

Economics

Year 1

SECTION

10

# AGRICULTURE, INDUSTRY AND TRADE



# GOVERNMENT ECONOMIC POLICY AND TRADE

## Agriculture, Industrialisation and Trade

### INTRODUCTION

Hello and welcome to the final section of our studies in Year One Economics.

Imagine a Ghana without fresh produce on your table, or a Ghana without vibrant markets that are busy with economic activities. Agriculture and industry are the main forces behind our country's growth and development. We can refer to them as the backbone of Ghana's economy.

By the end of this section, you will be able to explain the importance of agriculture and industries in Ghana and use your understanding to examine the world of domestic or internal trade.

#### By the end of this section, you should be able to

- Describe the importance of agriculture to the Ghanaian economy.
- Describe the importance of the industry to the Ghanaian economy
- Identify the features of domestic trade.
- Cite examples of domestic trade

#### KEY IDEAS

- Agriculture is the practice of cultivating plants, raising animals and other activities related to the production of food, fibre and other goods needed for human consumption and use. For example growing maize, cocoa and cassava, raising cattle and sheep.
- Industry refers to the sector of the economy that involves the production of goods through manufacturing, processing and various forms of production in factories. For example, the Automotive, Textile and Garment and Cement industries.
- Economic growth refers to the increase in the production and availability of goods and services within an economy and is usually measured by the increase in Gross Domestic Product (GDP- a measure of the total value of all goods and services produced within a country over a specific period, usually a year).
- Industry and Agriculture promote economic growth, job creation, technological advancement and income generation in Ghana.
- Trade is the exchange of goods and services between individuals, businesses, countries or regions.
- Domestic trade refers to the exchange of goods and services within the boundaries of a country between individuals, businesses and government entities.

## THE IMPORTANCE OF AGRICULTURE TO THE GHANAIAN ECONOMY



**Figure 10.1:** A crop farm



**Figure 10.2:** An animal farm

Agriculture is the practice of cultivating plants, raising animals and other activities related to the production of food, fibre and other goods needed for human consumption and use.

Agriculture is the oldest economic activity in Ghana. The roots of this activity are in growing crops to be able to eat. This gave rise to the term ‘subsistence farming’. The word ‘subsistence’ means having just enough resources to maintain life and meet basic needs, but not much more. In Ghana people still grow crops like yam, millet and tomatoes and rear domestic birds and animals like chickens, goats, and sheep to feed their families. Traditional tools like hoes, cutlass, canoes and paddles are used in small-scale farming.

In modern Ghana, the role of agriculture has changed. Now crops like cocoa, cassava, cashew nuts, and maize, are grown on a large scale to make money. Fish farming, snail farming and mushroom farming have also been commercialised. Modern technologies such as combine harvesters, fishing trawlers and fertilisers are used to improve the productivity in Ghana’s modern agricultural businesses. In the year 2023, agriculture contributed 21.4% towards Ghana’s GDP.

### Importance of Agriculture in Ghana

There are six reasons why agriculture is important to Ghana.

1. Agriculture ensures that there is enough **food** for everyone which is essential for daily nutrition. For example, cassava and plantain are widely grown by households, forming a significant part of the Ghanaian diet.
2. It provides **jobs** for a large part of the population. Many people work as farmers, labourers, and agricultural extension officers who help farmers apply methods to improve productivity.

3. Agriculture provides **raw materials** for various industries which include food processing, and textiles. For example, palm oil is used for cooking and as a raw material for the soap industry; cassava also serves as raw material for the 'gari' and starch industries.
4. Exporting agricultural products brings in **foreign currency** which is essential for the country's economy. For example, cocoa, shea butter, and cashew nuts are exported to international markets.
5. Agriculture supports the **development of rural areas** by improving infrastructure such as roads and markets and also provides services like education and healthcare. For example, the government supports farmers with training and resources that help improve their skills and standard of living in rural communities.
6. **Agriculture promotes environmental sustainability.** Sustainability means taking care of the land, so it stays healthy for a long time. For agriculture in Ghana, this is important because if farmers use the land, water (used in methods like irrigation – systems designed to water crops), and air wisely, they can grow more crops and continue farming for many years. Healthy soil and plenty of water helps plants to grow better. This results in more food and better incomes for farmers. Examples of sustainable agriculture practices include organic farming, agroforestry, and conservation agriculture.

