



# **COVID-19 EMPLOYERS' NEEDS ASSESSMENT SURVEY**

**MAY, 2020**

**GHANA EMPLOYERS' ASSOCIATION**

## **EXECUTIVE SUMMARY**

### **BACKGROUND**

The World Health Organization (WHO) declared the outbreak of the new coronavirus disease a pandemic in January 2020. Since then, the virus has spread across all nations and continents around the globe. On March 15, 2020, Ghana confirmed its first two cases. From then on, there has been a continuous increase in the number of infections in the country. As at May 18, 2020 the number of confirmed cases stood at 5,918. The outbreak of the virus is threatening the health and livelihoods of businesses, employers and workers in all sectors of the Ghanaian economy.

The Government of Ghana has set out the following five key objectives to combat the pandemic: Limit and stop the importation of the virus; contain its spread; provide adequate care for the sick; limit the impact of the virus on social and economic life and; inspire the expansion of our domestic capability and deepen our self-reliance. Despite the laudable measures advanced by government to achieve its set objectives, available information indicates the ravaging effects of COVID-19 on businesses have been dire. Admittedly, matters could have been worse but for the timely containment interventions by Government. It is against this background that the Ghana Employers' Association undertook a COVID-19 impact assessment survey to determine the actual impact of COVID-19 on employers and businesses, and to offer evidence-based policy recommendations to ensure business continuity.

### **KEY FINDINGS**

Using a stratified sampling technique, 142 businesses were contacted, of which 79.58% responded. The key findings of the survey are as follows:

1. About 62% of businesses indicated that the pandemic has disrupted their business operations.
2. Majority of businesses (64.7%) have ruled out the possibility of engaging new employees, whilst 25 percent have suspended employment contracts. Another 16.20 percent will suspend employment contracts in the near future.
3. Majority of businesses (75%) have postponed their investment decisions due to the outbreak of the pandemic.
4. More than half (63.8%) of employers responded that demand for their products/services have fallen below normal levels due to the effect of the pandemic on their customers.
5. More than half of employers (62.7%) do not have own funds or cannot access external funds to augment their businesses.

6. Over 70 percent (73.9%) of the employers want government to provide adequate stimulus packages, for payment of wages/salaries, to enable them to withstand the impact of the virus.
7. Finally, 71 percent of the employers want government to defer Valued-Added Tax (VAT) and Income Tax payments for three months.

## **POLICY RECOMMENDATIONS**

Based on the findings of the survey, the Ghana Employers' Association (GEA) makes the following policy recommendations for the urgent consideration of Government:

- Government, through the Ministry of Health, Ghana Health Service, the Local Government apparatus and all concerned agencies should continue to enforce and review the restriction policy measures to avoid escalation of the pandemic.
- Government through the Ministry of Finance should collaborate with the Ghana Association of Bankers to develop, as a matter of urgency, the necessary modalities to enable businesses access the 3 billion Ghana cedis syndicated loan.
- Given the impact of the pandemic on the finances and revenues of businesses and the need for the retention of employees, it is recommended that government considers reviewing the COVID-19 stimulus package for large enterprises up to about GH¢15 billion.
- The Ministry of Communication should put in place the enabling environment for the telecommunication companies to continuously supply, strong, reliable and affordable internet services to enable businesses deploy flexible work arrangements and thus encourage many employees to work from home.
- Beyond facilitating working from home, one of the best legacies COVID-19 could leave Ghana with, should be a significantly enhanced ICT infrastructure. This will certainly accelerate the digitization of the economy as for example, in the Agric Sector, beginning with improved planting systems and extension services, to movement of farm produce from the farm gate to consumers in the urban centres. An enhanced ICT infrastructure will also accelerate the formalization of the informal sector of the economy in addition to facilitating the successful implementation of the flagship Free SHS Programme - as a means could be found to keep home-bound students productively engaged academically during the pendency of the double track system.
- The Ministry of Finance and Ministry of Trade and Industry should work with Business Associations to identify indigenous businesses and support them to locally produce intermediate goods and raw materials to fill the supply chain

gaps created by the pandemic now and into the future. This will reinforce the Government's import substitution goals and structurally transform Ghana's economy. Typical, areas to look at in this regard will be Agro-processing, Pharmaceuticals, Textiles and Garments and the Integrated Aluminum Industry, given that aluminum is the metal of the future.

- The Bank of Ghana should redirect that loans taken by the Commercial banks due to the 150-basis points reduction in the policy rate should be advanced to only COVID-19 affected businesses.
- Government should defer payment of VAT and Income Tax for a three-month period, beginning from May 2020 to cushion businesses hard-hit by the outbreak of the pandemic.
- It is also recommended that the date for filing of tax returns be extended from the standard 4 months to 9 months to enable businesses bounce back strongly with their workforce and capable of filing their tax returns.

## **CONCLUSIONS**

The GEA is appreciative of all the strenuous efforts of Government to contain the spread of the COVID-19 pandemic and the various economic interventions so far made to stem the tide as far as the rampaging economic effects of the pandemic are concerned. It is obvious from our Survey results however, that a lot more will have to be done to assure the rapid recovery of the country's economy in order to keep the Ghana Beyond Aid Agenda on course.

It is the GEA's confident expectation that, as partners in the wealth-creation business of the country, our foregoing evidence-based recommendations will be given the urgent attention it deserves.

## TABLE OF CONTENTS

EXECUTIVE SUMMARY .....	i
LIST OF FIGURES .....	vii
CHAPTER ONE .....	1
INTRODUCTION .....	1
1.1 Background information.....	1
1.2 Problem Statement.....	2
1.3 Overall objective .....	3
1.3.1 Specific objectives .....	3
1. 4 Research Methodology .....	3
CHAPTER TWO .....	4
EMPLOYMENT MANAGEMENT AND BUSINESS OPERATIONS.....	4
2.1 What was the range of your total employment before the outbreak of COVID-19 in Ghana? .....	4
2.2 Is your enterprise currently in operation?.....	5
2.3 How Has the outbreak of the virus influenced your workforce planning?.....	5
2.4 Do you envisage a rise in industrial disputes in your organization? .....	6
2.5 Does your enterprise have a written business continuity plan? .....	7
2.6 Have you postponed any investment decision, capital or otherwise?.....	7
CHAPTER THREE .....	9
COVID-19 INDUCED BUSINESS CHALLENGES .....	9
3.1 Which are the main challenges your enterprise currently faces, resulting from COVID-19? .....	9
3.2 What has been the level of financial impact (revenue or sales) on your business? .....	9
3.3 Do you have own funding (e.g. cash on hand, savings) or access to alternative/external sources (e.g. loans or grants) of funding to help the business recover? .....	10
CHAPTER FOUR .....	11
REQUIRED BUSINESS SUPPORT .....	11
4.1 What support do you require from GEA in this COVID-19 era? .....	11
4.2 Which of these guidelines do you think, if developed by GEA, will serve your purpose in the current COVID-19 era?.....	11
4.3: What guidelines and policy response strategies should government implement to cushion your organization in this COVID-19 era?.....	12
CHAPTER FIVE.....	14

