

BUSINESS OPPORTUNITIES IN GHANA

POLISH BUSINESS VISIT TO GHANA



- **Mandate of GIPC**
- **Collaborating Institutions**
- **The Ghana Advantage**
- **The Investment Environment**
- **Key Drivers of the Economy**
- **Business Reforms**
- **Major Investment Opportunities**
- **Polish Investments in Ghana**
- **Steps to Investing in Ghana**
- **Incentives and Guarantees**
- **Ghana's Tax Code**
- **Ghana on the Go**





The Ghana Investment Promotion Centre (GIPC) is a government agency established under **Act 865** to promote, coordinate and facilitate investment in the Ghanaian economy.

Our functions include:

- Investment advisory services
- Joint venture search
- Identification of specific projects for investment promotion
- Grant of investment incentives and provision of investor support services
- Registration of technology transfer agreements
- Negotiation of Bilateral Investment Treaties





Regulatory Institutions:

- **Ghana Free Zones Board** - established by an Act of Parliament (Act 504) in 1995 to enable the establishment of free zones in Ghana for the promotion of economic development, to provide for the regulation of activities in free zones and for related purposes.
- **Minerals Commission** - a government agency established under Article 269 of the 1992 Constitution and the Minerals Commission Act 1993, Act 450 as the main promotional and regulatory body for the minerals sector in Ghana.
- **Petroleum Commission** - established by an Act of Parliament, 2011 (Act 821) as a result of hydrocarbon discoveries in commercial quantities, to regulate and manage the utilization of petroleum resources and, coordinate the policies in the upstream petroleum sector.
- **Implementing Agencies** - the Bank of Ghana, GEPA, Ghana Immigration Service, Registrar General Department, GRA, EPA and Ghana Standards Authority.

Private Sector Associations:

- **Private Enterprise Federation** - PEF services the development needs of the private sector through advocacy for efficient allocation of the country's resources and provision of requisite business development support services for a sustainable private sector led national economic development.
- **Association of Ghana Industries** - Advocating for policies that advance the growth and development of industries.
- **Ghana Chamber of Commerce** – Serves as the voice of the business community; promotes and protects the interest of members by fostering ethical practices in commerce, trade and services through advocacy and ensuring adherence to quality.
- **Ghana Chamber of Mines** - The Chamber represents the collective interests of companies involved in mineral exploration, production and processing in Ghana.



- A stable democracy
- West Africa's 2nd largest economy and market
- Access to 350-400million ECOWAS Market
- Best destination for ease of doing business in West Africa World Doing Business Report 2016
- Named in the top 5 destinations for doing business in Sub-Saharan Africa
- Easy flight connections to Europe, Middle East, The Americas and Asia
- Highly skilled and trainable labour



THE INVESTMENT ENVIRONMENT!



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Government continuous to strive to position Ghana to attract a fair share of investment by creating a conducive environment for investment. Some of the measures are:

- Transparent legal and regulatory framework for doing business
- Macroeconomic stability to reduce uncertainty and distortions
- Adherence to the rule of law
- A well functioning judicial system
- Prudent management of windfall gains, especially from natural resources
- Quality of institutions and efficient infrastructure, financial and business support services
- Capability to absorb foreign technology
- Strong competition in domestic markets
- Openness of economy



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KEY DRIVERS OF THE ECONOMY

Ghana has in the last two decades experienced consistent positive economic growth.

- Ghana's 5 year average GDP growth rate is **7.7%**
- Sub-Saharan's 5 year average GDP growth rate is **4.72%**
- 5 year global GDP average is **2.72%**

Source: Ghana Statistical Service

SECTORS DRIVING THE GROWTH OF THE GHANAIAN ECONOMY	
MAIN SECTORS	% of GDP
Services	54.1
Industry	26.9
Agriculture	19

KEY DRIVERS OF THE ECONOMY



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The growth in the Services sector is driven by strong growth in;

- Financial services
- ICT
- Education
- Health
- Real Estate



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KEY DRIVERS OF THE ECONOMY



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The strong growth performance of the Industry Sector is driven by the following sub-sectors;

