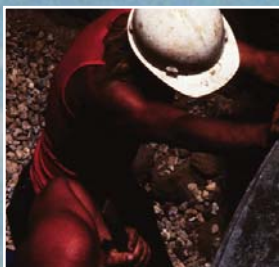
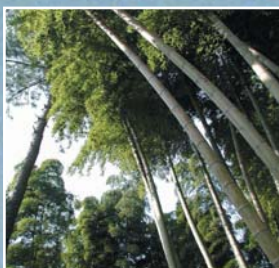


*Brief Guide to Investing in Ghana*

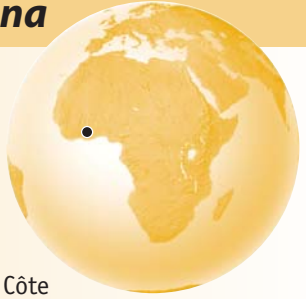
# GHANA

*Gateway  
to West Africa*





# Profile of Ghana



Ghana, the closest landmark to the centre of the world, is located in West Africa. It is bordered on the north by Burkina Faso, on the west by Côte d'Ivoire, on the east by Togo and on the south by the Gulf of Guinea.

Formerly known as The Gold Coast, Ghana became independent from Britain in 1957 and was the first black African colony to achieve its independence. Its colourful history saw power struggles between the 15th and 19th centuries among a number of European nations seeking to dominate the gold and ivory trade.

The Ghanaian economy is built on its abundance of mineral, agricultural and other natural resources which include forests, vast areas of arable land and deposits of gold, diamonds, manganese and bauxite. Many lakes and a river system dominated by the Volta Basin offer good potential for hydro-electric power facilities. There are rich marine fishing reserves in the Atlantic ocean and offshore deposits of hydrocarbon and natural gas.

Ghana's history, culture and folklore and natural attractions make it an interesting holiday destination with much potential for quality, low-density tourism. The country offers many amenities such as castles and forts, beaches and lakes, wildlife parks and mountain trails. These amenities, Ghanaian hospitality and excellent personal security conditions contribute to the good quality of life enjoyed by those working and living in the country.

Ghana has a population of almost 19 million and is the second most populous country of West Africa. Its official language is English. The people of Ghana are well-educated and honest. Its work-force is well-trained and motivated, offering a

# Profile of Ghana

wide range of skills and good mobility. These attributes, coupled with a prevailing strong sense of free trade and enterprise, are a very positive force in labour relations and the business environment in Ghana.

The Government of Ghana is fully committed to private sector development as a means of fostering economic growth. It is actively engaged in measures to promote entrepreneurship and create and maintain an enabling and competitive climate for local and foreign investment.

With these objectives in view, a high proportion of budgetary resources has in recent years been devoted to upgrading the country's infrastructure. Port and airport facilities have been modernized and expanded and resources are now also being directed at improving roads, public transportation and energy services. These and other infrastructural development initiatives continue to give rise to promising opportunities and openings for private sector investors.

With its natural and human resources, stable political system, liberalized economy and constantly expanding infrastructure, Ghana is rapidly becoming an attractive and profitable investment and business base in West Africa, facilitating easy access to a subregional market of some 250 million people.

The Ghana Investment Promotion Centre (GIPC) provides a one-stop advisory service for investors wishing to explore opportunities in West Africa from a base in Ghana. It offers guidance, incentives and support for investment projects appropriate to the country's needs and resources and offering sustainable benefits to its people and environment.

## *GIPC—we are here for you as your project evolves*

The Ghana Investment Promotion Centre (GIPC) was re-established as a government agency under the GIPC Act 1994 [Act 478]. Its role is to encourage, promote and facilitate investments in all sectors of the economy excluding mining, petroleum, free zone activities, privatization of Government enterprises and portfolio investment. These areas are handled by the following institutions:

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**Ministry of Mines and Energy:**

Petroleum Sector

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**Minerals Commission:**

Minerals and Mining Sector

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**Ghana Free Zones Board:**

Free Zone Activities

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**Divestiture Implementation Committee:**

Privatization of Government Enterprises

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**Ghana Stock Exchange:**

Portfolio Investment

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GIPC's experts provide specialized professional services and support to both local and foreign investors at all stages of the planning, implementation and evolution of projects by:

- Identifying, promoting and marketing investment opportunities and projects in Ghana;
- Providing investors with project support and after-care services (formalities, funding etc.);
- Facilitating contacts between potential investors, local partners and relevant economic operators in Ghana;
- Fostering forward and backward linkages between foreign affiliates and local SME's;
- Registering and monitoring technology transfer agreements relating to investment;
- Advising on appropriate government policy measures to enhance the investment climate in Ghana.

