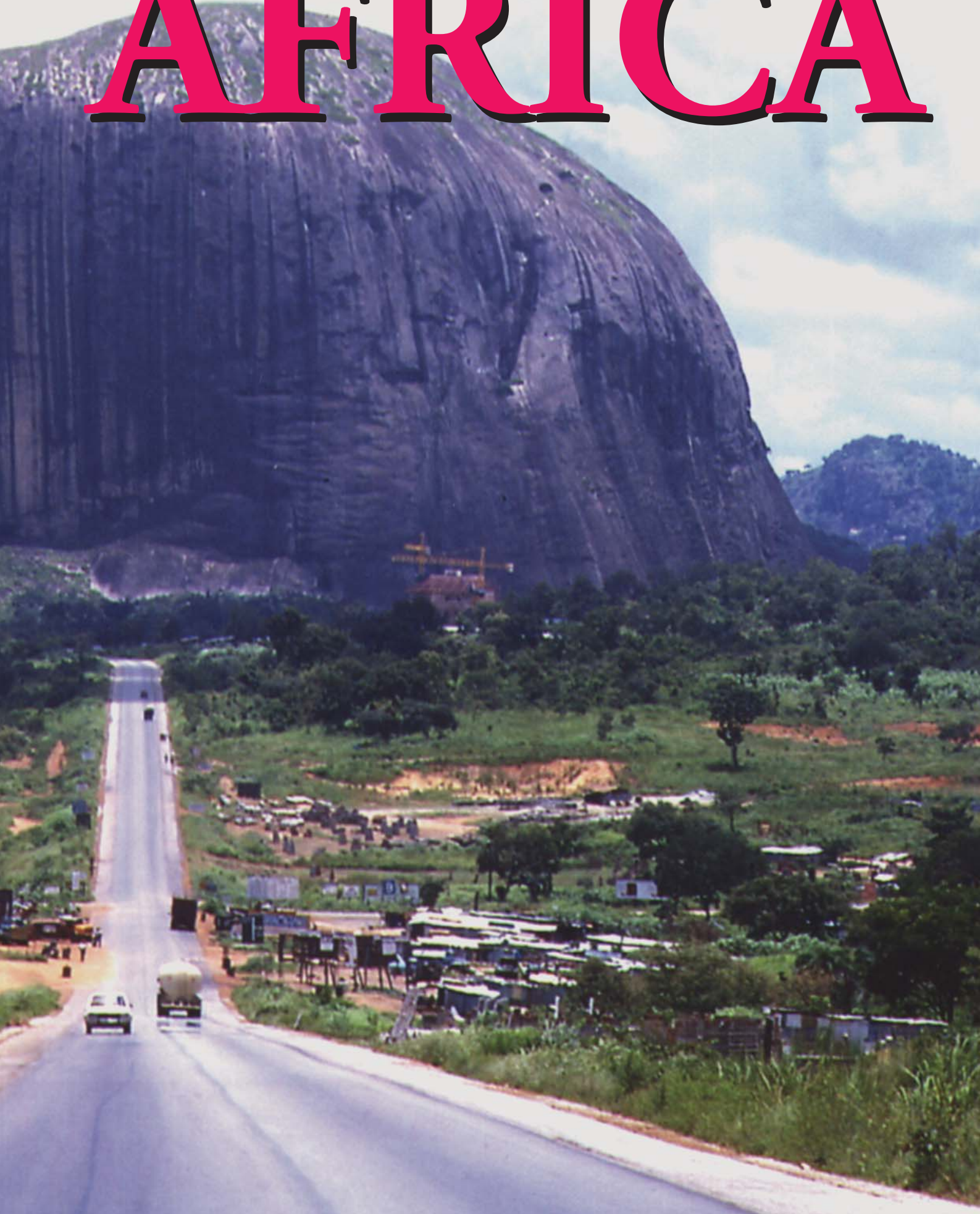


GOLDEN OPPORTUNITY

AFRICA



THE WEST AFRICA BUSINESS ASSOCIATION (WABA) A PARTNERSHIP IN DEVELOPMENT

The West Africa Business Association believes that a successful business sector in West Africa creates wealth and plays a crucial role in the region's economic and social development.

