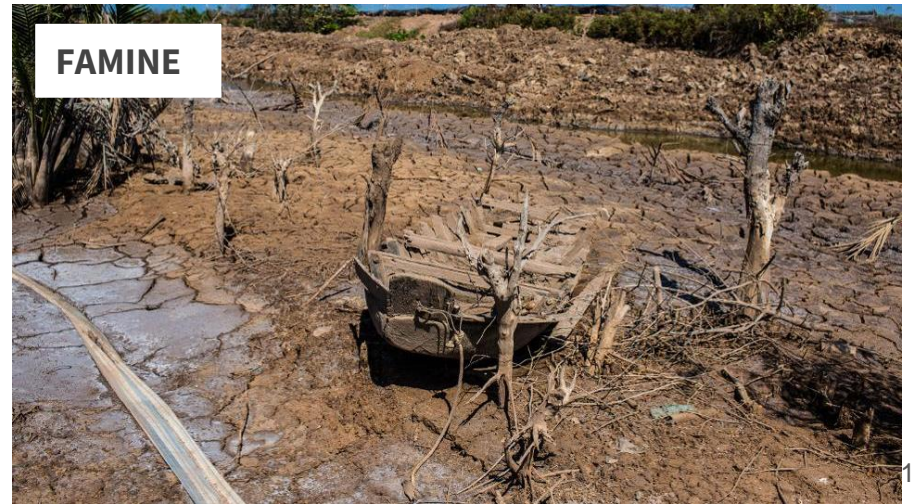
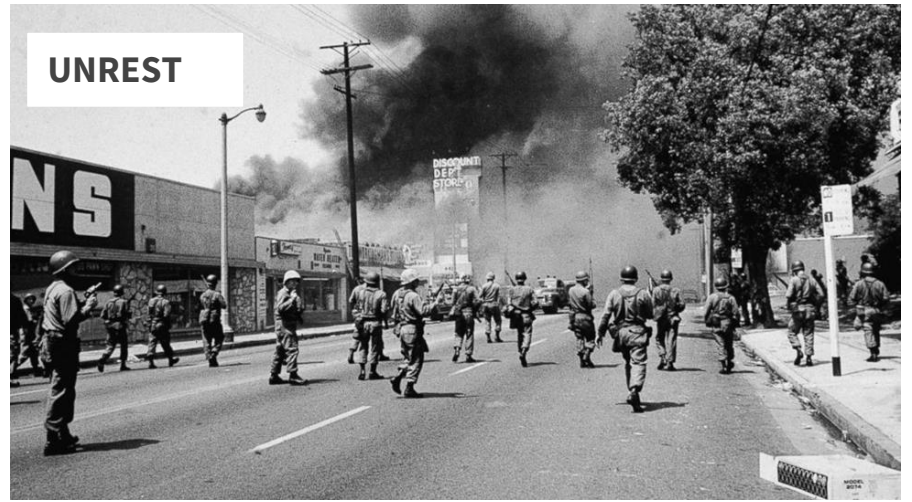


# Is this how you see Africa?



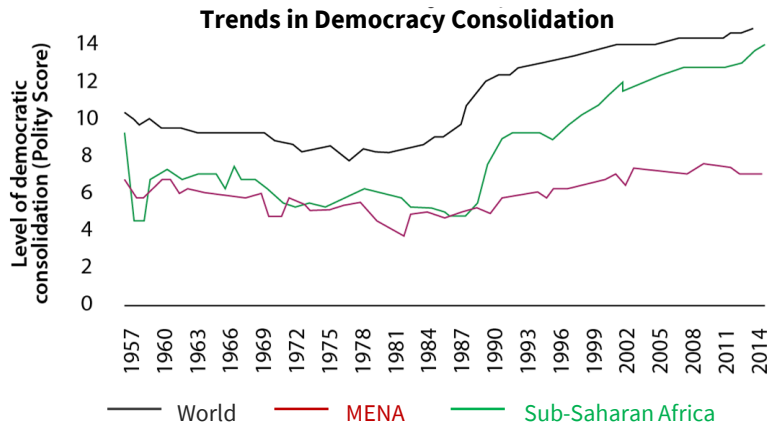
Actually, these are **NOT images from Africa**,  
but from other parts of the world.

Every continent has its problems, but let's  
**separate perception from reality.**

# Africa is on the rise

## Political Trends

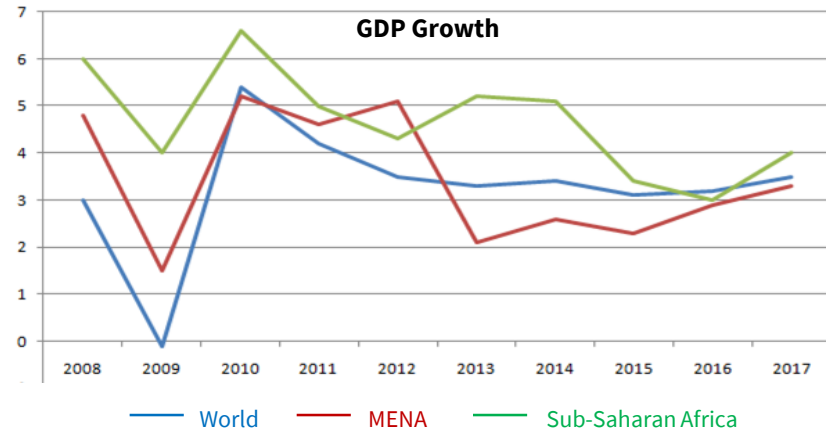
**Substantial growth in democratic rule in sub-Saharan Africa** on the back of peace and stability in the region



Source: Marshall, Monly G., & Joggers, Keith. 2000. "Polity IV project: Plittical regime characteristics and transitions, 1800-1999," Unpublished manuscript, University of Maryland, Center for International Development and Conflict Management.

## Economic Trends

**6 out of 10 of the fastest growing economies in 2018 are in Africa. Ghana is expected to lead the with 8.3% GDP growth** (The World Bank)





# Ghana - The “Shining” Star of Africa

*An Attractive Investment Destination*



**The “Black Stars”**  
*A symbol of national pride*



**King of the Asante Kingdom**  
*A rich and unique culture*



**Skybar - Villagio (Accra, Ghana’s capital)**  
*A higher standard of living*



**Growth and expansion across all industries**



“We want to **build an economy that is not dependent on charity and handouts**, but an economy that will look at the proper management of its resources as the way to engineer social and economic growth in our country.”

