Shipping Review

GHANA'S AUTHORITATIVE QUARTERLY SHIPPING AND LOGISTICS JOURNAL

VOLUME 27 NO. 1 | JANUARY - MARCH, 2025 | **ISSN:** 0855-5148

OUR NEW EDITOR IN CHIEF

My mantra is Ghana first, and in all things, GSA would prioritize the national interest, and in the pursuit of this, regulate the industry in all fairness, but with firmness to provide a conducive environment for all players to thrive, so Ghana and the Ghanaian People would benefit. It is all about effective balance for the greater and common good.

Prof. Ransford E.V Gyampo

Jabag's
Multi Haven
Enterprise

Premium Household & Food Products
for Everyday Excellence!

+233(0)244-878-113

This Advetisment Is FDA Apporved

FDA/c23-4139

Shipping Review

GHANA'S AUTHORITATIVE QUARTERLY SHIPPING AND LOGISTICS JOURNAL

JANUARY - MARCH 2025 VOLUME 27 NO. 1 ISSN: 0855-5148

EDITOR-IN-CHIEF

GHANA SHIPPERS' AUTHORITY

Our Vision

To ensure a competitive, transparent, and predictable commercial shipping industry in Ghana that creates value for the Shipper across all modes of transport.

Our Mission

Effectively and efficiently regulate the commercial shipping industry in Ghana.

Ensure that all business practices in the commercial shipping industry in Ghana are fair, competitive, and transparent.

Develop clear solutions and regulations for shippers on issues like demurrage, port/border crossing delays, freight rates, local charges, service standards, etc.

Create unique service experience for shippers in their import/export businesses.

Facilitating the provision of up-to-date infrastructure to meet the current development and technological changes in the shipping industry.

EDITORIAL TEAM

Published by:
7th Floor, Ghana Shippers' House
No. 12 Cruickshank Street,
Ambassadorial Enclave, West Ridge,
P. O. Box GP 1321, Accra
Tel. 233-302-666915/7

Editor-in-Chief: Prof. Ransford E.V Gyampo

General Editor: Ms Bernice L. Natue

Advertising Executives
Osei Amankwah - 0203891069
Nathaniel Nartey - 0249206464

Type Setting:
Dee Media Services - 0205768817

Printed by:
Buck Press Ltd. - 030 240 8061

Prof. Ransford Edward Van Gyampo

OUR NEW EDITOR IN CHIEF

In his position as Chief Executive Officer (CEO) of the Ghana Shippers' Authority (GSA), Prof. Gyampo has taken on the role of Editor-in-Chief for GSA's quarterly journal, the Shipping Review. This prestigious responsibility aligns seamlessly with his academic background and reputation as an influential thought-leader. The journal, which is a vital platform for sharing industry knowledge, best practices, and policy insights, will undoubtedly benefit from Prof. Gyampo's deep intellectual rigor and vast network of academic and industry contacts.

By harnessing his editorial leadership, Prof. Gyampo is set to enhance the journal's stature as an authoritative publication within the shipping, logistics and maritime sectors. His vision for the journal goes beyond presenting technical maritime issues to serving as a critical forum for discussing policy innovations and practical solutions to the challenges the industry faces.

A Distinguished Academic and Administrator

Prof. Gyampo's career began at the University of Ghana, where he not only earned his PhD in Political Science but also went on to become the Founding Director of the Centre for European Studies. His impact on academia has been profound, having mentored thousands of students who now hold influential positions in various sectors, playing key roles in Ghana's development.

His influence does not stop in the classroom. As a coordinator at the Institute of Economic Affairs (IEA), Prof. Gyampo's work played a pivotal role in shaping Ghana's democratic governance. His leadership in facilitating dialogue with political party leaders and contributing to national policy discussions laid the groundwork for key reforms, such as the Presidential Transition Act, as well as initiatives for enhancing the capacity of political parties.

This history of fostering cross-sector collaborations and influencing policy development marks him as a leader with both intellectual acumen and a strong sense of purpose; a combination he now brings to the governance and administration of the Ghana Shippers' Authority.

A Unique Blend of Expertise for the Transformation of the Commercial Shipping Sector

Although his roots are firmly planted in Political Science, Prof. Gyampo's understanding of the maritime, shipping and logistics industry is noteworthy. He co-authored a paper, *How Capacity Building is Negotiated: The Case of Maritime Security Projects in Ghana*, providing valuable insights into the complex dynamics of the shipping industry. His academic experience has given him a unique perspective on the sector, which he believes is crucial for shaping the future of Ghana's logistics and shipping landscape.

"My exposure to the sector has given me deep insights into the industry. I intend to apply this knowledge in executing my mandate, which spans shipping by sea, air, road, and rail," Prof. Gyampo shared in a recent interview. This breadth of understanding, he believes will be instrumental as he leads the GSA in its efforts to drive the sustainable growth of the industry, focusing on rigorous efficiency that drives down the cost of doing business and protects the interests of all players in the industry, particularly, the interest of shippers.

As CEO, Prof. Gyampo's leadership promises to foster innovative solutions that will optimize the efficiency of shipping operations and enhance the role of the Ghana Shippers' Authority as a key player in both regional and international trade. He asserts that;

"International trade is a key source of income generation for the country, and so, must not be stifled. My foremost interest is to facilitate reduction in the cost of doing business, but in a way that still enables the generation of the much-needed revenue for socio-economic growth."

He added, **"My mantra is Ghana first, and in all things, GSA would prioritize the national interest, and in the pursuit of this, regulate the industry in all fairness, but with firmness to provide a conducive environment for all players to thrive, so Ghana and the Ghanaian People would benefit. It is all about effective balance for the greater and common good."**

With this strategic insight, his leadership experience, and commitment to national development, Prof. Gyampo is uniquely positioned to bridge the gap between academia, public policy, and the shipping and logistics sector. Under his leadership, the GSA is poised for a new era of growth, one in which the interests of shippers, the efficiency of the transport sector, and Ghana's standing as a key player in global trade are all carefully nurtured.

Editorial Vision

As the Editor-in-Chief, Prof. Gyampo envisions a more connected, forward-thinking trade, logistics and maritime community, underpinned by the pooling and dissemination of expert knowledge to strengthen the capacity and wherewithal of readers. Prof. Gyampo intends for the Shipping Review to become a source of information that aids the crafting of strategies and tactics for tangible value creation and returns for its patrons.

This new chapter in his distinguished career promises to be as transformative as his work has been in the classroom and beyond. To the Editorial Team, one thing is certain: Prof. Gyampo's leadership will chart a bold course toward a more dynamic, resilient and equitable shipping and logistics industry for Ghana. As he sets sail in this new role, we wish him God speed!

TheDuoGlobal

Promoting AfCFTA through CONSOLIDATED SHIPMENT (LCL)

+233(0)243633136

www.theduoglobal.com | admin@theduoglobal.com

The Cost Impact of Maritime Decarbonization Initiatives on Ghana's Shipping Sector: A Balancing Act Between Short-Term and Long-Term Gains

As global efforts intensify to reduce greenhouse gas (GHG) emissions from maritime transportation, African countries, including Ghana, face significant trade-offs between economic resilience and environmental sustainability. A new wave of policy proposals from the International Maritime Organization (IMO) has raised questions about the costs and benefits of decarbonization measures, particularly as they relate to shipping emissions and their economic implications.

Recent analyses, including studies on countries like Malawi and Namibia, offer key insights into how African nations can expect to be impacted by these global changes. Ghana, with its growing dependence on maritime trade for essential imports and exports, is expected to face similar challenges, particularly when balancing the immediate economic consequences of increased shipping costs against the long-term environmental gains.

As part of their revised GHG Strategy adopted in 2023, all IMO member states, Ghana included unanimously agreed to GHG reduction goals for international shipping, which are net zero emissions by 2050 and 5% to 10% of the energy used by international shipping reduced to near-zero GHG sources by 2030. Additionally, a total cut in GHG emissions between 70% and 80% by 2040 is expected from the sector regardless of trade growth.

Apart from the establishment of the regulatory framework for a maritime GHG emissions mechanism, the collection of GHG fees and the disbursement of 'feebates' for the use of green marine fuels, a proposal to IMO suggests how this can be linked with fuel standard, to significantly reduce GHG intensity of marine fuels. This is proposed as part of an integrated 'IMO net zero framework'.

Consequently, ships will pay a GHG surcharge fee for the emissions that result from any non-compliance activity with the fuel standard. The fee is to be collected annually through the GHG emissions pricing mechanism in addition to the GHG fee per tonne of CO_2e emitted.

Ghana's strategy for maritime decarbonization primarily focuses on developing a National Action Plan (NAP) to reduce greenhouse gas emissions from shipping, Spearheaded by the

Ghana Maritime Authority (GMA) in collaboration with the IMO's GreenVoyage2050 program, aims to transition towards cleaner energy sources like LNG, biofuels, and eventually hydrogen-based technologies, alongside implementing energyefficient technologies and capacity-building initiatives to support the shift to low- and zero-carbon shipping.

The Dilemma: A Levy vs. Fuel Standards

In the ongoing debate over maritime decarbonization, two key measures have been discussed: a high carbon price levy and a fuel standard. These initiatives are designed to reduce the carbon footprint of international shipping, which is a significant contributor to global emissions. However, as seen in the recent reports, there are trade-offs.

A carbon levy, though initially more expensive, generates substantial revenues that could be used to offset some of the economic impacts. In the longer term, it could stabilize as shipping technologies evolve and become more energy efficient. On the other hand, a fuel standard, which requires the use of cleaner fuels, minimizes costs in the short term but may result in higher long-term costs due to the technological investments required to comply with these standards.

The debate persists as to whether these mid-term measures are intended primarily to fund mitigation and adaptation both within and beyond the shipping sector or to strictly enforce decarbonization within the sector while enabling fund utilization elsewhere.

For Ghana, the choice between these options holds significant economic weight. The country heavily relies on imports like fuel and fertilizers, and exports cocoa, gold, and other commodities, all of which depend on efficient and affordable maritime transport.

TheIMO'sMARINE ENVIRONMENT PROTECTION COMMITTEE's (MEPC) 82nd session led to the approval of the report of the steering group's work on the comprehensive assessment of impacts on states.

Short-Term Economic Costs and Long-Term Gains

In the short term, both carbon levy and stricter fuel standards are likely to increase shipping costs. The new analysis highlights that developing states, including Ghana, which depend on sea routes for over 90% of their trade will likely face higher transportation costs, particularly for petroleum imports and agricultural products. A study conducted on Malawi showed that essential imports like fertilizers and petroleum were significantly impacted by these measures, making it clear that Ghana may face similar disruptions.

For freight companies and shippers at large, these policies could translate into higher operational costs, particularly related to fuel prices and logistics.

Freight rates could see a notable increase as shipping companies pass on these additional costs to consumers.

In turn, this could further affect industries relying on imports and exports, particularly those in vulnerable sectors like agriculture. Ghana's reliance on imports is of particular concern, as such price increases could have a ripple eeffect across the

economy, raising costs for local producers and consumers at large.

These factors notwithstanding, long-term benefits of these policies cannot be ignored. A global carbon levy that generates revenue can be redistributed to mitigate the economic impacts, as highlighted in the case studies of Namibia and Malawi. For example, these revenues could be reinvested in cleaner technologies, fuel subsidies, or even used to cushion the impact on consumers and businesses, particularly those most vulnerable to rising costs.

In Ghana's case, the shift towards greener maritime practices could help reduce air pollution and carbon emissions, aligning with both national and international environmental goals.

Ghana has already committed to reducing its carbon footprint under international agreements like the Paris Climate Accord, and supporting a cleaner maritime industry would be a step toward fulfilling these commitments.

The Impact on Ghana's Key Sectors

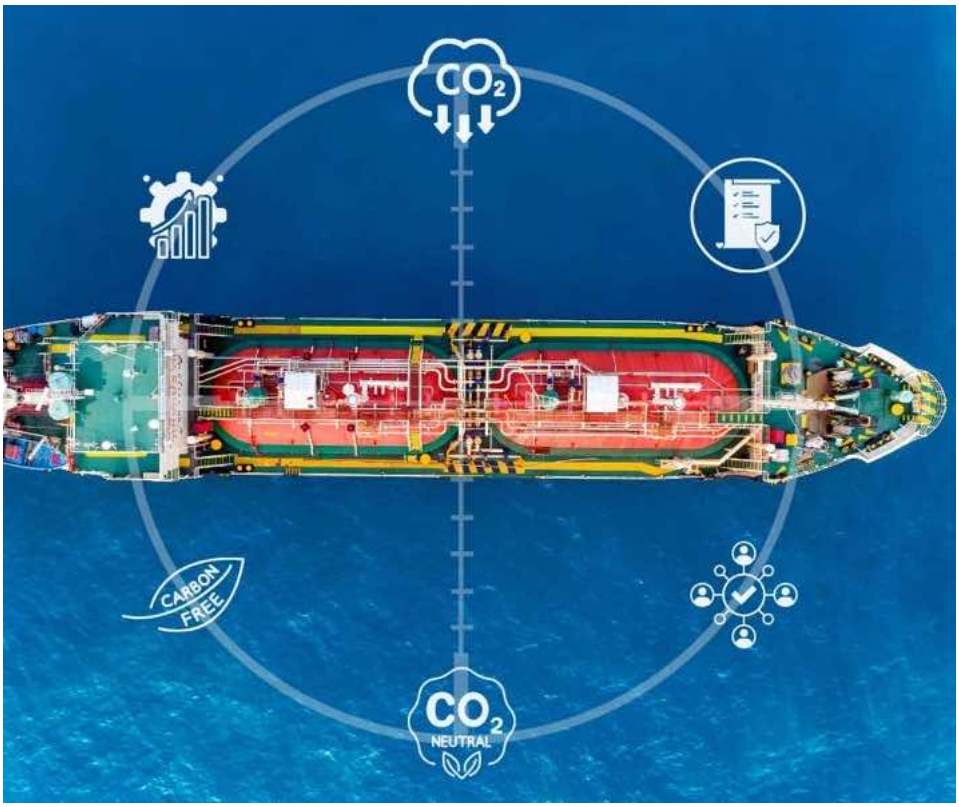
For a country like Ghana, whose economy is deeply connected to global maritime trade, the effect of decarbonization policies can be profound. The agricultural sector, for example, which is a major exporter of cocoa, could face disruptions in shipping as the price of fuel rises. The added cost of cleaner fuels could also increase the price of fertilizers, which would hurt local farmers.

