

QUARTERLY INVESTMENT REPORT

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Message from the CEO, Yofi Grant



Ghana’s economy has increasingly become integrated into the global economy through trade and financial market channels, and in terms of trade exposure, the country has become more exposed to the United States (US), United Kingdom (UK), and the Euro area, its major trading partners (BOG, 2019). Ghana is also increasingly becoming an indispensable player in the global field of investment following our concerted efforts in promoting the country as a premier and competitive investment and business destination.

Over the past two years, the Ghanaian economy has witnessed remarkable improvement with economic growth increasing from 3.4% in 2016 to 8.1% in 2017 and reaching 5.4% by the first half of 2018. Inflationary pressures have eased with headline inflation declining from 15.4% in December 2016 to 9.4% in December 2018. The monetary policy rate has also consistently seen a year-on-year reduction from 25.5% in November 2016 to 17% by November 2018.

With a booming US economy, vis-à-vis slower growth momentum in other advanced economies, the consequent strengthening of the US Dollar has set off a trend of pressure on the currencies of emerging and developing economies, including Ghana. That notwithstanding, the improving domestic macro fundamentals, girded by fiscal discipline, have acted to moderate the impact of the

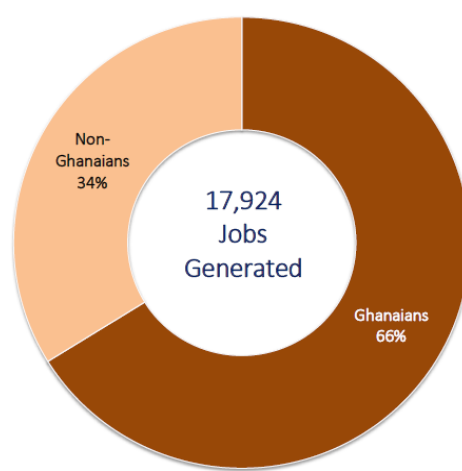
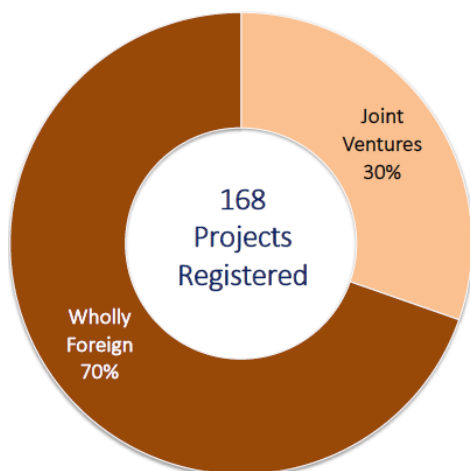
shocks on investment inflows and the economy at large.

Investments recorded by the GIPC as well as provisional figures provided by some other key institutions for the fiscal year ending 31st December 2018 reached US\$ 3.68 billion with FDI component hitting US\$ 3.46 billion. At least, 18,825 jobs are expected to be generated as a result of these investments. GIPC closed the fiscal year directly recording a total of US\$ 3.54 billion of the investments. The remaining were provisional figures from the Minerals Commission (with US\$ 3.74 million of the registered investments over the period), and the Petroleum Commission and the Ghana Free Zones Authority constituting US\$ 134 million and US\$ 0.99 million of the registered investments respectively over the first nine months of the year. The total inflows constitute about 6% of Nominal GDP, and this would inject a lot of momentum into the economy.

At the beginning of 2018, GIPC projected to register US\$ 10 billion worth of FDI based on the conclusion of discussions with targeted investors on strategic investments under the One-District-One-Factory Programme and some identified sectors including Railways, Oil & Gas, Mining and Energy. Discussions are still ongoing with the prospective investors and based on the negotiations, it is expected that the strategic investments will be registered in the course of 2019.

The Ghanaian economy is also projected to remain steady in 2019 supported by elevated consumer spending and investment activity. With the positive outlook, GIPC anticipates 2019 to be a year in which the FDI values attained in the last two years would be built upon. The Centre will continue to play a crucial and indispensable role in driving Ghana’s investment potentials and the development of both domestic and foreign investments.

