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INSTITUTIONAL CAPACITIES AND CAPABILITIES FOR INDUSTRIAL REHABILITATION

GHANA BRIEFING BOOK:2

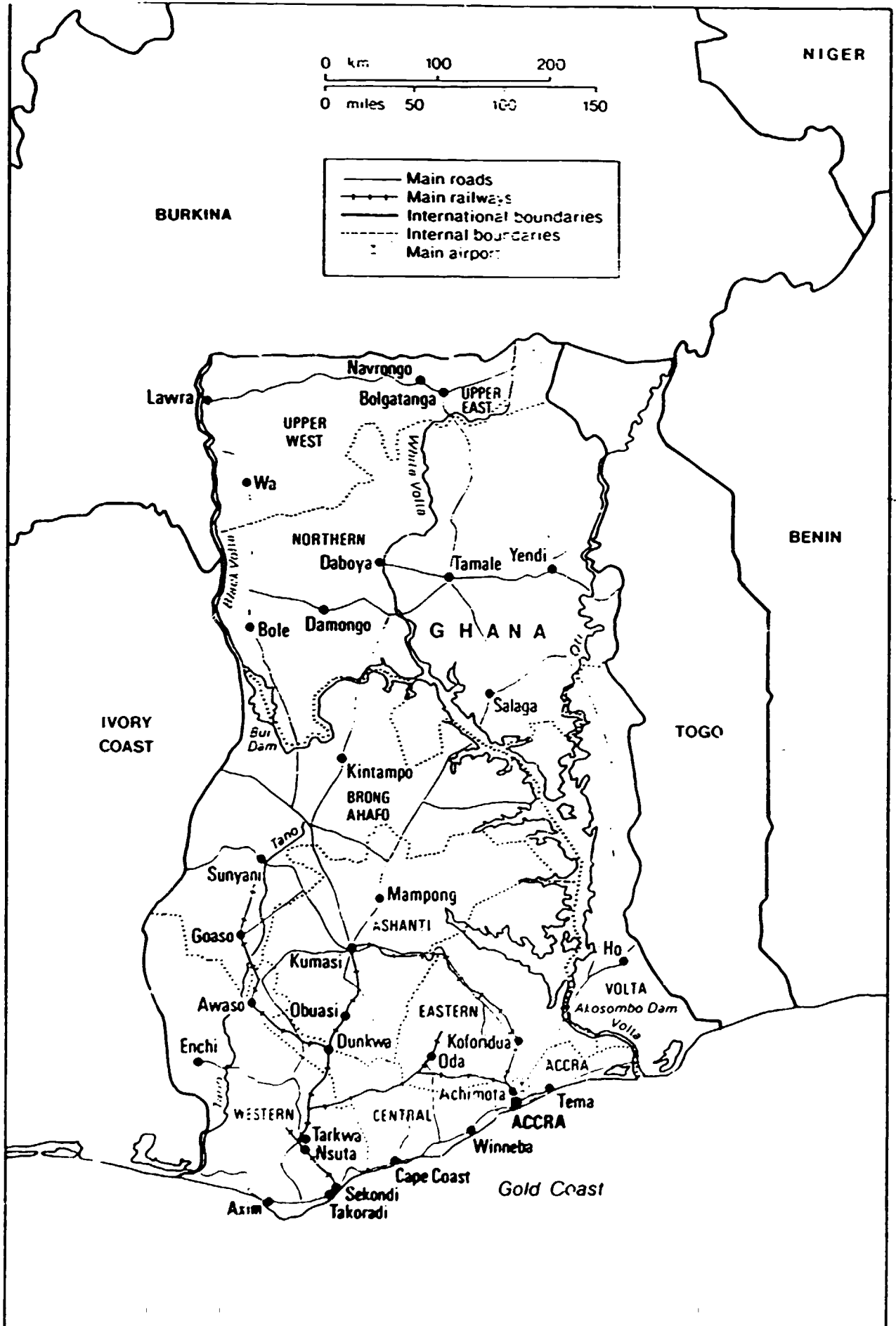
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Figure 1: Map of Ghana



Ghana: Basic Information

Geography

- Size:** 239,000 km² (about 0.79 per cent of African continent).
- Location:** Western African region between longitudes 1° East and 3° West and latitudes 4° and 11° North. Common borders: Togo, Burkina Faso, Côte d'Ivoire.
- Climate:** Tropical, above 680 mm annual rainfall.

Population

- Size:** 15.2 million (1990).
- Composition:** 51.3 per cent female; 48.7 per cent male.
- Density:** 63.6 persons per km².
- Urbanization:** 35 per cent urban.
- Population growth rate:** 3.1 per cent.
- Literacy rate:** 32.5 per cent (1989).
- Life expectancy:** 55 years (1987)

Economy

- GDP (current prices):** US\$5,249 million (1989), US\$6,324 (1990, preliminary).
- GNP per head:** US\$345 (1989).
- Inflation:** 31.5 per cent per year (1986-1990); 25.2 per cent (1989); 37.0 (1990).
- Merchandise exports:** US\$807 million (f.o.b., 1989); \$940 million (f.o.b. 1990).
- Merchandise imports:** US\$1,108 million (c.i.f., 1989); US\$1,250 million (c.i.f. 1990).
- External debt:** US\$3,078 million (end 1989).
- Exchange rate:** C270 - US\$1 (1989); C326 - US\$1 (1990).

PREFACE

The main aim of this work is to assess the prospects for manufacturing industry rehabilitation in Ghana (see figure 1). In pursuance of this aim, it identifies the important industrial sub-sectors and the institutional capacity and capability for rehabilitation. The rationale behind this work is the rehabilitation needs of the industrial sector, especially the manufacturing industries.

In line with UNIDO's integrated and broadened concept of industrial rehabilitation based on the "Top-down/Bottom-up approach as illustrated in Appendix figure 1, this briefing book discusses the capabilities and capacities of institutional infrastructure available to implement industrial rehabilitation programmes. The necessary background for this analysis is the examination of the environment within which Ghana's industry operates - the macro-economic factors - and the real problems at the sub-sectoral and industrial plant levels. This macro-economic background helps to determine the problems of manufacturing and the scope for effective restructuring and rehabilitation needs of industry.

Regarding the structure of this work chapter one presents an economic overview of Ghana. The second, encompasses the policy goals and strategy for industrialization. Whilst the third chapter addresses the need for industrial rehabilitation, the fourth tackles the issue of institutional infrastructure capabilities and capacities for industrial rehabilitation. Chapter 5 deals with conclusion emanating from this work.

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1 INTRODUCTION

1.1 Economic overview

1.1.1 Need for economic restructuring and enabling environment

This section of the chapter discusses the macro-economic environment within which industry operates. It serves as a relevant background for the problems and scope of industrial rehabilitation at the sub-sector and plant levels.

Several attempts were made to tackle some of the intrinsic and endemic socio-economic problems between the period 1971 and 1982 in Ghana. These attempts proved less effective, because they lacked concerted and well-focused programme of action. The overall effects of the ill-focused policies on manufacturing were simply negative. Manufacturing capacity utilization, for example, registered its lowest rate, around 20 per cent. Industrial production dropped sharply in 1981 to 63 per cent of its 1975 level. In 1982, the economic and social infrastructure of Ghana was in a state of near-collapse.

To correct the macroeconomic distortions and structural weaknesses in Ghana's economy, the People's National Defence Council (PNDC) government with the support of World Bank agreements and credits, and concessional loans and aid from several bilateral and multilateral agencies undertook a series of measures in identifiable time-phases. These measures included:-

- a **comprehensive economic recovery programme (ERP)** phased between the period 1983 to 1985;
- a **Structural Adjustment Programme (SAP)**, a refinement of the ERP the first phase of which covered the period 1987 to 1988 and;
- the **second phase of SAP** which commenced in 1989.

Identifiable elements of the ERP policy measures included:-

exchange rate adjustment: devaluation of the national currency (the Cedi) and pegging it to the US dollar rate;

- **fiscal measures**:- to reduce government borrowing and cut government spending;
- **monetary adjustment**:- to control domestic credit formation by reducing government borrowing and achieve positive interest rates to raise domestic savings;
- **prices reforms**:- which increased prices of commodities, especially that of cocoa price to raise in real and nominal terms net government revenue from cocoa; and
- **liberalization**:- to remove almost all price controls (excluding price controls for cocoa, shear nuts and palm oil).

The results of the ERP were mixed. But, in its own terms, the results of the ERP were basically satisfactory (for example, increase in exports; increases in GDP by more than 4 per cent per annum). Some of the weaknesses of the ERP were: fall in rural incomes and incidence of acute rural poverty; low rates of domestic savings and; acute liquidity problems. Banks were unable to give enough credit or to mobilize adequate currency for all viable enterprises to meet the conditions of the forex auction. In addition, the liberalization policy measures had negative impact on industry. Pressures of strong competition of imports on producers, especially of vegetable oils, tobacco, cotton, and canned tomatoes caused the closure of several manufacturing enterprises, thus threatening production and employment in these sub-sectors.

Basically, the SAP is a refinement of the ERP. In principle, it re-echoes the policy measures of the ERP. The important policy measures of the first phase of SAP which covered the period 1987 to 1988 included the following:-

- **exchange rate adjustment**:- the long-overvalued exchange rate of the cedi was seen as one of the reasons of Ghana's loss of international competitiveness. Hence, the continuation of the exchange rate adjustment of 1986 to achieve a market-determined exchange rate for the cedi at the forex bureaux. Industry took the largest share of the foreign exchange auction;

- **taxation adjustment**:- the continuation of tax reforms, tax administration affected also, border trade in raw materials and intermediate outputs and increased government revenue significantly;
- **monetary and credit adjustments**:- finance of government bureaucracy and support of inefficient state-owned enterprises (SOEs) caused unsupported expansion in domestic credit system and increased fiscal deficits. The reduction of public sector expenditure, for example, through redeployment and wage freeze in the civil service, better budget management and public expenditure programming etc. were designed to increase liquidity in the banking system and;
- **import programming and adjustments**:- involved gradual elimination of quantitative import controls and assessment of the import requirements for export production and for revenue - generating industries including the food sector. With reference to import requirements, the Bank of Ghana is making efforts to reactivate partially suppliers' credit schemes to remove some of the constraints imposed on the industrial sector by what is seen as "liquidity squeeze".

Since 1989, the adjustment programmes have focused on the implementation of incentive policies (exchange rate adjustments, rationalization of import duties and trade taxes etc.), domestic resource mobilization (tax reforms and restructuring of the banking system), and public resource management policies (public investment programme (PIP)), including divestiture and privatization of SOEs etc.).

The core of SAP is **foreign exchange management**. It is an incentive policy to stimulate industry. During 1989 and 1990, the role of the central bank in directly selling foreign exchange to end users was reduced, an interbank market was created, and authorized dealer banks and foreign exchange bureaux purchased foreign exchange from the Bank of Ghana on the behalf of end-users, and on their own behalf to meet their own import requirements.

In April 1990, a portion of foreign exchange was transformed from retail to

wholesale market. Purchases in the forex bureaux increased from an average of \$6 million in 1989 to \$14 million in the first half of 1990. The expansion in bureau purchases was mainly due to increases in non-traditional exports, repatriated earnings and private transfers from abroad. Manufacturing accounts for half of the total funds sold through the auction.

In the same year, a number of trade policies were introduced to serve as incentives for the manufacturers. For instance, sales and excise tax rates across comparable imported and domestically produced goods were unified, the import duty rate on semi-processed intermediate goods was lowered from 15 to 10 per cent, and the special tax on textile imports was reduced from 40 to 10 per cent to stimulate local industry.

Efforts to improve **domestic resource mobilization** centered on reform of the tax system (company tax relief at a rate of 45 per cent in manufacturing, mining and agriculture) and strengthening of the banking system, especially the supervisory role of the central bank, the Bank of Ghana. To recover and transfer the non-performing assets of distressed banks for productive activities, a newly created and wholly-owned Government agency, the Non-Performing Assets Recovery Trust (NPART) was formed. Also, the operation of two newly licensed banks and a Stock Exchange can help make available investible resources to industry.

With respect to **public resource management** a Public Investment Programme was launched in 1991 to focus on the rehabilitation of economic and social infrastructure (1991 planned budgetary allocations of investments for infrastructure:- economic 62 per cent; productive 14 per cent; social 19 per cent; other 5 per cent). The rehabilitation of the key economic infrastructure services is designed to restore management systems and restore their potential for cost-effective growth.

Efforts to improve the performance of hitherto less efficient SOEs were accorded special priority in the public resources management programme. Under the aegis of the Investment Committee, revised corporate plans for 13 priority enterprises were prepared and performance agreements signed (1990 and 1991). By the end of January 1991, 23 enterprises had been liquidated and another 15 sold to the private sector (mainly joint ventures, lease, management contracts and sales of shares). About 4000 enterprises are expected to be divested by the end of 1991.

It has to be remarked that, several **problems and constraints** hinder progress of the **divestiture programme**, these include the following:-

- lack of clarity with respect to the objectives, scope and selection criteria for privatization;
- reluctance of the State to sell profitable SOEs, and reluctance to forgo State intervention through ownership;
- conflicting signals to the private sector regarding Government commitment to privatization, and continuing doubts in the minds of potential investors as to future security of investment and freedom from arbitrary state intervention;
- poor conditions of the SOEs for sale and lack of up-to-date information on them;
- outstanding legal issues relating to transfer of ownership, property rights, confiscated enterprises and the all pervasive problems of pending end-of-service benefits for employees; and
- financing problems relating to the unavailability of credit for the private sector.

As conceived and managed at present, the divestiture programme will hardly meet the objective of substantial reduction of the State's role in production, especially in the manufacturing sector. A re-assessment of the whole divestiture programme is needed, and these may include a reflection on the following remedial measures:-

selection of better enterprises as candidates for privatization;

a fair public offering to small investors through the stock exchange of profitable ones;

increased use of modern financial and legal accounting, expertise to speed up preparation of enterprises for

divestiture:

- enlisting employee support for the divestiture programme by arrangements for employee participation in the divestiture process and:
- creation of statutory and institutional framework for the promotion of competition and restriction of monopolies.

Though the adjustment programmes has brought significant improvements in the macroeconomic policy framework of the country, the availability of investible resources in adequate quantities for industry remains a crucial issue. Investments and savings are much lower than the levels needed to maintain growth and absorb the expanding labour force at higher levels of productivity. To make the fullest use of the country's assets, private investment will be needed to play a much greater role and act as the engine of growth. The attraction and channelling of private investment into productive activities including industry entails the creation of a basic enabling environment in which private investors can operate.