- Construction
- Water & Sewerage
- Electricity Generation
- Petroleum



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Ghana improved its ranking in the World Bank's Doing Business Report 2016 ahead of Cote d'Ivoire and Nigeria. Reforms include;

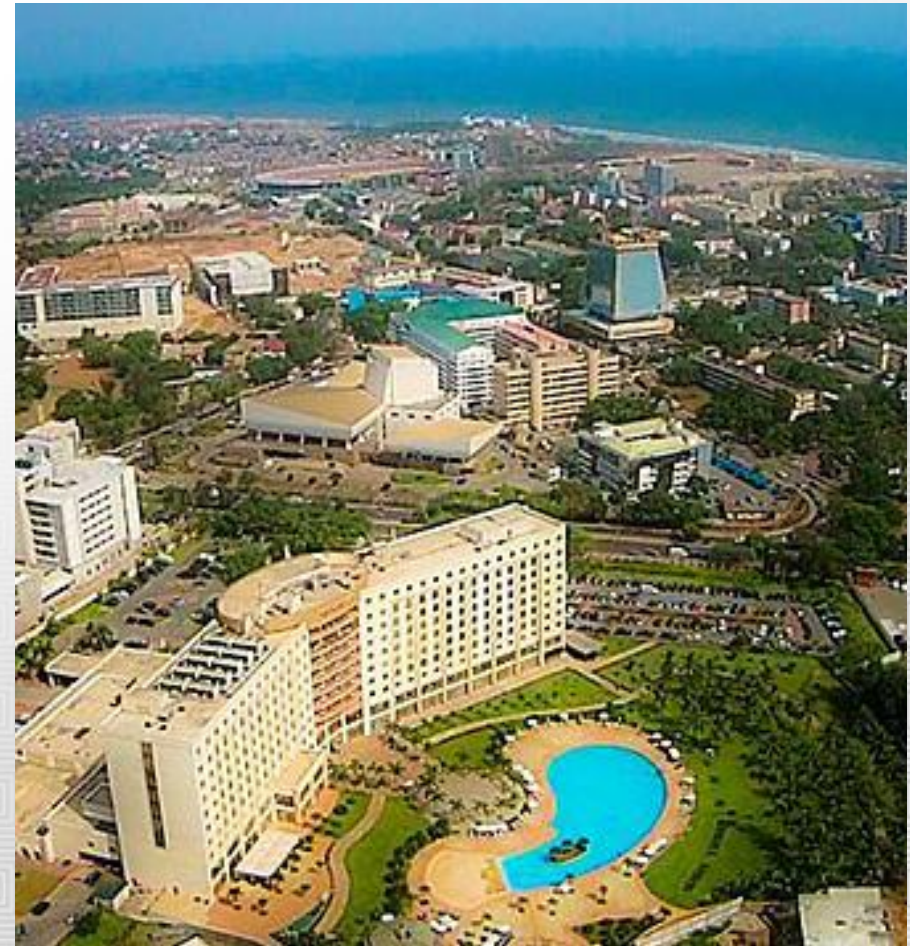
- Reduction in documentary and border compliance time for importation.
- Upgrading infrastructure at the Tema Port
- Streamlining process for acquiring construction permits
- Removal of minimum equity for manufacturing and export trade companies under the GIPC Act 865

PRIORITY SECTORS FOR INVESTMENT



**BUSINESS
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- **Agriculture and Agro-Processing**
- **Manufacturing**
- **Tourism**
- **Energy**
- **Transportation**
- **Financial Services**
- **ICT**



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Agriculture and Agro-processing

- Vegetable oil meals plants
- Crop Production
- Poultry Production
- Aqua Culture
- Livestock feeds & fishmeal
- Packaging
- Cocoa beans and waste processing into liquor, beverages, fertilizer etc
- Irrigation and storage facilities
- Mechanized equipment for leasing





Manufacturing

- Food & Food processing establishments
- Pharmaceuticals manufacturing
- Manufacturing of spare parts for the oil & gas industry
- Electronic design & Development





