



**FOR ECONOMIC PROSPERITY
IN GHANA**



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A -2026 Business Regulatory Reform Analysis for economic prosperity.

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Introduction

Ghana stands at a pivotal moment in its economic trajectory. Despite a vibrant entrepreneurial culture and a dynamic population eager to innovate, the country continues to grapple with high unemployment and deepening poverty. In 2022 alone, economic shocks pushed an estimated 850,000 Ghanaians into poverty. This is an alarming reminder that current strategies are not delivering the needed inclusive growth. At the centre of this challenge lies the fate of Ghana's micro, small, and medium enterprises (MSMEs), which form the backbone of the private sector for job creation and economic prosperity. The MSMEs represent approximately 92% of all businesses and contribute nearly 70% to the GDP. This demonstrates how MSMEs possess the potential to propel economic transformation, expand job opportunities, and enhance national competitiveness.

This potential however, remains largely untapped. A complex and burdensome regulatory environment continues to constrain MSME operations. Businesses face overlapping institutional mandates, excessive documentation requirements, opaque procedures, inconsistent enforcement, and prolonged registration and compliance timelines. These systemic inefficiencies discourage business formalization, restrict expansion, drain capital, and ultimately weaken local and foreign investor confidence.

This brief disclosed pressing concerns found in a nationwide survey of 600 MSMEs between September 2024 to July 2025 across diverse sectors, specifically, the manufacturing, ICT, and Tourism. The study disclosed the regulatory bottlenecks that hinder MSME productivity, expansion, and general operation. It also evaluates the effects of these barriers on business growth, competitiveness, formalization, and subsequently proposes practical and forward-looking reforms to modernize Ghana's regulatory ecosystem. These objectives are not alien to the 24-hour economy which firmly aligned with a robust private-sector-driven economy. Understanding the challenges and practically adopting the recommendations will create a flexible regulatory environment for compliance. This will further lead to more business formalization, expansion, job creation and revenue mobilization for government.



1.1 Definition of MSMEs

Enterprise Size	No. of Employees	Revenue (Including Fixed Assets and
Micro	15	150,000
Small	6- 30	≤ 6 million
Medium	31-100	≤18 million

Source: Ghana Enterprise Agency.

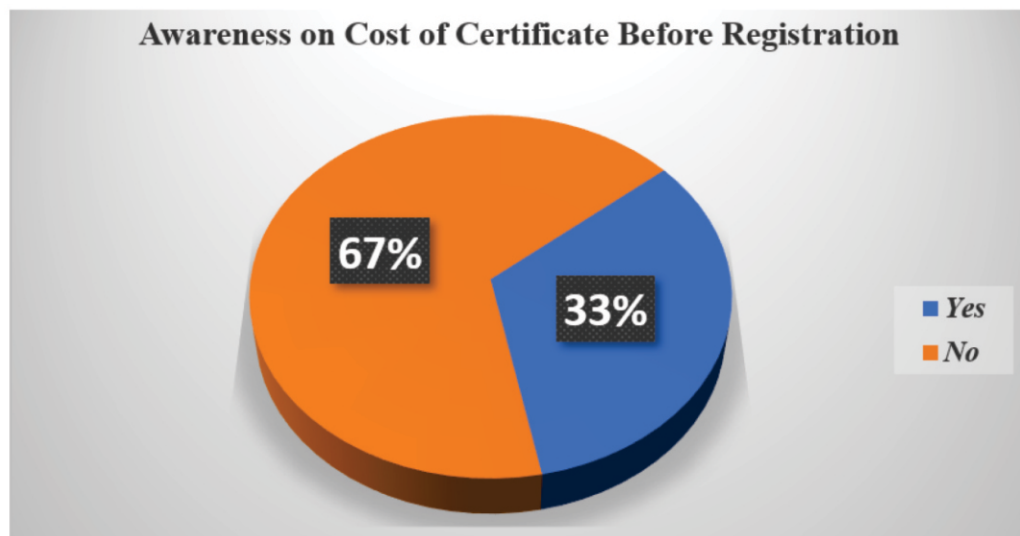
2. Key Findings

2.1 Awareness on Cost of Registration

From the Study, it was revealed that majority of the respondents were not aware of the cost of certificate before registration, representing 67%. This implies that most MSMEs in Ghana are not privy to the cost before registering for a certificate. However, the other 33% who were privy to the cost accessed the information from the website of some institutions, or from friends and family.

See figure 1.

Figure 1: Awareness of Cost of Registration



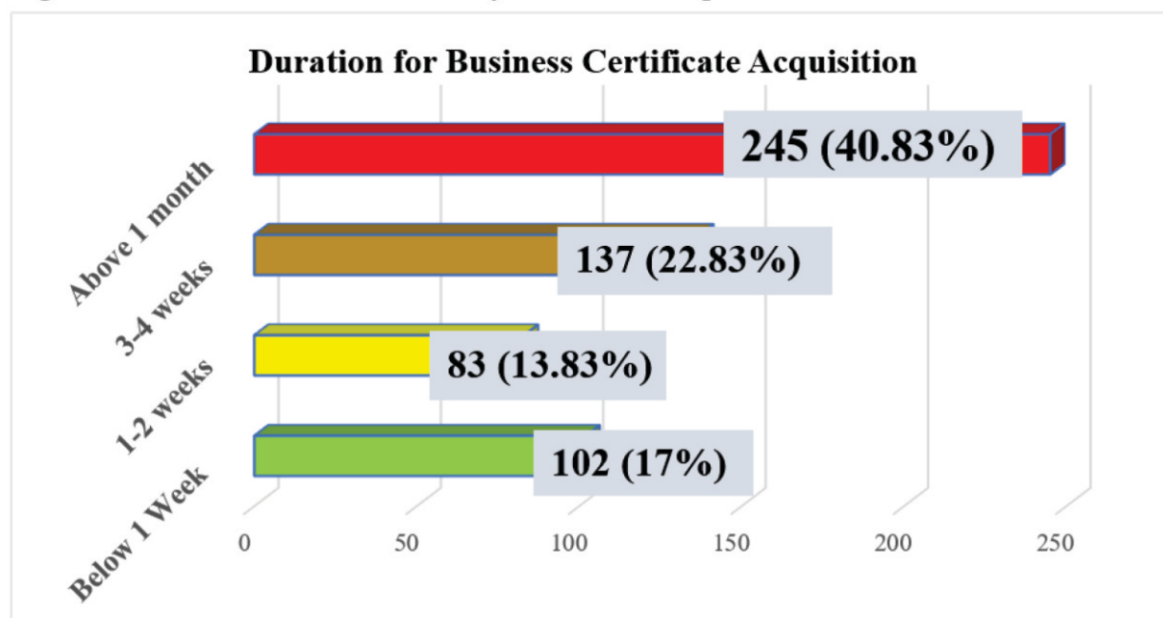
Source: ILAPI's Study (2024;2025)

