TOPGUIDE

INVESTING IN GHANA

IN COOPERATION WITH

GHANA INVESTMENT PROMOTION CENTRE

DIASPORA AFFAIRS
OFFICE OF THE PRESIDENT

2024

PRODUCED BY

Top Reports
International Communications Agency

PARTNER EVENT

Diaspora Investor Forum

Contents

Produced By

Top Reports
International Communications Agency
167-169 Great Portland Street
5th Floor, London
W1W 5PF (UK)
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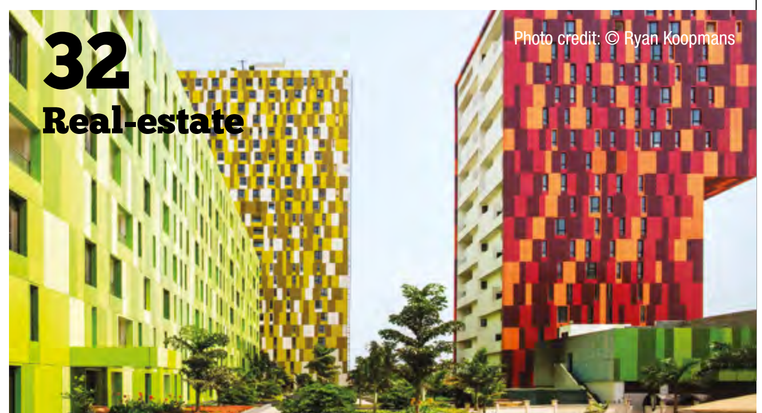
Ghana Investment Promotion Centre (GIPC)
www.gipcghana.com

World Bank
Ghana Office
www.worldbank.org

Photo Credits
Ghana Investment Promotion Centre (GIPC)

Printers

G-PAK
A subsidiary of the Graphic Communications Group Ltd
No 3 Graphic Road,
Accra (Ghana)
Tel +233 302 684001
www.gpakltd.business.site



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Ghana resets for a new future

Ghana, often referred to as the 'Gateway to Africa', is a beacon of economic stability and growth in West Africa. Known for its rich cultural heritage, political stability, and dynamic economic landscape, Ghana has increasingly become an attractive destination for investors from around the globe. Boasting a stable political environment and a diversified economy, including a dynamic private sector, it is consistently ranked among the top ten African countries for ease of doing business by the World Bank.

The government has introduced several policies to attract foreign investment, including the establishment of the Ghana Investment Promotion Center (GIPC), which streamlines investment processes and offers support to investors. Additionally, Ghana's membership in various trade blocs, such as the Economic Community of West African States (ECOWAS) and the African Continental Free Trade Area (AfCFTA), provides access to regional and continental markets. With a growing middle class, a skilled workforce, abundant natural resources, and a supportive investment climate, Ghana offers exciting opportunities for investors looking to capitalise on emerging markets in Africa.

Ghana is renowned for its warm and friendly people and its diverse society, with comprises over 70 ethnic groups and 49 languages. The population is estimated to be in excess of 34 million, with an average annual growth rate of 2.15 percent. The population is predominantly youthful, with about 57 percent under the age of 25. Christianity and Islam are the two main religions, accounting for 71 percent and 17 percent of the population respectively. Access to education is increasing due to the government's policy of providing free education up to the senior secondary level, which is anticipated to further enhance the quality of the workforce. The government continues to invest in social services and infrastructure to improve the quality of life for its citizens.

Ghana is endowed with a wealth of natural resources, making it a prime destination for investment in the extractive industries. The country is the largest producer of gold in Africa and the sixth-largest in the world as of 2021. This dominant position in the gold industry highlights Ghana's significant role in the global mining sector. In addition to gold, Ghana has substantial reserves of other minerals, including 13,000 metric tonnes of manganese and 16.86 million tonnes of high-grade trihydrate bauxite mined since 1997.

Furthermore, recent discoveries of lithium deposits amounting to 30.1 million tonnes position Ghana to become West Africa's first lithium producer. This is particularly significant given the rising global demand for lithium, driven by the expansion of the electric vehicle market and renewable energy technologies. These rich natural resources present vast opportunities for investors looking to engage in mining and related industries.

The country's strategic location in West Africa makes it an ideal gateway for regional trade and investment. The country's position along the Gulf of Guinea provides easy access to major international shipping routes, facilitating trade with Europe, the Americas, and Asia. Additionally, Ghana's participation in the African Continental Free Trade Area (AfCFTA) amplifies its appeal as a hub for regional commerce. The AfCFTA, headquartered in Ghana's capital, Accra, aims to create the largest free trade area in the world, boosting intra-African trade and investment opportunities.

The presence of the AfCFTA Secretariat in Ghana is a testament to the country's leadership in promoting regional integration and economic cooperation. This strategic advantage allows businesses in Ghana to leverage access to common markets, benefit from knowledge transfer through labour mobility, and attract foreign direct investments aimed at tapping into the broader African market.

Ghana's government has implemented a range of initiatives to foster a conducive and enabling business environment. These efforts are designed to attract and retain investment, stimulate economic growth, and enhance the competitiveness of the Ghanaian economy. Key incentives include tax holidays, rebates, the provision of industrial parks, access to finance through partnering agencies, and interest subsidies. These measures provide a significant boost

GHANA AT A GLANCE

CAPITAL CITY
Accra

OFFICIAL LANGUAGE
English

CURRENCY
Cedi (GHs)

POPULATION
34,685,146 (World Population Review, May 2024)

POPULATION GROWTH RATE
2.15 percent per year

GOVERNMENT
Presidential democracy with unicameral legislature and independent judiciary
Ghana has 16 administrative regions and 261 district assemblies

MAJOR EXPORTS
Gold, cocoa, oil

MINIMUM WAGE
GHS 18.15/day (Jan 2024)

INFLATION
25 percent (May 2024)

EXCHANGE RATE
US$1 to GHS13.8 (BoG; May 2024)

LAND SIZE
238,533 sq. km

INFRASTRUCTURE
Two harbours, including the largest in West Africa
One international airport and five domestic airports
Three major railway networks with a total track length of 1,300 km
67,291 km of roads, 3,800 of which are asphalted

CLIMATE
Tropical


Photo credit: malajscy – Adobe Stock

to businesses operating in Ghana, reducing operational costs and enhancing profitability.

Additionally, Ghana has established double taxation agreements with several countries, including the United Kingdom, South Africa, and some EU nations. These agreements help to eliminate the issue of double taxation for businesses operating across borders, making Ghana an even more attractive destination for international investors. Political stability and good governance are also critical components of Ghana's investment appeal, providing a secure environment for businesses and investors and further bolstered by legal frameworks that protect private enterprises from nationalisation.

THE LONG TAIL OF A ONCE-IN-A-CENTURY PANDEMIC

Like many other countries, Ghana's economic growth experienced a jolt as the Covid-19 pandemic hit in 2020. While infections and fatalities were relatively low, the country implemented shutdowns to curb infections and protect public health. Concurrently, it increased social interventions, including subsidies for water and electricity. This increased spending, coupled with a slowing economy and reduced revenue, strained the nation's finances and heightened its debt exposure. Additional pressures came from rising inflation in 2022, interest rate hikes, and supply chain disruptions caused by the pandemic and the war in Ukraine. These factors culminated in Ghana defaulting on its debts to international creditors in December 2022.

In June that year, the government had requested the assistance of the International Monetary Fund. Negotiations began in September 2022 and proceeded swiftly, leading to a staff-level agreement by December 2022 and full board approval in May 2023. The government also successfully concluded a domestic debt exchange programme and secured similar assurances from its international creditors. Under the IMF package, the government is expected to implement a series of measures to enhance public financial management and undertake long-term, sustainable reforms in fiscal and monetary policies. These reforms include renewed efforts to improve domestic revenue generation and close tax loopholes.

The most recent review by the IMF of Ghana's implementation of conditionalities under the Post Covid-19 Programme for Economic Growth (PC-PEG) yielded positive results. Following the conclusion of a two-week IMF mission in April 2024 to review economic policies and required reforms under the programme, the IMF is expected to release an additional $ 360 million upon approval by the Executive Board in June.

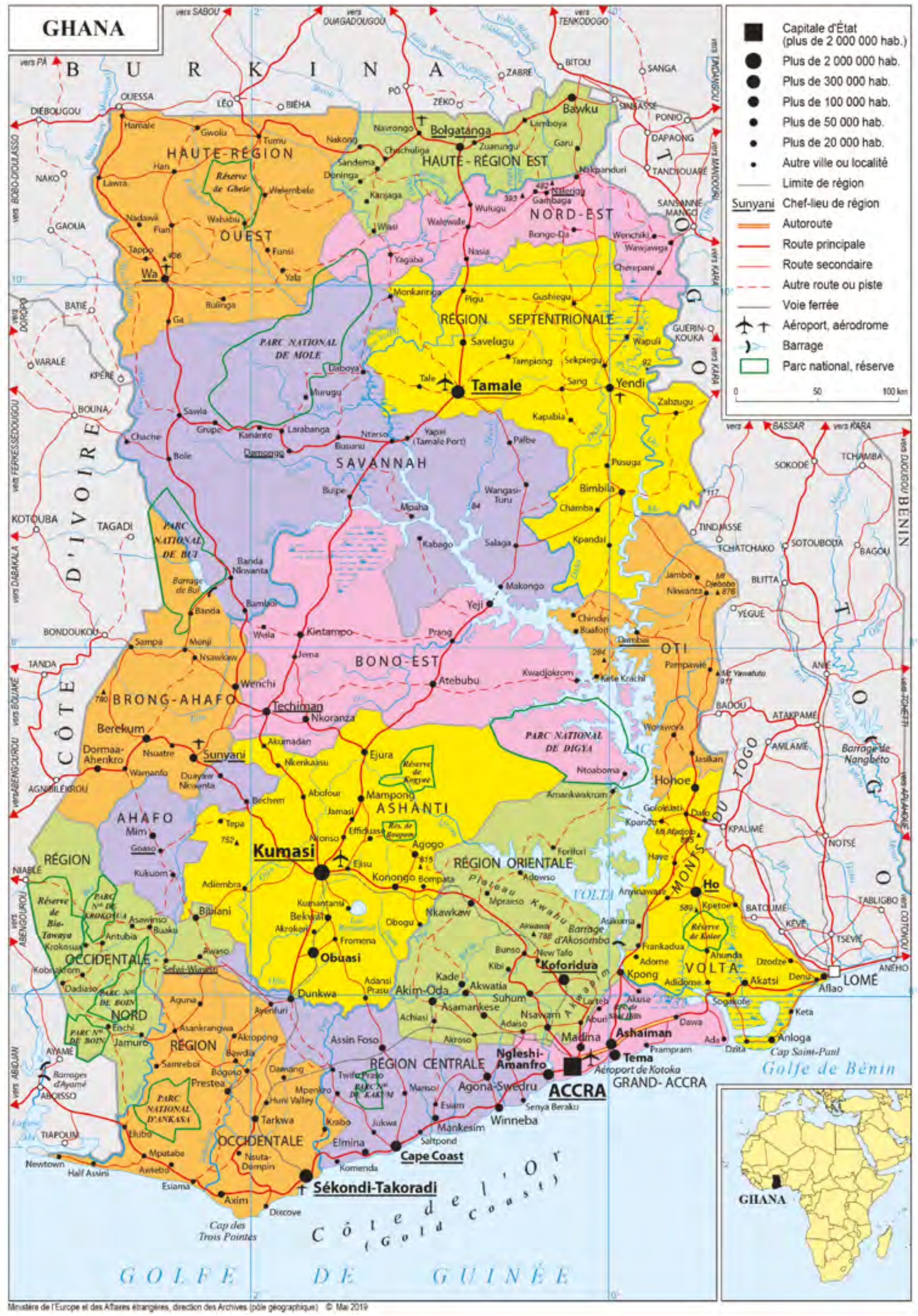
Ghana, the mission said, has demonstrated commendable progress in implementing various measures outlined in the programme, including fiscal consolidation, revenue mobilisation, expenditure rationalisation, tight monetary policies, and structural reforms across key sectors of the economy. Ghanaian officials are determined to use the PC-PEG to lay the groundwork for a more robust and resilient economy while prioritising the welfare of the poor and vulnerable.

To complement the IMF programme, the African Development Bank Group has approved a $102.59 million grant from the African Development Fund to support Ghana's Fiscal Consolidation and Economic Recovery Program. The programme, implemented over two years from 2023 to 2024, aims to reinforce recent fiscal consolidation and economic recovery reforms in Ghana. The grant will strengthen fiscal consolidation measures, enhance resource mobilisation, and provide additional financial capacity for government investments.

Ghana's economy has, since the colonial era, leaned heavily on the export of a range of commodities from gold, oil, and cocoa to timber and agricultural products. Conversely, the country heavily relies on imported finished goods to meet domestic demand. In response, the government has devised a multi-faceted strategy aimed at bolstering local production, adding value to natural resources, and curbing imports. This strategy includes the provision of tax incentives, the establishment of special economic zones, and the development of critical infrastructure to support manufacturing.

Central to these efforts is the One District One Factory initiative, which offers investors access to concessional lending from local financial institutions backed by government guarantees. Furthermore, local communities are encouraged to facilitate investment by providing land and other resources. Currently, the majority of these factories are agro-based, aligning with the government's vision of leveraging agro-processing as a catalyst for industrialisation. Additionally, the government is implementing a programme to construct warehouses across the country to support local producers, addressing historical challenges related to storage, particularly for agricultural suppliers. An upgraded road network linking rural farms with urban markets is also facilitating the marketing of agricultural produce, reducing risks and enhancing cost-efficiency.

The automobile manufacturing sector is also emerging as a significant area of growth in Ghana, propelled by the government's Ghana Automotive Development Policy, introduced in 2020. Subsequently, renowned global brands including VW, Nissan, Suzuki, Peugeot, and Hyundai have set up assembly plants in the country. To further bolster the sector, the government is implementing supportive measures such as tax exemptions, including zero-rating VAT on domestically assembled vehicle sales. Additionally, an asset-based vehicle



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financing scheme has been introduced to stimulate demand for these vehicles, ensuring sustained growth and competitiveness in the Ghanaian automotive industry.

