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Exporter Guide

2018 Annual Report

Approved By:

Charles Rush

Prepared By:

Josh Taylor

Report Highlights:

Imports of agricultural and related products recorded significant growth in 2017. The Ghanaian food market presents opportunities for U.S. suppliers.

Post:

Accra

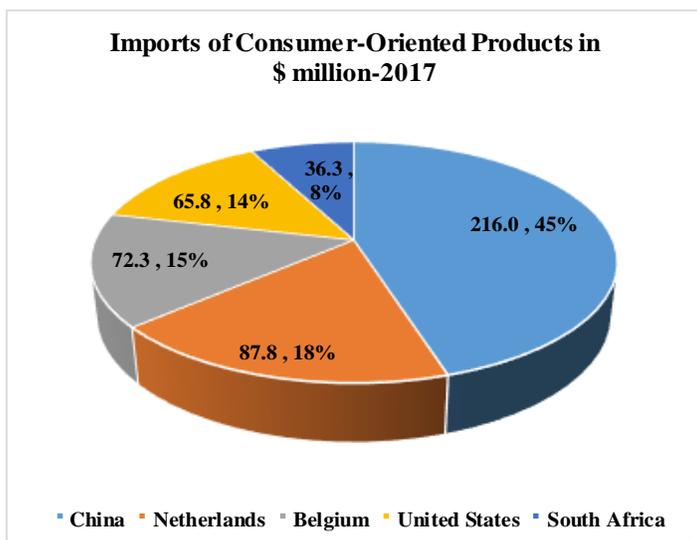


Executive Summary

With the value of its agricultural and related imports reaching \$2.1 billion in 2017—an increase of 20.21 percent over that of 2016, Ghana’s market is relatively advanced compared to others in Africa. Retail sales in Ghana continue to increase correspondingly with appreciable GDP growth in recent years. 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, condiments & sauces, 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, Netherlands, Belgium, United States and South Africa.



Food Processing Industry

Food processing is still very 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 poor quality of local raw materials preclude the development of a viable processing industry. The local food processing industry accounts for less than 20 percent of all sourced processed foods on the market. Retail outlets stock lots of processed foods to satisfy growing demand corresponding with the change in eating habits and diets attendant with the growing urban and middle-class population. This represents an opportunity for suppliers of processed foods or high-value food products (HVPs).

Food Retail Industry

Retail sector analysts forecast retail spending to increase from \$8 billion in 2015 to \$11 billion by 2019, thanks largely to the growing middle class. Retail food sales totaled about \$3 billion in 2017, according to industry analyst. This consists of: imported high-value food products (39 percent), products partially processed and packaged in Ghana (9 percent), products completely processed in Ghana (8 percent), and locally, unprocessed foodstuffs and staples including fresh fruits and vegetables, fish, meat, etc. (44 percent).

Quick Facts CY 2017

Imports of Consumer-Oriented Products

Total value of consumer-oriented products imports was \$65.5 million in 2017. This represents an increase of about 13 percent over that recorded in 2016.

Top 10 Growth Products (%Δ or YOY 2017/2016)

- 1) Fish Products
- 2) Condiments & Sauces
- 3) Dairy Products
- 4) Beef & Beef Products
- 5) Dog & Cat Food
- 6) Prepared Food
- 7) Poultry Meat & Prods
- 8) Processed Fruit
- 9) Breakfast Cereals
- 10) Snack Foods NESOI

Food Industry Gross Sales

According to industry experts, sales of food retail was about \$10 billion in 2017.

Top 10 Retailers

1. Melcom
2. Shoprite
3. Palace
4. Maxmart
5. Marina
6. Koala
7. Citydia
8. Shop N Save
9. Game
10. All Needs

GDP/Population

Population (millions): 28.83 (2017)
 GDP (\$ billions): 59.03 (2017)
 GDP per capita (\$): 2,035 (2017)

Source: Ghana Statistical Service



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.	Economy is mainly cash. Significantly higher cost of living in 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 other countries. A fragile local currency. relatively expensive domestic products.

Data and Information Sources: GTA, GATS, Ghana Statistical Service, and Key Informant Interviews

Contact: Office of Agricultural Affairs
 American Embassy Accra
 +233-302-741-000
 E-mail: AgAccra@fas.usda.gov

SECTION I. MARKET OVERVIEW

Ghana’s population was estimated to be 28.83 million in 2017, with a growth rate of 2.22 percent. There continues to be rapid urbanization, and owing to recent gains made in economic growth, a middle class is fast emerging, with increasingly prosperous consumers who embrace western brands, products and lifestyles. The GDP for 2017 (\$59.03 billion) showed a growth rate of 8.1 percent, an impressive increase from the 3.4 percent recorded in 2016. GDP per capita or purchasing power parity was \$5,786.00 in 2017. Most consumers in Ghana are price sensitive, but quality is never overlooked, and the growing middle-class values premium products.

