



## ***Real Sector Charts – MPC July 2021***

*The 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 how these indicators are recovering following the gradual lifting of partial restrictions which began in May 2020.*

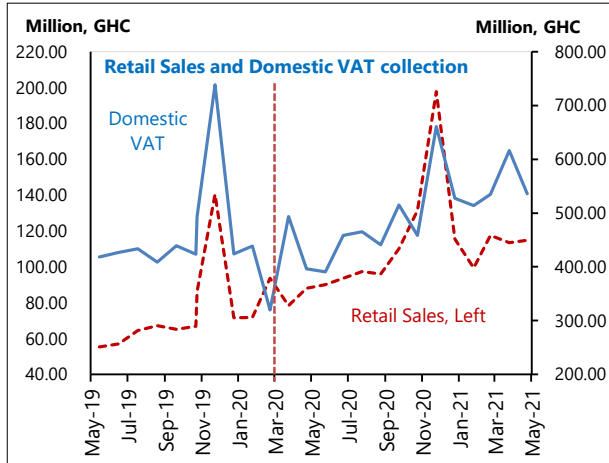
*The Ghana Statistical Service reported an estimated GDP growth of 3.1 percent for the first quarter of 2021, yet another sign of strong recovery from the impact of the pandemic, even though still lower than the pre-pandemic growth of 7.0 percent recorded for the first quarter of 2020. Non-oil GDP grew at 4.6 percent, from 7.9 percent growth in the same comparative period.*

*Beyond the first quarter GDP outturn, high frequency economic indicators for the second quarter of the year point to a sharp pickup in economic activity relative to last year. The Bank's updated Composite Index of Economic Activity (CIEA) recorded a strong annual growth of 33.1 percent in May 2021, relative to the contraction of 10.2 percent recorded in the corresponding period of 2020. The sharp increase broadly reflects some base-drift effects as well as improvement in industrial production activities, domestic consumption, pick up in import activities, steady rise in construction activities and a rise in air-passenger arrivals, during the period.*

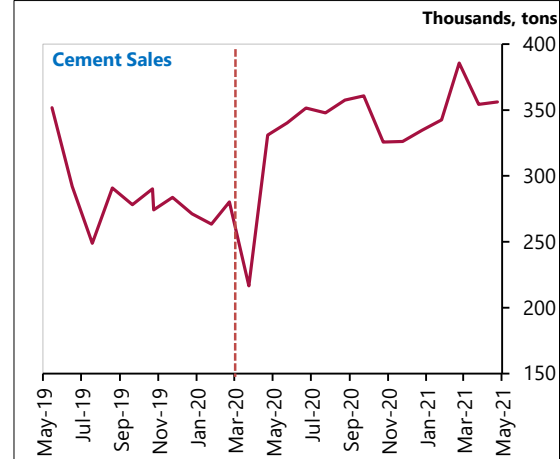
*The latest confidence surveys by the Bank of Ghana reflected mixed sentiments. Consumer sentiments softened on the back of a variety of factors including the implementation of the recently announced revenue measures contained in the 2021 Budget, while business sentiments remained somewhat broadly unchanged due to expectations of improvement in company growth prospects.*

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

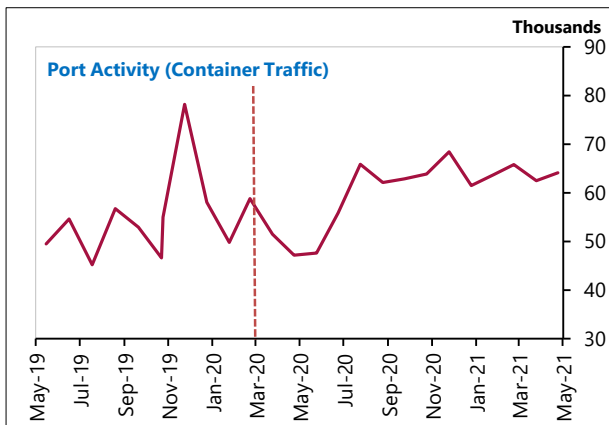
...Retail sales increased marginally while domestic VAT collections declined in May 2021...



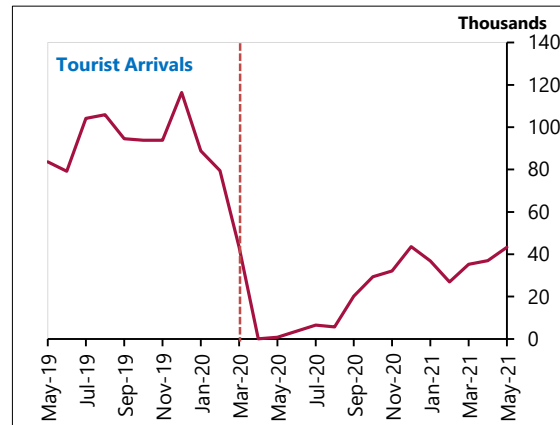
...Construction activities, proxied by cement sales, inched up in May 2021...



