

GHANA INVESTMENT PROMOTION CENTRE
FIRST QUARTER 2010 INVESTMENT REPORT (1ST JANUARY TO 31ST MARCH 2010)

MESSAGE FROM THE CEO



As the impact of the global financial crisis on FDI unfolded relentlessly, inflows to developing countries

declined by 35% in 2009, after six years of uninterrupted growth. Africa's share of the FDI declined from US\$87.6 billion in 2008 to US\$55.9 billion in 2009. This decline is a matter of great concern as FDI is a major contributor to the continent's capital formation.

Nevertheless, a number of microeconomic indicators signal that the overall environment for international investment is slowly improving, as reflected in the UNCTAD's World Investment Report 2009.

In 2009 the Centre recorded a total of 257 projects with a total estimated project value of **US\$619.99 million**. Out of this, a total Foreign Direct Investment (FDI) of **US\$551.30 million** representing **88.92%** was recorded.

A total of **US\$108.60 million** initial capital transfers were also recorded. **21,000** jobs were expected to be created for Ghanaians.

The Centre is optimistic about the growth of FDI for the year 2010 notwithstanding last year's experience. This optimism has been evident from the FDI recorded during the first quarter of 2010, **US\$161.34 million**, which shows an increase of over **800%** compared to **US\$16.53 million** recorded in the corresponding quarter of 2009.

This increase is as a result of a renewed confidence by investors in the Ghanaian investment environment.

In 2009, China, ranked No. 1 in terms of number of registered projects and South Africa ranked No. 1 in terms of total estimated value of projects registered.

China continues to top the sources of FDI in terms of number of projects for the first quarter of 2010. A joint venture between Belgium and South Africa topped the table in terms of estimated value of projects registered.

With continuous and aggressive investment promotion missions to the Asian countries, the Middle East and other parts of the world, it is expected that FDI inflows from

countries such as China, South Africa, Lebanon, UAE, Britain and USA will continue to increase in subsequent quarters. With this optimism, we are pursuing a very well calculated and targeted FDI and total investment drive for 2010 – George Aboagye.

1.0 SUMMARY

New Investments

In the first (1st) quarter of 2010 (1st January to 31st March 2010), 108 new projects were registered.

Quarter	Q1 2010	Q4 2009	Q1 2009
No. of Projects	108	58	35
% Increase of Q1 2010 compared to Q4 2009		86.21	
% Increase of Q1 2010 compared to Q1 2009			208.57

Initial Transfers

The total initial capital transfers for the newly registered projects during the quarter amounted to **GH¢20.81 million (US\$14.86 million)**.

Quarter	Q1 2010	Q4 2009	Q1 2009
Total Initial Capital Transfers US\$ M	14.86	14.63	8.98
% Increase Q1 2010 compared to Q4 2009		1.57	
% Increase Q1 2010 compared to Q1 2009			65.48

Estimated Value of Registered Projects

The total estimated value of this quarter's newly registered projects was **GH¢263.42 million (US\$188.16 million)**, a significant increase compared to a total estimated value of **GH¢25.27 million (US\$18.05 million)** recorded for the corresponding quarter of 2009.

1.1 STRUCTURE OF COMPANIES

Of the 108 projects registered during the first (1st) quarter, 63 (58%), were wholly-owned foreign enterprises valued at **GH¢217.83 million (US\$155.59 million)** which is **83%** of the total estimated value of projects registered.

The remaining 45 (42%) were joint ventures between Ghanaians and foreign partners valued at **GH¢45.59 million (US\$32.57 million)** which is **17%** of the total estimated value of projects registered.

For the fourth (4th) quarter of 2009, 35 wholly-owned foreign enterprises and 23 joint ventures were registered and valued at **GH¢140.93 million (US\$100.67 million)** and **GH¢171.29 million (US\$122.35 million)** respectively.

SECTORAL COMPOSITION OF NEW PROJECTS

Sectors	Newly Registered Projects	Estimated Value (US\$) M	% of Estimated Value
Agriculture	5	8.22	4.37
Building/Const	6	14.12	7.50
Liaison	5	3.83	2.03
Export Trade	4	5.30	2.82
General Trading	25	20.01	10.63
Manufacturing	13	16.53	8.79
Service	42	118.04	62.74
Tourism	8	2.11	1.12
Total	108	188.16	100

1.2 HIGHLIGHTS

Among projects attracted into Ghana during the quarter are:

- NOORDZEE HELIKOPTERS VLANDEREN (GH) LTD** – Provision of air transport services with an estimated project value of **GH¢120.89 million (US\$86.35 million)**.
- GIANAIR LIMITED** – Provision of air emergency rescue services, executive/private air charter and cargo services with an estimated project value of **GH¢8.87 million (US\$6.34 million)**.
- ALLIANZ INSURANCE CO. OF GHANA LTD** – Operation of non-life insurance business with an estimated project value of **GH¢7.74 million (US\$5.53 million)**.
- OROPA ESTATES LIMITED** – Building estate houses for sale and rental with an estimated project value of **GH¢4.90 million (US\$3.50 million)**.

