

# Ghana's Recreation and Tourism Sector Report

November 2022



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Ghana

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# 01

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Why invest in Ghana

# Why invest in Ghana

## Country overview

- Formerly known as the Gold Coast, Ghana was the first sub-Saharan nation to gain independence from colonial rule in 1957.
- Ghana is credited as being one of the most stable democracies in Africa, having successfully conducted 8 national elections and recorded no incidence of a coup d'état since 1992.

### Airports



- 1 international airport
- 5 domestic airports

### Railway



- 3 major railway networks with a total track length of 1,300 km

### Dry ports



- Tema Port
- Takoradi Port

### Road network



- Main roads: 67,291 Km
- Main arteries : 12,800 Km
- Paved roads: 3,800 Km

### Internal infrastructure

#### Total land area

**Overview:** Ghana has total land area of 238,537 sq.km

Ghana has 16 administrative regions and 261 district assemblies.

#### Electricity supply

- Ghana's electricity supply is derived from hydropower generated from the Akosombo, Bui Power and Kpong dams, and 10 thermal plants at Aboadze in Western Region.
- According to World Bank, Ghana has an 86.63% (2021) access to electricity.

#### Water supply

Water is provided to citizens through the Ghana Water Company Limited, Community Water and Sanitation Agency and private water producers.

#### Locational advantage

- Ghana is geographically closer than any other country to the center of the earth.
- Ghana has 2 harbors with one being the largest in West Africa, making Ghana the gateway to West Africa.



# Why invest in Ghana

## Investment attractions

### 2<sup>nd</sup> largest economy in West Africa

- Ghana has an active retail market and healthy consumption levels. Fitch reports, household spending is expected to increase from US\$55bn in 2021 to USD81bn in 2025.
- AfCFTA presents an opportunity for intra-regional growth by leveraging access to common markets and knowledge transfer through labour mobility, thereby attracting foreign direct investments into the region.
- The AfCFTA secretariat is located in Ghana.

### Rich in natural resources

- Ghana was the largest (No.1) producer of gold in Africa and 6<sup>th</sup> largest in the world in 2021.
- 13,000 metric tonnes of manganese reserve.
- 16.86 million tonnes of high-grade trihydrate bauxite mined since 1997.
- Newly discovered deposits of lithium in 2021 amounting to 30.1million tonnes, setting Ghana up to become West Africa's first lithium producer.

### Preferred tourism destination

- International arrivals of tourist increased from 932,579 in 2016 to 1,130,307 in 2019, however 2020 saw a reduction to 355,108 due to lockdown measures in response to Covid -19.
- As at September 2021, international tourist arrivals increased by 18% while domestic tourists grew by 58%.

### Youthful population

- Ghana is blessed with a very youthful population, about 67% of the population is within the ages of 15 to 64 years.
- Government initiative such as free basic and secondary has ensured a 69.8% literacy rate for citizens who are 6 years and older as at 2021.

### Stable political environment

- Ghana is ranked the second most peaceful country in Africa and the 38<sup>th</sup> most peaceful country in the world as per the 2021 Global Peace Index.
- Due to provisions made in the constitution of Ghana (article 20) and Free Zones Act (Act 504) there is a reduced threat of nationalism of private businesses.

### Investor-friendly government initiatives

- Government has initiated a plethora of incentives to ensure a conducive and enabling business environment.
- Government incentives include tax holidays, rebates, provision of industrial parks, provision of finance through partnering agencies and interest subsidies.
- Ghana has double taxation agreements with the United Kingdom, South Africa and other EU countries.

### Top investment destination

- Foreign Direct Investment (FDI) has averaged \$2.72b from 2017 to 2021, suggesting stability in the inflow of capital with investment focus in oil and gas, mining (including gold and manganese), and agriculture (cocoa).
- Ghana attracted US\$2.65bn in FDI inflows in 2020, one of the highest amount in West Africa.

### Agrarian economy

- Ghana is endowed with vast arable lands rich in agriculture.
- In 2020, Ghana was the 2<sup>nd</sup> largest producer of cocoa in the world, the 4<sup>th</sup> largest producer of cassava in the world.
- Ghana is blessed with fertile land for the production of maize, tomato, rice among many other food crops.

# 02

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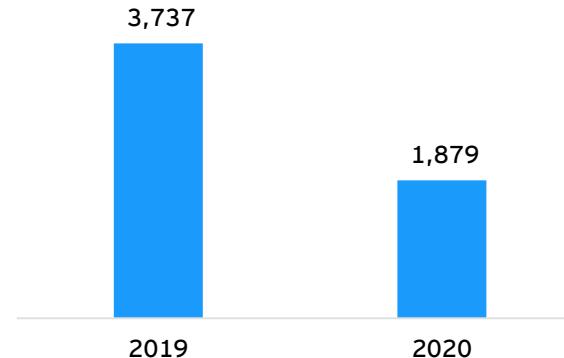
## Sector overview



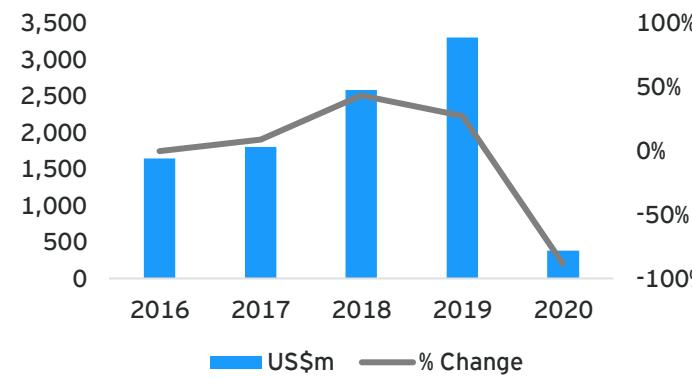
# Sector overview

- Ghana's recreation and tourism sector comprises a display of rich cultural and diverse heritage which are depicted in forts and castles, festivals, and arts and craft; evergreen forests, mountains, lakes and waterfalls that abound in Ghana.
- The sector is labour-intensive and provides small-scale employment opportunities - such as travel and tours, handicrafts, music and dance, and Ghanaian cuisine - increasing the potential of attracting investors into the sector. Overall, the sector has significant potential to drive economic growth and job creation in the country.

