सत्यमेव जयते

भारत का हाई कमीशन, अकरा

HIGH COMMISSION OF INDIA, ACCRA (GHANA)

No. ACC/COM/201/2/2015 30 April, 2015

ECONOMIC AND COMMERCIAL REPORT FOR GHANA FOR THE MONTH OF MARCH 2015

Overview: Ghana was gripped by high interest rates and low aggregate demand even as the local currency witnessed a free-fall by 31% against the US Dollar in 2104. The deepening energy crisis further crippled economic activity and dented business confidence. Inflation topped 17%. Fiscal deficits ballooned as unchecked wage bills and poorly targeted energy subsidies pushed government debt beyond 65% of the GDP. Falling commodity prices and oil prices did not help matters either as financing costs remained at very high levels.

The economy slowed from 2.6 percent in the previous quarter to 1.2 percent in the last three months of 2014. Year-on-year, the economy expanded by 4.6 percent down from 10.4 percent in the previous quarter. For the year 2014 as a whole, provisional estimates show GDP grew by 4 percent, even lower than the earlier estimate of 4.2 percent.

The Finance Minister revised the 2015 budget deficit target to 7.5% of GDP from the previous figure of 6.5% due to reduced oil revenues. The oil revenue estimate for 2015 now stands at USD 0.41 billion from the earlier estimate of USD 1.15 billion, entailing a loss in revenue of about USD 700 million. Oil output might still remain at the same 2014 average of 102,000 barrels per day. The Government will dig into the Stabilisation Fund to finance the budget deficit.

Declining prices of gold and refined petroleum also led to a decline in the annual producer price inflation (PPI) from 23.6 percent in January to 21.8 percent in February, indicative of the fiscal challenges confronting the country. PPI for Mining & Quarrying sector fell by 7.1 percent and for manufacturing sector by 1 percent.

Ahead of its third Eurobond issue in 2015, Moody downgraded Ghana's rating from B2 to B3 with a negative outlook. Fitch maintained its rating of 'B".

ECONOMIC DATA IN BRIEF

GDP	US$ 39.10 billion (2014)(Est.)
GDP per capita	US$ 1,838 (2013)
Real GDP Growth	4.2% (2014)(Revised)
GDP Share by Activity	Agriculture: 19.9%; Industry: 28.4%; Services: 51.7% (2014)

Rate of Inflation	16.40% (February 2015) Year on Year 13.8% (2014)
Total External debt	US$ 13 billion (December 2014) (36.6% of GDP)
Total Public Debt (External and Domestic)	GHc 76.1 b (67.1% of GDP) (Dec 2014) Domestic Debt (GHc 34.6 b (30.5% of GDP)
Gross International Reserves	US$ 5.46 billion (Dec. 2014) (3.2 months import cover)
International airport	Kotoka International Airport, Accra
Major ports	Tema (Greater Accra Region) and Takoradi (Western Region)
Roads/Railways	Roads 66,200 kms; Railways 1,300 kms.
Agricultural produce	Cocoa, Cassava, Maize, Coarse grains, Yam, Plantains, Pineapple, Forest produce, Coffee, Cotton, Live Stock, Fishery, Rubber.
Industries & Mining	Oil drilling, Oil Refinery, Textile, Cement, Aluminum, Steel, Cigarettes, Timber, Beverages, Flour; Mining (Gold, Diamonds, Bauxite, Manganese ore).
Principal exports	Oil, gold, cocoa beans, timber, tuna, aluminum, manganese ore, diamonds and horticulture. Main **export partners** are: Netherlands, UK, USA, Belgium, China, Spain, South Africa and the neighbouring African countries.
Total exports (f.o.b.)	US$ 13.38 billion (2013-est.) Ghana's exports averaged US$ 1563.29 million from 2003 to 2013, reaching an all time high of US$ 4118.30 million in the first quarter of 2012 and a record low of US$ 565.05 million in the first quarter of 2003.
Principal imports	Manufactured and intermediary goods, fuels, non-fuel primary products primarily from Nigeria, China, UK, France, USA and India.
Total imports (f.o.b.)	US$ 17.466 billion (2013-est.)Ghana's imports averaged US$ 2239.95 million from 2003 to 2013, reaching an all time high of US$ 4747.20 million in the second quarter of 2012 and a record low of US$ 692.74 million in the first quarter of 2003.
Foreign Direct Investment	US$ 716.74 million (Q3 2014)
Rate of Exchange	US$ 1 = GHc 3.80 (March 2015)

