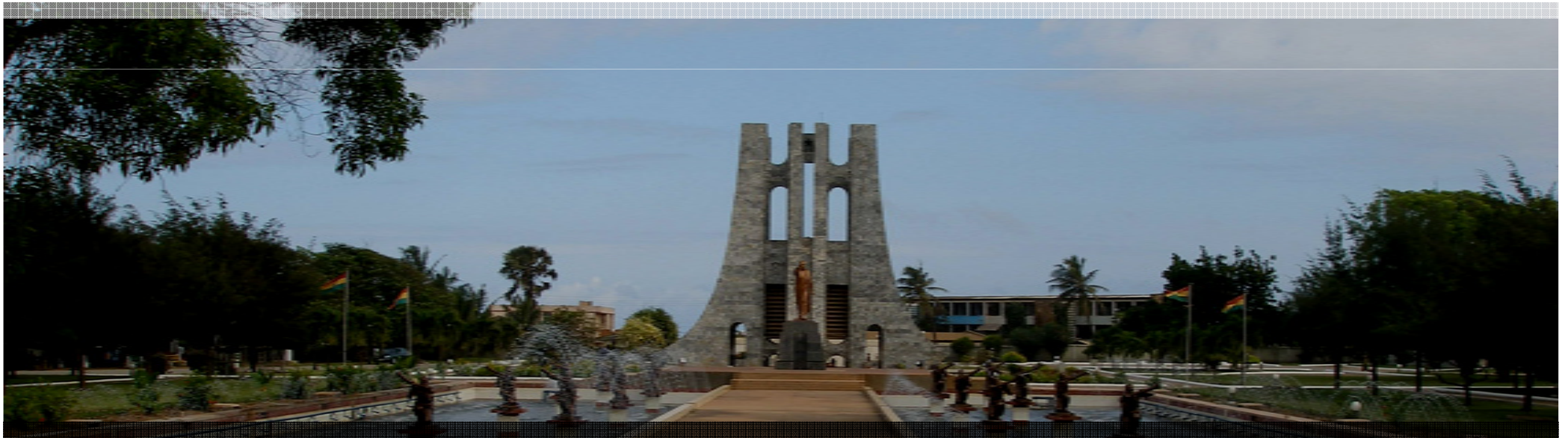




UK-Ghana Investment Forum

July 2010





The Republic of Ghana: Economic Overview



Ghana's Economy Continues to Grow



	Actual		Projections	
	2008	2009	2010	2011
Real GDP Growth (%)	7.3	4.7	6.1	20.1
Headline Inflation (% end of period)	18.1	16.0	9.5	8.0
Exports (US\$ mn, fob)	5,270	5,715	6,972	10,292
Imports (US\$ mn, fob)	-10,269	-8,437	-9,480	-11,174
Trade balance (US\$ mn, fob)	-4,999	-2,721	-2,508	-882
Current Account (% GDP)	-18.7	-5.1	-12.1	-8.1
Central Government Balance (% GDP)	-14.5	-9.7	-8.0	-4.5
Gross International Reserves (US\$ mn)	2,036	3,165	3,701	4,651

