

**GHANA INVESTMENT PROMOTION CENTRE
SECOND QUARTER 2013 INVESTMENT REPORT (1ST APRIL TO 30TH JUNE 2013)**

MESSAGE FROM THE CEO



*Mrs. Mawuena Trebarh,
Ag. Chief Executive Officer
of GIPC*

According to the World Investment Report 2013, FDI inflows are expected to reach US\$1.8 trillion by the end of 2013. FDI inflows to West Africa declined by 5% with that of Nigeria alone declining by 21%. Ghana fortunately maintained its 2011 figure of US\$3.3 billion. To ensure that Ghana receives its fair share of the expected US\$1.45 trillion worldwide inflows of FDI, there is the need to aggressively pursue programs and reforms that would continue to improve the business environment.

The passage of the revised GIPC Act which is more investor friendly will add to the efforts being made to improve the business environment which will move Ghana up in the UNCTAD FDI Attraction and Potential index. As of now Ghana is 16th as against Mozambique's 21st and Nigeria's 23rd position.

So far, there has been the attraction of a total of 199 newly registered projects by the Centre during the first half of 2013. The estimated value of these projects amounted to **GH¢1,099.44 million (US\$578.65 million)** and out of this value, the FDI component amounted to **GH¢1,067.93 million (US\$562.07 million)**, representing a decrease of 77.70% compared to the recorded value for the corresponding period in 2012.

The local currency component amounted to **GH¢31.50 million (US\$16.58 million)** for the 1st half of the year. A total number of **75,161** jobs are expected to be created by the registered projects from the first half of 2013. **63,781** of the total jobs to be created will be for Ghanaians and the remaining **11,380** will be for expatriates.

Also as part of efforts to appreciate and encourage Ghanaian businesses in the country and to improve upon their performances, the Ghana Club 100 2012 awards is being organised in September 2013. This event will be held under the theme "*Promoting Good Corporate Governance and Innovative Entrepreneurship*" and I invite both local and foreign investors to join us in celebrating our Ghanaian businesses. – **Mrs. Mawuena Trebarh, Ag. CEO**

1.1 SUMMARY

New Investments: 2nd Quarter 2013

In the second (2nd) quarter of 2013 (1st April to 30th June, 2013), **105** new projects were registered.

Initial Transfers

The total initial capital transfers for the newly registered projects during the quarter amounted to **GH¢37.42 million (US\$19.69 million)**.

Estimated Value of Registered Projects

The total estimated value of this quarter's newly registered projects was **GH¢539.53 million (US\$283.96 million)**.

1.2 STRUCTURE OF COMPANIES

SECTORAL COMPOSITION OF NEW PROJECTS

Sectors	Newly Registered Projects	Estimated Value of Projects (US\$ M)	% of Estimated Value
Agriculture	4	15.65	5.51
Building/Const	13	5.85	2.06
Export Trade	2	0.70	0.25
General Trading	14	18.55	6.53
Liaison	6	14.75	5.19
Manufacturing	19	26.63	9.38
Service	38	197.71	69.63
Tourism	9	4.11	1.45
Total	105	283.96	100.00

Of the **105** projects registered during the second (2nd) quarter, 70 (66.67%), were wholly-foreign owned enterprises valued at **GH¢161.55 million (US\$85.03 million)** which is **29.94%** of the total estimated value of projects registered. The remaining 35 (33.33%) were joint ventures between Ghanaians and foreign partners valued at **GH¢377.98 million (US\$198.94 million)** which is **70.06%** of the total estimated value of projects registered.

For the corresponding quarter of 2012, 68 wholly- foreign owned enterprises and 40 joint ventures were registered

and valued at **US\$786.81 million** and **US\$1,090.55 million** respectively.

During the first (1st) quarter of 2013, 73 wholly-foreign owned enterprises and 21 joint ventures were registered and valued at **US\$262.02 million** and **US\$32.67 million** respectively.

