

Ghana's Manufacturing Sector Report

November 2022



Contents

01

Why invest in
Ghana

Page 3

02

Sector overview

Page 6

03

Sector
opportunities

Page 30

04

Key
investment
highlights

Page 32

05

Testimonials

Page 35

06

Contact us

Page 39

07

Appendix

Page 41

01

Why Invest in Ghana

Why invest in Ghana

Country overview

- Formerly known as the Gold Coast, Ghana was the first sub-Saharan nation to gain independence from colonial rule in 1957.
- Ghana is credited as being one of the most stable democracies in Africa, having successfully conducted 8 national elections and recorded no incidence of a coup d'état since 1992.

Airports



- 1 international airport
- 5 domestic airports

Railway



- 3 major railway networks with a total track length of 1,300 km

Dry ports



- Tema Port
- Takoradi Port

Road network



- Main roads: 67,291 Km
- Main arteries : 12,800 Km
- Paved roads: 3,800 Km

Internal infrastructure

Total land area

Overview: Ghana has total land area of 238,537 sq.km

Ghana has 16 administrative regions and 261 district assemblies.

Electricity supply

- Ghana's electricity supply is derived from hydropower generated from the Akosombo, Bui Power and Kpong dams, and 10 thermal plants at Aboadze in Western Region.
- According to World Bank, Ghana has an 86.63% (2021) access to electricity rate.

Water supply

Water is provided to citizens through the Ghana Water Company Limited, Community Water and Sanitation Agency and private water producers.

Locational advantage

- Ghana is geographically closer than any other country to the center of the earth.
- Ghana has 2 harbors with one being the largest in West Africa, making Ghana the gateway to West Africa.



Why invest in Ghana

Investment attractions

2nd largest economy in West Africa <ul style="list-style-type: none"> Ghana has an active retail market and healthy consumption levels. Fitch reports, household spending is expected to increase from US\$55bn in 2021 to USD81bn in 2025. AfCFTA presents an opportunity for intra-regional growth by leveraging access to common markets and knowledge transfer through labour mobility, thereby attracting foreign direct investments into the region. The AfCFTA secretariat is located in Ghana. 	Rich in natural resources <ul style="list-style-type: none"> Ghana was the largest (No.1) producer of gold in Africa and 6th largest in the world in 2021. 13,000 metric tonnes of manganese reserve. 16.86 million tonnes of high-grade trihydrate bauxite mined since 1997. Newly discovered deposits of lithium in 2021 amounting to 30.1million tonnes, setting Ghana up to become West Africa's first lithium producer. 	Preferred tourism destination <ul style="list-style-type: none"> International arrivals of tourist increased from 932,579 in 2016 to 1,130,307 in 2019, however 2020 saw a reduction to 355,108 due to lockdown measures in response to Covid -19. As at September 2021, international tourist arrivals increased by 18% while domestic tourists grew by 58%. 	Youthful population <ul style="list-style-type: none"> Ghana is blessed with a very youthful population, about 67% of the population is within the ages of 15 to 64 years. Government initiative such as free basic and secondary has ensured a 69.8% literacy rate for citizens who are 6 years and older as at 2021.
Stable political environment <ul style="list-style-type: none"> Ghana is ranked the second most peaceful country in Africa and the 38th most peaceful country in the world as per the 2021 Global Peace Index. Due to provisions made in the constitution of Ghana (article 20) and Free Zones Act (Act 504) there is a reduced threat of nationalism of private businesses. 	Investor-friendly government initiatives <ul style="list-style-type: none"> Government has initiated a plethora of incentives to ensure a conducive and enabling business environment. Government incentives include tax holidays, rebates, provision of industrial parks, provision of finance through partnering agencies and interest subsidies. Ghana has double taxation agreements with the United Kingdom, South Africa and other EU countries. 	Top investment destination <ul style="list-style-type: none"> Foreign Direct Investment (FDI) has averaged \$2.72b from 2017 to 2021, suggesting stability in the inflow of capital with investment focus in oil and gas, mining (including gold and manganese), and agriculture (cocoa). Ghana attracted US\$2.65bn in FDI inflows in 2020, one of the highest amount in West Africa. 	Agrarian economy <ul style="list-style-type: none"> Ghana is endowed with vast arable lands rich in agriculture. In 2020, Ghana was the 2nd largest producer of cocoa in the world, the 4th largest producer of cassava in the world. Ghana is blessed with fertile land for the production of maize, tomato, rice among many other food crops.

02

Sector overview

Overview of manufacturing sector

Key financial highlights (2021)

The manufacturing industry falls under the industrial sector of the economy:

Industry Contribution to GDP

32%

FY21

Manufacturing contribution to Industry

29%

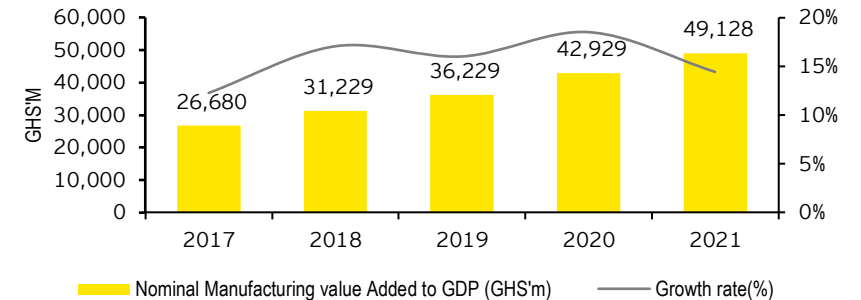
FY21

Manufacturing Value Added to GDP

GHS 49b

FY21

Manufacturing sector's contribution to GDP



Major segments in the manufacturing sector

This report provides an overview of five major sub-sectors of the manufacturing sector. These are:



Agro-processing



Cocoa processing



Textiles and Footwear



Engineering/ Machine Tools



Electronics and Household Appliances

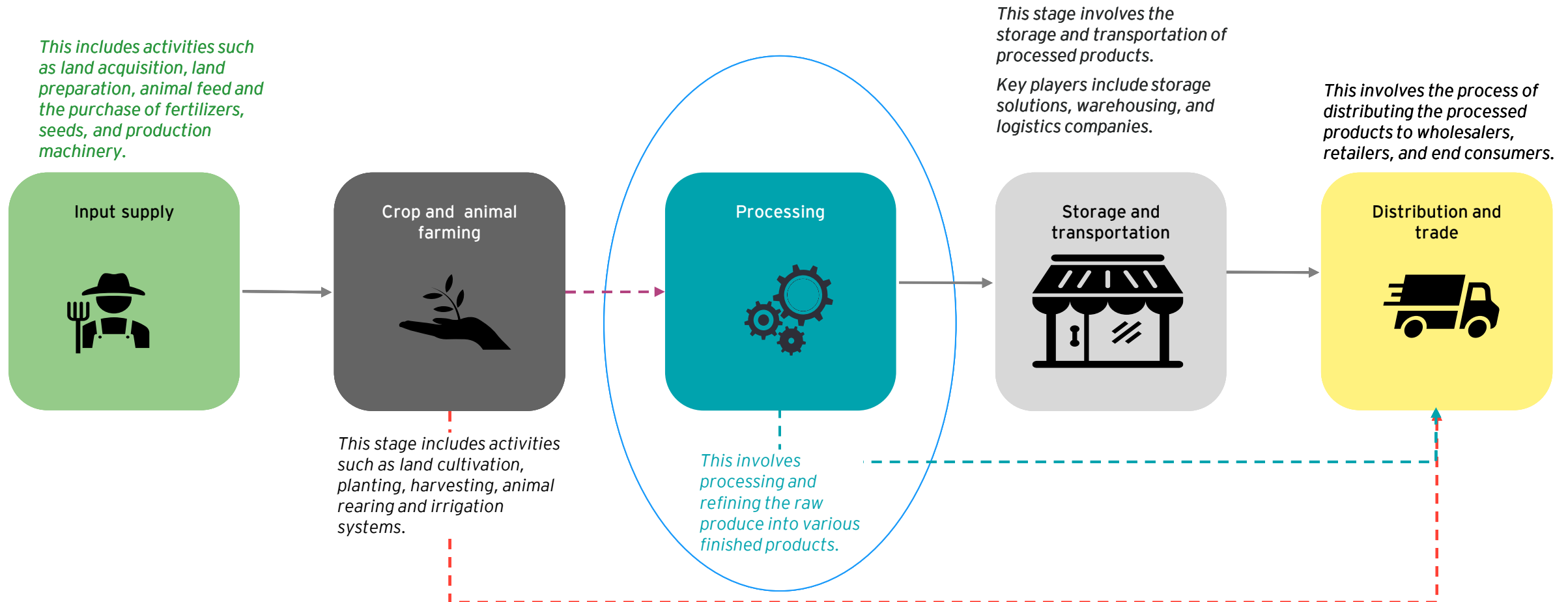
Regulators and associations

Manufacturing is very diverse and has many regulators per sector; however, the key regulators and trade associations across the industry are:



Manufacturing sector in Ghana : Agro-processing

Agro-processing involves the conversion of raw materials and intermediate products into finished goods. The report focuses on the processing and value addition of rice, poultry, cassava, sugar, and tomatoes.



Manufacturing sector in Ghana: Rice processing

Agro-processing

Rice production in Ghana

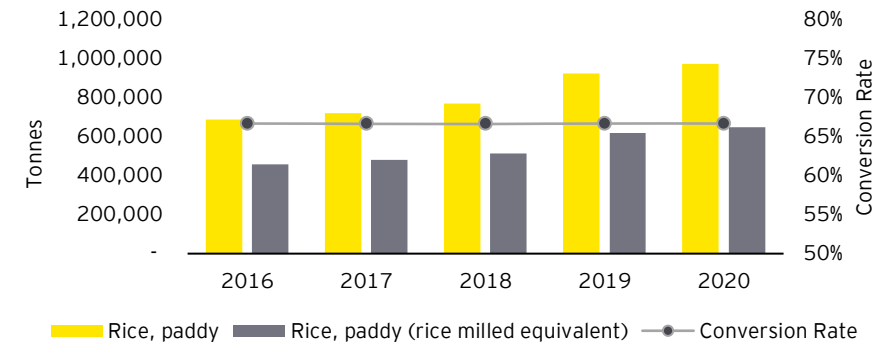
- According to the Food and Agricultural Organisation, paddy rice production in Ghana has grown from c.(approximately) 688,000 tonnes in 2016 to c. 973,000 tonnes in 2020. The conversion rate of paddy rice to milled rice has consistently been 67% between 2016 and 2020.
- Consumption of milled rice in Ghana has consistently exceeded the domestic production of milled rice. Consumption has increased from 1.2m metric tonnes in 2016 to 1.6m metric tonnes in 2020. The deficit in the production of milled rice has historically been plugged through the importation of milled rice.
- Ghana has consistently run a trade deficit in the trade of rice. According to the Observatory of Economic Complexity (OEC), Ghana exported c. US\$ 220,000 and imported c. US\$ 391m worth of rice in 2020, indicative of a c. US\$ 390.8m trade deficit.

