

# GHANA

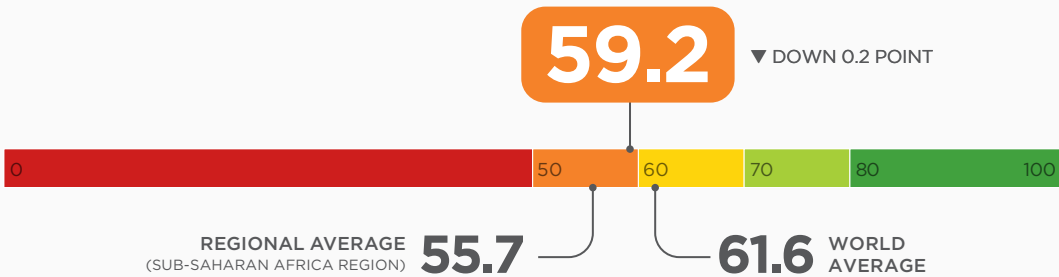
**G**hana's economic freedom score is 59.2, making its economy the 101st freest in the 2021 *Index*. Its overall score has decreased by 0.2 point, primarily because of a decline in **judicial effectiveness**. Ghana is ranked 11th among 47 countries in the Sub-Saharan Africa region, and its overall score is above the regional average but below the world average.

The Ghanaian economy remains in the mostly unfree category for the fifth year in a row. For Ghana to return to an upward trajectory toward greater economic freedom, the government would have to strengthen fiscal health and prioritize further improvements in the three rule-of-law indicators: property rights, judicial effectiveness, and government integrity.

**IMPACT OF COVID-19:** As of December 1, 2020, 323 deaths had been attributed to the pandemic in Ghana, and economic growth was forecast to decline to 0.9 percent for the year.

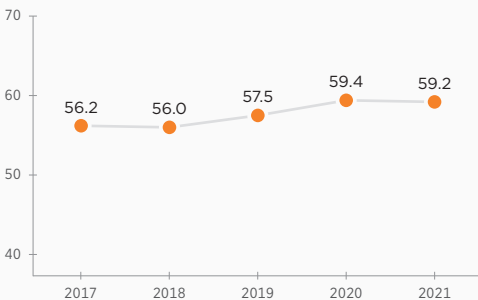
WORLD RANK: **101** | REGIONAL RANK: **11**  
 ECONOMIC FREEDOM STATUS: **MOSTLY UNFREE**

