

# VENTURING INTO NORTHERN AND WESTERN AFRICA

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**AFRICA**  
**Western Region**



Source: UN Development Report

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Why does Mauritius want to venture into North and West Africa?



# ? - Mauritius Exports to North African Countries (2016) is low

(source: International Trade Centre-Trade Map, Mirror Statistics)

	<b>HS Code</b>	<b>Algeria US\$</b>	<b>Egypt US\$</b>	<b>Libya US\$</b>	<b>Morocco US\$</b>	<b>Sudan US\$</b>	<b>Tunisia US\$</b>	<b>West Sahara US\$</b>
Textiles	6210	0	0	0	0	1,000	10,000	0
Food & Beverages	2106	0	0	0	0	0	0	0
Printing & Packaging Material	3921	0	0	0	0	6,000	0	0
Light Engineering Goods	8500	401,000	5,000	0	211,000	0	162,000	0
Paints	3209	0	0	0	0	0	0	0
Jewelry	7113	0	0	0	0	0	0	0
Rum and Spirits	2208	0	0	0	0	0	0	0
Chemicals	2921	0	0	0	0	0	0	0
Small Leather Products	4202	0	0	0	0	0	0	0

# Some reasons for Mauritius low Export Performance

- The Arab Spring in major Northern African Countries such as Algeria, Tunisia, Libya and Egypt .
- Political turmoil in Sudan.
- *??? Does Mauritius have a free trade agreement with any of the North African States?*
- *If yes, what are the stumbling blocks for trade? Is it quality issues, is it price competitiveness or is it man-made(non-tariff barriers)?*
- *If no, it is important that Mauritius through Permanent Joint Commission for Economic Cooperation enter into free trade agreement with North African countries.*

# Imports of selected North African countries (2009-2014 estimates)

<b>COUNTRY</b>	<b>IMPORTS</b>	<b>IMPORT GOODS</b>
ALGERIA	\$48.27 billion (2012 est.)	Capital goods, food stuffs, consumer goods
EGYPT	\$57.91 billion (2015 est.)	Machinery and equipment, food stuffs, chemicals, wood products, fuel
LIBYA	\$18.1 billion (2012 est.), \$27.15 billion (2013 est.)	Machinery, transport equipment, semi-finished goods, food, consumer products
MOROCCO	\$40.7 billion (2016 est.)	Crude petroleum, textile fabric, telecommunications equipment, wheat, gas and electricity, transistors, plastics
SUDAN	\$6.823 billion (2009 est.)	Food stuffs, manufactured goods, refinery and transport equipment, medicines, chemicals, textiles, wheat
TUNISIA	\$24.83 billion (2014 est.)	Textiles, machinery and equipment, hydrocarbons, chemicals, food stuff





# TOTAL INTRA WEST AFRICAN TRADE

- The total trade of the region has averaged \$695.1 billion. Exports are projected at approximately \$458.74 billion while imports total about \$267.60 billion.
- The active countries in West African trade are: Nigeria which alone accounts for approximately 76% of total trade followed by Ghana (9.2%) and Cote d'Ivoire (8.6%).
- Trade surplus of the region estimated at about \$159.86 billion is attributable to Nigeria (\$194.6 billion) and Cote d'Ivoire (\$10.4 billion) when all other countries are a deficit in the trade balance.

# Manufacturing Sectors In Mauritius

ARTICLES OF PRINTING
CHEMICALS
FOOD AND BEVERAGES
JEWELRY
LEATHER
LIGHT ENGINEERING
PAINT
RUM AND SPIRITS
TEXTILES

# Mauritius Manufacturing Sectors With The Potential To Sell Or Develop A Value Chain With Northern And West African Countries

Relative To  
Some Products Exported By Ghana To The  
ECOWAS Market

PRODUCT	VALUE (US\$)
ARTICLES OF PRINTING	7421790
CHEMICALS	9255294
FOOD AND BEVERAGES	24077446
JEWELRY	6496
LEATHER	65507
LIGHT ENGINEERING	2640850
PAINT	17436695
RUM AND SPIRITS	29322310
TEXTILES	9648527

# Ghana's Non Traditional Exports To North Africa, 2015

Break-down of Total:

Ghana's Export to North Africa totaled to US\$12,818,970.

