



**SECOND QUARTER 2025**  
**LOGISTICS MANAGERS INDEX REPORT**  
**(April to June 2025)**

**The LMI value for Ghana for the second quarter of 2025 is 57.9**

The LMI for the second quarter of 2025 decreased by 5.6 points to 57.9 from the previous quarter's 63.5 (first quarter of 2025).

**Growth is INCREASING AT AN INCREASING RATE for Inventory Levels, Warehousing Capacity and Utilization as well as Transportation Capacity and Utilization.**

**Growth is INCREASING AT A DECREASING RATE for Inventory Costs, Warehousing Prices and Transportation Prices.**

(Kumasi, Ghana) – The second quarter 2025, Logistics Managers' Index registered a value of 57.9; which is 5.6 percentage points lower than the 63.5 recorded in the first quarter of 2025. This indicates a slowing down of cost metrics (inventory costs at 53.4, warehousing prices at 69.4 and transportation prices at 43.1) leading to increased growth in the other metrics and a decline in the overall LMI index.

On the other hand, inventory levels read at 74.2 (up by 14 points) having experienced growth after the first quarter. Both warehousing capacity and utilization also experienced growth with warehousing capacity reading at 58.9 (up by 1.1) and warehousing utilization reading at 74.1 (up by 11.1). Similarly, transportation capacity and utilization also experienced growth with transportation capacity reading at 69.6 (up by 1.6) and transportation utilization reading at 77.1 (up by 6.4). The growth in these metrics has been spurred on by increasing inventory levels.

This is a good indication and a 'sweet spot' with declining cost metrics and all other metrics showing increasing growth. This is arguably the most positive observation of the state of logistics in the country since its inception.

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

## LMI FOR GHANA: APRIL - JUNE 2025

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 second quarter of 2025 was collected from April to June.

### REPORT HIGHLIGHTS

- ❖ The overall Logistics Managers Index (LMI) for Ghana for the second quarter of 2025 stands at **57.9**, down by 5.6 percentage points from first quarter's reading of 63.5. This decrease is the lowest we have seen in the history of the index and can be attributed to the slowed growth of logistics cost metrics. As expected, a decline in inventory cost, warehousing and transportation prices has encouraged growth in inventory levels. This quarter has seen drastic declines in all logistics cost metrics (inventory costs, transportation prices and warehousing prices) and the likes that have not been seen in the history of the index.
- ❖ All but one metric (transportation prices) registered above the threshold of 50%. Findings from the Q2 survey indicate falling cost metrics in comparison to the previous quarter. The steady appreciation of the cedi due to the operations of the newly established Goldboard and global reduction in fuel prices have been underlining factors for this positive observation.
- ❖ Logistics cost indicators registered at all-time low levels. Warehousing prices registered the lowest value in the history of the index reading at 69.4 (down by 5.8). This quarter also saw the lowest ever recorded value for transportation prices at 43.1 (down by 41.8) and below the threshold 50%. Finally, inventory cost recorded an all-time low of 53.4 (down by 26.6). Altogether, aggregate logistics cost shows a tremendous decline from the previous value of 240.1 to the current value of 165.9 which is the lowest we have seen since the beginning of the index.
- ❖ In this quarter, we observe warehousing prices continue to decline, registering a value of 69.4 in the second quarter (a drop of 5.8 from the previous quarter). Warehouse capacity was almost steady but gained slightly, registering a value of 58.9 (up by 1.11) while warehouse utilization increased by 11.1 points; registering a value of 74.1 (from the previous quarter's 63.0).
- ❖ Beyond the drastic decline in logistics cost, the other positive observation from this quarter has been the growth of inventory levels, registering a value of 74.2 (up by 14 points from the previous quarter's 60.2). It's interesting to note that this quarter's inventory level is the highest value recorded since the inception of the LMI index.

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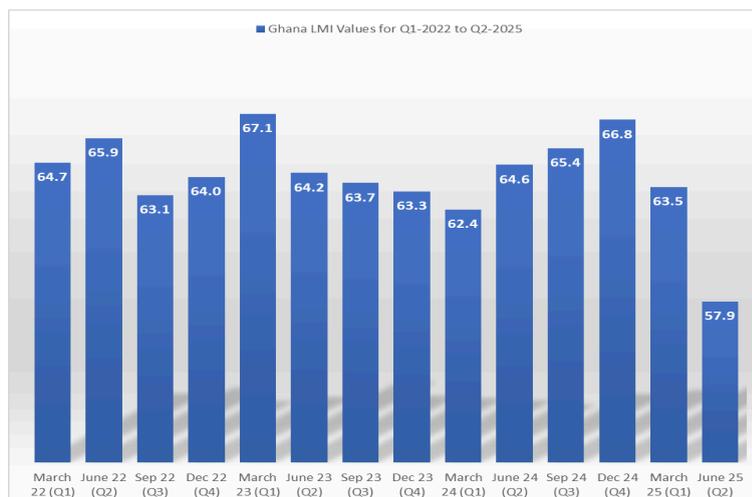
- ❖ Apart from transport prices which recorded declining growth, the other transportation metrics exhibited increasing growth with transportation capacity recording a value of 69.6 (up by 1.6) and transportation utilization recording a value of 77.1 (up by 6.4).
- ❖ The growth of logistics activities is expected to be steady in the next twelve months with a forecast of 60.6 (current quarter's overall LMI is 57.9). This might likely be due to an expected continued growth in inventory levels. The previous quarter's (Q1-2025) projection was more optimistic with a projection of 66.2.
- ❖ The Electronic Payment System Index (EPI) Index continues to see growth with a current value of 78.8; an increase of 2.7 from the previous quarter's 76.1. Usage of electronic payments within the logistics sector continues to show strong uptake and this is a positive outlook that reflects the country's growing maturity in the fintech area. This growth attests to the continued efforts by the government and private sector at increasing the scope of financial inclusivity and promoting Mobile Money Interoperability service. According to respondents, the EPI is expected to continue its growth with a prediction of 86.8 for the next twelve months.

