Is this how you see Africa?
Actually, these are NOT images from Africa, but from other parts of the world.

Every continent has its problems, but let’s separate perception from reality.
Africa is on the rise

Political Trends

Substantial growth in democratic rule in sub-Saharan Africa on the back of peace and stability in the region.

6 out of 10 of the fastest growing economies in 2018 are in Africa. Ghana is expected to lead the with 8.3% GDP growth (The World Bank).

Economic Trends

Sources: Brookings, Foresight Africa viewpoint: Democracy in Africa in 2017; Global Finance, World’s GDP Growth by Region 2017; The World Bank
Ghana - The “Shining” Star of Africa

An Attractive Investment Destination
The “Black Stars”
A symbol of national pride

King of the Asante Kingdom
A rich and unique culture

Skybar - Villagio (Accra, Ghana’s capital)
A higher standard of living

Growth and expansion across all industries
“We want to **build an economy that is not dependent on charity and handouts**, but an economy that will look at the proper management of its resources as the way to engineer social and economic growth in our country.”

Nana Addo Dankwa Akufo Addo, President of Ghana
*Africa CEO Forum, Monday March 20 2017*

“**For those of you who needed proof that there is a new generation of leaders** believe in a new future, you have your proof now...There are leaders in Africa who want a new relationship...[and] a future for the youth in their country.”

Emmanuel Macron, President of France
*Africa CEO Forum, Monday March 20 2017*
“The people of Ghana have worked hard to put democracy on a firmer footing, with peaceful transfers of power even in the wake of closely contested elections. And with improved governance and an emerging civil society, Ghana’s economy has shown impressive rates of growth.”

Barack Obama, former President of USA
Parliament House - Ghana, Saturday July 11 2009
“Africa is on the ascent and Singapore must ride this wave.”

Tharman Shanmugaratnam, Deputy Prime Minister of Singapore

Africa-Singapore Business Forum, Wednesday 24th January 2018
Why Invest In Ghana?

“Evaluate People Accurately, Not ‘Kindly’”

Ray Dalio
Stable Political Environment with Pro-Business Policies

25 years of uninterrupted democratic rule, one of the longest in SSA

Ease of Doing Business
Rank in West Africa
Measures the regulatory environment conducive to starting and operating a local firm.

#1

Rule of law
Rank in West Africa
Measures 8 factors including (Order & Security, Regulatory Enforcement, etc)

#1

Global Peace Index
Rank in West Africa
Measures level of safety, the extent of conflicts and the degree of militarization

#2

Democratically elected presidents since 1992

Successful presidential transitions between political parties in the 4th republic

Source: Press Releases; The Economist; Transparency International; Institute of Economics and Peace; The World Justice Project;
Headline Inflation within MPC Inner Band

GDP Rebounds and Inflation Subdued

Fiscal Deficit and Primary Balance Under Control

Yield Curve Normalizing
## Snapshot of Ghana’s Macroeconomic Fundamentals

Strong improvement across all key indicators

<table>
<thead>
<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>Real GDP Growth</td>
<td>3.8%</td>
<td>3.7%</td>
<td>7.9%</td>
<td>6.6%</td>
</tr>
<tr>
<td>Inflation</td>
<td>17.7%</td>
<td>15.4%</td>
<td>11.8%</td>
<td>Single digit</td>
</tr>
<tr>
<td>Fiscal Deficit (% of GDP)</td>
<td>6.3%</td>
<td>9.3%</td>
<td>5.9%</td>
<td>3.0%</td>
</tr>
<tr>
<td>Trade Balance (% GDP)</td>
<td>-8.3%</td>
<td>-4.2%</td>
<td>2.3%</td>
<td>2.0%</td>
</tr>
<tr>
<td>Primary Balance (%GDP)</td>
<td>-0.40%</td>
<td>-1.4%</td>
<td>0.5%¹</td>
<td>2.0%</td>
</tr>
<tr>
<td>Import Cover</td>
<td>3.5months</td>
<td>3.5months</td>
<td>4.3months</td>
<td>≥ 4.0 months</td>
</tr>
<tr>
<td>Debt to GDP</td>
<td>71.5%</td>
<td>73.1%</td>
<td>68.7%</td>
<td>&lt; 65.0%</td>
</tr>
</tbody>
</table>

Source: Ghana Budget 2018; BoG; Press releases; Sentinel Global
Ghana: The Gateway to West Africa

Ghana is strategically located with access to West Africa’s more than 350 million people.

