

THE AGI BUSINESS BAROMETER

SUMMARY OF RESULTS QUARTER 4, 2023

Presenter
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Jan. 2024

Introduction

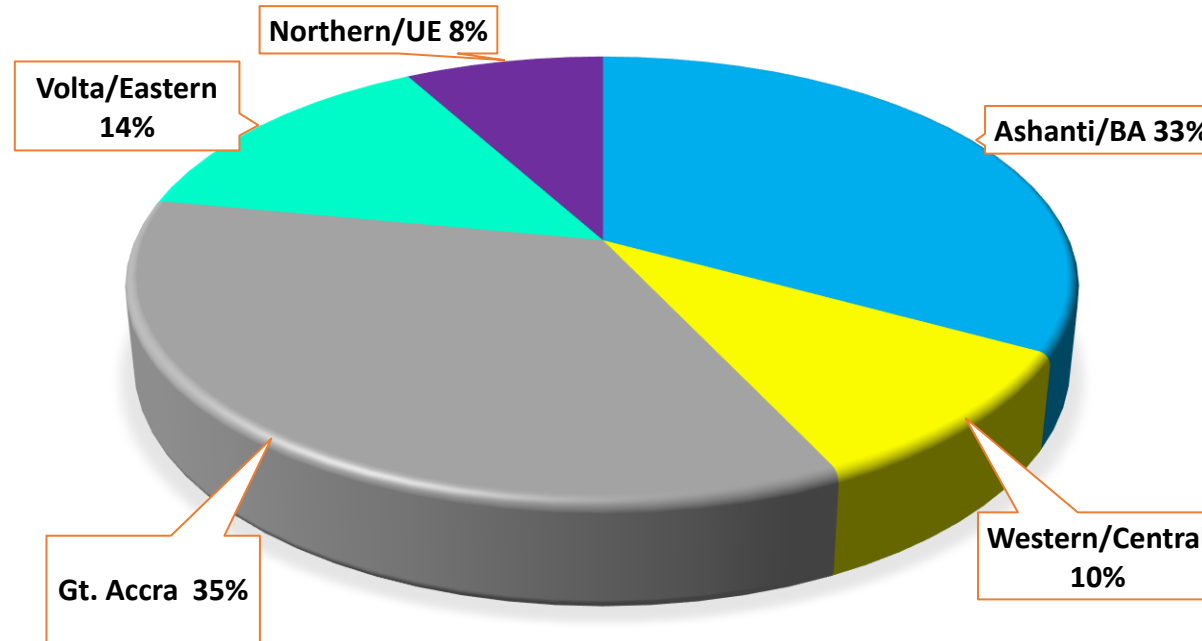
The Association of Ghana Industries (AGI) is the leading private sector organization in Ghana, representing a diversity of 22 sectors. Currently, AGI's membership stands at over 2,000. Through its membership and executives, AGI is represented in major economic forums and public-private dialogue within the country. The AGI Business Barometer (AGI BB) is a quarterly survey and an AGI proprietary tool that measures the confidence level in the business climate quarterly and predicts short-term business trends. It also elicits valuable feedback from members across Ghana to guide future policies and strategies, particularly advocacy for an improved business climate.

Being an integral part of AGI's evidence-based advocacy framework, the Barometer equips the Association with empirical data for dialogue and to wield more influence on Government decisions and policies.

This survey was conducted online and partly face-2-face.. Online questionnaire was scripted in Cognito forms and shared with AGI members through a link to self-administer. This survey captured a few non-members as well.

