

PARLIAMENTARY MEMORANDUM

BY

THE MINISTER FOR FINANCE

ON THE

**REQUEST FOR APPROVAL OF INCENTIVES TO SUPPORT
IMPLEMENTATION OF THE ONE DISTRICT ONE FACTORY (1D1F)
PROGRAMME**

28TH FEBRUARY, 2019



1. ACTION REQUIRED

1.1 Parliament is respectfully invited to consider and approve tax incentives for the implementation of the **One District One Factory (1D1F)** programme.

1.2 At its Thirty-sixth meeting held on Thursday, 27th June, 2018, Cabinet considered and approved the request for tax incentives under the One District One Factory (1D1F) flagship programme as indicated above for consideration of Parliament.

2. BACKGROUND

2.1 The "One District One- Factory". programme is a key component of the industrial Transformation Agenda of the Government. The Government's role in this programme is to facilitate the establishment of District Enterprises by creating the enabling environment including the provision of infrastructure such as access roads, water and electricity.

2.2 The programme is a private sector led initiative which means that factories to be established under the programme will be owned and managed by private investors. Government can however invest up to thirty percent (30%) equity in enterprises that require its participation.

2.3 The programme aims at establishing at least one medium to large scale factory in all the 254 Districts in the country. This means that a District could have more than one factory depending on its resource base. The emphasis on medium to large scale is due to the fact that the enterprises to be established are expected to impact positively and significantly on the economies of the Districts including creation of jobs, stable income for the residents and improved livelihoods.

3. 1D1F OBJECTIVES

The programme is designed to achieve basically the following objectives:

- i. To create massive employment particularly for the youth in rural and peri-urban communities, thereby improve levels and standard of living, as well as reduce rural-urban migration.
- ii. To add value to the natural resources of each District and exploit the economic potential of each District based on its comparative advantage.
- iii. To ensure even and spatial spread of industries and thus stimulate economic activity and growth in different parts of the country.
- iv. To promote exports and increase foreign exchange earnings to support the Government's development agenda, as well as reduce the volume of imports through import substitution.

4. EXPECTED BENEFITS

- I. The anticipated job creation under the initiative in all the 254 Districts in the country would curb the migration of the youth from the rural areas to urban areas.
- II. Government revenue would be enhanced by way of Personal Income Taxes, Corporate Taxes and Value Added Tax in the long term when companies have exhausted the five-year tax holidays granted them.

5. JUSTIFICATION FOR GOVERNMENT ACTION

5.1 The slow growth of the industrial sector in Ghana could be largely attributed to the lack of targeted incentives by Government to make industrial production competitive and attractive to the private sector.

5.2 It is in this vein that Government is determined to ensure that the best investment climate exists to attract the needed investments into the manufacturing sector. This requires that appropriate incentives and regulations are put in place to create a favourable environment within which businesses can thrive and also protect the interests of shareholders. The experience of some of the most advanced economies in the world, point clearly to the fact that, targeted and well packaged incentives along the value chain are critical in attracting investments into strategic and viable areas of the manufacturing sector.

5.3 Against this background, Government has made the under-listed commitments and reinforced same in the Coordinated Programme of Economic and Social Development Policies (2018-2024).

- a. Pursuing aggressive industrialization and value-addition to agricultural produce;
- b. Providing tax and related incentives for manufacturing businesses in sectors such as agro-processing, light industries, pharmaceuticals, petrochemicals, garments and textiles;
- c. Providing a reliable and cost-effective mix of energy supply for businesses;
- d. Providing the necessary incentives for private sector participation in health service delivery;
- e. Pursuing policies that will reduce interest rates;
- f. Implementing policies that will reduce the cost of doing business;
- g. Stabilizing the currency;
- h. Providing incentives to the hospitality and creative industries that will enable them create jobs;
- i. Investing in skills training and apprenticeships; and
- j. Promoting exports, especially of value added agricultural produce and light manufacturers.

6. PROPOSED INCENTIVES FOR THE ONE DISTRICT ONE FACTORY (1D1F) INITIATIVE

In order to attract more private sector investments in support of the 1D1F initiative, the following incentive packages are hereby proposed for the consideration and approval of Parliament:

A. Corporate Tax

Registered 1D1F Companies to enjoy tax holiday for the first five (5) years of operation.

B. Exemption of import duties and taxes on equipment, machinery, and parts.

1. An 1D1F entity whose plant, machinery or equipment and parts are not exempted or zero rated under the Customs Harmonised Code may submit an application for exemption from import duty, VAT, NHIL, GETFUND, and EXIM levy on the plant, machinery and equipment or parts at the Customs Division of Ghana Revenue Authority (GRA) via the GcNet online portal.