1.3 FOREIGN DIRECT INVESTMENT

The FDI component of the estimated value of the projects registered during the period under review (1st April to 30th June, 2013) was **GH¢526.04 million (US\$276.86 million)**, representing **97.50%** of the total estimated value, and a local currency component of **GH¢13.49 million (US\$7.10 million)**, representing **2.50%**.

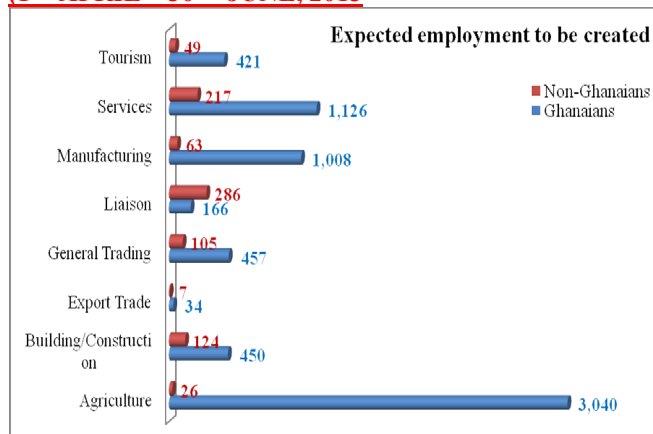
The FDI component of the estimated value of the projects registered in the corresponding quarter of 2012 was **US\$1,540.67 million** and the local currency component was **US\$336.69 million**. For the first quarter of 2013, the FDI component of the estimated value of the projects registered was **US\$285.20 million** and the local currency component was **US\$9.48 million**.

The total foreign equity was **GH¢128.47 million (US\$67.62 million)** and the initial equity transfers was **GH¢37.42 million (US\$19.69 million)** for this quarter.

1.4 EMPLOYMENT GENERATION

From the 105 new projects registered in the second quarter (2nd) quarter, it is expected that **7,579** jobs will be created. The total number of expected jobs to be created gives an increase of **29.60%** over **5,848** expected jobs to be created in the corresponding quarter of 2012. **88.43% (6,702)** of the total jobs to be created in the second (2nd) quarter will be for Ghanaians and the remaining **11.57% (877)**, for expatriates.

EMPLOYMENT TO BE GENERATED BY SECTORS (1ST APRIL – 30TH JUNE, 2013)



1.5 GEOGRAPHICAL DISTRIBUTION

Nine (9) out of the ten regions directly benefited from the registered projects during the quarter. The regions are Ashanti, Brong Ahafo, Central, Eastern, Greater Accra, Northern, Upper West, Volta and Western region. **74.29%** of all the projects registered are located in Greater Accra region.

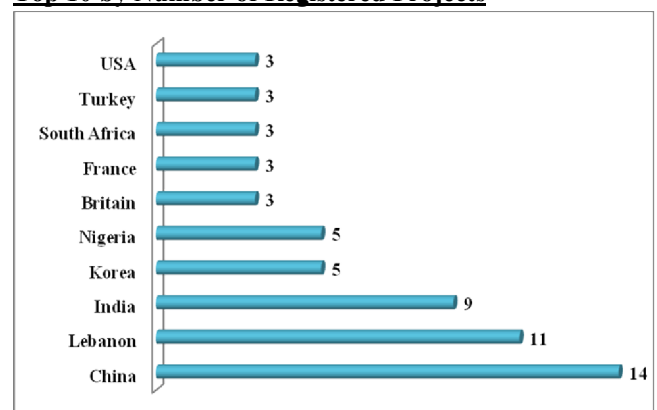
Region	Number of registered projects	Estimated value of registered projects (US\$ M)
Ashanti	8	2.51
Brong Ahafo	2	2.54
Central	2	1.47
Eastern	1	0.41
Greater Accra	78	256.92
Northern	1	0.05
Upper West	1	0.01
Volta	3	10.71
Western	9	9.35
Total	105	283.96

