

Ghana's Recreation and Tourism Sector Report

November 2022



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Ghana

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01

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

2nd largest economy in West Africa <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Ghana was the largest (No.1) producer of gold in Africa and 6th 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Ghana is ranked the second most peaceful country in Africa and the 38th 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> 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 <ul style="list-style-type: none"> Ghana is endowed with vast arable lands rich in agriculture. In 2020, Ghana was the 2nd largest producer of cocoa in the world, the 4th 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.

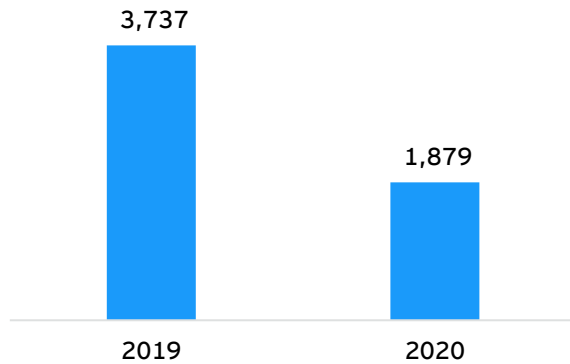
02

Sector overview

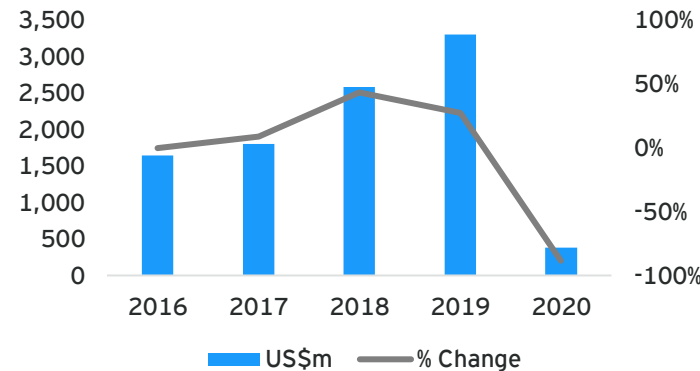
Sector overview

- 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



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

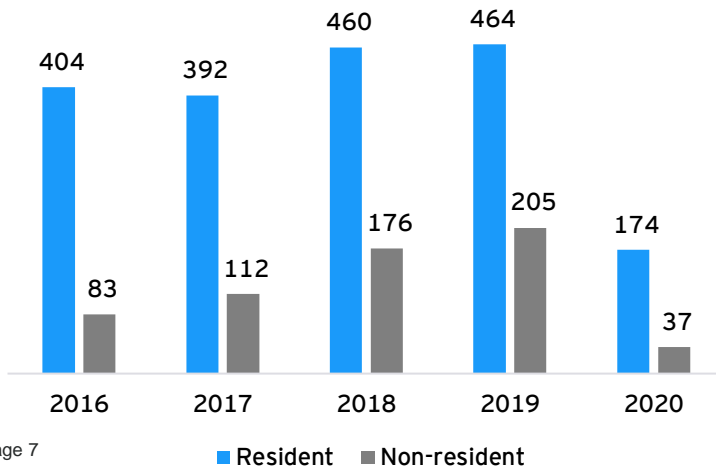
34,678 people



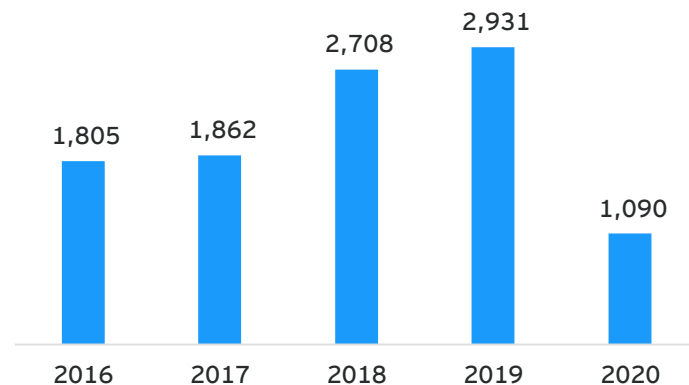
Elmina Castle

23,193 people

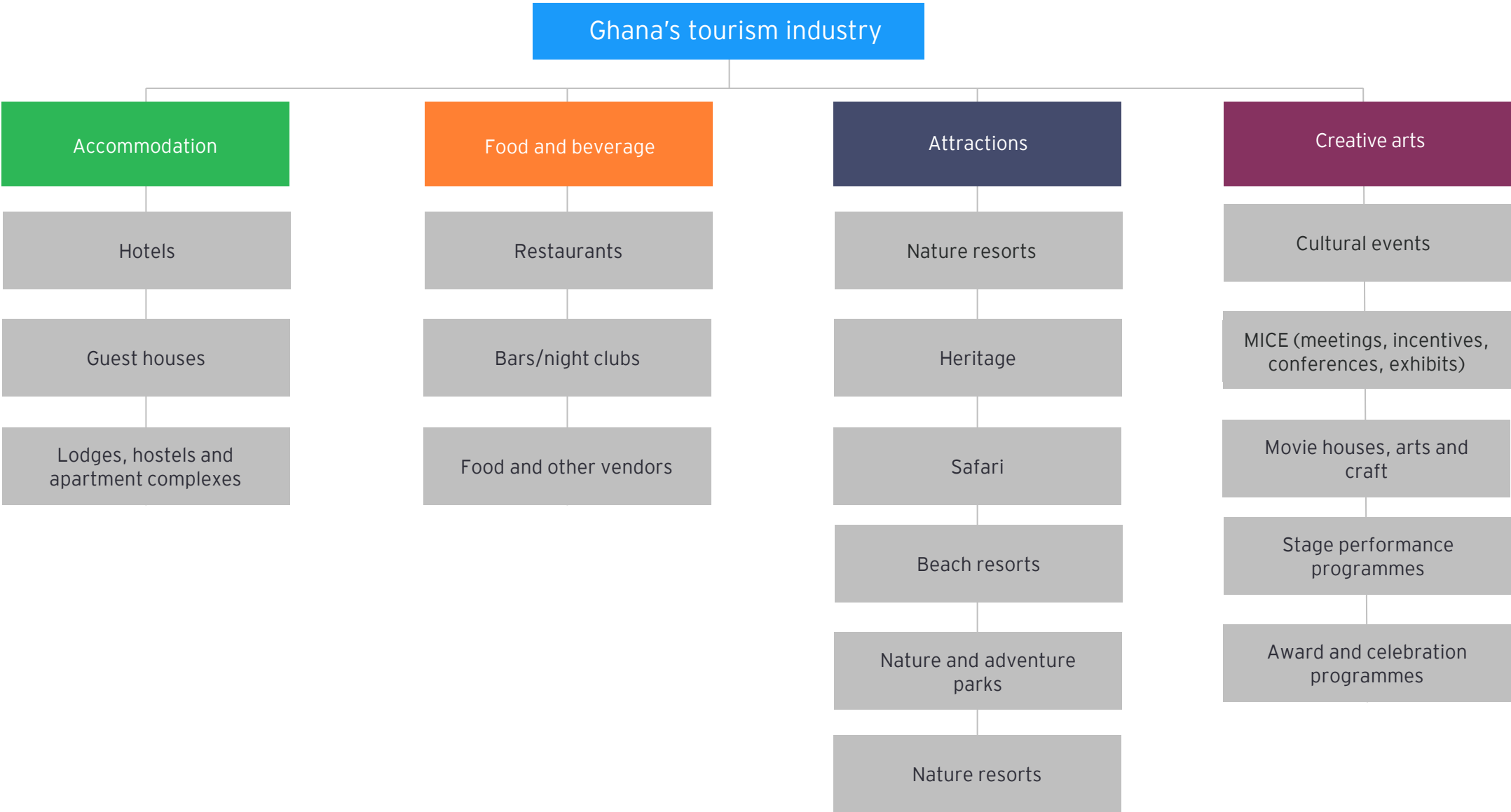
Arrivals at tourist attractions (000's)



Average tourist expenditure (US\$m)