**Nana Addo Dankwa Akufo Addo, President of Ghana**  
*Africa CEO Forum, Monday March 20 2017*

“For those of you who needed proof that there is a **new generation of leaders** believe in a new future, you have your proof now...There are leaders in Africa who want a new relationship...[and] a future for the youth in their country.”

**Emmanuel Macron, President of France**  
*Africa CEO Forum, Monday March 20 2017*



**“The people of Ghana have worked hard to put democracy on a firmer footing, with peaceful transfers of power even in the wake of closely contested elections. And with improved governance and an emerging civil society, Ghana’s economy has shown impressive rates of growth.”**

**Barack Obama, former President of USA**  
*Parliament House - Ghana, Saturday July 11 2009*

**“Africa is on the ascent and  
Singapore must ride this wave.”**

**Tharman Shanmugaratnam, Deputy Prime  
Minister of Singapore**

*Africa-Singapore Business Forum, Wednesday  
24th January 2018*





# Why Invest In Ghana?

*“Evaluate People Accurately, Not ‘Kindly’”*

Ray Dalio

# Stable Political Environment with Pro-Business Policies

25 

years of **uninterrupted democratic rule**, one of the **longest in SSA**

5 

**Democratically elected presidents** since 1992

3 

**Successful presidential transitions** between political parties in the 4<sup>th</sup> republic



## Ease of Doing Business

#1

**Rank in West Africa**

Measures the regulatory environment conducive to starting and operating a local firm.



## Rule of law

#1

**Rank in West Africa**

Measures 8 factors including (Order & Security, Regulatory Enforcement, etc)



## Global Peace Index

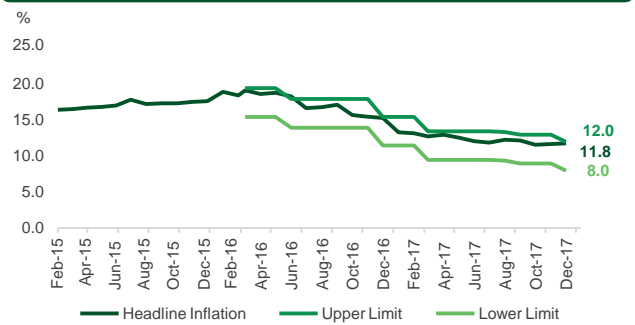
#2

**Rank in West Africa**

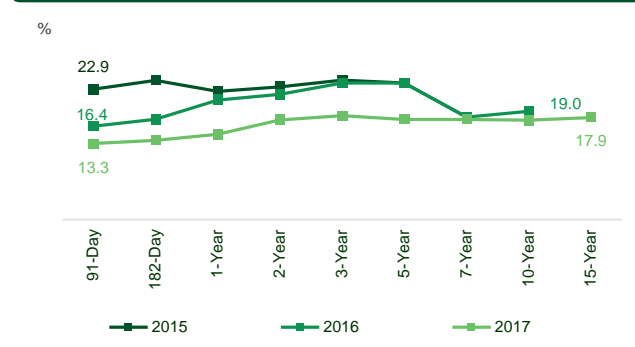
Measures level of safety, the extent of conflicts and the degree of militarization



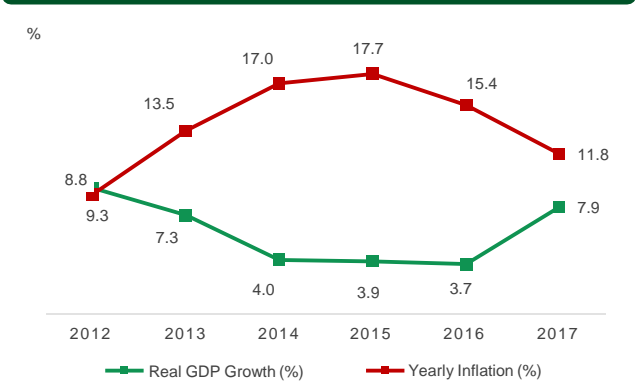
### Headline Inflation within MPC Inner Band



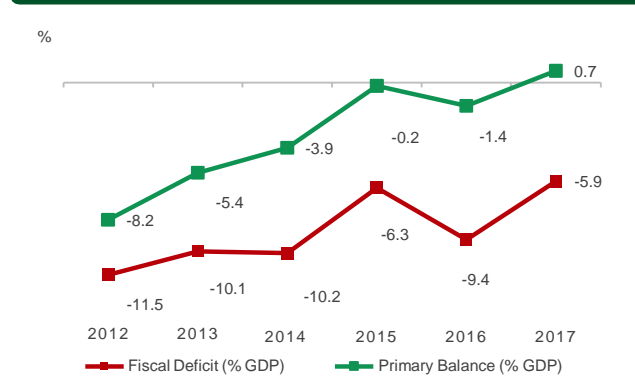
### Yield Curve Normalizing



### GDP Rebounds and Inflation Subdued










### Fiscal Deficit and Primary Balance Under Control



# Snapshot of Ghana's Macroeconomic Fundamentals

Strong improvement across all key indicators

Key Indicators	2015A	2016A	2017 E	2018 - 2020 (Avg)
Real GDP Growth	3.8%	3.7%	7.9% 	6.6%
Inflation	17.7%	15.4%	11.8% 	Single digit
Fiscal Deficit (% of GDP)	6.3%	9.3%	5.9% 	3.0%
Trade Balance (% GDP)	-8.3%	-4.2%	2.3% 	2.0%
Primary Balance (%GDP)	-0.40%	-1.4%	0.5% <sup>1</sup> 	2.0%
Import Cover	3.5months	3.5months	4.3months 	≥ 4.0 months
Debt to GDP	71.5%	73.1%	68.7% 	< 65.0%

