



Government of Ghana



Government of India



India-West Africa:

Partners in Growth

A Report



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Ghana International Trade Fair Centre,
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Infrastructure
Advisory

Knowledge partner

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Message from Director General, FICCI



Ms Ambika Sharma
Director General, FICCI

India and Africa have an enduring civilizational connect, and a shared history.

Today, those historical ties have been transformed into an enduring and evolving partnership for shared prosperity. To quote our Hon'ble Prime Minister: "India's partnership with Africa is based on a model of co-operation which is responsive to the needs of African countries."

Indeed, Africa is a top priority for India's foreign and economic policy. Africa is also assuming increasing significance in trilateral initiatives that India is undertaking with bilateral partners worldwide.

Western Africa, which is at the heart of Africa's transformation has gradually moved towards greater regional integration, most notably through the establishment of two Regional economic communities (REC) – Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (UEMOA).

This paper "India - West Africa Partners in Growth" outlines important collaboration opportunities across sectors that can benefit both Indian and West African economies and Ghana. This paper also highlights partnership opportunities between the two regions in areas such as agriculture & food processing, infrastructure & construction, healthcare & pharmaceuticals, energy to name a few to foster sectoral and economic development in the two regions.

I am confident that this joint paper by FICCI and CRISIL will be instrumental in highlighting key collaboration opportunities that are mutually beneficial for both India and West Africa and Ghana.

Introduction – West Africa

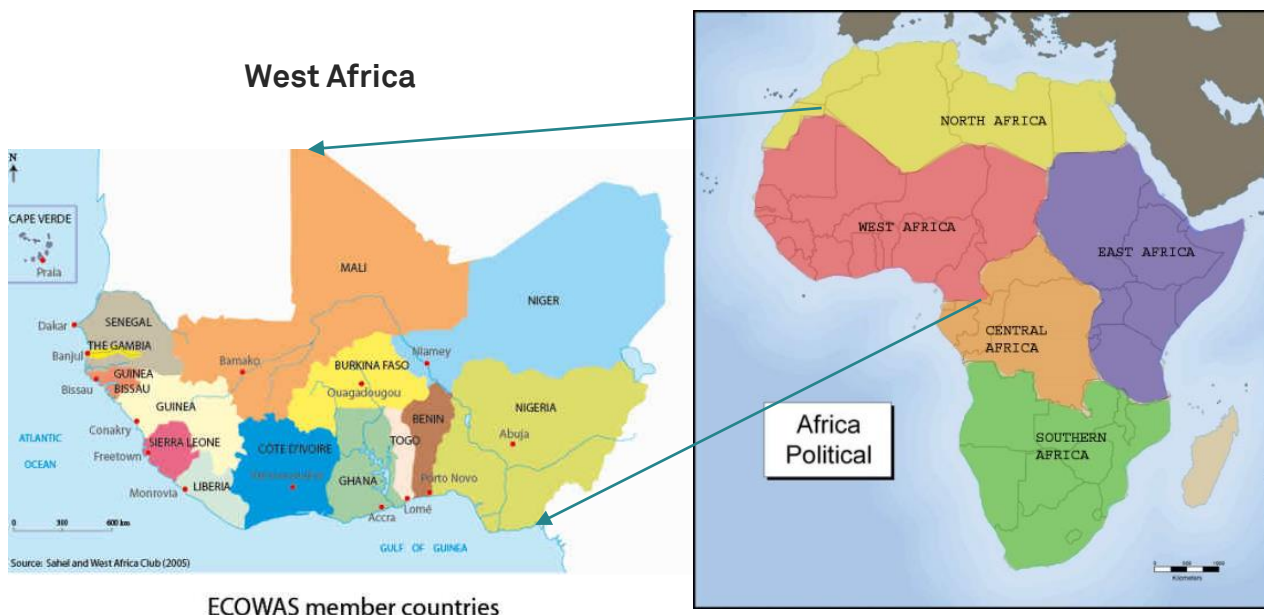
Africa is the second-largest continent in the world in terms of both area and population, covering about a fifth of total land surface on earth. The continent contains an enormous wealth of mineral resources, including some of the world's largest reserves of fossil fuels, metallic ores, and gems and precious metals. It has the largest reserve of precious metals, with over 40% of gold reserve, over 60% of cobalt, and 90% of platinum. The continent can be subdivided into five sub-regions:

- Eastern Africa
- Northern Africa
- Central Africa
- Southern Africa
- Western Africa

Eastern Africa is home to the great wildlife reserve of Serengeti plains and the Rift Valley Lake system, which stretch across Kenya, Uganda, and Tanzania. These countries have signed a treaty for enhanced East African co-operation to allow for free flow of goods and people. Northern Africa generates one-third of Africa's total gross domestic product (GDP) and is economically prosperous. The small landlocked central African countries of Rwanda and Burundi form a part of the economic union of countries in the central African region. Southern Africa, which is the continent's economic powerhouse comprising five nations, is situated in southern part of Sahara desert.

Western Africa is at the heart of Africa's transformation. The region is bounded by Atlantic Ocean in the west and south, the Sahara desert in the north. The countries of Mauritania, Mali and Niger are located in southern stretch of the Sahara desert, while the remaining countries are spread out along the coast line. Due to colonial history, the West African countries are divided into French and English-speaking states.

The Economic Community of West African States (ECOWAS) is a vast geographical bloc of 15 states from Nigeria in the east to Mauritania in the west.

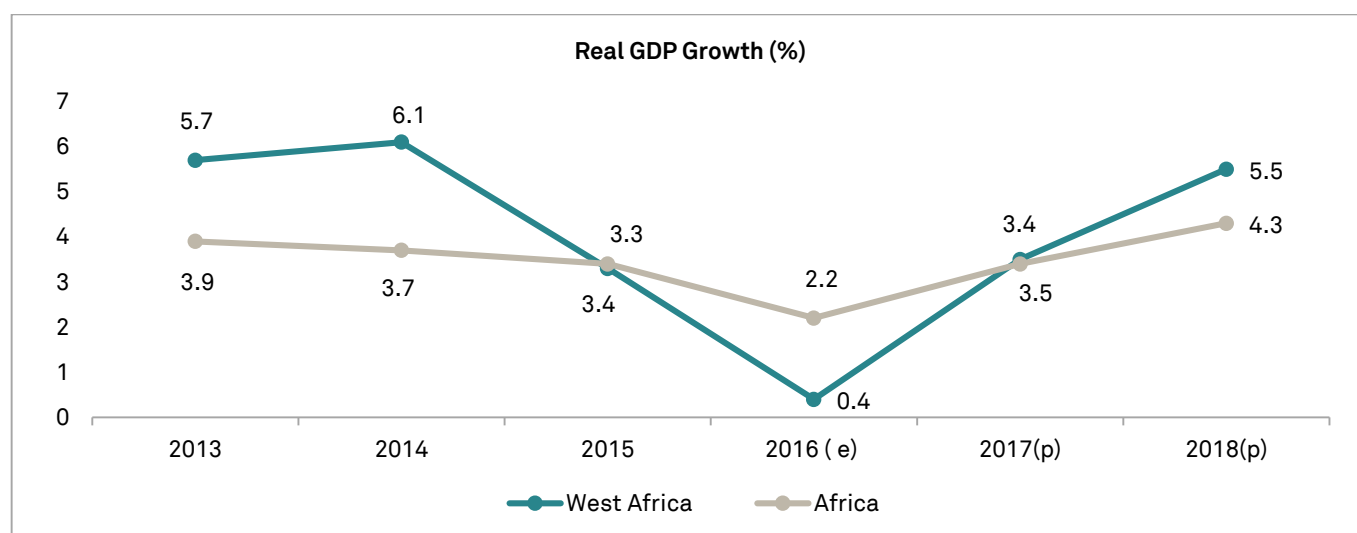


Economic Outlook

Growth projections of West Africa are positive, due to an expected rebound in commodity prices

The African economies are at varying stages of development. Nigeria, along with South Africa, contributes significantly to African GDP, accounting for 29.3% and 19.1% respectively in 2016¹.

