Economic Report 2023-24

Ghana

June 2024

Executive Summary

Following the serious **macro-economic crisis and economic slowdown** experienced in 2022, Ghana somewhat stabilized in 2023, but is confronted with again weakening macro-indicators in 2024. The biggest challenges are **debt distress, elevated inflation**, **subdued growth, and a funding squeeze on public finances**. The country has defaulted on most of its external debt payments in 2022, has subsequently lost access to international financial markets, had to restructure its domestic debt market, and currently finds itself under the 17th IMF program (2023-25) since independence. Debt restructuring efforts with both bilateral and commercial external creditors are ongoing. The slow pace of reforms, insufficient fiscal consolidation and elevated debt distress have led to a subdued economic growth of 2,9% in 2023. Growth is projected to remain weak and below potential throughout 2024.

The sticky inflation keeps the Central Bank's policy rate at a very high 29%, making commercial borrowing prohibitively expensive for the private sector. Additionally, **aggressive tax collection** and erratic audits, alongside an **ever-weakening local currency, worsening infrastructure and unreliable energy provision** have reduced Ghana's attractiveness as a business location and FDI destination. Since mid-2022, this has led to several international companies exiting the market or relocating parts of their operations to neighboring countries. **Poverty levels** have risen to 31.4% in 2023 (27.4% in 2022).

Proceedings from agriculture are stagnating and require more inputs due to climate change, environmental challenges, persisting poverty of farmers and illegal gold mining. The **cocoa sector** is especially hard hit and in deep crisis. Several agro-processors had to halt or reduce operations. Overall, the share of industry in Ghana's GDP shrank considerably. At the same time, **Ghana still attracts new investments**, predominantly in the service sector (IT, AI, precision instruments), where Ghana's large talent pool and youthful English-speaking population is clearly an advantage. International companies also manage to make good use of Ghana's generous Free Zone Regime. Further, Ghana has started to successfully trade under the Guided Trade initiative by the African Continental Free Trade Area (AfCFTA) as one of eight participating African economies.

Overtaking China in 2023, **Switzerland is now Ghana's main trading partner.** This is however primarily a result of the large volumes of gold purchased from Ghana. Imports from Ghana to Switzerland were CHF 3.1 billion (USD 3.4 billion), whilst exports from Switzerland to Ghana stand at CHF 30.5 million (USD 33.9 million). Ghana remains a priority country for

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SECO's economic development cooperation for 2025-28 with key activities in renewable energy, value-chain development and support to the decentralization agenda.

Despite **persisting structural challenges** - among others the lack of economic diversification, low productivity, skills mismatch, shallow financial markets, growing poverty and inequality combined with high levels of corruption and systemic state capture – Ghana is still seen as a stable location in the region to operate a business, especially if export oriented and with lean infrastructure requirements.

TABLE OF CONTENTS

1 ECONOMIC OUTLOOK AND ECONOMIC POLICY DEVELOPMENTS

Ghana's **economic growth** in 2023 was revised down to 2.9% [3.8% in 2022, 5.1% in 2021] and is expected to remain subdued throughout 2024. For growth to reach its actual potential, estimated at 5%, attaining macro-economic stability is paramount. Growth in 2023 was driven by the **service sector,** which remained the largest **contributor** to GDP with 45.6%, followed by industry at 31,7% [33.6 in 2022] and agriculture at 22.7% [20.8% in 2023]. The contribution of industry to the GPD thus shrank by almost 2% in 2023 and by a concerning -2.9% if gold is taken out of the calculations. The **nominal GDP** for 2023 is estimated at USD 76,37 billion [74,6 billion in 2022; 79.5 in 2021]. This is also a result of high gold prices in 2023. The additional GDP from the significant informal sector is estimated at an impressive (untaxed) USD 51 billion in 2023 by Ghana Statistics Service.

Although **inflation** came down throughout 2023 from the staggering 54.6% rate in December 2022 – the highest recorded since 1996 – it proves to be sticky and hovers around 24% by mid-2024 still. Consequently, the Bank of Ghana maintains a high policy rate (29%, June 2024) to mop up liquidity and retain capital in the country. Some portion of the inflation is imported and some is homemade. Among the home-made portions of inflation are the increasingly high cost of transportation due to deteriorating infrastructure, but also the easy availability of quick cash in mining areas, driving especially food inflation, including in rural areas.

