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SPECIAL REPORT *Ghana*

When 55 years ago, on 6 March 1957, the then Prime Minister of Ghana, Kwame Nkrumah, stood at the Old Polo Grounds in Accra and uttered the memorable words, "Fellow Ghanaians. At long last, the battle has ended, and thus Ghana, your beloved country is free forever!", the crowd roared a mighty roar, believing that their country, which had hitherto been known as the Gold Coast, was on the cusp of greater things. They hoped for a brighter future for themselves, for their children and their children's children.

"From now on," Nkrumah told them, "there is a new African in the world, and that new African is ready to fight his own battle and show that after all the black man is capable of managing his own affairs."

It was a bold declaration, especially coming from a country that was the first south of the Sahara to attain independence. But Nkrumah was not finished. "We are going to demonstrate to the world, to the other nations, young as we are, that we are prepared to lay our own foundation."

He continued: "We have fought the battle, and we again rededicate ourselves not only to the struggle to emancipate other territories in Africa; our independence is meaningless unless it is linked up with the total liberation of Africa!"

Fifty-five years on, as Ghana celebrates the 55th anniversary of that independence won by Nkrumah, how has Ghana done? Has the "new African" of 1957 lived up to his promise? Would Nkrumah be happy, if he were alive today, to see where his beloved Ghana has reached on the journey to prove that "after all the black man is capable of managing his own affairs"?



55 years ago, Ghana led the beat for freedom throughout Africa

Ghana celebrates!

.... 55 years of independence is a long time in politics

On 6 March 2012, Ghana will celebrate 55 years of independence. It will be a memorable occasion as the country was the first south of the Sahara to reach independence, thereby opening the floodgates for total African liberation. Stephen Gyasi Jnr traces the journey so far and how the country is likely to fare, especially in this election year.



SPECIAL REPORT *Ghana*

It is a mixed picture. There have been some remarkable successes over the past 55 years as well as some notable failures. Nkrumah's dream of turning the country into an industrial powerhouse in one generation was truncated when his government was overthrown in a coup in February 1966. Since then, Ghana has gone through some tough times, including near economic bankruptcy and a political dictatorship. But over the past 20 years the country has established a vibrant democracy, and is now in the early years of a potential economic transformation that promises to dwarf what prevailed in Nkrumah's days.

The beauty of modern Ghana is its unbending adherence to democratic values. The political situation is so free that it beggars belief that this is the same country that 30 years ago fell under the rule of what the then military head of state, Flt-Lt Jerry Rawlings, described as "a culture of silence".

Attesting to Ghana's democratic credentials in an interview published last year, the former UK High Commissioner to South Africa, the British Lord, Paul Boateng, himself half-Ghanaian, said: "I see Ghana in many ways as a beacon, an example for the rest of the continent; there is a vibrant democratic debate here, there is freedom of the press, there is an engaged electorate committed to changing government without violence, and that's a tribute to the people of Ghana."

"Anyone attending a session in Parliament, anyone turning on their radio, gets a sense of the vigorous debate in the country, an active public engagement in

"There is an engaged and a committed electorate to change government without violence, and that's a tribute to the people of Ghana"



Above:
President Atta Mills faces an election tussle in December.
Left: Nkrumah welcomes Muhammad Ali to the 1957 independence celebrations



governance, and that is really what the rest of Africa can learn from".

Lord Boateng continued: "The spotlight is on Ghana and I am confident that we shall see this great country reach the promised land in terms of the way that it leads the challenges of the 21st century. Those challenges are around agriculture, climate change, environmental and economic sustainability. It's my hope and belief that Ghana can show the way in all those areas."

Ghana is in fact showing the way! Having held five consecutive democratic elections without a serious hitch in the past two decades, the country is building long-lasting, sustainable democracy.

At the end of this year (December to be precise), another general and presidential election will be held. The presidential tussle will pitch the incumbent, John Atta Mills, against one of the country's longest-serving politicians, Nana Akufo-Addo, in a duel that could make the cliffhanger-elections of 2008 pale into insignificance.