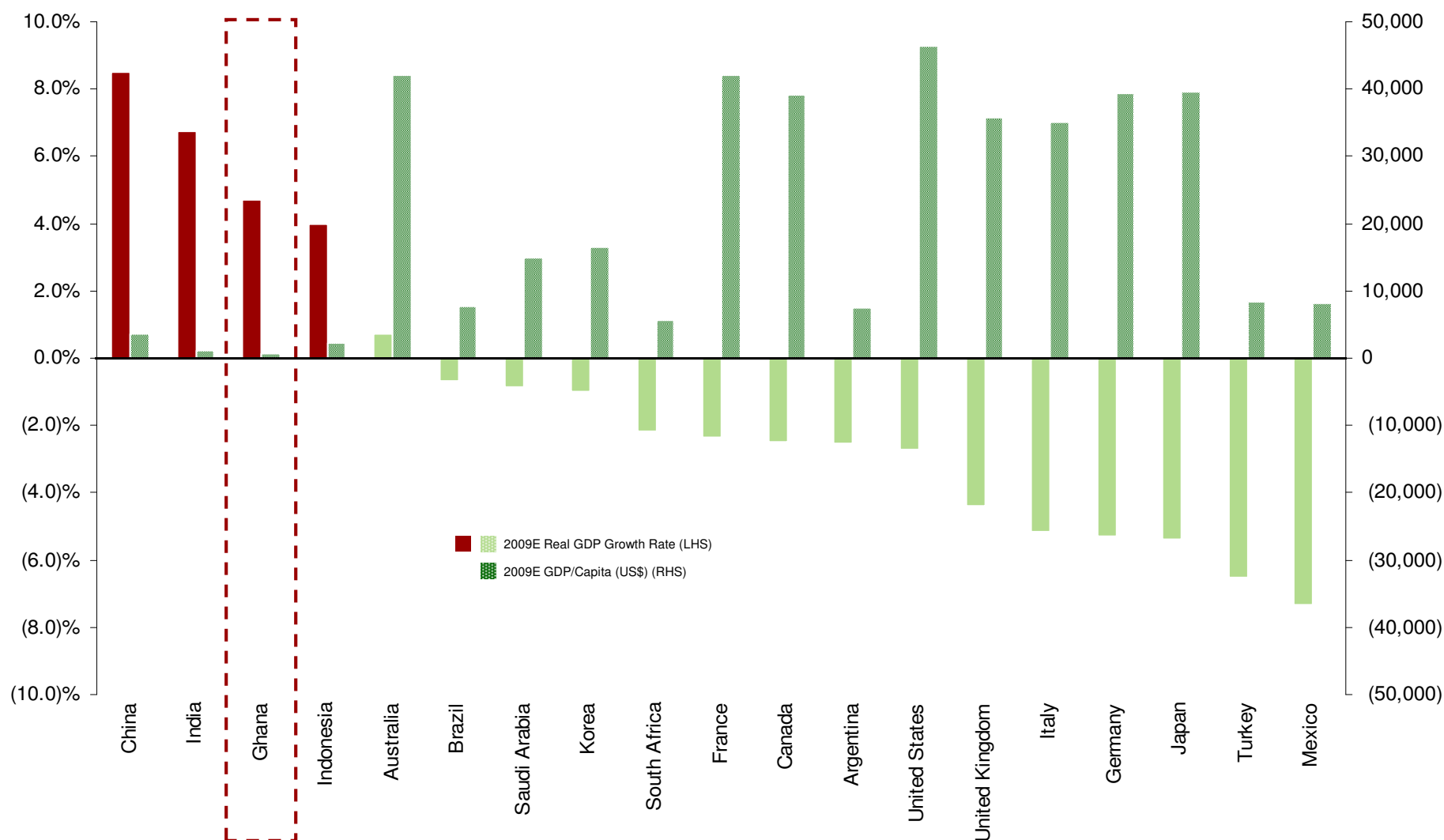


**Dramatic improvement across the board on key macroeconomic indicators in 2009.
Growth held up well despite the financial crisis**



Ghana's Economy is Highly Resilient vis-à-vis the G20

Along with China, India and Indonesia, Ghana has exhibited strong economic growth through the downturn



Source: IMF

Ghana Has Entered A New Era of Faster and More Stable Growth



Ghana enjoys the twin benefits of sustained rapid growth with very low volatility

Ghana exhibits extremely stable and rapid growth compared to its peers

Country	Avg Annual Real GDP Growth Rate 2000 - 2010E (%)
China	9.9
India	7.2
Vietnam	7.1
Russia	5.3
Ghana	5.3
Peru	5.2
Indonesia	5.2
Egypt	5.0
Malaysia	4.7
Morocco	4.6
Philippines	4.5
Pakistan	4.4
Thailand	4.2
Costa Rica	4.0
Turkey	3.9
Colombia	3.8
Chile	3.8
Argentina	3.6
South Africa	3.5
Brazil	3.5
Guatemala	3.3
Mexico	2.1

