

MINISTRY OF TRADE AND INDUSTRY



GHANA NATIONAL EXPORT STRATEGY FOR THE NON-TRADITIONAL SECTOR

2013 – 2017

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FOREWORD

Ghana remains an attractive destination for investments in the sub region. Having developed and grown our democracy and political stability tremendously over the past 20 years, our efforts at trade and industrial development have also seen good progress.

In keeping with Ghana’s long term vision of achieving middle income status, the Ministry of Trade and Industry has consistently pursued an export diversification drive to ensure that non-traditional exports can contribute substantially towards a sustainable GDP growth and economic development.

This strategic direction is now being made concrete by means of a National Export Strategy, which outlines challenges and opportunities, interventions and action plans, projects and resource utilization activities to be undertaken over a 5-year period to raise Ghana’s earnings from non-traditional exports to a targeted \$ 5 billion milestone.

I am delighted to launch this major policy, and commission its implementation. I am very hopeful that the key stakeholders, that is the implementing agencies of the Government of Ghana, the export value chain actors and all interested Development Partners (DP’s) would give this strategy and its implementation programme their fullest support and commitment, so that we can create jobs, wealth and improve livelihoods.

I must thank the consultants, staff of the Ministry of Trade and Industry and all its agencies, as well as other stakeholder and Development Partners who contributed in diverse ways to conceive, construct and compose this strategy document into its present form. It is my honest expectation, that together we can realize the vision and objectives of this strategy and continue thereon to build a better Ghana.

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HON. HARUNA IDDRISU
MINISTER OF TRADE & INDUSTRY

INTRODUCTION

The overall objective of the National Export Strategy (NES) is to develop the potential of the non-traditional export (NTE) sector to enable it make maximum contribution to GDP growth and national development to consolidate and enhance Ghana's middle-income status, create formal decent job opportunities and ensure high standards of living for the people.

The NES is situated within the context of the Medium-Term Development Policy Framework: Ghana Shared Growth and Development Agenda 2010-2013, Trade Policy, Industrial Policy which has identified the private sector as the main agent of change and key actor in developing the non-traditional export sector. The First Medium-Term Private Sector Development Strategy (PSDSI) was implemented to enhance the competitiveness of the private sector. As a follow-up, the Second Medium-Term Private Sector Development Strategy (PSDS II) was formulated with the principal objective of creating jobs and enhancing livelihoods for all. The purpose of formulating the NES is to provide the strategic direction and thrust for mobilizing financial and material resources and the energies of both public and private sectors towards the attainment of the NES.

Ghana is on the way to joining the group of important global oil exporting nations. Despite the attractions of oil revenues, the government has taken a bold policy decision to stay focused on developing the non-oil/ non-traditional export sector.

The NES is driven by envisioning **Ghana as a world class exporter of competitive products and services.**

The NES is presented in two parts:

- The first part provides the background information and the situation analysis, describing “where we are now” regarding the policy environment and the performance of non-traditional exports before dealing substantively with the strategy, the institutional mechanism and implementation arrangements.
- The second part comprises monitoring and evaluation, outlines the funding arrangements and presents the Action Plans which provide the details of how the strategy will be delivered.

The NES contains a major initiative to substantially engage all the Districts in the national export effort with important implications for improved balanced regional/spatial development, geographical distribution of job and income opportunities and poverty reduction. The 275 Districts have been given a task in the NES to generate an average of US\$1.0 million NTEs each in 2017 over and above their 2010 levels as their contribution to achieving the NES goal of US\$5.0 billion in 2017.

STRATEGIC STATEMENTS

The National Export Strategy (NES) is driven by the following strategic statements:

Vision Statement

We envision Ghana as a world class exporter of competitive products and services.

Our Goal

Our goal is to achieve significant increases in non-traditional exports with annual growth targets reaching \$5.0 billion in the 5th year (2017) of the National Export Strategy.

The achievement of this goal has the significance of paving the way for us to achieve our vision.

Purpose

What is the purpose of aspiring for a US\$5.0 billion increase in NTEs?

According to the President, the primary objective of Government is to improve the standard of living of the people. This is only possible if there is a bigger “national cake” to share. Increasing the contribution of NTEs to GDP by US\$5.0 billion means increasing the size of the “national cake” which permits increasing everybody’s share of the national cake.

