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Doing Business in Ghana

Market Overview

Ghana is a country of roughly 30 million people. It is a young and fast-growing country, with a relatively high population growth rate of 2.2 percent. More than half the population (57 percent) is under 25 years old.

The country's capital, Accra, is a bustling metropolitan area that is home to roughly 2 million people. Kumasi, the capital of the Ashanti Region north of Accra, is another large population center and an active commercial center with roughly the same population as Accra.

International visitors arriving by air will enter Ghana through Kotoka International Airport in Accra and pass through its gleaming new Terminal 3, which opened in September 2018. Business travelers are advised to check with Ghanaian authorities regarding visitor visas and requirements for obtaining visas upon entry into Ghana.

There are several business hotels in Accra, and restaurants offering Ghanaian cuisine and as well as food from around the world are plentiful. Taxis are available at the airport and Uber opened its doors in Ghana in 2018, doing a brisk business for visitors and locals alike. Money can be exchanged for Ghanaian Cedis at Kotoka International Airport or at hotels and at some banks. Kumasi offers a few hotels that meet international business standards; and other locations offer a smattering of budget to mid-priced hotels.

With its fast-growing, youthful population, Ghana offers a market with many opportunities for sales of foreign products and services. American products are valued for their quality, durability, state-of-the-art technology, customer service and after-sales customer care. Ghana is also an excellent platform for market entry into 55 countries of Sub Saharan Africa, a market of 1.3 billion people.

Ghana was selected to host the Secretariat of the African Continental Free Trade Agreement, which is slated to go into effect in January 2021 and is designed to facilitate intra African trade and investment, lowering or eliminating tariffs on a range of goods and services. Ghana's role as host of the Secretariat is seen by many as an opportunity to become the commercial hub of West Africa and beyond, and many companies are eyeing Ghana not only as a vibrant market itself, but also as a springboard for Pan African market entry and expansion.

Many Ghanaians have strong personal or business ties to the United States, and a strong affinity for American brands and technology. They are open to new American brand ideas and customer experiences.

U.S. companies seeking to do business in Ghana are advised to take a long view, taking time to get to know potential business partners and to develop relationships that go beyond email and texts. U.S. companies that can send a representative to visit Ghana and meet potential partners, undertake site visits and walk Ghana's bustling streets will make a favorable impression.

Ghana is blessed with a rich diversity of ethnic groups, each with its own unique culture and way of life. The major ethnic groups are Akans (47.5%); Mole Dagbon (16.6%); Ewe (13.9%); (7.4%), Gurma (5.7%); Guang (3.7%); Grusi (2.5%); Kusaasi (1.2%); and Birkpakpaam a.k.a. Konkomba (3.5%).

The official language and the language of business is English, which is taught in all schools. Ghanaians speak local languages as well and many are conversant in several local languages.

Ghanaians are known to be very hospitable people, and this trait spans all ethnic groups. They are also very religious, with roughly 95% engaging in an organized religion.

Although there are occasional disagreements in rural areas among ethnic groups, mainly over land ownership or succession, Ghana has enjoyed peaceful transitions of government following elections for decades.

The December 2020 Presidential election is generating lively debate between the incumbent New Patriotic Party of President Nana Akufo-Addo and his challenger, John Mahama of the opposition National Democratic Congress. The 2020 election is expected to continue the tradition of peaceful transfers of power if the opposition party wins.

Economy

Ghana has enjoyed average annual economic growth of 7 percent since 2017, making it one of the world's fastest-growing economies. The economy, however, is largely dependent on the export of commodities such as gold, cocoa, oil and gas, which makes it vulnerable to global economic slowdowns and declines in commodity prices. GDP growth is expected to pull back considerably in 2020, from 6.5% in 2019 to a projected 0.9 percent, because of the damaging effects of the coronavirus pandemic on the world economy.

The services sector is the largest contributor to Ghana's GDP - 43.1% as of the second quarter of 2019. The industrial sector is the next largest sector of the economy - 31.53%; followed by the agricultural sector with a 18.27% contribution to GDP. Agriculture employs about 45 percent of Ghana's workforce, mainly consisting of small landholders.

Ghana's main import partners are China, 45.4 percent of total imports; the United States, 12.9 percent; Nigeria, 9.75 percent; Belgium, 8.6 percent; Turkey, 5.8 percent; Canada, 4.7 percent; and India, 4.7 percent.

Market Challenges

- The nation has a surplus of power capacity after several years of outages; however, debt remains high at 67 percent of GDP, and domestic revenue mobilization remains a challenge.
- Access to financing remains a significant challenge for local companies. Commercial bank rates average 28 percent. Exporters to Ghana without attractive financing options will find themselves at a disadvantage.
- Because of historical connections to Europe and geographic proximity, European companies have tended to be relatively more successful in Ghana. As U.S. firms have focused more on emerging opportunities in Sub Saharan African markets, however, an increase in the U.S. share of exports to Ghana has been noted.
- Ghanaian buyers are price sensitive and thus, while U.S. products and services are perceived as high quality, durable and state-of-the art, cheaper (often Chinese) products are sometimes purchased for cost reasons. Although new U.S. equipment is bought by Ghanaian companies, re-conditioned U.S. goods (e.g. vehicles and equipment) have been particularly successful in the Ghanaian market.
- West Africa has a well-deserved reputation for fraudulent business offers and commercial scams. Ghana is no exception. Recipients of unsolicited offers to participate in government procurement opportunities in Ghana should proceed very cautiously and require upfront payments prior to shipping samples or committing significant resources. Fraudulent procurement tenders using the name of the Economic Community of West Africa States (ECOWAS) are particularly common. U.S. companies that receive unsolicited tenders or are told that they have won a bid without participating in a tender should contact the U.S. Commercial Service Ghana for assistance in determining whether a tender is legitimate.

Market Opportunities

Ghana, with assistance from a range of international development partners, will be investing significant resources in upgrading its electricity transmission and distribution systems to achieve its goal of becoming a regional exporter of power and to shed its expensive excess power capacity. Renewable energy (other than hydro power) currently accounts for about one percent of total power generation, but the government has a stated goal to increase renewable energy to 10 percent of total power production by 2030.

As oil and gas production shows growth, opportunities for auxiliary services will continue to rise. Although Nigeria remains the sectoral hub for West Africa, because of the relative ease of doing business and the attraction of major

players to the offshore sector, Ghana likely will attract a greater number of companies establishing a local or even regional presence in the market.

The mining sector, including gold, bauxite, manganese and diamonds, is a significant part of the Ghanaian economy. Goods and services exports in this sector represent a significant opportunity for U.S. companies. The Ghanaian government is pursuing the expansion of local value-added processing.

The Ghanaian construction industry has demonstrated sustained growth, with major construction activities in roads, highways and bridges, coastal works and residential buildings. Success in this sector will be closely tied to the availability of appropriate financing opportunities. Construction equipment, particularly re-conditioned equipment, is likely to continue to be a promising sub-sector.

The automotive industry presents a new opportunity as the government seeks to establish Ghana as the hub for assembling automobiles in the sub region. In connection with this, several tax waivers and other incentives are being offered to attract Original Equipment Manufacturers to establish assembly plants from both Semi Knocked Down and Completely Knocked Down Kits.

The selection of Ghana to host the Secretariat of the African Continental Free Trade Area in Accra presents an opportunity for investors looking at tapping into the enormous potential that the African continent presents. Ghana offers an excellent springboard to the West Africa region and the entire African market.

Market Entry Strategy

Ghanaians like to take some time to get to know potential business partners before launching directly into talk of business. Enjoy a meal together; learn about Ghana's rich culture, including food, music and the arts; the proud history of its independence movement; and its long-lasting friendship with the United States.

For most Ghanaian business sectors, there are no laws requiring the retention of a local agent or distributor when exporting to Ghana. There has been a recent push for local content requirements in a number of industry sectors, and legislation was passed in 2013 to regulate local participation in the petroleum sector.

In all sectors, the U.S. Commercial Service has observed that U.S. companies who retain an experienced agent or distributor, who has a thorough understanding of the local economy and shares the same expectations as their U.S. partner, are less likely to experience problems entering the market. The U.S. Commercial Service can assist with identifying potential local partners.

Under the laws of Ghana, a foreign investor or company may collaborate with a Ghanaian businessman or company through a joint venture agreement. The joint venture agreement, i.e. distributorship, representation, must be properly executed, stating among other things the shareholder structure as well as a detailed rights and obligations of each party to the agreement. Under the Stamp Duty Act, any agreements executed between the parties must be stamped appropriately and the necessary stamp duty paid.

In a joint venture involving a foreign partner, the Ghana Investment Promotion Centre requires a minimum capital of US\$200,000 from the foreign investor or foreign company. A foreign investor is also allowed to set up and retain full ownership in the particular business venture if it invests a minimum of US\$500,000. However, if the objectives of business include trading, then the Ghana Investment Promotion Centre minimum capital requirement is US\$1,000,000.

A foreign shareholder can satisfy the minimum equity capital requirements two ways: cash transferred through the banking system in Ghana or its equal value in the form of goods, machinery or other tangible assets imported specifically to establish the enterprise. All imported items for the purpose of satisfying the foreign shareholder minimum capital must be covered by a Destination Inspection Report from an accredited inspection company, stating the value and the conditions of the goods. It must be noted that consideration for goodwill of a business or service rendered by the foreign partners cannot be used to satisfy the minimum foreign equity capital.

Leading Sectors for U.S. Exports and Investment

Agriculture

Overview:

Agriculture is an important part of Ghana's economy and contributes roughly 20% of Gross Domestic Product. Ghana's agriculture is predominantly smallholder, traditional and rain-fed. According to the Food and Agriculture Organization, about 60 % of all farms in the country are less than 1.2 hectares in size, 25 % are between 1.2 to 2.0 hectares, with about 15 % above 2.0 hectares. Ghana's farming systems vary across agro-ecological zones. There are however some features that cut across farmlands throughout the country. The middle belt of the country holds the forest zone, where tree crops like cocoa, oil palm, coffee and rubber flourish. The food crops in this area include maize, plantain, cocoyam and cassava. Maize, millet, cowpeas, groundnuts, yam and rice are some of the main crops that are cultivated in the northern parts of Ghana.

Currently, there are several government programs that are aimed at changing the narrative of farming as the purview of old, uneducated people;

One of these is the *'Planting for Food and Jobs'* program which was designed to promote growth in food production and create jobs across the country. The program is structured around seed provision, Fertilizer, Extension Services and Marketing.

The other is the *'Youth in Agriculture'* program which seeks to encourage youth participation in the agricultural sector. This effort seeks to change the negative perception the youth have of agriculture. The Youth in Agriculture program has four components being, Crops, Livestock and Poultry, Fisheries and Agribusiness. The program provides farmers with tractor services, as well as subsidized, interest-free inputs.

With the launch of the One district, one factory, an initiative of the current administration, the push towards agro-processing has seen a boost. The 'One district, one factory' is a Government of Ghana policy which is aimed at developing the value chain of local produce. The policy was introduced in 2016 and seeks to move the country towards industrialization. According to available data, 58 out of 181 factories have been built with a further 26 at various stages of completion.

Sub-Sector Best Prospects:

Ghana remains a major importer of food products, with imports of agricultural and related products estimated to have reached \$2 billion in 2019. Food and agricultural imports will continue to grow as Ghana's underdeveloped food processing sector is unable to meet increasing demand. According to the Ministry of Food and Agriculture, Ghana's agricultural production meets only half of domestic cereal and meat needs and 60 per cent of domestic fish consumption. This presents an opportunity for companies that can bridge the gap.

Ghana is ranked the second-largest importer of tomato paste in the world, with a consumption average of 25,000 tons of tomato paste at a cost of \$25 million every year.

Food imports mostly comprise bulk, intermediate and consumer-oriented commodities such as rice, wheat, sugar and poultry. U.S. export of agricultural and related products to Ghana in 2019 was \$135 million, up by 33.7 percent from \$101 million in 2018. Although U.S. exports to Ghana had mostly been rice, poultry and wheat, exports of U.S. snack foods NESOI, dairy products, fruit and vegetable juices, non-alcoholic beverages, breakfast cereals, beef & beef products, forest products, hides & skins, and planting seeds recorded significant growth in 2019. Based on year over year growth in 2019, the 10 best U.S. high-value consumer-oriented product prospects categories for the Ghanaian market in descending order are; forest products, snack foods NESOI, dairy products, processed vegetables and fruits & vegetable juices. Non-alcoholic beverages, breakfast cereals, beef & beef products, poultry meat & products and condiments & sauces complete the list of 10 best U.S. high-value consumer-oriented product prospects categories in that order.

The 2019 top 10 leading suppliers of agricultural and related products to Ghana in descending order are; Vietnam, Belgium, Canada, China and the United States. Malaysia, Russia, Thailand, the United Kingdom and Brazil are the remaining suppliers. Imports of consumer-oriented food from the European Union remains strong.