C. Existing Free zones incentives

1D1F companies which want to benefit from the Free Zone package shall register and benefit from incentives under the Free Zone Act, 1995 (Act 504).

7. ADMINISTRATION OF THE WAIVER

7.1 All 1D1F companies shall be required to register with the Ministry of Trade and Industry and the Ghana Revenue Authority for the purposes of the incentive. The list of registered companies shall be forwarded to the Ministry of Finance;

7.2 The companies shall submit to the Ministry of Finance the master list of items to be imported or procured locally for tax assessment of the materials and equipment excluding vehicles and non-project materials;

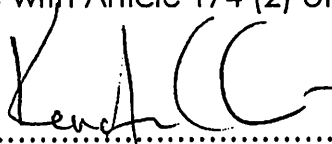
7.3 The exemption is not transferable to third parties;

7.4 The exemption shall cover the construction period for the factories and the five-year holiday period;

8. CONCLUSION

8.1 The "One District, One Factory" programme, presents a unique opportunity to fundamentally change the economy of each District and to create significant number of decent jobs. The proposed incentives are expected to accelerate the realisation of Government's vision of resource-based industrialisation, job creation and value addition for improved livelihoods and equal opportunity for all.

8.2 Parliament is therefore, respectfully requested to consider and approve the proposed incentives for effective and efficient implementation of the One District One Factory programme in line with Article 174 (2) of the 1992 Constitution.



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KEN OFORI-ATTA

(MINISTER FOR FINANCE)

Attachment

1. Cabinet approval

CONFIDENTIAL

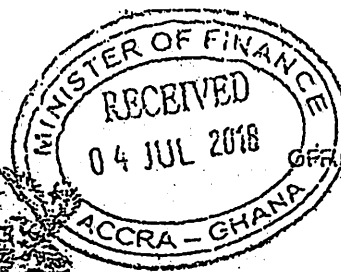
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number and date of this
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My Ref. No OPCA.3/3/030718

Your Ref. No.....



REPUBLIC OF GHANA



OFFICE OF THE PRESIDENT
P.O. BOX 1627
ACCRA
TEL: 0302-201000/2

3rd July, 2018

REQUEST FOR APPROVAL OF INCENTIVES TO SUPPORT IMPLEMENTATION
OF THE ONE DISTRICT ONE FACTORY (1D1F) PROGRAMME

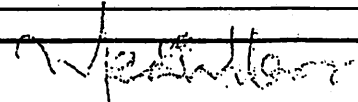
Cabinet at its Thirty-sixth meeting held on Thursday, 28th June, 2018 considered a report of the Cabinet Committee on Economic Matters on the above Memorandum submitted by the Minister for Trade and Industry.

2. The Memorandum requested Cabinet to consider and recommend to Parliament for approval, incentives proposed for the implementation of the One District One Factory (1D1F) Programme.

3. Cabinet approved the Memorandum and recommended same to Parliament for consideration, subject to the inclusion of the following revisions:

- a) Repatriation of dividends or net profit should be subject to existing foreign exchange regulations and approval by the Bank of Ghana.
- b) Standardised interest rate to be charged by Participating Financial Institutions (PFIs) should not exceed 20% per annum; and the associated net interest rate to be paid by beneficiary companies should not exceed 10%.
- c) Reduction of the tax holiday from ten years to five years after commencement of operations. The tax holiday may be renewed on application by the company, and subsequent approval by the Minister for Finance.

4. I should be grateful if you could take requisite action on the decision by Cabinet.


MERCY DEBRAH-KARIIKARI
SECRETARY TO THE CABINET

THE HON. MINISTER FOR TRADE
AND INDUSTRY



**AN ASSESSMENT OF THE 'ONE DISTRICT ONE
FACTORY' INITIATIVE**

(STATUS OF IMPLEMENTATION)