Domestic factors, including consumption, natural resources and primary commodities, remain major growth drivers. Domestic demand, driven by growing population, represents a major catalyst for African entrepreneurship, which, in turn, has boosted industrialisation. Prices of most commodities are also expected to maintain an upward trajectory. West African economy is expected to grow 3.4% in 2017 and 5.5% in 2018 due to expected rebound in oil prices.



Source: African Economic Outlook, 2017

Trade Environment

Africa's export basket almost quadrupled in the past decade

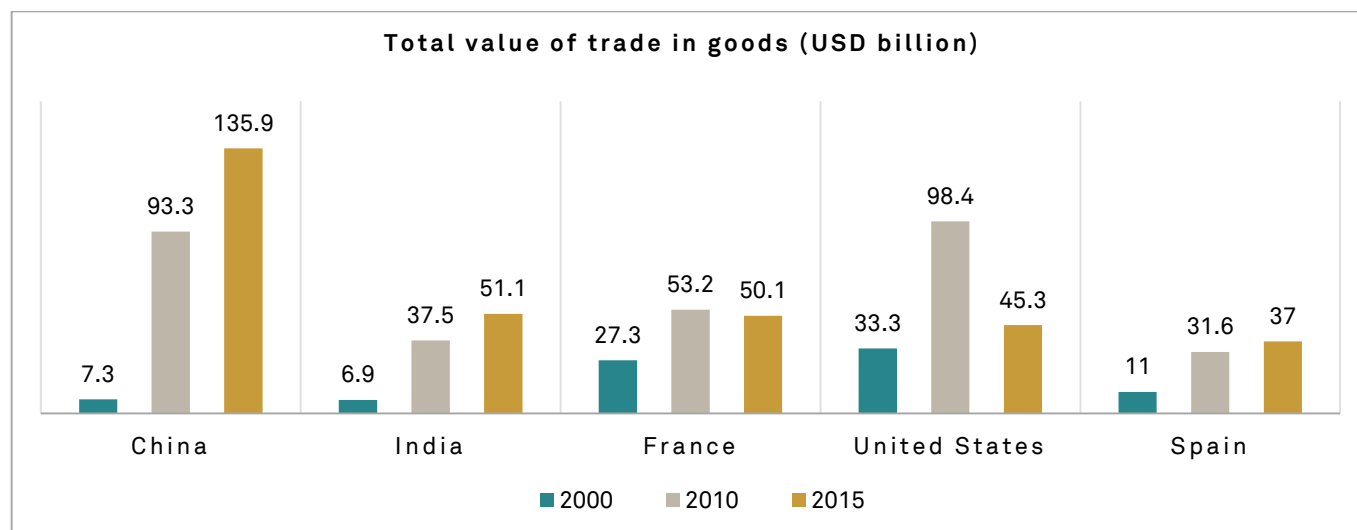
Africa has enormous trade potential. The continent's export basket almost quadrupled in the past decade with trade shifting in a big way from Europe to Asia. Country-wise, India is the second-largest trading partner of Africa globally, as of 2016. However, the European Union remains the largest partner for the continent. Various countries in Africa have realised the importance of diversification of exports, by venturing into new sectors and products as well as by adding value to their existing products.

Western Africa has gradually moved towards greater regional integration, most notably through the establishment of two regional economic communities (REC) – Economic Community of West African States (ECOWAS) and West African Economic and Monetary Union (UEMOA).

ECOWAS is one of the exceptional regional economic communities in Africa to include a 'protocol on free movement of persons, residence and establishment.' The first of the three phases foreseen by the protocol—a 90-day visa-free entry—has been implemented by all ECOWAS countries, and the proposal for a common

¹ In 2016 as per African Economic Outlook, 2017

passport has been adopted by about half of the member nations. In Western Africa, about 12% of ECOWAS exports went to member countries, 6% to other African countries and about 80% outside of Africa in 2015.



Source: IMF data, <http://data.imf.org/>.

Fact Sheet of Major West African Countries

Western Africa is a land of diversity, with three major world languages, over-a-thousand indigenous languages, multiple cultures and judicial systems, as well as three of the 25 fastest-growing countries.

S. No.	Name of the country	Capital city	Official languages	Currency	GDP (in USD billion) 2016	Governance
1	Benin	Porto-Novo	French	West African CFA franc (XOF)	8.58	Presidential republic
2	Burkina Faso	Ouagadougou	French	West African CFA franc (XOF)	12.11	Presidential republic
3	Cabo Verde	Praia	Portuguese	Cape Verdean escudo (CVE)	1.62	Unitary semi-presidential republic
4	Côte D'ivoire	Yamoussoukro	French	West African CFA franc (XOF)	36.16	Presidential republic
5	Ghana	Accra	English	Ghana cedi (GH¢) (GHS)	42.69	Unitary presidential constitutional republic
6	Guinea	Conakry	French	Guinean franc (GNF)	6.3	Presidential republic
7	Guinea Bissau	Bissau	Portuguese	West African CFA franc (XOF)	1.13	Presidential republic
8	Liberia	Monrovia	English	Liberian Dollars (LRD)	2.1	Presidential constitutional republic
9	Mali	Bamako	French	West African CFA franc (XOF)	14.04	Presidential republic

S. No.	Name of the country	Capital city	Official languages	Currency	GDP (in USD billion) 2016	Governance
10	Niger	Niamey	French	West African CFA franc (XOF)	7.51	Unitary semi-presidential republic
11	Nigeria	Abuja	English	Naira	405.1	Federal presidential republic
12	Senegal	Dakar	French	West African CFA franc (XOF)	14.76	Presidential republic
13	Sierra Leone	Freetown	English	Leone (SLL)	3.67	Presidential constitutional republic
14	The Gambia	Banjul	English	Dalasi (GMD)	0.96	Presidential republic
15	Togo	Lomé	French	West African CFA franc (XOF)	4.4	Presidential republic

Source: ECOWAS

Ghana

Ghana, situated on the coast of Gulf of Guinea (formerly the Gold Coast), is the first sub-Saharan nation to achieve independence from colonial (British) rule -- in 1957. It has a relatively small area and population. Ghana is bounded on the north by Burkina Faso, on the east by Togo, on the south by Atlantic Ocean, and on the west by Côte d'Ivoire. Major industries are mining, lumbering, light manufacturing, aluminum smelting, food processing, cement, small commercial shipbuilding and petroleum.

