

# GHANA

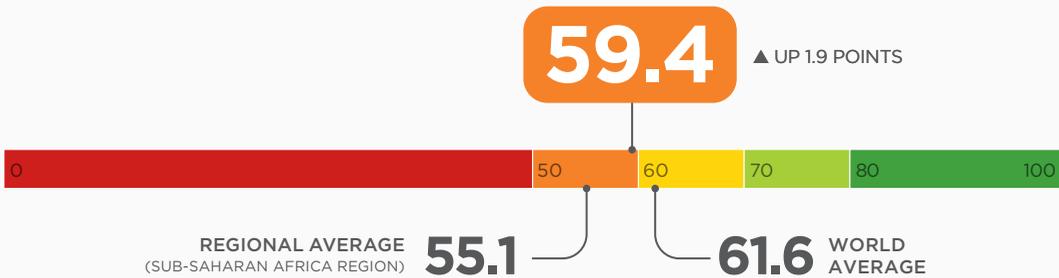
**G**hana's economic freedom score is 59.4, making its economy the 104th freest in the 2020 *Index*. Its overall score has increased by 1.9 point, helped by a higher **fiscal health** score. Ghana is ranked 11th among 47 countries in the Sub-Saharan Africa region, and its overall score is well above the regional average and slightly below the world average.

The Ghanaian economy has been in the mostly unfree category since 2017, although it has been progressing back toward the moderately free ranks for the past two years. An acceleration of GDP growth matches that rise, although much of it derives from the expanding oil and gas sector.

For Ghana to return to the ranks of the moderately free and stimulate growth of the nonoil sector, the government needs to strengthen fiscal health by not contracting additional debt (including from China) and prioritize further improvements in the three rule-of-law indicators: property rights, judicial effectiveness, and government integrity.

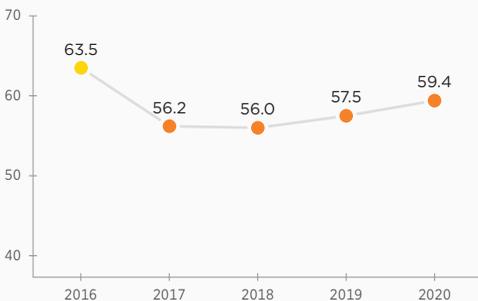
WORLD RANK: **104** | REGIONAL RANK: **11**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.8

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
29.6 million

**GDP (PPP):**  
\$190.7 billion  
5.6% growth in 2018  
5-year compound annual growth 4.5%  
\$6,452 per capita

**UNEMPLOYMENT:**  
6.7%

**INFLATION (CPI):**  
9.8%

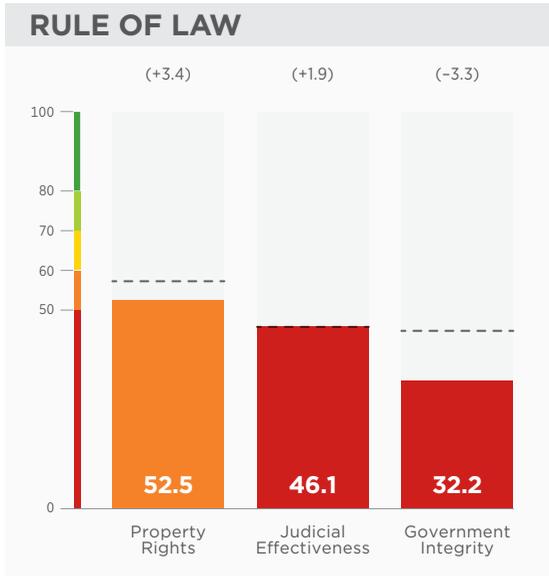
**FDI INFLOW:**  
\$3.0 billion

**PUBLIC DEBT:**  
59.6% of GDP

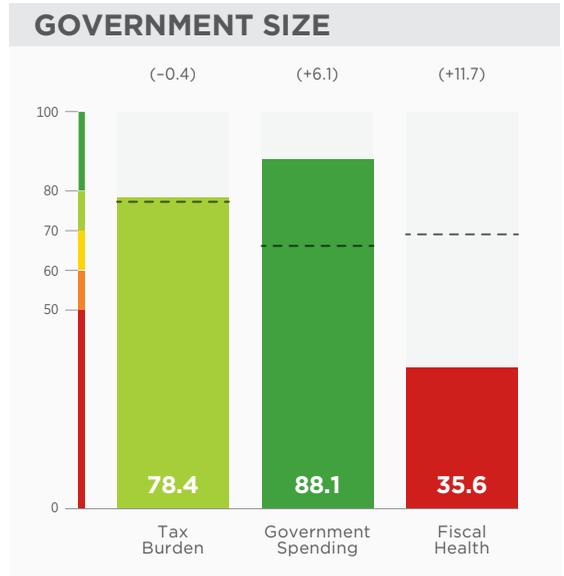
2018 data unless otherwise noted. Data compiled as of September 2019

