



## A look at **business, economic and regulatory activity** across the African continent



### country focus

Ghana

<b>Capital</b>	Accra
<b>Languages</b>	English (official language)
<b>Population</b>	30.168 million
<b>Total life expectancy</b>	63.4 years (2016)
<b>Currency</b>	Cedi (GHS)
<b>2019 Projected Real GDP</b>	8.8%
<b>2019 Projected CPI</b>	9.1%

Source: IMF DataMapper, April 2019; WHO

### Economy

- Ghana became the first African country in 1957 to achieve independence from a European colonial power. Today it is one of the continent's most vibrant democracies and is a contender to become the year's fastest-growing economy worldwide.
- Two sectors expected to see greater momentum in 2019 are banking, and oil and gas.

### Insurance

- The country's insurance sector is regulated by the National Insurance Commission (NIC). The current rate of penetration stands at less than 2% with aggressive plans to grow this to 10% by 2021. Growth business lines include bancassurance, micro-insurance and mobile insurance.
- Ghana's insurance market is populated by domestic, regional and international providers competing for business both in-country and regionally. As of 2018 there were 54 insurance companies (25 life and 29 non-life).
- The sector has seen steady and robust expansion in recent years with a growth rate in gross premium of 15.3% at the end 2017, compared to 2016.

### Retirement funding

- Ghana's public and private sector pension systems are integrated and governed by the National Pensions Act of 2008, implemented in 2010. The regulator is the National Pensions Regulatory Authority (NPRA).
- Ghanaians can access a three-level structure. The first level is a compulsory pay-as-you-go scheme contributed to by formal sector workers and administered by the government. The second level is contributed to by both employers and employees, either through monthly payments or a lump sum and together with the third level, is administered by private retirement schemes. At the third level participation is voluntary, based on tax-deductible individual contributions.

### Healthcare

- Public health services dominate Ghana's health care sector (78% of total hospital beds in 2016 were managed by the government), whilst economic development is increasing the demand for private care amongst the middle class.
- In addition to its core function of administering the National Health Insurance Scheme (NHIS), the National Health Insurance Authority (NHIA) is also the country's regulator for the private health insurance sector. In this capacity it licenses all insurance providers and formulates policy aimed at making the private sector more viable. As of December 2018 there were 13 registered private health insurance providers.
- The NHIS is funded mainly by the National Health Insurance Levy, a 2.5% levy on goods and services collected under VAT. Additional funding includes income tax contributions and annual collections from Parliament. The goal of the NHIS was to achieve universal coverage by 2009 but weaknesses in the system and other challenges have hampered penetration rates. In 2017 the national coverage rate was 41%, or 11 million individuals.
- Weakness and challenges facing Ghana's healthcare system include long delays in NHIS claims settlement, high pharmaceutical and healthcare costs, a growing non-communicable disease (NCD) burden and a shortage of skilled medical staff.



## economic news

### South Africa

- The South African Chamber of Commerce and Industry (SACCI) Trade Activity Index rose to 34 in February after a record low of 30 in January, from 47 in December 2018.
- The SACCI Business Confidence Index (BCI) eased to 93,4 in February from 95,1 in January and the multi-year low of 89,6 set in August 2017.
- In March the South African Reserve Bank's Monetary Policy Committee (MPC) voted unanimously to keep the repo rate steady at 6,75%. The MPC now expects GDP growth for 2019 to average 1,3% (down from 1,7% in January).
- National Energy Regulator of South Africa (Nersa) granted Eskom a 9.41% tariff increase for the year 2019/20 on 7 March, with a further rate increase of 8.10% for 2020/21 and 5.22% for 2021/22.
- Moody's rating agency has postponed a ratings announcement on SA's creditworthiness until after the general elections on 8 May 2019.

### Rest of Africa

- Ethiopia's tourist-related sector grew by 48.6% in 2018, the largest of any country in the world.
- The Mauritian economy expanded by 4.1% y/y in the fourth quarter 2018 after a 3,3% y/y gain in the third quarter.
- Namibia's economy contracted by 1.7% y/y in the fourth quarter 2018 after a 0,1% y/y decline in the third quarter.
- In late March Nigeria's central bank cut its benchmark lending rate by 50 basis points to 13.5% to stimulate the economy, the first rate cut since November 2015.
- Rwanda's economy expanded by 9.6% y/y in the fourth quarter after a 7.7% y/y gain in the third quarter. The fastest growth sectors are services, manufacturing and construction. For the full year of 2018, the economy grew by 8.6% after a 6.1% gain in 2017.



## business update

- BBOX, a next generation utility has received the largest crowd-funded debt raise in the history of solar in Africa to extend the installation of pay-as-you-go solar home systems in Kenya, Rwanda, Togo, the DRC, Mali, Senegal and Guinea.
- Omidyar Network, founded by eBay co-founder, Pierre Omidyar has launched Flourish Ventures, a new USD 300-million venture capital to help fund US and African fintech companies in the next 5 years.
- Vivo Energy together with Engen Holdings will expand its service station network to 8 new countries in Africa and 230 Engen service stations, bringing the total number of service stations to more than 2,000 in 23 African markets.
- Through the AfDB, Portugal has made available EUR 400-million for development in Portuguese-speaking African

countries in the areas of education, tourism, energy, agriculture and infrastructure.

- In partnership with AfDB, the UK government has extended GBP 30-million of new funding to the Transforming Energy Access programme, to increase the numbers of green mini-grids in African countries.
- The Middle East and Africa (MEA) region is to invest USD10.1-billion in heating, ventilation and air condition (HVAC) systems by 2024.
- Sahara Group is looking to acquire Total's stakes in refineries in Cameroon, Cote d'Ivoire and Senegal as well as a controlling stake in Zambia's only refinery.
- Japanese firm Eurus Energy in partnership with Australia's Windlab Limited is developing 16 wind power projects in East Africa, totalling 1,650MW.

### Contacts

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### Sources

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