



Real Sector Charts – MPC March 2021

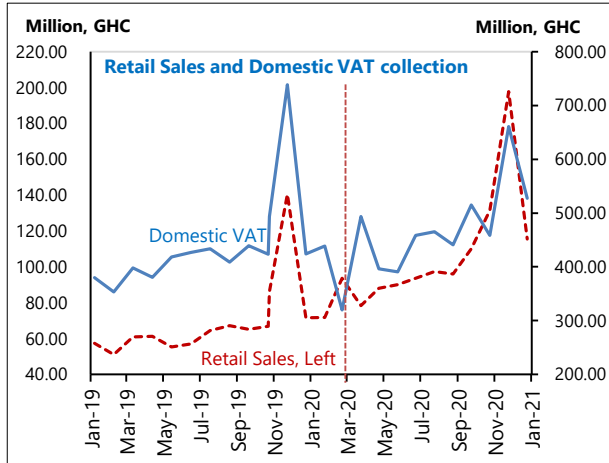
The following panel of charts provide pictorial information on how the variables in the composite index of economic activity have been impacted by the COVID-19 pandemic shock and trends following the gradual lifting of restrictions.

The Ghanaian economy is on a rebound with a sustained momentum in pick-up in economic activity. The Bank's updated Composite Index of Economic Activity (CIEA) recorded an annual growth of 13.9 percent in January 2021, the highest since December 2019, compared to 3.4 percent in the corresponding period of 2020. The key drivers of economic activity during the period were construction, imports, industrial consumption of electricity, domestic VAT, passenger arrivals at the airport, and port activity.

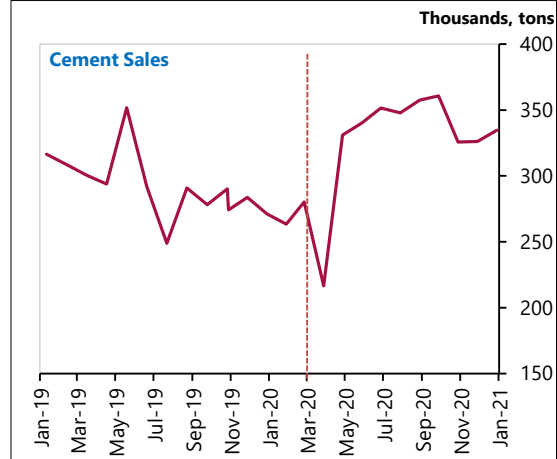
Results from the Bank's latest confidence surveys conducted in February 2021 showed some softening of both consumer and business sentiments. The softening of consumer confidence reflected heightened concerns about the potential re-imposition of restrictions following the upsurge in COVID-19 cases in the first two months of the year. Similarly, business sentiments about the general economic situation also deteriorated on concerns that re-imposition of restrictions would further have detrimental consequences on the attainment of their short-term goals. However, with the commencement of the vaccine roll out and gradual lifting of remaining restrictions, the expectation is for both business and consumer confidence to rebound.

Panel 1:
Ghana Leading Indicators of Economic Activity
Impact of COVID-19 on Real Sector Indicators

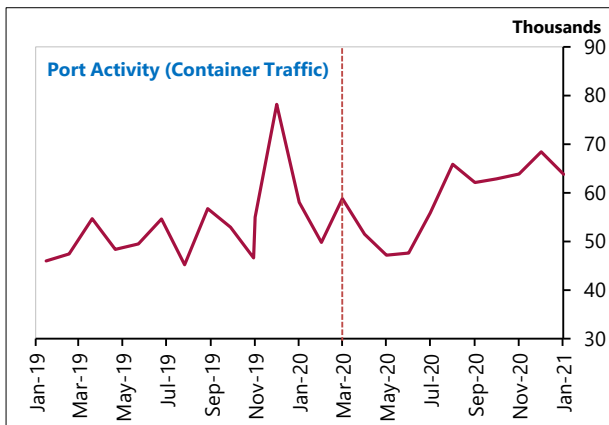
...Domestic consumption, proxied by Retail sales and domestic VAT collections, remained at pre-pandemic levels in January 2021...



