



Investment Opportunities G20 Compact with Africa

COUNTRY CONTEXT

Connectivity—Mobile—liberalized and thriving telephony space (Penetration-Feb. 2017: mobile voice—139.1% and mobile data—69.9%. Internet—fast progressing ICT (27.8% penetration)

Electricity—access to electricity is over 80%.

Best Place for Doing Business in West Africa—Strong resource-driven exports, dynamic economy and maturing democracy and good governance makes it one of Africa's leading lights. Endowed with young, skilled and trainable labor.

Political Stability—Well established democracy and respect for rule of law. Ranked 2nd in West Africa on the global peace index. One of the most stable countries in Africa since its transition to multi-party democracy in 1992.

Attractive Tax Regime and Investment—Corporate Income Tax of 25%. Locational incentives (tax rebates) for manufacturing industries. Investment protection—MIGA membership, Double Taxation Agreements

Business Friendly Investment Climate—Investment Promotion Centre to facilitates investments. 100% foreign-owned businesses permitted. Investment laws that protect investors against expropriation

Good Infrastructure—Energy—accessibility is over 80% with a mix of hydro, thermal and solar; Harbors—one of West Africa's largest ports (Tema) and is centrally located in the sub-region; Transportation—an extensive international airline network and good and growing network of trunk roads; and fast progressing ICT.



KEY FACTS

Languages	English (official)
Currency	Ghanaian Cedi (GH¢)
Government	Presidential Republic
Land area	238,537 sq. km
Coastline	540km
Major urban areas	Accra, Kumasi, Sekondi-Takoradi, Koforidua
Population	28.31 million
Literacy rate (2012/13 est)	56.3%
GDP (2016 est)	\$42,676 million
GDP Growth (2016 est)	3.5%
GDP per capita (current, 2016)	\$1,507
Natural resources	Arable land—20.7%, gold, oil and gas, manganese, bauxite, diamond, clay, salt and limestone



COMPACT MEASURES

MACROECONOMIC FRAMEWORK

Restore and sustain macroeconomic stability:

- Continuing fiscal consolidation efforts;
- Strengthening domestic resource mobilization;
- Improving public investment management.

BUSINESS FRAMEWORK

Improve overall global competitiveness by creating a conducive investment climate.

- Shifting the focus of economic management from taxation to production.
- Improving the efficiency of business administrative procedures.
- Implementing formal channels for regular Public-Private Dialogue.

FINANCING FRAMEWORK

Strengthen and deepen the domestic financial market for efficient financial intermediation and facilitate financial inclusion by:

- Deepening the domestic capital market;
- Positioning Ghana as a regional financial service center;
- Leveraging private capital for infrastructure projects;
- Focusing on infrastructure finance with particular attention to improving the regulatory and institutional framework.



OPPORTUNITY ENERGY

Background

- The government's energy policy is embodied in the Strategic National Energy Plan 2006-2020. The policy aims to develop a sound energy market that would provide sufficient, viable and efficient energy services for Ghana's economic development
- Total installed capacity of over 3,800MW, with electricity accessibility above 80%.

Relevant institutional/policy changes and challenges

- Unbundled energy sector (separation of generation, transmission and distribution). This has led to viable Independent Power Producers (IPPs) in the market
- Established active institutional, legal and regulatory framework;
- Ongoing restructuring of the energy sector debt;
- Focus on renewable energy and energy efficiency; and
- Introduction of concessions in electricity distribution sector to enhance efficiency and quality of service.

Specific investment opportunities

- Increase penetration of renewable energy in the energy mix, to achieve at least 10% of the generation mix by 2020;
- Manufacturing of prepaid meters, cables and PV solar panels;
- Potential hub for the manufacturing of equipment for the transmission and distribution of electricity cables, and transformers for the region
- Development of mini-grid systems in off-grid and island communities for lighting, irrigation and other activities.



