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## OPPORTUNITIES FOR RAILWAYS INFRASTRUCTURE DEVELOPMENT IN GHANA

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- National Transport Policy
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# INTRODUCTION- Country Overview



- Located in West Africa along the Gulf of Guinea, Ghana has a land mass of about 238,900 sq.km
- Ghana is bounded by Burkina Faso, La Cote d'Ivoire, Togo and the Gulf of Guinea to the north, west, east and south respectively with the Coastal city of Accra as the capital.
- Population is estimated at about 27 million with a growth rate of about 2.2%
- Its diverse geography and ecology ranging from coastal savannahs to tropical rainforest.





# INTRODUCTION- Governance



- Ghana is constitutional unitary democracy with a president elected by universal adult suffrage for a term of 4 years
- Its been a stable democracy since 1992 and has undergone peaceful political transitions over the years.
- Strong judicial system with a strict adherence to the rule of law
- Ghana's political stability has facilitated implementation of reforms intended to develop a business environment more hospitable to the private sector investment.
- Ghana was recognized by the World Bank Doing Business Report 2014 as the "Best Place for Doing Business in the ECOWAS Region".

# INTRODUCTION- Economic Indicators



- Ghana's economy is the second largest in West Africa after Nigeria
- Classified Lower Middle Income by the World Bank with a GDP of over US\$40bn and Per Capita of around US\$1400
- Consistently enjoy growth rate averaging 6% and was the fastest growing economy in the world in 2011 at 14%
- 2016 real GDP growth rate of 3.6%, projected GDP growth rate of 6.3% for 2017
- Ghana is well endowed with natural resources: oil reserves, gold, timber, diamonds, bauxite, manganese, iron ore, fish, rubber, hydropower, petroleum, silver, salt and limestone

# TRANSPORT INFRASTRUCTURE OVERVIEW



- Road is the most dominant mode of Transport accounting for over 90% of passenger and freight movement.
- The road network is made up of approximately 68,000km of main and secondary roads, of which approximately 13,300km are trunk road but only 3800km of which are paved.
- Inland water transport has also grown in recent years mainly on the Volta Lake, between the ports of Akosombo in the south and Buipe and Yapei in the north.



# NATIONAL TRANSPORT POLICY

The National Transport Policy has 7 broad goals namely;

- Establish Ghana as a Transportation Hub within the West African Sub-Region
- Create a sustainable, accessible, affordable, reliable, effective, efficient, safe and secure transport system that meets user needs
- Integrate land use, transport planning, development planning and service provision
- Create a vibrant investment and performance-based management environment that maximizes benefits for public and private sector investors
- Develop and implement a comprehensive and integrated Policy, Governance and Institutional Framework
- Ensure Sustainable Development in the Transport sector; and
- Develop adequate Human Resource and apply new Technology

