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Report Highlights:

Though down by four places on the World Bank's Ease of Doing Business ranking, the Ghanaian food market remains a great prospect for U.S. agricultural exports due to robust growth in demand for a range of imported food and agricultural products. This report provides updates on local market dynamics and trends over the following year to assist current and new-to-export U.S. suppliers in navigating Ghana's trade landscape. Following the success of USDA's West Africa Agribusiness Trade Mission to Accra in October 2019, U.S. exports to Ghana are well-positioned for further growth in the year ahead.

Market Fact Sheet: Ghana

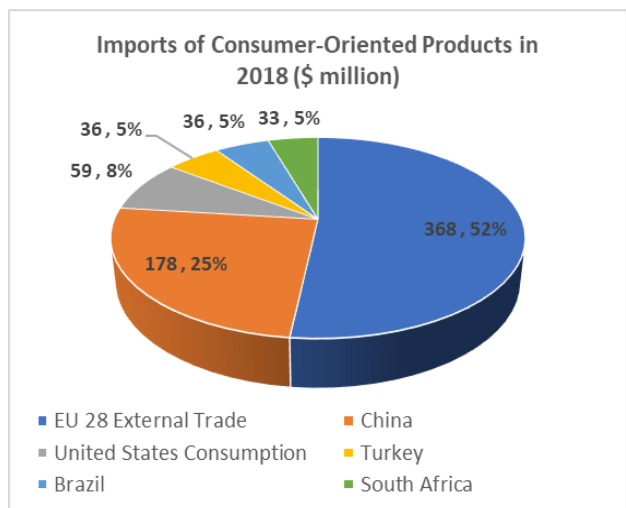


Executive Summary

The value of Ghana’s agricultural and related imports was nearly \$2.1 billion in 2018. A decrease of two percent compared to 2017. 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, soybeans & soybean meal, 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, Turkey, Brazil and South Africa.



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 poor 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 corresponding with the change in eating habits and diets attendant with the growing urban and middle-class population. This represents an opportunity for external suppliers.

Food Retail Industry

Retail sector analysts forecast retail spending to increase from US\$8 billion in 2015 to \$11 billion by 2019, thanks largely to the growing middle class. Retail food sales totaled about \$10 billion in 2018, according to industry analyst. This consists of: imported high-value food 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 2018

Imports of Consumer-Oriented Products

Total value of consumer-oriented products imports was \$857 million in 2018. This represents a slight decrease of about four percent over that recorded in 2017.

Top 10 Growth Products (%Δ or YOY 2018/2017)

- 1) Snack Foods NESOI
- 2) Chocolate & Cocoa Products
- 3) Tree Nuts
- 4) Pork & Pork Products
- 5) Dairy Products
- 6) Beef & Beef Products
- 7) Dog & Cat Food
- 8) Prepared Food
- 9) Fruit & Vegetable Juices
- 10) Fresh Fruit

Food Industry Gross Sales

According to industry experts, sales of food retail was about \$10 billion in 2018.

Top 10 Retailers

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

GDP/Population

Population (millions): 29.8 (2018)
 GDP (\$ billions): 65.56 (2018)
 GDP per capita at PPP (\$) : 4,746 (2018)

Source: The Economist Intelligence Unit



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 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 during weak periods.

Data and Information Sources: Trade Data Monitor LLC, GATS, Ghana Statistical Service

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SECTION I. MARKET OVERVIEW

Ghana’s population was estimated to be 29.8 million in 2018, with a growth rate of 2.16 percent. There continues to be rapid urbanization in Accra, Kumasi, Takoradi and Tamale, 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 2018 (US\$65.56 billion) showed a growth rate of 6.3 percent, a notable reduction of 1.8 percent compared to 2017. GDP per capita or purchasing power parity (PPP) was US\$4,746 in 2018. Most consumers in Ghana are price sensitive, but quality is never overlooked, and the growing middle-class values premium products.

Ghana ranks 118th in the recent 2019 World Bank’s Ease of Doing Business or trading across borders index. Though down by four places, Ghana offers expanding market opportunities due to its remarkable record of political stability, strong economic growth, as well as its mostly liberal import policies. These notable achievements make Ghana a potential gateway to the larger West African market (an estimated population of about 382 million people in 2018). 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 29.8 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 55.5% of the total in 2018. Migration to the capital and southern parts of the country is expected to continue in 2020 and beyond. 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 impacts 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 in the years ahead. American food franchises are being introduced and patronized.	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 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 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 expiry 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 380 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 23.50 million mobile data subscriptions as of September 2018, representing a penetration rate of 80.3%, 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.
- Preference for visibly displayed production and expiry date expressed in the format; *dd-mm-yyyy*.

