



Novel Coronavirus (COVID-19)

Follow Up Ghana Business Impact

Survey

20th May 2020



MESSAGE FROM THE EXECUTIVE DIRECTOR

Ms. Adjoba Kyiamah

Combating COVID-19 is a collective effort that all of us, and not just medical professionals, have a responsibility for. As the Executive Director of UK Ghana Chamber of Commerce, I wish everyone remains healthy and safe and I believe that we will be able to overcome this obstacle together. While fear and uncertainty are understandable sentiments, I encourage everyone to confront this situation with calmness and reason and, more importantly, care for and support each other and extend compassion to those who are in need.



Introduction and Acknowledgements

This report covers the second survey undertaken by UK-Ghana Chamber of Commerce to assess the changing views of business around the Impact of COVID-19 on businesses in Ghana from the challenges faced by respondents and the support they are/will be seeking in the weeks and months ahead. The output of this report will be shared with the Government of Ghana and other stakeholders to inform policy/intervention development.

The survey was executed as a semi-structured questionnaire, posted online for respondents to access. Some additional follow up calls with a number of respondents were held to validate the initial answers and glean some additional detail behind the answers offered to the questionnaire.

The development of such surveys is a team collaborative effort and we acknowledge the support of many individuals, the UK-Ghana Chamber of Commerce team and partner organisations who have all aided in the distribution of the survey questionnaire. Special acknowledgement is however given for invaluable support provided by Wardour Global Ltd who designed the survey, analysed the survey results and drafted this final report. .

UK Ghana Chamber of Commerce makes no guarantee that the statements, analysis, projections, estimates, graphs, reports and numbers are free of errors and omissions. Consequently it assumes no liability for erroneous outcomes derived from this survey report.

Executive Summary

The first case of COVID-19 in Ghana was reported on 14th March and today, 18th May, the number of recorded cases has increased to 5,959 with 29 deaths reported. (Source WHO situation reports). Globally the pandemic is having significant impact on countries' public health systems and economic health. Whilst the current normal is about protecting lives and economies, it is clear that scars on the human and economic landscape will be felt for a number of years to come from not only the direct shock to economies but also the weakening of the fiscal space, increased levels of poverty through job losses and the ripple shocks that will be felt from other markets that Ghana deals with.

We commend the Government of Ghana for the decisive actions they have instigated to date, however 64% of the respondents have indicated that they have either no information or are partially informed on support available from Government with 70% with limited or no knowledge as to how to access this support. UKGCC calls on Government of Ghana to support organisations like the Chamber to amplify how to access the support available.

The impact on businesses revenue in the past two months has been material with 73% of the respondents expecting a reduction in revenues this year, with 49% of the respondents reporting over 50% drop in revenues in the past month alone. Unlike the last survey where 61% of businesses were optimistic about the return of demand, today only 29% of respondents are highly optimistic about the customer demand returning and 63% of the respondents expecting their businesses taking over 6 months to recover from COVID-19.

The survey has shown that the private sector has changed its business continuity plans in response to the actions taken in March. These include: reducing non essential workforce, increasing the numbers of remote workers; cancellation/delay of planned projects and planning to send workforce on unpaid leave. All of these point to the economic challenges that Ghana will face in the year ahead both in terms of the social impact and in its revenue generation and the exposure to macro risks of global financial conditions and debt distress.

The survey offers a mixed picture of impact on supply chains with reduction in capacity seen in airfreight, combined with significant increase in airfreight costs, as high as 200% in some cases. Whilst there are calls to onshore more production in Ghana, careful consideration is required to understand the supply chains on intermediate inputs to this onshore production and the enforcement of standards.

The survey points to the need for Government to deliver policies that will:

- Deliver interventions that will drive demand side activity to get the economy going again, where the fiscal space allows;
- Focus on interventions that require no legislative change;
- Build confidence in the market through predictable and reliable dialogue ;
- Ensure the long term programmes, such the Ghana Infrastructure Plan, are not abandoned
- Drive digital platforms to ensure Government, Businesses and Consumers can connect, carry out transactions and sell products and services.