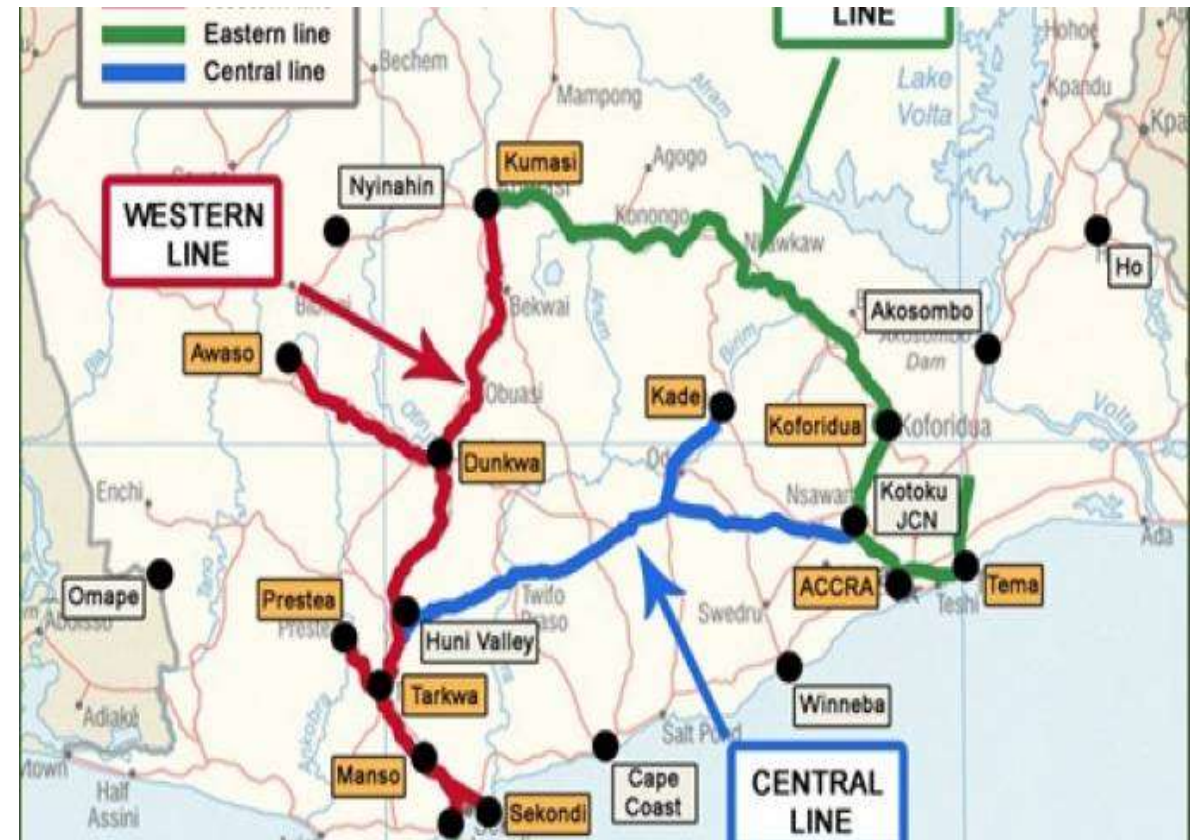
# RAILWAYS DEVELOPMENT- State of the Rail Infrastructure



- The existing railway network is made up of three lines: Western, Eastern and Central lines together with some branch lines extend for approximately 947km.
- The existing network is largely confined to the southern part of the country with the city of Kumasi being its northernmost point.
- Built during the British colonial period, they are narrow gauge (1037mm), single track with max. axle load of 16 tonnes,
- Largely not operational except the Accra-Tema (20km) and Accra (40km) Nsawam stretch for passenger services



# FOCUS ON RAILWAYS DEVELOPMENT- State of the Rail Infrastructure



# STATE OF THE RAILWAY INFRASTRUCTURE Challenges



- Obsolete network, operating system & rolling stock
- Poor track infrastructure resulting in the closure of greater part of the Western and Eastern lines and the entire Central line
- Due to the very poor condition of the Western Line, haulage of bauxite and manganese are currently by road
- Inadequate funding
- Resultant Road Accidents and damage to road infrastructure (high road maintenance cost)



# PROGRESS MADE

- Enactment of Legislation for the Railway Sector (Railways Act 779)
- Establishment of Ghana Railways Development Authority to provide Infrastructure
- Railway Development Fund
- Preparation of Railways Master Plan to provide direction for development
- Rehabilitation of Accra-Tema Line (2010)
- Ongoing works on the first stretch of Western Line from Sekondi to Kojokrom (95% complete)
- Work to commence on Tema-Akosombo Line





# PROGRESS MADE





# PROGRESS MADE





# STRATEGIC NEED FOR THE RAIL INFRASTRUCTURE DEV'T



- PROJECT OBJECTIVE

- To make rail transport the dominant transport mode for freight and passengers in Ghana and the backbone for the economic transformation of Ghana.