Ghana's Agricultural and Related Imports for 2015-2019 (in millions of dollars)

Source of Imports	2015	2016	2017	2018	2019
U.S.	89.43 (5.2%)	78.00 (4.5%)	119.50 (5.6%)	100.95(4.9%)	135.12(6.6%)
World	1,716.15	1,751.02	2,116.71	2,069.34	2,040.44

Source: Trade Data Monitor LLC

Ghana's BICO Imports for 2014-2018 (in millions of dollars)

Product	2015	2016	2017	2018	2019
<i>Bulk¹</i>	15.17	1.82	31.68	18.40	12.97
Bulk ²	284.35	289.88	298.95	342.64	273.35
<i>Intermediate¹</i>	8.42	9.03	5.80	5.36	6.05
Intermediate ²	488.25	441.13	614.86	505.32	513.35
<i>Consumer Oriented¹</i>	51.85	58.00	65.59	58.79	72.22
Consumer Oriented ²	721.67	747.58	889.73	856.68	951.68
<i>Ag. Rel. Products¹</i>	13.99	9.15	16.43	18.40	43.88
Ag. Rel. Products ²	221.88	272.43	313.17	364.70	302.06
Total¹	89.43	78.00	119.50	100.95	135.12
Total²	1,716.15	1,751.02	2,116.71	2,069.34	2,040.44

Source: Trade Data Monitor LLC

Opportunities

- Growing middle class driving consumption oh high value food products
- Demand for intermediate products by growing food processing industry
- Entry and growth of U.S. fast food franchises
- Relatively good infrastructure: ports, airport and roads
- Consumers looking for ready-to-eat products as per capita income grows
- Country remains the ideal regional distribution logistics hub
- Increasing preference for American lifestyle due to ties with relatives in the United States
- Growing tourism and corporate hotel industry

¹ Sourced from the United States

² Sourced from the World

Information Resources:

Ghana Statistics Service, African Development Bank Group, Trading Economics and Focus Economics.

Construction and Infrastructure industry

Overview of the sector:

Construction refers to the creation, repair, maintenance, alteration and demolition of buildings, highways, streets, bridges, roads, sewers, railways and communication systems. Key construction subsectors in Ghana include housing and urban development - residential buildings; municipal and commercial buildings; infrastructure - water and sanitation; energy; and transport infrastructure – roads, airports, ports and harbors. The government of Ghana is working to provide sufficient investment in the construction sector so that it is able to respond adequately to the oil-fueled increase in demand for construction and infrastructure development.

In Ghana, the construction sector appears to be performing well, and contributes substantially to gross domestic product (GDP) and employment. For example, the demand for cement, a key indicator of construction activity, is expected to increase consistently from 8.8 million metric tonnes in 2017 to 12.5 million by 2021.

The \$8 billion Ghanaian construction sector, which accounted for 18.8 percent of the nation’s annual GDP in 2018, is a central pillar of Ghana’s National Development Plan. Provisional estimates released by Ghana Statistical Service indicate that the construction industry recorded a growth rate of 18.3 percent year-on-year for the third quarter of 2018. The industry provides employment for approximately 420,000 people and an estimated 2,500 active building and construction contractors currently operate in the Ghanaian market. Players range from indigenous micro-enterprises and individual contractors to foreign multinational civil engineering and construction giants.

Current position of the industry

U.S. Dollars Millions	2016	2017	2018	2019
Total Production/ Year (GDP)	488.38	532.76	638.47	178.30
Total Housing Unit deficit (thousand)	156,725.55	188,352.50	199,185.99	206,896.55
Total Imports	120.13	122.59	138.66	108.26
Local Production	23.20	33.52	45.56	89.55

Proposed or Ongoing Projects in Ghana

- Rail network, including several rail lines within Ghana and regional lines; a coastal line running from Nigeria through Ghana to Cote d’Ivoire; and a North-South line from Ghana to Burkina Faso
- District and regional hospitals project
- West Africa Petroleum Hub - proposed
- Takoradi Gas Tank Farms
- Gas Pipelines – laying pipelines in mining areas around Tarkwa

- Ghana Trade Fairground Redevelopment
- Expansion of Secondary Schools under the Second Cycle system
- Affordable Housing
- Accra Marine Drive Tourism Project
- Tetteh Quashie Cocoa Museum
- National Cathedral
- Cape Coast Slavery Museum
- Petronia City Project

Industry players

The construction industry in Ghana is composed of building project consultants, engineers, architects, quantity surveyors, building contractors and artisans. The Chamber of Construction Industry Ghana is responsible for governing and regulating the activities of this industry, from advocating to helping find overseas suppliers.

Contractors in Ghana are classified under the housing and roads and civil works subsectors. This classification is made primarily based on the company's financial resources, human resource capacities and level of technology (i.e. type and efficiency of equipment employed). However, there are different classifications for contractors in the housing and roads subsectors. Those in the housing subsector are grouped into four classifications, depending on the value of the project to be implemented. Please find classification below:

1. Contractors with the capacity to execute projects that are above \$500,000 in value
2. Contractors that have the capacity to execute projects up to a value of \$500,000
3. Contractors having the resources to implement projects with a maximum value of \$200,000
4. Contractors with the means to carry out projects with a maximum value of \$75,000.

Opportunities for U.S. companies

- Construction, maintenance and services for roads and railways.
- Rail upgrades and passenger rail transport on selected rail corridors
- Lake transportation systems
- Air transport operators for domestic and sub-regional services
- Upgrading of existing trunk roads
- Affordable housing construction
- Sale of affordable and durable building materials i.e. fixtures and furnishings

How projects tenders operate:

All infrastructure projects go through the Public Procurement Act tender process via either

1. Competitive tendering
2. Selective tendering
3. Sole-source tendering

All government tenders are advertised on the relevant Ministry's website. Bid documents then go through final evaluation based on price and quality of service.

Here are some factors that add value to bid documents for public tenders:

1. Identifying a funding source
2. Providing feasibility studies for the project
3. Partnership with a local company

Resources

<https://www.gipcghana.com/invest-in-ghana/why-ghana/infrastructure.html>

<http://cmonline.com.gh/2017/07/ghanas-construction-industry-needs-local-content-policy-agi/>

<https://ppa.gov.gh/online-documents/standard-tender-documents/>

[https://en.wikipedia.org/wiki/Local_Content_Law_\(Ghana\)_2013](https://en.wikipedia.org/wiki/Local_Content_Law_(Ghana)_2013)

<https://tradingeconomics.com/ghana/gdp-from-construction>

Mining Industry

There is history of mining in Ghana that pre-dates the colonial era and is the reason Ghana was known as the Gold Coast. Most Ghanaian mining production was state owned, but since the Economic Recovery Program entered by the PNDC government in 1983, Ghana has attracted foreign investments and pushed towards privatization and state divestiture. Mineral rights are granted to private parties giving them the right to mine the minerals in the ground. However, the Government of Ghana is entitled to 10% free carried interest in the rights and obligations of the mineral operations but does not make any financial contribution. The government can however obtain further participation in mineral operations upon agreement with the holder.

It is important to stress, that under the mining laws of Ghana, a foreign investor is not mandated to have a partner to participate in the mining industry as pertains to the oil and gas, gaming and other sectors of the economy. American companies can either engage in joint ventures or operate as a wholly American company. However, the small-scale mining industry is reserved for Ghanaians.

Some of the major mining companies in Ghana are Newmont Goldcorp (American), Canadian and Australian. There are also South African companies such as Goldfields and AngloGold Ashanti.

While the laws of Ghana permit 100% foreign ownership, there is an increasing drive towards local participation especially in the provision of mine services. Companies wanting to invest must be ready to have strong corporate social responsibility initiatives. Some mining communities and civil society organizations have accused mining communities of profiting from their communities but neglecting the development of infrastructure in the communities.

Ghana discovered commercial quantities of lithium in 2018 and hopes to attract investors to mine and develop a value chain in the Volta Region.

Performance

The mining sector plays a vital role in the Ghanaian economy, as it attracts more than half of all foreign direct investment (FDI) and generates more than one-third of all export revenues. The mining industry is the largest tax-paying sector in the country and makes a significant contribution to gross domestic product (GDP) and employment. The mining sector contributes 37 percent of export revenues and 19 percent of all direct tax payments in Ghana.

Gold is the most commercially exploited mineral in Ghana, accounting for about 95% of the country's mineral revenue. Today, Ghana is Africa's largest gold producer, having overtaken South Africa in 2019 with 4.8 million ounces in output compared to South Africa's 4.2 million ounces.

Other commercially exploited minerals in Ghana are manganese, bauxite and diamonds. The country is also endowed with deposits of iron ore, limestone, columbite-tantalite, feldspar, quartz and salt, and there are also minor deposits of ilmenite, magnetite and rutile.

Sub-sector best prospects

According to the Ghana Investment Promotion Center, emphasis on investment promotion has been a major objective of the industry with a shift to a comprehensive vision that facilitates greater exploitation of Ghana's industrial minerals. Investment opportunities in the industry are in the areas of exploitation or production and industrial processes. They include:

Production

- Companies to set up refinery facilities to serve the local industry for value-added products.
- Companies to exploit and produce solar salt. Potential exists for the utilization of part of the salt to produce caustic soda which is a raw material for the soap and detergent industry. The chlorine co-product can also be used as water treatment chemical and serve as raw materials to produce various health and sanitation chemicals.
- Companies to produce clinker for the mining industry. Demand for clinker is estimated at over one million metric tons per annum.
- Companies to exploit the extensive deposit of granite to produce high quality floor tiles.
- Companies to produce dimension stones for the building industry
- Suppliers to supply salt for the local market.

Engineering and Services

- Service companies to provide support services, including contract drilling, assay laboratories, contract mining and geological consultancies to mining companies in the country.
- Companies to set up manufacturing plants and machinery for the mining industry.
- Companies to set up downstream production facilities to manufacture key input for the mining industry. Examples, mill balls, drill bits, cyanide and activated carbon.

Resources:

Ghana investment Promotion Center

<https://www.gipcghana.com/invest-in-ghana/sectors/mineral-processing/investment-opportunities.html>

[Global Resource Network](#)

<https://resourceglobalnetwork.com/2019/06/11/ghana-officially-overtakes-south-africa-as-continent-largest-gold-producer/>

Oil and Gas Industry in Ghana

Overview

Ghana's petroleum industry is divided into the upstream and downstream sectors. Upstream activities include the procurement and refining of crude oil by the nation's only petroleum refinery, Tema Oil Refinery (TOR). Downstream activities include the marketing and distribution of petroleum products by Oil Marketing Companies (OMCs) and the pre-mixing of petroleum products for other industrial uses. OMCs operating in Ghana are mainly multinationals; however, the last decade has seen an increase in the establishment of several small- to medium-scale local OMCs.

Prices of petroleum products, which have steadily increased since 2003, are regulated by an independent board. The nation consumes significant volumes of petroleum products and importation of crude oil constitutes a significant portion of gross domestic product (GDP).

The Ghana National Petroleum Council (GNPC) has the mandate to explore for oil within the nation's territory. The petroleum sector has since 2003 experienced significant growth, particularly since the discovery of oil in commercial quantities in the Jubilee fields in 2007. Some of the major oil and gas activities are done by IOCs such as Tullow Ghana, Cosmos Energy, ENI, ExxonMobil and Hess Ghana Limited. Their sub-contractors include Schlumberger, Baker Hughes, Weatherford, Ocean Rig and Technip. Since Ghana's first commercial oil lifting took place, over 4.7 million barrels of crude oil have been produced, at an average of 80,000 barrels per day.

Ghana's oil and gas prospects are significant. Recent discoveries appear to indicate oil and gas resources stretch across the country's shoreline from Cape Three Points in the west to Keta in the east. The Volta Basin is also believed to hold oil and gas reserves onshore. There currently are about 11 petroleum agreements between the Government of Ghana, GNPC and petroleum operators signifying the increased interest in Ghana's oil industry. Government, through GNPC, now seeks to fully maximize the country's prospects in the oil and gas sector. It has recently sought to extend the country's continental shelf to increase the sector's scope.

Industry growth

\$US billion	2016	2017	2018	2019
Total Market Size	2.2	2.3	2.4	2.4
Total Exports	1.0	1.3	1.0	1.1
Total Imports	500,166,800	454,950,600	470,193,000	416,100,000
Local Production	1.1	1.8	1.2	1.3

*All local crude oil production is exported. Differences between local production and Total Exports in a given year are due to inventory. All crude oil for local consumption is imported. Hence the match between Total Market size and Total import $\text{Total Market Size} = (\text{Total Local Production} + \text{Total Imports}) - (\text{Total Exports})$ Data Sources: Statistical data are unofficial estimates from trade sources and industry.

