



FIRST QUARTER 2025
LOGISTICS MANAGERS INDEX REPORT
(Jan - March 2025)

The LMI value for Ghana for the first quarter of 2025 is 63.5

The LMI for the first quarter of 2025 decreased by 3.3 points to 63.5 from the previous quarter's 66.8 (fourth quarter of 2024).

Growth is INCREASING at a DECREASING RATE for all individual LMI metrics for Q1 2025.

(Kumasi, Ghana) – The first quarter 2025 Logistics Managers Index registered a value of 63.5, which is 3.3 points lower than the value of 66.8 recorded in the fourth quarter of 2024. This marks a decline from the spurt of growth witnessed in the last four quarters. This decline is driven by the slowing down of the rate of growth for all the metrics – an observation that is the first of its kind since the LMI project began. This reflects the general slowing down of the Ghanaian economy and the steady loss of economic buoyancy experienced in the last quarter of 2024.

It is interesting to note that this quarter's LMI value represents the fourth lowest value recorded by the index since its inception in March 2022. Also, interesting to note is that none of the metrics experienced increasing growth possibly reflecting on the rising cost of doing business in Ghana (for this quarter).

Researchers at the Centre for Applied Research and Innovation in Supply Chain – Africa (CARISCA) issued this report today.

REPORT HIGHLIGHTS

The overall LMI score is a combination of eight distinct metrics that make up activities in the logistics sector: inventory levels and costs; warehousing capacity, utilization and prices; and transportation capacity, utilization and prices. A diffusion index, with a range between 1 and 100, is used to calculate the overall LMI. A reading above 50.0 indicates that logistics activities are expanding while a reading below 50.0 reflects a contraction of logistics activities.

The LMI summarizes the responses of supply chain, logistics, procurement and operations managers from multiple industries in Ghana. Data for the first quarter of 2025 was collected from January to March.

- ❖ The overall Logistics Managers Index (LMI) for Ghana for the first quarter of 2025 stands at **63.5**, down by 3.3 percentage points from the 2024 fourth quarter's reading of 66.8. This slight slowing down of growth can be attributed to the decreasing rate of growth in all metrics (inventory levels, warehousing capacity, warehousing utilization, warehousing prices, transportation capacity, transportation utilization and transportation prices).
- ❖ All the indicators for the first quarter are above the threshold of 50%. Findings from the Q1-2025 survey indicate that inventory levels continue to slow down with this quarter's value of 60.2 (down 5.8 points from the previous quarter's 66.0) being the metric with the third highest decreasing rate of change. It is obvious that many organizations are experiencing low stock levels at the beginning of the year. Comments from respondents indicate that the high cost of doing business and lack of liquidity as well as the cedi's continuous poor trading against the dollar in forex markets have affected the ability of many firms to re-stock and import goods into the country. The slow pace of growth of inventory levels often has ripple effects across the supply chain as lower inventory levels generally lead to the slowing down of warehousing (-5.8) and transport capacity (-0.8) and subsequently slower expansion for warehousing (-4.6) and transportation (-0.9) utilization.
- ❖ Logistics cost indicators are also growing at a decreasing rate with warehouse prices recording a value of 75.2 (down by 6.4 points) and transportation prices recording a value of 84.9 (down by -6.3 points). Inventory cost follows this trajectory, growing at a decreasing rate with a value of 60.2 (down by 3.3). Altogether, aggregate logistics cost has dropped from 261.5 to 240.1 due to the decline of the cost metrics.
- ❖ Warehouse declined from 63.6 to 57.8 (down by 5.8). Warehouse utilization also experienced a decrease in growth at 63.0 (down by 4.6 from the previous quarter's 67.6). The warehousing sector is obviously experiencing slowed business growth due to the low levels of inventory.
- ❖ Transportation capacity is almost steady at 68.0 (down by 0.8 from the previous 68.8). A similar observation is recorded for transport utilization, which decreased to 70.7 (down by 0.9 from the previous quarter's 71.6).

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- ❖ The growth of logistics activities is expected to be steady in the next 12 months, with a forecast LMI of 66.2. This is almost the same as the previous quarter's prediction of 66.8. There seems to be steady optimism this first quarter about growth in logistics activities and the Ghanaian economy in general.
- ❖ The Electronic Payment System Index (EPI) experienced increased growth in the first quarter to a value of 76.1 (an increase of 4.5 from the previous quarter of 72.6). This is the second highest value recorded for the EPI since the index began. In general, it is expected that usage of electronic payments within the logistics sector will grow steadily over the year as fintech receives broader acceptance and adoption in the Ghanaian economy.

WHAT LOGISTICS MANAGERS ARE SAYING – IMPACT OF THE LMI

Since its inception, the Ghana Logistics Managers index has provided valuable insights about the movement of logistics activities within the country, and it has been well received by top managers in many Ghanaian organizations. The LMI respondent list has grown steadily from the initial 130 managers in Q1 2022 to 232 (Q1-2025).

Feedback from managers about the impact of the LMI has been very positive. Several managers' report using the LMI as an intelligence-gathering tool that enables them to make evidence-based decisions about their operational activities and planning. Many of the organizations that contribute to the LMI survey have begun reviewing the results of the surveys in their meetings, and some have made it a tool for forecast planning.

The LMI has made a great impact in Ghana's logistics sector. Beyond being used as a data tool that supports evidence-based decision making, many respondents confirm (about 16.15% from the previous quarter survey) that the LMI has contributed to some form of policy change in their organizations. Most of the confirmed policy changes were in the area of inventory control, forecasting, warehousing, and pricing. Other reported outcomes as a result of insights from the LMI include the development of procurement policies and purchasing plans and insight of relevant growth rates that aid company projections. According to a manager from Imperial Logistics, one of the leading freight companies in Ghana, "the information from Ghana LMI reports support us in strategic decision making and in the planning of operational activities. It serves as a benchmarking tool that provides an aggregated view of what's taking place in the industry." This opinion is shared by many of the managers familiar with the LMI reports.

RESULTS OVERVIEW

This report presents the results of the First quarter of 2025 survey, which is the 13th survey carried out since the inception of the Ghana LMI in March 2022. The results of the LMI continue to serve as predictive indicators of economic activities in Ghana as a whole. Figure 1.0 on the next page shows the Ghana LMI values from March 2022 (Q1) to the current quarter of March 2025.

