Association of Ghana Industries (AGI)

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Ghana Business Climate - Overview

GHANA

- Witnessed 7 peaceful elections since 1992
- Stable multi-party democracy since 1992
- Proximity to both European & American markets
- Most preferred investment destination and strategic point of entry into sub-region
- Diverse and abundant natural resources (Gold, Timber, Cocoa, Oil)
- Population - 28,308,301 (2016 estimate)
- GDP (nominal) - $49.226 billion
- GDP (per capita) - $1,697
- Currency - Ghanaian cedi (GHS)
AGI – Who we are

AGI, the leading voice of the private sector in Ghana. Established as a not for profit private sector organization. Speaks for 1500 member companies in Gh.

KEY MILESTONES

1958
Formed as Federation of Ghana Industries by 10 indigenous industrialists
Founding president: The late Dr. Esther Oclooo

1961
Membership extended to non-Ghanaian industrialists.
Change of name to Ghana Manufacturers Association

1984
Service industry invited to join. Change of name to Association of Ghana Industries (AGI)

2008
50th Anniversary - Further evaluation of performance, amendment of AGI Regulations and developing a strategic plan to guide our operations for next 5yrs

2018
AGI @ sixty Anniversary – On going celebrations for industries in Ghana
Overview

The business climate in Ghana

1. What are key drivers of successful economic growth in Ghana?

- Policies
  - Investment policy,
  - Monetary/fiscal policy,
  - Energy,
  - Natural resources,
  - National Export Development Strategy
  - Also stable political regimes, 1992 to date, boosted investor confidence

- Institutions
  - Ghana Investment Promotion Centre
  - Ghana Export Promotion Authority
  - National Development Planning Commission
  - Ministry of Trade & Industry
  - Ministry of Energy
  - Ministry of Finance
  - Bank of Ghana
Overview
The business climate in Ghana

1. What are key drivers of successful economic growth in Ghana?
   ▪ Key Investment related legislation in Ghana includes the following:
     - Ghana Investment Promotion Centre Act 2013, (Act 865)
     - Technology Transfer Regulations, 1992, (LI 1547)
     - Transfer Pricing Regulations, 2012 (L.I. 2188)
Overview

The business climate in Ghana

2. What measures exist to support foreign investment?
   - Tax incentives on equipment & machinery,
   - Free Zones
   - Upfront relief of VAT for manufactures (AGI members)
   - Qualified and trainable workforce

3. What are some recent examples of successful foreign investment initiatives?
   - ENI
   - Sentuo steel
   - Touton Cocoa
   - Ghana Port Expansion Project - China Harbour Engineering Company (marine contractor)
Partnerships

What are some areas of potential partnership?

Construction sector
Energy sector (power generation)
Oil & Gas sector

(Agriculture)
Agro-processing
Health sector
Tourism

(Housing deficit of 1.7 million housing units)
(increase renewable energy from <1% to 10% by 2020)
Entry points

What would be next steps for a foreign investor?

**Step 1: Business Registration at Registrar General's Department (RGD)**

- Complete the relevant Application Forms, which serve as the Company’s Regulations.
- Get an independent auditor, with the following qualifications and conditions:
  - Must be a member of the Institute of Chartered Accountants,
  - Not an employee, officer or servant of the company
- Pay relevant fees for a **Certificate of Incorporation** to be issued if all documents are satisfies the applicable laws.
Entry points

What would be next steps for a foreign investor?

Step 2: Register with the Centre (GIPC)

- The GIPC is responsible for registering all FDIs in Ghana.
- **Follow Application Procedure**
  - Investors are required to complete
  - **Investor Registration Forms (Form GIPC/R1)** in duplicate.
  - Pay relevant fees for the type of registration
  - Within five (5) days from the date of orderly receipt of these forms
  - (and its attachments) the GIPC will formally register the investment.
Entry points

What would be next steps for a foreign investor?

Information: Cost of setting up a business in Ghana

- Joint-venture - $200k minimum foreign equity
- Wholly Foreign - $500k minimum foreign equity
- General Trading - $1M minimum foreign equity
- Renewal (Every 2 years) - Joint Venture & Foreign Owned
Diversity of AGI Sectors

1) Advertising
2) Agri-Business
3) Automotive & Transport Services
4) Chemicals
5) Energy
6) Food
7) Beverages
8) Financial Services
9) Garments, Textile & Leather
10) Hospitalities & Industry
11) Information & Communication Technology
12) Environmental and Sanitation
13) Metals, Building
14) Construction
15) Oil & Gas Services
16) Business Promotion & Consultancy Services
17) Pharmaceuticals
18) Printing, Stationery & Packaging
19) Rubber & Plastics
20) Toiletries & Cosmetics
21) Export sector
22) Wood Processing
23) Associates
AGI’s Role

- Business linkages, networking and matchmaking
- Industrial partnerships
- Advocacy
- Business upgrade and capacity building support
- Business information and market research
- Business Summits & Exhibitions
Ghana Investment Promotion Centre
Public Service Commission Building
Ministries, Accra

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