1.0 FOCUS ON INVESTMENTS RECORDED BY GIPC (2018)

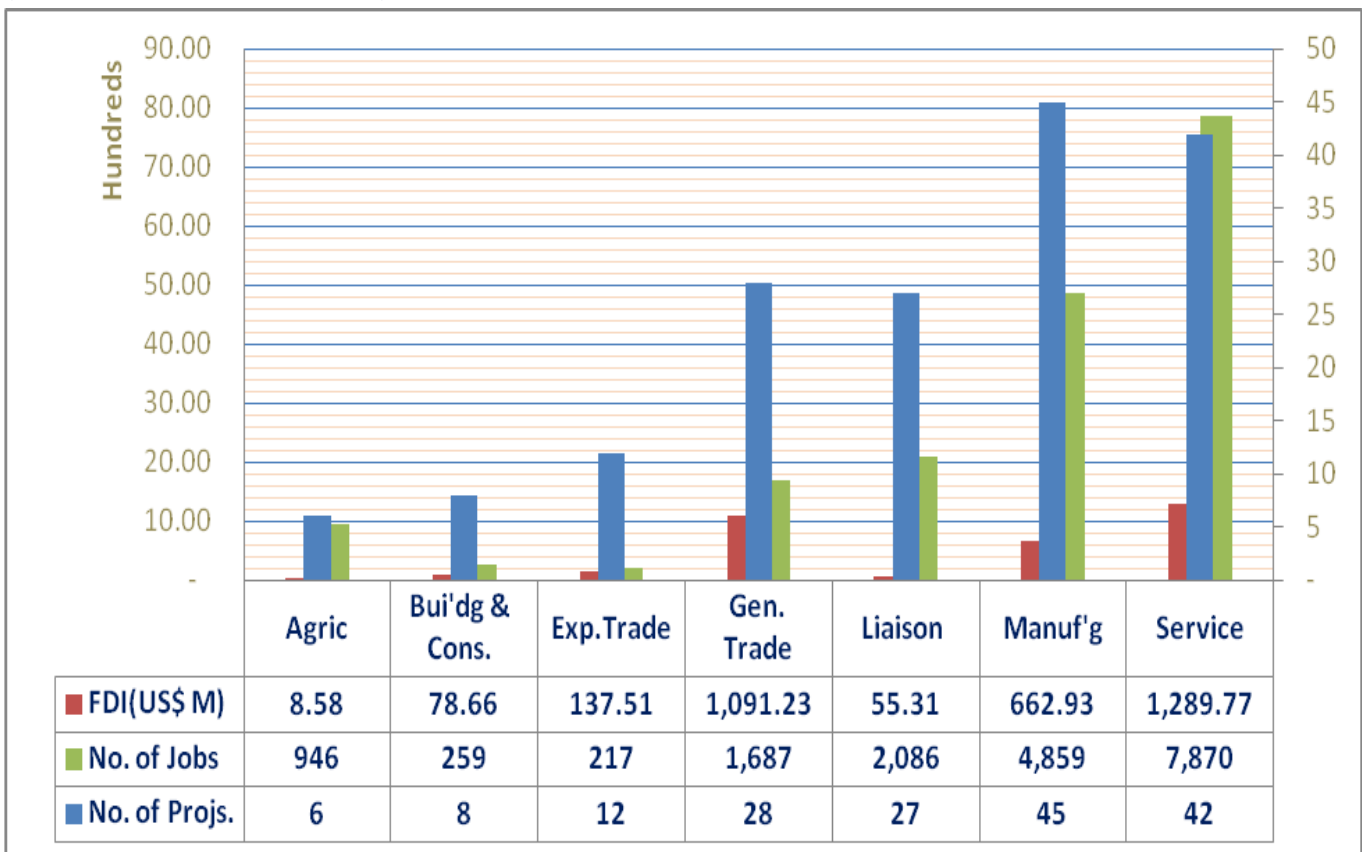


From January to December, 2018, GIPC directly registered 168 projects with total estimated value of US\$ 3.54 billion. This comprised FDI of US\$ 3.32 billion and local component to the tune of US\$ 216.58 million. Total initial transfers amounted to US\$ 137.48 million.

