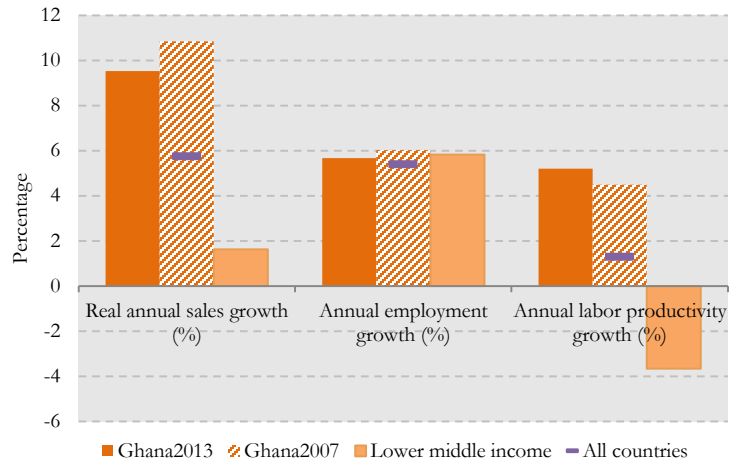




The World Bank interviewed a representative sample of the private sector in 4 of the most active economic regions in **Ghana**. The sample consisted of 720 business establishments surveyed from December 2012 through July 2014. The Enterprise Survey (ES) covers several topics of the business environment as well as performance measures for each firm. Below are the main highlights from the survey.

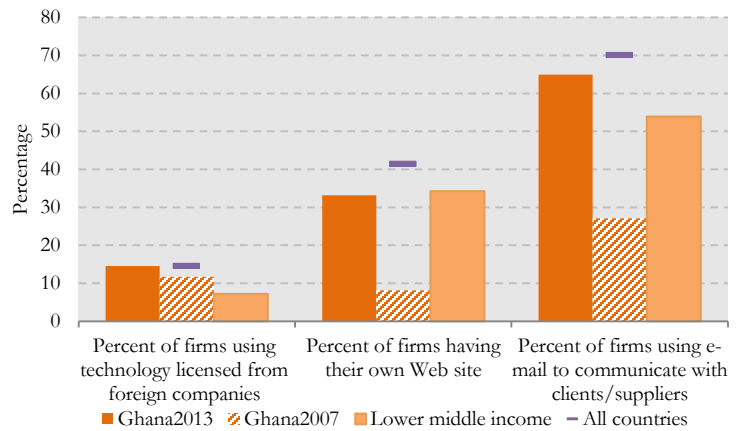
Firms in Ghana experienced robust sales, employment, and labor productivity growth

Between 2010 and 2012, firms in Ghana experienced robust **real annual sales growth** (9.5%), in line with the 2005-2007 growth rate (11%) and considerably higher than the averages for lower middle income countries (2%) and all countries with ES data (6%). In Ghana, sales growth rate increases with firms' size, ranging from 7% for small firms (5-19 employees) to 20% for large firms (100+ employees). Annual employment growth rate was also positive at 6% and similar to the 2005-2007 period. Consequently, annual labor productivity growth rate was at a healthy 5% per annum and confirms the positive performance of firms in the Ghanaian private sector.



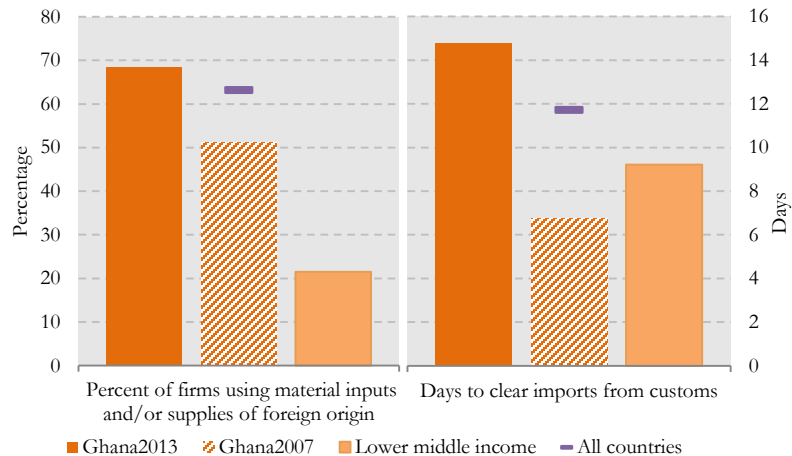
Exposure to foreign technology and the internet has increased over time in Ghana

Firms in Ghana were also characterized by a greater exposure to foreign **technology** and use of ICT. In 2012, 15% of firms in Ghana used technology licensed from foreign countries (vs. 12% in 2007), double the average for lower middle income countries (7%) and in line with the average for all countries with ES data (15%). Furthermore, 33% of firms had their own website, more than four times compared to 2007 (8%) and in line with the average for lower middle income countries (34%). Finally, considerably more firms in Ghana used e-mail to communicate with clients/suppliers in 2012 compared to 2007 (65% vs. 27%).



