

INVESTMENT & BUSINESS OPPORTUNITIES IN GHANA

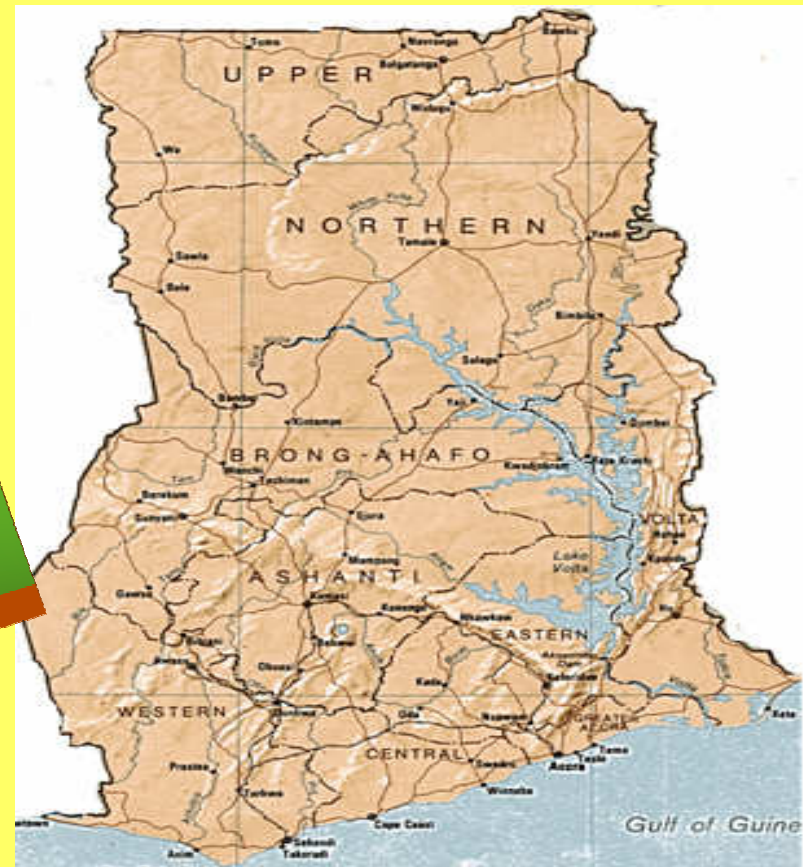
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GHANA INVESTMENT PROMOTION CENTRE

JUNE 2009



WELCOME TO

GHANA





Africa's Golden Gateway



GHANA INVESTMENT PROMOTION CENTRE – MANDATE

- **Central Government Agency responsible for the monitoring, promotion and facilitation of investments in all sectors of the economy with the exception of the mining and Petroleum sectors.**
- **Its functions include:**
 - **Initiating and supporting measures that will, enhance the investment climate in the country for both Ghanaian and non-Ghanaian companies**
 - **Promoting investments in and outside Ghana through effective promotion**
 - **Collecting, collating, analysing and disseminating information about investment opportunities and sources of investment capital, and advising on the availability, choice or suitability of partners in joint-venture projects**
 - **Providing and disseminating up-to-date information on incentives available to investors**
 - **Assisting investors by providing support services including assistance with permits required for the establishment and operation of enterprises**



INVESTMENT CLIMATE

Foreign Investors are welcome

- 100% foreign ownership of enterprises
- Joint ventures
- Other collaborative arrangements

Private Investments Registered under GIPC ACT.478 (September 1994 – December 2008)

- Total number of projects = 3,341
- Estimated capital outlay = US\$13.52 billion
- Foreign component = US\$12.76 billion
- Local Component = US\$749.85 million
- 100% Foreign-owned projects = 1,755
- Joint foreign-Ghanaian projects = 1,586