Sectoral and Geographical Distribution (Jan. – Dec. 2018)

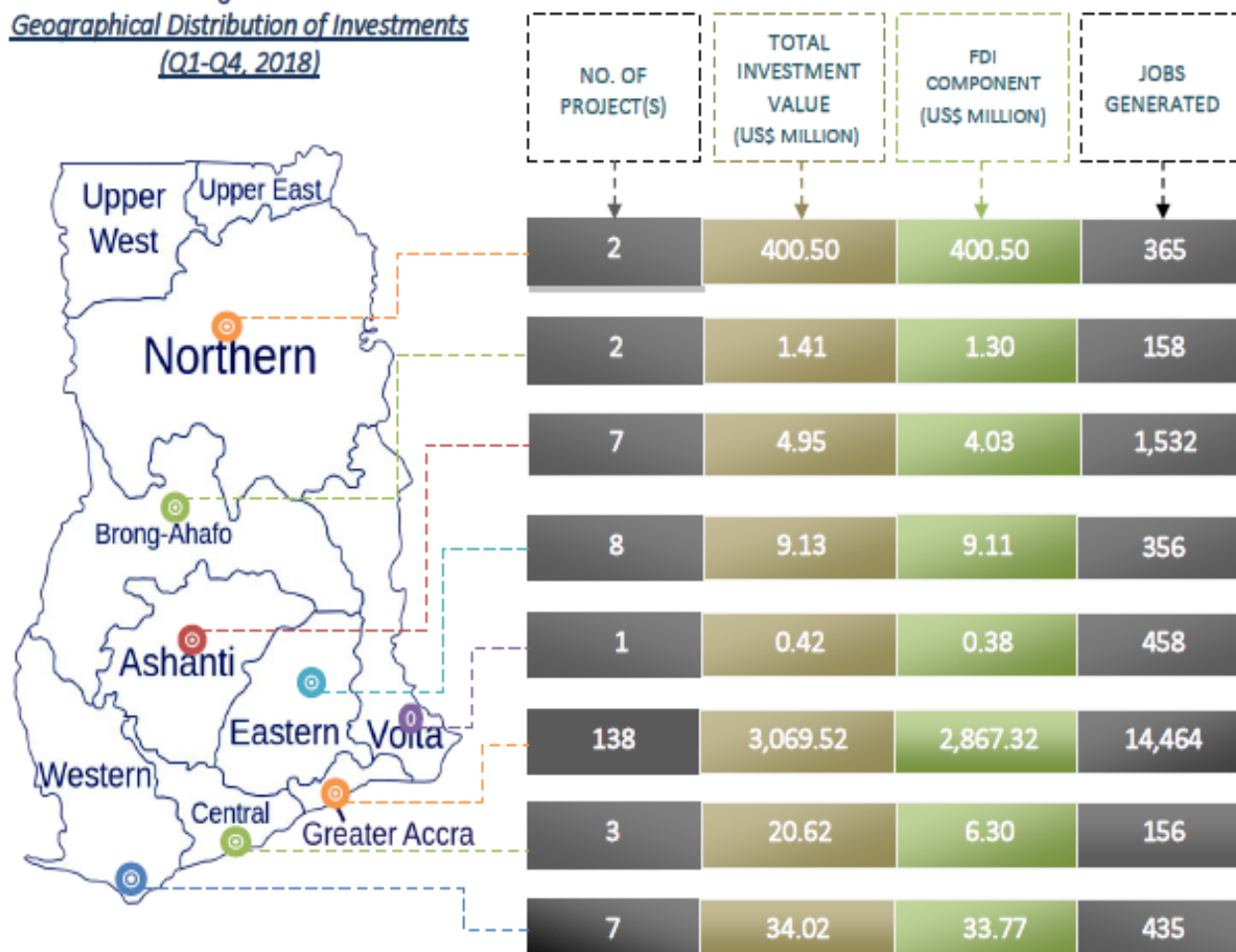
Of the 168 projects registered, 45 (26.79%) are into manufacturing. 42 of them, representing 25% of the total, are engaged in the services sector whilst 28 (16.67%) are into General Trade. Details are presented in the graph below:

Fig. 1.0 Sectoral Distributions: Projects, FDI and Jobs



With regards to geographical distribution, eight out of the ten regions benefited directly from the investments registered. The Greater Accra Region attracted 82.14% of the projects with total investment value of US\$ 3.07 billion. The Eastern Region followed with 8 projects valued at a total of US\$ 9.13 million. The diagram below provides further details on the regional distributions.