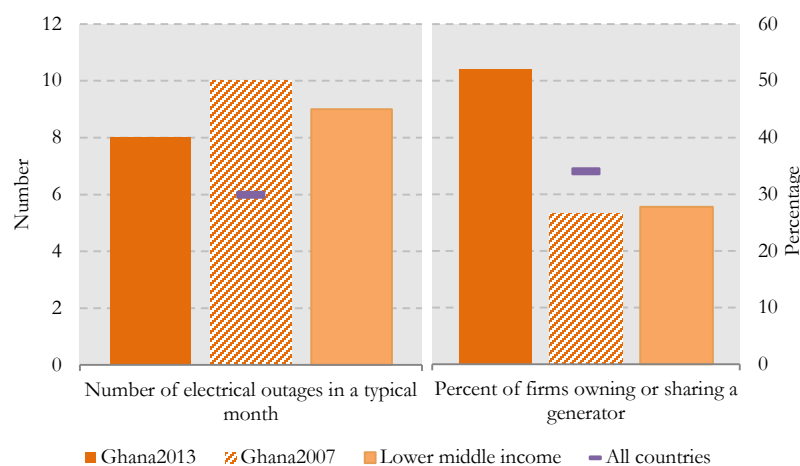
More firms use intermediate inputs of foreign origin and more days are needed to clear customs

In 2012, a higher percentage of manufacturing firms in Ghana made use of **intermediate inputs of foreign origin** compared to 2007 (69% vs. 51%). The use of material inputs and/or supplies of foreign origin is higher for large vs. small firms: 96% of large firms compared to 59% of small firms. The proportion of total inputs that are of foreign origin used on average by firms in Ghana increased as well over time (27% in 2007 vs. 48% in 2012), and it is higher for the relatively larger firms. During the same period, firms in Ghana also experienced an increase in the number of days needed to clear imports, which doubled from almost 7 days in 2007 to 15 days in 2012.



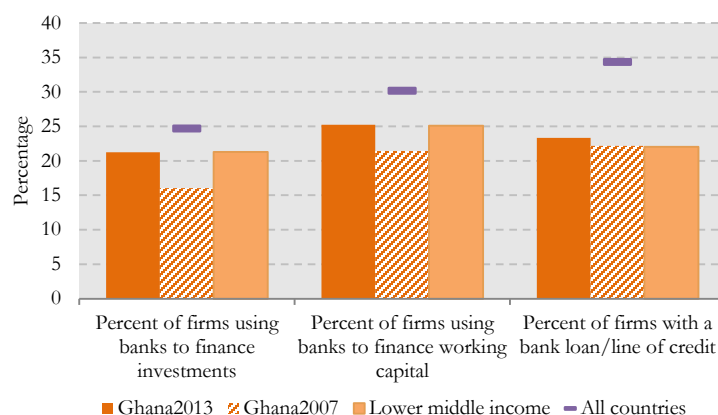
Power supply has improved but remains insufficient compared to other countries

Firms in Ghana experience less and shorter power outages in a typical month compared to 2007. However, the **provision of electricity** is still insufficient by international standards. In a typical month in 2012, an average firm in Ghana experienced 8 power outages (down from 10 in 2007) compared to an average of 6 for all countries with ES data. The duration of outages in Ghana also decreased to 7 hours in 2012 (down from 12 hours in 2007) but remains high when compared with all countries with ES data (3 hours). At the same time, the percentage of firms that own or share a generator more than doubled compared to 2007 (27% in 2007 vs. 52% in 2012) and is currently higher than globally.



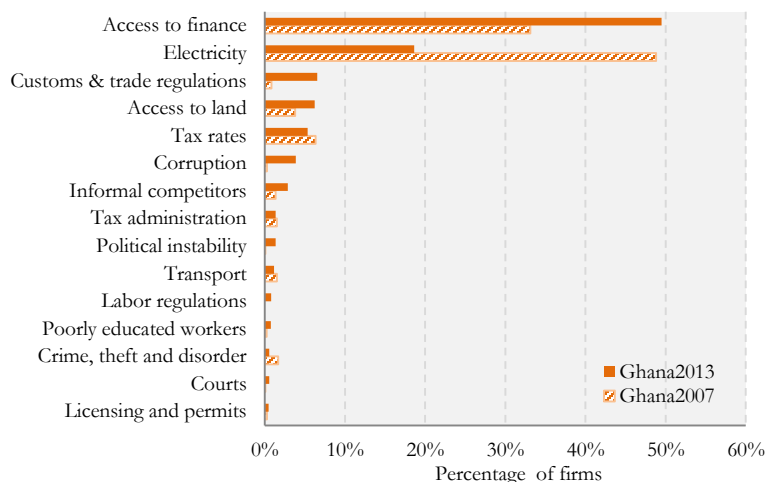
Firms' use of financing services is still lower than elsewhere in the world

In 2012, more firms in Ghana used financing services compared to 2007. However, **access to financial services** is still lower compared to the average for all countries with ES data. In 2012, 21% of firms in Ghana used banks to finance investments (vs. 16% in 2007) and 25% used banks to finance working capital (vs. 21% in 2007). The corresponding global averages are 25% and 30%. Moreover, only 23% of firms had a bank loan or line of credit which is lower than the global average at 34%. Increasing access to financial services for firms in Ghana is important as it is likely to contribute to their continued growth.



Half of firms in Ghana consider access to finance as the biggest obstacle to their operations

In 2012, one in every two firms reported access to finance as the **biggest obstacle** to their day-to-day operations, up from one in every three firms in 2007. On the other hand, fewer firms reported electricity as the biggest obstacle (19% in 2012 vs. 49% in 2007). Despite the improvement, electricity was still the second most commonly chosen biggest obstacle in 2012. Finally, in line with the firms' experience with the deterioration of the efficiency in customs when importing inputs, customs and trade regulations was cited as the third biggest obstacle (7% of the firms).



The Enterprise Analysis Unit is a joint World Bank and IFC team of economists, survey experts specialized in private sector development. Surveys implemented by the team reveal what businesses and firms experience across the world by interviewing representative samples of the formal, non-agricultural, non-extractive, private sector with 5 employees or more. The resulting globally comparable firm-level data is used to construct business environment indicators and measure firm performance. The findings and recommendations help policy makers identify, prioritize, and implement policy reforms that support efficient private economic activity.

For more information on the survey visit <http://www.enterprisesurveys.org>