

A
GLOBAL / COUNTRY STUDY AND REPORT
ON

“GHANA”

Submitted to
Gujarat Technological University

*IN PARTIAL FULFILLMENT OF THE
REQUIREMENT FOR THE AWARD OF
MASTER OF BUSINESS ADMINISTRATION*

UNDER THE GUIDANCE OF

Dr. Manish Vyas
(The Director- Indu Management Institute)

Submitted by

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[Enrolment no: 117190592001-117190592006]

[Batch: 2011-13]

MBA SEMESTER III/IV



INDU MANAGEMENT INSTITUTE

MBA PROGRAMME

Affiliated To Gujarat Technological University, Ahmedabad.

STUDENTS' DECLARATION

We, Hiren Shroff, Meha Desai, Rahul Kothari, Arun Mali, Usha Chaudhary and Komal Joshi hereby declare that the report for Global/ Country Study Report entitled “GHANA” of country Ghana is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place: Vadodara

Date:

Signature:

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INSTITUTE'S CERTIFICATE

“Certified that this Global /Country Study and Report Titled “GHANA” is the bonafide work of Hiren Shroff, Meha Desai, Rahul, Arun Mali, Usha and Komal (Enrolments No.: 117190592001-117190592006), who carried out the research under my supervisions. I also certify that to the best of my knowledge, the work done here is not a part of any other project report on the basis of which any degree or award was declared to these or any other students.”

Signature of the Faculty Guide

(Dr. Manish Vyas)

(The Director- Indu Managemet Institute)

(Certificate is to be signed by the Director Of The Institute)

PREFACE

The Global /Country Study and Report is an integral part of the MBA programmed study and it is designed in such a way that students can get maximum knowledge, experience and can get practical as well as theoretical exposure to the corporate and the global world and scenarios.

With the respect and pleasure, we have privilege to submit Global /Country Study and Report to the kind hands of eminent examination of the Indu Management Institute. MBA is a professional course, to be an MBA student is a matter of pride for all of us being a part of this kind of project work.

Through MBA each student is prepared to hold the post of manager and has to work in a team and has to lead their subordinates very confidently and that helps every MBA student to develop from normal human being into a disciplined and dedicated professional. Thus, it helps every student in their future lives.

ACKNOWLEDGEMENT

First of all, and foremost we would like to thank the authority for giving us an opportunity for making such a report of global study which would definitely enhance our skills and give us a concrete path to work ahead.

Through this acknowledgement we would like to express our sincere gratitude towards all those people who have been inspirational and instrumental in drafting this Global/ Country Study and Report.

We would like to thank, our internal faculty guide as well as our director sir Dr. Manish Vyas (I/c Director of Indu Management Institute).

We would also like to thank Mr. Tejas Parikh (Proprietor of Anjane Chemical Industries) for his strong support, which he offered right from the conception of this project report.

We would also like to give thanks to our parents for their inspirational support and motivational behavior toward us and our study.

Last but not the least, we all would like to thank our college, Indu Management Institute, for giving us an opportunity to do this project in a group as a part of our study, so that we are able to improve our team work ability and confidence for future professional career.

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PART – I

WORK DONE IN SEM - III

❖ The Global /Country Study Report on GHANA:



COUNTRY – GHANA (Independence March 1957) (Map Reference- Africa)

Currency - Ghanaian cedi (GHS)

Capital - Accra

Official Language – English

Nationality - Ghanaian

National symbol (s) - Black star; Golden eagle

Area - Total – 230,460 sq

km

Land – 230,940 sq

km

Water – 8,520 sq

km

LOCATION: Ghana is a country in West Africa.



It is bordered by Ivory Coast to the West, to the east Togo and Burkina Faso to the north & to the south Gulf of Guinea.

1. DEMOGRAPHIC PROFILE OF GHANA

- ❖ **Population of country:** 24,652,402 (July 2012 EST.)
Population Growth Rate: 2.2% (2012 EST.)

- ❖ **Urban Population:** 51% of total population (2010)
15)
Urban Population Rate: 3.4% annual rate change (2010-

- ❖ **Birth rate:** 32 births/1,000 population (2012 EST.)
Death Rate: 7.7deaths/1,000 population (2012)

- ❖ **Age Structure: (2012 EST.)**
0-14 yrs.: 38.9% (Male 4,815,972 & Female 4,773,335)
15-24yrs: 18.9 % (Male 2,319,744 & Female 2,342,960)
25-54yrs: 33.5% (Male 557,545 & Female 587,915)
>65 yrs: 4% (Male 463,962 & Female 529,892)

- ❖ **Major Cities: Population (in 2009)**
ACCRA (capital of GHANA) 2.269 million & Kumasi 1.773 million

- ❖ **Religions: (2010 census)**
Christians: - 71.2% (Pentecostal/Charismatic 28.3%, Protestant 18.4%, Catholic 13.1%, other 11.4%), Muslims: - 17.6%, Traditional: - 5.2%, Other: - 0.8%, None: - 5.2%

- ❖ **Languages:**
Asante 14.8%, Ewe 12.7%, Fante 9.9%, Boron (Brong) 4.6%

2. GENERAL ECONOMIC AND INDUSTRIES OVERVIEW

- ▶ The economy of Ghana has a rich resource base as well as diversity. And Ghana is one of the highest GDP per capita earners of Africa.
- ▶ Economy of Ghana has been strengthened by a quarter century of relatively sound management also have a competitive business environment & sustained reduction in poverty.
- ▶ Gold, Cocoa, Timber, Diamond, Bauxite, Manganese, Palm oil and many other exports are major source of Forex. Cocoa and gold production and individual remittances are major sources of Forex. Estimated oil reserves has jumped to the almost 700 million barrels.
- ▶ Ghana is well enriched with natural resources & agriculture accounts for roughly one quarter of GDP and employs more than half of the workforce, mainly small landholders.

All the policies are framed within the prescribed national macro economic objectives and related strategies which show all those opportunities which were presented by Uruguay Round Result and all other multilateral trade agreements. The main focuses of these attentions are:

- ▶ Creation of a buoyant as well as self-sustaining export sector.
- ▶ Growth of domestic trade thereby ensuring the countrywide availability of goods at reasonable prices (which helps in development of Ghana).
- ▶ Active, effective, and efficient participation in multilateral trade to secure increased rate market access for Ghana's export activities especially processed and semi-processed goods and to achieve stable, fair and better remunerative prices for commodities of export interest to Ghana.
- ▶ The force of the industrial policy is the promotion of an accelerated, strong and sustainable industrial development within a liberalized and global economic development.
- ▶ Increasing industrial share of GDP to 37% from the current level of 16% with an average growth rate of 12%.

➔ **The Agencies And The Departments Listed Under The Ministry Of Trade And Industry Of Ghana:**

- ▶ Ghana Trade Fair Co. Ltd.
- ▶ Ghana Export Promotion Council.
- ▶ Gratis Foundation.
- ▶ National Board for Small Scale Industries (NBSSI).
- ▶ Ghana Standards Board (GSB).
- ▶ Ghana Free Zones Board (GFZB).
- ▶ Ghana National Procurement Company (GTFC).
- ▶ Ghana Heavy Equipment Limited (GHEL).
- ▶ Rural Enterprise Project (REP)

3. GENERAL OVERVIEW OF TRADE AND COMMERCE

Ghanaian economy considered an African success story, which has enjoyed more than a decade of growth and stability. Ghana is dominated by gold and cocoa-coffee production as well as export, but the government's privatization program and the diversity of the economy into production of non-traditional exports has led to sustained growth and development in the country. According to the Ghanaian government, Local manufacturers could create jobs, can cut the import bills, and can provide a more diversified economic base.

Ghana is the first country of Sub Saharan Africa which was chosen by Europeans for trade. Firstly, they traded in gold and then in slaves. By promoting export activities, the Government of Ghana sought to obtain Forex essential to repay debts and to cease the country's restrictions on imports.

The main traditional export products viz. gold, cocoa, diamonds, timber, manganese and bauxite, etc. are now useful to semi processed and finished industrial as well as agricultural products. Further, tourism sector is the third largest sector of foreign exchange receipt after cocoa and gold.

4. OVERVIEW OF DIFFERENT ECONOMIC SECTORS

❖ STRUCTURE OF THE ECONOMY

Most government efforts to restore the productivity of the Ghanaian economy have been directed toward boosting the country's exports. Nevertheless, prices for the goods that most Ghanaians purchase have been rising faster than the wages they receive for their work.

- The economy of the country is based on mainly two distinct sectors:
 - A large, traditional Sector (principally agricultural and informal activities)
 - A relatively small scale, labour intensive industrial and service sectors.

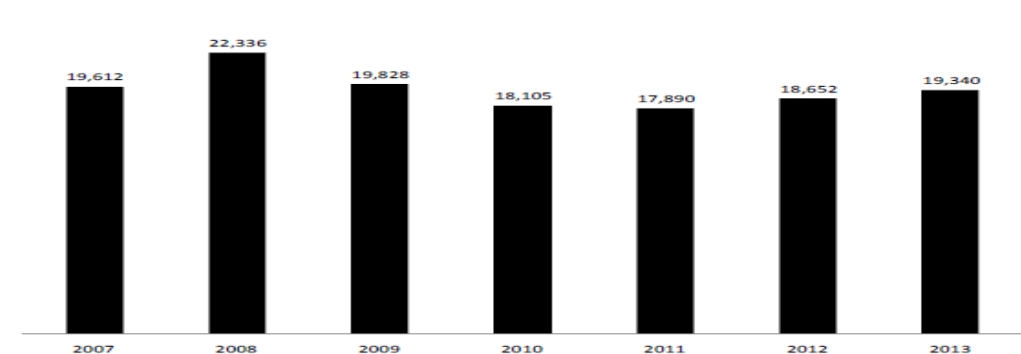
→ **There are different sectors of the country and the brief overview of each sectors are as follow:**

1. AGRICULTURE SECTOR

Agriculture sector is an important sector of Ghana's economy. It is considered as the backbone of Ghana's economy. It contributes about 35% to GDP & employs more than 60% of population. It generates more than 55% of the total Forex earnings and its growth rate is 4.8%. Trade ministry of Ghana has some commands over pricing and marketing of specified products, viz.:

- 1) Cocoa
- 2) Other Commercial Crops
- 3) Forestry
- 4) Fishing

Expected size of workforce of the surveyed enterprises in 2007-2013 for Ghana



2. MINING SECTOR

The mining sector of Ghana accounts for around 5% of the GDP and the minerals take up 37% of the total exports. The major share of minerals' exports, around 90% is of gold & majority of mining is done in the home grown Ashanti Gold Fields which produces nearly half at 37 t from its five mining operations. The country is at present got 13 large-scale mining companies producing gold, diamonds, bauxite and manganese and also over 300 registered small scale mining groups and 99 support service companies. Several other organizations are also involved in producing building and industrial minerals in the country.

3. TOURISM SECTOR

The available statistics records show that Ghana's tourism sector annually makes almost \$1.1bn in Forex earnings, contributes about 4% of the national GDP and generates about 2,20,000 direct formal employments all over nation. The spending of a tourist, as in 2006 averaged to about \$1,985 while the average length of stay was 10 days only. In that year, the country attracted 4, 97,129 tourists. Ghana's Tourisms Ministry, is aiming to help the country to attain a per capita income of \$1,000 by 2015. The government further seeks to attract about a million tourists into Ghana annually with a corresponding growth in the expansion of tourism plants across the country including hotels & restaurants, pubs, night clubs and tourist receptacles.

4. FINANCIAL SERVICES

Financial sector of Ghana is having a lot spread allover economy to manage the different projects related to money arrangements and money market

The financial services industry is defined into three main sectors:

- Banking and Finance (including Non-Bank Financial Services and Forex Bureau)
- Insurance and
- Financial market/capital market.

5. SERVICE SECTOR

Recently, the service sector has displaced agricultural as the biggest contributor to national income that is according to the first ever half year national income estimates released by the Ghana statistic service. According to figures, the service sector contributed 36.1%, and its growth rate is 6.1%.The services sector is the fastest growing area of the Ghanaian economy. This is a clear evidence of dependence of one sector on the other for growth and development of the economy. The service sector includes the buying and selling of goods and also services and

Service sector content:

- * Trade, Repair of Vehicles, Household Goods, Transport and storage
- * Hotels and Restaurants
- * Information & Communication
- * Financial & Insurance Activities
- * Real Estate Activities, Business & other Services Activities
- * Public Administration, Education, Health, The Personal Service Activities, etc.

6. INDUSTRIAL SECTOR

The Industry sector recorded the highest growth rate 7%. And its contribution was 28.3% in Ghana's economy. This sector is relatively small and mainly government owned.

Industry sector mainly content:

- Mining and Quarrying
- Manufacturing
- Electricity
- Water & Sewerage
- Construction

Quarterly Value Added By Activity And GDP At Constant (2006)

	Value added (GHc million)				
	2010:Q3	2010:Q4	2011:Q1	2011:Q2	2011:Q3
Agriculture	2186.2	2299.8	1316.0	929.7	2300.7
Crops & coco	1732.5	1785.3	911.4	532.3	1910.0
Livestock	97.7	185.4	127.8	108.1	101.2
Forestry	210.8	208.8	191.9	193.2	187.6
Fishing	145.3	120.3	84.98	96.1	101.8
Industry	1285.7	1324.2	1573.4	1618.7	1764.0
Mining & Quarrying	162.7	158.8	439.9	540.5	590.8
Electricity	40.9	40.1	41.4	42.5	44.1
Water & sewerage	66.1	65.9	65.0	67.2	67.2
Construction	490.3	496.4	592.9	538.3	617.4
Services	2952.7	3023.7	3131.8	3018.7	3123.7
Trade	401.1	410.7	393.8	375.7	380.2
Hotels & restaurants	263.78	222.7	262.1	185.7	234.7
Transport & storage	745.7	804.1	896.5	769.2	822.3
Information & communication	194.5	208.2	216	222.4	241.4
Financial & insurance	232.3	218.3	193.0	229.8	203.7
Real estate	107.6	107.6	110.2	110.2	110.2
Business & other services	151.6	168.0	197.1	205.1	247.3
Public administration	311.7	311.9	347.1	348.1	348.4
Education	241.8	241.8	248.6	258.1	264.5
Health	85.0	91.7	85.7	86.0	88.2
Other personal services	217.9	238.8	181.6	228.4	182.8
Total	62424.7	6647.7	6021.2	5567.1	7188.4
Net taxes	223.2	369.0	425.9	439.0	256.0
GDP at constant prices	6647.9	7016.7	6447.1	6006.1	7444.4

5. LEGAL ASPECTS OF TRADE IN GHANA

(i) APPLICATION FORMS (US\$100.00)

CATEGORY REGISTRATION	US\$	GH
A) Wholly Ghanaian business	Free	Free
B) Joint-venture (i.e. \$10,000)	1000	920
C) Wholly Foreign (i.e. \$50,000)	2500	2300
D) General Trading (i.e. \$ 300000)	5000	4600
E) Renewal (Every 2 years)	1500	1380
F) Certificate Replacement	100	92
G) Liaison Office	7500	6900
H) <u>Tourism</u>		
❖ Up to \$500/000 investment	1000	920
❖ \$500/000 - \$2million investment	5000	4600
❖ Above \$2million investment	10000	9200
I) All Strategic Investment (LI 1817 and section 25)	20000	18400

(ii) LICENSING FEES:

Business	Initial	Renewal/year
Manufacturing	US\$2,000.00	US\$1,600.00
Commercial	US\$5,000.00	US\$4,000.00
Service	US\$3,000.00	US\$2,000.00
Development	US\$4,000.00	US\$3,000.00

6. PRESENT TRADE RELATIONS OF INDIA WITH GHANA

❖ India-Ghana relations:



INDIA



GHANA

India-Ghana relations are bilateral diplomatic relations between India and Ghana. The relations between these two countries are traditionally warm and cordial. Being members of the Commonwealth, India is maintaining a High Commission in Accra (capital of Ghana) and Ghana has its High Commission in New Delhi.

❖ History

India opened a consulate in Accra in 1953 and established full fledged diplomatic relations with Ghana immediately after its independence in 1957. The Indian High Commission not only in Accra but also concurrently accredited to cities like Togo, Burkina Faso, and Sierra Leone. The first President of Ghana-Mr. Kwame Nkrumah and India's first Prime Minister-Mr. Jawaharlal Nehru shared a strong personal bond of friendship. Presidents Nkrumah then Hilla Limann, John Rawlings and John Kufuor all have made state visits to India while Prime Minister P V Narasimha Rao visited Ghana in the year of 1995.

❖ Indians and Indian culture in Ghana

There are about seven to eight thousand Indians and Persons of Indian Origin living in Ghana today with some of them having been there for over 70 years. Ghana is home to a growing indigenous Hindu population that today numbers 3000 families.

❖ Economic Ties

♣ Trade

Trade between India and Ghana amounted to \$818 million in 2010-11 and is expected to be worth \$1 billion by 2013.

♣ Economic Cooperation

The Government of India has extended \$228 million in lines of credit to Ghana which has been used for projects in sectors like agriculture, fishery, waste management, rural electrification and the expansion of Ghana's railways. India has also offered to set up an India-Africa Institute of Information Technology (IAIIT) and a Food Processing Business Incubation Centre in Ghana as per the India-Africa Forum Summit.

♣ Investments

India is among the largest foreign investors in Ghana's economy. Indian investments in Ghana amounted to \$550 million covering some 548 projects, at the end of 2011.

♣ Technical Cooperation

- India extended scholarship for the training of Ghana's personnel in India through its Indian Technical and Economic Cooperation Program and SCAAP.
- India has also helped Ghana with expertise in IT and Communications (ICT) and helped to develop the Tema Community Centre into a modern ICT facility.
- Centre of Development of the Advanced Computing which is based in Pune, is now providing PARAM supercomputing technology and training.

7. IMPORT- EXPORT

Ghana imports automobiles and buses from India and companies like Tata Motors and Ashok Leyland. While Indian exports to Ghana comprises of pharmaceuticals, agricultural machinery, organic chemicals, electrical equipments, plastics, steel and cement. Whereas Ghanaian exports to India consist of gold, cocoa beans and timber.

Top 10 Products of Ghana's Imports from India

(All values presented are in USD Million)

RANK	HS CODE	DESCRIPTION	Ghana's Import From India			2007/06	2008/07	2011
			2006	2007	2008			
	Total	All products	205.8	319.19	392.48	55.08	22.96	38.09
1	87	Vehicles except Rail& Trams	22.95	43.58	67.51	89.91	54.92	71.52
2	85	Electrical & electronic	28.01	37.03	48.13	32.19	29.99	31.09
3	30	Pharma products	12.35	29.76	40.57	140.97	36.31	81.24
4	84	Nuclear reactors, machinery, etc.	25.36	39.44	35.87	55.52	-9.04	18.94
5	72	Steel & Iron	16.55	23.80	26.24	43.76	10.25	25.90
6	73	Article of iron or steel	10.35	9.46	20.23	-8.53	113.79	39.76
7	76	Aluminum & articles of it	4.30	13.13	17.50	205.09	33.35	101.70
8	2	Meat	3.49	8.11	14.42	132.56	77.77	103.33
9	63	Textile articles, sets, worm, clothes	16.19	12.87	13.110	-20.50	1.73	-10.7
10	29	Organic chemicals	8.28	10.79	13.04	30.27	20.87	25.48

8. BUSINESS VOLUME OF DIFFERENT PRODUCTS

1. Agriculture

Agriculture, forestry, poultry farming and fisheries in Ghana:

Half of the population is engaged in this sector. Ghana's major agriculture exports products such as cocoa, gold, palm oil and oil seeds, cashew, etc are under government hands. These are those products which have helped the economy of Ghana a lot to grow in a shorter span of time and for a longer period of time. Since the beginning & till today these products have helped the economy to boost up the growth. The manufacturing of these products employs large population.

2. Manufacturing

Ghana's industrial sector is very well developed in comparison of other African countries'. Import substitution industries of Ghana includes textile industry, steel, tiers, oil refining, flour milling, restaurant & hotels, tobacco, simple consumer goods, automobile viz. cars, trucks & bus assembling.

3. Energy:

Ghana gets 97% of its energy from damming Lake Volta and exports much of this to neighboring countries; however organizations such as the Ghana Nuclear Society have advocated the introduction of nuclear power into Ghana and indeed the country now has an atomic energy commission, too.

4. Services:

In past few years, there are so many reforms in the financial services. Through Banking (amendment) Act, 2007, general banks are qualified for licensing & so, those banks allow offshore banks in country. So, it is easier for NRGs & foreign investors to open accounts in offshore banks in Ghana.

5. Tourism:

Tourism sector is one of the largest sectors of Ghana. Ghanaian Government is taking more and more steps for the development of this sector. This sector is a priority sector with large incentives and great benefits for investors. Government is expecting much from this sector to increase forex earning. There are also large incentives for star rated hotels, approved tourist villages, beaches, and resorts. Investors involved in the development of other tourist attractions like waterfalls, beaches, historical forts, castles, forests and historical sites, and even in specialized hotels and restaurants, tourist coaches, and buses are also earns higher incentives. Incentives in this sector are tax & rate exempted on building properties for 3years in addition to investment and depreciation allowances.

6. Telecommunications:

Numbers of projects are currently undertaken for high grade service providing at local and global markets.

These efforts are also being complemented by mobile phone operators, pager companies, data service and licensed internet service provider companies. As a result of their efforts, the number of connections over the years has increased and given the people a greater access to telecommunication services. Ghana is the second fastest growing internet country in Africa after South Africa. Broadcasting has also been deregulated and there are more than 20 private FM stations around the country.

9. INVESTMENT IN GHANA

The private sector in Ghana is considered the engine of economic growth and deliberate policies and measures are constantly being taken to make Ghana the business hub of West Africa.

The success of Ghana's governance and development agenda is inextricably linked to the new Ghana's ability to attract investments. The new Ghana will not tolerate any more corruption. It will not tolerate bureaucratic inefficiency, too. It will also not tolerate opaque government decision making.

Almost all Indian companies are engaged with agriculture and manufacturing sectors of Ghana. Many Ghanaian companies are in joint venture with Indian companies for pharmaceutical production/ manufacturing. IT sector in Ghana, too has a significant India's presence in it. India & Ghana also have a Bilateral Investment & Trade Protection Agreement between them. There are also plans to develop a sugar processing plant entailing an investment of \$36 million. Bharti Airtel, Bank of Baroda, Tata Motors and Tech Mahindra are among the major Indian companies investing in Ghana.

Of the emerging nations of the world, Ghana is one of the attractive investment opportunity based on the following investment criteria:

- Abundant natural resources
- Stable democratic climate
- Favorable foreign investment
- Adequate transportation
- Educated work force
- Growing economy
- Low taxation levels

10. PESTEL ANALYSIS:

PESTEL analysis it self includes analysis of all the sectors such as political, economical, social, technological, environmental and legal.

▶ Political Analysis:

- Ghana was the first in Sub-Saharan African countries to gain political independence.
- Ghana is moving toward a more stable government.
- There is a constitutional democracy in Ghana.
- New constitution of Ghana approved on 28 April 1992.
- There are mainly 10 regions of administrative divisions.
- Poor infrastructure.
- Poor levels of direct taxation.
- Urban bias in policy and resource distribution.
- High inflation rate and unemployment.

▶ Economic Analysis:

- Ghana is heavily burdened on international financial and technical assistance.
- Agriculture remains a mainstay of economy, accounting for more than one-third of GDP and about 55% of formal employment.
- Ghana is the fastest growing economy of West Africa.
- Oil production is expected to have strong growth in the future.
- Gold and cocoa industries contribute Ghana a large scale of export activities.
- In an economic research by Economy Watch led by Juan Abdel Nasser has ranked Ghana as the fastest growing country in the world in 2001.

► **Social Analysis:**

- Business industries are receiving no or very less support from the government due to lack of expendable resources.
- Ghana culture believes in hierarchy and so, respect is shown to those with higher wealth, age, experience and position.
- Social improvement level is relatively low.
- Maternal morality ratio is comparatively higher. The significant factors behind such a higher ratio are unsafe & risky abortion, which causes 20-30% of maternal death.
- There were over 4,00,000 Ghanaians living with HIV virus, in 2010, that causes Aids. Given this, HIV/AIDS epidemic is having and will continue to have a major impact on Ghana, there is no doubt in that.
- Faster growth rate of population is one of the factors behind poverty and underdevelopment of Ghana economy, which impacts significantly on development.

► **Technological Analysis:**

- Ghana is suffering from an underdeveloped technological infrastructure.
- Mobile telecommunications are seeing of significant growth rate. Ghana is presently among the top 10 countries projected to rule Africa's ICT sector in next five years and Ghana's telecoms industry is estimated to be worth \$1.1 trillion according to recent World Bank statistics.
- Ghana is importing electrical and electronic equipments.
- Advancement in technological infrastructure is not visible for near future development strategies and policies.
- For the technological development Ghana's industries now tying up with global industries.

► **Environmental Analysis:**

- Ghana is one of those countries having abundant natural resources.
- Rural households rely on land and other natural resources for their livelihoods; fisheries and wildlife provide important sources of protein in the Ghanaian diets.
- Urban economic activities are highly depended on reliable hydroelectric power and fuel.
- The wood-processing industry depends on timber.
- The emerging tourism sector relies on cultural and natural assets.
- Natural resources are also indispensable for most of the economic sectors.
- Ghana's natural resources are overused and so declining in quality and quantity both.
- Inappropriate crop production methods, mining, and wood processing are adversely affecting forests and savanna woodlands.
- Ongoing soil erosion and reducing soil fertility undermine food and agricultural production.
- In the recent years, rapid urbanization of the economy causes depletion of environmental services.
- Ghana's environmental health as well as standard of living has been on the decline.

► **Legal Analysis:**

- There is a mixed system of English common law and customary law.
- 18 years of age is the suffrage.
- Ghana struggling in accommodating returning nationals who worked in the cocoa plantations and escaped fighting in Cote d'Ivoire.
- One of the controlling executive powers is through judicial review.
- Ghana has chosen to make social progress through the instrumentation of policies and laws that are executed by the executive.
- Heavy Government borrowings have led to extreme long term inflation.
- Corruption exists at the highest government level.

11. CONCLUSION:

Though Ghana is the fastest growing country of the West Africa, there is a lack of much advancement in technological ways, environmental ways, and political-legal as well as economical ways. There a vast gap between the standard rate of growth and actual achieved growth rate. Ghana is earning precious amount of Forex through cocoa, coffee, palm oil, gold, diamond and bauxite but the other sectors are still underdeveloped. Tourism sector of Ghana is on the growth path but growth rate is very low. And not only tourism sector but also other sectors except mentioned above are on the growth path but annually increase in growth rate is not that much improved yet. Thus, labour shortages, undeveloped or underdeveloped skills; inequality in society, infrastructural gaps, weak capacities, weak productivities, weak efficiency and weak effectiveness, weaken and hide the abundant natural resources and improving growth rates. But, Ghana is trying best to improve its standard of international trading, development of all the sectors and the rank in global economy. Thus, Ghana invites many countries for the business. As an agriculture sector employed almost half of the population of Ghana, development of those industries which are supporting to this sector are much attractive for Ghana Government. Thus, our business is having a great opportunity to improve there and developed there.

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Submitted to

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Mrs. Puja Bhatt

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INDU MANAGEMENT INSTITUTE

MBA PROGRAMME

Affiliated to Gujarat Technological University Ahmedabad

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Students' Declaration

We Nishat (117190592007), Isha (117190592008), Tejas (117190592009), Palak (117190592010), Arpit (117190592011), Vipul (117190592012), hereby declare that the report for Global/ Country Study Report entitled “Country of GHANA” is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place: Vadodara

Date:

Institute's Certificate

“Certified that this Global /Country Study and Report Titled “COUNTRY OF GHANA” is the bonafide work of Nishat, Isha, Tejas, Palak, Arpit, and Vipul who carried out the research under my supervision. I also certify further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

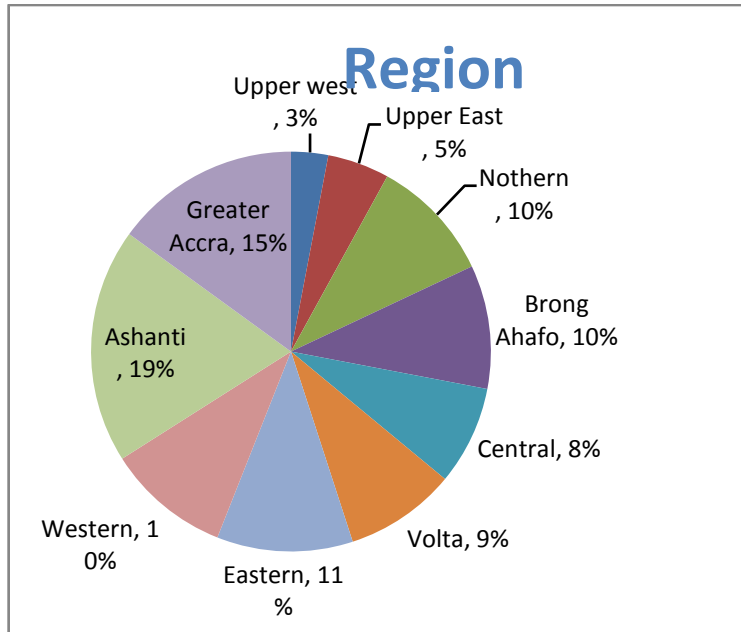
Signature of the Faculty Guide
(Name and Designation of Guide)
(Certificate is to be countersigned by the Director/HoD)

PART – I

COUNTRY – GHANA

Nationality - Ghanaian





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1. DEMOGRAPHIC PROFILE OF GHANA:

1. Population

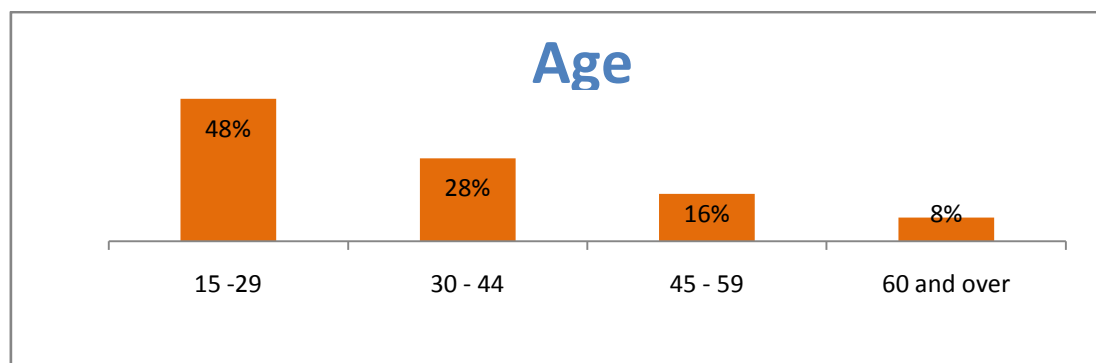
25,241,998 Total Population

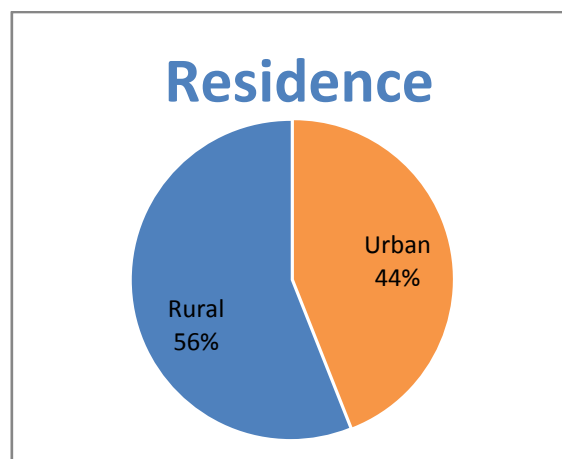
Ghana's population takes into account the effect of surplus death due to AIDS; which results in lower life expectancy, higher infant mortality, higher death rates, lower population growth rates, and changes in the allocation of population by age and sex.

Ghana's population is estimated to increase 35 million by 2025.

2. Age structure

Years	Population	female	%	male	%
2012	24,658,823	12,633,978	51.2%	12,024,845	48.8%
2010	24,223,431	12,421,770	51.2%	11,801,661	48.7%





- 3. Population growth rate** 1.787%
- 4. Birth rate** 26.99 births/1,000 population
- 5. Death rate** 8.57 deaths/1,000 population
- 6. Net migration rate** -0.56 migrants/1,000 population

7. Sex ratio

Birth sex ratio - 1.03 males/ female

Years	Male/ Female
0 to 15 years	1.02 males/ female
15 to 64 years	1 male/female
65 years and above	0.82 male/female
Total population	1 male/female

8. Infant mortality rate

Particulars	Death/ 1,000 live births
Male	50.64 deaths
Female	43.79 deaths
Total	47.26 deaths

The main reason of increasing population in Ghana is improved vaccination for various diseases, and nutritional education in different villages all over Ghana and different community health cares and institutions and hospitals.

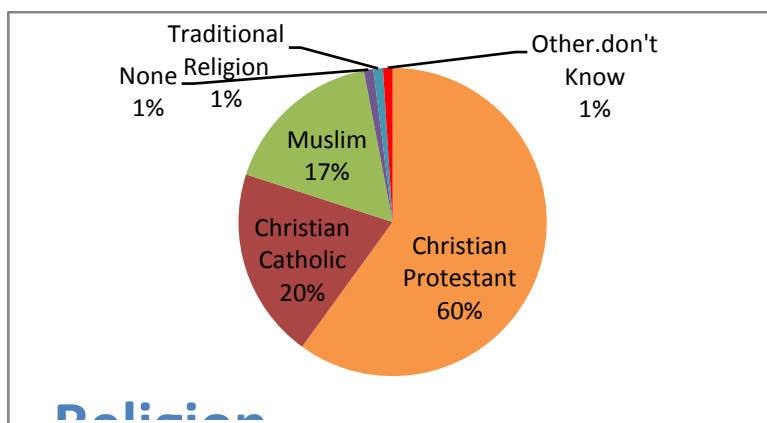
9. Life expectancy at birth

Particulars	Life Expectancy
Male	60.22 Years
Female	62.73 Years

Total

61.45 Years

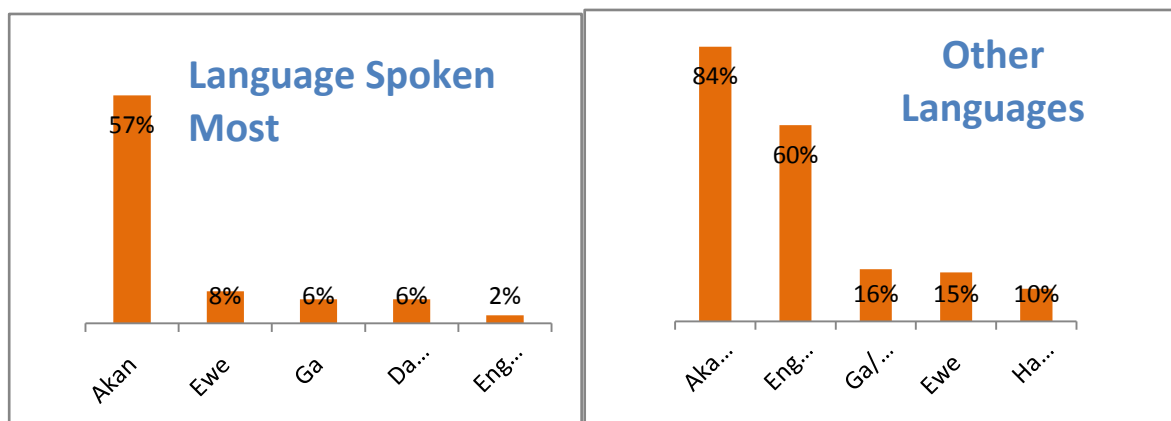
10. Religions



11. Maternal mortality rate

350 deaths/100,000 live births (2010)

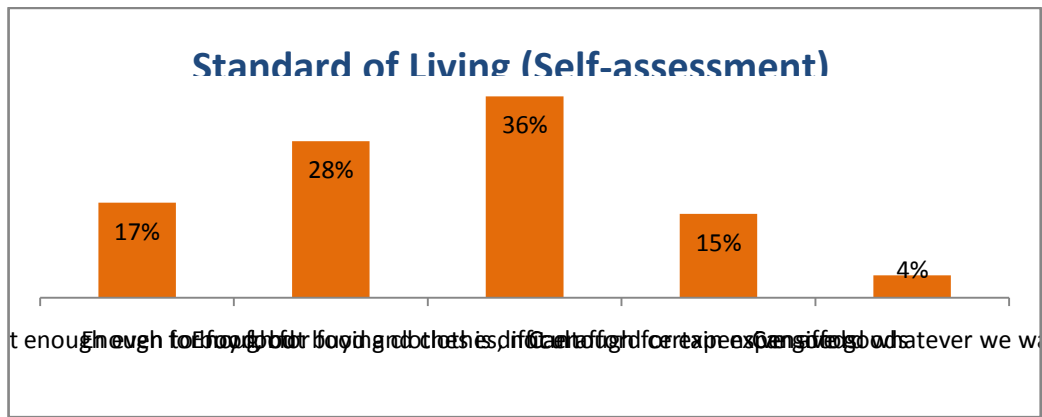
12. Languages



13. Literacy

Definition of literacy as per Ghanaian economy is those persons who can read and write at age of 15 years and above.

Particulars	%
Male	73.2%
Female	61.2%
Total	67.3%



14. Climate:

Ghana’s economy is dependent on climate sensitive sectors such as agriculture, fisheries, tourism, and forestry. Ghana ratified the United Nations Framework Convention on Climate Change (UNFCCC) in September 1995 and, in March 2003, acceded to the Kyoto Protocol. A National Climate Change Policy Framework (NCCPF) has been developed through a consultative process and mainstreamed into the GSGDA. The policy framework and institutional arrangements have three key objectives: adapting to the impact of and reducing vulnerability to climate change; mitigating the impact of climate change; and promoting low carbon growth strategy.

Other than north side of Ghana, there are two rainy seasons; one is from April to June and another is from September to November. During March and April, there is Squalls and rain from August to September. Average temperature in Ghana is between 21° and 32° C, and relative humidity is between 50% and 80%. Rainfall ranges from 83 to 220 cm and 33 to 87 inches in a year.

A dry desert wind in Ghana called Harmattan blows from the northeast from the month of December to the month of March, which lowers the humidity and causes days to be very hot and nights to be very cool in the North of Ghana, the effect of which is felt in the south during the month of January. In maximum areas of Ghana, temperatures are highest in the month of March and lowest in the month of August. Difference between day and night temperatures is extremely small, but greater in the North of Ghana, especially in January. Ghana has temperature not less than 10° C.

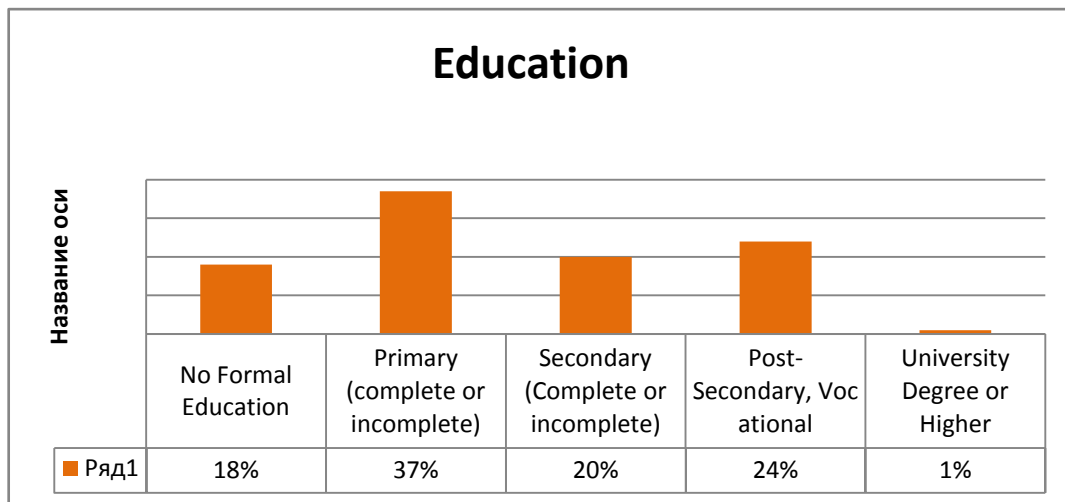
15. Education:

Article 39 of the Constitution of Ghana mandates the major creed of the free, compulsory, universal basic education (FCUBE) initiative. The Government of Ghana has improved its education by 700%.

Basic education's share has grown to 60%. Students begin their primary education at the age of six. Students are given admission in the senior secondary school after giving Entrance examination in the Ghanaian universities.

The educational system is based on the English grammar. But now a days, Ghana has seen radical changes by giving more importance to the scientific, technical, vocational, managerial and entrepreneurial skills to meet development needs. Proper attention is now given to Ghanaian and African history, art, literature, languages and traditional skills and customs.

The tertiary education system is blown up by improving facilities with funds allocated every year to the provision of academic and residential infrastructure, journals, computers and other equipment.



2. GENERAL ECONOMICS AND INDUSTRIES OVERVIEW

1. GENERAL ECONOMIC OVERVIEW

Ghana's economy has been strengthening in a relatively sound management by making a cutthroat business environment and constant reductions in poverty levels.

Ghana is well gifted with natural resources and agriculture accounts nearly about one quarter of GDP and employs more than half of the labor force, mainly small landholders.

The services sector contributes 50% in the GDP of Ghana.

Production of Gold and cocoa and individual remittances are chief sources of foreign exchange. Oil reserves have jumped to almost 700 million barrels. Ghana signed a Millennium Challenge Corporation (MCC) Compact in 2006, which aims to help in improving Ghana's agricultural sector.

In 2009, Ghana signed a three-year Poverty diminution and Growth Facility with the IMF to have stability, private sector competitiveness, human resource development, and good governance and civic responsibility. Good macroeconomic management along with high prices for gold and cocoa helped to maintain GDP growth in 2008-11.

1. GDP - per capita (PPP)

Year	GDP in US Dollars
2011	\$3,100
2010	\$2,800
2009	\$2,600

2. GDP - composition by sector

Sectors	% of GDP
Agriculture	28.3%
Industry	21%
Services	50.7%

3. Population below poverty line 28.5%

4. Labor force 11.44 million

5. Unemployment rate 11%

6. Investment (gross fixed) 19.9% of GDP

7. Public debt

Year	% of GDP
2011	38.74%
2010	34%

8. Inflation rate (consumer prices)

Year	Inflation Rate
2011	8.8%
2010	10.7%

9. Industries

Industries in Ghana include aluminum smelting, bumbling, cement, light manufacturing, mining, food processing, small commercial ship buildings, etc.

10. Industrial production growth rate 5%

11. Electricity – production 8.167 billion kWh

12. Oil – production

8,880 bbl/day

13. Exports

Year	Exports in US Dollars
2011	\$13.13 billion
2010	\$7.892 billion

14. Exports - commodities

Commodities exported from Ghana are aluminum, bauxite, cocoa, Gold, horticultural products, tuna, manganese ore, diamonds, timber, etc.

15. Exports - partners

Countries	% of partnership
Netherlands	11.7%
UK	7%
US	5.6%
Ukraine	5%
Belgium	4.6%

16. Imports

Year	Exports in US Dollars
2011	\$14.03 billion
2010	\$10.95 billion

17. Imports - commodities

Commodities imported to Ghana include Capital equipment, petroleum, foodstuffs, etc.

18. Imports - partners

Countries	% of partnership
China	16.6%
Nigeria	12.7%
US	8.4%

Cote d'Ivoire	6.2%
UK	4.5%
France	4.2%

19. Fiscal year

Calendar year

The Ghana's total land area of 239,000 sq km is made up of two broad ecological zones - a high forest zone covering much of the southern 1/3rd of the country, and a savanna zone over the considerably drier northern 2/3rds. Annual crops, tree crops and unimproved pastures occupy over 50% of the land. Much of the country's economic activity, including cocoa, oil palm, rubber, timber processing, and mining is located in the high forest zone.

Ghana is rich in agricultural resources, timber, gold and other valuable minerals, in large quantity with educated skillful and enterprising people, blessed with a stable form of government and dedicated to the principles of free enterprise, has long been seen as one of Africa's most promising countries.

3. INDUSTRIES OVERVIEW



Ghana's objectives are participating fully in the medium term policies, globalised market, the rationalization of tariffs and the encouragement of intra-regional trade.

Policies are framed within the framework of national macroeconomic objectives and strategies that considers the opportunities presented by the Uruguay Round results as well as other multilateral trade agreements.

Different policies for medium term policies are as follows:

- Creation of a cheerful and self-sufficient export sector

- Expansion of national i.e. local trade which ensures the availability of goods at reasonable prices all over the country.
- Tracking down of efficient and effective import management practices
- Acceptance of anti-monopoly legislation and other system to defend the consumer
- Detection of anti-dumping policies in international trade through good reason of all tariffs and the recognition of all non-tariff barriers to trade
- Active participation in multiparty trade to protect increased market access for Ghana's export which contains processed as well as semi-processed goods and achieve stable, fair and remunerative prices for produce of export attention to Ghana.
- The Agencies and Departments scheduled under the Ministry of Trade and Industry are as follows:
 1. Ghana Trade Fair Company Limited
 2. National Board for Small Scale Industries (NBSSI)
 3. Ghana Export Promotion Council
 4. Gratis Foundation
 5. Ghana National Procurement Agency Limited
 6. Rural Enterprise Project (REP)
 7. Ghana Standards Board (GSB)
 8. Ghana Free Zones Board (GFZB)
 9. Ghana Heavy Equipment Limited (GHEL)
 10. Ghana National Procurement Company (GTFC)

3. GENERAL OVERVIEW OF TRADE AND COMMERCE



The approval of Ghana's foreign trade has been essential to all government strategy to revitalize the economy since 1983. The export producing industries received help through the development of their proximate infrastructure. Imports, of course, are also essential to improve many of the export industries hamstrung for be short of of equipment.

The main exports are bauxite, cocoa, diamonds, gold, manganese and timber. They are also known as “traditional” items, which are now provided by processed and semi-processed industrial and agricultural products with tourism as the third largest foreign currency earner after cocoa and gold.

The government has increased the export instead of the local processing of rubber, rehabilitating more than 3,000 hectares of plantations only for export production.

The tobacco sector is growing and moving in the direction of higher export production. Ghana requires rich soil to compete successfully with rival crops, but the potential for varieties of crops is good.

Ghana also maintains a relatively open trade regime with the rest of the world. Its Most Favored Nation Tariff Restrictiveness Index (TRI) is 9%, below both the Sub-Saharan African and low income country group average of 11.3% and 11.6% respectively. Ghana initiated an interim Economic Partnership Agreement with the EU at the end of 2007 but has not yet signed the agreement.

Ghana maintains good relations with its traditional trading partners and donors especially the US and the UK, both of which have a large Ghanaian Diaspora. In addition, Ghana has good relations with many emerging countries, backed by funding for various projects.

The promotion of Ghana's foreign trade has been made important to all government plans to renew the economy. They received the support through the development of their nearby infrastructure. By expanding exports, the government also seeks to obtain foreign exchange which is very necessary to repay debts and have no difficulty in the restrictions of Ghana's imports.

The government has introduced numerous policies to regulate the model of Ghana's trade structure where the currency is devaluated and raising producer has raised the prices for crucial exports.

The government attempted to expand the substance of Ghana's exports. To promote exports in the fishing and agriculture sectors, the government offered to refund 95 % of import duties on goods destined for re export and even to withdraw sales taxes on manufactured goods sold abroad. The government devised a scale of tax rebates from 20 % to 50 % classified by the volume of total production that was exported.

The main industrial crops are cotton, kenaf, palm oil, rubber, sugar cane and tobacco which are used in the production of fiber bags. Apart from palm oil, all other crops have suffered due to Ghana's economic difficulties. In spite of claims that such crops could help local industrialization efforts, the government has not paid attention as on export crops for this sector.

4. OVERVIEW OF DIFFERENT ECONOMIC SECTORS

1. OVERVIEW OF THE CURRENT ECONOMY

Ghana's economic revival appeared irregular and was geared primarily to the export rather than local market.

Most production came from the export sector. Cocoa production exceeded 300,000 tons where Ghana ranks third in the world. Exports of gold, diamonds, manganese, and bauxite increased 23.2 percent from the year before. The salaries were low due to increase in the cost of public services.

Instead of the rising exports, the government has been unable to fulfill a key stabilization goal of reducing the deficits of trade and current account. To encourage production in various sectors, the government has incurred loans to finance imports of machinery, fertilizer, and petroleum.

According to the World Bank, the Ghana's debt continued to rise, and was 63 % of Gross National Product (GNP). In 2012, the debt service ratio was 49.4%. To cover the deficits which come from loans and increased imports, the government of Ghana was dependent on rising levels of foreign aid.

Government policies have formed results in productivity and debt. The government of Ghana has incurred cost through job elimination and reduced public expenditure through different policies. The government solved this issue by making a special initiative to create 40,000 jobs providing services to the poorest groups.

2. STRUCTURE OF THE ECONOMY

Government of Ghana has made hard work to restore the production of the Ghanaian economy which has been directed towards increasing Ghana's exports. Ghana's GDP has shown steady expansion, most of it attributable to the export sector and timber processing. The cost of this expansion is apparent, however, in Ghana's increasing external debts, which have financed rehabilitation of the export sector, and in Ghana's stable rate of inflation that has restricted imports.

The economy of Ghana is based on two sectors:

- A large and traditional Sector of agriculture and informal activities.
- A relatively small, labor intensive industrial and service sector.

7. AGRICULTURE



Agriculture is one of the largest sectors of Ghana's economy, It measures about 40 % of Ghana's gross domestic product, employing 60 to 70 % of the work force and generating more than 55 % of the foreign exchange income. Its contribution to GDP is 35.6% and growth rate is 4.8%.

The country's export commodities are cocoa, timber and pineapples. Agriculture is Ghana's most significant economic sector where more than half of the population is employed on a

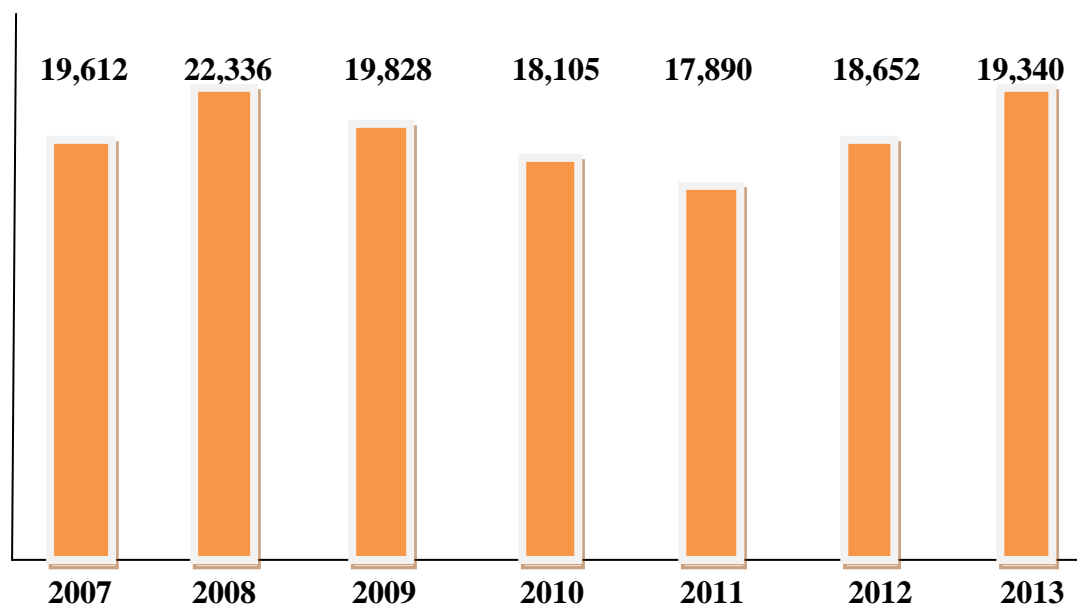
formal as well as informal basis. Agricultural crops like cocoa, grains, kola nuts, oil palms, timber and yams are the stand of Ghana's economy.

The government attempted to decline its role in marketing and supports the farmers in many ways. The Cocoa Marketing Board gradually relinquished its powers over pricing and marketing.

The main agricultural products of Ghana are as follows:

- Cocoa
- Fishing
- Other Commercial Crops
- Forestry
- Food Crops and Livestock

Expected size of workforce for surveyed enterprises in 2007-2013 for Ghana (in thousands) are as follows:



8. SERVICE SECTOR

The services sector is the fastest growing area of the Ghanaian economy. Ghana has

taken on the features of a present day industrialized country with a large service sector without having gone through the prior stage of developing the agriculture and industry base of the economy. The service sector includes the buying and selling of goods. Acco to figures, the service sector contributed 36.1%, and its growth rate is 6.1%.

Service sector content:

1. Trade, Repair of Vehicles, Household Goods
2. Hotels and Restaurants
3. Transport & Storage
4. Information & Communication
5. Financial & Insurance Activities
6. Real Estate Activities
7. Business & other Services Activities
8. Public Administration
9. Education
10. Health
11. The Personal Service Activities

9. INDUSTRY SECTOR

The industrial sector of the country is relatively small and mainly government owned it is in this light that the President of the country initiated the President’s Special Initiative to expand the industrial sector to employ some of the unemployed and promote private sector investment. Again, most of the firms in the industrial sector of the nation are not engaged in exports. The Industry sector recorded the highest growth rate 7%.And its contribution was 28.3%.

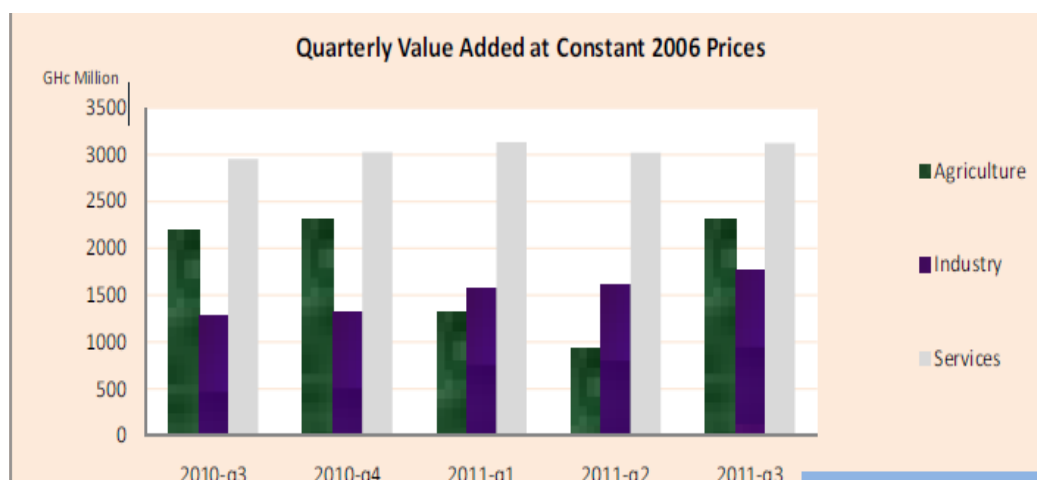
Industry sector mainly content:

- Mining and Quarrying
- Manufacturing
- Electricity
- Water & Sewerage
- Construction

Quarterly Value Added by Activity and Gross Domestic Product at Constant 2006 Price

	Value added GHc Million				
	2010-q3	2010-q4	2011-q1	2011-q2	2011-q3
Agriculture	2186.2	2299.8	1316.0	929.7	2300.7
Croops & Cocoa	1732.5	1785.3	911.4	532.3	1910.0
Livestock	97.7	185.4	127.8	108.1	101.2
Forestry	210.8	208.8	191.9	193.2	187.6
Fishing	145.3	120.3	84.9	96.1	101.8
Industry	1285.7	1324.2	1573.4	1618.7	1764.0
Mining and Quarrying	162.7	158.8	439.9	540.5	590.8
Manufacturing	525.7	563.1	434.2	430.2	444.6
Electricity	40.9	40.1	41.4	42.5	44.1
Water & Sewerage	66.1	65.9	65.0	67.2	67.2
Construction	490.3	496.4	592.9	538.3	617.4
Services	2952.7	3023.7	3131.8	3018.7	3123.7
Trade : Repairs of vehicles, household goods	401.1	410.7	393.8	375.7	380.2
Hotels & Restaurants	263.7	222.7	262.1	185.7	234.7
Transport & Storage	745.7	804.1	896.5	769.2	822.3
Information & Communication	194.5	208.2	216.0	222.4	241.4
Financial & Insurance activities	232.3	218.3	193.0	229.8	203.7
Real Estate Activities	107.6	107.6	110.2	110.2	110.2
Business & other services activities	151.6	168.0	197.1	205.1	247.3
Public Administration	311.7	311.9	347.1	348.1	348.4
Education	241.8	241.8	248.6	258.1	264.5
Health	85.0	91.7	85.7	86.0	88.2
Other personal services activities	217.9	238.8	181.6	228.4	182.8
Total (all three sectors) basic prices	6424.7	6647.7	6021.2	5567.1	7188.4
Net Taxes	223.2	369.0	425.9	439.0	256.0

GDP at Constant Prices	6647.9	7016.7	6447.1	6006.1	7444.4
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5. LEGAL ASPECTS OF TRADE IN GHANA



CATEGORY	Currency (US\$)	Currency (GH)
REGISTRATION		
a) Wholly Ghanaian Owned business	Free	Free
b) Joint-venture (i.e. \$10,000)	1000	920
c) Wholly Foreign (i.e. \$50,000)	2500	2300

d)General Trading (i.e. \$ 300000)	5000	4600
e)Renewal (Every 2 years)	1500	1380
f)Certificate Replacement	100	92
g) Liaison Office	7500	6900
h) Tourism		
Up to \$500/000 investment	1000	920
\$500/000 - \$2million investment	5000	4600
above \$2million investment	10000	9200
i)AII Strategic Investment (LI 1817 and section 25)	20000	18400

(Source: <http://kjominternational.tripod.com/id19.html>)

(iii) Application Forms (US\$100.00)

(iv) Licensing Fees:

Business	Initial	Renewal/Year
Manufacturing	US\$2,000.00	US\$1,600.00
Commercial	US\$5,000.00	US\$4,000.00
Service	US\$3,000.00	US\$2,000.00
Development	US\$4,000.00	US\$3,000.00

(Source: <http://kjominternational.tripod.com/id19.html>)

6. PRESENT TRADE RELATIONS OF INDIA WITH GHANA



Relations of India and Ghana were warm and friendly initially. The strong foundation of relation between India and Ghana were laid by India's first Prime Minister, Pt. Jawaharlal Nehru, and Ghana's first President, Dr. Kwame Nkrumah. Both the leaders enjoyed a close friendship.

Four bilateral agreements were signed where one relates to the set up trade in Accra of a Centre of Excellence for Training in Information Technology and Bilateral Investment Promotion and Protection Agreement.

Special representative of the Prime Minister conveyed good wishes of the Government to the people of India. Shri Anand Sharma visited Ghana as Minister of Commerce and Industry

(CIM) in September 2010 as leader of a high level business delegation for the India-Ghana CEOs Round Table held in Accra. The visit formed part of India's policy of "Focus Africa".

A memorandum of understanding was signed between India and Ghana for the setting up a US\$ 1.2 billion Joint Venture Fertilizer Project using gas to manufacture fertilizer. The projects comprise of supply of tractors, rural electrification and construction of Presidential complex. India has also made a proposal to Ghana for setting up two projects, viz. India-Africa Institute of Information Technology (IAIIT) and Food Processing Business Incubation Centre in Ghana under the India-Africa Forum Summit.

The trade turnover between the two India and Ghana stands stood at US\$ 818.10 million in 2010-11, an increase of 52% over the preceding year with India's exports to Ghana at US\$ 658.35 million as against an import. India's main exports to Ghana comprise agricultural machinery, electrical equipment, cement, pharmaceuticals, telecommunication, plastics and steel.