**STANDARD  
& POOR'S**

B - Positive

**FitchRatings**

B - Stable

**MOODY'S  
INVESTORS SERVICE**

B3 - Stable

# Ghana: The Gateway to West Africa

**Ghana is strategically located with access to West Africa's more than 350 million people.**

## **Key Trade Agreements**

- WTO
- ECOWAS
- AGOA
- EU Access

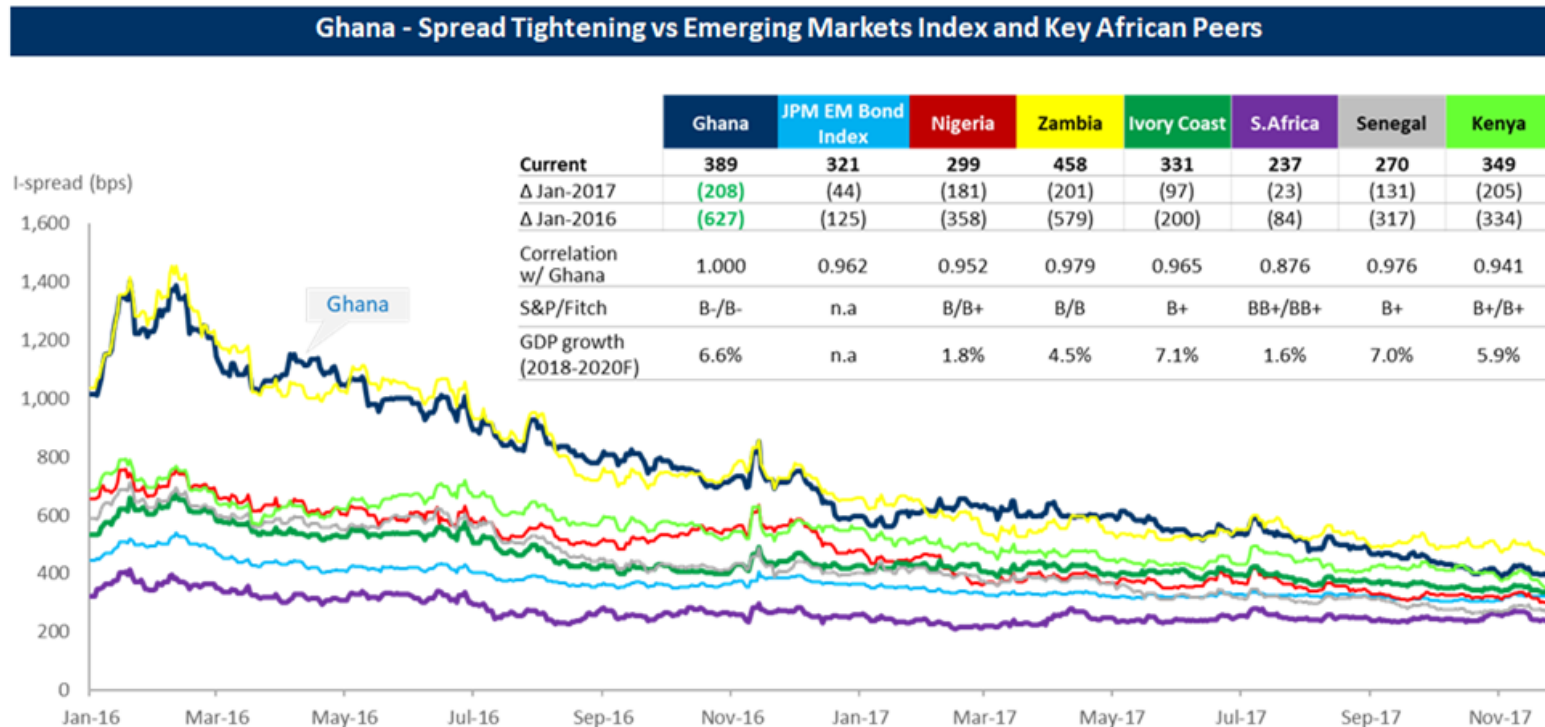
## **Positioning Ghana as Regional Gateway**

- Maritime hub
- Financial Service Hub
- Petroleum Hub
- Attract Head Offices of Multinationals

**Opportunity to leverage ideal position – Centre of the World**

# Ghana Credit vs. Other SSA & Emerging Markets

Ghana performed better than peers on the back of prudent debt management, favourable economic prospects and increased fiscal stability.



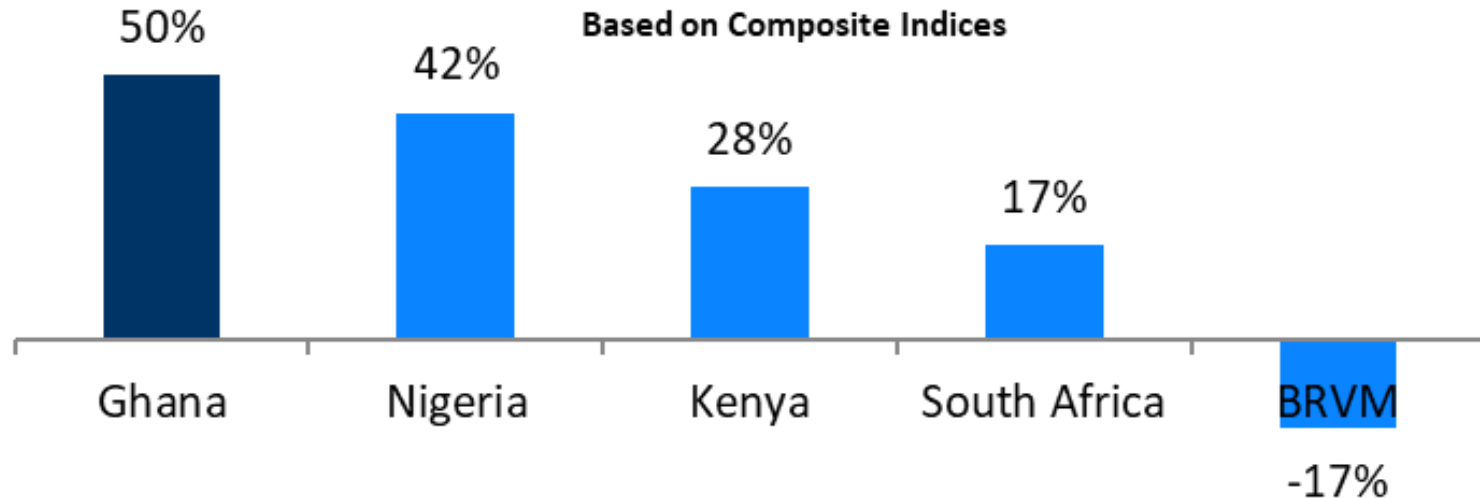
Source: Bloomberg (24/11/2017)

JP Morgan Emerging Markets Bond Index (tracks the spread performance of 30+ EM country USD-denominated bonds)

# Ghana Outperforms Other SSA Equity Markets

Strong stock market recovery signals favourable macroeconomic prospects and strong investor confidence