## Examples of Agriculture Practices

1. Agricultural technologies, including mechanisation means using machines and innovative tools to help commercial farmers grow and harvest crops more efficiently. For example, tractors and combine harvesters make farming faster and easier.
2. Production of improved crop varieties is about growing better types of plants, like special kinds of maize (corn), okro (also known as okra) and cassava. These new types often produce more food and can be more resistant to pests or diseases.
3. Irrigation systems are ways to provide water to crops when it does not rain enough. It can include set-ups like pipes, sprinklers, ponds or ditches that help keep plants hydrated.
4. Fishing and Aquaculture/Fish Farming: Fishing is catching fish from natural places like rivers or seas. Aquaculture or fish farming is when people raise fish in controlled environments, like in large tanks or ponds, to harvest them later.
5. Animal husbandry/Livestock Rearing means taking care of animals like cows, sheep, goats and pigs on a farm. It involves feeding them, making sure they are healthy and managing their living conditions.
6. Poultry Farming is a type of farming where people raise birds like chickens, turkeys or ducks for their meat or eggs. It involves providing food, water and proper shelter for the birds.

### Activity 10.1

1. Visit your school farm or nearby poultry farm or watch a documentary video of a farm.

#### These links will help you:

- How To Start a Successful Poultry Farm as a BEGINNER in Ghana #poultry #poultryfarm #poultryfarming ([youtube.com](https://www.youtube.com/watch?v=...)) 40 minutes – very detailed.
  - Commercial Maize Farming in Ghana for Beginners 2024 ([youtube.com](https://www.youtube.com/watch?v=...)) 15 minutes – informative.
  - YOU NEED TO SEE THIS FARM IN GHANA | GREENHOUSE FARMING |LIVING IN GHANA ([youtube.com](https://www.youtube.com/watch?v=...)) – 40 minutes – informative.
2. Write down or draw three things you observed or learned during the visit or from the video.
  3. Write a short paragraph about the interesting thing you have learned during the visit or from the video.
  4. Share your work with a friend in class or at home.

### Activity 10.2

1. Investigate and outline the steps you will follow to start backyard farming at home or school.
2. Choose any one or more of your favourite vegetables or livestock and find out how it is cultivated or raised.
3. Choose a suitable and safe location for your project at home or school.
4. Follow the steps in creating a backyard farm to create your backyard farm or garden.
5. Monitor the progress of the crops or livestock until maturity and decide whether to sell them or consume them as food.
6. Invite your friends from time to time to see your progress on the farm.

### Activity 10.3

Reflect on your visit to the farm or the video you watched and write your response to the following:

1. Think and write down one way by which agriculture helps Ghana's economy.
2. Write down one way agriculture can help your community.

3. In what ways does farming create jobs for people in Ghana? List at least three of them.
4. Why is it important to have farms near your community? Write down your thoughts.
5. How does selling farm products help the economy?
6. Show your findings with your teacher and then share them with your friends in class.

## THE IMPORTANCE OF INDUSTRY TO THE GHANAIAN ECONOMY

In this section you will learn how industry contributes to economy of Ghana.

Industry refers to the sector of the economy that involves the production of goods through manufacturing, processing and various forms of production in factories.

Before independence, Ghana, then Gold Coast mainly focused on extracting raw materials like gold, timber and cocoa to send to Britain. After independence, it became clear that making or processing things locally from these raw materials would help the economy grow. Industries like the Tema Steel Company, and Ghana Textile Printing Company (GTP) were set up in the 1960's to supply products to Ghanaians. The Ghanaian governments has helped many industries over the years, their aim being to build factories to create jobs for the communities and grow the economy. In the year 2023, industry contributed to GDP by 32.0%.

