

**IN THE SECOND SESSION OF THE FOURTH  
PARLIAMENT OF THE FOURTH REPUBLIC  
OF GHANA**



**REPORT OF THE COMMITTEE ON TRADE,  
INDUSTRY AND TOURISM**

**ON THE**

**2007 ANNUAL BUDGET ESTIMATES**

**OF THE**

**MINISTRY OF TRADE, INDUSTRY, PSD & PSI**

**IN THE SECOND SESSION OF THE FOURTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA**

**REPORT OF THE COMMITTEE ON TRADE, INDUSTRY  
AND TOURISM ON THE 2007 ANNUAL BUDGET  
ESTIMATES OF THE MINISTRY OF TRADE, INDUSTRY,  
PSD & PSI**

**1.0 INTRODUCTION**

On 16<sup>th</sup> November, 2006 the Government Budget Statement and Economic Policy for the 2007 financial year was presented to the House by the Minister of Finance in accordance with Article 179 of the 1992 constitution of Ghana.

Pursuant to Standing Orders 140 (4) and 159 of the House, Mr. Speaker referred the Annual Estimates for the year 2007 of the Ministry of Trade and Industry to the Committee.

**2.0 TERMS OF REFERENCE**

The Committee was requested to critically analyze the estimates and report to the House.

**3.0 DELIBERATIONS**

The Committee met and deliberated on the estimates with Mrs. Gifty Ohene Konadu, Deputy Minister for Trade & Industry, Mr. A. S Bekoe, Chief Director of the Ministry of Trade & Industry and Mr. Bossman Armah, a representative from the Ministry of Finance and Economic Planning as well as officials from Departments and Agencies under the Ministry. The Committee acknowledges the presence of the Hon. Dep. Minister and officials at the meeting and is grateful for their co-operation.

The departments and agencies under Ministry are as follows:

- i. Ghana Trade Fair Company Limited
- ii. Gateway Secretariat (Ghana Trade & Investment Gateway Project)
- iii. Ghana Standards Board (GSB)
- iv. Ghana Export Promotion Council (GEPC)
- v. Gratis Foundation
- vi. Ghana Free Zones Board (GFZB)
- vii. National Board for Small Scale Industries (NBSSI)
- viii. Export Development and Investment Fund
- ix. Private sector development and Presidential Special Initiatives

#### **4.0 MISSION**

1. The Mission of the Ministry of Trade and Industry (MOTI) is to develop a vibrant technology-driven, competitive industrial sector that significantly contribute to Economic growth and employment creation, particularly involving mass mobilization of Rural communities and other vulnerable groups including women.

#### **4.1 OVERVIEW OF 2006**

Below is the Ministry's budget and actuals for the 2006 fiscal year.

<b>ITEM</b>	<b>ANNUAL BUDGET</b>	<b>RELEASES JAN-NOV 2006</b>	<b>% UTILISED</b>
PE	¢38,656,008,000	¢35,434,674,000	91.7%
ADM	¢16,141,000,000	¢14,795,917,000	92%
SERIVCE	¢28,942,000,000	¢23,037,800,000	80%
INVESTMENT	¢10,373,000,000	¢7,441,080,000	71.7%
<b>TOTAL</b>	<b>¢94,112,008,000</b>	<b>¢80,709,471,000</b>	<b>85.7%</b>



#### 4.2 PERFORMANCE OF THE MINISTRY IN 2006

The activities of the Ministry in 2006 include the following:-

- i. The Ministry facilitated the acquisition of the Pwalugu Tomato factory to be operationlised under a joint venture with a private investor. The factory will be commissioned in 2007.
- ii. The Ministry also facilitated the acquisition of the estate of the former Juapong Textiles and has negotiated with a Chinese investor to operationalise the factory for the production of grey baft. The Commissioning will be in the first quarter of 2007.
- iii. Three Export Trade Houses (ETH) were established, namely:  
Ghana Export Trade Company (GEXTRACO)  
Ghana Trade Centre (GTC) and  
Ghana Extrade
- iv. Made-in-Ghana Textiles and garments were exhibited and promoted in all the regions. The promotion of Made-in-Ghana goods is crucial to employment generation in the country.
- v. 1,000 MSE's were supported to improve packaging and quality of their products.
- vi. 160 tailor-made business improvement programs have been organized for 4,200 entrepreneurs.
- vii. 13 additional Business Advisory Centres have been established in Obuasi, Enchi, Half Assini, Asamankese, Odumasi, Adidome, Sogakope, Kyekyewere, Asikuma, Damongo, Bawku and Jirapa bringing the total to 102.