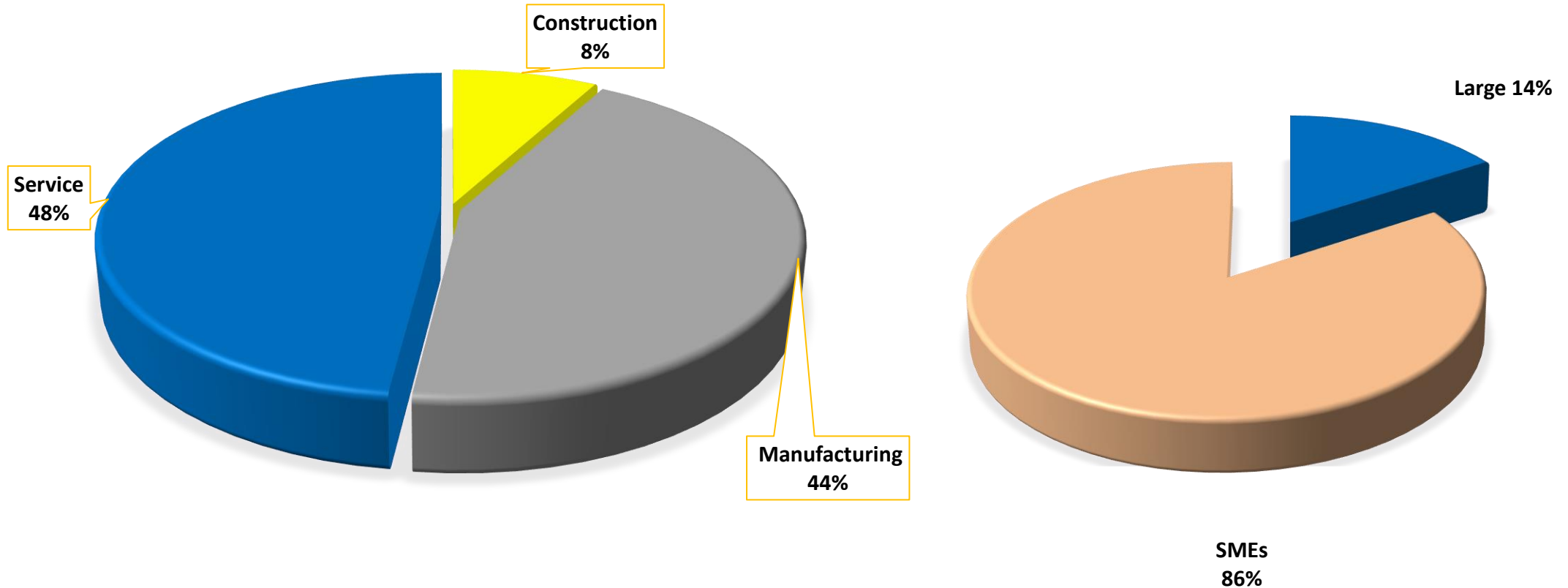
Data analysis combined responses from all respondents and therefore presents findings based on aggregate data for the period Q4, 2023.