BILATERAL TRADE

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
Exports	795.12	537.85	390.52	579.77	800.35	744.12	**830.76**
Imports	140.60	172.63	147.01	159.75	403.67	277.61	**370.57**
Total	**935.72**	**710.48**	**537.53**	**739.52**	**1204.02**	**1021.73**	**1201.33**

(*Source: Department of Commerce, Government of India*)

KEY TRADE AND INVESTMENT BODIES

Ghana Investment Promotion Centre (GIPC) P. O. Box M 193, Accra-Ghana Tel: +233-302665152-9 Fax: +233-302663801 Email: gipc@ghana.com Website: www.gipc.org.gh	**Public Procurement Authority of Ghana** PMB 30 Ministries Accra (GHANA) Tel: +233-302765641-2 Fax: +233-302765643 Email: info@ppbghana.org Website: http://www.ppbghana.org/
Ghana National Chamber of Commerce & Industry (GNCCI) P. O. Box 2325 Accra, Ghana Tel: +233-302662860 Fax: +233-302662866 Email: info@ghanachamber.org Website: http://www.ghanachamber.org/website/	**Association of Ghana Industries (AGI)** P. O. Box AN 8624 Accra-Ghana Tel: +233-302779023 Fax: +233-302773143 Email: agi@agi.org.gh Website: www.agi.org.gh

NEWS IN BRIEF

INTERNAL

Power :Even as the power crisis continued to dog everyday life in Ghana, adversely affecting industrial output, TICO announced that they will be producing 330 MW by the end of June this year. The company is only generating 105 MW now from one of its two turbines, with the other one which has a capacity of 110 MW shut down for maintenance at the Aboadze Thermal enclave. TAPCO which operates another plant at the Enclave produces about 250 MW. Reports also indicated that the promised power barges the Government is hiring from Turkey for emergency relief will not reach as per schedule.

Oil & Gas: ENI awarded GE Oil & Gas a USD 850 million order for supply of turbo machinery and subsea elements for its Offshore Cape Three Points block. (ENI's partners are Vitol Upstream Ghana (35.56% and Ghana National Petroleum Corporation (GNPC) (20%). The order includes three LM2500+G4 gas turbines and four electric centrifugal compressors as well as subsea production and control systems.

GNPC completed due diligence for a loan from Trafigura, a private Dutch commodity trader. The USD 700 million loan spread over five years with an interest rate below 5%.

Azonto Petroleum is reportedly relinquishing its deep-water exploration interest offshore Ghana reducing its opex by USD 500,000 and instead planning to focus on development of its project in Ivory Coast. The decision came after a strategic review of operations and prolonged talks with the Ghanaian government, as the company failed to get any suitable operating partners for the next stage of exploration.

Manufacturing: The Association of Ghana Industries (AGI) made an appeal to the Government for GhCedis 1 million (= USD 0.26 million) stimulus package to save the manufacturing sector from total collapse. This comes on the toes of the data that manufacturing registered a negative 8% growth in 2014. Load-shedding and depreciation of local currency were resulting in massive lay-offs and production cuts. High cost of credit, unfair competition, high labor cost, multiplicity of taxes and excessive port charges were cited as some of the factors negatively impacting growth of businesses in Ghana.

Mining: Azumah has reported an increase in the production potential and mine life of its Wa gold project in Ghana. The mine life was estimated to be seven years instead of the six years an earlier feasibility study had determined. Output is expected to be in the range of 90,000 oz/year. Capex is estimated at USD 132 million.

Agriculture: US Aid Financing Ghanaian Agricultural Project (USAID-FinGap) and Exim Guaranty Company Ghana Limited (Exim Ghana) have reached an agreement for a USD 0.5 million grant to subsidize credit guaranteeloans to agribusinesses.

The National Plantation Development Programme claims that a total of over 5,000 hectares of degraded forests have been restored in the Ashanti Region, spreading over eight districts.

Health: Sidhil, a British company has reportedly been awarded a contract worth one million pounds to equip six new hospitals being constructed in Ghana by another British company NMS Infrastructure Limited, in partnership with the Ministry of Health.

