
SUMMARY

1. Ghana is a natural resource-based economy. Its strong democratic institutions and good governance have contributed to attracting investment. The resultant economic growth has improved the per-capita income of its 31 million people to approximately USD 2,200 in 2020, against USD 2,000 at the time of the last Review in 2014. The World Bank ranks Ghana as a lower middle-income country.

2. Ghana's trade-to-GDP ratio averaged 71% in 2018-20 and indicates that its economy moderately depends on international trade. The country is Africa's second-largest producer of gold, and is rich in diamonds, oil, and gas. Gold, crude oil, and cocoa beans (and cocoa paste and cocoa butter in limited quantities) together account for close to 85% of merchandise exports. Ghana's main export destinations are China, the European Union, Switzerland, India, and South Africa, while the European Union and China remain its main import origins.

3. Over the review period (2014-22), Ghana experienced three phases of modest to strong economic growth; it continues to face challenges to stabilize its economy. In fact, from 2014 to 2016, Ghana witnessed a sharp economic slowdown with an average real GDP growth of 2.8% (down from an average of 6.6% in 2010-13), which was linked to a domestic banking and energy crisis. From 2017 to 2019, following a change in government, macroeconomic performance improved. Real GDP growth rebounded to an annual average of 6.9%, inflation was brought under control, and the Government's budget situation improved, thanks to greater fiscal discipline. In 2020, the economy held up comparatively well with GDP growth of 0.4%, despite the worldwide COVID-19-related lockdowns, and closures of businesses and borders. To help mitigate the impact of the pandemic, the Government adopted the Coronavirus Alleviation Programme aimed at supporting vulnerable households and businesses. It also launched the Ghana CARES ("Obaatan pa") programme (GHS 100 billion, about USD 13 billion) focusing on agriculture, manufacturing, and the ICT/digital economy. These mitigation efforts came at the expense of record fiscal deficit and public debt that led the IMF to warn Ghana last year that it was at high risk of debt distress.

4. Ghana's investment regime is fairly liberal and foreign investment is generally welcome. However, the State continues to have a significant stake in the economy with close to 160 state-owned enterprises, agencies, and joint-ventures, many of which continue to make losses. Activities still reserved for Ghanaians range from small-scale mining to forex bureaux. Joint ventures by foreign enterprises with Ghanaian partners are subject to a minimum of 10% Ghanaian equity participation. Also, Ghana has introduced new restrictions on foreign investments in the energy and mining sectors through mandatory Ghanaian equity participation and local content.

5. Ghana has submitted over 40 notifications to the WTO since the last Review and indicated that steps were being taken to fully meet the requirements in this area. Ghana participates in the Economic Community of West African States (ECOWAS) and the African Continental Free Trade Area (AfCFTA), and consults with the other members of these groups on WTO issues. It signed bilateral trade treaties with the European Union (EPA) in 2016 and the United Kingdom in 2021. As an ECOWAS member, Ghana has implemented the Common External Tariff (CET) since 1 February 2016 with national exceptions as per regional provisions. However, Ghana has been slow in domesticating and implementing subsidiary ECOWAS legislation. Ghana has received tariff preferences from the European Union and the United Kingdom since the adoption of its bilateral trade agreements with each of these partners, and it started implementing its own tariff reductions in 2021.

6. Ghana's bindings cover 15.1% of its tariff lines. Most agricultural tariffs are bound at a ceiling rate of 99% with some lower bound rates at 40% and 50%. About 1% of the non-agricultural tariffs are bound. Ghana's 2022 applied MFN tariff (unchanged since 2019) is based on the CET and the HS17 classification. The tariff consists of the five CET rates (zero, 5%, 10%, 20%, and 35%). As of March 2022, the average (unweighted) applied MFN tariff rate was 12.2%, down from 12.8% in 2013. The share of duty-free tariff lines was 1.6%, down from 12.2% in 2013, because most of the tariff lines that were duty-free in 2013 now carry a 5% rate under the CET. Some 45% of all tariff lines were subject to rates of 20% or 35% as of March 2022.

