Market Access Sectoral and Trade Barriers Database

-Ghana-

last updated on 2002-02-13

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GENERAL FEATURES OF TRADE POLICY

The United Nations classifies Ghana as one of the bottom fifteen "medium human development" countries, ranking it 129th in the world in its latest Human Development Index Report. The economy is heavily dependent on agriculture, especially cocoa, and minerals, most notably gold. These activities provide about half of GDP. Ghana's economic performance depends on climatic factors that can adversely affect agricultural output, and movements in international commodity prices. Since mid 1999, falling cocoa and gold prices as well as escalating oil prices have weakened the economy through a sharp decline in the country's terms of trade. Ghana's manufacturing sector, accounting for about 10% of GDP, remains underdeveloped. The services sector (including electricity, water, gas, and construction), about 45% of GDP, is predominantly characterized by commerce-related activities. Average real GDP annual growth during the 1990s barely kept pace with population growth; per capita growth averaged 1.5%.

Ghana is a highly indebted poor country (HIPC). External debt stood at US$5.9 billion in 1998 and an estimated US$6.4 billion in 1999, up from US$4.8 billion in 1993. Most debt is medium- to long-term and of a concessional nature – some two thirds is held with multilateral institutions, especially the World Bank and the IMF.

The economy is in a precarious position, compounded by a fragile trading environment.
Macroeconomic imbalances threaten economic growth and could endanger the continuation of trade and other structural reforms.

Ghana is a founding member of the WTO.
As a developing country, Ghana benefited from transitional periods to implement commitments under various WTO Agreements. Most of these transitions periods have now expired.

Ghana is a signatory to the Cotonou Agreement (successor to the Lomé Convention) between the European Union (EU) and 71 countries in Africa, the Caribbean and the Pacific (ACP).
As such, Ghana benefits from tariff free access to the EU for most of its products. The Cotonou Agreement will over time result in tariff free access to ghana for EU products as well.

The following table is an overview of the tradeflow between the European Union and Ghana

Section	Year	Import(Euro)	Export(Euro)
	1996	8,042,350	29,281,190
	1997	22,947,730	33,467,290
	1998	24,200,810	46,797,290

Animals & animal products	1999	19,922,020	45,822,420
	2000	19,537,180	32,262,320
	2001	24,108,240	27,136,900
	2002	30,811,820	33,450,980
	2003	30,061,730	43,261,740
Vegetable products	1996	32,669,640	7,067,700
	1997	42,518,930	6,666,930
	1998	46,708,250	6,947,530
	1999	41,991,590	11,349,520
	2000	52,210,870	7,862,190
	2001	64,124,850	9,028,260
	2002	75,936,530	13,903,580
	2003	85,937,280	14,847,760
Animal or vegetable fats	1996	3,092,160	3,237,990
	1997	3,554,710	3,042,490
	1998	14,627,370	5,475,200
	1999	13,537,260	8,120,780
	2000	7,913,830	5,149,550
	2001	2,193,070	2,570,180
	2002	3,376,280	5,399,490
	2003	6,347,160	4,579,810
Prepared foodstuffs	1996	354,820,830	27,309,920
	1997	360,465,880	31,682,480
	1998	430,817,360	44,829,830
	1999	396,210,300	47,284,420
	2000	342,545,330	51,185,470
	2001	366,254,920	90,282,810
	2002	477,143,380	58,363,740
	2003	523,518,040	50,151,230
Mineral products	1996	21,137,660	40,913,940
	1997	24,603,670	124,098,440
	1998	25,064,220	58,576,100
	1999	33,515,170	62,054,610
	2000	23,802,510	120,421,160
	2001	22,937,820	52,568,920
	2002	26,350,970	56,308,390
	2003	19,321,300	44,410,320
Chemical products	1996	373,730	83,993,880
	1997	608,720	113,275,670
	1998	540,960	91,219,260
	1999	1,772,670	107,375,790
	2000	1,876,790	112,906,190
	2001	1,119,070	107,977,010
	2002	742,100	105,528,490
	2003	236,160	133,598,410
Plastics & rubber	1996	8,080,450	43,034,960
	1997	7,574,760	47,702,460
	1998	5,230,940	47,215,480
	1999	2,869,230	57,978,070
	2000	2,381,490	46,716,220
	2001	2,282,680	43,477,750
	2002	5,532,420	42,207,090
	2003	10,546,320	46,834,140
Hides & skins	1996	7,070	1,134,240
	1997	41,040	1,215,560
	1998	33,710	921,780
	1999	28,660	1,169,340
	2000	22,610	1,516,920
	2001	31,710	2,608,310
	2002	26,680	637,650
	2003	17,900	718,090