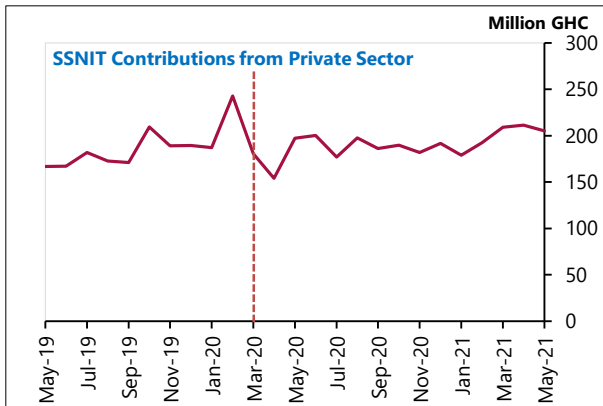
...Port activity increased in May 2021...



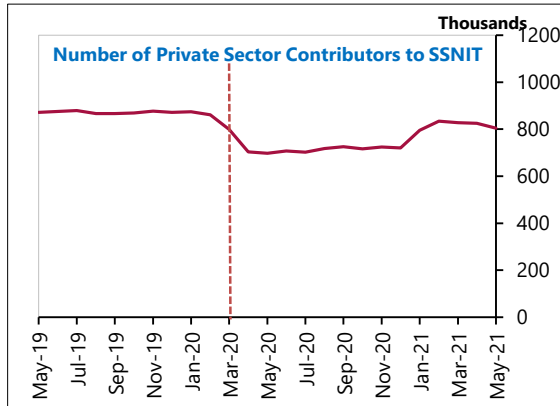
...Tourist arrivals went up in May 2021, but remains below pre-pandemic levels...



...Labour market conditions softened in May 2021...



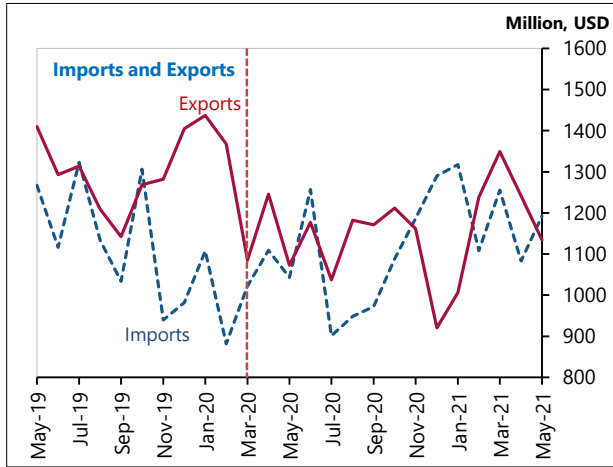
...Labour hiring conditions, proxied by the number of private sector workers contributing to SSNIT, are yet to pick up...



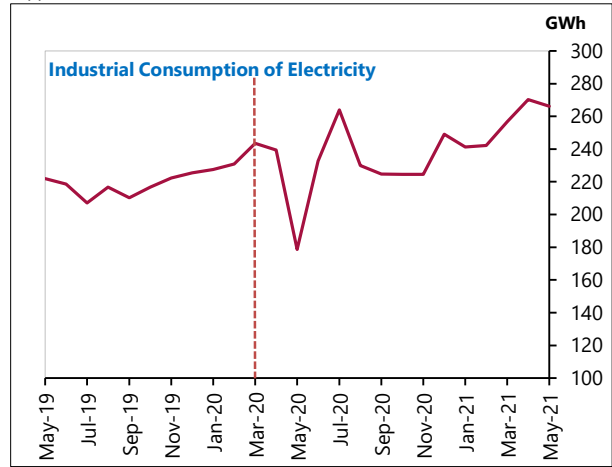
Sources: Bank of Ghana, Various Stakeholders

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

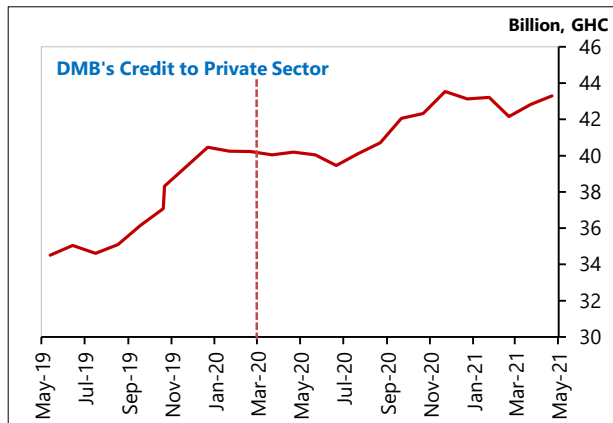
...Unlike exports, imports picked up in May 2021...



