Required Report: Required - Public Distribution

Date: May 09, 2023

Report Number: GH2021-0014

Report Name: Exporter Guide

Country: Ghana

Post: Accra

Report Category: Exporter Guide

Prepared By: Stella Nyarko

Approved By: Robert Tuebner

Report Highlights:

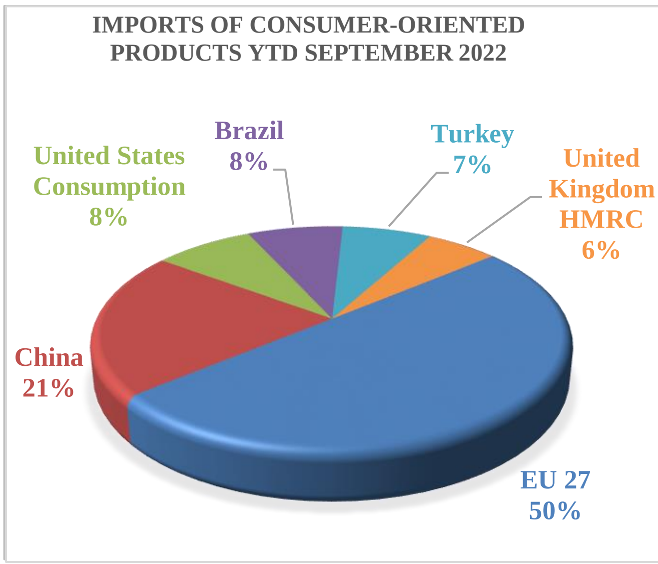
Ghana's economic growth was significantly impacted by the COVID-19 pandemic and the war in Ukraine. Following the pandemic-induced slowdown, economic recovery was expected to grow in 2022 to 5.5 percent. However, recent economic shocks caused the Ghanaian Cedi to depreciate, prompting the Government of Ghana (GOG) to seek assistance from International Monetary Fund (IMF) to restore macroeconomic stability and boost reserves. Despite these setbacks, Ghana remains one of sub-Saharan Africa's fastest- growing economies with a population of about 32 million. In 2021, Ghana imported about $3.2 billion in agricultural and related products. Imports from the United States totaled $155.5 million.

Executive Summary

The value of Ghana's agricultural and related imports was $2.4 billion as of September 2022, a decrease of about 11 percent compared to September 2021. Ghana's market is relatively advanced compared to many others in Africa. Ghana's economy is highly dependent on exports of primary commodities such as gold, cocoa, and oil. Principal agricultural exports are cocoa, timber, horticultural products, and fish/seafood. Principal agricultural imports include wheat, rice, chicken (frozen), prepared food, soybeans, dairy products, and fish.

Imports of Consumer-Oriented Products

Externally sourced consumer-oriented products dominate the Ghanaian market. Among the major source countries are China, Brazil, EU 27, United States, Turkey & UK.



Food Processing Industry

Food processing is still underdeveloped, with less than 200 agro-processing firms registered and certified to operate by the Food and Drugs Authority. Even though demand for processed foods continues to grow, inefficient production coupled with inadequate quality of local raw materials preclude the development of a viable processing industry. The local food processing industry accounts for less than 30 percent of all sourced processed foods on the market. Retail outlets stock lots of processed foods because of growing demand, changing eating habits and diets of the growing urban and middle-class population. This represents an opportunity for U.S. exporters.

Food Retail Industry

Retail sector analysts forecast retail spending to increase from $11 billion in 2019 to $24 billion by 2023, thanks largely to the growing middle class. This consists of imported High-Value Products (HVPs) (40 percent), products partially processed and packaged in Ghana (8 percent), products completely processed in Ghana (11 percent), and locally, unprocessed foodstuffs and staples including fresh fruits and vegetables, fish, meat, etc. (41 percent).

Quick Facts CY 2022

Imports of Consumer-Oriented Products

Total value of consumer-oriented products imported was $1.4 billion as of September 2022. This represents a decrease of about 8 percent compared to same time 2021.

Top 10 Growth Products

1.Beer Products
2. Chocolate & Cocoa
3.Pork & Pork Products
4. Beef & Beef Products
5 Wine
6. Seafood products
7 Dog & Cat Food
8. Prepared Food
9. Non-alcoholic beverages
10. Fresh Fruit

Food Industry Gross Sales

According to industry experts, sales in the food industry was about $14 billion in 2021.

