Workshop on Supporting SMEs to (Sustainable) Global Value Chains

Organized by
Ghana Association of Banks (GAB) in collaboration with Afreximbank, Trade and Development Bank (TDB), and African Development Bank (AfDB)

Keynote Address

by

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Introduction

Distinguished ladies and gentlemen,
Representatives of the Ghana Association of Banks, Afreximbank, the African Development Bank, the Trade and Development Bank, policymakers, development partners, and captains of our private sector,

It is a privilege to join you this morning for this important workshop. I thank the Ghana Association of Banks and its partners for convening us around the timely theme: *Supporting SMEs to Sustainable Global Value Chains*.

Ghana is emerging from a period of macroeconomic turbulence with encouraging stability. Disinflation is taking hold, reserves have strengthened, and investor confidence is returning. This creates the foundation on which our SMEs must now thrive.

Across the world, SMEs are the backbone of economies, representing about 90% of businesses and over half of global employment. In emerging markets, they contribute up to 40% of GDP. Yet access to finance remains a major constraint. The World Bank and IFC estimate a financing gap of up to $8 trillion globally for MSMEs. That is not just about missed loans, it's about lost innovation, jobs, and exports.

This is where global value chains matter. Nearly half of world trade flows through GVCs. For Ghana, integrating our SMEs into these networks is not a peripheral ambition – it is central to building higher incomes, decent jobs, and greater resilience.

Today, I want to reflect on how we can help our SMEs move from survival to competitiveness, by entering global value chains, by building the right support systems, and by ensuring our financial architecture is aligned with this goal.

Moving SMEs into Global Value Chains

The question before us is simple: how do we move Ghana's SMEs from the margins of local markets into the heart of global production systems?

Despite their economic importance, our SMEs remain underrepresented in international trade. Few are exporters, and fewer still are integrated into structured supply chains in agribusiness, manufacturing, digital services, or the green economy.

The logic of global value chains is clear: prosperity comes from plugging into broader networks where firms specialize, scale, and compete globally. SMEs that succeed in this space gain access to larger demand, better standards, and financing opportunities.

Many countries have shown how this can be done.

- **Chile** paired capability-building with long-term anchor contracts to boost SME productivity.
- **Malaysia** developed competitive electronics clusters by linking SMEs, multinationals, and research institutions.

- **Morocco's** auto sector leveraged supplier development policies to connect local firms to global OEMs.

In Ghana, the barriers are well known: lack of affordable finance, difficulty meeting export standards, fragmented logistics, and currency volatility. These structural hurdles demand deliberate policy responses.

That is why we must also **think regionally and locally**.

Local value chains, such as those in supermarket supply networks, telecoms, pharmaceuticals, and logistics, offer SMEs structured relationships, volume-based demand, and opportunities to scale incrementally. These linkages are often the first step to building operational capacity and formalization.

Regional value chains, particularly under the African Continental Free Trade Area, provide a powerful platform for Ghanaian SMEs to expand beyond national borders while still operating within familiar regulatory and logistical environments. Sectors like agro-processing, textiles, light manufacturing, and digital services offer immediate potential. Regional markets come with more flexible standards, faster learning cycles, and lower compliance thresholds than global markets, making them the most pragmatic training ground for global competitiveness.

Colleagues, the path to global value chains starts at home. If we are serious about transforming Ghanaian SMEs into global players, we must invest first in domestic capability, scale them through regional ecosystems, and then project them outward. That journey begins with deliberate policy, collaboration with banks and anchor firms, and the right enabling infrastructure

Yet even within regional and domestic markets, the bar is rising. Buyers are increasingly demanding evidence of sustainable practices, whether in emissions, traceability, or ethical sourcing. For Ghanaian SMEs, staying competitive will depend not only on productivity and quality, but also on their ability to meet these evolving standards. And this shift is not just a regulatory challenge – it is also a **credit challenge**, and therefore a **banking challenge**.

What Banks Can Do to Assist

Distinguished participants,

If we want our SMEs to scale and integrate into sustainable value chains, then our banks must be at the centre of this effort. Finance remains the oxygen of enterprise.

So what can our banks do differently?

First, move beyond collateral-based lending. Many SMEs lack fixed assets, but models like cash-flow lending, purchase-order finance, and supply-chain finance have proven effective elsewhere. In Asia and Latin America, SMEs leverage anchor buyers' creditworthiness to access lower-cost working capital. Ghanaian banks can do the same – especially for sectors like cocoa, agro-processing, and manufacturing.

Second, make better use of risk-sharing tools. In Rwanda, well-governed partial credit guarantees unlocked SME lending and drove job creation. In Ghana, tools like GIRSAL must be more actively deployed, with stronger transparency and governance to build lender confidence.

Third, partner with development finance institutions. DFIs like Afreximbank and the AfDB are already offering blended finance and trade lines. In Bangladesh, such arrangements helped the garment sector scale rapidly. Ghana can draw on similar innovations – especially in light manufacturing and pharmaceuticals.

Fourth, embrace digital rails. Tools like e-invoicing, digital payments, and electronic trade documentation reduce friction, improve trust, and allow banks to monitor SME performance in real time. Fintech partnerships are making this possible across Africa and beyond.

Finally, provide more than capital, provide knowledge. Many SMEs struggle to meet export, documentation, or sustainability standards. Banks can bundle financing with advisory services, supporting clients in certification, traceability, and carbon reporting. In Kenya, commercial banks already do this for horticulture exporters. Ghanaian banks must follow suit.

What the Bank of Ghana is Doing to Support the Role of Banks

Distinguished colleagues,

As we challenge our banks to innovate in support of SMEs, let me also underscore the measures the Bank of Ghana has taken, and continues to take to create the enabling environment and a strong financial foundation.