Interventions Sought

In the last survey, 6 interventions were sought from the Government, namely: Guarantees to Banks lending to private sector; Direct Financial Support; Tax Holidays; Increased testing/free treatment; keeping supply chains platforms open, and increase education of society. We applaud the Government for the initiatives introduced across these various suggestions, though it is clear the fiscal capacity of the country has calibrated the scale of these interventions and will continue to do so for the foreseeable future, with GDP growth projected to fall to around +1.5% in 2020, there remains considerable downside risks to the economy. Notwithstanding this, respondents have highlighted areas for policy development and delivery to prepare industry for the "Next Normal" to help heal the scars on industry wrought by COVID-19

Stimulate Demand Side Activity

67% of respondents indicated that they will be laying off staff as a consequence of the impact of COVID-19 with 49% of the respondents recording revenue has dropped over 50% in the past month. To minimise the impact on society and businesses we encourage GoG to stimulate demand through capital spending programs &/or promotion of PPP schemes.

Focus on Quick Wins That Do Not Require Legislative Change

Much as been talked about the "New Normal" however the ability for the private sector to respond to the new order does not necessarily require change to legislation but perhaps through policy changes. Areas for quick wins could include reducing non tariff trade barriers and mitigating any delays to the establishment and work of the AfCFTA secretariat in Accra

Build Confidence in Private Sector

Private sector confidence has dropped in the past two months on post COVID-19 recovery. 42% of respondents believe it will take over 9 months for the businesses to recover from recent events. Now is the time to ensure GoG engagement with private sector is consistent and collaborative to build private sector confidence to invest in their businesses

Maintain Long Term Programs

Recovery from COVID-19 will take a number of years to recover but. Much time and capital has been invested in recent years to develop and progress critical infrastructure projects. Continuation of these programs must continue to build the confidence of the private sector on future market demand.

Drive Digital Platform Development

Respondents have been forced into the digital ecosystem, with 52% of respondents advising that remote working met or exceeded business operational needs. The digital platform economy will drive growth in the year ahead. It is therefore important for GoG create an environment that will allow investment into world class digital platforms to compete in the platform economy

Improve Communications on GoG Support Available

64% of the respondents indicated that they had partial or no knowledge of the interventions introduced by the Government . 60% of the respondents did not know how to access this support. We encourage the Government to work with organisations like the UKGCC to assist in amplifying the support available and how to access it.

Respondent Profile

Respondents

42

Sectors Represented

15

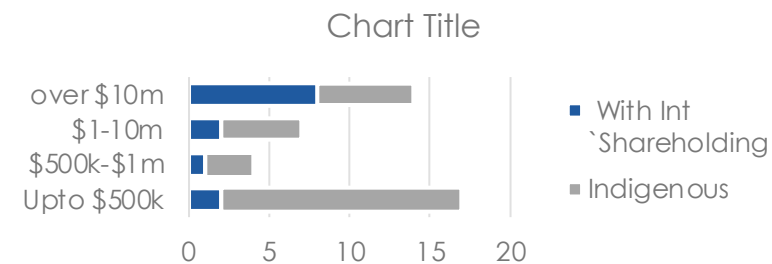
No of Exporting
Companies /
Supporting Exporters