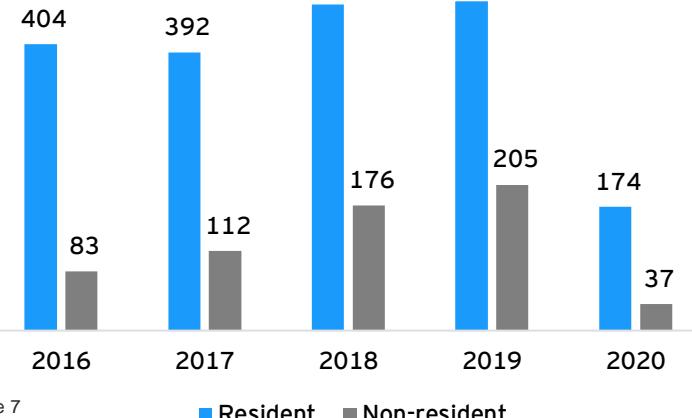
Travel and tourism contribution to GDP (US\$m)



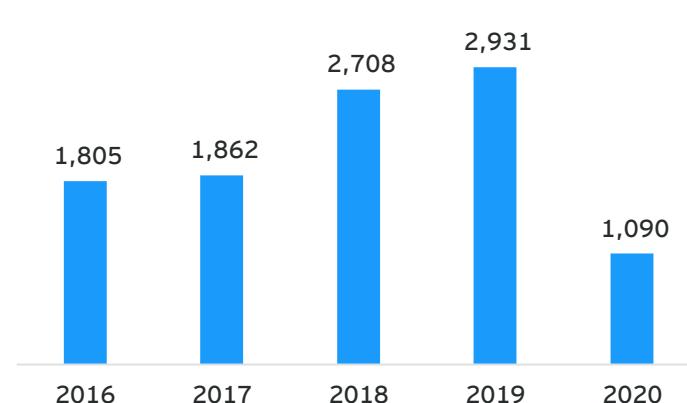
Total tourism receipts



Arrivals at tourist attractions (000's)



Average tourist expenditure (US\$m)