SUMMARY OF KEY FINDINGS AND POLICY RECOMMENDATIONS .....	14
5.1 Summary of key findings .....	14
5.2 Policy recommendations .....	14
5.3 Conclusions.....	16

## LIST OF FIGURES

Figure 1: Distribution of COVID-19 infected cases in Ghana, by region .....	2
Figure 2: Range of total employment by enterprise size before COVID-19 outbreak .	4
Figure 3: Status of business operations .....	5
Figure 4: Workforce planning in the weak of the COVID-19 outbreak in Ghana .....	6
Figure 5: Prediction of industrial disputes at the workplace.....	7
Figure 6: Availability of written business continuity plan .....	7
Figure 7: COVID-19 and business investment decisions.....	8
Figure 8: Challenges facing enterprises .....	9
Figure 9: Impact of the COVID-19 on employers' financial inflows.....	10
Figure 10: Availability of funding for business operations.....	10
Figure 11: Support required from GEA.....	11
Figure 12: Guidelines required by employers .....	12
Figure 13: Policies to limit the impact of COVID-19 on businesses.....	12

# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Background information**

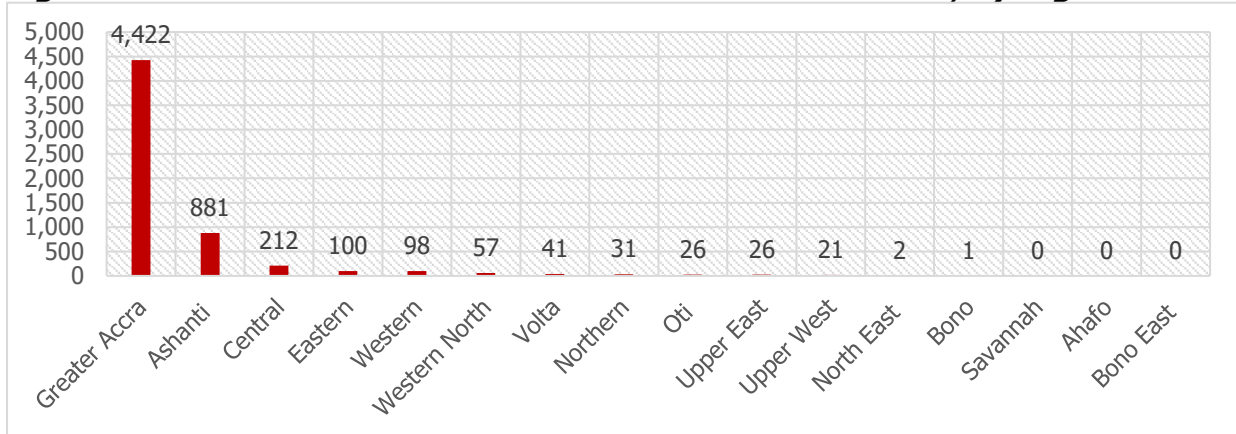
In January 2020 the World Health Organization (WHO) declared the outbreak of a new coronavirus disease as a Public Health Emergency of international concern. Since then, the virus has spread across many countries around the world, causing disruptions in global supply chains, unprecedented volatility and collapse of stock markets, decline in the international price of crude oil with significant revenue loss to oil exporting countries, disruption in national budgets, decline in tourism, significant job losses for businesses, unanticipated increases in health spending, closure of borders, suspension of air travels, and cancellation of regional and global events in virtually all spheres of endeavour. These unprecedented happenings have resulted in a palpable global economic slowdown. The International Monetary Fund (IMF), in its April 2020 edition of the World Economic Outlook report, projected the global economy to contract sharply by 3 percent in 2020, which is much worse than during the 2008 global financial crisis.

COVID-19 spread to Ghana on March 15, 2020, when the President of the Republic of Ghana confirmed the first two cases. As at May 19, 2020 the number of confirmed cases stood at 5,918. The outbreak of the virus is threatening the health and livelihoods of businesses, employers and workers in all sectors of the Ghanaian economy. The sustainability of enterprises is at risk and the potential economic impact to Ghana's economy cannot be underestimated, as the virus has spread to 13 out of the sixteen administrative regions in Ghana.

In terms of regional distribution, the Greater Accra region, has recorded the highest number of cases, 4422 (74.72%), followed by the Ashanti region with 881 cases (14.89%). The two regions are the most populous ones out of the sixteen administrative regions. This explains the high number of cases recorded in these regions. Ghana's policies in battling the pandemic have therefore focused much on the two regions.



**Figure 1: Distribution of COVID-19 infected cases in Ghana, by region**



The Government has set out the following five key objectives to combat the pandemic in Ghana: Limit and stop the importation of the virus; contain its spread; provide adequate care for the sick; limit the impact of the virus on social and economic life and; inspire the expansion of our domestic capability and deepen our self-reliance. To a large extent, the success of these goals is hinged on restrictions on public gatherings, closure of all schools and national borders to human traffic, among others. To limit and contain the spread of the virus, the two major regions driving the bulk of economic activities in the country, namely, the Greater Accra and Greater Kumasi areas went under a two-week partial lockdown from April 6, 2020 to April 20, 2020, bringing to a halt, most economic activities.

## **1.2 Problem Statement**

Even though experts have stipulated that the country has reached its peak in respect of the number of recorded positive cases of the pandemic, information from the Ministry of Health (MOH) and Ghana Health Service (GHS) indicate continual increase in the number of infected cases. The outlook of the spread of the virus, both domestically and globally, continue to pose tremendous risk and uncertainty to employers and businesses in the country.

Many businesses have therefore, limited their operations, more workers face the prospect of unemployment while many other enterprises are on the verge of bankruptcy, due to reduced aggregate demand and economic activity. In this case, the specific policies chosen by government towards business sustainability will determine in what trajectory and shape the Ghanaian economy will ultimately emerge from the crisis. It is against this backdrop that the Ghana Employers' Association (GEA) undertook this COVID-19 impact assessment survey to determine the actual impact of covid-19 on employers and businesses, and to proffer evidence-based policy recommendations to ensure business continuity and facilitate a quick recovery from the pandemic.

### **1.3 Overall objective**

The overall objective of the survey was to uncover the impact of the outbreak of the COVID-19 pandemic in Ghana on employers and businesses.

#### **1.3.1 Specific objectives**

The specific objectives were:

- To determine the impact of the pandemic on businesses employment management;
- To predict the impact of the virus on Ghana's Industrial Relations environment;
- To uncover the challenges created by the outbreak of the virus in Ghana;
- To determine key areas to offer support to GEA members; and
- To proffer policy response strategies to government for urgent consideration.

### **1. 4 Research Methodology**

The study adopted an online technique to gather information about the impact of COVID-19 in Ghana through the administration of structured questionnaires to sampled businesses in the country. The survey focused on members of GEA. These are formal organizations and establishments that keep records of their business operations as well as employment history.