PIONEERING AFRICAN TRADE

Ghana scored a significant coup when it got the right to host the African Continental Free Trade Area in its capital, Accra. The primary aim of AfCFTA is to dismantle trade and customs barriers among all African nations, ultimately establishing a unified market that is poised to become the largest in the world upon full implementation. This expansive market is estimated to be valued at $3.4 trillion, encompassing a population of 1.3 billion people spread across Africa's 55 countries. By standardising regulations, the free trade area will streamline operations for companies, allowing them to establish a presence in any African country based on uniform rules. Anticipated outcomes include the development of regional value chains, whereby countries specialise in specific goods and services, thereby enhancing overall efficiency and productivity.

In addition to hosting the headquarters, Ghana was also among the first nations to trade under the agreement when it exported cocoa powder, rubber, palm oil, and live plants such as mushroom spawn to Kenya, and ceramics to Cameroon. It also imported batteries and tea from Kenya, as well as coffee from Rwanda. The government has supported dozens of local companies to obtain the necessary certification to export goods in accordance with AfCFTA regulations. Being among the initial seven countries chosen for the pilot programme, Ghana holds a strategic position, serving as a vital gateway for global brands seeking access to the broader African market opportunities.

BRINGING IT HOME

When in 2019, Ghana extended an open invitation to people of the black diaspora to come and commemorate the 400th anniversary of the arrival of the first slave ships in America, it was another fulfilment of the strategic thinking that has driven its foreign policy since it became the first African nation to regain its independence in 1957. Dr Kwame Nkrumah, its founding president, was among the leaders of his generation who believed in uniting the black diaspora with the homeland and took steps to actualise that vision. In the modern era, Ghana has taken a more economic approach to this vision and seeks to harness the talents, contacts, and investment capacities of its citizens abroad and the wider African diaspora in the pursuit of its economic goals.

The Diaspora Affairs Office, set up by the current administration and operating directly under the presidency, serves as a focal point for policy in respect of, and engagement with, the diaspora. Through the office, more Ghanaians in the diaspora and people of black descent are re-engaging with Ghana in several diverse ways, bringing their expertise and ideas to set up new businesses and rejuvenate existing ones. Among other things, the office has worked to streamline the relevant procedures to encourage more people to take up citizenship and connect with the country emotionally as well as administratively. A high point was on 13 May 2024, when multi-Grammy Award-twinning musician Stevie Wonder took the oath of citizenship in the presence of President Akufo Addo.

Building on the success of 2019's Year of Return, the government aims to establish sustainable connections with the global black diaspora to promote investment and leisure visits under the overarching policy of 'Beyond the Return'. This includes capitalising on the growing trend of Ghanaians abroad and other tourists spending the December holiday season in the country. Some local chiefs have gone a step further by providing land to those seeking to settle or invest in the country. These initiatives reflect a deep-seated belief that Ghana should continue to serve as a beacon for its sons and daughters scattered across the globe, irrespective of the duration of their absence.

THE STORM IS OVER

After a challenging period, Ghana stands on the threshold of a new era of development. With a robust democracy that has endured for three decades and a long-standing peace, Ghana continues to be a reliable destination for both local and foreign investment. The nation remains resilient and poised for a resurgence, bolstered by its abundant human and natural resources. Its macro-economic indicators are turning in the right direction and the economy is set to grow 3 percent in 2024, more than double the rate of 2023.

Ghana is poised to reaffirm its status as an economic powerhouse in the region, characterised by a stable economy, a flourishing local industry, and technologically advanced service delivery. With a welcoming and industrious population, a resourceful and innovative private sector, and a government that is creating a more conducive environment, Ghana stands ready to collaborate with the global community in forging a more prosperous future for all. TG

INTERNATIONAL RANKINGS

Ease of Doing Business Rankings 2020 (World Bank)
- 3rd in West Africa

World Investment Report (WIR)
- Highest Recipient of FDI in W. Africa for 2020
- Second-highest Recipient of FDI in W. Africa for 2019
- Highest Recipient of FDI in W. Africa for 2018

Global Peace Index 2021
- 2nd most peaceful country in Africa

Global Competitiveness Index 2019
- 1st in West Africa

Mo Ibrahim Index of African Governance 2021
- 8th out of 54 countries in overall governance
- 5th out of 54 in participation, rights & inclusion
- 13th out of 54 for human development
- 11th out of 54 for security and rule of law
- 12th out of 54 in foundations for economic opportunity

WJP Rule of Law Index 2021
- 2nd in West Africa
- 7th out of 33 for sub-Saharan Africa
- 58th out of 139 globally

2020 RMB Global Markets Research
- 1st in West Africa (Determinants of Investment)
- 6th Best Place to Invest in Africa (Attractiveness Score)

2021 Global Retail Development Index
- 3rd in Africa
- 8th in the world


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Restoring fiscal and debt sustainability, bolstering growth prospects, and curbing inflation are urgent policy priorities for which the authorities have sought support from development partners. The government has completed a Domestic Debt Exchange Programme (DDEP), implemented a standstill on debt repayments to external creditors, sought official debt restructuring under the G20's Common Framework, and is in discussions with private creditors regarding external commercial debt restructuring. The 2023 budget includes front-loaded fiscal consolidation, while the Bank of Ghana (BoG) has tightened the monetary policy stance to tackle inflation. The IMF's Board approved a three-year ECF programme of about US$3 billion equivalent on 17 May 2023, with emphasis on front-loaded fiscal consolidation and tight monetary and exchange rate policies, complemented by reforms in the areas of tax policy, revenue administration, public financial management (PFM), and the energy and cocoa sectors.

THE WORLD BANK
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The authorities are keen to deepen their structural reform commitments with the support of the proposed DPF series. The reforms supported by the DPF series include strengthening domestic revenue mobilisation, controlling expenditures, safeguarding financial sector stability, removing impediments to private investment, putting the energy sector back on a surer financial and operational footing (also key for recovery), strengthening the country's social protection architecture, and ensuring that climate adaptation and mitigation are better mainstreamed in policies.

The current crisis is an opportunity for Ghana to contend with major climate challenges. The country is highly vulnerable to extreme weather events, and climate change - without sufficient adaptation - could impair medium-term growth. According to the Ghana Country Climate and Development Report (CCDR), half of Ghana's coastline is vulnerable to erosion and flooding because of sea-level rise.

Source: World Bank Group: Ghana First Resilient Recovery Development Policy Financing
https://documents1.worldbank.org/curated/en/099122123140098673/pdf/BOSIB12746a5cc0271aa221597ad685a122.pdf

Photo credit: Skorzewiak – depositphotos.com

Why invest in Ghana

SECOND LARGEST ECONOMY IN WEST AFRICA

- Ghana's retail market is vibrant and robust with household spending projected to rise significantly to $81 billion by 2025 (according to Fitch).
- The African Continental Free Trade Area (AfCFTA), which has its secretariat in Accra, offers substantial potential for intra-regional growth, allowing businesses to leverage access to common markets and benefit from knowledge transfer through labour mobility.

STABLE POLITICAL ENVIRONMENT

- Ghana is ranked as the fourth most peaceful country in Africa and the 51st most peaceful country in the world according to the 2023 Global Peace Index.
- The Ghanaian constitution (Article 20) and the Free Zones Act (Act 504) provide protections against the threat of nationalisation of private businesses.

NATURAL RESOURCE WEALTH

- Ghana is the largest producer of gold in Africa and the sixth-largest in the world.
- It has an estimated 13,000 metric tonnes of manganese; has mined over 16 million tonnes of high-grade trihydrate bauxite since 1997 and in 2021, scovered lithium deposits in 2021 amount to 30.1 million tonnes, positioning Ghana to become West Africa's first lithium producer, a critical mineral for the growing global electric vehicle market.

PRO-BUSINESS CLIMATE

- The government has introduced numerous incentives to create a conducive and enabling business environment, including tax holidays and rebates, provision of industrial parks, access to finance through partnering agencies, and interest subsidies.
- Ghana has established double taxation agreements with the United Kingdom, South Africa, and various EU countries, facilitating smoother international business operations.
- Ghana continues to receive robust foreign direct investment, recording $1.47 billion of receipts in 2022, mainly directed to oil and gas, mining (gold and manganese), and agriculture (notably cocoa).

DEMOGRAPHIC ADVANTAGE

- Ghana has a very youthful population, with about 67 percent aged between 15 and 64.
- Government initiatives such as free basic and secondary education have ensured a 70 percent literacy rate for citizens who are six years and older as of 2023. ■TG

Photo credit: misunseo – Adobe Stock

Setting up a business in Ghana

The Ghana Investment Promotion Centre is a government agency mandated by the GIPC Act 2013 {Act 865} to encourage, promote, and facilitate investment in all sectors of the Ghanaian economy.

STEP 1 • REGISTRATION WITH REGISTRAR GENERAL'S DEPARTMENT

Incorporate a company at the Registrar General's Department (RGD) and obtain the following:

a. Certificate of incorporation and TIN number
b. Company Regulation
c. Certificate to Commence Business

STEP 2 • MINIMUM EQUITY CONTRIBUTION

Under Act 865, foreign investors are required to comply with the minimum equity requirements. This can be either in cash, in capital goods relevant to the investment, or a combination of both.

The minimum foreign equity requirement is as follows:

- US$200,000 for joint venture with Ghanaian partner having not less than 10 percent equity participation
- US$500,000 for 100 percent foreign ownership
- US$1,000,000 for trading activity with a minimum of twenty skilled Ghanaians employed by such an enterprise

There is no minimum equity requirement for foreigners interested in manufacturing, export trading, and portfolio investment.

Exemptions are applicable to persons who have lost their Ghanaian citizenship by virtue of assumption of citizenship in another country. Foreign spouses of Ghanaian citizens who meet certain requirements are also exempt from the minimum equity requirement. Contact investor.services@gipc.gov.gh for more information.

STEP 3 • REGISTRATION WITH GIPC

The investor then registers with the GIPC (after paying the relevant fees) for the process to be completed. This procedure takes five statutory working days to complete, provided the registration forms and all supporting documents are in order.

Wholly Ghanaian-owned enterprises are also encouraged to register with GIPC to benefit from the incentives provided for in the GIPC Act 2013 (Act 865).

STEP 4 • REGISTRATION WITH GHANA REVENUE AUTHORITY (GRA)

All enterprises must register directly with the Ghana Revenue Authority for purposes of fulfilling statutory tax obligations.

STEP 5 • ENVIRONMENTAL IMPACT ASSESSMENT CERTIFICATE

Applicable enterprises must register and obtain an environmental permit from the Environmental Protection Agency (EPA).

Registration with other relevant agencies: companies are to comply with regulatory requirements within their various sectors of operation, for example mining, oil and gas, and exports.

NEW EXEMPTION PROCEDURES

The Exemptions Act 2022 (Act 1083) specifies new provisions and modalities for the application of tax exemptions and other waivers as well as the scope of exemptions.

Source: Ghana Investment Promotion Centre (GIPC) https://www.gipc.gov.gh/

Interview with
Akwasi Awua-Ababio
Director, Diaspora Affairs Office of the President

Top Guide: What are some of the key initiatives undertaken by the Directorate of Diaspora Affairs to facilitate closer engagement with and harness the potential of Ghanaian diaspora?

Akwasi Awua-Ababio: In 2019, we launched the "Year of Return" to mark 400 years since the first enslaved Africans arrived in Jamestown, Virginia. This initiative successfully attracted thousands of people of African descent to visit Ghana, reconnect with their roots, and explore investment opportunities. Building on this success, we introduced "Beyond the Return," a ten-year initiative focusing on the seven pillars of Experience Ghana, Invest in Ghana, Diaspora Pathway to Ghana, Celebrate Ghana, Brand Ghana, Give Back to Ghana, and Promote Pan African Heritage and Innovation.

The Diaspora Homecoming Summit is another key initiative that aims to strengthen ties between the diaspora community and the motherland. This summit serves as a forum for sharing ideas, addressing concerns, and fostering partnerships that contribute to national development. We have also developed a comprehensive Diaspora Engagement Policy that outlines our strategic approach to engaging the diaspora. This policy addresses issues such as dual citizenship, land acquisition, investment incentives, and the establishment of a diaspora database to facilitate communication and collaboration.

To maintain constant communication with the diaspora, we have developed robust digital platforms including websites, social media channels, and newsletters. These platforms are used to disseminate information about investment opportunities, policy updates, and upcoming events. They also serve as a medium for diaspora members to share their feedback and suggestions.

The Diaspora Affairs office has been instrumental in the conferment of citizenship by the President H.E Nana Akufo-Addo to members of the Historic Diaspora who have shown outstanding dedication to Ghana. We had one in 2019 where 139 diaspora were granted citizenship and another 2021 for 126 people. There will be upcoming ceremonies thereby showing the President and administration's dedication to restoring the heritage of our diaspora and building bridges to help strengthen the thread that allows diaspora to engage actively in Ghana's socio-economic development..

TG:In what ways are you promoting economic ties with the diaspora?

AAA: To promote economic ties, we have created platforms for diaspora members to invest in Ghana. This includes the establishment of the Diaspora Investment Desk at the GIPC, which provides tailored support and information on investment opportunities in various sectors such as real-estate, agriculture, technology, and tourism. This mission has allowed for the Office to support different government agencies and organisations to establish diaspora offices and areas for further development. Such as the diaspora desks at different banks, and even diaspora officers at the different Chieftaincies across the country. We also host investment forums and webinars to connect diaspora investors with local entrepreneurs and businesses.

We recognize the wealth of expertise within the diaspora and have initiated programs to facilitate the transfer of skills and knowledge back to Ghana. This includes partnerships with universities and professional organisations to create mentorship opportunities, as well as short-term placements and volunteer programs where diaspora members can contribute their skills to local projects and institutions.

We provide comprehensive support for those in the diaspora looking to relocate to Ghana. This includes assistance with legal processes, housing, employment, and integration into the local community. Our goal is to make the transition as smooth as possible, ensuring returnees feel welcomed and supported.

We regularly highlight and celebrate the contributions of the diaspora to Ghana's development. This includes awards, recognition events, and media features that showcase success stories and inspire others to engage with their homeland.

TO PROMOTE ECONOMIC TIES, WE HAVE CREATED PLATFORMS FOR DIASPORA MEMBERS TO INVEST IN GHANA, SUCH AS THE DIASPORA INVESTMENT DESK AT THE GIPC

TG: From your interactions with the diaspora, what are some of the changes that need to be made to encourage more members to engage more deeply with Ghana?