Changes made in the taxation system in 1991 are expected to have a favourable effect on the investment climate. An enabling environment for private investors will be incomplete unless the Government is fully committed to improve the financial system, and consistent in implementing transparent legal measures for investment and conduct of business. The concentration of the state on its important regulatory role in the creation of this enabling environment is of extreme importance.

A crucial and necessary supplement to domestic resources is external aid on concessional terms. The relative fall in the world cocoa price in 1989 and 1990 (cocoa is the largest foreign exchange earner) and the adverse effects of the higher oil prices (due mainly to the Gulf crisis) on the economy in 1990 made the need for the support of international donors to sustain industry and the ERP even more crucial.

Three main phases of the restructuring and adjustment programmes were envisaged by the Government, namely:

- **stabilization phase:** to restore continuity in the domestic supply of goods and services through the increased

allocation of foreign exchange inputs, so as to improve the environment for industrial capacity and employment:

- **rehabilitation phase:**- to improve capacity utilization, product quality and standards, improve factory productivity, enterprise efficiency and profitability through improved maintenance, upgrading of process and equipment and retraining of management and labour and;
- **liberalization and growth phase:**- to mobilize new investments, promote physical and financial restructuring and application of new systems and technologies.

The stabilization and rehabilitation phases run simultaneously, they were designed to create the basis for economic restructuring and growth under trade liberalization.

1.1.2 Impact of economic policy reforms on manufacturing

On the whole, the major impact of ERP and SAP on the industrial sector occurred in the areas of exchange-rate regime, tax reform and trade liberalization, public resource management (divestiture). The determination of the exchange rate between the Cedi and the US dollar by a weekly auction catered for end-users in which industry formed the largest portion. Also, the taxation and import policy favoured the production of goods such as basic raw materials, the import of strategic intermediate goods, spare parts and machinery for industry. The efforts of the Divestiture Implementation Committee (DIC) and the International Development Association (IDA provides development credit assistance to investors) to divest SOEs will bear fruits when the divestiture programme is diligently re-appraised.

Should the efforts of the reform policy programmes continue to concentrate on further improvement of the macroeconomic environment and infrastructure for manufacturing, progressive growth targets set for manufacturing might seem realistic. The Government expects the number of active sub-sectors to increase from 10 to 15 or more by 2000. Full linkages in the food and agro-products, chemicals, textile and mineral are expected to be developed. Also, new investments will be attracted into the electrical and capital goods sub-sectors. The main targets set for the manufacturing sector for the next five

years will include:-

- aggregate annual growth of MVA of 10 to 12 per cent for the period 1991 to 1993;
- growth of manufacturing export of 12 per cent per annum;
- increased job openings in manufacturing from 10,000 to 15,000 jobs by 1992;
- improved manufacturing capacity utilization from 35 per cent to 44 per cent for the import-dependent manufacturing sector, and from 43 per cent to 65 per cent for the domestic resource-based manufacturing sector (by 1990).

1.1.3 Recent economic performance

Compared to the past six years (with an average annual growth of 5 per cent), the economic performance of Ghana in 1990 (with an estimated annual growth of 3 per cent) faced significant setbacks¹ (compare tables 1 and 2). The causes of the economic setback included the sharp decline in agricultural output due mainly to delay and inadequate rainfall, the low price of cocoa on the international market, and the Gulf crisis and related oil price shocks. Low growth and high inflation rates (a rise from 25 per cent in 1989 to 37 per cent in 1990)² and low government revenue due to the impact of low cocoa price on the international market were some major indicators of the poor economic performance.

On the sectoral level, agriculture value added dropped from 4 per cent in 1989 to 2.4 per cent in 1990. The drop in agriculture output level was largely due to the unfavourable weather conditions and consequent crop failures, poor production techniques, inadequate farm management techniques, and inadequate packaging, transport and storage facilities. Compared to agriculture, the services and industrial sectors performed better, but still

¹ World Bank Report No. 9477-GH, Ghana: Progress on Adjustment, April 16, 1991, p. 3.

² The Republic of Ghana, The 1990 Budget Statement and Economic Policy for 1990, 6 January 1990, p. 3.

they registered slower growth than in the previous years except from the mining sub-sector (especially gold¹) which recorded much stronger growth in 1990 (see Appendix table 1).

1.2 Status of industry

An optimistic prognosis on manufacturing is given in chapter 1.1.2. Aggregate annual growth of MVA is expected to increase from 10 per cent in 1991 to 12 per cent in 1993 provided progress in the economic adjustment policy gathers momentum.

However, growth in manufacturing slowed significantly in the previous years. In 1989 and 1990 manufacturing value added rose by only 3 per cent. Performance across industrial groups vary significantly. Data on production and export statistics, and capacity utilization rates show that recent economic adjustment policies are changing the structure of manufacturing in Ghana (see Appendix tables 2 and 3). Adjustment policies such as exchange rate, trade policy, and price policy changes have had both negative and positive effects on manufacturing. Due to the import liberalization policy for instance, some import substituting firms which are heavily protected and have high import content suffer competing on the open market. On the other hand, those small-scale import substituting industries which obtain imports easily benefit from the rising price of competing imports.

Manufacturing output remains at 63 per cent of its 1977 (the year of highest production) level. Several manufacturing sectors reached the 1977 production level. These manufacturing sectors include:-

- **beverages:**
- **petroleum refining:** accounts for about one-fifth of manufacturing output. About 50 per cent in 1989, this increase reflects large investment made to improve efficiency and growth in increased demands for petroleum fuels

¹ See box article 0.6, A Revival of gold mining in Ghana, in World Bank, Sub-Saharan Africa: From Crisis to Sustained Growth, 1989, p. 177; Box article 1, The Revival of Ghana's Small-Scale Gold and Diamond Mining, 224, 225; Report No. 9730-GH, 1991, p.

and products:

- **cement:** rising by 37 per cent in 1989;
- **non-ferrous metals:** production below the 1977 level;
- **textile:** production below the 1977 level;
- **wearing apparel and leather goods:** production below 1977 level;
- **paper products and printing:** production below 1977 level;
- **iron and steel:** production below 1977 level;
- **electrical equipment and appliances:** production below 1977 level.

All sectors with output below the 1977 production level are highly import-intensive industries which rely heavily on imported inputs. They face as a result severe competition from abroad (especially the wearing apparel sub-sector face competition from cheap and used imported garments). Moreover, these import-intensive industries face severe capacity utilization problems arising mainly from the use of outdated technology, old machinery and inadequate machinery and parts, and lack of plant maintenance.

Stagnation of manufacturing capacity utilization rates shows that possibilities for production increases through the utilization of existing facilities are exhausted. World Bank estimates of the rate of capacity utilization for large- and medium-scale enterprises indicate an overall decline in capacity utilization rate. Capacity utilization rate for manufacturing in the large- and medium-scale enterprises as shown in Appendix table 3, declined from 38 per cent in 1989 to 37 per cent in 1990 (with a per cent change of -2.7 per cent). The trend of capacity utilization rates varied markedly among the sub-sectors. Production capacities of the following sub-sectors expanded significantly between the period 1989 and 1990:-

- **electricals** (15 per cent); **rubber** (11 per cent); **non-metallic**

minerals (8.3 per cent); tobacco and beverages (7.7 per cent); food processing (7.3 per cent) and: metals (4.1 per cent).

On the contrary, capacity utilization rates in the following sub-sectors below stagnated or decreased during the period 1989 and 1990:-

- paper and printing (zero per cent); wood processing (zero per cent); vehicle assembly (not available); plastics (-2.5 per cent); leather (-2.5 per cent); pharmaceuticals (-10.0 per cent);
- chemicals (-10.0 per cent); garment (-13.6 per cent); textiles (-17.1 per cent) and: cosmetics (-20.0 per cent)

Factors that accounted for stagnation or deterioration in production capacities in the wood processing and textiles sectors included lack of foreign exchange to import inputs including raw materials and machinery and spare parts, old and obsolete machinery, and lack of maintenance of plant machinery.

The SAP and ERP brought significant changes in the size structure of manufacturing. The size of small-scale sector enterprises grew from 3,000 in 1975 to over 6,000 in 1987 (they accounted for 15 per cent of total manufactured output in 1975 and about 30 per cent of non-traditional output in 1987).

Two World Bank surveys of medium- and large-scale manufacturing enterprises and of micro- and small-scale enterprises in 1989 showed the following⁴:-

- enterprises, especially established since 1983 have been relatively more successful in terms of increased output and employment;
- the number of enterprises, especially micro-enterprises increased, suggesting that micro-enterprises provide an

⁴ World Bank, "Chart Moving towards Sustainable Private Sector Lead Growth" (Draft, 1990): [http://www.worldbank.org/external/press/pr940101table1a](#), p. 10.

important and additional source of income for both urban and rural workers (50 per cent of employees in micro-enterprises are part-time workers) and:

- manufacturing - especially, the food, wood and metals sub-sectors with less import-content of 19 per cent, 10 per cent and 8 per cent respectively - show visible and encouraging signs of adaptive behaviour to new price incentives.

Manufacturing requires both domestic and foreign investible capital for rehabilitation and regeneration. Fiscal performance of the government has worsened drastically, mainly because of the impact of lower international cocoa prices on revenues. Public investments are as a result, severely constricted. Thus, efforts to regenerate and expand growth of the manufacturing sector will depend to a great extent on private investment capital both domestic and foreign. Effective adjustment policies are therefore required to attract and re-orient private capital (domestic and foreign) into strategic sub-sectors of manufacturing. Investment need not be focused on efficient and productive sub-sectors with high capacity utilization rates alone, but also manufacturing sub-sectors especially agro-industries with potentially strong linkages with agriculture and mining.

Promising resource-based industries which require expansion under the adjustment programme may include: food and agro-products; wood-based products; non-metal and earthenware products; and basic metals. The textile industry is also possible candidate for expansion. Steady improvement in the cotton industry due to rehabilitated capacity, particularly in spinning and weaving has been made since 1983 when the Ghana Cotton Company started intensifying regeneration activities in local cotton production and ginning. Rehabilitation of the textile industry for expansion may require further improvements in line selection and rationalization, upgrading of product standards, and improvement in the harmonization of textile prices for both domestic and export marketing.

Growth and expansion of local textile and garment industries will depend on the extent to which these industries are capable of competing with imported goods including second-hand garments imported from Europe.

To better and speed up the changes in industrial restructuring brought

about by the adjustment programme, we suggest that much more needs to be done to support industry in the following relevant areas:-

- adjustment of domestic cost and price structure to promote competition in the liberalized market system, especially for those enterprises that are not solidly linked to any domestic-based raw materials;
- provision of greater incentives to facilitate a dynamic participation of domestic and private investors in industry;
- greater recognition and support of the non-traditional informal manufacturing sector in industrial development;
- intensification, co-ordination of activities of the various research institutions, and the redirection of their activities towards industry and agriculture;
- greater incentives to stimulate the cost-effective rehabilitation of selected industrial plants in terms of rationalization, technology and process upgrading and retraining of labour and management staff; and
- creation of a functional system of information feedback between industry, industrial agents and administrators of the adjustment programmes to deliberate on, review and regulate the programmes for industrial restructuring and growth.

2 POLICY ISSUES AND AREAS OF INDUSTRIAL DEVELOPMENT

2.1 Industrial policy issues

Prior to the adjustment programmes, industrial development efforts neglected the small-scale sub-sector. Instead, greater emphasis was placed on highly import-dependent, capital-intensive, highly state-subsidized and inefficient medium- and large-scale industry sub-sectors. Past Governments believed in their potentials and higher efficiency. These medium- and large-scale industries operated at very low plant capacity utilization levels due mainly to lack of foreign exchange allocations to import raw materials, machinery and spare parts, old and obsolete machinery and lack of maintenance

of plant machinery. Productivity levels of SOEs extremely, and above all produced at high costs uncompetitive goods.

To overcome the past limitations of the manufacturing sector, current strategies emanating from the adjustment programme for industrial development concentrate on the following key policy issues:-

- identification of specific priority areas of industry:
- development of private-sector:
- investment promotion and export promotion:
- promotion of the small-scale industry:
- location of industry and regional balanced growth:
- the contribution of science and technology to industrial development:
- the integration of women in industry:
- human resource development and:
- effective institutional framework to support industry. This very last issue is discussed in the proceeding chapters of this work.

2.2 Key policy areas in industry

2.2.1 Priority areas of industry

As noted in chapter 1.1.1, industrial development of the past was ill-planned. Selection and development of industry sub-sectors were based on narrow and spurious criteria, without paying particular attention to their linkages to other industry sub-sectors and the economic sectors as a whole. As a remedy to this shortcoming, present policy of the Government requires that the selection of industry sub-sectors for development include the consideration of the following criteria:- utilization of local raw materials; high productivity; increased value added; existence of under-utilized capacity; export potential; viability and sustainability; integration with agriculture and other economic sectors; linkages with existing and further sector programmes; regional development for balanced growth; employment generation and expansion; sustainable environmental protection and ecological balance.

On the basis of the above-mentioned selection criteria, **priority industry areas** (mainly domestic resource-based industries with strong backward linkages to agriculture and mining) have been earmarked by the Government for further development so as to increase economic growth. The identified priority industries include:-

- **agro-based industries:** food, beverages, natural fibres, rubber, aquatic resources, livestock, essential oils and leather materials;
- **forest-based industries:-** wood and wood products, pulp and paper products, rattan, bamboo and medicinal plants;
- **earth-based industries:-** iron and steel, aluminium, precious minerals, non-metallic minerals (limestone, clay, silica, mica, talc, and salt and salt derivative);
- **engineering industries:-** foundries, forges, machine tools and capital goods; and
- **strategic industries:-** chemical, electrical, electronics, petro-chemical and packaging.

2.2.2 Private sector and investment

It has been recognized that private sector and investment play a very important **dynamic and synergetic function** in manufacturing. Strong state involvement in the productive sector is being curbed. It is in this regard that the revised Investment Code of 1985 was publicized in 1991. Its main objective is to increase private sector involvement and investment in industry. Investment rules are to be simplified and made universal applicable to both domestic and foreign investors alike. Evidence, however, shows that private investors are very cautious; they may need firm assurances from the government regarding the implementation of the revised code of investment (including tax incentives, favourable regulations concerning establishment of enterprises and repatriation of profits, etc.). In other words, policies should create an enabling environment whereby private sector engagements and private investment flows could contribute to increased production capacities.

