

QUARTERLY INVESTMENT REPORT

MESSAGE FROM THE CEO



With several advanced and developing economies implementing the concept of Industry 4.0 which marks the Fourth Industrial Revolution, the year 2020 had great prospects. On the global investment sphere, Africa enjoyed some of the highest global returns on Foreign Direct Investment (FDI) despite the continuous slide in global FDI flows. Africa stood in sharp contrast to developed economies, which saw FDI inflows plunge 27% to their lowest level since 2004 (WIR).

As a result, Ghana began the 2020 year with so much optimism as the country was conscious of the opportunities and benefits associated to not only the efforts put in place by the Government to improve the business environment, but also the entry into force of the African Continental Free Trade Area (AfCFTA) in May 2019 which promised to boost intra-African trade by as much as 25 per cent by 2040.

However, the novel coronavirus reared its head. The outbreak of the coronavirus (COVID-19) which has spread across the world, has had a ripple effect on global economies, with FDI flows being significantly affected. According to UNCTAD's World Investment Report 2020, global FDI flows could fall by as much as 40% this year and decrease by a further 5-10% next year. Expected growth from 2.9 per cent in 2019 to 3.2 per cent in 2020 and 3.5 per cent in 2021 has been altered following the effects of the pandemic. Africa is likely to experience a contraction of growth by 1.7 percent in 2020, dropping by 5.6 percentage points from the January 2020 pre-COVID-19 projection according to the African Economic Outlook.

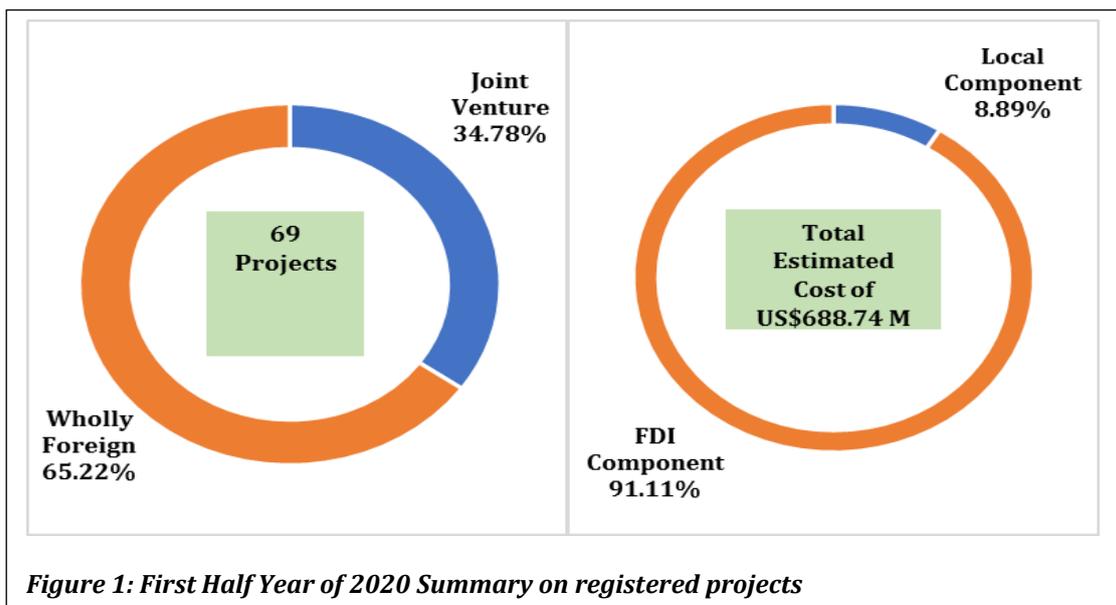
FDI flows into Ghana during the second quarter of 2020 has however deviated from the global expected trend of declines, resulting in a significant increase in FDI inflows for the first half of the year. Total investments recorded in the first half of 2020 amounted to US\$869.47 million*, with total FDI value amounting to US\$785.62 million*. The Ghana Investment Promotion Centre (GIPC) recorded a total of 69 projects, with a total estimated cost of US\$688.74 million in the first half of 2020. Out of this, the FDI component and local components amounted to US\$627.52 million and US\$61.22 million respectively. The total initial capital transfers recorded for the period also amounted to US\$55.75 million. The FDI value of US\$627.52 million was a significant increase of 409.10% over the FDI value of US\$123.26 million recorded in the first half of 2019. The investments recorded by the Centre in the first half of 2020 have prospects of generating a minimum of 6,489 jobs. 5,972 (87.2%) of these jobs are to be generated for Ghanaians and the remaining 562 (8.7%) will be for Non-Ghanaians.