# Why Invest in Ghana?

- Fully liberalized economy and political stability (multi-party democracy);
- Stable environment with a high degree of personal safety;
- Good and constantly developing infrastructure;
- An abundant and rich natural and mineral resource base;
- Availability of skilled, stable English-speaking workforce;
- Competitive labour costs:
- Established capital market with free transferability of profits, dividends and capital;
- Ongoing comprehensive privatization programme with increasing access for private investors;
- Gateway to the Economic Community of West African States' (ECOWAS) market of 250 million people;
- Strategic accessible location for subregional, regional and international trade and commerce;
- Membership of ACP/EEC,WTO;
- Quota-free access to the United States of America and European Union markets;
- Among the top six countries in Africa for improving the business environment and for attractiveness for FDI in 2000-2003 (UNCTAD/ICC ranking);
- High investor satisfaction: about 60% report better than expected performance in Ghana (UNIDO Survey, 2002).

# *Five Priority Areas for Development*

- Concerted further upgrading of the infrastructure of the country with special emphasis on roads, transportation, energy and telecommunications with a view to enhancing the climate and environment for private sector investment.
- Comprehensive modernization of the agricultural sector based on rural development objectives in order to make Ghana a leading agro-industrial economy by 2010.
- Enhancement of social services country-wide with a focus on education and health.
- Promotion of good governance to ensure the rule of law, respect for human rights and the attainment of social justice and equity and to strengthen the executive, judiciary and legislative arms of Government.
- Active expansion and support of the private sector to strengthen its role as the engine of economic growth.

# ***The President's Special Initiatives (PSIs)***

The following areas have been selected and are being promoted by H.E. John Agyekum Kufuor, President of the Republic of Ghana, as requiring priority attention and offering numerous investment opportunities:

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**Garment/Textile Production**

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**Salt Mining**

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**Cotton Production**

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**Palm Oil Production**

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**Cassava/Industrial Starch**

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**Distance Learning**

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## ***Sectoral Investment Opportunities***

All areas are open to foreign participation with special focus on the following:

### ***Cotton and Textiles:***

Production of improved varieties of cotton for export and local consumption, establishment of ginneries, farm-to-plant transport services, storage and handling facilities. Production of chemicals, including natural dyes, industrial starch, caustic soda, hydrochlorides, other finishing chemicals and textiles. Cotton production has been selected as one of the President's Special Initiatives.

# Sectoral Investment Opportunities

## *Agro-Processing:*

Creation of manufacturing industries to add value to local agricultural products, by producing cassava-based industrial starch, cocoa products, fruit juices, purees, fragrant rice, flour etc. There is considerable scope for the export of these products to regional and international markets. Production of cassava and industrial starch is also one of the areas being promoted under the President's Special Initiatives.

## *Ethnic Beauty Products:*

Production of universal and ethnic cosmetics, including hair and skin care products using readily available local raw materials such as soya bean oil, shea butter, sunflower seed, sunflower, coconut, palm kernel and babasu oils.

## *Floriculture:*

An industry in its nascent stages, floriculture offers considerable potential as Ghana's climate, topography and other natural characteristics make it an ideal location for the cultivation of a wide variety of exotic flowers. Species such as heliconia, caribea, celosia, curcuma, gladioli, hibiscus, roses, ornamental palms and ferns grow well in Ghanaian natural conditions. There is demand for cold storage and greenhouse facilities,

irrigation equipment, small dams and packaging materials. Well-developed international air cargo services from Ghana ensure easy and competitive access of floriculture products to the main European Union markets.

## ***Fine and Custom Jewellery:***

Ghana's well-established goldsmith and jewellery-making industry dates back to the 5th century B.C. As a major producer of gold and diamonds, there are many opportunities to be exploited in the production of fine and custom jewellery, accessories and in the provision of specialized services for this sector.

## ***Transport Services:***

Identified as one of government's priority areas to be developed under its medium-term plan, the transport sector offers interesting investment opportunities, especially in the areas of mass scheduled bus services, railway upgrading, passenger rail services on selected corridors, lake transport systems (for exports and imports to and from the land-locked neighbouring countries of Burkina Faso, Mali and Niger). There is also potential for domestic and subregional air transportation services and in projects to upgrade existing trunk roads under BOT, BOO, BAT and BLT systems.

