

QUARTERLY INVESTMENT REPORT

Ghana
On the Go!

MESSAGE FROM THE CEO



Global foreign direct investment (FDI) has still not seen any increase as flows fell 49% in the first half of 2020 compared to 2019, due to the economic fallout from COVID-19, according to UNCTAD's latest Global Investment Trends Monitor released on 27 October. The FDI decline is severe, particularly in developed economies than developing economies. The pandemic and incessant lockdowns around the world continue to slow down expansion and diversification of existing investment projects and the likelihood of a deep recession have led multinational enterprises to reassess new projects. On the African front, Eastern and Southern African countries have been hit hardest by the economic impacts of COVID-19 partly because of the stronger output contractions in South Africa and Angola. In Ethiopia and Kenya, the effect of the pandemic caused disruptions in the tourism industry which in turn caused substantial slowdowns. In West and Central Africa, the decline in growth was projected to be driven mainly by oil exporters. Activity among non-resource-intensive countries, including Côte d'Ivoire, Ghana, and Senegal, slowed down but did not contract, helped relatively by the robust growth in the agriculture sector. Notwithstanding, some

African economies have weathered the storm relatively better in the first half of the year as was witnessed in Ghana's FDI results for the first half of 2020.

These positive results have been maintained in the third quarter of 2020, with total investments of US\$1,142.61 million recorded in the first three quarters of 2020, resulting in total FDI value of US\$1,051.70 million for Ghana*. This comprise of existing projects in the upstream petroleum sector and newly registered projects in sectors such as agriculture, building & construction, services, manufacturing, etc. Out of this, the Ghana Investment Promotion Centre (GIPC) recorded a total of ninety-nine (99) projects in the first three quarters of the year, with total estimated investment amounting to US\$961.87 million. The FDI component and the local components amounted to US\$893.59 million and US\$68.28 million respectively for the first three quarters of 2020. The total initial capital transfers recorded for the period also amounted to US\$67.16 million. The FDI value of US\$893.59 million gives a significant increase of 372.65% over the FDI value of US\$189.06 million recorded in the first three quarters of 2019. The investments recorded by the Centre in the first three quarters of 2020 have prospects of generating a minimum of 17,693 jobs with operation at full capacity. 16,981 (95.98%) of these jobs would be available to Ghanaians whilst the remaining 712 (4.02%) are expected to be taken up by non-Ghanaians.

In the third quarter of 2020, GIPC recorded a total of 30 new projects, with an estimated investment of US\$273.13 million. Out of this, the FDI and local components amounted to US\$266.08 million and US\$7.05 million respectively. The total initial capital transfers recorded for the period also amounted to US\$11.4 million. The FDI value of US\$266.08 million was a significant increase of 304.44% over the FDI value of US\$65.79 million recorded in the third quarter of 2019. The projects recorded by the Centre in the third quarter of 2020 have prospects of generating a minimum of 3,079 jobs at full capacity. 2,929 (95.12%) of these jobs are to be generated for Ghanaians and the remaining 150 (4.87%) will be for Non-Ghanaians.

The Ghanaian economy is witnessing continued improvement with the implementation of sound monetary and fiscal policies and these include the decrease in inflation rate from 7.8% in 2018 to 7.1% in 2019 as a result of the Monetary Policy Rate (MPR) cut in 2019 by 100 basis points; marginal decline in the average lending rate from 23.9% in 2018 to 23.6% in 2019; and improvement in the trade deficit from about US\$6.8 billion (3.6 months import cover) to about US\$8.1 billion at end of September 2019 to cover 4.1 months of imports. These are serving as solid foundations for economic transformation agenda and they include initiatives of planting for food and jobs program, the one district one factory program and the Ghana Automotive Industry, expected to lead to the assembling of cars for export. Also, the official commissioning of the Secretariat of the African Continental Free Trade Area (AfCFTA) in Accra, a major landmark in the full implementation of the free trade agreement, gives credence to the milestones Ghana is attaining amid the pandemic. We are however cautiously optimistic that the gains achieved within the period will drive our