2.2 Institutional Bureaucracy

2.2.1 Delays in Business Registration and Cost Burdens

A core finding depicts how formal business registration is slow and costly, discouraging entrepreneurs from formalizing. According to the ILAPI study, 40.8% of firms reported that the registration process for business entry certificate took over one month, while 17% completed it under 1-week with sole assistance from “Goro boys”. Not surprisingly, many business owners face significant opportunity costs during this wait. Moreover, the average business entry registration (ORC) fee per certificate was GH¢1,030.00 (\$150) at the time of the study, a steep amount for micro-entrepreneurs operating on razor-thin margins. This cost is as a result of middlemen (Goro boys) intervention in the process for the promise of receiving the certificate without delays. These costs are particularly burdensome for micro firms: with limited capital, they often cannot absorb high unofficial fees or associated informal payments. These lengthy delays and high fees create barriers at the very first step of business formalization. They force entrepreneurs to allocate scarce resources to bureaucracy instead of productive investment, and many never complete registrations. Businesses that do register may find their operating capital and patience severely taxed. In effect, delayed and expensive registration acts as a tax on formal entrepreneurship, especially harming start-ups and microenterprises. *See the figure 2 below*

Figure 2: Duration for Business Entry Certificate Acquisition



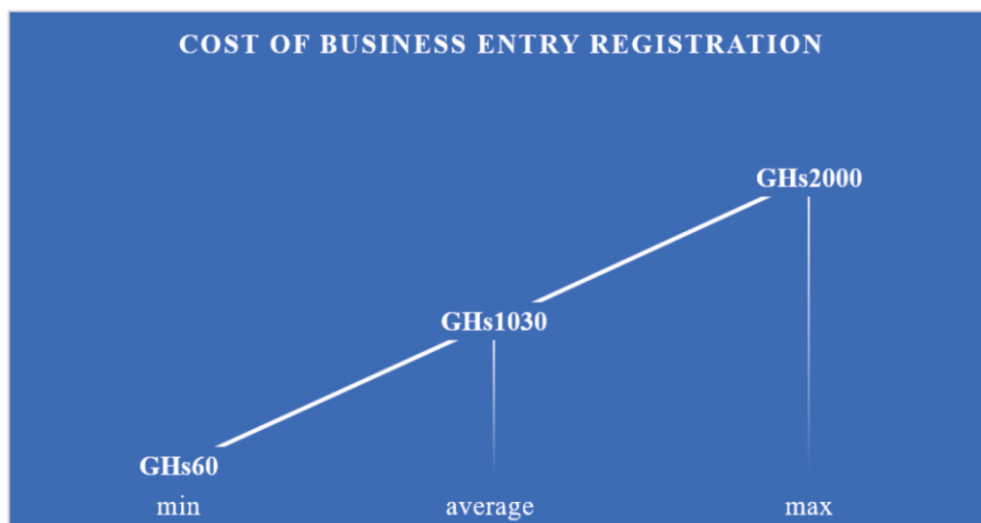
Source: ILAPI's Study (2024;2025)

2.2.2 Cost of Acquiring Business Entry Certificate

Another criterion used to assess the bureaucracy involved in the registration of businesses is the cost involved in the process.

From the study, it was revealed that the minimum amounts participants spent to register a business was GHs60.00 and the maximum cost spent was GHs2,000.00. This implies that it cost an average of GHs1,030.00 to register a business entry certificate in Ghana. *See figure 3*

Figure 3: Cost of Business Entry Registration



Source: ILAPI's Study (2024;2025)

2.2.2.1 People Per Different Cost of Acquiring Business Certificate

Cost		Frequency (Number of people)	Percent
Valid	50	10	1
	70	10	1
	80	10	1
	100	40	4
	120	40	4
	150	100	10
	200	160	16

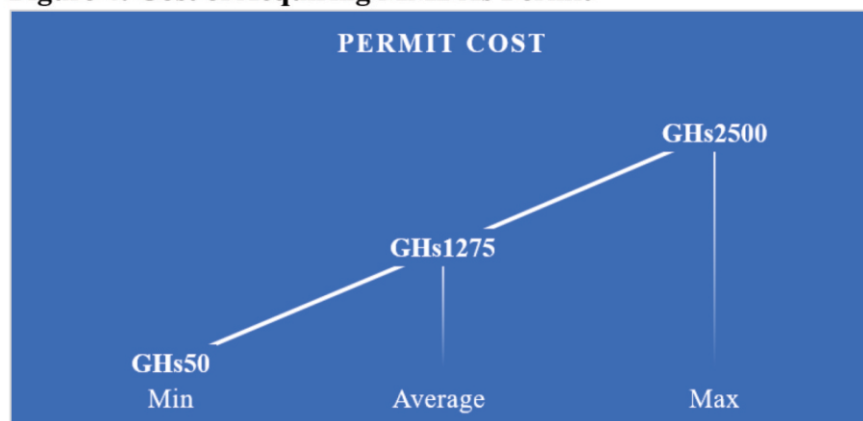
Valid	250	60	6
	300	80	8
	350	60	6
	400	50	5
	450	10	1
	500	80	8
	600	10	1
	650	10	1
	770	10	1
	800	20	2
	1000	40	4
	1200	20	2
	1400	20	2
	1500	10	1
	2000	10	1
	Total	880	88
Missing System		120	12
Total		1000	100

Source: ILAPI's Survey (2025)

2.2.3 Cost of Acquiring a Permit at the MMDAs

The study inquired the cost participants spent during the acquisition of permits at the Metropolitan, Municipal, and District Assemblies (MMDAs). Accordingly, the data disclosed the minimum cost spent during the process of acquiring MMDAs permit was GHs50.00, while the maximum amount spent during the process was GHs2,500.00. This implies that participants spent an average of GHs1,275.00 in acquiring a permit for business operation at the MMDAs level. See figure 4

Figure 4: Cost of Acquiring MMDAs Permit



Source: ILAPI's Survey (2024)

2.2.3.1 People Per Different Cost of Acquiring MMDAs Permit

Cost (GHs)	Frequency (Number of people)	Percent
100	80	8
1000	20	2
1050	10	1
120	20	2
1200	10	1
150	150	15
1500	10	1
200	80	8
2000	10	1
250	40	4
2500	10	1