Sample Distribution By Region

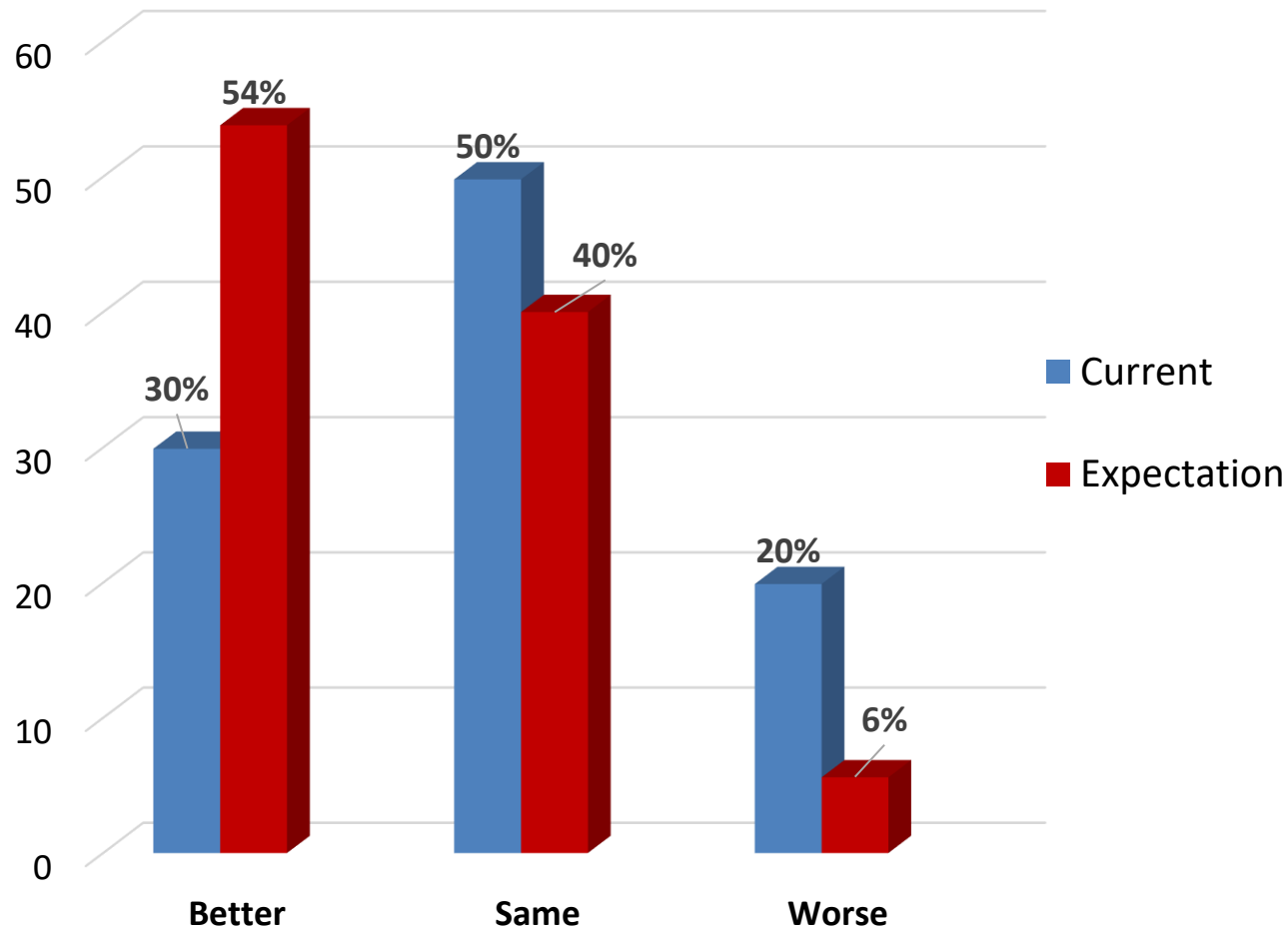




