

The golden gateway to Africa

The peaceful West African republic is enjoying an important new chapter

Celebrating 50 years of diplomatic relations with China, the former British colony has been granted a \$30 billion development package from the Asian nation to help build vital infrastructure that will, amongst other things, maximize its potential as an energy producer.

On a six-day State visit to China in September, Ghana's President John Evans Atta Mills, paid tribute to China for its support, declaring it was time for Ghana and the rest of Africa to take advantage of Chinese collaboration to impact positively on their economies and fast-track the continent's emergence as an economic giant.

Ghana's administration, would, Atta Mills promised, use the resources to the benefit of Ghana's 24 million people to improve living standards.

He said the government would not sway from the "Better Ghana" agenda—a blueprint which aims to transform the lives of Ghanaians as it invested in people, built a viable economy and ran an open, honest, and transparent government.

The government would, he said, create an enabling environment for the growth of private business and investment in the Ghanaian economy.

Minister of Information Akolugu John Tia said: "What we mean by 'Better Ghana' is a country where the people live in peace and harmony, where their living standards are upgraded and where governance is transparent and accountable. The 'Better Ghana' agenda will be followed by all people and not just left

to government. Everybody can play a part in fulfilling the goals of the 'Better Ghana' agenda."

Blessed with plentiful natural resources, Ghana enjoys around twice the per-capita output of the poorest countries in West Africa, although it is still dependent on international financial and technical assistance. Gold and cocoa production and individual remittances are major sources of foreign exchange, while oil production, due to expand at the end of this year, is expected to bring significant new wealth.

“We have been engaging with China to make sure our links become as close as possible... China has easily become our biggest bilateral partner.”

JOHN DRAMANI MAHAMA
VICE PRESIDENT OF GHANA

The domestic economy continues to revolve around agriculture, which accounts for more than a third of GDP and employs more than half the work force, most of them in smallholdings.



Ghana Vice President John Dramani Mahama

"We have prioritized investment in agriculture and are putting in more capacity for two reasons," Vice President of Ghana John Dramani Mahama explained.

"First, more than 60 percent of the population is engaged in the sector, and secondly, we want to take the opportunity to increase production and feed the world.

"The World Food Crisis in 2007 was a wake-up signal for the whole world. The world population is due to reach 9 billion people by 2050 and the challenge to feed 3 billion more people is a challenge all countries are aware of. We want to assure food security for Ghana, but also turn it into a net exporter of food."

Parliament is also pushing through the legislation needed to ensure a fair and regulated oil and gas industry. "Everything will be ready before production starts," the vice president assured InFocus Reports.

"We have been meticulous, inviting advice from other oil producing nations, such as Norway and Trinidad and Tobago, on how best to proceed"

Commenting on the impact of the anniversary of Sino-Ghanaian relations, Mahama said: "We have been engaging with China to make sure our links become as close as possible. I was at the Forum on China-African Cooperation in Sharm el Sheik, Egypt [in November 2009],



PROVIDED TO CHINA DAILY

Ghana wants to use its abundant natural resources for sustainable development.

when China pledged \$10 billion for the development of Africa.

"China is the major financier of our Bui Dam hydroelectricity project, which will add another 400 megawatts to our power generation. We are also collaborating with them on highway construction and water projects. China has easily become our biggest bilateral partner."

Investors will enjoy a safe and secure base in the West African region, the Vice President said. "Ghana has positioned itself as the Gateway to West Africa, so many investors see us as a convenient place to coordinate their sub-region. We are seeing investors coming in, setting up assembly plants, regional offices and using Ghana to export to other countries. Even though we only have 24 million people, our environment,

our warm and friendly people, and our cheap and educated workforce, means we are seeing many investors coming into the country."

Shanghai experience

As a participator in this year's World Expo in Shanghai, Ghana showcased its positive experience of urban and socioeconomic development.

Speaking at a press conference ahead of the event, Deputy Minister of Trade and Industry Mahama Ayariga, said the country would use the experience to promote and exchange ideas, as well as learn from other countries on how to effectively manage the growing concern of rural urban migration.

