

**IN THE FIRST SESSION OF THE SIXTH
PARLIAMENT**

OF THE

FOURTH REPUBLIC OF GHANA

REPORT OF THE COMMITTEE

ON

TRADE, INDUSTRY AND TOURISM

ON THE

**2013 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF TOURISM, CULTURE AND
CREATIVE ARTS**

20TH MARCH, 2013

**THE REPORT OF THE COMMITTEE ON TRADE, INDUSTRY & TOURISM ON
THE 2013 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TOURISM,
CULTURE AND CREATIVE ARTS**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2013 Financial Year was presented to the House on Tuesday, 5th March, 2013 in accordance with Article 179 of the Constitution of Ghana by the Hon. Minister of Finance Mr. Seth Emmanuel Terkper.

Pursuant to the Standing Orders 140(4) and 159 of the House, the Rt. Hon. Speaker referred the Annual Estimates for the 2013 of the Ministry of Tourism, Culture and Creative Arts to the Committee on Trade, Industry and Tourism for consideration and report.

In considering the Annual Estimates, the Committee met with the Hon. Minister of Tourism, Culture and Creative Arts, Hon. Elizabeth Ofose-Adjare, the technical team from the Ministry. The Committee wishes to express its gratitude to them for their immense assistance.

2.0 REFERENCE DOCUMENTS

The following documents served as reference guide during the Committee's deliberations:

- 1992 Constitution of the Republic of Ghana;
- Standing Orders of the House
- MDAs 2012 Actuals
- 2013 Budget Statement and Economic Policy

3.0 MANDATE AND MISSION OF THE MINISTRY

The mandate of the Ministry of Tourism, Culture and Creative Arts is to initiate and formulate policies, plans and programmes as well as coordinate, monitor and evaluate effectiveness and efficiency of the performance of the Tourism and Cultural Sector. It exists to create environment for sustainable growth and development of the tourism, culture and creative arts sub-sectors to contribute enormously to Gross Domestic Product (GDP), good governance and international partnership for the overall development of Ghana.

4.0 IMPLEMENTING AGENCIES

1. Ghana Tourism Authority
2. Hotel Catering and Tourism Training Centre (HOTCATT)
3. Ghana Tourism Development Company
4. National Commission on Culture
5. Bureau of Ghana Languages
6. Ghana Museums and Monuments Board
7. National Theatre of Ghana
8. Kwame Nkrumah Memorial Park
9. W.E.B. Dubois Memorial Centre
10. National Symphony Orchestra
11. Ghana Dance Ensemble
12. Abibigromma Theatre Company
13. National Folklore Board
14. Pan African Writers Association

5.0 PERFORMANCE FOR THE YEAR, 2012

The Ministry was allocated a total budget of **Nine million, six hundred and fifty eight-thousand, six hundred and twenty-two Ghana Cedis (GH¢9,658,622.00)** for the 2012 fiscal year for itself and its two agencies – Ghana Tourism Authority (GTA) and Hotel, Catering and Tourism Training Institute (HOTCATT) to cater for Compensation, Goods and Services, Assets, Internally Generated Fund (IGF) and Donor Component. Out of the **Nine million six hundred and fifty eight thousand and six hundred and twenty-two Ghana Cedis (GH¢9,658,622.00)**, the Ministry received **Eight Million, Two Hundred and Eighty-Six Thousand, Six Hundred and Eighty-Four Ghana Cedis and Ninety-Eight Pesewas (GH¢8,286,684.98)**, out of this **Four Million, Five Hundred and Eighty-One Thousand, Seven Hundred and Twenty-Two Ghana Cedis (GH¢4,581,722.00)** was for the payment of compensation of employees, leaving a balance of **Three Million, Seven Hundred and Four Thousand, Nine Hundred and Sixty-Two Ghana Cedis, Ninety-Eight Pesewas (GH¢3,704,962.98)** for Goods and Services and Assets which was woefully inadequate.