First, financial sector reforms. Over the past few months, we have worked deliberately to strengthen bank capital, improve supervisory frameworks, and enhance risk management. These reforms were not always easy, but they were necessary. Today, Ghana's banking system is more resilient, better capitalized, and more capable of absorbing shocks. This resilience is what enables banks to take on the calculated risks required to support SMEs.

Second, innovation and digital finance. The Bank of Ghana's regulatory framework supports digital financial services and expands inclusive finance rails. Mobile money, interoperable payments, and e-wallet services are not just conveniences, they are the digital infrastructure that allows SMEs to transact, to build track records, and to access formal finance. We are now moving further to design guidelines for open banking and virtual asset service providers, ensuring that our financial system remains modern, secure, and innovation-friendly.

Third, credit infrastructure. To address the structural barriers that have long undermined SME lending, we have strengthened the ecosystem around credit information. Ghana now has active credit bureaus, a functional Collateral Registry, and ongoing reforms aimed at reducing non-performing loans. These tools give banks the data they need to lend based on risk, not just on collateral.

Fourth, collaboration through the Financial Stability Council. Recognizing that financial stability is a shared responsibility, the Bank of Ghana has worked with government and other regulators to establish the Financial Stability Council. This platform allows us to monitor risks collectively, to coordinate responses, and to safeguard the integrity of the system. When stability is assured, banks can confidently extend their intermediation role to SMEs and the wider economy.

Finally, green and transition finance. We are also encouraging banks to align with global trends in climate-conscious finance. Across the OECD, financial institutions are already integrating climate considerations into SME lending – through green loans, credit guarantees, and tailored advisory services. Ghana cannot afford to lag behind. As sustainability becomes a prerequisite for global market access, we are promoting financial products that enable SMEs to adopt energy-efficient technologies, meet international certifications, and integrate into sustainable value chains.

Distinguished guests, these measures reflect our conviction that a strong, modern, and inclusive banking system is indispensable for SME growth.

What Our Recent Forex Market Reforms Seek to Achieve

Distinguished ladies and gentlemen,

No discussion on SME competitiveness and value chains is complete without addressing the foreign exchange market. For SMEs importing machinery, exporting goods, or planning investments, FX stability and transparency shape pricing, determine competitiveness, and often decide whether a business survives.

That is why the Bank of Ghana has implemented a new wave of FX reforms. These are not just technical changes – they are about building a fairer, more predictable market that serves the real economy.

First, we are deepening transparency and interbank activity. For too long, the FX market relied heavily on central bank support and was dominated by informal, cash-based transactions. This encouraged speculation and distorted price discovery. By enhancing interbank trading, enforcing reporting requirements, and improving transparency, we aim to ensure that exchange rates reflect real supply and demand. For SMEs, this means less volatility and greater confidence when pricing exports or securing inputs.

Second, we are curbing speculative and cash-driven demand. Excess pressure from large cash withdrawals and over-the-counter deals made the market harder to monitor and more prone to instability. Our updated guidelines on large transactions – together with strengthened AML and KYC rules – are shifting flows into formal channels. This protects the market's integrity and ensures FX is available for genuine trade and productive uses.

Third, we are supporting SMEs with more predictable access to FX. Through clearer FX auction mechanisms, businesses will be able to plan with greater certainty. Countries like Nigeria have seen benefits from similar liberalization. Ghana's approach is context-specific but anchored in the same principle: a rules-based, transparent FX market supports trade, investment, and sustainable growth.

Fourth, our reforms are aligned with a broader dedollarisation agenda. Ghana, like many African economies, has long been exposed to currency mismatches – businesses transacting in dollars but earning in cedis. By promoting cedi-based instruments, encouraging cedi-denominated trade products, and tightening discipline around foreign currency usage, we aim to build a system where SMEs can confidently transact in their own currency.

Finally, all of this is anchored in a commitment to stability. FX stability is not a luxury – it is a prerequisite for investment and competitiveness. Ghana's external position improved notably in the first half of 2025, with reserves strengthening and the cedi appreciating significantly. The recent modest depreciation reflects the market adjusting to reforms and seasonal trade patterns – not a reversal. We expect continued interbank activity and fiscal discipline to restore balance and reinforce long-term stability.

Distinguished guests, the purpose of these reforms is not simply to defend the cedi. It is to equip Ghanaian enterprises, especially SMEs, with a transparent, predictable FX environment that enables them to compete confidently in regional and global markets.

Conclusion

Distinguished ladies and gentlemen,

Ghana's future competitiveness will depend on how effectively we empower our SMEs. They are not peripheral actors, they are the engines of jobs, innovation, and inclusive growth. But to fully play this role, they must be integrated into regional and global value chains, where standards are higher, but the rewards are greater.

To our banks, I urge you to reimagine SME finance. Move beyond traditional collateral-based lending and embrace innovative approaches, including supply-chain finance, risk-sharing tools, and partnerships with development finance institutions. Our SMEs are not risky outliers; they are the future growth drivers of your portfolios.

To our SMEs, I encourage you to embrace formalization, digitization, and global standards. Compliance is no longer just a regulatory requirement, it is your passport to larger, more profitable markets. With inflation declining, the cedi more stable, and reserves improving, the conditions are now right to grow with confidence.

To our development partners and policymakers, we ask that you continue to walk this journey with us. Let us deepen trade facilitation, support supplier development, and invest in the digital and financial infrastructure that will allow our entrepreneurs to thrive.

At the Bank of Ghana, we will continue to play our part. We will safeguard macroeconomic stability, strengthen the financial system, and build the digital and regulatory rails that make inclusive growth possible.

If we succeed in enabling Ghanaian SMEs to step into global value chains, we will not only transform enterprises, but transform lives, create decent jobs, and build lasting prosperity.

I thank you for your kind attention.