

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Vienna International Center
P.O. Box 300, A-1400 Vienna, AUSTRIA

INVESTMENT AND TECHNOLOGY PROMOTION BRANCH

Tel: (43-1) 26026-4788

Fax: (43-1) 26026-6870

E-mail: t.otsuka@unido.org

INDUSTRIAL INVESTMENT AND TECHNOLOGY PROJECT PROFILE

Invest forum: Ghana 2003

Country: GHANA

Project No.: GHA/024/V/02-03

ISIC: 6320

Date of Submission: 2/27/03

Project title: Completion and upgrade of hotel - FREDVILLE HOTEL LTD

Project summary:

Fredville Hotel Ltd was established in 1995 to provide hotel accommodation. Construction of a new hotel started in 1995 with initial capital of US\$ 250,000. By 2000, the project was almost 75% completed and a total of US\$ 400,000 has been invested into the project.

The aim of the project is to complete the construction and refurbishing of the Fredville Hotel in Tema, which would be operating as the only 3 star graded hotel in Tema, the main port-city of Ghana.

Project type: New Project

Foreign collaboration sought: JV, L

Total investment: US\$ 1,000,000

Foreign contribution: US\$ 420,000

This profile is divided into the following parts:

PART I: Information on company proposing project (current activities)

PART II: Information on proposed project (new activities)

PART I: INFORMATION ON COMPANY PROPOSING PROJECT
(THE NATIONAL INVESTOR)

I.1

Name of Company:	Fredville Hotel Limited
Address:	P.O. Box SC119 Community 1 Tema Ghana
Telephone:	+233 22 204193
Facsimile:	
E-Mail:	
Web-Page:	
Telex:	
Contact Person(s):	
Name:	F.A. Dzikunu
Position:	Managing Director, Chartered Accountant

Please attach as annex 1 brief background of person (entrepreneur) proposing the project, providing information on business experience, education and languages

I.2

CURRENT LINE OF BUSINESS		
A. Background and history:		
Fredville Hotel Ltd was established in 1995 to provide hotel accommodation. Construction of a new hotel started in 1995 with an initial capital of 250,000 US\$. By 2000, the project is almost 75% completed and a total of 400,000 US\$ has been invested into the project. The principal promoter is Mr. Frederick Dzikunu, who is a chartered accountant by profession and an associate member of the Chartered Institute of Cost and Management Accountants (UK) has practiced extensively in the UK.		
B. Company description (including information on affiliates, subsidiaries, parent companies, etc.):		
If relevant to project proposed please attach description of plant equipment and other assets		
Description of technology currently in use and the related production process:		
The company is registered as a limited liability company under Ghanaian legislation and all the shares are presently under the control of the two owners.		
C. Describe technical problems faced in current operation:		
None		
D. Product(s) currently produced (estimated quantities and installed capacities):		
If currently producing more than one broad category of products, please list		
Name	Estimated quantity	Installed capacity
Operations not started yet		
E. Employees	0	
Permanent:	0	
Seasonal:	0	
F. Indicate if company staff has had recent training related to technology application:		
n/a		

G. Specify if additional training is required

n/a

I.3 ANNUAL TURNOVER**A. Sales:** (US\$ equivalent)

New project

B. Export: (in % of sales)

None

I.4 OWNERSHIP:

(local/foreign, private/public)

Local/ Private

I.5 CURRENT MARKETS**A. LOCAL MARKET****(i) Estimated size of local market for company's products:**

If necessary qualify market segments served

No data available. The hotel will be located in Tema and after completion it will be the first establishment of this class in the city (the biggest harbor city of Ghana).

(ii) Estimated market share of the company:

n/a

(iii) If end users are a few major buyers please describe and indicate number:

n/a

(iv) Marketing instruments (distribution channels, agents, ...)

n/a

(v) Does company have a separate marketing / sales department:

n/a

(vi) Trade marks:

n/a

B. EXPORT MARKETS**(i) Annual exports:**

None

(ii) Characteristics of main customers (countries, types of buyers):**(iii) Marketing instruments** (local agents, foreign trade companies, direct approach, etc.):**(iv) Special trade conditions** (commercial agreements, quotas, subsidies, privileges and barriers, etc.) **which directly affect your exports:**

I.6

BANK REFERENCES:

Please specify bank name, address, contact person

Name: Barclays Bank Ghana Limited

Address: Head Office - Accra

Description: Current

Contact Persons:

Name: Mr Adu K. Kumi

Position: Manager

I.7

MAIN TRADING PARTNER REFERENCES:

Name: List available from sponsors.

