

Ghana bans 'invader' traders from streets

Ghana is banning foreigners from operating in its informal retail business sector, giving them until 21 June 2012 to close shop.

The West African country's traders have for years complained about Chinese, Indian and Nigerians "invading" their economy.

Trade and Industry minister Hannah Tetteh said yesterday [6 June 2012] she was invoking the Investment Promotion Cent Act of 1994 which reserved hawking, selling from a kiosk and other small-scale businesses for Ghanaians.

She repeated that small-scale retailing was "specifically reserved" for Ghanaians and warned foreigners to "back off".

Tetteh said she had established a task force to check on the nationality of all traders, and urged foreigners to shut shop before the 21 June deadline or face the consequences.

"For those that have not complied with the directive, they will be asked to shut their stores and to take steps to move out," Tetteh said. Her ministry would liaise with the Ghana Investment Promotion Centre to withdraw the permits of recalcitrant traders.

George Ofori, president of the Ghana Union Traders Association, welcomed Tetteh's position and said it would boost the confidence of local retailers.

"The issue has to do with the Ghana Investment Promotion Centre laws, so the minister is actually making sure that people who flout our laws with impunity are brought to book and I believe that is welcoming news," he said.

Minimum equity capital of 10 000 is required from any foreign investor entering into a partnership with a Ghanaian in any area of economic activity, except for trading, where the minimum equity capital requirement is 300 000.

Wholly foreign-owned enterprises must have a minimum capital of 50 000 for all areas of economic activity except import trading, where the minimum capital required is also 300 000.

Several South African companies operate in Ghana, but they are not affected by the regulations. Shoprite is active in the country, and Mr Price plans to open its first store this month.

MTN's products are extremely popular among foreign traders operating on the pavements and in the markets.