



Ghana Petroleum

GHANA NATIONAL
PETROLEUM CORPORATION





GNPC

THE COMPANY BEHIND THE GROWTH

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RESEARCH BY **Tayo Akanbi**



The 21st century has been a time of growing prosperity for Ghana and its citizens. Although the country's GDP remained largely stagnant for the 50 years to the beginning of the century. Growing just 13% between 1955 and 2000 - its growth since then has been phenomenal. In 2021, the country's GDP was measured at over \$72 billion - nearly 15 times higher than in 2000, when the same figure stood at a little less than \$5 billion.

Of course, there are plenty of reasons for this, ranging from strong governance to a flourishing young and educated population. Another, undoubtedly, has been the development of the country's considerable petroleum assets, which have been carefully managed by the Ghana National Petroleum Corporation (GNPC). As the country's petroleum assets fuel its ongoing growth story, the GNPC becomes ever more central. Business Excellence decided to take a visit to Accra and take a closer look.

Background and Origins



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+233 (0)302 825 940
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The origins of Ghana’s economic growth have their roots in the realisation that things had to change. Not least, in the country’s energy security. In 1983, the Ghanaian government of the day decided that it was time to establish an organisation that provided the country with an adequate and reliable supply of petroleum products to reduce its dependence on imported crude oil products. This led to the foundation of the GNPC, a government-owned entity with the mandate of exploring,

developing, and ensuring supply of petroleum for Ghanians. To say that it has delivered on this mandate would be an understatement. In 2007, it discovered the Jubilee fields, giving the country the potential to exploit commercial quantities of oil at a time when the price of a barrel of crude was hitting \$100 for the first time. By 2010, the fields were already being exploited by major oil industry players, Kosmos Energy and Tullow Oil, with the GNPC



retaining a shareholding of the asset, enabling Ghana to partake in the proceeds generated by the country's assets.

Although this is below what was originally projected by Ghana's president J.A. Kufuor at that time, it has nonetheless been the "shot in the arm for Ghana" that he predicted. Furthermore, all evidence suggests that the giant Jubilee fields are just the beginning. Recent discoveries by the GNPC appear to indicate oil and gas resources that stretch across the country's coast from Cape Three Points in the west to Keta in the east. On this basis, the boom may be just beginning. GNPC also believes that the Volta Basin holds significant onshore oil and gas reserves.

You may remember the figure of \$5 billion

being at the top of the article for Ghana's GDP at the beginning of the article. At the end of 2021, a report issued by the government showed that the country had generated \$7.33 billion in revenue since it started commercial oil production just a decade before. A deal at around the same time, between the GNPC, Aker Energy, and AGM Petroleum Ghana also promised to add a further 200,000 barrels per day to the country's oil production. The GNPC's progress continues apace.

Socio Economic Impact

The GNPC's central role in these discoveries puts it at the heart of where Ghana is going and the steps it takes to get there. This can already be seen in the social programs being implemented by the GNPC Foundation, the

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GNPC arm responsible for implementing its CSR. A report by Ghana's Public Interest and Accountability Committee (PIAC) in 2018 noted this important contribution, saying: "expenditure analysis of the GNPC Foundation's programmes reveals a carefully thought-through strategy, aimed at complementing government's development efforts, and at improving the socio-economic wellbeing of beneficiary communities."

Investments made by the foundation amount to millions of dollars. Examples of its work include its livelihood empowerment programme, the Skilled Artisan Project (SAP), where it is working with National Vocational Training Institute (NVTI) to sponsor and train over 2,000 artisans across Ghana. These students have received apprenticeships in various vocational skills such as plumbing, fashion design, carpentry, auto-mechanics, general electrical, hairdressing, interior designing and aluminium fabrication. The training and experience received through the

programme allows them to bring practical skills to some of the poorest parts of the country. In

Another recent initiative also saw the GNPC pledge to build classroom blocks and sanitary facilities in an underprivileged community in the west of Africa. This included a three-unit classroom block for the junior high school and a new six-unit classroom block for the primary school and sanitary facility for the community. Elsewhere, the GNPC stepped in to resolve an accommodation crisis that existed at a high school in the country's Volta Region, saying that it would construct a 160-bed capacity and ancillary facilities.

If the GNPC Foundation's investment in these programmes has one thing in common, it is their multiplicative effect. For example, the direct investment in 2,000 artisans has been estimated to create an indirect impact, through shared knowledge and upping standards, of 10,000 more artisans. The investment in school buildings will mean that children who





previously may not have been able to obtain a good quality education, can now do so in a safe environment. The ball keeps rolling in the most positive sense of the expression. The African Lion Economy

Tullow Oil recently announced its strategic vision for the coming decade. It outlined how the company was going to invest more than \$4 billion over the next 10 years to deliver more than 50 wells across Ghana, ensuring vast new resources for the once impoverished western African country. It followed the discovery of an important oil find offshore Ghana by the Italian oil and gas giant Eni, enabling it to fast-track production in the region after a previous finding at Akom.

Everyone now wants a part of Ghana. The Doing Business Report shows that it is the best country in western Africa to do business in. More revenue generated by its energy assets should enable it to develop infrastructure and human capital at a scale that was previously



impossible, pushing it further up the rankings and creating a climate for business excellence. The GNPC will continue to be a catalyst in this story, over delivering on its mandate to ensure energy security by turning oil in the ground into opportunities for Ghanaians.



GNPC

- ☎ +233-303-206020 | 0303-204654
- ☎ +233-303-206592 | 0303-202854
- ✉ info@gnpcghana.com



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☎ +233-303-206020 | 0303-204654

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