Wood & wood products	1996	118,421,940	562,800
	1997	138,508,180	1,555,700
	1998	144,061,030	1,418,480
	1999	140,240,990	1,008,710
	2000	143,586,200	1,151,490
	2001	149,625,700	317,620
	2002	133,721,250	603,490
	2003	121,500,130	1,031,630
Wood pulp products	1996	523,390	34,727,670
	1997	45,280	34,751,990
	1998	26,590	37,009,330
	1999	364,110	32,225,980
	2000	922,090	34,801,930
	2001	48,640	37,672,530
	2002	47,890	61,731,030
	2003	195,600	50,539,850
Textiles & textile articles	1996	1,256,070	21,341,150
	1997	1,658,300	28,715,690
	1998	459,850	35,264,590
	1999	1,317,810	30,269,040
	2000	4,577,960	30,310,650
	2001	3,591,390	34,773,530
	2002	5,115,760	37,106,990
	2003	1,619,010	41,416,450
Footwear, headgear	1996	88,630	8,382,410
	1997	23,620	7,499,340
	1998	36,140	5,558,320
	1999	48,110	5,153,240
	2000	57,750	4,582,930
	2001	70,640	5,552,740
	2002	42,950	6,130,640
	2003	88,410	5,427,660
Articles of stone, plaster, cement, asbestos	1996	171,430	12,334,630
	1997	212,880	13,129,080
	1998	153,310	14,143,380
	1999	98,780	17,482,420
	2000	269,010	18,466,660
	2001	263,150	21,168,710
	2002	279,770	22,037,020
	2003	286,160	19,964,560
Pearls, (semi-)precious stones, metals	1996	110,875,030	3,382,960
	1997	114,484,450	1,468,300
	1998	199,521,920	814,210
	1999	271,766,500	444,050
	2000	294,854,440	179,000
	2001	194,572,010	309,560
	2002	172,090,970	412,880
	2003	116,566,040	431,130
Base metals & articles thereof	1996	120,460,500	81,165,400
	1997	207,112,300	82,407,240
	1998	149,235,510	73,043,420
	1999	124,956,900	66,667,260
	2000	221,524,860	70,029,270
	2001	211,320,250	60,194,250
	2002	161,769,850	54,972,330
	2003	99,074,960	51,071,480
Machinery & mechanical applicances	1996	1,524,950	245,948,280
	1997	2,760,470	291,700,400
	1998	7,109,120	278,335,760
	1999	6,877,540	267,485,260
	2000	5,302,660	226,833,090

	2001	5,618,930	224,471,980
	2002	4,351,000	263,419,830
	2003	3,951,380	232,694,930
Transportation equipment	1996	137,070	94,064,740
	1997	197,520	118,038,110
	1998	676,740	98,427,750
	1999	4,129,480	105,915,120
	2000	793,430	85,711,570
	2001	273,240	95,667,740
	2002	310,620	143,357,340
	2003	2,452,290	109,076,500
Instruments - measuring, musical	1996	1,229,240	35,722,530
	1997	1,010,360	35,549,160
	1998	796,200	29,149,990
	1999	783,260	20,327,520
	2000	2,746,600	25,715,420
	2001	2,048,060	14,925,790
	2002	1,246,190	22,197,160
	2003	1,302,290	23,243,150
Arms & ammunition	1996	0	4,154,810
	1997	20	5,267,580
	1998	0	4,627,230
	1999	183,180	3,753,930
	2000	320	2,990,440
	2001	0	3,593,420
	2002	0	2,799,690
	2003	0	3,443,000
Miscellaneous	1996	4,123,050	13,238,470
	1997	6,174,170	17,631,910
	1998	7,848,480	13,441,610
	1999	7,089,830	11,991,610
	2000	8,378,650	11,336,180
	2001	9,450,120	9,405,880
	2002	8,372,260	12,410,830
	2003	5,793,810	9,523,700
Works of art	1996	25,360	910,810
	1997	66,600	424,160
	1998	17,080	9,664,790
	1999	99,320	684,240
	2000	51,530	12,940
	2001	38,370	16,260
	2002	66,100	168,700
	2003	19,430	29,330
Other	1996	1,436,310	5,880,760
	1997	845,830	6,392,020
	1998	663,460	5,718,330
	1999	1,198,870	6,030,310
	2000	2,976,760	5,051,750
	2001	4,113,690	19,941,710
	2002	2,693,700	9,521,360
	2003	3,035,990	23,649,510