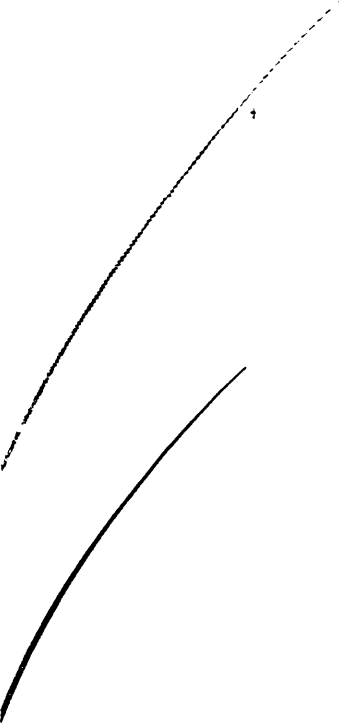
**PRESENTATION
BY**

ALAN KYEREMATEN

MINISTER FOR TRADE AND INDUSTRY



OUTLINE OF THE PRESENTATION


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- ▶ **CONTEXT**
 - ▶ **WHAT DID WE SET OUT TO DO?**
 - ▶ **WHERE ARE WE NOW?**
 - ▶ **WHAT ARE THE CRITICAL CHALLENGES?**
 - ▶ **WHAT ARE THE OPPORTUNITIES?**
 - ▶ **CONCLUSION**




CONTEXT

- ▶ The concept of the One District One Factory (1D1F) is designed to transform the industrial landscape of the country and build the capacities of local enterprises to produce high quality products and services for both the local and foreign markets.
- ▶ The programme is private sector-led and open to both local and foreign investors. Partnerships between local and foreign investors are encouraged.
- ▶ Two Districts can collaborate to implement one project.
- ▶ It is not only new projects that can be classified as 1D1F enterprise. Existing projects that are seeking to expand their operations and which fit within the 1D1F framework can be adopted as 1D1F enterprises.
- ▶ When required, Government can partner a private sector investor to sponsor a 1D1F project under a PPP arrangement.
- ▶ The Government's primary role is facilitation and support in the form of incentives, access to financing as well as access to infrastructure.

STRATEGIC OBJECTIVES OF 1D1F INITIATIVE

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- To create massive employment particularly for the youth in rural and peri-urban communities, and thereby improve income levels and standard of living, as well as reduce rural-urban migration.
 - To add value to the natural resources of each district and exploit the economic potential of each district based on its comparative advantage.
 - To ensure even and spatial spread of industries and thereby stimulate economic activity in different parts of the country.
 - To enhance the production of local substitutes for imported goods and thereby conserve scarce foreign exchange.
 - To promote exports and increase foreign exchange earnings.

STATUS OF IMPLEMENTATION



The inception activities of the programme started in June 2017 when the Ministry placed advertisement requesting for Expressions of Interest (EOI) from the Business community and the public.

The actual implementation of the 1D1F programme commenced in the fourth quarter of the same year (2017) with the deployment of a Technical Support Group (Consultants/Specialists) to provide technical assistance for the implementation of the selected projects.

The progress made as at January 2019 are presented in the subsequent slides.

PROJECTS THAT HAVE COMMENCED OPERATION

NO.	COMPANY	ACTIVITY	DISTRICT	REGION
1	Springs and Bolts Company Limited	Manufacturing Of U-Bolts and Leaf Springs and Traylor Suspension	Kumasi Metropolitan	Ashanti
2	Vesta Oil Processing Company	Production of Edible oils	Bosomtwe	Ashanti
3	Casa De Ropa	Processing Orange Fleshed Sweet Potato into bread, chips, crips and biscuits	Gomoa West	Central
4	MEINERGY Limited	Production of 20MW Solar energy and panels	Gomoa West	Central
5	Petersfield and Rey Group Limited	Processing of pineapple and orange into juices	Komenda Edina Eguafu Abirem	Central
6	Zuriel Carbon Products	Manufacturing of briquettes from saw dust for the export market	Kwahu West	Eastern
7	Kete Krachie Timber Recovery Ltd.	The company uses a robust underwater logging system to recover trees from the Volta Lake and proces it into wood and wood products	Asuogyaman	Eastern
8	Maagrace Industries Ltd	Manufacturing of various types of Garment	New Juaben Municipal Assembly	Eastern
9	Lan Tianyi Company Ltd.	Cultivation and processing of soy into milk.	Shai Osudoku	Greater ACCRA
10	Ankod Industries	Manufacturing and distribution of roofing sheets, and related products	Shai Osudoku	Greater ACCRA
11	Budget Cash & Carry Ltd.	Production of mineral, sachet and flavoured water and energy drinks	Tema Municipal	Greater ACCRA
12	Motor King Limited	Assembling, distribution and maintenance of motor bikes, tricycles, bicycles etc	Tamale Municipal	Northern

