

“PROVIDING INVESTORS AND EMPLOYERS WITH SUPPORT IN MEETING THEIR RECRUITMENT NEEDS”

INCENTIVE MEASURES FOR EMPLOYMENT BENEFITING INVESTORS AND COMPANIES
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WHAT ARE INCENTIVE MEASURES

- ❑ They are measures that motivates or encourages someone to do something.
- Eg; providing farmers with farm implements to improve their lands for increase production.
- ❑ Payment or concession to stimulate greater output or investment.
- Eg: tax incentives for investing in depressed areas of an economy.

SOME OBJECTIVES OF INCENTIVE MEASURES

- ❑ To promote employment
- ❑ To ensure regional investment, and include support for rural development, building industrial centres away from major cities and reducing environmental hazards, over urbanization and concentration of population.
- ❑ To promote sectors of industries or activities considered crucial for development.
- ❑ To target activities such as export promotion, employment/skills training.

SOME MEASURES FOR PROMOTING EMPLOYMENT

- ❑ Provide necessary arrangements for the registration of all persons: with technical, vocational and professional qualifications or have experience of higher than that of an artisan.

Who have receive training at the tertiary level,etc

- ❑ Provide arrangements for the registration, employment, training and retraining of persons with disability.

SOME MEASURES FOR PROMOTING EMPLOYMENT, cont....

- ❑ Facilitate temporary transfers of labour from one place to another as a means of meeting temporary local maladjustment in the supply of or demand for labour.
- ❑ Provide labour market information to assist in social and economic planning to ensure favorable employment situation .

SOME MEASURES FOR PROMOTING EMPLOYMENT

- ❑ Provide vocational guidance facilities to young persons.
- ❑ Facilitate occupational mobility with a view to adjusting the supply of labour to employment opportunities in the various occupations
- ❑ Facilitate geographical mobility with a view to assisting the movement of persons to areas with suitable employment opportunities.



INCENTIVE MEASURES BENEFITING INVESTORS-GHANA PERSPECTIVE

LOCATION INCENTIVE/REGIONAL INCENTIVE

- This is in the form of rebate granted to manufacturing companies located outside Accra, Tema and Kumasi. In other regional capitals 25 per cent of tax liability is granted, and in all other places a rebate of 50 per cent is granted.

SECTORAL INCENTIVE

- Incentives are granted to enterprises engaged in agriculture, hotel activities, manufacturing, construction, import and export activities:
 - whereas the corporate income tax rate is 35 per cent , companies in the hotel industry are taxed at 25 percent.
 - Tax rate on income derived by banks from loans granted to any farming enterprise is 20 per cent.

SECTORAL INCENTIVE ,cont...

- The rate of tax on rural or community banks after their period of tax exemption(that is the first 10 years of their commencing) is 8 per cent.

EXPORT INCENTIVES & FREE TRADE ZONES

- ❑ Non- traditional export companies are taxed at a reduce rate of 8 per cent.
- ❑ These are those other than cocoa, coffee, beans, timber and logs, electricity, unprocessed gold or any other mineral in its natural state.
- ❑ Free zone developers and enterprises that are granted license are exempted from the payment of income tax on profits for the first 10 years from commencement of operation.

EXPORT INCENTIVES FREE TRADE ZONES, cont....

- ❑ Rate after 10 years is limited to a maximum of 8 per cent.
- ❑ Enterprises are exempted from direct and indirect duties on all items used in the manufacture of goods for export from free zones.

OTHER INCENTIVES

- ❑ The income accruing to a company engaged in the construction for sale or rental of residential premises during first 5 years of operations is exempt from tax.
- ❑ The rental income from any residential or commercial premises is also exempt from tax for first 5 years following completion of such premises.

OTHER INCENTIVES, cont.....

- An employer who engages up to 5 persons with disability or more than 5 persons with disability shall be given a tax rebate that the Minister of Finance on the recommendation of the Minister of Employment may determine.

CONCLUSION-IMPACT ASSESSMENT

- ❑ In the area of productive employment , tax incentives has open up investment for the country as a result of immerging multinational companies in the country.
- ❑ Ghana's open door policy as a result of its tax rebate has increase in influx of companies who have encourage other subsidiaries in the concept of sub-contracting, thereby increasing employment creation avenue for job-seekers in the private sector , example oil and gas providing oil fields services. There is no doubt that tax rebate has also led to services regression of its revenue from its tax base.



THANK YOU FOR YOUR ATTENTION