

Ghana

intra-Africa trade & tariff profile 2019



1. Introduction

Ghana is part of two Regional Economic Communities (RECs) - the Economic Community of West Africa (ECOWAS) and the Community of Sahel-Saharan States (CEN-SAD).

- ECOWAS has 15 member states. All member states are part of the ECOWAS Free Trade Area (FTA), 14 of which are in the process of implementing the ECOWAS Common External Tariff (CET). Qualifying imports from approved ECOWAS producers are imported into Ghana duty-free, and Ghana applies the ECOWAS CET on imports from outside the REC.
- CEN-SAD currently has 24 member states aspiring to establish an Economic Union which includes the free movement of goods, services and commodities. There is currently no free trade agreement in place.



2. Intra-Africa trade

For 2019, 18% of Ghana's world exports & 10% of world imports were to and from the rest of Africa. Intra-Africa exports amounted to US\$2.9 billion (16% more than in 2018) & intra-Africa imports to US\$1.1 billion (13% less than in 2018).

The five main exports products; unwrought gold, crude petroleum oil, footwear, palm oil and plastic packaging account for 76% of total intra-Africa exports. Main import products include frozen fish, non-crude petroleum oils, vehicles, cement and palm oil.

Ghana mainly trades with countries outside ECOWAS and CENSAD due to the dominance of South Africa - 57% of total intra-Africa trade. Other trading partners are ECOWAS (and CENSAD) countries Burkina Faso, Nigeria, Togo & Ivory Coast.