PROJECTS THAT HAVE COMMENCED OPERATION

13	KEDA Ceramics Company Ltd.	Production of Ceramic Tiles from clay	Shama	Western
14	Golden Milan Ltd	Manufacturing of aluminium profile to support the construction industry	Ningo Prampram	Greater ACCRA
15	Sunda Ghana Diapers Limited	Production of Diapers and Sanitary Napkins	Ga South	Greater ACCRA
16	Asamoah and Yamoah Farms	Rearing and processing of poultry and related products	Atwima Kwanwoma	Ashanti
17	Prefos Ghana Ltd.	Manufacture of street lights and poles including delivery of electrical and related services	Ejisu Municipal	Ashanti
18	Birim Oil Mills Limited	Processing of Oil Palm into edible oil.	Kwabreabrim	Eastern
19	Appah Farms Ltd.	Rearing and processing of poultry into meat and related products.	Kwahu East	Eastern
20	KAD Industries	Manufacturing of garments	Accra Metropolitan	Greater ACCRA
21	African European Textiles	Manufacturing of Cotton Yarns to support the textiles and garment industry	Tamale Metropolitan	Northern
22	Nuts for Growth Company	Processing of shea nuts and soya bean into finished products	Tamale	Northern
23	Unijay Garments Ltd.	Manufacturing of various types of garment for both local and export markets	Asokwa, Ashanti	Ashanti
24	Strongmen Foods & Farms Ltd.	Cultivation, milling and distribution of rice	Yilo Krobo	Eastern

PROJECTS THAT HAVE COMMENCED OPERATION

25	Innovation Manufacturing Group	Manufacturing of biscuits, confectionery and related products	Kpone	Greater ACCRA
26	Gee Fresh Company Ltd.	Rearing and processing of guinea fowl	Tamale Municipal	Northern
27	Penta Foods	Processing of yoghurt	Kumasi Metropolitan	Ashanti
28	Aglow Farms Ltd.	Processing of poultry products	Weija, Ga South	Greater ACCRA
29	Yehans Co. Ltd.	Manufacturing of building materials	Madina	Greater ACCRA
30	Bibiani Logging Limited	Manufacturing of wood products	Kumasi Metropolitan	Ashanti
31	Feanza Industries	Processing of Coconut oil	Ellembelle	Western
32	Caltech Ventures Ltd	Production and processing of cassava into Ethanol and Carbon Dioxide	Ho Municipality	Volta
33	Homefoods Processing	Veg. oil. Spices/Peppers/ Ready to eat meals	Tema Municipal	Greater ACCRA
34	Everpure Ghana Ltd	Production of mineral, sachet and flavoured water and intravenous infusion	Ngleshie Amanfrom/Ga South	Greater ACCRA
35	Dagan Farms Ltd.	Fish farming and processing	Asuogyaman	Eastern

PROJECTS READY TO COMMENCE OPERATION

NO.	COMPANY	ACTIVITY	DISTRICT	REGION
36	Sarp-Chin Bamboo Ltd.	Processing of bamboo into various products including Tooth Picks, Babaque Sticks And Inscence Sticks, Window Blinds, Bamboo Boards	Abuakwa	Ashanti
37	AICP LIMITED	Processing of charcoal into activated carbon and related products for export	Kwabre Municipal	Ashanti
38	Ohumpong Company	Processing of Mango to Juice	Kintampo	Brong Ahafo
39	De Bridge Industries	Production of tile cement to support the construction industry	Gomoa East	Central
40	Akuapem Gold (Agri Business) Company	Processing of avocado for the local market and export markets	Suhum	Eastern
41	Beekaf Foods Ghana Ltd.	Processing and canning of tomato	Akuapim South	Eastern
42	Sunharvest Fruit Processing Company Limited	Processing of fruits including pineapples, mangoes and watermelon into juice	West Akim	Eastern
43	Shaba Enterprise	Manufacture of cookers and other electricals	Kwahu West	Eastern
44	Eskay Therapeutics Limited	Manufacturing and distribution of pharmaceutical products	Accra Metro	Greater Accra
45	Delawin Farms Ltd	Rearing and processing poultry abd related products.	Kpone Katamanso	Greater Accra