**BACKGROUND:** Formed from the British colony of Gold Coast and the Togoland trust territory in 1957, Ghana became the first sub-Saharan country to gain its independence. It has been a stable democracy since 1992. In 2016, President John Dramani Mahama of the National Democratic Congress lost his bid for reelection to Nana Akufo-Addo of the New Patriotic Party, marking the third time that the presidency has changed parties since the return to democracy. The long-running and escalating conflict between farmers and herders in Ghana's North mirrors a trend in other parts of West Africa. Ghana is Africa's second-biggest gold producer and second-largest cocoa producer in addition to being rich in diamonds and oil.

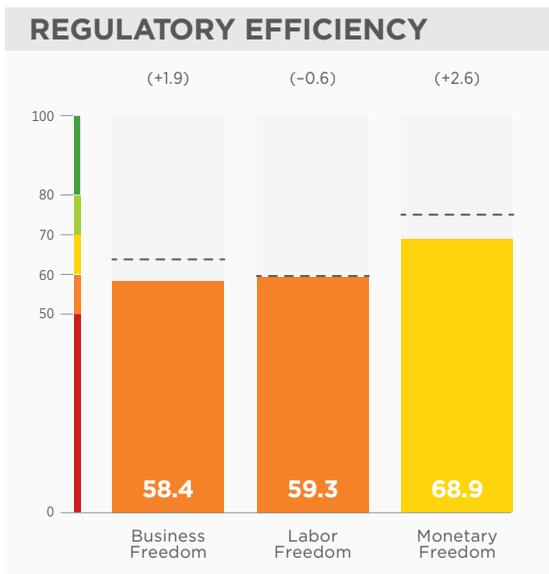
# 12 ECONOMIC FREEDOMS | GHANA



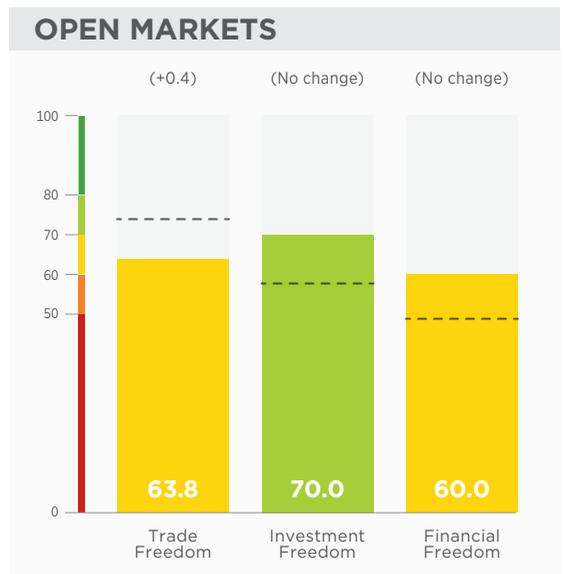
Secured interest in property is recognized and enforced, although the process for getting clear title over land is difficult, complicated, and lengthy. Ghana's legal system is based on British common law and local customary law. Scarce resources compromise and delay the judicial process, and poorly paid judges are tempted by bribes. Corruption, although comparatively less prevalent than elsewhere in the region, remains a serious problem.



The top personal income tax rate has been raised to 35 percent, and the top corporate tax rate is 25 percent. Other taxes include value-added and capital gains taxes. The overall tax burden equals 17.6 percent of total domestic income. Government spending has amounted to 20 percent of the country's output (GDP) over the past three years, and budget deficits have averaged 6.0 percent of GDP. Public debt is equivalent to 59.6 percent of GDP.



Some progress has been made in enabling business success, but financial services, electricity, and water supply remain expensive. The bureaucracy is burdensome. Labor laws are relatively rigid, and child labor remains a severe problem. The government's efforts to restructure its debt-ridden, subsidized, and state-dominated energy sector advanced in 2019 when the Electricity Company of Ghana (ECG) was partially privatized.



The total value of exports and imports of goods and services equals 73.6 percent of GDP. The average applied tariff rate is 10.6 percent, and three nontariff measures are in force. Although the government generally does not discriminate against foreign investors except in key sectors, the overall investment regime lacks efficiency and transparency. The financial sector has undergone restructuring, but access to financing remains limited.