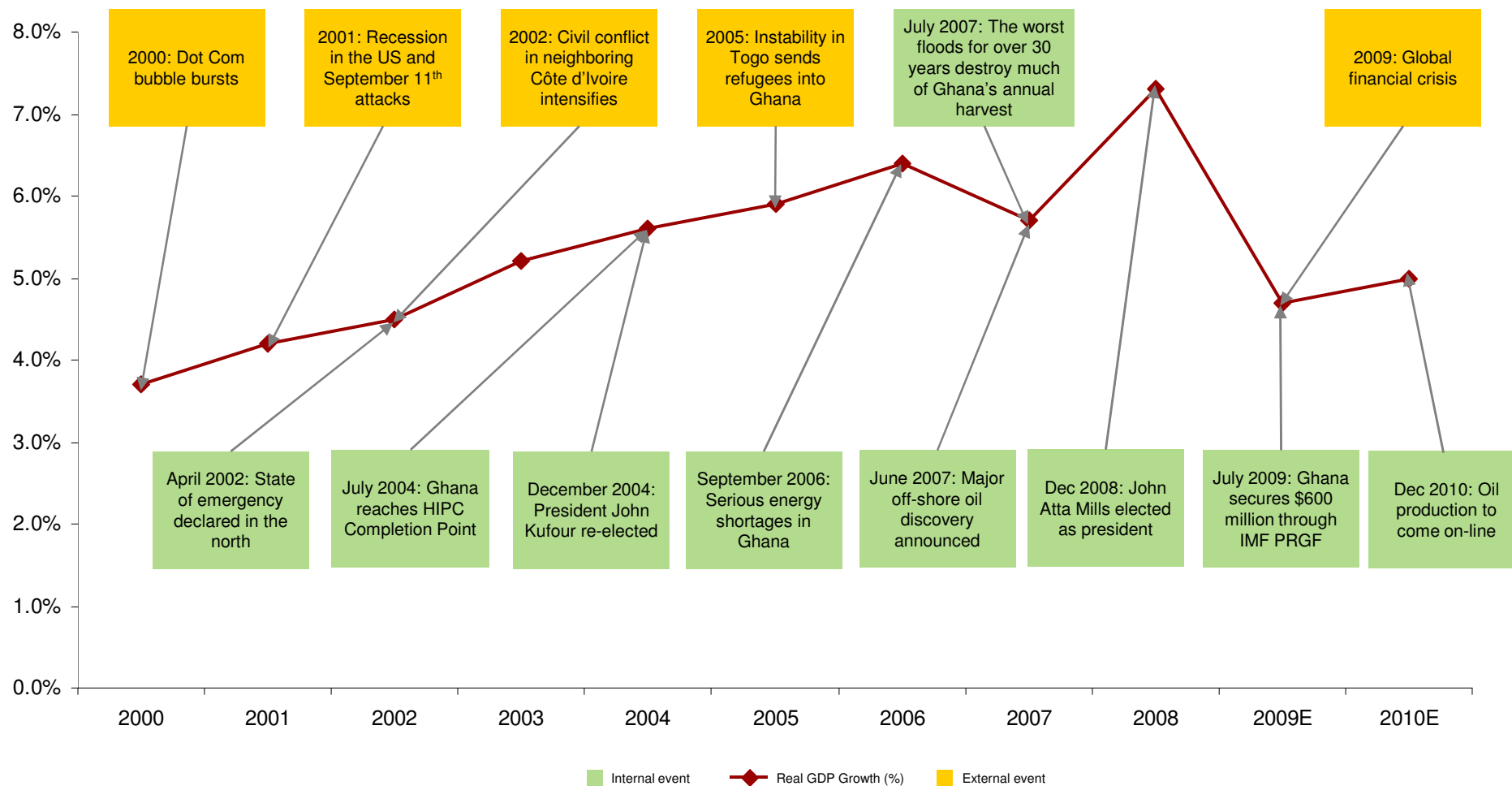
Country	Standard Deviation of Real GDP Growth Rate 2000 - 2010E (%)
Argentina	6.70
Turkey	5.04
Russia	4.70
Mexico	3.48
Peru	3.09
Costa Rica	3.00
Malaysia	2.91
Thailand	2.59
Colombia	2.28
Pakistan	2.14
Brazil	2.09
South Africa	2.07
Morocco	2.04
Chile	2.04
India	2.03
Philippines	1.87
Guatemala	1.54
Egypt	1.50
China	1.41
Vietnam	1.03
Ghana	1.03
Indonesia	0.81

Country	2009 GDP per Capita (US\$)
Chile	9,525
Turkey	8,723
Russia	8,694
Brazil	8,220
Mexico	8,135
Argentina	7,726
Malaysia	6,897
Costa Rica	6,345
South Africa	5,824
Colombia	5,087
Peru	4,356
Thailand	3,940
China	3,678
Morocco	2,865
Guatemala	2,662
Egypt	2,450
Indonesia	2,329
Philippines	1,746
Vietnam	1,060
India	1,031
Pakistan	1,017
Ghana	638



