

**KEYNOTE ADDRESS BY THE HON. KWADWO BAAH-WIREDU ON THE
OCCASION OF THE INAUGURATION OF THE CANADIAN CHAMBER OF
COMMERCE GHANA ON THURSDAY 28TH FEBRUARY, 2008 AT THE
LABADI BEACH HOTEL**

Mr. Chairman,

His Excellency the Canadian High Commissioner to Ghana,

Members of the Canadian Chamber of Commerce Ghana,

Distinguished Ladies and Gentlemen,

Allow me to begin by saying what a pleasure it is to be with you today.

2. I am aware that the Canadian Business Association, the precursor to the Canadian Chamber of Commerce in Ghana has played a very important role in advancing Ghana's social and commercial connections with Canada.

3. For several years, you have been working to foster an environment that promotes business and growth, and clearly, your labour has borne fruit. I would like to take this opportunity to commend your efforts and congratulate you on the inauguration of Canadian Chamber of Commerce Ghana.

Canada and Ghana

4. Mr. Chairman, bilateral relations between Canada and Ghana reflect five decades of cooperation. Canada and Ghana share a commitment to sustainable growth and poverty elimination. Canada has

been playing a leadership role within the Multi-Donor Budget Support framework, being the 4th largest bilateral contributor. In fact, in 2008, Canada has been the first country to make an MDBS disbursement.

5. Ghana has been a beneficiary of significant direct investments by Canadian firms in the mining sector. A recent manifestation of this was the 2006 Memorandum of Understanding between the Republic of Ghana and Alcan for the creation of a joint venture to explore the feasibility of developing a bauxite mine and alumina refinery, with an initial capacity of 1.5 – 2 million tonnes per year.

6. Finally, the estimated 200,000 Ghanaians in the Canadian diaspora and their cultural organizations are contributing to the mutual understanding of peoples from our two countries.

Economic Successes and Challenges in Ghana

7. Mr. Chairman, I can assure you that government is doing everything possible to support the efforts of private sector groups such as the Canada Chamber of Commerce. For the past two decades, Ghana has been a consistent reformer, undertaking wide ranging reforms to build an efficient market-driven economy and transparent and accountable democratic institutions.

8. Our macroeconomic indicators have reflected this effort. We have gone from an inflation rate of over 40% in 2000 to near single-digit levels in recent times; our economy has accelerated in growth to the current annual growth rate of 6.4%. Ghana was one of two African countries—Ghana and Kenya—that made this year's list of the top 10 reformers in the World Bank's Doing Business 2008 Report.

9. Government is not resting on its achievements and intends to further build on the progress made this far.

10. Please permit me to use this opportunity to highlight some of the recent government initiatives that have had some significant impact on businesses.

11. Within the financial sector, the removal of secondary reserve requirements for banks, together with falling interest rates and structural reforms in the financial sector have resulted in a significant increase in credit to the private sector. The passage of the Credit Reporting Act in 2007 which is expected to result in the licensing of credit bureaus in 2008 is expected to further boost credit flows to the private sector.

12. In 2007, Ghana completed a historic Eurobond transaction, receiving the prestigious IFR award of Emerging Market Bond Deal of the Year. The Eurobond deal comes as a major vote of confidence in our efforts to modernize our economy and bring it to middle income status by 2015.

13. We are indeed proud to have been established sub-Saharan Africa's first liquid benchmark outside South Africa. With this benchmark, the private sector now has an opportunity to access international capital markets on the back of the sovereign transaction.

14. In the midst of all these successes, challenges abound. Crude oil prices have crossed the \$100 per barrel mark and the national oil import bill has doubled since 2005 to an estimated \$2 billion in 2007. Fiscal and monetary discipline has to be maintained to contain the inflationary impact of the oil price increases.

15. The infrastructure gap continues to be a challenge. Government also faces the challenge of monitoring regulatory reforms to ensure that the intended impact is achieved with an adequate market or private sector response.

16. Mr. Chairman, the Canada Chamber of Commerce Ghana is coming at a timely period in Ghana-Canada trade relations. Since 2002, total annual trade between Ghana and Canada has grown from \$110 million to \$180 million in 2007 (an increase of 64%).

17. However, while Ghana's annual imports from Canada have gone from \$60 million to \$157 million (or 161%), Ghana's exports to Canada have dropped from \$50 million to \$22 million. It is my hope that the Canada Chamber of Commerce will be a vehicle for narrowing this huge trade imbalance.

Conclusion

18. In conclusion, I am very pleased to be with all of you today. I want to assure you that the Government of Ghana is committed to strengthening the ties between Ghana and Canada.

19. We appreciate the Canadian Chamber of Commerce in Ghana's role in facilitating trade and creating opportunities, and we look forward to working with you in the future to develop more opportunities – in Canada and throughout Ghana – for our people and businesses to connect.

Thank you.