AAA: Streamlining bureaucratic processes is essential, as many diaspora members face frustration with obtaining visas, work permits, and business licences. Simplifying these procedures and ensuring more efficient and transparent systems would significantly reduce barriers.

Improving infrastructure is another vital area. Better transportation networks, reliable power supply, and enhanced digital connectivity are critical for attracting diaspora investment and facilitating various projects. We are actively seeking partnerships and investments to accelerate infrastructure development across the country. Moreover, providing clear and accessible information about opportunities and resources in Ghana is essential. Developing comprehensive online platforms and resource centres will offer diaspora members guidance on investment opportunities, real-estate, employment, and legal requirements.

I believe that recognition and appreciation of diaspora contributions through programs that honour their achievements can also foster a deeper connection with Ghana. Offering financial incentives, such as tax breaks, grants, and low-interest loans, can further encourage diaspora members to invest and start businesses, contributing to economic growth. TG

Interview with
Alex Apau Dadey
Executive Chairman, KGL Group
& Chairman of the Board of Governors,
Ghana Investment Promotion Centre (GIPC)

Top Guide: Your career has spanned multiple industries and geographies. What inspired you to return to Ghana and invest in the country, and how has your experience abroad influenced your approach to business and investment in Ghana?

Alex Apau Dadey: While living in the UK in the late 80's and early 90's, I was struck by the corporate and industrial culture and landscape prevalent in that part of the world. There were companies that had been set up fifty, eighty and even hundred years ago that were thriving and expanding even to this day. Mind you, I worked at the highest level, eventually becoming export director before venturing to start my own company. I had now learnt and put into practice different ways of doing things which were, to put it bluntly, alien, in this part of the world. My mission at that point in life became very clear, that is, to eventually transition back home to replicate the model I had learnt and practiced in the UK. I knew the Ghanaian terrain, I understood it, I schooled here so I knew the mindset. I knew exactly what needed to be done to succeed here, and I am proud to say, we have achieved exactly what we set out to do.

TG: KGL Group operates across various sectors including fintech, logistics, agriculture, property development, and commerce. What are some of the most significant challenges and opportunities you have encountered in these sectors, and how has KGL Group positioned itself to address and leverage them?

AAD: We have carved a niche as industry intervention specialists as I like to call it. This means we take a holistic approach to solving large scale problems. The challenges we have faced since inception are well documented, but we have never allowed them to overawe us. Challenges are meant to be overcome. It's the problem solvers that become successful. Take our intervention in the lottery space for example. The National Lottery Authority were making huge losses and were unable to even sustain salary payments let alone lottery winnings. We came in, and the opposition

was huge. We were even accused of coming to take away people's jobs. All sorts of things were said about us. Take a look at the NLA today, we are the biggest contributors in terms of revenue to

the NLA, providing them with over 85 percent of their revenue. This didn't happen by chance. The NLA is now profitable because of our intervention. It is the same scenario happening in the fisheries sector where we have introduced technology to help eradicate the age-old issues associated with the pre-mix fuel supply. These interventions we have introduced help change the fortunes of industries and I am proud to continue to spearhead such revolutionary changes to the Ghanaian narrative.

TG: As Board Chairman of the Ghana Investment Promotion Centre, what initiatives are you implementing to attract more investors, especially Diasporans, to Ghana?

AAD: As I have mentioned, championing Diasporan Direct Investment (DDI) as an alternative to Foreign Direct Investment (FDI) is one thing I have actively tried to lead. I am glad to see inroads made in this area, as the GIPC has actively taken this up and is running quite a number of programs in this area. I am also an avid proponent of Public- Private Partnerships. I have always believed, and I have said this time and again, governments do not create wealth, the private sector does. Government's role is to create the necessary conditions that will attract the private sector to create wealth and opportunities for the country. Great Nations have been built on the backs of the private sector; it isn't a new phenomenon. Ghana has to look at this approach. Government has to identify industry champions, create the right and conducive environment for them, and partner them to drive real change in our industries. This is something I continue to champion at GIPC.

TG: What advice would you give to other Diasporans considering investing in Ghana? What lessons have you learned in your journey that you'd like to share with others?

AAD: Diasporans have an added value, they have

CHAMPIONING DIASPORAN DIRECT INVESTMENT (DDI) AS AN ALTERNATIVE TO FOREIGN DIRECT INVESTMENT (FDI) IS SOMETHING I HAVE ACTIVELY TRIED TO LEAD

a very different mindset and way of doing things. It is what makes them attractive, and why they are the future in terms of effecting change in the country. There are two very key points of advice I would like to impart to them on doing business in Ghana. First key point, learn to cultivate relationships and not be transactional. People who are transactional are very short sighted in my view. One of the key reasons for our success is because we have learnt to cultivate relationships. My business partners and directors are people I have known for over forty years. These are people I have lived life with, they know me well and vice versa. It has been easier to do what we have done because we placed emphasis on the people we chose to do this with. Learn to cultivate the right relationships, it will ensure you do this well. My second key point has to do with integrity. There is a famous quote by John C. Maxwell; "image is what people think you are, integrity is what you really are". Without integrity in the business world, no credible person will want to work with you. It's as simple as that. I am an example of one who has kept these principles all my life. These, in my view, have been key to our success here at KGL Group. ■TG

Ghana's financial frontier
Navigating opportunities for investment

The financial services sector in Ghana encompasses a diverse range of institutions, including domestic and international banks, insurance providers, asset managers, and a stock exchange. Despite the challenges posed by the Covid-19 pandemic in 2020, the industry has displayed resilience, with various subsectors experiencing growth.

Ghana's financial landscape comprises 23 banks, overseen by the regulatory authority, the Bank of Ghana (BoG). These banks play a crucial role in providing a wide array of financial services to individuals, businesses, and the government.

The sector also includes 25 savings and loans institutions, 11 finance houses, and three finance and leasing houses, which contribute to the overall financial ecosystem by offering specialised services. The Ghana Stock Exchange serves as a platform for trading securities, with 30 companies listed on the main exchange and six companies listed on the Alternative Market. The Securities and Exchange Commission regulates the capital market activities in Ghana.

Recent developments in the sector point to efforts by the regulator to strengthen it, as well as investor confidence in the Ghanaian economy. The Bank of Ghana and Giesecke+Devrient (G+D) are testing the e-Cedi, a digital currency, to facilitate cashless transactions among businesses and individuals. This initiative aligns with the government's cash lite agenda, promoting digital payments while ensuring a secure payment infrastructure. In 2021, the European Investment Bank collaborated with Ghana's Ministry of Finance to provide a €170 million facility for establishing the Development Bank Ghana (DBG). DBG aims to support the private sector, fostering expansion and job creation, thus contributing to economic growth.

The BoG implemented a new liquidity assistance framework in February 2021 to address weaknesses identified during the banking sector crisis. This framework enhances liquidity planning for banks, savings & loans companies, and finance houses while safeguarding BoG's balance sheet against settlement failures. In August 2021, LeapFrog Investments acquired a 16.94 percent stake in Fidelity Bank Ghana Limited from Amethis and Edmond de Rothschild Equity Strategies (ERES). This investment underscores confidence in Ghana's financial sector and highlights opportunities for growth and expansion.

Insurance providers operate under the oversight of the National Insurance Commission, offering various insurance products to individuals and businesses to mitigate risks and protect assets. The National Pensions Regulatory Authority regulates the pensions industry, ensuring compliance with pension regulations and safeguarding the interests of pension scheme participants.

The Ghanaian insurance sector has witnessed substantial growth over the years. Non-life insurance contributes 47 percent of total premiums, while life insurance contributes 53 percent. This highlights a balanced contribution from both segments to the overall premium base. Despite growth, insurance penetration stands at a little over 1 percent. However, when considering health insurance and pensions, the penetration rate is estimated to be 3 percent, indicating room for improvement.

The top four companies in the life segment dominate, accounting for about 75 percent of all life insurance premiums. Conversely, the market is fragmented below the top players, with smaller insurers holding less than 8 percent market share, suggesting potential for consolidation, possibly driven by foreign entrants. Efforts are underway to promote microinsurance to deepen insurance penetration, targeting underserved segments of the population. Technological advancements, particularly in direct digital sales and services, are aiding in increasing insurance penetration, making insurance more accessible to a wider audience.

The Ghanaian financial market boasts a market capitalisation of GHS 64.5 billion, reflecting the size and scope of investment opportunities available. The Ghana Stock Exchange provides an avenue for investment and access to capital, listing various securities such as shares, corporate bonds, municipal bonds, government bonds, and unit trusts. Companies listed include leading domestic banks, mining, and food and drink companies. The Ghana Fixed Income Market facilitates secondary trading of fixed income securities and other securities, contributing to market liquidity and investment opportunities.

In 2021, the GSE launched a three year strategic plan aimed at transforming the capital market sector from a frontier market to an emerging market. Initiatives include introducing new products like derivatives and green bonds to enhance liquidity and attract investors. The Securities and Exchange Commission employs a balanced approach to regulate the market, supporting innovation while safeguarding investor interests, market integrity, and financial stability.

Pension schemes in Ghana aim to provide retirement benefits to contributors and beneficiaries. These schemes are organised around a three tiered structure that includes the Basic National Social Security Scheme, a mandatory, fully funded occupational pension scheme, a voluntary provident fund, and personal pension plans. The first, mandatory tier is administered by the state-owned Social Security and National Insurance Trust, the biggest player in the pensions sector.

Recent developments include the launch of the Injaro Ghana Venture Capital Fund to diversify pension portfolios and a strategic plan by NPRA to increase pension coverage to 40 percent by 2026, aiming to reduce old-age poverty and boost the sector's contribution to the economy. Additionally, partnerships like the one between Ecobank Ghana and Enterprise Trustees seek to enhance pension benefits, such as through pension-backed mortgages.

SECTOR OPPORTUNITIES

- Partnering with insurance companies to expand their market reach through Bancassurance.
- Partnering with the One District One Factory Initiative to provide subsidised loans to emerging companies, boosting their loan book balance and interest income.
- Opportunities exist in developing technological infrastructure for online banking, enhancing convenience and accessibility for customers.
- Establishing banking institutions like savings and loans companies to target the unbanked population, providing financial services to those who cannot access traditional banking systems.
- Introduction of InsurTech solutions to offer policies and claims filing through mobile devices, eliminating the need for physical branches.
- Marketing microinsurance policies to low-income individuals who may not have access to traditional insurance services.
- As lending rates decrease, the demand for mortgage facilities increases, providing opportunities for financial institutions to offer insurance products for these properties.
- The GSE plans to introduce green market products and derivatives, providing more investing opportunities for pension funds and allowing them to diversify their asset base.
- There are opportunities to establish institutions and mutual funds to leverage global securities, potentially attracting the unbanked population through education about investing.
- Opportunities exist to invest in fintech solutions that improve cybersecurity within the capital markets, ensuring the safety of transactions and data.

- With Ghana's relatively high literacy rate of 69.8 percent, there are opportunities to encourage the population to enrol in voluntary pension schemes, fostering a savings culture among citizens.
- The NPRA's decision to allow private equity fund managers access to a portion of the GHS 22 billion managed by private pension schemes creates opportunities for foreign investors to participate in such funds.
- NPRA aims to introduce special legislation for the informal sector, leveraging mobile money platforms to promote pension coverage and offering incentives to members who choose this method for retirement planning.


Photo credit: Drazen – Adobe Stock

INVESTMENT INCENTIVES

- Ghana's youthful population of 30.8 million, expected to grow at a CAGR of 2 percent in the next 10 years, offers significant potential for economic transformation and growth, particularly in the financial sector.
- Initiatives across the financial industry aim to capture the unbanked population, evident in the substantial growth of mobile money transactions from GHS 32.8 billion as of December 2019 to GHS 162 billion by year end 2023.
- The National Pensions Regulatory Authority has permitted pension funds to invest in private equity, aiming to diversify Ghanaian pension fund assets and provide a capital boost for the economy.
- Various subsectors within the financial industry are developing technological infrastructure, such as online banking applications, enabling customers to conduct financial transactions seamlessly through online platforms, enhancing convenience and accessibility.
- Aligned with the SEC's strategic plan, the Ghana Stock Exchange will introduce securities focusing on sustainability and green practices. This initiative provides investors with more options for investment securities, tapping into the global trend towards green business practices. TG

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Bank credit to the private sector contracted in real terms as the economy slowed down, inflation rose sharply, and banks shifted their portfolios away from government securities. In 2022, real private sector credit contracted by 14.5 percent compared with a 1.3 percent contraction in 2021. In nominal terms, it increased by 31.8 percent in 2022, slower than overall inflation. Credit flow to the private sector remained concentrated in five sectors – services, commerce and finance, electricity, water and gas, manufacturing, and construction. In 2023, real private sector credit continued to contract year on year, including by 15.2 percent in April. In 2022, interest rates in the money market went up across the yield curve, in line with the increases in the policy rate. At end December 2022, the 91-day T-bill rates rose to 35.5 percent from 12.5 percent a year before (while 182-day and 364-day T-bill rates experienced similar increases). On the secondary market, yields on all bonds, from two-year through to 20-year, almost doubled over the one-year period. The interbank weighted average rate increased to 25.5 percent in December 2022, from 12.7 percent in December 2021, consistent with the increases in the policy rate and the incremental hikes in the primary reserve requirements from 12 percent in August 2022 to 14 percent in October. As a result, the average lending rates of banks rose to 35.6 percent in December 2022 from 20 percent in at the end of 2021. Developments in the first four months of 2023 indicates that while T-bill rates reduced significantly due to high demand for the instruments, rates have increased in April.

Source: 7th Ghana Economic Update. Price Surge: Unravelling Inflation's Toll on Poverty and Food Security. Produced by the World Bank Group. https://documents1.worldbank.org/curated/en/099072023055014341/pdf/P177994046644e0e20b3dd057c81347c0ef.pdf

Investing in the power sector for sustainable growth

Ghana has a dynamic power sector, featuring 27 power plants and an annual production of approximately 22,051 gigawatt-hours (GWh). The country exports around 1,734 GWh of electricity, with transmission losses accounting for 5 percent of the total electricity transmitted. With a significant portion of the urban population (95 percent) having access to electricity, Ghana's overall electricity access rate stands at 87 percent. The Electricity Company of Ghana (ECG) serves about 79 percent of the total customer population, which amounts to 5,426,242.