PROJECTS READY TO COMMENCE OPERATION

46	Beatex Enterprise Limited	Production of Mosquito Coils and related products	Kpone - Katamanso	Greater Accra
47	Amalgamated Foods Limited	Vertinary food production	Accra Metro	Greater Accra
48	Volta Forest Products Company	Wood processing	Hohoe	Volta
49	Nsawam Cannery Limited	Vegetable and Fruit processing	Nsawam	Eastern
50	Centric Source Industries	Pineapple plantation and processing	Adeiso, Upper West Akim	Eastern
51	Wentec Company	Production sachet and water labels	Accra Metro	Greater Accra
52	Yedent Agro Limited	Processing of soya bean, maize and other cereals	Sunyani East	Brong Ahafo
53	Agricultural, Industrial & Commercial Products Ltd	Production Of Animal Food And Cassava Chips For Export	Ga East Municipal	Greater Accra
54	Agricultural, Industrial & Commercial Products Ltd	Production of activated carbon	Mamponen Municipal	Ashanti
55	Santino Fine Meat & Sausage Company	Livestock Production And Processing	Atwima Kwawoma District	Ashanti
56	Sunharvest Fruit Processing Company Limited	Processing of fruits including pineapples, mangoes and watermelon into juice	West Akim	Eastern
57	Western Deedew Company Ltd	Cultivation and processing of rice	Sekyere South	Ashanti

PROJECTS UNDER CONSTRUCTION

NO.	COMPANY	ACTIVITY	DISTRICT	REGION
58	SBA Company Ltd (Ashanti Foods)	Processing and canning of Ackee fruits for export	Bosomtwe District	Ashanti
59	Odike Ventures	Manufacture of various types of garment	Amansie District	Ashanti
60	Best Fertilizer	Production of fertilizer to the agriculture	Asanti Akyim South	Ashanti
61	Central Sugar Company Ltd	Production and Processing of Cassava into industrial starch, ethanol and related products to support industry	Pru District	Brong Ahafo
62	Atebubu-Amantin Agro Processing	Production and Processing of Cassava into industrial starch, ethanol and related products to support industry	Atebubu-Amantin	Brong Ahafo
63	Rhovanni Royal Ltd	Production of burnt bricks, pavement blocks, roofing tiles etc from clay.	Tano South District	Brong Ahafo
64	Yantab Products Limited	Recycling of paper to produce eggs crate, cartons and related products	Dormaa East	Brong Ahafo
65	Ekumfi Fruit Processing Company	Production and processing of pineapple into juice	Ekumfi	Central
66	Afrobas Automobile Assembling and Fibreglass Plant Limited	Assembling of buses, trucks and the production of fibre glass	Abirem Municipal District	Central
67	Leefound Company Limited	Production of tomato puree, ketchup and shito	Ningo Prampram	Greater Accra

PROJECTS UNDER CONSTRUCTION

68	Entrance Industries Ltd	Manufacturing of pharmaceutical and related products	Spintex Road	Greater Accra
69	Healthlife Company Ltd	Manufacturing of Infusions products	Ga East	Greater Accra
70	Zonda Sinotruk Assembly Plant Ltd	Assembling and marketing of heavy and light duty vehicles	Kpone Katamanso	Greater Accra
71	Glofert Ghana	Production of fertilizer to support agriculture	Suhum	Eastern
72	B5 Plus Limited	Production of Steel and related products	Ningo Prampram	Greater Accra
73	KOP Farms Consultancy Services Ltd	Cultivation and processing of grains	South Tongu	Volta
74	Sunda Ghana Investment Company Ltd	Production of Hardware e.g. Roofing Sheet, Iron rod and nails	Ga South	Greater Accra
75	Miro Forest Company Ltd	Process timber into veneer and plywood	Sekyere Afram Plains	Ashanti
76	Skyline Steel Company Limited	Manufacturing of steel roofing tiles	Ejisu	Ashanti

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR

NO.	COMPANY	ACTIVITY	DISTRICT	REGION
77	Kojach Pharmaceuticals Ltd.	Production of pharmaceutical products	Oforikrom	Ashanti
78	Premium Foods	Food Processing	Ejisu Municipal	Ashanti
79	OGM Co. Ltd.	Manufacture of LPG Cylinders & Accessories	Bosomtwe	Ashanti
80	Oserby Unique Ventures	Rearing and processing of livestock including poultry, pigs and aquaculture	Ejisu	Ashanti
81	KYF Industrial Company Ltd.	Production of long-span roofing sheets to support the construction industry	Sunyani East	Brong Ahafo
82	The Pure Company Ltd.	Processing of cashew nuts and allied products into semi finished products	Kintampo North	Brong Ahafo
83	Kona Agro Foods	Processing of cashew nuts and allied products into semi finished products	Wenchi	Brong Ahafo
84	Kingbat Group Ltd.	Processing of wood into poles and related products	East Akim	Eastern
85	Prime Hold	Production of refined fuel oil from waste rubber	Ayensuano	Eastern
86	Gudheart Ltd.	Quarrying and processing of granite and cobblestone for the construction of pavements and road	Afigya Sekyere	Ashanti
87	Ada Premium Diapers Company	Production, Diapers, Sanitary, Pillow and related products	Ada	Greater Accra

