

**IN THE FIRST SESSION OF THE SIXTH
PARLIAMENT**

OF THE

FOURTH REPUBLIC OF GHANA

REPORT OF THE COMMITTEE

ON

TRADE, INDUSTRY AND TOURISM

ON THE

**2013 ANNUAL BUDGET ESTIMATES OF THE
MINISTRY OF TRADE AND INDUSTRY**

15TH MARCH, 2013

**REPORT OF THE COMMITTEE ON TRADE AND INDUSTRY ON THE 2013
ANNUAL BUDGET ESTIMATES OF THE MINISTRY OF
TRADE, INDUSTRY AND TOURISM**

1.0 INTRODUCTION

The Budget Statement and Economic Policy of the Government of Ghana for the 2013 Financial Year was presented to the House on Tuesday, 5th March, 2013 in accordance with Article 179 of the Constitution of Ghana by the Hon. Minister of Finance Mr. Seth Emmanuel Terkper.

Pursuant to the Standing Orders 140(4) and 159 of the House, the Rt. Hon. Speaker referred the Annual Estimates for the 2013 of the Ministry of Trade and Industry to the Committee on Trade, Industry and Tourism for consideration and report.

In considering the Annual Estimates, the Committee met with the Hon. Minister of Trade and industry, Hon. Haruna Iddrisu, the technical team from the Ministry and agencies under the Ministry. The Committee appreciates their invaluable contributions.

2.0 REFERENCE DOCUMENTS

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

- 1992 Constitution of the Republic of Ghana;
- Standing Orders of the House
- MDA's 2012 Actuals
- 2013 Budget Statement and Economic Policy

3.0 THE MINISTRY OF TRADE AND INDUSTRY

3.1 Mandate

The Ministry of Trade and Industry is the primary Government Agency with the overall mandate for formulating, developing, implementing, monitoring and evaluating policies, programmes and projects to promote inclusive growth and development of Trade, Industry and the Private Sector in Ghana. These are being discharged within the context of the overall economic development plan of the Government of Ghana as set out in the Medium-Term National

Development Policy Framework and the Ghana Shared Growth and Development Agenda (GSGDA).

In line with Ghana's Shared Growth and Development Agenda (GSGDA) and the Ministry's Sector Medium-Term Plan, programmes and activities under the second phase of the Private Sector Development Strategy (PSDS II) and Industrial Sector Support Programme (ISSP) are being pursued to create jobs, increase levels of income, enhance technological advancement and improve livelihoods for all.

In order to achieve its mandate, the Ministry has the under-listed as its priority programmes:

- Private Sector Development Strategy (PSDS II)
- Industrial Sector Support Programme (ISSP)
- National Export Strategy
- MOTI Communication Strategy
- Trade Related and Quality Enabling (TRAQUE) Programme
- State Owned Enterprise (SOEs)
 1. Ghana Trade Fair Company Limited (GTFCL)
 2. Ghana Heavy Equipment Company Limited
 3. GNPA Limited

3.2 Vision

To establish Ghana as a major manufacturing, value-added, financial and commercial hub in West Africa by the year 2015.

3.3 Mission

To develop a vibrant, technology-driven, liberalized and competitive trade and industrial sector that significantly contributes to inclusive and sustainable economic growth and employment creation, particularly involving mass mobilization of rural communities and other vulnerable groups including women.

3.4 Oversight Responsibility of Ministry of Trade and Industries (MOTI)

The Ministry of Trade and Industry (MOTI) has oversight responsibility of the following Agencies and State Owned Enterprises (SOEs):

To ensure effective implementation of its policies:

1. Ghana Export Promotion Authority
2. Ghana Standards Authority
3. National Board for Small Scale Enterprises
4. Gratis Foundation
5. Export Development and Agricultural Investment Fund (EDAIF)
6. Ghana Freezones Board (GFZB)
7. Central Region Development Commission
8. State Owned Enterprise (SOEs)
9. Ghana Trade Fair Company Limited (GTFCL)
10. Ghana Heavy Equipment Company Limited
11. Ghana National Procurement Authority (GNPA) Limited
12. Ghana Industrial Holding Company (GIHOC) Distilleries