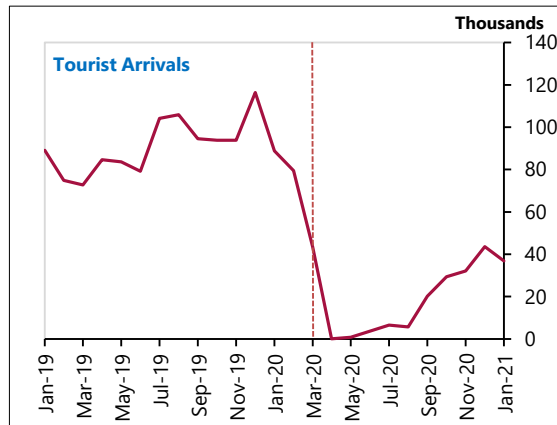
...Construction activities, proxied by cement sales, went up in January 2021...



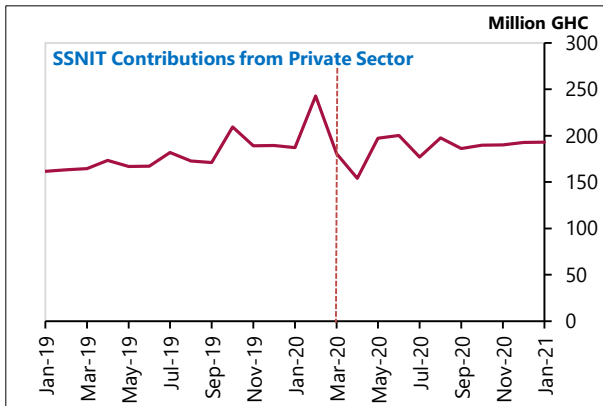
...Port activity moderated in January 2021...



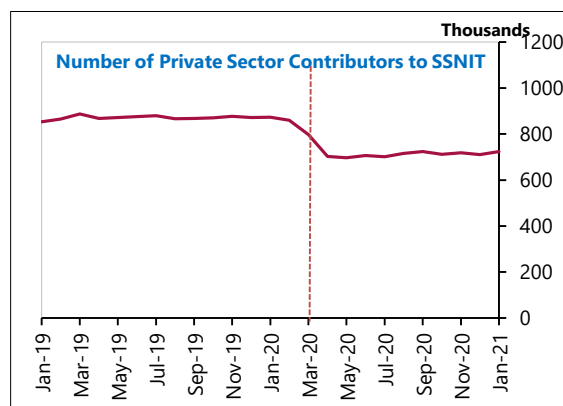
...Tourist arrivals dipped in January 2021, remaining below pre-pandemic levels...



...Labour market conditions remained tight in January 2021...



...Labour hiring conditions, proxied by the number of private sector workers contributing to SSNIT, are yet to pick up...



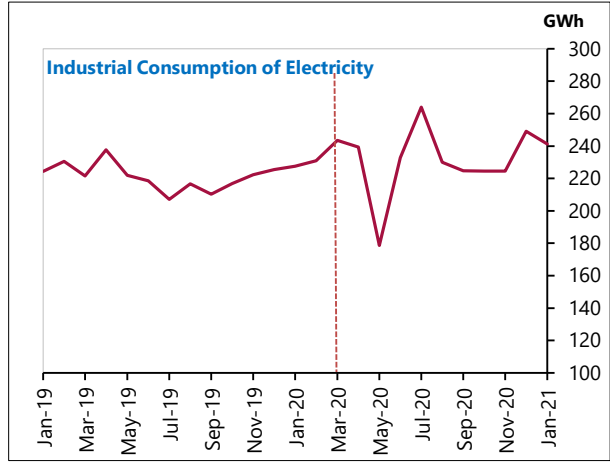
Sources: Bank of Ghana, Various Stakeholders

Panel 2:
Ghana Leading Indicators of Economic Activity
Impact of COVID-19 on Real Sector Indicators

