

MTN commits to \$1bn Ghana investment after government scraps tax claim

The MTN Group will invest \$1bn in Ghana over the next five years, the mobile operator said on Wednesday, 15 February, after the government exempted its Ghanaian unit from tax claims worth about \$773m.



Customers are seen at an outlet of South Africa's MTN Group at the Mall of the South in Johannesburg, South Africa on 4 November 2022.
Reuters/Siphiwe Sibeko

The investment comes on the heels of the Ghana Revenue Authority exempting the company's bill for back taxes earlier this month after the incident sparked a diplomatic reaction by the South African foreign minister.

The tax claim was initially issued after the revenue authority audited the company for the years 2014 to 2018 and inferred that it under-declared its revenue by about 30% during the period.

MTN chief executive officer Ralph Mupita said the company was committed to investing in Ghana despite short-term headwinds.

"To be sure, macro-economic conditions are very challenging in the near term. That said we are focused on the medium

and long term and we are seeing growth," he said in a statement.

MTN intends to invest the amount in 5G technology which it believes would spur faster growth across sectors, he said.

One of the largest economies in Africa, Ghana is reckoning with its worst economic crisis in a generation as capital outflows, a crushing debt-service burden and rapid currency depreciation wreak havoc on government and household finances.

Its consumer inflation slowed slightly to 53.6% year-on-year in January from a more than two-decade high of 54.1% in the previous month, data showed earlier on Wednesday, 15 February.

ABOUT THE AUTHOR

Reporting by Nellie Peyton and Bhargav Acharya; editing by Promit Mukherjee, Kirsten Donovan.

For more, visit: <https://www.bizcommunity.com>