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INTEGRATING MEDIATION INTO CROSS-BORDER TRADE DISPUTES: THE AFRICA FOCUS

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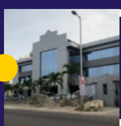

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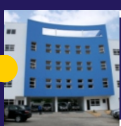

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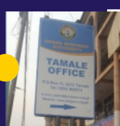

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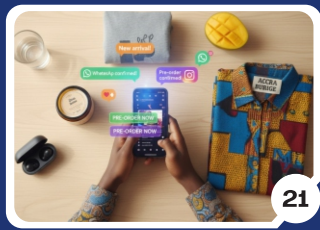

INTEGRATING MEDIATION

INTO CROSS-BORDER TRADE DISPUTES: THE AFRICA FOCUS

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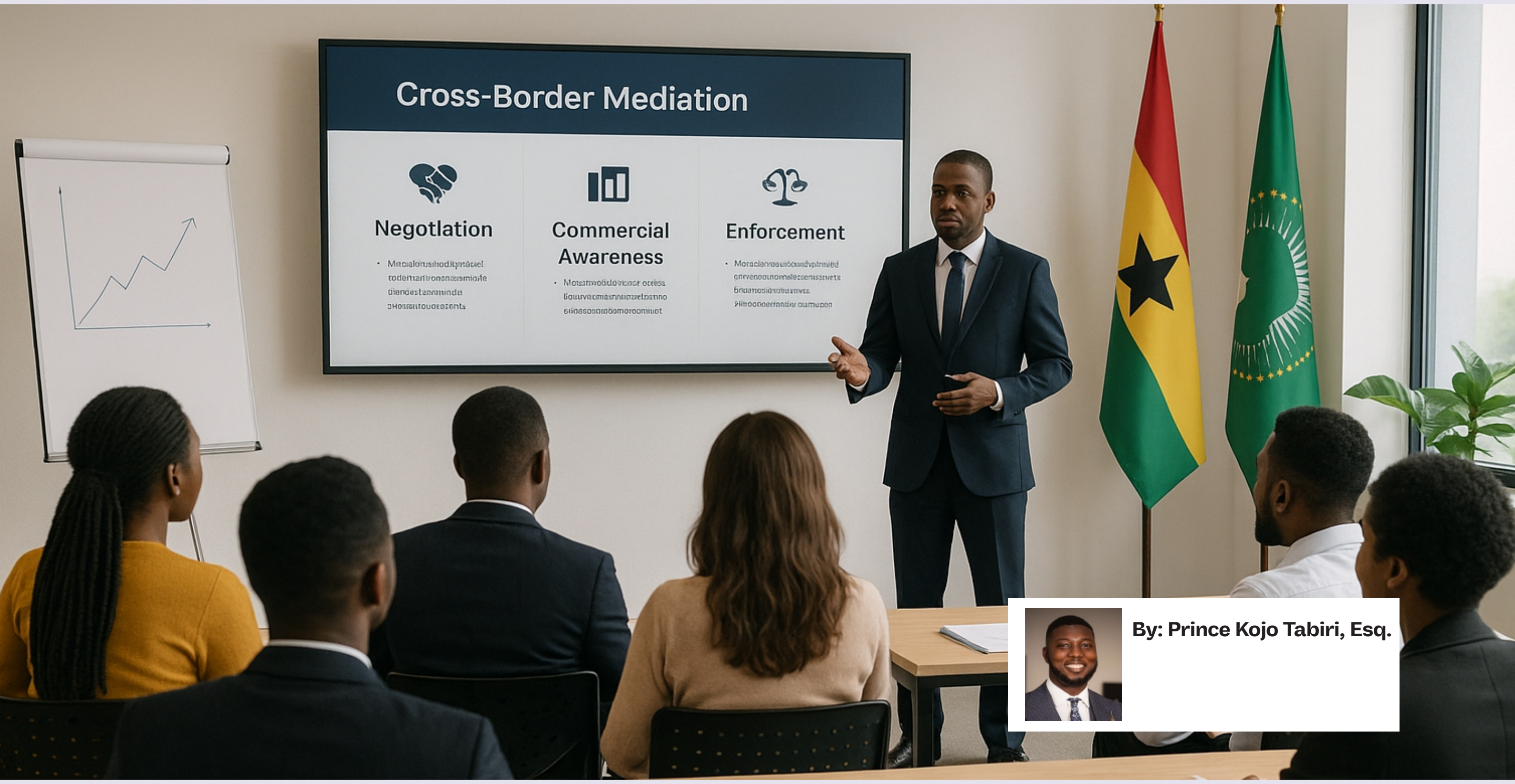

By: Prince Kojo Tabiri, Esq.

INTEGRATING MEDIATION INTO CROSS-BORDER TRADE DISPUTES: THE AFRICA FOCUS

"Conflict is inevitable, but combat is optional." – Max Lucado

As the African Continental Free Trade Area (AfCFTA) progresses from policy to practice, one challenge looms: how will commercial disputes arising from cross-border trade be resolved efficiently, fairly, and in a way that integrates both global standards and local realities? While arbitration has dominated Africa's formal dispute resolution landscape in recent years, mediation offers a more culturally intuitive and economically efficient alternative yet remains structurally sidelined in many jurisdictions.

Cross-border trade disputes in Africa often suffer from jurisdictional ambiguity, weak enforcement mechanisms, and procedural delays. Arbitration offers neutrality and finality but can be expensive, adversarial, and legally dense for small and medium-sized enterprises (SMEs), which constitute a significant portion of intra-African trade actors. Mediation, on the other hand, is faster, more flexible, and particularly well-suited to preserving commercial relationships.