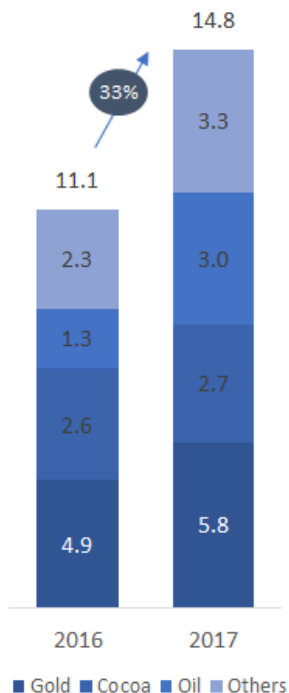
## 2017 Performance of the GSE Relative to Peers<sup>1</sup>



# Strong GDP Growth on a Diversified Commodity Backbone

Significant growth of key commodity exports in 2017

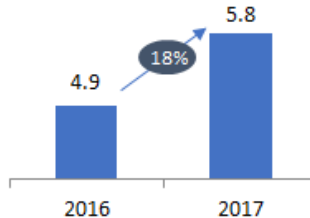
Exports (USDbn)



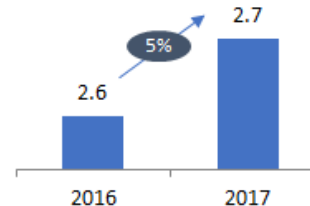
Key Commodities



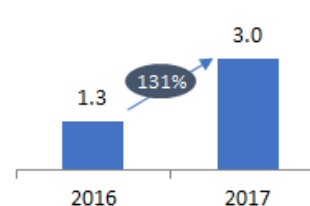
Revenue USDbn



- ✓ 2nd largest gold producer in Africa
- ✓ Accounts for over 90% of mining sector
- ✓ Accounts for more than 40% of exports
- ✓ Est. reserves of ~2,000 tonnes
- ✓ Gold refinery – 2nd largest in Africa



- ✓ Main agricultural export
- ✓ 2nd largest producer of cocoa in the world
- ✓ 969k tonnes in 2016/2017
- ✓ Total hectares used of c.1.7 mn ha
- ✓ Target to increase production to 1.5m tonnes by 2020



- ✓ Commercial quantities discovered in 2007
- ✓ 3 main oil fields
- ✓ Won maritime dispute over Sankofa oil field
- ✓ Oil reserves of 3.7bn barrels
- ✓ Gas reserves of 41.6bn ft<sup>3</sup> of gas
- ✓ Peak level of 285k barrels per day

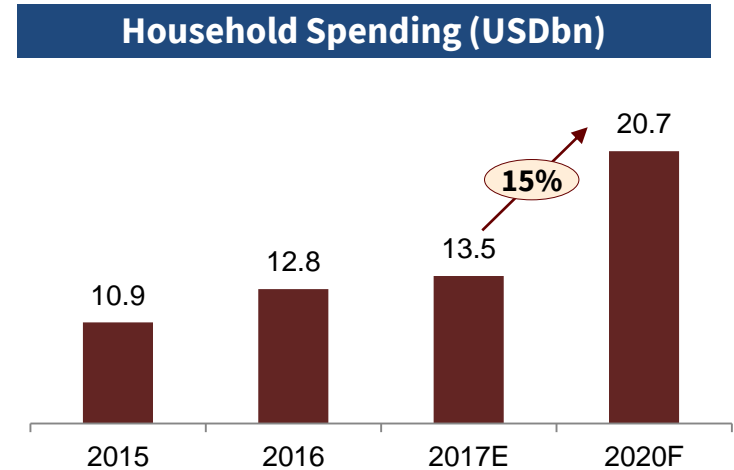
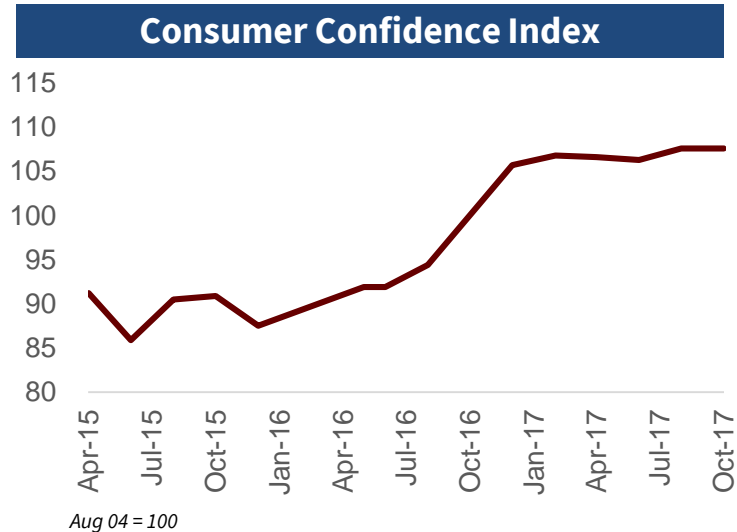


# Emerging Middle Class Upbeat on Economic Prospects

Rising consumer confidence and increase in spending

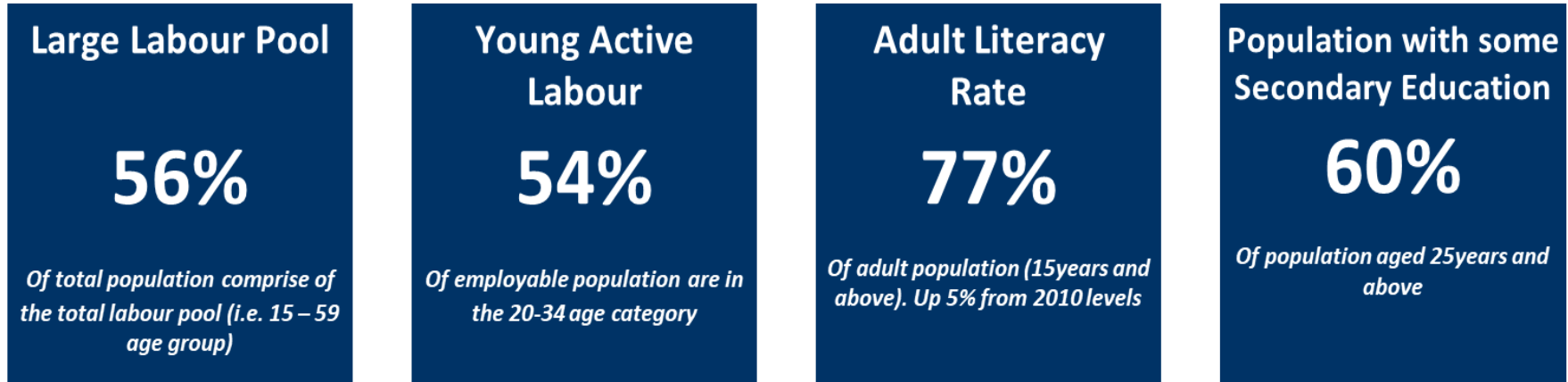
## Key Highlights

- Ghana is a thriving middle income class country with the 2nd largest economy in West Africa
- Consumer spending expected to hit ~USD 21 billion by 2020