The details are outlined in Table 1:

Table 1: BUDGET CEILING FOR 2012 SUMMARY BY COST CENTRE

ITEM	GENERAL ADMINISTRATION	GHANA TOURISM AUTHORITY	HOTCATT	TOTAL	ACTUAL RECEIPT	DIFFERENCE	% DIFF
Compensation of Employees	542,069.00	1,000,000.00	-	1,542,069.00	4,581,722.00	3,039,653.00	197.12
Goods & Services	1,507,513.00	2,225,152.00	350,000.00	4,082,665.00	2,716,782.00	(1,365,883.00)	(33.46)
Assets	1,060,614.00	345,266.00	200,000.00	1,605,880.00	988,180.98	(617,699.02)	(38.46)
IGF		646,000.00		646,000.00		-	
DONOR	1,782,007.00	-	-	1,782,007.00		1,782,007.00	
GRAND TOTAL	4,892,203.00	4,216,418.00	550,000.00	9,658,621.00	8,286,684.98	2,838,077.98	

It was noted that there was a shortfall of about 35% for the Goods & services and Assets allocations. The shortfalls of about 35% as well as logistics were the major issues to be addressed. The non-release of the ministry's budget for 2012 fiscal year by Ministry of Finance and Economic Planning created a huge challenge in the implementation of the Ministry's programmes and activities. It also left significant commitment and arrears which are yet to be settled.

5.1 Programmes and Activities of the Ministry in 2012:

- Over ten (10) international Tour Operators expressed interest to promote tour to Ghana.
- Initiation of CNN Eye on Ghana Project as part of improving global information access to Ghana's tourism. This Project is estimated at One Million, Five Hundred US Dollars (US\$1.5 million) is currently on hold.
- Produced and distributed Three Thousand, Two Hundred and Seventy-Five (GH¢3,275.00) promotional materials to Ghana Mission abroad.

- Participated in the 38th African Travel Organization Annual Congress and Trade Show at Victoria Falls, Zimbabwe to showcase Ghana's Tourism to American Tour Operators and international Media.
- Organized the 7th Okwahu hang Paragliding Festival at Atibie during the Easter Festival.
- Five (5) major events on the National Tourism Calendar were organized to promote domestic and international tourism in the country as notably among them are:
 - i. National Chocolate day celebration – 14th February
 - ii. 1st African Choral Music Festival “Sing Aloud”
 - iii. World Tourism Day at Akosombo

5.2 Other initiatives of the Ministry

The Ministry organized tours for Six hundred (600) students. One hundred and fifty (150) each from the Greater Accra, Volta, Northern and Upper West Regions to tourist sites outside their respective regions. This resulted in Youth appreciation of the country's local cultures and environment. It also fostered social cohesion through their interactions with different ethnic groupings.

5.3 Accra Visitor Information Centre

The Accra Visitor Information Centre (AVIC) which is to serve as one -stop-shop information, ICT, entertainment and sports tourism centre for all domestic and international tourists is at its final stage of completion.

5.4 UNWTO/UNIDO/ Government of Ghana Collective Action for Sustainable Tourism (COAST) Project at Ada

The Coast Project under the theme: “Integrated Eco-tourism Destination Planning and Management for the Ada Estuary” which seeks to strengthen existing environmental policy, legislation and institutional arrangements for encouraging and achieving better environmental management in smaller

hotels sector in Ada and promoting eco-tourism in Ada and its environs, is on course.

5.5 UNWTO-ST-EP Government of Ghana “Thank You Small Library Projects”

The Ministry in collaboration with the UNWTO ST-EP Foundation established Five (5) new Libraries in 2012 at Mamprobi, Prampram, Akwatia, Anfoega, Wuve and Tema New-Town. A total of twenty-nine (29) “Thank You” Small Libraries have so far been established across the country.

5.6 Preparation of new 15 year National Tourism Development Master Plan(2013- 2027)

The Ministry reviewed its fifteen (15) years National Tourism Development Master Plan (1996- 2010) and prepared a new 15-year National Tourism Development Plan (2013- 2027) to enhance the contribution of tourism sector to national and local economic development.

5.7 Restructuring of HOTCATT

Cabinet has approved the restructuring of HOTCATT into a National Tourism and Hospitality Training Institution with accreditation from the National Accreditation Board. It will be a certificate and Diploma Awarding Institute. Proposals on both Institutions are being worked on by the Ministry under a Public-Private Partnership arrangement.

