



Economic Research

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EXECUTIVE SUMMARY

Increasing oil production is expected to boost economic growth

Ghana has rich underground resources such as gold and petroleum, and the production and export of cocoa beans has historically been the most important source of income for Ghana. Ghana is world's second largest producer of cocoa after Ivory Coast. Growth is projected to recover to 7.1% and 8.0% in 2017 and 2018 respectively helped by the increasing global oil prices and expanding production capacity in Ghana. In addition to the oil sector, improving non-oil economy and industrial support policies and programs are expected to contribute economic development.

Increasing non-performing loan ratio is the key risk for the banking sector

Ghana banking sector NPL ratio increased to 21.6% in October 2017 from 19.0% in the same month of previous year on the back of decreasing gross loans of the banks. Banks tightened credit stance cited increases in the proportion of adversely classified loans in total loan portfolio. The high levels of non-performing loan ratio is the main risk factor for the banking sector. However, monetary easing, measures taken by governments to reduce state-owned enterprises (SOE) debt and rigid capital adequacy rules are expected to improve banking sector lending condition. Profitability is expected to increase slightly as non-performing loan ratio falls and economic growth picks up.

Ghana is projected to attract more investors in 2018

Net Foreign Direct Investment (FDI) flows rose by 9.2% to USD3.5bn in 2016 in compared to 2015. Ghana's substantial agricultural base, numerous natural resources and stable institutions are expected to attract more investors to the economy. Mining and oil exploration, agriculture, cotton & textiles, food processing, forestry, health, construction and tourism are the main sectors that attract most of the FDI. China, Mauritius, Canada, Lebanon and the United Kingdom are the main investing countries.

Ghana is Turkey's third largest trade partner within Sub-Saharan Africa

The trade volume of Turkey to Ghana is standing at USD352.5mn in 2017, lower than trade volume of 2016, which amounted as USD478.9mn. The trade volume between the two countries is expected to reach USD1bn in 2020. Turkey has taken 2.6% share from Ghana's total imports and this share is projected to increase in the coming years. Ghana has strong interest in Turkey's automotive, pharmaceutical, industrial chemistry and textile sectors. Turkey's export to Ghana is expected to increase in the coming period with rising exports in motor vehicles, knitted wear articles, woven fabrics and iron-steel bars. Meanwhile, Ghana could promote its exports to Turkey mainly in chemical products, mineral ores and food products.



SWOT – Ghana

Strengths

- Good governance with a functioning democratic system
- Rich national sources
- Strong ethnic cohesion
- Progress in public finance sector with IMF stabilization program
- Ghana's ports are well developed and offer direct links to both regional and international shipping routes

Weaknesses

- Continuing twin deficit (fiscal and current account)
- High level of poverty and corruption
- Regional instability and uncertainties
- A dependence on the agricultural sector makes the country vulnerable to unpredictable weather forces.
- Ghana's export portfolio, predominantly cocoa, oil and gold, exposes the country to the vagaries of the commodity markets
- Poor revenue collection capacity is weigh on government budget

Opportunities

- Construction and energy sector have some investment potentials
- Domestic oil production could reduce reliance on oil imports
- Positive outlook in tourism sector
- Deepening the domestic capital markets - through the issuance of longer-dated government bonds, would facilitate private-sector access to credit
- Ghana is open to foreign direct investment, and as such, barriers to entry are relatively low
- Ghana is expected to receive Chinese investment in the coming period for developing countries bauxite reserves and constructing railways.
- Government supportive of encouraging more FDI

Threats

- Any halt in aid inflows or the drying up of remittances from the Ghanaian diaspora would dent the outlook for the economy
- An inability to close the developmental rift between the north and the south (urban and rural areas) could lead to heightened tensions
- Slowdown in global growth would rein in Ghana's export earnings
- If developed markets hike rates more aggressively, this could add greater depreciatory pressure to the cedi
- Decreasing oil prices could have a unfavorable effect on Ghana's external position



