

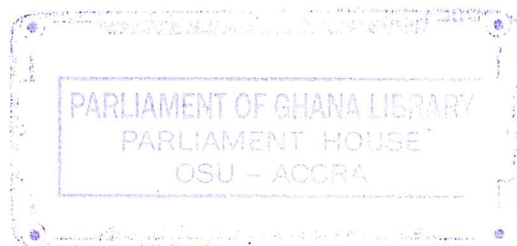
**IN THE FIRST SESSION OF THE SEVENTH
PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA**



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

ON THE

**2017 ANNUAL BUDGET ESTIMATES
OF THE MINISTRY OF TRADE AND
INDUSTRY**



23RD MARCH, 2017

**REPORT OF THE COMMITTEE ON TRADE, INDUSTRY AND TOURISM ON
THE 2017 ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF TRADE
AND INDUSTRY**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2017 Financial Year was presented to the House on Thursday, 2nd March, 2017 by the Hon. Minister of Finance, Mr. Ken Ofori-Atta.

The Rt. Hon. Speaker referred the 2017 Annual Budget Estimates of the Ministry of Trade and Industry to the Committee on Trade, Industry and Tourism for consideration and report in accordance with Article 179 of the 1992 Constitution of Ghana and pursuant to Orders 140(4) and 159 of the Standing Orders of the House.

In considering the Annual Budget Estimates, the Committee met with the Chief Director of the Ministry of Trade and Industry, and his technical team from the Ministry, Departments and Agencies. The Committee appreciates their invaluable assistance.

2.0 REFERENCE DOCUMENTS

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

- i. 1992 Constitution of the Republic of Ghana
- ii. Standing Orders of the Parliament of Ghana
- iii. MDA's 2016 Actuals
- iv. 2016 Budget Statement and Economic Policy
- v. Programme-Based Budget Estimates of **2017** for the Ministry of Trade and Industry.



3.0 MANDATE AND MSSION OF THE MINISTRY

The Ministry over the years has been formulating and implementing policies towards the realization of its goal of developing a vibrant, technology-driven, liberalized and competitive trade and industrial sector that significantly contributes to inclusive and sustainable economic growth and employment creation.

3.1 POLICY OBJECTIVES OF THE MINISTRY

The policy objectives of the Ministry are as follows:-

- i. Improve export competitiveness;
- ii. Diversify and increase exports and markets;
- iii. To accelerate economic integration with other regional and/or sub-regional blocks and/or markets;
- iv. Improve private sector productivity and competitiveness, domestically and globally;
- v. Pursue and expand market access;
- vi. Ensure the health, safety and economic interest of consumers;
- vii. Improve efficiency and competitiveness of Micro Small and Medium Enterprises (MSMEs)
- viii. Ensure rapid industrialization driven by string linkages to agriculture and other natural resource endowments.

3.2 KEY AGENCIES UNDER THE MINISTRY

For the realization of the policy objectives, the Ministry will implement its policies and strategies through the following Agencies:

- Ghana Standard Authority – GSA
- National Board for small Scale Industries – NBSSI

- Ghana Export Promotion Authority – GEPA
- GRATIS Foundation – GRATIS
- Central Regional Development Commission – CEDECOM and
- Regional Offices of the Ministry

3.3 Regional Offices of the Ministry

Other Agencies under the Ministry which are not being funded from the Consolidated Fund are:

- Ghana Heavy Equipment
- Ghana Free Zones Board
- GIHOC Distillery
- Export Development and Agricultural Investment Fund (EDAIF)
- Northern Star Company – Pwalugu
- Ayensu Starch Company
- Ghana Trade Fair Authority
- Ghana National Procurement Agency
- GCNET

The Committee also has Parliamentary oversight responsibilities over the Ghana Investment Promotion Centre.

4.0 PERFORMANCE REVIEW OF 2016 BUDGET

4.1 Financial

4.2 Status of 2016 Budget

In the year under review, Parliament approved an amount of **Two Hundred and Fifty-nine Million, Three Hundred and Sixty Thousand, Two Hundred and Forty-one Ghana Cedis (GH¢259,360,241.00)**. However, the actual releases for the year amounted to **Fifty-nine Million, Eight Hundred and Eleven Thousand, Seven Hundred and Seven Ghana Cedis, Eighty-one Pesewas (GH¢59,811,707.81)**. The variance of **One Hundred and Ninety-nine Million, Five Hundred and**

Forty-eight Thousand, Five Hundred and Thirty-two Ghana Cedis, Nineteen Pesewas (GH¢199,548,532.19) amounted to 76.94% of the total budgetary allocations (Table 1).