To attract adequate private investible resources, the government has taken several measures. Activities of consular trade missions abroad to make public opportunities for investment in Ghana have been intensified. Also noteworthy is the activities of the Ghana Investment Centre (GIC) which deals with project investments. In terms of quality and value, project approvals have stagnated considerably since 1986. To date, most investments from the private sector were directed towards new enterprises. Only a few of private investment flows, about 40 per cent were directed towards projects of expansion and rehabilitation of existing industries. Stifled flows of credit facilities for rehabilitation from multilateral agencies have contributed to worsen productive capacity problems in the wood and other extractive industries. Because of aged and obsolete machinery, interruptions in energy supplies, transportation bottlenecks, poor management and lack of adequate skilled factory technicians and personnel, lack of foreign exchange allocations etc., the existing plants of the sub-sectors maintain poor backward linkages to agriculture and mining.

Measures to divest and privatize selected SOEs were designed to reduce state ownership of manufacturing enterprises and thus pave the way for a transition to a private-led investment thrust in manufacturing. The issues of divestiture and privatization are entrusted to the State Enterprises Committee (SEC), the Divestiture Implementation Committee (DIC) and the Non-Performing Assets Recovery Trust (NPART). Several SOEs including the canning, milling, and other agro-based industries have so far been earmarked for privatization, and those with severe capacity utilization and production problems are to be liquidated. It seems private investors willing to take over inefficient SOEs have scarce resources for the initial purchase and possible rehabilitation or expansion of the newly acquired assets. To supplement existing, but scarce private investible resources, an entirely new private corporate entity, the First Finance Corporation (FFC) is to be established. FFC is expected to collaborate with NPART and provide venture capital and other financial, managerial and technical services to expedite restructuring of distressed but potentially viable enterprises in both the private and public sector.

At the moment, measures to taken to effluente private sector and investment policy are hindered by a number of problems and constraints. The identifiable hindrances are mostly regulatory, institutional and co-ordinatory in nature.

Regarding the first problem, business establishment and licensing arrangements, especially for expatriates are still very cumbersome. Technology transfer regulations and foreign exchange transactions are ineffective, and the revised Investment Code regulations as applied to private investors are generally not co-ordinated. Linkages between agencies entrusted with the task of the investment code's enforcement and private manufacturers such as the Ghana Investment Centre and Association of Ghana Industries are very weak. Co-ordination problems relate to the generally weak institutional infrastructure of public and private bodies concerned with the divestiture and privatization programmes. Pertaining to divestiture itself, the shortage of finance and credit for prospective private purchasers, poor documentation of modes of acquisition of SOEs, and the cost to government of end-of-service benefits and other enterprise liabilities are major hindrances.

In order to improve the private sector and investment policy climate for the maximum benefit of manufacturing, the UNIOD Programming Mission to Ghana suggested a number of actions which need to be initiated. The action proposals included the following:-

- re-assessment of the divestiture and privatization mechanisms, and improvement of the regulatory framework for private investors to include: further reduction in company tax, income tax, and sales and import taxes; make foreign exchange easily accessible to promising manufacturers to finance import of highly essential goods, especially intermediate goods so as to help avert capacity problems; and ease employment regulation for expatriate personnel and;
- further improvement of credit policy and banking system through: provision of on-lending funds with softer conditionality to small-scale industries (SSIs) and informal-sector enterprises, especially those owned by women, since they form a larger component of the micro and informal manufacturing sector and; strengthening of investment project appraisal systems of banks, and improvement of central bank's monitoring role regarding the investment capabilities of banks and;
- better institutional reforms of private and public bodies associated with private sector and investment promotion such as

the CIC, the FFC and the Women's World Banking Ghana Ltd., through: training of personnel; development and expansion of data and information management systems; forge closer co-ordination to create better links to manufacturers and; institutional rehabilitation to increase efficiency.

2.2.3 Small-scale industry (SSI)

After a period of neglect and failure of SOEs, it was realized that SSIs are indispensable and integral part of manufacturing industry and hence the focus in industrial policies. Most SSIs require relatively less capital and technology investments, are import source of income, especially for the urban and rural poor including women, and are dispersed helping thereby to create an equilibrium in regional income distribution.

SSIs as a whole, are disadvantaged in terms of accessibility to financial resources. For the SSIs credit facilities are not within reach, because of high interest rates. Sharp falls in profits due to rising costs and reduced demand ostensibly caused by the adjustment policy measures coupled with poor linkage benefits between SSIs and large-scale industries are major problems of SSIs' operation and survival. A number of agencies private and public including the National Board of Small-scale Industries (NBSII), the Department of Rural Housing and Cottage Industries (DRHCI), the Ghana Regional Technology and Industrial Services (GRATIS), the Intermediate Technology Transfer Units (ITTUs), the National Committee for Women in Development (NCWD) and the Fund for Small and Medium Enterprises Development (FUSMED) support the SSIs including micro and informal sub-sector industries such as food production, textiles and garment owned mainly by female entrepreneurs. These agencies provide specialist technical services such as training and equipment development, advisory and extension services. Also, the World Bank/IDA-sponsored agency, the Fund for Small and Medium-sized Enterprise Development operated a credit-lending fund for the assistance of micro-, small and medium-sized enterprises.

Actually, the specialist technical assistance services offered to SSIs are inadequate to meet the ever increasing needs of them. A tiny portion of credit allocated for SSIs development hardly reach the targets. Credit are

misdirected. Illiterate entrepreneurs mostly female hardly perceive credit opportunities available or find credit arrangements very complicated. Generally, problems and constraints facing the SSIs are more severe and imminent than those of medium- and large-scale industries located mostly in the urban and more developed regions of the country. **Problems and constraints facing SSIs include the following:-**

- inadequate and high costs of credit funds; low skills levels for development of new products; lack of basic management skills and accounting systems and; lack of sub-contracting linkages with medium- and large-scale industries. Hence, SSIs hardly benefits accruing to marketing arrangements, innovation, technology flows etc.

Possible measures suggested by the UNIDO Programming Mission to Ghana for the solution of the problems facing SSIs included the following:-

- provision of adequate and accessible credit funds for SSIs, especially for female manufacturers in rural areas; reappraisal of conditionality attachments to serve genuine needs of entrepreneurs; strengthening and making more transparent operations of rural banks;
- increased tax incentives for SSIs;
- promotion of sub-contracting linkages between SSIs and medium- and large-scale industries by making known the benefits of such linkages;
- improvement of institutional capacity and capability of agencies through rehabilitation and expansion projects- such as increased staffing, staff training, improvement of accounting, management, data and information systems etc.- so as to enable agencies to provide better specialized technical and credit services to SSIs and;

increased entrepreneurship assistance in the form of training in accountancy and management; exposure of entrepreneurs and managers to international business world through study tours, trade

fairs, symposia etc.

2.2.4 Export promotion

Due largely to the unreliability of cocoa as a major source of foreign exchange and revenue, the government has decided to **promote non-traditional exports from the manufacturing sector**. Since last year, record increases were registered in exports of processed and semi-processed agro-related goods such as pineapple, cocoa wastes, fish and other sea-foods. Other non-traditional export goods included palm oil, tobacco, salts, furniture parts and plywood, handicrafts such as carvings, cloths and baskets, processed rubber, aluminium sheets and coils, matches and agricultural processing machinery. Possible factors accounting for increasing exports of manufactures from the non-traditional export sector include: the simplification of export procedures (as stated in the 1991 budget), this allows exporters of non-traditional export goods to retain 35 per cent of their proceeds in foreign exchange; the reduction in custom duties and increases in corporate tax rebates and; the general improvement in transport and communication, especially through rehabilitation (an important focus of the SAP) of feeder roads and highways networks.

Despite the increasing export of non-traditional export goods, the export promotion drive is in several respects (in terms production, domestic and regional marketing constraints etc.) limited. The limitations include the following:-

- inadequate raw material inputs; obsolete machinery and equipment; shortages of working capital;
- poor design and quality of products; lack of adequate packaging material for products, and poor quality of packaging of products; inadequate market information and marketing skills; low competitive stand of exporters arising from poor costing and pricing procedures and;
- lack of complementarity in production structure in African sub-regions; inadequate transport and tele communication infrastructure; prohibitive bureaucratic trade procedures; low perception of advantages of regional trade; inadequate and

unco-ordinated trade promotion programmes at national and sub-regional levels and: lack of unified monetary system to facilitate trade transactions: arbitrary closure of national borders to trade traffic: landlockedness and poor transit facilities and cumbersome transit procedures.

Remedial actions suggested by the UNIODO Programming Mission to Ghana to solve the problems of trade and boost as a result export of non-traditional export manufactures included the following proposals:-

- full implementation of the programmes of the Ghana Export Promotion Council (GEPC) to include: the provision and improvement of training opportunities for staff of export agencies: provision of advisory services in production techniques and quality control, packaging design, and cost and pricing etc.. to manufacturers;
- intensification of domestic support services and consultancy in packaging, transport, export finance etc.. and exploration of the possibility for the establishment of Export Processing Zone (EPZ) where and when cost-effective and:
- increased intra-regional trade, especially with the immediate neighbouring countries of Cote d'Ivoire, Burkina Faso, Togo, Niger and Nigeria by reduction of inter-regional trade barriers, establishment of trade information systems, and creation of joint packaging and marketing systems.

2.2.5 Regional decentralization of industry

Spatially, industry and incomes in Ghana are unequally distributed. More than half of manufacturing activity is highly concentrated in the more developed "Southern Triangle" between Accra, Kumasi and Sekondi-Takoradi. The regional imbalances of industrial growth and in income distribution - north-south dichotomy - is basically a legacy of colonial administration - a legacy which oriented the development of physical and institutional infrastructure, and productive activity on areas or centres of natural resource production, and transport and export nodes. A reduction in regional growth imbalance can be achieved through the decentralization of industry. It is expected that

decentralization of industry will help increase the processing of rural-based raw materials, especially agricultural ones, and the development of SSIs in relatively small growth-poles where the demands on infrastructural needs are minimal.

So far, several measures have been undertaken to decentralize industry, they include:- provision of tax concessions to enterprises located or are willing to locate outside the "Southern Triangle": promotion of Export Production Villages to encourage the production of handicrafts such as cloth (kente, batik) and baskets, and non-traditional primary products for export: the promotion of skills development and diffusion of technology outside the major growth centres (by the Ghana Regional Appropriate Technology Industrial Services (GRATIS) and the Intermediate Technology Transfer Units (ITTUs) and: the establishment of regional development commissions to implement the decentralization policy in all regions.

In practice, decentralization of industry has not been all that effective. Several problems are accountable for this situation, they include:- lack of or inadequacy of basic infrastructural and industrial services such as transport and communications, training facilities, and lack of large market in growth centres outside the "Southern Triangle". The availability of infrastructure and industrial services will act as a pull on industries to locate in the relatively less developed regions. Due to constricted budgetary resources, the provision of basic infrastructure on a wider-scale in the less developed regions is very expensive and almost impossible.

Budgetary constraints on the finance of infrastructure requires that the decentralization programme is rationalized and hierarchically structured (growth poles, export production villages etc.). A few growth centres of the less developed regions according to the UNIDO Programming Mission to Ghana could be selected at a time and their supports service functions - industrial estates, investment, training, technological developed to serve the peripheral areas and the centres themselves. Sub-contracting linkages could be developed between large companies (for example, between agro-industries and engineering) in growth poles and SSIs in export production villages. It could be expected that the establishment of regional offices of investment promotion agencies and the provision of special tax and training, incentives etc., in the growth poles would attract large enterprises and FDI.

2.2.6 Research, science and technology (RST)

Manufacturing growth is a function of the capability to develop and absorb science and technology. RST can contribute to the development of new products and enhancement of diversification opportunities in industry. It can also help to increase the use of domestic raw materials and efficiency of production processes. Recent efforts have, therefore, been made mostly by the private sector to link science, research and technology to industrial needs. However, a number of **problems and constraints** including institutional, infrastructural and financial retard the efforts link RST to industry.

The very poor administration of RST is one of the problems of industry-RST linkages. Co-ordination among R&D institutions are generally poor, and the perception of R&D itself is very low. The low perception of R&D is also related to the weak R&D culture (educational institutions place more emphasis on humanities than sciences in their curricula). Because of the low perception, demand for R&D is minimal. It follows that funds for R&D are proportionately inadequate.

We may suggest that **possible solutions** to the bottlenecks of RST and its weak linkages to industry include the following:-

- creation of a single ministry for RST: rationalization and streamlining of R&D policy formulation, programming, administration and monitoring function of the Ministry of Industry, Science and Technology (MIST) and the Council for Scientific and Industrial Research (CSIR);
- restructuring of educational institutions' curricula to promote RST; organize science and technology symposia and contests and awards relevant to industry in institutions of higher learning; improve the links between industry and RST and;
- commercialization of IPR to benefit private and public industry; promote private and public sector funding of R&D; increase tax and other incentives for industrial research.

2.2.1 Integration of women into industry

About 51 per cent of Ghana's total labour force comprise of women. 24 per cent of total persons engaged in manufacturing are women who are heavily engaged in the sub-sectors such as fish processing, brewing, garment- and dressmaking, pottery and other food processing activities. Women are actively engaged in SSI activities. Only 24 per cent of the total persons engaged in the formal manufacturing sector are women.

Although, women are known for their business acumen and energy in the pursuit of profit, they are disadvantaged mainly because they have little or no formal education. Relatively, women have little access to educational and training facilities- formal or on-the-job. Social factors such the perception of women and their traditional role in society, and family and related financial pressures constrain the full integration of women in manufacturing.

Several institutions- both private and public- are concerned with the activities of women in national development. These institutions are directly or indirectly related to the integration of women into industry. One of the most important institutions is the National Council on Women and Development (NCWD) established in 1975. It advises the Government on matters relating to women and development. It is officially responsible for the drawing up of policy framework to help integrate women in all national development programmes. The NCWD is mandated to see to the activities of other organizations related to issues on women. These include non-governmental organizations (NGOs) such as the 31st December Women's Movement and the Ghana Business and Professional Women's Association (GBPWA). Because the NCWD lacks a clearly defined policy framework, it has not been able to give effective direction to the NGOs as to which and how activities should be undertaken to help integrate women in national development.

The creation of the Women's World Banking Ghana (WZBG) Ltd. in 1983 of a non-profit financial organization and an affiliate of the Women's World Banking International was a positive step in an effort to help solve one of the major constraints- accessibility to financial resources- to women entrepreneurs in Ghana. The WZBG arranges and guarantees credit for small-scale business women who lack collateral for credit. Also embodied in the activities of the Ghana Regional Appropriate Technology Industrial Services

(CRATIS) (see section 4.1.1) is a women programme which sees to the training and provision of appropriate technology to women. For example, the programme involves the training of women in the use of wooden broadlooms and spinning wheels, and the provision of food supplements. The workshop services in training and professional counselling offered by the National Board for Small-Scale Industries (NBSSI) for potential entrepreneurs are visited by women.

