PRESENTATION AT THE GHANAIAN DIASPORA BUSINESS SUMMIT

DATE: 6TH SEPTEMBER 2013

PLACE: INT’L CONFERENCE CENTRE, ACCRA.

BY: GHANA INVESTMENT PROMOTION CENTRE

PRESENDER: DR. RICHARD ADJEI
(PRINCIPAL INVESTMENT PROMOTION OFFICER)
THE TOPIC

Investment Opportunities And Incentives In Ghana
Presentation Outline

- GIPC
- Why you should invest in Ghana
- Economic Performance Indicators
- Ghanaian Diaspora Investment Participation in Ghana (Financial, Economic, Technical, Social etc)
- Key Opportunities
- Investment Procedures
- Investment Incentives and Guarantee
- Conclusion
THE 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.

Our 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
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.
## Economic Indicators

<table>
<thead>
<tr>
<th>Economic Indicators</th>
<th>2011 (Out-turns)</th>
<th>2012 (Reviewed)</th>
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<tbody>
<tr>
<td>GDP (GSS)</td>
<td>GHC56.28 billion (US$31.45bln)</td>
<td>GHC73.1 bln (US$40.86 bln)</td>
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<td>GDP per capita (GSS)</td>
<td>US$1,380</td>
<td>US$1,570</td>
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<td>Real GDP Growth</td>
<td>14.4%</td>
<td>7.9%</td>
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<tr>
<td>GDP sector contribution</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Agriculture</td>
<td>15.7%</td>
<td>22.7%</td>
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<tr>
<td>• Industry</td>
<td>36.2%</td>
<td>27.3%</td>
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<tr>
<td>• Service</td>
<td>48.1%</td>
<td>50.0%</td>
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<tr>
<td>Inflation</td>
<td>8.73% (average 2011)</td>
<td>8.8% (Average 2012)</td>
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<tr>
<td>Reserves (Months of Imports Cover)</td>
<td>3.6 months (US$5,474.6 mln)</td>
<td>3.0 months (US$ 5,348.9 mln)</td>
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*Source: 2013 Budget Statement, Ministry of Finance and Economic Planning/ Ghana Statistical Service*
Remittances flow to sub-Saharan Africa reached about $31 billion in 2012.

Nigeria was the largest recipient (67%) of the inflows to the region in 2012, followed by Senegal and Kenya.

Ghana’s receipts amounted to $1.87 billion in 2012, according to the Bank of Ghana.

The private inwards transfer saw a growth of 4.9% from 2011, the BoG said mid-February 2013
Diaspora Investment Participation (Economic)

- Private Direct Investment
- Investment in Businesses
- Socio-Economic Investments
Diaspora Investment Participation (Technical)

- Scientific
- Technological
- Research
Diaspora Investment Participation (Social)

- Old-boys & Old-Girls
- Community development
- Health-care
- Others
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
What is the African Diaspora Marketplace? (ADM)

By International Diaspora Engagement Alliance on May 15, 2013 | Entrepreneurship • Innovation

Transcript

• The African Diaspora Marketplace (ADM) was launched in 2009 by the US Agency for International Development (USAID), Western Union and the Western Union Foundation. Their aim is to identify and support entrepreneurs seeking to launch business ventures in Africa that could contribute to long-term economic growth. In two ADM business plan competitions, 31 entrepreneurs were awarded a total of $2 million in matching grants and technical assistance to further their ventures. USAID and Western Union have built on ADM’s success by developing relationships in the US and Africa that contribute valuable resources to ADM participants. These relationships expand the impact African diaspora entrepreneurs can have in the marketplace and improve the production and marketing of goods and services on both sides of the Atlantic. This approach gives ADM awardees access to our partners’ services such as financial resources, research and technical assistance and connections to local African businesses.
What is the African Diaspora Marketplace? (CONT’D)

• Chinwe Ohajuruka is an architect who flies between her base of operations in Columbus, Ohio and her project in Port Harcourt in Southeastern Nigeria. Her company, Comprehensive Design Services (CDS), is building its first green residence in Africa – a home that is bio-climatically designed to be comfortable, utilize solar energy and to convert domestic waste to produce bio-gas for cooking.

  “Because of the ADM competition I have been able to make connections with two fairly significant partners for scaling up the project. I have met with a large insurance organization that is interested in providing affordable housing for their lower income staff that uses renewable energy. I’ve also had a discussion with Greater Port Harcourt City Development Authority who is interested in collaborating with CDS for providing low-income housing with renewable energy.”
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
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.
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 The Ring Road Development Project in Accra.  
(Source: Government of Ghana Budget Statement, 2013, 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 PUBLIC 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 Prestige buildings countrywide.

3. Build and rehabilitate 70mgd water treatment plants countrywide.

*Source: Government of Ghana Budget Statement, 2013*
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
  - Ghana Commercial Agriculture Project
- Large scale farming of crops (cereals, cash crops, etc)
- Poultry production, aquaculture, livestock,
- Feeds and fishmeal.
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

KINTAMPO WATERFALLS
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
- Others
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.
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
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.
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
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

SPECIAL 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.
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.

Just jump and grasp your portion and play it out.

To succeed in business you need three things:

(1) You need to be focused on your business;
(2) You need to persevere in the face of adversity;
(3) You need to think creatively to solve problems that you will face."
At The End

THANK YOU DEARLY
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