



CORPORATE RESEARCH POLICY

THE DIVESTITURE ON STATE OWNED ENTERPRISES:

**THE GHANAIAN APPROACH AS A RESEARCH
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BY:

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ABSTRACT

Privatization is one of the much mentioned development concepts in developing economies today. Ghana is not left out, Ghana has brought several benefits to households and the Government alike, yet many still see it as a neocolonialist brainwash by which some very strategic industries are sold out to the private sector.

Most often foreign nation-sapping capitalists do not only control the local economy and direct it's functioning but also eventually repatriate their profits, and therefore bring the economy to point 'ZERO'.

A few people also see the privatization of Ghanaian State Owned Enterprises as being effected at a ridiculously slow pace, which is itself devoid of transparency, not forgetting the notion that it is tantamount to selling the 'family silver'.

Albeit, the experience of many developing countries like those in Latin America, the Caribbean, Hungary and a few success stories in Ghana attest to its beneficiality.

Privatisation proceeds, which are often in billions of Cedis, have brought in much needed help which have produced the hospitals, rural development infrastructure and others.

The practice of divestiture has also generated more employment and caused the injection of money into the local economy, setting in motion the multiplier effect.

ACKNOWLEDGEMENT

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INTRODUCTION

DIVESTITURE

One may ask what Divestiture is.

Divestiture is the transfer of ownership of SOEs to either local or foreign private investors. Investors enter bids to purchase the enterprises with the winner being selected based on, among other things, evaluation of management skills, financial resources and business plans. The new investor is expected to build the enterprise into a profitable and productive venture, contributing tax revenue to the Government and employing Ghanaian workers.

Why does Ghana need Divestiture?

For many years the Government has spent a large percentage of its yearly budget supporting state-owned enterprises. Some of these enterprises have not been productive due to their wasteful practices while others have simply collapsed. Effectively, therefore, whenever government supported weak SOEs, it was said to be pouring hard earned tax revenue and other national income down the drain. This money can be put to better use.

Proceeds from the sale of SOEs, and savings which the government makes, though not having to support divested enterprises, can be used by the government to build and improve roads, schools, hospitals and social services.

The principal function of government is to maintain law, order and democratic governance as well as health climate for business. All over the world, it has become increasingly clear that governments do not have the best 'head' for managing business enterprises. The ideas, expertise and resources of investors, entrepreneurs and business people are needed in order to run businesses profitably. This is one of the reasons why some state-owned enterprises (SOEs) in Ghana have been chosen for divestiture.

The real practice of Privatisation in Ghana was launched in 1988 after the Economic Recovery Programme of the PNDC Government came into force in 1983. It came with very high hopes that at last a panacea lies underway for economic woes of Ghana. The Privatization was launched to further the resolve that the private sector can become the engine of economic growth. This programme was designed to relieve Government of the burden of managing some inefficient State Owned Enterprises (SOEs), which have become perpetual drains on public reserves.

The Privatization programme began with the Public sector, comprised of over 300 enterprises. Some of them had been established by the state as statutory bodies or companies to carry out specific tasks, which it was thought private sectors could not perform. Other enterprises were established because the state needed to own, operate and control and manage key economic sectors, as was the view in the years immediately following independence.

Furthermore, the government was required to find jobs in the modern Economy for the new urban population, and to generate resources for development.

The objectives of the programme were specific to the enterprise that were set up and included:

- The acceleration of government's Industrial policy, promoting modern mechanized agriculture, creating employment and the mobilization of resources for development.
- The development of the regions, as evidenced by the dotting of regional development corporations all over the regions.
- Obtaining proprietary interests in private firms.

The State Owned Enterprises (SOEs) were expected to generate profits that would be ploughed back into Government development projects. Nevertheless, a host of factors occasioned their dismal performance over the years.

Many of them performed poorly in terms of finance and the record below shows that, almost all of them accumulated mind-staggering burden of subsidy costs for Government. There were also low level of capacity utilization, low employment and imposition of a dose of managerial burden on government. The problems have been found to defeat the aims of their establishment while creating a hoard of more problems.

The causes of poor performance can be attributed to the following;

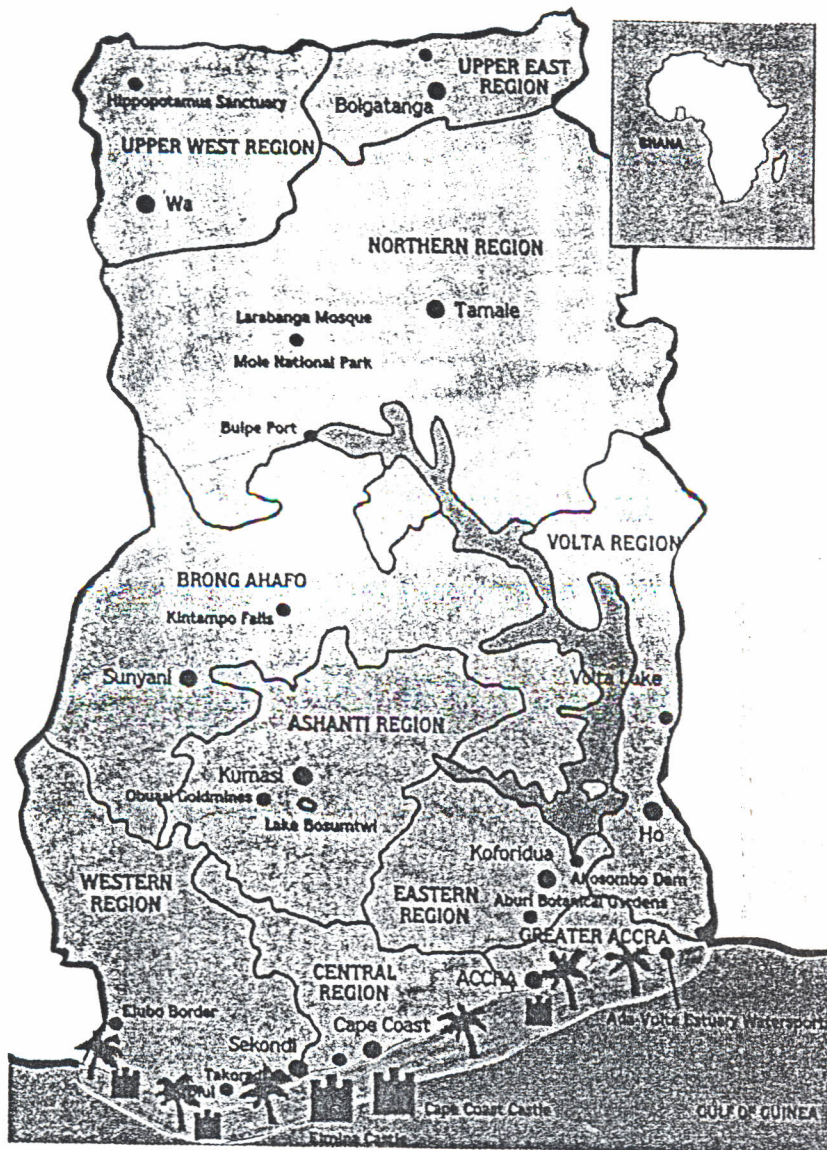
- ❖ Overstaffing
- ❖ Paralysis of decision-making by excessive bureaucracy and laissez-faire attitude towards business
- ❖ Lack of Technical Expertise
- ❖ Absence of commitment and entrepreneurial direction that private investors inject into business;
- ❖ Low incentives and insufficient working capital and investment in new plant and machinery which resulted in low capacity utilization and

The misuse of State Owned Enterprises by successive governments for their titular benefits, which is averse to the objective of the SOEs. The above problems necessitated a reform in the way the public sector functioned.

Accordingly, the Government of Ghana is pursuing a programme of divestiture of SOEs. The divestiture programme is an ambitious attempt to unlock the economic potential of Ghana by permitting resources of people, money and technology, to be put to their best use and by increasing efficiency to achieve better living standards for all. More specifically, the programme is intended to reduce the size of the public sector and improve the performance of SOEs by mobilizing private sector management and capital. This will reduce the financial and managerial burden on Government. The state will be able more efficiently to manage the business of Government, using the proceeds from the sale of SOEs to improve infrastructure, health services and education

PROFILE OF GHANA

Until Ghana's independence from British colonial rule on March 6, 1957, Ghana was called the "Gold Coast", a name given to it by early Portuguese explorers who first set foot on the shores of the country in the fifteenth century. The name aptly described the country's wealth in gold and natural resources, which include to the present day:



- Rich Mineral resources such as gold, diamonds, manganese, bauxite, iron ore and various clay and salt deposits;
- Extensive rich forests with wide range of tropical hard woods
- A wide variety of agricultural products and rich fishing resources; and
- Unique tourist attractions, including beautiful landscapes, inviting sunshine, golden beaches, wildlife parks, the countryside with its rich cultural heritage, and the proverbial warmth and hospitality of the people.

During various periods from the time the Portuguese discovered gold in 1471 to independence in 1957, the monarchs of several European Kingdoms, notably Denmark, England, Holland, Russia and Sweden, sent hordes of explorers and merchants to the country for its abundant wealth, both natural and human. They battled for supremacy and control over the land, and built forts and castles, which also served as trading posts. Vestiges of the extent of European colonial presence and concentration of activity in the country are evidenced by the fact that 29 of the 32 European colonial forts and castles dotted along the coast of West Africa are in Ghana.

LOCATION:

Ghana is located in the West Coast of Africa. About 750km North of the equator on the Gulf of Guinea, between latitudes 4 – 11.5 north. The capital, Accra, is on the longitude zero line on the Greenwich Meridian. The total land area of Ghana is 238,305 square kilometers and is bounded on the north by Burkina Faso, on the west by Cote d'Ivoire, on the east by Togo and on the South by the Gulf of Guinea.

The land area stretches for 672km north-south and 536km east – west.

LAND:

The coastal areas of Ghana consists of plains and numerous lagoons near the estuaries of rivers. The land is relatively flat and the latitude is generally 500m, while more that half of the country is below 200m. The country's river system is dominated by the Volta River basin and this includes the 8,480 square kilometers lake Volta (reputed to be the largest artificial lake in the world), which is formed behind the Akosombo hydroelectric dam. The vegetation is made up of an extensive rain forest in the south and a mixture of savanna and shrub in the north.

CLIMATE:

The climate in Ghana is mainly a tropic climate, marked by moderate temperatures most of the year, (generally 21 – 32°C, 70 - 90° F) with constant breezes and sunshine. There are two rainy seasons, the main from March to July, and the minor rainy season from September to October, both separated by a short dry season. Annual rainfall in the south averages 2030mm, with the Western Region of the country recording the heaviest rainfall, while the Northern part records the lowest.

POPULATION:

The population of Ghana is over 18.4 million, with 51 per cent female and 49 per cent male. Most of the population is concentrated in the southern part of the country with the highest densities occurring in the urban areas and cocoa producing areas. The largest regions in terms of population are Ashanti (about 3.1 million), Greater Accra (about 2.9 million) and Eastern about 2.1 million). Year 2000 estimates.

THE PEOPLE:

Languages: The principal ethnic groups in Ghana are the Akans (Twi and Fante-speaking) the Guans, the Ewes, Dagombas, Gas, Gonjas, Dangas, Walas and Fraafra. The major languages are Twi, Fante, Ga, Hausa, Dagbani, Ewe and Nzema, but the official language of the country is English.

Education: There are numerous basic, secondary, grammar, commercial, technical and vocational schools dotted all over the country. There are five Public Universities; University of Ghana(Legon, Accra) Kwame Nkrumah University of Science and Technology, Kumasi (KNUST); University of Cape Coast, Cape Coast (UCC); University College of Education, Winneba and the University of Development Studies at Tamale. In addition to a few private ones like the Central University College, Dansoman, Accra; University College of Wisconsin International University, Legon, Accra and other specialized tertiary institutions spread all over the major cities and towns. A functional literacy programme was initiated with the view of promoting reading and writing among illiterate adults.

Health: Ghana has a reasonably good health service which is still going through a lot of improvement. All regional capitals have public Hospitals and Clinics and there are two teaching Hospitals in Accra and Kumasi, which have advanced facilities for treating special cases. There are also other Hospitals and Clinics owned by religious organizations, companies and private medical practitioners. In addition, herbal medicines and psychic healing are also generally practiced and there is a special Herbal Medicine Hospital, Botany Department at the University of Ghana and Centre for Scientific Research into Plant Medicine at Akwapim-Mampong, owned by the Government. Recently, the Ministry of Health, the Government's departments' responsible for health, has established an arm for non-orthodox and alternative medicine with its own structure.

Economics: The Government of Ghana, since 1983, has pursued structural adjustment policies overseen by the World Bank and the International Monetary Fund with the view to freeing the economy of bottlenecks, associated with the operation of government department, State Owned Enterprises (SOEs) and other public institutions.

Ghana has an abundance of both natural and human resources. The economy is based on a large traditional sector (which are mainly agricultural and informal sector) which employs about 60 per cent of the labour force and also contributes 46 percent to the gross domestic product (GNP) and a relatively small, labour intensive industrial, and service sector, which employs about 25%.

The service sector contributes over 40 per cent of real GDP from trade and public sector service, while the industrial sector accounts for only 14 per cent of GDP and employment. Since 1984 annual GDP have averaged 5%. But per capital/% income remains low, at about US\$400 (in 1992), while the country's population of over 18million is growing at approximately 3.2 per cent per annum.

Religion: There is complete freedom of worship in Ghana. The population comprises Christians (43 per cent), animists (38 per cent), Muslims (12 per cent), and others (7 per cent).

CONSTITUTION AND GOVERNMENT

A new constitution which was drawn up by a consultative assembly, was approved in a national referendum in April 1992. It follows the presidential executive system and guarantees democratic freedom.

After eleven years of military rule, both presidential and legislative elections were held in November 1992. The administration of the country was handed over to the elected National Democratic Congress (NDC) Government in January 1993. The NDC was returned to power in elections in December 1996.

There are recognized opposition parties who participate in the legislative process in Parliament

There is also a clear-cut decentralization programme which involves devolution of political power to the District Assemblies and Unit Committees to make for even grass root development.

DIVESTITURE IN GHANA – THE PAST AND PRESENT

Though, many will benefit immediately, the real fruits of divestiture will be realized in the years to come. As local and foreign investment is secured and Ghanaian entrepreneurs start new business, new jobs will be created, new skills developed and modern equipment will be made available.

Over the last few years, we have seen increased construction of buildings and homes, road repairs and developments that create jobs and benefit ordinary Ghanaians. We will continue to see this kind of growth as a result of the economic reforms Ghana is undertaking now.

Divestiture of State Owned Enterprises often assume politically sensitive levels. In Britain, when the concept took shape, critics dubbed it “selling the family silver”. This is because the practice connotes job losses or insecurity.

Divestiture in Ghana made its entry into Ghana’s economic atmosphere after the overthrow of the CPP government of Dr. Kwame Nkrumah in 1966, when the military government of the National Liberation Council intended selling state owned enterprises and entering into joint ventures with private investors.

FAILURES

The NLCs Divestiture programme failed miserably. Most enterprises were sold at ridiculously low prices to government officials and their cohorts. The programme was also not implemented transparently and there was no educational programme to sensitize the population on the privatization concept. This created an even field for charges of corruption.

The Progress Party Government of Dr. K.A. Busia, which succeeded the NLC, gave its support in principle, but its tenure of office was too short (two and half years) to consolidate any gains.

The Acheampong regime (the National Redemption Council) which overthrew the Busia regime, took a converse course and rather nationalized enterprises in order to consolidate its political hold. Its investment Policy Decree of 1975 (NRCD 329) gave impetus to the government to acquire shares in foreign owned timber and mining companies. All economic measures adopted then was for the state to 'capture the commanding height' of the economy.

This turn of events were reinforced by the Armed Forces Revolutionary Council led by Flight Lt. Jerry John Rawlings, when they confiscated a number of companies to the state for economic offences. Example of such enterprises were TATA (now Ghana Brewery Limited), FATAL motors (previously GHAMOT and now Toyota Company) and the National Industrial Holding group of Companies

The PNDC/NDC under President Rawlings quickly changed over to fit into the global trend of allowing the private sector to become the engine of economic growth. The reasons why countries all over the world are embracing the divestiture concepts after Britain are three fold; Ideological, Necessity and Pragmatic.

Ghana's privatization programme falls more into the necessary rational than any other one. The concept was adopted as part of the structural adjustment package of the World Bank and IMF. This model seeks to reverse economic decline through reform programmes (Economic Recovery Programme of 1983) and achieve sustained growth.

The present Divestiture programme is meant to encourage both local and foreign investors to be part of the economic building drive.

DIVESTITURE POLICIES AND PRINCIPALS

The objective of the DIC is to implement and execute all government policies in respect of divestiture programmes. The principal activities of the DIC are to:

- 1 arrange for effective communication to the public, of government's policies and objectives for any divestiture
- 2 plan, monitor, co-ordinate and evaluate all divestiture work under the law
- 3 ensure consistency in procedures for divestiture, in particular, with regard to valuation, invitation for bids, negotiation of sales and settlement of account

The divestiture programme is implemented by the Divestiture Implementation Committee (DIC), which comprise Ministers of State, Representatives of TUC and the Private Sector. The body is set up by (PNDC L326 of 1993). To prevent feet-dragging due to land title issues, the Executive Secretary of the Lands Commission is also a member of the Committee. The Committee meets once every month to consider specific transactions negotiated by the Divestiture secretariat and submit proposals to the President's office for approval of enterprises to be divested.

An outsourcing programme was started with the advice of the World Bank in 1996, to rid The programme of the bureaucracy and drudgery, which encumbered it.

SOME COMPANIES AND THEIR PRE- AND POST- DIVESTITURE SITUATIONS.

COMPANY	PREDIVESTITURE EMPLOYEE SIZE	CAPACITY UTILIZATION (PRODUCTION CAPACITY)	CAPITALIZATION	POST DIVESTITURE EMPLOYEE SIZE
Golden Tulip Hotel	116	130/288	-	346
West African Mills Company	170	10,000/53,351	DM 30 million	450
Tema Steel Company	130	6,300/30,000	US\$572 million	584

- For other tables and statistics, see appendix.

The divestiture programme got under way, in terms of results in 1990/91. As at 31 December 1999, the divestiture of 233 SOEs (or parts of SOEs) had been authorised by the President's office. The breakdown, on an annual basis (highlighting the mode of divestiture, is as follows:

SUMMARY OF DIVESTITURE TRANSACTIONS

MODE	1991	1992	1993	1994	1995	1996	1997	1998	1999	Total
Sale of Assets	16	4	3	30	19	18	15	7	15	127
Sale of Share	11	5	2	2	6	1	2	2	4	35
Joint Venture	6	3	1	4	0	4	1	2	0	21
Lease	3	1	0	1	0	1	0	0	1	7
Liquidation	24	2	5	5	6	0	0	0	1	43
Total	60	15	11	45	31	23	19	11	21	233

THE NATURE OF DIVESTITURE

The Report of the Commonwealth working group (Economic Paper 34) has it that Privatization (or Divestiture) can, and does generate significant interest both among foreign, direct and portfolio investors and among financial institutions because it provides sources on the privatization process itself.