A summary of the report on Task 3 (Impacts on States) from the MEPC 82nd session's steering committee's "Comprehensive Impact Assessment of the Basket of Candidate GHG Reduction Mid-Term Measures", suggested significant impact analysis for consideration in the implementation framework. The assessment revealed that GHG reduction measures have an adverse effect on global GDP, import and export volumes, and global CPI. These impacts vary in their magnitude across scenarios and timelines depending on whether levies, flexibility mechanisms, and revenue disbursement schemes are included or not.

By 2050, global import volumes are projected to decrease by 0.23% to 0.97% compared to the Business-As-Usual Growth (BAULG) scenario. This reduction indicates a broader global slowdown in trade, driven by rising shipping and logistical costs due to decarbonization efforts. For Ghana, a developing nation heavily reliant on imports (e.g., machinery, fuel, and consumer goods), this reduction in global import volumes means higher shipping costs and potentially delayed or reduced imports. Such disruptions could increase the cost of living and operating costs for Ghanaian businesses, which depend on timely and affordable imports.

With respect to impact on Export Volumes, the decarbonization policies are projected to cause a reduction across most scenarios by 2050, with Least developed countries facing a reduction of up to 36% in their export volumes relative to BAULG. This presents a significant concern for Ghana, whose export sectors (such as agriculture, mining, and petroleum) depend heavily on affordable shipping.

By 2030, in scenarios without levies, developing countries like Ghana are generally expected to see reductions in export volumes relative to the BAULG, which could negatively affect the



country's economy in the short term. However, SIDS might see modest increases in their exports, suggesting that countries like Ghana could benefit from international cooperation and revenue-sharing mechanisms in the longer term. While the short-term effects could prove challenging, there are potential long-term benefits if Ghana navigates these changes effectively.

Freight companies and shippers will also need to adapt to rising fuel prices and the implementation of cleaner technologies. In the short term, the shipping sector may face higher operational costs, including investments in alternative fuels, retrofitting fleets, and adopting energy-efficient technologies. These costs could result in increased freight rates, affecting the competitiveness of exports, such as cocoa and gold, on the global market adversely. For shippers and companies relying on affordable transportation, these increased costs could limit their ability to compete or push the costs down the supply chain to consumers.

A forward-thinking approach could, however, help Ghana to navigate these challenges effectively. For instance, leveraging the revenues from a carbon levy to support local industries, promote cleaner energy alternatives, or enhance port infrastructure could reduce the adverse impacts of higher costs. Moreover, technological investments in cleaner shipping and energy-efficient port operations could result in long-term savings and help Ghana to meet its environmental goals.

Global Examples and Lessons for Ghana

The Namibia and Malawi case studies serve as valuable lessons for Ghana. In Namibia, maritime decarbonization has been shown to raise transport costs, but the introduction of a national decarbonization strategy, supported by technology and targeted subsidies could help balance the trade-off between environmental goals and economic resilience. Similarly, in Malawi, which also relies heavily on imports like fertilizers and petroleum, the introduction of a carbon levy generated significant revenues that helped offset the costs of higher transportation fees.

Ghana could learn from these strategies by implementing policies that promote technological innovation in shipping and port operations, as well as exploring options for financial redistribution to support vulnerable sectors.

Technological Innovation in Shipping and Port Operations

One way Ghana can promote technological innovation is by investing in cleaner and more energy-efficient technologies within its maritime and port infrastructure. Countries like Singapore have successfully adopted smart port technologies to improve operational efficiency and reduce emissions. For instance, Singapore's Port of Singapore Authority (PSA) has been a leader in implementing automated port operations, using AI and big data to optimize logistics, reduce fuel consumption, and cut greenhouse gas (GHG) emissions. Ghana's Port of Tema, one of the country's most vital trade hubs, could adopt similar automation technologies. Implementing green port initiatives, such as shore power systems (which allow ships to plug into the local electrical grid while docked,

reducing the need for onboard generators), could also reduce the carbon footprint of maritime operations.

Ghana could also explore the use of low-emission fuels such as LNG or biofuels for its domestic shipping fleet. For example, Scandinavian countries, including Norway, have been at the forefront of developing electric ferries and hydrogen-powered vessels, significantly reducing their maritime emissions. By exploring similar options, Ghana could not only contribute to global decarbonization efforts, but also, position itself as a leader in sustainable shipping in West Africa.

Additionally, data-driven technologies such as predictive maintenance for ships and port equipment could be implemented in Ghana to ensure operational efficiency and reduce downtime and ultimately lower operating costs and fuel consumption. Companies like Maersk have used predictive analytics to reduce fuel costs and improve maintenance schedules, which has helped them to achieve significant reductions in emissions.

Financial Redistribution to Support Vulnerable Sectors

To support the sectors most vulnerable to manage the costs of decarbonization, Ghana could explore options for financial redistribution through revenue generated from carbon pricing or levies. The carbon levy proposed by the IMO, which has been shown to generate significant revenue in other countries, could be used to create a fund for vulnerable industries, such as agriculture, where the cost of transportation and fertilizer imports might increase.

For example, in Namibia, the government has explored the idea of using revenue from carbon pricing to subsidize transport costs for agricultural products, thereby helping farmers to absorb the additional costs.

This could be particularly beneficial for Ghana's agricultural sector, which is a major contributor to the country's economy and relies heavily on affordable shipping for both imports (like fertilizers) and exports (such as cocoa, gold, and timber).

Earmarking funds for small and medium-sized enterprises (SMEs) in the shipping sector could also help these businesses to invest in cleaner technologies and will ensure that they stay competitive in a decarbonized global market. For instance, South Africa has set up funding programs that help small port operators and shipping companies retrofit their fleets with more fuel-efficient engines, thus creating a more equitable transition to greener practices. Ghana could establish a similar scheme to help local shipping companies to reduce their environmental impact without facing disproportionate financial strain.

Furthermore, Ghana's government could work with international partners, such as the World Bank or United Nations Development Program (UNDP), to secure climate financing or technical assistance that could support these vulnerable sectors. The

financing could be used for research and development into alternative fuels, subsidies for cleaner technology adoption, or even retraining workers in the maritime sector to handle new, more sustainable technologies. This would create a more robust, future-proof maritime industry that reduces emissions while maintaining economic stability.

Example of Cross-Sector Collaboration: Public-Private Partnerships

A practical example of how Ghana could implement these strategies comes from Kenya's Mombasa port, which has benefited from a public-private partnership (PPP) that funds technological upgrades and ensures that the costs of these initiatives are shared between the government and private sector stakeholders. The Kenya Ports Authority (KPA) collaborated with international companies to integrate automated container handling systems and green energy solutions, significantly reducing operational costs while maintaining environmental standards.

The government could also work with international partners to secure technical assistance and subsidies to cushion the initial cost impacts.

Conclusion: Ghana's Path Forward

As Ghana and other developing nations navigate the global transition to decarbonize the maritime sector, careful consideration of the economic impacts of policies is essential. While carbon levy and fuel standards may increase short-term shipping costs, they present an opportunity for long-term growth in both the environmental and economic areas. By investing in cleaner technologies and ensuring that revenue from carbon pricing is strategically redistributed, Ghana can manage the costs and set itself up for a sustainable, low-carbon future.

Ghana's ability to navigate the policy challenges surrounding maritime decarbonization will rely on a combination of strategic international advocacy, active involvement in global maritime policy negotiations, and the creation of a robust national decarbonization strategy. By pursuing these avenues, Ghana can play a vital role in global emission reduction efforts while ensuring the long-term resilience of its economy. Moreover, with thoughtful investments, international collaboration, and sustainable trade policies, the country can effectively manage the short-term impacts of this transition and unlock the long-term benefits of a green economy. With careful planning, Ghana's shipping sector has the potential to become more resilient, competitive, and sustainable in the years to come.

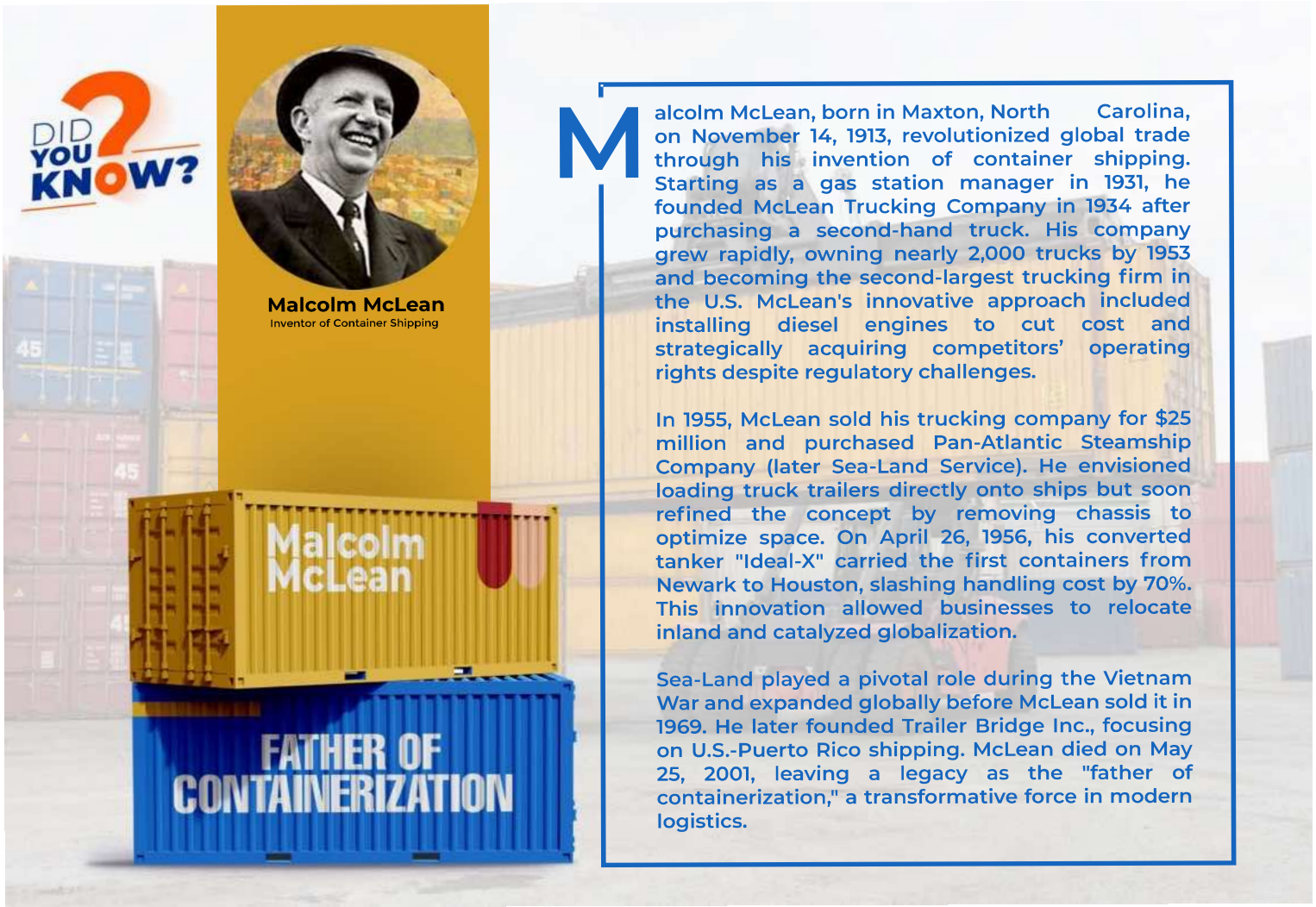
TERMINOLOGIES

BUNKER ADJUSTMENT FACTOR (BAF)

The shipping company calculates this factor, also known as the bunker surcharge, based on fluctuating oil prices so that the possible financial losses in fuel costs can be offset.

Ghana Shippers' Authority shippersgh www.shippers.org.gh

GHANA SHIPPERS' AUTHORITY - Providing Shipping Solutions



Malcolm McLean, born in Maxton, North Carolina, on November 14, 1913, revolutionized global trade through his invention of container shipping. Starting as a gas station manager in 1931, he founded McLean Trucking Company in 1934 after purchasing a second-hand truck. His company grew rapidly, owning nearly 2,000 trucks by 1953 and becoming the second-largest trucking firm in the U.S. McLean's innovative approach included installing diesel engines to cut cost and strategically acquiring competitors' operating rights despite regulatory challenges.

In 1955, McLean sold his trucking company for $25 million and purchased Pan-Atlantic Steamship Company (later Sea-Land Service). He envisioned loading truck trailers directly onto ships but soon refined the concept by removing chassis to optimize space. On April 26, 1956, his converted tanker "Ideal-X" carried the first containers from Newark to Houston, slashing handling cost by 70%. This innovation allowed businesses to relocate inland and catalyzed globalization.

Sea-Land played a pivotal role during the Vietnam War and expanded globally before McLean sold it in 1969. He later founded Trailer Bridge Inc., focusing on U.S.-Puerto Rico shipping. McLean died on May 25, 2001, leaving a legacy as the "father of containerization," a transformative force in modern logistics.

Apapa port lagos

By Nathaniel Nartey

Recommendations for Ghana to Capitalize on High Port Fees in Nigeria to Become the Preferred Hub in the Sub-Region

In recent years, the cost of doing business at ports along the West African Sub region has remained relatively competitive because, any increase in port charges tends to have a direct impact on the price of goods, as economies of many member states of ECOWAS are heavily reliant on imports. Higher port charges are inevitably passed on to consumers, causing deep concern among stakeholders when port fees rise.

A closer look at developments in Nigeria during the first quarter of 2025 reveals a growing trend: importers who once relied on Nigerian ports are increasingly seeking alternatives in neighboring West African countries to avoid escalating port charges.

Between January and February 2025, multiple government agencies, Terminal Operators, and shipping companies at Nigerian ports increased their charges from about 7% to about 15%, resulting in a staggering increase of more than 100% in total port charges. These hikes have made cargo clearance unaffordable for many businesses. Additionally, the Nigeria Customs Service (NCS) introduced a 4% charge on the free-on-board (FOB) value of imported goods, alongside the existing 1% Comprehensive Import Supervision Scheme (CISS) fee.

During the same period under review, Terminal 0perators and shipping companies increased their fees between 15% and 45%, depending on the operator. These fee hikes have contributed to a sharp decline in activity at the Lagos port in particular, and other ports in the country, undermining Nigeria's "ease of doing business" agenda. Nigeria's Port and Terminal Multiservices Limited (PTML) handled 10,000 units of cars and 1,500 containers per week between 2015 and 2019. However, this figure declined to 5,000 cars and 700 containers weekly between 2019 and 2023. By 2024, the numbers had plummeted, with only 1,000 vehicles and 300 containers processed weekly.