Infrastructure: PresidentMahama announced that the government would launch a suburban rail service on the Sekondi-Kojokrom-Takoradi line. Amanda Holdings would carry out the restoration and reconstruction work along the 30 km single-track at a cost of USD 100 million. The project is expected to be completed by the end of the year.

The Government is also learnt to have approached a New York investment bank – Chesterfield Farings Limited –to devise a request for proposal (RFP) for a high-speed rail system between Accra & Kumasi, making the commute in 1.4 hours. It has also been requested for a proposal to build an elevated mass rail transit system connecting a newly developed trade zone to the Accra Airport covering 120,000 square metres. Initial cost estimates for the RFP are about USD 12 billion expected to grow to USD 30 billion over the decade.

Telecoms:MTN Ghana could invest USD 122 million in 2015 to boost its network base in Ghana. The company installed an additional 112 3G base transmission stations in 2014 bringing its total investment for the year to USD 88.2 million. MTN, with 4,295 km of fibre optic cable network, is one of the major telecom players in Ghana.

The Eastern corridor fibre optic project from Ho to Bawku (connecting Yendi to Tamale) catering to 120 communities has been completed by the Government. This is the first phase of the national fibre optic project. The second phase wuld link the eastern corrido with the information super highway. The overall installation is over 800 Kms.

Surfline, which rolled out is 4G network in August 2014, has stuck a USD 40 million deal with Chinese company Huawei to expand its network to cover more than 700 cell sites.

Banking: The Banking sector reported impressive profits in 2014, with EcoBank leading the fray with a 70 percent profit after tax. The Bank reported profits of Ghcedis 319 million in 2014 as compared to Ghcedis 190 million in 2013. The Ghana Commercial Bank reported a profit of 23 percent with Ghcedis 270 million. Standard Chartered Bank, CAL Bank, Stanbic also reported increased profits in 2014. Only ADB's profits registered a decline from Ghcedis 80 million in 2013 to Ghcedis 47 million in 2014. The profits were mainly due to high interest rates and strong fee and commission collections. However, there is the ever-present risk that the banking sector assets growth could be dampened by the increasing non-performing loans, coupled with crippling interest rates and an unsuntainable loan-to-deposit ratio in the coming years.

EXTERNAL

Ivory Coast: Ivory Coast lodged a complaint with International Tribunal for the Law of the Seas (ITLOS) against Ghana's continued exploration in the Jubilee and TEN off-shore fields. This is the latest in the ongoing maritime dispute between the West African neighours. Tullow Oil is expecting to finish work on its TEN Project and commence oil production by mid-2016. However, Tullow, reportedly, lost around USD 308 million of its market value on March 2 over concerns that the boundary dispute could delay its TEN project.

South Korea: Ghana's Ministry of Transport launched a Transport Master Plan, a project to be funded by the South Korean International Cooperation Agency (KOICA). The Government of South Korea will be providing USD 1.5 million towards modernizing and upgrading the transport systems in the Greater Accra region. It includes training and capacity building programmes for Ghanaian experts in South Korea.

Japan: Vice President Mr. K.B. Amissah-Arthur visited Japan to represent Ghana in the United Nations World Conference on Disaster Risk Reduction in Tokyo. On the sidelines of the Conference, he met with Japanese businessmen and urged them to invest in Ghana, especially in the power sector. He urged them to follow Sumitomo Corporation in investing in Ghana as Independent Power Producers (IPPs) and take advantage of opportunities to provide off-grid renewable energy solutions to Ghana.

The Netherlands: In a step towards fighting tax evasions, the Netherlands and Ghana signed a MoU for Automatic Exchange of Information. The agreement provides that tax authorities could share information about incomes from immovable property, dividends, directors' fees and income of artists and sportsmen. The Netherlands had signed an Agreement with Ghana Revenue Authority earlier in January 2014 to assist the latter to develop a modern tax and customs administration.

Brazil: Brazilian Foreign Minister Mauro Vieira visited Ghana (28-29 March) as part of his tour to African countries. Receiving the Minister, President Mahama said that Ghana and Brazil would soon have a Joint Permanent Cooperation Committee. Expressing admiration for Brazilian engineering, he thanked the Brazilian government for the support for the 209 Km Eastern Corridor road project.

