

EDITORIAL

BARACK OBAMA'S VISIT TO GHANA:

The Economic Implications

The visit of the first black American to Ghana marks an important milestone in the history of the country. This is for three reasons. First, he is the first American President of African descent and so many Africans view him as 'one of their own'. Second, this is the first visit that President Barack Obama is making to Sub-Saharan Africa. Third, the visit is being made at a time when the President has been in power for just about six months, and the economy of the United States of America, the most powerful nation, remains in recession.

There is no doubt that the visit has an 'African agenda'. Jonnie Carson, the Assistant Secretary of State for African Affairs, explains that one of the reasons why President Obama chose Ghana is because it serves as a good example of the 'power of democracy' for all Africa. Furthermore, he explains that the visit in part acknowledges Ghana's success and progress on both economic and political fronts. The question being asked by many is whether this historic visit will translate into economic gains for



Ghana. The economic benefits of the visit can be looked at from two perspectives. There are direct economic gains that could come from increased US aid to Ghana. This is in addition to benefits that could accrue to individuals in less direct forms from the sale of all sorts of regalia. In relation to this latter form of benefit can be included the expected increase in gains by the country's tourism industry.

president Obama's visit is the third by a US president to Ghana. This historic visit will, in particular, go a long way to cement and boost US Ghana relations, and help to promote Ghana's image as a politically safe place for international business.

Already there are indications that FDI flows to Ghana have been favourable this year. The Ghana Investment Promotion Council (GIPC) reports that the total new investments for the first quarter of 2009 amounted to US\$372.32 million, comprising US\$363.34 million worth of re-investments (capital goods imported) and US\$8.98 million equity transfers for new projects registered. This reflects an increase of 45.1% over the total new investments for the corresponding quarter in 2008. This in part can be attributed to the efforts being made by the Government to restore stability and confidence in the economy.

With regard to tourism, the African American community in Ghana celebrates events which originate from the black diaspora, such as the Black History Month and 'Juneteenth' in Ghana. In 1999, Ghana was the venue for the Africa African American summit which attracted more than 3500 delegates and 19 nations, including some 1000 African Americans. Furthermore, in 2001 the parliament of Ghana passed legislation, 'The Right to Abode Act' which allows persons of African descent in the Diaspora to live and work in Ghana indefinitely. The symbolic return of the mortal remains of two slave ancestors back to Ghana through the 'door of no return' of the Cape Coast Castle, the introduction of the Pan African Historical

Theatre Festival (PANAFEST) and the Emancipation Day underpins Ghana's position as a destination for the black diaspora.

In addition, The Africa's Golden Gateway Project in Washington aimed at stepping up Ghana's efforts at attracting American investors and tourists, the 'Joseph Project' to encourage African Americans to return to the homeland to reconnect with their roots, and President Obama's choice of visiting the Cape Coast Castle with his African American wife, creates huge opportunity for the promotion of 'Roots Tourism' in Ghana.

It should be noted that, blacks of African ancestry form about 13% of the American population, and represent a growing population in both numeric and economic power.

Ghana should take advantage of Obama's visit to reach out to African Americans. It is therefore, imperative for Ghana to recognize the African American as a niche and design proper marketing activities to position herself in the minds of African Americas.

As Kenya capitalizes on her Game parks to attract tourists, and Egypt uses her pyramids, to effectively position herself as 'the cradle of civilization' so Ghana must differentiate and position herself to take advantage of its political stability, rich history and cultural treasures to make gains necessary for economic growth.

Truly, Ghana must differentiate and position herself to permanently reap continuing economic gains from Obama's visit.