Ghana was not only affected by a health pandemic but by the seeming global recession which has resulted in a projected revenue shortfall of about US\$2.35 billion (GHS13.6 billion). For Ghana to survive the effects of the pandemic and to thrive, the government is implementing the Coronavirus Alleviation & Revitalization of Enterprises Support (CARES) programme. This is a three-and-a-half-year recovery and revitalization programme which involves an investment of GHS100 billion, out of which 70% is expected to be funded by the private sector through investments. The CARES programme is expected to impact every facet of Ghanaian lives and set the economy on a recovery path.

GIPC as an investment promotion agency is determined to play a crucial and indispensable role in supporting Governments efforts for developing both domestic and foreign investments through innovative and aggressive investment attraction strategies to support the economic recovery process and the transformational agenda through the Ghana Beyond Aid. Further insights and analysis on investments recorded by the Centre are detailed in the report. – **Yofi Grant, CEO-GIPC.**

**This figure is a consolidation of investments recorded by the Ghana Investment Promotion Centre (GIPC) and the Petroleum Commission*

1.0 Investments recorded by GIPC: first half year, January to June 2020



From January to June 2020, GIPC registered 69 projects with total estimated value of US\$688.74 million. This comprised FDI component of US\$627.52 million and a local component of US\$61.22 million. The total initial transfers amounted to US\$55.75 million. Of the 69 projects registered, 45 were wholly owned foreign enterprises, representing 65.20% with a total estimated cost of US\$127.80 million. The Joint Venture projects between Ghanaians and foreign counterparts were 24, representing 34.78% of the registered projects and with a total estimated cost of US\$560.93 million. A summary is provided in figure 1 above.

1.1 Sectoral distribution: January to June 2020

Out of the 69 projects registered, the services sector, with 25 projects, recorded the highest number of projects. Manufacturing and Export trade sectors followed with 21 and 11 projects respectively. In terms of the estimated cost of investments, the general trading sector recorded the largest value of US\$246.05 million. This was followed by the mining exploration and manufacturing sectors with estimated cost of US\$231.02 million and US\$170.67 million, respectively. The details are provided in figures 2a and 2b.

Figure 2a: Sector breakdown of projects registered (Jan - June 2020)

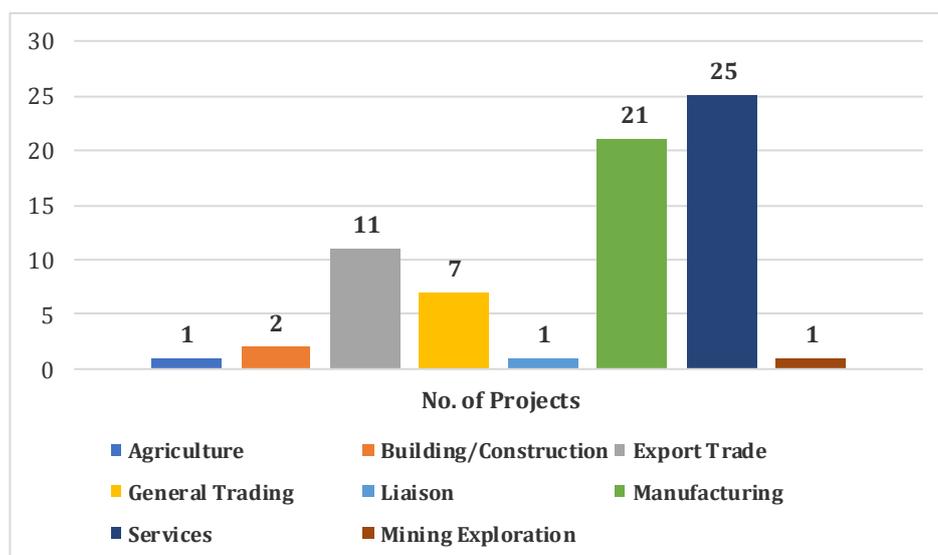
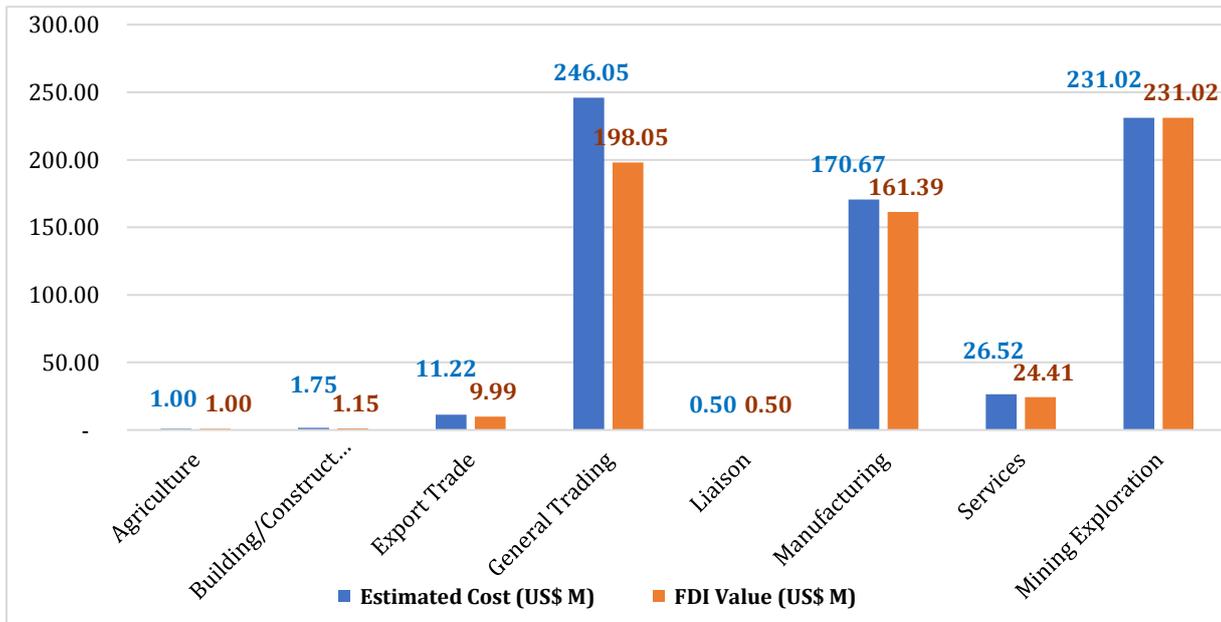