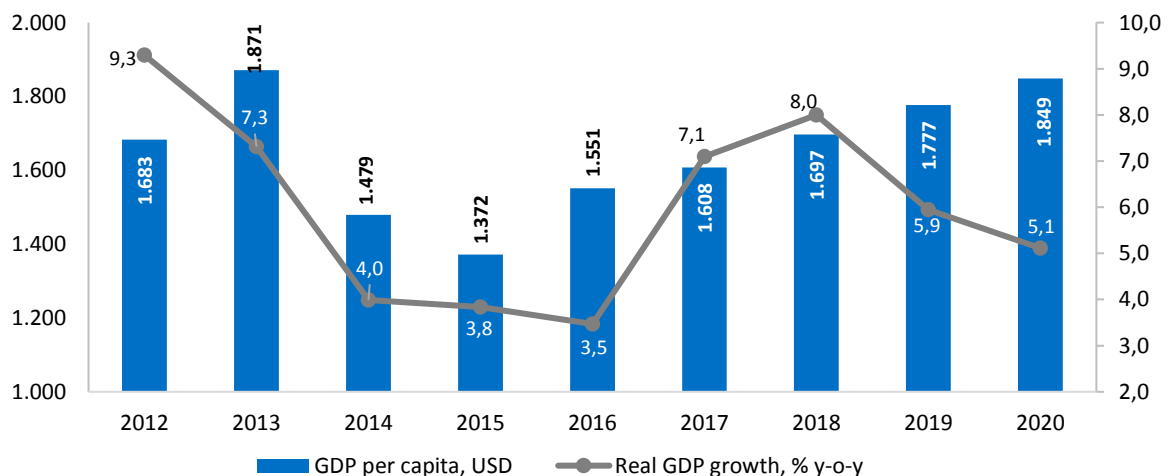
1- ECONOMIC OUTLOOK

Main Economic Indicators				
	2015	2016	2017f	2018f
Nominal GDP, USD bn	36,9	42,8	45,5	49,2
Real GDP growth, % y-o-y	3,8	3,5	7,1	8,0
Consumer price inflation, % y-o-y, ave	17,2	17,5	11,8	9,0
Budget balance, % of GDP	-4,8	-10,4	-8,6	-5,7
Current account balance, % of GDP	-7,7	-6,7	-5,8	-5,4
Total government debt % of GDP	72,2	73,4	70,5	66,1

Source: National Sources, BMI, IMF, African Development Bank

A&T Bank View: Economic growth in Ghana slowed down to 3,5% in 2016 due to tight fiscal and monetary policies in the context of the IMF Extended Credit Facility (ECF) programme and decreasing oil production. Growth is expected to recover to 7.1% and 8.0% in 2017 and 2018 helped by the increasing global oil prices and expanding production capacity in Ghana.

In addition to the oil sector, improving non-oil economy and industrial support policies and programmes are expected to contribute economic development. While the services and manufacturing sectors will see positive growth in 2018, declining agricultural output could limit non-oil growth.



Source: National Sources, BMI, IMF, African Development Bank

Ghana has rich underground resources such as gold and petroleum, and the production and export of cocoa beans has historically been the most important source of income for Ghana. Ghana is world's second largest producer of cocoa after Ivory Coast.

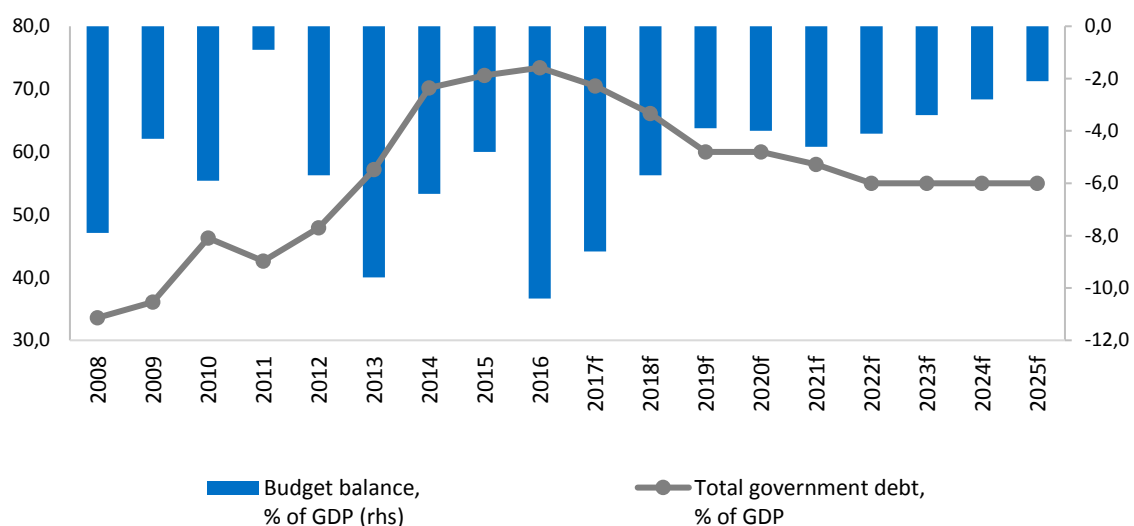
In Ghana, agriculture represents 18.3% of the GDP, industry sector accounts 24.5% of GDP and services sector represents 57.2% of GDP as of 2017. While around 45% of Ghana's GDP was composed of agriculture eight years ago, the country managed to decrease agriculture share and now more than half of the GDP covers services sector.