- viii. GTMC warehouses in Tema were acquired, awaiting refurbishment into Garment Factories for 10 local Garment Manufacturers. Currently, 12,000 factory operators have been trained in clothing technology to support the factories.
- ix. 5 Garment Factories are under construction at Adjaben at the former GNTC, in Accra. The five factories are currently employing over 1,200 workers.
- x. 260 unemployed youth went through a 3 year technical apprenticeship training in welding and fabrications as well as metal machining.
- xi. The Ghana Free Zone Board as at September 2006 had registered 21 companies engaged in Metal fabrication, plastics, agro-processing, textiles, jewelry and machines manufacturer. The 21 companies are expected to generate about 1400 jobs.
- xii. EDIF was established to provide financial resources on cessionary terms. For the period January to October 2006, EDIF provided to the Non-Traditional Export Sector financial support to the tune of c155.2 billion. EDIF again has provided a total of c656.5 billion since 2001 to finance various projects in the Non-Traditional Export Sector. Out of this amount c475.3 billion was released as credit for 158 projects, whilst c181.5 billion is in there to support product development and promotional activities in respect of 209 projects.

#### **4.2 FOCUS OF THE MINISTRY IN 2007**

The Ministry in 2007 will focus on the following:

- i. Promote Made-in-Ghana goods and services internationally.
- ii. Provide a level of protection which will encourage the development of competitive local industries.
- iii. Promoting strategic up stream production linkages.

- iv. Promoting entrepreneurship through business development services; and
- v. Facilitating technology transfer in strategic sectors.

## **5.0 BUDGET ALLOCATION FOR THE MINISTRY OF TRADE, INDUSTRY (MOTI) AND ITS AGENCIES**

### **BREAKDOWN IS AS FOLLOWS:**

P.E	-	40,830,000,000
Administration	-	18,601,000,000
Service	-	21,600,000,000
Investment	-	45,439,000,000
<b>TOTAL</b>	-	<b>¢125,470,000,000</b>

Budgetary allocation for Gratis Foundation and Gateway Secretariat are included in the Ministry's Budgetary Allocation. Ghana Free Zones Board and Ghana Trade Fair Company Limited are however self financing.

### **ACTIVITIES FOR 2007**

Some of the activities of the Ministry will be as follows:

- i. The establishment of a cold chain facility from the farm gate to export market centers to improve clearance time and increase Ghana's export competitiveness.
- ii. The promotion of cluster formation to increase the output of micro and small scale enterprises. Steps will be taken to improve the efficiency and competitiveness of micro and small scale enterprise as well as facilitating their access to credit.
- iii. Full implementation of the District industrialization programme. The Ministry has been allocated seed capital of ¢138 billion to

- support flagship industrial projects in each District for which business plans have already been completed.
- iv. 60 export companies will be supported to participate in 10 Trade Shows in Africa, Europe and North America by December 2007.
  - v. Technical centre for capital goods will be established to encourage agro-processing by December 2007.
  - vi. Eight additional Business Advisory Centres will be established in various Districts to promote entrepreneurship, create employment opportunities, reduce rural-urban migration and increase income levels of the rural population.

The eight business advisory centers will be established in the under listed areas:

- |       |                            |   |            |
|-------|----------------------------|---|------------|
| i.    | Bole District              | - | Bole       |
| ii.   | Sissala West District      | - | Gwoku      |
| iii.  | Krachi East District       | - | Dambai     |
| iv.   | Birim North                | - | New Abirem |
| v.    | Tain District              | - | Nsawkaw    |
| vi.   | Karaga District            | - | Karaga     |
| vii.  | Bunkpurugu Yunyoo District | - | Bunkpurugu |
| viii. | Gushiegu District          | - | Gushiegu   |

- vii. 20,000 hectares of oil palm will be planted and one specialized technology centre (STC) for value added oil palm products will be established.