The national currency, the Ghana Cedi, weakened again in the first half of 2024, losing another 14% against the main trading currencies. The **national daily minimum wage** adapted to GHS 14.88 in 2022 was not lifted since. The value of the Cedi was USD 1 = GHS 8.8 in August 2022 and is now again as low as 16 to 1 dollar, which is a similar level than in the crisis month of October 2022, when the Cedi was the worst performing currency worldwide. Exchange rate instability and depreciation is increasingly plaguing the businesses in Ghana. Uncertainties in the **financial sector** relaxed somewhat after a painful domestic debt restructuring, but are now building up again quite rapidly, with NPL rates reaching crisis levels (24% and growing).

The obstruction of established trade routes to and from Russia as well as Ukraine could be partially mended and promising first developments are observed in the area of **inter-African trade**, where Ghana participates in the Guided Trade Initiative of the African Continental Free Trade Area. **Import substitution** is slow, as necessary funding for investments is unavailable or not affordable; Ghana's sovereign risk rating remains negative, as it struggles to restructure external debts with bilateral and commercial creditors. Regarding the debt restructuring with the external bilateral creditors, Ghana signed the MoU under the G-20 common framework in June 2024, paving the way for an effective debt restructuring. The negotiations with the external commercial creditors are however slow and less structured.

The combined effects of climate change leading to erratic rain patterns, highly inefficient and overindebted State Owned Enterprises (COCOBOD), viruses attacking the cocoa pods, persisting poverty among farmers along with land loss to illegal mining activities further impacted Ghana's critically important **cocoa sector.** The volume of the 2023/24 harvest is again lower and of lower quality than the previous harvest with around 689,000 metric tons of cocoa harvested. The low and inflexible farmgate prices in Ghana further fueled smuggling to neighboring countries, leading to an acute shortage of beans in Ghana. Several international and local cocoa processing plants had to halt operations, and important Swiss milling companies are running significantly below capacity, some resorting to (re)importing beans from as far as warehouses in Europe. These challenges are exacerbated by increasingly polluted water unfit for agro-processing (as a result of illegal gold mining) and serious energy shortfalls, namely long and repeated electricity black-outs. Companies' profitability is suffering considerably, as they have to rely on expensive diesel generators as a source of energy. If their liquidity positions allow for it, companies are now transitioning to renewable energy solutions, which opens new and interesting opportunities.

Ghana's **fiscal deficit** is projected to remain elevated until at least 2025. The 2024 election year is equivalent with a high risk for fiscal slippages, i.e., when politically motivated projects get approved despite a significant financing gap. The country's debt-levels remain very elevated in the medium-term and at least until 2027, with the officially reported level in 2024 standing at 84%. It is however important to know that debts and contingent liabilities of the State-Owned Enterprises (SOEs), including a very weak state-owned bank, are not included in this figure.

The largest **expenditure items** of the government in 2023 was the compensation of public employees (about 688,000 public sector employees alone absorbing 52.78% of the 2023 tax revenues[1]), while interest payments for public debts were put on hold with very few exemptions. This allowed the Bank of Ghana to build up some modest reserves in 2023. These are currently again under pressure due to the weakening Cedi. The country finds itself under a USD 3 billion program by the IMF, first tranches of the Worldbank policy lending operations (a total of USD 1.5 billion pledged) and grant schemes of the African Development Bank. Ghana remains a large **remittance** recipient in Sub-Saharan Africa, ranking second on the African continent in 2023, recording an influx of USD 4.9 billion[2], which is 5.6% more than in 2022.

As a key measure to boost revenue mobilization, the Parliament of Ghana continued to pass legislations for new and increased taxes throughout 2023 and 2024 (and never abolished the COVID-19 levy). This combined with ever-increasing tariffs chokes the businesses, including multinationals, and the small portion of the formally employed workforce. Aggressive tax audits and collection regimes further contribute to the worsening of the business climate in an environment where the cost of doing business is already elevated and unpredictable.

