Stanbic Bank

AFRICA **TRADE BAROMETER**

An overview of the current cross-border trade landscape of Africa

GHANA

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EXECUTIVE SUMMARY

Being Africa's largest bank, Standard Bank (trading in Ghana as Stanbic Bank) has leveraged its presence and expertise across the continent to create the Stanbic Bank Africa Trade Barometer (SB ATB).

The SB ATB was launched in 2022 to create Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade. Availability of trade data remains a challenge across Africa and the SB ATB aims to fill part of this data gap through up-to-date survey data on the views of African businesses on the environment they operate in, their trade behaviour, trading activities and their perceptions on trade.

This is Issue 4 of the SB ATB. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda and Zambia.

To construct the SB ATB index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are trade openness, access to finance, macroeconomic stability, infrastructure, foreign trade, governance & economy, and traders' financial behaviour. These are the seven variables on which the trade barometer scores for each country are constructed.

From a primary data perspective, the Stanbic Bank Firm Survey Trade Barometer (SB STB) is constructed. The SB STB scores and ranking by country are the averages of all the data collected only from the primary research surveys conducted with 2 258 firms across the 10 countries of interest.

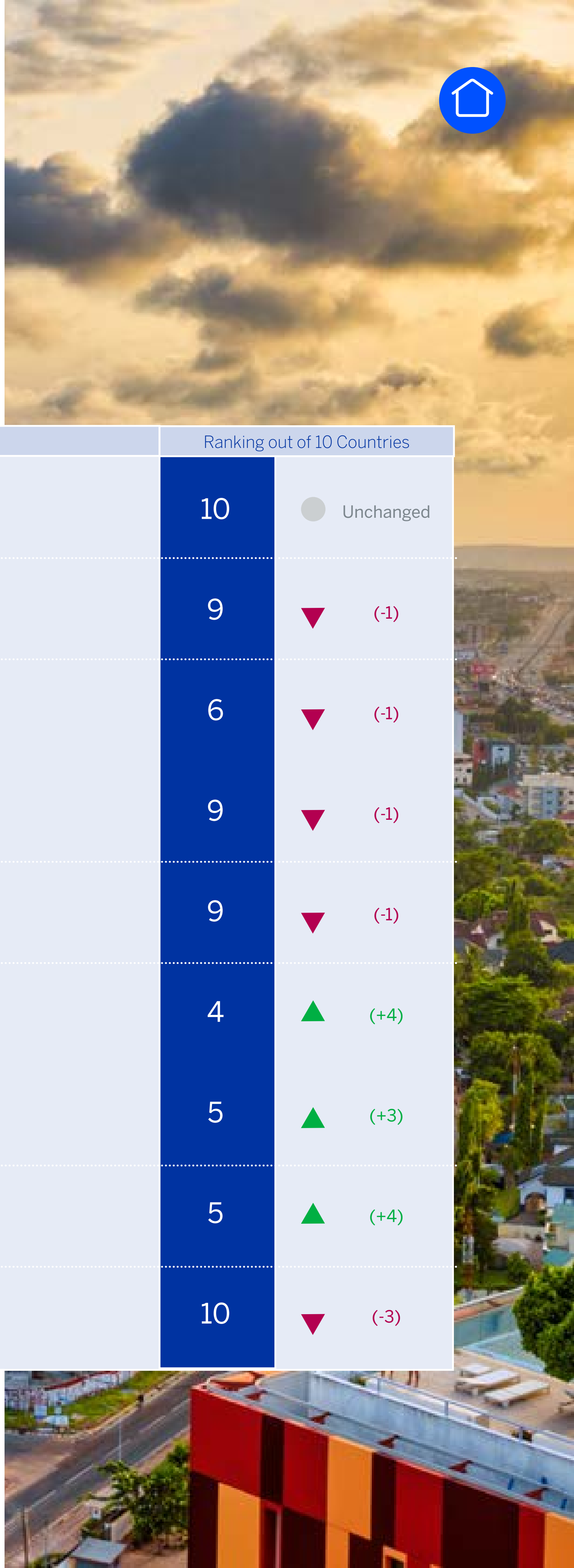
From a secondary research perspective, the Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) is constructed. The SB QTB scores and ranking by country are the averages of all the selected indicators collected only from existing secondary data sources. It is important to note that the SB ATB ranking of countries is relative to the 10 countries themselves. In other words, countries are ranked against each other i.e., relative scores to each other.

The table below shows Ghana's relative performance in the seven broad thematic categories of the SB ATB.

Thematic Category	Indicator	August 2024	May 2023	Ranking out of 10 Countries	
Macroeconomic Stability	Business Confidence	55	47	10	Unchanged
Governance and Economy	Government Support on Trade	45	48	9	(-1)
Infrastructure	Quality of Infrastructure	41	46	6	(-1)
	Infrastructure Obstacles	51	54	9	(-1)
Access to Finance	Access to Credit	37	39	9	(-1)
Traders' Financial Behaviour	Credit Terms Extended to Clients	52	47	4	(+4)
	Credit Terms Advanced from Suppliers	54	48	5	(+3)
Foreign Trade	Ease of Trade	42	40	5	(+4)
Trade Openness	Trade openness	48	52	10	(-3)

Note: All (with the exception of the ease of trade) indicators have an index score ranging from 0 to 100, where 0 represents a low score and 100 the highest score. For the ease of trade indicator, 0 represents a high score and 100 a low score.

August 2024
May 2023



The SB ATB is an aggregate of the SB QTB and the SB STB.

This is the country report for Ghana.

It contains an analysis of the primary and secondary data gathered specifically for Ghana between July and September 2024 and showcases trends and opportunities in trade within the country. **A consolidated report will complement the individual country analyses,** synthesising data from the 10 African markets surveyed to provide a comparative perspective on the factors enabling and hindering trade. This will form the cornerstone of the trade barometer.

Ghana's overall SB ATB ranking fell from 3rd in May 2023 to 7th in August 2024. Regarding the SB QTB, the country's ranking dropped from 5th to 8th. Conversely, Ghana rose from 7th place to 5th in SB STB. Overall, her SB ATB position fell in relation to the other markets.

Ghana fell to 7th position in the annual SB ATB ranking.

While challenged in recent years, Ghana's macroeconomic environment is showing signs of stabilisation, which could positively influence its trade attractiveness. In 2023, GDP growth slowed to 2.9% due to fiscal deficits, high public debt, and global pressures such as the Ukraine war and monetary tightening. These factors eroded investor confidence and strained foreign currency reserves. However, Ghana's economy is projected to rebound with 3.8% growth in 2024, driven by strong performances in agriculture, industry, and services, supported by IMF and World Bank programs. Despite this optimism, debt restructuring and reliance on commodity exports remain significant risks to sustaining long-term growth and trade attractiveness.

Ghana's business confidence index rose significantly to 55 in August 2024, up from 47 in May 2023, reflecting growing optimism amid economic reforms and improving macroeconomic stability.

Surveyed businesses, particularly small enterprises, expressed increased confidence in the economy, with 45% now optimistic about the next three years. This positive sentiment is driven by high customer demand, business growth, and policy reforms supported by the IMF's USD 3 billion Extended Credit Facility. However, concerns remain over high taxation and inflation, cited by 84% and 80% of pessimistic businesses, respectively. Despite these challenges, 81% of businesses expect revenue growth, buoyed by increasing demand and potential tax reductions.

Ghana's government support index for cross-border trade declined from 48 in May 2023 to 45 in August 2024, reflecting growing dissatisfaction among businesses, primarily due to high taxation. A higher proportion of surveyed businesses (41%) now believe the government has been less supportive of cross-border trade, up from 36% in May 2023. Key concerns include unclear customs duties and heavy business taxes, with 85% of businesses calling for tax reductions to enhance trade. Despite some positive developments, such as tax reforms outlined in the 2024 Mid-Year Budget, businesses face challenges like unexpected taxes and inflation, which, while declining, remains high at 22.9%. Strengthening international partnerships, such as new agreements with Kenya and India, could support cross-border trade and economic growth.

Perceptions of trade-related infrastructure quality in Ghana declined across most aspects, with the infrastructure index dropping from 46 in May 2023 to 41 in August 2024. Significant declines in telecommunications and power supply were reported, particularly following an eight-week internet disruption due to damaged undersea cables and ongoing power supply issues. Transport infrastructure, including roads and rail, also saw a decline in perceived quality, with Ghana's largely unpaved road

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network presenting challenges for logistics. While new programs like the District Road Improvement Programme (DRIP-2024) aim to enhance road connectivity, businesses continue to struggle with unreliable rail services and frequent power outages, which disrupt production and communication, further hindering trade operations.

Ghana's access to credit index declined to 37 in August 2024 from 39 in May 2023, indicating a tightened business credit market. This reflects an economy where soaring interest rates, at 30%, have discouraged traditional borrowing, particularly among small businesses, with 89% affected compared to 68% of big businesses and 79% of corporates. High interest rates, a lack of collateral, and stringent loan terms have left 47% of surveyed businesses struggling to secure financing. However, 52% of businesses extend credit terms to clients, and 54% receive credit from suppliers, compared to 47% and 48% in May 2023.

Surveyed Ghanaian businesses increasingly favour digital payment methods for cross-border transactions, though cash still dominates domestically. 75% use international transfers, and 65% use EFTs for cross-border sales. For purchases, 72% prefer international transfers and 69% use EFTs. Cash usage for cross-border sales has dropped to 50% in August 2024 from 77% in May 2023, driven by concerns over security, fraud, and exchange rate fluctuations. The adoption of systems like the Pan African Payment and Settlement System has also contributed to this shift. However, cash remains the primary payment method for domestic transactions, used by 94% of businesses, with mobile money usage seeing slight growth due to reduced transaction costs and improved infrastructure.

Ghana's ease of trade index improved slightly from 40 in May 2023 to 42 in August 2024, indicating marginally easier trading conditions. However, 43% of surveyed businesses still find trading with Africa difficult, citing language barriers, currency variations, and high transport costs. Only 21% of businesses prefer trading with African countries, compared to 31% and 23% favouring Asian and European markets. Despite Ghana being the AfCFTA Secretariat's headquarters and increasing awareness of the agreement, its perceived benefits have yet to materialise fully. Customs complexities, high transport costs, and non-tariff barriers continue to impede trade, reflecting challenges that AfCFTA has yet to overcome in streamlining intra-African trade.

Despite a decline in Ghana's trade openness index from 52 in May 2023 to 48 in August 2024, the proportion of surveyed businesses that import inputs has grown by 10%, with most sourcing from Asia, particularly China. Imports from China are expected to rise further, bolstered by strengthened ties following the 2024 Forum on China-Africa Cooperation (FOCAC) summit. On the export side, 80% of surveyed businesses anticipate growth in their exports, though exports to West Africa have dropped from 91% to 60%, primarily due to complex customs duties and regulatory challenges. Conversely, exports to Europe have increased to 55%, driven by Ghana's Economic Partnership Agreement with the EU, offering duty-free access to European markets.

In conclusion, despite Ghana's 4-place decline in the SB ATB rankings, promising developments could shape its trade landscape positively in the future. Future SB ATB iterations will aim to track how Ghana's IMF-led reforms impact inflation, debt restructuring, and long-term economic stability. It will also be important to track the evolving role of digital payment systems, especially in cross-border transactions, and whether adopting systems like PAPSS can further reduce cash reliance for domestic trade. Monitoring the effectiveness of infrastructure initiatives, such as DRIP-2024, in improving transport logistics, as well as how businesses adapt to fluctuating access to finance amid high interest rates, will be crucial. Finally, Ghana's trade relations, particularly with Asia and Europe, and its ability to navigate the AfCFTA's challenges will remain central to understanding its future position within regional and global trade environments.

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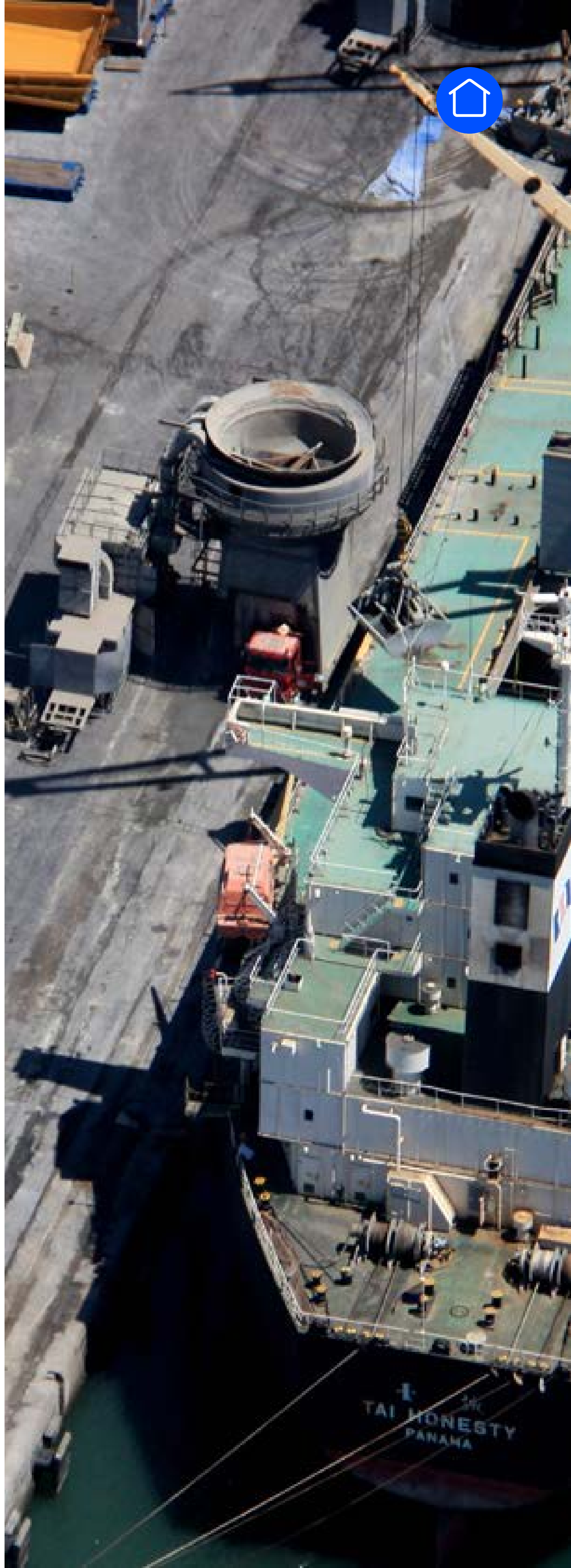


1 INTRODUCTION

Africa's largest bank, Standard Bank (trading in Ghana as Stanbic Bank), has leveraged its presence and expertise across the continent to create the Stanbic Bank Africa Trade Barometer (SB ATB).