Private consumption accounts for around 83% of GDP and the government consumption remained at 9% of GDP in 2016. The government consumption is expected to decline around 7.6% in 2026 helped by the IMF program which aims to stipulate reduction in the fiscal deficit. We expect investment will remain relatively flat at 14-15% of GDP in the medium term period.

Increasing oil production and exports are expected to narrow current account deficit. Rising oil prices are projected to increase revenues from hydrocarbon sector. In addition, moderate uptick in FDI will lead to an increase in the stock of foreign reserves in the coming period and the oil and gas sector is expected to attract more direct investment due to further expansion of oilfields.

Ghana's fiscal consolidation is expected to continue in 2018 as increasing revenues from oil and important fiscal reforms will decrease Ghana's fiscal deficit in the coming period. Broadening the tax base, reducing expenditure and rising hydrocarbon revenues are expected to support budget balance. General government debt to GDP ratio is expected to decline helped by the shrinking fiscal deficit and positive economic growth.



Source: BMI, IMF

In monetary policy side, we expect the Bank of Ghana (BoG) to continue its easing cycle with considering modest credit growth and underperforming non-oil sector. The BoG began an aggressive easing cycle in November 2016, cutting from a policy rate of 26.00% to 20.00%.

The policy rate is expected to decrease to 18% at the end of 2018. However, gradual tightening cycle in the U.S. and other developed markets will limit the extent of cuts. In our view, looser monetary policy will also improve credit growth as high interest rates and high level of NPLs weighed on lending previous period and reduced services sector growth. Developing credit market is expected to support services sector.

We believe that inflation will decrease in 2018 and this will reduce depreciatory pressure of Ghanaian cedi. Inflation will likely remain at a moderate level in the coming years, helped by the improved fiscal management and lower deficits based on several important fiscal reforms.



2- FOREIGN TRADE & FDI

In 2016, country's goods and services exports rose by 6.7% in compared to previous year and stood at USD17.5bn, while, goods and services imports decreased by 42% to USD11.6bn. Ghana's exports mainly dependent on gold and diamonds, cocoa and mineral fuels, oils and distillation products.

As of 2016, gold and diamonds exports have taken 41.6% share from total exports, it followed by cocoa and cocoa preparations which covered 17.8% share from total exports. Meanwhile the mineral fuels, oils, distillation products share decreased to 13% in Ghana's total exports, while it was 33% of Ghana's exports in 2014. Despite recent decrease, we expect oil exports share to increase in the coming period due to the launch of the TEN oilfields in August 2016, the completion of the Sankofa gas project and the recovering global oil prices. The oil field is estimated to a volume of 1.8 billion barrels in Ghana. Supported by the gradually increasing production in main oil fields, Ghana's daily oil production is expected to increase above 250,000 barrels until 2020, while it was around 150,000 barrels in 2016.

Three major export partners are Switzerland (17.6% share in total exports), India (14.7%) and UAE (13.4%). On import side, Ghana mainly imports vehicles other than railway or tramway rolling stock, machinery, mechanical appliances, electrical machinery and equipment and the articles of iron and steel. Three major import partners are, EU (31.2%), China (17.2%) and USA (7.7%).

Import Partners	Value (Million Euro)	Share (%)
World	10,292	100,0
EU-28	3,212	31,2
China	1,775	17,2
USA	797	7,7
India	477	4,6
South Africa	301	2,9
UAE	261	2,5
Turkey	260	2,5
South Korea	251	2,4
Brazil	247	2,4
Canada	214	2,1

Source: European Commission

Export Partners	Value (Million Euro)	Share (%)
World	9,591	100,0
Switzerland	1,688	17,6
India	1,407	14,7
UAE	1,289	13,4
EU-28	1,277	13,3
China	851	8,9
Vietnam	496	5,2
Burkina Faso	386	4,0
South Africa	317	3,3
Mali	271	2,8
Togo	262	2,7

Improving international competitiveness and selling more value added products to the export markets are the main objectives of the foreign trade policy. Liberalization policies and the reduction of tariffs and non-tariffs barriers as well as the import duties applied to imports in Economic Community of West African States (ECOWAS) are expected to have a positive impact on trade and foreign investment.

Exports will rise as a proportion of GDP in the coming period helped by the launch of the TEN oil fields and higher global oil prices. In import side, currency stability and easier borrowing condition are expected to increase import demand. In addition, increasing production in the oil field could reduce the oil imports. The country's import volume is mainly determined by domestic demand and international prices for the manufacturing sector products. In addition, exchange rate policies and FX reserves are another important issues that affecting the import policies.



Expansion of operations at the TEN oilfield could also see an uptick in capital goods imports. In addition, Ghana's power sector will continue to be reliant on electricity imports from neighboring countries such as Côte d'Ivoire as the country still suffers from persistent power supply challenges.