The Ministry also has oversight responsibility for the operations of some Special Projects namely:

1. Ayensu Starch Company Limited
2. Volta Star Textiles
3. Northern Star Tomato Company Limited

4.0 PERFORMANCE FOR THE YEAR, 2012

a. Private Sector Development Strategy (PSDS II)

In 2012, the Ministry pursued the implementation of PSDS II to widen economic opportunities for the transformation of the Ghanaian economic and to develop a thriving Private Sector that creates jobs and enhances livelihoods for all.

b. Industrial Sector Support Programme (ISSP)

During the year, the Ministry initiated the implementation of the Industrial Sector Support Programme (ISSP) to catapult growth, productivity and the employment potentials for the manufacturing sector whilst pursuing measures to achieve economic-wide factor productivity growth over the long-term.

The Ministry has been reorganized and an Industry Directorate created to lead the implementation of the Industrial Policy and the Industrial Sector Support Programme with the objective of improving manufacturing. Focal persons have been identified in relevant MDAs to lead the implementation of the ISSP across the sectors.

c. GCNet Strengthened

To provide cost effective and secure cargo transit facilities to serve landlocked neighbours, GCNet deployed for Customs, IP camera facilities, seals and satellite transit tracking devices as an integral part of Ghana Customs Management System (GCMS). The transit tracking system makes Ghana Customs the first customs administration to use such system in Africa. Kumasi transit tracking route has been provided with a modem to enhance the process of checking transit goods.

d. Web-Based Product Gallery for Made-In-Ghana Goods

This programme seeks to showcase Made-In-Ghana goods on the internet on a specially created website. The website is populated with about three hundred (300) products. The focus is on Small, Medium Enterprise (SMEs), however other big companies are being targeted and have also been accommodated.

e. Sanitization of Trading Activities in Market Places

As part of efforts to sanitize the domestic markets from the activities of illegal non-Ghanaian traders, an Inter-Institutional Task Force made up of various institutions was reconstituted at the beginning of the 2012 to monitor and ensure the compliance of GIPC Act, 1994 (Act 478).

The Inter-Agency Task Force market operation has covered about 2% - 3% of the proposed markets. The Task Force closed 134 shops and temporarily reopened 108.

The operations of the Inter Agency Task Force compelled 70 foreign companies to pay corporate tax, submitted VAT returns, filed annual returns, paid employee income tax and SSNIT contributions.

f. Rural Enterprise Programme (REP III)

In 2012, the Rural Enterprise Programme (REP II) established the Programme Coordination and Management Unit (PCMU) to ensure smooth implementation of the programme.

Some of the key results achieved during the period under review were:

- Completion of two (2) major studies that will feed into the African Development Bank's appraisal of the Programme
- Completion of an impact assessment study of REP II

- Sensitization of the key stakeholders of the Programme
- Commissioned baseline study for the Programme
- Commissioned Offinso Rural Technology Facility (ORTF)

g. Micro Small & Medium Enterprises (MSME) Project

This programme which is aimed at increasing the competitiveness and employment levels of SMEs would end in June, 2013.

It approved Eight Hundred and Twenty-Three (823) loan applications worth Fifty-Five Million and Four Hundred Thousand US Dollars (US\$55.4) for MSMEs and funded the following:

- The development of an ICT park which is 45% complete
- The construction of storm drains to prevent perennial flooding of the multi-purpose industrial park at the freezone enclave-Tema
- Ghana Export Promotion Authority to acquire Global Positioning System (GPS) to aid in traceability of export customers
- The provision of transformers to garment export cluster at Adjabeng, Accra
- Trained 50 food exporters to develop the quality systems necessary for them to meet the Hazard Analysis and Critical Control Points (HACCP) accreditation for export to the European Union (EU)

h. Trade Related and Quality Enabling (TRAQUE)

The programme is a joint Government of Ghana and European Union Programme to improve standards of goods and services and build capacity of staff of the Ministry on trade and trade-related issues.

i. Ghana Commodity Exchange Ghana Commodity Exchange (GCX)

The GCX seeks to help producers and buyers gain access to a more transparent and fair pricing system through an orderly and efficient marketing of commodities.