Growth Has Proven Impervious to a Wide Range of Challenges

Ghanaian economic growth has been resilient over the last decade



Source: IMF, new sources

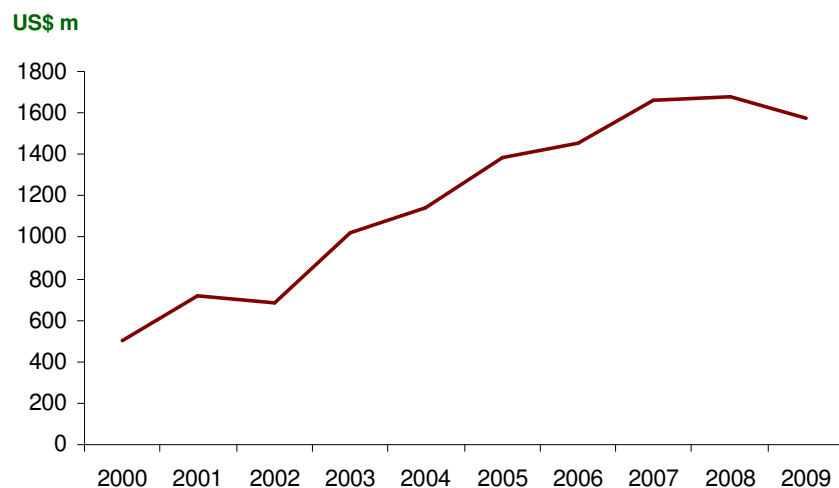


Positive Impact of Remittances

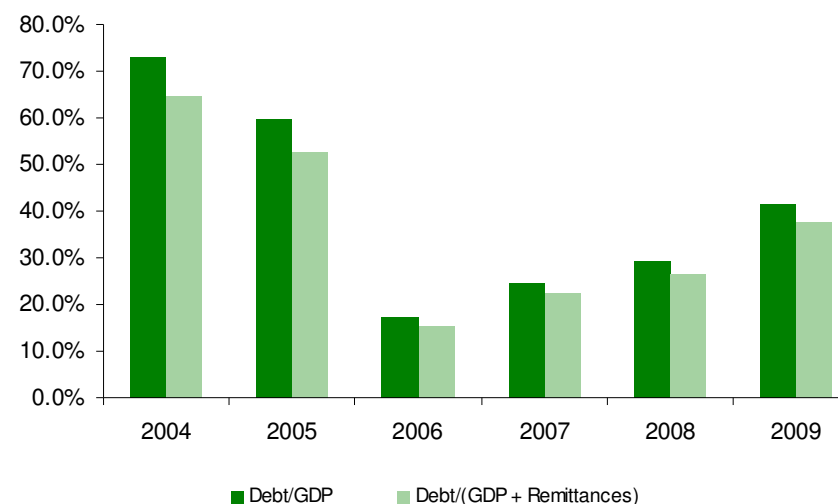
Ghana is among the global leaders in remittances

- **Increasing recognition of macroeconomic benefits:** Remittances are highly durable, have no associated capital outflow and are channeled to households that need the most help, all of which provide insulation from shocks
- **Higher tax base:** Even if they are not taxed directly, remittance flows indirectly increase the revenue that the government receives from consumption- and trade-based taxation since they contribute to higher consumption of domestic and imported goods
- **Debt Sustainability:** In a key new paper, the IMF recommends that the traditional Debt/GDP ratio should be modified to create a more accurate representation of debt sustainability. Remittance-dependent countries may need to view stability through using both debt-to-GDP and debt-to-GDP plus remittances when evaluating the appropriate stance of fiscal policy

Remittance inflows have tripled in the last decade...



... And contribute to an improved debt-sustainability metric



Source: IMF/Bank of Ghana

Ghana is an Emerging Commodities Powerhouse



Ghana's commodity endowment forms a powerful foundation for growth

- Ghana is well positioned to become one of Africa's leading commodity producers
- The mixture of gold, cocoa and oil provides a diversified commodity backbone which underpins broader economic growth in Ghana
- Demand for gold and cocoa, Ghana's two primary exports, have proven highly resilient even during the global economic downturn
 - In particular, gold's safe-haven status has provided Ghana with a countercyclical buffer
- Ghana will become an oil-producing country in the last quarter of 2010, providing a further significant boost to the long-run growth trajectory of the country
- Ghana has formulated an Oil Revenue Management Bill, providing a clear system of controls for the oil revenue and ensuring oil revenues are managed transparently and fairly
- Critically, the government is committed to ensuring the responsible management of resource windfalls
 - This is reflected in the stability of Ghana's economic growth over the last decade