5.8 Passage of Tourism Levy Regulations (L.I 2185) / Tourism Development Fund

The Ministry facilitated the passage of Tourism (Levy) Regulations, 2012 which took effect from October 1, 2012, leading to the establishment of the Tourism Development Fund. The Ministry and Ghana Tourism Authority (GTA) also organized sensitization programmes to all stakeholders throughout the ten regions of Ghana on the Tourism Act 817 and the implementation of the Tourism Levy Regulation (L.I 2185).

As part of the programme to improve standards, quality service delivery, guarantee visitor satisfaction, repeat visits and boost business of the industry, GTA developed new tourism Enterprises' Schedules in line with Act 817, for Travel Trade Enterprises. Preparation of Accommodation and Catering and other schedules are on-going.

6.0 BUDGETARY ALLOCATION FOR 2013

For the implementation of its programmes and activities, a sum of Eighteen Million, Five Hundred and Eighty-five Thousand, Three Hundred and Seventy-Five Ghana Cedis (GH¢18,585,375.00) has been allocated to the Ministry in the 2013 fiscal year to cater for Compensation of Employees, Goods and Services and Assets for itself and the fourteen (14) Departments and Agencies which fall under the Ministry as shown in Table 2 and 3.

Table 2: 2013 SUMMARY BUDGET

ITEM	TOTAL
Compensation of Employees	2,662,235.00
Goods & Services	7,893,361.00
Assets	3,288,379.00
IGF	3,774,750.00
DONOR	966,650.00
GRAND TOTAL	18,585,375.00

TABLE 3

MINISTRY OF TOURISM, CULTURE AND CREATIVE ARTS
2013 SUMMARY BUDGET BY COST CENTRES

NO	COST CENTRES	Wages & Salaries GHC	Goods & Services				Assets				Total GHC	Internally Generated Fund GHC	Donor	Grand total GHC
			MDA's GHC	SIP GHC	ABFA (G & S) GHC	Sub Total GHC	MDA's GHC	SIP GHC	ABFA (Assets) GHC	Sub Total GHC				
1	Ministry of Tourism, Culture & Creative Art	2,662,235.00	2,893,361.00		5,000,000.00	7,883,361.00	2,288,379.00	1,000,000.00		3,288,379.00	13,843,975.00	3,774,750.00	966,550.00	18,585,375.00
2	Headquarters (GA)	301,993.00	1,454,428.00		100,000.00	1,554,428.00	895,000.00			895,000.00	2,751,421.00	-		2,751,421.00
3	Ghana Tourism Authority	1,091,149.00	867,000.00		200,000.00	1,067,000.00	221,879.00			221,879.00	2,380,028.00	1,285,750.00		3,665,778.00
4	HOTCATT	29,284.00	80,000.00		60,000.00	140,000.00	50,000.00			50,000.00	219,284.00	5,000.00		224,284.00
5	Bureau of Ghana Languages	78,772.00	20,786.00		500,000.00	520,786.00	180,500.00	250,000.00		430,500.00	1,030,058.00	6,500.00		1,036,558.00
6	Creative Arts	-	-		3,000,000.00	3,000,000.00	-			-	3,000,000.00	-		3,000,000.00
7	National Commission on Culture	700,000.00	253,000.00		300,000.00	553,000.00	160,000.00			160,000.00	1,413,000.00	60,000.00		1,473,000.00
8	Ghana Museum and Monument Board	189,018.00	70,000.00		250,000.00	320,000.00	342,000.00			342,000.00	851,018.00	850,000.00		1,701,018.00
9	National Theatre of Ghana	101,164.00	50,789.00		100,000.00	150,789.00	180,000.00			180,000.00	431,953.00	334,000.00		765,953.00
10	Kwame Nkrumah M. P.	15,440.00	25,000.00		80,000.00	105,000.00	70,000.00			70,000.00	190,440.00	443,000.00		633,440.00
11	W. E. B. Dubois Mem. Centre	16,605.00	20,768.00		80,000.00	100,768.00	80,000.00			80,000.00	197,373.00	200,000.00		397,373.00
12	National Symphony Orchestra	63,383.00	5,000.00		70,000.00	75,000.00	26,000.00			26,000.00	164,383.00	15,000.00		179,383.00
13	Ghana Dance Ensemble	39,933.00	5,500.00		100,000.00	105,500.00	23,000.00	250,000.00		273,000.00	418,433.00	250,000.00		668,433.00
14	Abibigromma Theatre Company	21,297.00	10,000.00		70,000.00	80,000.00	45,000.00	250,000.00		295,000.00	396,297.00	270,500.00		666,797.00
15	National Folklore Board	12,866.00	29,000.00		70,000.00	99,000.00	10,000.00	250,000.00		260,000.00	371,866.00	55,000.00		426,866.00
16	Pan African Writers Association	1,331.00	2,090.00		20,000.00	22,090.00	5,000.00			5,000.00	28,421.00	-		28,421.00
	TOTAL	2,662,235.00	2,893,361.00	-	5,000,000.00	7,893,361.00	2,288,379.00	1,000,000.00	-	3,288,379.00	13,843,975.00	3,774,750.00	966,550.00	18,585,375.00