Primarily, members of the GEA are mostly located in the Greater Accra, Western Region, Eastern Region and Ashanti Region, respectively. However, with the Greater Accra being the economic hub of the country, most respondents were drawn from the region. Stratified random sampling technique was employed to sample one hundred and thirteen (142) of the Association's active members, across all sectors of the Ghanaian economy. One hundred and thirteen (113) businesses responded, representing a response rate of 79.58 percent.

The respondents to the questionnaire were the Managing Directors, Human Resources Directors, and Administrative Managers. The survey began on 24<sup>th</sup> April and ended on the 13<sup>th</sup> May, 2020. To effectively address the study objectives, the survey obtained information ranging from the employment levels of enterprises before the outbreak of the COVID-19 to policy response strategies that must be considered by government to limit the impact of the pandemic on employers and businesses in Ghana.

### **1.5 Organization of the Report**

The report is organized into five chapters. Chapter One gives an introduction to the study. It also contains the motivation, the objectives, description of the research methodology and sampling. Chapter Two presents the results on the employment management and business operations in relation to COVID-19. Chapter Three presents results on the challenges facing employers and businesses. The support required by businesses from GEA and Government are detailed in Chapter Four, while Chapter Five presents the key findings and policy recommendations.

## CHAPTER TWO

### EMPLOYMENT MANAGEMENT AND BUSINESS OPERATIONS

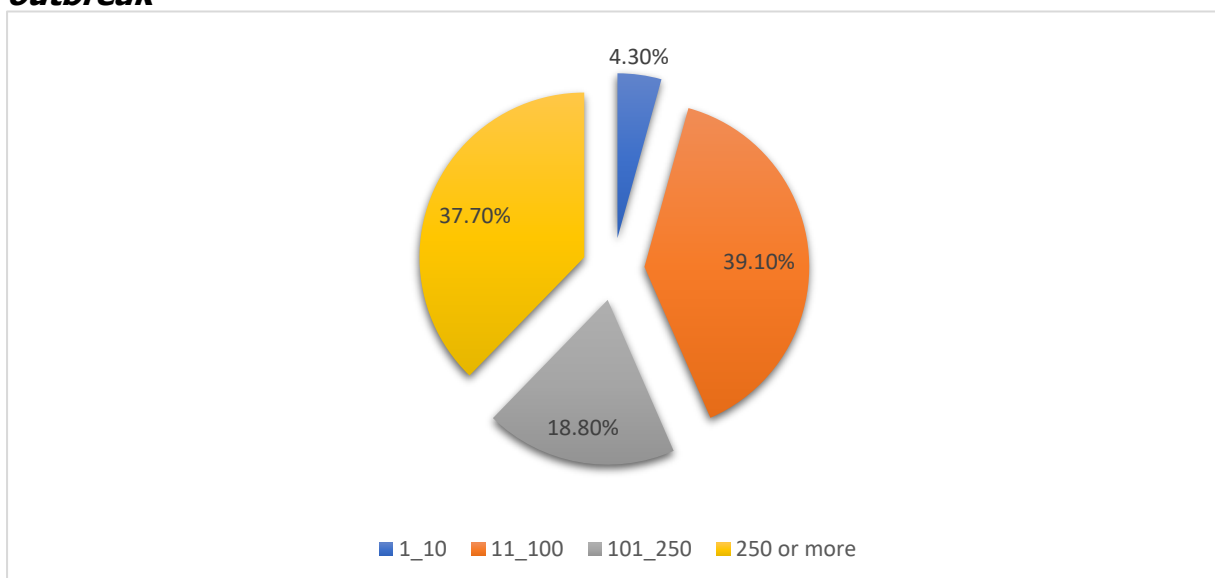
This section sought to find out the effect of the outbreak of the COVID-19 pandemic on the workforce planning and business operations. The following responses were provided by employers to the questions posed under this chapter:

#### 2.1 What was the range of your total employment before the outbreak of COVID-19 in Ghana?

The number of employees engaged by an establishment was used to measure the size of the businesses interviewed. Figure 2 shows that majority of the businesses that responded are large (i.e they employ more than 100 people). More than 50 percent (56.5%) of the organizations indicated that they employed more than 100 people before the outbreak of the pandemic in Ghana. Specifically, 37.70 percent of the organizations employed more than 250 people. Another 18.80 percent of the businesses had a workforce between 101 and 250. The Micro, Small and Medium Scale Enterprises (MSMEs) employed about 44 percent (i.e. 43.5%).

The membership base of GEA is typically made of large enterprises, this could account for the skewed nature of employment towards the large enterprises. Large firms tend to have high cost of production, the findings therefore imply that GEA members and other large businesses in the country would need a substantial amount of stimulus package to withstand the impact of the pandemic and protect employment.

**Figure 2: Range of total employment by enterprise size before COVID-19 outbreak**

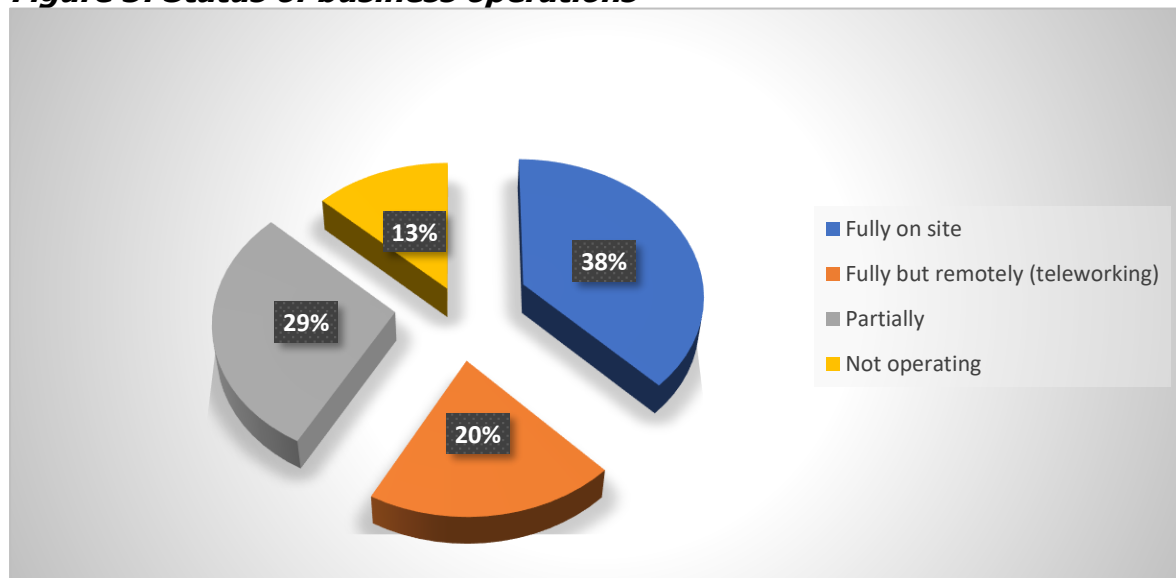


## 2.2 Is your enterprise currently in operation?

The survey sought to inquire whether enterprises were still in operation, given the restrictions (including the partial lockdown) put across by the government to contain and limit the spread of the pandemic. The results revealed that only 38 percent of the businesses interviewed have been operating from their designated workplaces, indicating that the outbreak of the virus has really disrupted business operations in the country. This indicates that Government must continue to enforce and review the various restrictions to avoid escalation of the pandemic, which could necessitate a total lockdown. (See figure 3).