The SB ATB was conceived with the intent of creating Africa's leading trade index to address the information vacuum of reliable African trade data and to support and enable the growth of intra-Africa trade.

Trade—in the context of the SB ATB—should be understood as the process of production and transfer of goods and services that is enabled by solutions that effectively connect the supply chain domestically and internationally to create economic value.

Launched in 2022, this is Issue 4 of the SB ATB. Issue 1, 2 and 3 were published in June 2022, November 2022 and September 2023 respectively. The SB ATB focuses on 10 countries: Angola, Ghana, Kenya, Mozambique, Namibia, Nigeria, South Africa, Tanzania, Uganda, and Zambia.

The objective of the SB ATB is to provide dynamic and insightful analysis that can intelligently inform and grow Africa's trade ecosystem.

Updated annually, the data enables stakeholders to take the pulse of African trade in near real-time to measure improvements or declines in business confidence, track operational challenges, and identify shifts in overall tradability.

The SB ATB is based on primary and secondary data sources. Primary research is gathered through a survey of over 2 258 firms representing small businesses, big businesses, and corporates across the 10 countries. The survey is augmented by in-depth interviews with select thought leaders in respective countries, and secondary data from sources such as the World Bank, the International Monetary Fund (IMF) and central banks of the respective countries.

To complement the individual country reports, a consolidated report will be published, serving as a cornerstone of the trade barometer.

This overarching document will synthesise the data from the various country analyses to offer a comparative perspective of the factors enabling and impeding trade across the 10 African markets surveyed.

This is the country report for Ghana.

It contains analysis of the primary and secondary data gathered specifically for Ghana and showcases trends and opportunities in trade within the country. Primary and secondary data was gathered in Ghana between July and September 2024 for this fourth issue of the SB ATB.

The surveyed businesses in Ghana were located in the following cities or towns: Accra, Kumasi, Tamale, Takoradi, Ashaiman and Tema. In order to be representative, the majority of these (69%) were small businesses (see Figure 1) given that most businesses in the country fall in this category. There were three in-depth interviews conducted in Ghana as part of this issue. These were with representatives from the Ministry of Trade and Industry, the National Development Planning Commission and the Association of Small Scale Industries (ASSI).

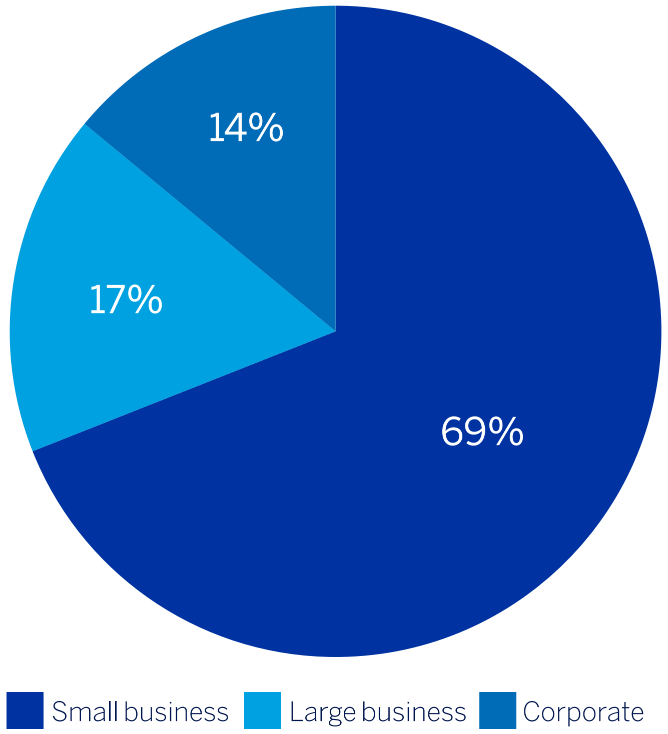
The fact that the majority of surveyed businesses were small businesses is a central value-add of the Stanbic Bank Africa Trade Barometer (SB ATB). Conventionally, aggregate trade data and information on the African continent is skewed by large businesses who trade specific commodities in large volumes. The trading activities and behaviour of small businesses is therefore often not adequately represented.

Skewness towards small businesses of SB ATB

The emphasis and findings in the SB ATB relate to small businesses, their trade behaviour, trading activities and their perceptions on trade. The SB ATB also makes a contribution in understanding the trade perceptions of small businesses in Africa that do not necessarily engage in cross-border trade. Understanding the trade perceptions of all small businesses is key, as it aids in Africa's journey from a disjointed trading landscape to a more cohesive one where an extensive range of economic participants actively engage in trade with one another.

Notes: Certain survey findings in this report may differ from data at the aggregate level because data at the aggregate level is skewed by a few large businesses that trade large volumes of specific commodities. This is pointed out in the report, as relevant.

Figure 1: Breakdown of surveyed businesses in Ghana by business segment



Source: Stanbic Bank Africa Trade Barometer Issue 4

2 STANBIC BANK AFRICA TRADE BAROMETER ISSUE 4 COUNTRY RANKINGS

Ghana fell four places in the Stanbic Bank Africa Trade Barometer ranking, from position 3 to 7.

In order to construct the Stanbic Bank Africa Trade Barometer (SB ATB) index rankings, seven broad thematic categories of data are collected from both primary and secondary data sources. These thematic categories are macroeconomic environment, macroeconomic stability, government support, infrastructure constraints and enablers, trade openness, trader's financial behaviour and access to finance, and foreign trade and trading in Africa.

The SB ATB consists of the following two trade rankings:

- **The Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB)** is constructed from a secondary research perspective. The SB QTB scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reports.
- **The Stanbic Bank Firm Survey Trade Barometer (SB STB)** is constructed from a primary data perspective. The SB STB scores and ranking by country are the averages of all the survey data collected from 2 258 businesses.

The SB ATB is an aggregate of the SB QTB and the SB STB. Changes in a country's ranking on the three indices (SB ATB, SB QTB and SB STB) are driven by changes in both the aggregate score for that country, as well as their relative ranking against the other countries included. Changes in the SB ATB rankings over the past year are driven mostly by the changes in the SB STB scores.

The SB ATB ranking of countries is relative as countries are ranked against each other i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that on a common starting point of 0 and maximum point of 100, this is how the two markets fared.

Ghana saw a significant decline in its SB ATB rankings, to 7th place from 3rd (see Figure 2). Similarly, the country slid three places in the SB QTB rankings, falling to 8th place from 5th last year. Ghana's SB STB, nonetheless, rose to 5th place from 7th. The decline in Ghana's ranking in the SB ATB, despite an improvement in the SB STB, reflects the relative nature of these rankings. This indicates that while Ghana may have performed well on some aspects, other countries being compared have performed even better.

Ghana's fall in the August 2024 SB ATB sees the country falling to the bottom 50% of the rankings from the near top of the rankings in September 2022 and May 2023. The downswing reflects declines in perceptions of borders and customs efficiencies, quality of infrastructure, access to credit and perceptions of governance. Nonetheless, Ghana showed improvements in perceptions of import and export revenue growth, business confidence, ease of trade and credit terms extended.

Figure 2: ATB, QTB and STB ranking, by country

1 = High tradability score — 10 = Low tradability score

Aug '24										
ATB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
May '23	1	2	4	8	6	5	3	9	7	10
Jan '22	1	7	3	5	8	4	2	9	6	10

Aug '24										
QTB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
May '23	1	2	3	4	6	7	8	5	9	10
Jan '22	1	8	3	6	4	9	6	2	7	10

May '23										
STB	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**
Sep '22	3	4	1	2	7	9	8	5	6	10
Jan '22	4	2	6	5	9	8	7	10	1	3

Improved in Ranking — Remained in the same ranking — Declined in ranking

Source: Stanbic Bank Africa Trade Barometer Issue 4

Notes: All values are shown so that a higher value is 'better' for trade, with the best to least ranking economies being ranked 1, 2, 3, etc., and how this has changed over time. Red border indicates that the country has declined in the relevant ranking from May 2023. Green border indicates that the country has improved in ranking from May 2023, while Grey border indicates that the country has remained in the same position as in May 2023.

3 MACROECONOMIC ENVIRONMENT

Although Ghana has struggled macroeconomically in recent years, it is showing signs of stabilisation going forward.

A country's macroeconomic environment is a crucial factor in determining its attractiveness for trade and business in the economy. Some factors that increase a country's trade and investment attractiveness are high GDP (indicating a strong production of goods and services); high GDP per capita (suggesting strong consumer purchasing power); low inflation (ensuring the local currency remains favourable for importers); high foreign direct investment (FDI) (indicating a generally business-friendly environment) and high merchandise trade as a percentage of GDP (reflecting substantial imports and exports)

Ghana's macroeconomic conditions are stable amid global challenges and debt restructuring. In 2023, Ghana's economic growth decelerated, with real GDP growth rate slowing from 3.8% in 2022 to 2.9% in 2023.[1] The deceleration was driven by elevated fiscal deficits and public debt levels, combined with the effects of global monetary policy tightening. These factors triggered a drop in international investor confidence in Ghana and resulted in a loss of international market access which further strained Ghana's pre-existing fiscal and debt vulnerabilities.[2]

This generated increasing pressures on domestic financing, with the government turning to monetary financing by the central bank, which fed into declining foreign currency reserves.[3] International reserves declined due to several factors such as a widening current account deficit which increased the demand for foreign currency to pay for imports, the depreciating Cedi further strained reserves, as it became more costly to acquire foreign currency. Additionally, accelerating inflation eroded the purchasing power of the Cedi and weakened investor confidence.[4]

That said, the Ghanaian economy is showing signs of stabilisation in 2024, with growth projected to improve to 3.8% in 2024,[5] primarily due to increased private consumption and industrial activity. In the first half of 2024, Ghana's economy experienced growth primarily driven by its three main sectors, agriculture, industry and services. The industry sector grew by 8%, which was a rebound from a 2% contraction in 2023. The agriculture sector grew by 5%, driven by strong performances in crops, fishing, and livestock. Finally, the services sector also contributed to the recovery, expanding by 4.4%, further boosting overall economic growth.[6]

4.2%

is the real GDP growth forecast for Ghana for 2025, recovering further from slowdowns in 2023.[7]

Lifelines extended by the International Monetary Fund (IMF) and World Bank are supporting Ghana's macroeconomic stabilisation. In 2023, Ghana was awarded by the IMF a USD 3 billion Post-Covid-19 Programme for Economic Growth (PC-PEG) under IMF's Extended Credit Facility program.[8] The PC-PEG program provided a solid framework for Ghana to restore macroeconomic stability, secure debt sustainability, and lay the foundations for higher and more inclusive growth.[9] Under the three-year program, the Ghanaian government has focused on macroeconomic stability through fiscal consolidation and structural reforms, that are aimed at enhancing domestic resource mobilisation, improving public financial management, and creating a more favourable environment for private sector growth.

Additionally, Ghana secured a USD 300 million Development Policy Operation from the World Bank's International Development Association (IDA) to support fiscal sustainability, financial sector stability, private sector development, energy sector discipline, and social and climate resilience.[10]

Some of the policy reforms under the IMF Programme for Economic Growth (PC-PEG) include fiscal adjustments to bring public finances back on a sustainable path, tax reforms, improved revenue collection and measures to address challenges in the energy and cocoa sectors. The program supports tight monetary policies to help reduce

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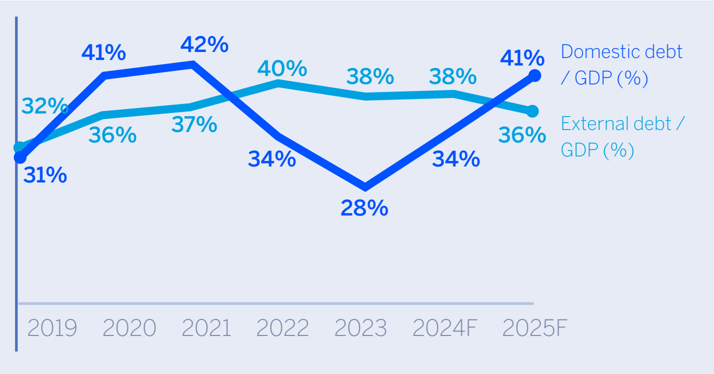
[1] Stanbic Bank African Markets Revealed Report, 2024.
[2] World Bank Ghana 2022 Economic Update, 2024. Available here.
[3] IMF, 2024. Available here.
[4] World Bank Ghana 2022 Economic Update, 2024. Available here.
[5] Stanbic Bank African Markets Revealed Report, 2024.
[6] Ministry of Finance, 2024. Available here.
[7] Stanbic Bank African Markets Revealed Report, 2024.
[8] Ministry of Finance, 2023. Available here.
[9] Ministry of Finance, 2024. Available here.
[10] World Bank, 2024. Available here.

inflation and rebuild reserves, debt restructuring and the mobilisation of external financing.[11]

The ongoing debt restructuring program is a key driver of this positive outlook.[12] **In late 2022, Ghana defaulted on its debt, marking one of the largest sovereign bond defaults of the year.**[13] Struggling with high inflation, economic contraction, and a heavy external debt burden, Ghana was unable to service its approximately USD 30 billion in foreign debt,[14] which included obligations to private-sector bondholders and bilateral lenders such as China and France. In response, the country sought a USD 3 billion bailout from the International Monetary Fund (IMF). The loan was contingent on Ghana successfully negotiating debt relief with its creditors under the G20 Common Framework. Although this framework was designed to streamline debt restructuring, progress has been slow, particularly in balancing the interests of a diverse group of creditors. The goal is to restore Ghana's economic stability and regain access to international financial markets before the 7 December 2024 elections.[15]

Figure 3: Ghana's debt (domestic and external) to GDP %



Source: Bank of Ghana; Stanbic Bank Research

Note: 'f' represents forecasted figures.

