

NATIONAL EXPORT DEVELOPMENT STRATEGY



Connect to Export, Go Global

NATIONAL EXPORT DEVELOPMENT STRATEGY (NEDS): OVERVIEW

The Ghana National Export Development Strategy (NEDS) envisages that over a duration of 10 years Non-Traditional Exports (NTEs) will grow from \$2.8 billion in 2020 to \$25.3 billion in 2029 accompanied by deep structural transformation that positions Ghana as a competitive export-led industrialized economy if NEDS is fully funded and implemented.

Apart from a limited range of manufactured goods, Ghana has historically exported mainly raw commodities which fetched low prices and insufficient foreign exchange revenues whilst downstream along the traditional exports value chains in the destination market countries, considerable wealth and jobs were created. This situation was considered unacceptable. The Government therefore took a bold strategic decision to transform the structure of the economy from a raw commodity export-based one to a manufacturing industrial export-driven economy. This was backed with the launch of the policy document “The 10-Point Agenda for Industrial Transformation.”

The NEDS has been formulated to implement the 10-Point Agenda, complementing it with an export dimension. NEDS therefore seeks to build synergies with government’s flagship programmes, such as 1 District 1 Factory, Planting for Food and Jobs, Planting for Export and Rural Development, District Industrialization for Jobs and Wealth Creation, etc. to ensure that products emanating from companies operating under these programmes are competitive and marketable in the local and foreign markets.

Industrialization thrives on economies of large-scale production. This requires a market considerably larger than Ghana’s limited market and makes it imperative to explore exporting to the global market. Given the duty-free and quota-free preferential trade arrangement in intra-African trade, the African Continental Free Trade Area (AfCFTA) offers the best option and prospects for Ghana’s industrial products. NEDS therefore provides a specific strategy for supporting Ghanaian companies to penetrate and position their goods and services on the market.

COVID-19 took the world by storm and surprise and caused extensive economic damage, not sparing Ghana’s non-traditional export sector. NEDS provides practical post-COVID-19 economic recovery interventions, to mitigate the COVID-19 adverse economic effects to complement the financial stimulus packages introduced by the Government to cushion the private sector against the economic ravages of the pandemic.

The NEDS is situated within the policy frame of the Ministry of Trade and Industry (MOTI). It is private sector driven and facilitated by Government. It is the result of extensive research and consultation with a broad spectrum of stakeholders in which the organized private sector (FAGE, AGI and GNCCI) and the Parliamentary Select Committee on Trade, Industry and Tourism played key roles. MOTI made substantive inputs before the draft document was finalized. This extensive consultative process was necessary to secure stakeholder ownership and commitment. The lead implementing agency of NEDS is the Ghana Export Promotion Authority.

Since resources are limited, NEDS has adopted a priority products selection approach for concentrating resources on a limited number of products for development and marketing. The focus of NEDS is an Integrated List of 17 Priority Products generated by merging two categories of priority products, selected according to specific criteria.

PRIORITY PRODUCTS LIST

Category I: Existing high-performance products for contributing to the projected target

Processed Cocoa
Cashew (Processed & In-shell)
Horticultural Products
Oil Seeds (Processed)
Fish & Fishery Products
Apparel
Natural Rubber Sheets
Aluminum Products
Articles Of Plastic
Services

Category II: Strategic Anchor Industrial Products for industrial transformation

Pharmaceuticals
Aluminium Products
Iron and Steel Products
Automobiles and Vehicles
Garments and Textiles
Industrial Salt
Petro-chemicals
Machines and Machine Components
Industrial Starch
Oil Palm