Tourism

- Hospitality, Food and Beverage, Transport, Travel, Financial Services, Medical Services
- Entertainment, Leisure and Sports
- Shopping, Meeting Facilities
- Information Shops, Cultural Centers
- Training institutions for the Tourism sector





Financial Services

- Specific Financial Institutions dedicated to the oil & gas sectors
- Focal Areas include:
 - Insurance
 - Asset Financing Companies
 - Leasing Companies
 - Universal Banking



ACCRA FINANCIAL CENTRE



SERVICES – ICT

- Development of 2 Science and Technology Parks (STPs) in Ghana
- Biotechnology and Precision & Engineering
- Education: software development, networking, VSAT, telecom and IT Engineering
- Business Processing Outsourcing
- Back Office operations





MEDICAL SERVICES

- General health facilities
- Specialised health facilities
 - Cardio
 - Orthopedic
 - Oncology
- Medical diagnostic centers





Railways

The rail industry has a total track length of 1,300km and operates a route length of 940km. The government of Ghana has placed a special emphasis on reviving and developing this area.

- Redevelopment, modernization and expansion of the railway network .
- Linking south to north





Property Development

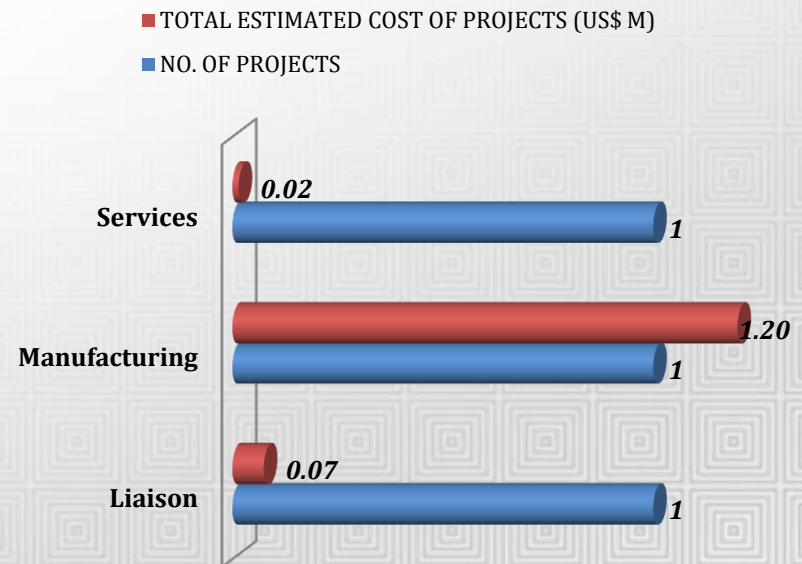
- Deficit of over 1.7m units
- Annual Demand is over 200,000
- Annual Production is over 70,000 units
- Opportunities in residential, industrial and commercial
- Other opportunities
 - Physical infrastructure
 - Affordable housing
 - Water treatment plants





- The GIPC has registered only **2** Polish projects and **1** other project which is a joint venture between Poland and Britain for the period of Sept 1994 to March 2017.
- The total estimated value of these **3 projects** is US\$1.29 million

Sector distribution of Polish registered investments by GIPC for the period Sept 1994 to March 2017



