Overview

Ghana is one of the fastest-growing countries in Africa. Despite its small size and population, it is the second largest economy in West Africa. The country is endowed with fertile soils and abundant natural resources; it is one of the world's top producers of gold and cocoa. Improved macroeconomic management and political stability provided a favourable backdrop for the impressive average annual GDP growth rates of 6.5% since 2000. Oil production at Ghana's offshore Jubilee field began in mid-December 2010, and is expected to further boost economic growth. Thanks to the favourable recent economic record, Ghana attained lower-middle income status in 2010.

In general, Ghana is one of the most popular countries in Sub-Saharan Africa for investors. The IFC Doing Business Report 2013 ranked Ghana 64 out of 185 countries – only four countries in Sub-Saharan Africa top this. In general, Ghana is one of the most popular countries in Sub-Saharan Africa for investors. The IFC Doing Business Report 2013 ranked Ghana 64 out of 185 countries – only four countries in Sub-Saharan Africa top this. Nevertheless, the poverty rate still stood at 28.5% of the population in 2006. The poor are concentrated in the rural areas and especially in the northern regions of the country.

Agriculture continues to employ over half of the population although it accounts for approximately 25% of GDP. This mismatch reflects the low productivity of Ghana’s farmers, who are predominantly smallholders. There is significant potential for agribusinesses companies to boost productivity in this sector through the introduction of improved seed varieties and agrochemicals as well as better food and agro processing.

Small and medium sized enterprises characterized by low levels of productivity mainly due to low education and training, make up the largest portion of the employment base in Ghana. By including these companies in inclusive business models and by providing training their productivity can be raised.

The impressive development in roads and social infrastructure over the last two decades has increased the economic potential of the country. Access to safe drinking water has improved considerably, with 86% of the population enjoying safe water. On the other hand, progress in the access to sanitation facilities is lagging: As at 2008, only 13% of the population had access to improved sanitation. The provision of basic infrastructure is therefore a promising sector for inclusive businesses.

Population data taken from / total income data estimated based on World Bank’s PovcalNet.

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Population

- 2013: 24.7 million (est.)
- Population living in extreme poverty (<$1.25/day): 28.5% (2007 est.)
- GDP (nominal): $83.18 billion
- Average GDP growth per year, 2000–2010 (real growth rate): 8.2%
- GDP / per capita (PPP, est.): $3,300 (est.)
- Unemployment rate: 11% (2000 est.)
- Gini ranking: 64 / 136 (2005–06)
- HDI ranking: 135 / 187 (2011)
- CPI ranking: 64 / 182

Market Data

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Population in the different BoP segments

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<th>BOP 500</th>
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Total income in the different BoP segments

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</tbody>
</table>

BOP= below USD 500 per year, 2008 data. Population data taken from / total income data estimated based on World Bank’s PovcalNet.

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CIA Fact Book Ghana
Doing Business in Africa, 2009
Gipcghan.com, retrieved on March 19th 2013
Kufuor, A, 2008, Employment Generation and SME Development
Examples

Toyola Energy Limited is a company that produces and distributes energy-efficient charcoal stoves and solar lanterns for domestic users in the urban and rural parts of Ghana. The poor are included along the whole value chain as suppliers, manufacturers, retailers and customers. Toyola has trained and created employment for over 300 artisans nationwide.

The Integrated Tamale Fruit Company cultivates certified organic mangos for local and export markets. The company established a scalable business model that includes local farmers, and produces high volumes through an outgrower scheme, which today includes 1,300 farmers. The company provides an interest-free loan to the outgrowers through farm inputs and technical services, and farmers start paying for the loan from selling mangos only after the trees yield fruits. This arrangement allows the company to reliably source a large volume of quality organic mangos, and the farmers can enter mango production with long-term income prospects.

Susu collection In November 2005 Barclays Bank Ghana embarked on an initiative at the intersection of traditional banking and modern finance. The bank works with Susu collectors, informal savings collectors and credit providers, to extend microfinance to some of Ghana’s poorest people—the small trader at the market or the microentrepreneur selling from roadside stalls.

StarShea Network is a federation of rural women’s groups in northern Ghana specializing in the tradition of harvesting shea nuts and processing them into and butter. The network has been initiated through a project by PlaNet Finance and SAP. The partners support women in northern Ghana to provide large volumes of high-quality shea products directly to large buyers at fair market prices. The network currently federates 5,000 women from 60 different communities across northern Ghana. The project has been transformed into the social business StarShea Ltd. in 2012.

Directory & web sites

Literature & web sites
- Ghana Investment Promotion Center | www.gipcghana.com
- World Bank Data on Ghana | www.data.worldbank.org/country/ghana

Contacts & support

Fact sheet editors

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Janetta Carlucci is a Ghanaian national. She studied Public Policy at the Hertie School of Governance in Berlin. Her main academic interests lie in International Development and Corporate Social Responsibility. janetta.carlucci@gmail.com

Trends

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Political stability and a relatively conducive investment climate promises that Ghana will continue its positive development. Challenges will be to deal with the additional revenues expected from the Jubilee Oil Field, job creation for the youth and improvement of infrastructure.

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What are future risks?

Smallholders, but also other producers in rural Ghana face a lack of infrastructure and equipment, poorly functioning markets and insufficient skills development and technical assistance. Inclusive businesses have to deal with these difficulties. Moreover, they often struggle with a lack of adequate financial services, a low local demand for their produce as well as a non-transparent market.

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