

GHANA INVESTMENT PROMOTION CENTRE

THIRD QUARTER 2008 INVESTMENT REPORT (1 JULY TO 30 SEPTEMBER 2008)

Foreword from the CEO

Ghana goes to the polls this December with a national wish for peaceful elections as has been enjoyed since the return of multi-party politics in 1992. Our country has come a long way; the political stability and renewed confidence we witness today has contributed enormously to our economic progress. As our results throughout this year show, local and international investors are confident that their investment in Ghana is safe and growing. Of course there are still challenges, but Ghana is committed to addressing these in a proactive and effective manner.

For the third year running, Ghana has proudly featured in the top 90 countries in the world in which to do business. We have become more business-friendly: We have reduced the number of procedures to start a business, abolished the requirements to register employment vacancies and eliminated the previous requirement to obtain a company seal. The process of reform is ongoing and the Government of Ghana is committed to continuous improvement. I invite you to be part of what makes Ghana such an attractive investment destination.

- Robert Ahomka-Lindsay

1.1 Summary

New Investments

The total new investments for the 3rd quarter (1st July to 30th September 2008) was **GH¢1.38 billion (US\$1.38billion)** - comprising **GH¢407.41 million (US\$407.41 million)** worth of reinvestments (capital goods imported) and **GH¢972.10 million (US\$972.10 million)** equity transfers for new projects registered

during this quarter and existing investments. 82 new projects were registered during the quarter under review, out of which 2 were liaison offices. For the corresponding quarter in 2007, the total new investments was **GH¢851 million (US\$868.37 million)** with 80 projects registered, an increase of over **60%**.

Estimated Value of Projects

The total estimated value of this quarters new investment was **GH¢1.58 billion (US\$1.58 billion)**, over **680% increase** from **GH¢175million (US\$190.22million)** recorded for the same period in 2007.

1.2 Structure of Companies

Of the 82 projects registered during the quarter, 51, representing over 60%, are new wholly-owned foreign enterprises, with the remaining 31 projects being joint ventures between Ghanaians and their foreign partners. The joint venture projects are valued at **GH¢1.3 billion (US\$1.3) billion**, whilst the 100% foreign owned enterprises are valued at **GH¢280.94million (US\$280.94million)**.

Sectoral Composition of New Projects

Sectors	New Registered Projects	Estimated Value (US\$)	% of Total Value
Agriculture	4	900,956	0.06
Build./Const	7	3,561,954	0.23
Export Trade	7	2,585,179	0.16
General Trading	17	6,537,314	0.41
Liaison Offices	2	110,000	0.01
Manufacturing	13	9,788,103	0.62
Service	28	1,557,157,848	98.50
Tourism	4	330,602	0.02

TOTAL	82	1,580,971,956	100.00
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1.3 Highlights

Examples of projects attracted during the quarter:

***Vodafone International Holdings B.V. in partnership with Ghana Telecom** – Provision of telecommunication services with an estimated project value of **GH¢1.29 billion (US\$1.29 billion)**

***Advans Ghana Savings & Loans Ltd** – provision of Micro-finance services with an estimated project value of **GH¢8.85 million (US\$8.85 million)**



***MDS – Lancet Laboratories (GH) Limited** – provision of medical laboratory diagnostic services with a total project value of **GH¢1.43 million (US\$1.43 million)**.

Investor Profiles

MDS-Lancet Laboratories (GH) Limited

MDS-Lancet Laboratories (GH) Limited is a joint venture between **Quest Healthcare Limited**, a Ghanaian medical



diagnostic services company and **Lancet Laboratories South Africa**, an internationally accredited medical laboratory company. Lancet Laboratories, South Africa has done business with Quest Healthcare Limited, Ghana

since the year 2004. Their success has led MDS-Lancet to invest over one million U.S. Dollars in state of the art medical laboratory services in Ghana with the intention of using our country as a gateway to the West Africa sub-region. MDS-Lancet (GH) started its operations in its new facility in the Greater Accra region from 10th August 2008.

According to Dr. Paul Sekyere-Nyantakyi, Chief Executive Officer of MDS-Lancet, the company decided to invest in the medical diagnostic services because clinical laboratory tests form an integral component of the healthcare process.

When asked about doing business in Ghana, Dr. Paul Sekyere-Nyantakyi said “our experience with GIPC was very good and our strong local partner and management team helped us with challenges with bureaucracy associated with doing business in the country”. He however said lack of public awareness of the need for medical laboratory testing and the alleged poor fees paid by the National Health Insurance Schemes to private laboratories in the country were some of the challenges associated with the young medical insurance system of Ghana.

The investment project of MDS-Lancet has created over 40 jobs for Ghanaians and is expected to create over 100 jobs at full capacity. MDS-Lancet laboratories is poised to help improve on healthcare delivery in Ghana.

Vodafone International Holdings B. V.



In the third quarter of 2008, GIPC registered investment worth **GH¢1.29 billion (US\$1.29 billion)** by Vodafone in Ghana Telecommunications Company Limited. Vodafone International Holdings B. V. is a wholly-owned subsidiary of Vodafone Group Plc which is based in the United Kingdom. It has acquired 70% shares in Ghana Telecommunications Company Limited, popularly known as Ghana Telecom.

Vodafone is one of the world’s leading mobile telecommunications companies with a significant presence in Europe, the Middle East, Africa, Asia Pacific and the United States of America.