1.6 SOURCES OF FOREIGN DIRECT INVESTMENT (FDI)

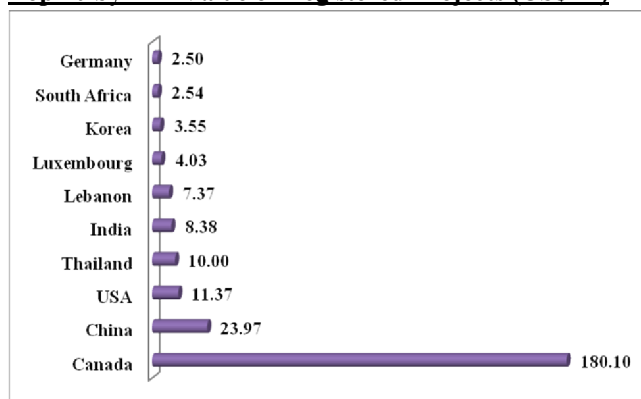
China, with **14** projects, topped the list of countries with the highest number of registered projects. With **US\$180.10 million** as the FDI value of the investments, Canada topped the list of countries with the largest value of investments registered during the quarter.

TOP 10 INVESTOR COUNTRIES (1ST APRIL – 30TH JUNE, 2013)

Top 10 by Number of Registered Projects



Top 10 by FDI Value of Registered Projects (US\$ M)



1.7 RE-REGISTRATION

During the first half of 2013, a total number of **273** projects renewed their registration with the Centre. The table below gives details on these re-registered projects:

Re-registration Exercise: 1st Half of 2013					
Number of projects re-registered: 273					
		Projected		Actual	
Employment Creation	Ghanaian	8,660	9,644	17,787	18,533
	Non-Ghanaian	984		746	
Investment US\$ M		341.20		1,541.07	
*The actual investment value shows an increase of over 300% compared to the projected investment figure of US\$341.20 million					

1.8 HALF YEAR, 2013

The total number of projects registered for the first half of 2013 was 199, with a total estimated value of **GH¢1,099.44 million (US\$578.65 million)**. 203 projects were registered for the corresponding half of 2012 with a total estimated value of **US\$3,059.40 million**.

The total initial capital transfers amounted to **GH¢85.80 million (US\$45.16 million)** for the period under review. The total initial capital transfers for the corresponding half year of 2012 amounted to **US\$64.69 million**.

Of the 199 registered projects, 143 were wholly-owned foreign enterprises and 56 were joint ventures between Ghanaians and foreign partners.

The joint venture projects were valued at **GH¢440.06 million (US\$231.61 million)**, and the wholly-owned

foreign enterprises were valued at **GH¢659.38 million (US\$347.04 million)**.

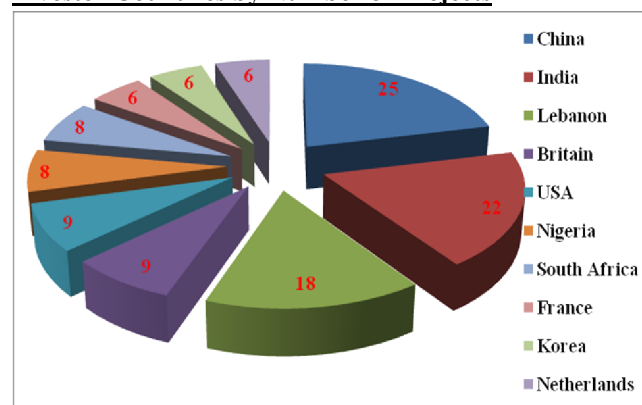
The FDI component of the estimated value of the projects registered during the first half of the year amounted to **GH¢1,067.93 million (US\$562.07 million)** and the local currency component amounted to **GH¢31.50 million (US\$16.58 million)**. For the corresponding period in 2012, the FDI component of the estimated value of the projects registered amounted to **US\$2,520.52 million** and the local currency component amounted to **US\$538.88 million**.