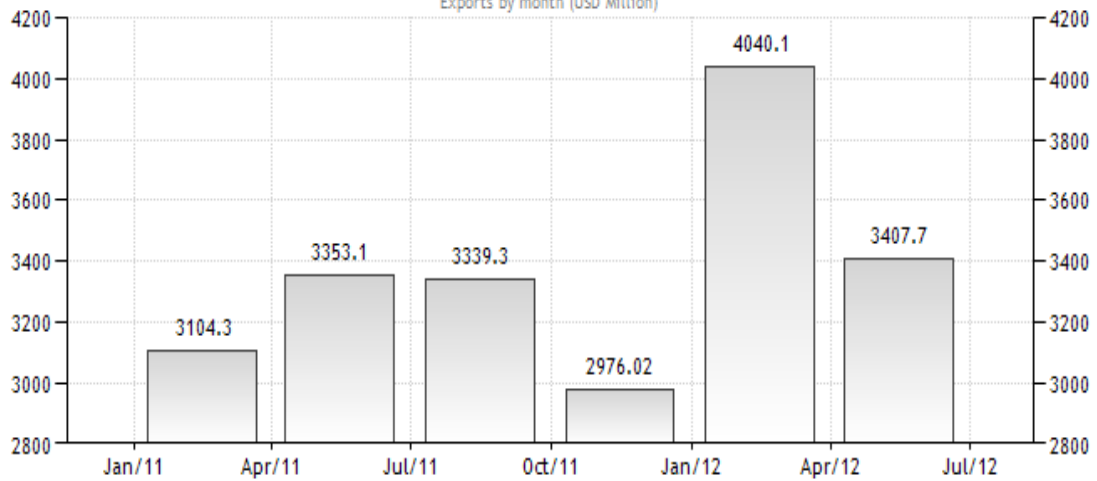
The exchange of business delegations have led to an rise in investments by Indian companies in Ghana in sectors of construction, manufacturing, trading, services, steel, cement, plastics, pharmaceuticals, ICT, agro-processing and agricultural machinery, electrical equipments, chemicals, etc. A number of Indian companies are establishing their companies in Ghana, both from the public and private sector including the Bank of Baroda, Tata, BhartiAirtel, Ashok Leyland, Mahindra & Mahindra, Escorts, Larson & Toubro, ShapoorjiPallonji& Co, NIIT, DSC Ltd. as well as many pharmaceutical companies. Indians are the largest foreign investor in Ghana in terms of number of projects.

Ghana International Trade Fair Centre in the 10th book of India, held at Accra's Fair in the "focus country", November 2011 led more than 30 Indian book publishers participated in the fair.

Import and Exports of Ghana are as follows:

GHANA EXPORTS

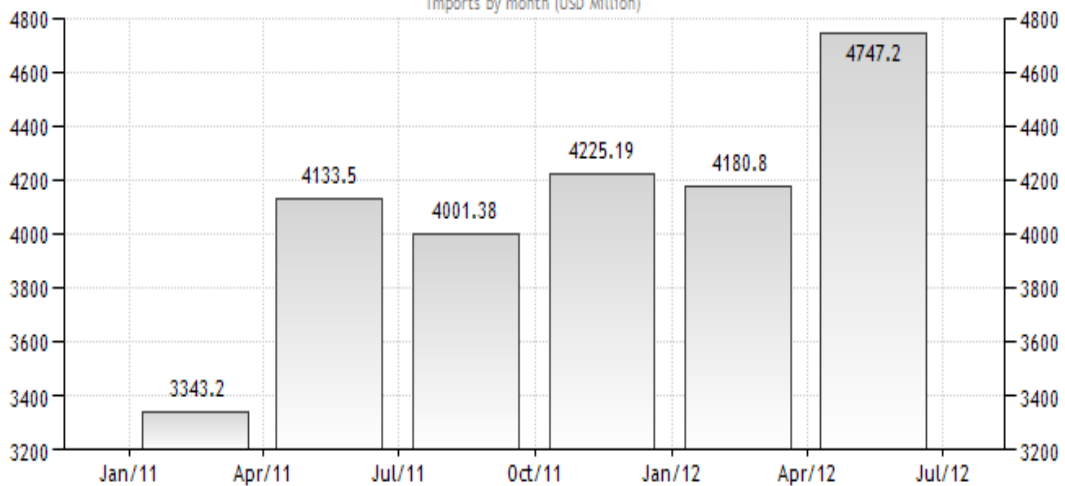
Exports by month (USD Million)



SOURCE: WWW.TRADINGECONOMICS.COM | BANK OF GHANA

GHANA IMPORTS

Imports by month (USD Million)



SOURCE: WWW.TRADINGECONOMICS.COM | BANK OF GHANA

7. BUSINESS VOLUME OF DIFFERENT PRODUCTS

1. Agriculture

Half of the Ghana's workers are associated with agriculture. Ghana National Agricultural Export Government has undertaken operations, maintains and look for export to other major crop planting. Government of Ghana undertakes agricultural crops for export sales of gold. Since its inception, the heavy economy has been made stable and the main crops / nuts are boosting the illegal sale meaningfully and immediately curbed and also help the government to render the employment of thousands of Ghanaians.

2. Production

Compared to many other African countries, Ghana's industrial base is relatively increased. (Using scrap) steel; tires; oil refining; flour pisavani; beverages; tobacco; simple consumer goods; and a car, truck, bus and assembly of the import-substitution industries include textiles.

3. Energy

Lake Volta in Ghana exports to neighboring countries are very damming, however, organizations such as the Ghana Nuclear Society advocated the introduction of nuclear power in Ghana and indeed the country's atomic energy commission is now 97% off its energy.

4. Services:

Ghana's financial services in the past years have seen improvements. Ghana through the Banking (Amendment) Act 2007 a general banking license for eligible banks and offshore banks in the country, including the completed work allows. Barclays Bank Limited (Ghana) Ghana is the first bank in the country in general banking license. Thus, due to non-resident individuals and foreign companies, it is possible for Ghana to open foreign bank accounts.

5. Tourism:

Tourism is one of Ghana's largest foreign income earners and the Ghanaian government support and the development of more tourist places have got great emphasis.

Tourism is a priority sector for investors with benefits and incentives.

6. Telecommunications:

Major expansion programs are currently being provided by local and international services category to the end.

These efforts comprise of cellular mobile operators, pejinga companies, information service and licensed Internet service providers. The result of their efforts and the number of telephones have increased over the years and people are given greater access to telecommunication services. Ghana is second fastest growing Internet country in Africa after South Africa.

Broadcasting also been deregulated and there are more than 20 private FM stations around the country.

8. INVESTMENT IN GHANA

Governance and development agenda of Ghana's success are linked to the ability to attract new foreign investment in Ghana. New Ghana will not tolerate corruption. It will not tolerate bureaucratic inefficiency. It is the world's emerging nations where opaque government decision will not be tolerated.

Ghana's attractive investment opportunity based on the following investment criteria:

- abundant natural resources
- stable democratic climate
- Favourable foreign investment
- necessary transport
- educated work force
- Growing Economy
- low tax levels

Ghana Investment Opportunities

- agriculture, agro - processing Forestry, and Fishing
- Art, Entertainment and Recreation
- Banking and Finance

- Business process outsourcing
- construction of infrastructure and real estate
- Educational Services
- Import / Export, Wholesale and Retail Trade
- Information (IT and Media)
- insurance
- Production
- mining and quarrying
- Oil and Gas Extraction
- Buying Real Estate Rental and Leasing
- Telecommunications
- tourist accommodation, and food services
- Transportation and Warehousing
- Utilities
- Apparel
- cash crop
- Ceramics
- Cotton Textiles
- Education
- Fishing
- flowers
- Food Processing
- Forestry
- Handtools
- Health
- Horticulture
- Industrial Minerals
- Jewelry
- Minerals Processing
- Property Development
- Roads and Transport
- Sea Food Processing

- DEVELOPING
- Textiles and Garments
- Wood Processing

9. PESTEL ANALYSIS OF GHANA

➤ Political Analysis

- Ghana is moving toward a more stable government.
- Poor Infrastructure.
- High inflation rate and unemployment.

➤ Economic Analysis

- Ghana is heavily dependent on international financial and technical assistance.
- Agriculture remains the mainstay of the economy, more than one-third of GDP and about 55% of formal employment.
- Gold and cocoa production in Ghana's primary export industries act as a contributor.
- Oil production has significantly stronger growth in the next years is expected.
- Ghana is ranked as the world's fastest growing country.

➤ Social Analysis

- No or little support from government business enterprises

- Due to lack of expendable resources available.
- Hierarchy is an important concept in Ghanaian culture. respect of the property, age experience, and position are shown with.
- The maternal mortality ratio is high. A significant contributing factor to maternal mortality in Ghana is the effective use of contraceptive failure. Unsafe abortion is a significant cause of maternal mortality, maternal mortality in Ghana contributes between 20-30 per cent.
- In 2010, there are 400,000 people living with the HIV virus or AIDS, which were Ghanaians. Given this, there is no doubt that the epidemic of HIV HIV / AIDS is having a major effect on Ghana.

➤ **Technological Analysis**

- Ghana suffers from an underdeveloped technical infrastructure
- seen significant growth in mobile telecommunications. The top 10 from Africa Ghana Ghana Telecom industry for the next five years and worth \$ 1.1 trillion, according to the latest World Bank figures, the ICT sector is estimated that the rule is estimated at between countries.

➤ **Environmental Analysis**

- Ghana is one of those countries having abundant natural recourses.
- Rural households rely on land and other natural resources for their livelihoods; fisheries and wildlife provide important sources of protein in the Ghanaian diets.
- Urban economic activities are highly depended on reliable hydroelectric power and fuel.
- The wood-processing industry depends on timber.
- The emerging tourism sector relies on cultural and natural assets.
- Natural resources are also indispensable for most of the economic sectors.
- Ghana's natural resources are overexploited and continue to decline in both quantity and quality.

- Inappropriate crop production methods, mining, and wood processing are adversely affecting forests and savanna woodlands.
- Ongoing soil erosion and reducing soil fertility undermine food and agricultural production.
- In the recent years, rapid urbanization of the economy causes depletion of environmental services.
- Ghana's environmental health as well as standard of living has been on the decline.

➤ **Legal Analysis**

- There is a mixed system of English common law and customary law.
- 18years of age is the suffrage.
- Ghana struggling in accommodating returning nationals who worked in the cocoa plantations and escaped fighting in Cote d'Ivoire.
- One of the controlling executive powers is through judicial review.
- Ghana has chosen to make social progress through the instrumentation of policies and laws that are executed by the executive.
- Heavy Government borrowings have led to extreme long term inflation.
- Corruption exists at the highest government level.

10. Conclusion

In spite of Ghana's strong economic growth in recent years, the country still faces significant challenges in its development, including productivity weaknesses, infrastructure gap, and capacity weaknesses and skills shortages among others. However, the country also enjoys many opportunities, which it is now poised to better exploit to consolidate its economic achievements, and quicken its rate of economic growth and jobs creation.

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IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION
IN
GUJARAT TECHNOLOGICAL UNIVERSITY

UNDER THE GUIDANCE OF

FACULTY GUIDE

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MBA SEMESTER III/IV

(INDU MANAGEMENT INSTITUTE)

MBA PROGRAMME

AFFILIATED TO GUJARAT TECHNOLOGICAL UNIVERSITY

AHMEDABAD

2011-2013

INSTITUTE CERTIFICATE

“Certified that this Global /Country Study and Report Titled “GHANA” is the bonafide work of Mr./MsROHAN(117190592013), PRITESH (2014),HIREN (2015),YAGNESH (2016),KHYATI (2017),NIRAV(2018) , who carried out the research under my supervision. I also certify further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Director Sign

For, Signature of the Faculty Guide

(Certificate is to be countersigned by the DIRECTOR/ HOD)

PREFACE

The global country report is an integral part of the MBA program and it is designed in such a way that student can give maximum knowledge and can get exposure to the global world minimum time.

With the respect and pleasure, we have privilege to submit our report to the kind hands of eminent examination of the **INDU MANAGEMENT INSTITUTE**. MBA is a professional course, to be an MBA student is a matter of pride because through MBA each student is prepared to hold the post of manager very confidently and we are in field which helps us to develop from normal human being into a disciplined and dedicated professional.

We have heard that famous saying “god helps those who helps them selves” and “experience is the best teacher” the global country report on “Ghana” has given us sufficient to fill the gap between the theoretical knowledge.

ACKNOWLEDGEMENT

It gives us great pleasure and personal satisfaction in presenting this report as a part of our global country project on Ghana.

We are indebted to many individual who have either directly or indirectly made an important contribution in the preparation of this report.

We are thankful to our faculty guide **Ms. Pinal Cockshy**, for support and encouragement provide by him.

We are grateful to **GujaratTechnological University**for giving us the opportunity to do this report. And we are very thankful to all faculties of **INDU MANAGEMENT INSTITUTE** for their useful guidance and advice

EXECUTIVE SUMMARY

Each country profile is designed to give a summary of that country, its economy and economic profile. It provides economic indicators, data and statistics, as well as analyses of its history, GDP, GDP growth, GDP per capita, prospects, sectors and international trading relations, imports & exports. We have more in depth sections for the larger economies.

Country population figures are derived from various sources including estimates from national governments, the World Bank, the IMF, and the CIA. Census figures are therefore supplemented by data on births, deaths, immigration, emigration, school intakes, tax payers and any other data sources a government can draw on to estimate its population.

Global Market Directs Aluworks Ltd. Operation Assets Summary Report is an essential source for company data and information. The report examines company Aluworks Ltd Ghana.'s key business structure and operations, history and products, and provides summary analysis of its key revenue lines and strategy. It provides a unique insight into the company's major factories.

This report covers the global market with information on historical and forecast capacities of country and leading companies to 2012. The report provides an in-depth analysis of aluminium product types and application, operating environment based on existing government regulations and future demand trends. The report also provides analysis of trends, drivers, and challenges to the aluminium industry in Asia- Pacific, Europe, Middle East and Africa, North America, South and Central America. The leading players in global aluminium and their investment opportunities and challenges are also examined. The

company analysis includes survival strategies and factors that will differentiate leading refining companies from others to 2012.

Each country evolves a taxation approach to bring in revenues for the government to spend on public services. Country tax regimes are often complex affairs that include income tax, corporate tax, property tax, fuel tax, Value Added Tax (VAT) or Goods & Services Tax (GST), capital gains tax, estate or inheritance tax, and local, regional or state taxes.

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PART-1

ECONOMIC OVERVIEW OF GHANA

PART- 1 ECONOMIC OVERVIEW OF GHANA

1. Overview of demography profile of the country GHANA :

- **Introduction**

Formed from the merger of the British colony of the Gold Coast and the Togoland trust territory Ghana in 1957 became the first sub-Saharan country in colonial Africa to gain its independence. Ghana endured series of coups before Lt. Jerry RAWLINGS take power in 1981 and banned on political parties. After approving new constitution and restoring the multiparty politics in 1992, RAWLINGS wins presidential elections in 1992

and 1996 but it was constitutionally prevented from running for a third term in year 2000. John KUFUOR succeed him and it was reflected in 2004. John Atta MILLS took over as head of state at early in 2009.

- **Population:** 24,652,402 (July 2012 est.)

Year	Population	Percent Change
2000	18.412	2.56 %
2001	18.883	2.56 %
2002	19.366	2.56 %
2003	19.861	2.56 %
2004	20.368	2.55 %
2005	20.889	2.56 %
2006	21.423	2.56 %
2007	21.97	2.55 %
2008	22.532	2.56 %
2009	23.108	2.56 %
2010	23.699	2.56 %

- **Age structure:**

- **0-14 years:** 36.5% (male 4,568,273/female 4,468,939)

- **15-64 years:** 60% (male 7,435,449/female 7,436,204)
- **65 years and over:** 3.6% (male 399,737/female 482,471)

- **Birth rate :**

- 26.99 births/1,000 population (2012 est.)

Country	2005	2006	2007	2008	2009	2010	2011	2012
<u>Ghana</u>	23.97	30.52	29.85	29.22	28.58	28.09	27.55	26.99

- **Death rate:**

- 8.57 deaths/1,000 population (July 2012 est.)

Country	2005	2006	2007	2008	2009	2010	2011	2012
<u>Ghana</u>	10.84	9.72	9.55	9.39	9.24	8.93	8.75	8.57

- **Infant mortality rate:**

- **total:** 47.26 deaths/1,000 live births
- **male:** 50.64 deaths/1,000 live births
- **female:** 43.79 deaths/1,000 live births

Country	2005	2006	2007	2008	2009	2010	2011	2012
<u>Ghana</u>	51.43	55.02	53.56	52.31	51.09	49.89	48.55	47.26

- **life expectancy at birth:**

- **total population:** 61.45 years
- **male:** 60.22 years
- **Female:** 62.73 years (2012 est.)

Country	2005	2006	2007	2008	2009	2010	2011	2012
<u>Ghana</u>	58.47	58.87	59.12	59.49	59.85	60.55	61	61.45

- **Literacy:**

- **definition:** age of 15 and over can it read and write
- **total population:** 67.3%
- **male:** 73.2%
- **female:** 61.2% (2010 census)

Country	1995	2000	2003	2010
<u>Ghana</u>	64.5	57.9	74.8	67.3

- **nationality:**

- **noun:** Ghanaian(s)
- **adjective:** Ghanaian
- **Definition:** This entry provides the identifying terms for citizens - *noun* and *adjective*.

- **religions;**

- Christian 68.8% (Pentecostal/Charismatic 24.1%, Protestant 18.6%, Catholic 15.1%, other 11%), Muslim 15.9%, traditional 8.5%, other 0.7%, none 6.1% (2000 census)

- **Definition:** This entry is an ordered listing of religions by adherents starting with the largest group and sometimes includes the percent of total population.

- **Language :**

- Asante 14.8%, Ewe 12.7%, Fante 9.9%, Boron (Brong) 4.6%, Dagomba 4.3%, Dangme 4.3%, Dagarte (Dagaba) 3.7%, Akyem 3.4%, Ga 3.4%, Akuapem 2.9%, other (includes English (official)) 36.1% (2000 census)
- **Definition:** This entry provides a rank ordering of languages starting with the largest and sometimes includes the percent of total population speaking that language.

- **Net migration rate :**

- -0.56 migrant(s)/1,000 population (2012 est.)
- **Definition:** This entry includes the figure for the difference between the number of persons entering and leaving a country during the year per 1,000 persons (based on the midyear population). An excess of persons entering the country is referred to as net immigration (e.g., 3.56 migrants/1,000 population); an excess of persons leaving the country as net emigration (e.g., -9.26 migrants/1,000 population). The net migration rate indicates contribution of migration to the overall level of population change. High levels of the migration can cause problems such as increasing unemployment and potential ethnic strife (if people are coming

in) or a reduction in the labor force, perhaps in certain key sectors (if people are leaving).

2. A competitive business environment and sustained reductions in poverty levels.

Ghana is well endowed with Economy overview of Ghana

Ghana's economy has been strengthened by a quarter century of relatively sound management natural resources and agriculture accounts for roughly one-quarter of GDP and employs more than half of its workforce mainly are small landholders. The services sector accounts for 50% of GDP. Gold and cocoa production and individual remittances are major sources of foreign exchange.

Oil production at Ghana's offshore Jubilee field began in mid-December 2010 and expected to boost economic growth President mills face its challenges in managing new oil revenue while maintaining fiscal discipline and resisting debt accumulation. Estimated oil reserves had jumped to almost 700 million barrels. Ghana sign Millennium Challenge Corporation (MCC) Compact in 2006 which aim to assist in transforming Ghana agricultural sector.

Ghana opted for debt relief under the Heavily Indebted Poor Country (HIPC) program in 2002 is also benefiting from the Multilateral Debt Relief Initiative that took effect in 2006. In 2009 Ghana sign a three-year Poverty Reduction and Growth Facility with the IMF to improve macroeconomic stability private sector competitiveness human resource development, the good governance and civic responsibility sound macro-economic management along with high prices for gold and cocoa helped sustain GDP growth in 2008-11.

In Ghana, the industries which are included major output in the country like

- Mining
- Lumbering
- Light manufacturing
- Aluminum smelting
- Food processing
- Cement
- Small commercial ship building

In Ghana, the industry production growth is 5% (2010 est.), it means that the industry annual growth increased in Ghana.

In Gross Domestic Products (GDP) , the contribution of different sector which are included,

- Agriculture – 28.3%
- Industry – 21%
- Service – 50.7%

3. Overview of different sector of Ghana economy :

- **Agriculture Sector**

Agriculture is considered as the backbone of Ghana's economy accounting for about 40 percent of the country's gross domestic product, employing 60-70 percent of the labour force and generating more than 55 percent of the foreign exchange earnings.

The Ministry of Food and Agriculture (MOFA) is the one responsible for the development and growth of agriculture in the country with the exception of the Cocoa-Coffee and Forestry sector. These two sectors fall under the Ministries of Finance, Lands and Forestry. MOFA's role is formulation of appropriate agricultural policies, planning, co-ordination, monitoring and evaluation within the overall national economic development.

Many challenges are faced by the agricultural sector of Ghana which are access to credit, poor infrastructure including lack of irrigation development, insufficient and inadequate storage facilities, high transport cost, land acquisition and tenure issues and social and environmental problems.

The country's major exports commodities include cocoa, timber and pineapple. The emerging industrial sector's products include cassava, fruit, and cocoa products.

The sector of seafood is rapidly emerging as one of Ghana's most important industries. The process sub-sector is one of attractive sectors for investment. The Ghana Free Zone can boast one of the major fish processing firms in West Africa, processing about 170 tons of seafood (tuna) a day.

- **Mining Sector**

The mining accounts for around 5% of the GDP and the minerals take up 37% of total exports. The major share of exports of minerals which is around 90% is taken up by gold. The main focus of Ghana's mining and minerals development industry remains focused on gold. Ghana is Africa's second largest gold producer. Gold production reached 2,143 Moz in 2005. The majority of mining is done in the homegrown Ashanti Gold Field which produces nearly half at 37 t from five mining operations. Ghana is also one of the major producers of bauxite, manganese and diamond.

The country is at present home to thirteen large-scale mining companies producing gold, diamonds, bauxite and manganese and also over three hundred registered small scale mining

groups and ninety mine support service companies. Several other organisations involved in producing building and industrial minerals in the country.

Ghana's economic geology is centered on Proterozoic rock are majorly the Birimian and Tarkwian systems. The Birimian belt in the West Africa host nearly all the known gold deposits in the Ghana, Burkino Faso and Cote De Ivoire. Ashanti Gold Belt of thhe South West Ghana, part of volcano sedimentary Birimian Belt, include seven producing mines. The Gold deposits in Birimian are mainly in the form of auriferous quartz veins of 'reefs' and as sulphide ore. The Tarkwian system rocks consist of thick series of the argillaceous sediments resting unconformably on the Biriman. Gold is found in the sediments occurring as blanket reefs or conglomerate beds, similar to those of Witwatersrand in South Africa Alluvial diamonds, about 80% of industrial grade are produced on large scale. Primary kimberliteshad to be found.

- **Tourism**

The available statistics records show that Ghana's tourism sector annually makes almost \$1.1bn in foreign exchange earnings, contribute four percent of national Gross Domestic Product and generate 220,000 direct formal employment nationwide. The spending of tourist in 2006 averaged to about \$1,985 while the average length of stay is 10 days. In that year, the country attract 497,129 tourists.

Ghana Tourism Ministry, aiming to help the country to attain a per capita income of \$1,000 by 2015 through the realization of the sector's full potential in contributing to economic wealth creation, employment generation, poverty reduction, environment conservation as well as national and international cohesion.

The government further seek to attract million tourists into Ghana annually with a corresponding growth in the expansion of tourism plants across the country including restaurants, pubs, night clubs and tourist receptacles.

- **Financial Services**

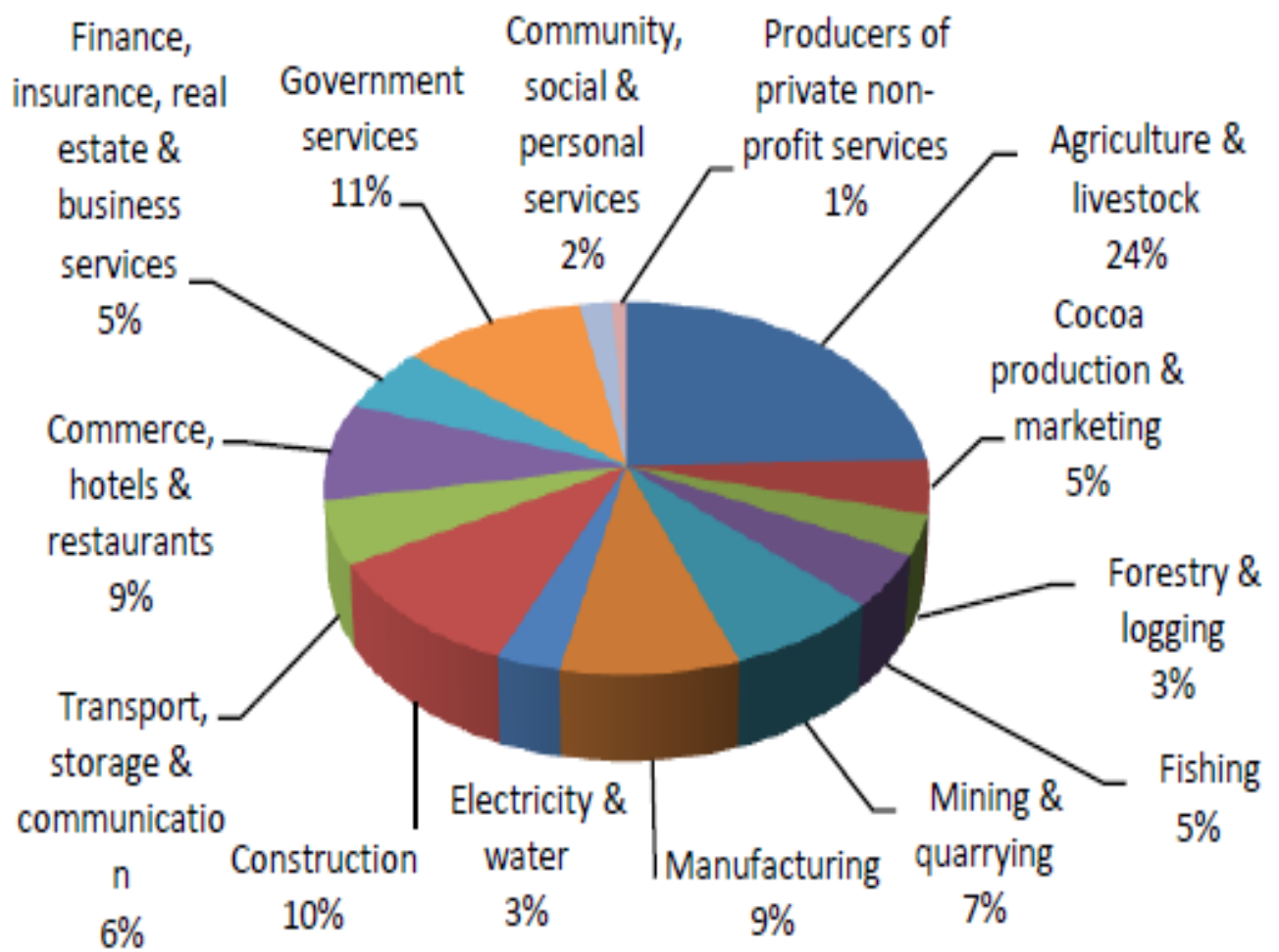
The financial sector in Ghana encompasses a broad range of organizations that deal with the management of money. The financial services industry categorized into three main sectors:

- Banking and Finance (including Non-Bank Financial Services and Forex Bureau)
- Insurance and
- Financial market/capital marke

The Ghanaian government has shown their strong commitment towards the development of the financial sector. In year 2003, the Financial Sector Strategic Plan (FINSSP) got approval from the government and came into power with the aim to broaden and deepen the financial sector. Improve governance in financial market remain an important focus for the continued reform agenda.

Through FINSSP the Government of Ghana intends to promote the evolution of a financial sector which is appropriate for the needs of a country moving towards middle income status. The vision is financial sector which is responsive to the needs of the 21st century, particularly given its prospect of the greater international and regional competition and opportunity for Ghanaian financial market participants.

The Banking Act has made way for the establishment of the International Financial Services Centre (IFSC) by the government. These was setup to increase competitiveness of the Ghanaian banking sector.



4. Overview of Industries Trade And Commerce At International Level

We are in midst of great transition from narrow nationalism to international partnership.

The rise of global business

- Major world market places and U.S. trading partners
- Influences on international business
- International business management
- The impact of difference among nation

Exports - partners: (2011)

- France - 19.5%,
- Netherlands -10.4%,
- US - 8.8%,
- Italy - 8.3%,
- UK - 4.8%

Section	2008	2009	2010	2011
Live Animals; Animal Products	\$31,816,330	\$21,762,784	\$17,928,863	\$31,319,412
Vegetable Products	\$95,787,718	\$53,637,926	\$52,950,050	\$615,677,405
Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	\$8,755,008	\$20,075,560	\$28,980,348	\$70,709,395

Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes	\$1,088,171,517	\$1,183,884,407	\$1,024,430,212	\$2,432,874,995
Mineral Products	\$73,027,140	\$162,874,879	\$105,660,215	\$7,422,686,734
Products of the Chemical or Allied Industries	\$31,646,440	\$55,198,532	\$49,761,677	\$276,556,183
Plastics and Articles Thereof; Rubber and Articles Thereof	\$62,805,371	\$150,231,720	\$103,694,934	\$462,709,114
Raw Hides and Skins, Leather, Furskins and Articles Thereof; Saddlery and Harness; Travel Good, Handbag and also Similar Container Articles of Animal Gut (Other Than Silk-Worm Gut)	\$213,374	\$559,621	\$695,061	\$5,960,297
Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufacture of Straws, of Esparto or Other Plaiting Materials; Basketware and Wickerwork	\$230,557,810	\$183,094,038	\$160,311,014	\$420,638,509
Pulp of Wood or of Other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paperboard; Paper and Paperboard and Articles Thereof	\$1,712,055	\$61,677,932	\$14,610,979	\$472,133,179
Textiles and Textile Articles	\$16,677,409	\$24,405,905	\$14,594,708	\$284,633,234
Footwear, Headgear, Umbrellas, Sun Umbrella, Walking-Stick, Seat-Stick, Whips, Riding-Crop and also Parts of Their Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair	\$156,173	\$88,322	\$435,913	\$7,751,142
Articles of Stone, Plaster, Cement, Asbestos, Mica and Similar Materials like Ceramic Products; Glass and Glassware	\$500,746	\$1,047,268	\$1,969,696	\$8,263,522
Natural or Cultured Pearls, Precious or Semi-Precious Stone, Precious Metal, Metal Clad With Precious Metal and Articles Thereof; Imitation Jewellery; Coin	\$1,734,037,963	\$2,945,249,537	\$3,369,185,573	\$4,852,754,001
Base Metals and Articles of Base Metal	\$73,603,206	\$43,446,459	\$135,106,134	\$151,685,819
Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducer, Television Image and the Sound Recorder and Parts Accessories of Such Articles	\$82,627,914	\$21,969,524	\$56,589,652	\$86,528,208
Vehicles, Aircraft, Vessels and Associated Transport Equipment	\$13,632,840	\$57,557,544	\$10,780,791	\$50,663,531

Optical, Photographical, Cinematographical, Measuring, Checking, Precisional, Medical or Surgical Instruments and Apparatus; Clock and Watche; Musical Instruments; Parts and Accessories Thereof	\$1,765,764	\$1,416,098	\$6,021,745	\$15,743,004
Arms and Ammunition; Parts and Accessories Thereof	\$1,261	\$10,436	\$5,037	\$14,068
Miscellaneous Manufactured Articles	\$10,969,856	\$4,627,790	\$3,398,128	\$11,179,181
Works of Art, Collectors' Pieces and Antiques	\$220,751	\$65,256	\$42,276	\$972,559
Other	\$2,812,999	\$5,559,085	\$10,038	\$2,036,020
Total	\$3,561,499,645	\$4,998,440,623	\$5,157,163,044	\$17,683,489,512

Imports - partners: (2011)

- China - 20.5%,
- Nigeria -12.4%,
- US - 7.8%,
- India - 5.1%,
- Netherlands - 5.1%,
- UK - 4.2%

Section	2008	2009	2010	2011
Live Animals; Animal Products	\$245,538,531	\$164,841,095	\$226,237,597	\$390,994,530
Vegetable Products	\$499,289,702	\$425,010,937	\$380,277,010	\$644,482,451
Animal or Vegetable Fats and Oils and Their Cleavage Products; Prepared Edible Fats; Animal or Vegetable Waxes	\$111,999,935	\$73,123,103	\$85,640,396	\$122,023,278
Prepared Foodstuffs; Beverages, Spirits and Vinegar; Tobacco and Manufactured Tobacco Substitutes	\$326,436,593	\$332,996,438	\$434,751,994	\$611,850,102
Mineral Products	\$1,412,138,905	\$351,377,622	\$282,052,482	\$413,242,808
Products of the Chemical or Allied Industries	\$714,097,767	\$676,479,000	\$842,264,102	\$1,305,384,492
Plastics and Articles Thereof; Rubber and Articles Thereof	\$366,792,761	\$311,324,922	\$387,108,162	\$595,339,274
Raw Hides and Skins, Leather, Furskins and Articles	\$19,882,193	\$14,862,928	\$17,314,421	\$26,747,572

Thereof; Saddlery and Harness; Travel Good, Handbag and Similar Containers Article of Animal Gut (Other Than Silk-Worm Gut)				
Wood and Articles of Wood; Wood Charcoal; Cork and Articles of Cork; Manufacturing of Straw, Esparto and Other Plaiting Materials; Basketware and Wickerwork	\$15,158,802	\$17,970,153	\$23,873,852	\$25,000,561
Pulp of Wood or of Other Fibrous Cellulosic Material; Recovered (Waste and Scrap) Paper or Paperboard; Paper and Paperboard and Articles Thereof	\$125,516,328	\$102,965,869	\$115,324,276	\$1,917,726,350
Textiles and Textile Articles	\$230,681,919	\$211,103,390	\$203,994,889	\$346,382,695
Footwear, Headgear, Umbrellas, Sun Umbrella, Walking-Sticks, Seat-Stick, Whips, Riding-Crops or other Parts Thereof; Prepared Feathers and Articles Made Therewith; Artificial Flowers; Articles of Human Hair	\$41,756,449	\$30,919,523	\$38,428,170	\$69,097,807
Articles of Stone, Plaster, Cement, Asbestos, Mica and Similar Material like Ceramic Products; Glass and Glassware	\$96,681,696	\$92,258,333	\$99,250,790	\$191,510,650
Natural or Cultured Pearls, Precious or Semi-Precious Stones, Precious Metal, Metal Clad With Precious Metal and Articles Thereof; Imitation Jewellery; Coin	\$1,170,793	\$939,893	\$1,379,672	\$2,553,760
Base Metals and Articles of Base Metal	\$601,367,431	\$524,198,323	\$787,624,823	\$844,796,257
Machinery and Mechanical Appliances; Electrical Equipment; Parts Thereof; Sound Recorders and Reproducing Television Image and Sound Recording and Reproducers, and Parts and Accessories of Such Articles	\$1,711,615,542	\$1,259,543,962	\$1,821,533,724	\$2,743,897,250
Vehicles, Aircraft, Vessels and Associated Transport Equipment	\$1,205,998,264	\$1,008,846,206	\$1,087,711,994	\$1,934,576,572
Optical, Photographical, Cinematographical, Measuring, Checking, Precisional, Medical or Surgical Instruments and Apparatus; Clocks and Watches; Musical Instruments; Parts and Accessories Thereof	\$105,341,861	\$110,859,827	\$113,948,225	\$156,385,785
Arms and Ammunition; Parts and Accessories Thereof	\$4,373,009	\$1,442,909	\$1,315,886	\$10,210,350
Miscellaneous Manufactured Articles	\$75,497,158	\$68,955,216	\$76,485,703	\$140,321,647
Works of Art, Collectors' Pieces and Antiques	\$160,401	\$553,293	\$73,273	\$162,516
Other	\$5,326,086	\$196,512,252	\$12,235,169	\$1,652,300
Total	\$7,916,822,126	\$5,977,085,194	\$7,038,826,610	\$12,494,339,007

Business opportunities in Ghana

The Ministry of Trade and Industry (MOTI), Government of Ghana is embarking on large-scale programmed of setting up of at least one medium sized industry in around 100 districts of Ghana. The identified projects are predominantly in the processed food sector, with few project in the textile, ceramic, tourism infrastructure and handicrafts.

MOTI is looking for the strategic partners in India with a proposed minimum equity of 60% as joint venture with local community / district assembly. In addition, the propose projects would provide business opportunity in export of machinery and equipment from India.

Stability and strength

His victory at the 2008 election was extremely narrow, but nonetheless like President he help to strengthen Ghana's economy by turning it into an oil producer. Adding production for oil to Ghana's exporting commodities, which include cocoa and gold, if done right will allow for huge increases in the quality of life in Ghana.early in his career the economy was seen by many of his greatest weaknesses as Ghana was very economy is unstable. But as per time pass President Mills is more commonly acknowledged as the man responsible for Ghana's impressive economic growth.

While President Mahama has taken over the executive helm, time as the President may will be truncated by the election coming up in December. This is one of the most contentious elections for whoever wins will have position themselves and their party strategically ahead. there will be vast array of issues for the incoming president to address with the profitability of oil production the incoming president will most likely enjoy high public opinion and a comfortable budget to work with new tragedy has once again shown the stability that exist in Ghana and the hope that Ghana's future is bright. election plays out and economy grows, perhaps addressing rampant poverty through out Ghana will take a front seat. Certainly, future of GACD would like to see.

Ghana legal structure for business

The federal law stipulate the total local equity of not less than 60% in any commercial or joint venture company define 7 category of business organization which can be establish in Ghana

- General partnership company
- Partnership-en-commendams
- Joint venture company
- Public share holding company
- Private share holding company
- Limited liability company
- Share partnership company

5. PESTLE analysis of Ghana

Political:

Similarly, fiscal decentralization is a glass half full in Ghana. The Government provides the vast majority of MMDAs' fiscal resources through the District Assembly Common Fund (DACF). DACF has risen as a percentage of national revenue: from 5% originally to 7.5 % as of 2010. However, MMDAs complain about the late arrival of funds and the fact that many of the funds come already earmarked for specific purposes, thus constraining the ability of the

local assemblies to allocate the funds to meet their own local priorities. Some DACF funds are also —taken off the top to fund central government or regional priorities without consultation with MMDA officials. For newly created districts, community development funds must be used for local government facility development (office space, residences for DCEs). All these factors limit the district governments’ fiscal autonomy and authority, as well as their ability to plan local development activities.

In addition to the DACF, MMDAs can generate their own financial resources – known as Internally Generated Funds (IGF) – in the form of prescribed taxes, fees, and a limited range of other revenue-generating activities circumscribed by law. MMDAs have complete authority over how they spend their own IGF. However, it must be said that the local —tax base, especially in rural districts, is particularly limited, and within the powers and capacities available the potential to raise much revenue through these means is highly constrained.

- Ghana is moving towards a more stable government.
- Poor infrastructure.
- High inflation rate and unemployment.

Economic:

Ghana’s economic freedom score is 60.7, making economy 84th freest in the 2012 Index. overall score is 1.4 point better than last year due to improvements in four of the 10 freedoms including labor freedom and monetary freedom. Ghana is rank 9th position out of 46 countries in the Sub-Saharan Africa regional, an overall score has rise above world average.

Recording one of the 20 largest score improvements in the 2012 Index, Ghana has become a “moderately free” economy. With 6-point increased in the economic freedom since year 2006 economy are growing at an average rate of 6 percent per year. A vibrant private sector, benefits are from macroeconomic stability and ongoing reform are contributing to the economic expansion are Maintaining momentum for reform will be vital in solidifying an entrepreneurial framework that can sustain long-term economic growth and contribute to a further reduction in poverty.

Lingering institutional impediments to economic freedom include inefficient protection of property rights and weak rule of law. Some progress, corruption remains a serious deterrent to translating overall economic growth into sustained and broad-based economic development.

- Ghana remains heavily dependent on international financial and technical assistance.
- Agriculture remain mainstay of economy, accounting for more than one-third of GDP and about 55% of formal employment.
- Gold and cocoa production industries are contributing Ghana's primary export.
- Oil production is expected to have a significantly strong growth in the years ahead.
- In an economic research of Economy Watch led by Juan Abdel Nasser has ranked Ghana as the fastest growing country in the world in 2011.

Social:

- Business industries are receiving little support from government due to a lack of expendable resources.
- Hierarchy is an important concept in Ghanaian culture. Respect is shown to those who respect to wealth, age, experienced and position.
- The maternal mortality ratio is high and contributing factor to maternal mortality in Ghana is the failure to effectively use contraception. Unsafe abortion is important cause of maternal death is contributing 20-30 percent of maternal death in Ghana.
- In 2010, there were over 400,000 Ghanaians living with the HIV virus that causes AIDS. there is no doubt that HIV/AIDS epidemic is having and will continue to have a major impact on Ghana.

- Rapid population growth rate among the factor contribute to the persistence of poverty and underdevelopment in Ghana, making a significant impact on key development sectors.

Technological:

- Ghana suffer from underdevelop technological infrastructure.
- Mobile telecommunications are seeing significant growth. Ghana is among top 10 countries projected to rule Africa's ICT sector in next five years and Ghana's telecoms industry is estimated to be worth \$1.1 trillion according to recent World Bank statistics.

PART -2

INDUSTRY/SECTOR/

COMPANY SPECIFIC STUDY

ON ALUWORKS LTD.

PART-2 Industry/ Sector/Company Specific Study on Aluworks Ltd

1. Introduction of the Company

ALUWORKS Limited is an aluminium continuous casting and cold rolling mill located at the port City of Tema, Ghana. The company was incorporated as a private company limited by shares on the 24th day of February 1978, and granted a certificate to commence business on the 22nd March 1978.

At incorporation all the shares were owned 100% by the Aluminium Industries Commission (now the Minerals Commission). Subsequently its shareholder base was expanded by private placing to include individuals, institutions, tertiary aluminium processing companies and banks.

The factory was built between 1982 and 1985, and was officially commissioned for production on 21st September 1985 with an installed capacity of 10,000 metric tons of various aluminium products at 70% utilisation. The plant capacity was expanded to 20,000 metric tons per annum in 1992 and to 30,000 metric tons in 2002, and operated with a workforce of about 440. Currently; the labour strength is about 265.

ALUWORKS was converted to a public limited liability company at its 9th Annual General Meeting of Shareholders held on 28th May 1996. After an Initial Public Offer (IPO) in October 1996 at the price of GH 0.135 per share, the company was Listed on the Ghana Stock Exchange on November 29, 1996.

Bonus shares were offered in 2002 at the rate of two shares for each share held. As a result the number of shares increased from 13,893,000 prior to the award, to 41,678,000 in the hands of the public.

2. Services of Aluworks Ltd :

Aluworks is a reliable supplier of good quality Aluminium Coils, Discs, Flat Sheets and Sheet-in-Coil as raw materials for many small and medium-scale factories manufacturing aluminium Household Cooking Utensils, Corrugated Roofing Sheets, and general fabrication throughout the West African sub-region.

Aluworks accepts orders and delivers within six to eight weeks, once satisfactory payment arrangements such as letters of credit, deposits, or bank guarantees have been made by the customer. We package well for export to any location, and our products arrive at our customers premises in guaranteed best condition.

Within West Africa, Aluworks can offer some technical advice and support for the establishment of a new factory for Household Utensil Manufacturing, assist during trial runs with sample materials, and then supply raw materials for full production.

The basic machinery required can be sourced from Ghana and Ghanaian technicians for initial training of personnel can be arranged.

In Ghana and throughout West Africa, factories producing aluminium colour coated sheets and Corrugated Roofing Sheets source their raw materials in the form of Sheet-in-Coil or Flat Sheets from Aluworks Ltd.

Delivery is prompt and our customers do not need to maintain large costly inventory levels, thanks to our proximity.

3. Our Business Principles and Values:

- Priority to Safety.
- Invest in our future and solidify our competitiveness.
- Focus on results, through initiative and extroversion.
- Serve our customers with quality products and services.

- Developed our people, promoting meritocracy and teamwork.
- Operate responsibly towards society and environment.

4. **Company Management Structure :**

ALUWORKS Limited is run by a Board of Directors headed by the Chairman. The Board may consist of not less than (5) five and is currently run by a seven (7) member Board headed by the Chairman. The Board consist of six (6) Non-Executive Directors and one (1) Executive Director. The Board is responsible for setting the company's strategic directions, for leading and controlling the company and for monitoring the activities of the executive management. The Board is also responsible for presenting a balanced and understandable assessment of the company's progress and prospects.

The Non-executive Directors are independent of management and free from any constraints, which could materially interfere with the exercise of their independent judgement. They have experience and knowledge of the industry, markets, finance and other business information to make valuable contributions to the company's progress. The Managing Director is a separate individual from the chairman and he implements the management strategies and policies adopted by the Board. The Executive Director is on contract but none of the other Management personnel are on contract.

The Board of Directors is made up of the following persons:

No.	Name	Position
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1	Mr. KwadwoKwarteng [Ghanaian]	(Chairman)
2	Mr E. KwasiOkoh [Ghanaian]	(Managing Director)
3	Mr. Anthony Fofie [Ghanaian]	(Member)
4	TogbeAfedede XIV [Ghanaian]	(Member)
5	Mrs. Miriam Okwabi [Ghanaian]	(Member)
6	Mr. Victor Djangmah [Ghanaian]	(Member)

5. Vision:

ALUWORKS expects to continue its growth as the leading supplier of aluminium semis to industry in the West African sub-region, an efficient and competitive source of raw materials for the tertiary aluminium factories, and future leader in the manufacture of colour coated sheet and aluminium foil for West Africa and world markets.

6. Mission:

The Mission of ALUWORKS Limited is to manufacture and sell high quality aluminium and other related products in an efficient and competitive manner in order to obtain the best return on capital employed.

**PART 3 Comparative Positions of Aluminium Product with India /
Gujarat**

1. Aluminium Production and Consumption in India

India has the credit of being the fifth largest producer of aluminium in the world. The country has a capacity to produce more than 2.7 million tons of aluminium per year, accounting making up about 5% of the total aluminium production on the globe. India boasts of a massive quantity of Bauxite reserve of about 3 billion tones. India enjoys the eighth position among the leading producers of primary aluminium in the world. The country has been witnessing a phenomenal growth in aluminium production over the past ten years.

There was stagnation in the consumption of aluminium between the 1990s and 2002 when the consumption of the metal was estimated at 500-600 KT. However, since 2002, there has been a sharp rise in the consumption of aluminium in the nation. Chiefly, the industries that lead in the consumption of aluminium are power, infrastructure, and transportation and related firms.

Aluminium industry is one of the leading segments of the Indian economy and is expected to play a significant role in its future growth. Apart from its potentially large, growing market. India is endowed with large deposits of high quality bauxite ore, resources for power generation (coal) and formidable pool of manpower – both skilled and unskilled. Indian aluminium industry is forging ahead with rapid expansion in both Primary metal and downstream sectors. With the Indian economy projected to be amongst the top five in the world by 2020, the overall consumption of aluminium in India is projected to be about 5 million tonnes by 2015, and 10 million tonnes by 2020. Major sectors contributing to Indian aluminium consumption growth, namely, electrical (power), building and construction, packaging and transportation, are expected to grow in double digits during the next decade with this India is likely to achieve a per capita aluminium consumption of about 10kg per annum.

Aluminium is a key component of so many aspects of our life—from the buildings, cars, cans and flights. It ranks amongst the world's most abundant elements. The global inventory of aluminium in use has grown from 90 million tonnes in 1970 to about 600 million tonnes today and is forecast to reach more than 1 billion tonnes by 2020. This is creating vast material and energy storage banks for future recycling use. Aluminium is used in building and construction sectors for its performance like heat conductivity, durability, high strength-to-weight ratio, optimal security, high reflectivity and low maintenance. This sector is forecasted to represent up to 35%. Aluminium is used extensively in the modern power sector. Aluminium's alloy electrical conductors are widely used in overhead electrical transmissions and distribution cables and power systems and substations. In transportation sector, this is one of the most important applications such as it uses in making of cars, trucks, trailers, buses, marine, rail and aerospace.

2. The Aluminium Industry in Ghana

Bauxite, the raw material for the production of aluminium, was discovered in Ghana in 1921 but it was not until the World War II that mining activities began (Dickson and Benneh, 1995). The occupation of France by German troops meant that Great Britain looked for new sources of aluminium for its aircraft construction industry. Accordingly, mining began at Awaso in 1943.

Not much attention has been given to the production of bauxite in Ghana, though it has the potential to become the second most important mineral after gold (Addy, 1998). Production witnessed a downturn for twenty years, between 1970 and 1990 (see Table 1) The biggest decline occurred in the early 1980s (between 1982 and 1984) as a result of the decline of the railway transport system. The bauxite industry depends much on railway transport to carry the ore to the port of Takoradi for shipment. Besides, the discovery of new bauxite deposits in Brazil and Australia where Kaiser had alumina plants made the setting up of a new alumina plant in Ghana an unattractive venture (Saunders, 1983). Thus, Kaiser Aluminium felt it was still economical to import alumina for VALCO from its Kingston, Jamaica plant, despite the 1974 Agreement with the Government of Ghana.

Bauxite Production in Ghana, 1955 – 2003

Year	Production ('000 tons)
1955	164
1960	191
1965	304
1970	337
1975	315
1980	225
1982	63
1984	49
1985	180
1990	382
1995	513
2000	504
2002	684
2003	495

3. The Major Players in the Indian Aluminium Production Sector

Following are the major player in Indian Aluminium industry:-

Hindustan an Aluminium Company (HINDALCO) :

Hindalco is the largest firm in the Indian aluminium industry holding more than 39% of market share. This is a flagship unit of the Aditya Birla Group with its aluminium plant at located at Renukoot in Uttar Pradesh.

The firm manufactures a number of aluminium products making up a market share of 42% in the primary aluminium segment, 20% in extrusions and 63% in rolled products, while 31% of the products are in the wheels and 44% in foils segments.

National Aluminium Company (NALCO) :

NALCO is yet another leading producer of the aluminium metal in India. Government of India has purchased a stake of about 87.15% in this firm. NALCO's aluminium refinery unit is situated at Damanjodi. In addition, the firm also has a smelter unit at Angul, Orissa. At present, NALCO is focussed on a capex project aimed at increasing the volume of its production from 345,000 tonnes to 460,000 tonnes.

MALCO and INDAL :

Sterlite Industries is one another giant in the arena comprising two wings namely BALCO and MALCO. BALCO is a partly integrated firm, MALCO is a completely integrated producer of aluminium. Sterlite company holds a market share of about 32%.

4. Strategic Models used for better analysing of indian aluminium industry :

In order to analyse the Indian Aluminium Industry in a better way, two most important and common models are used which are given below:

4.1 SWOT analysis of the Indian Aluminum Industry:

Strengths:

- Low cost and efficient labour force
- Strong Managerial capability
- Strongly globalised industry and emerging global competitiveness
- Modern new plants & modernized old plants.

Weakness:

- High cost of energy
- Higher duties and taxes
- Labour laws

Opportunity:

- Rapid Urbanization

- Increasing demand for consumer durables
- Untapped rural demand
- Increasing interest of foreign aluminum producers in India
- Globalization

Threats:

- Market fluctuations and China's export possibilities
- Global economic slowdown
- Governance issues.

4.2 Michael Porter's Five Forces Model :

Bargaining Power of Suppliers:

Most domestic players operate integrated plants. Bargaining power is limited in case of power purchase, as Government is the only supplier. However, increasing usage of captive power plants (CPP) will help to rationalize power costs to a certain extent in the long term.

Bargaining Power of customers:

Being a commodity, customers enjoy relatively high bargaining power as prices are determined on demand and supply.

Threat of Competition:

Competition is primarily on quality and price, as being a commodity, differentiation is difficult. However, the recent spate of consolidation has reduced the competitive pressure in the industry. Further, increasing value addition to aluminium products has helped some companies protect themselves from the high volatilities witnessed in this industry.

Barriers to entry :

Large economies of scale. Consequently, high capital costs, time to set up, scarcity of Power, Government factors, land problems, geographical factors etc. are some of the barriers to entry.

Threat of Substitute Products:

Aluminium is comparatively more cheaper, lighter and durable as compared to other metals. Demand for aluminium is estimated to grow at 6%-8%, per annum in view of the low per capita income consumption in India. Also the demand for the metal is expected to pick up

as the scenario improves for user industries, like power, infrastructure and transportation. But copper can replace aluminium in electrical applications; magnesium, titanium and steel can substitute for aluminium in structural and ground transportation uses. Composite wood and steel can substitute for aluminium in construction. Glass, plastics, papers and steel can substitute for aluminium in packaging.

5. The Future and prospects of Aluminium Industry in India

- Prices of aluminium had declined by over 50% in less than 4 months.
- The recovery has also been strong. As a result, many smelters that had curtailed production are again back in action. In addition, some new smelters are on the verge of delivering.
- several factors including high GDP growth rate, skilled employees, highly encouraging Government policy and the favourable trade relations of the nation with a number of developed and developing nations will ensure a bright future for the aluminium industry in the country.
- A study of the aluminium industry in India today reveals that most refineries will be commissioned in the subcontinent around 2020.
- . The scenario existing suggests that India is the right place following Vietnam where aluminium industry can hope to see a bright future.

6. Challenges faced by the Indian Aluminium Industry

- A long term decline in the real price of Aluminium will erode margins of the firms manufacturing primary aluminium.
- The industry will face the pressure to improve return on investment.
- The industry will have intense competition from other materials such as steel and plastics which are the substitutes to aluminium.
- The industry needs to increase the energy efficiency in the aluminium production process. They have to reduce the consumption of electricity consumed in producing aluminium.
- They have to respond appropriately according to the changing demands of global customers.

Table 1 Major Aluminium producing countries and expected production throughout the world

Countries	Production in '000 t			
	2008	% of	2014	% of total

		total		
China	13,695	34	21,481	43
Russia	4,191	10	3,712	7
Canada	3,124	8	756	2
USA	2,658	7	1,754	3
Australia	1,978	5	1,727	3
Brazil	1,661	4	1,684	3
Norway	1,383	3	1,195	2
India	1,348	3	3,958	8

**PART 4 Policies and Norms of Ghana for Aluworks Ltd / Import /
Export including licensing permission, taxation etc**

1. Policies and norms of Ghana for Aluminium industry import/export including licensing permission, taxation etc

Duties:

- When applicable, import duties are calculated on the customs value of the imported goods, which is the transaction value plus all other expenses incidental to the sell and delivery of goods to Ghana.
- The rates of import duties vary depending on the classification of the imported goods pursuant to the combined provisions of the common customs tariff and integrated tariff of World Trade Organization.
- Special rules apply when goods are placed in customs controlled free zones and free warehouses, thus avoiding payments of any duties or taxes, or vat.
- Special rule also apply for temporary importation or for processing.

Use of agents and representatives offices:

- Duties and vat must be paid at the time goods are cleared through customs.
- The use of agents and customs brokers is common.
- Although an import license is not required , terms of payment must normally be arranged through a commercial bank

- Even through acquisition from countries are no longer considered imports, terms of payments for such transaction must also normally be settled through commercial banks.

2. Taxation:

Taxation and Legal entities :

- The profits of all Ghanaian entities, irrespective of their legal form or where the profits are earned, are subject to corporate tax.
- Taxed profits distributed by such entities are not subject to further taxation in the hands of the recipients. By exception, in the case of a partnership, up to three individual general partners having the largest participation in the capital must have up to 50% of their share of the profits taxed in their hands as “business remuneration”.
- The amount of “business remuneration” is deducted from the partnership’s profits in arriving at taxable profits. If a general partner participates in more than one partnership, “business remuneration” is deducted only from one of the partnerships in which he/she declares the highest profits.
- Ghanaian companies are taxed on their profits before distribution. Dividends are distributed from after tax profits and are not subject to further taxation in the hands of the recipient.
- Branches of foreign companies are similarly taxed on their profits. Any profit remittances to their head offices are deemed to be made from after-tax profits without any further taxation imposed.

Taxable Profits:

The taxable profits (or losses) of each year are the profits (losses) shown in the financial statements, derived from the official books kept in accordance with the Code of Books and Records after adjusting for non-deductible expenses and non- taxable income.

Deductible Expenses:

- Expenses qualify for tax deductibility only if :
 - They are stipulated in Ghana income tax law and other special tax provisions.
 - They are properly recorded in the official books and records.
They are properly supported by adequate documentation as specified in the Code of Books and Records.
- They are actual expenses incurred for the purpose of earning taxable income (this is the concept of “productive” expenses).
- They have been recorded in the period to which they relate.
- Amounts paid for the purchase of special staff uniforms required for safety and health reasons or for reasons of uniformity.
- Travel expenses (hotel expenses, travel tickets and meals) incurred by the company’s representatives and managers in foreign countries. Meal expenses cannot exceed the cost of accommodation.

- Rent paid by the company for temporary residence of employees in hotels or houses when such accommodation is located at least 100 klm from the employee's permanent residence.
- Duty paid by the company due to its participation in a collective system of alternative management.
- Expenses paid for use of mobile phones belonging to the company on condition that the number of mobile phones does not exceed the number of company employees. Only 50% of this expense is deductible.
- Expenses for seminars and meetings for company employees or clients, provided that the meetings take place within the prefecture where the company is registered.

3. The basic laws that govern the import sector of Indian economy are as follows:

- Imports shall be free, except in cases where they are regulated by the provisions of this Policy or any other law for the time being in force.
- The item wise import policy shall be, as specified in published and notified by Director General of Foreign Trade, as amended from time to time.

- Every importer shall comply with the provisions of the Foreign Trade (Development and Regulation) Act, 1992, the Rules and Orders made hereunder, the provisions of this Policy and the terms and conditions of any license / certificate / permission granted to him, as well as provisions of any other law for the time being in force.
- All imported goods shall also be subject to domestic Laws, Rules, Orders, Regulations, technical specifications, environmental and safety norms as applicable to domestically produced goods.
- No import of rough diamonds shall be permitted unless the shipment parcel is accompanied by Kimberley Process Certificate required under the procedure specified by the Gem & Jewelry Export Promotion Council.
- Duty credit allowed for import of capital goods, spare parts, office equipment, office furniture and consumables that are importable under ITC (HS). Such import covers all items of the service sector.
- The Customs Act of India governs the process of levying of tariffs on imports and frames the rules and it also specifies the tariffs rates and provides for the imposition of anti-dumping and compensation charges.
- Tariff rates, excise duties, regulatory duties are revised in each annual budget of India.
- Total duties on imports now consist of basic duty which ranges from zero to 65% plus additional or countervailing duties on manufactured "luxury" items, total import taxes may amount to whopping 150% Import duties are product specific and can be revised in mid-year.

4. Present Trade Barriers for Import/Export of Aluminium Products:

Ghana's Business Trade Barriers Strength:

- Ghana exporters getting 94.79 % growth in cocoas paste and also getting 47.40 % growth in fresh vegetable in 5 year.
- Export of cocoa butter and paste to the US increased by 62.8 percent from \$32,000 million in 2009 to a record value of \$86,200 million in 2010 probably due to quality cocoa products produced by the processing industries in Ghana.
- Ghana's industrial sector transports large amounts of cocoas around the world.

Ghana's Business Trade Barriers Weaknesses:

- Ghana getting less benefit of their Manpower because of low literacy.
- Some aspects of Ghana legislation played Important role on the stocking, transport and distribution of aluminium products..
- Ghana's exports are always less than their imports, which causes massive trade imbalance.

Import Licensing

One of the most common non-tariff barriers is the prohibition or restrictions on imports maintained through import licensing requirements. Though India has eliminated its import licensing requirements for most consumer goods, certain products face licensing related trade barriers. For example, the Indian government requires a special import license for motorcycles and vehicles that is very restrictive. Import licenses for motorcycles are provided to only foreign nationals permanently residing in India, working in India for foreign firms that hold greater than 30 percent equity or to foreign nations working at embassies and foreign missions. Some domestic importers are allowed to import vehicles without a license provided the imports are counterbalanced by exports attributable to the same importer.