For example, between 1988 and 1992, foreign sources provided about 30 per cent of total privatization financing for developing countries; for countries in Latin America, the Caribbean and more recently in Eastern Europe, privatization has played pragmatic roles. The privatization programme provided about 40 per cent of foreign direct investment (FDI) flows between 1987 and 1990.

In their book “Public Finance Reform during the Transition, the experience of Hungary”, Lajos Bokros and Jean-Jacques Dethier describe the Privatization process of Hungary, hitherto a purely socialist economy. The experience of Hungary does provide useful lessons for Ghana.

According to Bokros and Dethier, Privatization (or Divestiture) can be accessed from social and economic organization, corporate governance, efficiency in resource use, enterprise restructuring and financing of new investments, the distribution of wealth and power, and impact on public finances.

According to Lynne Brydon and Karen Legge in their book “Adjusting Society”, The World Bank, the IMF and Ghana, the change of oil prices in the 1970s and the fluctuations in the availability of petrol-dollars, in addition to the predominance of right wing politics in the north in addition to others, indicated a major policy shift in the policies of the Bretton Woods financial institutions towards the end of the decade (*)

Lending was sanctioned only if a potential recipient agreed to follow a series of economic prescriptions broadly in line with the right- wing economic view prevalent in both the US and Europe.

These policies involved were meant to restore the dwindling balance of payment in the first instance (or stabilization), but it also included recipient governments following policies which was meant to promote economic growth, and this essentially meant selling off state enterprises since they were seen as stifling enterprise and competition; encouraging investment by streamlining fiscal controls and also ensuring that the social sector was effective. This later group became known as structural adjustment.

(* *Adjusting society, the World Bank, IMF and Ghana, by Brydon and Legge*)

It started in 1983 when Ghana first negotiated an aid package centred around stabilization and adjustment ideals, which is a programme of policy reform (in lieu of aid inputs) designed to last until 1987, and known as the Economic Recovery Programme (ERP). After 1987 and in 1991 ERP – 2 and ERP- 3 were launched which consisted of loans and grants repayments, negotiated and renegotiated with the donors.

Moreover, the economic conditionalities of the early 1980s which culminated in political attachments made to the approval of aid; a recipient of IMF and World Bank aid had to demonstrate good governance (the existence of democratic debate and a democratically elected government in the country).

The relationship with the World Bank and IMF and other international donors focus on national and macro- structural levels. Once Ghana adopted its first economic recovery programme, it became an exemplar for the policies of the IMF and World Bank, although the programmer's success have been widely and variously interpreted.

PRIVATISATION IN AFRICA

PRIVATISATION OF INFRASTRUCTURE IN AFRICA

Although privatization may not have as direct an impact on export earnings as investment in exporting activities, the improvement in infrastructure may no doubt be crucial for success in exporting.

In the World Bank Technical paper No. 337 authored by Michel Keref and Warrick Smith, the hopes and challenges of infrastructural privatization are lucidly set out.

They observed that although over 550 infrastructural enterprises were privatized in 1984 in some 84 countries, and over 580 private Greenfield projects underway in some 82 countries, the majority of this activity has been outside Africa. Of 1,161 private infrastructural projects concluded in 1984, Sub-Saharan Africa recorded only 80 (about 7 per cent).

The Potential benefits of privatizing infrastructure, which include any form of involvement of the private sector in infrastructural services, from management contracts and leases to concessions, demonopolization and sale of enterprises are myriad.

A major source of benefit from privatizing infrastructure is that it promotes an arm's length relationship between the infrastructural provider and short-term political pressures. Potential private investors will withhold investment until they are satisfied about the government's commitments. While commercialization and corporation regimes promise some of this under public ownership, it has proven virtually impossible in practice to keep politics at bay, since the government is the owner, regulator and operator of these enterprises, and these roles are administratively allocated within the government not outside it. Managers of public enterprises have limited leverage to negotiate binding government commitments to tariff or other policies.

The government could even insist that the operator comply with agreed undertakings. The enterprise managers are typically in a weak position with their undertakings. On the contrary private firms may sue or withdraw their service or capital. Some of the specific benefits of privatization include the following:

1. Increased Efficiency in Investment, Management and Operation which flow from;
 - Commitment to Cost – Covering tariffs;
 - Improved Incentives for Operational Efficiency;
 - Opportunities to top competitive discipline; and
 - Access to Management Expertise and Technology;
2. Access to private Finance as it is in Cote d'Ivoire where a US \$70 million independent power project (IPP) is being financed from private sources.
3. Reducing Government burden so that they can focus on the principal policy challenges of economic and social development, and not on the day-to-day operational matters of infrastructure enterprises.
4. Release of government Revenues to pay for public debt
5. It also creates opportunities for capital market development and
6. The potential for the stimulation of Foreign Direct Investment as it happened in the reforming Latin American and Eastern European Economies.

The different forms of Private participation, according to Michel Keref and Warrick Smith, can be summarized in the table below:

TABLE 1.2 MAIN FORMS AND POTENTIAL BENEFITS OF INFRASTRUCTURE PRIVATIZATION

	MANAGT. CONTRACT	LEASE	CONCESSION/DEMONOPOLIZE/DIVESTITURE BOOT BOOT		
Management Expertise	-	-	-	-	-
Tariff Discipline		-	-	-	-
Access To Private Capital		-	-	-	-
Capital Market Development		-	-	-	-
Potential Capital Revenues					-

DIVESTITURE OF STATE OWNED ENTERPRISE

PRIVATIZATION IN GHANA

The plan for divestiture in Ghana is part of the given Government's policy objective to further the liberalization of the Ghanaian Economic and Financial sector, thereby reducing Government of Ghana's direct involvement in the operation of the business system, thus freeing the private sector to be the real engine of growth.

REASONS FOR GHANA'S DIVESTITURE

The story of Ghana's economic performance before 1983 were marked by inefficient state owned enterprises (SOEs), which continued to depend on the government for funding. Noticeable factors which contributed to their dismal performance were:

1. Overstaffing
2. Decision-making at times being paralyzed by excessive bureaucracy and a laissez-faire attitude towards business
3. Lack of technical expertise
4. Absence of commitment and entrepreneurial direction that private investors bring in to business
5. Low incentives and inadequate working capital and investment in new plant and machinery, which have led to low capacity utilization; and
6. Successive governments have also been prone to use SOEs for purposes other than those for which they were originally designed.

The programme of SOE reform was launched in 1988 as part of Ghana's overall Economic Recovery Programme (ERP). The programme is a bold step to unlock Ghana's economic potential by promoting the utilization of human, monetary and technological resources thereby increasing efficiency and improving living standards. The programme would also reduce the size of the public sector and improve the performance of SOEs by mobilizing private sector management and capital. The state is thus, freed to manage Government's business, and use the proceeds from the sale of SOEs to improve Infrastructure, Health Services and Education.

THE DIVESTITURE IMPLEMENTATION COMMITTEE

The Government established the Divestiture Implementation Committee to implement and execute all Government policies in respect of divestiture programmes. The Divestiture of State Interests (Implementation) Law, 1993 (PNDC Law 326) details out the role and functions of the Committee. DIC's functions under the law are:

- 1 To plan, monitor, coordinate and evaluate all divestitures
- 2 To arrange for the effective communication of Government policies and objectives for any divestiture
- 3 To develop criteria for the selection of enterprises to be divested, and assume responsibility for preparing such enterprises for divestiture
- 4 To make appropriate consultation for successful processing of all divestiture programmes and
- 5 To ensure consistency in procedures for divestiture, in particular, with regard to valuation, invitation for bids, negotiation of sales and settlement of account.

The law has so far provided legal backing for the Divestiture Programme. However, efforts are being made to amend it and make it more responsive for effective implementation of the programme.

MEMBERSHIP OF THE COMMITTEE

The members of the DIC comprise Ministers of State, the Trades Union, Lands Commission, Institutional and Private Sector representatives. The inclusion of private sector representatives is a demonstration of Government's recognition of the importance of the development of the sector as the engine of growth. To help take care of labour and employment issues, both the Minister of Employment and Social Welfare and the Secretary-General of the Trades Union Congress are very important members of the Committee.

MEETINGS

The members of the Divestiture Implementation Committee meet regularly to consider, inter alia, specific transactions negotiated by the secretariat, and submit as applicable, recommendation to the president's office for approval. The DIC is assisted by specialized sub committees on mining, cocoa and coffee plantation.

At the beginning of the programme, about 300 state-owned enterprises were to be divested; as at December 1999, 233 enterprises were divested. Appendix provides the number of enterprises divested to date and their mode of disposal as at May 2000.



DIVESTITURE
GHANA

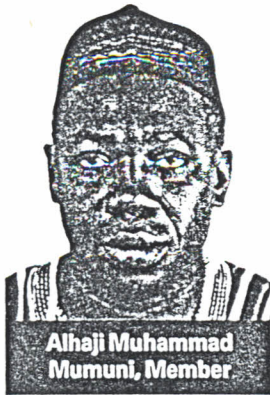
MEMBERS OF THE DIVESTITURE IMPLEMENTATION COMMITTEE



**Mr. Kwame Peprah,
Chairman**



**Hon. Dan Abodakpl,
Member**



**Alhaji Muhammad
Mumuni, Member**



**Mr. Christian Appiah-
Agyei, Member**



**Ms Sherry Ayittey,
Member**



**Mr. Richard Bansah,
Member**



**Col. C. S. Modey,
Member**



**Mr Emmanuel Agbodo,
Exec. Secretary/Member**



**Mr. Emmanuel Asare-
Anim Jnr., Member**



**Mr. Martin Amlidu,
Member**

MODE OF DIVESTITURE

Information and documentation are collected on each SOE listed for divestiture. Once that has been done, decisions are made as to whether it will be divested as a whole or fragmented for the purposes of divestiture and the preferred mode of divestiture. Fragmentation may be appropriate, for example, where the SOE comprises a number of distinct businesses or divisions. The mode of divestiture will usually be the sale to private sector investors of the SOE's assets by competitive tender.

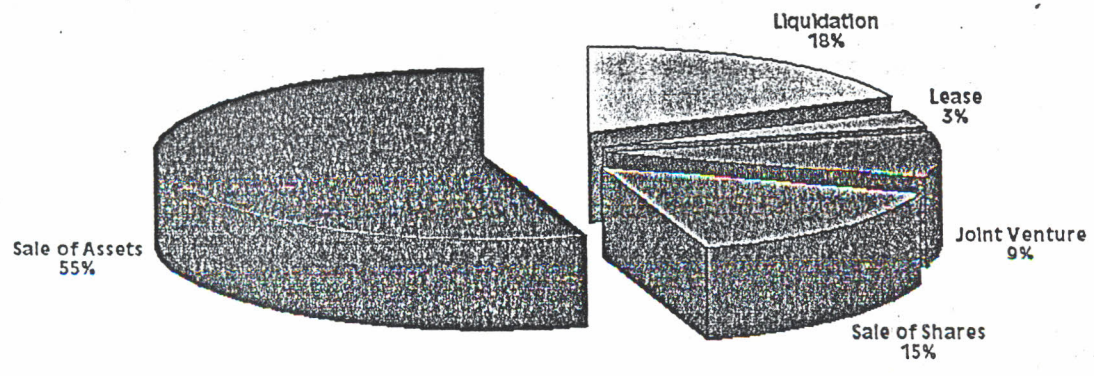
However, other options include the sale of shares (particularly where the SOE already has some private sector shareholders), the entry by the state into a joint venture with private sector investors (usually by transferring all or some of the SOE's business and assets to a newly formed vehicle and the state and investors taking equity stakes in that vehicle), and the leasing to private sector investors of an SOE's assets. Where an SOE is moribund and investors have showed no interest, liquidation is put in train.

It is Government's policy, except in exceptional circumstances, to terminate the contracts of employment between an SOE and its employees with effect from completion of the divestiture. The Government will indemnify investors against all costs associated with the termination (including, for example, severance payments and end-of service benefits), or otherwise arising out of the employment of the employees during the period ending on the termination. Termination permits investors to start with a clean slate and, most importantly, to select their own levels of staffing.

In addition, except where the mode of divestiture is the sale of shares, Government usually assumes responsibilities.



MODE OF DIVESTITURES (1989-1999)



□ Liqudation □ Lease ■ Joint Venture □ Sale of Shares ■ Sale of Assets

SOME FRUITS OF DIVESTITURE IN GHANA

As at 31st December, 1999, the divestiture of 233 SOEs (or parts of SOEs) had been authorized by the President's Office. Many of the SOEs divested have been modernized and are enjoying increased capacity utilization, higher profit margins and rising employment levels. Numerous success stories can be found in the manufacturing, agricultural and hospitality business.

GOLDEN TULIP HOTEL (FORMERLY CONTINENTAL HOTEL)

Prior to its divestment in 1990, the hotel had 116 employees and about 130 rooms. The number of employees has now risen to 346 and the number of rooms has gone up to 234. These include 4 Junior suites, 2 luxurious Executive suites, as well as 6 Executive apartments. For long-staying guests or those seeking more privacy, there are 16 chalets set in beautiful gardens which offer a living room and a kitchenette. The hotel can accommodate meetings and conferences for groups up to 300 persons. Golden Tulip was voted "Hotel of the Year" and "Host of the Year" in 1996. It was also awarded "Host of the Year 1997" and won the, "Good Corporate Citizen's Award" in 1998.

WEST AFRICAN MILLS COMPANY

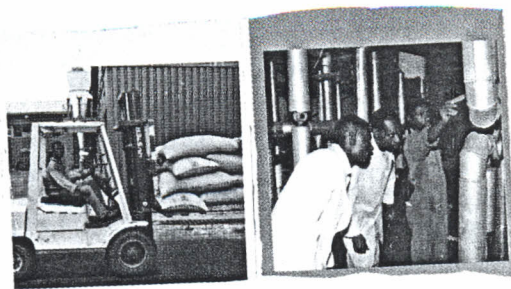
The West African Mills Company Limited, Takoradi, divested in 1992, is another example of the success of divestiture. The company is made up of two factories – WAMCO I and WAMCO II, with installed capacity of 230 tonnes of cocoa beans per day. Since taking over the enterprise, the new German owners have invested over DM30 million, salvaging it from imminent collapse. In 1999, with the rehabilitation and modernization exercise, processing of cocoa beans has gone up from about 10,000 to 24,414 metric tones, utilizing about 52% of its installed capacity. WAMCO II on the other hand processed 20,394 metric tones of cocoa beans, utilizing about 61% of its capacity. Currently, an additional plant is being installed. This will process 20,000 metric tones of cocoa beans per annum. In 1999, both factories exported their various products to foreign markets to the tune of about DM74 million. The number of employees has also increased from 170 to 345.



DIVESTITURE
GHANA



Golden Tulip
Hotel, Accra



WEST AFRICAN MILLS COMPANY

TEMA STEEL COMPANY (FORMERLY GIHOC STEEL)

The Tema Steel Company has also completed its rehabilitation programme, which began soon after its being handed over in 1991. More than US\$572,000 was invested in the rehabilitation exercise. Prior to divestiture, operations have ceased altogether. It now produces various sizes of high tensile and mild steel rods and billets. In the melting shop, production level has gone up from the pre-divestiture figure of 6,300 tonnes per annum to 30,000 tonnes per annum in 1997. Also, the conversion efficiency of rolled products from billets from the melting shop has been increased to 88%. The company has achieved a production level of 22,288 tonnes per annum compared with its pre-divestiture production level of 4,500 tonnes per annum. The employment level has gone up from 130 before divestiture to the current 430. Its capacity utilization has increased from 2% in 1990 to 90%. As at last year Tema Steel has exported more than 5,585 tonnes of iron rods amounting to about US\$1.34 million.

The trend of losses recorded prior to divestiture has been reversed. The company is now profitable and has paid dividend of about C555.4 million to the Government for 40% shares for 1997 and 1998. Tema Steel is a member of Ghana Club 100 (Ghana's top 100 companies).

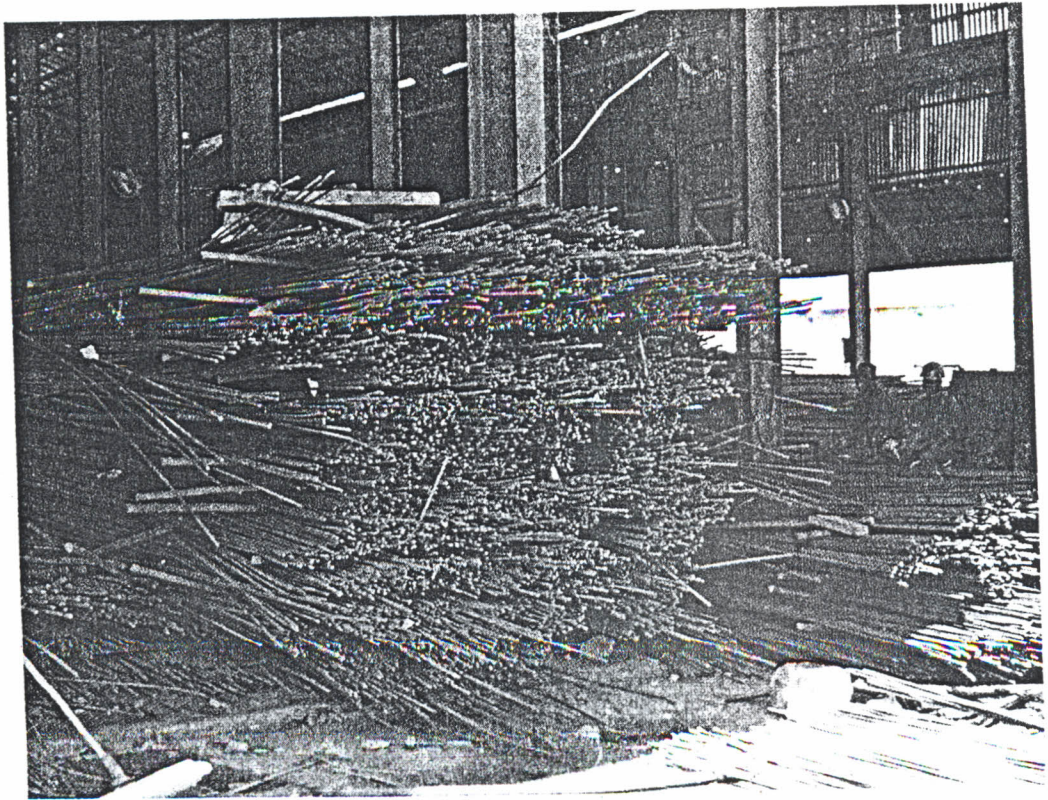
GHANA AGRO-FOOD COMPANY (FORMERLY TFCC)

A notable achievement is the creation of a joint venture known as Ghana Agro-Food Company Ltd (GAFCO), out of the former Tema Food Complex Corporation. The Government of Ghana has a 25% shareholding in GAFCO, with the balance held by Industries Bau Nord AG, a Swiss Company with over thirty years of operating experience in Africa. GAFCO has undertaken a complete rehabilitation of all four industrial plants previously owned by the corporation. They are all operational and are doing well.

