

**IN THE THIRD SESSION OF THE THIRD
PARLIAMENT OF THE FOURTH REPUBLIC
OF GHANA**

REPORT OF THE

**COMMITTEE ON TRADE, INDUSTRY AND
TOURISM ON THE 2001 ANNUAL REPORT
OF THE GHANA FREE ZONES BOARD**

24th March 2003

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1.0 INTRODUCTION

Pursuant to the Free Zones Act 1995 (Act 504) Section 38, the Ghana Free Zones Board (GFZB) Annual Report for 2001 was presented to the House. The Report was subsequently referred to the Committee for consideration and report in accordance with Article 179 of the 1992 Constitution of Ghana and Standing Orders 14(4) and 182 of the House.

The Committee hereby reports as follows:

2.0 REFERENCE DOCUMENTS

The Committee was guided in its deliberations by the Standing Orders of the House, The Constitution of Ghana and The Ghana Free Zones Act 1995 (Act 504)

3.0 MISSION STATEMENT

- i. The Mission of The Ghana Free Zones Board is to help transform Ghana into the Gateway to Africa.
- ii. The Ghana Free Zones Board hope to achieve this aim by the creation of an attractive and conducive environment through the provision of competitive Free Zones incentives.

- iii. The Free Zones Board aspires to promote a one-stop-shop for the promotion and enhancement of domestic and foreign investment.

4.0 OBJECTIVES OF GFZB

The following underlisted items constitute the objectives of GFZB.

The GFZB seeks to promote economic development through:

- i. Attracting of foreign direct investment
- ii. Creating employment opportunities
- iii. Increasing foreign exchange earnings
- iv. Provision of business opportunities for foreign and local investors to undertake joint ventures.
- v. Enhancement of Technical and Managerial skills/expertise of Ghanaians.
- vi. Transfer of Technology.
- vii. To diversify exports.

5.0 DELIBERATIONS

- i. The Committee commends the GFZB for continuing to pursue its primary objective of attracting a critical mass of exports oriented firms into the Free Zones to promote trade and investment to further enhance the growth of Ghana's economy.

- ii. The Committee again expressed thanks to the GFZB officials for their diligence and stringent evaluation criteria adopted. 14 applications have been approved out of 21 that

applied for the free zones statutes. The other applicants were deferred for either lack of sufficient information or non-viability of proposed project.

iii. This line of action has really ensured that the right calibre of investors is attracted to Ghana. Fifty (50) operational free zones enterprises have recorded a spectacular increase of 12% in direct employment of 7,745 persons in 2001 from 6,895 in 2000.

iv. Out of the fourteen approved enterprises granted free zone status in 2001, ten were registered for manufacturing activities, four for service and none for commercial and enclave development. The sub-sector distribution of registered enterprises included: telecommunication salt mining, computer software development, garment, steel, structure corrugator sheets, food processing, plastic products and enamel cook ware.

v. The distribution of Ghanaians employed in the Free Zones by sex revealed that 39% were female while 61% were male. Expatriate employees constituted approximately 1% of total number of employees in the Free Zones and this is commendable.

The GFZB Annual Report for 2001 is worthy of praise because it is very detailed and enlightening.

6.0 OBSERVATIONS/RECOMMENDATIONS

1. The Committee observed that the only source of revenue generation for GFZB for its operations was the sale of forms and payment of annual fees. The revenue generated is therefore inadequate.

Recommendation

The Committee recommends that Government should make funds available for the operations of Ghana Free Zones Board.

2. The Committee observed that inspite of series of educational workshops held for staff, there still exist certain operational inefficiencies and bottlenecks.

Recommendation

The Committee recommends that GFZB should continue to embark on a sustained education through workshops and fora for its staff members to conscientise them on their role in the free zones programme.

3. The Committee noted that lack of awareness of the operations of the Free Zones Board is also hampering the effective implementation of the programme.

Recommendation

The Committee recommends that sustained public relations activities be organized on the Free Zones programme to create public awareness among Ghanaians.

4. The Committee was not happy that quite a sizeable number of the Free Zones Enterprises did not have easy access to basic utilities such as Electricity, Water and Telephone. Most enterprises experience frequent power outages and this causes breakdown of machinery and thereby affecting production as well as export programme.

Recommendation

The Committee recommends that a standby generator be acquired for the Free Zones Enclave in order not to disrupt the work of the enterprises in the event of power outage.

5. The Committee observed that there was no co-operation between the GFZB revenue collecting agencies and other frontline institutions such as CEPS and GIS.

Recommendation

The Committee recommends that workshop be organized for the frontline institutions to appreciate the fact that collaboration amongst them would be to their mutual advantage as well as the best interest of the country.

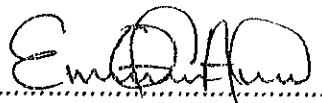
7.0 CONCLUSION

In spite of the constraints militating against the GFZB, your Committee wishes to commend the GFZB for the steady progress it has made within the period of its existence. The Committee therefore recommends that members of the House approve and adopt the GFZB Annual Report of 2001.

Respectfully submitted.



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HON. NANA ASANTE-FREMPONG
CHAIRMAN, COMMITTEE ON
TRADE, INDUSTRY AND TOURISM



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E. OPOKU-ACHEAMPONG
CLERK TO THE COMMITTEE
24th March 2003