The ruling National Democratic Congress (NDC) and the opposition New Patriotic Party (NPP) will face off in the crucial polls together with other minority parties. The NDC defeated the NPP (then in power) in the photo-finish 2008 elections with less than a percentage point difference. This leaves the two parties almost in a head-to-head situation as they prepare to battle things out again for the mandate of Ghanaians. Akufo-Addo has been in active politics for almost four decades, while the incumbent, President Mills, although serving twice as vice president before becoming president himself, has had less than 20 years' political experience.

In the last encounter between the two 67-year-olds, Mills won with just 40,586 votes in a runoff, ousting from power the NPP government headed by the then outgoing President John Kufuor, whose constitutionally-mandated second term was ending with the elections.

According to one Ghanaian writer: "With Ghana's oil resources suddenly in play now more than ever before, the candidate who seems the best qualified to steer the country toward a prosperous future – exhibiting competence, integrity, and vision, while keeping in mind the cultural and social traditions that are important to Ghanaians – seems likely to attract the most voters. At the moment it is too close to call.

"As always," he continued, "Ghanaian voters are ready to play their role in this important decision. Whether the NDC and NPP choose to keep it a fair fight for Ghana's future, or allow it to degenerate into mudslinging and criminality that taints the country's commitment to democracy, remains to be seen."

Already civil society groups, such as the Institute of Economic Affairs, and the Centre for Democratic Governance, are putting plans in place to commit leading political figures to work for peace before, during and after the December polls. As the 2012 elections draw closer, Ghanaians are again bracing themselves to redefine the frontiers of their political credentials, irrespective of how the contest goes. Conscious that the onus lies on them to cling tightly to the tenets of the democracy that have put the nation on the path of development and economic liberty, Ghanaians will not be resting on their laurels.



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SPECIAL REPORT *Ghana*

It has been confidently forecast that Ghana's economy will easily outpace those of Nigeria and Kenya both this year and in 2013. However, growth is likely to slow from the blistering 13.6% pace of 2011 (including recording a 17.6% rate in the second quarter of last year) when the country became the world's fastest-growing economy. So, is Ghana entering a sweet, golden era? asks Stephen Williams.

Ghana's economy has expanded an estimated record 13.6 per cent this year," the *FT* reported on 15 December. In a story that must have pleased President John Atta Mills' ruling National Democratic Congress (NDC), the *FT* said: "After the debt write-offs of the past decade, many [African] countries have relatively healthy balance sheets compared with Europe. Ghana has often led the pack in winning independence, tumbling into bankruptcy, establishing democracy, and now in its potentially transformational economic growth."

The paper recounted how in 2010 Ghana became one of a few countries to be categorised as lower middle income. This, the *FT* said, was after the national accounts were reappraised and annual GDP per capita raised \$500 to \$1,300.



Is Ghana entering a sweet, golden era?

A poll conducted among financial professionals by the Thomson Reuters organisation has shown that Ghana's GDP growth will slow to around 8% in 2012, even though the country recorded an impressive 13.6% economic growth for 2011, making it the world's fastest-growing economy last year. Last December, Britain's leading business newspaper, London's *Financial Times* (*FT*) praised Ghana, calling it an "African success story".

"While much of the world is fighting to avert a fresh downturn,

In 2011, the paper said, "on top of a record cocoa harvest of more than one million tonnes, and soaring gold revenues, Ghana began pumping oil for the first time. The additional earnings will help to cushion the economy against external shocks." According to the Thomson Reuters poll, the predicted slowdown in Ghana in 2012 will be offset by the revenues beginning to flow from commercial oil production, a sector that is dealt with in detail on page 36.

But the West African nation has more than the oil sector to build upon – it is also a large gold and cocoa producer. Some commentators have noted that with the oil price being so buoyant, given current geopolitical concerns about disrupted supplies from the Gulf, and gold being traditionally favoured as a defensive investment in uncertain economic times, such as we see with the current Eurozone crisis, there is only one conclusion. As both oil and gold are trading at historically high prices, Ghana's export earnings will continue to flourish. There is even an argument that during an economic recession, as now being experienced in the Western nations, chocolate does well as a "comfort food", which adds a third reason why Ghana's economy is in such strong shape. The nation is the world's second-largest producer of cocoa, the raw material for chocolates, and Ghana grows the best quality cocoa in the world! That is just as well, because the government's 2012 budget – in this election year – is set to raise spending by 12%, to tackle poverty as well as to increase state revenues and narrow the public deficit to 4.8% of GDP from the estimated 5.1% of 2011. The current account deficit is also expected to narrow slightly to 5.7% of GDP next year from 6.1% this year.