Far from being an import, mediation resonates deeply with African customary dispute resolution. In Ghana, for instance, community-based mechanisms led by chiefs, elders, or family heads have long emphasized conciliation over confrontation (Nolan-Haley, 2015). These systems mirror the collaborative spirit of modern mediation but lack the institutional and legal scaffolding necessary for application in high-value cross-border transactions.

Despite its potential, mediation remains underutilized. Africa has yet to institutionalize mediation into the core design of its regional trade regimes. About twenty years after it adopted the Uniform Act on Arbitration (UAA), the Organization for the Harmonization of Business Law in Africa (OHADA) revised its UAA and adopted a new Uniform Act on Mediation (UAM), along with a fresh set of arbitration rules of the Common Court of Justice and Arbitration in Abidjan. While 'OHADAs Uniform Act on Arbitration touches lightly on amicable settlement, and 'AfCFTAs Protocol on Dispute Settlement includes consultations, these frameworks stop short of making mediation a primary mechanism. There is also the issue of enforceability: very few African countries have ratified the Singapore Convention on Mediation, which facilitates cross-border enforcement of mediated settlement agreements (UNCITRAL, 2019).

dispute settlement architecture. This can be modeled on international examples where mediation is a mandatory precondition to arbitration or litigation. Mediation's flexibility is one of its key strengths. Parties can design their process, address both legal and non-legal issues, and craft solutions tailored to their needs. This adaptability often makes mediation faster and less resource-intensive than adjudication, while also preserving business relationships.

2. Legal Harmonization and Enforcement

African states should ratify and implement the Singapore Convention, to improve the enforceability and legitimacy of mediated agreements across borders.

The United Nations Convention on International Settlement Agreements Resulting from Mediation, commonly known as the Singapore Convention on Mediation, applies to international settlement agreements resulting from mediation that are concluded by parties to resolve commercial disputes. It provides a uniform and efficient framework for such agreements, akin to the New York Convention for arbitral awards (UNCITRAL, 2019).

Designed to facilitate international trade and promote mediation as a credible dispute resolution tool, the Singapore Convention ensures that mediated settlements are binding and enforceable through a streamlined procedure. This does not only strengthen access to justice but also reinforces the rule of law in cross-border commercial dealings.

Beyond legal frameworks, the barriers to uptake include a lack of awareness, inconsistent standards, and limited institutional capacity (Nolan-Haley, 2015). Furthermore, in high-stakes commercial disputes, businesses often view mediation as soft or informal, a perception reinforced by the absence of clear enforcement and professional mediators with sector-specific knowledge.

The broader literature on mediation in cross-border political and diplomatic contexts further supports its relevance. Mediation, when deployed early, has been shown to reduce the likelihood of escalation and promote sustainable resolution through neutral facilitation and preserved relationships (Khan & Qureshi, 2022). These same principles are transferable to trade and commercial contexts, where long-term partnerships, reputational interests, and geopolitical sensitivities often intersect.

International economic integration relies heavily on dispute settlement procedures. An active, independent, efficient, and reliable Dispute Settlement Mechanism is vital not only for resolving disputes between state parties to maintain a rules-based regime, but also for generating relevant jurisprudence to guide the constituent trade agreement's single market economy purpose.

Strategic Pathways Forward

To integrate mediation meaningfully into Africa's cross-border trade architecture, the following measures are necessary:

1. Institutional Integration

Mediation must be formally recognized in AfCFTA's

3. Capacity-Building and Accreditation

Regional mediation centers must be equipped, and practitioners trained with a focus on cross-cultural negotiation, commercial awareness, and legal enforceability. Mediation should be presented not merely as a tool for dispute avoidance, but as a pillar of access to justice, particularly for SMEs, informal traders, and vulnerable commercial actors (Nolan Haley, 2015).

If African economic integration is to succeed beyond headlines and protocols, its dispute resolution systems must be both credible and accessible. Mediation, rooted in African legal traditions and endorsed by international best practices, offers precisely this bridge between law and culture, between enforcement and understanding. It is time for Africa to move mediation from the margins of traditional practice to the heart of cross-border trade policy.


Precious Micah

BOOSTING FEMALE PARTICIPATION IN CROSS-BORDER TRADE KEY TO SOCIO-ECONOMIC GROWTH

INTRODUCTION

In many African economies, cross-border trade plays a vital role in promoting regional trade integration and sustaining livelihoods. In Ghana, especially in the northern part, women have emerged as key players in this trade. They are the backbone of the local economy of the northern regions of Ghana (North), and they use trade to support livelihoods, generate employment opportunities and provide vital goods and services to citizens.

WOMEN IN CROSS BORDER TRADE

Women in northern Ghana function as essential figures in cross-border trade, especially through trade routes that connect neighboring Burkina Faso, La Cote d'Ivoire and Togo. The main products traded by these women include agricultural produce, textiles, shea butter, cosmetics and processed foods. These women are responsible for sourcing goods from across borders and distributing them in local markets through official and unofficial transportation routes.

While majority of traders operate in key regional centers such as Tamale, Bolga, Walewale, Yendi, Damongo and Wa, they conduct their trading activities through major border posts including Paga, Hamile, Kulungugu, Tatale, Namoo, Magnori, Bunkpurugu, Bole Chache, Wunjuga and Polimakom. These borders serve as critical transit routes for goods entering and leaving the country.

According to ECOWAS (during a sensitization campaign launched in October 2023, GNA), women constitute approximately 80% of the small-scale cross-border trading population in the West African Sub-region. In Ghana, estimates suggest that 60-70% of cross-border traders are women, and their role is more pronounced in the North.

CONTRIBUTIONS TO THE ECONOMY

- **Enhancing Regional Trade:** Women maintain longstanding trade relationships with counterparts in Burkina Faso, La Cote d'Ivoire and Togo that serve to advance ECOWAS and AfCFTA objectives related

to regional integration, including facilitating the movement of goods, services and people across borders.