Most popular attractions in Ghana by number of tourist arrivals - 2020



Kakum National Park

54,514 people



Cape Coast Castle

37,631 people



Kwame Nkrumah Memorial

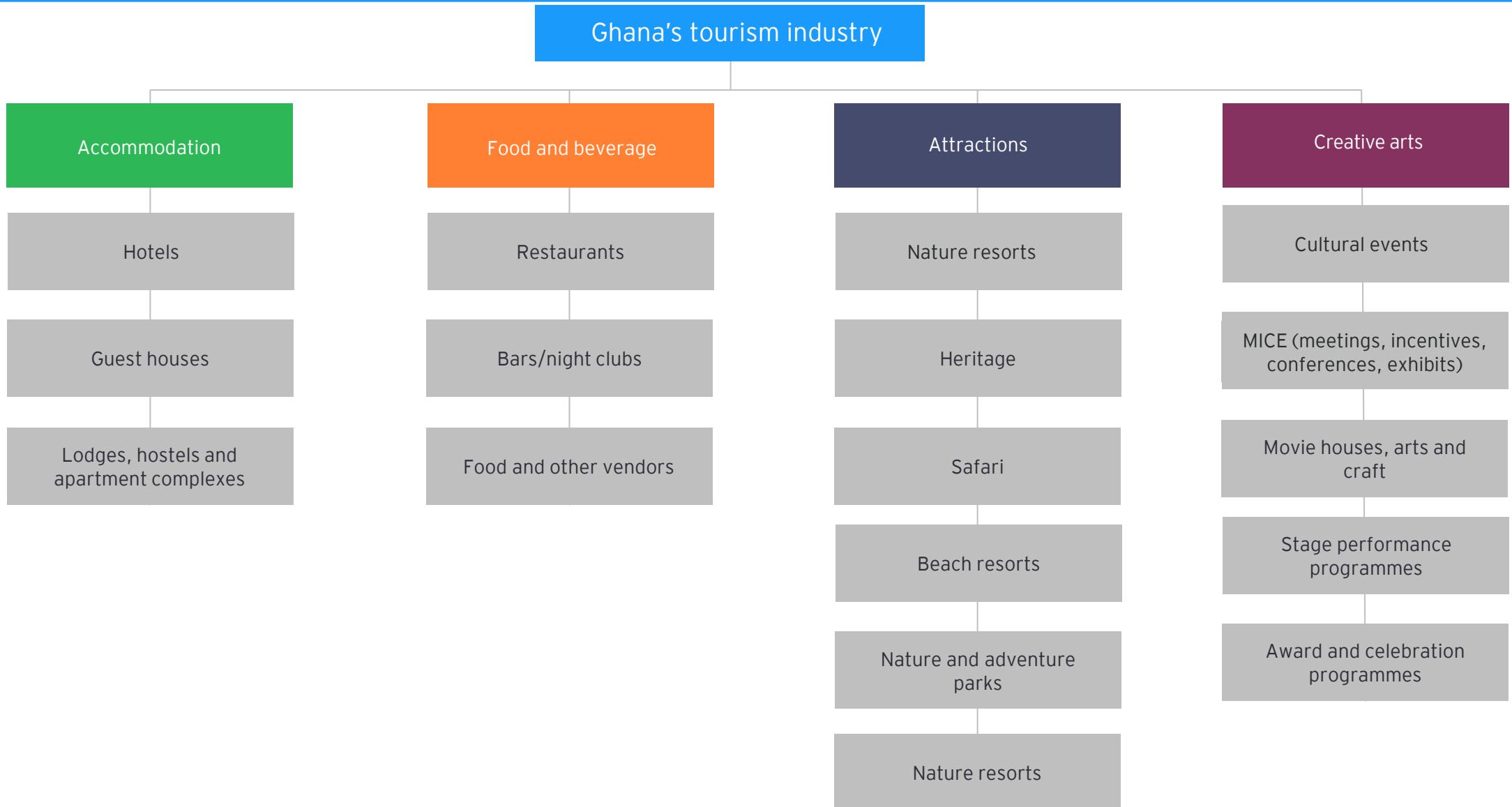
34,678 people



Elmina Castle

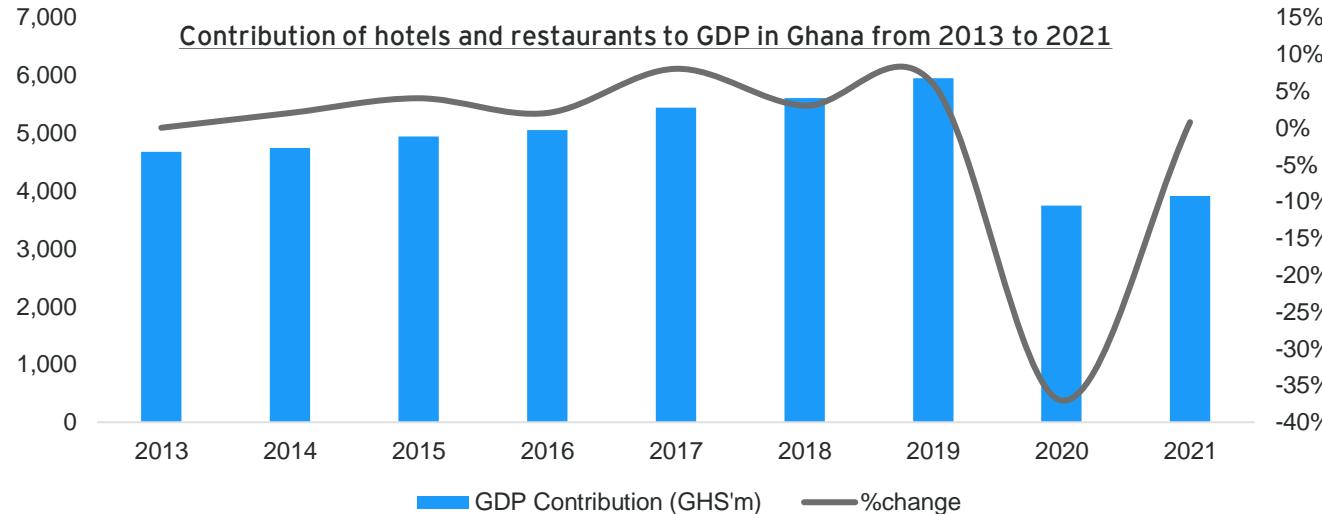
23,193 people

# Sector overview - Composition

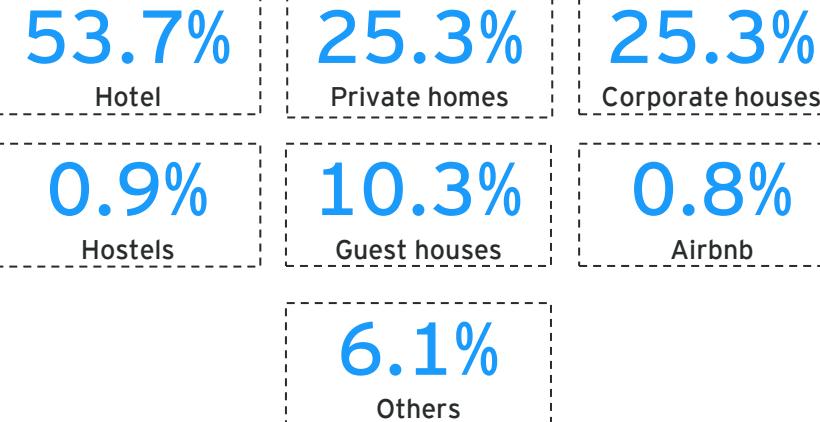


# Sector overview - Accommodation

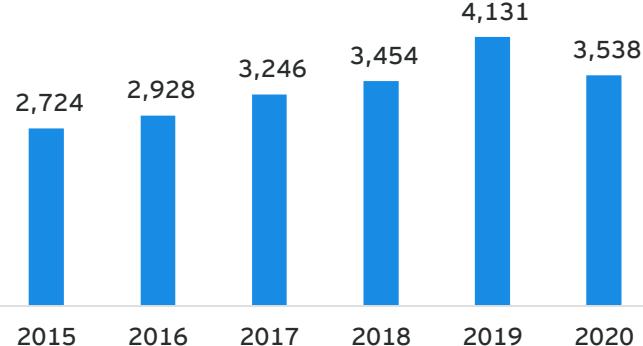
In 2021, hotels and restaurants in Ghana contributed around GH₵3.9b (approximately US\$640b) to the country's Gross Domestic Product (GDP).



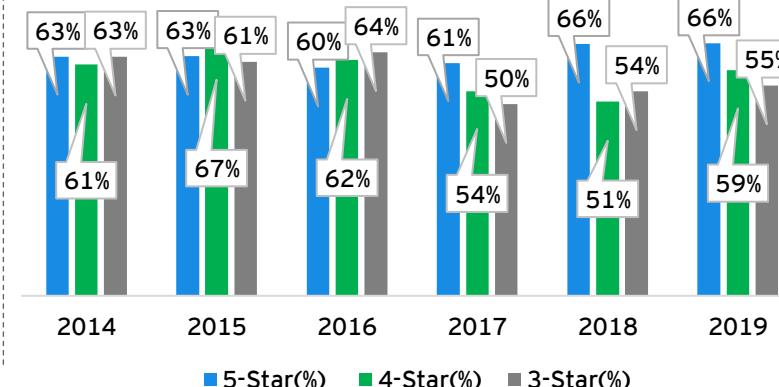
## Visitors' accommodation preferences - 2020