Agriculture and Fisheries
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Cocoa production, a mainstay of the economy, continues to be liberalized as part of the Government's efforts to invigorate the industry.
Although cocoa continues to be marketed by the Cocoa Marketing Company, a subsidiary of COCOBOD, these arrangements are being increasingly deregulated. A medium-term cocoa strategy was adopted in April 1999 aimed at increasing growers' returns by reducing taxation levels and further enhancing COCOBOD's efficiency, as well as limiting its marketing powers, especially the export monopoly. Under these liberalized policies, cocoa production expanded during the 1990s to former levels, of around 400,000 tonnes annually,

and is forecast to rise to 700,000 tonnes by 2009.

Growth of non-traditional exports, mainly since 1990, has been in line with government policy to expand and diversify Ghana's export base. Processed and semi-processed products, such as canned foods (mainly tuna), wood, and aluminium products, represented over three quarters of non-traditional exports, compared with one quarter in 1986. Over the same period, exports of handicrafts grew from very low levels to represent 2% of non-traditional exports, while the share of agricultural products fell substantially. The main non-traditional agricultural exports in 1998 were yams, fish (salted, dried, smoked, and frozen), crustaceans, bananas, and various vegetables. However, apart from cocoa, Ghana exports few agricultural products in significant quantities.

Apart from cocoa (14% of agricultural GDP), the main agricultural crops are cereals, such as maize, rice, millet, and sorghum, as well as starchy staples, such as cassava, yam, cocoyam, and plantain (61%). Livestock accounts for around 7% of agricultural GDP, fisheries for 5%; and forestry 11%.

The agriculture sector has generally performed below potential. Agricultural development, including food self-sufficiency, is an important component of the Government's Vision 2020. To meet these objectives, the Government adopted an "Accelerated Agricultural Growth and Development Strategy in Support of Vision 2020" for 1997 to 2007. The strategy is to achieve annual real growth of 6% in the sector – substantially above the annual average of 4% recorded between 1995 and 1999 – based substantially on exports. This would raise agricultural production from currently the equivalent of US$2.9 billion to US$5.5 billion in 2007. The strategy covers all of agriculture, including crops, livestock, fisheries, forestry, and cocoa. Such growth is to be achieved by adopting open market principles to encourage private sector investment, and greater devolution of responsibilities from central government to district assemblies.

The main element of the government's strategy is to promote export of selected products, through improved access to overseas markets, in accordance with Ghana's comparative advantage. Products expected to perform well include cocoa, maize, yam, cassava, soybean, Asian vegetables, cashews, pineapples, and tilapia. Targeted tax incentives and trade reforms, such as facilitating regional trade arrangements, are expected to help boost the private sector. The aim is to increase Ghana's agricultural exports by an average of 15% annually, compared with annual growth of almost 9% between 1991 and 1996.
The main trade policy instrument at the border for the agricultural sector is the tariff. The average applied MFN tariff rate for agricultural products (HS chapters 01 to 24) is 20.2%. The average rate for agriculture, hunting, forestry and fishing is 17.3%. Ghana does not maintain any export subsidy programmes for the agricultural sector.

Mining
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Mining accounted for 6% of GDP in 1998.
Gold
Gold is Ghana's main mineral, and contributed around one third of export receipts in 1998. Production amounted to 72,900 tonnes in 1998, making Ghana the second largest gold producer in Africa and the tenth largest in the world. Other important minerals mined in Ghana are diamonds, bauxite, and manganese. Minerals are predominantly exported.

Mining development is the responsibility of the Ministry of Mines and Energy and the Minerals Commission, which administers the Mining and Minerals Law of 1986 and the Minerals and Mining Amendment Act of 1994. This legislation provided fiscal incentives for miners; for more effective regulation of the sector, with the establishment of new state institutions ; and the rehabilitation of state-owned mines. All mineral development is open to foreign investors, except for small-scale gold and diamond mining (claims of less than