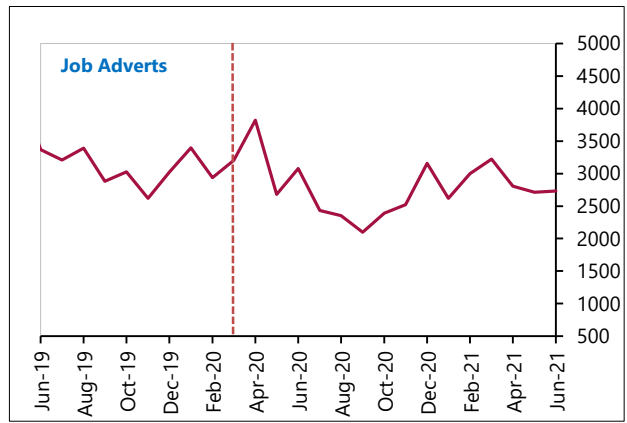
...Industrial activity, proxied by industrial consumption of electricity, dipped...



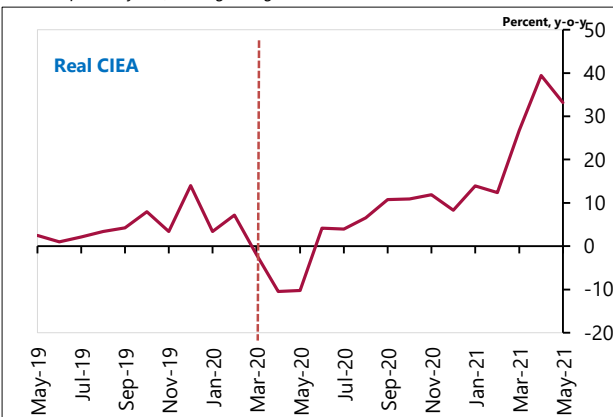
...Commercial banks' credit to the private sector improved in May 2021...



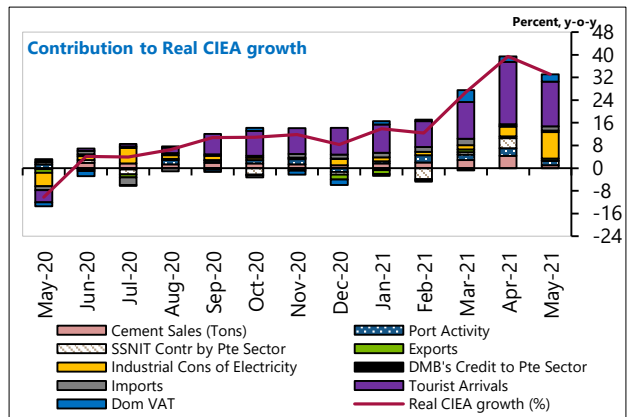
...Demand for labour, proxied by the number of job adverts (in print and online media), remained flat in June 2021...



...On a year-on-year basis, the real CIEA grew by 33.1 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...



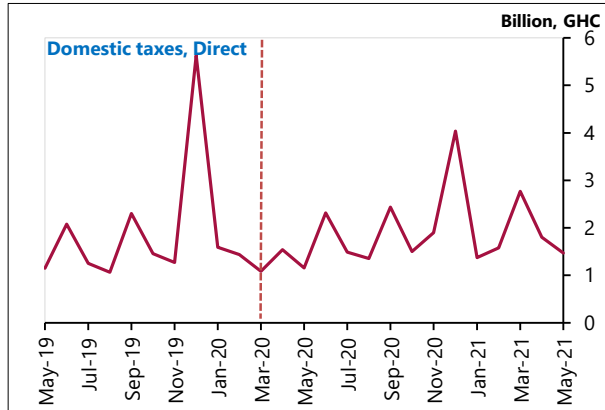
...The growth in the real CIEA was mainly driven by a pick-up in Tourist Arrivals, Industrial Consumption of Electricity, Domestic VAT, Imports, Port Activity, Cement Sales, Exports and DMB's Credit to the Private Sector...



