**GHANA- A GOLDEN OPPORTUNITY FOR FOREIGN INVESTMENTS**

The Ghanaian economy is one of the four largest economies in the West African Sub region and 7th in Africa. Ghana is ranked very high in West Africa for the ease of conducting business for both indigenes and foreigners. The exceptionally stable political climate, and current favorable government policies enhances Ghana’s attractiveness as the prime destination for investors. A large sector of Ghana’s economy remains underutilized with untapped potential. The agricultural sector for example operates below a third of its potential with significant water and land resources available in vast quantities.

**Main Messages**

* Ghana is increasingly becoming an attractive investment destination.
* Government of Ghana has instituted many programs and policies aimed at industrializing the Ghanaian economy
* Huge opportunities in commercial agriculture, mining, energy, agro processing, railway development among others
* Huge returns on these investment opportunities
* Private sector financing and partnership key to government of Ghana.

***Agricultural Commodities***

The annual market demand for rice is estimated at US $ 600m, shea butter at US$100, with US$ 400m for sugar, onion and tomatoes at US$110m, and groundnuts worth US $ 320m, just to mention a few. A large proportion of this demand is being imported with only a limited proportion, supplied by Ghana’s agricultural sector. The estimated profit margin on investments into any of these value chains is projected at 32 – 58 per cent, an indicative of the real value for money. The potential for cotton production in Northern Ghana alone is estimated at 55,000 tons annually. Cash crops such as cocoa contributes an estimated $1.5 billion of Ghana’s export revenue. The demand for cocoa is estimated to increase between 2-4 per cent annually on the international market. Beyond the opportunities listed above, aquaculture and infrastructural development among others present profitable investment opportunities in Ghana .The fisheries and aquatic sector attracts about US$1 billion revenue annually. There are opportunities to expand this sector’s revenue (by at least 30-60% more) through increased investment and value added initiatives. In recent years, the economic benefits derived from this sector have dwindled. This is mainly as a result of low investment in management and value addition in this sector.

***Infrastructure***

What about infrastructure? Currently, it ranks top on Ghana’s development agenda. Ghana’s current railway construction potential is estimated to be 4200km worth $ 2.1 billion dollars. Railways development has been prioritized to link all the corners of the country, link Ghana to its neighbours and enhance agriculture, mining and other human transportation. Additionally, there are significant untapped opportunities within the water, road and aviation transportation systems. The government plans to renovate and expand existing harbors and construct new inland harbors in liaison with the private sector. There will be significant construction and improvement of road particularly those linking to areas of high economic value. The commitment of government of Ghana in positioning its airports as aviation hubs for both international and regional airlines within West Africa is of high priority. The starting point for this commitment has been the abolishment of the 17.5% value added tax (VAT) which was introduced in 2015. Additionally, there is focus on creating enabling environment to enhance the competitiveness of local airlines, while working with the private sector to revamp defunct domestic airlines. Sustaining infrastructure development in Ghana requires an annual capital injection of US $ 1.5 billion. For the year 2017 alone, the target for additional energy production is 1200MW (Ghana’s National Budget, 2017). This is also another opportunity for independent power producers to make good returns on investment into the energy sector of Ghana. The discussion on infrastructure cannot go on without talking about housing. The country’s housing deficit is over 1,700,000 units, resulting from a sustained period of limited supply of housing needs. Currently, the housing supply stands at about 35 to 40,000 units per annum, whiles the actual demand is over 100,000 units per annum. This represents a huge untapped opportunity considering Government of Ghana’s open arms for private sector partnerships.

***Local Industrialization***

The current government has initiated several policies and programs aimed at creating an industrial base in Ghana. Some of these initiatives include the “One District, One Factory”, “One Village, One Dam” and “Planting for Food and Jobs” initiatives. The most striking among these initiatives is the “One District, One Factory”. This is aimed at creating at least one medium to large scale factory in every district, thus an anticipated 216 factories at the minimum. This program has been instituted with a seed capital of $ 100 million to support private sector actors who seek to build factories. Additionally, favorable tax regimes (including income corporate tax exemptions) have been instituted including custom exemptions on imports of agricultural plants, machinery and equipment.

These policies and program initiatives present golden opportunities for foreign investments. As a matter of fact, the government’s 2017 target for foreign direct investments (FDI) is $ 5billion. The Government thus seeks to finance these projects through partnership with the private sector both local and international, where several financing models will be considered.

**CERATH Investments:**

* Markets Ghana’s investment opportunities
* Link investors to opportunities in Ghana
* Looking for investors for its projects

To take advantage of such opportunities by local and international investors will require investors working with reliable investment facilitation and business agencies in Ghana.

**CERATH Investments** is an investment facilitation firm in Ghana that is strategically placed with requisite expertise to provide support and business advisory services to investors in the Ghanaian economy. Our dynamic expertise, in-depth knowledge of the Ghanaian economic climate, coupled with extensive partnerships with relevant government and private sector agencies enhance investors’ operations in Ghana. Our approach of taking every project on a case by case basis, ensures we achieve the best in every project.

It’s indeed a golden opportunity to invest in Ghana, don’t miss the train!

For more information on our services visit [www.cerathinvestments.com](http://www.cerathinvestments.com) or contact info@cerathinvestments.com