



## *Casa África –Business opportunities*

### **Republic of Ghana**

Growth prospects for the country remain positive, with increased production and stable overall prices for Ghana's main export products. The economy continued to expand in 2019, with GDP growth estimated at 7.1%. Since 2017, the economic momentum has positioned the country among the 10 fastest growing economies in Africa. The improvements in the macroeconomic environment were accompanied by an expansion of domestic demand due to increased private consumption. The industrial sector, with average annual growth of over 10 per cent, has been central to growth in recent years. Agriculture is the second fastest growing sector of the economy, and in recent years the service sector has slowed down its growth. The fiscal deficit remains moderate in the country with a small improvement in 2019 to 3.4% of GDP, inflation is low and the exchange rate is stable. However, the current account deficit increased from 3.1% of GDP to 3.5%. The increase in public debt and the deficit in domestic income pose the main challenges for future macroeconomic improvements.

Ghana is the largest recipient of foreign direct investment in West Africa, and such investment provides low-cost capital for emerging value chains. The government's new business regulatory reform programme is expected to improve the business environment and mobilize domestic revenues. In general, national initiatives aim at increasing productivity and production in key primary sectors and value chains. The industrialization agenda seeks to expand production through a combination of public and private investment. Targeted programmes for increased agricultural productivity are also under way, and the emerging manufacturing sector will broaden the basis for growth, focusing on agriculture-led industrialization. Digital investments, especially in the financial sector, will increase efficiency.

With 2018 data, the European Union is the country's main export destination, led by France and the Netherlands. China is the customer par excellence, and in 2019 exports to the United States and the United Kingdom experienced significant growth. China also represents the country's main supplier, followed by the United States and the United Kingdom, countries that are gaining ground in the list of trading partners in recent years. The country's exports are mainly based on gold, oil and cocoa, and although attempts have been made to promote other non-traditional export sectors, the pattern remains concentrated in extractive industries. However, improvements in this direction are expected in the coming years. In relation to imports, there is more variety, as they are mainly composed of fuel, food and capital goods. The sectors of opportunity for the Spanish market are consumer goods, especially agri-food and consumer chemicals, habitat and construction materials - one of the outstanding sectors of Spain's brand in the country - and finally capital goods, since the country needs to import machinery of all types to carry out its activities.

With the African Continental Free Trade Agreement, Ghana's industry will increasingly absorb raw materials from the region, expand manufacturing, and market processed and lightly manufactured products.

AEO: <https://www.afdb.org/en/documents/african-economic-outlook-2020>

ICEX: <https://www.icex.es/icex/es/navegacion-principal/todos-nuestros-servicios/informacion-de-mercados/paises/navegacion-principal/exportar-a/sectores-de-oportunidad/index.html?idPais=GH>

MAEC: [http://www.exteriores.gob.es/Documents/FichasPais/GHANA\\_FICHA%20PAIS.pdf](http://www.exteriores.gob.es/Documents/FichasPais/GHANA_FICHA%20PAIS.pdf)