The following suggestions as echoed in the report of the UNIDO Sector and Programming Mission to Ghana can help intergrate women fully into manufacturing:-

- a targeted training programme for women in key sub-sectors such as garment making, fish processing etc..
- training, retraining and redirection of women into new priority areas such as weaving and metal working;
- counselling programmes to encourage women to go into new areas that are traditionally considered as the domain of men such as printing and publishing;
- formulation of policies and development of strategies by NCWD that would ensure women interests and representation in all national plans, and restructuring of the NCWD to enable it to co-ordinate all activities of women's organizations for the integration of women in manufacturing and economic development;
- NCWD assistance to ZZBC to help the latter solve its back-up capital problems in order to enable it expand services to women entrepreneurs, etc.

2.1.8 Human resource development (HRD)

An essential requirement for a dynamic industrial and overall economic development in Ghana is an appropriate HRD strategy. Due to the rapid changes in macroeconomic environment of Ghana, there is a crucial need to equip people with the necessary skills so that they can be able to identify, react and exploiting all opportunities opened.

To provide skills and the capability of acquiring specific enterprise-related skills, the Government's HRD strategy attaches great importance to the development of human resources in general and for industry in particular. Major areas of emphasis include technical and engineering skills related high value added and technically demanding activities such as in textile design and production, and agro-processing.

Under the Entrepreneurship Development Programme (EDP) of the NBSSI and MIST, the Government seeks to promote the development of entrepreneurial skills, including that of women in small- and medium-size enterprises and productive skills. Other existing training programmes for industrial development include:-

- the NBSSI's entrepreneurial development programmes for people who want to develop their own business in the formal sector, these programmes are geared towards enterprises of the small-scale sector such as light engineering, textiles, food processing, wood products etc;
- training of top-level managers in SOEs in courses such as accounting, marketing, project management, computer-related courses etc, rendered by the Ghana Institute of Management and Public Administration (GIMPA);
- training of middle and lower management groups by the Management Development and Productivity Institute (MDPI);
- provision of courses for supervisors or foremen by the Ministry of Mobilization and Social Welfare (MMSW), and the National Co-ordinating Committee on Vocational Education and Training (NAVET);

Despite the various activities of the above mentioned institutions and ministries, several problems constrain HRD programmes. These include:-

- ambivalent attitudes toward entrepreneurship and profit-making;

- general low level of entrepreneurship:
- inadequate levels of existing management skills in both informal and formal sectors of industry:
- inadequate levels of existing supervisory, production, design and maintenance skills in industry:
- low capacity utilization rates in industry:
- unfavourable environment- labour laws, enterprise establishment regulations, taxes etc.:
- weak policy formulation and implementation capacities of HRD-related ministries and institutions and:
- lack of effective consultation between Government and private sector institutions such as the Ghana Employers Association and the Trade Unions.

In pursuance of HRD strategy appropriate to meet the needs of industry, due attention needs to be given to the following:-

- a survey of the critical skill-gaps in industry to form the basis of assessment and programming of HRD requirements of industry:
- strengthening the capabilities of MIST and EHSW to undertake economic and social analysis, monitoring and evaluation:
- creation of enabling environment for informal sector entrepreneurship (especially women) through modification of regulations, laws, taxes etc.:
- institution of effective links and consultations between Government and public institutions, private institutions and entrepreneurs, particularly with respect to the formulation and implementation of policy, and assessment of human resource needs of industry.

- strengthening of capabilities of institutions such as CIMPA, HDPI, NBSSI, NACVET, GRATIS, etc., to provide training and consultancy services in entrepreneurial development, management training and retraining, technical and vocational training, and training for supervisors, foremen etc., and;
- institutionalization of links between industry, universities, polytechnics and technical schools in order that the institutions orient themselves to the need of industry.

3 THE NEED FOR INDUSTRIAL REHABILITATION

As noted in chapter 1, the ERP policies is reported to have brought significant improvements in manufacturing during the last three years. A series of recent ERP policies implemented during the period 1989 and 1990 included: incentive measures for productive activities; domestic resource mobilization measure focusing on tax and banking system reforms; public resource management measures including divestiture and privatization, private sector and investment promotion measures and rehabilitation of economic infrastructure. As a result of the ERP's implementation, the manufacturing sector has chalked some remarkable progress to adjust costs and prices structure to the more competitive and liberalized market situation. Whilst overall demand for manufactures are depressing, production levels of enterprises are increasing largely due to improvements in raw materials supply.

Capacity utilization rates though higher than those of previous years have subsequently scaled down since 1990. The scale down process in capacity utilization is due to insufficient working capital, the general weaknesses in institutional support systems and lack of equipment maintenance and obsolete machinery and inadequate foreign exchange to import essential inputs.

Most plants have equipments which are at least ten years or more old (for instance up to 20 years in some food processing, textiles and metal processing plants). Much of the equipments require replacement and modernization. Lack of foreign exchange even makes the import of necessary

equipment for rehabilitation of machinery impossible. It is expected that the recent financial sector and tax system reforms would help remove the serious constraints of investment capital for rehabilitation.

Rehabilitation by definition, refers to restoration to proper conditions and to efficiency. It assumes, therefore, a general state of inefficiency and abnormality in production capacity levels. The basic objectives of rehabilitation of manufacturing industry are to improve productivity and to shift production towards the most efficient activities. Requirements of rehabilitation of industry may include the following:-

- availability of capital to purchase additional spare parts of equipment and machinery;
- availability of adequate technical personnel to see to maintenance and repair of existing machinery so as to avoid further deterioration and loss of capacity;
- adequate foreign exchange for imports of raw materials and inputs;
- improvements in infrastructure to remove bottlenecks in flow of domestic raw materials into manufacturing;
- provision of adequate working capital and;
- adequate technical personnel to help improve the quality of both raw materials and products.

Several important sector rehabilitation activities, especially in the field of economic infrastructure have been carried out by the government. To date, greater emphasis has been placed on rehabilitation of the transport (highways, feeder roads, ports and harbours) and telecommunications (telephone and postal systems, water and energy systems). The recent large public investments in economic infrastructure and not in productive activities (1990 PIP) are intended to develop the basic and sound infrastructural environment for industrial recovery. Donor support for infrastructural development, especially from the World Bank and the International Development Agency (IDA) recognizes the necessity of sound infrastructure for industrial recovery.

Ghana generates sufficient electric energy for export and domestic use. The increasing energy demands by the manufacturing sector are hardly met, because adequate supply systems (grid and power transmission stations) are lacking, especially in the rural areas. Existing supply systems and facilities are usually over-burdened and as a result constant electricity power interruptions in plants. Free flow of agro- and mineral-based raw materials from farms, production sites to plants depends largely on good feeder-road systems which are usable throughout the year. Thus, the rehabilitation of the transport and communication, water and energy systems will help solve some of the capacity utilization problems in manufacturing.

Although the ERP places greater emphasis on rehabilitation of economic infrastructure, Ghana still shows a very distinct scope for industrial rehabilitation. Detailed planning have been made and donors have shown keen interest in rehabilitation in the manufacturing sector. But still, the major constraint to rehabilitation of industrial plants is lack of financial resources.

Concrete efforts were made by Ministry of Industry, Science and Technology (MIST) to rehabilitate industry in 1980. Candidate firms were identified, screened and selected for rehabilitation. The selected firms were of mixed and private ownership. The rest were fully SOEs; the basis of their selection was the Economic Rate of Return criteria which included the following: rehabilitation projects of SOEs with relatively short gestation periods; SOEs whose rehabilitation will contribute to increased government revenue; strategic rehabilitation projects with assured foreign funding etc. The listed firms belonged to the food, beverages, textiles and garments, wood processing, rubber, and non-metallic subsectors.

More than 60 per cent of the financial requirements for the rehabilitation of the selected firms was private (or US\$65 million; 1980 estimates). For example, the rehabilitation of the Kumasi food complex is financed by the Arab Bank for Economic Development, a private sector investment funds for rehabilitation of industrial enterprises in Ghana. In Ghana, the flow of private sector financial resources for rehabilitation depends largely on the ERP measures including investment incentives, financial systems restructuring, and liberalization measures.

Due to the external shortage of investment funds for industrial

rehabilitation, the Government has decided to drop three projects out of its rehabilitation programme (189-1991 PIP). The industries affected are SOEs of the Ghana Industrial Holding Corporation (GIHOC), they include the GIHOC Cannery, Fibre, and Footwear.

Since funds for industrial rehabilitation are generally scarce, it becomes pertinent that resources, especially in the form of foreign technical, advisory and financial assistance are sought. The role of active partners in industrial rehabilitation is thus very crucial.

3.1 UNIDO's role in industrial rehabilitation

UNIDO's assistance- technical and advisory services- to Ghana has been relatively small. Only a few projects are in the pipeline. Apparently, none of these industrial projects are explicitly concerned with rehabilitation. Probable reasons for UNIDO's very low participation in rehabilitation projects and in development of manufacturing in general is due to the Government's preoccupation with the structural adjustment programmes, and the emphasis placed on the rehabilitation of economic infrastructure and the other non-manufacturing sectors including mining and agriculture.

Recent efforts on the part of the Government arising mostly from the realization of the crucial need to rehabilitate and regenerate the manufacturing sector has significantly strengthened the links between Ghana and UNIDO. A list of rehabilitation projects that are at various stages of development has been submitted to the **Second Industrial Development Decade for Africa (IDDA II)** of UNIDO for consideration (Appendix table 4). Included in the list of rehabilitation projects are: research and services institutions such as Food Research Institute (FRI) and the Ghana Standards Board (GSB) and: commercial rehabilitation projects such as the Ghana Industrial Holding Corporation (GIHOC) Glass and Pharmaceuticals, and the Tema Food Corporation. The IDDA II (1990 - 2000) has the twin objectives of promoting a self-reliant and self-sustaining industrialization at the national and regional levels. IDDA II is of particular interest to Ghana because it is intended to assist through technical and advisory assistance the rehabilitation and development of industry, especially the agro-industrial based industries which have maintain high potential linkages to agriculture.

3.2 UNIDO's integrated "Top-down/Bottom-up approach to industrial rehabilitation

As observed, the main causes of declining capacity utilization rates and poor performance of industry are macro and microeconomic in nature. Chapter 1 has elaborated on the macro-economic policies (divestiture, liberalization, privatization, domestic resource management, financial system reforms etc.) and the environment in which industry is operating. At the micro-economic level, scarce foreign exchange allocations, inappropriate technology choice and lack of foreign exchange to import machinery and replacement parts, insufficient support in terms of training, comprehensive human resource development, and other auxiliary inputs have tended to drastically affect manufacturing productivity. In the food processing sub-sector for instance, expected raw material supplies have proved to be insufficient or irregular due to drought or poor storage and transport systems. The resulting significant under-utilization is one of the main factors limiting the regeneration and economic growth in Ghana.

Ongoing or previous rehabilitation projects undertaken by the Government and its development partners have not been systematic and comprehensive, and international co-operation has also suffered from these shortcomings.

Unfortunately, rehabilitation has always been viewed as the treatment of plant's technical problems per se without analyzing their causes or macro-economic ramifications. Rehabilitation works were often carried out in isolation from the fiscal, monetary and economic policies, without taking into account financial requirements, market possibilities, the availability of raw materials, the adequacy of management and other human resources, and intermediate inputs which are mainly imported.

As a follow-up to the Government's interest in rehabilitating the manufacturing sector, the Regional and Country Studies Branch of UNIDO has recently undertaken a comprehensive industrial review and programming report on Ghana. Similar analyses, rehabilitation and programming have been undertaken by UNIDO in a number of African countries. The special expertise of UNIDO in

UNIDO's special reports on industrial rehabilitation in the African countries (Economic and Financial Commission for Africa, industrial approach and programme (EPP) etc.). The UNIDO integrated approach to rehabilitation in Africa (EPP 1977) - the regeneration of declining industries and industries

specific areas of industrial operations as well as sectoral - and macro-level issues and extensive programme of policy-oriented studies in many African countries should be of immense help to integrated industrial rehabilitation in Ghana.

It has to be emphasized at this juncture that the issue of institutional framework and the capacity of institutions to implement viable industrial rehabilitation programme assumes particular importance in this work. These institutions are focal to any viable rehabilitation work. Rehabilitation projects require foreign technical, advisory and financial assistance. To be able to mobilize and channel assistance to ailing enterprises in dire need of rehabilitation, solid and effective institutional infrastructure for rehabilitation need to be established.

Thus, the proceeding chapters of this work will focus on the institutional capacity and capability for rehabilitation, and assess the prospects of rehabilitation, and give suggestions and proposals for an effective rehabilitation modus for the manufacturing sector.

4. Institutional capacities and capabilities for industrial rehabilitation

Although the ERP and latter SAP is providing the appropriate macro-economic policy conducive to industrial regeneration, there is a definite and timely need to target assistance in the form of rehabilitation at the industrial level to improve and sustain production capacity.

A large number of public and private institutions are implicitly or explicitly involved in industrial development (see Appendix table 4). In terms of their objectives, mandates, problems and constraints, it would be necessary to assess their capabilities to implement industrial policies. The analysis of institutions in the proceeding paragraphs will be restricted to those directly involved with industrial rehabilitation.

Majority of the institutions dealing with industry and industrial rehabilitation are public, only a few are private. The P.M.C. is the highest decision-making body and public institutions are directly or indirectly linked

Moroccan and Kenyan industries with emphasis on agro-based industries (PPD/R/19, PPD/R/21, PPD/R/23, PPD/R/26, PPD/R/27, PPD/R/61) and Profiles of Key branches of agro-industries in Africa (PPD/17).

to it.

Policies affecting industry are mainly formulated by the PNDC, the Ministry of Finance and Economic Planning (MFEF) and Bank of Ghana. Most of the policies formulated are based on recommendations from the ministries, boards and councils such as the Committee of Secretaries, the Ministry of Industries, Science and Technology (MIST). Policy formulation takes into consideration economic trends resulting from the ERP and SAP, expected role of industry in development, supply of foreign exchange, public debt, needs of industry with respect to the needs of other economic sectors, particularly agriculture, level of employment, structure of wages, raw materials and manpower requirements.

The participation of industry-related institutions industrial policy formulation has been, hitherto, very low. It will take some time and efforts to increase industrial participation in policy formulation. Industrial policy formulation is limited to a few institutions such as the Industrial Research Institute (IRI), the Ghana Standards Board (GSB), the National Vocational Training Institute (NVTI), the National Board for Small-scale Industries (NBSSI), the Intermediate Technology Transfer Units (ITTUs) and the Ghana Regional Technology Industrial Services (GRATIS), the Association of Ghana Industries (AGI), and the Chamber of Commerce.