- The Ministry established a National Working Group on Commodity Exchange with an institutional membership comprising Ministry of Finance and Economic Planning (MOFEP), Ministry of Food and Agriculture (MOFA), Ghana Standards Authority (GSA), Ministry of Trade and Industry (MOTI), AGD, Securities Exchange Commission and National Buffer Stock

- The UNDP assisted the GCX National Technical Committee to undertake a study tour and training on commodity exchanges at the Ethiopia Commodity Exchange (ECX) Institute in Addis Ababa to facilitate its work.

5.0 AGENCIES

i. Ghana Export Promotion Authority (GEPA)

Ghana Export Promotion Authority (GEPA) embarked on the following human resource development activities to improve the service and activities of exporters and trade-related organizations as well as enhance quality of products suitable for the export market.

- 200 oil palm farmers were trained in Quality Export Marketing at Bechem, in the Brong Ahafo Region
- Capacity building training was provided for 50 Agric extension officers in Ejura Sekyeredumase
- 40 officers of the Ministry of Foreign Affairs were trained to be equipped to manage the Economic Affairs desk in Ghana's mission abroad
- Ghana Export School (GES) trained 20 horticultural farmers in Quality Export Marketing at Kpando (Gbefi)
- 75 mango farmers were trained in Quality Export Marketing at Ho in the Volta Region

ii. Ghana Standards Authority (GSA)

Ghana Standards Authority (GSA) issued 590 Health Certificates to cover Fish and Fishery products for export and 493 Export Certificates. It also inspected 150 Fish establishments or frozen vessels, 187 consignments of Yam, scrap metals and other non-traditional exports. The GSA further verified 23, 117 weighing and measuring devices used for trading purposes and inspected 42,027 imported high risk goods.

iii. National Board for Small Scale Industry (NBSSI)

National Board for Small Scale Industry (NBSSI) achieved the following during the year:

- 200 Tailor-made programmes has been organized for 5,000 entrepreneurs made up of 2,150 males and 2,850 females

- 50 Medium Scale Enterprise (MSEs) were assisted to participate in 10th Ghana Internal Trade Fair
- 1,000 informal enterprises were transformed and integrated into the formal sector

iv. GRATIS Foundation

GRATIS Foundation in collaboration with PLAN Ghana, with funding from HYUNDAI MOTORS through the Korean Overseas Development Agency (KOICA) established a training centre at Koforidua to train the youth in automobile engineering. It will be a three year programme after which trainees will be expected to graduate with the COTVET/GES Technical Examinations Unit Certificate III.

v. Central Regional Development Corporation (CEDECOM)

Central Regional Development Corporation (CEDECOM) exists to promote the sustainable development of the Central Region through partnership with the private sector and development partners for agriculture, natural resource and rural development, investment promotion and enterprise development, integrated tourism development, and ICT development working with the MMDAs.

The Ministry undertook the activities enumerated above with funds as detailed in table 1 below:

TABLE 1: SECTOR WIDE ALLOCATION BY SOURCE - 2013

	APPROVED	RELEASES	LODGEMENT	VARIANCE	%VAR
GOG	10,682,294.00	15,044,594.51	13,788,377.20	3,106,083.20	29.08
IGF	23,729,311.00	6,139,333.12	5,490,129.20	(18,239,181.80)	(76.86)
DONOR	110,068,244.00	66,508,100.58	66,508,100.58	(43,560,143.42)	(39.58)
ABFA	13,040,610.00	8,850,808.11	8,850,808.11	(4,189,801.89)	(32.13)
TOTALS	157,520,459.00	96,542,836.32	94,637,415.09	(62,883,043.91)	(39.92)

NB: The increase in the Compensation of Employees component of the budget was due to payment of arrears and adjustment of Salaries of the Trade and Investment Missions.

