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23<sup>rd</sup> March, 1992.

STRATEGIC INDUSTRIAL PROMOTION PROGRAMME  
FOR NORTHERN, UPPER EAST AND UPPER WEST  
REGIONS OF GHANA

The PNDC Member and Chairman of Committee of Secretaries has asked me to acknowledge, with thanks, the receipt of the two copies of the document you forwarded to him under cover of your letter NO. MI/GV.136/Vol.2 dated 16th March, 1992, and to inform you that he has taken due note of the contents. He suggests, however, that the Ministry of Industries, Science & Technology, the Ghana Investments Centre and the National Board for Small-Scale Industries should constitute a Promotional Committee to see to the implementation of the programme. He further suggests that the Regional Secretaries of the three regions should be involved in the programme.

for: PNDC MEMBER AND CHAIRMAN OF  
COMMITTEE OF SECRETARIES  
(J.K. YANKSON)  
DIRECTOR OF SECRETARIAT

THE AG. CHIEF DIRECTOR,  
MIN. OF INDUSTRIES, SCIENCE  
& TECHNOLOGY,  
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(ATTN: DR. J.K.B.A. ATA)

h246

cc: PNDC Regional Sec., Northern Region  
PNDC Regional Sec., Upper-East Region  
PNDC Regional Sec., Upper-West Region

The Chief Executive,  
Ghana Investments Centre.



**STRATEGIC INDUSTRIAL PROMOTION PROGRAMME  
FOR NORTHERN, UPPER EAST AND  
UPPER WEST REGIONS OF GHANA**

**POLICY RESEARCH AND STRATEGIC PLANNING INSTITUTE  
ACCRA, MARCH 1992.**



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STRATEGIC INDUSTRIAL PROMOTION PROGRAMME  
FOR THE NORTHERN, UPPER EAST AND UPPER WEST  
REGIONS OF GHANA

INTRODUCTION

In line with the P.N.D.C. Government's programme of national development aimed at promoting a balanced and equitable and overall development of the country and more particularly with a view to improving the living standards of the people, it has become imperative to draw up a Strategic Industrial Promotion Programme for the Northern, Upper East and Upper West Regions of Ghana. The rationale behind this strategy is to narrow the existing development gap between the Southern and the Northern portion of the country.

1. OBJECTIVES

The specific objectives of the Strategic Industrial Promotion Programme are as follows:-

- a. To identify the development potential of the three named regions and more particularly, the utilization of available local human, physical and natural resources for industrialization;
- b. To prioritise the utilization of the resources identified;
- c. To draw up a short-term, medium-term and long-term industrialization plan for the three regions;
- d. To propose strategies for the implementation of the plan;
- e. To coordinate and harmonise the activities of all ministries, institutions/agencies whose functions impinge on the promotion and development of the industrial sector, particularly in the three Northern Regions.

2. BACKGROUND AND JUSTIFICATION

2.1 The Import Substitution Policy of the 1960s

Before Ghana's independence in March 1957, the colonial administration did not find it expedient to elaborate let alone implement any industrialisation policy either for the country as a whole or for any part of it. The government after independence in an attempt to redress this anomaly embarked on an industrialization plan based on import substitution.

This first industrialization strategy had largely influenced the direction of the development of industries even to the present day. Thus industries had been set up either in the public sector or in the private sector with the primary aim of substituting for imported commodities - the means of production of which had been imported with the acquisition of the respective technologies.



In line with this strategy and in line with its own socialist inclinations, the government of the first republic in the sixties, established industries in the public sector for the production of varied goods ranging from toilet soaps to household furniture. The establishment of these state-owned enterprises (SOEs) were not only meant to substitute for imported goods and thereby save the country of hard-earned foreign exchange, but then it was also meant to provide a launching pad for the take-off of Ghana's industrialisation.

## 2.2 Negative Effect of the Programme

Nevertheless, industrialisation if it should be of benefit to the whole country, should be evenly spread as far as possible and as far as simple economic principles permit, industries should be established in as many regions of the country as would ensure the equal distribution of the wealth generated through the process of industrialization and also reduce migration to urban center mainly in the South.

The trend of industrialisation in this country has not shown the evenly establishment of industries and in particular, the three Northern regions (namely Northern, Upper East and Upper West regions), have not benefitted much from the industrialisation policy even though they have a significant diversity of usable raw materials. The industries which were established in the North in the early years of industrialization such as the Pwalugu Tomato Cannery and the Zaurungu Meat Factory were more for the purposes of political expediency than for any strategic attempts to industrialize the North.

Industrialization is a costly exercise in terms of capital and human resources. Indeed in the Ghana of the 60s, industrialization implies importation of plant, machinery and even expertise (in short, technology) with hard-earned currencies. Many of the industries established could not even be supported with local raw materials. The operation of the industries therefore brought in its wake a dependence on imported inputs which led to the dissipation of the country's foreign resources and further, it exacerbated technological dependency.

The other problem associated with the industrialisation programme of import substitution was that medium and large scale capital intensive industries were encouraged and promoted at the expense of the traditional small scale industries - the backbone of any economy. The capital needed to set up large scale production centers employing hundreds of people involved several multiples of the capital needed to promote or create small scale industries. It can be argued that the enormous resources allocated for the establishment and operation of the SOEs, mainly in the Southern sector of Ghana, was at the expense of the promotion of at least small scale enterprise such as rice milling and textiles in the North. The effect is particularly highlighted against the background of the undeveloped state of the regions' infrastructure until recent times.

## 2.3 Lack of Infrastructure

Perhaps the inability of the first republican government and other subsequent governments to strategically industrialize the Northern sector of Ghana could be due to the poor state of infrastructure existing there.



The road network linking the North to the South was in such deplorable state that vehicles take days to commute between the two parts of the country.

