THE INFLUENTIAL
BUSINESS WEEK
Since 2004
Read by the few who own the most
SEPT. 2021 • GHS 50
News Features • News Analysis • Investigative Magazine

Powering Ghana's Industrialisation

A controversy that refuses to go away
Bank of America Securities to the rescue

Dr. Ben ASANTE
Managing Diretor
Ghana Gas

...Again,
GOIL wins

GHANA GAS:
2ND PLANT TO BE READY 2024

- Fertilizer Plant in the offing
- Saves Ghs 44.5 annually

Hollard Ghana: ***The disruptive vibrant Brand***

Share more with your business

with **MTN Group Share.**

Now, you can manage up to 10 other SIM cards on **MTN Group Share**! This means you can purchase data bundles for your modems, routers, wingles, mifi, your friends and family, all from one account! Just dial ***513#** to sign up!

We're good together

#WeDey4U ***everywhere you go***

mtn.com.gh/business

MTN

Editorial

Local content policy requires a new tax inducement strategy

Oscar Ugoh - Publisher

Since Ghana passed local content and participation regulations for the upstream oil and gas industry in 2014, the strategy of encouraging indigenization has become state policy which is spreading from the extractive industries – mining has quickly followed the petroleum industry in this regard – to other sectors of business activity.

But if it is to have the maximal positive impact on the use of local inputs for production, the basic philosophy that underpins tax regimes in Ghana requires a revision.

Ghana's tax regime for private enterprise remains skewed towards attracting foreign direct investment by encouraging offshore investors to import and use production inputs as cheaply as possible through a plethora of tax breaks on their imports for production purposes. But if local content is to be encouraged, such tax breaks should rather be directed primarily at benefiting enterprises – whether foreign or indigenously owned – that best add value locally.

It is instructive in this regard that the state regards most highly the exporters that generate the most foreign exchange revenues, irrespective of what proportions of those revenues were used in importing production inputs to make them. Thus, for example, an exporter that generates US$1 million in export earnings from production that consumed US$700,000 in imported production inputs is regarded more highly – and consequently is more likely to get state fiscal support – than an exporter that generates US$500,000 in foreign sales revenues, but only uses US$100,000 of imported production inputs; even though the latter has added more value locally than the former, most likely creating more local jobs and generating more wealth for local enterprises along the supply chain.

In similar fashion corporate tax exemptions are given on the importation of production inputs which in effect encourages their importation; rather than on the acquisition and use of local inputs. Again this rewards enterprises that create jobs and supply chain wealth abroad rather than here in Ghana. Curiously, the concerted opposition to the continued granting of tax exemptions does not consider this; rather, such opposition is directed at alleged – but not proven - favouritism in the granting of such tax exemptions which leaves competing enterprises without the requisite local political connections at a production cost disadvantage.

It is time that tax exemptions are given on value added tax obligations of enterprises that use locally made production inputs in industries where there are clear options to import similar inputs instead. Similarly local value added should be the primary consideration in providing state support for non-traditional exporters rather than gross foreign exchange earnings.

This way enterprises that look inward with regards to their production processes would benefit rather than those that look outward; by improving the former's cost competitiveness relative to the latter's this would effectively encourage them and persuade others to follow suit.

We acknowledge that this is not a one size fits all solution. Many industries – including some crucially strategic ones – do not have readily available local production input substitutes for what they are importing currently.

But tax relief for potential local substitutes, accompanied by tax relief for research and development expenditure into identifying potential local substitutes and adapting production processes to accommodate their use, would serve to encourage concerted efforts towards the changeovers. It is instructive, for instance that just three decades ago few breweries could have envisaged using locally cultivated sorghum or maize as substitutes for imported barley hops.

Importantly not only would this mean more local job creation and more supply/value chain opportunities for local suppliers and contractors – which currently are being exported in exchange for the imported inputs – as well as less outflow of direly needed foreign exchange; it would also stem illegal leakages such as transfer pricing by foreign owned firms that deliberately over invoice their imports from parent companies abroad in order to lower their tax obligations and increase the cash flow repatriated abroad.

The era during which Ghana was desperate enough for foreign direct investment to waive the tax obligations of such investors is now giving way to an era where local content is being actively encouraged. Our tax regimes should reflect this shift of strategy if it is to succeed.

Editor-In-Chief: Toma Imirhe, Acting Editor: Jeorge Kingson, Marketing (Head):Robert Oduro
Executive Director: Stella Mbuko-Sam
P. O. Box OS 1585, Osu - Accra # Home School Street, South La. Email: mybusinessweek@yahoo.xom
Tel: +233 (0)302730325 / 0244234763 / 0244427754 / 0244825761.

Great is His Faithfulness

Alan Kyerematen
Minister of Trade & Industry

Dr. Matthew Opoku Prempeh
Energy Minister

Powering Ghana's industrialization

New projects by both GNPC and Ghana Gas are creating fears that the country may soon face a problem of excess gas supply capacity and accompanying unnecessary costs. But with Ghana Gas in particular devising a road map to support industrialization far beyond straight forward electrical power generation, sharply increased gas supply holds the key to Ghana's accelerated economic growth. ***Businessweek's TOMA IMIRHE and OSCAR UGOH*** *examine the issues.*

Standing on the shoreline of the Western Region, close to the FPSOs that are dotted several kilometers away in Ghana's territorial waters, an observer may see what looks like a giant candlelight rising out of the ocean. This is Ghana's natural gas being flared, in direct contradiction to the promise of government, a decade ago, that this would not be allowed to happen.

Meanwhile some hundreds of kilometres to the east of Ghana's new oil and gas fields, just off the shore of Tema, Ghana's industrial hub, lies recently installed infrastructure that has the international media buzzing, being that it is the very first LNG reception

facility in sub Saharan Africa.
This apparently incongruous situation has generated fierce debates in Ghana's oil and gas industry; even as Ghana is flaring its own gas, it is now about to start importing gas from abroad to add to the large amounts it already imports from neighbouring Nigeria through the West African Gas Pipeline.
But the situation is far more complicated than it looks. Ghana is flaring its own gas because it lacks sufficient processing capacity to convert all the wet gas being produced from the oldest two oilfields – the Jubilee and TEN fields operated by Tullow Oil on behalf of its partners - into dry gas usable for power generation. However what is being produced locally is supplemented from the gas generated from the third and latest field, the Sankofa Gyename oil and gas field operated by ENI which has its own processing capacity.
To rectify this the Ghana National Gas Corporation, more widely known simply as Ghana Gas, is planning to establish as second processing plant near the first one, which is located at Atuabo in the Western Region. But the upstream oil industry counterpart of Ghana Gas the older and bigger Ghana National Petroleum Corporation has not waited for this; rather it has gone ahead to acquire and install the floating regasification plant at Tema to receive gas imports even as Ghana Gas considers the options for securing financing for its second processing plant to exploit the locally generated gas that is currently being flared.
This has inevitably raised issues of priorities with industry analysts questioning why GNPC has made such a large investment in a plant that will receive gas imports while investment is needed to use the locally produced gas. These questions became amplified by the fact that the gas currently being flared is being given to the country virtually free of charge by the Jubilee and TEN fields partners and so flaring it for want of sufficient processing capacity amounts to a colossal waste. Worse still Ghana will only get this free local gas for a certain period of time after which it will have to start paying for it. Thus there are worries that Ghana is missing an opportunity that will sooner than later no longer be available.
Ghana Gas is now looking to have its second plant up and running as quickly as possible, possibly as early as 2024. Dr Ben KD Asante, Chief Executive Officer (CEO), Ghana Gas, says the second Gas Processing Plant to increase the capacity from 150 to 240mscfd (Million standard cubic feet per day). The new facility which would be cited north of the current Plant at Atuabo in the Western Region would eliminate the need to flare part of the gas currently being released by oil production from the Jubilee and TEN fields.
Currently Ghana has the capacity to produce 365 mscfd of gas from the Jubilee and the TEN cluster which produce wet gas. However, the Atuabo gas processing plant's capacity is less than half of this, at 150 mscfd. This has restricted actual wet gas throughput to 130 mscfd, which is almost the full installed gas processing capacity Ghana currently has.
A new processing plant would eliminate Ghana's retained dependence on sometimes irregular gas imports from Nigeria through the West African Gas Pipeline and even more importantly would enable the country to substitute even more of the imported diesel oil still used as feedstock for power generation with gas which is a cleaner, cheaper, locally sourced form of energy. But most importantly of all it would enable Ghana to energize crucial projects and

activities that it cannot yet because of inadequate gas delivery.

The planned new processing plant's construction and commencement of operations can be executed much faster than the first one because this time around a lot of the requisite infrastructure, such as pipelines, utilities, roads and the likes are already in place, put there to operationalize the Atuabo plant nearly a decade ago.

The impending new gas processing plant vividly illustrates just how successful Ghana's upstream gas industry is proving to be with regards to both the demand it is generating and the sheer potentials it offers going forward. Thus, while Ghana could arrange a similar financing structure for its construction as the one used for the first one – with loan financing from China being the primary mode, utilizing the technical skill of that country's Sinopec – government is rather looking to leverage on the local content and participation Dr Ben Asante, the current CEO of Ghana Gas, has masterminded for the industry.

To this end the new plant will involve a private partner which will finance and construct the plant, which will subsequently be co-managed by the private partner and Ghana Gas itself, before ultimately it is fully transferred to the State. To be sure, Ghana now has the capacity; since becoming CEO of Ghana Gas Dr Asante has successfully replaced the 56 Chinese technical experts – primarily engineers – with Ghanaians and the company and its activities are now run entirely by indigenes.

Instructively, since this move in 2017, there has been no accident or operational failure under this new crop of young Ghanaian engineers, drawn predominantly from institutions in the oil and gas industry such as TOR and BOST and trained in upstream gas operations under the expert supervision of Dr Asante himself.

The Atuabo plant itself is the result of a US$1 billion investment made through the then newly established Ghana Gas and it has changed a fundamental aspect of the structure of the country's economy which has subsequently improved its performance tremendously. That investment – funded by a US$850 million loan from the Chinese Development Bank and US$150 million in counterpart funding by the Government of Ghana itself – created a gas processing plant at Atuabo in the Western Region and the requisite infrastructure to transport the gas by offshore and onshore pipelines from the country's offshore oilfields to the plant and from there to power generation facilities in that part of the country where natural gas has since replaced heavy diesel oil as their primary feedstock.

The infrastructure comprises : Offshore gas export pipeline, which consists of a 12 inch diameter 58km long subsea pipeline, transporting dense-phase gas from the Jubilee FPSO to the Gas Plant; the Gas Processing Plant (GPP) itself at Atuabo in the Western Region; Onshore gas pipeline, which consists of a 20 inch diameter 110 km pipeline, transporting sales gas from the GPP to an existing Thermal Power Plant at Aboadze; and a LPG truck-loading gantry located approximately 2.5km from the GPP near Anokye.

Ultimately this has cut Ghana's import bill for diesel oil drastically enabling the country to turn its erstwhile trade deficits in trade surpluses since the end of 2016 without having to engineer a huge increase in export revenues; which in turn has served as a pivotal contributor to the cedi dollar exchange rate stability which the country enjoys till today.

The achievements thrown up by the Atuabo plant and the identified potentials of the planned second one has inevitably put GNPC on the defensive, more so since there are worries about impending excess capacity.

Those worries are increased by the fact that the gas produced from the Sankofa field is being taken by Ghana on a take or pay basis which is causing Ghana considerable financial stress.

In 2016, the government agreed with the oil company ENI to buy gas from the Sankofa offshore field on a “take-or-pay” basis, as is common in gas supply contracts Take-or-pay means that if a country cannot use all the gas it agrees to buy, it still has to pay the agreed amount to the company.

To ensure that it took all the gas that it had agreed to buy, Ghana needed to develop pipes and cables to transmit the gas from the southwest of the country, where the gas lays offshore, to the east, where most people and businesses are. Unfortunately, heavy spending on the power crisis by the state power companies saddled them with debt. Partly, this prevented the state companies building enough infrastructure in time, and so failed to take much of the gas as agreed. Meanwhile, they struggled to pay for what they did actually use. By 2019, the government said this “pose[d] grave financial risks to the whole economy […] we are in a state of emergency and must therefore respond with urgency and boldness.”

Ghana first negotiated with ENI to reduce the price it paid for gas and then allowed ENI to pay less in taxes. Yet, the penalties continued to mount. By 2020, government estimated the country would be paying up to $850 million annually in take-or-pay penalties, or 7 percent of the entire government budget.

This shows that excess capacity could be dangerous if it is contracted on take or pay basis. However GNPC points out that this is not the case with its Floating Regasification Plant (FRP) at Tema.

The Floating Regasification Unit (FRU) of the terminal arrived in the country on the January 7 2021, the first of its kind in sub-Saharan Africa, has, however, been met with criticism by industry experts and CSOs along the energy sector for having the potential to increase the menace of unutilised gas and negatively affect development of local gas resources.

But GNPC's CEO, Dr. Kofi K. Sarpong, justifying the investment in the new facility, insists it offers an opportunity to secure the country's future energy needs by increasing the energy mix for power generation and industrial use, as well as fuel for vehicles.

“The new LNG is cheaper than Sankofa and it is cheaper than the gas coming from Nigeria although prices can change anytime but as I speak, the formulation is cheaper than the one coming from Sankofa. The only ones which are cheaper are Jubilee and TEN but they cannot give you the volumes you need because of production constraints and challenges from the Ghana Gas plants," he asserts. Buttressing his point, he explains that gas demand has gone up significantly in the past two years, from about 211 mscfd in 2019 to 296 million mscfd in 2020 and is expected to exceed 300 million mscfd in 2021.

This level of growth, GNPC insists, cannot be matched by local production alone. "People make the mistake that we are producing so much gas domestically and therefore, there is no need for LNG. What GNPC is doing is highly competitive and in four years, demand should outstrip the current supply" asserts Dr Sarpong.

GNPC also argues that the new LNG facility will expand the energy mix for power generation, pointing out that there can be unexpected technical challenges that curtail local gas production, a situation which indeed has happened in the past.

Dr Sarpong points out that "in Tema where we have installed the LNG plant, the demand for gas is 250 million mscfd, which explains why we still take from Nigeria and from the western Ghana to add up to gas requirements in Accra.

"There are power plants with installed capacity of about 1500MW and that will need about 260 mscfd. We cannot get that alone from the West, we have to even transport some along the West Africa Gas Pipeline which costs us more money and it is a major issue in terms of cost. When you add that to the Sankofa gas, it is way too expensive," he indicated.

Explaining further, Dr. Sarpong explains that the argument that Jubilee gas is cheap will soon expire because when the field's foundation volumes, which are free to the country, are finished, in about two years from now, Ghana will have to start paying for it. A number of CSOs including the Institute for Energy Security (IES), have also expressed concerns that the Tema LNG Terminal could worsen the unutilised gas menace, which the country pays about US$700 million for. "If you bring in gas on pay-or-take basis, it will definitely increase the burden on government but ours is not like that," Dr. Sarpong assures. "We have carefully agreed with the suppliers to start from a lower level of about 75million cubic feet. In the second year, we will move to 125million cubic feet when we must have identified enough users to absorb that volume.

In the third year we will move up to 150 million and in the fourth we will go to 170 million and by the fifth year, we will be doing about 200 million. So, we are using a more cascading kind of approach where you start from a lower level and then build up as demand increases," he noted.

The facility has potential to be scaled up to process 600 million standard cubic feet of gas a day but the actual contracted capacity to the country is 250million cubic feet of gas, according to GNPC. The gas will be supplied by Shell which controls about 30 percent of the global LNG market.

The first shipments are now being expected already.

Some industry analysts however assert that GNPC's new facility is simply a manifestation of a its desire to win turf from Ghana Gas with regards to gas supply in Ghana. They point back to a decision during the last decade by government to bring Ghana Gas under GNPC to strengthen the latter's balance sheet thereby improving the latter's capacity to attract commercial financing on favourable terms. The decision proved highly controversial and eventually was rescinded, releasing Ghana Gas from under it.

But there is a school of thought that GNPC having tasted the feel of being in charge of gas production and distribution is unwilling to let go entirely. Their fear is that this could result in competition rather than cooperation between two state owned corporations that each have critical roles to play in providing feedstock for energy generation. In turn, they argue, this is a recipe for excess gas supply.

Actually, Ghana's power generators and industries consumed just 255 MMSCFD in 2019. But this is expected to grow to 448 MMSCFD by 2023 and with the new industrialization policies and additional projects from Amandi, Early Power, and Cenpower, demand can be expected to grow even faster. And here lies the justification for rapid expansion of gas supply.

"Gas is cheaper and cleaner than solid fossil fuel and so it represents the best way forward for Ghana" asserts Dr Asante. "With Ghana's industrialization growing rapidly, through initiatives such as one district one factory, and market opportunities for Ghana's manufactured goods expanding rapidly too, through the African Continental Free Trade Area, the use of gas for power generation holds the best potential for adequate power at internationally competitive cost for industry."

Indeed while Ghana has been counting on gas to fuel electricity production from the national grid, gas holds the key to industrialization of a large scale.

Instructively Ghana Gas is looking to use local bulk gas buying and distribution companies to supply gas directly to industry. Already three such gas intermediaries are being established in the Tema area where industrial demand for power is highest. Ghana Gas will be able to take advantage of the reverse West African gas pipeline, which goes from western Ghana to eastern Ghana to deliver gas from Atuabo and from the planned new plant when it comes on line.

Prudently though, Ghana Gas is looking to remove the country's reliance on the WAGP. Dr Asante says the company is looking at installing a 278km gas pipeline onshore between Takoradi and Tema and that, "Takoradi and Tema were the two critical load centres in terms of gas demands and it didn't make sense to rely on one pipeline operated by a third party."

Interestingly though it is that demand in the eastern part that persuaded GNPC to site its new gas plant there too.

Industrialists though see sharply increasing gas supply in that area as a good thing rather than as a potential financial albatross; some industry analysts predict that competition between Ghana Gas and GNPC is brewing and this will drive prices downward, thus lowering power generation costs to the ultimate benefit of industry and households alike.

Actually though Ghana Gas is way ahead of the rest of the gas industry – and indeed the country as a whole – in its plans to put the country's local gas to good use by making certain strategic industries viable in Ghana for the first time. Indeed, Ghana Gas has already enabled the emergence of a local ceramics industry, providing the requisite huge energy requirements for heating at economically viable cost.

Now it is working with the Ministry of Food and Agriculture to use the nation's indigenous gas to produce fertilizer, with the plant to be located at Domunli to produce 400,000 tonnes of Urea and Nitrogen Phosphorus Potassium (NPK) fertilizers which would save Ghana over US$500 million in fertilizer import costs every year.

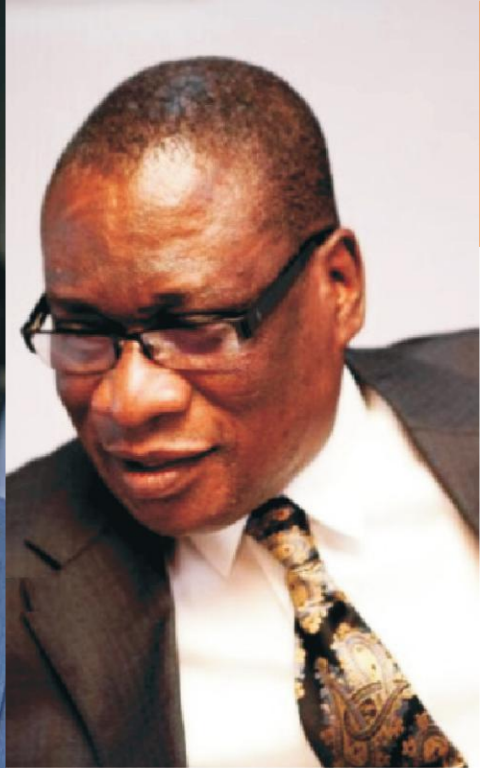
It is also looking to use Ghana's gas to facilitate the growth and development of the country's iron and steel industry as this will be key in enabling industrial production, from the automobile industry to machine parts.

But perhaps an even more potentially pivotal strategy over the shorter term is the plan to use Ghana Gas to support the country's extractive industry. Gold mining for instance, Ghana's biggest export revenue earner is highly capital intensive and for long the industry has complained about inordinate energy costs that slim its margins, creating the potential to render Ghana uncompetitive as an international mining investment destination. By lowering its energy costs, intends to make Ghana more, rather than less competitive in this regard.

But an even more crucial intention is to use Ghana Gas to ensure that government's ambitions of creating an integrated aluminum value chain is realized. It is instructive that Ghana lost the strategic advantages created by VALCO because of higher power costs which made production economically unviable.

"Government's ongoing efforts towards

Dr. Ben ASANTE
MD, Ghana Gas



Dr. K. K. Sarpong
CEO, GNPC

creating a full scale value chain from bauxite mining to the manufacture of aluminum products are predicated on competitively priced energy and Ghana Gas aims to make sure that energy is made available all along the supply chain" he assures.

Then there is the third use of gas, as envisaged by Dr Asante, one which he is personally invested in because of its potential benefits to the economy and the citizenry: the powering of the vehicular sector with gas to bring down transport costs. Here he envisions the use of locally sourced, clean and relatively cheap compressed natural gas to replace diesel oil to run a wide range of transport modes from the railway system now under development to tricycles which are becoming increasingly popular to as light freight carriers and which have the potential to replace controversial motorcycles as an efficient mode of passenger transport too.

Even as GNPC looks to move in on well identified demand in Tema, Ghana Gas is already looking further afield. There are plans afoot to make Kumasi another hub for power generation and there is a Mainline Compressor Station at Atuabo-a third unit-coming on board to increase the gas supply capacity.

Furthermore the Prestea-Kumasi Gas Pipeline Project, which is 60 per cent complete, would enable Ghana Gas to supply lean gas to Nyinahin and Kumasi for mineral processing and power generation.

Another initiative involves the Company siting a Liquefied Petroleum Gas (LPG) Bottling Plant in Axim. To this end six licenses have been released by the National Petroleum Authority (NPA) towards the execution of that project.

The LPG Bottling Plant would provide safe LPG bottles and bottling plants to improve LPG handling safety.

The Prestea-Kumasi Gas Pipeline Project, which is 60 per cent complete, Dr Asante said the project when completed would enable them to supply lean gas to Nyinahin and Kumasi for mineral processing and power generation.

As well as all this Ghana Gas is partnering the Ministry of Railways Development to produce compressed natural gas, which could be used to drive train engines, saying compressed natural gas was cleaner and much cheaper than other liquid fuels.