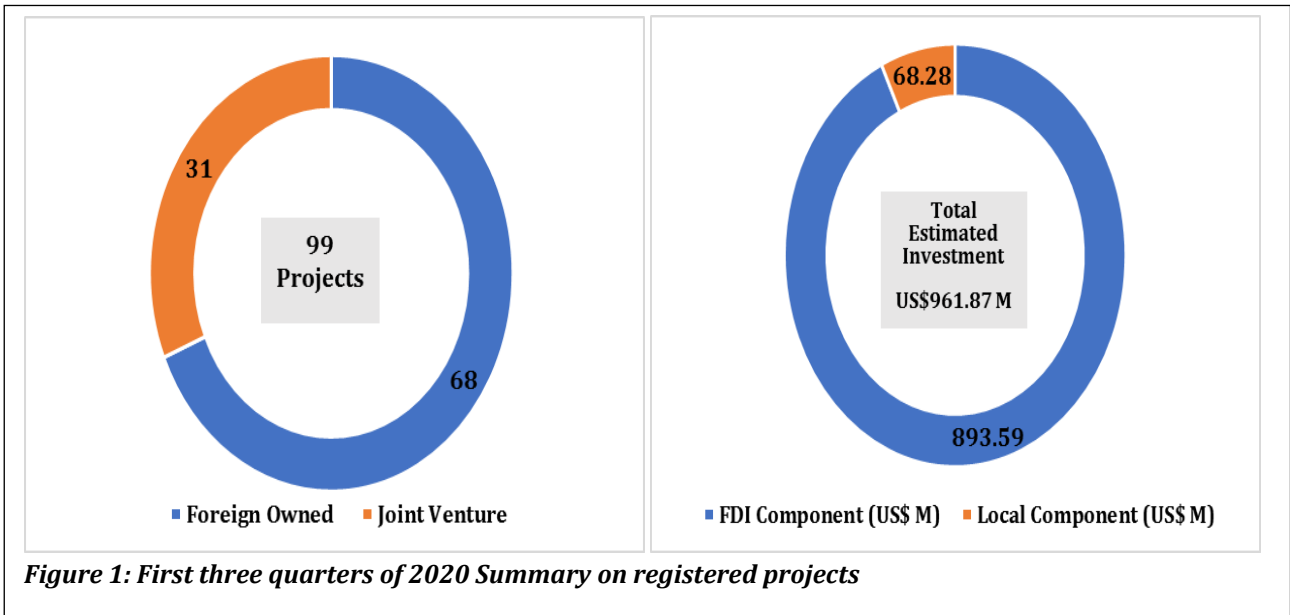
economic transformation forward in line with the President’s Consolidated Programme and the Ghana Beyond Aid vision.

In spite of the upcoming general elections in December 2020 and the lingering on of COVID-19, there are clear indications of increasing FDI interest to Ghana on the back of improving macroeconomic environment and a government committed to improving the business climate as well as the repositioning of the GIPC to play a more active and aggressive role in making Ghana the most attractive and competitive investment and business destination in Africa.

Further insights and analysis on investments recorded are provided in the report. – **Yofi Grant, CEO-GIPC.**

**These are inclusive of foreign investments recorded by the GIPC & the Petroleum Commission but exclusive of foreign investments recorded by the Minerals Commission and the Ghana Free Zones Authority in the stated period.*

1.0 Investments recorded by GIPC: First three quarters, January to September 2020



From January to September 2020, GIPC registered 99 projects with total estimated investment of US\$961.87 million. The FDI component and the local components amounted to US\$893.59 million and US\$68.28 million respectively for the first three quarters of 2020. The FDI value of US\$893.59 million gives a significant increase of 372.65% over the FDI value of US\$189.06 million recorded in the first three quarters of 2019. Of the 99 projects registered, 68 were wholly owned foreign enterprises, representing 68.69% with a total estimated investment of US\$395.82 million. The Joint Venture projects between Ghanaians and foreign counterparts were 31, representing 31.31% of the registered projects and with a total estimated investment of US\$566.05 million. A summary is provided in figure 1 above.

1.1 Sectoral distribution: January to September 2020

Figure 2a: Sector breakdown of number of projects registered (Jan - September 2020)

