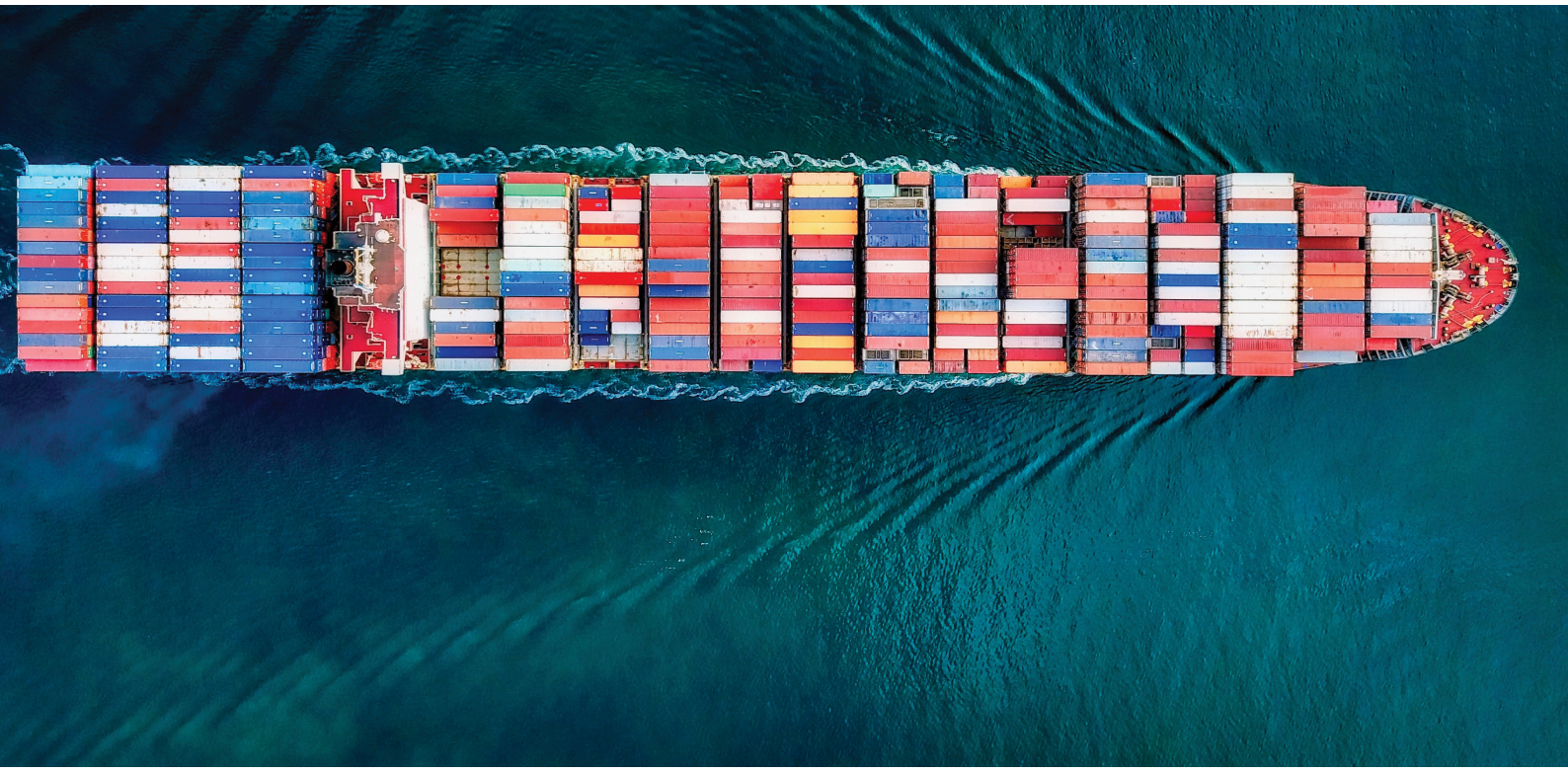
European Investment in Ghana

How European Investment and Trade contributes to Industralisation and Development in Ghana



Snapshot from one hundred European investors in Ghana

Foreword



As the Government of Ghana and international partners join forces to lift millions of Ghanaians out of poverty, the role of trade and private investment in the fight against poverty is increasingly recognised by national governments and international institutions alike as key for the creation of better life conditions for millions of people around the globe.