### Importance of Industry to the Ghanaian Economy

Economic Growth	The industrial sector boosts Ghana's economy by increasing production and improving productivity. For example, the Tema Oil Refinery and Volta Aluminium Company (VALCO) contribute significantly to the country's GDP.
Job Creation	Industries create jobs for many Ghanaians, both skilled and unskilled. For instance, the Ghana Textile Printing Company (GTP) and Kasapreko Company Limited (a drinks manufacturer) offer numerous employment opportunities
Value Addition and Export Diversification	Industries add value to raw materials, helping diversify (add different) exports. Cocoa Processing Company and Blue Skies (a fruit processing company) turn raw materials into finished products for export, increasing Ghana's export earnings.
Technological Advancement	The industrial sector drives technological progress through research and investment. Ghana Cement (Ghacem) and Fan Milk Limited (a dairy company) use advanced technologies to improve production efficiency and product quality.

Infrastructure Development	Industrialisation leads to better infrastructure (roads and bridges that connect cities, the power plants that provide electricity, and the schools that educate children are all part of a Ghana's infrastructure. The development of the Tema Industrial Area and Takoradi Port Expansion supports industrial activities and overall infrastructure growth in Ghana.
Income Generation and Poverty Reduction	The industrial sector helps reduce poverty by creating higher-paying jobs and income opportunities. For example, Nestlé Ghana and Unilever Ghana provide well-paying jobs, improving living standards and access to essential services.
Economic Resilience and Trade Balance	A strong industrial sector makes Ghana's economy more resilient (recover quickly from difficult conditions) and less dependent on imports. Ghana Oil Palm Development Company (GOPDC) and Aluworks (an aluminium processing company) help reduce import dependency and improve the trade balance by producing goods locally.
Skills Development and Human Capital	Industrialisation promotes skill development and builds human capital. Companies like AngloGold Ashanti and Newmont Ghana offer training and technical education, developing a skilled workforce that supports the Ghana's overall development.

## Examples of Industries in each sector

### Primary Sector Industries

**Mining and Extractive Industries:** These industries involve the extraction and processing of natural resources such as minerals, oil, gas and coal.

- 1. Gold Mining:** Extracting gold from the ground.
- 2. Oil Extraction:** Getting oil from under the earth or the sea.

**Agriculture and Forestry:** These industries involve the production of raw materials such as crops and livestock, harvesting forests for timber and other forest products.

- 1. Cocoa:** growing cocoa on smallholder farms
- 2. Timber:** harvesting selected trees from natural forests or established plantations

### Secondary Sector Industries

This is the part of the economy where raw materials are made into finished products. The raw materials that were extracted by the primary sector industries are now transformed or changed using machines and other technologies. The outcome or products may be finished goods and others may be semi-finished goods.

- 1. Manufacturing Industry:** This sector involves the production of physical goods using raw materials or components. Examples include the automobile industry, textile industry, electronics industry and food processing industry.

2. **Construction Industry:** This sector is involved in the construction of buildings, infrastructure and other structures. It includes residential, commercial and public construction projects.
3. **Pharmaceutical Industry:** This industry is engaged in the research, development and production of pharmaceutical drugs and medications.
4. **The agro-processing industry:** This refers to the processing of agricultural products into finished goods. This includes activities such as milling, canning (metal tins) and packaging.



**Figure 10.3:**The Construction Industry

## Tertiary Sector Industries

This is the part of the economy where people provide or offer services .

1. **Wholesale/Retail Stores:** Shops and supermarkets where you buy groceries and other products.
2. **Information Technology (IT) Industry:** The IT industry focuses on the development, production and maintenance of software, hardware and related services.
3. **Healthcare:** Hospitals and clinics where people go for medical treatment.
4. **Education:** Schools and universities where people learn and get educated.
5. **Tourism and hospitality:** Hotels, restaurants, tour operators, transportation providers and other businesses that cater to visitors.
6. **Transportation:** Buses, taxis, and trains that move people and goods around.





**Figure 10.4:** Tertiary industries.



**Figure 10.5:** Teaching and Market Trading

### Activity 10.4

1. Name the main industries in Ghana and give examples of firms for each.
2. Decide whether your examples are Primary, Secondary or Tertiary industries.
3. Search from the internet/online, newspapers, or textbooks for the industries you have named and list their activities and where they are located in Ghana.
4. Use your findings to create a poster.
5. Display your poster in class or at home.