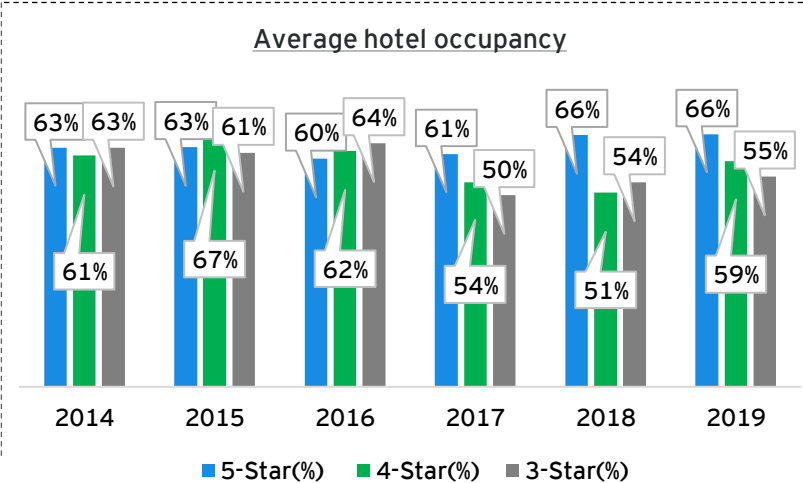
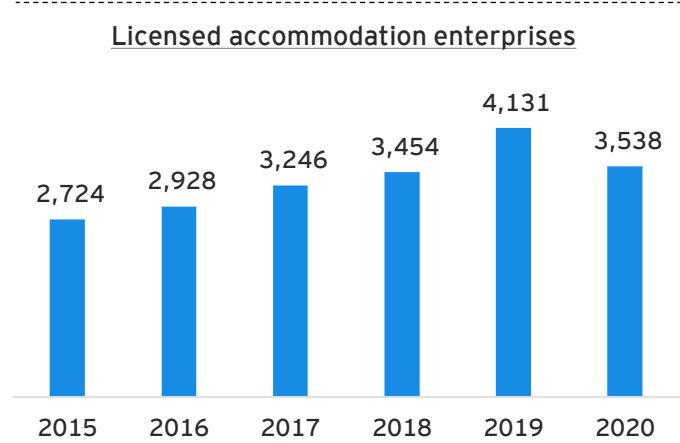
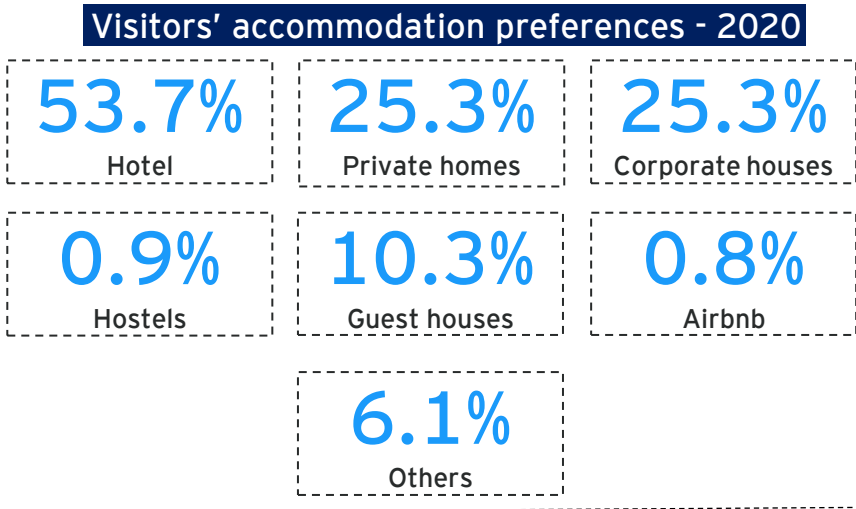
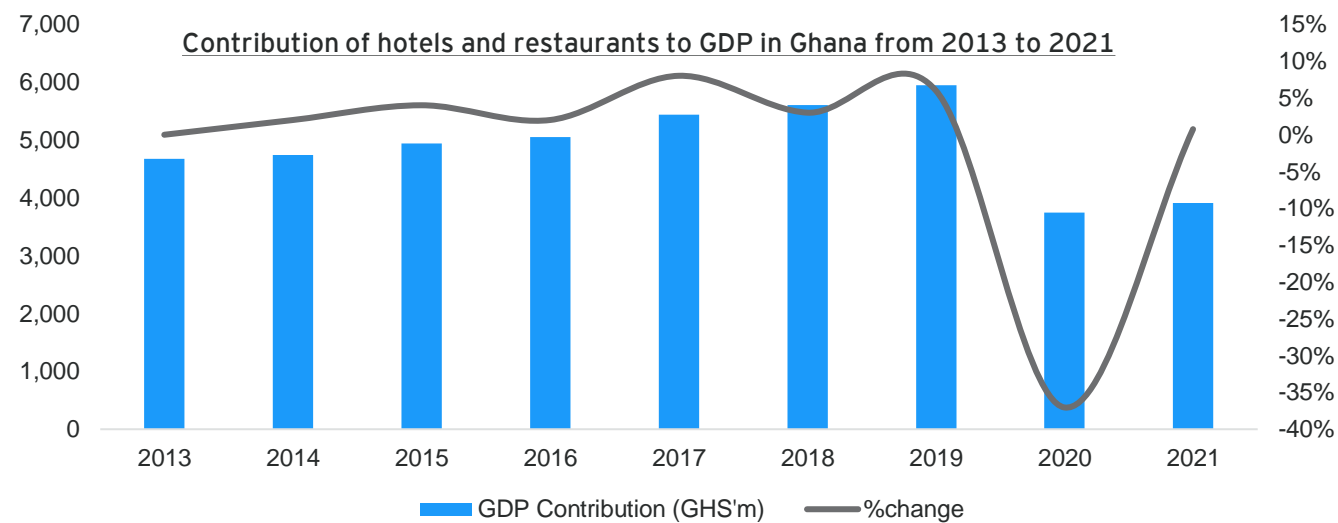