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In this first quarter 2025, there has been a drop in overall LMI value from the previous quarter's 66.8 to 63.5 (down by 3.3). The slump in the LMI value is due to multiple factors with mixed implications. While the slowing down of logistics cost metrics is welcome news, the slowing down of inventory levels, transportation and warehousing utilization is slightly worrying. While this is not the lowest LMI value we have seen so far (March Q1 2024 was the lowest), it is still indicative of slowing down growth. Nevertheless, this is still growth as the value is above the 50% threshold). As stated earlier, the decreasing rate of growth of all the other metrics have contributed to the overall decreasing rate of growth of the overall LMI. The normal trend of organizations restocking after the December holidays seems to have deviated. Normally, we expect companies to re-order supplies in large quantities for the first quarter of the new year. This was the case in 2023 when inventory levels increased by 10.7 (from 50.5 in December 2023 to 61.2 in March 2024). This decline in inventory contributed to excess capacity for both warehousing and transportation with growth in utilization for both warehousing and transportation also affected.

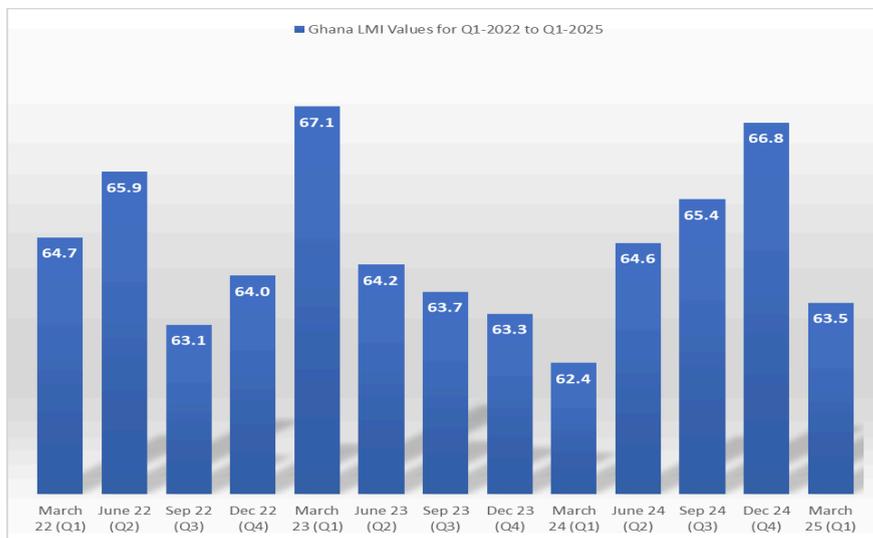
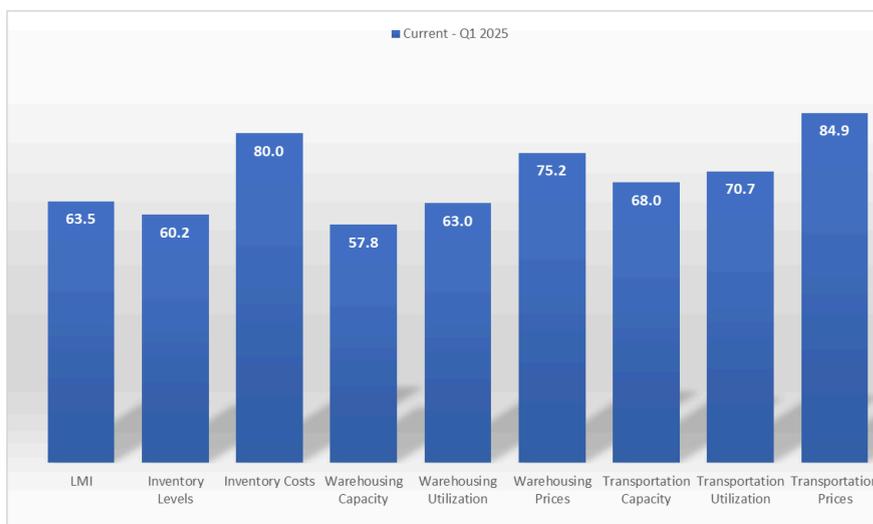


Figure 1.0: Ghana LMI values from March (Q1) 2022 to March (Q1) 2025



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Figure 2.0: Ghana LMI - Values for individual metrics (Q1 2025)

The overall LMI value for the manufacturing respondents was 63.4 while that for respondents from the service sector for the first quarter of 2025 was 60.3. There is just a slight difference between the overall LMI values for Upstream (60.8) and Downstream (61.2) respondents.

As earlier indicated, **inventory levels** experienced decreasing growth this quarter registering a value of 60.2 (down by 5.8 from the previous quarter's 66.0). This quarter's inventory level is the fourth highest recorded in the history of the Ghana LMI. The highest value recorded occurred in the previous quarter of 2024 (see figure 2.0). This is the first time we have seen a decline in growth of all the LMI metrics which has contributed to the decline in the overall LMI value. We are still seeing a significant decrease in the growth of inventory levels at a period when national economic indicators seem to be at an all-time high. The trend of increasing high inflation recorded in December 2024 (recording 23.8% from 23.0% in November 2024) has been steady in this quarter. According to Reuters, December's inflation was the highest in the last eight months¹. This is nowhere close to the inflation target of 13 and 17 percent by December 2024 set by Ghana's Central Bank. We believe the observed decline in inventory levels is as a result of lower purchasing power of retailers and reduced stock after the festive season in the previous quarter. The cedi is currently trading at 15.83² cedis to the dollar (as of March 1, 2025), having appreciated slightly against the dollar. There is the expectation that this slight appreciation will continue in the new year.

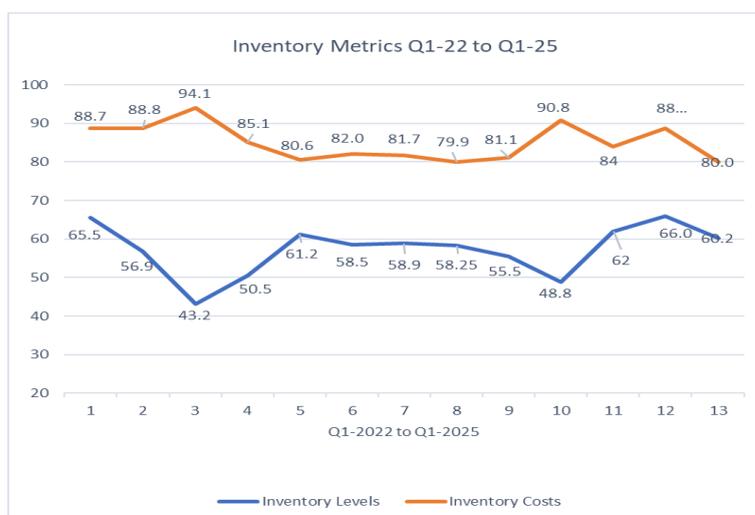


Figure 3.0: Inventory metrics from March (Q1) 2022 to March (Q1) 2025

The **inventory cost** metric registered a value of 80.0 (a decrease of 8.7 points from the previous quarter's 88.7). This implies that goods have become slightly less expensive in the first quarter of 2025 compared to the fourth quarter. This quarter's observation is quite an anomaly as both inventory levels and inventory costs seem to be on decline. The experience in previous quarters has been that as inventory costs decrease, inventory levels increase. Respondents predict a shrinking of