**Key Trade Agreements**
- WTO
- ECOWAS
- AGOA
- EU Access

**Positioning Ghana as Regional Gateway**
- Maritime hub
- Financial Service Hub
- Petroleum Hub
- Attract Head Offices of Multinationals

**Opportunity to leverage ideal position – Centre of the World**

Source: WorldOMeters, Western Africa Population (LIVE)
Ghana Credit vs. Other SSA & Emerging Markets

Ghana performed better than peers on the back of prudent debt management, favourable economic prospects and increased fiscal stability.

Source: Bloomberg (24/11/2017)
JP Morgan Emerging Markets Bond Index (tracks the spread performance of 30+ EM country USD-denominated bonds)
Ghana Outperforms Other SSA Equity Markets

Strong stock market recovery signals favourable macroeconomic prospects and strong investor confidence

Source: Bloomberg; Ghana Stock Exchange; MoFEP; Sentinel Global
Note: 1. As at Dec 2017
Strong GDP Growth on a Diversified Commodity Backbone
Significant growth of key commodity exports in 2017

- 2nd largest gold producer in Africa
- Accounts for over 90% of mining sector
- Accounts for more than 40% of exports
- Est. reserves of ~2,000 tonnes
- Gold refinery – 2nd largest in Africa

- Main agricultural export
- 2nd largest producer of cocoa in the world
- 969k tonnes in 2016/2017
- Total hectares used of c.1.7 mn ha
- Target to increase production to 1.5m tonnes by 2020

- Commercial quantities discovered in 2007
- 3 main oil fields
- Won maritime dispute over Sankofa oil field
- Oil reserves of 3.7bn barrels
- Gas reserves of 41.6bn ft³ of gas
- Peak level of 285k barrels per day

Source: Ghana 2018 Budget; BoG Statistical Bulletin; Press Releases; Sentinel Global
Emerging Middle Class Upbeat on Economic Prospects
Rising consumer confidence and increase in spending

Key Highlights
- Ghana is a thriving middle income class country with the 2nd largest economy in West Africa
- Consumer spending expected to hit ~USD 21 billion by 2020

Source: IMF WEO Oct 2017; BoG MPC Report; BMI; Sentinel Global
Access to a Young Skilled Labor Pool
More than half of employable population are young and literate

Key Highlights

- Ghana has ~60% of the adult population with at least some secondary education, more favourable than key peers such as Kenya (32%) and Cote D’Ivoire (25%)
- Strong efforts to increase enrolment: Free SHS initiative and plans to reduce taxes on private universities

Source: Source: BMI; UNESCO; UNDP; GES
Key Policy Initiatives Driving Growth and Stability

- Prudent & Proactive Debt Management
- Stable Currency and Inflation under Control
- Improving external sector

Source: Sentinel Global
Proactive Debt Management
Efforts to manage debt at acceptable levels

**Key Highlights**
- Reprofiling and liability management to create fiscal space, reduce cost of debt and reduce volatility and pressure on the currency
- Enhanced oversight and credit risk assessment of SOEs

**Improving Public Debt to GDP**

<table>
<thead>
<tr>
<th>Year</th>
<th>Domestic</th>
<th>External</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>56.4%</td>
<td>27%</td>
</tr>
<tr>
<td>2014</td>
<td>70.2%</td>
<td>39%</td>
</tr>
<tr>
<td>2015</td>
<td>71.6%</td>
<td>43%</td>
</tr>
<tr>
<td>2016</td>
<td>72.5%</td>
<td>41%</td>
</tr>
<tr>
<td>2017</td>
<td>68.7%</td>
<td>32%</td>
</tr>
</tbody>
</table>

**Shift to Longer Term Domestic Debt**

<table>
<thead>
<tr>
<th>Year</th>
<th>Short-Term</th>
<th>Medium-Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>22%</td>
<td>32%</td>
</tr>
<tr>
<td>2014</td>
<td>24%</td>
<td>39%</td>
</tr>
<tr>
<td>2015</td>
<td>23%</td>
<td>45%</td>
</tr>
<tr>
<td>2016</td>
<td>24%</td>
<td>38%</td>
</tr>
<tr>
<td>2017</td>
<td>19%</td>
<td>23%</td>
</tr>
</tbody>
</table>