Development economists are pointing out that if the viable initiatives for the use of gas – whether locally sourced or imported, are pursued – there will be plenty of critical uses for all the gas Ghana has, and the even more in is about to get.

Ghana now stands on the cusp of accelerated industrialization. Gas is the key to making it happen.

AESL: The driving force behind the infrastructural development

Over the next three years, as the President Nana Akufo Addo administration rolls out its ambitious Ghana CARES programme with the aim if transforming a national economy ravaged by the effects of COVID 19 into one on a sustainable path to unprecedentedly accelerated growth, the installation of socio-economic infrastructure can be expected to take place at a frenzied pace, With government itself putting up some GHc30 billion in programme financing and the private sector expected to cough up another GHc79 billion - making for a colossal GHc100 billion in spending altogether – Ghana's infrastructure is in for a major upgrade.

But the efficiency of this spending will be more important than ever before; government is looking to engage in fiscal consolidation even as it funds its share of the Ghana CARES initiative and the private sector will be circumspect about its own financial outlays in the face of the slowdown in economic growth brought about by the global pandemic.

One key way in which the cost of design and actual construction and installation of socio-economic infrastructure can be minimized without sacrificing quality in any way would be the use of Architectural and Engineering Services (AESL) This state-owned firm of consulting architects, engineers and surveyors has over several decades proven its ability to deliver professional services that compare favourably with those offered by its private sector counterparts, but at significantly lower cost having learnt how to minimize operational costs in line with the exigencies of its government owners which has had to cope with a severe lack of fiscal space in recent years.

To be sure, government itself already recognizes AESL as a major trump card which it will play over the next three years in fulfilling its own infrastructural development role under the Ghana CARES initiative. Here it draws confidence from the company's outstanding track record of executing contracts for the public sector within budget and ahead of deadline, and which are fully functional, aesthetically pleasing, energy efficient, and make the best possible use of space.

That track record easily outstrips those of its privately owned counterparts whose value propositions are inferior to that offered by AESL.

Its large portfolio of ongoing projrets – which included office blocks and residential accommodation for senior government staff in all the newly created regions of Ghana – are coming on the back of an unparalleked oertolio of completed projects executed over the years. Instructivelybthewe projects are spread all around Ghana, testifying to AESL's unmatched geographical reach nationwide, and indeed beyond the borders of Ghana, the latter such as the design and construction of Ghana's High Commission in Abuja, the capital of Nigeria.

Also the sheer variety of the types of projects – ranging from the civil and structural design and construction of buildings, through land and quantity surveying, feasibility studies, valuation, geo technical engineering, electrical and mechanical engineering installations, and irrigation, water resource management water works engineering evidences AESL's unique capacity as a one stop shop for building and civil design and engineering as well as the complete array of accompanying professional services. The company also engages in cadastral, topographical, bathymetry and hydrographic surveys; valuation of asserts, property and estate management; subsoil investigations; physical and chemical properties testing; concrete and reinforcing materials testing; and both pre and post contract quantity surveying services. Added to all these are the design and installation of passenger and service lifts and central air-conditioning systems as well as electrical power generating and distribution systems.

Just as importantly, AESL has proved its exemplary professional capacities across various key sectors of the economy, ranging from education, through health, tourism and hospitality facilities and from offices to housing. The company's services are used in the design and construction of schools, offices, houses, hotels, health facilities, swimming pools, stadia, bridges, and the provision of drainage, sewerages and watersupply.

Simply put, AESL has proved itself empirically to be the leading firm of design, engineering, survey and valuation consultants in Ghana. It has also provided incontrovertible proof that a state owned enterprise, left in the hands of thoroughbred professionals, can outperform ots privately owned counterparts for the benefit of the public sector and ultimately the Ghanaian citizenry as a whole.

To deliver these services AESL deploys a multi-disciplinary professional staff team of nearly 100, comprising architects, quantity surveyors, structural, electrical, civil and mechanical engineers, water and geo-technical engineers, valuers, land surveyors and interior designers.

AESL combines its excellent human resources with a strong material resource base comprising a complete array of modern operational equipment. This includes geo-technical equipment and advanced electrical equipment. The company's array of advanced operational equipment is backed up by a large fleet of vehicles and office equipment including top tier digital capacity.

But with the implementation of the Ghana CARES initiative now on the horizon it would be in the best interests of the private sector enterprises that will partner government to use AESL

Dr. Agyei Marfo - Director, AESL

as well. Curiously, the private sector has been reticent about using this outstanding firm so far, its perception of public sector corporations out riding the clear evidence which AESL's track record of professional accomplishment provides. Actually many private enterprises wrongly assume that AESL exists only to serve the public sector and therefore is not available for use by private enterprise.

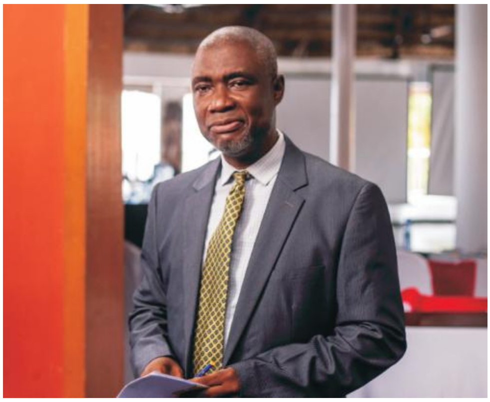
The current management of AESL, led by the hugely skilled and experienced Architect I. Agyei Marfo as its managing director is taking deliberate, concerted steps to reach out to the private sector to diversify its clientele base. Private clients that have used its services across a wide range of fields of activity – ranging from Kumasi City Hotel Twifo Oil Palm Plantation, Faros Atlantic Satellite Power Generating Company and Stone & Webster International, to Takoradi Thermal Plant, KBA Investments, Granites & Marble Limited, Astay Limites, Bogoso Gold Limited, Agricultural Development Bank and Subri Industrial Plantation among others.

AESL is positioned to be a pivotal driving force behind the infrastructural development aspects of the Ghana CARES initiative which is key to the country's bold new effort to turn the challenges of COVID 19 into accelerated and sustained economic growth which ultimately aims to create a Ghana beyond aid.

Annual Thanksgiving Service / Staff Union meeting

AESL Photo Speak

AESL



Hon. Prempeh, MD, GOIL (Centre)

Again, GOIL wins another award

Ghana's best indigenous fuel distributor, Goil, has once again won the prestigious 'Oil Marketing Company of the Year' at this year's Ghana Oil and Gas Awards for its excellent performance in the downstream petroleum sector.

The local oil giant had earlier been crowned by the Ghana Investment Promotion Centre, GIPC, in its annual rating, GIPC Club 100, as the second most prestigious company in Ghana and also the second best listed company on the Ghana Stock Exchange, GSE, surely deserves this recognition.

GOIL Company Limited (GOIL) began life in 1960 as the successors to AGIP PETROLI, whose 100 percent shares were acquired by the state in 1974 which then changed its name to Ghana Oil Company Limited and again in 2019 to GOIL Company Limited, which is a reflection of its growth and expansion activities/ventures in not only the petroleum sector but other industries as well.

The shareholding structure gave the state 34.23%, Social Security and National Insurance Trust, SSNIT 25%, Bulk Oil and Storage and Transport, BOST, 20.03% while the balance of 20.74% is held by others including private citizens.

Over the years, Goil has transformed itself over the years all aimed at building an efficient and profitable entity in the oil and gas industry focusing on its customers who it has always recognized as being at the core of its business.

With three registered subsidiaries: GOEnergy Company Limited, a Bulk Oil Distribution Company (BDC), which distributes petroleum products to Oil Marketing Companies (OMCs); GOIL Offshore Ghana Limited, an upstream subsidiary which had a partnership with Exxon Mobil Ghana Limited until the American company pulled out of Ghana and GOIL Financial Services Limited, which provides an electronic payment system aimed providing money transfer services.

Part of her rebranding process between 2010 and 2012 included changing its logo, station outlook, and most importantly, the corporate culture which was dubbed "Good energy comes with a Smile" and has since 2002 maintained its market leadership in gasoline and bunkering sectors and also a major player in all other products it markets.

Despite this enviable market visibility and positioning, the company is still pursuing an aggressive course in making a strong statement in the sale of Aviation Fuel (Jet A-1) to local airlines and other carriers operating in Africa. However its biggest achievement in recent years has been the completion of a 13.5million litre MGO bunkering facility at the Takoradi Port.

With more than 400 filling and service stations, and 150 consumer outlets spread across the country, a huge chunk of its income is derived from the sale of diesel and gasoline as it operates in

eight zones of the country where its consumer outlets include companies, schools, hospitals, factories, hotels, and banks amongst others.

Sale of liquefied petroleum gas, LPG Gas, is one of the company's strong points. It sells this product through purposely built filling plants, some of which share the same space with its filling and service stations employing its geographical spread to ensure it maintains its first position in terms of distribution of petroleum products thereby enabling her products to reach virtually all parts of the country timeously through her over 400 stations country-wide.

Apart from distributing oil and lubricants through its nationwide outlets, GOIL has won contracts to supply mining diesel to Newmont Gold Corporation at its Akyem Mine, New Abriem, and lubricants to Golden Star Wassa Limited, Wassa Akyempim Mine, while it continues to make inroads in winning more contracts backed by a strong management commitment in product-availability, service-consistency and zero complaints in the mines that it operates in.

MGO SUPPLIES

Despite these laudable achievements, Goil is not resting on its oars. It has completed the construction of a 13.5million litre MGO bunkering facility at the Takoradi Port in addition to other fuel storage facilities that bunker ships and vessels at the Sekondi Naval Base and Tema Harbor. The 13.5 million litre storage facility at the Takoradi Port for instance has positioned the oil giant as a major player in the bunkering business in West Africa.

BITUMEN PRODUCTION

GOIL's intention is to be a major supplier of bitumen to the road construction industry as this ambition has propelled her to, in conjunction with SMB of La Cote D' Ivoire, construct a bitumen plant depot at Tema.

As an ISO 9001:2015 certified (Quality Management System) company, the process for this certification that was started in 2008 and approved in January 2015 and a formal presentation done on March 12, 2015 has placed the company in a position to venture into international markets, especially in West Africa as it has been certified with an ISO 14001:2015 standard on Environmental Management Systems (EMS) in its aspiration to market and distribute a wide range of lubricants including top grade synthetic engine oils, LPG accessories and other special products.

GOCard, an electronic card system which it has developed, provides both prepaid and post-paid services allowing for follow-up on fuel consumptions, thereby eliminating the need to carry cash to make a purchase, or tailored to meet the need of individuals and fleet. This card uses a state-of-the-art EMV encrypted chip and magnetic stripe technologies with enhanced protection to card users and has become a must have for corporate organisations and individuals who are mindful of their fuel consumption. They find GOIL coupons sold exclusively from GOIL Head office and Zonal offices most convenient to use as they are used to purchase fuel at any GOIL Service/Filling Station.

These remarkable achievements have therefore placed her at the forefront of the downstream sector and thus won once again the prestigious CIMG PETROLEUM COMPANY OF THE YEAR 2020 award.

Rise in inflation threatens

A surge in consumer price inflation for July confirms that Ghana's output gap has narrowed, this also reflecting in accelerated economic growth. Consequently the Bank of Ghana has decided against further monetary easing even as government itself cuts back on the fiscal stimulus spending it began last year. The Influential Businessweek's Chief Economist TOMA IMIRHE examines the situation and its implications for the country's ongoing economic rebound.

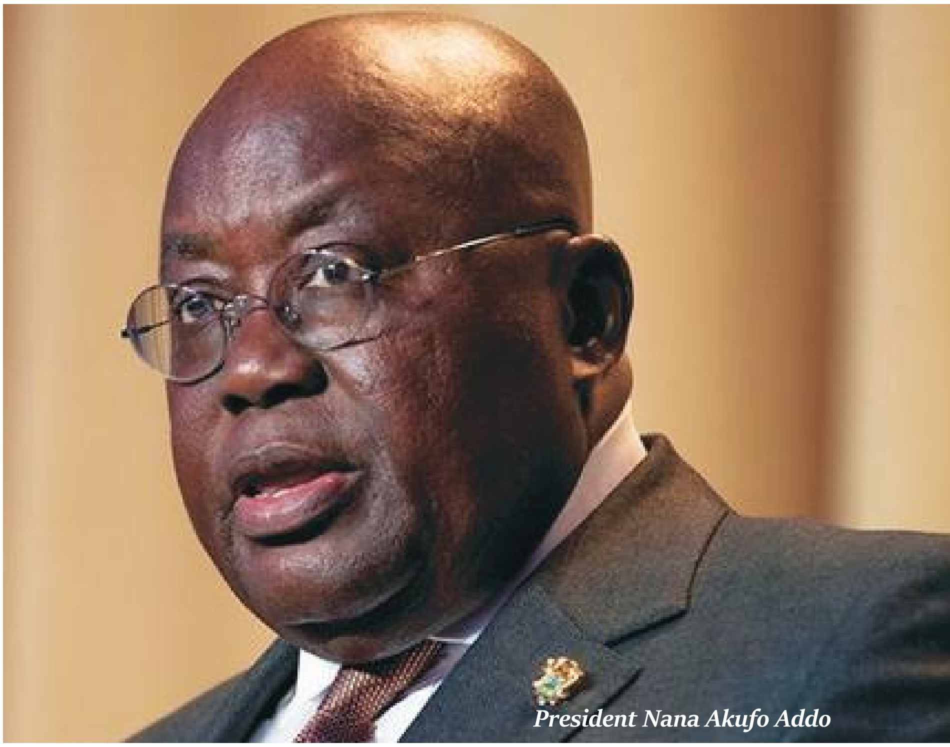
The Bank of Ghana has effectively been forced to halt further monetary easing for now as the latest consumer price inflation data from the Ghana Statistical Service, released on Wednesday last week, has revealed that Ghana's inflation rate rose more than forecast in July after food, transport and housing prices surged. This confirms suspicions already making the rounds before the latest inflation data was released that Ghana's economy is showing signs over possibly overheating due to the underlying nature of the accelerated economic growth the country has been enjoying since emerging from its first recession in nearly four decades, last year.

At its most recent regular Monetary Policy Committee meeting, held late last month, the central bank opted for caution, in retaining its benchmark Monetary Policy Rate at 13.5 percent for another two months, having lowered it by 100 basis points in May. The new inflation figures justify its stance and indeed will persuade the MPC not to engage in any further monetary easing for now.

Consumer inflation quickened to 9 percent from 7.8 percent in June, Government Statistician Samuel Kobina Annim revealed at a press briefing last Wednesday in Accra, Prices climbed 1.6 percent during the month.

Food-price growth, that propelled inflation above 10 percent for most of last year accelerated to 9.5 percent, compared with 7.3 percent in June. Non-food prices rose 8.6 percent, after climbing 8.2 percent in the prior month.

Despite the acceleration, inflation has remained below the 10 percent upper ceiling of the central bank's target range - of between 6 percent and 10 percent - since April, but this is the closes it has come to the ceiling of that target band since then. Besides, the increase, being higher than expected confirms that Ghana's output gap, which widened considerably last year because of the dampening impacts of COVID 19 on economic activity has now been bridged. Indeed the first Deputy Governor of the Bank of Ghana, Dr Maxwell Opoku Afari confirmed this to the Influential Businessweek last Wednesday, just before the July inflation data was announced.


President Nana Akufo Addo

This means that the BoG can no longer engage in significant monetary easing without stoking inflation as it had been able to do since March last year when the arrival of COVID 19 forced government into severe socio-economic restrictions. Last year the central bank responded to the arrival of the coronavirus pandemic by loosening restrictions on lending, lowering the effective minimum capital requirements and working with government to significantly lower interest rates, despite rising inflation at the time. This was done in the secure knowledge that the slump in economic activity imposed by socio-economic restrictions imposed to curb the spread of infections would prevent monetary easing from fuelling macroeconomic instability

Indeed, the accompanying heavy fiscal stimulation by government last year fuelled a sharp acceleration of money supply growth too without inordinate adverse effects on price levels,

But with the output gap now bridged – the BoG's Composite Index of Economic Activity rose by an unprecedented 33,.1 percent, year on year, in May – all this has begun feeding into inflation and could potentially fuel cedi depreciation as well if not well managed.

An index measuring manufacturing sentiment in Ghana in July signalled a pause in growth in the private sector as inflationary pressures put the brakes on the economic rebound.

On the upside though, the latest surge in inflation is predominantly the result of a surge in food inflation, which can be expected to decelerate shortly with the impending annual food harvest about to increase the supply of food crops. The central bank sees inflation remaining within target for the next 18-24 months, the monetary policy committee said after its meeting last month. This however depends on the retention of exchange rate stability, which in turn requires a slow down in the sharp monetary growth since 2020, allowed to give the economy a boost in the face of COVID 19's dampening effects.

Crucially, rising inflation brings a new threat to Ghana's ongoing economic rebound which recent BoG data suggests reached a crescendo during the second quarter of this year. Prior to the latest price surge the main threat to accelerated economic growth had been identified as the reluctance of banks to lend to the private sector because of the business uncertainties imposed by COVID 19. Rising inflation will provide a further disincentive to bank lending.

Another upside though is lending by non bank financial intermediation companies – such as rural banks, savings and loans companies and microfinance companies remains strong even though the number of lenders left in the market has been decimated by the recent financial sector reforms. Furthermore, government is being pro-active in introducing initiatives and policy measures aimed at increasing the private sector's access to credit-enhancing programmes such as venture capital and both the Ghana Commodities Exchange and GIRSAL which both provide credit guarantees for lending to agriculture. The impending Development Bank Ghana will have a significant impact on access to credit by small and medium sized enterprises as well.

Nevertheless, a slowdown in Ghana's economic growth, which early BoG data suggests may have reached a crescendo of 6% or more during the second quarter of the year, is inevitable and this explains why government, in its mid year budget review, only raised its growth projections by 10 basis points, from 5.0% to 5.1%. But as an inflation targeting institution the central bank correctly will prioritize price stability over sustaining the second quarter growth surge. Besides, even at 5.1%, Ghana's growth would be far better than the average for sub Saharan Africa, projected at below 4% this year

Ken Ofori-Atta

Cedi depreciation follows inflation

The costs of Ghana's monetary easing and fiscal stimulus, embarked on by the central bank and government itself since the second quarter of 2020 to avert an economic slump as a result of the COVID 19 global pandemic are beginning to rise at last as the country's output gap fades away and sharply increased money supply feeds into inflation and cedi depreciation.

The first vivid signs of the problem were illustrated by a surge in consumer price inflation to 9.8 percent for July up from 7.6 percent in June. They are now being confirmed by the sharpest cedi depreciation since the viral outbreak arrived in Ghana early last year.

The biggest injection of dollars yet by Ghana's central bank failed to stem the cedi's slide on Wednesday amid a surge in foreign-currency demand from importers.

The Ghanaian currency dropped 1.6% to 6.03 a dollar on Wednesday last week. in Accra, making for the weakest single day close on record in several years. That erased the 1.4% gain on the previous day after the Bank of Ghana – proactively foreseeing the impending exchange rate pressures - tripled the amount of dollars offered at its forward-rate auction to US$75 million, the most since the sales began in 2019.

“Business activity in general is bouncing back, and that's what is driving the demand” for dollars, Gabriel Engmann, a currency trader at GCB Bank Ltd. in Accra, told Bloomberg. “A lot of companies that were down are picking up. We are getting demand from the commerce and manufacturing sector.”

The cedi has weaened every month since May as an economic revival following the pandemic spurred companieto soak up dollars to purchase goods to expand. Government targeted 5.0 percent growth for 2021, well above the projected average of 3.3 percent for sub Saharan Africa as a whole. This was widely seen as overly ambitious by most economic forecasters, with the economy emerging from a COVID 19 imposed recession during the second and third quarters of last year to record 3.3 percent growth during the fourth quarter of the year and 3.1 percent for the first quarter of this year. But early data from the Bank of Ghana economy has suggested that second quarter growth may have accelerated sharply – its Composite Index of Economic Activity grew by an unprecedented 33.1 percent over the 12 months to June 2021 - encouraging government to raise its full year growth target by 10 basis points to 5.1 percent.

Interestingly, although the Ghana Statistical Service has not officially released economic growth figures for the second quarter President Nana Akufo Addo last week told a gathering of German investors that Ghana had achieved 8.9% growth for the period.

However the effect of sharp economic growth that has closed the output gap created last year by COVID 19 is illuminated by data showing that the country's trade surplus narrowed to 1.2% of gross domestic product in the first half of 2021 from 1.5% a year earlier as imports increased, confirming rising demand for foreign exchange.

Over the past couple of months the BoG has suspended any further monetary easing – it retained its benchmark Monetary Policy Rate at 13.5 percent in July – and government is only too happy to suspend any further fiscal stimulus spending to help its fiscal consolidation efforts.

CARES unveils Ghana Cares

An array of initiatives under second phase of the three year GHc100 billion Ghana CARES programme have been revealed at last, after months of vague references without specifics. Our Executive Director and Chief Economist TOMA IMIRHE documents the initiatives announced so far which span finance, manufacturing, agriculture, ICT and tax administration.

Finally Ghanaians were, a fortnight ago, given a holistic look at the various specific initiatives government is pursuing under the second, and most potentially transformative phase of its ambitious GHc100 billion, three year Ghana COVID 19 Alleviation and Recovery of Enterprises (Ghana CARES) initiative. Prior to the presentation to Parliament the proposals for the midyear review of the 2021 budget by the soft-spoken, eloquent and very competent Finance Minister Ken Ofori-Atta, although government had repeatedly declared that the Ghana CARES initiative is potentially the most transformative medium term plan to accelerate the country's economic growth and development ever designed, it had remained short on details of what the plan actually contained. Indeed there had not appeared to be a holistic plan for the initiative and consequently initiatives to be pursued have been announced in bits and pieces, often as defensive reactions to criticism of government's economic management, such as that presented under the ambit of the ongoing #fix the country campaign.

All that changed a fortnight ago as an entire section of the Finance Minister's presentation to Parliament was devoted to a documentation of ongoing or impending initiatives under the Ghana CARES programme.

Explained Ofori-Atta: "Government had launched the audacious GH¢100 billion Ghana COVID-19 Alleviation and Revitalization of Enterprises Support (Ghana CARES) "Obaatan pa" Programme. As already articulated, our approach under this programme is to catalyse the private sector in targeted sectors to fast-track competitive import substitution, export expansion and the creation of decent jobs for our youth.

"Government's focus on returning to a more sustainable fiscal path in the medium term is underpinned by our current deliberate efforts to ease constraints in agriculture, agri-business and industry. The transformative interventions under the Ghana CARES programme are also to foster structural reforms in the business value chain to support diversification and job creation for our youth.

