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Market and Trade Data

Ghana Set for Gateway Status in Western Africa

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As a founding member of the WTO (World Trade Organization) in 1995, Ghana has been setting economic reforms in place. The government has liberalized trade and investment policy aimed at making Ghana the trade gateway to West Africa. Though the government has made strides toward opening its economy, there are still concerns facing prospective U.S. exporters.

The country's largely ad valorem tariff does contribute to a more transparent trading regime, but changing tariff rates and non-tariff barriers continue to pose challenges for entry of some agricultural products. Also, the country enforces strict product standard requirements for shelf life and labeling, and customs procedures are drawn out and often expensive.

Taxing Matters

The ad valorem duty rates for agricultural imports range from 5 to 20 percent, with 20 percent being the most common (rice, poultry). A 10-percent tariff is levied on raw materials such as cotton, with the 5-percent rate mostly applied to timber products. Duties on alcoholic beverages tend to be high.

Other add-ons, which include a value-added tax and assorted smaller tariffs, can bring the tax tab up another 17.5 percent. Even duty-free items are levied a processing fee of 1 percent.

Discretionary duty exemptions, based on declared country needs, are granted piecemeal by the government. Current products with no tariff assessment include veterinary drugs and feed ingredients, as Ghana wants to expand its livestock sector.

Trade Agreements and Partners

The United States entered into a TIFA (Trade and Investment Framework Agreement) with Ghana in 1999, which created a way to help trade between the two countries and encourage investment. The TIFA's bilateral Council on Trade and Investment meets regularly to discuss issues.

The government of Ghana is committed to jumpstarting the unfulfilled provisions of the



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regional 15-member ECOWAS (Economic Community of West African States), which includes a customs union with a common external tariff and single currency. Though Ghana generally applies its trade policies and measures evenly to all trading partners, even with ECOWAS partners, it protects its agricultural sector from foreign competition.

The EU (European Union) is Ghana's largest trading partner, with \$665 million of agricultural exports to Ghana in 2005; in turn, Ghana exported \$74.5 million worth to the EU.

Ghana is one of 77 African, Caribbean, and Pacific countries to sign the ACP (Cotonou Partnership Agreement) with the EU. Through the ACP, the EU offers a non-reciprocal preferential trade agreement on many goods as well as financial assistance to these countries. ACP members continue to negotiate for removal of remaining trade barriers between the EU and ACP countries by 2008.

Ghana has bilateral agreements with Malaysia, the Czech Republic, and Côte d'Ivoire, and is negotiating more with Romania, Greece, Burkina Faso, Zimbabwe, and Libya.

Non-Tariff Barriers Are Scarce

On the plus side, Ghana applies few formal non-tariff barriers — no trade embargos, no import licenses before goods are imported. However, permits are required for some foods such as poultry, and these can be restrictive if delayed.

Sanitary or health certificates are required for plants and seeds, live animals, poultry (including eggs and chicks), meats, and liquor. Meats and meat products must be accompanied by a certificate issued by country of origin. Upon entry, the testing of food products is not transparent. For example, neither information on what is being tested for nor the results are available.

Shelf-life standards may present a problem for perishables, as the government does not recognize quality, packaging, and technological advances that extend the life of products. Many food items entering Ghana are required to have at least 50 percent of their shelf life remaining at the time of port inspection. This timeframe can affect perishables, as clearing customs averages 7 days.

Food labeling requirements do not impose any specific restrictions on packaging materials other than products being stored in a

Rice Tops U.S. Exports

In 2006, U.S. exporters sold \$66 million worth of agricultural products to Ghana. Best sellers included:

Rice	\$35 million
Wheat	\$15.5 million
Poultry	\$5.5 million
Other High-Value Products	\$7 million

manner that preserves their integrity. English-language labels should include the type of product being imported, ingredients or components, country of origin, and date of expiration or best use for perishables and high-value food products. Labels can be printed on packages or stickers.

Ghana has made progress toward coming into full compliance with its WTO commitments, but significant problems add to the cost of doing business here. However, the government is continuing its reform agenda and is expected to eventually eliminate unreasonable import barriers.

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