More prudent fiscal management and programmes are driving positive sentiments, evident in gradual growth of FDI, projected to improve from USD 1.3 billion in 2023 to 2024 to USD 1.4 billion and to USD 1.9 billion in 2025.[16] Key FDI investments such as the Pecan oil field with an initial USD 1.5 billion investment, are expected to boost oil production by 2025, along with contributions from the Jubilee South East oil field, which has increased oil output and export earnings.

Despite positive growth factors, several macroeconomic risks could hinder progress. Ghana remains Africa's most indebted country to the IMF, with public debt-to-GDP ratio reaching 72% in 2023.[17] Ghana accounts for 9.6% of the USD 17.68 billion in total loans owed by African countries to the IMF, despite representing an estimated 3% of Africa's GDP.[18] A timely debt restructuring of Ghana's overall external debt to GDP (domestic and external) is thus crucial to restoring macroeconomic stability and boosting investor confidence, which is essential for promoting economic growth and attracting FDI.

Another significant macroeconomic risk for Ghana is the fluctuation in commodity prices, in particular Ghana is highly dependent on gold (43%), mineral fuels and oil (18%) and cocoa beans products (14%) for exports.[19] Cocoa production has been weak, largely due to unfavourable weather patterns linked to climate change and damage from the cocoa swollen shoot virus.[20]

Additionally, geopolitical risks from neighbouring Burkina Faso pose further challenges.[21] Increased government spending on security and counter-terrorism in response to regional instability may strain public finances and disrupt economic activity.

Furthermore, Ghana's controversial anti-LGBTQ+ law which is still at draft stage could jeopardise relations with Western allies and multilateral aid partners, potentially affecting future financial assistance and trade relations.[22] Earlier this year, the United States struck Uganda from the African Growth and Opportunity Act (AGOA), which provides sub-Saharan African countries with duty-free access to the US market, for a similar anti-LGBTQ+ law.[23]

Table 1: Ghana's macroeconomic indicators and their impact on tradability attractiveness

Indicator	Unit	2019	2020	2021	2022	2023	2024f	2025f
Nominal GDP	USD, billions	66	68	78	66	72	73	81
GDP per capita	USD	2 204	2 228	2 491	2 071	2 179	2 175	2 344
Real GDP growth	%	6.6	0.5	5.1	3.8	2.9	3.8	4.2
Merchandise of trade (as % of GDP)	% of GDP	42.6	38.4	35.7	43.2	38.7	N/A	N/A
Lending interest rates - Ghana Reference Rate (GRR)	%	16.2	15.2	14.0	21.7	30.1	N/A	N/A
Inflation rate	%	8.6	9.9	10.0	31.5	40.3	22.9	17.8
Lending rate (LRATE)	%	23.5	21.98	20.6	26.2	33.0	N/A	N/A
Exchange rate	GHC per USD	5.37	5.73	5.92	9.24	11.75	14.32	15.65
FDI	USD, billions	3.3	1.3	2.4	1.5	1.3	1.4	1.9
Trade (exports and imports as % of GDP)	% of GDP	76.8	66.6	62.7	70.1	69	N/A	N/A

Source: Bank of Ghana; Ghana Statistical Service; Bloomberg; Ministry of Finance; Stanbic Bank Research

Note: 'f' represents forecasted data point.
Notes: Some percentages and figures are rounded to the nearest whole number | The Ghana Reference Rate (GRR) is the interest rate fixed by the Bank of Ghana which becomes the basis on which commercial bank's determine their lending rate by either adding or subtracting their risk premium. | Lending rate - Lending Rate (LRATE) is average interest rates charged by commercial banks on loans given to households and firms in the country | For LRATE and GRR, the values are averaged monthly, and these monthly averages are then combined to calculate an annual figure.
Note: Information collected is up to June 2024 and forecasts could have been revised by the time of publication.

[11] IMF, 2024. Available here.
[12] Ministry of Finance, 2024. Available here.
[13] Axios, 2024. Available here.
[14] CNBC Africa, 2024. Available here.
[15] Financial Times, 2024. Available here.
[16] Stanbic Bank Africa Markets Revealed Report, 2024
[17] Ministry of Finance, 2024. Available here.
[18] World Bank Group, 2024. Available here.
[19] Ghana Statistical Services, 2024. Available here.
[20] Reuters, 2024. Available here.
[21] Foreign Policy, 2024. Available here.
[22] The International Trade Administration, U.S. Department of Commerce, 2024. Available here.
[23] The East African, 2024. Available here.

4 MACROECONOMIC STABILITY

Confidence in Ghana's economy is growing, helped by economic reforms and greater macroeconomic stability.

GHANA'S BUSINESS CONFIDENCE INDEX SCORE

Source: Stanbic Bank Africa Trade Barometer Issue 4

Business confidence can vary between 0 and 100, where 0 indicates an extreme lack of confidence, 50 neutrality and 100 extreme confidence. In the August 2024 SB ATB survey results, Ghana's business confidence index score improved substantially to 55 from 47 in May 2023.

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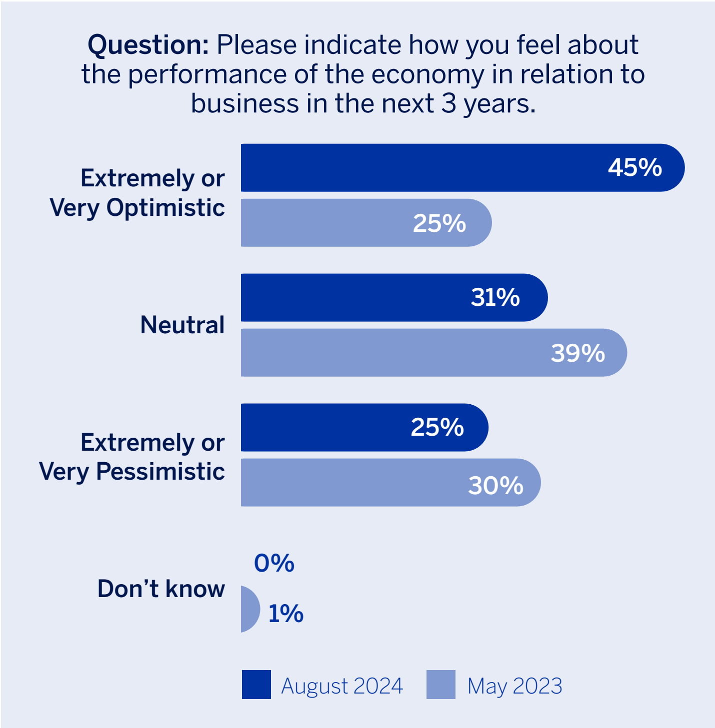
Surveyed businesses' perceptions of the performance of the economy in relation to the business environment are more positive compared to May 2023. 45% of surveyed businesses are confident in the economy's performance over the next three years, a significant increase from 25% in May 2023 (see Figure 4).

Small businesses saw the largest increase in optimism, with 48% now confident about the economy, compared to 35% of big businesses and 26% of corporates. This is in contrast to May 2023, when only 25% of small businesses, 25% of big businesses, and 16% of corporates were optimistic about the economy.

Surveyed businesses with an optimistic outlook of Ghana's economy most commonly cited high customer demand (58%), business growth (54%), and increased economic growth (46%) as the main factors for their optimism.

Figure 4: Ghanaian businesses outlook of the performance of the economy



Source: Stanbic Bank Africa Trade Barometer Issue 4

This sentiment is likely driven by the government's policy reforms and structural adjustments aimed at fostering growth within a stable macroeconomic environment.[24]

A notable factor behind the improved perception is the government's short-term policy, which focuses on restoring macroeconomic stability, debt sustainability, and fiscal responsibility. Reforms are being supported by the three-year USD 3 billion Extended Credited Facility (ECF) IMF programme, running from 2023 to 2025. Some of the measures to stabilise the economy include prudent monetary policy to reduce inflation, rebuilding international reserves, and strengthening financial sector stability and creating a conducive environment for private sector investment amongst other measures.[25]

Ghana's foreign currency reserves have shown improvement reaching US 6.87 billion at the end of June 2024.[26] This positive trend is likely due to government initiatives such as the domestic Gold Purchase program and support from international financial institutions such as the IMF and World Bank.[27] In response to the improvement in foreign currency reserves, the central bank maintained its key policy interest rate from 29% to 27% mid-2024, reflecting a more favourable economic outlook. These measures aimed to contain inflation and tackle the dollar liquidity challenges faced by the country. However, challenges still remain such as pressures on the local currency resulting from high import demands and payments related to government arrears.

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[24] Ministry of Finance, 2024. Available here.
[25] IMF, 2024. Available here.
[26] Bank of Ghana, 2024. Available here.
[27] Bank of Ghana, 2024. Available here.

Positive perceptions of the economy are borne out by rebounding real GDP growth rate (see Figure 5). Key initiatives include significant FDI inflows such as the USD 2 billion agreement with South Korea's Economic Development Corporation Fund for infrastructure investment over the next five years.[28]

Additionally, increased oil output is expected from the Pecan Conventional oil field that received USD 1.5 billion for its first phase and is expected to produce 82 500 barrels a day from 2025. The World Bank is also aiding Ghana recovery, approving USD 300 million as part of the Development Policy Operation to promote resilient and inclusive growth.[29]

Specific reforms supported by this financing series from the World Bank include improving the financial and operational stability of the energy sector, enhancing the country's social protection system, and integrating climate adaptation and mitigation measures into national policies.[30]

Figure 5: Real GDP growth (%)

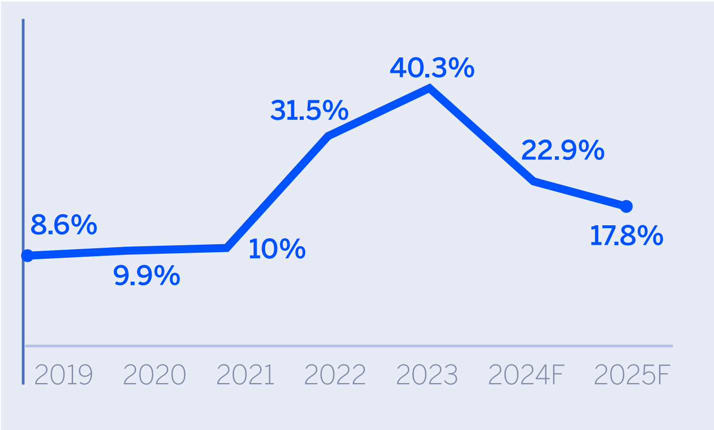
Source: Stanbic Bank African Markets Revealed Report

Note: 'f' represents forecasted data points.

The majority of surveyed businesses (84%) with a pessimistic outlook of the economy single out high taxation as the reason for their pessimism. This could be as a result of the 2024 mid-year budget, which outlined several measures, including engaging in tax dialogues with stakeholders to implement the Medium-Term Revenue Strategy (MTRS) for 2024-2027. Measures outlined in the MTRS may prove unpopular with businesses as the government aims to improve and expand revenue performance.[31] Proposed measures identified include implementing the second phase of the electronic invoicing system (e-VAT) for 600 large taxpayers and over 2,000 small and medium-sized taxpayers which is currently in progress, revising certain VAT exemptions to minimise distortions and misuse, and introducing taxes on residents' foreign income, affecting remote workers and content creators, among other initiatives.[32,33]

Additionally, 80% of surveyed businesses cited high inflation rate as a major reason for their pessimistic outlook of the economy. Inflation has been one of Ghana's most pressing economic challenges. It spiked from 31.5% in 2022 to 40% in 2023,[34] driven mainly by food price inflation and currency depreciation. Despite this, the inflation outlook for 2024 remains optimistic, with expectations that it will decline to an average of 22.9%, owing to the easing of food price pressures and global commodity prices and an increase in FDIs into the country that ease the foreign currency reserves.