¹ [https://www.reuters.com/world/africa/ghana-inflation-rises-fourth-straight-month-december-2025-01-08/#:~:text=ACCRA%2C%20Jan%208%20\(Reuters\)%20%2D%20Ghana%27s%20consumer,November%2C%20the%20statistics%20service%20said%20on%20Wednesday.](https://www.reuters.com/world/africa/ghana-inflation-rises-fourth-straight-month-december-2025-01-08/#:~:text=ACCRA%2C%20Jan%208%20(Reuters)%20%2D%20Ghana%27s%20consumer,November%2C%20the%20statistics%20service%20said%20on%20Wednesday.)

² <https://www.modernghana.com/news/1389843/cedi-ends-march-2025-selling-at-ghs1600-to-1.html>

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inventory costs in the next twelve months, to a value of 75.6 while inventory rises further to 84.1. There is optimism that when the e-levy bill is scrapped it might contribute to further decline in inventory cost which will have a far-reaching impact on the marketplace. We will continue to observe how logistics activities will be impacted in subsequent quarters in 2025.

Warehousing capacity declined to 57.8 in Q1 2025 from 63.6 in the previous quarter (down by 5.8). This is not surprising as the decline of inventory levels has resulted in the loosening of warehouse capacity. This could be due to the commissioning of new warehouses that have added to the capacity of the metric. The data from Q1-2025, also indicate that downstream supply chains had experienced a greater loosening of warehouse capacity compared to upstream supply chain actors.

Warehouse prices experienced growth at a decreasing rate from 81.6 in December to 75.2 (down by 6.4 points). **Warehouse utilization** also showed notable decline in growth, dropping from 67.6 (Q4-2024) to 63.0 (Q1-2025). This decrease is largely attributed to lower utilization rates among downstream firms, mainly retailers which is somehow expected as most retailers have reduced stock after the festive period of the previous quarter.

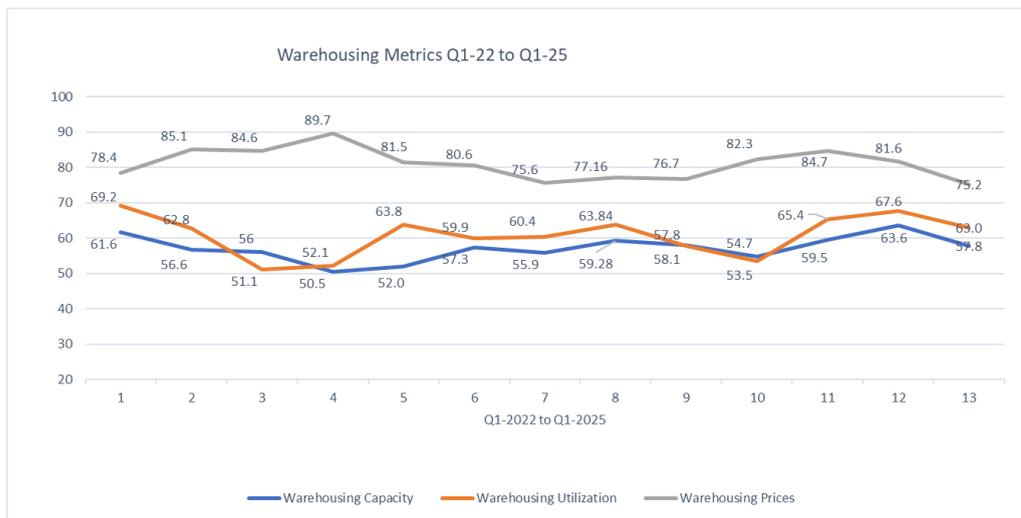


Figure 4.0: Warehousing metrics from March (Q1) 2022 to March (Q1) 2025

The **transportation price** according to this quarter’s survey declined to 84.9 (down by 6.3 points from the previous quarter’s 91.2). The trigger to this slowed down growth began in the previous quarter when the major Oil Marketing Companies reduced the prices of fuel in September and December 2024. The price per liter of petrol and diesel was reduced by an average of GH 0.25 cedis (2 percent decrease) for petrol and GH 0.30 cedis (5 percent decrease) for diesel³ in response to significant drops in the prices of refined fuel on the international fuel market. Furthermore, there were significant fuel price reductions over the second pricing window for December 2024 as some of the major Oil Marketing Companies (e.g. Shell) reviewed their prices downward with a liter of petrol selling at GH14.99 (down from GH15.30) while diesel sold at GH15.66 (down from

³ <https://www.myjoyonline.com/prices-of-petrol-diesel-lpg-to-decrease-between-2-and-5-ies/>

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GH15.72)⁴. This trend of falling fuel prices continued in Q1 2025. The transportation metric had the second highest impact on the overall LMI value (based on quarter-over-quarter change).

The **transportation capacity** metric registered a considerable drop recording a value of 68.0 (down by 0.8 from the previous quarter's 68.8). There was also a slight drop in the **transportation utilization** metric, which registered a value of 70.7 from the previous quarter's value of 71.6.