The places to be planted are attached. (Please, see Annexure)

## 6. OBSERVATIONS AND RECOMMENDATIONS

The Committee in considering the Annual Estimates of the Ministry of Trade & Industry (MOTI) would like to report as follows:

### PWALUGU TOMATO FACTORY

The Committee observed that it is a good step in revitalizing agro industry in Ghana, and tomato farming in general. The Committee supports the initiative of a private partnership.

### FREE ZONES BAORD AND ECOWAS PROTOCOL

The Committee noted that there is a problem of water and electricity supply at the Tema Enclave of the Ghana Free Zones. The Tema Enclave requires an average water supply of about 6 million gallons per day at full operation. However, the current supply is at 2 million gallons per month. With the coming on stream of Cargill and Ghana Specialty Fats, the water situation is likely to be chaotic if the enclave does not receive a reliable water supply.

The power situation worsened with the recent load shedding exercise by Volta River Authority (VRA) and Electricity Company of Ghana (ECG). However, with the on going installation of a permanent power system by the World Bank at the enclave, it is expected that power supply will be regular. The facility which is costing 2.2 million dollars is scheduled to be completed by the end of June 2007.

### GHANA TRADE FAIR COMPANY

The Committee further noted that Ghana Trade Fair Company needs to be revamped. The structures are old and the infrastructure is outdated. The Trade Fair needs a major investment of capital.

The Committee urges the Trade Fair Company not to look solely at government for the required funding and investment.

The Company would have to fashion out a viable, bankable business plan and vigorously look for a private investor as partner to revamp the Company with the requisite capital.



## GHANA STANDARDS BOARD

The Committee observed that even though Ghana Standards Board is doing a lot, the Committee was still not satisfied with Standards enforcement in the country.

Members were particularly worried regarding Standards on the quality and accuracy of measures at Petrol Stations, having regard to the recent adulteration of fuel, and quantities of fuel dispensing to Motorist.

Again, Members were worried about the enforcement of Standards on the correct measures of LPG Gas and the use of Cocoa weighing scales at produce buying centres.

The Committee found out that the Standards required by the Board are flouted by operators of Petrol Station, Cocoa buying centres and Gas Filling Stations. There seems to be a gap between the Standard setting and Standard enforcement.

The Committee therefore urges Standards Board to come out with new ways to ensure that Standards are enforced so that the consumer is not cheated, and Ghanaian standards respected worldwide.

The Standards Board should also liaise with the Ministry to explore the possibility of vying some funds to complete the new office block.

## TEXTILE

The Committee also observed that the Ministry has introduced policies to enable importers of African Wax Prints to use only one corridor.

The Committee is of the opinion that the use of only one corridor will to a large extent minimize smuggling and ensure monitoring of the activities of importers.

The Committee was however worried about the persistence of textile smuggling into the Country and is therefore calling on CEPS to live up to expectation in this regard.

The Ministry should collaborate with CEPS to intensify market surveillance to check smuggled textiles at the points of sale.

### GRATIS FOUNDATION

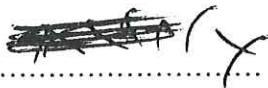
The Committee further observed that the GRATIS Foundation has put in place a 3 year programme to train 30 persons in each region in the country per year.

In selecting the people, the Committee urged the foundation to liaise with MP's who could assist them with the selection of trainees and some funding.

### 7. CONCLUSION

The Committee after critically analyzing the budget and having satisfied itself with the 2007 Estimates of the Ministry and its Agencies recommends that this house approves the sum of **¢125,470,000,000** for the activities of the Ministry of Trade and Industry for the financial year 2007.

Respectfully submitted.



**Hon. Nana Akomea**  
**Chairman, Committee on**  
**Trade, Industry & Tourism**



**Samuel Addei**  
**Clerk to the Committee**

## Annexure

<b>OLD SITE</b>	<b>NEW SITE</b>
Ewusijoe	Dzodze
Mpohor	Kwamikrom
Nuamakram	Fodome
Akwansiren	Ahamansu
Daman	Okumanin
Bechem	Wiawso
Duyawnkwanta	Akotogua
Okyinso	Akim Swedru
Kusi	Norbekaw
Akonfodi	Darbah
Juabeng	Anyinase
	Dumfa
	Jacobu
	Asmaoble
	Offinso
	Nsutam
	Kumawu