Investment Opportunities in and around Kumasi

Kumasi Investment Roadshow

Golden Tulip Hotel, Accra

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Presentation by

Hon. Kojo Bonsu (Metropolitan Chief Executive of Kumasi)

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Ashanti Region at a Glance

- With an estimated 5 million inhabitants, the Ashanti Region is the most populous region in Ghana.
- Growth rate of 2.7% (3rd in Ghana), compared to national rate of 2.5%
- The region covers approximately 10% of total land in Ghana.
- The region is made up of 30 units (metropolis, municipalities and districts).
- Administered by the Ashanti Regional Coordinating Council headed by the Regional Minister, Hon Eric Opoku.
Kumasi at a Glance

Kumasi is located centrally in the Ashanti Region - an important transport and commercial hub for both domestic and international traffic.

Second largest city in Ghana and capital of the Ashanti Region,

Population of 2 million, but daytime population is estimated at 2.5 million due to vibrant economic activity.

Kumasi is administered by the Kumasi Metropolitan Assembly, with the Mayor Hon. Kojo Bonsu serving as the city's chief executive officer
Why Kumasi?

- **Strategic Location**: Kumasi is centrally located within Ghana with good road networks to most parts of the country.

- Kumasi serves as the commercial hub for the neighbouring regions and landlocked countries.

- Estimated market of the wider Ashanti Region, and northern regions is over **12 million people**.

- **Easy Access to City**: Kumasi has a national airport with 4 airlines running a combined average of 12 daily flights to Accra.

- **Large Market**: Kumasi has an estimated daytime population of 2.5 million and is home to the largest open space market in West Africa (Kumasi Central Market).
Why Kumasi (2)

 ett Expansion of Central Business Area under the JICA sponsored Greater Kumasi Project which has been accepted by the city.

 ett Streamlined land administration: Led by Otumfu Osei Tutu II through Asantehene’s Land Secretariat and the Lands Commission

 ett High disposable income fuelled by the city’s economic activities

 ett Numerous educational institutions provide human and research capital for businesses, incl., the KNUST, Forest Research Institute, Building and Road Research Institute, Cocoa Research Institute, Kwadaso Agric College, Kumasi Polytechnic and numerous private institutions

 ett Access to expertise from Suame Magazine and Sokoban Wood Village

 ett Upgrading of the city’s road infrastructure to reduce congestion (Asokwa Anloga, Sofoline interchange, Re-location of the Anloga wood workers)
Detailed Investment Profiles have been prepared for

- Oil palm cultivation and processing
- Bamboo cultivation and processing
- Real estate - affordable residential housing
- On campus staff housing for KNUST
- On campus student housing for KNUST
- Multi-purpose car parking facility for the Central Business District
- Fruit processing

Kumasi offers many additional opportunities in other sectors

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Aerotropolis

- National airport with four domestic airlines providing a combined average of 12 daily flights to and from Accra.
- Current upgrading of the airport includes the construction of an additional runway and cargo storage area.
- Passenger traffic is estimated at 168,000 per year and expected to reach 5 million annually when the airport attains international status (Ghana Airport Company Limited), planned by 2015.
- The city is also promoting the development of a modern aerotropolis: urban development in which the layout, infrastructure and economy is centred on the airport, existing as an airport city.
**Oil Palm Cultivation**

- **West African countries** collectively produced **1.63 million mt** of crude palm oil (CPO) in 2009.
- Ghana’s contribution to this was only 6%.
- **West African supply gap** of CPO estimated at **450,000 mt** per annum.
- Ministry of Food and Agriculture projects **Ghanian deficit in the supply of CPO** grow from **32,000mt** to **127,000 mt** in 2024.
- Malaysia is a major exporter of palm oil to West Africa, with **1.1 million mt** in 2009.
- Severe Fresh Fruit Bunch deficit experienced from July to December every year by oil palm millers in the region.