1.3 FOREIGN DIRECT INVESTMENT

The FDI component of the estimated value of the projects registered during the period under review (1st January to 31st March 2010) was **GH¢225.88 million (US\$161.34 million)**, representing **85.75%** of the total estimated value, and a local currency component of **GH¢37.54 million (US\$26.82 million)**, representing **14.25%**.

This represents a significant increase of **876.04%** compared to the FDI component recorded for the corresponding quarter in 2009.

The FDI component of the estimated value of the projects registered in fourth quarter of 2009 was **GH¢23.14 million (US\$16.53 million)** and the local currency component was **GH¢2.13 million (US\$1.52 million)**.

The total foreign equity was **GH¢72.69 million (US\$51.92 million)** and the initial equity transfers was **GH¢20.81 million (US\$14.86 million)** for this quarter.

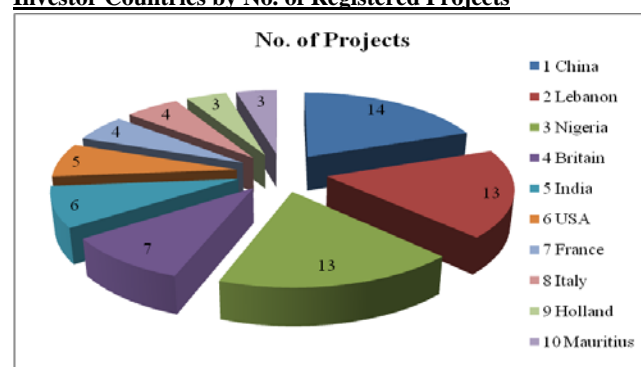
In the fourth (4th) quarter of 2009, the initial equity transfers was **GH¢20.48 million (US\$14.63 million)**.

1.4 SOURCES OF FOREIGN DIRECT INVESTMENT (FDI)

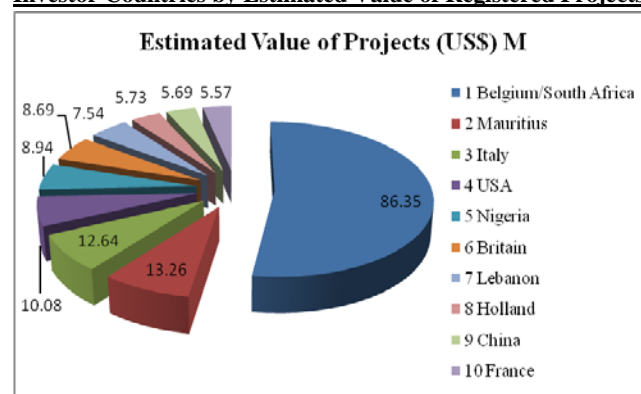
China topped the list of countries with the highest number of projects registered. A joint venture from Belgium & South Africa topped the list of countries with the largest value of investments registered during the quarter.

TOP TEN INVESTOR COUNTRIES (1ST OCTOBER – 31ST DECEMBER 2009)

Investor Countries by No. of Registered Projects



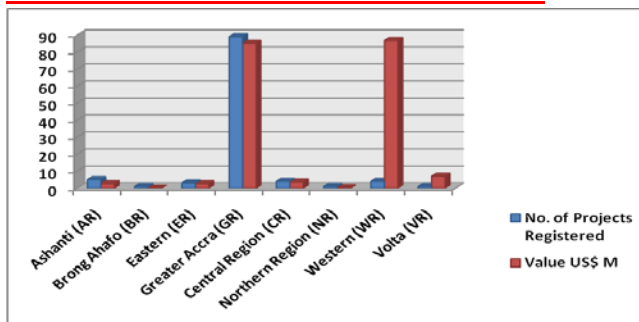
Investor Countries by Estimated Value of Registered Projects



1.5 GEOGRAPHICAL DISTRIBUTION

Eight out of the ten regions directly benefited from the registered projects. The regions are Ashanti, Brong Ahafo, Eastern, Greater Accra, Central, Northern, Volta and Western region. **82.41%** of all the projects registered are located in Greater Accra region.

