

NOW IS THE TIME TO INVEST IN GHANA

Ghana is a country rich in resources with promising emerging markets globally. Strategically located between both the eastern and western hemisphere, bordered by 3 countries, Burkina Faso, Cote d'Ivoire and Togo, and the Atlantic Ocean. Ghana has become an attractive investment location due to its wealth of natural resources, stable governance and excellent air and sea connections with Europe, USA and Asia.

Ghana offers foreign investors with an array of opportunities in all sectors. However, the agricultural, construction, industrial, energy, tourism and telecommunications sectors are leading in growth potential. The government has also done its best to facilitate and make doing business in Ghana conducive for foreign investors. There are many outstanding reasons for investing in Ghana.

First of all, Ghana is endowed with agricultural wealth such as cocoa and timber. The country has about 69% of its land area suitable for agriculture. The Northern parts of Ghana alone have about 6.1 million hectares of arable land with only 1.5 million hectares being used. A high rate of returns coupled with the growing demand for agricultural produce, makes Ghana a lucrative investment hub for foreign investors. Besides agricultural wealth, Ghana is also endowed with mineral resources. Among them are gold, manganese, aluminium, bauxite and petroleum as its major sources of foreign exchange.

Another good reason one should consider is Ghana's political and macro-economic environment. The Republic of Ghana has a stable political environment with plentiful supply of semi-skilled and unskilled labour. On average, labour cost is \$2.91 per day, lower than one-third cost of labour in Europe, USA and even China. Ghana is ranked 7th in the annual index of African Governance Report. It was also named the 4th best place to invest in Africa, as a result, attracting the highest amount of Foreign Direct Investment (FDI) in 2015, overtaking countries such as Kenya, Nigeria, Tanzania, Cote d'Ivoire and Algeria. A number of reports have also stated Ghana as amongst the top ranking with respect to ease of doing business.

The Ghanaian government has also introduced a number of significant initiatives for the private sector; one district, one factory; one village, one dam; planting for food and jobs, and tax reliefs. All these among others are geared towards improving the livelihood of Ghanaians by creating jobs and facilitating development as well as making the country conducive for foreign investment. Tax reliefs and pro-investment initiatives include a 0% tax on all investment income for 5 years where losses can be carried forward for additional 5 years and 100% investment proceeds can be repatriated out of the country with no restrictions just to name a few. In recent years, the government has either cut or abolished certain taxes. The 1% special import levy, excise duty on petroleum, duty on importation of spare parts, 17.5% VAT/NHIL in

financial services and imports on selected medicines not produced locally have all been abolished whereas the 17.5% special petroleum tax has been reduced to 15%.

Ghana's rapidly growing sectors, coupled with government initiatives geared towards facilitating foreign investment, makes now the best time to invest in Ghana. This article offers limited insights into why Ghana is a lucrative destination for foreign investment. It should however urge investors to find out more about this statuesque country.

Written by

Lucille Abruquah

International relations

CERATH investments.

labruquah@cerathinvestments.com