

SPEECH BY GEA PRESIDENT AT THE 61ST ANNUAL GENERAL MEETING, NOVEMBER 25, 2021

Hon. Alan Kyerematen, Minister Trade & Industry, our keynote speaker

Hon. Ignatius Baffour-Awuah, Minister of Employment and Labour Relations,

Council and Members of GEA, Distinguished Invited Guests

Friends from the Media,

Ladies and Gentlemen,

It is with great pleasure that I welcome you all to the 61st Annual General Meeting (AGM) of the Ghana Employers' Association (GEA). Let me use this special opportunity to express my appreciation to the Executive Committee and Council Members and the entire membership for their cooperation, unrelenting support and collaboration towards the effective oversight and steering of the affairs of our great Association. It is my fervent hope that we shall continue to work together towards the achievement of our common objectives of improving the

environment for doing business to offset the adverse conditions occasioned by the COVID-19 pandemic.

I believe it is in perfect order to also thank each member of GEA for your support and commitment towards the construction of our new Office Complex which began in October 2017 at North Ridge, Accra. I am pleased to report that four years on, the building is about 75 percent complete, thanks to the contributions by members through the payment of the annual special levy. Despite the COVID-19 difficulties, members paid their subscription while others made special donations to put the Association on course to completing the building project by March 2022, with every member's continued support and God on our side.

Ladies and Gentlemen

The year under review was one of the most challenging times in the economic and business history of Ghana, due to the vagaries of the COVID-19 pandemic. It opened a chapter in our lives where citizens expected Government to implement urgent and

workable policies to salvage the situation, and workers looking up to employers to provide the needed leadership to protect both the enterprise and jobs at the same time.

Indeed, Government acted swiftly through the implementation of the flagship “*GH¢100 billion Ghana COVID-19 Alleviation and Revitalization of Enterprises Support (Ghana CARES) programme*” together with the *GH¢750 million Corona Virus Alleviation Programme - Business Support Scheme (CAP-BuSS)* to drive the Stabilization and Revitalization of the economy.

I wish to commend Government for this bold and timely policy initiative. In designing these business support and economic recovery policies, one remarkable strategy of Government that deserves significant commendation, was the continuous engagement of employers and other business associations in the policy formulation process. This gesture, to a very large extent, enabled the policies to mainstream the real concerns of employers and businesses.

Ladies and Gentlemen

The year 2022 presents employers with yet another great opportunity to move forward with our businesses, create wealth and open significant employment opportunities for the teeming unemployed youth.

Hon Ministers, distinguished ladies and gentlemen,

Permit me to indicate that the ability of employers to harness this opportunity sustainably, will very much depend on the prevailing environment for doing business. Positive happenings within Government policy circles and the industrial relations climate will be a catalyst for business progress.

We believe, therefore, that a macroeconomic environment devoid of external and internal shocks will present a fair ground for employers to exploit to offset their losses and grow their businesses. It is worth noting that certainty in the

macroeconomic environment is the linchpin to strategic business thinking and planning. Predictability on the macroeconomic front will therefore rank high amongst the business and economic aspirations of employers in 2022 and beyond.

It is our conviction that a rejuvenated economy with an annual growth rate of 5 percent or more in a stable macro-economic environment will engender a predictable business milieu capable of stimulating rapid economic recovery and productivity, attract local and foreign investments, as well as aid in decent job creation.

We urge Government to do everything within its power to ensure that the Ghana CARES programme is effectively implemented with the involvement of all key stakeholders to create a conducive business environment to enable employers to recover rapidly from all the pandemic related challenges.

Suffice to say at this point that cost of borrowing is critical to business establishment, expansion, investment and decent job creation. "A Country Competitiveness & Opportunity Assessment

Report” published by Konfidant, an International Advisory firm supporting companies, governments and international organizations to achieve impact across Africa and other global regions, in April 2021, revealed that Cost of Credit is Ghana’s weakest point as far as private sector development and competitiveness are concerned. The report indicates that Ghana’s policy rate of 14.5 percent at the time of the research, reduced to 13.5 percent in September and back to 14.5 percent as of today, is still more than double the African average of 7 percent. The Report further reveals that Ghana’s policy rate compares unfavorably to 1.5 percent in Morocco, 3.5 percent in South Africa and 4.5 in percent Cote d'Ivoire. GEA is of the view that something needs to be done, as a matter of urgency, about the persistence of high lending rates in Ghana.

While we commend the Bank of Ghana and Government for the efforts in bringing down the cost of borrowing, Employers continue to look forward with hope for further reductions in the cost of capital, hopefully to a single digit, to stimulate greater investment to aid the recovery process. It is our firm conviction that the Monetary Policy Committee (MPC) of the Bank of Ghana

(BOG), shall undertake further diagnostic studies of the economy to enable the Bank to facilitate further interest rate reduction measures in order to inject the needed liquidity into the economy to enhance investment and business activities in these challenging times. GEA, as always, stands ready to engage all key stakeholders to assure that significant progress is made in this direction for the greater good.