Qatar: A delegation from Qatar Investment Authority was in Ghana on a two-day visit (3-4 March 2015). Sheikh Faisal Bin Saoud Al-Thani, the leader of the delegation revealed that Qatari delegation would discuss short-to-long term investments in the energy sector, as well as look at opportunities in the agriculture and livestock sectors.

MULTILATERAL

EU: Majority of goods from Europe could enter Ghana duty-free as Ghana signed the Economic Partnership Agreement with the EU. The agreement was signed by ECOWAS in December 2014. Although the agreement could give Ghanaian firms 100 percent access to the European market, according to the UN Economic Commission for Africa, Ghana could lose upto USD 300 million annually.

World Bank/DfID: Government of Ghana signed an agreement for a USD 4.85 million grant with the World Bank for sustainable toilet facilities in low income areas of Greater Accra Metropolitan Area (GAMA). World Bank is the administrator for the Global partnership on Output-Bound Aid. Funding for the project is provided by the UK Department of International Development (DfID). The project will be complementing a USD 150 million World Bank IDA grant for increased access to sanitation and water supply to low-income households in the GAMA.

World Bank/USAID: The government has secured a USD 145 million credit facility from the World Bank/USAID for transforming the agricultural sector into a vibrant commercial sector. The credit is aimed at implementation of the Ghana Commercial Agricultural Project (GCAP) in the Savanna Accelerated Development Authority(SADA) zone covering parts of Volta, Greater Accra and Eastern regions. As part of the initiative, 10,000 hectares have been earmarked for rice production in the Nasia-Nabogo valley in the Northern region.

BILATERAL

A Memorandum of Understanding for establishing a **Food Processing Business Incubation Centre** in Ghana under the India-Africa Fund Summit-II was signed on 20 March 2015 by the High Commissioner and the Ghanaian Minister for Environment, Science, Technology & Innovation. .The project will be implemented by the Centre for Scientific and Industrial Research, Accra and the International Crops Research Institute for Semi-Arid Tropics (India), Hyderabad. It is one of the five Incubation Centres to be set up in Africa. The tangible deliverables would include entrepreneurship development among SMEs in food processing, creation of market linkages and provision of process know-how.

India-Ghana Investment Partnership was held on 24 March 2015. The event brought together prominent local Indian businesses and the local Ghanaian businesses. It was organised by the Mission with an aim to expand Indian Investment Footprint in Ghana was organized by the Mission. The Minister for Trade & Industry Dr. Ekwow Spio-Garbrah delivered the keynote address. Top Indian entrepreneurs and CEOs of several business entities with significant Indian investments in Ghana actively participated in the Forum. The Association of Ghana Industries, Ghana Investment Promotion Centre and the Ghana Chamber of Commerce and Industries were well-represented.

News for countries of concurrent accreditation:

Burkina Faso : An **IMF** team visited Burkina Faso (March 5-9) for the second and third review of their Extended Credit Facility (ECF) arrangement which had earlier been approved in December 2013. The Mission concluded that "in spite of difficult economic environment, the transition government is implementing sound macroeconomic policies and preparing the country for elections in October 2015." The country suffered from multiple external shocks and internal sociopolitical unrest, resulting in a GDP growth in 2014 of only 4%, much less than the five year historical average of 6.5%. Fiscal revenues only touched 80% of the budget projections. GDP is expected to grow at 5% in 2015 though budget deficit should not exceed 3 percent of GDP due to spending cuts imposed by the transition government. Cotton and gold price developments and exchange rate will determine the external balances and investment prospects.

UAE and Burkina Faso signed an Open Skies agreement. The agreement would allow unrestricted, non-scheduled/charter operations between the two countries apart from full flexibility on routes, frequencies and capacity in both passenger and cargo flights.

Togo: An **IMF** staff team concluded a visit to Togo on 5 March. The team met with high level government authorities including the President and held discussions on economic policy priorities and macroeconomic developments. In a statement issued at the end of the visit, it noted: "Economic growth remained strong at around 5 percent while inflation was close to zero in 2014. Economic activity is expected to increase moderately to 5 ½ percent in 2015 as major transportation projects and the clinker factory come on stream."

