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INDUSTRIALIZATION – BIG BET ON TECHNOLOGY



With the launch of industrialization initiatives across the country, the future looks bright with great prospects for the unemployed youth of Ghana. A few distressed companies such as the Komenda Sugar factory, the Pwalugu Tomato factory in the Northern region, and the West African Mills Company have caught the eye of the Government, who has expressed commitment to their revival. The real extent of the revival of these companies is 'work in progress': the clear aim however is to increase and sustain volume of production.

The devil as they say is in the detail and the task ahead goes beyond fund allocation. Can it then be said that technology if accepted as a tool will be a major step in the right direction in yielding high dividend? Technology has been proven to have the ability to produce (however minor the input), significant positive changes in the economics of a small-scale farmer and big industries alike.

It is not far-fetched to think that we can aspire to be more efficient by the use of technology on our farms and in our factories.

We need only look at other African countries such as Kenya and Nigeria who are utilizing technology to help their farmers.

For example, Ghana can easily replicate a system in Nigeria where the Government

transfers allowances to farmers specifically for fertilizer and seeds using mobile money. Consider the impact that the use of mobile applications and SMS is having on Kenyan farmers who are able to obtain advice on plant diseases plaguing their crops from researchers and extension workers hitherto well out of their reach.

A close look at our existing local industries will reveal that there is the need for a 'mending' in operations.

Simply put, there is the need for a different approach in circumstances where we have factories producing foods such as, sugar and tomatoes, both products of ever increasing demand, without an appreciable corresponding level of profitability. No need to reinvent the wheel but rather, drive on the competitive opportunity of these businesses, scaling up the use of technology in the process.

If companies like the SOCFIN group which are in control of thousands of hectares of palm oil plantations within a number of African Countries have done it, so can we!

A note of caution however: For real sustainability, technology will have to be backed by strong policies, clarity of direction, education of our communities, effective monitoring of progress, reliable and profitable market access.

Only then can we truly transform our economy by expanding our exports.

ENERGY UPDATE



Ghana, Gazprom sign New LNG Deal

Ghana has struck a power deal with the world's largest gas producer, Gazprom of Russia, to supply the country with liquefied gas for the future Floating & Storage Regasification Unit ("FSRU") to be installed at the Tema Port. The barge is expected to be capable of converting 3.4 million cubic feet of gas per day and providing the equivalent of more than 1000MW in generating capacity.

A Decisive Verdict:

The ITLOS' ruling in favour of Ghana on the 23rd of September 2017, cements the country's control over the disputed maritime area with Cote d'Ivoire. The implication is

that Ghana retains full control over concessions such as the Tweneboa Enterra and Ntomme ("TEN"), WAWA, and HESS.

New Board for REMP

The new Energy Commission Board has been tasked with the implementation of the Renewable Energy Master Plan ("REMP") with a deadline of December 2017. It is envisaged that the REMP will provide an investment focused framework for promotion of Ghana's rich renewable resources.

Energy Roadshow

The Government has just completed two road shows in London and Accra respectively with regards to the Energy Bond; the first of its specific kind in our history. The plan is to raise approximately GHS 10 billion to refinance the energy sector debt, backed by the Government Energy Sector Levy.

BUSINESS UPDATE



US\$ 1.3 billion Cocoa cash in hand

Ghana Cocoa Board ("Cocobod") has secured a US\$1.3billion syndicated loan from a consortium of some 25 banks to enable it to purchase cocoa beans for the 2017/2018 crop season at the beginning of October. With this facility, Ghanaian cocoa farmers will hopefully be guaranteed fair and prompt payment for the fruit of their labour. Cocobod is also targeting a substantial increase in production within the next five years.

A Big Merger in the Telecoms Industry

Millicom International Cellular S.A. ("Millicom"), the parent company of mobile operator Tigo Ghana Limited, has completed the merger transaction with Bharti Airtel Limited ("Airtel"), the parent company of Airtel Ghana, in a move that will combine the operations of the two companies in Ghana. It is reported that the merger entity will operate as the second largest mobile network operator in the country."

Banking Shake-up

The Bank of Ghana has taken a decision to increase the minimum capital requirement for all banks from GHS 120,000 to GHS 400,000.

This directive comes hot on the heels of the license revocation of UT Bank and the Capital Bank in August of this year. All banks have been firmly instructed to meet this threshold by December 2018 or face the risk of revocation of license(s).

PRIORITY INVESTMENTS

Investing In Ghana's Roads

The Government is evaluating the feasibility of highway bonds as a viable financing option for new road construction and to support the Road Fund in clearing the backlog of maintenance debt. The use of bonds by the Government as annuity payments on Public Private Partnership ("PPP") projects is also being explored.

Aviation- Clearing for take-off

In a bid to drive competition within the domestic aviation space, government has done away with the 17.5% Value added Tax ("VAT") on domestic airline tickets and reduced the cost of aviation fuel in line with others within the sub region. In further news, the President has given 'policy approval' for the establishment of a new national airline.

Affordable housing

The Ministry of Works and Housing seeks

Cabinet approval to invest between 30%-40% of the Social security and National Insurance Trust ("SSNIT") Funds in a proposed credible mortgage system for all workers. Alternative building technologies such as pre-fabricated and container houses, are also being explored with a view to reducing the cost of building decent housing.

Zoning in:

The Ghana Free Zones Board has identified priority sectors for investment in Ghana as:

- Agro food processing;
- Textile and garment manufacturing;
- Light industry and assembling plant;
- Metal fabrications;
- Information and communication;
- Manufacturing and enclave development under the free zones program.

CURRENT DIGITALIZATION ACTIVITIES:

- Paperless Clearing System at the Ghana Ports;
- National Digital Property Addressing System;
- National Identification Registration;
- Mobile Interoperability system;
- National Cyber Security Centre.

WHO'S WHO?

Mr. Kweku Awotwi

Mr. Kweku Awotwi is the newly appointed Board Chairman of the Volta River Authority ("VRA"). With this appointment, Mr. Awotwi is back on familiar ground, having previously served as Chief Executive Officer of VRA between June 2009 and December 2013 under late Professor John Evans Atta Mill's Administration.

To further discuss these, or any other related topic with us contact:

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