# Sectoral Investment Opportunities

## *Seafood Processing:*

Ghana's 550 km of coastline and 8,520 square km of water surface area yield an abundance of marine life (particularly tuna), aquaculture and inland fish species. There is considerable scope for investment in fish-farming and in harvesting and processing of tuna and other marine and aquaculture species.

## *Property Development:*

Potential investors are also sought for the construction of residential complexes (low-cost housing, high-rise quality apartments, retirement villages), industrial premises (light industry parks, warehousing facilities) and commercial properties (regional and local shopping centres, office accommodation, storage facilities etc.) and in the areas of construction equipment and building materials.

## *Tourism:*

One of the fastest growing sectors in the economy, tourism holds a lot of attractions for investors. There is demand for 3- 5-star hotel accommodation in Accra and the regional capitals and other investment opportunities in the conversion of the numerous forts and castles on the Atlantic Coast into inns. Other areas of growing interest include beach, lake and river resort development (including water sports and game fishing facilities),

# ***Sectoral Investment Opportunities***

development of lodges and national parks and large modern convention/event facilities in the main cities. Areas in expansion with investment potential also include the provision of complete adventure/ecotour packages for domestic and subregional markets and the development of rest stops on major excursion routes.

## ***Ceramics:***

There is much scope for investment in a range of product areas in this sector: structural ceramics (including burnt bricks, tiles and murals), traditional ceramics (vases, pots, candle holders and lamps), crockery (plates, tea and coffee pots, cups, mugs), electrical products (insulators, plugs and capacitors), sanitary items (sinks, baths and wash basins) and clinical items (dental fixtures, fillers and bone joints).

## ***Information Technology/Electronics:***

Investment opportunities are arising out of the need for centres of excellence for the production of electrical and electronic products; manufacture and assembly of computer equipment; electronic commerce, information network operation, medical transcription, legal databases, logistics management, insurance claim processing, back office operations etc.

# Sectoral Investment Opportunities

## *Apparel:*

Opportunities in this sector have been enhanced with Ghana's receipt of textile certification to export to the United States market under the African Growth and Opportunity Act (AGOA). Production and export of large-scale apparel and clothing, especially Afro-centric clothing for niche markets in the United States and Europe, offer particularly attractive prospects for investors. Other attractive areas are exports of hand-woven indigenous textiles and manufacturing of upscale designer wear for mainstream overseas markets. Ghana's "Kente" cloth is globally recognized and admired. This sector is also being promoted as part of the President's Special Initiatives.

## *Hand Tools:*

While there is strong demand for steel and related products in Ghana and the subregion, there are no major producers in West Africa despite the widespread availability of natural resources and trained personnel. For instance, Opon-Mansi, in Ghana is estimated to have an ore reserve of 174.4 million tons. Industrial steel, agricultural implements such as spades, shovels, forks, hoes, shears, scythes etc, are in great demand as also are construction/industrial tools such as screwdrivers, hammers, anvils, handsaws, blades etc.

# ***Investment Incentives***

## **A. *Incentives under GIPC Act***

- Custom duties exemption for plant, machinery, equipment and parts thereof;
- Graduated and reasonable corporate taxes;
- Location incentives: tax rebates of between 25-50% for manufacturing companies in certain regional centres/areas;
- Sector-specific tax holidays ranging from 3-10 years;
- Automatic immigrant quotas for expatriate personnel depending on paid-up capital; additional quotas on request;
- Other attractive tax concessions such as accelerated depreciation for plant and buildings, five-year loss carry-over and R&D expenditure deductibility;
- Double taxation relief for foreign investors and employees.

## **B. *Incentives under Ghana Free Zone Scheme***

- 100% exemption from income tax on profits for a period of 10 years;
- Max. income tax rate of 8% after 10 years;
- Full exemption from withholding taxes on dividends.