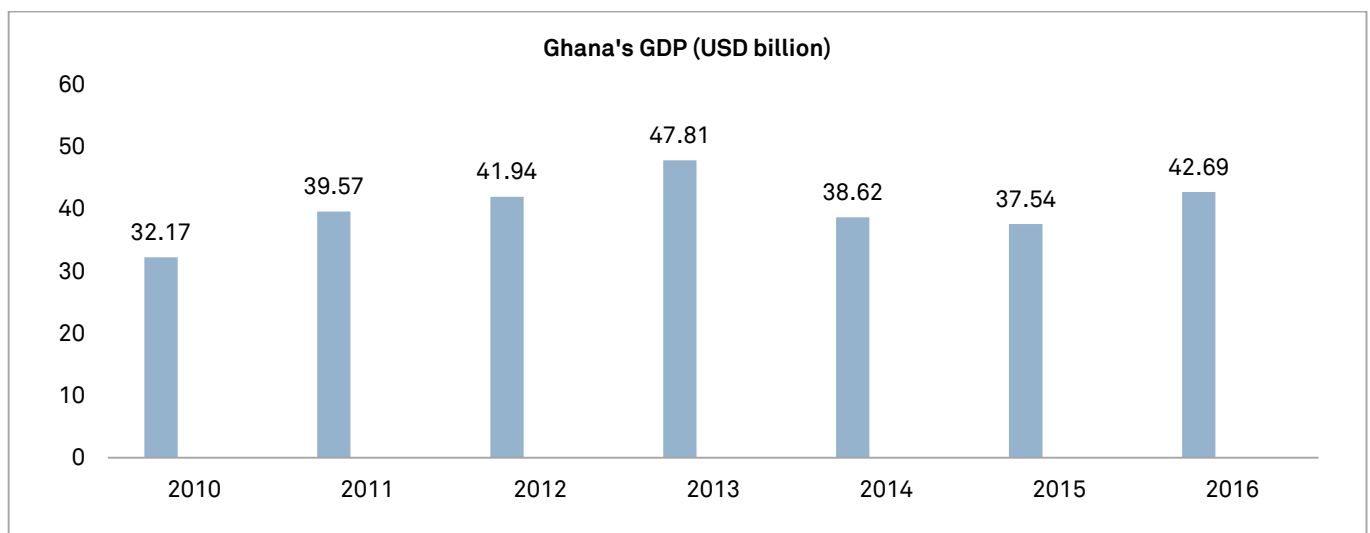
Expansion of Ghana's nascent oil industry has boosted economic growth, with production at Jubilee, an offshore oilfield, beginning in mid-December 2010. The country's first gas-processing plant at Atubao also produces natural gas from the Jubilee field, providing power to several thermal power plants.

Economic Scenario

Ghana is well-endowed with natural resources and agriculture, which accounts for roughly a quarter of GDP and employs more than half of the country's total workforce. The services sector accounts for 59% of GDP, while agriculture and industry contributed 14.3% and 26.7%, respectively, in first quarter of 2017. Agriculture GDP grew 7.6% on-year in Q1 2017. Fishing recorded highest on-year growth rate of 31.6%, while forestry and logging sub-sectors recorded lowest growth rate of 3.4%.

Industry grew 11.5% on-year, with mining and quarrying reporting highest rate of 32.8%, and water and sewerage lowest at 0.9%.

Ghana's GDP in terms of value was USD 42.69 billion in 2016, implying 0.07% of world GDP. GDP in Ghana averaged USD 10.21 billion from 1960 to 2016, reaching an all-time high of USD 47.81 billion in 2013 and record low of USD 1.22 billion in 1960.



Source: Ghana Statistical Service

Exports and Imports

Ghana has a market-based economy with relatively few policy barriers to trade and investment, compared with other countries in the region. Ghana's main exports are gold, cocoa beans and timber products. Other products include tuna, aluminum, manganese ore, diamonds and horticulture. Its main export partners are Netherlands, Burkina Faso, South Africa and the United Kingdom. Ghana mostly imports industrial supplies, capital and consumer goods and foodstuff, from chiefly China, the US, Belgium, the UK and France.

Ghana's earnings from exports of gold, cocoa and crude oil went up marginally in 2016 to USD 11 billion, compared with USD 10.3 billion in 2015, according to latest data released by Bank of Ghana (BoG). Its imports increased to USD 33.24 billion in Q3 2016 from USD 32.43 billion in Q2 2016; imports averaged USD 26.47 billion between 2003 and 2016.

Major exports of Ghana:

- Cocoa products, sawn timber, railway sleepers, gold, diamond, pineapples

Major imports of Ghana:

- Tea, spices, rice, marine products, woolen fabrics, raw jute, iron and steel items, industrial castings, electrical appliances, and chemical and allied products

Trade Relationship with India

Ghana is one of the nine West African countries under the Government of India's Techno-Economic Approach for Africa-India Movement (TEAM-9) initiative, launched in 2004. India contributes to Ghana's development, by providing assistance in setting up projects through provision of lines of credit and grants.

Exchange of business delegations in recent years has pushed up investments by Indian companies in Ghana in sectors such as construction, manufacturing, trading, services and tourism and in areas such as steel, cement, plastics, pharmaceuticals, ICT, agro-processing and agricultural machinery, electrical equipment, and chemicals. A number of Indian companies, in both public and private sectors, are establishing presence in Ghana. Bank of Baroda (from the public sector) started operations in Accra in February 2008 and opened its second branch in Tema in August 2012.

The private sector is represented by large companies, such as the Tata group, Ashok Leyland, Mahindra & Mahindra, Escorts, Larson & Toubro, Bharti Airtel, NIIT, Shapoorji Pallonji, as well as several pharmaceutical companies. Svani Motors, dealers of Mahindra & Mahindra in Ghana, recently announced plans for construction of a modern automobile plaza, which would house an assembly plant and a service centre. Bajaj Auto has partnered with Somoco Ghana - a subsidiary of the Mohinani group of Ghana - to market Boxer motorcycles in the local market.

Indian exports to Ghana include capital goods, pharmaceuticals products, cotton yarn, fabrics, machinery and instruments. They also comprise sugar, glass and glassware, ceramics, transport equipment, paper and wood products. Ghana exports gold, cocoa, bauxite, manganese ore, diamonds, timber (mainly teak), cashew, fruits and nuts, metal ores and scrap to India.

Investment environment

West Africa has enormous investment potential and is now focusing on strengthening competitiveness and increasing investment, which can drive growth and deliver jobs to the region. West Africa has over 300 million consumers, rich mineral resources and two of the world's fastest-growing economies: Ghana and Nigeria. Return on investment in these countries is high which attracts investors to the continent.

Ease of Doing Business

Ease-of-doing-business ranking compares economies with one another; the distance-to-frontier score benchmarks economies with respect to regulatory best practices, showing the absolute distance to the best performance on each doing-business indicator. When compared across years, the distance-to-frontier score indicates how much the regulatory environment for local entrepreneurs in an economy has changed over time in absolute terms, while the ease-of-doing-business ranking points only at how much the regulatory environment has changed relative to other economies. Key West African countries are ranked, based on various parameters, below. Ghana has highest overall ranking in the continent followed by Ivory Coast and Senegal.