### Activity 10.5

Write a report that explains the reasons why industry is important to the economy of Ghana. Follow this plan which will help you structure the report professionally:

**Report Title:** The Importance of Industry to the Economy of Ghana

#### **Introduction**

**Purpose of the Report:** To explain the significance of the industrial sector to Ghana's economy.

**Overview:** Brief introduction to Ghana's industrial sector and its historical context.

#### **a. Economic Growth**

*Explanation:* How industrial activities contribute to GDP and economic development.

*Examples:* Tema Oil Refinery, Volta Aluminium Company (VALCO).

**b. Job Creation**

*Explanation:* The role of industries in offering employment opportunities.

*Examples:* Ghana Textile Printing Company (GTP), Kasapreko Company Limited.

**c. Value Addition and Export Diversification**

*Explanation:* How industries add value to raw materials and diversify exports.

*Examples:* Cocoa Processing Company, Blue Skies.

**d. Technological Advancement**

*Explanation:* The impact of industrialisation on technological progress and innovation.

*Examples:* Ghana Cement (Ghacem), Fan Milk Limited.

**e. Infrastructure Development**

*Explanation:* How industrialisation drives the development of infrastructure.

*Examples:* Tema Industrial Area, Takoradi Port Expansion.

**f. Income Generation and Poverty Reduction**

*Explanation:* The role of industries in generating income and reducing poverty.

*Examples:* Nestlé Ghana, Unilever Ghana.

**g. Economic Resilience and Trade Balance**

*Explanation:* How a diverse industrial sector enhances economic resilience and improves trade balance.

*Examples:* Ghana Oil Palm Development Company (GOPDC), Aluworks.

**h. Skills Development and Human Capital**

*Explanation:* The importance of industrialisation in promoting skills development and building human capital.

*Examples:* AngloGold Ashanti, Newmont Ghana.

**Conclusion:** Summary: Recap of the key points discussed in the report.

**Future Outlook:** Have a brief discussion on the potential future of Ghana's industrial sector and its continued importance to the economy with your classmates.

**Activity 10.6**

- 1.** Your teacher will support you to visit a nearby factory, or industrial site or a carpentry shop in or around your community. Alternatively, you can watch one of the following videos:
  - Inside The Workshop: Akwasi Korsah Reveals The Secrets To Crafting Timeless Furniture In Ghana. - [YouTube](#) - 8 minutes.
  - Wooden Furniture Manufacturing Process by AduCraft in Ghana ([youtube.com](#)) – 2 minutes.
  - What’s Inside The Biggest Beverage Factory In Ghana? Kasapreko! ([youtube.com](#)) – 30 minutes.
- 2.** Ask the following questions about their activities or describe what they do on the video clips. For example:
  - a.** What product(s) do you produce?
  - b.** What raw materials do you use in producing the products?
  - c.** Where do you buy or get the raw materials?
  - d.** How does your industry or workshop ensure that it protects the environment from destruction?
  - e.** How do you treat or dispose of your waste products?
  - f.** How many jobs has your industry or workshop created for Ghanaians?
  - g.** Ask any other questions that are of interest to you about the workplace or factory.
  - h.** Record the responses you will receive.
- 3.** Show your report to your teacher and then discuss it with your peers in class.

## THE FEATURES OF DOMESTIC TRADE

Trade is the exchange of goods and services between individuals, businesses, countries or regions.



**Figure 10.5:** A Market

Domestic trade refers to the exchange of goods and services within the boundaries of a country between individuals, businesses and government entities. It is an essential component of the overall economic activity within a nation from retail sales to wholesale distribution and industrial supply chains.

### Features of Domestic Trade

- 1. Geographical Scope:** Domestic trade happens **within the borders of a country**. In Ghana, for instance, people in Ho may buy products from Koforidua or Tamale, depending on the availability of the goods. Traders from regions like Greater Accra and Central sometimes buy foodstuffs from the Northern and Western regions of Ghana.
- 2. Use of Single Currency:** In Ghana, people use the **Ghana cedi (GH¢)** to buy and sell items. For instance, when you buy a shirt at a market in Bolgatanga, you will use the Ghana cedi to pay for the shirt. Single currency ensures that trading activities in Ghana are easy.
- 3. Regulatory Environment:** The government sets rules for trading to keep things fair between buyers and sellers. For example, the Ghana Standards Authority, and Food and Drugs Authority, ensure that products meet certain quality standards before they can be sold in the market.
- 4. Market Structure:** In Ghana, you can shop at **different places**, like big supermarkets in Accra or small markets in rural areas where vendors sell fresh produce.
- 5. Variety of Goods and Services:** In Ghana, you can find different products like local foods, clothes, electronics, fresh plantains and yams, fruits and vegetables in our local markets and stores. Traditional crafts and clothing such as ‘Kente cloth and Batakari’, wooden plates and clay pots are popular items in domestic markets due to their cultural significance.