Even though the approved budgetary allocations for the Ministry in 2012 was One Hundred and Fifty-Seven Million, Five Hundred and Twenty Thousand, Four Hundred and Fifty-Nine Ghana Cedis (GH¢157,520,459.00), the total lodgement (as not all the releases were

banked) for the year under review amounted to Ninety-Four Million, Six Hundred and Thirty-Seven Thousand, Four Hundred and Fifteen Ghana Cedis, Nine Pesewas (GH¢94,637,415.9). The variance of Sixty-Two Million, Eight Hundred and Eighty-Three Thousand Forty-Three Ghana Cedis, Ninety-One Pesewas (GH¢62,883,043.91) amounted to 39.92% of the total budgetary allocations.

6.0 OUTLOOK OF THE MINISTRY FOR 2013

For 2013, the Ministry has been allocated One Hundred and Twenty-Four Million, Eight Hundred and Sixty-Eight Thousand, Four Hundred and Thirty-Nine Ghana Cedis (GH¢ 124,868,439.00) for its operations. The following are the details in table 2:

TABLE 2: SECTOR WIDE ALLOCATION BY SOURCE - 2013

		COMPENSATION	GDS & SERV	ASSETS	SUB-TOTAL	TOTAL
GOG		10,009,139.00	2,436,409.00	7,177,850.00		19,623,398.00
IGF	MOTI	-	19,340,709.00	4,079,771.00	23,420,480.00	77,876,760.00
	GZFB		54,456,280.00		54,456,280	
DONOR		-	4,473,656.00	17,894,625.00		22,368,281.00
ABFA		-	-	5,000,000.00		5,000,000.00
TOTALS		10,009,139.00	26,250,774.00	34,152,246.00		124,868,439.00

NB: The IGF component of the budget includes Fifty-Four Million Four Hundred and Fifty-Six Thousand Two Hundred and Eighty Ghana Cedis (GH¢54,456,280.00) for the Ghana Free Zones Board as per Table 2 above.

In 2013, the Ministry will embark upon the following activities to achieve its set objectives and goals. Its Departments and Agencies:

6.1 Private Sector Development Strategy II (PSDS II)

The focus of the Ministry will be on the implementation of the two out of the four programmes i.e. Business Enabling Environment Reforms and the Export Diversification Reforms for which action plans have been prepared.

6.2 Industrial Sector Support Programme

The Ministry will continue to implement the Industrial Sector Support Programme, the implementation arm of the Industrial Programme.

6.3 Industrial Development

The Ministry will undertake the following activities:

- Encourage investors in the establishment of capital goods production unit for the local manufacture of specialised engineering products.
- Identify skill needs of owners and managers of SMEs in the industrial sector and collaborate with relevant service providers, technical institutions/academia to design and offer requisite training modules and programmes.

6.4 Resuscitate the Komenda Sugar factory in the Central Region

- Parliament has approved a Thirty-Five Million US Dollars (US\$35,000,000.00) credit facility between the Government of Ghana and the Government of India for the establishment of the sugar factory last year.

6.5 Keta Salt Project

- The Ministry has received approval from MOFEP to prepare the project proposal on the establishment of Keta Industrial Salt Estates in the Keta Lagoon Basin of the Volta Region. Under a PPP arrangement, the total project cost of Two Hundred and Thirty-One Million, Eighty-Three Thousand US Dollars (US\$231.83) will be financed with equity and debt capital in the ratio of 20:80.
- A National Project Implementation Team (PIT) is to be constituted to finalise the feasibility studies and prepare the necessary documentation (including relevant memoranda, draft agreements and financial models) for Cabinet and Parliamentary approvals for the necessary borrowing requirements and guarantees for the project.
- **Strategic Government Interventions in Industry**

The Ministry in close consultation with relevant stakeholders will develop clear guidelines for strategic government interventions in industry including guidelines on entry and exit to guide and facilitate strategic government interventions aimed at accelerating industrial development.