Ghana Foreign Trade Indicators				
Indicator Name	2015	2016	2017f	2018f
Goods and services exports, USDbn	16,4	17,5	22,3	27,6
Goods and services exports, USDbn, % y-o-y	7,6	6,4	27,8	23,6
Goods and services exports, % of GDP	45,6	44,2	47,0	48,0
Goods and services imports, USDbn	19,9	11,6	28,5	34,5
Goods and services imports, USD, % y-o-y	5,4	-41,7	145,4	21,1
Goods and services imports, % of GDP	55,3	29,4	60,0	60,0
Balance of trade in goods and services, USDbn	-3,5	5,9	-6,2	-6,9
Balance of trade in goods and services, USD, % y-o-y	-3,9	-267,7	-205,5	11,8
Balance of trade in goods and services, % of GDP	-9,7	14,8	-13,0	-12,0

Source: BMI

Investment Outlook: Net FDI flows rose by 9.2% to USD3.5bn in 2016 in compared to 2015. Ghana's substantial agricultural base, numerous natural resources and stable institutions are expected to attract more investors to the economy. Ghana is ranked 108th among 190 economies in the ease of doing business in 2016, according to the World Bank Doing Business 2017 Report. Mining and oil exploration, agriculture, cotton& textiles, food processing, forestry, health, construction and tourism are the main sectors that attract most of the FDI. China, Mauritius, Canada, Lebanon and the United Kingdom are the main investing countries.

Foreign Direct Investment in Ghana			
Indicator Name	2014	2015	2016
FDI Inward Flow (USDmn)	3,357	3,192	3,485
FDI Stock (USDmn)	23,205	26,397	29,882
Number of Greenfield Investments	44,0	41,0	28,0
FDI Inwards (in % of GFCF)	33,9	35,6	34,0
FDI Stock (in % of GDP)	60,1	70,6	69,1

Source: UNCTAD, World Investment Report 2016, GFCF: Gross Fixed Capital Formation

International capital inflows are fundamental factor in economic development programs. The Ghana Investment Advisory Council (GIAC), which was established with the help of the World Bank, helps shape government policy aimed at creating an enabling investment environment. Direct investment is expected to rise gradually in 2018 as the Ghana will continue to develop its oil fields. The combination of a shrinking current account deficit and an uptick in financial inflows will improve the Ghana's external position in the coming period.

Ghana has a high degree of economic openness and government supports foreign investment. Meanwhile, high import reliance, high financing costs, and poor contract enforceability are the main risks for the country's investment and trade policy. While weak productivity, costly and difficult financial services, under-developed infrastructure, ambiguous property laws, frequent utilities cuts, and an unskilled labor force are the main factors that hinder FDI in Ghana, the country still gains from a clearly regulated and open market system in comparison to regional peers such as Nigeria and Senegal.



3- BANKING SECTOR OUTLOOK

A&T Bank Research View: *The high levels of NPLs are the main risk for the banking sector. However, monetary easing, government measures to reduce SOE debt and rigid capital adequacy rules are expected to improve banking sector lending condition. Profitability is expected to increase slightly as NPLs fall and economic growth picks up.*

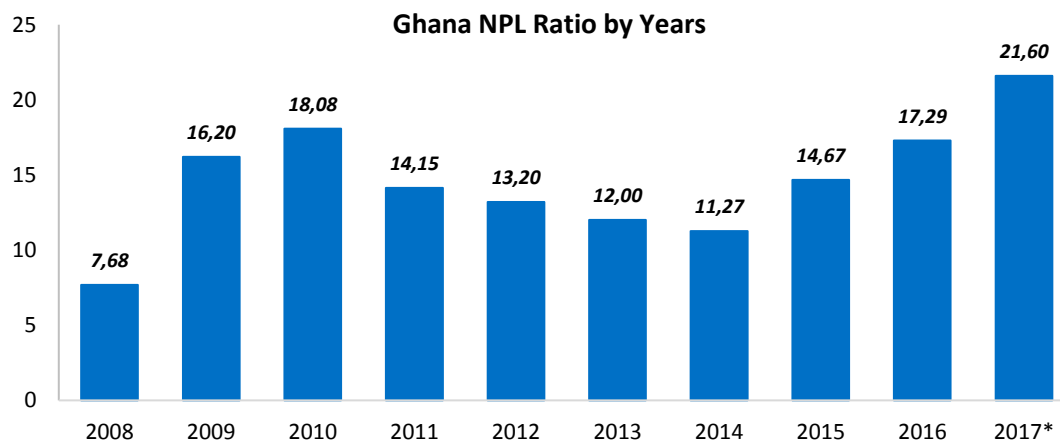
Ghana Profitability Indicators (%)					
	Oct.14	Oct.15	Oct.16	Aug.17	Oct.17
Profitability Ratio	23,7	19,1	14,0	10,5	12,3
ROE (%) after tax	33,3	26,5	20,2	14,9	14,4
ROA (%) before tax	6,5	5,3	4,3	3,2	3,0

Credit Condition: Annual growth in gross credit slowed from 16.9% in October 2016 to 12% in October 2017, reflecting tighter credit conditions within the banking sector, according to the BoG's latest banking sector report. Gross loans,

remained the largest component of total assets constituting 43.1% at end October 2017. The private sector continued to be the largest recipient of banks' credit (both domestic and foreign) with the share in total credit increasing from 84.7% in October 2016 to 88.1% in October 2017. The share of total credit to households also rose from 14.7% to 15.3% in the same period.