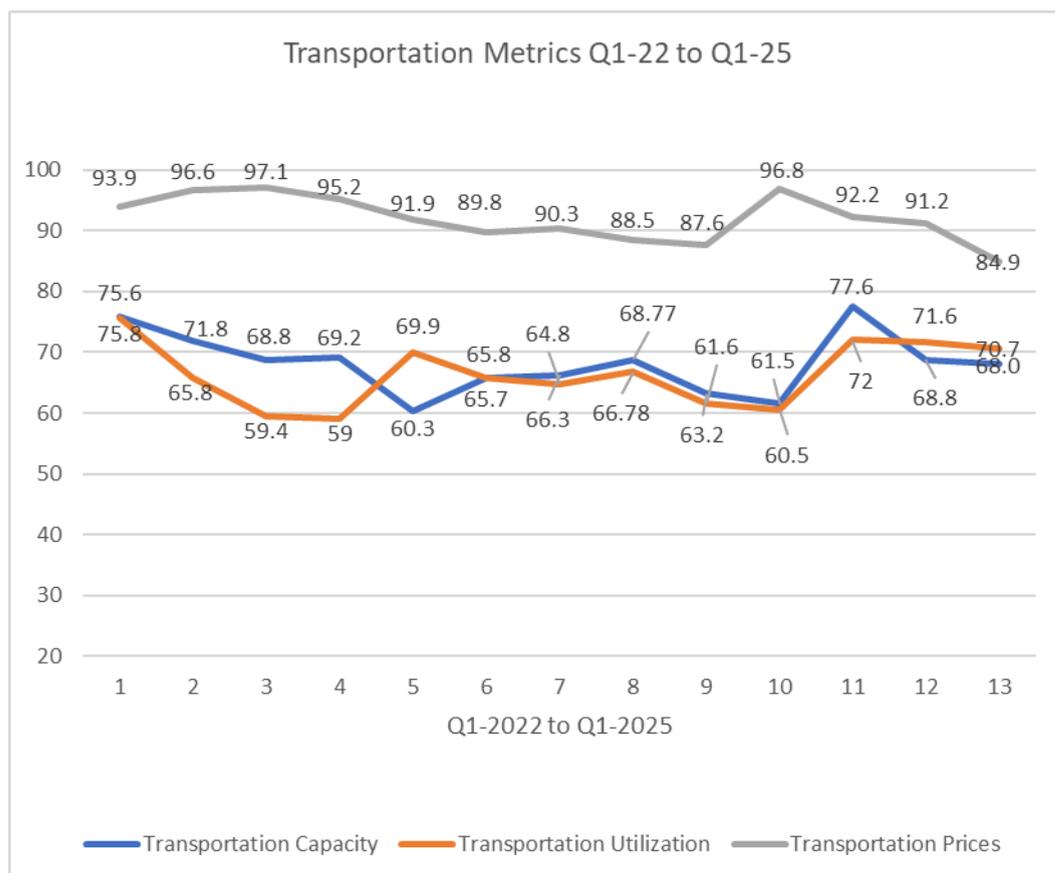


Figure 5.0: Transportation metrics from March (Q1) 2022 to March (Q1) 2025

Aggregate Logistics Costs

Figure 6.0 shows the aggregate logistics costs for Ghana in the first quarter of 2025. The vertical axis of the chart ranges from 0 to 300 because the scores of the three metrics (i.e., inventory costs, warehousing and transportation prices) are aggregated, with 150 representing the midpoint.

The aggregate cost for March 2025 (first quarter) in Ghana is down to 240.1, from last December's value of 261.5. This represents the largest drop and the lowest aggregate logistics cost value since the LMI began. This represents quite a change in the trajectory of the LMI from an upwards trend to a sudden downwards trend. However, even at 240.1 is high and above the mean threshold of 150, implying that the cost of logistics in Ghana is still on the high side albeit making a downward

⁴ <https://www.ghanaweb.com/GhanaHomePage/business/Fuel-prices-reduce-at-the-pump-1964512>

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progress. This metric is directly affected by the logistics cost indicators which all showed declining values this quarter. Also, the growth in inflation values inhibits aggregate costs from decreasing at an increasing rate.

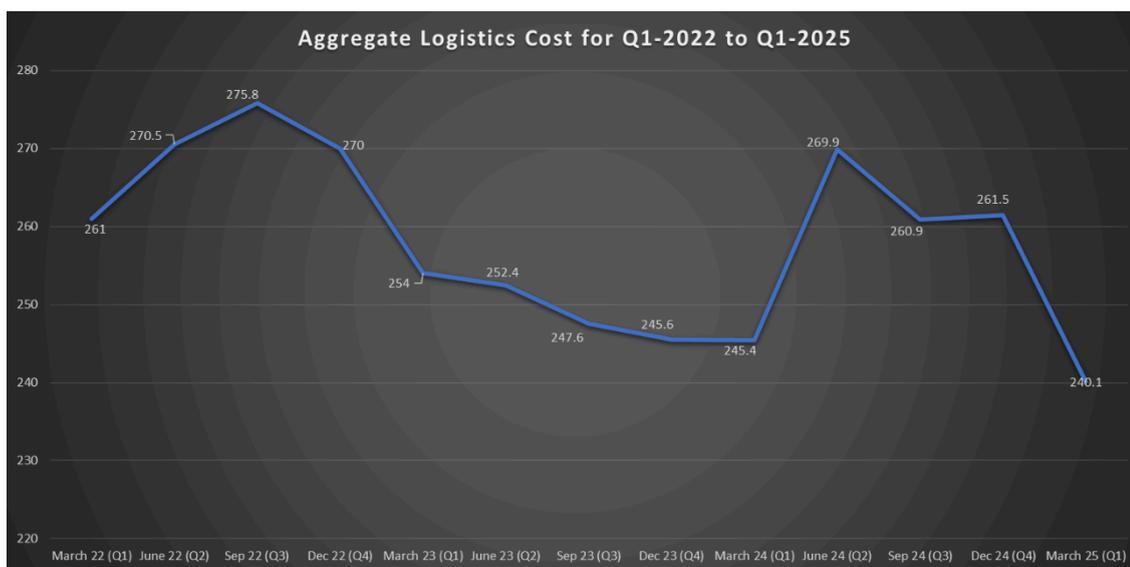


Figure 6.0: Aggregate logistics costs from March (Q1) 2022 to March (Q1) 2025

FIRST QUARTER 2025 OBSERVATIONS

Overall LMI

The overall LMI metric for Ghana in the first quarter of 2025 has decreased by 3.3 points, registering a value of 63.5 compared to the previous quarter's (December 2024) value of 66.8. All metrics were in the growth category, however all metrics were observed to be growing at a decreasing rate. Inventory levels recorded a value of 60.2 (down by 3.3), inventory costs recorded a value of 80.0 (down by 8.7), transportation prices at 84.9 (down by 6.3), transportation capacity at 68.0 (down by 08), transportation utilization at 70.7 (down by 0.9), warehouse capacity at 57.8 (down by 5.83), warehouse utilization at 63.0 (down by 4.6) and warehousing prices at 75.2 (down by 6.4). We also observe an insignificant drop in aggregate logistics costs (from 261.5 to 240.1).

All the LMI metrics for the first quarter registered values above the threshold of 50%, which confirms growth, however it is at a decreasing rate for most of the metrics except inventory cost. The country is still in "slow growth" mode with inflation at a steady growth. The cedi's poor trading against the

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two key international currencies (dollar and pound) also continues to exacerbate the situation resulting in a high cost of doing business and the slowing down of the economy.