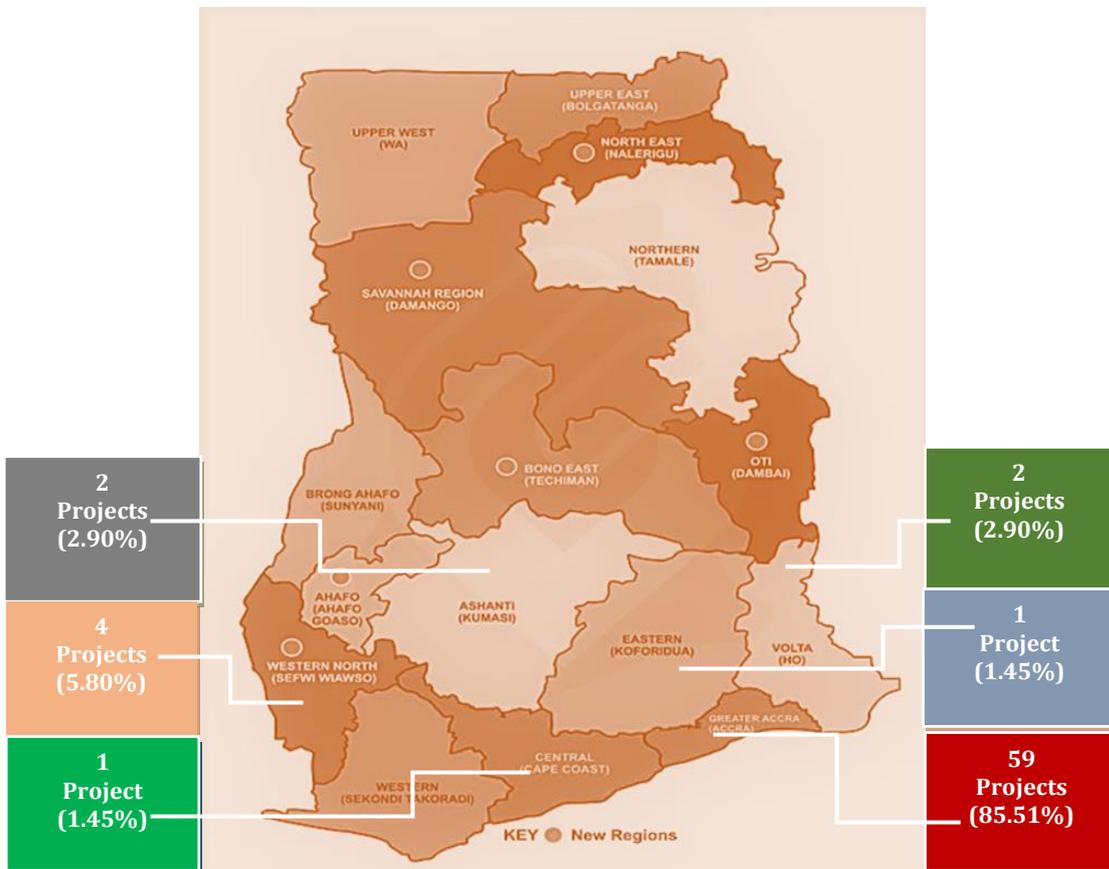
Figure 2b: Sector breakdown of projects by estimated cost & FDI value (Jan - June 2020)