ten hectares), which are reserved for Ghanaians. Small-scale production, equivalent to around four tonnes of gold annually, must be marketed and exported by the state-owned Precious Minerals Marketing Corporation and the privately owned Miramex Company Ltd.
Exclusive renewable mining rights are available. Reconnaissance licences are granted for up to one year for regional exploration, but no drilling; prospecting licences for searching and valuation of minerals for two years; and mining leases for mineral extraction for 30 years. Other matters, such as royalty payments, work programmes, and export earnings retention allowances are negotiable within pre-set limits on a case-by-case basis. Royalty rates vary from 3% to 12% of the gross value of mineral output, depending upon profit margin and the type of mineral , and export retention allowances from 60% to 80%. Mining companies are subject to the standard company tax rate of 35%, but receive more generous capital and other tax allowances. An "additional profits tax" of 25% of annual carry-forward cash balances also applies to earnings above a threshold level, currently set at a rate of 17.5%. Annual rental fees of US$1.20 per square kilometre for exploration, and US$2.90 per square kilometre for mining are also levied. There are no foreign equity limits on joint ventures. However, the Ghanaian Government is entitled to a free carried equity interest of 10% in mineral ventures. It also has the option of purchasing an additional 20% equity at a "fair market price", but this has never been exercised. Withholding taxes of 10% on dividends and 50% on foreign loan interest apply on foreign provided services, but these may be exempted by agreement.

Other mining products
About 80% of Ghana's diamonds are industrial. Production increased from 585,000 carats in 1997 to 870,000 carats in 1998; exports in 1998 were US$11 million.
Ghana is also a leading exporter of manganese, with exports amounting to US$12 million in 1998. Production has rebounded in recent years, rising from a low of 100,000 tonnes in 1995 to 421,000 tonnes in 1998. However, this is still below record production of 638,000 tonnes in 1974-75.
Ghana's manganese reserves are estimated at above 60 million tonnes.

Services - Communications & Audiovisual
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Ghana's telephone penetration rate is low at 1%; there are currently about 180,000 telephone lines. Services are provided by Ghana Telecom Ltd; Westel, a U.S. company; and four mobile cellular phone operators, of which Mobitel is the largest. There are also three private internet service providers.

Telecommunication policies are formulated by the Ministry of Communications. The policy objectives since the mid 1990s have been privatization, competition, and investment, aimed at increasing penetration rates and improving the quality of communication services. The Government's medium-term objective is to increase the penetration rate to 2.5%, or by an additional 450,000 lines, in accordance with the Accelerated Development Programme 1994-2000.

As part of the privatization programme, implemented in early 1997, 30% of Ghana Telecom was sold to overseas interests , and its monopoly was terminated. A statutory duopoly was established by granting a "Second National Operator" (SNO) licence to Westel to provide both domestic and international telephone services. This limits competition in voice telephony, other than by cellular phone, until March 2002 when additional suppliers of fixed network services will be considered. The two incumbent exclusive suppliers are required to meet network expansion and service quality targets. Ghana Telecom is required to establish 225,000 telephone lines within five years.

A key feature of the reform programme has been the implementation of a transparent regulatory framework for telecommunications. The National Communications Authority (NCA) was established as the centralized regulatory body under legislation passed in December 1996. The legislation is aimed at promoting a stable operating environment for all participants, including fair competition and enhanced efficiency. The NCA approves new entrants and supervises existing suppliers, and provides guidelines on setting charges for voice telephony, fax, and cellular services. It also designates technical standards in line with ITU recommendations. A licence may be granted only to a Ghanaian citizen, or a properly registered incorporation or partnership.

Services - Energy
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Hydro-electricity accounts for some 90% of Ghana's power supply. Most is produced by the state-owned Volta River Authority (VRA) from plants at the Akosombo and Kpong Dams. Other main sources of electricity are diesel and thermal plants operated by VRA and by mining companies generating their own supply. Electricity is regarded as a traditional export.

The major industrial user of electricity is the aluminium smelter, which generally consumes over a third of total power generated.

Government policy is aimed at separating state-owned entities into companies for the generation, transmission, and distribution of hydro-electric and thermal power. A National Company Grid is envisaged once final separation occurs. This will separate the national grid from VRA. The Electricity Company of Ghana, mainly responsible for the distribution of power, is being restructured and is on the priority list for divestment. The Government has also introduced a new regulatory framework aimed at attracting private sector participation. The Public Utilities Regulatory Commission (PURC) was established in 1997 to independently set utility prices. Regulations are also to be introduced covering national interconnection arrangements (Energy Commission Act of 1997).