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR

88	Abova Water	Production of bottled and sachet purified water	Dabgme West	Greater Accra
89	Kataumi Foods Processing Ltd.	Processing of shea nuts into edible oils and allied products	Yendi	Northern
90	Takhilla Farms Ltd.	Processing of shea nuts into edible oils and allied products	Sissala West	Upper West
91	Savana Food Empire Ltd	Processing of Soya beans into cake and refined soy oil for domestic and industrial purposes	Wa Central	Upper West
92	Freshfields Farms	Cultivation and processing of maize into grits for used by brewery (Guinness) to produce beer	North Tongu	Volta
93	C. AGRIC TECH	Rearing and processing various types of fish	Ho Municipality	Volta
94	Ayum Forest Products	Processing of timbers logs into various types of wood products including, veneer and plywood	Asuanfo North	Eastern
95	Cilak Investments	Production of Chalks, Markers and related products	Berekum Municipal	Brong Ahafo
96	Tepco	Processing Of Tomatoes and other vegetables	Techiman Municipal	Brong Ahafo
97	BSA	Processing of tomato into tomato puree, paste etc.	Ga West	Greater Accra
98	Asida Salt Ltd.	Production of domestic and industrial salt	Ekumfi	Central

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR (SMALL SCALE PROCESSING FACILITIES TO BE FINANCED BY AfDB)

No.	Name of Region/District	District Capital	Proposed Commodity
	Ashanti Region - 10		
1	Asante Akim Central Municipal	Konongo Odumase	Plantain
2	Asante Akim South	Juaso	Bamboo/Plantain
3	Bekwai Municipal	Bekwai	Oil Palm
4	Ejisu-Juaben Municipal	Ejisu	Meat Processing (Pork)
5	Obuasi Municipal	Obuasi	Orange
6	Atwima Mponua	Nkawie	Ginger
7	Fomena	Fomena	Cassava
8	Effiduase Asokore Municipal	Effiduase	Cassava
9	Mampong Municipal	Mampong	Maize/Groundnut
10	New Edubiase	New Edubiase	Rice
	Brong Ahafo Region - 8		
11	Berekum East	Berekum	Cassava
12	Kintampo North Municipal	Kintampo	Mango
13	Asunafo North Municipal	Goaso	Plantain
14	Tano North	Duayaw Nkwanta	Cassava
15	Tano South	Bechem	Oil Palm
16	Atebubu-Amantin	Atebubu	Mango
17	Tain	Nsawkaw	Cashew
18	Pru	Yeji	Fish

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR (SMALL SCALE PROCESSING FACILITIES TO BE FINANCED BY AfDB)

Western Region - 5			
19	Sefwi-Wiawso Municipal	Sefwi Wiawso	Plantain and Cocoa
20	Bibiiani - Anhwiaso	Bibiiani	Plantain
21	Prestea Hunt Valley	Bogoso	Oil Palm
22	Bia West	Yawmatwe	Rice
23	Shama Ahanta	Ohiamadwen	Rice/Fish
24	Wasa Amenfi West	Asankragwa	Cocoa
Northern Region - 7			
25	Chereponi	Chereponi	Sorghum
26	East Mamprusi	Gambaga	Shea
27	East Gonja	Salaga	Cassava
28	West Gonja	Damongo	Cassava
29	Bole Bamboi	Bamboi	Shea/Maize/Groundnut
30	Kpandai	Kpandai	Cassava/Yam
31	Wulensi	Wulensi	Maize

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR (SMALL SCALE PROCESSING FACILITIES TO BE FINANCED BY AfDB)

	Upper East Region - 4		
32	Bolgatanga Municipal	Bolgatanga	Ground nut and Leather Tanning
33	Bongo	Bongo	Shea
34	Bawku Municipal	Bawku	Guinea Fowl
35	Builsa South	Fumbisi	Rice
	Upper West Region - 3		
36	Wa East	Funsi	Sorghum/Pito
37	Lambusie Kama	Lambusie	Soya Bean
38	Sissala East	Tumu	Soya Bean
	Central Region - 6		
39	Assin North Municipal	Assin Foso	Bamboo
40	Agona West Municipal	Swedru	Oil Palm
41	Mfantseman Municipal	Saltpond	Pineapple
42	Assin South	Nsuaem- Kyekyewere	Orange
43	Twifo Ati Morkwa	Twifo Praso	Honey
44	Abura -Asebu-Kwamankese	Abura Dunkwa	Orange