The process of “baking the national cake”, or producing the increased value of NTEs, will definitely generate considerable number of jobs and incomes. This, under normal circumstances, translates into improved standards of living and welfare of the people, which is important for maintaining and consolidating our middle-income status.

Strategic Objectives

In order to achieve our goal, we need to pursue the following strategic objectives:

- To achieve a significant increase in the share of NTEs in total exports as a major step towards structural transformation of the export sector for spearheading growth and diversification of the economy.

- To strengthen and resource export development related institutions and networks of business development service providers, policies and programmes for providing well-focused and enhanced support services to enable export businesses to flourish.
- To ensure that export culture is imbibed nationwide, so that every District is able to have at least one significant and commercially viable agro-based export product success story with which it can be identified.

Strategic Outputs

The NES will be driven by 4 strategic outputs:

1. Impediments, uncertainties, risks and costs of production and export of goods and services reduced.

A platform already exists for policy dialogue in which the private sector participates. It has the mandate to address the above issues. It needs to do more to implement the prescribed policy changes that reduce impediments, uncertainties, risks and costs in producing goods and services for export and in conducting export business. It is these factors that cause the persistent general aversion to production and attract entrepreneurs into buying and selling at the expense of production and expansion of the non-traditional export sector.

2. Institutional capacity and resources for export value chain infrastructure development and support service delivery enhanced.

The capacity of relevant public and private institutions and organizations should be strengthened and they should be resourced to develop the value chain infrastructure and services for export products, particularly the selected priority products to enhance their competitiveness.

3. Capacity of GEPA, Metropolitan, Municipal and District Assemblies enhanced to promote export so that every District is able to develop at least one significant export product preferably from the Priority Product List.

The MMDAs have a responsibility in the NES to develop at least one significant agro-based export product from amongst the products in which they have comparative and potential competitive advantage. Preferably, an export production and processing zone should be established as a cluster within a value chain. Each export production and processing zone should have the full complement of infrastructure, services and

the network of actors with complementary resources, activities and linkages. This should impact on overall national non-traditional export growth, contribute to improved physical and social infrastructure, employment creation, increased personal incomes, increased revenues to the Districts; contribute to the diffusion and adoption of skills, technologies and best practices within the export sector with a spill-over effect into other sectors of the MMDA areas and the nation as a whole. The activities relating to it, namely supply and market studies, training, input supply (e.g. seeds and seedlings), market development, backstopping and coordination, etc, should be financed from an allocation of the MMDA/ Local government budget. Supplementary funding may be obtained from EDAIF. The active involvement of MOTI, MOFA, GEPA, GIPC, GFZB and the various trade associations is envisaged for the achievement of desired results.

4. Institutional capacity for export-oriented human capital and resource development expanded and strengthened to enable exporters to keep abreast of modern trends and demands of the contemporary international market where competition is fierce among the emerging economies.

Human resource development for the export sector is essential for the growth, development and sustainability of the non-traditional export sector and for responding to challenges and opportunities created by dynamics of the international market. The Ghana Export School of GEPA should be upgraded into a world class trade training institute to carry out enhanced human resource development for the NTE sector

PRIORITY PRODUCTS

While providing an environment for maintaining the high performance and contribution of the product sectors that have traditionally accounted for the export revenues of the NTE sector, the following constitute the priority sectors in which Ghana has to invest in order to grow its exports over the period of the current NES:

1. Fresh chilled/frozen and processed fish (e.g. Canned Tuna, Fresh/ chilled fish, prepared Fish)
2. Vegetable oils and seeds, tree crop oils and seeds (e.g. raw and processed Shea/Karite nuts, cashew nuts, oil palm, groundnuts, soya, sunflower, etc.)

3. Fresh and processed fruits and vegetables (e.g. fresh pineapples, banana, mangoes, papaya, citrus, chillies, melons, cut fruit, tomato paste)
4. Root crops such as yams, cassava, and sweet potatoes
5. Grains and legumes such as rice, maize and cowpeas
6. Natural plant product preparations/nutraceuticals (medicinal plants and parts, culinary herbs, high nutrient plants, etc.)
7. Natural rubber and rubber products
8. Processed cocoa products
9. Products of the creative arts industries

The National Export Strategy (NES) Map

The National Export Strategy Map attempts to provide the perspectives of key stakeholders on the NES. Specifically, it tries to summarize how the different major groups of stakeholders perceive the NES meeting their needs and expectations.