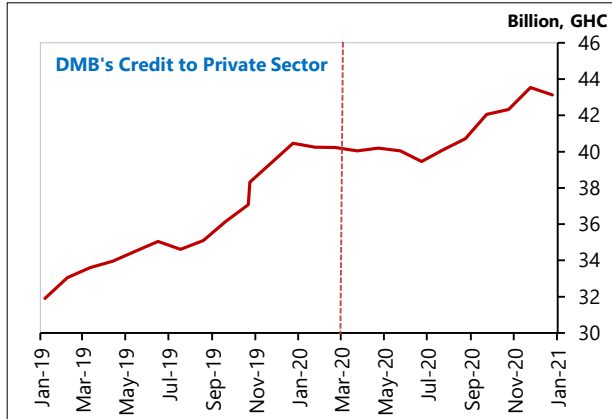
...Exports and imports improved in January 2021...



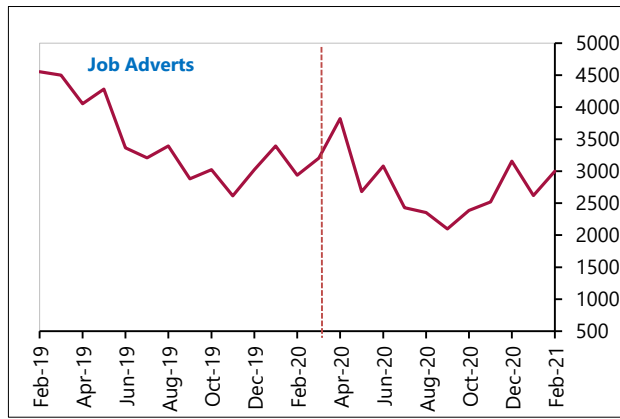
...Industrial activity, proxied by industrial consumption of electricity, dipped...



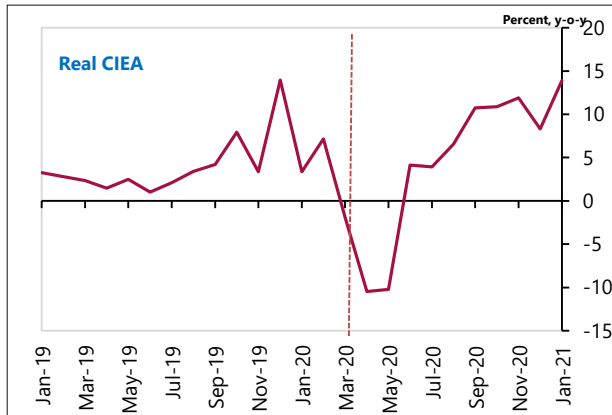
...Commercial banks' credit to the private sector declined slightly in January 2021...



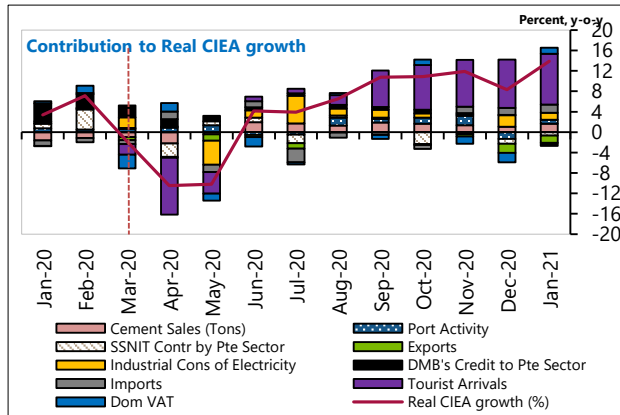
...Demand for labour, proxied by the number of job adverts (in print and online media), increased in February 2021...



...On a year-on-year basis, the real CIEA grew by 13.9 percent, showing signs of a sustained recovery from the impact of the COVID-19 pandemic. Economic activity contracted by 1.9 percent, 10.5 percent and 10.2 percent in March, April and May 2020 respectively, before beginning to rebound in June 2020....