Standards, testing, labeling & certification:

The Indian government has identified 109 commodities that must be certified by its National Standards body, the Bureau of Indian Standards(BIS). The idea behind these certifications is to ensure the quality of goods seeking access into the market, but many countries use them as protectionist measures.

Anti-dumping and countervailing measures:

Anti-dumping and countervailing measures are permitted by the WTO Agreements in specified situations to protect the domestic industry from serious injury arising from dumped or subsidized imports. India imposes these from time-to-time to protect domestic manufacturers from dumping. India's implementation of its antidumping policy has, in some cases, raised concerns regarding transparency and due process. In recent years, India seems to have aggressively increased its application of the antidumping law. In the first half of the calendar year 2006 India topped the list of countries initiating new anti-dumping investigations with 20 new initiations.

Other barriers:

India maintains a system of cascading tariffs, taxes and other import charges that taken together are often cost-prohibitive. India's tariff regime is characterized by pronounced disparities between bound rates (i.e., the rates that under WTO rules generally cannot be exceeded) and applied rates (i.e., the actual rates charged), and the average applied rate is among the highest in the world. Furthermore, India's tariff schedule is not publicly available in one transparent, easily accessible location, which imposes significant burdens on importers.

PART-5 Potential for Import / Export in India / Gujarat Market

1. Potential for Import / Export in India / Gujarat Market:

Trade between Ghana and India has been on the increase since 2000. Trade volumes for the 2007-2008 reporting period was recorded at US\$948.08 million, with Ghana's share of that total trade being US\$140.54 million.

For 2007-2008, India's total imports amounted to \$235,910.73 million, comprising of commodities such as Crude oil, machinery, gems, fertilizers and chemicals. India's major import partners were Belgium, China, the United States of America and the United Kingdom.



Bilateral trade figures between Ghana and India since 2001 are as follows: (figures in Millions).

Bilateral trade figures between Ghana and India since 2001 are as follows: (figures in Millions).

Year	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008
Imports from India	68.41	105.56	182.67	183.08	200.82	460.71	807.54
Exports from	19.92	18.63	32.93	51.28	78.93	103.13	140.54

Ghana							
Total Trade	88.33	124.19	215.60	234.36	279.75	563.84	948.08

2. Business Opportunities in Future :

- Aluminium production is expected to increase in line with the demand.
- Prices of aluminium had declined by over 50% in less than 4 months.
- The per capita consumption of aluminium metal at developed countries is estimated at about 20 to 30 kg. In most countries.
- A study of the aluminium industry in India today reveals that most refineries will be commissioned in the subcontinent around 2020.
- Aluminium inventories across the globe are near all-time high.

3. More Business Opportunities:

You can do business with in various areas:

- ✓ Crude Oil Supply
- ✓ Cocos and it's paste

✓ Agriculture Products

4. Conclusion and suggestion:

- The economic diversification led by the country, industry has replaced agriculture as a second source of income, behind services, and accounts for around 20% of the GDP.
- There is no business linked between India and Ghana, and also there is much Aluminium Industry in India so there is no potential for Aluminium business in India for Ghana
- The industries concerned must be aware of where H₂S may be found (generated), how it may be released (also unintentionally) and what the impact of such releases may be.
- From the demographic profile of the company population of Ghana is mainly cover age structure of 15-64 years.
- The main industries of Ghana are Agricultures, chemicals, petrochemicals, food and beverages, etc from service sector contribute highest in its GDP.

- The industries need to develop their safety culture, striving for a “zero” or at least minimal release tolerance. Incidents should be reported and investigated and appropriate measures to prevent their repetition adopted and shared within the industrial communities.

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- [www.slideshare.net /Aluminium -products-import-export-Indian-option.](http://www.slideshare.net/Aluminium-products-import-export-Indian-option)
- <http://www.ghana.gov.gh/index.php/information/policy-documents/6109-ghana-trade-policy-from-january-2006-to-december-2010>
- <http://www.startupoverseas.co.uk/starting-a-business-in-ghana/import-and-export.html>
- <http://business.mapsofindia.com/aluminium/>

THANK YOU

A

GLOBAL / COUNTRY STUDY AND REPORT

ON

“NATIONAL INVESTMENT BANK OF GHANA”

Submitted to

Gujarat Technological University

IN PARTIAL FULFILLMENT OF THE

REQUIREMENT OF THE AWARD FOR THE DEGREE OF

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UNDER THE GUIDANCE OF

Faculty Guide

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MBA SEMESTER III/IV



INDU MANAGEMENT INSTITUTE

MBA PROGRAMME

Affiliated to Gujarat Technological University
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Student's Declaration

We, Sachin Patel, Jalpesh Maiyani, Kaushik Vala, Chetan Khichadiya, Kaushik Desai, Shaikh Gulam Ahemad. hereby declare that the report for Global Country Study Report entitled “**NATIONAL INVESTMENT BANK OF GHANA**” in Ghana is a result of our own and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place:

Date:

Signature

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1.1: Demographic Profile of the Ghana:

The Ghana has a population of around 25,241,998 (July 2012 est.) estimates for this country explicitly take into account the effects of excess mortality due to AIDS this can result in lower life expectancy higher infant mortality higher death rates lower population growth rates, and changes in the distribution of population by age and sex than would otherwise be expected. The Population growth rate is 1.787% (2011 est.)

Ghana's population has, since 1970 maintained an average annual growth rate above the world average. At the beginning of the 21st century more than two-thirds of Ghanaians were under age 30, ensuring that the country's high growth rate will continue for some time. Life expectancy although low by world standards, has improved considerably since 1960 and is among the highest in western Africa.

Population fluctuations resulting from emigration became pronounced during the severe economic depression of the late 1970s and early 1980s. The expulsion of more than one million Ghanaian nationals mostly young people without employable skills from Nigeria in 1983 delivered a further shock to the economy when they returned to Ghana but failed to cause major sociopolitical upheavals owing largely to the impressive absorptive capacity of Ghana's indigenous social systems.

The Age Structure of Ghana's 0-14 years: 36.5% (male 4,568,273/female 4,468,939), 15-64 years: 60% (male 7,435,449/female 7,436,204), 65 years and over: 3.6% (male 399,737/female 482,471) (2011 est.)

Years	Population	Female	%	male	%
2012	24,658,823	12,633,978	51.2%	12,024,845	48.8%
2010	24,223,431	12,421,770	51.2%	11,801,661	48.7%

The fall in the proportion of males to females may be partly attributed to the fact that men have left the country in pursuit of jobs.

The Ghana's labor force is 11.44 million (2011est.) And the Net migration rate is -0.56 migrant(s)/1000 population (2011 est.). The Total Infant mortality rate is 47.26 deaths/1,000 live births, Male: 50.64 deaths/1,000 live births, Female: 43.79 deaths/1,000 live births (2011 est.) Maternal mortality rate is 350 deaths/100,000 live births (2010)

With the fertility rate averaging about seven children per adult female and expected to fall only to five children per adult female by the year 2000, the population projection of 35 million in 2025 becomes more credible. A number of factors, including improved vaccination against common diseases, and nutritional education through village and community health-care systems, contributed to the expanding population.

Climate:

The climate of Ghana is tropical, but temperatures vary with season and elevation. Except in the north two rainy seasons occur from April to July and from September to November. In the north the rainy season begins in April and lasts until September. Annual rainfall ranges from about 1,100 mm (about 43 in) in the north to about 2,100 mm (about 83 in) in the southeast. The harmattan a dry desert wind, blows from the northeast from December to March lowering the humidity and creating hot days and cool nights in the north. In the south the effects of the harmattan are felt in January. In most areas the highest temperatures occur in March the lowest in August.

Education:

The Government of Ghana support for basic education is unequivocal. Article 39 of the Constitution mandates the major tenets of the free compulsory universal basic education (FCUBE) initiative. Since 1987, the Government of Ghana has increased its education budget by 700%.

Basic education's share has grown from 45% to 60% of that total. Students begin their 6-year primary education at age six. Under educational reforms implemented in 1987, they pass into a junior secondary school system for 3 years of academic training combined with technical and vocational training. Entrance to one of the five Ghanaian universities is by examination following completion of senior secondary school.

The educational system was originally based on the English grammar school system. But this decade has seen radical changes focusing on the

scientific, technical, vocational, managerial and entrepreneurial skills to meet Ghana's development needs. Proper attention is now also devoted to Ghanaian and African history, art, literature, languages and traditional skills and customs.

The tertiary education system is being enlarged and its facilities improved with substantial funds being allocated every year to the provision of academic and residential infrastructure, journals, computers and other equipment.

1.2 GENERAL ECONOMICS AND INDUSTRIES OVERVIEW

1. GENERAL ECONOMIC OVERVIEW:

Ghana's economy has been strengthened by a quarter century of relatively sound management, a competitive business environment, and sustained reductions in poverty levels. Ghana is well endowed with natural resources and agriculture accounts for roughly one-quarter of GDP and employs more than half of the workforce, mainly small landholders.

The services sector accounts for 50% of GDP.

Gold and cocoa production and individual remittances are major sources of foreign exchange. Estimated oil reserves have jumped to almost 700 million barrels. Ghana signed a Millennium Challenge Corporation (MCC) Compact in 2006, which aims to assist in transforming Ghana's agricultural sector. Ghana opted for debt relief under the Heavily Indebted Poor Country (HIPC) program in 2002, and is also benefiting from the Multilateral Debt Relief Initiative that took effect in 2006. In 2009 Ghana signed a three-year

Poverty Reduction and Growth Facility with the IMF to improve macroeconomic stability, private sector competitiveness, human resource development, and good governance and civic responsibility. Sound macro-economic management along with high prices for gold and cocoa helped sustain GDP growth in 2008-2011.

1. GDP - per capita (PPP)

\$3,100 (2011 est.)

\$2,800 (2010 est.)

\$2,600 (2009 est.)

Note: data are in 2011 US dollars

2. GDP - composition by sector

Agriculture: 28.3%

Industry: 21%

Services: 50.7% (2011 est.)

3. Population below poverty line

28.5% (2007 est.)

4. Labor force

11.44 million (2011 est.)

5. Unemployment rate

11% (2000 est.)

6. Household income or consumption by percentage share

Lowest 10%: 2%

Highest 10%: 32.8% (2006)

7. Investment (gross fixed)

19.9% of GDP (2011 est.)

8. Budget

Revenues: \$8.796 billion

Expenditures: \$10.38 billion (2011 est.)

9. Taxes and other revenues

19.1% of GDP (2011 est.)

10. Public debt

38.7% of GDP (2011 est.)

34% of GDP (2010 est.)

11. Inflation rate (consumer prices)

8.8% (2011 est.)

10.7% (2010 est.)

12. Industries

Mining, lumbering, light manufacturing, aluminum smelting, food processing, cement, small commercial ship building

13. Industrial production growth rate

5% (2010 est.)

14. Electricity - production

8.167 billion kWh (2008 est.)

15. Exports

\$13.13 billion (2011 est.)

\$7.892 billion (2010 est.)

INDUSTRY OVERVIEW

In implementing medium-term policies in the trade sector account is taken of Ghana's objectives of participating fully in the globalized market the rationalization of tariffs and the promotion of intra-regional trade.

Policies are therefore being pursued within the framework of national macro-economic objectives and strategies that take account of the opportunities presented by the Uruguay Round results and other multilateral trade agreements. In the medium term trade sector policies that are the focus of attention are:-

- Creation of a buoyant and self-sustaining export sector
- Expansion of domestic trade thereby ensuring the countrywide availability of goods at reasonable prices
- Pursuit of efficient and effective import management practices
- Adoption of anti-monopoly legislation and other regulations to protect the consumer
- Pursuit of anti-dumping policies in international trade through rationalization of all tariffs and the identification of all non-tariff barriers to trade
- Active and effective participation in multilateral trade to secure increased market access for Ghana's export especially processed and semi-

processed goods and to achieve stable, fair and remunerative prices for commodities of export interest to Ghana.

- The thrust of the industrial policy is the promotion of an accelerated and sustainable industrial development within a liberalized and global economic development.
- Increasing industrial share of GDP to 37% from the current level of 16% with an average growth rate of 12%.

1.3. GENERAL OVERVIEW OF TRADE AND COMMERCE

The promotion of Ghana's foreign trade has been central to all government plans to revive the economy since 1983. Under the

ERP export-producing industries received the most direct support; they also received the most indirect support through the improvement of their proximate infrastructure. By promoting exports the government sought to obtain foreign exchange essential to repay debts and to ease the country's restrictions on imports. Imports of course are also necessary to upgrade many of the export industries hamstrung for lack of equipment.

Export of Ghana:

The main exports - gold, cocoa, diamonds, timber, manganese and bauxite - known as “traditional” items are now increasingly supplemented by processed and semi-processed industrial and agricultural products with tourism as the third largest foreign currency earner after cocoa and gold.

According to the Ghanaian government these resources could be used to develop local manufacturing the goal Nkrumah tried to reach through direct state intervention thirty years ago. Local manufacturing could create jobs cut the import bill, and provide a more diversified economic base. The question for Ghana is whether free-market forces will be more successful in promoting healthy economic expansion than the failed policies of direct state intervention.

As Ghana assumes this new position of oil producer and middle-income country, it must learn to effectively deal with the related pressures from the citizens to increase expenditures in order to overcome infrastructural deficiencies institutional weaknesses as well as improve economic wellbeing. With these legitimate pressures come

questions of financing –from domestic revenue mobilization foreign aid and borrowing and their consequences.

Ghana also maintains a relatively open trade regime with the rest of the world. Its Most Favored Nation Tariff Restrictiveness Index (TRI) is 9%, below both the Sub-Saharan African and low income country group average of 11.3% and 11.6% respectively. Ghana initiated an interim Economic Partnership Agreement with the EU at the end of 2007 but has not yet signed the agreement.

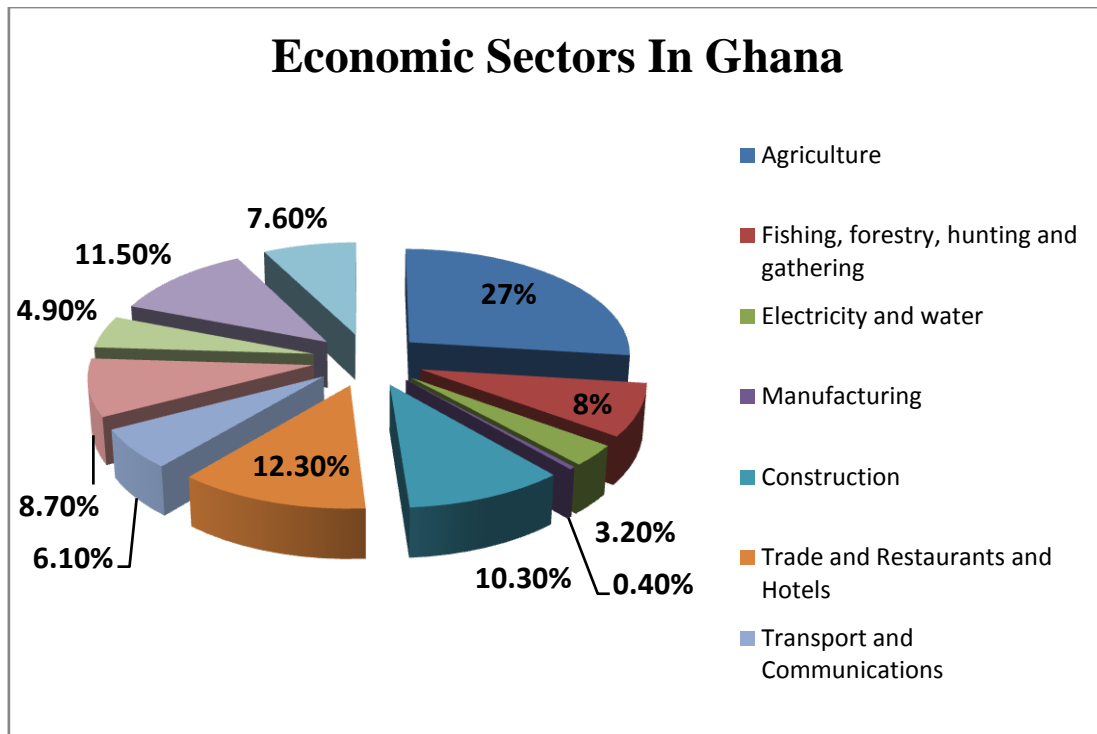
Ghana maintains good relations with its traditional trading partners and donors especially the US and the UK both of which have a large Ghanaian Diaspora. In addition Ghana has good relations with many emerging countries, backed by funding for various projects.

The main industrial crops are palm oil, cotton, rubber, sugar cane, tobacco, and kenaf the latter used in the production of fiber bags. None is of strategic economic importance and all apart from oil palms have suffered as a result of the country's economic difficulties. Despite claims that such crops could assist local industrialization efforts the government has not focused the same attention on this sector as on export crops.

Cotton production expanded rapidly in the early and mid-1970s, reaching 24,000 tons in 1977, but it fell back to one-third of this figure in 1989. Since the reorganization of the Ghana Cotton Development Board into the Ghana Cotton Company, cotton production has steadily increased from 4 percent of the country's national requirement to 50 percent in 1990. Between 1986 and 1989, Ghana saved US\$6 million

through local lint cotton production. The company expected that between 1991 and 1995, about 20,000 hectares of land would be put under cotton cultivation, enabling Ghana to produce 95 percent of the national requirement.

1.4. Different sector of Ghana economy:



[1] Financial Service Sector:

The financial sector in Ghana encompasses a broad range of organizations that deal with the management of money. The financial services industry is categorized into three main sectors:

- Banking and Finance (including Non-Bank Financial Services and Forex Bureau)
- Insurance and
- Financial market/capital market

The Ghanaian government has shown their strong commitment towards the development of the financial sector. In 2003, the Financial Sector Strategic Plan (FINSSP) got the approval from the government and came into power with the aim to broaden and deepen the financial sector. Improved governance in the financial markets remains an important focus for the continued reform agenda.

[2] Service Sector

The services sector is the fastest growing area of the Ghanaian economy.

Ghana has taken on the features of a present day industrialized country with a large service sector without having gone through the prior stage of developing the agriculture and industry base of the economy. The service sector includes the buying and selling of goods

Recently, the service sector has displaced agricultural as the biggest contributor to national income that's according to the first ever half year national income estimates released by the Ghana statistic service. According to figures, the service sector contributed 36.1% and its growth rate is 6.1%.

Service sector content:

- Trade, Repair of Vehicles, Household Goods
- Hotels and Restaurants
- Transport & Storage
- Information & Communication
- Financial & Insurance Activities
- Real Estate Activities
- Business & other Services Activities
- Public Administration
- Education
- Health & the Personal Service Activities

[3] Industry sector

The industrial sector of the country is relatively small and mainly government owned it is in this light that the President of the country initiated the President's Special Initiative to expand the industrial sector to employ some of the unemployed and promote private sector investment. Again, most of the firms in the industrial sector of the nation are not engaged in exports.

The Industry sector recorded the highest growth rate 7%.And its contribution was 28.3%.

Industry sector mainly content:

- Mining and Quarrying
- Manufacturing
- Electricity
- Water & Sewerage
- Construction

1.5 Legal Aspect Of Trade In Ghana:

To ensure that legal timber exploitation does not have negative consequences for community livelihood CDI and partners are completing studies, reviewing policies and training local officials to manage forestry industries

- Mapping the consequences :

An international agreement on trade in legally produced timber concluded by the European Union and Ghana is intended to combat supplies of illegally logged timber from Ghana. Wageningen is studying the consequences of this agreement for the livelihood of local communities.

- Logging in Ghana:

Ghana's forests are disappearing rapidly primarily due to logging commercial logging for export and the domestic market. About 80% of this logging is illegal.

- Improved dialogue:

The researchers are working on an improved dialogue between those affected by the agreement and policy makers in eight Ghanaian councils. These councils are located in the high forest zone. The area where most illegal timber is logged

1. Business Opportunities. Ghana seems to be very interested in promoting foreign investment in Ghana and attracting foreign businesses to Ghana.

This Maritz Publishing site provides information on transportation infrastructure opportunities in Ghana. .

2. Problems Reported on When Doing Business in Ghana.

This Inc. article describes several problems that a Ghanaian businessman has experienced while conducting business in Ghana.

3. Setting Up and Getting Started in Business in Ghana.

This World Bank site gives the estimated time needed and the costs to complete several steps to set up a small to medium size business in Ghana. This site, maintained by a Ghanaian law firm, describes the various types of business organizations in Ghana.

A How article, by Amanda Larson, provides details on registering a business in Ghana.

4. Overall Management of a Business in Ghana.

This PDF file is an article written by Hany Besuda on the experiences that South African companies had (in 2004) when conducting business in Ghana.

5. Accounting.

Ghana adopted the International Financial Reporting Standards in 2007 as indicated at this site. The Institute of Chartered Accounts Ghana (ICAG) regulates the accounting profession in Ghana. This includes certification programs for accountants. Only ICAG members are licensed to do audits This 2004 World Bank report (PDF file) evaluates the accounting and auditing profession in Ghana, and makes several recommendations.

Although there is no reason why United States (e.g. QuickBooks), South African (e.g. Pastel), and other country software cannot be used in Ghana (such software is being used), a problem is that in-country training on the software seems to be not readily available. Also, the number of support vendors having expertise in the software seems limited. For example, only the website of one QuickBooks Pro-Advisor could be found.

Accounting firms that provide accounting (and possibly auditing) services are listed in these two directories.

6. Banking and Payments.

According to the information at this website, most Ghanaians still do not have bank accounts. So, such customs as using check and credit card payments are still not routine in Ghana. Most payments are made using cash. Some initiatives attempting to increase credit payments are discussed site.

Some information on electronic payment system development in Ghana is provided at these two sites.

The Central Bank of Ghana website has information about Ghanaian banking practices including electronic payments.

At this link is access to a Master's thesis that evaluates the use of electronic payments in Ghana (as of 2004).

At least one bank, Ecobank, does offer a credit card, as described at this site. This Wikipedia site lists banks in Ghana. Links to other Wikipedia sites provide details on the banks.

7. Information and Communications Technology Support.

Several Ghanaian companies offer information and communications technology (ICT) services. Here are several links to individual company websites.

8. Taxes.

This World Bank site shows the amount of taxes (and contributions) that a medium size Ghanaian company pays in a year.

Ghana's Revenue Authority, which will absorb Ghana's Internal Revenue Service; the Customs, Excise and Preventive Service; and the Value Added Tax Service, has information on taxes at its website.

For now, Ghana's Custom Excise and Preventive Service and Value Added Tax Service sites continue to exist and have websites.

9. Employment.

This International Labor Organization site reviews the employment laws in Ghana

The Ghana Immigration Service site lists regulations for foreign employers and foreign workers providing jobs and working in Ghana.

10. Importing and Exporting.

Ghana's Ministry of Trade & Industry provides information on Ghana's international trade at this site.

At these Customs, Excise and Preventive Service sites, users can submit trade documentation electronically to Ghana customs agencies. Registration is required.

This World Trade Organization (WTO) site gives tariff data for WTO members, including Ghana. Recent Ghanaian pronouncements relevant to imports and exports and trade disputes are also available at this site.

Trade data between Ghana and the United States is provided at this United

States Trade Representative site.

This site lists several freight forwarders that operate in Ghana.

REGISTRATION		
a)Wholly Ghanaian Owned business	Free	Free
b)Joint-venture (ie \$10,000)	1000	920
c) Wholly Foreign (ie \$50,000)	2500	2300
d)General Trading (ie \$ 300000)	5000	4600
e)Renewal (Every 2 years)	1500	1380
f)Certificate Replacement	100	92
g) Liaison Office	7500	6900
h) Tourism		
Up to \$500/000 investment	1000	920
\$500/000 - \$2million investment	5000	4600
above \$2million investment	10000	9200
i)All Strategic Investment (LI 1817 and section 25)	20000	18400

1.6 Present Trade Relations Of India With Ghana:-

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 Presiden, Dr. Kwame Nkrumah. The two great leaders also enjoyed a close friendship. In addition, there were several Ministerial visits including that of the Foreign Minister for the NAM Ministerial Conference in April 1986..

The Minister of Trade and Industry of Ghana Ms. Hanna Tetteh led the Ghanaian delegation to the Joint Trade Committee in January, 2011 and in January, 2012 for the 18th Partnership Summit (New Age Innovation Partnership, 2012) held at Hyderabad. Mr. Kwesi Ahwoi Minister of Food and Agriculture led a Ghanaian delegation to India from 21-26 March, 2011 for discussions on the joint venture fertilizer project.

In recent years, India-Ghana relations have been enriched by enhanced South-South cooperation efforts between the two countries. India has been participating in Ghana's development by providing assistance in setting up projects in the spirit of South-South cooperation through provision of Lines of Credit or grants. Amongst recent projects are the India-Ghana Kofi Annan Centre of Excellence for ICT, the Flag Staff House, the Pan African E-Network Project and rural electrification. Currently a number of projects are at various stages of process, including sectors such as fisheries, waste management, railway equipment agro-processing, fire-tenders, etc. Ghana has also been a participant in India's contribution to the human resource development in developing countries through programmes such as the Indian Technical and Economic Cooperation (ITEC). In 2010-11,

A memorandum of understanding was signed on 6 July, 2010 between India and Ghana for the setting up a US\$ 1.2 billion Joint Venture Fertilizer Project using gas to manufacture fertilizer. The Memorandum of Understanding (MOU) on Government of India's financial and technical assistance of Rs. 38.53 million (US\$ 0.86 million approx.) to the India-Ghana Kofi Annan Center for Excellence in IT was signed by the Ghanaian Minister for Foreign Affairs, Alhaji Muhammad Mumuni and the High Commissioner Mrs. Ruchi Ghanashyam on 30.3.2011.

The exchange of business delegations have led to an increase in investments by Indian companies in Ghana in sectors like construction, manufacturing, trading, services and tourism and in areas such as steel, cement,

plastics, pharmaceuticals, ICT, agro-processing and agricultural machinery, electrical equipments, chemicals, etc. A number of Indian companies are establishing their presence in Ghana, both from the public and private sector including the Bank of Baroda, Tata, Bharti, Airtel, Ashok Leyland, Mahindra & Mahindra, Escorts, Larson & Toubro, Shapoorji Pallonji & Co, NIIT, DSC Ltd. as well as several pharmaceutical companies. Indians are the largest foreign investor in Ghana in terms of number of projects.

India was the “country of focus” in the 10th Ghana International Book Fair held at the Ghana Trade Fair Centre, Accra, from 1-6 November, 2011. Shri Sunil Gangopadhyay, President, Sahitya Akademi, led a 10-member official delegation, and over 30 Indian book publishers participated in the Fair.

The High Commission celebrated the 150th birth anniversary of Gurudev Rabindranath Tagore with various programmes in Accra. The salient feature of the celebration was the “Cultural Evening” of music, dance, poetry recitation based on the works of Gurudev Rabindranath Tagore organized by the High Commission with the participation of local Indian artists and Ghanaian artists which was attended by over 400 invited dignitaries, including political leaders, academicians, artists and diplomats. The function was highly appreciated by the audience and widely covered in the media.

An 8-member Ghanaian dance troupe of Noyam Dance Institute, Accra, sponsored by the Government of India, participated at the 2nd India Africa Forum Summit (IAFS-II), at Addis Ababa in May 2011. A Ghanaian craft artist also participated at the event.

There is substantial Indian community in Ghana numbering about 7000-8000. Some of them have been in Ghana for over 70 years. The business activities of Indians in Ghana have contributed in a major way to India being the second highest investor in Ghana in terms of number of projects.

1.7 Imports and Exports of Ghana:-

❖ IMPORTS

Imports in Ghana decreased to 4180.80 USD Million in the first quarter of 2012 from 4225.19 USD Million in the fourth quarter of 2011. Imports in Ghana is reported by the Bank of Ghana. Historically, from 2003 until 2012, Ghana Imports averaged 2117.63 USD Million reaching an all-time high of 4225.19 USD Million in November of 2011 and a record low of 692.74 USD Million in February of 2003. Ghana imports mostly industrial supplies, capital and consumer goods and foodstuffs. It's main imports partners are China, United States, Belgium, United Kingdom and France. This page includes a chart with historical data for Ghana Imports.

❖ EXPORTS

Exports in Ghana increased to 4040.10 USD Million in the first quarter of 2012 from 2976.02 USD Million in the fourth quarter of 2011. Exports in Ghana is reported by the Bank of Ghana. Historically, from 2003 until 2012, Ghana Exports averaged 1403.7 USD Million reaching an all time high of 4040.1 USD Million in February of 2012 and a record low of 565.1 USD Million in February of 2003. Ghana's main exports are gold, cocoa beans and timber products. Others include tuna, aluminum, manganese ore, diamonds and horticulture. It's main exports partners are Netherlands, Burkina Faso, South Africa and United Kingdom.

1.8 Business Volume Of Different Products Of Ghana:-

1. Agriculture

Agriculture is Ghana's most important economic sector, employing more than half the population on a formal and informal basis and accounting for almost half of GDP and export earnings. The country produces a variety of crops in various climatic zones which range from dry savanna to wet forest and which run in east west bands across the country. Agricultural crops, including yams, grains, cocoa, oil palms, kola nuts, and timber, form the base of Ghana's economy.

2. Manufacturing

Industry in Ghana accounts for about 25.3% of total GDP. However, Ghana's industrial production is rising at a 7.8% rate, giving it the 38th fastest growing industrial production in the world due to government industrialization policies.

Ghana's most important manufacturing industries include light manufacturing, aluminum smelting, food processing, cement, and small commercial ship building. A relatively small glass-making industry has also developed due to the high-quality sand available from the Tarkwa mining area. The lack of capital has slowed growth in Ghana, but foreign capital has increased in recent years. Most products are for local consumption, and most of Ghana's exports are raw materials. Other industries include the production of

food and beverages, textiles, chemicals and pharmaceuticals, and the processing of metals and wood products.

3. Energy:

Ghana gets 97% of its energy from damming lake Volta and exports much of this to neighboring countries, however organisations such as the Ghana Nuclear Society have advocated the introduction of nuclear power into Ghana and indeed the country now has an atomic energy commission.

1.9 Investment In Ghana:-

The success of Ghana's governance and development agenda is inextricably linked to the new Ghana's ability to attract foreign investments. The new Ghana will not tolerate corruption. It will not tolerate bureaucratic inefficiency. It will not tolerate opaque government decision-making.

Of the emerging nations of the world, Ghana is an attractive investment opportunity based on the following investment criteria:

- Abundant natural resources
- Stable democratic climate
- Favorable foreign investment
- Adequate transportation
- Educated work force
- Growing economy
- Low taxation levels

1.10 SWOT ANALYSIS OF GHANA

Strengths:

- Ghana is strategically located within West Africa and has easy access to the ECOWAS market. The location of Ghana, coupled with the relatively stability that the country enjoys make Ghana a gateway for regional trade and investment into the West African sub-region of a market of over 260 million people. These, coupled with the proximity of Ghana to EU and USA markets as well as duty and quota free access to USA (AGOA) and EU (ACP-EU) markets makes Ghana a preferable place to do business.
- The economy of Ghana has experienced a steady positive growth as a result of policy reforms, namely prudent fiscal policy management, effective monetary policy and a well-managed debt and international trade regime. This has led to improved microeconomic performance and created an enabling business environment. These reforms have been achieved by reduction in inflation, fairly stable exchange rate, relatively low interest rates and economic growth.
- Ghana's Trade Policy promotes the private sector as the engine of growth, with government providing a trade enabling environment to actively stimulate private sector initiatives.
- Ghana has a dynamic private sector willing to collaborate with foreign partners. It also has abundant, adaptable and easily trainable labour force. The good and ever improving physical infrastructure of roads, telecommunication, electricity and harbor facilities as well as extensive and generous investment incentives promote business in Ghana.

Weaknesses:

- Given the vast agricultural potential of the country and the general lack of support in the past, it is estimated that the country's agriculture may be operating at about 50% of its potential, thus depriving the country of achieving its planned economic growth and poverty reduction.
- Despite the country's vast resources of forages and existence of the necessary internal market, its livestock base is very modest and has not offered the expected rapid growth. Domestic livestock provides a mere 30% of the nation's requirement. The contribution of the skin and leather industries to the economy is insignificant as a result of the low livestock population. The use of the skin as part of the meat by some sectors of the population affects the volume of skin available for processing. Poor husbandry practices such as hot metal branding of cattle and tick infestation have also resulted in poor quality leather.
- There is no large scale tannery in the country for processing of skins. This has resulted in a concomitant lack of large scale leatherwork factories. Though export of locally produced leather products is improving, the country is registering low unit price for Djemba drums (a musical drum with animal skin) which might be attributed to the varying sizes, design, and quality, type of packaging and mode of transportation.
- Ghana's reliance on single source of hydroelectric generation affects productivity of manufacturers during periods of low water levels of the Volta Lake.

Opportunities:

- Agriculture sector of contributes about 35% of the country's GDP, employs about 55% of its workforce, and provides livelihood to about 70% of the population. It also accounts for some 30% of the country's

export earnings and approximately 12% of tax revenue. The sector therefore is aptly described as the mainstay of the Ghanaian economy. The government has put in place strategies to transform the sector through formulation and implementation of policies and programmes to make it attractive to both local and foreign investors. There is a considerable growth opportunities for investing in industrial, fruit and vegetable crops production, livestock production, aquaculture, agro-food processing, sea-food processing and floriculture.

- The majority of developed countries provide Ghana with preferential market access under schemes such as the Generalized System of Preference and AGOA. There is scope for enhanced utilization of these opportunities by the private sector.
- Ghana has the potential for development of information and communication technology, textile/ apparel manufacturing, Jewry and handicraft production, light industry/assembling plant, ceramic tiles manufacturing, property development, pharmaceuticals and ethnic beauty products manufacturing. Opportunities also exist in the metal/hand tool fabrication industry for investment.
- Tourism is one of the fastest growing sectors of the economy, and holds a lot of attraction for investors. Ghana is home to 33 historic forts, castles (including the seat of the government) and monuments which are visited daily by a large number of tourists. Numerous opportunities exist for investment in provision of hotel accommodation, beach, lake and water resort development, development of lodges and National Parks. A newly introduced LI (1817) with its mouth-watering incentive packages has rendered the sector very attractive.
- As complement to multilateral efforts, there is a scope to develop improved access to selected markets on bilateral basis. This will lead to

increased export opportunities and cheaper imports of inputs for local production.

Threats:

- Unfair competition from smuggled goods, including leather products, into the country and the taste of local consumers for foreign goods affect the demand for locally produced goods.
- Agricultural subsidies as well as non-tariff barriers on some imported goods restrict production opportunities on some locally goods.
- Enhanced access to foreign products will reduce government tariff revenue, raise hard currency requirements for increased imports and subject domestic industry to greater competition with imported products.

1.11 PEST ANALYSIS IN GHANA

Political:

- Ghana is moving towards a more stable government.
- Poor infrastructure.
- High inflation rate and unemployment.

Economic:

- Ghana remains heavily dependent on international financial and technical assistance.
- Agriculture remains a mainstay of the economy, accounting for more than one-third of GDP and about 55% of formal employment.
- Gold and cocoa production industries contribute as Ghana's primary export.
- Oil production is expected to have a significantly strong growth in the years ahead.
- In an economic research by the Economy Watch led by Juan Abdel Nasser has ranked Ghana as the fastest growing country in the world in 2011.

Social:

- Business industries are receiving no or little support from the government due to a lack of expendable resources.
- Hierarchy is an important concept in Ghanaian culture. Respect is shown to those with wealth, age, experience and position.
- The maternal mortality ratio is high. One significant contributing factor to maternal mortality in Ghana is the failure to effectively use contraception. Unsafe abortion is an important cause of maternal death, contributing between 20-30 percent of maternal deaths in Ghana.
- In 2010, there were over 400,000 Ghanaians living with the HIV virus that causes AIDS. Given this, there is no doubt that the HIV/AIDS epidemic is having and will continue to have a major impact on Ghana.
- Rapid population growth rate is among the factors that contribute to the persistence of poverty and underdevelopment in Ghana, making a significant impact on key development sectors.

Technological:

- Ghana suffers from an underdeveloped technological infrastructure.
- Mobile telecommunications are seeing significant growth. Ghana is currently among the top 10 countries projected to rule Africa's ICT sector in next five years and Ghana's telecoms industry is estimated to be worth \$1.1 trillion according to recent World Bank statistics.

1)Introduction of Ghana National Investment Bank

Established in March 22, 1963 the National Investment Bank Ltd. was the first development bank in Ghana to promote and strengthen rapid industrialization in all sectors of the Ghanaian economy. NIB Ltd, now operates as a universal bank in focusing on development commercial banking activities.

NIB Ltd. has undergone management institutional and financial restructuring which has strengthened the organization and now has 27 branches nationwide.

NIB Ltd. has in the past participated in foreign lines of credit, which were administered by Bank of Ghana to meet term loan and working capital needs of the Bank's customers.

We are also one of the designated financial institutions which sources funds from Export Development and Investment Fund (EDIF) for on lending to exporters as Term and Working capital loans.

The Bank was awarded the prestigious Euro Market Award in 1994 and recently won the 2003 Best Bank of the Year for Long Term Loan Financing.

We play a leading role in developing a number of highly successful industrial projects in Ghana, through equity and debt financing. Some of these are Nestle Ghana Ltd., Nexans Kabelmetal (Ghana) Ltd., Merchant Bank (Ghana) Ltd. and Total Ghana Ltd.

✓ Products and Services

Apart from its development banking activities NIB Ltd. also provides corporate and commercial banking facilities involving both domestic and foreign transactions at very competitive rates and on flexible terms. They include Current and Savings Account, Call Deposits, Fixed Deposits, Loans and Advances, Personal Loans, Overdrafts, Western Union Money Transfer, Mobile Cash Management Services and Warehousing.

NIB Ltd. is networked nationwide and renders efficient banking services.

To ensure that our customers receive consistent and efficient services, highly trained personnel of the Bank attend to standard banking needs promptly. We also deliver quality service tailored to meet requirements of customers.

VISION

To be the most renowned Ghanaian bank for growth and efficiency

MISSION

Our mission is to offer the highest-quality customer-focused banking services to our clients and to create value for our shareholders.

CORE VALUES

- **Competence**-*We will be efficient and effective in our work to give our best each day.*
- **Creativity**-*We will come out with innovative ideas in providing solutions to our customers' needs.*
- **Candour**-*We will act with honesty and integrity in all our activities.*
- **Collaboration**-*We will cooperate with each other to give the best service to our cherished customers.*
- **Community**-*We will contribute to society by being active, responsible and generous members of the communities we find ourselves in.*
- **Commitment**-*We will be committed to quality in all our endeavours and to the ideals of this great institution*
- **Customer Service Excellence**-*Above all, we will ensure that we always exceed the expectations of every single customer, every single time.*

Coorusepondent bank

- [BHF Bank A. G.](#)
- [American Express Bank GmbH](#)
- [UBS AG](#)
- [Credit Suisse](#)
- [Ghana International Bank Plc](#)
- [Standard Chartered Bank](#)
- [Citibank N.A.](#)
- [JP Morgan Chase Bank](#)
- [WestLB Ag.](#)

Contribution To State Of Ghana

Instructively, NIB Ltd. is the biggest provider of medium and long-term loans in addition to working capital. The NIB Ltd. also has a vast experience in the management of funds. Using its leading position and knowledge in the capital finance market and its close relations with the world's reputable credit agencies, NIB has been a market leader in arranging and providing funds from various sources for onlending.

The Bank has also managed a number of funds on behalf of the Government of Ghana. The Timber Sector Rehabilitation Project is the most important Fund managed by the Bank on behalf of the Government under the Economic Recovery Programme. The objective was to provide foreign exchange funding to timber companies to enable them purchase timber equipment, vehicles & spares and raw materials for the rehabilitation and reactivation of dwindling and idle capacities.

NIB Ltd. participates in foreign lines of credit being administered by Bank of Ghana including Fund for Small and Medium Enterprise Development (FUSMED) and Private Enterprise and Export Development (PEED) Project to meet term loan and working capital needs of the Bank's customers. The Bank is also one of the designated financial institutions which sources funds from the Export Development and Investment Fund (EDIF) for onlending to exporters as Term and Working capital loans.

The Role Of Banks In The Ghanaian Economy

Money lending in one form or the other has evolved along with the history of mankind. Even in the bible there are references to moneylenders. Shakespeare also referred to 'Shylocks' who made unreasonable demands in case the loans were not repaid in time, along with interest.

Ghana's history is also filled with instances where indigenous money lenders had mortgaged the landed property or anything of value of the borrowers.

In the post independence period, extensive government intervention characterised the financial sector. Basically, all of the banks set up between the early 1960s and the late 1970s were wholly or majority owned by the public sector, while the government also acquired minority shares in the two already established foreign banks in the mid-1970s.

Prior to the economic and financial sector reforms, interest rates were administratively controlled by the Bank of Ghana (BOG) and a variety of controls were also imposed on the asset allocations of the banks, such as sectoral credit directives.

The motivation for these policies was the belief that because of market imperfections and the nature of the financial system inherited from the colonial period, the desired pattern of investment could not be supported without extensive government intervention in financial markets.

Basically, policies were motivated by three objectives: to raise the level of investment and quicken the pace of development, to change the sectoral pattern of investment, and to keep interest rates both low and stable (Gockel, 1995, p117).

Financial sector policies were characterised by severe financial repression, real interest rates were steeply negative and most of the credit was channelled to the public sector.

To fill the perceived gaps not served by the commercial banks, especially for long-term finance, three development finance institutions (DFIs) were set up: the National Investment Bank (NIB) in 1963 to provide long-term finance for industry; the Agricultural Development Bank (ADB) in 1965; and the Bank for Housing and Construction (BHC) in 1974, to provide loans for housing, industrial construction and companies producing building materials.

The DFIs mobilised funds from deposits as well as from government and foreign loans and undertook commercial banking activities as well as development banking.

The government did not nationalise the two foreign owned banks—Barclays Bank and Standard Chartered Bank (SCB)—which had been established in Ghana during the colonial period, but it did acquire 40 per cent equity stakes in the banks following an indigenisation decree enacted in 1975 (which was applied to all large scale industries).

However, after many decades of government domination of the banking sector, some problems became paramount. The service standards of the public sector banks began to decline. Their profitability declined and the efficiency of the staff became suspect. Non-performing assets of these banks began to rise.

In the early 1980s, as part of the structural and economic reforms and financial sector liberalisation, the government allowed the setting up of new banks in the private sector. The new generation private banks have now established themselves in the system and have set new standards of service and efficiency. These banks have also given tough but healthy competition to the remaining public sector banks.

The modern economies in the world have developed primarily by making the best use of the credit availability in their systems. Therefore, an efficient banking system must meet the needs of high end investors by making available high amounts of capital for big projects in the industrial, infrastructure and service sectors.

Unfortunately, even though the number of banks in Ghana has increased significantly, their capital size does not allow them to lend to big ticket projects. Big ticket projects must be wholly or mostly financed by foreign banks.

On the other hand, the medium and small enterprises whose credit needs for expansion and working capital needs are not as huge can be adequately met by these new private banks. An important point to note is that the rural sector in a country like Ghana can grow only if cheaper credit (sub sized credits) is available to farmers for their short and medium term needs. This was one of the major reasons why governments, in the past, directed credits to that sector.

The banks and the financial institutions also cater to another important need of the society i.e. mopping up small savings at reasonable rates with several options.

The common man has the option to park his savings under a few alternatives, including the small savings schemes in the form of savings accounts and time deposits. Another option is to invest in the stocks or mutual funds.

In addition to the above traditional role, the banks and the financial institutions also perform certain new-age functions which could not be thought of a couple of decades ago. The facility of internet banking enables a consumer to access and operate his bank account without actually visiting the bank premises.

ATMs and the credit/debit cards have revolutionised the choices available for the customers.

The banks also serve as alternative gateways for making payments on account of income tax and online payment of various bills like the telephone, electricity and tax. The bank customers can also invest their funds in various stocks or mutual funds straight from their bank accounts.

In a modern day economy where people have no time to make these payments by standing in queues, the service provided by the banks is commendable.

While the commercial banks cater to the banking needs of the people in the cities and towns, there is another category of banks that looks after the credit and banking needs of the people living in the rural areas, particularly the farmers.

Rural banks (micro finance institutions) have been sponsored by many commercial banks. These banks take care of the farmer-specific needs of credit and other banking facilities.

Banks today are free to determine their interest rates within the given limits prescribed by the central bank. It is now easier for banks to open new branches.

But the banking sector reforms are still not complete. A lot more is required to be done to revamp the public sector banks. Mergers and consolidation is the next measure on the agenda of the government.

The government is also preparing to disinvest some of its equity from the public banks (NIB, and ADB). The option of allowing foreign strategic investor in the two public banks is under consideration.

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2) Present relationships with Indian trade & commerce, investment, import export.

✓ Export opportunities of India to Ghana

- Pharmaceutical products,
- Cotton,
- Yarn,
- Fabrics,
- Machinery and instruments
- Others

✓ Import opportunities of India to Ghana

- Cashew nuts,
- Metalifers ores and metal scrap,
- Wood and wood products,
- Pearls,
- Precious and semi precious stones,
- Oil seeds,
- Spices,
- Others.

India is among the largest foreign investors in [Ghana's economy](#). At the end of 2011 Indian investments in Ghana amounted to \$550 million covering some 548 projects. Indian investments are primarily in the agriculture and manufacturing sectors of Ghana while Ghanaian companies manufacture drugs in collaboration with Indian companies. The IT sector in Ghana too has a significant Indian presence in it. India and Ghana also have a Bilateral Investment Protection Agreement between them. India's [Rashtriya Chemicals and Fertilizers](#) is in the process of setting up a fertiliser plant in Ghana at Nyankrom in the [Shama](#)

[District](#) of the [Western Region of Ghana](#). The project entails an investment of \$1.3 billion and the plant would have an annual production capacity of 1.1 million tonnes, the bulk of which would be exported to India. There are also plans to develop a sugar processing plant entailing an investment of \$36 million [Bank of Baroda](#), [Bharti Airtel](#), [Tata Motors](#) and [Tech Mahindra](#) are among the major Indian companies in Ghana.

World trade had declined by more than 11 per cent in 2009 (figure II.1). The 3.6 percent rebound of global output in 2010 was accompanied by a 10.5 per cent expansion of the worldwide volume of imports of goods and services. Monthly data for world trade in goods, produced by the CPB Netherlands Bureau for Economic Policy Analysis, indicate that the turnaround in trade took place in mid-2009 (see chap. I, figure I.6). The recovery was particularly strong between mid-2009 and mid-2010 when the trade volume increased at an annualized rate of nearly 20 per cent. Since then, however, world trade growth has lost steam along with the slowdown in the recovery of the world economy.

Compared with the average growth rates attained between 2004 and 2007, cumulative losses of world gross product (WGP) and world trade volume of about 8 and 26 percentage points were seen during 2008 and 2009, respectively, as a result of the global financial crisis. In the outlook, growth of world income is expected to average 3.3 percent between 2011 and 2012 and that of world trade to be about 6.7 per cent. As the rates of recovery between 2011 and 2012 do not make up for the cumulative losses of income and trade experienced during the crisis, such losses can be said to be permanent. This state of affairs also corroborates the hypothesis that economic recoveries following financial crises tend to be protracted and also keep import demand depressed for several years.

S.No.	HS code	Product Description	Global Imports	Imports from India	Top Supplier Countries Year 2000	India's % Share
		All products	2,053.80	105.14		5.119
1	84	Nuclear reactors, boilers, machinery, etc	263.54	10.06	UK, USA, Germany	3.817
2	85	Electrical, electronic equipment	183.19	1.55	UK, Netherlands, USA	0.846
3	87	Vehicles other than railway, tramway	182.38	1.51	Germany, Belgium, Netherlands	0.829
4	10	Cereals	74.06	8.30	USA, Canada, Thailand	11.201
5	27	Mineral fuels, oils, distillation products, etc	64.81	0.04	Nigeria, Spain, Cote D' Ivoire	0.054
6	28	Inorganic chemicals, precious metal compound, isotopes	62.47	0.62	USA, UK, Italy	0.999
7	39	Plastics and articles	61.76	3.14	Korea Rp, UK,	5.087

		thereof			USA	
8	25	Salt, sulphur, earth, stone, plaster, lime and cement	57.71	0.64	S. Arabia, Togo, S. Africa	1.109
9	30	Pharmaceutical products	54.77	13.71	India, UK, Belgium	25.034
10	73	Articles of iron or steel	54.12	7.49	USA, S. Africa., Senegal	13.840
11	17	Sugars and sugar confectionery	47.87	2.11	Brazil, Niger, France	4.402
12	63	Other made textile articles, sets, worn clothing etc	47.75	4.84	Italy, USA, UK	10.126
13	72	Iron and steel	47.03	6.47	Russia Fed, Japan, UK	13.763
14	99	Commodities not elsewhere specified	45.43	0.59	Turkey, Thailand, Togo	1.297
15	38	Miscellaneous chemical products	45.13	0.24	UK, France, Netherlands	0.525
16	48	Paper & paperboard, articles of pulp, paper and board	42.37	1.79	S. Africa, UK, France	4.222
17	15	Animal, vegetable fats and oils,	38.49	0.03	Netherlands, Malaysia,	0.070

		cleavage products, etc			France	
18	40	Rubber and articles thereof	38.19	3.71	Netherlands, UK, Germany	9.710
19	52	Cotton	34.00	13.68	China, Togo, Netherlands	40.218
20	90	Optical, photo, technical, medical, etc apparatus	31.51	1.23	Netherlands, China, UK	3.909

ETI (Enabling trade index) comparison world ranking 2010 to 2012

Country	2010	2012	Score
Ghana	96	99	3.59
India	84	100	3.55

Export opportunities in India

To ensure a sustainable trading relationship between Ghana and India, efforts are underway to help promote export items from Ghana into India and thereby help close the trade gap. Ghana mainly imports pharmaceutical products, cotton yarn, fabrics, machinery and instruments from India. Some of the regular exports from Ghana to India include: cashew nuts, metalifers ores and metal scrap, wood and wood products, pearls, precious and semi

precious stones, oil seeds and spices.

A Joint Trade Committee between Ghana and India was established to promote economic co-operation and enhance bilateral trade between both countries but the Committee has not met for several years. Efforts are underway to reactivate this as a mechanism to address all trade concerns.

A Ghana-India development Consortium was also set up in February 2002, comprising representatives from privately owned Indian companies, wishing to co-operate and collaborate with local entrepreneurs.

3) Identification of possibilities/new opportunities of business (Import-Export, investment, etc.,) with Ghana

Investment opportunities:

Purpose

To increase availability of and access to long-term investment finance facilities at competitive prices, especially for targeted productive sectors

Outputs

- 1) Financial Regulations Responds To The Needs Of Production, Savings, Investment And Export
- 2) Mechanisms for Increased Access to Long-Term Finance Identified And Implemented
- 3) Credit Reference Mechanisms Established and Operating Effectively
- 4) Early and Effective Implementation of the Venture Capital Fund
- 5) EDIF Reorganized and Strengthened to Provide Investment Finance to All

Sectors

Brief Description

This project will complement the Investment Promotion and SME Support projects by working directly with the financial institutions to improve access to medium and long-term capital. Financial incentives will be designed to give the greatest possible stimulus to production, savings, investment and exports.

Mechanisms for increased access to long-term finance will be developed, for example, an SME Development Bank, Industrial Development Corporation and Mutuality Credit Guarantee Scheme. Mechanisms will also be identified for establishing an effective credit reference agency. Finally, the project will work with banks to develop innovative SME-oriented products.

International trade:

	2001- 2002	2002- 2003	2003- 2004	2004- 2005	2005- 2006	2006- 2007	2007- 2008
Imports from India	68.41	105.56	182.67	183.08	200.82	460.71	807.54
Exports from Ghana	19.92	18.63	32.93	51.28	78.93	103.13	140.54
Total Trade	88.33	124.19	215.60	234.36	279.75	563.84	948.08

Trade between Ghana and India has been on the increase since 2000. Trade volume for the 2007-2008 reporting period was recorded at US\$948.08 million, with

Ghana's share of that total trade being US\$140.54 million.

For 2007-2008, India's total imports amounted to \$235,910.73 million, comprising of commodities such as Crude oil, machinery, gems, fertilizers and chemicals.

India's major import partners were Belgium, China, the United States of America and the United Kingdom.

Bilateral trade figures between Ghana and India since 2001 are as follows:

Mineral & Mining:

Gold

Gold refinery

Diamond

Limestone

Clay

Alum

Manganese

Oil, Gas and Energy

For additional information you may contact:

▶ The Ministry of Energy - www.energymin.gov.gh

▶ The Ghana National Petroleum Corporation - www.gnpcghana.com

- ▶ The Volta River Authority- www.vra.com

- ▶ The Electricity Company of Ghana - www.ecgonline.info/ecgweb

4) Problems & prospects of business/trade with Ghana

Internal Problems regarding basic services of bank including:

- Receiving
- Collecting
- Transferring
- Paying
- Exchanging
- Lending
- Investing
- Safe guarding

Ghana banks lend their money to companies by issuing floating rate loans. The floating rate is pegged to the company's individual's rate of return. Thus, the bank's profit on the loan is equal to a certain percentage of the company's profits. Once the principal amount of the loan is repaid, the profit sharing arrangement is concluded. So that both profit and risk are shared. Such participatory arrangements between capital and labour reflect the view that the borrower must not bear all the risk/cost

of a failure, resulting in a balanced distribution of income and not allowing lender to monopolize the economy. Ghana banking is also restricted to Ghana acceptable deals, which excludes those involving alcohol, pork, gambling, etc. Thus ethical investing is the only acceptable form of investment and moral purchasing is encouraged.

External Problems regarding basic services of bank including:

Economy of problem

Ghana operates a mixed economy, with a dominant agricultural sector. The sector employs the largest proportion of Ghana's economically active population. Key activities in the sector are food cropping and livestock, cocoa production and marketing; forestry and logging; and fishing. The industrial sector is composed of the mining & quarrying, manufacturing, electricity and water & construction sub-sectors. Among the minerals produced in the country are gold, bauxite, manganese and diamonds. The mining sub-sector is currently the leading foreign exchange earner for Ghana, although the manufacturing sub-sector contributes the largest proportion of the total output of the sector. The services sector is the fastest growing sector. It is the most diversified, made up of wholesale & retail trade; restaurants & hotels; infrastructure services; financial services; community, social & personal services, as well as private non-profit services.

The political system of Ghana

Since Ghana's return to constitutional rule in 1992, the country has maintained a steady democratic system of governance, held five successful general elections and witnessed two smooth transfers of power from ruling regimes to opposition parties in 2001 and in 2009 respectively.

Ghana operates a presidential system akin to that of the United States of America where the President of the Republic who wields executive powers is elected every four years by universal adult suffrage. Under the concept of Separation of Powers, the 230-member Parliament of Ghana is separate from the Executive though the parliament has a strong connection to the Executive arm of government through the Ministers of State, at least 50 per cent of whom should also be Members of Parliament.

Ghana's political system is stable, open, democratic and accountable, and the principles of good governance, respect for human rights and adherence to the rule of law are entrenched norms in Ghana's political system.

The legal system of Ghana

Ghana operates a legal system that is based on common law system. Ghana is well noted for the competence of its judges, their integrity and the independent and fair posture of the judiciary. As per the constitution of the Republic of Ghana, justice emanates from the people and shall be administered in the name of the Republic by the Judiciary, which shall be independent and subject only to the Constitution. Citizens may exercise popular participation in the administration of justice through the institutions

of public and customary tribunals and the jury and assessor systems.

Prospect

Main goals of Ghana economies system is

- Social
- Justice
- Equality

The issues of governance, accountability and transparency in the affairs of the company, as well as about the rights of shareholders and role of Board of Directors have never been so prominent as it is today. The corporate governance has come to assume a centre stage in the Board room discussions.

6) Finding Conclusion of the study and strategic suggestion for trade and business in India:

- Help in promoting individual enterprise
- Also controls the economic system in fair and equal maner
- In Ghana financial system, financial institution(banks) become partner in business
- Utilization funds sharing profit or loss basis.

Development Of Industrial Policy & Sector Strategies

Purpose

To develop an industrial policy for Ghana with clear guidelines for the implementation of Ghana's industrialization programme and ensure a consistent and stable policy environment

Outputs

1. Industrial Policy Developed And Publicised
2. Strategic Sectors Identified And Sector Strategies Developed
3. Sector Working Groups Established And Effectively Overseeing Implementation Of Sector Strategies
4. Establishment Of Industrial Databases On All Companies, Including SMEs, Operating In Strategic Sectors And Tracking Their Performance
5. MOTI Technical Capacity Developed In Targeted Sectors

Brief Description

An Industrial Policy will be developed to set the broad framework for promoting and developing Ghana's industrial base. It will include criteria for selecting strategic sectors for targeted support, based on an intimate

knowledge of the market and Ghana's supply potentials. The selected sectors will be supported through strategies, which will be developed and overseen by sector-specific working groups, comprising both public and private sector stakeholders.

BUSINESS OPPORTUNITIES IN GHANA

The Ministry of Trade and Industry (MOTI), Government of Ghana is embarking on large-scale programmed of setting up of at least one medium sized industry in around 100 districts of Ghana. The identified projects are predominantly in the processed food sector, with few projects in textiles, ceramics, tourism infrastructure and handicrafts.

MOTI is looking for strategic partners from India with a proposed minimum equity of 60% as joint venture with local community / district assembly. In addition, the proposed projects would provide business opportunities for export of machinery and equipment from India.

This business opportunity would be of interest to Indian companies. Interested companies may contact the India High Commission at Accra, Ghana, directly for further details.

Bibliography

www.ghana-mission.co.in

PART – I ECONOMIC OVERVIEW OF THE SELECTED COUNTRY

CHAPTER-1

1.1: Demographic Profile of the Ghana:

The Ghana has a population of around 25,241,998 (July 2012 EST.). Estimates for this country explicitly take into account the effects of excess mortality due to AIDS; this can result in lesser life suspense, higher infant mortality, higher decease rates and lesser population growth rates and changes in the distribution of population by age and sex than would otherwise be expected. The Population growth rate is 1.787% (2011 EST.)

Since 1970 Ghana's population has maintained an average annual growth rate above the world regular At the starting of the 21st century, more than two-thirds of Ghanaians were of age 30 and below, ensuring that the country's high growth rate will continue for some time. Life expectancy has improved considerably since 1960 which is considered low by world standard but is one of the highest in western Africa.

Population fluctuations resulting due to migration of several people became a marked one during the severe economic depression of late 1970s and early 1980s. More than one million Ghanaian nationals were forced to leave the country which included mostly young people without employable skills from Nigeria in 1983. This delivered a further shock to the economy when they returned to Ghana but failed to cause major sociopolitical change, owing largely to the impressive absorptive capacity of Ghana's indigenous social systems.

The Age Structure of Ghana's 0-14 years: 36.5% (male 4,568,273/female 4,468,939), 15-64 years: 60% (male 7,435,449/female 7,436,204), 65 years and over: 3.6% (male 399,737/female 482,471) (2011 EST.)

Years	Population	Female	%	Male	%
2012	24,658,823	12,633,978	51.2%	12,024,845	48.8%
2010	24,223,431	12,421,770	51.2%	11,801,661	48.7%

The reduction in number of males to females may be partly because the fact that men may have left the country for jobs.

The Ghana's labor force is 11.44 million (2011est.) and the Net migration rate is -0.56 migrant(s)/1000 population (2011 est.). The Total Infant mortality rate is 47.26 deaths/1,000 live birth, gentleman: 50.64 deaths/1,000 live births, Female: 43.79 deaths/1,000 live births (2011 est.) Maternal mortality rate is 350 deaths/100,000 live births (2010)

With the fertility rate averaging about seven children per adult female and expected to fall only to five children per adult female by the year 2000. The expected population in 2025 is of 35 million which becomes more credible. This expansion became possible due to

number of factors like improved vaccination against common diseases and providing education related to nutrition to village and community health-care systems.

Climate:

Ghana has tropical climate, but temperatures changes with season and distance from the ground. Except in the north two raining season come to mind, starting April to July and from September to November. In the north the raining season begins in April and lasts pending September. Annual rain range from regarding 1,100 mm (about 43 in) in the north to about 2,100 mm (about 83 in) in the southeast. Dry desert wind also known as harmattan, blows from the northeast from December to March which lowers the humidity and creates hot days and cold night in the north. In the south the goods of the harmattan are feel in January. In the majority area the highest temperatures happen in March, the lowly in August.