The Government's objective is to expand and diversify Ghana's electricity production. It recently released a Transitional Power System Development Plan for 1999 to 2001, to increase thermal power supply until the West Africa Gas Pipeline is online to supply natural gas from Nigeria. This includes the development of gas reserves in the Tano Fields to fuel additional power generation capacity of 260 MW; this would be Ghana's first gas-fired power generation plant.

Services - Financial
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The financial sector in Ghana comprises 16 commercial banks, five merchant banks, and over 100 rural unit banks. While private banks now dominate the banking system, some one third of total deposits remains with the five majority public-owned banks. There are also 17 insurance companies. The Bank of Ghana, through the Banking Supervision Department, is responsible for regulating and supervising banks (Banking Law 1989). It also supervises non-bank financial intermediaries, including the foreign exchange bureaux and the Social Security and National Insurance Trust (the Financial Institutions (Non-Banking) Law of 1993). The Government's "Vision 2020" aims to establish an efficient privately run financial system and ultimately to make Accra a major regional financial centre.

All banks must be licensed by the Bank of Ghana. The freeze on issuing new bank licences was removed in 1999. Banks are required to meet certain prudential requirements in line with the Bank for International Settlements (BIS) core principles of banking supervision, such as minimum capital adequacy ratios. The minimum paid-up capital for establishing a banking business in Ghana is Cedi 200 million for a Ghanaian banking business or Cedi 500 million for a foreign banking business, defined in the legislation as a bank incorporated in Ghana with below 60% Ghanaian equity. The establishment of foreign bank branches is not permitted in Ghana. There are no restrictions on the services supplied by foreign banks.

The Bank of Ghana is taking steps to strengthen its prudential requirements, and new banking legislation is being prepared. A new foreign exposure regulation was applied from mid-July 1999; some banks have experienced difficulties in meeting this requirement. The Bank has also enhanced its enforcement activities: in 2000 it withdrew licences for three banks, which were below the minimum capital adequacy ratio of 6%, and closed down a number of non-viable rural banks. Over the past five years, a number of insolvent state banks have been liquidated.

A key component of the Financial Sector Adjustment Programme was the privatization of the large state-owned banks. In 1995, the Government floated 30% of the shares in the Social Security Bank, of which 21% were subscribed. In 1996, 42% of the shares in the Ghana Commercial Bank were sold on the Ghana Stock Exchange. The Government intends to further privatize state banks, including at least another 40% of the Ghana Commercial Bank and 30% of the National Investment Bank. The Bank of Ghana also intends to divest its ownership in commercial banks, except initially for the Agricultural Development Bank.

The Ghana Stock Exchange began operating in 1990. Its market capitalization as at 8 November 2000 was around US$700 million. Ashanti Goldfields Company is by far the largest single listed firm, representing some 70% of the exchange's total capitalization. There are currently 22 companies listed on the Stock Exchange. Apart from gold mining, most companies are in manufacturing, including brewing, and banking. Many Ghanaian-owned subsidiaries of multinational companies are listed on the Stock Exchange. Share trading by non-resident foreigners is permitted without prior approval, however, the proportion of shares held by any single external resident in a company is limited to 10%, and the maximum level of foreign ownership for each firm is 74%.

The Securities Regulatory Commission is responsible for maintaining overall surveillance of the securities industry (Securities Industry Law, 1993). It regulates stockbrokers and financial advisers as well as setting the listing requirements for public companies. Any person wishing to undertake business in Ghana that in any way involves securities must first obtain the appropriate licence from the Commission.

The insurance industry is regulated by the National Insurance Commission, under the Insurance Law of 1989. All insurance companies, including life, non-life, and reinsurance businesses, must be registered with the Commission and be incorporated in Ghana. At least 20% of the equity of a foreign-owned company must be owned by the Government, and 40% by Ghanaians. Foreign insurance branches are therefore not permitted. The legislation specifies certain prudential and reporting requirements for insurance companies, such as minimum capital levels, security deposits, solvency margins and reserves. All premium increases must be approved by the Commission, but presently it intervenes only in the case of motor insurance premiums. All insurance intermediaries, such as brokers, must also be registered with the Commission. The Government intends to privatize the Ghana Reinsurance Company and the State Insurance Company by 2003.

Services - Tourism and Travel
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Tourism accounted for almost 4% of GDP in 1996, and net foreign exchange earnings were US$200 million. Tourism earnings in 1999 are expected to have exceeded US$304 million. Some 17,000 people are directly employed in the tourism industry. Tourist arrivals rose from 305,000 in 1996 to an estimated 373,000 in 1999. About one third of these arrivals are Ghanaian visitors. The rest come mainly from the United Kingdom, United States, Germany, and France. Most arrivals are business visitors, staying on average for about ten days.

