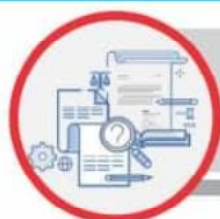




## BASELINE STUDY FOR THE EFFECTIVE IMPLEMENTATION OF THE ENERGY COMMISSION (LOCAL CONTENT AND LOCAL PARTICIPATION) (ELECTRICITY SUPPLY INDUSTRY) REGULATIONS, 2017, (L.I. 2354)



### 20 Key Issues...



- 1** On 22<sup>nd</sup> December, 2017, the Energy Commission (Local Content and Local Participation) (Electricity Supply Industry) Regulations, 2017 (L.I. 2354) was passed by the Parliament of Ghana into law
- The objective of the regulations is to **achieve about fifty-one percent (51%)** equity participation in wholesale supply and distribution in the electricity supply industry (ESI) in Ghana and more **than 60% local content** and also develop capacity in the manufacturing industry for electrical cable, conductors, accessories, etc.
- The objectives of the baseline study is to establish a clear picture of the existing suppliers, manufacturers and service providers in the Electricity Supply Industry.
- 60 electricity service providers, equipment and appliance manufacturing companies, and 12 electrical engineering departments of some universities, banks, law firms and research institutions surveyed.
- The study revealed that **70.7%** of the respondents were aware of the regulations but the remaining **29.3%** stated otherwise.
- 82%** of the companies were in existence and operating before the passage of the Energy Commissions
- 73.8%** had a Ghanaian shareholding of **51%** and above and **26.2%** less than **51%** shareholding with about seven percent (**7%**) having 100% foreign shareholding.
- With regards to management staff, Ghanaians represent **21.8%**
- With the total employee of 9870, **only 2.6% are females**. The percentage of Persons with disabilities employed in the sector is **0.05%**.
- 69% of the companies use Ghanaian owned Insurance companies, 7.1% use foreign owned insurance companies, **2.4%** use both foreign and Ghanaian owned insurance companies for their insurance services and **21.4%** do not use insurance companies all.
- 100%** of the surveyed companies in the ESI all operate a bank account in Ghana.
- 88.4%** of the surveyed population indicated the use of a Ghanaian owned audit firm for their audit services, **9.3%** do not use Ghanaian owned audit firms and **2.3%** do not use audit services at all.
- 61%** use a Ghanaian owned law firm, **4.9%** use foreign owned law firms, **9.8%** used a consortium of foreign and Ghanaian owned firms for their legal services and **24.4%** did not use any law firm at all.
- 47.4%** use Ghanaian firms, **23.7%** used foreign firms and **28.9%** used both Ghanaian and foreign firms for their technical designs.
- For transportation, **91.3%** use Ghanaian owned transport services, whilst **8.7%** use foreign transport services.
- 60%** of the companies who have carried out some form of research indicated that they used a Ghanaian owned research firm for their research work, **12%** use foreign owned research firms, **24%** use both of Ghanaian and foreign firms and **4%** used a consortium of Ghanaian and foreign firm.
- 75%** of the surveyed population stated that they have engaged in various activities to ensure transfer of technology to Ghanaians or Ghanaian owned firms whiles the remaining **25%** stated otherwise.
- The study revealed that **90.2%** of the companies have capacity building plans for its Ghanaian staff, **9.8%** indicated they had no such plans.
- 68.3%** of those who are aware of the Regulations indicated that they needed some form of assistance to comply with the provisions of the L.I.
- 83.3%** of the universities, law firms, financial and research institutions surveyed would require assistance in taking advantages of opportunities in the ESI.