- **Use of Weighing Scales for Trading in the Domestic Market**

Extensive educational activities including workshops would be organized to increase awareness and proper use of weighing scales for trading. The

activities would involve sellers and buyers as well as importers and suppliers of weighing scales.

6.6 Trade Related Assistance and Quality Enabling Programme (TRAQUE)

In order to promote trade and access to markets, a National Quality Policy (NQP) aimed at establishing a robust and reliable National Quality Infrastructure (NQI) has been prepared. The implementation of the NQP started in October 2012 under the TRAQUE Programme funded by the EU at a cost of 9 million Euros.

The overall objective of the TRAQUE Programme is to facilitate trade and stimulate trade led pro-poor growth of the economy. The four year programme has two components namely; Trade related capacity development of the Ministry and relevant agencies, and Support for the establishment of national quality infrastructure.

6.7 Studies on Economic Partnership Agreement (EPA)

The Ministry would facilitate studies on the Interim Economic Partnership Agreement and Economic Partnership Trade Policies as well as the impact on Customs, value chain and employment. Dissemination documents on the studies would be prepared and round table discussions held for private and public sector institutions.

6.8 National Quality Infrastructure

The Ministry would facilitate Round Table discussions involving both the private and public institutions, focusing on Conformity assessment, Standards, Technical Regulations and other issues related to Export improvement.

Procurement of Testing and Calibration equipment, with funding of five million Euros (€5,000,000.00)), for identified public institutions. The Institutions include; Ghana Standards Authority (GSA), Food and Drugs Authority (FDA), National Board for Small Scale Industries (NBSSI) , Food Research Institute(FRI) CSIR, Industrial Research Institute (IIR) CSIR, Plant Protection and Regulatory Services Directorate (PPRSD) and Accra Veterinary .

6.9 Export Strategy for Non-Traditional Exports

The overall objective of the National Export Strategy is to develop the potentials of the non – traditional export (NTE) sector and maximize export

earnings to achieve a strategic growth target of Five Billion US Dollars (US\$5.0 billion) within five years.

The Strategy is expected to create about one thousand (1000) formal decent job opportunities and ensure high standards of living for the people.

Activities for 2013 include:

1. Launch of the National Export Strategy and commencement of implementation of the National Export Development Programme
2. Launch and implementation of the Yam Sector strategy

Award of contracts and commencement of construction works on the 300 housing units and compost plant at Kasunya under the BAM project.

a. Banana Accompanying Measures (BAM)

The European Union (EU) has granted Ghana Seven Million, Two Hundred and Forty Thousand Euros (€7,240,000.00) under the BAM, negotiations for the purposes of enhancing Ghana's competitiveness in the EU market through improved infrastructure for banana production.

The project has five components, namely technical assistance, housing and social infrastructure, organic composting, communication and visibility, audit, monitoring and evaluation.

MOTI will implement the project in collaboration with key stakeholders, namely Golden Exotics Limited, Volta River Estate Limited, Shai Osudoku District Assembly and the Environmental Protection Agency.

b. Consumer Protection Policy and Framework Law

A draft Consumer Protection Policy was initially forwarded to Cabinet and Cabinet requested that the Ministry expands the scope to make the Policy more comprehensive. All the concerns have been addressed and the revised document will be sent to Cabinet for consideration and approval. After that a framework law for the establishment of the Consumer Protection Authority will be developed for subsequent consideration and approval by Cabinet and Parliament.

c. Competition Policy

A draft Competition Policy which seeks to take care of anti-competitive practices that restrict free and fair competition in the market will be developed for Cabinet review and approval.