2 PRIORITY SECTORS AND OPPORTUNITIES FOR SWISS COMPANIES

Despite the increasing cost of doing business and the macro-uncertainties, the perception of Ghana as a **good choice for a regional hub** for multinational businesses persists, although neighbouring countries start to challenge this perception. Political stability, high levels of security, relatively high freedom, advanced ports, a large talent pool of English-speaking youth, a considerable domestic market and the presence of the secretariat of the African Continental Free Trade Area (AfCFTA) in Accra all remain a plus.

The major **regulatory breakthrough in the area of renewable energy (RE),** including for net-metering, and the lifting of the moratorium on RE projects have definitely gotten the attention of Swiss companies active in the sector. There is now a Swiss presence in the area of small size solar installations and a pronounced interest for local battery production for storage of (solar) energy. The financing of RE solutions for SME and households however is an acute problem and green credit lines are not yet readily available. Switzerland therefore continues to support the RE sector through its ODA financed economic development cooperation with the aim of introducing technically sound solutions and thus hopefully increasing the local demand.

The **Tree Crop Development Authority,** inaugurated in 2020 to support the government's agricultural diversification agenda, focuses on the development of six tree crops: cashew, coffee, oil palm, coconut, mango and rubber. The economic potential and increasing regulatory support for agricultural produce presents an opportunity for investment in these value chains, despite persisting challenges pertaining to infrastructure, productivity, land tenure and skilled labour. There is a clearer understanding about which staples contribute significantly to an unaffordable import bill, namely rice, poultry, tomato, sugar and vegetable oil, which are now declared strategic commodities for import substitution. This and other fields have already opened new opportunities for Swiss companies specialized in agricultural processing, namely rice millers. An idea for locally processing the abundantly available Cassava into starch is also developing among Swiss investors. Due to lack of warehousing, building and leasing of warehouses with cold storage could be a promising avenue for investments in the sector.

[1] Source; 2024 Budget statement of Ghana, figure is based on 2023 Actuals (January to August)

[2] Source: World bank 2024 Migration and Development Report

The **extractives sector** has seen less development than expected in 2023 due to lack of investments and non-conducive local content regulations. This favours less transparent or illegal stakeholders to increase their activities. Gold mining in Ghana becomes increasingly risky: mining contributes to deforestation, pollution of waterways and soils. The very precarious working conditions for miners, some being under-aged, and the careless use of chemicals are serious health threats for the population. Reports of smuggling of illicit gold to other jurisdictions are increasing. All this poses a reputational risk even to those mines who are operating legally and according to international standards. The same might be true for the gold refineries in Switzerland, collectively buying 44% of Ghana's gold production in 2023 alone.

On a positive note, the bilateral agreement between Ghana and Switzerland on the **Art. 6 of the Paris Agreement** creates opportunities for Swiss companies present in Ghana, as their future green investments can be ultimately financially beneficial once traded as carbon credits (ITMOs) between the two countries. Ghana has already approved three Art. 6 projects with 10 more in the pipeline. Carbon reduction certification is likely to become a service in high demand in the medium-term and could offer business opportunities to Swiss companies as well.

3 FOREIGN ECONOMIC POLICY

3.1 Host country's policies and priorities

With the overall aim to sustain peace and stability in the West African sub-region, Ghana actively pursues **continental and regional integration** through AfCFTA, AU and ECOWAS respectively. ECOWAS however took a hit, when Niger, Mail and Burkina Faso submitted their requests in 2024 to leave the economic community by January 2025. Ghana is a committed member to the African Union, where it plays a leading role in the collective efforts to promote peace, stability and economic development on the continent. Among the goals of Ghana's foreign diplomacy are i) to attract foreign direct investments ii) create political goodwill and iii) increase international solidarity. A more specific goal of Ghana's Economic Diplomacy is to diversify and increase Ghana's export base. Domestically, however, short-sighted measures to increase revenue through aggressive tax practices damage the business environment and increase the cost of doing business. Reforms are currently neither coordinated nor comprehensive, and there is no real public-private dialogue that would allow to prioritize and align business-friendly reforms.

