

IN THE THIRD SESSION OF THE FOURTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF  
GHANA

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REPORT OF THE COMMITTEE ON TRADE,  
INDUSTRY & TOURISM

ON THE

2008 ANNUAL BUDGET ESTIMATES

OF THE

MINISTRY OF TOURISM AND DIASPORAN  
RELATIONS

**IN THE THIRD SESSION OF THE FOURTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA.**

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ON THE 2008 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF  
TOURISM AND DIASPORAN RELATIONS**

**1. INTRODUCTION**

In accordance with article 179 of the 1992 Constitution of Ghana, the Minister of Finance and Economic Planning on Thursday 15<sup>th</sup> November 2007, presented to the House, the budget statement and Economic Policy of the Government of Ghana for the 2007 financial year.

The Speaker subsequently referred the Annual Estimates for the year 2008 of the Ministry of Tourism and Diasporan Relations to the Committee on Trade, Industry & Tourism, pursuant to Standing Orders 140(4) and 159 of the House.

**2. TERMS OF REFERENCE**

The Committee was requested to consider the Annual Estimates of the Sector Ministry and report to the House.

**3. DELIBERATIONS**

The Committee met and deliberated on the Annual Estimates with the Minister of Tourism and Diasporan Relations, Hon. Asamoah Boateng, Mrs. Bridget Katsriku the Chief Director and other officials of the Ministry including Directors of the Ghana Tourist Board (GTB) and the Hotel Catering & Training Institute (HOTCATT).

**4. REFERENCE DOCUMENTS**

The Committee in its deliberations referred to the following:-

1. The 1992 Constitution of the Republic of Ghana.
2. Standing Orders of the House.
3. The 2008 Budget Statement and Economic Policy

5. **MISSION STATEMENT**

The Ministry of Tourism and Diasporan Relations exists to formulate policies, which will create the enabling environment, especially the friendliness of Ghanaians for development of a sustainable Tourism, to contribute towards the enhancement of Ghana's Socio-economic goals.

6. **IMPLEMENTING AGENCIES**

The main implementing agencies of the Ministry are the Ghana Tourist Board (GTB) and the Hotel and Catering Training Institute (HOTCATT).

**OVERVIEW OF 2007**

The Ministry received an approved budget of c52,423.00 million for the 2007 fiscal year.

The breakdown is as follows:-

Activities	Amount (Billions)
i. PE	- 6,211.00
ii. Administration	- 7,600.00
iii. Service	- 3,191.00
iv. Investment	- 23,262.00
v. HIPC	- 10,000.00
vi. IGF	- c5,242,300.00

7. **PERFORMANCE OF THE MINISTRY IN 2007**

In line with its planned programmed activities for year 2007, the Ministry was able to achieve some successes which are detailed below:

- The ministry participated in some major international and domestic fairs and exhibitions to market the tourism potentials and products of Ghana. The response to these fairs has been encouraging as there have been several contacts and enquires from potential investors and tourists.
- The Ministry launched the "Joseph Project" which enjoyed considerable foreign participation. The project is aimed at making Ghana the gate-way to the "Home Land" for over 40 million African Diasporans in especially America.



- The “Third Hang and Paragliding Festival” was also organized in the year 2007. This recorded the participation of twenty six international gliders, as well as 205 foreign tourists. The number of Ghanaians who also participated tripled over the last two events.
- Sensitization Programmes to promote the understanding of the role of tourism in community development, were organized by the Ministry for Media Practitioners, Parliamentarians and other development agencies.
- In pursuance of the establishment of a Coastal Area Authority, the Ministry completed twenty cadastral plans for identified sites along the coastlines, together with completed Ortho-photo maps of the entire coastline to facilitate private sector investments
- The Ministry utilized most of its investment allocation to complete five more Receptive Facilities, to bring the total number to nineteen (19) facilities across the length and breath of the country. This is to encourage repeat visits to tourist destinations.

#### **8. BUDGETARY ALLOCATION FOR 2008**

The Ministry has been allocated a sum of GH¢4,043,663.00 for implementation of its programmes and policies in the 2008 fiscal year.