Address:

Description:

Name:

Position:

Name:

Address:

Description:

Name:

Position:

I.8

What do you consider special strength of your company:

Please indicate specific competitive advantages and factors such as R & D facilities and their objectives, patents, quality control systems, etc.)

Please elaborate on each box checked.

- | | |
|--|--|
| <input type="checkbox"/> Technical expertise | <input type="checkbox"/> Exports |
| <input checked="" type="checkbox"/> Managerial expertise | <input type="checkbox"/> Marketing |
| <input type="checkbox"/> Technology | <input type="checkbox"/> Financial resources |
| <input type="checkbox"/> Quality control | <input type="checkbox"/> R & D |
| <input type="checkbox"/> Other: | |

Category

Description

Managerial expertise: Both owners have a sound managerial background and have been trained abroad.

PART II: INFORMATION ON PROPOSED PROJECT

II.1	PURPOSE OF THE PROJECT:												
	E.g. expand production of current facilities, improve quality of current products, introduce new products, establish new facilities, etc.												
	The aim of the project is to complete the construction and refurbishing of the Fredville Hotel in Tema, which would be operating as the only 3 star hotel in Tema, the main port city of Ghana.												
	The nearest competition to this hotel are several 2 star hotels in Tema and other 4 and 5 star hotels in Accra, the capital of Ghana, which is some 25 kilometers away.												
II.2	DESCRIPTION OF PRODUCTS TO BE PRODUCED AND THEIR QUANTITIES:												
	Please put clear description of each product												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: center;"><u>Capacity</u></th> <th style="text-align: center;"><u>Unit</u></th> </tr> </thead> <tbody> <tr> <td>Executive Suites</td> <td style="text-align: center;">720.00</td> <td style="text-align: center;">bednights/annum</td> </tr> <tr> <td>Mini Suites</td> <td style="text-align: center;">720.00</td> <td style="text-align: center;">bednights/annum</td> </tr> <tr> <td>Double Rooms</td> <td style="text-align: center;">2,880.00</td> <td style="text-align: center;">bednights/annum</td> </tr> </tbody> </table>	<u>Name</u>	<u>Capacity</u>	<u>Unit</u>	Executive Suites	720.00	bednights/annum	Mini Suites	720.00	bednights/annum	Double Rooms	2,880.00	bednights/annum
<u>Name</u>	<u>Capacity</u>	<u>Unit</u>											
Executive Suites	720.00	bednights/annum											
Mini Suites	720.00	bednights/annum											
Double Rooms	2,880.00	bednights/annum											
II.3	RATIONALE BEHIND THE PROJECT:												
	What are the main reasons to expect success; what are competitive advantages (such as special access to raw materials, specific markets, unique technology etc.) that the project seeks to exploit?												
	The hotel would be the only 3 star hotel in Tema, which is the main port city of Ghana, and therefore attracts high-level business and tourist delegations.												
	Currently the clients have to travel to Accra where there is still a shortage of high quality hotels.												
II.4	TARGET MARKETS												
	A. LOCAL MARKET												
	(i) Characteristics of potential customers:												
	Corporate customers.												
	(ii) Potential size of the market and expected growth rate:												
	Indicate sources for estimates, e.g. market surveys, government statistics, inference from related studies, etc.												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: center;"><u>Potential size</u></th> <th style="text-align: center;"><u>Expected growth</u></th> </tr> </thead> <tbody> <tr> <td>Executive Suites</td> <td style="text-align: center;">720 bednights/annum</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Mini Suites</td> <td style="text-align: center;">720 bednights/annum</td> <td style="text-align: center;">5%</td> </tr> <tr> <td>Double Rooms</td> <td style="text-align: center;">2880 bednights/annum</td> <td style="text-align: center;">5%</td> </tr> </tbody> </table>	<u>Name</u>	<u>Potential size</u>	<u>Expected growth</u>	Executive Suites	720 bednights/annum	5%	Mini Suites	720 bednights/annum	5%	Double Rooms	2880 bednights/annum	5%
<u>Name</u>	<u>Potential size</u>	<u>Expected growth</u>											
Executive Suites	720 bednights/annum	5%											
Mini Suites	720 bednights/annum	5%											
Double Rooms	2880 bednights/annum	5%											
	The market was defined as Tema city.												
	(iii) Anticipated advantages of the proposed project in comparison to the competition:												
	(iv) Expected market share to be achieved:												
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: left;"><u>Name</u></th> <th style="text-align: center;"><u>Expected market share</u></th> </tr> </thead> <tbody> <tr> <td>Executive Suites</td> <td></td> </tr> <tr> <td>Mini Suites</td> <td></td> </tr> <tr> <td>Double Rooms</td> <td></td> </tr> </tbody> </table>	<u>Name</u>	<u>Expected market share</u>	Executive Suites		Mini Suites		Double Rooms					
<u>Name</u>	<u>Expected market share</u>												
Executive Suites													
Mini Suites													
Double Rooms													
	The hotel under current construction will be the only establishment of its kind in Tema.												