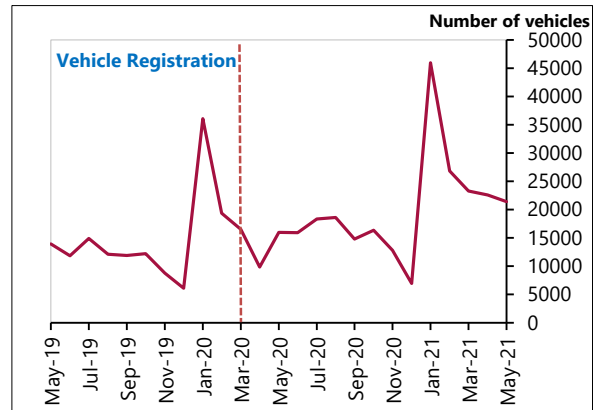
Source: Bank of Ghana, Various Stakeholders

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

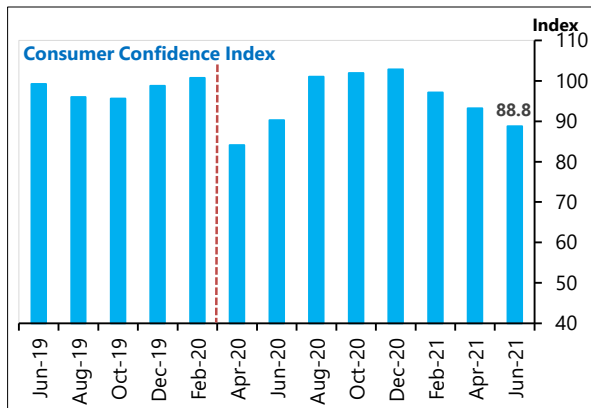
...Domestic tax collection declined in May 2021...



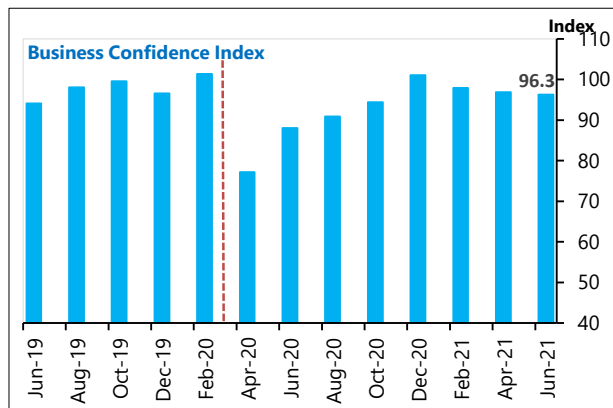
...Vehicle registration dipped in May 2021...



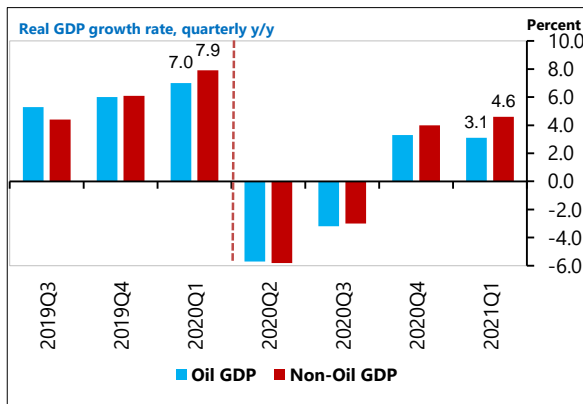
...Consumer confidence softened on the back of a variety of factors including the implementation of the recently announced revenue measures contained in the 2021 Budget...



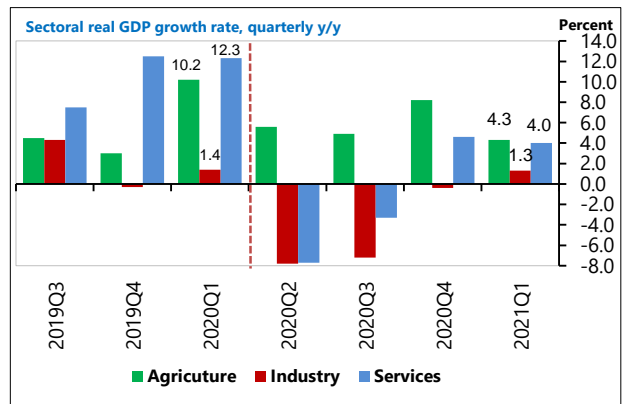
...Business confidence remained somewhat broadly unchanged due to expectations of improvement in company growth prospects...



...Real Oil and Non-Oil GDP grew by 3.1 percent and 4.6 percent respectively in 2021Q1, compared with the pre-pandemic growth rates of 7.0 percent and 7.9 percent respectively in the corresponding period of 2020...



...The Agriculture and Services sectors drove growth in 2021Q1, with growth rates of 4.3 percent and 4.0 percent respectively...



Source: Bank of Ghana, Various Stakeholders