Sector overview - Composition



Sector overview - Accommodation

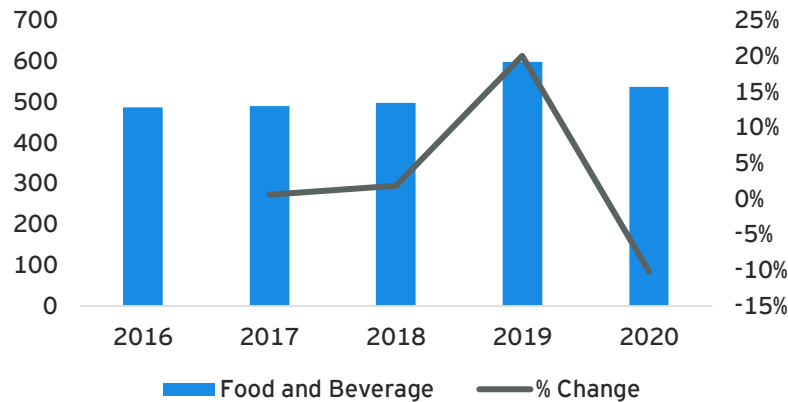
In 2021, hotels and restaurants in Ghana contributed around GH¢3.9b (approximately US\$640b) to the country's Gross Domestic Product (GDP).



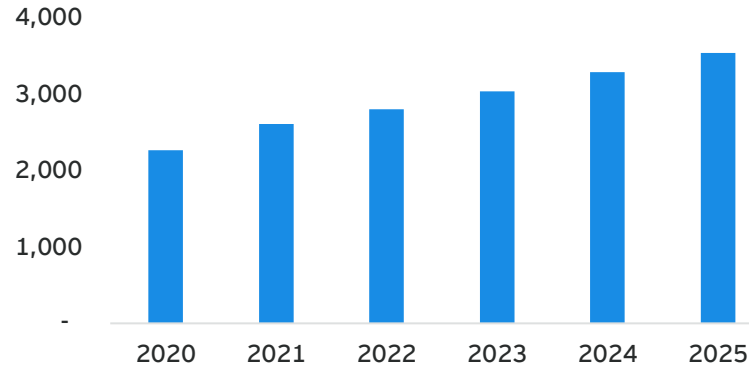
Sector overview - Food and beverage

- 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.

Number of licensed food and beverage enterprises



Consumer spending (eating-out US\$m)



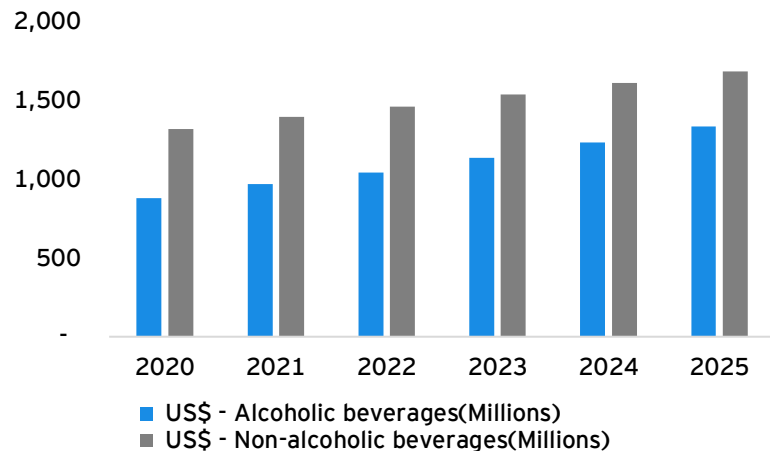
Food industry



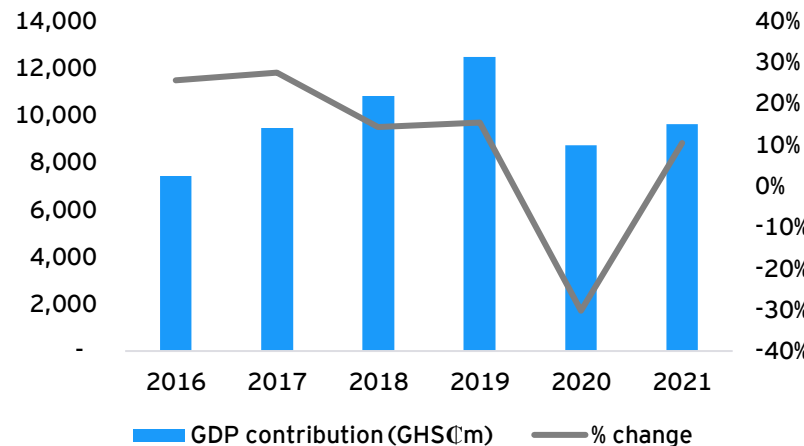
Beverage industry



Total consumer spend - drinks (US\$m)