Indicators	Ghana	Nigeria	Ivory Coast	Senegal	Sierra Leone	Benin	Liberia	Guinea
Overall	108	169	142	147	148	155	174	163
Starting a business	110	138	50	90	87	57	37	133
Dealing with construction permits	117	174	182	139	132	74	175	164
Getting electricity	120	180	132	162	176	174	177	160
Registering property	77	182	113	142	163	173	179	140
Getting credit	44	44	139	139	157	139	101	139
Protecting minority investors	87	32	145	137	87	145	179	145
Paying taxes	122	182	175	174	87	173	72	184
Trading across borders	154	181	150	130	169	133	185	162
Enforcing contracts	114	139	101	144	100	169	176	115
Resolving insolvency	155	140	68	101	148	115	168	113

Tax Structure

While most West African countries have worked on comprehensive development, some countries have evidently attracted more investments than others over the years. An important aspect of attracting investments is favorable tax regime that a country has to offer to investors. It is extremely important to understand tax liabilities when doing business in any country. The following matrix represents some West African countries with their existing tax incentives to attract investments.

	Ivory Coast	Liberia	Nigeria	Senegal	Ghana	CABO VERDE
Corporate income tax	25%	25%	30%	30%	25%	25% (+2% fire brigade surcharge on the income tax)
Tax losses	5 years carry forward	5 years carry forward	Indefinitely carry forward (4 years carry forward only for newly commenced businesses)	3 years carry forward	5 years carry forward (only for manufacturing, tourism and information technology business)	3 years carry forward
Specific or general transfer pricing (TP) regulations	Yes	Yes	Yes	Yes	Yes	No
Specific or general controlled foreign companies (CFC) regulations	No	No	No	No	No	No
Tax holidays	No	No	Yes	No	Yes	No
Capital investment incentives	Yes	No	No	No	Yes	No
Rural location incentives	No	No	Yes	No	No	No
Export incentives	No	No	Yes	No	No	No
Interest incentives	No	No	Yes	No	No	No
Investment allowances	No	No	Yes	No	No	No
Foreign tax credit	Yes	No	Yes	Yes	Yes	Yes
Investment code (Exemption for VAT, custom duties)	Yes	Yes	No	Yes	No	Yes
Free export company status	No	Yes	No	Yes	No	No

Over the years, Ghana's trade policy and development agenda have been driven by the desire to attract foreign direct investments and to increase export earnings. Tax incentives remained one major strategic tool to achieve these goals.

Existing tax rates of Ghana are tabled below.

Tax or mandatory contribution	Statutory tax rate	Tax base
Corporate income tax	25%	Taxable profit
Social security contribution	13%	Gross salaries
Capital gains tax	15%	Capital gains
Tax on interest	8%	Taxable interest

Tax or mandatory contribution	Statutory tax rate	Tax base
Municipal tax	Various rates	Property value
Fuel tax	Varies	Included in price of fuel
VAT & national health insurance levy (NHIL)	15.5% VAT + 2.5% NHIL	Value added
Property tax	Various rates	Property value

Direct and indirect tax provisions, as specified in Government of Ghana's Budget, 2017, are briefed below:

Direct tax

- Tax exemption on gains from realization of GSE-listed securities and SEC-approved securities
- Two-year stamp duty waiver for investments in financial services sector
- Granting of tax credits to businesses that hire young graduates

Indirect tax

- Abolish 17.5% VAT and NHIL on financial services, domestic airline tickets and selected imported medicines
- Abolish 5% VAT on real estate sales
- Replace 17.5% VAT scheme with 3% flat rate for traders
- Reduce special petroleum tax from 17.5% to 15%
- Abolish excise duty on petroleum
- Abolish import duties on spare parts
- Negotiate removal of import duties on raw materials and machinery for production in line with the ECOWAS CET Protocol
- Abolish 1% special import levy

Enabling policy framework along with attractive tax structure has spurred investment growth in Ghana and other West African countries. These investments include domestic as well as foreign direct investments in several sectors of the economy.

Tax incentives- Advantage Ghana

Ghana has strategically relied on various forms of tax incentives to stay ahead of other African countries in the competition to attract investments. Ghana offers wide range of tax incentives in the form of tax holidays; location incentives; capital allowance; free zones, etc.

Tax holidays – Tax holidays in Ghana range between 5 and 15 years barring the cocoa sector; cocoa farmers have been exempted from paying income tax indefinitely as the sector has brought in maximum foreign exchange till date and also employs over 3.5 million people, annually.

Other agriculture-based economic activities (foreign and local) enjoy tax exemptions as follows:

- Crop farmers (mango, sheanuts, cashew, coffee, oil palm, rubber and coconut) enjoy 10 years' tax exemption from the date of first harvest;

- Cash crop farmers (groundnuts, cassava, yam, rice, pineapples, maize, etc.) enjoy five years' tax exemption from the date of commencement of farming;
- Commercial processors of cocoa by-products enjoy five years' income tax exemption from the date of start of operation;
- Agro-processing companies enjoy five years' income tax exemption from the day of start of business;
- Producers of canned, packaged or processed meat, fish and crop products enjoy three years' tax exemption from the date of commencement of business;
- Companies registered under Ghana Export Processing Zones (free zones) also enjoy tax holidays for 10 years from the start of operation.

Location incentives – To encourage manufacturing and agro-processing industries in diverse locations of Ghana, certain tax rebates are given to investors who invest in locations other than Accra and Tema. Such incentives are provided based on GIPC Act 465 of 2013 and expressed in following manner:

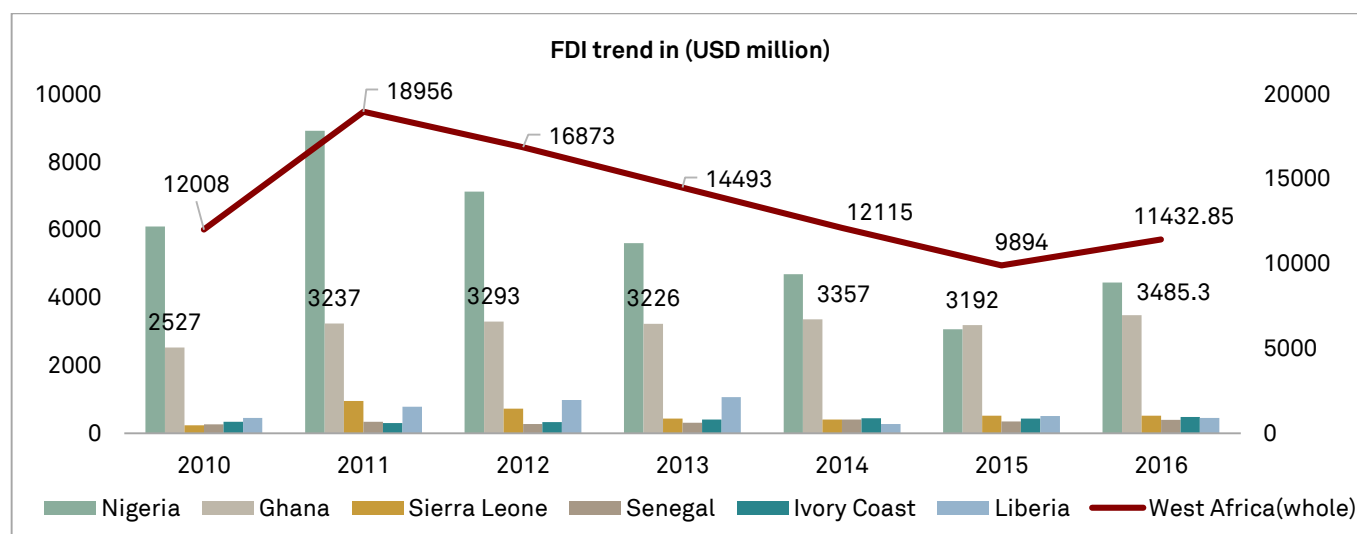
Free zones: Under the Free zone Act, a free zone company is exempt from paying all indirect taxes and duties apart from enjoying a tax holiday of 10 years from the payment of income tax on profits. After the stated duration, a free zone company has to pay corporate tax on profit at a reduced rate of 8%.