The ratio of banks credit to the public sector, declined from 15.3% to 11.9%. The three big sectors in terms of outstanding credit balances, commerce and finance, services, and electricity, gas & water sectors, together accounted for 58.3% of total credit in October 2017. The mining and quarrying sector accounted for the lowest share of credit, followed by agriculture, fishing and forestry, and the transport, storage and communication sectors.

NPLs: Ghana banking sector NPL ratio increased to 21.6% in October 2017 from 19.0% in the same month of previous year on the back of decreasing gross loans. Banks tightened credit stance cited increases in the proportion of adversely-classified loans in total loan portfolio.



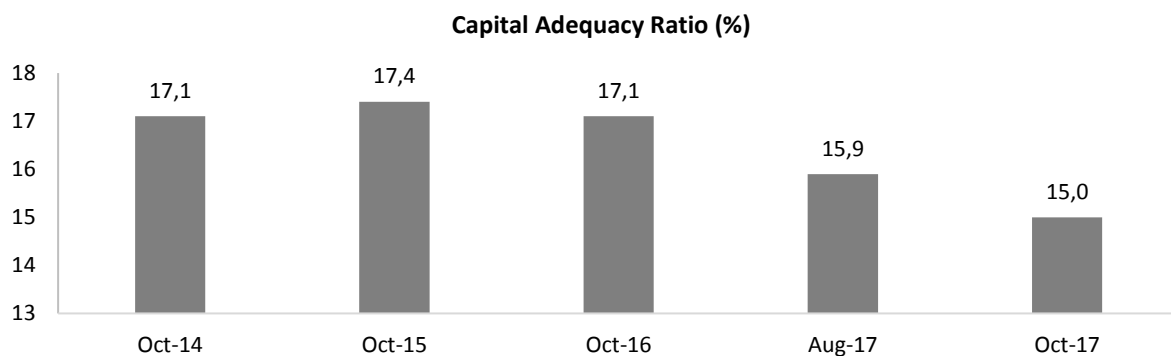
Source: BoG, BMI, 2017* includes October 2017

Profitability: Profitability in the banking industry declined for the period ending October 2017 compared with the same period last year. This was reflected by declining key profitability indicators such as banks' ROA and ROE. The industry's ROE (after-tax) fell to 14.4% in October 2017 from 20.2% in October 2016, while the ROA (before-tax) declined from 4.3% to 3.0% respectively.



Capital Adequacy Ratio: The industry remained solid in October 2017 as indicated by the capital adequacy ratio of 15%, well above the 10% regulatory minimum, but lower than the 17.1% recorded in the same period of last year.

Funding Structure: The sector's loan-to-deposit ratio sits at 82.9% in 2016. Ghana's banks are domestic deposit funded and less reliant on external financing, thus less exposed to external shocks. Time deposits, currently comprising 38% of the total deposit base, positive for the sector, given that these deposits cannot be withdrawn before a set date without notice, reducing the scope for any potential bank runs if financial conditions suddenly deteriorate



Source: BoG, BMI

Main developments and future expectations;

- The BoG has tripled minimum capital requirements to spur merger and acquisition activity within the sector.
- The BoG introduced stricter capital adequacy rules in September 2017, and banks have constrained their lending due to the build-up of NPLs in 2017.
- The government will convert SOE debt to government bonds and this conversion will increase the proportion of bonds in relation to total assets and will reduce the NPLs. The issuance of the energy bonds (the first tranche issued in October 2017 and energy sector accounting for a third of NPLs) is expected to reduce NPLs and increase credit access, spurring a gradual increase in credit growth.
- Bonds decreased from 17.8% of total assets in December 2016 to 11.4% in September 2017, falling in line with interest rates, but we expect that this trend will temporarily reverse as SOE debt is converted into bonds.
- In 2016 and 2017 period, BoG made 550 basis points worth of cut in policy rate with reducing its policy rate to 20% level. We expect further monetary easing in the coming period with considering government efforts to reduce the burden of NPLs.
- We expect that a gradual improvement in capital adequacy supported by increasing economic growth will see profitability increase.



