

2nd September 2024

GIPC CLARIFIES REVENUE POSITION AMIDST ALLEGATIONS

The Ghana Investment Promotion Centre (GIPC) has reviewed the recent write-up by Bright Simons and wishes to provide clarifications on the matters discussed.

Technology Transfer Agreements (TTAs)

Nature and Registration of TTAs:

Clarification: Technology Transfer Agreements (TTAs) involve a Ghanaian company (the Transferee) and a foreign company (the Transferor) for the provision of services, including industrial property rights, technical services, know-how, and management services, for a minimum duration of 18 months. The Transferee is required to pay fees to the Transferor for these services.

GIPC's Role: Contrary to the claims made, the GIPC does not 'validate' TTAs. According to the GIPC Act 2013 (Act 865), the GIPC's role is to register and maintain records of all TTAs. We do not estimate or set the value of technology to be transferred. The parties involved in the TTA determine the fees based on the thresholds set by the TTA Regulations (LI 1547, 1992).

Fees and Charges:

Clarification: The fees paid to the GIPC for registering TTAs are based on the fees set by the parties to the TTA, within the established thresholds, and the duration of the agreement. According to the Fees and Charges Regulations 2023, these fees are specified in Ghanaian cedis and must be paid in cedis.

According to the Fees and Charges Regulations 2023, all fees for services provided by the Ghana Investment Promotion Centre are specified in Ghanaian cedis and must be paid in cedis. The Centre does not accept payments in dollars. If you have any further questions about the fee structure or payment methods, it might be helpful to consult the specific regulations or contact the Centre directly for more detailed information.

Internally Generated Funds (IGF)

Generation of Funds:

Clarification: The GIPC consistently generates funds through its services. For the second quarter of 2024, the Centre generated GHC 34,075,323 from its service offerings. However, 34% of this amount is

For further information, please contact the Public Relations Division via

Phone: 0302- 665125-9

Email: pr@gipc.gov.gh

Connect with us on  @ghanagipc    @gipcghana  @gipc

transferred to the Ministry of Finance in accordance with the Capping and Realignment Act 2017, while the remaining 66% is retained for the Centre's operations.

Moreover, the recent enactment of the Exemptions Act 2022 (Act 1083) has significantly reduced the Centre's revenue. The processing of exemptions, previously a major revenue source, has now been shifted to the Ministry of Finance and Parliament. This change has thus resulted in a substantial decline in the GIPC's overall income.

Nonetheless, the claim by Bright Simons suggesting that the GIPC generated no funds during this period is incorrect.

Donor Funding:

Clarification: In the second quarter of 2024, the GIPC received over GHC 5,378,251 in donor support. Thus, the assertion that we received zero donor funding during this period is not accurate.

Enhancing the Business Environment

Advocacy and Policy Shaping:

Clarification: The GIPC has actively engaged in advocacy and facilitation to improve the business environment. We have organized strategic stakeholder fora, such as the CEO's breakfast series, to push for reforms that positively impact the investment climate.

Aftercare Division: Over the past three years, we have established an Aftercare Division to assist investors in overcoming business environment challenges.

Economic Challenges:

Clarification: The GIPC cannot be held accountable for the current economic challenges. The Central Government has provided detailed explanations and strategies to address these issues, as outlined in the mid-year budget statement and other reports. The GIPC continues to fulfil its promotional and advocacy roles, contributing to the steady influx of foreign direct investment (FDI) and domestic direct investment (DDI) as reported in our quarterly updates.

For further information, please contact the Public Relations Division via

Phone: 0302- 665125-9

Email: pr@gipc.gov.gh

Connect with us on  [@ghanagipc](https://www.facebook.com/ghanagipc)    [@gipcghana](https://www.youtube.com/@gipcghana)  [@gipc](https://www.linkedin.com/company/gipc)

UAE Investments

Investment from UAE:

Clarification: The claim that UAE investors have avoided Ghana throughout 2023 and 2024 is incorrect. In 2023, Ghana received three investments from UAE in the services sector, including healthcare, business process outsourcing (BPO), and data services, totaling US\$1.8 million. For the first half of 2024, two (2) projects have been recorded from UAE/Mauritius and UAE in the services and general trading sectors, with a total FDI value of US\$11.51 million.

Instead of pushing to become a fully tax-funded agency, GIPC needs to review its bouquet of services carefully and ask itself: if we were savvy investors, would we pay for any of this?

Clarification:

- The GIPC is not advocating to become “fully tax-funded agency” but seeks a more substantial and stable funding source. While the Centre currently receives funds through its fees and services (Non-Tax Revenue), the recent Exemptions Act has reduced its income. To ensure operational stability and sustainability, the GIPC is requesting increased government funding.
- Reliance solely on Internally Generated Funds (IGF) exposes the GIPC to various risks. Economic fluctuations, changes in investor behavior, and shifts in market conditions can significantly impact revenue generation. This instability can hinder the Centre's ability to fund its activities effectively and plan for the long term.
- Many successful Investment Promotion Agencies (IPAs) worldwide are fully funded by their governments. This model enables IPAs to focus on strategic goals and investment promotion without financial constraints. Government funding provides the resources necessary for comprehensive investment strategies, effective investor support, and extensive market research. This ultimately leads to more successful investment attraction and retention, benefiting the overall economy.

Conclusion:

The point must be made that GIPC is a state institution under the Presidency whose key function is marketing Brand Ghana and its investment opportunity - a job the GIPC has executed creditably over the past few years.

The GIPC's role in attracting Foreign Direct Investment (FDI) is pivotal. For instance, in 2023, the FDI facilitated by the Centre was estimated to create approximately 13,523 jobs.

For further information, please contact the Public Relations Division via

Phone: 0302- 665125-9

Email: pr@gipc.gov.gh

Connect with us on  @ghanagipc    @gipcghana  @gipc



Furthermore, GIPC also supports domestic businesses by providing crucial information, incentives, and support. This has led to the registration of sixty-two (62) wholly Ghanaian-owned projects in 2023, with an estimated value of US\$3.89 billion.

A more sustainable funding would further empower the GIPC to expand its efforts in promoting both domestic and foreign investment. This would enable the Centre to provide greater support to existing enterprises, facilitate the establishment of new businesses, and contribute to economic diversification and resilience. Ultimately, this would lead to increased job creation, greater capital inflow, and sustained economic growth and stability.

The GIPC remains committed to transparency and accuracy in our operations and communications. We hope this response clarifies the issues raised and provides a factual account of the Centre's activities.

For further information, please contact the Public Relations Division via

Phone: 0302- 665125-9

Email: pr@gipc.gov.gh

Connect with us on [f](https://www.facebook.com/ghanagipc)@ghanagipc [t](https://www.twitter.com/ghanagipc) [i](https://www.instagram.com/ghanagipc) [y](https://www.youtube.com/ghanagipc)@gipcghana [in](https://www.linkedin.com/company/gipc)@gipc