Since the turn of this year, we have been purposefully pursuing the Phase II of the Ghana CARES programme to revitalise the economy and set it on track for transformation. We are emboldened in this course, knowing that the initiatives in the Stabilisation Phase (Phase I) were vital in sustaining the quality of life of our people and the prospects of our economic recovery.

"Six months on we have made considerable progress towards our pledge to create a well-lubricated financial ecosystem to anchor wealth-building for our youth under the Ghana CARES programme."

Now to the specifics. The first is one of the few already announced, indeed repeatedly so although the failure of government to keep to its accompanying timelines for implementation has done little to encourage public policy commentators that the entire programme is more than political gimmickry.

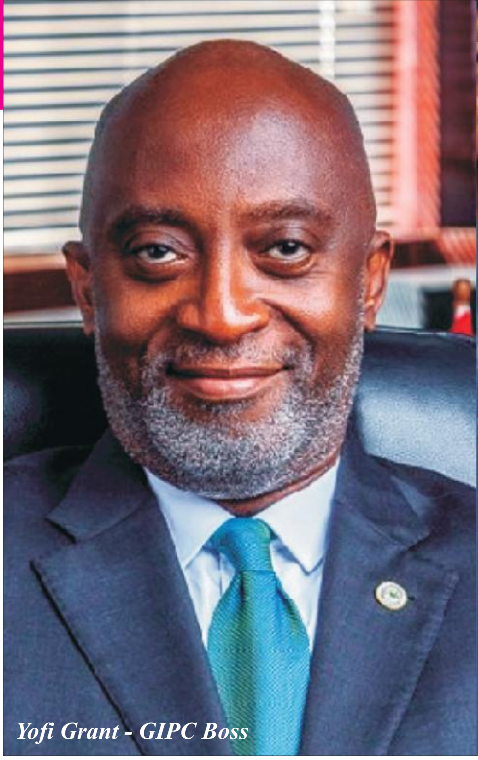
This is the much trumpeted Development Bank Ghana which, in March, the Finance Minister had promised would be up and running by the end of July. To be sure the Minister's latest pronouncements on this institution add nothing new other than to reassure that, although behind schedule, its commencement is as concrete as the benefits it can be expected to deliver.

“With adequate capitalisation this year, we are ready to operationalise the Development Bank of Ghana (DBG) which will address critical constraints to businesses” asserted Ofori-Atta to Parliament. “As a post COVID recovery institution, the Development Bank of Ghana (DBG) would mobilise funds from both the domestic and international markets to support the private sector to invest on a medium to long term basis. The DBG will thus unlock long term financing for actors in the manufacturing, agriculture, agro-processing, mortgage, and housing sub-sectors to propel economic growth, create jobs and improve domestic revenue mobilization. “

To be sure, this initiative is potentially pivotal, if the role of the Ghana Export Import Bank is to serve as a guide. GEXIM Bank has shown how useful a development bank can be and DBG has an even bigger, more critical mandate.

But most importantly, Ofori-Atta's presentation has revealed DBG as just a part of a wider initiative, to be implemented through the Ghana CARES programme, to overcome the dearth of available commercial financing from Ghana's financial intermediation industry, which the Bank of Ghana's Monetary Policy Committee, a fortnight ago itself identified as the biggest single constraint to the country's ongoing economic rebound from the slump caused by COVID 19.

Another part of this agenda will involve the strengthening of GIRSAL, guarantee scheme introduced by government a couple of years ago to encourage commercial lending to the



Yofi Grant - GIPC Boss

Dr. Ernest Addison - BoG Governor

agricultural sector, which is widely seen as an overly risky credit proposition.

“To ensure that businesses have access to investment financing at a lower interest rate, we are strengthening GIRSAL to collaborate with banks in order to mitigate the challenges within the agricultural value-chain” explained Ofori-Atta. “We have made available additional funding to support the operationalization of the Guarantee Scheme which will allow Medium and Large Scale Enterprises to access investment funding from financial institutions at a lower interest rate, improve productivity, financial performance and sustain employment for our people.”

Another facet of the private sector financing agenda under Ghana CARES is the use of the Ghana Commodity Exchange which holds tremendous potential but which is hardly being exploited so far. “We are catalysing the Ghana Commodity Exchange (GCX) this year to be more nimble” asserted Ofori-Atta. “This support will strengthen the GCX to play its critical role in reducing post-harvest losses, providing better access to agricultural and financial markets, creating jobs and improving livelihoods for all actors along the agricultural value chain.”

While all these initiatives aim at facilitating increased volumes of debt financing, government is also looking at providing an improved framework for mobilizing equity financing for private enterprise too. “To provide financial resources for the development and promotion of venture capital financing for Small and Medium Enterprises (SMEs) in priority sectors under Ghana CARES, we are supporting the Venture Capital Trust Fund (VCTF) this year” affirmed Ofori-Atta. “The support will enable the VCTF to tremendously impact financing for venture capitalists, especially the youth, in Ghana.”

Here however the scope of initiatives under Ghana CARES falls short of what is needed. Going by the Finance Minister's revelations, little attention seems to be given to the Ghana Stock Exchange's equity segment – which has been largely subsumed by the success of its debt – focused Ghana Fixed Income Market – nor the Ghana Alternative Stock Exchange, established to ease stock market access by SMEs, but which so far has attracted debt securities issuances rather than equity. No mention ws made about the newly introduced concept of crowd funding – eminently successful in developed jurisdictions - either despite its potential for mobilizing equity for small start ups if properly structured and regulated by government.

Instructively, the other mooted major initiative for private sector financing under Ghana CARES also focuses on debt. This is the Ghana Enterprises Agency, born out of the restructuring of the erstwhile National Board for Small Scale Industries, NBSSI.

"We are delighted to have completed the institutional rationalization and subsequently launched the Ghana Enterprises Agency (GEA), as a dedicated robust institution to promote the development of Ghanaian MSMEs" enthused Ofori-Atta to Parliament. "The GEA is now better positioned to respond to the growing needs of MSMEs and play a lead role to strengthen the capacity as well as the competitiveness of the enterprises in Ghana. With additional funding and strategic partnership of reputable international organisations, GEA is ready to expand the frontiers of MSMEs in Ghana."

Ken Ofori-Atta

Related to the funding of the private sector for productive activity is support for home ownership through mortgage financing. Just as with the private sector financing initiatives, this involves pursuing an initiative already underway rather than a brand new one. However government can at least lay claim to its being an initiative designed specifically as a new component of the new Ghana CARES programme. "Government, this year, is supporting the National Housing and Mortgage Fund (NHMF) under the Ghana CARES programme" said the Finance Minister. "This funding will enable the NHMF to provide a lower rate counterpart fund to be matched by the banks. This is will lead to a lower blended rate to finance both construction and mortgages at lower rates in Ghana. Through this intervention, our quest to promote the construction sector and provide more jobs for our youth is on course."

The continued reference to the youth by the Finance Minister in the presentation on Ghana CARES is interesting in that none of the financing initiatives are actually new, but this is the first time they are being presented as efforts specifically aimed at empowering the youth. This is correctly interpreted as political spin aimed at ameliorating the ire of the #fix the country protestors; but at the same time it represents a recalibration of the Ghana CARES programme towards benefiting the youth in particular as a response to the ongoing protests. Considering the sheer size and duration of Ghana CARES, the protestors should see this as a huge win for themselves.

The next major pillar of Ghana CARES focuses on improving the regulatory and facilitation frameworks within which Ghana's private sector operates.

"We are doing more to unbound the spirit of entrepreneurship by easing the constraints in the Business Regulatory Process this year" promised Ofori-Atta." Through the Ghana Economic Transformation project, we are accelerating on-going reforms to enhance the business environment. Our target is to improve Ghana's "Doing Business" global ranking to be in top-100 in the medium term. The achievement of this will facilitate the attraction of more investments to generate decent jobs for our youth as part of our vision under GhanaCARES."

This would set the foundation on which the Ghana Investment Promotion Centre can up its own game, as it seeks to fulfil its own crucial role in the Ghana CARES programme by mobilizing the GHc70 billion required from the private sector over the three year period.

"To enable the GIPC mobilise the GH¢70billion investment, we are supporting the GIPC to be aggressive and more targeted in seeking investment into the prioritised sectors. The intentional and dedicated effort to attract global and regional brands in the likes of Twitter, Google will be re-invigorated and leveraged to grow local enterprises" said Ofori-Atta in his presentation.

"Together, the DBG, GCX, GEA, GIRSAL, VCTF, NHMF, GIPC and the accompanying reforms of the business regulatory environment, form a nucleus that anchors a new age of entrepreneurship, job creation and wealth building for our post-COVID transformation" he enthused. "The prospects of business and entrepreneurship have been given the needed boost through this ecosystem."

Also revealed by the Finance Minister are specific interventions in various economic sectors, starting with agriculture. The emphasis on agriculture is for several crucial reasons. Why the most obvious one is food security, agriculture also presents the best potentials for job creation, for both import substitution and foreign exchange earnings to keep the cedi's exchange rate stable, and perhaps most crucially, for providing raw materials with which Ghana can industrialize. Government is looking at broad based increases in agricultural production, but is targeting certain crops and activities for strategic reasons.

"CARES is investing in initiatives that will improve production and productivity in the rice, poultry, soybean, and tomato subsectors this year" Ofori-Atta told legislators." Government's recent successful engagement with all the value-chain actors in these sub-sectors has helped to sharpen the focus of investments and brought a more holistic view to the issues we are confronting in these sectors. We are therefore providing interest rate subsidies, facilitating equipment acquisition, linking markets and promoting relevant research for

these sectors." Again government is now claiming all this is being done deliberately to empower the irate youth. "The youth are being supported this year to become out-growers for anchor farmers to boost their participation in commercial farming."

Ghana CARES is also investing in data and digital technology for the Agricultural sector. These technologies are meant to revolutionize the targeting of interventions such as fertilizers, seed inputs, extension services and acquisition of land for commercial farming. The aim is to drive efficiency and improve output in the sector.

Accelerated expansion of Ghana's light manufacturing is an obvious area of focus under Ghana CARES. "Government is delivering dedicated support to expand the processing capacity of actors in the Pharmaceutical, Cassava, Garments and Textiles industries to increase exports and create additional jobs" asserted Ofori-Atta. The specific interventions under the programme include support for the establishment of a cassava processing plant, provision of technical assistance to the Garment and Textile as well as the pharmaceutical industries.

Furthermore, as a commemorative endeavour with massive socio-economic value, Government has also decided to create the Ghana CARES Enclave. This enclave, to be sited at Asutware will accommodate Industrial Parks, Tech/Digital Hubs, Commercial farms operated by our youth as well as suitable housing as a secondary city.

"We believe that the benefits of agglomeration and the expected spillover effect will be vital for sustaining innovation and economic transformation. As Tema symbolised our post-independence audacity, the Ghana CARES Enclave, as a monument of our resilience, will mark the fortitude in our post-COVID transformation: Ofori-Atta enthused. "To date, we are engaging targeted stakeholders to enable us to proceed smoothly and with speed. "

Key Pharmaceutical Manufacturing companies are being supported to upgrade their operations to reach Good Manufacturing Practice Standard although this again suggests that the Ghana CARES programme, as announced is as much a political weapon with which to claim concerted economic response to the recent down turn as it is a genuine economic master plan ; the effort towards achieving GMP standards for the pharmaceutical industry is an effort being executed by GEXIM Bank since 2017, long before the outbreak of COVID 19 and government's declared response through the Ghana CARES programme. Additionally, Government is working feverishly to establish a garment industrial park which will boost exports and create additional jobs under the Ghana

CARES programme. Although plans for this have also been afoot for several years now, it is likely this concept has been adopted for inclusion in the programme as part of the holistic segment that addresses manufacturing. Rapid acquisition of capabilities to manufacture machine tools to support industrialization is a major priority under Ghana CARES. Government has therefore established the Foundry to assist with the fabrication of tools and the process to identify a suitable private sector operator to manage the Foundry is ongoing. "We are also providing incentives to the private sector to manufacture key agricultural implements and prototype industrial research on a commercial basis" assured the Minister.

The Tourism, Arts and Culture sector was perhaps the most affected by this pandemic and this has occurred just as government had realized its huge latent potentials, therefore it forms a major pillar of the CARES initiative.

"Government is cognisant of the enormous potential of this sector in creating jobs, earning foreign exchange and projecting Ghana for investment" the Finance Minister told Parliamentarians a fortnight ago. "We are also aggressively promoting international and domestic tourism through Ghana CARES by supporting the modernisation and development of identified tourist sites. We are therefore revitalizing the skill sets of sector operators, working to reduce the cost of doing business in the sector to make actors more competitive and transforming targeted tourist beaches to increase patronage."

Next is the ICT sector which has been a key component of the incumbent administration's efforts to modernize the economy and improve its performance right from when it first assumed office.

"Ghana CARES is providing catalytic investment for the development of communication infrastructure this year" asserted Ofori-Atta. "Government is consolidating and expediting projects on Smart Workplace, National ID, Digital address systems, Land Records Digitisation, Births and Death Registry, Health Records Digitisation, virtual learning platforms this year to bridge the digital divide for the benefit of all citizens.

"Ongoing efforts to consolidate the fibre assets of VRA, ECG, GRIDCO, Ghana Gas, BNC, GIFEC and others are being sustained under this programme. We are also enhancing the capacity of key institutions and improving coordination with the private sector for quality service delivery to facilitate business expansion and economic transformation."

Government is expected to provide GFHc30 billion out of the GHc100 billion in total financing of the programme. Even though this amounts to just 30 percent of the total amount it still presents a massive hurdle for an administration notorious for cutting away capital expenditure in order to stay within or at least close to its fiscal deficit targets. Indeed the biggest genuine criticism of the administration is that the rising public debt is the result largely of consumption rather than infrastructural development.

Aware of its own shortcomings the Ghana CARES initiative comes with a framework for ensuring that it is actually executed.

"Government is aware of the critical importance of additional revenue to implement the recovery and transformation agenda" Ofori Atta has assured. "We are therefore transforming the Ghana Revenue Authority to drive our quest for burden-sharing and sustainable revenue mobilization. This transformation agenda is not just about mobilizing more, it is equally about mobilizing sustainably with the help of technology. Government is building robust and integrated data systems under Ghana CARES to advance this cause.

"We have also established the Revenue Assurance and Compliance Enforcement (RACE) Initiative to complement the efforts of the Ghana Revenue Authority (GRA). The remit of RACE is to identify and prevent revenue leakages while reinforcing the culture of compliance nationwide. A formal launch of this Initiative is scheduled.

"We have heeded the call from H.E. the President not to see the Ghana CARES programme as business as usual. To this end, nine Implementation Compacts with comprehensive result frameworks have been developed with the participating institutions.

"The Compacts are partnership agreements between the Ministry of Finance and participating Institutions to ensure effective and timely delivery of targets under Ghana CARES for the 2021 fiscal year. It ensures predictability of and the flow of catalytic resources to the agreed interventions. We have strongly linked resources to results to facilitate optimal delivery of outputs and outcomes. Through the Compacts, we are also strengthening sustainable alliances and collaboration with private sector players and development partners for economic transformation in a post-COVID era."

All this provides the first real glimpse of what the Ghana CARES programme will entail. To be sure, large parts of it are actually simply the continuation of ongoing policies and initiatives designed and started long before the CARES programme itself. However, their being integrated into a holistic development plan with linkages to other initiatives does count for something.

Ahead of a closer examination, the components of the CARES programme appear well thought out and implementation, Ghana's albatross in the past, is being properly addressed through a combination of revenue generation measures and implementation compacts.

Finally Ghana CARES phase two is no longer a political rallying cry and electoral promise; it has now become a real programme with real components and a game plan to see them actually implemented.

A Big Bank

that makes small clients grow big too

Ecobank Ghana has grown into the country's biggest bank over the past three decades. Now, utilizing an array of financial products delivered digitally on a robust IT infrastructure, the bank aims to replicate its own phenomenal growth for its SME clients. TOMA IMIRHE explains how.

The conventional wisdom among a major proportion of Ghana's banking public operating as micro and small businesses is that Ecobank Ghana is a large multinational bank and therefore is not suited for enterprises of their size. This perception is further exacerbated by the bank's cutting-edge use of technology in delivering its products and services, and by the glittering splendour of its Head Office building, which dominates the skyline of Accra's central business district.

However, contrary to this conventional wisdom, Ecobank, since 2019 has been the bank in Ghana that reaches the farthest down-market in providing financial support for households and for micro, small and medium sized enterprises. This has been done through its innovative Xpress Loans scheme, offered in partnership with Jumo Ghana and MTN Ghana.

To be sure though, Ecobank is looking to servicing much bigger customers in the future – but rather than always winning large corporations from their current bankers by offering superior products, services and delivery channels, the bank is looking to nurture what are currently micro-sized enterprises into medium and large scale

Dan Sackey - MD, Ecobank

businesses. The bank has begun this process with Xpress loans, which are the smallest retail loans currently offered by any bank in Ghana. Through this, Ecobank seeks to transform these enterprises into large corporates that will suite its corporate banking services ultimately. .

Xpress Loans are essentially small sized, unsecured retail loans applied for and disbursed through customers mobile phones with the entire process lasting within a few minutes. This makes it ideal for small businesses that lack cash reserves to take advantage of lucrative but transient business opportunities, or that need to scale up quickly and without fuss.

"Ecobank launched its first microlending proposition, the Xpress Loan in May 2019, in collaboration with Jumo Ghana and MTN Ghana. Since then, we have disbursed Ghs3.12 billion (US$537;76) in loans to 2, 296,295 with a disbursement rate of 10 loans per minute and an average loan size of GH313" asserts Dan Sackey, Ecobank Ghana's Managing Director and Regional Executive for Anglophone West Africa.

Indeed, small-sized businesses have embraced the product enthusiastically, and importantly, most micro-entrepreneurs are aware of the advantages of using it as a revolving credit facility and therefore endeavour to meet their repayment obligations as they fall due.

"This product is transforming lives with 36% of customers using the loan for businesses and 74% of beneficiaries being below the age of 34. Indeed, Xpress loan is now seen as a critical tool for expanding financing to MSMEs and is a key driver of job creation, supporting 54% of users with monthly incomes of less than US$150" he enthuses.

Instructively no other universal bank in Ghana goes this far down market. Indeed, the only other financial intermediation companies that offer similar products are Letshego Savings and Loans and FIDO, a specialized retail lender.

To be sure, Ecobank has aspired to cater for SMEs ever since it transformed from a merchant bank into a universal bank, nearly 18 years ago, coupled with the subsequent acquisition of the defunct The Trust Bank, a predominantly SME bank in 2012.

But for its customers with financial discipline, market savviness, technical skill and ordinate ambition, Ecobank can take them up a growth trajectory that other enterprises would eventually have to change their financial services providers to follow, in order to, for example, get large size, long tenured financing, that their rapid growth would ultimately require, or secure access to foreign exchange.

But before all that, Ecobank offers an accompanying digital banking solution that has since been imitated by virtually every other bank in Ghana but which none of them have quite matched with regards to its efficacy. This is the Ecobank Mobile App. Available in Cedi, United States dollar and many other currencies across the bank's 33 African markets, and which is deservedly being enthusiastically patronized by a customer base that is growing rapidly by the day. The App, which was launched in November 2016, was perceived by the market as the biggest novelty and technological sensation that ever happened to banking in Ghana and Africa. Ecobank Mobile recorded over a 1 million downloads in Ghana alone, just 17 months after its launch. The App is today seen as the best means to driving Ghana towards a truly cashlite

Edward Botchway - Chief Financial Officer, Ecobank

economy and helping to also promote financial inclusion across the country. Transfers between Ecobank accounts linked to the App, such as Ecobank Xpress Accounts, which can be easily opened on downloading the App, are absolutely free of any charges.

Ecobank also has internet banking services that provide greater convenience for its consumer and business customers. Ecobank online is available for individual customers, while commercial and corporate customers respectively use Ecobank OMNILITE and Ecobank OMNIPLUS for their transactions.

Examples of how Ecobank is nurturing small businesses abound.

" "Ecobank internal capacity building for corporates on cashless GRA payments is aggressively being pursued" affirms Dan Sackey giving one example. Another is the Ghana QR Code platform for e-commerce, GhQR, which incidentally was initially devised by Ecobank, before the Ghana Interbank Payments and Settlements Systems (GhIPSS) expanded the concept and standardized it for interoperability among all industry players, including the Telcos and other Fintechs. Introduced originally by Ecobank as EcobankPay, this is a Scan and Pay service that is available in-store or online. Today, EcobankPay is now part of the national unified payment platform, GhQR. It is an electronic payment option that enables customers pay for goods and services directly from their mobile phones. Customers only need to activate the Ecobank Mobile App on their phones, select Pay Merchant, scan the QR code displayed by the merchant (in-store or online), then select GhQR, MasterPass or mVISA and pay for the service. It is a convenient new way of making safer payments and is available at retail shops, restaurants, market stalls, mechanic shops, corner shops, food vendors, online shops and more. Transportation service providers, including inter and intra-city bus service operators, shuttle services, taxi drivers and trotro drivers can all register for a GhQR code to facilitate payments by their patrons.

In nurturing small businesses into big corporations Ecobank virtually takes clients by the hand, introducing them to the newly emergent digital world of business and showing them how to exploit its opportunities to the hilt. Analysts believe that some of the small enterprises currently patronizing the ground-breaking Xpress loans today will be tomorrow's big corporations. Ecobank has achieved such growth itself over the past three decades and is now helping small businesses to do exactly the same.

Ecobank
The Pan African Bank

The Business Magnate:
Daniel McKorley

Dr Mckorley was born on June 16, in Labadi, Accra. He attended his primary school in the same community and further his education at the senior high level. After his High school education, he gained admission to study at the University of Ghana but dropped out because he could not pay his school fees.

He holds Executive Masters in Business Administration (EMBA) and a Certificate degree in Entrepreneurship both from the Ghana Institute of Management and Public Administration (GIMPA). He also holds diplomas in Leadership and Transport & Logistics. A commercially astute executive with a wealth of experience gained within the freight forwarding, haulage, logistics and private security industry, both locally & internationally has contributed an Honorary Doctorate Degree from Commonwealth University, London Business School, UK. Proven records of dramatically improving clearance & delivery times in the transport, haulage & logistic field whilst managing high value asset investments and adding value to customer's overall experience.

Daniel McKorley is the Chief Executive Officer (CEO) of the McDan Group of Companies. He revealed that he dropped out of the University because he could not pay his school fees. Arguably one of the most successful businessmen in Ghana, Daniel McKorley could only attain a degree 15 years, after dropping out of the University of Ghana. He started the McDan Shipping Company which was established in November 1999, with headquartered in Accra and Branches in Tema and Takoradi.The company has a presence in over 2000 major air and sea ports worldwide due to a partnership with Universal Freight Organization, Cross Trades and World Cargo Alliance(WCA).