The Development Perspective provides how the stakeholders perceive the NES meeting developmental needs such as employment, poverty reduction, reduction of spatial and regional inequalities or improvement of regional development balance, backward linkages, sustainable environmental practices, gender equality and women empowerment.

The Competitiveness Perspective provides how business associations, investors, etc perceive that the NES meets their needs relating to competitiveness at national, sector and company levels. The competitiveness perspectives cover such issues as capacity development, acquisition of technology and innovation, human capital development, infrastructure development, trade facilitation, transactions costs, security, product quality standards, market access and national promotion.

The Client Perspective provides how exporters and key players in the value chain perceive that the NES responds to their needs. The needs relate mainly to performance issues such as business development and export readiness, trade information, finance, quality management, packaging and branding.

The Institutional Perspective provides a summary of how the key institutional players in the export institutional infrastructure, or the trade support networks, perceive the NES in terms of relevance, how it reinforces their position, facilitates their work and enhances their capacities and competencies. The institutional perspective also covers policy coordination, strategy management, institutional capacity development, and service delivery coordination.

The various perceptions are presented in the NES Map

THE NES MAP

VISION

Ghana as a world class exporter of competitive products and services .

DEVELOPMENT PERSPECTIVE

NES contributes to job creation and poverty reduction, improved balance in spatial and regional development, backward linkages, sustainable environmental development and gender equality and women empowerment.

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Supply-side

Improved access to credit for export firms.

Effective reorganisation of production and industrial re-tooling resulting from availability of upgraded expertise and skills in industry.

Increased FDIs and product development partnerships result in increased and new products successfully launched into commercial value chains.

Transactions/cost of doing Business

Infrastructure and access to land significantly improved.

Business transaction costs stabilized and reduced under impetus of improved infrastructural services.

Improved investment climate resulting from improved infrastructure, regulatory regime and business support services. Greater transparency.

Demand-Side

Support provided for improved access to target markets.

Increased private sector participation in policy development and negotiation.

Support provided for high branding and national promotion costs.

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TRADE INFORMATION

The trade information disseminated is relevant and timely.

Website providing information support to exporters well developed and regularly updated.

BUSINESS & TECHNICAL COMPETENCY

Technical expertise for production of quality exportable goods developed to world class level.

Marketing management skills developed for export marketing and preparation of business plans improved.

FINANCE

Financial services more adapted to private sector needs in export business.

Finance affordable and accessible more easily to exporters.

QUALITY & STANDARDS MANAGEMENT

Ghana Standards Authority resourced with new equipment and the capacity of conducting wide range of scientific analysis to support the industry.

Significant improvement in the setting and enforcement of standards.

Regular training events for exporters which facilitate their compliance with standards and meeting market access requirements.

PACKAGING

Affordable quality export packaging made available locally.

Training events organized at regular intervals for exporters to facilitate their compliance with packaging requirements.

INSTITUTIONAL PERSPECTIVE

GEPC's technical and service delivery is strengthened and the institution is able to provide optimal support to exporters and other trade support agencies.

National Export Strategy Logical Framework Matrix

Elements	Summary of key Elements	Indicators How do we know if achievements are made?	Verifiers Where do we find the evidence?	External factors (Risks) What could go wrong?
Vision	Ghana as a world class exporter of competitive products and services.			Possibility of global recession.
Goal	To achieve significant increases in non-traditional exports with annual growth targets reaching \$5.0 billion in the 5 th year 2017 of the NES.	Significant annual rate increases in export growth of non-traditional products.	GEPA export trade statistics.	Possibility of crop failure due to inclement weather conditions as majority of NTEs are in the agro-based sector.
Purpose	To create jobs and improve the standard of living and welfare of the people	Substantial increase in jobs created in the NTE sector and by “spillovers”.	Labour statistics from Ghana Statistical Service Ghana Living Standards Survey Report	There may be more influx of people into the NTE sector than creation of new jobs, leading to distortions in the labour statistics.
	To achieve a significant increase in the share of NTEs in total non oil exports as a major step towards structural transformation of the export sector for spearheading growth and diversification of the economy.	35% contribution of NTEs to total non oil exports.	Published Trade Statistics Bank of Ghana Reports GEPA Annual NTEs Statistics	Unforeseen adverse weather conditions causing significant crop failure. World recession.
	To strengthen and resource export development related institutions and networks of business development service providers for providing well-focused and enhanced support services to enable export businesses to flourish.	Increased number of SMEs that benefit from the support services	Reports of periodic monitoring surveys on business development services.	Possible delays in providing resources to support service providing institutions. Management challenges