- 6. Contribution to GDP:** Domestic trade helps Ghana's **economy to grow** by adding to the country's total economic activity. For example, businesses in Tema, Takoradi, Tamale, Accra, Kumasi and all other regions contribute to the country's wealth as they trade in goods and services.

## Importance of Domestic Trade

Domestic trade is essential for several reasons:

1. It allows resources within a country to be **distributed evenly**, enabling goods and services to reach consumers and businesses quickly and easily.
2. Trading within the country creates demand for goods and services helping businesses **to grow, creating jobs**, which helps the economy to grow.
3. Domestic trade can stop prices becoming too high in the market because it allows for competition between sellers.
4. By buying and selling within the country, businesses pay taxes to the government which means more money can be spent on infrastructure or **community development**.
5. It improves the **living standard** of people since domestic trade creates jobs. These people in work spend their wages on better quality goods, increasing demand and productivity, growing the economy.

## Examples of Domestic Trade

- 1. Retail Trade:** The sale of goods directly to individual consumers through brick-and-mortar stores, supermarkets, department stores, convenience stores and online platforms within a country. Examples are Melcom and Palace Hypermarket.
- 2. Wholesale Trade:** The purchase of goods in bulk from producers or manufacturers and their later resale to retailers, businesses or institutional customers within the country. Examples are Interplast Limited (plastic pipes) and Ghana Food Distribution Company.
- 3. E-commerce:** Online platforms and marketplaces that ease the buying and selling of goods and services within the domestic market. Examples include online retailers, classified websites and auction platforms. Examples are Jumia Ghana and Zoobashop.
- 4. Local Markets:** Traditional markets, farmers' markets and bazaars where vendors sell a variety of goods such as fresh produce, handicrafts, clothing, electronics and household items to local consumers. Examples are Makola Market in Accra and Kejetia Market in Kumasi.
- 5. Business-to-Business (B2B) Trade:** Trade that occurs between businesses within the same country, involving the sale and purchase of raw materials, components, machinery and other goods needed for production or further resale. Examples are Ghana National Chamber of Commerce and Industry (GNCCI) and Plendify.

- 6. Services Trade:** The exchange of various services within the domestic market, including professional services (legal, accounting, consulting), healthcare services, hospitality services, transportation services and telecommunications services. Examples are PwC Ghana and MTN Ghana.
- 7. Government Procurement:** The purchase of goods and services by government entities from domestic suppliers and contractors. This includes procurement for infrastructure projects, public services and defence-related requirements. Examples are Ghana Highways Department and Ministry of Health.
- 8. Direct Sales:** Direct selling companies that market and sell products directly to consumers within the country through independent representatives or consultants. Examples include companies involved in cosmetics, wellness, home care and personal care products. Often sell door to door. Examples are Forever Living Products Ghana and Tupperware.
- 9. Franchise Trade:** The operation of franchised businesses within a country, where individuals or entities obtain the right to use a recognised brand and business model to sell products or services to local consumers. Examples are KFC Ghana and Pizza Hut Ghana.
- 10. Financial Services:** The provision of financial services within the domestic market, including banking services, insurance services, investment services and financial advisory services offered by domestic financial institutions. Examples are GCB Bank and Enterprise Group.

### Activity 10.6

1. Visit a local market with a family member or a classmate.
2. Observe the different goods being sold.
3. Talk to some traders and ask about where they buy their goods and whether they are wholesalers or retailers.
4. Ask about any challenges that they face and the advantages of buying their goods within Ghana.
5. Write a brief report on how domestic trade works in Ghana.
6. Show your report to your teacher and then share it with your friends in class.

### Activity 10.7

1. Take a tour around your school environment.
2. Observe and record the domestic trade that is taking place.
3. Look for canteen sales, shops selling school supplies, fundraising events, businesses run by students, ticket sales, tutoring services.