We expect that asset growth will gradually increase in the coming period supported by monetary easing and decreasing NPLs. Government steps to manage the debt of the energy sector will help lower NPLs and drive an increase in asset growth. In addition, monetary easing will lead to gradual decrease in commercial interest rates with triggering asset growth.

Ghana Commercial Banking Sector Indicators						
Indicator Name	2015	2016	2017	2018	2019	2020
Total assets, GHSmn	62.464	79.297	95.156	118.945	154.629	201.018
Total assets, USDMn	16.416	18.724	22.356	28.784	36.671	46.719
Total assets, % of GDP	45,6	47,4	47,6	49,6	55,2	64,0
Total assets, % y-o-y	25,4	26,9	20,0	25,0	30,0	30,0
Client loans, GHSmn	30.133	35.409	41.428	49.714	62.142	77.678
Client loans, USDMn	7.919	8.361	9.733	12.030	14.737	18.053
Client loans, % of GDP	22,0	21,2	20,7	20,7	22,2	24,7
Client loans, % y-o-y	25,0	17,5	17,0	20,0	25,0	25,0
Client deposits, GHSmn	34.442	42.715	55.530	69.412	86.765	108.457
Client deposits, USDMn	9.051	10.086	13.046	16.797	20.576	25.206
Client deposits, % of GDP	25,1	25,5	27,8	29,0	31,0	34,5
Client deposits, % y-o-y	23,4	24,0	30,0	25,0	25,0	25,0
Loan/deposit ratio	87,49	82,90	74,61	71,62	71,62	71,62
Loan/asset ratio	48,24	44,65	43,54	41,80	40,19	38,64

Source: BoG, BMI, Note: USD/GHS:4,53 (average)

The BoG identified 35 licensed banks and four banks with representative branches operating in the country as of August 2017. The four local banks include Ecobank Ghana, Ghana Commercial Bank, Fidelity Bank Ghana, and CAL Bank are in the top ten list by their total assets. The remaining banks are subsidiaries of regional, pan-African, or international lenders.

The largest bank by total assets in Ghana as of the end of December 2016 was Ecobank Ghana, the second largest bank in Ghana by assets, as of the end of December 2016 was Ghana Commercial Bank. Other major players in Ghana's banking sector include the international units of global lenders Barclays, Standard Chartered, and Stanbic. Barclays Bank of Ghana, Standard Chartered Bank Ghana, and Stanbic Bank Ghana ranked as the third, fourth, and fifth largest banks by total assets in Ghana as of December 2016. The Bank of Ghana's decision to triple minimum capital requirements for lenders as part of reforms to strengthen the industry could lead to banking sector consolidation and banks are looking to mergers and acquisition to bolster their capital base.

TOP 10 COMMERCIAL AND RETAIL BANKS BY TOTAL ASSETS, GHSMN					
	Total Assets	Total Weighted Risks	Total Common Equity	Number Of Employees	Financial Year End
<i>Ecobank Ghana</i>	8,057	5,887	964	1,617	31.12.2016
<i>Ghana Commercial Bank</i>	6,075	3,173	1,060	1,532	31.12.2016
<i>Unibank (Ghana)</i>	5,743	na	463	803	31.12.2016
<i>Barclays Bank of Ghana</i>	5,289	na	792	na	31.12.2016
<i>Standard Chartered Bank Ghana</i>	4,374	2,795	756	974	31.12.2016
<i>Stanbic Bank Ghana</i>	4,276	2,861	538	799	31.12.2016
<i>Fidelity Bank Ghana</i>	4,214	na	392	1,06	31.12.2016
<i>United Bank for Africa (Ghana)</i>	3,743	1,621	330	503	31.12.2016
<i>CAL Bank</i>	3,619	2,608	520	na	31.12.2016
<i>Zenith Bank (Ghana)</i>	3,404	2,462	575	670	31.12.2016



TOP 10 BANKS - ASSET QUALITY			
	Growth Of Gross Loans (%)	NPL Ratio (%)	Reserves For NPLs (% of NPLs)
<i>Ecobank Ghana</i>	8,8	15,9	15,3
<i>Ghana Commercial Bank</i>	-3,1	14,6	99
<i>Unibank (Ghana)</i>	19,5	11,2	36,7
<i>Barclays Bank of Ghana</i>	14,6	na	na
<i>Standard Chartered Bank Ghana</i>	6,2	51	43
<i>Stanbic Bank Ghana</i>	3,8	23,5	23,5
<i>Fidelity Bank Ghana</i>	-4,5	25,7	34,6
<i>United Bank for Africa (Ghana)</i>	142	31,7	22,6
<i>CAL Bank</i>	10,8	8,7	56,1
<i>Zenith Bank (Ghana)</i>	3,0	10,6	91,3

Source: BMI

List of Banks in Ghana:

