



TRADE POLICY REVIEW

REPORT BY

GHANA

Pursuant to the Agreement Establishing the Trade Policy Review Mechanism (Annex 3 of the Marrakesh Agreement Establishing the World Trade Organization), the policy statement by Ghana is attached.

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1 INTRODUCTION

1.1. Ghana is located on the Gulf of Guinea in West Africa with a population of approximately 24 million people growing at an annual rate of 2.4%. Ghana has a total land surface area of 238,540 square kilometres and lies on the Atlantic with 540 kilometres coastline.

1.2. Ghana joined the General Agreement on Tariffs and Trade (GATT) in October 1957 after attaining independence in March 1957 and became a founding member of the World Trade Organization (WTO) in 1995. Ghana is a firm believer in the tenets of the Multilateral Trading System (MTS) and steps are being taken to implement WTO-consistent policies.

1.3. Ghana has undertaken measures to ensure extensive reform with a view of putting its economy in good footing. The Ghanaian economy has been growing at above 7% since 2007. Growth has been driven mainly by the service and industrial sectors. The country registered a very remarkable growth of 15% in 2011 with the commencement of crude oil production.

1.4. The economy has however been facing some challenges since 2011 and these include weakening commodity prices at the international market and energy crises at home. In spite of these the policy resolve of fiscal prudence and macro-economic stability was not compromised. In the medium term the commencement of gas production and additional crude oil production are likely to impact positively on the economy.

2 MACRO-ECONOMIC ENVIRONMENT AND ECONOMIC PERFORMANCE

2.1 Fiscal Policy

2.1. Ghana's overall growth and relatively stable macroeconomic environment facilitated its transition from a low-income economy to a lower-middle-income economy, with a robust services and industry base driving growth.

2.2. The rebasing of the GDP from 1993 base year to 2006 led to changes in the size of the GDP, growth rates, sectoral contributions and all related indicators that use the GDP. The most significant features of the rebasing were a 60.3% increase in the size of the GDP in the base year 2006, with the services sector emerging as the largest contributor to the GDP. GDP growth rate was around 8.6% between 2007 and 2011. The GDP growth in 2012 was 7.9 % compared to 15% in 2011 (which represents the full year of oil production in Ghana) and 8% in 2010. In 2010, Ghana had a per capita income of US\$1,329 with a GDP value of US\$32.2 billion and the per capita income in 2012 was US\$1,564 with a GDP value of US\$40.3billion. The principal sectors of the economy – agriculture, services and industry (including oil) – grew 1.3%, 10.2% and 7% of GDP in 2012 respectively.

2.3. Ghana's fiscal policy objectives since 2008 have been in line with the overall macroeconomic goals of stability for accelerated growth and development. In this regard, far-reaching fiscal policy reforms have been implemented in order to increase efficiency in tax and expenditure administration.

2.4. Over the medium-term, government fiscal policy aims at ensuring fiscal prudence and debt sustainability through improving revenue mobilization, rationalizing and enhancing the efficiency of public expenditures and reviewing financing methods. The Government also plans to focus on fiscal policy that will ensure transparent, effective and efficient natural resource revenue management, and continue with the ongoing reforms to strengthen financial management and management of financial risks.

2.5. The budget deficit, which stood at 6.6% of GDP in 2008, fell to 4% in 2011 due mainly to the government's fiscal consolidation measures, as well as adherence to budgetary constraints. In 2012, however, the fiscal deficit increased to 11.8% of GDP. The increase in the deficit is primarily attributable to shortfalls in revenue and grants resulting from the non-realization of corporate taxes from oil companies and non-disbursement of programmed grants from development partners. Shortfalls in corporate income taxes amounted to GH¢708.2 million in 2012. Shortfalls in grants from development partners were GH¢389.4 million in 2012. Higher

than expected spending on arrears as a result of implementing the Single Spine Salary Structure (SSSS), interest cost, utility and fuel subsidies, as well as higher spending on goods and services also contributed to the deficit.

2.6. The 2013 Fiscal policy aimed to achieve fiscal prudence, resulting in sustainable debt limits and a reduction in the budget deficit from 11.8% of GDP in 2012 to 9.0% of GDP in 2013. However, initial focus of the Fiscal policy for 2013 was on resource mobilization. Total revenue and grants for the period was GH¢13,868.2 million, equivalent to 15.9% of GDP, against a target of GH¢16,341.9 million, equivalent to 18.4% of GDP. The shortfall in total revenue and grants was mainly due to lower than anticipated domestic revenue collections and partly as a result of low disbursement of grants from our development partners.