Top 7 import markets in 2020

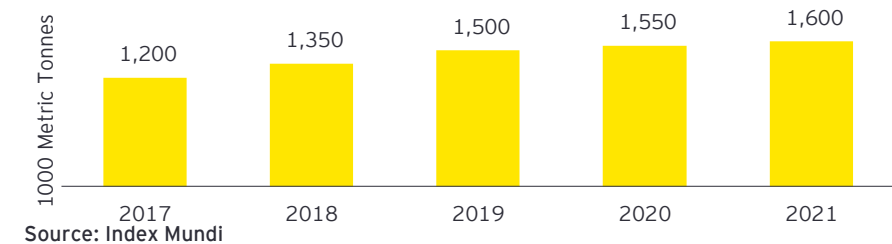
No	Country	Amount (US\$)
1	Vietnam	282 m
2	Thailand	45.5 m
3	India	27.3 m
4	Pakistan	20.6 m
5	China	5.95 m
6	Myanmar	2.22 m
7	Chinese Taipei	1.96 m

Source: OEC - The Observatory of Economic Complexity, Food and Agricultural Organisation

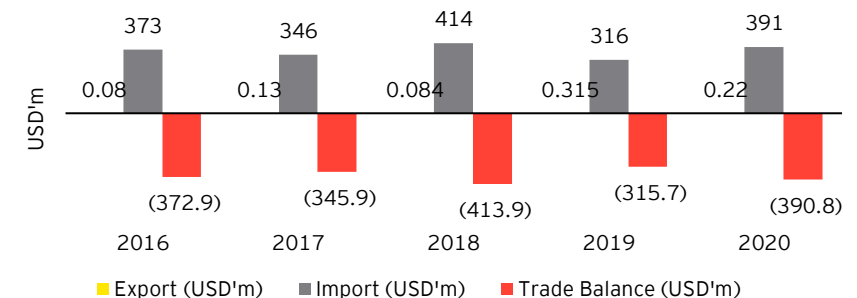
Production of rice in Ghana



Annual rice consumption in Ghana



Ghana's rice trade balance



Manufacturing Sector In Ghana: Rice processing

Agro-processing

Some local rice producers include:



Some companies importing rice to Ghana include:



Manufacturing sector in Ghana: Poultry

Agro-processing

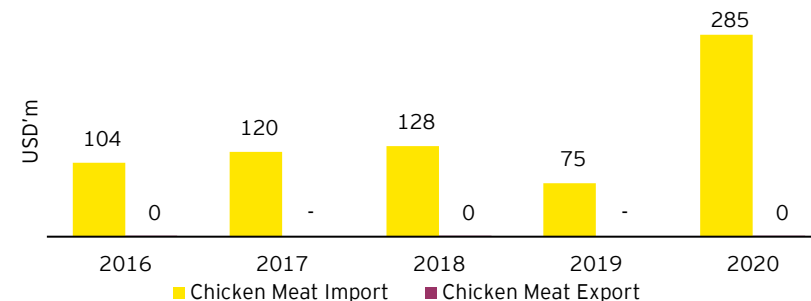
Poultry production in Ghana

- According to Food and Agriculture Organisation, Ghana produced c. 72,138 tonnes of chicken (meat) in 2020. Chicken meat production has grown by a compounded annual growth rate of c. (approximately) 6% between 2016 and 2020.
- Domestic consumption of chicken meat is estimated to be in the region of 400,000 tonnes. The increasing size of the middle-class, population growth, and re-opening of the hospitality sector, after Covid-19 lockdown, is expected to increase the consumption of chicken.
- Local production of poultry has largely been stymied due to the increasing cost of feed, which constitutes a huge percentage of overall production cost.
- The increase of feed cost in the last two years is mainly due to the shortage of cereals. The price of 50kg of maize, soya bean, and wheat have increased significantly between 2020 and 2022.
- In 2020, Ghana was the 24th largest importer of poultry meat. In the same year poultry was the 6th most imported product into Ghana.
- Chicken is the most popular source of animal protein in Ghana and this has been adopted to proxy the local production of poultry in Ghana.

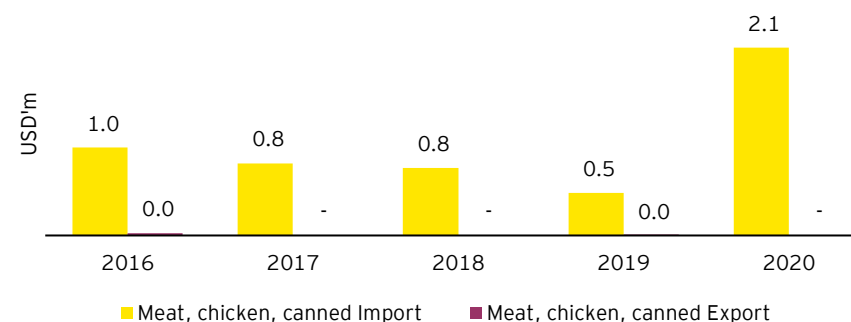
Top 6 import markets in 2020

No	Country	Amount (USD)
1	Netherlands	86 m
2	United States	55 m
3	Poland	54 m
4	Brazil	17 m
5	Belgium	10 m
6	United Kingdom	6 m

Trade of Chicken Meat; Ghana



Trade of Canned Chicken Meat: Ghana



Prominent canned chicken brands in Ghana include:



Manufacturing sector in Ghana: Cassava

Agro-processing

Cassava processing in Ghana

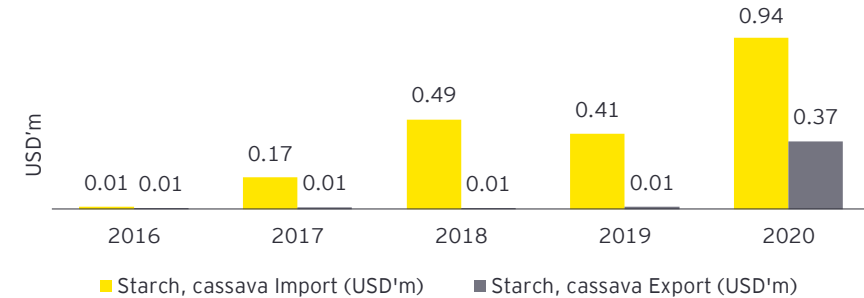
- According to Food and Agriculture Organisation, in 2020, Ghana produced c. 22 million tonnes of cassava placing the country as the second-largest producer of cassava in Africa and the fourth-largest producer in the world.
- With about 1 million hectares of land dedicated to the growing of cassava, engaging approximately 70% of farmers in Ghana, raw material for the processing of cassava is in large supply.
- Cassava products exported from Ghana include, but are not limited to, cassava starch, cassava flour, cassava chips, and cassava ethanol.
- Data from Foods and Agricultural Organisation is indicative of Ghana running a trade deficit in the international trade of cassava starch. The deficit, in the fourth-largest producer of cassava in the world, is evidence of a deficit in production capacity.
- Trade in cassava flour recorded a trade surplus of about USD 1.18m as of 2020. Given the significant yield of cassava in Ghana, a lot more can be done to increase the amount of foreign exchange from the export of cassava flour.

Top 6 Export markets in 2020

No	Country	Amount (USD)
1	United Kingdom	377,000
2	Canada	133,000
3	Netherlands	79,900
4	Turkey	73,000
5	Austria	72,900
6	Italy	25,600

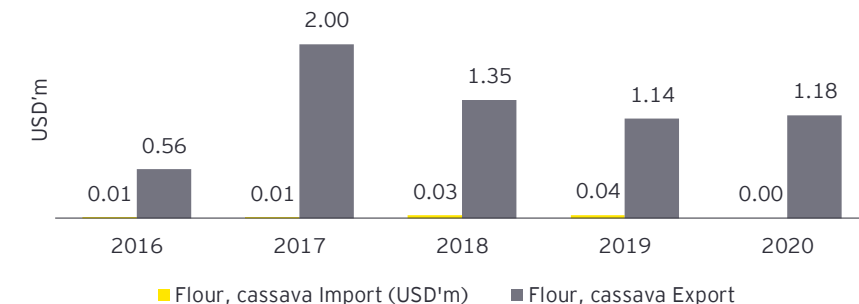
Source: OEC - The Observatory of Economic Complexity, Food and Agricultural Organisation

Trade of cassava starch: Ghana



Source: Food and Agriculture Organisation

Trade of cassava flour : Ghana



Source: Food and Agriculture Organisation

Prominent cassava processing companies in Ghana include:



Manufacturing sector in Ghana: Sugar

Agro-processing

Sugar in Ghana

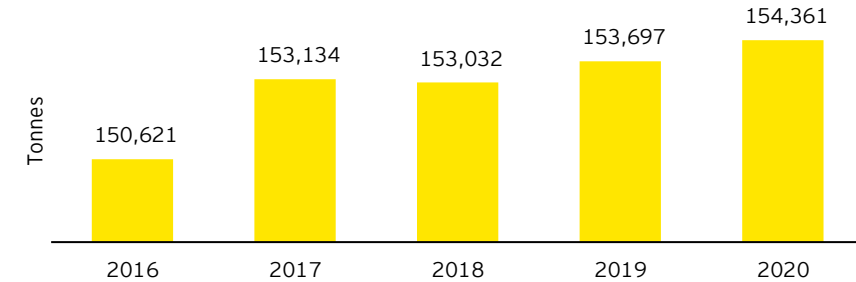
- Local sugar production in Ghana has been very negligible since the collapse of the two mainstays in the sugar processing industry. Asutsuare Sugar Factory and Komenda Sugar Factory had 2,000 tonnes and 1,000 tonnes processing capacity respectively have not been functional since the 1980s.
- The Government has however revamped the Komenda Sugar Factory and is in the process of completing an engagement with a private sector entity to manage and operationalize the Komenda Sugar Factory.
- In the absence of Komenda and Asutsuare sugar factories, local players like OXY Industries Limited have contributed to meeting the local demand and exporting to other countries
- Ghana's consumption of sugar far outstrips its production of sugarcane (major raw material) for sugar production. This deficit in local capacity has culminated in the country importing large amounts of sugar into the country on an annual basis.
- In addition to domestic consumption of sugar, sugar constitutes an essential ingredient in the production process of a number of companies. These companies include, but not limited to, Cocoa Cola Ghana Limited, Nestle Ghana Limited, Guinness Ghana Brewery Limited, Nestle Ghana Limited, Ernest Chemist and IMEXCO Group of Companies

Top 6 import markets in 2020

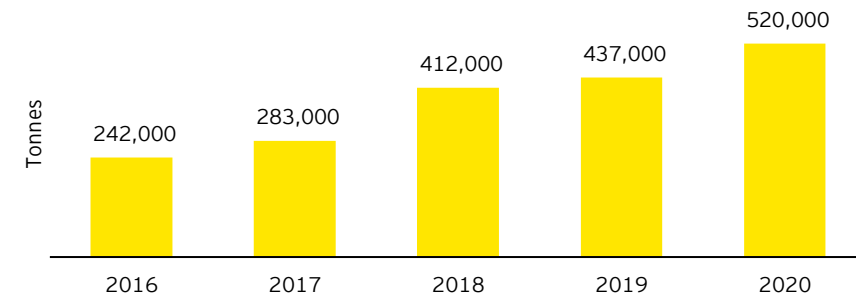
No	Country	Amount (USD)
1	Brazil	98.8 m
2	Morocco	20.2 m
3	Guatemala	15m
4	France	7 m
5	India	2.1 m
6	Poland	1.6 m

Source: OEC - The Observatory of Economic Complexity, Food and Agriculture Organisation

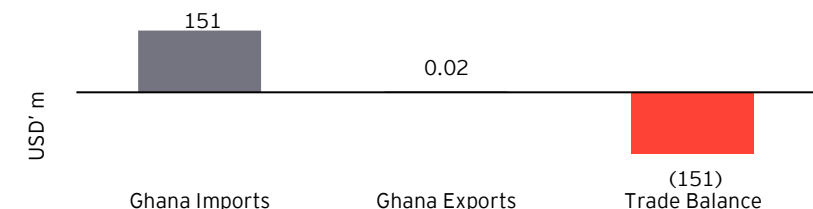
Production of sugar cane



Consumption of sugar



International trade of sugar in Ghana (2020)



Manufacturing sector in Ghana: Tomato

Agro-processing

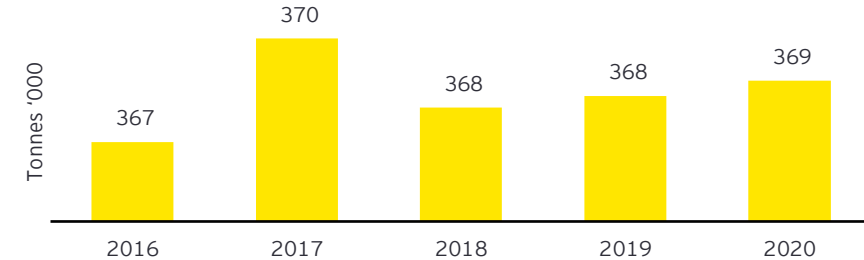
Tomato in Ghana

- Tomatoes constitute an essential ingredient in the Ghanaian catering industry. Local consumption of tomato products is about 440,000 metric tonnes on an annual basis. The rate of consumption far exceeds local supply of tomatoes. The deficit in supply is catered for by the importation of tomatoes and processed tomato products
- Hitherto to the collapse of Northern Star, a mainstay in tomato processing in Ghana, Northern Star, Afrique Link, and Techiman Processing Complex (TEPCO) together contributed processing capacity of about 900 tonnes of fresh tomato per year.
- The One District One Factory (1D1F) Initiative of Government has significantly impacted the establishment of tomato factories across the length and breadth of the country.
- Leefound Food Stuff (Ghana) Limited, a tomato processing factory located at Afienva, with a production capacity of about 60,000 tonnes of tomatoes was commissioned in 2019.
- Weddi Africa Limited tomato factory, under the auspices of 1D1F, was fully commissioned in 2021 and boasts of a production capacity of about 40,000 tonnes of fresh tomatoes per annum.