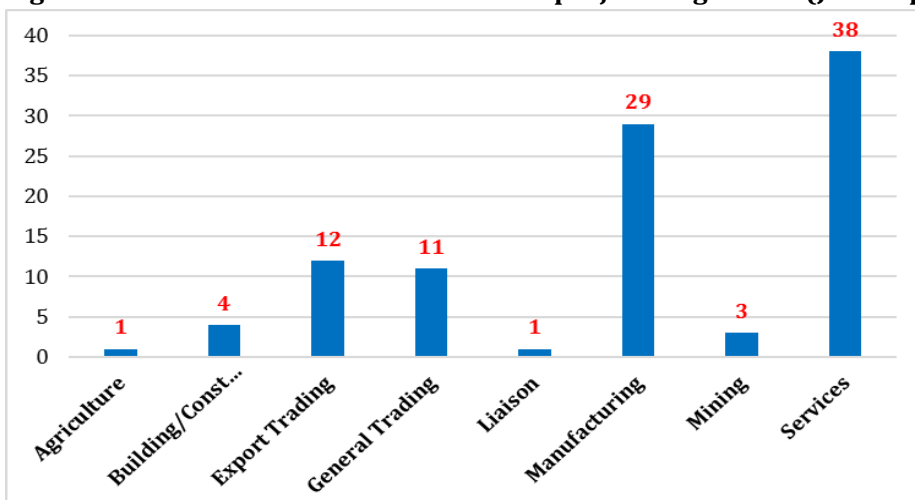
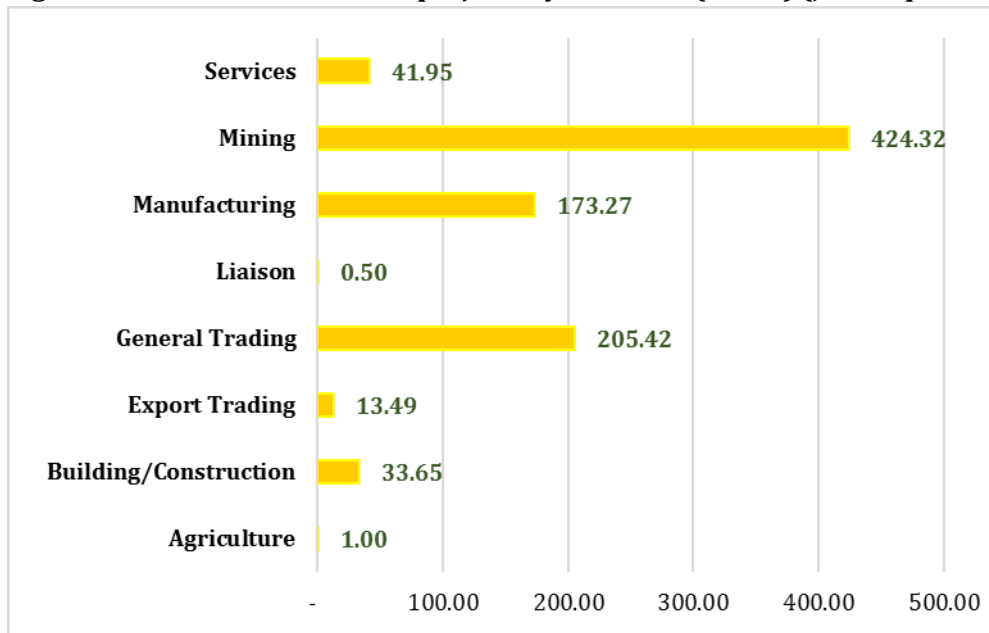


Figure 2b: Sector breakdown of projects by FDI value (US\$ M) (Jan - September 2020)

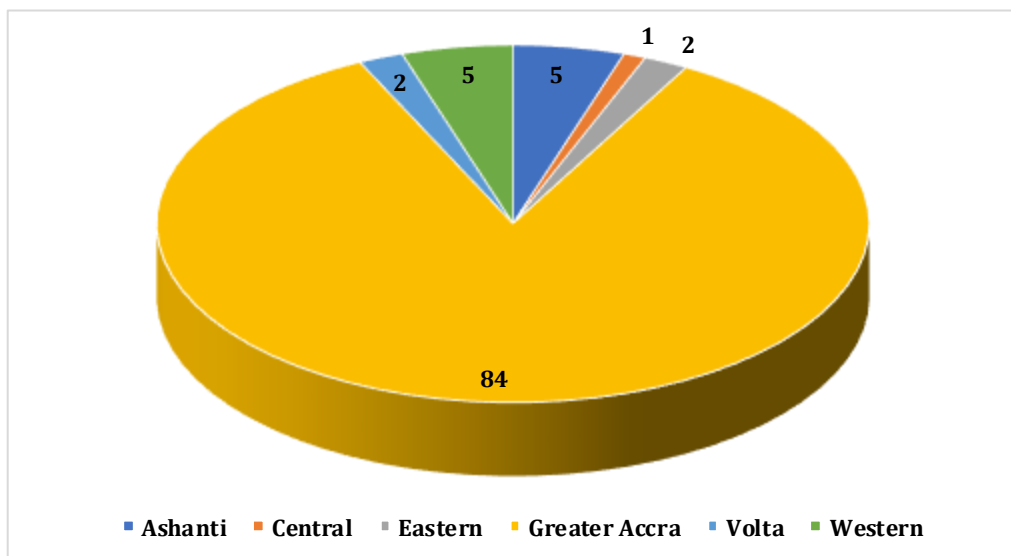


Out of the 99 projects registered, the services sector, with 38 projects, recorded the highest number of projects. Manufacturing and Export trading sectors followed with 29 and 12 projects respectively. In terms of the estimated investment amounts, the mining exploration sector recorded the largest value of US\$424.32 million. This was followed by the general trading and manufacturing sectors with estimated investment amounts of US\$253.42 million and US\$182.55 million, respectively. The details are provided in figures 2a and 2b above.