- **Boosting Local Economic Activity:** Women traders play a crucial role in economic activities across northern Ghana. Their businesses also help to boost demand for transportation, warehousing and market services, benefiting a wide range of industries. They ensure the availability of products, generate income for service providers and strengthen commercial networks in centers like Tamale, Bolga, and Wa.

- **Impact of Informal Trade on GDP:** Ghana Statistical Service, ECOWAS and other research Agencies have shown that large numbers of cross-border trade and commercial transactions are informal and are mostly female dominated. Although not fully captured in the national GDP data, these activities support local markets, stabilize prices relatively, and provide goods and services.

- **Food Systems and Agricultural Markets:** Women traders play a vital role in distributing agricultural products across borders, especially during harvest seasons. They enhance food availability across regions and reduce post-harvest losses by connecting farmers to markets. The shea nut trade is a notable example; women in northern Ghana collect and process shea nuts for both domestic and international markets.

- **Local Livelihoods and Community Support:** Income from trade helps families to meet essential needs such as food, shelter, education, medical care, and utilities. Many women traders also form cooperatives and mutual aid groups, creating informal safety nets and supporting community development.

CHALLENGES FACED BY WOMEN TRADERS IN NORTHERN GHANA

Women cross-border traders continue to face persistent range of systemic and operational challenges that limit their productivity, safety and economic advancements. These challenges affect their businesses and also undermine broader effort toward trade and regional integration. The following are some of the key barriers that continue to impact their effective participation in cross-border trade.

- **Extortion and Harassment at Borders and Checkpoints:** Women traders often face frequent extortion, harassment and verbal abuse at borders and security check points. A trader journeying from Tamale to Paga may encounter more than 25 checkpoints, where

demands for informal payments are frequently reported.

Numerous women traders have also cited instances of harassment by officials over documentation issues, despite adhering to formal trade requirements. A 2021 report by GIZ and Borderless Alliance revealed that over 30% of women engaged in cross-border trade in West Africa experience harassment or abuse at border posts. Such practices increase operational costs and significantly erode profit margins, undermining the economic viability of their enterprises.

- **Poor transport and storage infrastructure** continues to impede efficient cross-border trade, particularly in Northern Ghana. According to the Ghana Infrastructure Plan (2022), only 30% of the region's road networks are paved. This deficiency becomes more pronounced during the rainy season, when border crossings such as Namoo, Chache, Bunkpurugu, and Hamile often become inaccessible resulting in significant transportation delays and damage to goods in transit.

Compounding the issue is the lack of safe storage facilities at these entry points, which leads to high levels of spoilage, especially for perishable items such as tomatoes and dairy products. The Food and Agriculture Organization (FAO) identifies inadequate rural storage as a major driver of the estimated 30% post-harvest losses of perishables across West Africa.

Limited access to finance remains a significant constraint for many women engaged in cross-border trade, particularly in Northern Ghana. Operating largely within the informal economy, these traders often lack the formal financial records or collateral required to secure loans from traditional financial institutions. According to UNCTAD (2022), only 12% of women in Ghana's cross-border trade sector have access to formal credit. Consequently, many are forced to depend on high-interest loans from informal sources, which restricts their capacity to expand operations or withstand financial shocks.

Frequent volatility in exchange rates especially between the Ghanaian

Cedi and the CFA Franc poses a persistent challenge for cross-border traders. Sudden shifts in the value of the Cedi create financial uncertainty, often leading to unanticipated losses. For instance, the Ghanaian Cedi depreciated by over 20% against the CFA Franc in 2022, directly impacting traders' purchasing power and pricing structures. Such instability undermines profit margins, discourages reinvestment, and heightens the financial vulnerability of small-scale operators.

- **Low Literacy and Language Barriers:** In Northern Ghana, the female literacy rate stands at approximately 37%, significantly below the national average of 71%, according to the Ghana Statistical Service (2021). This gap in literacy and language proficiency presents major obstacles for women engaged in cross-border trade. Inability to read or comprehend Customs documentation increases vulnerability to overcharges, penalties, or exploitation. Additionally, limited digital literacy discourages the use of mobile money and other digital platforms, compelling many to rely on insecure, cash-based transactions that expose their limitations.

- **Lack of Representation in Policy and Decision-Making:** Women traders in the North are underrepresented in trade unions and policy making bodies. There is minimal representation in local trade associations or national consultative bodies, which means that their unique challenges, especially those stemming from geographic or cultural conditions, are not adequately addressed in policy reforms. A UN Women study found that only 15% of trade policy working groups in West Africa include informal women traders. In Ghana, most national trade associations are headquartered in Accra, with limited reach to the North.

- **Avoidance of Official Border Procedures:** A significant number of women involved in cross-border trade increasingly circumvent official border processes due to recurrent incidents of harassment by Security personnel. According to a 2021 USAID assessment, over 60% of women traders operating along the corridors of the Paga and Kulungugu border reported cases of extortion, intimidation, or verbal abuse at formal checkpoints. For instance, at Kulungugu, women transporting agricultural products recounted frequent demands for unofficial payments under the threat of confiscation or undue delays. Consequently, many opt for informal routes, perceived as less confrontational. However, these alternatives often present heightened risks, including theft, exploitation, and arrest—ultimately undermining ongoing effort to formalize small-scale trade and ensure a secure trading environment for women.

KEY INTERVENTIONS BY THE GHANA SHIPPERS' AUTHORITY

The Northern Zonal Office of the Ghana Shippers' Authority (GSA) has, in recent years, significantly enhanced its support for cross-border traders in Northern Ghana through a range of targeted initiatives and interventions, including:

- **Routine Field Visits:** The Zonal Office conducts regular field visits to key trading hubs including Wa, Bolgatanga, Yendi, Damongo, and Tamale. These engagements offer direct interaction with women traders to understand the specific challenges that affect their businesses. The visits also serve as platforms for on-site education on trade facilitation procedures, while enabling the office to liaise with relevant regulatory and Security Agencies to address reported issues and thereby ease operational bottlenecks.