The breakdown which shows a negative variance of 22.88% over 2007 allocation is depicted below:

<b>ITEM</b>	<b>2008 GH¢</b>	<b>2007 GH¢</b>	<b>VARIANCE</b>
P.E	752,243.00	621,100.00	131,143.00 21.11%
ADMIN	807,226.00	760,100.00	42,126.00 6.2%
SERVICE	319,104.00	319,100.00	4.00 0.00%
INVESTMENT	1,860,960.00	2,326,200.00	(465,240.00) (20%)
HIPC		1,000,000.00	(1,000,000.00) (100%)
IGF	304,130.00	215,800.00	88,330.00 40.93%
<b>TOTAL</b>	<b>4,043,663.00</b>	<b>5,242,300.00</b>	<b>(1,198,637.00) (22.86%)</b>

#### **9. OUT LOOK OF THE MINISTRY FOR 2008**

In line with the objectives of the GPRS II, the Ministry hopes to implement policies that would increase tourists arrivals by 20% over the 2007 arrivals. The programme would also increase employment potentials in the tourism sector by 5% over that of last year. These policies are expected to generate US\$1.5 billion by December 2008.

- 9.1 The Ministry is also expected to participate in five international exhibitions/fairs to promote the tourism potentials and products of Ghana.
- 9.2 The Ministry as part of its objectives will also organize the Emancipation Day, Joseph Projects and World Tourism Organization Day.  
The Ministry will collaborate with the Local Organizing Committee (LOC), to organize the "Ghana 2008" fiesta in January 2008. These programmes are expected to attract over one million visitors to Ghana.
- 9.3 The Ministry will establish a Coastal Area Authority to promote and manage Ghana's coastal lines. It is anticipated that this would address the waste and sanitation problems, which would invariably create revenue and income generating opportunities in communities along the country's coast lines.
- 9.4 The Ministry will also continue the facilitation of the Old Accra Development project and facilitate the construction of two new receptive facilities at Akwamufie and Saltpond. The Ministry would ensure that the completion of the on-going projects at Agogo Adasewase, Wli and Salaga.
- 9.5 The fourth paragliding festival at Atibie in the Kwahu District would also be organized in 2008, to promote both domestic and international tourism.

## **10 OBSERVATIONS AND RECOMMENDATIONS**

After meeting with the Hon. Minister and officials of the Ministry Tourism and Diasporan Relations, the Committee made the following observations and recommendations.

### **10.1 THE GHANA TOURIST BOARD (GTB)**

The GTB which acts as the implementing agency of the Ministry of Tourism and Diasporan Relations has been allocated a sum of GHc2,162,703 for the 2008 fiscal year, for the implementation of its programmes and activities.

The Board would among other things, continue to facilitate the setting up of Rest Stops along the major roads in the country, to improve sanitation and comfort of tourist and travellers.

Also the Board is still in an acting capacity with its directors working in acting positions. This situation does not augur well for effective delivery of service.

**The Committee recommends that, in line with the expected increase of visitors to the up-coming Ghana CAN 2008 and the UNCTAC Conference in 2008, the Board should improve its performance to ensure that visitors needs and comfort are not compromised.**

Further steps should be taken to ensure the acting role of the Board is rectified with a permanent constitution of the Board.

The Committee is, satisfied with the completion of the Head Office Building of GTB. It is the hope of the Committee that the project would effectively enhance their output.

## **10.2 HOTEL CATERING & TRAINING INSTITUTE (HOTCATT)**

HOTCATT offers the requisite training for people in the hospitality industry. Two fully furnished computer rooms were completed to improve the capacity of HOTCATT to train practitioners in modern methods of hotel and restaurant administration.

For 2008 fiscal year, HOTCATT has been allocated an amount of GH¢350,000.00 for its training programmes to improve skills acquisition and quality service delivery in the industry.

It is the view of the Committee that, the successful running of hotels and restaurants industry depends on the quality of food and its trained personnel. Statistics in 2005, however, indicated that only 30% of employees in the tourism industry had the requisite training and skills. This figure suggests that 70% of employees in the industry have not received any formal training.