**Extension of Maturity Profile & Tightening**

<table>
<thead>
<tr>
<th>Year</th>
<th>91D</th>
<th>182D</th>
<th>1Yr</th>
<th>2Yr</th>
<th>3Yr</th>
<th>5Yr</th>
<th>7Yr</th>
<th>15Yr</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>22.8%</td>
<td>13.3%</td>
<td>24.3%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>17.0%</td>
<td>13.8%</td>
</tr>
<tr>
<td>2014</td>
<td>24.8%</td>
<td>15.0%</td>
<td>23.4%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>24.0%</td>
<td>18.3%</td>
<td>18.3%</td>
</tr>
<tr>
<td>2015</td>
<td>19.8%</td>
<td>18.3%</td>
<td>19.8%</td>
<td>18.0%</td>
<td>18.0%</td>
<td>18.0%</td>
<td>18.0%</td>
<td>18.0%</td>
</tr>
</tbody>
</table>

Source: BoG; Ghana Budget 2018; Sentinel Global
Stabilisation of the Cedi and Inflation Under Control

Key Highlights
- The Cedi rebounded c.5% since its lowest level in March 2017 driven by robust FDI inflow, strong commodity sales, inflows from donor partners and IMF support.
- Inflation expected to trend downwards to year end target band of 11.2%.

Source: Bloomberg; BoG Statistical Bulletin; Sentinel Global
Improvement in the External Sector

Key Highlights
- Trade balance surplus on the back on strong export revenues
- Increasing international reserves position and sufficient import cover

Source: Bloomberg; BoG Statistical Bulletin; Sentinel Global
Where are the investment opportunities?
Financial Services

- Most profitable banking sector in Africa that allows foreign ownership
- USD1.5 billion banking recapitalisation
- Low penetration (30% Banking; <2% Insurance)
- Over 70% growth in asset management and pensions (2013 - 2016)

![Banking Profitability and Penetration](image)

Source: World Bank Global Financial Development Database; BoG; Sentinel Global
Note: 1. Based on latest reported data (2015 numbers) as per the World Bank’s database
“Ghana is not only a business friendly environment, but also a country which is open to global businesses.”

Patrick Prado, President (CCI France Ghana) and Managing Director (Allianz Ghana Life Insurance)

Press Release on The BFT Online, Friday 24th November 2017

“Africa is alive with many possibilities if we look beyond the short-term challenges, and West Africa is definitely a region of focus.”

Dr. Manessah Alagbaoso, Head of Commercial Banking (Standard Bank Rest of Africa)

Press Release on My Joy Online, Tuesday 20th September 2016
Fintech Opportunity

- **USD34bn in Mobile Money transactions value** in 2017
  - Phenomenal growth of 177%
- **Mobile Money customer growth of 53%**
  - Penetration of ~85%

<table>
<thead>
<tr>
<th>Growth of Customers</th>
<th>Transaction Value (USD$bn)</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.4 2013</td>
<td>0.6 2013</td>
</tr>
<tr>
<td>24.0 2017</td>
<td>34.6 2017</td>
</tr>
</tbody>
</table>

Source: NCA; Press Release; Sentinel Global
Information Communication & Technology

- Significant penetration of mobile voice subscriptions of 131%
- Data subscriptions have more than doubled since 2013

Source: NCA; Sentinel Global
Note: YTD 2017 for Mobile Voice Subscription is as at September, and Mobile Data Subscription as at July.
Energy

- Total installed power capacity of 3,644.5 MW
- Privatisation of 1,250MW thermal power plants
- An estimated $2Bn in capital required

Source: GIPC;
Note: 1. Numbers based on 2017 end of year
Transport Infrastructure

- **Railway:** 🚄
  
  Over 4,007 km of integrative railway needed. Estimated capital required – **USD21.0Bn**

- **Ports:** 🚢
  
  Ghana to become maritime hub for West Africa via the **USD 1.5bn Tema port expansion** to be completed in 2019

- **Aviation:** 🛩
  
  Expansion works in Accra and Kumasi Airports
  
  New national carrier

Source: Press Releases; MOFEP 2018 Budget, GIPC, OBG Ghana 2017 Report;
Real Estate

- Attractive yields averaging 10% on retail, office and industrial properties
- 1.7m housing deficit due to supply shortage

<table>
<thead>
<tr>
<th>Type</th>
<th>Yield</th>
<th>Rent per Sqm (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail</td>
<td>8 – 10%</td>
<td>20 - 65</td>
</tr>
<tr>
<td>Office</td>
<td>9 – 10%</td>
<td>18 – 35</td>
</tr>
<tr>
<td>Industrial</td>
<td>10 – 11%</td>
<td>4 – 10</td>
</tr>
</tbody>
</table>

Residential (Prime Areas)

