

GHANA INVESTMENT PROMOTION CENTRE
FIRST QUARTER 2013 INVESTMENT REPORT (1ST JANUARY TO 31ST MARCH, 2013)

MESSAGE FROM THE CEO


*Mrs. Mawuena Trebarh, Ag.
Chief Executive Officer of
GIPC*

The first quarter under my administration has been very exciting and fulfilling. Even though we are just emerging from an election year, the investments recorded in the first quarter has been very encouraging. What is more exciting is the prospect of generating 67,582 jobs should these projects come to fruition.

In the first quarter of this year 2013, the Centre recorded a total of **94** new projects with a total estimated value of **US\$294.68 million**.

Highlights of recorded FDI inflows for the first quarter of 2013 include:

- ✚ Total FDI component of **GH¢541.89 million (US\$285.20 million)** with a local currency amounting to **GH¢18.01 million (US\$9.48 million)**. The FDI value represents a decrease of 70.89% compared to the value recorded in the same quarter of 2012.
- ✚ Total initial capital transfers of **GH¢48.39 million (US\$25.47 million)**, a decrease of **41.14%** from 2012 same period
- ✚ Total jobs expected to be created is **67,582** with 10,503 out of the total being jobs for non-Ghanaians.
- ✚ **Britain** with an FDI value of **US\$122.61 million** ranked first in terms of the value of projects and **India** with **13** projects ranked first in terms of the number of registered projects.

As we prepare to get our new Law in place, we believe we need to also look at the best practices in other countries and to adopt those which would compliment the law to ensure we attract the needed investments.

We have started and we will continue to embark on such missions that would target specific investments which will propel our development as well as creating the needed employment opportunities. – **Mrs. Mawuena Trebarh, Ag. CEO**

1.1 SUMMARY
New Investments: 1st Quarter 2013

In the first (1st) quarter of 2013 (1st January to 31st March, 2013), **94** new projects were registered.

Initial Transfers

The total initial capital transfers for the newly registered projects during the quarter amounted to **GH¢48.39 million (US\$25.47 million)**.

Estimated Value of Registered Projects

The total estimated value of this quarter's newly registered projects was **GH¢559.90 million (US\$294.68 million)**.

1.2 STRUCTURE OF COMPANIES
SECTORAL COMPOSITION OF NEW PROJECTS

Sectors	Newly Registered Projects	Estimated Value of Projects (US\$ M)	% of Estimated Value
Agriculture	3	11.08	3.76
Building/Const	13	143.07	48.55
Export Trade	4	5.75	1.95
General Trading	19	17.69	6.00
Liaison	5	2.52	0.86
Manufacturing	14	6.39	2.17
Service	33	51.68	17.54
Tourism	3	56.49	19.17
Total	94	294.68	100.00

Of the **94** projects registered during the first (1st) quarter, 73 (77.66%), were wholly-foreign owned enterprises valued at **GH¢497.83 million (US\$262.02 million)** which is **88.91%** of the total estimated value of projects registered. The remaining 21 (22.34%) were joint ventures between Ghanaians and foreign partners valued at **GH¢62.07 million (US\$32.67 million)** which is **11.09%** of the total estimated value of projects registered.

For the corresponding quarter of 2012, 52 wholly- foreign owned enterprises and 43 joint ventures were registered and valued at **US\$422.77 million** and **US\$759.28 million** respectively.

During the fourth (4th) quarter of 2012, 63 wholly-foreign owned enterprises and 31 joint ventures were registered and valued at **US\$583.17 million** and **US\$73.87 million** respectively.

1.3 FOREIGN DIRECT INVESTMENT

The FDI component of the estimated value of the projects registered during the period under review (1st January to 31st March, 2013) was **GH¢541.89 million (US\$285.20 million)**, representing **96.78%** of the total estimated value, and a local currency component of **GH¢18.01 million (US\$9.48 million)**, representing **3.22%**.