THE FIRST FIFTY YEARS – BY GORDON HUTT

The First 10 Years- Establishing a Foothold in the Region

In early 1956 a group of businessmen working for major British companies with interests principally in Nigeria, Gold Coast and Sierra Leone combined to form the West Africa Committee (WAC). The aim was “to aid and stimulate the economic development of West Africa through business”. It was a time when major political changes were beginning to emerge. The “twilight of colonialism” and the “dawn of African independence”. Just a year later Ghana became the first country in sub-Saharan Africa, apart from Liberia, to gain independence. It was followed by Nigeria in 1960 and Sierra Leone in 1961.

From its inception, the WAC aimed to have an inclusive and fully representative membership. A system of eligibility was adopted to ensure that the major manufacturing and service industries, together with trading companies, agriculture and mining, were balanced, and a permanent resident representative was established in Lagos. The aim of WAC was to create a clearing house for trade information and intelligence on import and exchange controls, taxation and economic planning by developing close contacts with British and West African governments to establish a business environment which would facilitate trade and encourage investment.

During the first 10 years membership of WAC rose from the original 31 companies to 148. To maintain a balance of interests, and to operate effectively in the rapidly changing political situation in West Africa, an Executive Committee was formed in 1961 with 10 members representing oil, mining, shipping, banking, accounting, plantations and traders. By 1966 new technologies and indigenous industries were becoming established and new members included computer firms and property companies.

1966 and the New Era of Independence

In its third decade WAC became truly international. As the rest of West Africa gained independence the activities of UK based multinationals caused WAC

services to expand into the major Francophone countries of the region. Correspondents were established in Côte d'Ivoire, Cameroon and Senegal. This also widened the membership, which rose to 210 by 1976 with companies from France, Netherlands and the United States recognising the benefits of the service, especially for new service companies such as airlines. These developments, and the economic and political developments in the period also caused WAC to respond by amending its objectives to read that “through contacts and representations the aim is to facilitate effective contributions by members towards the economic development of West African countries” - a significant shift of emphasis. In its work on behalf of industrial and commercial enterprises WAC had always been pragmatic and the personal experience of members who lived and worked in the region kept it attuned to the needs of the region on which it is focused.

The Difficult Years - and the Years of Emerging Multinationals

The decade of the 80s was made difficult by the political upheavals which affected many countries in West Africa at that time, worsened by economic difficulties. Nevertheless the membership continued to develop and in 1986 included several of the new electronics companies like Plessey, Binatone, and Rank Xerox, along with pharmaceutical companies like Roussel and Wellcome. Through the 90s WAC recognised the beginnings of the globalisation of trade and the increasing maturity of many local enterprises in West Africa. The UK office was involved closely with Tropical Africa Advisory Group and the UK Department of Trade and Industry concentrating on trade and investment promotion work as well as links with the Overseas Development Division of the European Commission in Brussels. Contacts were also developed with the World Bank and USAID as well as ECGD and ODA.

The Executive Board and WABA Staff

With the arrival of the millennium there was a major change as a result of a far-reaching review of the Organisation, the environment in which we were



A view of Table Mountain, South Africa

operating, and the needs of members. A management group set up by the Executive Board developed a comprehensive business plan. WAC became the West Africa Business Association (WABA) and the Mission Statement recognised the present era by “promoting business links and encouraging the development of business opportunities both in and with West Africa”. At the same time, bearing in mind the development of The Economic Community of West Africa (ECOWAS), WABA recognised its need to develop its Francophone links and expertise and continues to take steps to increase its Francophone resources.

WABA is a completely independent organisation and is funded entirely by membership subscription and a small income it generates from the events it organises. The success of any organisation depends on the qualities of the people leading it. WAC/WABA has always been fortunate in both the stature of Directors, staff, and a number of enthusiastic volunteers and the service they have given. Their wide experience of West Africa and their understanding and appreciation of the needs of business together with their contacts and business experience all contribute to the continuing effectiveness of the services provided to members.