# Access to a Young Skilled Labor Pool

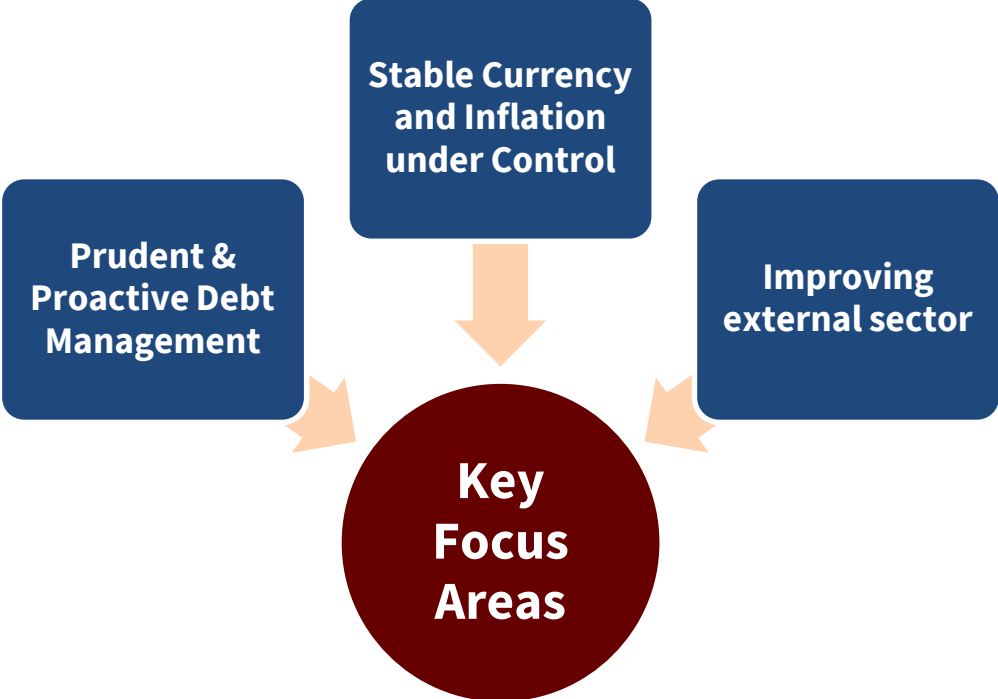
More than half of employable population are young and literate



## Key Highlights

- Ghana has ~60% of the adult population with at least some secondary education, more favourable than key peers such as Kenya (32%) and Cote D'Ivoire (25%)
- Strong efforts to increase enrolment: Free SHS initiative and plans to reduce taxes on private universities

# Key Policy Initiatives Driving Growth and Stability



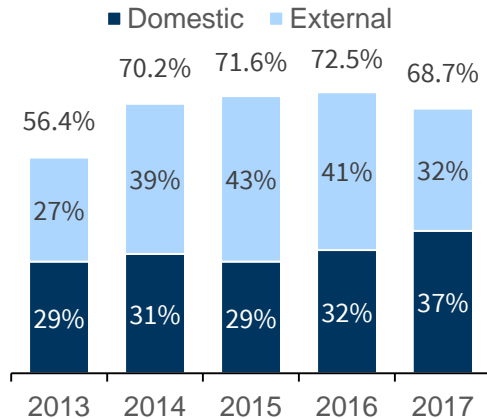
# Proactive Debt Management

Efforts to manage debt at acceptable levels

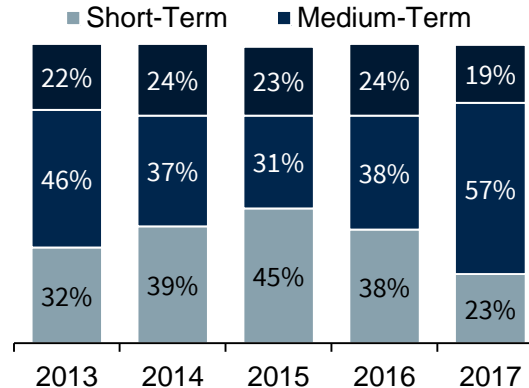
## Key Highlights

- Reprofiting and liability management to create fiscal space, reduce cost of debt and reduce volatility and pressure on the currency
- Enhanced oversight and credit risk assessment of SOEs

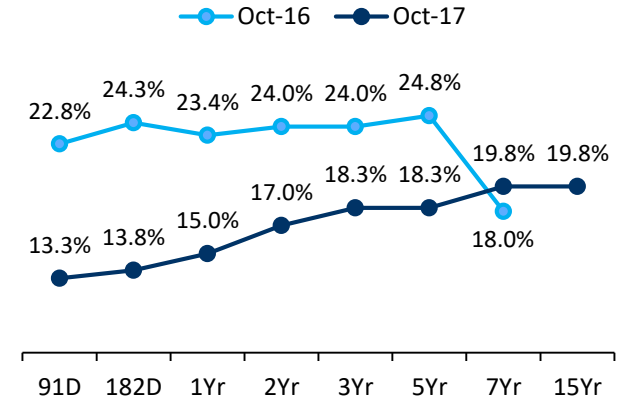
### Improving Public Debt to GDP



### Shift to Longer Term Domestic Debt



### Extension of Maturity Profile & Tightening



# Stabilisation of the Cedi and Inflation Under Control

## Key Highlights

- The Cedi rebounded c.5%<sup>1</sup> since its lowest level in March 2017 driven by robust FDI inflow, strong commodity sales, inflows from donor partners and IMF support
- Inflation expected to trend downwards to year end target band of 11.2%