## Licensed accommodation enterprises



## Average hotel occupancy

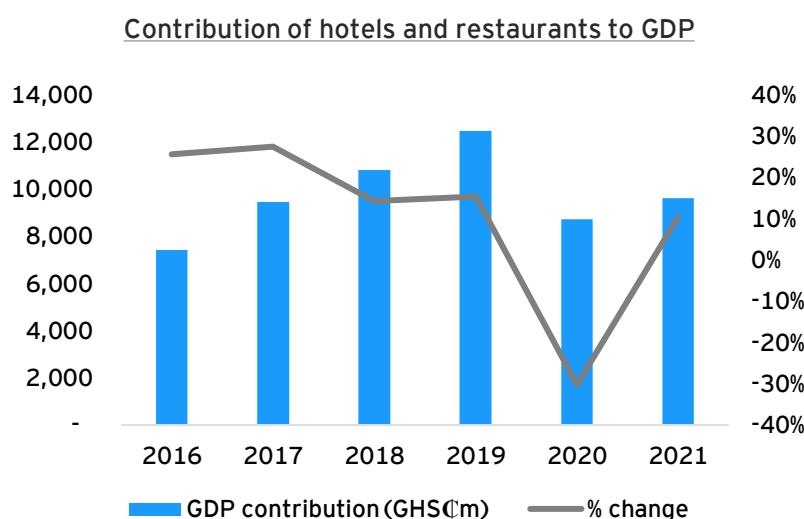
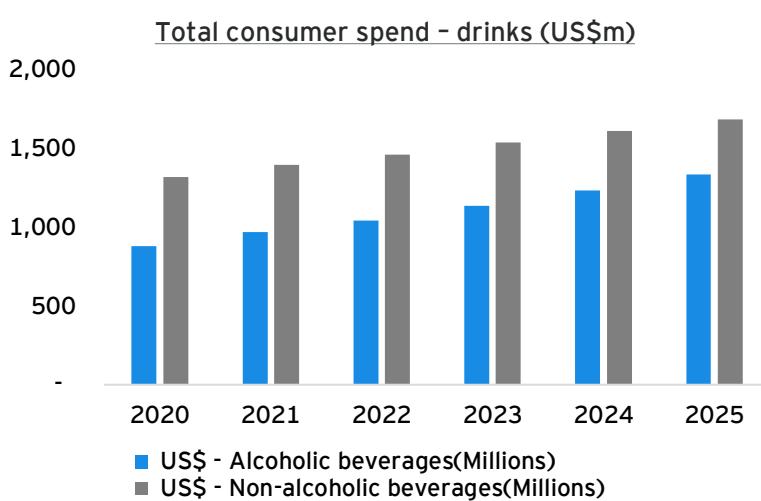
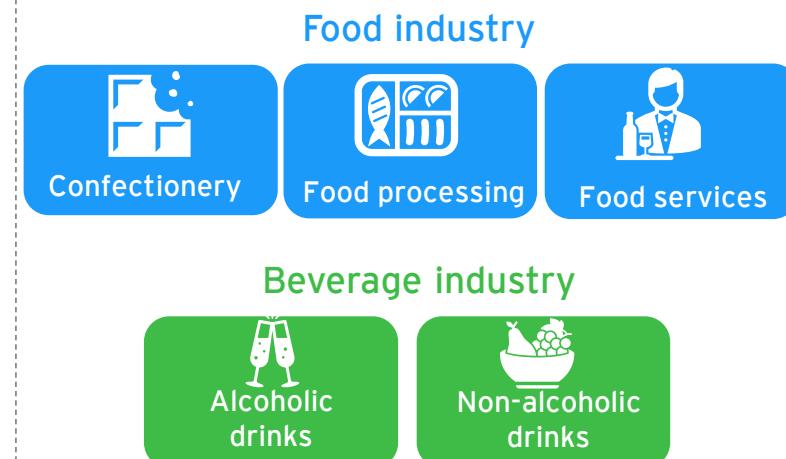
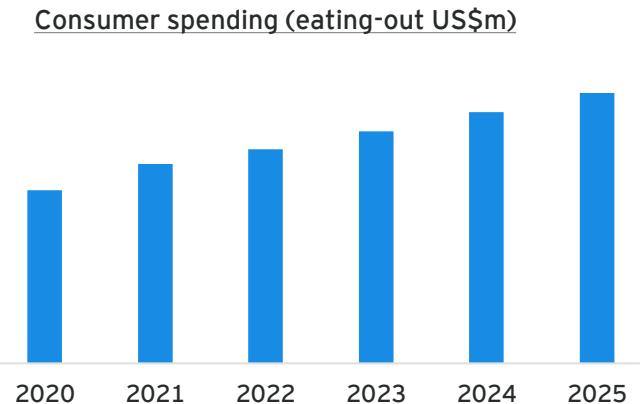
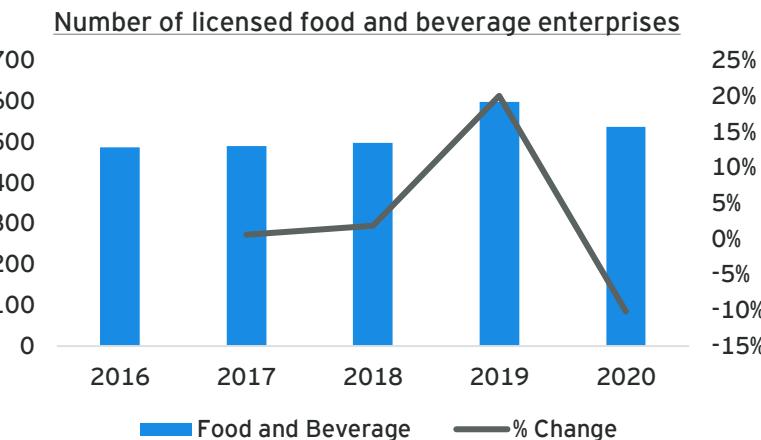