- **Sensitization Workshops:** To enhance the capacity of women engaged in cross-border trade, the Zonal Office facilitates targeted sensitization programmes and workshops. These sessions bring together officials from key institutions such as the Ghana Police Service, Ghana Immigration Service, and the Customs Division of the Ghana Revenue Authority to provide practical education on trade-related procedures, rights, and regulatory compliance.

- **Stakeholder Collaboration and Advocacy:** The Zonal Office continues to serve as a vital liaison between cross-border traders and key stakeholders, including border Agencies, local government authorities, and regional coordinating councils. Through sustained engagement and advocacy, the office works to address trader concerns, streamline procedures, and promote a more enabling trade environment.

- **Collaboration with the Ghana Union of Traders Association (GUTA):** The Zonal Office maintains a strong partnership with GUTA in Northern Ghana to support the formalization of cross-border trading activities. This collaboration includes continuous effort to encourage and assist traders in the registration of their business with the Registrar-General's Department, and thereby enhance their access to formal support services and improved compliance with regulatory requirements.

- **Shipper Complaints and Support Units (SCSU):** The Ghana Shippers' Authority has established Shipper Complaints and Support Units in key border locations such as Paga and Hamile. These units provide accessible, on-the-ground support where women traders can report grievances, seek redress, and receive guidance on trade-related issues, to improve their experience and promote safer, more transparent cross-border trade.

- **Development of a Female Traders Database:** The Northern Zonal Office is actively developing a comprehensive database of women engaged in cross-border trade. This initiative is designed to enhance information sharing, improve coordination with stakeholders, and enable the targeted delivery of support services to traders, and ultimately strengthen their participation in formal trade systems.

EMPOWERMENT PROGRAMMES AND INTERVENTIONS FOR WOMEN TRADERS

Multi-Stakeholder Interventions Supporting Women in Cross-Border Trade

The effort to improve the participation, safety, and economic resilience of cross-border female traders in Northern Ghana is gaining momentum through coordinated support from government Agencies, regional bodies, the private sector, NGOs, and international partners:

- **Government Initiatives:** The Ministry of Trade and Industry, through its Gender sub-committee, is enhancing women's access to microfinance and is also advocating for safer trade environments via regional stakeholder engagements (Ghana News Online, 2024).

- **ECOWAS Programs:** At the regional level, ECOWAS is implementing measures to simplify Customs procedures and reduce incidents of harassment. These include targeted training for border officials to improve their handling of gender-sensitive issues.

- **Private Sector and NGO Engagements:** Companies such as Sundial have empowered over 10,000 women in the shea industry by facilitating market linkages between rural cooperatives and international buyers, and thereby strengthening the export value chain.

- **Digital Literacy Campaigns:** The Telecel Ghana Foundation is spearheading digital literacy programs in Tamale and Bawku. These initiatives introduce women traders to mobile money platforms and digital bookkeeping tools to support their transition to formalized business practices.

- **U.S. Government Support:** Through USAID, the United States has provided training for over 1,200 women traders in northern Ghana. The program focuses on compliance with Customs procedures, financial literacy, and business development while also improving access to finance and safer border operations. It plays a key role in strengthening women-led trade networks and enhancing economic security.

RECOMMENDATIONS

To enhance and expand the impact of women's participation in cross-border trade, particularly in northern Ghana, the following strategic measures are essential:

- **Border Security Reforms:** Implement mandatory gender-sensitive training for Border and Security personnel to curb extortion, intimidation, and other forms of harassment.

- **Infrastructure Investment:** Prioritize the development of border town infrastructure, including reliable road networks, proper lighting, safe sanitation, and adequate storage facilities to support perishable goods.

- **Improved Access to Microfinance:** Strengthen access to financial services for women traders by promoting low-interest loan schemes, tailored savings plans, and credit literacy programs that address the realities of the informal sector.

- **Inclusive Trade Policy Design:** Ensure meaningful representation of women from northern Ghana in national and regional trade dialogue, including platforms such as ECOWAS committees and AfCFTA consultations, to inform gender-responsive policymaking.

CONCLUSION

Female cross-border traders in northern Ghana continue to demonstrate resilience and innovation in the face of systemic challenges. Their contributions sustain local economies, foster regional integration, and promote community livelihoods. Supporting their empowerment is not only a question of equity, but a strategic imperative for inclusive economic development and sustainable regional trade growth.

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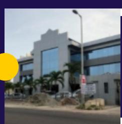

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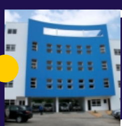

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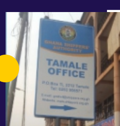

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NO. 12. CRUICKSHANK STREET AMBASSADORIAL ENCLAVE, WEST RIDGE

By Nathaniel Nartey

MALI'S BAN ON OVERSIZED AND OVERLOADED CARGO TRUCKS: IMPLICATIONS FOR GHANAIAN TRANSIT TRADERS

Mali's national road network is under increasing strain due to the frequent use of oversized and overloaded heavy-duty vehicles. These large trucks, which transport goods to and from major seaports in the West African sub-region, contribute to the rapid deterioration of the country's road infrastructure. Roads that were designed to accommodate standard vehicle loads are now facing excessive wear and tear, as these heavy trucks carry loads well beyond the capacity they were built to handle.