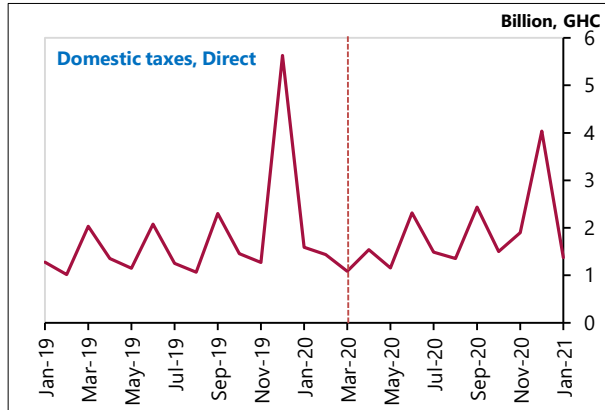
...The growth in the real CIEA was mainly driven by a pick-up in Tourist Arrivals, Cement Sales, Imports, Industrial Consumption of Electricity, Domestic VAT and Port Activity...



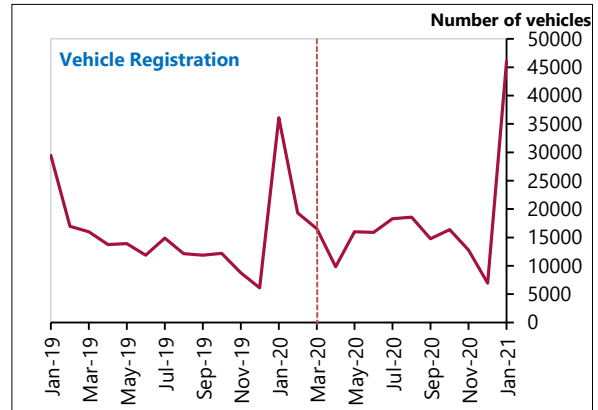
Source: Bank of Ghana, Various Stakeholders

**Panel 3:
Ghana Leading Indicators of Economic Activity
Impact of COVID-19 on Real Sector Indicators**

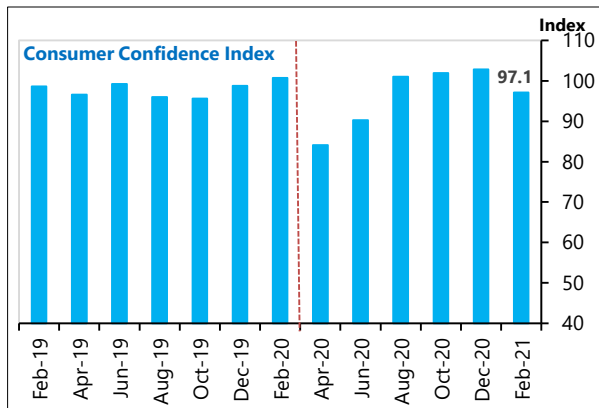
...Domestic tax collection declined in January 2021...



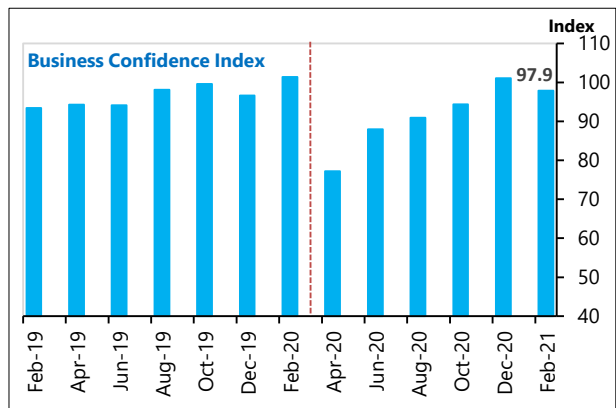
...Vehicle registration increased significantly in January 2021...



...Consumer confidence softened reflecting heightened concerns about the potential re-imposition of restrictions following the upsurge in COVID-19 cases...



...Business sentiments about the general economic situation deteriorated on concerns that re-imposition of restrictions would have detrimental consequences on the attainment of short-term goals...



Source: Bank of Ghana, Various Stakeholders