Country	Amount \$
Algeria	9,019
Egypt	11,411,721
Morocco	1,308,028
Sudan	892
Tunisia	89,310

# GHANA'S NON-TRADITIONAL EXPORTS TO MAURITIUS

PRODUCTS	VALUE(US\$)
ALUMINIUM BARS, RODS AND PROFILES	30
ARTICLES OF FUNFAIR	100
ARTICLES OF PRINTING/ PRINTED MATTER NES	320
BABY FOOD	91570
CARPETS	334
CERAMIC PRODUCTS	100
FANS	20
IRONS/ STEEL TANK/ CASK/ DRUMS/ CANS	60
METAL FURNITURE AND PARTS	5060
PENCIL AND CRAYONS	20
STRING MUSICAL INSTRUMENTS	50
PAINTS AND VARNISHES	377830
TEXTILE PRODUCTS NES	260
TOTAL	475,754

# Which Of These Manufacturing Sectors In Mauritius Have Potential To Sell Or Develop Value Chains In North And West African Countries?

ARTICLES OF PRINTING
CHEMICALS
FOOD AND BEVERAGES
JEWELRY
LEATHER
LIGHT ENGINEERING
PAINT
RUM AND SPIRITS
TEXTILES

All these sectors have the potential to sell or develop value chains in North and West Africa

# Which Of The Countries Of North And West Africa Are More Open And Accessible?

- Morocco
- Because recently the country has entered into free trade agreement with the ECOWAS States
- Ghana
- Because the country has political stability and a liberalized market.

# How Do Northern And Western African Countries Markets Function?

- Informal trade in Northern Africa is prevalent and increasing
- The West African market is functionally more informal than formal



# How To Access Customers In North And West Africa?

- The best way to access customers in any market is to have a physical presence in that particular market.
- Hence the best option for accessing customers in North and West Africa is to have physical presence in each of the sub-regional markets.
- As a first step however establishing a physical presence first and foremost in Ghana is highly recommended.
- This is because West Africa is fairly safe to do business in, in contemporary times relative to North Africa.
- Yet Ghana is the most safe place in West Africa for doing business.

# THE EXPORT SECTOR OF GHANA

- ▶ Traditional Export Sector (*cocoa beans, timber, minerals in the raw-form and electricity*)

and

- ▶ Non-Traditional Export Sector (*all other products and services*)

Non-Traditional Export Sector began in 1969  
with the

setting up of the Ghana Export Promotion  
Authority

(GEPA) by Act 396 of Parliament

# NON-TRADITIONAL EXPORT PRODUCTS

## **Agricultural Products**

Mostly Horticultural Products, Fresh fruits e.g. pineapples, mangoes, Medicinal seeds & plants, Tropical flowers and vegetables such as okra, tinda and marrow.

## **Manufactured Products**

Processed foods such as canned tuna, cocoa and shea butter pharmaceuticals, electrical cables aluminium products are exported to the West African Sub-region which has a population of 250 million.

## **Handicrafts**

Wood crafts, baskets, garments, ornamentals such as beads, jewellery, etc.