Multiple media outlets in the country, including *The Guardian Nigeria*, have reported that container clearing costs at


Port of Lekki

Nigerian ports have surged significantly, with the cost of processing a 40-foot container climbing from N18–20 million to N26 million, equivalent to $17,217 while the cost of processing a 20-foot container has nearly doubled from N10.5 million to N20 million, also equivalent to $13,244.

As a result, Nigerian ports are quickly losing their competitive edge, with many importers now opting for ports in Ghana, Togo, and Benin.

This shift threatens Nigeria's long-standing role as the dominant hub for West African-bound cargo.

Once handling about 70% of the region's cargo, Nigerian ports are losing ground to competing facilities in neighboring countries.

According to Dr. Abubakar Dantsoho, Managing Director of the Nigerian Ports Authority (NPA), Nigerian ports now handle fewer than two million Twenty-Foot Equivalent Units (TEUs), despite previously being the destination for the majority of the region's trade.

Nigerian Minister of Marine and Blue Economy, Adegboyega Oyetola, also acknowledged that the cost of doing business at Nigerian ports was 40% higher than in other West African countries, further eroding Nigeria's competitive advantage.

100% Increase in Port Charges by the Nigerian Ports Authority

In February 2025, the Nigerian Ports Authority (NPA) announced the implementation of a 15% increase in port charges, marking its first tariff adjustment since 1993. According to the Managing Director of NPA, Dr. Abubakar Dantsoho, the increase in port tariffs was necessary to upgrade outdated infrastructure, modernize equipment, and expand port capacity in order to improve efficiency and competitiveness.

The NPA relies on operational revenue to fund key initiatives, including infrastructure development, channel dredging, safe navigation, investments in modern marine crafts, digital automation, port security, energy efficiency, and staff training.

The 15% increase, which applies to all NPA rates and dues, underscored the Authority's commitment to improving Nigeria's port facilities and maintaining optimal performance. However, this move has sparked strong reactions from stakeholders, particularly from the manufacturing sector.

Push back from Stakeholders

Nigerian manufacturers have expressed strong opposition to the NPA's decision to increase port charges by 15%. The Manufacturers Association of Nigeria (MAN) has argued that the hike will increase production costs, and will contribute to higher inflation.

The Director General for the Manufacturers Association of Nigeria, Mr. Segun Ajayi-Kadir criticized the timing of the increase, pointing out that businesses are already grappling with rising operational costs, high foreign exchange rates, and astronomical energy prices. He emphasized that imposing additional financial burden on manufacturers will only worsen the challenges facing the sector.

Lessons for Ghana

As Nigerian ports grapple with these rising costs, Ghana stands to benefit from the shifting landscape. By capitalizing on Nigeria's increasingly expensive port charges, Ghana can strengthen its position as the sub-region's preferred port of call, by offering more competitive rates and better overall service for importers in West Africa.

In June 2024, the Ghana Shippers' Authority (GSA) led a delegation from Ghana which included representatives from the Parliamentary Select Committee on Roads and Transport, Ghana Institute of Freight Forwarders (GIFF) and the Ghana Union of Traders

Association (GUTA) to conduct a study of port fees and charges at the port of Tema and selected ports in West Africa.

Below are highlights of the recommendations made by the team:

1. **Streamline Shipping Line Charges:** "Ghana was identified among the countries visited as imposing the highest Shipping Line charges with unique charges such as Port Additional Charges and Container Evacuation Charges. These charges should be eliminated to improve the competitiveness of shippers in Ghana."

To enhance Ghana's competitiveness as a preferred port in West Africa, it is essential to eliminate or reduce unique shipping line charges such as Port Additional Charges and Container Evacuation Charges. By so doing, Ghana can lower the cost of doing business for importers and exporters. A comprehensive review and restructuring of these charges to align with regional standards such as the ECOWAS Trade Liberalization Scheme (ETLS) and the ECOWAS Protocol on Free Movement of Goods and Services would attract more shippers, improve the flow of goods, and strengthen Ghana's position as a cost-effective, efficient alternative to Nigeria.

2. **Stop Shipping Lines/Agents from indexing their local charges to the USD:** "To align with practices in other ports in West Africa, Ghana should ensure that Shipping Line Charges are not indexed to the USD".

To enhance Ghana's competitiveness as the preferred port in West Africa ahead of Nigeria, it is crucial to denominate Shipping Line Charges in Ghanaian cedis rather than US dollars. Adopting this practice would not only reduce costs for importers and exporters but also position Ghana as a more attractive, stable, and financially viable option for regional trade, further strengthening its edge over Nigeria.

3. **Enhance Transparency in UCL Cargo Auctions:** "The auction process for Uncleared Cargo List (UCL) should be migrated from manual to electronic systems, similar to Nigeria's approach, to ensure greater transparency and efficiency."

To improve transparency and efficiency, Ghana should migrate the auction process for Uncleared Cargo List (UCL) from manual to electronic systems, similar to Nigeria's approach. Implementing an online platform would streamline the entire process, reduce delays, and eliminate opportunities for corruption or discrepancies.

An electronic system would also enable real-time updates, better tracking, and enhanced accessibility for stakeholders, fostering trust and improving overall operational efficiency. This modernization would enhance Ghana's appeal as a reliable, transparent port for regional and international trade.

4. **Extend Demurrage-Free Days for Transit Cargo:** "In response to current security concerns in landlocked countries, Ghana should consider extending the demurrage-free period for transit cargo as is practiced by Togo and is under consideration by Ivory Coast."

It is recommended that the government of Ghana should extend the demurrage-free period for transit cargo, following the example of Togo and the proposed changes being considered by Ivory Coast. By offering a longer demurrage-free period, Ghana would provide more flexibility for transit cargo, reduce additional costs for shippers, and attract more traffic from landlocked nations. This

would not only improve Ghana's appeal as a cost-effective and secure transit hub, but would also position the country as a more attractive alternative to other regional ports.

5. **Eliminate VAT and Levies on Transit Services:** "Given that Ghana is the only country among the three ports visited that imposes VAT and additional levies on transit services, these charges should be removed to align with regional practices."

It is imperative that the VAT and additional levies on transit services in Ghana are removed to align with standards in the sub-region.

Eliminating these charges would reduce the overall cost of transit and will make Ghana more attractive to importers and exporters, especially those from landlocked countries. By simplifying the cost structure and offering more competitive rates, Ghana can strengthen its position as a preferred, cost-effective gateway for regional trade, and will thereby attract more shipping traffic to boost economic growth.

In addition to these recommendations, it is crucial to strictly implement the provisions of the GSA Act 2024 (Act 1122). Section 36(1) of the Act clearly states that *"A shipping service provider shall not administer a charge that is not approved by the Authority for a service rendered to a shipper."* Furthermore, Section 3(p) emphasizes that the Authority must *"ensure that the applicable charge of a shipping service provider is not higher than the charge approved by the Authority."*

This means that shipping service providers in Ghana can only charge fees for services that have been pre-approved by the Ghana Shippers' Authority (GSA). This regulation guarantees transparency and fairness, as providers must adhere to a standardized fee structure approved by the GSA.

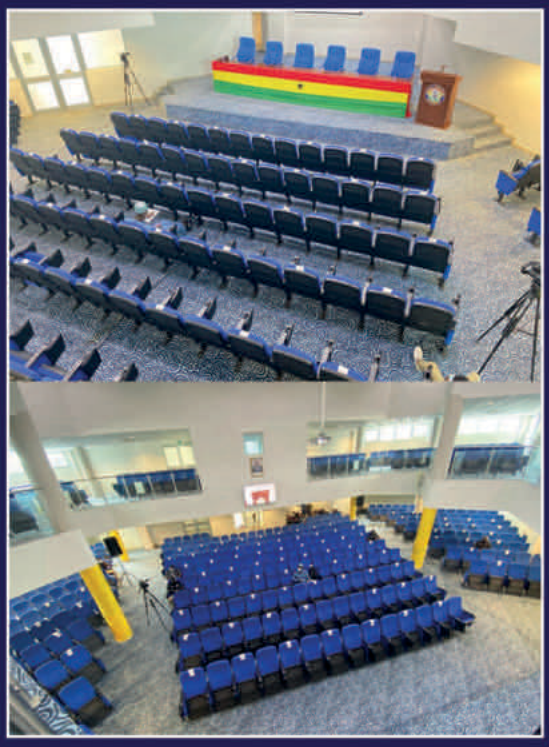
Additionally, the implementation of these provisions should be guided by comprehensive market research to determine a fee percentage that is mutually agreed upon by key stakeholders, to ensure that the charges are both competitive and reflective of the market conditions. For example, charges related to container handling, storage, or clearance must be pre-approved, to eliminate the risk of sudden, unregulated fees as seen in a number of ports within the sub-region.

By enforcing this regulation, the GSA Act 2024 helps to mitigate unexpected expenses for shippers, offering a more predictable and affordable cost structure. This makes Ghana a more attractive and reliable port of choice, especially for businesses looking to avoid the escalating port fees in Nigeria. As a result, Ghana can position itself as a cost-effective alternative, attracting more regional and international trade.

The Act also states under section 3 (n) that the Authority shall "develop, enforce and monitor the best standards of service delivery in the commercial shipping industry to ensure the availability, accessibility, affordability and adequacy of services in the commercial shipping industry."

By focusing on the aspect of affordability, GSA must implement measures to keep port charges competitive and reasonable. This could include streamlining operations, reducing bureaucratic inefficiencies, and investing in infrastructure to lower operational costs. These efforts would directly contribute to making Ghana's ports more cost-effective compared to Nigeria.

CONFERENCE FACILITIES



ACCRA

(Ghana Shippers House No. 12 Cruickshanks Street, Ambassadorial Enclave, West Ridge)

FEATURES

- 540 Seating Capacity Conference room
- 200 Seating Capacity Conference room
- 300 Capacity Restaurant
- Underground and Surface parking for 320 vehicles
- 2-600 KVA Generator
- High speed internet infrastructure
- Projector, Public Address system

0302 - 666915-7/ 668769
Osei Amankwah - 0203891069

TAKORADI

(2nd Floor Takoradi Shippers Centre)

FEATURES

- 300 seating capacity conference room
- 100 seating capacity conference room
- Projector, Public Address system
- High speed internet infrastructure

031 202 1739

Shipper Spotlight – Maphylix Trust Co. Ltd

In the competitive world of export, the seamless movement of perishable goods is essential not only for exporters but also for countries with economies deeply rooted in agriculture. Ghana, a major agricultural hub in West Africa, faces the unique challenge of ensuring that its fresh produce, fruits, and vegetables reach international markets while retaining their quality. At the forefront of this challenge is Mr. Felix Kamassah, a banker turned farmer, who has become a passionate advocate for better handling and transportation procedures in the air cargo sector.

Kamassah's journey from the well-established banking world to the unpredictable life of a farmer and exporter is one of transformation, resilience, and a deep commitment to improving Ghana's agricultural export industry. His story illustrates how one man's vision is driving change in the way perishable goods are transported, impacting the livelihoods of farmers and the broader economy.

A Bold Transition: From Banking to Farming

Felix Kamassah, like many professionals, had a promising career in the banking sector. However, driven by a passion for agribusiness and the potential he saw in Ghana's agricultural products, Kamassah made the bold decision to leave behind the predictable world of finance and pursue a full-time career in farming and export.

About seven years ago, Kammasah transitioned from banking to become the CEO of Maphlix Trust Ghana Limited, focusing on the export of perishable agricultural goods such as fresh vegetables and fruits. For Kamassah, this shift was not just about a career change; it was about giving back to his country by ensuring that Ghana's agricultural products meet global standards and have the best chance at thriving in international markets.

“Farming was always a part-time venture for me while I worked in banking,” Kamassah recalls. “But the more I got involved, the more I realized the immense potential Ghana's agricultural products have on the global stage.”

Thus, after a successful career in the banking sector, Kamassah switched to the agro-processing industry, where he has since achieved remarkable success. He currently holds the position of President of the Vegetable Producers and Exporters Association of Ghana (VEPEAG). Under his leadership and vision, his business has significantly expanded, collaborating with

approximately 3,500 smallholder farmers across Greater Accra, Oti, Volta, Central, and parts of Northern Ghana.

With a dedicated workforce of about 154 staff members, Mr. Kamassah also employs about 250 casual workers annually to support production. Currently, he produces 70% of his goods for export in-house, while outsourcing the remaining 30%. In addition, he oversees a cold storage facility built and managed by VEPEAG, with a capacity of up to 15 tonnes of agricultural produce earmarked for export. For certain denser food products, he utilizes ocean transportation.

Overcoming the Challenges of Perishable Goods Export

In the world of export logistics, the transport of perishable goods is a delicate operation. Fruits, vegetables, seafood, and flowers are highly sensitive to environmental factors such as temperature and humidity, making their transportation incredibly challenging. For Ghana, a country with a vibrant agricultural sector, ensuring that goods like fresh yams, vegetables, fruits and other food products retain their freshness during air transit is crucial.

Kamassah is particularly concerned with the current state of Ghana's air cargo logistics. "The biggest issue is the lack of real-time monitoring and temperature control throughout the journey. If the refrigeration units malfunction or delays occur at transit hubs, perishable goods deteriorate fast," he explains. "This has serious consequences for the quality of the product and, ultimately, the economic livelihoods of farmers and exporters."

For instance, yams, though relatively harder than some perishable goods, still need to be stored under specific conditions to avoid spoilage. The CEO of Maphlix stresses that temperature fluctuations or extended delays can cause yams to spoil, lose market value, or even become unsellable. "It's not just about getting the product out of the country; it's about ensuring it gets to the destination without compromising on quality," he says.

The Challenges of High Freight Costs and Competitiveness

In a conversation with the Shipping Review,Kamassah indicated that one of the significant challenges faced in the air cargo sector is the soaring freight costs associated with shipping of goods. Freight charges have risen considerably, largely due to global supply chain disruptions, fuel price hikes, and limited cargo space, which have added considerable pressure to the already thin margins of agricultural exporters. Kammasah points out that high freight costs are a critical factor that makes Ghana's agricultural products less competitive compared to those from neighboring countries in the subregion.

"Exporters in Ghana are at a disadvantage because of the high freight costs," he explains. "When we compare this with African countries like Kenya, which enjoy more favorable freight rates, we're already at a competitive disadvantage. Governments in those countries have taken deliberate steps to promote exports by offering waivers to carriers for such as landing fees, making it cheaper for them to operate. These waivers help reduce overall costs and make their products more competitive in the global market."

He continues, "While Ghana's government has shown a commitment to promoting exports, we are still playing catch-up when it comes to supporting the export sector particularly the air cargo industry. Other countries within the sub region have been more proactive in incentivizing carriers to reduce costs and improve efficiency. Ghana needs to follow suit to remain competitive."