Top 6 Import markets in 2020

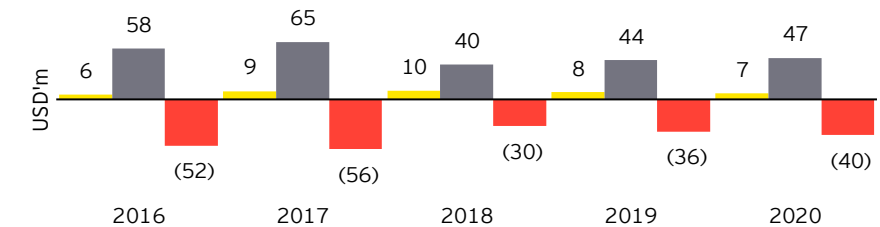
No	Country	Amount (USD)
1	China	39.8m
2	Italy	4.93m
3	United Arab Emirates	1.57m
4	United States	354,000
5	Netherlands	26,900
6	United Kingdom	24,700

Production of tomatoes



Source: Food and Agriculture Organisation

Trade of tomato products



Source: OEC - The Observatory of Economic Complexity

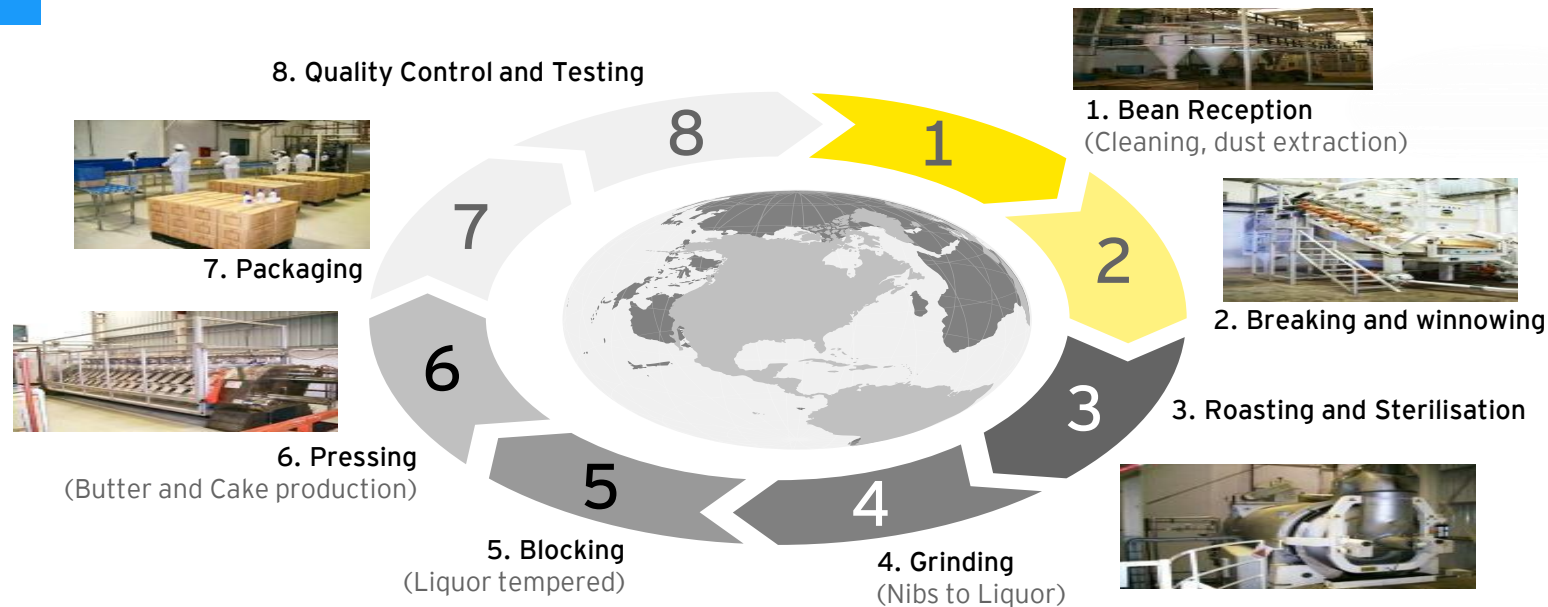
Prominent processed tomato brands include:



Cocoa in Ghana

- Cocoa production began to spread in Ghana from 1879 when Tetteh Quashie brought back Amelonada cocoa beans from Fernando Po (now Equatorial Guinea).
- The climatic condition in Ghana is ideal for cocoa trees; there is sufficient rain during the rainy season and enough sunshine, humidity, and warm but not too hot temperatures during the dry seasons.
- Ghana began the export of Cocoa at the end of the 19th century and was the largest producer of cocoa between 1911 to 1976 contributing about 35% of global output.
- In 1947, Ghana Cocoa Board (COCOBOD) was established as the main government agency responsible for the development of the cocoa industry. COCOBOD's mission is to promote the production, processing and marketing of good quality cocoa in all forms in the most efficient and cost-effective manner.
- To increase Ghana's foreign exchange returns from the export of cocoa, the government set up the Cocoa Processing Company (CPC) to process cocoa beans into finished cocoa products ranging from cocoa liquor, cocoa butter, chocolate to cocoa powder. CPC currently has 3 operating factories; two cocoa processing factories and a confectionary processing factory.
- The implementation of the Structural Adjustment Program in the 1980s, proposed by the Bretton Woods Institutions, increased institutional confidence in the Ghanaian economy and attracted foreign capital to the country. The private sector has since contributed to the country's drive to move from exporting raw cocoa products to the processing of cocoa beans.

Stages in cocoa processing

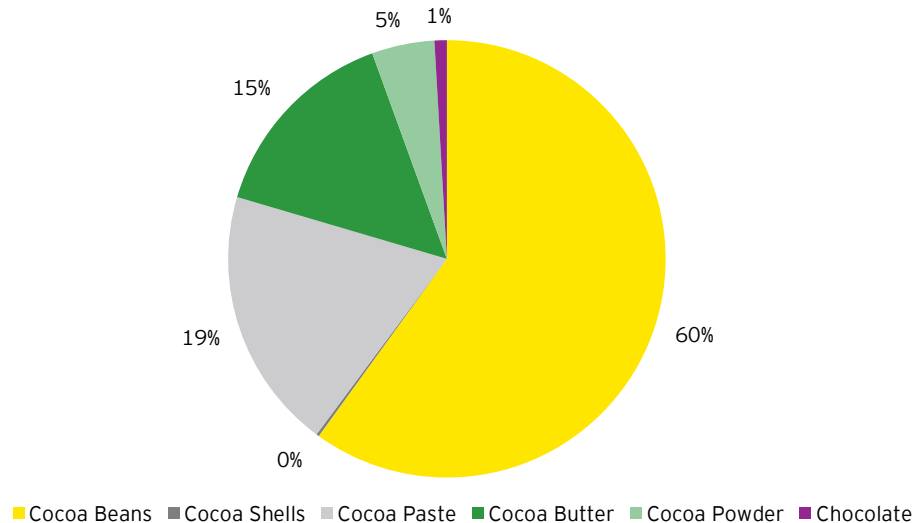


Manufacturing sector in Ghana: Cocoa processing

Cocoa processing

Distribution of Cocoa Exports Revenue

- Ghana generated a total export value of USD 2.1b from the export of cocoa beans, cocoa shells, cocoa paste, cocoa butter, and chocolates in FY20. 60% of this total revenue was generated from the export of unprocessed cocoa beans, which commands lower prices as compared to processed products on the world market..



- Ghana's cocoa industry is regulated by a state-owned board, Ghana Cocoa Board. Ghana Cocoa Board has a monopoly, through its subsidiary Cocoa Marketing Company, over the marketing of Ghanaian cocoa beans.

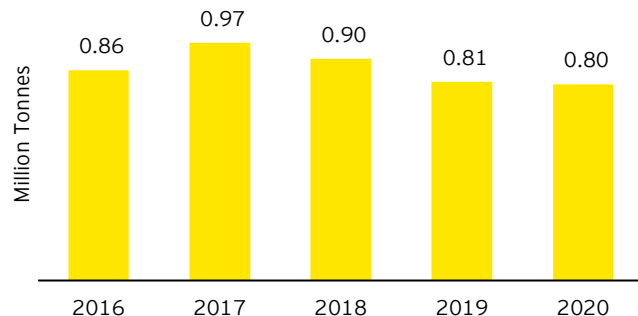
Principal Players in the Cocoa Processing space Include:



**COCOA PROCESSING
COMPANY LIMITED**

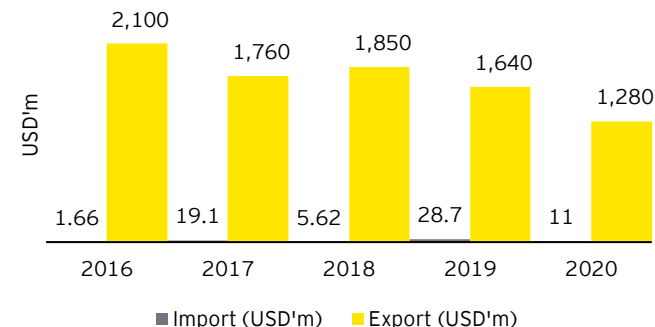


Cocoa Beans Production (2020)



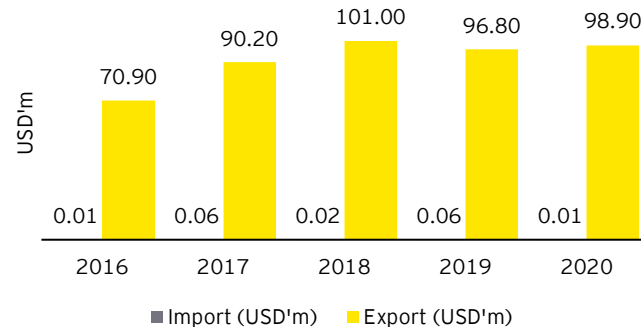
2nd Largest Producer In the World

Cocoa Beans Trade (2020)



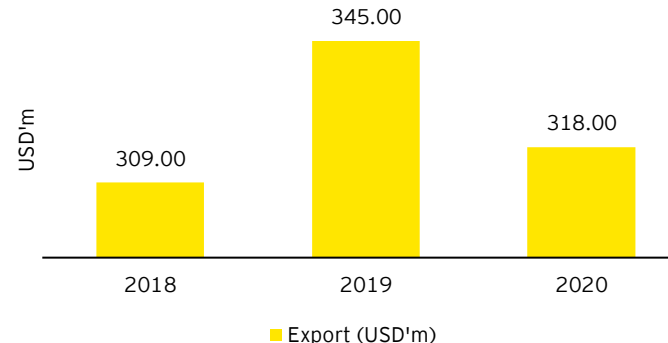
2nd Largest Exporter In the World

Cocoa Powder Trade (2020)