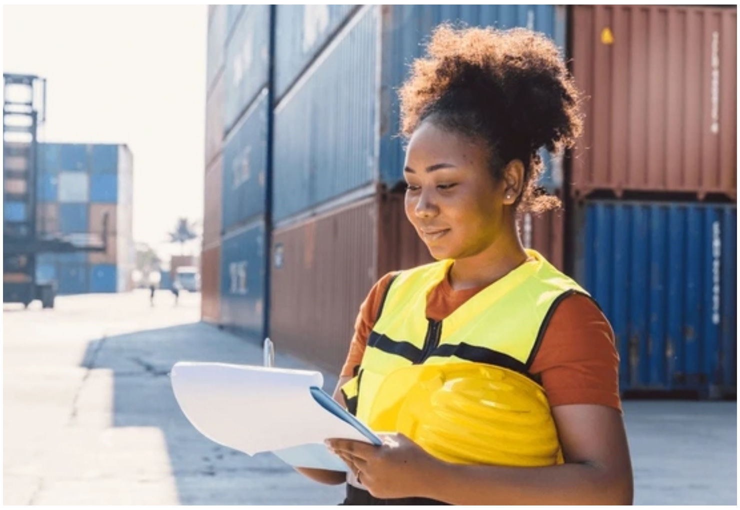
In addition to the physical damage, the economic impact is severe. Road repairs and maintenance are expensive, and the continual deterioration of infrastructure has led to disruptions in trade and transportation. Trucks carrying goods from ports such as the Tema in Ghana, Dakar in Senegal or Abidjan in the Ivory Coast are often the culprits, their oversized cargo making it difficult for the national road network to bear the additional load.

Consultation and Stakeholder Involvement

On January 8, 2025, the Ministry of Transport and Infrastructure, in collaboration with the Ministry of Economy and Finance, convened a consultative meeting to address the growing issue of overloaded vehicles on Mali's road network. The meeting brought together key stakeholders, including technical service providers, carriers, shippers, freight forwarders, and transit traders.

One of the key outcomes of the meeting was the recommendation for a three-month awareness campaign in the first quarter of 2025. The objective of the campaign was to inform all relevant stakeholders about the legal requirements set forth in Mali's Highway Code, focusing on the risks posed by overloaded vehicles. The risks include infrastructure damage, safety hazards, and legal consequences. By emphasizing these points, the campaign sought to foster shared responsibility among all parties to ensure compliance and promote long-term behavioral change. The ultimate objective was to create safer and more sustainable road usage across the nation.

Following this awareness period, and beginning 1st April 2025, the government of Mali commenced the enforcement of a ban on oversized and overloaded cargo trucks traveling on its roads. The ban is viewed



as a crucial step in preventing further deterioration of the country's road infrastructure and ensuring that vehicles used on the roads are better suited to their conditions.

Implementation of the Ban

As a follow up to the consultations, the Government of Mali has set a clear deadline for the implementation of a ban on oversized, overloaded, and heavy-duty vehicles on its roads. The Council of Ministers, which met on 12th February 2025, formally approved the regulation, acknowledging the significant damage caused by such vehicles.

In line with regional cooperation, the Transport Ministers from countries in the sub-region including Ghana, were informed of the ban and are expected to notify their carriers and shippers. This measure is in accordance with the West African Economic and Monetary Union (WAEMU) Regulation No. 14, which seeks to harmonize transportation policies across the region.

Ghana's Perspective - Road Traffic Regulations 2012 (L.I. 2180)

Ghana's Road Traffic Regulations, 2012 (L.I. 2180) align with both the ECOWAS Supplementary Act and the West African Economic and Monetary Union (UEMOA) Regulation 14. To put it in perspective, L.I. 2180 makes it an offense to operate a motor vehicle or trailer on public roads if its net maximum weight exceeds 16 metric tons. The law specifically criminalizes the use of overloaded trucks, requiring that such vehicles offload or redistribute their excess cargo and be reweighed to ensure compliance before continuing their journey.

Additionally, Ghana's regulations set clear size limits for cargo trucks. The regulations state that a cargo truck must not exceed a height of 4.5 meters, a width of 2.5 meters, and a length of 11 meters, and must align with the regulations in Mali.

These size restrictions are designed to maintain the integrity of Ghana's road network, particularly along critical transit corridors, to ensure that the roads last for their intended lifespan.

Given these regulations, the ban on oversized and overloaded vehicles being implemented by the Government of Mali is fully in line with regional best practices and should be supported by stakeholders of the shipping and logistics sector. Compliance with these measures is essential to safeguard infrastructure and promote safer, more sustainable road transport across the region.

Effects of the Ban on Ghana

It is well-known that a significant number of cargo trucks transporting goods from the Port of Tema in Ghana to land-linked countries, such as Mali, are often overloaded. The issue contributes to the accelerated deterioration of the road networks, as these roads were not designed to handle such excessive weight. In response, the Ghana Highways Authority has regularly initiated awareness campaigns and enforced axle load regulations to curb the problem of overweight trucks plying the roads. Given this ongoing challenge, it is no surprise that some Ghanaian cargo trucks have been directly affected by Mali's recent decision to implement a ban on overweight and oversized vehicles.

One immediate consequence of Mali's ban is the potential for significant delays at border points. Ghanaian trucks will likely need to offload or redistribute their cargo to comply with Mali's new weight and size restrictions. For example, transporters using the northern corridor to move goods from the Port of Tema to Mali may face difficulties if they do not ensure that their trucks meet the strict cargo truck weight and size regulations enforced by Mali. This could result in lengthy delays at border crossings, as drivers would be required to adjust their cargo loads to meet the specifications set by Malian authorities.

The delays would inevitably result in significant costs for shippers, ultimately contributing to the overall cost of doing business in the country. Costs such as increased shipping fees, as businesses would be compelled to pay for extended storage and longer transit times due to missed deadlines would become rampant. The result in such a scenario would be shippers seeking alternative routes or ports in neighboring countries to avoid the inefficiencies, driving business away from Ghana.