The index scores for each of the eight components of the Logistics Managers Index, as well as the overall LMI score for the first quarter of 2025, are presented in Table 1.0. The logistics costs factors all dropped to new all-time low values (inventory costs at 80.0, warehousing pricing at 75.2 and transportation pricing at 84.9). These metrics have traditionally been the metrics with the highest values.

Table 1.0: LMI Values for Ghana for March (Q1) 2025 and March (Q1) 2025

LOGISTICS AT A GLANCE – Q1 2025					
Index	March 2025 Index (Q1)	Dec 2024 Index (Q4)	Quarter-Over-Quarter Change	Projected Direction	Rate of Change
LMI®	63.5	66.8	-3.3	Growing	Decreasing
Inventory Levels	60.2	66.0	-5.8	Growing	Decreasing
Inventory Costs	80.0	88.7	-8.7	Growing	Decreasing
Warehousing Capacity	57.8	63.6	-5.81	Growing	Decreasing
Warehousing Utilization	63.0	67.6	-4.6	Growing	Decreasing
Warehousing Prices	75.2	81.6	-6.4	Growing	Decreasing
Transportation Capacity	68.0	68.8	-0.8	Growing	Decreasing
Transportation Utilization	70.7	71.6	-0.9	Growing	Decreasing
Transportation Prices	84.9	91.2	-6.3	Growing	Decreasing

Respondents anticipate that the growth observed in the logistics sector will remain steady in the next 12 months and predict an LMI value of 66.2 in the next quarter. This prediction is slightly higher than last quarter's prediction of 66.8.

Historic Logistics Managers Index Scores

The reading for this quarter along with readings from the last eight quarters of the LMI are presented in table 2.0.

Table 2.0: Historic Logistics Managers Index Scores from March (Q1) 2022 to March (Q1) 2025

Quarter	LMI Values	
March (Q1) - 2025	63.5	All-time Average – 64.60
December (Q4) - 2024	66.8	
September (Q3) - 2024	65.4	High – 67.1
June (Q2) - 2024	64.6	Low – 62.4
March (Q1) - 2024	62.4	
December (Q4) - 2023	63.3	Std Dev – 1.46

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September (Q3) - 2023	63.7	
June (Q2) - 2023	64.2	
March (Q1) - 2023	67.1	
December (Q4) - 2022	64.0	
September (Q3) - 2022	63.1	
June (Q2) - 2022	65.9	
March (Q1) - 2022	64.7	

Upstream vs Downstream Activities

The differences between observations made for firms downstream (reflected by the red bars in figure 5.0) and those upstream (reflected by blue bars in figure 5.0) are insignificant or only marginal. We often expect to see a balance between these two groups. On average, downstream firms reported higher values than upstream firms for all the metrics in the first quarter with the exception of warehousing prices and inventory costs. This is an indication that inventory costs in the next quarter might see further growth since upstream firms have begun experiencing higher growth with this metric compared to downstream firms. Table 3.0 below indicates these values.

Table 3.0: Upstream and Downstream values for March (Q1) 2025

Upstream vs. Downstream Values – Q1 2025				
Index	Upstream Values	Downstream Values	Delta	Significant?
LMI®	60.8	61.2	0.4	No
Inventory Levels	51.9	55.8	3.9	No
Inventory Costs	80.9	75.4	5.5	No
Warehousing Capacity	59.30	55.6	3.7	No
Warehousing Utilization	56.7	57.9	1.2	No
Warehousing Prices	74.4	66.2	8.2	No
Transportation Capacity	63.80	62.7	1.1	No
Transportation Utilization	59.7	62.8	3.1	No
Transportation Prices	85.9	90.1	4.2	No

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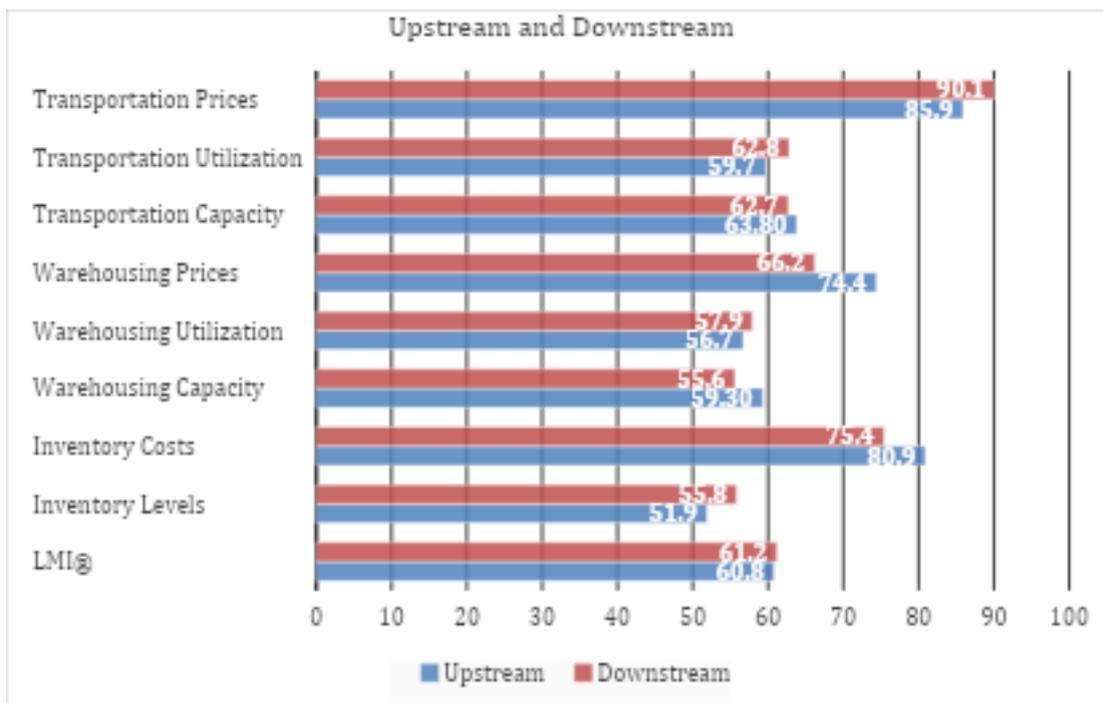
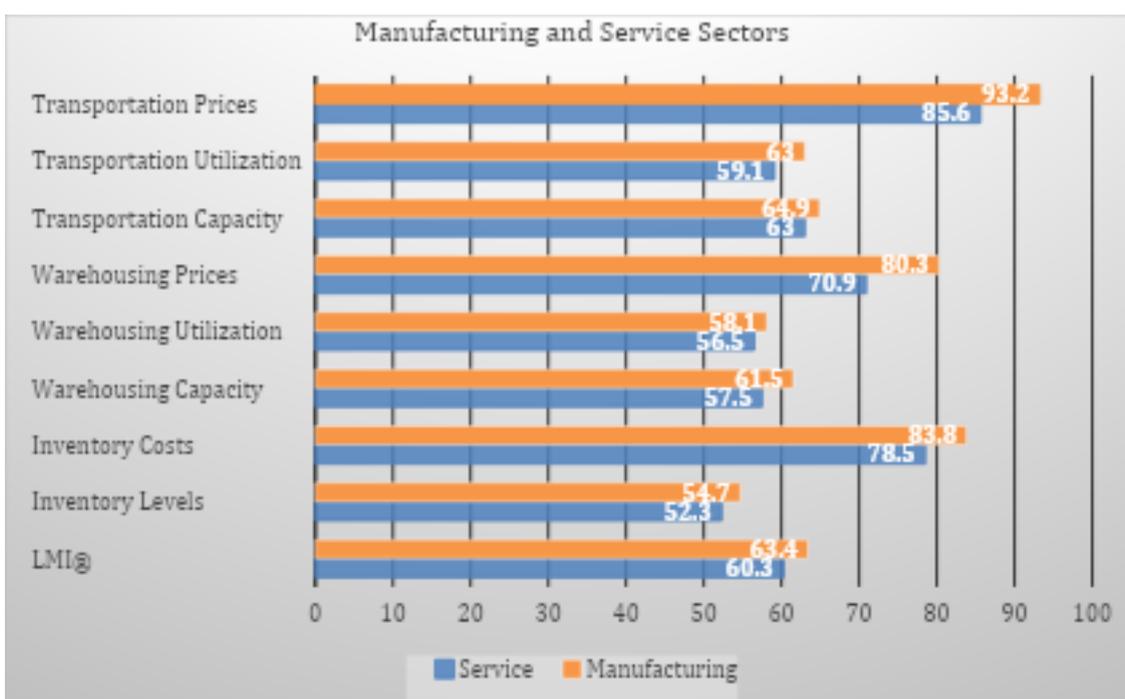