d. Multilateral, Regional and Bilateral Trade

1. An intensive focus will be on bilateral trade arrangements and agreements with strategic individual partner countries, in order to take advantage of opportunities in key strategic markets, foster business cooperation and technology transfer as well as encourage Foreign Direct Investments. Some key partners in this process currently are:
 - Turkey which has agreed with Ghana on a Joint Action Plan to increase trade between them to Three Billion US dollars (\$3 billion) in five years;
 - The United States of America is also negotiating a Bilateral Investment Treaty with Ghana, as a strategic partner in Africa.
 - South Africa which is holding discussions on implementation of a Bilateral Trade Agreement through the removal of all barriers to trade including sanitary and phytosanitary rules, mutual acceptance of standards and harmonization of customs procedures;
2. It is anticipated that, the Customs Union negotiation process would be completed by 2014, for the adoption of a Common External Tariff by ECOWAS member states.

The Ministry will continue to engage in the Doha Rounds of Negotiations, Economic Partnership Agreements and other Regional Trade Agreements, including the pursuit of the development of a Continental Free Trade Agreement under the auspices of the Africa Union, the Partnership for Growth Agreement and the Bilateral Investment Treaty with USA.

e. Extension of GCNet Services Agreement

- The GCNet Services Agreement has been extended for one year with effect from 2nd December 2012 to 1st December 2013. Within this period an evaluation committee will be established, under the oversight of the Ministry of Trade and Industry to review and evaluate the services provided by GCNet.

It will determine the terms and conditions of any further agreement to be negotiated and signed with GCNet and the Government of Ghana regarding the provision of services.

7.0 OBSERVATIONS

In its deliberations with the Ministry of Trade and Industry, the following observations were made by the Committee:

It was generally observed that there was undue delay in the release of Funds to the Ministry, Departments and Agencies (MDAs). Moreover, the Budgetary Allocation to the MDAs were drastically reduced in 2012. Some line items such as goods and services and assets sometimes had no releases at all though budgetary provisions were made in respect of these.

It was revealed that Ghana Industrial Holding Company (GIHOC) will be listed on the Ghana Stock Exchange to build the capacity of the company and to have Ghanaians as shareholders.

It came to light that the Ministry intends to develop the Salt Industry and will start with the revamping of the Keta Salt Industry.

The Committee is happy to note that a Transaction Advisor will be appointed to the Ayensu Starch Industry.

The Committee noted that no provision was made to support the activities of the Private Sector Development Strategy (PSDS II) in 2013 budgetary allocations.

It is worthy to note that by July, 2013, the Komenda Sugar Factory will be reopened for production.

The Committee was informed that arrangements were being made to acquire land in the Sekondi-Takoradi area as an industrial zone. Moreover, the Turkish government had expressed interest to help Ghana establish an Industrial Zone.

The Committee noted with concern the non-payment of compensation to the original land owners of the Ghana Trade Fair Authority.

It was also revealed that the Ghana Standards Authority was inadequately staffed. The Authority will need more staff in order to open one more regional office in order to improve public access to the Authority.

There is the lack of a National Quality Infrastructure Policy which will outline the roles and responsibilities of the Ghana Standard Authority and the Ghana foods and Drugs Board.

There is also undue delay in the review of the Standards Authority Act, 2004 (NRCD173). It was also revealed that there was poor appreciation of standards by stakeholders.

The Committee observed that the Ghana Standards Authority will not be able to achieve targets for verification and calibration due to their high nature.

The Committee was informed that in the year 2012, nothing was released in respect of goods and services for the Ghana Export and Promotion Authority. The Ghana Export Promotion Authority (GEPA) participated in a lot of International Fairs and Exhibitions in 2012. Notable among these are the Abuja and Lagos International Fairs, SIAO Fair, Izmir International Fair in Turkey, Ambiente Fair in Frankfurt-Germany, Kenya Solo Exhibition and the La Cote D'Ivoire Solo Exhibition.

The Committee observed that the 2012 Export Performance Statistics report showed a decline of 2.45% of the total Non-Traditional Export (NTE) earnings in 2012. In 2011, the figure was Two Billion and Forty-Two Million US Dollars (US\$2.42 billion) but was reduced to Two Billion and Thirty-Six Million US Dollars (US\$ 2.36 billion) in 2012.