**REGISTERED PROJECTS CLASSIFIED BY
COUNTRY AND ECONOMIC ACTIVITY: SEPT 1994 - JUNE 2008**

COUNTRY	TOTAL	AGRIC	BLD/CONS	EXPORT TRADE	GENERAL TRADE	LIAISON	MFG	SERVICE	TOURISM
CHINA	345	8	16	7	87	6	115	51	55
INDIA	335	21	12	43	56	28	124	35	16
LEBANON	250	6	32	6	55	1	92	30	28
BRITAIN	242	7	22	9	21	25	45	90	23
USA	152	15	10	4	2	7	24	61	29
GERMANY	124	14	9	4	3	7	29	44	14
NIGERIA	95	2	9	4	12	6	17	42	3
NETHERLANDS	92	12	4	10	4	4	10	38	10
KOREA	83	15	5	1	6	3	21	21	11
ITALY	77	2	17	6	3	2	34	4	9
FRANCE	60	5	2	3	2	4	14	19	11
SWITZERLAND	53	6	5	4	3	6	11	15	3
CANADA	47	3	8	1	4	1	10	16	4
SOUTH AFRICA	42		2		5	5	3	26	1
BELGIUM	34	6	3	4	4	2	2	9	4
DENMARK	31	4	1	1	1	6	6	11	1
AUSTRALIA	27	1	1	1		2	7	12	3
SPAIN	23	3	5	1	2		8	3	1
BRITISH VIRGIN ISLANDS	21	1	1		2	2	1	13	1
COTE D'IVOIRE	19		2	1	2	2	6	4	2
TAIWAN	18	1		1	4		9	2	1
BRITAIN/INDIA	17	1	2		5	1	8		
ISRAEL	14	3			1		3	7	
MALAYSIA	14		1			3	2	8	
HONG KONG	13				3	5	2	1	2
OTHERS	576	40	49	34	83	43	134	134	59
	2,804	176	218	145	370	171	737	696	291

INVESTMENT REGULATIONS AND PROCEDURES

- **Liberalised and Transparent Act**

- **Minimum Foreign Equity**
 - Joint venture (US\$10,000)
 - 100% foreign-owned (US\$50,000)
 - Trading (US\$300,000 +10 Ghanaian employees)

- **Streamlined Investment Procedures**
 - No approval prior to establishment
 - Company registration (RGD - 5 days)
 - Investment registration (GIPC – 5 days)

INVESTMENT INCENTIVES

▪ Corporate Tax

- 8% on export income for non-traditional exports
- 25% for all other activities
- A further rebate of 25% for manufacturing companies located in regional capitals other than Accra-Tema; and 50% for those located outside regional capitals

TAX HOLIDAYS

- **Agriculture**
 - **cocoa producers' – exempt**
 - **tree cropping-10 years**
 - **cattle ranching – 10 years**
 - **fish farming, poultry and cash crops – 5 years**
 - **livestock excluding cattle and poultry – 5 years**

- **Real Estate Developers – 5years**
- **Rural Banking – 10 years**
- **Tourism – 3-7 years depending on activity and location**
- **Free Zone Enterprises – 10 years and 8% thereafter**

TAX HOLIDAYS

- Manufacturing companies processing, crops, fish and livestock – 5 years
- After the initial 5-year tax holiday period, agro-processing enterprises, which use local agricultural raw materials as their main inputs, shall have corporate tax rates fixed according to their location as follows:
 - ❑ Accra-Tema – 20%
 - ❑ Other Regional Capitals – 10%
 - ❑ Outside Regional Capitals – 0%
- All over Northern, Upper East, Upper West Regions – 0%

OTHER INCENTIVES

- 100% customs duty exemption on plant, machinery and equipment
- Generous capital allowances on plant machinery and buildings
- Immigrant Quota for expatriate personnel

INVESTMENT GUARANTEES

- **Protection Regime - Constitution**
- **100% transfer of profits, dividends, fees etc under National Law**
- **Bilateral Investment Promotion and Protection Agreements**
- **Membership of MIGA**
- **Agreement with OPIC**
- **Dispute Settlement Guarantees**
 - ***ICSID***
 - ***UNCITRAL***
 - ***GHANA ARBITRATION CENTRE***

INVESTMENT OPPORTUNITIES

Agro & Agri Business

- Agriculture
 - Crop Production (cereals & legumes)
 - Poultry production
 - Aqua-culture
- Agro Processing
 - Livestock feeds and fishmeal
 - Packaging
 - Cocoa beans and waste processing into liquor, beverages, fertilizer, etc.
 - Vegetable Oil Meal plants (soyabeans, sunflower, etc)
- Agri-Business
 - Provision of service agricultural estates
 - Irrigation and storage facilities
 - Mechanized equipment for leasing
 - Marketing of agric produce

INVESTMENT OPPORTUNITIES (Cont.)