Fig. 2.0
Geographical Distribution of Investments
(Q1-Q4, 2018)



Employment Generation (Jan. – Dec. 2018)

A total of 17,924 jobs are expected to be generated by the 168 projects registered. 7,870 (approximately 43.91%) of the jobs are to be created by the service sector whilst the manufacturing sector is expected to generate 4,859 (27.11%) of the jobs.

Summary: Wholly Foreign and Joint Venture Projects (Jan. – Dec. 2018)

Of the 168 projects recorded from January to December 2018, 117 (69.64%) were wholly foreign owned with total investment value of US\$ 2.89 billion. The remaining 51 were Joint Ventures between Ghanaians and their foreign counterparts which amounted to US\$ 652.02 million. The respective breakdowns are provided in the tables below:

Table 1.0 Details: Wholly Foreign Owned Projects (Jan. – Dec. 2018)

SECTOR	NO. OF PROJECTS	EST. VALUE (US\$ MILLION)	FDI COMPONENT (US\$ MILLION)	NO. OF JOBS
Agriculture	2	6.25	6.25	212
Building & Construction	11	1,091.28	1,072.48	800
Export Trade	6	2.23	2.23	93
General Trade	25	109.98	109.72	1,156
Liaison	17	153.55	153.55	309
Manufacturing	39	549.64	538.48	3,767
Service	17	974.69	947.57	717
Total	117	2,887.61	2,830.27	7,054

Table 2.0 Details: Joint Venture Projects (Jan. – Dec. 2018)

SECTOR	NO. OF PROJECTS	EST. VALUE (US\$ MILLION)	FDI COMPONENT (US\$ MILLION)	NO. OF JOBS
Agriculture	4	2.66	2.33	791
Building & Construction	4	46.22	43.10	251
General Trade	7	27.63	19.68	155
Manufacturing	11	133.58	86.41	1,335
Services	25	442.87	342.20	8,338
Total	51	652.96	493.72	10,870

Top Investor Countries (Jan. – Dec. 2018)

In terms of project numbers, China was the leading source country with Chinese investors participating in 37 projects. India came second with Indian investors participating in 18 projects and was followed closely by the Netherlands and United Kingdom with 15 and 12 projects respectively.

In terms of investment values, Netherlands emerged tops with Dutch owned projects having total investment value of US\$ 1.9 billion and FDI component of US\$ 1.89 billion. India followed with total projects investment values of US\$ 549.06 million and FDI component of US\$ 510.72 million. Hong Kong and Angola followed next with investors from both countries participating in a project with an investment value of US\$ 364.49 million. The FDI component is US 275.75 million. Details are provided in Figure 3.0 below.

Fig. 3.0 Investor Countries (FDI and Project Numbers), Jan. – Dec. 2018



Registered Wholly Ghanaian Owned Projects (Jan. – Dec. 2018)

A total of 71 wholly Ghanaian owned projects with total estimated value of GHS 1.32 billion were registered from January to December 2018. These projects are located in six (6) regions of Ghana, with the Greater Accra registering the highest number of 55. Ashanti Region had 6 projects followed by the Western region with 5 projects. The sectoral breakdown is presented in table 3.0 below.

Table 3.0 Details: Wholly Ghanaian owned projects (Jan. – Dec. 2018)

SECTOR	NUMBER OF PROJECTS	EST. VALUE (GHS MILLION)	NO. OF JOBS
Agriculture	6	39.17	706
Building & Construction	11	957.47	5,549
Export Trade	2	1.30	35
General Trade	9	7.17	253
Manufacturing	18	110.66	775
Services	22	192.12	1,804
Tourism	3	17.07	172
TOTAL	71	1,324.95	9,294

Additional Equity brought in by existing companies

From January to December 2018, already existing companies brought in additional equity totaling US\$ 39.98 million.

Renewal of GIPC Registration

From January to December 2018, a total of 954 project registrations were renewed. The current investment value of the renewed projects summed up to US\$ 5.63 billion as against a total initial investment value of US\$ 2.92 billion at the time of registration. Total actual employment generated was 97% (64,215) of the initial total projected figure of 66,457.