- 4.** Speak to the traders and ask them about the challenges they face or how easy it is for them to trade domestically.
- 5.** Create a report on the responses of the different traders/sellers you have interviewed.
- 6.** Compare the report with your friends or peers in class.

# REVIEW QUESTIONS

1. Kwame's family owns a large maize farm in Ghana. They grow maize, which is a staple food and a key agricultural product in the country. The farm provides food for their local community, supports local businesses by supplying goods and customers for their products, and contributes to Ghana's economy through taxes paid on exports. Additionally, the farm creates jobs for local workers and taxes pay for improvements in the infrastructure in their area.

## Questions:

- a. State two ways in which Kwame's farm contributes to the country's economic growth.
- b. In what way does Kwame's farm help create jobs?
- c. Give an example of how the local community benefits from the farm.
- d. How does Kwame's farm contribute to food security in his community?
- e. Give an example of how Kwame's farm might support other businesses in the area.
- f. How might the success of Kwame's farm lead to a better infrastructure in his area?

Use the scenarios to answer questions 2 to 7.

### Scenario 1

Green Ghana Farm has recently invested in modern farming technologies. You see a powerful tractor preparing the soil for planting crops, making the work faster and easier. There is also a combine harvester in action, efficiently collecting maize and separating the kernels from the cobs.

#### Questions

2. What savings does the tractor make for the farm?
3. How does the combine harvester help the farm become more efficient?

### Scenario 2

On Green Ghana Farm, there are different types of crops. You will notice new varieties of maize and cassava. The new maize grows taller and produces more kernels (corn seeds), while the improved cassava has larger, healthier roots.

#### Questions

4. What makes the new maize variety better than the older one?
5. Why is the improved cassava variety more beneficial for farmers?



### Scenario 3

Green Ghana Farm uses advanced irrigation systems to water its crops. In one field, you see a series of sprinklers evenly distributing water over the crops. In another area, there is a drip irrigation system that delivers water directly to the roots of each plant, helping them grow even during dry seasons.

#### Questions

6. How do the sprinklers help the crops during dry periods?
7. What is the advantage of the drip irrigation system for plant growth?
8. Group the following industries into primary, secondary, and tertiary industries.

Hunting, Stone Quarrying, Oil Extraction, Textile Manufacturing, Canning, Forestry, Entertainment Services, Real Estate Services, Electronics Assembly, Telecommunications, Legal Services, Livestock Farming, Paper Production, Pharmaceutical Manufacturing, Transport Services

Work out the percentage of industries in each group compared to the total (100%) and draw a pie chart to show this data.

9. Industries play a crucial role in Ghana's economy. Explain how each of the following industries contributes to Ghana's economic growth.
  - The Cocoa Industry
  - The Oil Industry
  - The Textile Industry
  - The Mining Industry
  - The Agro-Processing Industry
10. Write three paragraphs to explain the features and importance of Domestic Trade in Ghana.
  - The paragraphs must cover all the points made in the section on Domestic Trade.
11. Yayra owns a shop at Hohoe in the Volta region of Ghana. She buys her products from local manufacturers and wholesalers within Ghana. Her shop sells a variety of items including fruits, vegetables and packaged goods. Yayra's customers include families in her neighbourhood and nearby businesses.
 

Explain the effect of the following on Yayra's business in terms of profit, trust and reliability.

  - a. Access to Local Products:
  - b. Support for Local Economy:
  - c. Transportation Costs:
  - d. Restocking
  - e. Community Relationships

**Note:** restocking is the process of getting more products when existing supplies have sold out:

### Multiple-Choice Questions

12. What is domestic trade?
  - A) Trade between different countries
  - B) Trade within the borders of a country
  - C) Trade on the internet
  - D) Trade involving only agricultural products
13. Which of the following is a key feature of domestic trade?
  - A) Importing goods from other countries
  - B) Exporting goods to other countries
  - C) Buying and selling goods within the country
  - D) Trading only with neighbouring countries
14. Which of the following is an example of a domestic product commonly traded in Ghana?
  - A) Cocoa beans
  - B) Mobile phones
  - C) Automobiles
  - D) Gold
15. How does domestic trade benefit Ghana most?
  - A) By increasing foreign exchange reserves
  - B) By creating jobs and promoting economic growth
  - C) By reducing the need for imports
  - D) By increasing the country's debt
16. Which of the following best describes a local market in Ghana?
  - A) A place where goods are imported from other countries
  - B) A place where goods are exported to other countries
  - C) A place where local goods are sold and bought
  - D) A place where only agricultural products are traded
17. What role do small businesses play in domestic trade in Ghana?
  - A) They primarily focus on exporting goods
  - B) They contribute to the local economy by producing and selling goods
  - C) They only import goods from other countries
  - D) They do not take part in domestic trade