Top Retailers

1. Melcom
2. China Mall
3. Palace
4. Shoprite
5. Maxmart
6. Marina
7. Koala
8. All Needs
9. Spar Ghana

GDP/Population

Population *(million)*: 31.73.8 (2020)
GDP *($ billion)*: 77.59 (2021)
GDP per capita at PPP *($)*: 2,445.3 (2021)

SWOT Analysis

Major Strengths	Major Weaknesses
A very open market compared to other West African countries. A comparatively advanced market per ease of doing business. Increasing efforts in Digitalization led by the Government	High Level of debt, Government currently going through debt restructuring program Economy is mainly cash driven. Significantly higher cost of freight incurred in getting U.S. HVPs onto the Ghanaian market.
Major Opportunities	**Major Threats**
Ghanaian consumers associate U.S. food products with high quality. U.S. HVPs have always enjoyed high demand. A fast-growing economy and associated middle-class. High demand for imported HVPs.	Competition is strong from traditional suppliers in Europe and Asia. A fragile local currency against the dollar usually makes U.S. imports relatively expensive.

Data and Information Sources: Trade Data Monitor LLC, GATS, The Economist Intelligence Unit, Ghana Statistical Service.

SECTION I. MARKET OVERVIEW

With an estimated population of roughly 32 million, Ghana's market remains relatively advanced compared to others in Africa despite the significant dip in economic growth recorded in recent years mainly because of the impact of the COVID-19 pandemic and the war in Ukraine.

Ghana imported an estimated $3.2 billion of agricultural products in 2021, however the economy has suffered substantially since the beginning of 2022, tumbling the country into economic recession. Inflation rose from 13.9 percent in January to 50.3 percent in November up from 40.4. percent in October. Ghana's economy relies on output and exports from the hydrocarbons, gold, and cocoa subsectors, exposing it to global trade headwinds.

Ghana's economic woes continue as the country seeks International Monetary Fund (IMF) support. The bailout is necessary after the new electronic transaction levy (e-levy) a 1.5 percent tax on all electronic transfers above 100 Ghana cedis ($11.7). USD $1 = GHS ₵ 8.5 (as at 12/21/2022) – failed to produce the projected results. Further reduction from 1.5 percent to 1.0 percent with no daily threshold was announced in the 2023 budget statement as well as proposed increase in the VAT rate by 2.5 percent. According to the Economic Intelligent Unit, Ghana's real GDP growth will slow in 2023 as rising prices and monetary constriction weigh on private consumption and investment and as government spending drops. Growth will not return to the 2019 rate (6.5 percent) in the 2023-27 forecast period, but will reach 5.8 percent in 2027, driven by a boost in gold and oil exports as new projects come online.

Rapid urbanization and gains in economic growth continue to stimulate an emerging middle class who embrace Western brands, products, and lifestyles. Most consumers in Ghana are price sensitive, but quality is never overlooked, and the growing middle class values premium products. Ghana offers expanding market opportunities due to its remarkable record of political stability, and relatively liberal import policies. These notable achievements make Ghana a potential gateway to the larger West African market. There is high demand for imported food products, especially intermediate, and consumer ready products, due to limited selection of products provided by the underdeveloped domestic agricultural and food-processing sector.
Ghana jumped four spots to be ranked 122nd in the 2022 World Bank's Ease of Doing Business or trading across borders index but the country offers expanding market opportunities due to its remarkable record of political stability, strong economic growth, and relatively liberal import policies.

"Advantages" and "Challenges" facing U.S. exporters.

Advantages	**Challenges**
Ghana's growing population of 32 million is youthful with an increasingly fast emerging middle-class.	Significantly higher cost of freight incurred in getting U.S products onto the Ghanaian market.
58 percent of Ghana's population was urban in 2021. Migration to the capital and southern parts of the country is expected to continue in 2022 and beyond, potentially boosting the	Existence of imitations of U.S. products by unscrupulous businesses who take advantage of the high demand to the detriment of consumers. This affects consumer confidence

demand for high-value products (HVPs) and making consumers reachable.	and invariably impacts future demand for U.S. goods.
Middle-class incomes are rising and there is higher demand for healthy foods. The retail sector is shifting to more western style shops and convenience stores.	Many U.S. exporters view Ghana as too small a market and there are few U.S. freight consolidators who are willing to meet the requirements of Ghanaian importers.
Ghanaian consumers perceive U.S. food products to be of high quality and value.	Competition is strong from traditional suppliers in Europe, Asia, and South Africa.
Post expects significant growth in tourism due to positive coverage by news and travel sites and the Government of Ghana (GOG) initiative "Beyond the Return".	U.S. consumer ready foods are less available in Ghana, compared with products from EU, South Africa, and Asia.
The GOG, in line with its World Trade Organization (WTO) obligations, has liberalized trade for most food and agricultural products.	In select sectors, such as frozen poultry, the GOG continues to take a more negative stance towards imports.
Insufficient domestic production and processing means import demand in Ghana for processed products and inputs will remain high.	Most Ghanaian consumers are price sensitive.
The HRI sector continues to expand and requires more consumer ready products and food ingredients.	Some Ghanaian retailers prefer products with 13-digits barcode (EAN/IAN) to the 12-digits UPC.
U.S. grocery items entering Ghana can be re-exported to neighboring West African countries (a market of about 400 million people).	U.S. consumer ready foods typically have shorter shelf-life labeling and longer transit times, thereby reducing shelf life of U.S. products in Ghana.