The European Union remains fully committed in its close cooperation with the African continent for economic development and prosperity. In that spirit, the European Union has presented an ambitious 'External Investment Plan for Africa' in order to support increased investment in the continent and further contribute to the achievement of the Sustainable Development Goals. The plan aims to address the constraints limiting private investment in Africa and is expected to trigger new investments for EUR 44 B.

The European Union is already a major trade and investment partner for Ghana, with a robust presence of European investors in the country, important annual contributions in corporate tax paid to the public coffers and dozens of thousands of Ghanaians employed in European companies. Moreover, all producers based in Ghana have free access to the European Union market thanks to the Economic Partnership Agreement in force since 2016.

The brochure you are holding shows in a simple way the diversity of investment, jobs, and economic growth that European companies bring to Ghana and it includes interesting case studies on how the best of European technology and industrial development support Ghana's economy.

I am sure you will enjoy reading it!

H. E. Diana Acconcia
EU Ambasssador to Ghana



At a time in which Ghana looks forward to an economy 'beyond Aid' we are proud to be a close partner of the country in its work to improve the Ghanaian economy.

The European Business Organisation was established to provide a united voice for the European private sector in Ghana, to act as a focal point of support and information for companies to understand legislation and policy change and to support and improve trade between Europe and Ghana.

Ghana offers a peaceful and stable environment, abundant natural resources and a favourable geographical location for trade and investment. There are ample opportunities for European investors to work alongside local investors to create an active and successful private sector and continue to build the economy.

This brochure showcases the important value of European investors in Ghana and the potential for further trade and investment between Ghana and the European Union.

We are fully committed to continue and deepen our economic and investment ties with Ghana for more and better jobs and prosperity for the wider parts of the population.