The Authority was constrained with weak supply base of Non-Traditional Export (NTE) product and limited medium export financing for the exporter Community.

The Ghana Export Promotion Authority (GEPA) will implement specific, strategic projects and programmes in line with the Government's Trade Policy to support the growth of Non-Traditional Export earnings to achieve the Five Billion US Dollars (US\$5.0 billion) target by 2015.

The National Board for Small Scale Industries will improve small and medium enterprises access to formal credit through increased supply of funds and simplified loan application and processing procedures.

The Board will also provide tailor-made entrepreneurial, managerial and technical skills training programmes to enhance the capacity of the medium and small enterprises.

The Board will also promote the integration of women into formal business activities. The Committee was informed that the Board will make business support services easily accessible to rural entrepreneurs and also improve the quality of products to meet international standards.

The Ghana Regional Appropriate Technology Industrial Service (GRATIS) Foundation in collaboration with PLAN Ghana is establishing a Training Centre at Koforidua to train the youth in automobile engineering. It has funding from the HYUNDAI MOTIONS Agency (KONICA).

Indebtedness to Messrs Cromwell International of England.

In April 2006, GRATIS Foundation, through national competitive bidding, contracted Messrs Cromwell International of 65th Chartwell Drive, Wigston, Leicester, England to supply workshop equipment such as Computer Numerically Control (CNC) machines, welding and fabrication equipment, foundry equipment, materials, testing equipment and measuring instruments. The equipment were supplied and GRATIS paid part of the cost, leaving a balance of One Hundred and Forty Two Thousand US Dollars (USD142,000). Efforts have been made to pay Fifty Thousand Dollars (USD50,000) leaving a balance of Ninety Two Thousand Dollars (USD92,000) unpaid.

Liabilities of the GISDC as at December 2010 when the services of K9 Security Services were terminated totaled One Hundred and Twenty-One Thousand, Five Hundred and Seventy-Nine Ghana Cedis, Twenty-Eight Pesewas (GH¢121,579.28) GRATIS has paid Seventeen Thousand, Five Hundred Ghana Cedis (GH¢17,500.00) to K9 Security Services out of the Twenty-Three Thousand, Five Hundred and Forty-Two Ghana Cedis (GH¢23,542.00) owed. The total indebtedness of the Ghana Industrial Skills Development Center now stands at One Hundred and Twenty Thousand, Two Hundred and Fifty-Two Ghana Cedis, Forty-Six Pesewas (GH¢120,252.46)

The Committee was informed that in 2012, the Foundation provided technical and income generating training programmes to the youth and vulnerable groups in various skills such as metal machinery, welders and fabrication occupational safety and Health Environmental Management, engineering, architecture etc.

The Foundation also produced assorted equipments and spare parts in agric/agro and other sectors for both local and West African markets.

The Foundation needs sufficient funds to procure cross country vehicles for effective monitoring of the regional branches.

It came to light that in 2012, nothing was released to the Foundation in respect of assets acquisition. Even though the Foundation was given the warrant to purchase two vehicles, payment is yet to be effected by the Ministry

of Finance and Economic Planning to GHAMOT Company which has been on the neck of the Foundation day in and day out.

In 2013, the Foundation requested for a budgetary allocation of Four Million, Three Hundred and Eighty-Two Thousand, Nine Hundred and Ninety-Two Ghana Cedis, Thirty-Four Pesewas (GH¢4,382,992.34) but was allocated Two Million, One Hundred and Thirty-One Thousand, Six Hundred and Ninety-Nine Ghana Cedis (GH¢2,131,699.00) which is about 50% of its request which is woefully inadequate for its activities.

It was revealed that, the Ghana National Procurement Agency (GNPA) will need the Ministry's support to pay its Thirty-six (36) employees.