The quality of decision-making by the public institutions is poor, because the structural linkages between them are generally weak. This has effects on efficiency of public institutions. For instance, MIST has been preoccupied with personnel decisions than control and co-ordination functions.

It is noticeable that while some institutions such as the Bank of Ghana and the National Investment Bank have linkages appropriate to the execution of their functions, others have no such linkages. Appreciable level of co-ordination exist among the few institutions performing similar functions but lack of co-ordination predominates. The institutions which perform industrial financing are structurally inter-related and lined to assist. The specialized institutions include the Ghana Investment Centre (GIC), the National Investment Bank (NIB), the Bank of Ghana, and other private banks, makes them form a unified structure which effectively supports industrialization.

The same unified structure is observable in institutions providing research, laboratory testing, setting and enforcing standards, technical and advisory services, development and transfer of technology, implementation of industrial development plan and planning of industrial development.

In most cases, however, the existence of various specialized institutions result in duplication, and unification may justify the creation of one institution instead of many.

The recent establishment of the Non-Performing Assets Trust (NPART), the State Enterprises Commission (SEC), the State Divestiture Committee (SDC) by the Government is a signal pointing to the realization of the need to privatize industry. An obvious question one then asks is how efficient or capable are the institutional infrastructure for rehabilitation of industry. An attempt to answer the above question is to identify the various institutions, both public and private and assess them in the light of their capabilities to implement successfully rehabilitation programmes.

Appendix figure 2 shows the various institutions - both private and public - and their linkages - consultative and institutional.

4.1 Public sector institutions

4.1.1 MIST and its agencies

MIST is a new creation. The hitherto Ministry of Industries was expanded to include the newly created science and technology units. MIST has supervises, for example the National Board for Small-scale Industries (NBSSI), the Council for Scientific and Industrial Research (CSIR), and the Ghana Standards Board (GSB) which provide research, technical and extension services to industry.

Structurally, MIST comprises 3 divisions: Technical, S&T, and Administration.

The Technical division is responsible for industrial promotion and development, with sub-sections:

promotion, analysis, monitoring and information;

- textiles and garments, wood and paper industries;
- electrical, electronics, and vehicles assembly;
- food, beverages and tobacco industries, and multilateral aid co-ordination;
- metals, non-metallic and miscellaneous industries;
- chemicals, pharmaceutical and cosmetics industries, and bilateral aid coordination;
- plastics, rubber, leather.

In a period of severe budgetary constraints and scarce foreign exchange, aid both bilateral and multilateral has a functional role to play in industrial rehabilitation and development. This calls for a restructuring of the present structure of sections of MIST in accordance with the very important role of aid and aid co-ordination. The creation of a single unit of aid co-ordination would help make available more resources, avoid duplication and save scarce resources.

MIST at the moment has only a few professionals, including a director on secondment to S&T. S&T has an advisory and not a policy formulation function. It advises the government on S&T policy issues and has the mandate over the Council for Scientific and Industrial Research (CSIR). The S&T division appears to be a misfit, because it is neither a policy formulation division nor strongly aligned to the Industry division. The present state of industry demands the integration of the whole divisions of MIST, and the strengthening of MIST's capability for industrial promotion and development including rehabilitation of industry.

The initial responsibility of MIST has been supervision and regulation of SOEs. But now that government role in industry is being curbed in favour of the private sector, MIST has to take cue from the transition process of a shift from a state-led to private sector-led industrialization and refocus its role and vision. It will have to play functional role in the formulation of industrial policy and promotion of private industry as well. As the government continues to invest a lot of the industrial sector, MIST will, however, play an important role in relation to the SOEs in the short to medium-term.

But with the establishment of the State Enterprises Commission (SEC) and the Divestiture Implementation Committee (DIC), and the New Performing Assets

Recovery Trust (NPART), it becomes unclear as to what role MIST plays in the divestiture and privatization programmes. There is a crucial need for clarification of the following: the respective the roles of MIST, SEC, DIC and NPART in relation to the future prospects of SOEs and divestiture; whether the agencies related to the divestiture programme remain public or otherwise not and; the proper roles and mandates of the agencies in relation to the divestiture and privatization processes.

What will remain of MIST's role is more of industrial policy formulation and private sector promotion in the present period of transition from state-led to private sector-led industrialization. This will require significant improvement in the quality of personnel and management staff of MIST in order to increase its capability. At present, the Chief Director of MIST is assisted by 26 senior officials responsible for industrial promotion. Four of the senior officials are regional officers stationed outside Accra. Only 50 per cent of the senior staff professionally qualified. The capability of MIST to undertake economic analysis and policy formulation programming, monitoring, and evaluation is presently very weak. There is an urgent need to strengthen MIST's economic analysis capabilities in order to enable it to assess industrial rehabilitation needs, liaise with donor partners in rehabilitation programmes, and promote private sector development.

National Board for Small-scale Industry (NBSSI)

Originally, NBSSI's responsibility was the formulating policies and implementation of programmes for efficient and sustained development for the small-scale industrial sector. In January 1991, however, it was merged with the Ghanaian Enterprises Development Commission (GEDC). The NBSSI as a result added unto itself the function of assisting entrepreneurs both in SSI and informal sectors get access to investment funds.

The NBSSI runs an entrepreneurship development programme to provide systematic training and professional counselling to small-scale businesses. To enable it to make a country-wide impact, it has established regional business advisory bureaux. However, shortage of office accommodation and equipment, especially vehicles and telecommunications, as well as shortages of trained professional staff has tended to constrain NBSSI's extension work. There is also need for a functional database and trained staff to operate it.

To avoid duplication and make optimum use of scarce professional expertise and expensive equipment, public institution operations need to be rationalized. For instance, evidence shows the urgent need for rationalization of the tasks of the NBSSI and other bodies operating at regional level, including the regional commissions.

Council for Scientific and Industrial Research (CSIR)

CSIR comprises of 13 research institutions. It is a public semi-autonomous scientific and technical institution supervised by MIST. CSIR advises the government on scientific and technological matters affecting the national economy, and undertakes scientific and industrial research projects relevant to the development of industry, agriculture, and medicine.

CSIR has no clear defined mandate over S&T policy. Evidence issuing from the UNIDO Sectoral Review and Programming Mission Report to Ghana shows that the linkages between MIST and the CSIR with respect to S&T policy matters are lacking or weak. As a result of the S&T policy issue, an expert commission of July 1990 proposed that the S&T portfolio be hived away from MIST and that a separate ministry be created to manage it so as to maximize the impact of S&T on industrial and national development.

Several problems and constraints bedevil the role and functions of CSIR, among these are:-

- lack of effective mechanisms to translate R&D findings into productive use;
- inadequate funding of science and technology institutions and activities resulting in deteriorating infrastructure, especially laboratory facilities;
- inadequate legislative support;
- lack of modern information and documentation facilities;
- inability to attract and retain high quality professional and skilled personnel.

Ghana Regional Appropriate Technology Industrial Service (GRATIS) and Development and Application of Intermediate Technology Project (DAPIT)

Both GRATIS and DAPIT were conceived as projects to assist and promote industrial development at the grassroots.

The concept of GRATIS emanated from the Intermediate Technology Transfer Unit (ITTU) pilot scheme in Kumasi. GRATIS is charged with the task of setting up ITTUs in all ten regions of the country. It trains artisans and technicians, and assists beneficiaries of the training programmes to establish small-scale enterprises. Currently, trained entrepreneurs have established 130 small-scale enterprises. Efforts of GRATIS is supported by the EC, CIDA, and the Gesellschaft fuer Technische Zusammenarbeit (GTZ - Germany). GRATIS also uses local experts in its ITTUs and in offering business advice to its clients, organizes special programmes for women entrepreneurs, and offers training to technicians from other African countries.

DAPIT was set up with USAID assistance. It assists in the transfer of appropriate technology to industry in the rural areas. Both GRATIS and DAPIT provide valuable inputs for the upgrading of technological capacities of SSIs and informal industry sector in regional centres and rural areas. Thus both GRATIS and DAPIT are functional agencies in the process of industrial decentralization. Ailing rural industries could in a way increase production capacities through the technological assistance given by GRATIS and DAPIT.

Ghana Standards Board (GSB)

Established in 1967, the GSB oversees to the establishment and monitoring of standards and generally advise government and industry on matters of standardization and product quality. It has one main testing laboratory in Accra which is being rehabilitated to serve national and regional demands.

Currently, the GSB has no board of Directors, is inadequately staffed and technically poorly equipped. Shortages of trained personnel have severely constrained GSB operations.

National Development Planning Commission (NDPC)

The NDPC was established in 1960 and charged with responsibility for

advising government on long-term development strategies and the formulation of long- and medium-term development plans. Among its principal functions are co-ordination and harmonization of development planning activities within a horizontally and vertically decentralized planning system.

On the basis of a national goal-setting exercise, carved out by the NDPC with the participation of both sectoral agencies and district assemblies, the NDPC is now formulating a National Development Policy Framework and Guidelines with the aim of providing the basis for the formulation of long-term perspective and medium-term plans at national, sectoral, and district levels.

The NDPC is constrained in a number of ways from carrying out its planning mandate. It lacks a data base and a management information systems. NPDC is also staffed with personnel which has inappropriate training and skills. Although economic policy units are being set up in the various ministries, it is not clear what NDPC's relationship is with the key-line ministries or with the various public agencies responsible for promoting industrial development. In view of these constraints and uncertainties, and in the light of changing priorities, especially the urgent need to assess the needs of industrial regeneration/rehabilitation, the NDPC's role should be re-assessed at this stage.

4.1.2 Other public institutions

The existence of other public sector agencies including the Ghana Investment Centre (GIC), the Ghana Export Promotion Council (EPC), the State Enterprises Commission (SEC), the Non-performing Assets Recovery Trust (NPART), and the Divestiture Implementation Committee (DIC) should promote private sector industry and industrial rehabilitation.

Ghana Investment Centre (GIC)

The principal investment promotion agency in Ghana is the GIC. Its main functions (according to the 1987 Investment Code) include:

- collection, analysis and dissemination of information on investment opportunities and sources of investment;
- initiation and organisation of investment promotion activities;
- and
- granting approvals for the establishment of enterprises specified

under the Code.

The GIC is governed by a Board made up of top-level members of government including the Chairman of the Committee of Secretaries, the Secretary for Finance and Economic Planning and the Governor of the Bank of Ghana. Up to now, investment applications were processed through several government agencies. Bureaucracy inevitably caused delays and frustrated investment proposals in the past. No doubt, investment flows destined for industrial rehabilitation were also stifled or blocked. To remedy this situation, a one-stop shop system has now been introduced to help reduce cumbersome procedures and time delays for approving investment project applications to 4-6 weeks.

The GIC is gradually moving from passive consideration of incoming applications toward active promotional activities. In line with this strategy, it intends to undertake pre-feasibility studies on identified projects. It is extremely essential that the GIC realizes the need of industrial rehabilitation and focus as well investment pre-feasibility studies on ailing industries. It is expected that promotion will be undertaken among others, through Ghanaian embassies abroad and through various international agencies.

Several factors tend to hinder GIC operations and its investments promotion role. The regulatory and promotional roles, however, conflict. The regulatory role tends to constrain GIC's operations by putting a brake on the pace at which it is able to deal with investment proposals.

Yet, another constraint to GIC operations and functions is the manner in which its governing board is composed. Its governing Board includes top-level government members who, on account of their normal work schedules, are not always available at the same time for meetings. This situation has produced a huge backlog of investment project proposals requiring decisions. The other major constraints affecting GIC are its acute shortage of staff capable of assessing investment proposals and of preparing and disseminating promotional materials, as well as personnel and equipment to operate a data base. The problems and constraints of the GIC do not only contribute to retard the flow of investible funds into industry in general, but also stifle the flow of available investible resources into industrial rehabilitation projects.

The CIC should be developed as an institution which speeds and facilitates investments. Such a development could include in addition more autonomy in the performing of its functions.

Ghana Export Promotion Council (GEPC)

The GEPC was established in 1987 to promote the export of products, especially the non-traditional goods. It provides among other things, technical assistance to exporters in gaining access to markets abroad by organizing buyers and seller meetings and trade fairs, and training for exporters in skills such as costing and pricing for foreign markets.

Export promotion depends largely on a sustainable production base for exportable products. Ghana is predominantly agricultural and the promotion of export of non-traditional export products- processed and semi-processed products including agro-products- will help increase rural incomes, and production capacities of agro-industries.

The propensity to attract FDI through export promotion is high. GEPC assumes therefore that foreign investors are attracted only if they perceive export potential for their products. Since the CIC has the lead role in promoting industrial investment, the GEPC is using its membership role on the CIC's board to introduce a more targeted approach to investment promotion in Ghana.

GEPC's role in industrial rehabilitation can be very crucial. This will depend on the extent to which it is able to assist rehabilitated industries find export markets for their products.

In fact, the institutional support for export promotion is weak. The GEPC receives technical assistance from the UNDP and the IFDC but its government subvention through its parent ministry, the Department of Trade and Tourism, is inadequate. This makes it difficult for it to sustain the many initiatives it launches. There is a great need to boost the financial resources in order to enable it execute its programme of promoting the exports of non-traditional products.

There is also a need to reassess the relationship between CEPC and the GIC. These institutions have a role to play in investment and export promotion. Since GIC and GSB are agencies of MIST and CEPC responsible to the Ministry of Trade and Tourism, inter-ministerial co-ordination on matters of investment and export promotion is necessary.

The recent establishment of the three core institutions- the SEC, the NPART and the DIC- implicitly involved in the divestiture and privatization programmes is an explicit recognition of the urgent need for comprehensive rehabilitation of the industrial sector. Privatized SOEs would need rehabilitation so as to be sustainable. The SEC monitors all SOEs and advises the Government on which enterprises to be privatized, and the DIC sees to the divestiture of those enterprises recommended for privatization by the SEC. On the other hand, the NPART is charged with responsibility of recovering debts owed by "distressed enterprises" to development banks.

Considering their aims and objectives, the relationships between the three agencies should be clearly defined. In practice, however, their relationships are unclear, and their mandates overlap considerably.

State Enterprises Commission (SEC)

The main function of the SEC is to privatize the SOEs. By so doing, the direct involvement of the public sector in productive activities will be reduced to pave the way for effective private sector engagements in industry. At present, 10 SOEs have been deemed strategic and will not be privatized. But the rest are potential candidates. The SEC has taken over responsibility of 340 SOEs. About 25 of these SOEs are slated for divestiture each year, and are opened to both domestic and foreign investors.

The SEC has introduced corporate plans and performance agreements as a means of monitoring the management and financial performance of SOEs. This has resulted in a significant improvement in the performance of over 100 companies in the public sector.

