

**IN THE FIRST MEETING OF THE SECOND
SESSION OF THE THIRD
PARLIAMENT**

OF

THE FOURTH REPUBLIC OF GHANA

REPORT OF

**THE COMMITTEE ON TRADE, INDUSTRY
AND TOURISM ON THE 2002 DRAFT
ANNUAL BUDGET ESTIMATES**

**OF THE
MINISTRY OF TRADE AND INDUSTRY**

MARCH, 2002

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OF THE THIRD PARLIAMENT OF THE FOURTH
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ESTIMATES OF THE MINISTRY OF TRADE AND
INDUSTRY**

1.0 INTRODUCTION

In accordance with Article 179 of the Constitution of Ghana, the Minister of Finance presented the Government's Budget Statement and Financial Policy for the year ending 31st December 2002 on Thursday, 21st February 2002. Following the motion for the approval of the budget statement and Financial Policy Statement and pursuant to Standing Orders 14 (4) and 182 of the House, the Draft Estimates for 2002 of the Ministry of Trade and Industry was referred to the Committee for consideration and report.

2.0 The Committee met with the sector Minister, Dr. K. K. Apraku and one of his Deputy Ministers, the Ag. Chief Director and officials from the Ministry. Officers from the following agencies also attended upon the Committee:

- i. The Ghana Export Promotion Council
- ii. National Board for Small Scale Industries (NBSSI)
- iii. The Ghana Standards Board

3.0 The Committee acknowledges their presence and is grateful for their co-operation.

4.0 **REFERENCE DOCUMENTS**

- (i) The 1992 Constitution of the Republic of Ghana
- (ii) The 2002 Budget Statement
- (iii) The Standing Orders of the House
- (iv) The Draft Annual Estimates for 2002 of the Ministry of Trade and Industry.

5.0 **MISSION STATEMENT**

“The mission of the Ministry of Trade and Industry is to provide assistance for private sector, commercial and industrial activities to support the development of a modern, robust manufacturing sector driven by science and technology and a competitive advantage which enables the sector to exploit domestic and international markets on a sustainable basis to generate higher growth rates in the sector and contribute towards poverty reduction in the country. MOTI, will for the realization of the above mission, use well-trained and highly motivated personnel to serve the business and industrial community with utmost efficiency, transparency and promptness.”

6.0 **OBJECTIVES**

The main objectives of the Ministry of Trade and Industry include:

- (i) The formulation and harmonization of policies to ensure collaboration in the implementation of trade and industrial policies, both at the national and global levels.
- (ii) To improve entrepreneurial skills by developing programmes and activities for individual capacity building to meet the challenges of the global market.
- (iii) To facilitate the development and promotion of non-traditional export products
- (iv) To furnish stakeholders with accurate information timeously.

7.0 2002 EXPENDITURE ESTIMATES OF THE MINISTRY AND ITS AFFILIATED DEPARTMENTS/DIVISIONS

In order to achieve its set objectives for the year, the Ministry of Trade and Industry has been allocated a sum of approximately **Eighty-Six Billion Nine Hundred and Fifty Four Million Cedis (¢86.954 Billion)**. This is made up of Government of Ghana (G.O.G.) Funds of **Twenty Three Billion, Two Hundred and Seventy Seven Million Cedis (¢23.277 bn.)** and Donor facility of **Sixty-Three Billion, Six Hundred and Seventy Seven Million Cedis (¢63.677 bn.)**. In a nutshell, this

represents donor inflow of 73.2% and G.O.G allocation of 26.8%.

Table I depicts the allocation of the 2002 budgetary Expenditure of the Ministry of Trade and Industry and its affiliated agencies/divisions.