6.1 Programmes and Activities for 2013

In line with realizing the new Ministry's mandate under the Ghana's Shared Growth and Development Agenda (GSGDA) and Presidential Directives, the Ministry will focus on the following:

- Vigorous marketing of Ghana's Tourism, Culture and Creative Arts potentials.
- Re-packaging and development of Tourism and Cultural resources with engagement of Public – Private- Partnerships
- Improvement of standards and quality service delivery in the sector.
- Human Resource Development/Capacity building and Institutional Strengthening
- Developing and strengthening the creative industry to enable the country actively engage in world trade in creative goods and services
- Strengthening the regulatory and institutional framework for the development of national culture

The Ministry will pay the annual membership subscription to United Nations World Tourism Organisation (UNWTO) and Africa Travel Association (ATA) on behalf of the Sector. The National Tourism Website infrastructure will be improved to facilitate global access to information on Ghana's tourism.

The Ministry will also organize sensitization programmes to empower women entrepreneurs in the Tourism Sector. Domestic Tourism will be promoted in some selected schools in the ten (10) Regions.

The 2013 Carnival for Peace will also be organised as part of the effort to develop the creative industry. The implementation of the Collective Action for Sustainable Tourism (COAST) Project at Ada will be continued.

The Ministry will continue with the organization of the HIV/AIDS sensitization workshop for both private and public stakeholders as part of the efforts to reduce HIV/ AIDS transmission in the country.

6.2 Ghana Tourism Authority

The Authority will develop standards for new Tourism enterprises (conference centres, SPAs, Parks, Health Farms, Off-shore catering establishments, Tour guides) and Tourist attractions. Standards and conduct inspections and license tourism plants will be developed in all the regions before September, 2013. Moreover, the Authority will not only establish and operate enforcement Task force for these service standards but also undertake and monitor extension service schemes and returns that will improve quality standards in hotels and other tourism establishments.

6.3 Hotel Catering and Tourism Training Centre (HOTCATT)

The Centre will train Hospitality service providers in the ten (10) regions.

6.4 National Commission on Culture

The Commission will organise Arts Skuul (School) and half-yearly choral music competition for the work-place at the Headquarters (HQTRS). Workshop for visual and Performing Artistes and Production techniques will be organised in the Western Region. Handicraft and Export Production workshop for Craftsmen and Seminars to effectively promote cultural programmes in both the Ashanti and Upper East Regions will be organised respectively.

There will also be the completion of the development of fully-functional Centres for National Culture in all regional and district capitals.

6.5 Ghana Museums and Monuments Board

Awareness creation seminars/workshops on relics collection, protection and preservation of national heritage monuments and sites will be organized by the Board.

6.6 Creative Arts

The Ministry will provide the appropriate legal and regulatory framework for the creative industry for the protection of intellectual property rights. The Ministry will also organize an appropriate cultural forum for the creation of opportunities for developing relevant human resources and support the use of multimedia technology to promote creative arts.