The WABA Organisation Today

Now, at the 50th anniversary, WABA is looking again at ways to improve further its services. It is actively encouraging the involvement of the younger generation of executives and entrepreneurs from UK and West Africa to carry the association forward. There are regional representatives in 10 countries and sister Associations have been formed in Nigeria, Ghana and Cameroon. The well-respected Monthly Newsletters have been supplemented by networking meetings, e-mail reports, news flashes and frequent high-level briefings with British, West and Southern African, High Commissioners and Ambassadors.

Since the year 2000, Africa has moved up to the top of the global agenda. WABA is fully aligned to, and has made significant contributions to, many of the key Africa initiatives which include the development of the Millennium Development Goals, the New Partnership for Africa's Development, the Commission for Africa, and

the Gleneagles' commitments made by the G8. WABA is currently a co-sponsor of Business Action Africa which is the successor to the CfA. WABA's main aim within these fora is the active promotion of “capacity building”. WABA also accepts its social responsibility to the communities within which its members live and work and supports several humanitarian initiatives especially Sight Savers International which operates extensively throughout West Africa.

Linkages and Southern Africa Business Forum (SABF)

In 2005, in order to widen the network, WABA established the SABF as a successor to the defunct Southern Africa Business Association thus giving WABA/SABF an unrivalled pan-African dimension enabling it to keep in tune with the rapidly developing trade links between West and Southern Africa. As a member of the British African Business Association (BABA), WABA is linked directly into the European Union (EU) and the influential, 2,000 member strong, European Business Council for Africa and the Mediterranean (EBCAM) which is the principal private sector interlocutor of the EU institutions and African countries on matters affecting the interests of the private sector in Africa.

Effective communications between all these organisations are enhanced by the fact that in UK, WABA, SABF, BABA and the Eastern Africa Association (EAA) locate within the same premises in Vincent St SW1, in Westminster.

The Future

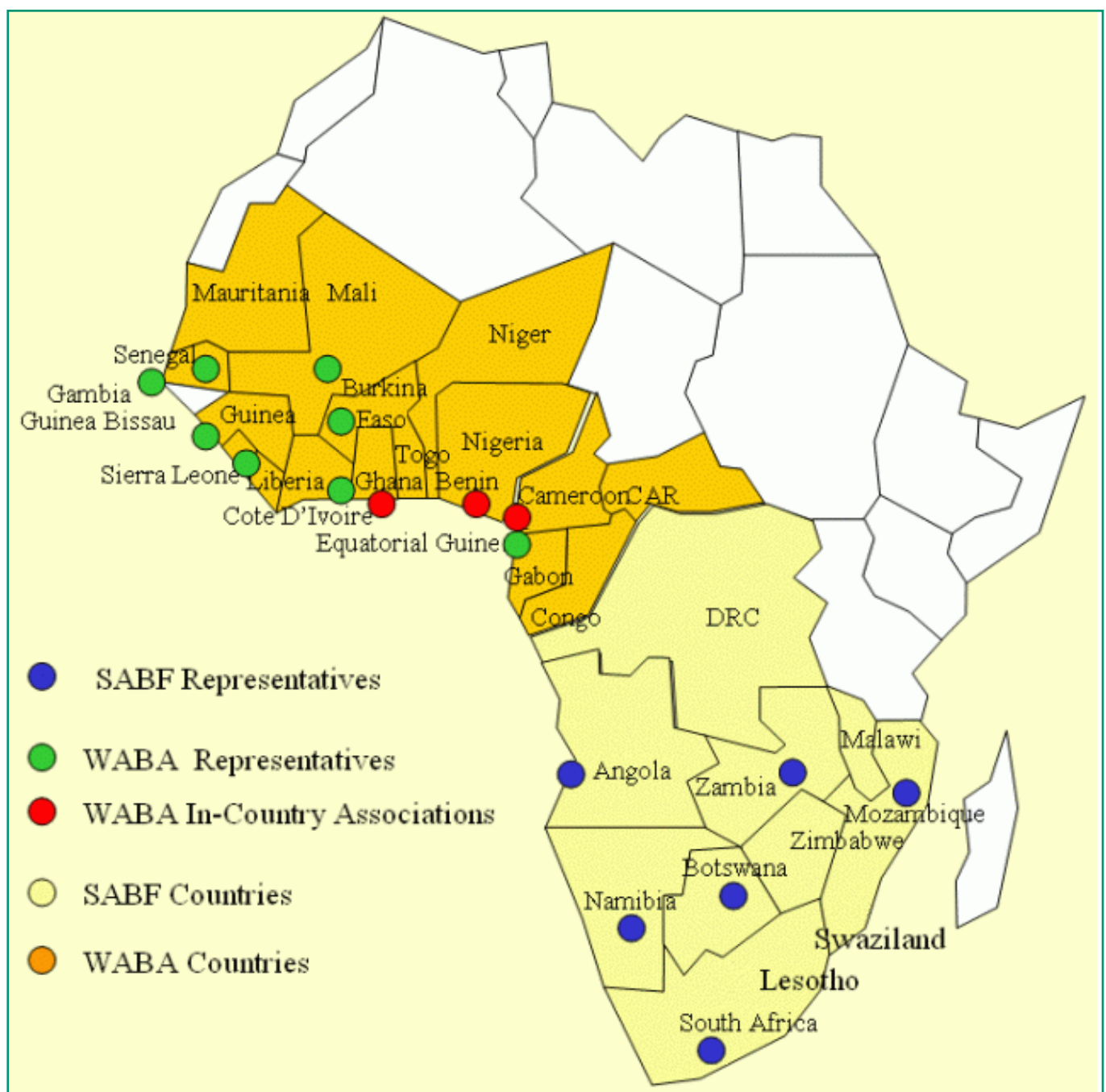
In common with current theory, WABA believes that a responsible and profitable private sector has a crucial role to play in the development process. Thus, as far as the future is concerned, the WABA organisation, being the only organisation promoting business links across the whole of West Africa, with strong European linkages and developing links into Southern Africa, believes by promoting the interest of its members it can play an important role in the economic development of Africa, especially within the ECOWAS (Economic Community of West Africa) region.