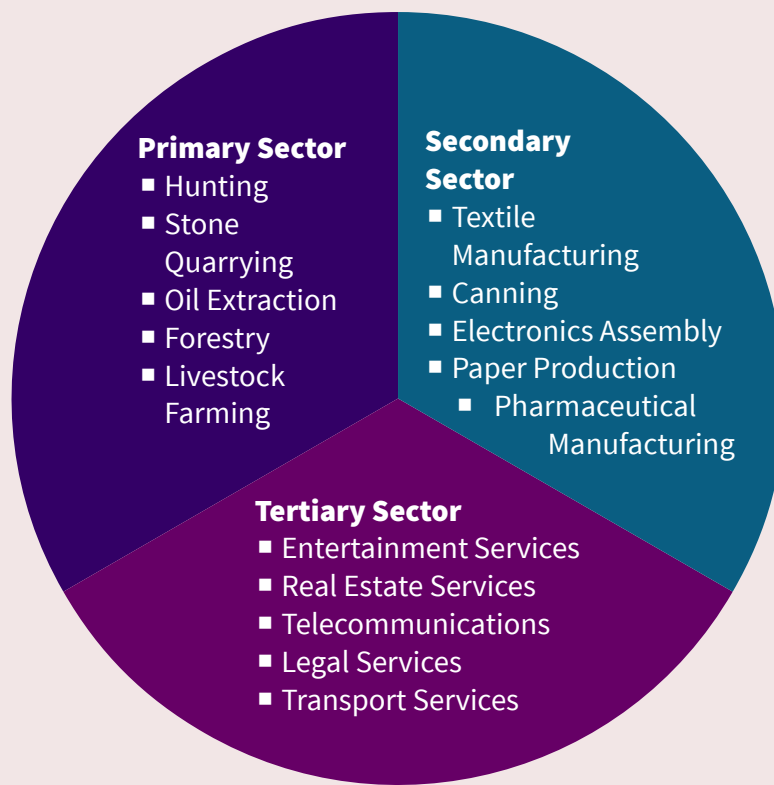
# ANSWERS TO REVIEW QUESTIONS

- 1.**
  - a.** Kwame's maize farm supports Ghana's economy by producing a staple food that is sold both locally and exported. This helps to bring in revenue and contributes to the country's financial growth.  

Kwame's farm creates jobs, and these workers also pay taxes to add to the government's revenue.
  - b.** Kwame's farm creates jobs by hiring local workers to help with planting, harvesting, and processing the maize.
  - c.** The local community benefits because the money farm workers spend keeps local businesses open, so people are not travelling too far to buy what they need.
  - d.** Kwame's farm provides maize, which is a major food source for his community. This helps to ensure that there is enough food available throughout the year and reduces the need to import food from other places.
  - e.** Kwame's farm helps local businesses by providing maize that can be sold in local markets and used by food processing companies. For example, local mills might buy maize to make flour, providing jobs, improving the local economy and tax revenues.
  - f.** The success of Kwame's farm can lead to improved infrastructure, such as better roads and storage facilities because increased farm income often leads to investment in local development paid for by taxes. For example, better roads can help transport maize more efficiently to markets.
- 2.** The tractor can cover large areas of land much faster than manual labour. It breaks up the soil more efficiently, making it ready for planting.
- 3.** The combined harvester cuts the maize plants and separates the kernels from the cobs in one process, saving time and labour costs.
- 4.** The new maize variety grows taller and produces more kernels, which increases the overall yield of maize on the farm, making the farmer more profit.
- 5.** The improved cassava has larger, healthier roots and is better at resisting pests, leading to higher production and reduced losses, making the farmer more profit.
- 6.** The sprinklers evenly distribute water over the crops, ensuring they receive enough moisture even when it is not raining, promoting growth and higher yield.