21

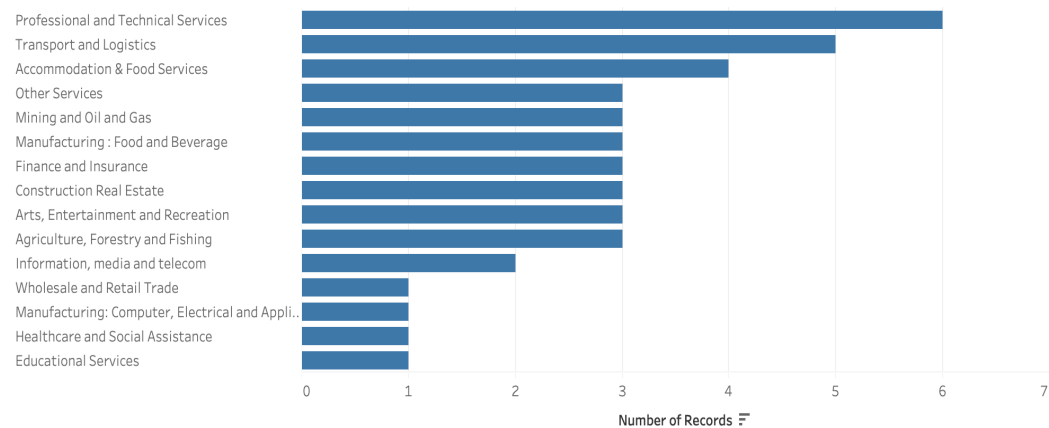
of Employees in the Company



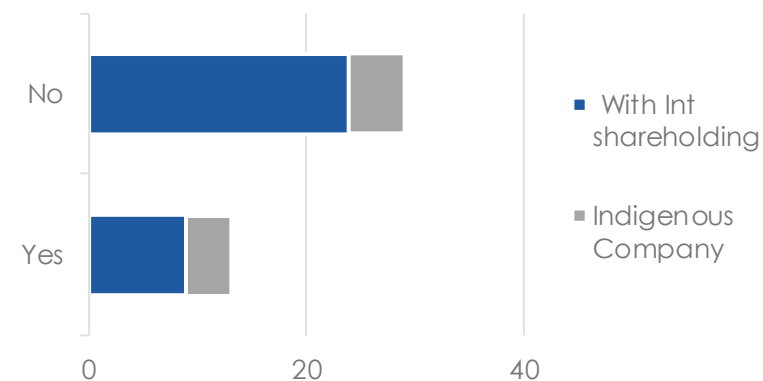
Turnover and Foreign Shareholding Profile



Sectors Responded to COVID-19 Impact Survey



Business Continuity Plans Changed in Past Month



Export and Import Markets

Supply Chain Import Markets

	Africa.	Asia	Europe	India	USA
Accommodation & Food Services			1		1
Agriculture, Forestry and Fishing		1			
Arts, Entertainment and Recreation					
Construction Real Estate	2	2	2	1	1
Educational Services					
Finance and Insurance					
Healthcare and Social Assistance					
Information, media and telecom			1		
Manufacturing : Food and Beverage	1		1		
Manufacturing: Computer, Electrical and Appliance					
Mining and Oil and Gas			1		
Other Services		1	1	1	
Professional and Technical Services	1		1		
Transport and Logistics	2	2	4	2	3
Wholesale and Retail Trade					
Grand Total	6	6	12	4	5

Export Markets

	Africa	Asia.	Europe.	India.	USA.
Accommodation & Food Services					
Agriculture, Forestry and Fishing					1
Arts, Entertainment and Recreation					
Construction Real Estate	1		1		
Educational Services					
Finance and Insurance					
Healthcare and Social Assistance					
Information, media and telecom					
Manufacturing : Food and Beverage			2		
Manufacturing: Computer, Electrical and Appliance					
Mining and Oil and Gas	1				
Other Services			1		
Professional and Technical Services	1		2	1	1
Transport and Logistics	2	2	2	2	2
Wholesale and Retail Trade					
Grand Total	5	2	8	3	4

We can see from the vast majority of respondents that the most prevalent export market supported is the Europe market followed by the African markets.

Across all three markets Professional and Technical Services and Transport & Logistics dominate the export sector amongst the respondents.

Given the recorded challenges around supply chains the survey also sought to understand the markets from which companies imported goods from. The key markets for imports from the respondents was Europe with Asia and Africa coming in as second most important markets.

From the comments from those who responded it is clear that the initial shock to export markets on demand resulted in considerable reduction in orders as much as 80%. This initial reduction of market demand has slowly increased as export markets lift lockdown restrictions but nevertheless overall demand is down by approximately 40% on a Year on Year basis.