## RESULTS OVERVIEW

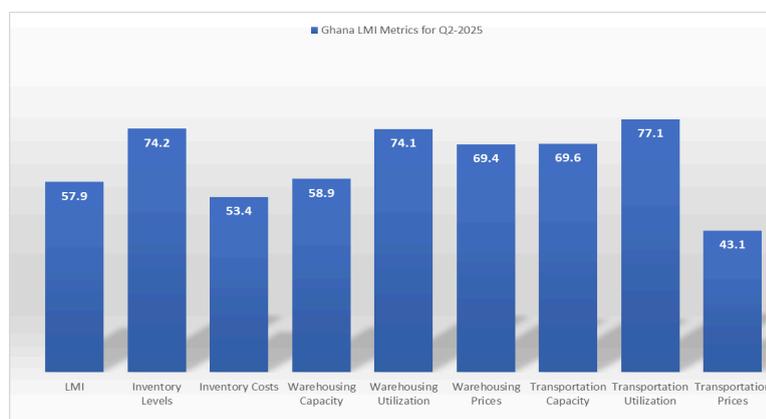
This report presents the results of the second quarter of 2025 survey, which is the 14<sup>th</sup> survey carried out since the inception of the Ghana LMI in March 2022. The results of the LMI continue to serve as predictive indicators of economic activities in Ghana as a whole. Figure 1.0 on the next page shows the Ghana LMI values from March 2022 (Q1) to the current quarter of June 2025.

In this second quarter of 2025, there has been a drop in overall LMI value from the previous quarter's 63.5 to 57.9 (down by 5.6). The decreasing growth in the LMI value is actually welcome news as it is as a result of declining logistics costs. On the other hand, this quarter has seen increasing growth with all the other metrics (inventory levels, warehouse capacity and utilization as well as transportation capacity and utilization). This value is the lowest LMI value we have seen in the history of the index. In our opinion, logistics activities in Ghana is at a 'sweet spot' and experiencing some stability in cost, stemming from an improvement in the country's economy. Companies are taking advantage of the conducive climate to stock up inventory for the next quarter hence the rising inventory levels. We would like to see the overall LMI value in the upper 50's always – that would be the ideal with declining logistics cost factors and a steady growth of inventory levels.

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**Figure 1.0:** Ghana LMI values from March (Q1) 2022 to June (Q2) 2025



**Figure 2.0:** Ghana LMI - Values for individual metrics, June (Q2) 2025

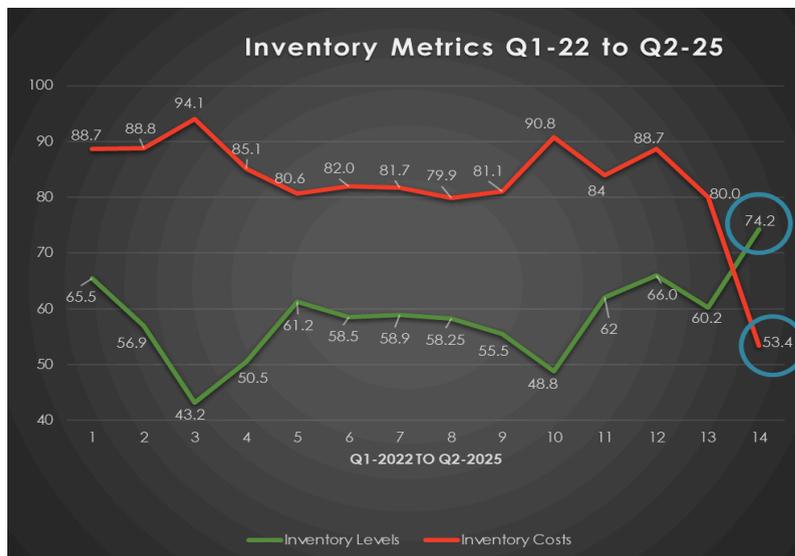
The overall LMI value for the respondents for manufacturing and service respondents were almost the same with manufacturing recording a value of 58.3 while services recorded a value of 58.1 for the second quarter of 2025. However, there was a slight difference between the overall LMI values for Upstream (57.4) and Downstream (59.4) respondents albeit quite marginal.

As earlier indicated, **inventory levels** experienced increasing growth this quarter registering a value of 74.2 (up by 14 points from the previous quarter's 60.2). This quarter's inventory level is the highest recorded in the history of the Ghana LMI. This is the second time we have seen a decline in growth of all logistics costs metrics, however, when we observed this in the last quarter it was accompanied by a decline in inventory levels. However, we see a different picture this quarter with inventory levels recording the highest value ever recorded in the history of the index and inventory costs and transportation prices also registering the lowest values ever recorded in the history of the index (53.4 and 43.1 respectively).