It was not only the undeveloped state of the road network but also critical utilities such as dependable water supply, electricity and telecommunication facilities were only accessible to inhabitants of one or two cities in the Northern sector such as Tamale and Bolgatanga. In the light of these factors it became quite difficult to embark on and implement any meaningful industrialization plan in that part of the country.

The point must also be made that in any industrialization plan, a critical factor is the availability of human resources. This cannot occur without the necessary activity of technical education. In the North, technical education institutions were lacking and consequently, one could not depend on any qualified human resources to propel an industrialisation programme. It is a conspiracy of cultural and economic realities in the North that has brought about this situation; most parents could not afford to keep their children in school even if it is fee-free in so far as the child would not be providing the much-needed labour on the farm or even worse become unemployed after training.

Quite clearly, any industrialisation programme for the North should be mapped out vis-a-vis the past experience of the region and also in the light of present realities.

#### 2.4 Present State of Infrastructure

Today, the state of the North's infrastructure is very different from the state it was in the 60s. The change is due to the government's economic policies which have seen the development of infrastructural components nation-wide with the support of mainly foreign loans.

The road network has improved dramatically and there is in the Northern region a total of 2,790 kilometers of highway representing 19.2 percent of the national network. (See Appendix 1.) The Upper East region for example had a total of 521 kilometers of highway whilst the Upper West has a total highway of 1,095 kilometers.

In the energy sector, the situation has improved considerably with the electrification of the North and the subsequent connection of important towns in that part of the country to the national grid. The three regional capitals of Tamale, Bolgatanga and Wa have been linked to the national grid. Altogether, a total of 39.096 million MWH of electric power is being supplied to the three regions.

With regard to water supply, a total of 4,245 million litres of treated water is being supplied to the three regions. The Northern region being the largest (also the largest in the country), receives a total of 2,024 million litres, while Upper East and Upper West receive 924 and 1,297 litres of treated water respectively. Quite clearly, water supply had improved in recent years with the assistance of NGOs and multilaterals to supplement the efforts of the Ghana Water and Sewerage Corporation. All the district capitals have mechanised bore holes supplying potable water.



The lack of technical manpower is being addressed in various ways. The development of such manpower is being formally done at the tertiary level with the Polytechnic at Tamale. More importantly, plans are far advanced for the establishment of a University of the North intended to produce technical manpower mainly for agriculture. Informal manpower development is also being pursued in the ITTUs with emphasis on small-scale industrial skills like forging, machining and textile making. In addition entrepreneurship training is also being carried out in the regions by the Entrepreneurial Development Project (EMPRETEC).

Tab. 1

GENERAL CHARACTERISTICS OF NORTHERN, UPPER EAST AND UPPER WEST

S/N	REGIONAL CHARACTERISTICS	NORTHERN REGION	% OF NATIONAL	UPPER EAST REGION	% OF NATIONAL	UPPER WEST REGION	% OF NATIONAL
1.	AREA (SQ KM)	70,834	30	8,842	3.7	18,376	7.7
	% ARABLE LAND	50		75		33	
	% ARABLE CULTIVATED	40		70		70	
2.	NO OF DISTRICTS	13		6		5	
3.	POP.(1984)	1,165,000	9.5	772,744	6.3	438000	3.6
	(1990 PROJECTION)	1,428,800		1,147,143		502,00	
	POP. DENSITY PER/KMS	17		87		24	
	% POP.IN RURAL AREA	75		87		89	
4.	HYDRO-ELECTRIC POWER SUPPLY (X1000KWH)	25,736	1.6	8,172	0.5	5,188	0.3
5.	TREATED WATER SUPPLY (M. LITRES)	2,024	2.4	924	1.1	1,297	1.5
6.	ROADS						
	HIGHWAYS(KM)	2,790	19.2	521	3.6	1,095	7.5
	FEEDER (KM)	2,380	10.9	951	4.3	1,404	6.4

SOURCE: 1984 Population Census of Ghana by Statistical Service



Whilst these developments evince the far-reaching measures which have been taken to improve the infrastructure existing in the North, it must be emphasized that these are barely sufficient to justify the formulation and launching of an industrialisation, there is need to further improve on the infrastructure.

### 3. EXISTING NATIONAL POLICY ON INDUSTRIALISATION

#### 3.1 Recent changes in Industrial Policy

3.1.1. The Government has since 1983 evolved an industrial strategy within the context of the first phase of ERP (1983-88) policy framework. This strategy takes the form of a medium-term programme which attempts

- a. to revitalize industrial production by increasing the rate of capacity utilization and
- b. to develop a policy framework which can increase the efficient use of resources within the industrial sector.

3.1.2. In 1985 the Government issued a public statement on industrial policy outlining the objectives of industrial policy and an action programme. The main objectives of the industrial policy during the second phase of the ERP (1988-90) were to:

- a. increase industrial output through greater use of existing installed capacity;
- b. improve supplies of essential goods (eg food, textiles, matches, cutlasses, etc.) to meet the integration demands of economic activities in the priority sectors of the economy;
- c. remove production bottle necks in the most efficient industries and achieve cost reductions in others that are potentially viable through selective rehabilitation;
- d. develop economically viable linkages among local industries and between key economic sectors (eg. agriculture, construction, transport, health, education);
- e. raise export earnings of non-traditions manufactured goods.

#### 3.2. Strategies for Implementation

The industrial objectives and strategy described above were pursued through the following major policy measures:

- a. phased reform of production incentives to promote more efficient use of competitive, resource-based, labour intensive and export oriented industrial production, while giving firms an opportunity to adjust;
- b. greater access by efficient producers to imported industrial inputs and spare parts while progressively reducing administrative



decisions and allocations;

- c. export incentive and promotion efforts to provide a return to exports that is equivalent to that on domestic sales and to compensate for disadvantages and costs that reduce export competitiveness;
- d. a positive climate for industrial operation and investment, including reasonable protection and investment incentives that are relatively, uniformly and automatically available across broad classes of priority activities and that provides adequately for small-scale and employment-oriented activities;
- e. financial reforms to increase the ability of the financial sector to make credit available for industrial adjustment and rehabilitation and to provide incentives for more labour-intensive techniques;
- f. more limited direct public sector participation aimed at making the most effective use of scarce public financial and managerial resources.