3.2 Outlook for Switzerland (potential for discrimination or comparative advantage)

Ghana is generally interested in strengthening the economic ties with Switzerland and regularly expresses the wish for **more investments.** This wish is especially directed towards the productive industries, namely labor intense agro-processing, where Switzerland has a high standing. At the same time, government representatives are well aware of obstacles restricting foreign investments, such as the lack of reliable and reasonably priced energy, expensive commercial credits, insufficient and dilapidating physical infrastructure, weak land ownership rules, clogged courts, widespread corruption and lack of legal enforcement. In its rhetoric, the government intends to tackle these obstacles, but in reality, neither scope nor speed of concrete comprehensive reforms are congruent with high-level declarations of reforms. On the other hand, Ghana's generous and flexible **free zone regime** allows for substantial advantages for export-oriented investors, namely a 10-year tax free regime, followed by a 15% flat tax afterwards. A specific feature of the regime is its geographic flexibility: the status is given by a license and is independent of the geographic location of the business. Such conducive vehicles are in quite obvious conflict with other government mandates, namely the above-mentioned tax collection targeting foreign companies – while other companies, usually politically related ones – get generous flat tax rates and exemptions.

The public procurement office has published a code of conduct, which seeks to promote inclusiveness and equal opportunity in public procurement. In reality, 85% of **public**

procurements are either restricted tenders or sole sourcing, leaving very little space for competition. The originally promising establishment of an Office of the Special Prosecutor, tasked with pursuing grand corruption cases in the public sector, has proven ineffective due to political interference. Despite the Special Prosecutor being very vocal, he and his office get sabotaged by those in power, and corruption cases against officials are usually dropped.

The main source of discrimination against foreign companies remains the **uneven enforcement of rules and corruption**. Laws and regulations are often not enforced or not applied in an even-handed, non-discriminatory manner and depend on informal arrangements between private persons and public officials. This creates uncertainty for foreign investors and exposes them to high compliance risks. Under such circumstances, companies that comply with the rules find themselves at a disadvantage compared to those that do not, as it remains common for certain companies to look for a patron in government and to agree on mutually beneficial arrangements. State capture and political economy thus needs to be factored in when doing business in Ghana.

Ghana's goal of strengthening local processing rather than exporting raw materials could be a good opportunity to increase production capacity on site. Promising value chains apart from extractive and agricultural commodities could be found in the recycling industry, where secondary materials have proven to increase the resilience of value-chains. Clear new potential can be observed in the area of renewable energy, ranging from solar, wind and biogas to battery storage. There is also increasing traction in IT and AI related services, both for domestic use and export, as well as for quality infrastructure and precision instruments. Textile production is also slowly on the rise, currently geared towards the US market, as there is a favorable preferential program in place, AGOA (African Growth and Opportunity Act), that allows for tax-free import of thousands of products including textile.

4 FOREIGN TRADE

4.1 Developments and general outlook

4.1.1 Trade in goods

Gold, crude oil and cocoa beans remained the top export commodities of Ghana, followed by food-products, out of which 65% is however again based on cocoa. The country also retained its position as the leading gold producer in Africa in 2023, followed by South Africa, Sudan, Mali and Burkina Faso. The gold output reached more than 100 metric tons in 2023 and was thus comparable to 2022. Gold continues to account for around 43% of Ghana's total exports, with **Switzerland purchasing a larger share (44%) than any other country: in 2023, Switzerland bought 62.5 tons of gold worth CHF 2.996 from Ghana**, which is comparable to the 65 tons worth CHF 3.1 billion in 2022.

In early 2023, Ghana introduced a highly controversial "oil for gold" scheme, which allowed to purchase (Russian) refined oil in exchange for gold, thus reducing in-country demand for foreign exchange and increasing the availability of fuel considerably. Mineral fuels and oil exports are geared towards the US, gold towards Europe, Asia and Africa, while cocoa beans continue to predominantly go to the Netherlands, followed – to a much lower extent – by USA and Asia. Overall, Ghana displayed a thinly **positive trade balance** in 2023[3], a surprising deviation from its historical trade deficit, by recording export proceedings in the amount of USD 21.7 billion while importing goods in the amount of USD 21.1 billion. Ghana however continues to face challenges in diversifying its export markets and still heavily relies on imports. The country's export profile remains heavily reliant on primary products.

[3] Source; obtained from GSS 2023 Trade Report. The export and import figures recorded were in Ghana cedis, a conversion rate of 11.69 was applied as the average exchange rate for dollars in 2023.

