

FPC Country Profile: Ghana

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Cooperating Partners

Ghana is a member of WAIFEM. Bank of Ghana (BOG) is the lead agency. It has cooperated with other agencies including the Ghana Investment Promotion Centre, and the National Bureau of Statistics. Government and the World Bank have funded the work. Ghana is participating in the IMF General Data Dissemination System, and Coordinated Direct Investment Survey.

Background

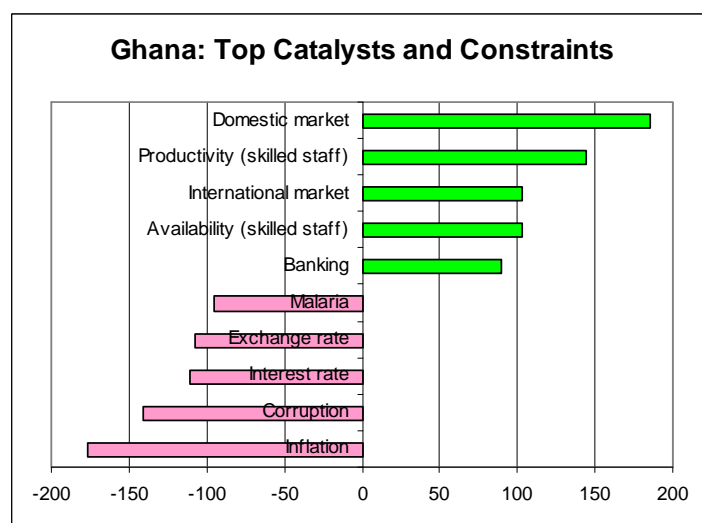
Ghana compiles data in line with IMF BPM5, with analytical breakdowns for source and recipient country, and sector of economic activity. It also tracks investor perception.

Foreign Investment Indicators

Instrument	Stock 2006	Flows 2007	Stock 2007
Liabilities (US\$ m)	2,955	1,594	4,345
FDI	2,113	885	2,858
Portfolio	25	16	39
Other	818	694	1,448
Indices			
Liabilities to GDP	23%	11%	29%
FDI to GDP	17%	6%	19%
FDI Performance Index (2006-8) ¹	-	2.6	-

Source: BOG (liabilities); IMF WEO (GDP); UNCTAD FDI Stat (World FDI inflows)

FDI was the most important instrument, although loans and trade credits from non-affiliates became increasingly significant. FDI inflows performed strongly relative to GDP (2.6) thanks to a surge (US\$2,120m) in 2008. Three sectors accounted for 82% of FDI: transport, storage and communication; banking; and mining. Mining accounted for half the debt stock, followed by banking; manufacturing; and transport. Top FDI sources were Mauritius, UK, France, British Virgin Islands, Togo and Nigeria. On average, 89% of businesses planned to expand by improving facilities, technology and capacity. The chart shows the top catalysts and constraints to their investment decisions.



¹ FDI Performance Index = (National/World FDI Inflows) / (National/World GDP). >1 denotes high performance.

CBP Support and Achievements

Cycle (Survey)	Support and Achievements
Cycle 1 Jan 00 – May 03	<ul style="list-style-type: none"> The Opening Awareness and Training (OAT) launched and transferred skills. Follow Up Missions (FUM) and long distance support addressed challenges and prepared data and analysis. The cycle closed with a dissemination event Achievements included the creation of a National Taskforce, an enhanced investor register, new methodology, and dissemination of data (1999-2000), analysis and a newsletter article
Cycle 2 Sep 08 – Jun 09	<ul style="list-style-type: none"> The CBP assisted Ghana in liaising with DFID and the World Bank on launching this work within its multi-donor Statistical Capacity Building Plan, and provided long distance support on technical and planning issues. Bank of Uganda assisted in training on-site and technical support BOG implemented the pilot survey speedily, enhancing its investor register, generating a representative and regionally spread sample (response rate of 81%), data for 2006-7, quality detailed and summary analytical reports disseminated via the BOG website, and a newsletter article. Findings have been taken up by others including Ministry of Finance and the media
Cycle 3 Jun 09 –	<ul style="list-style-type: none"> The CBP has continued to provide limited long distance support, pending confirmation of funding for more intensive assistance Building on the achievements of Cycle 2, Bank of Ghana is presently implementing a census of investors with foreign assets and liabilities

Country Progress and Intended Results (Scale of 1-5)

As no CBP missions took place during Cycles 2 and 3, it has not been possible to obtain capacity evaluation scores. Pending a capacity review, the achievements of Cycle 2 would suggest that management, institutional and legal framework have been effective in producing quality outputs quickly, moving towards GDDS standards (with scope for improvements in timeliness), increased awareness through dissemination, and enhanced knowledge and skills. There is scope to enhance analysis further, and develop policy action plans.

Further Reading

*Country Reports and Summaries*²

- BOG (2009) Cycle 2 Report: *Monitoring Private Cross Border Capital Flows in Ghana*
- BOG (2009) Cycle 2 Summary: *Policy Brief*, June
- BOG, GIPC, NBS, DFI (2003) Cycle 1 Report: *FAL and Investor Perception in Ghana*
- FPC CBP (2009) “Ghana Completed its Second PCF Survey Successfully”, *SFD* #40 p16
- FPC CBP (2003) “Ghana: Investment Prospects Recover After 2000 Fall”, *SFD* #16 p13

Other

- Daily Graphic (2009) “Private Capital Flows Deepen”³
- Ghana Dot (2009) “Private foreign capital inflows to Ghana in 2007 hit GH¢1.5billion”⁴
- Ghana Web (2009) “Private foreign capital inflow of GH¢1.5 billion in 2007”⁵
- IMF (2008) “Capital Account Liberalization And Private Capital Flows In Ghana”⁶
- Ministry of Finance (2009) “Private Capital Flows Deepen”⁷

² Downloads from: www.development-finance.org/en/services/research-a-analysis/publications-and-technical-briefings/private-capital-publications/country-analysis-and-policy.html

³ Daily Graphic www.modernghana.com/news/222777/1/private-capital-flows-deepen.html

⁴ Ghana Dot www.ghanadot.com/news.ghanadot.kunateh.062109b.html

⁵ Ghana Web www.ghanaweb.com/GhanaHomePage/NewsArchive/artikel.php?ID=163914

⁶ IMF Country Report 08/332, “Ghana: Selected Issues” www.imf.org/external/pubs/ft/scr/2008/cr08332.pdf

⁷ Ministry of Finance www.mofep.gov.gh/news200609.htm