Table 1: Budget allocation and total releases as at December, 2016

Source of Funds	Budget (A)	Total Releases (B)	Variance (A – B)	% Variance
GoG	30,142,909.00	30,142,909.00	00.0	-
IGF	92,367,628.00	29,137,485.87	63,230,142.13	68.45
DONOR	136,849,701.00	531,312.94	136,318,390.06	99.61
TOTALS	259,360,239.00	59,811,707.81	199,548,532.19	76.94

Source: MOTI 2017 Budget Estimates

4.3 Non-financial

Management and Administration

The Ministry in collaboration with the Ghana Statistical Service launched three (3) reports on the Phase one of the Integrated Business Establishment Survey (industrial survey). These included Job Creation, National Employment and Summary Reports.

4.4 Trade Development Programme

Ratification of the Economic Partnership Agreement (EPA) with European Union

The Economic Partnership Agreement was ratified by Parliament for implementation and as a result the Attorney General's Department issued an Instrument of Acceptance to the European Union Office.

4.5 Trade Facilitation

A new import Declaration Form (IDF) on Pre-arrival Assessment Reporting System has been linked to the banking system to help reduce under-invoicing and capital flight. This system allows the Import Declaration form used for establishing Letters of Credit at the Banks also to be used for customs declaration.

4.6 Promotion of Made-In-Ghana Goods and Services

Cabinet approved the Made-in-Ghana (MiG) policy in March, 2016. The Ministry expanded the coverage to both local and international consumers.

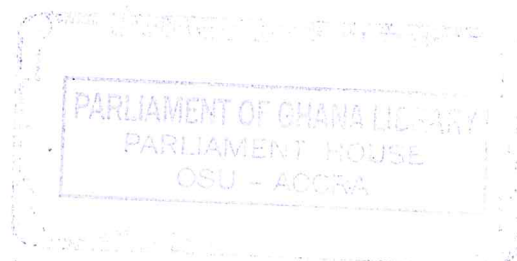
4.7 Bilateral and Regional Trade Negotiations

Under the new United States (US) Trade Africa initiative, an MOU was signed with the US Government to expand bilateral trade and investment cooperation to support Ghana in four broad areas: implementation of Category C measures of the WTO Trade Facilitation Agreement; setting up of Ghana International Trade Commission; Technical Barriers to Trade (TBT); and Sanitary and Phyto-Sanitary (SPS) measures.

4.9 Business Development and Promotion Programme

GRATIS Foundation

The Ghana Regional Appropriate Technology Industrial Service (GRATIS) designed, developed and manufactured vegetable and fruit washing machine with a conveyor system for Northern Rural Growth Project (NRGP). The Foundation also provided training for four hundred and forty-six (446) apprentices in metal machining and, welding and fabrication. Additional four hundred (400) technical apprentices were trained in mechanical craft practice, welding and fabrication and motor vehicle technology.



mechanical craft practice, welding and fabrication and motor vehicle technology.

4.10 National Board for Small Scale Industries (NBSSI)

In enhancing the competitiveness of Small and Medium Enterprises (SMEs), the NBSSI assisted 268 Micro and Small Enterprises (MSEs) (88 males and 180 females) to access institutional credit while 48,081 MSEs (16,022 males and 32,059 females) were provided with Business Development Service support.

4.11 Rural Enterprises Programme (REP)

The Rural Enterprise Programme built the capacity of 23,638 rural MSEs, supported 232 rural master craft persons and apprentices and 80 staff of financial institutions with technology services and training respectively. Additionally, fourteen (14) training programmes were organized for MSEs support institutions at district, regional and national levels.

4.12 CEDECOM

The Central Region Development Commission (CEDECOM) completed the construction of modern markets at Assin Ngyiresi and Agona Nsaba, first phase of the Japanese Organic Sugarloaf Pineapple Plantation in Ekumfi District. A piggery project at Assin Andoe was operationalized.

4.13 Trade and Industry Promotion Programme

Regional Services

The regional offices of the Ministry carried out sensitization workshops to educate the public on key government initiatives. The offices also carried

out monitoring activities and supported the Integrated Business Establishment Survey for the establishment of an Industrial Register.

4.14 Foreign Trade Services

The Ministry's Overseas Trade and Investment Mission facilitated the visit to Ghana by business delegations from the United Kingdom, Vietnam and Belgium. The delegations identified various areas of the economy that they could invest.

4.15 Passage of the Ghana International Trade Commission Bill

To administer WTO trade remedies to protect local industries from unfair international trade practices, the Ministry facilitated the passage of the Ghana International Trade Commission Bill by Parliament on 5th July, 2016 to establish the Ghana international Trade Commission.