Figure 6: Ghana's Inflation rate (%)

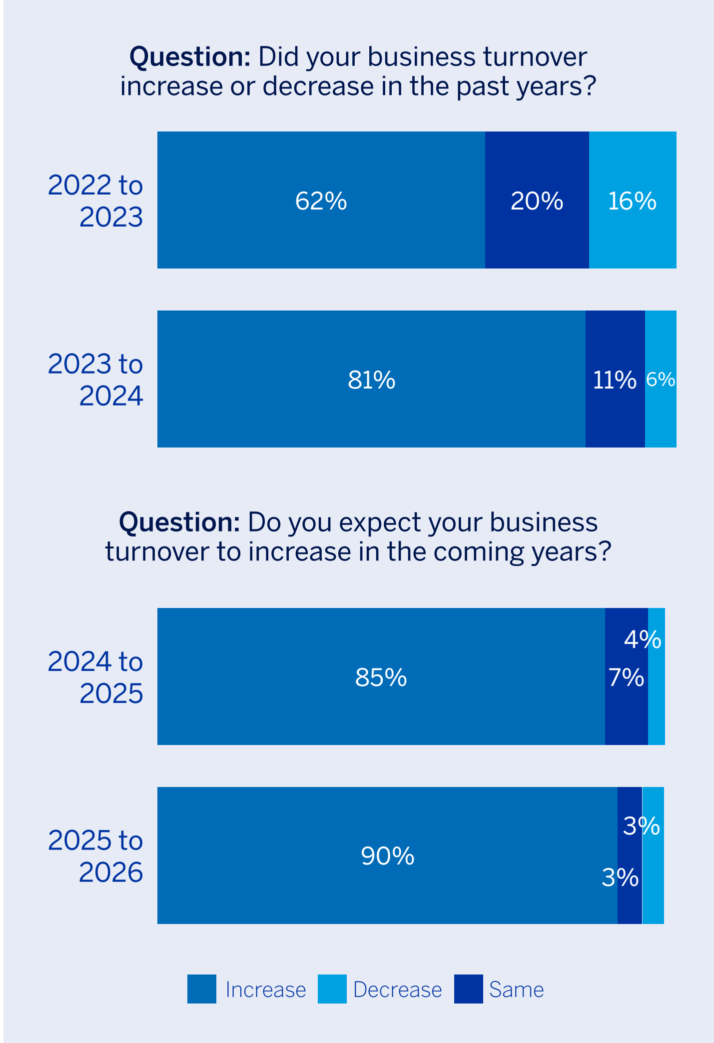


Source: Stanbic Bank African Markets Revealed; Bank of Ghana

Note: "f" represents forecasted number.

Surveyed businesses have a positive outlook for revenue growth, with 81% expecting their revenues to increase this year. These businesses expect the following factors to positively impact revenue: increased orders, demand, and sales (82%), increased marketing activity (79%) and tax reductions (79%) which allows for businesses and consumers to retain more of their income. This optimism likely stems from expectations of achieving macroeconomic stability through government efforts, along with the clarity that may emerge following the elections to be held on December 7, 2024.

Figure 7: Sentiments of business turnover increases



Source: Stanbic Bank Africa Trade Barometer Issue 4

Note: Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.

> "The government's main goal in implementing AfCFTA is to unlock immense benefits and generate an immeasurable increase in business opportunities."
>
> Representative from the Association of Small Scale Industries (ASSI)

[28] Ministry of Finance, 2024. Available here.
[29] World Bank, 2024. Available here.
[30] World Bank, 2024. Available here.
[31] Ministry of Finance, 2024. Available here.
[32] Ventures Africa, 2024. Available here.
[33] Ghana Revenue Authority, 2024. Available here.
[34] Stanbic Bank African Markets Revealed, 2024

5 GOVERNMENT SUPPORT

Perceptions of government support for cross-border trade have declined, mainly due to sentiments of high taxation.

GHANA'S GOVERNMENT SUPPORT INDEX SCORE

Source: Stanbic Bank Africa Trade Barometer Issue 4

Government support index can vary between 0 and 100, where 0 indicates an extreme lack of Government support, 50 neutrality and 100 extreme government support. In the August 2024 SB ATB survey results, Ghana's government support index score declined from 48 to 45, indicating that surveyed businesses in Ghana feel the government has been less supportive of cross-border trade activities in this iteration of the survey compared to the May 2023 survey.

***

A higher proportion of surveyed businesses do not believe the government has been supportive of cross-border trade, growing to 41% compared to 36% in the May 2023 survey (see Figure 8).

While modest economic growth is expected, the economy faces several risks, including fluctuations in global commodity prices of cocoa. Additionally, persistent high inflation also weakens consumer spending and investment, potentially slowing recovery efforts and affecting tradability within the country (see Figure 6). Inflation has declined to 22.9% in 2024, and is expected to decline further to 17.8% in 2025, but this is still a high rate for inflation.

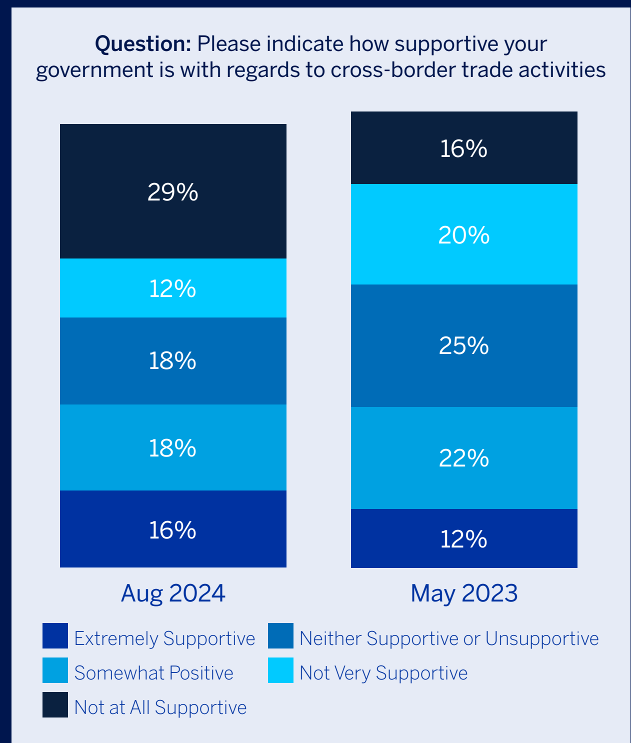
Surveyed businesses identified the reduction of business tax (85%) and clarity on custom duties payable (81%) as important tax related interventions, suggesting that businesses believe trade activity could increase if trading costs were lowered. Positive developments in this area include the 2024 Mid-Year Budget's revenue measures, such as tax dialogues with stakeholders to implement the Medium-Term Revenue Strategy (MTRS) for 2024-2027. Some of the new tax laws and amendments introduced effective January 1, 2024 a waiver of duty on the importation of raw materials for local manufacturers of sanitary towels, an extension of the zero tax rate for locally manufactured textiles and vehicles, and a waiver of tax on electric vehicles used for public transportation, among other measures.[35,36]

Another key factor that can support cross-border trade is strengthening Ghana's international relations with key global and regional partners to enhance economic growth and opportunities. Earlier in the year, Kenya and Ghana signed seven Memoranda of Understanding (MoUs) aimed at boosting bilateral relations and promoting trade and investment. These agreements, supported by business associations from both countries, also cover areas such as science and technology, tourism, education, governance, and defence.[37] Similarly, Ghana and India signed a partnership in May 2024 to operationalize a Unified Payment Interface (UPI) Integration for seamless cross-border payments on Ghana's payment systems within a period of six months.[38] It is important to note that these types of agreements may face uncertainty or potential adjustments in the event of a change in government.

Ghana has also played an important role supporting the African Continental Free Trade Area (AfCFTA). It hosts the Secretariat of the AfCFTA and is one of the eight countries that met the requirements to participate in the Guided Trade Initiative (GTI) out of 29 that submitted their tariff offers.[39] The GTI is a pilot phase aimed at accelerating the implementation of AfCFTA by testing the institutional, legal, and trade policy environment for the agreement. Notably, Ghana has supported 14 companies that have engaged in 40 trades under this initiative, showcasing its commitment to enhancing regional economic cooperation.

> One key challenge for businesses in Ghana is unexpected taxes. You may plan to pay 10 Cedis, but at the station, you're told to pay 100, often for taxes you weren't aware of. If you don't pay, your goods are stuck. This makes trading in Ghana difficult.
>
> Representative from the Association of Small Scale Industries

Figure 8: Perception of government support for cross-border trade



Source: Stanbic Bank Africa Trade Barometer Issue 4

Note: Numbers may not add up to exactly 100% due to "don't know" and "refused" responses not being included.

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[35] Ministry of Finance, 2024. Available here.
[36] Ghana Revenue Authority, 2024. Available here.
[37] Office of the President, Kenya, 2024. Available here.
[38] Government of India, Press Information Bureau (PIB), 2024. Available here.
[39] TradeMark Africa, 2023. Available here.

6 INFRASTRUCTURE CONSTRAINTS AND ENABLERS

Perceptions of infrastructure quality declined across most aspects, particularly as a result of telecom and power disruptions.

GHANA'S QUALITY OF TRADE-RELATED INFRASTRUCTURE INDEX SCORE

Source: Stanbic Bank Africa Trade Barometer Issue 4

The quality of trade-related infrastructure index can vary between 0 and 100, where 0 indicates poor quality, 50 indicates fair quality and 100 indicates excellent quality. In the August 2024 SB ATB survey results, Ghana's quality of trade-related infrastructure index score declined from 46 in May 2023 to 41.

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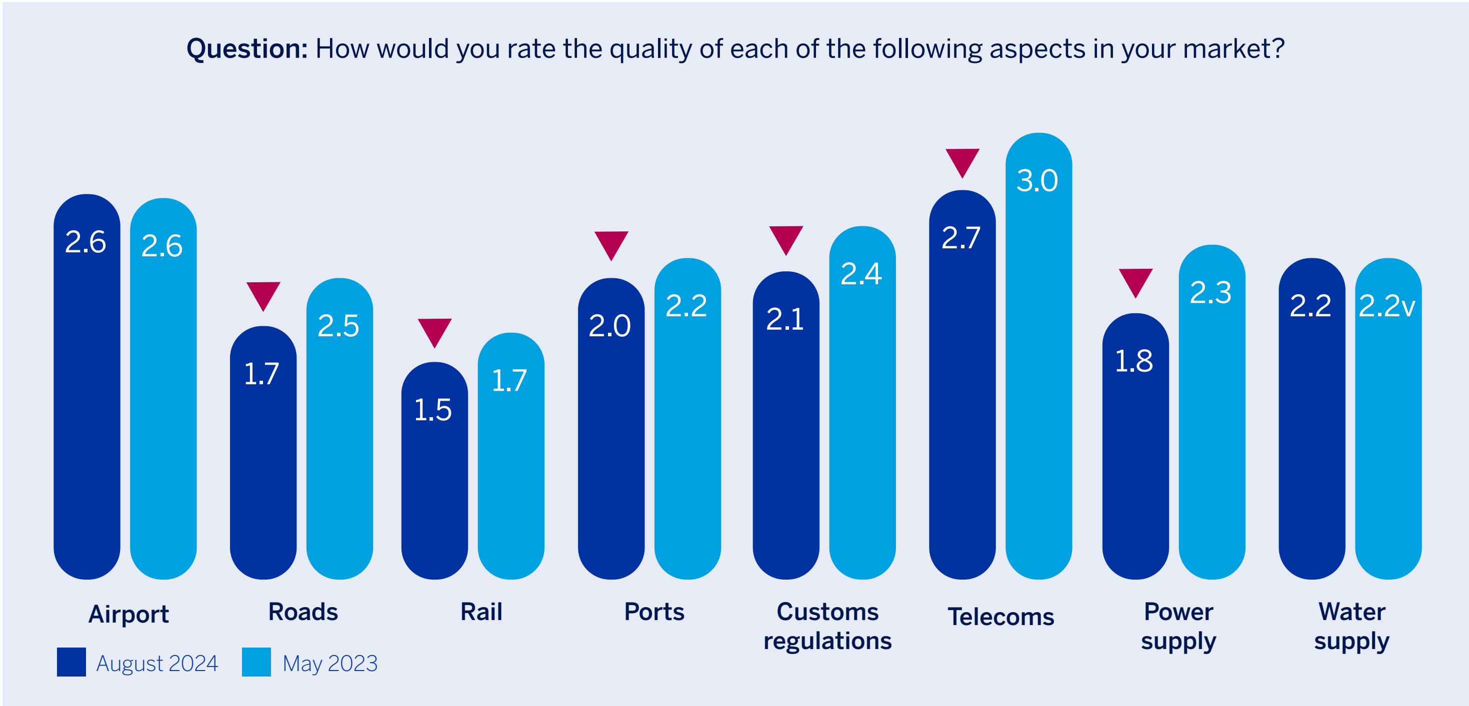
Surveyed businesses' perceived quality of trade-related infrastructure declined across most aspects compared to the May 2023 iteration of the survey. The most significant declines were on transport infrastructure (roads and rail), customs and trade regulations, telecoms, and power supply (see Figure 9).

The most significant decline in perceived quality was reported in telecommunications infrastructure which scored 2.65 points in contrast to 3 points in the May 2023 survey. A significant contributing factor to declining sentiments on the quality of telecommunications infrastructure could be the damage of undersea cables in March 2024 which resulted in weeks of disruption to internet access in the country.[40] The cables were damaged on 14 March and repairs were not completed until 9 May 2024.[41]

Figure 9: Perceived quality of various infrastructural aspects by businesses (out of 5 points)



Source: Stanbic Bank Africa Trade Barometer Issue 4.

Notes: Rating is on a 5-point scale, where 5 = excellent quality and 1 = poor quality. Arrows denote whether the value of the variable is significantly higher / lower than in the previous survey.

[40] National Communications Authority, 2024. Available here.
[41] GhanaWeb, 2024. Available here.

This event demonstrated the vulnerability of aspects of Ghana's telecommunications infrastructure and the need for development intervention by public or private entities. Exacerbating poor quality of telecommunications is unreliable power supply in Ghana, which causes disruptions to cellular and mobile services.

8

weeks of data disruption was caused by damages to submarine cables in 2024.

The declines in perceived quality of road (0.3 point decrease) and rail (0.2 decrease) infrastructure among surveyed businesses compared to May 2023 suggests increased difficulties in transporting goods and services by land. 2023 estimates place Ghana's road network at 94,000km, 73% of which is unpaved.[42] Though the proportion of the country's poor quality roads have reduced by 7% since 2017, the large proportion of unpaved roads present challenges to trade logistics, adding significant travel time and risk of damage to goods.[43] Improvements to road infrastructure in order to facilitate the development of agriculture and trade has been raised as a promise by certain political candidates ahead of Ghana's general elections in December 2024.[44] Public announcements such as these could influence the sentiments of this year's surveyed businesses, and make them more aware and critical of road infrastructure quality compared to their 2023 counterparts.