A total of **75,161** jobs are expected to be created by registered projects from the first half of 2013. **63,781** of the total jobs to be created will be for Ghanaians and the remaining **11,380** will be for expatriates.

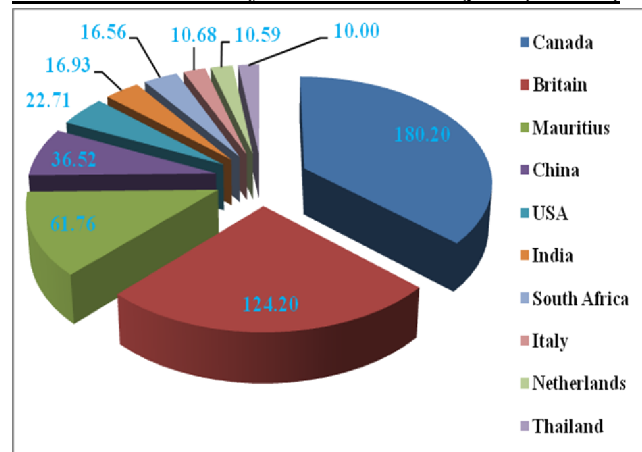
China, with 25 projects, topped the list of countries with the highest number of registered projects in the first half of 2013. Canada, however, topped the list of countries with the largest FDI value, amounting to **US\$180.20 million**.

TOP TEN INVESTOR COUNTRIES: 1st Half of 2013

Investor Countries by Number of Projects



Investor Countries by FDI Value of Projects (US\$ M)



1.9 COMPARISON OF 2ND QUARTERS: 2013 & 2012

		Figures						Q2 2013 & Q2 2012 Compared
		Q2 2013		Q2 2012		Q1 2013		
No. of Projects	F	70	105	68	108	73	94	-2.78%
	JV	35		40		21		
Total Estimated Value (US\$ M)		283.96		1,877.36		294.68		-84.87%
FDI Component (US\$ M)		276.86		1,540.67		285.2		-82.03%
Local Component (US\$ M)		7.1		336.69		9.48		-97.89%
Total Initial Capital (US\$ M)		19.69		21.42		25.47		-8.08%
Country with highest No. of Projects		China (14)		China (17) & Nigeria (17)		India (13)		
Country with largest FDI Value of Projects		Canada (US\$180.20 M)		British Virgin Islands (US\$810.35 M)		Britain (US\$122.61 M)		
Total Jobs to be Created	Ghanaians	6,702		5,117		57,079		30.98%
	Non-Ghanaians	877		731		10,503		19.97%

1.10 HIGHLIGHTS

Some of the major projects attracted into the country during the quarter are:

- SIGINIK ENERGY LIMITED** – power generation from a solar farm with an estimated project value of **GH¢342.19 million (US\$180.10 million)**.
- ALLIANCE FOR A GREEN REVOLUTION IN AFRICA** – financial services (grant making) with estimated project value of **GH¢20.64 million (US\$10.86 million)**.
- THAI GHANA HOLDINGS LIMITED** – growing and milling rice with Thai technology with an estimated project value of **GH¢19 million (US\$10 million)**.

- PLANTATIONS SOCFINAF GHANA LIMITED** – cultivation and procession of rubber and oil palm with an estimated project value of **GH¢7.66 million (US\$4.03 million)**.
- INESFLY AFRICA LIMITED** – to manufacture unique paint which serves as a repellent to insects with an estimated project value of **GH¢5.89 million (US\$3.10 million)**.

