



SECTOR BRIEF

Automotive Industry

SECTOR SPOTLIGHT

Increasing local demand for the sector

- Fuelled by a growing middle class and urban population
- High potential for car ownership

Local demand currently being met by imports

- Highly regulated and taxed (presenting opportunity for manufacturing locally for the local market to avoid hurdles placed on imports)

Logical hub in West Africa for auto sales, manufacturing and assembly

Skilled labour force

- Recent upgrade of polytechnics to university level
- Boost in capacity of engineering departments
- Expected to raise the level and number of skilled workers available to the automotive industry

Focus sector for the government

- "One District, One Factory" policy envisages a vehicle assembly and automotive industry among the "Strategic Anchor Industries" planned by the Ministry of Trade and Industry
- Ghana Free Zones Board ready to provide the enabling infrastructure for operations

Trusted by major automotive brands

- Mahindra partnered with a local investor to set up a West African hub for manufacturing its sports utility vehicles (2013)
- Partnered with Fidelity Bank to provide hire purchase and lease schemes
- Prior to this, Mahindra sold around 3,500 vehicles and its sole distributor in Ghana, Svani Motors, accounted for 20% of the imported vehicle market

Homegrown automotive market thriving

- Locally-manufactured vehicles, tyres and parts are offering competitive prices
- Locally owned, Kantanka Automobile Company, set up an assembly plant in 2015 for SUVs, mini-SUVs and pickups costing US\$20,000-US\$35,000

INVESTMENT OPPORTUNITIES

Auto retail/resale and new markets (e.g. leasing)

Manufacturing (cars, car parts, such as tyres) and assembly

THE GHANA ADVANTAGE

Second largest economy in West Africa

- GDP growth rate: 6.8% (Q1 2018)
- FDI: US\$4.91 billion (2017)

Business-friendly government

- Attractive investment incentives
- Investor protection unrivalled in the sub-region
- 100% foreign ownership of companies
- World Bank Group Doing Business Ranking 2018: #1 in West Africa

Access to key markets

- International: Europe and USA (duty-free exports via EPA and AGOA)
- Sub-regional: Economic Community of West African States - ECOWAS (350+ million people)

Growing labour force

- Skilled and unskilled
- Sourced at low rates (minimum wage: GH¢ 10.65/day)

Stable and democratic

- Successful elections and peaceful transitions (since 1992)
- Global Peace Index: #4 in Africa
- Committed to good governance (Mo Ibrahim Index for Good Governance 2017: #8 in Africa)

CONTACT US

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