<table>
<thead>
<tr>
<th>No. of Beds</th>
<th>Rent (USD)</th>
<th>Sale (USD)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1.2k - 1.5k</td>
<td>200k - 250k</td>
</tr>
<tr>
<td>2</td>
<td>2.0k - 2.2k</td>
<td>280k - 330k</td>
</tr>
<tr>
<td>3</td>
<td>3.0k - 3.5k</td>
<td>425k - 500k</td>
</tr>
</tbody>
</table>

Source: Broll Ghana; OBG Ghana 2017; W Hospitality; JLL Accra City Report; Sentinel Global
Fast Moving Consumer Goods

- Household spending to reach **USD20.7 billion** by 2020
  - Growth of **15%** in USD terms
- Huge potential in the West African
  - +350m population with growing middle class

**Breakdown of household spending**

- Essentials 71%
- Non-Essentials 29%
- Food & Drinks 64%
- Health Care 15%
- Others 22%

Source: Press Releases; BMI; Sentinel Global
Manufacturing & Industry

- Contributing 18.5% to GDP
- One District, One factory designed to bring about industrial development
- Goal: 216 factories in 4 years.
- Estimated $500m - $1bn required

Contribution of different sectors to GDP

- Industry: 18.5%
- Agriculture: 25.6%
- Services: 55.9%

Source: GIPC
Investment in Human Capital

- Over 100 higher education institutions and over 150 professional educational centres
- Significant infrastructure investment for tertiary levels

Source: GES; UNDP; Ghana Budget’ Sentinel Global

Adult Literacy (%)

<table>
<thead>
<tr>
<th>Year</th>
<th>Literacy Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>71.5</td>
</tr>
<tr>
<td>2015</td>
<td>76.6</td>
</tr>
</tbody>
</table>

Higher Learning Institutions

- Universities/Colleges: 51%
- Professional/Vocational: 49%
Healthcare

- Health care expenditure of USD 1.2 billion in 2016
- Pharmaceutical sales making up c.25%, USD300m.
- Private spending make up 40% of total health care expenditure.

Source: Press Releases; BMI
Hospitality & Tourism

- Significant hotel potential with +20k rooms demand
  - Occupancy levels of 67%
  - ADR of USD201; RevPAR of $134
- 540km of pristine beach due for development
- 36 out of 67 African coastline forts located in Ghana
- Well preserved nature game parks – Mole Game park- 1,500sq.km, Digya- 5,000sq.km

<table>
<thead>
<tr>
<th>Years</th>
<th>Brands</th>
<th>Rooms</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>Marriot</td>
<td>209</td>
</tr>
<tr>
<td>2018</td>
<td>Hilton, Radisson</td>
<td>415</td>
</tr>
<tr>
<td>2019</td>
<td>Shangri-La</td>
<td>209</td>
</tr>
</tbody>
</table>

Source: Press Releases; BMI, GIPC
Agribusiness

- Key initiatives:
  - One Village, One Dam
  - One District, One Factory
  - Up to $1Bn investment needed for agro-processing and value-addition
  - 8m hectares of irrigable land

![Diagram showing contribution of different sectors to GDP]

- Industry: 18.5%
- Agriculture: 25.60%
- Services: 55.9%

Source: GIPC
“We cannot just look at a country by looking at charts, graphs, and modelling the economy. Behind the numbers there are people.”

Christine Lagarde
Mr. Charles Adu Boahen

Dep. Minister of Finance

20+ years in Investment banking, asset management, real estate and private equity

MBA from Harvard

Played an instrumental role in the issuance of the new 7 year and 10 year benchmark-sized, nominal fixed-rate GHC denominated ESLA Bonds.
Ensuring bold policy initiatives aimed at fiscal consolidation focusing on tightening expenditure controls and plugging revenue leakages, as well as reprofiling short-term debt into long-term instruments to create fiscal space.
“Ghana Beyond Aid calls for a rethink of our trajectory, our systems, and our aspirations. Ghana is a beacon to countries across Africa…”

Mr. Ken Ofori-Atta
Minister of Finance
30+ years in Investment banking, asset management and private equity
MBA from Yale
“We are very optimistic going forward about Ghana. The possibilities for me are endless, if we all put our minds to it.”

Alhaji Dr. Mahamudu Bawumia
Vice President of the Republic of Ghana and Head of the Economic Management Team
30+ years in economics and banking
Ph.D. Economics from Simon Fraser University
“We want to build an economy that is not dependent on charity and handouts, but an economy that will look at the proper management of its resources as the way to engineer social and economic growth in our country.”

Nana Addo Dankwa Akufo Addo, President of Ghana
Ghana
A land of possibilities awaits you