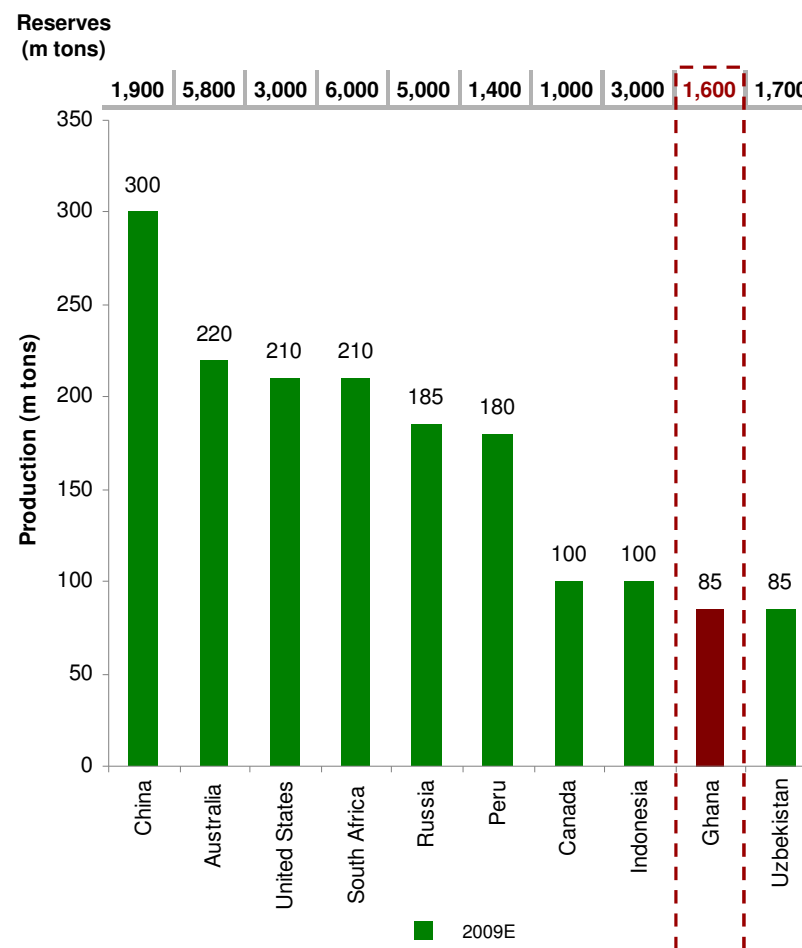


Global Leader in Gold Production

Ghana's gold production supports the country's resilience in times of economic distress

- Ghana consistently ranks amongst the top ten gold producers in the world, ranking number nine in 2009 with 85 metric tons
 - Gold is the predominant mineral produced in the country; second only to South Africa in gold production in Africa
- Ghana opened the gold mining sector up to foreign private interests in mid-1980's
 - Proceeds from mining activities provide the largest foreign exchange earnings for the nation
 - Agreements with private interests usually stipulate a sizable windfall of revenues through taxes and royalties to the government
 - Major source of FDI and employment
- Gold is often seen as a countercyclical commodity and offers countries with large reserves a hedge against economic downturns
 - Gold's recent performance during the financial crisis period has held up well while other commodity prices have sharply declined
 - Many financial experts identify gold as a safe haven investment and as a way to escape inflation

Ghana is one of the largest producers of gold in the world with sizable reserves



Source: U.S. Geological Survey

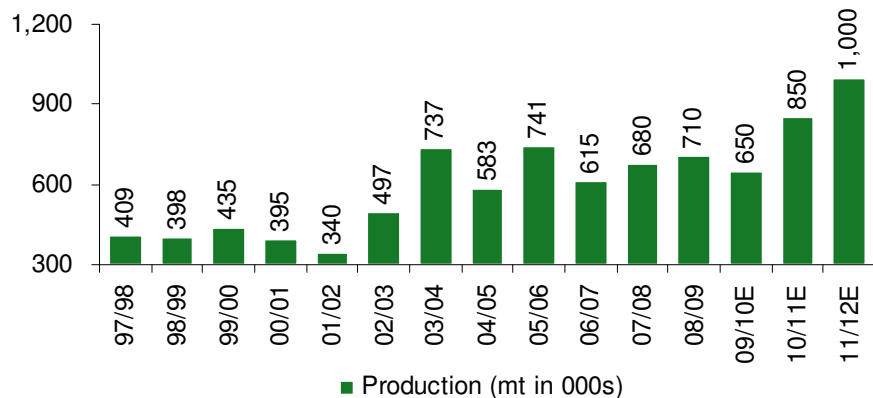


Ghana's World-Class Cocoa Industry

Solid performance from Ghana's cocoa market

- Ghana is the second largest cocoa producer globally, accounting for more than a fifth of global demand
- The Ghanaian cocoa crop is known for its high and consistent quality
 - As a result, Ghanaian cocoa commands a premium on the international market
- Cocoa prices have remained buoyant throughout the financial crisis, supporting Ghana's balance of payments. Cocoa market forecasts remain robust (see figures at right)
- Ghana will increase production to around 1 million tons over the next two seasons, from 700,000 tons currently, via farmer incentives, increased use of advanced fertilizers, and other more efficient production methods

Strong historical and projected production growth



Source: Ghana Cocoa Board, AfDB, Standard Chartered Research, news/public sources