7. Ghana's standard VAT rate has been 12.5% since 2017. Excise duties are imposed (on an *ad valorem* basis) on imports and locally produced alcoholic and non-alcoholic beverages, and tobacco products. In addition, Ghana resorts to a host of other taxes and levies on imports, and

their number has grown since the last Review. These taxes levied on most imports include the ECOWAS Levy (1%), African Union Levy (0.2%), Environmental Tax (10%), Ghana Export-Import Bank Levy (0.75%), Ghana Education Fund Levy (2.5%), COVID-19 Health Recovery Levy (1%), National Health Insurance Levy (3.5% on imports and domestic goods/services), Sanitation and Pollution Levy (specific), and Special Petroleum Tax (specific), as well as four Energy Sector Levies. Combined, all of these levies significantly increase the costs of imports into Ghana.

8. On the other hand, Ghana offers exemptions and concessions, for various purposes, on import tariffs, other duties and charges, and internal taxes. In 2020, the reported "tax refunds" amounted to GHS 2.6 billion (approximately USD 460 million) or 5.8% of total tax revenues. Qualifying imports enter the country under letters granting exemptions from the Ministry of Finance, and initiated by other ministries and agencies, including the Ghana Investment Promotion Agency.

9. Ghana has ratified the Agreement on Trade Facilitation and notified the dates for the implementation of categories B and C commitments; 18 provisions are due for implementation in 2022-23. It has simplified its import procedures by establishing a new single window at the border (Integrated Customs Management System (ICUMS)) and reducing the number of inspecting agencies to three (Customs, Food and Drugs Authority, and Ghana Standards Authority). Destination inspection by Customs is mandatory for all imports of USD 3,000 and above (unless a waiver is granted). Inspection fees are *ad valorem* and do not thus reflect the cost of the service.

10. Ghana maintains import prohibitions on unprocessed logs and certain pharmaceuticals, as well as prohibitions based on, inter alia, health, safety, SPS and environmental grounds. There are also quantitative restrictions in place on imports of cement and poultry products. The TBT and SPS regimes remain largely unchanged. Ghana primarily adopts international standards; it has adopted 29 ECOWAS standards. Ghana has submitted a number of notifications to the WTO TBT Committee, and one specific trade concern was raised regarding its automotive safety standards. Ghana has also notified the WTO SPS Committee of its new biosafety and meat inspection rules.

11. Since the last Review, Ghana has for the first time adopted trade remedies legislation. It made several notifications to the WTO, which were reviewed in 2020. The newly established Ghana International Trade Commission has recommended the implementation of an anti-dumping measure against aluminium coils and circles originating in, or imported from, China, and several anti-dumping investigations are ongoing.

12. Regarding measures affecting exports, Ghana maintains its requirements for foreign exchange repatriation to banks registered in the country. The forex surrender requirements to the Bank of Ghana for cocoa and gold exports were eliminated. Export taxes are currently applied on timber, and certain hydrocarbons sold to airlines. Selected products are subject to special export permits. Two agencies, Ghana Export Promotion Agency and Ghana Export-Import Bank, are responsible for export promotion and export financing. The WTO Committee on Agriculture has yet to receive an up-to-date export subsidy notification from Ghana. The country currently has four free zones, and investors may also obtain free-point status anywhere in the country. However, Ghana's exports from free zones have been declining. Accordingly, the free zone scheme would benefit from a cost-benefit review for its possible reform.

13. Ghana is neither a member nor an observer to the WTO plurilateral Agreement on Government Procurement. Its public procurement has increased substantially since 2014, in line with efforts to modernize and develop its national infrastructure. The Public Procurement Act was amended in 2016 and an electronic procurement system (GHANEPS) was launched in 2019. Government procurement is decentralized with over 1,000 procuring entities. The most used procurement methods are restrictive tendering (51% in 2019) and competitive national tendering (31%); international competitive tendering accounted for 1%. Price preferences that vary with the type of good and the level of local content are available to suppliers, irrespective of their nationality.

14. Ghana has reformed its intellectual property rights regime. The Trademarks Act, the Industrial Designs Act, and the Patent Act were amended, and a new Plant Variety Protection Act was adopted in 2020. Also, Ghana has ratified the UPOV Convention, the WIPO Phonograms Convention, the WIPO Marrakesh VIP Treaty on copyright, and the WIPO Lisbon Agreement for the Protection of Appellations of Origin and their International Registration.