1.2 Regional distribution: January to September 2020

In terms of regional distribution of the projects registered, six (6) regions directly benefited from the 99 projects. 84 projects, representing 84.85% of the projects registered are in the Greater Accra region. The other regions are the Ashanti and Western regions with 5 projects each, Eastern and Volta regions with two (2) projects each and the Central region with one (1) project. Details are provided in figure 3 below.

Figure 3: Regional distribution of registered projects (Jan – September 2020)



1.3 Employment to be generated: January to September 2020

A total of 17,693 jobs are expected to be generated from the 99 projects registered, with operation at full capacity. 16,981 (95.98%) of these jobs would be for Ghanaians whilst the remaining 712 (4.02%) are expected to be taken up by non-Ghanaians.

1.4 Sources of Investments: January to September 2020

China, with 21 projects, was the leading source of investments registered by number by the third quarter of 2020. In terms of FDI value, the United Kingdom, with US\$238.90 million was the country with the largest investment value. Figures 4a and 4b provide details on the top 10 sources of investments by number of projects and FDI value respectively.

Figure 4a: Source of Investments by Number of Projects: Jan - September 2020

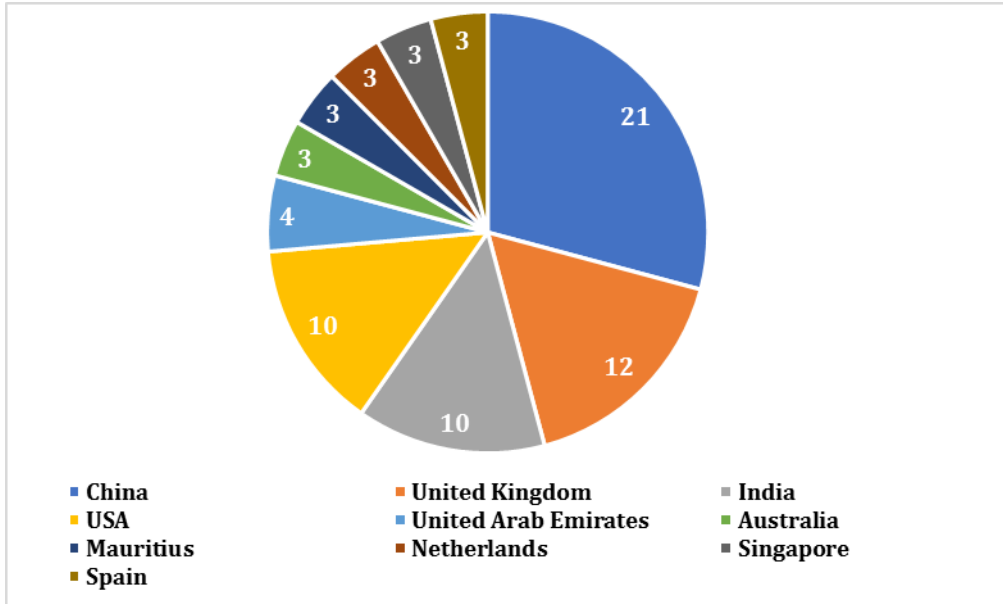
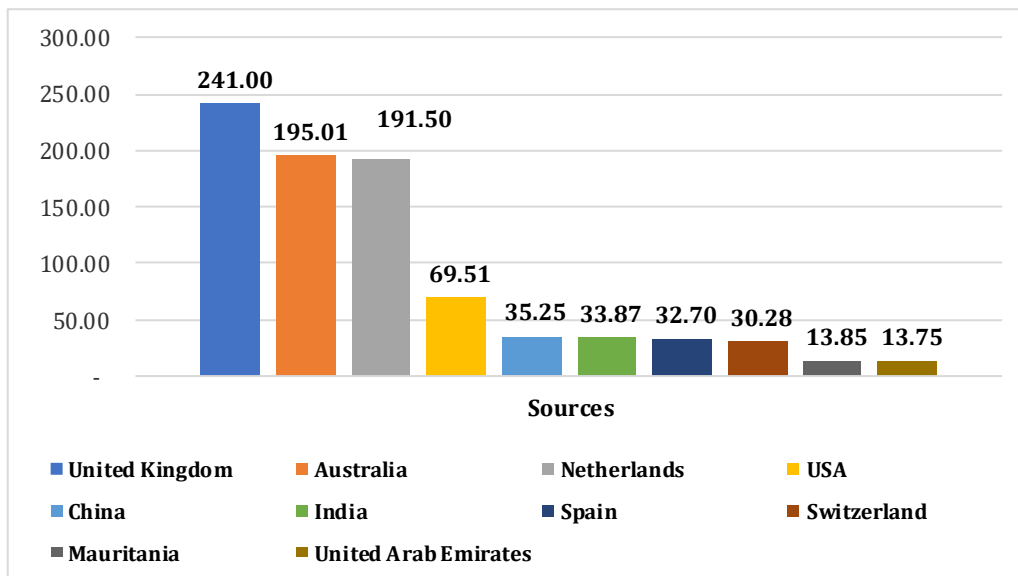


Figure 4b: Source of investments by FDI Value (US\$ M): Jan - September 2020



1.5 Additional Equity brought in by existing companies: January to September 2020

From January to September 2020, 30 already existing companies brought in additional equity (cash and goods) totaling US\$26.64 million.