2.7. The Government has put in place the following pragmatic measures to reduce the budget deficit:

- i. Improved revenue mobilization through the Ghana Revenue Authority's (GRA) on-going Modernization Programme, thus replacing the manual revenue collection method with the electronic/automated system;
- ii. Realigning key budget items and enhancing the efficiency of public expenditures through the on-going Public Financial Management (PFM) reforms, including the Ghana Integrated Computerised Financial Management System (GIFMIS). The GIFMIS is used in budget preparation and execution, accounting and financial reporting as well as cash and asset management. The system is expected to eliminate the issues of poor financial oversight and other unbudgeted government expenditures;
- iii. The Government has also put in place a programme to diversify our export base from the export of primary commodities to processed higher-earning value added products and the gradual abatement in the capital allowances granted the oil producing companies which will work together to increase our foreign exchange earnings and in the process, increase the country's gross international reserves.

2.2 Monetary Policy

2.8. Like many other countries, monetary policy has undergone a number of phases in Ghana. These are: Control regime; Monetary Targeting and Inflation Targeting.

2.9. The focus of monetary policy since the year 2007 has been on achieving price and exchange rate stability as key elements in creating an environment conducive to the achievement of sustainable economic growth.

2.10. To strengthen the Central Bank in the conduct of monetary policy, Parliament passed into law a Bank of Ghana Act 2001 (Act 612). This Act has:

- refocused the primary objective of monetary policy as "stability in the general level of prices";
- provided for the establishment of the monetary policy committee; and
- granted the Central Bank operational independence.

2.11. Monetary policy under the current inflation-targeting regime has played a key role in stabilising the economy and significantly reducing the level of volatility in inflation and inflationary expectations.

2.12. The new statutory mandate of the Central Bank is firmly rooted in a resurgence of public interest in economic policy and a heightened aversion for inflation and awareness of how much stability contributes to raising the standard of living of Ghanaians.

2.13. As part of the broader objective of macroeconomic stability, monetary policy in 2013 was programmed to complement efforts at sustaining the single digit inflation target as well as spur growth during the year.

2.14. Growth in broad money supply, including foreign currency deposits (M2+) declined from 42.4% in 2008 to 24.3% in 2012 compared with 33.2% in 2011. Growth in M2+ in 2012 was driven by Net Domestic Assets (NDA) of the banking system, which went up by 50.6% while Net Foreign Assets (NFA) declined 10.1%.

2.3 Inflation Development

2.15. Headline inflation generally trended upwards in 2008, ending the year at 16.5% from 10.7% in 2007. It increased to 19.3% in 2009 but consistently declined to record 8.8% in 2012. Although the Government achieved its goal of consistent single-digit levels of inflation from 2011 to 2012, the inflation level rose to 11.4% in June 2013, primarily as a result of the increase in oil prices due to the government's reduced petroleum subsidies at the pump.

2.4 Interest Rate Development

2.16. Generally, interest rate developments over the past six years were mixed. Following from the fiscal pressures occasioned by the global economic and financial crisis in 2007, the 91-day Treasury Bill rates were high in 2008, but trended downwards in 2010-mid 2011 due to prudent monetary and fiscal measures. Interest rates however trended upwards through mid-2013 as a result of fiscal pressures in 2012. The 91-day Treasury bill rate declined from 24.7% in 2008 to 22.9% at end 2012, but resumed a slightly upward trend in 2013.

2.5 Exchange Rate Development

2.17. Ghana still maintains a flexible exchange rate regime even though the possible impact of any volatility in the foreign exchange market on inflation is carefully monitored. From 2012, the cedi has been under pressure in the light of the global imbalances and the softening of some of Ghana's commodity export prices. Over the period, the Ghana cedi moved from a depreciation of 4.8% against the U.S. dollar in 2007 to a depreciation of 17.5% on the interbank market in 2012. Depreciation of the cedi against the U.S. dollar then slowed down in the first half of 2013 to 3.4%.