**Palm Oil Imports**

Source: US Department of Agriculture
Why Oil Palm in/around Kumasi:

- Semi-solid at room temperature, palm oil and palm kernel oil are among the world’s most versatile raw materials.
- Wide market for palm oil: almost 1 out every 2 items found in a grocery shop contains palm oil
Why Oil Palm in/around Kumasi:

- The Ashanti Region has year round heat and solar radiation, rainfall, low land leasing cost and suitable soils.
- Skilled personnel trained by KNUST, Kwadaso Agricultural College and the Ejura Agric College.
- Research support from the Crop Research Institute of the Centre for Scientific and Industrial Research (CSIR).
- Ashanti region has a tradition of oil palm cultivation.
- Availability of land in the surrounding districts.

[Map of the Ashanti Region showing areas suitable for oil palm cultivation]

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Bamboo Cultivation and Processing

Ghana’s forest resources have been reduced from 8 million hectares in the early 1920s to an estimated 1.8 million hectares as at 2010/11.

The FAO puts Ghana’s deforestation rate of 135,000 ha per year. At this rate the country is expected to run out of forest in 13 – 20 years.


UN Comtrade statistics, in 2009 estimated the global export value of bamboo and rattan commodities at US$1.82 billion.

Europe and North America are the major importers of bamboo and rattan products accounting for 71% of global import.

Bamboo reaches maturity 4-6 years after planting.
Bamboo Cultivation and Processing
Why Kumasi and Bamboo?

- Availability of land: A lot of degraded land available as a result of illegal mining
- History of using bamboo for furniture and recently for bicycles and toothpicks
- Support from the forest Research institute (FORIG) and KNUST
- The climate and soil structure support the cultivation of bamboo. The Ashanti Region is believed to hold the third largest stock of naturally growing bamboo in Ghana
Ghana has an active real estate market, recording an estimated 85,000 transactions per year.

Ghana has an estimated housing deficit of at 1.5 million units.

Kumasi’s population of over 2 million puts its estimated share of the housing deficit at 8%.

On average, there are about 7.3 persons living in each household in Ghana. Ashanti Region recorded 8.3 persons/household.

Out of over 4 million people in the Ashanti region, 2,073,016 are economically active and out of this figure 1,929,018 are employed.
Real Estate: Why Kumasi?

- Large and still growing sophisticated middle class - case of the International Community School (1,200 students) where about 60% of enrolled students are indigenes of Kumasi.

- Parents/guardians spend $8,500-11,000 per year on Tuition fees and summer vacation tours.

- Land available in Apire and its environs

- New market in the mortgage sector
Multi-Purpose Car Park

The Driver and Vehicle Licensing Authority registered over 14,000 vehicles in 2011 in Kumasi.

Increase in day time population from estimated 2 million to 2.5 million.

About 1,278 individual parking spaces have been created on already narrow roads in the Central Business District.

High congestion of roads in the Central Business District.

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Car Park: Why Kumasi?

- Congested Central Business District
- The city has strategic land to be used in a public private partnership
- High concentration of business activity in the Central Business Area
- Support of the KMA

Source, KMA

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Fruit Processing

Ghana produced 75,000 tons of bananas, 48,000 tons of papaw, 60,000 of oranges and 55,000 tons of pineapples respectively in 2011 (FAO).

United Kingdom alone imports over 2,000 tons of prepared pineapple every year from Ghana.

Annual per capita intake in Ghana for (bottled water and soft drinks, juices) is 10 litres. (approx. 240 million litres per year in total)

“Reviving a dying Industry Report” 10.4 million litres of fruit juice is consumed yearly in Ghana.

This demand is currently being met mainly through imports and complemented with some local production (Blue skies, Papso, Masig etc)
Fruit Processing: Why Kumasi?

-list item Availability of fresh citrus in the region
-list item Possibility of stable supply of excellent-quality fresh fruits from the Millennium Village which about 60 miles from Kumasi
-list item Access to a large greater Ashanti, Northern markets and landlocked countries
-list item New opportunities for fruit processing, e.g., canned, frozen, dried, juice.
-list item Already existing small entrepreneur who seeks partnership (MASIG Natural Fruits Industries)

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Other Opportunities

- Kumasi Wi-Fi city: with technical support from the KNUST
- Value added tourism
- Establishment of an additional international hotel/conference facilities: the city has land in strategic locations for this project
- Development of a foundry/metal village: Foundrymen Association has land available for this project
Need more information?

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YE DA MOASE!!!!!