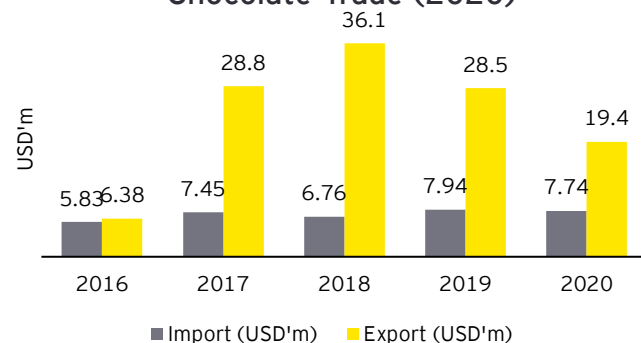
8th Largest Exporter In the World

Cocoa Butter Exports (2020)



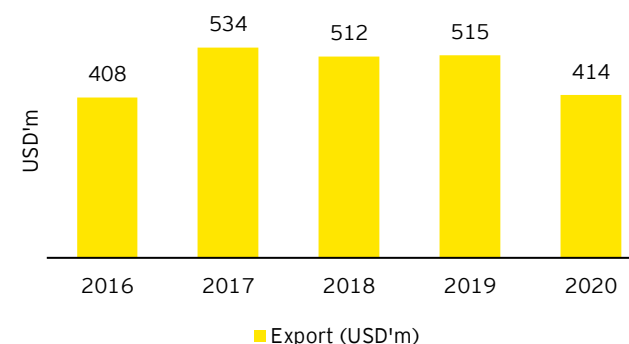
7th Largest Exporter In the World

Chocolate Trade (2020)



59th Largest Exporter In the World

Cocoa Paste Exports (2020)



3rd Largest Exporter In the World

Manufacturing sector in Ghana: Textiles and footwear

Textiles and Footwear

Textiles and footwear In Ghana

- Textiles and footwear manufacturing consists of ginneries and textiles mills producing batik, wax cloth, and fancy printed cloth. Ghana is the home of traditional Kente and Smock textiles; however, the country consistently records trade deficits in relation to the trade textiles. The sector also includes the footwear industry; segregated into leather footwear, rubber footwear, and textile footwear.
- In 2020, textiles and rubber footwear were the 6th and 9th most imported products in Ghana respectively.

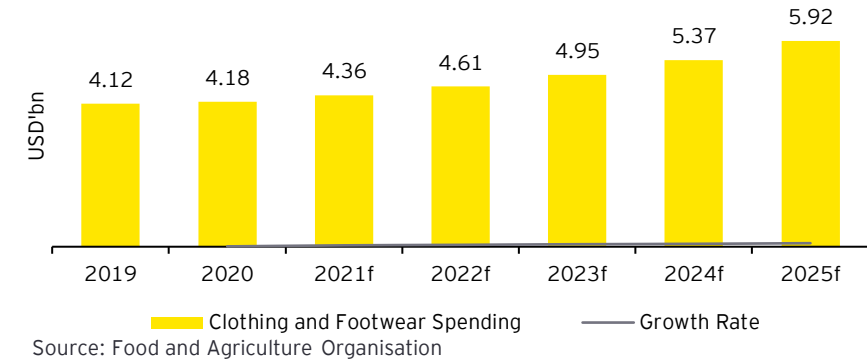
Top 4 import markets for textiles in 2020

No	Country	Amount (USD)
1	China	766m
2	India	79.6m
3	United Kingdom	76.4m
4	South Korea	16.1m

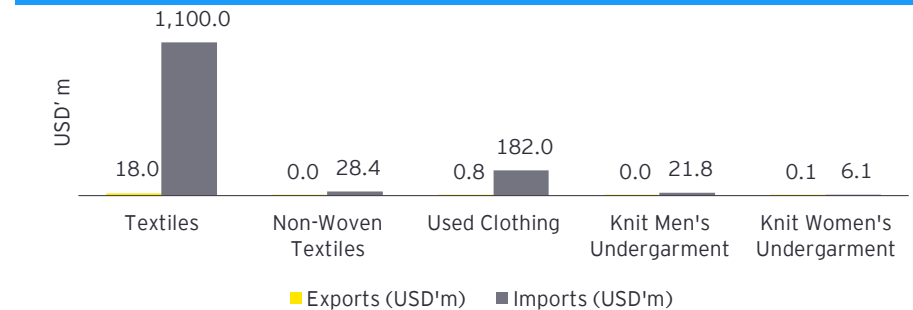
Top 4 import markets for rubber footwear markets in 2020

No	Country	Amount (USD)
1	China	211m
2	Turkey	3.41m
3	Nigeria	373,000
4	United States	335,000

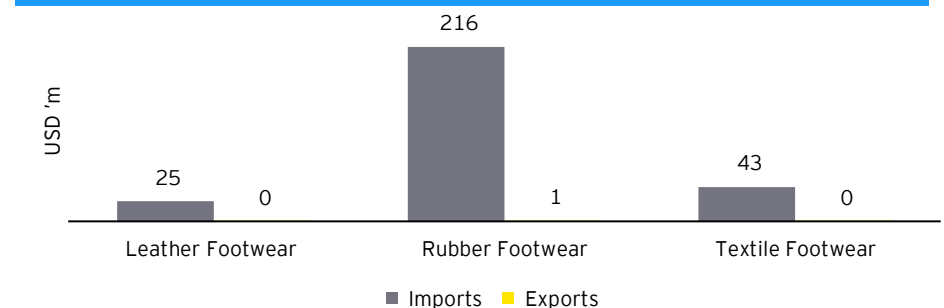
Household spending on clothing and footwear



2020 International trade on clothing



2020 International trade on footwear



Manufacturing sector in Ghana: Textiles and garment

Textiles and Footwear

A significant number of foreign retailers are situated in Ghana, retailing imported textiles and footwear. Prominent imported brands into the country consist of:



PRADA



Calvin Klein

ZARA

Although the textiles industry is dominated by foreign players, the domestic market is fast growing. Key players in the local market are:

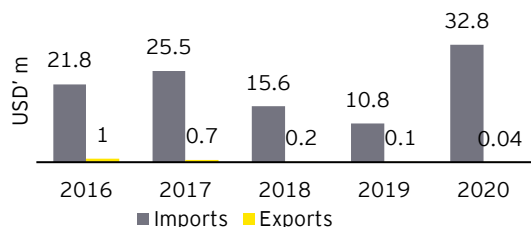


Manufacturing sector in Ghana: Household appliances and electronics

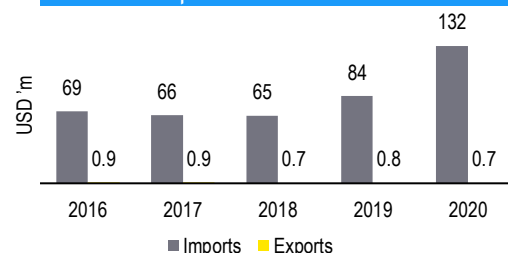
Household Appliances and Electronics

Semi-conductors, computers, telephones, refrigerators, video displays, and radio receivers have been selected as proxies to represent the sub-sector. Ghana currently has a dearth of local manufacturers in the electronics sub-sector; this is clearly indicated in the trade deficits in the selected sub-sectors.

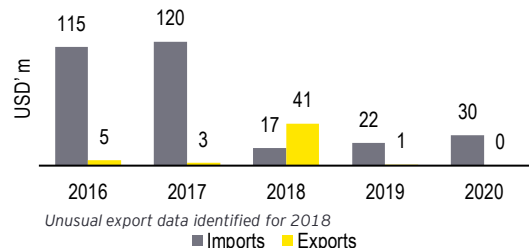
Semi-Conductors Trade Balance



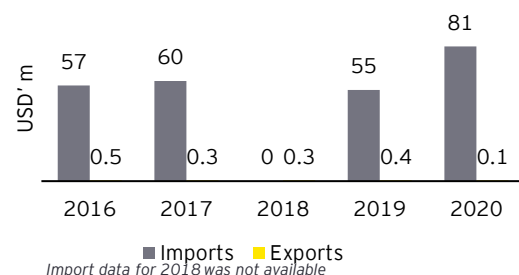
Computers Trade Balance



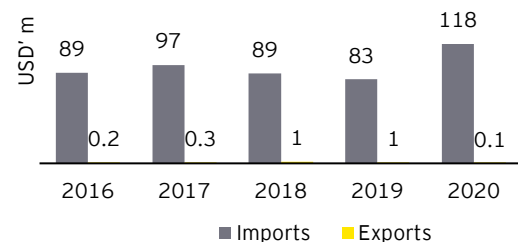
Telephones Trade Balance



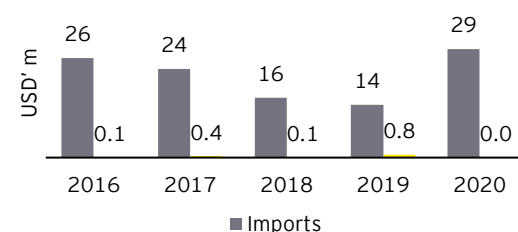
Refrigerators Trade Balance



Video Displays Trade Balance

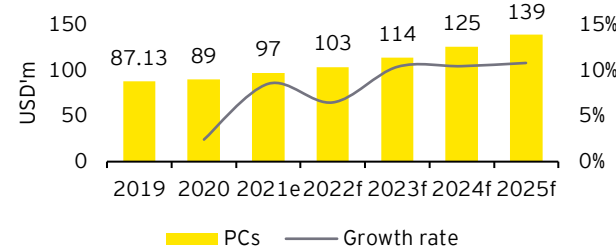


Radio Receivers Trade Balance

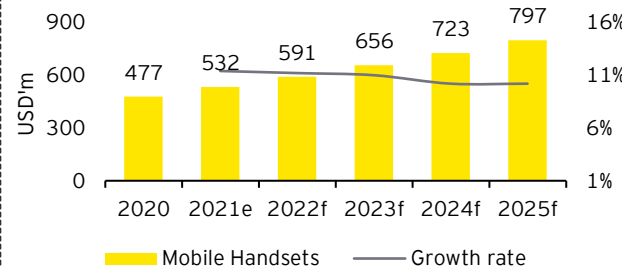


Household expenditure on electronics and household appliances is forecasted to grow consistently across PCs, mobile handsets, and audio visuals categories from 2022 to 2025

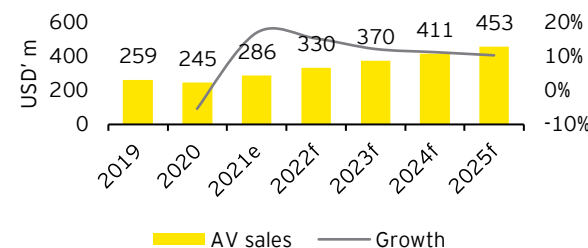
PCs Sales



Mobile Handsets Sales



Audio Visual (AV) Sales



Distribution of imported electronics and appliances dominates the Ghanaian market. Key brands on the Ghanaian market include:



Manufacturing sector in Ghana: Engineering and machine tools

Engineering tools and machine tools

- There is currently a dearth in significant players in the engineering and machine tools industry. The industry is littered with artisans in "Suame Magasin" and other venues noted for the trade of auto tools and parts.
- The market is currently dominated by distributors of imported machinery and machinery tools. In addition, most auto companies have dealerships established in the country to supply imported vehicle parts.
- The Government has recently cut the sod for the construction of a modern machinery foundry and tooling center in Accra to plug the deficit in domestic manufacturing.

Definition of selected tools

Hand tools include piers, pincers, tweezers and similar tools, files, rasps and similar tools, pipe cutters, bolt croppers, perforated, punches, metals and wire cutting shears.

Parts, accessories, wood, plastic machine tools include items used to automobiles, furniture and electronics. It includes but not limited to light bulbs, rubber, drill bits, lathes and a band saws.

Punching: punching presses are typically used to cut out metal shapes such as circles or squares from a sheet of metal.

Notching: notching equipment are typically used to cut a notch or groove into flat sheet of metals.

Punch-shears: punch share machines are typically used to cut holes in metal sheets.