1.2 Regional distribution: January to June 2020

In terms of regional distribution of the projects registered, six (6) regions directly benefited from the 69 projects. 59 projects, representing 85.51% of the projects registered are in the Greater Accra region. The other regions are the Central and Eastern regions with a project each, Ashanti and Volta regions with two (2) projects each and the Western region with four (4) projects. Details are provided in figure 3 below.

Figure 3: Regional distribution of registered projects (Jan - June 2020)



1.3 Employment to be generated: January to June 2020

A total of 14,614 jobs are expected to be generated from the 69 projects registered, with operation at full capacity. 14,052 (96.15%) of these jobs would be available to Ghanaians whilst the remaining 562 (3.85%) are expected to be taken up by non-Ghanaians.

1.4 Sources of Investments: January to June 2020

China, with 12 projects, was the leading source of investments registered by number in the first half of 2020. In terms of FDI value, the United Kingdom, with US\$238.90 million was the country with the largest investment value. Figures 4a and 4b provide details on the top 10 sources of investments by number of projects and FDI value respectively.

Figure 4a: Source of Investments by Number of Projects: Jan - June 2020

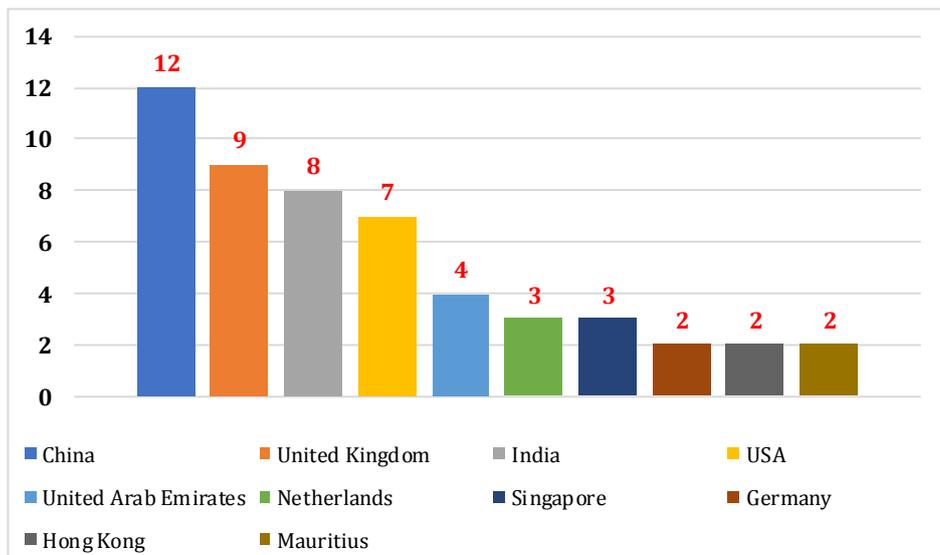
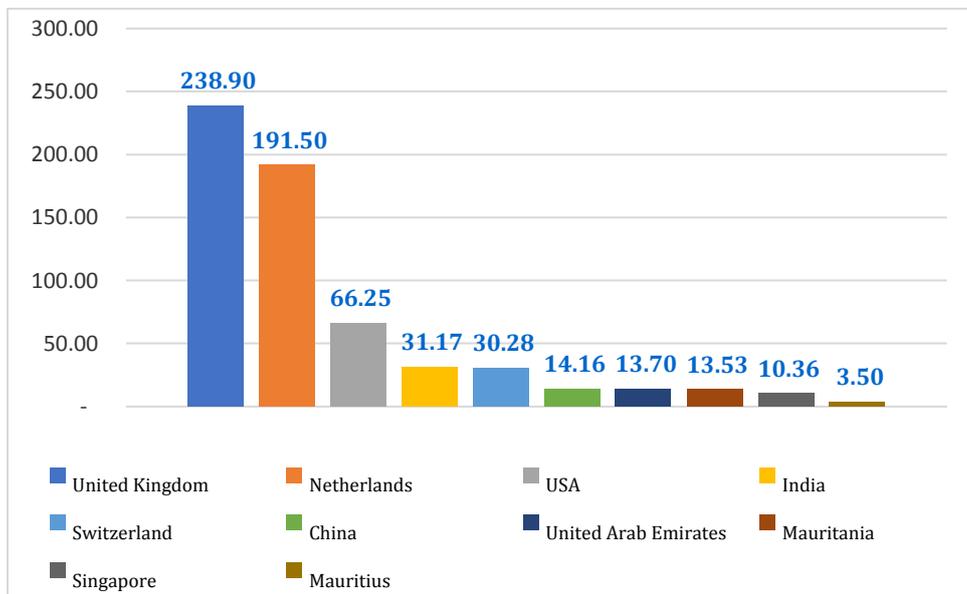