Outlooks on road quality and connectivity are expected to increase in the future, following the recent launch of the District Road Improvement Programme (DRIP-2024) in August 2024. The programme aims to improve the capacity of metropolitan, municipal, and district assemblies to maintain and build high quality roads, increasing access to markets and overall connectivity.[45]

FAST FACT:

In 2013, Ghana signed China's Belt and Road Initiative (BRI). A significant project under BRI is the Tema Port expansion project, which is expected to transform Ghana's maritime capabilities and boost its socio-economic development. Moreover, it will position Tema Port as the largest port in West Africa.[46]

Rail infrastructure is the lowest scoring infrastructural aspect for Ghana in this issue of the ATB. The decline in perceived quality of rail infrastructure from 1.7 in May 2023 to 1.5 in August 2024 could be a result of minimal tangible developments in infrastructure. This sentiment is likely to shift as more developments in Ghana's railway development plan become accessible. Forecasted for completion in 2024 is the construction of the new Kojokrom-Manso railway lines, covering 22 kilometres.[47] Another major railway line was launched in April 2024 - the Tema-Mpakadan route, a 98 kilometres line which is supplied with rolling stock from a Ghanaian company.[48]

Power supply infrastructure's perceived quality declined significantly among surveyed businesses from 2.25 points in May 2023 to 1.8 points in August 2024, making it the third lowest ranking infrastructural aspect in Issue 4 of Ghana's ATB. Although access to electricity stands at 89% in Ghana, achieved through the use of mini grids and small-scale power generating systems for off grid communities,[49] the country continues to struggle with an unreliable power supply[50] and high electricity costs which increase the operating costs of businesses. While disruptions in 2024 have been partly attributed to a shortage of gas supplied from Nigeria, Ghana has long been unable to meet peak demand through its power supply.[51] On the demand side, a shift to renewable energy would enable businesses to run their operations on a stable, climate resilient power supply. On the supply side, there are growing government incentives to enable trade in renewable energy products. In 2024, Ghana introduced a waiver on import duties on electric vehicles (EV) for public transportation and a zero rate of VAT on locally assembled EVs.[52] This has positive implications for reliable, climate resilient transport infrastructure and trade with China– the primary manufacturer of EV parts.

FAST FACT:

In 2023, Ghana waived import duties on electric vehicles for public transportation, semi-knocked down and completely knocked down electric vehicles imported by registered EV assembly companies in Ghana for a period of 8 years. In addition, The Ghanaian government extended a zero rate of VAT on locally assembled vehicles for 2 more years.[53]

> We urgently need to focus on developing rural roads to reach farming communities, the source of our food, and ensure a constant connectivity through improved logistics.

Representative from the National Development Planning Commission

> Power outages have a major impact on the development of trade. The moment an outage occurs, you cannot do anything. Communication goes down. Production is halted. Even information is paused.

Representative from the Association of Small Scale Industries

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[42] Ministry of Roads and Highways, 2024. Available here.
[43] Ibid.
[44] Distinguished, 2024. Available here.
[45] Ministry of Railways Development, 2024. Available here.
[46] China Daily. Available here.
[47] Ministry of Railways Development, 2024. Available here.
[48] Travelnews.africa, 2024. Available here.
[49] Ministry of Finance, 2024. Available here.
[50] Bruku and Thomas, 2024. Available here.
[51] Kemp, 2024. Available here.
[52] Kuhudzai, 2023. Available here.
[53] Clean Technica. Available here.

7 TRADE OPENNESS

Surveyed Ghanaian businesses are increasingly turning to international markets, as trade with Asia and Europe becomes more popular

GHANA'S TRADE OPENNESS INDEX SCORE

Source: Stanbic Bank Africa Trade Barometer Issue 4

The trade openness index score can vary between 0 and 100, where 0 indicates a high burden of obstacles inhibiting trade, 50 indicates a moderate burden of obstacles inhibiting trade and 100 indicating a low burden of obstacles inhibiting trade. In the August 2024 SB ATB survey results, Ghana's quality of trade openness index score declined from 52 to 48.

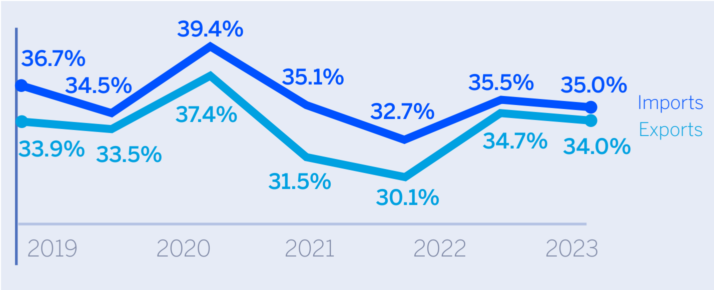
***

47% of surveyed businesses in Ghana import their inputs, in contrast to 37% of businesses surveyed in May 2023 and 28% of businesses surveyed in September 2022. For those that import, the majority operate in the consumer goods sector (40%) and purchase their goods from international wholesalers (65%). This is mirrored in the macroeconomic data, where imports represent a relatively large share of GDP (35%) (see Figure 10). For surveyed businesses, already so sensitive to inflation, their dependence on imports could place them at risk of increased costs of goods. At the same time, the increased import participation could be enabled by the greater liquidity of the dollar.

80%

of surveyed businesses feel that it is likely that the scale of their exports will increase over the next two years

Figure 10: Import and export volumes (% of GDP, 2017 - 2023)



Source: World Bank

50% of surveyed businesses source exclusively from domestic suppliers, a metric that is decreasing amongst annual surveyed cohorts at a rate of 10% per year since September 2022. This shift in importing behaviour amongst surveyed businesses suggests that more and more businesses are turning to cross-border trade partners to source imports.

FAST FACT:

Between August 2023 and August 2024, Ghanaian exports to China increased by 87.7%, from USD 175 million to USD 328 million.[54]

Asia is the largest source of imports for Ghana. 63% of surveyed businesses source imports from Asia, in contrast to the aggregate figure of 41% reported by the Ghana Statistical Service in their 2023 trade report.[55] Within Asia, China is the most popular market for surveyed Ghanaian businesses to import from. 51% of surveyed businesses import from China, in contrast to 32% of the businesses surveyed last year. At a macro level, the Ghana Statistical Service reported that China accounted for 45% of imports into the country in 2023.[56] China is considered an attractive import source due to the affordability, availability, and prompt delivery of goods sourced there. As the Bank of Ghana diversifies from the United States dollar to currencies like the Chinese Renminbi (also known as the yuan), it becomes easier for businesses to pay for goods and services in China, positively impacting import activity.[57] However, a downside to this diversification is the additional strain it places on banks to source the foreign currency.

78% of surveyed importers feel that it is likely that the volume of their imports will increase over the next two years, representing a 15% increase relative to the sentiments recorded in May 2023 (see Figure 11). The majority of businesses (47%) who hold this sentiment primarily expect imports from China to increase, pointing toward strong trade ties between the two countries. Following the recent Beijing Summit of the Forum on China-Africa Cooperation (FOCAC) meetings, the China-Ghana

"In terms of affordability, availability, and accessibility, China is number 1. They give you access to companies that manufacture the product enabling you to engage directly and arrange product delivery to your chosen location.

Representative from the National Development Planning Commission

Customs duties pose significant barriers for us; you're often detained, and before you realise it, demurrage charges escalate, perpetually increasing your tax burden.

Representative from the Association of Small Scale Industries

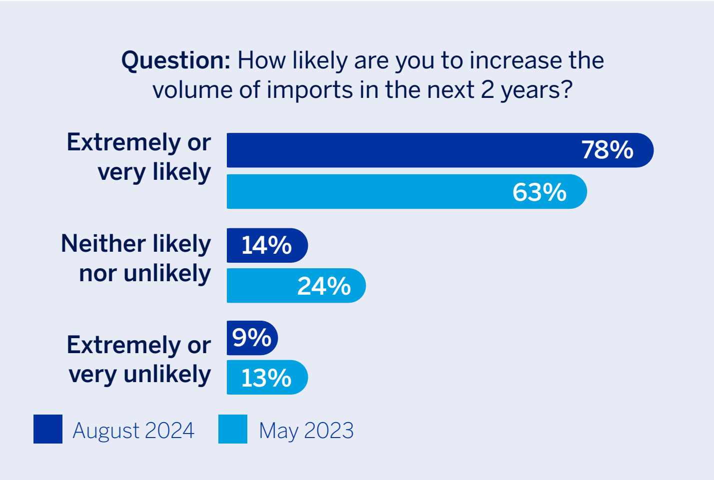
The EU has provided an avenue for African businesses to do business in Europe - especially when it comes to export of raw materials and agricultural produce.

Representative from the Ministry of Trade and Industry"

[54] OEC. Available: here
[55] Ghana Statistical Service, 2023. Available here.
[56] Ghana Statistical Service, 2023. Available here.
[57] Mukeredzi, 2024. Available here.

strategic partnership is poised to intensify, with specific plans to synergise development strategies and increase collaboration on agriculture, energy, and infrastructure.[58]

Figure 11: Businesses perceptions of their likelihood to increase import volumes



Source: Stanbic Bank Africa Trade Barometer Issue 4

On the export trading landscape, 9% of surveyed businesses export in contrast to 8% of businesses in May 2023. The majority of these operate in the consumer goods sector and 45% sell their goods to international retailers. Among surveyed businesses in May 2023, most businesses (64%) sold directly to international end consumers, a metric which dropped to 30% in August 2024.

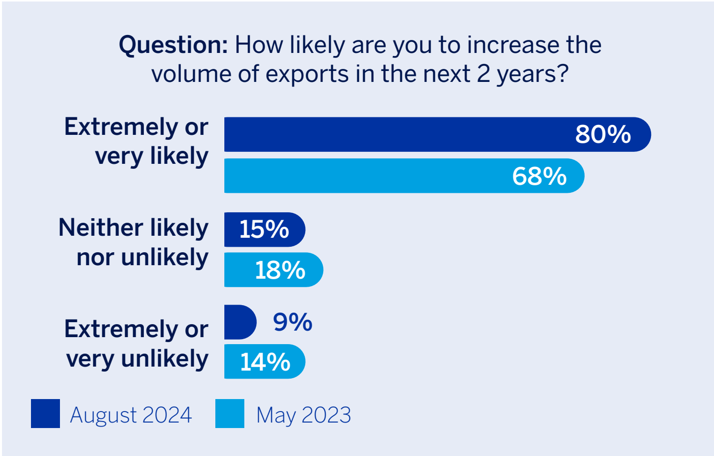
80% of surveyed exporters feel that it is likely that the scale of their exports will increase over the next two years, representing a 12% increase relative to the sentiments recorded in May 2023 (see Figure 12). These sentiments could also be an indication that surveyed businesses are expecting trade activity in Ghana to continue its current trend of increasing after the dip in 2021.

The impact of climate change in Ghana is anticipated to have an impact on the country's food trade; Ghana is currently experiencing one of its worst droughts in decades, a climate impact which has already resulted in a 28% drop in maize production compared to the five-year average. To address the impending food scarcity, the government of Ghana has instituted a ban on maize exports to secure an adequate supply for local consumption.[59]

FAST FACT:

In 2022, Ghana's top exports are Gold (USD 9.53B), Crude Petroleum (USD 5.21B), Cocoa Beans (USD 1.08B), Coconuts, Brazil Nuts, and Cashews (USD 501M), and Cocoa Paste (USD 450M), mainly exporting to the UAE, USA, Switzerland, India and China.[60]

Figure 12: Businesses perceptions of their likelihood to increase export volumes



Source: Stanbic Bank Africa Trade Barometer Issue 4

60%

of surveyed businesses export to West Africa, in contrast to 91% of businesses surveyed in May 2023.

Exports to West Africa have dropped significantly amongst businesses surveyed in the ATB - 60% of surveyed businesses export to West Africa, in contrast to 91% of businesses surveyed in May 2023. Reduced export to West Africa could partially be attributed to reports of customs officers from the Economic Community of West African States (ECOWAS) charging fees to accept Ghanaian Food and Drugs Authority (FDA) certificates.[61] While the certificate is a requirement of trade in food, drugs, cosmetics, and health items within ECOWAS, the fee appears to be imposed onto Ghanaian traders.[62] Another factor could be issues with the certificate of origin (CO) process, where exporters, despite obtaining a CO from the Ghana National Chamber of Commerce & Industry to qualify for preferential tariffs, face unprofessional behaviours by ECOWAS officials. These include demands for irregular payments and deliberate delays, which undermine the clearing process and often result in companies paying higher, non-preferential tariffs at entry points to neighbouring countries.[63] This reduction is aligned with sentiments of surveyed businesses in this year's survey, where 38% indicate that exportation-related customs and trade regulations have a negative impact on their business growth compared to 30% in the May 2023 cohort.

In contrast to May 2023 when 21% of the businesses surveyed were exporting to Nigeria, only 10% of respondents in this year's survey do so. This shift could be partially attributed to trade barriers, such as the requirement for companies to engage a Nigerian bank to obtain a bill of lading and to create a Form M for clearing goods, driving up export costs. In February 2024, the Central Bank of Nigeria issued a new policy stipulating that the foreign exchange rate applicable on the day a Form M is opened should be used for valuing goods entering the country.[64] This change introduces a layer of uncertainty regarding duty costs, which could complicate budgeting and pricing for exporters trading with Nigeria.