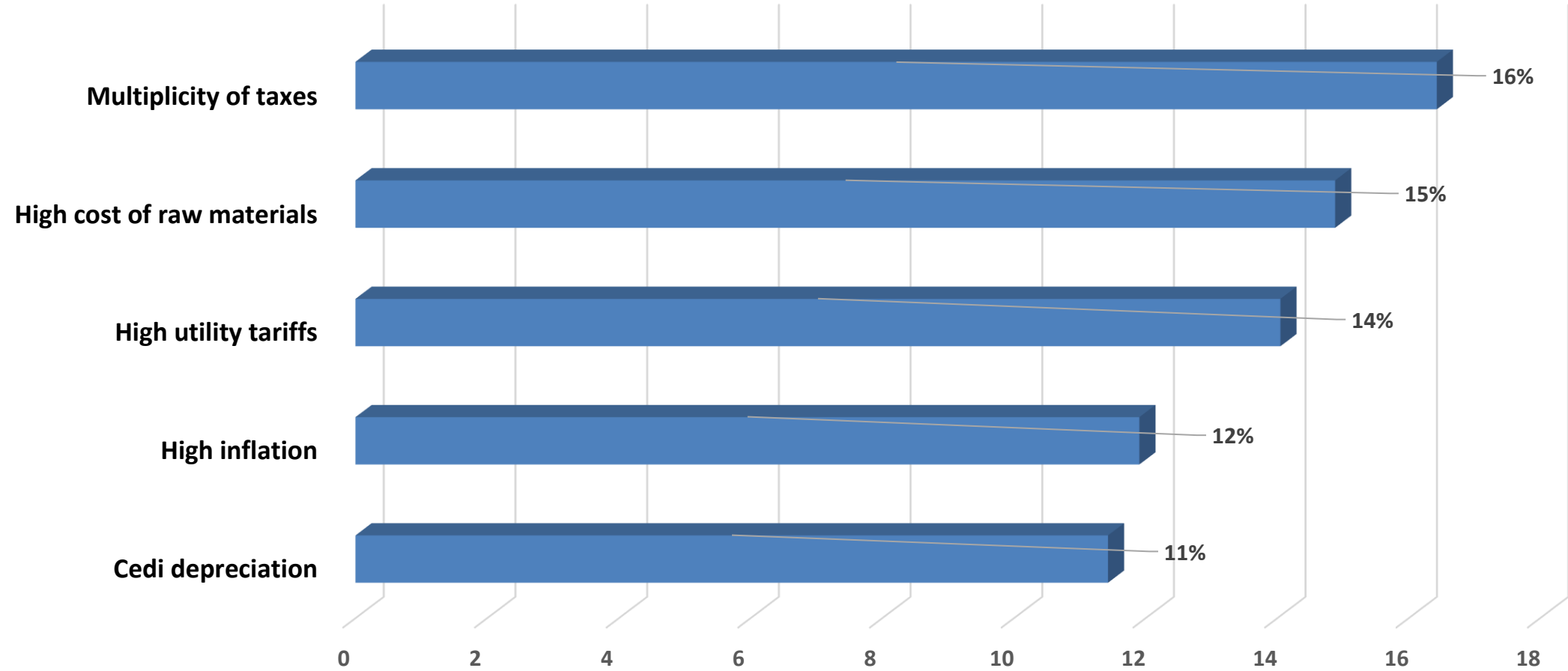
Sample Distribution by Sector/Size of Business