The number of employees has increased from the predivestiture level of 494 to 930, and the employees are receiving more than three times the salary they were earning prior to the divestiture of the company. The Farmers' Organisation Scheme introduced by the company has provided indirect employment to a large number of people.

Capacity utilization has gone up since divestiture from 45% to 85%. GAFCO has won several awards including the "Industrial Company of the Year", and the "Gold Award for Tuna Export Performance" in 1996 by the Chartered Institute of Marketing, (CIM) Gh. and Ghana Export Promotion Council respectively. In 1998, "Sankofa" Feeds were Awarded the "Product of the Year" by the CIM Gh. GAFCO is a member of Ghana Club 100.

Tema Steel
Co. Ltd,
Tema



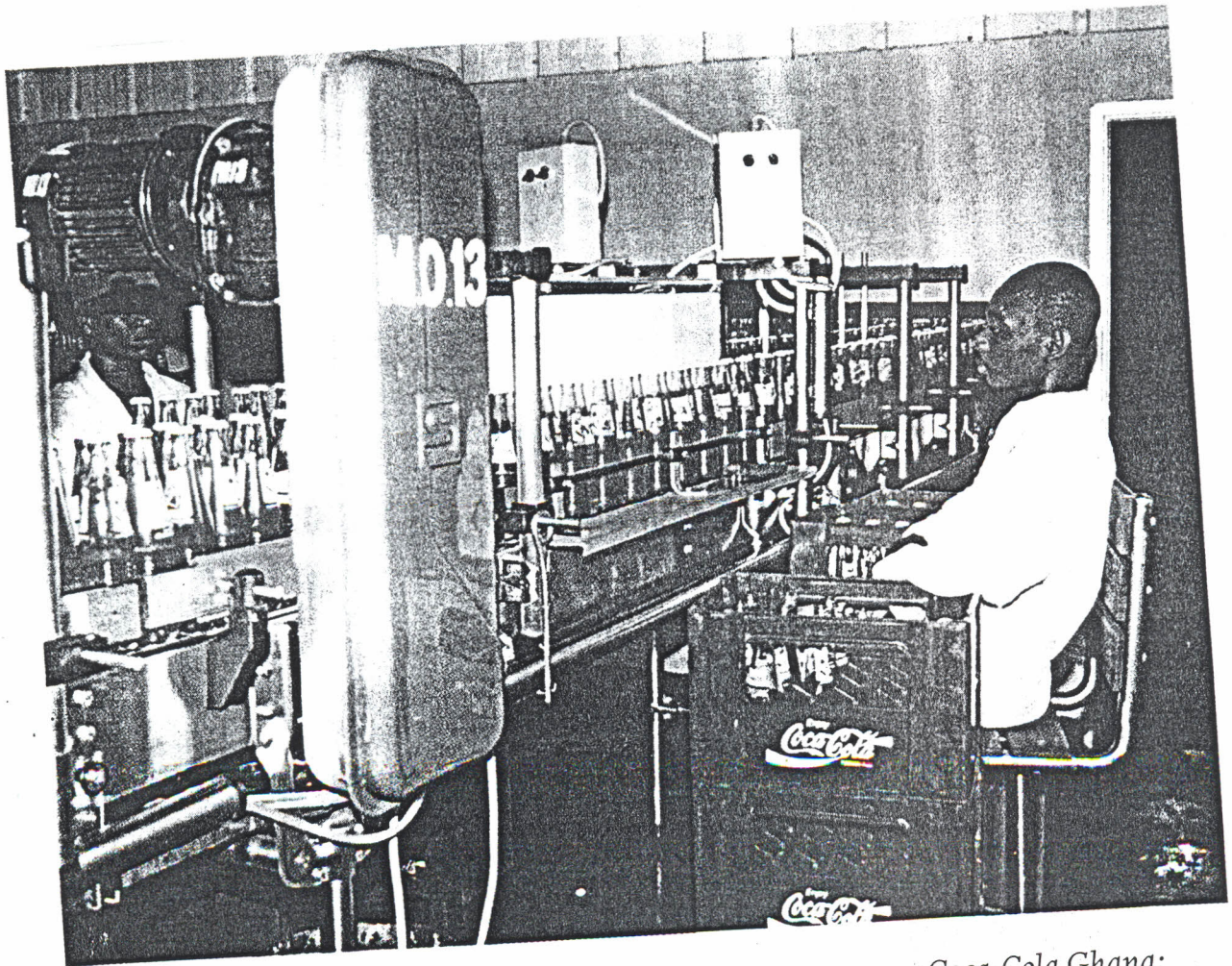
Ghana
Agro-Food
Co. Ltd.,
Tema

**COCA COLA BOTTLING COMPANY OF GHANA
(FORMERLY GIHOC BOTTLING)**

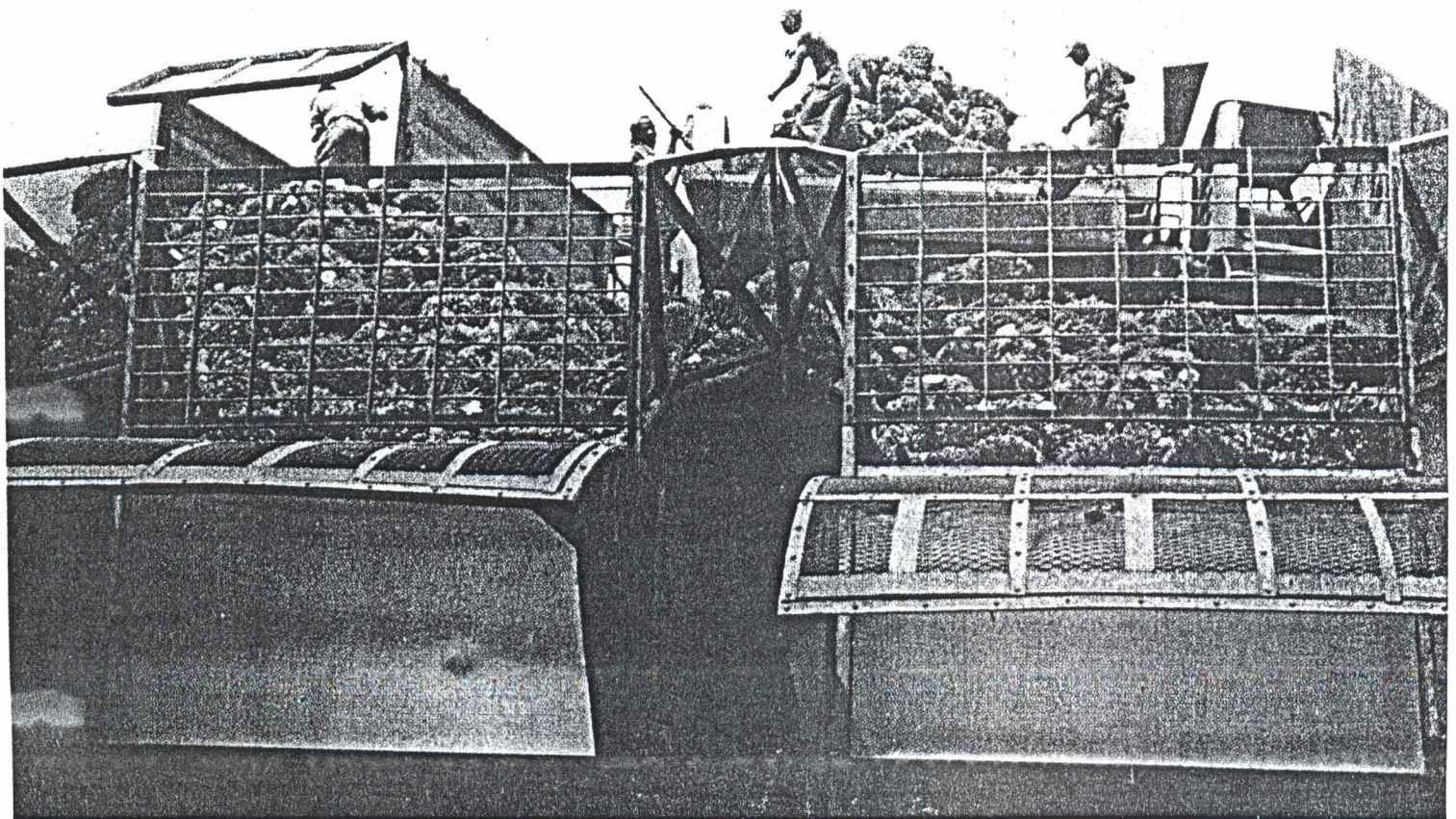
The conversion of the GNTC Bottling into a joint venture with Coca Cola International and a private American citizen holding a total of 71% and the Government of Ghana (29%) has led to the construction of a new US\$20m plant that was commissioned by the President in 1997. To date, the company has invested US\$47 million in manpower, vehicles, glass bottles, plastic crates, production and marketing equipment. In January 2000, a second bottling line was commissioned at the cost of US\$10 million in Accra. This increased capacity from 1,000 to 3,000 crates per hour. In addition, the company has a plant in Kumasi, which started operation in March, 1995 with a capacity of 1,000 crates per hour. Since the inception of the new company, market share and sales volume of Coca Cola products have increased steadily. Production has gone up from about 2.8m cases in 1995 to more than 8.4m cases in 1999. It was estimated to go up to 10.4m cases by the end of 2000. Employment level has also gone up from 372 in 1995 to 636 in 1999. It is envisaged that employment will be about 684 by the end of the year 2000. More than c36b have been paid to Government as taxes and duties.

**GHANA OIL PALM DEVELOPMENT COMPANY LIMITED, GOPDC
(FORMERLY GHANA OIL PALM DEVELOPMENT CORPORATION)**

GOPDC was privatized in 1995 with the Ghana Government retaining 20% shareholding and the SAIT Consortium of Belgium 60% and the small holders/out growers 20%. Before it was privatized the palm oil mill capacity was 30 mt per hour. To date the mill capacity has been increased to more than 48mt per hour, and further improvements for efficiency are being introduced. A 45mt/hr. palm kernel processing plant and a palm oil storage facility with a capacity of 6,200 mt to facilitate export of palm oil and palm kernel oil have been installed and commissioned at Tema. At the time of divestment, the outgrower programme had reached 7,666 hectares. From 1995 – 1999 an additional 4,834 hectares of out grower plantings have been made. More than US\$9.6 million have been invested since divestment. GOPDC offers employment to an average of 1,500 persons a year. It also offers employment to 6,000 farm families as a result of the out grower scheme.



Coca-Cola Ghana:



GHANA OIL PALM

**TROPICAL GLASS CO. LTD.
(FORMERLY ABOSSO GLASS MANUFACTURING)**

This company is now one of the leading producers of bottles for alcoholic and non-alcoholic beverages in West Africa.

GHANA TELECOM

Ghana Telecom was divested by the government in December 1996 by selling 30 per cent stake to a consortium of strategic investors led by Telecom Malaysia for US\$38 million. The Telecom industry was liberalized when the country licensed another player AGC Telesystems, Led by Western Wireless Corporation of Issaquah, Washington, with Ghanaian participation.

Ghana Telecom has launched an expansion programme. According to the Contractual agreement, Ghana Telecom is to deliver 25,000 direct lines and 300 pay phones between Feb. 1997 and Feb. 1998, targets Ghana Telecom has exceeded by 2,600 lines and 700 pay phones, respectively. To date the company has installed over 50,000 lines and several other thousands of pay phones.

Ghana Telecom has a long term plan (dubbed vision 2007) by which it vows "to be a regional model, as a viable business entity, and caring organization in meeting the telecommunication needs through total customer care".

PAPER CONVERSION COMPANY

Paper Conversion Company Limited (PCC LTD) is a new company established in late 1994 to take over the assets of GIHOC Paper Conversion Company, (GPCC), a wholly state owned enterprise and the first paper conversion industry in Ghana.

The company, as its predecessor, the GPCC, is engaged in the production of corrugated packaging boxes and paper products, and the main business objective of PCC LTD is to remain the leader and the foremost master box-maker in the country, and also acts as the leading producer and marketer of top hygienic tissue products to meet the varying needs of all consumers.

The ownership of PCC Ltd is made up of Swedish holding 64 per cent and Ghanaian holding the remaining.



DIVESTITURE
GHANA



TROPICAL GLASS CO.



GHANA TELECOM



PAPER CONVERSION COMPANY

GROWTH AND PROSPECTS

PCC Ltd has been experiencing good strides in growth since its divestment in late 1994. For the year 1995, its production output has registered an up swing of 22 per cent and sales turnover of 36 per cent in real terms during the latest years of operations.

PCC Ltd has been effecting an investment of US\$2 million in up-dating its planting and machinery, to enable it meet the growing demands for its products and to be ahead of its competitors. The company also wants by this investment to meet the packaging requirement of exporters to the sophisticated overseas market.

GHANA COMMERCIAL BANK (GCB)

At the IPO (Initial Public Offer) in 1996, over 70,000 investors participated in the offer, which was over subscribed by 37 per cent.

In order to maintain public interest in such transactions, Government which was the sole vendor of shares, decided to off-load additional shares to meet the requirements of interested investors. Thus, the Government sold 41% instead of the planned sale of 30% shares. GCB shares are now listed on the Ghana Stock Exchange.

Staffing levels declined from 4,147 in 1990 to 3,349 in 1997 as a result of the computerization and general modernization programme, which have been implemented of late.

SOCIAL SECURITY BANK LTD

The initial public offer was on in 1995 leading to 70% of the offer being taken. Judging from the fact that the period was marked by adverse macro economic conditions, especially high inflationary spiral prior to end 1995 Stock Exchange results, including less than expected results, from equity investments, the achievement was considered a good harbinger of future performance.

As many as 25,275 investors participated in the first offer (340 companies). It is noteworthy, that Euro money has declared SSB Ltd as the best bank in Ghana for two consecutive years, 1997 and 1998.

Since the IPO period, investments have increased dramatically, reaching 22% and 51% growth for 1996 and 1997 respectively. Employment levels have remained unchanged as at the end of 1997. No severe labour rationalization scheme has been implemented, although plans are afoot to rationalize in order to implement upgraded computerization programmes.

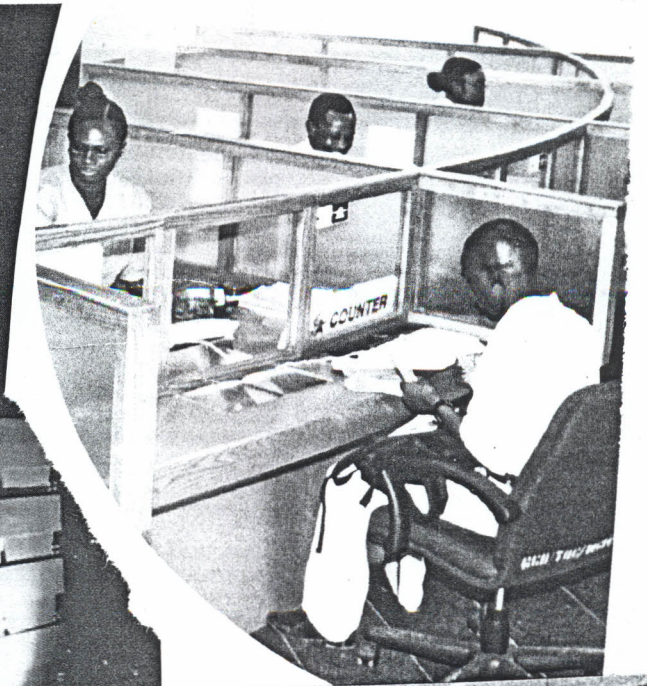


Ghana Commercial Bank Ltd.



DIVESTITURE GHANA

S



SSB Bank Ltd.

TELLER 4

TELLER 3

MOBILISING AND ALLOCATING RESOURCES

In 1998 total deposits were ₵425,2 billion up from ₵328 billion for 1997, which represents an increase of 30 per cent, compared with 23 per cent for 1997. The bank has captured an overall deposit market share (both domestic and foreign)

PRODUCT DEVELOPMENT

In 1997 the Sika Card was rolled in Accra, Kumasi and Tema. Expansion has seen the product in Takoradi and the several cocoa growing areas of the Western Region, Ho, Koforidua, Sunyani and Berekum.

Within 18-months that the Sika Card was on the market, sales of cards projected exceeded by almost 100 %.

MINING SECTOR

Considerable progress has been made in the mining sector. In addition to Ashanti Goldfields, we have obtained private participation into the Tarkwa, Dunkwa and Prestea mines. Both exploration and production have increased dramatically at the Tarkwa Mines. For example, since handover in July 1993, production has increased from 26,000 to 40,000 ounces per annum. So far over US\$145m have been invested and US\$4.9m have also been paid as royalties and taxes to government projected investment of nearly US\$250m, was expected to take production up to 200,000 ounces per annum by the end of 2000.

PROCESS OF PRIVATISATION

With the support of the World Bank, an outstanding programme was introduced in 1996 to quicken the pace of the privatization process. DIC closely monitors subcontracted work to ensure that it is carried out in accordance with DIC's procedures and statutory responsibilities. DIC maintains a register of pre-qualified firms to undertake the divestiture work. The register is divided into the following categories:

- Management, financial and business consultants;
- Legal firms and consultants;
- Merchant banks and non-bank financial institutions;
- Surveyors, valuers, estate managers and land and property consultants;
- Chartered Accounting firms

The register is kept at the DIC headquarters for interested firms to inspect.

The assignment principally will be:

- To provide advice in a lead capacity in connection with, and ultimately to implement, the divestiture of a state owned enterprise SOE;
- Valuation of the land and building plant and machinery, and other fixed assets of an SOE
- Financial valuation of an SOE
- Preparation of a profile of an SOE in the form of an information memorandum.

The Government of Ghana has received credit from the International Development Association towards the cost of consultancy services, and applies proceeds of the credit to eligible payments under outsourcing contracts. DIC selects consultants in keeping with the World Bank's guidelines for the selection of consultants.

PROCEDURE FOR SELECTION

The procedure for selecting consultants depends on the nature and size of the assignment concerned. However, in the case of an assignment to provide advice in connection with and ultimately to implement, a divestiture, the procedure is as follows:

- ❖ DIC draws up a short list of suitable firms appearing on the register. Short-listed firms are provided with tender documentation. This generally comprises a letter of invitation, terms of reference, supplementary information for consultants and a sample form of outsourcing contract.
- ❖ Proposals received from short-listed firms must comprise separate technical and financial proposals and contain the information set out in the supplementary information for consultants. Completed proposals will be sealed in two separate envelopes; one envelope will contain the technical proposal, the other, the financial proposal. Proposals must be delivered, by hand or post, on or before the closing date stated in the letter of invitation. Late proposals are not accepted.

- ❖ A two stage procedure is adopted for evaluating proposals received, with evaluation of technical proposals being completed prior to any financial proposals being opened and compared. Technical proposals are evaluated using the criteria and weightings set out in the letter of invitation. Proposals from only those firms scoring more than seventy points (out of a total of 100 points) for their technical proposals are considered for further evaluation. Financial proposals are also given a score out of 100, once again on the basis and assumptions set out in the LETTER OF INVITATION. Finally, each proposal is given a combined score: for this purpose the weights given to the technical and financial proposals are eighty and twenty points respectively.
- ❖ The winning firm is invited by DIC for negotiations. Negotiations usually start with a discussion of the firm's proposal, the proposed work plan, staffing and any suggestions made to improve the terms of reference. Agreement is then reached on the final terms of reference and the staffing.
- ❖ Once full agreement has been reached, the outsourcing contract is signed.