## Some hotels in Ghana:



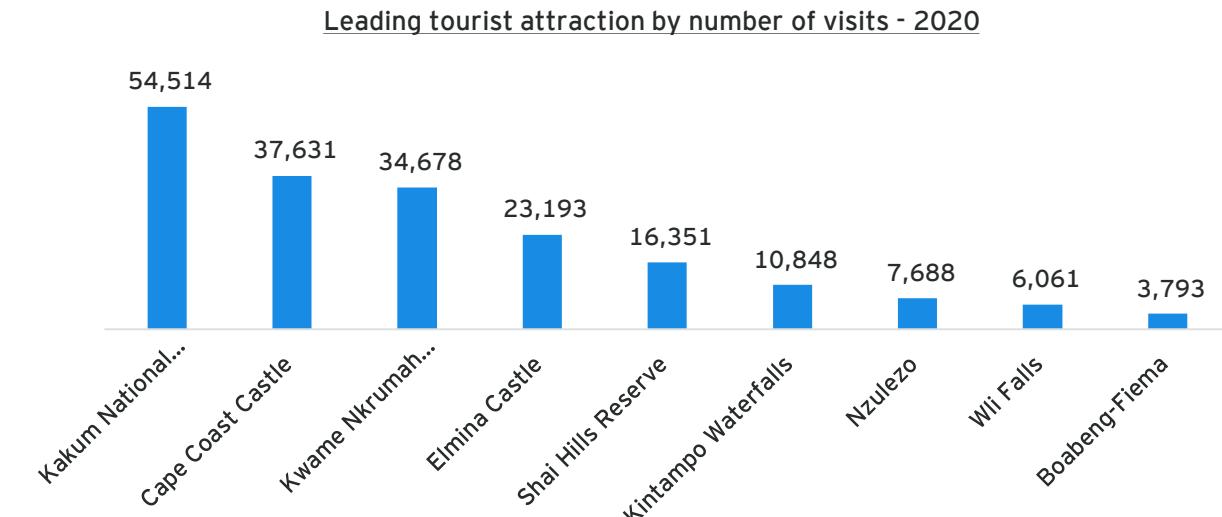
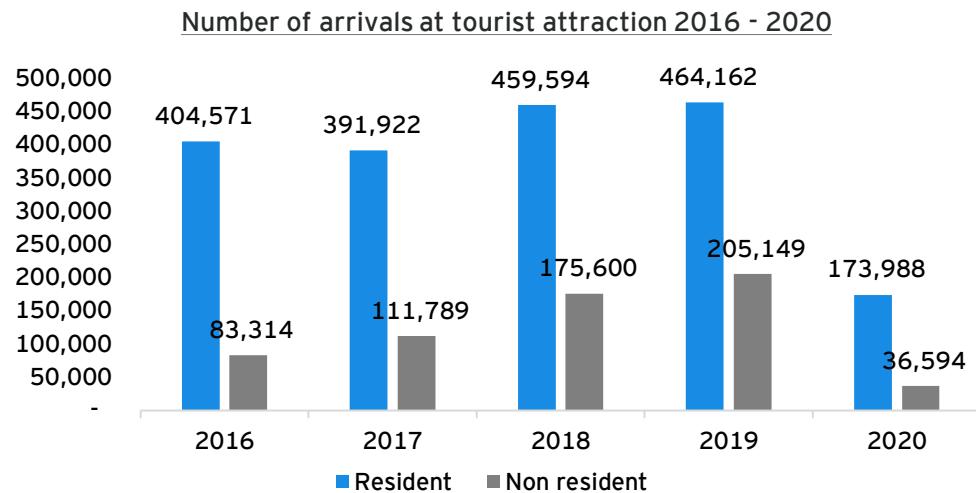
# Sector overview - Food and beverage

- Ghana's beverage industry has become increasingly competitive in recent years and several small producers have entered the market, with growth driven by urbanisation, increased brand-awareness and a growing middle class.
- It is expected that food spending will grow by 13.1% in 2022, accelerating from the 12.7% growth in 2021 due to positively-trending demographics similar to the drinks segment.



# Sector overview - Attractions

As of 2022, Ghana has over twenty (20) ecotourism sites, distributed across its regions. Notable ones include the Wli waterfalls and the Paga slave camp and the sacred crocodile pool, Kakum National Park, the Mole National Park, and the Nzulezu village and sea turtle conservation in the Central, Northern, and Western regions, respectively.



## Ecotourism

- Shai Hills Nature Reserve
- Kakum National Park
- Wechiau Community Hippo Sanctuary
- Bobiri Forest Reserve



## Wildlife and safari

- Digya National Park
- Bia National Park
- Mole National Park
- Kyabobo National Park



