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Ghana's economic awakening

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GHANA has over the last 15 years concentrated much of its efforts on bringing reparation and economic stability to its environment. In March this year, the country celebrated 40 years of independent government and with a year 2020 plan as the objective, Ghana is looking forward to being the gateway to African economic development in West Africa.

In the last 12 years since Ghana began its structural adjustment programme, a combination of liberalising reforms as well as strict fiscal and monetary measures have helped produce an average real growth rate of 5% and bring inflation down from a frightening 120% to 30%.

Ghana's President, Jerry J Rawlings, has opened the door to this new dynamics for economic change and has come up with strategies to create programmes that are investment-friendly. Some of these strategies include the creation of new laws that provide generous incentives, safeguards, as well as unrestricted reparation for genuine investors; and the creation of the Ghana Investment Promotion Centre Act. Those ongoing strategies appear to be working as is being witnessed by the many official and unofficial visits made by Malaysians to Ghana.

In the last 18 months, the Ghana Investment Promotion Centre has embarked on a flurry of activities to create an identity for itself throughout Asia. Particular attention was given to Malaysia, with the leaders of the two countries having visited each other.

During Malaysian Prime Minister Datuk Seri Dr Mahathir Mohamad's official visit to Ghana in November 1996, numerous Memoranda of Understanding were signed and 53 major projects launched.

Among the projects finalised and currently in their implementation stages are TV3's GAMA Media Systems Ltd (GMS), Denko Sdn Bhd's investment in Ghana Commercial Bank Ltd, and Business Focus Sdn Bhd's investment in Tema Shipyard and 600 acres of Tema Export Processing Zone along with the acquisition and opening of the Metropolitan & Allied Bank (Ghana) Ltd. Each of these projects not only stands to bring each country lucrative returns but reflect Malaysia's commitment to sharing its development success with other developing nations. Unlike other investors who have historically gained monetarily from resource-rich African countries, Malaysia is not just buying but also contributing to the development and future of West Africa. This is reflected in the goals and design of these three distinctively different enterprises.

With its generous investment offer, Business Focus Sdn Bhd now owns 60% of Tema Shipyard and Drydock Corporation (TSDC). According to Datuk Amin Shah of Business Focus, the shipyard is an important milestone for both the company and Ghana. 'In today's growing global economy, one of the signs that a nation is economically spreading its wings is when privatisation of a large industry occurs and the best expertise is given the opportunity to effect it.'

With its foundation in the shipbuilding industry, Business Focus' collaboration with Ghana will help that country become a viable player in the West African shipping industry. 'It is a business we know well and have the best resources in terms of people and technology to share with Ghana,' Amin Shah said. The shipyard is located in an industrial area adjacent to the Port of Tema and covers an area of nearly 50 acres with a dry dock facility of 100,000 dwt.

Datuk Nor Azah Awin who leads Denko Sdn Bhd is no ordinary business

person and has years of expertise in financial services and bringing life to failing enterprises. The investment in Commercial Bank Ltd represents another feather in the cap of this amazing lady. Commended in Paris recently as one of the 'Women to Watch in 1997' along with numerous other awards recognising her entrepreneurial excellence, Datuk Nor Azah feels Ghana is ripe for foreign investment and will prove to be a shining example of the changing face of African economics.

Denko's investment and gain of 40% ownership in Ghana Commercial Bank Ltd, one of several commercial banks in Ghana, reflects Datuk Nor Azah's 11 years of banking expertise and confidence that this investment is one where she couldn't lose.

During Mahathir's visit to Ghana, additional projects were also launched such as the GAMA Media Systems Ltd, a television and broadcasting house joint venture between Sistem Television Malaysia Bhd (TV3) and the Ghanaian government.

With the opening of the GAMA Media Systems Ltd office in Accra, the introduction of Ghana's first commercial television station is made feasible. This company is part of TV3's expansion plans abroad. For its Ghana operations, GMS has set up three companies: TV Network Ltd, Cable View Network Ltd (a pay-TV station) and GMS itself which would operate Ghana's nationwide FM radio station.

According to TV3 Managing Director Zahari Omar, his company aims to contribute to the development of Ghana's information and entertainment industry and help it become the best in West Africa. In so doing, GMS and the Ghanaian government have formed a 70-30 joint-venture company which involves a US\$2 million acquisition of the assets of the state-owned Ghana Film Industry Corporation - GFIC. All of this was done in the record time of five months in which only two visits were made by Ghanaian Information Minister Kofi Toboti Quayki and another two visits by his Malaysian counterpart Datuk Mohammed Rahmat to Accra.

Malaysia during this same visit also offered to assist Ghana in 53 infrastructural development projects designated for eventual privatisation. Mahathir later extended this offer to 69 enterprises open to foreign participation under Ghana's economic restructuring programme. The two countries, Mahathir said, should provide the opportunity for both sides to explore downstream manufacturing activities by using locally available resources including gold, timber, cocoa, rubber and agricultural products.

Another result of GIPC's and the Malaysian government's efforts is the signing of a bilateral and three private sector agreements. The bilateral agreement concerns the promotion and protection of investment while the separate sector agreements are on the development of an export-processing zone, selected highways and mineral exploration in Ghana by Malaysian companies.

These are just a few examples of the success stories connected with the efforts of the Ghana Investment Promotion Centre in Accra. It is the centre's intention to maximise from the knowledge gained as well as the good international relations that Ghana has with Malaysians as a result of their already existing ventures.

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