to purchase chocolate. It is a luxury product here and we want to make it more affordable."

Marketing the brands

Meanwhile, the Cocoa Marketing Co. (Ghana) (CMC) is a wholly owned subsidiary of the Ghana Cocoa Board that has the sole responsibility for the sale and export of Ghana's high-quality cocoa beans.

It also sells some of the cocoa products from the Cocoa Processing Co. in Ghana to overseas destinations. The company had the same responsibility for coffee and shea nuts until 1991 when the internal and external marketing of the two commodities was privatized.

With its main office in Accra, and a branch office in London, the CMC is fully organized to receive bids from buyers for transmission to Accra for decisions.

At the Brand Ghana Strategy Conference in Accra earlier this year, senior presidential official Steve Obimpeh unveiled the government's plan to make Ghana "marketable and relevant in the world" through the Brand Ghana office, which is tasked with establishing a compelling image for Ghana throughout the world by creating, coordinating and harmonizing a persuasive brand.

The measures should go a long way in attracting sizeable investments into key sectors to boost growth, create jobs and raise the potential of every resource.

"We want to motivate farmers to take care of their farms and grow more produce."

Dr. Kwabena Duffuor
Minister of Finance and
Economic Planning

"We will never compromise on quality because that is our advantage."

Tony Fofie, Chief Executive
Ghana Cocoa Board

GHANA COCOA BOARD

GHANA COCOA The standard for quality

As the world's second-largest cocoa producer, Ghana Cocoa Board has never let cost get in the way of high-quality cocoa production, which is why we are the name on buyers' lips the world over.

Since 1947, we have encouraged and facilitated the production, processing and marketing of good quality cocoa, coffee and shea nut in all forms in the most efficient and cost-effective manner, and strived to maintain the best mutual industrial relations within these objectives.

Japan is one of our most important and valued partners. We send a strong message of support to our Japanese friends at this difficult time and look forward to strengthening our relationship further in the future.

Ghana Cocoa Board

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GHANA COCOA BOARD

Powering up to fuel growth

With the oil discoveries accelerating growth, Ghana is focusing on far-reaching electrification and transmission programs that will build a sustainable, efficient supply at home and beyond.

A vital component of Ghana's industrial and socioeconomic development, the energy sector has been undergoing a number of developmental initiatives to improve overall operational efficiency and supply security.

With an installed capacity of 1,960 megawatts of electricity made up of hydro and thermal facilities, Ghana needs to keep up with demand that, although currently at 1,400MW, is growing at about 10 percent every year. Officials have estimated the country needs an additional capacity of around 200MW in the medium to long term.

On a mission to electrify the whole country, update the existing infrastructure and become a net exporter of power, the Ghanaian government launched the Strategic National Energy Plan 2006-2020 to ensure sufficient, viable and efficient energy services.

According to Minister of Energy Joe Oteng-Adjei, head of what will be one of the most important government departments in the coming years, he has been learning from his counterparts in Nigeria and Angola how best to manage the new oil discoveries.

"We are doing things right from the beginning," he says. "For instance, those countries never had the local content law in place. It wasn't until later on they realized they had missed out. We want to start the industry right, with the local content rule, the



Joe Oteng-Adjei
Minister of Energy

strategy, policy, and legal action plans already done.

"We are also addressing potential development challenges and taking the proper environmental precautions."

In March, Ghana's Parliament passed the much-anticipated Oil Revenue Management Bill that will determine how the government manages and invests substantial energy revenues to secure the country's future for generations to come.

The new legislation, which was backed unanimously by members of Parliament, will provide Ghana with the opportunity to secure loans from foreign banks and financial institutions against future oil revenues. The discovery of the oil fields has led to the rapid expansion of Ghana's upstream, midstream and downstream oil and gas industry.

The government owns 100 percent of the gas byproduct of the oil reserves, which will



Charles A. Darku
Chief Executive, GRIDCO

become increasingly important as Ghana's power needs grow.

Building capacity

Electricity generated by hydropower, mostly from the Volta River, is the dominant energy form used in the industrial and services sectors, accounting for 69 percent of energy use.

Its generation and supply provides an important source of foreign exchange earnings for Ghana as it is exported to other countries in the region.

For Minister Oteng-Adjei, the goal is to have 10 percent of Ghana's generation capacity from renewable sources, such as solar and wind, within 10 years: "The Volta River Authority's challenge now, and I have seen they are already working with partners on this, is to put in generation capacity from wind sources or solar or both.