Celestino Alvarez-Neira
European Business Organisation Chairman

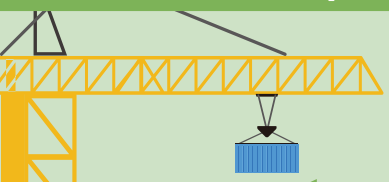
EU-Ghana Economic Overview

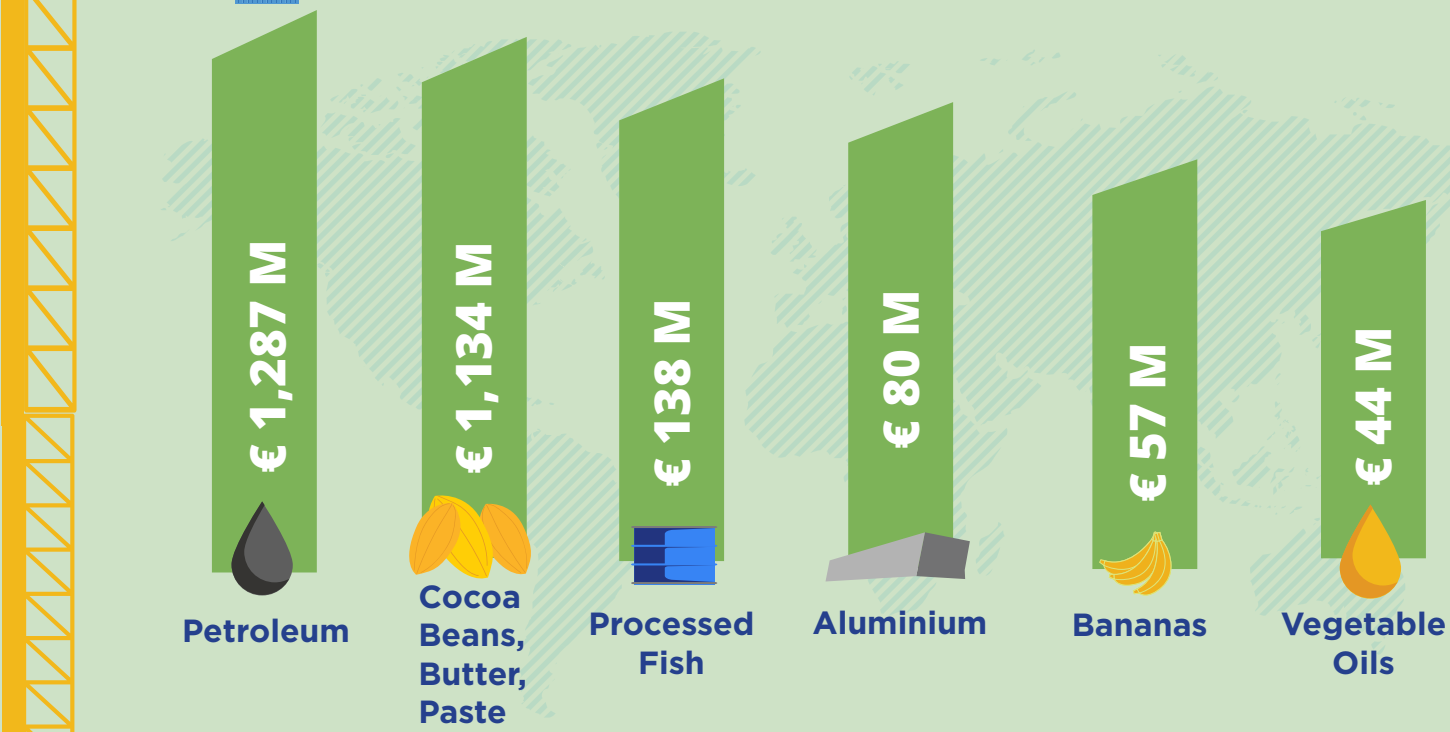
513 million
17 trillion in GDP
€3,334 million per capita