- SIGNIFICANCE

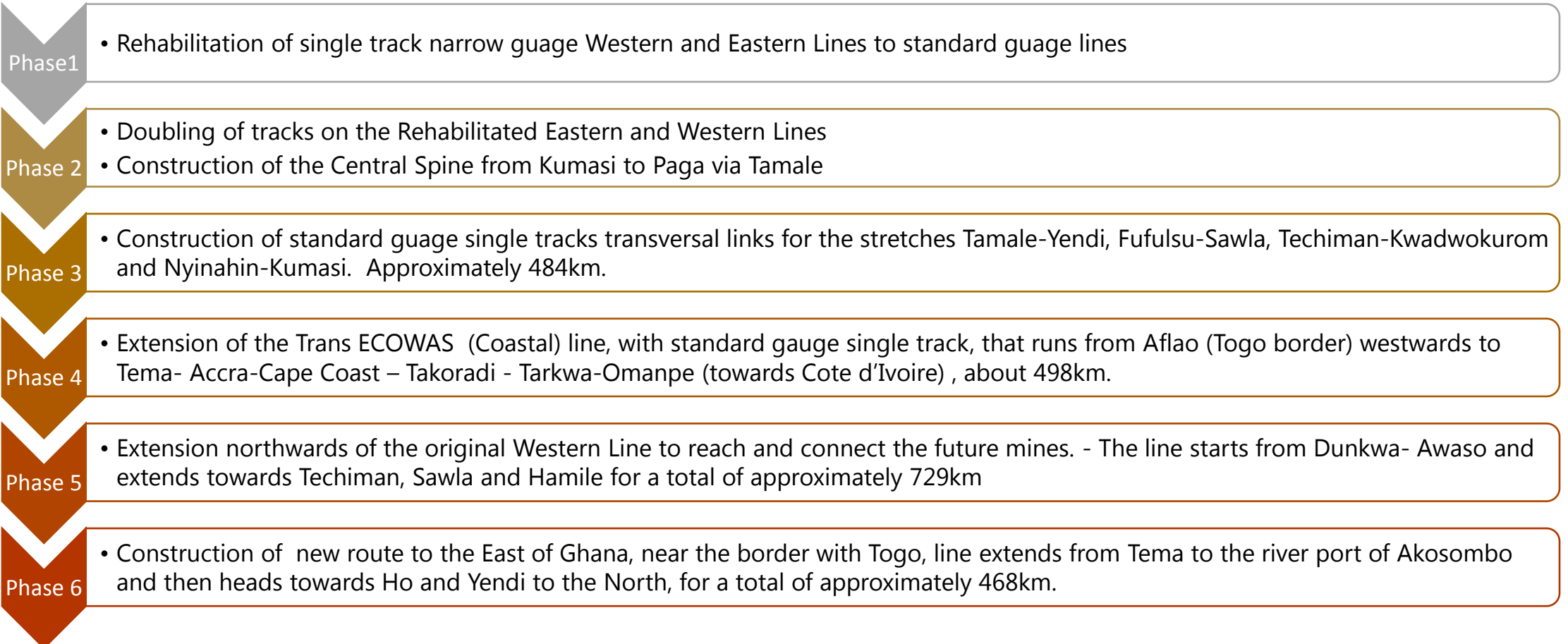
- On a supranational level, Ghana's Railway network constitutes an important part of the proposed Trans-ECOWAS Rail Network.
  - It will be an important trade link for carrying freight from the Ports of Tema and Takoradi to the northern landlocked countries of Burkina Faso, Niger and Mali.
  - Aside improving transportation by linking the main cities, it will also connect existing and potential mineral deposits with the Ports in the country.



# RAILWAY MASTER PLAN

- The Ghana Railway Master Plan guides the systematic and phased-out development of railway network in Ghana.
- This will involve the construction of new standard gauge lines, covering a total of 4007.6 km nationwide.
- The Master Plan outlines the rail network to be developed to make Ghana the rail transport hub of West Africa.
- The railway lines are the Western Line, Eastern Line, Central Spine, Transversal Links and Trans-ECOWAS line.
- It is envisaged that the implementation of the Master Plan will be carried out in 6 phases.