Traditionally favoured as a defensive investment, the price of gold is soaring

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SPECIAL REPORT *Ghana*

King cocoa

Cocoa is the mainstay of Ghana's agricultural sector, and the crop supplies about one-third of all export revenues. The other key export products include timber, coffee, and yams.

Thanks to favourable Harmattan winds and climatic conditions, Ghana's cocoa crop increased by 20% in the last growing season. Ghana, with neighbouring Côte d'Ivoire, represents well over half of the world's total production of 3.5m tonnes.

Although Côte d'Ivoire is the world's largest cocoa producer, Ghana produces higher-quality cocoa beans, which command a premium price on the world market. This is invariably credited to the country's grading system that demands top quality beans from farmers.

Last year, the chief executive of the state-owned Cocoa Marketing Board (Cocobod), Anthony Fofie, reported that Ghana had reached the one million tonne production target. Cocoa farmers are generally smallholder growers, and Cocobod supports them with an extensive outreach programme, assisting them to counter the crop's main pests and disease risks.

Cocobod also works closely with the Cocoa Research Institute of Ghana in developing high-yielding early-bearing hybrid cocoa types supplied to farmers as seed-pods. The institute now produces about three million hybrid pods and raises about two million seedlings each year.

Chocolate production has been going in Ghana for decades at a processing factory at Tema which produces the Golden Tree brand. Golden Tree exports a range of chocolate products such as spreads, drinking chocolate, and confectionary, as well as seven flavours of chocolate bars, to international markets in the US, Europe and further afield.



Below: Kofi Ansah's gold inspired creation. (Left) Divine: 45% Ghanaian-owned



Thanks to favourable Harmattan winds and climatic conditions, Ghana's cocoa crop increased by 20% in the last growing season

Furthermore, the global Fairtrade organisation has made headway in the country since setting up the Kuapa Kokoo Cooperative Union, representing nearly 50,000 farmers and producing as much as 40,000 tonnes of cocoa beans. Kuapa Kokoo also owns 45% of the UK Fairtrade chocolate company, Divine.

Dairy Milk, owned by Cadbury's (itself owned by Kraft) and the UK's best-selling chocolate bar, became a Fairtrade certified brand in 2009, which increased the amount of Fairtrade cocoa sourced from West Africa. The move is part of Cadbury's Cocoa Partnership, a \$70m initiative over 10 years designed to help cocoa farming communities across the developing world.

Both Nestlé and Mars have followed Cadbury's Fairtrade lead, branding their Kit Kat and Maltesers, respectively, as Fairtrade products. This, essentially, guarantees to consumers that the cocoa used (as well as sugar) has been sourced and produced ethically and sustainably.

Gold coast

Leaving cocoa aside, Ghana has the second-largest gold deposits in Africa, after South Africa. The nation derives a huge chunk of its export earnings from gold, which accounts for over 90% of Ghana's total mineral exports. One estimate calculates that Ghana's gold mining sector grew by some 5.7% in 2011, recording earnings of \$2.84bn.

The world gold price has remained robust, even if fluctuating fairly widely, but is still more than three times what it was less than a decade ago.

Major multinational mining companies with interests in Ghana include Gold Fields of South Africa (majority owned by AngloGold Ashanti), Newmont of the US, Golden Star Resources (also US headquartered), and AngloGold Ashanti (South Africa). There are also a multitude of junior international mining companies, mainly from Canada, South Africa, Australia, and more lately China.

AngloGold Ashanti is a global gold miner with operations in 10 countries and six in Africa, including Ghana where it has two mines, the Obuasi and the Iduapriem. It holds a 71% stake in its subsidiary, Gold Fields (Ghana) which operates the two mines at Tarkwa and Damang.

Newmont Mining has announced plans to increase its annual gold output from its Ahafo Mine at Kenyase in the Brong Ahafo Region to 1.2m ounces (oz) by 2014 and 1.7m oz by 2017.

Newmont, the world's largest gold producer, also has two mine development projects at Ahafo and Akyem.