Figure 7.0: Upstream and Downstream values for March (Q1) 2025

Manufacturing vs Service Sector Activities

Manufacturing firms registered higher values for all the metrics. The overall LMI value for the manufacturing sector was 63.4 while that for the service sector was 60.3 (see figure 5.0 and table 4.0). It is usually expected that values for manufacturing respondents will be higher than that for service respondents, however the previous quarter’s result was the opposite with the LMI for the service sector recording 63.35 while the manufacturing sector recorded 62.67.



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Figure 8.0: Values for manufacturing and service sectors, March (Q1) 2025

Table 4.0: Values for Service and Manufacturing Sectors, (March Q1) 2025

Values for Service and Manufacturing Sectors – Q1 2025				
Index	Service Values	Manufacturing Values	Delta	Significant?
LMI®	60.3	63.4	3.1	No
Inventory Levels	52.3	54.7	2.4	No
Inventory Costs	78.5	83.8	5.3	No
Warehousing Capacity	57.5	61.5	4	No
Warehousing Utilization	56.5	58.1	1.6	No
Warehousing Prices	70.9	80.3	9.4	No
Transportation Capacity	63	64.9	1.9	No
Transportation Utilization	59.1	63	3.9	No
Transportation Prices	85.6	93.2	7.6	No

PREDICTIONS

Respondents were asked to predict movement in the overall LMI and individual metrics, 12 months from now. The predictions made in this quarter are similar to what we saw in December but slightly more optimistic (as seen in table 5.0). The current LMI value is predicted to steadily rise slightly to 66.2 (down by 0.6) from last quarter's prediction of 66.8.

Similar to the fourth quarter of 2024, respondents expect inventory levels to build up to 80.0 and inventory costs to reduce to 76.4. Respondents also anticipate that warehousing capacity will rise to 70.3 while warehousing utilization also increases to 78.9 percent. The warehouse price metric is predicted to decrease further to 73.1, while transport capacity increases to 72.6. Respondents expect transport utilization to increase to 81.1, while the transportation price metric is expected to drop to 80.9. Respondents keep hoping that the growth of the cost metrics (inventory cost, transportation price and warehouse price) will slow down over the next 12 months while inventory levels and transport and warehousing utilization increase.

Table 5.0 shows the predicted values for all eight metrics from this quarter's survey (March 2025). Figure 6.0 compares both current and predicted values for March 2025.

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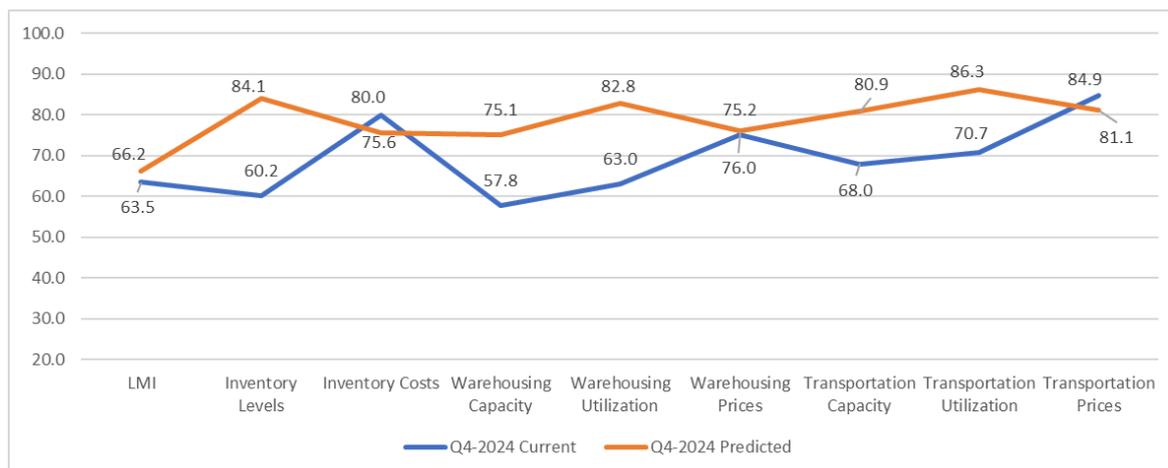


Figure 9.0: Current and Predicted Values – March (Q1) 2025

Table 5.0: Comparing 2024 (Q4) predictions with that of 2025 (Q1)

LOGISTICS AT A GLANCE – Predicted Values (Q4 2024 and Q1 2025)		
Index	Dec 2024 - Predicted	March 2025 - Predicted
LMI	66.8	66.2
Inventory Levels	66.0	84.1
Inventory Costs	88.7	75.6
Warehousing Capacity	63.6	75.1
Warehousing Utilization	67.6	82.8
Warehousing Prices	81.6	76.0
Transportation Capacity	68.8	80.9
Transportation Utilization	71.6	86.3
Transportation Prices	91.2	81.1

Upstream and Downstream (Predicted)

Similar to the main observations, there was no significant difference in the predictions between downstream (red bars) and upstream (blue bars) firms. While there is no significant difference, upstream firms in general expect to see slightly higher levels of growth in all the metrics. Upstream firms expect to see inventory levels continue to build over the next 12 months, more than downstream firms. The same goes for transport prices, transport utilization, inventory cost warehousing prices, warehousing utilization, and transport capacity (see table 6.0). Though most of the differences are insignificant, in the case of transportation prices there is a significant difference

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between predictions by upstream firms and downstream firms with upstream firms expecting greater growth (difference of 13.4).