Figure 4b: Source of investments by FDI Value (US\$ M): Jan - June 2020



1.5 Additional Equity brought in by existing companies: January to June 2020

From January to June 2020, already existing companies brought in additional equity (cash and goods) totaling US\$11.56 million.

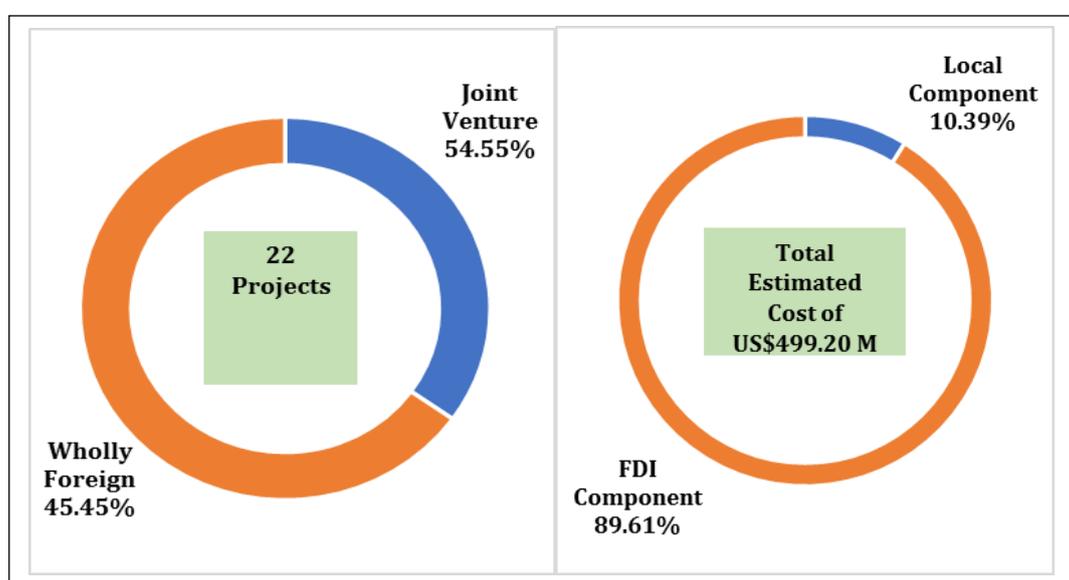
1.6 Registered Wholly Ghanaian Owned Projects

A total of 28 wholly Ghanaian owned projects with total estimated cost of GHC1,365.26 million were registered during the first half of 2020. These projects were registered for the agriculture, building & construction, general trading, manufacturing and services sectors. A breakdown of these projects is provided in table 1 below.

Table 1: Sectoral distribution of wholly Ghanaian owned registered projects

Sector	No. of Projects	Estimated Cost (GHC M)
Agriculture	1	15.75
Building/Construction	1	1,300.00
General Trading	3	1.70
Manufacturing	12	33.66
Service	11	14.16
Total	28	1,365.26

2.0 Investments recorded by GIPC: second quarter, April – June 2020



In the second quarter of 2020, 22 projects were registered by GIPC with total estimated value of US\$499.20 million. This comprised FDI of US\$447.31 million and local component of US\$51.89 million. Total initial transfers amounted to US\$40.49 million. Of the 22 projects registered, 10 were wholly foreign owned, representing 45% of the number of projects and with a total estimated cost of US\$7.57 million. The Joint Venture projects between Ghanaians and their foreign counterparts were 12, representing 55% of the number of projects and with a total estimated cost of US\$491.63 million. Details are provided in figure 5 above.