Opportunities for U.S. companies

- Two offshore oil blocks are reserved for the GNPC, which will likely seek partnership with independent oil companies to support exploration and production.
- The Ghanaian government is considering revising the regulations of the sector in an effort to shore up Ghana's oil recovery rate of about 25%, which is lower than anticipated.
- The Ghana's government intends to reward investors willing to invest and meet Ghana's local content requirements.
- Ghana's oil sector needs technical training for local companies.
- Ghana lacks storage facilities for its gas products.

Sub-Sector Best Prospects

There is an immediate need for oil and gas service firms that can partner with indigenous Ghanaian companies to support the offshore activities of the international oil companies. Domestic Ghanaian companies do not have the ability to provide a broad range of services despite local content requirements mandating a minimum level of local participation. Joint venture firms with foreign partners contributing technology and know-how to a partnership with a reliable local company will be highly sought after. In addition to providing equipment and services directly to the exploration and production companies, training programs to increase the capacity of Ghanaian firms to provide these services are likely to be highly successful.

Local Content

Ghana's government passed a local content law in 2013 that requires a minimum 5 percent equity stake in hydrocarbon exploration and production activities. A local-content policy framework from 2010 has largely been met in terms of management positions and general staff, but technical positions are where the progress has been slowest.

The upstream oil sector is not a big employer. The industry directly provides an estimated 8,000 jobs for Ghana's population of 30 million people. Among the government's other targets are 90 percent local participation in the oil and gas value chain by the end of 2020 a target judged by analysts from the outset as being overly ambitious due to the lack of financial capacity, ability to meet international standards and technical training of many local firms.

The Petroleum Commission has launched a review of Ghana's local content requirements. Nonetheless, the value of contracts won by local firms has been on the rise. International oil companies are looking for local partners across the entire upstream value chain, from direct participation, storage, transportation and haulage to services and maintenance.

References

<https://www.worldmeters.info/gas/ghana-natural-gas/>

<http://knoema.com/atlas/ghana/topics/energy/oil/production-of-crude-oil>

<https://www.petrocom.gov.gh/>

Cosmetics Industry in Ghana

Overview

The global beauty industry, according to Euromonitor International, is valued at about US\$670 billion

Known as the next consumer hot spot, Sub Saharan Africa is experiencing fast economic growth, and is home to about 821 million consumers eager to buy a wide range of cosmetics and beauty products. By 2020, Sub Saharan Africa is expected to have an economy worth around US\$2 trillion. East Africa alone is home to over 350 million people, where consumer spending is expected to grow to US \$150 billion in 2020. Sub Saharan Africa could be the next big growth region because of its high birth rates and a growing middle class.

The market leaders – South Africa and Nigeria – will be followed by five key frontier markets: Kenya, Ethiopia, Tanzania, Ghana and Cameroon.

Euromonitor International estimates the beauty industry in the Middle East and Africa at about US\$25.4 billion – with the market expected to grow by 6.4 percent yearly over the next four years, making the Middle East and Africa the fastest-growing region in beauty and personal care products.

Performance

A growing urban population and rising disposable incomes are benefiting sales of beauty and personal care in Ghana. Changing attitudes towards personal grooming, and exposure to global style and fashion trends, thanks to widening internet access are also supporting sales.

In Ghana, most suppliers of cosmetics and personal care products engage in both wholesale and retail activities. Most activity is centered around the central business, and most retailers purchase varying quantities of the various brands and re-sell in them in their various localities.

The cosmetics and personal care products sector in Ghana is competitive and profitable, thanks in part to an influx of new and foreign products on the market. Generally, producers of cosmetics in Ghana show business growth, however, the most popular products are those imported from Europe, Côte d'Ivoire, Nigeria and Togo.

Ghanaian consumers show a preference for products with attractive packaging. While local manufacturers use a wide range of media to market their brands, it is notable that one of the greatest challenges faced by these companies in marketing their brands is overcoming the perception that locally made products are inferior to foreign ones. In Ghana, a majority of consumers prefer to buy cosmetics and personal care products from cosmetics shops. Ghanaian consumers are influenced by the quality of product more than the price.

Sub-sector opportunities

Ghana is currently the largest exporter of shea butter In West Africa. An estimated 3 million rural women in Ghana make a small income from shea butter.

Opportunities exist in the following areas in the large-scale production of these cosmetic ingredients:

- Shea butter
- Avocado Oil
- Castor Oil
- Mango Butter
- Baobab oil
- Neem oil

There is a growing number of formulators and manufacturers who need supplies of cosmetic ingredients and equipment.

Any American company can import and distribute finished cosmetics in Ghana. Most companies will work with a distributor who will satisfy the regulatory requirements and handle sales in the Ghanaian market.

U.S. companies can also decide to register and and sell their own products. In such cases, companies must register with the Food and Drugs Authority and the Ghana Standards Authority, depending on the type of cosmetic product.

References

UNIDO West African Competitiveness Program

https://wacompghana.org/publications/technical/#flipbook-df_324/11/

Ghana Investment Promotion Centre www.gipcghana.com

Ghana Standards Authority www.gsa.gov.gh

Rail

General Overview

The government of Ghana has made revamping the country's railway network a priority and established the Ministry of Railway Development to execute this mandate. The country's railway infrastructure has seen little development since its independence in 1957 and has deteriorated to the point that a majority of the 940 kilometers of narrow-gauge rail is out of service.

The government is focusing on a combination of rehabilitation and extension of existing track and development of completely new rail lines for both passengers and freight.

The policy objective driving this development plan is to build a modern railway network from the south to the north of Ghana along with associated infrastructure, leading to:

- Infrastructure development in the towns traversed by railway lines
- More efficient transportation of passengers and goods

- Improved domestic and international trade
- Economic growth and development
- Job and wealth creation

To achieve this goal, a Railway Master Plan was developed in December 2013, with implementation starting in the latter part of 2016. The highlight of this plan is to increase the coverage of railway in the country to over 4,000 kilometers in 33 years at an estimated investment of US\$21.5 billion. In addition to this is the need for freight and passenger rolling stock, at an estimated cost of US\$1.2 billion over the same period, amounting to a total of US\$22.7 billion.

This is to be carried out in six phases, with the first phase involving the rehabilitation of 668 kilometers of the existing narrow-gauge lines, and subsequent five stages involving the addition of new standard-gauge rail lines.

The specific lines to be worked on during the various phases and the associated costs are as follows:

PHASE 1: Rehabilitation of existing line	667.6	\$2,803,920,000
<i>1W - Western Line</i>	340.0	1,428,000,000
1 - Takoradi - Tarkwa - Dunkwa - Kumasi	266.8	
2 - Dunkwa - Awaso	73.2	
<i>1E - Eastern Line</i>	327.6	1,375,920,000
1 - Accra - Kumasi	303.9	
2 - Achimota - Tema	23.7	
PHASE 2: Eastern "A" Expansion	1,161	\$6,501,600,000
2W -Takoradi-Kumasi	266	1,489,600,000
2E - Accra - Kumasi	300	1,680,000,000
2C - Kumasi - Techiman - Tamale	383	2,144,800,000
- Tamale - Paga	212	1,187,200,000
PHASE 3: Transversal Expansions	484	\$2,710,400,000
1 - Tamale - Yendi	102	571,200,000
2 - Fufulsu - Sawla	126	705,600,000
3 - Techiman - Atebubu - Kwadwokurom	198	1,108,800,000
4 - Nyinahin - Kumasi	58	324,800,000
PHASE 4: Trans Ecowas Expansion	498	\$2,788,800,000
1 - Aflao - Tema - Accra	185	1,036,000,000
2 - Accra - Takoradi	212	1,187,200,000
3 - Tarkwa - Omanpe	101	565,600,000
PHASE 5: Western Expansion	729	\$4,082,400,000
1 - Dunkwa - Awaso	73	408,800,000
2 - Awaso - Techiman	220	1,232,000,000
3 - Techiman - Sawla	223	1,248,800,000
4 - Sawla - Hamile	213	1,192,800,000

PHASE 6: Eastern "B" Expansion	468	\$2,620,800,000
1 - Tema - Ho	130	728,000,000
2 - Ho - Yendi	338	1,892,800,000
TOTAL INVESTMENT COST (FINANCIAL)	/Km	\$21,507,920,000

The phases have not been carried out sequentially, however the following have been identified as priority: All of Phase 2 and some lines in Phases 3 and 5. The total cost of these priority projects is USD 7.8 billion. Important milestones in the achievement of this goal include:

April 2019: A consortium was chosen for the \$1.8 billion rehabilitation of the existing Eastern Railway from Accra to Kumasi. The consortium comprises a mixture of local and international contractors, including Keteke Group (Ghana); Arisu, Ralf Blankenbach and Havellandische Eisenbahn (Germany); Voestalpine (Austria); Ipimed (France); and Salcef (Italy).

May 2019: Four bidders submitted requests for qualification (RFQs) for the new standard-gauge Eastern Railway line. The consortiums were China Railway Construction Consortium; African Global Development; Frontline Consortium; and China Railway Number 10 Consortium.

May 2019: China Railway Wuju Group Corporation (CRWG) signed a \$500 million deal for rehabilitation of a 100 km section of the existing Western Rail Line from Manso, just north of Takoradi, to Dunkwa.

May 2019: The Ghanaian government approved \$230 million of funding to purchase new rolling stock for the railways.

November 2019: Ghanaian government signs a concession agreement with the South African firm Ai SkyTrain Consortium Holdings for the construction of \$2.6billion high-speed railway in Accra.

June 2020: The Ghanaian government signs \$560 million contract with Amandi Holdings to construct the Western Rail Line.

The phases have mainly been financed via loans and the more popular Public Private Partnerships, using the Build Operate and Transfer model.

Though the Ministry of Railways Development has the oversight responsibility for the development of the sector, the implementing agency is the Ghana Railway Development Authority.

The current Railway Master Plan is under review because recent discoveries of mineral deposits in areas that were not included and is expected to be published toward the end of 2020. It is expected to expand the current route and thus offer more opportunities for investment.

Opportunities for U.S. companies

Although the initial parts of this massive infrastructure drive have been dominated by Chinese, South African and Ghanaian companies, there are still numerous opportunities for U.S. companies involved in the provision of railway technologies in the above-mentioned projects, provided they arrange their own sources of funding. While there are on occasion tenders for various phases and projects of the railway upgrade and expansion project, more often deals are signed using sole-source procurements. Financing is a critical factor and is generally expected to be provided by the provider of products or services.

Resources

Ministry of Railways Development: <http://www.mrd.gov.gh/3/1/project-objective>

Ghana Railways Development Authority: <http://www.mrd.gov.gh/5/12/agencies>

Ghana Railway Company Ltd.: <http://www.mrd.gov.gh/5/12/agencies>

Automotive Sector

General Overview

The automotive sector in Ghana is largely made up of retailers of imported used vehicles and a few distributors who deal in the retailing of new vehicles.

The sector is set to experience significant change thanks to the introduction of the Ghana Automotive Development Policy in 2019, by which the country seeks to attract investment from leading Original Equipment Manufacturers (OEM) and investment partners. One of the aims of this policy is to make available affordable new vehicles in the Ghanaian market to reduce the heavy reliance on used vehicles, which create environmental and safety issues.

Recent estimates put the average number of imported vehicles in the country at over 100,000 per year, of which about 90 percent are used vehicles, with an estimated value of US\$1.14 billion per annum, accounting for 12 percent of the country's import bill and constituting the top single import item. The United States is one of the three leading sources of used auto imports, along with Japan and Germany.

Some OEMs have already signed assembly agreements, including Volkswagen AG, Nissan Motor Company, Toyota Motor Company and Suzuki Motor Company.

There is one local company, Kantanka Automobile Company Limited, that assembles the Kantanka line of vehicles from Completely Knocked Down (CKD) kits from China. The main products are sedans and SUVs, although the company has also ventured into the production of military vehicles. The vehicles have generally not been well received by the local market because of doubts about their durability.

The current government has purchased some of the sedans and SUVs to support the business and encourage local patronage.

Opportunities

The Ghana Automotive Development Policy offers prospects to U.S OEMs, thanks to some incentives for investors.

In April 2020, Ghana passed the Customs Amendment Act, 2020, Act 1014, to try to boost investment in the automotive sector. It includes:

- Corporate tax holidays ranging between five years for Enhanced Semi Knocked Down (SKD) Registered Assemblers and 10 years for Completely Knocked Down (CKD) Registered Assemblers
- Exemption of import duties and related charges on any plant, machinery, equipment or parts of the plant, machinery or equipment (that are not already zero-rated) imported for SKD, Enhanced SKD and CKD Auto Assembly.
- Waiver of the import duty and domestic levies on imported SKD, Enhanced SKD, and CKD kits and on Original Equipment components, including:
 - a. Import VAT
 - b. National Health Insurance Levy
 - c. GET Fund
 - d. EXIM Levy
 - e. Special Import Levy
- Ban on the importation of certain categories of automobiles (vehicles aged over 10 years and salvaged/accident vehicles).