National Export Strategy Logical Framework Matrix

<p>To ensure that export culture is imbibed nationwide, so that every District is able to have at least one significant and commercially viable export product success story with which it can be identified.</p>	<p>Improved Export trade performance of MMDAs</p>	<p>GEPA Export trade statistics</p>	<p>Some MMDAs may delay in starting their export effort. There may be wide differences in MMDAs' export performance. Political interference.</p>
<p>Strategic Outputs</p>	<p>1. Impediments, uncertainties, risks and costs of production and export of goods reduced.</p>	<ul style="list-style-type: none"> ▪ Reduction in turn around time at the ports ▪ Reduction in time and cost of registering business, permits and certification ▪ Improvement in access availability and utilization of TBT/SPS information by exporters. 	<p>AGI Business Environment Barometer World Bank Doing Business Survey.</p>
<p>Strategic Outputs</p>	<p>2. Institutional capacity and resources for export value chain infrastructure development and related support service delivery enhanced.</p>	<ul style="list-style-type: none"> ▪ Increase in numbers and utilization of cold chain facilities, packhouses and port terminals ▪ Reduction in power outages. ▪ Reduction in the cost and availability of utility 	<p>Institutional constraints other than resource and capacity building inputs. Possibility of prolonged low rainfall causing water level in the dam to drop.</p>

	<p>3. Capacity of GEPA, Metropolitan, Municipal and District Assemblies enhanced to promote export so that every District is able to develop at least one significant export product preferably from the Priority Product List.</p>	<p>services (water, Telecommunication, energy etc.)</p>	<p>Authority, ECG etc.</p>	<p>Weak service delivery to contain MMDAs due to geographical remoteness.</p> <p>Possibility of political interference.</p> <p>Unfavourable weather conditions.</p>
		<p>Technical services provided to SMEs in MMIDA areas resulting in significant new exports.</p> <p>An established unit within GEPA dedicated to interfacing with MMDAs. Export school curriculum modified to incorporate MMDAs capacity building.</p> <p>Increase in the number of GEPA offices to cover all ten regions.</p> <p>Dedicated export subcommittee created in every MMDAs.</p> <p>Increase in the number of projects in the NTEs sector at the MMDAs.</p>	<p>Data generated by periodic monitoring surveys in the MMIDA areas.</p> <p>GEPA export Statistics Annual Reports from GEPA and MMDAs.</p> <p>Records and reports of MMDAs.</p>	

Strategic Outputs

	<p>4. Institutional capacity for export oriented human capital and resource development expanded and strengthened.</p>	<p>Significant number of key staff of new SMEs graduating from export schools and similar outfits. Increase in the number of training programmes executed. % increase in number of existing exporters trained. Increase in the number of exporters adopting improved practices as a result of training.</p>	<p>Records of participation and graduation of export training institutions such as Ghana Export School, MDPI, GIMPA etc Field survey reports</p>	<p>Possibility of many SMEs considering fees charged for training too expensive and not taking advantages of the facility. Delayed interventions.</p>
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CONCLUSION

The NES has been developed through extensive consultations with the relevant stakeholders. It is thus considered to be holistic in approach and coverage, which also provides the expectation that all value chain actors and facilitators would support its success.

The implementation vehicle, the National Export Development Programme has also designed projects which can be scaled down sufficiently and be undertaken at the national, regional and district levels.

This strategy provides enough guidance and direction to bring Ghana's Non-Traditional export sector to the targeted \$ 5 billion total annual earnings by 2017.