The banker turned farmer believes that a structured policy from the government that addresses these freight challenges will allow Ghana's agricultural sector to compete effectively on the global stage. He calls for an overhaul of the current logistics model, with a focus on reducing the freight burden and enhancing the efficiency of transportation, which would ultimately benefit Ghanaian exporters as well as the country.

A Call for Better Infrastructure and Monitoring

Kamassah is a vocal advocate for improving

Ghana's export logistics, particularly in the air cargo sector. He emphasizes the urgent need for investments in better infrastructure, such as more cold storage facilities and efficient pack houses, to preserve the quality of perishable goods during transit. He also advocates for the adoption of real-time monitoring systems, which would allow exporters and consumers to track conditions such as temperature and humidity throughout the supply chain.

"The current facilities are simply not enough to handle the volume of perishable goods we're exporting," he warns. "More cold storage and better infrastructure are key to ensuring that Ghana remains competitive in the global market. Without these improvements, we risk repeating the mistakes of the past, when Ghana faced bans on agricultural exports due to poor handling."

Kamassah's advocacy extends to the government and private sectors, calling for increased collaboration to build a robust logistics network that will support the growth of Ghana's agricultural export industry, protect the livelihoods of farmers, and strengthen the country's reputation as a reliable supplier of high-quality agricultural products. He is committed to upholding the highest standards of the industry and has personally trained several staff members to oversee quality control throughout the entire value chain. To further ensure the excellence of his products, Kamassah operates under internationally recognized certifications, including Global Good Agricultural Practices (Global G.A.P.) and Fair Trade, which are vital for export. Additionally, he holds all requisite certifications from local authorities, such as the Food and Drugs Authority (FDA), Ghana Standards Authority, and the Plant Protection and Regulatory Services Directorate (PPRSD), among others, ensuring full compliance with local regulations. These certifications affirm that his products meet global standards for quality, sustainability, and ethical practices.

The Role of Technology: E-Traceability

Kamassah's Maphlix Trust Ghana Limited is a leading producer and exporter of fresh vegetables, roots, tubers, and fruits in Ghana including gari, cassava flour, yam, sweet potatoes, chili, okra, turmeric, ginger, and cassava dough. The products are distributed to various international markets, including the Netherlands, USA, France, Germany, and the United Kingdom, with ongoing trials in the Dubai and China markets. These countries and their regions are known for their strict regulations regarding the import of agricultural produce, particularly for consumption, making compliance a critical aspect of the business.

In this age of technological innovation, Kamassah commends systems such as the Plant Protection and Regulatory Services Directorate (PPRSD)'s 'E-Traceability' system, which monitors agricultural products from production to export. This system plays a pivotal role in ensuring that perishable goods meet the required standards for international markets, enhancing food safety and minimizing the risk of fraud. He, however, believes that the E-Traceability system must be enhanced to allow exporters to monitor conditions in real time. "It is not enough to just track products until they leave the country. We need the ability to monitor them throughout their entire journey, to ensure that the necessary standards are maintained at all times and liability is established clearly when spoilage occurs"; he says.

The Future of Ghana's Agricultural Exports

Despite the challenges in the value chain of the industry, Kamassah remains optimistic about the future of Ghana's agricultural export sector. His vision is clear: With the right investments in infrastructure, improved handling procedures, technological advancements, and competitive freight cost, Ghana is poised to become a global leader in the export market.

"There is tremendous potential for Ghana in the global export market, but it is critical that we address the transport logistics cost issues facing our agricultural sector," Kamassah asserts. "We have the products, and we have the passion. Now, we just need the right systems, structures and support to build demand capacity to make it all work."

Kamassah's journey serves as a compelling testament to how passion and determination can catalyze meaningful change. As he persistently advocates for essential improvements in transport logistics and freight costs, he remains dedicated to ensuring that Ghana's agricultural products retain their quality and value as they reach international markets. His efforts extend beyond enhancing export logistics; they are central to safeguarding farmers' livelihoods, fostering the growth of the agricultural sector, and positioning Ghana as a prominent player in the global food export industry.

GHANA STANDARDS AUTHORITY

OVERVIEW

Ghana Standards Authority is an Agency of Government responsible for developing, publishing and promoting standards in the country. It does this through Standardisation, Metrology and Conformity Assessment, i.e. Inspection, Testing and Certification. These activities ensure that products or goods and services produced in Ghana, whether for local consumption or for export are safe, reliable and of good quality.

VISION

To become a customer-focused world-class standards organisation.

MISSION

To contribute towards the growth of industry, protect consumers and facilitate trade through Standardisation, Metrology and Conformity Assessment.

CORE VALUES

- Excellence
- Customer-focus
- Integrity
- Teamwork

OUR SERVICES

Standards Development
Inspection
Testing
Certification
Calibration and Verification
Library and Information Dissemination
Training and Sensitisation
Public Education and Consumer Protection

OUR AFFILIATES

- International Organisation for Standardisation (ISO)
- The African Electrotechnical Standardisation Commission (AFSEC)
- Institute of Electrical and Electronics Engineers (IEEE)
- ASTM International
- International Bureau of Weights and Measures (BIPM)
- American Concrete Institute
- International Electrotechnical Commission (IEC)
- International Organisation for Legal Metrology (OIML)
- African Organisation for Standardisation (ARSO)
- International Code Council
- CODEX International Food Standards Alimentarius

OUR ACCREDITATION

- Six (6) ISO/IEC 17025:2017 Accredited Testing Laboratories (Pesticide Residue, Metallics, Histamine and Mycotoxin, Food and Drinks, Microbiology and Cosmetic Laboratories
- Six (6) ISO/IEC 17025:2017 Accredited Calibration and Measurement Laboratories (Mass, Temperature, Volume, Balance, Humidity and Pressure Laboratories)
- ISO/IEC 17020:2012 Accredited Inspection Body
- ISO/IEC 17065:2015 Accredited Product Certification Body
- ISO/IEC 17021-1:2015 Accredited Management System Certification Body
- ISO/IEC 9001:2015 Accredited Training Body

By: Samuel Eshun

Ghana's 24-hour Economy: Are Our Ports Ready for Non-stop Trade?

Few developments capture Ghana's economic aspirations more than its bustling ports, the gateways to West Africa's booming trade. Ghana's ports—Tema and Takoradi—handle over 85% of the nation's trade, with Tema Port alone processing more than 1,500 vessel calls annually. The total cargo throughput at Ghana's ports has consistently exceeded 25 million metric tons per year, with transit cargo to landlocked countries like Burkina Faso, Mali, and Niger accounting for a significant portion of this figure.

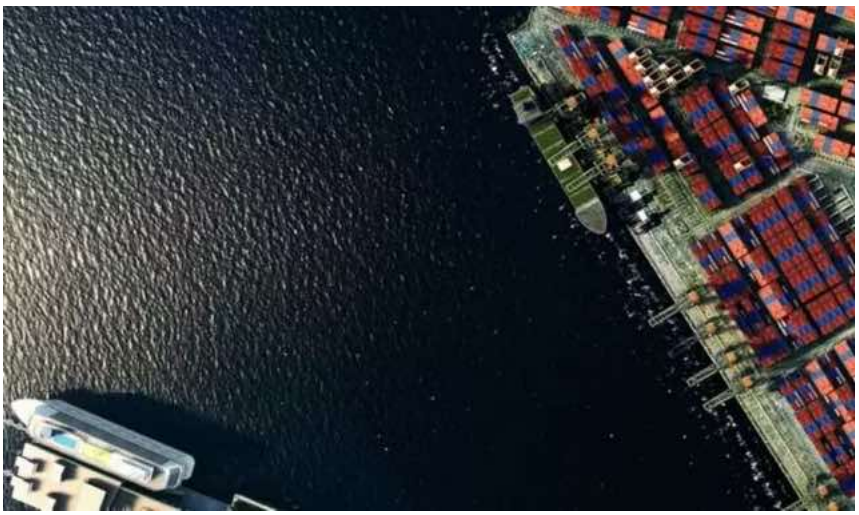
Beyond their immediate economic role, Ghana's ports are central to the logistics chain that facilitates trade across West Africa. With the implementation of the African Continental Free Trade Area (AfCFTA), Ghana is uniquely positioned to become a major transit hub for commerce within the region. The movement of goods through Ghana's ports to neighboring landlocked countries has seen steady growth, emphasizing the importance of efficient customs clearance, warehousing, and intermodal transport connections.

To achieve this vision, the Ghana Ports and Harbours Authority (GPHA) has embarked on extensive expansion efforts. The Tema Port expansion project, a $1.5 billion investment that was initiated in 2016 and saw its key infrastructural elements come online in phases by 2019, has already delivered new berths, increased container handling capacity, and deeper draughts to accommodate larger vessels. Similarly, Takoradi Port embarked on major upgrades around 2018, including new oil and gas service facilities and an expanded dry bulk terminal, with these improvements extending well into the early 2020s. These infrastructural advancements are crucial if Ghana is to fully harness the benefits of AfCFTA, which began its phased implementation in Ghana in 2018 and has increasingly shaped regional trade dynamics by 2021, positioning the nation to become the preferred transit hub for West Africa.

President John Mahama's ambitious proposal for a 24-hour economy has reignited discourse on the nation's logistical preparedness.

Ghana's ports, historically bogged down by bureaucracy, inconsistent energy supply, and outdated technology, are now being scrutinized for their ability to function seamlessly round the clock.

Yet, the question remains: Can Ghana truly sustain a 24-hour port operation, or will this grand vision be hindered by deep-rooted structural inefficiencies?



The Global lesson: how 24-hour ports drive economic growth

The promise of 24-hour ports isn't hypothetical—it's a proven model that has transformed global trade. Ports that operate non-stop have significantly cut turnaround times, boosted trade volumes, and generated billions in additional revenue. One of the most striking examples is Singapore's Port, the world's second-busiest, which processes over 37 million TEUs (twenty-foot equivalent units) annually. Through advanced automation and streamlined customs procedures, Singapore has reduced cargo dwell times to a minimum, fueling a $50 billion maritime economy and solidifying its position as a global trade powerhouse.

In South Africa, Durban Port plays a crucial role in the nation's economy, handling over 60% of the country's sea trade. By implementing round-the-clock operations, the port has not only eased congestion but also significantly increased customs revenue, reinforcing the economic benefits of an uninterrupted logistics chain. Meanwhile, Lagos' Apapa Port, despite its existing infrastructure challenges, has recorded a 15% increase in revenue since extending operations beyond regular hours. This demonstrates that even ports facing operational constraints can experience substantial economic gains by optimizing their working hours.

The lesson for Ghana is clear: efficiency is not merely about keeping ports open at night—it is about ensuring that every additional hour of operation translates into tangible economic value.

The Energy Conundrum: Keeping the Lights On

At the heart of this transformation lies Ghana's energy infrastructure, a sector notorious for its volatility. The latest figures from the Energy Commission paint a troubling picture. As of late 2023, Ghana's installed electricity capacity stood at approximately 5,300 MW, yet actual reliable generation hovers around 4,700 MW due to maintenance issues and fuel supply constraints. Industrial hubs like Tema and Takoradi already experience sporadic power outages, a reality that raises concerns about whether an uninterrupted 24-hour port operation can be sustained without jeopardizing efficiency.

Recent developments have exacerbated these concerns. In January 2025, the Ghana Grid Company (GRIDCo) reported an urgent need for nearly $90 million to procure liquid fuel, such as light crude oil, to operate thermal plants in Tema and meet growing electricity demand. This funding is critical to avert a looming power crisis caused by insufficient fuel supplies for thermal plants. The much-touted Ghana National Gas Company expansion, intended to stabilize supply, has yet to reach full operational capacity, and reliance on hydroelectric sources remains precarious in the face of erratic rainfall patterns. The ports, already facing rising operational costs, will require dedicated energy infrastructure to ensure that critical activities, such as cargo handling and customs clearance, do not grind to a halt at night.

Security and Efficiency: Are the Ports Ready?

The logistical viability of a 24-hour economy hinges not only on energy supply but also on security and operational efficiency. Ghana's ports have seen notable advancements in automation,

with the introduction of the Integrated Customs Management System (ICUMS) replacing cumbersome manual processes. Yet, despite these improvements, security lapses remain a pressing concern. Smuggling, pilferage, and fraudulent documentation persist, with customs officials grappling with deeply entrenched syndicates that exploit gaps in surveillance and regulatory oversight.

A 24-hour port operation would necessitate a massive overhaul of security infrastructure. CCTV surveillance, biometric access for port workers, and AI-driven monitoring tools would need to be deployed at scale. The Ghana Ports and Harbours Authority (GPHA) has made commendable investments in digitization, but maintaining round-the-clock surveillance will require both financial and human capital that remains in short supply.

The Bottleneck of Inter-Agency Preparedness

A functional 24-hour economy does not end at the ports. It extends to critical agencies like the Ghana Revenue Authority (GRA), Food and Drugs Authority (FDA), and the Ghana Standards Authority (GSA), all of which play pivotal roles in trade facilitation. The GRA's revenue data reveals that import duties and levies collected in 2022 amounted to GH₵ 10.14 billion, reflecting a 47.6% nominal growth from the previous year. However, inefficiencies in tax collection and clearance procedures continue to hamper smooth trade operations.

The FDA and GSA, responsible for ensuring the quality of imported goods, continue to face manpower shortages and delays in laboratory testing, leading to prolonged clearance times. Extending their operations to 24-hour cycles would require not just policy directives but substantial investment in staffing, automation, and infrastructure. Without this, night-time operations could become a breeding ground for regulatory lapses and corruption.

Counterarguments: A Pipe Dream or an Inevitable Shift?

Skeptics argue that a 24-hour economy is an impractical, politically motivated proposal that ignores the realities of Ghana's infrastructural deficiencies. They point to past unfulfilled promises of industrialization, questioning whether Ghana can afford the capital investment required to make its ports fully operational around the clock. There is also the economic argument: Does Ghana have the trade volumes to justify a shift to 24-hour operations, or is this a solution in search of a problem?

On the other hand, proponents counter that the move is not only feasible but inevitable. The African Continental Free Trade Area (AfCFTA) has positioned Ghana as a strategic logistics hub, and failing to modernize its ports could mean losing out to regional competitors like Nigeria and Côte d'Ivoire. Investors and multinational corporations increasingly demand real-time efficiency, and Ghana must adapt or risk being left behind.

The Verdict: Aspirational but Unfinished

Ghana's ports stand at a crossroads. The infrastructure is improving, but gaps in energy reliability, security, and regulatory efficiency remain formidable obstacles. The shift to a 24-hour port economy is not an unworkable fantasy, but it is certainly not an overnight transformation. Success will require a combination of political will, strategic investment, and relentless execution. Without these, the 24 hour economy vision may remain just that—a vision.

