

Fourth Trade Policy Review of Ghana
Discussant's Statement (26 May 2014)

Thank you, Madam Chair. May I also join you in welcoming the delegation of Ghana, led by **H.E. Mr. Haruna Iddrisu**, Minister of Trade and Industry, to Geneva. I am very honoured to be the Discussant for Ghana's fourth Trade Policy Review, an important exercise of this Organization.

Before I begin my remark on Ghana's trade policy, I would like to highlight some facts that not everyone may be aware of about Ghana. Ghana was the first African nation to declare independence from European colonization in 1957. Ghana's economy is the 7th largest in the African continent by purchasing power parity and the 7th largest in the African continent by Nominal GDP. Under the Doing Business Ranking of the World Bank Group, Ghana ranks at 67th on the ease of doing business and came third among the countries in the African region.

In my statement, I will discuss Ghana's economic environment and trade and investment regimes, specific policies and practices, and some sectoral policies in the Ghanaian economy.

Ghana has a great potential in the world trading system, demonstrated by its economic environment and trade and investment regimes in recent years. Since Ghana's last Trade Policy Review in 2008, Members have witnessed an overall economic and institutional improvement mainly due to its responsive well-functioning governing system and use of its rich natural resources. These have contributed to Ghana's strong economic growth, including a promising increase in income per capita from around US\$1,100 in 2007 to US\$1,600 in 2012, as well as progress on the Human Development Index during 2005-2012 in all three aspects, including education and health.

On trade and investment, we have also observed Ghana's expanding trade, both on import and export sides, with exports more than tripling during the review period to US\$14 billion. However, since this impressive figure for exports mainly comes from Ghana's principal commodities of oil, cocoa and gold, continuation of diversification of its export base would better secure and consolidate this economic achievement.

Madam Chair,

I believe that the most notable aspect of Ghana's economic advance is the successful progress of its business environment in attracting foreign investments. Examples of Ghana's accomplishments that are worth mentioning here include a reformed land administration, new commercial courts, new business procedures, and innovative procedures in enforcing intellectual property rights. The Ghanaian Government has also made a noteworthy effort in investing in information and communication technology, which in turn has resulted in a decline in the bandwidth price and the cost of mobile communications. These factors increase Ghana's global and regional competitiveness.

Against all of the evidence of success, several aspects of Ghana's economy are still of concerns, for example, the issues of macroeconomic stability, including stabilizing its currency through an effective monetary policy, and equally by reviewing planning public spending through appropriate fiscal policies.

Regarding the multilateral trading system, Ghana was the original Member of the WTO since 1 January 1995 and has been involved in the Doha negotiations and other aspects of the Organization as a member of strong coalitions such as the ACP Group and the African Group. Ghana was also among the nine candidates for the post of Director-General of the WTO at the last selection process, showing Ghana's keen interest in and willingness to contribute more to the multilateral trading system.

Ghana is also a member of the Economic Community of West African States or ECOWAS since 1975. One of ECOWAS' aims is the establishment of an economic union in West Africa; however, an optimal level of trade has not been reached. The opportunity for trade intra-ECOWAS in general should further increase overall trade in the region as well as Ghana's total trade. It will be interesting to hear Ghana's view on the progress of this regional integration.

Madam Chair,

I would like to now highlight Ghana's specific trade policies and practices. Parallel to becoming an attractive environment to foreign investments, Ghana has shown its notable development of its transit systems during the review period. It modified several of its transit systems, such as Customs' introduction of the use of transponders to track transit trucks in real time and installation of cameras at entry and exit points, which has helped reduce time and transport costs of goods crossing the country and security. Thanks to these facilitations, trade flow has been nearly doubled. Ghana's relatively progressive policies are a positive sign for its timely implementation of the Trade Facilitation Agreement in the future. In addition, Ghana has been more active in promoting exports and established several schemes to encourage export of over 383 non-traditional products, categorized as agricultural, processed/semi-processed and handicrafts. This effort to diversify the export base of the country is important and commendable.

Ghana's promotion schemes cover, to name a few, market access facilitation for export companies, trade information services, and advisory services on export product development. I also believe that with the Ghana Export Promotion Authority working closely with the UNCTAD/WTO International Trade Centre in Geneva, so as to identify and support exports of new products, Ghana's export market will be stronger through more diversification and contribute more to the global trading system.

Against Ghana's emphasis on trade expansion, there have been several concerns about Ghana's trade measures, including the frequently modified MFN tariff, the current application and increasing incidence of other duties and charges (ODCs) on imports, complicated and lengthy customs clearance procedures, the import licensing procedures, other registrations required for imports and identification of origins, and lack and delay of notifications in different areas such as customs valuation, SPS, and TBT.

Madam Chair,

Allow me to address the third part of this statement on particular sectoral policies that are highlights of Ghana's trade policy. They are agriculture, mining, and energy.

It is evident that Ghana's growth in the agriculture sector since 2007 has been remarkable. The growing world prices of cocoa, of which Ghana is the world's second largest producer, partially contributed to the growth. However, I believe that Ghana's agricultural policy has tremendously

played a role towards this achievement. The Government has maintained the policy of supporting agri-food production and exports and currently gives priorities in modernizing agriculture, improving natural resource management, and increasing efficiency and productivity. In addition to impressive annual exports of cocoa which are over US\$2 billion, domestic prices of other agricultural products have also grown and helped increase nominal farm incomes. The Government's accomplishment in allocating 10% of its expenditure to its agricultural sector has also contributed to the increase of food production.

In mining, Ghana is also among the top gold reserves in the world and is the world's eighth largest gold producer at 97 tonnes in 2012. Both gold and non-gold mining, such as aluminum and manganese, has been the main attraction of foreign direct investments.

In addition to cocoa and mining, Ghana's oil production has become more and more important since 2010. The economy has been advanced, and the Government created another national energy regulatory body and two sovereign petroleum wealth funds. Ghana also introduced further deregulation of the downstream petroleum sector since the last TPR.

Madam Chair,

These three main sectors are currently Ghana's driving economic force. However, Ghana's rationale for local content and local participation policies in energy and mining sectors and policies in small-scale mining could be questioned, and Ghana's plans for stemming the decline of its fishing industry and the sector's joint-venture obligations require some clarification. The Ghanaian Government may also want to address concerns on its 2013 amendment to the investment law which seems to raise the minimum capital that foreigners are required to invest to a larger amount than indicated in Ghana's GATS commitments.

In conclusion, Ghana's economy has shown great potential and trade-wise is heading in the right direction. With all the positive trade and economic developments, Ghana can play a significant exemplary role for other African countries in tapping the maximum benefits of the multilateral trading system. However, there are still several areas in which the Government of Ghana can potentially increase the advances already made in its economy and, in turn, further an effective and efficient trade regime that can be utilized in advancing other development aspects. Trade among ECOWAS members is to be utilized as an opportunity for Ghana to grow economically, along with continuation of diversification of Ghana's economy and development of infrastructure, as remarkably progressed through its transit systems. Some of Ghana's WTO obligations should also be addressed so as to ensure transparency and consistency of the measures to the rules of this Organization. I applaud the effort Ghana has made in advancing its economy in the recent years and am confident that the next step taken by the Ghanaian economy will be even better, ensuring a more integrated Ghana within the multilateral trading system.

Thank you.