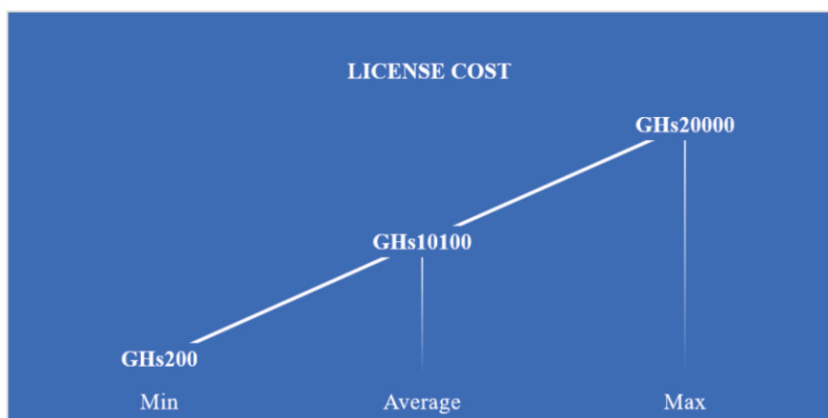
	300	20	2
	400	10	1
	50	40	4
	500	30	3
	530	10	1
	550	10	1
	560	10	1
	700	20	2
	80	10	1
	800	30	3
	850	10	1
	900	10	1
	Total	650	100

Source: ILAPI's Survey (2025)

2.2.4 Cost of Acquiring a License

The study also inquired about the cost participants spent during the acquisition of a license. Accordingly, the data disclosed that the minimum cost spent during the process was GHs200, while the maximum amount spent during the process was GHs20,000. This implies that participants spent an average of GHs10,100 in acquiring a license for business operation. Similar to the certificate and permit, the amounts spent on a license could be equally associated with the use of middlemen. See figure 5

Figure 5: Cost of Acquiring License



Source: ILAPI’s Study (2024;2025)

2.2.4.1 People Per Different Cost of Acquiring License

Cost		Frequency (Number of people)	Percent
Valid		68	68
	1000	40	4
	1100	10	1
	1200	10	1
	1500	10	1
	1560	10	1
	1600	10	1
	200	40	4
	2000	20	2
	2200.00.	20	2
	2500	10	1
	300	20	2

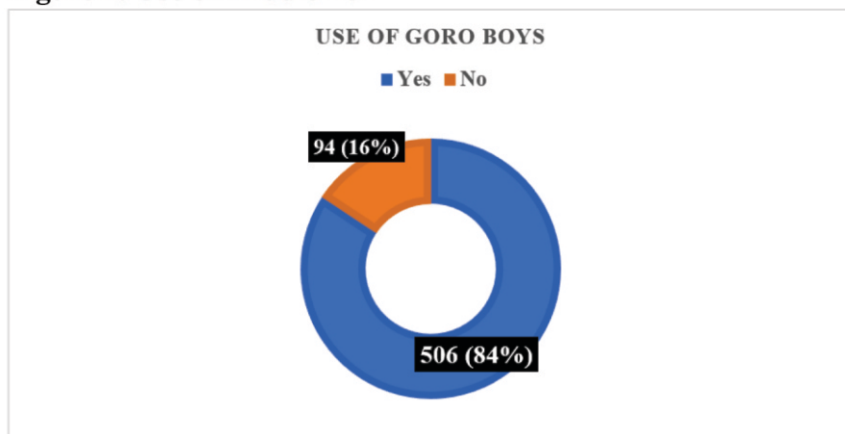
Valid	3000	20	2
	350	20	2
	400	10	1
	500	20	2
	600	30	3
	620	10	1
	950	10	1
	Total	1000	100

Source: ILAPI's Survey (2025)

2.3 Use of Middlemen “Goro boys”

From the study, it has been revealed that out of the 600 respondents, 84% of the respondents indicated they used “goro boys”, while only 16% did not involve “goro boys” in the registration process. This denotes the increase in cost spent in the process of formalizing a business. *See Figure 6*

Figure 6: Use of Middlemen



Source: ILAPI's Study (2024;2025)

2.3.1 Without “Goro Boy’s and Duration of Acquiring Business Entry Certificate

The study shows an association between the use of “Goro boys” and the duration of acquiring the Business Entry Certificate. The bivariate analysis revealed that out of the 94 (16%) who did not engage the Goro boys in acquiring their certificates, the majority, 80 of them, acquired the certificate after 6 months, followed by 11 who had their certificate between 4-6 months. The rest, 3, acquired the business entry certificate between 1-3 months. This attests to the fact that without the use of a middleman, the acquisition of a Business Certificate takes longer duration more than the stipulated 14 working days. *See Table 2*

Table 2: Without Goro Boys and Duration of Acquiring Business Entry Certificate

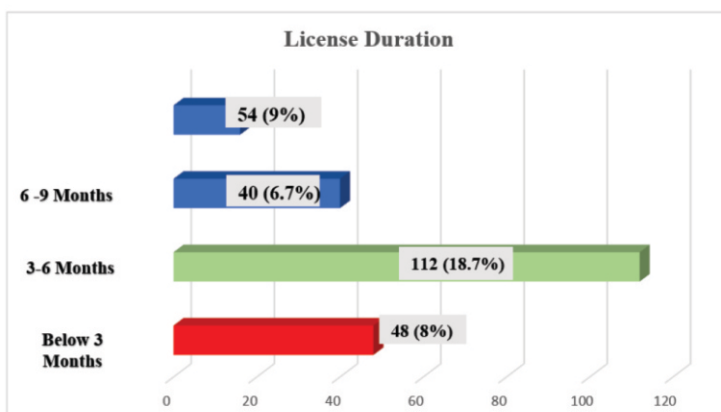
		Duration				
		Below 1 month	1-3 months	4-6 months	Above 6 months	Total
Goro Boys	No	0	3	11	80	94 (16%)
	Yes	322	187	0	0	506 (84%)
Total		322	187	11	80	600

Source: ILAPI’s Study (2024;2025)

2.4 License Registration Duration

From the study, it was revealed that, it took a majority of the MSMEs between 3-6 months to receive the licenses representing 18.7%, followed by 8% who received theirs within 3 months. 6.7% received the license between 6 -9 months and the rest, 9% had theirs above 9 months, totalling to 42.4%. This shows that, at the time of the study most of the MSMEs representing 57.3% were operating without their respective licenses. See figure 7 ...