With the gold market remaining bullish, the future of the industry in Ghana looks positive – even if the government signalled last December that it intended to ensure a bigger take from the industry.

There is also a substantial contribution from the indigenous, informal gold mining sector – not to be confused with illegal mining. A study by Kofi Tetteh, published by the Minerals Commission of Ghana, says this sector contributed 23% of total gold production in 2010, selling 776,000 oz of gold to officially approved agents, valued at \$797.60m, and employed one million workers.

For its part, the Ghanaian government has said it will encourage mining companies to collaborate and support the country's small-scale miners. Government also intends to provide health, safety and environmental risk information, and safety guidelines for this sector.



Ghana Ports & Harbours Authority

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The Ghana Ports & Harbours Authority is a government organization formed in 1986. It is set up with a mission to plan, build, manage and maintain a reliable port infrastructure to meet the maritime needs of the nation. Today working within a stable political environment and under the talented leadership of its Director General Mr. Nestor Percy Galley, Ghana's Ports rank high in the sub-region for security of cargo, vessels and persons, efficient delivery of services and cost-competitiveness.

PORT OF TEMA

Opened in 1962 the port has an enclosed water area of 1.7 million sq. meters and a total land area of 3.9 million sq. meters. The channel entrance is 240 m wide and the turning basin is 400 m wide. The port has 12 berths located on two quays with draughts ranging from 8.0 to 11.5. There is also an oil jetty with a draught of 9.6 m and the Valco berth both located at the eastern end of the port situated on the Lee Breakwater.

A new Container Terminal, Meridian Port Services (MPS), jointly owned by the Ghana Ports & Harbours Authority, APM Terminals and the Bolloré Group, started operations in the Port in 2008.

PORT OF TAKORADI

Built in 1928 the Port of Takoradi has a 150 m wide entrance with a depth of 10.5 m. It has 6 main berths with depths ranging from 8.6 m to 10 m. Takoradi port has also 4 buoy berths with depths ranging from 9 to 11 m and other berths for minerals / clincker and oil. The discovery of oil in the western part of Ghana has brought new and exciting challenges to the GPHA as the Port of Takoradi is gearing itself up to play a significant and a more dynamic role in the oil business of Ghana and West Africa.

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SPECIAL REPORT *Ghana*

*To the uninitiated, oil exploration in Ghana is a fairly recent phenomenon, but in fact the first wells in the country were drilled in the 1890s. At that time, as **Stephen Williams** reports, local wags renamed the Gold Coast, as it was officially known in the colonial era, as the Seep Coast – on account of the number of tar balls and other evidence of oil that was found along the coast.*

Ghana has struck appreciable amounts of oil in its offshore waters



Ghana oil: A crude awakening

In the 1890s, the idea of drilling for oil off the shore of Ghana would have been considered hare-brained, and even in 1978, when Ghana became a modest onshore oil producer, the concept of drilling for black gold out in the ocean would have been considered novel, if not outrageous thinking.

In 1995, the government of President Jerry Rawlings offered onshore and offshore acreages to international companies. Hunt Oil of the USA took the plunge. It acquired offshore acreage in the Cape Three Points Basin, leading the way for a slew of other companies to be attracted to Ghana's hydrocarbon potential.

After more than a decade of exploration, the country struck appreciable commercial oil in June 2007, located 60km offshore between the Deepwater Tano and West Cape Three Points blocks. The field's recoverable reserves have been variously thought to be more than 370 million barrels, 600 million barrels, 950 million barrels and even 1.8 billion barrels! But one thing is agreed on, the oil is located in a water depth of more than 1,000 metres.

The equity partners of the Deepwater Tano block are Tullow with 49.95%, Kosmos with 18%, Anadarko with 18%, Sabre Oil & Gas with



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SPECIAL REPORT *Ghana*

The field delivered first oil in December 2010. By May 2011, it was producing 70,000 barrels of oil each day from a total of five wells.

Reinforcing the extent of the Jubilee Field, in July 2011 Hess Corp, a US-based oil and gas company, announced that it had found significant oil and gas at its Paradise-1 exploration well offshore Ghana in the Deepwater Tano-Cape Three Points area. Hess owns 90%, with the Ghana National Petroleum Corp, the state-owned oil company, owning the remaining 10%.

