



Position of EBO:

On Local Content Policies of the Government of Ghana

Wrongfully introduced Local Content laws can hurt Ghana's development, employment, Foreign Direct Investments and Ghana's future for long periods of time, for that reason EBO-Ghana has written its views on Local Content policies in Ghana.

What is EBO-Ghana:

EBO-Ghana is part of the global European Business Organization EBOWWN, which is present on all continents in non-European key import and export markets of European enterprises.

Local EBO's are highly integrated and localized European organizations within the markets in which they operate and are often administrated by nationals of the host country or by Europeans who have extensive knowledge through long residence and business involvement in the host country.

What does EBO-Ghana do:

Promotes and advocates free trade between the European Union and third markets.

Source market information on its market for European business and local and EU market information for its local entrepreneurs who do or intent to do business with Europe.

Advices and informs all stakeholders, being businesses and governmental institutions in the host countries in which they are present.

Advocate and promote best business practices and standards in third markets.

EBO-GHANA'S POSITION ON LOCAL CONTENT LAWS:

EBO's position is that Local Content is a positive tool to create jobs and business opportunities for Ghanaians and Ghana.

EBO's position is that Local Content Laws are a form of "positive discrimination" just like laws on gender preference, racial preference, regional preference and others forms.

EBO sees "Positive discrimination" or affirmative action as a temporary policy to favor Ghanaian companies and Ghanaians who are currently suffering from a competitive disadvantage.

EBO sees a Local Content therefore as a temporary measure to correct in-equality on employment or social situation until the desired goal has been reached.

EBO is of the opinion that Local Content laws:

- should not lead to direct or indirect protectionism
- should not be used to curtail free trade
- should not be used to eliminate competition
- should not lead to higher Ghanaians consumer prices
- should not be introduced in a retro-active way
- should have an expiring date if implemented
- should look at long term consequences for all Ghanaians
- should not seek majority ownership of foreign owned companies in Ghana

EBO believes that: European companies in Ghana employ 95 to 99% Ghanaians and consider that a perfect example of Local Content compared to any country in the world.

European companies are among the most trusted taxpaying companies in Ghana.

European companies in Ghana are actively involved in education and skills training of Ghanaians which creates an equal playing field between Ghanaians and European foreigners and see that as a strong contribution of Local Content.

European companies in Ghana are actively involved in Corporate Social Responsibility (CSR) programs to stimulate and develop local content and employment.

Ghana's and the world's economies are interwoven in many ways and for that reason EBO is asking the Government of Ghana to:

Study the consequences of every proposed Local Content Law on its effects on Ghana's global trade position especially with, ECOWAS, the European Union, China, India, United States of America, Brazil and any other major trade partners and donors.

Study the consequences of Local Content laws by consultations of all national and international stakeholders and to audit, calculate and include preliminary impact assessment studies especially studying universal compliance laws, food safety, impacts on our Eco systems, impact on Foreign Direct Investments, international agreements and worldwide regulations, and not to forget protection offered to foreign investors under the GIPC Act 2103.

Wrongfully introduced Local Content laws can hurt Ghana's development, employment, Foreign Direct Investments and Ghana's future for long periods of time.

EBO-Ghana is of the opinion that: Global ownership is a key part of developing Ghana and that local ownership of companies and shares in companies are a phenomenon of the past in which concentration on localized ownership is restraining growth for Ghana as a whole.

Not allowing Global Companies to have a majority stake in their own companies in Ghana will lead to a steep decline in Foreign Direct Investment (FDI).

Access of foreign investors to Ghana will result in Ghana's access to the latest technology, working skills and methods into the country and lead to development of Ghana in a competitive world.

Blocking access will block development and access to modern skills.

We urge the Government of Ghana to understand that in today's world and a global economy local ownership is not the key element of running a business. Today many international businesses are either owned or registered in other countries than were they originated from.

EBO's opinion is that Local Content is not only an idea from the past but often foreign and local content is confused with unfair competition between small and large companies.

Today's most important issues for any government are:

Where are the jobs being created?

Where are the taxes paid?

EBO-Ghana is of the opinion that other important issues for are:

How do we make our country the most competitive country to invest in?

How do we protect our small companies against large companies?

How do we position ourselves, competition wise in our region?

When we manage to concentrate on these questions we will be assured of a steady growth and development of Ghana.

Accra, 10th July 2016 European Business Organization in Ghana