Upward trending ICE cocoa prices



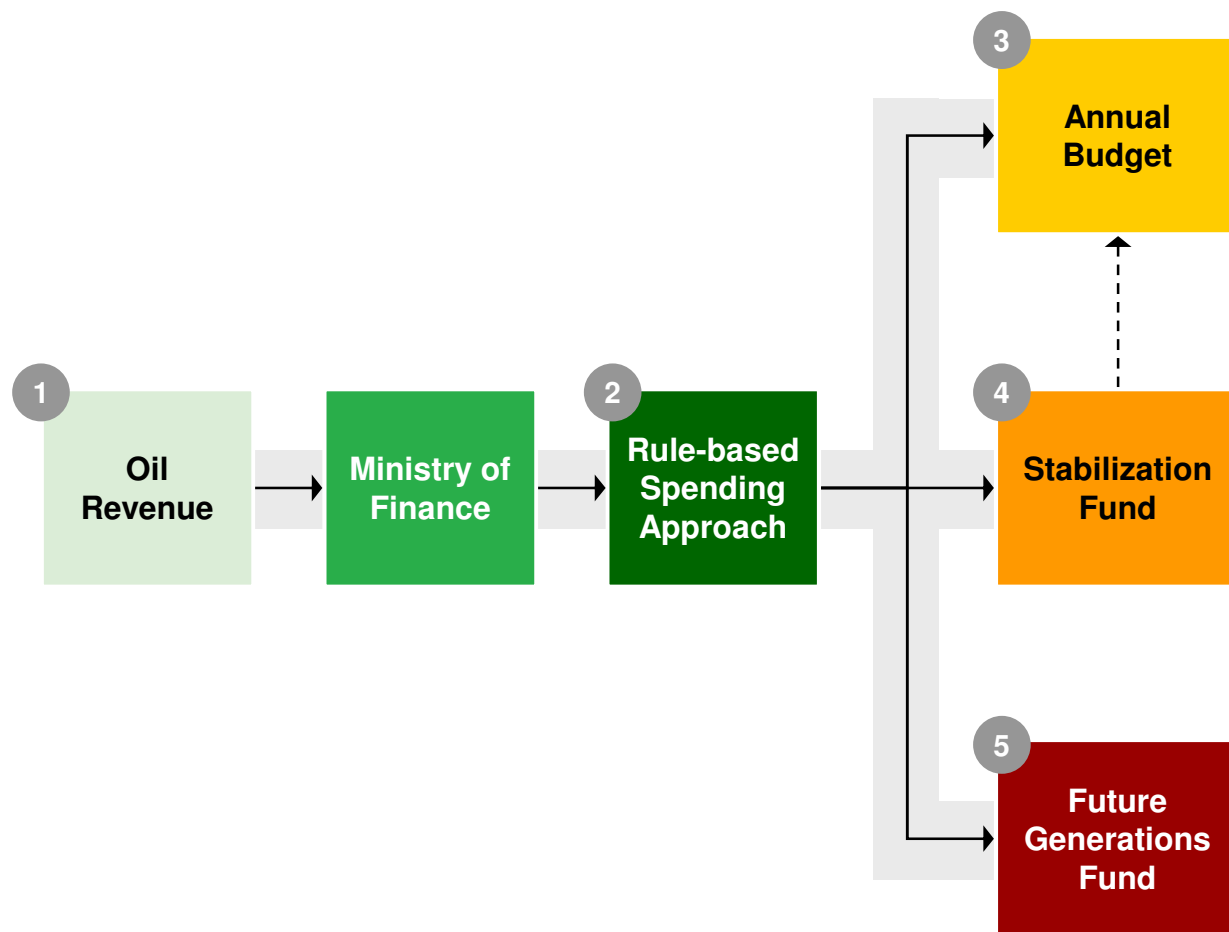
Cocoa market forecasts remain robust

In USD/t	Q2 10	Q3 10	Q4 10	Q1 11	Q2 11
Standard Chartered Bank	3,075	3,000	2,950	3,000	3,050
Forward Curve	2,973	2,938	2,968	2,991	3,004
Economist Intelligence	2,866	2,866	2,645	2,645	2,601
Commerzbank AG	3,300	3,200	3,000	3,000	2,900
Barclays PLC	3,350	3,400	3,450		

Source: Standard Chartered & Bloomberg (Jun 2010)