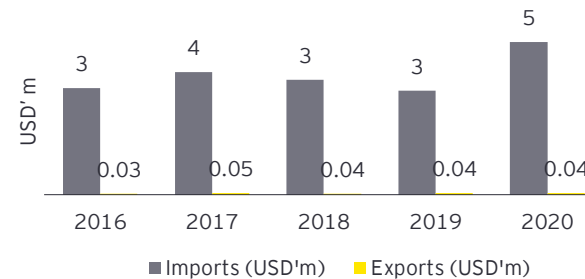
Key distributors of machine tools includes:

Milusa Ghana Ltd

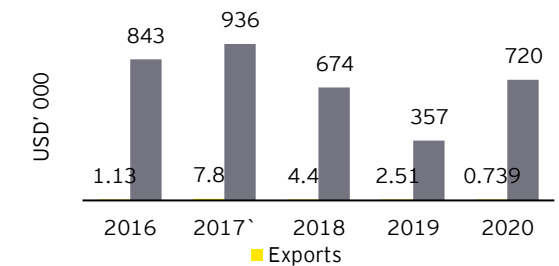
cfao
EQUIPMENT

MANTRAC CAT

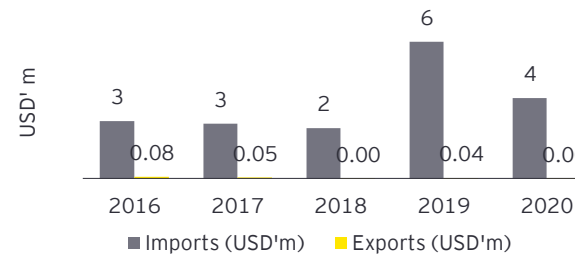
Metal working machine parts trade



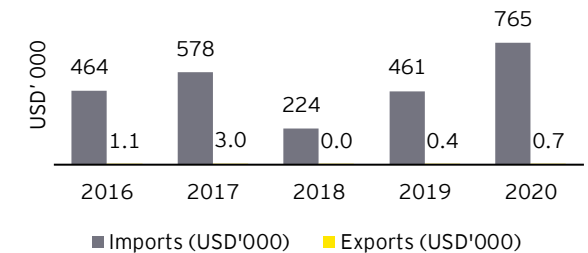
Plastic and wooden machine tools trade



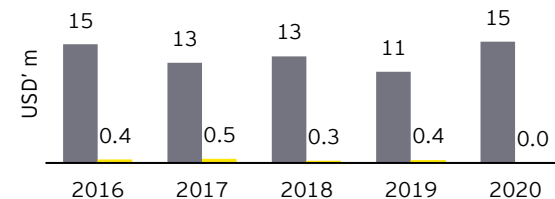
Hand tools trade



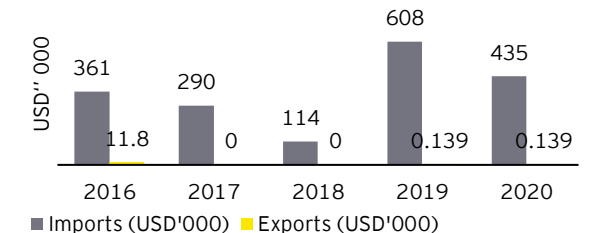
Laser, light and photon beam tools trade



Other hand tools trade



Hand tools trade

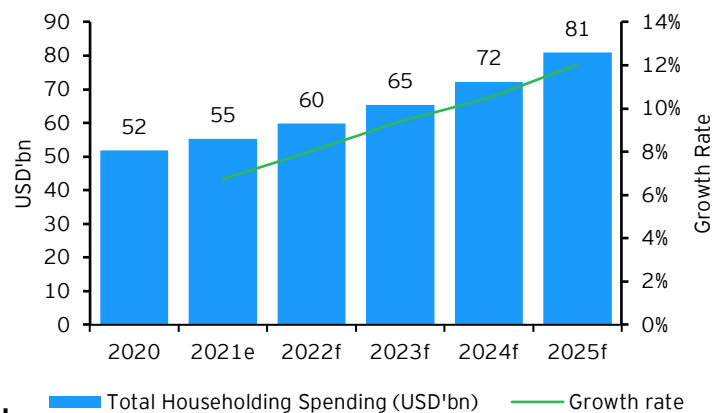


Source: OEC ■ Imports (USD'm) ■ Exports (USD'm)

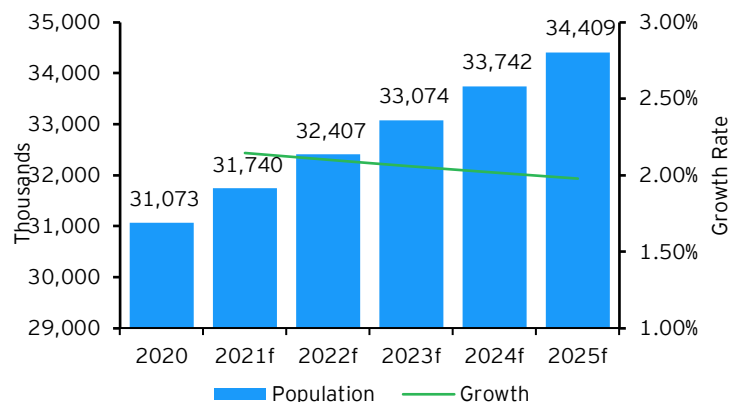
Demand and supply analysis for the manufacturing sector:

Demand

Total Household Spending (2020 - 2025f)



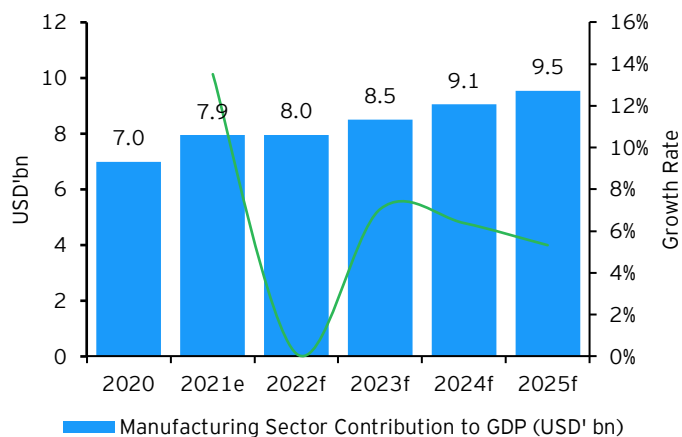
Population (2020 -2025f)



- Determinants underlying forecasted demand for manufactured products include household expenditure and population.
- The Ghanaian economy is projected to grow at an average of c.3.7% in the next four years. This growth positively impacts household expenditure to grow from USD 55 bn in 2021 to USD 81bn in 2025.
- A forecasted 2% compounded annual growth in population from 2020 to 2025 is expected to increase household consumption of manufactured products

Supply

Manufacturing Sector Contribution to GDP



- Domestic supply of manufactured products in Ghana is a direct function of the available players in the Ghanaian manufacturing industry.
- Production from manufacturing as forecasted by the Ministry of finance indicates a steady growth from 2022f to 2025f.
- Production capacity is expected to increase due to the execution of various programs and policies to increase local manufacturing capacity.

- Demand exceeds supply and the deficit must be met through imports.
- Funding demand that is in excess of the economy's production capacity through imports will have adverse effects. Increased imports will negatively impact the trade balance and culminate in consistent depreciation of the Ghana Cedi.
- Government has therefore set out to provide an enabling environment that would encourage the private sector's contribution in plugging the deficit.

Key developments



Key Developments

AfCFTA (African Continental Free Trade Area (AfCFTA))

- With the ratification of the African Continental Free Trade Area (AfCFTA) agreement by 44 member countries in Africa, the full implementation of the policy presents huge opportunities for players in the Ghanaian manufacturing industry.

Implementation of One District One Factory (1D1F)

- The One District One Factory (1D1F) policy is a Government of Ghana initiative to change the nature of Ghana's economy from one solely reliant on the export of raw materials to the international market to one focused on value addition, manufacturing, and export of processed goods.

Business Regulatory Reforms

- The Ministry of Trade and Industry has launched the Ghana Business Regulatory Reforms portal that will provide a platform for constant interaction between policymakers and business organizations. The platform provides an avenue for transparent discussions and collaboration to create an enabling business environment.

Establishment of Machine Tooling Centre

- In September 2020, His Excellency Nana Addo Dankwa Akufo- Addo lay the foundation for the establishment of the first major foundry and Computer Numerical Control (CNC) machine tools centre at the Ghana Atomic Energy Commission in Accra. The completed foundry will churn out machinery and tools for the agro-processing, auto-mobile assembling, aluminum products, and farming industries.

Establishment of the biggest steel manufacturing plant in West Africa

- B5 Plus has set out to establish a US\$ 80 million steel factory in the Ningo Prampram constituency in Ghana. The project which sits on a 100-acre land will be the biggest steel factory in the West African subregion after completion.
- In April 2021, His Excellency Nana Addo Dankwa Akufo Addo commissioned the first phase of the project and cut the sod for phase II of the project.

Overview of key players



FanMilk Ghana Limited

Fan Milk Limited has been in existence since 1962 and is currently engaged in the production and distribution of quality refreshing milk-based and fruit-based products.

Revenue	GHS 468m (2021)
Total Assets	GHS 572m (2021)
Ultimate Parent	Danone S.A.
Managing Director	Ziobeieton Yeo



Unilever Ghana Limited

Unilever Ghana Limited is currently the largest quoted manufacturing and marketing company in Ghana.

Revenue	GHS 559m (2021)
Total Assets	GHS 380m (2021)
Ultimate Parent	Unilever Plc
Managing Director	George Owusu-Ansah



Guinness Ghana Breweries Plc

Guinness Ghana Breweries Limited is currently the only beverage company in Ghana listed on the Ghana Stock Exchange.

Revenue	GHS 1,104m (2021)
Total Assets	GHS 883m (2021)
Ultimate Parent	Diageo Plc
Managing Director	Helene Weesie



Cocoa Processing Company Ltd

Cocoa Processing Company Limited (CPC) was established in 1965.

Revenue	USD 14m (2020)
Total Assets	USD 153m (2020)
Ultimate Parent	Ghana Cocoa Board
Managing Director	N/A

Key sector investors



SSNIT's investments include:

- 62.62% stake in *Aluworks Limited*
- 10.14% stake in *Cocoa Processing Company*
- 7.57% stake in *Guinness Ghana Breweries Ltd*
- 5.31% stake in *Unilever Ghana Limited*
- 1.59% stake in *FanMilk Ghana Limited*



The Mohinani Group is a leading second-generation family business of Indian descent with a portfolio of investments across various industries.

The group's business includes:

Poly Products Ghana Limited

Ploy Sacks Ghana Limited

Poly Tanks Ghana Limited

Poly Kraft Ghana Limited



Danone controls *FanMilk Ghana Limited* through its subsidiary, *FanMilk International S/A*, which holds a 62.11% stake in *FanMilk Ghana Limited*



Diageo controls *Guinness Ghana Breweries Ltd* by holding an 80.40% stake.



Heidelberg Cement holds c.93.1% stake in *Ghacem*



Verod is a private equity company that holds investments across different industries

Verod and Red Bull hold significant stake in DTRT Apparel Limited

Key sector investors (continued)

THE HITTI FAMILY

Hitti Family started off as a family business in 1973 under the name Greenplastica Limited. The Hitti family has since grown into a conglomerate of firms across Africa.

In the Ghanaian manufacturing space, the Hitti family has investments in **Duraplast**, **Ashform Limited**, **Suvinil**, and **Hitti**.



Ghana EXIM Bank evolved as a result of a merger of 3 Government agencies namely: Export Trade, Agricultural and Industrial Development Fund, Export Finance Company, and Eximguaranty Company Ltd.