"Ghana's theme seeks to encourage rural dwellers to engage in

valuable venture, promote decentralization and rural development, promote healthy social and environmental practices, like green-belt cities, as well as promote food and security," he said.

Ayariga, designated commissioner general of Ghana for World Expo 2010, said the event showcases the country's uniqueness culture, the growing attraction of rural areas due to infrastructural expansion, the potential of agri-processing to rural employment and the success story of Ghana's cocoa industry.

It specifically promotes Ghana's medical plant herbs and spices, trade and investment opportunities, ecotourism and sites potentials, natural resource endowment and the nation's social cohesion of various communities.

Going where the growth is

Playing a pivotal role in Ghana's plan to achieve sustained economic development, the Ghana Investment Promotion Centre (GIPC) is actively targeting high-growth economies to help move forward.

Having attracted a record amount of US\$551.3 million in the wake of the world economic crisis, and with more than US\$760 million secured in the first half of this year alone, the agency is gearing up for more.

"The stability we enjoy, both politically and economically, means that Ghana is seen as a relatively safe and stable country within a sub-region of near turbulence and other points of uncertainty," said GIPC chief executive George Aboagye.

"Here, businessmen can feel the comfort of predictability, they can predict the political barometer. They can predict the tolerance level and temperament of the Ghanaians and they can appreciate that we have our own way of solving our problems without going to the lengths of conflict.

"This is what I think is in the back of their minds. In addition to this, of course, we have an economy that is improving; efforts are being made to improve the economic environment and the legislative framework is constantly under review."

China is showing particular interest in the country that is brimming over with opportunities in many sectors, not least oil and gas, and is looking into joining hands with the Ghana National Petroleum Company to assist in oil extraction and production.

"I hope China will go the extra mile of trying to develop its own field in the offshore oil program. We need their experience and assistance," Aboagye said.

Among the other sectors that could be attractive to Chinese firms are salt, agribusiness, financial services, mining and renewable energy. As Ghana strives to become "the Gateway of West Africa," it also wants to exploit its stability to help other regional markets.

"We plan to produce more than 5,000 MWh of power by 2015, and we see the 150 million West African people who live outside Nigeria as potential customers for our electricity. When we go to China, we are going to interest them in independent power production. It will be available at a very low rate because of the gas available for them to run their power stations."



George Aboagye
CEO
Ghana
Investment
Promotion
Centre

With US\$270 million earmarked for a 400 million gallon water reservoir at the lower Volta basin and other infrastructural priorities, such as roads and railroads to serve the oil sector, and the expansion of Takoradi Port, Chinese construction firms will also be welcomed.

Although economic pundits are predicting exponential growth of around 20% within just two years on the back of the oil sector, Aboagye remains cautious.

"The infusion of large amounts of money will help grow our gross domestic product, of course, and ancillary services and jobs will be created. But I think that figure is too ambitious and when rapid growth occurs, it can be dangerous. Big bubbles can burst. I like growth that is staggered and consistent. We have the oil, so we will ride the tide."

An attractive partner

Celebrating 50 years of diplomatic relations this year, China and Ghana can look forward to more partnerships opportunities. "It is easy to do business with China," Aboagye said. "China can easily say to Africans 'We are solving our problems together.'"

"What I have learned from China is that the currency can be pegged through the monetary systems and central bank. China has had the same rate with the central bank for something like ten years. This helps in terms of predictability."

The one-stop shop prides itself on providing a professional, world-class service for investors, and the GIPC chief stresses the safety of Ghana's investment climate.

"Ghana's legal system takes its root from the British common law tradition and is supplemented by various legislations on specific issues," he said.

"Accordingly, Ghana's legal system has all the attributes and safeguards for the protection of property and human freedom, all of which are inherent attributes of the common law tradition. As part of the full range of incentives and conditions, companies are offered unconditional transferability of dividends and net profits after tax to their home countries."

It's an exciting time for Ghana—and for the GIPC, which is on a roll. As George Aboagye said: "Wherever there is growth, we will be."



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