- Asset-based vehicle financing mechanism to promote the purchase of locally assembled vehicles and vehicles imported by local assemblers (program vehicles), by the general public. Another important incentive for U.S. automobile investors is the planned launch of the Africa Continental Free Trade Agreement (AfCFTA), which will create a large common market with a population of about 1.2 billion having an estimated GDP of \$ 2.5 trillion. It is also instructive to note that Ghana was selected to host the Secretariat of AfCFTA in Accra, making it a potential platform for regional and continental market expansion.

Resources

www.moti.gov.gh/docs/Information_Brief_to_OEMs.pdf

www.msn.com/en-xl/news/other/e2-80-98ghana-automotive-policy-best-e2-80-99/ar-BB10JVf3

<https://unctad.org/en/pages/newsdetails.aspx?OriginalVersionID=2270>

<https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Government-has-procured-over-500-Kantanka-cars-Kwadwo-Safo-785928>

Energy Sector

General Overview

Ghana's power supply sources continue to be from hydroelectricity, thermal fueled by crude oil, natural gas and diesel, solar and imports from Cote D'Ivoire. Ghana also exports power to Togo, Benin and Burkina Faso. Ongoing grid expansions would allow further exports to other neighboring countries in the sub region.

Ghana has a vibrant power generation terrain, with players from both the public and private sectors. Reforms in the power sector in the 1980s gradually removed barriers and created a level playing field for the participation of independent power producers in an area which hitherto had only public sector participants.

The total installed capacity for existing plants in Ghana is 4,132 Megawatt (MW), consisting of hydro 38%; thermal 61%; and solar less than 1%.

The government of Ghana in 2019 terminated the concession agreement under which Power Distribution Services, a company based in the Philippines that won a tender organized by the Millennium Challenge Corporation under its Second Compact in Ghana, was to take over the assets of Electricity Company of Ghana for the distribution of electricity in the southern sector of Ghana. The reason given for the decision was the discovery that the payment security for the transaction was invalid. The U.S. disputed this finding, but the contract termination went forward.

Current access to electricity remains at an average of 83 percent, with 50 percent of rural residents and 91 percent of urban residents connected to the electricity grid. Lack of access to reliable power has been identified as a major impediment to economic development. However, the aim of achieving universal access by 2020 does not seem likely.

A major focus of the U.S. government's efforts to facilitate economic growth in Ghana remains improving power production and access to electricity. Since its inclusion in U.S. government's Power Africa initiative, Ghana has benefitted from the following:

1. Transaction advisory support for gas and power; Beyond the Grid (energy access); feasibility studies; risk mitigation instruments;
2. Analysis of power sector finances; support for fiscal management; and capacity-building;
3. Millennium Challenge Corporation reform of distribution utilities; demand-side management and energy efficiency; and regulatory assistance; and
4. Integrated resource and resilience planning; and assistance for power grid stability to scale renewable energy.

The state is still heavily involved in the energy sector, with state entities having a controlling presence in the entire value chain. At the generation phase, the entire hydroelectricity component is controlled by the Volta River Authority

(VRA) and Bui Power Authority (BPA), with VRA also involved in some aspects of thermal generation alongside the Independent Power Producers (IPP).

State-controlled Ghana Grid Company (GRIDCO) is still solely responsible for transmission throughout the entire country. The final leg of distribution is mainly controlled by the state-owned entities Electricity Company of Ghana (ECG) and Northern Electricity Distribution Company (NEDCO). A private entity, Enclave Power Company, plays a minor role in the distribution chain.

Renewable Energy (RE) Subsector

Ghana published a Renewable Energy Master Plan in 2019 with the aim to achieve the following by 2030:

- Increase the proportion of renewable energy in the national energy generation mix from 42.5 MW in 2015 to 1,363.63 MW (with grid-connected systems totaling 1,094.63 MW).
- Reduce dependence on biomass as the main fuel for thermal energy applications.
- Provide renewable energy-based decentralized electrification options in 1,000 off-grid communities.
- Promote local content and local participation in the renewable energy industry.

The Renewable Energy Master Plan includes the promotion of local manufacturing and assembling of renewable energy technology products and technology.

The total installed RE generation capacity in Ghana in 2020 is projected at 42.6 MWp. This is made up of 2.5 MWp VRA Solar (Navrongo), 20.0 MWp BXC Solar (Winneba), 20.0 MWp Meinergy Solar (Gomoa Onyaadze) and 0.1 MW Safi Sana. The total projected RE generation is 54.7 GWh.

Incentives proposed for renewable energy manufacturing and assembling firms include:

- Substantial tax reduction.
- Exemption of materials, components, equipment and machinery (that cannot be obtained locally) for manufacturing or assembling, from import duty and VAT, up to the year 2025.
- Exemption of import duty on plants and plant parts for electricity generation from renewable energy resource.

In furtherance of this objective, work is ongoing to amend the Renewable Energy Act 2011, Act 832 to provide the enabling atmosphere to attract investment in the manufacturing and assembling of renewable energy technology locally.

Opportunities

It is projected that there is the need to procure an additional generation capacity of 225 MW by January 2024 and an additional 200 MW by January 2025 to preserve the security of supply in Ghana. This presents a huge opportunity for U.S. companies operating in the energy sector.

Given the desire to alter the generation mix to include more renewable sources, the main opportunities in the renewable energy subsector, include setting up local manufacturers and assemblers of renewable energy technology. There is now a concerted push to increase the contribution of renewable energy to total power supply sources and this will come with incentives to attract investors into this sector.

There are some initiatives to attract investments into this sector, and a number of opportunities exist in harnessing wind power to generate electricity, mainly located along the coastal areas of Ghana. Various locations exist across the country which are also suitable for use as solar parks.

According to the Ghana Investment Promotion Center (GIPC), the following needs exist in the power sector:

- Street lighting
- Companies to supply energy-monitoring equipment to better meet the increased requests for power monitoring and tariff analysis from industry in the country

- Companies to provide an alternative decentralized sustainable energy system that can easily be deployed in remote and deprived communities into the overall national energy mix.
- Companies to provide solar vaccine refrigerators for the preservation of vaccines for child immunization programs in remote and off-grid parts of the country.
- Provision of solar energy systems to schools in off-grid communities.
- New, higher quality and cost competitive energy services to low income communities for cooking, transport, water heating and other home appliances.

Resources

<http://www.energycom.gov.gh/>

<https://www.usaid.gov/powerafrica/ghana>

<http://www.gridcogh.com/electricitysupplyplan>

<https://www.energymin.gov.gh/>

<http://www.energycom.gov.gh/files/Renewable-Energy-Masterplan-February-2019.pdf>

<https://www.africa-energy-portal.org/news/ghana-government-terminates-pds-contract-ecg#:~:text=The%20Government%20of%20Ghana%20has,southern%20sector%20of%20the%20country.>

<https://www.gipcghana.com/invest-in-ghana/sectors/utilities/investment-opportunities.html>

Healthcare

Overview

The healthcare sector in Ghana is organized at three levels: national, regional and district. Health interventions are packaged for each level and are delivered at the respective clinics and hospitals.

Healthcare is variable throughout Ghana. Urban centers are well served, and are where most hospitals, clinics, and pharmacies in the country can be found. Rural areas often have no modern healthcare services. Patients in these areas either rely on traditional African medicine or travel great distances for healthcare. Most healthcare is provided by the government and is largely administered by the Ministry of Health and Ghana Health Services. The healthcare system has five levels of providers: health posts, health centers and clinics, district hospitals, regional hospitals and tertiary hospitals. Health posts are the first level of primary care for rural areas.

Ghana has on average spent about 6 percent of its GDP on healthcare infrastructure. The COVID -19 pandemic has exposed the lapses in its health sector. In June 2020, Ghana’s president announced his intention to build 88 district hospitals. However, it remains to be seen whether this vision will be realized in light of the election slated for December 2020.

Sub-Sector Best Prospects

Ghana has very limited local production of pharmaceuticals and even less manufacturing of equipment and devices. The country relies on imports for approximately 85 percent of its total healthcare consumption. Ghana has moved away from a ‘pay as you go’ system, where individual health expenditures were paid in cash prior to treatment and covered entirely by patients. The National Health Insurance Scheme now provides wide coverage for a limited scope of health issues, primarily insuring for treatment against the most prevalent diseases (malaria and others). Ghana has sought to introduce more private-sector participation into the healthcare sector. For U.S. companies interested in the

healthcare market in Ghana, the most dynamic growth and most exciting opportunities will be found in privately funded hospitals and clinics and in the non-state-controlled portion of the pharmaceutical sector.

Below is a comprehensive analysis of investment opportunities identified by the Ghana Investment Promotion Center:

- Construction of hospitals and clinics
- Diagnostic and laboratory facilities and referrals (histopathology)
- Drug procurement and pharmaceutical supplies management
- Medical equipment
- Digital hospital equipment
- ICT hospital management
- Hospital waste management
- Diagnostic imaging and digital imaging
- Advanced laboratory equipment
- Advanced life support and monitoring systems
- Emergency response and ambulance services
- Rehabilitation and physiotherapy

Private health facilities complement the public sector. As the days of free health care in public hospitals are over, costs are becoming less of a barrier. The added values of private facilities are quality and convenience. There is a growing middle class that prefers to use private health facilities and can afford the expense.

Other opportunities meriting further exploration:

- Commercial health insurance
- Hospitals and clinics
- Elderly and residential care
- Occupational health and rehabilitation/physiotherapy
- Dialysis centers
- Multidisciplinary cancer treatment centers
- First Aid and air ambulance services
- Diagnostic services such as X-ray, MRI, CT, advanced laboratory services including histopathology
- Services for maintenance and repairs of medical equipment
- Mortuary services/Funeral homes

Franchising

Overview

Ghana is fertile ground for the franchising industry, as the concept is relatively new in Ghana, concentrated in fast-food restaurants and hotels, including U.S. franchise brands such as KFC, Burger King, Pizza Hut, Steak Escape and Marriott. Ghana recently welcomed Pinkberry and Harley-Davidson franchises as well. The franchise sector has experienced growth over the past five years and offers potential to create more opportunities. Because of the overall improvement in the Ghanaian economy and optimism about the future, interest in franchising is growing.

Opportunities

- Ghana boasts a stable government, an expanding economy and a strong and growing middle class with an affinity for U.S. brands.
- Ghana was selected to host the Secretariat of the African Continental Free Trade Agreement, slated to go into effect in July 2020, which will facilitate trade and investments between African countries. This positions Ghana to be a springboard for U.S. companies seeking to increase African market share.
- A dozen franchises are already succeeding in the Ghanaian market, and Ghana's proximity to Nigeria—the most populous country in Africa—makes it an ideal platform for growth in West Africa.

- Ghana's population is 30 million and growing quickly, with more than half the population under 27, a demographic that is open to new ideas and new restaurant and lifestyle brands.

Challenges

- Undercapitalization of many local businesses and the high cost of financing mean that many international franchise master licenses are costly for Ghanaians.
- Difficulty in maintaining reliable supply chain, especially cold chain for franchises with specific and regular needs for perishable items imported from abroad.
- Scarcity of experienced, specialized staff requires significant resources devoted to training.
- High cost and limited availability of suitable real estate – property costs in Accra and other large cities in Ghana can be expensive.

Resources

Ghana Investment Promotion Center www.gipcghana.com

Africa Franchise Centre: <http://www.africafanchise.org/>

Customs, Regulations and Standards

Trade Barriers

Nontariff Barriers and Import Restrictions

Since 2014, Ghana has limited the quantity of import permits issued for poultry and poultry products, although the current government no longer enforces a domestic purchase requirement as a condition for import. In 2018, the State Minister of Agriculture halted the issuance and renewal of poultry import permits for local traders in an effort to improve competitiveness and productivity in the domestic sector. The Ghanaian government claims that traders import three to four times Ghana's annual consumption demand but has not provided supporting data. Ghana has banned the importation of tilapia since 2014 in order to protect local fishermen. Ghana requires certificates for imports of food, cosmetics, pharmaceuticals and agricultural goods.

Customs Barriers and Trade Facilitation

Ghanaian customs practices and port infrastructure continue to present major obstacles to trade. Officials have introduced risk-management approaches, such as the Pre-Arrival Assessment Reporting System. However, the majority of imports are still subject to inspection on arrival, causing delays and increased costs. Importers report erratic application of customs and other import regulations, lengthy clearance procedures, and corruption. The resulting delays can contribute to product deterioration and result in significant losses for importers of perishable goods. Additionally, Ghana's ports suffer from congested roads and lack a functioning rail system to transport freight, creating long waits for ships to berth at cargo terminals and for containers to be transported out of the ports. Ghana Ports and Harbor Authority (GPHA) is working to modernize both the Ports of Tema and Takoradi. Ghana has launched several initiatives over the past couple of years to support online information and processing of trade transactions, including the development of a National Single Window.

In July 2018, the GRA launched the Cargo Tracking Notes (CTN) system, an online platform meant to confirm import authenticity, which requires imports to have a CTN number to clear Customs.