367 million
602 billion in GDP
€1,771 million per capita

28 million
52 billion in GDP
€1,856 million per capita

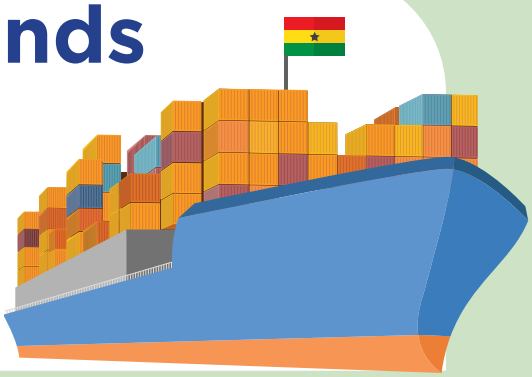
The top exports of Ghana to the EU

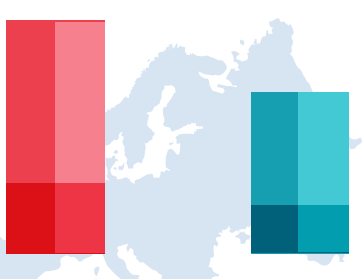




Main EU markets for Ghanaian products

Netherlands
UK
France
Germany
Spain

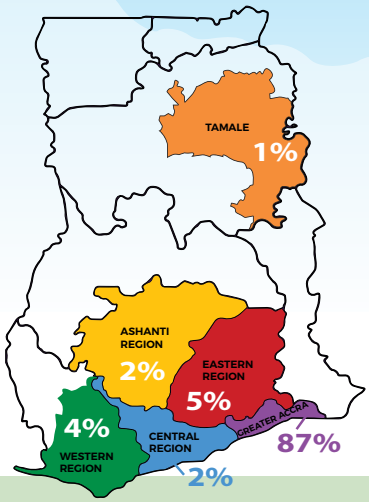


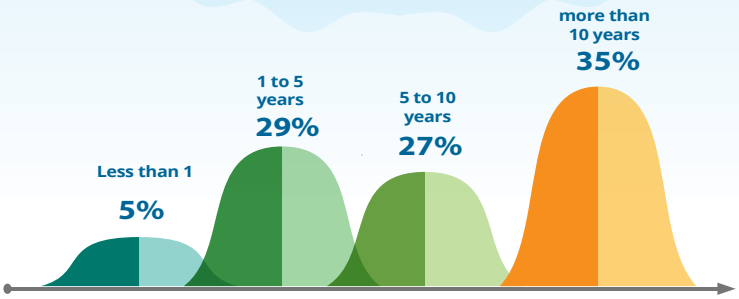


Source: 2017 Eurostat data

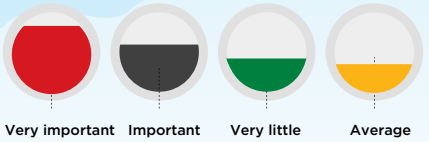
One hundred European Investors in

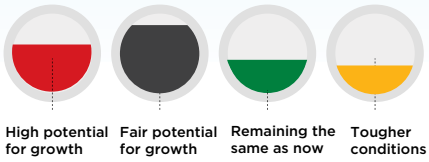
Location and presence of EU companies in Ghana





