

## Ghana's Black Gold



Ghana, which is yet to begin oil drilling, is working hard at ensuring that the black gold benefits its people

By OLOLADE ADEWUYI/Accra

Ghana will finally join the league of oil producing nations by the end of this year, according to facts offered by the companies drilling on its Jubilee Field, off the coast of Takoradi in the Western Cape Three Points. However, before the oil starts flowing and the big money rolls in, the government of Ghana has begun moves to ensure that oil does not become,

like in many other African countries, a curse but a blessing. At the Ghana Oil Summit organised in Accra last week, the government of President John Evans Atta-Mills reiterated its intention to ensure an equal distribution of wealth while also making sure that necessary procedures are followed in the exploitation of the resource.

For a country that has been dependent on revenue from cocoa, timber and gold since independence, the government sees oil as an opportunity to diversify its economy. Speaking at the roundtable conference organised by CWC Group, Oteng Adjei, Ghana's minister of energy, said that the country hoped to quickly take advantage of the oil to assist its people improve on their standard of living. "It is a choice whether it turns out to be a blessing or a curse."

The government has demonstrated political consensus by following on the heels of the recommendations by the last administration of John Kufuor. Also, it has pledged to ensure transparency and accountability in the industry. However, the Ghanaian government has admitted that there is a shortage of skills among its citizens that will deny them the opportunity to participate in such a complicated industry like oil and gas. Adjei admits that Ghanaians generally see oil as the last opportunity for them to get on the train of wealthy nations; hence, it has become a very important issue that Ghanaians must obtain maximum benefit from it.

Many Ghanaians have expressed their concerns at the drastic manner in which the oil discovery is changing their lives. During a visit made by the magazine to Takoradi recently, this reporter observed that a lot was going on in the city. Nine banks had set up branch offices; housing had become more expensive -- a three-bedroom flat that used to be rented out for about 200 Ghanaian cedis had shut up to about 250 cedis due to anticipated demand. "The oil companies are not yet here but the landlords are increasing their prices thereby killing the local people," lamented Jake Kobina of Mokinas Real Estate Brokers. It was such rising cases that made the Atta-Mills government pronounce that it was going to begin a repossession of all the large tracts of land that have been purchased by speculators in the last two years following the announcement of the oil find in 2007 by Kosmos Oil. Charles Annan of the local Takoradi Chamber of Commerce said the government would need to stimulate growth in the local economy in order to ensure an equitable distribution of wealth as the locals were increasingly being priced out. "There's a looming housing crises ahead with landlords trying to eject old tenants," Annan observed, adding that government should increase spending on development of housing flats. Annan also said that the growth that had been coming into the city had been marginal because only about 10 per cent of the business community had been able to benefit from the trading activities, albeit as middlemen. Left to many business people, they want less concentration of activities in Accra and the sourcing of more workers from the region. The present situation ensures that money made by workers is repatriated outside of the region leaving it nearly still impoverished. However, the government said it had made plans to train many Ghanaians so that they could control more of the industry as time went on.

Contrastingly, Kobina Pra Annan, chief executive of the Sekondi-Takoradi twin city, believes that many Ghanaians' hopes and expectations have been dashed by the reality on the ground because they are outside the catchment area of the experience and qualification needed in the industry. While working towards potentially becoming the richest region in the metropolis in the country, Pra Annan said that Ghanaians should not neglect agriculture, which has been the source of livelihood for them for many years.

Willy Olsen, senior associate with CWC Group, believes that Ghana is well on the right path towards fulfilling its potential. Roberto Sieben, an official of Shell Trading, on his part, said that Ghana's oil could not have come at a better time when the demand for oil worldwide was on the increase due to a growing middle class in highly populated countries like China, India and Indonesia. "Demand for oil over the last ten years is growing at a million barrels per year because the global economy is expanding." Therefore, Ghana's addition of 60,000 barrels per day, bpd, from its two billion estimated barrels of reserve will be welcome in the global oil market.

One thing that Ghana has going for it, according to experts, is its reputation as a leading light for the ease of doing business in West Africa. Hence, the oil industry is expected to catapult its economy to an unprecedented level. The Jubilee Field itself is not a world-class shelf but it is growing, according to experts, making the offshore Ghana and Ivory Coast a beehive of activities for explorers. Conversely, the Niger Delta basin of Nigeria, which is very huge, is now flattening out in terms of production.

However, experts differ on the profitability of the oil discovery. "The oil is offshore and it pushes the cost of production up to \$40 a barrel. With oil prices fluctuating on the world

### Most Hits (Top 10)

- 1 Action Congress Floors PDP Again
- 2 A Crooked Agenda
- 3 CNN: FBI Agent Sentenced to 40 Years
- 4 Taming Fashola
- 5 Girl shot dead in Nigerian Delta
- 6 Jonathan's Winning Team?
- 7 FROM THE EDITOR
- 8 PENGASSAN Backs ASUU Strike
- 9 War In the House?
- 10 From The Editor
- 11 Yet Another Building Collapse in Lagos

[Go to Complete List ...](#)

market, it does not look too good. The most Ghana can hope to achieve at the moment is the recognition of being an oil-producing country," an industry expert said. It could be true considering that the Ghanaian government has only about 10 per cent stake in the field, with boardroom manoeuvres ongoing as the government tries to buy out the 25 per cent stake owned by Kosmos Energy. Nevertheless, Ghana will continue to be a delight to business people looking for an inroad into West Africa. As David Cowan, an economist with the Citi Group, puts it, "Ghana is a sexy country that is attracting a lot of investors."

Atta-Mills: To ensure an equal distribution of wealth.

[\[Print Article\]](#)   [\[Send to a friend\]](#)   [\[Post Comment\]](#)   [View All \(0\)Comment\(s\)](#)

[Go Back <<](#)

© 2009 | Tell communications Limited

[Home](#) | [Tell Magazine](#) | [Daily News](#) | [About Us](#) | [Contact Us](#) | [Cover Story](#) | [Top Stories](#) | [Breaking News](#) | [From the editor](#) | [Business](#) | [Letters](#)  
[Most read](#) | [Health xtra](#) | [Media](#) | [Eye witness](#) | [RSS Feeds](#) | [Blog](#) | [Audio and Video](#) | [Stock Reports](#) | [Fights](#) | [The world](#) | [Sports](#) | [Oblogue](#)  
[Panorama](#) | [Life](#) | [Milestone](#) | [NationWide](#) | [Special Report](#) | [Interview](#)

Powered by Atlas Systems

This site is best viewed at 1024X768 resolution. Site optimized for Internet Explorer 7.0 and Firefox 2.0.