



**Second Anniversary Celebration of the Association of
Ghana Industries' Women in Business Initiative on the
Theme, "Women-Led Businesses: Exploring Finance
Channels and Market Access for Growth"**

**Key Note Address Delivered by Mrs. Elsie Addo Awadzi, Second
Deputy Governor, Bank of Ghana**

9th December 2021

Her Excellency Madam Kati Csaba, Canadian High Commissioner to Ghana
Madam Grace Amey Obeng, Chairperson, Association of Ghana Industries' Women in Business Initiative
Dr. Humphrey Darkey, President Elect, Association of Ghana Industries
Chief Executive Officer and Members of Council, Association of Ghana Industries
Madam Kosi Yankey Ayeh, Chief Executive Officer, Ghana Enterprises Agency
Invited Guests, Distinguished Ladies and Gentlemen

I am honoured to join you today as Guest Speaker to commemorate the 2nd anniversary of the AGI-Women in Business initiative.

AGI-Women in Business provides a platform to promote women-owned and women-managed businesses and to influence government policies that enhance their contribution to socio-economic development. Today's celebration aims to highlight their successes as well as the challenges these businesses face.

I applaud the AGI for the Women in Business initiative under the able leadership of its indefatigable Chairperson, Mrs. Amey Obeng. Given the significant contributions of female entrepreneurs and their businesses to Ghana's socio-economic journey over the decades, it is only befitting that we shine the spotlight on them and collectively find ways to support them to contribute their full quota to national development.

I pay tribute to Ghanaian female entrepreneurs like the late Dr. Esther Ocloo of Nkulenu fame whose work to establish the AGI several decades ago continues to bear great fruit for our nation. Indeed, women are often the unsung heroes in our national discourse. Our great grandmothers, grandmothers, mothers, sisters, and many of us have been entrepreneurs at one time or the other producing critical goods and services for our people. Indeed, I would argue that entrepreneurship comes naturally to women and is perhaps second nature to women. In addition to full time female entrepreneurs, many women in formal employment also tend to get involved in one small business or the other to help supplement household income and to improve their financial standing.

According to the World Bank, forty-four percent of micro, small, and medium enterprises (MSMEs) in Ghana are female-owned, and this sector accounts for about 92 percent of all businesses and contributes about 70 percent of Ghana's GDP. More recent data shows that Ghana's private sector is dominated by women entrepreneurs, second only to Uganda, according to the 2019 MasterCard Index of Women Entrepreneurs.

Women entrepreneurs and the businesses they own and lead, however, face serious challenges. Data suggests that these businesses tend to remain smaller and less profitable than those owned by men, owing in part to limited access to business support services, markets, and finance.

Goldman Sachs estimates that 70 percent of women-owned formal SMEs are unserved or underserved in terms of access to credit, amounting to a US\$285 billion credit gap, and closing this credit gap in developing countries could lead to a 12 percent increase in per-capita GDP by 2030. According to an African Development Bank report on Affirmative Finance

Action for Women in Africa, there is an estimated US\$42 billion financing gap for African women entrepreneurs across business value chains, and only 16-20 percent of women in Sub-Saharan Africa are able to access long-term financing from formal financial institutions. Here in Ghana, female entrepreneurs are eight percent times less likely than men to access the kind of capital and other financial services and products that they need to start or scale up their businesses, according to the World Bank's 2017 Global Findex Survey.

What is more, the economic shock from the COVID-19 pandemic has impacted women-owned and women-led businesses disproportionately, given that many female entrepreneurs operate in the informal sector or in the MSME sector. For some of these, their businesses remain closed or struggle to regain lost markets and opportunities.

Our theme for today's celebration, "Women-Led Businesses: Exploring Finance Channels and Market Access for Growth", is therefore timely. As I mentioned earlier in my remarks, limited market access and limited access to finance remain some of the key challenges for all stages of businesses owned by women in Ghana. The good news is that there are growing opportunities to address these bottlenecks that limit women-owned and women-led businesses, and I will shed some light on these.

Market access for Ghanaian businesses continues to expand although the participation of female entrepreneurs in some of Ghana's fast-growing economic sectors such as technology remains marginal. Beyond Ghana, there is great potential for women to harness the benefits of the AfCFTA which creates a single Africa market, as well as many other opportunities beyond Africa, thanks to technology and e-commerce platforms among others. These market opportunities offer hope to women-owned and women-led businesses in Ghana to scale up and to compete with their peers abroad.

To address the limited access to finance challenge, a lot is required both on the side of female entrepreneurs and their businesses on one hand, and financial institutions on the other. On the demand side, female entrepreneurs must understand various financing options such as bank financing, and financing by specialised deposit-taking institutions (SDIs) such as savings and loans companies, finance houses, micro finance companies, and rural and community banks who tend to focus on MSMEs. The Bank of Ghana has put in place mechanisms to support the delivery of credit on a sustainable basis to businesses, including women-owned MSMEs. These include a credit bureau-based reporting system that ensures that banks and other licensed lenders report on credit behaviour (prompt loan repayments as well as defaults) on all borrowers, and that creditors check on borrowers' credit behaviour before they make credit decisions on loan applications. Responsible borrowers therefore stand a better chance to access more loans and at reasonable interest rates as their credit risk will be lower. Also the Bank of Ghana's Collateral Registry registers all collateral (over movable and immovable assets) provided by borrowers to licensed creditors and facilitates the delivery of credit to borrowers (especially women) who might not have access to immovable asset collateral.