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One of the macroeconomic indicators that have contributed to our LMI observations this quarter has been the sharp decline of Ghana's inflation from 22.4% in March<sup>1</sup> (Q1-2025) to 13.7% in June 2025<sup>2</sup>. According to the Ghana Statistical Service (GSS), this represents the lowest inflation rate recorded since December 2021. GSS also attributes this decline to the lowering of inflationary pressures that weighed heavily on the economy at the beginning of 2025<sup>3</sup>. This has resulted in a broad-based easing of prices. It's not surprising that we see this reflected in the decline of logistics cost metrics for this quarter.

We believe the observed increase in inventory levels is as a result of increased purchasing power of retailers leading to a recovery of inventory levels for the next quarter. The regulatory activities of the Ghana Gold Board (GoldBod) which was established in March 2025 has also had a positive effect on the Ghanaian economy and contributed immensely to the stabilizing of the nation's economy<sup>4</sup>. This quarter also saw the cedi improving in performance against the dollar (trading at 10.3<sup>5</sup> cedis to the dollar (as of June 30, 2025)). There is the expectation that this appreciation will continue in the new year.



**Figure 3.0:** Inventory metrics from March (Q1) 2022 to June (Q2) 2025

The **inventory cost** metric registered a value of 53.4 (a decrease of 26.6 points from the previous quarter's 80.0). This implies that goods have become less expensive in the second quarter of 2025 compared to the first quarter. This quarter's observation is quite a positive one as it's a first in the

<sup>1</sup> <https://www.reuters.com/world/africa/ghana-consumer-inflation-eases-224-march-2025-04-02/>

<sup>2</sup>

<https://www.ghanaweb.com/GhanaHomePage/business/Ghana-s-inflation-drops-sharply-from-18-4-to-13-7-in-June-2025-1990060>

<sup>3</sup>

<https://www.ghanaweb.com/GhanaHomePage/business/Ghana-s-inflation-drops-sharply-from-18-4-to-13-7-in-June-2025-1990060>

<sup>4</sup>

<https://www.ghanaweb.com/GhanaHomePage/business/GoldBod-common-sense-approach-saved-Ghana-s-economy-Isaac-Adongo-2015696>

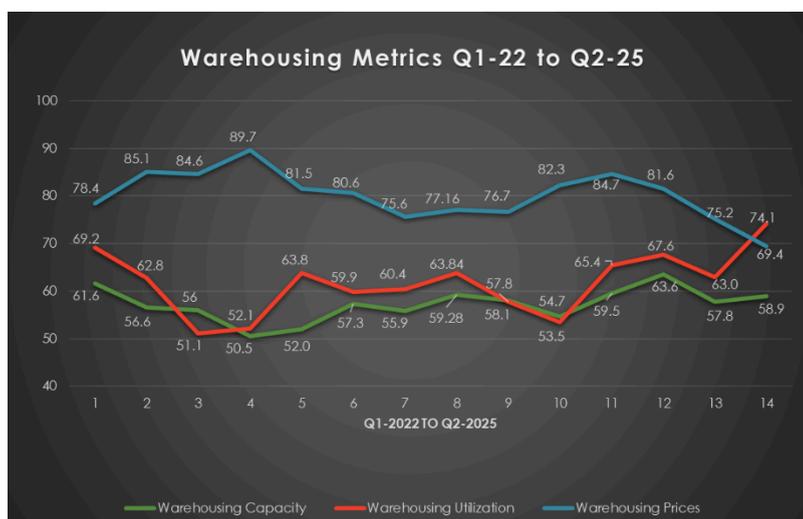
<sup>5</sup> <https://www.bog.gov.gh/treasury-and-the-markets/historical-interbank-fx-rates/>

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history of the Ghana LMI. This drastic decline in inventory cost enabled retailers a greater purchasing power as reflected in the growing inventory levels.

Respondents predict further expansion in inventory levels rising to 81.8 and a slight but steady increase in inventory cost to 59.2. There is optimism that with the continued role of the Goldbod and decreasing inventory this trend of decreasing inventory cost will hopefully continue and contribute to a further decline or at least stabilization of inventory cost. We will continue to observe how logistics cost will be impacted in the remaining quarters in 2025.

**Warehousing capacity** has increased to 58.9 compared to 57.8 in the previous quarter (up by 1.11). This is not much of a departure from the previous quarter. **Warehouse prices** experienced growth at a decreasing rate from 75.2 in March to 69.4 (down by 5.8 points). **Warehouse utilization** also showed notable increase in growth, registering a value of 74.1 from last quarter's 63.0 (up by 11.1). This increase can be attributed to higher utilization rates among downstream firms, mainly retailers, which is somehow expected as most retailers have been involved in heavy re-stocking due to the favourable economic conditions.



**Figure 4.0:** Warehousing metrics from March (Q1) 2022 to June (Q2) 2025

The **transportation price** according to this quarter's survey declined to 43.1 (down by 41.8 points from the previous quarter's 84.9). The trigger to this slowed down growth is due to a number of factors. In the last quarter of 2024, the major Oil Marketing Companies began to reduce the prices of fuel. 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 diesel<sup>6</sup> in response to significant drops in the prices of refined fuel on the international fuel market. This trend of falling fuel prices continued in Q1 2025 and some of these effects are reflected in Q2 2025. But more importantly, the conducive economic climate characterized by the performance of the cedi against the dollar and falling inflation rates have contributed to this drastic decline in transportation prices which is good for logistics activities as transportation is one of the key logistics cost drivers. Once again, we see the transportation metric having the most impact on the overall LMI value (based on quarter-over-quarter change).