"Their first project will generate 5MW, in a mixture of wind

and solar. By the time we have exhausted the hydro system, we can move to dry gas, which is much cheaper. We can also use that gas to manufacture fertilizers."

Ghana is also a key member of the West African Power Pool (WAPP), an organization that aims to integrate the national power system operations of all Economic Community Of West African States (ECOWAS) members into a unified regional electricity market, thus ensuring citizens a stable and reliable electricity supply at affordable rates.

WAPP will also create a level playing field facilitating the balanced development of diverse energy resources of ECOWAS member states for their economic benefit, through long-term energy sector cooperation, unimpeded energy transit and increasing cross-border electricity trade.

Volta River Authority

Ghana's electricity generation is undertaken by the state-owned Volta River Authority (VRA), which operates the Akosombo Hydro Power Station, Kpong Hydro Power Station and the Takoradi Thermal Power Plant (TAPCO) at Aboadze.

VRA is also a minority joint partner with TAQA, a private-sector company that owns and operates the Takoradi International Co. (TICO) thermal power plant also located at Aboadze.

Bui Power Authority (BPA), another state-owned entity, is charged with the implementation of the Bui Hydroelectric Power Project. In addition, independent power producers (IPPs)

have been licensed to build, own and operate power plants.

The IPP projects are at various stages of development. This is a major source of opportunity for Japanese investors.

As the power behind Ghana's electricity, VRA is transforming itself from an exclusive producer of hydropower to a provider of renewable sources, such as wind, solar and thermal, looking to generate 110MW in renewables over the next couple of years.

Currently providing 60 percent of the country's electricity needs from its Akosombo and Kpong stations on Lake Volta—the biggest manmade lake in the world — VRA has been a vital part of Ghana's development, having constructed pipelines at the Tema and Takoradi ports, and the almost-complete West African Pipeline, which will bring natural gas from Nigeria at a rate of around 3.5 million cu meters per day.

Increasingly competitive

Valued at around \$1 billion, the company is hoping to sell off between 20 and 30 percent of its shares to raise \$300 million, which will allow it to stand up to increased competition and undergo expansion.

Its main mission is to add 1,000MW to Ghana's energy mix over the next three years in order to achieve the government's goal of 5,000MW for the whole of Ghana.

"The challenge we face now is that the big hydro resources have been used," VRA's chief executive Kwaku A. Awotwi explains. "Thermal power is the next best option because you can build very large pods, whether you run them on crude oil or diesel.

"We have already built 500MW in Takoradi and 250MW in Tema. The West African Gas Pipeline Project will replace higher-cost liquid with lower-cost gas. While we will get 123 million cu feet per day of gas, which is quite substantial, we still need another 80 or 90 to power all the other units that run on crude and diesel."

VRA is also on schedule to build its first renewable energy site this year, in what will be a brand new direction for the company.

"We have acquired land in the north and have already started the process of getting owners, engineers and consultants

involved. We are going to launch a tender for the solar part soon and intend to build four sites. Wind requires a one-year study, so have carried out a tender for a partner and expect to start that project imminently."

For Awotwi, the greatest potential for the savvy Japanese investor will be in gas infrastructure, however.

"As the country grows and needs power plants, gas is the ideal fuel. We understand there is quite a lot of gas offshore, not just in Jubilee, but also in the adjoining field," he says.

"There are fertilizer plants, industrial chemical plants, all kinds of processing plants and pipelines that will need gas. Ideally, with billions of dollars injected, one can see the scenario that over the next five to 10 years, there will be a sophisticated gas infrastructure to meet all the requirements of Ghana and the members of the West African Power Pool."

GRIDCO

Ghana has an extensive transmission system that covers all regions of the country. Transmission infrastructure has, however, deteriorated over the years, resulting in transmission bottlenecks, overloaded transformer sub-stations and high system losses.

The National Interconnected Transmission System (NITS) for electricity is owned and operated by the state-owned Ghana Grid Co. (GRIDCO). Although government does not allow the private ownership of transmission lines, there are large opportunities for investment in equipment and consultation. GRIDCO's ongoing challenge is staying ahead of demand. The company is heavily involved with the Bui Dam project.

Describing itself as "a young company with high aspirations", GRIDCO is a state-run monopoly run as a private company that is committed to Ghana and the region's development.

The leader in its field, GRIDCO promotes competition in Ghana's wholesale power market by providing transparent, non-discriminatory and open access to the transmission grid for all players within the energy market, particularly power generators and bulk consumers.