Ghana ranks 114th in the 2019 World Bank’s Ease of Doing Business or trading across borders index. It offers expanding market opportunities due to its remarkable record of political stability, strong economic growth, as well as its liberal import policies. These notable achievements make Ghana a potential gateway to the larger West African market (an estimated population of 372 million people in 2017). There is high demand for imported food products, especially consumer ready products, due to limited selection of products provided by the underdeveloped domestic agricultural and food-processing sector. Post expects growth in food imports to continue in keeping with the projected sustained economic growth.

“Advantages” and “Challenges” facing U.S. exporters

Advantages	Challenges
Ghana’s population of 28.83 million is growing at 2.22 percent per annum with an increasingly fast emergence of a middle class.	Significantly higher cost of freight incurred in getting U.S. products onto the Ghanaian market.
The urban population in Ghana was 55% of the total in 2017. Migration to the capital and southern parts of the country is expected to continue over 2013-2020 as the urban population will grow by a Cumulative Annual Growth Rate (CAGR) of 3%. This promising trend will further boost the demand for high-value products (HVPs). This population shift also makes Ghanaian consumers easily reachable in major urban areas.	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 and invariably affects future demand for U.S. goods.
Real GDP growth is expected to continue at an average of 6% up to 2020. The reviving economy is expected to further fuel personal expenditure, which is set to grow at a CAGR of 12% up to 2020.	Businesses with ownerships from India, Lebanon, and some European countries (mainly; Italy, France and the United Kingdom) dominate the market. These mainly source their supplies from Asia, the EU, South Africa and South America.
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 few U.S. freight consolidators 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 and Asia.

Post expects significant growth in tourism due to positive coverage by multiple widely read news and travel sites.	U.S. consumer ready foods are not readily available in Ghana, while products from EU, South Africa, and Asia are in greater supply
The Government of Ghana (GOG), in line with its WTO obligations, has liberalized trade.	Most Ghanaian consumers who patronize the dominant mass market are price sensitive.
Insufficient domestic production and processing means import demand in Ghana for processed products and inputs will remain high.	In select sectors, such as frozen poultry, the GOG more recently took a more negative stance towards imports.
Ghanaian consumption patterns have changed towards Western foods as result of urbanization, a growth in dual income families, and a shift in lifestyles of the large youth population.	Regulatory agencies and industry players prefer production and expiration dates on products to be expressed in the format; dd-mm-yyyy instead of mm-dd-yyyy , common with U.S. food products.
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 over 260 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.
The U.S. has a Trade and Investment Framework Agreement (TIFA) with Ghana where both countries discuss bilateral trade policy issues.	Some U.S. exporters are not as responsive to importer requests regarding price quotations, packaging and documentation as their EU and Asian competitors.

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 mainly 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 comparatively accommodating business environment makes Ghana more attractive as an investment destination relative to many of its neighbors. A number of foreign retailers have expressed a desire to expand their presence in Ghana, and to take up space in the proliferation of new commercial developments. These include Shoprite, Game, Burger King, KFC, and Pizza Hut, among others.

E-commerce is also picking up in Ghana. Ghana’s internet market is dominated by its mobile operators, which had a combined 19.33 million mobile data subscriptions in September 2016, representing a penetration rate of 69.22%, according to the National Communications Authority.

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 of the majority 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 recently 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 expiration 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 US 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.
- 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.

On September 1, 2017, the GOG 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 aforementioned agencies (GSA, FDA, and the Customs Division of GRA) along with those of the Ghana Ports and Harbours 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>