Distinguished Ladies and Gentlemen

The dynamics of the exchange rate regime has a greater influence in input prices, general price level and enterprise capacity for employment creation. It is a welcome development that the rate of depreciation of the Ghana Cedi relative to the US Dollar is slowing down. We applaud the managers of the economy with particular regard to the exchange rate regime for this feat, and urge them to urgently build anchors that are capable of stabilizing the Ghana Cedi to prevent further depreciation.

In the years ahead, employers and businesses expect that robust exchange rate management policies will be put in place to assure a much more stable and predictable exchange rate regime. This is important because continuous depreciation of the local currency leads to significant exchange rate losses to businesses, whittling away their working capital bases which in turn, pose existential threats to the survival of their businesses. Employers are confident that minimal, if not zero, exchange rate losses could translate into meaningful economic activities so employers would be able to retain and employ more of the teeming unemployed youth.

During the year, GEA joined other business associations to advocate for a review of the Benchmark Port Values on commodities for which Ghana can confidently and sustainably produce substitutes to encourage local manufacturing and safeguard jobs in those sectors. We wish to commend Government for the removal of the 50 percent special discount on the selected products that have enjoyed this privilege since the implementation of the policy in the past two years. We believe that this policy action will accelerate growth and

competitiveness of local manufacturers, enhance job creation and by extension, increase Government revenue, all things being equal.

We strongly urge Government to periodically review all imported goods that Ghana has competitive advantage in, so as to assure a systematic phasing out of those import regimes and ultimately ensure supply of our national needs from local manufacturers and suppliers. In the meantime, the GEA has undertaken a comprehensive review of the 2022 Budget Statement and shall be engaging Policymakers to assure that due attention is given to key areas that will positively promote business growth and development to move Ghana's economy forward.

Permit me, Ladies and Gentlemen, to now turn attention to the African Continental Free Trade Area Agreement (AfCFTA). GEA is of the firm conviction that the AfCFTA provides a great opportunity for Ghanaian enterprises to expand and export to other African countries, and thus boost the country's Balance of Payment (BOP). No doubt, employment and per capita income

levels will also be boosted to help improve the quality of life of our people.

However, indulge me, to take you back to the April 2021 Konfidants Report on factors that require rapid Government attention to enable employers to take advantage of the Agreement. Konfidants recommends that issues bordering on the Cost of Credit, Cost of Power, Customs Efficiency, Productivity Capacity (i.e., Labour Quality & Skills Availability), Trade Logistics as well as Infrastructure and Connectivity deserve critical medium and long-term policy attention to place Ghana in pole position as far as competitive advantage is concerned. GEA will like to associate itself with these recommendations and call for a broader stakeholder engagement to find solutions to these nagging issues that stand to obstruct Ghana's uptake of the AfCFTA.

We also observe that local employers can only tap deeply into the vast possibilities/opportunities of the Agreement if they are offered financial support or can readily access patient capital. As indicated earlier, the Association stands ready to work in

partnership with Government, the Ministry of Trade and Industry (MOTI) and other key stakeholders to identify and support industries with high competitive advantage to enable Ghana optimize the benefits to be derived from the AfCFTA in real terms.

We also wish to add that Government develops far-reaching strategies to ensure that Ghanaian employers benefit significantly from the roll out of the proposed Pan-African Payment and Settlement System (PAPSS) by the Afrexim Bank.

Ladies and Gentlemen

I cannot end my speech without touching on the need for stability on the industrial relations landscape. It is a truism that a peaceful industrial relations climate is a potent ingredient in sustainable productivity and enterprise growth as well as national development. Concerned about the spate of rising industrial disputes in Ghana, GEA conducted a survey in October 2020 to ascertain the causes and cost of the rising labour disputes on the Labour Market.

The survey results indicated among others, that dialogue needs to be well-integrated into all levels of stakeholder engagements in our business and employment activities to contain the rising disputes. I therefore urge Employers, Labour and Government to continue to work at deepening dialogue, negotiations and consultations at all levels (i.e., bipartite and tripartite) to support enterprise progress and the overall national development of our dear country.

As Government is working assiduously to ensure that enough vaccines are procured for the vaccination of all eligible Ghanaians, GEA will like to use this opportunity to entreat all workers and their families to avail themselves of every opportunity to get vaccinated against the COVID-19 virus. We firmly believe that vaccination against the virus is the most effective and efficient way of eradicating the pandemic from the country whilst boosting the confidence of employers and workers for rapid business and economic recovery.

In conclusion, please allow me once again to thank all of our invited guests, especially, the Guest Speaker, as well as the Hon. Minister of Employment and Labour Relations, for making time to be with us in this virtual meeting. My gratitude also goes to GEA members and indeed, everyone who has joined us today on the occasion of our 61st AGM.

Thank you for your attention. God bless us all, bless our businesses, and bless our Homeland Ghana.