Market Entry

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>

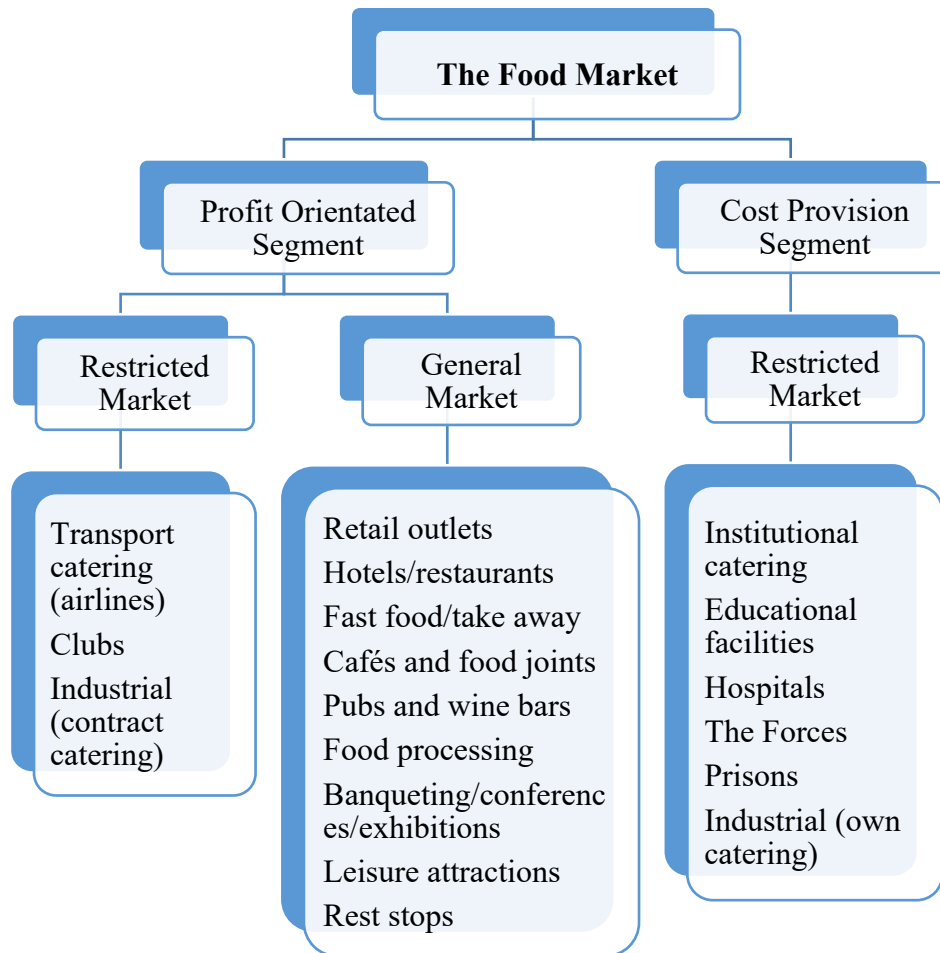
Ghana Ports and Harbours Authority: <https://ghanaports.gov.gh/default>

Ghana Shippers' Authority: <https://shippers.org.gh/>

Ghana Trade Hub/Ghana National Single Window: <https://www.ghanatradinghub.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>