He has gained lots of recognition which includes the achiever's Award by West Africa Regional magazine, Ernst & Young entrepreneur of West Africa Nominee – 2015, The Entrepreneur of the year – 2016 among others.

McKorley is married to two women and has children. His first wife is Abigail Mckorley and the second, Roberta Mckorley.

Exciting Times in Ghana's Petroleum Sector

Dr Matthew Opoku Prempeh

Dr Matthew Opoku Prempeh

For many years, oil discovery has transformed many countries and their economies from impoverished nations to booming economic activities and wealth. Known as the 'Black Gold', it has presented itself as an El Dorado of some sorts, with countries scrambling to join the elite club of oil producers.

The West African nation of Ghana has a longstanding, sometimes patchy relationship with oil, going as far back as the 19th century. For many years, the country longed to discover oil in commercial quantities and put in the effort, with offshore exploration activities intensifying between 1957 and 1967 following the first onshore oil discovery and drilling in 1896.

In the 1970s, the focus shifted to offshore discovery and drilling. By 1983, the country had 54 well counts of both onshore and offshore oil, yet production and commercialization were not on a large scale. Crude oil was discovered in the Western region 2007, which is the most significant discovery among all discoveries because it puts Ghana on the forefront of exporting oil in much larger quantities. Actual production for exporting began in 2010. According to a report by Ghana Extractive Industries Transparency Initiative, an average of 63,932 barrels was produced per day in December 2010 . This makes it the most important discovery in the country's history of oil and gas exploration.

Exciting Developments

The sector is a busy place with many exciting developments. Ghana's oil production was about 72.1 million barrels coming from the three main commercial fields, Jubilee (45%), Tweneboa, Enyera and Ntomme (TEN)31% and Sankofa Gye-Nyame 24%, compared to about 62.1 million barrels in 2018, representing an increase of about 14.97% over the previous year. The total net gas production in 2019 was about 140,853,67 mmscf coming from the three main commercial fields, compared to 91,459 mmscf in 2018m representing an increase of about 54% over the previous year.

Exploration

In line with government's agenda for aggressive oil and gas exploration, the following activities have been undertaken;

-2D seismic data covering the Volta Basin have been acquired, processed and interpreted, and the Ghana National Petroleum Company (GNPC) has applied for a reconnaissance licence to undertake further data collection and studies and to possibly drill a well to establish the presence of a working petroleum system.

These activities are to ensure data availability for oil and gas exploration, reserves replacement and addition of new reserves, with the overall effect being the continuity of oil and gas production for power generation and other activities.

Current international players in Ghana's petroleum upstream subsector include AKER, ENI, Kosmos and Tullow. With the recent discovery of new deposit by ENI, the sector seems set to expand event further and attract further interest from the international community.

Local Content

The sector Minister, Dr. Matthew

Opoku Prempeh, who took office in March this year, is an ardent believer in ensuring that Ghanaians are adequately equipped with the requisite skills to participate in the mainstream activities of the oil and gas sector.

This vision dovetails into his record as the Minister for Education between 2017 and 2021, when championed several reforms in the Technical, Vocational Education and Training (TVET) subsector, to ensure that it was fit for purpose and able to provide relevant practical skills to young people.

For instance, some 355 Ghanaian youths are currently receiving global-standard technician training in Ghana and abroad as well as training as technical instructors. The Ghana Institute of Welding (GIW) has also been incorporated to certify all welders for competitive capacity building in the oil and gas industry.

Under the Accelerated Oil and Gas Capacity (AOGC) Building Programme, ten tutors in technical universities in the country have been trained in welding and fabrication in Canada and another batch of ten is being considered for training in welding and pipefitting in the same country.

Collaboration is ongoing with the Takoradi Technical University to build a centre of excellence for welding where Ghanaians will be awarded international welding certification for the entire industrial arm of the country.

CURRENT OPPORTUNITIES IN OIL AND GAS SECTOR

Gaining wealth of resources, democratic political system and her dynamic economy make her undoubtedly one of the continent's leading lights and a prime candidate for investment opportunities.

The country has attracted the attention of well-known international businesses, investing in all sectors of her economy, because they know the country has a conducive social, political, and economic environment in which they can invest.

The petroleum sector, particularly the upstream sub-sector, continues to present enormous opportunities for the would-be investor to be a part of Ghana's growing success story.

Acreages for exploration: Ghana has four (4) sedimentary basins namely: Voltaian Basin, Central Basin, Eastern Basin, Western Basin. All of the country's current production comes from the Western Basin. This presents an opportunity for investors to invest in the other (3) basins. GNPC has conducted seismic surveys over the Voltaian basin, and these will provide potential investors with adequate data to make favourable investment decisions concerning Ghana. Plans are also underway to acquire data on the other two under explored basins to ensure data availability for similar reasons.

Ghana is also endowed with a vast expanse of the continental shelf beyond 200 nautical miles, believed to hold about 8 billion barrels of oil equivalent. Other deep sea minerals such as copper, cobalt, lithium, uranium, silver and rare earth minerals are commonly found in deposits of polymetallic sulphides, manganese nodules and cobalt crust,

which are vital for renewable energy development.

Farm in opportunities: Farm-ins present an opportunity for prospective investors to operate in Ghana through an existing Petroleum Agreement without having to go through the application process. There are opportunities in the following Petroleum Agreements: West Cape Three Points Block-2, Central Tano Block, East Keta Block, Deepwater Cape Three Points West Offshore Block, Expanded Shallow Water Block Offshore and Offshore South West Tano Block.

Gas Market: The natural gas sector is relatively new in Ghana, however, the sector has experienced some significant infrastructure development e.g the Western Corridor Gas Infrastructure Development Project. The Gas Processing Plant (GPP) at Atuabo has an installed capacity of 150 mmscfd. However, given the potential for increased associated gas production from the offshore fields, plans are underway to upgrade the GPP's Capacity to 300 mmscfd as part of the Phase 2 of the WCGIDP. There is also the opportunity for private sector entities to partner Ghana Gas to construct pipelines that will transport natural gas to various demand centres across the country.

Petroleum Hub: Ghana aspires to become a hub for refined petroleum products in the West African sub-region and beyond by the year 2030. Government will provide land and basic infrastructure such as roads, water, electricity etc. but will require private sector participation to provide the facilities within the hub. Investments are therefore required in the following areas:

- Crude oil refining (3 refineries to be established. Each with a capacity of 300,000 bpsd)
- Storage of petroleum products (tank farm to be constructed for storage of crude and refined products)
- Bulk distribution infrastructure throughout the country (2 or more Jetties with multiple berths to be constructed)
- Establishment of a petrochemical industry (five petrochemical plants to be constructed)

Ghana is on the cusp of exciting times in her petroleum sub-sector both in terms of exploration prospects and renewed investor confidence. The new Minister, Dr. Prempeh, is well respected in many circles, with a track record of innovative leadership in his previous role at the Education Ministry, and many watchers believe he will be able to bring his dynamism to bear in his new role and take the sector to new heights.

Challenges facing fishing in Ghana

Richster Nii Amarh Amarfio

The Secretary of the Ghana Tuna Association, Richster Nii Amarh Amarfio, has lamented that the local fisheries sector covering the industrial, semi-industrial and artisanal categories is confronted with a myriad of challenges threatening the industry's survival.

Speaking on Eye on Port, the Secretary of the Tuna Association, who was addressing how to deal with illegal fishing amid threats of an EU ban said, success would be achieved by adopting a national practical cross sector approach to tackle the operational issues confronting the local industry, which he described as a national security crisis.

Mr. Amarfio bemoaned that the high cost of doing business caused by high licensing fees, piracy threats and the consequent high cost of labour, among others have brought about massive decline in participation in industrial fishing.

According to him, this is leading to gradual extinction of the pole and line operations in particular.

He revealed that, "of the twenty pole and line vessels, only 6 are currently working because they cannot meet the high cost of fishing particularly the license fees and that is what is reflecting in the low export figures. We have major challenges when it comes to the cost in fishing in Ghana."

The Secretary of the Ghana Tuna Association added that open access for participation in the artisanal fishing sector has also led to an unacceptable canoe-fish stock ratio with fishermen deploying whatever means to compete and survive.

"We have about 14,000 canoes where we need about 9,000. That means an extra 5000 canoes per the statistics of the Fisheries Commission. That means if you have an average of 10 people per canoe, that translates to 50,000 extra hands in the fishing industry. They would have to apply every means to survive since the fish stock is declining," he elaborated.

Mr. Amarfio suggested that the problem of overcapacity can be solved by strategizing to introduce a reasonable pension scheme to retire the aged as well put the underaged in school.

He opined that the non-regulation of the artisanal and semi-industrial sector, and ineffectiveness of the Fisheries Commission in research and trawl gear audit is making it difficult to experience sustainable fishing practices in Ghana.

Mr. Amarfio recommended a regulatory regime that would have the artisanal, semi-industrial and industrial categories fish in specific species of fishes.

The Secretary of the Ghana Tuna Association also attributed the failure to harness the advantages of the inland water fish resource to degradable human activities.

He said, for the local producers of tuna to adequately permeate the local market as opposed to imported tuna, the downstream supply value chain would have to be developed properly.

"If we have proper processing system, where fish could be smoked and vacuum packed, shelf life will be increased so people could easily access them like they do, canned fish. Research on this should be ongoing." Richster Nii Armah Amarfio called for increased inclusion of fishermen in ongoing dialogues between Ghana and the EU and further called for participation of the Ministry of Trade as well as the Ministry of Foreign Affairs and Regional Integration.

Vanguard Assurance:

Growing In The Face of a Fierce Pandemic

Frederick Adotey Saka - Chief Executive Officer

In Ghana, like the rest of the world, industries have been shocked by the COVID-19 crisis, and businesses on all levels have been challenged to rapidly evolve in an attempt to stay afloat. While the instability of the pandemic economy caused drastic shifts on the general market, similar and possibly more drastic disruptions occurred within the insurance industry, as all insurance companies indicated, in a report by the National Insurance Commission, NIC, that the pandemic had an adverse effect on their operations in one way or the other.

History, however, has established that encountering challenges can spark the kind of innovative and strategic thinking that drives certain companies toward new growth and subsequent success. Vanguard Assurance Limited substantiated this point by achieving a massive 39% growth in gross premiums written in 2020, in a time when the prevalent turbulence on the market negatively affected operational and financial factors such as the number and value of premiums, as well as value of policies underwritten within the industry. In the same year under review, Vanguard paid out GHS 49,472,915 in claims as against 19,373,468 paid out the previous year.

Vanguard Assurance attributes this creditable feat to incredible teamwork from their employees, agile strategy implementation and immense support of customers and other stakeholders. According to management of the company, the Vanguard team focused on combining innovative thinking with data-driven solutions to develop new strategy and build resilience in order to overcome the difficulties brought on by the pandemic, which subsequently helped to promote their growth. They found that by focusing on implementing a flexible yet agile strategy, they were able to successfully respond quickly in the face of this widespread market disruption.

Over the years, Vanguard's ability to honour genuine claims has earned them the coveted industry honor of becoming a household name. In 2015, Vanguard Assurance paid customers claims amounting to over forty million Ghana Cedis (GHS 40,000,000). Their claims payment ability, coupled with excellent customer service, has also led the company to win several laurels from reputable industry watchers including the Chartered Institute of Marketing Ghana, the Ghana Club 100 and the Insurance Brokers Association of Ghana.

The Vanguard story began in October 1974 when the company launched as a composite insurance company, and have the enviable record of being the first private indigenous insurance company in Ghana.

Today, Vanguard Assurance is privileged to connect with millions of customers as a subsidiary of the Vanguard Group, underwriting non-life insurances such as motor, fire, aviation, marine, and more customized policies as may be suited to specific client needs.

Vanguard Assurance has proven that with the right strategy and team, growth is possible even in the face of an economically distressing pandemic; at this rate, the company is well on its way to achieving their vision of becoming the country's most preferred insurer fulfilling customer needs and aspirations.

President Nana Akufo Addo, Mukesh Thakwani, (Chairman, B5 Plus) during the commissioning their plant at Ningo Prampram

B5 West Africa's biggest iron and steel enterprise

In mid-April Ghana took a major step towards achieving its goal of export driven economic growth and development through industrialization when B5 Plus commissioned its latest production plant, at Ningo Prampram in the Greater Accra Region. This is the largest iron and steel manufacturing plant in all of West Africa and is instructively owned by a company that was already the biggest producer of iron and steel products in West Africa even before it built its latest production plant at a massive cost of US$80 million.

Through the installed capacity of B5 Plus alone, Ghana is thus easily the industry leader in West Africa and the company's investments and activities are among the biggest drivers of the country's ongoing growth in non-traditional exports, even as they are also largely responsible for keeping a lid on the national import bill through import substitution and thus maintaining a merchandise trade surplus since 2017 which in turn is helping to ensure cedi dollar exchange rate stability. Indeed, in 2018 for example Ghana's exports of iron and steel circles, rods, sheets and billets increased by 106 percent with these products accounting for 3.08 percent of the country's total non-traditional exports, almost matching the 3.35 percent contribution of cocoa powder.

But perhaps most important of all is B5 's unquantifiable, but certainly most crucial contributions to Ghana's overall industrialization efforts – its product supply and project fabrication capacities are among the most important aspects of the country's ability to get business production infrastructure up and running.

B5 Plus now clearly leads an industry that also comprises of Sentuo Steel Company Limited, Tema Steel Co. Ltd, United Steel Company, Western Castings Limited, Rider Steel Ltd, Ferro Fabrik Limited, Fabrimetal Ghana Limited and Special Steel Limited. However B5 alone accounts for well over half of the industry's entire cumulative capacity in terms of sheer output and just as importantly has easily the most reputed product quality and shortest supply lead times, which is why it is by far Ghana's most important player with all of West Africa now serving as its market.

This is why the latest facility commissioning is correctly being seen as a triumph for Ghana on a national level evidenced by the fact that the Ningo Prampram production plant was commissioned by President Nana Akufo-Addo himself. The President later cut the sod for the second phase of the Plant, which would include an investment of $70 million with an installed capacity of 300,000 tonnes of mixed steel goods.

Furthermore, the facility has been built under the terms of the pivotal one district one factory initiative evidencing the potentials of matching innovative public policy with committed private sector entrepreneurial and financial commitment and professional expertise.

The B5 Plus new steel plant will

convert scrap metal sourced across the country into materials for the construction industry.

With an initial installed capacity of 250,000 tonnes per annum, the plant, West Africa's biggest fabrication plant, and the third biggest in Africa, will manufacture iron rods, wire rods, round bars and general steel products for both the Ghanaian and West African markets.

In directly quantifiable terms the new plant will contribute significantly to improving Ghana's economic fortunes in two ways.

Firstly it will create 5,000 new jobs at a time when COVID 19 has intensified Ghana's already dire unemployment situation. The new jobs will add on to the 10,000 jobs already created by B5 Plus's prior operations from its production facility at Kpong, near Tema. This makes the company one of the biggest employers of labour in the country, a status that it has deliberately pursued – sometimes at major cost to operational profitability – as part of its corporate social responsibility efforts. It is instructive that the company did not lay off any staff during the socio-economic restrictions – including a three week outright lockdown – that were necessarily imposed in 2020 at the height of the crisis created by the viral outbreak.

Secondly it will add substantially to Ghana's nontraditional exports, earning direly needed foreign exchange. Indeed the economics of West Africa's iron and steel industry illustrates clearly just how strategically important B5 Plus is to the Ghanaian economy.

Ghana's steel industry is dominated by the production of iron rods and steel coils with the manufacturing process mainly done by a hot rolling process of converting scrap metals and billets into iron rods, coils and steel balls for the construction, mining and allied industries.

As at June 2019, the industry was estimated to have total installed annual capacity of above 1,000,000 metric tonnes (MT).

The sector employs about 4,500 direct workers and 17,000 indirect workers. The impact of B5 Plus's latest investment is illustrated by the fact that the company on its own is now set to provide 3,000 direct jobs and 10, 000 indirect jobs.

Although the installed capacity of the local steel industry, with B5 Plus's new capacity added on, is now about 1,250,000 MT per annum, local annual average demand is only about 350,000 MT per annum resulting in an excess capacity of 900,000 MT per annum. But far more than any of its competitors, B5 is striving to use up this extra capacity through export of its products to 15 countries around the sub region.

Given that the country has become an investment destination for several major automobile companies to establish their regional production factories in Ghana, the steel industry is well positioned to play a vital role, serving as a major source of key production inputs and raw material. But even before this happens, B5 Plus is now well positioned in making Ghana a major exporter of steel products across the sub region.

“The steel industry in Ghana in the last decade has really boomed because of the many government policies, not only for Ghana but for all of West Africa” confirms Mukesh Thakwani the founder and Chairman of B5 Plus. “Today, Ghana is becoming the hub for supplying to the steel industry for West Africa. It is a very competitive environment right now. The market is a bit saturated in this segment, but B5 has a competitive edge and we are moving forward in a positive way. A lot of backward and vertical integration is required in this particular field right now.”

Prior to the commissioning of its latest production plant, B5 Plus had a total installed capacity of 500,000 metric tons but operated well below its installed capacity largely because of unbridled competition from imports in its home market. It is however expected to scale up to over a million tons with the completion of the new factory in Prampraram. With B5 Plus projecting over a million tons of steels production together with additional excess output from other players in the steel industry, Ghana is looking at well over a million tonnes of steel products not only for the country but for export to the rest of the African continent. “With the first phase of our project, we are saving more than a 100 million dollars in foreign exchange and we plan to export to the whole of the West African market. With the second phase, we will export to other to the rest of the African countries” enthuses Mukesh Thakwani

To be sure, B5 Plus Company's new plant, as impressive and important as it is, is simply the latest chapter in an extraordinary success story that stretches back two decades. Situated around the Kpone barrier, the company, through its original plant, produces over 4000 iron and steel products such as nails, wire mesh, iron rods, roofing sheets etc. But it started out as simply an importer of such products for sale locally.

Two decades of existence however has made B5 Plus a household brand an exporter of steel to countries within the West African sub region. “We started nearly two decades ago importing and selling steel products. Today we are the biggest metal factory in Ghana and our products are not only sold here but supplied to 15 other countries within the sub region” affirms Mukesh Thakwani.

B5 Plus has the largest network of wholesalers, dealers and distributors in Ghana, Togo, Burkina Faso, Niger, Nigeria, Benin, Freetown, Liberia, Ivory Coast, Guinea and Mali. Ghana was an importer of steel materials from the neighbouring countries in West Africa and now it has become a net exporter of steel materials to all the neighbouring countries due to the concerted efforts of B5 Plus.

The wholesale distribution centres in Accra, Kumasi, Takoradi, Tamale, Kasoa, Agloboshie and the manufacturing centres and distribution centres in 25 branches across West Africa provide extended credit and prompt service to its customers all over West Africa.

But despite the potential of the industry, current data on iron rods and steel coils imports curiously shows that there is a significant and steady increase in the importation of iron rods and steel coils above 6mm into the country, a situation which the industry operators warn is killing the local Steel Industry.

To correct this situation, public policy analysts and commentators have been calling on government to urgently take deliberate steps towards curbing the importation of steel products that local industry already has excess capacity to produce and at the same time introduce measures to support the increase of Ghana's steel product exports around the continent under the new dispensation created by the commencement of the African Free Trade Area Agreement.

Mukesh Thakwani himself pleads with Government to impose an across the board ban on certain finished imported goods like African neighbors Nigeria, Gabon and Ivory coast have done, to protect the investments and the operations of the industry.

“We are able to produce these products locally in excess quantities and can not only serve the Ghana market but its neighboring countries too,” he asserts.

Indeed, last year the Steel Manufacturers Association of Ghana (SMAG) expressed with grave concern that the ever-increasing importation of steel into the country is having adverse effect on the growth and development of the industry with the situation being accentuated by law-evading importers who are able to access Customs bonded warehousing facilities without paying the requisite taxes to the detriment of the local steel industry because this makes them unfairly price competitive.

To improve the industry's fortunes, the government is set to pass the Ghana Iron and Steel Development Authority (GISDA) Bill into law before Parliament rises this year.

The Bill seeks to establish a state Authority that will develop and promote an integrated iron and steel industry. This will expectedly justify new investment such as that made by B5 Plus.

The Authority will be required to collaborate with investors for the development of the integrated iron industry, ensure the development and implementation of a local content policy across a value chain in the industry and also ensure that the minimum total equity held by the State and the Ghanaian private sector in any joint venture in the industry is not less than 30 per cent of the total equity. Here again, B5 Plus's investment in the steel industry gives Ghana the capacity to make this possible, even for truly huge joint ventures.

Now staring at a nascent automobile Industry hub, the expansion of a steel manufacturing company like B5 Plus comes as a timely development to meet the increasing demand for steel that will required by the automobile manufacturers and other related industries. Moreover, although data is not readily available on steel production in the continent, it is assumed that Sub Saharan countries production of steel is much smaller than demand which was estimated to hit some 37.2 million MT between 2019 and 2020. With the coming in force of the African Continental Free trade Area Agreement, it means Ghana has a good chance of tapping into this market and establishing itself as a net exporter of steel across Africa as a whole.

To be sure, Ghana's steel industry is facing problems of two distinct types, but both of which ultimately translate into problems of cost competitiveness.

One is the cost of power. The steel industry is heavily power intensive and the cost of electricity in Ghana is inordinately high compared to that in competing countries with regards to steel products production. Here the passing on of the cost of take or pay contracts adds to the well documented technical and financial inefficiencies in the electricity generation, transmission and distribution value chain. Indeed, the effect of this in curbing the growth of Ghana's steel industry vividly illustrates the real cost of Ghana's lack of energy cost competitiveness.