INVITATION TO REGISTER

Ghanaian and international firms not currently on the register are invited to register their interest and qualifications to undertake the divestiture work.

Interested firms should submit to the DIC the following information (as relevant):

- The firm's full name, address and contact details;
- The date of the firm's establishment;
- A list of the firm's directors and shareholders or partners;
- The names and addresses of the firm's bankers and auditors;
- The firm's fee income for the last three consecutive financial periods;
- A statement of the firm's capabilities;

- A statement of the firm's relevant experience during the last three years, including specific experience in the following areas:
 - Divestiture assignments
 - Preparation of information memorandum
 - Acquisition, flotation, privatization finance
 - Advisory service/technical assistance to government ministries, SOEs etc

- The firm's current number of permanent professional staff, together with curricula vitae of those persons likely to be engaged on any divestiture work undertaken for DIC; and

- The firm's working relationships, actual or planned, with local or international firms;

Together with a non-refundable fee of 100,000 cedis for Ghanaian firms and in any other case, US\$200.

Collaboration between Ghanaian and international firms are encouraged.

THE DIVESTITURE PROCEDURE

The procedure followed in any particular case will depend on a number of factors, including the mode of divestiture selected. However, where the mode of divestiture is the sale of the assets of an SOE by competitive tender (which is the most common mode), the procedure will usually be as set out below.

The procedure may appear long and cumbersome. However, it is designed to ensure transparency and integrity in connection with the divestiture of SOEs.

ADVERTISEMENTS

As soon as bid documents have been prepared, the SOE concerned is advertised for sale. At a minimum, advertisements are placed in two leading Ghanaian newspapers each week for three consecutive weeks.

Advertisements may also appear in other publications.

The advertisements provide a brief description of the SOE(or part of the SOE) being divested, and indicate the closing date for delivery of bids.

OBTAINING BID DOCUMENTS

Investors interested in an advertised SOE should make contact with the person indicated in the advertisement. Subject to their paying the appropriate fee and (if required) signing a confidentiality undertaking, investors are provided with the relevant bid documents. These generally comprise a detailed set of bid procedures, a drafted sale and purchase agreement, a memorandum containing a profile of the SOE's land and buildings, plant and machinery and other fixed assets.

FORM OF BIDS

Bids from investors must comprise separate qualification statements and price bids. The required contents of each of these are clearly specified in the bid procedure.

Qualification statements usually include, among other things, details about the investor and the investor's business plan for the SOE. The business plan may cover, for example the investor's plans for the development of the SOE (with regard to both its rehabilitation and expansion) and the investor's intentions with regard to employment.

Price bids include, among other things, the offered for the SOE's assets, the timing of any deferred payments, details of the security proposed to be given (in the case of deferred payments) and a detailed explanation of how the investor intends to finance the acquisition.

APPROVAL AND SIGNATURE

Formal approvals to any divestiture must be sought from, first, the members of DIC and, secondly, the President's Office. The length of the approval process depends on when agreement is reached with the investor, but usually takes about two calendar months.

Upon receipt of the approvals, the sale and purchase agreement is signed, and the assets concerned handed over.

INVESTMENT INCENTIVES

The Ghana government, through the DIC, has put in place a number of incentives and procedures that are designed to rid investors of any encumbrances at the start of their operations, when they take over an SOE. For example, divestiture procedures permit investors to start with a clean slate and select their own levels of future staffing. It is Government policy, except in special cases, to terminate all existing contracts of employees upon transfer of ownership. Additionally, except where the mode of divestiture is the sale of shares, Government usually assumes responsibility for the discharge of all SOE liabilities. Other advantages and incentives include:

- Customers import duty exemptions
- Tax holidays
- Generous capital allowance
- Location incentives
- Income tax incentives
- Investment guarantees
- Free transfer of capital, dividends and net profits
- Quota-free access to US and European Union markets
- Member of the World Trade Organization and International Center for Settlement of Investment Disputes
- Duty free export trade zones
- Preferential access to 15 other markets on the Economic Community of West African States (ECOWAS); and
- Demonstrated commitment to additional market liberalization.
- Acquisition under the Divestiture Programme may be granted Free Zone Status with enhanced incentives.

INFORMATION ON PRICE

DIC prefers the price offered to be paid in full on completion of the sale and purchase. Bids involving the payment on completion of less than 50% of the price offered or deferred payments due after the third anniversary of completion are not, except in exceptional circumstances, considered.

Deferred consideration should be secured by a guarantee from a bank or other person of sufficient financial standing. DIC may consider, where appropriate, taking security over the assets until full payment is received. Interest is payable on deferred payments.

DUE DILIGENCE

Investors who wish, prior to submitting their bids, to inspect the SOE's assets, operations and records are usually permitted to carry out a site visit.




DIVESTITURE
GHANA



Business in Africa
INTERNATIONAL MAGAZINE

THIRD PAN-AFRICAN INVESTMENT SUMMIT


PRIVATISATION IN PRACTICE

**The Restructuring of State-Owned Enterprises
in Africa into the Next Millennium**



**8-10 SEPTEMBER 1999
ACCRA, GHANA**



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DELIVERY OF BIDS

Completed bids must be sealed in two separate envelopes, one envelope will contain the qualification statement, the other the price bid. Bids must be delivered, by hand or post, on or before the closing date stated in the relevant advertisement and bid procedures. Late bids are not accepted.

EVALUATION OF BIDS

A two stage procedure is usually adopted for evaluation of bids received, with evaluation of qualification statements being completed prior to any price bids being opened and compared. Price bids from investors who submit unsatisfactory qualification statements are not opened.

In the event of equal price bids, preference is given to bids submitted by Ghanaians. Evaluation of bids is completed, wherever practicable, within one calendar month after the closing date for their submission.

NEGOTIATIONS

The investor who submits the highest conforming price bid opened, is invited for negotiation of the draft sale and purchase agreement and discussion of the business plan comprising part of his qualification statement. Negotiations may include the offer price (and, if relevant, the timing of deferred payments).

In the event of negotiations with an investor failing, the investor who submitted the next highest conforming price bid opened may be approached, and so on. An investor may be asked to submit a bond to DIC before negotiations start. The bond is for an amount equal to 10% of the offer price.

SECURITY OF INVESTMENT

The security of investors' investment are provided by:

- Constitution of the Republic of Ghana
- Multilateral Investment Guarantee Agency (MIGA)
- Investment Promotion Protection Agreements.

Utilizing Ghana as a "Gateway to West Africa", an investor receives preferential access to a thriving market of over 260 million people through ECOWAS, the region's official free trade organization.

THE WAY FORWARD

Under the Reform Operation Economic Support Programme, the Government is to outsource a number of enterprises. These include Tema Oil Refinery, Ghana Oil Company, Electricity Company of Ghana Ltd., and Ghana Ports and Harbours Authority, Ghana Railways Corporation, National Investment Bank, Ghana Co-operative Bank and Bank for Housing and Construction and Ghana Commercial Bank.

However, in early 2000, the Bank for Housing and Construction and Ghana Co-operative Bank were liquidated; Tema Oil Refinery and Ghana Oil Company have already been outsourced to Rothschild National Resources LLC of USA. The Consultants were charged with the responsibility of valuing Government Interest in the two companies and devising a sale strategy.

Thus, the divestiture process for Goil is at an advanced stage, while Tema Oil Refinery (TOR) is undertaking a financial restructuring to make it attractive for investors, after which the consultancy will commence.

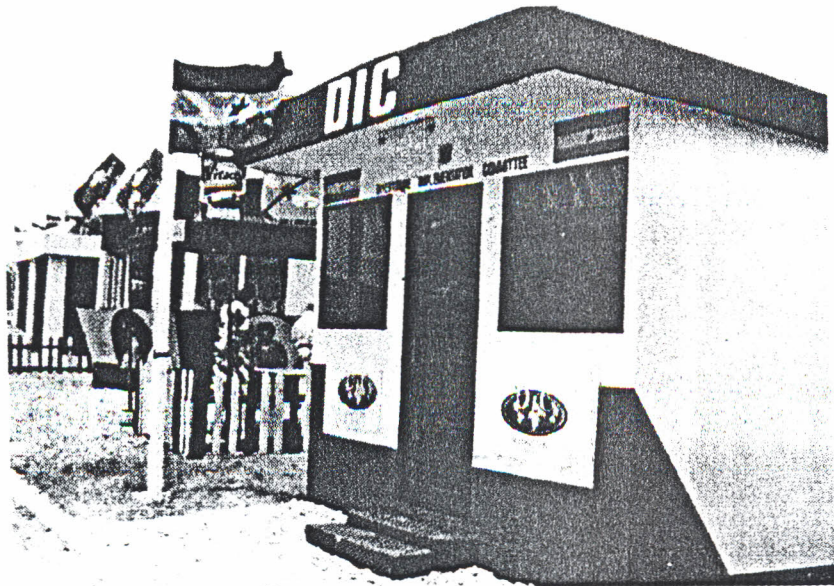
UTILITIES

Government has made moves towards the eventual privatization of public utilities, the Electricity Company of Ghana and Ghana Water Company. The Utilities Regulatory Commission has been established to advise Government on a number of issues including setting suitable tariffs. At present, discussions towards the privatization of the Public Utilities are at an advanced stage.

THE DIC PUBLIC EDUCATION PROGRAMME

One of DIC's statutory functions, which has been receiving much greater attention of late, is the "effective communication to the public of Government's policies and objectives for any divestitures". It is aimed at enhancing transparency of the divestiture process by providing regular information on the nature of the programme, the procedures and practices of the Committee, as well as companies privatized or being privatized.

In order to build public understanding of, support for and participation in the divestiture programme, a Public Relations/Communications Programme was launched in November, 1998. It was implemented by two local PR/Communications firms under the direction of the DIC.



*DIC information stand at ECOWAS Trade Fair,
Accra*

The firms worked in close collaboration with the Information Services Department of the Ministry of Communications. Scope of work included:

- Providing timely and reliable information to the public on DIC programme
- Highlighting divestiture success stories
- Publishing enterprises that have been divested, who bought what and at what price, etc.
- Running stories of interest from other developing countries undertaking similar reform programmes
- Developing promotional and information programmes for the electronic media, that is, production and screening of documentaries on the state of some SOEs before divestiture, and their situation after divestiture, as well as production of drama in the main Ghanaian languages depicting the benefits of the Divestiture Programme.

So far, the following successes have been chalked:

- Organisation of seminar for Parliamentary Committees on Finance and Public Accounts
- Organization of seminar for members of the Council of State and Presidential Staffers
- Regular Press Briefing on the Divestiture Programme and the Way Forward
- Advertisement in both local and foreign media, providing information on divestitures recently completed
- Improved promotional materials, corporate literature, including information packs for potential investors are made readily available
- Benefits of divestiture dramatized in six local languages and English on Ghana Television
- DIC documentaries on the benefits of the Divestiture Programme on Ghana Television and in the newspapers

OTHER STRIDES

The Government of Ghana, through the DIC, co-hosted the Third Annual Pan-African Investment Summit on Privatisation in Accra from 8 – 10 September, 1999. This high level summit which was convened by Business in Africa International Magazine, provided the needed platform for ministers of state, the private sector, international investors, financiers, academics, trades unions and other interested parties to discuss, debate and offer practical solutions to issues of privatization in Africa.

It also produced an essential international forum to update key African privatization issues including problems of transparency, joint venture opportunities, managing of the sale, social impact of privatization, unemployment and labour unions.

There was a one-day special focus on Ghana's Divestiture Programme addressed by the Minister of Finance and Chairman of the DIC, Attorney General, Chairman of Unilever in Ghana and the Secretary-General of the TUC.

LOCAL PARTICIPATION

The DIC has done quite a bit in promoting indigenous participation in the divestiture of enterprises listed for divestment. This has the direct benefit of enhancing local entrepreneurship and democratization of ownership.

According to the DIC, local involvement has been hampered by the inability of local investors to pool resources for the purchase and rehabilitation of the enterprises. There are attempts to establish a Privatization Trust where a percentage of the shares in companies to be divested, would be warehoused and reserved for only national and local institutions to purchase. The DIC has also started unbundling large SOE's into smaller units for sale. Typical examples are the GNTC (Ghana National Trading Corporation), State Fishing Corporation and the State Hotels Corporation. The GNTC was a trading and commercial business with units all over the country, while the SFC had cold stores and sales outlets all over the country. The SHC was the Government's holding institution responsible for managing state hotels. Out of the 233-divestiture transactions concluded, 169 were successfully completed with local investors.

The breakdown is as follows:

GNTC Units	42
SFC units	36
SHC	6
OTHER TRANSACTIONS	85

169

In addition, 20 joint ventures have been created between local and foreign investors with only 23 wholly owned.

IMPACT ASSESSMENT

The Ministry of Finance commissioned an Impact Assessment Report by external consultants to examine the overall effect of the privatization component. The key findings presented to Mid-Term Review (MTR) were:

- Increased sales through improved productivity arising from injection of new investment and improved management practices
- Despite rises in sales volumes, net profits for certain divested companies fell due to huge initial capital outlays required to restructure the enterprises
- Contribution to Government by enterprises in the form of taxes improved considerably after divestment
- Indirect benefit to Government through relief of the burden of funding, administering, and supervision of SOEs
- Listing of some divested companies on the Ghana Stock Exchange has helped to develop the stock market
- 79% of the transactions entered into by DIC as at the end of 1998 have been with Ghanaian entrepreneurs

The MTR questioned the depth of analysis provided, and the consultants were requested to submit a revised report taking into account the issues raised and suggestions made during the MTR.

The Ministry of Finance and DIC reviewed recommendations contained in the draft Aide Memoir issued by the World Bank. Following further discussions with the World Bank, a final agreement on the future structure and direction of the programme was to have been made during the first quarter of 2000.

Furthermore, where the role of the DIC overlaps that of some sector Ministries, there have been some disagreements and conflicts. These roles have to be clearly stipulated to give the divestment sound legal bases.

RECOMMENDATIONS

The Divestiture process in Ghana has achieved some successes but a few areas need to be patched to rake in the full benefits of the programme.

In the first place, the outsourcing programme needs to be properly managed. The World Bank mid-term review identified.

Defect concept design, lack of adequate preparation of enterprises for divestiture, role of Ministries and lengthy delays in the approval process are the main causes of the failure of the outsourcing programme and the delays in the programme as a whole.

Since Ghana's divestiture falls under the necessity rationale for privatization, attempts should be made to give the programme a human face.

Little wonder, then that the Former Chief Economist of the World Bank, Dr. Joseph Stiglitz elucidated that the Structural Adjustment Policies as forced on the developing countries (Ghana at the forefront) were misapplied.

Furthermore, it will portend greater transparency and trust if the divestment of most of these enterprises were done through a public offering on the Ghana Stock Exchange; because one rationale for establishing the Stock Exchange ahead of the Privatization resolve is to ensure there is a public market where the privatized companies can be sold off. Thus, asking so called 'strategic investors' to buy these enterprises 'in cognito' is anathema to these avowed objectives. If most of the enterprises are divested through a public flotation on the Ghana Stock Exchange, the market's capitalization is enhanced.

Last but not least, privatizing all State Owned Enterprises is not a wise decision as some, especially those in the utility sectors are better kept by the government to provide essential services to the public at reasonable cost, and attempts made to rid them of the managerial, technical and economic problems identified. This is done in the United States, and other countries.

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**FOR FURTHER INFORMATION, SEE
THE APPENDIXES FOR DETAILS**



DIVESTITURE
GHANA

APPENDIX 1 DIVESTITURE TRANSACTIONS APPROVED DURING 1999

SALE OF ASSETS

1. GIHOC Aboso Glass Factory
2. Bolgatanga Catering Rest House
3. Bunso Poultry Farms
4. GNTC Provisions Bldg. Kumasi
5. GNTC Departmental Store Kumasi
6. GNTC Warehouse Plot 39A, Heavy Industrial Area Tema
7. GNTC Warehouse Plot 39B, Heavy Industrial Area Tema
8. Gliksten (West Africa) Ltd.
9. National Oil Palms Ltd.
10. Pomadze Poultry Ltd.
11. SCC Property No.17 Church Crescent Labone
12. SCC Property No.19 Church Crescent Labone
13. SFC Cold Store Peki --- Resale
14. State Transport Co. Ltd.
15. Ghana Publishing Co.-Tamale Press

SALE OF SHARES

1. Crusader Insurance
2. Ghana Cement Works Ltd.
3. National Investment Bank Ltd.
4. Produce Buying Co. Ltd.

LEASE

1. Adidome Piggery

LIQUIDATION

1. Black Star Line Ltd.

TOTAL DIVESTITURE TRANSACTIONS: 21



DIVESTITURE
GHANA

APPENDIX 2 ANNUAL ACCOUNTS 1998

DIVESTITURE IMPLEMENTATION COMMITTEE PRIVATIZATION PROGRAMME OF PUBLIC ENTERPRISE
AND PRIVATIZATION TECHNICAL ASSISTANCE PROJECT (PEPTA)
IDA CREDIT NO. 2877-GH. GOVERNMENT OF GHANA SUBVENTION AND DIVESTITURE PROCEEDS
FINANCIAL STATEMENTS, 31ST DECEMBER, 1998
BENNING, ANANG AND PARTNERS (Chartered Accountants)

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INTRODUCTION

The DIC was formed in 1988 as a wing of The State Enterprises Commission. In 1993 it was given the independent legal status under the Divestiture of State Interest (Implementation) Law; PNDCL 326.

Policy & Principal Activities

The objective of DIC is to implement and execute all government policies in respect of divestiture programmes.

The principal activities of DIC are to:

- (a) arrange for effective communication to the public, of government's policies and objectives for any divestiture;
- (b) plan, monitor, co-ordinate, and evaluate all divestiture work under the law;
- (c) ensure consistency in procedures for divestiture, in particular with regard to valuation, invitation for bids, negotiation of sales and settlement of account

MEMBERSHIP OF THE DIVESTITURE IMPLEMENTATION COMMITTEE

The members of DIC have the responsibility for operations of DIC. The day to day management of the divestiture programme is however undertaken by a Secretariat, headed by an Executive Secretary who is a member of the Committee. The membership of the Committee at 31st December, 1999 is set out below.

COMMITTEE MEMBER	OFFICE	POSITION
Mr. Kwame Peprah	Minister of Finance	Chairman
Mr. Emmanuel A. Agbodo	Executive Secretary of DIC	Secretary
Mr. Richard Bansah	Private Sector Representative	Member
Alhaji Mohammad Mumuni	Minister of Employment and Social Welfare	Member
Mr. Dan Abodakpi	Deputy Minister of Trade and Industry	Member
Mr. Martin Amidu	Deputy Attorney-General	Member
Mr. C.A. Agyei	Trades Union Congress	Member
Col. C.S. Modey	Ministry of Defence	Member
Ms. Sherry Ayithey	GIHOC Distilleries	Member
Mr. E. Asare-Anim Jnr.	Land Commission	Member

The Secretariat is supported by 19 local staff, including Financial, Legal, Economic and Communications consultants. It also has three technical advisers from the Crown Agents of the United Kingdom.