More precisely, thirteen percent (13%) of businesses have completely shut down and are not in operation due to the outbreak of the pandemic; most of these organizations are in the Hotel, Catering and Tourism subsector. Twenty percent (20%) of businesses were able to adopt the existing technological mechanisms to enable their workforce work from home. The remaining 29 percent operated partially.

**Figure 3: Status of business operations**



## 2.3 How Has the outbreak of the virus influenced your workforce planning?

The study inquired about the impact of the pandemic on the planning of organizations employees. This is key in predicting the outlook of employment and changes in the labour market structure in the coming months (i.e. During and immediate periods after COVID-19). Figure 4 presents the results of the workforce decisions taken by enterprises. Respondents were allowed to select more than one planning area shown on the figure. The results paint a gloomy picture about employment in the economy. For instance, majority of businesses (64.70%) do not intend to engage new employees. The results further revealed that 25 percent of businesses have suspended employment contracts, while another 16.20 percent divulged that they will suspend employment contract in the near future. Primarily, these decisions could be due to the disruptions in supply chains, decline in productive activities and financial inflows. While

the result is expected this COVID-19 era, it means that the unemployment rate will stay high for a considerable long time. This calls for a well-crafted economic and social policy, potent enough to cushion employers, labour market and the economy from the ramifications of the pandemic.

**Figure 4: Workforce planning in the week of the COVID-19 outbreak in Ghana**

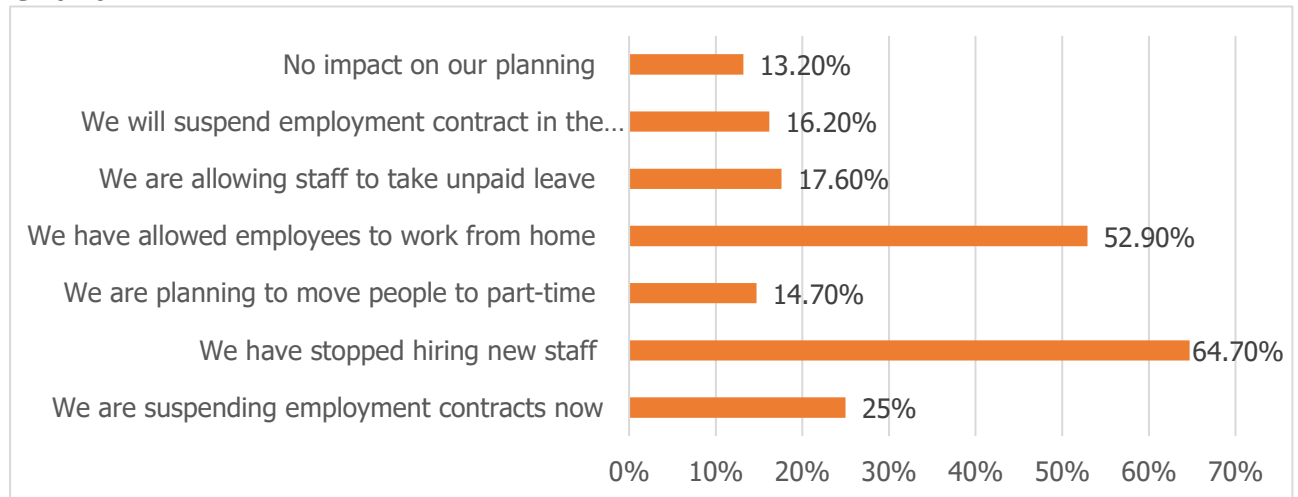
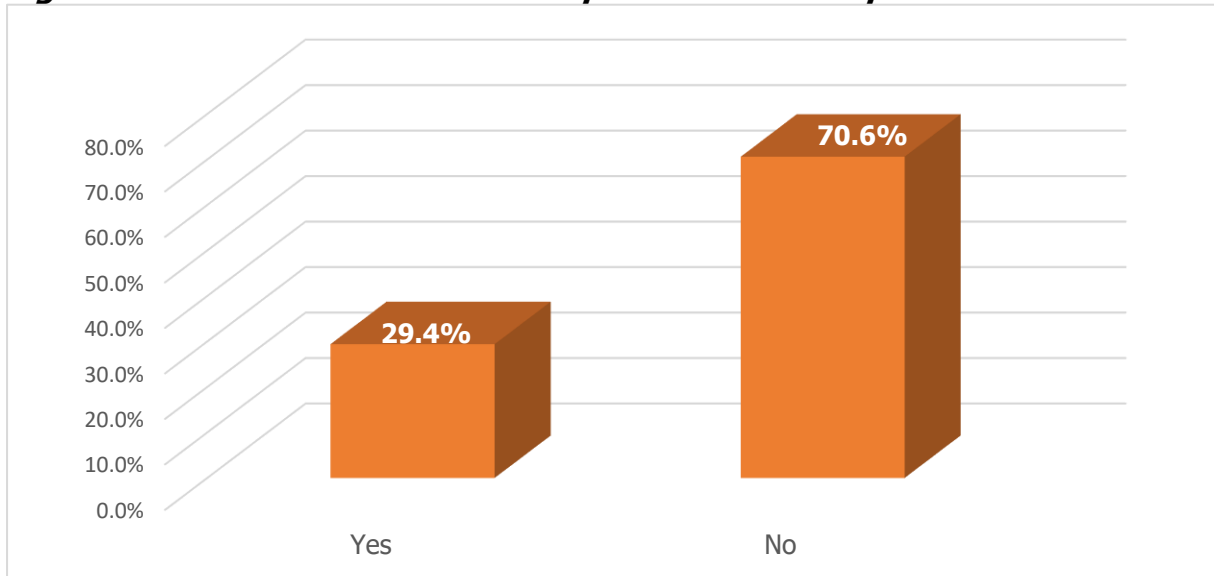


Figure 4 further shows that more than 50 percent (52.9%) of the businesses allowed their employees to work from home, a decision that ensures the economic and health balance while reinforcing the Social Distancing protocol of containing and eliminating the virus. The sustainability of this plan depends to a large extent on a reliable, strong and affordable supply of internet connectivity in the coverage areas. A few businesses (i.e. 17.6% and 14.7%) have also allowed their employees to take unpaid leave and reduced their working hours, respectively. About 13 percent (13.20%) of businesses however indicated that the outbreak of the virus has not impacted their employment planning. These are enterprises that have not been significantly affected by the pandemic due to their industry of operation.