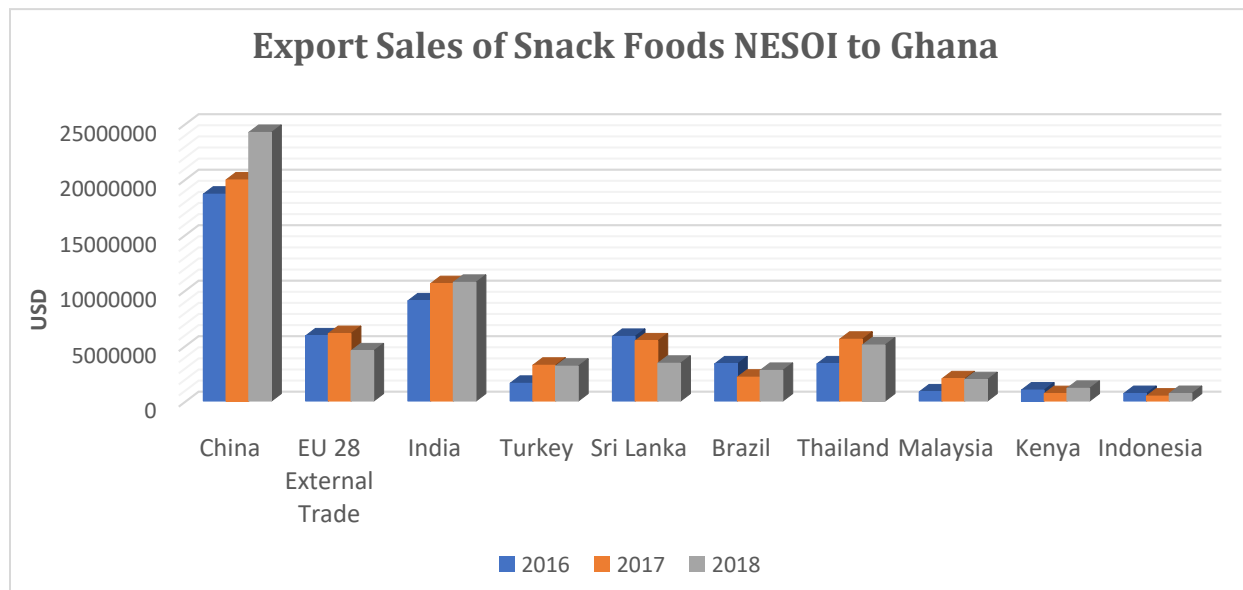
The hotels and restaurants sector of the food market has been identified as being the segment with the second most rapid growth after the retail stores. There has been a sharp increase in the number of restaurants within the past two years. The rise in the population of Ghana's middle class and urban 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, 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 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 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 US\$6.2 million to Ghana in CY 2018 and a percentage change of 16.2 in export sale to Ghana for CY 2017-18, prepared food was among the top 10 best consumer-oriented product prospects based on growth trends. Snack foods NESOI, chocolate & cocoa products, tree nuts, planting seeds, and pork & pork products, and occupied the 1st through the 5th position respectively. Dairy products, beef & beef products, dog & cat food, soybean meal, and prepared food were ranked from the 6th position through the 10th respectively. The chart below shows Ghana’s top 10 source countries for Snack foods NESOI import over the most current past three years.



Market share of Ghana’s Snack Foods NESOI import (2016-2018)- Top 10 Trade Partners

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 more than \$2 billion in 2018. 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 2018 was approximately \$101 million, down by about 16 percent from \$119.5 million in 2017.

Although U.S. exports to Ghana had mostly been rice, poultry and wheat, exports of dog & cat food, prepared food, soybeans and tree nuts imports reached all-time highs of \$900,000, \$6.2 million, \$2.3 million and \$700,000 respectively in 2018. Based on year over year growth in 2018, snack foods, chocolate & cocoa products, tree nuts, pork & pork products, and dairy products comprised the top half of the 10 best U.S. high-value consumer-oriented product prospects categories. Beef & beef products, dog & cat food, prepared food, fruit & vegetable juices, and fresh fruit constituted the bottom half of this product group for the Ghanaian market in descending order. The top 10 leading suppliers of agricultural and related products to Ghana in descending order are China, Netherlands, Malaysia, Thailand and Belgium. Canada, Brazil, United States, India and France complete the list in that order. 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 2014-2018 (in millions of dollars)

Source of Imports	2014	2015	2016	2017	2018
U.S.	150.7 (8.2%)	89.4 (5.2%)	78.0 (4.5%)	119.5 (5.6%)	101.0 (4.9)
World	1,839.8	1,716.4	1,751.4	2,116.8	2,069.0

Source: Trade Data Monitor LLC

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

Product	2014	2015	2016	2017	2018
Bulk ¹	32.8	15.2	1.8	31.7	18.4
Bulk ²	278.4	284.3	289.9	299.0	342.6
Intermediate ¹	12.1	8.4	9.0	5.8	5.4
Intermediate ²	551.3	488.3	441.1	614.6	504.9
Consumer Oriented ¹	84.4	51.8	58.0	65.6	58.8
Consumer Oriented ²	759.8	721.9	748.0	889.7	856.8
Ag. Rel. Products ¹	21.4	14.0	9.1	16.4	18.4
Ag. Rel. Products ²	248.6	221.9	272.3	313.5	364.5
Total¹	150.7	89.4	77.9	119.5	101.0
Total²	1,838.1	1,716.4	1,751.3	2,116.8	2,068.8

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: 233-302-741590
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_kv
(Ghana Country Commercial Guide prepared by the Department of Commerce)

Contacts of Ghana's 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

Attachments:

No Attachments