2.6 External Sector Policy

2.18. The global financial crises of 2007 and 2008 posed serious challenges to the country's external sector position. The country's external reserves dropped sharply to 1.8 months of import cover. However the adoption of effective monetary and fiscal measures resulted in an increase in external reserves to 2.9 months import cover in 2009. Since then a pick-up in petroleum and the industrial sector related imports have continued to exert pressure on the country's reserve position. However significant inflows of foreign direct investments and commencement of crude oil exports have enabled the country to sustain its reserve level which stood at 5.2 billion U.S. dollars, equivalent to 3 months import cover, in 2012. But the reserve position continue to be threatened by softening commodity export prices, especially gold and dwindling official inflows upon the accession of the country to the lower middle income status.

2.7 External and Domestic Debt

2.19. At the end of September, 2013, Ghana's external debt stood at US\$10.79 billion, an increase from US\$8.84 billion at the end of 2012. This constitutes 45.9% of public debt (24.6% of GDP). The increase in external debt stock is mainly accounted for by the disbursement of about US\$750 million from the Eurobond proceeds in 2013 as well as drawings of about US\$383.5 million from the China Development Bank (CDB) facility for infrastructural development programmes. The external debt as a percentage of GDP increased from 14.3% in December 2008 to 21.7% in December 2012.

Selected economic indicators

	2007	2008	2009	2010	2011	2012
Real GDP growth (%)	6.5	8.4	4.0	7.7	15.0	7.9
Inflation						
Year-on-year	12.7	18.1	16	8.6	8.6	8.8
Annual average	10.7	16.5	19.3	10.7	8.7	9.2
Exchange rate (end-period transaction rates)						
GH¢/US\$	1.0	1.2	1.4	1.5	1.6	1.9
GH¢/Pound Sterling	2.0	1.8	2.3	2.3	2.5	3.1
GH¢/euro	1.4	1.7	2.0	2.0	2.1	2.5
Commodity prices						
Cocoa (US\$/tonne)	1,787.2	2,072.5	2,801.6	2,950.7	2,947.8	2,365.0
Gold (US\$/fine ounce)	686.5	864.0	968.9	1,133.2	1,569.4	1,678.8
OIL, IPE Brent Crude (US\$/barrel)	75.8	101.0	62.5	74.0	111.3	109.2
External sector						
Exports of goods and services (US\$m)	6,004.0	7,119.9	7,609.4	9,437.4	12,785.4	3,513.0
Imports of goods and services (US\$m)	10,064.7	10,268.5	10,989.4	13,925.3	15,958.4	7,760.4
Current account balance (US\$m)	-2,151.5	-3,526.5	-1,598.5	-2,700.5	-3,675.1	-4,921.6
Overall balance of payments (US\$m)	413.1	-940.8	1,158.8	1,462.7	546.5	-1,210.9
Terms of trade index	44.01	122.92	83.03	76.29	67.99	69.45
Gross international reserves (end period, in US\$m)	2,836.7	2,036.2	3,164.8	4,724.9	5,382.8	5,349.0
Months of imports of goods and services	2.7	1.8	2.9	3.7	3.2	3.0
External debt (US\$m)	3,585.9	4,035.1	5,007.9	6,320.7	7,652.9	8,835.6
Interest rates (%)						
Bank of Ghana prime rate	13.5	17.0	18.0	13.5	12.5	15.0
91-day Treasury bill	10.6	24.7	23.7	12.3	10.3	22.9
182-day Treasury bill	10.7	26.2	26.5	12.7	11.1	22.9
1-year note	12.3	20.0	20.0	12.7	11.3	22.9
2-year note	12.8	21.0	23.3	12.7	12.4	23.0
Monetary aggregates growth (year-on-year)						
Reserve money	30.5	27.1	24.9	45.0	31.11	36.0
Broad money (M2+)	35.9	40.2	24.7	33.8	33.2	24.3
Broad money (M2)	43.5	31.2	18.5	44.8	30.2	22.9
Nominal GDP (GH¢ million)	23,154.4	30,178.6	38,032.0	46,042.0	59,816	73,109
Government budget (% of GDP)						
Domestic revenue	15.8	15.9	15.4	17.4	20.8	21.2
Grants	3.7	2.7	3.0	2.4	2.1	1.6
Total expenditure	24.3	26.5	22.4	26.0	23.8	28.6
Overall balance (including grants)	-4.9	-6.6	-5.6	-6.8	-4.3	-11.8
Domestic primary balance	3.7	-5.9	0.3	0.1	2.9	-1.6