Tourism development based on private sector participation is a government priority. According to the Government's "Vision 2020", tourism is to be expanded to make Ghana a major international venue and regional tourist destination. Investment incentives are provided to hotels. The company tax rate for the sector is reduced from 35% to 25%, depending on location of the investment (urban/rural). Additionally, approval can be given by the Minister of Tourism for investors in hotels of at least 50 rooms to defer payment of import duties until completion of the project and commencement of operations. Certain items, such as furniture, fans, air conditioners, and television sets, can also be imported duty free. A National Tourism Development Plan 1992-2010 is being implemented by the

Ministry of Tourism aimed at more than doubling the size of the industry by 2010. Net foreign exchange earnings in 2010 are projected under the long-term plan to rise to US$1.6 billion.

To attract private investment, the Plan calls for improving the public and private sector institutional framework for investment; simplifying investment procedures; adopting tourism investment incentives; establishing a tourism financial credit programme; and creating a Tourism Development Fund to be financed from a 1% tax on hotel and restaurant expenditure.

The Ghana Tourist Board is an implementing agency of the Ministry of Tourism. The Board is responsible for marketing and promoting international and domestic tourism, as well as regulating the industry, such as registration and licensing of tour operators. The Government has divested all of its state-owned hotels. The number of hotels in Ghana increased from 350 in 1990 to an estimated 767 in 1999.

Ghana is an active member of the World Tourism Organization and its Regional Commission for Africa.

Services - Transport
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(a) Land transport
Ghana has about 40,000 kilometres of roads, of which about three quarters are unpaved.
Since 1997, the Government has implemented the Highway Sector Investment Project, aimed at rehabilitating major routes.
Almost 98% of freight and most passengers are carried by road.

(b) Air transport
All international flights are handled by Accra's Kotoka International Airport where the number of operators increased from 9 in 1985 to over 15 in 1999. The number of weekly international flights also increased, from 63 in 1997 to over 80 in 1999, with direct services to Europe and to the United States.

Under the Gateway Project for making Accra the Gateway to West Africa, the Government is implementing a "liberalized skies" policy aimed at deregulating the air transport industry. There are no restrictions on domestic air operations, except that carriers must be licensed by the Air Traffic Licensing Authority and satisfy the safety regulations set by the Ghana Civil Aviation Authority. Domestic air routes are still under development.
The Ghana Civil Aviation Authority is being restructured to separate its regulatory functions from its airport management operations. It is expected that this will improve efficiency and enhance its ability to access capital for upgrading airport infrastructure. It will also create the enabling environment needed for private-sector participation in the management and development of airports, while implementation of the "liberalized skies" regime will attract more carriers and flights to Ghana.

(c) Maritime transport
The principal policy objective of the Government is to develop Ghana into a shipping gateway to West Africa. An "open door" policy is being implemented, aimed at removing all restrictions on the establishment and operation of shipping lines in Ghana. Joint ventures with foreign operators are now allowed. There are no cabotage requirements in Ghana restricting coastal shipping to domestic companies; however, the new Ghana Shipping Bill provides for their introduction. Ghana has not signed any bilateral shipping agreements to date, but does provide special berthing rights and warehousing facilities to landlocked countries, particularly Burkina Faso. Shipping policy is handled by the Ministry of Transport.

There are no subsidies to shipping lines. Maritime safety and security is regulated by the

Ghana Merchant Shipping Act, which is currently under revision. All ports are currently state owned. However, legislation is being considered that would enable private ownership and operation of port facilities. The Ghana Ports and Harbours Authority manages ports.