Kosmas Energy Ltd, based in Dallas, also reported an oil deposit three metres thick in its Banda exploration well in an adjacent West Cape Three Points lease. This confirms that Ghana's Jubilee Field is the largest oil field to be discovered in West Africa in recent times.

"This is a new field; we cannot rush it," says Tullow's chief executive, Aidan Heavey. We cannot push to ramp-up production to get high numbers so everything looks great, and then damage the wells. We can't do that. We are looking after the oil, the government is

looking after the gas; and so what we're looking at is how to manage the field."

Heavey added: "Whether we produce gas or not is not going to affect the 120,000 barrels. Setting a target is one thing, but you don't rush into it – you have to do it properly so that you don't have issues. We will not take a risk to produce 120,000 barrels at Jubilee because it needs to be managed properly. With a new field, you learn as you go along and take technical information and make sure nothing is done to damage the field in the long-term, because the important thing is the asset."

But Tullow and its partners are investing some \$400m to upgrade the wells' design and Tullow has also disclosed that the government of Ghana has approved the next \$1.1bn programme of development for the Jubilee Phase 1A, that began in February this year.

The work involves sinking eight new wells (five production wells and three additional water injectors), and the expansion of the subsea network. Phase 1A will take around 18 months to complete.



Tullow insists that it will not rush the development of the Jubilee Field

Tullow shows its CSR colours

Rosalind Kainyah (*pictured right*), Tullow's vice-president for external affairs and corporate social responsibility (and herself a Ghanaian) has announced that from 2012 onwards Tullow's scholarship scheme will provide grants to 50 young talented Ghanaians each year to study post-graduate programmes overseas. Out of the 50 people, 10 will come from Ghana's coastal belt. The courses they will study will include geophysics and geology; engineering; marine sciences; environment and forestry management; and hospital and tourism management. The scheme will be overseen by the British Council.

Speaking at the launch of the scholarship scheme, Kainyah



confirmed that the scholarships would cover tuition and thesis fees, a stipend, and travel expenses. "We have already started with a pilot phase which commenced in Ghana in September 2011," she explained. "This pilot scheme supported 24

Ghanaians from the public sector with scholarships to pursue various studies to masters level with leading universities in the UK. We are committed to being socially responsible, to managing the environment that we operate in, to looking after our staff and to being a good company."

WHO WE ARE

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TEMA



SPECIAL REPORT *Ghana*

It is 15 December 2010. The wheel tap is turned. Ghanaians go agog with ecstasy. The first gush of oil is pumped officially by President John Atta Mills.

The turning of the tap on the Floating, Production, Storage and Offloading (FPSO) Vessel was a significant moment because it ushered Ghana into the group of oil-producing countries.

So soon a year has come. The country's economy has done well, primarily driven by the oil production. By the end of last year, figures showed Ghana's economy to have grown by 13.5%, making it one of the fastest growing in the world.

Since oil production started, the Jubilee Field has produced 22 million barrels of oil, and 21 oil cargoes have been exported, according to Tullow Oil, the main production company with headquarters in Britain.

"In 2010 we achieved exceptional exploration success and together with our partners delivered 'first oil' on schedule in Ghana by year-end," says Tullow Oil's CEO, Aiden Heavey. According to him, the cost of the first oil production is "expected to be within 10% of the original \$3.1 billion budget".

It is estimated that about \$3bn will be spent to develop Phase 1A of the Jubilee Field. Tullow is reportedly planning to acquire a new FPSO but that will come probably in late 2012.

To date, the state-owned Ghana National Petroleum Corporation (GNPC) has lifted 2.9 million barrels of crude oil and has received \$337.3m in revenue since production started, according to Ghana's 2012 budget, presented to

Ghana's parliament by Finance Minister Dr Kwabena Duffuor.

He said the money had been allocated according to the Petroleum Management Revenue Act. "\$112m was transferred to the Consolidated Fund; \$54.8m to the Stabilisation Fund; \$14.4m to the Heritage Fund, and the rest went to the GNPC as equity fund," Duffuor confirmed.

Ghana is targeting a total revenue of \$768m from oil in the 2012 fiscal year, based on an estimated average oil price of \$90 per barrel, and a production level of 90,000 barrels a day.