Ghana retained its position as the world's second-largest cocoa producer after Ivory Coast (1'800'000 mt), but the gap between the two is widening, and their combined production is reducing altogether. Ghana produced about 580'000 metric tons in 2023, compared to 654,000 metric tons of cocoa beans in 2022, which already was considerably less than in 2021 (683'000) and nowhere near the previous harvest (2020: 1'047'000 mt). The only country currently increasing cocoa production is Ecuador, and some cocoa millers openly discuss shifting production from West Africa to South America. Aside gold and oil, other **export products** of Ghana include (raw) cashew, timber, bauxite and manganese. Of the considerable share of exported food products, the largest portion (65%) represents semi-processes cocoa products, followed by dried and fresh fruit. On the **import side**, Ghana's top imports include motor vehicles for the transport of persons and goods, vehicle parts, iron and steel, plastics, rice, cereal grains, cement as well as chemical and pharmaceutical products. Although a producer of palm oil, Ghana remains a net importer of this particular commodity.

4.1.2 Trade in services

4.2 Bilateral trade[4]

Switzerland's total trade with Ghana slightly declined by about 4.4%, from CHF 3.25 billion in 2022 to CHF 3.1 billion in 2023, out of which CHF 2.996 billion is due to gold imports alone. This comprises CHF 3.1 billion worth of imports from Ghana to Switzerland (a decline of 4.5% compared to 2022) and CHF 30.5 million exports to Ghana (8.6% increment compared to 2022). This makes Switzerland the largest trade partner of Ghana in terms of exports and the 9th in terms of imports.

Gold remained the largest import and accounts for over 97.5% of the value of imports by Switzerland, followed by cocoa (about 2.2%). The bilateral trade deficit slightly (by 4.6%) decreased from CHF 3.19 billion in 2022 to CHF 3.04 billion in 2023, due to somewhat lower gold imports and higher exports by Switzerland. In terms of total trade volume (imports and exports combined), **Ghana has retained its position as the second biggest trading partner of Switzerland in Sub Saharan Africa,** topped only by South Africa. The 2023 trade volume between Switzerland and Africa stood at CHF 5.26 billion (2022: CHF 5.98 billion) without gold and CHF 20.25 billion (2022: CHF 22.6 billion) with gold.

4.2.1 Trade in goods

Notwithstanding these impressive statistics between Switzerland and Ghana, the trade volume excluding the two main commodities, i.e., gold and cocoa, remains very modest at about 0.3%. The potential for a more diversified trade and higher Swiss exports depends largely on further reforms to modernize Ghana's economy and facilitate trade, increase productivity, value-addition and local demand. The latter will remain challenging in 2024 and beyond, given the dim economic outlook, the weak macro-fundamentals and the persisting loss of purchasing power.

Top exports from Switzerland to Ghana are chemical products, mineral fuels and oils, equipment and tools, vehicle parts, accessories and selected luxury goods.

4.2.2 Trade in services (if data available)

No data available. The export of IT services from Ghana to Switzerland / Europe is nascent.

[4] All figures obtained from the Swiss Foreign Trade Statistics (accessed in June 2024)

5 DIRECT INVESTMENTS

5.1 Developments and general outlook

According to the 2024 UNCTAD World Investment Report, total FDI flow to Ghana in 2023 was USD 1.35 billion, which is a 10.4% decline compared to that of 2022 (USD 1.5 billion)[5]. Meanwhile, during the same period, the total investment stock saw a slight rise of 2.9% (from USD 46 billion in 2022 to USD 47 billion in 2023). The value of announced greenfield projects increased significantly by about 92.3% from USD 1.3 billion in 2022 to USD 2.56 billion in 2023, which is the result of a large announced lithium mining project. However, no international cross border nor any acquisition deal materialized in 2022 and 2023.

Domestic sources present an even darker picture: the Ghana Investment Promotion Centre's (GIPC) 4th Quarter 2023 Report recorded approximately USD 649.59 million of FDI in 2023 (USD 1.35 billion in 2022 and USD 1.29 billion in 2021), representing a significant decline of 51.92% over that of 2022. Meanwhile, the local share of the total investment for 2023 also declined significantly by about 94.7% (from USD 260.98 million to USD 13.6 million). In terms of the FDI sectoral values, the manufacturing sector recorded the largest FDI value of USD 280.24 million followed by the services and general trade sectors with USD 226.29 million and USD 75.17 million respectively[6], according to the same domestic report.