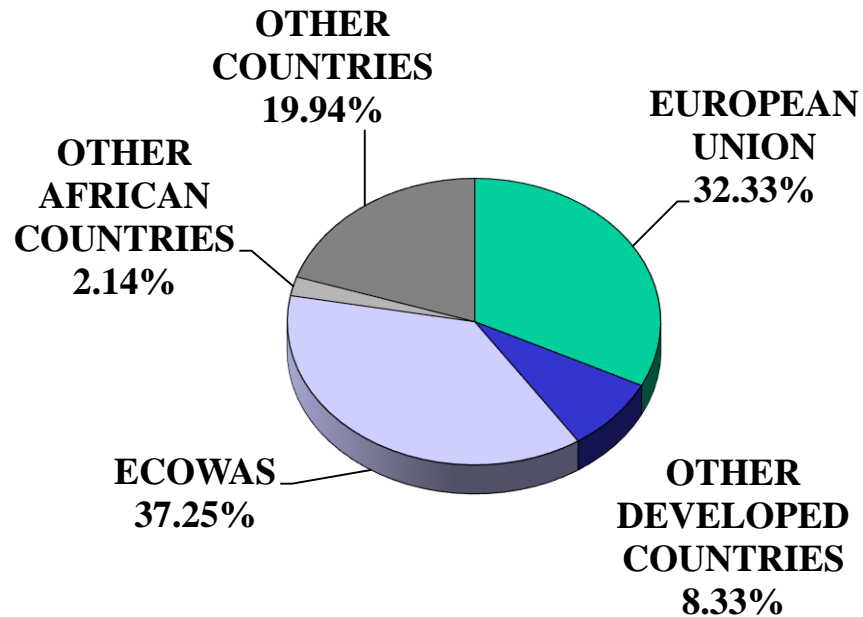
## **Services**

Professional service such as Business Process Outsourcing, Financial Services, Medical Tourism and Education. Strategy document on development sector launched in November 2008.

# Total Exports Of Ghana Relative to Non-Traditional Exports Performance

	2013 US\$M	2013 US\$M	2014 US\$M	2015 US\$M	2016 US\$M
<b>Total Exports</b>	<b>13,541</b>	<b>13,751</b>	<b>13,216</b>	<b>12,484</b>	<b>10,792</b>
<b>NTEs</b>	<b>2,364</b>	<b>2,436</b>	<b>2,514</b>	<b>2,522</b>	<b>2,463</b>
<b>% Contribution of NTE to Total Exports</b>	<b>17</b>	<b>18</b>	<b>19</b>	<b>20</b>	<b>23</b>

# Performance of NTE Sector by Markets (Destinations): 2016



# GHANA – WORLD RANKINGS

7th largest recipient of Foreign Direct Investment (US\$2.5 billion) in Africa – 2011 World Investment Report

**Fastest growing economy in sub - Saharan Africa for 2011, with a forecast GDP growth of 13.4 percent** – World Bank's Global Economic Prospects

Ranked 7th out of 53 countries in Africa and 2nd out of 16 countries in West Africa for governance quality – 2011 Ibrahim Index of African Governance

**5th in sub - Saharan Africa, 63rd in the world (183 economies) for doing business** – World Bank – International Finance Corporation (IFC) Doing Business 2012 Report

# Economic Resources And Opportunities In Ghana

- Ghana is richly endowed with human and natural resources. The latter include mineral wealth, extensive forests resources, and sizable supply of viable land suitable for crop and livestock production, marine and freshwater fish stock and a good potential for hydroelectricity generation.
- These resources present numerous business opportunities in oil and gas, agriculture, manufacturing, tourism, energy, property development among others.

# PROMOTING PUBLIC PRIVATE PARTNERSHIP

**The government is currently promoting Public Private Partnership which is key to the delivery of infrastructural and service development by:**

- Leverage of public assets and funds with private sector resources from local and international markets.
- Facilitation of investment for private sector through the creation of an enabling environment for PPPs where value for money for government can be clearly demonstrated.
- Increasing the availability of public infrastructure and service and improve service and efficiency of projects
- Provision of a framework for developing efficient risk sharing mechanisms.