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR (SMALL SCALE PROCESSING FACILITIES TO BE FINANCED BY AfDB)

	Eastern Region - 5		
45	West Akim	Asamankese	Oil Palm
46	Asuogyaman	Atimpoku	Fish
47	Kwahu Afram Plains North	Donkorkrom	Cassava
48	Yilo Krobo Municipal	Somanya	Mango
49	Kwahu South	Mpraeso	Tiger Nut
	Greater Accra Region - 3		
50	Shai- Osudoku	Dodowa	Mango
51	Ada East	Ada Foah	Fish and Salt
52	Adentan Municipal	Adenta	Mushroom
	Volta Region - 4		
53	Ketu North Municipal	Dzodzi	Cassava
54	Hohoe Municipal	Hohoe	Cassava
55	Nkwanta South	Dambie	Yam/Honey
56	Ketu South	Agbozume	Cassava

PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR (COMMON USER PROCESSING FACILITIES TO BE FUNDED BY AfDB)

No.	NATURE OF PROJECT	DISTRICT
1.	Rice processing	Sefwi Akontombra
2.	Rice processing	Dormaa West
3.	Oil Palm processing	Tarkwa Nsuaem
4.	Maize Grites processing	Sekyere Central
5.	Shea Butter processing	Savelugu-Nanton

▶ **PROJECTS TO COMMENCE OPERATIONS BY END OF THE YEAR TO BE FINANCED UNDER THE CNBM FACILITY**

- ▶ **22** flagships Large Scale Projects are to be financed under the MOTI-China National Building Materials (CNBM) \$400 Million Facility.
- ▶ The projects include Industrial Starch from cassava, Ethanol plant from cassava, Diaper plant, Vegetable oil, Rice Milling plant among others.



PIPELINE PROJECTS

- ▶ **75** Project Proposals are undergoing financial appraisal by both Technical Support Group at the Ministry and the Credit Committees of the PFIs.



CRITICAL CHALLENGES

- ▶ Limited funding support from Government of Ghana budget resources.
- ▶ Access to critical infrastructure
 - ▶ Roads
 - ▶ Electricity
 - ▶ Water
- ▶ Mobilizing equity investments and collateral security from local entrepreneurs.

OPPORTUNITIES

1. INCENTIVE FRAMEWORK FOR IDIF INITIATIVE

- ▶ **Corporate Tax**
- ▶ Tax holiday of five (5) years after commencement of operations. The tax holiday may be renewed on application by the company and subsequent approval by the Minister for Finance.
- ▶ **Exemptions, Waiver of Import Duties and Levies on Equipment, Machinery, Plants and Parts and Raw Materials.**
- ▶ Industrial plants, machinery or equipment and parts imported for IDIF are exempted from payment of levies and Customs Import Duty under **HS Codes chapter 82, 84, 85, and 98.**
- ▶ An enterprise whose Plant, Machinery or Equipment and Parts are not zero rated under the Customs, Excise and Preventive Service Management Act, 1993 may submit an application for exemption from import duties and related charges on the plant, machinery or equipment at the Customs Division of Ghana Revenue Authority (GRA).
- ▶ 100% exemption from payment of direct and indirect duties and levies on all raw material imports for IDIF production and exports.
- ▶ Exemption from payment of withholding taxes from dividends; Relief from double taxation for foreign investors and employees.



OPPORTUNITIES

Guarantees and Repatriation of Dividends

- ▶ Repatriation of dividends or net profit subject to existing foreign exchange regulations and approval by the Bank of Ghana.
- ▶ Guarantee against nationalization and expropriation of investments in 1D1F companies.
- ▶ 100% foreign owned companies with investment of USD700,000 and above can employ four (4) expatriate workers whilst 100% foreign owned companies with investment between USD500,000 and USD700,000 are allowed to employ three (3) expatriate workers.

OTHER INCENTIVES

Provision of Subsidy on Interest Rates for 1D1F Companies by Government

- ▶ Standardized interest rates to be charged by 1D1F Participating Financial Institutions (PFIs) shall not exceed 20% per annum; associated net interest rate to be paid by beneficiary 1D1F companies shall not exceed 10%.