<sup>6</sup> <https://www.myjoyonline.com/prices-of-petrol-diesel-lpg-to-decrease-between-2-and-5-ies/>

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The **transportation capacity** metric registered a slight increase from the previous quarter registering 69.6 (up by 1.6 points from the previous quarter's 68.0). There was also a notable increase in the **transportation utilization** metric, which registered a value of 77.1 from the previous quarter's value of 70.7 (up by 6.4).

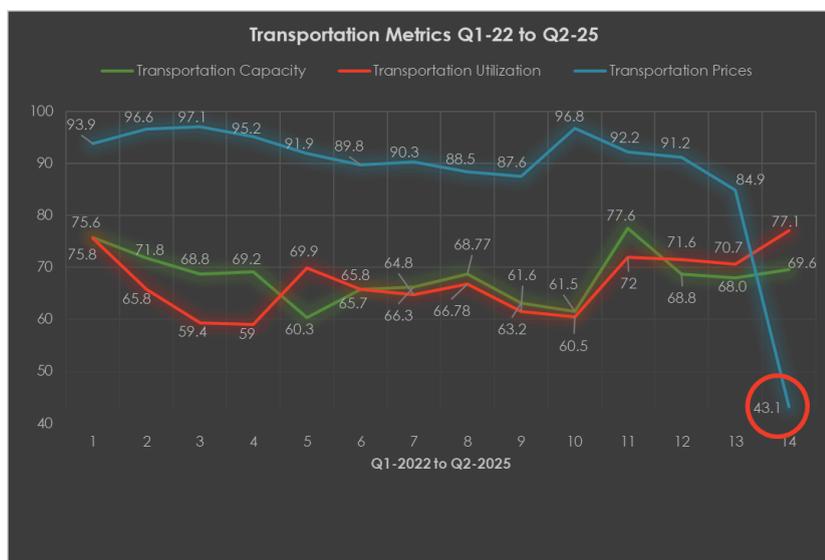


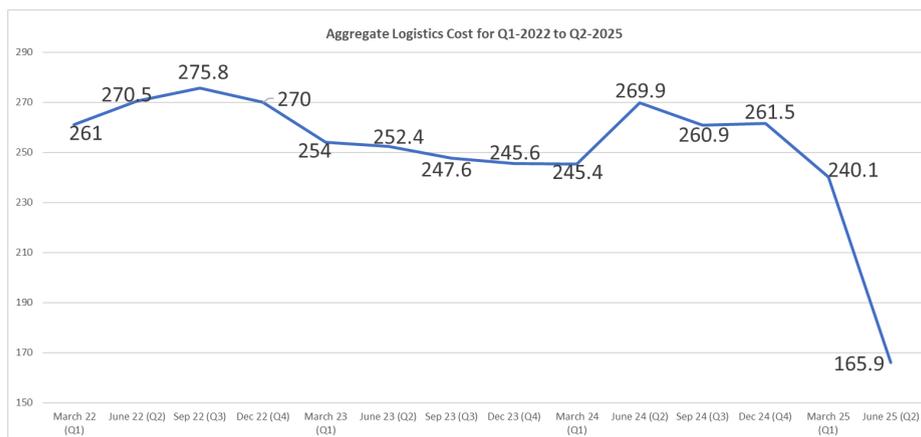
Figure 5.0: Transportation metrics from March (Q1) 2022 to June (Q2) 2025

## Aggregate Logistics Costs

Aggregate logistics costs present an overview of total logistics costs by aggregating the three cost metrics (i.e., inventory costs, warehousing and transportation prices). Figure 6.0 shows the aggregate logistics costs for Ghana in the second quarter. The vertical axis of the chart ranges from 0 – 300 because the scores of the three metrics are aggregated, with 150 representing the break-even point.

The aggregate cost for the second quarter of 2025 saw the lowest value in the history of the index falling to 165.9, from last quarter's value of 240.1 (down by 74.2). This also represents the largest quarter after quarter change/drop since the LMI began. This represents quite a change in the trajectory of the LMI from an upwards trend to a new downward trend. This is good news as the new aggregate logistics cost value is close to the mid-threshold of 150. This also reflects the stabilizing of the Ghanaian economy with declining inflation rates and a stabilization of the cedi on the international trading market.

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**Figure 6.0:** Aggregate logistics costs from March (Q1) 2022 to June (Q2) 2025

## SECOND QUARTER 2025 OBSERVATIONS

### Overall LMI

The overall LMI metric for Ghana in the second quarter of 2025 has decreased by 5.6 points, registering a value of 57.9 compared to the previous quarter's value of 63.5. All metrics except transportation prices were in the growth category. Inventory levels recorded a value of 74.2 (up by 14 point), inventory costs recorded a value of 53.4 (down by 26.6), transportation prices at 43.1 (down by 41.8), transportation capacity at 69.6 (up by 1.6), transportation utilization at 77.1 (up by 6.4), warehouse capacity at 58.9 (up by 1.11), warehouse utilization at 74.1 (up by 11.1) and warehousing prices at 69.4 (down by 5.8). We also observe a significant drop in aggregate logistics costs (from 240.1 in the first quarter to 165.9).