In addition to providing trans-

mission for the electrification of Ghana, GRIDCO has a 45-year history of providing power to Togo and Benin.

As it continues to expand and provide transmission, GRIDCO's reach will eventually span from Nigeria via the WAPP, all the way up to Dakar in Senegal. Ultimately, the company wants to be considered on the same level as some of the greatest and most respected power transmission companies in the world.

Backbone of economy

With the structure, the knowledge and the team available, chief executive Charles A. Darku is determined his company has the necessary ingredients to make this vision a reality: "We are the backbone really. If we don't get robust delivery, rural communities will not be helped."

Because of the way the sector is structured, Darku explains that direct investment will come in from the power generation side.

"There have been a number of potential independent power producers seeking Japanese funding for their projects," he says. "Partnership opportunities also exist in transmission with equipment, consulting and maintenance.

"Japan is an ideal country to take a leadership role in the development of the generation side given their technical expertise and decades of experience. We have equipment in our network that was originally manufactured by Japanese firms, and we go back to them for spares, modernization of specific equipment and things like that.

"We take the view that oil and gas will fuel Ghana's economy in a positive way and that will fuel higher levels of consumption, so we are working with our partners in generation and distribution to be able to evaluate the power that these new plants will generate.

"The oil and gas discoveries are currently on the west side of the country, where there are likely to be more generation sites built. But the main generation center is here in Accra/Tema and Kumasi, so we have to reinforce the network to deliver the power to the west and the east.

"We see the Japanese playing a leading role in the sector. And we, as a company are preparing to keep up with the power."

"We envisage having a sophisticated gas infrastructure within the next 5-10 years."

Kwaku A. Awotwi
Chief Executive, VRA

"If we don't get robust delivery, the rural communities will not be helped."

Charles A. Darku
Chief Executive, GRIDCO

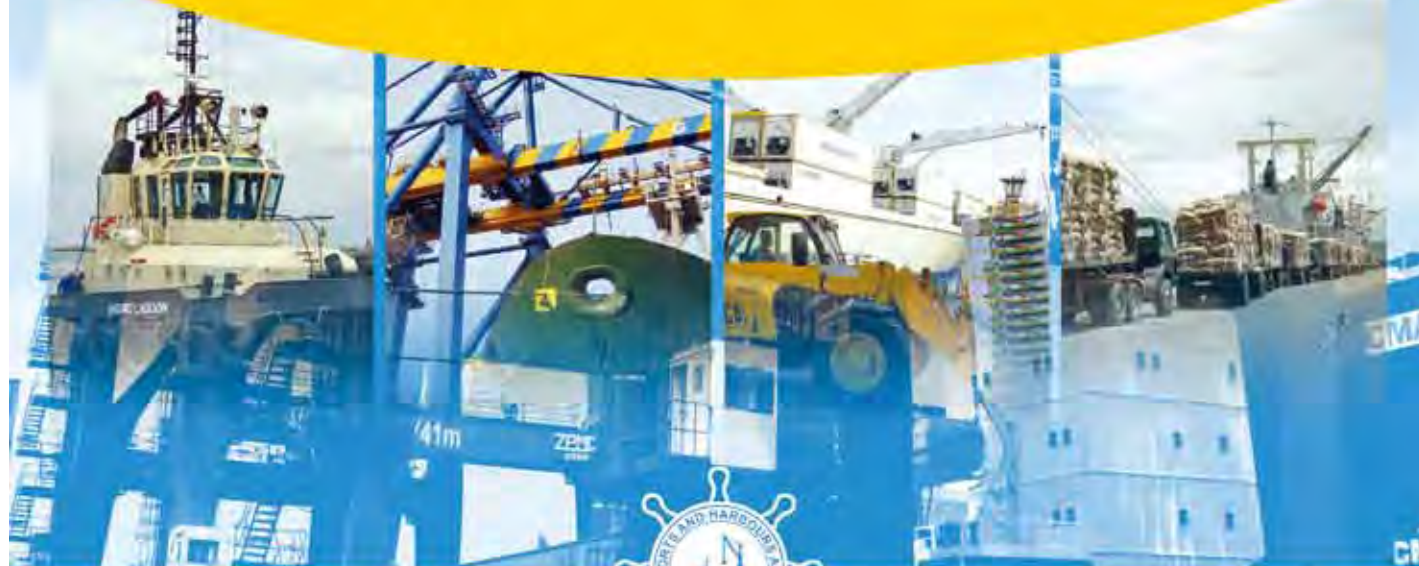
GHANA PORTS & HARBOURS AUTHORITY



Access Africa

On course to make Ghana the maritime hub of West Africa, the Ghana Ports & Harbours Authority (GPHA) is gearing up to undertake major infrastructural works with the help of interested parties that will accommodate the oil industry while offering competitive rates for those wishing to do business in its highly efficient ports.