# **PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT**

The Government of Ghana recognizes the importance of having a competitive investment environment and has therefore pursued a number of programmes in this direction. These are:

- **Legal and Regulatory framework**
- **Policies to reduce the Cost and improve the Ease of Doing business**
- **Infrastructure Development**

# PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT– CONT'D

## Legal and Regulatory framework for investment

A number of legal and regulatory laws have been enacted to

improve the investment climate. These include:

- The Ghana Investment Promotion Centre Act 478.
- The Ghana Free Zones ,Act 504.
- The Minerals and Mining Law (Act 703)
- The Petroleum law, PNDC *Law* 188
- Security Industry Amendment Act, Act 590)

# **PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT– CONT'D**

## **Improving incentive schemes for investors;**

- New GIPC Investment Law before Cabinet
- Re - instatement of the Tourism Law, LI 1817
- Reduction of the corporate tax rate from 22% to 20% for all Hotel and Hospitality companies
- Tax holidays for companies listed on the GSE gone up by 5yrs

# **PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT– CONT'D**

## **Policies to reduce the Cost and improve the Ease of Doing business**

Some initiatives by Government include:

- Business registration automation by the Registrar General's Department
- Electronic processing of duty exemptions through the GCNET platform
- e-Governance project
- Establishment of credit reference bureau
- Centralized Collateral Depository System
- Establishment of commercial courts
- Land Administration Project to ensure streamlined land acquisition

procedures

# PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT– CONT'D

## Infrastructure Development

Government is keen on accelerating efforts to fill the country's large infrastructure gaps, consistent with the Ghana Shared Growth and Development Agenda (GSGDA). Some notable infrastructure projects earmarked by Government include,

- Accra Plains Irrigation Project
- Coastal Fishing Harbours and Landing Sites Project
- Tema-Akosombo-Buipe Multi-modal Transportation Project
- Western Corridor Gas Infrastructure Project
- Helicopter Surveillance Fleet for Western Corridor “Oil Enclave”

# PROGRAMMES BY GOVERNMENT TO IMPROVE THE BUSINESS ENVIRONMENT— CONT'D

- Development of ICT Enhanced Surveillance Platform and Oil Enclave” Road  
Re - development for Western Corridor
- Western Railway Line Modernization
- Takoradi Port Rehabilitation/Retrofit
- Sekondi Industrial Estate
- Urban Rapid Transport System development

# **PROMOTING PUBLIC PRIVATE PARTNERSHIP**

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# INVESTMENT INCENTIVES AND GUARANTEES - PROVIDED UNDER GIPC ACT 478

- Custom duties exemptions for plant, machinery, equipment's and parts thereof
- Graduated and reasonable corporate taxes
- Location incentives of between 25% - 50% tax rebates for manufacturing companies
- Tax holidays ranging from 5 - 10 years depending on sectors

- Automatic immigrant quotas depending on paid - up capital
- Other attractive tax concessions such as 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



# INVESTMENT INCENTIVES AND GUARANTEES - PROVIDED UNDER GIPC ACT 478

- Full repatriation of dividends and net profit attributed to investment
- Transfer of funds in respect of servicing of foreign loans
- Guarantee against expropriation (also enshrined in the Constitution of Ghana)
- Remittance of proceeds in the sale or liquidation of investment



## INCENTIVES FOR STRATEGIC INVESTMENTS

For the purpose of promoting identified strategic or major investments, the Board in consultation with the appropriate agencies as the Board may determine and with approval of the President, negotiate specific incentive package in addition to the incentive provided under section 22 & 24 of the GIPC

# INVESTMENT INCENTIVES UNDER THE GHANA FREE ZONES PROGRAMME

- 10 year Corporate tax holiday and not more than 8% Thereafter
- Immigrant quota for expatriate workers
- Free transferability of profits and dividends
- Guarantee against expropriation.

## **MAIN REQUIREMENT**

**Enterprises under the Free Zones Programme must export at least 70% of their products**

# HELLOOO

- You are welcome to invest in Ghana and take advantage of the free trade area that exists in the ECOWAS Market.
- Then take advantage of the Free Trade Agreement between the ECOWAS States and Morocco to enter the North African Market using Morocco as a Hub.

THANK YOU ALL

FOR

YOUR KIND ATTENTION