Table 6.0: Predicted Upstream and Downstream Values – March (Q1) 2025

Future Upstream vs. Downstream Values – Q1 2025				
Index	Future Upstream Values	Future Downstream Values	Delta	Significant?
LMI®	67.6	63.5	4.1	No
Inventory Levels	81.7	74.7	7.0	No
Inventory Costs	80.8	74.4	6.4	No
Warehousing Capacity	68.9	66.2	2.7	No
Warehousing Utilization	78.5	76.8	1.7	No
Warehousing Prices	74.5	66.4	8.1	No
Transportation Capacity	72.6	68.6	4.0	No
Transportation Utilization	81	78.3	2.7	No
Transportation Prices	85.5	72.1	13.4	Marginal

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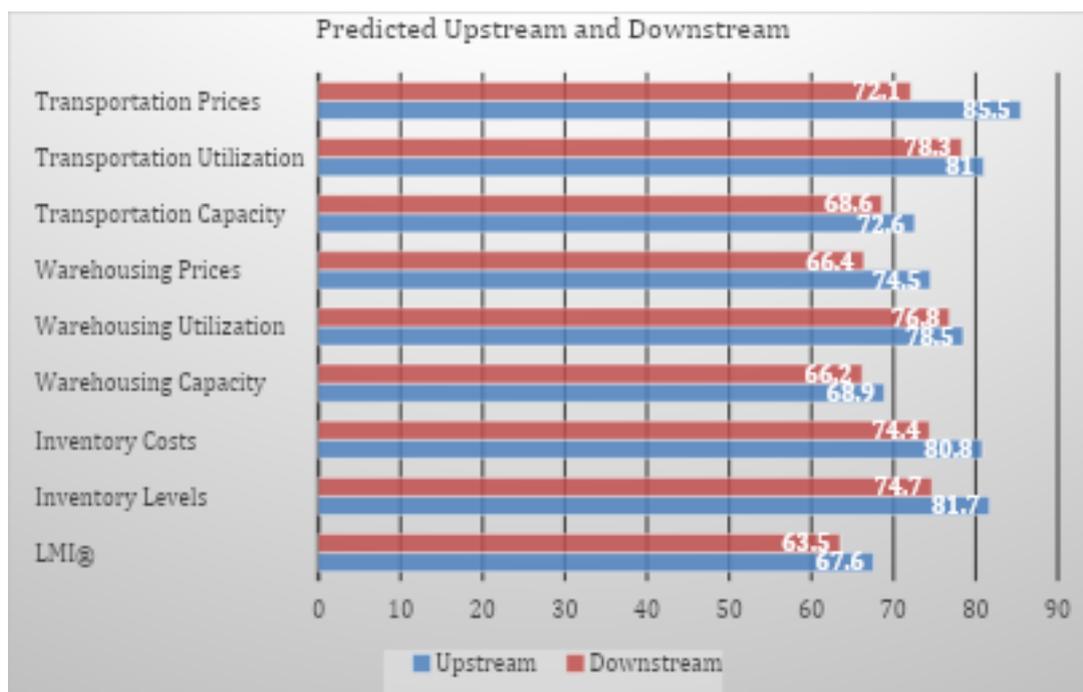


Figure 10.0: Predicted Upstream and Downstream Values – March (Q1) 2025

ELECTRONIC PAYMENT SYSTEMS INDEX

The Electronic Payment Systems Index (EPI) tool measures the usage of electronic payment systems. E-payment systems have seen much growth since the government introduced the Digital Ghana Agenda⁵, which seeks to improve economic inclusiveness through technology. This accelerated the development of fintech and the use of mobile payment systems. The use of e-payment systems also increased post-covid with many in Ghana opening up to the use of contactless methods of financial engagement. All this has had a positive effect on logistics transactions and the EPI aims at measuring the extent of adoption of digital payment systems spanning mobile money transfers (e.g. MoMo in Ghana and M-Pesa in Kenya) to electronic bank transfers in the logistics sector. The EPI was introduced in the second quarter of 2022 and is similar to the LMI and is also developed as a diffusion index with a threshold of 50%. Respondents were asked about the extent to which their organization utilizes mobile money transactions and e-payment systems when dealing with customers and/or suppliers. Respondents were also asked about their company's use of mobile money and e-payment platforms in terms of their decline, steady state or increase.

The EPI for the first quarter of 2025 registered a value of 76.1 from the previous quarter's 72.6 (a drop of 3.5), as indicated in figures 12.0 and 13.0. The EPI has been quite steady, often registering in the 70s. In general, there is a positive outlook in relation to the use of e-payment systems in the logistics industry. Moreover, respondents predict greater growth for this index in the next twelve months (up to 83.2). The EPI registered its lowest value in the third quarter of 2023 when the index

⁵ <https://moc.gov.gh/ministers-press-briefing-communications-ministry-makes-strides-in-ghanas-digital-transformational-agenda/#:~:text=%E2%80%9CThis%20simply%20means%20that%20Ghanaian%20subscribers%20of,also%20be%20exempt%20from%20international%20roaming%20charges.%E2%80%9D>

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dropped to a value of 61.0. That period was generally marked by a high inflation and soaring business cost described as ‘a time of fiscal distress’⁶ coupled with the introduction of the e-levy in May 2022.