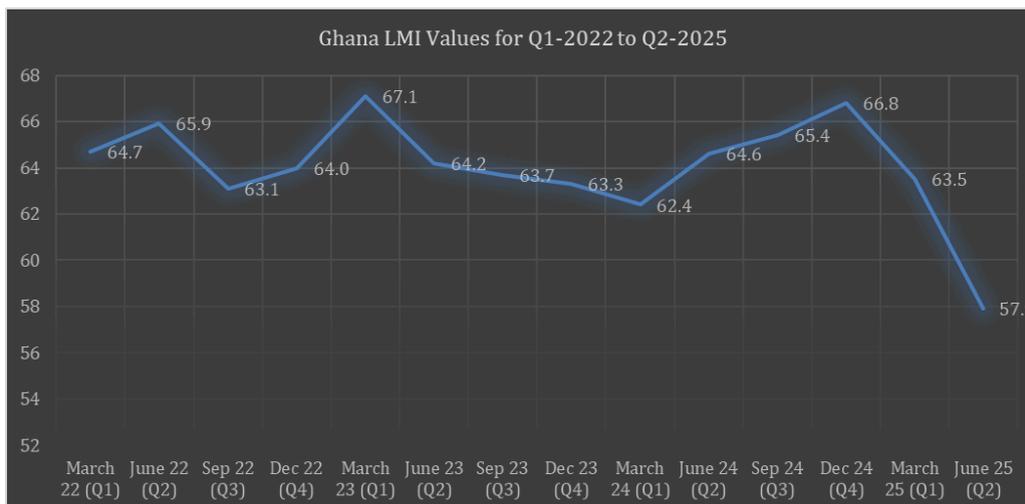
All the LMI metrics for the second quarter except transportation prices registered values above the threshold of 50%, which is an indication of growth. Transportation prices are contracting, registering a value of 43.1 (below the threshold value of 50). The other cost metrics were observed to be growing at a decreasing rate. The country seems to have gotten into growth mode with a falling inflation (13.7% in June 2025<sup>7</sup>). The national currency has also appreciated in international forex trading contributing to stability in business activities. The logistics costs factors all dropped to new all-time low values (inventory costs at 53.4, warehousing pricing at 69.4 and transportation pricing at 43.1). These metrics have traditionally been the metrics with the highest values.

The index scores for each of the eight components of the Logistics Managers Index, as well as the overall LMI score for the second quarter of 2025, are presented in Table 1.0.

<sup>7</sup>

<https://www.ghanaweb.com/GhanaHomePage/business/Ghana-s-inflation-drops-sharply-from-18-4-to-13-7-in-June-2025-1990060>

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**Figure 7.0:** Ghana LMI values from March (Q1) 2022 to June (Q2) 2025

**Table 1.0:** LMI Values for Ghana for March (Q1) 2025 and June (Q2) 2025

LOGISTICS AT A GLANCE – Q1 2025					
Index	June 2025 Index (Q2)	March 2025 Index (Q1)	Quarter-Over-Quarter Change	Projected Direction	Rate of Change
LMI®	57.9	63.5	-5.6	Growing	Decreasing
Inventory Levels	74.2	60.2	14	Growing	Increasing
Inventory Costs	53.4	80.0	-26.6	Growing	Decreasing
Warehousing Capacity	58.9	57.8	1.11	Growing	Increasing
Warehousing Utilization	74.1	63.0	11.1	Growing	Increasing
Warehousing Prices	69.4	75.2	-5.8	Growing	Decreasing
Transportation Capacity	69.6	68.0	1.6	Growing	Increasing
Transportation Utilization	77.1	70.7	6.4	Growing	Increasing
Transportation Prices	43.1	84.9	-41.8	Contracting	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 60.2 in the next quarter. This prediction is slightly higher than last quarter's prediction of 63.5.

### Historic Logistics Managers Index Scores

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

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**Table 2.0:** Historic Logistics Managers Index Scores from March (Q1) 2022 to June (Q2) 2025

Quarter	LMI Values	
June (Q2) - 2025	57.9	All-time Average – 64.04  High – 67.1  Low – 57.9  Std Dev – 2.24
March (Q1) - 2025	63.5	
December (Q4) - 2024	66.8	
September (Q3) - 2024	65.4	
June (Q2) - 2024	64.6	
March (Q1) - 2024	62.4	
December (Q4) - 2023	63.3	
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	

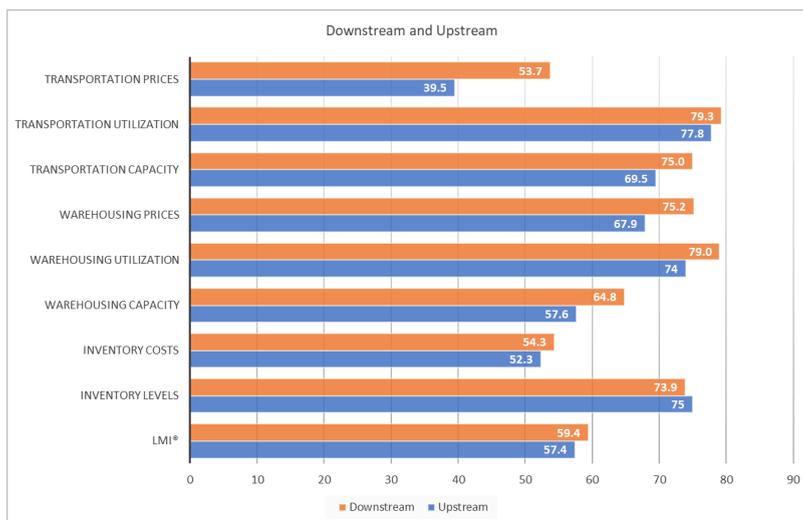
### Upstream vs Downstream Activities

The differences between observations made for firms downstream (reflected by the orange bars in Fig. 6.0) and those upstream (blue bars) are quite insignificant. Downstream firms reported slightly elevated levels of almost all the metrics except inventory levels where upstream firms seem to have a slightly higher value. In the past, we have observed that upstream firms normally have elevated levels for utilization. It's however not surprising that downstream firms seem to pay slightly more when it comes to the cost metrics. Table 3.0 below indicates the LMI values for upstream and downstream supply chain actors.