In terms of electricity generation, Ghana relies primarily on hydro and thermal sources. In 2021, hydro contributed around 34.1 percent of the total power generated, while thermal sources accounted for 65.3 percent. Renewables made up a smaller portion at 0.55 percent.

Thermal fuel power sources play a significant role in Ghana's energy landscape, contributing to the country's electricity generation capacity. Among these sources, natural gas stands out as the largest contributor, boasting a capacity of 2,070 MW. Complementing natural gas, liquid gas adds to the thermal fuel mix with a capacity of 68 MW. Diesel generators also play a role, contributing 335 MW to the power generation capacity. Additionally, the use of crude oil in power generation provides 700 MW of capacity, while heavy fuel oil (HFO) generators contribute another 400 MW to the total power capacity.

In addition to thermal fuel sources, Ghana also utilises other renewable energy sources to diversify its energy mix. Solar power, with a capacity of 124 MW, represents one of these renewable sources. Bioenergy sources, contributing 20 MW to the renewable energy capacity, further enhance Ghana's energy portfolio. These renewable sources, along with thermal fuel options, collectively contribute to Ghana's efforts to meet its energy needs while also transitioning towards more sustainable and environmentally friendly power generation methods.

Despite a total installed capacity of 5,481 megawatts (MW) as of 2021, challenges such as shifting hydrological conditions, insufficient fuel sources, and ageing infrastructure limit actual availability. According to USAID, actual availability rarely exceeds 2,400 MW.

The Ghana Grid Company (GRIDCo) serves as the backbone of the country's power transmission network, overseeing all transmission activities. With a network of 68 substations as of 2021, GRIDCo plays a pivotal role in stepping down voltages to 34.5 kV and 11 kV. These stepped-down voltages are then distributed to existing electricity distributors, including the Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo), and Enclave Power Company (EPC). By managing the transmission infrastructure and ensuring efficient distribution to these distributors, GRIDCo plays a crucial role in maintaining a reliable and stable electricity supply across the country.

Ghana's electricity distribution landscape is primarily served by three key utilities, two of which are state-owned - Electricity Company of Ghana (ECG) and Northern Electricity Distribution Company (NEDCo) - while the third, Enclave Power Company (EPC), operates under private management. ECG, a government-controlled limited liability company, holds sway over electricity distribution and supply across six southern Ghanaian zones: Ashanti, Central, Eastern, Greater Accra, Volta, and Western. Responsible for procuring electrical energy in bulk from power generators, ECG channels this energy to consumers situated in the southern regions, covering approximately 90 percent of the public distribution loads as of the close of 2021.

On the other hand, NEDCo was established under the umbrella of the Volta River Authority's initiatives to extend the 161 kV transmission grid to the northern territories of Brong-Ahafo, Northern, Upper East, and Upper West Regions. This utility plays a critical role in electricity distribution within these regions, ensuring access to reliable power supplies to meet the needs of the local population and industries.

Operating within the Tema Free Zones Enclave, EPC serves a niche market by supplying electricity to approximately 50 industrial companies. As a private entity, EPC contributes to the development of the industrial sector within the enclave, facilitating the operations and growth of various industrial ventures through reliable and efficient power supply services.

Tariff revenue in Ghana's electricity sector is structured around regulated tariffs set by the Public Utilities Regulatory Commission (PURC). These tariffs, outlined in four schedules, govern the charges levied on consumers for their electricity usage. The revenue generated from these tariffs comprises several components, including the Composite Bulk Generation Charge (CBGC), Transmission Service Charge (TSC), and Distribution Service Charge (DSC). Additionally, statutory levies and charges, such as the Value-Added Tax/ National Health Insurance Levy, Public Lighting, National Electrification Levy, and Power Factor Surcharge, contribute to tariff revenue.

Government subsidies also play a significant role in shaping the tariff structure and ensuring affordability for consumers. These subsidies come in various forms, including social subsidies applicable to all lifeline consumers (Subsidy I) and subsidies for consumers within the 0-150 units' electricity consumption category (Subsidy II). Furthermore, special subsidies are provided to selected mines and steel companies to support their operations and ensure their contribution to the national economy. These subsidy measures help mitigate the financial burden on consumers and promote access to electricity for all segments of society, while also supporting strategic industries critical to Ghana's economic development.

INVESTMENT OPPORTUNITIES

- Off-grid power solutions for rural customers who lack access to and cannot afford electricity.
- Establishment of transmission entities to compete with GRIDCo, the sole transmission entity in the country, and to replace neglected infrastructure.
- Establishment of private distribution entities to compete with EPC, the only private entity distributing energy in Ghana.
- Ghana has consistent sunlight through the year, making it viable to rely on solar energy for its electricity demands. ■TG

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To improve the financial health of the power sector, [Ghana] has through its Ministry of Finance (a) completed the Energy Sector Validation Audit and adopted a time bound payment plan to clear intra-sectoral legacy debt as indicated in its letter dated October 18, 2023; and (b) in its letter dated June 21, 2023 mandated, that: (i) the Cash Waterfall Mechanism be the sole means through which the Electricity Company of Ghana, Ltd. customer collections be disbursed to relevant entities; and (ii) details of the inflows and outflows of the payments through a single collection account be published on a monthly basis on PURC's website; and be independently audited on a quarterly basis; and (c) PURC has published on its website the new Cash Waterfall Mechanism guidelines. [Ghana], through its Ministry of Finance, has operationalised a quarterly payables settlement mechanism to clear intra-sectoral payables, and has remained on track with the implementation of the payment plan to clear legacy debt.

Source: Ghana First Resilient Recovery Development Policy Financing. Produced by the World Bank Group. https://documents1.worldbank.org/curated/en/099122123140098673/pdf/BOSIB12746a5cc0271aa221597a-d685a122.pdf

Fueling growth: Opportunities in Ghana's oil and gas sector

Ghana's emergence as an oil and gas producer has unlocked significant potential in the sector, driven by substantial growth since the discovery of commercial oil reserves in the Jubilee fields in 2007. The country boasts three major offshore oil and gas fields, namely Jubilee, Tweneboa Enyera Ntomme (TEN), and Sankofa-Gye Nyame. In 2021, these fields collectively produced 55.06 million barrels of oil.

The industry comprises 16 upstream operators and has seen notable discoveries, with 25 new findings in 2021. Currently, the country has 17 oil blocks, indicating ongoing exploration and development activities in its offshore areas. Additionally, Ghana's oil and gas landscape includes 179 oil wells and a growing number of gas-producing assets.

However, Ghana's midstream industry is still in the developing stage. The country's primary oil refinery, Tema Oil Refinery (TOR), possesses an operational capacity of 45,000 barrels per day (bpd). Unfortunately, operational challenges have hindered TOR's efficiency, leading to a reduced capacity averaging at 24,000 bpd.

Due to the limited refining capacity within the West African region, Ghana heavily relies on refined fuel imports from other countries. Major sources of refined fuel imports include Italy, the Netherlands, and the United Arab Emirates (UAE). This reliance underscores the importance of further investment and development in Ghana's midstream infrastructure to enhance domestic refining capacity and reduce dependency on imported petroleum products.

Ghana's refinery capacity stood at 24,000 barrels per day in 2021, indicating opportunities for further downstream development and investment in refining infrastructure to support the country's growing oil and gas sector. There are 37 bulk distribution companies, 170 oil marketing companies, and 42 liquefied petroleum gas marketing companies, facilitating the movement of petroleum products across the country.

In terms of revenue generation, the industry contributes substantially to Ghana's economy, with total petroleum receipts amounting to GHS 12 billion in 2022 from both oil and gas production. The Ministry of Energy, which oversees the sector, projects that total output will reach 173,000 bpd by year end 2024.

In Ghana, the upstream sector, governing the exploration and production of petroleum resources, falls under the regulatory purview of the Petroleum (Exploration and Production) Act, 2016 (Act 919). This legislation, replacing the Provisional National Defence Council Law (PNDCL) 84, aims to ensure that upstream petroleum activities are conducted safely and efficiently, while also maximising Ghana's benefits from the exploitation of its petroleum resources.

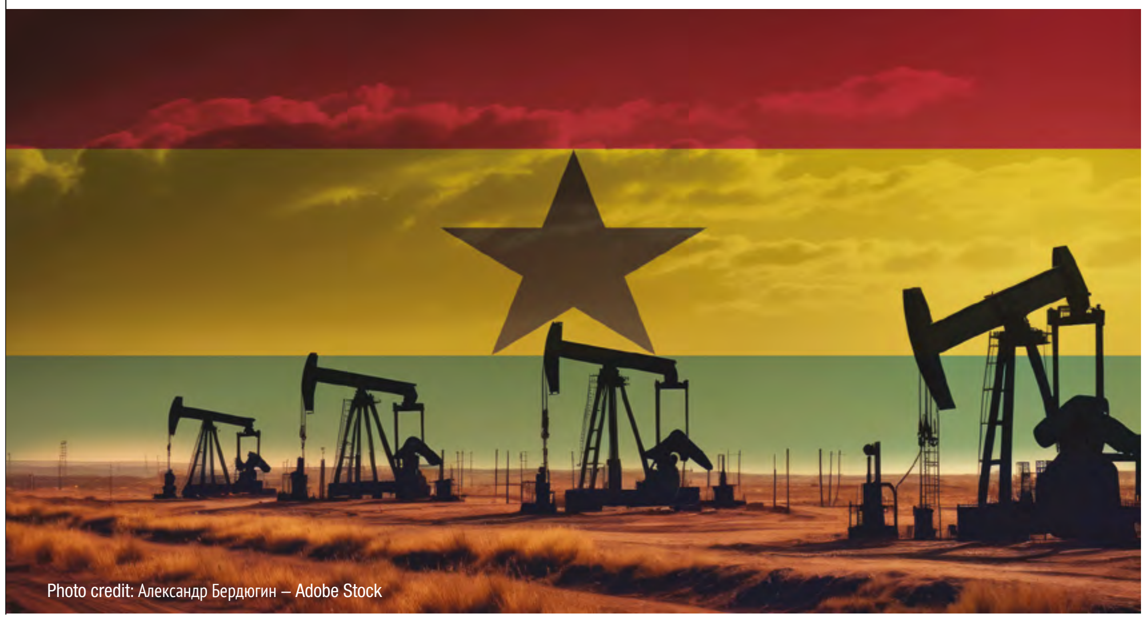
Photo credit: Александр Бердюгин – Adobe Stock

On the other hand, oversight of the downstream industry, which encompasses refining, distribution, and marketing of petroleum products, is managed by the National Petroleum Authority (NPA). Established by the NPA Act 2005, Act 691, this regulatory body plays a crucial role in ensuring the efficient and profitable operation of the downstream sector, while also safeguarding consumer interests by ensuring fair industry practices and value for money.

Ghana offers an enticing pro-business environment, underpinned by investment guarantees and incentives, making it an attractive destination for investors. The sector is subject to rigorous regulation, with the implementation of essential regulations and the establishment of regulatory bodies such as the Petroleum Revenue Management Regulations (2019) and the Petroleum (Exploration and Production) (General Regulations) 2018 (LI 2359). These regulations are designed to safeguard investments, ensure operations are conducted in a safe environment, and guarantee the delivery of high-quality outputs to customers.

The approval of the Petroleum Hub Development Corporation project by the government presents promising opportunities for growth. This initiative aims to establish three refineries, five multipurpose petrochemical plants, tank farms, jetties, and enhanced port infrastructure, which could significantly boost the oil and gas sector. Moreover, there is considerable potential in the vast expanse of prospective and underexplored acreage, which holds the promise of hosting substantial oil fields, further enhancing the industry's prospects for expansion and development.

As the population size and urbanisation in Ghana continue to rise, the demand for domestic fuels and gas is experiencing rapid growth. This trend creates a lucrative market for energy providers and investors looking to capitalise on the increasing consumption of energy resources. Additionally, there is a growing need for alternative gas flaring solutions within the oil and gas industry. Investing in innovative technologies and practices to minimise or eliminate gas flaring presents an opportunity for companies to improve their environmental sustainability and operational efficiency while meeting regulatory requirements.


Photo credit: Virtual Art Studio – Adobe Stock

SECTOR OPPORTUNITIES

- Provision of independent power plants.
- Investment in the Petroleum Development Hub Corporation.
- Provision of refinery, storage, marketing, and transportation of petroleum and gas products.
- Deployment of 4D seismic technology.
- Investment in natural gas infrastructure.
- Provision of drilling products and services.
- Joint ventures facilitating enhanced local content participation in Ghana's oil and gas sector through partnerships between international and indigenous companies.

INVESTMENT INCENTIVES

- Robust regulatory framework, coupled with favourable government policies, creates an enabling environment for increased participation and investment in the sector.
- Government offers both economic and regulatory incentives to investors such as Double Taxation Agreements (DTAs); guarantee against expropriation; corporate tax exemptions and waivers on import duties and levies on machinery and equipment; losses carried forward for three years minimum; Bilateral Investment Treaties (BITs); and Multilateral Investment Guarantee Agency (MIGA) membership.
- Ghana has one of the most competitive fiscal regimes in the subregion with 4 and 12.5 percent of gross oil production and a corporate income tax of 35 percent.
- Jubilee oil is light, sweet and has the high quality that is attractive to global refineries and can compete with the international price reference oils. TG

Ghana benefitted from high export commodities prices for most of 2022, but prices declined at the end of the year and remained weak in the first half of 2023. The prices of crude oil, gold, and cocoa remained elevated in 2022, helping lift the trade balance. However, commodity prices have declined sharply over the past six months. The World Bank commodity price index declined by 32 percent from its historic peak in June 2022, the sharpest drop since the Covid-19 pandemic started. As a result, the price surges that followed the Russian Federation's invasion of Ukraine have largely been unwound due to a combination of slowing global economic activity, favourable winter weather, and the redirection of trade of key commodity exports from Russia and Ukraine. The Brent Crude oil price is 35 percent below its recent record high in June 2022, despite experiencing volatility in March 2023, and is projected to average $80/bbl in 2023, a $8/bbl downward revision from the January forecast, and to edge up to $82/bbl in 2024, reflecting a modest pickup in demand.