3 GHANA'S INTERNATIONAL TRADE RELATIONS

3.1 The Multilateral Trading System

3.1. Ghana is enthusiastic about the development-oriented outcomes that the Doha Round could achieve if negotiation builds momentum. The Doha Round has the potential to reverse the marginalization of some developing countries and least developed countries and help them to meet the Millennium Development Goals. A successful conclusion to the Doha Round and a reinvigorated multilateral trading system would deliver opportunities to all participants, including the smallest, weakest and most vulnerable economies. The development imperative remains crucial. Consequently, WTO members must take a dynamic approach to fulfilling it, bringing developing and least developed countries fully within reach of the new trading opportunities that can help them to alleviate poverty and put their economies on the path of sustainable growth and development.

3.2. Ghana's expectations from the on-going Doha Development Agenda remain as valid as they ever were, including the following:

- i. **Non-Agricultural Market Access (NAMA):** Currently Ghana has bound only 1.2% of its industrial tariffs. This was done in the Uruguay Round. In the on-going round, Ghana is, therefore, categorized as a Paragraph 6 country for having bound less than 35% of its industrial tariffs. Ghana is prepared to increase its tariff binding to assure business people and investors of the stability, security, certainty and predictability of its business environment. Since Ghana depends heavily on customs duties as a source of government revenue for development, it would require some amount of policy space for revenue purposes and also to protect its infant industries for rapid industrialization and diversification of its industrial base.
- ii. **Agriculture:** In the Uruguay Round Ghana bound all its agricultural tariffs. About 99% of its agricultural tariffs were bound at a ceiling level of 99% effective 2004. Lower bound rates of 40% and 50% were set for a few agricultural products to apply

from 1995. However, Ghana maintains a standard maximum applied rate of 20% on all agricultural products, with lower rates of 0%, 5%, or 10% applying to a quarter of these products. Ghana does not maintain any export subsidies nor does it maintain any trade-distorting domestic support. However, Ghana is not immune from the deleterious effects of export subsidies and trade-distorting domestic support of some WTO members. Against this backdrop, the elimination of export subsidies and substantial reduction in domestic support in the Doha Round are a priority to Ghana. Other areas of the agriculture negotiations of special interest to Ghana include the reduction or elimination of tariff peaks and tariff escalation on products of export interest to Ghana, the self-designation of Special Products by developing countries to be treated flexibly in the negotiations, and a Special Safeguard Mechanism (SSM) to deal with import surges. Preference erosion is also a matter of concern to Ghana. It is Ghana's expectation that negotiations on this issue would be concluded in a manner that would give true meaning to the negotiation as a development round.

- iii. Rules: As a country engaged in the negotiation of Free Trade Agreements with developed countries compatible with Article XXIV of GATT, 1994, Ghana has profound interest in the amendment of Article XXIV to introduce into it flexibilities in favour of developing countries concluding Free Trade Agreements (FTA) with developed countries. Ghana, therefore, urges the Group on Rules to seriously and expeditiously address proposal submitted by the ACP Group and others on Regional Trade Agreements.
- iv. Services: In the Uruguay Round negotiations on services Ghana made commitments in basic telecommunications services; financial services (banking and insurance); transport services (maritime transport); educational services (secondary and specialist); construction and related engineering services; and tourism and travel-related services.

3.3. These areas were carefully selected because of the desire of the Government to attract investments as well as technological innovations into the sectors to facilitate their development. The objective was to allow suppliers of these services to compete more effectively and lower costs to consumers as well as enable efficient development of the other sectors of the economy, which require those services as inputs.

3.4. Ghana has prepared its draft offers for the current negotiations in response to requests submitted by some WTO Members, but is yet to table these offers. In preparing these offers, as in the past, consideration was given more to those services whose efficient delivery or supply could contribute to the efficient operation of other sectors of the economy. The offers are mostly improvements on the Uruguay Round offers, reflecting the more liberalized environment. Ghana's primary objective in the services sector is to build and strengthen its domestic supply capacity, efficiency and competitiveness to enable it take better advantage of the market access opportunities in sectors and modes in which it has supply capacity.