Another of the oil companies operating in Ghana's Jubilee Field is the Texas-based Kosmos Energy. In its financial results for the third quarter of 2011 (released in November 2011) it said it had generated



Finance Minister Dr Kwabena Duffuor reported that \$337.3m has been received in oil revenues

The future looks bright for oil in Ghana

Ghana started producing oil one year and three months ago. Stephen Gyasi Jr reports on what has happened since then, and what benefits it has brought the country.

Over the last year, eight exploration wells were drilled. Six of them resulted in oil, gas and condensate discoveries

\$230m from the sale of approximately two million barrels of crude oil from Ghana in that period. This is against the second quarter's revenue of \$124.1m.

Even though the country has already had its share of oil spills, a situation that is not unfamiliar to many oil-producing countries, they have not been major and no extensive damage has been recorded so far. The Jubilee Field success has opened up the potential of the adjacent deepwater Tano basin and led to a string of other discoveries. This has galvanised industry interest in Ghana's three other basins in a way that suggests that the Jubilee Field is just the beginning.

The current production from the Jubilee Field is not even coming from the whole of the field but from its western and northern portions only, which is called the unit area. The rest of the field is yet to be developed even though stakeholder attention has been focused on it over the last three years.

However, during the same period a lot has happened within the Tano Cape Three Points basin and in the other basins.

There have been discoveries of oil and gas in other blocks by a consortium made up of ENI, Vitol and the GNPC, and another consortium made up of Vanco, Lukoil and the GNPC.

Over the last year, eight exploration wells were drilled. Six of them resulted in oil, gas and condensate discoveries. This represented the highest number of exploration wells ever drilled in the country in a one-year period, and resulted in a high success rate of 75% (compared to an industry average of 10%).

There is ongoing appraisal work on all the discoveries, and on four of them significant progress has already been made with very encouraging results. It is expected that a Plan of Development (POD) will be submitted by the oil companies in the middle of 2012. Appraisal work on a gas discovery in what is called the Sankofa Field was completed last year, and commercial assessment has commenced. Over the next five years, subject to the approval of the POD, the country expects commercial development and production of both oil and gas in all the discovered fields. If the resource can continue to be well managed, the future for oil in Ghana looks bright.



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SPECIAL REPORT *Ghana*

For Tutu Agyare, the business case for investing in Ghana is compelling. But he goes further than that – the country is the ideal entry point for the whole of West Africa, he cares to add. He speaks with both local and international experience. He has Ghanaian roots, was educated in the country, and built a career first as a derivatives trader on the London Stock Exchange and then as head of Europe, Middle East and Africa equities for the UBS Investment Bank for over six years.

Leaving the bank in 2007, he became the founding partner of Nubuke Investments, specialising in African opportunities. More recently, he was offered a seat as an executive director on the board of Tullow Oil that is leading the charge to develop Ghana's oil sector.

Speaking to *New African*, he said the investment attraction of Ghana was in large part due to the country's benign political environment. "There are no currency restrictions, there is a very clear investment philosophy, and there are competent investment institutions – and a legal system that works", he clarifies.

Agyare describes Ghanaians as both friendly and competent. "On a relative basis, if you are a foreign corporate looking to set up in the West African region, you could not ask for a better base. These days

'Ghana is an incredibly exciting investment destination'

The investor *Tutu Agyare*



Agyare: "There are real returns to be made by investing in Ghanaian agriculture"

we have new undersea fibre-optic cables and very good telcoms, so Accra is the destination of choice." He also makes the point that there are more international airlines serving Ghana than Nigeria.

But is he not concerned the impact of the Eurozone crisis on the Ghanaian economy? "I guess that if we are witnessing a slow disintegration of the West and it being replaced by the East, especially with the search for minerals in return

for capital expenditure, that means that Africa is sort of suffering a second order effect rather than the first order effect from what is now happening in the Eurozone," he muses.

Nevertheless, like any rational investor, Agyare is mindful of the downside, the risks involved – and for Ghana, in the short term, they are about the forthcoming elections in December this year.

"The last election was very close and this one might be the same," Agyare observes. "I don't think anybody has a crystal ball and I don't think any poll taken today will be representative of the national decision to be made on 8th December 2012. That may lead to some level of political inertia and investors pausing when it comes to making significant capital decisions."