6.7 Kwame Nkrumah Memorial Park

The Park will continue its education and sensitization programme to the general public and tourists about Dr. Kwame Nkrumah's Legacy to Ghana, Africa and the international community.

6.8 W.E.B. Dubois Memorial Centre

The Centre will also continue its education and sensitization to the general public and tourists about W.E.B. Dubois.

6.9 National Symphony Orchestra

The National Symphony Orchestra will provide orchestra music to mainstream national culture in the nation's social and economic development agenda.

6.10 Ghana Dance Ensemble

The Ghana Dance Ensemble will develop and undertake indigenous dances to promote Ghana's dynamic culture.

6.11 Abibigromma Theatre Company

The company will develop drama to promote Ghana's dynamic culture.

6.12 National Folklore Board

The Board will also continue its education and sensitization to the general public on the promotion and preservation of intangible cultural heritage.

7.0 OBSERVATIONS

The Committee observed that the performance of the tourism sector continued to be impressive as the sector recorded growth of over 10% in international tourist arrivals and receipts. Tourism is currently the fourth (4th) highest foreign exchange earner after Gold, Cocoa and remittances. In 2012 it contributed about 4.7 % to GDP by generating One Billion, Seven Hundred and Four Million and Seven Hundred Thousand US Dollars (US\$ 1,704.7 Million) and it created three hundred and fifty-nine thousand (359,000) jobs.

Delays in releases of monthly cash ceilings by the Ministry of Finance and Economic Planning for recurrent and capital expenditure activities is a major concern.

The Committee observed that funds are required for completion of projects such as the National Science Museum, rehabilitation of abandoned Regional Centres of National Culture and the establishment of District Centres.

The Committee noted that the huge shortfall of about 35% occasioned by the non-release of the Ministry's budget for 2012 fiscal year by Ministry of Finance and Economic Planning created a huge challenge in the implementation of the Ministry's programmes and activities. It also left significant commitments and arrears which are yet to be settled.

Officials from the Ministry of Tourism, Culture and Creative Arts informed the Committee that the Ministry presented a budget of Twenty-One Million, Nine Hundred and Fourteen Thousand, Two Hundred and Eight Ghana Cedis (GH¢21,914,208) at the Budget Hearing in September 2012. However only Twelve Million, and Nine Thousand, Nine Hundred and Ninety-One Ghana Cedis (GH¢ 12,009,991) was approved as indicative ceiling for the Ministry, when it had only two Agencies namely Ghana Tourism Authority (GTA) and Hotel Catering and Tourism Training Centre (HOTCATT) under it.

The allocation of Eighteen Million, Five Hundred and Eighty-Five Thousand, Three Hundred and Seventy-Five Ghana Cedis (GH¢18,585,375) for the Ministry and its new fourteen (14) Agencies which has now been allocated puts a major constraint on the implementation of the requisite programmes for the realisation of the new Ministry's mandate. This will adversely affect traditional promotional programmes and on-going investment activities namely:

- Participation in the international tourism exhibitions and fairs, for instance World Travel Market Fair 2012, FITUR, and VAKANTI AND ITB 2013.
- CNN "Eye on Ghana Project" initiated to enhance global access to Ghana's tourism for over one billion people which was estimated at One Million, Five Hundred Thousand US Dollars (US\$ 1.5 Million) has to be shelved for now
- Completion of On-going Tourist Receptive Facilities to enhance patronage at tourist sites and create jobs in the communities and management of over twenty-eight (28) sites is marking time
- New initiative to provide skill training for ten thousand (10,000) youth and women at tourist sites is under funded

Expansion of new the Ministry's mandate calls for supply of adequate logistics, equipment and vehicles for proper coordination, supervision and monitoring of Tourism and Cultural programmes and projects. It was noted that the Ministry has no official cars for the Hon. Minister, the Deputy Minister, the Chief Director, Directors and official pool vehicles.