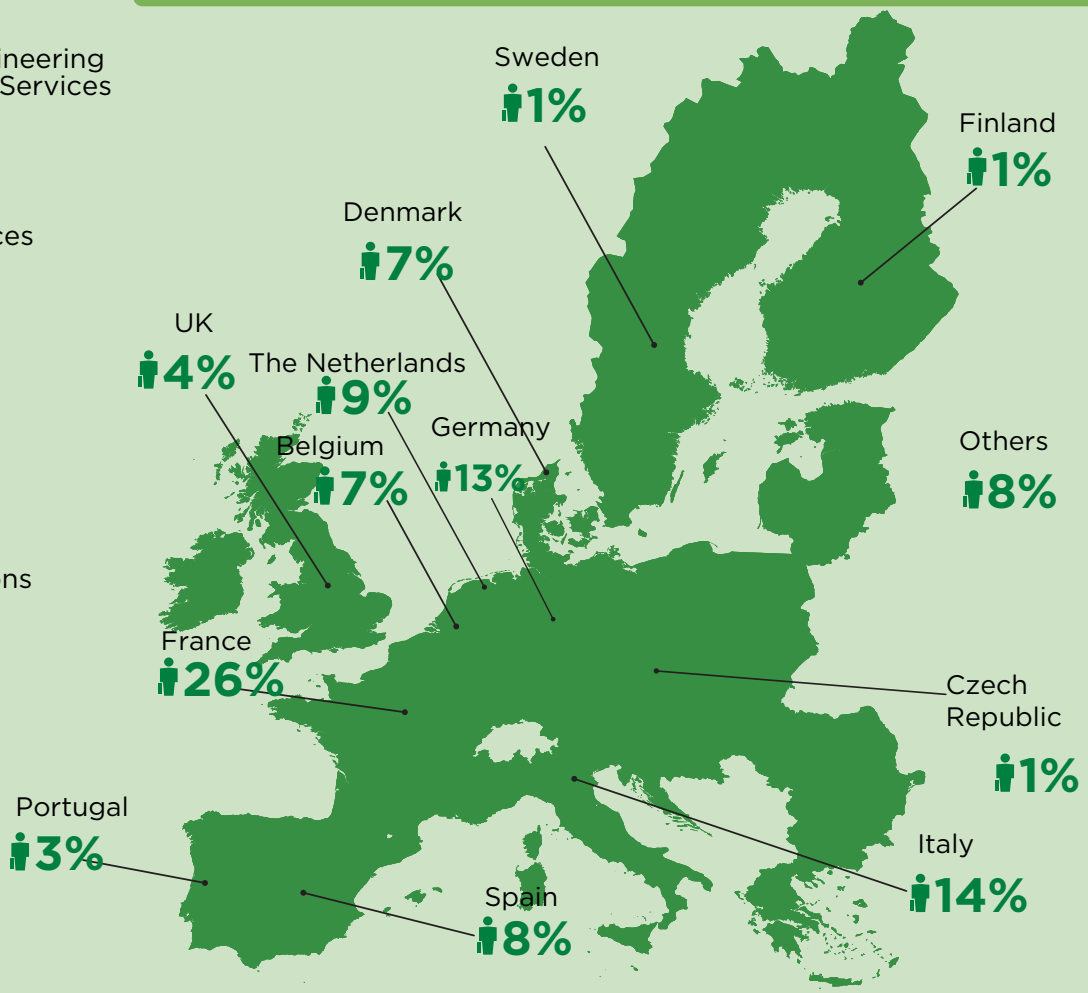
Market growth





EU presence in Ghana by sector and country

- 21% Architectural, Engineering And Construction Services
- 12% Processed Food
- 13% Transport & Distribution Services
- 12% Energy Services
- 9% Fresh Food
- 7% Construction Materials
- 6% Financial Services
- 5% Telecommunications & Electronics
- 4% Health and Social Services
- 4% Wood & Wooden Products
- 3% Miscellaneous Manufacturing
- 2% Chemicals
- 2% Tourism Services



Economic impact in jobs, taxes and investment

80,344 employees in Ghana

113,291 suppliers in Ghana

Taxes

€1,174 M
Average taxes payed in Ghana last year

Investment

€6,613 M
Amount of current investment in Ghana

€8,682 M
Estimated amount of future investment in Ghana

Source: 2019 EU Delegation to Ghana survey data

Ghana told us that...

30% produce in Ghana for the local market + **38%** provide services to the local market

33% are either exporting or considering to begin exports from Ghana

EU PRESENCE IN AGRO AND AGRO PROCESSING

23 Companies Consulted

9,772
Direct jobs created in Ghana

39,425
Indirect jobs created in Ghana

40,105
Suppliers

€277 M
Amount of current investment in Ghana

€304 M
Estimated amount of future investment in Ghana

€26 M Average taxes payed in Ghana per year

EU PRESENCE IN MANUFACTURING

22 Companies Consulted

7,201
Direct jobs created in Ghana

1,705
Indirect jobs created in Ghana

22,599
Suppliers

€246 M
Amount of current investment in Ghana

€231 M
Estimated amount of future investment in Ghana

€56 M Average taxes payed in Ghana per year

EU PRESENCE IN SERVICES

54 Companies Consulted

15,971
Direct jobs created in Ghana

34,329
Indirect jobs created in Ghana

59,539
Suppliers

€5,982 M
Amount of current investment in Ghana

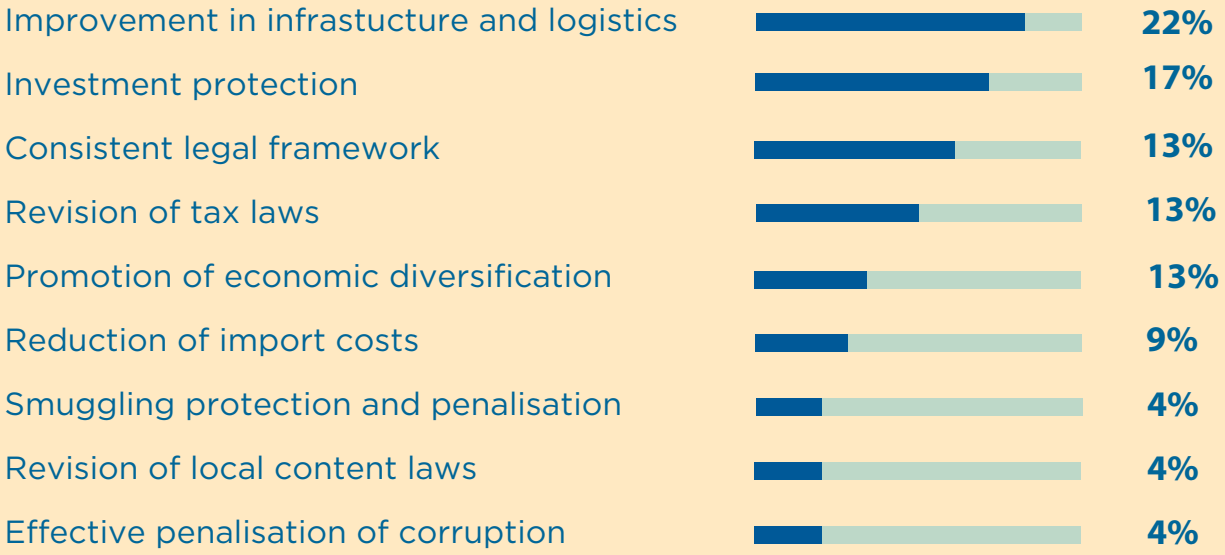
€8,007 M
Estimated amount of future investment in Ghana