NISSAN

Here's to the one's

Built of More

Get the **Nissan NAVARA** at **0% VAT**

ASSEMBLED IN GHANA

BUILT BY US. BUILT FOR US

SCAN ME

3 YEAR WARRANTY OR 100,000KM Whichever Comes First

2.5cc Diesel Engine (Common Rail Injection) | Power: 188 Hp | Torque: 450 Nm @ 2000 rpm | 7-speed Automatic transmission | Speed Sensing door lock | 8-inch display audio (Voice recognition + Apple Carplay + Android Auto) | Cruise Control | Intelligent key with Push to Start button | Security: 7 airbags, Around view Monitor (360°) with Moving Object Detection.

NISSAN INTELLIGENT MOBILITY

HOTLINE: 0244 338 393

JAPAN MOTORS Driven by Excellence

ACCRA, Graphic Road Head office
South Industrial Area.
P. O. Box 5216, Accra
Tel: +233 (244) - 338 395

ACCRA, Silver Star Tower
Ground Floor,
Airport City, Accra.
Tel: +233 (302) - 768 849-51

TEMA,
Cocoa Processing Road
P. O. Box 199, Tema
Tel: +233 (243) - 700 751

KUMASI,
P. O. Box 6015 Kumasi
Prempeh 1 Street Adum.
Tel: +233 (322) - 050 200

TAMALE,
P. O. Box TL Tamale,
Kumasi Road.
Tel: +233 (372) - 022 125

TAKORADI,
P. O. Box MC 257, Paa
Grant Avenue. Takoradi
Tel: +233 (554) - 391 153

Japan Motors Nissan Ghana | @JapanMotorsgh | nissan.sales@japanmotors.com | www.japanmotors.com | www.nissanghana.com

Genuine spare parts and affordable quality service throughout Ghana

By David king Boison,
Senior Research Fellow at the Center for International Maritime Affairs Ghana (CIMAG),

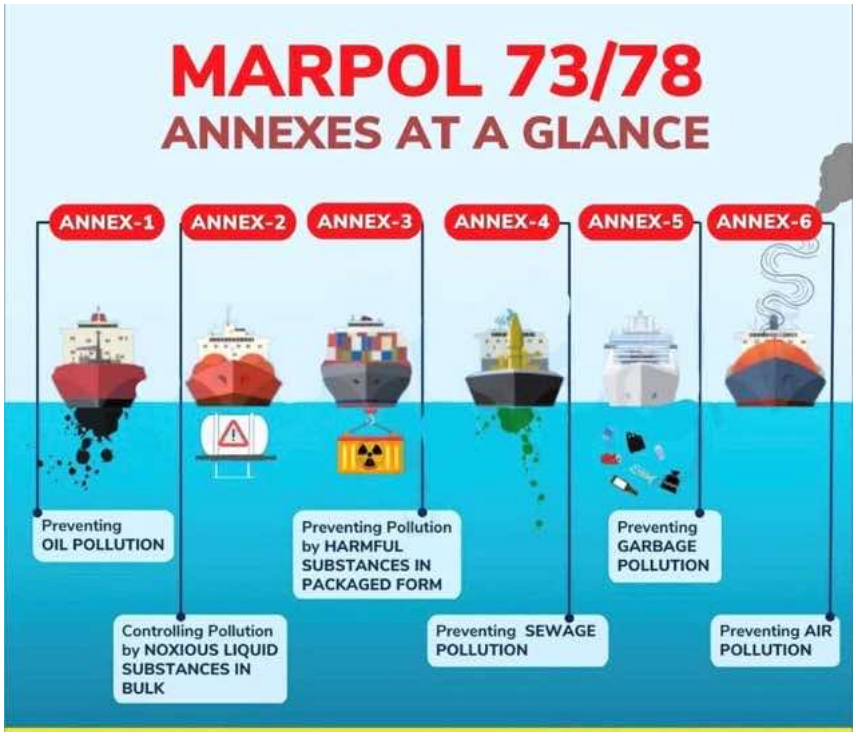
Ratification of MARPOL Annex VI – Policy Recommendations for African Coastal States

The shipping industry plays an indispensable role in global commerce, connecting economies, enabling trade, and driving prosperity. However, maritime activities also pose significant environmental risks, particularly through emissions of harmful substances like sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter, and greenhouse gases (GHGs). Recognizing these risks, the International Maritime Organization (IMO), the UN agency responsible for the safety and security of shipping, introduced MARPOL Annex VI, an international regulatory framework specifically designed to limit air pollution from ships. This critical annex, enforced globally since May 2005 and significantly strengthened in subsequent revisions, sets rigorous standards for emissions control, mandating the use of cleaner fuels and promoting energy-efficient maritime technologies.

Despite the global urgency and widespread adoption of these regulations, African coastal states have notably lagged in ratifying and implementing MARPOL Annex VI. This slow adoption has created regulatory gaps, leaving many African ports vulnerable not only to environmental degradation but also to economic risks, including potential exclusion from increasingly stringent global trade routes. Currently, less than a third of Africa's maritime nations have ratified Annex VI, highlighting a disconnect between regional policies and global environmental standards. This regulatory lag threatens Africa's maritime competitiveness, environmental health, and economic development.

The urgency for Africa to accelerate ratification and compliance with MARPOL Annex VI cannot be overstated. Global maritime standards are swiftly evolving toward greater environmental responsibility, driven by robust international agreements, stricter port state control mechanisms, and increasing consumer demand for sustainable supply chains. Leading maritime nations in Europe, North America, and Asia have already implemented rigorous emission control areas (ECAs) and comprehensive enforcement strategies. In contrast, African nations face escalating risks of trade penalties, higher operational costs, and diminished market access if they fail to align swiftly with these global norms.

Moreover, environmental sustainability in shipping presents substantial



opportunities for African nations to position themselves competitively within global maritime trade networks.

In proactively adopting MARPOL Annex VI, African coastal states can mitigate environmental harm, enhance public health in port communities, attract environmentally conscious international shipping operators, and foster a sustainable maritime economy.

This article critically explores the economic, environmental, and regulatory imperatives compelling African coastal states to expedite ratification and enforcement of MARPOL Annex VI. Drawing on global best practices, rigorous data analysis, and strategic insights, it provides comprehensive, practical policy recommendations that can propel Africa towards sustainable, compliant maritime operations and secure its vital role in the future of global shipping.

1. The Economic and Environmental Case for MARPOL Annex VI Compliance

The economic and environmental rationale behind accelerating MARPOL Annex VI ratification and compliance in African coastal states is both compelling and urgent. Shipping emissions, particularly sulfur oxides (SO_x), nitrogen oxides (NO_x), particulate matter, and greenhouse gases, represent a significant threat to human health and ecosystems in many African port cities. These pollutants have been directly linked to respiratory illnesses, cardiovascular diseases, and increased mortality rates, exacerbating healthcare costs and reducing overall productivity. For instance, major port cities such as Lagos, Durban, Mombasa, and Accra face elevated pollution levels partly due to emissions from shipping, with these impacts disproportionately affecting low-income populations who reside close to port infrastructure.

From an environmental perspective, uncontrolled emissions from maritime activities have severe ecological repercussions. Sulfur and nitrogen emissions contribute directly to ocean acidification, eutrophication, and deterioration of coastal biodiversity, negatively impacting fisheries and tourism—two sectors critical to the African economy. Additionally, the maritime sector is an increasingly recognized contributor to global climate change, accounting for approximately 3% of total global CO_2 emissions, a share projected to rise significantly by 2050 if unmitigated. By failing to adopt MARPOL Annex VI, African nations risk becoming environmental outliers, potentially facing international reputational damage and exclusion from emerging green maritime routes.

Economically, the consequences of non-ratification are significant and multifaceted. Nations that fail to comply with international maritime environmental standards face growing economic isolation as major global shipping operators increasingly adopt cleaner fuels, technologies, and practices. Shipping companies are already adapting to stringent standards enforced in Emission Control Areas (ECAs) across Europe, North America, and parts of Asia. Consequently, non-compliant African ports could see diminished traffic, higher shipping costs, and increased tariffs, directly affecting trade competitiveness. Conversely, early adopters of Annex VI standards will attract global shipping lines prioritizing compliance and sustainability, thereby enhancing their strategic trade positions and economic attractiveness.

The adoption of MARPOL Annex VI also provides distinct economic opportunities through infrastructure investment, job creation, and technological innovation. The transition to cleaner maritime fuels such as liquefied natural gas (LNG), hydrogen, ammonia, and biofuels promises significant investments in fuel storage, bunkering facilities, and port infrastructure. These developments could attract both domestic and foreign direct investment (FDI), to create employment opportunities across construction, manufacturing, and maritime services sectors. Moreover, cost-benefit analyses conducted by the IMO and World Bank indicate that the long-term economic gains from improved public health, enhanced environmental resilience, and reduced healthcare expenditures vastly outweigh the initial implementation costs.

Ultimately, African coastal states stand at a critical juncture. Immediate action to ratify and enforce MARPOL Annex VI will not only align these states with global environmental expectations but will also deliver considerable economic dividends. Conversely, continued delays risk significant economic penalties, diminished international competitiveness, and exacerbated public health and environmental damage. Recognizing this, the strategic imperative for African governments is clear—embracing MARPOL Annex VI compliance is both economically prudent and environmentally essential.

2. Global Best Practices – How Leading Maritime Nations Have Implemented Annex VI

Learning from global leaders in maritime environmental policy is critical for African coastal states seeking to effectively ratify and implement MARPOL Annex VI. Successful international case studies from Europe, North America, and Asia illustrate not only the feasibility but also the tangible benefits of adopting stringent emissions control measures. Analyzing these best practices offers valuable lessons and actionable insights that Africa can leverage in building a competitive, sustainable, and compliant maritime sector.

Europe provides the most robust model, particularly through its established Emission Control Areas (ECAs) in the Baltic Sea, North Sea, and English Channel, where strict emission regulations have dramatically improved air quality and reduced environmental risks. Countries like Germany, the Netherlands, and Denmark have led the way by implementing sophisticated enforcement mechanisms and incentives designed to encourage cleaner fuels and energy-efficient vessel technologies. For example, the Port of Rotterdam, one of Europe's busiest ports, successfully incentivizes shipping companies to adopt low-sulfur fuels and renewable energy solutions through discounted port fees and priority docking privileges. Such incentives have significantly accelerated compliance rates, enhancing Rotterdam's

competitive advantage and setting a global benchmark for port sustainability.

Similarly, the United States has established comprehensive enforcement mechanisms through the North American ECA, encompassing stringent emission controls along its extensive coastline. Collaborative enforcement efforts involving the U.S. Coast Guard and the Environmental Protection Agency (EPA) have created an effective regulatory environment characterized by rigorous inspections, strict penalties for violations, and clear compliance guidelines for shipping companies. By coupling enforcement with supportive policies such as investment incentives for cleaner technologies and alternative fuels, the U.S. has reduced shipping-related air pollution in major ports like Los Angeles, Houston, and New York-New Jersey, achieving notable public health and economic benefits.

In Asia, China's rapid and strategic response to Annex VI provides another essential reference point.

Confronted with severe air pollution issues, China introduced ambitious low-sulfur fuel mandates and fleet modernization initiatives. Since 2019, China's Ministry of Transport enforced strict regulations requiring vessels entering its territorial waters to switch to low-sulfur fuels, significantly reducing SO_x and NO_x emissions in major ports like Shanghai, Tianjin, and Ningbo. Additionally, China incentivized shipping companies through substantial government subsidies and favorable lending conditions aimed at upgrading vessel fleets, adopting energy-efficient designs, and building alternative fuel infrastructure. This proactive regulatory approach has not only improved China's environmental footprint but has also positioned its maritime sector as globally competitive and technologically advanced.

Drawing on these global experiences, African coastal states have clear strategic lessons for effective MARPOL Annex VI adoption. First, harmonized regional policies and enforcement strategies significantly enhance compliance, underscoring the need for coordinated legislative frameworks across African maritime jurisdictions. Second, the importance of port-based incentives and public-private partnerships (PPPs) emerges clearly, highlighting the need to actively engage the private sector in infrastructure investment and sustainable technology adoption. Finally, comprehensive monitoring, reporting, and verification (MRV) systems are essential to enforce emissions compliance effectively, suggesting that African coastal states should prioritize robust regulatory capacity-building and technological investments in emissions monitoring systems.

In studying and adapting these proven international strategies, African nations can substantially accelerate their transition toward MARPOL Annex VI compliance. Such proactive engagement will enable them to mitigate environmental risks, secure economic advantages, and position themselves as influential actors within the rapidly evolving global maritime sustainability agenda.

3. Challenges to MARPOL Annex VI Ratification in Africa

While the benefits of ratifying and enforcing MARPOL Annex VI are clear, African coastal states face significant challenges that must be carefully addressed. These obstacles range from fragmented regulatory frameworks and infrastructural inadequacies to financial constraints and stakeholder resistance. Understanding these barriers is crucial to developing targeted and effective policies capable of accelerating Africa's compliance with international maritime emission standards. A key challenge facing African nations is the complex and often fragmented regulatory landscape. Maritime governance across Africa is marked by varying degrees of policy coherence,

institutional capacity, and legal frameworks.

Differences in national laws, inadequate intergovernmental coordination, and uneven capacity across regulatory bodies frequently hinder harmonized adoption and implementation of international standards like Annex VI.

Additionally, limited expertise and understaffed maritime authorities in several African nations compound the difficulty of implementing robust port-state control measures necessary for effective enforcement of emissions regulations.

Technical and infrastructural limitations pose another considerable barrier. African ports, particularly smaller or secondary ports, typically lack adequate infrastructure to supply low-sulfur fuels, alternative energy sources (such as LNG, ammonia, or biofuels), and emissions control technologies like scrubbers. Investments in refining capabilities, bunkering facilities, and emissions monitoring systems remain low, leaving maritime operators with limited options for compliance. This infrastructural gap creates significant logistical challenges and discourages shipping companies and maritime stakeholders from transitioning to cleaner operational practices, perpetuating reliance on high-sulfur fuels.

Financial constraints are also substantial obstacles to MARPOL Annex VI compliance. Maritime infrastructure and emissions-reduction technologies often require significant upfront capital investment. African governments face tight fiscal conditions and competing priorities, which limit available public financing. Simultaneously, uncertainties around regulatory frameworks and returns on investment have made private-sector investors hesitant to committing substantial resources. Consequently, without innovative funding mechanisms, targeted incentives, or international financial assistance, the required infrastructure developments remain stalled, significantly delaying Annex VI ratification and compliance.