The Committee further observed that the 7th Okwahu Hang and Paragliding Festival at Atibie during the Easter Festivities attracted twenty-one (21) pilots from seven countries and over fifty thousand (50,000) domestic and international tourists. This resulted in significant improvement of Local

economy of Kwahu, increased incomes for hotels (100% occupancy), restaurants, local transport operators, entertainers etc.

The Committee was informed that the Ministry facilitated the passage of Tourism (Levy) Regulations, 2012 which took effect from October 1, 2012, leading to the establishment of the Tourism Development Fund. Sensitization on the Tourism Act 817 and the implementation of the Tourism Levy Regulation (L.I 2185) were organized for stakeholders throughout the ten regions of Ghana by the Ministry and the Ghana Tourism Authority.

It is worthy to note that the Ghana Tourist Authority developed new tourism Enterprises' Schedules in line with Act 817, for Travel Trade Enterprises. This will help improve standards and quality service delivery and guarantee visitor satisfaction and repeat visits and boost business of the industry.

The Committee was informed that the Ministry will improve the National Tourism Website infrastructure to improve global access to information on Ghana's tourism. The Ministry will also undertake investment feasibility studies to promote SMEs through PPP (GUMA Tourvest Group of South Africa & Others). The Ministry will also conduct research and collate data for tourism statistics (Tourism Satellite Account) to demonstrate full contribution of tourism to economy.

The Ministry will not only organize sensitization programmes to empower women entrepreneurs in the tourism sector but also organise HIV/AIDS sensitization workshop for both private and public stakeholders as part of efforts to reduce HIV/ AIDS transmission in the country.

It came to light that the Government recognized the potentials of the Creative Industries to outline and support Ghana's economic growth. The creative economy is the complex interaction between culture economics and technology. The emerging creative economy has been a leading component

of economic growth, employment, trade and innovation, and social cohesion in many countries.

It was revealed that the Ministry will facilitate the development of cultural villages and enclaves as critical appendages to tourism which is fast gaining economic relevance as a source of revenue generation and employment creation.

Further, the Ministry will expedite the implementation of the three (3) year programme of Action (2013 – 2015) of the Civil Society Organizations towards restoring our national culture and ensuring the achievement of the benchmarks of creativity, excellence and relevance in advancing Ghana's development agenda.

The Hon. Minister for Tourism, Culture and Creative Arts informed the Committee that the Ministry will continue to promote nationwide festivals including the Annual National Festival of Arts and Culture (NAFAC), designed to revive, promote and sustain National Traditional and Music Culture. The Ministry will also promote local cultural, music and dance group. Coupled with this, the subsector will continue its capacity building and sensitization activities tailored to each group's specific needs.

9.0 RECOMMENDATIONS

Based on the above observations, the Committee would wish to make the following recommendations for the consideration of the House.

The Ministry of Finance and Economic Planning should ensure the timely release of funds to the Ministry, and its Agencies.

The Ministry should facilitate the development of cultural villages and enclaves as critical appendages to tourism because of their potential in revenue generation and employment creation.

The Ministry should facilitate the development of cultural villages and enclaves as critical appendages to tourism because of their potential in revenue generation and employment creation.

The Ministry should facilitate the collation of data for tourism statistics (Tourism Satellite Account) to demonstrate full contribution of tourism to the economy.

The Ministry should not only intensify its HIV/AIDS sensitization workshop for both private and public stakeholders as part of efforts to reduce HIV/AIDS transmission in the country but also organized programmes to empower women entrepreneurs in the tourism sector.

10.0 CONCLUSION

The Committee carefully considered the Estimates and the programme of activities of the Ministry of Tourism, Culture and Creative Arts and recommends to the House to adopt its report and approve the sum of **Eighteen Million, Five Hundred and Eighty-five Thousand, Three Hundred and Seventy-Five Ghana Cedis (GH¢18,585,375.00)** being allocated to the Ministry in the 2013 fiscal year to enable it carry out its programmes and activities.

Respectfully submitted



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HON. AMADU B. SOROGHO (ALHAJI)
(CHAIRMAN, COMMITTEE ON TRADE,
INDUSTRY & TOURISM)



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EVELYN BREFO-BOATENG
(CLERK, COMMITTEE ON TRADE,
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20TH MARCH, 2013