1.11 COMPARISON OF 1ST HALF YEARS: 2013 & 2012

		Figures						2013 & 2012 Compared
		1st Half 2013		1 st Half 2012		1 st Half 2011		
No. of Projects	F	143	199	120	203	137	236	-1.97%
	JV	56		83		99		
Total Estimated Value (US\$ M)		578.65		3,059.40		978.74		-81.09%
FDI Component (US\$ M)		562.07		2,520.52		904.04		-77.70%
Local Component (US\$ M)		16.58		538.88		74.68		-96.92%
Total Initial Capital Transfer (US\$ M)		45.16		64.69		165.93		-30.19%
Country with largest No. of Projects		China (25)		China (29)		China (36)		
Country with largest estimated Value of Projects		Canada (US\$180.20 M)		British Virgin Island (US\$810.65 M)		Netherlands (US\$146.52 M)		
Total Jobs to be Created	Ghanaians	63,781		9,114		13,170		599.81%
	Non-Ghanaians	11,380		1,202		1,242		846.76%

1.12 INVESTOR PROFILE



Siginik Energy Ltd. is a limited liability company

focused on the identification, construction and financing of alternative Energy installations and primarily focused on Solar. It is a joint venture project from Canada with an estimated cost of **US\$180.10 million**.

Siginik Energy is proposing a 50 MW Photovoltaic Power Plant and has already obtained a Power Purchase Agreement from Electricity Company of Ghana (ECG), which will buy the produced electricity for the next



25 years. The power plant is to be located at Bodi in the Bole District of the Northern Region of Ghana where the company

has acquired a 408 acre land. The installation will be the largest in West Africa, and one of the largest on the Continent.

“Siginik is very excited about this timely opportunity,” said Daniel McCormick, Managing Partner at Siginik. *“Ghana is a fast growing economy in great need of power and we are happy we can contribute in a green, efficient way. This will benefit the general Ghanaian community as they can have more consistent power and in the short term, similar to the effects of the Green Energy Act in Ontario, Canada to facilitate the creation of a highly skilled green labour force which will be able to build future green and solar projects in the ECOWAS area.”*

The installation is projected to create roughly **800 highly skilled jobs**, including manufacturing in the Northwest Region of Ghana and Siginik expects to break ground by December 2013.



Siginik and ECG intend on expanding on this initial project with a view to additional

installations in Ghana, a country with ideal solar radiation and increasing power needs. **“ECG is very excited about working with Siginik on West Africa's largest solar installation. ECG is committed to providing its customers with consistent power with an increased focus on green energy,”** said Daniel Azu, Divisional Manager, Regulatory & Government Affairs, ECG. **“Our partnership with Siginik is very strong and we are keen on increasing the scope of green energy projects with them.”** Energy consumption within Ghana has been growing at 10% to 15% per year while supply is growing at a significantly lower rate. Experts believe that Ghana needs 5,000MW of energy in order to keep pace with demand, more than double its current available power. In addition, in order to achieve energy security in light of the country’s robust economic growth, Ghana requires diversification in both energy mix and energy sources.

Siginik Energy has obtained a Tariff band from the PRUC and has been granted a Wholesale Generating License by the Energy Commission.

1.13 CONFERENCES, SEMINARS AND MISSIONS

During the second quarter of 2013, GIPC organized and participated in the following programmes as part of its mandate of investment promotion:

- ❖ **Regional Sensitization Tours** in Ghana from 23rd April to 8th June, 2013
- ❖ **Policy Coordination and Harmonization Meeting** with CEO’s of Investment Promotion Agencies – NDPC, 14th May, 2013
- ❖ **GC 100 Stake holders meetings**, from 3rd to 7th June, 2013
- ❖ **Due Diligence Team – Ghana Euro Bond** on 25th June, 2013
- ❖ 2nd National Stakeholders’ retreat on Regional Integration (ECOWAS) held from 28th to 30th June, 2013

CONFERENCES & MISSIONS FOR THE THIRD QUARTER, 2013

- ❖ **Ghana Club 100 2012 Awards** to be held in **September 2013** in Accra.