€1,092 M Average taxes payed in Ghana per year

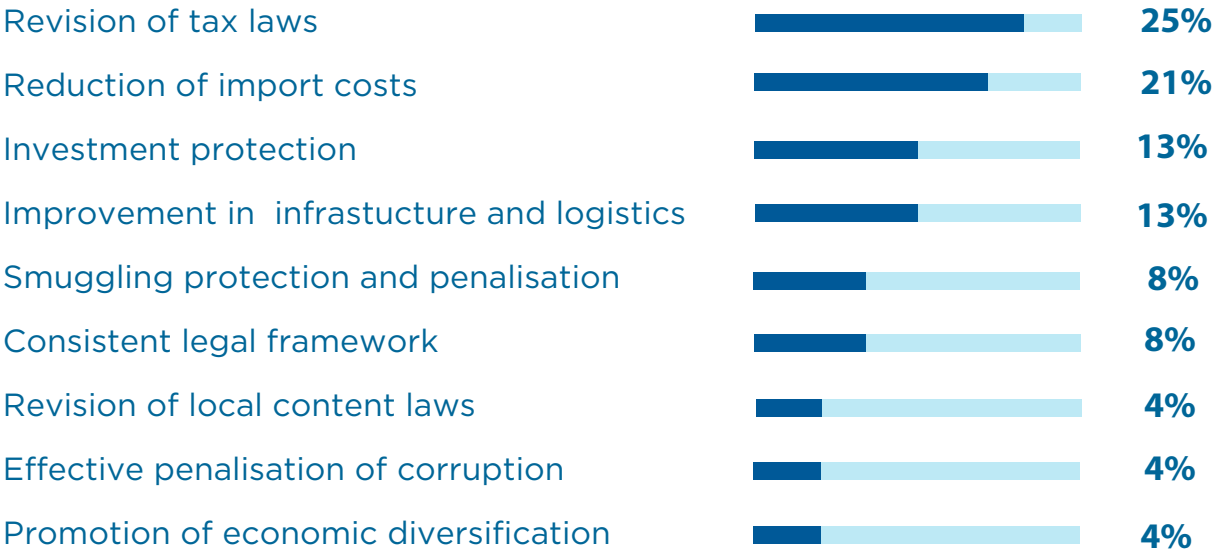
2019 EU Delegation to Ghana survey data

Key actions that would improve the EU investment in...