Figure 7: License Registration Duration

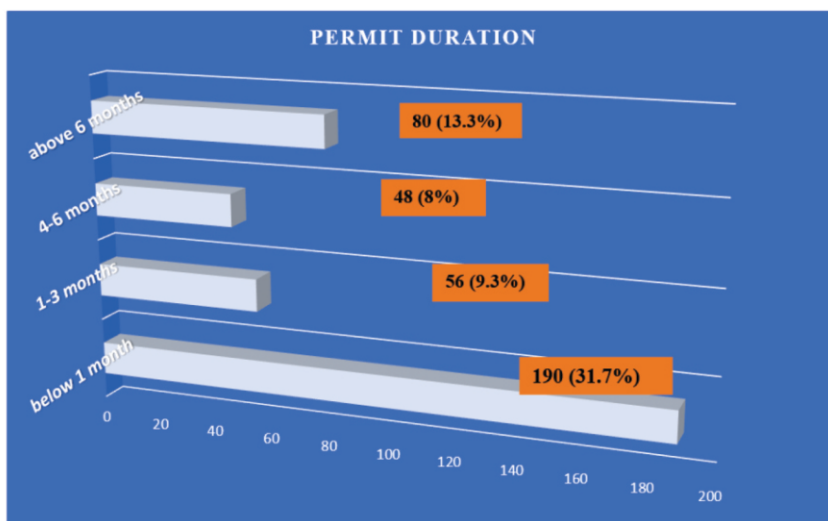


Source: ILAPI’s Study (2024;2025)

2.4.1 Duration of Business Permit Acquisition at the MMDAs

The survey disclosed that it took the majority of the MSMEs less than a month to receive their permits, representing 31.7%, 9.3% received the permit between 1-3 months, 8% received same within 4-6 months, and 13.3% who received theirs after 6 months. This shows, majority of the MSMEs were not able to receive their permit within the stipulated 14 days period. See figure 8...

Figure 8: Duration of Business Permit Acquisition



Source: ILAPI's Study (2024;2025)

2.5 Complex Regulatory Landscape with Institutional Overlaps

Ghana's regulatory framework is highly fragmented. The study identified a web of laws and agencies across sectors. For manufacturing alone, at least 13 Acts and Regulations are relevant; from the EPA Act (1994), and Factories Act to VAT and Tax Acts, etc. Similarly, both tourism and ICT firms encounters their own long lists of sectoral laws (e.g., Tourism Act 2011, Data Protection Act 2012, NCA Act 2008, etc.).

Manufacturing Sector	Tourism/ Hospitality Sector	ICT/Tech Sector
1. Environmental Protection Agency Act, 1994 (Act 490) 2. National Board for Small Scale Industries Act, 1981 (Act 434) 3. Manufacturing Industries Act, 1971 (Act 356) 4. Manufacturing Industries Regulations, 1972 (L.I. 795) 5. The Factories, Offices and Shops Act, 1970 (Act 328) 6. Standards Authority Act, 1973 (N.R.C.D. 173) 7. Ghana Standards Authority Act, 2022 (Act 1078) 8. Income Tax Act, 2015 (Act 896) 9. Value Added Tax Act, 2013 (Act 870) 10. Customs Act, 2015 (Act 891) 11. Labour Act, 2003 (Act 651) 12. Public Health Act, 2012 (Act 851) 13. Industrial Designs Act, 2003 (Act 660) 14. Ghana National Fire Service Act, 1997 (Act 537), and Regulations, 2003 (L.I. 1724). 15. Local Government Act, 1993 (Act 462), and amended Local Government Act, 2016 (Act 936) 16. Land Use and Spatial Planning Act, 2016 (Act 925), and Land Use and Spatial Planning Regulations, 2019 (L.I. 2384) 17. Ghana Geological Survey Authority Act, 2016 (Act 928) 18. Office of the Registrar of Companies (ORC), Companies Act, 2019 (Act 992)	1. Tourism Act, 2011 (Act 817) 2. Hotels Act, 1964 (Act 230) 3. Public Health Act, 2012 (Act 851) 4. Environmental Protection Agency Act, 1994 (Act 490) 5. Labour Act, 2003 (Act 651) 6. Immigration Act, 2000 (Act 573) 7. Customs Act, 2015 (Act 891) 8. Ghana Tourism Authority Act, 2019 (Act 1004) 9. Income Tax Act, 2015 (Act 896) 10. Value Added Tax Act, 2013 (Act 870) 11. Ghana National Fire Service Act, 1997 (Act 537), and Regulations, 2003 (L.I. 1724). 12. Local Government Act, 1993 (Act 462), and Local Government Act, 2016 (Act 936) 13. Land Use and Spatial Planning Act, 2016 (Act 925), and Land Use and Spatial Planning Regulations, 2019 (L.I. 2384) 14. Office of the Registrar of Companies (ORC), Companies Act, 2019 (Act 992)	1. Electronic Transactions Act, 2011 (Act 772) 2. Data Protection Act, 2012 (Act 843) 3. National Information Technology Agency Act, 2008 (Act 771) 4. Electronic Communications Act, 2008 (Act 775) 5. National Communications Authority Act, 2008 (Act 769) 6. Cybersecurity Act, 2020 (Act 1038) 7. Income Tax Act, 2015 (Act 896) 8. Value Added Tax Act, 2013 (Act 870) 9. Environmental Protection Agency Act, 1994 (Act 490) 10. Labour Act, 2003 (Act 651) 11. Local Government Act, 1993 (Act 462), and Local Government Act, 2016 (Act 936) 12. Ghana National Fire Service Act, 1997 (Act 537), and Regulations, 2003 (L.I. 1724). 13. Office of the Registrar of Companies (ORC), Companies Act, 2019 (Act 992)

Crucially, many of these regulations overlap in mandate (e.g., multiple environmental safety, advertisement, local government, and GTA and FDA approvals are required for both factories and hotels). The survey highlights the breadth of compliance obligations: manufacturing enterprises need about 13 separate certificates, including licenses and permits; ICT and tourism/hospitality firms, about 6 and 10, respectively

Table 3: Duplicate /Overlapping Institutions

Purpose	Institutions	Key regulations
For Standard (quality, safety)	Food and Drugs Authority	Public Health Act, 2012 (Act 851), part 6
	Ghana Standard Authority	Standards Authority Act, 1973 (NRCD 173)
For advertisement	Food and Drugs Authority	Public Health Act, 2012 (Act 851), Part 7 (Sections 100 & 114)
	MMDAs	Local Governance Act, 2016 (Act 936) - MMDA Advertising/Signage By-laws (e.g., AMA Bye-laws)
Operation	Registrar General (Now ORC)	Companies Act, 2019 (Act 992)
	MMDAs (to operate in the MMDAs)	Local Governance (Permits and Notices) Regulations, 2020 (L.I. 2407)
	MMDAs (Structure)	Physical Planning Act, 2016 (Act 925) - Building Regulations / MMDA Development Control By-laws

Looking at the above illustration, the duplication of similar activities per the regulations arguably indicates that although Ghana's regulatory environment for businesses is designed to promote safety, quality, accountability, and formalisation of economic activities, the duplication of binding regulations for the same/similar activities poses a challenge to business compliance and survival. These duplications of regulatory functions across multiple institutions, and overlap have far-reaching implications for business compliance, growth, and the broader national economy.