In the Ghanaian manufacturing space, Ghana Exim Bank has assisted in securing debt funding in **Weddi Africa Tomato Factory**



Adenia Partners is a private equity company founded in 2002, with the aim of investing in a variety of sectors including agribusiness and manufacturing,





In the Ghanaian manufacturing space, Adenia partners have investments in **Cresta** and **Kanu Equipment**



Tinjian Limin Condiments Ltd is a brewing and compound condiment production enterprise in China. The company belongs to the Tianjian Food Group, a wholly-owned state enterprise.

In the Ghanaian manufacturing space, Tinjian Limin Condiments Ltd has an investment in the newly established **Leefound Foodstuff Ghana Limited**.

Regulators

Regulatory Agency	Regulatory overview	Standard setting	Quality assurance	Product registration	Standards compliance	Training	Requirement
Ghana Standards Authority 	<p>Ghana Standards Authority is an agency of Government responsible for developing, publishing and promoting standards in the country.</p> <p>It does this through standardisation, metrology and conformity assessment activities. Some of these activities are testing, inspection and certification</p>	✓	✓	✓	✓	✓	Ensure products for both local consumption and export are safe and of good quality
Ghana Export Promotions Authority 	<p>The Ghana Export Promotion Authority (GEPA) is the National Export Trade Support Institution of the Ministry of Trade and Industry (MOTI) responsible for the facilitation, development and promotion of Ghanaian exports.</p>	✓	✓			✓	To ensure Ghana export trade contributes to accelerated economic growth.
Ghana Free Zones Authority 	<p>The Ghana Free Zones Authority (GFZA) was established by an Act of Parliament - The Free Zone Act 1995 (Act 504), is to enable the establishment of free zones in Ghana for the promotion of economic development; to provide for the regulation of activities in free zones and for related purposes.</p>	✓		✓	✓		To facilitate a well-integrated business environment with world class capacity to compete.
Foods and Drugs Authority 	<p>FDA is the national regulatory body responsible for the regulation of food, drugs, food supplements, herbal and homeopathic medicines, veterinary medicines, cosmetics, medical devices, household chemical substances, tobacco and tobacco products, blood and blood products as well as the conduct of clinical trials protocols.</p>	✓	✓	✓	✓		Ensure products for both local consumption and export are safe and of good quality.

Sector Porter's five forces

Bargaining power of suppliers

- Minimal differentiation of inputs to the manufacturing sector.
- Low switching cost of buyers of inputs from suppliers in the manufacturing sector
- Low threat of forward integration by suppliers of inputs in the manufacturing space
- Local supply of cocoa beans and cassava are abundant; while inputs like rice, sugarcane and tomato are met by imports

Threat of substitutes

- Imported products come at very competitive price when compared to locally produced products.
- Low switching cost amongst consumers of manufactured products in Ghana.
- High propensity for buyers to substitute based on availability and price of products.

Threat of New Entrants

- Government policy encourages investment in the manufacturing sector.
- No regulatory minimum capital requirements to commence operation.
- New entrants may not have economies of scale enjoyed by already existing market players.
- Low switching cost of users of manufactured products.

Bargaining power of buyers

- Low switching cost for the purchase of manufactured products amongst consumers.
- Low chance of backward integration by buyers of manufactured products
- Wide array of brands of manufactured products to choose from.
- Minimal bargaining power of buyers due to purchase of low volumes and a large market of buyers.
- Buyers in the Ghanaian market a very sensitive to prices on manufactured products.

Competitive rivalry

- The manufacturing industry is currently growing and expanding very fast due to state incentives.
- High cost of setting up factories is indicative of high exit barriers.
- Manufactured products are visibly branded to differentiate producers.



Manufacturing sector SWOT analysis

Strengths

- ▶ Ghana boasts of a relatively stable business and investment climate driven by stable political and macroeconomic conditions relative to its peers in Sub-Saharan Africa.
- ▶ With an urbanisation rate of 54.1% (c.15m people), Ghana is attractive for manufacturing as this indicates developing logistics, higher spending levels and concentrated consumers in urban areas.
- ▶ Ghana is rich in natural resources such as gold, diamonds, manganese ore and bauxite, as well as in oil, and this is expected to provide the manufacturing sector the needed resource base to thrive.
- ▶ The median working age in Ghana is 21 years with 50%+ of the population within the ages of 20 and 64. This indicates the availability of labour and a strong working force that can drive spending and consumption.
- ▶ Supportive government initiatives aimed at transforming Ghana from a largely agrarian economy to an industrial one.

Opportunities

- ▶ There is an emerging urban middle class that is generating a more sophisticated demand for manufactured goods.
- ▶ Increased government focus to promote manufacturing within priority sectors create opportunities particularly in component manufacturing, and agro-processing.
- ▶ The African Continental Free Trade Agreement will bring greater market access to neighbouring countries.



Weaknesses

- ▶ Demand for manufactured products is concentrated in urban areas but weak in the rural areas of the country.
- ▶ Low-income levels in Ghana restricts the bulk of demand for manufactured products to essential products.
- ▶ Price competition from imported manufactured products. Imported manufactured products tend to be cheaper as compared to locally produced products.
- ▶ High cost of capital stifles the ability of local manufacturers to scale operations to be competitive on the international market.
- ▶ Production inputs required for certain industrial productions cannot be sourced locally e.g., in component manufacturing or pharmaceutical manufacturing.
- ▶ Access to reliable and affordable power supply required to run manufacturing plants especially outside of Accra.

Threats

- ▶ Unemployment and raising inflation rate in the short term erodes the purchasing power of households.
- ▶ Industrial activity affects the immediate surroundings and unsafe disposal of industrial waste can have damaging effects on the environment. Firms found culpable in such acts receive huge fines.
- ▶ The number of Ghanaian households that are tech-savvy is small; limiting the scope for e-commerce of manufactured products.



03

Sector opportunities

Sector opportunities



Metal Processing

GIADEC (Ghana Integrated Aluminum Development Corporation) in its effort to move Ghana from a mere exporter of bauxite to an aluminum hub in Africa via partnerships with selected private investors plans to set up;

- Two or three new refineries, each with a combined capacity of approximately 2 million metric tonnes of alumina (refined bauxite),
- Retrofit of VALCO (Volta Aluminum Company Limited) to increase production capacity to 300,000 metric tonnes of aluminum;
- Set up a new smelter with production capacity of up to 500,000 metric tonnes of aluminum.

Feasibility studies are also underway in Pudo and Akpafu in the Upper West and Oti regions respectively where significant quantities of iron ore have been discovered. GIISDEC (Ghana Integrated Iron and Steel Development Corporation) intends to partner with the private sector in the development and manufacture of steel.



Construction Materials

- The government's agenda 111 policy provides a huge opportunity for companies in the construction materials sector.
- Cocoa Roads Improvement Programme (CRIP) provides an opportunity to players in the construction materials to secure contracts.
- Establishment of one factory in every district, one industrial park in each region, amongst many other government initiatives also presents an opportunity to players in the construction materials sector.



Raw Cashew Processing

- In 2020 Ghana was the fifth largest exporter of cashew nuts (fresh and dried) in the world with export revenue of USD 354m. Ghana had about 14 cashew processing facilities with a total production capacity of 65,000 metric tonnes of raw cashew; however 10 out of the 14 facilities currently produced at 10% capacity while the other four are inactive.
- The sector provides a huge opportunity to an investor with capital to invest because there is the availability of inputs, and the government has lined up a plethora of incentives to ensure the productive and profitable operations of factories.

Cassava Processing

- In 2020 Ghana was the fourth-largest producer of cassava in the world but placed 54th in terms of exports of cassava products. This is indicative of a lack of manufacturing capacity to fully process cassava into finished products.
- The sector provides a huge opportunity to an investor with capital to invest because there is the availability of inputs, and the government has lined up a plethora of incentives to ensure the productive and profitable operations of factories.



Machine Tooling

The government of Ghana has cut the sod for the establishment of a machine tooling and foundry at the premises of Ghana Atomic Energy Commission premises. The government intends for:

- The foundry and machine tooling center could be managed through a Public-Private Partnership.

04

Key investment highlights

Key investment highlights



Availability of inputs

- Ghana is endowed with abundant agricultural produce such as cocoa, maize, cassava etc.
- Ghana has 67% of its population within the ages of 20 -67 years indicating the availability of labor.



Policy Incentives

- Tax holidays depending on which incentive scheme an entity registers under such as free trade zones, 1D1F and GIPC itself.
- These incentives and tax holidays can effectively make an entity or its produce and competitive locally and internationally.



Transportation & Logistics

- Excellent sea and air connections, which aid the import and export of products to and from international markets such as Europe, America and Asia.
- Tema port is the biggest port in west and central Africa. Ghana also boasts of a world-class airport in Kotoka International Airport.
- The country also has a good road and developing rail network for delivering inputs to production sites and imported or manufactured products across the Ghana and other neighbouring land-locked countries.



Labor Force

- Ghana has a literacy rate of 69.8% as per the results of 2021 population census due its strong educational system.
- Low labour cost with a daily minimum wage of c. USD 2. As compared to other advanced economies, Ghana's low labour cost is very attractive for setting production facilities.



Power Supply

- As of 2021, the electricity access rate stands at 86.63% (2021), with 50% of rural residents and 91% of urban residents connected to the electricity grid.
- Compared to other African countries, cost of power is affordable in Ghana. The price of electricity for businesses per Kwh US\$ 0.106 which includes all cost of power, distribution and taxes.
- Ghana has fairly stable and reliable power supply all year round.



Economic Openness

- Ghana offers access to the market of the Economic Community of West African States (ECOWAS).
- The AfCFTA provides access to the 1.3 billion market.
- Ghana also has active trade agreements with the European Union and United States of America (AGOA).

Key investment highlights



Location and Access to Land

- ▶ Ghana provides location incentives for manufacturing companies situated outside Accra and Tema.
- ▶ Under the Ministry of Trade and Industry's 10-point agenda, the state in collaboration with the private sector has developed specialized industry parks for litigation-free access to land.
- ▶ Examples of established zones include the WestPark, Dawa Industrial Zone and Tema Industrial Park.



Consumer Behavior

- ▶ Ghanaian consumers of manufactured projects are very price sensitive in their pricing decisions.
- ▶ This price sensitivity affords new entrants to the Ghanaian market the chance to succeed by affordable pricing



Accessibility and proximity to Market

- ▶ Ghana is geographically closer than any other country to the center of the earth. An average of 8 hours of flying time to Europe and the Americas.
- ▶ Such short commuting durations to the European and American markets will ensure the efficient supply chain management of exports and imports.



Legal System

- ▶ The Directive Principle of State Policy in Ghana's constitution encourages foreign investment subject to all relevant laws in force.
- ▶ The Ghana Investment Promotion Centre (GIPC) Act 2013 (Act 865) and Free Zones Act 1965 (Act 504), promote economic development and regulate the activities of investors.
- ▶ The Ghanaian legal system also provides independent courts as avenues to request for adjudication of thorny legal issues.



Currency Risk

- ▶ It will expedient on the part of investors to consider foreign exchange risk for foreign direct investment in a frontier economy like Ghana.
- ▶ Hedging strategies to guard against the loss of value and increase in the cost of imported inputs during periods of currency depreciation.



Political Stability

- ▶ Reduced threat of nationalisation of private businesses as enshrined in the Constitution of Ghana (Article 20) and Free Zone Act (Act 504)
- ▶ Enabling environment to ensure consistent consumer demand without any internal or external sanctions.



05

Testimonials

Testimonials

“Kasapreko is a wholly owned Ghanaian company. The rich supply of raw materials, political stability and ideal market size has made Kasapreko a success story.

GIPC has been a backbone to our story. Aside being a member of the Ghana Club 100, which has increased our brand publicity, GIPC has also boosted our market penetration. When we joined the 1D1F initiative, we were given wonderful packages that enabled us meet deadlines.

*Some of these incentives included tax exemptions on equipment and raw materials needed for production, the project also enabled us facilitate registration processes. We would like to use this opportunity to encourage investment and partnership in Ghana to **Grow in Ghana and with Ghana.**”*

Kasapreko Company Limited

Testimonials

“Keda is still expanding since establishment in 2015 with operations in various African countries such as Tanzania and Egypt and will make Ghana it’s industrial hub for the whole of West Africa and probably Africa as a continent.

