

Massive oil fields attract valuable flows of FDI

Ghana's emerging oil sector is attracting vast investment from China and other countries

In March, Ghana's parliament finally passed the much-anticipated Oil Revenue Management Bill that will determine how the government manages and invests substantial energy revenues to secure the country's future for generations to come.

The new legislation, which was backed unanimously by MPs, will provide Ghana with the opportunity to secure loans from foreign banks and financial institutions against future oil revenues.

The discovery of the two giant oil fields has led to the rapid expansion of Ghana's upstream, midstream and downstream oil and gas industry.

The present and future development of the petroleum products sector would not be possible without proper government legislation or major foreign direct investment (FDI) from China and developed countries around the world.

Since the discovery of the Jubilee Field in 2007, the Ghanaian government and Chinese enterprises have signed a series of loan agreements and major infrastructure development deals worth more than \$20 billion.

Founded in 1999, Cirrus Oil Services Limited is a private downstream oil trading company and a leader in petroleum product trading and distribution.

Granted a license in 2007 to operate as a bulk oil distributor, Cirrus built and commissioned the country's most advanced petroleum terminals at Tema and Takoradi.



Ivy Apea Owusu, CEO, Cirrus Oil

The computerized facilities can handle tens of thousands of liters of petroleum products per day, including gas oil, gasoline and aviation fuel, with the valuable liquids destined for domestic and foreign markets.

"At Cirrus, safety is our life line and a commitment for life," said CEO Ivy Apea Owusu. "We run terminals and deal with a lot of products. In this industry, health and safety, as well as environmental concerns are huge. It is part of our culture, as is professionalism."

Turning to the importance of Ghana's skilled human resources, she added: "When we view human capital, we look at the individual not just based on resumes but whether

they have the same mindset and will be a cultural fit at Cirrus — it's the little things that count.

"Ghana is socially and politically stable. Ghanaians are constantly developing and learning and so our human capital is growing. In the past, there was a brain drain but lots of foreign-trained Ghanaians are now coming back home."

Black gold fuels FDI

An experienced businesswoman and oil industry professional, Apea Owusu has identified many of the challenges facing Ghana as the country looks to develop and improve its industrial, social and commercial infrastructure like transport and communications networks.

"With the right commitment and the partnership with the private sector, there is a lot that could be achieved," she said. "We are working on an expansion project that will leave us well positioned to meet growing market demand in a safe and efficient manner. We sell Liquefied Petroleum Gas (LPG) in Ghana through the Tema refinery, but an important part of our expansion plan is to have our own LPG facility."

An industry leader, Sage Petroleum Limited is a pioneering petroleum products company with a vertically integrated network of inland, coastal and offshore oil operations, plus activities in other countries.

Headed by CEO Emmanuel Egyei-Mensah, Sage has grown rapidly as it looks to become Africa's leading



The African Regent, Accra, Ghana.

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energy services provider with the help of foreign investors. The firm recently held talks with Chinese companies about the formation of joint partnerships and knowledge-transfer programs.

"We are trying to diversify and are looking for partnerships and joint ventures," explained Egyei-Mensah. "We also plan to enter the offshore services sector and want investors who are prepared to transfer technology and skills."

Tourism takes off

Like the majority of the many diverse sectors that now comprise Ghana's economy, the tourism industry has enjoyed robust growth

in recent years, with the government committed to preserving the extremely broad range of natural, cultural and historical attractions.

With more than 500 kms of gorgeous coastline, Ghana's beautiful beaches are one of its most popular natural assets, while many of its attractive forts and castles have been awarded UNESCO World Heritage status.

In addition to heritage and beach tourism, Ghana offers visitors rare ecological treasures in large and unspoiled tropical rainforests teeming with birds and rare wildlife, while game parks are complemented by sparkling lakes.

A private, award-winning,

boutique-style hotel, The African Regent is popular with oil industry executives and tourists. Located in Accra's most prestigious neighborhood, the luxury hotel is close to the city's international airport, major highway and shopping mall.