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

REPORT OF THE AUDITORS TO THE MEMBERS OF THE DIVESTITURE IMPLEMENTATION COMMITTEE

We have audited the Financial Statements of the Divestiture Implementation Committee for the year ended 31st December, 1998 on pages 10 to 21 which have been prepared under the historical cost convention on the basis of the accounting policies set out on pages 13 and 14.

Respective responsibilities of the Members of the Divestiture Implementation Committee and the Auditors

The members of the Divestiture Implementation Committee are responsible for the preparation of the financial statements. It is our responsibility as auditors to form an independent opinion, based on our audit, on those statements and to report our opinion to you.

Basis of Opinion

We conducted our audit in accordance with Auditing Standards. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures on the financial statements.

It also includes an assessment of the significant estimates and judgements made by the DIC's members on the preparation of the financial statements, and of whether the accounting policies are appropriate to DIC's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements whether caused by fraud or other irregularity or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion, the Financial Statements audited by us which are in agreement with the books of account in all material respects and conform with International Accounting Standards give a true and fair view of the financial position of the DIC as at 31st December, 1998 and of the Income and Expenditure and the Cash Flow for the year then ended and comply with the Divestiture Implementation Law 1993 (PNDC Law 326). Additionally, in our opinion:

- (i) With respect to the Statement of Expenditures (SOEs), adequate supporting documentation have been maintained to support claims to the International Development Association for reimbursements of expenditures incurred in accordance with the requirements of the Development Credit Agreement (Credit Number 2877-GH dated June 25, 1996) in respect of the Privatization Programme of PEPTA.
- (ii) The Government of Ghana Contribution included in GOG Subvention has been provided and used in accordance with the Development Credit Agreement, with due attention to economy and efficiency, and only for the purposes for which it was provided.
- (iii) The Divestiture Proceeds have been used in accordance with and with due attention to economy and efficiency.
- (iv) All goods and services financed have been procured in accordance with the Development Credit Agreement.

BENNING, ANANG AND PARTNERS, CHARTERED ACCOUNTANTS, ACCRA – GHANA



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

**INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31ST DECEMBER, 1998**

	Notes	€ m	1998 € m	€ m	1997 € m
INCOME					
IDA Credit No. 2877-GH			1,738		2,152
Government of Ghana Subvention			175		46
Divestiture Proceeds			53,899		35,356
Interest Income			248		1,148
Other Receipts	2		1,927		1,060
			<u>57,987</u>		<u>39,762</u>
EXPENDITURE					
Direct Divestiture Expenses	3	9,173		9,752	
Staff Costs	4	153		99	
DIC-Committee Fees		41		36	
Travelling & Transport		415		245	
Consultancy		5,257		2,735	
Repairs & Maintenance		55		41	
Utilities-Electricity & Water		13		6	
Telephone/Postage		67		60	
Medical		5		3	
Printing & Stationery		128		51	
Office Expenses		126		40	
Entertainment		9		4	
Fuel/Vehicle Running		37		33	
Assets Written Off		—		9	
Advertisement		1,197		1,120	
Training		102		7	
Other Operating Costs		27		86	
Library Expenses		2		1	
Commission-Success Fee		678		—	
Depreciation		130		116	
Audit Fees		20		50	
Exchange Difference		(1,800)		(3,004)	
			<u>15,835</u>		<u>11,490</u>
Excess of Income over Expenditure transferred to Accumulated Fund			<u>42,152</u>		<u>28,272</u>

(a) The above Income and Expenditure should be read in conjunction with the notes on pages 15-21.

(b) Report of the Auditors on pages 8-9. (c) Analysis of the Main Activities on Appendix D on page 28.



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS

ACCUMULATED FUND

	1998 € m	1997 € m
Balance at 1st January	80,120	51,848
Prior Years' Adjustment (Note 5)	(13,108)	—
Re-Statement Balance at 1st January	67,012	51,848
Excess of Income over Expenditure for the year transferred from Income & Expenditure Account	42,152	28,272
Balance at 31st December	109,164	80,120

BALANCE SHEET, 31ST DECEMBER, 1998

	Notes	€ m	1998 € m	€ m	1997 € m
ASSETS EMPLOYED					
FIXED ASSETS	6		182		246
CURRENT ASSETS					
Divestiture Debtors	7	118,544		69,483	
Staff Debtors		24		5	
GOG Subvention		—		9	
Cash and Bank Balances	8	91,001		25,820	
		<u>209,569</u>		<u>95,317</u>	
CURRENT LIABILITIES					
Divestiture Liabilities	9	110,043		22,915	
Other Liabilities	10	6		6	
Accruals	11	25		56	
		<u>110,074</u>		<u>22,977</u>	
NET CURRENT ASSETS			99,495		72,340
			99,677		72,586
Government of Ghana Current Account	12		9,879		7,825
			<u>109,556</u>		<u>80,411</u>
FINANCED BY					
Deferred GOG Grant	13		236		136
Deferred Credit	14		156		155
Accumulated Fund			109,164		80,120
			<u>109,556</u>		<u>80,411</u>

Approved by the Committee on 29/12/1999 and signed on its behalf by the Executive Secretary and Chairman

(a) The above Balance Sheet should be read in conjunction with the notes on pages 15–21. (b) Report of the Auditors on pages X–X.



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

**CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER, 1998**

	1998 <i>€ m</i>	1997 <i>€ m</i>
Excess of Income over Expenditure	42,152	28,272
Depreciation	130	116
Loss on write off of assets	—	8
Prior year adjustment	(13,108)	—
NET CASH PROVIDED FOR DIVESTITURE ACTIVITIES BEFORE CHANGES IN OPERATING ASSETS & LIABILITIES	29,174	28,396
(Increase) in Divestiture Debtors	(49,061)	(6,759)
(Increase) in Staff Debtors	(19)	(1)
Increase in Divestiture Liabilities	87,128	2,766
(Decrease) in Accruals	(31)	(6)
(Increase) in Other Liabilities	—	(23)
NET CASH INFLOW FROM DIVESTITURE ACTIVITIES	67,191	24,373
INVESTING ACTIVITIES		
Purchase of Fixed Assets	(66)	(155)
FINANCING ACTIVITIES		
Government of Ghana Subvention	9	(9)
Deferred Credit	1	12
GOG Current Account	(2,054)	(12,570)
Deferred Government of Ghana Grant	100	70
Increase in Cash and Cash Equivalents	65,181	11,721
ANALYSIS OF CHANGES IN CASH AND CASH EQUIVALENTS		
Balance at 1st January	25,820	14,099
Net Cash Inflow for the year	65,181	11,721
Balance at 31st December	91,001	25,820



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST DECEMBER, 1998

1. ACCOUNTING POLICIES

The following principal accounting policies have been adopted by DIC and applied consistently in the preparation of the financial statements:

(a) Convention

The financial statements have been prepared under the historical cost convention and in accordance with applicable International Accounting Standards. All activities included in these financial statements are continuing.

(b) Fixed Assets

All fixed assets acquired by DIC have been stated at the actual contractual cost of purchase.

(c) Depreciation

Depreciation is provided to write off the cost of fixed assets by equal instalments over the shorter of their estimated useful economic lives and the project life as follows:

Plant and Machinery	8 years
Motor Vehicles	5 years
Computers	3 years
Furniture and Office Equipment	5 years

(d) Stocks

Expenditure on stocks, consisting of consumable stores, is written off during the year in which it is incurred.

(e) Grants

- (i) Grants from IDA through GOG received as fixed assets or for the purchase of fixed assets are credited to deferred credit account and amortised by equal instalments over the expected useful life of the related fixed assets.
- (ii) Revenue based grants are credited to the Income and Expenditure Account when received. The unutilised portions of the revenue based grants are however, credited to the Government of Ghana Grant Account and transferred to the Income and Expenditure Account when utilised.

(f) Agreed Sale Values of Divested Enterprises

The agreed sale values of all divested enterprises are, at the point of sale, recognised as income and credited to Divestiture Receipts Account.

(g) Divestiture Debtors

Divestiture Debtors represent outstanding amounts due from investors/buyers who have purchased divested SOEs from DIC. These debtors are recognised in the year in which divestiture is made and credited to the Divestiture Receipts Account in the same period. No provisions are made for bad and doubtful debts as DIC reserves the right to repossess any divested SOEs for which an investor is unable or defaults to make full payment.



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

(h) Divestiture Liabilities

All amounts due to third parties from divested SOEs taken over by DIC are recognised as liabilities and debited to the Direct Divestiture Expenses Account in the period in which they are recognised.

(i) Liquidation

Liquidation receipts and payments are only recognised when the liquidator submits its final report. Any net amount due from the liquidator concerning divestiture activities is classified as part of Divestiture Debtors and any net amount payable by DIC is also classified as part of Divestiture Liabilities.

(j) Indirect Divestiture

The offloading of the Government of Ghana's shares in other companies by other Government of Ghana institutions other than the DIC are not considered as part of DIC activities, and therefore do not form part of these financial statements.

(k) Foreign Currencies

Transactions denominated in foreign currencies are recorded in cedis at the rate of exchange ruling at the date of transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are translated at the rate of exchange ruling at the balance sheet date. Any gain or loss arising from a change in exchange rate is dealt with in the Income and Expenditure Account.

2. OTHER RECEIPTS

	1998 ¢ m	1997 ¢ m
Transfers	—	589
Interest	—	14
Rent	—	124
Amortisation of Grant	31	82
Others	1,896	251
	<u>1,927</u>	<u>1,060</u>

3. DIRECT DIVESTITURE EXPENSES

This amount of ¢9,173 million (1997: ¢9,752 m) represents liabilities taken over from divested companies during the year.

4. STAFF COSTS

	1998 ¢ m	1997 ¢ m
Wages, Salaries & Related Costs	131	86
Social Security, Taxes	22	11
	<u>153</u>	<u>97</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS

5. PRIOR YEARS' ADJUSTMENT

This amount of ₵13,108 million (1997: ₵ NIL) represents net understatement of Divestiture Expenses less receipts.

6. FIXED ASSETS

	<i>Motor Vehicles ₵ m</i>	<i>Computes & Peripherals ₵ m</i>	<i>Office Furniture & Equipment ₵ m</i>	<i>Plant & Machinery ₵ m</i>	<i>Total 1998 ₵ m</i>
COST					
Balance at 1st January	174	156	114	30	474
Additions	33	32	1	—	66
Balance at 31st December	<u>207</u>	<u>188</u>	<u>115</u>	<u>30</u>	<u>540</u>
DEPRECIATION					
Balance at 1st January	105	50	61	12	228
Charge for the year	41	62	23	4	130
Balance at 31st December	<u>146</u>	<u>112</u>	<u>84</u>	<u>16</u>	<u>358</u>
NET BOOK VALUE					
At 31st December, 1998	<u>61</u>	<u>76</u>	<u>31</u>	<u>14</u>	<u>182</u>
At 31st December, 1997	<u>69</u>	<u>106</u>	<u>53</u>	<u>18</u>	<u>246</u>

7. DIVESTITURE DEBTORS

These consist of:

	<i>1998 ₵ m</i>	<i>1997 ₵ m</i>
Outright Sale of Assets	59,336	34,248
Joint Venture	45,387	35,224
Sale of Shares	13,821	11
	<u>118,544</u>	<u>69,483</u>

8. CASH AND BANK BALANCES

These consist of

	<i>1998 ₵ m</i>	<i>1997 ₵ m</i>
Bank of Ghana	90,765	25,683
Ecobank	236	137
	<u>91,001</u>	<u>25,820</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

9. DIVESTITURE LIABILITIES

These consist of identified liabilities belonging to all divested State Owned Enterprises (SOEs) that are outstanding at the end of the year.

	1998 ¢ m	1997 ¢ m
Outright Sale of Assets	53,878	17,386
Joint Venture	8,339	4,851
Lease	373	678
Sale of Shares	47,453	—
	<u>110,043</u>	<u>22,915</u>

10. OTHER LIABILITIES

These represent deposits and other such amounts paid by prospective investors or buyers to the DIC for the right of entry to certain SOEs prior to sale agreements being negotiated less refunds at the end of the year.

	1998 ¢ m	1997 ¢ m
Balance 1st January	6	29
Refund made during the year	—	(23)
Balance at 31st December	<u>6</u>	<u>6</u>

11. ACCRUALS

	1998 ¢ m	1997 ¢ m
Electricity & Water	5	1
Telephone	—	2
SSF/PAYE	—	3
Audit Fees	20	50
Balance at 31st December	<u>25</u>	<u>56</u>

12. GOVERNMENT OF GHANA CURRENT ACCOUNT

This represents the net position of divestiture transactions between the DIC and the Government of Ghana as follows:

	1998 ¢ m	1997 ¢ m
Balance at 1st January	7,825	7,825
Shares acquired in Coca-Cola Gh Ltd.	2,054	—
Balance at 31st December	<u>9,879</u>	<u>7,825</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS

13. DEFERRED GOG GRANT

This represents the unutilised portion of grants given for the year by IDA through the Government of Ghana as follows

	1998 <i>€ m</i>	1997 <i>€ m</i>
Balance at 1st January	136	66
Amount Received	1,838	2,222
	<u>1,974</u>	<u>2,288</u>
Amount Utilised	1,738	2,152
Balance at 31st December	<u>236</u>	<u>136</u>

14. DEFERRED CREDIT

This represents the unamortised portion of all capital based grants from IDA through the GOG as follows:

	1998 <i>€ m</i>	1997 <i>€ m</i>
Balance at 1st January	155	143
Grant Received	32	94
Amortisation	(31)	(82)
Balance at 31st December	<u>156</u>	<u>155</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

SPECIAL ACCOUNT

REPORT OF THE AUDITORS

We have audited the accompanying Special Account of the Public Enterprise Privatization And Technical Assistance Project- IDA Credit No. 2877-GH for the year ended 31st December, 1998.

Respective responsibilities of the Members of the Divestiture Implementation Committee and the Auditors

The Special Account is the responsibility of the members of the Divestiture Implementation Committee. Our responsibility is to express an independent opinion of the Special Account based on our audit.

Basis of Opinion

We conducted our audit in accordance with generally accepted auditing standards and World Bank guidelines for Special Accounts. These standards and World Bank guidelines require that we plan and perform the audit to obtain reasonable assurance that the Special Account Statement is free of material misstatements. We believe that our audit provides a reasonable basis for our opinion.

Opinion

In our opinion, the Special Account Statement gives a true and fair view of the financial position of the Special Account of the Public Enterprise Privatization And Technical Assistance Project financed under Development Credit Fund B Agreement (Credit Agreement Number 2877-GH dated 25th June, 1996) as at 31 December, 1998 and for the year then ended in accordance with generally accepted accounting principles.

BENNING, ANANG AND PARTNERS, CHARTERED ACCOUNTANTS, ACCRA-GHANA

SPECIAL ACCOUNT STATEMENT

	1998	1997
	\$	\$
RESOURCES		
Bank Balance at 1st January	61,128	37,541
IDA Replenishments	800,458	1,115,170
	<u>861,586</u>	<u>1,152,711</u>
EXPENDITURE (CATEGORY)		
Consultants' Services (1B)	710,834	1,049,824
Training (2B)	14,025	-
Operaing Costs (4B)	36,266	41,759
	<u>761,125</u>	<u>1,091,583</u>
Bank Balance at 31st December	100,461	61,128
	<u>861,586</u>	<u>1,152,711</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS

STATEMENTS OF EXPENDITURES

REPORT OF THE AUDITORS

We have audited the accompanying Statement of Expenditures (SOEs) of the Public Enterprise Privatization And Technical Assistance Project-IDA Credit 2877-GH for the year ended December 31, 1998.

Respective responsibilities of the Members of the Divestiture Implementation Committee and the Auditors

The preparation of the Statement of Expenditures is the responsibility of Divestiture Implementation Committee. Our responsibility is to express an independent opinion on the Statement of Expenditures based on our audit.

Basis of Opinion

We conducted our audit in accordance with generally accepted auditing standards and World Bank guidelines. Those standards and World Bank guidelines require that we plan and perform the audit to obtain reasonable assurance that the Statement of Expenditures (SOEs) are free of material misstatement.

Opinion

In our opinion, adequate supporting documentations have been maintained to support claims to the International Development Association for reimbursements of expenditures incurred in accordance with the requirements of the Development Credit Agreement, and which expenditures are eligible for financing under the Development Credit Agreement 2877-GH.