(v) Current local prices of the products:		
Name	Price	Price unit
Executive Suites	140.00	US\$/bednight
Mini Suites	130.00	US\$/bednight
Double Rooms	120.00	US\$/bednight
B. EXPORT MARKETS		
(i) Export target (in % of total sales):		
Name		Export target
Executive Suites		0.00%
Mini Suites		0.00%
Double Rooms		0.00%
(ii) Is there any already secured market (if yes, please explain):		

(iii) Other potential markets:

II.5	ESTIMATED TOTAL INVESTMENT COSTS (in US \$):
Amount:	1,000,000.00
Total investment including value of uncompleted building and land.	

II.6	INPUTS TO BE PROVIDED BY LOCAL PARTNER
A. In-kind inputs (plant, machinery, equipment): give details as annex	
Description	Value (US \$)
B. Cash:	
Description	Value (US \$)
C. Land: Size, location, quality	
Description	Value (US \$)
.45 acres at Tema community 6	50,000.00
D. Other: Specify in detail	
Description	Value (US \$)
12 bedroom 3 star hotel building uncompleted	470,000.00
F. Local Credit access:	
Description	Value (US \$)

II.7	INPUTS NEEDED FROM A FOREIGN PARTNER:
US\$ 480 000 is needed to complete and furnish the hotel.	

II.8

WHAT FORM OF COLLABORATION IS SOUGHT:

Please elaborate on each box checked

- | | |
|--|---|
| <input checked="" type="checkbox"/> Joint-venture (equity) | <input type="checkbox"/> Management expertise |
| <input checked="" type="checkbox"/> Loan | <input type="checkbox"/> Technical expertise |
| <input type="checkbox"/> Market access | <input type="checkbox"/> Marketing expertise |
| <input type="checkbox"/> Sub contracting | <input type="checkbox"/> Technology transfer |
| <input type="checkbox"/> Buy-back arrangement | <input type="checkbox"/> Joint R&D |
| <input type="checkbox"/> Equipment purchase | |
| <input type="checkbox"/> Other: | |

Category**Description**

Joint-venture (equity): The sponsors are interested to create JV with a foreign partner who may contribute equity but also provide marketing support.

Loan: The collateral for the loan will be the hotel under construction valued at US\$ 520000 by the sponsors.

II.9

PRODUCTION INPUTS LOCALLY AVAILABLE:**A. Machinery and equipment to be purchased locally: (suppliers, prices)**

Machine	Supplier	Price	Currency
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B. Technical know how:

Technical know-how is available on the local market

C. Labour: (skill level, wage rates)

SkillLevel	Wage	Currency
Managerial	500.00	\$/month
Technical	400.00	\$/month
Unskilled	200.00	\$/month

D. Raw materials:

Material	Price	Currency	Quantity Needed
Drinks	8.00	US\$/visit	19,880.00

E. Infrastructure available at proposed site: (provide unit costs where applicable)**(i) Transport facilities:**

Category	Description	UnitCost	Currency
Road	1t/km long dist	0.12	US\$
Road	1 t/km short dist	0.05	US\$
Air	1 kg/perishable export	0.05	US\$
Sea	Tema-Europe 20 ft.c.	1,600.00	US\$
Sea	Tema-China 20 ft.c.	1,400.00	US\$
Sea	Tema-USA east 20 ft.c.	2,900.00	US\$

(ii) Telecommunications:

Category	Description	UnitCost	Currency
Telecommunication	3 min GT fixed line	0.02	US\$
Telecommunication	1 min GSM	0.30	US\$
Telecommunication	10 min Internet	0.06	US\$
Telecommunication	1 min int.	0.41	US\$

(iii) Electricity:			
Category	Description	UnitCost	Currency
Grid	1 kwh	0.11	US\$
Grid	1 kwh heavy industry	0.05	US\$
(iv) Fuel:			
Category	Description	UnitCost	Currency
Diesel	1 liter	0.46	US\$
Other	1 liter petrol	0.52	US\$
Natural gas	LPG per kg	0.45	US\$
(v) Water:			
Category	Description	UnitCost	Currency
Municipal lines	1000 liters	0.65	US\$
(vi) Waste disposal:			
Category	Description	UnitCost	Currency
Municipal sewage	1000 liters	0.23	US\$
Other	Contractor per cont./month	10.00	US\$
(vii) Indicate if project is to be placed in a special zone or park:			

