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## CFC COUNTRY FACTSHEET: Ghana

In the 3 years preceding COVID-19, Ghana enjoyed average annual economic growth approaching 7%, making it one of the world's fastest-growing economies. Despite the economic slowdown brought on by the pandemic, Ghana still managed to sustain a minor growth rate of 0.5% in 2020. However, Ghana's public debt grew considerably during the pandemic, resulting in credit rating downgrades, less appetite from foreign investors, and a constrained access to international financial markets. Combined with the negative externalities of the war in Ukraine, these adverse events led to forex depreciation, increased inflation, and massive drop in foreign exchange reserves. Last December, Ghana placed a moratorium on debt service payments, started a domestic debt restructuring and applied for debt relief under the G20 Common Framework. Overall, the medium and long-term growth prospects remain strong.

The economy is largely dependent on the export of commodities such as gold, cocoa, oil, and gas, which makes it vulnerable to volatility in commodity prices. Beyond its traditional industries, Ghana's digital, financial services, education, and franchising sectors are growing fast.

## Key Facts




**POPULATION**  
 32.9 Million (2023)


**CURRENT GDP**  
 US\$ 77 Billion (2021)


**UPCOMING ELECTIONS**  
 2024


**PRIMARY EXPORT**  
 Gold  
 US\$ 5.2 billion (2021)


**INTERESTS & CURRENCY**  
**EXCHANGE RATES**

Current Monetary  
Policy Rate : 29.5%

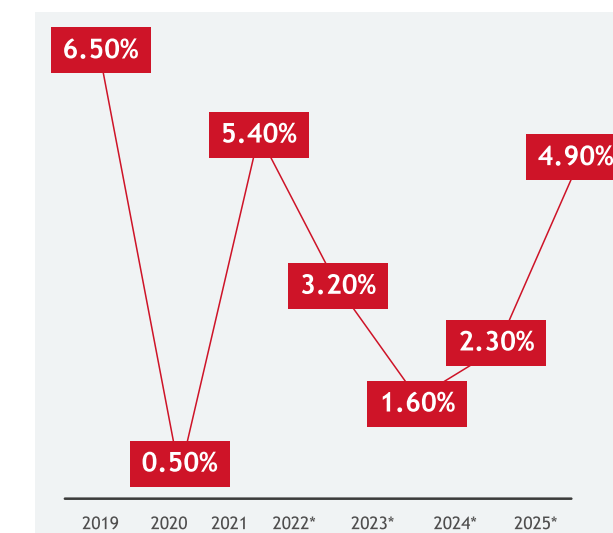
Currency  
Ghanaian Cedi (GH¢/GHS)

USD 1 = GHS 11.8

EUR 1 = GHS 13

Bank of Ghana, April 2023

## GDP GROWTH




Source : World Bank Data, IMF

45%	Inflation (March 2023)	US\$ 2.6 billion	FDI (Net Inflows) (2021)
14%	Unemployment rate (Q2 2022)	64 years	Life expectancy (2020)
2.1%	Demographic growth (2020)	US\$ 2363	GDP per capita (2021)
-3.3%	Current account (2021)	80%	Literacy Rate (2020)

Source : World Bank Data, IMF

## Attractive Industries in Ghana?

Ghana has several industries that present potential opportunities for investment and growth such as:

 **Mining and Mineral Processing:** The mining industry is a main contributor to the Ghanaian economy as it contributes about 19% of all direct tax payments in the country as well as 37% of export revenues.

 **Agriculture and Agro-Processing:** Agriculture is an important part of Ghana's economy and contributes roughly 20% of the GDP.

 **ICT & Fintech:** The ICT sector experienced a 22.5% growth rate in 2020 contributing the most to the service sector.



## Leading Companies in Ghana

1. Access Bank Ghana (FS)
2. Aluworks (Basis Materials)
3. Clydestone (Ghana) Limited (Tech)
4. Ghana Oil Company Limited (Oil and Gas)

## As a foreigner, do I need a work permit ?

There is no special expatriate tax regime in Ghana; expatriates are subject to the same tax system as other individuals. Emigration generally has no tax consequences, except that a tax clearance certificate of the host company is required to obtain work and residence permits.

## What is the tax regime in Ghana ?



### Corporate income tax rate:

- The standard corporate tax rate is **25%**
- Various tax holidays are available to companies operating in specific sectors or engaged in activities, such as agro-processing, waste processing, and the export of non-traditional products.
- **22%** rate applies to hotels
- **35%** rate to mining/petroleum companies

### Personal income tax rate:

The individual income tax is levied at progressive rates from **0%** to **30%**.

### Value Added Tax:

- The **standard rate is 12.5%**.
- Exports are exempt from **VAT** tax.

### Withholding tax (WHT):

- **Dividends:** Dividends paid to resident and non-resident companies are subject to **8% WHT**.
- **Interests:** Interests to resident and non-resident companies are subject to **8% WHT**. WHT is not levied on interest paid to resident financial institutions.
- **Royalties:** Royalties paid to resident and non-resident companies are subject to **15% WHT**.

## Tax treaties

Ghana has concluded tax treaties with the following countries

COUNTRY	DIVIDENDS	INTEREST	ROYALTIES
Belgium	5%/15%	0%/10%	10%
Czech Republic	6%	8%	8%
Denmark	5%/15%	0%/8%	8%
France	5%/15%	0%/12.5%	10%/12.5%
Germany	5%/15%	0%/10%	8%
Italy	5%/15%	10%	10%
Mauritius	7%	7%	8%
Netherlands	5%/10%	8%	8%



# Investment incentives offered in Ghana

## Tax incentives

- A reduced corporate tax rate of 8% is available for companies engaged in “non-traditional exports,” and a 20% rate applies for financial institutions on income from loans granted to farming enterprises and leasing companies.
- **Free Trade Zone (FTZ) companies are exempt from corporate income tax for 10 years**, after which they pay corporate tax at 15% on export sales and 25% on domestic sales.
- **Tax holidays are granted** from the time operations commence for companies in the following sectors:
  - Agricultural enterprises, agro processing and waste processing companies, rural banks, and venture capital financing companies pay a 1% corporate tax for a period ranging from 5 to 10 years.
  - Real estate companies pay a 1% corporate tax for five years on income from certified low-cost housing, with some limitations.
- **Entrepreneurs aged 35 years and under are granted a 5-year corporate tax** holiday if they are engaged in specific businesses. Such entrepreneurs also enjoy a rebate on corporate tax rates ranging from 5% to 15% for five years after the tax holiday
- **Employers receive an additional tax deduction for employing new graduates** as part of their workforce, which ranges from 10% to 50% of the salaries or wages of such employees.

## Ghana's International Membership

- World Trade Organization **(WTO)**
- Economic Community of West African States **(ECOWAS)**
- African Continental Free Trade Area **(OHADA)**
- African Union **(AU)**
- United Nations **(UN)**
- World Intellectual Property Organization **(WIPO)**



### Useful Links / Sources



1. [Ghana Investment Promotion Centre](#)
2. [Bank of Ghana](#)
3. [African Markets](#)
4. [World Bank](#)
5. [Deloitte guide to fiscal information](#)