STATEMENT OF EXPENDITURES (SOES)

<i>Date of Application</i>	<i>Application Number</i>	<i>Categories</i>		
		<i>1B</i>	<i>4B</i>	<i>TOTAL</i>
		<i>\$</i>	<i>\$</i>	<i>\$</i>
13.1.98	DIC/PEPP/10	188,115.65	—	188,115.65
17.6.98	DIC/PEPP/14	66,715.37	12,401.68	79,117.05
15.9.98	DIC/PEPP/15	55,487.50	9,774.69	65,262.19
April '98	DIC/PEPP/12	59,725.89	756.72	60,482.61
		<u>370,044.41</u>	<u>22,933.09</u>	<u>392,977.50</u>



DIVESTITURE
GHANA

APPENDIX 2: ANNUAL ACCOUNTS 1998

APPENDIX D: ANALYSIS OF THE MAIN ACTIVITIES

	<i>Divestiture Activities/ Proceeds € m</i>	<i>PEPTA IDA Activities/ Credit € m</i>	<i>GOG Activities/ Subvention € m</i>	<i>Total 1998 € m</i>	<i>Total 1997 € m</i>
INCOME					
IDA Credit No. 2877-GH	–	1,738	–	1,738	2,152
Government of Ghana Subvention	–	–	175	175	46
Divestiture Receipts	53,899	–	–	53,899	35,356
Interest Income	248	–	–	248	1,148
Other Receipts	1,927	–	–	1,927	1,060
	56,074	1,738	175	57,987	39,762
EXPENDITURE					
Direct Divestiture Expenses	9,173	–	–	9,173	9,752
Staff Costs	29	–	124	153	99
DIC Committee Fees	41	–	–	41	36
Travelling & Transport	410	–	5	415	245
Consultancy	3,621	1,636	–	5,257	2,735
Repairs & Maintenance	14	–	41	55	41
Utilities-Electricity & Water	2	–	11	13	6
Telephone/Postage	49	–	18	67	60
Medical	–	–	5	5	3
Printing & Stationery	123	–	5	128	51
Office Expenses	44	–	82	126	40
Entertainment (Servicing of Meeting)	3	–	6	9	4
Fuel/Vehicle Running	5	–	32	37	33
Assets Written Off	–	–	–	–	9
Advertisement	1,191	–	6	1,197	1,120
Training	70	32	–	102	7
Other Operating Costs	–	27	–	27	86
Library Expenses	–	–	2	2	1
Commission-Success Fee	678	–	–	678	–
Depreciation	130	–	–	130	116
Audit Fees	20	–	–	20	50
Exchange Difference	(1,788)	(12)	–	(1,800)	(3,004)
	13,815	1,683	337	15,835	11,490
Excess of Income over Expenditure	42,259	55	(162)	42,152	28,272



DIVESTITURE
GHANA

APPENDIX 3 DIVESTITURE PROCEEDS

SUMMARY OF DIVESTITURE PROCEEDS TO DATE, 1999

YEAR	CURRENCY	PURCHASE PRICE	PAYMENTS	OUTSTANDING TO DATE
1989/90	CEDI	¢516,420,957.00	¢498,920,957.00	¢17,500,000.00
	US DOLLAR	\$3,578,125.00	\$3,578,125.00	\$0.00
	POUND	£3,270,000.00	£3,270,000.00	£0.00
1991	CEDI	¢6,989,255,000.00	¢6,921,655,000.00	¢67,600,000.00
	US DOLLAR	\$2,100,000.00	\$2,100,000.00	\$0.00
	POUND	£138,361.00	£138,361.00	£0.00
1992	CEDI	¢4,047,872,462.00	¢4,047,872,462.00	¢0.00
	US DOLLAR	\$9,074,000.00	\$7,574,000.00	\$1,500,000.00
	DEUTSCHEMARK	8,130,000.00 DM	8,130,000.00 DM	0.00 DM
1993	CEDI	¢2,684,000,000.00	¢2,684,000,000.00	¢0.00
	US DOLLAR	\$830,000.00	\$580,000.00	\$250,000.00
1994	CEDI	¢9,184,111,000.00	¢6,499,169,600.00	¢2,684,941,400.00
	US DOLLAR	\$41,322,047.00	\$28,532,602.42	\$12,789,444.58
1995	CEDI	¢1,439,500,000.00	¢863,500,000.00	¢576,000,000.00
	US DOLLAR	\$4,340,000.00	\$2,340,000.00	\$2,000,000.00
1996	CEDI	¢11,139,862,510.00	¢8,091,211,810.00	¢3,048,650,700.00
	US DOLLAR	\$9,826,212.00	\$5,468,514.00	\$4,357,698.00
	FRENCH FRANC	21,000,000.00 F	21,000,000.00 F	0.00 F
1997	CEDI	¢14,739,375,000.00	¢13,430,657,832.00	¢1,308,717,168.00
	US DOLLAR	\$23,168,000.00	\$17,636,867.19	\$5,531,132.81
1998	CEDI	¢19,727,026,785.58	¢9,169,826,785.58	¢10,557,200,000.00
	US DOLLAR	\$24,410,000.00	\$15,410,000.00	\$9,000,000.00
1999	CEDI	¢8,212,650,000.00	¢1,272,650,000.00	¢6,940,000,000.00
	US DOLLAR	\$50,240,452.00	\$19,500,000.00	\$30,740,452.00



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APPENDIX 3: DIVESTITURE PROCEEDS

SUNDRY RECEIPTS 1999

State Gold Mining Co.	¢5,141,000,000.00	Proceeds from sale of stock
GPC Properties, T'di	¢32,455,681.50	Auction sale
Ghasel, Asutuare	¢30,000,000.00	Auction sale
GIHOC Bottling Co. Ltd.	¢370,000,575.58	Proceeds from sale of stock
SFC Properties, Tema	¢26,463,150.00	Auction sale
SFC Furniture & Office Equipment	¢786,250.00	Auction sale
Gihoc Vegetable Oil Mills Ltd.	¢28,435,967.43	Liquidation
Total	¢5,629,141,624.51	

DIVESTITURE OF STATE-OWNED ENTERPRISES FOR THE PERIOD 1989 TO 1999

LIST OF DIVESTED SOES IN 1989 & 1990

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Two Worlds Manufacturing	Sale of Shares	Existing Shareholders	¢60,000,000.00	¢60,000,000.00	¢0.00
2. Overseas Knitwear & Fabrics Ltd	Sale of Shares	Existing Shareholders	¢37,500,000.00	¢37,500,000.00	¢0.00
3. DL Steel Limited	Sale of Shares	Existing Shareholders	¢44,000,000.00	¢44,000,000.00	¢0.00
4. Metalico Limited	Sale of Shares	Existing Shareholders	¢23,940,000.00	¢23,940,000.00	¢0.00
5. Famekwa Trading Co. Ltd	Sale of Shares	Existing Shareholders	¢5,000,000.00	¢5,000,000.00	¢0.00
6. Reiss & Co. (Ghana) Ltd	Sale of Shares	Existing Shareholders	¢22,192,170.00	¢22,192,170.00	¢0.00
7. Leyland DAF Ghana Ltd	Sale of Shares	Existing Shareholders	¢12,000,000.00	¢12,000,000.00	¢0.00
8. Winneba Club House	Sale of Assets	Mr Baiden	¢3,000,000.00	¢3,000,000.00	¢0.00
9. GHASEL Asutuare Factory <i>Agreement Terminated</i>	Lease	FAABLIN Limited	¢9,000,000.00	¢9,000,000.00	¢0.00
10. GEA & Associates	Liquidation		¢23,195,004.00	¢23,195,004.00	¢0.00
11. GAVA Farms	Liquidation		¢3,244,895.00	¢3,244,895.00	¢0.00
12. Kwahu Dairy Farms	Liquidation		¢2,666,123.00	¢2,666,123.00	¢0.00
13. NIC Textiles	Liquidation		¢200,000,000.00	¢200,000,000.00	¢0.00
14. GIHOC Ice & Cold	Liquidation		¢45,682,765.00	¢45,682,765.00	¢0.00



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ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
15. Aprembo Poultry Unit	Sale of Assets	S. A. Mensah Enterprise	¢25,000,000.00	¢7,500,000.00	¢17,500,000.00
16. GEA Packaging	Liquidation				
17. Victory Industries	Liquidation				
18. Saltpond Ceramics Limited	Liquidation				
19. Broadway Enterprises Limited	Liquidation				
20. NIC Metal Fabrication	Liquidation				
21. NIC Weaving	Liquidation				
22. NIC Knitting	Liquidation				
23. NIC Soap & Detergent	Liquidation				
24. Ghamot Enterprises Limited	Liquidation				
25. Ghamot Motor Engineering Limited	Liquidation				
26. Ghamot Textiles	Liquidation				
27. Wire & Metal Production Ltd.	Liquidation				
28. West Coast Shrimping Ltd.	Liquidation				
29. GIHOC Farms	Liquidation				
30. Golcha Films Ltd.	Liquidation				
31. GEA General Chemicals	Liquidation				
32. Continental Hotel	Sale of Assets	Ghana Libyan-Arab Holding Co. Ltd	\$3,578,125.00	\$3,578,125.00	\$0.00
33. Lever Brothers Ghana Ltd	Sale of Shares	Unilever PLC 70%; GOG 30%	£3,000,000.00	£3,000,000.00	£0.00
34. GIHOC Glass Factory	Lease	Tropical Glass Factory	£270,000.00	£270,000.00	£0.00
<i>Paid 3years rent in advance (Investor now discussing purchase of Assets)</i>					

LIST OF DIVESTED SOES IN 1991

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Cape Coast Catering Rest House	Sale of Assets	Vanef Travel & Tours	¢45,000,000.00	¢45,000,000.00	¢0.00
2. Achimota Brewery Company	Sale of Assets	SSNIT Consortium	¢6,155,000,000.00	¢6,155,000,000.00	¢0.00
3. GIHOC Machine Shop	Sale of Assets	Gold Coast Motors	¢110,000,000.00	¢110,000,000.00	¢0.00
4. GIHOC Boatyards (Sekondi)	Liquidation	Liquidation			
5. Eveready Plastics	Liquidation				
7. National Tobacco Rehandling Co.	Liquidation				
8. NIC Kool Bottling	Sale of Assets	Mr Gyasi	¢10,630,000.00	¢10,630,000.00	¢0.00
9. Bibiani Industrial Complex	Sale of Assets	Overseas Investment Co.	¢550,000,000.00	¢550,000,000.00	¢0.00
10. Tricotex Limited	Sale of shares	Existing Shareholder	¢14,625,000.00	¢14,625,000.00	¢0.00
11. Neoplan Ghana Limited	Sale of shares	Existing Shareholder	¢104,000,000.00	¢36,400,000.00	¢67,600,000.00



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ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
12. GIHOC Steel Works Limited	Joint Venture	AMEXFIELD Ltd 60%, GOG 40%	\$2,100,000.00	\$2,100,000.00	\$0.00
13. Ghana Aluminium	Sale of Shares	CLOVIS Co. Ltd	£138,361.00	£138,361.00	£0.00

LIST OF DIVESTED SOES IN 1992

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. GIHOC Electronics	Sale of Assets	Kludjeson Int. Ltd	¢450,000,000.00	¢450,000,000.00	¢0.00
2. Odorkor Poultry	Sale of Assets	SKAMA Farms	¢200,000,000.00	¢200,000,000.00	¢0.00
3. GIHOC Metals Factory	Sale of Assets	SPIRAX Limited	¢270,000,000.00	¢270,000,000.00	¢0.00
4. Nestle Ghana Ltd	Sale of Shares	NESTLE	¢529,927,200.00	¢529,927,200.00	¢0.00
5. Guinness Ghana Ltd	Sale of Shares	Guinness International	¢1,059,352,612.00	¢1,059,352,612.00	¢0.00
6. Pioneer Tobacco Co. Ltd	Sale of Shares	BAT	¢967,444,650.00	¢967,444,650.00	¢0.00
7. Irani Brothers & Others	Sale of Shares	Existing Shareholder	¢571,148,000.00	¢571,148,000.00	¢0.00
8. Emil Ghana Limited	Liquidation				
9. Meat Marketing Board	Liquidation				
10. Tarkwa Goldfields	Joint Venture	Goldfields of Guernsey/ SSNIT/ GOG	\$3,000,000.00	\$3,000,000.00	\$0.00
11. GHACEM	Sale of Shares	SCANCEM of Norway	\$4,074,000.00	\$4,074,000.00	\$0.00
12. Prestea Goldfields <i>Investor has closed down under-ground mine</i>	Joint Venture	Barnex (Prestea) Limited	\$2,000,000.00	\$500,000.00	\$1,500,000.00
13. West African Mills Company <i>Debt-Equity Swap</i>	Sale of Shares	Walter Schroder 60%; GOG 40%	8,130,000.00 DM	8,130,000.00 DM	0.00 DM

LIST OF DIVESTED SOES IN 1993

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Kumasi Glue Factory	Sale of Shares	Existing Shareholder	¢1,000,000.00	¢1,000,000.00	¢0.00
2. Naja David Veneer & Lumber	Sale of Shares	Existing Shareholder	¢320,000,000.00	¢320,000,000.00	¢0.00
3. TASKI Factory <i>Debt-Equity Swap</i>	Sale of Shares	Walter Schroder 60%; GOG 40%	¢2,246,000,000.00	¢2,246,000,000.00	¢0.00
4. SFC Coldstore, Kumasi	Outright Purchase	Rozart Global Services	¢85,000,000.00	¢85,000,000.00	¢0.00
5. SFC Coldstore, Wa	Outright Purchase	Margaret Badjoe	¢10,000,000.00	¢10,000,000.00	¢0.00
6. GIHOC Paper & Printing Co.	Liquidation		¢22,000,000.00	¢22,000,000.00	¢0.00
7. GIHOC Mosquito Coil	Liquidation				
8. Ghana Seed Company Ltd.	Liquidation				



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APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
9. SFC Coldstore, Accra	Outright Purchase	Fan Milk	\$330,000.00	\$330,000.00	\$0.00
10. La Beach Complex <i>Awaiting resolution of land title issue</i>	Sale of Assets	International Generics	\$500,000.00	\$250,000.00	\$250,000.00

LIST OF DIVESTED SOES IN 1994

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Umarco	Sale of Shares	Existing Shareholders	€52,500,000.00	€52,500,000.00	€0.00
2. Pankrano Poultry Farm	Outright Purchase	Bunso Farms Ltd	€45,000,000.00	€45,000,000.00	€0.00
3. NIC Chemical & Paints Plot No.57	Outright Purchase	S. Mart International	€74,000,000.00	€74,000,000.00	€0.00
4. Kumasi Catering Rest House	Outright Purchase	J. Stanley Owusu & Co.	€250,000,000.00	€250,000,000.00	€0.00
5. GIHOC Paper Conversion Co.	Outright Purchase	Swedish/Ghanaian Consortium	€1,250,000,000.00	€1,250,000,000.00	€0.00
6. NIC Estate (Dakmak House) <i>Deconfiscated, Monies Refunded</i>	Outright Purchase	Bank for Housing & Construction			
7. Sunyani Catering Rest House	Outright Purchase	Oti Yeboah Complex	€85,000,000.00	€85,000,000.00	€0.00
8. NIC Farms <i>Deconfiscated</i>	Outright Purchase	Affordable Estates			
9. Fafia Auto Parts	Sale of Shares	Existing Shareholders	€139,270,000.00	€139,270,000.00	€0.00
10. ICAP-GIHOC Pharmaceutical <i>Deconfiscated</i>	Sale of Shares	Existing Shareholders			
11. GIHOC Manufacturing Co.	Liquidation				
12. GIHOC Vegetable Oil Mills, Tamale	Liquidation				
13. GIHOC Vegetable Oil Mills, Esiam	Liquidation				
14. GIHOC - CADCO	Liquidation				
15. NIC Vehicle Assy Plant <i>Price includes interest payment</i>	Outright Purchase	CARICI	€287,000,000.00	€343,700,000.00	€0.00
16. SFC Cold Stores Tamale/Yendi	Outright Purchase	Kada Investments	€46,000,000.00	€27,600,000.00	€18,400,000.00
17. NIC Warehouse Plot No.58	Outright Purchase	African Bagg	€105,000,000.00	€105,000,000.00	€0.00
18. Juaben Oil Palm Plantation	Outright Purchase	Juaben Traditional Council	€50,000,000.00	€35,000,000.00	€15,000,000.00
19. GIHOC Cannery Nsawam	Outright Purchase	CARIDEM Devt. Co.	€2,789,000,000.00	€909,984,600.00	€1,879,015,400.00
20. GNTC Bakeries	Outright Purchase	CARIDEM Devt. Co.	€966,211,000.00	€189,985,000.00	€776,226,000.00
21. Ayinasi & Mpataba Rubber Plantn.	Outright Purchase	Premus Trading Co.	€113,000,000.00	€60,000,000.00	€53,000,000.00
22. New Edubiase Oil Palm Plantation	Outright Purchase	New Edubiase Divisional Council	€3,750,000.00	€3,750,000.00	€0.00
23. Winneba Animal Production Farm <i>C5.0m deposit made</i>	Lease for 50 years	Laryx Limited	€500,000.00	€5,000,000.00	€0.00



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ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
24. FPC Bungalows (3)	Outright Purchase	Min. of Food & Agric.	¢32,000,000.00	¢32,000,000.00	¢0.00
25. Elmina Motel	Sale of Shares	SSNIT	¢110,000,000.00	¢110,000,000.00	¢0.00
26. New Match Factory	Outright Purchase	Birim Wood Products	¢850,000,000.00	¢850,000,000.00	¢0.00
27. GIHOC Paints <i>GOG has 40% shares</i>	Joint Venture	GOG/SSNIT/DALSUN	¢390,000,000.00	¢390,000,000.00	¢0.00
28. Kentinkrono Poultry Farms <i>Property returned to Owners</i>	Outright Purchase	Juskubi Farms			
29. SFC Cold Stores, Sunyani	Outright Purchase	Oberdru Fisheries Limited	¢40,000,000.00	¢40,000,000.00	¢0.00
30. SFC Cold Stores, Bolga.	Outright Purchase	Janet Ali	¢2,500,000.00	¢2,500,000.00	¢0.00
31. SFC Cold Stores, Asamankese	Outright Purchase	Akaf Limited	¢1,400,000.00	¢1,400,000.00	¢0.00
32. SFC Cold Stores, Hohoe	Outright Purchase	Strategic Finance	¢2,400,000.00	¢2,400,000.00	¢0.00
33. Ghana Cotton Co. Limited	Sale of Shares	Existing Shareholders	¢807,750,000.00	¢807,750,000.00	¢0.00
34. Ghana Pioneer Aluminium	Sale of Shares	Existing Shareholders	¢624,050,000.00	¢624,050,000.00	¢0.00
35. Wenchi Animal Farm	Lease	Alhaji Limann	¢2,000,000.00	¢2,000,000.00	¢0.00
36. Ghana Football Pools Authority	Liquidation		¢14,000,000.00	¢14,000,000.00	¢0.00
37. VORADEP Auction	Liquidation		¢26,280,000.00	¢26,280,000.00	¢0.00
38. Ghamot Undeveloped Plots	Liquidation		¢21,000,000.00	¢21,000,000.00	¢0.00
39. Ghana Textile Printing <i>GOG has 16% Shares</i>	Sale of Shares	CWA Hldgs. Ltd. & Gamma Hldgs. NV	\$812,000.00	\$812,000.00	\$0.00
40. L'air Liquide	Sale of Shares	L'air Liquide, France	\$585,215.00	\$585,215.00	\$0.00
41. Tema Food Complex Corp. <i>100% is \$15.2m, Loan of \$10.2m taken over by Coy. IBN paid fully - \$3.75m</i>	Joint Venture (Sale of 75% to IBN)	IBN/ Government	\$13,950,000.00	\$3,750,000.00	\$10,200,000.00
42. Atlantic Hotel	Outright Purchase	Westline Hotel	\$1,000,000.00	\$641,864.00	\$358,136.00
43. SFC Vessels	Outright Purchase	Infitco Gh. Ltd	\$2,000,000.00	\$2,000,000.00	\$0.00
44. Ghana Oil Palm Devt Corp <i>(C8.495b) Offer covers 60% Of shares. Taken over liabilities of \$1.7m</i>	Joint Venture	SIAT, SSNIT/GOG (60%:40%)	\$6,952,552.00	\$6,952,552.00	\$0.00
45. GNTC Bottling <i>(US\$7m for 45%) Offer covers assets at Kumasi & 1 year lease of Accra assets</i>	Joint Venture	Coca Cola Int.-25%, Africa Growth Fund-20%, GOG-55%	\$7,000,000.00	\$7,000,000.00	\$0.00
46. Willowbrook Ghana Ltd <i>(\$1=C980)</i>	Outright Purchase	Ghana Private Rd. Trans. Union	\$512,280.00	\$94,760.00	\$417,520.00
47. Star Hotel	Outright Purchase	International Generics	\$1,000,000.00	\$750,000.00	\$250,000.00
48. Ambassador Hotel <i>Represents GOG's 27% Shareholding</i>	Joint Venture	GOG 27%, Grace Investment /SSNIT Consortium 73%	\$3,510,000.00	\$3,510,000.00	\$0.00
49. African Timber & Plywood	Outright Purchase	Samartex Limited	\$3,500,000.00	\$1,936,211.42	\$1,563,788.58
50. Dunkwa Goldfields	Joint Venture	Continental Construction Ltd	\$500,000.00	\$500,000.00	\$0.00



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LIST OF DIVESTED SOES IN 1995