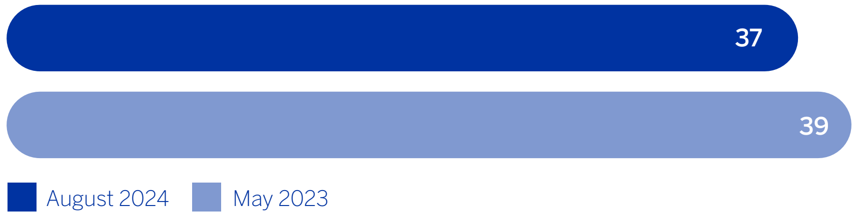
Among surveyed businesses, exports to Europe continue to increase. 55% of surveyed businesses export to Europe, compared to 18% of the May 2023 cohort of surveyed businesses and 3% of the September 2022 cohort. However, this shift is not evident at the aggregate country level as the value of exports to Europe decreased by 0.8% between 2022 and 2023.[65] This disparity may be due to a higher proportion of the surveyed cohort in this year's survey benefiting from increased ease of trade enabled by Ghana's bilateral Economic Partnership Agreement (EPA) with the European Union signed in 2021. The EPA provides Ghanaian exporters with duty-free and quota-free access to the EU, an export market for Ghanaian gold, petroleum and cocoa beans. The EPA aims to support Ghana's ability to remain competitive in international trade, increase its exports to the EU with immediate effect, and gradually increase imports from the EU into Ghana over time.[66] Given the illegal mining's destruction of fertile agricultural lands once used for cocoa cultivation, as experienced by communities like Dinkyiea, the aggregate dip in Ghana's cocoa exports to Europe could partially reflect such environmentally irresponsible practices undermining the sector's productivity and export potential.[67] To mitigate future impacts and preserve export growth, Ghana must enforce stronger regulations against illegal mining and invest in sustainable practices that rehabilitate affected cocoa-producing regions.

[58] Ministry of Foreign Affairs, the People's Republic of China, 2024. Available here.
[59] Milling - Middle East & Africa, 2024. Available here.
[60] OEC. Available: here
[61] International Trade Center, 2024. Available here.
[62] United States Trade Representative, 2024. Available here.
[63] International Trade Center, 2024. Available here.
[64] Aluko and Oyebode, 2024. Available here.
[65] Ghana Statistical Services, 2024. Available here.
[66] European Union, 2021. Available here.
[67] World Cocoa Foundation, 2024. Available here.

8 TRADERS' FINANCIAL BEHAVIOUR & ACCESS TO FINANCE

Cash remains king in domestic transactions but is falling out of favour in cross-border transactions

GHANA'S ACCESS TO FINANCE INDEX SCORE



Source: Stanbic Bank Africa Trade Barometer Issue 4

Access to finance can vary between 0 and 100, where 0 indicates an extreme difficulty in accessing credit, 50 neutrality and 100 indicates no difficulty in accessing credit. In the August 2024 SB ATB survey results, Ghana's access to credit index score declined to 37 from 39 in May 2023. This means surveyed businesses in Ghana found it harder to access credit in contrast to the May 2023 survey.

***

Surveyed businesses in Ghana mostly transact using digital payment methods—particularly international transfers, electronic fund transfers (EFT) and mobile money—in their cross-border transactions. Similar to the results observed in previous iterations of the SB ATB, digital financial services (DFS) dominate the cross-border trade landscape, accounting for the majority of cross-border sales (76%) and purchases (75%).[68] The reliance on DFS to facilitate cross-border transactions is evident across business segments, albeit more pronounced as businesses grow (see Figure 13). The shift toward digital payment methods is by no means a new phenomenon in Ghana, largely driven by the introduction of mobile money.

FAST FACT:

Ghana's fintech sector includes around 100 fintech companies. While mobile money services dominate, there are also significant innovations in digital payments, lending, insurance, investment platforms, and blockchain technology.

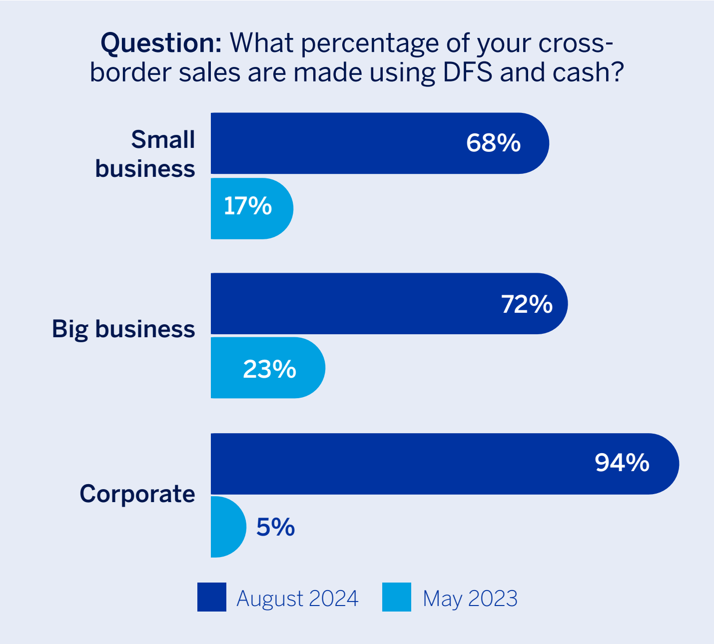
At the macro-level, a confluence of demand and supply-side factors has supported the rapid growth of digital financial inclusion in Ghana, largely driven by the uptake and usage of mobile money. In 2010, 44% of Ghanaians were financially excluded compared to only 4% in 2021.[69] Notably, the digitisation of Ghana's National Payment System has been a catalyst for the growth in DFS, largely driven by a supportive policy and regulatory environment. This is most evident in the publication of Ghana's DFS Policy and Digital Payments Roadmap, which focuses on building digital payment infrastructure and supporting the development of innovative digital financial solutions. On the demand-side, consumer preferences for mobile money and other DFS has grown significantly, accounting for 65% of the financially included population in 2021 compared to 7% in 2010.[70] Furthermore, Ghanaians now benefit from an increasingly interoperable payment landscape, where mobile money accounts are linked to traditional bank accounts. This integration enables DFS, including international transfers, to be facilitated seamlessly through mobile money platforms.[71]

FAST FACT:

The Pan African Payment and Settlement System (PAPSS) which went live in 2023, is a centralised financial market infrastructure to support real-time cross-border payment systems in Africa, with PAPSS being offered in 17 banks in Ghana.

[68] In this context, the proportion of cross-border transactions facilitated through DFS includes EFTs, international transfers, mobile money and card.
[69] FinMark Trust, 2021. Available: here
[70] FinMark Trust, 2021. Available: here
[71] Republic Bank. Available: here

Figure 13: The proportion of cross-border sales by payments method

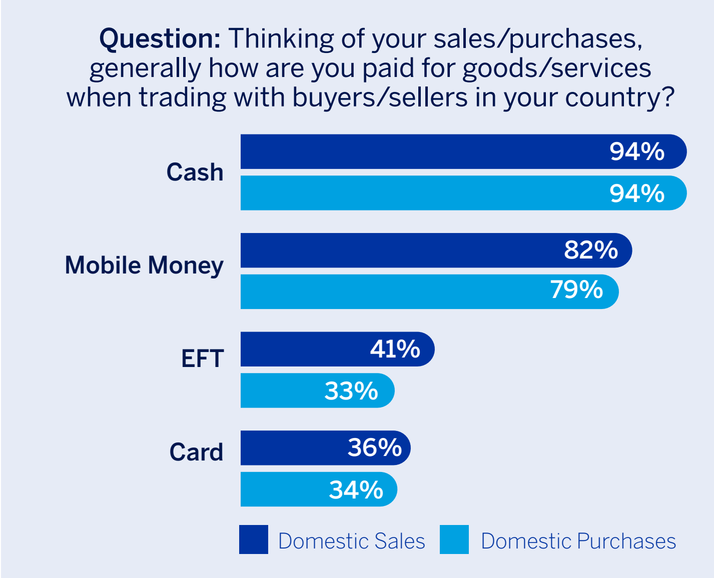


Source: Stanbic Bank Africa Trade Barometer Issue 4

In contrast, there was a notable decline in the use of cash for cross-border transactions in this iteration of the survey. For cross-border sales, only 50% are paid using cash in contrast to 77% among the businesses surveyed last year. For cross-border purchases, 55% of businesses are paid by cash in this iteration of the survey, in contrast to 63% in May 2023. Challenges cited in using cash for cross-order purchases included security risks (61%), inconvenience of carrying large sums of money (46%), fraud (39%), fluctuating exchange rates (35%) and customs declarations (25%). These results help explain the decline in the usage of cash for cross-border transactions.

Cash remains king for domestic transactions. 94% of surveyed businesses use cash for both domestic sales and purchases (see Figure 14). The second most used payment method for domestic transactions is mobile money, where 82% of surveyed businesses use it for domestic sales (in contrast to 80%in May 2023) while 79% use it for domestic purchases (in contrast to 72% in May 2023). This slight increase in mobile money usage can be attributed to a decrease in the e-levy on transactions and increased investment from companies like MTN in expanding network infrastructure. The reduced levy lowers transaction costs, encouraging more use, while improved infrastructure enhances service reach, increasing access to mobile money.[72,73]

Figure 14: Payment methods used for domestic sales and purchases

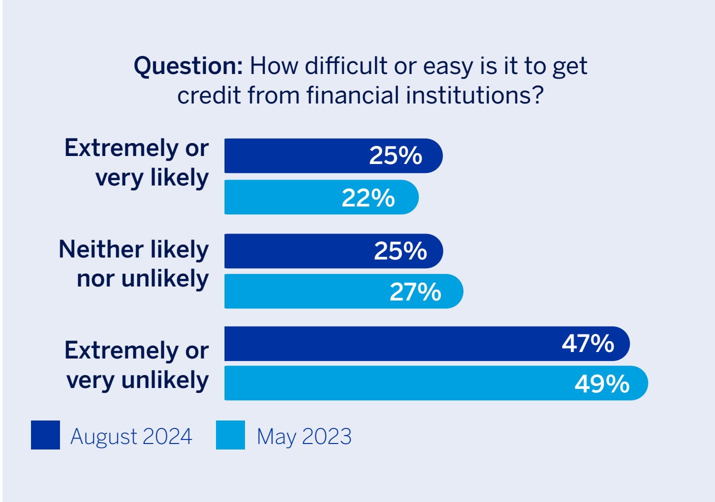


Source: Stanbic Bank Africa Trade Barometer Issue 4

Similar to the May 2023 survey, the majority of surveyed businesses in Ghana (49%) found access to credit difficult (either somewhat difficult or extremely difficult) (see Figure 15). 83% of surveyed businesses indicated that high interest rates are the main reason credit is difficult to obtain. This was followed by lack of collateral (57%), stringent loan terms (36%) and economic downturn (34%). High interest rates are an obstacle for smaller businesses at a higher proportion (89%) compared to big businesses (68%) or corporates (79%). Small businesses are disproportionately affected by lack of access to capital.

Ghana's lending interest rate is at 30%, which is the highest among African key economies. This was imposed by the Bank of Ghana to combat soaring inflation and support the beleaguered Cedi which had seen a drop in value. Additionally, 84% of Ghanaian firms struggle to access credit due to limited collateral, high costs, informality, risk perception and lack of financial literacy. These all contribute to perceived difficulty of access to credit of surveyed businesses.[74] This further supports 54% of surveyed businesses having credit terms with suppliers and 52% of surveyed businesses offering credit terms to clients.

Figure 15: Access to credit



Source: Stanbic Bank Africa Trade Barometer Issue 4

Surveyed businesses noted that FIs can support their business by giving them flexible loan terms (83%), quicker access to funding (83%), understanding their business better (81%) and offering insurance for their goods (81%). As mobile money becomes widespread, it becomes a platform for lenders to disburse and collect loans, facilitating last-mile distribution and moving towards an innovative credit landscape for Ghana. Mobile wallets provide lenders an opportunity towards credit solutions where mobile wallets can be used as alternative methods for dispersing credit and used as a form of credit scoring.[75]

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[72] B&FT. 2024. Available here
[73] Ghana Report. 2024. Available here
[74] Stears. 2024. Available here
[75] Ibid

9 FOREIGN TRADE & TRADING IN AFRICA

Perceptions of ease of trade with the rest of Africa remain lukewarm despite steady awareness of the AfCFTA

GHANA'S EASE OF TRADE INDEX SCORE

Source: Stanbic Bank Africa Trade Barometer Issue 4

Ease of trade can vary between 0 and 100, where 0 indicates an ease of trade with other countries, 50 neutrality and 100 indicates an extreme difficulty in trading with other countries. In the August 2024 SB ATB survey results, Ghana's ease of trade index score rose to 42 from 40 in the May 2023 survey. This means that surveyed businesses found it slightly easier to trade with foreign markets in this iteration of the survey in contrast to May 2023.

***

Asia is the most preferred global trading partner for surveyed Ghanaian businesses. 31% of surveyed businesses prefer trading with Asian countries (see Figure 16). This inclination is primarily driven by perceptions of access to low cost goods (71%), a diverse product range (50%), and good quality products (47%). This preference for Asian markets is centred on trade relations with China, where the nature of trade is characterised by importing final goods/services directly from Chinese traders (59%) and importing raw materials (36%). These results align with macro-level data, where China remains Ghana's primary source of imports.[76]

48%

of surveyed businesses that prefer to trade with African countries (who are the majority) cited low cost of importing and low cost of products as their reasons.

Figure 16: Trading Partner Preferences of Ghanaian Businesses

Source: Stanbic Bank Africa Trade Barometer Issue 4

Ghana and China are actively working to enhance their long-standing diplomatic ties and bolster bilateral trade relations. A significant step towards this goal was taken during a meeting in September 2024, where both nations announced their intention to forge a strategic partnership.[77] China expressed readiness to intensify development synergies and continue providing assistance in various sectors, including agriculture, fisheries, energy, mineral resources, and infrastructure. In return, China anticipates Ghana's support for Chinese enterprises operating in the country. This strategic partnership comes off the back of a growing bilateral trade volume at the macro-level.

FAST FACT:

Trade volume between Ghana and China reached USD 6 billion in the first half of 2024, which is a 13.3% increase to previous years. 2023 trade volumes exceeded USD 11 billion with a year-on-year increase of 10.4%. [78]

The majority of surveyed businesses (43%) perceive trade with the rest of the world as either very or extremely difficult. The main reasons cited were high foreign exchange rates (40%) and high transport costs (37%).