FOCUS ON INVESTMENTS RECORDED BY GIPC IN QUARTER 4 (OCTOBER – DECEMBER, 2018)



51 projects were registered by GIPC with total estimated value of US\$ 1.44 billion. This comprised FDI of US\$ 1.27 billion and local currency component of US\$ 167.78 million. Total initial transfers amounted to US\$ 18.82 million.

Employment Generation (Q4-2018)

A total of 9,948 jobs are expected to be generated by the projects at full capacity. 4,764 (48%) of the jobs are expected to be taken up by Ghanaians.

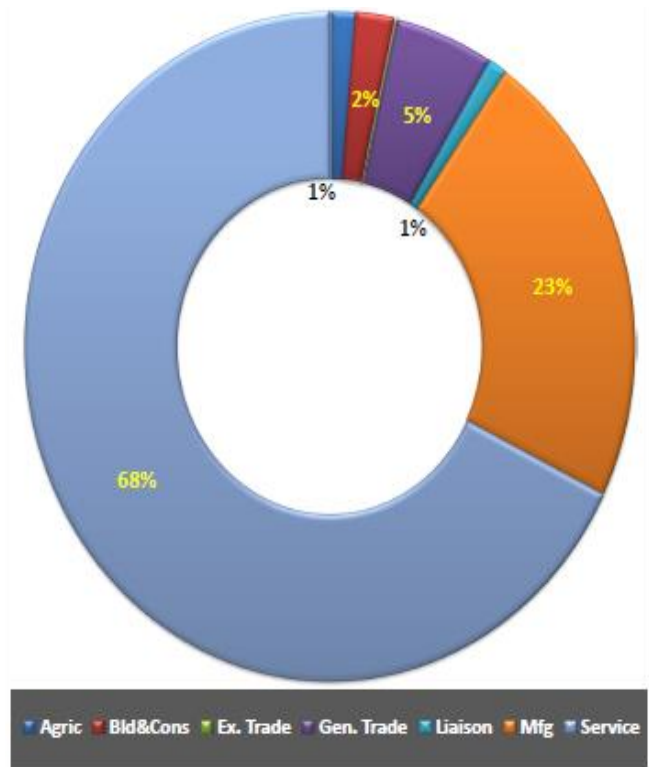
6,735 (approximately 68%) of the jobs were generated by the Service sector whilst the Manufacturing and General Trade sectors respectively generated approximately 23% and 5% of the jobs.

Sectorial and Geographical Distribution (Q4-2018)

The Manufacturing and Service sectors recorded 19 and 13 projects respectively, whilst 9 of the projects are engaged in General Trade.