The WABA organisation now has over 350 members, all committed to this end.

The West Africa Business Association and The Southern Africa Business Forum

WABA and SABF is a group of over 350 companies and entrepreneurs having business interests in or with West or Southern Africa.

WABA and SABF SPAN OF INFLUENCE



WABA AND SABF

The Southern Africa Business Forum (SABF) came into existence in 2004 as the outcome of a WABA initiative to fill the gap created by the demise of the former Southern Africa Business Association (SABA) with a new organisation under its umbrella. The forum was officially launched in March 2005 by the then Treasury Secretary Mr Paul Boateng MP and Dr Greg Mills, Director of the South African Foundation at a reception at the Botswana High Commission.



Operating on the same lines as WABA, SABF aims to bring together business interests across Southern Africa and through the WABA link, across the continent. Their coming together is achieved through a shared administration and the opportunity for members of both organisations to meet and attend each other's meetings. The resulting contacts are already bearing fruit.

The emphasis on collaboration and shared objectives aims to help both local and overseas based enterprises. Operating as separate bodies, but in close collaboration with each other SABF/WABA provides for the benefits of experience in one country or region being applied across the continent. The need for this is

underlined by the emergence of South Africa from the apartheid era. Now with all that both Southern and West Africa stand to give and to gain from each other's strengths, experience and expertise the SABF/WABA link provides the ideal vehicle to help Africa exploit its strengths and achieve prosperity.

SABF welcomes members from all parts of Africa. Like WABA it has a full programme of meetings and briefings and representatives in the major countries of the region. It also provides a daily business related news service via the internet. Further information can be gained from our website www.sabf.co.uk.

Prospective members should e-mail info@waba.co.uk or write to SABF at 2 Vincent Street, London SW1P 4LD.

Investment Profile in NIGERIA



PRINCIPAL LAWS ON FOREIGN INVESTMENT:

The principal laws regulating foreign investments are: the Nigeria Investment Promotion Commission Decree No. 16 of 1995 and the Foreign Exchange (Monitoring and Miscellaneous Provisions) decree No. 17 of 1995.