Whilst EU-Ghana trade relationship is seen as budding, without an imposed EU tax since 2021; surveyed businesses experience difficulties in trade.[79] The

"In China, cheap labour leads to affordable goods, resulting in a wide variety of products.

Representative from Ministry of Trade and Industry

With AfCFTA, African businesses will now have access to a larger market and clientele, which will increase their sales and turnover."

Representative from Ministry of Trade and Industry

[76] OEC. Available: here
[77] People's Republic of China. Available: here
[78] Ghana Business News. 2024. Available here
[79] The Diplomat. 2024. Available here

challenges faced, such as 'invisible non-trade measures (ITM)', can be attributed to regulations or policies indirectly restricting international trade without direct tariffs or quotas. These include non-tariff barriers such as Phytosanitary and Health Certificates for exporting agricultural products, product testing and certification, fumigation mandates, pre-shipment inspections, and informal payments demanded by customs officials. These factors significantly increase the cost and complexity of exporting goods, impacting intra-African and global trade dynamics. These challenges are not unique to Ghana and are experienced by many countries.[80]

Despite trade initiatives such as the African Growth and Opportunity Act (AGOA), only 6% of surveyed businesses prefer trading with North American countries. AGOA is a piece of legislation approved by the US in May 2000. The purpose of this legislation is to assist sub-Saharan Africa and improve economic relations with the USA through providing trade preferences for quota and duty-free entry into the USA. Ghanaian exporters are said to benefit through duty free preferences, food safety training and exporting through existing foreign direct investment producers in Ghana to accelerate exports to US markets.[81] The main reasons cited by surveyed businesses for not trading with US-based companies are high shipping costs (61%), high tariffs and taxes (41%) and currency fluctuations (30%). While high shipping costs and currency fluctuations mirror trends observed in other markets covered by the SB ATB, the report of high tariffs and taxes by 41% of surveyed businesses is unexpected. This finding is particularly surprising given that approximately 6,700 products enjoy duty-free status under the AGOA agreement. Moreover, Ghana's primary export commodity, cocoa, which has generated USD 3.2 billion in exports over the past two decades, also benefits from duty-free status.[82]

Similar to May 2023, the majority of surveyed businesses (43%) found that doing trade with Africa was difficult (see Figure 17). The challenging intra-African trade dynamics mirrors the perceptions of surveyed businesses with regard to trade with the rest of the world, albeit for different reasons. Surveyed businesses cited language barriers (43%), currency variations (42%) and high transport costs (41%) as their main reasons.

Figure 17: Businesses' perceptions of the ease of trading with other African countries

Source: Stanbic Bank Africa Trade Barometer Issue 4

As a result, African countries are preferred trading partners for only 21% of surveyed businesses, compared to 31% and 23% preferring Asian and European countries, respectively. The majority of surveyed businesses that prefer trading with African countries cited lower cost of products (48%) and low cost of importing (48%) as their main reasons.

Perceptions of ease of trading with African countries could be better among surveyed businesses despite initiatives such as the African Continental Free Trade Agreement (AfCFTA). Ghana is a signatory of AfCFTA, and serves as the headquarters of the AfCFTA Secretariat. AfCFTA is an initiative which looks to, amongst other things, improve the level of intra-African trade by creating a single market for goods and services and lower some of these aforementioned trade barriers. To this end, members of the AfCFTA are committed to eliminating tariffs on most goods and services that are traded between African countries over a given period following the AfCFTA entering its operational phase in July 2019.

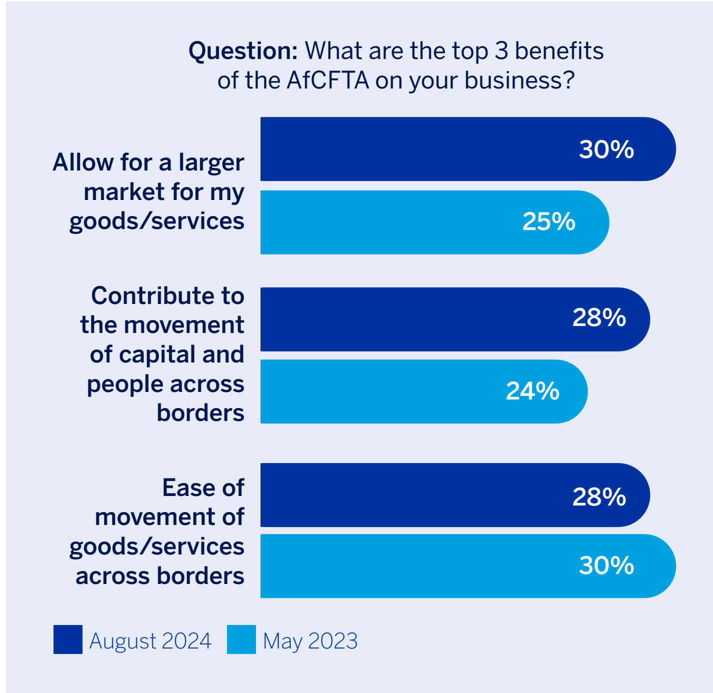
Similar to the May 2023 survey, the majority of surveyed Ghanaian businesses (53%) indicated that they were aware of the AfCFTA. The fact that the AfCFTA secretariat—which is tasked with coordination and implementation of the AfCFTA—is based in Accra, Ghana's capital, may be aiding the awareness of the initiative among businesses in the country. Surveyed businesses cited allowance for a larger market for goods/services (30%), ease in movement of goods/services across borders (28%) and a contribution to movement of capital and people across borders (28%) as the top three benefits of AfCFTA (see Figure 18).

However, there still remains a lack of awareness regarding the AfCFTA, particularly among small businesses. Only 47% of surveyed small businesses were aware of AfCFTA, compared to 59% of surveyed big businesses and 77% of surveyed corporations. To close the gap, awareness creation campaigns ought to be built, as does the inclusion of small businesses in decision making.[83] For instance, Kenya went forward with a sensitisation campaign with the aim of educating business comunities on opportunities which AfCFTA offers. This campaign took the shape of workshops and seminars in different regions. Furthermore, media campaigns through radio and television which included interviews with experts in trade to further expand on what the AfCFTA is and how businesses could benefit from this agreement. These campaigns aimed to reach various business segments, with a particular focus on SMEs given the implementation of the Guided Trade Initiative.[84]

FAST FACT:

The Guided Trade Initiative (GTI) aims to catalyse trade under the AfCFTA through preferential tariff arrangements. The GTI began in late 2022 with 8 participating countries trading selected goods. As of 2024, 30 more African countries will be covered by the GTI as well as an increase in the scope of products to be traded, including bio pesticides, packaged moringa, tea, coffee, and meat products, among others.[85]

Figure 18: Perceptions of the benefits of the AfCFTA



Source: Stanbic Bank Africa Trade Barometer Issue 4

[80] International Trade Centre. 2024. Available here
[81] Ghana export promotion authority. n.d. Available here.
[82] AGOA. Available: here
[83] Trade Unions and Trade in Africa, 2023. Available here
[84] Capital Business. 2022. Available here.
[85] Africa24. Available: here

CONCLUSION

Ghana's recent slide in the SB ATB rankings, falling into the lower half from a previously strong position near the top in September 2022, and experiencing a sharp decline since May 2023, signals a period of significant trade challenges. The downturn can largely be attributed to deteriorating perceptions of border and customs efficiency, infrastructure quality, access to finance, and governance. These setbacks paint a sobering picture of the current trade landscape, especially considering the ongoing impacts of debt default and restructuring, marking a pivotal juncture for a country that was prominent within the rankings.

Despite this, there are glimpses of positive momentum that could serve as catalysts for recovery in the trade sector. Notable advancements have been observed in the perceptions of import and export revenue growth. This is alongside rising business confidence, improved ease of trade, and more favourable credit terms extended, suggesting that the foundations for a turnaround are within reach. These nuanced improvements offer a counterbalance to the overarching issues and signify the potential for Ghana to reshape its trade narrative.

Moving forward, Ghana's economic panorama remains a juxtaposition of persistent challenges and emerging opportunities. The country's ongoing programme with the IMF programme aimed at restructuring its debt and reforming fiscal policy are indicative of the complexities faced. While inflation continues to hover at high levels, there is an anticipation of stabilising macroeconomic conditions that may eventually provide traders with a more predictable and conducive environment. The effectiveness of these stabilisation efforts will be pivotal for Ghana, as it seeks to navigate the twin challenges of reform and rejuvenation in its bid to climb back up the trade rankings.

APPENDICES

Appendix 1: Stanbic Bank Africa Trade Barometer (SB ATB) Country Ranking for Issue 4, 2024

The Stanbic Bank Africa Trade Barometer (SB ATB) scores are an aggregate of the Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and the Stanbic Bank Survey Trade Barometer (SB STB) scores. Countries are ranked against each other, i.e., relative scores to each other. This is pegged on a scale of 0 - 100. When indexed between this range, South Africa has the highest Tradability Index while Angola has the lowest. This does not imply that one cannot trade in Angola or that South Africa is perfect, it only implies that at a common starting point of 0 and maximum point of 100, this is how the two markets fared.

SB ATB scores remained the same for Namibia, Angola and South Africa, while half of the countries saw their scores decrease from May 2023 (see Table 2).

Countries that have retained their ranking from May 2023:

- Namibia (2nd position)
- South Africa (1st position)
- Angola (10th position)

Countries that have improved in their ranking from May 2023:

- Tanzania (8th to 4th position)
- Mozambique (4th to 3rd position)
- Nigeria (6th to 5th position)
- Zambia (9th to 8th position)

Countries that have declined in their ranking from May 2023:

- Ghana (3rd to 7th position)
- Kenya (5th to 6th position)
- Uganda (7th to 9th position)

Table 2: Stanbic Bank Africa Trade Barometer (SB ATB) scores by country

	Africa Trade Barometer (ATB) Score		ATB Ranking	
	August 2024	May 2023	May '22	Aug '24
Angola	0	0	10	10
Ghana	14	46	3	7
Kenya	16	32	5	6
Mozambique	29	35	4	3
Namibia	47	50	2	2
Nigeria	19	29	6	5
South Africa	100	100	1	1
Tanzania	25	25	8	4
Uganda	4	25	7	9
Zambia	9	15	9	8

Source: Stanbic Bank Africa Trade Barometer Issue 4

August 2024 May 2023

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 2: Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) Country Ranking for Issue 4, 2024

The Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores and ranking by country are the averages of all the selected indicators collected from existing secondary data sources and reported facts.

SB QTB scores remained the same for Uganda, Angola, Mozambique, Namibia, Nigeria and South Africa, while most countries had their scores decline from May 2023 (see Table 3).

Countries that have retained their ranking from May 2023:

- Uganda (9th position)
- Namibia (2nd position)
- South Africa (1st position)
- Angola (10th position)
- Mozambique (3rd position)
- Nigeria (4th position)

Countries that have improved in their ranking from May 2023:

- Tanzania (8th to 7th position)
- Kenya (6th to 5th position)
- Zambia (7th to 6th position)

Countries that have declined in their ranking from May 2023:

- Ghana (5th to 8th position)

Table 3: Stanbic Bank 3-Year Quantitative Trade Barometer (SB QTB) scores by country

	Quantitative Trade Barometer (QTB) Score		QTB Ranking	
	August 2024	May 2023	May '22	Aug '24
Angola	0	0	10	10
Ghana	20	27	5	8
Kenya	22	26	6	5
Mozambique	36	37	3	3
Namibia	45	46	2	2
Nigeria	25	32	4	4
South Africa	100	100	1	1
Tanzania	20	23	8	7
Uganda	11	18	9	9
Zambia	21	23	7	6

Source: Stanbic Bank Africa Trade Barometer Issue 4

August 2024 May 2023

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 3: Stanbic Bank Survey Trade Barometer (SB STB) Country Ranking for Issue 4, 2024

The Stanbic Bank Firm Survey Trade Barometer (SB STB) scores and ranking by country are the averages of all the data collected from the primary research surveys conducted with 2 258 businesses.

Except for Zambia, SB STB ranks have changed in this wave for all countries, while the majority of the countries saw their scores rise (see Table 4).

Countries that have retained their ranking from May 2023:

- Zambia (10th position)

Countries that have improved in their ranking from May 2023:

- Ghana (7th to 5th position)
- Uganda (9th to 6th position)
- Tanzania (3rd to 1st position)
- Namibia (4th to 2nd position)
- Kenya (8th to 7th position)

Countries that have declined in their ranking from May 2023:

- Angola (1st to 3rd position)
- Mozambique (6th to 9th position)
- Nigeria (5th to 8th position)
- South Africa (2nd to 4th position)

Table 4: Stanbic Bank Survey Trade Barometer (SB STB) scores by country

	Survey Trade Barometer (STB) Score		STB Ranking		
	August 2024	May 2023	May '22	Aug '24	
Angola	79	100	1	3	▼
Ghana	37	18	7	5	▲
Kenya	34	18	8	7	▲
Mozambique	25	22	6	9	▼
Namibia	79	53	4	2	▲
Nigeria	31	22	5	8	▼
South Africa	44	67	2	4	▼
Tanzania	100	65	3	1	▲
Uganda	34	12	9	6	▲
Zambia	0	0	10	10	●

Source: Stanbic Bank Africa Trade Barometer Issue 4

Note: The scores denote the performance of each country relative to the full country list on the specified measures.

Appendix 4: Selected Macroeconomic Indicators for Ghana

This appendix is structured around the thematic categories of the Stanbic Bank Africa Trade Barometer: macroeconomic stability, trade openness and foreign trade, access to finance and infrastructure. These are important in evaluating the trade environment and prospects of a country. Within each theme, specific indicators have been selected to quantify elements contributing to the overall trade climate. The data spans from 2019 to the forecasted values for 2024 and 2025, offering a temporal perspective on trends and potential future directions.

