

Location Spotlight – Ghana

August 2021: Complimentary Abstract / Table of Contents



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This report provides perspectives on key aspects of the global sourcing market in Ghana

Location Spotlight – Ghana

Ghana | at a glance



Emerging location in Sub-Saharan Africa offering an attractive talent-cost proposition; mainly leveraged for domestic/regional delivery

KEY FACTOIDS

124,000-128,000 annual tertiary graduates

Annual operating cost per FTE

80-90% savings over tier-2 US (Dallas)

75-85% savings over tier-2 UK (Croydon)

Current overview

- Both service providers and GBS organizations leverage Ghana for voice and non-voice-based services (contact center, F&A, HR); a few instances of IT services delivery (largely technical helpdesk support)
- Ghana's domestic BPS market size¹ stands at US\$100-150 million; small, yet growing component for global services delivery
- Offers a lucrative opportunity to support scaled operations for transactional non-voice business processes

Key drivers

- Excellent cost proposition, i.e., 75-85% arbitrage over source locations such as the US and the UK and 6-10% lower costs than peer locations such as Kenya and Nigeria
- The Ghanaian cedi is expected to face further depreciation, over ~20%, making it more favorable from a cost standpoint
- Availability of high-quality entry-level talent driven by the presence of multiple universities
- Multiple government incentives such as relaxation in corporate income tax rates, tax allowances, benefits on operating in free zones, and location incentives

Key challenges

- Low market maturity for global services is likely to pose concerns for rapid scaling up of operations
- Some concerns around macroeconomic stability as fiscal pressures and dependency on exports remain high
- Infrastructure quality is lower than EU standards and will require up-front dedicated investment

KEY COMPANIES:

¹ As of 2020; reflects the total domestic BPO business opportunity size aggregated across all industries and functions (i.e., voice and non-voice BPS)

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Location Spotlight – Ghana

Ghana | risk profile (page 1 of 2)

Stable geopolitical environment; however, some challenges around macroeconomic stability and underdeveloped infrastructure

Highly favorable

Favorable, some concerns

Least favorable

Parameter	Everest Group rating	Comments
Geopolitical		<ul style="list-style-type: none">Ghana ranks 75 among 180 countries in the Corruption Perception Index 2020 making it a moderately corrupt country; however, it has made advances in tackling corruption to improve the business operating environment, and its ranking has improved by almost 7% since 2019Ghana Ranks 59 out of 167 countries in the Democracy Index 2020 compiled by the Economist Intelligence Unit (EIU) and has been labeled a flawed democracyWith a score of 64.2, Ghana ranks 108 of 178 countries on the Fragile State Index and is listed under the Warning category
Macroeconomic		<ul style="list-style-type: none">Standard & Poor raised the credit outlook for Ghana from stable to positive, citing progress in the implementation of the IMF reforms aimed to improve its economy while Moody's rated Ghana as B3, with a negative outlookGhana's inflation rate fell to 8.5% in April 2021 from 10.3% in the previous month, the lowest inflation rate since March of 2020; the Ghana cedi ended 2020 with a depreciation rate of 3.93% compared to the US dollar, making it one of the best performing currencies in Sub-Saharan Africa and setting a favorable entry into 2021Fiscal pressures remain high due to rising public debt and persistent revenue challenges that could negatively impact economic growth; in Sub-Saharan Africa, Zambia, and Congo Republic are the only two countries that will record debt levels worse than GhanaGhana's economy is dependent on exports, especially commodities, making it vulnerable to sharp drops in commodity prices and changes in global trade conditions
Infrastructure		<ul style="list-style-type: none">Ghana ranks 113 among 167 regions on market access and infrastructure as rated by the Legatum Prosperity Index 2020Ghana faces challenges related to quality of road infrastructure, efficiency of rail and air transport services, electric supply quality, and access to safe drinking water, among othersGhana ranks 98 out of 134 countries in the Network Readiness Index 2020 signifying a poor telecom and network infrastructure presence in the country

Source: Everest Group (2021); inputs from recruitment firms, market stakeholders, and investment agencies

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Research calendar

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Locations Spotlight – Coimbatore, India	January 2021
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Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Risk Watch	March 2021
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Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Key Trends Shaping the Landscape	Q3 2021
Global Locations State of the Market 2021: Embracing Uncertainties in a Disrupted World Locations PEAK Matrix®	Q3 2021

Thematic reports

	Release date
Leading European Locations for Global Delivery of Engineering Services	October 2020
Data & Analytics Handbook – Delivery Location Strategy to Steer Through Digital Disruption	November 2020
Cybersecurity Talent Handbook – Guide to Cybersecurity Skills Across the Globe	June 2021
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