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Source: 7th Ghana Economic Update. Price Surge: Unravelling Inflation's Toll on Poverty and Food Security. Produced by the World Bank Group.
https://documents1.worldbank.org/curated/en/099072023055014341/pdf/P177994046644e0e-20b3dd057c81347c0ef.pdf

Photo credit: SnowElf – Adobe Stock

Digging for prosperity

Ghana is rich in a diverse array of minerals, including gold, bauxite, diamond, manganese, iron ore, copper, chrome, nickel, limestone, and quartz. Despite this variety, the mining industry primarily focuses on four major minerals: gold, diamonds, manganese, and bauxite. Foreign companies dominate large-scale mining activities in Ghana, although the government retains a 10 percent stake in most operations. Small-scale mining is reserved for Ghanaian citizens, ensuring local participation in the sector.

The mining industry in Ghana has been a consistent contributor to the country's GDP, accounting for over 7 percent from 2018 to 2020. However, a decline to 5 percent occurred in 2021 due to reduced gold and bauxite production. The sector remains the fourth-largest contributor to Ghana's annual gross product, trailing behind crop production, manufacturing, and trade, with a contribution of GHS 5.8 billion ($ 482.2 million) in the last quarter of 2023. The sector also plays a significant role in the government's fiscal revenue collection, with a notable 60 percent increase in revenue between 2018 and 2019, primarily driven by rising commodity prices. Mining operations pay a 5 percent mineral royalty on total revenue to the Ghana Revenue Authority (GRA), contributing 18.12 percent of the GRA's total collections in 2020.

Ghana is one of Africa's leading gold producers, alongside South Africa and Burkina Faso, collectively yielding 346 tonnes of gold in 2021. Ghana surpassed South Africa to become Africa's top gold producer in 2021, with a production of 129 tonnes, contributing significantly to the country's mining export revenue, which was predominantly derived from gold (approximately 96 percent in 2021).

While Ghana's mining industry was formerly state-owned, it now boasts significant private sector involvement, evidenced by the presence of major multinational mining companies like Newmont Goldcorp, Anglo Gold Ashanti, and Gold Fields. Among these, Gold Fields Ghana emerged as the highest gold producer in 2021, despite a slight decrease in production compared to the previous year. Various mines across Ghana contribute to the country's gold production, including Obuasi, Iduapriem (Tarkwa), Damang, Prestea, Bogoso, Wassa, Kenyasi, Akyem, Chirano, Teleku Bokazo, Kwabeng, and Osino.

Ghana's bauxite industry, dating back to 1914, is centred around the Awaso

Photo credit: Asante Gold Corporation

mine, operated by the Ghana Bauxite Company with the Government of Ghana holding a 20 percent stake and private investors owning 80 percent. Despite reaching its peak production of 1.1 million metric tonnes in 2017, revenue declined due to a global slump.

However, Ghana lacks an integrated aluminium industry, as there is no alumina plant to process bauxite ore. VALCO, responsible for alumina smelting, currently meets most demands, but with increasing demand, production volume must rise to meet needs. While Ghana handles major production steps in aluminium processing, VALCO imports alumina for aluminium production despite abundant bauxite reserves.

Manganese, the fourth most popular metal in metallurgy and the fifth most abundant globally, serves various purposes. Primarily used in steel production as an alloying element, manganese is also essential in battery production, water treatment, fertiliser micronutrient creation, and paint pigment production. Major importers of manganese include China, India, Norway, Russia, and South Korea.

Ghana ranks as the sixth-largest manganese producer globally, contributing 3.2 percent to global production. Manganese ore production began in Ghana in 1914 in Nsuta-Wassa. The Ghana Manganese Company (GMC), Ghana's sole manganese producer and exporter, operates the mining concession covering 170 square kilometres in and around Nsuta in the Western Region. The company is privately held, with Consolidated Minerals Africa Limited owning a 90 percent stake and the Government of Ghana holding a 10 percent free carried interest. However, only about 3 percent of the concession has been mined to date.

Diamond mining in Ghana is primarily concentrated in the Birim Valley near Akwatia in the Eastern Region. The extraction process typically involves small-scale miners working with both alluvial and in-situ diamond deposits. Despite having several diamond deposits, Ghana has not yet emerged as a major global diamond producer. The state-owned Great Consolidated Mining Company(GCDL) is the primary entity engaged in diamond mining activities,


Photo credit: Asante Gold Corporation

operating within the Birim River Basin.

Diamond mining in Ghana predominantly employs alluvial mining methods, where diamonds are often found in gravel layers alongside materials like mud, clay, and marine debris. This method involves constructing barriers to collect water in designated areas, such as the Akwatia-Birim valley, where the gravel containing diamonds is collected, sifted, and processed.

Ghana primarily exports diamonds to Belgium and the Netherlands. However, the country's export of diamonds has experienced a decline, attributed in part to the shutdown of the Great Consolidated Mining Company in 2019. Additionally, stringent regulations imposed on small-scale mining activities in 2017, aimed at mitigating environmental damage, led to a sharp decrease in Ghana's diamond output.

The Ministry of Lands and Natural Resources; Minerals Commission; Forestry Commission; Lands Commission; Ghana Integrated Aluminum Development Corporation; Precious Minerals Marketing Company; Ghana Chamber of Mines; and the Environmental Protection Agency are some of the regulators and industry bodies involved in the sector.

SECTOR OPPORTUNITIES

- Establishment of new bauxite mines and refineries.
- Development of Ghana's diamond industry.
- Development of Ghana's iron and steel reserves.
- Establishment of an aluminium smelter.

INVESTMENT INCENTIVES

- Mining companies get concessionary rates for the import of plant, machinery, and equipment meant purposely for mining.
- In addition, mining companies enjoy a capital allowance of 20 percent straight line on mining assets for five years and an investment allowance of 5 percent in the first year.
- Ghana's main resources include gold, diamonds, manganese, and bauxite, but the country also has untapped reserves of iron ore, copper, chrome, nickel, limestone, quartz, and mica. TG


Photo credit: Asante Gold Corporation

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The average price of gold remained at its all-time high at 2,000 ($/troy oz) in 2022 as global demand for gold increased in the context of high inflation. The price of gold increased by 9 percent in the first quarter of 2023 because of a weakening dollar, continued geopolitical uncertainty related to the war in Ukraine, and persistently high inflation. Gold prices are expected to average $1,900 per troy ounce in 2023, 6 percent higher than in 2022, but could decline in 2024 as the global economy begins to recover gradually and inflationary pressures recede.

Source: 7th Ghana Economic Update. Price Surge: Unravelling Inflation's Toll on Poverty and Food Security. Produced by the World Bank Group. https://documents1.worldbank.org/curated/en/099072023055014341/pdf/P177994046644e0e-20b3dd057c81347c0ef.pdf

A Time to build

Ghana's real-estate sector has emerged as a powerhouse of economic growth, notably growing at a remarkable compound annual growth rate (CAGR) of 30 percent between 2016 and 2021. This impressive growth trajectory solidifies its position as one of the primary engines driving the country's economic expansion. There are four main segments in the sector. The office market caters to the needs of businesses and corporations for workspace; the retail market provides venues for commercial activities and consumer engagement; the industrial market facilitates production and logistics operations; and the residential market meets the housing needs of individuals and families across various income brackets.


Photo credit: © Ryan Koopmans

The office real-estate market in Ghana is primarily driven by private sector entities, which have established state-of-the-art facilities tailored to meet the diverse needs of companies seeking modern workspaces. Currently, the market boasts a substantial stock of A-grade developments, totalling approximately 144,105 square metres, with an additional 15,000 square metres in pipeline developments. This robust infrastructure foundation underscores the sector's commitment to providing high-quality office spaces that cater to the evolving demands of businesses.

The pre-pandemic period witnessed significant advancements in the office real-estate market, fuelled in part by government initiatives aimed at industrial transformation and the provision of tax incentives. These initiatives effectively created an attractive business environment, drawing both indigenous companies and multinational corporations to invest in office spaces. The surge in demand for office spaces during this period reflects the confidence of businesses in Ghana's economic prospects and growth potential.

Accra remains the focal point of office space demand, with key locations such as Ridge, Airport City, and Cantonments emerging as preferred destinations for businesses seeking prime office locations. These areas offer strategic advantages, including proximity to commercial hubs, transportation networks, and essential amenities, further enhancing their appeal to tenants in the office real-estate market.

The residential real-estate sector in Ghana encompasses structures designed for dwelling, living, or sleeping, catering to individuals, households, or groups of people. Over the years, both government and private sector entities have played pivotal roles in the development of residential structures, contributing to a notable increase in the total number of residential units..

Ghana still faces a substantial housing deficit, estimated at 1.8 million units. Approximately 60 percent of the urban population requires government assistance to access decent housing facilities, highlighting the pressing need for affordable housing solutions. In response, the Ministry of Works and Housing has initiated various programmes aimed at providing affordable housing units and creating an enabling environment for private sector involvement.

To address the housing deficit, several financial institutions, including nine of the 23 universal banks in Ghana, offer mortgage products tailored to various housing needs, from home purchases to renovations. Additionally, the National Homeownership Fund collaborates with banks and real-estate investment trusts to implement schemes like Rent to Own, aimed at bridging the housing gap.

On the supply side, the government is actively involved in facilitating land provision to developers, infrastructure development at designated affordable housing project sites, and offering tax incentives and exemptions to encourage investment in the residential real-estate sector. Moreover, collaborative efforts between the Ministry of Works and Housing and the State Housing Corporation have led to the commencement of construction projects, including the development of 6,584 rental housing units at the district level for public workers.

Some of the prominent retail brands in Ghana include Shoprite, Max Mart, Koala, and Melcom, which operate primarily from privately owned malls on a tenancy basis, collectively occupying an estimated stock size of about 138,000 square metres. While shopping malls remain popular destinations for retailers, recent trends indicate a diversification in retail locations, with some retailers opting for converted residential developments and others operating from medium-sized retail plazas.

Accra Mall, one of the prominent retail destinations in Ghana, attracts approximately 7 million customers annually


Photo credit: Swami India Ghana Limited – Serenity Estate

and currently maintains a vacancy rate of 5 percent among the listed malls. Looking ahead, there are pipeline investments in the retail real-estate space, including projects such as the Garden City Mall in Kumasi and World Mall Ghana, located off the Spintex Road in Accra. These developments signify continued growth and investment opportunities in Ghana's retail sector.

Ghana's industrial hubs, primarily located in Accra, Tema, Kumasi, and Takoradi, play a crucial role in driving economic growth. While the cocoa and energy industries have historically dominated the industrial market, various government initiatives are poised to stimulate significant growth in this sector.

One such initiative is the One District One Warehouse programme led by the Ministry of Agriculture and Ministry of Special Initiative. This initiative aims to increase the number of warehouses across the country, enhancing storage capacity and logistical capabilities. Additionally, the establishment of Specialised Industrial Zones, as part of the Ministry of Trade and Industry's industrialisation plan, is expected to expand Ghana's industrial real-estate footprint. Collaborating with the private sector, initiatives like the Dawa Industrial Park and the Tema Industrial Park by LMI Holdings have already been completed, providing modern facilities for industrial activities.

The decision to host the AfCFTA secretariat in Ghana, along with associated incentives such as tariff-free access for Ghanaian manufacturers to 53 other economies, is anticipated to bolster industrial production. This increased production will drive demand for warehouse space as factories ramp up operations to meet domestic and regional market demands.

SECTOR OPPORTUNITIES

- Investment in land in areas such as Kasoa, Gbawe, Aburi, Peduase, and their surroundings offers substantial potential for significant future value appreciation in Ghana's real-estate sector.
- Constructing single-family houses ranging from two to five bedrooms to reduce the housing deficit of approximately 1.8 million houses and match the projected growth in the percentage of middle-class households.
- Investing in luxurious residential apartments in prime areas like Cantonments, East Legon, and Roman Ridge to cater to the growing demand from expatriates relocating to Ghana for busi-

ness purposes, providing them with state-of-the-art facilities and amenities.

- Investing in smaller apartment buildings situated near or on the campuses of tertiary educational institutions to help address the shortage of residential facilities on some university campuses in the country, catering to the accommodation needs of students and faculty members.
- Developing retail facilities in prime locations such as Accra, Madina, and Kumasi offers lucrative investment opportunities due to their high levels of retail activity and the growing demand for retail space in these areas.
- Implementing the One District One Factory (1D1F) initiative presents a lucrative opportunity for warehousing, especially as factories increase their production of manufactured goods for both local distribution and export.

INVESTMENT INCENTIVES

- Ghana provides tax incentives to real-estate companies to carry forward losses incurred in the first three years of operation.
- Investors in real-estate are allowed free transferability of capital, profits and dividends.
- Ghana is a signatory to the World Bank's Multilateral Investment Guarantee Agency (MIGA) Convention and has Double Taxation Agreements (DTAs) to rationalise tax obligations of investors in order to prevent double taxation.
- Government is also implementing its digitisation agenda by completely digitising the National Land Registry in Ghana. TG

Photo credit: © Ryan Koopmans

CLIFTON HOMES

Clifton Homes has over a decade of experience delivering residential developments in Ghana's Capital. Since 2011 Clifton Homes been the fastest growing developer in Ghana. With a track record of all their projects to date being completed within contractual deadline, resulting in a market reputation for quality and reliability.

All Clifton Homes developments are designed to deliver an optimal combination of value, location and quality, making them high-return, low-risk investments for both homeowners and buy-to-let investors alike. After managing the design and construction phase, the company also has a subsidiary to undertake Facilities Management operations and Lettings Management post-completion, ensuring their clients' assets are well maintained over the long-term.

Clifton Homes launched The Atlas in December 2023, located on Airport Bypass Road, just a minute from Kotoka Airport. The Atlas presents refined accommodation for business travellers, leisure visitors and local professionals while offering comfort, convenience and value, accompanied by meaningful facilities which truly enhance everyday urban living.

With a future pipeline designed to further evolve and enhance their proposition, Clifton Homes remains focused on contributing to the positive growth and development of Ghana's future real-estate landscape.

For more information visit **www.cliftonghana.com**

Interview with
Surveyor Benjamin Arthur
Executive Secretary, Lands Commission

The Lands Commission is established by Article 258 of the 1992 Constitution and the Lands Commission Act, 2008 (Act 767). The current Lands Commission, as part of the Public Sector Reform Programs and the Land Administration Project, has been substantially remodeled by Act 767 to increase its efficiency and effectiveness. Its mission is to provide high quality, reliable and efficient services in geographic information, guaranteed tenure, property valuation, surveying and mapping through teamwork and modern technology.