▪ Tourism

- Hotels
- Coach Services
- Car Rentals
- Rest Stops
- Lodges and Game Parks
- Amusement Centres
- Beach, Lake and River Resort development (water sport, game fishing)
- Modern Convention/Event Facilities
- Adventure and Ecotour packages for domestic and sub-regional markets



NB: *New Tourism Law LI 1817 with attractive incentive packages*



INVESTMENT OPPORTUNITIES (Cont

▪ Information and Communications Technology

- Production of electrical and electronic products
- Manufacture and assembly of computer equipment
- Electronic commerce
- Information network operation
- Medical transcription
- Legal databases
- Logistics management
- Insurance claim processing
- Back office operations
- Broadcasting

INVESTMENT OPPORTUNITIES (Cont)

▪ Services

- Transport
 - Mass transportation
 - Scheduled bus system
 - Rail upgrades/passenger rail transport
 - Lake transport system
- Financial
- Health
 - Pharmaceuticals
- Educational

INVESTMENT OPPORTUNITIES (Cont)

▪ **Energy**

- Independent Power production (Public Private Partnership (PPP) arrangements)

▪ **General Infrastructure**

- Agricultural and Industrial Estates
- Roads, Railways and Ports (PPP arrangements, e.g BOT, BOO etc)
- Real Estate Development

▪ **Manufacturing and Industry**

- Textiles and Garments etc

INVESTMENT OPPORTUNITIES (Cont)

- **Fisheries**
 - Aquaculture etc
- **Waste Management**
 - Recycling of Plastic and Polythene materials etc
- **Oil, Mining and Minerals Processing**
 - Gold
 - Diamonds
 - Manganese
 - Bauxite
 - Salt
 - Oil Production

INVESTMENT OPPORTUNITIES (Cont.)

▪ Others

- Headquarters & Regional Offices
- Export oriented Activities - Export Processing Zone Operations
- Employment Generating Activities
- Value Addition Activities
- Real Estate Development
- Mass Transportation

INVESTMENT FACILITATION

- **Hand holding concept:-** investor is assigned to an officer at the GIPC who will assist him implement project and provide after care services
- **Liaison services:** GIPC liaises with other agencies on behalf of investor to minimise red tape
- **Partner search :-** GIPC has list of joint venture projects on its website
- Opening offices locally in all 10 regions and selected locations abroad

INVESTMENT FACILITATION (cont'd)

- **One –stop- shop:** reduce set up time for investors:
 - **Inter-Agency Relationship:** Registrar
Generals Dept., Customs, Immigration
- **Others linked electronically:**
 - Bank of Ghana
 - National Communications Authority
- **Desk officers** in other investment implementing agencies

WHY LOCATE IN GHANA?

- **Political stability – multiparty democracy since 1993**

- **Successful re-launching of programmes for macro-economic stability**
 - **Controlled government expenditure**
 - **Increased revenue**
 - **Reduced inflation**
 - **Reduced interest rate**
 - **Stable exchange rate**
 - **Improved fiscal out turn**
 - **Reduced government borrowing**

WHY LOCATE IN GHANA (contd.)

- **Proximity to EU & US markets (6 hrs to EU, 10 hrs to US)**
- **Presence of major airlines: easy world-wide travelling connections**
- **Quota-free access to USA market under AGOA**
- **Active member of ECOWAS (regional grouping of 16 countries with a total population of over 250 million).**
- **Strong private sector advocacy groups**
- **Hospitable/friendly people: Africa's most friendly people**
- **Trained and inexpensive manpower**
- **Emerging Capital Market: Ghana Stock Exchange (2nd best performer after South Africa)**



CREATION OF VIABLE & SUSTAINABLE BUSINESS ENVIRONMENT

- Creation of Private Sector Development under Ministry of Trade & Industry and Presidential Special Initiative (PSI)
- On-going Review of Investment Promotion Act
- Establishment of a functional one-stop investment agency
- President's declared vision to usher Ghana into The Golden Age of Business.
- Government launched a number of Special Initiatives – a) Textiles & Garments, b) Cassava Starch, c) Oil Palm, d) Salt targeting the export market.
- Adoption of the policy of zero tolerance for corruption

CONCLUSION

❖ **GHANA IS OPEN FOR BUSINESS**

❖ **GOVERNMENT IS COMMITTED AND SUPPORTIVE**

❖ **THE TIME IS NOW**



Where to Go?

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Ghana

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THANK YOU