4.16 Intellectual Property Rights

The Ministry completed revision of all the seven Acts of the Intellectual Property Rights Laws: Trademark, Industrial Designs, Patents, Geographical Indications and Plant Breeders (Plant Varieties Protection), Copyrights, Layout-Designs of Integrated Circuits, and Trade Secrets Acts.

4.17 Consumer Protection and Competition Policies

To create a framework for establishing a legal, institutional, and social infrastructure to protect the economic interest of consumers, the Ministry completed work on a consumer protection policy and obtained Cabinet approval.

4.18 Standardization and Conformity Assessment Programme

A National Quality Policy was developed to strengthen the National Quality Infrastructure (NQI), increase exports and ensure the supply of quality products and services at competitive prices.

The Ghana Standards Authority finalized and gazetted 126 standards to support industry, inspected 51,920 high risk goods, inspected and verified 50,842 weighing and measuring devices used for trading purposes to ensure fair trade and consumer safety, and tested and analyzed 14,512 samples to ascertain their conformance to applicable standards. The Authority also organized 14 training programmes for industrial operators to build their capacity in industrial production and issued 2,270 export and health certificates to exporters among others.

4.19 Industrial Development Programme

Komenda Sugar Factory

The Ministry commissioned the 1,250 tonnes cane/day (TCD) capacity Komenda Sugar Factory. A cane nursery was also established to supply cane seedlings to out-grower and nucleus farms within the catchment areas, to feed the factory.

4.20 Local Content Bill

A draft local content policy was developed to facilitate the capacity building of local businesses and sub-contracting arrangements with larger companies.

4.21 National Sugar Policy

The Ministry developed a comprehensive sugar policy to create an enabling framework for infrastructural and institutional environment to make Ghana a globally competitive private sector hub for sugar.

5.0 OUTLOOK FOR THE MINISTRY (2017)

5.1 Financial

5.2 Outlook for the Ministry for 2017

In 2017, the Ministry has been allocated a total amount of **Two Hundred and Sixty-nine Million, One Hundred and Thirty-five, Seven Hundred and Forty-seven Ghana Cedis (GH¢269,135,747.00)** for its operations (Table 2). Table 3 also shows expenditure to various programmes by source of funding with Management and Administration Programme receiving the largest share (**44.1%**).

Table 2: Breakdown of MOTI Budget 2017 by Economic Classification and source of funding

2016	GoG	IGF	Donor	Total
Compensation	50,894,344	4,907,918	-	55,802,262
Goods and Services	25,135,524	37,488,727	84,087,904	146,712,155
Assets	3,200,000	49,725,096	13,696,235	66,621,331
Total	79,229,868	92,121,740	97,784,139	269,135,747

Source: MOTI, 2017 Budget Estimates

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA

Table 3: Allocations to the various programmes by source of funding (2017)

Programme	GoG	IGF	DONOR	TOTALS
Management and Administration	20,298,117.00	549,430.00	97,784,139.00	118,631,685.00
Trade Development	22,521,467.00	967,448.00	-	23,488,915.00
Business Development and Promotion	17,017,144.00	131,212.00	-	17,148,356.00
Trade and Industry Promotion	7,287,815.00	413,672.00	-	7,701,487.00
Standardization and Conformity Assessment	8,770,689.00	23,465,260.00	-	32,235,949.00
Industrial Development	3,334,636.00	66,594,719.00	-	69,929,355.00
Totals	79,229,868.00	92,121,740.00	97,784,139.00	269,135,747.00

Source: MOTI 2017 Budget Estimates

6.0 OUTLOOK FOR 2017

6.1 Non-financial

6.2 Trade Development Programme

- The Ministry will engage with the European Union (EU) to agree on the modalities to maximize the benefits and minimize losses to the private sector;

- The Ministry will develop a strategy for Ghana to participate effectively in African Growth Opportunities Act (AGOA) Initiative by the US Government following its extension;
- The Ministry will facilitate the operationalization of the Ghana International Trade Commission to administer WTO trade remedies to protect local industries from unfair international trade practices;

6.3 Business Development and Promotion Programme

- Gratis Foundation will continue to pursue its mandate to develop skills for self-employment opportunities.
- NBSSI will also continue to facilitate access to credit and markets for MSMEs as well as high quality Business Development Services.
- CEDECOM will collaborate with Ghana Export Promotion Agency (GEPA) to provide training in product development in support of the National Export Strategy.

