

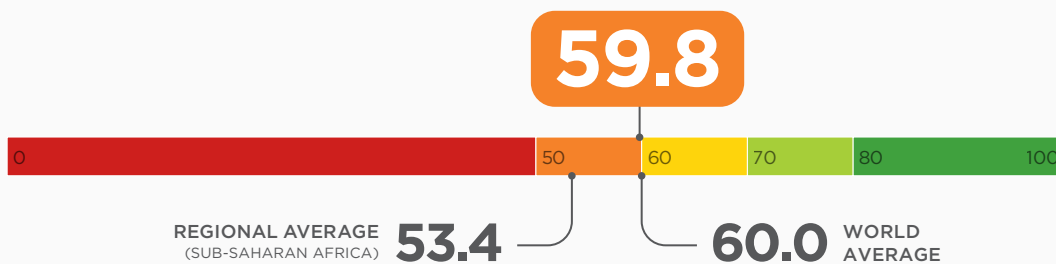
GHANA

Ghana's economic freedom score is 59.8, making its economy the 89th freest in the 2022 *Index*. Ghana is ranked 9th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

Over the past five years, Ghana's economic growth had been decelerating, but it turned upward in 2021. The expansion of economic freedom over the same five years has resumed its upward trajectory. Aided by significantly higher scores for rule of law (**property rights, judicial effectiveness, and government integrity**), Ghana has recorded a 3.6-point overall gain of economic freedom since 2017 and has climbed to the top of the "Mostly Unfree" category. The burden on the economy from taxes and **government spending** is relatively light, but **fiscal health** has collapsed.

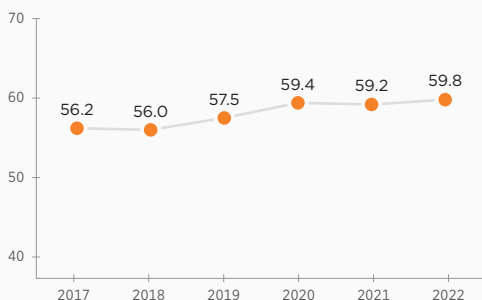
IMPACT OF COVID-19: As of December 1, 2021, 1,209 deaths had been attributed to the pandemic in Ghana, and the government's response to the crisis ranked 99th among the countries included in this *Index* in terms of its stringency. The economy contracted by 0.9 percent in 2020.

ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +4.2

RECENT FREEDOM TREND



QUICK FACTS

POPULATION:
31.1 million

GDP (PPP):
\$175.2 billion
0.9% growth in 2020
5-year compound annual growth 5.0%
\$5,693 per capita

UNEMPLOYMENT:
4.5%

INFLATION (CPI):
9.9%

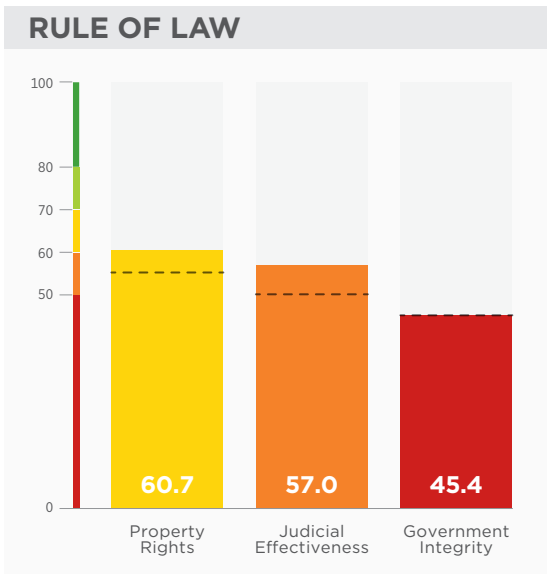
FDI INFLOW:
\$1.9 billion

PUBLIC DEBT:
78.0% of GDP

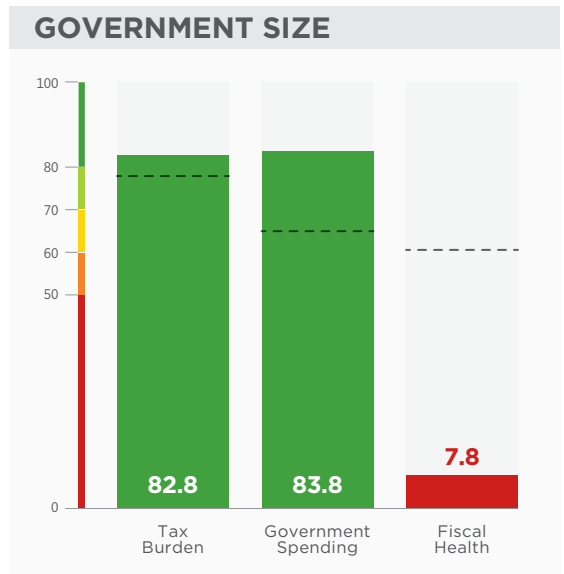
2020 data unless otherwise noted. Data compiled as of September 2021

