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SOCIAL MEDIA: BANDWAGON OF DIGITAL DISRUPTION

4.92 billion out of 7.6 billion people on this planet use the internet. This translates to about 53% of the world's total population, of which 42% are active social media users.

Startling statistics by any definition and hard to ignore if you are in the world of business. Gone are the days when one had to rely on print or radio to reach the business population. In this current climate, we are quite often met with a flood of information at dawn before we have had a chance to glance at a newspaper headline. Information is digested on-the-go on our mobile phones amongst other devices, at a click of a button.

For businesses in Ghana and around the world, the world is quite literally your market irrespective of size or target. Ghana has the highest mobile penetration rate in Africa with 34.7% ahead of Nigeria. According to the Bank of Ghana, the

mobile transactions growth rate was 119% from 2016 to 2017, accounting for GHS109 billion by the end of the 3rd Quarter of 2017.

These statistics are in line with the Government of Ghana's Integrated ICT-Led Socio-Economic Development Policy and Plan – Development Framework for Ghana (2003), which encourages the use of ICT as a social enabler to develop the education and health sectors, reduce poverty and promote better income-distribution. Following this policy, Government has further enacted the Electronic Transactions Act 2008, promoting electronic transactions and requiring the equal treatment of digital signatures; the Data Protection Act 2012, protecting individual privacy and directing the collection, use and storage of personal information by organizations; and finally, the Ghana National Cyber Security Policy and Strategy (2016), providing a framework for reducing fraud, identity theft and other

cybercrimes through regulations and technology.

Given the level of statistical and legal support, it is no wonder that several businesses within the Small and Medium Enterprises ("SMEs") are springing up on social media and taking full advantage of the opportunities it presents with astronomical results.

The key benefit of social media is the ability to humanize one's brand instantly. In an era of instant gratification, social media as a tool presents a potential goldmine for businesses who aim to reach their target audience and deliver services in record time.

The digital disruption is permanent rather than 'fleeting' and the earlier businesses jump on the bandwagon, the better.



CLIMATE CHANGE

In May 2018, Accra along with 7 other African cities pledged to reduce carbon emissions to zero by 2050. This comes hot on the heels of the C40 African Adaptation Forum hosted by the Accra Metropolitan Authority (AMA) and C40 Climate Leadership Group in December 2017, where African city leaders were given a platform to exchange ideas on how to create efficient local environments for tackling climate change. While Ghana's desire to create a cleaner economy is not new, this pledge at the municipal level is hoped to pull efforts and political resolve further to the grassroots. In equal measure, it is hoped

that this pledge will increase local opportunity for businesses that can help the city achieve its ambitious commitment. The Mayor of Accra, Mohammed Adjei Sowah, has already concluded an inventory of the city's carbon emissions and will now require solutions from multiple sectors including transportation, energy, agriculture, construction and technology. As far as political will, this means that a fertile landscape exists for companies with market interest and capability to offer mutually beneficial support.

ENERGY AND INFRASTRUCTURE UPDATE

Eni Gas Production to Reduce Cost of Electricity



ENI has started gas production from the Sankofa field in the Offshore Cape Three Point (OCTP) Integrated Oil and Gas Project. This development has been met with a degree of optimism that the production will result in a reduction in the cost of electricity to homes and factories in the coming months.

On the Government's Agenda

Two Billion dollar Sino hydro infrastructure Barter Agreement with China in exchange for refined bauxite.

Railway development project to span across Accra, Kumasi and Tema underway.

BUSINESS UPDATE

The Dawn of the GSE's new Era

In line with the Bank of Ghana's Capitalisation deadline, the Ghana Stock Exchange (GSE) is optimistic of achieving in a year what it could not achieve in its 29-year-old history. Five institutions (MTN Ghana, Access Bank, Agricultural Development Bank, Republic Bank and Societe General) have been given approval to raise a total of GHS 4.67 billion on the equity market between now and the deadline date of December 2018; almost double the amount raised on the market since 1989.

Ken Ofori Atta's 2018 Mid-Year Budget Digest

- Inflation rate reduced from 16% in 2016 to 11.8% in 2018;
- GDP improved by 8.5% from 3.7% in 2016, its lowest in 23 years;
- Foreign bonds obtained at the lowest interest rate recorded in history;
- 35% tax on personal income above GHS 10,000;

- VAT rate remains at a rate of 17.5%;
- NHIL and GETFUND have been separated from the VAT and converted to straight levies of 2.5% each;
- Annual luxury vehicle levy for vehicles with engine capacity of 3.0 litres and above;
- New tax measures estimated to raise GHS 1.345 million.

BANKING CORNER



Barclays Africa Changes Name to ABSA Group

Barclays Africa has changed its name to

ABSA Group effective 11th July, 2018. The name and brand change follows Barclays Bank PLC's decision to sell down majority shareholding in the Barclays Africa Group, which has since reduced its stake in the Africa operations from 62% to 15%. The name change takes effect in Ghana from the year 2020.

BOG lays down the law with Back to Back Directives

Mergers and Acquisitions Directive (dated the 5th July 2018) outlines the relevant legal basis in relation to mergers and acquisitions, the specific requirements of the financial institutions in question and the possible sanctions for non-compliance.

Fit and Proper Directive (dated the 12th July 2018) outlines the framework to determine fitness of persons to be a director, a significant shareholder or to hold a key management position within the organization.

BOG Cracks the Whip, revoking the licenses of Five Banks in One Day

With effect from the 1st of August, 2018, the licenses of UniBank, Beige Bank, Sovereign Bank, Construction Bank and Royal Bank have been revoked by the BOG. The Government has established a new bank, Consolidated Bank Ghana Limited, which will act as a bridge bank to assume some of the assets and liabilities of the 5 banks and most importantly, secure the funds of the depositors of the affected banks. The Central bank's approach may not be surprising, following a catalogue of challenges which have plagued the banking sector in recent times. If the mainstay of the Central bank is to promote the safety, soundness and stability of the financial system, then it appears to be doing precisely that.

WHO'S WHO?

Mrs. Abena Osei-Poku –Barclays Bank Ghana MD.

Former Head of Coverage North for the

Bank's Corporate & Investment Banking (CIB) business covering the CIB cluster markets of Kenya, Tanzania, Uganda and Ghana. Upon her approval by the Bank of Ghana, her appointment will take effect from 1st October 2018.

Mr. Selorm Adadevoh –MTN Ghana CEO.

Prior to his appointment with MTN, he was the CEO of Digicel and based in Haiti, and formerly of Tigo Ghana as Chief Commercial officer and Head of Mobile financial services.

All Change at the Electoral Commission ("EC")

- Mrs. Jean Adukwei Mensa – EC Chairperson Nominee
- Mr. Samuel Tettey – EC Deputy Chairperson Nominee
- Dr. Eric Asare Bossman – EC Deputy Chairperson Nominee
- Ms. Adwoa Asuama Abrefa – EC Committee Member Nominee

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