Top Guide: How is the Land Administration Reform Project working to improve the ease of land acquisition for both local and foreign investors in Ghana?

Mr. Benjamin Arthur: Well, the Land Administration Reform Project is essentially designed to improve on the Lands Commission's efficiency. The key aspect of that project is to address the issue of available data and information for our stakeholders. Key amongst them is the conversion of all our historical or legacy data from the manual to digital. And then providing a digital environment or platform for our stakeholders to interact with the Lands Commission.

What this will do is to make it easier to conduct official searches and make available, relevant information on any specific piece of land to interested parties. So, we will fly the entire country and map using Photogrammetric methods at high resolution to acquire digital Orthophotos and maps. This will give us credible, reliable and easily accessible records, underpinned by a digital land administration platform that will facilitate all business with the Commission.

THE LAND ADMINISTRATION REFORM PROJECT WILL MAKE IT EASIER TO CONDUCT OFFICIAL SEARCHES AND FIND RELEVANT INFORMATION

Of course, we are very used to the hard copy end results with regards to Land Title Certificates and other documents. What we are trying to do is to limit that to the final product so all processes are digital but at the end, you will get your hard copy. This involves lots of investments in the Mapping, in the conversion, in human capital, capacity building issues, and equipment; but I think it will be of great benefit to investors.

TG: How is the Lands Commission addressing concerns related to land tenure security? And what advice would you offer to prospective investors regarding navigating the land tenure system?

BA: We have a kind of hybrid tenure system in Ghana where about 80 percent of land is owned mainly by traditional authorities. The state's land, which is also in two parts - state acquired lands and lands that are vested in the state - constitute about 20 percent of land ownership in the country. So to navigate the acquisition process, the investor has to make sure he's dealing with the rightful owner. The challenge for buyers is knowing who the rightful owners are! The boundaries are sometimes unclear and there may be disputes in the families that own the land.

As a Commission, even though we do not have control over the sale of the 80 percent of land that is privately owned, we are responsible for recording and registering the transactions so we are very interested in who the owners are. One of the things that we do is to record the allodial ownership of the parcels of land; once we have those records, until a process, whether by a court order or by change in leadership and so on, is recorded in our books, we will rely on that information to register only grants that are coming from the known family leaders. So we say that for any investor who is acquiring land, you must do a lot of due diligence. It is best to use an accredited professional from the Ghana Institution of Surveyors.

We also advise that you engage a professional Land Surveyor in good standing with the Lands Commission to get you a site plan of the land that you intend to acquire in order to make sure that it accurately represents the same position on the ground as shown to you.. Once you have that, you must conduct a search at the Lands Commission, where our records will show the historical records we have on the land, including who is recorded as the legitimate owner. Then you must also verify the identity of the person you are dealing with.

Once you have done all this, you must bring the instrument to the Commission to transfer the interest that you are acquiring from the land into our records. That way, you become the recorded owner of the land. We have two forms of registration. The Land Title Registration provides a state guarantee of your ownership, while the Deed Registration records and registers the transaction itself. Apart from the Greater Accra Region and some parts of the Ashanti region where Title Registration is declared, deed registration is what is available in the rest of the country. It is important for investors to understand these processes or better still, get a professional to help them navigate them.

With regard to the Vested Lands, ownership stays with the stool but is managed by the state. The Lands Commission manages this land on behalf of the stool, granting leases or permissions. State land is acquired or allocated by the state and managed solely by the Lands Commission. They allocate land for various uses and grant permissions like certificates of allocation for use rights. Transactions require permission from the president, facilitated by the Minister for Lands and Natural Resources. Leases can be offered to individuals or institutions. Some state-acquired land is conveyed to specific institutions.

TG: Are there other reforms that you are considering?

BA: One idea would be to redefine the role of the Lands Commission and its operations. In many other places, there are specific registered agencies through which land transactions are conducted. By requiring individuals to work through these licensed agencies, such as notaries, the Lands Commission can focus on working with established institutions rather than the general public. This would streamline the Commission's services and reduce the strain of dealing with every individual directly.

Furthermore, implementing Land Title Registration nationwide would significantly enhance tenure security compared to deed registration. This reform would involve providing base maps and sectional maps for systematic titling, making it easier for every property to have a title. Ultimately, these changes could bring more order to land management, reduce fraud, and increase confidence in investing in Ghana. ■TG

Leveraging digital tools to boost growth and inclusion

Ghana's Information Communication Technology sector is one of the fastest growing in the economy, with a knock on effect on other sectors. It is anticipated to expand substantially, reaching $5 billion by 2030. The ICT landscape encompasses various stakeholders, including telecommunication service providers, internet service providers, software developers, and training institutions. Regulation of the sector is overseen primarily by the Ministry of Communications and Digitalisation, along with the National Communication Authority (NCA), supported by other regulatory bodies.

Ghana has three main mobile network operators: MTN, AirtelTigo, and Telecel, which entered the market in 2024 by acquiring Vodafone's Ghana operation. MTN leads the market with approximately 67.32 percent market share, followed by Telecel with 18.17 percent percent. As of January 2023, Ghana had 39,812,171 mobile voice subscribers and 23.05 million internet users, representing a penetration rate of 68.2 percent.

There are five primary BWA operators in Ghana, which play a crucial role in providing high-speed internet services across the country. The country has 137 licensed television networks, reflecting a diverse media landscape, and 684 radio stations, indicating a broad and varied auditory media presence.

The fintech sector is growing rapidly, with over 40 companies contributing to the digital financial services ecosystem. This growth is significantly driven by mobile money services, where Ghana is a leader in the region. There are over 600 IT companies operating in Ghana, providing a range of services from software development to IT consulting.

Ghana's ICT sector continues to be a significant driver of economic growth and innovation. The government is actively promoting digital initiatives, such as the National ID system, digital address systems, and the expansion of fibre optic networks. The mobile network operators in Ghana are also making substantial investments to enhance the adoption of advanced mobile services. These efforts aim to enhance connectivity, especially in rural areas, and support the growth of a digital economy. The ICT sector is expected to grow from its 2022 value of $1 billion to an estimated $5 billion by 2030, reflecting robust investment and development within the sector.

The fintech subsector has emerged as one of the most significant drivers of growth, characterised by a dynamic interplay between mobile network operators (MNOs), financial institutions, and regulatory bodies. The Bank of Ghana plays a crucial role by providing banking licences to banks that act as super agents for the MNOs in the mobile money market. These banks and super agents ensure liquidity, facilitating cash-in and cash-out transactions, while MNOs manage the mobile wallets of their super agents. The MNOs, serving as both agents and partners with the banks, provide the technological platforms necessary for cash receipt and transfer.

In 2023, the total value of mobile money transactions in Ghana reached a record level, soaring to GHS 1.912 trillion. This significant milestone, as revealed in the January 2024 Summary of Economic and Financial Data by the Bank of Ghana, marked a substantial increase from GHS 1.07 trillion in 2022. This growth underscores the rapid adoption and increasing reliance on mobile financial services in the country, driven by factors such as greater financial inclusion, advancements in mobile technology, and an expanding network of mobile money agents.

In 2020, the National Communications Authority (NCA) classified MTN as a significant market player due to its substantial market share, which surpassed the regulated threshold while its competitors' shares lagged significantly. This classification was aimed at introducing measures to foster a more competitive environment, allowing rival operators to better compete with MTN.

Additionally, the African Continental Free Trade Agreement (AfCFTA) is set to enhance market access to neighbouring countries, further boosting economic activities. The introduction of the Pan-African Payment and Settlement System (PAPSS) will facilitate the efficient and secure flow of money across African borders. This development is expected to increase demand for e-commerce and e-money-related transactions in Ghana, complementing the competitive measures implemented by the NCA to balance the market dynamics among telecom operators.

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SECTOR OPPORTUNITIES

- Investing in data centre deployment and management, business continuity, and information security to support institutions such as pension funds, banks, brokerage houses, and insurance firms.
- Last-mile connectivity, to bring connectivity to the end users in underserved communities.
- Taking advantage of the Geneva 2006 (GE06) Agreement, which established the Digital Terrestrial Broadcasting Plan and to which Ghana is a signatory, to deliver terrestrial services.
- Supporting the government of Ghana to deliver on its digitisation agenda and provide digital administrative services.

INVESTMENT INCENTIVES

- Investors in the sector benefit from seven year tax exemption, relief from double taxation for foreign investors and employees, and the ability to carry forward tax losses for up to five years.
- Ghana's enhanced internet infrastructure is driving down access costs, boosting data penetration, and paving the way for technology convergence.
- The sector is well regulated as it is linked with the financial industry and prioritises stringent data protection measures.
- The e-Transform Ghana Project, which aims to revolutionise government service delivery by implementing interventions that leverage information technologies like Wide Area Networks (WAN), the internet, and mobile computing, provides more opportunities for investors in the sector. TG

Access, quality and infrastructure investments for a healthy workforce

Ghana is one of Africa's most dynamic economies with a population in excess of 30 million. Demand for healthcare is thus a critical aspect of the nation's progress, with public and private institutions around the country working to meet this need. In 2023, the government voted GHS 15.2 bn for healthcare expenditure in the budget.

There is a network of close to 3,000 healthcare facilities distributed across the country. Furthermore, the pharmaceutical subsector has witnessed substantial growth, with a market size reaching almost half a billion, supported by a network of over 1,000 pharmacies and 30 pharmaceutical manufacturing companies. There are over 500 diagnostic centres and 337 ambulances in the country, with an ambulance-to-population ratio of 1:84,000.

The health insurance market in Ghana is diverse, with approximately 12 licensed private health insurance schemes, notably featuring seven private commercial health schemes. This nuanced framework aims to enhance accessibility and affordability of healthcare services across the populace. Ghana pioneered the adoption of a universal health insurance system, known as the National Health Insurance Scheme (NHIS), becoming one of the initial African nations to do so. This initiative aimed to enhance healthcare accessibility for all citizens, ensuring that essential medical services are within reach for everyone.

The medical devices and supplies sector is a vital component of healthcare provision in the country, with a market size valued at US$ 71.2 million as of 2021. Notably, consumables command the largest share, amounting to $ 23.8 million, underscoring the significance of sustainable supply chains for essential medical resources.

There is a balance between expenditure and infrastructure, with a healthcare spend per capita of $ 75 in 2021. This investment is supported by a substantial network of public health facilities, numbering at 11,079 as of 2022. However, challenges persist in terms of healthcare personnel distribution, with only 0.10 doctors, 0.58 hospital beds, and 1.2 nurses per 1,000 population in 2020, highlighting the need for workforce augmentation to meet the demands of a growing populace.

Notably, the healthcare system operates on a mixed financing model, with public spend accounting for 42 percent and private spend comprising 58 percent of the total expenditure. Despite these intricacies, Ghana's healthcare sector demonstrates resilience and commitment towards enhancing accessibility and quality of care for its citizens.

Healthcare provision in Ghana is organised into primary, secondary, and tertiary care. The primary healthcare system involves health posts, clinics, and health centres and delivers essential healthcare services such as immunisation, malaria treatment, antenatal care, and infant and young child feeding. Secondary healthcare, on the other hand, addresses more specialised medical needs and is staffed by specialists in fields like cardiology, endocrinology, neurology, ENT, and general surgery. Patients referred from primary healthcare facilities typically seek treatment here for conditions requiring advanced expertise. Tertiary healthcare represents the highest level of specialised care, predominantly focusing on in-patient services and employing sophisticated equipment and expertise.

A number of factors are set to drive growth in Ghana's healthcare sector. The rapid population growth in Ghana has spurred an increased demand for pharmaceutical products, driven by the prevalence of chronic illnesses. Conditions such as heart disease, stroke, diabetes, and cancer have become more common, leading to a surge in the pharmaceutical industry. To address this, both patented and generic drugs are continuously developed by companies to combat these diseases.

A significant governmental measure to bolster the local pharmaceutical sector involved banning the importation of 14 widely used products that could be locally manufactured, including ampicillin, tetracycline, and paracetamol. Moreover, domestically produced formulations benefit from a 10 percent import duty exemption on finished formulations. The generic drugs segment, offering relatively cheaper alternatives to patented drugs, holds the second-largest share of the pharmaceutical market in Ghana, propelled by government-driven cost containment measures.

To further support the industry's development, the Ghana National Chamber of Pharmacy (GNCP) partnered with LMI Holdings Ltd to establish a pharmaceutical industrial park in Ghana's Dawa industrial zone. Additionally, the GNCP has urged the government to facilitate access to affordable investment capital through interest payment subsidies and tax breaks for pharmaceutical industry stakeholders.

More than half of the healthcare services utilised by Ghanaian customers are provided by private providers, a trend that appears to be on the rise. Self-Financed Private (SFP) providers constitute the majority of these privately offered services. Regardless of financial status, geographical location, or gender, individuals opt for private providers for approximately half of their healthcare needs. While coverage under the National Health Insurance Scheme (NHIS) encourages the use of Ghana Health Services (GHS) facilities over privately offered care, the inadequate accreditation of SFP providers may contribute to this trend.

Despite NHIS coverage, consumers continue to incur out-of-pocket expenses at GHS, Christian Health Association of Ghana (CHAG), and SFP providers, although the frequency of paying nothing at all has increased due to NHIS coverage. However, the overall amount of out-of-pocket spending remains unchanged in circumstances where it is still required. SFP providers are preferred for their quality services, customer service, and short wait times, while GHS providers are favoured for quality services, reasonable pricing, and doctor availability. CHAG providers are preferred for quality services, courteous service, and doctor availability.

SECTOR OPPORTUNITIES

- Opportunity to establish a World Health Organization certified pharmaceutical manufacturing plant as none currently exist.
- Opportunities for active pharmaceutical ingredient manufacturing.
- Establishment of a CAT lab in Ghana.
- Establishment of research and development facilities.
- Community care facilities for the elderly.
- Advancement in specialised cancer care treatments.