Overall Perception of Business Performance (Oct. to Dec.)

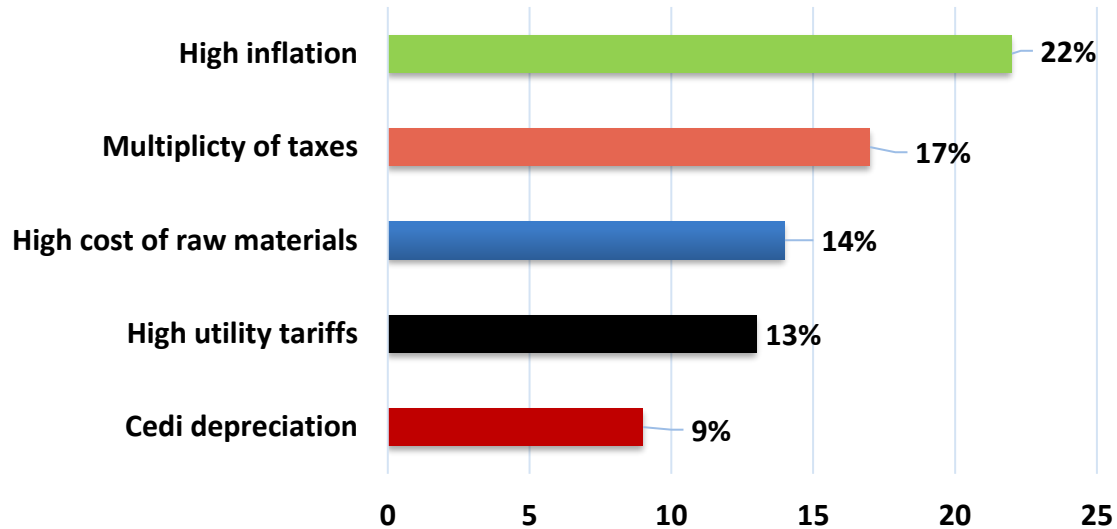


Top 5 Major Challenges, Q4 2023



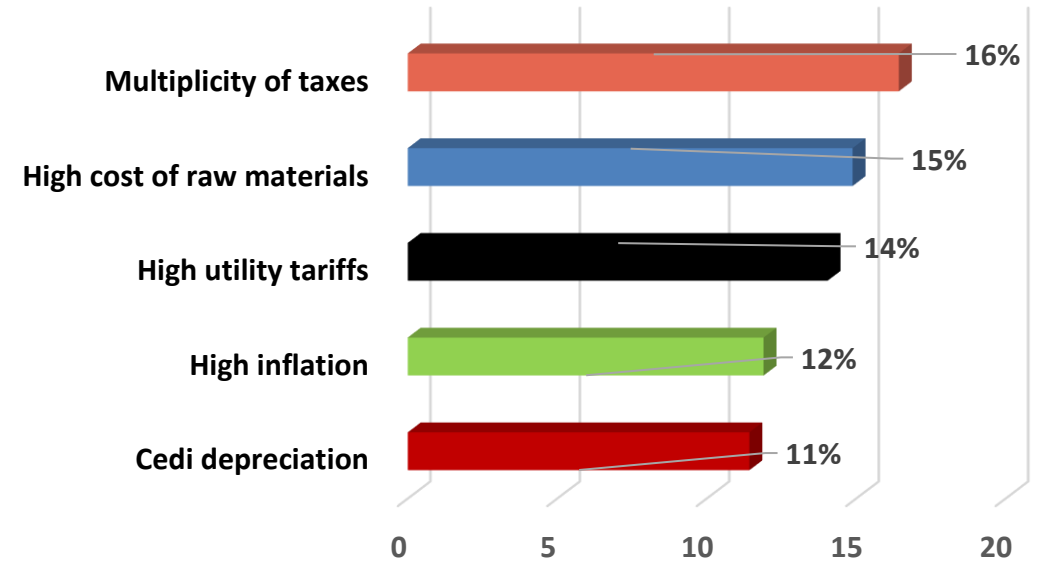
Top 5 Major Challenges, Q3- 2023 vs Q4- 2023