While banks and SDIs continue to expand their client base and lend to more businesses, including women-owned and women-led businesses, it is important to stress that bank and SDI financing which is loan-based, isn't the only type of funding available for businesses and indeed may not always be ideal for a business depending on its stage and its needs.

Sometimes, longer-term and more patient forms of capital may be more appropriate for a business in lieu of or in addition to bank or SDI loans. Such alternative sources of funding include venture capital and private equity financing, equity and bond financing from the stock market (which includes the Ghana Stock Exchange's Alternative Market and Ghana Fixed Income Market), finance leasing and hire purchase, all of which are available in Ghana today. For example, Camelot Ghana Limited, a Ghanaian business owned by the renowned business stalwart, Mrs. Elizabeth Villars, took the bold step to list on the Ghana Stock Exchange (GSE) in 1999 to raise long-term equity capital to grow its business. Since then, the GSE has further relaxed entry requirements for small businesses that would like to list their equities to seek funding from the public.

Finding and accessing the right financing at the right time is critical for business survival and growth, and women-owned entrepreneurs must fully understand all options available to them and the requirements for accessibility, including good governance, good financial management, and compliance with regulatory and technical standards, among others.

Furthermore, women entrepreneurs and business leaders must overcome their risk aversion for seeking financing from the financial market, and confidently take advantage of opportunities that exist to tap into appropriate sources of financing for their businesses. For example, it turns out that while women entrepreneurs tend to be more prudent and responsible borrowers and actually tend to pay back their loans and on time, they are often afraid to borrow the amounts of money their businesses need even when they can afford to pay back. When women do not ask enough for financial support, they do not receive what their businesses need, and this hampers the growth and survival of their businesses.

On the part of banks, SDIs, other financial services providers, there is the need to understand the women market to specifically tailor products that work for them. Women entrepreneurs form a significant and viable unique market that needs to be understood and serviced to the benefit of all.

Given the critical role of women-owned and women-led businesses in our socio-economic development, our entire nation stands to gain significantly by equipping these businesses to scale up with good business practices, technology and technical support, and access to finance. By supporting women-owned and women-led businesses, we would be positioning our economy to grow on a sustainable basis. In addition to access to finance, programmes that provide networking, mentoring and coaching opportunities for women are needed to provided them with world-class business and entrepreneurial skills, which will go a long way to help them access the Africa market and beyond and build competitive and sustainable businesses.

This, therefore, requires broad stakeholder cooperation to develop interventions that support women-owned and women-led businesses. Empowering women should not be a charitable cause that one occasionally looks at to do some good. It should be at the heart of corporate strategies and macroeconomic policy.

On its part, the Bank of Ghana continues to do its best within its statutory mandate to promote price stability and financial stability, all of which are key ingredients for the development of strong viable business. Thanks to necessary and difficult reforms undertaken

by the Bank of Ghana before the COVID-19 pandemic, and policy and regulatory reliefs it announced at the onset of the pandemic, the banking sector in Ghana has played a critical role in helping to mute the effects of the pandemic on our real sector. Among other things, banks, savings and loans companies, finance houses, microfinance companies, and rural and community banks were able to restructure loans and suspend loan repayments for customers who were negatively impacted by the pandemic. Banks provided new loans in the total amount of GHC 27,850,500,963.01 from March to December 2020 to sectors of the economy like the pharmaceuticals industry and the textiles and garments industry that produced PPEs that were critical in helping to fight the pandemic, and helped to accelerate the recovery of our economy from the initial downturn.

The Bank of Ghana expects banks and SDIs to continue in their efforts to support a strong recovery of the Ghanaian economy through reasonably-priced credit delivered in a prudent manner. Banks must promote gender equity in their lending and other operations and help support the transition to a greener economy, guided by the Sustainable Banking Principles launched in November 2019 by the Bank of Ghana, the Ghana Association of Bankers, and the Environmental Protection Agency. We expect banks to deploy technology and strategic partnerships to promote access to finance for all segments of our economy, including women-owned businesses, through innovative products, services, and delivery channels. Women-owned and women-led businesses must also embrace digital financial services provided by banks to help formalise payments for their goods and services so as to help them build the relevant banking history needed to access critical financing for their businesses.

The Bank of Ghana remains committed to promoting a policy and regulatory environment that supports inclusive and broad-based economic growth where all economic actors including women entrepreneurs, are able to innovate and access appropriate forms of financing and at cost-effective rates to help launch, grow, and sustain their businesses.

Congratulations to the AGI-Women in Business initiative. On your second anniversary, you are only just starting and your work is cut out for you in the area of advocacy, providing dialogue opportunities for awareness creation for all stakeholders, and supporting your members to step up to opportunities available as you help to promote more opportunities for women-owned and women-led businesses.

On this note, I wish you the very best in your efforts. Long live female entrepreneurs in Ghana and their businesses, long live the AGI, and may Almighty God bless our dear nation Ghana and bless us all!

Thank you for your attention!