*Starting up*  
***in Ghana***

# Starting up in Ghana

## MINIMUM EQUITY OR EQUIVALENT IN CAPITAL GOODS

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US\$10,000	For joint venture with Ghanaian partner
US\$50,000	For 100% foreign ownership
US\$300,000	For trading activity

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## IMMIGRANT QUOTAS FOR EXPATRIATE PERSONNEL

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US\$10,000	Less than US\$100,000 paid-up capital	<i>1 quota/person</i>
US\$100,000	Less than US\$500,00 paid-up capital	<i>2 quotas/persons</i>
US\$500,00	From US\$500,000 paid-up capital	<i>4 quotas/persons</i>

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# Starting up in Ghana

## **STEP 1:**

### **REGISTRAR GENERAL'S DEPARTMENT**

Incorporate company at Registrar General's Department (formalities take 5 days) and obtain

- Certificate of Incorporation
- Certificate to Commence Business
- Company Regulations

## **STEP 2:**

### **GIPC INVESTMENT REGISTRATION CERTIFICATE**

All foreign investors intending to operate in Ghana are legally required to register with GIPC. An application is made to GIPC for a Registration Certificate with the Company Regulations, Certificate of Incorporation, Business Plan and current Bank of Ghana confirmation of bank transfer of equity capital or shipping customs documents relating to machinery and equipment brought in as equity.

## **STEP 3:**

### **SECONDARY CLEARANCES**

An immigrant quota is obtained from the Immigration Department through GIPC. Companies must register with the Internal Revenue Service (IRS) and VAT Secretariat for statutory taxation purposes (e.g. rebates and exemptions) and with the Environmental Protection Agency (EPA) to obtain an environmental permit.

## ***Land Ownership***

The Ghanaian Constitution provides for ownership of three categories of land: public lands, community lands and private lands. Non-Ghanaians have access to these lands on a leasehold basis for a renewable period of up to 50 years. Ghanaians may legally hold such leaseholds for renewable periods of 99 years. Freehold lands are not permitted under Ghanaian legislation.

## ***Investment Guarantees***

Ghana's 1992 constitution provides for protection from arbitrary expropriation of property and guarantees compensation.

## ***Dispute Settlement Guarantees***

- The rules of procedure for arbitration of the United Nations Commission on International Trade Law (UNCITRAL Rules)
- The Convention of the International Centre for the Settlement of Investment Disputes (ICSID)
- International Chamber of Commerce (ICC)

# Multilateral Investment Protection Mechanisms

Ghana is also committed to multilateral investment protection regimes through the following institutions:

- **United States Overseas Private Investment Corporation (OPIC)** with which Ghana has entered into an Investment Incentive Agreement;
- **MIGA Convention**—Ghana is a signatory to the Convention of the World Bank Multilateral Investment Guarantee Agency (MIGA) which guarantees coverage (insurance) against non-commercial risks such as transfer restrictions, breach of contract, expropriation, war and civil disobedience;
- **Organization of Petroleum Exporting Countries (OPEC)** based in Vienna, Austria has signed an investment promotion and protection agreement with the Government of Ghana;
- **Double Taxation Agreements (DTA's) with Individual Countries:** Ghana uses DTAs to rationalize the tax obligations of investors from global tax sourced jurisdictions. Ghana has to date signed and ratified DTA's with France and the United Kingdom. DTAs with Belgium, Italy and Serbia and Montenegro have been concluded and are awaiting signature and ratification.

# ***Bilateral Investment Treaties (BITs)***

Ghana has concluded 21 BITs with the countries listed below. Some of the treaties are awaiting ratification.

Bulgaria, Burkina Faso, China, Côte d'Ivoire, Cuba, Denmark, Egypt, France, Germany, Guinea, Malaysia, Mauritania, Mauritius, Netherlands, Romania, Serbia and Montenegro, South Africa, Switzerland, The United States of America (signed with OPIC), United Kingdom, Zambia

Ghana is also currently engaged in investment treaty negotiations with the following countries:

Belgium, Ethiopia, India, Indonesia, Israel, Jamaica, Mauritania, Nigeria, Pakistan, Philippines, Republic of Korea, Turkey

## ***Alternative Dispute Settlement Mechanisms:***

The Government of Ghana also encourages dispute settlement using alternative mechanisms such as arbitration, mediation and conciliation within the judicial system and under the auspices of non-governmental private organizations. Currently there are two centres offering these services: The Ghana Arbitration Centre and the Commercial Conciliation Centre of the American Chamber of Commerce (AMCHAM) in Ghana.

