



Country insights from **Alfred Ayer** on current trends in the Ghanaian accounting market

**Alfred Ayer, from Accra-based member firm MGI O.A.K. Chartered Accountants, talks about current trends in the Ghanaian accounting industry, with a focus on the impact of the African Continental Free Trade Area (AfCFTA).**

**Q: Has the formation of the African Continental Free Trade Area had any impact yet?**

**Alfred:** At its formation, the World Bank estimated that Africa’s income will increase by US\$450 billion by 2035 and increase Africa’s exports by 81%. Also, the UN Economic Commission for Africa indicated that this single-market trade agreement will enable the African economy to reach US\$29 trillion by 2050. The implementation of the **African Continental Free Trade Area (AfCFTA)** agreement has not had the desired impact as there are number of bottlenecks impeding its speedy implementation.

One of the strategies to be deployed, aimed at ensuring the implementation has the desired impact and unlocks Africa’s economic potentials, is refocusing AfCFTA’s energies on critical youth and women empowerment interventions. This has not been achieved as trade in most African nations is still skewed in favour of men as a result of social inequalities and cultural practices. Unemployment in most African nations, and lack of access to credit, is forcing the youth to settle for entrepreneurship in the informal sector.

Also, the protocols required to boost core custom unions and free trade agreements, high cost of trading among member countries, and steep tariffs, remain a challenge to the effective implementation of the agreement.

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**Q: Some people were calling for guaranteed fees last year – has this happened?**

**Alfred:** The Council of Institute of Chartered Accountants Ghana (ICAG) adopted the recommendations of a committee set to work on harmonising fees charged by Practitioners for audit and assurance services. The approved minimum fees and the transitional arrangements for its implementation were communicated to all Practitioners on January 19, 2024.

**Q: Has the government industrialisation programme increased business?**

**Alfred:** In 2017 the ruling government announced a new industrialisation policy dubbed “One District One Factory (1D1F)”, the policy aimed to address weaknesses in previous industrial policies and ensure

that industries are spread equitably in all districts in Ghana in order to curb rural urban migration and boost economic development. The implementation of this policy faced challenges (external and internal) and as a result did not achieve the expected results. The government industrialisation programme therefore has not made significant contribution to growth in business.

**Q: Have there been any significant regulatory developments in Ghana over the last 12 months?**

**Alfred:** The main regulatory development is the on-going digitisation programme being implemented by the Business Regulatory Reform unit (BRR).

**Q: How would you describe the health of the accounting industry in Ghana in terms of customer demand, fee pressure, and staff recruitment and retention?**

Customer demand is reasonable. Until the issue of the ICAG circular on minimum fees to be charged for audit and assurance services, fees were mutually agreed between the practitioners and the client. Firms have ready access to qualified and partly qualified personnel in the labour market, this makes it easy for them to identify and hire employees to meet their human resource requirements. Firms have moderate staff turnover.

**Q: Are there any services areas where demand has grown over the last 12 months?**

Financial Technology (Fintech); this emerging area involves the use of technology to deliver financial services and products to customers.

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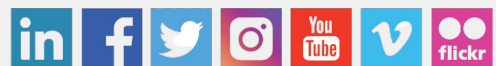
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