But Agyare accepts that following the last general election, the new administration revisited very few of the contracts or investment decisions the previous government had entered into. "Nevertheless, I guess that given the fact that in almost every single state institution the senior management changed, that means that if negotiations were ongoing you had a new set of people to negotiate with," he explains.

When asked about Ghana's off-shore oil production and how that may affect the country's investment landscape, Agyare says that he never speaks for Tullow Oil, but he explains that the government has given an undertaking that 70% of revenues will go to the current account, and 30% invested in a long-term development account. "So far the government has been prudent in the use of the revenues, small as they may be to start with, yet growing as we go along."

In fact, Agyare describes oil as "a headline distraction", and explains that Ghana has an incredibly solid mining industry which is continuing to grow. "We also have a solid timber industry, and the cocoa sector is similarly robust."

There is also an explosion in the service sector. "Ghana is definitely positioning itself to be the service-sector industry centre of West Africa. So, to me, the oil factor is a lot of noise, but it's an opportunity for Ghana to develop another leg for the economy to stand on. I don't see Ghana going the same route as some of the other countries where oil has been the only export. Ghana has a diverse economy."

Turning to the financial services sector, Agyare expressed his hope that the 28 financial institutions in the country will all be recapitalised by the end of the year, each with the required minimum capital of \$6m. "Hopefully they will all reach that," he remarked.

Agyare was careful to explain that he could not comment on Nubuke Investments' portfolio as there are strict rules imposed by the UK's regulatory Financial Services Authority against what might be construed as "seeding the market" or advertising.

But he did tell *New African*: "We have investments in Ghana. We have always liked the financial sector there. We don't think the banks' valuations truly reflect the level of profitability, the growth prospects, and the robustness of the business there."

But above all, it is the country's agricultural sector that gets Agyare excited. "We think that given where global agricultural prices are at the moment, there are real returns to be made by very disciplined investments in agriculture, and we are beginning to see that play out along the coast of Ghana."

Overall, he noted: "We still feel that on a relative basis Ghana is an incredibly exciting investment destination. I know there are a lot of Nigerians who say that Nigeria is the destination, but for me it's Ghana. I don't really see anything threatening this. I don't see that changing any time soon."

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SPECIAL REPORT *Ghana*

Kofi Ansah is the founder of Artdress, a design and creative company through which he runs his labels, Kofi Ansah Couture, and Kofi Ansah Design Collection. An award-winning designer, his accolades include the African Fashion Awards 2000, and the prestigious Ghana Quality Awards Diamond Division for clothing and textiles with Artdress in 2003.

Ansah designed the anniversary fabric for the Ghana@50 Golden Jubilee Celebrations and in 2008 designed costumes for the opening and closing ceremony of the African Cup of Nations, held in Ghana. In 2009, he was the chief designer at the Festival of African Fashion and Arts (FAFA). His creations can be found at retail shops on both sides of the Atlantic, in South Africa, Ghana, USA (Saks Fifth Avenue) and Britain.

Ansah returned home to Ghana in 1992, after spending 20 years in Europe. He said he came back home to contribute to the development of the Ghanaian clothing industry. Committed to seeing the Ghanaian textile and fashion landscape grow in economic prominence, he serves as the fashion consultant to the Ghana Textile Printing Company, one of the leading textile companies in the country, with its wax prints widely sold in Ghanaian and West African markets.

A major player on the African fashion scene, he is the founder and former president of the Federation of African Designers.



Kofi Ansah

*The designer with the classic touch,
by Belinda Otas.*

Six years ago, the entrepreneur Suraj Wahab Ologburo started Toyola Energy Ltd, a stove business, and has since produced 154,000 of these efficient charcoal stoves that are cooking meals for around 940,000 people.

Many households in Ghana cook on charcoal stoves and spend a big slice of their income on this fuel. So Toyola Energy designed a cleaner, more efficient and

durable model, the “coal-pot” cook-stove. It typically uses two-thirds of the charcoal of other stoves, cooks faster and cuts down on smoke. The stoves reduce charcoal use by about 26,000 tonnes each year, saving trees and cutting CO₂ production by around 150,000 tonnes a year. They are a perfect example of how much can be achieved through the use of simple, clean energy technologies.