To achieve further improvements, the legal framework of the state sector has to be unified and the relationship between the enterprises and the shareholders clarified in terms of composition of the Boards of Directors of the SOEs and their chairs. There is also need to redefine and re-assess the objectives and social orientation of SOEs and to assist them to operate in a more commercial way.

A major constraint facing the SEC is staffing. Several positions essential to the work of the commission still remain vacant. Lack of financial data on SOEs is another constraint, some SOEs, for example are 10 years in arrears with their financial data.

As a result of these weaknesses, the SEC is unable to undertake in-depth viability analysis of the SOEs or to be able to tell the government which ones should be retained, which ones privatized, which ones liquidated and which ones retained.

Non-Performing Assets Recovery Trust (NPART)

NPART was established in 1990 with the assistance of the World Bank as part of the financial sector restructuring programme. It is governed by a Board of Trustees. The main objective of NPART is to recover debts owed by "distressed enterprises". Initially, these enterprises were on the books of the three major development banks, but when they started defaulting on their loans they were passed over to the Bank of Ghana as non-performing assets.

In return for the assets, the Bank of Ghana issued bonds to the development banks which are redeemable in 2-5 years. It has been observed that: the enterprises have not started repaying their loans or were not in a position to repay their loans and; some development banks have not been able to redeem their bonds from the bank of Ghana.

As a response to the different issue of loan default and redemption, the bank of Ghana has set over the non-performing assets to the NPART. NPART is supposed to help during the five year period of 1990-1995 the non-performing loans from the balance sheets of the banks. Many discussions with owners/entrepreneurs show they intend to pay off their debts and there is

suggest ways to restructure their assets so make repayment possible. In some cases, it recommends closure and sells off the assets to redeem the debts. The First Finance Company (FFC), a capital venture company is expected to play a key role in the selling off/restructuring process. To date, NPART has acquired about 1322 non-performing assets worth about Cedi 50 billions and during its first three months of operations recovered about Cedi 2.5 billions. Most enterprises on NPART's list belong to the public sector.

The relationship between NPART and SEC and DIC is not clear. Moreover, NPART has a number of problems of its own including shortages of qualified staff, and data and information systems. It has inadequate capacity to conduct in-depth viability audits.

Divestiture Implementation Committee (DIC)

Established in 1988, the DIC implements the privatization policy by divesting those enterprises recommended for privatization by the SEC. In agreement with IDA and the IMF, 42 enterprises were approved for divestment. As of June 1991, 24 had been divested: 9 by means of sale of government shares; 7 by outright sale; 3 through joint venture agreements; 3 through leasing. Other 2 enterprises have been liquidated.

One of the major constraints facing the divestiture programme is that of title, since most of the SOEs do not have any documentation in relation to titles or mode of acquisition. Furthermore, due to shortages of qualified staff and expertise, DIC lacks adequate capability and capacity to undertake in-depth viability auditing of firms. Thus, diagnostic surveys/enterprise profiles which entails profitability assessments of firms including capital requirements, asset structure, equipment etc., are superficially performed. Another important constraint to the divestiture process is the overall financial divestiture limitations. Interested parties who intend to purchase or lease SOEs are invariably, constricted by the present tight credit climate. SOEs are also faced with the problem of settling redundancy and end-of-service benefits, and other enterprise liabilities for which most of them do not have funds.

Thus government budgetary constraints, one of the factors which necessitated the divestiture programme in the first place, are now constraining its implementation. To accelerate the programme, the DIC is considering the possibility of worker participation in the divestiture programme through employee/management buy-out schemes.

To enable the DIC conduct pre-divestiture in-depth diagnostic surveys, there is the need to develop appropriate criteria to prioritize enterprises before divestiture. The setting up of a diagnostic and venture capital fund or company could help speed up the divestiture and industrial regeneration/rehabilitation processes.

4.1.3 Inter-agency consultation and co-ordination activities

Consultation between the various government agencies tends to be rather ad hoc. An inter-ministerial group for industrial policy coordination has been set up by MIST. The group includes official representation from the Ministry of Agriculture, the Ministry of Finance and Economic Planning, the Ministry of Energy, the Ministry of Mobilization and Social Welfare as well as ADPC, CSIR and NBSSI. The group does not meet on a regular basis but rather on an impromptu basis. Ad hoc groups or committees are also constituted from time to time to deal with specific issues affecting different sectors such as the integrated fisheries project etc. In addition, MIST representatives participate in meetings of the Economic Management Team (EMT), comprising all the key ministries. The EMT meets twice a year to review economic development and policy issues.

Consultations also take place between SIA, NPART and MIST which are the main agencies involved in the implementation of the privatization programmes but, once again, these consultations have not been institutionalized. Indeed, there is an urgent need to reassess the roles of the DIC, SIA and NPART and to clarify and reconcile their overlapping mandates. This reassessment should also encompass the role of the Bank of Egypt in industrial development and its relationship with SIA, SIA and MIST. The issue of whether the three agencies are needed to implement the divestiture and privatization programmes needs consideration. The role of the private financial companies is also relevant

to this assessment since access to venture capital is crucial to the promotion of private investment in the industrial sector. An advisory group on private sector development has also been established at the Ministry of Economic Planning (MEP) to discuss issues arising from policies affecting the private sector.

The functional overlaps and conflicts of interest and goals among the public institutions create the need for: a study to rationalize and harmonize mandate and: establishment of mechanisms of policy co-ordination between the various public agencies on one hand, and between the public and private agencies related to industry on the other.

4.2 Private sector institution

Quasi-public institutions, including Ghana Commercial Bank, Standard Bank, Barclays Bank and other development banks especially in the rural areas finance industrial, agricultural and other activities. Their loans are limited to short and medium term needs.

The most important private sector institutions involved in industrial development are the Association of Ghana Industries and the Ghana National Chamber of Commerce

Association of Ghana Industries (AGI)

The AGI's inception dates far back as 1957. It is the private sector association of industrialists with about 1500 members and a small secretariat financed by members' subscriptions. The main aims of AGI are:-

- to provide a central organization for the promotion of the interests of industrialists:
- to study and support or oppose legislative or other measures affecting industries:
- to consider all matters relating to manufacturing and to present the views of industrialists to the Government:
- to act as arbitrator, if requested, in the settlement of industrial disputes and:
- to collect data and information and create a data base on industry.

AGI receives no government subvention in its operations. Consultations between it and relevant ministries and public sector agencies tend to be rather ad hoc. No serious discussions on either the industrial policy statement nor on the review of the Investment Code took place between AGI and government. AGI is not directly involved in the industrial policy dialogue or decision-making process. Rather, it tends to react to government policy. Consultation and dialogue between the AGI and the public institutions need to be established and strengthened in consonance with the privatization and divestiture programmes.

To be able to articulate effectively the views of private sector, the AGI needs to strengthen its capacity to undertake economic analysis and independent assessment of economic policy and its impact on industries.

AGI has received some logistical support from USAID to strengthen its secretariat. But further assistance would be needed to help train the staff.

develop data base, and rehabilitate office equipment. AGI member enterprises also require further training in accounting and management skills.

Ghana National Chamber of Commerce (GNCC)

The GNCC maintains good consultation links with both private-sector organizations and government. It also acts as a reliable source of information on both trade and industry. It collects and disseminates information about products, markets, regulations and legislation on trade and prices, and organizes trade advisory and counselling services.

The GNCC plays an important role in regional integration and trade. A UNDP/ITC technical assistance has helped to develop a library and a trade information network to serve the four anglophone countries of West Africa namely, Gambia, Sierra Leone, Ghana and Nigeria.

GNCC and AGI have strong membership affiliations, in that a individual normally keeps membership with the two institutions. The two institutions have established a consultative committee, but there is the need to strengthen their relationship and perhaps establish some division of labour in terms of policy analysis so that they can present a coherent view on policy recommendations to the government. There is also an urgent need to internalize and institutionalize regular consultation and dialogue between the private sector institutions and the government and its agencies.

A mechanism called the private sector group has been established. It comprises the GIC, GNCC, and AGI and is intended to facilitate dialogue between itself and the private sector, especially on issues relating to the investment climate. This group meets monthly. The GIC has also initiated a mechanism for bi-annual meetings between the private sector and government to discuss investment problems. Apart from these arrangements, consultations between the public and private sectors on industrial issues have been only occasional. There is no institutionalized mechanism for regular dialogue between them.

5 CONCLUSION

The ERP and SAP attempt to restructure the macroeconomic framework and better the enabling environment within which industry operates. On the whole, the major impact of the restructuring on the industrial sector occurred in the areas of exchange-rate regime, tax reform and trade liberalization, public resource management (divestiture/privatization). The determination of the exchange rate between the Cedi and the US dollar by a weekly auction catered for end-users of which industry formed the largest portion. Also, the taxation and import policy favoured the production of goods such as basic raw materials, the import of strategic intermediate goods, spare parts and machinery for industry.

Manufacturing growth, however, slowed down significantly in the previous years. In 1989 and 1990 manufacturing value added rose by only 3 per cent. Capacity utilization rates though higher than those of previous years have subsequently scaled down since 1990. The scale down process in capacity utilization is largely due to insufficient working capital, the general weaknesses in institutional support systems and lack of equipment maintenance and obsolete machinery and inadequate foreign exchange to import essential inputs.

Past industrial development efforts neglected the small-scale sub-sector. Instead, greater emphasis was placed on highly-import dependent, capital intensive, highly state-subsidized and inefficient medium- and large-scale industry sub-sectors. These medium- and large-scale industries operated at very low plant capacity utilization levels due mainly to lack of foreign exchange allocations to import raw materials, machinery and spare parts, old and obsolete machinery and lack of maintenance of plant machinery. Productivity levels of such extremely, and above all produced at high costs uncompetitive goods.

The government has realized the need for private sector and investment role in industrial growth. Until recently, Government support and response to the private sector can be described as partial. The short term term of banks (2 to 3 years) time horizon hardly meet the needs of industry which require long term credit for sustainable development. As a result of unmet

financial needs of industry. many entrepreneurs seek growth through joint-ventures with foreign partners who are favoured by Government attempts to attract FDI flows.

Industrial strategies emanating from the adjustment programme is meant to correct the deficiencies of past economic policies. These strategies concentrated on the following: identification of specific priority areas of industry: development of private-sector: investment promotion and export promotion: small-scale industry and the role of women in industry: location of industry and regional balanced growth: the contribution of science and technology to industrial development and: effective institutional framework to support industry:

Although the ERP and latter SAP is providing the appropriate macro-economic policy conducive to industrial regeneration, there is a definite and timely need to target assistance in the form of rehabilitation at the industrial level to improve and sustain production capacity. Agro-industries may be good rehabilitation candidates, since these industries form the basis of food security and export programmes, and maintain strong forward and backward linkages with other economic sectors.

Institutions have been created to see to the implementation of regeneration, divestiture, privatization measures. Unfortunately, these institutions simply list enterprises as candidates for rehabilitation and /or divestiture without a strong analytical base for such a listing. A remedy to this flaw is found in the UNIDO Top-down/Bottom-up approach to industrial rehabilitation. The Top-down diagnosis concerns the question why industries are in need of rehabilitation. This diagnosis involves the assessment of factors from the international level down to the national and plant levels. At the plant level, enterprises are examined in terms of management and organization, marketing, financial structure, spare parts situation, repair and maintenance, process flows, raw material supply, human resources development, economic policy and institutional and infrastructural environment. A Bottom-up assessment examines the changes in economic and institutional environment that are required as pre-conditions for successful plant-level rehabilitation.

Analysis of institutions related to industry and industrial rehabilitation reveals these institutions have not been effective to support industrial rehabilitation/regeneration. Few institutions are capable of supporting rehabilitation. GRATIS and NPART, for example, have been able to reduce acute shortages of manpower needs, but have been unable to satisfy all manpower needs of industry. MIST has not been able to solve the problem of under-utilization of production capacity of the industrial sector.

The relative ineffectiveness of most of the institutions can be attributed to the following: inefficient organization; absence of a control machinery; lack of co-ordination and; budgetary constraints.

At the apex of the institutions are the board of directors. Efficiency of the institutions depend mostly on the efficiency with which the board members and management carry out their functions. Normally, membership of a board consists of outsiders recruited from other ministries, institutions and agencies. As outsiders, they have their principal interest in some ministry, etc., and lack an intimate knowledge of the operations of the institution on whose board they serve. Moreover, board members sit on many other boards, and so occupied, they have little time to become fully informed of the operations of the institution or develop an interest in the welfare of the institution on whose board they are serving.

A second reason for the inefficiencies of the institutions is the absence of a machinery to evaluate the effectiveness of the industrial institutions and agencies.

Thirdly, there is a weak co-ordination body. The mandates of institutions overlap, since such mandates are nebulous or not clearly defined. Different divisions which have no close relationships are placed under one ministerial unit. Co-ordination committees formed usually comprise of institutions and agencies which have little to do with each other. MIST, for example, has little to do with one which comes under the Ministry of Trade and Tourism. Also artificial barriers existing among the institutions reduce the linkages between them. Ministries, for example, concentrate more on data collection rather than co-ordinating manpower requirements of a ministry or institution.

Lastly, in their present structure and functions, the institutions

discussed lack the capability and capacity to promote industrial growth through industrial regeneration/ rehabilitation.