In January 2017, Ghana ratified the WTO Trade Facilitation Agreement (TFA). As a developing country Member of the WTO, Ghana availed itself of the implementation flexibilities in Section II of the TFA. However, Ghana has failed to notify its Category B commitments with indicative dates, which were due to the WTO Secretariat by entry into force of the Agreement, February 22, 2017, and its Category B definitive dates, which were due February 28, 2018. Ghana also has failed to designate the over 90 percent of its outstanding commitments in Section I of the Agreement. Ghana has yet to provide the relevant information regarding its indicative Category B or C notifications.

Technical Barriers to Trade

Ghana issues its own standards for most products under the auspices of the Ghana Standards Authority (GSA). The GSA has 2,485 national standards on, *inter alia*, building materials, food and agricultural products, household products, electrical goods, and pharmaceuticals. The Ghanaian Food and Drugs Authority is responsible for enforcing standards for food, drugs, cosmetics, and health items. Some imports are classified as "high risk goods" (HRG) that must be inspected by GSA officials at the port to ensure they meet Ghanaian standards. The GSA classifies these HRGs into 20 broad groups, including food products, electrical appliances, and used goods. U.S. stakeholders have found this classification system vague and confusing. For example, the category of "alcoholic and nonalcoholic products" could include anything from beverages to pharmaceuticals to industrial products. According to GSA officials, these imports are classified as high risk because they pose "potential hazards," although that phrase remains undefined in law or regulation.

Importers of HRGs must register and obtain approval from GSA prior to importing any of these goods. In particular, as part of this approval, the importer must submit to GSA a sample of the good, accompanied by a certificate of analysis (COA) or a certificate of conformance (COC) from an accredited laboratory in the country of export. Frequently, GSA officials will conduct a physical examination of the goods and check labeling and marking

requirements to ensure that they are released within 48 hours. Currently, the fee for registering the first three HRGs is GHC100 (about \$20) and GHC50 (about \$10) for each additional product, valid for one year and subject to renewal. Any HRG presented to enter Ghana without a COC or COA from an accredited laboratory is detained and subjected to testing by the GSA. If the product is detained, the importer is required to pay the testing fee based on the number of products and the parameters tested.

The GSA requires that all food products carry expiration and shelf life dates. Expiration dates must extend at least to half the projected shelf life at the time the product reaches Ghana. Goods that do not have half of their shelf life remaining are seized at the port of entry and destroyed. The United States has raised this latter requirement with Ghana in recent years and questioned the requirement's consistency with the Codex Alimentarius Commission General Standard for Labeling of Pre-packaged Foods.

Sanitary and Phytosanitary Barriers

To address human health risks, Ghana prohibits the importation of meat with a fat content by weight greater than 25 percent for beef; 25 percent for pork; 15 percent for poultry; and 30 percent for mutton. Imported turkeys must have their oil glands removed. Ghana also restricts the importation of condensed or evaporated milk with less than 8 percent milk fat by weight and dried milk or milk powder containing less than 26 percent by weight of milk fat, with the exception of imported skim milk in containers.

Import Tariffs

Ghana currently uses the Harmonized System (HS) Customs Code to classify goods. Taxes that are assessed on the basis of weight, value or volume are subject to change annually. Goods arriving in the country may be subject to import duty, Value Added Tax (VAT), special tax and import excise duty. Duties are imposed on certain categories of exports also. Aside from a few items that are exempt from the payment of customs duty, all imports are subject to import duty plus VAT. VAT is calculated on the duty-inclusive value of the goods at rates contained in the HS manual. The extractive industries have sector-specific exemptions and duties. To streamline the Customs process, Ghana initiated the Cargo Tracking Note (CTN) system in 2018. For questions about information required of U.S. exporters under this system or a copy of the Export Facilitation Data Form, please contact the U.S. Commercial Service Ghana.

For further information about Ghanaian Customs, please visit the Customs Service website: <https://www.gra.gov.gh/index.php/divisions/customs>

Import Requirements and Documentation

In general, all imports are subject to customs duties. However, Ghanaian law provides exemptions for government, diplomatic personnel, NGOs and some others. Ghana operates under the Customs Valuation Code (CVC), the value assessment method of the World Trade Organization (WTO). Ghana also has a Destination Inspection Scheme, which means that imports are inspected at the port of clearance in Ghana rather than prior to export. In September 2015, the Ghana Revenue Authority took over all destination inspection processes at Ghana's ports. For more information about imports to Ghana, visit the Customs Division of the Ghana Revenue Authority import information page: <https://gra.gov.gh/>

Aside from a few items that are exempt from the payment of customs duty, all imports are subject to import duty plus Value Added Tax (VAT). VAT is calculated on the duty-inclusive value of the goods at rates contained in the HS manual. The extractive industries have sector-specific exemptions and duties.

The tariff system, which has been simplified and harmonized with the Economic Community of West African States (ECOWAS) trade liberalization program, has only four ad valorem import duties: 0 percent, 5 percent, 10 percent and 20 percent. The standard rate of duty is 20 percent. The zero-rate duty continues to apply to agricultural and industrial machinery, solar, wind, and thermal energy, and educational materials.

Labeling and Marking Requirements

Ghana's domestic standards are currently mandatory. Ghana has issued its own standards for most products under the auspices of the Ghana Standards Authority (GSA), the testing authority, which subscribes to accepted international practices for the testing of imports for purity and efficiency. The GSA has promulgated over 160 Ghanaian standards and adopted over 300 foreign standards for certification purposes. The GSA determines standards for all products; authority for enforcing standards for food, drugs, cosmetics and other health items lies with the Ghana Food and Drugs Authority. To simplify and harmonize standards with international standards, Ghana will begin to move away from its domestic mandatory standards, except for products that raise environmental concerns and those affecting the health and safety of the population.

With respect to compliance inspection of imported goods, the following are the labelling requirements as specified in the Ghana Standards Authority General Labelling Rules, 1992 (L.I.1541)

- Name of product
- List of ingredients in food
- List of active ingredients and their levels in drugs
- Date of manufacture and expiry date/Best before/Use by date in respect of food
- Date of manufacture and expiry date in respect of drugs
- Storage conditions
- Instructions or directions for use
- Net content
- Name and address of manufacturer
- Country of Origin
- Date of manufacture (as applicable)
- Batch/Lot number
- Where marks or labels are stamped, they shall be in indelible ink and legible.

The Customs Division of the Ghana Revenue Authority is responsible for the collection of import duty, import VAT, export duty, petroleum tax, import excise and other taxes, levies and fees.

The Customs Division also ensures the protection of revenue by preventing smuggling. This is done by physically patrolling the borders and other strategic points, examination of goods, and search of premises, as well as scrutinizing documents relating to the goods. As a frontline institution at the country's borders, the Customs Division also plays a key role in surmounting external aggression and maintaining the territorial integrity of Ghana.

In addition to these functions, the Customs Division performs agency duties on behalf of other government organizations and Ministries by seeing to the enforcement of laws on import and export restrictions and prohibitions.

U.S. Export Controls

The United States imposes export controls to protect national security interests and promote foreign policy objectives related to dual-use goods through implementation of the Export Administration Regulations (EAR). The Bureau of Industry and Security (BIS) is comprised of two elements: Export Administration (EA), which is responsible for processing license applications, counselling exporters, and drafting and publishing changes to the [Export Administration Regulations](#); and Export Enforcement (EE), which is responsible for the enforcement of the EAR. BIS works closely with U.S. embassies, foreign governments, industry, and trade associations to ensure that exports from the United States are secure and comply with the EAR. BIS officials conduct site visits, known as End-Use Checks (EUCs), globally with end-users, consignees, and/or other parties to transactions involving items subject to the EAR to verify compliance.

An EUC is an on-site verification of a non-U.S. party to a transaction to determine whether the party is a reliable recipient of U.S. items. EUCs are conducted as part of BIS's licensing process, as well as its compliance program, to determine if items were exported in accordance with a valid BIS authorization or otherwise consistent with the EAR. Specifically, an EUC verifies the *bona fides* of transactions subject to the EAR, to include: confirming the legitimacy

and reliability of the end use and end user; monitoring compliance with license conditions; and ensuring items are used, re-exported or transferred (in-country) in accordance with the EAR. These checks might be completed prior to the export of items pursuant to a BIS export license in the form of a Pre-License Check (PLC), or following an export from the U.S. during a Post-Shipment Verification (PSV).

BIS officials rely on EUCs to safeguard items subject to the EAR from diversion to unauthorized end uses/users. The verification of a foreign party's reliability facilitates future trade, including pursuant to BIS license reviews. If BIS is unable to verify the reliability of the company or is prevented from accomplishing an EUC, the company may receive, for example, more regulatory scrutiny during license application reviews or be designated on BIS's Unverified List or Entity List, as applicable.

BIS has developed a list of "red flags", or warning signs, and compiled "Know Your Customer" guidance intended to aid exporters in identifying possible violations of the EAR. Both of these resources are publicly available, and their dissemination to industry members is highly encouraged to help promote EAR compliance.

BIS also provides a variety of training sessions to U.S. exporters throughout the year. These sessions range from one to two-day seminars that focus on the basics of exporting to coverage of more advanced, industry specific topics. Interested parties can check a [list of upcoming seminars and webinars](#) or reference BIS provided [online training](#).

BIS and the EAR regulate transactions involving the export of "dual-use" U.S. goods, services, and technologies. For advice and regulatory requirements, exporters should consult the other U.S. Government agencies which regulate more specialized items. For example, the U.S. Department of State's Directorate of Defense Trade Controls has authority over defense articles and services, or munitions. A list of other agencies involved in export control can be found on the [BIS website](#) or in Supplement No. 3 to Part 730 of the EAR.

The EAR is available on the [BIS website](#) and on the e-CFR (Electronic Code of Federal Regulations) and is updated as needed.

The [Consolidated Screening List](#) (CSL) is a list of parties for which the United States Government maintains restrictions on certain exports, reexports or transfers of items. The CSL consolidates eleven export screening lists of the Departments of Commerce, State and the Treasury into a single data feed as an aid to industry in conducting electronic screens of parties to regulated transactions. Exporters are encouraged to classify their items prior to export, as well as consult the CSL to determine if any parties to the transaction may be subject to specific license requirements.

Temporary Entry Prohibited and Restricted Imports

Prohibited imports include narcotics, mercuric medicated soap, toxic waste, contaminated goods, certain tobacco products, certain agricultural materials and other goods prohibited by local law. For a complete, current list of import restrictions, visit the Customs Excise and Preventive Service (CEPS) website: <https://gra.gov.gh/>

The list of Absolute Prohibitions includes:

- Used mattresses
- Refrigerators and air conditioners
- Used underwear
- Used sanitary products

For more information, please visit the GRA website: <https://gra.gov.gh/>

Customs Regulations

UNIPASS Port Revenue Collection System

The Ghana Revenue Authority in April 2020 announced the implementation of the newly integrated UNIPASS/Integrated Customs Management System (ICUMS) at the Tema Port and other ports of entry across the

country. The UNIPASS/ICUMS replaced the Ghana Customs Management System (GCMS) run by the Ghana Community Network Services, commonly called GCNet, and Customs World of Dubai.

For additional information on Ghana's customs regulatory environment, see the following resources:

Ghana Revenue Authority – Customs Division <https://gra.gov.gh/>

Standards for Trade

Ghana generally follows British or European standards. Ghana uses 220V, 50 cycles for electricity and the metric system of measurement.

Standards

The Ghana Standards Authority (GSA), formerly known as the Ghana Standards Board, is responsible for developing and promulgating standards as well as ensuring that the quality of goods imported into Ghana meets acceptable standards. The Ghana Food and Drugs Authority (FDA) also regulates and certifies food, drugs, cosmetics and other products that have health implications for consumers. This arrangement involves some overlap between the two bodies, a situation which the government of Ghana (Ministry of Trade and Industry) is attempting to resolve.

Product Certification

Under the Ghana Certification Mark Rule, all products are required to be certified by the GSA. Ghana has no mutual recognition agreements with any U.S. organization. However, GSA has a mutual recognition agreement with Japan. The European Union (EU) has appointed GSA as the authority for certification of fish and fish products.

Contact Information:

Executive Director
Ghana Standards Authority
P.O. Box MB245, Accra, Ghana
Tel. +233 302-500231, 500065/6, 506992-6
Email: info@gsa.gov.gh

“Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. **Notify U.S.** (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.”

Trade Agreements

Ghana is a member of the World Trade Organization (WTO) and a signatory to the ACP-EU Partnership Agreement, which replaced the Lomé Convention, a trade and aid agreement between the European Union and 46 of Europe's former colonies and dependencies in Africa, the Caribbean and the Pacific (the ACP group). Ghana has an interim Economic Partnership Agreement (EPA) with the EU, which will provide duty-free and quota-free access into Europe's market once implemented. Ghana is also eligible for duty-free access to the U.S. market under the U.S. African Growth and Opportunity Act (AGOA). Ghana has ratified the African Continental Free Trade Area (AfCFTA) Agreement and is hosting the Secretariat of the AfCFTA. The country is also a key member of the Economic Community of West African States (ECOWAS).