DE-REGULATION OF EQUITY STRUCTURE IN NIGERIAN ENTERPRISES:

Effectively, the Nigerian Enterprises Promotion (Repeal) Decree No.7 of 1995 has abolished any restrictions, in respect of the limits of foreign shareholding, in Nigeria registered/domiciled enterprises. The only enterprises that are still exempted from free and unrestricted foreign participation are those involved in:

- Production of arms, ammunition, etc
- Production of and dealing in narcotic drugs and psychotropic substances

THE NIGERIA INVESTMENT PROMOTION COMMISSION DECREE NO.16, ("NIPC DECREE"):

This decree established the Nigerian Investment Promotion Commission ("NIPC") as the successor to Industrial Development Coordination Committee (IDCC).

Functions and Powers

The Nigeria Investment Promotion Commission (NIPC) is an Agency of the Federal Government with perpetual succession and a common seal, which is specially established, among other things, to:

- Co-ordinate, monitor, encourage and provide necessary assistance and guidance for the establishment and operation of enterprises in Nigeria.
- Initiate and support measures, which enhances the investment climate in Nigeria for both Nigerian and non-Nigerian investors.
- Promote investments in and outside Nigeria through effective means.
- Collect, collate, analyze and disseminate information about investment opportunities and sources of investment capital and advise on request, the availability, chance or suitability of partners in joint-venture projects.
- Register and keep records of all enterprises to which the NIPC Decree legislation applies.
- Identify specific projects and invite interested investors for participation in those projects.
- Initiate, organize and participate in promotional activities such as exhibitions, conferences and seminars for the stimulation of investors.
- Maintain liaison between investor and Ministries, government department and agencies, institutional lenders and other authorities concerned with investments.

- Provide and disseminate up-to-date information on incentives available to investors.
- Assist incoming and existing investors by providing support services.
- Evaluate the impact of the Commission in investment in Nigeria and recommend appropriate remedies and additional incentives.
- Advise the Federal Government on policy matters, including fiscal measures designed to promote the industrialization of Nigeria or the general development of the economy.
- Perform, such other functions as are supplementary or incidental to the attainment of the objectives of NIPC Decree.

Provisions Relating to Investment

Notable amongst the provisions relating to investments are the following:

- A non-Nigerian may invest and participate in the operation of any enterprise in Nigeria
- An enterprise in which foreign participation is permitted, shall after its incorporation or registration, be registered with the NIPC.
- Foreign enterprises may buy the shares of any Nigerian enterprises in any convertible foreign currency.

A foreign investor in an approved enterprise is guaranteed unconditional transferability of funds through an authorized dealer, in freely convertible currency, of:

- Dividends or profit (net of taxes) attributable to the investment.
- Payments in respect of loan servicing where a foreign loan has been obtained.
- The remittance of proceeds (net of all taxes) and other obligations in the events of sale or liquidation of the enterprise or any interest attributable to the investment.

Priority Areas of Investment

The NIPC issues guidelines and procedures, which specify priority areas of investment and prescribed incentives and benefits which are in conformity with government policy.

Incentives for Special Investment

For the purpose of promoting identified strategic or major investment, the NIPC may in consultation with appropriate Government agencies negotiate specific incentive packages for the promotion of investment.

INVESTMENT PROTECTION ASSURANCE:

The NIPC Decree provides that:

1. No enterprise shall be nationalized or expropriated by any Government of the Federation; and
2. No person who owns, whether wholly or in part, the capital of any enterprise shall be compelled by law to surrender his interest in capital to any other persons.

There will be no acquisition of enterprises by the Federal Government unless the acquisition is in the national interest or for a public purpose under a law which makes provision for:

1. Payment of fair and adequate compensation; and
2. A right of access to the courts for the determination of the investor's interest of right and the amount of compensation to which he is entitled.

Compensation shall be paid without undue delay, and authorization given for its repatriation in convertible currency where applicable.

Apart from the investment guarantee assurance of the NIPC Decree, countries are welcome to execute and enter into bilateral Investment Promotion and Protection Agreements ("IPP") with the Nigerian government.

PRIVATISATION POLICY:

The Federal and State governments have endeavored to play an active catalytic role in the economy by initiating and acting as sizeable stakeholders in a number of core industries. The 1997 Budget announced that all laws that inhibit competition in certain sectors of the Nigerian economy would be repealed. Accordingly, with effect from 1998, private sector investors are now free to join or compete with government-owned public utility corporations.