**Table 3.0:** Upstream and Downstream values for June (Q2) 2025

Upstream vs. Downstream Values - Q2 2025				
Index	Upstream Values	Downstream Values	Delta	Significant?
LMI®	57.4	59.4	-2	No
Inventory Levels	75	73.9	1.1	No
Inventory Costs	52.3	54.3	-2	No
Warehousing Capacity	57.6	64.8	-7.2	Marginal
Warehousing Utilization	74	79.0	-5	No
Warehousing Prices	67.9	75.2	-7.3	No
Transportation Capacity	69.5	75.0	-5.5	No
Transportation Utilization	77.8	79.3	-1.5	No
Transportation Prices	39.5	53.7	-14.2	Marginal

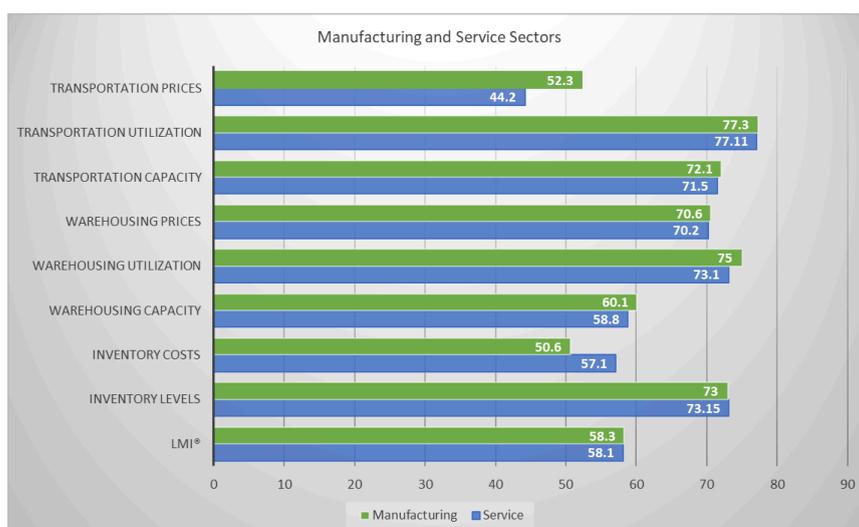
## LMI FOR GHANA: APRIL - JUNE 2025



**Figure 7.0:** Upstream and Downstream values for June (Q2) 2025

### Manufacturing vs Service Sector Activities

Observations were made for manufacturing (green bars in figure 8.0) and service sectors (blue bars in figure 8.0). The differences were quite insignificant. Manufacturing firms registered slightly higher levels of transportation prices and warehousing utilization. All other metrics were the same for both manufacturing and services with the exception of inventory costs where services recorded higher values. In general, the LMI for manufacturing sector (58.3) was almost the same as that for services (58.1)



**Figure 8.0:** Values for manufacturing and service sectors, June (Q2) 2025

**Table 4.0:** Values for Service and Manufacturing Sectors, June (Q2) 2025

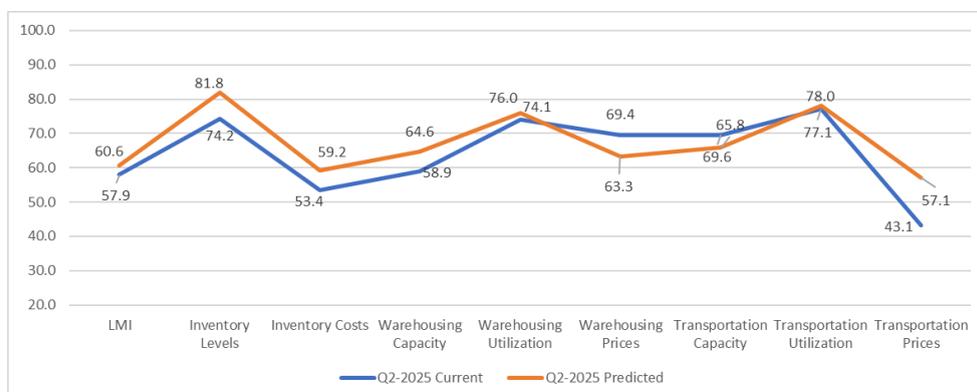
Values for Service and Manufacturing Sectors - Q2 2023				
Index	Service Values	Manufacturing Values	Delta	Significant?
LMI®	58.1	58.3	-0.2	No
Inventory Levels	73.15	73	0.15	No
Inventory Costs	57.1	50.6	6.5	No
Warehousing Capacity	58.8	60.1	-1.3	No
Warehousing Utilization	73.1	75	-1.9	No
Warehousing Prices	70.2	70.6	-0.4	No
Transportation Capacity	71.5	72.1	-0.6	No
Transportation Utilization	77.11	77.3	-0.19	No
Transportation Prices	44.2	52.3	-8.1	Marginal

### PREDICTIONS

Respondents were asked to predict movement in the overall LMI and individual metrics 12 months from now. The predictions made in June (Figure 9.0) are similar to what we saw in March but more slightly less optimistic. The current LMI value is expected to be steady at 60.6 down by -3.3 from March’s prediction of 63.5.