Responsible Framework to Manage Oil Wealth



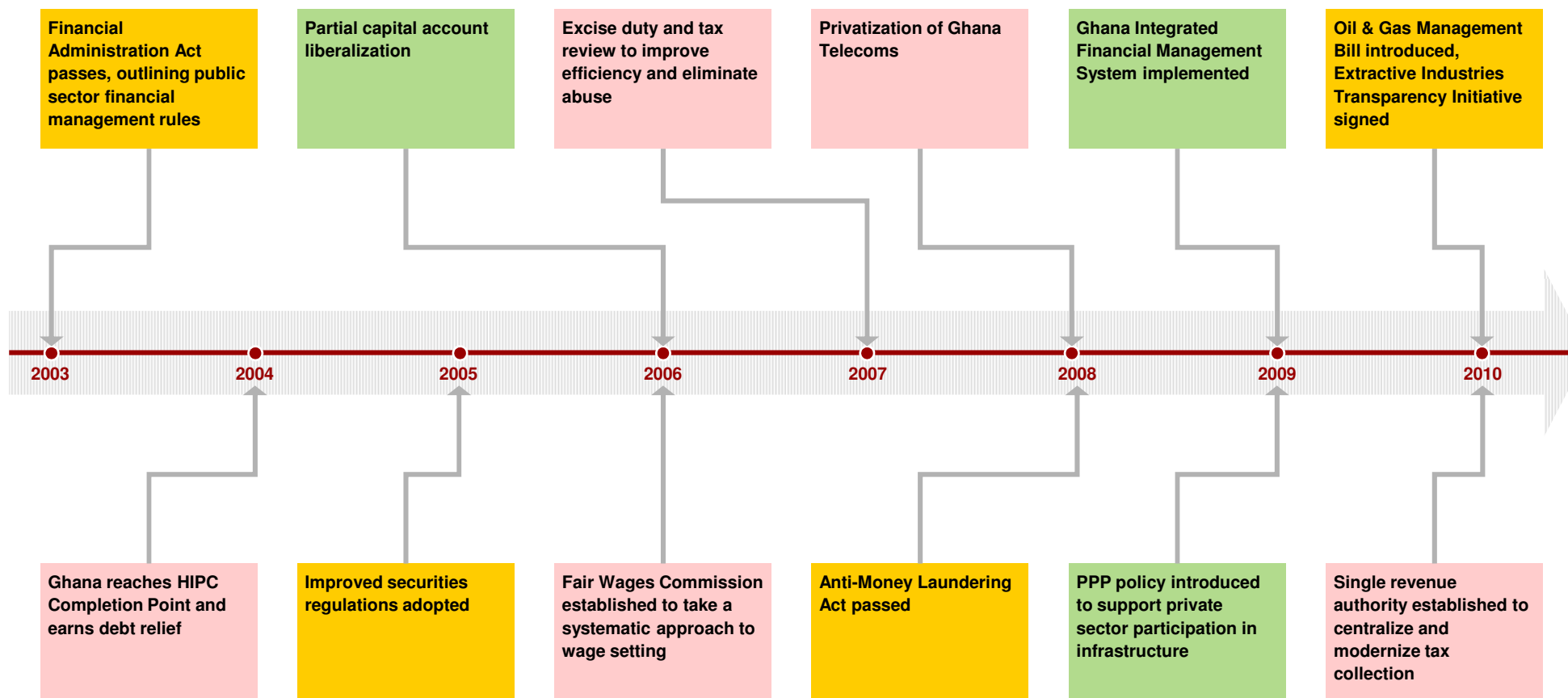
- 1 Ghana will generate significant oil revenue in 2011 and beyond, and is determined to manage it responsibly and reduce associated volatility
- 2 Spending of oil revenues will follow a rule based approach, with the spendable revenue calculation based upon a 5-year moving average of oil prices and production
- 3 The first portion of revenues will be appropriated as normal government revenue through the budget
- 4 Another portion will finance a stabilization fund, acting as a strategic buffer. In years with price or production shocks, the stabilization fund will make up any shortfall in budget allocation
- 5 The final portion of revenue will flow into a “future generations fund”, funding future educational and social needs of the Ghanaian population

Ghana is ensuring oil revenues are sustainably managed for the benefit of the country



Successive Reform Ensures Foundation for Future Growth

Ghana has undertaken key reforms to lay the foundation for future growth



■ Financial reform ■ Legal reform ■ Macro-fiscal reform



Ghana's High Quality Governance

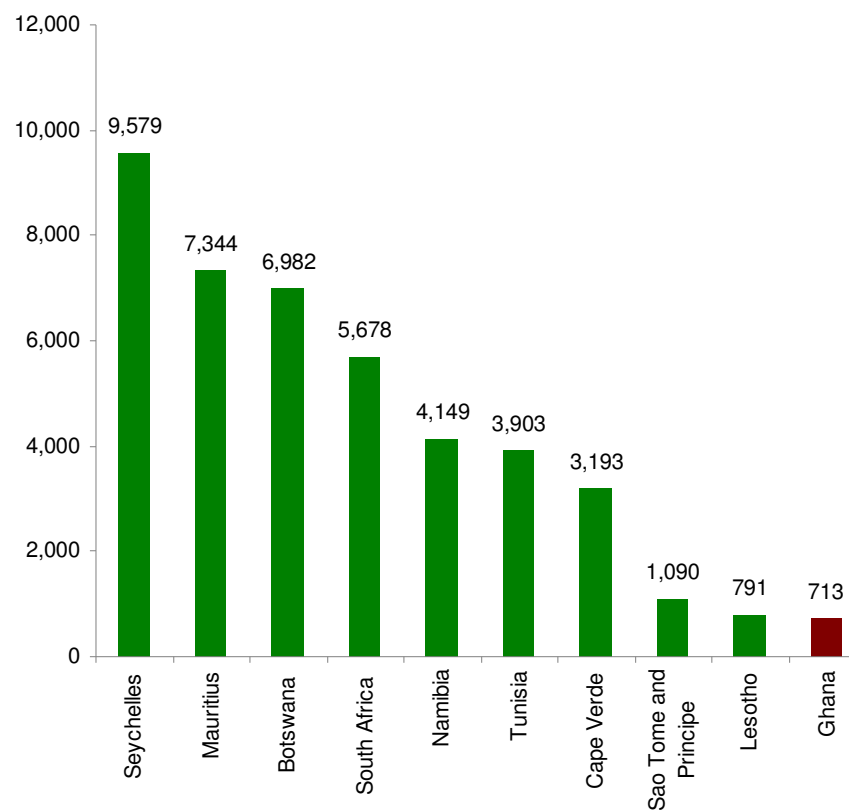
Ghana's institutional strength is comparable to that of Africa's middle income countries