Moreover, the Agency lacked seed capital for bulk purchase of food items.

The Central Regional Development Corporation was paid Five Million, Four Hundred Thousand Ghana Cedis (GH¢5,400,000.00) to clear arrears of 2011 in 2012 in respect of social intervention projects. However, there is an outstanding amount of Five Million, Eight Hundred Thousand Ghana Cedis (GH¢5,800,000.00). The Committee was informed that the Ministry of Finance and Economic Planning has given the green light and it was up to the corporation to present certificate for onward payments.

The Authority continued its market, product and other promotional and developmental activities.

8.0 RECOMMENDATIONS

Based on the above observations, the Committee would wish to make the following recommendations for the consideration of the House. It is the hope of the Committee that these recommendations when adopted would go a long way to help the Ministry, its Departments and Agencies to achieve set goals and targets.

Ministry of Trade and Industry

The Ministry should liaise with the Ministry of Finance and Economic Planning to ensure the timely release of funds to the Ministry, Departments and Agencies.

Moreover, measures should be taken so that the budgetary allocations are not cut drastically after being approved.

The Ministry should also liaise with the Ministry of Finance and Economic Planning to pay all the outstanding debts of the GRATIS Foundation.

The Ministry should ensure that GRATIS foundation is adequately resourced to purchase cross country vehicles for effective monitoring of projects in the regions.

The Ministry should liaise with the Ghana Standard Authority and the Ghana Food and Drugs Board to develop a National Quality Infrastructure Policy to outline and delineate the roles and responsibilities Ghana Standard Authority and the Ghana Food and Drugs Board.

The Ministry should also help facilitate the review of the Standards Authority Act 2004 (NRCD 173).

The Committee was delighted to know that arrangements were far advanced in transforming the Ghana National Procurement Agency into a Commodity House in respect of major export commodities in Ghana.

The Ministry should take proper measures to enable the Ghana National Procurement Agency (GNPA) to pay salaries of its workers for the 2013 financial year.

The Ministry of Finance and Economic Planning

The Committee urges the Ministry of Finance and Economic Planning to allocate funds to support the activities of the Private Sector Development Strategy II (PSDS II) in 2013.

The Finance Ministry should make the necessary arrangements to pay the GRATIS Foundation's out-standing debt owed to GHAMOT in respect of two vehicles purchased.

The Ministry of Finance and Economic Planning should clear the outstanding arrears of **Five Million, Eight Hundred Thousand Ghana Cedis (GH¢5,800,000.00)** owned by CEDECOM in respect of its social intervention projects.

The Finance should ensure that funds are released to some line items such as goods and service and assets to the various MDAs.

The Ministry should also ensure that compensation payments are made to the original land owners of the Ghana Trade Fair Authority.

Departments and Agencies

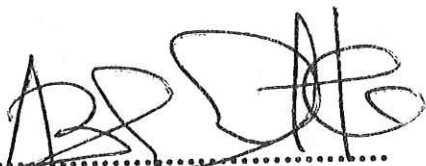
That the Ghana Standard Authority sets realistic and achievable targets for its verification and calibration programmes.

The Central Regional Development Corporation should as a matter of urgency present certificates in respect of social intervention projects to the Ministry of Finance and Economic Planning to effect payment on same.

9.0 CONCLUSION

The Committee on Trade and Industry having carefully examined the 2013 Budget Estimate of the Ministry of Trade and Industry, recommends to the House to approve the sum of **One Hundred and Twenty-Four Million, Eight Hundred and Sixty-Eight Thousand, Four Hundred and Thirty-Nine Ghana Cedis (GH¢124,868,439)** being budgetary allocation to the Ministry of Trade and Industry to enable it undertake its programmes and activities for the 2013 fiscal year.

Respectfully Submitted.


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HON. SOROGHO AMADU B
(CHAIRMAN OF THE COMMITTEE)


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MS. EVELYN BREFO-BOATENG
(CLERK TO THE COMMITTEE)

15TH MARCH, 2013