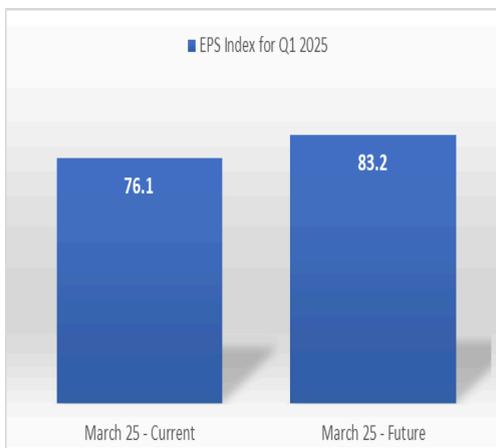


Figure 12.0: Current and predicted values for the EPI for March (Q1) 2025

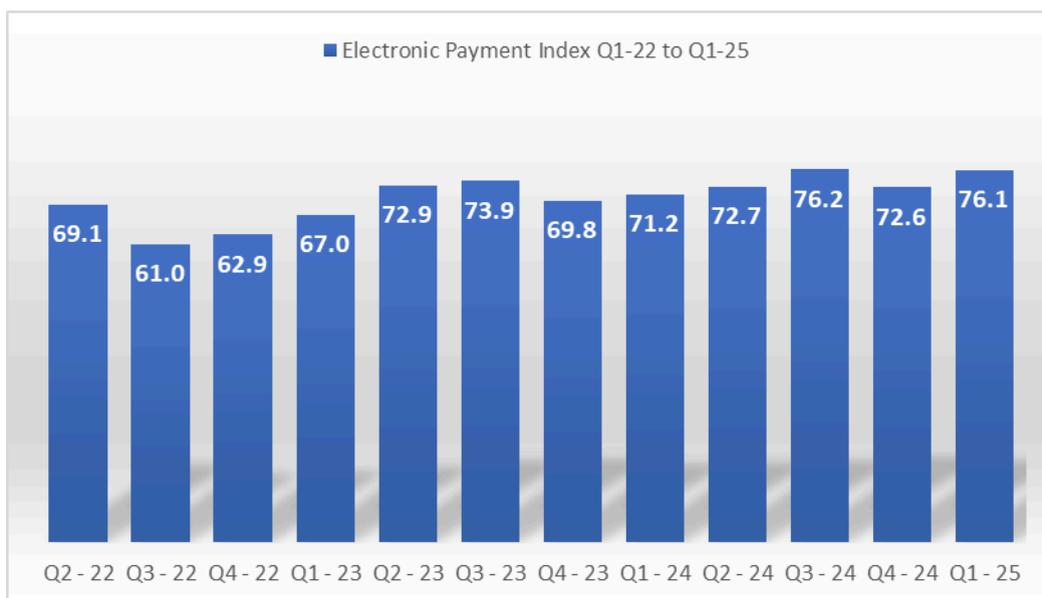


Figure 13.0: EPI values for June (Q2) 2022 to March (Q1) 2025

⁶ <https://theconversation.com/ghanas-e-levy-3-lessons-from-the-abolished-mobile-money-tax-253285>

About This Report

The Logistics Managers Index (LMI) is a new tool developed by researchers at the Centre for Applied Research and Innovation in Supply Chain – Africa (CARISCA), based at Kwame Nkrumah University of Science and Technology (KNUST), for Ghanaian businesses and policymakers. The LMI reports are based on quarterly surveys conducted with industry leaders in Ghana. The study is led by Emmanuel Kweku Quansah (PhD), Nathaniel Boso (PhD) and David Antwi (PhD).

CARISCA wishes to acknowledge the support of the Chartered Institute of Logistics and Transport (CILT) and the Chartered Institute of Procurement and Supply (CIPS) in disseminating the report.

The calculated LMI for Ghana, along with the accompanying analysis of its components, provides useful insights for the government of Ghana, business decision-makers, market analysts and investors, as it offers a predictive indication of overall economic activity in the country.

The LMI report is made available quarterly at <https://carisca.knust.edu.gh/LMI>. Senior supply chain (including logistics, operations and procurement) managers of businesses in Ghana are invited to participate in the quarterly LMI surveys by visiting: <https://www.surveymonkey.com/r/Q2-24-LMI>

The LMI measures the growth or decline of Ghana's logistics industry along three components: inventory, warehousing and transportation activities. The LMI for Ghana study utilizes eight metrics across the three components to capture Ghana's logistics activities. The index measures combinations of inventory, warehouse and transportation activities and tracks the relationship between these variables to make inferences about their effects on the broader Ghanaian economy.

An index score is calculated for each of the eight components, and an overall index score (i.e., an LMI value) is then calculated as a composite of these components.

This approach is an effective and a reliable way to identify prevailing trends in logistics activities. Due to its predictive nature, the LMI is also a useful tool for forecasting future trends in a modern economy (Rogers et al., 2019).

Data and Methodology

Data for the Logistics Managers Index for Ghana are collected in quarterly surveys. Respondents for the study include senior logistics, supply chain and procurement executives and managers in the formal sector of the Ghanaian economy. Senior executives and managers are most likely to have macro-level information on inventory, warehousing and transportation trends in their organizations.

Data is also collected from professional members of the Chartered Institute of Logistics and Transport (CILT) and the Chartered Institute of Procurement and Supply (CIPS). Members of these professional bodies in Ghana tend to hold senior management positions in their organizations.

To ensure that the LMI value for Ghana is a true reflection of logistics activities in the Ghanaian economy, the respondents for this study were required to be working for organizations that operate in Ghana. Multiple industries were represented in the respondent pool: automobile and parts,

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telecommunications, shipping and transport, agriculture and agriculture business, manufacturing, mining, pharmaceuticals, industrial services, oil and gas/petroleum, and machinery and equipment.

A total of 232 valid responses were used for the Q1 2025 report.

The Diffusion Index

The LMI for Ghana is calculated using the diffusion index. The diffusion index is used to calculate other widely accepted indexes, such as the Purchasing Managers Index (PMI) and the USA LMI. This index gives an indication of whether the metric being evaluated is contracting or growing. Values below 50.0 suggest a contraction, while values above 50.0 suggest growth in an activity (Getz and Ulmer, 1990). Thus, LMI values below 50.0 would be suggestive of contraction whereas values above 50.0 would suggest expansion in logistics activities.

Diffusion indexes are used to measure how widely a variable is spread across a group. The Institute for Supply Management (ISM) has been using the diffusion index to compute the Purchasing Managers Index since 1948. In keeping with the approach by Rogers, et al. (2018) and ISM, we computed the diffusion index as follows:

$$DI: 0.0 * PD + 0.5 * PU + 1.0 * PI$$

Where PD = % of respondents saying a category is declining, PU = % of respondents saying a category is unchanged, and PI = % of respondents saying a category is increasing.

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The Logistics Managers Index (LMI) for Ghana makes no representation other than that stated in this release regarding the individual company data-collection procedures. The data should be compared to all other economic data sources when used in decision-making.



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