### 3.3 Priority Areas for Further Investment

Some of the areas identified for further investment are the following:

- a. Root crops and cereal processing
- b. Fruit and vegetable processing
- c. Meat and Fish Processing
- d. Oil palm and allied products
- e. Aluminium-based industries, eg. production of cans, industrial containers, like fish crates, silos.
- f. Local building materials
- g. Cold storage facilities
- h. Packaging materials
- i. Caustic soda/fertilizer
- j. Wood working and furniture
- k. Manufacture of machinery for agro-based industries

3.4 In phase three of the Government's Structural Adjustment Programme (SAP III) referred to as Enhanced Structural Adjustment Facility (ESAF) which is to be implemented over a two-year period 1991-1992, further changes have been made in industrial policy. The main thrust of the policy involves Private Sector development, State Enterprise Reform, Tax Policy Changes and Cocoa Sector Policy Reform.

In line with the above objective, additional priority areas for investment which attract tax rebates and incentives have been provided. These include the following:

- a. Manufacturing
  - i. Production of devices which use renewable energy resources such as



solar energy devices, gas cylinders, biogas, windmills and photovoltaic systems and accessories;

- ii. Products relating pharmaceutical, biotechnology, medical and chemicals for use in agriculture;
- iii. Manufacture of electrical and electronic devices, appliances, goods, parts, insulators, motor vehicles, and rural transportation equipment and accessories;

b. Tourism

- i. Construction of star-rated hotels, tourist villages and recreational resorts, and development of tourist attraction sites such as water falls, beaches, forts and castles;
- ii. Operation of casinos, specialized restaurants, fast food chains, and running of tourist coaches and buses;

c. General Services

- i. Provision of essential and engineering services including maintenance of plant and machinery for the declared priority areas, viz agriculture, manufacturing, building and construction;
- ii. Other services include operation of inter-state bulk haulage transport by air, seas and inland waters and land inter-states coaches services, air cargo freighting of agricultural perishable goods;
- iii. Production of packaging materials, recycling of used materials, provision of water such as drilling of bore holes and production of approved water purification devices, appliances and accessories;
- iv. Provision of primary and specialist health care, specialist training or education, book publishing, provision of financial and banking services, warehousing facilities and joint venture operations in mass transportation of people and goods.

5. INDUSTRIAL POLICY GUIDELINES

As a guide to prospective investors, both local and foreign, the Government has issued the following policy guidelines with the view to directing investment in certain priority areas:

- a. The production and development of local raw material resources for industry;
- b. the promotion of agro-based industries and other industries which use local raw materials;



- c. the establishment of small scale industries particularly in food, metal and handicrafts;
- d. the spread of industries to the rural areas of the country;
- e. the up-grading of traditional technologies;
- f. the manufacture of simple processing machines for the small scale industries;
- g. making extensive use of the national Research and Development Institutions to improve upon the productivity of local industries through upgrading of productive facilities.

### 3.6. Existing Regulatory Framework

In furtherance of its main objective of promoting industrialisation of the country the Government of the P.N.D.C. has in recent years promulgated a number of laws and regulations with the sole aim of attracting both local and foreign investors to establish industries in Ghana.

The law of general application in so far as investment in the Ghanaian economy is concerned is the Investment Code, 1985 (P.N.D.C.L. 116). The Code which has been expanded to take care of areas which have not previously been provided for under it, provides generous incentives and benefits for both existing and new businesses in the form of tax rebates, exemption from payment of customs import duties on plant and machinery, capital gains and depreciation allowances.

The provision in the Code which is of great significance to the Northern, Upper East and Upper West Regions, relates to the exemption granted to new investment projects in the three regions from the payment of corporate income tax for a period of ten years, whereas for the other regions, it is five years.

In addition to the Code, there are specific laws which regulate investments in the mining and minerals industry, energy, petroleum exploration and production. All these provide generous incentives and benefits for investors.

It is pertinent to point out that the Government has provided the necessary enabling environment for both local and foreign, and particularly private sector, investment in the Ghanaian economy. The conducive regulatory environment prevailing in the country, therefore, offer good prospects for the three regions in the Northern sector of the country.

## 4. ASSESSMENT OF EXISTING INDUSTRIES

### 4.1 Nature of Industries

The economy of the three Northern regions is principally agricultural and lacks modern industries. Presently industrial activities of the three regions are dominated by small-scale and cottage industry operators in the informal



sector. These activities cover grain milling, vegetable oil extraction, cotton ginning and brewing of alcoholic beverages sourcing their raw materials locally.