***Facts on  
Ghana***

# Facts on Ghana

<b>Republic of Ghana</b>	
<b>Capital city:</b>	Accra
<b>Commercial language:</b>	English
<b>Currency:</b>	The Cedi (US\$1—Cedi 8,675 {June 2003})
<b>Population:</b>	18,845,265 (Ghana Statistical Service, 2000 Census)
<b>Female population:</b>	50.7% (2000)
<b>Male population:</b>	49.3% (2000)
<b>Growth rate:</b>	2.6% (2000)
<b>Literacy rate:</b>	64.5% (Male: 70%; Female: 51%)
<b>Land size:</b>	238,537 km <sup>2</sup> (92,100 square miles)
<b>Land area:</b>	23.8 million hectares

# Facts on Ghana

<b>Electricity</b>	220-240 volts
<b>Local time:</b>	Greenwich Mean Time (GMT)
<b>Business hours:</b>	08.00 to 12.00 hours 13.00 to 17.00 hours
<b>Geographical location:</b>	Latitude 4-11.5 North Longitude 3.11 West and 1.11 East
<b>Climate:</b>	Tropical—General 21-32°C Rainy seasons: March-July, September-October.

## Government

<b>Type:</b>	Constitutional Democracy
<b>Executive:</b>	President, Cabinet
<b>Legislature:</b>	Unicameral National Assembly
<b>Judicial branch:</b>	Supreme Court
<b>Legal system:</b>	Based on British Common Law supplemented by other specific legislation

## **Economy** (2002)

<b>GDP per capita:</b>	US\$370
<b>Real GDP growth:</b>	4.5%
<b>Inflation:</b>	15.2%
<b>Domestic primary balance surplus:</b>	1438.5 billion cedis
<b>External debt:</b>	US\$6,131.31 million
<b>Total revenue</b>	(including grants): 10,323.8 billion cedis
<b>Total expenditure:</b>	15,447 billion cedis

## **Trade** (2002)

<b>Exports (FOB):</b>	US\$2,063.9 million
<b>Imports (FOB):</b>	US\$2,705.1 million
<b>Major exports:</b>	Cocoa, minerals (gold, diamonds, manganese etc.), timber and wood and aluminum products, pineapples, tuna, prepared or preserved fish.
<b>Major imports:</b>	Plant, machinery and spare parts, petroleum products, raw materials and other intermediate goods.

## Facts on Ghana

<b>Main Trading Partners:</b>	Côte d'Ivoire, Germany Italy, Japan, Netherlands, Nigeria, South Africa** Switzerland*, Togo*, United Kingdom, United States of America
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\*Exports only.

\*\*Imports only

## Key Contacts

(Country Code: 233, Area Code: 021)

<i>Promotion/Facilitating Agencies</i>	<i>Telephone</i>	<i>Fax</i>	<i>E-Mail/website</i>
Office of the President	666392/665415	666392	
Ministry for Private Sector Development	678361		mpsd@africaonline.com.gh
Ghana Export Promotion Council	228830/228813	668263/233725	gepc@ighmail.com
Ghana Free Zones Board	780537/780532-5	780534/6	gfzb@africaonline.com.gh
Ghana National Petroleum Corp.	(022) 206020	(022) 205499	
Minerals Commission	772783/772786	773324	
EMPRETEC Ghana Ltd.	226090/231238	231239	empretec@ncs.com.gh
Ghana Tourist Board	231779/222153	231779	gtb@africaonline.com.gh
Ghana Trade Fair Company Ltd.	775187/776613-5	772012	gtfc@ighmail.com
Ministry of Communications	229870	229786	
Ministry of Foreign Affairs	664951-3/664621	665363	
Ministry of Trade, Industry and Presidential Initiatives	665421	662428	
Customs, Excise & Preventive Service	666841-2	668263	www.cepsghana.org
Ghana Immigration Service	221667	226996	
Internal Revenue Service	664961	664938	
Registrar General's Department	666469	6662043	
Electricity Company of Ghana	664941/676747	6662626	ecgho@ghana.gh
Ghana Telecom	200215-6	667979	
Ghana Water Company Ltd.	666781-5	663552	gwsc@africaonline.com.gh
Ghana Civil Aviation Authority	776171/777320	773293	gcaa@ighmail.com
Ghana Ports and Harbours Authority	(022) 202632-9	(022)204136	
Ghana Standards Board	501495/501937	5000092	gsbnimo@ghana.com/
National Communications Authority	776621/771701	763449	ba_forsonjr@nca.gh.org
Association of Ghana Industries	779023-4/779793	773143	agi@agi.org.gh
Ghana Stock Exchange	669908/669914	669193	stockex@ncs.com.gh
Divestiture Implementation Committee	772049/773119	773126	padjei@dic.com.ghana





## **The One-Stop Shop for Investors in Ghana**

### **OUR MISSION**

*To attract private, domestic and foreign investments to transform Ghana into a broad based industrial and export-led economy, through aggressive investment promotion activities*

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For further information contact

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