Apart from these incentives, capital allowance and carry forward losses are also important tax incentives offered in Ghana.

Foreign Direct Investments (FDIs)

Increasing awareness about global commodities and technology has driven the huge untapped domestic market in West Africa. It has brought in significant FDIs in large economies like Nigeria since the previous decade. Economies like Ghana and have maintained a consistent inflow of FDIs even during times of slow growth in other African countries. The following chart gives a brief snapshot of inflow of FDIs in specific West African countries since 2010.

FDI Trend in West African Countries

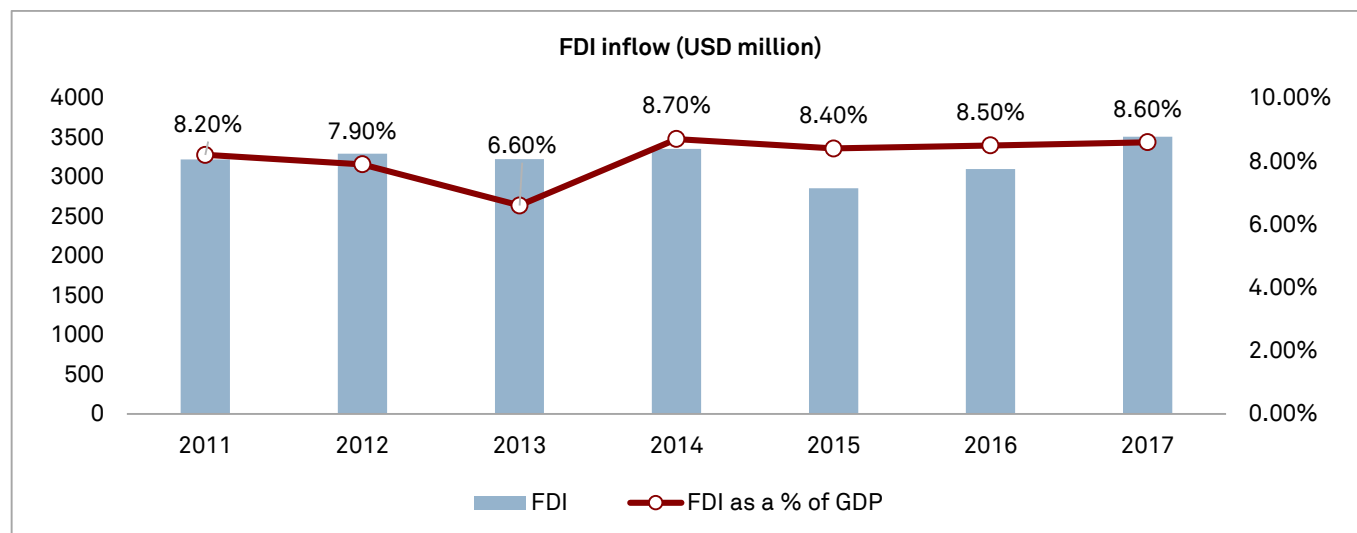


Source: UNCTAD

Despite bleak economic conditions, consumer spending remained strong, which attracted FDI inflows. This can be observed in relative surge in investments for most West African countries in 2016 as compared to 2015. FDI flows to West Africa increased 12% to \$11.4 billion in 2016, driven by recovering investment into Nigeria.

The impact of a robust policy and regulatory framework along with a congenial taxation structure has led to significant FDI over the years in Ghana.

FDI indicating investor's long-term view on Ghana



Sources: Bank of Ghana, Heritage Foundation Index of Economic Freedom 2015 & UNCTAD

Ghana Investment Promotion Centre (GIPC) is poised to attract at least USD 5 billion in 2017, thereby making Ghana Africa's best investment destination. In Q1 2017, FDI inflows have remained quite positive. Some highlights are:

- 49 newly registered projects for Q1 2017.
- Total estimated value of these projects amounted to USD 3,040.13 million.
- FDI component of the estimated value of the registered projects amounted to USD 2,954.61 million.
- Total initial capital transfer was USD 24.50 million.
- Total jobs expected to be created by the recorded investments are 2,551; 343 of these will be for expatriates

Trade Pacts

All the countries in West Africa are members of the World Trade Organization (WTO). The Economic Partnership Agreement (EPA) with West Africa covers goods and development cooperation. The EPA also included the possibility to hold further negotiations on sustainable development, services, investment and other trade-related issues in the future. The EPA provides a competitive advantage to West African producers especially on transformed products, and is coupled with strong development cooperation programs towards private sector.

Partnership between European Union and West Africa

Apart from regional cooperation, there have been active trade involvement between African countries and the European Union (EU). One such initiative is the EPA signed between the EU and African, Caribbean and Pacific (ACP) countries. The primary purpose of ACP-EU trade cooperation is creating the conducive conditions for trade

and investment. In this context, the West Africa-EU EPA establishes a long-term and stable trade relationship between both parties, in compliance with international trade rules.

Total exports from West Africa to the world are positively affected by the EPA and so are total imports, though to a smaller extent. Despite the fact that most West African countries already enjoy duty-free quota-free (DFQF) access in the EU market, West Africa's exports to the EU are expected to increase.

Almost all sectors in West Africa are expected to benefit from the EPA through an increase in exports with the highest exports likely to be in cereals, other food, red meat and wearing apparel sectors. Agricultural sectors as well as industry and services sectors too will witness surge in exports.

Amongst the West African countries, India has trade agreements with Ghana, Senegal, Liberia, Nigeria, Ivory Coast. India has largely been exporting the following items to West African countries.

Items India is exporting to West Africa

Textiles	Food & beverages	Chemical products	Engineering goods	Electrical goods	Household & building requirements
Silk, art silk	Tea	Drugs & medicines	Printing machinery	Transformers	Roofing tiles
Woolen	Coffee	Pharmaceuticals	Diesel engines	Electrodes	Linoleum
Handloom		Antibiotics	Textile machinery	Electric bulbs	Utensils & crockery
Jute		Vaccines	Machinery tools	Cables & wires	Hurricane lamps
Rayon fabrics		Paints, pigments & varnishes	Hand tools & small tools	Electric torch lights	House electrical fixing & fixtures

India has mostly been importing the following items from West African countries:

1. Cocoa
2. Living animals
3. Titanic and zircon ore
4. Petroleum products
5. Pharmaceutical products
6. Calcium phosphate and aluminum phosphate
7. Rock phosphate
8. Skins and leathers
9. Cotton
10. Chemical fertilizers
11. Raw cashew nuts

Ghana has primarily been a part of four international agreements. Various aspects of those agreements are briefed below.