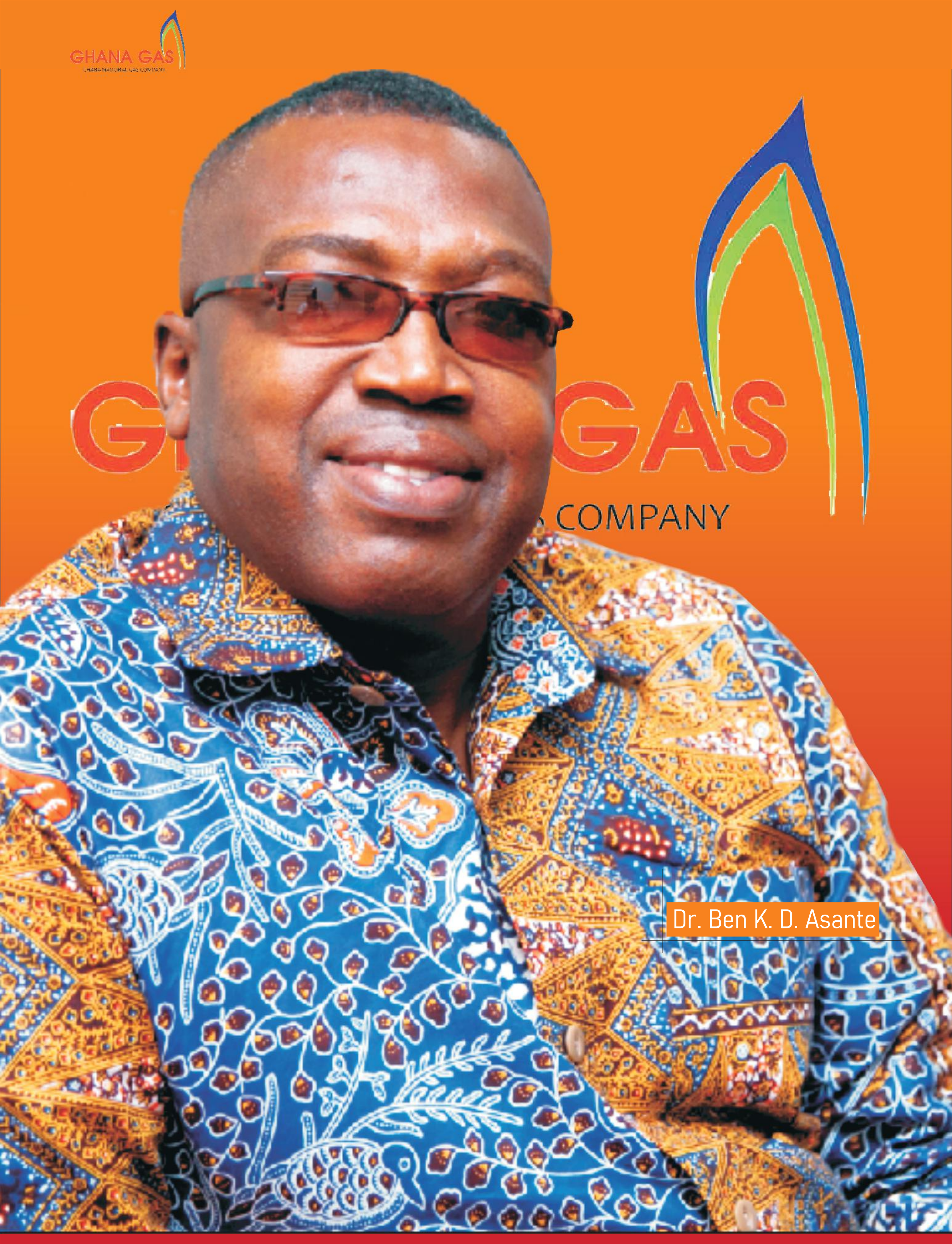
“For the industry as a whole, the biggest challenge we are having right now is the electricity prices” confirms Mukesh Thakwani. “Electricity prices in Ghana are much higher compared to the international markets. We have competition with tough countries from Asia where the price of electricity is much lower compared to that of Ghana. There is also the issue of the timely supply of electricity for the new industries and challenges with the water supply.”

The other is the failure of the state to create a level playing field for steel industry players; for instance income tax and import duty evasion by importers of steel products is rife. It is the basic responsibility of the state to plug such loopholes that penalize genuine businesses and reward illegal practice that cost both their law abiding counterparts and the Ghanaian economy as a whole.

Nevertheless, Mukesh Thakwani insists that B5 will remain undaunted and his eyes are firmly fixed on the fulfillment of his vision for the company. The next stage: “We want to get more into manufacturing products. With the current project that we are running, over the first phase, we will be able to save 100 million dollars of foreign currency for Ghana. If we have government support, we can really increase this number. Not only will we be able to save hundreds of millions of dollars of foreign currency, we will be able to create jobs, we will be able to sustain the economy, we will be able to produce quality, "made in Ghana" goods. In the fabrication aspect, in less than one year, B5 Plus has emerged victorious. We have delivered more than 15 projects and we have a huge capacity. We have not only delivered in Ghana, but we also deliver in West Africa, Guinea, Mali, Ivory Coast, Gambia, Senegal, etc. We are receiving orders not only from Ghana, but from the whole of West Africa

But his vision does not stop at the iron and steel industry which he has already conquered. “Today, we are very proud to say that we are the market leaders not only in Ghana, but in the whole of West Africa in the steel segment. We want to grow from here, not only in the steel segment, but also into other segments. So, we really are very keen to make investments and put our foot steps into the service industry like hospitals. Medical is a big possibility for us. We are also interested in aviation, and most important, the agro industry. Ghana has a lot to offer. If we have good land reforms in Ghana, with the help of the government, we can really produce a lot of agro foods right here, made in Ghana. There are many industries related to the agro so there is a huge potential there.”

Going by what has been achieved so far, there is no stopping Mukesh Thakwani and the B5 Plus company he has founded and nurtured into one of the biggest and most successful pan West African enterprises.



Dr. Ben K. D. Asante

Ghana Gas

replaces Chinese engineers with locals; saves GHC 240 million annually

The Ghana Gas Company Ltd has revealed that it has replaced 52 Chinese expatriate staff running its technical operations at the Atuabo plant with local staff.

According to Ghana Gas, the move which was done over the last four years has saved the company $3.5 million monthly.

CEO of the company, Dr Ben Asante, made the revelation when he took participants of a Gas Conference ongoing at Takoradi on a tour around the plant to familiarize them with the company's operations.

The conference has drawn together officials from the Ministry of Energy and various relevant sector agencies and other industry players to discuss strategic ways in which Ghana's gas resources can be maximized for the benefit of the nation.

Dr. Asante disclosed that as of March 2017, the company's plant was fully manned by expatriate technical personnel and numbered about 50. However, a mutual agreement was taken to train Ghanaian engineers to take over these operational roles, and the current staff is fully Ghanaian, with about 50 engineers.

"They are brilliant and so far we have not had any incidents at the plant." He also stated that there was some scepticism when the idea was initially mooted, given that there had been an accident earlier at a VRA plant, and disclosed that notwithstanding this, the initiative was pushed through.

The Ghana National Gas Company, incorporated in July 2011, is the nation's premier gas business company and is responsible for producing and prospecting lean gas, condensate, LPG and plays a key role in the nation's industrial sector.

Through its subterranean pipelines, the Atuabo plant supplies gas to the VRA's Aboadze thermal plant and therefore plays a huge role in the country's power supply system.

Source: laudbusiness.com

This is Dr. Ben K. D. Asante

Dr. Ben K. D. Asante, is a renowned Oil and Gas Engineer and Chief Executive Officer (CEO) of the Ghana National Gas Company (Ghana Gas).
Dr. Asante has more than twenty-five (25) years global experience in the Oil and Gas industry. He is one of few black Oil and Gas Engineers to have testified as an expert pipeline engineer before the US Supreme Court. He has also provided expert witness testimonies on gas custody transfer disputes in South America.
Dr. Asante is a lecturer at the School of Engineering, Kwame Nkrumah University of Science and Technology (KNUST) and a former Engineering and Technical Director of Ghana's premier Gas Infrastructure Project which birthed Ghana Gas' Atuabo Gas Processing Plant and allied gas infrastructure in the Western Region.
He was the mastermind of Ghana's first Gas Master Plan in 2008.
Dr. Asante has provided Consulting, Engineering services, Project Management, and technical support for various projects throughout the world, including the World Bank and Asian Development Bank (ADB).
He has a proven record in various technical and management roles for major operating companies and engineering consulting companies in Canada, including Nova/TransCanada; US and Ghana.
He was adjudged the Best Worker for the Year for Excellence at the global energy firm, Enron Corporation, in 2001. In 2019, he was declared the 2019 Energy Personality of the year by the Ghana Energy Awards Scheme while leading the company to win the coveted Energy Company of the Year award as well by the same scheme.
As CEO of Ghana Gas, Dr. Asante led a brave move to indigenize the Gas Processing Plant operations; a move that changed the operatorship of the GPP from Sinopec and empowered the local employees to operate the plant; saving the company huge sums of money.
Dr. Asante holds a BSc. in Chemical Engineering from KNUST, Ghana and and MSc. in Chemical Engineering from the University of Calgary, Canada. He also obtained a PhD in Chemical Engineering from the Imperial College, London/University of Calgary, where he later taught Gas Processing and Pipeline Engineering.
He has published fifteen (15) technical papers and made over 80 technical presentations within and outside North America on Oil/Gas Infrastructure Design and Operations.

GHANA GAS:

2ND PLANT TO BE READY 2024

....National Fertilizer Company Soon

Ghana National Gas Corporation is quietly doing moreto strategically improve the competitiveness of the economy than any other institution. TOMA IMIRHE exposes this widely unknown fact, explaining how and why Ghana Gas is arguably the most important company in Ghana's economy.

In 2014 the completion of a US$1 billion investment made through the then newly established Ghana National Gas Corporation – widely known nowadays simply as Ghana Gas – changed a fundamental aspect of the structure of the country's economy which has subsequently improved its performance tremendously. That investment – funded by a US$850 million loan from the Chinese Development Bank and US$150 million in counterpart funding by the Government of Ghana itself – created a gas processing plant at Atuabo in the Western Region and the requisite infrastructure to transport the gas by offshore and onshore pipelines from the country's offshore oilfields to the plant and from there to power generation facilities in that part of the country where natural gas has since replaced liquid fuel as their primary feedstock.Ultimately this has cut Ghana's import bill for diesel oil drastically enabling the country to turn its erstwhile trade deficits in trade surpluses since the end of 2016 without having to engineer a huge increase in export revenues; which in turn has served as a pivotal contributor to the cedi dollar exchange rate stability which the country enjoys till today.Seven years on, Ghana Gas is plotting a similar investment aimed at constructing a second gas processing plant and there is a confident, well placed certainty that it will result in similarly transformational effects as the first one has had on Ghana's economic fortunes.The planned second processing plant will as much as double Ghana's gas processing capacity and this will be crucial towards enabling the country to maximize the benefits of its

huge – and still growing – natural gas endowment. Currently Ghana has the capacity to produce 350 million standard cubic feet per day (mscfd) of gas from its three operational oil and gas fields, these being Jubilee, the TEN cluster and the most recent addition, Sankofa Gyaname. However the Atuabo gas processing plant's capacity is less than half of this, at 150 mscfd. This has restricted actual gas throughput to 130 mscfd, which is almost the full installed gas processing capacity Ghana currently has.A new processing plant would eliminate Ghana's retained dependence on sometimes irregular gas imports from Nigeria through the West African Gas Pipeline and even more importantly would enable the country to substitute even more of the imported diesel oil still used as feedstock for power generation with gas which is a cleaner, cheaper, locally sourced form of energy. But most importantly of all it would enable Ghana to energize crucial projects and activities that it cannot yet because of inadequate gas delivery.The planned new processing plant, which will be located to the north of the Atuabo plant, is expected to be up and running by 2024; its construction and commencement of operations being executed much faster than the first one because this time around a lot of the requisite infrastructure, such as pipelines, utilities, roads and the likes are already in place, put there to operationalize the Atuabo plant nearly a decade ago. But also pivotal in the potential to fast track the second plant is the current chief executive of Ghana Gas, Dr .K. D. Asante, inarguably the most globally accomplished technical gas expert the country has ever [produced, with over three decades of experience spanning both North America, South America, Asia and Africa and whose skills have been sought and used by some 23 different countries during a sterling professional career (see profile below). Indeed it is instructive that Dr Asante has been the one constant in the emergence and development of Ghana's midstream oil and gas industry, serving first as a consultant, then as a technical director and ultimately as the Chief Executive Officer of Ghana Gas itself, his contributions spanning the master-minding of the country's original Gas Master Plan in 2008, the replacement of the technical expertize of China's Sinopec, used to install and initially manage Ghana's gas infrastructure and delivery processes with 100 percent indigenous manpower, and now the imminent doubling of capacity. Even more instructively these contributions have spanned every political administration in Ghana since natural gas was first discovered in commercial quantities under the Kufuor administration – the Mills Mahama and incumbent President Nana Akufo-Addo administrations all inclusive; his unparalleled technical skills, expertise and experience have put him above political considerations since his return to Ghana from Canada and the United States some one and a half decades ago.The impending new gas processing plant vividly illustrates just how successful Ghana's upstream gas industry is proving to be with regards to both the demand it is generating and the sheer potentials it offers going forward. Thus, while Ghana could arrange a similar financing structure for its construction as the one used for the first one – with loan financing from China being the primary mode, utilizing the technical skill of that country's Sinopec – government is rather looking to leverage on the local content and participation Dr Asante has masterminded for the industry. To this end The new plant will involve a private partner which will finance and construct the plant, which will subsequently be co-managed by the private partner and Ghana Gas itself, before ultimately it is fully transferred to the State. To be sure, Ghana now has the capacity; since becoming Chief Executive Officer of Ghana Gas, Dr Asante has successfully replaced the 56 Chinese technical experts – primarily engineers – with Ghanaians and the company and its activities are now run entirely by indigenes. Instructively, since this move in 2017, which is saving Ghana US$3.5 million a month in erstwhile expatriate renumeration, there has been no accident or operational failure under this new crop of young Ghanaian engineers, drawn predominantly from institutions in the oil and gas industry such as TOR and BOST and trained in upstream gas operations under the expert supervision of Dr Asante himself.Having achieved his indigenization vision, Dr Asante is now looking to make gas do three key things for Ghana. One of course is its use as feedstock for power generation through the national grid, where it is already progressively becoming the primary feedstock for thermal energy generated by Volta River Authority and Independent Power Producers alike. "Gas is cheaper

and cleaner than solid fossil fuel and so it represents the best way forward for Ghana" asserts Dr Asante. "With Ghana's industrialization growing rapidly, through initiatives such as one district one factory, and market opportunities for Ghana's manufactured goods expanding rapidly too, through the African Continental Free Trade Area, the use of gas for power generation holds the best potential for adequate power at internationally competitive cost for industry."But he is looking beyond this towards other uses too. One is that it can make certain strategic industries viable in Ghana for the first time. Indeed, Ghana Gas has already enabled the emergence of a local ceramics industry, providing the requisite huge energy requirements for heating at economically viable cost. Now Dr Asante is looking at how Ghana Gas will enable the establishment of the national fertilizer production company the country aspires to have by facilitating the production of nitrate pellets, and which would save Ghana over US$500 million in fertilizer import costs every year.He is also looking to use Ghana's gas to facilitate the growth and development of the country's iron and steel industry as this will be key in enabling industrial production, from the automobile industry to machine parts.But perhaps the most potentially pivotal over the shorter term is Dr Asante's plans to use Ghana Gas to support the country's extractive industry. Gold mining for instance, Ghana's biggest export revenue earner is highly capital intensive and for long the industry has complained about inordinate energy costs that slim its margins, creating the potential to render Ghana uncompetitive as an international mining investment destination. By lowering its energy costs, intends to make Ghana more, rather than less competitive in this regard.But an even more crucial intention is to use Ghana Gas to ensure that government's ambitions of creating an integrated aluminum value chain is realized. It is instructive that Ghana lost the strategic advantages created by VALCO because of higher power costs which made production economically unviable.

"Government's ongoing efforts towards creating a full scale value chain from bauxite mining to the manufacture of aluminum products are predicated on competitively priced energy and Ghana Gas aims to make sure that energy is made available all along the supply chain" he assures.Then there is the third use of gas, as envisaged by Dr Asante, one which he is personally invested in because of its potential benefits to the economy and the citizenry: the powering of the vehicular sector with gas to bring down transport costs. Here he envisions the use of locally sourced, clean and relatively cheap compressed natural gas to replace diesel oil to run a wide range of transport modes from the railway system now under development to tricycles which are becoming increasingly popular to as light freight carriers and which have the potential to replace controversial motorcycles as an efficient mode of passenger transport too. Fulfilling this wide vision however requires improving Ghana's cash flows which in turn requires attention from two directions.One is pricing. "Ghana can do better with regards to pricing" admits Dr Asante. "This is the jurisdiction of the Public Utilities Regulatory Commission (which regulates the tariffs at the end of the power generation value chain) but I think theyb realize what needs to be done."The other is actual cash flow, which is being impeded by the chain of indebtedness which flows backwards from the Electricity Company of Ghana, which is owed by its customers, to GRIDCO which handles transmission, back to power generation companies – both VRA and the IPPs – and ultimately to Ghana Gas. Dr Asante agrees that the waterfall mechanism for allocation of payments available has

ameliorated the situation somewhat but ultimately, indebtedness needs to be removed altoghether.Indeed he identifies this as a symptom of the biggest difference between the North American upstream gas industry and the Ghanaian industry." The fundamental challenges In Ghana are the same as those in the United States and Canada" explains Dr Asante "but the extent to which they provided challenges are directly opposite. In North America it is the securing of land and environmental permits that are the biggest challenges as all sorts of environmental groups will challenge your project. On the other hand Engineering Procurement and Construction (EPC) is relatively easy because of the ready availability of the requisite technical expertise and financing is not much of a challenge at all because pricing is structured in such a way that the commercial viability of the project is clear."Conversely, in Ghana, acquiring the land and the environmental permits is relatively easy as they are facilitated by government itself. But EPC is a major challenge because there is still an acute dearth of requisite technical and engineering capacity; and the biggest challenge of all is financing because questionable pricing policies make the economic viability of power projects uncertain."However Dr Asante is confident that change is being instituted. Instructively, the issue of technical capacity is being handled largely by Dr Asante himself through his impactful commitment to local content and participation which is churning up a new breed of indigenous engineers and other technical st6aff who are specializing in meeting the needs of the upstream gas industry. Here he adopts a hands on approach. Beyond arranging regular training for staff and giving them ample opportunity to garner practical experience on the job he even goes as far as teaching engineers in the making himself. Indeed he has recently accepted to be a part time lecturer at his alma mater, Kwame Nkrumah University of Science and Technology.Financing is also being handled too with government determined to get its pricing structures right and the waterfall mechanism ensuring that Ghana Gas at least gets enough cash flow to keep it going. Importantly, using a public private partnership rather than a bilateral development partner loan to finance the next gas processing plant will force government to adopt a sustainably viable price structure right from the get go.But perhaps most important of all is the fact that successive administrations, the incumbent one included appear to have decided that Ghana's burgeoning upstream gas sector is simply too vital to the country's economic fortunes to muddy the waters by putting political considerations over economic exigencies, a stance attested to by the retention of the services of the country's foremost gas technical expert from one administration to the next; and the unsullied successes achieved in Ghana's gas industry under the guidance of Dr Asante is proving the prudence of this stance.

Hollard Ghana,

the vibrant brand disrupting insurance with unmatched products

Although respectable in setup, the Ghanaian insurance sector is arguably nascent because unlike developed countries, insurance penetration in the country is a mere 1%. This is a miniscule percentage compared to African countries like South Africa and Namibia with rates at 16.99% and 6.69% respectively.

However, even with its stunted growth driven also by socio-economic factors, including COVID, the sector is promising. In its 2021 insurance outlook, the Deloitte Center for Financial Services outlines how the need to accelerate digitisation and enhance virtual operations turned headwinds into tailwinds for insurers looking to sail through the pandemic successfully.

With its strong sustainable business purpose to enable more people to create and secure a better future, Hollard Ghana, the unconventional insurance group with its vibrant brand, is disrupting the insurance industry for the better. The group of insurance companies is at the forefront of accessibility, diversified innovative products, and is an advocate of digitisation in the industry.

Daniel Boi Addo
MD, Hollard Ghana

Hollard Ghana

Touted the country's favourite insurance group, Hollard Ghana is led by Group Chief Executive Officer, Patience Akyianu, a seasoned business leader with decades of banking and finance experience.

With subsidiaries Hollard Insurance and Hollard Life Assurance, Hollard Ghana combines its deep local knowledge of the market with the world-class expertise of an international insurance giant. With feet firmly planted on Ghanaian soil but headquartered in South Africa, Hollard delivers innovative insurance solutions customized to the unique risks Ghanaians face. Hollard was previously Metropolitan Insurance which operated in Ghana for over 25 years.

Hollard Ghana has made significant strides in terms of profitability and has consistently achieved double-digit growth in revenue and in terms of Gross Written Premium.

The insurance group has diversified its sales channels from, sales agents, Hollard on the go booths at Melcom and some Shell shops to buying insurance online by visiting www.jumia.com.gh/hollard-ghana to sign up for a policy. Products available on Jumia include life, funeral, and investment policies by clicking the process is simple, fast, and completely digital with JumiaPay via mobile money.

Notably, for the last three years, Hollard has achieved the exclusive accolade of Top Employer of the Year by the prestigious Top Employer Institute.

Hollard Insurance

The general insurance company is a market leader consistently delighting its customers with innovative products, unrivalled customer experience and a stress-free claims process. More recently the company launched the award-winning Chat Bot called Hollard ChatInsure. The Chat Bot nicknamed 'Araba', is the industry's first virtual insurer. Araba offers end-to-end services enabling existing and new customers to have Frequently Asked Questions answered, initiate, process, pay and receive policy documents. It is currently hosted on WhatsApp, with plans of expansion onto other platforms. The team is headed by Managing Director (MD) and insurer, Daniel Boi Addo.

Non-Life Products

Hollard provides personal line insurance solutions such as Personal Accident Insurance, Travel Insurance, Motor Insurance, Home Insurance, among others.

There are also well-designed insurance solutions for businesses and other commercial entities to cover their

Nashiru Iddrisu
MD, Hollard-Life

properties and liabilities to which they are exposed. Hollard offers Assets All Risks Insurance, Fire Insurance, Burglary Insurance, Motor Insurance, Marine (Cargo and Hull) Insurance, Business Interruption etc.

Hollard Insurance's offering in Liability Insurances include Public Liability, Product Liability, Director's & Officers Liability, General Liability, among others.

Other products available for businesses include Goods-in-Transit Insurance, Business Interruption Insurance, Money Insurance, Fidelity Guarantee Insurance, Professional Indemnity Insurance, Customs and Surety Bonds and Engineering Insurances such as Contractors All Risks Insurance, Erection All Risks Insurance, Plant & Machinery Insurance, Electronic Equipment Insurance, among others.

Hollard's expertise in other specialized areas such as Stevedore and Shore Handling Liability Insurance, Business Travel Insurance, Tournament-Centric Hole-In-One Insurance for golfers etc. are unmatched in the Ghanaian insurance industry.