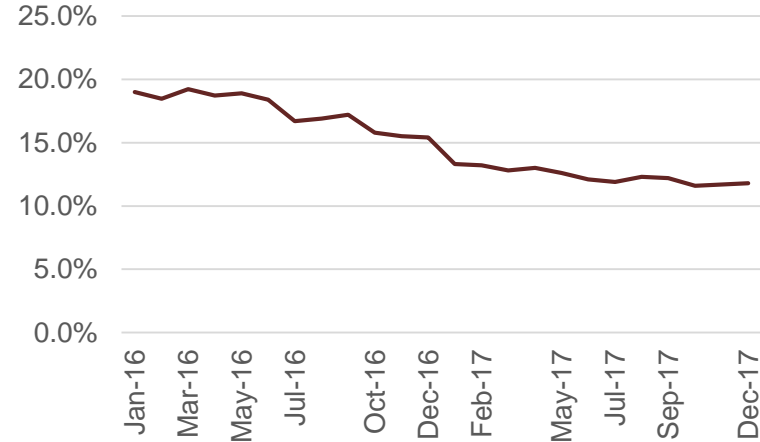
## Stabilisation of Cedi vs. USD

Strong performance of the Cedi over the last 6 months



## Declining Headline Inflation

Inflation expected to stabilize in low teen



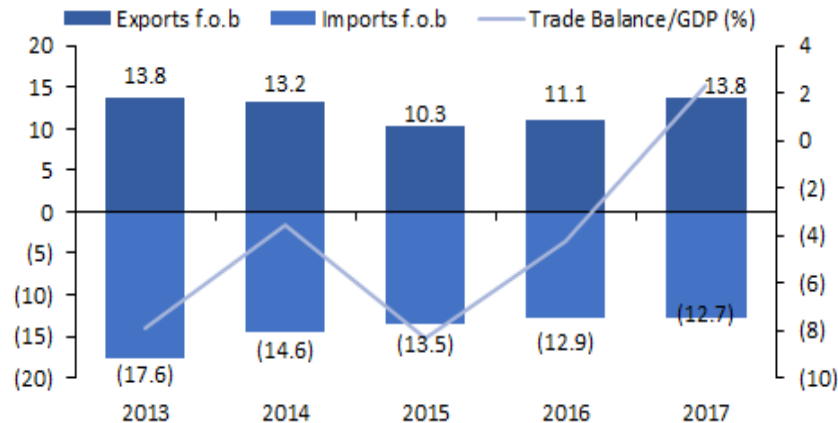
# Improvement in the External Sector

## Key Highlights

- Trade balance surplus on the back on strong export revenues
- Increasing international reserves position and sufficient import cover

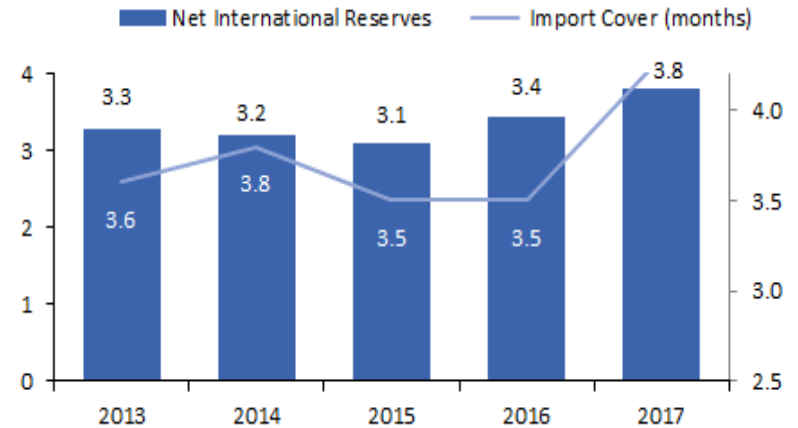
### Improving Trade Balance

Positive trade balance driven by strong recovery in commodity exports



### Net International Reserves & Import Cover

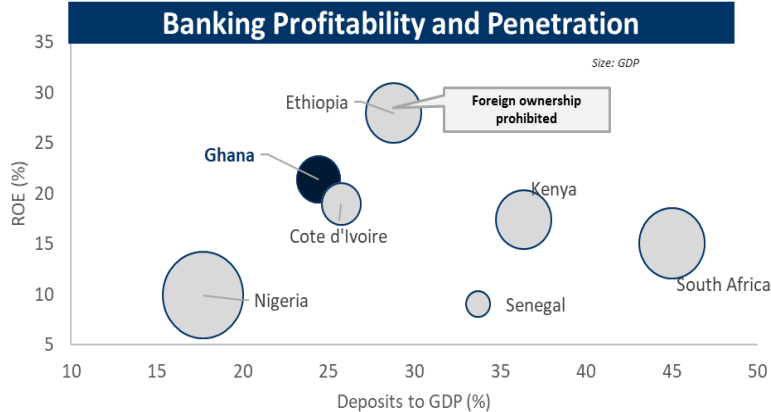
Increasing net international reserves



Where are the investment opportunities?

# Financial Services

- Most profitable banking sector in Africa that allows foreign ownership
- USD1.5 billion banking recapitalisation
- Low penetration (30% Banking; <2% Insurance)
- Over 70% growth in asset management and pensions (2013 - 2016)



Source: World Bank Global Financial Development Database; BoG; Sentinel Global  
Note: 1. Based on latest reported data (2015 numbers) as per the World Bank's database





“Ghana is not only a business friendly environment, but also a country which is **open to global businesses.**”

Patrick Prado, President (CCI France Ghana)  
and Managing Director (Allianz Ghana Life  
Insurance)

*Press Release on The BFT Online, Friday 24th  
November 2017*



“Africa is alive with many possibilities if we look beyond the short-term challenges, and West Africa is definitely **a region of focus.**”

Dr. Manessah Alagbaoso, Head of Commercial  
Banking (Standard Bank Rest of Africa)

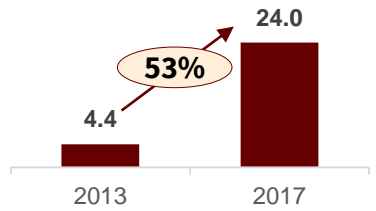
*Press Release on My Joy Online, Tuesday 20th  
September 2016*



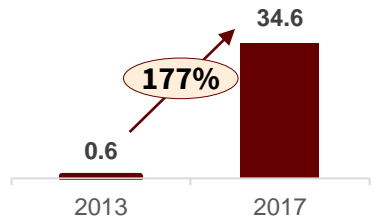
# Fintech Opportunity

- **USD34bn in Mobile Money transactions value** in 2017
  - Phenomenal growth of 177%
- Mobile Money **customer growth of 53%**
  - Penetration of ~85%