INVEST IN 3 EASY STEPS

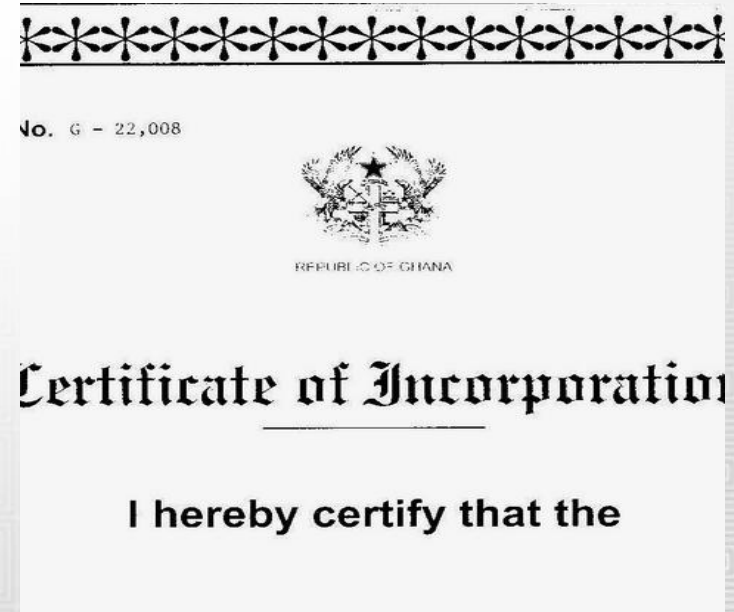


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Step 1 - Registration with Registrar General's Department

Step 2 - Minimum Equity Contribution

Step 3 – Registration with GIPC



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MINIMUM CAPITAL REQUIREMENT



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Joint Venture (JV) with Ghanaian partners are encouraged, 100% foreign participation is permissible.

Equity:

- US\$200,000 for JV with Ghanaian partner
- US\$ 500,000 for 100% foreign ownership
- US\$ 1,000,000 for Trading Activity



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Exemptions:

- Portfolio Investment
- Manufacturing and Export Trade Enterprises
- Foreign Spouse of a Citizen of Ghana
- Dual Nationals



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AUTOMATIC EXPATRIATE QUOTAS



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Automatic immigrant quotas depending on paid-up capital

- US\$ 50,000 – US\$ 250,000 – 1 quota
- US\$ 250,000 – US\$ 500,000 – 2 quotas
- US\$ 500,000 – US\$ 700,000 – 3 quotas
- Above US\$ 700,000 – 4 quotas



Locational Incentives for Agro Processing Companies

After the 5-year concessionary period (1% for 5 years from start of operation), agro-processing enterprises which use, agricultural raw materials as their main inputs, shall have corporate tax rates fixed according to their location as follows:

- Accra – Tema 20%
- Other Regional Capitals (except Northern, Upper East and Upper West Regional Capitals) 15%
- Outside Regional Capitals 10%
- Northern, Upper East and Upper West Regions (capitals and all other locations) 5%



- **Locational Incentives for Manufacturing Companies**

Manufacturing industries located in regional
Capitals other than
Accra and Tema

25%

Elsewhere

50%

- **Incentives for Strategic Investment** – investment with a minimum capital of US\$50 million and above. [as indicated in Section 26 (4) of the GIPC Act 2013 (Act 865)]

INVESTMENT INCENTIVES & GUARANTEES



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- Full repatriation of dividends and net profit attributed to investment
- Transfer of funds in respect of servicing of foreign loans
- Guarantee against expropriation
- Remittance of proceeds in the sale or liquidation of investment
- Custom duty exemption
- Accelerated depreciation for plants and buildings, five-year loss carry-over and R&D expenditure deductibility
- Relief from double taxation for foreign investors and employees where applicable
- Locational incentives (tax rebates)
- Incentives for strategic investment



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Tax Rates	Percentage (%)
General Corporate Tax	25%
Companies Listed on the GSE	22%
Free Zone Enterprises	15% (After 10 year Tax Holiday)
Manufacturing Companies	25%
Companies Engaged in Non-Traditional Exports	8%
companies Producing Cocoa By-Products	25%
Agro-Processing Companies	25% (after 1% for the 1 st 5 years)
Venture Capital Financing Company	25% (after 1% for the 1 st 10 years)
Unit Trust Scheme and Mutual Fund	25% (after 1% for the 1 st 10 years)
Waste Processing	25% (after 1% for the 1 st 10 years)
Withholding Tax on Dividends	8%
Withholding Tax on Supply of Services	7.5%

GHANA ON THE GO!



BUSINESS
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- Ghana is open for Business
- There is strong Government support for investors
- There is transparent and functional legal framework to ensure the success of every investment.

Ghana
On the go!



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THANK YOU



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