At the core of the problem is the fact that many regulatory agencies assess similar aspects of business operations but do so independently. For example, a manufacturing or food-processing business may be required to register with the Registrar of Companies, obtain

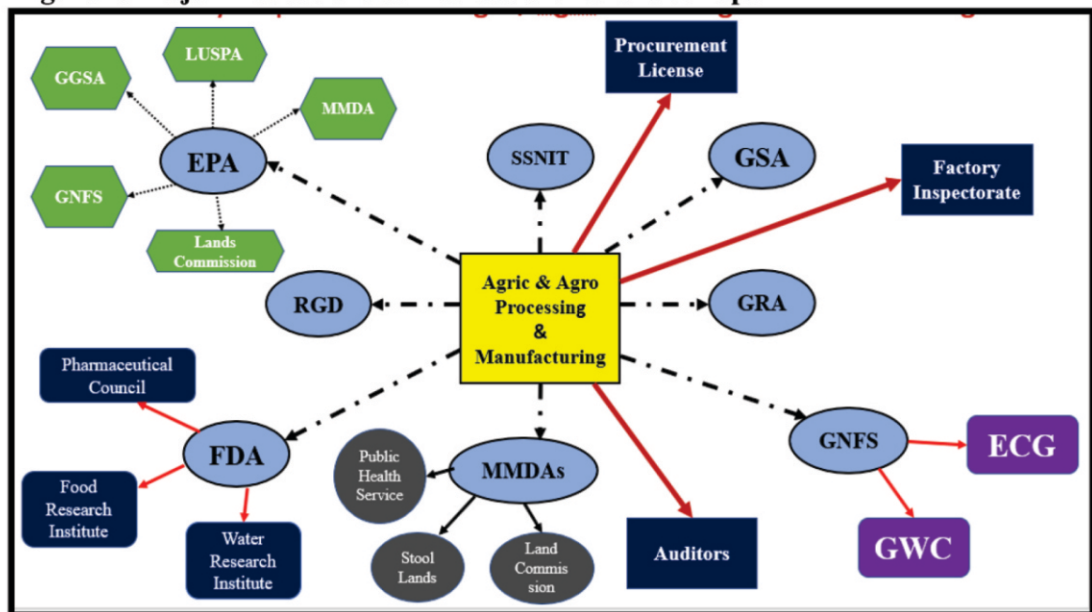
product quality certification from the Ghana Standards Authority, secure environmental permits from the EPA, and, in some cases, also obtain additional approvals from municipal authorities and sector regulators. Although each institution operates under distinct legal mandates, the practical reality is that they often inspect, certify, and request documentation that overlap in purpose and content. This results in businesses undergoing multiple, sometimes repetitive, compliance procedures for what is essentially the same operational activity.

For small and medium-sized enterprises (SMEs), this duplication creates a heavy financial and administrative burden. SMEs are often required to pay multiple fees, undergo several inspections, and spend significant time navigating bureaucratic processes before they can even begin operations. These costs increase the overall expense of doing business, making it difficult for new enterprises to enter the formal economy. In many cases, entrepreneurs are forced to either pass these costs on to consumers through higher prices, absorb losses that threaten business survival, and eventually avoid formalization. Each of these outcomes has negative consequences for the economy. When businesses transfer compliance costs to consumers, it reduces affordability and puts more purchasing burden on the final consumer. Besides the pressure on the final consumer, prickly regulations lead to businesses collapse, amounting to jobs loss, innovation stifled, and decline in economic productivity. Over time, this situation places additional pressure on public finances because job losses and business failures increase dependency on government support systems while simultaneously reducing revenue collection.

Major Institutions to interact with and Overlaps

A key underlying issue is the lack of coordination among regulatory institutions. While each agency is mandated to regulate a specific aspect of business activity, there is limited integration of processes, data sharing, and mutual recognition of certifications. This results in businesses being repeatedly assessed for similar standards under different regulatory frameworks. The absence of a unified system not only increases inefficiency but also creates confusion and frustration among business owners, particularly SMEs with limited capacity to navigate complex regulatory environments. This proliferation of rules translates into duplication and confusion. Firms may need to submit similar information to multiple agencies or pay overlapping fees. For example, both the Ghana Standards Authority (GSA) and FDA might inspect the same product, or both the EPA and Public Health Authority inspect the same premises. Such overlaps waste entrepreneurs' time and resources. As the study bluntly notes, "the regulatory regime for business establishment is cumbersome...and serves as an impediment" to formalizing the informal sector. In practice, businesses must navigate stringent regulations (ORC, EPA, GRA, GNFS, LUSPA, DFI, GTA, MMDAs, GSA, FDA, GGSA, DFI etc) for a single venture. *See figure 9*

Figure 9: Major Institutions to interact with and Overlaps



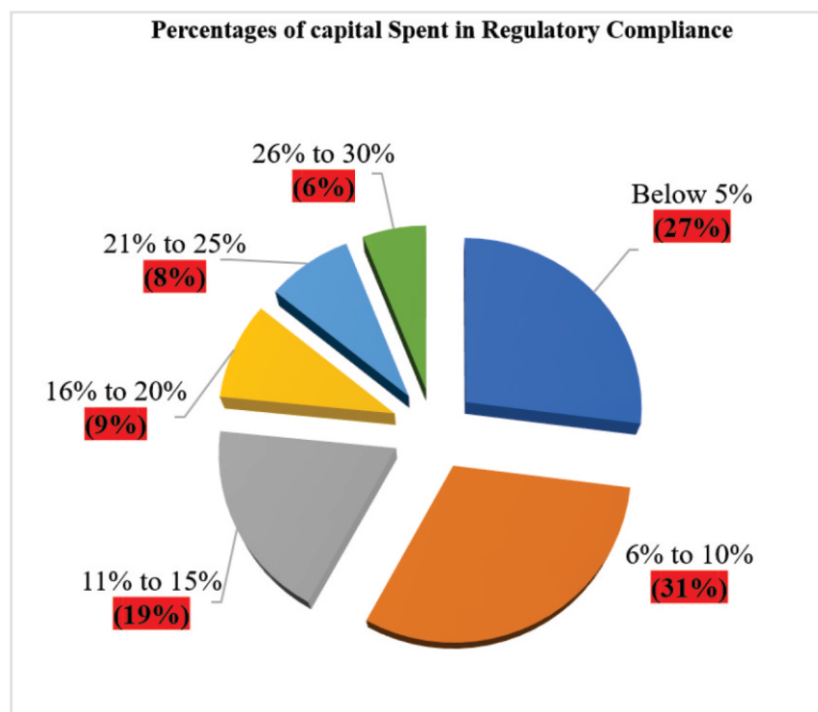
Source: ILAPI's Study (2024;2025)

All these agencies do not operate in isolation. There are diverse laws and regulations that spelt out their respective mandates, leading to inter-agency complexity which undermines regulatory efficiency. It leads to contradictions (one agency may demand documents that another's rules do not mention) and fosters bureaucratic delays (the firm must comply with multiple clearances sequentially).