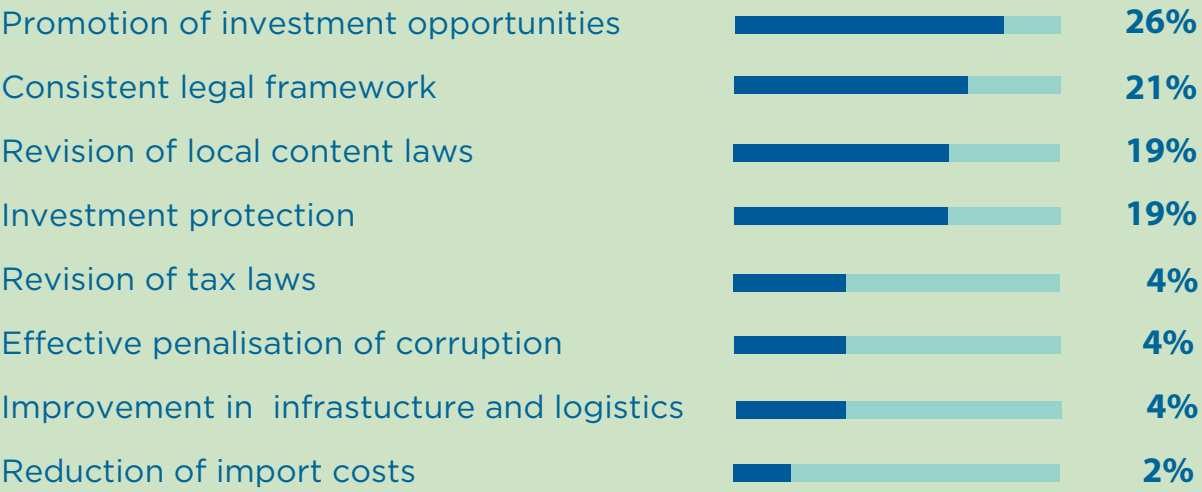
AGRO AND AGRO PROCESSING



MANUFACTURING



SERVICES



Some examples of key EU Investors in Ghana

FRANCE

As an example, 25 French firms in Ghana...

- created **33,767** local jobs
- invested **€294 M**
- engage **64,513** local suppliers
- will invest **€322 M**

ITALY

As an example, 20 Italian firms in Ghana...

- created **5,898** local jobs
- invested **€5,125 M**
- engage **8,832** local suppliers
- will invest **€7,637 M**

SPAIN

As an example, 8 Spanish firms in Ghana...

- created **533** local jobs
- invested **€31 M**
- engage **749** local suppliers
- will invest **€14 M**

UK

As an example, 5 British firms in Ghana...

- created **16,282** local jobs
- invested **€292 M**
- engage **47,189** local suppliers
- will invest **€732 M**

BELGIUM

As an example, 7 Belgian firms in Ghana...

- created **32,587** local jobs
- invested **€222 M**
- engage **20,649** local suppliers
- will invest **€177 M**

DENMARK

As an example, 7 Danish firms in Ghana...

- created **960** local jobs
- invested **€33 M**
- engage **1,662** local suppliers
- will invest **€20 M**

GERMANY

As an example, 11 German firms in Ghana...

- created **1,210** local jobs
- invested **€109 M**
- engage **1,739** local suppliers
- will invest **€35 M**

THE NETHERLANDS

As an example, 12 Dutch firms in Ghana...

- created **2,370** local jobs
- invested **€102 M**
- engage **5,540** local suppliers
- will invest **€44 M**

Source: 2018 COMTRADE data and 2019 EU Delegation to Ghana survey data

The EU firms contribute to Ghana's social development

66% Organise Social Actions

59% Organise Environmental Actions

48% Promote Innovation and Research

A Spanish firm installed a photovoltaic solution connected to a generator to improve the energy efficiency of St Francis Xavier Hospital in the Central Region. This 118-bed teaching hospital now rely on clean and sustainable energy.

A German firm supports clinics across the country to operate on babies born with cleft lips and cleft palate fight.

A French firm builds community micro-flush toilets that include a rain harvesting system for hand washing and flushing as well as water kiosks powered by solar energy.

A German firm has a know-how transfer programme to provide EU-standard vocational training of all its staff.

Two firms, a Danish and a French, organise annual Road Safety Projects in schools across Ghana. The programme uses practical demonstrations and interactive sessions to educate about road safety at a young age and to create awareness about the rules and signs on the road. To date, the campaign reached more than 25000 Ghanaian students.

A Belgian firm protects the Subri Forest Reserve against illegal chainsaw operators.

A Danish firm particularly targets women suppliers, providing more than 100,000 contracts in the three northern regions.

A British firm launched a National Coding Programme to empower over 10,000 Ghanaian youth with coding and digital skills. It also funds the best commercial ideas with Ghs 5, 000 to start-up.

A French firm tackles "school dropouts" through mentoring and introducing IT skills such as computer programming, graphic design, animations and robotics to local schools.