In particular, the increased costs and inefficiencies could impact Ghanaian-owned cargo trucking companies. These businesses may lose out on opportunities to haul goods, as shippers, seeking faster and more reliable service, may turn to foreign trucking firms or more efficient routes outside of Ghana. Ghanaian trucking companies would then be reputed to be unreliable or inefficient.

Such a negative perception could severely damage Ghana's reputation in the international trade community. A country that is seen as non-compliant with global best practices may struggle to attract foreign investment, as businesses tend to prioritize more reliable and cost-effective trade routes. As a result, Ghana's competitiveness in global trade could decline, ultimately undermining its position as a key player in West Africa's economy.

It is worthy of note that in 2018, the World Bank's Logistics Performance Index ranked Ghana 106th out of 139 countries, highlighting challenges with international shipments, infrastructure, and logistics that contribute to delays. Although Ghana improved its ranking to 97th in 2023, the country risks worse grading in the Performance Index should such unacceptable service levels persist. Ultimately, it may lose its appeal as a hub for trade and logistics.

Moreover, local businesses that thrive on the transit trade sector may face financial strain, threatening the broader economy. Therefore, addressing the concerns regarding the unacceptable phenomenon is crucial for protecting Ghana's standing in the international trade space as well as the success of local trucking companies.

A Call to Action

One immediate and essential action Ghana can take to mitigate the potential impact of Mali's ban is to implement a similar restriction on oversized and overweight cargo trucks within its own borders. This would not only support Mali's efforts to protect its infrastructure but would also ensure a uniform approach to managing road safety and infrastructure maintenance across the sub-region. By adopting similar regulations, Ghana would avoid the deterioration of its own road networks, while fostering smoother and more efficient trade between both countries.

A key strategy to enforcing compliance with weight and size limits is strengthening public awareness campaigns for cargo truck drivers. This can be achieved through collaborations between the Ghana Highways Authority (GHA), National Road Safety Authority (NRSA), Driver and Vehicle Licensing Authority (DVLA), Ghana Shippers' Authority (GSA) and other relevant stakeholders to educate drivers on the importance of adhering to weight regulations such as those outlined in Ghana's Road Traffic Regulations. The consequences of non-compliance, which include fines, penalties, or denial of entry into countries in the sub-region like Mali should be highlighted to serve as a deterrent to non-compliance.

Additionally, Ghana must enhance its weighbridge systems at critical transit points across the transnational corridors. Currently, there are18 permanent axle load stations across the country, which are strategically located at key entry and exit points, including major highways and borders. By reinforcing these stations with more advanced technology and trained personnel, the country would effectively monitor and control the weight of cargo trucks before and after loading. Such weighbridges must be utilized more frequently to confirm adherence to weight restrictions.

Furthermore, Ghana can implement cargo haulage services at key locations, such as border areas or near weighbridge stations. This would allow truck operators to offload excess cargo to other haulers to enable them to comply with weight restrictions before crossing into Mali or other countries in the sub-region.

By complying with Mali's new ban, Ghana would in the long run strengthen its role as a reliable transit hub and maintain its competitiveness in West Africa's trade networks. Ensuring smooth and compliant transport operations will be key to sustaining the country's trade relationships with Mali and other landlocked nations.

By: Osei Owusu Amankwaah

TARIFF-FREE ACCESS TO CHINA: WHAT IT MEANS FOR GHANA'S SHIPPING, TRADE LOGISTICS, AND EXPORT COMPETITIVENESS."

On Thursday, 12th June 2025, the Minister for Foreign Affairs, Samuel Okudzeto Ablakwa, announced via his X account, formerly known as Twitter that China has offered 0% tariff on all exports from Ghana. Before this announcement, China had indicated its plans to eliminate all tariffs on African imports, a landmark move set to reshape global trade dynamics.

While some in Ghana hail it as a breakthrough for local exporters and a new chapter in South-South cooperation, others warn it could become a "neo-colonial time bomb" if not strategically managed.

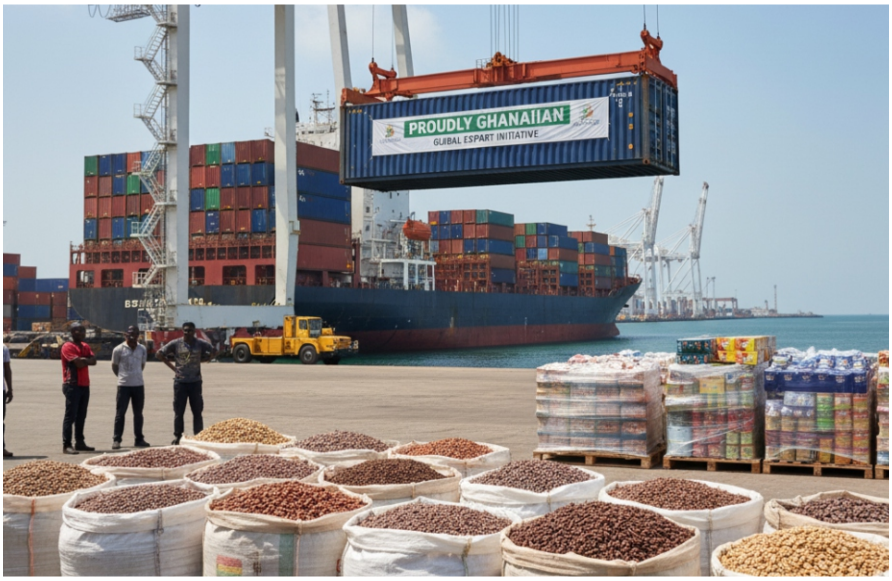
As Ghana's cocoa, cashew, shea butter, textiles, rubber and other commodities gain unfettered access to the world's second-largest economy, analysts caution that without value addition, industrial protection, and strict quality control, the nation risks flooding China with raw materials and in return, importing cheap finished goods ; a cycle eerily reminiscent of past imbalances.