The stoves sell for as little as \$7 each. To make them more affordable, Toyola offers customers the option to buy on credit with a 25% deposit and pay back their loan over two months using the money saved on charcoal.

One of Toyola’s first customers, Gina Garbon, asked Ologburo to supply five stoves for her market stall. Within a month she had sold 100. As her business continues to thrive, she has been able to buy land and begin to build a house. “Selling stoves has changed my life,” she says.

Toyola stoves are made to high standards by 170 trained artisans and sold across Ghana, Togo and Burkina Faso. With five production centres in Ghana and one in Togo, Toyola plans to increase sales. By 2013, it hopes to be producing 140,000 more stoves from new bases in Ghana, Benin, Sierra Leone and Nigeria.

And having won the highly prestigious international Ashden Award Gold Prize last year, which comes with a cheque of some \$16,000, Toyola is well on the way to achieving that objective.

Suraj Wahab Ologburo

The entrepreneur

*The stoves reduce
charcoal use by about
26,000 tonnes each
year, saving trees and
significantly cutting
CO₂ production*

**Suraj Ologburo has developed an
affordable cook-stove**





The arts and crafts of Ghana are displayed in the grounds. Below: La Villa, a hotel that is tasteful, relaxed and elegant

The hotelier

Accra's La Villa – a hotel for the discerning guest

From the outset, Nii Amaa Ollennu was very clear about La Villa Hotel's target clientele. "It's almost entirely business visitors," he explains, "and I have very many regular clients drawn from the multinational companies that are now coming to Ghana. In addition, we host a good number of diplomats – mainly French, Dutch, Italian, etc – who appreciate the ambience of a boutique hotel."

Ollennu has a background in real estate, having built a successful business renting high-end, short-let apartments in Accra. He decided to diversify and, partnering with M. Barbisotti & Sons, one of Ghana's leading construction companies, was inspired to develop this boutique hotel – one of the very first in Ghana's capital city.

La Villa Hotel is located in the Osu district of this vibrant city, close to the commercial heart of Accra. With its 22 rooms (soon to be expanded to 32) the building was once Accra's stately Russian embassy. It offers en-suite rooms, each with its own mini-bar, a 32" flat screen TV, writing desk, phone with IDD facility, and free wireless internet access throughout the building. Guests also enjoy exclusive access to a private swimming pool surrounded by a 300sq m terrace and the hotel's intimate poolside restaurant and bar, The Soprano, which has rapidly gained an enviable reputation.

In addition to these attractions there is the intimate nature of the hotel, an intimacy that is perhaps the definition of a boutique hotel. Such hotels are rapidly gaining popularity worldwide. Guests are increasingly finding the atmosphere of the ubiquitous international chain hotels both sterile and boring, and opting to stay at the smaller, boutique hotels. These offer guests a much more focused, individual service as well as featuring sophisticated interior decoration themes.



In La Villa's case, it is the wonderful arts and crafts of Ghana that inspired the approach to the hotel's décor. Wherever possible, Ollennu utilised artisans working with local materials – especially making use of the fine tropical woods which Ghana is renowned for. The finished product is tasteful, relaxed and luxurious.

Ollennu has ensured that top-class entertainment is provided for his guests and has an open-air giant screen to show movies. He also regularly puts on recitals and poetry readings, as well as exhibiting paintings and sculptures. It makes for a truly special hotel experience and perhaps goes some way to explain why La Villa is almost always fully booked weeks in advance.

However, a hotel is only as good as its staff and management, and here Ollennu has inculcated a very special approach to guest relations. "We continue to train our staff on an ongoing daily and weekly basis," he told *New African*. "All 54 are exceptional, and they are all Ghanaian – except one lady, our food and beverage manager, who is from the Netherlands. I am extremely proud of them. What I am trying to ensure is that they build a personal relationship with guests, but remain discreet. For example, remembering whether they enjoy pepper or not! And they are always on hand when needed, but never intrude on a guest's privacy."

When asked about the challenges he faces, Ollennu identifies just how difficult it is to raise finance for projects such as his. "Access to credit is difficult and expensive in Ghana," he says, "but my real estate business has underpinned the hotel's development. I have proved that the boutique hotel concept can work in Ghana, and I am looking forward to greeting many more guests in the months and years to come."