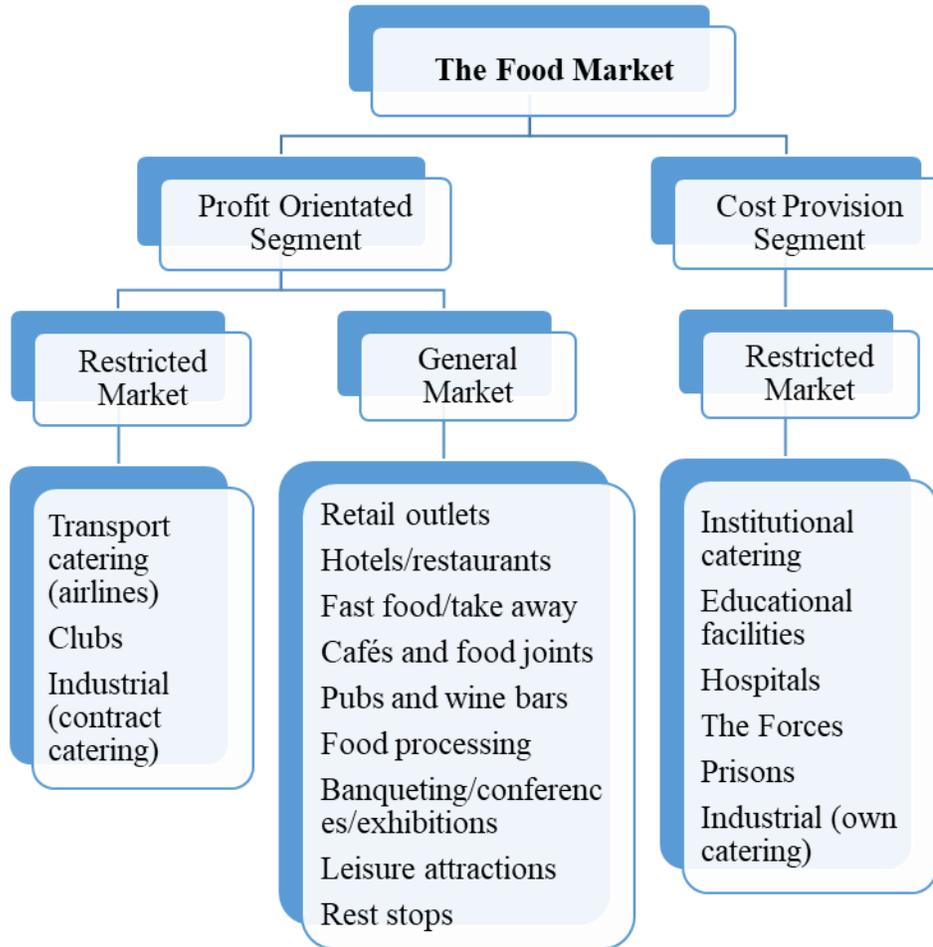
Ghana Ports and Harbours Authority: <https://ghanaports.gov.gh/default>

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 industry or 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 hotels and restaurants sector of the food market has been identified as being the segment with the second most rapid growth after the retail stores. There has been a sharp increase in the number of restaurants within the past two 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. Sales opportunities exist for U.S fish products, beef & beef 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>

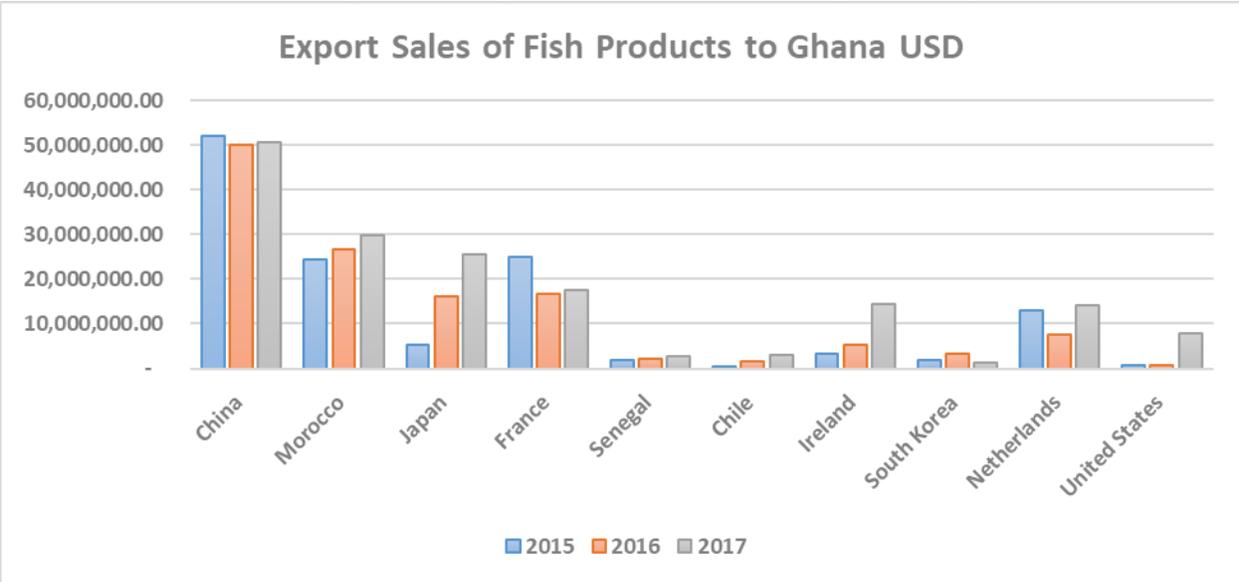
Third in terms of rapid growth in the food market is the fast food/take away services sector, which also witnessed remarkable growth in recent times, with the likes of KFC, Chicken Republic, Barcelos and