#### **2.4 Do you envisage a rise in industrial disputes in your organization?**

Industrial harmony is critical in sustaining and driving business progress, especially in uncertain and volatile periods created by pandemics of this nature. The study therefore posed the above query to obtain real time information to enable actors of the labour market and social dialogue institutions prepare adequately to resolve industrial disputes that could arise due to the COVID-19. Figure 5 presents the results to the query. A little over 70 percent (i.e. 70.6%) of businesses do not envisage a rise in industrial disputes in their workplaces. About 29 percent (i.e. 29.4%) of employers however predict that the pandemic will cause industrial disputes to rise. The result is still significant and informs that stakeholders proactively prepare to put in place policies to prevent such industrial disputes from occurring. This is particularly important to prevent few industrial disputes from spreading to all sectors of the economy.

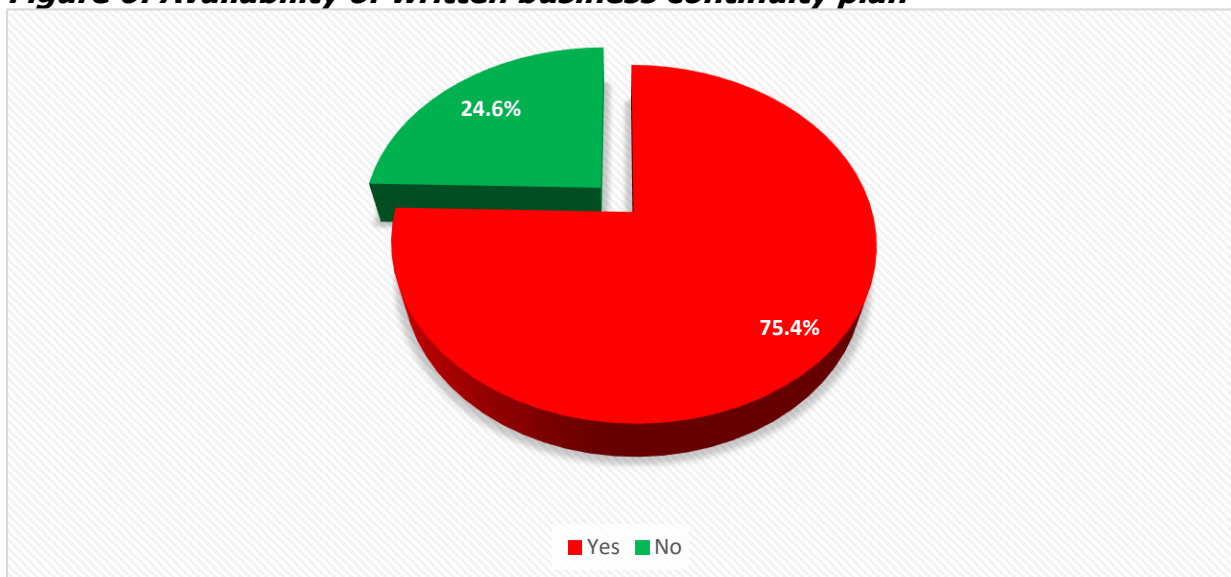
**Figure 5: Prediction of industrial disputes at the workplace**



### **2.5 Does your enterprise have a written business continuity plan?**

Figure 6 details the results of the query above. Majority of businesses (i.e. 75.4%) have written business continuity plan. The remaining 24.6 percent indicated that they not have a plan in place to operate in the wake of a sudden and severe change to market conditions.

**Figure 6: Availability of written business continuity plan**

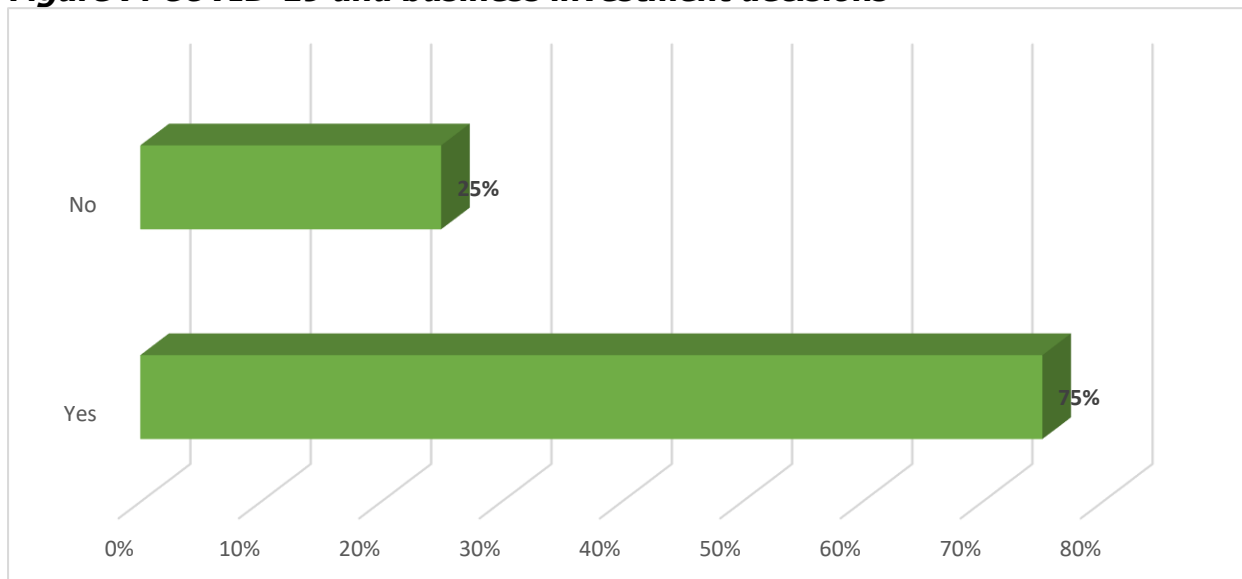


### **2.6 Have you postponed any investment decision, capital or otherwise?**

The survey showed that the outbreak of the virus has really impacted investment decisions of employers. Most the respondents (i.e. 75%) to this query indicated that they have postponed their investment decisions. The remaining 25 percent indicated

otherwise. (see Figure 7). This has a profound effect on the private sector performance, inflation rate, employment and aggregate demand and supply in the economy.

**Figure 7: COVID-19 and business investment decisions**



The dismal outlook of private sector investment calls for effective monetary policy, complemented by appropriate active fiscal actions to incentivise businesses to invest, in order to sustain, if not improve the level of economic activity and thereby, growth.