In the mid-1970s the Government embarked mostly upon Agro-based industrialization of the Northern sector by siting medium-scale (mills) factories at strategic locations to process agricultural raw materials for local communities. Below is the breakdown of Industries in the 3 regions of the North:

EXISTING MEDIUM SCALE INDUSTRIES IN NORTHERN, UPPER EAST AND UPPER WEST REGIONS

<u>Name &amp; Address of Co</u>	<u>Location</u>	<u>Ownership</u>	<u>Products</u>	<u>Remarks</u>
<u>Sector: Food Processing</u>				
Nasia Rice Co.	Tamale(NR)	Private	Rice	In Operation
Govt. Rice Mill	"	State	"	" "
Govt. Rice Mill	Wa (UER)	"	"	Not In Operation
<u>Sector: Food Processing</u>				
Govt. Rice Mill	Bolga (UER)	"	"	In Operation
GIHOC Oil Mill	Tamale (NR)	"	Veg. Oil	In Operation
GIHOC Oil Mill	Bawku(UER)	"	Veg. Oil	"
GIHOC Tomato Cannery	Pwalugu(UER)	"	Canned Tomato	10% Capacity
GIHOC Meat Cannery	Zuarungu(UER)	"	Canned Beef	10% Capacity
<u>Sector: Textile</u>				
Gh. Cotton Co. Ginnery	Tamale(UR)	"	Cotton	In Operation
" " " "	Wa (UWR)	"	"	"
" " " "	Tumu(UER)	"	"	"
<u>Sector: Vehicle Assembly</u>				
I.Y. Engineering	Tamale (NR)	Private	Bicycles	"
Fatawu Bicycle Workshop	"	"	"	"
<u>Sector : Quarry</u>				
Upper Quarry Ltd	Pwalugu/ Tongo (UER)	Private	Chippings	"

4.2 Problems

Laudable as the programme seemed, most of the industries are closed down, broken down or operating far below their installed capacity due to mis-location, poor management, poor technical know-how towards effective maintenance of machinery and equipment as well as poor funding. For example, after commissioning of the Wa Rice Mill, it was realised that the locality could not produce enough paddy rice even towards 10% capacity operation of the Mill, hence the Mill was left-idle for these years.



#### 4.3 Corrective Measures

Currently the Government is re-appraising the medium scale industries through feasibility studies in order to privatise or liquidate the non-viable industries. The Government is also embarking on the improvement of small scale enterprises as the root of industrialization for the nation. At present a number of Government, Non-Governmental and Multilateral organisations have embarked on various development projects in the three regions. Of particular importance is the establishment of ITTUs by GRATIS which apart from providing engineering craft skills also promote rural and women's industries by providing training and supplying machines and equipment. The justification for the establishment of ITTUs becomes obvious if one takes a look at the financial operations of three centres in 1989 as shown below:-

<u>CENTRE</u>	<u>GOVT SUBVENTION</u> <u>CEDIS</u>	<u>EARNED INCOME</u> <u>CEDIS</u>	<u>TOTAL</u> <u>CEDIS</u>
Tema	4,697,666 (34%)	9,125,241 (66%)	13,822,967
Tamale	5,166,896 (54%)	4,357,180 (46%)	9,524,076
Cape Coast	2,817,155 (58%)	2,001,649 (42%)	4,818,804
	<u>12,681,667 (45%)</u>	<u>15,484,170 (55%)</u>	<u>28,165,837</u>

Source: GRATIS

The appendix shows the most important institutions which in one way or other provide services to small and medium scale enterprises in the country. With improved infrastructural services in the three Northern regions, most of the institutions have intensified their Industrial Promotion activities to help these Regions catch up with the South, but lack of co-ordination of the activities of all these numerous organisations is hindering their effectiveness. There are duplications in some localities while others lack encouragement, hence the need for proper co-ordination within the framework of the Industrial Promotion Strategy.

#### 5. IDENTIFICATION OF RAW MATERIAL POTENTIAL OF THE REGIONS

The three regions are endowed with rich arable land suitable for the cultivation of certain industrial and food crops i.e Cotton, groundnuts, shea nuts, sorghum, rice, millet and yams. The three regions together in 1989 accounted for over 70% of Cattle population of Ghana, 32% of sheep and 42% Goats.

The three regions are poor in mineral resources but limestone suitable for Quicklime and Cement production is found in commercial quantities in the Northern region while clay suitable for Brick and Tile production is found in both Northern and Upper East Regions. There is a large reserve of low grade iron ore (42% Fe and 30% Silica) at Shieni in the Northern region. The iron ore can however be upgraded by wet gravity separation technology to make it commercially viable.



Tables 2, 3 & 4 show the Raw Material potentials of the three regions i.e. Crops, Livestock and Non Agro-based respectively.

Tab. 2

CROPS PRODUCTION BY REGION (METRIC TONNES)

REGIONAL RAW MATERIAL	NORTHERN	% NATIONAL	UPPER EAST	% NATIONAL	UPPER WEST	% NATIONAL
INDUSTRIAL CROP						
- LINT COTTON	1,600	27.6	1,600	27.6	1,900	32.8
- GROUNDNUT	91,000	45.5	57,000	28.5	31,000	15.5
- SHEA-NUT	4,000	50	2,000	25	2,000	25
FOOD CROP						
- RICE	19,300	24.1	21,600	26.9	8,000	10.7
- MAIZE	87,000	12.2	2,700	0.4	31,500	4.4
- SORGHUM	121,000	56.3	45,000	20.9	49,000	22.2
- MILLET	112,000	54.7	65,700	32.1	27,000	13.2
- BEANS	5,000	26.6	10,000	53.2	3,000	16
- YAM	477,000	37.3	-	-	75,000	5.9
- TOMATOES	-	-	11,200	9.2	-	-
- OKRO	55,000	37.5	-	-	-	-

Source: MINISTRY OF AGRICULTURE, FEBRUARY 1990



TAB. 3

LIVESTOCK PRODUCTION BY REGIONS

LIVESTOCK	NORTHERN		UPPER EAST		UPPER WEST	
	QUANTITY	% NATIONAL	QUANTITY	% NATIONAL	QUANTITY	% NATIONAL
CATTLE	444,892	39.1	197,193	17.4	240,813	21.2
SHEEP	381,157	17.2	159,307	7.2	172,535	7.8
GOATS	599,836	25.4	168,215	7.1	216,705	9.2
PIGS	95,657	17.1	30,966	5.5	107,053	19.2
POULTRY	1,136,423	12.9	835,402	9.5	658,226	7.5