BACKGROUND: Formed from the British colony of Gold Coast and the Trust Territory of Togoland 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 lost his bid for reelection to Nana Akufo-Addo, who defeated Mahama again in December 2020 elections. Violence following the elections caused the death of at least five people. Akufo-Addo's New Patriotic Party has a one-seat parliamentary majority that is reliant on an independent member of parliament. Ghana is Africa's second-biggest producer of gold and second-largest producer of cocoa in addition to being rich in diamonds and oil.

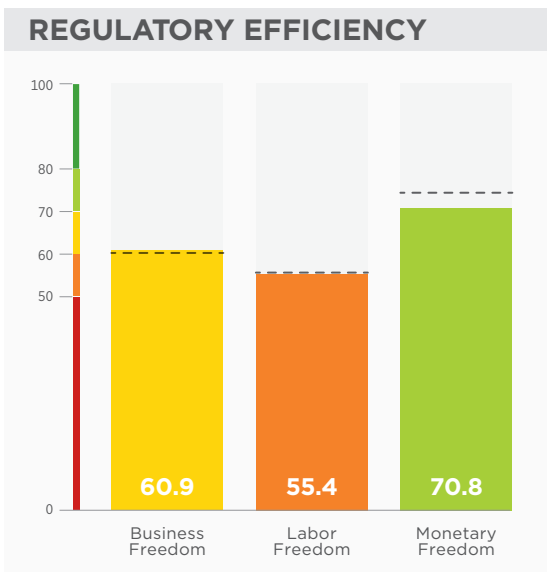
12 ECONOMIC FREEDOMS | GHANA



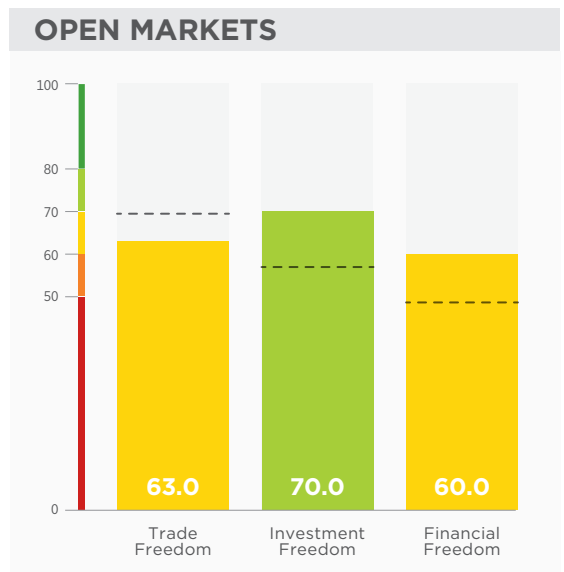
Property rights are recognized and enforced, but the process for getting clear title to land is often difficult, complicated, and lengthy. Ghana's legal system is based on British common law and local customary law. There is a history of government intervention in the court system, which suffers from a lack of training as well as delays and inadequate resourcing. Bribery is most pervasive in the judicial system and across public services.



The top individual income tax rate has been cut to 30 percent, and the top corporate tax rate is 25 percent. Other taxes include value-added and capital gains taxes. The overall tax burden equals 14.1 percent of total domestic income. Government spending has amounted to 23.2 percent of total output (GDP) over the past three years, and budget deficits have averaged 10.1 percent of GDP. Public debt is equivalent to 78.0 percent of GDP.



Electricity is administered through an inefficient state-owned power distribution system. Bureaucracy is onerous, and there is a general lack of government transparency. The fact that about one in three Ghanaians is illiterate limits productivity. The government is trying to divest 27 highly indebted and loss-making state-owned enterprises including the Tema Oil Refinery, Electricity Company of Ghana, and Ghana National Petroleum Corporation.



Ghana has four preferential trade agreements in force. The trade-weighted average tariff rate is 11.0 percent, and five nontariff measures are in effect. The government generally does not discriminate against foreign investors except in key sectors, but the overall investment regime lacks efficiency and transparency. The financial sector has undergone restructuring, but access to financing remains limited.