6.4 Standardization and Conformity Assessment Programme

- A National Quality Accreditation Service will be established;
- The Ministry will facilitate the establishment of the National Standards for Custody Transfer and Allocation Metering System to ensure accurate accounting of hydrocarbons and increase tax revenues from oil and gas resources;
- Health and Export Certificates will be issued to cover exports to improve competitiveness of industry domestically and globally;

6.5 Industrial Development Programme

- The Ministry will facilitate the development of an irrigation project and sugarcane plantation for the Komenda Sugar Factory.
- The Ministry will initiate the “One District One Factory” initiative to promote rapid industrialization with strong linkages to agriculture and other natural resource endowments to create jobs and wealth.

7.0 OBSERVATIONS AND RECOMMENDATIONS

i. Low Patronage of Made-in-Ghana Goods and Services

The Committee observed that the Ministry has put in place a Made-in-Ghana policy aimed at creating awareness among Ghanaians to patronize locally produced goods and services, since the perception has been that locally produced goods and services are inferior to the imported products.

The policy is to allow Made-in-Ghana goods to be displayed on the shelves in the Malls.

To ensure compliance it is recommended that the Ministry come up with a legislation on local content to enable Malls display Made-in-Ghana goods on their shelves.

It is the expectation of the Committee that this will encourage Ghanaians to use goods manufactured in this country.

ii. District Industrialization Programme – “One District One Factory” Initiative

The Committee was informed that allocations have been made for the implementation of the initiative.

The Committee also expressed concern about the lack of road map as to the number of factories to be established in 2017; and was also of the view that it should be an export-led programme to improve the balance of trade receipts of the economy.

The Committee is therefore urging the Ministry of expedite action on this policy which has been earmarked to ensure a spatial spread of industries in the country.

iii. Projects of Ghana Standards Authority

It was further observed that the Ghana Conformity Assessment programme of the Ghana Standards Authority aimed at improving the competitiveness of Micro small and Medium Enterprises (MSME's); and ensure the health safety and economic interest of consumers has been suspended.

It was also noted that the Gold-Acid project of which the Ghana Standards Authority has the mandate has been taken over by Precious Minerals Marketing Company (PMMC), an agency under the Ministry of Lands and Natural Resources.

It is recommended that the Ministry liaise with the Ministry of Lands and Natural Resources to have the programme restored under the Trade and Industry Sector since Ghana Standards Authority is responsible for the National Certification programme in Ghana.

iv. Implementation of the National Industrial Revitalization Programme

It was further noted that as part of measures to revitalize distress companies, the Ministry in collaboration with the managers of the Venture Capital Fund has put in place the implementation of the

programme of National Industrial Revitalization Programme with a stimulus package.

It is the expectation of the Committee that the programme would be implemented to enable these Companies benefit from the package allocated to them under the programme to be resuscitated to enable them play their role in the national economy.

v. Komenda Sugar Factory

The Committee was not happy with the current state of the Komenda Sugar Factory as a national asset. It came to the fore that there has been the lack of raw materials for the Factory and this has made the Factory non-functional for sometime now.

It is recommended that the Ministry should come up with a strategic programme to involve private participation taking into consideration the development of an irrigation project and sugarcane plantation to make the Company operational.

vi. Retooling of the GRATIS Foundation

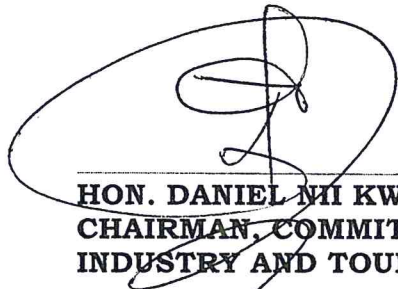
It was further noted that the GRATIS Foundation is under resourced by way of funds, equipment, machinery and materials. These challenges are serving as a hindrance to their role in the industrialization programme of the Sector.

The Committee would like to recommend that a supplementary budget is presented by the Ministry to take care of Gratis Foundation since the outfit forms an integral part of the industrial transformation agenda of government.


7.0 CONCLUSION

In conclusion, the Committee having carefully examined the 2017 budget estimates of the Ministry of Trade and Industry recommends to the House to adopt its report and approve the sum of **Two Hundred and Sixty-nine Million, One Hundred and Thirty-five Thousand Seven Hundred and Forty-seven Ghana Cedis (GH¢269,135,747.00)** for the year ending 31st December, 2017 being budgetary allocation for the Ministry of Trade and Industry to enable it undertake its programmes and activities for the 2017 fiscal year.

Respectfully Submitted.



HON. DANIEL NII KWARTEI TITUS-GLOVER
CHAIRMAN, COMMITTEE ON TRADE,
INDUSTRY AND TOURISM



MR. SAMUEL ADDEI
CLERK, COMMITTEE ON
TRADE, INDUSTRY AND
TOURISM

- 28/03/17

23rd March, 2017