## CHAPTER THREE

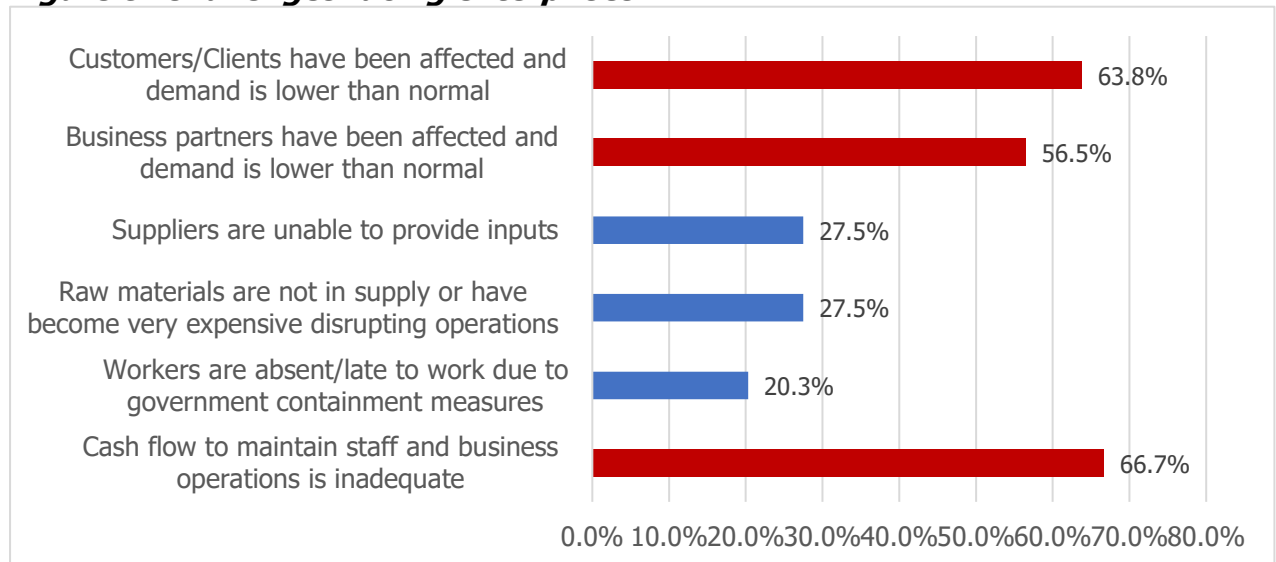
### COVID-19 INDUCED BUSINESS CHALLENGES

The chapter unearths the challenges induced by the COVID-19 outbreak in Ghana. The questions posed and their corresponding responses are presented as follows:

#### 3.1 Which are the main challenges your enterprise currently faces, resulting from COVID-19?

The responses to the above query indicate three main challenges facing employers as a result of the outbreak of the pandemic in Ghana. Most employers (66.7%) indicated that cash flow to maintain employees and defray overhead costs is inadequate. (see figure 8). Another 63.8 percent revealed that demand for their products/services have fallen below normal levels due to the effect of the pandemic on their customers. Similarly, 56.5 percent of employers responded that the spread of the pandemic has affected their business partners which is translating into lower demand. These responses could be due to the disruptions in global and domestic supply chains. There will therefore be the urgent need to reconfigure the structure of the economy by supporting the local production of intermediary and finished products to fill the supply chain gaps to spur up demand across all sectors of the economy.

**Figure 8: Challenges facing enterprises**



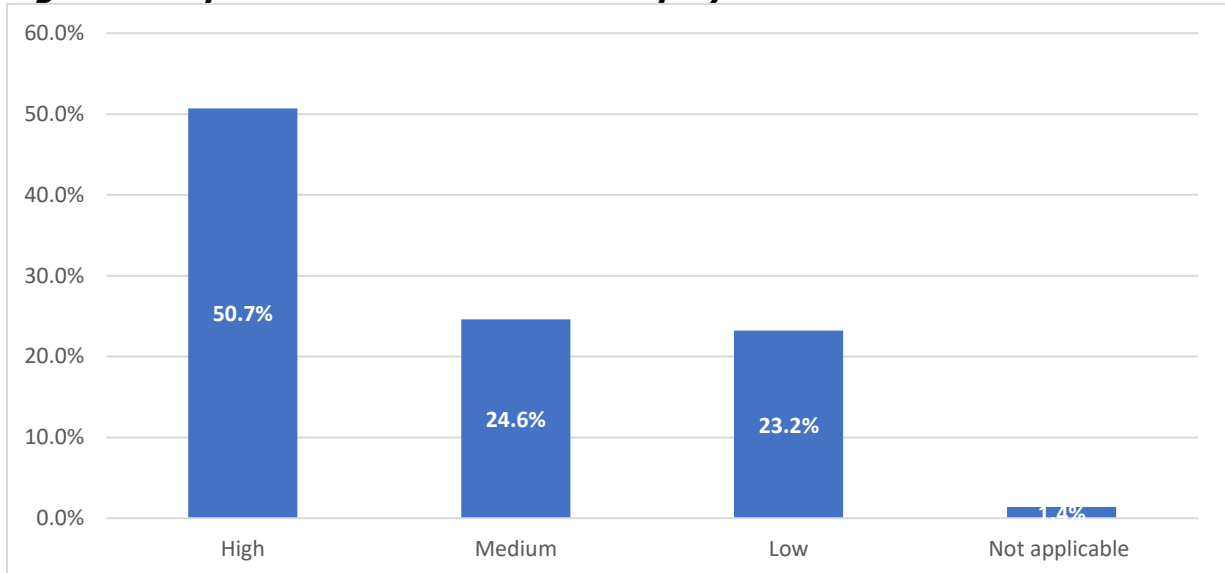
#### 3.2 What has been the level of financial impact (revenue or sales) on your business?

The survey indicated that the impact of the pandemic on the revenue and sales of businesses is high (50.7%). About 25 percent (i.e. 24.5%) responded that the pandemic has moderate impact on their financial inflows, whilst 23.2 percent revealed



that it has low impact. Only 1.4 percent of businesses responded that the virus has no impact on their financial inflows. (see figure 9). The results imply that a significant financial intervention be put in place to rescue businesses from current unfavourable financial position.

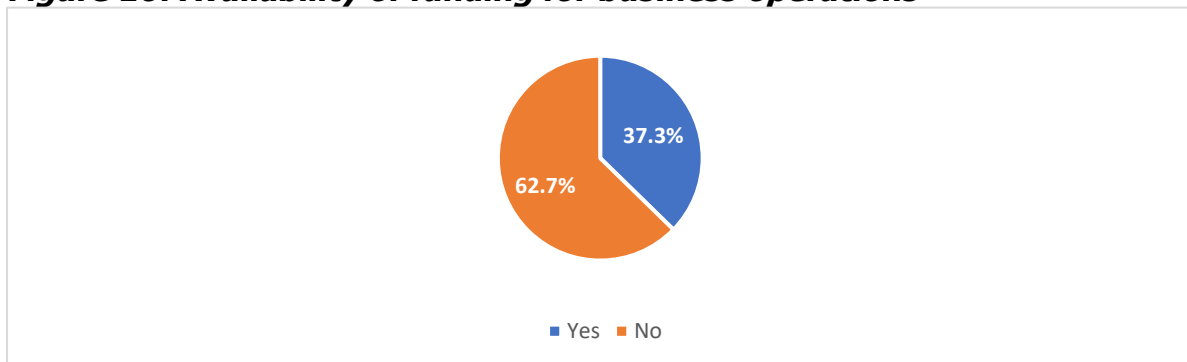
**Figure 9: Impact of the COVID-19 on employers' financial inflows**



### **3.3 Do you have own funding (e.g. cash on hand, savings) or access to alternative/external sources (e.g. loans or grants) of funding to help the business recover?**

This query sought to find out if businesses have financial resources or access to loans to aid the business recovery process. Only 37.3 percent of the respondents indicated that they have financial resources to support their businesses in these trying times. Majority of them (62.7%) maintained that, financially, they cannot support their businesses. (see figure 10). This could be due to the relative high lending rates that makes it difficult for businesses to access external sources of funds to augment their business operations.