SECTION II. EXPORTERS BUSINESS TIPS

Ghana's relatively liberalized trade policy creates an opportunity for more formal trade between the United States and Ghana. U.S. exporters are encouraged to consider the expanding market opportunities in Ghana, and businesses interested in doing business in Ghana should follow the links below for more information:

http://www.gipcghana.com/; http://mobd.gov.gh/doing-business-in-ghana/

http://www.statsghana.gov.gh/

Modern retail had been restricted to Accra and Kumasi but there is growing presence across all regional capitals now, though a sizable portion of the population still prefers to do their weekly shopping at the traditional markets. This trend is fast changing, however, as the size of the middle class continues to increase. The accommodating business environment makes Ghana more attractive as an investment destination relative to many of its neighbors. Several international retailers have expanded their presence in Ghana and take up space in the proliferation of new commercial developments. These include Shoprite, Burger King, KFC, and Pizza Hut, among others. Local chains are also present in these same categories.

E-commerce is also picking up in Ghana. Ghana's internet market is dominated by its mobile operators, which have a national penetration rate of over 80 percent according to the National Communications Authority. Local online delivery retailers such as Jumia and Okada were already undergoing rapid expansion, played a key role in the continuation of commerce for restaurants, grocery stores and other food and beverage retailers amid COVID-19 restrictions.

Like most countries in Sub-Saharan Africa, Ghana presents exciting opportunities to food retail business, buoyed by fast urbanization, rising household incomes, a growing middle class, and a transformation in eating habits mainly due to changing lifestyles. Consumption patterns for most of the population (especially the urban dwellers) is gradually favoring western foods, leading to the launch of brands like KFC, Pizza Hut, Second Cup, and Burger King. Retailers prefer stocking relatively smaller volumes of consumer-ready food products, prepared, and packaged for one-time or minimal period use only because many consumers do remain price sensitive. Consumer demand for these products is high due to their relative affordability.

U.S. exporters are encouraged to explore the expanding and rapidly maturing Ghanaian market that continues to offer market opportunities. U.S. agribusiness firms interested in doing business in Ghana can seek assistance from the USDA/FAS office in Accra to initiate and develop business relationships with local companies, importers, and agents. Market requirements by Ghanaian importers include:

- Requiring services of freight consolidators in the United States to handle their ordering and shipment to minimize cost of shipping,
- Preference for purchasing mixed containers,

- Seeking exclusive distribution/agency agreements from exporters, and
- Preference for visibly displayed production and expiry date expressed in the format; "*dd-mm-yyyy"*.

Market entry tips

The first point of contact for entry into the Ghanaian market is typically the Importer/Distributor. An exporting firm could also appoint an agent or sign an agreement to make a local business entity the sole representative. U.S. exporters are encouraged to take one or more of the following steps to ensure easy access to the Ghanaian market:

- Contact the USDA/FAS office located in the U.S. Embassy in Accra, Ghana, to assist in identifying credible importers/distributors,
- Directly contact the importer/distributor or the local agent that would register the products with the Foods and Drugs Authority,
- Identify and sell through consolidators based in the United States who are already serving the West African region. Such consolidators usually have a good understanding of local market practices,
- Participate and exhibit at the various USDA sponsored and endorsed trade shows, which are well attended by Ghanaian importers and are suitable venues for face-to-face meetings and networking,
- Offer flexible shipping volumes and small-sized packaging with well displayed readable manufacture date and date of expiration.

SECTION III. IMPORT FOOD STANDARDS & REGULATIONS AND IMPORT PROCEDURES

The current Ghanaian administration reviewed import procedures in Ghana and reduced the number of agencies undertaking joint inspections at the ports from sixteen to three. Currently, the remaining agencies include the Ghana Standards Authority (GSA), Food and Drugs Authority (FDA) and Customs Division of the Ghana Revenue Authority (GRA). Officers from the National Security or Narcotic Controls Board join the inspection team based on intelligence.