The Committee is urging the Government to encourage private sector participation in the training of personnel in the tourism and hospitality industries through the provision of incentives like tax holidays and exemptions. The Ministry should also expedite action on negotiations with GIMPA to enable the institute to absorb the training schemes of HOTCATT into its programmes. This is expected to increase intake of trainees for the hospitality industry.

**10.3** The Committee expressed concerned about the decrease in budgetary allocation of the Ministry of Tourism. In 2008, the Ministry has for instance been allocated an amount of GH¢4,043,663 which represents only 0.094% of total allocations to MDAs for the fiscal year. Further to this, The Committee also

observed a 22.86% decrease in the 2008 allocation as compared to the 2007 fiscal year.

Mr. Speaker, though the Committee takes cognizance of the fact that the policy direction of the government for 2008 is geared towards capital injection into infrastructural development in the energy, road and rail sectors, we are still of the view that the decrease is unfair to this sector.

**The Committee is of the view that since tourism has assumed an international dimension, policies on tourism should be given special attention. Selection of some of the roads, rails lines and energy projects could for instance be directed towards tourist destinations. It is the opinion of the Committee, this process would expand industrial development and growth in the tourism sector.**

- 10.4** Ghana has been given the Vice Chair position in United Nation World Tourism Organization (UNWTO) Executive and has also won the bid to hold the UNWTO Day in Ghana. The celebration of the UNWTO Day in Ghana in 2008 will focus the world's attention on Ghana and help promote the country's tourism products to the world at large.

**The Committee therefore recommends to the government to make adequate funds available for the planning of the programme to ensure its successful celebration.**

- 10.5** The Committee further observed that information literature on tourism products and potentials are not easily accessible to both domestic and foreign potential tourists. The establishment of Regional and Districts tourism information centres are to promote and enhance tourist destinations and attraction.

**The Committee recommends that efforts should also be made to market the country on various web sites, pamphlets, travel magazines, documentaries and advertisements in targeted destinations all over the world.**

- 10.6** The Committee recognizes the fact that the tourism industry should be private sector led and managed. However, the infrastructure base should be developed by government. It must be pointed out that allocations for infrastructure development are not geared towards this direction.

The Committee is reiterating the need for the setting up of a Tourism Development Fund which will fund tourism development projects. The fund should be resourced from a percentage from the District Assembly Common fund, the hospitality and telecommunication industries since these sectors are the major beneficiaries of tourist arrivals.

The Committee is also urging the Ministry to institute regular platforms for stakeholders in the tourism industry to brainstorm on measures to fund tourism development programmes and tourism promotion.

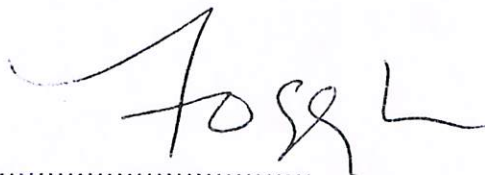
The Committee is also urging the Ministry to plan and propose Meetings, Incentives, Conference, Events (M.I.C.E) strategy for the country to boost tourist arrivals and foreign exchange revenues.

Finally, Mr. Speaker, Tourism is one of the fastest growing industries globally. Ghana's tourism industry needs to be organized expeditiously, with massive capital injected into the provision of infrastructure. It is estimated that tourism can over take Ghana's major commodities in terms of foreign earnings and increase employment in the informal sector. The Committee therefore recommends that the industry should be given the necessary budgetary support to unearth its potential to support the economy of Ghana.

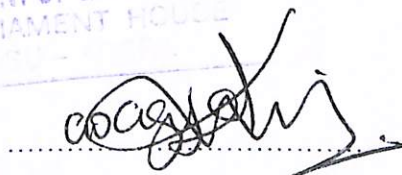
## 11 CONCLUSION

After critically considering the Annual Budget Estimates of the Ministry Of Tourism And Diasporan Relations, the Committee recommends that this House approve the sum of Four Million Forty-three Thousand, Six Hundred and Sixty-Three Ghana Cedis (GH¢4,043,663) for the activities of the Ministry for the 2008 fiscal year. .

Respectfully submitted.



Hon. J.B Danquah  
Chairman, Committee on  
Trade, Industry & Tourism



Akua Owusu-Agyekum (Mrs.)  
Clerk to the Committee