Insurance Risk Cover

- ▶ A special credit risk insurance guarantee scheme shall be established for 1D1F companies.



OPPORTUNITIES

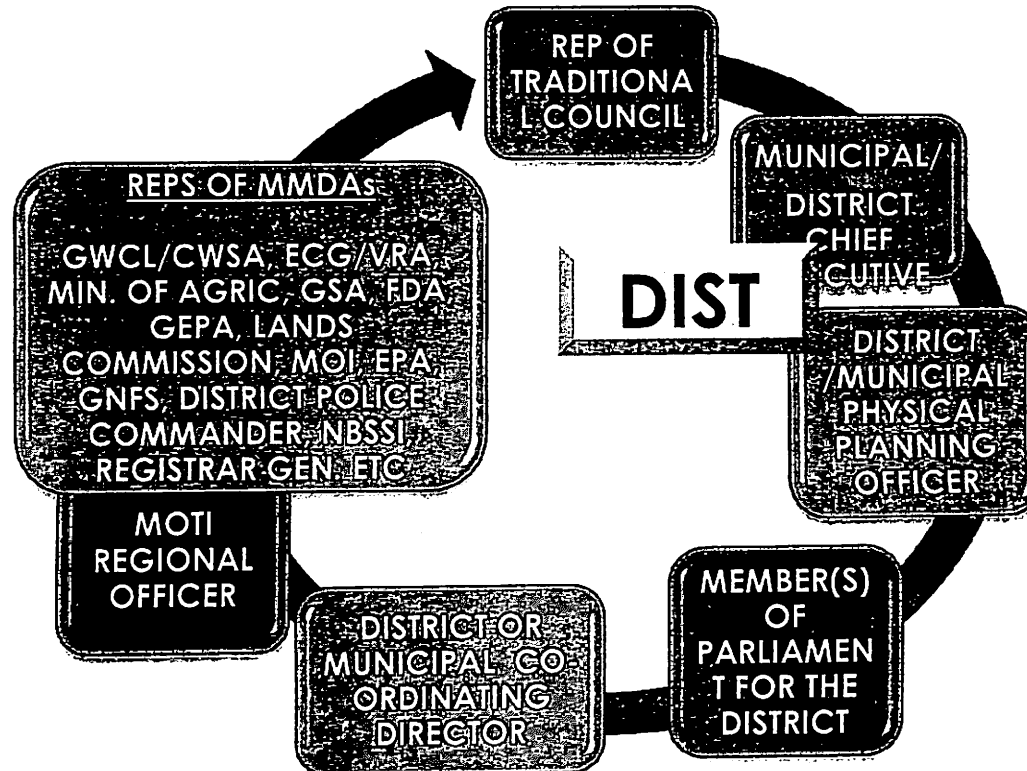
2. TECHNICAL ASSISTANCE TO 1D1F COMPANIES

- ▶ THE MINISTRY HAS ESTABLISHED A TECHNICAL SUPPORT GROUP MADE UP OF EXPERIENCED CONSULTANTS AND SECTOR SPECIALISTS TO SUPPORT THE IMPLEMENTATION OF THE ONE DISTRICT ONE FACTORY (1D1F) INITIATIVE.
- ▶ IN THIS REGARD, TWO CONSULTANTS/SPECIALISTS HAVE BEEN ASSIGNED TO EACH OF THE SELECTED 1D1F ENTERPRISE PROJECT TO PROVIDE TECHNICAL ASISTANCE AT NO COST TO THE BUSINESS PROMOTER.

OPPORTUNITIES

3. COMMUNITY SUPPORT: DISTRICT IMPLEMENTATION SUPPORT TEAM (DIST)

- ▶ The Ministry has completed the setting up of **208 out of 254** District Implementation Support Teams (DIST's) across the country. The team consists of the following:





OPPORTUNITIES

4. FACILITATING MARKET ACCESS

- ▶ DOMESTIC MARKET (PROMOTING MADE IN GHANA GOODS)
- ▶ GOVERNMENT PROCUREMENT
- ▶ EXPORT MARKETS (CFTA, AGOA, EU, ECOWAS & OTHER BILATERAL MARKET ACCESS OPPORTUNITIES)



CONCLUSION

- ▶ The projects being implemented under the 1D1F initiative will not only add value to the natural resource endowments in each district for local consumption but will also significantly enhance the potential for exports while reducing the importation of various goods.
- ▶ The 1D1F initiative will contribute significantly to the industrial transformation of Ghana.

THANK YOU