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VRA: Adding Value to Lives



Over the last half-century, Volta River Authority (VRA) has increased power generation capacity from 558 MW to 2,000 MW, driving Ghana's socioeconomic development and the power market in the West African subregion.

Today, VRA operates a 60/40 hydro/thermal mix and continues to explore cleaner, cheaper and renewable sources such as gas, wind and solar energy to meet Ghana's growing power needs.

For Inquires and Investment Opportunities:

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**VOLTA RIVER
AUTHORITY**

Wide open for development

Ghana's reputation for competitive business rates is gaining ground on a global level, as it cuts red tape and earmarks major infrastructure projects to help trade and commerce.

As one of Africa's most secure investment destinations, Ghana offers a wealth of strong advantages. Not only does it have a stable, multiparty democratic environment, but it has demonstrated its commitment to the philosophy and practice of market liberalization policies.

Investor confidence in the country's economy can be witnessed by the major successful investments in most sectors of the economy, particularly the mining sector.

President John Evans Atta Mills has committed himself to creating a "Better Ghana" by the end of his tenure in office. The essence of this vision is to energize the private sector to allow it to serve as the motor from which economic growth is fueled, thereby improving quality of life for every Ghanaian.

This mandate has found expression not only in closer collaboration and partnership with the private sector but also the mobilization of funding to the latter. In line with this vision, the government has created a special project called the Private Sector Development (PSD) with a challenge to facilitate the development and growth of a competitive and vibrant private sector and also to help reduce the cost of doing business in Ghana.

As well as its wealth of natural resources, there is also plenty of low-cost labor available in Ghana, as well as a good supply of trained and trainable staff. What's more, Ghanaians are known throughout the continent for their warmth and friendliness.

President Atta Mills' progressive government is also in the process of establishing export free zones and factory-specific export processing zones for existing firms, as well as emerging bank and non-bank financial institutions. There is also a stock exchange and other emerging financial markets.

Resource rich

Ghana's wealth of resources remain a draw for investors. It is the home of gold, diamonds, manganese, limestone, bauxite, iron ore, as well as various clays and



George Aboagye
CEO, GIPC

granite deposits. In 2008, Ghana produced 2,994,610 ounces (about 85,000 kg) of gold and 599,007 carats of diamond and is the second-largest producer of gold in Africa.

The country also boasts extensive forests — 11 percent of the country is forest, in fact — which are arguably the best managed in West Africa, with 252 permanent forest reserves in the rain forest zone alone. It is also the third-largest producer of timber and the second-largest exporter of wood and wood products in Africa, and has rich marine fishing resources, including tuna and game.

It is also a beautiful place to live and visit, with breathtaking landscapes, inviting sunshine,

"Facilities need to be made available to Ghanaian entrepreneurs."

George Aboagye, CEO, GIPC

pristine beaches, exotic wildlife and exciting national parks and game reserves.

Making business easy

Ghana still receives ongoing donor and government support for infrastructure development, particularly electricity and water supplies, transport and communications, and enjoys quota-free access to the U.S. and EU markets.

In recent years, strong private-sector advocacy groups, such as the Private Enterprise Foundation and the Private Sector Advisory Group, have been set up.

The Ghana Investment

Promotion Center (GIPC) is the entity tasked with helping investors. Having selected oil and gas as their priority sector for this year, they are focusing on ancillary businesses, such as refinement and petroleum products as well as transport, energy and infrastructure.

To encourage investors, the government agency has cut the time it takes to apply for a business license by 40 percent to between three and five days, and reduced the costs of registration by 60 percent, to \$500.

"Every investor is key and if we are able to reduce costs and timescales of doing business here then we will get more investors on board. The major challenge is to get the private sector locked into the idea of development," says George Aboagye, CEO of GIPC.

"We have banded around the notion that the private sector is the engine of growth for any country to develop effectively. Whichever way we look at it, the local content is critical and that has been legislated upon when it comes to oil and gas, and then also in investments."