Contribution of hotels and restaurants to GDP



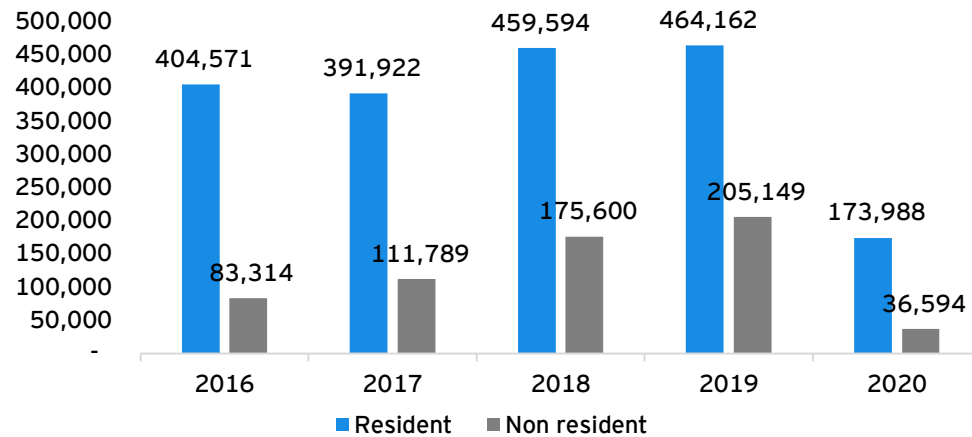
Some restaurants in Ghana



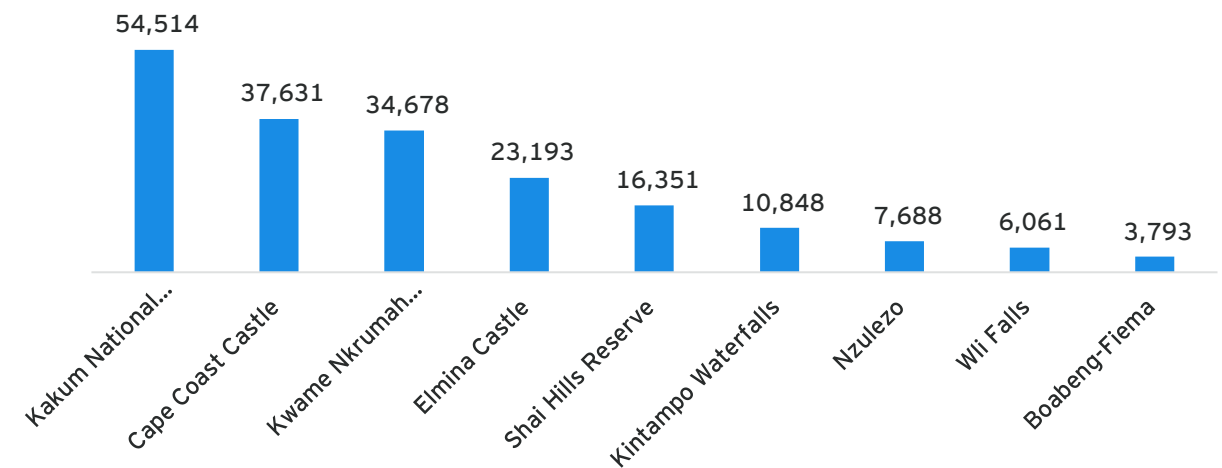
Sector overview - Attractions

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.