Interestingly, the bureaucratic environment does not only affect business expansion, job creation and employment rate but also affects government revenue. Nevertheless, businesses rely on Goro boys as mentioned earlier to acquire the certificate, permits and licenses. This contributes highly to businesses spending more on the acquisition of business certificate, licenses, and permits. To a large extent, this will have a trickle-down effect on employment, because if a startup or an already existing business is to spend **30%** of its capital or profits on regulations each year, then obviously and averagely, **about 3 or more people** will not be employed or lose their jobs per each business. For instance; if you have about 1 million businesses and **3 people** lose their jobs per each business because of regulatory compliance, a total of about **3 million people** will be unemployed or pushed into poverty almost every year.

Businesses	Number of Job Loss of each business (30%)	Total number of Jobs Loss
1 million	3 individuals	3 million

In other perspectives, the youth would take years to borrow or save close to \$10,000 and would prefer not to invest the sum in a business in Ghana but to travel overseas through connections and the dangerous Mediterranean Sea. Why? Because he is afraid to lose close to 30% of his capital to regulatory compliance alone. *See the figure of the percentage of capital spent*



Source: ILAPI's Study (2024;2025)

2.6 Low Transition Rates from Micro to Medium Enterprises

The study reveals surprisingly low transition rates along the enterprise size spectrum. Only 44.6% of micro enterprises have ever transitioned from micro into small enterprises. The full transition from micro to medium is just 28.2%. In practical terms, fewer than 3 in 10 micro firms achieve medium scale. These low transition rates signal that many MSMEs do not expand. The regulatory complexity is a culprit: as firms try to expand, they encounter new layers of complex compliance. Every step up in scaling up requires additional licenses, tax registrations, or approvals. For example, a small factory moving to medium scale may suddenly need an FDA permit for advertising, and also an AMA advertising permit, Ghana Standards certification, other multiple agencies and MMDAs' permits, and licenses. If entrepreneurs find this arduous, they simply stop at micro/small size or remain informal. ILAPI's study transition ratios quantify this bottleneck: only about one quarter of micro businesses ever reached medium scale, which took them over a decade, highlighting

systemic challenges. This data suggests that many MSMEs are not failing due to market dynamics, but because regulatory hurdles undermine their expansions.

These findings imply a “missing middle” problem: regulatory frictions prevent micro-entrepreneurs from becoming high-employment MSMEs. To achieve inclusive growth and prosperity, regulatory policies must drive job creation and MSME transition for economic development. *See the table below, followed by the transition rate*

Table 4 Duration of operation among MSMEs in Ghana

	Duration of Operating					Total
	Below 1 yr	1-3yrs	4-6yrs	7-10yrs	Above 10yrs	
Micro	111	125	52	37	22	347 (57.8%)
Small	-	-	93	39	23	155 (25.8%)
Medium	-	-	-	15	83	98 (16.4%)
Total	111	125	145	91	129	600

Source: ILAPI’s Study (2024;2025)

2.6.1 Transition Rate of Businesses (MSMEs)

The transition of Micro, Small, and Medium Enterprises (MSMEs) from one size category to the next particularly from micro to small, and small to medium is crucial for several economic, social, and institutional transformation. It shows how friendly the environment support business growth and economic prosperity.

From 600 Businesses

Given:

- Micro enterprises: 57.8% of 600 = 347
- Small enterprises: 25.8% of 600 =155
- Medium enterprises: 16.4% of 600 =98

Transition Ratios from Micro to Small

- **Rate= Small /Micro x 100**

To estimate how many micro enterprises transitioned to small, we treat the 155 small enterprises as having originated from the pool of 347 micro businesses. **Micro to Small Transition Rate= $(155 / 347) \times 100 = 44.64\%$. This implies that when you take 10 businesses, it will only take 4 out of 10 to transition from Micro to Small. It will also take that them above 4 years to transition. See table 4 above**

Full Transition Rate from Micro to Medium

- **Rate= Medium /Micro x 100**

If the 98 (medium enterprise) as those who had moved up from the 347 (micro enterprise).

Then, full transition to medium from micro = $(98/347) \times 100 = 28.2\%$. This implies that when you take 10 business, only 2 to 3 will transition from micro to Medium. This transition will take the 2 business more than 10 years all things being equal. See table 4

These estimated rates indicate that:

Approximately, the study predicts that only 44.64% of micro businesses will transition into small. In other, words about 55% of micro businesses are likely not to transition into small business. This also implies that micro business in Ghana has 44.64% of becoming a small business, and has only 28.2% of becoming medium business or enterprise, being a full transition from micro to medium.

With regards to the time or years of transition, it is clear when we infer from the previous analysis on the MSMEs duration of operating in table 4. The analysis shows that small businesses were in operation for more than 3 years small, approximately, between 4 to 12 years. This implies that on average it well takes 8 years to transition from micro to small enterprise in Ghana. Correspondingly, none of the medium enterprise were in operation less than 6 years. Approximately, they were in business between 7 to 12. Thus, it will take on an average about 9 to 12 years for businesses to have a full transition from micro to medium enterprise.

This indicates that the most significant drop-off in scaling occurs at the micro to small stage, potentially due to structural, financial, and regulatory barriers. This aligns with studies indicating that micro enterprises often face greater hurdles in scaling due to limited access to capital, weak managerial capacity, and regulatory overload.¹ The difficulty in transition is compounded by the excessive regulatory compliance that even affects the capital of most businesses. In reality, if businesses fully to qualify as legally fit for full operation, it means they have to raise extra capital.

Apparently, most of these businesses are SMEs or start-ups, and once they cannot comply, they have to either stop the business or operate illegally (informally). Therefore, if regulatory compliance is reduced through streamlining the process for MSMEs, transition and business expansion or growth, and employment will increase. Likewise, more businesses will be formalized, leading to the generation of more revenue for the Government developmental agenda and economic prospects of the country.