Lastly, stakeholder resistance adds another layer of complexity. Maritime industry players, including ship operators, port authorities, and fuel suppliers, have expressed concerns about the potential costs associated with compliance. Resistance often stems from inadequate understanding of long-term economic benefits, uncertainties about transitioning technologies, and perceived threats to competitiveness. This resistance, coupled with limited public awareness and advocacy, creates inertia, slowing the momentum toward environmental compliance. Furthermore, policymakers often prioritize immediate economic concerns over long-term sustainability objectives, weakening political will and delaying legislative action.

Addressing these challenges demands a comprehensive, multi-stakeholder approach. African coastal states must foster regional collaboration to harmonize regulatory frameworks, attract international investment through clear policy signals, and strategically prioritize infrastructure development to facilitate the supply of compliant fuels and technologies. Additionally, effective stakeholder engagement, targeted awareness campaigns, and transparent communication regarding the economic and environmental benefits of Annex VI adoption are vital to overcoming resistance and galvanizing support. Only by acknowledging and systematically addressing these challenges can African coastal states achieve timely ratification and effective enforcement of MARPOL Annex VI, to ensure sustainable economic growth and environmental protection

4. Strategic Roadmap for Accelerating MARPOL Annex VI Ratification

Given the complexities and urgency associated with MARPOL Annex VI ratification, a structured, phased approach provides African coastal states a practical roadmap toward compliance. This roadmap designed around three clear

phases—legal and policy harmonization, infrastructure development and fuel transition, and compliance and enforcement mechanisms— will ensure that implementation efforts are targeted, achievable, and economically sustainable.

Phase 1 (2024–2026): Legal and Policy Harmonization

The first phase prioritizes creating an enabling regulatory environment through comprehensive legislative and policy reforms. African coastal states must urgently update national laws to align with IMO standards, to clearly establish emission reduction targets, compliance timelines, and associated penalties. Regional maritime bodies, including ECOWAS, SADC, and the African Union (AU), must play pivotal roles to facilitate this alignment by harmonizing emission standards across member states. Establishing inter-governmental agreements will enhance coordination, build regulatory capacity, and promote sharing of best practices.

During this phase, capacity-building initiatives must focus on training regulatory officials, maritime enforcement bodies, and port authorities to ensure readiness for subsequent implementation stages.

Phase 2 (2027–2028): Infrastructure Development and Fuel Transition

In the second phase, attention shifts to infrastructural readiness. African nations need to strategically invest in the development of port and bunkering infrastructure capable of supporting alternative fuels such as LNG, biofuels, hydrogen, ammonia, and low-sulfur diesel. This would involve creating a robust supply chain network, including refining capabilities, storage facilities, and dedicated bunkering terminals. Public-private partnerships (PPPs) can effectively mobilize the necessary investments, to attract both domestic and international capital. In parallel, financial incentives and subsidies must be introduced to support maritime operators transitioning to cleaner fuels and energy-efficient vessels.

This infrastructure-oriented approach would not only facilitate immediate compliance but would position African ports as attractive and competitive hubs for global shipping operators seeking compliant facilities.

Phase 3 (2029–2030): Compliance and Enforcement Mechanisms

The final phase emphasizes enforcement to ensure long-term compliance and sustainability. Robust port-state control mechanisms are critical, requiring investments in emissions monitoring technologies, satellite tracking systems, and vessel inspection capabilities. Establishing stringent but transparent compliance checks, coupled with clear penalties for violations, is crucial.

Additionally, African coastal states should explore implementing market-based mechanisms such as emissions trading schemes (ETS) and carbon taxes that incentivize maritime operators to reduce emissions proactively. Developing maritime emissions registries and data-sharing platforms further ensures transparency and accountability and facilitates continuous assessment and regulatory adjustments as needed.

Continuous capacity building at the port and regulatory levels will maintain effectiveness and responsiveness to evolving international maritime emission standards.

This strategic roadmap integrates regulatory, technical, financial, and stakeholder considerations, and offers African nations a clear and actionable path toward MARPOL Annex VI compliance.

Conclusion

Successfully navigating this phased approach will not only safeguard Africa's maritime trade competitiveness but will also secure substantial economic and environmental benefits to pave the way towards a sustainable maritime future.

By Alexander G. Buabeng

Ghana Should Accede to the Visby and SDR Protocols Amending the Hague Rules and Implement Same in its Municipal Law

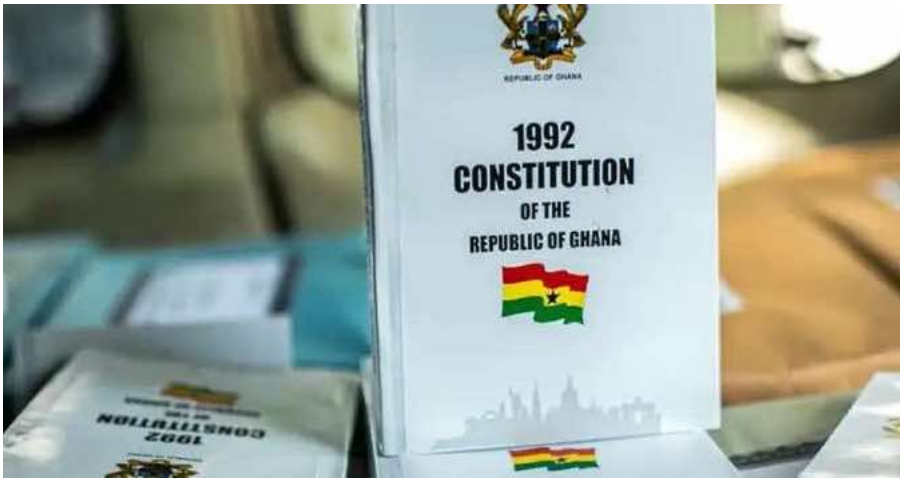
The present writer will be stating the obvious if he observes that shipping will continue to be the major artery of international trade. The exponential growth of goods and commodities transported by sea worldwide includes raw materials such as oil, gas, agricultural commodities and a host of other commodities.

The predominant international regime regulating the carriage of goods by sea is the International Convention for the Unification of Certain Rules relating to Bills of Lading signed at Brussels on 24th August 1924 commonly referred to as the Hague Rules.

In the pre-independence era, the Hague Rules were implemented in the then Gold Coast by the Carriage of Goods Ordinance (Cap 242). On attainment of independence by Ghana, the Rules were implemented by the Bills of Lading Act 1961 (Act 42). This Act repealed the Carriage of Goods by Sea Ordinance (Cap 242).

The Hague Rules, which are scheduled to the Bills of Lading Act, (Act 42) are still the operative law in Ghana despite the two Protocols which have amended The Rules.

In this short Paper, the present writer will endeavour to stress the importance of Ghana acceding to the two Protocols, to wit, Visby and the SDR Protocols, and the implementation of same in Ghana's municipal law. Needless to observe that the mere accession to the Protocols without implementing same in the municipal law of Ghana will not avail the nation, because, the Protocols will bind Ghana on the international plane but will not affect the rights and obligations of Ghanaians since the Protocols, to borrow the American terminology, are not self-executing i.e., the Courts in Ghana cannot give direct effect to the Protocols since they are not part of the Laws of Ghana as enshrined in Article 11 of the Constitution.



The first issue the present writer wants to grapple with is the drafting of the Bills of Lading Act 1961 (Act 42). Perhaps, the drafter who was not completely briefed as to the Vita Food gab used the old fashioned wording "have effect in relation to and in connection with". With respect, the modern wording used in drafting is that "the Rules shall have the force of law in Ghana".

The second issue is the case of Sruttons v Midland Silicones. The case relates to an action against stevedores. Under the Bills of Lading Act, they are not protected by the Rules, but are they protected by the Visby amendments? The problem is however dealt with in Article IV.

Article IV paragraph 2 bis provides as follows "If such an action is brought against a servant or agent of the carrier (such servant or agent not being an independent contractor) such servant or agent shall be entitled to avail himself of the defences and limits of liability which the carrier is entitled to invoke under the Rules".

The Rule was probably inserted to deal with "Eurymedon" and "New York Star" situations, but stevedores are normally independent contractors and NOT the servants or agents of the carrier, and so this provision will not avail them.

The third point is the major technological innovations which rapidly took hold in cargo transportation in the late 1960s and early 1970s, to wit, containerisation. The Hague Rules did not address containerisation and indeed the Rules could not have been designed with containers in mind.

The issue is, whether when cargoes are stuffed in a container during sea carriage, the whole container should be regarded as a "package" or "unit" under Article 4 Rule 5 of The Hague Rules for the purposes of limits of liability if the goods are lost or damaged, or the individual items stuffed in the container should be regarded as a "package" or "unit".

Assuming a cargo of 1,000 Rolex watches are stuffed in one container with other cargoes, will the limit set in Article 4 Rule 5 of The Hague Rules apply? There has been a great deal of litigation under the Hague Rules especially in the Courts of the United States Second Circuit as to whether in the case of containerised cargo, the limit applies to each container as a whole or each parcel of goods stuffed therein. The Visby Protocol has taken care of this problem by Article V 5 (C) which stipulates as follows –

"Where a container, pallet or similar article of transport is used to consolidate goods, the number of packages or units enumerated in the bill of lading as packed in such article of transport shall be deemed the number of packages or units for the purpose of this paragraph as far as these packages or units are concerned. Except as aforesaid such article of transport shall be considered the package or unit".

The next issue is with bulk cargoes whether solid bulk such as grain or liquid bulk such as oil. What happens if they are lost or damaged during sea transport? Which limit will apply? Surely, bulk cargo

cannot be considered as a "package" or "unit" under Article 4 Rule 5 by any stretch of imagination.

Lastly, the Visby Protocol linked "package" or "unit" limitation to Poincaré francs, but regrettably, the Poincaré francs collapsed just after the adoption of the Visby Protocol. The main reason for the collapse was inflation. In a renewed effort to promote some sort of uniformity, the Comité Maritime International (CMI), in 1977 appointed an International Sub-Committee to prepare proposals for reform based on the Special Drawing Rights unit of account defined by the International Monetary Fund (IMF). The draft proposals were submitted to the Belgian government which agreed to call a new diplomatic conference in December 1979. The Conference adopted, without amendment, the SDR Protocol to the Visby Protocol on 21 December 1979. This replaced the Poincaré franc with the SDR and came into force on 14th February 1984.

The Special Drawing Rights will raise the limit considerably from £100 which is substituted under section 5 of the Bills of Lading Act by "two hundred Ghanaian pounds" which obviously is no longer legal tender in Ghana.

In the light of the above, the present writer will very respectfully urge the appropriate authorities to set in motion steps to accede to the two Protocols, to wit, the Visby Protocol and the SDR Protocol and implement same in our municipal law.

The present writer, however, is not unaware of the developments on the International scene regarding carriage of goods by sea such as the Rotterdam Rules. When the Rotterdam Rules will enter into force is anybody's guess. So , twenty-five countries have signed the Rules including Ghana, but only five countries namely Democratic Republic of Congo, Spain, Togo, Cameroun and the Benin have ratified the Rules. It is pertinent to observe that the Rules require ratification or other mode of adoption by at least 20 states. Any country which ratifies the Rules must denounce The Hague Rules and its amending Protocols which they are parties to. This is also applicable to the Hamburg Rules of 1978. For now, the present writer will advocate for Ghana's accession to the two Protocols amending the Hague Rules and implement same in its municipal law.

Global Trade War Reloaded: Trump's Tariff Gambit Hits Ghana's Economy at a Vulnerable Time

In a world economy already struggling under the weight of political fragmentation and economic nationalism, the return of Donald J. Trump to the White House has reawakened old trade battles with new intensity. With China and the Europe locked in tit-for-tat tariff regimes and global supply chains increasingly shifting eastward or inward, Washington has turned its economic arsenal toward countries long considered strategic partners—but now reclassified as trade imbalances to be corrected.

On April 2, 2025, under the sweeping authority of the International Emergency Economic Powers Act (IEEPA), the Trump administration signed an Executive Order imposing a 10% ad valorem tariff on a wide range of imported goods, including those from Ghana. This move, framed as a national security measure to reduce the U.S. trade deficit and revive domestic industry, lands in the middle of a broader geopolitical recalibration.

The U.S. is not just fighting China for economic supremacy—it is also redrawing the boundaries of trade preference, targeting countries it sees as having "unfair" advantage under old multilateral frameworks. That includes African nations like Ghana, who, for two decades, have benefited from the duty-free provisions of the African Growth and Opportunity Act (AGOA).

With this new tariff regime taking effect at all U.S. ports of entry from April 5, 2025, and reciprocal tariffs ranging between 11% and 50% starting April 9 2025 for countries with higher duties on American goods, the rules of engagement in global trade are changing. And for Ghana, the timing could not be worse.

Ghana's Export Engine Faces Sudden Shock

Though the U.S. accounts for only 4 to 5 percent of Ghana's total exports, the nature of what it imports matters significantly. In 2023, Ghana exported goods worth about $1.82 billion to the U.S., a portfolio dominated by crude petroleum ($1.28 billion), cocoa beans ($162 million), and cocoa paste ($72 million). These are not marginal shipments. They represent high-revenue sectors with deep employment footprints, from oil fields to cocoa farms and processing plants.

The new 10% tariff, applied at the point of entry, directly strikes at the competitiveness of Ghanaian products. Goods that previously entered the U.S. market duty-free under AGOA now face higher costs that could shift buyer preferences. American importers may turn to countries not affected by the tariff, including some Latin American and Asian suppliers.

For Ghana, this could mean losing hard-won shelf space and contracts in one of the world's most lucrative consumer markets.

Sectors most exposed include apparel, shea butter, processed cocoa, and fresh agricultural exports such as yams, cashews, and pineapples. These industries are not just important for trade figures—they support thousands of jobs, especially in rural Ghana, and are crucial to the government's industrialization and value-addition agenda.

Economic Fallout: Beyond the Trade Balance

At face value, a 10% tariff on $1.74 billion in exports translates into roughly $174 million in added cost. But the true cost is harder to quantify. If U.S. buyers pass on the extra cost to consumers, Ghanaian goods may lose their competitive edge. If they shift to other sources, Ghana risks a permanent loss of market share. Even if some costs are absorbed along the supply chain, Ghanaian exporters—especially small and mid-sized ones—will see their already thin margins erode.