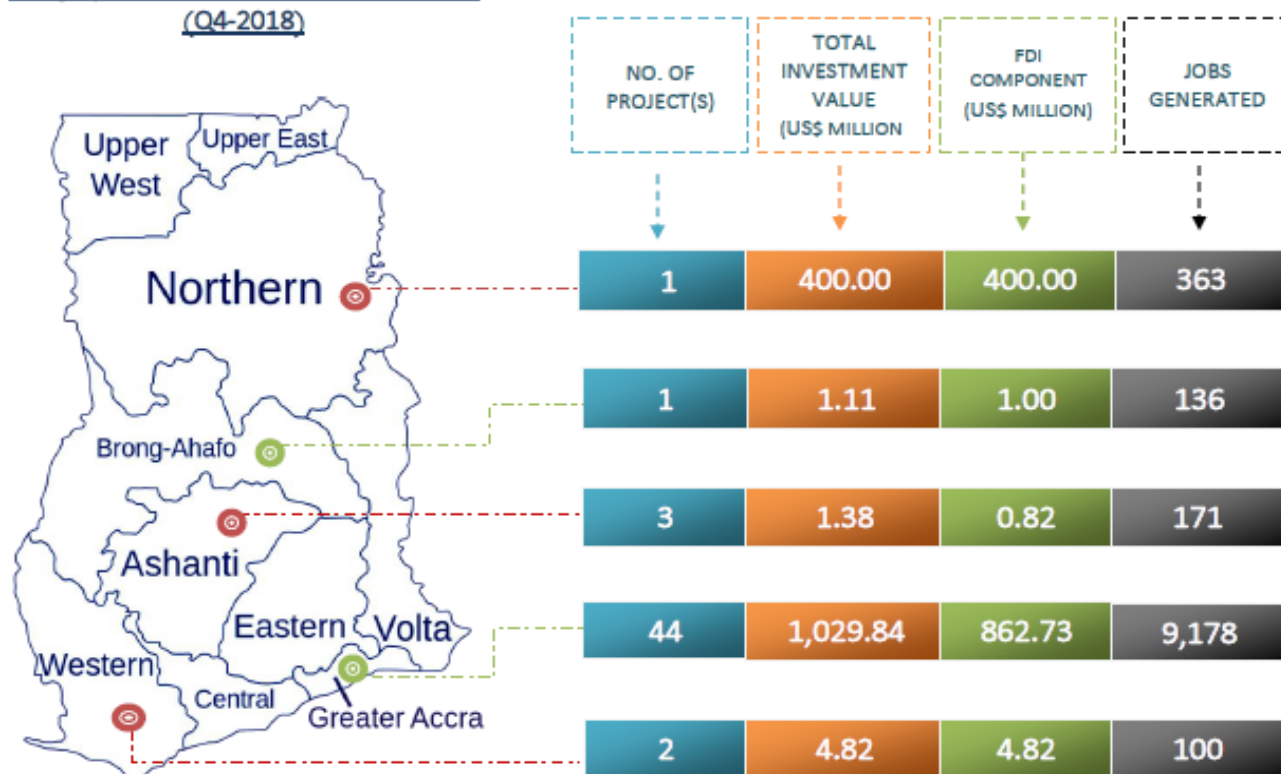
In terms of geographical distribution, 5 out of the ten regions benefited directly from the investments registered. The Greater Accra Region attracted 86% of the projects registered with a corresponding US\$ 1.03 billion (72%) of the total investment value. Ashanti Region followed with 3 projects, representing 6% of the total number. In terms of investment values, the region recorded US\$ 1.38 million. Further details are provided in the diagram below:

Distribution of Jobs in Q4-2018 (By Sectors)



Geographical Distribution of Investments

(Q4-2018)



Some Notable Projects (Q4-2018)

- Seamless Energy Ltd**- With estimated value of US\$ 400 million, this is a wholly Indian owned project. It entails the establishment of a solar farm in Northern Ghana.
- Power Distribution Services Ghana Ltd**: The project involves the distribution of power and the provision of related services. It is valued at US\$ 364.49 million.
- Tema LNG Terminal Company Limited**. This is a wholly Dutch owned project with total estimated value of US\$ 350 million. It involves the provision of gas services.
- Asutuare Sugar and Power Limited**. A Joint Venture project between British, Indian and Ghanaian investors, it involves farming and the cultivation of sugarcane and other crops. It is estimated at US\$ 88.52 million.
- Grit Accra Limited**. This is a Mauritian company engaged in the development of real estate assets. Its project is valued at US\$ 60.27 million.
- Zonda Sinotruck Assembly Plant Limited**. This project, valued at US\$ 55 million, entails the assembly of cars, heavy duty trucks, light duty trucks, vans and tricycles. It is wholly Chinese owned.

Summary: Wholly Foreign and Joint Venture Projects (Q4-2018)

Out the 51 projects registered within the quarter under review, 31 (61%) were wholly foreign owned enterprises with total investment value of US\$ 936.22 million. 20 of them, representing 39%, are Joint Ventures between Ghanaians and their foreign partners. These projects were valued at US\$ 500.94 million. The tables below provide the respective breakdowns.

Table 4.0 Details: Joint Venture Projects

SECTOR	NO. OF PROJECTS	EST. VALUE (US\$ MILLION)	FDI COMPONENT (US\$ MILLION)	NO. OF JOBS
Agriculture	1	1.11	1.00	136
Building & Construction	1	0.20	0.20	27
General Trade	1	17.30	13.84	51
Manufacturing	7	111.89	79.07	1,082
Services	10	370.44	279.98	6,582
TOTAL	20	500.94	374.09	7,878