Demographics:

Years	Population	Female	%	male	%
2012:	24,658,823	12,633,978	51.2%	12,024,845	48.8%
2010:	24,223,431	12,421,770	51.2%	11,801,661	48.7
2008:	23,382,848				
2001:	19,533,560				
2000:	18,912,079				
(2012 census, 2010 census, 2008 est., 2001 est., and 2000 census)					

[Table 1.1 Demographic Profile of the Ghana]

Education:

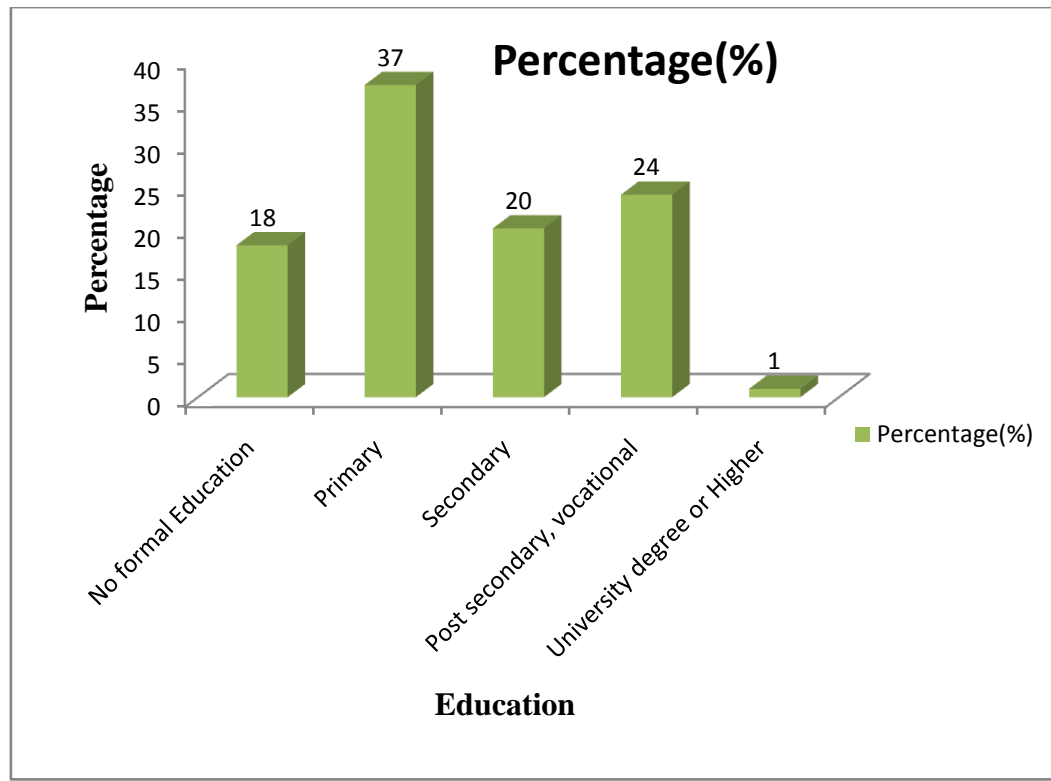
The Government of Ghana supports basic clear education. Article 39 of the Constitution commands the major opinion of the free, compulsory, universal basic education (FCUBE) initiative. The Government of Ghana has increased its education budget by 700% since 1987.

Basic education's share has grown from 45% to 60% of so as to total. Student start their 6-year prime education at the age of six. As per the educational reforms implement in 1987, they pass into a for kids secondary educate system for 3 years of academic training which combines technical and vocational training. After the completion of senior secondary school they can go to one of the five Ghanaian Universities which could be entered through examination.

Initially the educational system was based on the English grammar school system. But to meet Ghana's developmental needs there has been drastic changes in educational system which focuses on the systematic, technological, professional, executive and capitalist skills. Ghanaian and African narration, art, journalism, language and time-honored skills and customs are also given proper attention.

The tertiary teaching scheme is creature blown up and its facilities are improved with substantial funds being allocated every year to the provision of academic and residential infrastructure, journals, computers and other equipment.

Education	Percentage (%)
No formal Education	18
Primary	37
Secondary	20
Post secondary ,Vocational	24
University degree or Higher	1



[Figure 1.1 Education of Ghana]

1.2 General Economic and Industry Overview of the Ghana:

❖ Economic Overview:-

Ghana's formerly strong economy has been the strongly affected from a series of military coups and economic mismanagement in the period from independence in 1958 to 1983 leading to economic instability. A highly protected economy and substantial government investment created a large manufacturing sector by the mid-1980s which was

inefficient but over the last 15 years the economic reforms like privatizations have resulted in a small but viable industrial sector.

Ghana has been bestowed with considerable natural resources like timber, fertile agricultural land and fishing grounds, and minerals. The share of agricultural sector was about 40 percent of GDP in 1999 and employed 60 percent of the work force. The major sell abroad harvest is cocoa. Coffee, palm goods, and hot fruits are export in lesser quantity. Extra crops take in cassava, yams, lump, sorghum, and rice, whilst goats and traditionalist are the principal livestock reared. Timber is also a significant sell abroad. Fish is significant to the household marketplace, by several export of tuna.

3. GDP - per capita (PPP)

\$3,100 (2011 est.)

\$2,800 (2010 est.)

\$2,600 (2009 est.)

Note: data are in 2011 US dollars

4. GDP - composition by sector

Agriculture: 28.3%

Industry: 21%

Services: 50.7% (2011 est.)

3. Population below poverty line

28.5% (2007 est.)

4. Labor force

11.44 million (2011 est.)

5. Unemployment rate

11% (2000 est.)

6. Household income or consumption by percentage share

Lowest 10%: 2%

Highest 10%: 32.8% (2006)

7. Investment (gross fixed)

19.9% of GDP (2011 est.)

8. Budget

Revenues: \$8.796 billion

Expenditures: \$10.38 billion (2011 est.)

9. Taxes and other revenues

19.1% of GDP (2011 est.)

10. Public debt

38.7% of GDP (2011 est.)

34% of GDP (2010 est.)

11. Inflation rate (consumer prices)

8.8% (2011 est.)

10.7% (2010 est.)

12. Industries

Mining, lumbering, light manufacturing, aluminum smelting, food processing, cement, small commercial ship building

13. Industrial production growth rate

5% (2010 est.)

14. Electricity - production

8.167 billion kWh (2008 est.)

15. Oil - production

8,880 bbl/day (2010 est.)

16. Exports

\$13.13 billion (2011 est.)

\$7.892 billion (2010 est.)

17. Exports - commodities

Gold, cocoa, timber, tuna, bauxite, aluminum, manganese ore, diamonds, horticultural products

18. Exports - partners

Netherlands 11.7%, UK 7%, France 5.7%, US 5.6%, Ukraine 5%, Belgium 4.6% (2009)

19. Imports

\$14.03 billion (2011 est.)

\$10.95 billion (2010 est.)

20. Imports - commodities

capital equipment, petroleum, foodstuffs

21. Imports - partners

China 16.6%, Nigeria 12.7%, US 8.4%, Cote d'Ivoire 6.2%, UK 4.5%, France 4.2% (2009)

❖ **Industry Overview:**

In implement medium-term policy in the deal area, account is taken of Ghana's objectives of participating fully in the globalized market, the rationalization of tariffs and the promotion of intra-regional trade.

Policies are therefore being pursued within the framework of national macro-economic objectives and strategies that take account of the opportunities presented by the Uruguay Round results and other multilateral traffic agreement. In the average term traffic segment policy that are the focus of attention are:-

- formation of a floating and self-sustaining export sector
- development of domestic trade thereby ensure the country wide ease of use of goods at practical prices
- Pursuit of well-organized and helpful import management practices
- approval of anti-monopoly legislation and other policy to protect the customer
- Pursuit of anti-dumping policies in intercontinental trade through explanation of all tariffs and the identification of all non-tariff barriers to trade
- Increasing industrial share of GDP to 37% from the current level of 16% with an average growth rate of 12%.

The Agencies and Departments listed under the Ministry of Trade and Industry:

- Ghana Trade Fair Company Limited
- Ghana Export Promotion Council
- Ghana National Procurement Agency Limited
- National Board for Small Scale Industries (NBSSI)
- Ghana Standards Board (GSB)
- Ghana Free Zones Board (GFZB)

1.3 Overview of Industries Trade and Commerce:

The promotion of Ghana's foreign trade has been central to all government plans to revive the economy while 1983. Below the ERP, export-producing industries received the most direct support; they also received the most indirect support through the improvement of their proximate transportation. By promote exports, the government sought to obtain foreign exchange essential to repay debts and to ease the country's limitations on imports. Import of course are also required to upgrade many of the export industries hamstrung for lack of equipment.

The main exports - gold, cocoa, diamonds, timber, manganese and bauxite - known as “traditional” items, are now increasingly supplemented by processed and semi-processed industrial and agricultural products with tourism as the third largest foreign currency earner after cocoa and gold.

As Ghana assumes this new position of oil producer and middle income nation, it must learn to effectively treaty with the related pressures from the citizens to increase expenditures in order to overcome infrastructural deficiency, institutional weakness, as well as get better cost-effective wellbeing. With these lawful pressure come questions of finance – from domestic revenue recruitment, strange aid and borrow and their consequences.

Ghana also maintains a relatively open trade regime with the rest of the world. Its Most Favored Nation Tariff Restrictiveness Index (TRI) is 9%, below both the Sub-Saharan African and low income country group average of 11.3% and 11.6% respectively. Ghana

initiated an interim Economic Partnership Agreement with the EU at the end of 2007 but has not yet signed the agreement.

.In addition to supporting traditional export industries such as cocoa and bullion, the management also attempted to diversify the content of Ghana's exports. To support nontraditional exports in the fishing and farming sectors, the administration offered to refund 95 percent of trade in duties on goods intended for re-export and even to cancel sales taxes on pretend goods sold overseas. In addition, the government devised a level of tax rebates range from 20 percent to 50 percent resolute by the amount of total construction that was export.

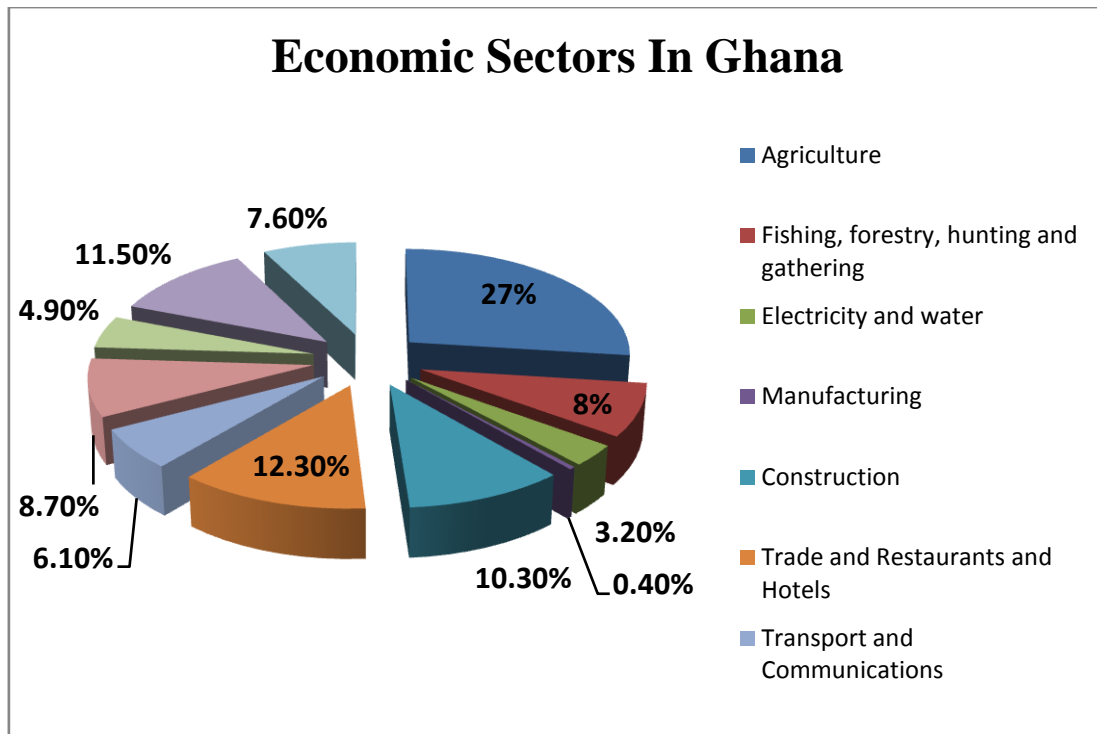
These incentives generated significant response. By 1988 more than 700 exporters were trade in 123 export products, the major items creature pineapples, marine and fish crop timber goods, aluminum goods, and salty. By 1990, the last year for which statistics were available the cost of nontraditional export have risen to US\$62 million.

Ghana also has a number of exchange trade agreements with several East European countries, China and Cuba. Below the agreement, import of goods and services are paid for mainly by cocoa from Ghana. A major change occur in 1991 when the German Democratic Republic (GDR, or East Germany) abrogated its barter trade agreement with Ghana following the union of the two Germaine's. In spite of this, conformity was reached among the two countries to honor existing commitment. In late 1991, the Ghanaian government showed renewed interest in trade with the countries of Eastern Europe following the adoption of free-market systems in the wake of political upheavals in those countries. Ghanaian trade officials imagine that the barter trade system will give way to open market operations.

Cotton production expanded rapidly in the early and average 1970s, reaching 24,000 tons in 1977, but it cut down back to one-third of this figure in 1989. Since the restructuring of the Ghana Cotton expansion get on into the Ghana Cotton Company, cotton production has gradually increased from 4 percent of the country's nationwide requirement to 50% in 1990. Between 1986 and 1989, Ghana saved US\$6 million during local lint cotton creation. The company expected that among 1991 and 1995 about 20,000 hectares of ground would be put under cotton development, enabling Ghana to produce 95 percent of the nationwide obligation.

1.4. Different sector of Ghana economy:

SECTOR	
Agriculture	27%
Fishing, forestry, hunting and gathering	8%
Electricity and water	3.20%
Manufacturing	0.4%
Construction	10.30%
Trade and Restaurants and Hotels	12.30%
Transport and Communications	6.10%
Real Estate and Business activities	8.70%
Mining and Querying	4.90%
Government Services	11.50%
Other Services	7.60%



[Figure 1.2:- Economic Sectors in GHANA]

[1] Financial Service Sector:

The financial sector in Ghana encompasses a broad range of organizations that deal with the administration of money. The financial services industry is categorized into three main sectors:

- Banking and Finance (including Non-Bank Financial Services)
- Insurance and
- Financial market/capital market

The Ghanaian government has shown their strong commitment towards the progress of the financial segment. In 2003, the economic Sector Strategic Plan (FINSSP) got the approval from the government and came into power with the aim to broaden and deepen the financial sector. Improved power in the financial markets remains an important focus for the continued reform agenda.

[2]Service Sector:-

The services sector is the fastest growing area of the Ghanaian financial system. Ghana has taken on the features of a present day industrialized country with a large service

sector without having gone through the prior stage of developing the agriculture and industry base of the economy. The service sector includes the buying and selling of goods

Recently, the service sector has displaced agricultural as the biggest contributor to national income, that's according to the first constantly half year nationalized income estimates released by the Ghana statistic service. According to figures, the service sector contributed 36.1%, and its growth rate is 6.1%.

❖ **Service sector content:**

- Trade, Repair of Vehicles, Household Goods
- Hotels and Restaurants
- Transport & Storage
- Information & Communication
- Financial & Insurance Activities
- Real Estate Activities
- Business & other Services Activities
- Public Administration
- Education
- Health and Personal Service Activities

[3] Industry sector:-

The industrial sector of the country is relatively small and mainly government owned it is in this light that the President of the country initiated the President's Special Initiative to expand the industrial sector to employ some of the unemployed and promote private sector investment. once more, most of the firms in the industrial sector of the nation are not engaged in exports.

The Industry sector recorded the highest growth rate 7%.And its contribution was 28.3%.

❖ **Industry sector mainly content:**

- Mining and Quarrying
- Manufacturing
- Electricity

- Water & Sewerage
- Construction

1.5 Legal Aspect of Trade in Ghana:

REGISTRATION		
a)Wholly Ghanaian Owned business	Free	Free
b)Joint-venture (ie \$10,000)	1000	920
c) Wholly Foreign (ie \$50,000)	2500	2300
d)General Trading (ie \$ 300000)	5000	4600
e)Renewal (Every 2 years)	1500	1380
f)Certificate Replacement	100	92
g) Liaison Office	7500	6900
h) Tourism		
Up to \$500/000 investment	1000	920
\$500/000 - \$2million investment	5000	4600
above \$2million investment	10000	9200
i)AII Strategic Investment (LI 1817 and section 25)	20000	18400

(v) **Application Forms** (US\$100.00)

(vi) **Licensing Fees:**

Business	Initial	Renewal/Year
Manufacturing	US\$2,000.00	US\$1,600.00
Commercial	US\$5,000.00	US\$4,000.00
Service	US\$3,000.00	US\$2,000.00

Development	US\$4,000.00	US\$3,000.00
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1.8 Present Trade Relations Of India With Ghana:

Indo-Ghanaian relations have traditionally been warm and responsive the strong foundation of our bilateral relations was laid by India's first chief Minister, Pt. Jawaharlal Nehru, and Ghana's first leader, Dr. Kwame Nkrumah. The two great leaders also enjoyed a close friendship. In addition, there were several Ministerial visits, include that of the Foreign Minister for the NAM Ministerial Conference in April 1986.

The Minister of Trade and trade of Ghana Ms. Hanna Tetteh led the Ghanaian delegation to the Joint Trade Committee in January, 2011 and in January, 2012 for the 18th Partnership Summit (New Age modernization Partnership, 2012) held at Hyderabad. Mr. Kwesi Ahwoi, Minister of groceries and Agriculture, led a Ghanaian allocation to India from 21-26 March, 2011 for discussions on the joint venture fertilizer project.

In recent years, India-Ghana relations have been enriched by enhanced South-South cooperation efforts between the two countries, India have been participating in Ghana's development by providing assistance in setting up projects in the spirit of South-South cooperation through provision of Lines of Credit or grants. Amongst recent projects are the India-Ghana Kofi Annan Centre of Excellence for ICT; the Flag Staff House; the Pan African E-Network Project and rural electrification. At this time a number of assignment are at various stages of procedure, including sectors such as fisheries, waste administration, railway tools, agro-processing, fire-tenders, etc. Ghana has also been a participant in India's contribution to the human resource development in developing countries through programmes such as the Indian Technical and Economic Cooperation (ITEC). In 2010-11,

A memorandum of understanding was signed on 6 July, 2010 between India and Ghana for the set up a US\$ 1.2 billion Joint Venture Fertilizer Project using gas to manufacture fertilizer. The Memorandum of Understanding (MoU) on Government of India's financial and technical assistance of Rs. 38.53 million (US\$ 0.86 million approx.) toward the India-Ghana Kofi Annan Center for Excellence in IT was signed by the Ghanaian Minister for Foreign dealings, Alhaji Muhammad Mumuni and the High Commissioner, Mrs. Ruchi Ghanashyam on top of 30.3.2011.

The exchange of business delegations have led to an increase in investments by Indian companies in Ghana in sectors like production, manufacturing, trading, services and tourism and in areas such as strengthen, undermine, plastics, ICT, agro-processing and agricultural machinery, electrical equipment, chemicals, etc. A number of Indian companies are establishing their presence in Ghana, both from the public and private sector including the Bank of Baroda, Tata, Bharti, Airtel, Mahindra & Mahindra, Escorts, Larson & Toubro, Shapoorji Pallonji & Co, NIIT, DSC Ltd. as well as some pharmaceutical companies. Indians are the largest foreign investor in Ghana in terms of number of projects.

India was the “country of focus” in the 10th Ghana International Book Fair held at the Ghana Trade Fair Centre, Accra, from 1-6 November, 2011. Shri Sunil Gangopadhyay, leader, Sahitya Akademi, led a 10-member official passing on, and over 30 Indian book publishers participated in the Fair.

The High Commission celebrated the 150th birth anniversary of Gurudev Rabindranath Tagore with various programmes in Accra. The salient feature of the celebration was the “Cultural Evening” of the music, dance, poems recitation based on the works of Gurudev Rabindranath Tagore organized by the High Commission with the participation of local Indian artists and Ghanaian artists which was attended by over 400 invited dignitary, including political leaders, academicians, artists and diplomat. The function was highly appreciated by the audience and widely covered in the media.

An 8-member Ghanaian dance troupe of Noyam Dance Institute, Accra, sponsored by the Government of India, participate at the 2nd India Africa Forum Summit (IAFS-II), at Addis Ababa in May 2011. A Ghanaian craft artist also participated at the event.

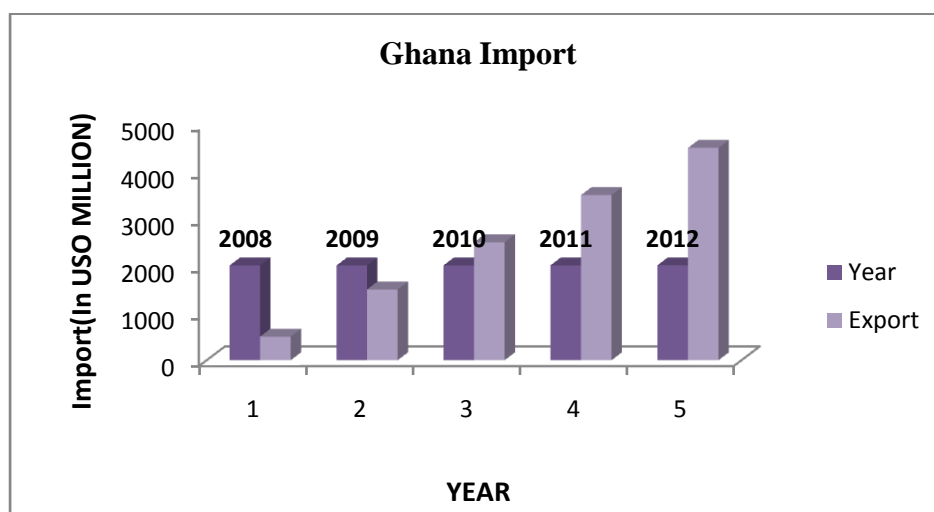
There is substantial Indian community in Ghana numbering about 7000-8000. Some of them have been in Ghana for over 70 years. The business activities of Indians in Ghana have contributed in a major way to India being the second highest investor in Ghana in terms of number of projects.

1.9 Imports and Exports of Ghana:-

❖ Imports:

Imports in Ghana decreased to 4180.80 USD Million in the first quarter of 2012 from 4225.19 USD Million in the fourth quarter of 2011. Imports in Ghana is reported by the depository of Ghana. Historically, from 2003 until 2012, Ghana Imports averaged 2117.63 USD Million reaching an all-time high of 4225.19 USD Million in November of 2011 and a evidence low down of 692.74 USD Million in February of 2003. Ghana import frequently industrial supply, funds and customer goods and foodstuffs. Its main import associates are China, United States, Belgium, United Kingdom and France.

YEAR	IMPORT(IN USO MILLION)
2008	1500
2009	2500
2010	3000
2011	3500
2012	4500



[Figure 1.3:- Import of Ghana]

❖ **Products of import are as follows:**

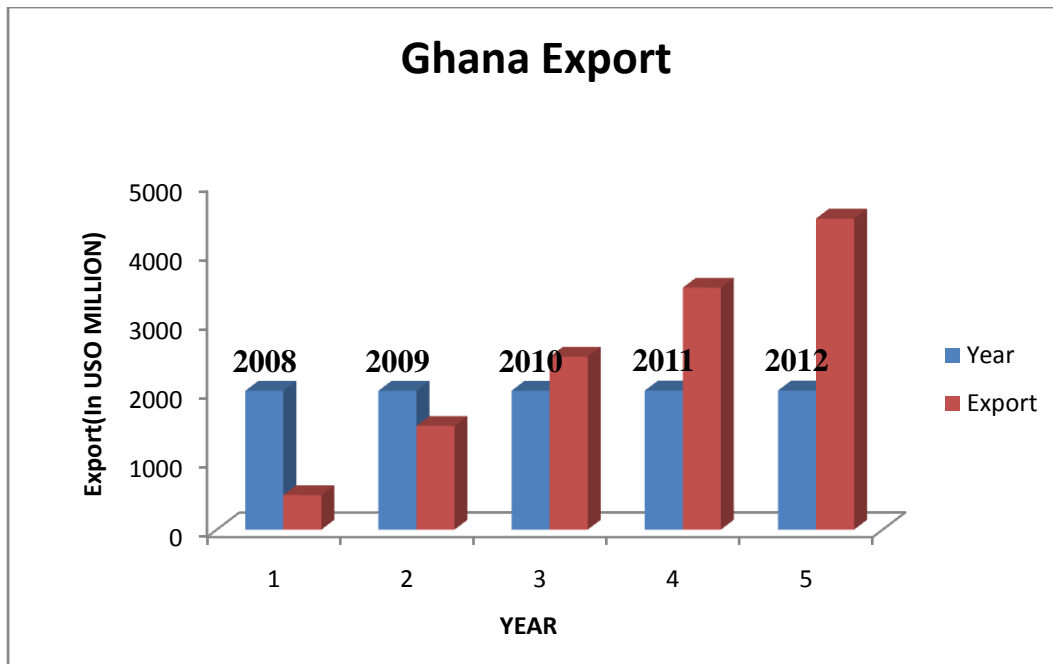
- Commodities (Oil, coal, rice, grain etc.)
- Food ingredients
- Fruit
- Refrigeration compressor lubricants
- Tea and coffee
- Building materials

- Salt & Sugar

❖ **Exports:**

Exports in Ghana increased to 4040.10 USD Million in the first part of 2012 from 2976.02 USD Million in the fourth part of 2011. Export in Ghana is report by the Bank of Ghana. Traditionally, from 2003 until 2012, Ghana Exports averaged 1403.7 USD Million reaching an all-time high of 4040.1 USD Million in February of 2012 and a record low of 565.1 USD Million in Feb of 2003. Ghana's major exports are gold, cocoa beans and timber products. Its main exports partners are Netherlands, South Africa and United Kingdom.

YEAR	EXPORT(IN USO MILLON)
2008	500
2009	1500
2010	2500
2011	3500
2012	4500



[Figure 1.4:- Export of Ghana]

❖ **Typical goods exported from Ghana include:-**

- Commodities (Oil, coal, rice, grain etc.)
- Cocoa Beans and Products
- Food ingredients

1.8 Business Volume of Different Products of Ghana:

1. Agriculture:

Half of the country's workers are occupied in farming. Ghana nationwide farming Export is the government arm that operates, maintains, and overlooks the plant of cocoa, cashew etc. and other main crops for export.

This agricultural arm of the government also harvests gold for export sale. Since its inception, it has drastically assisted the government in stabilizing the economy and boosting it as illegal sales of the major crops/nuts have been meaningfully and instantly curbed and also rendering employment to thousands of Ghanaians.

2. Manufacturing:

Industry in Ghana accounts for about 25.3% of total GDP. However, Ghana's industrial production is rising at a 7.8% rate, giving it the 38th fastest increasing industrial production in the world due to government industrialization policies.

Ghana's most important developed industries include light developed, aluminum smelting, food dealing out, cement, and small marketable ship building. A comparatively little glass-making manufacturing has also industrial due to the high-quality sand existing from the Tarkwa mining region.

The lack of capital has slowed expansion in Ghana, but overseas capital has enlarged in recent years. Most products are for local consumption, and most of Ghana's exports are raw materials. Other industries include the production of food and beverages, textile, chemical and pharmaceuticals, and the dealing out of metals and wood products.

3. Energy:

Ghana gets 97% of its energy from dam Lake Volta and export much of this to nearest countries, however organization such as the Ghana Nuclear culture have advocated the introduction of nuclear power into Ghana and indeed the country now has an atomic energy commission.

4. Services:

The financial services in Ghana has seen a lot of reforms in the past years. Ghana through the Banking (Amendment) Act 2007 has included the awarding of General Banking license to qualified Banks and this allows Offshore Banks to operate in the country. Barclays

Bank (Ghana) limited has become the first Bank in Ghana to be awarded the General Banking license in the Country. It has therefore become possible forenoon individuals and foreign companies to open offshore Bank Accounts in Ghana.

5. Tourism:

Tourism has become one of Ghana's major foreign revenue earners (ranking third in 1997), and the Ghanaian Government has placed vast importance upon further visiting the attractions hold and expansion.

Tourism is a main concern sector with incentive and benefits for investor. The government hopes to triple its foreign trade income from tourism under a five-year tourism plan based on a projection that between 1991 and 1995 the number of tourist visit Ghana all day will double from the 1991 base of 145,000. Job in the tourism production are expected to arrive at 270,000 with more created in other sectors that derive business from the tourist trade.

There are also incentive for star-rated hotels, accepted tourist village and beaches, and holiday entertaining resorts. Investors are involved in the development of other tourist attraction, such as waterfall, beach, castle, and historical sites, and even in particular restaurants, tourist coaches, and buses. Incentives in this segment include tax and rate exemptions on building property for three years in adding to investment and depreciation allowance.

6. Telecommunication:

Major developments programmers are currently creature undertake aimed at provide a full choice of household and worldwide services.

These efforts are also being complement by cellular mobile operators, paging companies, data service and approved internet service provider. As a outcome of their hard work, the number of telephone over the years has improved and given the people a better access to telecommunication services. Ghana is the second greatest increasing internet country in Africa after South Africa. Broadcasting has also been deregulated and there are more than 20 confidential FM stations around the country.

1.9 Investment in Ghana:

The success of Ghana's governance and expansion program is inextricably linked to the new Ghana's ability to attract foreign funds. The new Ghana will not stand corruption. It will not tolerate bureaucratic ineffectiveness. It will not tolerate opaque government decision-making.

Of the rising nations of the world, Ghana is an attractive savings opportunity based on the following investment criteria:

- abundant natural resources
- Stable democratic climate
- Favorable foreign investment
- adequate transportation
- Educated work force
- Growing economy
- Low taxation levels

Investment opportunities in Ghana:-

- Agriculture, Agro-processing, Forestry and Fishing
- Arts, Entertainment and Recreation
- Banking and Finance
- Business Process Outsourcing
- Production of communications and Real Estate
- Educational Services
- Import/Export, Wholesale and Retail Trade
- Information (Media and IT)
- Insurance
- Manufacturing
- Mining and Quarrying
- Oil and Gas Extraction
- Real Estate Purchase, Rental and Leasing
- Telecommunications
- Tourism, Accommodation and Food Services
- Transportation and Warehousing
- Utilities
- Apparel
- Cash Crops
- Ceramics
- Cotton Textiles
- Education
- Fishing
- Floriculture
- Food Processing
- Forestry
- Hand tools
- Health
- Horticulture
- Industrial Minerals
- Jewellery
- Minerals Processing

- Property Development
- Roads and Transport
- Sea Food Processing
- SMEs
- Textiles and Garments

1.10 PESTLE ANALYSIS OF GHANA:

❖ Political Analysis:

- Ghana is moving toward a more stable government.
- Poor Infrastructure.
- High inflation rate and unemployment.

❖ Economic Analysis:

- Ghana is deeply dependent on international financial and technical assistance.
- Agriculture remainder the mainstay of the economy, more than one-third of GDP and about 55% of formal employment.
- Gold and cocoa production in Ghana's primary export industries act as a contributor.
- Oil production has significantly stronger growth in the next years is expected.
- Ghana is ranked as the world's fastest growing country.

❖ Social Analysis:

- No or little support from government business enterprises
- Due to lack of expendable resources available.
- Hierarchy is an important concept in Ghanaian culture. respect of the property, age experience, and position are shown with.

- The maternal mortality ratio is high. A significant contributing factor to maternal mortality in Ghana is the effective use of contraceptive failure. Unsafe abortion is a significant cause of maternal mortality, maternal mortality in Ghana contributes between 20-30 per cent.
- In 2010, there are 400,000 people living with the HIV virus or AIDS, which were Ghanaians. Given this, there is no doubt that the epidemic of HIV HIV / AIDS is having a major effect on Ghana.

❖ **Technological Analysis:**

- Ghana suffers from an underdeveloped technical infrastructure. Seen significant growth in mobile telecommunications.
- The top 10 from Africa Ghana Telecom industry for the next five years and worth \$ 1.1 trillion, according to the latest World Bank figures, the ICT sector is estimated that the rule is estimated at between countries.

❖ **Environmental Analysis:**

- Ghana is one of those countries having abundant natural resources.
- Rural households rely on land and other natural resources for their livelihoods; fisheries and wildlife provide important sources of protein in the Ghanaian diets.
- Urban economic activities are highly depended on reliable hydroelectric power and fuel.
- The wood-processing industry depends on timber.
- The emerging tourism sector relies on cultural and natural assets.
- Natural resources are also indispensable for most of the economic sectors.
- Ghana's natural resources are overexploited and continue to decline in both quantity and quality.
- Inappropriate crop production methods, mining, and wood processing are adversely affecting forests and savanna woodlands.
- Ongoing soil erosion and reducing soil fertility undermine food and agricultural production.
- In the recent years, rapid urbanization of the economy causes depletion of environmental services.

- Ghana's environmental health as well as standard of living has been on the decline.

❖ **Legal Analysis:**

- There is a mixed system of English common law and customary law.
- 18years of age is the suffrage.
- Ghana struggling in accommodating returning nationals who worked in the cocoa plantations and escaped fighting in Cote d'Ivoire.
- One of the controlling executive powers is through judicial review.
- Ghana has chosen to make social progress through the instrumentation of policies and laws that are executed by the executive.
- Heavy Government borrowings have led to extreme long term inflation.
- Corruption exists at the highest government level.

PART – II INDUSTRY / SECTOR / COMPANY SPECIFIC STUDY

2.1 Introduction of Louis Dreyfus commodity:

Louis Dreyfus Commodities is privately held by the Louis-Dreyfus family, controlled by the Robert Louis-Dreyfus trust and approximately 20% employee owned. Structured in a matrix organization of 6 regions and 13 platforms, Louis Dreyfus Commodities has set roots in over 55 countries and employs more than 35 000 people (at peak season) across the world.

LD Commodities is a world leader in the processing of agricultural products and the merchandising of a diverse range of commodities. Founded and based in Ghana, LD Commodities enjoys strong regional presence in Ghana, North and South America, Europe, Asia, the Middle-East and Africa.

Louis Dreyfus Commodities is at the heart of the agricultural industry, covering the entire value chain from origination to distribution. They help people around the world meet every day needs for sustenance: **getting the right food to the right location at the right time.**

LDC Ghana is one of the major exporters of fertilizers, industrial chemicals, pesticides, animal feed and other agricultural commodities.

Mrs. Margarita Louis-Dreyfus, Chairman of the of LDC said the company had net sales of billion and in Ghana they would be chiefly engaged in establishing a cocoa processing and sugar production and to achieve their long-term plan of making Ghana a major producer and net exporter of rice and other commodities.

Louis Dreyfus Commodities is a global merchandiser of commodities, a major asset owner and a professor of agricultural goods. LDC have been in this business for more than 160 years and it apply its experience to a broad portfolio of commodities. It includes Oilseeds, Grains, Rice, Feed, Freight, Finance, Juice, Cotton, Coffee, Sugar, Metals, Dairy

and Fertilizers & Inputs. It participate in industrial scale sugarcane activities through Biosev, its sister company in Brazil, where it operate 12 sugar mills.

Louis Dreyfus Commodities is well positioned to take advantage of underlying business trends and opportunities. Its success shown that the Group's long-term strategy is effective in both good times and bad and will allow them to be one of the top global agriculture companies.

2012 was an exceptionally successful year for the Group. In a complex environment, Louis Dreyfus Commodities has onceagain been able to deliver impressive value thanks to a devotedmanagement team and dedicated employees worldwide; they have earned the Group a place among the best performers in the industry.

The Group has experienced tremendous growth over the last eight years: its size has quadrupled and profits have been multiplied by ten. This exceptional, profitable growth is the result of a long-term strategy based not only on investment and diversification but also on stable governance, increasingly sustainable practices and the development of the Group's human capital.

For more than 160 years, the Louis-Dreyfus family has provided long-term shareholder support to a Company that is now one of the most successful and profitable actors in the agriculture industry. Despite highly volatile markets, challenging weather conditions and political turmoil, LDC completed our best year ever with NIGS (Net Income Group Share) of US\$1.1 billion (excluding Biosev's contribution prior to ring fencing), an impressive 25% higher than in 2011. Thanks to the progress achieved by all of our platforms, it estimate that Louis Dreyfus Commodities now represents more than 9% of the trade flows in agricultural products. In 2012, we transported and processed more than 70 million tons of commodities.

❖ **SUPERVISORY BOARD :-**

The Supervisory Board, acting in the interests of Louis Dreyfus Commodities, oversees and advises Management in performing its tasks and setting the direction of the Group's business, including Group strategy. The Supervisory Board plays a key role in addressing risk and compliance matters inherent to the business. They also approve the financial statements.

Supervisory Board of Louis Dreyfus Commodities:

- Mehdi El Glaoui (Chairman and non-executive director)
- Margarita Louis-Dreyfus (non-executive director and indirect majority shareholder in LDC)
- Serge Schoen (Group Chief Executive Officer and executive director)
- Jean-René Angeloglou (non-executive director)
- Raymond Creteigny (non-executive director)
- Aimery Langlois-Meurinne (non-executive director)

Supervisory Board Committees:

- **Audit Committee**
 - Jean-René Angeloglou (Chairman)
 - Mehdi El Glaoui
 - Raymond Creteigny
- **Strategy Committee**
 - Serge Schoen (Chairman)
 - Margarita Louis-Dreyfus
 - Aimery Langlois-Meurinne
- **Compensation Committee**
 - Raymond Creteigny (Chairman)
 - Margarita Louis-Dreyfus
 - Jean-René Angeloglou
- **MANAGING BOARD**
 - Claude Ehlinger

➤ Johannes Schol

❖ **Vision:-**

LDC help people around the world meet every day needs for sustenance: **getting the right food to the right location at the right time.**

In a world beset by increasingly scarce resources, yet in parallel facing the vital challenge to feed and clothe a growing global population, Louis Dreyfus Commodities will stand out as a leading global commodities company ready to service the global community.

❖ **Mission:-**

To feed and clothe people around the world, Louis Dreyfus Commodities is deployed globally, across an impressive number of commodities. We are present all along the value chain, from farm to fork, through farming, origination, logistics, processing, warehousing, risk management, financing, marketing and distribution.

To be a leader in the industry, it leverages its deep market knowledge, its long-term stakeholder partnerships, its superior business and risk management capabilities and its strong reactivity. Its proven expertise over 160 years, and its ever-growing performance demonstrates its ability to use its existing competitive advantages, and to continually build new ones. Its strength also lies in its deep understanding of – and its connection to – the agriculture world.

❖ **Engagement:-**

LDC committed to delivering compelling solutions to every single customer by providing them with safe and quality products in the most efficient manner. Its engagement is to provide a safe workplace for its employees and to conduct its business in a way that is ethical and environmentally sustainable.

❖ **Activity:-**

➤ **Industrial Chemicals:**

Since 2006, **LDC Ghana** has become the leading supplier of Industrial Chemicals in Ghana. Mines and Industries rely on **LDC Ghana** for quality raw materials in stock for their process. These raw materials are used by the following industries:

Soap and Detergency, Personal Care, Mines, Food processing, Oil Drilling and Refinery, Textile, Plastics, Paint, Water treatment, Steel, Boiler water...

LDC Ghana offers a full range of chemicals for our customers, from bulk products to specialty chemicals. All the chemicals come from partner manufacturing companies on which SSI, our mother company, carries out a very strong quality control. We offer free deliveries to companies located in **ACCRA and TEMA**.

➤ **Fertilizers:-**

LDC Ghana provides a wide range of fertilizers to farms and plantations, suitable for all tropical crops. We have in stock the following fertilizers and are able to manufacture any type of blend according to your crop and soil specifications. “Our ambition is to work for a better productivity in agriculture while protecting the environment”

➤ **Agrochemicals:-**

LDC Ghana offers a wide range of agrochemicals suitable for plantations, farms and small scale farmers. Products are available throughout Ghana with our dedicated distributors, or directly in our Tema head office. Our agronomists provide extensive training for farm technicians and farmers in Ghana. LDC Ghana range of products can be applied on the following crops: Maize, Sorghum, Millet, Rice, Oil Palm, Banana, Pineapple, Rubber tree, Coffee, Soybean, Groundnut, Cotton, Jatropha, Cassava, Yam, Mango and other fruit tree, Tomato and other vegetables.

❖ **Heritage:-**

Louis Dreyfus Commodities is a family-owned business. Throughout our history the descendants of our founder, Leopold Louis-Dreyfus, have led or been deeply involved in our operations helping our continued expansion into new markets and product lines, and organizing our business to meet changing customer demands. The Group we are today continues to gain from experiences and relationships our forbearers created.

❖ **Values:-**

Its values, source of its distinctiveness and strength, are key in helping us achieve its vision and mission, guiding us in the pursuit of achieving its strategic goals and objectives.

❖ **Commitment:-**

It builds trust-based relationships through consistent ethical personal conducts. It shares a passion to better serve its counterparts, better develop its people and deliver superior returns to its shareholders. It shares an uncompromising determination to achieve excellence in everything it undertakes, respecting the law and the communities where it operates.

❖ **Entrepreneurship:-**

It is entrepreneurial, making fast and clear decisions within its authority and using informed judgment to take measured and controlled risks. It acts showing initiative and creativity through energetic and enthusiastic behaviors.

❖ **Diversity:-**

It promotes respect for each individual, varied approaches to problem-solving and honest communication between employees among geographies, cultures and functions, contributing to the development of the communities where it operates.

❖ **Humility:-**

It creates and fosters a culture of truth to produce long-term stability and growth. It learns through questioning and feedback. While recognizing that the old way of doing things may still be the best way, it constantly strives to find a better solution and learn from others.

❖ **Company address:-**

Near G.P.P.I
Heavy Ind. Area
Tema

❖ **Contact detail:-**

T 0303 206060
M 054 4325060

F 0303 216771

❖ **Regions:-**

- Asia
- Europe and Black Sea
- Middle East and Africa
- North America
- North Latin America
- South Latin America

❖ **Platforms:-**

- Coffee
- Cotton
- Dairy
- Fertilizers & Inputs
- Feed
- Finance
- Freight
- Grains
- Juice
- Metals
- Oilseeds
- Rice
- Sugar

COMPANY'S PARTICIPATION OF COUNTRY'S ECONOMY GROWTH:-

Louis Dreyfus Commodities is a global merchandiser of commodities, a major asset owner and a processor of agricultural goods. With more than 160 years of experience, its portfolio has grown to include Oilseeds, Grains, Feed, Rice, Freight, Finance, Juice, Cotton, Coffee, Sugar, Metals, Dairy and Fertilizers & Inputs.

Its diversified activities span the value chain where it operates from farm to fork. Dedicated to providing sustenance for our planet, today it help to feed and clothe up to 50 million people, originating, processing and transporting approximately 12 million tons of commodities around the world annually.

Louis Dreyfus Commodities is in the privileged position of contributing to the vital growth of agricultural commodities destined to feed much of the earth's population. With this leadership role comes great responsibility to ensure it minimize the impact of its businesses and industrial operations through sustainable practices. As global appetite for agricultural commodities continues to rise, it is poised and ready to take on the extraordinary task of helping people around the world meet their basic needs through a robust environmental management program.

In the context of an underlying long-term imbalance of supply and demand to feed and clothe the world's population, we are acutely aware of the challenges that lie ahead. In order to safeguard and enhance the Group's performance, Louis Dreyfus Commodities has implemented a sophisticated risk management process, allowing us to manage the risk inherent in the complex supply chain from field to end consumer.

2.2 Structure, Functions and Business Activities of Louis Dreyfus commodity:

❖ Structure of Louis Dreyfus commodity:

Supervisory Board of Louis Dreyfus Commodities:

- Mehdi El Glaoui (Chairman and non-executive director)
- Margarita Louis-Dreyfus (non-executive director and indirect majority shareholder in LDC)
- Serge Schoen (Group Chief Executive Officer and executive director)
- Jean-René Angeloglou (non-executive director)
- Raymond Creteigny (non-executive director)
- Aimery Langlois-Meurinne (non-executive director)

Supervisory Board Committees:

- **Audit Committee**
 - Jean-René Angeloglou (Chairman)
 - Mehdi El Glaoui
 - Raymond Creteigny
- **Strategy Committee**
 - Serge Schoen (Chairman)
 - Margarita Louis-Dreyfus
 - Aimery Langlois-Meurinne
- **Compensation Committee**
 - Raymond Creteigny (Chairman)
 - Margarita Louis-Dreyfus
 - Jean-René Angeloglou
- **MANAGING BOARD**
 - Claude Ehlinger
 - Johannes Schol

❖ **Functionsof Louis Dreyfus commodity:**

➤ **Finance:**

The Finance function at Louis Dreyfus Commodities involves a number of sub-group activities including Accounting, Tax, Treasury, Controlling, Financial Planning and Business Planning. Between them they inform and support day-to-day business operations, report on our business, manage our finances and help direct investments.

Effective financial management underpins our success at Louis Dreyfus Commodities. The Finance team is one of the largest, with staff employed in a wide variety of roles. They support all areas of our business and either work within Group functions or at a regional level, or can also be dedicated to individual Platforms or assets we own.

It looks for Finance professionals who have the necessary training and experience to analyze, inform, control and maximize its financial performance within an international

environment. Their career paths can take many different directions, into new disciplines, different commodities and alternative locations.

➤ **Human Resources:**

Its HR teams are tasked with attracting, developing and engaging talent worldwide. The function operates at both a global and local level, partnering with the business to deliver talent development initiatives to support our organizational goals.

Few places offer the kinds of opportunities in Human Resources that Louis Dreyfus Commodities does. Here HR plays an influential role as an integral component of strategic business planning. HR is a key partner who demonstrates bottom-line value and directly contributes to the growth of our business.

HR supports a dynamic business in an international context of high growth that includes mergers, acquisitions and joint ventures. The HR team serves as an important lever driving business performance and supporting management via recruitment, organizational development and compensation and rewards initiatives.

It benefit from the strong support of its management team to inject best practices in terms of people and processes to enable optimal performance and competitive advantage. Being so close to the business has the added advantage of allowing its team to directly support and contribute to meeting business objectives.

➤ **Information Technology:**

Its IT teams play a vital role connecting the different parts of its business at Group and local level. They enable fast and efficient operations, knowledge sharing, communication, performance reporting and time-critical information provision.

The mission of its IT team is to build world-class IT systems, while efficiently supporting everyday needs of its employees. To do so, its IT employees develop technology strategies in line with the business and source the best technology that fits with the strategies.

To fulfill this mission, its IT department is organized around Global Competency Centers: teams with expertise on a system or an IT key topic gathered in one or several locations.

The significant number of IT projects taking place, combined with the stated mission and IT organization, creates exciting opportunities for our IT employees. Through involvement in a new project or by moving to a different part of our business, they can experience alternative technology, new systems and understand more about how its business fits together.

➤ **Legal:**

The 70+ professionals who are members of the Group's Legal Department have deep operational knowledge and involvement with all parts of the business. Together, they represent as many as 15 different nationalities and legal qualifications.

More than 70 legal professionals work in a coordinated and global manner to support the implementation of Group strategy and promote Louis Dreyfus Commodities' interests. A team of dedicated experts supports all aspects of its Group's business and operations worldwide. Legal advice, including drafting and negotiation, is provided in relation to many areas of the law, such as trading and commodities law, company law, financing, M&A, special projects, general commercial law and regulatory matters.

Together with the Platforms, Regions and other Functions, the legal team is dedicated to developing and delivering the appropriate legal solutions to support the Group's operations and ambitions. The legal team works on a cost-effective, proactive and teamwork basis, providing checks and balances, and raising awareness of legal risks within the Group.

The Legal Department, headed by the VP, Group General Counsel who reports directly to the Group CEO, consists of a central legal team and 6 regional teams. The central team deals with corporate and matters and offers global expertise. Both central and regional teams interact constantly with each other, providing reciprocal support both on regional matters and on transversal matters, thus ensuring consistency.

➤ **Procurement:**

Employees in its Procurement team are responsible for purchasing services and supplies for its business at a Group and local level. They define its needs, source potential suppliers and work with individual departments and project groups to manage competitive bid processes.

The Procurement team plays an important role ensuring the purchases we make across the Group deliver best value in terms of cost and quality. They apply strategic sourcing processes to source a broad range of goods and services, everything from stationery and design to major machinery and maintenance contracts.

As its Group continues to grow through the acquisition and creation of assets throughout its value chain, the Procurement team is leveraging our footprint to maximize its purchasing power. Additionally, the standardization of its procurement processes and procedures ensures we achieve efficiencies of scale and minimize our internal costs.

❖ **Business Activities Of Louis Dreyfus Commodity:-**

➤ **Business Development, Mergers & Acquisitions:**

Employees in these roles create new business opportunities, assist in the deployment of the Group's capital and creation of potential partnerships. They are forward looking people who find ways for our Group to expand its footprint and fuel its growth through investments.

People in this team work closely with its Business Platforms and Regions to establish opportunities for business expansion through investments.

They promote the investment capabilities of Louis Dreyfus Commodities and its range of activities to existing and potential partners, and also play a role representing its business to industry players.

➤ **Business Platforms:**

It is an international producer, marketer and merchandiser across a range of commodities and services. It have 13 Platforms, each of which provides a stimulating and enriching work environment, employing people with a range of skills and from truly diverse backgrounds.

Its 13 platforms reflect the different commodities in which it specializes. These include Oilseeds, Grains, Cotton, Rice, Coffee, Sugar, Metals, Juice, Feed, and Dairy. In addition, it provides services to our customers, providing transportation through our Freight Platform as well as critical agricultural inputs through our Fertilizers & Inputs Platform. The Finance Platform uses an array of financial instruments to hedge the group's currency risks and to mitigate risks.

All the Platforms provide a dynamic, stimulating environment at the epicenter of geopolitical, regulatory and sustainability trends. The Platforms have to understand both the global macroeconomic climate as well as the local dynamics in their region so as to balance the risks which may impact the success of the product delivery to their customers. The Platforms' considerable investment in processing plants and logistics networks reflects the commitment to improve the efficiency of our route to market.

The Platforms consist of traders, marketers, researchers, originators and business development experts. They all work together to source, process, transport, distribute the goods, thereby playing a critical role in feeding and clothing over 500 million people globally.

They support potential mergers and acquisitions activity and help structure new business transactions, working closely with our business leaders and financial and legal teams.

➤ **Communication:**

Communication at Louis Dreyfus Commodities is a strategic lever for enabling business results and driving value by engaging and influencing stakeholders to advance our organization's goals and mission. The Communications team works to strengthen the Group's credibility and protect and build our long-standing and well-respected reputation, culture and brand both inside and outside the Group.

Communications is a fast-paced and dynamic group that is proactively involved in all aspects of Louis Dreyfus Commodities' businesses, transforming ideas, strategy and vision into clear messages for our most important audiences. From simple press releases to acquisitions and integration of new employees, communications plays a central and strategic role in getting the right message to the right audience at the right time.

The Communications function is divided into two areas: Internal and External communications. Internal and External communications work hand in hand to deliver consistent, tailored messages to the various stakeholders via numerous channels including web, print and video. Both teams take a leading role in how the Group interacts with employees worldwide as well as with our communities, business partners, banks and other interested groups. Given a business that covers six regions and the full value chain in our operations, we must reach audiences at locations everywhere in the world to address issues that are complex and vital to the world's future.

➤ **Compliance & Risk:**

Effective risk management underpins everything they do at Louis Dreyfus Commodities. Its skill at addressing risk is the reason its customers rely on them to deliver and its worldwide reputation has grown.

Its team of over 100 professional risk and compliance managers is organized into 6 main functions: market functions, commercial disputes, internal audit, training and sustainability, regulatory compliance and operational risk.

Its people become experts on a range of risks so they can be effective advisors to employees and managers throughout our business while simultaneously fulfilling a vital control function. In total there are 11 areas of risk this team addresses: trade practice, regulatory compliance, sustainability, market risk, credit risk, trade finance, arbitration, treasury, operational risk, insurance and crisis management.

➤ **Execution:**

Its Execution teams are heavily integrated in the business. They work in very dynamic and stimulating environments maintaining active dialog with customers, producers and logistics providers and ensure smooth and accurate execution of commodities contracts.

Execution is allowing the Group to capture the full value of trades, thus being a natural extension of trading.

The Execution teams work cross platform, which means they are able to support any product line. Roles include Manager of Execution, Execution Officer and Execution

Coordinator, with each level of employee holding significant responsibility for successful delivery of contracts.

➤ **Procurement:**

Employees in our Procurement team are responsible for purchasing services and supplies for our business at a Group and local level. They define our needs, source potential suppliers and work with individual departments and project groups to manage competitive bid processes.

The Procurement team plays an important role ensuring the purchases we make across the Group deliver best value in terms of cost and quality. They apply strategic sourcing processes to source a broad range of goods and services, everything from stationery and design to major machinery and maintenance contracts.

As our Group continues to grow through the acquisition and creation of assets throughout our value chain, the Procurement team is leveraging our footprint to maximize our purchasing power. Additionally, the standardization of our procurement processes and procedures ensures we achieve efficiencies of scale and minimize our internal costs.

CHAPTER-3

3.1 Comparative Position of Louis Dreyfus commodity's Product with India:

The Indian Food industry - both primary and processing - are poised for a rapid growth. India has the potential to become a reliable outsourcing partner in the Food sector given its strengths in primary Food Sector. The Indian Food sector is estimated to be worth over US\$ 200 billion and is expected to grow to US \$ 310 billion by FY 2015. It also contributes to a major part of the retail basket. The US \$ 6.1 one billion Food Retail sector is also growing at a hefty 9 percent. FDI in India, in this segment has exceeded US \$ 3 billion. A breed of foreign taste masters currently operates in India. Indian Food brands are now increasingly finding prime self-space in the retail chains across the US and Europe.

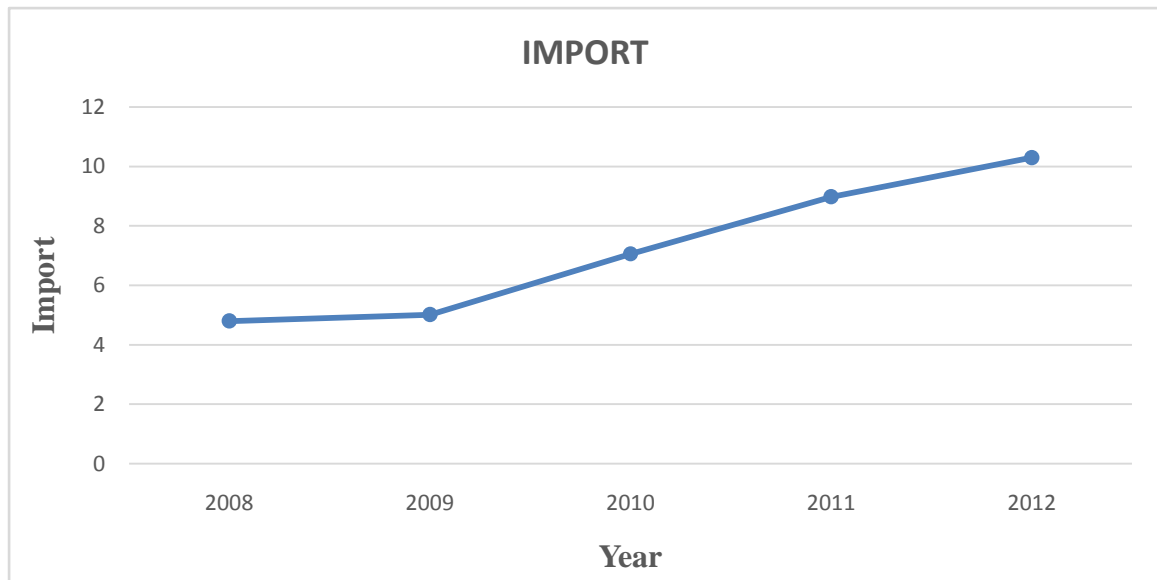
The Government has also approved proposals for joint ventures, foreign collaboration, industrial licenses and 100% export oriented units envisaging an investment of Rs.19,100 crores (US \$ 4.80 billion) during the same period. Out of this, foreign investment is over Rs. 9100 crores (US \$ 2.2 billion).

The Government has also declared the Food Processing Industry as a Priority sector and to be the food factory of the world by 2015. Given the vast potential for growth in this important sector, CII is organizing Food Tech 2012. The exhibition will bring together the manufacturers and suppliers of process plant and equipment for the growing industry, all under one roof. The exhibition will provide an excellent platform for services providers to showcase their products and services to decision makers from leading Food & commodity manufacturers.

❖ Recent developments in India's imports of commodity:-

India's review of import data has found that India imports of commodity were valued at US\$10.3 billion in 2012 (latest available data), up from US\$ 4.8 billion in 2008. This equates to assure in imports at a rate of about 23% per annum, which is certainly one of the most rapid rates of growth in imports seen anywhere in the world over this period.

Trends in India's Imports of commodity – 2008 to 2012



[Figure 3.1 Trends in India's Imports of commodity]

It is clear from the data that the market is growing rapidly, and growing at a time when the world has been in a major crisis, as a result of the global financial crisis and economic crisis in the Developing World.

➤ **SUGAR:**

India produced 26.2 million tones sugar in 2011-12, up from 24.3 million tons the previous year. CP Krishnan, whole-time director, Geojit Comtrade, says, "India is likely to export 3.5 million tones sugar in marketing year ending September. It has shipped out 2.2 million tones so far."

India's sugar industry is tightly regulated, production follows a cyclical pattern and thus the status of India as a net importer or exporter depends on supply and government policies. India usually exports 10-11 per cent production.

The Directorate General of Foreign Trade has registered export of 1.2 million tones sugar since overseas sales were freed on May 14. Out of the registered quantity, 75,0000tones has already been shipped out.

However, there may be a change in script. Less rain may impact on production in the new season starting October. Since the start of the financial year, sugar has risen over 22 per cent on the MCX. It was at Rs 3,394 per quintal on 30 July.

Some experts say the demand was firm after the government scrapped the quota system in May and freed exports. Unfavorable weather in major producing countries and falling rupee, and domestic demand ahead of the festive season, perked up prices.

Siddharth Shankar, director, Kassa Group, says, "Poor rainfall in sugarcane-producing states is one of the biggest reasons for the rise in prices."

However, due to restrictions on sugar trade, experts are not upbeat on prices. "Due to government controls, we do not expect a major rally or fall in prices. Meanwhile, with production forecast to fall, a somewhat higher price is possible," says Krishnan. On 31 July 2012, it was trading at Rs 4,467 per quintal.

➤ **COTTON:**

India is the second-largest exporter of cotton after the US. However, exports depend not only on production but also on government policies. During years of deficit, the government protects domestic consumers and restricts exports.

In 2011-12, India shipped 115 lakh bales (1 bale equals 170 kg), more than the previous record of 88.5 lakh bales in 2007-08.

For the next two quarters, the price of cotton on the Multi Commodity Exchange is likely to stay in the range of Rs 16,700-18,500 a bale.

❖ **Future development of India's food processing industry and strategic implications for imported food and commodity:**

The government program that stimulates food processing industry development is targeting output growth of around 4% per annum over the next 10 years. According to a recent FICCI study, a growth rate of around 7% per annum was achieved by the industry in the 5 years ended 2008. Private sector opinions today suggest that the 4% target set by the government will be easily met over the period to 2020.

The senior management of Indian conglomerates, such as Tata and Bharti Enterprises, regard the opportunities for their businesses to develop in India over the next 10 years as amongst the largest that has ever been available to local industrialists in the past, i.e. larger than those offered by industries such as telecommunications. These opportunities are being facilitated through Public-Private Partnerships that the Indian government is setting up with larger Indian owned businesses and selected multinationals.