The broader economic implications are sobering. A drop in export volumes could lead to factory layoffs, reduced foreign exchange inflows, and declining tax revenues. AGOA-based businesses—many already struggling with power costs and currency depreciation—may be forced to scale down or shut operations. For a country still navigating an IMF-supported economic recovery plan, this is a hit Ghana can ill afford. And it doesn't end there. The cost of imported U.S. goods is also expected to rise due to reciprocal tariffs being introduced by Washington. Though some items—such as copper, pharmaceuticals, energy products, semiconductors, and certain critical minerals—are exempt, the range of affected products remains wide.

Government Response: Urgency Meets Uncertainty

The Ghanaian government, clearly rattled by the policy shock, acted swiftly. At the invitation of Foreign Affairs Minister Samuel Okudzeto Ablakwa, U.S. Ambassador Palmer met with key officials, including Deputy Minister for Trade, Agribusiness and Industry, Sampson Ahi, to clarify the scope and intent of the tariff.

In a carefully worded statement, Ghana's Ministry of Foreign Affairs acknowledged the "broad global intent" of the U.S. measure, with Ambassador Palmer emphasizing that the tariff was not a punitive strike against Ghana but rather part

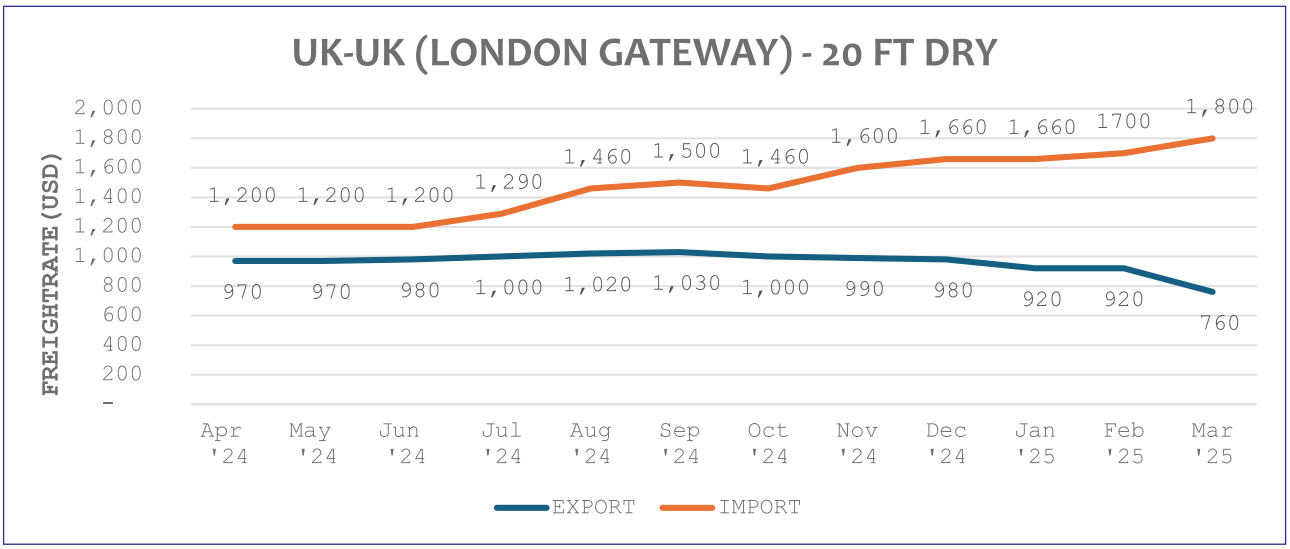
of a global recalibration to correct trade imbalances. She confirmed that while oil, gas, and energy-related products would be exempt, Ghana's cocoa and garments—two AGOA-reliant exports—would face the full weight of the new tariff. Both parties agreed to deepen consultations, with Ghana seeking the possibility of additional exemptions and long-term mitigation strategies. In a joint communiqué, the Ministries of Foreign Affairs and Trade pledged ongoing engagement with U.S. counterparts to shield Ghanaian enterprises from the fallout. For now, however, local exporters must brace for a regime change in their most lucrative overseas market.

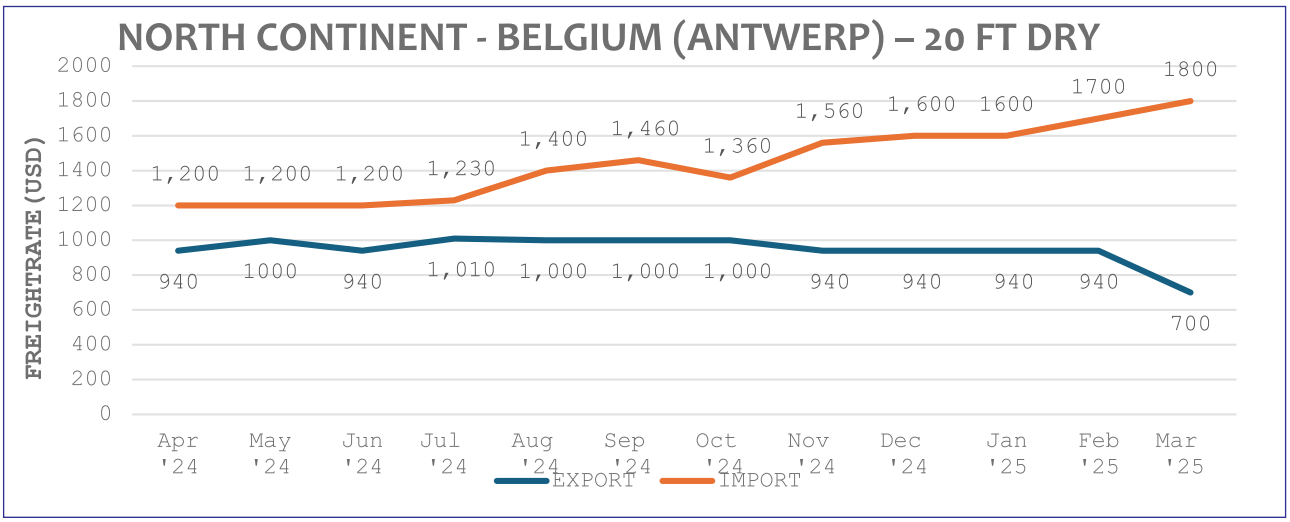
The crisis may yet become a turning point for Ghana to reassess its export architecture and also push Ghana to deepen trade ties with Asia, the Gulf, and other African markets under the African Continental Free Trade Area (AfCFTA). Dependency on raw or semi-processed commodities—while convenient—exposes the country to geopolitical volatility. Cocoa beans can be ground, chocolate produced, brands built. Petroleum can be refined domestically. Textiles can evolve into fashion brands with intellectual property and global identity. But such transformations require capital, regulatory clarity, and coordinated state-market investment.

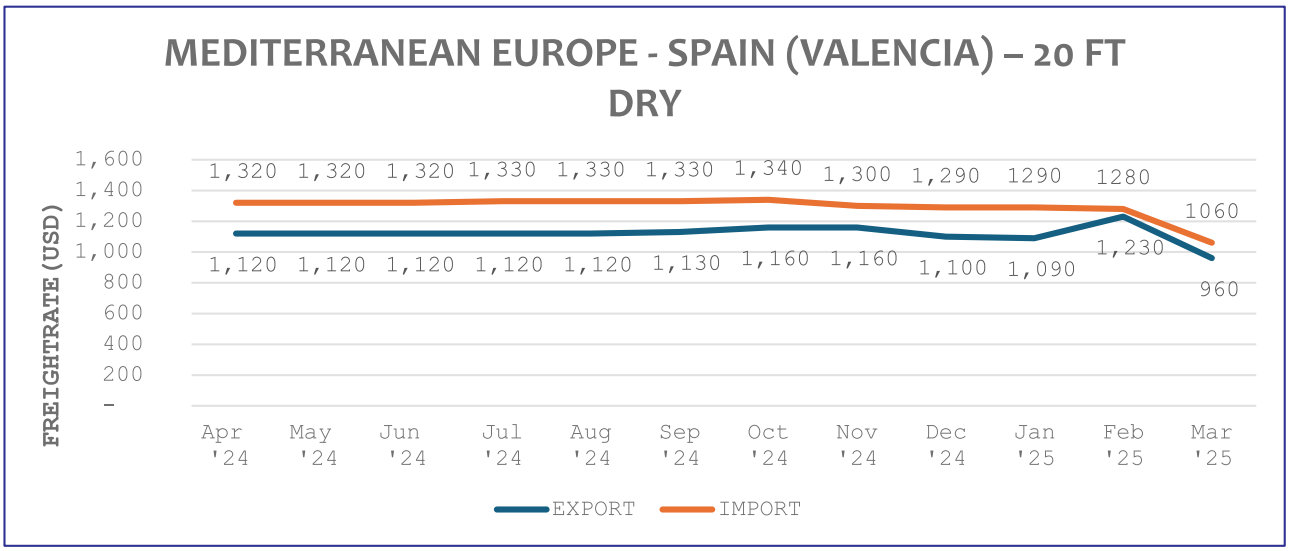
A Global Message with Local Consequences

The new U.S. tariff regime is not just about Ghana. It is a signal to the rest of the world: the era of unilateral trade preference may be over. Under Trump's second administration, economic policy is driven by raw transactionalism. Allies, competitors, and developing nations are being lumped into the same category: surplus nations to be corrected, regardless of context. For Ghana, this is a wake-up call. The challenge is not only to shield its economy from the immediate damage but also to build a more resilient trade strategy—one less vulnerable to the moods of faraway presidents and more rooted in long-term competitiveness.

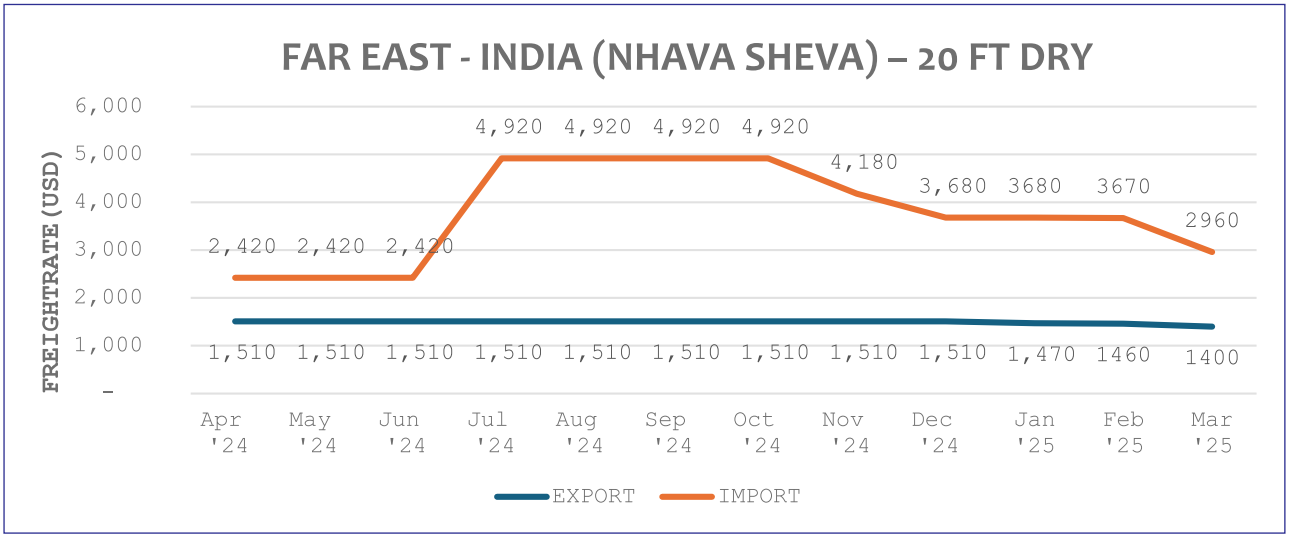
INDICATIVE FREIGHT RATES (in USD) FOR SHIPMENTS TO/FROM GHANA (PORT OF TEMA) APRIL 2024 MARCH 2025