Members of the World Trade Organization (WTO) are required under the Agreement on Technical Barriers to Trade (TBT Agreement) to notify to the WTO proposed technical regulations and conformity assessment procedures that could affect trade. Notify U.S. (www.nist.gov/notifyus) is a free, web-based e-mail registration service that captures and makes available for review and comment key information on draft regulations and conformity assessment procedures. Users receive customized e-mail alerts when new notifications are added by selected country or countries and industry sector(s) of interest and can also request full texts of regulations. This service and its associated web site are managed and operated by the USA WTO TBT Inquiry Point housed within the National Institute of Standards and Technology, part of the U.S. Department of Commerce.

Licensing Requirements for Professional Services

Professional services in Ghana are generally licensed locally. Service providers, including attorneys and accountants, are advised to contact the Ghana Bar Association or the Institute of Chartered Accountants in Ghana for guidance on licensing procedures. Contact information can be found below:

Institute of Chartered Accountants [Ghana]
P. O. Box 4268 Accra
Tel: 0544336701-02/ 0277801422
Email: info@icagh.com Website: www.icagh.com

Ghana Bar Association
P.O. Box GP 4150 Accra
Tel: 0302 912977/ 910650
Email: info@ghanabar.org Website: www.ghanabar.org

Selling U.S. Products and Services

Distribution & Sales Channels

Overview

The distribution channels available for U.S. suppliers of goods and services include wholesalers, retail outlets, and agents or distributors.

When talking to potential distributors/sellers in Ghana, an important issue to consider is potential changes in product shelf life given the warm and humid climate in the country.

Major cities in Ghana for U.S. goods and services roughly correlate with population size:

- Accra/Tema Metropolitan area (2.4 million people)
- Kumasi (2.1 million)
- Takoradi (728,000)
- Tamale (275,000)
- Sunyani (252,000)

Goods primarily enter Ghana via sea or air (including air freight, courier services, air parcel post and express). Because deliveries can sometimes be delayed, it is important to allow extra time when preparing delivery timetables. Also, it is advisable to ensure that required documentation is in order prior to transit – as incorrect or incomplete document can add extra time to delivery schedules. A freight forwarder is recommended to increase the chances of a smooth transit of goods to Ghana.

Currently, all goods enter Ghana through one of two main seaports -Tema or Takoradi - or via Kotoka International Airport in Accra. Problems have been reported with expeditious clearing of goods through the ports including some reports of solicitations for bribes from port and customs officials.

Note: Imported or locally manufactured goods can be stored under customs control in a government or private bonded warehouse without payment of import duty or other taxes to allow deferment of tax liabilities until the goods are needed for consumption or are exported.

Using an Agent to Sell U.S. Products and Services

While it is not legally required by Ghanaian law to do so (in most cases), the U.S. Commercial Service Ghana has noted that U.S. companies who retain a local, experienced representative in Ghana experience a greater level of success when entering the market. For this reason, U.S. companies should consider engaging a local business partner to help them succeed in the Ghanaian market. In some industry sectors, notably the oil and gas sector, U.S. firms may be required to operate through a local partner.

When choosing a Ghanaian business partner, some important factors are:

- The local agent or distributor chosen understands the local economy and import/export regulations;
- The potential business partner has enough experience working with international companies in the same or a related sector;
- The Ghanaian company shares the same expectations as its potential U.S. partner. It is common for West African companies to overestimate the viability of commercial opportunities in their markets.
- If the exported product requires maintenance and servicing, qualified personnel and a reasonable inventory of spare parts will be available for buyers;
- Whether exclusivity is a priority for a distributor or agent (note that most agents and distributors in Ghana represent several product lines so an exclusive agent/distributor may be more difficult to find)

- The agent or distributor has been subject to thorough due diligence. (Based on experience with U.S. companies who did not conduct due diligence prior to commencing a business relationship in Ghana, we highly recommend this step.)

U.S. Commercial Service Ghana can assist U.S. companies in finding a local business partner or conducting due diligence on a potential partner. Please see the following link for more information on the services offered: <http://www.export.gov/ghana/servicesforu.s.companies/index.asp>

Establishing an Office

The main types of business entities in Ghana (similar to those found in the United States) are:

1. Companies, including branches of foreign firms;
2. Partnerships and joint ventures;
3. Sole proprietorships;

Under Ghana's Companies' Code, the following forms of business are allowed:

1. Limited Liability Company – liability of members limited to amount, if any, unpaid on shares respectively held by it;
2. Company Limited by Guarantee – liability of members limited to amount they respectively undertake to contribute to the assets of the company in the event of its being liquidated;
3. Unlimited Company – no limit on liability of members

Note: Ghana does not allow limited liability partnerships. A company may be registered as a public or private company. Every company with limited liability must include the word 'Limited' as the last word of its name. Companies incorporated in Ghana must have at least one shareholder and two directors, with one director resident in Ghana. Companies must file annual returns with the Registrar of Companies.

All foreign companies are required to register with the Ghana Investment Promotion Center (GIPC), the government agency responsible for foreign investment in the country. See main link to GIPC below: <http://www.gipcghana.com>

The purpose of GIPC is to act as a one-stop shop for economic, commercial and investment information for international companies and businesspeople interested in starting a business or investing in Ghana. Except for the extractive industries, international companies are free to establish a business in Ghana without prior approval of GIPC. However, the Ghanaian business environment is unique, and guidance can be extremely helpful. Also, certain tax benefits are available under the law, which make registration with GIPC beneficial.

More detailed information about setting up a business is available at the GIPC website at the following link: <http://www.gipcghana.com/invest-in-ghana/doing-business-in-ghana.html>.

Note that mining and oil & gas companies are required to obtain advance licensing/approval from the following government agencies:

Minerals Commission: <http://www.mlnr.gov.gh/index.php>

Petroleum Commission: <http://www.petrocom.gov.gh/>

The U.S. Commercial Service Ghana also advises that a local attorney be consulted prior to establishing a business in the country. The U.S. Commercial Service maintains an up-to-date list of attorneys in Ghana, several of whom have worked and/or studied in the United States. Generally, the cost for the service and registering of a business does not exceed \$2,500.

Franchising

There are about a dozen franchisees in the local economy with opportunities for expansion in this sector. There is currently no direct legislation governing the sector, however this is provided for under the recently passed Companies Act 2019 (Act 992). For a more detailed discussion, refer to the Franchising section under the Leading Sectors for U.S. Exports and Investments.

Direct Marketing

Direct marketing is not a well-established business model in Ghana. There are a very limited number of international direct marketing companies with an established presence. However, a recent increase in interest on the part of international direct marketing companies may indicate a future increase in this business method. The Ghanaian culture values extended networks of business, family and school contacts, a factor that could lead to success for products sold through a direct marketing distribution channel.

Joint Ventures/Licensing

While the Ghanaian Investment Code encourages joint ventures, U.S. companies should take care that any joint venture arrangements clearly delineate the areas of responsibility for each party. In particular, financial arrangements should be discussed in detail and in advance. Some local entrepreneurs expect the foreign investor to bear all costs while their contribution is limited to local market expertise. Due diligence on a prospective partner is always advisable, as is retention of a local attorney.

Local content requirements in the petroleum sector have made joint ventures a more attractive approach to market entry. The U.S. Commercial Service Ghana advises all U.S. companies to carefully select a qualified partner and spend resources on conducting extensive due diligence before committing to a joint venture structure.

Express Delivery

Multiple options are available for both inbound and outbound express delivery. FedEx, DHL, TNT Express, UPS, EMS and Aramex have operations in Ghana. There are no significant restrictions on the operations of express delivery services in Ghana; most firms work through a licensed agent.

Due Diligence

The U.S. Commercial Service Ghana strongly advises U.S. companies to conduct due diligence on all potential new business partners in Ghana. The U.S. Commercial Service can assist with this by reviewing correspondence or documentation received from potential partners and/or via one of our due diligence services. Click on the link below for more details:

<http://www.export.gov/ghana/servicesforu.s.companies/index.asp>

Trade Promotion Services

U.S. companies interested in trade-promotion services should contact the U.S. Commercial Service Ghana or the nearest U.S. Export Assistance Center (USEAC). To find contact details for the nearest USEAC, visit the following link: <http://export.gov/usoffices/index.asp>

Local Professional Services

A list of pre-vetted, local business service providers can be found on the U.S. Commercial Service Ghana Website, at the following link:

<http://export.gov/ghana/businessserviceproviders/index.asp>

Principle Business Associations

American Chamber of Commerce Ghana
5th Crescent Street, Asylum Down
P.O. Box CT2869, Cantonments-Accra, Ghana

Tel: 233 030 2247562/233 030 7011862

Fax: 233 030 2247562

Website: <http://www.amchamghana.org/>

Association of Ghana Industries (AGI)

2nd Floor, Addison House

Trade Fair Centre, La-Accra

P.O. Box AN-8624

Accra North – Ghana

T: +233 (0) 30 277-9023

Website: <http://www.agighana.org>

Ghana Chamber of Commerce & Industry

1st Floor, World Trade Center,

Opp. Children’s Park, National Theatre-Accra

P.O Box 2325, Accra

Tel: +233 (0) 30 266-2860

Website: <http://www.ghanachamber.org>

eCommerce

While there have been significant improvements in the availability of Internet connectivity over the past few years, eCommerce is still in an early development stage in Ghana. T-Mobil, MTN, AirtelTIGO, Glo and Vodaphone figure predominately in the mobile access market and are working to increase their share of the market. These improvements may eventually lead to greater use of eCommerce in Ghana, though fulfilment services will continue to be a challenge.

Financial services critical for viable eCommerce infrastructures are also improving in Ghana. The introduction of special Visa and MasterCard services by some local banks has tremendously enhanced business practices in the country. Most Ghanaian companies and individuals with tailored credit limits based on account balances and other factors can compete for international financial transactions. Mobile money also plays an important and ever-growing role in financial transactions throughout the country. Since Ghana’s leading eCommerce platform, Tonaton, launched in early 2013, companies such as Jumia, OLX and Jiji, have sprung up and are doing well.

Note: U.S. companies should be very cautious of any unsolicited, email requests for business dealings from Ghanaian companies/individuals or even government officials/offices. Before sending samples, goods, signing any documents or issuing an invitation letter for Ghanaian contacts to visit the United States, please check with the U.S. Commercial Service Ghana as to the bone fides of the potential business partners in question. While most Ghanaian businesspeople are legitimate, a minority are involved in Internet fraud.

Selling Factors & Techniques

While Ghana has strong historical ties to Britain (and to a lesser extent with Europe generally) as a result of its former colonial relationship and geographical proximity, there is a strong – and increasing – appreciation for U.S. made goods and U.S. culture in general. Many Ghanaians have a strong interest and business and families ties in the United States and enjoy the opportunity to meet Americans in either a business or personal setting.

Face-to-face contact is the preferred method of transacting business in Ghana. While Ghanaians are accustomed to conducting transactions over email, phone or text, face-to-face contact is the most effective way of building long-term business relationships. While personal visits to potential business partners may seem an inefficient way of doing

business, over the long term, such courtesies can yield rewards in the form of loyal business contacts. (See more under Business Customs in Chapter 8: Business Travel.

Trade Promotion & Advertising

There are several advertising agencies in Accra. A few of the larger agencies offer a full range of publicity and sales promotion services in the country's main population centers. Three of them, Lowe Lintas Ghana Limited; Design & Display Publicity (DDP); and Media Majique, are affiliates of U.S. companies. While many of the smaller agencies market themselves as advertising agencies, they are not full-service ad agencies in the sense that is familiar to most U.S. companies. Rather, they are engaged primarily in collateral design and printing. The U.S. Commercial Service Ghana can be of assistance in identifying suitable companies for brand representation and leading publications with general or targeted readership.

The following is a list of major newspapers and business journals:

- Daily Graphic
- Ghanaian Chronicle
- Ghanaian Times
- Business and Financial Times

The Daily Graphic and Ghanaian Times are state-owned daily newspapers and have the largest circulation base, while the other publications listed above are privately owned and circulate mainly in metropolitan areas. Ghanaians own more than 10 million television sets and over 17 million radios. There are several free-on-air television networks currently broadcasting in Accra (GTV, TV3, Metro TV, TV Africa, Citi TV, Crystal TV, E-TV, Net2 and GHOne) and over 20 pay-per-view networks re-broadcast by satellite. There are also over 120 FM radio stations and three short-wave stations.

Ghanaians are increasingly media-savvy and accustomed to advertising across a full range of media. In addition to television, Internet, print and radio, point of sale advertising and outdoor posters are also common. The popularity of trade shows is also growing and can sometimes be a useful means of reaching consumers.