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 fast food/take away services sector is the cafés and food joints segment. This segment includes cafés, pizza shops, grills and steak houses. This segment of the food market in Ghana is growing appreciably, 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. The pubs and wine bars segment ranks fifth, and continues to record growth too, presenting sales opportunity for American alcoholic beverages.

Best consumer-oriented product prospects based on growth trends

With an all-time record export sale of \$7.9 million to Ghana in CY 2017 and a percentage change of 1,230.8 in export sales to Ghana for CY 2016-17, fish products ranked first among the top 10 best consumer-oriented product prospects based on growth trends. Condiments & sauces, dairy products, beef & beef products, dog & cat food, and prepared food occupied the 2nd through the 6th position respectively. Completing the top 10 ranking from the 7th position through the 10th were poultry meat & products, processed fruit, breakfast cereals, and snack foods NESOI. The chart below shows Ghana’s top 10 source countries of fish products import over the most current past three years.



United States’ share of the Ghanaian fish product market (2015-2017)

SECTION V. AGRICULTURAL AND FOOD IMPORTS

Ghana remains a major importer of food products, with imports of agricultural and related products estimated to have reached approximately \$2.1 billion in 2017. Food and agricultural imports will continue to grow as Ghana's underdeveloped food processing sector is unable to meet increasing demand. Food imports mostly comprise bulk, intermediate and consumer-oriented commodities such as rice, wheat, sugar and poultry. U.S. export of agricultural and related products to Ghana in 2017 was approximately \$119.5 million, up by almost 53 percent from \$78.2 million in 2016.

Although U.S. exports to Ghana had mostly been rice, poultry and wheat, exports of U.S. fish products, condiments & sauces, dairy products, beef & beef product and pet food recorded significant growth in 2017. Based on year over year growth in 2017, the 10 best U.S. high-value consumer-oriented product prospects categories for the Ghanaian market in descending order are; fish products, condiments & sauces, dairy products, beef & beef product and pet food. Prepared food, poultry meat & products, processed fruit, breakfast cereals and snack foods NESOI complete the list of 10 best U.S. HVP prospects categories in that order.

The top 10 leading suppliers of agricultural and related products to Ghana in descending order are China, Malaysia, Netherlands, Canada and Brazil. The rest are Indonesia, Cote d'Ivoire, United States, Guatemala and France. Imports of consumer-oriented foods from the European Union continue to remain strong but imports from Asia and South Africa have also grown in recent years.

Ghana's Agricultural and Related Imports for 2013-2017 (in millions of dollars)

Source of Imports	2013	2014	2015	2016	2017
U.S.	188.9 (7.7%)	150.8 (7.9%)	89.3 (5.1%)	78.4 (4.5%)	119.9 (5.7%)
World	2,453.8	1,917.7	1,739.5	1,756.1	2,110.9

Source: *Global Trade Atlas*

Ghana's BICO Imports for 2013-2017 (in millions of dollars)

Product	2013	2014	2015	2016	2017
<i>Bulk</i> ¹	78.0	32.8	15.2	1.9	31.7
Bulk ²	426.9	282.7	286.6	294.1	297.8
<i>Intermediate</i> ¹	6.1	12.1	8.4	9.3	5.9
Intermediate ²	711.1	568.2	483.4	442.0	609.1
<i>Consumer Oriented</i> ¹	98.7	84.4	52.1	58.1	65.8
Consumer Oriented ²	1,001.5	772.3	723.4	747.7	889.4
<i>Ag. Rel. Products</i> ¹	6.3	21.6	14.0	9.2	16.5
Ag. Rel. Products ²	314.6	294.6	246.5	272.3	314.8
Total ¹	189.1	150.9	89.7	78.5	119.9
Total ²	2454.1	1917.8	1739.9	1756.1	2111.1

Source: *Global Trade Atlas*

SECTION VI. KEY CONTACTS AND FURTHER INFORMATION

¹ Sourced from the United States

² Sourced from the World

Office of Agricultural Affairs
American Embassy
No 24, Fourth Circular Rd.,
Cantonments, Accra, Ghana
Tel: 233-302-741590
Fax: 233-302-741478
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: 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