- | | |
|------------------------------|------------------------------------|
| 1-Access Bank (Ghana) | 18-Guaranty Trust Bank (Ghana) |
| 2-ADB Bank Limited | 19-Heritage Bank |
| 3-ARB Apex Bank | 20-HFC Bank |
| 4-Bank of Africa Ghana | 21-National Investment Bank |
| 5-Bank of Baroda (Ghana) | 22-OmniBank Ghana |
| 6-Barclays Bank of Ghana | 23-Premium Bank |
| 7-BSIC Ghana | 24-Prudential Bank |
| 8-CAL Bank | 25-Societe General Ghana |
| 9-Ecobank Ghana | 26-Sovereign Bank |
| 10-Energy Bank (Ghana) | 27-Stanbic Bank Ghana |
| 11-FBNBank Ghana | 28-Standard Chartered Bank (Ghana) |
| 12-Fidelity Bank | 29-The Beige Bank |
| 13-First Atlantic Bank | 30-The Construction Bank |
| 14-First National Bank Ghana | 31-The Royal Bank |
| 15-GCB Bank | 32-UniBank Ghana |
| 16-GHL Bank | 33-United Bank for Africa (Ghana) |
| 17-GN Bank | 34-Universal Merchant Bank (Ghana) |
| | 35-Zenith Bank (Ghana) Limited |

Source: BoG



4- TURKEY & GHANA:

Foreign Trade:

In the context of Turkey-Ghana trade relations, the latest data has shown that Turkey's exports to Ghana decreased by 24.8% in compared to 2016 and stood at USD224.5mn at the end of 2017. The trade volume of Turkey to Ghana is standing at USD352.5mn in 2017, lower than trade volume of 2016 which amounted as USD478.9mn. While according to Turkey import from Ghana statistics, Turkey imports from Ghana decreased by 29.1% to USD128mn in 2017. The trade volume between the two countries are expected to reach USD1bn in 2020. Turkey has taken 2.6% share from Ghana's total imports and this share is projected to increase in the coming years.

Turkey - Ghana Foreign Trade				
Years	Export (USDmn)	Import (USDmn)	Trade Balance	Trade Volume
2009	72,8	102,0	-29,2	174,8
2010	96,4	194,3	-97,9	290,7
2011	218,5	292,2	-73,7	510,7
2012	223,5	303,4	-79,9	526,9
2013	179,0	202,2	-23,2	381,2
2014	175,4	157,9	17,4	333,3
2015	219,6	168,9	50,7	388,5
2016	298,5	180,5	118,0	478,9
2017	224,5	128,0	96,5	352,5

Source: TUIK

Turkey mainly exports electrical equipment's, cement and soil products, chemical products, iron and steel, automotive and air conditioning industry products to Ghana. However, Turkey mainly imports cocoa and cocoa preparations, natural or cultured pearls and precious or semi-precious stones from Ghana. Turkey and Ghana signed 25 agreements in order to promote FDI. The agreements are expected to develop cooperation in sports, energy and natural sources sectors. Political stability and qualified work force are the main factors that encourage Turkey to invest in Ghana.

Ghana has strong interest in Turkey's automotive, pharmaceutical, industrial chemistry and textile sectors. Turkey's exports to Ghana is expected to increase in the coming period with rising exports in motor vehicles, knitted wear articles, woven fabrics and iron-steel bars. Meanwhile, Ghana could promote its exports to Turkey mainly in chemical products, mineral ores and food products. Ghana has shown great investment potentials mainly in transport and energy sector infrastructure projects. Turkish contracting sector entered the Ghana in 1997 and Turkish firms total projects exceed the USD43mn. Turkish firms mainly working in construction of power plants and electricity generation projects. Over 1000 Turkish companies export to Ghana and Ghana has become Turkey's third-largest economic partner in Sub-Saharan Africa. While Ghanaian firms are more reliable than many other African countries, it is useful to prepare preliminary information for the Ghanaian companies in the first stage of the market entry and evaluation.

The first Turkish products fair launched in Accra in September 2016 that organized by Istanbul Chamber of Commerce and hosted 50 companies. More than 500 products were showcased in the exhibition. These are; food, cosmetics, electronics, construction items, kitchen devices, textiles and home appliances. The new exhibition was opened more investment opportunities in Ghana and Turkey.



Ghana was evaluated as one of the important targeted market in Africa by Turkish Exporters Assembly (TIM) and Ghana and Turkey signed four agreements (including communication, energy, communication and commercial sectors) in 2016 as part of Turkish President Recep Tayyip Erdogan's visit to the country. The Export Compass Program, which was organized by the TIM with the support of Coface and covering 10 countries, has addressed the Ghana market on August 17, 2017. Along with the risks and opportunities for Turkish exporters in the Ghana market, market entry strategies and transport, customs and insurance issues were discussed in the event.