Number of arrivals at tourist attraction 2016 - 2020



Leading tourist attraction by number of visits - 2020



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



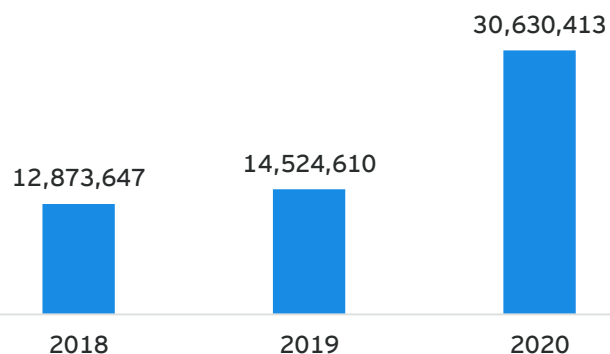
Heritage

Busua Beach
White Sands Beach
Ada Foah Beach
Elmina Beach

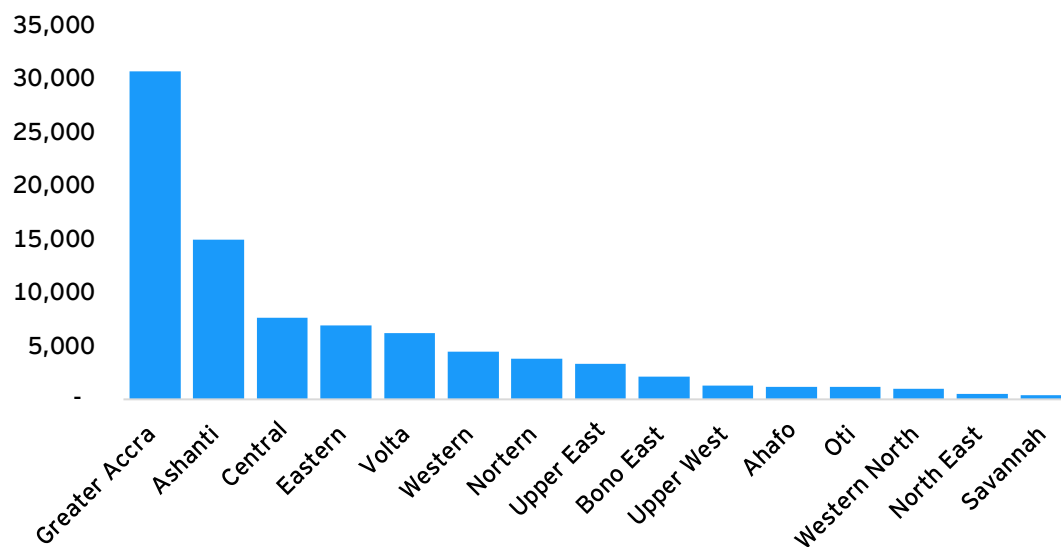
Sector overview - Creative arts

- 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



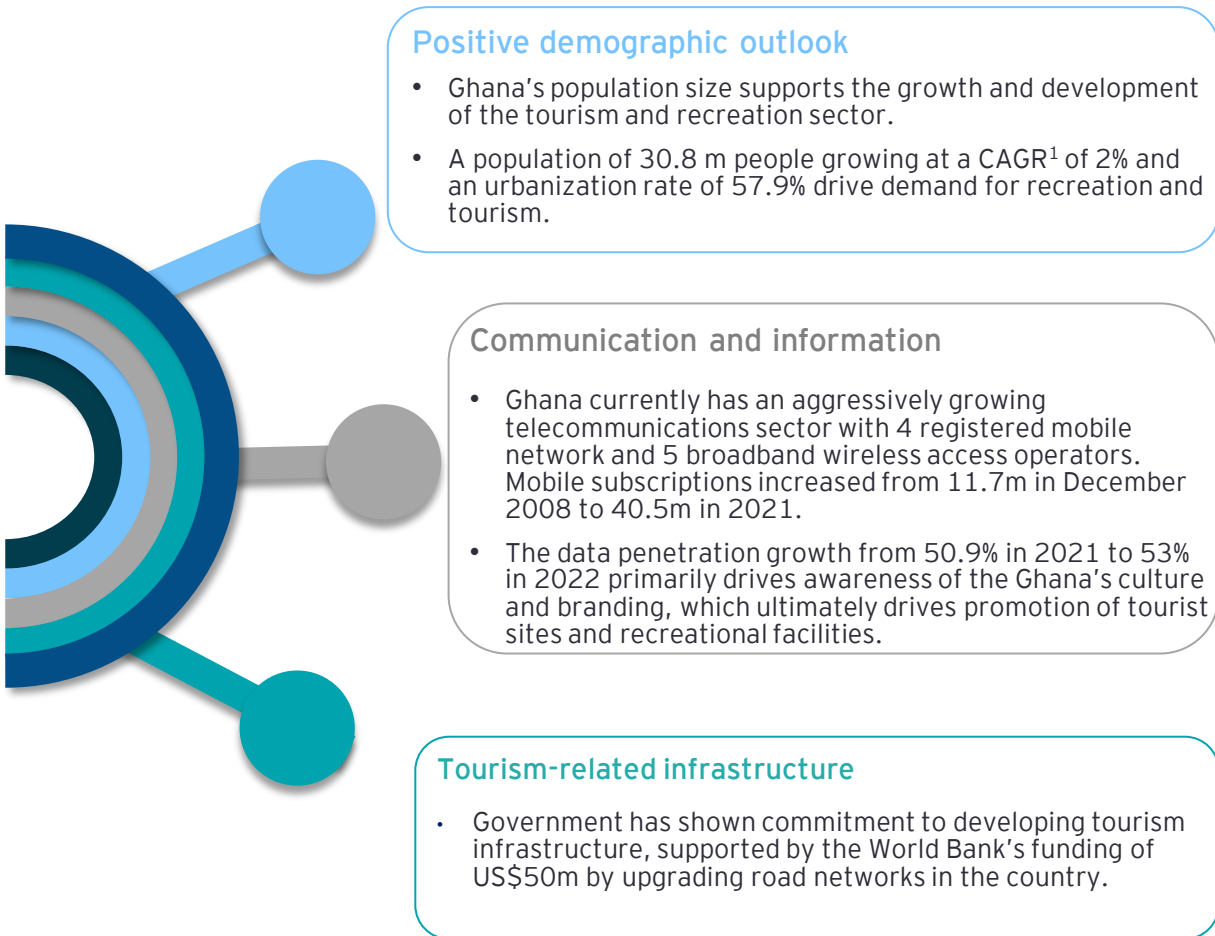
Government budgetary allocation to creative arts