Growth of Customers

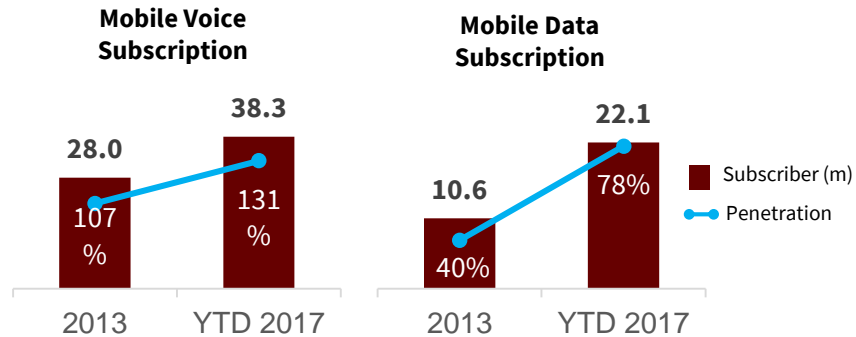


Transaction Value (USDbn)



# Information Communication & Technology

- Significant penetration of mobile voice subscriptions of 131%
- Data subscriptions have more than doubled since 2013



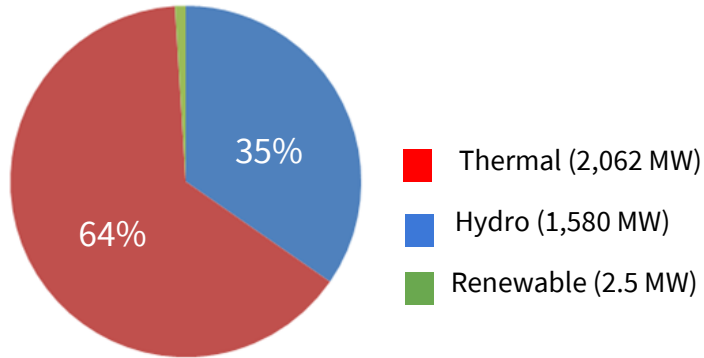
Source: NCA; Sentinel Global

Note: YTD 2017 for Mobile Voice Subscription is as at September, and Mobile Data Subscription as at July.



# Energy

- Total installed power capacity of 3,644.5 MW
- Privatisation of 1,250MW thermal power plants
- An estimated \$2Bn in capital required



Source: GIPC;  
Note: 1. Numbers based on 2017 end of year



# Transport Infrastructure

- Railway:   
**Over 4,007 km of integrative railway needed.**  
Estimated capital required – **USD21.0Bn**
- Ports:   
Ghana to become **maritime hub** for West Africa via the **USD 1.5bn Tema port expansion** to be completed in 2019
- Aviation:   
**Expansion works** in Accra and Kumasi Airports  
**New national carrier**



# Real Estate

- Attractive yields averaging 10% on retail, office and industrial properties
- 1.7m housing deficit due to supply shortage

## Retail & Office Key Stats

Type	Yield	Rent per Sqm (USD)
Retail	8 – 10 %	20 - 65
Office	9 – 10 %	18 – 35
Industrial	10 – 11%	4 – 10

## Residential (Prime Areas)

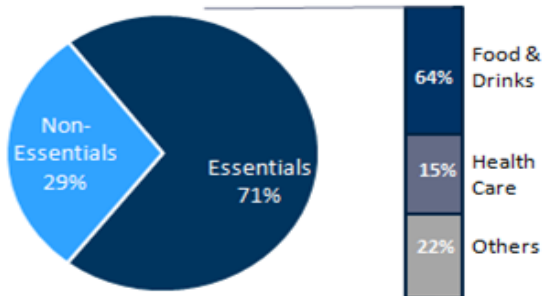
No. of Beds	Rent (USD)	Sale (USD)
1	1.2k -1.5k	200k - 250k
2	2.0k - 2.2k	280k - 330k
3	3.0k - 3.5k	425k - 500k



# Fast Moving Consumer Goods

- Household spending to reach **USD20.7 billion** by 2020
  - Growth of **15%** in USD terms
- Huge potential in the West African
  - **+350m** population with growing middle class

## Breakdown of household spending



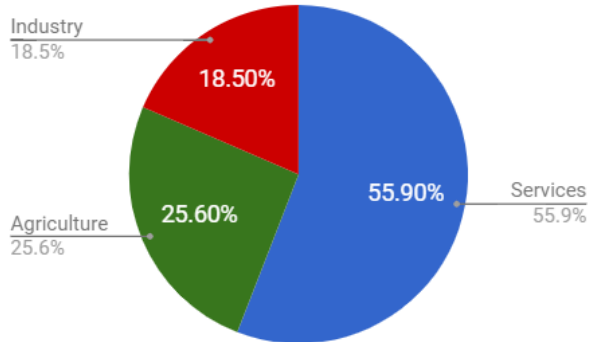
Source: Press Releases; BMI; Sentinel Global



# Manufacturing & Industry

- Contributing 18.5% to GDP
- One District, One factory designed to bring about industrial development
- Goal: 216 factories in 4 years.
- Estimated \$500m - \$1bn required

Contribution of different sectors to GDP



Source: GIPC

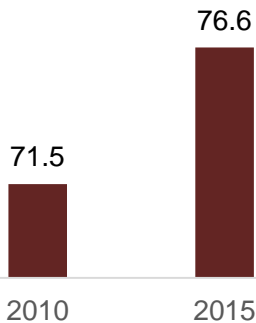




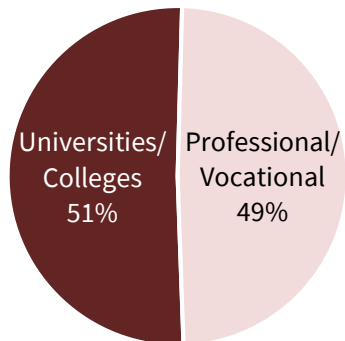
# Investment in Human Capital

- Over 100 higher education institutions and over 150 professional educational centres
- Significant infrastructure investment for tertiary levels

Adult Literacy (%)



Higher Learning Institutions



Source: GES; UNDP; Ghana Budget' Sentinel Global



# Healthcare

- Health care expenditure of USD 1.2billion in 2016
- Pharmaceutical sales making up c.25%, USD300m.
- Private spending make up 40% of total health care expenditure.