TABLE I

SUMMARY OF BUDGETARY ALLOCATION OF MINISTRY OF TRADE AND INDUSTRY
AND AFFILIATED AGENCIES/DIVISIONS

060	Headquarters	Total Estimates	Personnel Emolument		Item 2-4		Administration Expenses		Service Expenses		Investment Exp	
			GoC	Donor	GoC	Donor	GoC	Donor	GoC	Donor	GoC	Donor
010	General Administration	86,953,571,792	15,138,571,792	0	71,815,000,000	3,375,000,000	0	3,375,000,000	22,390,210,000	0	1,058,000,000	41,294
020	PTMIE	1,351,326,066	534,130,066	0	817,206,000	572,206,000	0	44,000,000	0	0	200,000,000	0
030	F. & ITR & ITJ Division	285,900,431	225,900,431	0	60,000,000	0	0	30,000,000	0	0	30,000,000	0
040	Human Resources Management Div.	457,541,762	357,541,762	0	100,000,000	0	0	100,000,000	0	0	0	0
050	Industrial Development & Investment Division	158,745,185	38,745,185	0	120,000,000	0	0	90,000,000	0	0	30,000,000	0
060	UNIDO FIELD REPRESENTATIVE	448,064,410	215,064,410	0	271,000,000	0	0	200,000,000	0	0	71,000,000	0
070	Foreign Trade Missions	20,000,000	0	0	20,000,000	0	0	0	0	0	0	0
080	Regional Trade Offices	3,434,196,664	3,267,593,664	0	170,603,000	146,603,000	0	24,000,000	0	0	0	0
090	Regional Trade Offices	741,690,896	421,690,896	0	320,000,000	120,000,000	0	100,000,000	0	0	100,000,000	0
100	Customs Excise/Trade	46,653,790,000	0	0	46,653,790,000	0	0	97,000,000	5,960,000,000	0	0	41,194,7
110	Export Development and Investment Fund	0	0	0	0	0	0	0	0	0	0	0
120	Customs Free Zones Board	13,250,159	13,250,159	0	0	0	0	0	0	0	0	0
135	Customs Standard Board	21,407,531,064	5,808,583,064	0	15,598,998,000	1,237,448,000	0	732,000,000	13,167,550,000	0	452,000,000	0
025	IBESS	7,310,666,823	2,643,478,823	0	4,667,190,000	701,030,000	0	1,074,000,000	2,446,160,000	0	342,000,000	100,1
035	GEPC	4,639,808,308	1,814,595,308	0	3,016,213,000	576,713,000	0	832,000,000	1,498,500,000	0	207,000,000	0

Table II also shows the budgetary allocation of the Ministry in terms of item areas.

TABLE II
HEAD 04

EXPENDITURE ALLOCATION FOR MINISTRY OF
TRADE AND INDUSTRY

	G.O.G.	DONOR
	¢BN.	¢BN.
Personnel Emoluments	15.139	-
Administration	3.375	-
Service	3.327	22.380
Investment	<u>1.436</u>	<u>41.297</u>
Total:	<u>23.277</u>	<u>63.677</u>
%	(26.8%)	(73.2%)
Grand Total Allocation:	<u>¢86.954 BN.</u>	

8.0 OBSERVATIONS AND RECOMMENDATIONS

The Committee views with serious concern the inadequate budgetary provision made to the Ministry, especially the ratio of 73.2% to 26.8% Donor/G.O.G funding. This betrays a certain lack of real commitment to the development of the trade and industry sector. In the event that donor inflows do not materialize for any reason, the sector would be brought to a natural standstill. Consequently, the Committee recommends that the MTEF be reviewed to reflect the development goals of the country.

The Committee expressed serious concern about the fact that Ghana has no trade representatives in the emerging and major industrial countries like South Africa, Germany, France, Malaysia, Singapore, Thailand, Nigeria, India and Pakistan. The Committee recommends that trained commercial officers from the Ministry be posted/assigned to work with Foreign Missions as trade attaches/representatives. In case of lack of personnel those from the Foreign Mission could act as trade attaches/representatives.

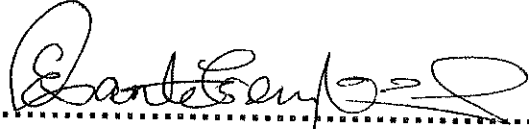
The Committee observed that imported condoms are not tested for its efficacy. In view of the fact that Ghana spends so much on HIV preventive campaigns, the Committee recommends that the Ghana Standards Board rather than Ghana Food and Drugs Board be given the mandate to test and evaluate

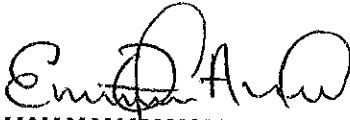
condoms imported into the country since the former has better facilities.

9.0 **CONCLUSION**

The Committee after satisfying itself with explanations, recommends that the sum of **Eighty-Six Billion, Nine Hundred and Fifty Three Million Six Hundred Thousand Cedis (¢86.953,600,000)** be approved by this House for the activities of the Ministry of Trade and Industry for the 2002 financial year.

Respectfully submitted.


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HON. NANA ASANTE-FREMPONG
CHAIRMAN OF THE COMMITTEE


.....
E. OPOKU-ACHEAMPONG
CLERK TO THE COMMITTEE


.....
ASANTE AMOAKO-ATTA
SUPERVISING CLERK