Government, private sector players, and trade unions are divided on whether this development heralds sustainable growth or deepens dependency.

In 2023, Ghana's top exports to China were dominated by raw materials, with crude petroleum leading at $1.08 billion, followed by manganese ore at $469 million, and aluminum ore at $85.3 million. These exports represent a significant portion of Ghana's total exports to China and indicate a trade relationship centered on the extraction of the nation's natural resources.

Mr. Ablakwa in his post said: "China is Ghana's number one trading partner with last year's trade volume exceeding US$11billion. This 0% tariff on 100% of goods from Ghana and other African countries will bolster trade, create jobs and produce more Ghanaian entrepreneurs." Trade Policy Expert

Trade Expert, Francis Obimpeh has noted that, on the surface, this policy appears to be a golden opportunity for Ghanaian businesses to access one of the world's largest consumer markets without the burden of trade barriers. However, a deeper analysis reveals that without strategic preparation and policy safeguards, this development could disproportionately benefit Chinese entrepreneurs operating in Ghana rather than Ghanaian-owned enterprises.



The Uneven Playing Field

The most pressing concern lies in the stark difference in financial muscle and organisational capacity between Chinese businesses and their Ghanaian counterparts. Chinese entrepreneurs operating in Ghana are typically well-capitalised, have easier access to financing from home-based institutions, and often operate within well-coordinated supply chains. These advantages enable them to rapidly aggregate raw materials such as cocoa, timber, bauxite, cashew, and rubber — for export, effectively positioning them as the main beneficiaries of the 0% tariff offer.

Ghanaian small and medium-scale enterprises (SMEs), on the other hand, continue to grapple with high cost of credit, limited access to foreign exchange, poor logistics infrastructure, and fragmented production systems. In this context, the zero-tariff arrangement runs the risk of becoming an enabler for capital flight and raw material extraction, rather than a catalyst for industrial growth and value addition within Ghana.

Speaking to the Shipping Review in an interview, Mr. Obimpeh said: "Even though there are laws in place to ensure that some of these businesses are reserved for Ghanaians, it has been difficult to regulate and enforce them strictly. You can ask any of the aggregators or exporters of the commodities we send to China — there are Chinese middlemen here in Ghana who are buying directly from the farm gates and exporting the products to China themselves.

A typical example is the export of rubber. There have been legislations requiring companies to register with the Tree Crop Development Authority (TCDA) and obtain a licence before they can export. Ghanaian exporters have complained about these requirements, but they are intended to protect national interests. However, the Chinese, with their financial muscle, can meet the requirements with ease.

Now, if you have rubber, you can't export it yourself — you need to sell it to them, and they handle the export. These are some of the challenges at hand."

Raw Material Export vs Value Addition

The core of the problem lies in Ghana's continued dependence on raw material exports. While zero tariffs may increase the volume of exports to China, if those exports are primarily unprocessed or semi-processed goods, Ghana risks repeating the well-documented trap of exporting low-value inputs while importing finished products at a premium. This reality perpetuates the cycle of underdevelopment and missed industrial opportunities.

To truly benefit from the tariff arrangement, Ghana must pivot towards a value-added export model. Cocoa beans should be turned into chocolate, timber into finished furniture, cashew into processed snacks, and gold into refined jewellery — all within Ghana's borders. This will not only ensure that the wealth generated from trade stays within the country, but will also stimulate job

creation, build industrial capacity, and enhance technological transfer.

Policy Recommendations

To reverse the current trajectory and ensure that Ghanaian businesses benefit equitably from this 0% tariff agreement, several policy measures must be considered:

Export Incentives for Value-Added Goods

The government must introduce targeted incentives for companies that export finished or semi-finished goods to China. These could include tax breaks, subsidised export financing, and priority access to industrial zones.

Stronger Regulation of Aggregators

Regulatory agencies should establish stricter oversight on foreign aggregators who extract raw materials in bulk for export. Licensing requirements should prioritise partnerships with Ghanaian firms and compliance with local content rules.

Investment in Agro-Processing and Light Manufacturing

A portion of Ghana's revenue from trade facilitation should be reinvested into agro-processing and light manufacturing hubs, particularly in export-focused sectors. These hubs should be supported with reliable power, logistics, and skilled labour.

Trade Intelligence and Market Access Support for Ghanaian SMEs

Ghanaian exporters must be constantly equipped with up-to-date data on Chinese consumer trends, trade regulations, and product standards. The Ghana Export Promotion Authority (GEPA) and the Ministry of Trade must provide continuous capacity-building programmes to SMEs seeking to enter the Chinese market.

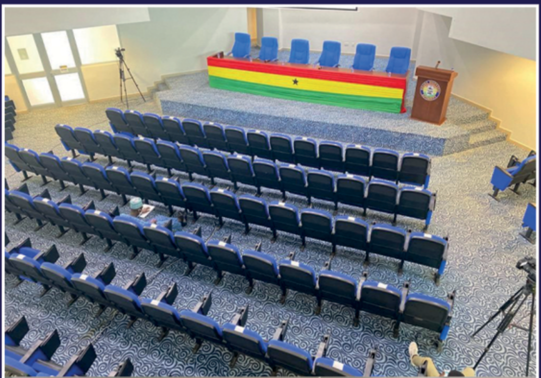
Strategic Bilateral Engagement

Ghana must engage Chinese authorities diplomatically to ensure reciprocal benefits in areas such as industrial joint ventures, technology transfer, and skills development. Trade should not be merely about volume but should also be about mutual growth and capacity building.

While the 0% tariff offer from China presents a significant opportunity, it also exposes structural weaknesses in Ghana's trade architecture. Without deliberate, targeted interventions to promote value addition and empower local businesses, the benefits of this deal will be disproportionately captured by foreign actors particularly Chinese businessmen with the means to dominate commodity aggregation and export.

