

GHANA: Concluding remarks at the Closing Ceremony of EU Ghana Business Forum

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President for Jobs, Growth, Investment, and Competitiveness

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His Excellency Dr Mahamudu Bawumia,
Honourable Ministers,
Excellencies, members of the Diplomatic corps,
Business leaders from Ghana and the EU,
Distinguished Ladies and gentlemen,
Good afternoon.

This is my second day in Accra, and I wish to thank Vice-President Bawumia for his kind hospitality and for the fruitful discussions we've had.

Ghana's economic recovery has been remarkable, and today the overall outlook for Ghana is optimistic. Ghana is regarded as one of West Africa's most stable democracies and the European Union is proud to accompany Ghana in its journey towards economic transformation and prosperity.

This morning I visited the new Terminal at Tema Port, which is now almost completed. I was impressed to see the magnitude of the works

done, which will now give Ghana the potential to become the biggest trading hub in West Africa.

This is to me a very good example of how EU investment can contribute to economic development and transformation in Ghana. An example of how and why the European Union is here today: to accompany Ghana in achieving its ambitions.

It is therefore with great pleasure that I meet the business community of Ghana and of the EU at this first Ghana-EU Business Forum today. I would like to thank the numerous representatives present for their valuable contributions in the debates of the forum. Your ideas are crucial to help us shape what our cooperation will look like in the future.

You are the engines of growth, job creation and innovation. Listening to the business community is always very useful for all of us politicians.

Why Ghana?

As the European Commission President Jean-Claude Juncker said in Abidjan in November 2017 *'What happens in Africa matters for Europe, and what happens in Europe matters for Africa. Our partnership is an investment in our shared future. It is a partnership of equals in which we support each other, help each other to prosper and make the world a safer, more stable and a more sustainable place to live'*.

In the relations with our partners we are no longer just a donor. We are a political and an economic partner.

The EU-Ghana Business Forum today represents and demonstrates the **EU's clear commitment to work together with its Member States in partnership with Ghana.**

Your economic progress has put Ghana at the forefront of poverty reduction in Africa. Your political leadership on the SDGs is hugely commendable, and we look forward to watching Ghana holding the torch for the SDGs across Africa.

With one of the fastest growing economies in Sub-Saharan Africa, a stable political government, and democratic institutions, Ghana has developed a relatively diversified economic structure with agriculture, manufacture, services and booming oil industry. Ghana's growth potential is underpinned also by its abundant human and physical capital.

The economic partnership between the EU and Ghana is strong. The EU and its Member States are Ghana's first trade and investment partner. The European Union is the only partner **granting duty-free and quota-free access to its market** despite its graduation from a LDC country. In addition, the EU offers it with a long-term perspective. What we need to do now is to expand and diversify Ghana's exportable offer (or Ghana's exports to the EU) and make sure that they comply with the EU high quality and safety requirement. And we are already working

hand in hand with Ghana to guarantee the best market access to Ghana. But we also expect Ghana to stand to its commitments taken in the EPA as regards liberalisation of EU products. The level of liberalisation has been agreed by both parties and has been set at a reasonable level. We expect Ghana to start liberalization of EU products covered in the agreement in 2020 and according to a transparent full schedule that should be clearly communicated to us and all operators to ensure predictability and stability for operators in the years to come. It is at the very heart of the interim EPA that Ghana and the EU have agreed on. It is an asymmetrical but reciprocal trade agreement. It is also important for Ghana's industrial policy because it means access to cheaper high quality industrial inputs from the EU which will support the development of industrial value chains in the country.

Africa-Europe Alliance

Creating sustainable jobs for Ghana's youth is a top priority for the EU and Member States. By 2050, Africa's population is projected to be twice its current size: 2.4 billion, predominantly young people. Sub-Saharan Africa needs to create 18 million new jobs each year up to 2035 to absorb young people entering the labour market – six times the amount today.

As a matter of example, in Ghana, 40% of the population is under age 15. Ghana's working age population is projected to grow from nearly 18 million in 2017 to 24 million in 2030. As a result, more and more young

people are entering the job market every year, many of which are at risk of not benefitting from the continued economic growth.

Delivering on the 2030 Agenda for Sustainable Development and the SDGs will require significant resources. The World Economic Forum has estimated that the global investment gap is **USD 2.5 trillion per year. Traditional sources of aid will not be enough. If we want to get there, we need to mobilise private investment and invest. Heavily.**

The 'Africa-Europe Alliance for Sustainable Investment and Jobs', launched in September last year by the President Juncker represents a critical turning point. It proposes a paradigm shift for the relation between both continents. The Africa - Europe Alliance considers job creation as the key target, and investments as the main vehicle. Mobilisation of the private sector is crucial in this context.