The Public Enterprises Promotion and Commercialization Act, is being prepared to authorize the partial privatization of government enterprises in the following sectors:

- Telecommunications.
- Electricity (Generation and Distribution).
- Petroleum Refining.
- Coal Bitumen Production (Mining, Processing and Export).
- Tourism generation (Tour and Travel, Hospitality, etc).

Within the context of the liberal policy, both foreigners and nationals are eligible to participate and invest in the privatization of the public enterprises.

Profile of GHANA

LOCATION

Ghana is located on the west coast of Africa, about 750 km north of the equator between the latitudes of 4 and 11.5° north and longitude 3.11° West and 1.11° East. It is bounded on the north by Burkina Faso, on the west by La Côte d'Ivoire, on the east by Togo and on the south by the Gulf of Guinea (Atlantic Ocean). Tema, the industrial city, which is adjacent to Accra, the capital city of Ghana, is on the Greenwich Meridian (zero line of longitude), making Ghana the closest landmark to the centre of the world, or 0°.

LAND

Ghana has a total land area of 238,537 km² (92,100 sq. miles) stretching 672 km north to south and 357 km east to west. Its physical size makes it about the same size as Great Britain. Out of a total land area of 23 million hectares, 13 million hectares (57%) is suitable for agricultural production, and 5.3 million hectares (39%) of this is under cultivation.

CLIMATE

Ghana has a tropical climate. The temperature is generally between 21-32°C (70-90°F). There are two rainy seasons, from March to July and from September to October, separated by a short cool dry season in August and a relatively long dry season in the south from mid-October to March. The north, also with tropical climate, is dry and falls partly within the Sahelian zone. Annual rainfall in the south averages 2,030 mm, but varies greatly throughout the country, with the heaviest rainfall in the south-western part.

TOPOGRAPHY

Ghana is not a mountainous country, but has some highlands and some steep escarpments in the middle portions and isolated places in the northern parts. The land is relatively flat and the altitude is generally below 500m, with more than half of the country below 200m. The Volta River basin dominates the country's river system and includes the 8,480km² Lake Volta (the largest artificial lake in the world), formed behind the



Akosombo hydroelectric dam. The coastal area consists of plains and numerous lagoons near the estuaries of rivers.

VEGETATION

In terms of vegetation, the north is predominantly savannah and the middle section (extending to the south-western part) is typical rainforest, while the coastal section has thicket interspersed with savannah.

HISTORICAL BACKGROUND

The name Ghana originates from an African empire, which was located around River Niger between 400 and 1240AD. The period between the 15th and 19th Centuries witnessed a power struggle for the country amongst European nations for fortunes in gold and ivory, following the advent of the Portuguese who discovered gold in 1471 and built Elmina Castle in 1482. The other Europeans were the Dutch, Swedes, Danes, Prussians and the British. The battle for control and supremacy over the land culminated in the building of many forts and castles, which were used not only as trading posts but also as dungeons for the infamous slave trade. It is significant to note that out of the about forty-three forts and castles in West Africa, thirty-three are in Ghana alone. Out of these twenty five



are in good condition, including Elmina and Cape Coast Castles and Fort St. Jago, all three of which are recognised by UNESCO as World Heritage Monuments.

Ghana, formerly called the Gold Coast, became independent from British colonial rule on March 6, 1957. It was the first black African colony to achieve independence.

Ghana has been aptly described as “ a bird watcher’s paradise, an eco-tourism haven, a cultural delight a heritage lover’s passion and an adventurer’s dream” (Mr. Jake Obetsebi Lamptey, March 2004). The country holds many attractions, notably:

RESOURCES

- Rich mineral resources such as gold, diamonds, manganese, limestone, bauxite, iron ore as well as various clays and granite deposits. In 1999, Ghana produced 2,620,096 million ounces of gold and 684,033.4 carats of diamonds. (Ghana is the second largest producer of gold in Africa).
- Extensive forests, which are arguably the best managed in West Africa (with 252 permanent forest reserves in the rain forest zone alone. In total about 11% of Ghana is defined as forest.). Ghana is the second largest producer of cocoa in the world. It is also the third largest producer of timber and the second largest exporter of wood and wood products in Africa:
- Rich marine fishing resources (tuna and game fishing);
- Beautiful landscape, inviting sunshine, pristine beaches, exotic wildlife and exciting national parks and game reserves;
- Rich culture and tradition and a world acclaimed warmth and hospitality of its people.