2.1 Sectoral distribution: April to June 2020

Out of the 22 projects registered in the second quarter of the year 2020, the services sector, with 7 projects, recorded the highest number of projects. Manufacturing and General Trading sectors followed with 6 and 4 projects respectively. Details on this and for estimated cost and FDI values recorded in each of the sectors are provided in figures 6a and 6b below.

Figure 6a: Sector breakdown of projects by number of projects (April – June 2020)

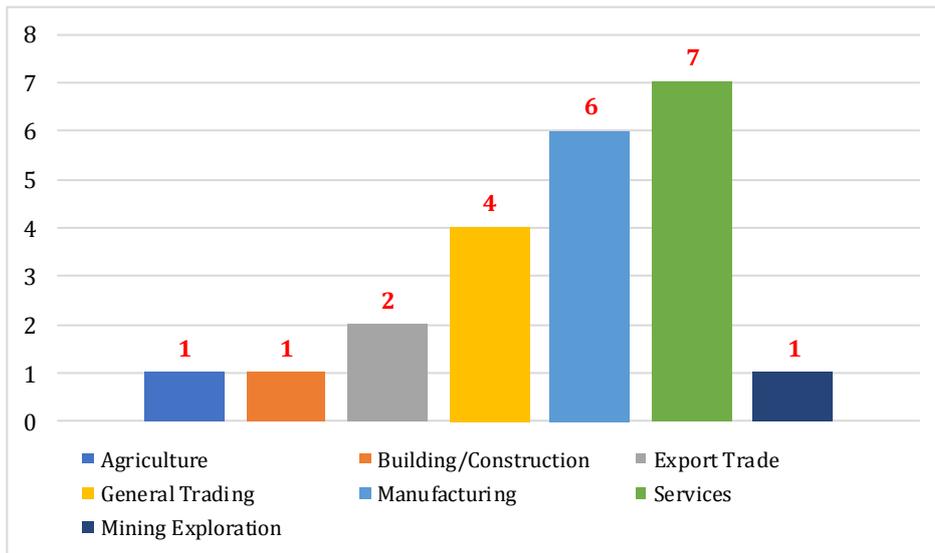
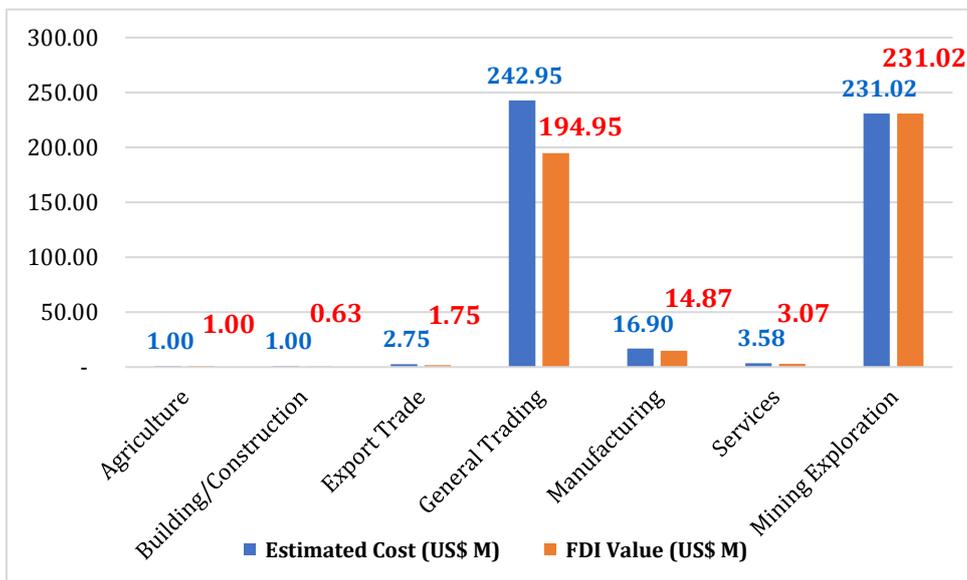


Figure 6b: Sector breakdown of projects by estimated cost & FDI value (April – June 2020)