The GOG has introduced the paperless port system to promote efficiency, reduce the turnaround time of vessels, and minimize the human interface to reduce corruption. Follow the link below for more information on the paperless port project:

https://ghanaports.gov.gh/page/35/Ghana-Ports-Is-Going-Paperless

Ghana operates a relatively free market. It adopted the ECOWAS Common External Tariff (CET) that requires member countries to simplify and harmonize ad valorem tariff rates. The CET has a five (5) rate bands as follows:

0% - essential social commodities
5% - basic raw materials, capital goods and specific inputs
10% - intermediate products
20% - final consumer goods
35% - specific goods for economic development

There is a 15 percent sales tax in Ghana. The sales tax rate is a tax charged to consumers based on the purchase price of certain goods and services. Visit https://shippers.org.gh/index.php/cargo-clearance-tariff-guidelines/ for more information on Cargo Clearance Tariff guidelines.

The websites of the three above-mentioned agencies (GSA, FDA, and the Customs Division of GRA) along with those of the Ghana Ports and Harbour Authority (GPHA), Ghana Shippers' Authority, and the Ghana Trade Hub (also referred to as the Ghana National Single Window) provide valuable information on requirements for imported food, language and labeling, fees and charges, and procedures for specific commodities:

Ghana Standards Authority: https://www.gsa.gov.gh/
Food and Drugs Authority: https://fdaghana.gov.gh/
Customs Division of GRA: https://gra.gov.gh
Ghana Ports and Harbours Authority: https://ghanaports.gov.gh/default
Ghana Shippers' Authority: https://shippers.org.gh/
Ghana Trade Hub/Ghana National Single Window: https://www.ghanastradinghub.gov.gh/

For additional information about Ghana's import food standards & regulations and import procedures, please visit: https://www.fas.usda.gov/data/ghana-fairs-country-report-2

SECTION IV. MARKET STRUCTURE AND TRENDS

Ghana's food service market has recorded impressive growth in recent years, with the retail stores sector retaining the top position as the most rapidly growing segment. Retail outlets stocking imported high-value food products, particularly convenience stores (including gas station shops) and supermarkets continue to proliferate across the cities as eating habits and taste of Ghanaian consumers change towards western foods. This represents sales opportunity for multiple U.S. products. For additional information about the distribution structure of the Ghanaian retail market, please visit https://www.fas.usda.gov/data/ghana-retail-foods-report

The hotel and restaurant sector has been identified as being the segment with the second most rapid growth after the retail stores. There was a sharp increase in the number of restaurants during the past five years. The rise in the population of Ghana's middle class and urban dwellers, along with the swelling tourist/business travel have contributed to a surge in patronage of the services of hotels and the teeming restaurant sector, however the effects of covid and post covid economy led to some restaurants shutting down. Sales opportunities exist for U.S. seafood products, beef & beef products, pork & pork products, dairy products, and condiments & sauces. For detailed information about the restaurant sector of the Ghanaian food market, visit https://www.fas.usda.gov/data/ghana-ghana-s-restaurant-sector-represents-opportunity-us-food-and-beverage

Third in terms of rapid growth in the food market is the quick service/take away services sector, which also witnessed remarkable growth in recent times, with the likes of KFC, Chicken Republic, Barcelos, and Papa Ye (a local brand) adding to their number of outlets. The first Burger King outlet was launched in May 2018 in Accra, and a second outlet followed five months later, in October 2018. These offer sales opportunities for U.S. meat and meat products. There is an increasing popularity of phone/internet food ordering and delivery services due to the heavy traffic movement that is usually typical of the two main cities, Accra, and Kumasi. The restaurants and fast foods services segments make use of this innovative method to satisfy customers.

Ranked fourth, and after the quick service/take away services sector is the cafés segment. This segment includes cafés, pizza shops, grills, and steak houses. This segment of the food market in Ghana is growing substantially, with Vida e Caffè, Pizza Hut, Second Cup, Pinkberry and Steak Escape among the foreign franchises to enter the market space. Also included in this segment are smaller and usually informal restaurants that serve simple cheap meals and drinks (mainly local Ghanaian dishes and instant noodles). Sales opportunity exists for U.S. poultry meat and products as well as condiments & sauces.

Best consumer-oriented product prospects based on growth trends.

Poultry meat & products were among the top 10 best consumer-oriented product prospects based on growth trends. Food preparation products, seafood, beer, distilled spirits, dairy products, fruit and vegetable juices, snack foods NESOI, processed vegetables, and non-alcoholic drinks round out the group.

