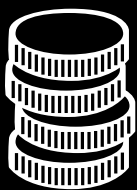


# Tax reform in Ghana: Lowering barriers to mobile access and affordability

Mobile delivers the most affordable means of accessing the internet in Ghana, but taxes raise barriers to affordability.



Mobile services connect half of Ghana's population and deliver widespread social and economic benefits. Supported by a competitive and innovative marketplace and the government's broadband agenda, mobile operators deliver the most affordable means of accessing the internet in Ghana. With the Ministry of Finance's recent decision to exempt import duties on smartphones, access to the next wave of mobile services is set to become a reality for a greater number of Ghanaians.



## Continued enactment of supportive policies by the government and release of additional spectrum will help the industry drive economic growth and digital inclusion.

A recent study on mobile taxation conducted for the GSMA by Deloitte assesses the economic impact of mobile taxation, identifies priorities for policy change and quantifies the potential socio-economic benefits of reduced mobile taxation<sup>1</sup>.



Rebalancing taxes on mobile would support the Ghanaian government's objective of digital inclusion described in its 2010-2016 growth agenda, while enabling the government to recover revenues thanks to additional GDP growth and mobile usage. The government could consider rebalancing taxes towards goods and services that do not deliver positive benefits for wider society. In particular:

- Reducing mobile taxation enhances mobile affordability and access to mobile services, helping meet the government's objective of making affordable broadband available to every Ghanaian by 2020.
- Removal of the 20% customs duty on smartphones is expected to promote mobile internet access, but removal of customs duties on all types of handsets could have an even greater impact, leading to an additional 3 million handset purchases.
- Eliminating the Communications Services Tax on mobile data and reducing it by half on other mobile services could enable an additional 1.3 million mobile connections, the majority of them 3G.
- If customs duties on network equipment were removed, further investment in networks in remote areas would become more viable for mobile operators.
- Removing the Surtax on International Incoming Traffic (SIIT) would enable greater communication beyond Ghana's borders. 226 million international incoming minutes per year may be lost due to the SIIT<sup>2</sup>.
- Removal of barriers to infrastructure development and the release of Digital Dividend spectrum to mobile will stimulate investment in mobile broadband services in Ghana.

1. GSMA/Deloitte (2015), "Digital inclusion and mobile sector taxation in Ghana".  
2. One mobile operator identified a 35% decrease in international call minutes terminated on its network just five months after the introduction of the SIIT, as reported in GSMA/Deloitte (2014), "Surtaxes on International Incoming Traffic in Africa" [http://www.gsma.com/publicpolicy/wp-content/uploads/2012/03/Surtaxes\\_on\\_International\\_Incoming\\_Traffic\\_in\\_Africa\\_EXSUM\\_WEB.pdf](http://www.gsma.com/publicpolicy/wp-content/uploads/2012/03/Surtaxes_on_International_Incoming_Traffic_in_Africa_EXSUM_WEB.pdf)