Trade Financing

Methods of Payment

Traditional trade finance instruments, such as letters of credit, collections and funds transfer are available to exporters. If a letter of credit is chosen, the exporter should require an irrevocable, confirmed letter of credit to ensure prompt, reliable payment.

Banking Systems

Ghana's formal banking sector is composed of the central bank (the Bank of Ghana) and a number of other banks, including commercial banks, development banks, merchant banks and a plethora of rural unit banks. As the Central Bank, the Bank of Ghana has the responsibility for implementation of monetary policies. Previously, banking in Ghana was dominated by state-owned institutions and showed few signs of competition. Within the last decade, however, some state-owned banks have been privatized under the government's Divestiture Implementation Program. Non-banking financial institutions comprise a stock exchange, insurance companies, the social security and national insurance trust, discount houses, building societies, venture capital companies, mutual funds and leasing companies.

Foreign Exchange Controls

Since the enactment of the 2006 Foreign Exchange Act, there are no restrictions on payments for goods and services being imported into Ghana. However, banks must submit reports of all payment transactions to the Bank of Ghana. Residents and non-residents are permitted to maintain Foreign Exchange Accounts with local banks. Importers can

undertake imports through direct transfer from this account up to \$50,000 without pre-submitting documentation (an increase from \$25,000, implemented in 2014). Foreign exchange bureaus are in operation throughout Ghana.

U.S. Banks & Local Correspondent Banks

For an up-to-date list of Ghanaian merchant and commercial banks that have correspondent U.S. banks, please contact the U.S. Commercial Service Ghana.

Protecting Intellectual Property

Protecting Intellectual Property

The main intellectual property laws in Ghana are the Copyright Act, 2005 (Act 690); the Patents Act, 2003 (Act 657); the Trademarks Act, 2004 (Act 664); the Industrial Designs Act, 2003 (Act 660); and the Protection Against Unfair Competition Act, 2000 (Act 589).

In 2016, Ghana launched its national intellectual property (IP) rights policy and strategy in an effort to create an enabling environment for innovation and investment. Government officials also periodically conduct raids on physical markets for counterfeit and pirated works and inspect import shipments. However, concerns remain that IP enforcement activity remains weak, and unreasonable delays in infringement proceedings discourage right holders from filing new claims in local courts.

Several general principles are important for effective management of IP rights in Ghana. First, it is important to have an overall strategy to protect your IP. Second, IP may be protected differently in Ghana than in the United States. Third, rights must be registered and enforced in Ghana under local laws. For example, your U.S. trademark and patent registrations will not protect you in Ghana. There is no such thing as an “international copyright” that will automatically protect an author’s writings throughout the entire world. Protection against unauthorized use in a particular country depends, basically, on the national laws of that country.

Granting patent registrations are generally based on a first-to-file or first-to-invent, depending on the country. Similarly, registering trademarks is based on a first-to-file or first-to-use, depending on the country, so you should consider how to obtain patent and trademark protection before introducing your products or services to the Ghana market. It is vital that companies understand that intellectual property is primarily a private right and that the U.S. government cannot enforce rights for private individuals in Ghana. It is the responsibility of the rights' holders to register, protect, and enforce their rights where relevant, retaining their own counsel and advisors. Companies may wish to seek advice from local attorneys or IP consultants who are experts in Ghana law. The U.S. Commercial Service Ghana can provide a list of local lawyers upon request.

While the U.S. Government stands ready to assist, there is little it can do if the rights holders have not taken steps necessary to securing and enforcing their IP in a timely fashion. Moreover, in many countries, rights holders who delay enforcing their rights on the mistaken belief that the U.S. government can provide a political resolution to a legal problem may find that their rights have been eroded or abrogated due to legal doctrines such as statutes of limitations, laches, estoppel, or unreasonable delay in prosecuting a law suit. In no instance should U.S. government advice be a substitute for the responsibility of a rights holder to promptly pursue its case. It is always advisable to conduct due diligence on potential partners. A good partner is an important ally in protecting IP rights.

Consider carefully, however, whether to permit your partner to register your IP rights on your behalf. Doing so may create a risk that your partner will list itself as the IP owner and fail to transfer the rights should the partnership end. Keep an eye on your cost structure and reduce the margins (and the incentive) of would-be bad actors. Projects and sales in Ghana require constant attention. Work with legal counsel familiar with Ghana’s laws to create a solid contract that includes non-compete clauses, and confidentiality/non-disclosure provisions. It is also recommended that small- and medium-size companies understand the importance of working together with trade associations and organizations to support efforts to protect IP and stop counterfeiting. There are a number of these organizations, both in Ghana and in the U.S.. These include:

The U.S. Chamber of Commerce and the American Chamber of Commerce in Ghana

- National Association of Manufacturers (NAM)
- International Intellectual Property Alliance (IIPA)
- International Trademark Association (INTA)
- The Coalition Against Counterfeiting and Piracy
- International Anti-Counterfeiting Coalition (IACC)
- Pharmaceutical Research and Manufacturers of America (PhRMA)
- Biotechnology Industry Organization (BIO) Selling to the Public Sector

In any foreign market companies should consider several general principles for effective protection of their intellectual property. For additional information, visit [Stopfakes.gov website](http://Stopfakes.gov) or contact ITA's Office of Intellectual Property Rights Director, Stevan Mitchell at Stevan.Mitchell@trade.gov.

Selling to the Public Sector

Government of Ghana

U.S. companies are strongly encouraged to contact the U.S. Commercial Service Ghana for assistance prior to bidding on government projects for the following reasons:

- The U.S. Commercial Service can provide information on the market, which can be helpful when preparing a successful proposal. It can also assist in obtaining more information about a proposed project;
- The U.S. Commercial Service can help verify the legitimacy of an unsolicited request for participation in a government tender. There have been some fraudulent procurement offers that utilize real government tenders, falsely claiming to represent the government body in question. There have also been some fraudulent companies that put forward nonexistent government tenders; and
- There have been some allegations of irregularities in government tendering processes. The U.S. Commercial Service Ghana can push for an even playing field for all bidders.

Government ministries, departments, agencies and local governments have their own tender committees, which buy directly from suppliers. Ghanaian law stipulates that purchases below a certain threshold are reserved for local companies. Because these thresholds can change, U.S. companies are advised to contact the U.S. Commercial Service Ghana for information on the latest threshold amounts. There is no requirement for a local agent to be able to sell to the Ghanaian government. However, local agents can be useful in providing leads and contacts. U.S. suppliers can also take advantage of the margin of preference given to domestic suppliers of goods and services.

Note: Although a local partner can be of great assistance when entering the market, the U.S. Commercial Service Ghana highly recommends that any new potential partner be subjected to due diligence prior to entering into any type of business arrangement with a U.S. company.

U.S. companies bidding on Government tenders may also qualify for U.S. Government advocacy. A unit of the U.S. Commerce Department's International Trade Administration, the Advocacy Center coordinates U.S. Government interagency advocacy efforts on behalf of U.S. exporters bidding on public sector contracts with international governments and government agencies. The Advocacy Center works closely with our network of the U.S. Commercial Service worldwide and inter-agency partners to ensure that exporters of U.S. products and services have the best possible chance of winning government contracts. Advocacy assistance can take many forms but often involves the U.S. Embassy or other U.S. Government agencies expressing support for the U.S. bidders directly to the foreign government. Consult Advocacy for Foreign Government Contracts for additional information.

Financing of Projects:

Large projects are usually financed by external sources such as multilateral development banks, international development finance institutions, private equity funds, international commercial banks and export credit agencies.

However, perhaps due to the recent reforms in Ghana’s banking sector, several local banks have demonstrated their capability to participate in the financing of large-scale projects. Due to the non-availability of government guarantees, the use of alternative enhanced credit facilities such as partial risk guarantees are common.

Multilateral Development Banks and Financing Government Sales

Price, payment terms, and financing can be a significant factor in winning a government contract. Many governments finance public works projects through borrowing from the Multilateral Development Banks (MDB). A helpful guide for working with the MDBs is the [Guide to Doing Business with the Multilateral Development Banks](#). The U.S. Commercial Service has a Foreign Commercial Service Officer assigned to the African Development Bank; the Asian Development Bank; the European Bank for Reconstruction and Development; the Inter-American Development Bank; and the World Bank.

Successful companies usually have a “ground game” in the country where the project will be implemented. This often includes relationships with implementing Ministries and local MDB officials, local partners or local presence. Companies need to be able to evaluate opportunities as they know their capabilities, bandwidth and risk tolerance. Companies are most successful in projects in markets where they already have relevant experience, and willing to put in the time: project development can take 1 - 3 years.

Ghana remains one of the 74 nations under the umbrella of the International Development Association (IDA)

Learn more by contacting the:

[select appropriate contact(s) from list below]

- Commercial Liaison Office to the [African Development Bank](#)
- Commercial Liaison Office to the [World Bank](#)

Business Travel

Business Customs

Ghanaians tend to be somewhat traditional in both personal and business relationships. Exchange of greetings and pleasantries along with handshakes are obligatory aspects of business dealings in Ghana. An important convention to remember when visiting Ghana is the 'right to left' handshake tradition: if several people are present (regardless of their job title or age) be sure to shake hands with the person on your right first, working from your right to left until all have been greeted.

If visiting Ghana for the first time, be prepared for a different cultural understanding of time. Meetings often start late and last for a longer time than a similar meeting would in the United States. For this reason, flexibility should be built into meeting schedules. Ghanaians find it polite to spend at least the first few minutes of the meeting exchanging pleasantries – it can be off-putting to many Ghanaians to plunge straight into a business conversation without some social pleasantries first.

Business dress in Ghana is fairly formal. Most Ghanaian businesspeople wear business suits/dresses during working hours. Traditional Ghanaian attire is often worn after work for social functions and some Ghanaian businesspeople wear traditional clothing during the business day – particularly on Fridays. Lightweight clothing (whether business or leisure) is appropriate year-round in Ghana because of the very warm climate and high humidity.

Business cards are widely used in Ghana, so be sure to have an adequate supply for your visit. It is common practice to give a business card to almost everyone you meet in a business setting.

Travel Advisory

A valid U.S. passport, visa for entry to Ghana and international health certificate showing a current yellow fever immunization is required for entry into Ghana. For other travel information, please visit http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1124.html.

Visa Requirements

Travelers should obtain the latest information and details from the Embassy of Ghana, 3512 International Drive NW, Washington, DC 20008; telephone (202) 686-4520. Consular services are also available at the Ghana Permanent Mission to the UN at 19 East 47th Street, New York, NY 10017, telephone (212) 832-1300; and the Honorary Consulate of Ghana, 3434 Locke Lane, Houston, TX, telephone (713) 960-8806. Overseas, inquiries should be made at the nearest Ghanaian embassy or consulate. Visit the Embassy of Ghana web site at www.ghanaembassy.org for the most current visa information.

U.S. Companies that require travel of foreign businesspeople to the United States should be advised that security evaluations are handled via an interagency process. Visa applicants should go to the following links.

State Department Visa Website: <http://travel.state.gov/visa/>

U.S. Embassy Ghana – Visa Section: <http://ghana.usembassy.gov/visas.html>

Currency

Ghana's currency is the cedi, the symbol: 'C' is used or, alternatively, GHC or GHS. The Bank of Ghana issues coins in 1 pesewa (cent), 5, 10, 20, and 50 pesewas as well as 1-cedi coins. Paper currency is issued in 1, 2, 5, 10, 20, 50, 100 and 200-cedi denominations. Ghana's cedi was revalued in 2007 by dropping four zeros from the currency. There remains some limited confusion about this policy; prices are occasionally quoted in millions of cedis when the actual cost is in the hundreds. As of July 30, 2020, the exchange rate is US\$1 = GHC5.6.

Telecommunications/Electric

Fixed-line telecommunications services are provided by Vodafone through a joint venture with Ghana Telecom. There are currently five mobile operators providing voice and data services. Several data transfer companies have established networks and are serving banks and other institutions. Privately owned communication centers that provide pay phone services can be found in major cities. Prepaid calling cards for both local and international calls can be purchased from travel agents, post offices and gas stations.

All four mobile telecom providers (MTN, Vodafone, Airtel-Tigo and Glo) and the Internet Service Providers offer 4G LTE Connectivity. MTN, being the largest wireless network, is already looking at 5G options. This access to high speed data is due to the [Main One Cable](#) program – a submarine communications cable that will eventually reach from Europe to South Africa.

Ghana's electrical standard is 230 volts, 50 Hz. A three-pronged (grounded) British-style plug is used almost exclusively

Transportation

Ghana has about 41,800 miles of public roads (a quarter of which are paved); one international airport, in Accra; and three domestic airports, in Kumasi, Takoradi and Tamale. There are two main ports, located at Tema and Sekondi-Takoradi. Though most rail lines are dysfunctional, work is ongoing to restore them to connect the entire country.