Hollard Life Assurance

Hollard Life Assurance, the group's burgeoning Life business was birthed in 2017 and is run by MD and insurer, Nashiru Iddrisu. Their innovative products are making the business increasingly popular with customers via a unique sales model.

Life Products

Hollard's renowned Life catalogue includes the recently announced MeBanbo, a microinsurance product for the underserved, the 'Adepa Three' – 'Adepa wo Fie', 'Adepa Goal Save', Adepa Family Plan, and 'Adepa Saving Plan'.

Hollard Life's flagship product, the Adepa Family Plan is designed not only to provide funds to ensure a befitting farewell to departed family members but also to replace income lost to the family because of death of the bread winner. Adepa Family Plan gives hope to the grieving family by providing short to medium term financial cushioning.

Adepa Wo Fie Plan is a bundled funeral Policy that provides automatic cover for a Policyholder and their nuclear family. For clients who are looking forward to saving an amount of money (savings) at their own discretion, Adepa Savings Plan got you.

Hollard Life also has an investment product called Adepa Goal Save Plan. This investment guarantee product allows a contribution towards the attainment of a predefined goal amount.

The coolest product in the Adepa 3 is Adepa Savings Plan. This policy allows you to save any amount of money monthly, subject to a minimum investment period chosen by you.

There is also the Purple Employee Plan provides a comprehensive cover at a competitive premium. It offers a 24-hour protection to employees throughout their employment. This policy is suitable for companies or organisations who care about the welfare of their employees.

Awards

As testament to its excellence, Hollard Ghana has garnered a plethora of key awards and recognition.

Hollard Ghana was recognized internationally by the Sabre Awards Africa as best in Financial Communications and also received two certificate of excellence in employee communication – Hollard Ghana Employee Communications: Building the Hollard in Hollardites and Western Africa- #MeetArabaHoolard #GhanaFirstVirtualInsurer

At the Chartered Institute of Marketers Ghana (CIMG) Performance Awards 2020, Hollard Insurance, a subsidiary of the insurance group, was adjudged 'Insurance Company of the Year 2019' in the Non-Life Insurance Category for its introduction of innovative products with 'Araba Hollard, winning the 'Product of the Year (Service) awards.

Hollard was voted as the Best Growing Company of the Year in the General Insurance Category, Commercial Line Insurer of the Year as well as the Marketing Initiative/Campaign of the Year-Insurance Category at the Ghana Insurance Awards (GIA).

Furthermore, the Group CEO of Hollard Ghana, Patience Akyianu, was named the Marketing Woman of the Year and Woman of Excellence at the CIMG and Ghana Insurance Awards, respectively.

Physical Brand

Hollard's brand is unconventional, and playful, aptly portraying the company's approachable and quirky nature. Their predominant purple, and secondary colours orange, aqua and gold provide a vibrant canvas through which they relate using Ghanaian-inspired illustrations, photography, and iconography. When they communicate, they want to give people something to smile about. In a world of worry and concern, Hollard says they make people happy because the company insures people, everyone, and everything they love so they can go about their lives stress-free. They are serious when it matters most.

Hollard Ghana has offices in offices in Accra, Tema, Kumasi, Takoradi, Sunyani and Tamale, with several Hollard 2U franchises nationwide. Hollard can be also be found at Shell Fuel Station Welcome Shops, and Melcom stores.

Hollard Ghana is a member of the Ghana Insurers Association (GIA), West Africa Insurance Companies Association (WAICA), and the African Insurance Organization (AIO).

If Hollard Ghana's industry push is any indication of Deloitte Center for Financial Services' outlook on 2021, insurers will keep innovating to thrive long after the pandemic, finally raising Ghana's penetration rate.

Bah Mahfouz: pan African citizen

Once in a while, a true pan African emerges; a person whose pan African vision goes far beyond rheotics to concrete reality. Being such a culturally diverse continent such people tend to only be made possible by the unique circumstances of their upbringing, and Bah Mahfouz had precisely the kind of early life that could imbibe him with a pan continental outlook, rather than an ethnic or even purely nationalistic one.

Growing up in Guinea, Senegal, Mali and Togo furnished Mahfouz with such an outlook and his tertiary education at the University of Cape Coast in Ghana where he obtained both an LLB in law and a bachelor's degree in Business Administration where he specialized in Financial Management ensured that his cultural background was formed with Anglophone as well as francophone ingredients.

Despite his geographically diverse upbringing his Togolese nationality has been concretized with an extensive part of his education in his home country – he secured his 'A' levels certificate from Lycee Saint Marie de Sokode and his BEPC certificate from College Islamic de Sokode.

But while he grew up living in several different countries, giving him a truly pan African outlook, his humanitarian passion for helping others remained a constant, and indeed remains so till today.

He recalls that it was this passion for serving humanity, for helping people by always being willing to give a helping hand, imbibed in him right from his formative years that pushed him to become the welfare officer for international students and a member of the Students Representative Council, during his university years.

Later on this same passion, which had grown even more intense over the years, persuaded him to establish the Bahmahfouz Foundation which empowers young people to work their way out of poverty by awarding them with scholarships, by providing them with skills acquisitions programmes and with entrepreneurship training programmes.

Indeed it is this humanist attitude that is Bah Mahfouz's driving force; he strongly believes that everything he does should be aimed at service to God and to humanity.

This has made him a committed human rights activist championing the promotion and defence of fundamental human rights

and personal freedoms, particularly with regards to protecting the right to life itself, to human dignity, to freedom from slavery and other forms of forced labour, as well as the protection of the right to the privacy of both home and office as well as protection from deprivation through poverty. In the same vein he is a committed advocate of respect for human dignity, for social and administrative justice, for economic, social and cultural rights, for access to education for all, and for the rights of women children people with disabilities and other vulnerable groups.

Bah Mahfouz sees all of Africa as his landscape for his human rights advocacy and humanitarian support efforts, as he seeks the fulfillment of his vision of Africa's socio economic renaissance within the context of good political governance and economic management wrapped up in social justice and cultural freedoms.

But as a Togolese national he pragmatically focuses on guiding his country towards becoming a model for the rest of the continent shinning a beacon of light for all of Africa to follow.

He believes that for Togo to achieve this status, it needs to focus its efforts on four core areas.

One is good governance, finding form in democratic freedoms and prudent public policy and responsible, transparent and accountable leadership.

Another is economic management where it is important for the country's government to be aware of the cultural diversity of the various entities that form Togo as a nation state. This requires taking all the requisite actions to ensure the economy is managed in such a way that economic growth and development is maximized and the resultant economic opportunities are accessible to all. Here he emphasizes the need to ensure adequate livelihoods for all, creating suitable employment and protecting the economically vulnerable. Good economic management, he points out, would attract direly needed private investment will minimizing poverty. Importantly he identifies the tourism industry as having the potential to make Togo a hub in Africa.

With regards to social objectives, he calls for the society to be built along the principles of personal freedom, equality, social justice, probity and accountability. Here, he asserts, government has to ensure that every citizen has equal rights and access to opportunities as well as civic obligations.

Then he identifies cultural objectives of the state, which must take steps to encourage the integration of appropriate customary values into the fabric of national life through both formal and informal education. "It is important for the state to consciously introduce cultural dimensions into relevant aspects of national planning" he asserts.

Instructively Bah Mahfouz is an unwavering advocate of education as a prime driver of improved personal living standards and national development and here he believes government has a pivotal role to play in transforming the educational system by providing educational facilities at all levels and in every region, which are accessible by all citizens.

"I believe in my quest to make Togo, and indeed Africa as a whole a great place with good governance, respect for human rights and personal freedoms, enhanced by formidable educational institutions" he enthuses.

Without doubt, Bah Mahfouz represents what is needed by the next generation of Africans; and his having a pan African outlook that goes even beyond his committed nationalism sets an example that the continent's new generation would do well to emulate as the continent seeks integration as a driver of its socio-economic renaissance.

A controversy that refuses to go away

Bank of America Securities to the rescue

By Toma Imirhe

Over the next few weeks, Bank of America Securities Inc, the investment banking arm of the globally reputed international bank will be the focus of intense attention from Ghana as it seeks to determine the real value of two exploration blocks offshore of the country's Western Region ahead of a planned purchase of majority equity stakes by Ghana National Petroleum Corporation from two Norwegian oil firms, Aker Energy and AGM.

In the wake of the intense controversy that has erupted over approval by Parliament to approve a US$1.1 billion loan to be taken by Ghana National Petroleum Corporation - on behalf of its exploration arm, Explorco - government has initiated a process to engage the investment banking division of one of the world's biggest and most renowned international investment banks- Bank of America Securities Inc -. to conduct a new independent valuation of the two oil exploration blocks that the corporation seeks to acquire from Aker Energy and its sibling, AGM.

The resultant valuation will determine who was right between the GNPC endorsed valuation of US$1.3billion for the two stakes, Parliament's valuation of US$1.1 billion which informed its approval for GNPC to borrow that amount; and the much lower valuation arrived at by a consortium of 15 Civil Society Organizations in Ghana of between US$400 – 500 million. There is also the possibility than the impending independent valuation will fall somewhere between the upper and lower values claimed by the various parties to the controversy so far.

A Deputy Minister for Energy, Andrew Egyapa Mercer maintains that the engagement aims to bring to light the real value of Ghana's resultant equity stake if the deal is consummated, following concerns raised by the consortium of 15 CSOs that the planned acquisitions are not in Ghana's best interests primarily because the value of the blocks are grossly overvalued. They assert that this could be inimical to the interests of GNPC which has been given Parliamentary approval to borrow the funds needed to finance the acquisitions and ultimately for Ghana itself for whom the debt would become a contingent liability.

The 15 civil society groups, working in the extractive industries sector, have petitioned Parliament saying, although they are not against the deal, its possible merits"cannot be a guise for decisions that threaten the country's economic and fiscal outlook" hence must be reconsidered.

The crux of the controversy is over the valuation of the stakes in the two exploration blocks. While GNPC and Aker (the latter through a valuation done on its behalf by Lambert Energy Advisory) put the value at US$1.3 billion, the CSOs have chosen to take the much lower valuations of some international oil industry experts who claim the stakes are only worth somewhere between US$350 – US500 million. Interestingly, Parliament itself only approved US$1.1 billion in borrowing for the acquisition by GNPC, suggesting it believes the amount originally requested is an overvaluation, but a dispute still remains as to by how much.

The other part of the requested borrowing – US$350 million for an increased contribution to the development costs of Aker's Pecan field whose commerciality has been established and for which a Plan of Development has already been approved by government – has been approved in full by Parliament and if all goes according to plan production from that oilfield could commence by 2024. However this is not completely certain since Aker now intends to present a revised Plan of Development for government's approval before the end of this year, incorporating changes to be implemented due to the change in the structure of the financing of the field's development.

While government officials remain confident that the acquisitions are in the best interest of the state which wants to accelerate the current slow pace at which the potential oilfields are moving towards development and actual production, it also wants to be sure it is not making a mistake in its haste.

The Deputy Minister explains that aside from Lambert Energy Advisory's valuation of the oil blocks - which the CSOs assert cannot be trusted – the government has therefore gone a step further to seek the services of a third party – Bank of America Securities – to independently arrive at its own valuation.

"As we speak, the Ministry of Finance pursuant to the mandate that was given by Parliament has engaged the Bank of America Securities to do a fair value assessment of the fields and has requested GNPC to make its data available to Bank of America Securities to undertake that exercise that will lead to the real numbers that the Bank of Ghana is going to negotiate. The Lambert Advisory valuation was commissioned by GNPC and Aker, not the Ministry of Finance or Ministry of Energy" he asserts.

Indeed, the fact that the valuation being used so far was commissioned by GNPC and Aker – both of them heavily interested parties in the planned transaction – is a major reason why the CSOs doubt its veracity. Those doubts have intensified since the Deputy Minister has effectively sought to distance government itself from that valuation.

The pedigree of Bank of America Securities is strong enough to make its eventual valuation acceptable to all parties and thus put the controversy to rest one way or the other.

To this end the Deputy Minister has clarified that no final arrangement has so far been sealed yet among the entities involved to warrant the criticisms of the CSOs.

"No transaction has been concluded as we speak. No agreement has been executed as we speak. What GNPC put before Parliament and cabinet is a work programme. Going forward, I think that previous attempts to get us an operator have not been successful.

"There is an opportunity that is springing up now with Aker coming in to commence its work, so we can get the mandate to go and negotiate with Aker based on some submissions that have been done. That will inform us on some parameters within which those negotiations can be held. Cabinet evaluated the frequest and approved the request. Parliament then mandated the Finance Minister and the Energy Minister to negotiate. That negotiation has not yet taken place."

Meanwhile, Andrew Egyapa Mercer insists that, despite the red flags raised against the deal, the arrangement is critical to exploration activities before Ghana's oil reserves hit a level of terminal decline.

"The truth of the matter is that these are valuable assets that if we do not explore are going to be stranded and the government has taken a decision that rather than making these assets stranded, it is going to empower GNPC through the arrangement that is being negotiated to GNPC to become an operator on its own. We can have criticisms about deals that were unsuccessful, but does not mean we cannot proceed with that route by ensuring that the capacity that GNPC has will help us explore those resources.

Actually the issue of upgrading GNPC's capacity to enable it serve as an upstream exploration and production operator has influenced not just the ownership of the exploration blocks over the past 13 years, but their valuation as well.

The ongoing controversy began when, on July 30, energy minister Matthew Prempeh – in a 10-page power-point presentation including a thesis on 'global energy transition' – asked parliament to borrow US$1.3billion to buy back stakes in two offshore oil exploration licences and another US$350 million for financing development of an oilfield, which is on the verge of being developed, its commerciality having been confirmed and a plan of development already approved by government, although now due to be revised following a new financing structure being put in place which includes greater participation by the Ghanaian state than originally envisaged.

The minister made a case for Ghana to borrow the US$1.65 billion for onward lending – on commercial terms – to its national oil company, the Ghana National Petroleum Corporation (GNPC) so that it can buy higher stakes in two oil blocks operated by two Norwegian companies – Aker Energy and AGM.

The government had wanted to borrow US$1.3 billion to buy back stakes in the exploration blocks, and another US$350 million to cover its share of development costs in the already approved Pecan field..

Prempeh said the government planned to acquire a 37 percent direct and indirect interest in the Deepwater Tano/Cape Three Points (DWT/CTP) block from Aker Energy; and a 70 percent interest in the adjacent South Deepwater Tano (SDWT) block from AGM Petroleum.

But a new, highly critical analysis of the situation by The Africa Report explains that Aker and AGM are both controlled by Norwegian shipping billionaire Kjell Inge Røkke, who initially tried to acquire the acreage just before the 2008 elections in Ghana.

To justify why Ghana should take such a financial risk, a strategy paper was circulated at cabinet in Accra excoriating attempts by rich countries to persuade developing economies to leave their hydrocarbon assets 'stranded'. In justifying the loan for the acquisitions, Prempeh said discoveries already made in the two blocks could add 200,000 barrels per day to Ghana's capacity within four to five years, more than doubling output. He explained that five agencies had valued the two licenses at between US$2 billion and US$2.55 billion.

Two of these agencies are parties to the proposed deal (Aker and GNPC); two are consultancies in Norway; and the fifth, Lambert Energy, established a reputation from brokering deals in Russia.

But the Africa Report queries, in the preamble to an extensive feature opposing the transaction : "If the government is acting to protect the national interest, why then does Aker want to sell such an apparently

lucrative asset?"

It further reveals that Aker Energy is a 50:50 joint venture between Aker, a US$7.5bn Norwegian oil company, and a family asset holding company, TRG.

"Two-thirds of Aker is in fact owned by the same TRG, which in turn is owned by Rokke and his wife. In short, the Rokke family owns more than 80 percent of Aker Energy."

AGM Petroleum is a somewhat simpler affair. In 2018, through Petrica Holdings, TRG acquired all the shares of AGM from Gibraltar-based investors

Continues the report: "Prempeh's memorandum was written on 30 July. It reached the speaker of parliament on 2 August and he referred it to a joint committee on finance and energy. The committee met the following day, read essays on the energy transition, and after two hours of deliberations, decided that the most important change to be made was to reduce the spending ceiling for the GNPC from US$1.3bn to US$1.1bn."

Actually this seems to support the assertion of critics of the transaction that it is overvalued, and that that is why Parliament opted to lower the amount to be spent on the acquisitions. Instructively the US$350 million sought to increase GNPC's stake in Aker Energy's Pecan field development has been approved in full but this was never part of the controversy in the first place, since it is to develop an oilfield which has already been confirmed to be commercial and which even has an approved plan of development in place. Indeed it is expected that first oil will be achieved by 2024.

But it is instructive that Parliament has reduced the amount approve for the exploration blocks by US$200 million and critics of the currently disputed valuation assert that this implies that they can be acquired for less than government asked for.

Asserts the Africa Report :"One of the companies brought in to sprinkle some pixie dust on this dung of a valuation – Lambert Advisory – admitted to having spent just two weeks weaving numbers supplied to it from GNPC and Aker.

"It had no access to any independently audited reservoir data. It relied exclusively on the GNPC and Aker estimates. It made a call on 'energy transition' affecting supply but not demand, and thus pegged the long-term average oil price at US$65 per barrel. Its sensitivity analysis was carefully caveated so as not to affect the preferred GNPC-Aker conclusion

"Though SDWT has only seen one discovery well and the only other well – Kyenkyen-1X – proved so disappointing the partners decided not to report results, Lambert discounted the wild volume estimates made by AGM and GNPC of the unappraised field by only 35 percent (from 60,000 barrels a day to roughly 40,000). Even heavily appraised fields such as ENI's Sankofa struggle to produce that amount of oil in Ghana's difficult waters.

"Meanwhile, the Pecan field (in DWT-CTP) and the Nyankom field (in SDWT) that are slated for development in the Aker-GNPC plan are far more distant from shore and in much deeper waters than most of Ghana's producing fields. In fact, in some respects, their complexity is unparalleled in the immediate neighbourhood.

"All the more surprising then that Lambert would also insist on using the same hurdle rate of 10 percent for both the appraised DWT-CTP and the unappraised SDWT blocks, on the basis that Aker is the driver of both projects and therefore its generic cost of capital should be used in the Discounted Cashflow methodology it adopted for the valuation of the two blocks.

"When Lambert, during a meeting with Ghana's protesting civil society organisations, was asked about the refusal to use recent transaction pricing data for comparable assets in the region, its analyst insisted that any such benchmarking would be

inappropriate."
Insists The Africa Report :"Allowing this benchmarking would have generated some uncomfortable truths from comparable deals offshore in Angola and Nigeria. Suffice it to say that when proper reserves classification, project risk analysis, and a sensible long-term price of oil is used, the proper valuation gets closer to the US$350m to US$450m range that many in the Ghanaian CSO movement believe would be prudent, given the project history and medium-term picture."
It concludes that : "The gap between these numbers and the US$1.1bn that Ghana's government is willing to pay is terrifying This new foray into speculation is using borrowed money. It invokes comparisons not with the careful and methodical strategies of the Saudi Aramcos and Petronases of this world, but with other National Oil Companiess much closer to home: Angola's Sonangol and Nigeria's NNPC.
Critics of the transaction assert that the conspiracy theory presented by government about the intention of the West to leave developing countries stranded with their oil assets is meant to divert attention away from the fundamental flaws in the valuation of the assets to be acquired. But while the conspiracy theory may have been exaggerated, its underlying precepts are correct – international oil companies have, over the past couple of years been pulling back from earlier approved upstream investments running into hundreds of billions of dollars. However, point out the CSOs opposing the GNPC loan, billions of dollars are still being spent on new exploration and oilfield development; and besides, none of Ghana's oilfields – whether already operating or on course towards being developed after confirmation of their commerciality – have projected lifespans that reach or exceed the deadlines for carbon zero energy set by countries spearheading the energy transition.
The Africa Report traces the history of the oil blocks now about to be acquired by GNPC alleging that it is the ultimate result of a well hatched plan by Rokke himself. Asserts the Africa Report"
"Rokke and his Aker company landed in Ghana in 2008, when – in league with the politically connected Chemu Power – it obtained 85 percent of the SWDT oil lease. However, when the National Democratic Congress won the December 2008 election, the new government felt that Aker had obtained unearned favours from the previous regime – the New Patriotic Party – and latched on to the fact that Aker's local subsidiary had only been incorporated five days after the oil lease agreement was signed on 24 October 2008.

"The new energy minister declared the SDWT lease invalid on 30 December 2009 (a termination agreement was finally signed on 11 November 2011, in view of which GNPC agreed to pay Aker US$29m for data collected on the SWDT block).
"With SDWT finally unencumbered, legally, the GNPC went on a roadshow with data analytics provided by Zebra Data Services in 2012, in search of a minority joint venture partner that would work closely in the pursuit of the longstanding dream to become an operator capable of leading in the exploration, development and production of oil from Ghana's petroleum basins.
"Ten companies responded. Three were shortlisted and eventually, the Gibraltar consortium of Minexco; Norway's AGM; and politically connected MED Songhai were awarded the block following parliamentary ratification in December 2013.
"It is important to note that AGM, the largest consortium partner (49.5 percent), would later transform into Petrica, and Petrica would later be taken over by Inge Rokke's TRG. Moreover, Petrica's Atle Aamodt Andresen would be a major technical force behind developments in due course. The Norwegians had found their way back in.
"In line with the professed goal of using this arrangement to transform GNPC into an operator, 79 percent of the SDWT block was assigned to GNPC's newly formed subsidiary, Explorco. Explorco (GNPC) and its Gibraltar-fronted Norwegian technical partners were expected to spend a minimum of US$259m interpreting 750 square kilometres of 3D seismic data; drill two wells to find oil; and prepare any discovery for development
"Once it got over its enthusiasm about owning 79 percent of SWDT, the national oil company GNPC settled for a more level-headed 'joint operatorship' model with AGM. Its 'participating interest' (exercised directly and through its subsidiary,

Explorco) was pegged in this arrangement at 34 percent, with rights to take up an additional 15 percent (and contribute to the proportional costs of exploration and development), meaning a legal entitlement of about 49 percent if GNPC wished to bear the investment burden.

"AGM now had 66 percent (until such a time, if ever, GNPC exercised its rights to take up the 15 percent). Somehow, even this 'joint operatorship' thing proved too hard to swallow for GNPC. So, on 21 June 2019, Prempeh caused an amendment to be made to the original September 2013 South Deepwater Tano (SDWT) agreement. The parties to the agreement were AGM Petroleum, GNPC, and a newly introduced Quad Energy; the effect was to reduce the GNPC's entitlement to 15 percent.