## Waterfalls and beaches

- Wli Falls
- Kintampo Falls
- Boti Falls
- Tagbo Falls



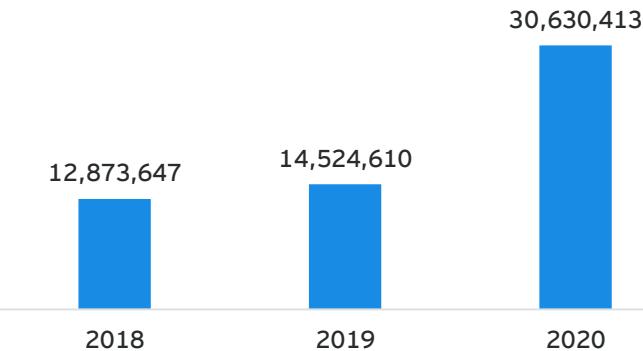
## Heritage

- Busua Beach
- White Sands Beach
- Ada Foah Beach
- Elmina Beach

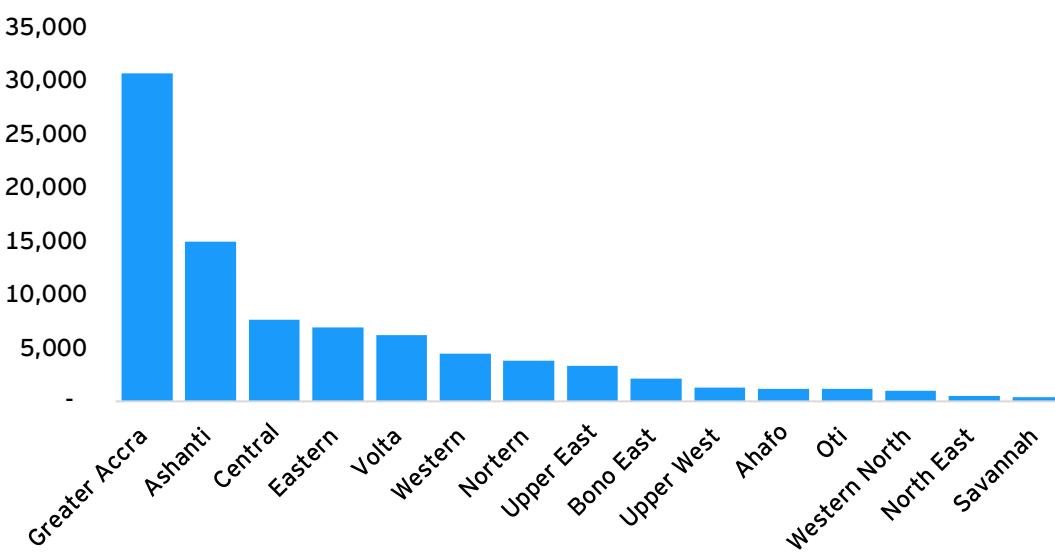
# Sector overview - Creative arts

- The creative arts industry includes entities and individuals engaged in music and performing arts, heritage, visual arts and crafts, book and press, audio-visual and interactive media, design, and creative services.
- The total export of industrial art and crafts has grown over the years by a compounded annual growth rate (CAGR) of 54% from 2018 to 2020.

Total export of industrial arts and craft (US\$)



Number of employees in the creative arts and recreational industry - 2021



Government budgetary allocation to creative arts

**GH₵45.8m**  
2020

**GH₵39.1m**  
2019

Source: Ghana Export Promotion Authority, Statista

# Demand drivers



## Positive demographic outlook

- Ghana's population size supports the growth and development of the tourism and recreation sector.
- A population of 30.8 m people growing at a CAGR<sup>1</sup> of 2% and an urbanization rate of 57.9% drive demand for recreation and tourism.

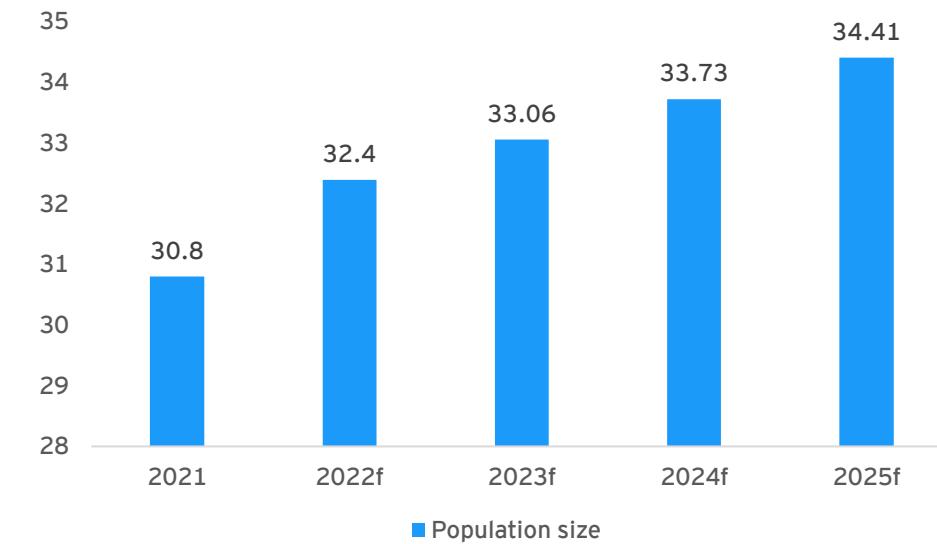
## Communication and information

- Ghana currently has an aggressively growing telecommunications sector with 4 registered mobile network and 5 broadband wireless access operators. Mobile subscriptions increased from 11.7m in December 2008 to 40.5m in 2021.
- The data penetration growth from 50.9% in 2021 to 53% in 2022 primarily drives awareness of the Ghana's culture and branding, which ultimately drives promotion of tourist sites and recreational facilities.

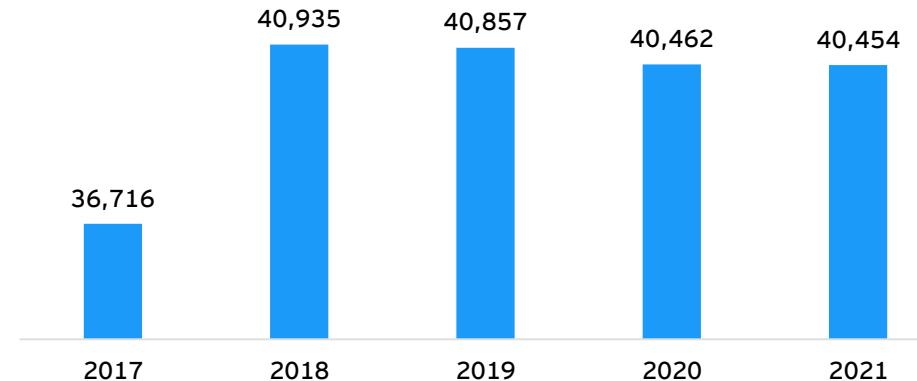
## Tourism-related infrastructure

- Government has shown commitment to developing tourism infrastructure, supported by the World Bank's funding of US\$50m by upgrading road networks in the country.

Population growth trend ('millions of people)\*



Total cell phone subscribers in 000's



\*Rounded to the nearest million

<sup>1</sup>Compound Annual Growth Rate

# Recent developments in the tourism sector

## Launch of the Domestic and Regional Tourism Campaign "#ExperienceGhana, #ShareGhana"

- ▶ In June 2021, the Domestic and Regional Tourism Campaign was launched to boost patronage of the tourism industry.
- ▶ In line with this, the month of March has been declared as Ghana Month activities such as "See Ghana, Eat Ghana, Wear Ghana and Feel Ghana."

## The Year of Return, Ghana 2019

- ▶ The "Year of Return, Ghana 2019" was a major landmark marketing campaign targeting the African - American and Diaspora Market to mark 400 years of the first enslaved African arriving in Jamestown Virginia.
- ▶ The Ghana Tourism Authority (GTA) under the auspices of the Ministry of Tourism, Arts and Culture led the project in collaboration with the Office of Diaspora Affairs at the Office of the President, the Panafest Foundation and the Adinkra Group of USA.
- ▶ A total of US\$1.9 billion was generated into the economy through the tourism and travel sector in 2019.