Further challenges are experienced in the cost of logistic services in particular airfreight services where capacity has fallen by around 70% due to cancellation of passenger flights and air cargo rates increasing in some cases by as much as 250%. These costs which cannot be fully recovered from end customers is putting considerable pressure on the viability of businesses and their cashflow positions.

Impact on Logistic Costs

Which defines your industry best?	Air Transport No Change	Road Transport No Change	Sea Transport No Change	Air Transport Increase	Road Transport Increase	Sea Transport Increase	Air Transport Decrease	Road Transport Decrease	Sea Transport Decrease
Accommodation & Food Services		13.33%	10.00%	22.22%			7.14%	8.33%	33.33%
Agriculture, Forestry and Fishing	8.33%	6.67%		11.11%		25.00%	7.14%		
Arts, Entertainment and Recreation	8.33%	6.67%	5.00%						
Construction Real Estate	8.33%	6.67%	10.00%	22.22%	20.00%	25.00%		8.33%	
Educational Services									
Finance and Insurance	8.33%	6.67%	10.00%				14.29%	16.67%	
Healthcare and Social Assistance	8.33%	6.67%	5.00%						
Information, media and telecom							7.14%	8.33%	
Manufacturing : Food and Beverage			10.00%	22.22%	40.00%		7.14%		
Manufacturing: Computer, Electrical and Appliance							7.14%	8.33%	33.33%
Mining and Oil and Gas	16.67%	6.67%	15.00%				7.14%	16.67%	
Other Services		13.33%		11.11%		25.00%	7.14%		
Professional and Technical Services	33.33%	20.00%	25.00%				14.29%	16.67%	
Transport and Logistics	8.33%	13.33%	10.00%	11.11%	20.00%	25.00%	21.43%	16.67%	33.33%
Wholesale and Retail Trade					20.00%				

In the March survey a key risk identified was the supply chain routes remaining open, these concerns remain in particular around the capacity of air freight cargo to European markets for the fresh cut fruit exporters and the corresponding increase in costs (reports of increase in airfreight rates by 250% have been received by UKGCC)

For Road and Sea freight the majority of respondents have indicated they have seen no change in costs and the initial delays experienced at the ports would appear to have been resolved with minimal delays now experienced in Tema and Takoradi.

Impact of Border Closures

How long can you continue with the borders closed that prevents experts / clients / business partners from entering Ghana?

	Not Applicable	Immediate	Upto 1 month	Between 1 - 3 months	Over 3 months
Accommodation & Food Services		75.00%		25.00%	
Agriculture, Forestry and Fishing		33.33%	33.33%		33.33%
Arts, Entertainment and Recreation	33.33%		66.67%		
Construction Real Estate		33.33%	33.33%	33.33%	
Educational Services	100.00%				
Finance and Insurance	33.33%			33.33%	33.33%
Healthcare and Social Assistance	100.00%				
Information, media and telecom			50.00%	50.00%	
Manufacturing : Food and Beverage	33.33%		33.33%	33.33%	
Manufacturing: Computer, Electrical and Appliance			100.00%		
Mining and Oil and Gas		33.33%		33.33%	33.33%
Other Services	33.33%	33.33%	33.33%		
Professional and Technical Services			50.00%	33.33%	16.67%
Transport and Logistics		40.00%	20.00%		40.00%
Wholesale and Retail Trade	100.00%				
Grand Total	16.67%	21.43%	28.57%	19.05%	14.29%

With the international borders closed since 22nd March, the tourism sector is feeling the immediate impact of reduced business visitors and tourists. However this ignores the other sectors' need to access expert technical support to commission/maintain business essential equipment and machinery or in respect of the construction industry, specialist skills to complete certain activities on projects. 50% of the respondents indicate that they need to have experts/clients/business partners being able to return to Ghana within the month.