Carlson Rezidor, a Belgian company and Kalyan Development Togo plan to redevelop Hotel du 2 Février in Lomé. The 320 room five star hotel will be renamed as the Radisson Blu Hotel du 2 Février and is expected to be completed by end of 2015.

Ferrex has concluded mining convention negotiations with the Togolese government. The company expects to get its exploration license for the Nayega manganese project in northern Togo by June 2015. The company is targeting an annual export of 250,000 tonnes of manganese ore from their Nayega project.

A two-member delegation from **Apollo Hospitals** visited Togo from 11-14 March to explore opportunities in the health sector. They were received by the Prime Minister Ahoomey-Zunu, who also holds the Health portfolio. They also had talks with Directors of different prominent hospitals in Lomé.

Sierra Leone: **Audit Service Sierra Leone** (ASSL) found that between May and October 2014, USD 3.7 million was disbursed from the Emergency Health Response Account without any supporting documentation showing how the funds were utilized. The report pointed out that around USD 6 million could have been paid to "ghost" workers as wages.

FAO and the Ministry of Fisheries & Marine Resources signed a USD 342,000 Sustainable Aquaculture for Food Security, Livelihood and Nutrition project for establishing 30 to 50 hectares of fishponds in non-coastal communities of Bo, Kenema, Tonkolli and Kono districts. Sierra Leone has a 485 km coastline and vast

potential for lobster, shrimps and shark-fin fishing. At present it produces 70,000 mt of fisheries that is mainly exported to markets in Europe and contributes about 10% of GDP, employing about 500,000 people.

Sierra Rutile reported a loss of USD 9.4 million in 2014 showing a decline in revenue from USD 123.4 million in 2013 to USD 117.8 million in 2014. The loss was mainly due to the 21.6% year-on-year decline in the average rutile price at USD 818 per tonne. The company reported a sales of 129,602 tonnes of rutile in 2014.

An **IMF** report identified the Ebola outbreak and a sharp fall in iron ore prices as the twin shocks prompting the deep slump in economic activity and estimated that output could shrink by 13 percent in 2015.

IMF approved: (1) USD 29 million from the newly set up Catastrophe Containment and Relief Trust providing debt relief of upto 20% of Sierra Leone's contribution to IMF; (2) a 'loan and grant' package that includes a USD 102 million extra financing; and (3) a disbursement of USD 85.45 million under the Extended Credit Facility (ECF) arrangement apart from an access augmentation under ECF of upto 50% of its quota amounting to USD 72.94 million.

TRADE ENQUIRIES

Mission received 22 trade enquiries from India (list enclosed) during the month and 67 business visas were issued.

(Pradeep K Gupta)
First Secretary(Commerce)

TRADE ENQUIRY REPORT FOR THE MONTH OF MARCH 2015

SERIAL NO.	ADDRESS	INTEREST
1	JANAK ENTERPRISE 12-B, Ratna-Jyoti, Tower-G, Nr. VesuVillage,Vesu, Surat-395 Ph: +91 261 221 5876 / 9687 3000 76 janakent@gmail.com	List of pharmaceutical ,hospital& medical supplies and Scientific & laboratory instruments , Glassware, chemical importer and manufacturers
2	ATUL RAWAT neo.atul.rawat@gmail.com	1- Grain Traders/wholesaler/retailers/importers. 2- Agro Commodity Distributers 3- Shopping Mall/Retails 4- Importing Agency 5- Import Export Agent
3	Monica Patel VP-Sales and Marketing TRU Healthcare Pvt. Ltd. contact: +91 7622019828 info@truhealthcare.in	cardiac stent and angioplasty accessory medical appliance and pharmaceutical products
4	Munir Ahmed RP Basmati rice Ltd Website: http://www.namasteyjee.com/ http://www.1121basmati.com/ Mail ID: sales8@rpmail.in	Importer list of basmati and non basmati rice and spices
5	WTI GROUP +91-8561881000 Skype-Worldtech.infovision support@wtigroup.in	Importers of T- Shirts
6	YagneshTrivedi Director Cell.: - +91-9998999652 Yogi Exim Pvt. Ltd.Sahajanand Park, Opp. Sahajanand Shopping Centre Shahibaug, Ahmedabad- 380 004, Gujarat,India.www.yogiexim.in, www.surecuremedicaltour.com	Rice importers in Ghana
7	Lalitha Export Company No. 57/13F, River Bank Street, Nemili ArakkonamTaluk, Vellore Dist. Tamil Nadu 631051	Trade demand of Indian products in Ghana.
8	Vivek Jain 37 bhartiaArtists Colony VikasMarg Delhi+9953 288 525 Veevakjain@gmail.com	Diamond information in Ghana .
9	Nikhil Bakliwal	Opening an office in Ghana .