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Greater Accra Reg. Devt. Corp. (4units)	Outright Purchase	Various	€219,700,000.00	€39,700,000.00	€180,000,000.00
2. FPC Farm at Assin Bosomadwe	Outright Purchase	Kuba Consult	€5,000,000.00	€5,000,000.00	€0.00
3. ATS: Central Parts Depot	Outright Purchase	Tomos Business Services	€88,000,000.00	€88,000,000.00	€0.00
4. SFC Cold Store, Dormaa	Outright Purchase	A. A. Amenfi Obuorwe	€11,000,000.00	€11,000,000.00	€0.00
5. Akokerri Oil Palm Plantation	Outright Purchase	Thersky Oil Industries	€75,000,000.00	€75,000,000.00	€0.00
6. Kumasi Furniture & Joinery	Outright Purchase	Thomas Akum Young	€250,000,000.00	€150,000,000.00	€100,000,000.00
7. SFC Cold Store, Konongo	Outright Purchase	Enyedado Co. Ltd.	€9,600,000.00	€9,600,000.00	€0.00
8. SFC Ice Flake Plant	Outright Purchase	Obuorwe Co. Ltd.	€175,000,000.00	€139,000,000.00	€36,000,000.00
9. SFC Old Administration Block	Outright Purchase	Cactus Enterprise Ltd.	€65,000,000.00	€6,500,000.00	€58,500,000.00
10. SFC Cold Store, Tema (New)	Outright Purchase	Roger Smith	€200,000,000.00	€200,000,000.00	€0.00
11. SFC Cold Store, Tema (Old)	Outright Purchase	Oberdru Fisheries	€80,000,000.00	€62,000,000.00	€18,000,000.00
12. SFC Cold Store, Akim Oda	Outright Purchase	Wholesale Fitting	€3,500,000.00	€0.00	€3,500,000.00
13. SFC Cold Store, Kade	Outright Purchase	Nana Twumasi Trading Ent.	€3,500,000.00	€3,500,000.00	€0.00
14. SFC Cold Store, Nkawkaw/Akwatia	Outright Purchase	Enyedado Co. Ltd.	€6,500,000.00	€6,500,000.00	€0.00
15. SFC Cold Store, Wenchi	Outright Purchase	Enyedado Co. Ltd.	€15,000,000.00	€15,000,000.00	€0.00
16. SFC Cold Store, Bibiani	Outright Purchase	Onyame Bekyere Store	€13,000,000.00	€13,000,000.00	€0.00
17. BARDEC Cold Store, Mim	Outright Purchase	Nana Boaponsem	€1,200,000.00	€1,200,000.00	€0.00
18. GARDECORP Flat	Outright Purchase	National Insurance Commission	€200,000,000.00	€20,000,000.00	€180,000,000.00
19. Eredec Bakery, Nkawkaw	Outright Purchase	Anane Enterprise	€8,000,000.00	€8,000,000.00	€0.00
20. Rattan Factory, Asamankese	Outright Purchase	Abex Impex (Gh.) Ltd.	€10,500,000.00	€10,500,000.00	€0.00
21. Juapong Textiles	Sale of Shares	Unilever Ghana/ Freedom Textile	\$320,000.00	\$320,000.00	\$0.00
22. Ghana National Managanese Co.	Joint Venture	Ghana International Manganese Corp.	\$4,000,000.00	\$2,000,000.00	\$2,000,000.00
23. GIHOC Brick & Tile <i>Re-divestment; Sale of delapidated structures</i>	Outright Purchase	CARIDEM Devt Co.	\$20,000.00	\$20,000.00	\$0.00

LIST OF DIVESTED SOES IN 1996

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. Prefab Concrete Products Ltd	Outright Purchase	Johdesco/Bilfinger & Berger	€700,000,000.00	€700,000,000.00	€0.00
2. GIHOC Marble Works Co Ltd	Outright Purchase	Mabaata Enterprises	€500,000,000.00	€500,000,000.00	€0.00
3. GNTC Tech. W'shop & R'way Siding, T'di	Outright Purchase	B. M. Ahmed	€32,000,000.00	€3,200,000.00	€28,800,000.00



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ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
4. ATS; RT Briscoe Properties <i>Pymt. incl. c72.459m set-off against 'One Touch' indebtedness</i>	Outright Purchase	Management/Workers Consortium	c3,700,000,000.00	c1,900,459,300.00	c1,799,540,700.00
5. Tamale Catering Rest Hse	Outright Purchase	Tohazie Hotel	c180,000,000.00	c180,000,000.00	c0.00
6. Ghamot Pty. Plot 59, 5th Inds.Area	Outright Purchase	Rainbow Motor & Eng Ltd	c250,000,000.00	c222,500,000.00	c27,500,000.00
7. GNTC Metal works	Outright Purchase	AEL Engineering Ltd	c402,000,000.00	c402,000,000.00	c0.00
8. Woezor Hotel	Outright Purchase	Architect Co-Partners	c260,000,000.00	c260,000,000.00	c0.00
9. Seed Unit Farm, Ejura Ashanti	Outright Purchase	Pens Ranch Ltd	c2,000,000.00	c2,000,000.00	c0.00
10. Akim Manso & Topease Rubber Plantation	Outright Purchase	Rubber Estates Gh. Ltd	c170,000,000.00	c170,000,000.00	c0.00
11. GHAMOT Property, Subaru Hse	Outright Purchase	NICO Trading Co.	c65,000,000.00	c65,000,000.00	c0.00
12. GPC House No. H.7, Patasi Est. Kumasi	Outright Purchase	Nafy Timbers	c14,000,000.00	c14,000,000.00	c0.00
13. GPC House No. H.8, Patasi Est. Kumasi	Outright Purchase	S. D. Safo	c14,000,000.00	c10,000,000.00	c4,000,000.00
14. GPC House No. H.12, Patasi Est. Kumasi	Outright Purchase	S. K. Owusu	c13,000,000.00	c13,000,000.00	c0.00
15. GPC House No. H.180, OLA Est. Cape Coast	Outright Purchase	Rosemary Bentil	c7,500,000.00	c0.00	c7,500,000.00
16. GPC House No. H.222, OLA Est. Cape Coast	Outright Purchase	Sonturk Supermarket	c7,000,000.00	c1,400,000.00	c5,600,000.00
17. GPC House No. H.221, OLA Est. Cape Coast	Outright Purchase	Charles B. Mensah	c7,000,000.00	c7,000,000.00	c0.00
18. GPC House No. C25, Kaphohli Est. Tamale	Outright Purchase	Is-Hak Al-Hassan	c10,730,000.00	c10,730,000.00	c0.00
19. GPC House No. C24, Kaphohli Est. Tamale	Outright Purchase	Jonah Yamdogo	c5,365,000.00	c5,365,000.00	c0.00
20. GPC House No. C26, Kaphohli Est. Tamale	Outright Purchase	Albert T. Abbey	c5,370,000.00	c1,500,000.00	c3,870,000.00
21. GPC House No. E 33, Bolga. Est.	Outright Purchase	J. Jormina Musah	c5,000,000.00	c5,000,000.00	c0.00
22. GPC House No. E 34, Bolga. Est.	Outright Purchase	Mary Anaab	c5,000,000.00	c5,000,000.00	c0.00
23. GPC House No.14: A5 & A6 Adweso Est., K'dua	Outright Purchase	Nafy Timbers	c27,000,000.00	c0.00	c27,000,000.00
24. GPC House No. 65A & 65B Mawuli Est., Ho	Outright Purchase	Steve Akorli	c16,000,000.00	c16,000,000.00	c0.00
25. GNTC Distribution Centre, Takoradi	Outright Purchase	Ghacem Ltd.	c200,000,000.00	c200,000,000.00	c0.00
26. GNTC Pharmacy Extention, Takoradi	Outright Purchase	Samcota Limited	c47,000,000.00	c47,000,000.00	c0.00
27. GNTC Market Circle Complex, Takoradi (excl. Pharmacy & Tech. Shop)	Outright Purchase	Far West Enterprise Ltd.	c170,000,000.00	c170,000,000.00	c0.00



DIVESTITURE
GHANA

APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
28. GNTC Block No. MD 1/9 Dept. Store, Ag. Swedru	Outright Purchase	Rinac and Co. Limited	€20,000,000.00	€20,000,000.00	€0.00
29. GNTC Block No. D 21/11 (Bank), Agona Swedru	Outright Purchase	Ghana Co-operative Bank Ltd.	€32,000,000.00	€32,000,000.00	€0.00
30. GNTC Block No. D 21/11 (Retail Shop), Agona Swedru	Outright Purchase	St. Joseph's Clinic	€23,000,000.00	€23,000,000.00	€0.00
31. GNTC Block No. D 21/11 Wholesale, Ag. Swedru	Outright Purchase	Gospel Ambassadors Ministry	€35,000,000.00	€35,000,000.00	€0.00
32. GNTC Block No. D 7/11 (Property with Basement) Agona Swedru	Outright Purchase	Agona District Devt. Co. Ltd.	€20,000,000.00	€20,000,000.00	€0.00
33. GNTC Block No. NB 43/6, Agona Swedru	Outright Purchase	Samke Enterprise	€16,500,000.00	€4,150,000.00	€12,350,000.00
34. GNTC Clinic & Pharmacy, Okaishie, Accra	Outright Purchase	Wigatap Limited	€635,000,000.00	€635,000,000.00	€0.00
35. GNTC Store, North Labone, Accra	Outright Purchase	Babsi Mall & Coffee Shop Ltd.	€520,000,000.00	€349,000,000.00	€171,000,000.00
36. GNTC Store, Tesano, Accra	Outright Purchase	Freteess Limited	€350,000,000.00	€175,000,000.00	€175,000,000.00
37. GNTC Pharmacy, Adum, Kumasi	Outright Purchase	Kanbros Chemical Industries Ltd.	€210,000,000.00	€210,000,000.00	€0.00
38. GNTC Office Building, Wa	Outright Purchase	Alhaji Dauda & Sons Ltd.	€61,500,000.00	€61,500,000.00	€0.00
39. GNTC Departmental Store, Ho	Outright Purchase	Biss Integrated Co. Ltd.	€370,000,000.00	€370,000,000.00	€0.00
40. GNTC District Office Complex, Sunyani	Outright Purchase	Asuo Bomosadu Tim. Sawmill Ltd.	€550,000,000.00	€0.00	€550,000,000.00
41. GNTC Department Store, Tarkwa	Outright Purchase	Asamangama Enterprise	€35,000,000.00	€3,500,000.00	€31,500,000.00
42. GNTC Department Store Building, Sekondi	Outright Purchase	Rep. Gyanata Enterprise	€45,000,000.00	€45,000,000.00	€0.00
43. GNTC Property No. MD 1.9 (Office & Garage) Agona Swedru	Outright Purchase	Donkor & Sons Carpentry Works	€20,000,000.00	€20,000,000.00	€0.00
44. GNTC Regional Office Block, Cape Coast	Outright Purchase	Willie & Co.	€80,000,000.00	€80,000,000.00	€0.00
45. GNTC Technical, Cape Coast	Outright Purchase	Sonturk Limited	€70,000,000.00	€70,000,000.00	€0.00
46. GNTC Dept. Store, OLA Cape Coast	Outright Purchase	Boband Limited	€72,000,000.00	€72,000,000.00	€0.00
47. GNTC Dept. Store, Koforidua	Outright Purchase	Lescon Enterprise	€28,000,000.00	€28,000,000.00	€0.00
48. GNTC Technical, Warehouse No.1, Koforidua (excl. Wooden House & Outhouse)	Outright Purchase	Bethel Prayer Ministry	€26,500,000.00	€26,500,000.00	€0.00
49. GNTC Tech. No.B11/11A Warehouse No.2 & Wooden/Outhouse, Koforidua	Outright Purchase	Gospel Light International	€23,000,000.00	€23,000,000.00	€0.00
50. GNTC Hardware Wholesale, Koforidua	Outright Purchase	Living Bread Christian Centre	€31,000,000.00	€27,100,000.00	€3,900,000.00



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APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
51. GNTC Retail Shop & Warehouse, Tafo <i>Amount paid includes interest</i>	Outright Purchase	Pexin Enterprises Ltd.	¢35,000,000.00	¢35,960,000.00	
52. GNTC Cement House, Accra	Outright Purchase	Golden Spoon Flour Ltd.	¢90,000,000.00	¢36,000,000.00	¢54,000,000.00
53. GNTC Supermarket, Dansoman, Accra	Outright Purchase	Caridem Devt. Co.	¢155,000,000.00	¢113,430,000.00	¢41,570,000.00
54. Dorado Garment Factory <i>Re-Divestment</i>	Outright Purchase	Pharmacare Ltd	¢400,000,000.00	¢400,000,000.00	¢0.00
55. SFC Cold Store, Sefwi Wiawso	Outright Purchase	Danny A. Anang	¢12,100,000.00	¢4,000,000.00	¢8,100,000.00
56. SFC Cold Store, Elmina	Outright Purchase	Snapper Industries	¢30,000,000.00	¢30,000,000.00	¢0.00
57. SFC Cold Store, Mumford	Outright Purchase	Krentico Limited	¢15,870,000.00	¢15,870,000.00	¢0.00
58. SFC Cold Store, Denu	Outright Purchase	Amazing Love Schools	¢18,000,000.00	¢18,000,000.00	¢0.00
59. SFC Cold Store, Kpando	Outright Purchase	Anthony Somahle	¢24,000,000.00	¢24,000,000.00	¢0.00
60. SFC Cold Store, Peki <i>Redivested in 1999</i>	Outright Purchase	Mabaas Enterprise			
61. SFC Cold Store, Kaneshie	Outright Purchase	Orima Enterprise	¢3,380,000.00	¢0.00	¢3,380,000.00
62. SFC Cold Store, Takoradi (Far.)	Outright Purchase	Sersek Enterprise	¢3,500,000.00	¢3,500,000.00	¢0.00
63. SFC Cold Store, Tarkwa	Outright Purchase	Gokap Establishments Ltd.	¢1,200,000.00	¢1,200,000.00	¢0.00
64. SFC Cold Store, Dunkwa	Outright Purchase	Alemas Business Ent.	¢3,500,000.00	¢3,500,000.00	¢0.00
65. SFC Cold Store, Bekwai	Outright Purchase	Mr Ashitey	¢9,200,000.00	¢5,200,000.00	¢4,000,000.00
66. SFC Cold Store, Koforidua	Outright Purchase	Osei Foundations . Holding Ltd	¢130,000,000.00	¢52,000,000.00	¢78,000,000.00
67. SFC Restaurant, Tema	Outright Purchase	Cactus Enterprise Limited	¢10,000,000.00	¢10,000,000.00	¢0.00
68. SFC Auction, Tema	Auctioned	Shorgan Ventures	¢40,647,510.00	¢40,647,510.00	¢0.00
69. Gradecorp Quarry, Weija <i>Only movable assest were sold</i>	Outright Purchase	Kwadwo Asante Cons.	¢70,000,000.00	¢70,000,000.00	¢0.00
70. NIC Properties-Head Office	Outright Purchase	Dakmak Industries	\$1,100,000.00	\$470,000.00	\$630,000.00
71. Tema Shipyard & Drydock Corp. <i>GOG Retains 40%</i>	Joint Venture	PSC Tema Shipyard Ltd	\$4,200,000.00	\$2,699,955.00	\$1,500,045.00
72. Ghana Film Industry Corp. <i>GOG Retains 30%</i>	Joint Venture	GAMA Film Co. Ltd	\$1,400,000.00	\$1,400,000.00	\$0.00
73. Meridian Hotel	Outright Purchase	Octoglow SND BHD	\$250,000.00	\$250,000.00	\$0.00
74. Tomos Ghana Ltd	Sale of Shares	Tomos Slovenia	\$30,212.00	\$30,212.00	\$0.00
75. City Hotel, Kumasi	Outright Purchase	GLAHCO	\$3,000,000.00	\$3,000,000.00	\$0.00
76. GIHOC Cannery, Wenchi <i>Payment includes a set-off payment due to Afrique Link</i>	Outright Purchase	Afrique Link Limited	\$350,000.00	\$118,947.00	\$231,053.00
77. Ghana Rubber Estates Ltd <i>GOG Retains 25%</i>	Joint Venture	Siph/Govt of Ghana	21,000,000.00 F	21,000,000.00 F	0.00 F



APPENDIX 3: DIVESTITURE PROCEEDS

LIST OF DIVESTED SOES IN 1997

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. GPC Hse No. T260 South Effia Kuma Est.	Outright Purchase	Felix Tiekou	¢10,000,000.00	¢10,000,000.00	¢0.00
2. GPC Hse. No. B75 Anaji Est.	Outright Purchase	B. A. Mensah	¢35,000,000.00	¢35,000,000.00	¢0.00
3. GPC Hse. No. T259 Effia Kuma - T'di	Outright Purchase	J. N. Essien	¢10,000,000.00	¢4,000,000.00	¢6,000,000.00
4. GPC Hse. No. G7, Tonsuam Sunyani	Outright Purchase	Herbert Effah	¢5,500,000.00	¢5,500,000.00	¢0.00
5. GPC Hse, old OLA Est., Cape Coast	Outright Purchase	S. J. Boakye	¢6,500,000.00	¢6,500,000.00	¢0.00
6. GPC Hse. No. E31, Bolga Est.	Outright Purchase	M. A. Adombire	¢6,500,000.00	¢6,500,000.00	¢0.00
7. GPC Hse No. G8, Tonsuam Est. Sunyani	Outright Purchase	John Arthur	¢5,500,000.00	¢5,500,000.00	¢0.00
8. GPC Hse No. 53A, Zuarunga Est. Bolga	Outright Purchase	Henry Ayitey	¢4,900,000.00	¢490,000.00	¢4,410,000.00
9. GPC Hse No. 53B, Zuarunga Est. Bolga	Outright Purchase	Richard Mensah	¢4,900,000.00	¢4,900,000.00	¢0.00
10. GPC House No. H.11, Patasi Est. Kumasi	Outright Purchase	Edward Duku Asamoah	¢13,000,000.00	¢13,000,000.00	¢0.00
11. GPC House No. M.2, Tonsuam Est. Sunyani	Outright Purchase	Timothy Kofi Denteh	¢12,500,000.00	¢12,500,000.00	¢0.00
12. GPC House No. M.1, Tonsuam Est. Sunyani	Outright Purchase	Joseph Da Costa Woode	¢12,500,000.00	¢12,500,000.00	¢0.00
13. GPC Hse No. B 54, Zuarungu Est. Bolga	Outright Purchase	John Mensah	¢4,855,000.00	¢4,855,000.00	¢0.00
14. SFC Uncompleted Cold-Store, Bolga	Outright Sale	Edward Ghanem	¢32,000,000.00	¢32,000,000.00	¢0.00
15. SFC Social Security Bank Block, Tema <i>Pymt incl. outs. rent advance of C9.6m paid by Investor</i>	Outright Sale	S.S.B	¢550,000,000.00	¢300,000,000.00	¢250,000,000.00
16. SFC Uncompleted Pty, Kingfisheries Tema	Outright Sale	EMPAT Fisheries	¢200,000,000.00	¢100,000,000.00	¢100,000,000.00
17. SFC Russian Complex	Outright Sale	BOTIVA	¢710,000,000.00	¢355,000,000.00	¢355,000,000.00
18. SFC Radio Station Tema	Outright Sale	Movelle Co Ltd	¢35,000,000.00	¢35,000,000.00	¢0.00
19. SFC Ice Flake Plant T'di	Outright Sale	Krentico Ltd	¢52,000,000.00	¢43,200,000.00	¢8,800,000.00
20. SFC Club Hse. Tema	Outright Sale	Moses Arku	¢19,030,000.00	¢19,030,000.00	¢0.00
21. GNTC Accra Office and Textiles Division	Outright Sale	Capital Merchants & Industrial Co.	¢710,000,000.00	¢201,000,000.00	¢509,000,000.00
22. GNTC Motors Division, Takoradi	Outright Sale	Greenline Logistics	¢100,000,000.00	¢100,000,000.00	¢0.00
23. GNTC (COPA CABANA NITE CLUB)	Outright Sale	Kweku Opare	¢26,000,000.00	¢0.00	¢26,000,000.00
24. GNTC District Education Bldg, Winneba	Outright Sale	Ewutu Senya District Assembly	¢18,100,000.00	¢18,100,000.00	¢0.00
25. GNTC Tech. & Olivetti Computers & Office Machines Ltd	Outright Sale	Capital Merchants & Industrial Co.	¢605,000,000.00	¢605,000,000.00	¢0.00
26. GNTC South East Ridge (Guest House)	Outright Sale	Tropical Metal. Const. Co.	¢200,000,000.00	¢200,000,000.00	¢0.00
27. TFCC Lashibi Farm	Outright Sale	Makudzi Farms	¢250,000,000.00	¢250,000,000.00	¢0.00
28. BARDEC Res. Pty Tonsuam Est Sunyani <i>Balance of C.5m defrayed by E.S.B</i>	Outright Sale	Kwabena Kyere	¢8,000,000.00	¢8,000,000.00	¢0.00