1.6 Registered Wholly Ghanaian Owned Projects

A total of 37 wholly Ghanaian owned projects with total estimated investment amount of GHC1,372.23 million were registered during the first three quarters of 2020. These projects were registered for the agriculture, building & construction, export trading, general trading, manufacturing and services sectors. A breakdown of these projects is provided in table 1 below.

Table 1: Sectoral distribution of wholly Ghanaian owned registered projects: January to September 2020

Sector	No. of Projects	Estimated Cost (GHC M)
Agriculture	2	15.82
Building/Construction	1	1,300.00
Export Trading	1	0.07
General Trading	3	1.70
Manufacturing	16	36.37
Service	14	18.29
Total	37	1,372.25

2.0 Investments recorded by GIPC: third quarter, July to September 2020

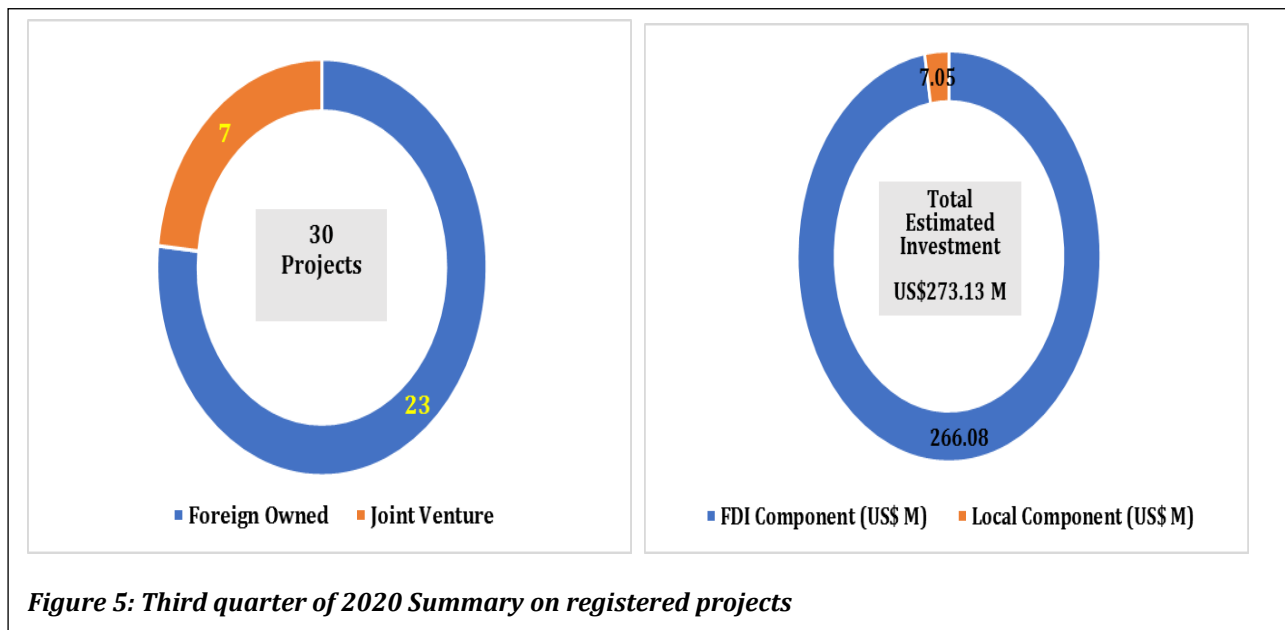


Figure 5: Third quarter of 2020 Summary on registered projects

In the third quarter of 2020, thirty (30) projects were registered by GIPC with total estimated value of US\$273.13 million. This comprised FDI component of US\$266.08 million and local component of US\$7.05 million. Total initial transfers amounted to US\$11.41 million. Of the 30 projects registered, 23 were wholly foreign owned, representing 76.67% of the number of projects and with a total estimated investment amount of US\$268.02 million. The Joint Venture projects between Ghanaians and their foreign counterparts were 7, representing 23.33% of the number of projects and with a total estimated investment amount of US\$5.12 million. Details are provided in figure 5 above.

2.1 Sectoral distribution: July to September 2020

Out of the 30 projects registered in the third quarter of the year 2020, the services sector, with 13 projects, recorded the highest number of projects. Manufacturing and General Trading sectors followed with 8 and 4 projects respectively. Details on this and for estimated cost and FDI values recorded in each of the sectors are provided in figures 6a and 6b below.