"Quad Energy had come into the picture supposedly to demonstrate 'local content', yet its founder was a member of the Aker Board and his co-signer on the agreement was the ubiquitous Atle Aamodt Andresen, the Aker operative who, if you recall, came by way of Petrica. In short, Quad was, to all intents and purposes, an Aker front.

"In the revised agreement stripping GNPC of precious equity, the great prize of operatorship was dangled again, even though at this point the joke must have been getting old, even for its spinners."

Concludes the Africa Report: "So the decision to borrow over a billion dollars to take the GNPC stake to 70 percent from 15 percent has been a decade in the making. It is a process in which Ghana's rights have been gradually whittled down to create a basis to spend money to reacquire them."

The only remaining question is whether over this decade, the value of the asset has improved through investments. Here the Africa Report traces the investment history of the blocks.

.

"On 1 March 2018, Aker Energy announced a purchase for 50 percent of the DWT-CTP block for US$100m. Its main discovery – Pecan – had already been made, plus a number of minor finds.

"In the intervening period, Aker spent US$216m on the block. A considerably lower amount would have been spent on SDWT, where only two wells have been drilled. Based on TRG filings in Norway, the total investments in both assets are in the range of US$310m.

"In 2020, Rokke decided to put further development on hold for both blocks, and began cancelling some investment commitments even for Pecan – including for a floating, production, storage and offloading facility (FPSO) it had earlier committed to procuring from a Malaysian contractor. It then quit various properties in Ghana.

"But in presentations to the Cabinet and Parliament in Accra, GNPC suggested that Aker and the previous DWT-CTP block owner, Hess, have jointly invested US$811m developing the asset. This is completely ridiculous, and a blatant misrepresentation.

"Hess did not report a large impairment after its sale of 50.8 percent of DWT-CTP to Aker for US$100m and Aker's spending, so far, is a matter of public knowledge. The true level of investments AGM-Aker has made in SWDT and DWT-CTP is in the range of US$310m.

"From that calculation, it is clear that Kjell Inge Rokke has successfully plotted a windfall – of as much as $1bn – after cultivating the Ghanaian elite for over a decade. GNPC and Rokke are not transparent about their machinations. Their justification of the valuation of GNPC's share of the resources to be purchased – US$2bn – is based on fantastical projections of earnings to be made if the petroleum discoveries made in both fields eventually come onstream."

But proponents of the deal use different computations to arrive at a valuation much closer to that presented by GNPC. Argues Professor Robert Hinson of the University of Ghana Legon's Business School, the claim that Kjell Inge Rokke stands to make a US$1 billion windfall is false because it ignores the US$ 800 million spent by the Aker owner to add approximately 267 million barrels of oil to the two blocks.

He points out that the critics own computations do not add up in that if, as they claim US$300 million has been spent on the two blocks and the acquisition cost is set at US$ 1.1 billion then the "windfall cannot be up to US$1 billion.

But more importantly, he argues, Aker Energy and AGM have debt commitments not listed in the annual accounts of their parent companies and in actual fact the companies have spent far more on exploration than the US$300 million claimed by the CSOs.

He asserts that "Verifiable figures from the GNPC suggests that Aker Energy and AGM have spent about US$ 700 million to US$ 800 million on the blocks."

.He further asserts that the critics of the deal ignore the widely published fact that in 2018, Aker first added 100 million barrels of oil to the Pecan discovery and then in 2019, discovered 167 million barrels of oil in Nyankom.

"These investments completely improved the commercial viability of the fields. Also, Aker made the cost of developing the Pecan field cheaper, thereby increasing profitability" Hinson points out.

With all these conflicting figures being presented - making even government itself of the real valuation of the stakes it seeks to acquire in the two fields - the impending new independent valuation by Bank of America Securities offers the best way to resolve a controversy that refuses to go away.

Deposit, Send & Withdraw Cash

Available across all networks

Pay Bills & Buy Airtime

G-Money, your truly Ghanaian Mobile Money Service now available to customers and non-customers of GCB Bank.

G-Money = Ghana Money

Dial *422#

Visit any GCB Bank Branch or G-Money Agent to register

Customer Service:
0202111177/0264270236
WhatsApp: 0202422422
@gmoneyghana

GCB

Digitalisation is unlocking The Ghanaian Dream

The President Nana Akufo Addo administration has made digitalization the foundation on which it aims to accelerate Ghana's economic growth and development in an inclusive manner

As Minister for Communications and Digitalization, Ursula Owusu is leading this visionary, multi-faceted effort which stands to be arguably the biggest legacy of the government she serves in.

When the successive political administrations that have ruled Ghana since the beginning of the 4th Republic are assessed with regards to their respective foresight, the President Nana Akufo-Addo administration will stand out above all the others for its extraordinary vision in two aspects of public policy. One is its financial sector clean-up which, although controversial at the time, ultimately proved crucial in enabling Ghana's financial intermediation industry to withstand the intense pressures put on it by the effects of the COVID 19 pandemic; without the timely financial sector clean up, the entire financial intermediation industry would have almost collapsed under the pressure of huge customer deposit withdrawals and the inevitable deterioration in loan asset quality brought about by the viral outbreak.

But the other visionary policy focus is proving even more positively impactful on Ghana's socio-economic fortunes. Not only has the President Akufo-Addo administration's focus on the digitalization of the economy, averted a collapse of both Ghana's economy and its society under the weight of the requisite socio-economic restrictions inevitably imposed to curb the spread of the oft fatal viral infection; even more crucially it has profoundly changed the very fabric of the way the economy operates, as well as the way the entire Ghanaian polity is governed.

To be sure, the digitalization agenda was introduced in 2017 with no inkling of how pivotal it would prove to be three years later, as the coronavirus pandemic made physical interaction next to impossible, thus making the use of digital channels imperative rather than optional. Rather the agenda was introduced with a much more fundamental ultimate objective behind it - the formalization of Ghana's economy, in order to bring the dominant informal economy into the formal orbit of economic governance. But the timing of this policy focus has proved to be key in navigating the socio-economic constraints imposed by the virus since 2020 as well.

"Digitalization is indeed true that digitalization is the key to unlocking the Ghanaian dream" asserts Ursula Owusu, Minister for Communications since 2027, who instructively has had digitalization added to her official portfolio since the start of 2021, a first in Ghana's history.

"The vision of the President, to formalize our economy through technology, the 'Digital Ghana Agenda', sets the tone for reaping the benefits of digitalisation, promoting efficiency and encouraging innovation. Furthermore, it is incumbent on government to provide the necessary infrastructure and the enabling framework for economic transformation. Digital technology, applications, processes and services provide the key and we recognised that very early in this administration."

However just like with the financial sector reforms, the digitalization

agenda was initially met with deliberate politically motivated opposition, based on public expenditure towards executing it. But as with the financial sector clean up, COVID 19 has clearly evidenced not just the invaluable benefits of the policy focus of digitalization, but its visionary timeliness as well.

"The Covid 19 pandemic demonstrated to us all that digital transformation of our businesses, and indeed of the economy at large, is the way to power business and ensure economic growth and resilience" affirms Ursula Owusu who remained unwavering in her commitment to the cause, even when, prior to the coronavirus outbreak, political opponents engaged the support of some public policy commentators to fault the focus on digitalization.

"The most critical lesson the pandemic taught us is effective digitalisation through reliable and efficient connectivity is the surest way to survival" she says, with Ghanaians now able to use their hindsight to agree with her foresight. „Many of the interventions rolled out by government since taking office in 2017 have led to massive improvements in the delivery of services and citizens' experience. All of these interventions came in very handy and were pivotal in the amazing successes Government chalked in the management of the pandemic. Thankfully, the record shows that Ghana over the years has witnessed a consistent and, under H.E. Nana Akufo-Addo's government, accelerated transformation in the area of digitalization."

Part of the initial opposition to the incumbent government's focus in this regard has derived from a lack of understanding of the underlying concepts. "There is a small but important distinction between Digitisation and Digitalisation" explains Ursula Owusu. "Digitisation is the simple transformation of information or processes from a physical or manual form into digital or electronic ones. Digitalisation involves applying digitisation to improve business processes and/or create new revenue streams or wealth, Digitalisation is a strategic application or pursuit of digital transformation. It requires the use of applications, databases, systems, etcetera for economic planning, revenue mobilization, economic empowerment of citizens, access to quality education, equitable distribution of wealth, among other benefits."

In practice, digitalisation rides on four main pillars: Technology, Data, Process, and Organizational Capability. These pillars do not automatically achieve the desired results by themselves and have to be coordinated in a deliberate manner to solve existing problems and provide solutions for a better economic and social welfare.

"The success of digitalisation comes with coordinating all these efforts and it is for this reason that our President, His Excellency Nana Addo Dankwa Akufo-Addo has extended the mandate of the Ministry of Communications to include Digitalisation to supervise the development and implementation of the National Digital Economy Policy (NDEP). We are currently working on the development of NDEP and have engaged consultants for that purpose" she explains.

"Ghana clearly has an attractive technology ecosystem and that is why Tech Giants like Huawei, Google and Twitter are choosing Ghana as a Regional hub. Of course, these world-class Technology Giants see a fine political, economic and digital environment to invest in."

The Digital Ecosystem

This is confirmed by a 2019 study by the International Finance Corporation (IFC) titled 'Digital Skills in Sub-Saharan Africa: Spotlight on Ghana' which revealed that there is a strong demand for digital skills in Sub-Saharan Africa (SSA) generally, and, Ghana in particular.

The study projected that there will be 230 million digital jobs in SSA by 2030 and this will mainly be in the areas of business-to-business and business-to-government.

In revenue terms, the study forecasted that by 2030, opportunities for jobs requiring digital skills will be worth US$130 billion, out of which Ghana will account for US$4 billion and nine million jobs.
"These opportunities are propelling young graduates to embrace technology and there are technology Hubs across the country working to up-skill our teeming youth" enthuses Ursula Owusu.
For instance, Ghana Tech Lab operating at the Accra Digital Centre in collaboration with its partner Hubs across the country has trained thousands of young people through the World Bank and MasterCard Foundation funded projects. Similarly, the Ghana Hubs Network (GHN) also provides extensive support to over 31 local Hubs across the country, where young people engage in tech entrepreneurial activities.
Other organizations such as the Hacklab Foundation have been organizing hackathons to expose many engaged youths to collaborative problem-solving.
"Government on its part, has been investing aggressively in digital skills development, especially for girls and other under-represented groups across the country" adds Ursula Owusu. "I am glad to take charge of this initiative myself."
Building Digital skills
Indeed, to unlock the potential of digitalization, talent is critical and Ghana can only fully realize digital transformation when most Ghanaians, young or elderly have some basic digital skills and competencies to interact online, as well as consume digital goods and services. "To be globally competitive, our workers require intermediate and advanced digital skills to take advantage of technologies for enhanced productivity and economic growth" she explains.
"In Government's agenda to catch them young with ICTs, we are sponsoring Coding Clubs under the Universal Access Fund of GIFEC to develop the talents of young girls and boys in preparing their pathways in innovating technological solutions. This is in addition to ICTs being a core subject of our school curriculum from basic to senior high level. Further to building the digital literacy skills of Ghanaians, Government has pursued programmes such as the ICT for Entrepreneurial and Women Empowerment (ISEWE), the Girls in ICT (GIICT) and the Digital Transformation Centre (DTC) projects targeted at disadvantaged groups (women and girls, hairdressers, seamstress, beauticians, school drop-outs, school leavers, head potters 'kayayie', and female headed households). So far, a total of 502,600 have since been trained and equipped with the requisite digital skills in various categories, consisting of teachers (700), students (234,000), Girls in ICT (3,000), Coding for Kids (182,400), ICT Skills for Entrepreneurial and Women Empowerment (400), ICT and Media in Ghana (600), ICT training for artisans (Mechanics, Hairdressers, Market Women (81,500).
"Ghana in collaboration with International Telecommunications Union (ITU), CISCO, and Norwegian Agency Development Cooperation (NORAD) is currently running the Digital Literacy Skills programme to train 14,386 Ghanaians (of which 8,174 are to be women) with Basic, Intermediary and Advanced Literacy Skills. This programme has been targeted at women entrepreneurs such as hairdressers, dressmakers, other artisans, master trainers of coding clubs, technology innovation developers and IT security personnel.
"In partnership with the ITU and WFP, we will soon roll out the Youth Driven Digital Food System Model to provide digital literacy skills to a million small holder farmers, 4,000 Farmer organisations among others. This program will build the capacities of persons in our food value chain production as Agriculture is the main stay of our economy."
According to the Digital Literacy skills gap report published by Price Waterhouse Coopers in 2018, 40% of employees at entry level lack basic literacy skills, and 57% of employees at middle level lack basic literacy skills. Just as government employees are being trained to be equipped with digital skills, the private sector is being encouraged to sponsor not only its employees but also its suppliers and agents who may be in the informal sector to enhance business processes and delivery in the various value chains.
"We have also worked hard to reduce the digital divide through our rural telephony projects and building a network of Community ICT Centres across the country" notes the Minister.
Crucially, technology education and top skills development programs are also being pursued. Virtually all public and leading private universities in the country run degree programs in ICT at the undergraduate and post graduate levels. There are also many private training institutions that run professional certification programs to prepare topnotch tech professionals, with qualifications beyond degrees.
"Ultimately job creation is the goal" points out Ursula Owusu. "If we give our young people the right skills to enable them succeed in the digital world, they can and will provide the human resources for the global world of work within the next 10 to 30 years. Africa has the youngest population in the world. They are hungry for knowledge and do amazing things with the little exposure they have. They can do even more with the right opportunities and we must work together to make it happen. Ghana can be the launch pad to reach the rest of the continent, as there are innumerable

opportunities for lucrative investments in digital infrastructure, services, applications, training, e-governance infrastructure, cybersecurity, data protection systems, technology parks, BPO centers, e commerce platforms and last mile logistics services, you name it, here and on the continent. The future is now."|

Deploying Technologies for Digitalization

A Ghana Statistical Service Household Survey on ICT in Ghana conducted in 2019 showed that 39.7% of individuals in Ghana knew what the internet was and out of that, 35.6% of them use the internet. This suggests that a solid foundation has now been put in place, which can be built upon.

"To support our digitalization agenda, we have initiated several digitalization technologies" she confirms. "We are not only focusing on access but set into motion programmes and plans that focus on the widespread adoption and usage of these technologies. The mobility of digital services and innovation are crucial for digitalization."

The rollout of 3G coverage is mainly at district capitals and 4G coverage is mainly at the regional capitals. But Government through GIFEC is rolling out 2016 rural sites to provide meaningful connectivity in over 8,000 unserved communities with close to four million population for which all subscribers irrespective of their network operator can roam to access internet, mobile telephony services, and mobile money transfer services.

Further to this, the national roaming to commence soon will afford all subscribers access to internet service even when their service provider is not available.

"As a country we have enough international bandwidth for internet access, yet we need to deploy fibre between and within towns to the reach of offices and homes" she asserts.

The deployment of 5G beckons to address the mobility requirements of Internet of Things (IOT).

Innovation

There is currently the Accra Digital Centre, an innovation hub which is currently churning out some developers and accelerators of innovation. In order to augment the incubation in the country, the Government will require partnership from private sector to set up Sixteen (16) Regional Innovation Centres as well as Digital Start up centres in tertiary institutions to support innovation and entrepreneurship of emerging technologies and applications.

Cloud data storage and data analytics are two drivers to the success of digitalization

Cloud Storage

Some large companies have their own data centres and others resort to outsourced data centres such as a Tier-4 Datacentre available in Ghana. Data costs are likely to reduce significantly if content generated locally are hosted locally. However, data sovereignty, bandwidth costs, latency, and the availability of IT computing power are required to support the local establishment of data centres.

The Minister also assures that all these initiatives will not compromise the privacy of Ghanaians and the confidentiality of their data.

"There have been concerns on information collected on Ghanaians and their transactions being hosted outside Ghana" she notes. "Cloud storage services have to be in compliance with our Data Protection law. We have a tier 3 National Data Centre for both private and public sector usage and are in the process of acquiring a government cloud overlay on it to provide seamless services to all users. It is also protected by the national cyber Security Operations Centre (SOC)."

Data Analytics

Data analytics offer a great opportunity to deliver insights regarding client behaviour and enable evidence-based decision-making. Data analytics is the fuel of digitalization, yet it has been one of the most under-utilized assets in Ghana due to the segregated nature of our datasets, sitting in unconnected unusable silos and the low competence in Machine Learning, Artificial Intelligence (AI) algorithms and Quantum computing. Ursula wants the country to grow capacity in these areas.

With substantial inflows of Foreign Direct Investments (FDI) into the ICT sector, Ghana is one of the few countries in Sub-Saharan Africa with a relatively high Internet penetration.

Indeed, Government has also transformed virtually all sectors of the economy using cutting edge technologies, in some cases leapfrogging the more technologically advanced countries.

According to the World Bank the country also has an Internet penetration rate of 48% representing about 14.76 million people.

There are four full-service telecommunication companies which drive the country's telecommunications. MTN has a market share of 56.42% (representing about 23.24 million subscribers); Vodafone 21.34% (representing 8.79 million subscribers); Airtel-Tigo 20.13% (representing 8.29 million subscribers); and Glo with a market share of 1.87% (representing 0.77million subscribers;).

In addition to the Telecommunication

Hon. Lawyer Ursla Owusu
Minister, Communications
& Digitilization

Companies, there are dozens of Internet Service Providers (ISPs), many Radio and Television Stations and many other players in that ecosystem, regulated by the National Communications Authority (NCA), an Authority under the Ministry of Communications and Digitalization which Ursula Owusu heads..

According to the ITU, Ghana also has one of the most matured Telecom regulatory regimes in Africa. Coupled with well-documented studies such as those published on the well-respected howmuch.net, as at 2019 the country also was in the second lowest category out of five categories of data prices.

Furthermore, according to a Household Survey on ICT in Ghana conducted by the NCA, in collaboration with the Ghana Statistical Service in 2020, Smartphone Ownership amongst phone users, stand at 46.1%.

“Within the first term of H.E. Nana Akufo-Addo's government, the fastest digitization efforts have been carried out” she enthuses. “Of special mention is the fact that this government is the first to build a truly robust foundational identification system, a prerequisite to building a solid digital ecosystem.”

The National Identification Authority collects the personal data of all residents and issues biometric cards to all adult residents of Ghana, including citizens and others nationals, with plans to cover the younger population in the near-future. Over 15.5 million people are currently enrolled on the National ID card (Ghana Card) system and continuous registration in all their district offices was set to commence in July this year.

The government also launched and implemented a digital address system, capturing every square inch of land or water in Ghana, including that with which residents have registered their residency info with their Ghana Card data.

Some Other Major Digitisation Projects of this Government:

Ursula Owusu lists several key initiatives embarked upon by the incumbent administration towards the digitalization of the country:

- Implementation of the groundbreaking Mobile Money interoperability (MMI) project. Ghana is currently the fastest growing Mobile Money market in Africa. In fact, Ghana has 36.9 million registered Mobile Money Accounts.
- Ghana is the first country in the world to implement a Universal QR Code payment system that accommodates both Bank Accounts and Mobile Wallets.
- The online Passport Application processes are helping many people and making it easier to obtain a passport, an unprecedented progress in the history of Passport acquisition in Ghana.
- Digitisation at the Ports, resulting in the elimination of the Long Room and streamlined inspections as well as enhanced enforcement which have made it easier to clear goods, curbed corruption and increased revenues for use to develop the country.
- Digitisation of the Courts through the introduction of e-Justice system to end the manual filing processes of Ghana Case Tracking System – Electronic Case Tracking – Electronic Case Distribution System aimed at a fairer, more equitable and transparent distribution of cases.
- Digitisation of Motor Insurance Database for all insurance

policies, which now have key security features, having been synchronized to a national database which can be accessed simply with any mobile phone by the insured, the police, and the public.

· Digitisation of the Operations of DVLA which has today, enabled citizens to have a much more convenient way to acquire their drivers' licenses and register their vehicles.

· Commencement of the automation of hospitals, with the objective of a more efficient and improved service delivery at hospitals. The goal is to go paperless in all hospitals within two years.

· Completed the infrastructure to provide free WiFi to all 722 Senior High Schools, 46 Colleges of Education, 260 District Education Offices and an initial successful Pilot of 13 Public Universities.

· Developed a One-Stop Shop for government services (Ghana.Gov). Indeed, the process of on-boarding all government institutions onto this platform is ongoing. On this website one can apply for and obtain various government services from MMDAs.

"Facilitating the growth of a cashless or cash light system is key to digitalization" she insists. "This single digital payment platform, provides a single point of access to apply and pay for all services of Ministries, Departments and Agencies of Government. This has seen growth in government revenue collections, deepened expenditure savings, and reduced the need for physical human involvement in the administration of public services thereby helping our fight against corruption. Also, the implementation of policy has culminated in the use of payment systems and platforms like mobile money interoperability and signals a step in the right direction. "

She lists several more initiatives towards digitalization as well:

· By making the Ghana Card (National ID) the TIN Number, we have increased the number of people with TIN Numbers from 750,000 in 2016 to 15.5 million today.

· Also, by making the National ID the SSNIT number, we have increased the number of people with SSNIT Numbers from 3million to 15.5 million.

· The National Health

Insurance Number is now the Ghana Card Number.

· The digitisation of the births and deaths registry is about 80% complete.

· Ghana Investment Fund for Electronic Communications (GIFEC), an agency under my Ministry has embarked on a Rural Telephony Project, which is aimed at closing the void created by Mobile Network Operators (MNOs') inability to extend coverage to communities with population below 1,000 for commercial and economic purposes. GIFEC, as part of its mandate, is implementing this project in order to provide voice and data services to unconnected communities in Ghana. 400 communities have since benefited within 2 years, with over 600,000 people connected. Under this project, over 82 Community Information Centres have also been connected to the Internet.

· The Government of Ghana has also recognized the digital skills gap, particularly for girls and marginalized groups and has embarked on several interventions to address this issue and create opportunities for young people. And, GIFEC is leading the implementation of a digital skills program that will provide about 14000 citizens with job-ready digital skills, in particular women entrepreneurs, pupils, teachers and marginalised groups, through 200 Centres across the country. This initiative is being supported by the International Telecommunication Union (ITU), the Norwegian Government and the Government of Ghana, as part of the Digital Transformation Centres (DTC) Initiative in Ghana.

· Under the Ghana CARES Obaatanpa programme too, we will consolidate all government fibre assets held in various MDAS like ECG, GRIDCO, NITA, the road and railway sectors into a robust resilient digital infrastructure to provide services to all public sector agencies, link educational, health, security, industrial, agricultural and local governance installations around the country, and lease excess capacity to the private sector.