International flights to/from Accra's Kotoka International Airport (ACC) are currently offered by more than 20 international airlines. Delta Airlines provide non-stop flights to/from New York-JFK (JFK) four days per week. South African Airways provides non-stop flights to/from Washington-Dulles (IAD) four days per week. Other airlines that currently fly into Accra include British Airways, Ethiopian Airlines, KLM, Brussels Airlines, Royal Air Maroc, Alitalia, Air France, South African Airways, Turkish Airlines, Brussels Airlines and Emirates. Flights within Ghana are available from Accra to Kumasi, Sunyani, Takoradi, Tamale and Wa through the domestic airlines Africa World Airlines and Passionair

Despite the major expansion and improvement in the road network in Accra, traffic at peak hours is often congested. Some roads on the outskirts are relatively narrow and poorly maintained, with rather daunting open gutters. Driving after dark outside of Accra or other major cities is not recommended because of a lack of adequate street lighting; disabled vehicles blocking the roadside; animals and pedestrians using the roads; and local drivers who don't use headlights.

Taxis are plentiful but many are in poor condition. Be sure to negotiate the fare before embarking. Both chauffeured and self-driven rental cars are available. In addition to Uber, which was the first ride-hailing service to operate in Ghana, Bolt and Yango are also available. The use of buses and 'tro-tros' (vans that make multiple stops and are hailed by the side of the road) is not recommended for business travelers because of a lack of security and safety, as well as convenience and reliability.

Language

The official language of Ghana is English. Most businesspeople are fluent in English.

Local languages include Asante (14.8 percent), Ewe (12.7 percent), Fante (9.9 percent), Boron/Brong (4.6 percent), Dagomba (4.3 percent), Dangme (4.3 percent) Dagarte/Dagaba (3.7 percent), Akyem (3.4 percent) Ga (3.4 percent) and Akuapem (2.9 percent).

Local Time, Business Hours and Holidays

Ghana operates on Greenwich Mean Time (GMT). Note that the time difference between Ghana and the United States varies throughout the year, as Ghana does not adjust for daylight savings time.

Business travelers should verify the dates of Ghanaian holidays prior to scheduling a visit. Business establishments are normally closed on Ghanaian holidays. The U.S. Embassy is closed on Ghanaian and U.S. holidays.

Ghanaian Holiday 2020	
New Year's Day	January 1
Independence Day	March 6
Good Friday	April 10
Easter Monday	April 13
May Day	May 1
Eid-ul-Fitr	May 25
Eid-al-Adha	July 31
Founders' Day	August 4
Kwame Nkrumah Memorial Day	September 21
Farmer's Day	December 4
Christmas Day	December 25
Boxing Day	December 26

Temporary Entry of Materials or Personal Belongings

The personal baggage of a visitor is admitted free of duty. Duty is not charged on items for personal use, including clothing, household items and electrical goods – as well as instruments/tools for professional use. Unaccompanied bona fide personal and household effects sent in advance must be entered on a Passenger Unaccompanied Baggage Declaration form at the time of arrival.

Health

Malaria prophylaxis is very strongly recommended. For more information on health issues for travel to Ghana, visit: <http://www.cdc.gov/travel/destinationGhana.aspx>

Effects of COVID-19

Ghana's borders were closed to all passenger flights on March 17, 2020. It is therefore recommended to visit the U.S. State Department website (www.travel.state.gov/Ghana) for updates before planning a business trip.

Travel Related Web Resources

State Department Travel Information:

http://www.travel.state.gov/travel/cis_pa_tw/cis/cis_1124.html.

Embassy of Ghana:

<http://www.ghanaembasy.org>

State Department Visa Website:
<http://travel.state.gov/visa/index.html>

United States Visas
<http://www.unitedstatesvisas.gov/>

U.S. Embassy Ghana – Visa Section:
<http://ghana.usembassy.gov/visas.html>

U.S. Centers for Disease Control and Prevention – Ghana Information:
<http://wwwn.cdc.gov/travel/destinationGhana.aspx>.

Investment Climate Statement (ICS)

The U.S. Department of State's Investment Climate Statements, prepared annually by U.S. embassies and diplomatic missions abroad, provide country-specific information and assessments of the investment climate in foreign markets. Topics include: Market barriers, business risk, legal and regulatory system, dispute resolution, corruption, political violence, labor issues, and intellectual property rights. The Investment Climate statement for Ghana is available at: <https://www.trade.gov/knowledge-product/ghana-investment-climate-statement>

Political Environment

Political

Ghana offers a relatively stable and predictable political environment for American investors. The country has a solid democratic tradition, having organized seven successful general elections since returning to democratic governance in 1992. After another handover of power in January 2017, the New Patriotic Party (NPP) assumed the reins of government, ousting the opposition National Democratic Congress (NDC). Though there are other registered political parties, the country seems to be heading in the direction of a two-party state since the other parties have seen a steady decline in their political fortunes. In the 2016 General elections, NPP and NDC posted a combined share of 98 percent of votes in the presidential race and the current 275-member Parliament is made up of elected representatives from only these two parties.

The next general election is scheduled on Dec. 7, 2020. Despite the effects of the coronavirus pandemic on Ghana's economy and healthcare system, the country's Electoral Commission has indicated that it will go ahead with organizing the elections, mainly to avoid a potential constitutional crisis where the mandate of the current government would expire without a legitimately elected successor.

The two main political parties have concluded their internal processes of selecting the candidates to represent them in both the presidential and parliamentary elections and these were largely peaceful, with a few reported incidences of violence. There are also a few individuals seeking to run as independent presidential and parliamentary candidates.

After a series of objections mainly from the opposition party and some civil service organizations to the decision of the Electoral Commission to compile a new Voters Register to guide the election, the matter was settled when Ghana's Supreme Court gave the Electoral Commission the go ahead to compile the Register according to the Electoral Commission's plan.

It is expected that the elections will proceed peacefully without threat to the country's stability.

Economic

General Overview

The Ghanaian economy can be described as resilient with a positive outlook despite the effects of the global coronavirus pandemic. This is mainly due to the strong fundamentals that have been developed in the past few years, thanks to good economic management and fiscal discipline exhibited in adherence to recently enacted legislation. Notable among these are the Fiscal Responsibility Act, 2018 (Act 982), which places a 5 percent cap on the fiscal deficit in any given year; Public Financial Management Act, 2016 (Act 921); Public Financial Management Regulation, 2019 (L.I. 2378).

Though the world economy is expected to take a huge hit as a result of the global coronavirus pandemic, Ghana is expected to experience a reduced rate of growth rather than the economic contraction forecast for some countries. Ghana concluded a four-year \$925 million Extended Credit Facility arrangement with the International Monetary Fund (IMF) in 2019. The arrangement was aimed at restoring debt sustainability to foster a return to high growth and job creation while protecting social spending.

The positive effect of the arrangement has already been felt. The Ghanaian economy outperformed the world economy since 2017. The country experienced a GDP growth rate of 6.26% in 2018, while the GDP growth rate in 2019 was 6.5%. The initial projection for Ghana's GDP growth rate for 2020 was 6.79%. However, as a result of the effects of the global corona virus pandemic, this has now been revised downwards to 1% GDP growth in 2020.

The services subsector continues to be the leading contributor to Ghana's production, with an output of 46% of GDP in 2019. It is followed by the industry subsector, which contributed 34%. Agriculture contributed about 20% to Ghana's GDP in 2019.

2020 Budget Summary

The Budget Statement and Economic Policy of the Government of Ghana for the 2020 Financial Year, called, “Consolidating the gains for growth, jobs and prosperity for all,” highlights the following key areas of focus for the Government:

- Advancing plans to establish Ghana as an international financial services center – this is to build on the recent financial sector clean up and steadily advance plans to realize the Government's vision of establishing Ghana as a regional financial services center in West Africa.
- Broadening domestic revenue mobilization – rather than impose new taxes on the Ghanaian populace and businesses, the focus going forward will be to make domestic revenue mobilization more efficient with the implementation of fundamental policies and institutional reforms that will lead to a growth in the tax-to-GDP ratio from the current 13 percent to 20 percent over the medium term.
- Digitization of the economy – aimed at formalizing the Ghanaian economy by leveraging technology to improve administrative systems and increase transparency of operations in the country.
- Implementing business regulatory reforms – aimed at empowering local businesses and fast-tracking the country's ambition of being the gateway to business in the West African region.
- Accelerating infrastructure development – the aim is to strengthen the capacity of the Ghana Infrastructure Investment Fund (“GIIF”) and other infrastructure-focused savings funds such as the Ghana Petroleum Funds (“GPFs”) to leverage the global financial markets.
- Intensifying the drive for foreign direct investment – linked to the agenda of implementing business regulatory reforms to hasten the transformation agenda and attract foreign investment.
- Science and technology development – to support the industrialization agenda over the medium- to long-term. An effort will be made to complement advances in human capital in the education sector with a push to develop the national technological capability.
- Enhancing financial support to local enterprises – the government aims to deploy in 2020 a number of initiatives including, but not limited to, the establishment of a new National Development Bank; the Ghana Incentives-based Risk-Sharing System for Agricultural Lending (“GIRSAL”); the Ghana Commodity Exchange; a strengthened Venture Capital Trust Fund that will enhance access of Ghanaian businesses (irrespective of the stage in the business cycle) to finance, including medium- and long-term capital.

Macroeconomic Indices

Most of the economic indices have been pointing in the right direction in recent times. Inflation, for instance, has been well managed. It ended the year 2019 at 7.2 percent. For the first quarter of 2020, inflation rose slightly, to 7.8 percent, however due to the effects of the imposition of lockdown restrictions as one of the measures to curb the spread of the global coronavirus pandemic, there was a rush to stock up on mainly food items, which led to excess demand, and hence the rate for April 2020 rose to 10.6 percent and further rose to 11.3 percent in May 2020.

The domestic currency, the cedi, experienced a 12.9 percent depreciation against the U.S. dollar in 2019. It however started 2020 on a very strong note and was even voted the best performing currency in January 2020 by Bloomberg. However, the currency has weakened more against the dollar since the global pandemic took hold, and it is projected to end 2020 with a depreciation of 8.6 percent against the U.S. dollar.

Interest rates in Ghana continue to be high mainly because of monetary policy by the Central Bank, the high cost and risk of doing business and a high default rate. The monetary policy rate, which serves as the basis for most commercial banks determining their interest rate, is pegged at 14.5 percent in mid-2020.

Summary of growth prospects in 2020

After the preceding three-year period, when growth in GDP was driven by increasing output in the extractive sector, especially that of oil and gas, the main drivers of growth for 2020 are investments in construction and manufacturing. This will therefore mean many infrastructure projects such as roads, schools and hospitals and the establishment of more manufacturing plants to boost domestic production.

Foreign Exchange Controls

Since the enactment of the 2006 Foreign Exchange Act, there are no restrictions on payments for goods and services being imported into Ghana. However, banks must submit reports of all payment transactions to the Bank of Ghana. Residents and non-residents are permitted to maintain foreign exchange accounts with local banks. Importers are allowed to undertake imports through direct transfer from these accounts up to \$50,000 without pre-submitting documentation (an increase from \$25,000 in 2014). Foreign exchange bureaus are in operation throughout Ghana.

The Central Bank has taken steps to stem the tide known as the “Dollarization of the Economy,” which is a trend where many products and services are quoted in U.S. dollars rather than the domestic currency. Although the practice is prohibited, it is still common in advertising and sales of real estate, automobiles, hotel accommodation, rent and education, especially schools offering international courses. The current rule is for institutions that believe they have a business case for pricing their products or services in U.S. dollars may apply for a license from the Central Bank, however many businesses that do not have such licenses still engage in the practice.

The Central Bank has given strong indication that it will no longer grant such licenses and strictly enforce the laws by identifying and prosecuting such offenders.

Effects of the coronavirus pandemic

Like most countries around the world, Ghana has been affected by the pandemic. A three-week partial lockdown of major metropolitan areas in April 2020; supply chain interruptions and workforce interruptions caused by self-quarantine; and the closing of Ghana’s airport to international passenger flights have contributed to a slowdown in economic activity. Working with international and domestic public health organizations, the government has tried to achieve a balance between fighting the pandemic with border closures, limits on large gatherings, school closings; contract tracing and quarantine measures and keeping the economy running. Fighting the pandemic with the proper protective equipment and testing materials has led to significant unplanned expenditures, which have to be financed to keep the economy afloat.

The government accessed a \$1 billion Rapid Credit Facility from the International Monetary Fund in April 2020, which carries an interest-free five-and-a-half-year moratorium and must be repaid in 10 years’ time. The main areas of expenditure of the facility are to finance the 50 percent subsidy granted on electricity and water consumption and the additional allowance and tax incentives to all frontline workers engaged in the fight against coronavirus, and as a general budgetary support.

As a result of the expected loss in production, there has been a downward revision in the GDP growth rate from more than 6 percent to a maximum growth rate of 1 percent in 2020.

For additional information on the political and economic environment of the country, please click on the link to the U.S. Department of State [Countries & Areas](#) website.

