

## Ghana Trade and Investment Gateway Project



**Development of a Multipurpose Industrial Park  
Improvement of the quality and standards of services delivered to  
investors and exporters**

### Overview

Over the last ten years, the structured interventions supported by the Trade and Investment Gateway Project in Ghana have resulted in at least 3,214 projects valued at US\$12.6 billion in investment, with the creation of 305,874 jobs for Ghanaians and 10,994 jobs for non-Ghanaians. These interventions included port improvements, the development and restructuring of an Export Processing Zone (EPZ), and the creation of a Multipurpose Industrial Park (MPIP). The targeted investments in physical and institutional linkages between the port, the EPZ and the MPIP produced integrative multi-polar special economic zones (SEZ) in Tema and a capillary of free zones enterprises in the rest of the country.

### Challenge

The main challenge was to create an industrial base for Ghana. Between 1999 and 2005, government believed that providing viable land in Tema with off-site infrastructure and traditional benefits attached to Export Processing Zones (EPZ) regime would attract investors and create jobs. The Gateway project was designed to produce this outcome. During implementation, it became clear that this trickle down approach was not working. The project was redesigned in 2005 and its implementation methodology was retrofitted.

### Approach

Project retrofit successfully piloted an approach to building competitive industrial development platforms in Ghana with interventions targeting the port, the restructuring of the Export Processing Zone (EPZ), the creation of a Multipurpose Industrial Park (MPIP), investments in physical and institutional linkages between the port, the EPZ and the MPIP and alignment of national investment and trade promotion. This retrofit also justified the integrated delivery of smart pro-activist interventions to close gaps along supply and value chains. This approach strengthened and developed backwards/onwards relationships between economic entities, cut down logistics and opportunity costs and ultimately reduced enterprise vulnerability resulting from deficits in infrastructure (both physical and institutional) and lack of cohesiveness of the economic structures in the country. This approach to the development of integrative industrial/economic clusters was fully

More Results



# 305,874

jobs have been created for  
Ghanaians through 3,124  
projects valued at US\$12.6  
billion in investments

#### MORE INFORMATION

- » The Trade and Investment Gateway Project (GHATIG):
- » Country Website
- » Country Brief
- » Country Assistance Strategy
- » Data and Statistics

consistent with World Bank's new paradigm shift towards enhanced competitiveness through structural change.

## Results

### **Overall investment promotion and jobs creation**

A renewed approach to investment promotion and capacity development for both Ghana Investment Promotion Council (GPIC) –with two Regional Investment Promotion Offices outside the capital- and Ghana Free Zones Board (GFZB) resulted in:

- Approximately 3,214 projects valued at US\$12.6 billion registered between 1999 and 2009, with a Foreign Direct Investment (FDI) component of US\$12.1 billion.
- Increase in employment generated through integrated investment and trade promotion to 305,874 for Ghanaians and 10,994 for non-Ghanaians.

### **Specific results of the Free Zones Program**

- Increase in export revenue from US\$148 million in 1999 to US\$1.3 billion in 2008.
- Establishment of 238 new free zone enterprises in the country, including in the Tema EPZ/MPIP.
- Approximately US\$2.6 billion total investment in free zones companies.
- Increase in export revenue generated by free zones companies from US\$148 million in 1999 to US\$1.3 billion in 2008.
- Direct employment of 8,000 people and estimate of 30,000 indirect jobs created.

### **Specific project results for the Tema Industrial Zone and the port**

- Twenty-four industries operating at the enclave while over 40 more industries have acquired lands.
- Sixty percent of the land that remained undeveloped until 2008 has been re-allocated to an enclave developer who has started on-site infrastructure and agreed (with GFZB) on a timetable to complete development within 18 months.
- About 3,000 direct employment and an estimated 6,000 indirect jobs have been created.
- Environmental Protection and Pollution Control legislation ready for Cabinet approval.
- Establishment of an office in Tema for the Environment Protection Agency (EPA) to regulate, monitor and enforce environmental standards in industrial estate development and industrial operations in Ghana.
- The congestion of the port has been reduced and together with the provision of the dual carriage access road and a dry port, the time for clearing cargo has been significantly reduced.
- The development of the enclave has encouraged the transfer of technology since there was about 15 percent of expatriate staff at the start, which has reduced to 2 percent within two years.

### **Trade Facilitation**

- The Customs, Excise and Prevention Services (CEPS) installed and operationalized a new Ghana Customs Management System (GCMS) on an automated electronic platform, christened, Ghana Community Network System (GCNet) and the CEPS is now

ISO 9001:2008 certified.

- The Ghana Immigration Services (GIS) introduced and automated the ***visa-on-arrival*** (VOA) scheme with the issuance of visas online within 24 hours.
- Improvement of departure and arrival formalities with automated systems at Kotoka International Airport (KIA).
- Installation of electronic data management systems and streamlining the issuance of resident and work permits.
- The GIS mainstreamed trade facilitation and customer care in its training courses.
- Decoupling of the Ghana Civil Aviation Authority into two entities namely, the Ghana Airports Company Limited for the managements of airports in the country and the Ghana Civil Aviation Authority for purely aviation matters.

## Bank Contributions

The International Development Association (IDA) financed approximately US\$50.5 million of the project. The Government of Ghana contributed approximately US\$3.4 in counterpart funds and about US\$2.1 million was provided by the private sector for the development and provision of teleport facilities for the export-processing zone.

## Partners

The project had numerous Ghanaian partners during implementation, including: Ghana Free Zones Board (GFZB), Ghana Port and Harbor Authority (GPHA), Ghana Immigration Services (GIS), Customs, Excise and Prevention Services (CEPS), Ghana Investment Promotion Council (GIPC), Ghana Civil Aviation Authority (GCAA), Ghana Airports Company Limited (GACL), Environment Protection Agency (EPA), the GCNet and the Ghana Investment Advisory Council (GIAC). Other development partners were associated with the project retrofit exercise and proposed to contribute to and fund a second phase of the program.

## Toward the Future

With the recent discovery and exploitation of oil and gas in Ghana, the integration of local competitiveness platforms may be an appropriate approach to industrial policy and structural change. These platforms could help build integrative economic clusters in the Ghana Western Corridor, support growth that is more inclusive and foster the country's sustainable participation in globalization.