Q3, 2023



NB. Average rate of inflation for Q3 was 40.4%

Q4, 2023

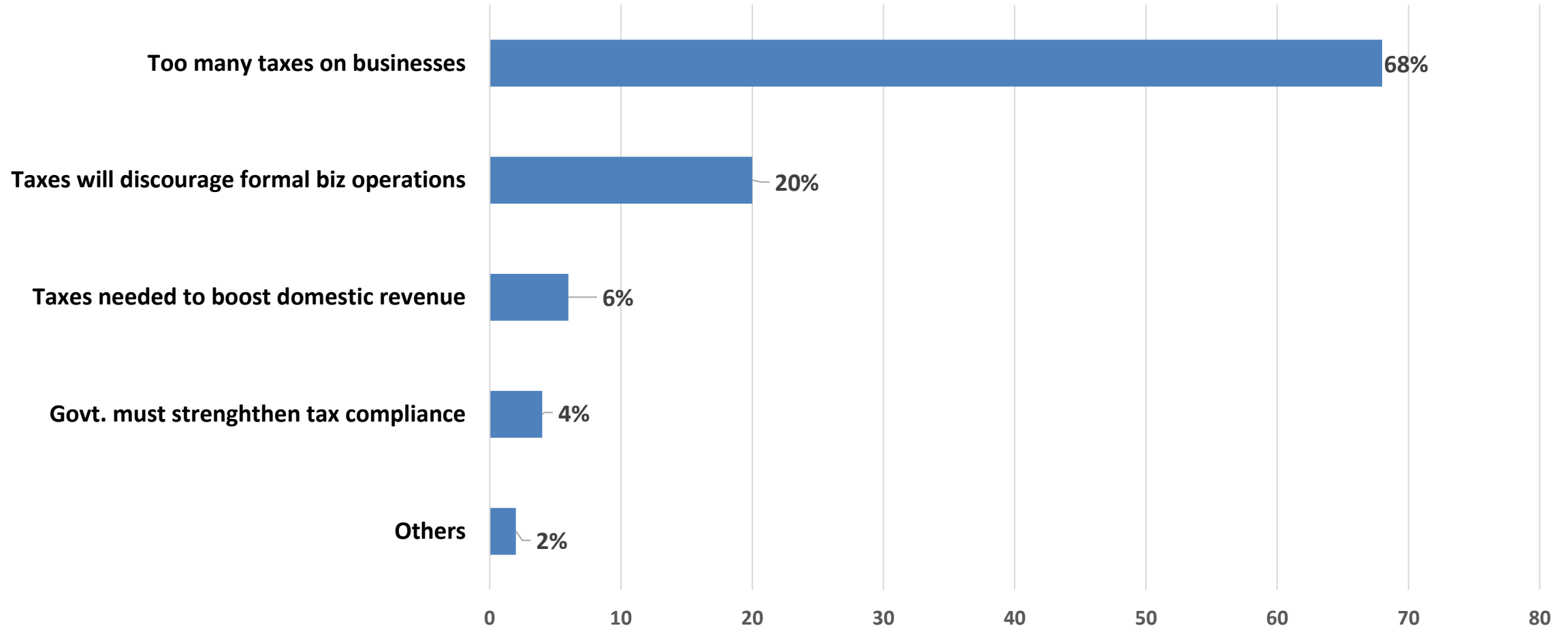


NB. Average rate of inflation for Q4 was 28.3%

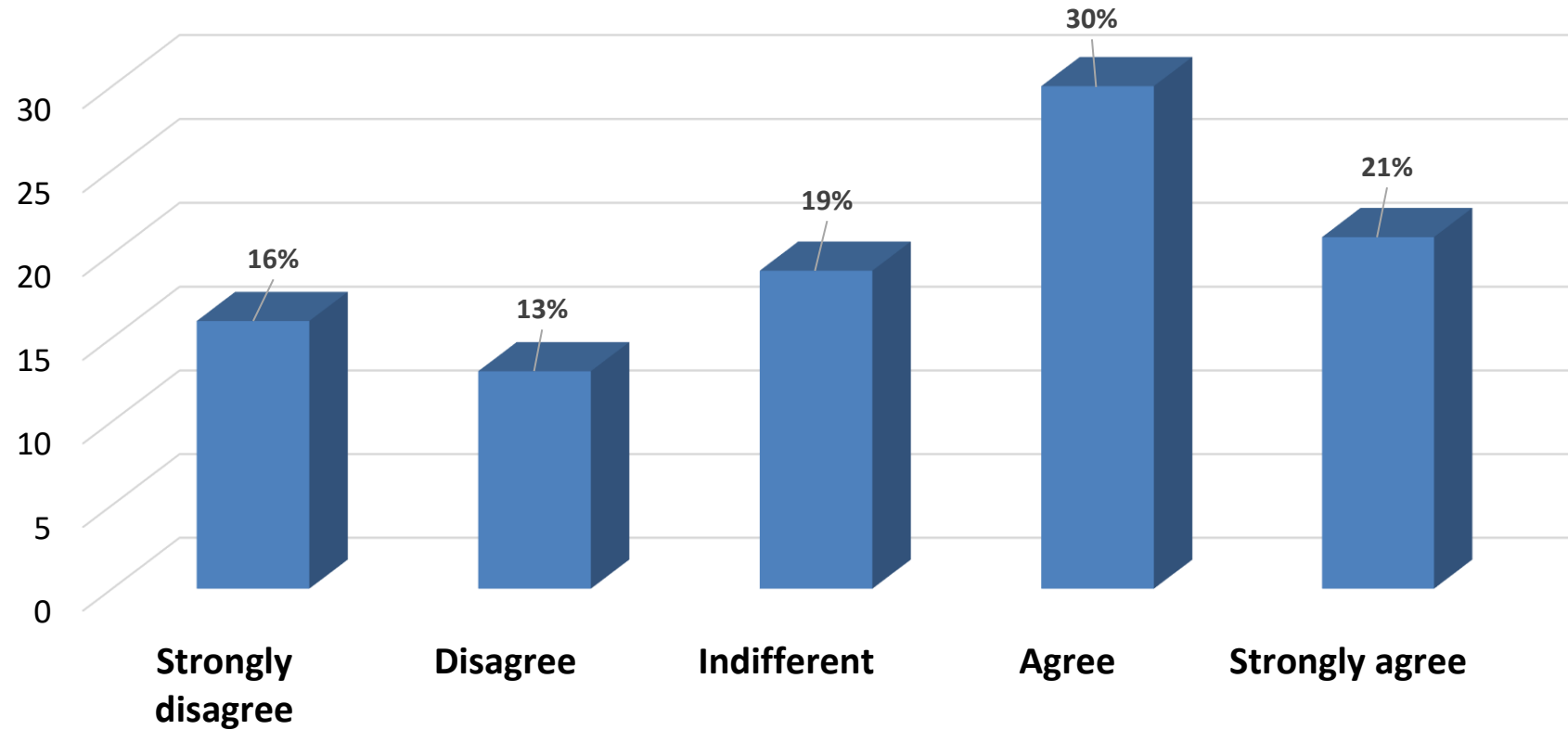
Top 3 major challenges by Sector/Size

Sector	1st	2nd	3rd
Manufacturing	High cost of raw materials	Multiplicity of taxes	High utility tariffs
Service	Multiplicity of taxes	High utility tariffs	Cedi depreciation