Table 5.0 Details: Wholly Foreign Owned Projects

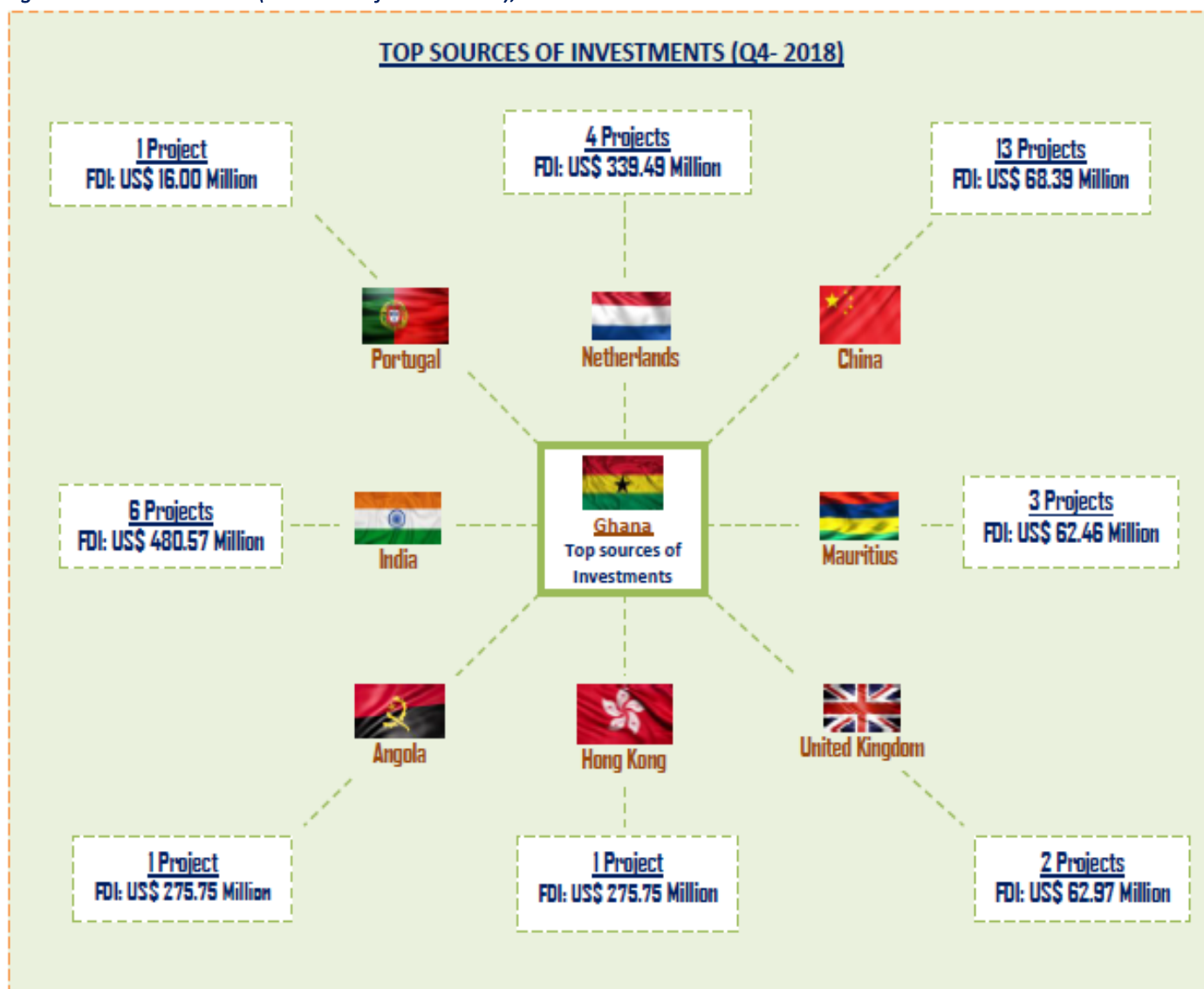
SECTOR	NO. OF PROJECTS	EST. VALUE (US\$ MILLION)	FDI COMPONENT (US\$ MILLION)	NO. OF JOBS
Building & Construction	3	92.00	77.00	174
Export Trade	1	0.55	0.55	14
General Trade	8	12.77	12.77	469
Liaison	4	14.07	14.07	103
Manufacturing	12	463.14	462.20	1,157
Service	3	353.70	328.70	153
Total	31	936.23	895.29	2,070

Sources of FDI (Q4-2018)

In terms of project numbers, China was the leading source country with Chinese investors participating in 13 projects. India came second with Indian investors participating in 6 projects and was followed closely by the Netherlands and Mauritius with 4 and 3 projects respectively.