Ghana consistently ranks amongst the top ten in good governance in Africa...

2008 Rank	Country	Overall Score	2007 Rank	2006 Rank
1	Mauritius	82.8	1	1
2	Cape Verde	78.0	2	3
3	Seychelles	77.1	3	2
4	Botswana	73.6	4	4
5	South Africa	69.4	5	5
6	Namibia	68.8	6	6
7	Ghana	66.0	7	8
8	Tunisia	65.8	8	7
9	Lesotho	61.2	9	9
10	Sao Tome and Principe	60.2	10	10

- Ghana is ranked number seven overall in the Ibrahim Index of African Governance and has been in the top 10 since 2000
 - Recently improved by one notch in 2007
- Ghana exhibits the institutional maturity of much wealthier countries
 - This lays the foundation for continued rapid growth over the next decade

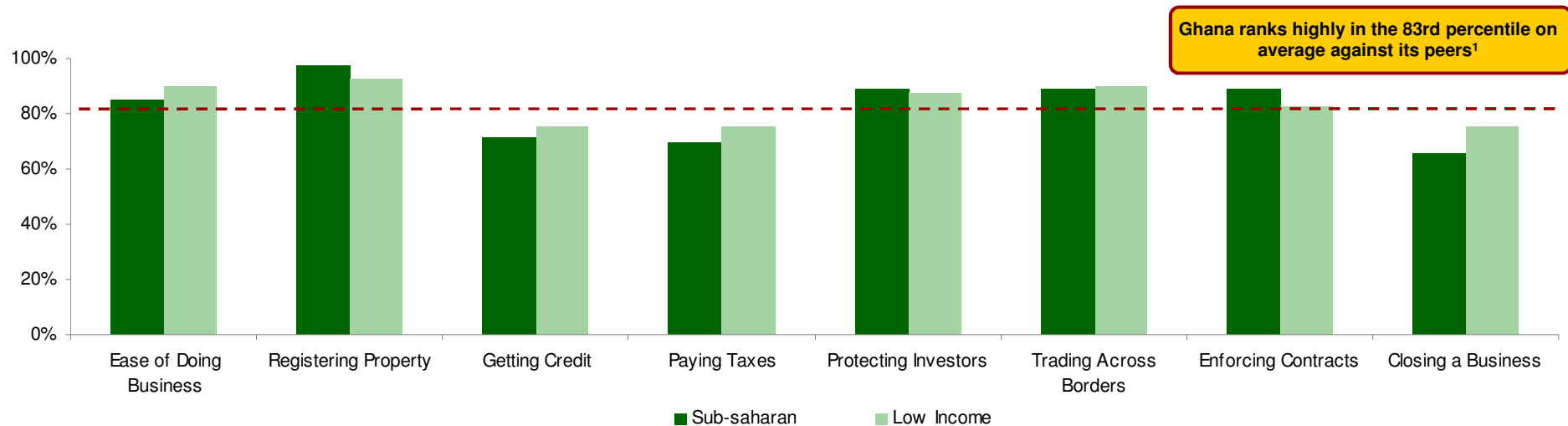
...Yet has the lowest GDP per capita, demonstrating an institutional framework for future growth



Ghana's Ease of Doing Business Ranking



Ghana outperforms its Sub-Saharan and low-income peers in the World Bank's 2010 Ease of Doing Business Survey



Ghana ranks highly in the 83rd percentile on average against its peers¹

- Ghana is an excellent place to do business when compared with its Sub-Saharan and low-income peers
- This peer group includes highly visible investor locations like South Africa and Vietnam
- Importantly, Ghana is in the 88th percentile for Protecting Investors
- Ghana also performs particularly well in registering property and trading across borders, ranking highly in the top 90th percentile

¹ Average percentile ranking taken on selected indicators
Source: World Bank