3.5. Ghana expects its developed country partners to open up sectors and modes of supply of export interest to developing countries, particularly mode 4. Developed country members' offers should take cognisance of Article IV paragraph 1 of GATS. In the negotiations Ghana seeks the maintenance of the architecture of the GATS intact. Ghana, like many other African countries, also favours the maintenance of the "positive list" "bottom up" approach, which enables it to select the sectors and sub-sectors and modes of supply of interest to it.

3.2 Regional Integration

3.2.1 Economic Community of West African States (ECOWAS)

3.6. Ghana attaches great importance to regional economic cooperation and integration. Ghana actively participates in ECOWAS activities at all levels, including the Conference of Heads of State and Government, Council of Ministers, Senior Officials and the Community Parliament, among others.

3.7. With regard to the implementation of ECOWAS protocols, integration programmes and activities in the area of trade, Ghana has taken actions on the following:

- Free Movement of Persons: Ghana has abolished entry visas and permits for ECOWAS nationals, adopted the ECOWAS travel certificate and implemented the ECOWAS Brown Card scheme.
- Free Movement of Goods: In line with the harmonization of customs documents by ECOWAS Member States, Ghana has adopted the ECOWAS certificate of origin, customs nomenclature (HS) and the customs declaration form. Ghana is charging the Community levy of 0.5% on imported goods from countries outside the region. Ghana is also fully implementing the ECOWAS Trade Liberalization Scheme (ETLS) under which unprocessed goods from the region enter Ghana duty-free. However, industrial products must satisfy ECOWAS rules of origin and other certification conditions before being eligible for ETLS benefits.
- Common External Tariff: As a step towards the conclusion of an ECOWAS customs union, and in pursuit of further regional integration, the ECOWAS countries are committed to the establishment of a Common External Tariff (CET). This aspires to harmonize the tariff structures of the Anglophone countries with that of the common external tariff currently upheld by the francophone UEMOA countries. The leaders of ECOWAS States adopted a Common External Tariff (CET) for all fifteen Member States of the Community in November 2013. The ECOWAS CET is expected to be implemented after the ECOWAS Member States in the WTO have negotiated with other WTO members and have been given the green light.

3.2.2 Economic Partnership Agreement (EPA) with the EU

3.8. Until 31 December 2007, about 97% of the exports of the ACP countries, including Ghana, entered the European Union (EU) duty-free in accordance with the Cotonou preferential trade regime. The WTO waiver, under which the Cotonou regime was permitted, expired on 31 December 2007. To retain such duty-free access beyond this point Ghana, together with other West African (WA) countries (ECOWAS + Mauritania), has been negotiating a WTO-compatible Economic Partnership Agreement (EPA) with the EU. Under the new regime, the WA region and the other five ACP regions negotiating EPAs with the EU are expected to also open their markets progressively in an asymmetrical manner to EU exports. This will be accompanied by EU-supported measures to accelerate West Africa's integration processes, upgrade its industries and build its productive capacity and competitiveness. This is to enable West Africa to take full advantage of market access opportunities offered by the EU and to integrate into the global economy.

3.9. As a precautionary measure to safeguard duty-free market access to the EU against any possible delay to the implementation of the WA EPA, Ghana has initialled an interim EPA (iEPA). The iEPA retains the EPA principle of maintained duty-free access to the EU in exchange for a gradual opening of the Ghanaian market, but foregoes the benefits of a harmonised regional agreement. At a meeting held on 6 February 2014, the West Africa Chief Negotiators and their EU counterparts found a compromise on the West Africa-European Union Economic Partnership Agreement (WA-EU EPA) by ironing out thorny issues that had proven divisive after more than a decade of negotiations. The thorny or outstanding issues relate to market access, development assistance, MFN clause, non-execution clause, agriculture subsidies, and rules of origin. Indications are that the WA-EU EPA would be signed by 1 June 2014.

3.3 Bilateral Trade

3.10. Ghana has signed bilateral agreements with a number of countries with the objective of taking advantage of opportunities offered in key strategic markets, fostering business cooperation and technology transfer and encouraging Foreign Direct Investment (FDI). However, should the ECOWAS Customs Union come into existence these agreements would have to be submitted to the ECOWAS Commission for acceptance or rejection by the Union.