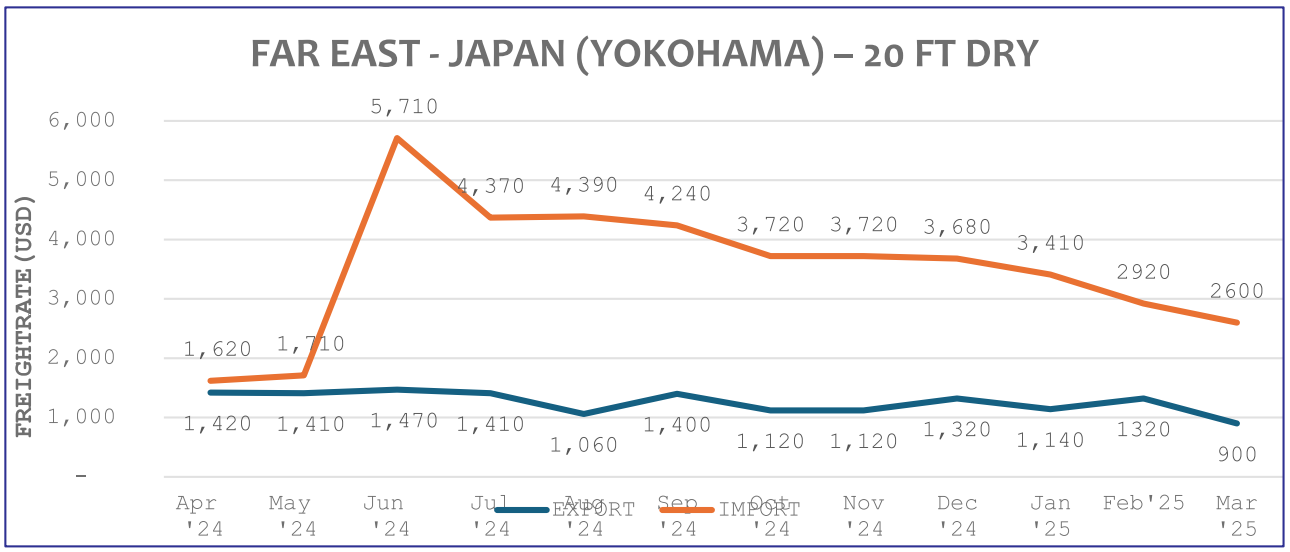


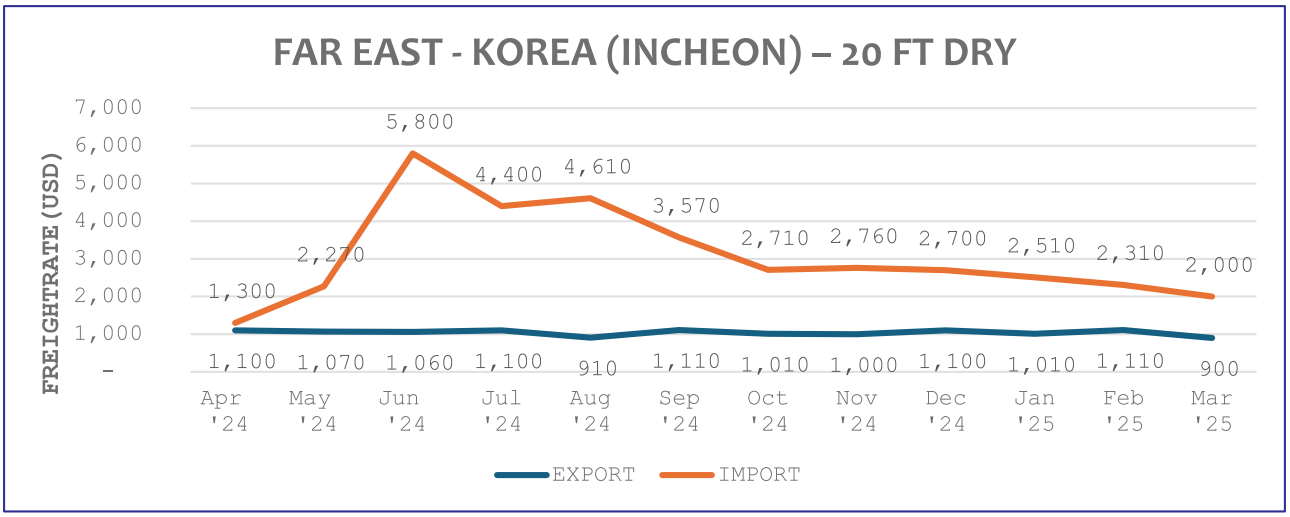




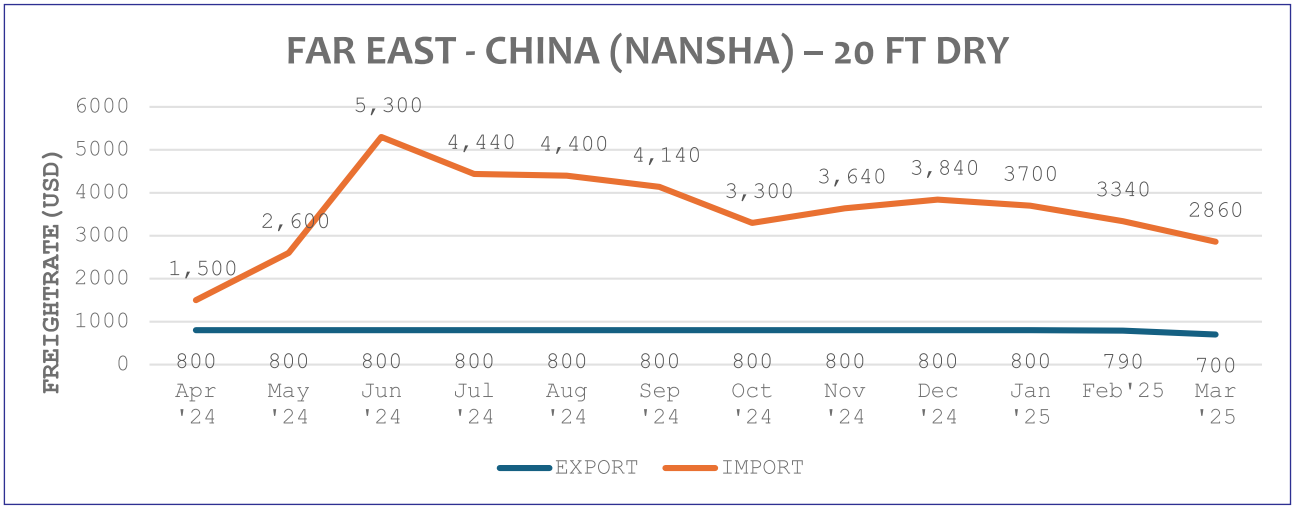
INDICATIVE FREIGHT RATES (in USD) FOR SHIPMENTS TO/FROM GHANA (PORT OF TEMA) APRIL 2024 – MARCH 2025

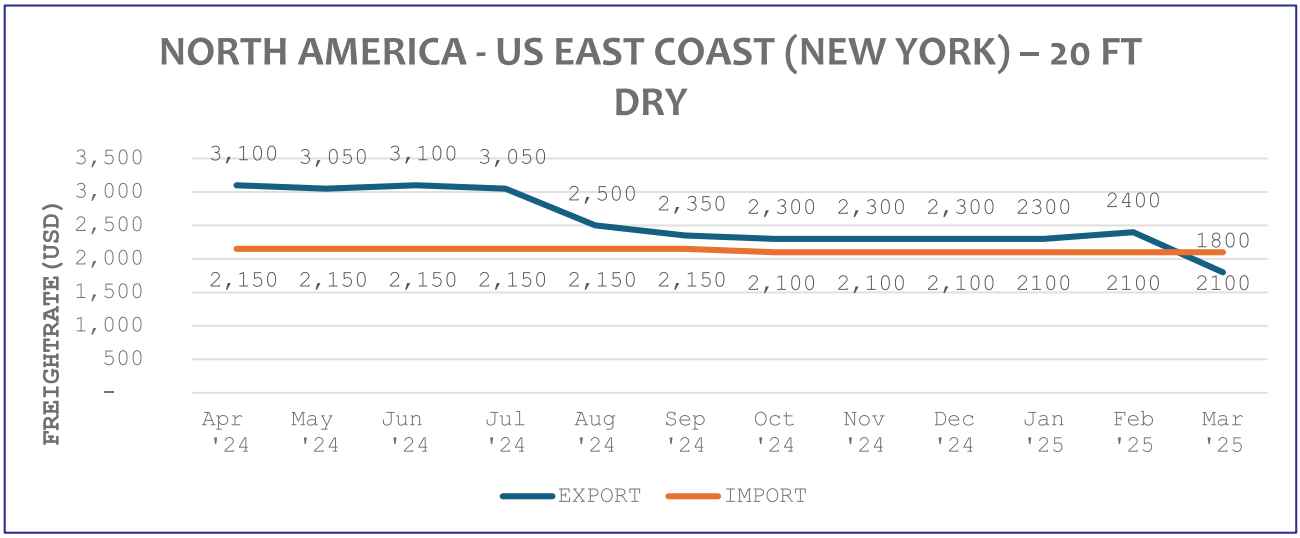


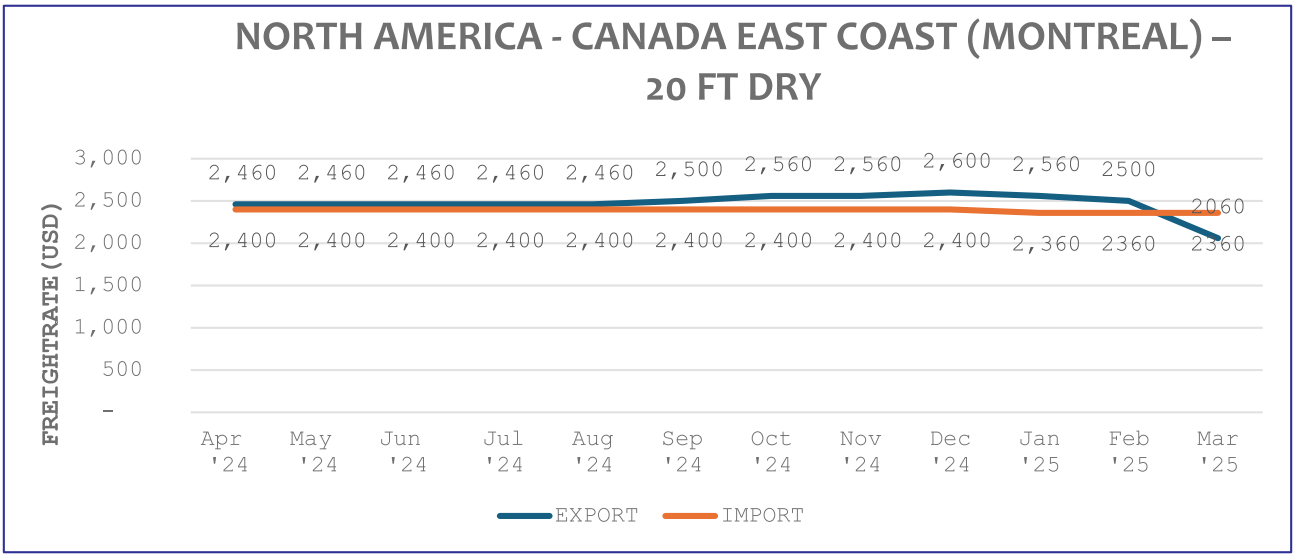




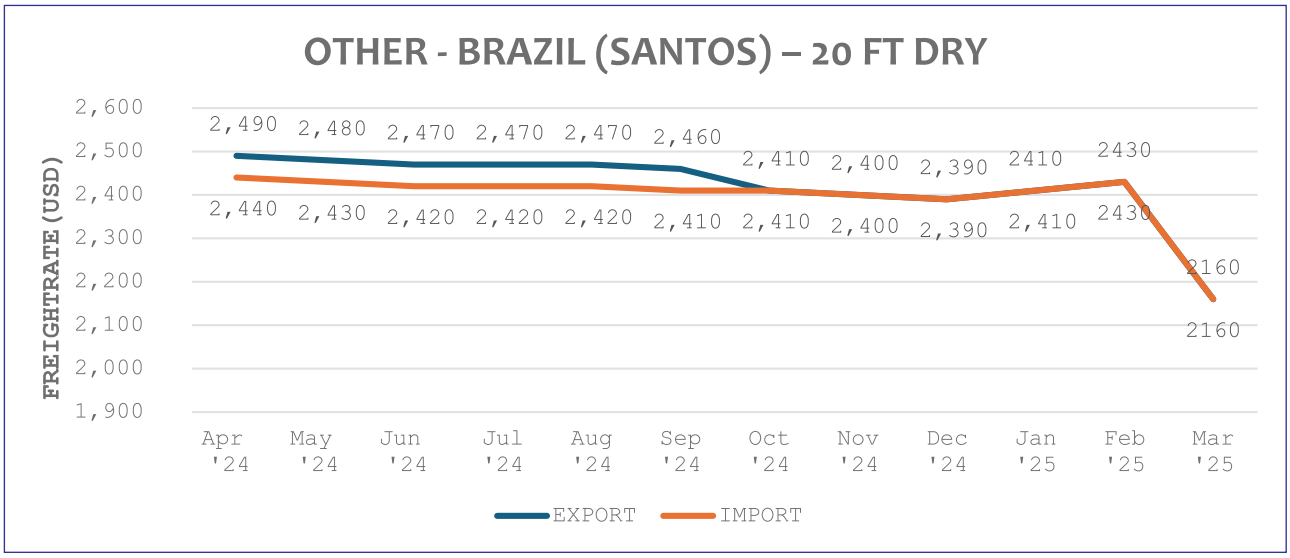
INDICATIVE FREIGHT RATES (in USD) FOR SHIPMENTS TO/FROM GHANA (PORT OF TEMA) APRIL 2024 – MARCH 2025

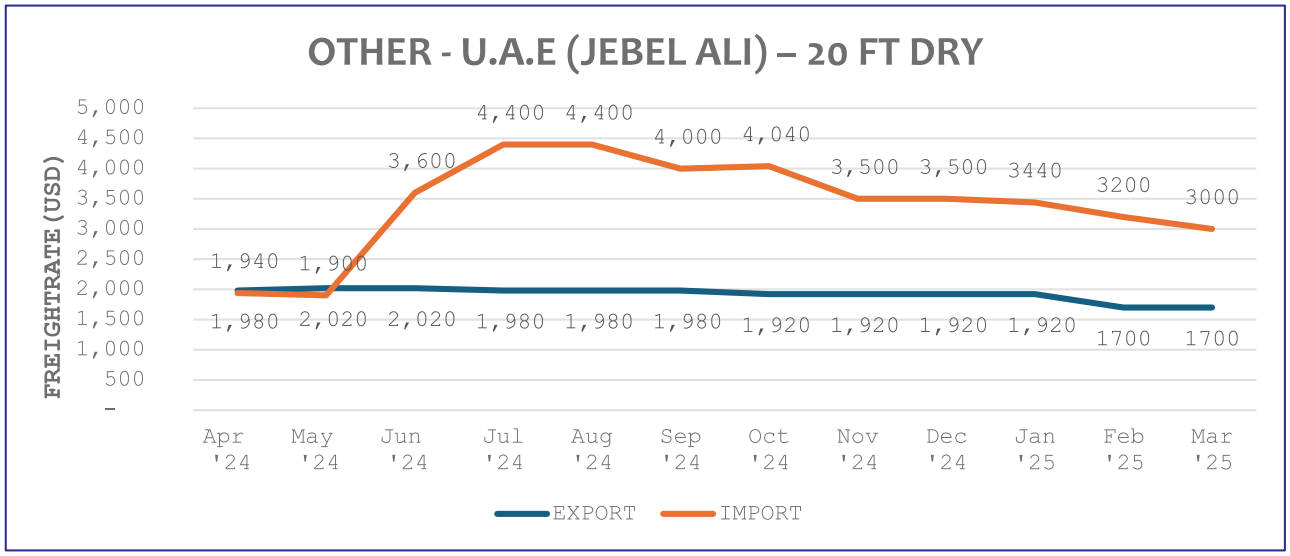






INDICATIVE FREIGHT RATES (in USD) FOR SHIPMENTS TO/FROM GHANA (PORT OF TEMA) APRIL 2024 – MARCH 2025





Marine Cargo Insurance

Enjoy solid protection for your goods on the sea, road and in the air.

www.starassurance.com

Star Assurance
...your solid partner

DIVERSIFYING OUR GENERATION PORTFOLIO FOR SUSTAINABLE POWER SUPPLY

The Volta River Authority (VRA) has since 1961, harnessed the resources of the Volta River to provide electrical energy for industrial, commercial and domestic use in Ghana as well as transportation, fishery and recreation.

Starting with a generation capacity of 588MW, the VRA now operates 2547MW from its hydro, thermal and solar plants.

VRA continues to diversify its generation portfolio by exploring cleaner, cheaper and renewable sources of power generation such as wind and solar energy to sustain power supply.

VOLTA RIVER AUTHORITY

For further information, please contact:
The Chief Executive

Volta River Authority
Electro Volta House
P. O. Box MB 77 Accra, Ghana
Digital Address: GA-145-7445

Tel: +233 302-664941-9
+233 302-744400 | +233-302-218540
Email: chiefx@vra.com
corpcomm@vra.com