Similar to last quarter, respondents expect inventories levels to build up to 81.8. Respondents also anticipate that inventory costs will increase slightly to 59.2. Warehousing capacity is expected to rise to 64.6. Warehouse prices are predicted to drop to 63.3 while transport capacity is expected to also decrease to 65.8. Respondents also expect transport utilization to remain almost steady at 78.0 while transportation prices are expected to rise to 57.1. The current improved cost of doing business and the cedi’s appreciation against the dollar could be a factor contributing to the predictions by respondents. Respondents are, however, of the view that the growth of the cost metrics (inventory cost, transportation price and warehouse price) will continue to slow down over the next 12 months.

Table 5.0 shows a comparison of the predicted LMI values for Q1 2025 and Q2 2025; while figure 9.0 indicates the current and predicted values for all eight metrics from the second quarter survey (June 2025).



**Figure 9.0:** Current and Predicted Values – June (Q2) 2025

**Table 5.0:** Comparing 2025 (Q2) predictions with that of 2025 (Q1)

<b>LOGISTICS AT A GLANCE – Predicted Values (Q1 2025 and Q2 2025)</b>		
<b>Index</b>	<b>March 2025 - Predicted</b>	<b>June 2025 - Predicted</b>
LMI	<b>66.2</b>	<b>60.6</b>
Inventory Levels	84.1	81.8
Inventory Costs	75.6	59.2
Warehousing Capacity	75.1	64.6
Warehousing Utilization	82.8	76.0
Warehousing Prices	76.0	63.3
Transportation Capacity	80.9	65.8
Transportation Utilization	71.6	78.0
Transportation Prices	91.2	57.1

**Upstream and Downstream (Predicted)**

Similar to the main observations, there was no significant difference in the predictions between downstream (orange) and upstream (blue) and respondents. While it is not a significant difference, upstream firms expect to see inventory levels continue to build over the next 12 months slightly more than downstream firms expect. Downstream firms also predict slightly higher levels of transportation prices and transportation utilization.

**Table 6.0:** Predicted Upstream and Downstream Values – June (Q2) 2025

<b>Future Upstream vs. Downstream Values - Q2 2025</b>				
<b>Index</b>	<b>Future Upstream Values</b>	<b>Future Downstream Values</b>	<b>Delta</b>	<b>Significant?</b>
LMI®	<b>59.7</b>	<b>60.5</b>	-0.8	No
Inventory Levels	81.8	78.2	3.6	No
Inventory Costs	57.1	59.6	-2.5	No
Warehousing Capacity	63.9	65.4	-1.5	No
Warehousing Utilization	75	75.0	0	No
Warehousing Prices	62.2	61.7	0.5	No
Transportation Capacity	65.3	62.9	2.4	No
Transportation Utilization	76.9	78.2	-1.3	No
Transportation Prices	54	59.7	-5.7	Marginal

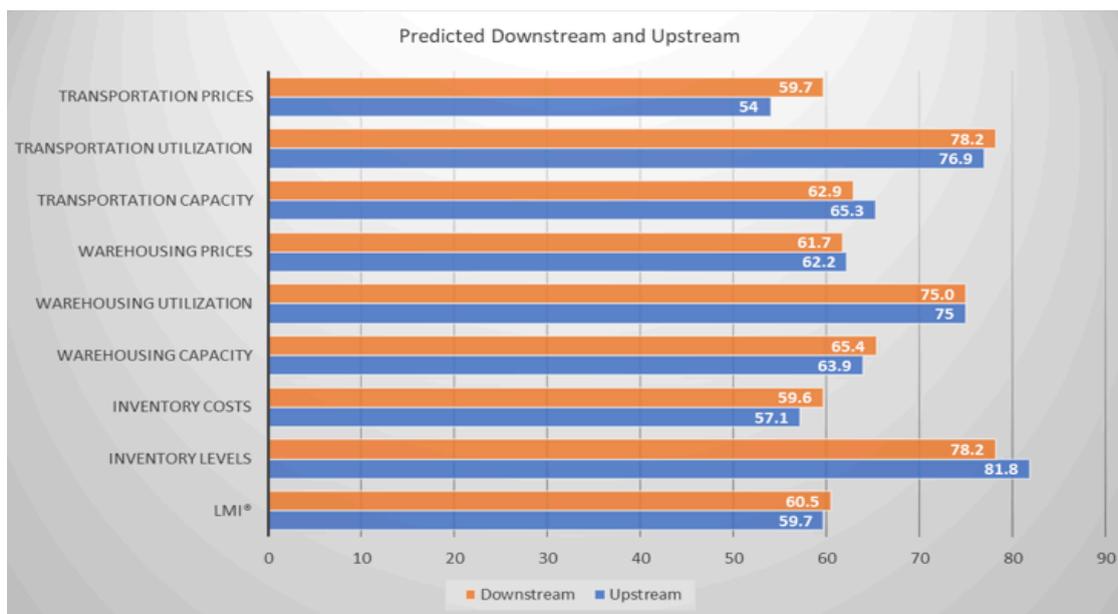


Figure 10.0: Predicted Upstream and Downstream Values – June (Q2) 2025

### SUPPLY AND DEMAND CHALLENGES

As part of the study, the perspectives of logistics managers were solicited to examine the key factors influencing demand and supply dynamics across their respective industries. A dominant concern emerging from the analysis was the persistent depreciation of the Ghanaian cedi against major foreign currencies, particularly the United States dollar. Respondents described this trend as alarming, noting that it has significantly constrained firms’ ability to procure new supplies. Consequently, many companies have reduced material inflows, especially those dependent on imported inputs.