3.11. On Preferential Trade Arrangements, Ghana benefits from the Generalized System of Preferences (GSP) offered by industrialized countries other than the EU and the United States of America. The United States offers a number of African countries, including Ghana, special access to its market under the African Growth and Opportunity Act (AGOA). Under AGOA over six thousand products from the beneficiary countries enter the USA market duty-free and quota-free. Apparel made from U.S. fabric, yarn or thread also enters the U.S. market duty-free and quota-free. Ghana is currently in the final stages of negotiating a Free Trade Agreement (FTA) with Turkey, the 4th negotiation round of which concluded on 21 November 2013.

4 GHANA'S SECTORAL POLICY FRAMEWORK

4.1 The Ghana Trade Policy and Trade Sector Support Programme

4.1. The Ghana Trade Policy was launched in February 2005 and implementation started in January 2006. The Policy provided clear and transparent guidelines for the implementation of the Government's domestic and international trade agenda. The key objective was to ensure a consistent and stable policy environment within which the private sector and consumers can operate effectively and with certainty.

4.2. The policy prescriptions emanated from seven (7) thematic areas that formed the basis of the document. These thematic areas were: International Trade, Import-Export Regime; Trade Facilitation Enhancing Production Capacity; Domestic Trade and Distribution; Consumer Protection and Fair Trade; and Intellectual Property Rights.

4.3. A five-year implementation blueprint of the Trade Policy, the Trade Sector Support Programme (TSSP) was implemented between January 2006 and December 2010. The objectives of the TSSP were to increase Ghana's competitiveness in international and domestic markets and improve the legal and regulatory environment for businesses and consumers.

4.4. The TSSP was made up of 27 distinct but interrelated projects, which were based on the 7 thematic areas of the Trade Policy. The projects and activities which were implemented under the TSSP were intended to promote Ghana's accelerated growth underpinned by two parallel strategies of an export-led industrialization growth; and domestic market-oriented industrialization based on import competition.

4.5. An End-of-Term Evaluation of the TSSP conducted by an independent consulting firm indicated that about 70% of the programme's objectives were achieved despite some operational challenges that were encountered. The under-listed are some of the key achievements:

- Ghana participated fully in multilateral and bilateral trade negotiations of institutions such as WTO, UNCTAD and ECOWAS.
- A Tariff Advisory Board was established to advise the Minister for Trade and Industry on trade and trade-related issues.
- Some Ministries, Departments and Agencies, border points and freight forwarders were connected to the Ghana Community Network System (GCNet) to improve their access to trade data and enhance their operations. The GCNet is an electronic data interchange and tradenet system designed to facilitate customs clearance process of export, import and transit trade.
- Electronic tracking devices have been introduced on transit cargo and other customs suspense regimes to improve visibility and reduce physical human interventions and diversion of cargo.
- Pack houses and cold chain facilities were constructed at some farm gates in the Central and Eastern Regions of Ghana and Kotoka International Airport (KIA) to help maintain the quality and increase the shelf life of horticultural and other perishable commodities for exports.

- The Ghana Standards Authority has been accredited to undertake product and system certification as well as certification of inspectors.
- Intellectual Property Rights (IPR) Policy has been developed and IPR laws of Ghana reviewed to encourage innovation and creativity particularly in the Creative and Manufacturing industries.
- The Industrial Policy and the Industrial Sector Support Programme (ISSP), which are currently under implementation, were developed out of the TSSP.
- The National Export Strategy and the National Export Development Programme were also developed out of the TSSP.

4.6. The implementation challenges of the TSSP identified included:

- Lack of funding for some of the projects and activities for which reason they were not undertaken.
- Delays in the procurement processes as a result of stringent guidelines in the Procurement Act 2003 (Act 663).
- Limited or no control of activities not directly implemented by Ministry of Trade and Industry, the lead implementing institution.

4.7. It is worthy to note that some of the uncompleted activities of the TSSP which were still relevant at the close of the programme such as the development of the Competition Policy and Law, the Consumer Protection Policy and Law, the Intellectual Property Rights and the improvement in the National Quality Infrastructure have been rolled over into the ISSP for implementation.

4.2 The New Ghana Industrial Policy

4.8. The New Industrial Policy, which was developed out of the TSSP, was launched in June 2011. The main objective of the Policy is to promote increased competitiveness and enhanced industrial production, with increased employment and prosperity for all. It is also expected to provide a broader range of fair-priced, better quality products for the domestic and international markets.

