

Banks urged to partner industry - To provide funding to boost local content



Eric Asubonteng

The banking sector has been entreated to contribute their quota to help industries thrive, to beef up local content in Ghana.

The Sales and Marketing Manager of Nexans Kabelmetals Ghana Limited, Mr Kingsley Letsa [Content](#), admonished banks to show interest in developing the industrial sector to ensure that manufacturers produce competitively so that they could compete with importers.

Speaking at the forum organised by the Ghana Chamber of Mines on October 24 in Accra, Mr Letsa said: “I think the banks must take interest in what happens in

industry.

We are asking banks to partner with industries to grow. For example, the National Investment Bank (NIB) is a shareholder in my company.

I am sure that if you have such reputable institutions coming to take part of our industrial companies, you might be able to stamp your feet and make sure that the processes conform to what you are looking for,” he said.

The forum was dubbed: “Deepening value-creation in the mining industry through local production of inputs.”

Mr Letsa further urged the industry stakeholders to avail themselves in order to attract financial institutions.

“If you want to be able to access credit, you must bring yourself to the level that any company or bank that wants to give credit can do financial due diligence,” he stated.

Paradigm shift

Mr Letsa highlighted that there must be a paradigm shift from transactional interactions between mining sector and manufacturers to building long lasting relationships.

“The relationship we have between the mining sector and manufacturers is often very transactional.

We need to move the relations beyond transactions into long sustainable relationships.

The mining sector must see manufacturer as an extension of their operations because it is what we produce that are going to be used,” he said.

Standards

Members of the industry were tasked to push for the adoption and enforcement of internationally recognised standards in their operations.

The standards, when put in place, is expected to reduce production cost.

Challenges of mining industry

For his part, the President of the Ghana Chamber of Mines, Mr Eric Asubonteng, stressed on the economic and structural challenges faced by Ghana's mining industry.

He said: "The industrial sector has been plagued by systemic and economic challenges that have undermined its abilities to take advantage of the captive market opportunities presented by the mining industry.

In the last decade, a combination of deficit supply of electricity and volatile exchange rates have considerably slowed down the growth rate of the manufacturing sector.

It averaged less than 4 per cent within the period.

Similarly the sector's share of Gross Domestic Products declined from 9.1 per cent in 2007 to 4.5 per cent in 2017.