Several respondents also expressed concern about the escalating costs associated with port clearance, including duties and related taxes, which have substantially increased the cost of importing goods. Some participants indicated that the cost of clearing goods at the ports has nearly tripled within the past year. A respondent from the manufacturing sector explained that price instability, coupled with the sustained depreciation of the cedi against the dollar, has made it exceedingly difficult to adhere to purchasing plans. The respondent further noted that diminished purchasing power has been a primary factor contributing to persistently low inventory levels. High taxation and rising inflation were consistently cited as having severe and debilitating effects on firms’ operational activities.

Similarly, a respondent from the retail sector emphasized that elevated inflation has significantly increased the overall cost of doing business. According to this respondent,

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rising costs span multiple operational areas, including the procurement of goods, transportation, and taxation, which were described as both numerous and excessively burdensome.

From the pharmaceutical industry, one respondent observed that the high cost of doing business has encouraged the proliferation of cheaper, inferior, and substitute products within the market. This development, according to the respondent, has altered consumer purchasing behavior and reshaped market demand for established products.

Respondents further highlighted the growing difficulty of clearing goods from the ports as a major supply-side constraint, attributing this challenge to escalating port duties and levies. In support of this concern, the Director-General of the Ghana Ports and Harbours Authority acknowledged in a recent interview that importers are subject to approximately 22 different taxes and levies during the port clearance process, collectively imposing a significant financial burden.

Beyond these issues, respondents identified several additional challenges affecting demand and supply, including limited access to finance and credit facilities, seasonal fluctuations in demand and supply particularly within agro-based industries; global supply chain disruptions, increased competition from foreign firms with stronger liquidity positions, high transportation costs, elevated living costs resulting in weakened consumer demand, and insufficient financial capacity to support business diversification.

Notably, respondents overwhelmingly perceived transportation costs to remain high. This perception is consistent with historical trends, as transportation costs have consistently recorded the highest index values and, together with inventory costs, remain among the metrics most closely aligned with broader macroeconomic conditions.

### **ELECTRONIC PAYMENT SYSTEMS INDEX**

The Electronic Payment Systems Index (EPI) is designed to measure the extent of usage of electronic payment systems within the logistics sector. The adoption of e-payment systems has expanded significantly following the introduction of the Government of Ghana's Digital Ghana Agenda<sup>8</sup>, which aims to enhance economic inclusiveness through the application of digital technologies. This policy initiative has accelerated the growth of financial technology (fintech) and the widespread adoption of mobile payment platforms. Furthermore, the COVID-19 pandemic contributed to increased acceptance of electronic and contactless payment methods, as many individuals and firms in Ghana transitioned toward digital modes of financial interaction. These developments have had a positive impact on logistics transactions, where efficiency, speed, and traceability of payments are critical.

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<sup>8</sup>

<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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The EPI seeks to capture the level of adoption of digital payment systems across the logistics value chain, encompassing mobile money transfers (such as MoMo in Ghana and M-Pesa in Kenya) as well as electronic bank transfers. Introduced in the second quarter of 2022, the EPI is conceptually aligned with the Logistics Managers' Index (LMI) and is constructed as a diffusion index with a threshold value of 50 percent.

Survey respondents were asked to assess the extent to which their organizations utilize mobile money and other electronic payment systems in transactions with customers and suppliers. In addition, respondents evaluated trends in their organizations' use of these platforms, indicating whether usage had declined, remained stable, or increased over the reference period.

The EPI for the second quarter of 2025 registered a value of 78.8 from the previous quarter's 76.1 (a drop of 2.7), as indicated in figures 12.0 and 13.0. The EPI has been quite steady, often recording values 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 86.8). The EPI registered its lowest value in the third quarter of 2023 when the index 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'<sup>9</sup> coupled with the introduction of the e-levy in May 2022.

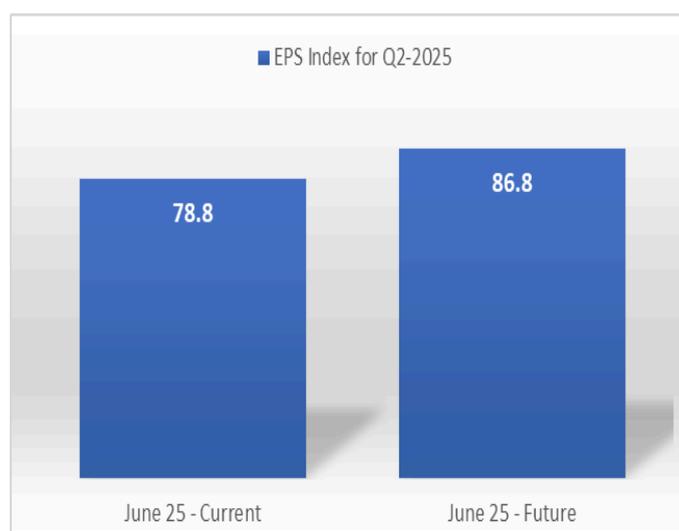


Figure 12.0: Current and predicted values for the EPI for June (Q2) 2025

<sup>9</sup> <https://theconversation.com/ghanas-e-levy-3-lessons-from-the-abolished-mobile-money-tax-253285>

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

### 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 233 valid responses were used for the Q2 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.

# CARISCA Centre for Applied Research and Innovation in Supply Chain – Africa



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