4.9. The key development objectives of the Industrial Policy are:

- i. To expand productive employment in the manufacturing sector
- ii. To expand technological capacity in the manufacturing sector
- iii. To promote agro-based industrial development
- iv. To promote spatial distribution of industries in order to achieve reduction in poverty and income inequalities.

4.10. In this regard, the Industrial Policy represents the set of specific policy instruments and measures to be applied to improve access to competitive factors of production within the economy; and enhance productivity, efficiency and growth of Ghana's manufacturing sector.

4.11. The Industrial Policy has four main components with the following objectives:

- **Production and Distribution:** To ensure that adequate local agro-based industrial raw materials, mineral deposits and competitively priced imported inputs are available for local manufacturing.
- **Technology and Innovation:** To encourage the adoption and dissemination of modern technology in industry.

- Incentives and Regulations: To create a conducive, transparent and predictable regulatory environment to attract the requisite investment into the industrial sector.
- Crosscutting Issues: To encourage greater participation of the under-privileged, empowerment of women and a fight against communicable diseases such as HIV/AIDS that hamper development in the sector.

4.3 The Industrial Sector Support Programme (ISSP)

4.12. The Industrial Sector Support Programme (ISSP) is the implementation arm of the Industrial Policy. The ISSP is made up of eighteen (18) carefully designed projects with detailed implementation plans with corresponding budget, logical framework and the management and coordination responsibilities of key stakeholders. The ISSP is expected to be implemented over a five-year period: January 2012-December 2016.

4.13. The success of the Industrial Policy and the ISSP would be measured by the extent to which they empower the manufacturing sector particularly Small and Medium Enterprises (SMEs) to expand and create opportunities for employment as well as the reduction in poverty and spatial inequalities in Ghana.

4.14. In order to increase local content in the manufacturing sector, measures will be implemented to encourage increased private sector investment in commercial agriculture to expand the cultivation of selected agriculture raw materials for agro-industry. This will be complemented with measures to enhance productivity through improved agronomy, input supply and access to irrigation facilities.

4.4 The National Export Strategy for Non-Traditional Exports (NTEs)

4.15. A National Export Strategy (NES) and its implementation arm, National Export Development Programme (NEDP) were launched on 16th August, 2013. As mentioned earlier, the NES and the NEDP were developed out of the TSSP.

4.16. The overall objective of the Policy is to develop the potentials of the Non-Traditional Export (NTE) sector in order to achieve a strategic target of US\$5.0 billion within five years (2014-2018) of its implementation from its current level of US\$2.364 billion as a way of diversifying the economy for sustained revenue from export.

5 TRADE-RELATED TECHNICAL ASSISTANCE

5.1. Ghana very much appreciates the technical assistance it has been receiving from the WTO under the Doha Development Agenda Global Trust Fund. A number of trade officers have benefited from the Geneva-based and Regional Trade Policy courses as well as the national and regional workshops and seminars. The on-line courses have also been beneficial. These have contributed immensely to increased awareness and the understanding of the WTO Agreements and, thus, the capacity building of officers. More trade-related technical assistance is still needed in the two priority areas of improving institutional capacity for trade policy negotiations and implementation; and supporting the reform of trade-related legislation and regulations.

5.2. It has also been observed that the knowledge and understanding of the WTO Agreements and the acquisition of negotiating skills alone do not translate into enabling the developing countries overcome their supply-side constraints to be able to take advantage of the market access opportunities offered by the multilateral trading system. There is, therefore, the need to assist developing countries like Ghana without competitive supply capacity to address their supply-side constraints through, in particular, the Aid-for-Trade Initiative. In this respect, Ghana would like to appeal to its trading partners to also support its Industrial Sector Support Programme (TSSP) and the National Export Strategy for non-traditional exports.

6 CONCLUSION

6.1. Ghana is committed to freer trade and economic reform. Ghana's oil boom has proven to be a great additive to one of Africa's most active small and medium enterprise (SME) economies. With the business environment improving in the country and its reputation as one of the African continent's most stable democracies, Ghana is now more than ever before ready to do business with the rest of the world. Besides the improved economic environment, Ghana offers various forms of investment incentives, benefits and guarantees. Foreign investors are urged to take advantage of these incentives to invest in Ghana, especially in the areas of agriculture and agro-processing; cotton and textiles; mineral processing; oil and gas; tourism; energy; infrastructure; utilities; and health.