REGIONAL DISTRIBUTION OF PROJECTS

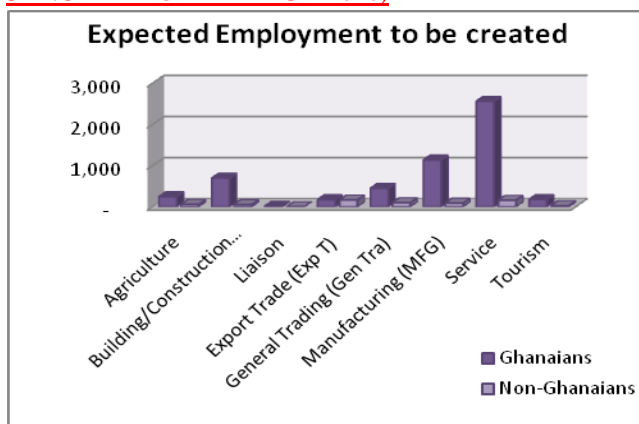


Western region with the 3rd highest number of projects registered, recorded the largest value of projects (US\$86.79 million). This was due to the fact that investments are being recorded in the oil and petroleum industry. The project that contributed to this is from Noordzee Helikopters Vlaanderen (Gh) Ltd with a total estimated project cost of US\$86.35 million.

1.6 EMPLOYMENT GENERATION

From the number of new projects registered in the first (1st) quarter, it is expected that 6,122 jobs will be created. 89.33% (5,469) of the total jobs to be created in the first (1st) quarter will be for Ghanaians and the remaining 10.67% (653) for expatriates.

EMPLOYMENT GENERATED BY SECTORS (1ST JANUARY – 31ST MARCH 2010)



1.7 SUMMARY: 2009 REGISTERED PROJECTS

The total number of projects registered for year 2009 was 257 with a total estimated value of GH¢867.98 million (US\$619.99 million).

The total initial capital transfers for the year 2009 amounted to GH¢152.03 million (US\$108.60 million).

Of the 257 registered projects, 167 were wholly-owned foreign enterprises and 90 were joint ventures between Ghanaians and foreign partners.

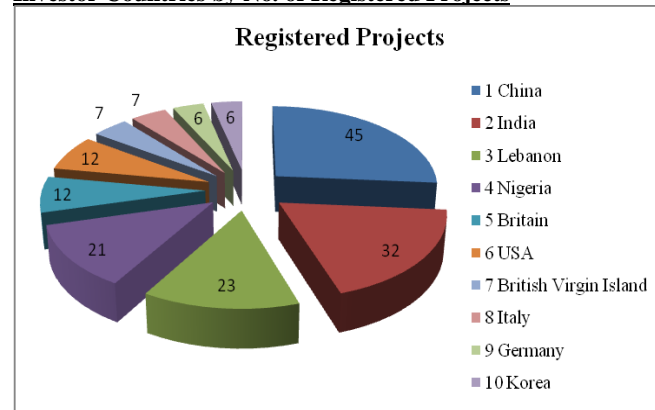
The joint venture projects were valued at GH¢527.27 million (US\$376.62 million), and the wholly-owned foreign enterprises were valued at GH¢340.71 million (US\$243.37 million).

The FDI component of the estimated value of the projects registered for the year amounted to GH¢771.82 million (US\$551.30 million) and the local currency component amounted to GH¢96.15 million (US\$68.68 million).

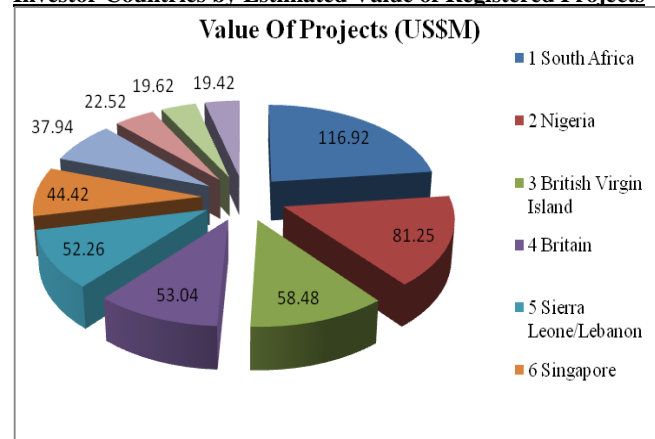
A total of 22,486 jobs are expected to be created from the registered projects for the year 2009. 21,000 of the total jobs to be created will be for Ghanaians and the remaining 1,486 will be for expatriates.