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TARIFFS AND DUTIES

Ghana has continued to implement market opening measures commenced in the 1980s under its Economic Recovery Programme.
These have further simplified and liberalized its trade regime. Trade taxes are still an important source of government revenue, accounting for almost one third of total taxes in 1998. Over half of this revenue was from tariffs. However, reliance on trade taxes for government revenue is expected to decline substantially following the introduction of a value-added tax in late 1998. The VAT rate was increased from 10% to 12.5% in June 2000.
Following the removal of the "special import tax" of 17.5% in 1999, and the lowering of the highest tariff rate of 25%, mainly on consumer goods, to 20% in 2000, the simple average applied MFN tariff rate was 13% in early 2000. Ghana has a four-tier tariff structure, with rates of zero, 5%, 10% and 20%. However, the "temporary" introduction of another "special import tax" of 20% in April 2000 on mainly consumer goods – covering 7% of tariff lines – effectively added a fifth tariff rate of 40% and raised the average applied MFN tariff to currently almost 15%. Ghana applies MFN tariffs to all trading partners, except for duty-free imports from ECOWAS members (Economic Community of West African States).
While tariffs are exclusively ad valorem, the transparency of the tariff system is undermined by the widespread use of exemptions, often administered under poorly specified authority. These exemptions undermine tariff protection in a non-transparent and arbitrary manner. In 1998, some 40% of imports were exempt from payment of import duties, mainly through bonded warehouses and free-zone enterprises. End-use tariff concessions also apply on some goods. Mandatory destination inspection replaced preshipment inspection from April 2000. Minimum import prices no longer apply. Ghana adopted the transaction valuation of imports, except for used vehicles, from February 2000. Improved clearance procedures also include selective inspection targeting of high-risk consignments. At end-July 2000, about one third of consignments were inspected, and clearance times had been reduced, although delays of a week were still common for some goods.

Ghana's tariff is based on the Harmonized System (HS). While in principle Ghana adopted the eight-digit classification, some products are disaggregated to the ten-digit level. There are currently approximately 5,500 tariff lines in the Ghanaian customs schedule. The tariff schedule has four columns, giving the ECOWAS preferential rate, if applicable; the MFN rate; the value-added tax rate; and the "special import tax", recently applied on some goods.

The Government's policy objective is to reduce the average tariff rate gradually over the next three years to less than 10%. According to the Government, tariff reforms are aimed at enhancing the external competitiveness of local industry, harmonizing tariff rates with regional levels, and removing distortions.

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TRADE DEFENCE INSTRUMENTS

Ghana has no legislation allowing the imposition of anti-dumping, countervailing or safeguard measures on imports. However, the Government does monitor the impact of "unfair" import competition on domestic industries and may take compensatory action against such products. The recent introduction of a "special import tax" was partly a response to these concerns.

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NON TARIFF BARRIERS

Registration and documentation

Ghana has no restrictions on the rights of individuals and entities, including foreign companies, to import goods and services. The main legislation governing importation is the Customs, Excise and Preventive Service Law (Management) (Duties, Rates and Other Taxes) of 1994, and the Export and Import Act of 1995. There are no special registration requirements for importers. Any entity may import goods commercially provided it is a legally registered business, partnership, body corporate or company. Imports may be made either by using a standard bank letter of credit or by collection, provided prior approval is obtained from the Central Bank. Clearing and forwarding agents must be licensed by the Customs, Excise and Preventive Services (CEPS), and importers are required to use clearing agents unless they have their own shipping divisions.

Documentation requirements were changed from 1 April 2000 when the Destination Inspection Scheme replaced preshipment inspection. The Import Declaration Form (IDF) is issued automatically and remains the main document required from the importer. It provides, for statistical purposes only, details of the imported goods. This form must be submitted for each inspection 21 days prior to the goods arriving in port. The importer must provide other supporting documents, including the final invoice , packing list, airway bill or bill of lading, and sales contract, at least ten days in advance of importation. These measures are meant to ensure that Final Classification and Valuation Reports (FCVR) are issued before the arrival of imported goods at the port. A FCVR is needed to clear the goods through customs upon payment of the assessed duties.

Import prohibitions, quantitative restrictions, and licensing

Ghana maintains few import restrictions. Those applied are mainly to protect human health and national security, such as restrictions on imports of obscene articles, dangerous weapons, contaminated food or infected animal carcasses, and raw coffee imported overland. Some products are conditionally prohibited and require a licence to be imported. The Ministry of Finance must license imports of rough or uncut diamonds. Imports of evaporated or condensed milk of fat content below 8% or 26% for dried milk or powder, excluding clearly identified skimmed milk, must also be licensed. Brandy, rum, and whisky must be certified as being stored in wood for at least three years prior to importation.

Special permits are required to import products such as drugs (issued by the Ministry of Health); chemicals (Environmental Protection Council Certificate); meat products (Veterinary Services Department); arms and ammunition (Ministry of Interior); explosives for mining (Ministry of Interior); gaming and gambling machines (Ministry of Interior); and telecommunications equipment (National Frequency and Registration Board).

Only drugs, cosmetics and other chemical substances that are registered with the Food and Drugs Board can be imported, and then only if supported by a quality assurance certificate issued by the competent authority in the exporting country.