**Figure 10: Availability of funding for business operations**



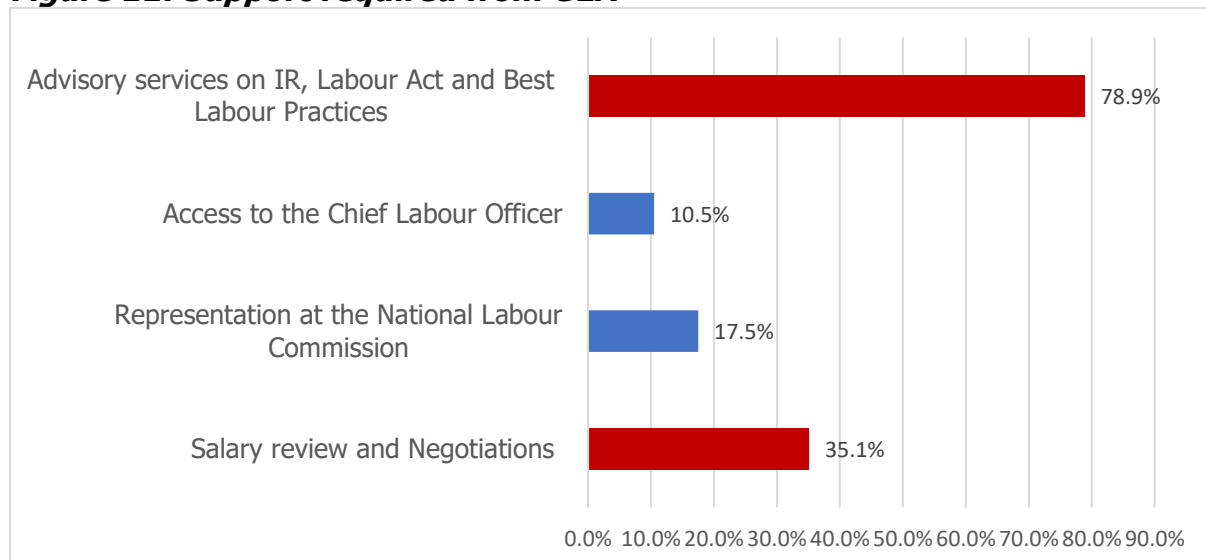
## CHAPTER FOUR

### REQUIRED BUSINESS SUPPORT

#### 4.1 What support do you require from GEA in this COVID-19 era?

We inquired from employers and businesses the category of support they need from the GEA, an organization that seeks to promote the interest of employers in the country. This was to help GEA proactively strategize to support members on specific labour issues that stand to arise at the enterprise, sectoral or national level. Figure 11 presents the results of the query. Overwhelming majority of the respondents (78.9%) revealed that they will need advisory services on Industrial Relations, the Labour Act and Best Labour Practices. This could be due to some employers' anticipation of a rise in industrial disputes.

**Figure 11: Support required from GEA**



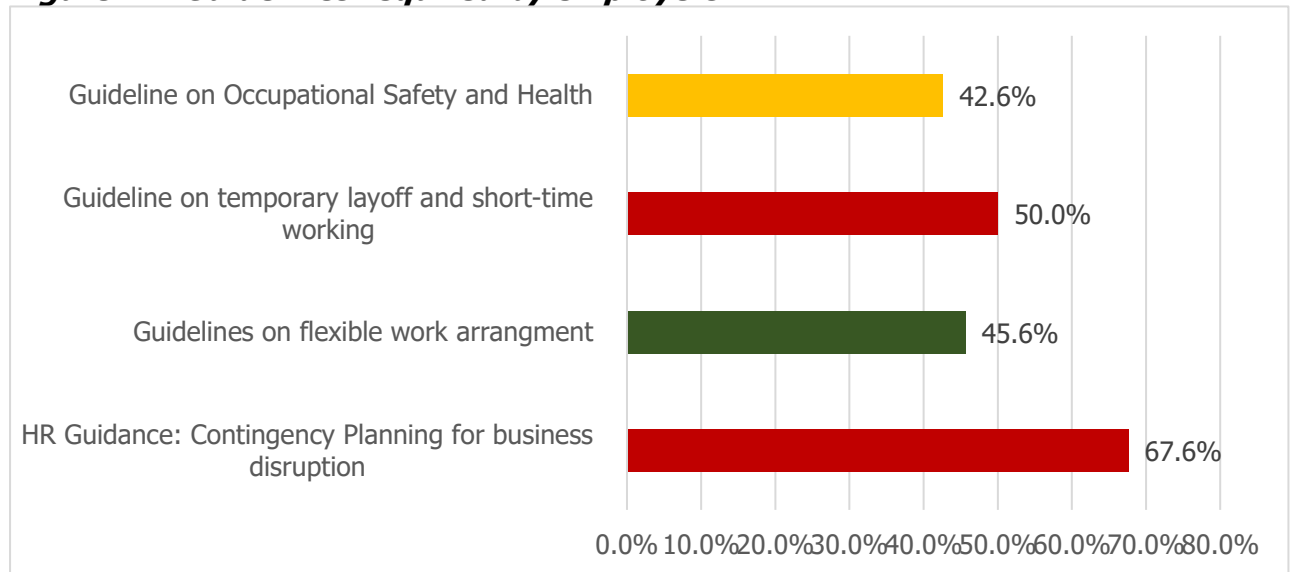
About 35 percent (35.1%) of the employers also revealed that GEA should support them in the areas of salary review and negotiations. About 18 percent (i.e. 17.5%) of employers would like GEA to support them with representation at the National Labour Commission (NLC), while 10.5 percent need support to access the Chief Labour Officer.

#### 4.2 Which of these guidelines do you think, if developed by GEA, will serve your purpose in the current COVID-19 era?

The Association also wanted to know the areas to prioritize in developing guidelines for employers. The results indicate that majority of businesses (67.6%) want guidelines on contingency planning for business disruption in relation to Human Resource management. Half of the respondents (50%) want GEA to develop a guideline on temporary layoff and short-time working. Member organizations also expressed interest in best practices on flexible work arrangement and Occupational Safety and Health (OSH). About 46 percent and 43 percent of the respondents need

support on guideline on remote work arrangement and OSH, respectively. (see figure 12).