## US\$25m to boost film and movie production

- ▶ Government launched a US\$25m investment program under the Ministry of Tourism, Arts, and Culture in April 2021 with the aim of improving the local film ecosystem.
- ▶ The program will aim to create a potential of 6,000 jobs within the movie and film industry in Ghana.

## Marine Drive project, 2017

- ▶ The project, estimated to cost about US\$1.2b, is a public-private partnership project expected to transform the beachfront stretch from the Osu Christiansborg Castle to the Arts Centre into a vibrant business and commercial enclave that will transform the city's skyline, create jobs, spur tourism growth and boost the national economy.
- ▶ Covering an area of over 240 acres, the project site is located within the ministerial enclave is expected to create over 15,000 jobs after completion in 2027.

Source: Market Analysis, Statista

# Overview of key players

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## Some hotels in Ghana



Fiesta Royal Hotel



Marriot Hotel



Kempinski Hotel



Labadi Beach Hotel



Movenpick Hotel



Golden Tulip Hotel



Maaha Beach Resort



Best Western Premier Hotel



Ibis Styles Hotel



La Palm Royal Beach Hotel

Source: Market Analysis

# Overview of key players

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## Prominent apartment complexes in Ghana



Oxford Street



Beaufort Ridge



Embassy Gardens



Kwarleys Residence



Iris Apartment



Polo Heights



The Mirage



Villageo Primavera

# Overview of key players

## Food and beverage establishments in Ghana



Buka Restaurant



The Gold Coast Restaurant



Bloombar Ghana



Soho Restaurant



La Tante DC 10



La Brasserie Restaurant



Skybar 25



Azmera Restaurant



Kozo



Capital Café and Restaurant

# Overview of key players

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## Nature and heritage



Kakum National Park



Nini Suhien National Park



Bomfobiri Wildlife Sanctuary



Owabi Wildlife Sanctuary



Cape Coast Castle



Elmina Castle

# Overview of key players

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## Agencies under the Ministry of Tourism



National Theatre of Ghana



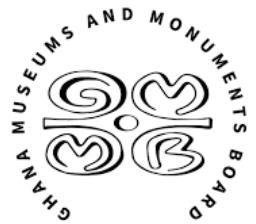
Ghana Tourism Development Ltd



Kwame Nkrumah Memorial Park



W.E.B. Dubios Centre



Ghana Museums and Monuments Board



Creative Arts Agency



Pan African Writers Association

Jumila Ya Waandishi Wa Afrika  
Pan African Writers' Association  
Association Pan Africaine Des Ecrivains  
AssociaCao dos Escritores Pan Africanos  
رابطة الكتاب الافريقيين

# Regulatory framework

Regulatory agency	Scope of activity	Responsibilities	Nature of activity				
			Standard and policy setting	Quality assurance	Policy compliance	Partnerships & competitiveness	Education and training
 <small>MINISTRY OF TOURISM, ARTS &amp; CULTURE</small>	Ministry of Tourism Arts & Culture	General	<p>Responsible for the development and promotion of tourism-related activities in the country.</p> <p>Facilitate the interface between government, implementing bodies in tourism, culture and the Creative Industries as well as international civil society partners.</p>	✓			
	Ghana Tourism Authority	General	Regulate the industry with the sole aim of promoting and marketing tourism both in Ghana and abroad, as well as the publication of tourism publicity .	✓	✓	✓	✓
 <small>NATIONAL COMMISSION ON CULTURE</small>	National Commission on Culture	General	Manage and ensure the implementation of the culture policy and the cultural life of the people of Ghana.	✓	✓	✓	✓

# SWOT analysis

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## Strengths

- Ghana offers exciting and diverse destinations with a budding tourism, culture, and creative arts space for international and domestic tourists.
- The country has a relatively large population at 30.8m, including a significant youth population, with rapidly evolving tastes and preferences which drives local demand.
- Unabated political and social stability which remains favourable, coupled with the practice of market liberalization policies makes for a choice destination for tourists.

## Opportunities

- Ghana's population is expected to grow at a rate of 2% annually. The growth in Ghana's population is expected to be a key catalyst that will drive the local tourism market.
- The current rapid expansion of retail space will foster the development of recreation-related properties such as shopping malls and retail centres.
- The expanding expatriate and high-income consumer base will continue to bolster demand for recreation and tourism.
- There exist opportunities to capitalize the Year of Return event in 2019 to setup tourism campaign in the country.



## Weaknesses

- The poor state of road networks and other infrastructure to tourist sites impede patronage.
- The inadequacy of knowledge and awareness of tourism in Ghana leads to a lack of appreciation of recreation.
- The industry is not insulated against the negative impact caused by global pandemics, as billions of cedis were lost to Covid-19 pandemic due to low patronage of the sector.

## Threats

- A rising number of Covid-19 infections in 2022, could result in strict measures being reimposed to curb the spread of the virus in the country and this will have a negative impact on economic activity and by extension consumers.