Doing Business in Ghana-Main Risks

- There is not any authorized authority to inform Turkish exporters on the credibility of the Ghanaian firms.
- The frequent change of customs duties in Ghana reduces the predictability of the market.
- Ghana ports are used for exports to non-coastal countries like Niger and Mali. However, there are time-consuming and costly applications for products that coming to Ghana's port.
- Ghana's consumer purchasing power is one of the lowest in Sub-Saharan Africa. For this reason, Turkish producers have to lower prices to compete in the market. Meanwhile this could deteriorate their profitability.

Turkish Companies Worked in Ghana:

EPIK Engineering Construction Tourism Import & Export Corp.
METİŞ Construction and Trading Co.
ÜSTAY Construction Contracting and Trade Inc.
GÖRKEM Construction Ltd.
KIRAN Inc.
KARADENİZ Holding
AKSA Energy
ARDA Group
ELVAN Group

Some Completed Projects in Ghana:

U.S. Embassy annex building in Accra (METİŞ Construction and Trading Co.).
Construction of 100 villas and infrastructure works.
Construction of luxury housing.
Social housing construction project.

Recent Projects:

- **Arda Group** has won the USD165mn contract for fresh water treatment facility in Ghana.
- **Aksa Energy** constructed 370MW Heavy Fuel Oil (HFO) power plant in Ghana. The power plant started production and it is expected to provide Ghana's 15% of electricity consumption.
- The **Karadeniz Powership Aysegul Sultan**, from Turkey has finally docked in Ghana. The 235MW powership will be connected to the national grid through the Tema power station.
- **Sunar Misir**, the competent company of Sunar Grup and located in Adana, will export liquid oil to the Ghana Armed Forces. The Ghana armed Forces annual liquid oil demand is one million tons.



Turkey's Imports From Ghana by Products (USD thousands)	2014	2015	2016	Share in Total Import
Cocoa and cocoa preparations	144.315	150.135	149.527	82,85%
Natural or cultured pearls, precious or semi-precious stones, precious metals	4.255	12.399	21.726	12,04%
Residues and waste from the food industries; prepared animal fodder	2.005	2.960	4.967	2,75%
Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruit	0	9	2.492	1,38%
Fish and crustaceans, molluscs and other aquatic invertebrates	5.201	472	736	0,41%
TOTAL	157.925	168.907	180.478	

Turkey's Exports to Ghana by Products (USD thousands)	2014	2015	2016	Share in Total Export
Electrical machinery and equipment and parts	24.617	27.406	107.017	35,86%
Plastics and articles	22.166	35.554	29.618	9,92%
Articles of iron or steel	10.193	11.899	22.388	7,50%
Machinery, mechanical appliances, nuclear reactors, boilers	11.696	16.585	21.985	7,37%
Salt; sulphur; earths and stone; plastering materials, lime and cement	20.414	23.705	17.980	6,02%
Preparations of cereals, flour, starch or milk; pastrycooks' products	5.419	9.155	12.611	4,23%
Products of the milling industry; malt; starches; inulin; wheat gluten	14.772	11.529	11.920	3,99%
Fertilizers	147	11	10.666	3,57%
TOTAL	175.355	219.599	298.469	

Turkey Exports to Ghana by Sectors USD thousands	January-December 2016	January-December 2017	Annual Change
Grains, Pulses, Oil Seeds and Products	29.367	47.458	61,6%
Cement Glass Ceramic and Soil Products	22.278	37.398	67,9%
Steel	21.658	31.214	44,1%
Electrical Electronics and Service	58.871	26.220	-55,5%
Chemical Materials and Products	34.299	26.196	-23,6%
Automotive Industry	63.300	15.637	-75,3%
Iron and Non-Ferrous Metals	9.977	11.615	16,4%
Machine and Accessories	11.706	9.305	-20,5%
Furniture, Paper and Forest Products	6.548	9.114	39,2%
Air Conditioning Industry	32.670	2.987	-90,9%
Mining Products	1.470	2.034	38,3%
Textiles and Raw Materials	1.871	1.772	-5,3%
Apparel and Apparel	1.458	995	-31,7%
Aquaculture and Animal Products	1.127	822	-27,0%
Fruit and Vegetable Products	981	516	-47,4%
Defense and Aviation Industry	981	407	-58,5%
Carpet	522	275	-47,4%
Fresh Fruits and Vegetables	240	173	-27,7%
Leather and Leather Products	253	96	-62,0%
Other Industrial Products	41	66	60,9%
Olive and Olive Oil	43	57	31,1%
Ship and Yacht	0	4	3063,8%
Dried Fruits and Products	5	2	-71,8%
Hazelnut and Products	4	1	-78,8%
Jewelry	1	0	-89,7%

Source: Turkey's Exporters Assembly

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