Construction	Multiplicity of taxes	High cost of raw materials	High utility tariffs
Size of Biz	1st	2nd	3rd
Small	Multiplicity of taxes	High cost of raw materials	High utility tariffs
Medium	Multiplicity of taxes	High utility tariffs	High cost of raw materials
Large/ African Giants	Multiplicity of taxes	High utility tariffs	Cedi depreciation

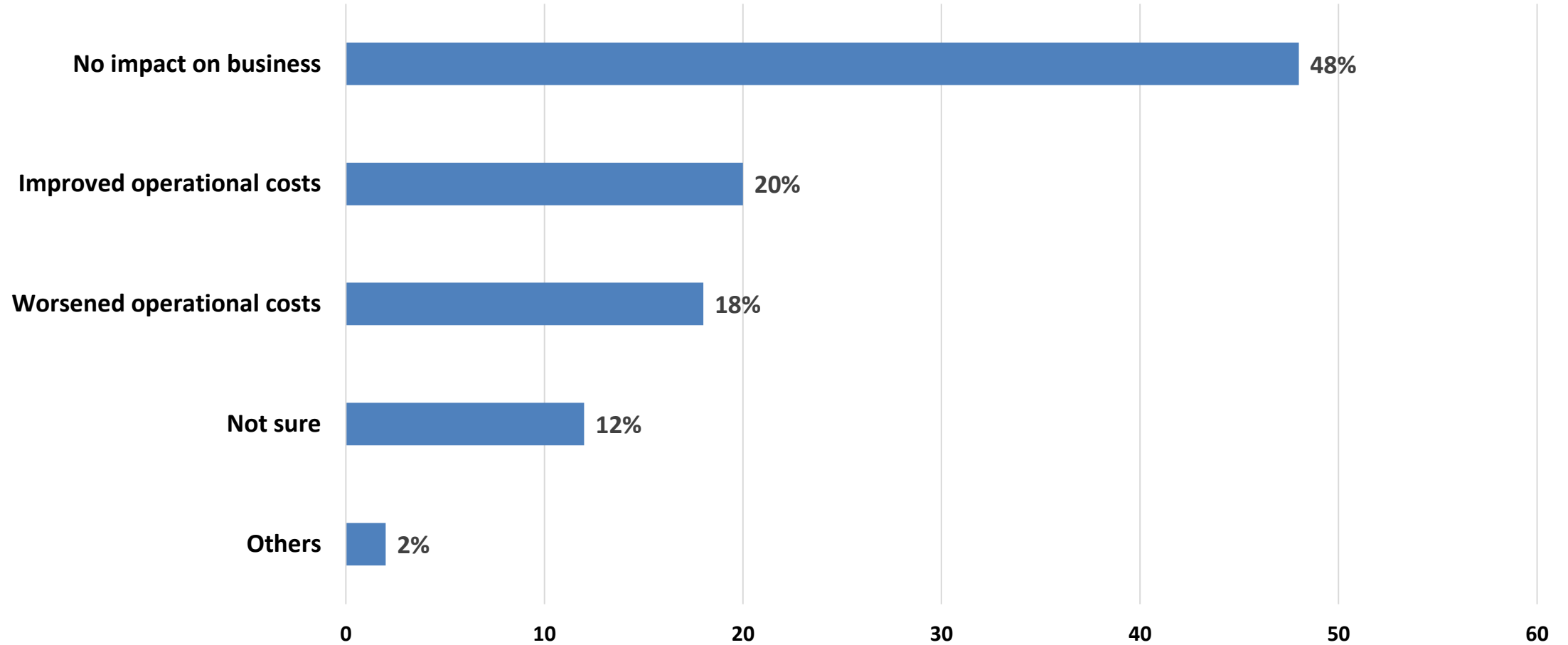
Businesses opinion of current tax regime