# 03

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## Sector opportunities

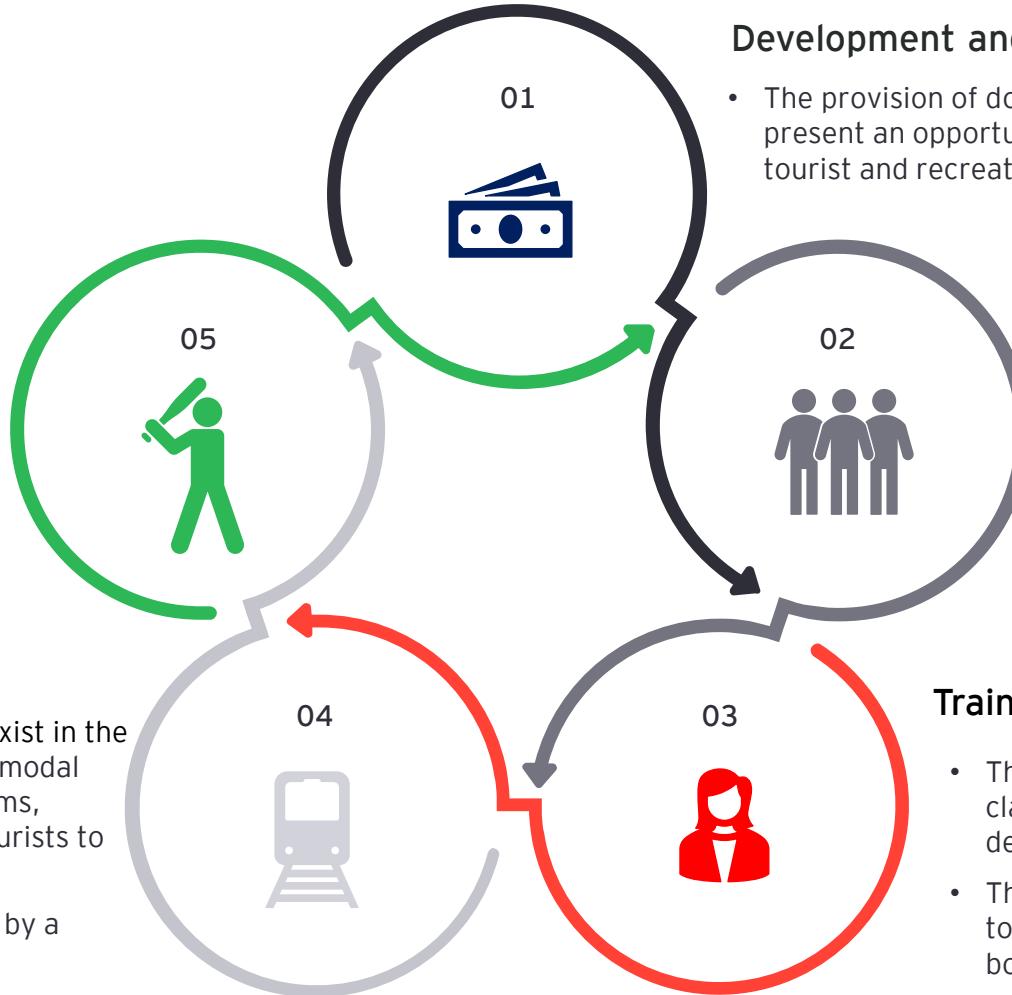
# Sector opportunities

## Development of Sports Infrastructure

- The development of sports infrastructure would also be vital in the development of the sector.
- Since Ghana would be hosting the 13th African Games come 2023, the country is in dire need of an additional sports stadium.

## Development of infrastructure

- Due to inadequate transport infrastructure that exist in the country, there is the opportunity to develop intermodal transportation systems - including light rail systems, extensive road networks and so on - that allow tourists to travel easily to their destinations.
- It also allows for various destinations to be linked by a transport network, also allowing for easy travel.



## Development and funding of tourism projects

- The provision of donor funding and technical assistance present an opportunity to develop new and refurbish existing tourist and recreational destinations and facilities.

## Support for Small and Medium Scale Enterprises (SMEs)

- The tourism industry is labour-intensive and supports a diverse and supports a versatile labour market.
- There are opportunities to set up companies in travel and tours, handicrafts, music and dance, and so on that will create jobs in the industry.

## Training human capital

- The industry presents the opportunity to set up a world-class training institute to provide human capital development.
- This training is necessary for the seamless operation of tourist sites and recreational facilities, as well as boosting the tourist experience.

# 04

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## Key investment considerations

# Key investment considerations



## Investment guarantees and incentives

- Ghana guarantees investments against expropriation and offers free transferability of profits and dividends for foreign investors. In addition, companies in the tourism sector enjoy a corporate tax rate of 22% as against the general rate of 25%, a 10% concessionary rate on imported goods for tourist establishments and import duty exemptions for plant and machinery.

## Growing population

- Ghana's youthful population presents an opportunity for significant economic transformation and growth. The population of 30.8m, expected to grow at a CAGR of 2% in the next ten (10) years, is a key driver for the booming tourism industry as it is expected that there will be surging demand for recreational activities in the Ghanaian market.

## Tourism and transportation

- While several locations in Ghana remain underserved by quality transport networks, the government plans to upgrade its segment of West Africa's second main East-West transport corridor between Abidjan and Lagos by constructing a coastal railway line stretching from its border with Cote d'Ivoire to its western border with Togo.
- Developing the transportation sector is expected boost the tourism industry as it allows individuals to travel easily and seamlessly across the country.

## Ghana's competitive advantage

- The country boasts a stable political environment, coupled with a flourishing business environment partly attributed to an excellent labour force.
- Investing in Ghana provides access to the African market through the African Continental Free Trade Area (AfCFTA), whose secretariat is in Accra

## Investment in tourism-related property development

- Key consideration should be given to opportunities that are available through Joint Ventures (JV) or Public Private Partnerships (PPP) for commercial real estate including offices, hotels, malls, retail shopping malls, entertainment centre, car parks and other related development that support the tourism industry.

# 05

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## Testimonials



## Testimonials

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"We have been in the hotel business in Ghana for almost a decade and during this time, Ghana has been a politically stable, supportive and welcoming place to do business.

Our hotel was built with support of local banks, and we have managed to make significant returns since. The Ghanaian people are very warm and hospitable people, locals and foreign staff have been instrumental in our success story.

Growing investment in Ghana's gold mining, financial and oil sectors, which have made Ghana an investment hub, have boosted demand in tourism sector.

In recent times we have seen growing demand for weekend get-away resorts and out of town vacations within Ghana. The capital city, Accra is bustling with a vibrant night life with restaurants serving diverse cuisines and is increasingly becoming a holiday destination of choice and we recommend that investors take advantage of this."

**Tang Palace Hotel**

# 06

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Contact us

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# 07

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## Appendix



# Appendix I - abbreviations

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AfCFTA	African Continental Free Trade Area
CAGR	Compound Annual Growth Rate
EU	European Union
FDI	Foreign Direct Investment
GDP	Gross Domestic Products
GHc	Ghanaian Cedis
GTA	Ghana Tourism Authority
JV	Joint Venture
MICE	Meetings, Incentives, Conferences, Exhibits
PPP	Public-Private Partnership
SME	Small and Medium-scale Enterprise
Sq.Km	Square Kilometres
US\$	United States Dollar