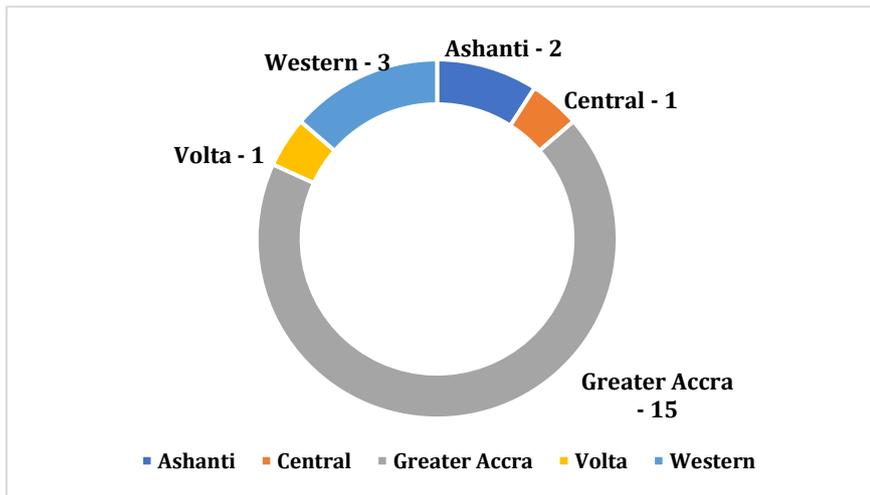
2.2 Employment to be generated: April to June 2020

A total of 1,904 jobs are expected to be generated from the 22 projects registered in the second quarter of 2020, with operations at full capacity. 1,783, representing 93.64% of the total jobs will be for Ghanaians and the remaining 121, representing 6.36% will be for non-Ghanaians.

2.3 Regional distribution: April to June 2020

In terms of regional distribution of the projects registered, five (5) regions directly benefited from the 22 projects. 15 projects registered are in the Greater Accra region. The other regions are the Ashanti, Central, Volta and Western regions. Details are provided in figure 7 below.

Figure 7: Regional distribution of registered projects (April - June 2020)



2.4 Sources of Investments: April to June 2020

China, with 4 projects, was the leading source of investments registered by number in the second quarter of 2020. In terms of FDI value, the United Kingdom, with US\$231.02 million was the country with the largest investment value. Figures 8a and 8b provide details on the top 10 sources of investments by number of projects and FDI value.

Figure 8a: Source of Investments by Number of Projects: April - June 2020

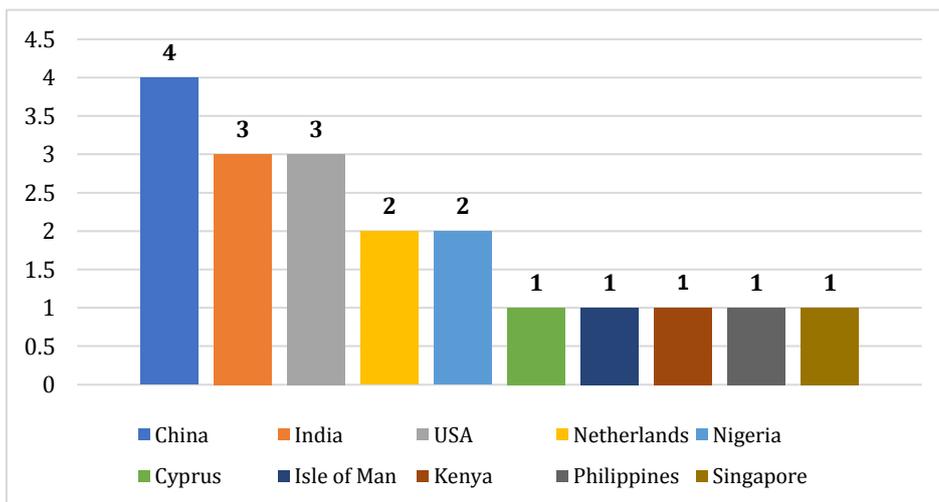
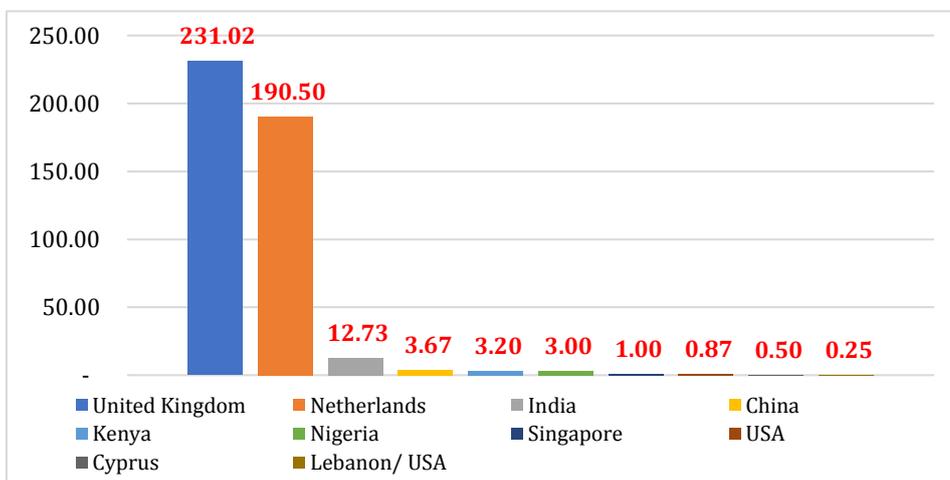