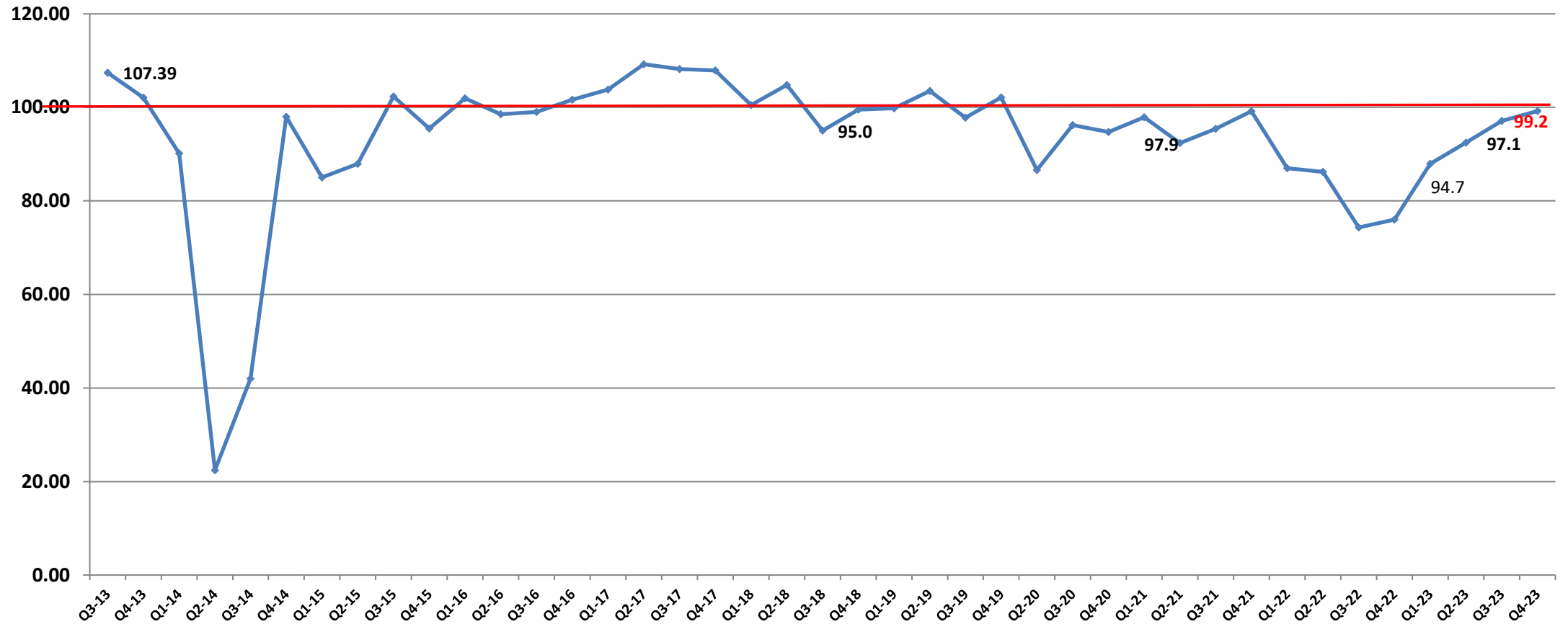
Import restriction regulation will help improve local production



How drop in inflation impacted business



Business Confidence Index Q4, 2023



Conclusions

- Relative stability in exchange rate regime boosted business confidence.
- Significant drop in headline inflation gave some relief, from 40.4% average in Q3 to 28.3% in Q4, yet far from 8±2 % medium term target.
- Multiplicity of taxes remains a major constraint. Rising cost of freight impacting on cost of raw materials.
- High cost of doing business stifling investments, growth in real sector, consumer spending, and employment prospects. Fiscal vulnerabilities could also create uncertainties, going forward and a lot more needs to be done to sustain an enabling business environment.

THANK YOU !

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