How will the EU mobilise private sector? With the External Investment Plan (EIP) we will use 4.5 billion euro from the EU budget to leverage EUR 44 billion of investment and generate 10 million jobs in Africa over the next 5 years, unlocking the untapped potential of private sector in Africa and in countries neighbouring the EU.

We want to focus on investment in small and medium sized companies, renewable energy, agribusiness, urban infrastructure, innovation and digitalisation, in particular in regions in which private investment faces a particularly high risk. **The EIP will go where most investors will not go.** It will empower local entrepreneurs, especially women. And it will

underpin projects which otherwise would not be possible or would be much smaller.

I want to thank all our financial partners who have participated enthusiastically in the Business Forum, and to have provided you with first-hand information about the practical use of those guarantees. I encourage you to network among yourself to establish useful partnerships, and to link-up with international and local banks, and with investment funds in order to fully benefit from these innovative financial instruments.

In this effort we need to work with Ghana's institutions. A favourable investment climate is essential for attracting direct investment and for the private sector to grow. While private enterprises must be responsible for their own success, it is still up to governments to provide the best framework possible for those enterprises to operate successfully. Today's business forum has provided a very good platform for public and private actors to openly discuss investment, trade and business opportunities and challenges.

The EU is enhancing structured public-private dialogue mechanisms as part of Sustainable Business for Africa initiative(SB4A) and we will continue to support Ghana in its ambition to become the most business friendly nation in Africa.

The Juncker plan

Mobilising private investment is a shared policy priority, in Europe and in Ghana. Since the global economic and financial crisis, the EU has also been suffering from lower levels of investment. Removing barriers to investment and making smarter use of financial resource in Europe has therefore been one of the main policy priorities of President Juncker who created the Investment Plan for Europe. This plan provides an EU guarantee to mobilize private investment. Improving the business environment in Europe is also a key feature of the plan. It worked.

Within the first pillar of the Plan known as the **European Fund for Strategic Investments** - which takes a limited amount of resources from the current EU budget to leverage significant additional funding from other private and public investors – we have witnessed significant results:

- As of May 2019, this fund is expected to trigger 398.6 billion euros in overall investments (79.7 % of the objective of €500 billion by end-2020) and to benefit around 949,000 small and medium-sized enterprises (SMEs) across Europe.
- Under the Infrastructure and Innovation Window, the European Investment Bank has approved 532 projects of 249.7 billion euro in expected investment value in all 28 Member States.
- Under the SME Window, the European Investment Fund has approved 565 operations in all 28 Member States for a total expected investment value of over 148.9 billion euro. EFSI-supported European Investment Fund financing amounts to €19.5 billion (of which 83.6% have been signed).

It is also drawing from this experience that we want to jointly implement the Africa-Europe Alliance.

Ghana and the Africa-Europe Alliance

Africa-EU Alliance largely echoes the Ghana beyond Aid agenda and promotes a paradigm shift from traditional aid to a partnership of equals, with private sector engagement at the core of Ghana's development path.

This is precisely what the EU wants to encourage in Ghana through the EIP: promote the local private sector, unlock private investment, develop win-win partnerships with European companies, finance key infrastructure projects to modernise the economy through new innovative financial instruments.

Ghana's start of liberalisation of its market within the interim European Partnership Agreement from 2020 will also be a very important step. The Economic Partnership Agreement already gives unlimited access to the EU market for Ghanaian exports. Once fully implemented, it will reduce the costs of inputs for local businesses and industries and thus help local business to remain competitive in global and regional markets. It will also reinforce Ghana's reliability towards EU investors, which are looking for predictability and long-term legal certainty when investing in Ghana.

This commitment given by Ghana to EU investors will certainly attract more investment, reinforcing for example the role of economic hub played by the port of Tema or contributing to the development of an automotive industry (via cheaper inputs brought under the EPA) which is one of the key sectors that Ghana is promoting today. .

We are now working hard to deliver on our commitments. In the context of the multiannual financial framework 2021-2027, the EU started to shape what our cooperation with partner countries will look like after 2020. A key innovation in our cooperation post 2020 will be the increased importance of investments. I would like to thank again all the participants and speakers to this Forum, your ideas are crucial to help us shape what our cooperation will look like in the future.

Concluding remarks

Your excellency, Mr Bawumia, Honorable Ministers, Our partnership of equals is an investment in our shared future. **NOW is the time to work together to combine our efforts and to achieve significant results. Members of the business community, now it is the time to mobilise to build a prosperous, innovative and green Ghana. Thank you.**