SOURCE: G.O. KESSE, MINERAL & ROCK RESOURCES



TAB. 4

MINERAL DEPOSITS BY REGIONS

REGIONAL	NORTHERN		UPPER EAST		UPPER WEST	
MINERAL	LOCATION	ESTIMATED RESERVE	LOCATION	EST. RESERVE	LOC.	EST. RESERVE
LIMESTONE WITH DOLOMITE	(a) BUIPE	44M. METRIC TONNES		NIL		NIL
	(b) BONGO-DA	35M. METRIC TONNES				
	(c) DABOYA	162,000 METRIC TONNES				
GRANITE	NIL		BONGO BOLGATANGA TONGO SEKONTI	NOT KNOWN NOT KNOWN NOT KNOWN NOT KNOWN	NIL	
CLAY	KOBLIMAHAGO	9.5M. METRIC TONNES	BOLGATANGA	12M. METRIC TONNES	NIL	
	KPALIGA	259,000 METRIC TONNES	TONO	9M. METRIC TONNES		
	KUNKUO	234,500 METRIC TONNES				
IRON ORE	SHIENI	1,270M. METRIC TONNES		NIL	NIL	
	KUBALEM	400M. METRIC TONNES				

SOURCE: G.O. KESSE, MINERAL &amp; ROCK RESOURCES OF GHANA, 1985



6. INDUSTRIALIZATION PLAN AND STRATEGIES FOR THE DEVELOPMENT OF THE NORTHERN, UPPER EAST AND UPPER WEST REGIONS OF GHANA

6.1 The Industrialisation Plan

The PNDC decentralization and rural development programmes can only succeed if they are coupled with a sound rural industrialization programme. With this background therefore, the call for a strategic Industrial Promotion Programme for the three regions, over 80% of whose inhabitants live in the rural areas, is a step in the right direction.

A three-phase Industrialisation Plan is being proposed as follows:

Phase I	1992 - 1994
Phase II	1995 - 1997
Phase III	1998 and above

6.1.1 Phase I 1992 -1994

This period should be used to improve and consolidate the existing industrial activities of small and medium enterprises, intensify the provision of social and physical infrastructures, while creating the awareness of the enormous industrial potentialities of the Northern Sector in both local and foreign entrepreneurs through organised seminars. The phase I plan can be listed as follows:

- a. **Infrastructural Development**  
Provision of physical infrastructures through the establishment of Industrial Estates in all the regional Capitals and Buiepe an important inland port of the Volta Lake.
- b. **Technical Manpower Training**  
Establishment of ITTUs in the remaining regional capitals of Wa and Bolgatanga.
- c. **Strengthening of R & D Activities**  
Agro-based R & D activities should be encouraged through funding and proper co-ordination in order to:
  - improve industrial crop cultivation commercially
  - improve food crop cultivation commercially
  - improve food processing technologies
  - research into appropriate technology and use of agro-based by-products (Cotton seeds, Rice husk and shea nuts.)
  - improve industrial crop processing/utilisation
  - improve external and internal marketing (this is considered essential to any successful production drive)
  - direct R & D activities to solving industry specific problems
  - prepare project profiles as promotional materials
  - facilitate the graduation of informal sector project to the formal
  - develop linkages between R & D institutions and entrepreneurs



- d. Seminar: October 1992  
Organize a Seminar on the Industrial Potentials of the Northern Sector of Ghana for local and foreign entrepreneurs

#### 6.1.2. Phase II 1995 - 1997

At the expiry of phase I, manpower, social and physical infrastructures should have improved very much while R & D activities might have improved the raw material base in quantity and quality as well as processing technologies to justify the establishment of few industries in the three regions. During the period, more Industrial Estates could be established in few strategic towns to help consolidate phase I programmes.

- a. Establishment of an additional Industrial Estate in each of the three regions.
- b. Promote the establishment of Small Scale Beer Brewery using local sorghum malt at Tamale (NR).
- c. Promote the establishment of a mill for the extraction of oil from cotton seed at Wa (UWR).
- d. Reassessment and completion of Buipe Limestone projects for the production of quicklime on commercial basis.
- e. Seminar: Organise a Seminar to appraise the strategy for the Industrial promotion programme.

#### 6.1.3. Phase III For the long term industrialisation plan the following should be possible after 1997:

- a. Promote the establishment of Solar energy plants at strategic points where the National Grid cannot reach easily in the 3 regions to promote more rural industrialisation.
- b. Promote the establishment of Textile factory at Wa (UWR) using local cotton yarn.
- c. Promote the establishment of a Cement factory at Bongo-Da (NR) using local limestone deposit.
- d. Promote the establishment of Iron ore Mining and Beneficiation plant at Shieni (Northern Region).
- e. Promote the establishment of Animal feed plant at Yendi and Salaga in the Northern Region using root and cereal crop wastes.



## 6.2. Strategies for the Implementation of the Proposed Plan

Past experience has shown that the Government's direct involvement in industrialization programmes did not yield the required results. In recognition of this the government has now placed emphasis on private participation in industrial development. In line with this policy it is proposed that the government would play catalytic role in the implementation of the plan.

### 6.2.1. Phase I

- It is understood that re-assessment of SOEs in the country is being done through the Divestiture Implementation Committee. It is suggested that whatever the outcome of the assessment, great importance should be attached to the reactivation of the industries as listed in 6.1.1.
- The Government as a matter of urgency should provide the necessary funds and machinery for the provision of infrastructure and more importantly the upgrading of the Tamale airport.
- Government should fund project profile preparations.
- Funding R & D activities into raw materials and technology.
- Assist in manpower development to propel the industrialization programme.
- Facilitate loans for the SME operators
- Undertake the planting of trees such as shea nut trees
- The proposed GEPC's Export Production villages should be included in all Industrial Estates within the plan.