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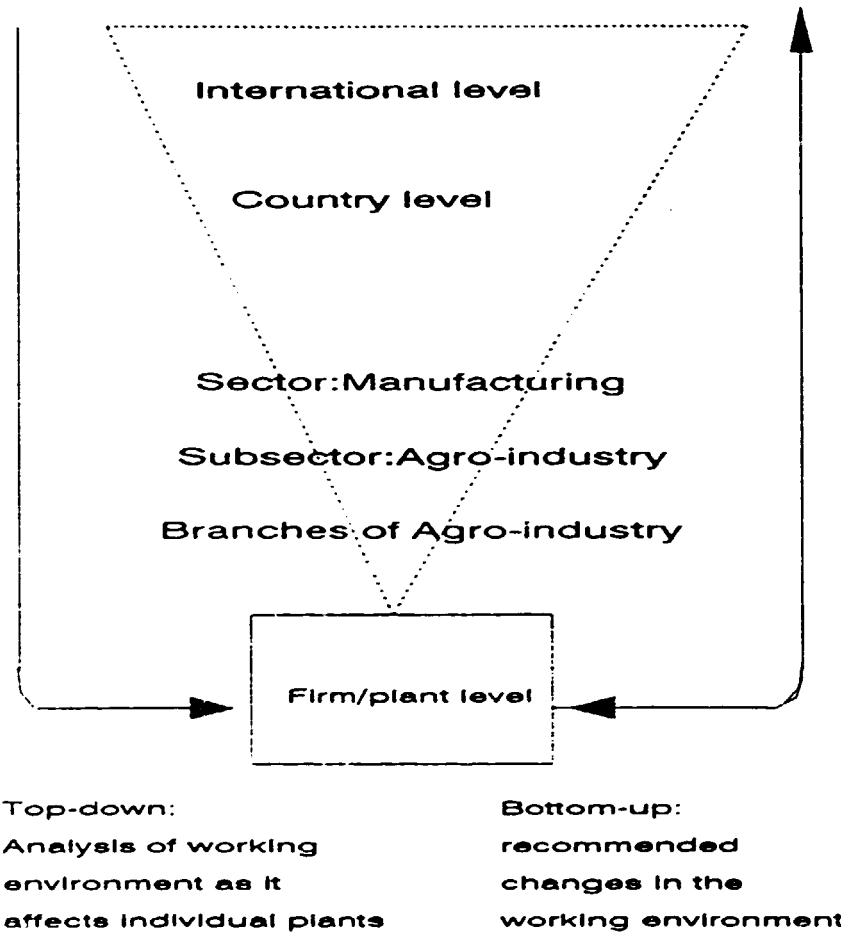
IYCB (Improve your construction business)	Mr. John Ward, CTA
Management Development and Productivity Institute (MDPI)	Dr. H. Aknoko-Fripong, Agriculture Director
School of Administration	Mr. Sam Woode, Director
Strengthening Population HRD Planning	Mr. Quist-Therson Mr. A. Okorafoh
University of Ghana, Legon	Prof. Akilakpa Sawyerr, Vice Chancellor Dr. G.K. Tetteh, Head, Department of Physics Dr. M.K. Mensah, Head, Department of Geology Dr. M. Osei-Kwasi, Agriculture Director, NMIMR Dr. B.K. Ahumu, Dean, Faculty of Agriculture Dr. J. Auquanda, Agriculture Dean, Faculty of Social Studies Dr. S.I.K. Odoom, Agriculture Dean, Faculty of Science Mr.A.A. Mensah, Agriculture Director, Institute of Performing Arts Dr. K.A. Ninsin, Head, Department of Political Science
University of Ghana, Legon (continued)	Dr. P.A.V. Ansah, Director, Institute of Communication Studies Dr. P.W.K. Yankson, Lecturer, Department of Geography Prof. George Bemeh, Head, Department of Geography Dr. Nii Kwaku Sowa, Agriculture Head, Department of Economics Ms. Mavis Acquaye-Barthelemy, Assistant Registrar
University of Science and Technology (UST), Kumasi, College of Art	Mr. J.K. Aboa, Vice Dean, Ceramics Mr. J.A. Omari, Textiles Mr. K.K. Broni, Ceramics

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European Community Delegation	Mr. H. Okorn, Engineering Adviser Mr. K. Schmidt, Economic Adviser
ODA British High Commission	Ms. Rosemary Stevenson, First Secretary (Aid)
World Bank	Mr. Nick Bennett, Ag. Resident Representative Mr. Kofi Tsikata, Research Assistant
UN Centre for Human Settlement (Habitat)	Mr. Brian Roberts, Chief Technical Adviser (Urban Planning and Development Programme) Mr. Erhetu Abebe, Urban Economist/Planner
UNDP, Accra	Ms. Lyn Wallis, Resident Representative Mr. T. Bernklau, JPO
USAID	Mr. Joseph B. Goodwin, Aid Representative

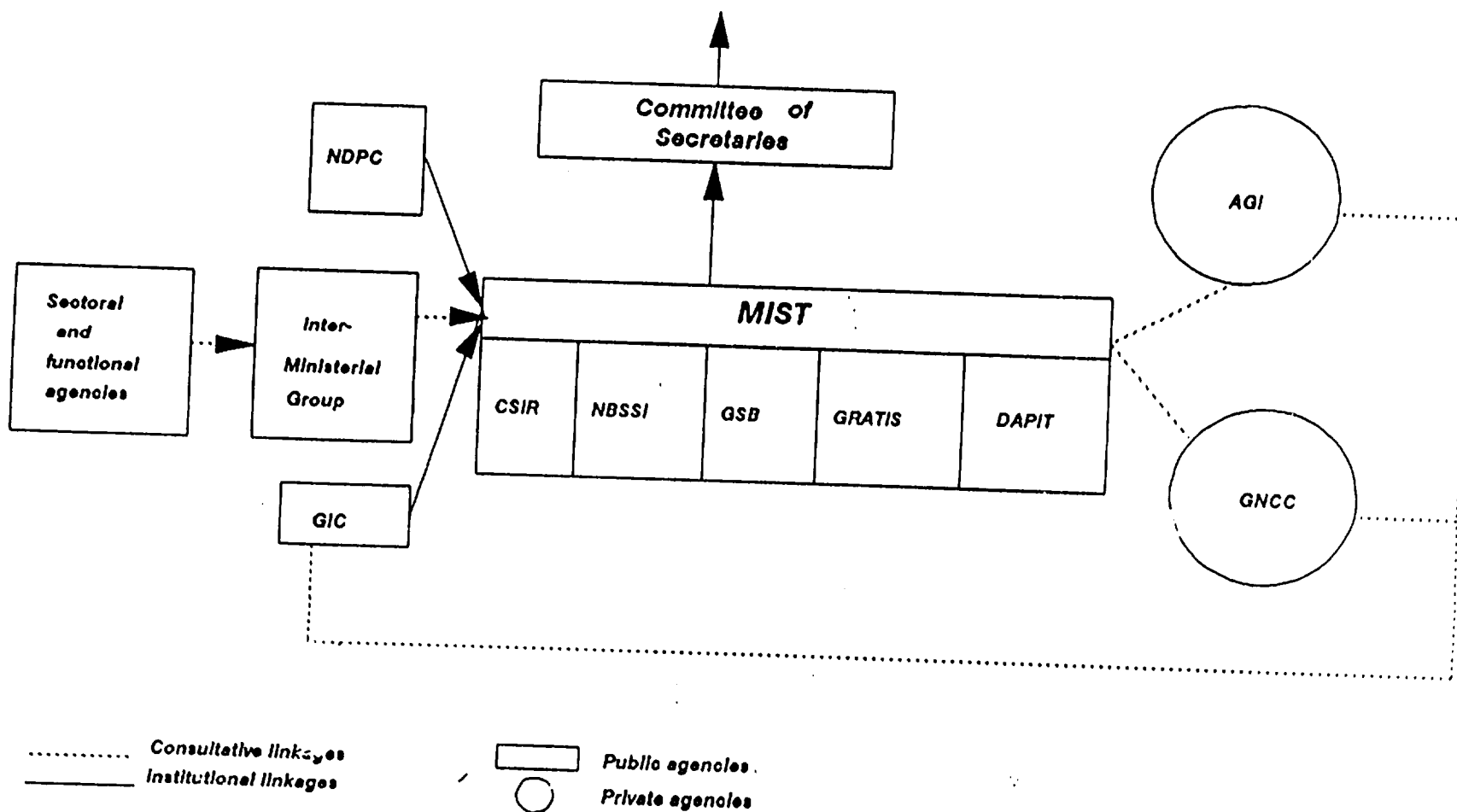
APPENDIX

Appendix figure 1: The Manufacturing Plant in its Working Environment: Top down/Bottom-up Approach



Source: UNIDO, PPD/REG.

Appendix figure 2: Ghana: Institutional Linkages for Industrial
Regeneration and economic development



Source: UNIDO/ILO, Industrial Sectoral Review and Programming
Mission to Ghana, Report, 16 October 1991.

Appendix table 1: Ghana: Economic Indicators

	1984	1985	1986	1987	1988	1989	1990 Prel.	Percentage Change (%)					
								1986/85	1987/86	1988/87	1989/88	1990/89	
NATIONAL ACCOUNTS													
	(Millions of Cedis)												
GDP at Market Prices (in 1975 prices)	5158	5420	5702	5975	6312	6633	6832	5.2	4.8	5.6	5.1	3.0	
Agriculture	2780	2798	2890	2891	2995	3122	3047	3.3	0.0	3.6	4.2	2.4	
Industry	599	705	758	845	907	944	985	7.5	11.5	7.3	4.1	4.3	
Services	1917	2061	2195	2401	2589	2740	2976	6.5	9.4	7.8	5.8	8.6	
GDP at Current Prices	270561	343048	511273	746000	1051196	1417214	1956090	49.1	45.9	40.9	34.8	31.0	
	(in percent)												
Investment/GDP (Current Prices)	6.9	9.6	9.4	10.4	11.3	13.6	15.8	-	-	-	-	-	
National Savings/GDP (Current Prices)	4.0	5.4	5.1	5.9	6.3	7.8	8.2	-	-	-	-	-	
MONEY AND BANKING a/													
	(Billions of Cedis)												
Money and Quasi Money (M2)	35	56	86	132	189	240	283	54.5	53.9	43.0	26.9	11.0	
Foreign Assets	-31	-49	-131	-142	-141	-128	-86	-	-	-	-	-	
Net Domestic Assets	39	66	95	105	117	103	76	42.3	31.4	30.7	-11.8	-26.0	
Bank Credit to Government (net)	24	27	30	22	11	-10	-34	9.1	-25.1	-30.5	-194.5	-226.9	
Cocoa Financing	4	14	17	16	21	24	17	24.7	-2.5	22.5	12.9	-21.3	
Credit to the private sector	12	21	38	56	58	61	80	76.9	48.2	4.7	5.0	30.9	
	(in percent)												
M2/GDP at Current Prices (%)	12.8	16.2	16.8	17.7	18.0	16.9	14.5	-	-	-	-	-	
PRICES													
	(Annual Average Change in percent)							December to December					
Consumer Prices	39.6	10.4	24.3	39.8	31.4	25.2	37.2	33.3	34.2	26.6	30.5	35.9	
of which: Food	11.0	-11.1	20.3	38.5	34.1	25.1	40.0	30.4	35.7	26.5	31.9	32.0	
Non-Food	79.0	28.0	27.0	40.6	29.7	25.5	35.7	34.9	33.4	26.6	29.7	38.1	
Wholesale Prices	81.5	56.4	63.5	41.4	34.7	25.5	23.3	70.3	28.0	35.6	26.8	25.8	
GDP Deflator	35.3	20.6	41.7	39.2	33.4	28.3	34.0	-	-	-	-	-	
BALANCE OF PAYMENTS													
	(Millions of US Dollars)												
Exports of Goods and NFS	605	672	806	904	961	886	947	19.9	12.2	6.3	-7.8	6.9	
Imports of Goods and NFS	810	858	975	1202	1255	1278	1486	13.7	23.3	4.4	1.8	16.3	
Trade Balance	-114	-96	-56	-201	-206	-291	-401	-	-	-	-	-	
Service Balance	-205	-185	-171	-296	-294	-392	-540	-	-	-	-	-	
Current Account Deficit	-214	-263	-204	-224	-252	-305	-450	-	-	-	-	-	
Capital Account (Net)	196	137	179	348	383	431	529	30.7	94.1	9.8	12.6	22.8	
of which: Net Aid Disbursements c/	171	186	345	390	461	485	488	84.9	13.0	18.3	5.3	0.6	
Overall Balance	37	-116	-57	138	125	128	85	-	-	-	-	-	
Gross Reserves (end of period)	132	122	108	158	176	228	249	-12.1	46.8	11.2	29.9	8.9	
	(in percent)												
Current Account Deficit as Percent of GDP at Current Prices	-2.8	-4.2	-4.2	-4.9	-4.9	-5.8	-7.5	-	-	-	-	-	
Nominal Exchange Rate [Cedis/US\$, period average]	36	54	106	162	202	270	330	96.3	52.8	24.9	33.4	22.2	
Real Effective Exchange Rate (1980=100)	72.1	52.4	30.2	23.3	22.6	21.1	21.2	-	-	-	-	-	

Note: a/ including primary and secondary banks; at end-period.

b/ provisional figures.

c/ gross aid inflows minus long-term amortization; 1990 figure is preliminary.

Sources: Government of Ghana and Bank Staff estimates. Real Effective Exchange Rate from IMF.

INDUSTRY	1984	1985	1986	1987	1988	1989
Food Manufacturing	29	42	41	51	54	48
Beverage Industries	60	59	75	85	89	98
Tobacco & Tobacco Products	63	61	58	55	58	51
Textile, Wearing Apparel & Leather Goods	16	19	23	26	29	24
Sawmill & Wood Products	60	75	80	79	98	80
Paper Products and Printing	72	65	71	60	53	48
Petroleum Refinery	63	81	77	63	68	87
Chemical Products Other than Petroleum	40	42	38	52	68	62
Cement & Other Non-Metallic Mineral Products	42	64	47	50	73	100
Iron & Steel Products	26	46	39	43	18	12
Non-Ferrous Metal Base Industries	n.a.	28	73	90	97	101
Cutlery & Other Non-Ferrous Metal Products	10	35	55	52	46	48
Electrical Equipment and Appliances	19	28	51	32	47	14
All Manufacturing Industries	39	49	54	57	62	63

Note: The estimate for all manufacturing industries is a weighted arithmetic average, using weights proportional to value of gross output in 1975; n.a. = not available.

Source: 1984-88: Ghana Statistical Service, *Quarterly Digest of Statistics*, June 1990; 1989: Ghana Statistical Service for 1989.

Appendix table 3: Ghana: Estimated Rate of Capacity Utilization for Large- and Medium-Scale Factories

(Per cent)

INDUSTRY	1984	1985	1986	1987	1988	1989	1990
Textiles	17	20	17	24	33	41	35
Garment	20	26	27	25	35	25	22
Metals	20	16	n.a.	42	45	47	49
Electricals	8	33	30	36	40	11	13
Plastics	30	28	30	39	39	41	40
Vehicle Assembly	8	20	n.a.	10	24	n.a.	25
Tobacco & Beverages	20	40	40	45	58	60	65
Food Processing	23	31	36	42	60	51	55
Leather	12	22	n.a.	15	20	15	12
Pharmaceuticals	n.a.	17	n.a.	26	33	33	30
Cosmetics	n.a.	n.a.	25	29	33	30	25
Power & Printing	17	15	n.a.	30	42	30	30
Non-Metallic Mineral Manufactures	12	35	n.a.	37	40	44	48
Chemicals	22	20	25	30	35	33	30
Rubber	15	16	23	28	38	43	48
Wood Processing	28	33	*n.a.	43	70	70	70
All Manufacturing Industries	18	25	30	31	40	38	37

Note: The estimate for all Manufacturing Industries is an unweighted average.

n.a. = not available.

a/ Provisional estimates.