The hotel blends more than 100 comfortable and well-equipped rooms, including a presidential suite, executive club suite and penthouse, with world-class service and premium cuisine and beverages.

"We have noticed an increase in Chinese groups staying at The African Regent and even hired a Chinese speaking staff member to help us communicate with these guests," said hotel CEO, John Kufuor.

Construction sector lays foundations for growth

Hospitals, schools, houses, highways and other key infrastructure will be built across Ghana

With a growing population that is becoming more affluent thanks to strong economic growth and greater employment opportunities, Ghana is facing a sharp rise in demand for private and public housing, with the market failing to supply sufficient numbers of homes.

"We are definitely in a crisis situation in terms of the housing sub-sector," said Alban S. K. Bagbin, Minister for Water Resources, Works and Housing, whose department is

housing deficit of approximately 1 million housing units."

Describing this shortfall of accommodation as "dire", Minister Bagbin said officials are working hard to "create the right environment for private sector investment" in the housing market.

"Plenty of new residential estates are being constructed but the challenges are not only financial, as there are problems sourcing locally-made building materials such as bricks," he

ing code, and we are reviewing our housing policy and looking at legal and institutional frameworks."

Employment everywhere

According to official government estimates, this massive nationwide housing and infrastructure construction program is expected to create as many as 400,000 jobs over the next 5 years, both directly and indirectly.

"All categories of professionals and artisans will be involved," said Minister Bagbin. "Professionals like lawyers, accountants, architects, surveyors, planners are already engaged. Once we start digging, there will be an influx of artisans such as carpenters, masons, painters, dry-wallers, drivers and so on, while food vendors will also flock to the building sites.

"We will create a lot of jobs but the most important thing is getting the necessary industries in place to produce construction materials like cement, steel, iron and aluminum, plus all the haulage and associated transport facilities and operations."

"We are not just talking about building houses but developing

communities with safe streets and affordable living. We know the majority of Ghanaians cannot just buy their own homes so we are also looking at rental and leasing units. This is why we are putting together mortgage schemes and home loans through Ghana Commercial Bank and foreign groups."

The former Civil Aviation Authority chairman is adamant that the necessary infrastructure must be in place if the exploration and exploitation of the fledgling oil and gas industry is to be maximized.

"With the help of the Chinese, I would like to see major investment in the roads network as assets must be accessible at all times. We also need to look at constructing an airport in the west of the country so people can fly directly there rather than arrive in Accra and have to drive for miles.

"The government intends to provide the right environment for business and investment to thrive, while

also building our capacity as a nation. We only need capital expertise and technology to reap the benefits of the wonderful resources we are blessed with."

Commercial diversification

As Ghana's leading concrete products manufacturer, Osidan Concrete Products Limited is a major player in the general construction and house-building sector.

As part of the roof tile maker's strategic development, Osidan plans to move into the textiles industry and set up apparel factories with the help of Chinese enterprises.

Executive chairman, Nana Abrah Adjei, explained: "We want to diversify into garment production — such as police, military and prison uniforms — and cotton cultivation and processing.

"I am looking for private sector companies and banks to help us expand. I am particularly eager to

team up with companies from China because I really value the Chinese culture and attitude. They work hard, fast and efficiently.

"I want my children to learn from the Chinese so they can transfer these skills, attitude and knowledge to their children and bless the future of Ghanaians."

Abrah Adjei, who has been at the helm of the Accra-based firm for many years, added: "We have many resources and there are a lot of opportunities here that will please investors tremendously; Ghana is a great place to invest."

The government intends to provide the right environment for business and investment to thrive, while also building our capacity.

ALBAN S. K. BAGBIN
MINISTER FOR WATER RESOURCES, WORKS AND HOUSING

leading efforts to boost capacity.


"We should be developing upwards of 140,000 housing units annually, but are actually only delivering around 40,000 per year and they are mainly through private sector intervention. This has led to a huge

said. "Imported materials are very expensive so we have tackled the problem head-on and created groups to produce cement.

"In the next few years, we will reduce the housing gap. For the first time, we are putting in place a build-

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