In reopening borders, this will increase risks around a second wave of infections from people arriving into the country with the virus. This is a challenge being faced by many countries at the moment, the emergence of bilateral agreements between neighbours and/or with countries by the creation of "geographic tourism bubbles" between two or more countries could be a solution for Ghana to allow both business travel and family visits. Suggestions of a two week quarantine on arrival may quell travel enthusiasm and the viability of flights to resume on international routes. We would encourage the Government to explore the option for travellers to take tests before travelling to prove they do not have the active corona virus infection.

Macro Concerns about the Impact of COVID-19

Companies were asked what their enduring concerns were around the impact of COVID-19 in the recovery period. Below are the top four concerns articulated by the respondents. The sectors that felt most threatened by the financial impact and the risks around a global recession on the business were: Accommodation and Food Services; Finance and Insurance; Extractives Industry; Professional Services and Transport and Logistic Services. With Agriculture and Forestry leading concerns around Impact on Tax, Trade & Immigration followed by Construction/Real Estate; Professional and Technical Services and Transport and Logistics.

01 Financial Impact on Businesses

With the majority of respondents recording over 50% drop in revenues in the past two months it is understandable this would record as the largest concern amongst most respondents.

02 Global Recession

Fuelling the number one concern are respondents' concern that COVID-19 is impacting economies globally and the impact of a global recession. The effects of this can be seen in the fall of oil prices and volatility in commodity prices and challenges around export market demand and consumer confidence

03 Impact on Tax, Trade & Immigration

Businesses are concerned that GoG will be forced to tax at higher rates to balance the budget and internalise its market rather than liberalise trade barriers creating further challenges to the post COVID 19 recovery

04 Consumer Confidence

Consumer spending has changed dramatically since the coronavirus outbreak. But once the pandemic subsides, Companies are concerned about whether consumer confidence in both domestic and export markets will return.

Impact on Businesses

What impact do you expect on your company's revenue and / or profits as a result of COVID-19?

	No Response	Still to early to assess	Decrease revenue / or profits	Increase in revenue and / or profit
Accommodation & Food Services			100%	
Agriculture, Forestry and Fishing			67%	33%
Arts, Entertainment and Recreation			100%	
Construction Real Estate		100%		
Educational Services			100%	
Finance and Insurance			100%	
Healthcare and Social Assistance	100%			
Information, media and telecom			100%	
Manufacturing : Food and Beverage			100%	
Manufacturing: Computer, Electrical and Appliance		100%		
Mining and Oil and Gas		33%	67%	
Other Services	33%		67%	
Professional and Technical Services		33%	67%	
Transport and Logistics		20%	80%	
Wholesale and Retail Trade			100%	
Grand Total	5%	19%	74%	2%

As part of the reduction in costs, respondents have indicated that they are or intend to reduce their labour force. The responses show that these views are held largely across all 15 sectors who responded to the questionnaire.

Encouragingly there are some respondents in four sectors (Accommodation and Services, Agriculture, Forestry and Fishing, Mining and Oil and Gas and Other Services (NGO's) who indicate they may not reduce their workforce.

However there are some respondents in two other sectors who remain uncertain, namely: Construction and Real Estate and Information, Media and Telecom sectors.

These responses clearly show there is a need to develop an intervention to protect those in work today.

Impact on Businesses cont.

How Long to Recover From COVID-19 Crisis

	No Response	0 - 3 months	3 - 6 months	6 - 9 months	9 - 12 months	1 Year +
Accommodation & Food Services				50%	50%	
Agriculture, Forestry and Fishing	67%				33%	
Arts, Entertainment and Recreation	33%			33%	33%	
Construction Real Estate	67%				33%	
Educational Services				100%		
Finance and Insurance	33%			33%		33%
Healthcare and Social Assistance	100%					
Information, media and telecom					100%	
Manufacturing : Food and Beverage				33%		67%
Manufacturing: Computer, Electrical and Appliance	100%					
Mining and Oil and Gas	33%				33%	33%
Other Services	33%	33%				33%
Professional and Technical Services	17%		17%	50%		17%
Transport and Logistics	20%	20%			20%	40%
Wholesale and Retail Trade						100%
Grand Total	29%	5%	2%	21%	21%	21%

Optimism on Return of Demand

Unsure	Low	Medium	High
19%	14%	38%	29%

The recent lockdown provisions have clearly impacted businesses. 64% of the respondents suggested that it will take them up to 6 months to recover from the impact of the lockdown.