7. The drip irrigation system delivers water directly to the roots of each plant, exactly where it is needed, which conserves water and helps the plants grow and support their health, especially during dry seasons.

8.



9. The cocoa industry transforms raw cocoa into cocoa products like milo, and chocolate, and creates jobs for different people.

The oil industry increases revenue and supports infrastructure development through selling the oil in the world market and domestic markets.

The textile industry produces fabrics of all kinds, boosts local manufacturing and apprenticeship, and also supports local businesses to compete with their foreign counterparts.

The mining industry creates job opportunities, extracts minerals for domestic use and exports, and leaves reserves for the country.

The agro-processing industry adds value to raw products like maize and cassava, provides local employment, and opportunities to export our finished or semi-finished goods for better income.

10.

- Domestic trade is the exchange of goods and services within a country's borders. It involves transactions that occur entirely within the nation, using the national currency. In Ghana, for example, domestic trade is conducted in Ghanaian Cedis (GH¢). This type of trade is regulated by the country's laws and policies, ensuring that all activities follow national standards.

- The structure of domestic trade includes both wholesale and retail markets. Wholesale trade involves selling goods in large quantities from manufacturers to retailers or other businesses. Retail trade, on the other hand, involves selling goods directly to consumers. This system allows a wide variety of goods and services to be traded, from everyday consumer items like clothing and electronics to industrial products and professional services.
- Domestic trade significantly contributes to a country's economy by adding value to its Gross Domestic Product (GDP). The value of all goods and services traded within the country helps measure the overall economic output. By easing the exchange of goods and services, domestic trade supports economic growth and development, making it a vital component of the national economy.

### 11.

- **Access to Local Products:** Domestic trade allows Yayra to easily access fresh, locally produced goods that she can sell in her shop, ensuring that her customers get high-quality products.
- **Support for Local Economy:** By buying from local producers and wholesalers, Yayra supports the local economy, helping to create jobs and stimulate economic growth in the community.
- **Reduction in Transportation Costs:** Domestic trade helps Yayra reduce transportation costs since the products do not have to be shipped from faraway places, which also helps keep prices lower for her customers.
- **Faster Restocking:** Domestic trade enables Yayra to restock her shelves faster because she deals with local suppliers, ensuring that she can keep her shop stocked with popular items.
- **Strengthening Community Relationships:** Domestic trade fosters good relationships within the community, as Yayra's shop supports local businesses and builds trust among customers and suppliers.

12. (B) Trade within the borders of a country

13. (C) Buying and selling goods within the country

14. (A) Cocoa beans

15. (B) By creating jobs and promoting economic growth

16. (C) A place where local goods are sold and bought

17. (B) They contribute to the local economy by producing and selling goods

## EXTENDED READING

- [Why Is Agriculture Important? Benefits and Its Role | Maryville Online](#)
- [Importance Of Industries In Development Of A Country 2024 – My Study Times](#)
- [Global Trade vs. Domestic Trade: What is the Difference? | Global Sources](#)

Refer to any Economics Textbook in the School Library and those recommended by your Economics Teacher.

## GLOSSARY

- **Population:** The total number of people living at a particular place at a particular time.
- **International market:** A marketplace where businesses, organisations, and individuals from different countries buy and sell goods, services, and ideas across national borders.
- **Agroforestry:** A farming practice that combines tree planting with crops on the same land.
- **Finished goods:** These are fully manufactured and ready for sale products that require no further processing or assembly.
- **Semi-finished goods:** These are products that have undergone some processing or manufacturing, but still require some added work before they can be sold to consumers.
- **Domestic:** Relating to activities or businesses within a country's borders, involving local resources, labour, and markets.
- **Geographical:** This refers to the physical location, boundaries and spatial relationship between places, regions and territories.
- **Retail:** This refers to selling goods directly to consumers usually in small quantities through channels like stores, online platforms, or markets.
- **Procurement:** This is the process of getting goods, services, or work from external sources, often through contracts or outsourcing.
- **Trade:** This is the exchange of goods and services, or resources between businesses, organisations, or countries, through buying and selling.

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