Ghana is a good country for investors, the political environment is very stable, and Ghanaians are very kind. Government through GIPC has also been very supportive in terms of business procedures and policy initiatives.

I encourage all investors to choose Ghana as their preferred investment destination.”

Keda Ceramics



06

Contact us

Key contacts

Yofi Grant

Chief Executive Officer

Tel: +233 302 665 125-9

Email:

yofi.grant@gipc.gov.gh



Yaw Amoateng Afriyie

Deputy Chief Executive Officer

Tel: +233 302 665 125-9

Email:

yaw.afriyie@gipc.gov.gh



Edward B. Ashong-Lartey

Director, Investor Services

Tel: +233 302 665 125-9

Email

edward.ashong-lartey@gipc.gov.gh



Eugenia Okyere

Head of Research

Tel: +233 302 665 125-9

Email:

eugenia.okyere@gipc.gov.gh



07

Appendix

Sector Specific Incentives

Sector	Concessionary Rate	Tax (after concessionary period)
Tree crops farming	1% for 10 years from start of operation	25%
Cash Crops or farming livestock, other than cattle or fish	1% for 5 years from start of operations	25%
Cattle Farming	1% for 10 years from start of operation	25%
Processing of Agric Raw Materials	1% for 5 years from start of operations	25%
Income from a cocoa by-product business	1% for 5 years from start of operations	25%
Cattle Farming	1% for 10 years from start of operations	10%
Income for financial institution offering loans to farming enterprises	N/A	20%
Income from a rural banking business	1% for 10 years from start of operations	8%
Export of non-traditional exports	N/A	8%
Income from a waste processing business/company	1% for 7 years from start of operations	25%
Income of a certified company into a low cost housing business	1% for 5 years from start of operations	25%
Income of an approved unit trust scheme or mutual fund	1% for 10 years from start of operations	25%
Income from a venture capital financing company	1% for the 10 years from	25%
Company's listed on the Ghana Stock Exchange	N/A	22%
Income from Tourism	N/A	22%

Source: Market research

Page 41

Location Incentives for Agro-processing Companies

After the initial five tax-holiday period, agro-processing enterprises which use, agricultural raw materials as their main products shall be the following tax rates according to their locations

Location	Tax (after concessionary rate)
Accra - Tema	20%
Other Regional Capital (except Northern, Upper East, and Upper West Regional Capitals)	15%
Outside Regional Capitals	10%
Northern, Upper East and Upper West Regions (capitals and other locations)	5%

Locational Incentives for Manufacturing Companies

Location	Tax
Manufacturing industries located in regional capitals (except Accra and Tema)	18.75%
Manufacturing Companies situated in Accra and Tema	25%
Manufacturing companies situated outside regional capitals and Tema	12.50%

Young Entrepreneurs Incentives

Young entrepreneurs who are in the business of manufacturing, information technology, agro-processing, energy production, waste processing, tourism and creative arts, horticulture and medicinal plants have five years tax holidays and after the five years the following rates apply:

Location	Tax
Accra and Tema	20%
Other regional capitals (except Northern Regions)	15%
Outside Regional Capitals	10%
Northern regions	5%

Exemptions

- ❖ Customs duty exemption on plant, machinery and equipment (companies in the hospitality industry enjoy a concessionary rate under Chapter 98 B of the HS Code)
- ❖ VAT exemptions to a select group of products as indicated in the VAT Act.
- ❖ Double taxation treaties with **Belgium, Denmark, France, Germany, Italy, Mauritius, Netherlands, Singapore, South Africa, Switzerland and the United Kingdom**

Investment Guarantees

- ❖ Constitutional Guarantees
- ❖ Multilateral Agency (MIGA) membership
- ❖ Bilateral Investment Treatise (BTIs)
- ❖ Free Zones Act (Act 504)

Trade Associations

- ❖ Economic Community of West African States (ECOWAS)
- ❖ African Continental Free Trade Area (AfCFTA)
- ❖ World Trade Organisation (WTO)
- ❖ Trade agreement with the United Kingdom
- ❖ Trade agreement with the European Union
- ❖ Party to the US African Growth and Opportunity Act (AGOA)

STEP 1 : Registration with Registrar General's Department

Incorporate a company at the Registrar General and obtain the following:

- Certificate of Incorporation
- Company regulation
- Certificate to commence business

STEP 2 : Minimum Equity Contribution

- There is no minimum equity requirement for foreigners interested in the following sectors: manufacturing, export trading and portfolio investment.

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 5 statutory working days to complete, provided the registration forms and all supporting documents are in order.
- Wholly owned Ghanaian 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

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

STEP 5 : Environmental Impact Assessment Certificate

- Applicable enterprises must register and obtain an environmental permit from the Environment Protection Agency.
- Registration with other relevant agencies: companies are to comply with regulatory requirements within the various manufacturing sub-sectors.

STEP 6 : Product Registration

- Free zone investors need to obtain a license from Ghana Free Zones Authority (GFZA).
- Enterprises will be required to obtain the necessary licenses and clearances from the Foods and Drugs Authority (FDA) and Ghana Standards Authority (GSA). This is necessary before marketing and selling products to the general public.
- Registration with the Ghana Export Promotion Authority (GEPA) is also a prerequisite for exports.

Appendix III (1/2)



The Ministry of Trade and Industry is the lead policy advisor to government on trade, industrial and private sector development with the responsibility for the formulation and implementation of policies for the promotion, growth and development of domestic and international trade and industry.

The major functions of the ministry are:

- 01 Initiate and formulate policies, taking into account the needs and aspiration of the people
- 02 Undertake development planning in consultation with the National Development Planning Commission
- 03 Co-ordinate, monitor and evaluate the efficiency and effectiveness of the performance of the Sector

The Ministry, in executing its function of ensuring continuous development of the industrial sector, has fashioned out a 10-Point Agenda to support Governments industrialization drive.



National Industrial Revitalisation Programme: in response to the rising cost of doing business in the country, the revitalization programme is to provide a package of stimulus to industries. The package includes a stimulus fund of up to USD 200 million, providing technical and business development services to companies.



One District One Factory: The government's industrialization drive is anchored by its 1 District 1 Factory Initiative. The initiative is designed to decentralize industrial development to ensure an even and spatial spread of industries. The state will facilitate and assist medium to large-scale businesses to set up factories across the country.



Strategic Anchor Industries: The government of Ghana has identified anchor industries that are key to development; these identified sectors will have industrial park development centered around them. These industries are: agro-processing ,pharmaceuticals, integrated aluminium industry, iron and steel, automobile and vehicle assembling, textiles, garments and apparel, industrial salt, petrochemicals, manufacturing of machines and machinery components, industrial starch and oil palm industries.

Source: Ministry of Trade and Industry

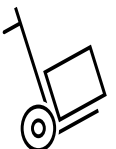
Appendix III : (2/2)



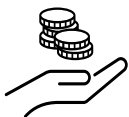
Industrial Parks and Special Economic Zones: this is an initiative by government to provide investors with access to litigation free lands available for industrial activities. Government is collaborating with private to develop industrial villages centred around the selected anchor industries.



Development of Small and Medium Scale Enterprises: this initiative is to ensure small and medium scale enterprises are given the needed boost to thrive. The support particularly relates to ensuring access to affordable loans from financial institutions.



Export Development Programme: this initiative is related to ensuring factories established under One District One Factory are designated as free zones entities; required by law to export 70% of their production.



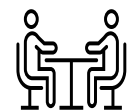
Enhancing Domestic Retail Infrastructure: this initiative is to ensure the factories under 1D1F are not only competitive on the international market but also locally. Government will ensure this by upgrading the retail infrastructure to cope with the increased level of local production.



Business Regulatory Reforms: this initiative is to reduce the cost of doing business by removing the bureaucracies associated with doing business in Ghana.



Industrial Sub-contracting Exchange: this initiative is to ensure healthy collaboration between the larger companies and small and medium scale enterprises (SMEs). This will be done by promoting the sub-contracting of the non-critical business activities of larger entities to SMEs

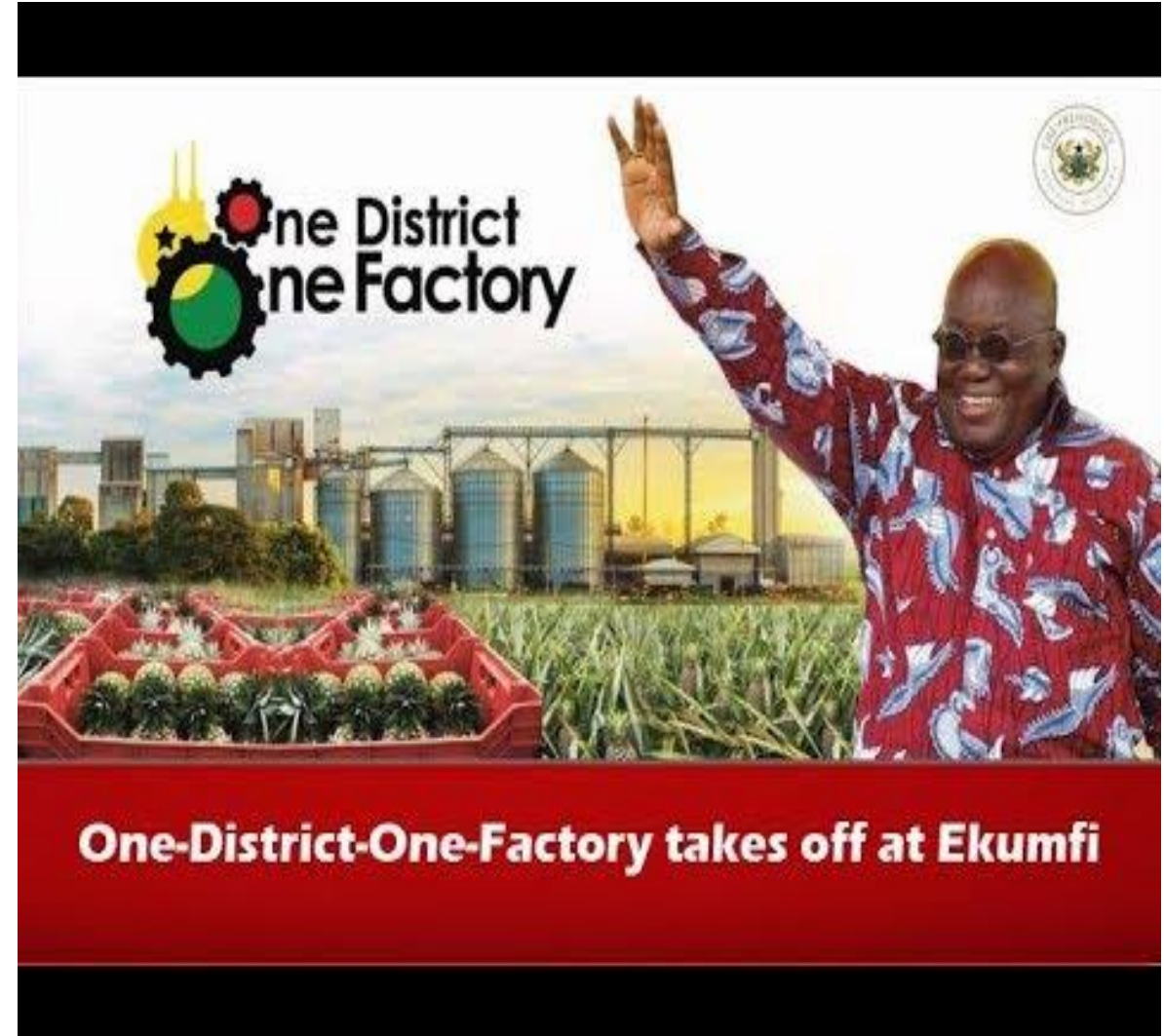


Improving Public-Private Dialogue: this initiative is to ensure regular dialogue with the private sector on the successes and challenges in the implementation of the 10 point agenda. It is expected that one Business Summit will be held every year.