However, the respondents feel that the time to recover from the overall impact of COVID without any additional lockdowns is more pessimistic with 28% of the respondents indicating they will recover within 9 months. A further 42% of respondents felt that it will take their business more than 9 months to recover.

This is driven by the relatively low levels of optimism in the return of demand. The sectors most confident about the return in demand are Agriculture, Finance & Insurance and Manufacturing. The survey indicated that 61% of respondents were highly optimistic of the future demand, this survey shows this has reduced to 29%

Changes to Business Continuity Plans

More businesses are either turning to or reviewing their Business Continuity Plan (BCP) in order to mitigate the potential impacts of the COVID-19 pandemic on business sustainability. The survey revealed the main drivers of change in business continuity as remote working, health precautions, reducing costs and cancellation of projects and programmes and events.

01

Flexible/Remote Working

Majority of respondents claim to be working remotely using various social media and digital platforms, notably MS Teams, Zoom and WhatsApp. However there was a nearly split response on whether or not remote working had affected their work output.

02

Health Precautions

To prevent and slow down the transmission of the COVID-19 at the workplace, all respondent businesses reported adherence of hygiene protocols and precautions. Measures adopted include making hand sanitizer available, making running water available for regular handwashing, offering face masks and following other WHO recommendations.

03

Reducing Costs

Companies are trying hard to keep costs down due to fall in demand and supply, supply chain disruptions and challenges, declining production rate, and reduced utilisation of resources and labour force in the wake of social distancing. By rotating staff

04

Cancelling Projects and Programs

Projects and programmes remain stalled or cancelled altogether. The most affected sectors include

- Mining, Oil & Gas;
- Hospitality and tourism;
- Transport & Logistics;
- Manufacturing
- Construction & Real Estate;
- Information, media and telecom;

Actions have included a reduction in staff numbers and/or putting employees on part time hours.

Anticipated Impact on Workforce

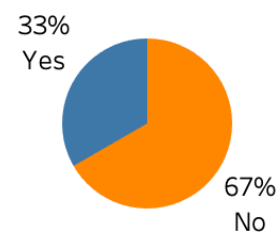
Sectors Confirming Layoffs as % of Respondents

	% of res..
Accommodation & Food Services	100.00%
Information, media and telecom	100.00%
Wholesale and Retail Trade	100.00%
Transport and Logistics	60.00%
Other Services	33.33%
Mining and Oil and Gas	33.33%
Construction Real Estate	33.33%
Professional and Technical Services	16.67%

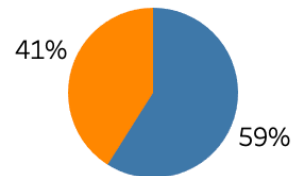
What % of Workforce Impacted

Unsure / No response	55%
upto 10%	7%
10-25%	2%
25-50%	10%
50-75%	19%
75-100%	7%

Laying Off Staff



Putting Staff on Reduced Time



Over what timeline will staff be laid off

	If yes in what time period?		
	Immediate	Between 1 - 3 months	Over 3 months
Yes	57%	14%	29%

Over what period will staff be put on reduced hours

	Undecided	Immediate	Between 1 - 3 months	
			Over 3 months	
Yes	6%	50%	38%	6%

Legend



A natural area where business owners are able to reduce costs is in the staff numbers. The survey sought to understand whether businesses were expecting to reduce staff numbers. The good news is that only 33% of the respondents indicate that they will lay off staff compared to 80% in March, the majority of which have already been actioned. The focus of these layoffs are in the accommodation and food services: Information, media and telecom, and Wholesale & Retail trade. However it would appear that companies have opted to put employees on reduced hours with 50% of the respondents having already exercised this option, with further cuts planned in the coming months. Clearly businesses are seeing a downside risk to their businesses in the coming months.