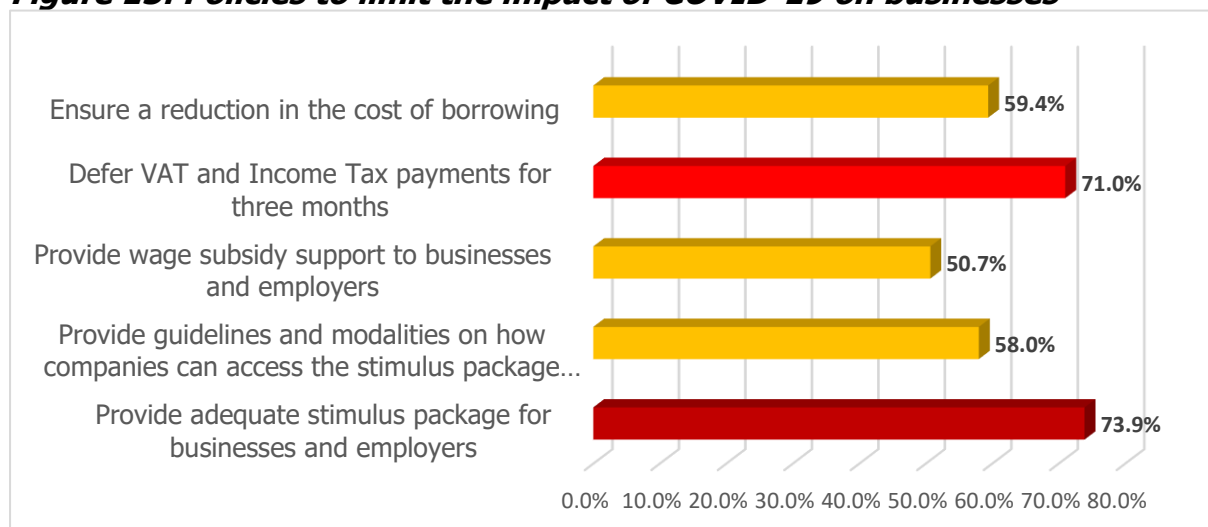
**Figure 12: Guidelines required by employers**



**4.3: What guidelines and policy response strategies should government implement to cushion your organization in this COVID-19 era?**

The final query posed to respondents sought to determine the policy measures government should implement to limit the impact of the pandemic on businesses. The results are presented in Figure 13. It is interesting to note that all the factors in the figure received a response rate of over 50 percent, indicating employers need for urgent support from government. Over 70 percent (73.9%) of employers want government to provide adequate stimulus packages to enable them withstand the impact of the virus.

**Figure 13: Policies to limit the impact of COVID-19 on businesses**



Similarly, 71 percent of the employers also want government to defer Valued-Added Tax (VAT) and Income Tax payments for three months. Close to 60 percent (59.5%) of employers revealed that the cost of borrowing be reduced. Although the Bank of Ghana (BOG) reduced the policy rate by 150 basis points to inject liquidity into the economy in this COVID-19 era, it appears the policy has not translated into a reduction in the cost of borrowing. Respondents (58.0%) further revealed that they need government to develop guidelines and modalities to enable them access the stimulus packages, such as the commercial banks syndicated loan, arranged by the government. A little over 50 percent (50.7%) also need government support in the area of wage subsidy to help them maintain their staff.

## **CHAPTER FIVE**

### **SUMMARY OF KEY FINDINGS AND POLICY RECOMMENDATIONS**

#### **5.1 Summary of key findings**

The overarching objective of the study was to evaluate the impact of the COVID-19 virus on employers and businesses in Ghana. The following are the key findings of the survey:

1. About 62% of businesses indicated that the pandemic has disrupted their business operations.
2. Majority of businesses (64.7%) have ruled out the possibility of engaging new employees, whilst 25 percent have suspended employment contracts. Another 16.20 percent will suspend employment contracts in the near future.
3. Majority of businesses (75%) have postponed their investment decisions due to the outbreak of the pandemic.
4. More than half (63.8%) of employers responded that demand for their products/services have fallen below normal levels due to the effect of the pandemic on their customers.
5. More than half of employers (62.7%) do not have own funds or cannot access external funds to augment their businesses.
6. Over 70 percent (73.9%) of the employers want government to provide adequate stimulus packages, for payment of wages/salaries, to enable them to withstand the impact of the virus.
7. Finally, 71 percent of the employers want government to defer Valued-Added Tax (VAT) and Income Tax payments for three months.

#### **5.2 Policy recommendations**

Based on the findings of the survey, the Ghana Employers' Association (GEA) makes the following policy recommendations for the urgent consideration of Government:

- Government, through the Ministry of Health, Ghana Health Service, the Local Government apparatus and all concerned agencies should continue to enforce and review the restriction policy measures to avoid escalation of the pandemic.

- Government through the Ministry of Finance should collaborate with the Ghana Association of Bankers to develop, as a matter of urgency, the necessary modalities to enable businesses access the 3 billion Ghana cedis syndicated loan.
- Given the impact of the pandemic on the finances and revenues of businesses and the need for the retention of employees, it is recommended that government considers reviewing the COVID-19 stimulus package for large enterprises up to about GH¢15 billion.
- The Ministry of Communication should put in place the enabling environment for the telecommunication companies to continuously supply, strong, reliable and affordable internet services to enable businesses deploy flexible work arrangements and thus encourage many employees to work from home.
- Beyond facilitating working from home, one of the best legacies COVID-19 could leave Ghana with, should be a significantly enhanced ICT infrastructure. This will certainly accelerate the digitization of the economy as for example, in the Agric Sector, beginning with improved planting systems and extension services, to movement of farm produce from the farm gate to consumers in the urban centres. An enhanced ICT infrastructure will also accelerate the formalization of the informal sector of the economy in addition to facilitating the successful implementation of the flagship Free SHS Programme - as a means could be found to keep home-bound students productively engaged academically during the pendency of the double track system.
- The Ministry of Finance and Ministry of Trade and Industry should work with Business Associations to identify indigenous businesses and support them to locally produce intermediate goods and raw materials to fill the supply chain gaps created by the pandemic now and into the future. This will reinforce the Government's import substitution goals and structurally transform Ghana's economy. Typical, areas to look at in this regard will be Agro-processing, Pharmaceuticals, Textiles and Garments and the Integrated Aluminum Industry, given that aluminum is the metal of the future.
- The Bank of Ghana should redirect that loans taken by the Commercial banks due to the 150-basis points reduction in the policy rate should be advanced to only COVID-19 affected businesses.
- Government should defer payment of VAT and Income Tax for a three-month period, beginning from May 2020 to cushion businesses hard-hit by the outbreak of the pandemic.

- It is also recommended that the date for filing of tax returns be extended from the standard 4 months to 9 months to enable businesses bounce back strongly with their workforce and capable of filing their tax returns.

### **5.3 Conclusions**

The GEA is appreciative of all the strenuous efforts of Government to contain the spread of the COVID-19 pandemic and the various economic interventions so far made to stem the tide as far as the rampaging economic effects of the pandemic are concerned. It is obvious from our Survey results however, that a lot more will have to be done to assure the rapid recovery of the country's economy in order to keep the Ghana Beyond Aid Agenda on course.

It is the GEA's confident expectation that, as partners in the wealth-creation business of the country, our foregoing evidence-based recommendations will be given the urgent attention it deserves.