### Time Table for the Proposed Implementation Strategy

<u>OBJECTIVE</u>	<u>ACTIVITY</u>	<u>DURATION</u>
1. To create an awareness of the Industrial potentials of the three regions	Organize a Seminar for local & foreign entrepreneurs	October 1992
2. To reactivate existing viable industries	Assessment of Existing Industries	1992
3. Provision of Infrastructure	(a) Industrial Estates	1992-1994
	(b) Improvement of Road Network	1992-1994
	(c) Telecommunication	1992-1994



- |    |   |  |           |
|----|---|--|-----------|
| 4. | Human Resources                                   | Establishment of ITTUs                       | 1992-1993 |
| 5. | Strengthening of Research and Development Support | (a) Carrying out agro-based R & D activities | 1992-1994 |

During Phase I, the provision of infrastructure will be in the form of the establishment of four Industrial Estates (Tamale, Bupe, Wa and Bolgatanga) which will comprise:

- Acquisition of land for the estates
- Provision of industrial shed (workshops) at the estate.
- Extension of electricity to the estate
- Provision of potable water to the estate
- Provision of Telecommunication facilities

The basic service components of each industrial Estate will comprise

- Electrical workshop
- Fabrication workshop
- Foundry workshop
- Carpentry and Joinery workshop
- Building Design workshop
- Equipment Leasing Unit
- Raw Material Procurement & Marketing Unit
- Support Services Unit (Secretarial and Book-Keeping)

Manufacturing component of the Industrial Estate:

- Sheabutter extraction
- Groundnut Oil extraction
- Cotton Spinning
- Weaving (Smock)
- Pito brewing
- Pottery



- Craftworks (straw hats)
- Bee-keeping

Social Services components of the Industrial Estates:

- Banking facilities
- Fire service Unit
- Health post
- Police station

## 7. CONCLUSION

It has been demonstrated through the pages of this write-up that the three regions possess enormous potentials in agricultural production which can support agro-based industries provided the appropriate policies and plans are put in place. Already efforts are being made by the government and other agencies to develop the necessary physical infrastructure for the development of the three regions but a lot more remains to be done.

It is in this context that an action programme for the Industrialization of the North should be seen. However it has only been possible at this state to propose an implementation strategy for phase I of the proposed plan for the Industrialization of Northern, Upper East and West Regions of Ghana.

It is important to stress that the involvement of the various segments of the population, most importantly the Regional and District Administrations which would eventually be the actors in the implementation of any Industrial Development Strategy for the three regions cannot be over emphasised. It is therefore necessary to involve them in any future refinement of the action plan.



## APPENDIX

### Some Institutions and Organisations Promoting Industrilization In The Three Northern Regions

<u>Name And Type of Organization</u>	<u>Activities</u>
a. <u>Ghana Government Organisations</u>	
Ministry of Industries, Science and Technology (MIST)	Formulate industrial policies
National Board For small Scale Industries (NBSSI)	Facilitate loans for SSE operators
31st December Women Movement (DWM)	Advisory/Loans
National Council on Women and Development (NCWD)	Advisory/Technical
Ghana Export Development Company (GEDC)	Facilitate loans
Fund For Small & Medium Enterprise Development (FUSMED)	Grant loans for SSE operators/technical assistance
Export Finance Company (EFC)	Grant loans
Rural Finance Department (RFD)	"
Ghana Export Promotion Council (GEPC)	"
b. <u>R &amp; D Institutions (CSIR)</u>	
Industrial Research Institute	Technical assistance
Institute of Aquatic Biology	"
Crop Research Institute	"
Soil Research Institute	"
Food Research Institute	"
Building & Road Research Institute	"
Water Resources Research Institute	"



c. Ghana Govt. Vocational Training Institute

GRATIS through Intermediate Technology  
Transfer Unit (ITTU)

Technical Training

Dev. & Appl. of Intermediate Technology  
(DAPIT)

" "

National Vocational Training Institute  
(NVTI)

" "

Technology Consultancy Centre (TCC)

" "

Dept. of Rural Housing & Cottage  
Industries (DRHC)

" "

Post Harvest Development Unit (PHDU)

" "

d. Foreign Non-Government Organisations

German Agency for Technical Co-operation  
(GTZ)

Advisory/Technical  
Training/Financial  
Assistance

World Vision International  
(WVI)

"

Konrad Adenaur foundation of Germany  
(KAFG)

"

Global 2000

"

Women's World Banking (Gh) Ltd.

"

e. Foreign government Organisations

JICA of Japan

Advisory/Technical/  
Financial Assistance

DANIDA of Denmark

"

CIDA of Canada

"

USAID of USA

"

f. Multilateral Organisations

UNDP, UNICEF, FAO, ECC

Advisory/Technical  
T r a i n i n g  
Assistance/Funding



**STRATEGIC INDUSTRIAL PROMOTION PROGRAMME  
FOR NORTHERN, UPPER EAST AND  
UPPER WEST REGIONS OF GHANA**

**IMPLEMENTATION ACTION PLAN**

**POLICY RESEARCH AND STRATEGIC PLANNING INSTITUTE  
ACCRA, MAY 1992.**



STRATEGIC INDUSTRIAL PROMOTION PROGRAMME  
FOR NORTHERN, UPPER EAST AND

UPPER WEST REGIONS OF GHANA

IMPLEMENTATION ACTION PLAN

PHASE I 1992 - 1994

INTRODUCTION

In 1991, the PNDC Government, through MIST Commissioned Consultants (J.S. Addo & John Short Economic Services) to prepare Sector Economic reports aimed at identifying each region's resource base as well as to identify potential industrial projects for future development in each region.