GHC45.8m
2020

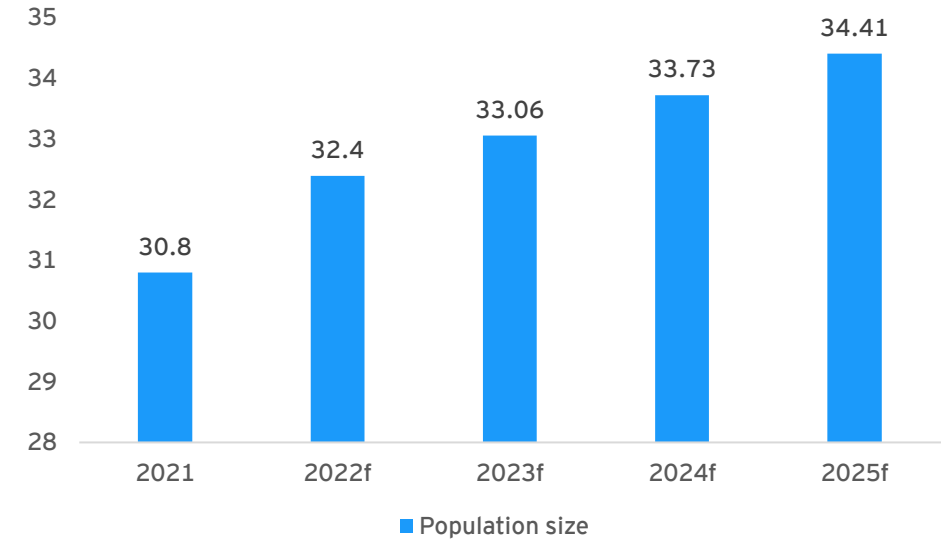
GHC39.1m
2019

Source: Ghana Export Promotion Authority, Statista

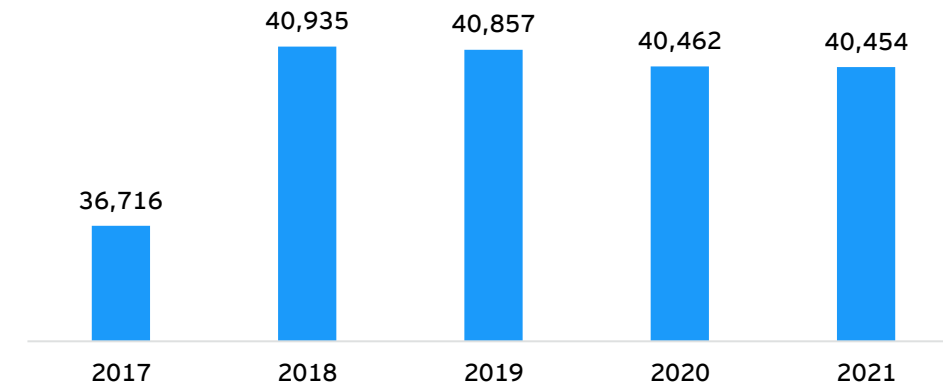
Demand drivers



Population growth trend ('millions of people)*



Total cell phone subscribers in 000's



*Rounded to the nearest million

¹Compound 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.

Overview of key players

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

Prominent apartment complexes in Ghana



Oxford Street



Beaufort Ridge



Embassy Gardens



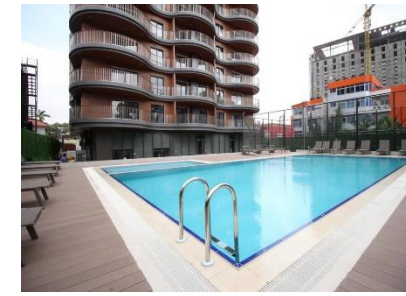
Kwarleys Residence



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

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

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

Regulatory framework

	Regulatory agency	Scope of activity	Responsibilities	Nature of activity				
				Standard and policy setting	Quality assurance	Policy compliance	Partnerships & competitiveness	Education and training
	Ministry of Tourism Arts & Culture	General	Responsible for the development and promotion of tourism-related activities in the country.	✓				
			Facilitate the interface between government, implementing bodies in tourism, culture and the Creative Industries as well as international civil society partners.					
	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 .		✓	✓	✓	✓
	National Commission on Culture	General	Manage and ensure the implementation of the culture policy and the cultural life of the people of Ghana.		✓	✓	✓	✓

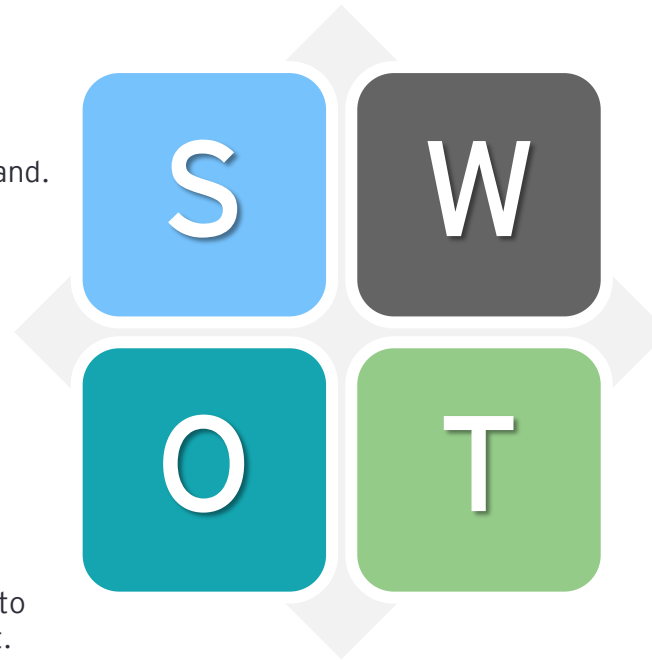
SWOT analysis

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.