THE PEOPLE

There are 56 Ghanaian dialects, of which Akan, Dangbe, Ewe, Kasem, Gonja, Dagare, Gas, Dagbani and Nzema are the major languages. The official language of the country is English, but

French and Hausa are two major foreign languages spoken in the country.

RELIGION

Ghana’s constitution guarantees freedom of religion. The 2002 Population Census indicates that Christianity, Islam and Traditional Religion are the major faiths practiced in Ghana with the following representation: Christianity (68.8%), Islam (15.9%) and traditional religion (8.5%). A significant proportion (6.1%) has no religious affiliation.

LEISURE

The country boasts very good golf courses, safe and unspoilt beaches with world class hotels and restaurants. Most cities have many active 'Keep Fit Clubs', which have members from different countries. There are also facilities for game fishing (marlin).

GOVERNMENT

Constitution: Ghana practises a multiparty, parliamentary democracy based on a constitution. This Fourth Republican Constitution, which came into force in 1992, provides for a unitary state governed by a President (and Cabinet) and a Unicameral National Assembly. It entrenches the separation of powers and offers appropriate checks and balances. The presidency has a four-year term and an incumbent can serve for a maximum of two terms. Parliament comprises a 200-seat National Assembly, which has a 4-year term. The Supreme Court is at the apex of Ghana’s judiciary headed by the Chief Justice. The legal system is based on the English Common Law, where the courts are bound to develop the notions of fairness to the individual. The constitution also makes provision for continued recognition of traditional chiefs and customary law.

Local Government: A decentralised central government administration has been fostered at local government level where there are 10 Regional Co-ordinating Councils, 110 Metropolitan, Municipal and District Assemblies which serve to involve grassroots participation in the formulation and implementation of government policies and the general development of their areas of jurisdiction.

MEDIA

Ghana has a pluralistic and highly independent media. There are over 50 newspapers, most of which appear daily, except Sundays and some holidays. Two of the press houses that publish these newspapers are state-owned enterprises. There are twenty-three approved television stations, among which is the Ghana Broadcasting Corporation (GBC), the state-owned station with a national coverage. Some 125 frequency modulation (FM) stations and a number of cable television companies.

POPULATION

Ghana's population is estimated at about 18.9 million and grows at 2.7% annually. Most of the population is concentrated in the southern part of the country with the highest density occurring in urban and cocoa producing areas.

The population data by Region, Sex and Capital (administrative towns) are as follows:

| REGION | POPULATION | MALE | FEMALE | CAPITAL |
|---------------|-------------------|------------------|------------------|------------|
| Western | 1,924,577 | 978,176 | 946,401 | Takoradi |
| Central | 1,593,823 | 760,221 | 833,602 | Cape Coast |
| Greater Accra | 2,905,726 | 1,436,135 | 1,469,591 | Accra |
| Volta | 1,635,421 | 790,886 | 844,535 | Ho |
| Eastern | 2,106,696 | 1,036,371 | 1,070,325 | Koforidua |
| Ashanti | 3,612,950 | 1,818,216 | 1,794,734 | Kumasi |
| Brong Ahafo | 1,815,408 | 911,263 | 904,145 | Sunyani |
| Northern | 1,820,806 | 907,177 | 913,629 | Tamale |
| Upper East | 920,089 | 442,492 | 477,597 | Bolgatanga |
| Upper West | 576,583 | 276,445 | 300,387 | Wa |
| TOTAL | 18,912,079 | 9,357,382 | 9,554,697 | |

Source: Ghana Statistical Service, 2000 Census (Final Results)

For more information contact: THE CHIEF EXECUTIVE - GHANA INVESTMENT PROMOTION CENTRE

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