Team Engagement and Motivation

With the job security for many employees being an issue it is incumbent on manager and business owner to continue to engage and motivate their teams. The survey sought to understand how Companies were tackling this in a remote working/lockdown situation. From the responses we can see that businesses have been forced to adopt the digital platform ecosystem for the most part. This will no doubt aid companies to develop responses and to develop their business in the emerging digital platform economy.

01

Increased Use of Social Media Platforms

Most popular platforms appear to be WhatsApp to communicate with their remote working team.

02

Assured Job Security

There has been a significant shift in approach by business managers from an initial approach of cost reduction through the lens of redundancies to putting staff on reducing working hours to reducing pay rates for a limited period. Whilst this has impacted household incomes it nevertheless gives employees a sense of job security during a stressful and uncertain period.

03

Remote Video Conferencing

As mentioned above, companies have been forced into using digital platforms to communicate. The most popular platforms appear to be Zoom and Teams.

04

Newsletters

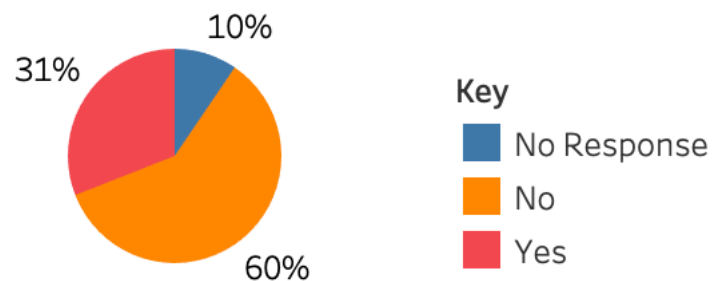
Another response by management is to circulate newsletters to their teams to update them on developments in the business and general guidance on how to respond to the current situation.

GoG Interventions and Knowledge

How Well Informed Are You on GoG Interventions

	No Response	Not at all	Partial knowledge	Fully informed
Accommodation & Food Services		25%	25%	50%
Agriculture, Forestry and Fishing		33%	67%	
Arts, Entertainment and Recreation		67%		33%
Construction Real Estate			33%	67%
Educational Services		100%		
Finance and Insurance				100%
Healthcare and Social Assistance	100%			
Information, media and telecom		50%	50%	
Manufacturing : Food and Beverage			100%	
Manufacturing: Computer, Electrical and Appliance		100%		
Mining and Oil and Gas		33%	67%	
Other Services	33%	33%		33%
Professional and Technical Services		17%	33%	50%
Transport and Logistics			80%	20%
Wholesale and Retail Trade		100%		
Grand Total	5%	26%	38%	31%

Do you know how to access the support?



The Government have announced a series of COVID—19 Alleviation programmes including:

- CAP1 that includes:
 - Support to Households
 - Relief for Health Workers
 - Soft Loans to Micro, Small & Medium Enterprises
- Provision of Health Infrastructure (95 health facilities)
- Free electricity for life line consumers and 50% discount for Electricity Bills for 3 months (Apr , May, June)
- Establishment of COVID-19 National Trust Fund to receive public support
- Ghana Exim Bank Support to manufacture critical medicines
- Bank Measures to improve liquidity of banks including:
 - Syndication of Cedi 3bn facility for pharmaceutical, hospitality, service and manufacturing sectors
 - 6 month moratorium on principal repayments of selected businesses
 - Reduction in Ghana Reference Rate by 200 basis points
- GRA reliefs to households and businesses include:
 - Extension on filing date for tax returns by 2 months
 - Tax Amnesty if all outstanding debts to GRA paid by end June
 - Waive taxes on selected Third Tier pension withdrawals
 - Donations to fight COVID-19 being tax deductible

How Can UKGCC Help?

We encourage everyone practice compassion for others, especially those who are currently in infected regions, low on necessities and resources. As an Organisation, we are committed to support our members and others in anyway we can.

If you are in good health and believe you have the means to, please also extend your help to others who might need it.