1. Ghana-ECOWAS
 - Type : Custom union trade
2. Ghana-Netherlands

- Type: Double taxation agreement
- 3. Ghana-EU
 - Type: Interim Economic Partnership Agreement (I-EPA)
- 4. Ghana-India
 - Type: Bilateral trade agreement

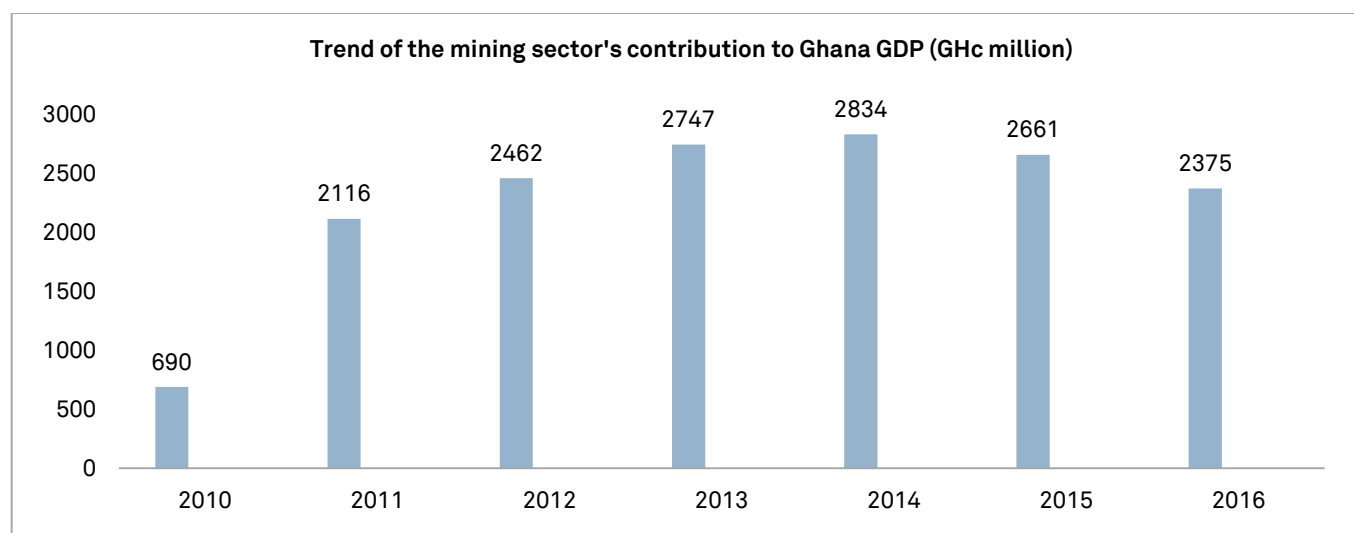
Key investment areas

West African countries have taken giant strides over the past decade in liberalizing their economies and increasing industrialization. Investment requirements vary across countries. However, there is significant scope for investment across the region in financial services; energy and power; mining; manufacturing; consumer and retail; transport; healthcare; and agro processing, among others. Investment in these areas would eventually depend on the policy framework and incentives offered by the country concerned. Hence, in the subsequent paragraphs, a few of the sectors offering maximum scope for investment are discussed briefly, highlighting the present state of business, inherent investment opportunities in the sector, gross domestic sector (GDP) contribution, etc.

Mining

The West African region enjoys significant potential in the mining of gold, diamonds, iron ore, and bauxite. While the global fall in metal prices has affected the region, the impact has varied for each country due to other external factors such as legislation, political stability, and support to the mining sector. Ghana, Senegal, Nigeria, and Mali are a few countries focusing on investment in the mining sector.

Ghana is endowed with substantial mineral resources – primarily gold, iron ore, and bauxite as well as offshore petroleum resources, and has a well-established mining sector. The mining sector has grown substantially in recent years and makes up a significant portion of Ghana's GDP. The country's GDP from mining decreased to Ghana cedi (GHc) 2,375.07 million in 2016 from GHc 2,661 million in 2015. Mining GDP had averaged GHc 1,639.95 million from 2006 until 2016, reaching an all-time high of GHc 2,834 million in 2014 and a record low of GHc 497.40 million in 2006.



Source: tradingeconomics.com

There are ample investment opportunities in the areas of exploration, production and industrial processes. Ghana's government provides various incentives to boost investment in the sector. These include:

- Depreciation of 75% of the capital expenditure incurred in the first year of investment and 50% of the declining balance in subsequent years.

- Investment allowance of 5% in the first year only. Losses in each financial year not exceeding the value of the capital allowance for the year may be carried forward.
- Ghana's Minerals and Mining Act 2006, Act 703 added some significant aspects to the country's commercial law:
- Expenditure on exploration and development may be capitalized in accordance with regulated amortization provision for tax relief
- Capital allowances have been designed to shorten the payback period and include a 75% writeoff of capital in the first year and 50% annually thereafter on a declining balance
- Retention of a proportion of revenue in foreign currency account for use in acquiring essential equipment and spare parts required for mining operations which would otherwise not be readily available without the use of such earnings
- Exemptions from import duties on imported plant and equipment.

Senegal has a wealth of diverse and unexploited mineral deposits. Senegal's mining industry was formerly dominated by the exploitation of phosphates, industrial limestone, and attapulgit. However, with the introduction of a new mining code adopted in 2003 and investment promotion driven by the Senegalese government and its development partners, mining activity is diversifying. This is through the exploration and the exploitation of gold, iron ore, uranium, and copper in the south-east of Senegal as well as the development of zircon and titanium in the littoral zone. In 2014, the Senegalese government approved a long-term development project: Plan Senegal Emergent (PSE). Its objective is to position the country as a regional hub for the natural resources sector. There has been relatively limited investment in mining. However, the future for the mining sector looks encouraging, with the government's PSE initiative beginning to yield results.

Nigeria has vast reserves of solid minerals, including, but not limited to precious and base minerals, industrial minerals, energy minerals, and metals. The country was major exporter of tin, columbite, and coal in the 1960s to early 1970s. However, due to numerous political and economic factors and change in the government's focus to crude oil production as a major source of foreign exchange, the production of these minerals declined. Presently only upstream (exploration and production of minerals/mining and downstream – marketing and transportation subsectors of the mining value chain are active in Nigeria. However, there is not much activity in the midstream, i.e., processing and beneficiation, segment. In August 2016, the President approved the mining road map and a bill proposing the creation of a regulator will be the next step.

In April 2017, the World Bank's board approved a credit of \$150 million to enhance the contribution of the mining sector to the Nigerian economy. The project will help establish a strong foundation for the mining sector's development and enhance competitiveness by improving information infrastructure and knowledge, strengthening key government institutions, and fostering domestic investment in the sector.

Mali is the third-largest gold producer in sub-Saharan Africa with seven projects currently in operation. Gold makes up the largest portion of Mali's exports at nearly 65%. Mali also has other mineral prospects as most of the territory remains largely unexplored and unmapped. Mali's mining sector is poised for further growth as the Ministry of Mines estimates 800 tons of gold deposits, 2 million tons of iron ore, 5,000 tons of uranium, 20 million tons of manganese, 4 million tons of lithium, and 10 million tons of limestone.

By addressing the various challenges it faces, the mining sector in West Africa can significantly improve its outlook, making it viable and structurally transformative. Investors are searching for better opportunities

and the region, with its vast mineral potential, offers an attractive environment for mining investment. However, to attract investment into the sector, the authorities must address the risks and other impediments that confront the investors, including reducing bottlenecks to exploration and unstable mineral fiscal regimes. This would encourage mining industrialization, thereby boosting the industry's contribution to economic diversification.

Power & Renewable Energy

The power sector in most West African countries is plagued by a huge difference in the average cost of supply of electricity to the consumers and average billing rate, resulting in less revenue accrual than required. Still, the electricity market remains an attractive long-term investment opportunity in countries such as Nigeria. Due to relatively fewer risk perceptions, most investments are pumped into the generation segment. The risk in gencos is perceived to be low largely due to sovereign guarantees backing contracts in that segment. The independent power producers with inbuilt transmission infrastructure, which minimizes their dependence on the state grid, also continue to fetch large-scale investments.