Danish, German and Spanish firms organise annual recycling and campaigns in schools, planting more than 1 million trees every year.

An British firm has a recycling scheme that properly disposes old and obsolete handsets.

A German firm offers pro-bono trainings for some of the top universities in Ghana.

A Czech firm employs over 10 disabled persons.

A Danish firm won the title of the most environmentally friendly aquaculture farm in Africa.

A French firm provides free accomodation, free schools, and affordable electricity and water and hospitals in all its Estates.

A Belgian firm sponsors robotics & system design projects such as HOP, a platform for tractors data-sharing nationwide. They also train farmers to operate tractors.

A British firm constructed the roads to its farming centres.

A Portuguese firm organises campaigns to clean up beaches in Ghana.

A German firm did the pavement of a special school in Accra.

A Dutch firm was the first grid-connected biogas plant in Ghana.

A Danish firm built a school, a market place, a fresh water station and a police station in Asikuma.

A Finnish firm partnered with the University of Oulu mining school to provide professional capacity development programs.



2019 EU Delegation to Ghana survey data

EU-Ghana Trade and Investment Relations

The EU's External Investment Plan (EIP) will encourage investment in Africa and the EU Neighbourhood region. With a contribution of €4.1B from the European Commission, the EIP is expected to leverage more than €44B of investments by 2020.

The EIP will go where most investors would not go. It will empower local entrepreneurs, especially women. And it will underpin development projects which otherwise would not be possible or would be much smaller.

Objectives

Contribute to achieving sustainable development in Africa in a **coherent and consistent manner.**

Mobilise funds, to reach countries where investments are currently difficult, and commit investments by private actors **that would otherwise invest less or not at all.**

Target socio-economic sectors, in particular sustainable energy, water, transport, information and communications technology, environment, social infrastructure and human capital. Also provide finance for micro-, small- and medium-sized enterprises **with a particular focus on decent job creation.**

Assist in developing economically and financially viable projects to attract investment.

Help to improve the business environment in partner countries by supporting reforms and economic governance.

Contribute to address the root causes of irregular migration and strengthen our partnerships in Africa and the EU's Neighbourhood countries.

More information at: www. ec.europa.eu/external-investment-plan

The interim Economic Partnership Agreement (iEPA) between Ghana and the European Union entered into force in December 2016.

Under the iEPA all imports from Ghana enter the EU duty and quota free. In return, Ghana will gradually liberalize 80% of imports from the EU in the next 10 years (2020-2030).

Eliminating import duties on products from the EU coming into Ghana will reduce the costs of inputs for local businesses and industries and thus help local business to remain competitive in global and regional markets.

Ghana's key advantage with EPA is its access to the European market for such products as cocoa processed products, processed food products, tuna and bananas.

The iEPA supports Ghana's economy by:

Increase exports to the EU

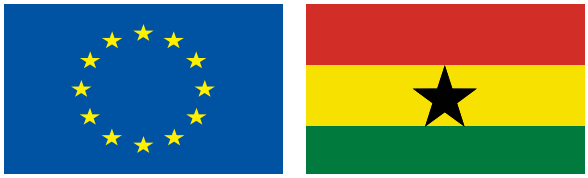
Support Ghana to remain competitive in international trade

Improve quality standards for exports

Increase investments and job creation in Ghana

Liberalize imports of inputs and machinery from the EU, while protecting local industries

More information at: www.ec.europa.eu/trade/policy/countries-and-regions/regions/west-africa



The European Union Delegation to Ghana

The European Union has a long-standing partnership with Ghana. Over the past 10 years, the European Commission and its member states contributed on average more than EUR 400 million annually in official development support.

The European Union supports interventions in agriculture, fisheries, forestry, climate change, infrastructures, governance, decentralization, trade, employment and social protection.

European Union Delegation in Ghana
The Round House, 81 Cantonments Road
P.O. Box KIA 9505, Accra
+233 (0) 302 774 201
delegation-ghana@eeas.europa.eu
www.eeas.europa.eu/delegations/ghana

Cover photo by Cameron Venti