

MAIN DRIVERS FOR THE GDP 2019Q2 ESTIMATES

Introduction

The provisional 2019 Q2 GDP year on year growth estimates are based on unrevised/provisional 2018Q2 GDP estimates.

OVERALL OIL GDP

The Oil real GDP growth for 2019 Q2 can be attributed to the high growth rates in the following sub-sectors:

- Information & Communication (52.8%);
- Real Estate 14.9%
- Mining & Quarrying (14.0%), (of which Oil and Gas grew by 25%);
- Health and Social Work (10.3%);
- Education (8.9%);
- Manufacturing (7.4%) and;
- Hotels & Restaurants (6.6%).

The following sub-sectors however contracted in 2019Q2 compared to 2018Q2 and contributed negatively to overall growth:

	2019Q2
• Construction	-8.3%
• Water & Storage, Waste management & Remediation activities	-7.9%
• Electricity	-7.5%
• Forestry & Logging	-6.5%
• Public Administration & Defence, Social Security	-2.8%
• Fishing	-2.1%

OVERALL NON-OIL GDP

The non-oil GDP growth rate of 4.3% for 2019Q2 is 0.7 percentage points lower than the growth rate of 5.0% recorded in 2018Q2.

The reason could be attributed to the performance of the Mining & Quarrying sub-sector when Oil and Gas activities are excluded. The Mining & Quarrying sub-sector (excluding Oil and Gas activities) grew by 3% in 2019Q2 compared with an expansion of 15% in 2018Q2.

Moreover, contractions in Construction, Water & Storage, Waste management & Remediation activities, Electricity, Forestry & Logging, Public Administration & Defence, Social Security and Fishing sub-sectors negatively contributed to the overall growth in the non-oil GDP.

REASONS FOR 2019Q2 KEY SECTORAL PERFORMANCE

INDUSTRY SECTOR

The Industry sector's performance was due to high growth rates in Mining & Quarrying (14.0%) and Manufacturing (7.4%) subsectors. However, contractions in Construction (-8.3%), Water & Storage, Waste management & Remediation activities (-7.9%) and Electricity (-7.5%) sub-sectors negatively affected the industry sector's performance.

Mining & Quarrying including Oil and Gas activities expanded by 14% due partly to a 142.5% increase in value addition of manganese activities in 2019Q2 compared to 2018Q2 and 25% expansion in Crude oil value addition. The performance within the sub-sector in terms is as follows:

	2019Q2	2018Q2
	Value addition	
Total mineral ores (excluding Quarry and mining support)	-3%	15%
Gold	-11%	18%
Diamond	-91%	132%
Bauxite	22%	-25%
Manganese	142.5%	-82%
Mining Support	79%	49%
Quarry	72%	-29%
	Actual Production	
Crude oil	28.7%	14%
Jubilee Oil	43%*	-21%
Ten field	-4%*	36%
Sankofa Oil	69%*	377%
Gas	-12%	25%

- Share of total crude oil production by the Oil fields in 2019Q2 and 2018Q2**

	Jubilee Field	TEN	Sankofa Oil	Total
2018Q2	43.7%	39.6%	16.7%	100%
2019Q2	48.5%	29.5%	22.0%	100%

In terms of barrels, compared to volumes produced in 2018Q2, there was an increase of 2,648,515 barrels for Jubilee and 1,636,771.35 barrels for Sankofa. However, there was a reduction of 220,670 barrels for TEN fields.

Electricity

There was 7% reduction in generation of power (production) in 2019Q2 compared to 2018Q2 resulting in the contraction (value addition) (-7.5%) in electricity's sub-sector. Performance in some of the major power plants in the second quarter of 2019 are:

Akosombo Hydro	26%
Kpong Hydro	65%
Siemens Power Plant	-53%
Karl power Plant	-15%
Takoradi International Power Plant	-54%
AKSA Power	-45%

Water & Storage, Waste Management & Remediation activities

There was reduction of 8.0% in value addition in water production, the largest activity in the sub-sector. Though Waste management and Sewerage activities also had expansion in value added (72.2%) compare to 2018Q2 their weight within the sub-sector was insignificant to reduce the growth within the sub-sector.

Manufacturing

Compared to 2018Q2, total output of manufacturing activities increased by 15% 2019Q2 and input cost reduced by 11% resulting in increase in value addition of 7.4%. There were significant increase in value addition in the following manufacturing activities in 2019Q2 over 2018Q2:

Manufacture of furniture	23%
Manufacture of wood and wood products	42%
Manufacture of leather and leather products	-52%
Manufacture of pharmaceutical and medical products	109%
Manufacture of chemicals and product	57%
Printing	-4%
Repairs and installations of machinery & equipment	162%
Manufacture of food	-12%
Manufacture of computer, electronic & optical product	46%
Manufacture of coke & refined petroleum	47%

Construction

Domestic production and import of cement or cement clinker are used as an indication of the growth of the construction sub-sector. During the 2019Q2 there was reduction in the domestic production of cement by GHACEM (-15%), DIAMOND cement (-20%) and DANGOTE cement (1%).

There was however a 4% increase in the importation of cement and cement clinker to offset the reduction in the domestic production. The result is the contraction (-8.3%) in the Construction sub-sector.

AGRICULTURE SECTOR

Fishing

The -2.1% growth rate is as result of reduction in value addition for Marine by -2% and Aquaculture activities by -27%. Value addition in Inland fishing expanded by 24%.