Ghana boasts an average access to electricity rate of 74%— far above the average 47% for West Africa. Ghana is planning to diversify its power resources, as its current reliance on hydropower makes it particularly vulnerable to droughts. As of the end of the first half of 2016, the country had 23.22 MW of grid connected photovoltaic (PV) capacity. Ghana introduced the Renewable Energy Act in 2011 and, later in May 2015, the government launched the Scaling-up Renewable Energy Program (SREP) Investment Plan for Ghana. The National Energy Policy of Ghana, targeting 10% coverage of electricity production with renewables by 2020, is in desperate need of increased electricity capacity.

In March 2017, the country's Energy Commission launched a rooftop solar program which provides an initial investment to cover the cost of PV panels up to a maximum of 500 W. Under the Rooftop Solar Program, the Energy Commission aims to install 200 MW of rooftop PV capacity in the medium term. PV systems installed under the program can sell their power surplus to the local grid through a net-metering scheme, which is expected to come into force in 2018. No power limit has been set for PV projects to be eligible to have access to net-metering.

The Ghanaian government has resumed plans to promote large-scale solar and wind projects, as well as distributed generation, to solve a crisis in Ghana's power system. The government has created a conducive environment for business in the Renewable Energy (RE) sector by putting the following in place:

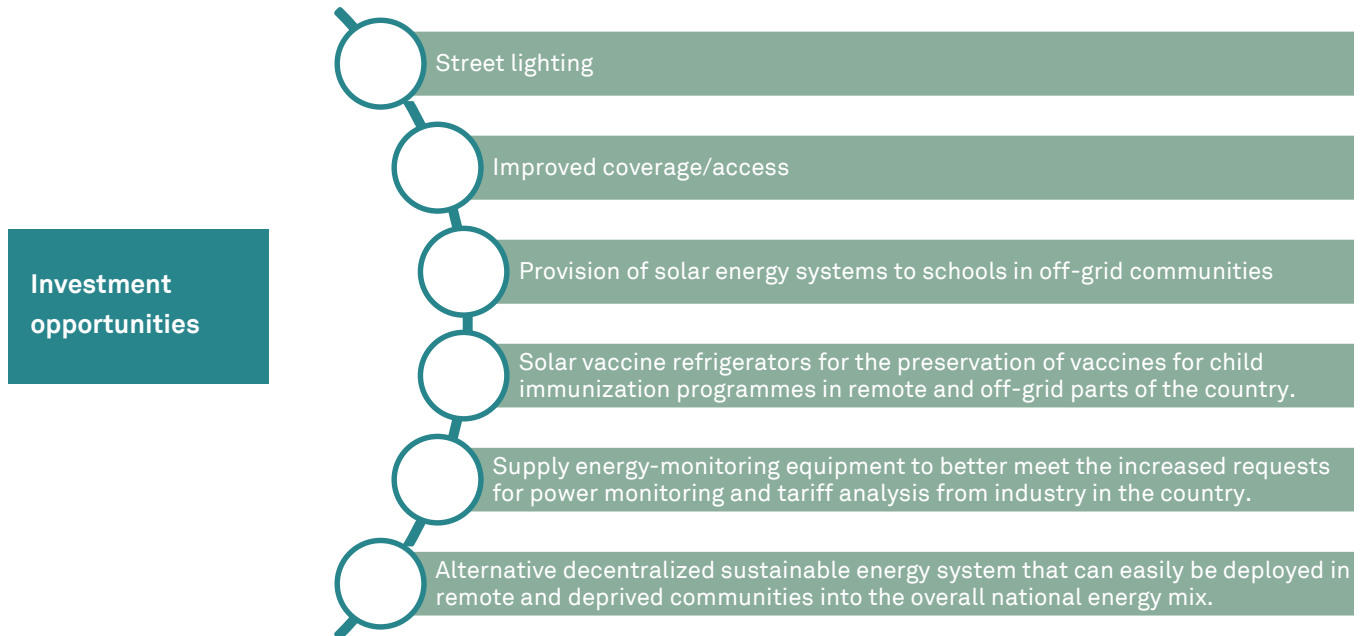
- Explicit Feed-in Tariffs (FITs) for energy generated by renewable sources
- Ghana Investment Promotion Centre, which is a one-stop shop for all investment enquiries and assistance

Ghana plans to secure 3,000 megawatts of power to its installed capacity within four years, as part of a three-phase blueprint designed to fix problems riddling the West African country's power sector.

Countries such as Senegal, despite having huge biomass, solar, wind potential, continue to depend on fossil fuel-based generation to meet demand. The country has an installed capacity of 550 MW² catering to 14 million people, resulting in frequent outages. Senegal's power sector is supported by Power Africa through financial and technical assistance in association with the World Bank. Power Africa is a multi-partner initiative launched in 2013 to increase electricity access in sub-Saharan Africa by adding more than 30,000 MW of cleaner, more efficient electricity generation capacity and 60 million new home and business connections.

² Source: *Climatoscope 2016*

Ivory Coast and Sierra Leone are still in the nascent stage of investments, but with demand for electricity rising by 10% annually. Unlike many countries in sub-Saharan Africa, Ivory Coast has a reliable power supply and exports electricity to Burkina Faso, Benin, Ghana, Mali, Togo, and parts of Liberia. Investment opportunities lie in almost every aspect of the power sector value chain in Africa



Transportation Infrastructure

It is widely acknowledged that express and logistic services are the pillars of economic growth of any country. In that aspect, Africa lags behind the rest of the world. This lack of upgradation of the transport segment has hindered the economic growth engine for a considerable period. It is observed that the local transportation infrastructure has direct impact on secure and on-time delivery of products. In the West African region, most freight is transported via roads. The adequacy, quality and maintenance of roads are not up to global benchmarks and there is significant scope for improvement.

While the West African coastal region has several large ports, it lacks a maritime hub. While the port of Abidjan in the Ivory Coast had the potential to become a hub, a political crisis in 2011 derailed the process. In Nigeria, the Lagos Port Complex has direct access to the large Nigerian market, but it remains congested throughout the year. The situation may change in West Africa after the commissioning of the Lekki port post 2019. Tema is an active port in Ghana and has been instrumental in its economy for long. However, congestion has significantly reduced its efficiency.

With the economy of Ghana growing at a brisk pace, increased urbanization and demand for higher quality of life by the populace has resulted in increased pressure on the government for infrastructure development and service delivery. Accordingly, the traditional source of finance for infrastructure development and service delivery viz. budgetary allocations are stressed.

Considering the levels of current spending and the requirement of future expenditures on infrastructure, Ghana's government has realized the importance of attracting private sector investment for infrastructure creation and service delivery through the public-private partnership (PPP) route. The private investment is expected to supplement public sector funding (through budgetary allocations) to create infrastructure assets

and deliver services. As part of this initiative, the government is working closely with the Ministry of Finance (MOF) in developing the National PPP program of Ghana.

Furthermore, the Ministry of Roads and Highways (MRH) in its Sector Medium-Term Development Plan, 2014-17 (SMTDP) has estimated a funding gap of ~55% in the execution of the programs and projects in the SMTDP. To bridge this gap, the MRH is looking to PPP arrangements, among others, to secure funding from the private sector for infrastructure development as a favorable funding strategies.