Background

- ▶ Ghana is endowed with so many resources spanning from fertile agricultural land to precious minerals. The country has however not optimised value from its endowed resources. The lack of efficient utilization of these resources to obtain maximum value is due to the reluctance of investors, local and foreign, to invest. The reluctance stems from a lack of enabling and conducive environment to make handsome returns on investments.
- ▶ Ghana as a country has not obtained maximum value from its natural resources because these resources are exported in their raw state. Raw material exports do not command high prices on the international market as compared finished products.
- ▶ The Government of Ghana is currently bent on transitioning the economy from an agrarian one to one centered on industrialization. The government's industrialization drive is anchored by its 1 District 1 Factory Initiative. It is also the key component of the government's 10 points industrialization drive.
- ▶ One District One Factory is a government-sponsored initiative to create an enabling and conducive environment to encourage private sector participation in its industrialization drive. The essence of the projects is to situate at least one industrial facility in each district of the country based on the natural resource available.
- ▶ The core objectives of the 1D1F initiative include:
 - i. Add value to the natural resource endowments to each district;
 - ii. Promote import substitution and thereby conserve scarce foreign exchange;
 - iii. Promote exports of finished products and foreign exchange earnings;
 - iv. Decentralise industrial development among all districts in the country.

On 25th August 2017, the President of the Republic, Nana Addo Danquah Akufo Addo launched the 1D1F program at Ekumfi in the Central Region. The launch was accompanied by the sod cutting of the commencement of the first fruit/pineapple processing factory in the Central Region of Ghana.



Appendix IV : 1D1F (2/4)

State Incentives Under 1D1F Include:



Tax Incentives: Waiver on duties and Levies on imported plant, machinery, and equipment, as well as raw materials



Five-Year Corporate Tax Holidays



Interest Subsidy on loans Granted to 1D1F Companies



Technical Assistance provided to 1D1F Companies by Experienced Consultants Free Of Charge



Extension of infrastructure facilities to 1D1F Project Sites e.g. Electricity, Water, and Access Roads



Government Policy to Procure Locally Produced Products by 1D1F companies



Export Market Identification and Development



31 Technological Solutions Being Established to Provide Technical Support and Technology Solutions to 1D1F and Other Companies



Community support through the district implementation support teams



67 Business Resource Centers established to provide business development services to 1D1F companies

Financing Options Under 1D1F

The financing options for programs under the 1D1F initiative include :

- i. Medium to Large Scale Companies fully financed by Private Investors,
- ii. Medium to Large Scale Companies owned by Private Investors but supported with loan facilities from Participating Financial Institutions
- iii. Medium to Large Scale Factories financed by the African Development Bank (AfDB)
- iv. Small scale Factories financed by AfDB
- v. Small to medium-sized companies financed by Private Sector with Equity Contribution from Government through District Assemblies Under PPP programs.

The participating financial institutions include :





*Factory
Commissioning
@ B5 Plus
Company Limited*



*Factory
Commissioning
@ CH Global
Limited*

Background

- ▶ In line with the Industrial Transformation Agenda of the Ghanaian Government, the Ministry of Trade and Industry is implementing the one region one industrial park initiative.
- ▶ Over the last decade access to dedicated and litigation-free lands and other infrastructure required for industrial development in Ghana has been a challenge. The situation has discouraged potential investors from venturing into the industrial sector and thereby limiting Ghana's access to sustainable amount of FDIs needed for job creation, income generation and poverty reduction.
- ▶ In order to address this challenge and contribute to the development of Ghana, the government of Ghana through the Ministry of Trade and Industry as part of its transformational agenda seeks to encourage the establishment of at least one 'large' park(s) in all the sixteen regions of Ghana.
- ▶ One Region One Industrial Park is a government-sponsored initiative to create provide availability of litigation-free land to encourage private sector participation in its industrialization drive. The industrial parks will also ensure specialization in priority sectors of the economy
- ▶ The core objectives of the industrial parks and specialized economic zones are:
 - i. To develop effective industrial land banks acquisition and security systems at national, regional and district levels to facilitate easy zones/enclave planning for industrial development and also to promote the spatial distribution of industrial development for job creation in order to achieve reduction in poverty and income inequalities.
 - ii. To improve access to litigation free land and access to utility services whiles spreading economic activities across the country
 - iii. To provide an institutional framework, modern services, and physical infrastructure that may not be available in the rest of the country to foster development and economic activities
 - iv. To encourage industrial cluster formations for networking and spill over effects.



Appendix VI : Industrial Parks (2/3)

A number of private-sector developers have expressed interest in investing in the development of industrial parks and specialized economic zones in Ghana. Prominent among these are :



- ▶ LMI Holdings Limited is the primary developer of the **Tema Meridian Industrial Zone** in Free Zones Enclave and **Dawa Industrial Zone** (2,750 acres of industrial land).
- ▶ LMI Holdings is, by far, the largest industrial park developer in Ghana. In both parks, the Group has, over the years, invested in industrial utilities (power and water distribution), roads and drains—providing base infrastructure for international investors looking to invest in Ghana.
- ▶ The Tema Meridian Industrial Park boasts of 250,000 m² warehousing space, 130 MVA capacity substation, a self contained water distribution channel, a railway link from Tema port, container terminal and 17MW rooftop solar project.
- ▶ The Meridian Industrial Park hosts about 65 companies in various manufacturing subsectors.
- ▶ An overview of the Dawa Industrial Park is presented in the next slide.



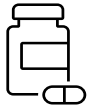
- ▶ The Chinese Hasan International Holding Group Co (Hasan International) is the developer of the **Sekondi Industrial Park**.
- ▶ The Sekondi Industrial Park is located in Sekondi-Takoradi, Ghana's second largest port city. The Industrial park covers a total area of 2,200 acres (890.30 hectares).
- ▶ The park is earmarked for Heavy and Light industries as well as warehousing.
- ▶ The western railway line to the Takoradi Port runs through the Sekondi Industrial Park. The park also boasts of the supply of natural gas terminal from the Ghana Gas factory at Atuabo for use by prospective investors.
- ▶ Sekondi Takoradi also boasts of an airport with regular flights from Accra. Flights between Accra and Takoradi takes 30 minutes. Distance by road is 228 .2 kilometres.



- ▶ Blacklvy is the developer of the **WestPark** industrial area.
- ▶ The WestPark is situated in Sekondi- Takoradi, 25km from the Takoradi Port and 7km from the Aboadze Power Park, with 2,200 MW planned generating capacity.
- ▶ The park is earmarked for the following industries: food and beverage processing, vehicles and equipment, construction and building materials, footwear and apparel, electronics and appliances, and chemicals & allied products.
- ▶ Benefits provided by Blacklvy LLC, the developer, include the establishment of a state of the art vocational training center, reliable and cheap source of power supply, 12.5% corporate tax due to the location of the industrial park, ample water supply, and provision of access to Blacklvy's global network to raise capital and identify new markets for products.

Appendix VI : Industrial Parks (3/3)

DAWA INDUSTRIAL ZONE OFFERINGS INCLUDE ::



Pharma Manufacturing Site



Warehousing and Logistics Site



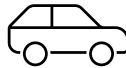
Steel Fabrication Site



Food Processing Site



Garment Manufacturing Site

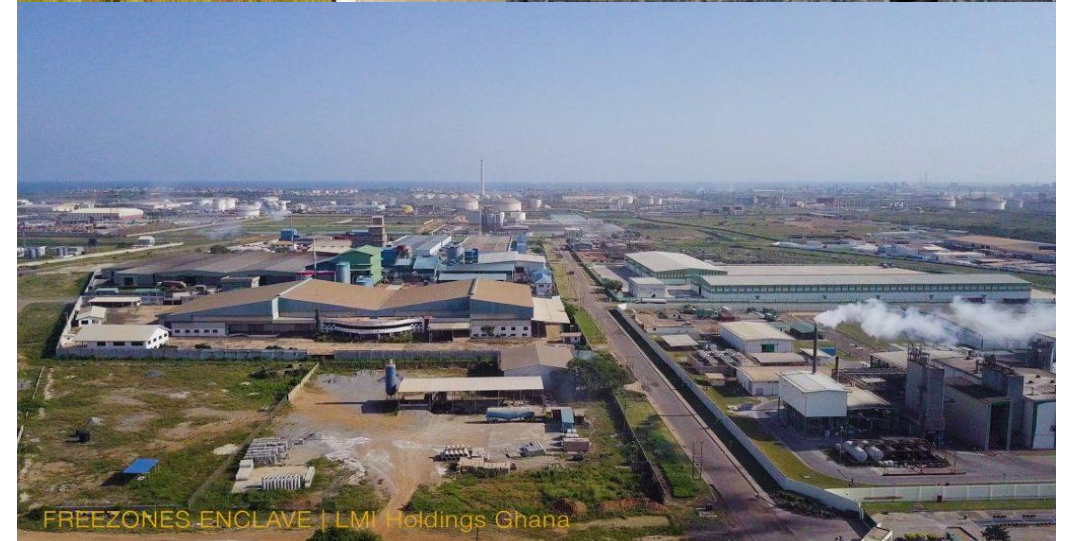


Automotive Assembling Site

DAWA INDUSTRIAL ZONE ATTRACTIONS::

- Reliable energy supply
- High Speed Internet
- Asphalted or Blocked Paved Roads
- Available concrete products factory for tenants to put up facilities
- On-site civil engineers who offer engineering services at competitive rates
- Estate management services including security, sewage management and landscaping
- Complementary Dawa Residential Estate

Dawa Industrial Zone is a 45-minutes drive from Tema Harbour and Industrial Hub



Appendix VII :Ghana Covid-19 Revitalization of Enterprise Support (Ghana CARES)

After the successful completion of Phase I of Ghana Cares, relieving the hardships that Covid-19 brought in its wake, the government is implementing Phase II. The program is scheduled to be implemented between 2021 and 2023 and funded with GHS 100bn.

The Initiatives under the Phase II of the Ghana CARES program includes the following manufacturing sector-centered initiatives .:

Building the Light Manufacturing Sector

This will involve initiatives to strengthen the agro-processing, import substitution, textiles and garments industries. This will also involve the retooling and recapitalization of some distressed but economically viable companies in the iron and steel, wood processing, and textile manufacturing space.

Developing the Engineering and Machine tools Industry

This initiative will involve providing needed infrastructure base to build capabilities in the manufacture of machine tools. The President has already cut the sod for the construction of a machine tooling center and foundry at the premises of Ghana Atomic Energy Commission

Fast Track Digitization

This initiative will involve the implementation of the Ghana Card System to provide economic players with a unique identifier for all transactions. The Government is also facilitating the establishment of a Domestic Crediting Rating Agency to improve the quality of credit information. This initiatives will ensure the bridging of the asymmetry of information between lenders and borrowers, culminating in reduced cost of funds.

Developing Ghana's Constructions Industry

This involves leveraging on Agenda 111, the construction of 111 hospital across the country, to strengthen the capacity of the constructions materials industry. The Government through the National Home Ownership Fund is working in partnership with selected commercial banks to scale up the delivery of affordable housing in Ghana.

Establishment of the Development Bank Ghana

Operationalization of the Development Bank Ghana (DBG) will ease the constraints of long-term financing at competitive rates for entrepreneurs. This will propel economic growth by providing affordable capital to manufacturing companies to scale up production.

Appendix VIII: List of abbreviations

AfCFTA	African Continental Free Trade Area
C.	Approximately
COCOBOD	Ghana Cocoa Board
CPC	Cocoa Processing Company
CRIP	Cocoa Roads Improvement Program
ECOWAS	Economic Community of West African States
FDA	Food & Drugs Authority
GDP	Gross Domestic Product
GEPA	Ghana Export Promotion Authority
GFZA	Ghana Free Zones Authority
GHS	Ghanaian Cedi
GIADEC	Ghana Integrated Aluminium Development Corporation
MOTI	Ministry of Trade & Industry
SSNIT	Social Security and National Insurance Trust
USD'b	United States Dollars in billions
USD'm	United States Dollars in millions
VALCO	Volta Aluminium Company Limited
1D1F	One District One Factory