INVESTMENT INCENTIVES

- Investors have free transferability of capital, profits, and dividends and benefit from the World Bank's Multilateral Investment Guarantee Agency Convention and Ghana's Double Taxation Agreements (DTAs) to rationalise tax obligations of investors in order to prevent double taxation.
- Ghanaian consumers' price sensitivity in healthcare presents opportunities for new entrants to succeed through affordable pricing.
- Ghana imposes no explicit import restrictions or tariffs on used or refurbished medical equipment.
- The Ministry of Finance grants exemptions from duties and taxes for most hospital equipment, including ambulances, as well as certain pharmaceuticals, facilitating their accessibility and affordability within the country.
- The Ghana Investment Promotion Centre Act (2013 Act 865) and Free Zones Act (1965 Act 504) serve to promote economic development and regulate investor activities within the country, providing a framework for investment facilitation and regulation.
- The proximity to European and American markets will significantly reduce travel time, streamlining supply chain management for both exports and imports. TG

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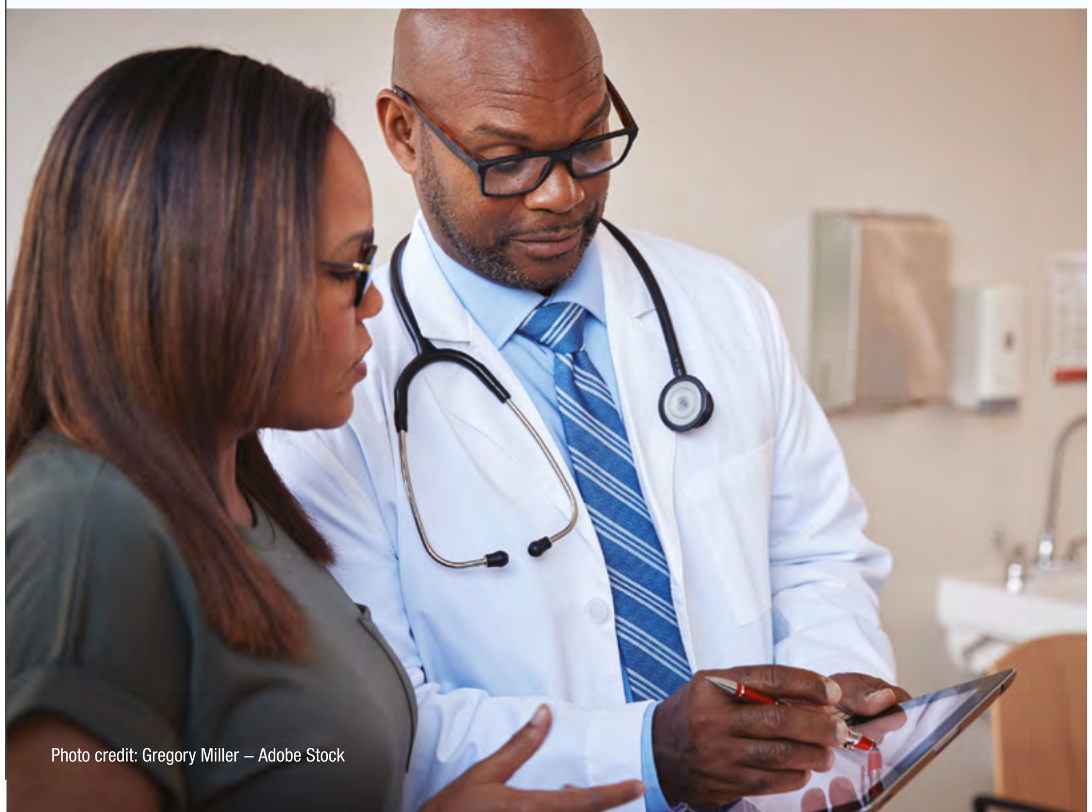
NHIS, a best-practice approach that has placed the country at the forefront of health financing reforms in Africa, covers 60 percent of the population and has a track record of providing meaningful financial risk protection for beneficiaries, with benefits skewed towards the poor. Continued effectiveness of the scheme, which largely depends on revenue from the NHIL, will depend on sustained financing. However, National Health Insurance Authority (NHIA) financing has come under strain due to two gaps: (i) the difference between revenues raised under the NHIL and budget allocations to the NHIS; and (ii) the difference between budget commitments and actual transfers to the NHIS. As a result, in 2022, the NHIS received just over 50 percent of revenues raised via the NHIL, leading to delays in claims reimbursement, the accumulation of arrears, and increased out-of-pocket payments by beneficiaries now being asked to pay for medicines and diagnostics that would previously have been covered.

Source: Ghana First Resilient Recovery Development Policy Financing. Produced by the World Bank Group. https://documents1.worldbank.org/curated/en/099122123140098673/pdf/BOSIB12746a5c-c0271aa221597ad685a122.pdf



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THE BANK HOSPITAL

The Bank Hospital located in the heart of Accra - Cantonment, is a multi-disciplinary private healthcare facility that focuses on the best possible clinical outcomes with the goal of providing professional, comprehensive and client-focused healthcare through the provision of a wide range of services. All this is done with the aim of becoming the preferred healthcare provider for our patients and their families with exceptional care that goes above and beyond expectations.

The Bank Hospital is Ghana's premier private hospital to earn international accreditation for quality standards. The hospital stands out as the only private hospital in Ghana to achieve this prestigious COHSASA recognition, demonstrating our dedication to providing world-class medical services.

With contemporary up-to-date facilities and state-of-the art equipment, The Bank Hospital offers a broad spectrum of expert medical care and services to meet the needs of the communities we serve, in Accra, Ghana and across our borders.

The Bank Hospital was first set up as a Bank Clinic in 1987 and has since morphed into the mind-blowing edifice in existence today. Over the 34-year period of growth, the facility has moved from outpatient facilities and limited operations to a comprehensive Medical Facility with both in-and out-patients. The Bank Hospital stands tall in first class professionalism, teamwork, innovation and compassionate healthcare.

The range of medical services and specialties offered at The Bank Hospital are diverse and includes 24/7 Emergency care, Radiology and Imaging, Cardiac Catheterization, Lithotripsy, Paediatrics, Obstetrics & Gynaecology, Dental, Diagnostics, Diet Therapy, ENT, Family Medicine, Eye, ICU and High care, Maternity services, Neonatal Intensive care, Optician and Optometrist, 24/7 Pharmacy, Physiotherapy, Urology, Renal services, Pathology and Paramedic Ambulance services. In addition to these general services, the hospital also provides specialized treatments such as cardiac treatment, lithotripsy and more.

With the positive testimonials received from our satisfied patients, we can boast that our well trained and experienced medical staff offer the best treatment you can ever get.

For any inquiries or appointment, locate us at Cantonment, near NAFTI.
Alternatively, you can reach out to us via our helplines **0302 739 373.**

Nature, heritage and opportunity

Ghana's recreation and tourism sector showcases a rich cultural and diverse heritage, embodied in its forts and castles, festivals, and arts and crafts. The country boasts an array of natural attractions, including evergreen forests, mountains, lakes, and waterfalls. This sector is labour-intensive and offers numerous small-scale employment opportunities in areas such as travel and tours, handicrafts, music and dance, and Ghanaian cuisine, making it an attractive prospect for investors. Overall, the tourism sector holds significant potential to drive economic growth and job creation in Ghana. The country earned GHS 3,608.3 from tourism in 2023.

Key components of the sector include accommodation (hotels, guest houses, lodges, hostels, and apartment complexes); food and beverages (restaurants, bars/nightclubs and food vendors); attractions (nature resorts, heritage sites, safaris, beach resorts, nature and adventure parks); and creative arts (cultural events, meetings, incentives, conferences, exhibits, movie houses, arts and crafts, stage performance programs, awards, and celebration programs).

In 2021, hotels and restaurants in Ghana contributed approximately GHS 3.9 billion (around US$ 640 million) to the country's Gross Domestic Product (GDP). The beverage industry has also seen increasing competition in recent years with numerous small producers entering the market. This growth is driven by urbanisation, increased brand awareness, and a growing middle class. Food spending is projected to keep growing due to positively trending demographics, similar to the drinks segment.

As of 2022, Ghana had over twenty eco-tourism sites spread across its regions. Notable sites include Wli Waterfalls, Paga Slave Camp and Sacred Crocodile Pool, Kakum National Park, Mole National Park, Nzulezu Village, and sea turtle conservation areas in the Central, Northern, and Western regions. The export of industrial art and crafts has experienced significant growth, with a compounded annual growth rate (CAGR) of 54 percent from 2018 to 2020.

Ghana's population size and growth significantly support the expansion of the tourism and recreation sector. With a population of over 30 million growing at a compound annual growth rate (CAGR) of 2 percent and an urbanisation rate of 57.9 percent, there is a rising demand for recreational and tourism activities. This demographic trend creates a robust market for the tourism industry, fostering its growth and development.

Ghana's rapidly expanding telecommunications sector is another crucial factor driving tourism growth. The growth in communication and information technology enhances awareness of Ghana's culture and branding, ultimately promoting tourist sites and recreational facilities across the nation.

The government's commitment to developing tourism infrastructure is evident through significant investments and initiatives. Supported by World Bank funding of US$ 50 million, the government has prioritised upgrading road networks throughout the country. These improvements in infrastructure are crucial for enhancing access to tourist destinations and supporting the overall growth of the tourism sector in Ghana.

The sector has benefitted from several key interventions. The "Year of Return, Ghana 2019" was a landmark marketing campaign targeting the African-American and Diaspora markets. It commemorated 400 years since the first enslaved African arrived in Jamestown, Virginia. Spearheaded by the Ghana Tourism Authority (GTA) under the Ministry of Tourism, Arts, and Culture, the project collaborated with the Office of Diaspora Affairs, the Panafest Foundation, and the Adinkra Group of USA. The campaign significantly impacted the economy, generating US$ 1.9 billion through tourism and travel in 2019, showcasing Ghana as a prime destination for the African diaspora.

In April 2021, the government launched a US$ 25 million investment program under the Ministry of Tourism, Arts, and Culture to boost the local film and movie production industry. This initiative aims to enhance the film ecosystem in Ghana and is projected to create up to 6,000 jobs within the industry. The investment highlights the government's commitment to developing creative arts as a vital part of the tourism sector.

A domestic and regional tourism campaign, branded as "#ExperienceGhana, #ShareGhana," was launched in June 2021, to boost local and regional tourism. As part of this initiative, March of every year has been designated as Ghana Month, featuring activities such as "See Ghana, Eat Ghana, Wear Ghana, and Feel Ghana" to promote national pride and cultural engagement. This campaign seeks to enhance the patronage of the tourism industry by encouraging Ghanaians and regional visitors to explore the country's rich cultural heritage and diverse attractions.

The Marine Drive project, initiated in 2017, is an ambitious public-private partnership estimated to cost around US$ 1.2 billion. The project aims to transform the beachfront stretch from Osu Christiansborg Castle to the Arts Centre into a dynamic business and commercial hub, significantly altering the city's skyline. Spanning over 240 acres within the ministerial enclave, the project is expected to generate over 15,000 jobs upon its completion in 2027, driving tourism growth and boosting the national economy.

SECTOR OPPORTUNITIES

- Development of sports infrastructure.
- Development and funding of tourism projects with the support of donor funding and technical assistance.
- Opportunity to develop intermodal transportation systems – including light rail systems, extensive road networks others that allow tourists to travel easily to their destinations.
- There are opportunities to set up companies in travel and tours, handicrafts, music and dance and other ancillary services to support the industry.
- Opportunities to set up world class training institutes to provide human capital development necessary for the seamless operation of tourist sites and recreational facilities, as well as boosting the tourist experience.

INVESTMENT INCENTIVES

- Ghana guarantees investments against expropriation and offers free transferability of profits and dividends for foreign investors.
- Companies in the tourism sector enjoy a corporate tax rate of 22 percent as against the general rate of 25 percent; a 10 percent concessionary rate on imported goods for tourist establishments; and import duty exemptions for plant and machinery.
- Ghana has a stable political environment, coupled with a flourishing business environment partly attributed to an excellent labour force.
- Investing in Ghana provides access to the African market through the African Continental Free Trade Area (AfCFTA), which is headquartered in Accra. ■TG

Strengthening the backbone of the economy

Ghana's agriculture sector is a vital component of its economy. It is predominantly characterised by subsistence farming with a notable focus on the crop subsector. Cocoa is among the most important earners of the Ghanaian economy and the sector has, overall, been the biggest employer in the economy since independence.

The agriculture sector is dominated by food crop production for local consumption as well as export. Ghana ranks as the fourth-largest cassava producer globally, with an impressive output of 22 million tonnes in 2020. This root crop holds immense agricultural significance, occupying approximately 1 million hectares of farmland and engaging around 70 percent of farmers nationwide. The country is also the world's second-largest producer of yam with a production volume of 8.5 million tonnes in 2020. The country cultivates various yam varieties, including the renowned pona variety, which is cherished for its unique taste and quality.

In addition to cassava and yam, Ghana boasts substantial production levels of plantain, maize, rice paddy, oil palm, oranges, pineapples, groundnuts, and coconuts, contributing to the nation's agricultural diversity and food security. Despite its robust agricultural output, Ghana faces challenges meeting domestic demand, leading to significant food crop importation. More than a million tonnes of rice are imported annually, along with substantial amounts of wheat, soybeans, shea nut and malt imports as well as fruits and vegetables brought in to meet local demand.

Ghana has produced cocoa since 1879 when Tetteh Quashie introduced Amelonada cocoa beans from Fernando Po (now Equatorial Guinea). The country's favourable climate, characterised by adequate rainfall, sunshine, humidity, and conducive temperatures, provides an ideal environment for cocoa tree cultivation and it is currently the second -largest producer of the cash crop.
1n 2019, the government launched the Rearing for Food and Jobs module of the Planting for Food and Jobs initiative. This has led to notable production increases across various livestock categories. Despite this growth, Ghana continues to heavily rely on meat imports, particularly chicken. Chicken imports constitute a significant portion, with import volumes far exceeding local production. Ghana also imports cattle offal, beef and veal to supplement local cattle production.

Ghana boasts approximately 8 million hectares of forested land, with the majority, about 7.7 million hectares, comprising primary forests that naturally regenerate. Additionally, there are around 290,000 hectares of planted forests.

In terms of timber exports, there was a modest increase in the export of primary timber products (billets) from 24,734m3 in 2019 to 25,890m3 in 2020, reflecting a growth rate of 4.7 percent. However, the export of timber billets experienced a significant surge, recording a 40 percent growth over the total exports recorded in 2020. This substantial growth in 2021 is attributed to the pre-Christmas and New Year holiday stock build-up by international buyers.