The FDI component of the estimated value of the projects registered in the corresponding quarter of 2012 was **US\$979.85 million** and the local currency component was **US\$202.20 million**.

For the fourth quarter of 2012, the FDI component of the estimated value of the projects registered was **US\$524.71 million** and the local currency component was **US\$132.34 million**.

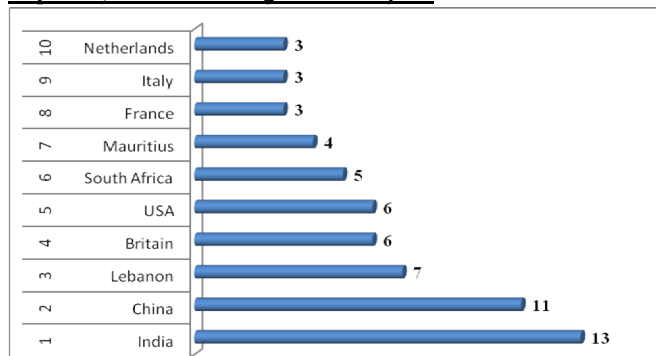
The total foreign equity was **GH¢465.45 million (US\$244.97 million)** and the initial equity transfers was **GH¢48.39 million (US\$25.47 million)** for this quarter.

1.4 SOURCES OF FOREIGN DIRECT INVESTMENT (FDI)

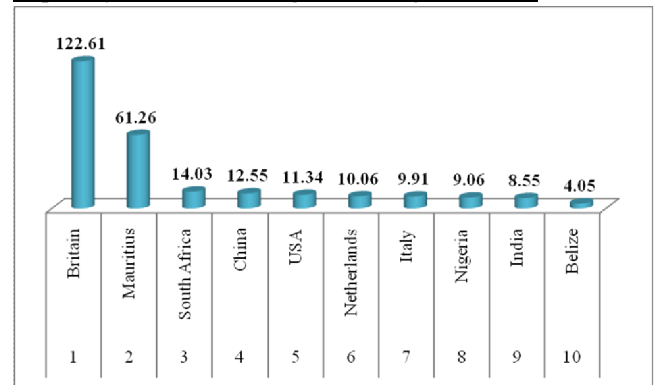
India, with **13** projects, topped the list of countries with the highest number of registered projects. With **US\$122.61 million** as the FDI value of the investments, Britain topped the list of countries with the largest value of investments registered during the quarter.

TOP 10 INVESTOR COUNTRIES (1ST JANUARY – 31ST MARCH, 2013)

Top 10 by Number of Registered Projects



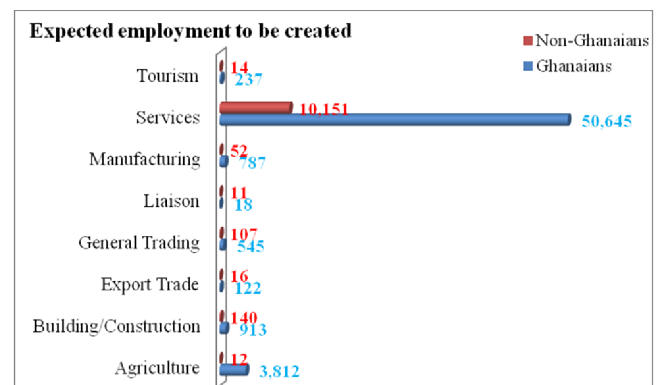
Top 10 by FDI Value of Registered Projects US\$ M



1.5 EMPLOYMENT GENERATION

From the 94 new projects registered in the first quarter (1st) quarter, it is expected that **67,582** jobs will be created. This will be mainly accounted for by an investment registered in the services sector. The total number of expected jobs to be created gives a significant increase of **1,412%** over **4,468** expected jobs to be created in the corresponding quarter of 2012. **84.46% (57,079)** of the total jobs to be created in the first (1st) quarter will be for Ghanaians and the remaining **15.54% (10,503)**, for expatriates.