Appendix Table 4: Initial List of Firms Initially Eligible to be Considered for Rehabilitation with estimated costs in \$1000

<u>Sub-Sector</u>	<u>Name of Firm</u>	<u>Ownership</u>	<u>Amt. Requested</u>
FOOD			
Milk Products:	1. Fan Milk Ltd.	H	1,325
	2. Food Specialities (Gh) Ltd.	P	3,500
	3. Sam & Sam Dairy Products Ltd.	P	250
	4. Allied Foods Ltd.	P	<u>115</u>
	Sub-Total		5,190
Flour:	1. Irani Brothers	H	400
	2. Takoradi Flour Mills	P	3,500
	3. Tema Food Complex	S	<u>500</u>
	Sub-Total		4,300
Edible Oil:	1. Crystal Oil Mills	H	600
	2. Ashantil Oil Mills	P	1,350
	3. Benso Oil Palm Plantation Ltd.	P	<u>570</u>
	Sub-Total		2,520
Animal Feed:	1. Ghana Poultry Feeds	P	260
	2. Darko Feeds Ltd.	P	<u>570</u>
	Sub-Total		830
Biscuits:	Pioneer Biscuits Ltd.	P	550
Cold Stoves:	Kalewo Cold Stoves	P	450
Margarine:	Leveq Brothers (Gh) Ltd.	H	2,600
Citrus:	Emil (Gh) Ltd.	P	1,200
Other:	Unspecified	P	<u>2,000</u>
	Total Food Subsector		<u>19,640</u>

BEVERAGES

Soft Drinks:	1. GNIC Bottling Division	S	1,290
	2. Akoto-Nzima Industries Co.	P	180
	3. Nkulamu Industries	P	<u>50</u>
	Sub-Total		1,520
Crown Corks:	South Akim Manufacturing	P	<u>530</u>
	Total Beverages Subsector		2,050

TEXTILES

Khaki, Drills	1. Ghana Textile Manuf. Co. Ltd.	P	3,500
	2. Abotex Synthetics Ltd.	P	800
	3. Freedom Textiles Ltd.	P	2,341
	4. Spintex Ltd.	P	<u>3,500</u>
	Sub-Total		10,141
African Wax & Java Prints	1. Ghana Textile Printing Co. Ltd.	P	3,500
	2. Akosombo Textiles Ltd.	P	500
	3. Tema Textiles Ltd.	H	<u>2,400</u>
	Sub-Total		6,400
Yarns & Thread	1. West Coast Spinning Industry	P	3,500
	2. Tema Thread Co.	P	<u>1,620</u>
	Sub-Total		5,120
Other Fabrics	1. Nitra Industries Ltd.	P	2,000
	2. Tejtex Ltd.	P	853
	3. Textile Trico Ltd.	P	<u>2,862</u>
	Sub-Total		5,715
Surgical Dressings	Seraphin Surgicals Ltd.	P	1,162
Sanitary Towels	Sallman Industries Ltd.	P	200
Towels and Singlets	Zakour Textiles Ltd.	P	450
Fishing Nets	Volta Nylon Co. Ltd.	P	770
Socks	Hannatex Ltd.	P	150
Wicks	Najim Industries Ltd.	P	24
Other	Unspecified	P	<u>18,260</u>
	Total Textile Subsector		48,392

WOOD PROCESSING

1. Logs & Lumber Ltd.	P	1,000
2. Hardwood Timber Products	P	375
3. Naja David Veneer & Plywood Ltd.	P	750
4. Oda Wood Complex	P	1,100
5. Peewood Processing Ltd.	P	20
6. Furnart Ghana Ltd.	P	80
7. Standard Wood Processing Ltd.	P	50
8. Du Paul Wood Treatment Ltd.	P	80
9. Min Timber Co. Ltd.	S	750
10. Takoradi Veneer & Lumber Co. Ltd.	M	285
11. Scanstyle-Min Ltd.	M	50
Total Wood Processing Subsector		4,540

TYRES & RUBBER

Iyres	Bonsa Tyre Co. Ltd.	S	3,500
Rubber	Ghana Rubber Estates Ltd.	S	500
Total Tyre & Rubber Subsector			4,000

NON-METALLIC

Sanitary Ware	Saltpond Ceramics Ltd.	M	1,500
Ceramic Ware	V. Templar Quarshic Ceramics Ltd.	P	50
	Broni Ceramics Ltd.	P	50
Terrazzo	Kwabes Terrazzo Works	P	150
Total Non-Metallic Subsector			1,750

GARMENTS

1. Glamour Garment Factory	P	544
2. Corsetry Ltd.	P	500
3. Fabrico Knitting Industries	P	35
4. Utam Manufacturing Co. (G) Ltd.	P	50
Total Garments Subsector		1,129

GIHOC INDUSTRIES

Amount Unfund.

GIHOC Pharmaceuticals	\$13,300
GIHOC Glass	2,380
GIHOC Steel	3,420
GIHOC Bottling, Paints, Metal Industries, Paper Conversion, Electronics, Footwear, Printing & Paper Production, Refrigeration & Household Equipment Boatyard, Fibre Products, Distillery, Cannery	<u>3,600</u>
Total GIHOC	22,700
TOTAL ALL FIRMS	104,201

The breakdown by ownership is given below:

	REQUIREMENTS BY OWNERSHIP	
	<u>\$</u>	<u>%</u>
State-owned	29,240	28.1
Mixed	9,160	8.8
Private	<u>65,801</u>	<u>63.1</u>
	104,201	100.0

Source: UNIDO, Ghana National programme for the Second Industrial Development Decade for Africa.

Note: M = mixed ownership.
S = fully State-owned.
P = private.

1. Government institutions and agencies

Council for Scientific and Industrial Research (CSIR)	Dr. M.N. B. Ayiku, Co-ordinator, Technology Transfer Committee (TIC)
Developing Rural Cottage Enterprises Project	Mr. M.M. Ansah, Acting Director
Divestiture Implementation Committee (DIC)	Mr. Kweku Osae-Bremu, Legal Consultant Ms. Helen Obeng, Legal Secretary
Environmental Protection Council	Prof. C. Dorm-Adzobu, Director of Programme Dr. Christina Amoako-Nuama, Senior Programme Officer (Natural Resources) Mr. Kwame Omari, Programme Officer Mr. Emmanuel Dzorkah, Accountant
Ghana Investment Centre (GIC)	Dr. K.G. Erbyram, Chief Executive Mr. N.T. Apotsi, Deputy Chief Executive Mr. E.Y. Bonso, Director/Project Processing Mr. E.M. Gyasi, Director/Promotion and Development
Ghana Export Promotion Council (GEPC)	Mr. Kwesi Ahwoi, Executive Secretary Mr. K. Owusu-Adjei, Jnr., Director/Finance and Administration Ms. Constance M. Quacoe, Director/Research, Planning and Development Mr. Tavia Akyea, Director/Trade Information, PR and Export Services Mr. Henry Okaekoi, Director/Marketing Mrs. Marina Addo, Snr. Export Development Officer Mr. S. Kulatunga, Project Co-ordinator, UNCTAD/GATT
Ghana National Scientific and Technological Information Network (GHASINET)	Mr. K.M. B. Hevi, Scientific Information Officer Ms. A. Acquah, Assistant Librarian
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ITTU, Tema	Mr. Robert Buatsi, Head/Socio-economic and Communications Division Mr. Patrick Nimo, Publicity and Publications Officer Mr. Daniel Numo, Manager

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(MOA) Commodore Steve Obimpeh, PNDC Secretary
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Mr. Henry Wood, Assistant Director

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Adviser

Ministry of Finance and
Economic Planning Mr. George Garm, Director/IERD
(MFEP) Mr. Charles Abakah, Chief Economist
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Dr. Kwabena Adjei, PNDC Deputy Secretary
Mr. D.K. Ayayee, Agriculture Chief Director
Dr. E.A. Osafo, Director (Technical)
Dr. J.K.B.A. Ata, Director (Science and
Technology)
Mrs. Alice Menkah, Deputy Chief Industrial
Promotion Officer
Mr. J.K. Appiah, Deputy Chief Industrial
Promotion Officer
Mr. A.Y. Nawurah, Principal Industrial
Promotion Officer
Mr. Adu Frimpong, Principal Industrial
Promotion Officer
Mr. R. Dadzie-Bonney, Senior Industrial
Promotion Officer
Mr. Francis Addo, Senior Industrial
Promotion Officer
Mr. Kwadwo Brobbey, Senior Industrial
Promotion Officer
Mr. A. Obiri-Yeboah, Industrial Promotion
Officer
Mr. Issah Nikabs, Industrial Promotion
Officer
Mr. K.A.I. Nuhu, Industrial Promotion
Officer
Mr. Robert Tandoh, Industrial Promotion
Officer
Mr. S.K. Dzakpasu, Assistant Industrial
Promotion Officer
Miss Julia Anokye, Assistant Industrial
Promotion Officer

Ministry of
Mobilization and Mr. D.S. Boateng, PNDC Secretary
Social Welfare (MMSW) Rev. D.K. Essandoh, Acting Chief Director
Mr. P. Obeng Fosu, Acting Chief Labour Officer
Mr. Charles Atieno, Director
Mr. Charles Abban, Acting Director/MMSW
Mr. Kodwo Yankson, Legal Adviser

MIST-Inter-Ministerial
Group Dr. K. Adjei, PNDC Deputy Secretary/MIST
Mr. D.K. Ayayee, Acting Chief Director/MIST
Dr. E.A. Osafo, Director (Technical)/MIST
Dr. J.K.B. Ata, Director (Science &
Technology)/MIST
Mr. P. Obeng Fosu, Acting Chief Labour
Officer/MMSW

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 Mr. Aggrey-Fynn, Assistance Director/MOA
 Dr. A. Appiah-Koranteng, NSP/NDPC
 Mr. K. Asante-Frimpong, Co-ordinator, EDP/NBSSI
 Dr. A.M. Goka, Primary Research Officer/CSIR
 Mr. S.E. Addo, Deputy Chief Industrial Promotion Officer/MIST

Ministry of Trade and Tourism (MOTT)

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 Mr. Benjamin Heh, Industrial Promotion Officer

MVTI

Mr. Abloh, Director ICCES

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 Mr. P.K.A. Akomaning, Deputy Executive Director
 Mr. Kofi Asante-Frimpong, Training Co-ordinator/EDP

National Co-ordinating Committee for Technical and Vocational Education and Training

Mr. Charles K. Abban, National Co-ordinator

National Council on Women & Development

Ms. Atava Akyea, (Administrative Secretary)

National Development Planning Commission (NDPC)

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 Dr. J.K. Kwakye, Department Director
 Mr. D.S. Pearson, CIA/UNDP
 Mr. M. Bawa Amadu, NPP
 Dr. A. Appiah-Koranteng, NSP

Non-Performing Assets Recovery Trust (NPART)

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 Mr. Marcelo Bueno, Principal Adviser
 Mr. Rashid Bawa, Secretary to NPART

State Enterprises Commission (SEC)

Mr. W.A. Adda, Executive Chairman
 Mr. E.N.A. Thompson, Executive Director
 Mr. Rex Bruce, Legal Secretary

2. Non-governmental institutions

Association of Ghana Industries (AGI)

Mr. J. Richardson, President
 Mr. Eddie Imbeah-Amoakuh, Executive Secretary
 Mr. E. Adu-Gyamfi, Chairman/Metals and Building Sector
 Mr. Peter Appiah, Regional Chairman/E.R.
 Mrs. Lucia Quachey, Chairperson/Garments & Knitting Section
 Dr. A.A. Ouausu, Chairman/Food, Drinks and Tobacco Section
 Nana Kojo Bi-Anyensu I. Member, Managing Director/Kings Shoe Factory, Accra

Mr. E.K. Acquah, Member, Managing Director,
Vougas Industries Ltd., Accra
Dr. T.E. Buomah, Member, Managing
Director/Pro-Bio Lab. Ltd., Accra
Mr. Edwin A. Bonatoa, Businessman

BEHOM Consulting Firm Ben Owusu-Mensah, Managing Consultant

EMPRETEC Dr. Alan Kyeremanteng, Director
Mr. F. Acquah, Director

Ghana Employers Association (GEA) Mr. E. Ato Williams, Executive Director

Ghana National Chamber of Commerce (GNCC) Mr. Alex Awuku, First Vice President
Mr. John B.K. Amanfu, Executive Secretary
Dr. N.D. Wadhwa, Member of Executive Committee
Mrs. Soma Gouetilleke, CIA, TTC-UNDP

Price Waterhouse Mr. John Klinogo, Accounting and Management Consultants

Technoserve Mr. Paul Warnaka, Country Director
Mr. Augustus Chinebuah, Project Assistant

Trade Union Congress (TUC) Mr. Augustus K. Yankey, Secretary-General
Mr. S.O. Nunoo-Quaye, Head, International Department

3. Banking institutions

Bank of Ghana Mr. K. Bervell, Director/Development Finance Department
Mr. S.P.D. Kotey, Assistant Director/Development Finance Department
Mr. A.M. Amoah, Manager/ECGD, Development Finance Department
Mr. B.K. Bentsil, Manager/ISAC-IDA, Development Finance Department
Mr. S.A. Aseyaw, Department Chief/Research Department

National Investment Bank Mr. Steve Dadzie, Department Managing Director
Mr. E. Otchere, Special Director/Development Banking
Mr. S. Sekyere-Abankwa, Special Director/Commercial Banking

Women's World Banking (Ghana) Ltd. Mrs. Sarah Appah Nunoo. (Manager)

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Box 50 Achimota** Dr. T. Werekpo, Director
Mr. Amoa, Deputy Director (Training)
Mr. Hagan, Deputy Director (Consultancy)
Mr. Awuah, Deputy Director (Research)
Mr. Ben Eghan, Senior Lecturer

IYCB (Improve your construction business)	Mr. John Ward, CTA
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University of Ghana, Legon	Prof. Akilakpa Sawyerr, Vice Chancellor Dr. G.K. Tetteh, Head, Department of Physics Dr. M.K. Mensah, Head, Department of Geology Dr. M. Osei-Kwasi, Agriculture Director, NMIMR Dr. B.K. Abumu, Dean, Faculty of Agriculture Dr. J. Anquanda, Agriculture Dean, Faculty of Social Studies Dr. S.I.K. Odoom, Agriculture Dean, Faculty of Science Mr. A.A. Mensah, Agriculture Director, Institute of Performing Arts Dr. K.A. Ninsin, Head, Department of Political Science
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5. Multilateral, bilateral agencies and Embassies/UNDP	
Caisse Centrale de Cooperation Economique	Mr. Yves Malpel, Senior Project Officer
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