In the West African region, two new international airports are planned at Angola's capital, Luanda, and in Abuja, Nigeria. The planned airport at Luanda is expected to have capacity for over 13 million passengers and a cargo terminal with an annual capacity of 35,000 tons.

All the above-mentioned sectors, ports and airports need massive long-term investments. Apart from huge funds, political consent, planning capacity, and subject-matter expertise would be required to expand the capacity of such ports or create new ones. It would require collaboration between the government and the private sector.

Potential investors are required to have a long-term view of investments and need to work with local governments here for a long-term payoff.

Healthcare

Various West African countries have been spending significantly to improve the region's healthcare infrastructure. It is understood that as levels of urbanization and the working age population increase, the African healthcare sector needs to adapt to new challenges such as increased levels of non-communicable diseases and the growing demand for healthcare in urban and remote areas. It also needs to take advantage of new financial and technological solutions.

The Economic Community of West African States (ECOWAS), the nodal body for economic cooperation, passed the following investor-friendly resolutions to:

- I. Give preferential treatment to locally produced pharmaceutical products in government procurement, fostering the necessary demand for locally manufactured products and increased investments;
- II. Extend such preferential treatment to all members of the East African Community (EAC);
- III. Introduce import restrictions on essential medicines;
- IV. Develop networking research centers and build research synergies;
- V. Implement the recommendations of the World Trade Organization (WTO) under their domestic laws and to implement the EAC Competition Policy to improve co-ordination; and
- VI. Combat substandard, spurious, falsely labelled and counterfeit products.

Foreign private sector investment:

The International Finance Corporation (IFC) and its partners are currently the largest investors in private healthcare in Africa. They recently implemented a strategy to invest US\$1 billion to assist economic development by encouraging the growth of productive private enterprises in underdeveloped areas. The IFC's funding initiative has seen the development of 44 such investment projects to date, including the Hygeia Hospital Group project in Nigeria.

The largest influx of investment so far has been focused on building and improving physical capacity in the form of hospitals and clinics and is an effective strategy to improve healthcare infrastructure.

Investment opportunities

Health insurance	Private specialist service	Dialysis
<ul style="list-style-type: none"> Technology solutions to drive operations Customer service 	<ul style="list-style-type: none"> Inadequate no. of hospitals and specialized services Medical malls that would lease offices for specialist clinics Medical record management system 	<ul style="list-style-type: none"> There is a huge market for sale of the dialysis equipment/ accessories and consumables Private blood bank services required for dialysis

Agriculture & Food Processing

Agriculture has predominantly remained a major source of employment in almost all parts of Africa. According to World Bank, as of 2016, agriculture accounted for ~65% of employment and 35% of GDP.

ECOWAS has been actively involved in implementation of its agriculture policy. It is committed to achieve two major objectives:

- Promotion of strategic products for food security and sovereignty
- Reduction of food vulnerability and promotion of sustainable access to food.

Funded by the World Bank, ECOWAS has developed a program called West Africa Agricultural Productivity Program (WAAPP). This is a multi-year effort to transform West African agriculture by boosting productivity and sustainability; reducing hunger and improving nutrition; and creating jobs and supporting collaboration across borders. The program aims to achieve 6% agricultural growth and increased food production and availability in West Africa. To achieve this goal, WAAPP works with scientists, researchers, extension workers and farmers to:

- Innovate, generate, disseminate and adopt improved technologies
- Create enabling conditions for regional cooperation
- Build human and institutional capacity across the sub-region
- Create youth employment, engage women and adapt to climate change.

To date, WAAPP has directly benefited over 6.1 million farmers, processors and small businesses across the region, 45% of whom are women. WAAPP is estimated to have increased food production in West Africa by over 3 million tons and raised beneficiary incomes by 34% (on average).

Nigeria has a flexible packaging and food processing market. It is one of the largest markets in the African region with an estimated worth of US\$545 million³. New investments have been made in the sector such as:

- Procter & Gamble's recent US\$250 million new factory investment
- The Nigerian government's US\$1.2 billion venture with Chinese investors to construct rice and flour milling plants across Nigeria.

According to consulting firm PCI Film, Nigeria's packaging industry has been growing at 12% annually in the past five years. Last year, Nigerian imports of food processing and packaging machinery increased over 20% to EUR331.6 million.

In West Africa, investment opportunities in the agriculture sector lie both in production as well as technological areas. Some key areas are:

In production and processing	Technological and supporting services	Marketing and distribution
<ul style="list-style-type: none"> • Supply planting materials • Horticultural products for processing • Production of inputs such as fertilizers, pesticides, and fungicides • Processing of maize, yams, cassava, oil palm, citrus, mango, cashew, coconut, cowpea and traditional vegetables • Processing of dairy products • Value-added cocoa and coffee products 	<ul style="list-style-type: none"> • Development of private irrigation facilities • Processing machine manufacturers to supply cold chain equipment • Train manufacturers in packaging and packaging technology • Train producers in the use of food processing technology • Machine manufacturers to establish hatcheries for day-old chicks • Processing machine manufacturers to supply processing plants • Suppliers and financiers of factory building technology. 	<ul style="list-style-type: none"> • Provide post-production services (transport, packaging, cold vans) • Companies to provide distribution of improved seeds, planting materials and agro-chemicals (fertilizers, pesticides, weedicides) • Companies to market processed foods in international markets

³ According to Nigerianmanufacturingexpo.com

India-Ghana relations: The way forward

Indo-Ghanaian relations have traditionally been warm and friendly. The strong foundation of our bilateral relations was laid by India's first Prime Minister, Pt. Jawaharlal Nehru, and Ghana's first President, Dr. Kwame Nkrumah. Over the years, the countries have shared a mutually beneficial commercial relation as well as cultural vibrancy. Some of the recent projects undertaken are:

- India-Ghana Kofi Annan Centre of Excellence for ICT;
- Flag Staff House (presidential complex);
- Pan African Network Project, and
- Rural electrification project.

India enjoys excellent bilateral relations with Ghana. The total volume of trade between the two nations hit USD 3,605 million in 2016. In the same year, India's exports to Ghana stood at USD 623 million, with that of its imports from the Ghana coming to USD 2,981 million.

Year	India's export to Ghana	India's import from Ghana	Total trade	Trade balance
2011-12	800.35	403.67	1204.02	396.68
2012-13	744.12	277.61	1021.73	466.51
2013-14	831.48	370.56	1202.04	460.92
2014-15	680.39	1257.60	1937.99	-577.21
2015-16	623.73	2981.27	3605	-2357.54

(All number in USD million)

Source: Annual reports, Department of Commerce, Government of India

In June 2016 in order to deepen ties with the African countries on a fast-track, India and Ghana signed three bilateral agreements to strengthen co-operation in varied fields.

India is working on a plan to consolidate and further strengthen its engagement with Africa. Ghana has sought India's civil nuclear cooperation to explore the possibilities of reducing its dependence on traditional energy sources to cut costs and focus on cleaner environment. The following visions may consolidate India-Ghana diplomatic bond in the years to come:

- Expansion of bilateral co-operation in the field of defence and security.
- Promotion of pluralism
- Expansion of investments across all sectors
- Mutual support in the international arena

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FICCI provides a platform for networking and consensus building within and across sectors and is the first port of call for Indian industry, policymakers and the international business community.

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