OPPORTUNITY

AGRICULTURE & AGRIBUSINESS

Background

- The Agriculture sector remains the bedrock of sustainable development, contributing over a quarter percent of GDP and providing jobs and livelihood to over half the population with approximately 300,000 hectares of irrigable land accessible.

Relevant institutional/policy changes and challenges

- The strategy is to pursue value-addition, aimed at rapidly ramping up agro-processing and the development of new and stable markets

Specific investment opportunities

- Agriculture Mechanization
- Value chain opportunities - e.g. rice, tomatoes, poultry, sugar, ethanol
- Agro-processing - cashew, cotton, soya, rice, oil palm, coconut
- “1 Village 1 Dam” project
- “1 District 1 Factory”



OPPORTUNITY

INTEGRATED ALUMINIUM & PETRO-CHEMICAL INDUSTRIES

Background

- Ghana has since 1962, been contemplating the establishment of an integrated aluminium industry, using its natural resources in bauxite, hydro, gas and its existing smelter (Valco).
- The current estimate of deposit at Kyebi is 180 million metric tonnes and Nyinahin is 792 million metric tonnes.
- Petro-Chemical industry to complement oil & gas.

Relevant institutional/policy changes and challenges

- A number of feasibility studies have been conducted in the area

Specific investment opportunities

- Development of the bauxite mines which are located in Awaso, Nyinahin, and Kyebi
- Establishment of a refinery at one of the bauxite site,
- Construction of a dedicated power plant to provide reliable and affordable source of power for the smelter;
- Development of a rail way infrastructure between the mines and Tema; and
- Establishment of industrial parks dedicated to the manufacturing of aluminium related products and petro-chemicals



OPPORTUNITY FINANCIAL

Background

- Ghana's financial system is skewed towards the banking sector with insurance and pension at nascent stage.
- Although domestic capital market is promising, it is thin with corporate bonds virtually non-existent.
- Penetration remains low in the insurance sector. Pension funds industry has been growing rapidly on the back of the recent reforms but with the bulk of the assets in government securities and term deposits.

Relevant institutional/policy changes and challenges

- The passage of the new Securities Industry Act, 2016 (Act 929) has provided for a stronger regulatory framework that supports the facilitation of securities market development.
- The launch of the Ghana Alternative Market (GAX) provides a platform for companies with growth prospects to raise long-term capital.
- The Venture Capital Trust Fund (VCTF) has invested in 50 Ghanaian SMEs and has promoted indigenous local VC Fund Managers to take equity positions in Ghanaian SMEs.
- Need to promote long-term finance and diversify the financial sector from traditional reliance on credit financing and also to address deficiencies in the regulatory and supervisory framework.

Specific investment opportunities

- Ghana Venture Capital Trust Fund to create instruments and leverage foreign private capital for long term financing
- Ghana Infrastructure Fund to provide a vehicle for infrastructure finance including railways, airports and commercially viable roads, etc.
- Investment funds to support industrial expansion, and the promotion of scientific research to support industrial competitiveness
- Improve financial infrastructure by building an electronic database / portal for the financial sector (including Securities and Exchange Commission, National Pensions Regulatory Authority, National Insurance Commission, Bank of Ghana, etc.)
- Development of domestic capital markets, and strengthening the supervisory capacity of regulators in the insurance, pensions and capital market



PARTNER SUPPORT FOR THE REFORMS

- Enact and update laws impacting the private sector (PPP law, Companies Act, GIPC Act);
- Implementation of virtual one stop shop.
- Update laws to support financial sector development; introduce new financing instruments including de-risking for private sector; and 2nd generational development of the domestic capital market.
- Develop a pool of bankable projects to be financed under the public investment program.
- Support the development of standardized/model sector specific concession agreement for the implementation of projects.
- Develop, strengthen and promote the growth of local entrepreneurship and employment and skills training

CONTACT INFORMATION

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Others

Ministry of Trade and Industry, Ministry of Finance (Public Investment Division), Public Utilities Regulations Commission, Energy Commission, Export Promotion Authority, Petroleum Commission, Minerals Commission