In April 2023, Fitch last rated Ghana as RD (restrictive default), which roughly translates to "default with little prospect for recovery". This is a negative signal for private investments and invites speculators to bet against the local currency.

5.2 Bilateral investment

The main sources of FDI to Ghana in 2023 were China (USD 211.89m), Turkey (USD 173.27m), India (USD 77.93m), Portugal (USD 54.69), USA (USD 26.39m), Mauritius (USD 22.79m), Netherlands (USD 21.86m), Australia (USD 14.4m), France (USD 13.6m) and Lebanon (USD 7.42m)[7]. Switzerland currently ranks far below on rank 25 when it comes to new investments. In terms of old and retained investments, the picture is however quite different:

As of June 2024, a total of 60 Swiss companies are active in Ghana. Although several of them are struggling to be profitable and are openly deferring investments, only few have left or intend to leave the market.

There were also very noteworthy new investments during 2023: KOA Impact opened a new state of the art cocoa juice production factory in a remote rural area, creating hundreds of precious jobs and 40% more income for cocoa farmers. Roche opened a new and bigger office in September 2023, confirming Ghana as their preferred business location in the region (alongside Côte d'Ivoire). Inngen AG started operations and opened an office in November 2023, focusing on IT services (mainly for export) and AI developments. They chose Ghana in a first mover perspective and due to its large youthful talent pool. MPower, active in small size solar equipment distribution, also started operations in Ghana, while Green Power Brains is actively exploring Ghana as a possible battery production site. MSC inaugurated a much larger, top-modern Ghana office in April 2024, while Metrohm, a laboratory and science equipment supplier, decided in June 2024 to select Ghana as their first business location in Africa. The only known exit of a Swiss company is in the area of consumer goods, with Swiss-Swedish Oriflame leaving the market after two years of operation.

[5] World Investment 2024 Report, Accessed on 21st June 2024. Whilst Ghana's in-country analysis states a slight increase in FDI inflows for 2022, WIR states otherwise, probably due to some methodological factors.

[6] All figures obtained from the Q4 2023 Quarterly Report of the Ghana Investment Promotion Center (accessed in June 2024)

[7] Ghana Investment Promotion Centre (GIPC) 4th Quarter 2023 Report

6 ECONOMIC AND TOURISM PROMOTION

6.1 Swiss foreign economic promotion instruments

Despite the government's plans to make Ghana's tourism industry a key driver of the economy, investments in the sector remain minimal and infrastructure challenges are unresolved or worsening. Pollution, namely plastic pollution of water bodies and beaches, add to the unattractiveness of leisure related activities. The Swiss private sector has not expressed any interest in relation with tourism in Ghana.

In terms of services for Swiss businesses active in Ghana or wanting to invest, the region became completely unserved after the closure of the S-GE trade point in Lagos by the end of 2023. This resulted in the Swiss Embassy in Accra proposing a collaboration with the German Delegation of Commerce and Industry (AHK) to establish a dedicated Swiss Desk within their premises. S-GE agreed to finance this pilot, and a first ever **Swiss desk** could be inaugurated in May 2024 in Accra. The Embassy, which is structurally understaffed, can now refer businesses to a range of free and payable services, resources and networking events by AHK. The Embassy continues to regularly host **Swiss Business Lunches with selected government representatives as key note speakers,** a format that is very appreciated by the participating businesses.

The program of the economic development cooperation financed by SECO remains a key pillar of Switzerland's bilateral relations with Ghana. Ghana is one of 13 priority countries – the only priority country in Sub-Saharan Africa aside South Africa – for SECO's economic development cooperation and will remain so for the period of 2025-28. The 2021-24 Cooperation Programme, with an envelope of CHF 65 million, is in implementation, with three substantial flagship programs and around 30 smaller activities ongoing in various sectors. The number of small activities is currently reduced and redirected to support the large projects. The 2025-28 program, expected to be smaller in volume, will focus on working primarily with and for the private sector and plans to start a new engagement in skills development. The flagship activities cluster around renewable energy (photo-voltaic based net-metering), value-chain development including recycling and ideally a new phase of the decentralization support through which well-performing municipalities can access additional finances for much needed profitable investments. The strategic value-chains under the portfolio are cocoa, cashew, shea, textile, palm-oil, and the recycling of e-waste.