Figure 6a: Sector breakdown of projects by number of projects (July - September 2020)

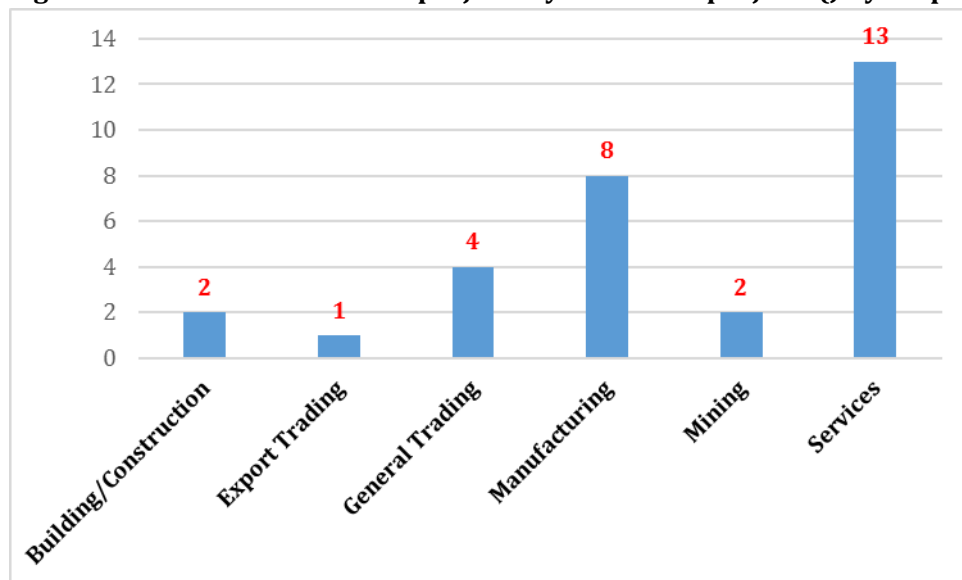
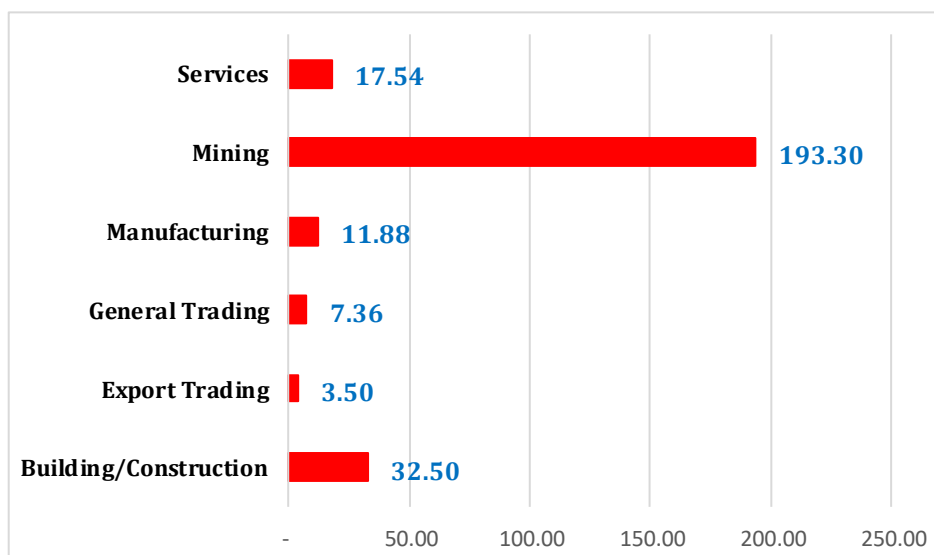


Figure 6b: Sector breakdown of projects by FDI value (US\$ M) (July to September 2020)



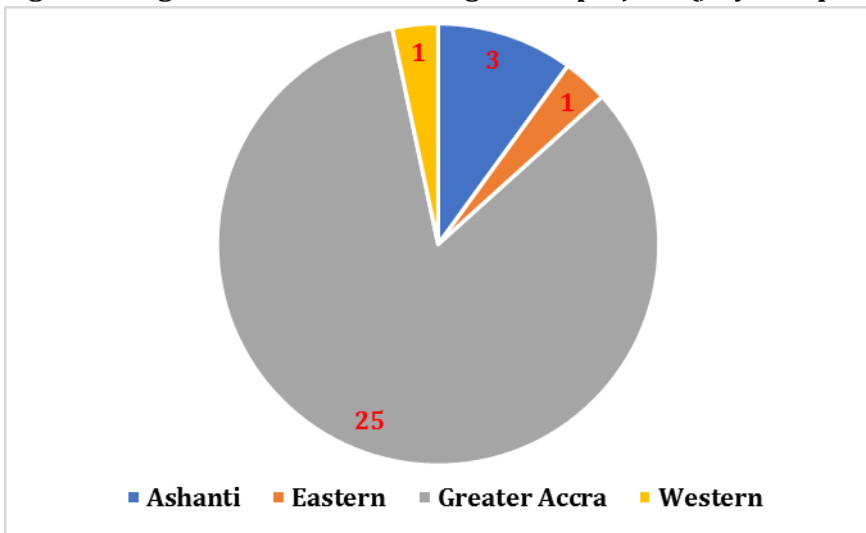
2.2 Employment to be generated: July to September 2020