The key asks from the respondents are:

Offer info on best practises

We commit to provide our members regular updates. If you have any questions please contact us at info@ukgcc.com.gh

Engage with GoG around Support Required

This we have already started and if you have any specific request please contact Adjoba at adjoba@ukgcc.com.gh

Platform to Facilitate Digital networking

UKGCC has setup a digital conferencing platform for members. Please contact Jennifer at jennifer@ukgcc.com.gh for further details

Trade Facilitation

We will support UKGCC members and work with our partners and associates to support your efforts. Please contact Sara-Adelaide at saraadelaide@ukgcc.com.gh for further details

Respondent

Professional, Technical Services Sector

'More webinars and thank you for the support. Very valuable at the moment. .'

Respondent

Agriculture, Forestry & Fishing Sector

'We have had good help with connecting to potential customers and would like that to continue'

Links and Resources

[Government of Ghana COVID-19 Ghana's Outbreak Response Team](#)

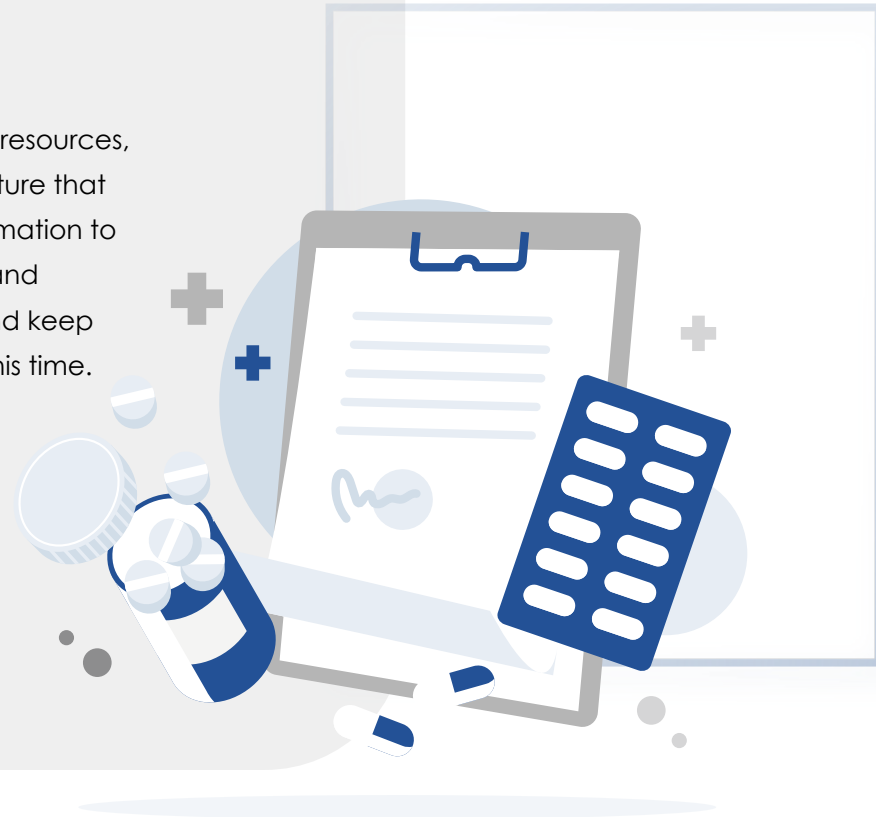
[WHO Coronavirus disease \(COVID-19\) advice for the public](#)

[Coronavirus \(COVID-19\): guidance for UK businesses](#)

[UK Government Coronavirus \(COVID-19\) guidance for employees, employers and businesses](#)

[UK Government Travel Advisory to Ghana](#)

Here are links to some resources, official sites, and literature that contain essential information to help you prepare for and combat COVID-19, and keep you informed during this time.





STAY HEALTHY, STAY CALM

We wish you and your family good health during this precarious time. We are confident that this too shall pass and we look forward to seeing everyone together once this pandemic passes.

Remember let us "spread the message, not the virus"