II.10 MATERIALS TO BE IMPORTED:			
A. Machinery and equipment to be imported: (suppliers, prices)			
Machine	Supplier	Price	Currency
Fridges,Airconditioners, TV sets etc	Germany	60,000.00	\$
B. Raw materials:			
Material	Price	Currency	Quantity Needed

II.11 WHAT STUDIES ARE AVAILABLE FOR THE PROJECT:			
(Please list and give date when they were carried out and by whom, including studies under preparation, or studies which require updating). If please summary is available please attach:			
Project Valuation Report prepared by Barnicom Property Valuation & Consultancy Services , P.O. Box GP 18720, Accra.Tel:233-21-246641/308345. Fax: 233-21-246641. June 2002.			
Business Plan prepared by Fred Dzikunu in June 2002. P.O. Box SC119, Community 1, Tema- Ghana. Tel: 233-22-204193/024-698021.			

II.12 WHAT SPECIAL CONDITIONS OR INCENTIVES WILL/COULD APPLY TO THE PROPOSED PROJECT:			
E.g.: tax rates, tax holidays, loss carried forward, subsidies, profit repatriation and ownership laws, export/import restrictions or incentives, etc.			
For information on investment conditions and incentives for foreign investors in Ghana please contact:			
Chief Executive Ghana Investment Promotion Centre, GIPC P.O.Box M193, Accra, GHANA			
Tel. : +233 21 66 5125 -9 Fax. : +233 21 66 3801 E-mail: info@gipc.org.gh Website: www.gipc.org.gh			

INDUSTRIAL INVESTMENT AND TECHNOLOGY PROJECT PROFIL - SUMMARY SHEET

Country, Investment forum:	GHANA Ghana 2003	ISIC:	6320
		Date:	2/27/03
Project title:	Completion and upgrade of hotel - FREDVILLE HOTEL LTD		
Project No.:	GHA/024/V/02-03		

1.

Project summary:
<p>Fredville Hotel Ltd was established in 1995 to provide hotel accommodation. Construction of a new hotel started in 1995 with initial capital of US\$ 250,000. By 2000, the project was almost 75% completed and a total of US\$ 400,000 has been invested into the project.</p> <p>The aim of the project is to complete the construction and refurbishing of the Fredville Hotel in Tema, which would be operating as the only 3 star graded hotel in Tema, the main port-city of Ghana.</p> <p>Project type: New Project Foreign collaboration sought: JV, L Total investment: US\$ 1,000,000 Foreign contribution: US\$ 420,000</p>

2.

Products to be produced:					
Name	Capacity	Unit	Planned sales (US\$)	% Local	% Export
Executive Suites	720.00	bednights/annur	100,800.00	100	0
Mini Suites	720.00	bednights/annur	93,600.00	100	0
Double Rooms	2,880.00	bednights/annur	345,600.00	100	0
Total:			540.000,00	100	0

3.

Site location:
Tema, main harbour city of Ghana.

4.

Estimated total investment costs (in US\$):
Amount: 1,000,000.00
Total investment including value of uncompleted building and land.

5.

Project classification:	<input checked="" type="checkbox"/> New project	<input type="checkbox"/> Expansion/rehabilitation
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6.

Local entrepreneur:	<input checked="" type="checkbox"/> Private sector
	<input type="checkbox"/> Public sector
	<input type="checkbox"/> Other:
Annual turnover: Sales (US\$ equivalent) / Export (in % of sales):	
New project	
None	
Current line of business:	
Hotel under construction.	

7.

What form of collaboration is sought:

- | | |
|--|---|
| <input checked="" type="checkbox"/> Joint-venture (equity) | <input type="checkbox"/> Management expertise |
| <input checked="" type="checkbox"/> Loan | <input type="checkbox"/> Technical expertise |
| <input type="checkbox"/> Market access | <input type="checkbox"/> Marketing expertise |
| <input type="checkbox"/> Sub contracting | <input type="checkbox"/> Technology transfer |
| <input type="checkbox"/> Buy-back arrangement | <input type="checkbox"/> Joint R & D |
| <input type="checkbox"/> Equipment purchase | <input type="checkbox"/> Other: |

8.

Studies available:

Project Valuation Report prepared by Barnicom Property Valuation & Consultancy Services , P.O. Box GP 18720, Accra.Tel:233-21-246641/308345. Fax: 233-21-246641. June 2002.
Business Plan prepared by Fred Dzikunu in June 2002. P.O. Box SC119, Community 1, Tema- Ghana. Tel: 233-22-204193/024-698021.