A total of 3,079 jobs are expected to be generated from the 30 projects registered in the third quarter of 2020, with operations at full capacity. 2,929, representing 95.13% of the total jobs will be for Ghanaians and the remaining 150, representing 4.87% will be for non-Ghanaians.

2.3 Regional distribution: July to September 2020

In terms of regional distribution of the projects registered, four (4) regions directly benefited from the 30 projects. 25 projects registered are in the Greater Accra region. The other regions are the Ashanti, Eastern and Western regions. Details are provided in figure 7 below.

Figure 7: Regional distribution of registered projects (July to September 2020)



2.4 Sources of Investments: July to September 2020

Figure 8a: Source of Investments by Number of Projects: July to September 2020

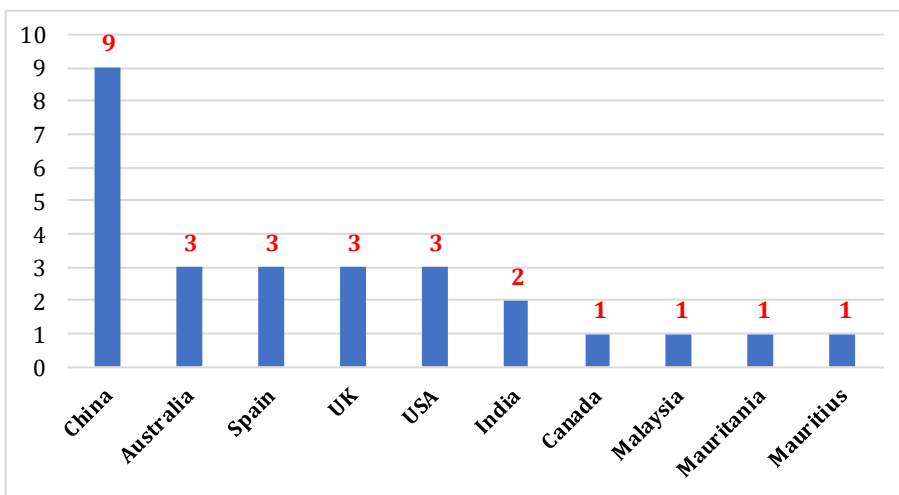
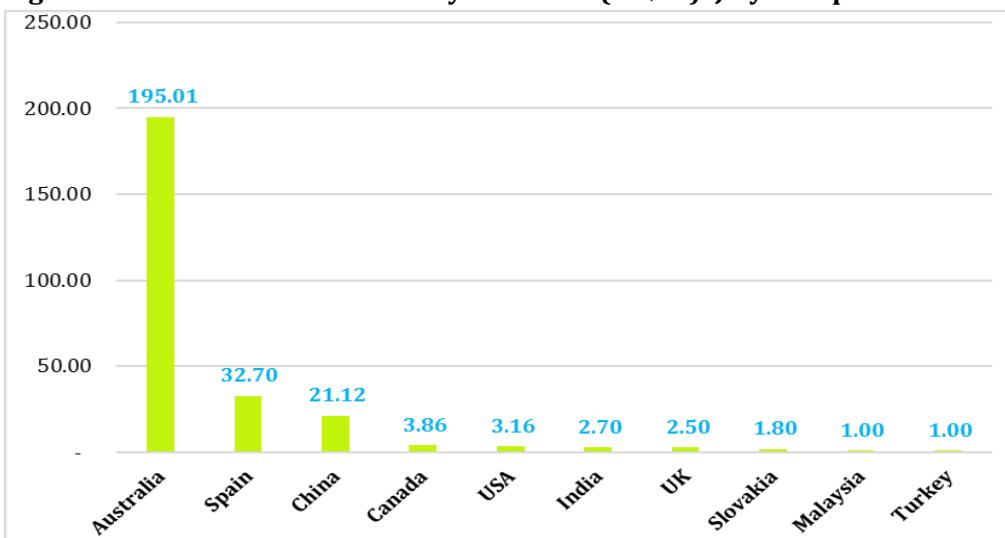


Figure 8b: Source of investments by FDI Value (US\$ M): July to September 2020



China, with 9 projects, was the leading source of investments registered by number in the third quarter of 2020. In terms of FDI value, Australia, with US\$195.01 million was the country with the largest investment value. Figures 8a and 8b above, provide details on the top 10 sources of investments by number of projects and FDI value.