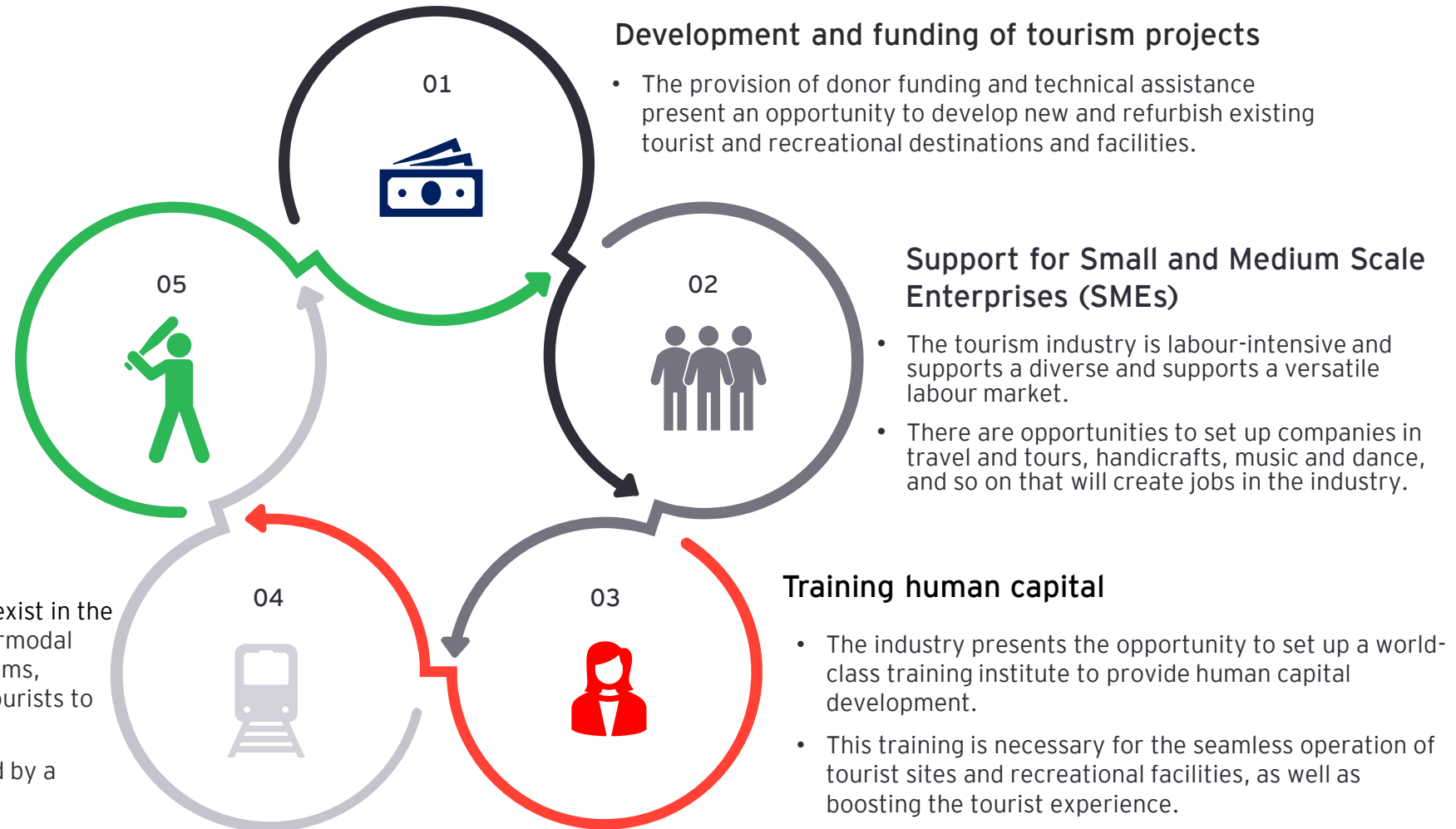
Threats

- 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

Sector opportunities

Sector opportunities





04

Key investment considerations

Key investment considerations



A man and a woman are sitting at a desk, looking at a laptop. The man is on the left, wearing glasses and a green jacket. The woman is on the right, with curly hair, wearing a white top and several bracelets. They are both smiling and looking at the laptop screen. There are papers and a keyboard on the desk. The background is a blurred office setting with a window and some artwork.

05

Testimonials

Testimonials

"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

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Contact us

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07

Appendix

Appendix I - abbreviations

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