EMPLOYMENT GENERATED BY SECTORS (1ST JANUARY – 31ST MARCH, 2013)



1.6 GEOGRAPHICAL DISTRIBUTION

Eight (8) out of the ten regions directly benefited from the registered projects during the quarter. The regions are Ashanti, Brong Ahafo, Central, Eastern, Greater Accra, Northern, Volta and Western region. **80.85%** of all the projects registered are located in Greater Accra region.

Region	Number of registered projects	Estimated value of registered projects (US\$ M)
Ashanti	5	4.33
Brong Ahafo	2	7.60
Central	2	1.80
Greater Accra	76	263.92

Upper East	1	0.15
Volta	2	1.03
Western	6	15.85
Total	94	294.68

1.7 COMPARISON OF 1ST QUARTERS: 2013 AND 2012

Measures		Figures				Increase/ Decrease (%)
		Q1 2013		Q1 2012		
No. of Project s	F	73	94	52	95	-1.05%
	JV	21		43		
Total	Estimated Value (US\$ M)	294.68		1,182.05		-75.07%
FDI	Component (US\$ M)	285.2		979.85		-70.89%
Local	Component (US\$ M)	9.48		202.2		-95.31%
Total	Initial Capital (US\$ M)	25.47		43.27		-41.14%
Country	with highest No. of Projects	India (13)		China (12)		
Country	with largest FDI Value of Projects	Britain (US\$122.6 1 M)		USA (US\$407.2 1 M)		
Total Jobs to be Create d	Ghanaia ns	57,079		3,997		1328.05%
	Non - Ghanaia ns	10,503		471		2129.94%

1.8 HIGHLIGHTS

Some of the major projects attracted into the country during the quarter are:

- AFRICAN TIGER HOLDING LIMITED** – to acquire or dispose off and manage shares, debentures, and other securities with an estimated project value of **GH¢19 million (US\$10 million)**.
- BEAUFORT PROPERTIES LIMITED** – real estate development and building and construction with estimated project value of **GH¢228 million (US\$120 million)**.
- MABANI SIX COMPANY LIMITED** – hotel apartments, restaurant and tourism with an estimated project value of **GH¢106.40 million (US\$56 million)**.

- GOLDEN DRAGON CASINO GHANA LTD** – to build, own and operate a casino of international standards with an estimated project value of **GH¢21.74 million (US\$11.44 million)**.
- EXPRESS LIFE INSURANCE COMPANY LIMITED** – life insurance with an estimated project value of **GH¢10.45 million (US\$5.50 million)**.

1.9 INVESTOR PROFILE



BEAUFORT PROPERTIES LIMITED

Beaufort Properties is a partnership between Ghanaian born Ernest Hanson, the Metro Group, a successful real estate developer in South Africa and the financial investor behind Zenprop, one of the largest private real estate developers in South Africa. The management team and shareholders of Beaufort Properties provide the necessary local knowledge, real estate skills and the balance sheet to deliver an excellent product right across the whole real estate value chain – design, sales & marketing, financing and project management. Beaufort's project is estimated at a project cost of US\$120 million and it is expected to generate 312 jobs at full capacity.

Accra Real Estate Market and Beaufort Positioning

There is a general housing shortage in Ghana supported by structural and macroeconomic demand factors. However different segments of the market are more serviced than others.

The majority of new urban residential projects have been focused on prime areas including Airport Residential, Cantonments and Trassaco. These have been at high price points – in excess of \$350,000 and often over \$500,000.

Our research and success in the Accra market shows that the real gap in the market in the central areas of Accra is selling excellent quality apartments between \$150,000 and \$350,000. Buyers are usually upwardly mobile Ghanaians wanting to live close to their place of work and social amenities, Ghanaians living abroad, buy to let investors and foreign investors. In our view, it is easier for Ghanaian buyers to access mortgages in this price range. There is also excellent demand for lower priced rentals in more central locations supporting the buy-to-let market. Ernest Hanson's last three residential developments, aimed at this

target market, have all sold out in less than a week. Beaufort Properties is able to hit these price points and the real effective demand in the market by offering excellent and efficient designs, value engineering and world-class professionals.