· We are going to link all these systems to make it possible to analyse the data for planning purposes, build linked systems to provide better services to citizens and facilitate easy retrieval of information and make anonymised data available to researchers and for other purposes including enhanced security.

At the centre of all these initiatives though are the digital means of identifying citizens and residents in Ghana and determining where they are located. "A pivotal initiative is the Biometric National Identification system, which will continue to aid both government and the citizenry" she enthuses. "It will help us capture more of our fellow Ghanaians and not just a few, into paying taxes, especially within the informal sector, provide more security such as through the upcoming SIM re-registration exercise, a project which I am leading, to weed out cyber fraud and criminality.

"Coupled with our world-class digital addressing system and linkages with other systems to come, we will systematically build upon these foundational systems, in order to ultimately build credit profiles and other valuable data for the benefit of our people, such as exist in highly advanced economies.

Her enthusiasm is infectious. "I can hardly wait for the day when we have Equifax, Experian, TransUnion, Dun & Bradstreet and others setting up shop in Ghana and helping us develop consumer and commercial credit data/ratings and more value-added data, to help us reduce credit risk and the cost of credit as well as unleash world-class access to credit for economic growth and development.

“There are so many data services which will emerge and serve us well, as we concretise requisite building blocks. It will help create opportunities for homegrown start-ups in the space, to create value and wealth for our people. Indeed, we can even export some of these new systems, especially, within the sub-Region.

“These are truly the building blocks to the realization of the Ghanaian Dream, which is one of affordable and available credit, more safety, more FDI, more technology startups and wealth, and the likes.”

Cyber Security and Data Protection remain Key Concerns & Part of the Digitisation Efforts

While the digital transformation agenda is being pursued, criminality and the protection of the privacy of data are paramount to Government, asserts the Minister. “Accordingly, this government through my Ministry has initiated a number of steps to control these risks and boost the confidence of our citizens to continue to trust the digitalisation process. “

One is the Cybersecurity Act, 2020 (Act 1038) as enacted by Parliament in 2020 and given Presidential Assent. The Act transitions the National Cyber Security Centre into the Cyber Security Authority. The Authority is required to develop, establish and adopt cybersecurity standards for education, skills development, hardware/software engineering, governance, risk management, research and development, and practitioners. It is also required to enforce these standards and monitor compliance; promote public awareness and education on cybersecurity matters. With respect to online protection, the Act protects children against exposure of indecent image, sexual abuse, cyberstalking, and sexual extortion. It also protects sexual partners on issues of non-consensual sharing of sexual images/videos and threats to distribute sexual images/videos. Additionally, the Act establishes an industry forum for discussing cybersecurity matters of interest.

“We will implement the law to the letter” she promises.

A number of other initiatives have already also been implemented by the government to improve Ghana's cybersecurity development. These include the revision of Ghana's National Cybersecurity Policy and Strategy, the establishment of the National Cyber Security Centre, the launch of the Safer Digital Ghana campaign, the launch of Cybercrime and Cybersecurity Incident Reporting Points of Contact.

Others include the establishment of the Computer Emergency Response Teams (CERT) for Ghana's banking, communications and criminal justice sectors with a Security Operations Centre for the country. The law also empowers security and law enforcement agencies to combat cybercrime and makes provision for dedicated sources of funding for the Cyber Security Authority and its activities.

“Our progress on cybersecurity has won admiration and commendation from the international community” she claims. “The Council of Europe recognizes Ghana as the hub for cybercrime capacity building in the English-speaking ECOWAS region, the World Bank has praised Ghana's formative developments in cybersecurity and provided support to consolidate our modest gains, while the World Economic Forum has also identified Ghana for a public-private sector partnership on cybersecurity. The government will continue to work with stakeholders across the country and internationally to scale up our cyber security efforts.“

Furthermore, the Data Protection Act, 2012 (Act 843) established the Data Protection Commission, to protect the privacy and personal data of individuals. It regulates the process by which personal information is acquired, kept, used or disclosed by Data Controllers and Data Processors, by requiring compliance with certain data protection principles. Non-compliance with provisions of the Act may attract either civil liability, or criminal sanctions, or both, depending on the nature of the infraction. The DPC is mandated to ensure compliance with provisions of the Act as well as maintain the Data Protection Register.

Hon Lawyer Ursula Owusu's enthusiasm as to the direction Ghana has taken with regards to digitalization is matched by her supreme confidence that its efforts will ultimately prove very successful. “

Ghana is taking off and digitalization is indeed the key to unlocking the Ghanaian Dream” she asserts. “Government is engaging the public and private sectors and other development partners to help more of our citizens achieve this Ghanaian Dream, which key unquestionably, depends on digitisation. It is DIGITIME in Ghana and you are invited to explore the numerous opportunities this sector provides to invest in and enable us grow together”

MTN share price justifies IPO

MTN Ghana has been the most traded equity on the Ghana Stock Exchange since it did the biggest Initial Public Offer in the more than 30 year history of the nation's bourse.

More importantly the company's share price performance since then has justified the investments made by equity investors who bought into the IPO, delivering returns that have beaten all other genres of portfolio investment as well as the average returns provided by the stockmarket itself. By the end of last week MTN Ghana's shares were trading at GHc1.20 which is about 70 percent higher than the IPO price of 75 pesewas.

Even more instructively after the share price fell to 64 pesewas as at the end of 2020 in line with the tail end of the longest and deepest bear market in the GSE's history, it has since been the biggest driver of the stockmarket's ferocious recovery this year, with its share price rising by 96.89 percent year to date

This more than doubles even the strong share price recovery across the board during which the GSE Composite Index - which measures the (weighted) average change in the prices of all the listed equities – and which has climbed by a sturdy 41.89 percent, since the beginning of this year. Added to this is a dividend yield of a further 12.5 percent derived from MTN Ghana's generous dividend payout policy under which it paid out 70 percent of its after tax profits for 2020, This was made possible by its extraordinary sustained profitability and accompanying cash flows.

Indeed it is instructive that MTN's huge capital expenditure (2021 US$207 million) is financed almost entirely by reinvestment of its own cash flow, thereby eliminating interest costs and propping up profitability even further.

That capex is actually one of the biggest ingredients to MTN's exemplary success as it is combined with innovative product and services design and delivery accompanied by intense marketing. Already the company is partnering six with 6 other multinationals to build a 37,000 kilometer long subsea data cable to serve the African continent and the Middle East region, ultimately aimed at installing the capacity for Ghana to start enjoying 5G services by as early as 2023.

Although they haven't officially set a date for trials, MTN is prepping and modernizing about 1322 sites for 5G readiness during this and next year.

Impressively MTN already has **73% coverage** for 4G in Ghana and plans 607 new 4G sites this year in 2021.

Demand for data has grown by about 100% between March 2020 and March 2021 according to MTN Ghana, indicating that current internet infrastructure will soon be outstripped by demand.

The project dubbed '2 Africa' will be one of the world's largest subsea cable projects with the ability to interconnect Europe, the Middle East, and 21 landing stations in 16 African countries, Ghana inclusive.

But long before this project gives MTN yet another head start over the competition it has unveiled its revamped digital plans, dubbed Ambition 2025.

In its strategy, MTN Ghana plans a number of initiatives to consolidate and further extend its leadership in the country's cyberspace it outlines a number of values and core strategies it hopes to achieve by the year 2025.

At the centre of these is Chenosis, an about to be introduced API marketplace that will act as an aggregator and exchange for third parties to access. A use case is a company attempting to come into the Ghanaian space and leveraging on Chenosis to easily tap into to build services for their specific use

However, currently MTN's **Ayoba** is its super app; an all-in-one communications app offering voice and video calling, games, music, news, entertainment news, and other content.

As at now the app has over 1 million users in Ghana. MTN users in other countries can also access the app and communicate with each other.

MTN is presently having a developer hackathon and plans to offer services through the Ayoba app through the use of micro-apps.

Another key strategy is the integration of its trail blazing Mobile Money platform with the newly introduced Ghana National QR Code platform for merchant payments. Last year, the Government of Ghana introduced the GHQR, a universal QR code platform that allows users to make payments for services with the use of QR codes.

MTN will be integrating with the GHQR platform this August by implementing its first phase of USSD payments.

MTN also plans to introduce another phase where users will be able to scan QR codes and make payments with their mobile money wallets.

With new products and services such as these now being rolled out, MTN's financial performance stands to get better still which in turn will further drive the GSE's ongoing bull market and will directly benefit the company's shareholders who are already enjoying better returns on their investments than virtually any other financial portfolio investors in Ghana.

How the rail system will transform the economy

The development of a modern, functional nationwide railway network is one of the clearest testimonies to the vision and foresight of President Nana Akufo-Addo's administration. The massive US$2 billion investment being made to achieve this is not based on the usual political thinking of providing infrastructure that would win votes at the next election. Rather it is based on putting in place infrastructure that can completely transform Ghana's economy and the lives of its citizenry for the good, even at the risk of the government's immediate electoral fortunes, since it is an investment that extends beyond the four year electoral cycle before yielding fruits that will last for generations to come.

Indeed, when completed Ghana's nationwide railway network will be a game changer. “There is no developed economy in the world that does not have a modern, fully functioning railway system” asserts Peter Amewu Minister for Railway Development. “Every administration before this one realized this, which is why they all announced initiatives to build one, but they all pulled back simply because it would take more than one term in office to complete which meant risking expenditure on a transformational project but which would not provide votes after a single term in office. But the incumbent government is doing what is right for Ghana rather than simply what will win the next election.”

Doing what is direly needed but not attempted in over six decades is a massive task requiring the establishment of a dedicated Ministry, established in 2017 and the commitment to inject some US$2 billion in public expenditure for the development of the railway industry in Ghana.

But the rewards are beyond quantification. When completed, Ghana's railway network will significantly reduce freight costs and therefore prices of consumer goods and industrial inputs nationwide; will make movement of people all around the country much cheaper, safer, faster and more convenient; and will facilitate the movement of bulk produce which cannot be feasibly moved by road.

But to achieve this requires inarguably the biggest national transport infrastructure project in Ghana's history. Ghana's existing railway network is narrow gauge (1067 mm) and comprises 947 km route length. It consists of the Western Line which is from Sekondi-Takoradi to Kumasi with a branch line from Dunkwa to Awaso totaling 340 km; an Eastern Line from Accra to Kumasi with a branch line from Achimota to Tema totaling 303 km; and the Central Line from Kotoku to Huni Valley with a branch line from Achiase to Kade totaling about 239 km.

However due to decades of neglect and underfunding the entire rail network is completely broken down except for partial transportation of manganese from the Nsuta mine on the Western Line to the Takoradi port, passenger services from Takoradi to Tarkwa and also from Takoradi to Sekondi via Kojokrom. Also on the Eastern Line, there are some passenger commuter services from Accra to Tema and from Accra to Nsawam.

The development of the national railway system is being accomplished through a combination of public spending and partnerships with private sector investors. Over the past four years, between 2017 and 2020 efforts have focused on the development and reconstruction of the Western and Eastern Railway Lines; development of the Tema to Mpakadan Line; rehabilitation of the Railway Training School and Location Workshops; refurbishment of locomotives and coaches; and procurement of standard gauge rolling stock.

Furthermore, feasibility studies have

John Peter Amewu - Minister, Railways

been conducted and procurement processes initiated for the redevelopment of the Kotoku – Huni Valley track on the Central Line; the development of an interconnectivity project that will link Ghana and Burkina Faso; the development of the Kumasi – Paga line; the development of an Aflao-Elubo Line which is part of the Trans-ECOWAS Line that would link all of coastal West Africa; and development of Metro/Light Rail Transit Systems in both Accra and Kumasi.

Several key achievements have been chalked up already. For instance the Ghana Railway Company has completed the rehabilitation of a 56 km section of the narrow gauge Western Line from Kojokrom through Nsuta to facilitate haulage of manganese and provide passenger services. Also a new standard gauge line from Kojokrom to Manso, covering some 22 km is about half completed and is being funded by the Government of Ghana.

A Euro500m contract has been awarded for construction of a standard gauge line from Manso to Huni Valley, conversion of the narrow gauge line between Takoradi and Sekondi to standard gauge and installation of standard gauge tracks from the Takoradi Station to the Takoradi Port. All these will result in the construction of 102 km of rail line from Tema Port to Huni Valley.

Contracts have also been signed for standard gauge railway lines from Kumasi to Kaase, for US$48.81 million; from Kaase to Eduadin for US$93.57 million; from Eduadin to Obuasi for US$419.72 million; and from Eduadin to Ejisu and the Boankra Inland Port.

The rehabilitation of the narrow gauge sections of the Eastern Line from Accra to Tema and Accra to Nsawam have been completed and passenger services offered until COVID 19 forced their suspension. The Tema - Mpakadan Line (including a bridge over the Volta River) is nearly complete at a contract cost of US$447.17 million.

Government has also funded the rehabilitation of the Railway Training School and two workshops at Takoradi. The school is now being upgraded to an accredited school of higher learning through a Memorandum of Understanding, MoU with the University of Mines and Technology, Tarkwa.

Already 10 out of 15 coaches have been refurbished and are being used on the rehabilitated Accra – Tema – Nsawam and Kojokrom – Tarkwa rail corridors. A US$243.6 million contract has also been signed for the supply of nine passenger locomotives; 15 freight locomotives; 11 shunting locomotives; 32 coaches; and 330 wagons.

An array of feasibility studies are either underway or have actually been completed too. A flagship one is for the Ghana-Burkina Faso Interconnectivity project which will link both countries. A concessionaire is currently being procured and terms negotiated with the financial closure of the project expected by November this year. A feasibility study for the Kumasi - Paga line has similarly been finalized.

Feasibility studies are currently being undertaken for the Kotoku - Huni Valley line and for the Aflao – Elubo Line which will form part of the Trans-ECOWAS line. Feasibility studies for metro/light transit systems to be developed in Accra and Kumasi are also in their final stages of completion.

All these projects are crucial for the Ghana CARES initiative. “Capital expenditure both by government and by private investors, as contractors and concessionaires will form a significant part of the GHc100 billion in total spending under CARES which will boost economic growth to 5.0% this year and 6% in 2022, with the private sector aspect of the expenditure enabling government to engage in prudent, fiscally responsible consolidation at the same time' asserts Hon. Amewu.

But even more importantly over the medium term the railway network will unlock Ghana's hitherto underexploited economic potentials to ensure that the Ghana CARES initiative fulfills its ultimate objective – the transformation of the economy. “The railway system will open up the hinterlands to economic activities by making enterprises situated nationwide commercially viable by facilitating the movement of goods from up-country where they are manufactured using the raw materials there to domestic markets in urban centres and to sea ports for export' enthuses the new Minister for Railway Development.

But even all this is just the beginning. Ultimately, Ghana's developing railway network will dramatically improve the efficiency of the nationwide freight and distribution system, making both finished products and production inputs cheaper and more easily accessible; even as it makes reaching everywhere around the country cheaper, easier and faster for citizens.

“Ghana's railway system is about to make the country one big village” asserts Hon. John-Peter Amewu, sector minister. And he is perfectly right.


www.ghacem.co
THINK
PREMIUM
CHOOSE
GHACEM
GHACEM
HEIDELBERGCEMENT Group
SUPER
RAPID
CLASS 32.5R
50kg
GHACEM
HEIDELBERGCEMENT Group
SUPER
STRONG
CLASS 42.5R
50kg
GHACEM
HEIDELBERGCEMENT Group
GHACEM
EXTRA
CLASS 42.5N
50kg
GHACEM
HEIDELBERGCEMENT Group
..The Nation Builder
Call toll free 0800-555555 or Tel: 0201000730

The Magnificent 'Oil Dome!'

The unbelievable story of RoyalHouse's headquarters ... rated continent wide for sheer beauty

On June 19, 1991, while in Holland, Apostle Sam Korankye Ankrah had a destiny-changing encounter, which gave birth to his ministry.

He was asleep in a room in faraway Holland where he has travelled to in search of greener pastures to cater for his family. But on that fateful midnight he heard knocks on his door and subsequently woke up to see who it was, (thinking it was his Indian landlord). Only to realize that, he was not the one,.

It happened again and this time around, he sensed a supernatural presence in the room. An audible and authoritative voice instructed him to pray and knowing it was the Lord's command to him, he prayed non-stop for three solid hours amidst tears.

"I had disobeyed the Lord when He commanded me to return to Ghana to start a ministry for Him. He took God's grace and mercies for granted by rejecting the call,' he always shares

"However, after several hours of prayer, God had mercy on me and gave me another chance. He instructed me to reach for my Bible, which immediately flipped to 1 Timothy 3:1," he shared.

In this encounter which is shared when he recollects how RoyalHouse came to be, he added that, "God ordained me a “bishop” that morning to have oversight over His church, which will be established through me. As I meditated on this I asked, “What good can come out of being a bishop?” God responded, “JUST TRUST ME”. He covenanted with me and this has been the beginning of His church."

Royalhouse Chapel International was thus founded in December 1992 as International Bible Worship Centre (IBWC) after their fellowship called the Showers of Blessings Fellowship was renamed.

Their first Sunday service took place at the Ghana Education Service (GES) Model Nursery School at North Ridge, Accra with twelve adults and five children.

From GES Model Nursery School, the church moved to Agricultural Development Bank's (ADB) canteen and then to “Blackmore and Sons” warehouse at Kokomlemle, Accra.

In March 1999, God impressed upon the Apostle General to change the name of the church to Royalhouse Chapel International to give the church a global focus.

Over the years, the membership of the church has grown from twelve to tens of thousands with branches in other nations with hundreds of local assemblies and several other international missions.

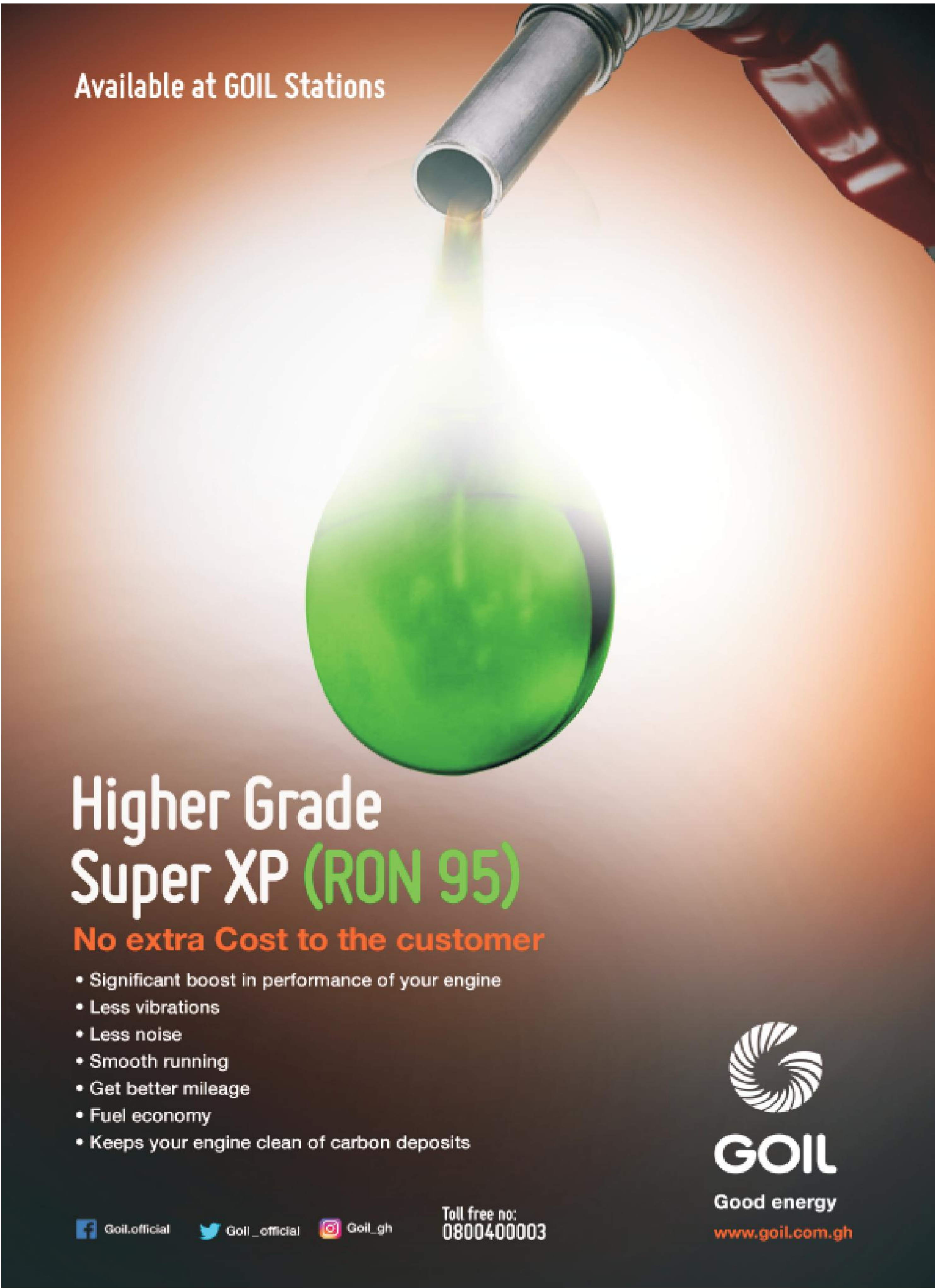
RoyalHouse's historic migration to their present place of worship was made on November 4, 2000. After an all-night at “Blackmore and Sons” warehouse, the church went on a prayer march to “Ahenfie”, at 4 am.

This was literally their crossing over from Egypt to the Promised Land. Ahenfie is thus considered by all members of Royalhouse Chapel as a land of prophecy and promise.

Fast forward, they are closer than ever before to finalising their eventual move into the Oil Dome (on the same Ahenfie land), which is expected to be one of the finest edifices to God's honour with a five-storey office complex attached.

Apostle General,
Rev. Sam Korankye Ankrah & Mama Rita


EVERYONE CAN BANK WITH US...
No matter your banking needs, Zenith Bank has a product tailor-made for YOU.
CONTACT US TODAY...
+233 302 429700
+233 302 611500
+233 302 680884
info@zenithbank.com.gh
www.zenithbank.com.gh
Zenith Bank Ghana Limited
ZenithBankGhana
ZENITH
ZENITH BANK
...in your best interest


Available at GOIL Stations
Higher Grade
Super XP (RON 95)
No extra Cost to the customer
• Significant boost in performance of your engine
• Less vibrations
• Less noise
• Smooth running
• Get better mileage
• Fuel economy
• Keeps your engine clean of carbon deposits
GOIL
Good energy
www.goil.com.gh
Goil.official
Goil_official
Goil_gh
Toll free no:
0800400003