

Kumasi Investment Roadshow

Investing in Kumasi

Golden Tulip Hotel, Accra

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Outline

1. Historical Perspective

2. Profile

3. Opportunities

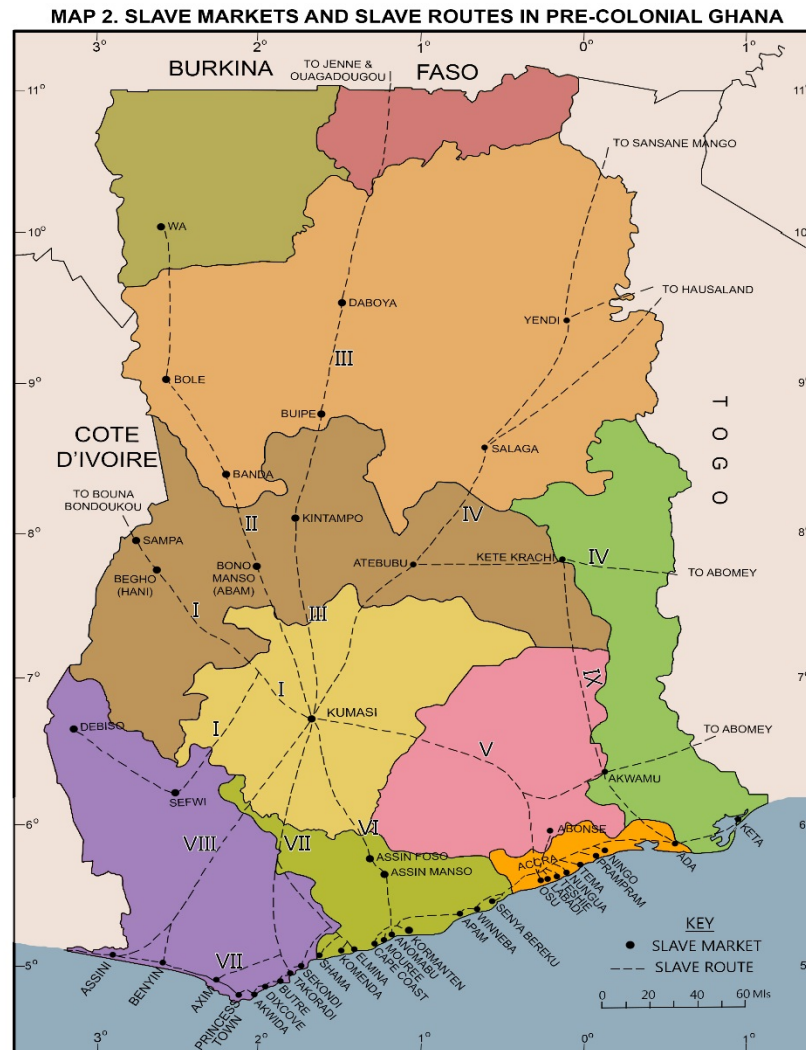
4. Challenges

5. Solutions



The “tree” that survived

Some historical perspective



Compiled from oral and documentary data collected between 1990 & 1995
 By Akosua Perbi, History Dept. University of Ghana, Legon.

Profile

- **Centrality of Kumasi**
- **Drive** → **“Magazine”**
- **Market** → **Kejetia, Ayigbetown, Fante Newtown, Zongo**
- **Variety/Industry** → **Storey Buildings Cocoa farming: Abunu; Abusa – illiterates travelling abroad to trade. The needy accountant: wo de wo sore a, fam na wo hwε**
- **Order (hierarchy)** → **The Palace**
 - Encouragement
 - Recognition: Nea ɔpe adε ako Kotoko no....
 - Internal inspiration: Yεεko no sεn nie

Opportunities

- **Location in Forest Area**
- **Rainfall**
- **Enroute to Burkina Faso, North Africa, Cote D' Ivoire**
- **KNUST – Repository of Engineering Solutions**
- **Land acquisition process (centralization of ownership)**
- **Closeness to Raw Materials for agro-based industry**
- **Access to markets in the North**
- **Lower production cost (rent; west)**
- **Population**

Challenges

- **Exporting from land-locked place**
- **Spatial development: accessibility/road - Accra to Kumasi: - still a great challenge**
- **Traffic**
- **Other aspects of Infrastructure**
 - **Power**
 - **Internet access**

Solutions

- **Use of Professionals/Knowledgeable people**
- **Inland port**
- **Governmental support – Patronising “Made in Ghana” e.g. clothing!!**
- **Road network under construction – e.g. Sofoline**
- **Speak to Entrepreneurs – “Experience is the best teacher”**
- **Tax Preference Status (see next slide)**

Tax Benefits of Locating a Business in Kumasi, Ghana

- Generally, all companies engaged in agro processing/cocoa by-products have a five year tax holiday.
- On location in Kumasi, companies engaged in agro processing/cocoa by-products have a corporate tax rate of ten per cent (10%) (after tax holidays).
- Manufacturing companies (excluding agro processing/cocoa by-products) in Kumasi or within the regional capital enjoy location incentive of 25% of corporate tax rebate.
 - The effective corporate tax rate for such manufacturing companies is 18.75% as against the normal rate of 25%.
- Manufacturing companies (excluding agro processing/cocoa by-products) located outside Kumasi – the regional capital – but within the Ashanti Region also enjoy location incentive of 50%.
 - The effective corporate tax rate for such manufacturing companies is 12.5% as against the normal rate of 25%.

NB

Agro processing business means the business of converting crops, fish, or livestock produced in Ghana into edible canned or other packaged product other than in their raw state.

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