6.2 The host country's interest in Switzerland

Ghana is interested in strengthening trade and investment relations with Switzerland. Switzerland and "Swiss made" products continue to enjoy an excellent reputation in Ghana, but have become too expensive for most. A large number of Ghanaians tag Switzerland with innovation, high standards and technical soundness or quality.

The government declaratively welcomes more investments of Swiss companies in Ghana (e.g., in green technologies, pharmaceuticals, automotive parts). Ghana's wish for companies to add value in Ghana instead of exporting raw materials was reiterated on several occasions, in particular as regards cocoa, gold and agricultural produce. In reality, Swiss companies considerably contribute to value-addition, not only on the cocoa sector, but also in the milling and agro-processing sector. HPW, a Swiss investment, remains the largest dried fruit processor in West Africa, employing 1100 people in Ghana alone.

Due to the economic turbulences since 2022, the demand for economic development cooperation has increased, but policy dialogue with the government remains difficult and contradictory. Nevertheless, Ghanaian counterparts at the technical level highly appreciate the clear focus of Switzerland's economic development cooperation, which is perceived as non-political and technically sound.

ANNEX 1 – Economic structure

Economic structure of the host country

	2019	2023
Distribution of GDP		
Primary sector	**18.5%**	**22.7%**
Manufacturing sector	**33.2%**	**31.7%**
Services	**48.2%**	**45.6%**
- of which public services[8]	**9.3%**	**7.8%**

Distribution of employment[9]		
Primary sector	**40.2%**	**39.3%**
Manufacturing sector	**18.4%**	**16.5%**
Services	**41.5%**	**44.2%**
- of which public services	**n/a**	**n/a**

Source(s): Rebased 2013-2022 Annual Gross Domestic Product, GSS (April 2024 Edition). The employment figures from the Annual Household Income and Expenditure Survey as well as the 2021 Ghana Population and Housing Census Report (all accessed on June 11, 2024).

[8] Entails the public administration and defense as well as social services: education, health and social work.

[9] 2023, employment figures obtained from GSS is at 3rd Quarter

ANNEX 2 – Main economic data

Host country's main economic data

	2022 (Actual)	2023 (Est)	2024 Proj.
GDP (USD bn)	**72.2**	**76.3**	**75.2**
GDP per capita (USD)	**2,189**	**2,309**	**2,280**
Growth rate (% of GDP)	**3.1**	**2.3**	**2.8**
Inflation rate (%)	**54.1**	**27.6**	**15.0**
Unemployment rate (%)	**11.5**	**n/a**	**n/a**
Fiscal balance (% of GDP)	**-11.8**	**-4.6**	**-5.0**
Current account balance (% of GDP)	**-2.1**	**-1.7**	**-1.9**
Total external debt (% of GDP)	**42.4**	**49.1**	**49.9**
Debt-service ratio (% of exports)	**6.6**	**11.4**	**13.0**
Reserves (months of imports)	**0.7**	**1.1**	**1.7**

Source: IMF, Ghana Country Report no. 24/30 (2923 Article IV Consultation and First Review Under the Arrangement Under the Extended Credit Facility) released in January 2024 (Accessed on 12th June 2024). GSS Labour Statistics, Quarter 3 Bulleting released on February 2024; Bank of Ghana, Summary of Economic and Financial Data released on May 2024 and MoF, 2024 Budget Statement.