Based on the submission, PORSPI was commissioned by MIST to draw up a Strategic Industrial Promotions Programme for the Northern, Upper East & Upper West Regions of Ghana. The report was presented to the Chairman of Committee of Secretary in March 1992, who approved and suggested that MIST, GIC and NBSSI should constitute a promotional committee with the involvement of the three Regional Secretaries to see to the implementation of the programme.

The following is the implementation Action Plan for the phase I (1992-1994) of the programme to guide the Promotional Committee on Implementation:

1. Seminar/Fair

Activities: Organise a 2-day Seminar/Fair for local and foreign entrepreneurs

Objectives: To create an awareness of the industrial potentialities of the three regions

Management of Activity: MIST and Regional Administration - all district administrations within each

Time Frame: The seminars should be organised on regional basis as follows:

- Wa, Upper West - July 24th & 25th, 1992
- Bolgatanga, Upper East - Sept. 11th & 12th, 1992
- Tamale, Northern Region - November 27th & 28th, 1992

Funding: For each region \$1.55m to cover Honorarium for invited speakers, refreshment for guests, hiring of seminar premises, publicity and other logistics (eg. transportation) and to be funded by each Regional Administration.



2. ESTABLISHMENT OF INDUSTRIAL ESTATES AT WA, BOLGA, BUIPE & TAMALE

- (i) Activity: To acquire land at Wa, Bolga, Bupe and Tamale

Objective: For the establishment of Industrial Estates at these centers

Management of Activity: Regional Administration, Regional Surveyor.  
Regional Director, AESC

Time-Frame: Acquisition of land could take place simultaneously in  
all the regions between now and the end of July 1992.  
See Appendix I

Funding: Government to lease the land freehold.

- (ii) Activity: To design industrial estates for the 4 centers

Objectives: To produce a blue print of a model industrial estate to  
be used to construct industrial estates at the 4  
centers. Appendix II

Management of Activity: Regional Administration and AESC

Time Frame: Up to the end of October 1992

Funding: To be contracted to AESC, and funded through PIP.

- (iii) Activity: Erection of Industrial sheds and Workshops, Secretariat and  
Administration as well as infrastructural facilities (water,  
electricity, road network)

Management of Activity: Regional Administration, AESC, SCC and  
others

Time Frame: Clearing of site simultaneously at all centers between  
August and October 1992.  
Construction of buildings, sheds, and provision of  
infrastructures - November 1992 - 1993

Funding : Central Government funding through PIP at a cost of \$200m per  
Industrial Estate.

- (iv) Activity: To supply and instal equipment for the workshops at the 4  
Industrial Estates, Wa, Bolga Bupe & Tamale.

Time Frame: Acquisition of equipment for the Industrial estates  
should start now and end by the end of 1994

Funding: Ghana Government with assistance from donor agencies like  
UNDP, USAID, DANIDA, JICA, CIDA and ECC.



<u>WORKSHOP</u>	<u>ESTIMATED AMOUNT</u>
- Electrical Workshop	C2.0
- Electric Motor rewinding Shop	C1.5
- Machine Shop	C6.0
- Fabrication Shop	C2.5
- Forging Shop	C4.0
- Foundry Shop	C7.5
- Pattern, Carpentry and Joinery Shop	C2.5
- Sheet Metal Workshop	C3.0
- Mansonry shop	C1.00
	-----
	C30.00
	-----

See Appendix III for detailed list of equipment for each workshop.

### 3. Establishment of ITTUs at Wa & Bolga

Activity: To establish ITTUs at Wa & Bolgatanga

Objectives: To help develop human resources in technical skills to man the industrial estates.

Management of activities: GRATIS & Regional Administration.

Time Frame: The ITTUs are to be established by the end of 1993.

Funding: Physical Infrastructure to be funded by Ghana Government while purchase of equipment is funded by Foreign Donors like ECC & CIDA. etc.

### 4. R & D ACTIVITIES

Activity: Carry out Agro-base R&D activities

Objectives: To improve raw material base for agro-base industries.

Management of activities:- DAPIT, CSIR and Agricultural Science, Engineering departments of our Universities.

Time Frame: R&D activities to improve industrial & food crop production as well as processing technologies, should be intensified throughout the first phase, 1992-1994.

Funding: Ghana Government to increase research grants in agro-base research activities.