15. The agriculture sector contributes about 20% to GDP. Despite its agricultural potential, Ghana is increasingly a net-food importer. Cassava, yams, and plantains are the main staples, together with rice and maize. Agricultural policy is geared towards ensuring food security, while aiming at reducing imports – particularly of rice. Since 2017, Ghana's crop production has improved considerably with the launch of a new agricultural programme ("Planting for Food and Jobs"), which is underpinned by, *inter alia*, fertilizer and seed subsidies. Some limited price support is provided to the major staple crops. The average applied MFN tariff on agriculture products (WTO definition) was 15.5% as of March 2022; tariff protection was highest for live animals and meat at 24.1%. Most meat is imported, particularly poultry meat. Tariffs on poultry meat are set at 35% and imports are subject to licensing (permit) requirements to protect domestic production.

16. Exports of cocoa beans, the main agricultural export commodity, are under monopoly of the state-owned Ghana Cocoa Board (COCOBOD); its activities have not yet been notified to the WTO under Article XVII of the GATT 1994. There are no statutory export taxes on cocoa beans. The world's two leading cocoa exporters, Ghana and Côte d'Ivoire, are working together with the aim to improve their cocoa terms of trade, and thereby raise cocoa farmers' incomes. In 2020, these countries jointly introduced a premium of USD 400 per tonne (the so-called Living Income Differential), which is charged to buyers on top of the terminal market price of cocoa.

17. Ghana has been a crude oil producer and exporter since 2010. Due to the impact of the pandemic on operations, oil production declined to 55 million barrels in 2021 (down from 71 million barrels in 2019). Ghana also started to produce natural gas during the review period and has increased its electricity exports. An Energy Sector Recovery Programme was adopted in 2019 to address budgetary difficulties triggered by an excess of government-contracted electricity and gas supplies.

18. Ghana has introduced a new local participation and local content policy aimed at increasing the share of "indigenous" companies in the oil, gas, and electricity sectors, including renewable energy. Although only about 2% of the electricity comes from renewables other than hydropower, foreign investment in renewables is subject to an indigenous Ghanaian equity participation of 15% at the start of a new project, rising to a mandatory Ghanaian majority stake of 51% after 10 years; ongoing projects are also affected.

19. Ghana is well endowed with mineral resources. The mining sector contributes about 12% to GDP. Export earnings from the four major minerals (gold, diamonds, manganese, and bauxite) amounted to about USD 5.1 billion in 2021, down from about USD 7.2 billion in 2020. The country's mining policy is aimed at diversification of its mineral production base, beneficiation, measures to stop illegal mining, and good governance. Tariff protection for mineral products (ISIC definition) averaged 5.1% in March 2022.

20. The manufacturing sector has been in decline and currently contributes about 11% to GDP. The main industries include agricultural and timber processing, breweries, aluminium smelting, cement, oil refining, textiles, electronics, and pharmaceuticals. The average applied MFN tariff on manufactured products (ISIC definition) was 12.3% in March 2022; tariffs are higher on textiles (16.3%) and clothing (20%). Ghana's 10-point Industrial Transformation Agenda ranges from the One District One Factory scheme to automobile assembly and pharmaceutical incentive schemes. Moreover, import prohibitions apply to certain drugs reserved for local production.

21. The services sector contributes about 48% to GDP (up from 41% in 2014). Ghana has a largely open trade regime on services which, together with large investments in infrastructure, helps explain the development of its services sector. The services regime remains largely unchanged, apart from a new Insurance Act adopted in 2021. Also, starting in 2017, the Bank of Ghana proceeded to a major clean-up of the banking sector. According to the IMF, Ghana's financial sector is now more stable, and its banks are better capitalized. Ghana has experienced remarkable growth of its trade in services. Services exports in 2019 (before the pandemic) reached about USD 10 billion (up from about USD 2 billion in 2014) and imports surged to about USD 13.5 billion (up from about USD 4.5 billion). Business services account for most of this trade expansion, as a growing number of multinational companies have chosen their headquarters in Ghana to supply business services to other African countries.