❖ **The state of India's distribution channels for food and commodity:**

The main reasons for this situation are government policy, a regulatory system that protects and archaic trading system that has been disappearing in ASEAN since the mid-1980s, and the inherent protectionism that prevails in India's food and commodity market today, both retail and food service. Some key points on current government policy are as follows:

Foreign owned companies, including the multinational retailers, are prohibited from owning multi-branded retail chains in India. This law exists to protect small retailers and local chains of supermarkets. Trade sources comment that, based on recent policy statements from the government, this law will not be relaxed in the short term because there is a huge amount of support for the ban from politicians and India's hundreds of thousands of SME retailers.

India permits 100% foreign ownership of cash-and-carry warehouse style operations. This has attracted Metro Cash & Carry of Germany to invest in the sector. (Note: Carrefour is also preparing to open its first Indian Cash & Carry operation in January 2011).

The Indian government has relaxed other problematic regulations covering supermarket procurement, so that supermarkets can now procure products direct from farmers. In the past, this was not possible as there was government agency intervention in the marketing and distribution of local agricultural produce. Trade sources comment that there are still some problems in this area of the supply chain because of localized opposition to the changes.

EMMSONS INTERNATIONAL LIMITED:-

Emmsons International Limited is an India-based trading company. The Company is engaged in the trading of commodities. The Company is engaged in the exporting of rice, sugar, wheat, steel, cotton, soya meal, sesame seeds, iron ore and acid casein. It exports all varieties of non-Basmati rice, including Indian long grain, medium grain and short grain parboiled, as well as white rice. It includes trading in white cane sugar with countries, such as Pakistan, Sri Lanka, Bangladesh, Indonesia, Singapore as well as Middle East. It exports oil meals to Vietnam, Japan, Indonesia, Malaysia, South Korea, Europe, Middle East, Pakistan and Bangladesh. The Company is engaged in the importing of sulphur, coal, pulses and peas,

palm oil, and wheat. The company was incorporated in the year 1990 and is based in New Delhi, India.

EMMSONS GROUP headquartered in India and operating globally, is a Physical Trader of Agricultural Produce, Industrial Raw Materials and Energy Products. The group's strength lies in bringing commodities from where they are farmed, milled, processed or mined to where they are consumed and managing the entire supply chain in the process.

Its businesses are diverse, yet connected by the common thread of "TRADING", which drives almost everything we do - from farming to milling to mining. In all our efforts, the group's primary aim remains maximizing returns for our shareholders, whilst contributing to the development of moral and social fabric of the communities involved with our business.

The Group expects to cross the USD 1 Billion threshold by the end of the financial year 2011-12 and surpass trading of approx 2 Million Metric Tonnes of multiple commodities worldwide.

The success of the Company is further highlighted with the glitter of awards presented by the Government of India to celebrate its performance and the ever-growing reputation in the Industry. The company has been selected for the APEDA Gold Trophy in Cereals and Feed for its overall contribution to Indian Exports sector for 2009-10 along with being the proud recipient of "National Award for Excellence" in exports. In addition, APEDA and other Export Promotional Organization have conferred awards for its Export Performance for the last five years running.

The company has its own Farming, Milling and Storage Operations in India. Additionally, The Company is also managing the farming of 35,000 Acres of land to produce and process Grains and Oilseeds in India. The Group Subsidiary, Emmsons Gulf DMCC, owns Coal Mines in Indonesia, which are stated to start Production in 2013. It is also very active in Trading of Fertilizer Products in the Indian Sub-continent and South East Asia.

Its expertise in Procurement of Agro Commodities along with its offices in major procurement areas in India and around the world helps the Company in maintaining its high quality standards. The skills, insight and expertise in procurement acquired over the years are even today the Group's Core Assets. Its own packaging unit reduces its dependence on Quality and timely procurement of packing material thus increasing its efficiency.

Emmsons has at its helm, a team of highly qualified and motivated professionals who believe that innovation is the key to success. By timely shipments of quality cargo, it has been able to satisfy and retain old customers and is continuously expanding its activities to new destinations.

Emmsons firmly believes that a growing population and rising income levels will create and sustain a great demand for Food Products and Energy Commodities.

The core strength of the group lies in the fact that it has procurement capabilities across the world besides India in both these segments. In addition to procurement of various commodities, Emmsons has also made investments in assets that would supplement the trading activity and offer growth in the areas of Farming, Mining and Milling, globally.

This GLOCAL (Global Local) approach lends Emmsons Group a worldwide reach and substantiates its position as one of the leading groups in the business of Agro Trading, Energy Commodity Trading, Farming and Mining.

Group's global operations extend to 22 countries in 5 continents, including places like Switzerland, Ukraine, UAE, Indonesia and Singapore, lending it a truly international edge over others.

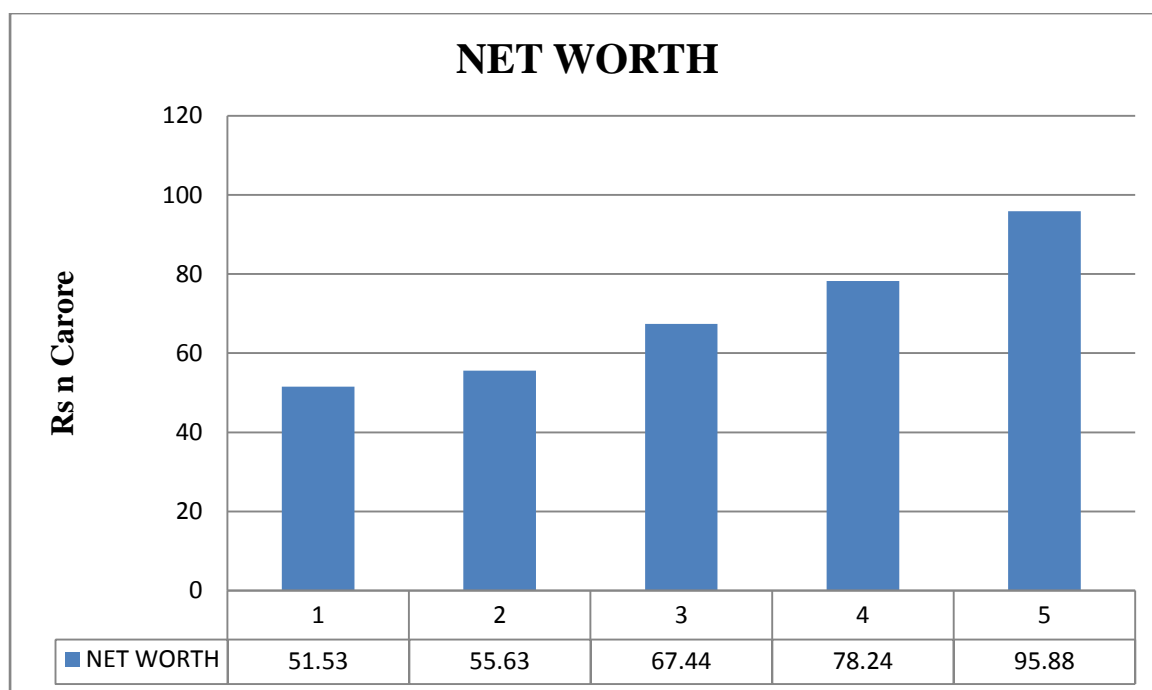
Vision:

Emmsons Group has always believed in its dreams, which are the harbinger of a collective and glorious future. With a strong strategy backing it, the group is ready to stride into the future. Our aim to consolidating market leadership and charting new routes of expansion strengthens our position in the market.

Emmsons Group is confident about tomorrow. Behind our future plans lie our thorough understanding of the changing market realities and a mission statement - to be a trusted partner globally in providing quality and value to our partners through efficient procurement of grains, feed products, softs, metals, minerals and raw materials.

With time, Emmsons group adopted new technologies and ways to handle its business but what hasn't changed over the years is the vision statement of the group, the way of life for Emmsons Group.

Net Worth of Emmsons International Limited:



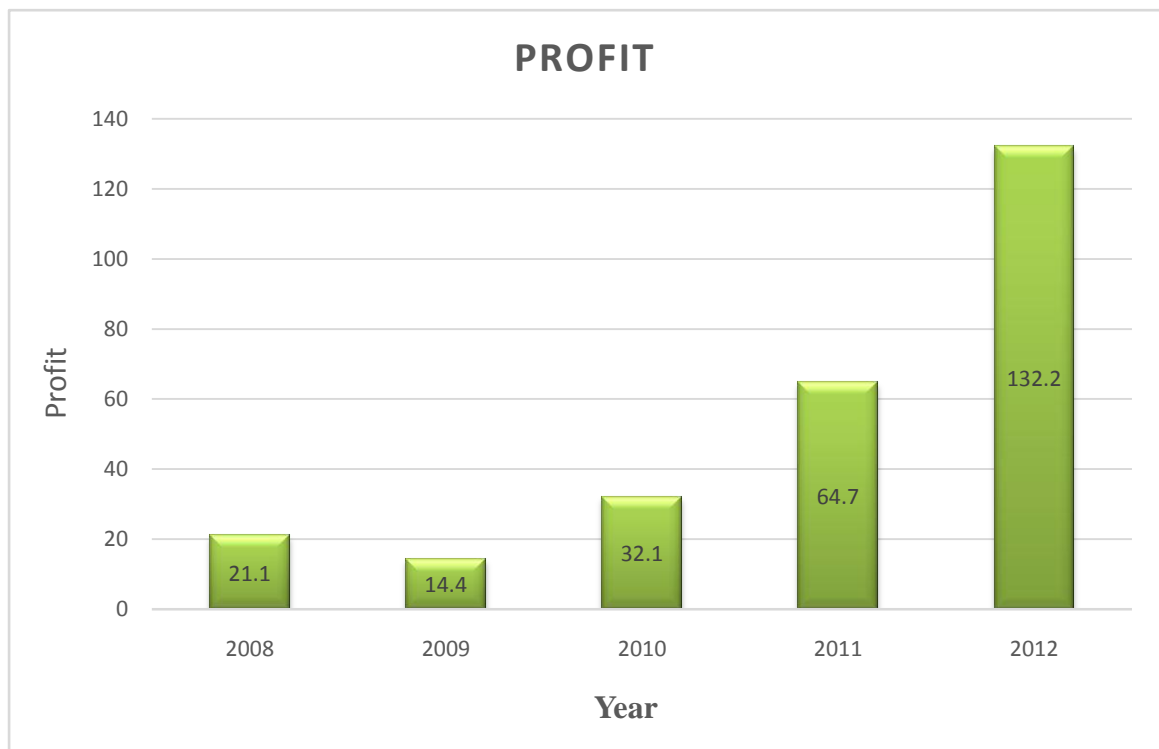
Financial Highlight of Emmsons International Limited:

Particulars	2011-12		2010-11	
	Amount (RS. In Lacs)	Amount (US\$ in Millions)	Amount (RS. In Lacs)	Amount (US\$ in Millions)
Gross Sales and Income	190527.45	374.54	134351.70	301.30
Profit before interest, Depreciation and taxation	7030.32	13.82	4420.83	9.91
Less: Interest and financial Charges	5241.36	10.30	2892.70	6.49
Depreciation	72.97	0.14	58.94	0.13
Profit before taxation	1716.39	3.37	1469.19	3.29
Less: Provision for taxation	531.89	1.05	499.72	1.12
Provision for deferred taxation/ (tax effect of timing differences during year)	(32.73)	(0.06)	(3.73)	(0.01)
Profit after taxation	1217.23	2.39	973.20	2.18
Add : Balance brought forward	3598.01	7.07	2860.69	6.42

from the previous year				
Less: Short/(Excess) Provision of Income Tax in Earlier Years	(44.03)	0.09)	43.23	0.10
Disposable Profits	4770.21	9.38	3790.66	8.50

Louis Dreyfus commodity Profitability:

LDC achieved profitability of US\$ 126.2 million vs. US\$ 60.14 million in 2011, a 102% improvement. Total profit reached 132.2 million (8.3% of net revenue) vs. US\$ 64.7 million (4.6% of net revenue) in 2011, 102% improvement. This is a significant improvement and superb performance in light of continued significant challenges facing the local and international market.



[Figure 3.2 Louis Dreyfus commodity Profitability]

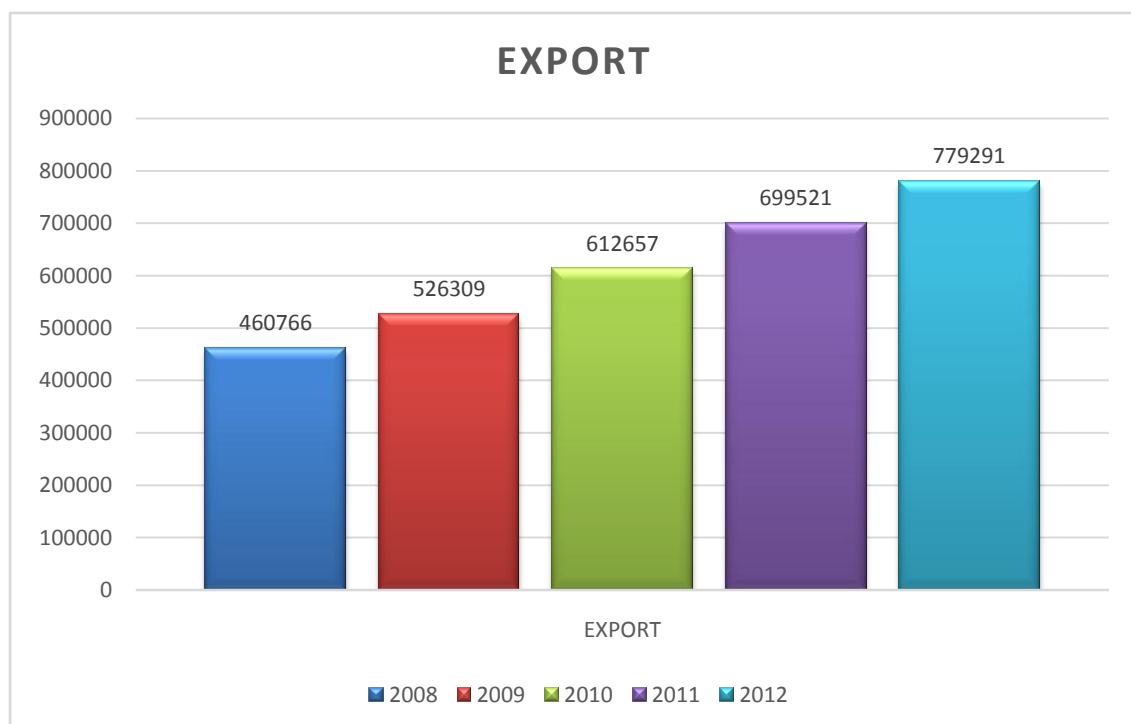
The profitability in 2008 is 21.1 and it is decrease in 2009 at 14.4 and again the profit Overall the sales revenue grew in 2015 by 11.5% against volume growth of 11%. This was ahead of plan by 11%. The improvement in revenue per case was generated through reduction in market discounts coupled with increase in export sales.

Local Sales:-

Local sales revenue grew by 1% driven primarily by improved realization and increased focus on promoting with higher sales values.

Export of LDC:-

In 2012 export grew 65% vs. 2011 which helped overall LDC business grow in double digits. Export sales were helped by acquisition of new distribution center which raised shipping capacity export increases were across the board to existing customers and addition of several new ones.

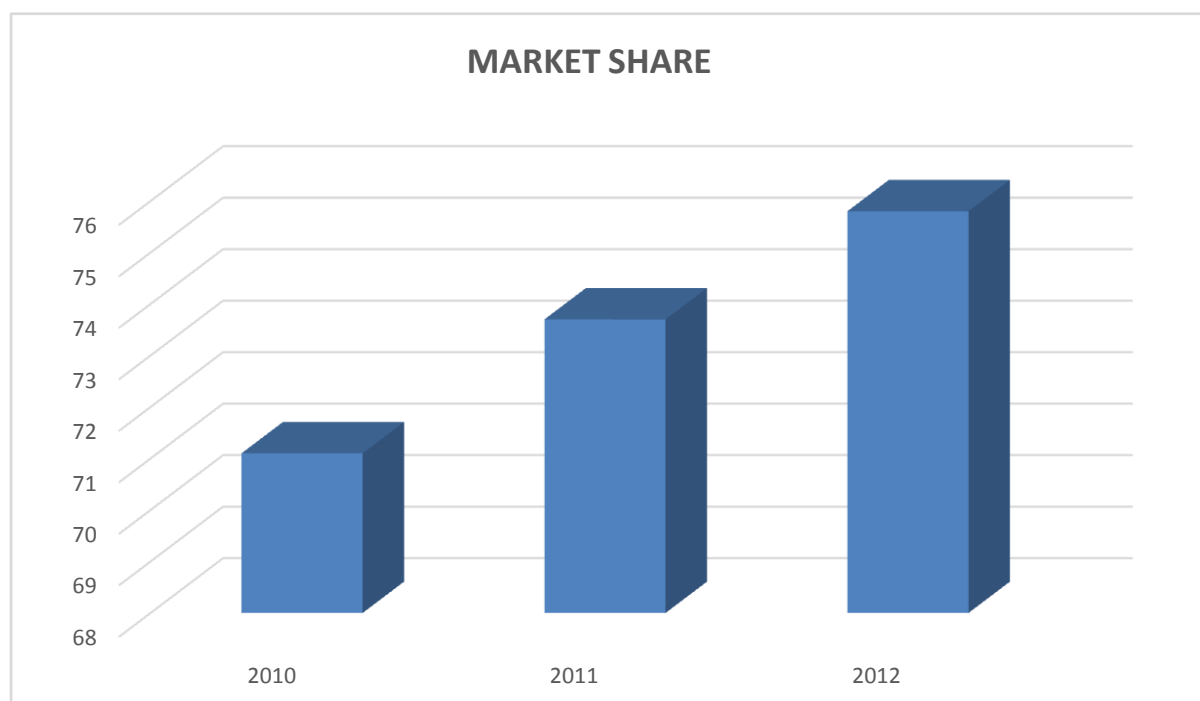


[Figure 3.3 Louis Dreyfus commodity Export]

In 2008 the export of LDC is 4, 60,766 which is increase in 2009 at 5, 26,309 and in 2010 and 2011 there is also growth in export in LDC. So the growth of LDC is constantly increase. in 2012 there is 7, 79,291.

Market Share:

Louis Dreyfus commodity (LDC) continues to enjoy the majority of food market with average share reaching 75.8%. The share is primarily driven by continued strength of the cotton, coffee and sugar.



[Figure 3.4 Louis Dreyfus commodityMarket Share]

The market shares of LDC in 2010 is 71.1 , and in 2011 the market share is growth at 73.7 and in 2012 it is 75.8, so the market shares of LDC is continuously increase. The value of LDC's shares in market is good so it shows the position of the LDC in the market.

3.2-Present Position and Trend of Business (import / export) with India:

❖ Louis Dreyfus commodityPresent Position:

Today LDC help to feed and clothe up to 50 million people, originating, processing and transporting approximately 12 million tons of commodities around the world annually.

➤ Outstanding performance in a complex environment:-

Louis Dreyfus Commodities delivered an exceptional performance in 2012. Despite highly volatile markets, challenging weather conditions and political turmoil, it completed its best year ever with Net profit of US\$ 132.2 million (excluding Biosev's contribution prior to ring fencing), an impressive 102% higher than in 2011. The progress achieved by all of its platforms, it estimates that Louis Dreyfus Commodities now represents more than 9% of the trade flows in agricultural products. In 2012, it transported and processed more than 12 million tons of commodity.

Its diversified business model, best-in-class risk management, continued investment in industrial assets and long-standing commercial relationships all converged to deliver a rise of nearly 7% in volumes.

Conversely, its sugarcane milling business, Biosev (formerly LDC-SEV and now a sister company to Louis Dreyfus Commodities), suffered from weak cane yields and low ethanol prices. Biosev has improved its operations; today, the company is working on its long-term development, with 2013 planned as a turning point for its funding.

1. Louis Dreyfus commodity Reports Earnings Results for the Third Quarter and Nine Months Ended September 2012:

Louis Dreyfus commodity reported earnings results for the third quarter and nine months ended September 2012. For the quarter, the company reported net profit US\$ 125.7 million, up 97% from the year-before period. Revenue increased by 34%. The operating profit rose by 105% to US\$ 125.7 million compared to US\$ 64.7 million in the corresponding period last year. For the nine months, the company reported net profit stood at US\$ 132.2 million, 102% increase over 2012.

2. Louis Dreyfus commodity opens its Largest Distribution Center:

Louis Dreyfus commodity its largest Distribution Center to date as part of its strategic investment plan to meet the growing demand for its products. The official opening of the new Ghana Distribution Center was attended by Louis Dreyfus commodity's Board Members and Management. The new warehouse covers 145,000 sq. ft. with storage capacity for 550,000 cases, and a daily loading capacity of 150,000 cases. With the addition of this new warehouse, LDC now has a total storage capacity of 14, 70,000 cases across all warehouses in the Ghana.

3. Louis Dreyfus commodity to build US\$ 400 Million Food and cotton Factory and Warehouse Facility at Ghana:

Louis Dreyfus commodity will build a US\$ 400 million Food and cottonfactory and warehouse facility at Ghana. Louis Dreyfus commodity has acquired 140,000 square meters of prime industrial land at Ghana to build the integrated facility.

❖ **Louis Dreyfus commodityTrend of Business:-**

Export Growth Increasingly Important to Fertilizer, industrial chemicals, pesticides, animal feed and other agricultural commodities of Louis Dreyfus Commodity:-

Louis Dreyfus commodity which has traditionally done so well in the country, is among the companies leading the way. LDC has gotten stronger in the Ghana. Its market share has increased. These are particularly good numbers when you consider that growth in the Fertilizer andagricultural commodities market has been slowing, so market share gains are a strong boost.

❖ **Louis Dreyfus Commodities Exports:-**

➤ **Grains:**

Louis Dreyfus Commodities originates and merchandises wheat, corn, sorghum, barley, rye, oats and corn-based ethanol, working extensively in North America, South America, the European Union, Russia and Asia.

Louis Dreyfus Commodities now represents more than 9% of the trade flows in agricultural products. In 2012, it's transported and processed more than 12 million tons of commodities.

➤ **Coffee:**

Louis Dreyfus Commodities merchandises all major Arabica and Robusta qualities and serves a diversified range of customers, from specialty roasters to multinationalfood companiesacross the globe.

LDC is one of the 3 green coffee merchandisers worldwide. It is a member of the 4C association, café practices, rain forest alliance, UTZ certified, FTO. LDC continue to expand its geographical sourcing footprint alongside investment in research.

Having established its position as a leading multinational company exporter in Vietnam and Colombia, the coffee platform has further expanded in Brazil, India, Indonesia and Honduras.

LDC exports of coffee in following country:

It is active in all major coffee producing areas, with offices in Brazil, Vietnam, Colombia, Peru, Mexico, India, Indonesia, Uganda, Kenya, Tanzania and Honduras. We also have representation in Ethiopia.

➤ **Cotton:**

Louis Dreyfus Commodities entered the global cotton business more than 30 years ago and achieved leading positions in many markets, particularly in the US and China. LDC manage origination in China, India, Brazil, West Africa, Pakistan, Australia, US and many others.

➤ **Dairy:**

Louis Dreyfus Commodities supplies dairy products to leading global and national companies in the food industry, including bakeries, dairy processors, infant formula producers, processed cheese manufacturers, confectionary and ice cream industries.

➤ **Fertilizers & Inputs:**

Louis Dreyfus Commodities has a full agricultural inputs portfolio for farmers, offering seeds, crop protection products, fertilizers and silo bags as well as agricultural tools and machinery. It also supply a range of chemicals to the industry.

➤ **Juice:**

Louis Dreyfus Commodities has one of the broadest product lines in the global fruit juice processing industry. Its Juice Platform's extensive asset base includes approximately 30,000 hectares of citrus groves in Brazil where more than 14 million trees are planted. From these groves, and from fruit grown by its independent grower associates.

➤ **Metals:**

LDC Metals Platform is present in all major origination and sales regions, giving the strong network required to meet the needs of its global bookings Copper, zinc and lead meet the challenges of everyday modern life through a variety of applications.

55% of copper production is used for electrical wiring due to its excellent conductivity, while 20% is used in building construction and plumbing. Zinc has unique impermeability so is used extensively to make a protective coating for steel in construction industries.

➤ **Oilseeds:**

Louis Dreyfus Commodities is a dominant player in oilseeds with a strong international presence in the world's major producing and consuming regions. It originate, handle, store, transform and merchandise a large spectrum of oilseeds products.

➤ **Rice:**

Rice is one of the largest crops worldwide. Approximately 4.5 million tons are grown annually, with Asia representing approximately 90% of global production and around 85% of global demand. The Asian market that accounts for 75% of the world's exportable surplus is a source of increasing volumes.

➤ **Sugar:**

Louis Dreyfus Commodities is a worldwide exporting sugar with a presence in 16 trading centers including Geneva, Wilton, Singapore, Sao Paulo, Delhi and Beijing and with marketing capabilities in Dubai, Kenya and Mexico.

Financial Statements for Louis Dreyfus Commodity(LDC):

Year over year, Louis Dreyfus commodity, Most impressively, the company has been able to reduce the percentage of sales devoted to cost of goods sold from 74.69% to 72.15%. This was a driver that led to a bottom line growth from \$64.7M to \$132.2M.

Particulars (Currency in million)	Dec 31 2009 US\$	Dec 31 2010 US\$	Dec 31 2011 US\$	Dec 31 2012 US\$
Revenues	627.3	698.8	779.3	987.0
Total Revenues	627.3	698.8	779.3	987.0
Cost Of Goods Sold	475.2	532.4	582.0	712.1
Gross Profit	152.1	166.5	197.3	274.9
Selling General & Admin Expenses, Total	140.2	135.8	136.7	155.5
Depreciation & Amortization, Total	4.9	3.1	3.1	3.1
Other Operating Expenses	-1.9	-2.9	-3.7	-9.9
Other Operating Expenses, Total	143.1	136.0	136.2	148.7
Operating Income	8.9	30.5	61.1	126.2
Interest Expense	-1.6	-1.8	-3.4	-1.8
Interest And Investment Income	2.0	3.4	6.1	6.5
Net Interest Expense	0.4	1.6	2.7	4.7
Currency Exchange Gains (Loss)	--	--	--	1.0
Other Non-Operating Income (Expenses)	0.3	0.5	0.9	0.3

Ebt, Excluding Unusual Items	9.6	32.6	64.7	132.2
Gain (Loss) On Sale Of Investments	4.3	--	--	--
Gain (Loss) On Sale Of Assets	0.5	-0.5	--	--
Ebt, Including Unusual Items	14.4	32.1	64.7	132.2
Earnings From Continuing Operations	14.4	32.1	64.7	132.2
Net Income	14.4	32.1	64.7	132.2
Net Income To Common Including Extra Items	14.4	32.1	61.2	128.7
Net Income To Common Excluding Extra Items	14.4	32.1	61.2	128.7

[Table 3.1: Financial Statements for Louis Dreyfus commodity(LDC)]

CHAPTER-4

4.1 Policies and Norms of Ghana for import / export including licensing / permission, taxation etc.:

❖ Export Certificates Required:-

Export permits or certificates are required for a number of products: Cocoa beans, awn lumber, Mineral ore, fresh/processed fish, coffee, she nuts, and cashew nut, yam, pineapple, plantain, palm oil, rock and rock samples, Wildlife pets, chemicals,

pharmaceuticals, antiques, timber and wood products. Export taxes are applied on cocoa and hydrocarbons.

The rates on hydrocarbons are US\$0.09 per liter on aviation turbine kerosene and US\$0.03 per liter on gas oil.

❖ **Import Procedures:**

In Ghana, all imported goods attract an import duty and import VAT. (See Domestic Tax System for details). Goods like aircraft and aircraft parts, advertising materials, infant food and machines or plant for agricultural purpose are exempted from import duty. Prohibited imports are narcotics, animals and dangerous weapons. These are only allowed if the competent Ghanaian authorities have issued the necessary permits or certificates. For drugs, permit must be obtained from the Ministry of Health; for animals, Ministry of Food and Agriculture and for weapons, from the Ministry of Interior.

Three additional fees and levies are paid on imported goods. These are an inspection fee of 0.5% of the value of the imported goods, a 1% ECOWAS levy, and a 0.5% fee for the financing of the Ghanaian Export Development and Investment Fund (EDIF).

❖ **Exports Procedures:**

Procedures and requirements for exporting goods from Ghana depends on the kind of goods exported. Exports are categorized into traditional and non- traditional exports. Traditional exports include cocoa, timber, gold, minerals and electricity. Non- traditional exports include agricultural products, fish, aluminum products and textiles.

Exporters are required to register their companies with the Registrar General's Department and GIPC to obtain a number. Exporters are also obliged to complete foreign exchange forms from the Bank of Ghana, Customs Entry forms and certificate of origin from CEPS. Permits or certificates must also be obtained from relevant institutions like the Ghana Standards Board. Prohibited exports are narcotics, parrots and Ghanaian currency in excess of GH¢ 5,000. There are also restrictions on the export of antiques, precious minerals and live plants.

Permits to export these must be obtained from the relevant regulatory agencies such as the Museums and Monuments Boards, Precious Minerals Marketing Corporations and Ministry of Agriculture respectively. General documents required for exports include:

- Original Bill of Lading/Airway Bill
- Attested Invoice (Customs # C.61)
- Packing List
- Import Declaration and Valuation Report (FCVR)
- Tax Clearance Certificate (Domestic Tax Division of Ghana Revenue Authority)
- Taxpayers Identification Number (TIN)
- Permit and License from Relevant Institutions

❖ **Duty Drawback:**

This gives an exporter the opportunity to receive a refund on import duties after he has re-exported previously imported products (Same-state drawback) or import duties paid on raw materials used in the production of finished goods and exported (Material drawback). The drawback process commences when goods have been duly re-exported and a Ghana Customs export document endorsed by the Customs authorities in both the exporting and importing countries or a “landing certificate” from the importing country (when required) is produced. An application form must be accompanied with the following documents:

- Certified copies of the import documents
- Import duty payment receipts (certified copies)
- Drawback Debenture Form (Form C3)
- Statement of Composition Form (Form C2A) in case of Material drawback

There is a twelve-month time frame beginning from the date of the first export within which the duty drawback can be claimed. It is advised that claims are put in quarterly. The Government of Ghana has established an escrow account with the Bank of Ghana into which monies are paid for the purpose of satisfying the duty drawback needs of exporters.

❖ **Temporary Importation of Goods:**

Certain goods imported into Ghana can be conditionally relieved from the payment of import duties. Such goods must be imported for a specific purpose and must be intended for re-exportation within three months, either in the state in which it was imported or after having undergone specific processing or repair. Conditions to be met for the tax relief on temporary importation of goods include:

- Goods must be declared at importation that they are imported only temporarily and will be subsequently re-exported
- A Form C59 must be filled
- A cash deposit or a bond to cover the potential duty and tax liabilities (if any) must be given
- Goods must be exported within three months or such further period as the Customs Officer may allow
- Goods must not be disposed of in the country without prior permission of the Commissioner.

GHANA TAX SYSTEM:-

❖ Ghana Revenue Authority:

The tax types in Ghana that investors will encounter are Corporate Tax, Withholding Tax, Capital Gains Tax, Value Added Tax/NHIL, Employment Tax, Dividend Tax and Excise and CST.

❖ Corporate Tax:

Income tax incentives are provided under the Internal Revenue Act, 2000 (Act 592), as amended. Depending on the sector and location in which it operates, it is liable to pay tax at rates lower than the general corporate tax rates.

❖ Withholding tax:

All companies are obliged to withhold tax from specific payments to other persons. The Withholding Tax is on contract payments in excess of GH¢500. The rate varies from 5% to 15% depending on whether the person is resident or a non-resident, and on the type of transaction.

❖ **Capital Gains Tax:**

Capital gains tax of 15% is payable on gains from the realization (disposal) of chargeable assets. This includes business and business assets, buildings, lands, rights or interests in stocks or shares, or other assets declared as taxable for capital gains tax purposes. Gains from agricultural land and securities of companies listed on the Ghana Stock Exchange are not taxable. However, the following are exemption from capital gain tax:

- Gains with a scrap value of GH¢50
- Gains derived by a company out of a merger, amalgamation or re-organization where there is continuity of underlying ownership in the asset of at least 25%
- Gains resulting from transfers of ownership of asset to close relatives or to former spouses as part of a divorce settlement or separation agreement and
- Gains used to acquire asset of the same nature within one year.

❖ **Value Added tax /National Health Insurance Levy:**

The Value Added Tax Service (VAT Service) is responsible for the collection of VAT and National Insurance Levy (NHIL). However, the Customs, Excise and Preventive Service (CEPS), collects the tax on behalf of the VAT Service on imported goods.

A VAT rate of 12.5% and NHIL rate of 2.5 % (15%) is chargeable on all transactions that attract the tax. Companies and exporters obliged to pay VAT must register with the VAT Service. Registered companies are obliged to file a tax return and pay VAT every month. Goods and services exempted from VAT include:

- Food produced in Ghana and brought in its raw state
- Petrol, diesel and kerosene
- Equipment for agriculture and fishing
- Housing (ownership and rental)
- Transport

❖ **Customs Duty:**

Agricultural and industrial plant, machinery and equipment imported for investment purposes are exempted from customs import duty. All import duty-exempted goods however, attract processing and/or other related fees or levies ranging between 0.5% and 1.0%, with the exception of goods imported specifically for the educational, health and agricultural sectors.

Commercial buses with seating capacity of above thirty passengers, workshop vans, breakdown vehicles, mobile showrooms, ambulances, and hearse and motor bikes are also exempted from the payment of import duty. However, certain types of vehicles attract both import duty and Value Added Tax and National Health Insurance Levy at a combined rate of 15%, except ambulances.

❖ **Domestic Tax:**

Taxation of Individuals pay tax on their income at the graduated rate from 0 through 5%, 10%, 17.5% and 25%. Any income above the 17.5% band is taxed at 25%. Sole Proprietorships and partners of partnerships also pay tax at the graduated rate.

Individuals enjoy tax reliefs such as child education relief, old age relief, aged dependent relief, marriage or responsibility relief, and disable relief. Individuals who have life insurance policy get relief for the premium paid for the policy. Those who pay social security and national insurance trust contribution get relief for the amount contributed. Employers also get relief for the additional contribution they make on behalf of their employees.

The income tax of Ghana is based on the source principle and that explains why persons are taxed on income derived from Ghana or accrued in Ghana. In addition to the source rule the individual should be resident in Ghana to have income received in Ghana or brought into Ghana,

Taxable in Ghana. For purposes of payment of assessment of annual income tax, an individual is resident in Ghana where she/he has lived in Ghana for at least 183 days in any

12 month period. This residence criterion is varied in the case of foreign employees who come into the country as Employees for less than the 183 days.

4.2 Policies and Norms of India for Import or export to the selected country including licensing / permission, taxation etc.:

General Provisions:

Goods are imported in India or exported from India through sea, air or land. Goods can come through post parcel or as baggage with passengers. Procedures are different depending on mode of import or export. Procedures discussed.

Amendment to Documents:

Importer, exporter or 'Person In charge' have to submit various documents to customs authorities like.

- Bill of entry
- Import manifest
- Export manifest

Import Procedures:

Procedures have to be followed by 'person-in-charge of conveyance' as well as the importer.

WHO IS 'PERSON IN CHARGE' - As per section 2(31), 'person in charge' means (a) In case of vessel - its master (b) In case of aircraft - its commander or pilot-in-charge (c) In case

of train - its conductor or guard and (d) In case of vehicle or other conveyance - its driver or other person in charge.

The significance of this definition is he is responsible for submitting Import Manifest and Export Manifest, He is responsible to ensure that the conveyance comes through approved route and lands at approved place only.

He has to ensure that goods are unloaded after written order, at proper place. Loading also has to be only after permission.

He has to ensure that conveyance does not leave without written order of Customs authorities.

He can be penalized for (a) Giving false declaration and statement (b) shortages or non-accounting of goods in conveyance.

Procedure by Importer:

The importer importing the goods has to follow prescribed procedures for import by ship/air/road. (There is separate procedure for goods imported as a baggage or by post.)

Bill of Entry – this is a very vital and important document which every importer has to submit under section 46. The Bill of Entry should be in prescribed form.

Bill of Entry should be submitted in quadruplicate – original and duplicate for customs, triplicate for the importer and fourth copy is meant for bank for making remittances.

Under EDI system, Bill of Entry is actually printed on computer in triplicate only after ‘out of charge’ order is given. Duplicate copy is given to importer

Types of Bill of Entry - Bills of Entry should be of one of three types. Out of these, two types are for clearance from customs while third is for clearance from warehouse.

BILL OF ENTRY FOR HOME CONSUMPTION - This form, called ‘Bill of Entry for Home Consumption’, is used when the imported goods are to be cleared on payment of full duty. Home consumption means use within India. It is white coloured and hence often called ‘white bill of entry’.

BILL OF ENTRY FOR WAREHOUSING - If the imported goods are not required immediately, importer may like to store the goods in a warehouse without payment of duty under a bond and then clear from warehouse when required on payment of duty. This will enable him to defer payment of customs duty till goods are actually required by him. This Bill of Entry is printed on yellow paper and often called ‘Yellow Bill of Entry’. It is also called ‘Into Bond Bill of Entry’ as bond is executed for transfer of goods in warehouse without payment of duty.

RATE OF DUTY FOR CLEARANCE FROM WAREHOUSE - It may be noted that rate of duty applicable is as prevalent on date of removal from warehouse. Thus, if rate has changed after goods are cleared from customs port, customs duty as assessed on yellow bill of entry and as paid on green bill of entry will not be same.

❖ **Documents to be submitted by importer:**

- Invoice
- Packing List
- Bill of Lading / Delivery Order
- GATT declaration form duly filled in
- Importers / CHAs declaration duly signed
- Import License or attested photocopy when clearance is under license
- Letter of Credit / Bank Draft wherever necessary
- Insurance memo or insurance policy
- Industrial License if required
- Certificate of country of origin, if preferential rate is claimed.
- Technical literature.
- Test report in case of chemicals
- Advance License / DEPB in original, where applicable
- Split up of value of spares, components and machinery
- No commission declaration. – A declaration in prescribed form about correctness of information should be submitted.

Noting of Bill of Entry - Bill of Entry submitted by importer or Customs House Agent is cross- checked with 'Import Manifest' submitted by person in charge of vessel / carrier. It is noted if the description tallies. 'Noting' really means taking on record by customs officer this date is relevant for determining rate of customs duty. Thoka number (serial number) is given in the import section. Otherwise, it is returned for clarifications. In case of EDI system, noting is done by the system itself which also generates bill of entry number.

Date of presentation of bill of entry is highly relevant and the rate of duty as applicable on this date will be considered for calculating the duty payable. Bill of Entry is accepted only after proper scrutiny vis-a-vis import manifest and various declarations given in bill of entry and attached documents like invoice, bill of lading etc. If such documents are not attached, the authorities can refuse to accept the Bill of Entry, and hence submission of such incomplete Bill of Entry cannot be taken as date of presentation of Bill of Entry.

Prior Entry of Bill of Entry - After the goods are unloaded, these have to be cleared within stipulated time - usually three working days. If these are not so removed, demurrage is charged by port trust/airport authorities, which is very high. Hence, importer wants to complete as many formalities as possible before ship arrives. Proviso to Section 46(3) of Customs Act allows importer to present bill of entry up to 30 days before expected date of arrival of vessel. In such case, duty will be payable at the rate applicable on the date on which 'Entry Inward' is granted to vessel and not the date of presentation of Bill of Entry.

Assessment of Customs duty - Section 17 provides that assessment of goods will be made after Bill of Entry is filed. Date stamp of receipt is put on the 'Bill of Entry' and then it is sent to appraising department either manually or electronically

Export procedure:

Procedures have to be followed by (a) 'person-in-charge of conveyance' and (b) the exporter. The procedures are similar to procedures for import, of course, in reverse direction.

NO STOPPAGE OF EXPORT CONSIGNMENT

Exports are vital for our economy. Any stoppage in export consignment means loss of export orders to the exporter and loss of foreign exchange to the country. Hence, it has been provided that movement of export consignment will not be interrupted and no export consignment shall be withheld for any reason whatsoever. In case of any doubt, Customs authorities may ask for an undertaking that the export is on sole responsibility of the exporter.

Entry Outward - The vessel should be granted 'Entry Outward'. Loading can start only after entry outward is granted. Steamer Agents can file 'application for entry outwards' 14 days in advance so that intending exporters can start submitting 'Shipping Bills'. This ensures that formalities are completed as quickly as possible and loading in ship starts quickly.

LOADING WITH PERMISSION - Export goods can be loaded only after Shipping Bill or Bill of Export, duly passed by Customs Officer is handed over by Exporter to the person-in-charge of conveyance. In case of baggage and mail bags, shipping bill is not necessary, but permission of Customs Officer is required.

Export Manifest - As per section 41, an Export Manifest/Export Report in prescribed form should be submitted before departure. [The report is popularly called as 'Export General Manifest' - EGM]. The details required are similar to import manifest. Such manifest/report can be amended or supplemented with permission, if there was no fraudulent intention. Such report should be declared as true by the person-in-charge signing the export manifest. This report is not required if the conveyance is carrying only luggage of occupants.

Procedures to be followed by Exporter:

Every exporter should take following initial steps —

- Obtain BIN (Business Identification Number) from DGFT. It is a PAN based number
- Open current account with designated bank for credit of duty drawback claims
- Register licenses / advance license / DEPB etc. at the customs station, if exports are under Export Promotion Schemes
- Exporter has to submit 'shipping bill' for export by sea or air and 'bill of export' for export by road. Goods have to be assessed for duty, even if no duty is payable for most of exports, as 'Nil Duty' assessment is also an assessment.

Shipping Bill to be submitted by Exporter - Shipping Bill and Bill of Export Regulations prescribe form of shipping bills. It should be submitted in quadruplicate. If drawback claim is to be made, one additional copy should be submitted. There are five types:

- Shipping Bill for export of goods under claim for duty drawback - these should be in Green colour
- Shipping Bill for export of dutiable goods - this should be yellow colour
- shipping bill for export of duty free goods - it should be white colour
- shipping bill for export of duty free goods ex-bond - i.e. from bonded store room - it should be pink colour
- Shipping Bill for export under DEPB scheme - Blue color

The shipping bill form requires details:

- Name of exporter
- Consignee
- Invoice number
- Details of packing
- Description of goods
- Quantity etc.

Relevant documents:

- Copies of packing list
- Invoices
- Export contract

Other documents required for export:

- Four copies of Commercial Invoice

- Four copies of Packing List
- Certificate of Origin or pre-shipment inspection where required
- Insurance policy.
- Letter of Credit
- Declaration of Value
- Excise ARE-1/ARE-2 form as applicable
- GR / SDF form prescribed by RBI in duplicate (i) Letter showing BIN Number.

Examination of goods before export - After shipping bill is passed by export department, the goods are presented to shed appraiser (exports) in dock for examination. Goods will be examined by examiner. This inspection is necessary

- to ensure that prohibited goods are not exported
- goods tally with description and invoice
- duty drawback, where applicable, is correctly claimed

TAXATION IN INDIA:

Income tax:

- In India the tax is exempt up to Rs. 2 lakh for general category i.e. male & female
- For senior citizen the limit is Rs. 2,50,000 Rs.
- 1% TDS on transfer of immovable property
- Tax rate for individuals are 10%, 20%, 30%
- Minimum alternate tax rate is 18.5%
- 15% tax on dividend of foreign companies
- 30% tax on income from other source.

Excise duty:

- Standard rate of excise duty is 12%
- Levy of 1% on branded precious metal Jewellery
- Branded silver Jewellery are exempted
- Duty increase on gutkha, panmasala, tobacco
- Duty can be increased on large car.

Custom duty:

- 10% duty on non-agriculture goods
- Upto Rs. 35000 duty free allowances under baggage rules

- Duty charged on capital goods for setting up iron ore plants is 2.5%
- Full exemption given on certain goods.
- Rate of service tax is 12%
- Rate for works contract service is 4.8%
- Common returns EST-3 for excise & service tax
- Common application form for excise & service tax

4.3-Present Trade barriers for import / Export:

❖ Trade Summary:

The U.S. goods trade surplus with Ghana was \$414 million in 2011, a decrease of \$302 million from 2010.

U.S. goods exports in 2011 were \$1.2 billion, up 20.5 percent from the previous year. Corresponding U.S. imports from Ghana were \$779 million, up 184.9 percent. Ghana is currently the 77th largest export market for U.S. goods.

The stock of U.S. foreign direct investment in Ghana was \$974 million in 2006 (latest data available)

❖ Tariffs barriers:

Ghana is a member of the World Trade Organization (WTO) and the Economic Community of West African States (ECOWAS). According to the WTO, Ghana's average most favored nation (MFN) applied tariff rate in 2010 was 12.8 percent. For agricultural goods, the average applied tariff is 17.4 percent, and for non-agricultural products it is 12.3 percent. In 2008, along with other ECOWAS countries, Ghana adopted a common external tariff (CET) with five bands.

The 5 tariff bands are: zero duty on social goods (e.g., medicine, publications); 5 percent duty on imported raw materials; 10 percent duty on intermediate goods; 20 percent duty on finished goods; and 35 percent duty will be charged on goods in certain sectors that the government seeks to protect, such as poultry and rice. Ghana currently maintains 190 exceptions to the CET, and the highest applied tariff is 20 percent.

Ghana has bound all agricultural tariffs in the WTO at an average of 97.2 percent, more than 5 times the average level of its MFN applied rates on agricultural goods. On

industrial goods, almost all of Ghana's tariffs are unbound at the WTO, meaning that Ghana could raise tariffs to any rate at any time without violating WTO commitments, contributing to uncertainty for traders.

❖ **Nontariff barriers:**

Importers are confronted by a variety of fees and charges in addition to tariffs. Ghana levies a 12.5 percent value-added tax (VAT) plus a 2.5 percent National Health Insurance levy on the duty-inclusive value of all imports as well as on locally produced goods, with a few selected exemptions. In addition, Ghana imposes a 0.5 percent ECOWAS surcharge on all goods originating in non-ECOWAS countries and charges 0.4 percent of the free on board (FOB) value of goods (including VAT) for the use of the automated clearing system, the Ghana Community Network. Further, under the Export Development and Investment Fund Act, Ghana imposes a 0.5 percent duty on all non-petroleum products imported in commercial quantities.

Ghana also applies a one percent processing fee on all duty free imports. Imports are subject to an inspection fee of one percent of cost, insurance, and freight (CIF) of the goods. Importers have reported that the flat fee is not based on the cost of the services rendered. Destination inspection companies (DICs) are licensed by the Ghanaian government. Inspection by the DICs accounts for the longest delays in import clearance.

In December 2009, the Ghanaian government changed Ghana's excise tax regime on certain non-alcoholic beverages, spirits, imported beer, and tobacco products from a specific excise tax to an ad valorem excise tax. Although this amendment eliminated the difference in tax treatment of malt drinks and carbonated soft drinks, it did so by increasing the excise tax on carbonated soft drinks. Subsequently, the Ghanaian government reduced the tax rate on non-alcoholic beverages from 20 percent to 17.5 percent of the wholesale price, excluding transportation costs.

An examination fee of one percent is applied to imported vehicles. Imported used vehicles that are more than 10 years old incur an additional tax ranging from 2.5 percent to 50 percent of the CIF value. The Ghana Customs, Excise, and Preventive Service maintains a price list that is used to determine the value of imported used vehicles for tax purposes. There are complaints that this system is not transparent because the price list used for valuation is not publicly available.

Each year, between May and October, there is a temporary ban on the importation of fish, except canned fish, to protect local fishermen during their peak season. Certificates are

required for imports of food, cosmetics, and agricultural and pharmaceutical goods. Permits are required for poultry and poultry product imports. At the time the permit is issued, a no standardized quantity limit is imposed.

All communications equipment imports require a clearance letter from the National Communications Authority. Securing a clearance letter prior to importation can help avoid delays at the port of entry.

❖ **Services Barriers:**

Ghana's investment code excludes foreign investors from participating in four economic sectors: petty trading; the operation of taxi and car rental services with fleets of fewer than 10 vehicles; lotteries (excluding soccer pools); and the operation of beauty salons and barber shops.

Foreign investors are required by law to have local partners in the insurance and extractive industries. In the insurance sector, Ghana limits foreign ownership to 60 percent, except for auxiliary insurance services.

There is compulsory local participation in the extractive sector. By law, the government of Ghana acquires an automatic 10 percent carried interest of all interests in mining, oil, and gas ventures. The 2006 Minerals and Mining Law also allows the government of Ghana to negotiate any other form of participation.

Ghana offers access to foreign telecommunications providers for most services, but requires that these services be provided through joint ventures with Ghanaian nationals. On December 31, 2009, Ghana enacted legislation requiring a minimum rate of \$0.19 per minute for terminating international calls into Ghana, significantly increasing the cost of terminating international calls into the country from approximately \$0.07 per minute for fixed networks and \$0.13 per minute for mobile networks. All local and international calls are subject to a tax of \$0.06 per minute.

❖ **Investment Barriers:**

A highly regulated economy, a politicized business community, and lack of transparency in certain government operations create risks for potential investors. Entrenched local interests can derail or delay new entrants. The political leanings of the Ghanaian partners of foreign investors are often subject to government scrutiny. Resisting demands for bribes in order to ensure compliance with the U.S. Foreign Corrupt Practices Act remains a challenge.

Foreign investment projects must be registered with the Ghana Investment Promotion Center, a process meant to take no more than five business days but that often takes significantly longer. Foreign investments are also subject to the following minimum capital requirements: \$10,000 for joint ventures with a Ghanaian; \$50,000 for enterprises wholly-owned by a non-Ghanaian; and \$300,000 for trading companies (firms that buy or sell finished goods) either wholly or partly owned by non-Ghanaians. Trading companies are also required to employ at least 10 Ghanaian nationals.

❖ **Other Barriers:**

Foreign investors have experienced difficulties and delays in securing required work visas for their non-Ghanaian employees. The process for generating required work permits can be unpredictable and take several months from application to delivery. Foreign investors' access to land can also be challenging.

Non-Ghanaians are only permitted to access land on a long-term leasehold basis, while Ghana's complex land tenure system makes establishing clear title on real estate difficult. Port inefficiencies increase import and export costs. During the last quarter of 2002, Ghana's Customs Service phased in an automated customs declaration system to facilitate customs clearance. Although the new system has reduced the number of days for clearing goods through the ports, inefficiencies remain because complementary services from Ghanaian government agencies, banks, destination inspection companies, and security services have not been effective. Such inefficiencies are a significant contributing factor to the absence of a direct shipping route to Ghana, which in turn has a significant adverse impact on U.S. exports.

CHAPTER-5

5.1 Potential for import / export in India:

5.2 Business Opportunities in Future of Louis Dreyfus Commodity:

- For the next five years, drive, commitment and hard work deliver a consistent performance with sales CAGR of 22%
- Entry in sugar processing in Asia with the construction of two refineries in Indonesia and China.
- The Group enters the feed milling sector in China, a strategic step marking first entry into the sector.
- Oilseeds' processing assets expand in South America with the construction of an oilseeds crushing plant in Angostura, Paraguay.
- Expansion of its logistics assets in Africa with the acquisition of fertilizer distributor SSI.
- With a firm eye on logistics Louis Dreyfus Commodities secures long-term lease arrangements on strategic port assets in Louisiana, USA and Brazil.
- LDC improved its market positioning in most commodities. For example they are the number one trader of US cotton, and the top exporter of Black Sea wheat. While the distribution of oilseeds, in particular palm oil, is booming in South East Asia
- The USA is still the number one cotton exporter in the world, and the number three producer. And it continued to tap into robust opportunities in this region, where it originate 20% of cotton production.

❖ **Export Opportunities in India of Ghana:-**

- To ensure a sustainable trading relationship between Ghana and India, efforts are underway to help promote export items from Ghana into India and thereby help close the trade gap. Ghana mainly imports pharmaceutical products, cotton yarn, fabrics, machinery and instruments from India. Some of the regular exports from Ghana to India include: cashew nuts, met lifers ores and metal scrap, wood and wood products, pearls, precious and semi-precious stones, oil seeds and spices.
- A Joint Trade Committee between Ghana and India was established to promote economic co-operation and enhance bilateral trade between both countries but the Committee has not met for several years. Efforts are underway to reactivate this as a mechanism to address all trade concerns.
- A Ghana-India development Consortium was also set up in February 2002, comprising representatives from privately owned Indian companies, wishing to co-operate and collaborate with local entrepreneurs.
- The Ministry of Trade and Industry (MOTI), Government of Ghana is embarking on large-scale programmes of setting up of at least one medium sized industry in around 100 districts of Ghana. The identified projects are predominantly in the processed food sector, with few projects in textiles, ceramics, tourism infrastructure and handicrafts.
- MOTI is looking for strategic partners form India with a proposed minimum equity of 60% as joint venture with local community / district assembly. In addition, the proposed projects would provide business opportunities for export of machinery and equipment from India. This business opportunity would be of interest to Indian companies.

❖ **Investment Opportunities in Ghanaian Agriculture:**

➤ **Short-Term Investment Opportunities:**

Short-term opportunities include investments that provide capital to currently operating agribusinesses seeking to expand the production or processing of key commodities. Three such commodities have been identified as strong areas of opportunity for near-term investment: cassava, rice, and maize.

➤ **Medium-Term Opportunities:**

Medium-term opportunities include green-field investments in the primary production and processing of commodities with significant potential to become competitive with imports. Opportunities in these value chains may require additional development in order to be commercially viable in the long term.

➤ **Long-Term Investment Opportunities:**

The Government of Ghana has made the modernization of commercial agriculture a key development priority particularly the transformation of the smallholder who is responsible for 80% of agriculture production. In the long term, public sector and donor initiatives will assist investors and agribusinesses in scaling up inclusive business models that improve farmers' and businesses' commercial potential, while also promoting viable investment opportunities to interested investors.

In addition, the Ghana Commercial Agriculture Project (GCAP), a joint project of the Government of Ghana, World Bank, and USAID, will support the identification and development of private commercial agriculture investment opportunities. GCAP will identify public-private partnerships, complementary public investments, and technical assistance required to support investment in the Accra Plains landside zone. Additionally, GCAP will provide matching grants to startup agribusinesses and facilitate business development for agriculture service providers throughout the value chain—particularly enterprises with inclusive business models that benefit poor rural households.

5.3 Conclusions and Suggestions:

Conclusion

Louis Dreyfus commodity is leading company in Ghana. They have well established Finance Department with distinguished sections to support their financial planning and activities. Their activities had opportunities to learn in-depth activities and functions of each section.

2012 was an exceptionally successful year for the LDC. In a complex environment, Louis Dreyfus Commodities has once again been able to deliver impressive value thanks to a devoted management team and dedicated employees worldwide. They have earned the Group a place among the best performers in the industry.

The LDC has experienced tremendous growth over the last eight years, its size has quadrupled and profits have been multiplied by ten. This exceptional, profitable growth is the result of a long-term strategy based not only on investment and diversification but also on stable governance, increasingly sustainable practices and the development of the Group's human capital.

Company provide its best try of information on website and also shows its workforce highly motivated of people with great management trainee and best knowledge of its field and give opportunity of people to grow up in its career opportunity platform provide.

Company using highly fast communication of software and IT services that shows technological intimation work and fast workforce create this is one of the example of best company in Ghana. Company section wise department and feedback of employees and manufacturing unit with clean and machinery base so with become best company in Ghana by step of its board of directors highly thoughtful ideas of improving its working environment change and great leadership visionary or development of national corporate improve .

Company is best example of doing a cultural activity of nation and loyal this shows its patriotism. Charity , staff training , festival celebrations and management continuous visits operation site and get feedback and improvement of work also company take part of sports participation of nation and company have high profitability by year to year and strong in finance positions.

Also company's management with highly knowledgeable and best education practices in company and try every effort to put best of work and hardworking with time management and successful last 160 years. Company contributes to success and economic growth to nation and also expansion of its project activity. Company's every step high thoughtful and with

best management principles follow so great in management study example provide. The Ghana in particular - is one of the key growth markets of the future for agriculture commodity and with the huge youth population that is emerging in this region.

LDC intend to invest in a big way to expand distribution, grow the product portfolio and vigorously market brands in order to build a stronger connection with consumers and realize the growth potential for its business in the Ghana.

Suggestion

- Recommendation and suggestion for finance department at Louis Dreyfus commodity is to bring improvements in personnel qualifications, software, and automation and training and development of employees. This will ensure that activities and functions of finance department with error free financial data and statements that will provide and maintain their reputation in Ghana's market. The absence of these recommendations implementation will result in creating complicated working environment, need for more employees and data inaccuracies.
- Company have unaudited financial statement of 2011 that shows company's laziness. But company now a days improving its manufacturing capacity so less work for finance but they outsource of it also.
- Specialized employees such as having certificates recognized internationally in finance field to oversee and supervise their employees and bringing cotemporary practices learned. They will able to expand and create less complicated working environment where they will be able to supervise effectively.

- Louis Dreyfus commodity now a day price hike of sugar so effect of buying of customer risk and marketing of limited area only.
- Company not provide any of its information other than its URL website www.ldcom.com that shows its secreting data and not any affiliation of other link and website of recruitment agency company hiring through its website of job application online submit and interview.
- Training and development is necessary in all organizationsLouis Dreyfus commodityshould provide courses that are practical and technical rather than theoretical such as on-the-job training or workshops. This will improve practical capabilities of employees and supervisors. This will improve competency level of employees and create financial statements that are shows highly professionalism and accuracy.
- Company best its marketing strategy but not provide sufficient marketing activities information yet on website.
- company have staff of multi-cultural of different country's expert employees but company put importance of Ghanaian cultural activity development and shows its loyal to nation and company charity and other social work in only ghana not a benefit to other national activities participation and not known this company worldwide because of less sense of global intimation.

BIBLIOGRAPHY

A
GLOBAL / COUNTRY STUDY AND REPORT
ON
“COCOA PROCESSING COMPANY LTD”

Submitted to
Gujarat Technological University
Requirement Of Award For The Degree Of
Partial Fulfillment Of The
Master Of Business Administration

UNDER THE GUIDANCE OF

Submitted by

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[Batch: 2011-13]

MBA SEMESTER III/ IV



INDU MANAGEMENT INSTITUTE

MBA PROGRAMME

Affiliated to the Gujarat Technological University of Ahmedabad,

APRIL, 2013

Student's Declaration

We, Payal Dalwadi, Pinal Agrawal, Ankit Rajwadi, Kavita Chauhan, Manthan Suthar, Prakash Lathiya, hereby declare that the report for Global / Country Study report entitled “COCOA PROCESSING COMPANY LTD” in GHANA is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place: Vadodara

(Signature)

Date :

(Name of Student)

Institute's Certificate

Certified that this Global / Country Study and Report Titled "COCOA PROCESSING COMPANY LTD" is the bonafied work of Mr. / Ms. Payal Dalwadi, Pinal Agraval, Ankit Rajwadi, Kavita Chauhan, Manthan Suthar, Prakash Lathiya, who carried out the research under my supervision. I also certify further, that to the best of my knowledge the work reported herein does not form part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Signature of Director

(Dr. Manish Vyas)

Signature of the Faculty Guide

(Mr. VikashPatel)

PREFACE

The Global Country Report is an integral part of the MBA program and it is designed in such a way that student can give maximum knowledge and can get exposure to the global world in minimum time.

With the respect and pleasure, we have privilege to submit our report to the kind hands of eminent examination of the **Indu Management Institute**. MBA is a professional course, to be an MBA student is a matter of pride because through MBA each student is prepared to hold the post of manager very confidently and we are in field which helps us to develop from normal human being into a disciplined and dedicated professional.

We have heard that famous saying “**God helps those who helps them selves**“ and “**Experience is the best teacher**” “the global country report on “GHANA” has given us sufficient knowledge to fill the gap between the theoretical and practical knowledge.

ACKNOWLEDGEMENT

Every work that one completes successfully stands on the constant encouragement, good will and support of the people around. I, hereby, avail this opportunity to express my heartfelt gratitude to a number of people who extended their valuable time, full support in developing this project.

We convey our heartfelt gratitude to our college “**Indu Management Institute**” under **Gujarat Technological University** for giving us this precious opportunity to work for the real-time project.