In terms of FDI values, India emerged tops with Indian owned projects having FDI component of US\$ 480.57 million. Netherlands followed with total FDI value of US\$ 339.49 million. Hong Kong and Angola followed next with investors from both countries participating in a project with FDI component of US\$ 275.75 million. The details are provided in the figure below:

Fig. 4.0 Investor Countries (FDI and Project Numbers), Oct. – Dec. 2018



Registered Wholly Ghanaian Owned Projects (Q4-2018)

23 wholly Ghanaian owned projects with total project value of GHS 608.08 million were registered during the fourth quarter of 2018. These projects are located in six (6) regions of Ghana, with the Greater Accra registering the highest number of 17. The Eastern Region recorded 2 projects whilst the Ashanti, Central, Volta and Western Regions recorded 1 project each. The sectoral breakdown is presented in the table below:

Table 6.0 Details: Wholly Ghanaian Owned Projects

SECTOR	NUMBER OF PROJECTS	EST. VALUE (GHS MILLION)	NO. OF JOBS
Agriculture	2	0.72	165
Building & Construction	3	549.50	1,738
Export Trade	1	0.50	18
General Trade	2	1.60	145
Manufacturing	5	25.85	198
Services	8	29.01	333
Tourism	2	0.92	22
TOTAL	23	608.08	2,619

Additional Equity brought in by existing companies (Q4-2018)

From October to December 2018, already existing companies brought in additional equity totaling US\$11.97 million.

Renewal of GIPC Registration

From October to December 2018, a total of 297 project registrations were renewed. The current investment value of the renewed projects summed up to US\$ 1.04 billion as against a total initial investment value of US\$1.15 billion at the time of registration. Total actual employment generated was 17,241.

HIGHLIGHTS OF PROGRAMMES AND ACTIVITIES (Q4-2018)

In the fourth quarter of 2018, programmes organized and participated in (by GIPC) to support its investment promotion drive include:

DATE (2018)	DETAILS
3 rd Oct.	The Ghana Luxembourg Economic Forum held in Accra
4 th Oct.	The World Bank Investment Forum held in Accra
5 th -8 th Oct.	The Financial Times Investment Forum, London, UK
7 th – 8 th Oct.	The Financial Times Africa Summit, London.
9 th – 15 th Oct.	The World Bank /IMF Annual Meetings, Bali, Indonesia
15 th – 16 th Oct.	Ghana – UK Trade and Investment Summit, Accra
17 th Oct.	Launch of the South Africa-Ghana Business Chamber, Pretoria, South Africa.
23 rd – 24 th Oct.	H.E. the Vice President’s official visit to the United Kingdom and participation in the Ghana Investment & Opportunities Summit
30 th –31 st Oct.	The G20 Compact with Africa (CWA) Conference, Berlin, Germany
1 st Nov.	4 th Quarter CEO’s Breakfast Meeting held at the Movenpick Ambassador Hotel, Accra
1 st – 2 nd Nov.	Africa Investments Investor Event, Tang Palace Hotel, Accra
5 th – 10 th Nov.	China International Import Expo, Shanghai, China
9 th – 15 th Nov.	H.E. Nana Addo Dankwa Akufo-Addo’s State Visit to Doha, Qatar
20 th – 21 st Nov.	Canada – Ghana Trade and Investment Forum, Canada
23 rd Nov.	17 th Edition of the Ghana Club 100 Awards (GC 100) held at the Kempinski Hotel, Gold Coast City Accra.
26 th – 30 th Nov.	Negotiation of Ghana-Japan Bilateral Investment Treaty, Tokyo, Japan
27 th – 28 th Nov.	Tech in Ghana Conference, Accra
5 th Dec.	Accra Sustainable Development Goals (SDGs) Investment Fair. This was held at the Kempinski Hotel, Accra
9 th – 12 th Dec.	Belgian Economic Mission to Ghana, Movenpick Ambassador Hotel, Accra
9 th – 13 th Dec.	H.E. the President’s Official Visit to Tokyo, Japan
11 th – 17 th Dec.	Intra Africa Trade Fair, Cairo, Egypt

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