Main destination markets

South Africa, Burkina Faso, Nigeria, Togo & Senegal

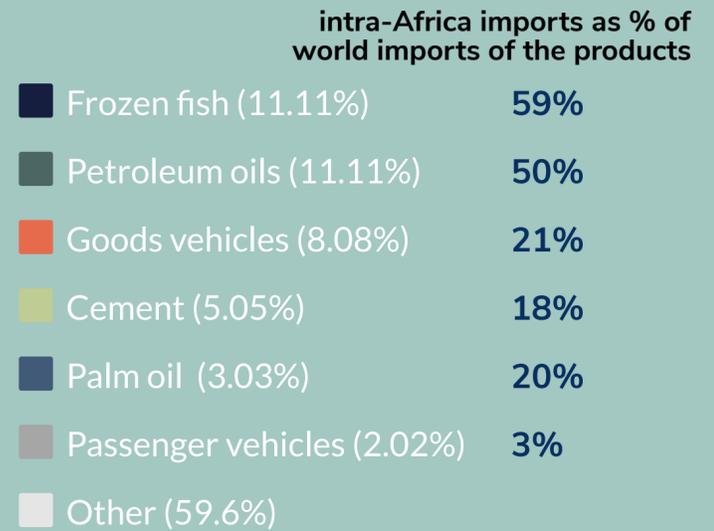


Ghana's intra-Africa trade 2019

Exports



Imports

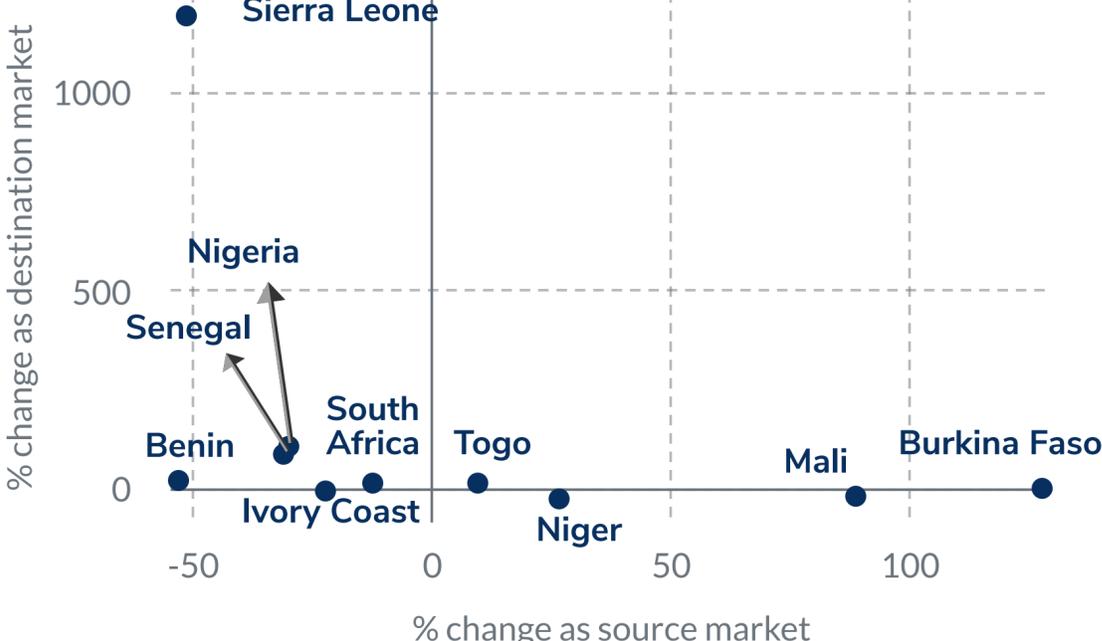


Main source markets

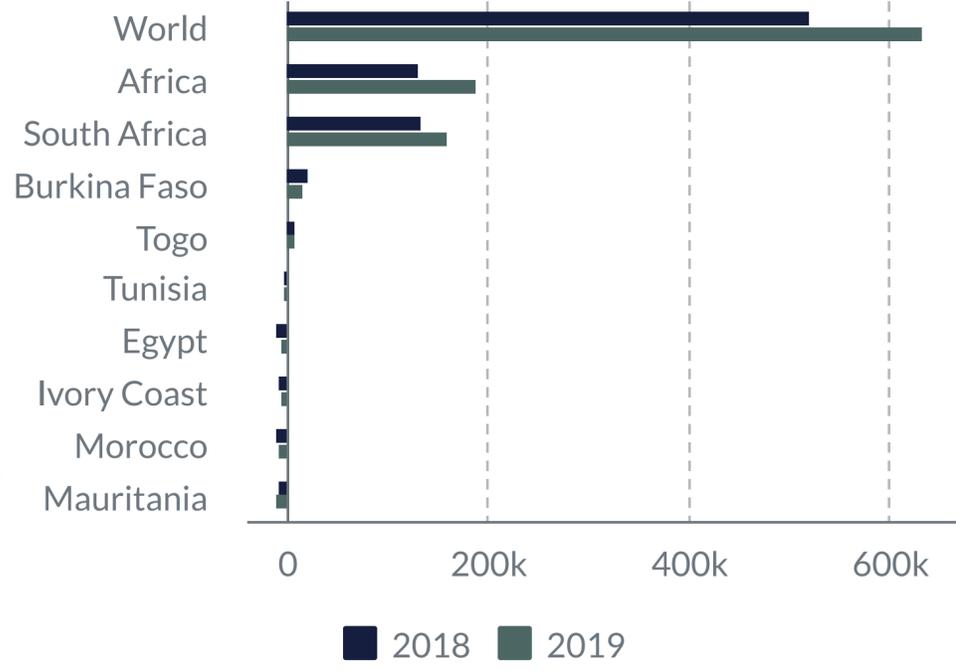
South Africa, Nigeria, Burkina Faso, Ivory Coast



% change in exports to & imports from main African trade partners (2018 to 2019)



Trade balance with designated trade partners 2018 & 2019



3. Intra-Africa tariffs & non-tariff cost of trade

Qualifying goods from ECOWAS member states enter Ghana duty-free, while imports from CEN-SAD countries, which are not ECOWAS member states (including Egypt, Morocco, Somalia & Tunisia) and the rest of Africa are levied the MFN applied duty, which is the ECOWAS CET. The ECOWAS CET has five tariff bands - duty-free, 5%, 10%, 20% and 35%.

12% of Ghana's world exports are to African countries not ECOWAS member states. This is 68% of intra-Africa exports; due to 97% of these exports being to South Africa all of which gold and crude petroleum oil. Other exports are mainly cocoa products - cocoa beans, paste and powder mainly exported to Egypt (duty-free) and Algeria (high import duties of either 15% or 30%).