Figure 8b: Source of investments by FDI Value (US\$ M): April - June 2020



2.5 Additional Equity brought in by existing companies: April to June 2020

From April to June 2020, already existing companies brought in additional equity totaling US\$3.02 million.

2.6 Registered Wholly Ghanaian Owned Projects: April to June 2020

14 wholly Ghanaian owned projects with total project value of GHC44.25 million were registered during the second quarter of 2020. These projects were registered for the agriculture, general trading, manufacturing and services sectors. A breakdown of these projects is provided in table 2 below.

Table 2: Sectoral distribution of wholly Ghanaian owned registered projects (April to June 2020)

Sector	No. of Projects	Estimated Cost (GHC M)
Agriculture	1	15.75
General Trading	1	0.50
Manufacturing	7	25.46
Service	5	2.54
Total	14	44.25

3.0 Renewal of GIPC Registration (Q2-2020)

In the second quarter 2020, 143 companies renewed their registration with the Centre. Under the GIPC Act, companies are required to renew their certificates after every two years. Out of the 143 companies that renewed their registrations, 102 were wholly foreign companies, 29 were Joint Venture companies involving Ghanaians and 12 were wholly Ghanaian companies.

4.0 Some Notable Projects registered: Jan to June 2020

- **EPL Power Operations Limited:** This is a joint venture between the Netherlands and Ghana with total estimated cost of US\$ 238 million. It entails operation and maintenance of bridge, power project and related activities.
- **Chirano Gold.** With estimated cost of US\$ 231.05 million, this project entails the exploration of minerals.
- **Matrix Industries:** This project involves the manufacturing of paper products, aluminium products and packaging of products. The project is a Joint Venture between India and Ghana and is estimated at US\$ 11.4 million.
- **Rainbow Paints Limited.** A Joint Venture project between Kenya and Ghana involved in manufacturing of paints, paints coating and its related products. Its estimated cost is estimated cost of US\$ 4.2million.
- **Magnate Precious Metals Limited.** This is a Joint Venture (China and Ghana) project entailing the export of gold and other precious metals. The total estimated value is US\$ 2.6 million.
- **K-Frontiers Limited.** The project activity entails general trading, I.T services and real estate development. It is a wholly owned Nigerian project with estimated cost of US\$ 2 million.
- **Karida Agro Trading Company Limited.** The project involves the importation and sales of agro chemicals, farm machinery and general agriculture. The total estimated cost is US\$ 1.5 million.

5.0 Highlights of Programmes and Activities: April to June 2020

As a result of the ongoing global COVID-19 pandemic and related restrictions on events and mass gatherings, most of GIPC initiated events were put on hold. However, following the easing of restrictions and the advent of conducting programmes virtually and per COVID-19 protocols, the Centre participated in some events. Table 3 below provides details on some of these events.

Table 3: Events participated in by the Centre (April to June 2020)

<i>DATE</i>	<i>EVENT/SUMMARY</i>
6th May	Ghana, 2020 Finance Summit Building a resilient Ghana - A Diaspora Affair: Ghana, 2020 Finance Summit
2nd June	Energy Catalyst Webinar Innovate UK - Energy Focus Business Development Visit to Ghana
2nd June	Israel – West Africa Forum Continent of tomorrow series: opportunities – West Africa
1st – 30th June	The month-long festival of virtual business forums and on-air activities sought to provide inspiration, business ideas and information for persons who are starting, building, or growing their businesses.
26th June, 2020	United Capital Webinar Fostering Innovative Cross - Border Solutions for Africa
27th June	EBN Engine Business Network for UN MSME Day 2020 Micro, Small and Medium-Sized Enterprises Day Virtual Conference hosted by the Engine Business Network under the theme MSME Manufacturing Capabilities Responding to COVID-19 and Opportunities Beyond the Pandemic
29th June- 5th July	China-Africa Digital Trade Week 2020 The China-Africa Digital Trade Week provided the platform for exporters, as well as the business community to come together and network with global companies and fellow professionals to discuss the latest market trends, cutting-edge production and processing technologies.

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