We also forward our special thanks faculty member & project guide **Mr. Vikas Patel from Indu Management Institute** for guiding us in this report. The valuable suggestion of the faculty member during the course of our Project work gives me the inspiration to achieve our goal. The shape that project has been taken is due to judicious guideline, encouragement & help of our guide.

We own the success of the project to my Project Guide, **Mr. Vikas Patel** who was a tremendous supporter and an eager teacher, for providing excellent guidance for this project. He is one of the major sources behind the success of the project.

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PART : 1

INTRODUCTION TO GHANA

1. Demographic Profile Of Ghana

Ghana's first post-independence population census in 1960 counted about the 6.7 million inhabitants. By 1970 the national census registered the 8.5 million people, about 27% increase, while the most recent official census in 1984 recorded a figure of 12.3 Million- almost double 1960 figure. The nation's population was estimated to have increased to about 15 million in 1990 and assumed 17.2 million in mid-1994. With annual growth rate of 2.2 percent for the period between 1965 and 1980, 3.4 % growth rate for the 1981 through 1989, and a 1992 growth rate of 3.2 %, the country's population is projected to surpass the 20 million by the year 2000 and 35 million by the year 2025.

The gender ratio of population, 97.3 males to 100 females, was reflected in the 1984 figures of 60,63,848 males to 62,32,233 females. This was slightly below in 1970, figure of 98 males to 100 females. But reversal of the 1960 ratio of the 102.2 males to 100 females. The fall in the proportion of males to females may be partly attributed to the fact that men have left the country in pursuit of jobs.

In 1965, infant mortality rate of 120 per 1000 live births also improved to 86 per 1000 live births in 1992. With the fertility rate average about seven children per adult female and expected to fall only to five children per adult female in 2000, population will 35 million in 2025 becomes credible. A number of factors, including improved vaccination against the common disease, and nutritional education through village and community health-care system contributed for the expanding population. The increase in the nation's population generated corresponding rise in the demand for the schools, health facilities, and urban housing.

Provisional figures from the 2012 Ghana census indicate that Ghana's population is now 24,658,823. This is made up of 12,633,978 females and 12,024,845 males.

Climate

The climate is tropical, but relatively mild for the latitude. The climatic differences between the different part of the country are affected by the sun's journey north or south of the equator and the corresponding position of the inter-tropical convergence zone.

The boundaries between the moist southwesterly winds and the dry northeasterly winds. Except in the north, there are two rainy seasons from April to June and September to November, Squalls occur in the north during March and April followed by occasional rain until August and September, when rainfall reaches its peak. And average temperature range between 21° and 32° C (70-90° F), with relative humidity between 50% and 80% Rainfall ranges from 83 to 220 cm (33-87 in) a year.

The harmattan, a dry desert wind blows from the northeast December to March and this lowering the humidity and causing the hot days and cool nights in the north; the effect of this wind is felt in the south during the month of January. In most of the areas, temperature is highest in March and lowest in August, the variation between day and night temperatures is relatively small. But, greater in the north - especially in the month of January, because of the harmattan. No temperature lower than 10° C (50° F) has ever been recorded in Ghana.

Education

Primary and junior secondary school educations are tuition compulsory and free. Government of Ghana support for basic education. Article of 39, the Constitution mandates the major tenets of free, compulsory, universal basic education (FCUBE) initiative. Launched in the year of 1996, it is one of the most ambitious pretertiary education programs perform in West Africa. Since 1987, Ghana's Government has increased its education budget by 700%.

Basis education's share has grown from 45% to 60% of the total. Students start their 6-year primary education at the age of six. In 1987, the educational reforms implemented.

They pass through a junior secondary school system for 3 years of academic training and its combined with the technical and vocational training. Those continuing move into 3 years of senior secondary school program. Entrance of one of the five Ghanaian universities are by examination following completion of the senior secondary school and School enrollment is total almost 3 million.

Ghana has a tradition of education excellence as the success of Ghanaian Scientists, teachers, professionals, and technicians throughout the world testifies. The education system was originally based on the English grammar school system. But this decade has seen radical changes that focus on scientific, technical, vocational, managerial and entrepreneurial skills to meet Ghana's development needs. Proper attention is now also devoted to Ghanaian and African art, literature, history. And also in Languages, traditional skills and customs.

The system of tertiary education is being enlarged and its facilities improved, with substantial funds being allocated every year to the provision of academic and residential infrastructure, journals, computers and other equipment.

Demographics

Year	Total population (x 1000)	Population aged 0–14 (%)	Population aged 15–64 (%)	Population aged 65+ (%)
1950	4 981	45.1	52.4	2.5
1960	6 742	44.1	53.3	2.6

1970	8 682	45.5	51.7	2.8
1980	10 923	45.7	51.4	2.9
1990	14 793	44.0	53.0	3.1
2000	19 165	41.1	55.6	3.4
2010	24 392	38.6	57.6	3.8

2. ECONOMIC OVERVIEW OF THE GHANA

Ghana rich in timber, agricultural resources, gold and other valuable minerals, abundant with educated, skilled and enterprising people, blessed with stable form of government and dedicated to the principles of the free enterprise and has long been seen as one of the Africa’s most promising countries.

The main exports – gold, cocoa, diamonds, timber, manganese and bauxite – known as “traditional” items, are now increasingly supplemented by processed and semi processed industrial and agricultural products with tourism as the third largest foreign currency earner after cocoa and gold.

GDP of Ghana composition by sector (2011)

Agriculture: 28.3%

Industry: 21%

Services: 50.7%

According to Ghanaian government, these resources could be used for develop local manufacturing, the goal Nkrumah tried to reach through direct state intervention thirty years ago. Local manufacturing could create jobs, cut the imports bill, and provide more diversified economic base. The question for Ghana is whether free market forces would be more successful in promoting the healthy economic expansion than the failed policies of direct state intervention.

As Ghana assumes this new position (of oil producer and middle-income country) it must learn to effectively deal with the related pressures from the citizens to increase expenditures in order to overcome the infrastructural deficiencies, situational weaknesses as well as improve the economic wellbeing. From these legitimate pressures come questions of financing from the domestic revenue of mobilization, foreign aid, borrowing and their consequences.

3. OVERVIEW OF INDUSTRIES TRADE AND COMMERCE

The promotion of Ghana's foreign trade has been central to all government plans to receive the economy from 1983. Under the ERP, export producing industries received the direct support; they also received the indirect support through the improvement of their proximate

infrastructure. By promoting the exports, the government sought to obtain foreign exchange essential to repay debts and to ease the country's restrictions on imports.

Prior to 1983, economic conditions conspired to erode the terms of trade to such an extent that Ghanaians had reverted to smuggling goods across the borders as well as to trading on the black market on a significant scale. By 1982, the World Bank estimated that transactions on the parallel, or black, market constituted 32.4% of all domestic trade.

In addition to supporting traditional export industries like cocoa and gold, the government attempted to diversify the content of Ghana's exports. To encourage non-traditional exports in the fishing and agriculture sectors, the government offered to refund 95% of import duties on goods for re-export and to cancel sales taxes on manufactured goods sold abroad.

Ghana has number of barter trade agreements with several East European countries, China and Cuba. Under these agreements, imports of goods and services are paid mainly cocoa from Ghana. In late 1991, the Ghanaian government showed renewed interest in trade with the countries Eastern Europe following the adoption of free market systems in the wake political upheavals in those countries. Ghanaian trade officials are expect that the barter trade systems will give way to open market operations.

The main industrial crops are:

- Palm oil
- Cotton
- Rubber
- Sugar cane
- Tobacco

4. OVERVIEW OF DIFFERENT ECONOMIC SECTOR IN GHANA

Agriculture

Agriculture is Ghana's most important economic sector, its employing more than half the population on a formal and informal basis and accounting for almost half of GDP and export earning. A variety of crops produce by the country in various zones which range from dry savanna to wet forest and which run in east – west bands across the country. Agriculture crops, including yams, grains, coca, oil palms, timber, nuts and kola from the base of Ghana's economy.

Fishing

Fishing was increased considerably in 1960s 1,05,100 tons of marine fish which caught in 1967 to 2,30,100 tons in the year of 1971. In 1982 the yield was 2,34,100 tons, composed 1,99,100 tons of marine varieties. And also, 35000 tons of freshwater fish from Lake Volta. The industry was hit by inadequate storage facilities, general economic difficulties, and fuel shortages, of the 1970s and the 1980s. By the late 1988, the fish catch was 3,02,900 tons; in 1991 it amounted to 2,89,675 tons, decrease from more than 3,19,000 tons in 1990.

Mining & Oil

Ghana's mineral sector had started to recover in the early 1990s, after that it severe decline throughout the 1970s. One indicator in decline was in the year of 1987, only four gold mines were operating in Ghana, which compared with 80 in 1938. Throughout the 1970s, the output of gold and also bauxite, manganese, and diamonds fell down steadily. Foreign exchange shortages inhibited in mine, maintenance, new exploration, and investment development. The over value spiraling inflation exacerbated mining companies' problem, as did smuggling and the deteriorating infrastructure. Energy supplies were failed to meet the industry's growing needs; foreign exchange shortages constrained oil imports. And for that domestically generated hydroelectricity was unable to make up the shortfall.

Manufacturing

At independence in 1957, the Nkrumah government launched an industrialization drive that increased manufacturing's share of GDP from 10 percent in 1960 to 14 percent in 1970. This expansion resulted in creation of a relatively wide range of industrial enterprise, the largest including, the Volta Aluminum Company (Valco) smelter, saw mills and cement manufacturing, coca processing plants, timber processing, oil refining. And also it includes breweries, textile manufacturing operations and vehicle assembly plants. Most of these enterprises survived only through protection.

Committed to privatization and rule of the free market forces, the government was constrained to offering direct assistance or even from moderating some policies that had an obviously detrimental impact on local manufactures. So, it is helping them to grow. Nevertheless, the Rawlings government initiated programs to promote local manufacturing.

Tourism

Tourism is a priority sector with incentives and benefits for investors, under Ghana's 1985 investment code. The government hopes to triple its foreign exchange earnings from tourism under a five year of tourism plan, based on projection that is between the 1991 and 1995, the number of tourists that are visiting Ghana every year will double from the 1991. Jobs in the tourism industry are projected to reach 2,70,000 with more created in the other sectors that derive business from the tourist trade.

Investors are involved in the development of the other tourists attractions, such as the waterfalls, beaches, forts, castles, and the historical sites and even in specialized restaurants, tourist coaches, and buses. There also incentives for star-rated hotels, approved tourist villages, beaches, and holiday recreational resorts. Incentives in this sector include tax and rate exemptions on building properties for three years in addition to investment and depreciation allowances.

Trade

The promotion of Ghana's foreign exchange trade has been central to all government plans to revive the economy since 1983. Under the ERP, export – producing industries received the direct support. They also received the indirect support from the improvement of their proximate infrastructure. By promoting exports, the government is sought to obtain foreign exchange essential to repay debts and to ease the country's restrictions on imports. Imports, of course also necessary to upgrade many of the export industries hamstrung for lack of equipments.

Telecommunications

Currently there are major expansion programs being undertaken, aimed at providing a full rang of domestic and international services.

These efforts are also being complimented by cellular mobile operators, data service, and licensed internet service providers. As a result, the number of telephones over the years has increased and given the people a greater access to the telecommunication services. Presently, the numbers of telephone subscribers are about three hundred thousand. While, mobile telephone subscribers' stand at one hundred and fifty.

The number of internet users has also risen from around five thousand to one hundred thousand. Thus, making Ghana the second fastest growing internet country in Africa after South Africa.

5. OVERVEIW OF BUSINESS AND TRADE AT INTERNATIONAL LEVEL

ECONOMIC OVERVIEW:

After a decade of good economic performance, by strong and sustained growth (6% of growth on an average from 2004), Ghana was affected by Global recession. The GDP growth fell in 2009 to 4.1% and has since slowly increased, 5% in 2010.

Ghana has accomplished significant progress in reducing poverty. It is fair on its way to accomplishing the MGDs (Millennium Development Goals) and reaching medium income country status by 2015. The unemployment rate remains high.

FOREIGN TRADE OVERVIEW:

Ghana is very open to trade and business accounts for 125% of the GDP. Similar to the way liberalization has boosted economic growth, economic policy led by the government aims to create an economic environment that facilitates the private sector development, which is guarantees transparent trade regime and country's competitiveness on the international market. Ghana is member of WTO, ECOWAS (Economic community of West African States). It has signed several bilateral partnership agreements.

Custom duties are not very high, but levied on all the import products. Certain goods such as mercuric medicated soap, contaminated goods or toxic waste are prohibited.

RESOURCES AND AGRICULTURE

Ghana has natural reserves of:

- Gold
- Timber
- Fish
- Limestone
- Precious and semi-precious stones
- Cocoa and more

Due to rising commodity prices, in sectors, gold and cocoa are the top two export revenue earning for the country. Ghana is the world's second largest producer of cocoa with China. It is importing 80% to 90% of country's total cocoa production. It is planning to become the sole importer of the produce in the future.

SERVICES

This sector in Ghana accounts for 50.7% of total GDP, but importance of manufacturing is rising. According to UNESCO, with adult literacy rate of about 67.3% and 80.8% among youth, Ghana provides well educated, hardworking force which is the country's most valuable assets. As the English is official language in Ghana, one of the languages taught in schools, so the availability of qualified English Speaking workforce is certainly benefit for foreign investors.

TRADE ACCESS

As member of Economic Community of West African States (ECOWAS), regional economic organization with a market of 250 million people in West Africa, Ghana provides an efficient trade way to countries in regional bloc. ECOWAS allows free movement of the goods and the people among the 16 member nations; hence the international business can easily move the goods from Ghana to neighboring countries.

RISK AND CHALLENGES

The World Bank's ease of doing business rankings placed Ghana at No. 63 among the 183 countries in 2012.

Ghana's performance especially poor in 'obtaining construction permits' and 'resolving insolvency'. One bright spot that is Ghana was among the top five countries in sub Saharan Africa

6. PRESENT TRADE RELATION AND BUSINESS VOLUME OF DIFFERENT PRODUCTS OF GHANA WITH INDIA:

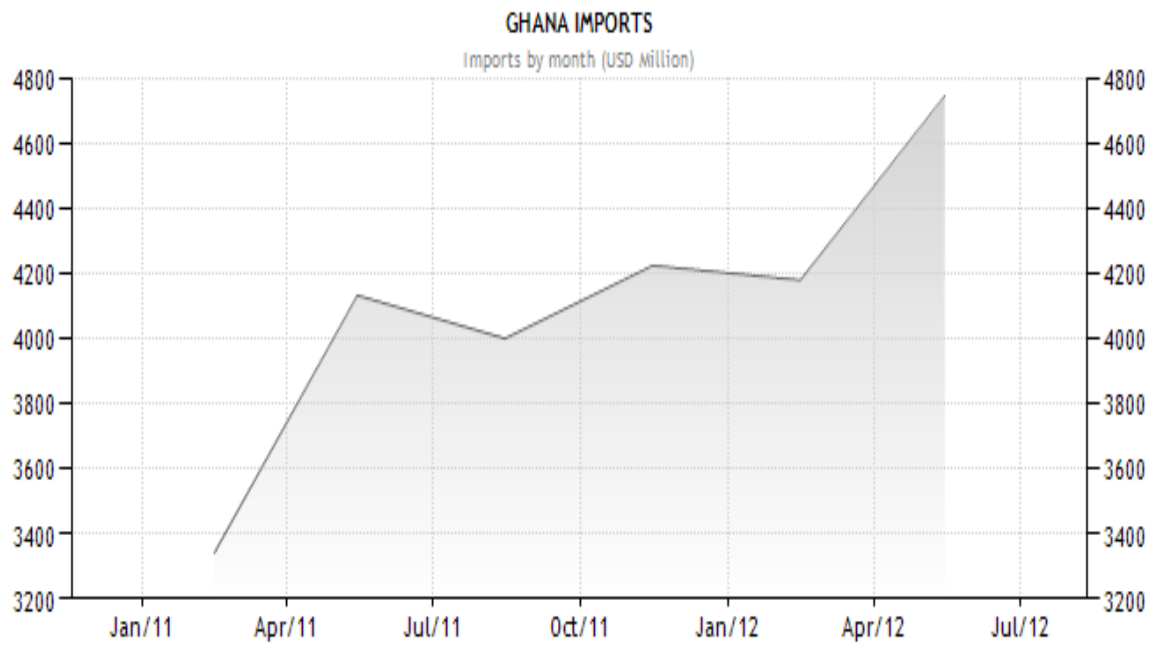
Indo-Ghanaian relations have traditionally been warm and friendly. The strong foundation of their bilateral was laid by the first Prime Minister of India, Pt. Jawaharlal Nehru and Ghana's first President, Dr. Kwame Nkrumah. The two great leaders also enjoyed a close friendship. Major visits from Ghana in the past include the visit of President Nkrumah in 1961 and President Limann in 1981. President Rawlings made a stop over in Mumbai on his way from Beijing in the year of 1993 and again visited India in 1997 to attend the funeral ceremony of late Mother Teresa. In addition, there were several Ministerial visits, including that of the NAM Ministerial Conference in April 1986.

In August 2002, President Kufuor, accompanied by high level of delegation visited in India. Four bilateral agreements were signed including one which relates to the setting up in Accra of Excellence for Training in Information Technology. And Bilateral Investment Promotion and Protection Agreement; Protocol on Consultations between Ghana's Ministry of Foreign Affairs, and a cultural and Scientific Exchange Program. President Kufuor visited India to participate in India-Africa Forum Summit held in New Delhi in April 2008.

From the exchange of business delegations have led to an increase in investments by Indian companies in Ghana in sectors like manufacturing, trading, construction services and tourism. And in areas such as steel, pharmaceuticals, cement, plastics, agricultural machinery, electrical equipments, chemicals.

A number of Indian companies are establishing their presence in Ghana both from the private and public sector including, the Bank of Baroda, Tata, Airtel, Ashok Leyland, Mahindra & Mahindra, Larson & Turbo, DSC Ltd. Also several pharmaceutical companies. In terms of projects, Indians are largest foreign investor in Ghana.

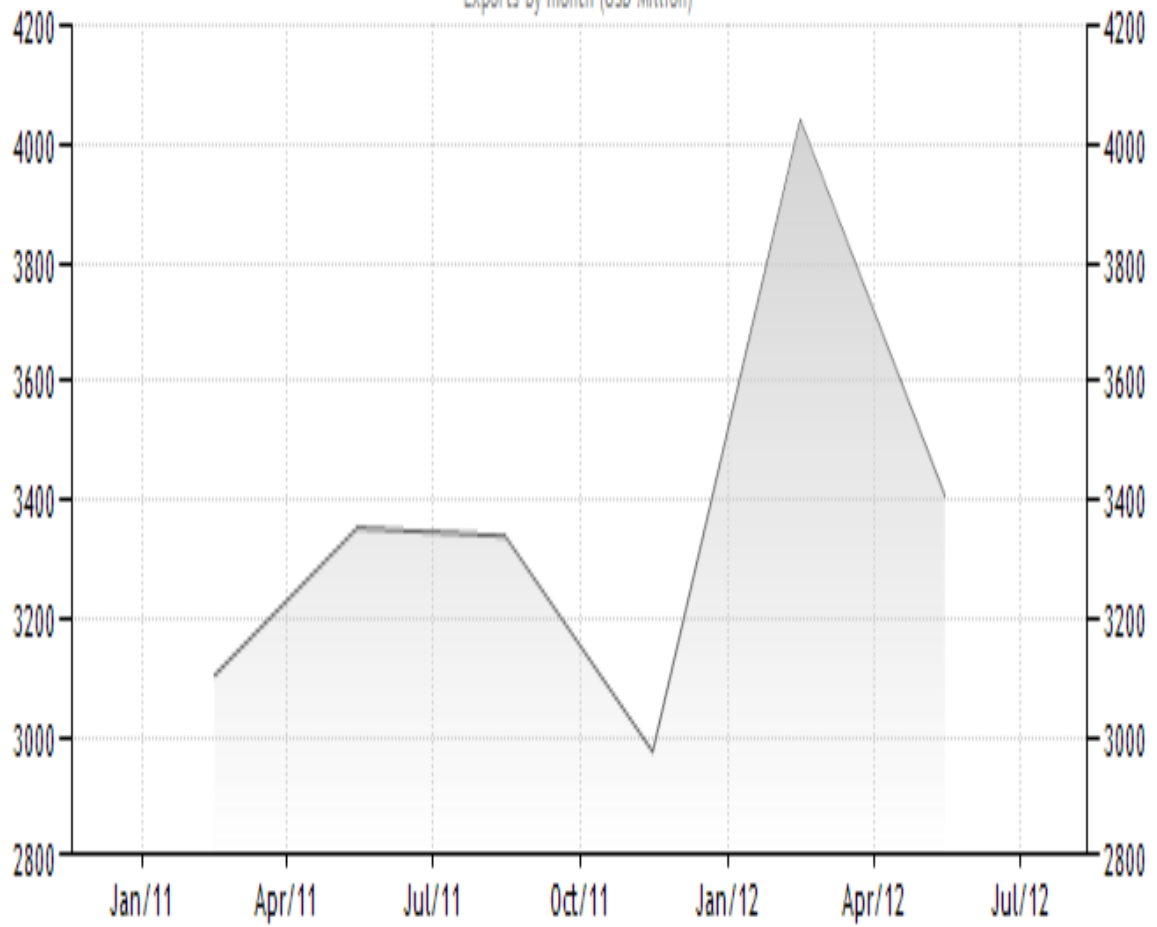
India was the 'country of focuses' in the 10th Ghana International Book Fair held at Ghana Trade Fair Center, Accra, from 1-6 November 2011. There is substantial Indian community in Ghana and its numbering about 7000 to 8000. The business activities of Indians in Ghana have contributed in the major way to India being second highest investor in Ghana.



SOURCE: WWW.TRADINGECONOMICS.COM | BANK OF GHANA

GHANA EXPORTS

Exports by month (USD Million)



SOURCE: WWW.TRADINGECONOMICS.COM | BANK OF GHANA

7. SWOT ANALYSIS

STRENGTHS

1. Ghana is strategically located within West Africa and it has easy access to the ECOWAS market. Ghana is a gateway of regional trade and investment into the West African sub region of market of over 260 million people.
2. The economy of Ghana has experienced steady positive growth as a result of policy reforms namely,
 - Prudent Fiscal policy management
 - Effective monetary policy
 - A well-managed debt, international trade regime

These has led to improved microeconomic performance and created an enabling environment. These reforms have been achieved by,

- Reduction in inflation
 - Fair stable exchange rate
 - Relatively slow interest rates
 - Economic growth
3. Ghana's trade policy promotes private sector as engine of growth, with providing trade enabling environment to actively stimulate private sector initiatives.
 4. Ghana has dynamic private sector willing to collaborate with foreign partners. And it also has abundant, adaptable and easily trainable labor force. The good and the

improving physical infrastructure of roads, telecommunication, electricity and harbor facilities as well as extensive and generous investment incentives promote business in Ghana.

WEAKNESSES

1. Given the vast agricultural potential of country and general lack of support in the past, it is estimated that, country's agriculture may be operating about 50% of its potential, that thus depriving the country of achieving its planned economic growth and poverty reduction.
2. Despite the country's vast resources of forages and existence of necessary internal market, its livestock base is very modest and not offered the expected rapid growth. Domestic livestock provides mere 30% of the nation's requirements.

The contribution of skin leather industries to the economy is insignificant a result of the low livestock population.

3. There is not large scale tannery in the country for processing of skins. These has resulted in concomitant lack of large scale leather factories.
4. Ghana reliance on the single source of hydroelectric generations affect productively of the manufacturers during the periods of low water levels of the Volta lake.

OPPORTUNITIES

1. Agriculture sector of contributes about the 35% of the country's GDP, employs about 55% of its workforce and provides livelihood about 70% of population.

It also accounts for some 30% of the country's export earnings and approximately 12% of the tax revenue. The sector therefore described as the mainstay of Ghanaian economy. The government has put in the place strategies to transform the sector through the formulation and the implementation of policies and programs to make it attractive to both local and foreign investors.

2. The majority of the developed countries provide Ghana with preferential market access under the schemes such as the generalized systems of preference and AGOA. There is the scope of enhanced utilization of these opportunities by the private sector.
3. Ghana has the potential for the development of information and communication technology, textile manufacturing, Jewry and handicraft production, assembling plant/light industry, property development, ceramic tiles manufacturing, pharmaceuticals and ethic beauty products manufacturing.

Opportunities also exist in the hand/ metal tool fabrication industry for investment.

4. Ghana is home to 33 historic forts, castles (including seat of government) and moments which are visited daily by large number of tourists.

The numerous opportunities exist for investment in provision of hotel accommodation, beach, lake and water resort development, development of lodges and national parks.

5. As complement to the multilateral efforts, And the scope to develop improved access to selected markets on the bilateral basis. These will lead to the increased export opportunities and cheaper imports of input for local production.

THREATS

1. Unfair competition from the smuggled goods including leather products into the country and taste of local consumers for foreign goods affect the demand for locally produced goods.
2. Agricultural subsidies as well as the non-tariff barriers on some imported goods restrict production opportunities on some locally goods.
3. Enhanced access to the foreign products will reduce government tariff revenue; raise the hard currency requirements for increased imports and subject to domestic industry to greater competition with imported products.
4. Restriction in import regime can lead to investment in 'protected' sections rather than the sector for which Ghana can be competitive. This may reduce the export potential and can result in higher prices of both imports and local products.

PEST ANALYSIS

Political:

- Ghana is moving towards a more stable government.
- Poor infrastructure.
- High inflation rate and unemployment.

Economic:

- Ghana remains heavily dependent on international financial and technical assistance.
- Agriculture factor remains a mainstay of the economy, accounting for more than one-third of GDP and about 55% of formal employment.
- Cocoa and Gold production industries contribute as Ghana's primary export.
- Oil production is expected to have a significantly strong growth in the years ahead.
- In an economic research is by the Economy Watch led by Juan Abdel Nasser has ranked Ghana as the fastest growing country in the world in 2011.

Social:

- Business industries are receiving no/little support from the government due to a lack of expendable resources.
- Hierarchy is an important concept in Ghanaian culture. Respect is shown to those with age, wealth, position and experience.
- The maternal mortality ratio is high. Significant contributing factor to maternal mortality in Ghana is the failure to effectively use contraception. The Unsafe abortion is an important cause of maternal death, Which contributing between 20-30 percent of maternal deaths in Ghana.

- In 2010, there were over 400,000 Ghanaians living with the HIV virus that causes AIDS. Given this, that there is no doubt that the HIV/AIDS epidemic is having and will continue to have a major impact on Ghana.

Technological:

- Ghana suffers from an under developed technological infrastructure.
- Mobile telecommunications are seeing significant growth. It shows that Ghana is currently among the top 10 countries projected to rule Africa's ICT sector in next five years and Ghana's telecoms industry is estimated to be worth \$1.1 trillion according to recent World Bank statistics.

PART II

INTRODUCTION OF THE SELECTED COMPANY/ INDUSTRY/
SECTOR AND ITS ROLE IN THE ECONOMY OF SPECIFIED COUNTRY

COCOA PROCESSING COMPANY LTD.





Cocoa Processing Company



Type	Public limited company
Traded as	GSE: CPC
Industry	Manufacturing
Founded	November 27, 1981
Headquarters	Cocoa Processing Company, Heavy Industrial Area, Tema , Greater Accra , Ghana
Key people	Jacob S. Arthur (Chairman) Richard Amah Tetteh (CEO)
Products	Cocoa Beans
Website	www.goldentreeghana.com

Established in the year of 1965, Cocoa Processing Company Limited (**CPC**) is situated in the picturesque port city of Tema in Ghana on the Greenwich Meridian (Longitude 0°).

The company comprises of the three factories: Two Cocoa Factories and a Confectionery Factory.

Cocoa Processing Company Limited is a limited liability company and incorporated in Ghana **on 30th of Nov, 1981.**

The shares of company are publicly traded on Ghana Stock Exchange.

The Cocoa Factories have annual throughput is 64500 metric tones of Premium Ghana Cocoa beans which it processes into,

- Cocoa Liquor,
- Cocoa Butter,
- Cocoa Cake and
- Cocoa Powder.

These semi-finished products are the major ingredients for the production of chocolate and other cocoa-based food products. Semi-finished products are sold under the **Portem** brand name to foreign markets.

The company however retains portion of semi-finished products for use in the Confectionery Factory.

The Confectionery Factory manufactures chocolate confectionery namely,

- chocolate bars,
- chocolate spread,
- drinking chocolate and

- Chocolate dragees.

The confectionery products marketed under brand name **Golden Tree**.

CORE VALUES

1. Quality

They pursue the highest quality standards in their operations and strive to deliver the highest quality products and services to their consumers.

2. People

Their workers are their most valuable assets and they believe in achieving synergy through teamwork.

They strive to continuously develop their human resource to enable them achieve excellence.

3. Customer-Oriented

They aim at customer delight and not mere customer satisfaction.

4. Integrity

Honesty, transparency and accountability are their hallmark; these constitute the essence of their existence.

5. Health and Safety

They are committed to the health and safety of their staff, visitors and consumers through a safe and secure work environment and product safety.

6. Environment

They are committed to continuous investment in environmental

preservation and management. They work in close collaboration with the relevant agencies to ensure compliance.

7.Social Responsibility

They care about their communities and strive to enhance their well-being

VISION

“ TO BE A FIRST CLASS FOOD FACTORY OF INTERNATIONAL REPUTE ”

MISSION

“ TO PROCESS COCOA AND DELIGHT THEIR CUSTOMERS WITH THE FULL HEALTH BENEFITS OF WORLD CLASS COCOA/CHOCOLATE PRODUCTS ”

COMPANY PRODUCTS

- 1. Choco-Bake (Dark bakery chocolate).**



Product Information

Choco-Bake is a dark chocolate couverture produced for retail to household consumers.

2. Choco Delight.



Product Information

Choco Delight is a delicious chocolate spread made from carefully selected ingredients and is a great condiment to bread and pastries. Providing rich balance of the protein, carbohydrate, lipids, vitamins and minerals *Choco Delight* is a healthful snack for any time of the day.

3. Groundnut Coated with Chocolate



Product Information

Pebbles comes in array of rainbow colors and understandably is the toast of many children and adults. *Pebbles* are chocolate dragee at the centre of which is a carefully selected peanut.

4. Royale Natural Cocoa
drinkingchocolate).
Powder

5. Alltime (Instant



6. Vitaco (Instant drinking chocolate).



“Cocoa is the country’s second most important foreign exchange earner after gold, which accounts for 23% of total merchandise export earnings in the year of 2011. It is also a major driver of Ghana’s growth and having increasing its share of GDP from 2.5% in 2008 to 3.6% in 2011,” the report adds.

The Major actors in the cocoa industry include:

- Smallholder farmers
- The Private licensed cocoa buying companies
- Ghana COCOBOD (formerly the Cocoa Marketing Board), and
- Cocoa processing companies.

Cocoa Life program has five focus areas:

1. Farming:

They believe cocoa farmers deserve to earn an income that lifts them out of poverty so they help farmers improve their yields and livelihoods.

2. Community:

They believe in empowering cocoa farming families to create the kind of communities

they and their children want to live in. They believe gender equality benefits everyone

and work towards improve women's empowerment.

3. Livelihoods:

They believe providing business knowledge and skills will create farming entrepreneurs

and support to the farmers to increase the incomes from other sources.

4. Youth:

They are working towards eliminating child labor by helping communities tackle its root causes. They believe cocoa farming should be an attractive business for the next generation, so They work to inspire young people about a future in cocoa farming.

5. Environment:

They believe in protecting the landscapes in which cocoa is grown to maintain ecosystems and provide viable environments and farming land for future generation.

Product classification

Product	HS Code	Description
Cocoa beans	1801.00	Cocoa beans, whole or broken, raw or roasted
Cocoa paste/liquor	1803.10	Cocoa paste (excl. defatted)
Cocoa butter	1804.00	Cocoa butter, fat and oil
Cocoa powder	1805.00	Cocoa powder, not containing added sugar or other sweetening matter
Couverture (industrial chocolate)	1806.20	Other preparations in blocks, slabs or bars weighing more than 2 kg or in liquid, paste, powder, granular or other bulk form in containers or immediate packings, of a content exceeding 2 kg
Finished chocolate products	Various sub-headings - See Box 4	

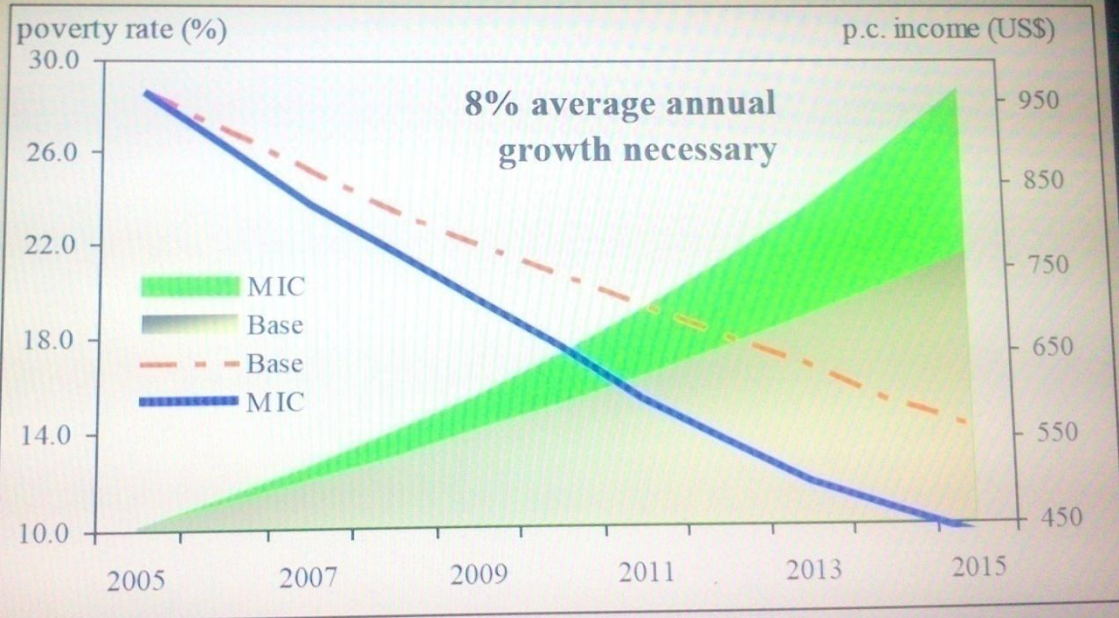
ROLE IN ECONOMY OF SPECIFIED COUNTRY

- Strong cross sector linkages through
- Cocoa processing (milling and butter)
- Food industry (beverages, bakery etc.)
- The Government revenue to support other sectors
- Processed cocoa exports increased from 83 mil. US\$ in 2004 to 152.9 mil. In the year of 2006
- The 5% of government revenue coming from the cocoa export tax in 2005
- Still, only 8-15% processed domestically
- Mainly low value added

The role of cocoa in past poverty reduction

	1991/92	1998/99	2005/06
Total population			
Poverty Rate	51.7	39.5	28.5
Poverty Gap	18.5	13.9	9.6
Cocoa Producers			
Poverty Rate	60.1	36.7	23.9
Poverty gap	23.3	9.4	6.0

Projected future growth and poverty reduction in Ghana – the model results

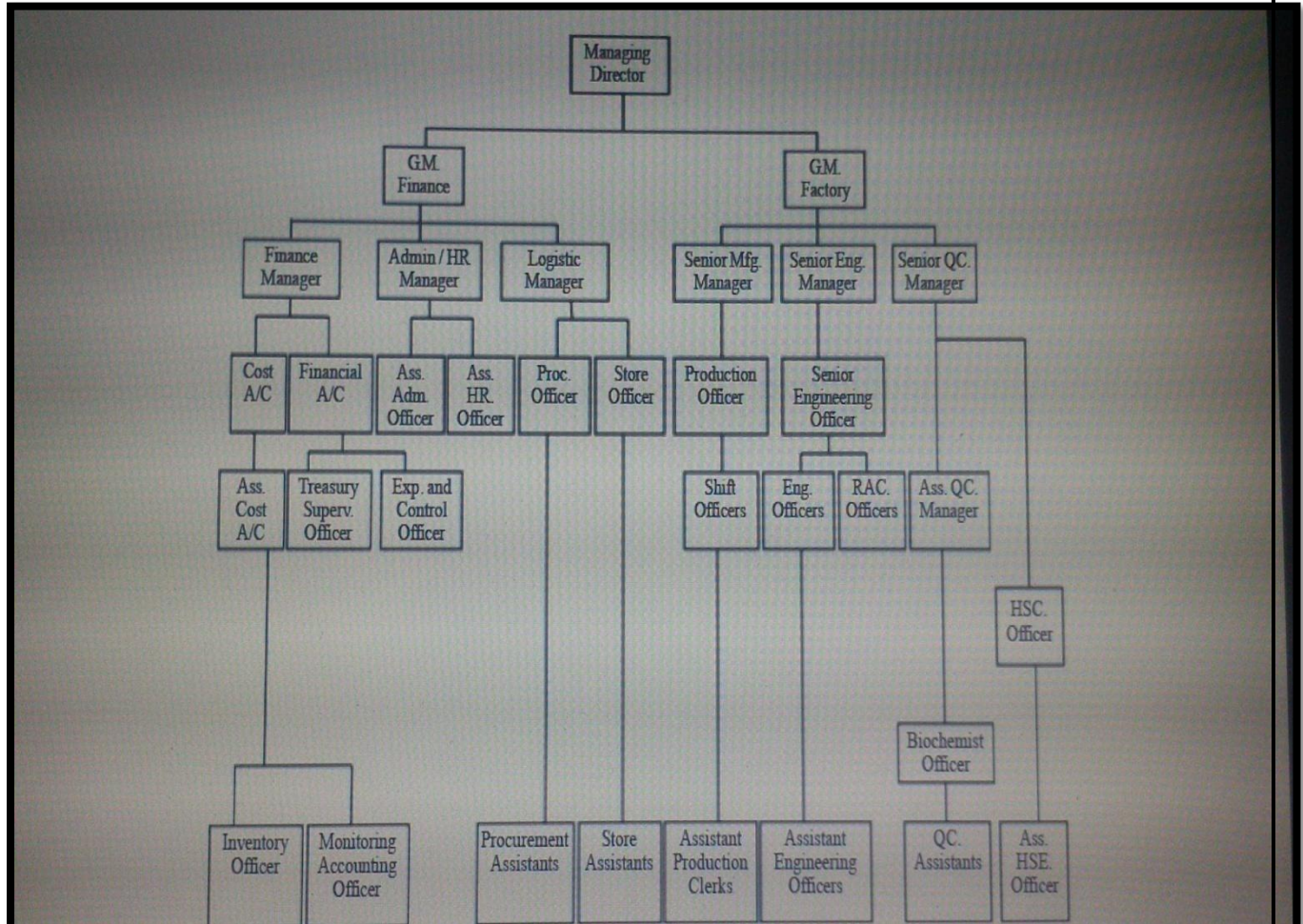


GHANA STOCK-EXCHANGE

SHARE CODE	OFFICIAL NAME	NAME	WEBSITE
<u>CPC</u>	Cocoa Processing Company	Cocoa Processing Company	www.goldentreeghana.com

STRUCTURE , FUNCTIONS AND BUSINESS ACTIVITIES OF COCOA PROCESSING COMPANY LTD.

STRUCTURE



FUNCTIONS

The main functions of the Board

The functions of COCOBOD centre on production, research, extension, internal and external marketing and quality control. The Functions are classified into the two main sectors; Pre-harvest and Post-harvest which is performed by specialized divisions of the Board.

Pre-harvest Sector

Pre-harvest Sector functions which is performed by the [Cocoa Research Institute of Ghana \(CRIG\)](#), the Seed Production Unit (SPU) and the Cocoa Swollen Shoot Virus Disease Control Unit (CSSVDCU) deal with fundamental issues on actual cocoa production at the farm gate level.

Post-harvest Sector

Post-harvest Sector functions undertaken by the Quality Control Division (QCD) and the Cocoa Marketing Company (CMC) Limited.

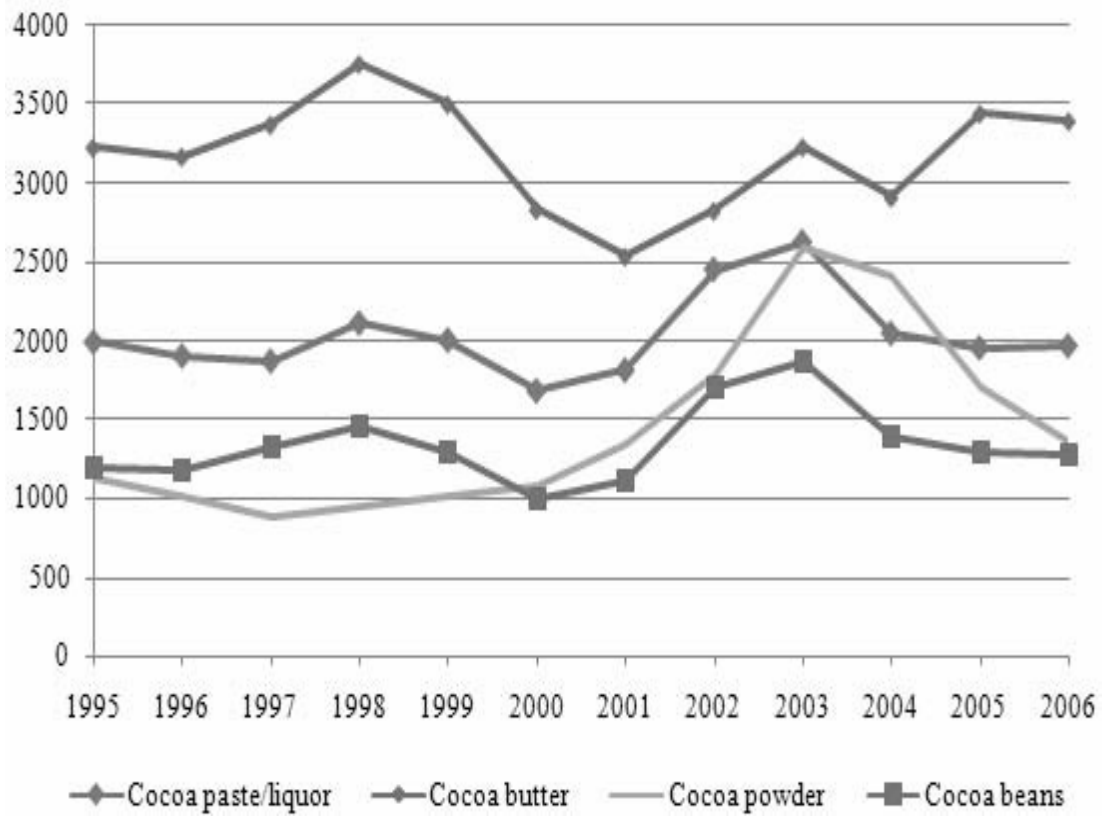
The Post-harvest activities of COCOBOD start with quality control measures of QCD which farmers must observe to facilitate the acceptance of their produce at the buying centers by the licensed buying companies engaged in internal marketing of cocoa at the time.

BUSINESS ACTIVITIES

The main Principal activities of company are manufacture of,

- high-quality chocolates,
- the confectionery and semi-finished cocoa products such as,
 - cocoa butter,
 - cocoa liquor,
 - cocoa cake and
 - cocoa powder from the premium cocoa beans grown in Ghana.

Unit price (intra-EU trade) of cocoa liquor, butter and powder (euros/tonne)



COMPARATIVE POSITION OF COCOA PROCESSING COMPANY LTD. WITH INDIA AND GUJARAT



INDIAN CHOCOLATE INDUSTRY



Size of the industry	The size of the market for chocolates in India was estimated about 30,000 tonnes in the year of 2008.
Geographical distribution	Mumbai, Delhi, Kolkata & Bangalore
Output per annum	Cadbury has over 70 %share in this market, and recorded a turnover of over US\$ 37m in 2008.
The Market Capitalization	Indian candy market currently valued at around \$664 million, with about 70% share (\$ 461 million) in sugar confectionery and the remaining 30% (\$ 203 million) in chocolate confectionery.

HISTORY



The Indian Chocolate Industry has come a long way since the long years. Ever since 1947, the Cadbury is in the India. The Cadbury chocolates ruled the hearts of the Indians with their fabulous taste. The Indian Chocolate Industry's Cadbury Company today employs nearly 2000 people across the India. The company is one of oldest and strongest players in the Indian confectionary industry with an estimated 68% value share and 62% volume share of the total chocolate market. It has exhibited continuously the strong revenue growth of 34% and net profit growth of 24% throughout the 1990s. The brand of the Cadbury is known for its exceptional

capabilities in the product innovation, distribution and marketing. With the brands such as Dairy Milk, Gems, 5 Star, Bourn vita, Perk Celebrations, Bytes, Chocki, Delight and the Temptations and there is a Cadbury offering to suit all occasions and moods.

Chocolate consumption gaining the popularity in India due to increasing prosperity coupled with a shift in the food habits and pushing up the country's cocoa imports. The Firms across the country have announced plans to step-up domestic production from 10000 tons to 16000 tones according to the Reuters. To secure the good quality of raw material in the long term, the private players like Cadbury India are encouraging the cocoa cultivation. The Cocoa requirement is growing around 15% annually and will reach around 30,000 tons in the next 5 years.

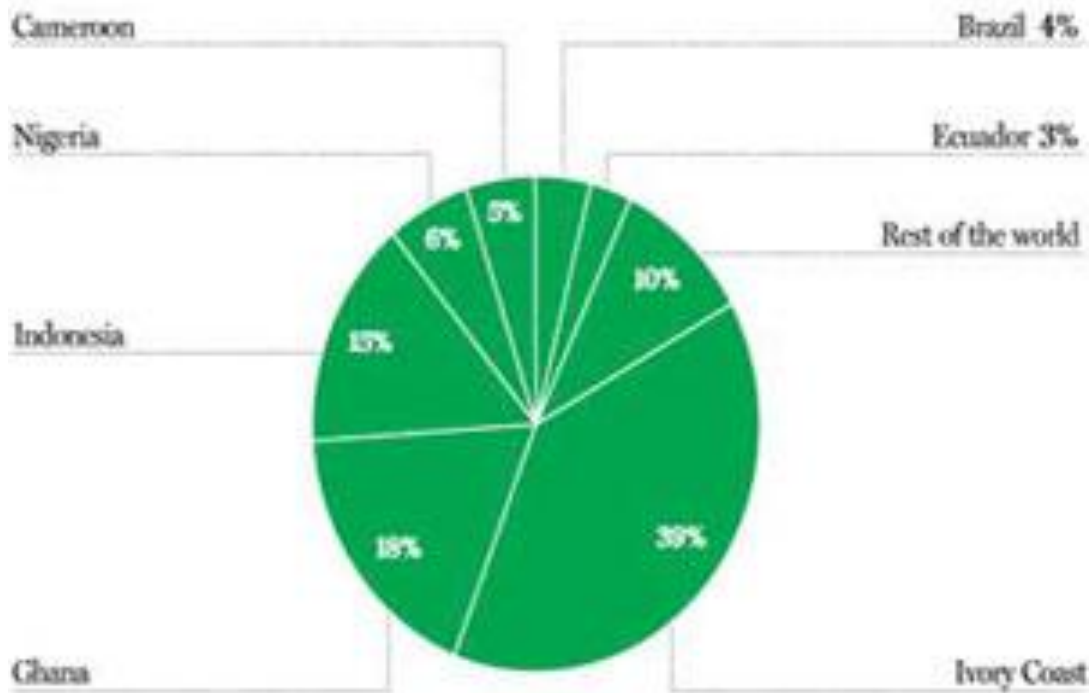
BRIEF INTRODUCTION



Indian Chocolate Industry as today is dominated by the two companies and both are multinationals. Market leader is Cadbury with a lion's share of 70%. The company's brands such as Five Star, Gems, Éclairs, Perk, Dairy Milk are the leaders in their segments and Until early 90's, Cadbury had market share of above 80 %, but its party was spoiled when Nestle appeared on the scene. The other one introduced its international brands in the country (Kit Kat, Lions) and now commands approximately 15% market share. The two companies are operating in the segment are Gujarat Co-operative Milk Marketing Federation (GCMMF) and Central Arecanut and Cocoa Manufactures and Processors Co-operation (CAMPCO). Competition in the segment will only get keener as overseas chocolate giants Hershey's and Mars consolidate to grab a bite of the Indian chocolate pie.

The Market capitalization

Global cocoa production (percentage share)



Indian candy market is currently valued at around \$664 million, with about 70% share (\$ 461 million) in sugar confectionery and the remaining 30% (\$ 203 million) in the chocolate confectionery. The Indian Chocolate Industry is estimated at the US\$ 400 million and growing at 18% per annum. Cadbury has over 70 % share in this market and recorded a turnover of above US\$ 37m in 2008.

Major Players

- Cadbury's India Limited

- Nestle India
- Gujarat Co-operative of Milk Marketing Federation
- The Cocoa Manufactures and Processors Co-operative (CAMPCO)
- The Bars Count Lines Wafer Panned Premium
- Cadbury's Dairy Milk & Variants
- 5-Star, Milk
- Amul Milk Chocolate
- Treat Perk Gems,
- Tiffins Temptation & Celebrations
- Nestle Milky Bar & Bar One.

Cocoa Processing Company Limited was incorporated in Ghana on 30 November 1981 as a limited liability company. The company is domiciled in Ghana and its shares are publicly traded on the Ghana Stock Exchange (GSE). The principal activities of company are manufacture of high-quality chocolates and confectionery and semi-finished cocoa products such as cocoa butter, cocoa cake and cocoa liquor and cocoa powder from the premium cocoa beans grown in Ghana.

COCOA PROCESSING COMPANY LIMITED
STATEMENT OF FINANCIAL POSITION AT 30th, SEPTEMBER 2012

	Restated	Restated
2012	2011	2010

	Note	US\$	US\$	US\$
Assets				
Property, Plant and Equipment 83,774,385	6	78,845,758		81,690,171
Leasehold Land 13,835,937	7	12,578,125		13,207,031

Total Non-Current Assets 97,610,322		91,423,883		94,897,202

Inventories 26,514,859	8	27,964,812		31,771,077
Trade and Other Receivables 6,787,972	9	10,481,139		12,074,763
Cash and Cash Equivalents 2,340,517	10	3,780,683		2,034,619
Non-current Assets held for Sale 43,634	11	-		20,653

Total Current Assets 35,686,982		42,226,634		45,901,112

Total Assets 133,297,304		133,650,517		140,798,314
=====				
Equity				
Share Capital 11,984,510	15(a)	26,071,630		11,984,510
Deposit for Shares		-	14,087,120	-
Translation Reserve (20,070,388)	15(c)	(20,070,388)		(20,070,388)
Retained Earnings 9,343,283	15(d)	(5,503,567)		2,600,028

Total Equity 1,257,405		497,675		8,601,270

Long-term Borrowings 85,419,405	13(b)	32,022,147		19,185,010

Employee Benefit Obligations 2,029,120	14(b)	833,754	2,442,859

Total Non-current Liabilities 87,448,525		32,855,901	35,629,375

Bank Overdraft 2,397,053	10(b)	2,159,797	2,847,447
Trade and Other Payables 38,019,463	12	68,958,621	57,906,268
Short-term Portion of Borrowings 4,174,858	13(a)	29,178,523	35,813,954

Total Current Liabilities 44,591,374		100,296,941	96,567,669

Total Liabilities 132,039,899		133,152,842	132,197,044

Total Equity and Liabilities 133,297,304		133,650,517	140,798,314
=====			

**PRESENT POSITION AND TREND OF BUSINESS (IMPORT/EXPORT)
WITH INDIA/GUJARAT DURING LAST 3 TO 5 YEARS**

In the year 2002 CPC's position as one of the world's best chocolate producers was re-confirmed at the Monde Selection Competition held in the Paris and France. At this Competition all seven brands of chocolate and ALLTIME Drinking chocolate powder presented won gold medals on account of their distinctive quality.

As a Good Corporate Citizen, Cocoa Processing Company supports educational programs in the Ghana. The Company has established GHC 500million Endowment Fund to assist in equipping the distressed laboratories of the Science Faculties of the universities in Ghana.

The Company is currently engaged in an expansion program which is aimed at increasing its cocoa throughout capacity from the original 25000 metric tonnes per annum to 65000 metric tonnes per annum. The expansion program is in two phases. Phase One which included the construction of a new state-of-the-art factory with a capacity to process 30000 metric tonnes of cocoa beans into the cocoa liquor was complete and was commissioned in November 2005 by His Excellency John Agyekum Kufour, the President of Republic of Ghana.

The factory is currently in the operation and producing the high quality liquor.

Phase Two of the program entails the rehabilitation of the existing factory into a modern factory with an increased capacity capable of processing 35000 metric tonnes of cocoa beans into the cocoa butter cake and powder. The rehabilitation is on-going and expected to be completed by the end of 2007.

Top 20 Product Groups of Ghana's Global Imports, major supplier countries and India's %age share. (Year 2002)

Value in Million USD

S.No.	HS code	Product Description	Global Imports	Imports from India	Top Supplier Countries Year 2000	India's % Share
		All products	2,053.80	105.14		5.119
1	84	Nuclear reactors, boilers, machinery, etc	263.54	10.06	UK, USA, Germany	3.817
2	85	Electrical, electronic equipment	183.19	1.55	UK, Netherlands, USA	0.846
3	87	Vehicles other than railway, tramway	182.38	1.51	Germany, Belgium, Netherlands	0.829
4	10	Cereals	74.06	8.30	USA, Canada, Thailand	11.201
5	27	Mineral fuels, oils, distillation products, etc	64.81	0.04	Nigeria, Spain, Cote D' Ivoire	0.054
6	28	Inorganic chemicals, precious metal compound, isotopes	62.47	0.62	USA, UK, Italy	0.999
7	39	Plastics and articles thereof	61.76	3.14	Korea Rp, UK, USA	5.087
8	25	Salt, sulphur, earth, stone, plaster, lime and cement	57.71	0.64	S. Arabia, Togo, S. Africa	1.109
9	30	Pharmaceutical products	54.77	13.71	India, UK, Belgium	25.034
10	73	Articles of iron or steel	54.12	7.49	USA, S. Africa., Senegal	13.840
11	17	Sugars and sugar confectionery	47.87	2.11	Brazil, Niger, France	4.402
12	63	Other made textile	47.75	4.84	Italy, USA, UK	10.126

		articles, sets, worn clothing etc				
13	72	Iron and steel	47.03	6.47	Russia Fed, Japan, UK	13.763
14	99	Commodities not elsewhere specified	45.43	0.59	Turkey, Thailand, Togo	1.297
15	38	Miscellaneous chemical products	45.13	0.24	UK, France, Netherlands	0.525
16	48	Paper & paperboard, articles of pulp, paper and board	42.37	1.79	S. Africa, UK, France	4.222
17	15	Animal, vegetable fats and oils, cleavage products, etc	38.49	0.03	Netherlands, Malaysia, France	0.070
18	40	Rubber and articles thereof	38.19	3.71	Netherlands, UK, Germany	9.710
19	52	Cotton	34.00	13.68	China, Togo, Netherlands	40.218
20	90	Optical, photo, technical, medical, etc apparatus	31.51	1.23	Netherlands, China, UK	3.909

Export procedures of Ghana

Export procedures in Ghana are quite simple and straightforward. First of all an exporter needs to have registered his or her business with the Registrar-General's Department and the Ghana Export Promotion Council. These registrations are accord respective registration numbers for business and for export.

Export procedures are grouped into two main categories - traditional exports and nontraditional exports. The traditional exports comprise of cocoa beans, minerals and ore, electricity, logs and lumber, unprocessed gold and fresh fish and fresh yam. All the other

commodities are considered as non-traditional exports.

Procedure for Traditional Exports

- The Completion of the Bank of Ghana Exchange Control Form the A2 which can be obtained from all retail banks.
- Declaration of export goods and submission of declaration to the Customs and Excise Preventive Service of Ghana through GC-Net/GCMS. In instances where the electronic submission is not possible, the declaration of goods would have to be done on the ASYCUDA forms. The Submission of Declaration has to be accompanied by the all required permits/certificates
- The Validation of Declaration is done by Customs against presented goods and upon satisfactory validation, goods are released for exports.

Procedure for Non-Traditional Exports

- Procedures are same as above except that in customs exit points where the GC-Net/GCMS is not operational, Ghana Customs Non-Traditional Export Forms would have to be completed and presented to Customs for validation in respect of non-traditional exports.

Export duty paid in Ghana on exports of cocoa beans and hydrocarbon oil and Aviation Fuel

**POLICIES AND NORMS OF GHANA FOR COCOA PROCESSING
COMPANY LTD. FOR IMPORT/EXPORT INCLUDING LICENSING
OR PERMISSION & TAXATION ETC.**

Ghana is one of the largest cocoa-growing countries in the world second only to its neighbor Cote d'Ivoire (Ivory Coast). The Ghana has traditionally exported almost its entire crop of cocoa beans for processing to foreign chocolate production plants. The Cocoa makes up 30% of the Ghana's total exports.

This policy changed in mid-2003 when President John Agyekum Kufuor set the goal of broadening the Ghanaian cocoa business by investing in the national cocoa processing facilities. Target of government was to process at least 40% of the annual cocoa crop of 500000t. In January 2009, the new government formulated a policy to process at least 60% of cocoa that is grown locally.

The Cocoa Processing Company Ltd. mostly owned by the Ghanaian Government and the facility in Tema was chosen in early 2004 to be updated and expanded as the first step of consolidating the cocoa business inside Ghana.

The Ghanaian Government has pledged to increase bean production to above 1 million tons and according to the International Cocoa Organization (ICCO), the country's commercial crop in 2005 / 2006 reached a record high of the 646000t.

CONSTRUCTION AND EXPANSION

The German company MAN Ferrostaal AG was commissioned in 2004 to update and expand the facilities of the Cocoa Processing Company Ltd. in the Tema. The port city of Tema located in the south-western part of Ghana on the Gulf of Guinea.

Contract signed with the state was worth more than the €20m and included the design and supply of a complete cocoa processing plant including infrastructure such as the water treatment system, the emergency power generating sets and the steam and compressed air networks.

The processing capacity of the existing plant has increased from 25000t to 64500t of cocoa beans a year. The MAN selected Buhler (Chocolate & Cocoa) as the technical partner for handling the project. The contract with the Buhler comprised the design and supply of a complete cocoa processing facility.

COCOA PROCESSING

The expansion of the cocoa processing facility was designed into the two stages. The first phase involved the system for processing the cocoa beans into the cocoa mass. In an initial operation the dried and the green beans are cleaned and weighed and stored as clean raw material.

In the second phase, the beans are subjected to a thermal treatment under high pressure at a temperature of 220°C so that all bacteria are destroyed. This is followed by the bean toasting during which the moisture is extracted.

Finally, the cocoa beans are crushed and the hulls are separated from the bean fragments and it is called nibs. Only now it is possible to grind the cocoa nibs into the two process stages. During the mechanical grinding operation, the heat is generated which makes the cocoa mass melt. The liquid cocoa mass (liquor) with the temperature of about 80°C is directed to storage tanks where it is cooled to 45–50°C and from the tanks, the mass moved towards a cooling tunnel where the heat is extracted and the cocoa mass is formed into blocks weighing 25kg each.

NEW FACILITY

The new cocoa processing facility had a capacity of four metric tons per hour and it is fully computer-controlled. This makes it, the most advanced plant of its kind in Africa.

REGISTRATION

1.1 A Company wishing to engage in the external marketing of cocoa must:

- Be a Licensed Buying Company (LBC) and must have participated in the internal marketing of cocoa for a minimum period of two cocoa crop years.
- Have to purchase a minimum of 10000 tonnes of cocoa per year over the immediately preceding two consecutive crop years.
- Have personnel who possessing the relevant technical know-how and experience in external marketing or can demonstrate it has access to the requisite of human resources i.e. as the case may be in regulation 1.5.
- Must be demonstrating that it has access to adequate financial resources.

1.2 LBCs that qualify to export or have been licensed to export may come together to form a company for the purposes of exporting cocoa.