6% of world imports are sourced from outside ECOWAS. Once again making up a significant portion of intra-Africa imports (59%) due to the dominance of South Africa as a source market. Goods mainly sourced from South Africa include goods and passenger vehicles, steel grinding balls for milling machines and prepared explosives. Other source countries include Mauritania (all of which is frozen fish), Morocco and Egypt.

MFN duty categories & % of national tariff lines in each category

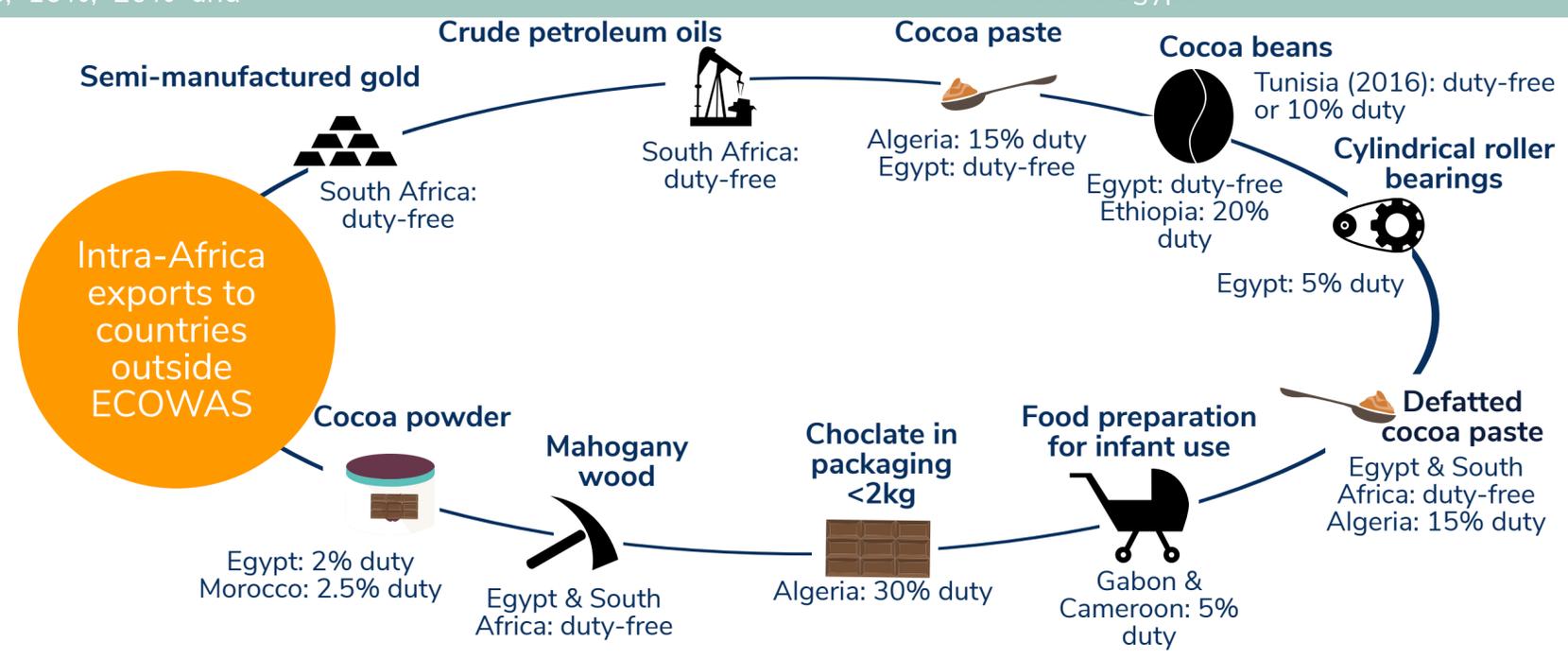
Duty-free 2%
 medicaments; crude petroleum oils; mineral and chemical fertilisers; printed books; newsprint in roll or sheets; newspapers or journals; human blood; articles of apparel and clothing accessories

5% duties 37%
 live beef animals; harvesting machinery; live poultry; copper wire; flat-rolled alloy steel; passenger motor vehicles; motor cycles; sugar or beets seeds; barley seeds

10% duties 23%
 iron, non-alloy or stainless steel wire; fresh fish; animal drawn vehicles; rice; woven cotton fabrics; vegetable oils and fats; cotton yarn; telephone sets; coffee; grand pianos