ANNEX 3 – Trade partners

Trade partners of Ghana **Year: 2023**

Rank	Country	Exports 2023 *from the host country* (USD million)	Share	Change [10]	Rank	Country	Imports 2023 *to the host country* (USD million)	Share	Change [11]
1	**Switzerland**	**3079.23**	**17.1%**	**- 2.3%**	1	China	3049.80	18.7 %	-7.2%
2	South Africa	1973.76	11.0%	9.5%	2	Netherlands	1577.65	9.7%	15.3%
3	United Arab Emirates	1713.46	9.5%	367.4%	3	India	1049.39	6.42 %	5.7%
4	China	1376.6	7.6%	-37.5%	4	Russian Federation	1046.44	6.4%	572.9 %
5	India	1178.48	6.5%	-30.2%	5	USA	983.0	6.0%	-10.6%
6	Canada	855.49	4.8%	-53.2%	6	Belgium	764.17	4.7%	19.5%
7	USA	787.79	4.4%	15.5%	7	United Arab Emirates	613.94	3.8%	49.0%
8	Netherlands	664.14	3.7%	-18.3%	8	United Kingdom	506.49	3.1%	-78.2%
9	Italy	621.43	3.5%	11.3%	9	**Switzerland**	**365.16**	**2.2%**	**-47.8%**
10	Brazil	523.25	2.9%	4926.4 %	10	South Africa	310.81	1.9%	-35.4%
	EU	2459.68	13.7%	-2.0%		EU	-	-	-
	Africa	3504.44	19.5%	-0.3%		Africa	-	-	-
	Total (World)	18005.53	100%	2.1%		World	16346.15	100 %	-10.7%

Source(s): Export figures were obtained from IMF Direction of Trade Statistics (https://data.imf.org/regular.aspx?key=61013712). (Data accessed on 14th June 2024), whilst 2023 Import figures were obtained through GSS Statsbank published on their website.

[10] Exports change from the previous year in %

[11] Imports change from the previous year in %

ANNEX 4 – Bilateral trade

Bilateral trade between Switzerland and Ghana

Year	**Export** (CHF million)	*Change (%)*	**Import** (CHF million)	*Change (%)*	**Balance** (in million)	**Volume** (in million)
2019	37.36	33.5	85.53	7.7	-48.17	122.89
2020	28.94	-22.5	85.05	-0.6	-56.11	113.99
2021	**30.66**	**6.0**	**91.86**	**8.0**	**-61.19**	**122.52**
2022	28	*-9.0*	91	*-0.7*	-63	119
2023	31	*9.6*	77	*-15.8*	-46	107
2024 (I-VI)**						

*) 'Economic' total (total 1): not including gold bars and other precious metals, currencies, previous stones and gems, works of art and antiques

**) Change (%) from the previous year

Exports	**2022** (% of total)	**2023** (% of total)
1. Pharmaceutical products	38.3	37.3
2. Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof	24.4	24.8
3. Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles	6.7	12.3
4. Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal	2.58	2.64

Imports (without gold)	**2022** (% of total)	**2023** (% of total)
1. Cocoa and cocoa preparations	85.1	86.9
2. Edible fruit and nuts; peel of citrus fruit or melons	8.6	7.5
3. Preparations of meat, of fish, of crustaceans, molluscs or other aquatic	2.9	3.0
4. Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit;	1.9	0.8

Source: Federal Office for Customs and Border Security, Accessed in June 2024

ANNEX 5 – Main investing countries

Main investing countries in Ghana **Year: 2021**[12]

Rank	**Country**	**Direct investment** (USD **million,** stock**)**	**Share**	**Variation** (stock)	**Inflows over past year (USD million)**
1	UK	2,874.91	210%	-8.2%	3132
2.	South Africa	2,543.90	18.5%	146.7%	1031
3.	France	1,916.17	14.0%	-1.1%	1937
4.	Australia	1080.937	7.9%	-1.7%	1100
5.	United States	1053.86	7.7%	-14.3%	1229
6.	Nigeria	1034.76	7.5%	-0.7%	1042
7.	Isle of Man	559.01	4.1%	-6.2%	596
8.	United Arab Emirates	482.22	3.5%	30.3%	370
9.	North Macedonia	332.95	2.4%	-84.2%	2110
10.	Togo	322.136	2.3%	107.8%	1551
…	EU	-	-	-	-
14.	Switzerland	175.84	1.3%	116.84%	59
…	World	13,715.98	100%	6.4%	12,889

Source(s): IMF Coordinated Direct Investment Survey (https://data.imf.org/regular.aspx?key=61227424). The latest available data, Accessed in June 2024

[12] Available Data for Ghana accessible as at June 2024, is Year 2021