1.3 For the avoidance of doubt, the dispensation under the regulation of 1.2 shall not be available to the LBCs that do not qualify to engage in direct exports.

1.4 LBCs that do not qualify to export under the regulations of 1.1 and 1.2 may market and export their quota through any licensed exporter and Cocoa Marketing Co ltd. (CMC).

1.5 The company/companies referred to in the regulation of 1.2 as above may be the licensed as exporters.

1.6 The company/companies referred to in the regulation of 1.5 above together with the CMC and any other LBCs licensed to export shall be the sole exporters of cocoa beans.

LICENSING

1. Companies which meet the requirements under the regulations of 1.1 to 1.2 shall be issued with license to export cocoa.
2. The companies applying under regulation 1.5 shall furnish COCOBOD with the under listed particulars:
 - The Name of the company and registered trade mark.
 - Date of incorporation;
 - Nature of business;
 - Major shareholders of the company;
 - The Names of the directors and management personnel;
 - Registered head office address; and
 - Banker's reference.

3. Licenses shall be for an initial period of the two years and renewable annually subject to the continued satisfaction of the registration and operational requirements and compliance with the regulations contained herein.
 4. Licensing and annual renewal shall be for a fee to be prescribed from time to time by COCOBOD.
 5. Where companies licensed to export cocoa are unable to do so on their own and they may have the cocoa exported on their behalf by any other licensed exporter or CMC.
- ❖ **For the purposes of taxation**, repatriation and retention of proceeds, beans delivered to local processors by licensed exporters shall be priced according to guidelines issued by the Export Sales Committee.

POLICIES AND NORMS OF INDIA FOR IMPORT AND EXPORT TO GHANA INCLUDING LICENSING/PERMISSION, TAXATION ETC.

Export-Import Bank of India (Exim Bank) has extended a Line of Credit (LOC) of US\$ 15 million to the Government of the Ghana to finance India's exports to that country. Agreement to this effect was signed in Accra on Friday October 24, in the year of 2003 by Mr. P. R. Dalal, General Manager of Exim Bank and H. E. Mr. Yaw Osafo-Mafo, Minister of Finance

& the Economic Planning the Government of the Republic of Ghana in the presence of the India's High Commissioner to the Ghana H. E. Mr. K. K. Framji.

Under the LOC to Ghana, Exim Bank would reimburse to the Indian exporters 100% of contract value and upfront upon the shipment of goods. Exim Bank has extended three LOCs to the Ghana and in the past which have been fully utilized and repaid. These LOCs result in the export of various items from India to Ghana such as transport vehicles and automobile spares and batteries and material handling equipment and its spares and power transmission plant and machinery.

India recorded the exports of US\$ 105.83 mn to the Ghana in the year of 2002-03 as compared to previous year's exports of US\$ 68.65 mn which is increase of 54 % over the previous year. The Drugs and pharmaceuticals and fine chemicals and cotton yarn fabrics and made-ups and machinery and instruments and manufacture of metals and primary & semi-finished iron & steel were the principal items in India's export basket to Ghana in the year of 2002-03. As per the Exim Bank's recent study titled that "Strategy for Quantum Jump in Exports: Focus on Africa and Latin America and China" items such as transport vehicles & plant and machinery & pharmaceuticals & cement & textiles & metals and metal parts and automobile parts hold good potential for export from India to Ghana.

Exim Bank' LOCs afford risk-free and non-recourse export financing option to Indian exporters particularly from the small and the medium sectors. Exim Bank place number of Lines of Credit for promoting India's exports to countries such as Africa & Asia & Latin America & East Europe and Russia.

Current Scenario of Imports in India

There are few goods which cannot be imported namely tallow fat & animal rennet & wild animals & unprocessed ivory etc. Most of restrictions are on the ground of security & health & environment protection etc. The Imports are allowed for free of duty for the export production. The Input- output norms have been specified for more than the 4200 items. The norms are tell about the amount of the duty free import of inputs allowed for the specified products. There are no restrictions on import of capital goods. The Import of second hand capital goods whose minimum residual life is of five years is permitted. Export Promotion

Capital Goods (EPCG) scheme provides exporters to import capital goods at a concessionary custom rates and in the past 30 years Indian imports risen quite dramatically. At the present, imports accounts for the 17% of the GDP. Capital goods have been continued to be imported and in last three years their share has fallen to 25% to 22%.

Definition of IEC Code

The IEC Code is unique of 10 digit code issued by the DGFT – Director General of Foreign Trade , Ministry of Commerce, Government of India to Indian Companies.

Full form of IEC Code

Full Form of IEC Code is: “Importer Exporter Code ”. To import or export in India, IEC Code is the mandatory and no person or entity shall make any Import or Export without IEC Code Number.

Eligibility, Legal Provisions and Conditions for IEC Code Number

Eligibility condition and Legal Provisions are given for IEC Code Number Application in Foreign Trade Rules in the year of 1993 Ministry of Commerce and Notification No. GSR 791 (E), date 30-12-1993.

The Mandatory Requirements for applying for the IEC Code Number:

1. PAN Number
2. Current Bank Account
3. Bankers Certificate
4. IEC Code Number

Application Fee

Rs 250.00

(Expert TIP : Pay via EFT (Electronic Fund Transfer) and submit IEC Online Application form if any one wish to receive the IEC Number instantly)

5. The physical application containing required documents should reach DGFT RLA concerned within 15 days of its online submission.
6. E-mail is not mandatory. If it is provided it will facilitate faster communication.

The Permits or Certificates are also required in respect of the following export items:

- The Cocoa beans Fumigation and the Quality Assurance by the Control Division of Ghana Cocoa Board;
- Timber and Sawn timber Wood products Permit by the Forestry Commission of the Ghana
- The Mineral ore permit by the Mineral Commission of Ghana & New Delhi & India
- The Manufactured/Processed Goods certification by the Ghana Standards Board
- The Certification by the Ghana Standards Board
- The Fresh/ Processed Fish Quality Assurance Certification by the Ghana Standards Board
- Coffee, Shea-nuts & Cashew nuts-Quality Assurance Certification by the Control Division of the Ghana Cocoa Board
- The Food/Agriculture products Phyto sanitary Certification
- Rock & Rock samples -Certification by the Geological Survey Department of Ghana
- Wildlife -Permit from the department of Game and Wildlife of Ghana
- The Pets Permit of Veterinary Service of the Ministry of Food and Agriculture
- The Chemicals Certification from the Environmental Protection Agency of Ghana

- The Pharmaceuticals Permit/ Certificate from the Ministry of Health and the Food & Drugs Board of Ghana
- The Antiques Permit of the Ghana Museums and the Monuments Board
- The Human Remain Certificate from the Births and Deaths Registry of Ghana

Under the export laws of Ghana, narcotics & parrots & round logs-12 species &

rattan canes and bamboo & obscene material and other prohibited goods are prohibited export items.

The Exporters who wishes to avail the preferential market access would need to complete the following documents to satisfy certificate of origin concerns:

- European Union – EURI
- USA, Japan, Canada, Switzerland, etc – GSP
- USA - AGOA Visa
- ECOWAS countries - ETLS

Export Incentive Schemes

The Ghana Export Promotion Council is with the close collaboration with the Ministry of Trade and Industry plays a leading role in the establishment of incentive schemes for the exporters some of which are:

1. An Export Proceeds Retention Scheme in operation allows exporters to exchange all (i.e.100%) foreign exchange proceeds from non-traditional exports into cedis at very competitive rates negotiated with the exporter's banker or to keep the revenue receipts in forex accounts;

2. A Corporate Tax Rebate, which allows any manufacturer or any person who engaged in agricultural production exporting the part or all of his production, to claim tax rebate between 40% and 75% of his tax liability.

3. A Custom Duty Drawback that allows exporters to draw back up to 100% of duties paid on material imported to produce goods for export.

4. A Bonded Warehousing that allows manufacturers to seek Customs license to hold imported raw materials intended for manufacturing for export in secured places without payment of duty.

5. Up-Front Duty Exemption, which operates alongside the duty drawback system enables exporters, enjoy 100% duty exemption on imports intended to go into production for export.

Taxation System in India

India has a well-developed tax structure with clearly demarcated authority between Central and State Governments and the local bodies. Central Government levies taxes on the income (except tax on agricultural income which the State Governments can levy) & customs duties & central excise and service tax.

Value Added Tax (VAT), (Sales tax in States where VAT is not yet in the force) & stamp duty & State Excise & land revenue and tax on professions are levied by the State Governments. The Local bodies are empowered to levy the tax on properties and octroi and for utilities such as water supply & drainage etc.

In last 10-15 years, Indian taxation system has undergone the tremendous reforms. Tax rates have been rationalized and tax laws have been simplified result in the better compliance and ease of tax payment and better enforcement. Process of rationalization of the tax administration is ongoing in India.

India Tax Structure 2011-2012

This guide provides an overview of the tax structure and current tax rates in India. Tax regime in India has the undergone elaborate reforms over the last couple of decades in order to enhance rationality and ensure simplicity and improve compliance. Tax authorities constantly review the system in order to remain the relevant. India has federal system of the Government with clear demarcation of powers between the Central Government and the State Governments. Such as governance & the tax administration is also based on principle of

separation therefore well defined and demarcated between Central and State Governments and local bodies.

The tax on incomes and customs duties and central excise and service tax are levied by the Central Government. State Government levies the agricultural income tax (income from plantations only) and Value Added Tax (VAT)/ Sales Tax and Stamp Duty and State Excise and Land Revenue and Luxury Tax and Tax On Professions. Local bodies have the authority to levy tax on properties and octroi/entry tax and tax for utilities such as water supply and drainage etc.

DIRECT TAXES

Individual Income Tax & Corporate Tax

The provisions relating to income tax are contained in the Income Tax Act 1961 and the Income Tax Rules in the year of 1962. The Income Tax Department governed by the Central Board for Direct Taxes (CBDT) which is part of the Department of Revenue under the Ministry of Finance. In the terms of *Income Tax Act*, 1961 tax on income levied on individuals and corporations and body of persons. The tax rates are prescribed by the government in the Finance Act and popularly known as Budget every year.

The Government of India has recently taken initiatives to reform and simplify the language and structure of the direct tax laws into a single legislation – the Direct Taxes Code (DTC). After public consultation the Direct Taxes Code 2010 was placed before the Indian Parliament on 30th August in the year of 2010 when passed DTC will replace the Income Tax Act in the year of 1961. The DTC consolidates the provisions for Direct Tax namely the income tax and the wealth tax. When it comes into the effect, probably April 2012, it is likely to have significant impact on the tax payers especially the business community.

In the case of Individuals, incomes from salary, house and property, business & profession, capital gains and other sources are subject to tax. Women and Senior citizens are extended some special privileges. Individuals' incomes are subjected to a progressive rate system. Tax treatment differs depending on the residence status.

Income of the company is computed and assessed separately in the hands of the company. Income of company is subjected to a flat rate plus a surcharge. In addition to these, an

education cess is also charged on the tax amount. Dividends distributed are subjected to special tax and the distributed income is not treated as expenditure but as appropriation of profits by the company. Tax treatment differs depending on the residence status.

A company is liable to pay tax on the income computed in accordance with the provisions of the Income Tax Act. Although many companies have huge profits, and declare substantial dividends, they are relieved from tax liabilities because their income when computed as per provisions of the Income Tax Act is either nil or negative or insignificant. Therefore a provision called Minimum Alternative Tax (MAT) was introduced by an amendment in 1997. As per the MAT provision such companies are required to pay a fixed percentage (presently 18% for 2011-2012) of book profit as minimum alternate tax.

Additionally, by an amendment in 2005 companies are required to pay Fringe Benefit Tax (FBT) on value of fringe benefits provided or deemed to have been provided to the employees.

In addition to income tax chargeable in respect of total income, any amount declared, distributed or paid by a domestic company by way of dividend shall be subjected to dividend tax. Only a domestic company is liable for the tax.

Wealth Tax

Wealth tax, in India, is levied under Wealth-tax Act, 1957. Wealth tax is a tax on the benefits derived from property ownership. The tax is to be paid year after year on the same property on its market value, whether or not such property yields any income. Similar to income tax the liability to pay wealth tax also depends upon the residential status of the assessee. The assets chargeable to wealth tax are Guest house, residential house, commercial building, Motor car, Jewelry, bullion, utensils of gold, silver, Yachts, boats and aircrafts, urban land, cash in hand (in excess of INR 50,000 for Individual & HUF only), etc. But in reality majority of the potential tax payers do not pay this tax as most of the movable items such as jewelry,

bullion etc are stashed away from accounting. Invariably they just pay tax for the immovable wealth such as real estate.

Capital Gains Tax

The central government also charges tax on the capital gains that is derived from the sale of the assets. The capital gain is the difference between the money received from selling the asset and the price paid for it. To restrict the misuse of this provision, the definition of capital asset is being widened to include personal effects such as archaeological collections, drawings, paintings, sculptures or any work of art.

Capital gain also includes gain that arises on “transfer” (includes sale, exchange) of a capital asset and is categorized into short-term gains and long-term gains. The Long-term Capital Gains Tax is charged if the capital assets are kept for more than three years or 12 months in the case of securities and shares that are listed under any recognized Indian stock exchange or mutual fund. Short-term Capital Gains Tax is applicable if the assets are held for less than the aforesaid period.

In case of the long term capital gains, they are taxed at a concession rate. Normal corporate income tax rates are applicable for short term capital gains. In case of the short term and long term capital losses, they are allowed to be carried forward for 8 consecutive years.

INDIRECT TAXES

Excise Duty

The central government levies excise duty under the Central Excise act of 1944 and the Central Excise Tariff Act of 1985. Central Excise duty is an indirect tax levied on goods manufactured in India and meant for domestic consumption. The Central Board of Excise and Customs under the Ministry of Finance, administers the excise duty. Central Excise Duty arises as soon as the goods are manufactured. It is paid by a manufacturer, who passes on its incidence to the customers. Excisable goods have been defined as those, which have been specified in the Central Excise Tariff Act as being subjected to the duty of excise.

There are three main types of excise duty -

- **Basic Excise Duty** is charged on all excisable goods other than salt at the rates mentioned in the said schedule
- **Additional Duties of Excise** is charged on goods of special importance, in lieu of sales Tax and shared between Central and State Governments
- **Special Excise Duty** is charged on all excisable goods on which there is a levy of Basic excise Duty. Every year the annual Budget specifies if Special Excise Duty shall be or shall not be levied and collected during the relevant financial year.

Customs Duty

Customs duty in India falls under the Customs Act 1962 and Customs Tariff Act of 1975. Customs duty is the tax levied on goods imported into India as well as on goods exported from India. Taxable event is import into or export from India. Additionally educational cess is also charged. The customs duty is evaluated on the value of the transaction of the goods. The Central Board of Excise and Customs under the Ministry of Finance manages the customs duty process in the country. The rate at which customs duty is applicable on the goods depends on the classification of the goods determined under the Customs Tariff. The Customs Tariff is generally aligned with the Harmonized System of Nomenclature (HSL). It should be noted that preferential/concessional rates of duty are also available under the various Trade Agreements.

Service Tax

Service tax was introduced in India way back in 1994 and started with mere 3 basic services viz. general insurance, stock broking and telephone. Subsequent Budgets have expanded the scope of the service tax as well as the rate of service tax. More than 100 services are subjected to tax under this provision. An education cess is also charged on the tax amount. The Central Board of Excise and Customs under the Ministry of Finance manages the administration of service tax.

Every service provider of a taxable service is required to register with the Central Excise Office in the concerned jurisdiction. Exemptions are available for services that are exported, small service providers whose revenue fall below the prescribed level, services provided to UN and International Agencies and supplies to SEZ(Special Economic Zones). Subject to

conditions, service tax is not payable on value of goods and material supplied while providing services.

Securities Transaction Tax (STT)

Transactions in equity shares, derivatives and units of equity-oriented funds entered in a recognized stock exchange attract Securities Transaction Tax. Service Tax, Surcharge and Education Cess are not applicable on STT. Taxation of profit or loss from securities transactions depends on whether the activity of purchasing and selling of shares / derivatives is classified as investment activity or business activity. Treatment of STT also depends upon whether the income from these securities transactions are included under the head “Income from Capital Gains” or under the head ‘Profits and Gains of Business or Profession’.

STATE TAXES

Apart from the central taxes, the states also levy taxes on various good and services. Main state taxes consist of:

Value Added Tax (VAT)

Sales tax charged on the sales of movable goods has been replaced with VAT in most of the Indian states since 2005. This was introduced to counter the rampant double taxation issues and resultant cascading tax burden that occurred due to the flaws inherent in the previous sales tax system.

VAT, chargeable only on goods and does not include services, is a multi-stage system of taxation, whereby tax is levied on value addition at each stage of transaction in the supply chain. The term ‘value addition’ implies the increase in value of goods and services at each stage of production or transfer of goods and services. VAT is a tax on the final consumption of goods or services and is ultimately borne by the consumer. VAT comes under the state list. Tax payers can claim credit for the taxes paid at earlier stages and purchases known as Input

Tax Credit, by producing relevant tax invoices. The credit can be used to set off any VAT tax liability.

Different rates of VAT are charged depending on the category to which the goods belong. Rates vary for essential commodities, bullion and valuable stones, industrial inputs and capital goods of mass consumption, and others. Petroleum tobacco, liquor and so on are subjected to higher rate and differ from state to state.

Notably, there is no VAT on imports and export sales are not subjected to VAT. Therefore VAT charged on inputs purchased and used in the manufacture of export goods or goods purchased for export, is available as a refund.

Note: The Central Sales Tax which is levied on inter-State sales would be eliminated gradually.

Stamp Duty

It is a tax that is levied on the transaction performed by means of a document or instrument as per the regulations of Indian Stamp Act, 1899. It is collected by the government of the state where the transaction is carried out. Stamp duty rates vary between the states.

Stamp duty is paid on instruments, which are essentially a document to create, transfer, limit, extend, extinguish or record a right or liability. Document acquires legality once it is stamped properly after the payment of the requisite stamp duty charges. Stamp duty is payable for transfer of shares, share certificate, partnership deed, bill of exchange, shares, share transfer, leave and license agreement, debentures, gift deed, bank guarantee, bonds, demat shares, development agreement, demerger, power of attorney, home loans, houses & house purchase, lease deed, loan agreement and lease agreement.

State Excise

Power to impose excise on alcoholic liquors, opium and narcotics is granted to States under the Constitution and it is called 'State Excise'. The Act, Rules and rates for excise on liquor are different for each State.

In addition to the above taxes by the Central and State Governments the local bodies have the authority to levy tax on properties, octroi/entry tax and tax on utilities

transactions, opening of bank accounts, obtaining loans, maintaining deposits etc., therefore any person not fulfilling the above conditions may also apply for allotment of PAN.

Tax Deduction at Source (TDS)

The Income-tax Act enjoins on the payer of specific types of income, to deduct a stipulated percentage of such income by way of Income-tax and pay only the balance amount to the recipient of such income. Some of such incomes subjected to T.D.S. are salary, interest, dividend, interest on securities, winnings from lottery, horse races, commission and brokerage, rent, fees for professional and technical services, payments to non-residents etc.

Tax Collection at Source (TCS)

Tax is collected at the point of sale. It is to be collected at source from the buyer, by the seller at the point of sale. Such tax collection is to be made by the seller, at the time of debiting the amount payable to the account of the buyer or at the time of receipt of such amount from the buyer, whichever is earlier. The goods to be subjected to TCS are clearly specified and the type of buyers, sellers and purpose are clearly defined in the Act. Tax rates vary depending on the goods.

Note: All those persons who are required to deduct tax at source or collect tax at source on behalf of Income Tax Department are required to apply for and obtain Tax Deduction and Collection Account Number (TAN), a 10 digit alpha numeric number, which is required to be quoted in all documents involving TDS/TCS transactions. Failure to apply for TAN or not quoting the same in the specified documents attracts a penalty.

Double Taxation Relief

India has entered into Avoidance of Double Taxation Agreement (DTAA) with 65 countries including countries like U.S.A., U.K., Japan, France, Germany, etc. The agreement provides relief from the double taxation in respect of incomes by providing exemption and also by providing credits for taxes paid in one of the countries. These treaties are based on the general principles laid down in the model draft of the Organisation for Economic Cooperation and Development (OECD) with suitable modifications as agreed to by the other contracting countries. In case of countries with which India has double taxation avoidance agreements, the tax rates are determined by such agreements and vary between countries.

Unilateral Relief

The Indian government provides relief from double taxation irrespective of whether there is a DTAA between India and the other country concerned, if

1. The person or company has been a resident of India in the previous year.
2. The same income must be accrued to and received by the tax payer outside India in the previous year.
3. The income should have been taxed in India and in another country with which there is no tax treaty.
4. The person or company has paid tax under the laws of the foreign country concerned.

PRESENT TRADE BARRIERS FOR IMPORT/EXPORT OF COCOA PROCESSING COMPANY LTD.

Trade barriers

are a general term that describes any government policy or regulation that restricts international trade. The barriers can take many forms, including the following terms that include many restrictions in international trade within multiple countries that import and export any items of trade:

- Tariffs
- Non tariff barriers to trade
- Import licenses
- Export licenses
- Import quotas
- Subsidies
- Voluntary export restraints
- Local content requirement
- Embargo

Most trade barriers work on the same principle: the imposition of some sort of cost on trade that raises the price of the traded products. If two or more nations repeatedly use trade barriers against each other, then a trade war results.

Economists generally agree that trade barriers are detrimental and decrease overall economic efficiency, this can be explained by the theory of comparative advantage. In theory, free trade involves the removal of all such barriers, except perhaps those considered necessary for health or national security. In practice, however, even those countries promoting free trade heavily subsidize certain industries, such as agriculture and steel.

Trade barriers are often criticized for the effect they have on the developing world. Because rich-country players call most of the shots and set trade policies, goods such as crops that developing countries are best at producing still face high barriers. Trade barriers such as taxes on food imports or subsidies for farmers in developed economies lead to overproduction and dumping on world markets, thus lowering prices and hurting poor-country farmers. Tariffs also tend to be anti-poor, with low rates for raw commodities and high rates for labor-intensive processed goods. The Commitment to Development Index measures the effect that rich country trade policies actually have on the developing world

POTENTIAL FOR IMPORT/ EXPORT IN INDIA/ GUJARAT MARKET

CACAO has a potential of becoming an export crop only if the farmers“are equipped with postharvest technologies.” That's according to a news report which appeared in a national daily.

There is a general lack of postharvest knowledge and proper equipment among farmers cultivating the crop, said Dr. Romualdo Martinez, chief science research specialist of the Philippine Center for Postharvest and Mechanization (PhilMech).

This is "the reason why the Philippines could not export large quantities of cocoa, the basic raw material from cacao that is used for the manufacture of chocolates and by-products,"

Although cacao grows readily in the Philippines, the country has a hard time joining the international market. In fact, it imports about 30,000 tons cocoa products (in the form of beans, powder, butter, and liquor) every year. The reason for this importation: liquor every

year. The reason for this importation: Filipino farmers can only produce about 6,000 tons of cocoa every year.

Although the country imports cocoa beans, it was able to shipped 250 tons to other countries in 2010. This to shipped 250 tons to other countries in 2010. This contribution is lamentable since the Philippines is ideal for cacao growing. Mindanao, for instance, is best for for cacao growing. Mindanao, for instance, is best for cacao production--except those areas 1,400 meters above sea level like the higher places in Bukidnon.

BUSINESS OPPORTUNITIES IN FUTURE

Cocoa prices have risen steadily in recent years and are at or near record highs, representing a great opportunity for smallholder cocoa farmers.

Additionally, worldwide consumption of cocoa products continues to grow at about 2-3 percent or 60,000-90,000 MT per year. This includes steady growth in the area of dark and origin chocolates, which command premium prices.

Challenges Face Increased Market Demand

Projections show global production remaining behind the increasing demand, indicating that there is a clear need for expanded production of higher quality cocoa.

The cocoa sector, however, faces myriad challenges such as climate change, declining soil fertility, pests and diseases, and inefficient farming practices.

Sustainable and Competitive Cocoa Sectors Key for Growth

Recognizing the importance of the cocoa crop to smallholder farmers as well as the international cocoa industry's need for diversified cocoa sources, ACDI/VOCA is addressing constraints to sustainable cocoa production and marketing to increase the competitiveness of the cocoa sector.

Strong Public-Private Alliances Benefit Farmers

ACDI/VOCA is a founding member of the Sustainable Cocoa Enterprise Solutions for Smallholders (SUCCESS) Alliance, which improves the livelihoods of smallholder farmers by promoting cocoa production and marketing in a way that is economically, environmentally, socially and culturally sustainable.

The SUCCESS Alliance receives funding from the United States Department of Agriculture, the United States Agency for International Development and from private sector partners. Private sector partners include the World Cocoa Foundation and its member companies. The alliance also includes various local governmental and nongovernmental organizations.

SUCCESS Alliance is active in Ecuador, Liberia, the Philippines and Vietnam, and ACDI/VOCA has integrated cocoa program components in Bolivia and Sierra Leone.

In addition, ACDI/VOCA's affiliate Agribusiness Systems International (ASI) is a technical partner in Ghana and Liberia for the Cocoa Livelihoods Program, which is managed by the World Cocoa Foundation and funded by the Bill & Melinda Gates Foundation with additional cash and in-kind contributions from 12 cocoa industry partners.

The main objectives of the Board are to :

- Encourage the production of cocoa, coffee and sheanut
- Initiate programmes aimed at controlling pests and diseases of cocoa, coffee and sheanut.
- Undertake and encourage the processing of cocoa, coffee, sheanut and cocoa waste with the aim of adding value for export and local consumption.
- Undertake, promote and encourage scientific research aimed at improving the quality of cocoa, coffee, sheanut and other tropical crops.
- Regulate the internal marketing of cocoa, coffee and sheanut

- Secure the most favourable arrangements for the purchase, grading and sealing, certification, sale and export of cocoa, coffee and sheanut
- Purchase, market and export cocoa and cocoa products produced in Ghana which is graded under the Cocoa Industry (Regulations) (Consolidation) Decree, 1968 NLCD 278, or any other enactment as suitable for export
- Assist in the development of the cocoa, coffee and sheanut industries of Ghana.

CONCLUSIONS AND SUGGESTIONS

- By Analyzing the all attributes of SWOT & PEST we can conclude Ghana, a low-income country, has been one of Sub-Saharan Africa's better growth performers, with real GDP increase averaging 6.2 percent per annum since 2004.
- Agriculture accounts for more than half of all jobs and over one-third of output. Labor productivity in agriculture is low relative to industry and services. A structural transformation of the economy is in order to shift labor and expand the higher productivity industrial and services sectors, but there is little evidence of movement.
- Based on the Doing Business Index, Ghana has made real improvements in virtually all rankings in the past few years and now scores at 87th out of 181 countries. The cost of starting a business, for example, has fallen by half in 5 years. Overall in Doing Business terms, Ghana places better than all comparators save South Africa.
- With a ratio of trade/GDP of 121 percent, Ghana is a relatively open economy. Much in the external sector has been positive: export growth, rising terms of trade (due to high gold and cocoa prices), new flows of foreign capital (due to capital account liberalization) and declining external debt (through debt relief).
- Real agricultural productivity per worker (\$332) – though better than the median for Low Income Sub-Saharan Africa (\$221) – has hardly increased in recent years. Cereal

yields and fertilizer use are stagnant and crop and livestock output has only modestly increased. Raising agricultural productivity will be critical for Ghana's development since 46 percent of crop farmers live below the national poverty line.

- We also suggest here to Indian Exporter to increase the business with Ghana considering the above conclusion. We also observe that India has only 2% of Ghana's total Import of the sugar & Sugar Confectionary 48%. By grabbing this opportunity, individual Indian companies can increase not only its revenue & Profit (Tax Incentives) and earning the foreign exchange for country, but increasing the value for its all stakeholders mainly the Share holders. It's a win-win situation for both Ghana & India being Importer & Exporter.

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A

GLOBAL / COUNTRY STUDY AND REPORT

ON

“COUNTRY OF GHANA”

Submitted to

Gujarat Technological University

IN PARTIAL FULFILLMENT OF THE
REQUIREMENT OF THE AWARD FOR THE DEGREE OF
MASTER OF BUSINESS ADMINISTRATION

UNDER THE GUIDANCE OF

Mrs. Upasana madam

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MBA SEMESTER III/IV



INDU MANAGEMENT INSTITUTE

MBA PROGRAMME

Affiliated to Gujarat Technological University

Ahmadabad

(April,2013)

Students' Declaration

We Sahid, Dhairya, Seema, Sandip, and Hiren hereby declare that the report for Global/ Country Study Report entitled “Country of GHANA” is a result of our own work and our indebtedness to other work publications, references, if any, have been duly acknowledged.

Place: Vadodara

Date:

Institute's Certificate

“Certified that this Global /Country Study and Report Titled “COUNTRY OF GHANA” is the bonafide work of Sahid, Dhairya, Seema, Sandip, Hiren who carried out the research under my supervision. I also certify further, that to the best of my knowledge the work reported herein does not form

part of any other project report or dissertation on the basis of which a degree or award was conferred on an earlier occasion on this or any other candidate.

Signature of the Faculty Guide
(Name and Designation of Guide)
(Certificate is to be countersigned by the Director/HoD)

COUNTRY – GHANA

Nationality - Ghanaian

Currency -Cedi



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PART - I

1. Demographic Profile of the GHANA

Demography and its citizens and permanent residents of Ghana Overview describe the condition. Demographic issues, basic education, health, and population statistics, as well as the identity of the ethnic and religious affiliation. This article demographic features of the population of Ghana's population density, ethnicity, and education level of the population, economic status and health, religious affiliations and other aspects of the population, including about.

1. Population

25,241,998 (July 2012 estimated.)

Ghana's first post-independence in 1960 population census counted 6.7 million inhabitants. By 1970 national census registered 8.5 million people, about a 27 percent increase, while the most recent official census in 1984 recorded a figure of 12.3 million - almost double the 1960 figure. The country's population of about 15 million in 1994 and

approximately 17.2 million increases in 1990 was estimated. In 1965 and 1980, a 3.4 percent growth rate by 1989 to 1981, and 1992, 3.2 per cent growth rate of 2.2 per cent annual growth rate for the period, the country's population is expected to exceed 20 million by the year 2000 and 35 million by 2025.

Population by residential status

Residential status	Number	Percentage
Total Population	24,658,823	100.0%
Citizenship (Ghanaian passport)	16,527,148	67.0%
Permanent Residents (Ghana Card)	745,294	3.0%
Non-resident Population	307,978	1.3%
Immigrant Population	7,078,403	28.7%

Estimates for this country explicitly take into account the effects of excess mortality due to AIDS; this may result in lower life expectancy, higher infant mortality and death rates, lower population and growth rates, and changes in population distribution by age and sex than they can be expected otherwise.

CIA World Fact Book demographics

Some statistics from the CIA World Fact Book the following demographic uses, unless otherwise indicated.

1. Population

Sex Ratio

Age	Ratio (male/Female)
Total	1
At Birth:	1.03
Under 15:	1.02
15-64:	1

Over 65:	0.82
(2012 estimated.)	

Population growth rate

1.78% (2012 estimated.)

Under the percentage of the population below the poverty line

27% (2011 estimated.)

Urbanization

1. Urban population: 51% of the total population (2010)
2. Rate of urbanization: 3.4% annual rate of change (2010-15 estimated.)

2. Age structure

36.5% (male 4,568,273 / female 4,468,939): 0-14 years

60% (male 7,435,449 / female 7,436,204) 15-64 years

65 years and Score: 3.6% (male 399,737 / female 482,471) (2011 estimated.)

3. Life expectancy at birth

Total population: 63.85 (2009) years; 64 years

Male 62.75 (2009) years; 63 years

62.98 female (2009 est.) years; 63 years (2009 estimated.)

4. Total fertility rate

3.39 children born / woman (2012 estimated.)

5. Nationality

Noun: Ghanaian (s)

Adjective: Ghanaian

6. Ethnic groups

Ghana includes ethnicity: Lebanese, Syrians (Han Chinese), Chinese (Sindhis, Guajarati and Tamils are mainly descendants), Indians, and Europeans (2012 census: Akans, Ga-Adangbes, Dagombas, Ewes, including non-Africans and foreigners in Ghana).

And illegal immigrants of ethnicity, nationality in Ghana are: Nigeria, Togo, Burkina Faso and Côte d'Ivoire, Liberia, mainly, Benin, Mali, Niger, Gambia, Guinea Bissau -, Senegal, Sierra Leone, Cameroon and other African countries, while others (the 2012 census).

7. Religion

Census taken in 2000 showed that 69.1% of the population is Christian. Other religions, no religion, animism, specific religion, and Islam to include.

8. Language

Main article: Languages of Ghana

- English (official)
- Akan (Akanland official)

9. Literacy

Age 15 and over can read and write	
Population group	%
Total Population	74.80%
Male	87.20%
Female	67.10%
(2007 census)	

10. Education system

Unequivocal support of the Government of Ghana for basic education. Constitution of free, compulsory, universal basic education initiative (FCUBE) of Article 39 of the main principles upon command. Since 1987, the Ghana government's education budget has increased by 700%

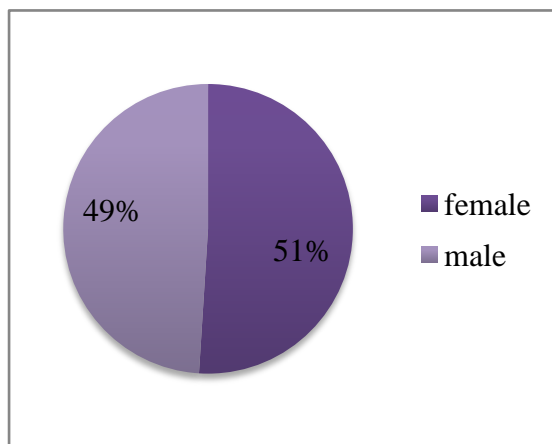
Fundamental part of the education share of 45% of total 60%. His 6-year primary education student at the age of six starts. Under the educational reforms implemented in 1987, he was academic training combined with technical and vocational training for 3 years

in junior secondary school through the system. A five Ghanaian universities access to senior secondary school after the exam is completed.

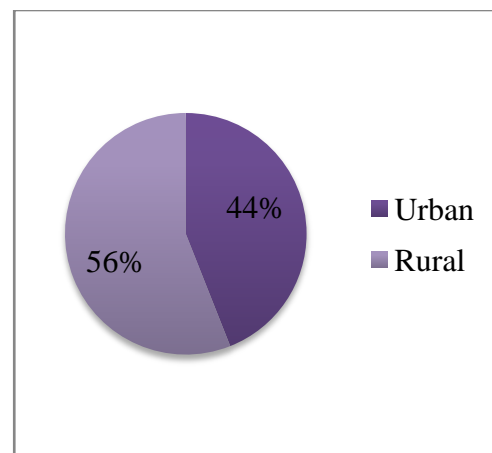
Educational system was based on the original English grammar school system. But the decade of radical scientific, technical, professional, managerial and entrepreneurial skills to Ghana needs to focus on development changes occur. Proper attention is now also Ghanaian and African history, art, literature, languages and dedicated to the traditional skills and customs

Demographic Profile of Survey respondents

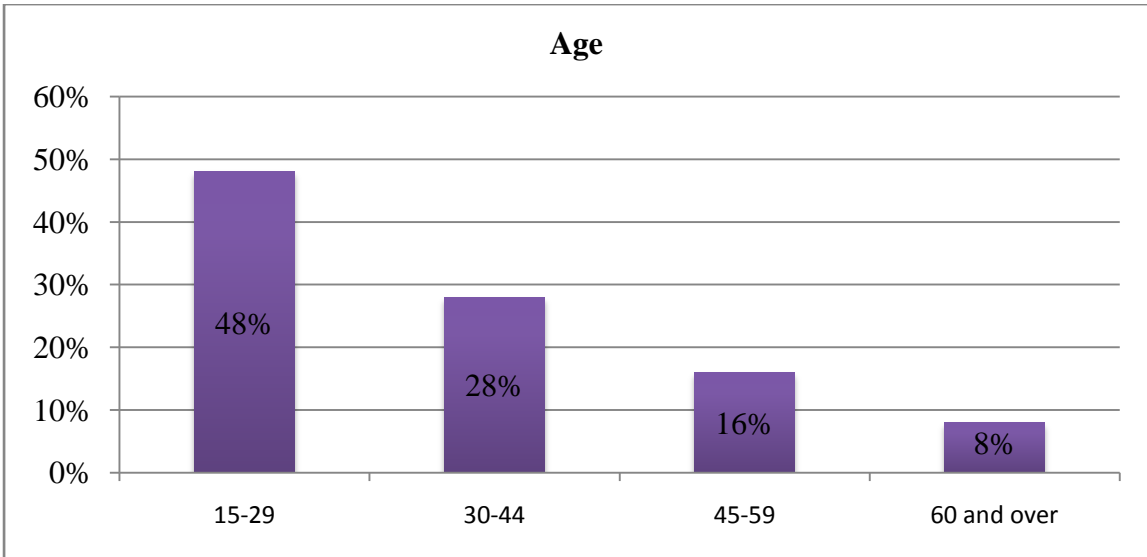
Gender



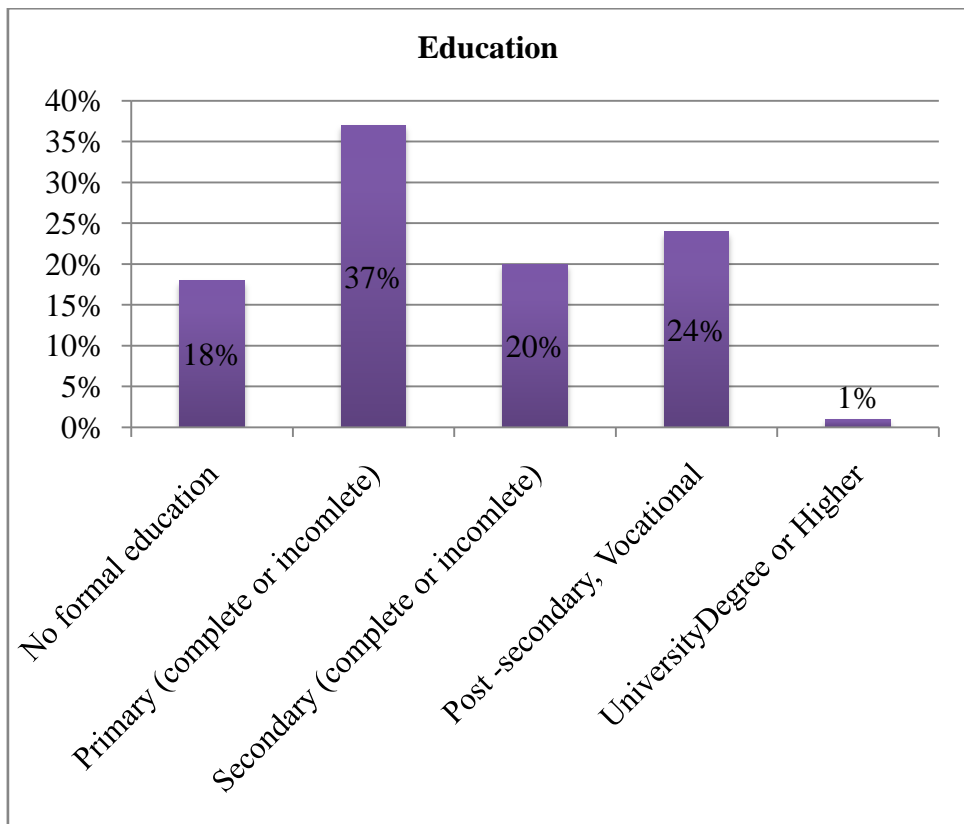
Residence



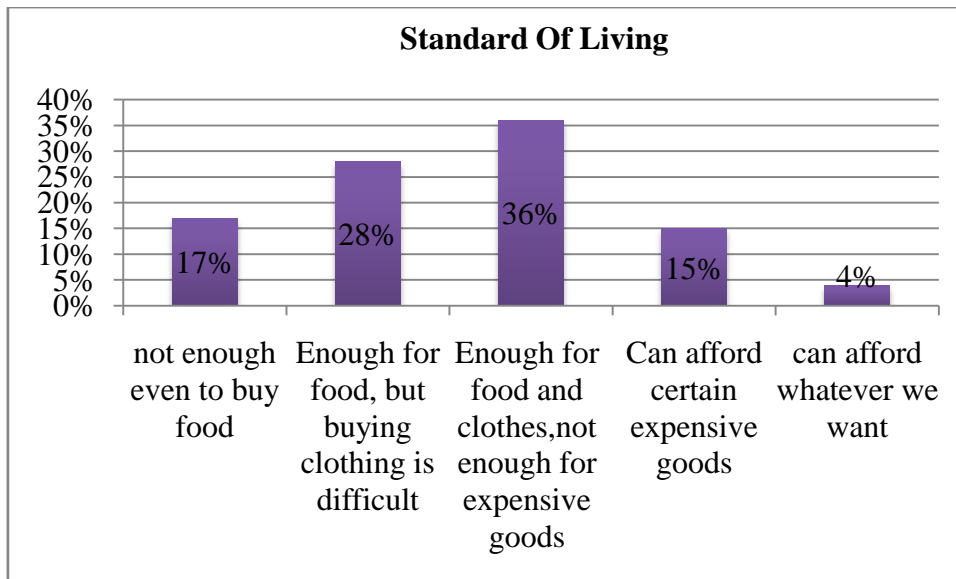
Age



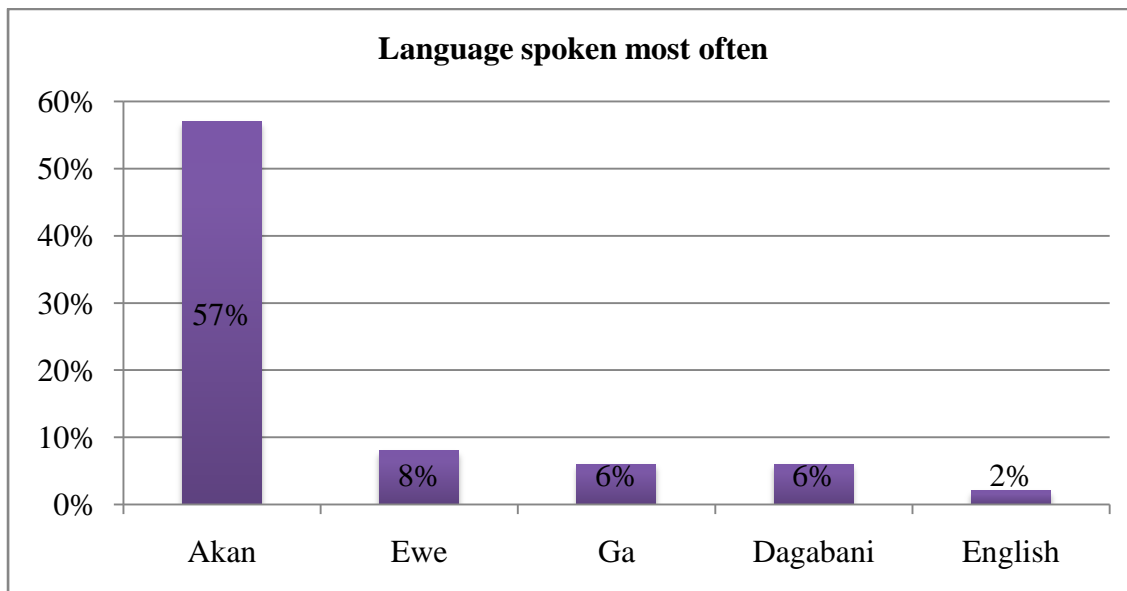
Education



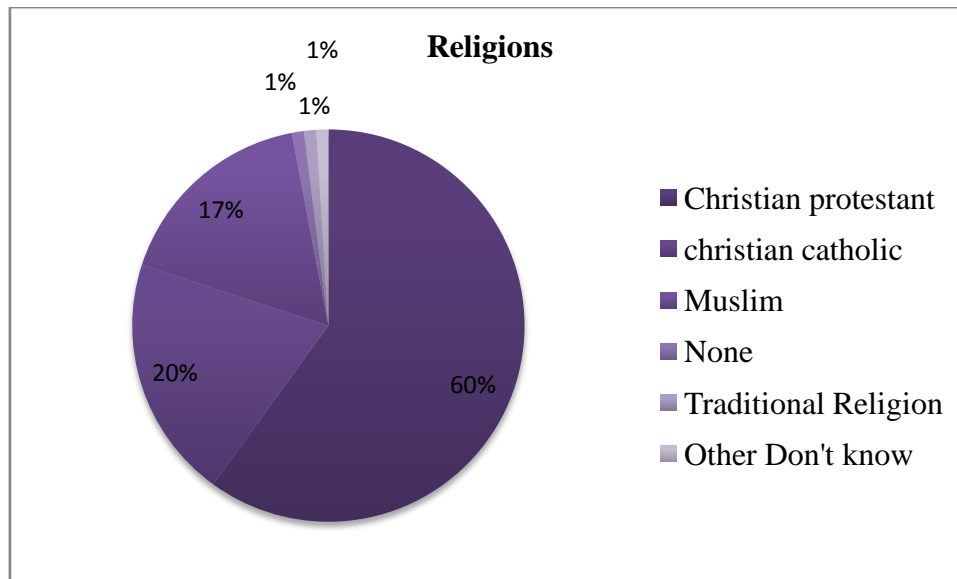
Standard Of Living



Languages



Religions



2. GENERAL OVERVIEW AND INDUSTRIES OVERVIEW

1. GENERAL ECONOMIC OVERVIEW:

Ghana's economy is relatively sound management, competitive business environment, and continuous reduction in poverty levels by a 25th quarter-century strong. Ghana, as well as natural resources and agriculture accounts for approximately one-quarter of GDP, with half the affluent and the number of employees, mainly small landholders, employs more than. The services sector is 50% of GDP.

Gold and cocoa production and individual money to send the Kozhikode main source of foreign exchange. Estimated at about 700 million barrels of oil reserves left. In 2006 Ghana Millennium Challenge (MCC) signed a Compact Corporation, which converted to Ghana to help the agricultural sector. Ghana Heavily Indebted Poor (HIPC) 2002 debt relief under the country selected for the program, and the multilateral debt relief initiative is that it was implemented in 2006 to benefit from it. A three-year Poverty Reduction and IMF in 2009 with the Ghana Growth Facility for macroeconomic stability, private sector competitiveness, human resource development and good governance and civic responsibility to improve signed. Higher prices for gold and cocoa with a sound macro-economic management helped sustain GDP growth in 2008-2011.

1. GDP - per capita (PPP)

3,100 (2011 estimated.)

Over 2,800 \$ (2010)

\$ 2,600 (2009 estimated.)

Note: as 2011 U.S. dollars

2. Composition by sector - GDP

Agriculture: 28.3%

Industry: 21%

Services: 50.7% (2011 estimated.)

3. Population below poverty line

28.5% (2007 estimated.)

4. Labor

11.44 million (2011 estimated.)

5. Unemployment rate

11% (2000 estimated.)

6. Home or income consumption by percentage share

Minimum 10% 2%

The highest 10% 32.8% (2006)

7. Investment (Total fixed)

19.9% of GDP (2011 estimated.)

8. Budget

Income: 8.796 billion

Cost: 10.38 billion (2011 estimated.)

9. Taxes and other income

19.1% of GDP (2011 estimated.)

10. Public debt

38.7% of GDP (2011 estimated.)

34% of GDP (2010 estimated.)

11. Inflation rate (consumer prices)

8.8% (2011 estimated.)

10.7% (2010 estimated.)

12. Industries

Mining, lumbering, light manufacturing, aluminum smelting, food processing, cement, small commercial ship building

13. Industrial production growth rate

5% (2010 estimated.)

14. Electricity - production

8.167 billion KWh (2008 estimated.)

15. Oil - production

8.880 bbl Day / (2010)

16. Export

13.13 billion (2011 estimated.)

7.892 billion (2010 estimated.)

17. Exports - commodities

Timber, gold, cocoa, tuna, bauxite, aluminum, manganese ore, diamonds, gardening products.

18. Exports - partners

Netherlands 11.7%, UK 7%, France 5.7%, U.S. 5.6%, Ukraine 5%, Belgium 4.6% (2009)

19. Import

14.03 billion (2011 estimated.)

10.95 billion (2010 estimated.)

20. Imports - commodities

Capital equipment, petroleum, foodstuffs

21. Imports - partners

Chinas 16.6%, Nigeria 12.7%, U.S. 8.4%, Cote d'Ivoire 6.2%, UK 4.5%, France 4.2% (2009)

22. Fiscal year

1/3rd of high forest cover of the country's south zone, and significant dry savanna zone on the northern 2/3rds - 239,000 sq km of the total land area of Ghana are two broad ecological zones. Annual crops, tree crops and unimproved pastures: 50% occupy the land. The country's cocoa, oil palm, rubber, wood processing, and mining of economic activity, most of the high forest zone is located.

Ghana, agricultural tools, wood, gold and other precious minerals, educated, skilled and enterprising people, the government is committed to the principles of free enterprise with a stable form with the blessings and abundant, rich, long seen as one of Africa's most promising countries are.

2. INDUSTRIES OVERVIEW

Sector in the medium term to implement trade policies, tariffs and intra-regional trade promotion account the global market to fully participate in the rationalization of Ghana purposes are taken.

Therefore, the national macro-economic objectives, policies, and strategies that other multilateral Uruguay Round results and opportunities presented by trade agreements to take account of the structure have been adopted. Medium-term trade zone policy attraction feet: -

- Creating a buoyant and self-sustaining export sector.
- Expansion of the local trade goods at reasonable prices to ensure the availability countrywide
- Efficient and effective management methods to search import.
- Anti-monopoly laws and other regulations for consumer protection of Adoption..
- All of the rate setting and the identification of all non-tariff barriers to trade, international trade, anti-dumping policies
- Active and effective participation in multilateral trade, especially exports to Ghana increased market access for processed and semi-processed goods into commodities for export Ghana secure and stable, fair and remunerative prices to achieve.
- An immediate and sustainable industrial policy thrust within a liberal and global economic development, promotion of industrial development.
- 37% to 16% from the current level of 12% with an average growth rate of GDP, increasing industrial share.
- The agencies and departments listed under the Ministry of Trade and Industry:
 - Ghana Trade Fair Company Ltd.
 - Ghana Export Promotion Council
 - Ghana National Procurement Agency Ltd.
 - Small Scale Industries for the National Board (NBSSI)
 - Ghana Standards Board (GSB)
 - Ghana Free Zones Board (GFZB)
 - Ghana National Procurement Company (GTFC)

3. GENERAL OVERVIEW OF TRADE AND COMMERCE

Foreign trade promotion of Ghana's economy calls from all government plans for 1983 remain central. Under the Economic Recovery Program (ERP), the most direct support from export manufacturing industries, they also improve their adjoining infrastructure was supported by the most indirect. By promoting exports, the government's restrictions on the

import of foreign debt and the light must exchange the order sought to obtain. Import, of course, but for the lack of export tools hamstrung in many industries need to improve.

Export of Ghana:

The main export - gold, cocoa, diamond, manganese timber, and bauxite - "traditional" things are called, are now supplied more than processed and semi-processed cocoa and gold, the third largest foreign currency film industry and agriculture as well as tourism products by.

According to the Ghanaian government, these tools can be used to develop local production, which aims to direct state intervention by Nkrumah tried to reach thirty years ago. Create jobs for local production, import bill can be cut, and a more diversified economic base provides. Ghana free market forces to question failed policies of more direct state intervention to be successful in promoting a healthy economic expansion.

And middle income countries as Ghana oil producer assumes the new position, if it is to effectively increase the cost pressures related to the citizens of structural deficiencies, institutional weaknesses, as well as efforts to improve the economic well-being must learn to work together. These questions are legitimate pressure financing - domestic revenue mobilization, foreign aid and borrowing and their results.

Ghana has a relatively open trade regime maintains with the rest of the world. The most favored nation tariffs imposed Restrictiveness Index (TRI), 9% in both sub-Saharan African, and 11.3% of low-income country group average and 11.6%, respectively, below. Ghana interim economic partnership agreement with the EU by the end of 2007 but has not yet signed a contract.

Ghana's traditional trading partners and donors, especially the U.S. and UK, both of which maintains good relations with a large Ghanaian Diaspora. In addition, many emerging countries have a good relationship with Ghana, is backed by funding various projects.

The major industrial crops, palm oil, cotton; rubber, sugar cane, tobacco, and kenaf, fiber bags are used in production. Nothing of strategic economic importance, and all, oil palms in addition to the country's economic difficulties suffered in consequence. Claims that such crops can help local industrialization efforts, however, the government are focused on export crops are concentrated in this sector.

Cotton production expanded rapidly in the early and mid 1970, 24,000 tons reached in 1977, but in 1989 it was back to one-third of this figure. Ghana Cotton Company in Ghana Cotton Development Board of restructuring the cotton production of the country's national

requirement of 4 per cent in 1990 to 50 percent increase. Between 1986 and 1989, cotton production in Ghana through local Lint USD 6 million dollars saved. The Company expects that between 1991 and 1995, approximately 20,000 hectares of land under cotton cultivation may be placed; Ghana is able to produce 95 percent of the national requirement.

4. OVERVIEW OF DIFFERENT ECONOMIC SECTORS

1. OVERVIEW OF THE CURRENT ECONOMY

In the early 1990s, Ghana's economic recovery is still uneven in appearance and is mainly aimed at the domestic market rather than export. GDP per year on average by 5 per cent in 1984, inflation was 20 percent, and export earnings reached the 1 billion USD. Most of the manufacturing export sector, and the 1992-93 crop year, 300,000 tones of cocoa production in Ghana across the world who are in third place. Minerals exports in 1990 - primarily gold and diamonds, manganese, and bauxite - brought to the 23.2 percent increase

in the prior year. However, the pay was low, and because public services are increasing in value, Ghana brunt of the negative effects of poor austerity program.

Despite devaluations by the Rawlings regime and increasing exports, the key goal of stabilization, fertilizer and petroleum has been unable to accomplish. Consequently, the country's foreign debt to reduce trade and current account deficit exceeded 4 billion USD. In order to stimulate the production of various sectors, such as machinery in 1991 that required government financial loans incurred to import inputs. According to World Bank estimates, the country's debt continued to increase in 1992, and gross national product (GNP) was equivalent to 63 per cent. Debt service ratio 27 per cent in 1992, levels of the late 1980s, the average improvement was as high as 62.5 percent. For loss or loans and increased imports, as a result of rising levels of foreign aid on government net aid disbursements 1990 increased by an estimated \$ 550 million with the U.S. had to rely covers. Unfortunately, with the help of foreign investment, except for the mining sector was weak, and domestic savings were insufficient to finance the country's ambitious development projects.

Produced mixed results in terms of government policies and productivity of debt, and they also work to remove and reduce the significant social costs incurred through public expenditure policies. The government, particularly the poorest groups to create 40,000 jobs in services, this problem has been addressed by the initiative. Cost of GDP on health and education has increased, but the central government believes that the main poverty alleviation can only come up with a faster and more economic growth.

2. STRUCTURE OF THE ECONOMY

Much of the government's efforts to restore the productivity of the Ghanaian economy have been directed toward boosting exports. These policies, however, has a number of consequences. Economic Recovery Program (ERP)in 1983 and early 1983 after the devastating drought stable development of Ghana's GDP, most of it exported cocoa and minerals and, to some extent, including wood processing sector can be attributed to register. This growth in value is clear, however, that Ghana's growing external debt, which is a credit

to the export sector rehabilitation, and the country's inflation rate continued to import customer is curbed. The government has tried with limited success in both export and trading partners in the region by expanding the country's historical difficulties in some foods. However, the majority of Ghanaians purchase price paid for the goods they receive for their work is growing faster than.

1. AGRICULTURE:

Ghana's most important economic sector is agriculture, formal and informal basis and accounting for nearly half of GDP and export earnings to more than half the population is employed. Different climatic zones of the country from the wet forest and dry savannah in the east of the country towards the west bands produce a diverse range of crops. Yams, grain, cocoa, oil palms, cola nuts and timber, including agricultural crops, forming the basis of Ghana's economy.

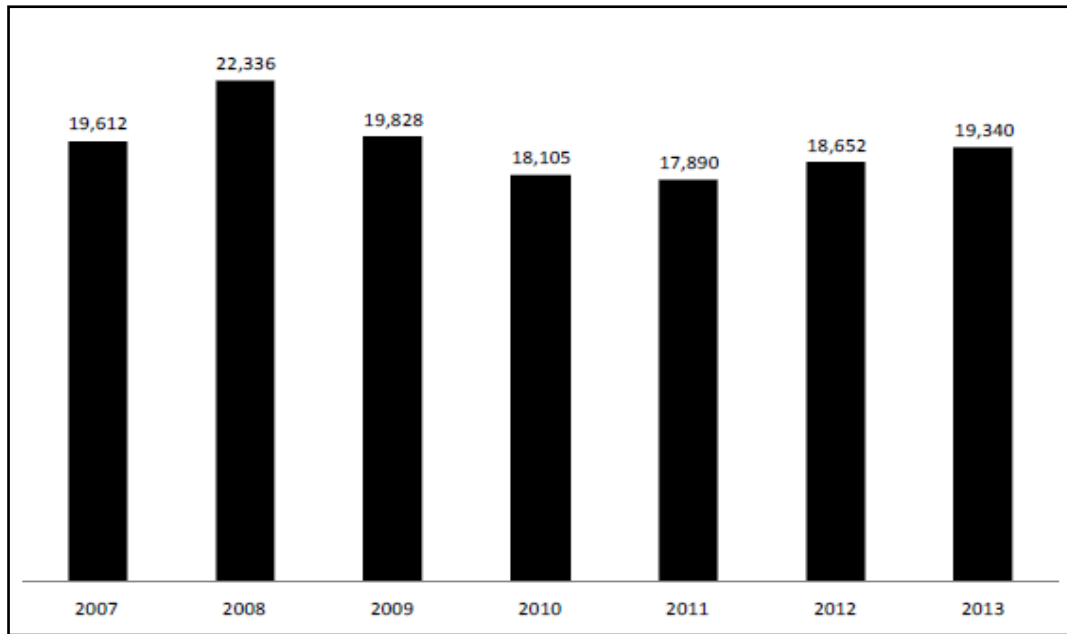
However Nkrumah's overall economic development of the country as a springboard tried to use agricultural wealth, Ghanaian agricultural production has been declining continuously since 1960. But when the Rawlings government in 1984 launched the first phase of ERP; agricultural economic sector financial disaster in Ghana can rescue was called. Accordingly, then, the government has substantial funds to invest in agricultural reform. Primarily through the use of loans and grants, repair and improve government, transportation and distribution infrastructure to serve the export crop is directed toward the capital. In addition, certain cocoa and timber industry to increase the yield of the project has been started. Except for specific development programs, however, the government and the free market to promote higher producer prices allows attempted to increase efficiency.

In early 1991, the government announced that the 1991-2000 programs traded agricultural development and food security as a goal to achieve self-sufficiency by the year 2000. The government extension services for farmers and for improving crop improvement in disease research. Statements concerning the importance of food crops, however, this plan are still in production, Ghana condition improved balance of payments, and the provision of materials for local industrial production was heavily oriented. In addition, the World Bank guidelines necessary services for the government to rely on the private sector and the public sector, a clear disadvantage for subsistence producers plan to reduce the role. Specifically, cocoa, coffee, and oil palm seedlings, such as industrial tree crops were singled for the help. Clearly, agricultural fields can generate foreign exchange earnings under the Economic Recovery Program (ERP) were assigned a lower priority.

Marketing and its role in a number of ways to reduce government tried to help farmers. Specifically, the Cocoa Marketing Board steady sales and marketing on the left of his power. Government In addition, in early 1991 a new 'farmers' organizations, farmers and fishermen of the Ghana National Association, in order to establish the Ghana Federation of Agricultural Co-operatives change. The new organization of the farmers themselves, regional and national level as a co-operative venture will be provided to execute him. However, the government argued that it did not want to be accused of manipulating the farmers, lack of government financial support subsistence producers put on the back of a disadvantage.