20% duties 36%
 fish fillets; fruit juices; male suits and shirts; copper wire; flour; fresh grapes; sanitary towels; milk and cream; stoves; curtains; lettuce; woven fabrics

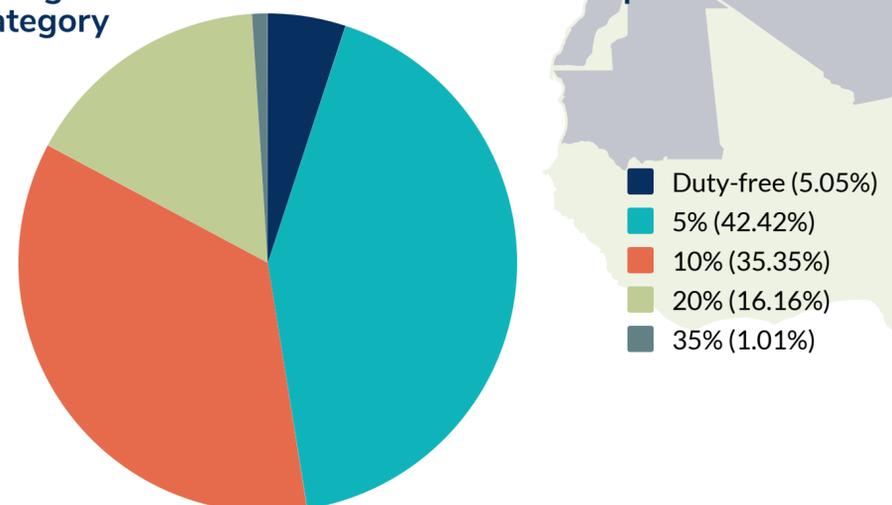
35% duties 2%
 soap; buttermilk; meat and edible offals; groundnuts; oil; sheep or goat meat; bread; pastry; cakes; chocolates



Ghana's imports from outside ECOWAS and corresponding import duties

All world imports of sulphates and steel ingots are sourced from African countries not ECOWAS members; also 59%, 75%, 69% and 88% of respective world imports of frozen mackerel, frozen horse mackerel, frozen other fish and coal.

Categories of MFN duties & % of 2019 imports in each category



- South Africa (55%)**
 Vehicles (5% or 10% duty depending on fully assembled or not)
 Steel grinding balls (5% duty)
 Prepared explosives (5% duty)
- Mauritania (13%)**
 Frozen fish - mackerel, sardines, salmon & hake (10% duties)
- Morocco (10%)**
 Medium oils (5% or 10% duty depending on the product)
 Prepared sardines (20% duty)
 Refined sugar (20% duty)
- Egypt (7%)**
 Electricity meters (10% duty)
 Calcium carbonate (5% duty)
 Urea resins (5% duty)
- Algeria (4%)**
 Cement clinkers (10% duty)
 Refined sugar (20% duty)
 Waters (20% duty)

Of the top 20 import products none are imported duty-free. Nine products are levied 5% duties and the rest 10% or 20% import duties. 20% duties are levied on imports of refined sugar, prepared sardines and apples. Only 1% of imports from outside ECOWAS are of goods levied 35% duties. These products include surface cleaning agents, chicken meat (cuts), pastries and baked goods, sugar confectionery and chewing gum.

The non-tariff cost of bilateral trade between Ghana & designated trade partners

The ESCAP-World Bank trade cost database includes the cost of transportation and the time to complete import procedures and obtain necessary information as non-tariff costs affecting bilateral trade between trade partners. The data shows non-tariff trade costs for agricultural goods are higher than for trade in manufactured goods. The cost of trading agricultural products is highest for trade between Ghana and Tanzania, Namibia and Kenya (even higher than trading with Brazil, Europe, China and Russia). The cost of agricultural goods trade east African countries is more than double the cost of manufactured goods trade with these countries. Trading manufactured goods between Ghana and Namibia is about 3 times the cost of manufactured goods trade with any other country. Non-tariff costs of manufactured goods trade is mostly lowest between Ghana and other countries in ECOWAS - Burkina Faso, Togo, Ivory Coast and Senegal.