Forestry & Logging

The contraction of 6.5% within the sub-sector is explained by the reduction of -22% in value addition of Logging activities which accounts for about 80% of activities within the sub-sector.

Crops & Cocoa

Value addition in Cocoa production increased by 5.6% over the 2018Q2 estimate and that of Crops (excluding Cocoa) expanded by 3.8% in 2019Q2. Performance of activities within the major Crops sub-sector in terms of value additions is given in the table below:

2019Q2

S/N	Crop	value added growth (GDP)	Share of value added	S/N	Crop	value added growth (GDP)	Share of value added
1	Maize	20.3%	6.8%	14	Pineapple	7.9%	1.2%
2	Rice (Paddy)	17.1%	1.7%	15	Pawpaw	25.4%	0.1%
3	Millet	4.5%	0.7%	16	Mango	186.5%	0.9%
4	Sorghum	8.7%	1.1%	17	Banana	2.8%	0.2%
5	Cassava	7.6%	9.7%	18	Cashew	13.2%	0.4%
6	Cocoyam	16.6%	5.2%	19	Shea nut	32.7%	0.0%
7	Yam	6.7%	24.3%	20	Coconut	119.4%	0.2%
8	Plantain	14.5%	9.3%	21	Tomato	4.7%	4.0%
9	Okro	2.2%	1.3%	22	Garden eggs	1.0%	1.0%
10	Cowpea	3.5%	1.2%	23	Onions	0.8%	3.3%
11	Soybean	2.9%	0.5%	24	Citrus	-6.2%	0.7%
12	Cocoa	5.6%	4.8%	25	Pepper	2.8%	1.5%
13	Oil palm	-23.5%	11.5%	26	Groundnuts	4.6%	7.4%
	crops excluding cocoa	3.8%	95.2%	27	Shallot	-0.1%	1.0%

2018Q2

S/N	Crop	value added growth	Share of value added	S/N	Crop	value added growth	Share of value added
1	Maize	23.5%	5.9%	14	Pineapple	2.2%	1.1%
2	Rice (Paddy)	-1.0%	1.5%	15	Pawpaw	2.4%	0.1%
3	Millet	11.3%	0.7%	16	Mango	5.0%	0.3%
4	Sorghum	33.4%	1.1%	17	Banana	1.2%	0.2%
5	Cassava	12.0%	9.4%	18	Cashew	1.1%	0.4%
6	Cocoyam	3.7%	4.6%	19	Shea nut	1.5%	0.0%
7	Yam	0.5%	23.7%	20	Coconut	2.6%	0.1%
8	Plantain	12.1%	8.4%	21	Tomato	3.3%	4.0%
9	Okro	4.0%	1.3%	22	Garden eggs	3.3%	1.1%
10	Cowpea	7.3%	1.2%	23	Onions	3.5%	3.4%
11	Soybean	9.9%	0.5%	24	Citrus	4.8%	0.7%
12	Cocoa	3.7%	4.7%	25	Pepper	3.3%	1.5%
13	Oil palm	3.8%	15.7%	26	Groundnuts	19.7%	7.3%
	crops excluding cocoa	6.8%	95.3%	27	Shallot	3.5%	1.1%

SERVICES SECTOR

The growth rate of 6.5% in the Services was due to high growth rates in Information & Communication (52.8%), Real Estate (14.9%), Health & Social Works (10.3%), Education (8.9%) and Hotels & Restaurants (6.6%) sub-sectors. Contraction in the Public Administration, Defence & Social Security impacted negatively on the Services' sector performance.

Information & Communication

The performance within the sub-sector was mainly driven by data usage. Use of data in 2019Q2 was 11.2 billion megabytes compared to 6.7 billion megabytes of data used in 2018Q2, a growth of 67%. The performance of the activities within the sub-sector is as follows:

Computer programming	-24%
Information services activities	-2.0%
Mobile minutes (off-net)	-18%
Mobile minutes (on-net)	11%
Publishing	-39%
Motion, Radio & Television	-0.01%
Data usage (megabytes)	67%
International inbound	-22%
International outbound	-3%
International SMS	-12%
Local SMS	-32%

The communication sub-sectors forms about 81% of the Information and Communication sub-sector. Activities captured under the Information sub-sector are Computer programming, Information services activities, Motion, Radio & Television & Publishing

Health and Social Work

The performance in the sub-sector is due to 28% and 13% value addition growth in Public and Private Health activities respectively. The major item (Compensation of employees) used as indicator of growth in compiling the real GVA for Public Health sub-sector grew by 15% and use of goods and services (an intermediate consumption) by 116%.

Education

The performance in the Education sub-sector is due to 9% and 3% growth in Public and Private Education activities respectively. The major item (Compensation of employees) used as indicator of growth in compiling the real GVA for Public Education sub-sector grew by 15.4% and use of goods and services (which is an intermediate consumption) by 106%.

Within the private education activities, value added expanded by 21% for basic education, 10% for Secondary and 7% for Tertiary education.

Hotels & Restaurants

Compared to 2018Q2 there were increase output in restaurants activities in 2019Q2.

Real Estate

There was a reduction in intermediate consumption (input cost) in 2019Q2 compared to 2018Q2 resulting in a higher valued added growth.

Public Public Administration, Defence & Social Security

The sum of cost approach is used for the computation of GDP for this sub-sector. The major items are compensation of employees and Cost of goods used (which is an intermediate consumption). Compensation of consumption increased by 16.4% in 2019Q2 and cost of goods increased by 116% compared to 2018Q2. This resulted in the contraction of 2.8% in value added compared to 2018Q2