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The increase in export quantity has had a positive impact on foreign exchange earnings. Between 2019 and September 2021, export revenue surged from US$ 7.5 million to US$ 13.4 million, reflecting the growing importance of the timber sector to Ghana's economy. This upward trend underscores the significant contribution of timber exports to the country's foreign exchange reserves and overall economic development.

Fish accounts for about 60 percent of the nation's protein needs, with marine fishing being a primary source. However, there has been a decline in fish production from both marine and inland sources, mainly due to uncontrolled artisanal practices. To address this, there has been a focus on aquaculture, which has seen growth since 2018. However, Ghana continues to face a deficit in fish production.

To enhance agricultural productivity and reduce dependency on rainfall, the government initiated the One Village One Dam policy in 2017, aimed at facilitating year-round farming across the country. Efforts are underway to further improve dam infrastructure by reinforcing the upstream slopes for increased longevity and safety. Substantial investments have also been directed towards rehabilitating and modernising major irrigation schemes such as the Tono and Kpong Irrigation Schemes, as well as the Kpong Left Bank Irrigation Project (KLBIP), which is projected to provide irrigation coverage for approximately 2,100 hectares, further expanding agricultural opportunities in the region.

The lack of storage facilities has led to consistent post-harvest losses in Ghana. To address this, the government established Ghana Airport Cargo Centre at Kotoka International Airport in 2016 and has completed 42 out of planned 50 prefabricated grain warehouses, each capable of holding 1,000 metric tonnes. Under its One District One Warehouse policy, additional warehouses are being built around the country. Private warehouses, licenced by the Ghana Grains Council, have also added 54,600 metric tonnes of capacity for agricultural products.

In 2018, the Ghana Commodity Exchange was established to facilitate linkages between producers of agricultural commodities and buyers. The GCX operates through segregated trading and warehousing storage operations, utilising an electronic warehouse receipt system backed by collateral management services. Commodities traded on the exchange include maize, soybean, sorghum, sesame, and rice.

Between 2020 and 2050, Ghana's population is expected to experience a compound annual growth rate (CAGR) of about 1.7 percent. This growth, combined with a rising middle class, is anticipated to drive an increase in demand for food. Urbanisation in Ghana is expected to rise significantly, with the urban population projected to reach 52 million by 2050, up from 31 million in 2020. In addition, there is expected to be a substantial rise in average household personal disposable income. This economic advancement will likely result in greater consumer spending on food and other goods and services, further boosting food demand in the country.

SECTOR OPPORTUNITIES

- Advancement in the development of climate-resistant seeds and adaptable technology.
- Manufacturing of machinery tailored for the production of poultry and fish feed.
- Scaling up shea butter processing capacity to accommodate increasing production and meet rising demand.
- Implementation of modern technology in aquaculture to reduce costs and increase output.
- Expansion of rice production and processing to meet growing local demand, supported by targeted incentives.
- Investment in cocoa processing factories in Ghana to capitalise on the availability of cocoa beans, allowing for value addition and export of processed cocoa products.

INVESTMENT INCENTIVES

- Ghana has a youthful population, about 67 percent of the labour force are between 15 and 64 years old.
- The food and agriculture industry offers several incentives for companies and ready-to-go investors including a 5–10-year tax holiday for companies in the agriculture sector; concessionary corporate income tax rates; option to carry forward losses for up to five years.
- The Model Lease Agreement (MLA), drafted by the Ministry of Food and Agriculture, helps to protect the interest of large-scale farmers.
- Under the Export Marketing and Quality Awareness Project, significant investments have been made to boost access to farming communities through improvements to road and transport infrastructure.
- There has been a significant improvement in warehousing capacity at the airport and in public and private facilities around the country. ■TG

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In the longer term, to mitigate the impact of inflation on food security, policymakers must enable farmers to adjust to global demand and take advantage of market opportunities. This is particularly relevant since many of the poor are farming households. Policies should be evidence based and aimed at alleviating the different constraints farmers face. Policy actions may include the channelling of investments in agriculture to research, development, and technology transfers to help increase productivity and reduce production costs, as well as improve the quality and safety of food.

Additionally, as the effects of climate change become more salient, it is also essential that the government invests in climate smart agriculture initiatives which can help farmers adapt to changing weather patterns. Promoting sustainable agriculture, which is resilient to climate change, can help farmers withstand future shocks. With the scope of further promoting agricultural production and rural livelihoods, improved access to credit and crop insurance should be explored in order to allow farming households to invest and take risks to expand their businesses and increase their competitiveness.

Additionally, farming households benefit from diversified income sources, which can help them better cope with shocks. Income diversification, however, requires being able to access markets where opportunities to supply labour and goods are available, something that is not always the case in rural areas. Thus, the government should develop infrastructure in rural areas such as better roads, irrigation channels, and improved primary education. These investments can help farmers grow more profitable crops and use better seeds that produce more harvest. Better education and connectivity can also help people find jobs that are not related to farming, which can improve rural livelihoods.

In addition to supporting higher domestic food production, policies need to target opening the country to more effective integration with global food supply chains. Programmes may seek to foster regional and global trade to improve the availability and affordability of food by reducing barriers to trade, promoting regional integration, and increasing market transparency. Also, policies that seek to reduce market distortions such as subsidies, taxes, and price controls can improve market efficiency and reduce food waste. The Ghana Food Systems Resilience Program can contribute to supporting the objectives of building economic and climate resilience, increasing food production, and reducing food insecurity. The programme is also intended to support some of the objectives of the government's flagship Planting for Food and Jobs (PFJ) through provision of critical inputs like fertilisers that are currently at unaffordable levels. The Ghana Tree Crops Diversification Project can serve as a critical puzzle piece of the country's current challenges. The project would support poverty alleviation while setting the country up to generate more foreign revenues in the medium to long term.

Source: 7th Ghana Economic Update. Price Surge: Unravelling Inflation's Toll on Poverty and Food Security. Produced by the World Bank Group. https://documents1.worldbank.org/curated/en/099072023055014341/pdf/P177994046644e0e20b3dd057c81347c0ef.pdf

Restoring an industrial base to power development

Ghana's manufacturing sector plays a crucial role in the nation's economic development, contributing significantly to GDP and employment. The manufacturing industry spans a diverse range of subsectors including agro-processing; textiles and footwear; electronics and household appliances; cocoa processing; and engineering and machine tools. The sector has witnessed steady growth, driven by favourable government policies, increased foreign direct investment, and a commitment to industrialisation under the Ghana Industrial Policy and other strategic frameworks.

The government's efforts to create a conducive business environment have been instrumental in attracting both local and international investors. Initiatives such as the One District One Factory (1D1F) programme aim to decentralise industrial development and promote equitable economic growth across the country. Additionally, the establishment of special economic zones and industrial parks, along with incentives like tax holidays and duty exemptions, further enhances the sector's attractiveness. Ongoing reforms and investments in infrastructure, energy, and technology are expected to pave the way for a more robust and competitive manufacturing landscape.

Ghana's agro-processing sector has shown significant growth and development across various commodities. Paddy rice production, for instance, increased from approximately 688,000 tonnes in 2016 to around 973,000 tonnes in 2020, with a consistent conversion rate of 67 percent from paddy to milled rice. Despite this growth, domestic milled rice production still falls short of consumption, which rose from 1.2 million metric tonnes in 2016 to 1.6 million metric tonnes in 2020, leading to a persistent trade deficit filled by imports. In 2020, Ghana exported about US$220,000 worth of rice while importing around US$391 million, resulting in a trade deficit of approximately US$390.8 million.

In the poultry sector, Ghana produced approximately 72,138 tonnes of chicken meat in 2020, with production growing at a compounded annual growth rate of around 6 percent from 2016 to 2020. However, domestic consumption vastly outpaces production, estimated at 400,000 tonnes, driven by a growing middle class and the reopening of the hospitality sector post-Covid-19. In 2020, Ghana was the 24th-largest importer of poultry meat, with poultry being the sixth most imported product. Chicken remains the most popular source of animal protein, highlighting the demand for increased local production.

Cassava production in Ghana is also notable, with the country producing approximately 22 million tonnes in 2020, making it the second-largest producer in Africa and the fourth-largest globally. About 1 million hectares of land are dedicated to cassava cultivation, involving around 70 percent of Ghanaian farmers. Cassava products, including starch, flour, chips, and ethanol, are exported, although there is a trade deficit in cassava starch. Conversely, trade in cassava flour recorded a surplus of about USD 1.18 million in 2020, indicating the potential for increased foreign exchange through exports. The sector's substantial yield suggests significant opportunities for further development and export expansion.

Ghana's sugar production has been minimal since the collapse of the Asutsuare and Komenda sugar factories in the 1980s. The government is revitalising the Komenda Sugar Factory and seeking private sector management to operationalise it. In the interim, local companies like OXY Industries Limited have partially met domestic demand and export needs. Despite these efforts, local sugar production is insufficient, necessitating substantial imports to meet both consumption and the needs of various industries. The One District One Factory (1D1F) initiative has also spurred growth in tomato processing, with new factories like Leefound Food Stuff (Ghana) Limited and Weddi Africa Limited contributing significantly to local production, aiming to reduce reliance on imports.

The country's favourable climatic conditions provide an ideal environment for cocoa tree cultivation and between 1911 and 1975, it contributed approximately 35 percent of global output during its peak. The Ghana Cocoa Board, established in 1947, is the primary government agency responsible for cocoa industry development. To enhance foreign exchange earnings from cocoa exports, the government established the Cocoa Processing Company (CPC) to process cocoa beans into finished products such as cocoa liquor, cocoa butter, chocolate, and cocoa powder.

Currently, CPC operates three factories, including two cocoa processing facilities and a confectionary processing plant. Since the economic reforms of the 1980s, the private sector has been active in processing and in 2020, Ghana generated a total export value of US$ 2.1 billion from cocoa beans, cocoa shells, cocoa paste, cocoa butter, and chocolates, with 60 percent of revenue derived from the export of unprocessed cocoa beans.

The textiles and footwear manufacturing sector in Ghana comprises ginneries and textile mills that produce a variety of products including batik, wax cloth, and fancy printed cloth. Notably, Ghana boasts traditional textiles such as Kente and Smock. Despite this rich heritage, the country consistently faces trade deficits in the textile trade. The footwear industry is also part of this sector, encompassing leather, rubber, and textile footwear.

In 2020, textiles and rubber footwear ranked as the sixth to ninth most imported products in Ghana respectively, indicating a significant reliance on imports in these categories. Numerous foreign retailers operate in Ghana, selling imported textiles and footwear products. Although the textiles industry is largely dominated by foreign players, the domestic market is experiencing rapid growth, presenting opportunities for local manufacturers to expand their presence and meet growing demand.

The country currently faces a shortage of local manufacturers in the households and appliances subsector. Despite this, household expenditure on electronics and household appliances is projected to exhibit consistent growth across various categories such as PCs, mobile handsets, and audiovisuals from 2022 to 2025.

Similarly, the engineering and machine tools industry faces a notable scarcity of significant players. Instead, the sector is characterised by the presence of artisans, renowned for the trade of auto tools and parts. Distributors of imported machinery and machinery tools largely dominate the market. Moreover, many auto companies have established dealerships in the country to supply imported vehicle parts, further contributing to the dominance of imported products in the industry.

In response to this deficit in domestic manufacturing, the government has taken action by initiating the construction of a modern machinery foundry and tooling centre in Accra. This move aims to address the gap in local production capabilities and foster the growth of indigenous players in the engineering and machine tools industry.

SECTOR OPPORTUNITIES

- Establishment of two or three new refineries, each with a combined capacity of approximately 2 million metric tonnes of alumina (refined bauxite).
- Retrofitting of Volta Aluminum Company Limited to increase production capacity to 300,000 metric tonnes of aluminium.
- Setting up a new smelter with a production capacity of up to 500,000 metric tonnes of aluminium.
- The government's Agenda 111 policy presents a significant opportunity for companies in the construction materials sector.
- The Cocoa Roads Improvement Programme (CRIP) offers a chance for players in the construction materials industry to supply road builders.
- Initiatives such as the establishment of one factory in every district and one industrial park in each region, among others, further present opportunities for players in the construction materials sector.
- The cashew and cassava sectors present a significant opportunity for investors with capital to invest, as there is ample availability of inputs and the government has introduced a variety of incentives aimed at ensuring the productive and profitable operations of factories.

INVESTMENT INCENTIVES

- Investors can benefit from tax holidays, depending on the incentive scheme an entity registers under, such as free trade zones, the One District One Factory (1D1F) initiative, and the Ghana Investment Promotion Centre (GIPC) itself.
- Ghana offers access to the market of the Economic Community of West African States (ECOWAS); the 1.3 billion potential customers across the African Continental Free Trade Area; and European Union and United States markets through active trade agreements.
- Compared to other African countries, Ghana boasts relatively stable supply and affordable power costs.
- Compared to other advanced economies, Ghana offers highly attractive low labour costs, making it an appealing destination for establishing production facilities.
- Ghana has abundant agricultural produce, including cocoa, maize, cassava, and more, which can support agro- processing industries.
- Ghana benefits from excellent sea and air connections, facilitating the import and export of products to and from international markets, including Europe, America, and Asia. ■TG

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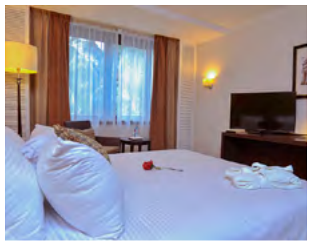

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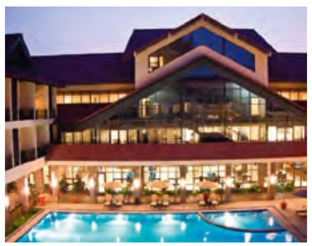

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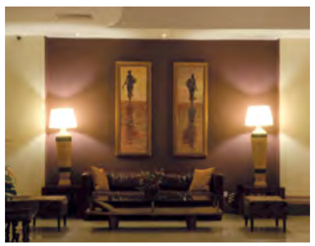

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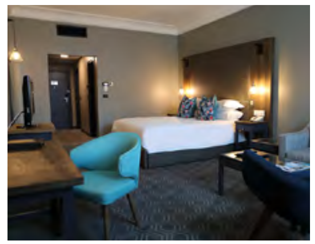

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