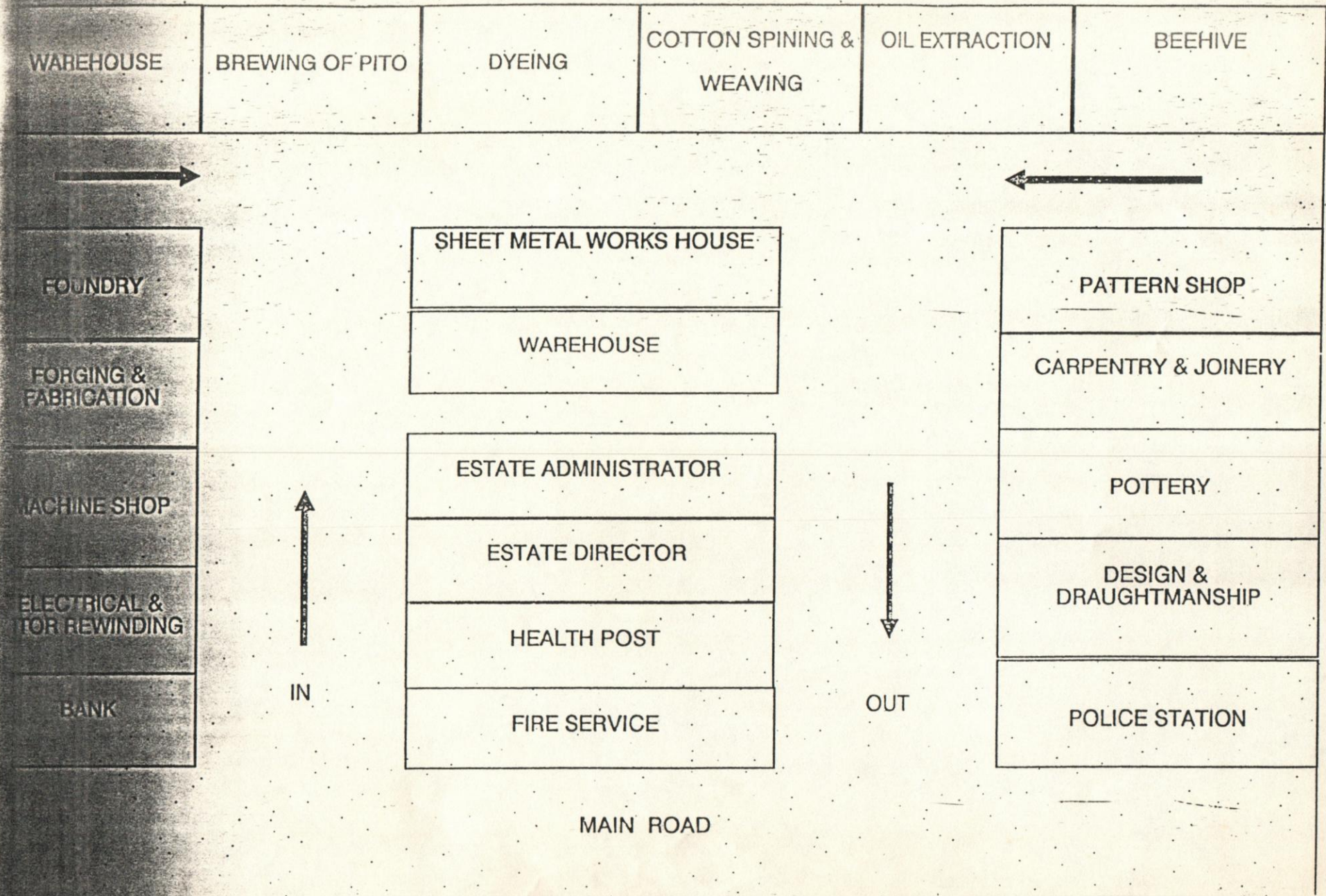
## 5. BUDGET

The principal items of the budget will cover cost of organising seminars in each regional capital, construction of buildings and sheds and provision of infrastructure; assess roads, electricity, potable water etc, as well as cost of equipment for the basic service workshops for each Industrial Estate. The total costs of each general categories are listed below:

<u>Item</u>	<u>Estimated Cost</u>
(i). Seminar at Wa, Bolga & Tamale (ø1.50m/Region)	ø 4.50m
(ii) Construction & provision of Infrastructure, (ø200m/Center)	ø800m
(iii) Basic Service Workshop Equipment(ø30m/center)	ø120m
(iv) 10% Miscellaneous	ø 92.45m
TOTAL	ø1016.95m



## INDUSTRIAL ESTATE PLAN





# APPENDIX II

## IMPLEMENTATION ACTION PLAN FOR PHASE I 1992 - 1994

	1992	1993	1994
1. Seminar for local & foreign entrepreneurs.	*****		
2. Establish Industrials Estates (WA, BOLGA, TAMALE BUIPE)	*****		
(i) Acquisition of land	*****		
(ii) Design the Pilot Estates	*****		
(iii) Erectiong sheds & Workshops		*****	
(iv) Provision of Roads, Water & Power		*****	
(V) Provision of Workshops Equipment		*****	
3. Human Resource development Establishment of ITTUs at Wa & Bolga.		*****	
4. Agro-base R & D activities	*****		



Machine Shop:

<u>ITEM</u>	<u>QUANTITY</u>
1. Universal Lathe Machine	1
2. Drilling Machines	2
3. Engineering tool-box	2 (sets)
4. Jig Boring Machine	1
5. Universal Milling Machine	1
6. Gear Shaping Machine	1

Foundry Shop:

<u>ITEM</u>	<u>QUANTITY</u>
1. Oil-fired Crucible furnace (Non-ferrous melting)	1
2. Coke-fired copula furnace (Cast-iron and Steel)	1
3. Hand ladles	10
4. Mould boxers	20
5. Sand mixer	2
6. Lifting tongs	4
7. Lift out crucibles	4
8. Foundary tools: (i) stirrers	4
(ii) skimmers	4
(iii) phosphorizers	4
(iv) fluxing tubes	4
9. Portable thermocouple with light weight pyrometer	2



### Electrical Shop:

<u>ITEM</u>	<u>QUANTITY</u>
1. Rewinding machines	4
2. Gas welding unit	2
3. Testers (i) Multimeters	5
(ii) Insulation	1
(iii) Clamp	2
4. Spanners (i) Ring	2 sets
(ii) Flat	2 sets
5. Raw Materials	
(i) Copper wires for rewinding	100kg
(ii) Varnish glue	10kg
(iii) Insulating papers	10sq.m.
(iv) Cotton sleeves	

### Forging & Heat treatment shop

<u>S/N</u>	<u>Item</u>	<u>Quantity</u>
<u>Forging</u>		
1.	Pneumatic drop hammer (of blow energy of 1.1-4.5 ton/meter and 38-36 blows/minute)	1
2.	Mechanical blacksmiths hammer (of striking head of 40kg and 140 blows/minute)	2
3.	Hand forging tools	
	- anvils	6
	- hammers	6
	- tongs	6
	- hardies	2
	- swages	2
	- fullers	2

### Heat Treatment

4.	Muffer furnace (temp.range 650-1150°C)	1
5.	Electric furnance (temp.range 1000-1400°C)	1
6.	Liquid bath furnace (temp.range 200-1000°C)	1
7.	Quenching tanks (water & Oil)	2