2.5 Additional Equity brought in by existing companies: July to September 2020

From July to September 2020, already existing companies brought in additional equity totaling US\$24.04 million.

2.6 Registered Wholly Ghanaian Owned Projects: July to September 2020

Nine (9) wholly Ghanaian owned projects with total project value of GHC6.97 million were registered during the third quarter of 2020. These projects were registered for the agriculture, export trading, general trading, manufacturing and services sectors. A breakdown of these projects is provided in table 2 below.

Table 2: Sectoral distribution of wholly Ghanaian owned registered projects (July to September 2020)

Sector	No. of Projects	Estimated Cost (GHC M)
Agriculture	1	0.07
Export Trading	1	0.07
Manufacturing	4	2.71
Services	3	4.13
Total	9	6.97

3.0 Renewal of GIPC Registration (Q3-2020)

In the third quarter 2020, 190 companies renewed their registration with the Centre. Under the GIPC Act, companies are required to renew their certificates after every two years. Out of the 190 companies that renewed their registrations, 123 were wholly foreign companies, 37 were Joint Venture companies involving Ghanaians and 30 were wholly Ghanaian companies.

4.0 Some Notable Projects registered: July to September 2020

- **Tribune Resources Ghana Limited:** This is an Australian mining company with total estimated cost of US\$168.45 million. Their activities involve mining and exportation of gold properties and drilling.
- **Abena Property Investments Limited:** A wholly owned Spanish company involved in real estate development. The estimated value of the project is US\$32 million.
- **Cardinal Resources Ghana Limited:** This is a wholly owned Australian gold mining company with estimated cost of project at US\$24.8 million.
- **Visionfund Ghana Micro Credit Limited:** An American project involved in the service of lending money. Its estimated cost of project is US\$9.1 million.
- **Tiast West Africa Company Limited:** This is a wholly owned Chinese company involved in agro- processing and manufacturing of food. Its total estimated cost is US\$5.4 million.
- **Bonza Fields Ghana Limited:** The project activity entails mining and civil engineering services. It is a wholly owned Chinese project with estimated cost of US\$6.65 million.
- **Mafricom Ghana Limited:** The project involves general trading of commodities, processing and manufacturing of dairy products. The total estimated cost is US\$3.8 million.

5.0 Highlights of Programmes and Activities: July to September 2020

The Centre organized and participated in various investment promotion related events during the third quarter of 2020, under COVID-19 protocols. Table 3 below provides details on some of these events.

Table 3: Events participated in by the Centre (July to September 2020)

DATE	EVENT/SUMMARY
29 th June- 5 th July	China-Africa Digital Trade Week 2020 The China-Africa Digital Trade Week provided the platform for exporters, as well as the business community to come together and network with global companies and fellow professionals to discuss the latest market trends, cutting-edge production and processing

	technologies.
7th July 2020	Webinar Engaging with Mining Companies During COVID-19 and Beyond.
8th July 2020	World Economic Forum (WEF) Trade Multi Stakeholder Conversation 2020 Reimagining investments in a world impacted by COVID-19
9th July 2020	Kick-Off Workshop on Migration Governance Migration and Governance webinar by GIZ
14th July 2020	Coffee with CEO A webinar dubbed coffee with the CEO partnered with DMG Events to assess how Ghana's rail sector has been affected by COVID-19 and strategies for the remaining of the year 2020. Also, investment opportunities in Ghana and policies put in place by government to help businesses cope with COVID-19 in making Ghana the preferred destination was presented.
18th - 19th August 2020	South Africa - Ghana Virtual Trade & Investment Mission Virtual mission on investment opportunities and the business environment in Ghana organized by the Department of Trade, Industry and Competition (DTIC) of South Africa in collaboration with the South African High Commission in Ghana targeted at developing solutions and forging partnerships in responding to COVID-19
15th - 17th September 2020	3 rd Accra SDGs Investment Fair Virtual event providing a platform in exploring new opportunities within the new normal, identify innovative ways of access to finance during the COVID-19 pandemic, recovery share experiences relating to individual and corporate adaptability in the wake of COVID-19 and rebuilding a momentum for the implementation of the SDGs
22nd - 24th September 2020	15th CII Exim Bank Digital Conclave on India - Africa Project Partnership The digital edition covered India-Africa collaboration revolving around Energy, Agriculture, Healthcare solutions, infrastructure development, project financing, post COVID economic resurgence, AfCFTA and enhancing India's Trade and Investment with Africa.

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