# Hospitality & Tourism

- Significant hotel potential with +20k rooms demand
  - Occupancy levels of 67%
  - ADR of USD201; RevPAR of \$134
- 540km of pristine beach due for development
- 36 out of 67 African coastline forts located in Ghana
- Well preserved nature game parks – Mole Game park- 1,500sq.km , Digya- 5,000sq.km

## Some Upcoming Hotels

Years	Brands	Rooms
2017	Marriot	209
2018	Hilton, Radisson	415
2019	Shangri -La	209

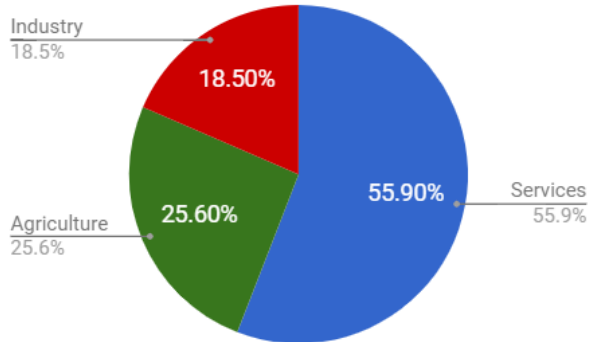
Source: Press Releases; BMI, GIPC



# Agribusiness

- Key initiatives:
  - One Village, One Dam
  - One District, One Factory
- Up to \$1Bn investment needed for agro-processing and value-addition
- 8m hectares of irrigable land

Contribution of different sectors to GDP



Source: GIPC



*“We cannot just look at a country by looking at charts, graphs, and modelling the economy. Behind the numbers there are people.”*

Christine Lagarde

# Mr. Charles Adu Boahen

Dep. Minister of Finance

20+ years in Investment  
banking, asset  
management, real estate  
and private equity

MBA from Harvard



Played an instrumental role  
in the issuance of the new 7  
year and 10 year  
benchmark-sized, nominal  
fixed-rate GHC  
denominated ESLA Bonds.



## **Dr. Ernest Addison**

**Bank of Ghana Governor**

**20+ years as an Economist**

**M.Econ from Cambridge; Phd  
from McGill**

Ensuring bold policy initiatives aimed at fiscal consolidation focusing on tightening expenditure controls and plugging revenue leakages, as well as reprofiling short-term debt into long-term instruments to create fiscal space.

***“Ghana Beyond Aid calls for a rethink of our trajectory, our systems, and our aspirations. Ghana is a beacon to countries across Africa...”***



## **Mr. Ken Ofori- Atta**

Minister of Finance  
30+ years in  
Investment banking,  
asset management and  
private equity  
MBA from Yale



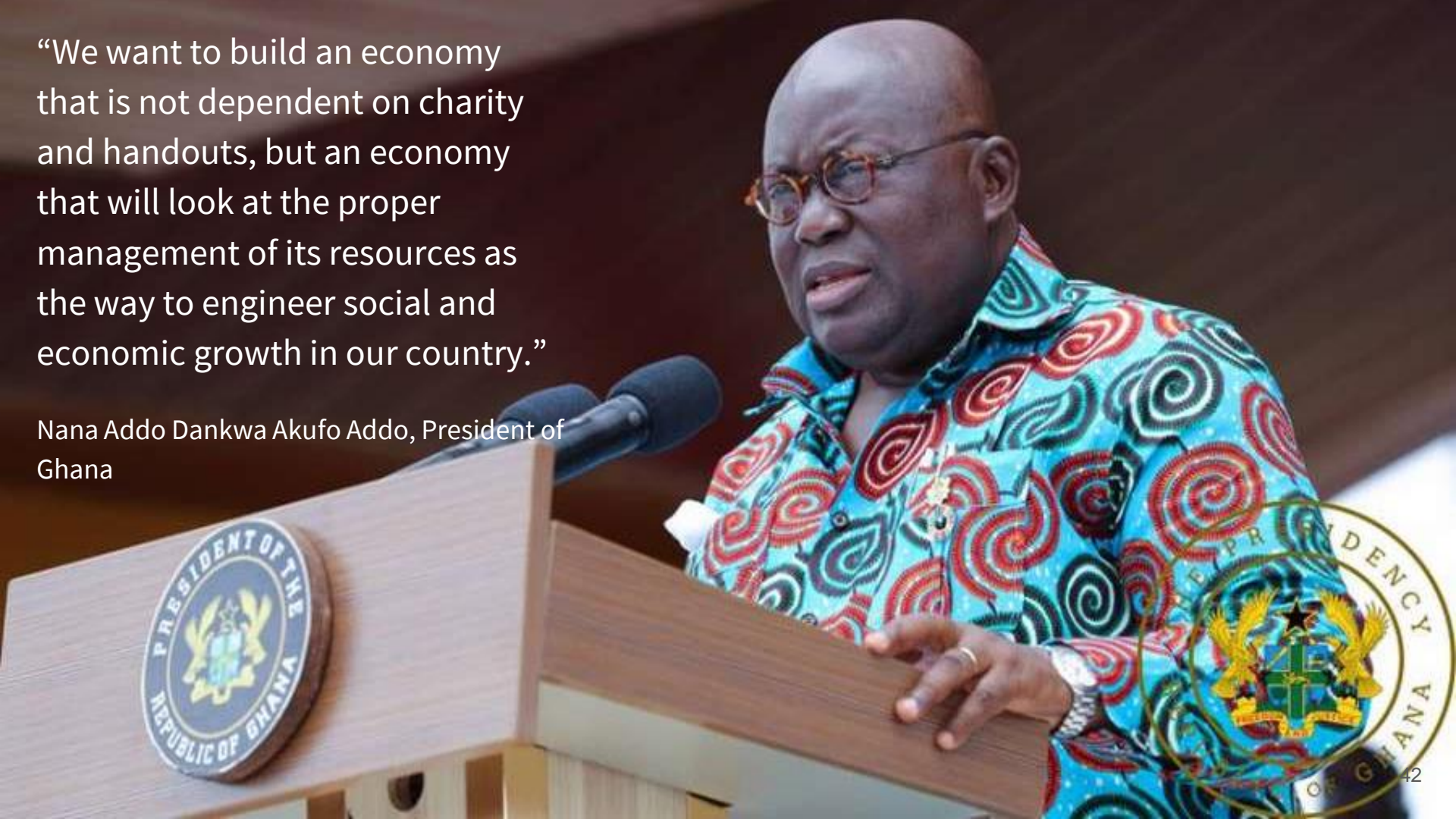
***“We are very optimistic going forward about Ghana. The possibilities for me are endless, if we all put our minds to it.”***

# **Alhaji Dr. Mahamudu Bawumia**

Vice President of the Republic  
of Ghana and Head of the  
Economic Management Team  
30+ years in economics and  
banking  
Ph.D. Economics from  
Simon Fraser  
University

“We want to build an economy that is not dependent on charity and handouts, but an economy that will look at the proper management of its resources as the way to engineer social and economic growth in our country.”

Nana Addo Dankwa Akufo Addo, President of Ghana





Ghana  
A land of possibilities awaits you