*** GH¢1.00 = USD1.00**

Vodafone intends to assist in the expansion of the mobile and Internet service capabilities of Ghana Telecom to meet the rapidly expanding requirements of Ghana and the Ghanaian people. Its Chief Executive Officer, Arun Sarin, in a comment on the acquisition of Ghana Telecom stated that, “Ghana is one of the most attractive markets in Africa with mobile subscribers growing at more than 55% p.a. and mobile penetration around 35%. Their extensive operating experience together with their portfolio of products and services position them well to deliver a superior mobile experience to Ghanaian customers and significantly improve financial performance”. He also stated that, their investment will generate substantial benefits for Vodafone and for the Ghanaian economy.

1.4 Foreign Direct Investment

The FDI component of the estimated value of the projects registered during this quarter is **GH¢1.20 billion (US\$1.20 billion)**, which is 99.63% of the total cost, and a local currency component of **GH¢4.44million (US\$4.44million)**, representing 0.37% of the estimated cost of the projects.

The total foreign equity transfers (new and existing projects for the quarter) was **GH¢972.10million (US\$972.10 million)**. This brings the total of equity transfers for the first three quarters of 2008 to **GH¢998.08million (US\$998.08million)** as compared to **GH¢29million (US\$31.52million)** for the same period in 2007.

1.5 Sources of FDI

India topped the list of countries with the highest number of projects registered during this period. Netherlands lead in the value of investments for the first time this year.

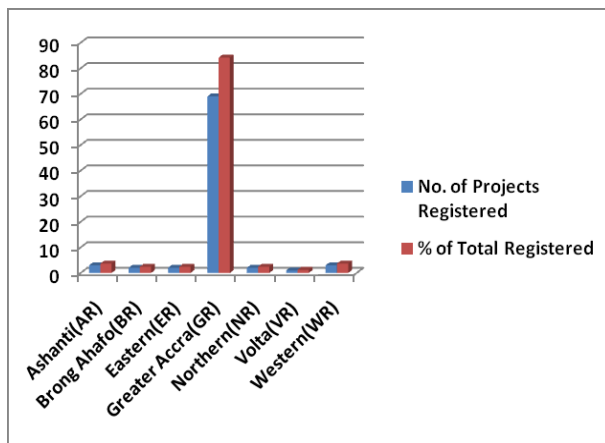
Top Ten Investor Countries (July – Sept 2008)

COUNTRY	REG'D PROJEC TS	COUNTRY	VALUE OF PROJEC TS (US\$M)	
1	India	13	Netherlands	1,287.56
2	Nigeria	10	Nigeria	257.12
3	China	9	Luxemborg/ Germany/U SA	8.85
4	France	7	Britain	7.79
5	Britain	6	France	3.23
6	Lebanon	6	Singapore	2.99
7	South Africa	5	India	2.84
8	U.S.A	4	South Africa	2.32
9	Netherland	2	U.S.A	1.14
10	Norway	2	China	1.02

1.6 Geographical Distribution

Seven out of the ten regions benefited from the registered projects by way of their location with 84.15% of all the projects located in Greater Accra.

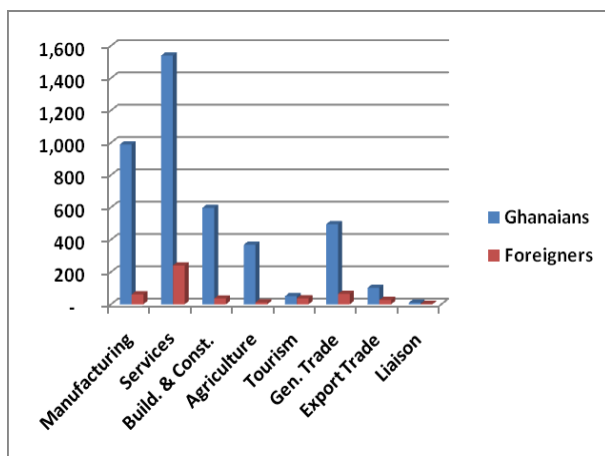
Regional Distribution of Projects



1.7 Employment Generation

From the number of new projects registered in this 3rd quarter, it is expected that **4,631** jobs will be created. 89.64% (**4,151**) of the total jobs to be created will be for Ghanaians and the remaining 10.36% (480) will be for expatriates. This brings the total number of jobs created so far in 2008 to **19,262**.

Employment Generated by Sectors (1st July – 30th Sept)



1.8 Year to Date

The total new investment for the first three quarters of 2008 was **GH¢ 2.66 billion (US\$ 2.69 billion)**. 227 new projects were registered with a total estimated value of **GH¢ 4.61 billion (US\$ 4.67 billion)**, a significant increase over the same period in 2007 which recorded

total estimated value of **GH¢ 288.30 million (US\$ 305.92 million)**.

1.9 Conferences, Seminars and Missions

During the quarter the Centre participated in:-

- ❖ **China-ECOWAS Economic & Trade Forum** from 22nd – 26th September
- ❖ **Ghana FEST 2008** in Barcelona, Spain from 12th – 15th September
- ❖ **China International Fair for Investment & Trade (CIFIT)**, Xiamen, China from 8th – 11th September and
- ❖ **The Seventh African Growth and Opportunity Act (AGOA)**, Washington DC, U.S.A from 14th – 16th July

2.0 Updates

The Ghana Investment Promotion Centre is moving to its new offices:

Investment House

Gulf House Premises
No.1 Gulf House Street
Airport West

INVESTMENT HOUSE