Ghana is currently experiencing exciting times with the influx of both expatriate workers, Ghanaian Diaspora and a growing professional class following a decade of positive economic growth. The New York Times, one of the most influential newspapers in USA, recently listed Accra as one of the top places in the world to visit for business and pleasure during 2013. These are among the many reasons why the country continues to be an attractive prospect for Beaufort Properties.

The country is also increasingly becoming a hub for multinationals. The European low cost air carrier, Easyjet, is reported to be planning to establish a number of routes across West Africa. The company has been undertaking a feasibility study into making Accra the hub (The Guardian, June 2012).

According to Ernest Hanson, Director of Beaufort Properties, real estate investors can earn up to 12-14% rental yields from off-plan apartment purchases and around 10% yields on secondary market sales. Beaufort Properties is selling one bedroom apartments in prime areas of Accra like North Ridge and Cantonments from \$150,000. The company says comparable properties in the same areas are bringing in annual rents of around \$18,000, which is just under a 13% annual yield.



Maiden project – Beaufort Ridge – iconic seven-storey building in North Ridge – Project Value \$15m

Beaufort Ridge is a unique and innovative new residential development located in North Ridge, Accra. The site is perfectly located for live, work and play. At seven-stories, Beaufort Ridge will be a landmark structure in North Ridge with 59 high-end 1, 2 and 3 bedroom units and 2 spacious penthouses. The building has been designed by the

international architectural practice, Paragon, and it will provide its homeowners with world-class luxuries and amenities at affordable prices.

1.10 CONFERENCES, SEMINARS AND MISSIONS

During the first quarter of 2012, GIPC organized and participated in the following programmes as part of its mandate of investment promotion:

- ❖ **Breakfast Meeting** with the Ghana Club 100 (GC 100) Members at the Movenpick Ambassador Hotel, Accra on **28th February, 2013**
- ❖ The **9th CII EXIM Bank Conclave on India-Africa Project Partnership** to be held in New Delhi, India from **17th to 19th March, 2013**.
- ❖ Visit by a six-member delegation from **KOZA Mining Corporation** of **Turkey** to explore investment opportunities in the Mining sector.
- ❖ Visit by a ten-member delegation from **Felda Global Ventures Holdings BHD (FGV)** of **Malaysia** led by its President and CEO, Dr. Mohd Emir Abdullah, to explore possible investment opportunities in the palm oil industry.
- ❖ Visit by **Refriango**, a Portuguese company from **Angola** to explore the possibility of establishing a manufacturing plant in Ghana to produce food beverages.
- ❖ Investment Promotion Mission to **France, United Kingdom** and the **USA**.
- ❖ Participation in the **Ghana-Lebanon Business Forum** on **16th March, 2013**
- ❖ Participation in the **Agribusiness International Fair** in Brazil from **4th - 8th March 2013**.

CONFERENCES & MISSIONS FOR THE SECOND QUARTER, 2013

- ❖ **6th Africa Investor (Ai) CEO Infrastructure Investment Summit and Awards** to be held in **Cape Town, South Africa** from **6th to 7th May, 2013**.
- ❖ **Offshore Technology Conference (OTC 2013)**, to be held in **Houston, Texas, USA** from **6th to 9th May, 2013**.
- ❖ **iAdvisory Seminar on Ghana** to be held in **Singapore** on **16th May, 2013**.
- ❖ **Korea Overseas Investment Fair (KOIF 2013)**, to be held in **Seoul, South Korea** from **28th to 29th May, 2013**.
- ❖ **Trade and Investment Conference (TIC) 2013** to be held in **Trinidad and Tobago** from **12th to 15th June, 2013**.