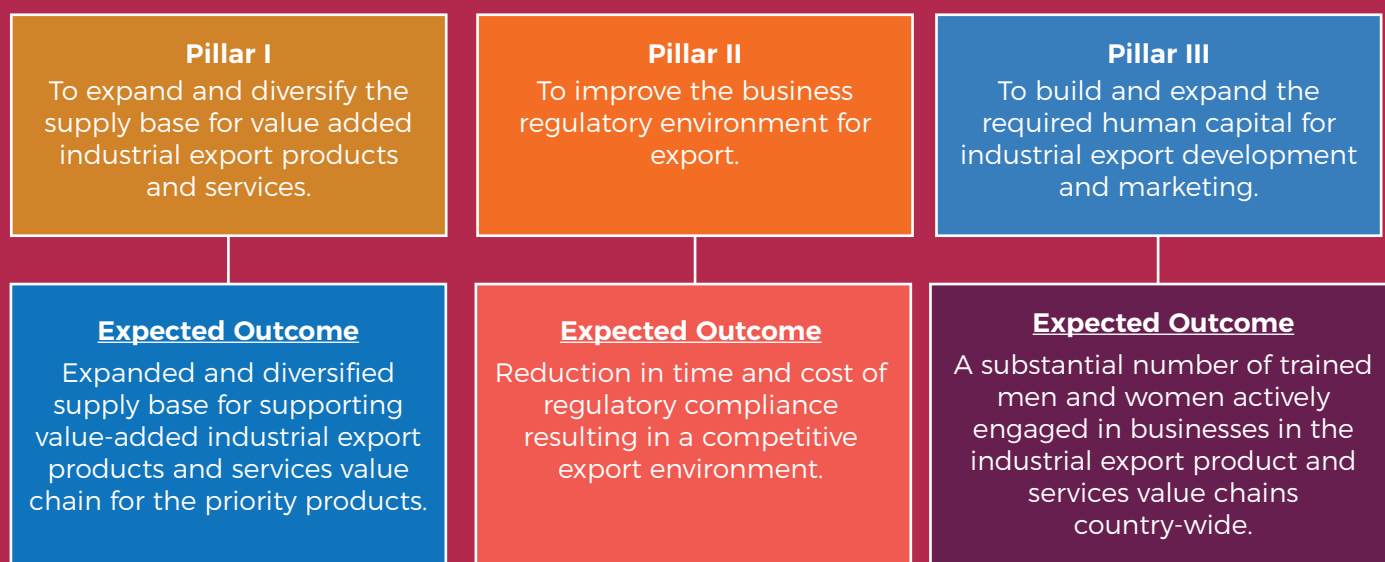
INTEGRATED LIST OF PRIORITY PRODUCTS

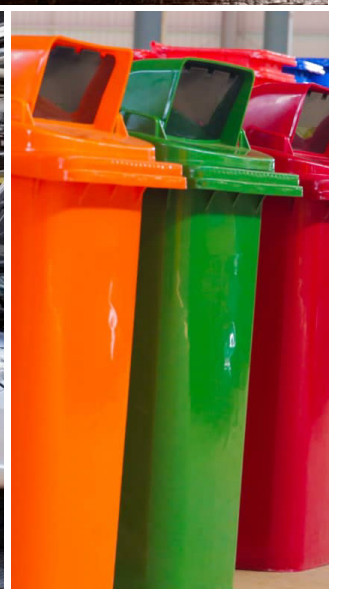
1. Cashew (Processed & In-shell)
2. Horticultural Products
3. Oil Seeds (Processed)
4. Fish & Fishery Products
5. Textiles & Garments
6. Natural Rubber Sheets
7. Processed Cocoa
8. Aluminium Products
9. Articles of Plastic and other Petrochemical Products
10. Services
11. Pharmaceutical Products
12. Iron and Steel Products
13. Automobiles and Vehicles
14. Industrial Salt
15. Machinery and Components
16. Industrial Starch
17. Sugar

PILLARS OF THE STRATEGY

The NEDS is designed resting on three strategic Pillars:

Pillar III will be implemented through a vigorous practical human capital development programme of the Ghana Export School, decentralized to the regions and districts to enable participation of adequate number of educated young men and women and people with disabilities to be empowered to become astute export businessmen and women to drive the national export effort. It is expected that every district will endeavour to develop at least one significant export value chain with which it can be identified.





Key Pro-Industrialization Measures

Major recommendations of NEDS include implementation of a package of export-oriented pro-industrialization policy measures with key elements such as:

- i. Removal or minimization of duties on inputs imported for domestic and export production;
- ii. In consultation with the private sector, judicious protection of local industries from “serious injury” from influx of poor quality under-priced imported goods;
- iii. Ensuring sufficient, stable and reliable supply of electricity and water at competitive low tariffs for manufacturing industries and export-oriented companies;
- iv. Stepping up existing measures to reduce overall lending rates to a single digit and improved access to finance at concessionary interest rates for export-oriented production in general and for manufacturing in particular.
- v. Ghana Exim Bank should increase support to export-oriented companies and position itself to fund a significant proportion of the implementation cost of NEDS. Eximbank should set up a specific facility for supporting a Credit Guarantee Scheme for SMEs and a grant for export promotion. The resource allocation for Ghana Eximbank should be increased. The supervisory responsibility of Eximbank should be transferred to the Ministry of Trade and Industry for a more effective institutional teamwork.
- vi. Government procurement should as much as possible patronize locally manufactured goods and services to strengthen aggregate demand for local manufactures and services to stimulate industrialization.
- vii. Providing support to Ghanaian-owned companies operating in the cocoa value chain to integrate forward their operations into the consumer market, where the bulk of the value chain wealth is generated in order to capture a significant proportion of the wealth for Ghana.
- viii. Re-engineer the educational system to reflect the human resource needs of export-oriented industrialization, specifically producing a significantly greater proportion of graduates in science, technology and engineering with orientation to modern agriculture, manufacturing and service industries, capable of transforming Ghana’s natural resources and raw commodities into manufactured economic wealth.

Within the framework of NEDS, sub-strategies have been developed, namely:

- Gender Strategy
- Youth in Export Strategy
- Disability Strategy
- Sustainable Environmental Strategy in Export Development