Taking things one step further, the GIPC is introducing a new law to establish a threshold for local participation in any partnership or joint venture.

"Even if we used these instruments to try and foster Ghanaian entrepreneurship, we still need the funds, so I think somewhere along the line, facilities need to be made available to Ghanaian entrepreneurs to be able to participate fully in the international business arrangements," Aboagye says.

"There is immense respect and high regard for the Japanese interest in Ghana. We are ready to continue to develop partnerships with Japan this time, developing critical sectors of our economy so that both countries benefit."

Promoting trade

The promotion of trade with other developing countries, par-

ticularly sister African countries, continues to be a major concern in the endeavor to enlarge Ghana's global market and enhance South-South cooperation.

To meet the challenges posed by the changing domestic and international trade environment, the government is pursuing proactive policies designed to create conditions for the renewal of Ghanaian industry and commerce, particularly to spread some industry to the more rural parts of the country so people do not have to migrate to the cities to work.

One major policy measure being employed for the achievement of accelerated and sustainable growth is the Ghana Trade and Investment Gateway Program, which seeks to promote foreign direct investment and to establish Ghana as a major manufacturing, value-added, financial and commercial center in West Africa.

To propel the economy to new heights in an increasingly competitive global terrain, Ghana is resolved to attract sizeable investments into its key economic sectors to boost growth, create jobs and put every idle resource to work.

A recent disclosure by the Ghana Statistical Service revealed the size of the country's economy had been previously understated, by as much as \$13 billion. Now, with \$30 billion worth of production and consumption taking place in the economy, the scale of investment opportunities has been expanded immensely — adding to the already vast, underutilized pool of resources.

Ghana Ports and Harbours

As a strategic location for communication facilities in terms of international commerce, Ghana is rapidly becoming a maritime trading hub for the whole subregion.

In recent years, its two main ports — Tema in the east and 30 km away from Accra, and Takoradi in the west and approximately 230 km away from Accra — have seen growing volumes of cargo passing through.

With bigger and better facilities being phased in by the Ghana Ports and Harbours Authority (GPHA) and with the central government offering new incentives for trade, more and more shippers



Visitors to Ghana can enjoy lush landscapes and exotic wildlife.

are discovering the benefits of Ghana as a regional hub.

With its central location in the subregion, Ghana has stolen a march on its neighbors by offering a wider range of maritime services than ever before — and delivering those services quickly and cost-effectively.

To facilitate this growth there has also been a general improvement in Ghana's infrastructure and facilities, including road, rail and air transport, as a result of new investment, although more is needed.

The government-driven Gateway Project is helping Ghana to position itself as an ideal base in the region for international trade and investment. Ports and shipping lines will be instrumental in the country's growth and modernization.

Heart of the economy

With 90 percent of Ghana's trade passing through its ports, which amounted to more than 13 million tons of goods last year, the GPHA is at the heart of the economy.

It is also very important for landlocked countries of the region, providing vital trading routes, along with other ports in

the area.

As a key component of the cocoa industry and other important export commodities, GPHA, which manages the Tema and Takoradi ports, is currently undergoing a transition from an operational role to that of regulator, as privatization gets under way. Staff at Tema handled 1,652 vessels last year, with an average turnaround time of three days, while Takoradi dealt with some 53,041 cargo units.

About 90 percent of the cargo handling operations are now handled by the private sector. In order to meet the challenges and remain competitive, the ports need funding for infrastructure, not only at the ports themselves, but also for the integrating road and rail system that will enable goods and people to move more easily around the country.

"We need deeper docks at the port, we need to dredge to take bigger vessels, we need to modernize some of the infrastructure and we need to build container ports and larger transit berths," says Nestor Percy Galley, director

general of the GPHA. "And then, from the ports, the road, rail and lake transports to the northern part of the country are vital for us to serve the region."

"Water transport is the cheapest, so if Lake Volta is developed, much of the cargo can move onto the river, which will push down the cost per unit significantly for the landlocked countries. Rail is also important, and both these measures will eliminate environmental problems, reduce road accidents and drive out money extortion on various routes."

The Japan International Cooperation Agency (JICA), which helped a lot with the ports' rehabilitation in the 1990s, is now on board again, and Galley is hoping other Japanese investors will enter to provide more assistance.

"The challenge we face is not the technical side but the financial side," he says. "We are looking at donor or bilateral relations between Japan, China and other Asian nations and there are also private entities showing interest."

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