	Shlogam Agro Pvt Ltd 336 , First Floor, Rafhuleela Mega Mall Behind poisar Bus Depot Kandivali(West) Mumbai 400 067 Tel: +912228015051/52 /40032446/45 Nikhil@shlogamagro.com	
10	Mrs. N.H <Bhatt Orbit House 12. Manharpark, Subhanpura Vadodara, Gujarat, India Tel:+91 265 2280 260 / cell: +91 97140 28482 +91 97277 02912 Orbitexim2014@gmail.com , india@orbitexim.com	Rice importers in Ghana
11	HIND EXIM Mumbai India M: +91-9819358238 hindexim@rediffmail.com	Non Basmati& Basmati Rice, Yellow Corn/Maize, Soybean Meal, Sugar, Wheat, Wheat Flours, Sunflower Oil, Soybean Oil, Vegetable/Cooking Oil Barley
12	Surya Chemicals Hiranandani Meadows, Off Pokhran Road No. 2 Gladys Alwares Road, Thane (West) +91 9833175656 / +91 98225 63666 Tel: +91 22 2173 8080 Mail: hersh@suryachemicals.com	Traders/ Distributors/ Stockists /End Users
13	Le NissiImpexPvt Ltd Chinnai Email. steffi@lenissi.com Web: ww.lenissi.com	Basmati rice importers in Ghana
14	Princeware BalkrishnaPrabhu +91 22 2408 2288 Cell:+91 7506 084683 /+91 9930 814 133 www.princeware.net prabhubalkrishna@princeware.net	Dealers of plastic household products.
15	Export Executive | BACFO Pharmaceuticals (India) Limited C15, Sector 2, NOIDA 201301, U.P. India. Phone: +91-120-2521992 Fax: +91-120-2542109 Email: yashika@bacfo.com Web: www.bacfo.com	List of Importers and Distributors of Herbal Health & Personal care products
16	STELMEC LIMITED 'Sea Queen",	list of local companies in the Electrical sectors

	43-A, H.K.Bhabha Road, Bandstand Bandra, Mumbai-400 050 Maharashtra, India Mob: +91-7506700275 Email: moumita.bhattacharya@stelmec.com www.stelmec.com	
17	V V INDUSTRIES www.vvindustries.co.in E-Mail: vvindustriesgobi@gmail.com BABU (+91 7373739273 VASUDEVAN (PROPRIETOR) +91 94 43 43 45 67	High fat coconut powder importers in Ghana.
18	5E Scientific B-103, Sangeeta, S.V.Road, Opp.Balbharti, Kandivali (West), Mumbai - 400067, India. Tel.-Fax : +91 22 2801 6026 Mobile No.: +91 9930489483. Email : milind@5escientific.com Web : www.5escientific.com	Castor Oil PEG 200, 400, 600, 1000, 1500, 2000, 4000 & 6000 TEA (triethanolamine) 85% & 99% 12-hydroxy stearic acid Triton X 100
19	Mr. Vishal Parmar Export Division ORG Engitechpvt.Ltd survey no 662/P Kubadthal Road Ta-daskroi Ahmedabad Gujarat india. Email id: export1.org@gmail.com	Importers of RO purification Machines And water softening plant and its parts in Ghana.
20	OMANO INTERNATIONAL PARIKTA PATEL M: +91 99250 55644 Rajkot parikta83@gmail.com	Importers of ceramic wall tiles
21	AmitabhaMajumdar Chief Consultant Business Development Indo Anushka Steam Technologies Mobile - +91 9662328752	Engineering goods importers in Ghana.
22	Mr. Paramjit Singh Bharti International Focal Point Ludhiana-141 010 paramjit@bhartiinternational.co.in nikkiparam40@yahoo.in +91 94643 72448 +91 161 5081440	Importer list of ceramic floor tiles & wall Tiles and sanitary ware