- Cocoa
- Other commercial crops
- Food Crops and Livestock
- Forestry
- Fishing

Expected size of workforce for surveyed enterprises in 2007-2013 for
Ghana



2. Service sector

The services sector is the fastest growing area of the Ghanaian economy. Ghana with the present-day industrial country features a large service sector of the economy, agriculture and industry to support developing countries that have been without passing through the stage. This sector therefore has the potential to expand, through multiplier effects in other areas to create employment opportunities for the food industry, for example. The growth and development in the field is another clear evidence of dependence. This service area includes the sale and purchase goods.

More recently, the service sector is the largest contributor to national income as displaced in agriculture, which is the first half of the year, national income statistics service estimates published by Ghana to the ACCO. Support for the ACCO, the service sector contributed 36.1%, and the growth rate of 6.1%.

Service Area Content:

- Trade, vehicle repairs, household goods
- Hotels and restaurants
- Transport and storage
- Information and Communication

- Financial and insurance activities
- Real Estate Activities
- Business and other service activities
- Public Administration
- Education
- Health
- Personal Service Activities

3. Industrial sector

Again, most of the country's industrial sector, companies are not exported.

The industry sector recorded the highest growth rate of 7% and. His contribution was 28.3%.

Industry sector is mainly made:

- Mining and quarrying
- Manufacturing
- Electricity
- Water and Sewer
- Construction

5. LEGAL ASPECTS OF TRADE IN GHANA

Make sure that the legal timber exploitation community livelihood CDI and partners completed a study for the negative results, review policies and training for local officials to manage the forestry industry

• Result Mapping

Legally produced timber trade on an international agreement concluded by the European Union and Ghana illegally logged timber from Ghana to confront supply. Wageningen Ur livelihoods for local communities and study the results of this agreement.

• To log in Ghana

Ghana's forests are disappearing rapidly, mainly due to logging, commercial logging for export and the local market. Approximately 80% of the logging is illegal.

• Improved communication:

Ghanaian researchers and eight councils affected by the agreement between policy makers working on an improved dialogue. The Council of Higher One zone is located. This area is where most of the illegal logging of timber

1. Business opportunities.

Ghana is Ghana and Ghana to encourage foreign businesses to attract foreign investment seems to be interested.

The Maritz Publishing site provides information on opportunities in transport infrastructure in Ghana. .

2. While on Doing Business in Ghana.

This article Inc., a Ghanaian businessman with many problems that are experienced in Ghana to describe the trade.

3. Ghana to set up and get started in business.

The World Bank site and the estimated time required to complete a number of steps to medium size businesses in Ghana to a small set of expenses.

The site, Ghanaian maintained by the law firm, describes the different types of business organizations in Ghana.

By Amanda Larsen article about how, Ghana provides a business registration details.

4. Accounting.

Ghana International Financial Reporting Standards adopted in 2007 as indicated on this site. Chartered Accounts of the Organization, Ghana (ICAG) regulates the accounting profession in Ghana. These include certification programs for accountants. Is this the 2004 World Bank report audits ICAG members only (PDF file) and the Ghana Audit evaluates the accounting profession, and makes some recommendations license.

However, there is no reason to United (eg QuickBooks States), South African (eg pastel), and other software Ghana country (such as the software is being used) and can not be used, one problem is that Software on training country seems to be not easily available. Also, support appears to be a limited number of vendors with software expertise. For example, only a QuickBooks Pro - Advisor website could not be found.

5. Banking and payments.

According to information on the website, most Ghanaians still have bank accounts. So, check and credit card payments using such customs are still not regular in Ghana. Payments are made using the most cash. Initiative to try to improve some credit payment. Site.

Some information on the development of electronic payment system in Ghana these two sites are given at the end.

Ghana Ghanaian electronic payments, including the Central Bank website contains information about banking practices.

6. Information and Communication Technology support.

Some Ghanaian companies in the information and communications (ICT) technology services offered. Here are links to the individual company websites.

7. Tax.

The World Bank site (and contribute to) pay the amount of tax that a medium-sized Ghanaian company shows a year

The Ghana Revenue Authority, the Ghana adopted the Internal Revenue Service, Customs, Excise and Preventive Service; and Tax Service Added Value Tax on its website information.

Now, the Ghana Customs Excise and Preventive Service and Value Added Tax Service sites and websites continue to exist.

8. Employment.

The International Labour Organization site in Ghana to review employment law
Ghana Immigration Service site providing foreign employers and foreign workers and jobs lists the rules for working in Ghana.

9. Training.

Market and Social Research of the Ghanaian Bureau of short and medium time range of courses on marketing and marketing-related topics are described on their website.

Technology and management of Ghanaian Commonwealth Institute on topics related to many successful business day seminars offer several 2 and 3.

10. Import and export.

Ministry of Trade and Industry of Ghana on this site provides information on international trade.

The Customs Excise and Preventive Service sites, users Ghana customs agencies can submit electronic trade documentation. Registration is required.

Site of the World Trade Organization (WTO), including Ghana, as the tariff for WTO members. In recent Ghanaian imports and exports and trade disputes with the relevant declaration is also available on this site.

Trade between Ghana and the United States as the United States Trade Representative is given on the site.

11. Legal advice.

Some Ghanaian law requires companies to make available to resolve legal issues.

12. Business Insurance.

Below are links to websites with information on all areas of the business needs and opportunities in Ghana should provide initial thoughts on the area concerned.

A. Transportation.

African Development Bank Group in Ghana on this site transportation projects in the next review. Roads and highways of the Ghana Ministry of Transportation website provides information on the field. This website is kept up to date (30 October 2010).

B. Water.

The website of the Ministry of Water Resources Works and Housing of Ghana, the water project undertaken by the Water Directorate of the report maintains.

C. Tourism.

Ghana's Ministry of Tourism and tourism investment opportunities in Ghana this site which provides information on tourist destinations maintains.

The site, Enterprise Empowerment and Development (SPEED) program to support programmers powered by Ghanaian tourism sector in Ghana to discuss the initiative.

D. Energy.

Ghana Energy Commission of Ghana for the efficient and effective functioning of the increase in energy consumption. Information provided by Ghana's energy supply and demand Details on the energy sector of Ghana Ministry of Energy website. The site and date (30 October 2010) is not.

Swiss Embassy in Ghana Ghana's oil and gas sector, a review (PDF file) wrote

E. Fishery.

The United Nations Food and Agriculture Organization of the fisheries and agriculture sectors in Ghana have issued two reports.

6. PRESENT TRADE RELATIONS OF INDIA WITH GHANA

Indo-Ghanaian relations have been traditionally warm and friendly. By India's first Prime Minister Pandit our bilateral relations were strong foundation. Jawaharlal Nehru and Ghana's first President, Dr. Kwame Nkrumah. These two great leaders were also close friends. In 1961, President Nkrumah of Ghana from the past, visit the main meeting and included in the President Limann 1981. President Rawlings Beijing on its route stopover in Mumbai in 1993 and again in 1997, visited parts of India attended the funeral of Mother Teresa. In addition, there NAM Ministerial Conference in April 1986, including the Foreign Minister and several ministers were visits.

President Kufuor, with a high level delegation visited India in August 2002. And Bilateral Investment Promotion and Protection Agreement;; MEA protocol on consultations between the Ministry and Ghana is one of four bilateral agreements associated with the setting up of Information Technology Training (which became operational in December 2003) is a center for excellence has been signed in Accra, including foreign affairs , and the cultural and scientific exchange programmers. Ghana H.E. of Vice President AlhajiAliuMahama the CII conclave held in New Delhi in March 2008, including a large Ghanaian delegation. In April 2008, President Kufuor visited India Africa Forum Summit held in New Delhi to participate.

Vice President John Dramani Mahama, Minister of Trade and Industry Ms. Hanna Tetteh, who visited India in March 2010 CII-Exim Bank in conclave participate. Youth and Sports Minister, Hon Mr. AkuaSenaDansuavisited the XIX Commonwealth Games Delhi 2010 as head of the Ghanaian team to India in October 2010. Ms. Hanna Tetteh Ghana Minister of Industry and Trade Joint Trade Committee in January, 2011, and January, the Ghanaian delegation, led in the 18th Partnership (New Age Innovation Partnership, 2012) Summit 2012 held at Hyderabad. Mr. KwesiAhwoi, Food and Agriculture Minister, March

21-26, 2011 to discuss the joint venture fertilizer projects in India include the Ghanaian delegation. Dr Joseph S. Annan, Deputy Minister of Trade and Industry of India Africa Project March 27-29, 2011 was held in Delhi on 7 CII-EXIM Bank conclaves for the participation of the Ghanaian delegation. Ms. Samia Nkrumah, MP, also part of the delegation.

Home visits from India after the visit of Prime Minister Mr. P. V. Narasimha include, Burkina Faso 8-9 on his return in November 1995 was accompanied by the high-level delegation. During this visit, a Joint Commission between India and Ghana signed contract was formed. The Minister of State for External Affairs, ShriAnand Sharma, Ghana 24-26 May 2006 for the CII-EXIM India Africa Project Partnership and the TEAM-9 Ministerial Meeting on Regional camera to include a high-level delegation. Then, MOS (AS) visited Accra: 4-7 March, 2007, the Golden Jubilee celebrations of the independence of Ghana to attend; prime minister in July 2008 as a special envoy; on Nov. 9-11, 2008 Presidential Complex of the inaugural Indian EXIM Bank partly financed by a line of credit provided by; January in the government headed by Prime new President John Evans Mills meal and good wishes expressed by the Minister of the Government of India as a special envoy. CEO Round Table held in Accra Ghana in 2009 ShriAnand Sharma, a high-level business delegation leader Commerce and Industry (CIM) as Minister of Ghana from 1-3 September 2010 visited. Visit India "Focus Africa" was established as part of the policy.

State Minister of Foreign Affairs Dr. ShashiTharoor 19 for Liberia in Accra on Saturday en route to India in September 2009, was a short transit halt. Atta Mills called on the President and discussed with him matters of mutual interest. Minister for Overseas Indian Affairs (MOIA), ShriVayalar R 1-3 February 2010 as part of his visit to Ghana visited several African countries. MOIA called on President Mills to visit during meal and Interior Minister and Deputy Cletus Avoka also met. Foreign Minister Chris Kpodo.

Ghana under the GOI TEAM 9 initiative was included as nine African western countries. In recent years, Ghana-India relations efforts to expand cooperation between the two countries by the south are rich. India up lines of credit or the provision of grants through the south-south cooperation in the spirit of the project has been providing assistance in setting development in Ghana. Flag Staff House;; Pan-African E-network and rural electrification projects in recent projects, today India Kofi Annan Centre of Excellence for ICT in Ghana. There are currently a number of projects processed fisheries, such as the fields of waste management, railway equipment, agricultural processing, fire tenders, etc. are in various

stages, including Ghana, India, Indian Technical and Economic Cooperation also (ITEC) to contribute to human resource development in developing countries through programmer a part. In 2010-11, Ghana 90 ITEC ICCR, IIFT and India Africa Forum Summit Action Plan by scholarships under various schemes, including capacity building courses on the use of the slot and the slot 21. For fiscal year 2011-12, Ghana under the ITEC Programme has been allocated 125 slots.

Association of Ghana Industries (AGI) in partnership with CII 3 India Africa Project Partnership on the 12 regional conclaves held in Accra in June 2010. The private meeting of Nigeria, Ivory Coast, Burkina Faso and Togo in West African countries, including in from the partnership. The CEO Roundtable in Accra on 3rd September, 2010, was held. Commerce and Industry Minister, Shri Anand Sharma led the Indian delegation, while trade and industry minister of Ghana Ghanaian delegation included. A 35 member Commerce and Industries (FICCI), Federation of Indian Chambers of Indian business delegation, led by Mr. Harpinder Singh Narula, 21 February, 2011 was visited and participated in Accra Ghanaian Industries (AGI) in coordination with the Mission organized by the Association "Business Meet".

Ghana International Trade Fair Centre in the 10th book of India held at Accra's Fair in the "focus country", November 1-6, 2011 in. Shri Sunil Gangopadhyay, President's sanity Academy, one of the official 10 - member delegation, led, and more than 30 Indian book publishers participated in the fair.

Noyam Dance Institute, Accra, sponsored by the Government of India, is a Ghanaian dance troupe member 8 May 2011, of the 2nd India Africa Forum (IAFS-II) participated in the summit in Addis Ababa. A Ghanaian crafts artist also participated in this event.

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7. BUSINESS VOLUME OF DIFFERENT PRODUCTS

Agriculture Ghana, the Ghana Forestry, and Fishing in Ghana.

1. Agriculture

Ghana's most important economic sector is agriculture, formal and informal basis and accounting for nearly half of GDP and export earnings to more than half the population is employed. A different climatic zone of the country from the wet forest and dry savannah in the east of the country towards the west bands produces a diverse range of crops. Yams, grain, cocoa, oil palms, cola nuts and timber, including agricultural crops, forming the basis of Ghana's economy.

However Nkrumah's overall economic development of the country as a springboard tried to use agricultural wealth, Ghanaian agricultural production has been declining continuously since 1960. Starting with the drop in commodity prices in the late 1960s, farmers lack the necessary infrastructure and services to the general deterioration of production incentives are faced with. Farmers' fertilizer, such as more expensive inputs, the cedi of overvaluation due to the deal with. Food production and self-sufficiency ratio in 1961-66 was 83 per cent of food is reduced to 71 per cent in 1978-80, the decade prior to 1982 for a four-fold increase in imported foods are associated with. By 1983, when the drought region, press, food shortages were widespread, and export crop production reached an all-time low.

2. Production

Compared to many other African countries, Ghana's industrial base is relatively increased. (Using scrap) steel; tires; oil refining; flour pisavani; beverages; tobacco; simple

consumer goods; and a car, truck, bus and assembly of the import-substitution industries include textiles.

On independence in 1957, Nkrumah government's industrialization drive, or 10 per cent from 14 per cent in 1960 and 1970, the share of GDP increase production began. The largest expansion of the Volta Aluminium (Valco) Company SMELTER including the industrial sector, resulting in the formation of a broad range of timber mills and processing plants, cocoa processing plants, breweries, cement production, oil refining, textile manufacturing operations saw, and vehicle assembly plants . Many of these ventures, however, survived through protection.

ERP strategies are difficult for the government to help local enterprises. Committed to privatization and free market forces rule, the government or some policies that affect local producers apparently was constrained from intervening directly offered assistance. However, Rawlings government began a program to encourage local production.

3. Energy:

Ghana gets 97% of its energy from damming Lake Volta and exports much of this to neighboring countries; however organisations such as the Ghana Nuclear Society have advocated the introduction of nuclear power into Ghana and indeed the country now has an atomic energy commission.

4. Services:

Ghana financial services in the past years have seen improvements. Ghana through the Banking (Amendment) Act 2007 a general banking license for eligible banks and offshore banks in the country, including the completed work allows. Barclays Bank Limited (Ghana) Ghana will be the first bank in the country in general banking license. Thus, non-resident individuals and foreign companies, it is possible for Ghana to open foreign bank accounts.

5. Tourism:

Tourism is one of Ghana's largest foreign income earners (ranking third in 1997) to become, and the Ghanaian government support and the development of more tourist places great emphasis.

Tourism is a priority sector for investors with benefits and incentives. Government Tourism Five Year Plan, a projection that between 1991 and 1995, the number of tourists visiting Ghana 145,000 per year, based on the 1991 base will double its tourism foreign

exchange earnings of the expected three-fold. Tourism industry more than 270,000 jobs to be created in other sectors, tourism, trade, business derive estimates of reach.

There are also incentives for star rated hotels, tourist villages and beach, and holiday entertainment resort valid. Investors' waterfalls, beaches, forts, castles, and historic sites, such as other tourist attractions, and special restaurants, tourist coaches, and buses are also involved in the development. These sector investment incentives and depreciation allowances in addition to three years and the rate of tax exemptions on building properties include.

6. Telecommunications:

These efforts also cellular mobile operators, pejinga companies, information service and Internet service providers licensed by being complementary. The result of their efforts, the number of telephones has increased over the years and people are given greater access to telecommunication services. Ghana's second fastest growing Internet country in Africa after South Africa.

8. INVESTMENT IN GHANA

Governance and development agenda of Ghana's success inextricably linked to the ability to attract new foreign investment in Ghana for. New Ghana will not tolerate corruption. It will not tolerate bureaucratic inefficiency. It is the world's emerging nation's opaque government decision will not be tolerated.

There are based on the following investment criteria:

- Abundant natural resources
- Stable democratic climate
- Favorable foreign investment
- Must transport
- Educated work force
- Growing Economy
- Low tax levels

Investment opportunities in Ghana

- Agriculture, agro - processing Forestry, and Fishing
- Arts, Entertainment and Recreation
- Banking and Finance
- Business process outsourcing
- Infrastructure and real estate construction •

- Educational Services
- Import / Export, Wholesale and Retail Trade
- Information (IT and Media)
- Insurance
- Manufacturing
- Mining and quarrying
- Oil and Gas Extraction
- Purchase of real estate Rental, and Leasing
- Telecommunications
- tourist accommodation, and food services
- Transportation and Warehousing
- Utilities
- Apparel
- Cash crop
- Ceramics
- Cotton Textiles
- Education
- Fishing
- Flowers
- Food Processing
- Forestry
- Hand tools
- Health
- Horticulture
- Industrial Minerals
- Jewelry
- Minerals Processing
- Property Development
- Roads and Transport
- Sea Food Processing
- Developing

9. PEST ANALYSIS IN GHANA

Political:

- Ghana is growing toward a more stable government.
- Poor infrastructure.
- High inflation rate and unemployment.

Economic:

- Ghana remains heavily dependent on international financial and technical assistance.
- Agriculture remains a mainstay of the economy, accounting for more than one-third of GDP and about 55% of formal employment.
- Gold and cocoa production industries contribute as Ghana's primary export.
- Oil production is expected to have a significantly strong growth in the years ahead.
- In an economic research by the Economy Watch led by Juan Abdel Nasser has ranked Ghana as the fastest growing country in the world in 2011.

Social:

- Business industries are receiving no or little support from the government due to a lack of expendable resources.
- Hierarchy is an important concept in Ghanaian culture. Respect is shown to those with wealth, age, experience and position.
- The maternal mortality ratio is high. One significant contributing factor to maternal mortality in Ghana is the failure to effectively use contraception. Unsafe abortion is

an important cause of maternal death, contributing between 20-30 percent of maternal deaths in Ghana.

- In 2010, there were over 400,000 Ghanaians living with the HIV virus that causes AIDS. Given this, there is no doubt that the HIV/AIDS epidemic is having and will continue to have a major impact on Ghana.
- Rapid population growth rate is among the factors that contribute to the persistence of poverty and underdevelopment in Ghana, making a significant impact on key development sectors.

Technology:

- Technical infrastructures in Ghana suffer from an underdeveloped.
- A significant growth in mobile telecommunications. The top 10 from Africa Ghana Telecom industry for the next five years and worth \$ 1.1 trillion, according to the latest World Bank figures, the ICT sector is estimated that the rule is estimated at between countries.

PART - II

Ghana National Petroleum Corporation



Industry	Oil and Gas Industry
Headquarters	Tema, Greater Accra, Ghana
Key people	Nana Boakye Asafu-Adjaye(CEO)
Website	www.gnpcghana.com

INTRODUCTION

In 1983 established the Ghana National Petroleum Corporation (GNPC) to become a world class company and our partners for the benefit of the people of Ghana, Ghana discovered oil

and gas resources and to enable the development of the international petroleum industry, with partners who share in the exciting campaign.

A sedimentary basin on the enormous potential of GNPC Ghana has established an extensive database. The Corporation is a manufacturer and exporter of oil DEEPWATER net within three and a half years after the discovery of the Jubilee active in the country, Ghana's success led to the DEEPWATER areas, recent research identified some of the future. The fast-track development of the industry is celebrated as a record.

Looking ahead, GNPC's ambition whose work has a profound impact on the quality of life of the people of Ghana, a leading global oil and gas company has become.

"Despite the recent success of E & P's sedimentary basins is underexplored. An interesting for the oil and gas accumulation with the prospect of good potential still remains. Our open-door policy is still in operation. GNPC and explore the potential for our mutual benefit and entered into a strategic alliance for the development of world class oil companies are located. GNPC positive contribution to the development of the national leadership of the oil and gas industry to achieve its vision seeks to develop its operating capacity.

Ghana is a democratic country. The last 20 years, we have a stable democratic process. Indeed, we work through the process and are the same for all companies. We are looking for companies that are technically and financially capable. Systems and processes, and they must be long-term commitment to Ghana. The research and development companies looking for opportunities "must be long-term commitment to Ghana.

• **Mission**

Ghana in partnership with local and foreign investments by leveraging the right mix of sustainable research, development, production and disposal of Ghana of petroleum resources, lead.

• **Value**

We hold dear the core values of professionalism, respect for talent, with quality awards and team work is encouraged. The corporation also encourages and rewards creativity and innovation. GNPC self-discipline and is committed to protect the interest of Ghana at all times.

• **Vision**

Serious impact on the quality of life of the people of Ghana is a leading global oil and gas company.

Strategy

Given the significant changes in the corporation's external and internal environments and circumstances, the Corporation's focus will shift in the next 5 years from an emphasis on investments promotion and facilitation to a corporation that is organised to become a key player in the sub-region with activities geared towards:

- Produce a large portfolio of assets and the value chain, spanning a wide range of activities organized and thoughtfully invest in building capacity to manage.
- The promotion and guarantee of investments for replacement and reserve growth;
- Participation in petroleum activities maintains a maximum level of capital security and the lowest possible cost;
- Stakeholder participation in the creation of a favourable environment for facilitating.

Organization Structure

GNPC in 1985 at the beginning of institutional capacity building technical assistance for the preparation of a strategic organizational plan and recommendations Braspetro, UNDP under the sponsorship of the Brazilian National Petroleum Corporation (Petrobras) was demanded from the international subsidiary. Organizational scheme includes five major executive departments and sections of the staff approved by the Board of Directors.

Review the structure of our current strategy is currently compatible with a wide scope of activities being undertaken. Current strength is 175.

GNPC Corporation buys the responsibility to monitor the performance of the seven-member board of directors appointed by the Government of Ghana.

FUNCTION

Is a corporation, it works most of the benefits from the development of Ghana's petroleum resources and capacity to ensure that, to appraise the existing petroleum discoveries, petroleum in Ghana to encourage research activities to include. Corporation petroleum related activities, training and promotion of Ghanaians in Ghana petroleum related activities to ensure environmental protection.

Management Team



Nana Boakye Asafu-adjaye

CEO



Thomas Manu

Director of Operations



Mrs. Comfort Aniagyei

Director of Finance



Ferdinand Aniwa

Manager, Info Sys. Data Mgt & Comm



Theophilus Ahwireng

Manager, Geophysics



Abubakari Baba Sumaila

Manager, Marketing Operations



Dennis Baidoo

**Manager, Marketing Imports &
Export**



Francis B. Ackah

Manager, Engineering

Activities

In Ghana Petroleum initial research began in early 1896. Today, in Ghana, the Ghana National Petroleum Corporation, Petroleum Research, development, production and are responsible for disposal.

- Exploration and production
- Promotion
- Data Management

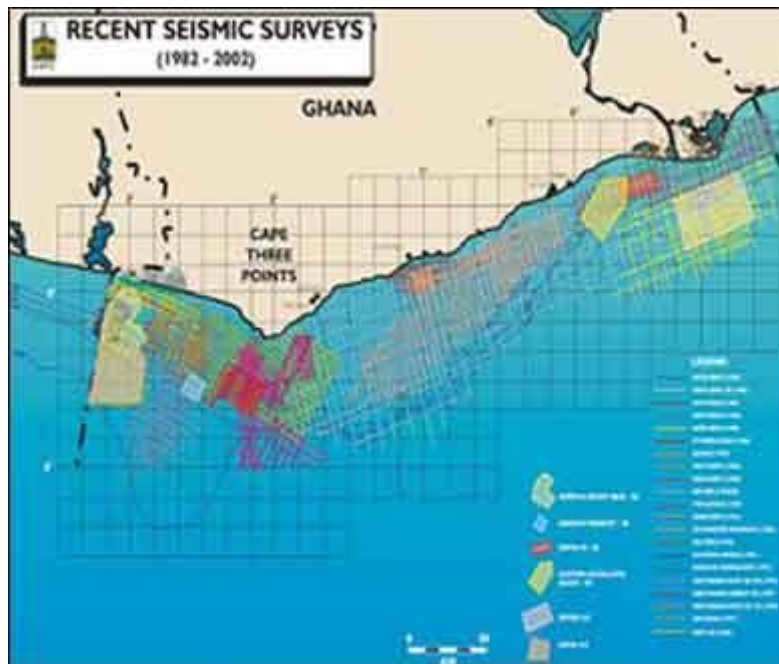
We are oil and gas fields, for interested parties to promote our resources, and our laboratories and data storage facilities, geographical and Geophysical data management, exploration and production of data necessary to fulfil this role.

Exploration and production

In early 1896, oil wells in onshore Tano Basin regions were drilled in and around Half Assini. Today one can still see some of these regions at Bokakere. Saltpond field between 1978 and 1985, oil was produced.

Oil, oil / gas and gas fields have been found in numerous Tano Basin. All Eighty-nine in the wells have been drilled in the country. Six have been discoveries. It also drilled 50 test wells have been varying degrees of 75% hydrocarbons show that is worth mentioning.

Date from the beginning of GNPC in 1983, 3-D-seismic data km 2 5,000 2-D-km Up and over 30,000 have been acquired. The GNPC offices review the data that is available for licensing.



1. Sedimentary Basins
2. Discoveries
3. Production History
4. Current Operations
5. Petroleum A agreements

Sedimentary Business

Five sedimentary basins have been identified in the country.

1. The inland Voltaian basin
2. Offshore Accra-Keta basin with an onshore extension
3. Offshore Saltpond (Central) basin
4. Offshore Tano basin with an onshore extension
5. Offshore Cape Three points (this is sometimes considered as part of the Tano basin)

2. Discoveries

Field	Basin	Year	Fluid Type
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Saltpond	Saltpond	1970	Oil & Gas
Cape Three Points	Cape Three Points	1973	Gas
South Tano	Tano	1978	Oil & Gas
3-AX block	Tano	1979	Gas
North Tano	Tano	1980	Gas
West Tano-1	Tano	2000	Oil

3. Product History

Out of the seven discoveries made in Ghana it is the Saltpond field that has undergone production between in 1978 and 1985. A total of about 3.47 MMbo was produced and 14 Bcf of gas was flared during the period of 1978 to 1985. A Production Platform “Mr. Louie” which was used for the production is still in place of GNPC.

GNPC in an effort to revive the field entered into the agreement with Lushann Eternit in the year 2000. This agreement resulted in the formation of a joint venture company - Saltpond Offshore Producing Company Ltd. (SOPCL) – which is currently operating field.

In the North and the South Tano fields, a number of appraisal wells have been drilled. Beyond this, GNPC has carried out an extended productions test in the South Tano field. Currently, GNPC is talking to number of oil companies to utilize the gas from these fields for power generation. A 125 MW power barge is already available in Ghana for such a venture. The 3-AX block is envisaged to be an additional source of gas for the Tano power generate project.

4. Petroleum Agreements

The report petroleum exploration and production rights in Ghana, Ghana, Ghana National Petroleum Corporation (GNPC) in the existing petroleum contracts between the government and various companies will present the key elements.

Twelve acreages 2002 and 2008 among the ten (10) Oil and gas companies were granted. Most of these contracts are running on schedule. Under this agreement, the following are identified by their operators:

1. KOSMOS Energy Ghana HC. (KOSMOS), on the Deepwater West Cape Three Points Block

2. The discovery of North and South Tano fields in shallow water Tano fields Tullow Ghana Limited (Tullow); and West Tano heavy oil exploration;
3. Tullow Ghana Limited in the Deepwater Tano Basin;
4. The Offshore Cape Three Points area, the area under cultivation of KOSMOS - Vitol upstream Ghana Limited (formerly Heliconia Energy Ghana Limited, Vitol).
5. South Cape (3) three points on the Vitol area upstream Ghana limited (formerly Heliconia Energy Ghana Ltd.);
6. Hess Ghana Limited (Hess) - (formerly Amerada Hess Ghana Limited), Deepwater TanoCape (3) has three points (Tullow and blocks south of KOSMOS's);
7. The Cape (3) Three Points Deepwater block on Vanco Ghana Ltd. (Vanco);
8. Aker Asa South Deepwater Tano contract area. The western part of the area relinquished by Vanco;
9. Saltpond Gasop on the Deepwater Basin Oil (Ghana) Limited;
10. Saltpond existing offshore field, the company is a limited production;
11. Saltpond area of the Oranto Petroleum International Limited,;
12. Afren Energy Ghana Limited., The Deepwater Keta Basin (Afren took over the block of Devon).

June 2007 with the discovery of the Jubilee field, Ghana's sedimentary basins DE-risked and the company became more attractive to investors. The government and GNPC is reflected in the recent petroleum agreements, which are able to ask for a revised financial terms.

The report include tables PA1-6 the oil company's work with programmers to provide information on key elements.

Promotion

All open acreages are available for licensing. The new development is expected to identify and fine-tuning GNPC is currently underway. Geophysical and geological information existing on the open acreages GNPC is available for review and licensing.

Legal framework governing the petroleum exploration and production in Ghana and other sub-region and the international oil industry to create a highly competitive business environment is being reviewed.

In Ghana today, the political climate is favourable, petroleum geology and a draft legal framework for investment in the country is excellent.

Data management

Department of Data Management Centre is a modern 9100sq. Ft. building complex, laboratories and office space for the data storage facilities and geological and Geophysical data (approximately 4000 sq ft) included. The centre approximately 5 miles east of the airport in Accra the bypass road (Spintex Road) is located on

1. DATA MANAGEMENT UNIT:

Geographical and Geophysical Data Unit Mission to Ghana heritage provides a secure and managed storage environment. The information in the search for hydrocarbon resources has been achieved over a period of several years. The data types and technical data and reports, rock cores and geological samples, seismic sections, and include a digital tape.

All exploration and production centre has developed a catalogue of data and related information. The list continues to search for hydrocarbon resources to help with a comprehensive list of all the available material and the information is complete and provides explorations, computer based. Unique for each item catalogued and stored Five-US location is assigned, and the catalogue is a computerized data management system (DMS) is managed by.

If the on-line access to global data and to provide geographic services is envisaged.

1. DATA CATALOGUES:

Stored data is catalogued under the following major categories:

Archival: a systematic way for possible future reference in order to be considered a corporate GNPC data that is inactive, but it is necessary to include

Displays: It includes in well information, cores, samples, reports, logs and surface samples.

Geophysical: seismic and magnetic / gravity line detail, including reports, sections and digital tapes.

Library: It includes in books, magazines and technical reports.

2. **SERVICES:**

All exploration data types, and retrieve specific data items and the data indexing and storage facilities to complete the assembly of the Centre, including the ancillary services are:

- Diazo Printing
- photo copy
- Document Scanning
- Tape recording
- Data examination facilities
- Data shipment

B. LABORATORIES:

The Laboratories Corporation provides technical support for research activities and laboratory services are provided below:

Geological Services

Pyrolysis - kerogen feature and to determine the thermal maturity

Total organic carbon determination - to determine the biological richness and potential

Chromatography - to separate petroleum and bitumen in to the saturate, aromatic, and resin fractions and also to identify compounds within the saturate fractio.

Career

The Corporation of the industry to maintain its competitive edge among others key Engineering, Geosciences, social sciences, law, finance and business, including the various disciplines drawn from the well-motivated, well-trained and productive workforce that recognizes.

The Corporation is committed to growing its leaders inside.

Opportunities

Persons, including but not limited to, the applications, to develop a range of competencies required by the GNPC to provide more opportunities:

- Participation in a variety of technical and vocational training programs
- Professional and technical organizations, continuing education and skill development activities planned
- work on peer group interactive applications
- Work on the lead manager coaching activities
- Both local and foreign oil industry counterpart alliance partnership programs.

Employee career management program offered an opportunity for the advancement of the Corporation at the Corporation of the primary objectives in order to achieve personal career interests and corporate needs, reviews and links.

The Corporation appropriate curriculum development and national development needed to fulfil the aspirations of future geoscientists to provide the ability to create a local pool with University Faculty of previous collaborative efforts again.

COMPARATIVE POSITION OF GNPC

Ghana National Petroleum Corporation (GNPC) is based on an accelerated growth strategy, taking part in most of the blocks are bracing them play a major role in operating.

This is founded on four pillars "; replacing and growing reserves; efficient capitalization and optimum participation, capacity building and expanding activities and the development of local content in the catalyst."

63RD Annual New Year School at the National Oil Company. The West Cape Three Points GNPC already (WCTP) his contract at the end of last year by KOSMOS Energy relinquished the block, to explore the partner search.

GNPC virtual (online) data room of Zebra Data Services, UK, and contract business analyst that gathered. EZ Data room of Zebra Data Services specializes in global marketing information.

Seismic data on WCTP interest in the company to view the data will be placed in the room. GNPC Partner block to explore, with financial capability and proven track record, DEEPWATER technical viability has been proven to work in an international player wants. "You take a novice and DEEPWATER can not throw it," GNPC said Mr. Anthony Assiamah business analyst.

To access information highlights on the site, interested companies will be given an access code after signing confidentiality agreements. Highlights taken based on the interest of those who will then contact GNPC for more detailed information.

The discussions will want to proceed, then the valuation of the companies, if they are interested in an offer, leading to follow-up.

All the oil companies for their research activities Partner required by law, the national oil company, so far, especially after the discovery of oil in 2007, Ghanaians are many decried at the 10% interest in being part of that.

GNPC block with a new strategy to become an operator must acquire a majority interest would mean.

KOSMOS Energy operatorship under the WCTP block, Tullow Oil operated by the adjacent Deepwater Tano block in, followed by another discovery, in 2007 well find an historical returned Mahogany 1.

Unitisation and with the Ministry of Energy on July 13, 2009, on the WCTP Block and the Deepwater Tano Block, operated by Tullow Oil, a unit operating agreement signed between the partners (UUOA), under the partners agreed to jointly develop two discoveries optimize resource recovery.

The Jubilee field is being developed as collaboration, the unitized area, spread over two blocks and is currently representing a reduction of 120,000 barrels per day by the second half of last year, against an estimate, about 85,000 barrels per day of oil is produced to 35,000 B/D.

The research as a business analyst in his July 6, WCTP block the country was on the verge of improving conditions on the 2011 version (the West Cape Three Points look good conditions to attract.) Were reported in the block that will be remembered petroleum agreement covering the stage in July 22, 2011, came to an end.

In this paper it is necessary to relinquish parts of the New York Stock Exchange (NYSE) for enlisting the U.S. Securities and Exchange Commission (SEC) based on its petroleum agreement KOSMOS, was cited by the advertising area, we discovered that the development of public not the WCTP block. ""

Petroleum agreement covering WCTP Block, like other petroleum contract, which extends for a period of 30 years. However, agreeing on a seven-year quest for the search fields to meet the requirements of research, during which period, and development plans.

Business Analyst of the Tullow operated Deepwater Tano, compared with the WCTP Petroleum Agreement, the terms of the petroleum agreement, revealing a level of financial reports (eg by Wood McKenzie), based on a report that was going to improve on the terms of the future of Ghana within the block agreement.

KOSMOS Energy EO acquired 26.496% of Tullow Ghana Limited with its share of improvement, 30.875% interest, Anadarko WCTP block with as a governing group's holdings, the Ghana National Petroleum Corporation (GNPC) commerciality and Sabre Oil

and Gas with a 1.854% working interest from 2.5% to 10.0% on the holding has increased its holdings.

We first 6TH JULY, 2011, published reproduce below our story

Flashback:

West Cape Three Points Block to attract better terms

By J. Ato Kobbie, managing editor.

KOSMOS Energy of the West Cape Three Points Petroleum Agreement license (WCTP) block is the end of this month, Ghana's oil blocks in the country to raise their prices through competitive bidding by a lot of desire, is soon to become a reality, some of the oil in international (IOCs) an already The bid has to be himself.

Crude oil production in the country, through royalties and additional oil entitlements from his earnings, under the petroleum agreement in its main benefits.

PRESENT POSITION AND TRENDS OF GNPC

Ghana National Petroleum Corporation (GNPC) among others, oil revenues account for the state does not render inaccurate reporting by the media as a whole have been described.

In a press release issued by the Corporate Affairs Department recently responded to the allegations, GNPC as required by the Ministry of Finance and Economic Planning of the Ministry of Energy and by the Jubilee oil field to the allocation of revenue in the annual budget of the Parliament, said the Petroleum Revenue Management Act, 2011 (Act 815).

In 2011 the Parliament of the country's petroleum revenues for its operations and the production of U.S. \$ 207.96 million, representing 47 per cent of the fund said.



"U.S. \$ 132,484,815 (or 63.7 percent), 2008 to U.S. \$ 165.8 million of our share of field development costs to pay for the money borrowed from the Jubilee partners to pay part of GNPC.

U.S. \$ 30,315,185 (or 14.6 percent), 2,612 km the acquisition, processing and interpretation of 3D seismic data for squares Southwest Deep Tano block to the left.

"U.S. \$ 28,119,624 (or 13.5 percent), natural gas infrastructure projects as part of the DEEPWATER pipeline fabrication and installation of 14 km was used; U.S. \$ 9,383,204 (or 4.5 percent) went to the U.S. \$ 7,661,475 (or 3.7 percent) in staff costs general operational and administrative expenses. "

The income and expenditure of the external audit of the 2011 financial statements have been captured in the past.

We are reluctant to account for the monies due and - to the Petroleum Revenue Management Act 2011; the accounting policy took some time to work through some of the effects, because "our 2011 external audit is behind schedule. Audit is concluded once we by law our accounts will be required to broadcast. "

In addition to the dividend payment was address the allegations, he remarked: - "It was the government that GNPC withholds income is completely wrong. Reflects a misunderstanding of the workings of the PRMA.

This practice directly GNPC participation interest in Jubilee production does not retain any income that has occurred. Rather, GNPC hands over 100 percent for the state overall revenues.

A parliamentary development and production costs, annual administrative costs and its long-term capital requirements considered necessary to cover GNPC's share of the State in which such funds cedes. "

Apart from the foregoing that all income was entirely under state control since the dividend payment to GNPC has no discretion said.

Export trade: -

Ghana National Petroleum Corporation follows the lines of export trade:

Ghana export trade in the first three quarters of 2012 recorded an annual growth of 3%.

The Bank of Ghana (Bog), a \$ 9.8 billion during the same period of 2011, exports from \$ 10.1 billion registered in merchandise.

Ghana in 2012 to \$ 4.1 billion worth of gold, cocoa beans \$ 1.9 billion and \$ 2.1 billion crude oil exports, the central bank said.

It exports amounted to \$ 2 billion, he said.

Although the growth rate of exports, imports of Ghana's trade deficit areas of the country, it continues to rise.

The body of the country's total merchandise imports in the same period of 2011 compared to \$ 11.5 billion in the first three quarters of 2012 amounted to \$ 13.2 billion noted.

Crude, refined products, including gas and oil imports, against \$ 2.2 billion recorded in 2011, amounted to \$ 2.5 billion, he said,

Refined oil products imports were \$ 1.7 billion, "the import of crude oil was about \$ 681.9 million. Import of gas through the West African Gas Pipeline amounted to \$ 128.7 million," the body of the Monetary Policy Committee (MPC) in a press release on November 14, 2012 said: that.

Total non-oil imports, the release said, \$ 10.7 billion in the three quarters of 2012 increased by 15.1%. For this reason, bog capital imports \$ 2.4 billion (Total imports 22%) indicated that estimated, intermediate imports \$ 5.2 billion (48.3%), consumption, imports, \$ 2.4 billion (22%) and other imports was about \$ 873.4 million .

Body data from January to September 2012, the current account deficit recorded in the same period of 2011 as against \$ 1.7 billion, \$ 4 billion of the shows. The turnout of the \$ 3.2 billion trade deficit mainly, services and a net income of \$ 2.7 billion, outflows and net flows during the period from that \$ 1.8 billion, largely due to transportation, he added.

The capital and financial account information over the same period of 2011 compared to \$ 1.3 billion, \$ 1.6 billion in the first three quarters of 2012, said modification. "The increase in net portfolio investments and foreign direct investments were accounted for," observed the body.

Overall balance of payments in accordance with the central bank, the corresponding period of 2011 compared to a deficit of \$ 288 million, during this period resulted in a deficit of \$ 2.3 billion.

POLICES AND NORMS OF INDIA FOR EXPORT / IMPORT TO **THE GNPC**

GNPC: continuous research for a class of partnership success

In 1983 established the Ghana National Petroleum Corporation (GNPC) to become a world class company and our partners for the benefit of the people of Ghana, Ghana discovered oil and gas resources and to enable the development of the international petroleum industry, with partners who share in the exciting campaign.

A sedimentary basin on the enormous potential of GNPC Ghana has established an extensive database. The Corporation is a manufacturer and exporter of oil DEEPWATER net within three and a half years after the Jubilee discovery in Ghana's DEEPWATER active areas of recent research that led to the success of some of the identified future. The fast-track development of the industry is celebrated as a record.

Looking ahead, GNPC's ambition profound impact on the quality of life of the people of Ghana whose job is to become a leading global oil and gas company.

"The recents E & P success, despite the country's sedimentary basins are underexplored. Interesting for the oil and gas accumulation with the prospect of good potential still remains. Performance of our open door policy and is still in production. GNPC, as well as world-class oil companies

Ghana is a democratic country. The last 20 years, we have stable democratic process. Indeed, we work through the process and are the same for all companies. We are a technically and financially capable of companies are looking for. Systems and processes, and they must be long-term commitment to Ghana. The research and development companies looking for opportunities "must be long-term commitment to Ghana.

Indian import policy:

Import Export is the antonym. Economic terms, the import of any commodity from one country to another country legally. Economic needs of the country, the foreign currency impact on the effective use of the country's import policies which are fundamental factors.

Indian import policy is mainly the 3 basic purposes:

- To make goods readily available.
- To simplify the import license.
- To promote the efficient import substitution.

Import Current Scenario in India:

Most of the restrictions are on the ground or tallow fat, animal rennet, wild animals, unprocessed ivory, etc., cannot be imported, which is a material safety, health, environmental protection, etc. are provided free of import duty for export production. Input output norms have been specified for more than 4200 items. These standards specify the products duty free import of inputs allowed to ask about the amount. There are no restrictions on the import of capital goods. The Minimum residual life of five years, on the other hand is allowed to import capital goods. Export Promotion Capital Goods (EPCG) scheme for exporters to import capital goods at a concessionary custom provides. Indian imports have increased quite dramatically over the last 30 years. At present, imports account for 17% of GDP. Capital goods imports continued to have been the last three years; their share has fallen from 25% to 22%.

Major Indian imports

Zero import duty under the EPCG scheme, the facility has facilities available to enjoy the service industries. India is a major importer of edible oil, newsprint, petroleum and oil products, crude rubber, textiles, electronic goods etc.

Problems due to large imports of products

Import recent trend has some concerns. Regular oil imports in India are able to produce the required quantity of oil on the fact that it affects. In addition, the increase in imports of products in the Indian domestic industry needs to develop a fact. The high cost of imports and pressure on foreign exchange reserves.

India import and export policy:

Import policy:

Economic needs of the country, foreign exchange and effective use of industrial and consumer needs of India's import policy influence is the basic factor. On the import side, the policy has three objectives: to improve the technology required for modernization and capital goods, including imported goods to be more readily available; the simplify and to streamline procedures for import licensing; efficient import substitution and self-reliance encouraged.

Only 4 of contraband fat tallow, animal rennet, wild animals and unprocessed ivory. Job. But imports of consumer goods are limited to the policy change.

Progressive policy action five ASEAN regions, the prevailing average tariff level by a chain, has received the Indian government is clearly laid out. Basic customs tariff rate is now 2% 0 to 40%, plus the additional duty of 30% on the average rate of the poor.

Under duty exemption scheme, a duty free import for export production is given. Input - output norms have been specified for more than 4200 items. The standards for certain products for export to India allowed duty-free import of inputs, specify the amount.

No quantitative restrictions on imports of capital goods and intermediates are. Second-hand capital goods imported from the rest of life Minimum of 5 years provided they have permission. The Export Promotion Capital Goods Exporters concessionary customs duty on capital goods (including computer systems) are allowed to be imported, under the (EPCG) scheme, subject to the fulfilment of specific export obligation. Service industries, zero import duty under the EPCG scheme will enjoy the facility. Likewise, hospitals, air cargo, hotels and other tourism-related industries. Software units are products you can use to export data communications network.

Export policy:

The main focus of India's trade policy and a thrust area is exports involving higher value additions. Most items can be freely exported from India. A few things, to avoid shortage in the domestic market for the national resource conservation and environmental protection are subject to export control.

Export profits are exempt from income tax. 8% compared to 5% on domestic sales (the tax. Net) to pay higher royalties on export sales are permitted. An export up to 10% commission is acceptable.

To import the required inputs for export production are exempted from basic customs duty. Oriented Units (EOUs) and Export Processing Zones (EPZs) for the purpose of making such export duty free import of capital goods and raw materials as enjoy special export incentives.

A brand equity fund in high quality on the world market in India has been set up to make the brand popular. Rs 5 billion (U.S. \$ 156 million) in the corpus of the fund will receive contributions in government and industry.

Import License Issuing Authority

In India, import licenses are issued by the Director General of Foreign Trade. DGFT Delhi office Udyog Bhavan, New Delhi, 110011, is located.

Validity of import license

Licenses for the import of capital goods and raw ingredients in 24 months, 18 months to part with the goods and the license is valid for a renewable term.

Export and Import Act:

The export and import activity, a healthy economy is a significant contributor to growth. Proposed to bring the goods to be imported to meet the domestic demand and supply in the foreign countries, surplus goods, it is known as exporting. Export and import of the vast difference between the inflation rate and bop (balance of payments), and the severe economic problems of the poor integrity of the current economy. Thus the authority of the laws and policies in the context of the legal structure of the different types of fake export and import to maintain the proper balance.

India, dealing in export and import trade is a common practice of many laws and policies are formulated. It acts Import and Export (Control) Act, 1947, the Foreign Trade (Development and Regulation) Act, 1992 and the import-export of (EXIM) policy 1997-2002 is a significant laws and policies. The Import and Export (Control) Act, 1947, the Foreign Trade (Development and Regulation) Act, 1992 the Central Government for the export and import activities are able to make more control has been replaced by.

Sample of import license

A typical sample consists of two copies of the import license -

Foreign Exchange Control copy of remittance to foreign sellers or to effect opening the letter of credit will be used to

Customs copy to clear the goods will be used to present to the competent customs authority.

In the absence of a custom copy, import or confiscated and a fine responsible for the unauthorized importation, shall declare.

Import Categories

All kinds of goods imported under the following four categories are:

- Freely imported goods: the more capital goods in this category. Import licenses are required to import goods free of any product
- Licensed Import: just under an import license, the importer may be that there are a number of goods. Reserved for the production of many products, precious and semi-precious stones;, safety and security related products, seeds, plants and animals, some pesticides, pharmaceuticals and chemicals, some of the electronic items in this category are classified as consumer goods, including some broad product groups and 17 miscellaneous items or special category, by small-scale sector.
- Canalised items: only the specified channels or by government agencies may be an importer in India that is a canalised items. Nitrogenous phosphatic, potassic and complex chemical fertilizers (Mineral and Metals Trading Corporation) vitamin-A drugs (State Trading Corporation), oil and seeds (the petroleum products (by the Indian Oil Corporation to import), and State Trading Corporation and Hindustan Vegetable Oil), and food (Food Corporation of India).
- Restricted items: Only four of the items tallow fat, animal rennet, wild animals and ivory - is the ban on import of completely unprocessed.

Importer Category

To imports of the product and its target buyers, importers categories for the purpose of import licensing are divided into three groups:

1. Actual users - actual user applies for business than for personal use or business purposes and to obtain a license to import any item.

2. Registered exporters, export promotion councils, commodity boards or other designated by the government for the purpose of promoting exports registered a valid registration certificate issued by the authority are defined as those who did not.

3. Other. There are two types of real-user license:

1. **General Licenses:** The ban on the import license, except that in those countries, all countries can be used to import goods;

2. **Specific Licenses:** The license can be used to import only a certain country.

Custom inspection

Any violations of the custom import license by the Department of Customs officers are scanned. Inspector and other consumer goods to import custom officers have the authority to inspect and evaluate. Import license to import or not it is convenient to describe their work to

determine whether it is a part. Custom official import license and any violation found by the importer, has the right to charge the penalties and fines.

PRESENT TRADE BARRIERS OF OIL & PETROLEUM

Understanding Trade Barriers

Equipment Protection Policy to ensure that almost every trade barrier works. Fierce competition in trade barriers against foreign products to protect local industry aim to hike the prices of imported products. The most common barriers to trade are:

Tariff:

Cross border trade is a tax levied on the products referred to in the rate. However, the government imposes on imports and an export rate is essentially over. Every two of the most popular types:

- Ad valorem: Sets the percentage of the tariff value of imported goods are included.
- Specific: The specific amount charged by the government on imported goods refers.

Subsidies:

Subsidies for locally manufactured goods exported by providing financial assistance to improve the work. Sagging face or produce a net loss of subsidies that either helps to sustain economic activities.

Quotas:

An import quota to limit the amount of imports during the period of time specified by the trading limit is set.

Intellectual property rights PROTECTION:

Since December 2003, Ghana S "s in law six bills designed to implement Ghana's Parliament has enacted"

Obligations under the WTO TRIPS Agreement. Copyright belongs to new laws, trademark, patent,

Layout - Design of integrated circuits, geographical indications and industrial designs (topographies).

Ghana for the Protection of Literary and Artistic Works, Paris is a signatory to the Berne Convention

Industrial Property, Patent Cooperation Treaty, World Intellectual Property Organization (WIPO) Copyright Treaty and the Convention for the Protection of the African Regional Industrial Property Organization

SERVICE barriers:

Ghana "investment for foreign investors to participate in the economic, territorial exclusion: petty trading; lotteries (except soccer pools), and beauty salons and barber shops operate fleets with fewer than 10 vehicles, taxis and car rental services operations.

Insurance and extractive industries, foreign investors are required by law to have local partners. Ghana secondary insurance services to the insurance sector, apart from the 60 per cent foreign ownership limit.

Local participation in the extractive sector is mandatory. By law, 10 percent of Ghana acquires an automatically mining, oil and gas enterprises of all interest in the carried interest. 2006 Minerals and Mining Law in partnership with the Government of Ghana to negotiate any form allows

Investments barriers

Highly controlled economy, a lack of transparency in political business community and potential investors' certain government function to create risk. Entrants into the local culture can derail or delay new. Ghanaian partners in the political attitude of foreign investors are often subject to government probe. Foreign Corrupt Practices Act in order to comply with the U.S. for the prevention of bribe demands is a challenge.

Foreign investment projects, taking no more than five business days for the Ghana Investment Promotion Center, a process meant must be registered with, but often takes considerable time. Minimum capital requirements are subject to the following Foreign investments; non Ghanaian enterprises wholly owned by the \$ 50,000, \$ 10,000 for joint ventures with a Ghanaian and either completely (ready to buy or sell goods or companies) trading companies or non-partly owned Ghanaians to \$ 300,000. Trading companies are required to employ at least 10 Ghanaian nationals.

Other barriers

Foreign investors for their non-Ghanaian employees experienced difficulties and delays in getting the necessary work visa. No need to work several months from the application of this process to occur. Foreign investors of real estate difficultermits complex land tenure system founded on the title makes clear, "Land use in Ghana, the only long-term lease on the land challenging. on-Ghanaians have permission to access" can be unpredictable.

Potential for import / export in India / Gujarat Market

Relationship History

India opens consulate in Accra in 1953, and soon after the independence of Ghana in 1957 with a full-fledged diplomatic relations were established. Indian High Commission in Accra and subsequent Burkina Faso, Togo and Sierra Leone are approved for. After its independence Ghana High Commission in New Delhi was established. Ghana, Kwame Nkrumah and India's first Prime Minister Jawaharlal Nehru, the first president of the friendship shared a personal bond. Prime Minister PV Narasimha Rao visited Ghana in 1995 when the Presidents Nkrumah, Hilla Limann, John Rawlings and John Kufuor are a state visit to India. India and Ghana are founding members of the Non Aligned Movement, the Government of India's Team-9 initiative and are members of the Commonwealth.

Oil or petroleum sector, there is no relationship between India and Ghana. So we import or export other products from India and Ghana can find. Ghana import or export in Indian or Gujarat market. Some product their import or export record and product.

Trade between India and Ghana amounted to \$818 million in 2010-11 and is expected to be worth \$1 billion by 2013. Ghana imports automobiles and buses from India and companies like Tata Motors and Ashok Leyland have a significant presence in the country. Ghanaian exports to India consist of gold, cocoa and timber while Indian exports to Ghana comprise pharmaceuticals, agricultural machinery, electrical equipment, plastics, steel and cement.

Government of India as a regional agricultural processing, fish processing, waste management, and the Rural Electrification Project in Ghana's railway expansion is used, the Ghana \$ 228 million in credit lines are extended. India is also one of the India Africa Institute of Information Technology (IAIT) and India Africa Forum Summit in Ghana under the Food Processing Business Incubation Centre has offered to set up.

India, the Indian Technical and Economic Cooperation Programme and the Africa Programme (SCAAP) of the common wealth by assisting in the training of Ghanaian staff

extend a scholarship. 1,100 Ghanaian students and professionals in India to the program since the beginning of training. An India IT and Communications (ICT) skill in Ghana with the help of modern ICT facility has helped in the development of a community centre.

India Export to Ghana

Year	Value in IN(R) lacs	Value in US(\$) Million
April 2010 to March 2011	263683.54	579.77
April 2011 to March 2012	384305.88	800.35

Ghana's Top 10 Products of Export to India

Rank	Description	Ghana's Exports to India 2006	Ghana's Exports to India 2007	Ghana's Exports to India 2008	% Growth 2008/2007
1	Edible fruit, nuts, peel of citrus fruit, melons	8.69	9.86	111.70	13.48
2	Wood and articles of wood, wood charcoal	16.04	39.66	42.36	147.31
3	Oil seed, oleagic fruits, grain, seed, fruit, etc, nes	16.27	10.09	16.88	-37.99
4	Iron and steel	.13	1.09	15.51	765.87
5	Cocoa and cocoa preparations	10.76	10.64	11.58	-1.18
6	Aluminium and articles thereof	1.43	2.40	8.62	67.76
7	Pearls, precious stones, metals, coins, etc	2.97	3.38	3.44	13.76
8	Copper and articles thereof	1.77	0.45	1.30	-74.69
9	Ores, slag and ash	.00	0.00	1.02	N/A
10	Lead and articles thereof	0.47	0.18	1.01	-61.24

Ghana Export to Gujarat Market

Gujarat import raw cashew nut from African country. Like Ghana, Benin, Tanzania, Mozambique, etc.



This product is import in African country and Ghana exporter export raw cashew nuts in shell.

BUSINESS OPORTUNITIES IN GHANA

Investment for 1985, Ghana's recent reforms have opened up a wide range of new business opportunities. 1994 Ghana Investment Promotion Act potentially lucrative areas such as natural gas install and run enterprises to guarantee freedom for non-Ghanaians; hydropower projects; fruit and vegetable farming, food processing, including fish collection; agricultural chemicals manufacturing, pharmaceuticals and information technology.

The government's ongoing privatization initiatives, partnerships and new business and investment, especially in banking and the petroleum and telecommunications field open for a number of sectors.

Tourism is an especially strong area for new business projects. Key opportunities in this sector include: tourist accommodation, particularly beach resorts; tourist transportation; catering enterprises; eco-tourism projects; night life and leisure; and tourist servicing enterprises. The Government of Ghana estimates that tourism will generate over \$270 million annually after 1996. Government has opened the business of crude oil refining to include private sector-owned refineries to serve both domestic market and also for export.

Bulk Petroleum Products Pipelines and Storage

The Bulk Oil Storage and Transportation Company Limited (BOST), a state-owned agency, strategic locations in the country are encouraged to develop Storage Depots and strategic storage of petroleum products pipeline construction Depots nationwide, and private sector investors will require significant investments.

This involves the construction of storage tanks and pipelines as follows:

- 150 m³ of Storage Tank at Takoradi
- 12 inch Oil Pipeline 300 km from Takoradi to Kumasi
- 24 inch Gas Pipeline 350 km from Aboadze to Kumasi

Hydrocarbon Exploration and Development

Ghana's hydrocarbon potential have not been fully explored and developed. Government has put in place a favourable fiscal and regulatory regime for the exploration and

development of the country's hydrocarbon resources. Government is reaching out to oil companies and other investors to explore and develop the country's hydrocarbon resources.

Export-oriented Refinery Project

- The private sector is invited to invest and operate export-oriented refineries (at least 200,000 BPSD).
- The refineries would be located in the free zone enclaves.
- 70% of the refined products for export whilst 30% would be for local market.

A Critical Analysis of the Fastest Growing Small Business Opportunities in Ghana

Now you have a potential of doing business in Ghana and want to learn the fundamentals. Strong mineral resources sector, the cocoa industry, consistent government policy, recent discoveries of oil, constant power supply, and a friendly business environment for foreign companies in the free trade zone; Ghana beat is definitely the future of a country.

1. Agricultural Production

Food is one of the basic needs of man and anyone that ventures into food production is sure of a never ending demand. The steady growth of Ghana's population due to influx of investors, students, tourist, etc will only help explode the demand for food. Now if investing in the agricultural sector catches your fancy.

You can consider starting a business around any of the following:

a. Livestock Production

There are many opportunities you can tap into with respect to livestock production. They include: poultry rearing (egg or meat production), catfish farming, cattle rearing, snail farming, grass cutter rearing, goat rearing, etc.

b. Livestock feed production

You can also venture into the production of catfish feeds, poultry concentrates, etc.

c. Food Cultivation

Ghana is well known as a major exporter of cocoa but that doesn't push aside the demand for other food and cash crops such as cassava, etc.

2. Food Processing

Processed food is another fastest growing industry in Ghana. With an abundance of fruits and vegetables; one can venture into the production of canned juices, packaged foods, etc.

3. Service Based Businesses

With the high educational standard; Ghana boasts of quality graduates and starting a service based business to harness such intellectuals is a way to go. You can start a business consultancy firm, human resource management firm, etc.

4. Hospitality

Under Ghana's hospitality industry, you can venture in fast food outlets, restaurants, hotels, bars, casinos, entertainment centers', etc.

5. ICT

The ICT sector holds potential opportunities for investors interested in such. Business opportunities in this sector include: Cyber cafés, photocopy shops, call centres and phone accessories sales, etc.

Finally, opportunities abound in real estate with respect to residential and commercial buildings. Investors with adequate capital can also venture into the mining or oil and gas sector. Please consult trade journals and Ghana Chamber of Commerce for more information on business opportunities in Ghana.

CONCLUSIONS AND SUGGESTIONS

In spite of Ghana's strong economic growth in recent years, the country still faces significant challenges in its development, including productivity weaknesses, infrastructure gap, and capacity weaknesses and skills shortages among others. However, the country also enjoys many opportunities, which it is now poised to better exploit to consolidate its economic achievements, and quicken its rate of economic growth and jobs creation.

(1) With true unemployment running at near 50%, the biggest problem facing the country is obviously the development of industries and the subsequent increase in employment.

(2) Ghana's annual inflation rate rose marginally to 20.74 per cent in June up from 20.06 in May.

Ghana should tighten monetary policy to reduce inflation which has been pushed up by high cost of food, strong domestic demand and currency depreciation.

(3) Ghana secondary production (production of manufactured goods) consist less than 1% of its total production and bostwana,maturities and south Africa have at least 30% of their total production being secondary production

The government of Ghana to work in partnership with insurance companies and work out modalities would see to it that farmers were insured to take care of the risk involved in the business.

(4) Ghana's oil and gas revenues recently exceeded \$1 billion, and the country is on the verge of becoming the seventh largest oil pro ducker in Africa. here Ghana government should more investment in oil sector

(5) The country should view its billion-dollar oil industry as a catalyst for economic growth and development, using revenue to invest in green energy and jobs in the

oil and gas sector. Ghana should use this money to diversify its economy and finance economic transition

- (6) Ghana national petroleum corporation (GNPC) should be increased in investment of the discover activity of the oil resources.

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