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Ghana remains a major importer of food and agricultural products. These imports will continue to grow as Ghana's underdeveloped food processing sector is unable to meet increased demand. Food imports mostly comprise of bulk, intermediate and consumer-oriented commodities such as rice, soy, and poultry. U.S. exports of agricultural and related products to Ghana as of October 2022 is $114.6 million, up by 14 percent compared to $113.2 million in October 2021. Although U.S. exports to Ghana had mostly been soybean, rice, and poultry, exports of U.S. snack foods NESOI, dairy products, fruit and vegetable juices, non-alcoholic beverages, breakfast cereals, chocolate and cocoa products, food ingredients, beer, and dog and cat food recorded significant growth in 2021. Based on year-over-year growth in 2022, the 10 best U.S. high-value consumer-oriented product prospects categories for the Ghanaian market in descending order are: 1) Food preparations; 2) Seafood products; 3) beer; 4) dairy products; 5) chocolate & cocoa 6) pork & pork products; 7) beef & beef products; and 8) wine & related products. 9); non-alcoholic beverages (10); fruit & vegetable juices

The 2022 top 10 leading suppliers of agricultural and related products to Ghana in descending order are China, Brazil, Netherlands, Malaysia, and Canada. The United States, Turkey, India, Indonesia, and Belgium are the remaining suppliers. Imports of consumer-oriented food from the European Union remains strong.

Ghana's Agricultural and Related Imports for 2018-2022 (in millions of dollars)

Source of Imports	2018	2019	2020	2021	YTD Oct 2022
U.S.	101.43	135.72	105.60	155.20	114.60
World	2,272.22	2,234.43	2,570.63	3,361.65	2,237.97

Source: Trade Data Monitor LLC

Ghana's BICO Imports for 2018-2022 (in millions of dollars)

Product	2018	2019	2020	2021	YTD Oct 2022
Bulk[1]	*18.41*	*12.93*	*2.11*	*4.27*	*26.21*
Bulk[2]	373.59	337.93	353.32	459.01	260.96
Intermediate[1]	*5.98*	*7.11*	*10.98*	*20.24*	*13.19*
Intermediate[2]	555.66	566.89	695.78	920.58	581.56
Consumer Oriented[1]	*64.02*	*80.75*	*86.07*	*125.81*	*70.13*
Consumer Oriented[2]	1038.06	1081.14	1192.35	1621.14	1116.88
Ag. Rel. Products[1]	*13.01*	*34.93*	*6.44*	*4.88*	*5.08*
Ag. Rel. Products[2]	304.91	248.74	329.17	360.91	
Total[1]	***101.43***	***135.72***	***105.60***	***155.20***	***114.60***
Total[2]	**2,272.22**	**2,234.43**	**2,570.63**	**3,361.65**	**2,237.97**

Source: Trade Data Monitor LLC

[1] Sourced from the United States
[2] Sourced from the World

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

Office of Agricultural Affairs
American Embassy
No 24, Fourth Circular Rd.,
Cantonments, Accra, Ghana
Tel : 233-30-274-1590
E-mail : agaccra@fas.usda.gov
www.fas.usda.gov

Links to other government sources:

https://www.fas.usda.gov/GATS (Trade Data)

https://www.export.gov/article?series=a0pt0000000PAtrAAG&type=Country_Commercial__kav
(Ghana Country Commercial Guide prepared by the Department of Commerce)

Contacts of Ghana government regulatory agencies:

Ghana Revenue Authority (GRA) HEAD OFFICE
Location: Off Starlets' 91 Road, near Accra Sports Stadium
Postal: P. O. Box 2202, Accra-Ghana
Phone: 0800900105 (Toll free)
Email: info@gra.gov.gh

Food and Drugs Authority (FDA) Head Office
Mail: P. O. Box CT 2783, Cantonments – Accra, Ghana
Telephone Lines: (+233) – 302-233200/ 235100, (+233) – 0299802932/3 (Hotline)
0800151000 (Toll free)
Email: fda@fdaghana.gov.gh

Ghana Standards Authority (GSA)
Address: P O Box MB245, Accra - Ghana
Tel : (+233-302) 506991-5 / 500065/6
Email : gsanep@gsa.gov.gh/gsadir@gsa.gov.gh

Veterinary Services Directorate (VSD)
Ministry of Food and Agriculture
http://mofa.gov.gh/site/?page_id=88

Plant Protection & Regulatory Services Directorate (PPRSD)
Ministry of Food and Agriculture
http://mofa.gov.gh/site/?page_id=85

End of Report

Attachments:

No Attachments