## ECONOMIC FREEDOM SCORE



HISTORICAL *INDEX* SCORE CHANGE (SINCE 1995): +3.6

## RECENT FREEDOM TREND



## QUICK FACTS

**POPULATION:**  
30.4 million

**GDP (PPP):**  
\$204.8 billion  
6.1% growth in 2019  
5-year compound annual growth 5.2%  
\$5,637 per capita

**UNEMPLOYMENT:**  
4.3%

**INFLATION (CPI):**  
7.2%

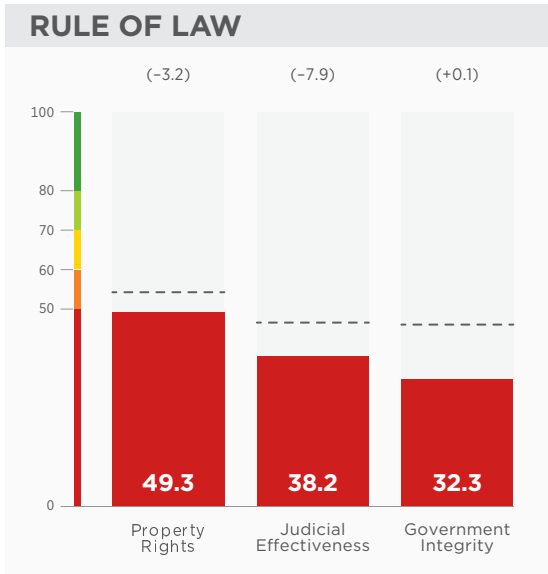
**FDI INFLOW:**  
\$2.3 billion

**PUBLIC DEBT:**  
63.2% of GDP

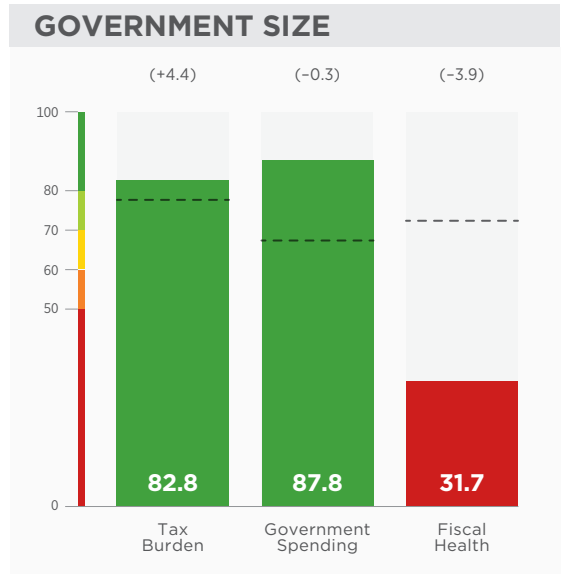
2019 data unless otherwise noted. Data compiled as of September 2020

**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. The two were scheduled to face each other again in December 2020 elections. 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 producer of gold and second-largest producer of cocoa in addition to being rich in diamonds and oil.

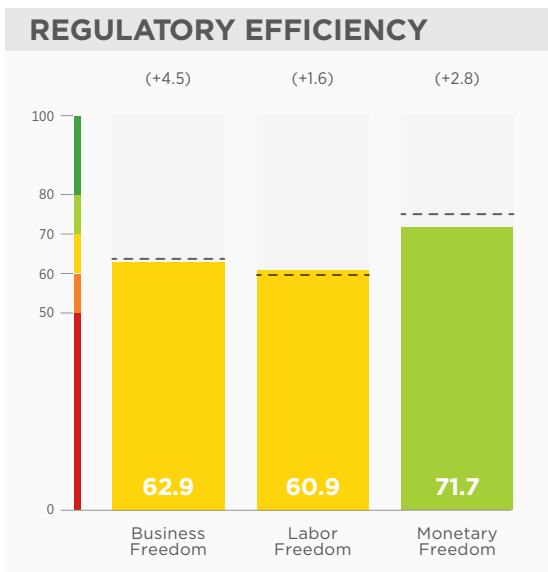
# 12 ECONOMIC FREEDOMS | GHANA



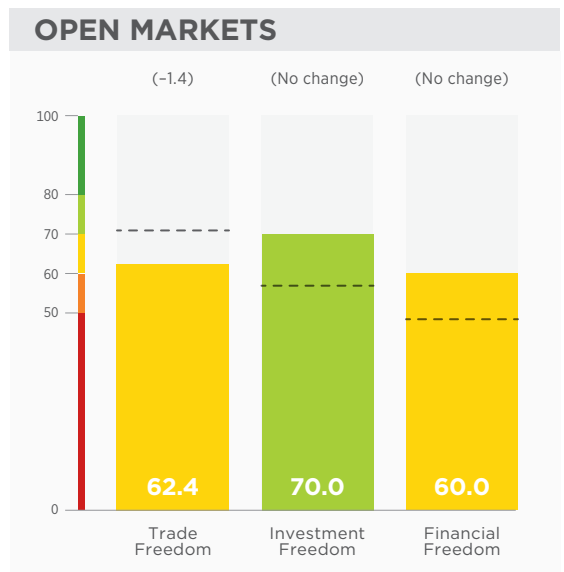
Property rights are recognized and enforced, but the process for getting clear title to land is often difficult, complicated, and lengthy. Scarce resources compromise and delay the judicial process, and poorly paid judges can be tempted by bribes and are vulnerable to political pressure. Notwithstanding a robust anticorruption legal framework, enforcement remains a major challenge. Corruption is pervasive in government institutions.



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 20.2 percent of total output (GDP) over the past three years, and budget deficits have averaged 6.1 percent of GDP. Public debt is equivalent to 63.2 percent of GDP.



The review process for getting electricity has been streamlined, and equipment needed for new electricity connections is now more readily available. Labor force participation and value added per worker have increased. The state-owned Electricity Company of Ghana (ECG) provides subsidies. The partial privatization of ECG was reversed by the government in late 2019.



Ghana has three preferential trade agreements in force. The trade-weighted average tariff rate is 11.3 percent, and five nontariff measures are in effect. Ghana is more open to foreign investment and ownership than some other sub-Saharan African countries are, but investment in some sectors is restricted. The financial system has undergone restructuring, and the supervisory framework is relatively strong. Bank credit to the private sector has increased.