# RAILWAY MASTER PLAN- Implementation Stages



# PRIORITY PROJECTS



- Projects outlined from the period 2016-2020 include:
  - Rehabilitation of Western Line from Takoradi to Kumasi(339km)
  - Rehabilitation of Eastern Line from Tema via Accra to Kumasi (300km)
  - Construction of Central Spine from Kumasi-Paga (595km) on the Burkina Faso border
  - Construction of Kumasi-Nyinahin Line (58km)
  - Construction of Tamale-Yendi Line (102km)

Figure 2 - 3 Phases of Expansion of New Lines





# PRIORITY PROJECTS-

## Takoradi to Kumasi (Western Line)

- Takoradi Port to Kumasi with a branch line from Dunkwa to Awaso (339km).
- Lends itself most readily to a BOT or BOOT Model of financing due to existence of various off takers and potential off takers on the route.
  - Existence of Manganese and mines at Nsuta (64km from Takoradi) and Awaso
  - Opon Manso, along the route, has yet to be exploited iron ore reserves of 150 million metric tons.
  - Cocoa is transported in commercial quantities
  - Potential for transport of bulk cargo such as Cement, mining and Petroleum equipment
- **Construction of Single standard guage**  
**Estimated to cost about US\$1.8bn**





# PRIORITY PROJECTS-

## Tema to Kumasi via Accra (Eastern Line)

- Distance of 300 km from Accra to Kumasi
- 20km branch line from Accra to Tema Port.
- Attraction
  - High traffic demand for both passenger and freight
  - Proposed Inland Port at Boankra along the route
  - Significant Bauxite deposits (180 million metric tonnes) at Kibi
  - 5 million tonnes of bauxite on Mt. Ejuanema
- The estimated cost of this line is about US\$1,68 bn

# PRIORITY PROJECTS-

## Kumasi to Nyinahin (58km)



- The line is 58 km and a branch extension from Kumasi.
- Its importance is that it has 750 million metric tonnes of bauxite, yet to be exploited at Nyinahin
- The estimated cost of the line is US\$324, 800,000.



# PRIORITY PROJECTS-

## Central Spine-Kumasi to Paga via Tamale (595km)

- Main North –South link connecting the major cities of Kumasi and Tamale
- Attraction
  - facilitate the transportation of passengers and freight from the South to the North of Ghana and onward to Burkina Faso, Mali and Niger
  - Huge potential for economic transportation of Northern Ghana
- **Estimated to cost about US\$3.3bn**



# PRIORITY PROJECTS- Tamale to Yendi

- 102 km Line from Tamale on the Central Spine to Yendi
- Attraction:
  - Huge Iron Ore deposits, estimated at about 5bn metric tonnes yet to be exploited at Yendi (Shieni)
- **The approximate cost of the line is US\$571,200,000.**

# OPPORTUNITIES FOR PARTNERSHIP



- Large mineral deposits existing along the corridors of the rail systems create the desired opportunities for investments in rail infrastructure to yield the necessary returns on any investments
- As a lower middle income country pursuing an accelerated development of economic and social infrastructure, Ghana recognizes the indispensable role of private sector investment and Public Private Partnerships (PPPs) in addressing the financing gap and improving the quality of infrastructure services.
- Private sector participation in financing, managing and operating Ghana's infrastructure assets, has been identified as key to helping the country achieve its infrastructure goals.



# OPPORTUNITIES FOR PARTNERSHIP



- Tariff Exemption: 100% duty exemption for production equipment.
- Investment law guarantees 100% transfer of profits, dividends, etc.
- Membership of the Multilateral Investment Guarantee Agency [MIGA] of the World Bank.
- Tax holidays: 3-10 years depending on sector; 10 years for free zones with 8% corporate tax thereafter.
- Endowed with natural resources and high literacy rate with friendly people, it is the investor's dream.
- More information at [www.gipcghana.com](http://www.gipcghana.com)

# CONCLUSION-Opportunities For Korean Businesses and Investors



I wish to use this opportunity to extend an open invitation to Korean investors and contractors to partner Ghana in transforming the railway network envisaged in the master plan.

# CONCLUSION-Opportunities for Korean Businesses and Investors



President of Ghana  
NANA ADDO DANQUAH AKUFO ADDO

*"As happy as we are to receive such recognition, we are even happier to see increased investments and re-investments in Ghana as a result of these ongoing reforms".*

# CONTACT



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# GHANA



# THANK YOU