2.7 Formalization Barriers and Bureaucratic Inefficiencies

Another interesting finding is the existence of a large informal sector in Ghana, which is a direct consequence of regulatory burdens. Ghana Statistical Service found that an overwhelming 92.3% of businesses are informal. The informal sector is the backbone of Ghana's economy, accounting for roughly 70% of GDP and employing about 86.4% of the population. This attests to the study by ILAPI that, due to the delay, cost, and institutional overlaps, businesses failed to formalise and, to a large extent, expand to absorb the high labour force of the country. Again, the informal sector's large scale implies that many entrepreneurs have chosen to avoid regulations altogether. They operate without licenses or formal tax registration to escape the delays and costs detailed earlier. This perpetuates a vicious cycle: informal businesses cannot access credit or the government's stimulus package, yet creating too large a regulatory hurdle for formalization keeps them in the shadows, which affects revenue generation for the government.

2.7.1 Digital Limitation to Registration

As part of accessing how easy the process of registration of businesses in Ghana is, about ten (10) major key regulatory agencies namely; FDA, GTA, GRA, NITA, GSA, ORC, GNFS, AMA, EPA, and the Factory Inspectorate were examined on three practical measures of digital accessibility for entrepreneurs and businesses seeking certificates, licenses, or permits: (1) whether registration or licensing can be completed online, (2) whether fee and cost information is publicly published, and (3) whether application forms can be downloaded directly from the agency's website. Together, these three indicators offer a simple but revealing lens on how "business-friendly" and transparent each agency's digital presence actually is. See the summary table below

[1] Liedholm, Carl. "Small Firm Dynamics: Evidence from Africa and Latin America." *Small Business Economics* 18, no. 1–3 (2002): 227–242.

Summary Table

Agency	Online Registration/License Application	Cost/Fee Info Published?	Application Form Downloadable?	Duration (All not clearly disclosed on their websites)
FDA	No	Yes	Yes	Up to 12 months
GTA	No	Yes	Yes	Not disclosed on website (up to 2 months)
GRA	Yes	Yes	Yes	TIN: instant online, or 1–14 days in person; Tax Clearance Certificate: 2–5 working days
NITA	No	No	No	Not disclosed on website (Up to 6 months for IT service provider registration/accreditation)
GSA	No	Yes	Yes	Not disclosed on website
ORC	No	Yes	Yes	Not disclosed on website (Within 7 working days)
GNFS	No	No	No	Not disclosed on Website
AMA	No	Yes	Yes	Not on website (Temporary permit issued in 14–21 working days (valid 90 days)
EPA	No	Yes	Yes	Up to 90 working days
Factory Inspectorate	No	No	No	Not publicly stated

Source: Agencies' Website (2025/2026)

Based on the table above, agencies with all three categories (Online Registration/License Application, Cost/Fee Info Published, Application Form Downloadable) are six (1) out of the ten (10). FDA, GTA, GRA, ORC, AMA, and EPA meet all categories for ensuring easy access to information.

Agencies that miss at least one of the categories are four (9) of the ten (10), including: FDA, GTA, GRA, ORC, AMA NITA, GNFS, EPA, and Factory Inspectorate. Among these, Factory Inspectorate failed all the categories.

Although Inspection-based safety certifications such as fire and factory require some level of physical confirmation, the documentation services should be encouraged to be accessed remotely. The focus is not on agency size or importance, but on whether the core service can be completed digitally (remotely) without much frustration and bottlenecks. This will eventually create a more friendly business regulatory ecosystem in Ghana for start-ups and businesses to formalize and expand.

2.8 Comparison of Ghana's Business Readiness

To have a full understanding of the situation businesses face in Ghana, it is imperative to comparatively draw inspiration from other African countries as far as creating a suitable environment for doing business is concerned. *See the table below*

Table 5: Comparison of Business Readiness

Indicator	Ghana	Rwanda	Mauritius	Kenya
Global Position	Mid-tier (outside global top 50–60)	Top 3 globally (Rwanda Dispatch)	Top 5–10 globally (Africa top tier)	Upper-middle tier in Africa
Overall Score (Approx.)	56–57 (regional mid performer)	67–68 (Africa's highest) (Rwanda Dispatch)	63+ (consistently high Africa performer)	58–62 (mixed performance across pillars)
Business Entry Efficiency	Moderate (slow but improving digital registration) (World Bank Open Data)	Very High (fastest in Africa)	High (efficient and stable systems)	Moderate–High (strong eCitizen platform)
Regulatory Quality	Moderate (duplication of agencies, compliance burden)	Very High (clear and predictable rules)	Very High (strong investor protection laws)	Moderate–High (improving but uneven enforcement)

Public Services for Business	Moderate (digitisation improving but fragmented)	High (fully digital systems in many areas) (Rwanda in USA)	High (efficient institutional delivery)	Moderate–High (strong digital services, weak county coordination)
Operational Efficiency	Moderate (bureaucratic delays remain)	Very High (globally ranked top 15–20 in efficiency) (Rwanda in USA)	High (stable and predictable execution)	Medium (fast in cities, slower outside urban areas)
Key Strength	Reform progress, growing digital systems	World-class reform execution	Strong legal/institutional environment	Digital innovation
Key Weakness	Regulatory duplication & bureaucracy	Small market size	High cost of compliance	Uneven enforcement across counties

Source: World Bank Business Readiness (2025)

The B-READY comparison table shows, Ghana is not fundamentally weak on business regulation; rather, it is held back by three operational bottlenecks: duplicate regulations, business entry inefficiency, and operational inefficiency. The evidence is that Ghana already has functioning digital systems, a stable democratic environment, and an established private sector. If these three bottlenecks are addressed, Ghana could reasonably close much of the gaps with Kenya and begin competing with Mauritius and Rwanda in business readiness. The problem is coordination, not capability. Ghana's B-READY position reflects institutional fragmentation more than institutional absence. Multiple agencies often demand similar permits, inspections, registrations, and fees for the same business activity. This raises compliance costs without increasing public safety or consumer protection.

To many businesses, every duplicated step acts like an extra tax. Thus, when a manufacturer, hotel, or ICT firm must obtain overlapping approvals, the business pays twice: once in fees and again in time. For instance, a business may register with one agency, obtain a sector licence from another, undergo similar inspections by multiple bodies, and pay separate fees for overlapping functions. Firms end up spending excessive time dealing with inspections, renewals, customs procedures, and utility connections.

ILAPI believes strategically that these can be resolved if, as a nation create a single-business-permit architecture in which one lead agency coordinates approvals and shares data across regulators. This will not only statistically increase regulatory quality scores but will eventually impact businesses in terms of lower compliance costs and fewer delays. Again, both local and foreign investors would priorities Ghana in doing business for economic prosperity.