Table 5: Ghana macroeconomic overview

Thematic Categories	Indicator	Unit	2019	2020	2021	2022	2023	2024**	2025**
Macroeconomic Stability	GDP per capita	USD	2 204	2 228	2 491	2 071	2 179	2 175	2 344
	Nominal GDP	USD, billions	66	68	78	66	72	73	81
	Real GDP growth rate	%	6.6	0.5	5.1	3.8	2.9	3.8	4.2
	Inflation rate	%	8.6	9.9	10	31.5	40.3	22.9	17.8
	Exchange rate stability (USD/GHC)	Ghanaian Cedi	5.4	5.7	5.9	9.2	11.8	14.3	15.7
	Lending interest rates	%	16.2	15.2	14.0	21.7	30.1	N/A	N/A
	BOG prime rate	%	16.1	14.9	14	21.3	29.8	29	24
	Gross FX reserves	USD, billions	8.4	8.6	9.7	6.1	5.9	6.8	7.2
	Domestic debt (% of GDP)	%	31.3	40.5	41.8	33.7	28.2	34.2	41
	External debt (% of GDP)	%	31.6	36.2	36.8	39.5	38.2	38.2	36.4
Trade Openness and Foreign Trade	Trade (% of GDP)	%	76.8	66.6	62.7	70.1	69	N/A	N/A
	Merchandise of Trade	% of GDP	42.6	38.4	35.7	43.2	38.7	N/A	N/A
	Balance of Trade*	USD, billions	2.3	2	1.1	2.9	2.7	2.7	1.5
	Current account (% of GDP)*	%	-2.8	-3.1	-3.3	-2.3	2	0.9	-2.3
	Exports of goods and services	USD, billions	15.7	14.5	14.7	17.5	16.7	16.9	16.1
	Imports of goods and services	USD, billions	-13.4	-12.4	-13.6	-14.6	-14	-14.2	-14.6
Access to Finance	Domestic credit to private sector (% of GDP)	%	13.9	13.1	13.1	13.3	10	N/A	N/A
	Gross capital formation (% of GDP)	%	18.6	18.2	17	15.5	10.8	N/A	N/A
	Net official development assistance and official aid received	USD, billions	0.9	2.2	1.2	1.0	N/A	N/A	N/A
	Personal remittances received (% of GDP)	%	5.9	6.1	5.2	6.2	6.4	N/A	N/A
	FDI	USD, billions	3.3	1.3	2.4	1.5	1.3	1.4	1.9

Infrastructure	Individuals using the internet (% of population)	%	45	56.7	68.2	N/A	N/A	N/A	N/A
	Access to electricity (% of population)	%	83.5	85.4	86.3	85.1	N/A	N/A	N/A
	Mobile cellular subscription (per 100 people)	Ratio	129.6	125.7	123.2	119.6	N/A	N/A	N/A
	Air freight tonnage	Tonnes, thousands	49.8	43.4	46.7	39.0	N/A	N/A	N/A
	Container traffic at ports	Tonnes, thousands	1v048	1 287	1 562	1 244	N/A	N/A	N/A

Source: Stanbic Bank, 2024. Available here. | World Bank. Available here. | GCB, 2023. Available here.

Notes:

*Negative values indicate that a country is a net importer, while positive values indicate it is a net exporter.

**2024 and 2025 data points are estimates.

N/A denotes that the relevant data was unavailable from the specified source.

Note: Information collected is up to June 2024 and forecasts could have been revised by the time of publication.

Appendix 5: Key Results of the Stanbic Bank Africa Trade Barometer Issue 4 Survey in Ghana

This appendix presents the key results of the main questions asked to businesses in Ghana as part of the fourth edition of the Stanbic Bank Africa Trade Barometer. The results are structured according to the SB ATB thematic categories: macroeconomic stability, trade openness and foreign trade, infrastructure, government support, as well as traders' financial behaviours and their access to finance. Not all questions in the SB ATB survey are presented here. The questions selected for inclusion have been chosen for their closed-ended nature and being succinct enough for a concise presentation. Questions pertaining to the general profile of businesses and individual respondents, or those requiring open-ended responses, have been omitted. This approach ensures that the findings detailed in the following table are directly relevant and valuable for interpreting the trade dynamics within the Ghanaian context.

Table 6: Key findings of the survey

Thematic Categories	Question	Responses								
Macroeconomic Stability	Thinking of your business turnover over [from 2020 to 2021], please indicate if turnover increased, decreased or remained the same.	Increased	Decreased	Remained the same	Don't know	Refused		–	–	–
		51%	34%	15%	0.5%	N/A		–	–	–
	Thinking ahead [from 2024 to 2025] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused		–	–	–
		85%	4%	8%	3%	N/A		–	–	–
	Thinking ahead [from 2025 to 2026] do you expect business turnover to increase, decrease or remain the same.	Increased	Decreased	Remained the same	Don't know	Refused		–	–	–
		90%	3%	3%	5%	N/A		–	–	–
	Please indicate how you feel about the performance of the economy in relation to business in the next 3 years.	Extremely optimistic	Very optimistic	Neutral	Not very optimistic	Not at all Optimistic	Refused	Don't know	–	–
		9%	36%	31%	16%	9%	N/A	N/A	–	–

Infrastructure	[Road infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		5%	10%	29%	28%	28%	N/A	N/A	–	–
	[Water supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		5%	17%	37%	24%	15%	0.5%	1%	–	–
	[Telecommunications] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		12%	23%	34%	26%	5%	N/A	0.5%	–	–
	[Ports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		4%	16%	33%	27%	18%	1%	2%	–	–
	[Airports] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		10%	21%	37%	26%	4%	N/A	2%	–	–
	[Customs and trade regulations] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		5%	14%	33%	35%	12%	N/A	1%	–	–
	[Power supply] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		3%	16%	29%	28%	25%	N/A	N/A	–	–
	[Rail infrastructure] How would you rate the quality of the following aspects in your market?	Excellent	Very good	Good	Fair	Poor	Do not depend on/ use this	Don't know	–	–
		3%	11%	18%	30%	33%	1%	3%	–	–
Trade Openness and Foreign Trade	How likely are you to increase the volume of imports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely		–	–	–
		12%	66%	14%	6%	3%		–	–	–
	How likely are you to decrease the volume of imports in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely		–	–	–
		6%	24%	45%	24%	N/A		–	–	–
	To what extent do importation-related taxes, including tariffs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact		–	–	–
		25%	41%	20%	11%	4%		–	–	–
	To what extent do importation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact		–	–	–
		18%	35%	27%	13%	7%		–	–	–
	How likely are you to increase the volume of exports in the next 2 years?	Extremely likely	Very likely	Neither likely nor unlikely	Very unlikely	Extremely unlikely		–	–	–
		10%	70%	15%	5%	N/A		–	–	–
	How likely are you to decrease the volume of export in the next 2 years?	Extremely unlikely	Very unlikely	Neither likely nor unlikely	Very likely	Extremely likely		–	–	–
		N/A	13%	25%	63%	N/A		–	–	–
	To what extent do exportation-related taxes, including tariffs, impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact		–	–	–
		13%	28%	19%	16%	24%		–	–	–

Trade Openness and Foreign Trade (Cont.)	To what extent do exportation-related customs and trade regulations impact your business growth?	Severe impact	Major impact	Moderate impact	Minimal impact	No impact		–	–	–
		11%	28%	20%	16%	26%		–	–	–
	In your view would you say trading with the rest of Africa is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	–	–
		1%	20%	31%	33%	10%	5%	N/A	–	–
	In your view would you say trading with the rest of the world (OUTSIDE OF AFRICA) is extremely easy, very easy, neither easy nor difficult, very difficult or extremely difficult?	Extremely easy	Very easy	Neither easy nor difficult	Very difficult	Extremely difficult	Don't know	Refused	–	–
		2%	22%	29%	30%	13%	4%	N/A	–	–
	Are you aware of the African Continental Free Trade Area Agreement?	Yes	No	–	–	–	–	–	–	–
		53%	47%	–	–	–	–	–	–	–
	What are the top 3 benefits of the AfCFTA on your business?	No benefits (Exclusive)	Ease the movement of goods/ services across borders	Allow for a larger market for my goods/ services	Allow for greater competition	Promote the availability of more products and services to choose from	Contribute to the movement of capital and people across borders	Facilitate greater investment across countries	Promote industrial development across the countries	Enhanced regional payment systems
		34%	28%	30%	18%	24%	28%	16%	26%	15%
Government Support	Please indicate how supportive your government is with regards to cross-border trading activities.	5 - Extremely supportive	4	3	2	1 - Not at all supportive	Refused	Don't know	–	–
		16%	18%	18%	12%	29%	N/A	7%	–	–
Traders' Financial Behaviour and Access to Finance	Please indicate how difficult or easy it is to get credit from financial institutions	Extremely easy	4	3	2	1 - Extremely difficult	Refused	Don't know		–
		5%	17%	27%	19%	30%	0.5%	1%		–
	Why do you prefer using cash to pay for your goods or services when trading with suppliers in other countries?	Minimal cost/ fees	Allows for negotiations	Limited knowledge in other payment methods	Convenient - easy to deal with	Privacy	Other	–	–	–
		44%	49%	18%	51%	18%	N/A	–	–	–
	What challenges, if any, do you encounter when using cash when trading with suppliers in other countries?	Fraud	Loss of money/ security risks	Fluctuating exchange rates	Customs declarations	Inconvenience - of carrying large amounts of money	Other	–	–	–
		39%	61%	35%	25%	46%	N/A	–	–	–
	What benefits or incentives would encourage you to entirely switch from using cash to formal channels (such as cards, electronic payments, international transfers) when trading with suppliers in other countries?	Faster transaction processing times	Minimal document requirements	Competitive exchange rates	Guaranteed security	Recorded transactions	Other	–	–	–
		79%	47%	37%	49%	33%	N/A	–	–	–
	Do you offer credit terms to your clients?	Yes			No			–	–	–
		52%			48%			–	–	–
	Do you have credit terms arrangements with your suppliers?	Yes			No			–	–	–
		54%			46%			–	–	–

ABOUT THE RESEARCH

The Stanbic Bank Africa Trade Barometer is based on both primary and secondary research sources. This is Issue 4 of the SB ATB. Issues 1, 2 and 3 were released in June 2022, November 2022 and September 2023, respectively. Data collection (both primary and secondary research) for Issue 4 was carried out between July and September 2024 in all 10 countries of interest.

The primary research component involves the administration and analysis of a firm survey (i.e., a survey of sample businesses in the countries of interest) and in-depth interviews with key stakeholders. The sample is stratified by size (small, big and corporate), region and industry. A total of 2 258 businesses were surveyed and 30 in-depth interviews were conducted across the 10 countries in Issue 4.

In Ghana, 213 businesses were surveyed. 38% of these businesses were in Accra, 29% in Kumasi, 15% in Tamale, 11% in Takoradi, 5% in Ashaiman and 1% in Tema.

The breakdown of surveyed businesses in Ghana by business segment was as follows:

- 69% were small businesses
- 17% were big businesses
- 14% were corporates

In the context of the SB ATB, small businesses are defined as those with a turnover of less than GHS 5 million, large businesses as those with a turnover of between GHS 5 million and GHS 290 million and corporates as those with a turnover of more than GHS 290 million.

The breakdown of surveyed businesses in Ghana by industry is as follows:

Table 7: Breakdown of surveyed businesses in Ghana by industry

Industry	%	Industry	%
Wholesale and retail trade; repair of motor vehicles and motorcycles	24	Real estate activities	3
Manufacturing	10	Professional, scientific and technical activities	3
Construction	7	Mining and quarrying (includes oil & gas)	3
Agriculture, forestry and fishing	7	Transportation and storage	3
Human health and social work activities	7	Administrative and support service activities	3
Accommodation and food service activities	6	Public administration and defence; compulsory social security	0
Other service activities	6	Arts, entertainment and recreation	0
Financial and insurance activities	5	Activities of extraterritorial organisations	0
Education	5	Water supply; sewerage, waste management and remediation activities	0
Information and communication	4	Activities of households as employers; undifferentiated goods- and services-producing activities of households for own use	0
Electricity, gas, steam and air conditioning supply	3		

The breakdown of surveyed businesses by staff complement was as follows:

- 17% had below 5 employees
- 36% had 5 - 10 employees
- 13% had 11 - 20 employees
- 16% had 21 - 50 employees
- 7% had 51 - 100 employees
- 11% had 101 - 1 000 employees

With regards to individual respondent characteristics within the businesses, 27% were female and 73% were male. The breakdown by their job titles is as follows:

The breakdown by their job titles is as follows:

- 36% were chief executive officers (CEOs)
- 17% were general managers
- 8% were chief accountants
- 8% were owners, partners or co-owners
- 6% were treasurers
- 5% were heads of departments
- 5% were financial directors
- 2% were managing directors
- 2% were chief financial officers
- 1% were director generals

Further details by region, business segment, industry, staff complement, age of firm, the firms' corporate and strategic decision-making structures as well as individual respondent characteristics (gender, job title, etc.) are available on request.

There were three in-depth interviews conducted in Ghana as part of Issue 4. The interviews were held with representatives from the Ministry of Trade and Industry, the National Development Planning Commission and the Association of Small Scale Industries (ASSI).

The survey and in-depth interviews were conducted on a confidential basis.

The secondary research component involves the gathering and analysis of quantitative data. This data is primarily collected from World Bank sources, although additional data is obtained from the International Monetary Fund (IMF), the International Trade Center and individual country central banks.

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In-depth details on how the Stanbic Bank Africa Trade Barometer scores for each country are calculated, and the resultant country rankings, are available on request.

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The research was produced by Standard Bank Business and Commercial Banking Research & Insights. For any questions or information requirements on this report please contact tradebarometer@standardsbg.com.

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