Commercial sale and importation of unapproved seeds is prohibited, and can only be made by a registered commercial seed producer or importer (Seeds (Certification and Standards) Decree of 1992 and The Seeds Act of 1995). The Minister of Food and Agriculture is responsible for approving seeds and registering sellers, including importers, based on advice from the National Seed Committee (Seeds (Certification and Standards) Regulations of 1973).

Standards and other technical requirements

(a) Standards, testing, and certification

The Ghana Standards Board is mainly responsible for standardization matters. Ghana primarily adopts international standards, especially ISO or Codex norms. Where no international norms exist, standards from other countries are usually used; historically from Britain but increasingly from the EU or South Africa.

All Ghanaian standards are mandatory. The Government's objective is to replace these with voluntary standards.

(b) Sanitary and phytosanitary arrangements

Importation of designated plants and plant products requires a phytosanitary certificate from an authorized body of the exporting country and an import permit issued by the Plant Protection and Regulatory Service.

(c) Marking, labelling, and packaging

Ghana's regulations on labelling, marking and packaging of specified products are contained in the 1992 Ghana Standards Board (Food, Drugs and Other Goods) General Labelling Rules. Imported and domestic food and drugs must bear English markings identifying such attributes as the type of product, the country of origin, producer's or importer's name, the ingredients or components, net weight, instructions on use, and the expiration date for perishable foods. These food-labelling requirements are consistent with those of the General Codex Standard on Food Labelling. Similar labelling is required on a range of other specified products, including electrical goods, such as televisions, air-conditioners, lamps and household appliances, as well as cement, batteries, paints, pesticides, detergents, poultry feed, toiletries, and cosmetics.

Fines are levied on suppliers of improperly labelled products. Products are also confiscated unless tested and approved by the Ghana Standards Board, in which case suppliers have 28 days to re-label the goods as required for sale. The Board has taken steps to increase inspections to reduce food items from being sold with expired "use by" dates.

Government procurement

The state-owned Ghana Supply Company Ltd is the centralized agency handling government procurement in Ghana. However, authority for public procurement rests with the Finance Minister (Financial Administration Regulations of 1979). The Minister has increasingly issued directives enabling goods to be procured directly, thereby decentralizing government procurement. Consequently, the Company accounts for only about 5% of total government procurement (amounting to US$7.4 million in 1999). The rest is procured directly by the ministries and state-owned entities, which have substantial autonomy over their procurement. They are not required to follow the Company's criteria on procurement, such as requiring competitive bidding on contracts above Cedi 1 billion and using open tendering procedures, including providing access by foreign tenderers. Since no manual exists to codify the rules on government procurement, such arrangements are likely to vary significantly between ministries. Procurement by individual entities is not audited externally. Avenues for appeal against procurement decisions appear limited, especially against contracts let by ministries and state-owned enterprises.

Since January 1999, local firms have received a 12.5% price preference over foreign suppliers. Contractors are also required to use 40% local materials where available.

Agriculture and Fisheries

Sanitary and phytosanitary measures

040043-*Ghana- Bovine meat and meat products, animal feed* [2004-12-20]

Import ban on Bovine meat and animal feed due to BSE

- General statement on BSE to all Third Countries on 17/03/2004 in reaction on the statement of the USA. During the XXXI SPS Committee in October 2004 the Commission has given a general statement on BSE (Bovine Spongiform Encephalopathy). Some WTO members started to lift the ban due to BSE for some EU live ruminants and ruminant derivated products (e.g.: China, New Zealand, Brazil, Philippines). The EC requested other WTO members to follow the same line and to respect guidelines as set up by international organizations (OIE).

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INVESTMENT RELATED BARRIERS

Foreign direct investment in Ghana is monitored by the Ghana Investment Promotion Centre.

Ghana no longer screens foreign investment. The Centre registers foreign investments (within five days) and promotes it by providing certain incentives. Attracting FDI is an integral part of the Government's market-opening measures and efforts to promote economic growth.

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IPR

In the area of intellectual property protection, Ghana is making progress towards compliance with WTO requirements. Draft laws on all areas of the TRIPS Agreement are currently before Parliament. In the case of copyright, patents and trade marks, existing legislation is being amended to bring it into line with WTO requirements, such as increasing the term of patent protection from ten to 20 years. Ghana has applied its own "banderole" system since 1992 to help control pirated musical works. In other areas, new legislation has been drafted.