TOP TEN INVESTOR COUNTRIES (1ST JANUARY – 31ST DECEMBER 2009)

Investor Countries by No. of Registered Projects



Investor Countries by Estimated Value of Registered Projects



1.8 CONFERENCES, SEMINARS AND MISSIONS

During the first quarter of 2010 and the fourth quarter of 2009, GIPC continued its engagement with prospective investors and key stakeholders. Highlights include:

- ❖ **Swiss African Business Exchange**, World Trade Centre, Zurich, Switzerland from 24th to 25th March 2010

- ❖ **The third Annual Global Shea 2010**, Bamako, Mali from 16th to 19th March 2010
- ❖ **Seminar on Poverty Alleviation & Sustainable Development for African Countries**, Beijing, China from 24th November to 12th December 2009.
- ❖ **Regional Sensitization & project identification workshops for promotion in international markets for Ghana Investment Forum in 2010**, Kumasi, Tamale, Accra & Takoradi, from 8th September to 18th December 2009.

Upcoming Events

- ❖ **Ghana Club 100**, Accra, Ghana, 23rd June 2010.

1.9 INVESTOR PROFILES

a) GIANAIR LIMITED

Gianair Limited is a newly established private limited Ghanaian Airline Company between Italy and Ghana. Gianair specialises in Private Charter, Executive Charter, Medical Rescue and Express Cargo for the private and Cooperate user. The total estimated value of its project is **US\$6.34 million**.



Gianair flies within Ghana, various locations in Africa and to Europe. The company aims at providing a fast, efficient and very reliable service to its clients. To ensure the highest standards in Medical Rescue and Evacuation, Gianair Ltd has teamed up with a leading medical service provider WARA (West African Rescue Association) to provide the best medical care including the provision of an inbuilt stretcher and medical interior, full advanced life support equipment and an experienced doctor/paramedic combination on board all medical flights.

Gianair's mission is to provide excellent and enjoyable airline services to its clients, by ensuring quality, convenient and prompt service at competitive fares that exceed the expectations of its valued customers.

Gianair Limited estimates to source its aviation fuel locally and mandatory spare parts from a foreign source.

Currently there is no other company offering the luxurious Executive Private Charter or Medical Rescue that Gianair provides. This is what led to the inception of the company. "Doing business in Ghana has proved to be very interesting. There is a lot of interest being shown in the company and we do envisage that before long we would attain the status of one of the most efficient and leading chartered airline service provider in Ghana and beyond,

offering meaningful and reliable service to our executive clients".

It is expected that with operations at full capacity, Gianair Limited will create 13 job opportunities for Ghanaians.

b) DREAM REALTY LTD

Dream Realty Ltd, a joint venture between Sierra Leone Lebanon and Ghana, is a real estate development company based in Accra with a goal of developing and managing several landmark projects within the capital city. The total estimated value of its project – The Octagon is US\$52.26 million and the total estimated value of its several projects will amount to US\$120 million.

Dream Realty, with its main offices in Accra, on the Spintex Road has a mission to provide world class state-of-the-art real estate within Ghana and West Africa to support the ongoing rapid economic development of the region. This is in line with Accra's new status as a Millennium City.

Dream Realty anticipates to complete most of its projects by the end of 2015.

Some of its ongoing projects include



The impression of the Octagon displaying the huge Courtyard & restaurant

THE OCTAGON – A multi-use development centre providing leisure, food, business, and hospitality, and also expected to employ about 800 Ghanaians during construction, and a further 600 personnel after the construction.

RIVIERA - The Riviera project located right in the centre of town will be one of the prime and most sought after apartment and hotel facility in Ghana. It will be situated off the Accra High Street in the centre of the millennium city, a few minutes walk from major land marks including bank head offices, the Octagon Centre and the Independence Square.

FORT ST. JAGO - Fort St. Jago is a 5 star hotel project which is expected to revamp the whole of Elmina into its original historical tourist destination. The fort which was built by the Dutch in 1662-66 is one of the most visited and most emblematic monuments in Ghana. Ultimately, the Fort St. Jago seeks to promote the welfare of tourism as well as improve the sustainable development of its indigenes through provision of employment.

EL CAVALIERE PAZZO restaurant - Located at the airport residential Area, specifically at the Polo Court in Accra the 'El Cavaliere Pazzo' is a 5 star restaurant

targeted at the general public and patrons of the Polo Club with appreciation for a good eating experience. The investment project of Dream Realty is expected to create over 1000 jobs at full capacity. Dream Realty is poised to establish itself in the Ghanaian marketplace as a world class real estate developer.