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APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
29. Agricultural Cattle Ranch Amerlokope <i>Rent payable: C750,000.00 p.a.</i>	Lease	Dr. Leonard Yao Kaledzi	€10,000,000.00	€10,000,000.00	
30. State Oil Palm Plantation Juaso	Outright Sale	Juaso Traditional Council	€100,000,000.00	€50,492,832.00	€49,507,168.00
31. State Oil Palm Plantation Akwanserem <i>Chieftancy dispute is affecting completion of transaction</i>	Outright Sale	Akotosu Farms Ltd/ Traditional Council	€110,000,000.00	€110,000,000.00	€0.00
32. ALUWORKS GHANA Ltd <i>Sale of total GOG shares of 35%</i>	Sale of Shares	Public	€9,052,590,000.00	€9,052,590,000.00	€0.00
33. Ghana Union Assurance <i>Sale of total GOG shares of 20%</i>	Sale of Shares	Existing Shareholders	€780,000,000.00	€780,000,000.00	€0.00
34. GHACEM <i>Sale of 5% shares to workers</i>	Sale of Shares	Workers	€1,000,000,000.00	€1,000,000,000.00	€0.00
35. BARDEC Cold Store & Bakery, Sunyani	Outright Sale	Jowark Enterprise Ltd.	€40,000,000.00	€40,000,000.00	€0.00
36. Ghamot Co Ltd Hse No. 73/74 Kojo Thompson Rd	Outright Sale	Mohamed Jawal	\$100,000.00	\$10,000.00	\$90,000.00
37. GIHOC Pwalugu Cannery <i>Offer being withdrawn from Investor for non-performance</i>	Outright Sale	Blackstone Industries Ltd	\$1,800,000.00	\$180,000.00	\$1,620,000.00
38. GIHOC Pharmaceuticals <i>10% free interest for Govt.</i>	Joint Venture	Rhyto-Ryker Pharmaceuticals	\$9,100,000.00	\$7,063,867.19	\$2,036,132.81
39. SFC (General Workshop)	Outright Sale	Nana Yeboah-Kordie Asarell(Hillpok)	\$370,000.00	\$185,000.00	\$185,000.00
40. Twifo Oil Palm Ltd <i>Balance to be determined after reconciliation of operational results</i>	Sale of Shares	Unilever Ghana Ltd	\$6,600,000.00	\$5,000,000.00	\$1,600,000.00
41. Ghamot Motors Co.	Sale of Assets	Marubeni Corporation	\$2,798,000.00	\$2,798,000.00	\$0.00
42. Coca Cola (GNTC Bottling)	Sale of Shares (20%)	Eugene Jackson of U.S.A.	\$2,400,000.00	\$2,400,000.00	\$0.00

LIST OF DIVESTED SOES IN 1998

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. SCC Head Office (Part A)	Sale of Assets	YADCO Ghana Limited	€2,700,000,000.00	€2,700,000,000.00	€0.00
2. SCC Regional Yard, Cape Coast	Sale of Assets	PAABADU Construction Ltd	€500,000,000.00	€500,000,000.00	€0.00
3. SFC Cold Store, Axim	Outright Sale	AXIM Co-op. Fishermen Service	€12,000,000.00	€12,000,000.00	€0.00
4. SFC Cold Store, Sekondi	Outright Sale	NAYAK Ltd	€470,000,000.00	€167,000,000.00	€303,000,000.00
5. Kanda Estate House	Outright Sale	SPIRAX Metals Ltd	€70,000,000.00	€70,000,000.00	€0.00
6. GPC Singer House, Accra	Outright Sale	J. M. Ababio	€1,500,000,000.00	€1,500,000,000.00	€0.00
7. SCC Head Office (Part B)	Outright Sale	YADCO Ghana Limited	€650,000,000.00	€650,000,000.00	€0.00
8. GPC Hse no E32 Bolga Est.	Outright Sale	HAMA0B Enterprise	€6,500,000.00	€2,300,000.00	€4,200,000.00
9. GNTC Tech. Plot No 99A, Kumasi	Outright Sale	Bamson Company Ltd	€800,000,000.00	€600,000,000.00	€200,000,000.00



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APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
10. GNTC District Office/Warehouse, K'dua	Outright Sale	Catholic Diocese, Koforidua	¢140,000,000.00	¢140,000,000.00	¢0.00
11. SCC Cantonements Flats Unit A	Outright Sale	Central Estate Development	¢1,300,000,000.00	¢1,300,000,000.00	¢0.00
12. Medie Horticulture Nursery	Joint Venture	Nexus Consortium (26%)	¢730,410,000.00	¢730,410,000.00	¢0.00
13. GPC Burnt Warehouse/Publishing Warehouse, Tema	Outright Sale	FDI Ghana Limited	¢240,000,000.00	¢240,000,000.00	¢0.00
14. Komenda Sugar Factory	Liquidation		¢51,052,680.00	¢51,052,680.00	¢0.00
15. BARDEC Livestock Project	Outright Sale	Jowark Enterprise	¢200,000,000.00	¢150,000,000.00	¢50,000,000.00
17. SCC Cantonments House Unit B, Plot 4	Outright Sale	Ghana Reinsurance Co. Ltd.	¢300,000,000.00	¢300,000,000.00	¢0.00
18. Bast Fibre Development Board	Liquidation		¢57,064,105.58	¢57,064,105.58	¢0.00
19. Bonsa Tyre Company Limited <i>Sale of 70% of GOG Equity</i>	Sale of Shares	Yellow Cab Co. Ltd.	¢10,000,000,000.00	¢0.00	¢10,000,000,000.00
20. COCA COLA (GNTC) Bottling	Sale of Shares	Equitorial COCA COLA Bottling Co	\$1,125,000.00	\$1,125,000.00	\$0.00
21. Ghana Publishing Corporation – Tema Press	Sale of Assets	American Scholar	\$3,000,000.00	\$0.00	\$3,000,000.00
22. Western Veneer and Lumber Co. Ltd. (WVLC)	Sale of Assets	GAHM Services Worldwide Ltd.	\$6,000,000.00	\$0.00	\$6,000,000.00
23. GIHOC Bottling Company Ltd (PEPSI)	Sale of Assets	Beverage Investment Gh. Ltd	\$3,000,000.00	\$3,000,000.00	\$0.00
24. State Shipping Line Properties <i>Assets transferred to Official Liquidator</i>	Sale of Assets	Various			
25. Barclays Bank Ghana Ltd <i>Sale of 30% GOG shares</i>	Sale of Shares	Barclays PLC	\$9,585,000.00	\$9,585,000.00	\$0.00
26. Ghana Bauxite Company	Sale of Shares	Existing shareholders (35%)	\$1,700,000.00	\$1,700,000.00	\$0.00

LIST OF DIVESTED SOES IN 1999

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
1. SCC Property No. 19, Church Crescent, Labone	Outright Sale	Yadco Ghana Ltd.	¢500,000,000.00	¢500,000,000.00	¢0.00
2. Crusader Insurance Company Ltd. <i>Sale of 8% of GOG shares</i>	Sale of shares	CDH Finacial Holdings Ltd.	¢114,650,000.00	¢114,650,000.00	¢0.00
3. GIHOC Glass Factory, Aboso <i>Payable over 2 years</i>	Sale of Assets	Tropical Glass Co. Ltd.	¢1,000,000,000.00	¢0.00	¢1,000,000,000.00
4. GNTC Dept. Store, Kumasi <i>Due; awaiting payment</i>	Sale of Assets	Nayak Limited	¢1,200,000,000.00	¢120,000,000.00	¢1,080,000,000.00



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APPENDIX 3: DIVESTITURE PROCEEDS

ENTERPRISE	MODE	NAME OF INVESTOR	PURCHASE PRICE	AMOUNT PAID	BALANCE AT 31-12-99
5 GPC Tamale Printing Press <i>Awaiting payment</i>	Sale of Assets	Drumhead Publishing House Ltd.	¢250,000,000.00	¢25,000,000.00	¢225,000,000.00
6 SCC Bungalow No. 17, Church Crescent, Labone	Outright Sale	ECONO Lodge	¢510,000,000.00	¢510,000,000.00	¢0.00
7 Produce Buying Company <i>Public floatation in progress</i>	Sale of shares	Public			
8 Black Star Line Co. <i>Under Official liquidation</i>	Liquidation				
9 Bolgatanga Catering Rest House <i>C156.6m due; awaiting pymt. Balance of C593.4m due in Feb. 2000</i>	Sale of Assets	Merrydown Kent (GH) Ltd.	¢1,566,000,000.00	¢0.00	¢1,566,000,000.00
10 SFC Cold Store, Peki <i>Pymt due in February 2000</i>	Sale of Assets	Joseph Kofi Gu	¢8,000,000.00	¢0.00	¢8,000,000.00
11 State Farms Corporation Farm, Bunso <i>Balance due in February, 2000</i>	Sale of Assets	Sun Enterprises	¢19,000,000.00	¢3,000,000.00	¢16,000,000.00
12 GNTC W'hse, Plot 39A, Heavy Ind. Area, Tema <i>C140.0m due in Jan. 2000; C560.0m due in April, 2000 and C700.0m due in July 2000</i>	Sale of Assets	Overseas Agencies, (WA) Ltd.	¢1,400,000,000.00	¢0.00	¢1,400,000,000.00
13 GNTC W'hse, Plot 39B, Heavy Ind. Area, Tema <i>C720.0m due in April 2000 and final pymt of C480.0m due in July, 2000</i>	Sale of Assets	GNPA	¢1,200,000,000.00	¢0.00	¢1,200,000,000.00
14 GNTC Provisions Building, Kumasi <i>C42.5m due in Jan; C382.5m due Feb. 2000</i>	Sale of Assets	Blessed Mutual Establishment	¢425,000,000.00	¢0.00	¢425,000,000.00
15 Adidome Piggery Project <i>50 year Lease; pymt due in Feb. 2000</i>	Lease	J.K. Dowokpor	¢20,000,000.00	¢0.00	¢20,000,000.00
16 Gliksten (West Africa) Ltd. <i>Balance payable in five 6 monthly equal instalments from March 2000</i>	Sale of Assets	Logs & Lumber Ltd.	\$5,000,000.00	\$2,500,000.00	\$2,500,000.00
17 Pomadze Poultry Enterprise Ltd. <i>Due; awaiting payment</i>	Sale of Assets	Midas Agro Industrial Co. Ltd.	\$2,450,000.00	\$0.00	\$2,450,000.00
18 State Transport Company Ltd. <i>Liabilities taken over: \$2.87m. Pymt due in Jan. 2000: \$2.4m. Payment due in February 2000: \$9.25m</i>	Sale of Assets	Vanef Company Ltd.	\$14,520,000.00	\$0.00	\$14,520,000.00
19 Ghana Cement Works (GHACEM) <i>Sale of total GOG shares of 35%</i>	Sale of shares	Scancem International Ans	\$17,000,000.00	\$17,000,000.00	\$0.00
20 National Investment Bank Ltd. (NIB) <i>Sale of 60% of GOG equity interest. Payment due in January 2000</i>	Sale of shares	Faith Brothers Limited	\$8,310,452.00	\$0.00	\$8,310,452.00
21 National Oil Palms Ltd. <i>\$1.48m due in Jan./Feb. 2000; \$1.48m due within 12 months thereafter</i>	Sale of Assets	Norpalm ASA, Norway	\$2,960,000.00	\$0.00	\$2,960,000.00



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APPENDIX 4 OUTSTANDING LIABILITIES OF DIVESTED SOEs

SCHEDULE OF DIVESTITURE LIABILITIES (31/12/99)

<i>ENTERPRISE</i>	<i>TOTAL LIABILITIES IDENTIFIED -1998</i>	<i>PAYMENTS MADE IN 1999</i>	<i>OUTSTANDING LIABILITY</i>
1 African Timber & Plywood	c1,963,110,000.00	c0.00	c1,963,110,000.00
2 Akim Manso & Topease Rubber Plantation	c35,580,000.00	c0.00	c35,580,000.00
3 Akrokeri Oil Palm Plantation	c233,590,000.00	c0.00	c233,590,000.00
4 Atlantic Hotel	c247,282,735.00	c0.00	c247,282,735.00
5 ATS Control Parts Depot	c224,090,000.00	c0.00	c224,090,000.00
6 ATS; RT Briscoe Properties	c5,435,040,498.25	c0.00	c5,435,040,498.25
7 Bibiani Industrial Complex	c124,047,164.62	c0.00	c124,047,164.62
8 City Hotel Kumasi	c667,821,133.45	c667,821,133.45	c0.00
9 Ghamot Motors	c15,869,832,741.00	c0.00	c15,869,832,741.00
10 Ghana Film Industry Corp.	c17,846,590.35	c0.00	c17,846,590.35
11 Ghana National Manganese Corp.	c1,523,846,591.00	c0.00	c1,523,846,591.00
12 Ghana Oil Palm Dev't. Corp.	c1,548,770.00	c0.00	c1,548,770.00
13 GIHOC Cannery, Wenchi	c156,085,071.14	c0.00	c156,085,071.14
14 GIHOC Electronics	c409,730,713.47	c2,539,597.00	c407,191,116.47
15 GIHOC Glass Factory	c372,491,454.00	c0.00	c372,491,454.00
16 GIHOC Marble Works Co. Ltd	c276,415,975.00	c2,998,356.00	c273,417,619.00
17 GIHOC Paints	c598,886,937.52	c0.00	c598,886,937.52
18 GIHOC Pharmaceuticals	c5,235,918,669.63	c0.00	c5,235,918,669.63
19 GIHOC Pwalugu Cannery	c31,413,304,638.34	c71,405,864.66	c31,341,898,773.68
20 GIHOC Steel Works Limited	c660,300,760.00	c4,368,923.89	c655,931,836.11
21 GIHOC Brick & Tile	c8,000,000.00	c8,000,000.00	c0.00
22 GNTC Bakeries	c96,340,000.00	c0.00	c96,340,000.00
23 GNTC Bottling	c3,092,260,000.00	c0.00	c3,092,260,000.00
24 GPC (14 Residential Properties)	c500,000,000.00	c401,264,500.00	c98,735,500.00



DIVESTITURE
GHANA

APPENDIX 4: OUSTANDING LIABILITIES OF DIVESTED SOEs

<i>ENTERPRISE</i>	<i>TOTAL LIABILITIES IDENTIFIED -1998</i>	<i>PAYMENTS MADE IN 1999</i>	<i>OUTSTANDING LIABILITY</i>
25 Juaben Oil Palm Plantation	¢40,540,000.00	¢0.00	¢40,540,000.00
26 Kantinkrono Poultry Farms	¢14,420,000.00	¢0.00	¢14,420,000.00
27 Kumasi Catering Rest House	¢14,500,000.00	¢0.00	¢14,500,000.00
28 Kumasi Furniture & Joinery	¢58,150,170.98	¢0.00	¢58,150,170.98
29 Ghana Bottling (Pepsi)	¢1,974,387,230.07	¢1,974,387,230.07	¢0.00
30 La Beach Complex	¢144,509,593.00	¢0.00	¢144,509,593.00
31 Meridien Hotel	¢93,284,931.00	¢0.00	¢93,284,931.00
32 NIC Kool Bottling	¢75,200,000.00	¢0.00	¢75,200,000.00
33 NIC Properties - Head Office	¢73,803,149.00	¢0.00	¢73,803,149.00
34 Odorkor Poultry	¢37,018,004.00	¢0.00	¢37,018,004.00
35 Prefab Concrete Products Ltd	¢868.00	¢0.00	¢868.00
36 SFC Cold Stores -except Vessels	¢755,808,321.52	¢10,121,377.51	¢745,686,944.01
37 National Oil Palm Ltd	¢137,812,140.00	¢137,812,140.00	¢0.00
38 SFC Vessels	¢64,362,219.00	¢0.00	¢64,362,219.00
39 State Fishing Corp.	¢14,573,084,475.97	¢291,224,319.13	¢14,281,860,156.84
40 State Oil Palm Plantation, Akwenserem	¢103,831,071.00	¢84,442,774.00	¢19,388,297.00
41 State Oil Palm Plantation, Juaso	¢58,078,807.00	¢0.00	¢58,078,807.00
42 Sunyani Catering Rest House	¢1,213.00	¢0.00	¢1,213.00
43 Tamale Catering Rest House	¢89,533,574.00	¢0.00	¢89,533,574.00
44 Tema Food Complex Corp.	¢23,620,314,766.51	¢0.00	¢23,620,314,766.51
45 Tema Shipyard & Drydock Corp.	¢744,664,517.00	¢0.00	¢744,664,517.00
46 TFCC Lashibi Farm	¢8,350,299.00	¢0.00	¢8,350,299.00
47 Willowbrook Ghana Ltd	¢9,580,000.00	¢0.00	¢9,580,000.00
48 Ghasel, Komenda	¢47,242,714.21	¢47,242,714.21	¢0.00
49 State Construction Company	¢2,756,602,363.17	¢2,756,602,363.17	¢0.00
50 State Housing Corporation	¢212,000.00	¢212,000.00	¢0.00
51 Gliksten W/A Limited	¢3,218,795,946.49	¢3,218,795,946.49	¢0.00
52 Ghana Consolidated Diamonds	¢1,600,000,000.00	¢1,600,000,000.00	¢0.00
	¢119,477,458,816.69	¢11,279,239,239.58	¢108,198,219,577.11