3. Conclusion

For a country to develop economically, the MSMEs sector must be eco-friendly to grow and employ the citizens, while contributing revenue to the government for developmental projects. However, the MSMEs environment in Ghana is not regulatory friendly, thereby pushing businesses to collapse, increasing unemployment and poverty. The findings empirically underscore the adverse impact of bureaucratic inefficiencies and regulatory complexity on MSME development in Ghana. The delays and institutional fragmentation serve as structural barriers that hinder the growth, sustainability, and formalization of small businesses. In addition to delays, the costs associated with registration, licensing, and permits present significant financial barriers to MSMEs. The study found that the average cost of registering a business was GHC1,030.00, with expenditures ranging from GHC60.00 to GHC2,000.00. Similarly, the cost of obtaining a permit averaged GHC1,275.00, while licenses cost an average of GHC1,600.00, with some businesses spending up to GHC3,000.00. These high costs can be attributed in part to the use of unofficial intermediaries or “Goro Boys,” who exploit the complexity and inaccessibility of formal procedures. The presence of such middlemen does not only inflate the cost of compliance but also highlights the lack of transparency and inefficiency in the regulatory system. These contribute to the informalization of the sector and undermine national efforts aimed at building a robust and inclusive entrepreneurial ecosystem.

4. Recommendations

To remove regulatory bottlenecks and unleash MSME-led growth, we propose the following actionable policy reforms:

1. Implement a Unified Digital Registration Platform: There is a strong policy case for streamlining and harmonising regulatory processes. One important reform would be the establishment of a unified business licensing system, in which SMEs can obtain multiple regulatory approvals through a single, coordinated platform. In addition, regulatory agencies such as the GSA, FDA, EPA, and MMDAs could adopt mutual recognition agreements to reduce duplication in inspections and certifications. Joint inspection systems could also be introduced to allow multiple agencies to assess businesses simultaneously rather than separately, reducing time and cost burdens. Create an online “one-stop-shop” for business registration and licensing that links all relevant agencies. Automate procedures so that entrepreneurs can submit one application and receive all permits electronically. This eliminates redundant paperwork and prevents middlemen (“goro boys”) for profiting from delays.

2. Decentralize Registration Services: Empower local governments (MMDAs) to handle routine business registration and certification. By shifting approvals from Accra-centric offices to local municipal authorities, start-ups can obtain clearances more quickly and with less bureaucratic hurdles. This also spreads administrative capacity across the country, reducing regulatory bottlenecks.

3. Harmonize and Streamline Regulations: Conduct a comprehensive audit of existing business laws and licenses to identify overlaps. Repeal outdated Acts and merge parallel permits. For instance, consolidate environmental approvals (EPA, Public Health) and safety inspections into a single certificate where feasible. This will promote legislation harmony and will reduce the difficulty associated with registration” and speed formalization. The FDA and MMDAs advertisement fees must be harmonized to avoid duplications. Business entry certificate from the ORC must be synchronized with the regulatory agencies including the EPA, FDA, GSA, GTA etc to prevent carrying the same documents to each regulatory institution. Again, establishing progressive compliance standards, where small enterprises face simplified rules could ease this transition. Removing duplicative inspections or merging tiers of certification would directly raise the 1.transition rate. In sum, cutting administrative red tape is key to transforming a greater share of micro enterprises into job-creating medium firms.

4.ILAPI’s Sectoral One-Stop Shops: Tailor reform to key industries:

Manufacturing: Establish an industry-specific portal where all required permits (e.g. manufacturing license, EPA clearance, factory inspection) are granted through a single coordinated process. Simplify the licensing regime by eliminating rarely used factory and industrial design permits, and ensure the Ghana Standards Authority coordinates with EPA, and FDA to avoid duplicate testing.

ICT/Technology: Streamline communications and data regulations. Merge related ICT licenses (e.g. electronic transactions, data protection, NCA telecom license) into a unified “tech start-up” registration. Provide expedited approvals for digital firms and waive non-critical fees, since the ICT sector drives innovation and high-value exports.

Tourism and Hospitality: Integrate tourism licensing under the Ghana Tourism Authority. For example, combine hotel and catering licenses with health and safety certifications into a single tourism enterprise permit. Simplify zoning and building approvals for guesthouses. This will encourage more tourism entrepreneurs to enter the formal sector.

5.Digitize Post-Registration Compliance: Beyond start-up, move annual filings and certifications online. For instance, allow tax and regulatory returns to be filed via mobile app or the websites. Continuous digital engagement with regulators reduces face-to-face interactions and speeds up the processes. When a business files its annual audit report to the GRA, it should automatically reflect with the ORC. There should be no need to file separately at the business entry regulatory institution and GRA.

Accountable and Transparent Cost: Each regulatory institution including the MMDAs must have an active and real-time website providing 24/7 services with robot assistance. The webpages must be dedicated with cost of certificates, permits, and licenses. It must also include the timelines of processing the certificates. In the same vein, applicant must be able to track the progress of the application, and soft copy, emailed with all security features. The phone and all other communication channels of all the regulatory institution must be active and respond the needs of the MSMEs. Equally, all application forms must be made downloadable and fees paid via a government platform.

Each recommendation above follows the principle of minimal necessary regulation. By streamlining processes, eliminating duplicated requirements, making the administrative procedures transparent, Stronger coordination across all regulators, and leveraging technology to ensure interoperability in registration process will not only ease the frustration among businesses but the government can dramatically reduce the administrative load. These reforms supported by the ILAPI study’s evidence will not only speed business formation but also foster a culture of formal and dynamic entrepreneurial ecosystem towards achieving the 24-hour economy policy for job creation, and investments to scale up.

APPENDIX

ABBREVIATIONS:

FDA – Food and Drugs Authority

GSA – Ghana Standard Authority

GRA – Ghana Revenue Authority

MMDAs – Metropolitan, Municipal and Districts Assemblies

LUSPA – Land Use and Spatial Planning Authority

GGSA – Ghana Geological Survey Authority

PHA – Public Health Authority

GTA – Ghana Tourism Authority

GNFS- Ghana National Fire Service

ORC- Office of the Registrar of Companies

EPA- Environmental Protection Agencies

DFI- Department of Factory Inspectorate

ILAPI- Institute for Liberty and Policy Innovation

ABOUT ILAPI

The Institute for Liberty and Policy Innovation (ILAPI) is a non-partisan think tank committed to advancing liberty, promoting sound public policy, and fostering a prosperous society. Through rigous research, policy engagement, and advocacy, ILAPI provides evidence-based solutions to influence national development and improve the lives of Ghanaians.

ABOUT THIS BOOK

This book examines the complex regulatory challenges that hinder business growth and economic transformation in Ghana. It analyses the impact of burdensome regulations, identifies key barriers across sectors , and propose practical, market-friendly reforms to unlock enterprise potential, attract investment, and drive sustainable economic prosperity.

THIS BOOK IS FOR



Policy makers
& Government
Officials



Business Leaders
& Entrepreneurs



Researchs
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