Trade agreements must not be viewed through the lens of market access alone, but through the broader framework of national development. The ultimate goal should be to move Ghana up the global value chain from exporter of raw materials to exporter of finished goods. Only then can the promise of tariff-free access to China translate into sustainable economic transformation for Ghana.

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

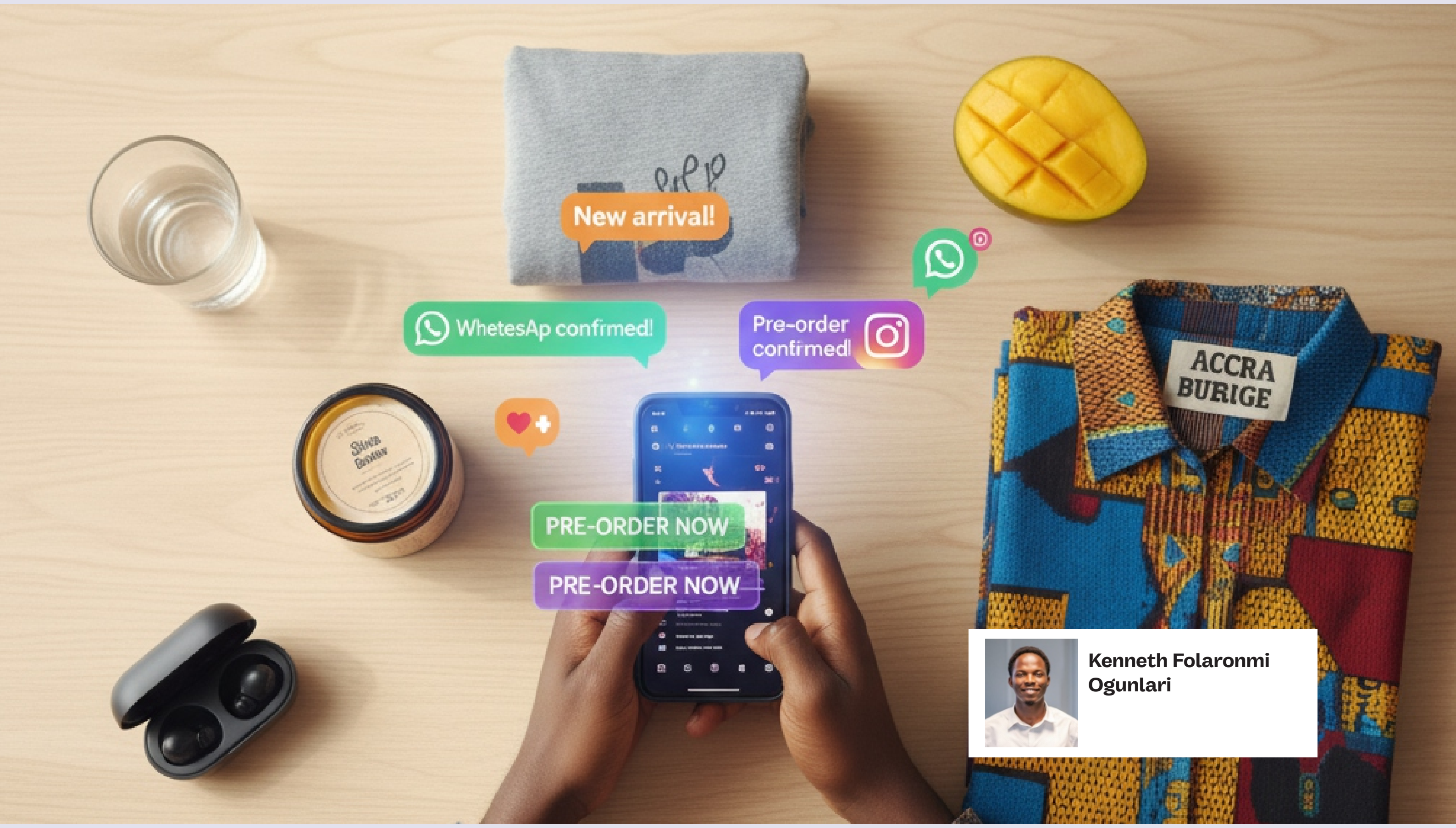

TAKORADI

(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



Kenneth Folaronmi Ogunlari

"FROM CLICK TO CARGO: HOW GHANA'S YOUNG TRADERS ARE RESHAPING E-COMMERCE LOGISTICS"

THE RISE OF E-COMMERCE SHIPPING IN GHANA

Ghana's informal trade landscape is undergoing a marked transformation, driven by the rapid emergence of a decentralised import model widely referred to as pre-order shipping. The system, increasingly adopted by digitally engaged young traders, is structured around the advance collection of customer orders, procurement of goods usually from suppliers in China, with a more regional reach is Nigeria. The consolidation of items is however dispersed into smaller consignments for shipment and resale within Ghana. Although not yet formally integrated into the country's established shipping frameworks, this model is expanding quickly, raising both policy opportunities and regulatory challenges.

The growth of this shipping model reflects broader global trends in logistics and consumer expectations. The global e-commerce fulfilment market was valued at approximately USD 123.7 billion in 2024, with projected growth of over USD 272 billion by 2030. Within this sector, shipping services alone accounted for roughly USD 55.9 billion, which is about 40% of total market value highlighting a global shift toward leaner, small-batch delivery systems. This same preference for agility and direct-to-consumer satisfactionis increasingly visible within Ghana's growing network of informal importers.

Despite its potential, pre-order shipping in Ghana remains largely informal and under-regulated. Many operators function outside the purview of institutions such as the Ghana Shippers' Authority and the Ghana Revenue Authority. Consequently, they face a range of systemic issues including disorganised warehousing, inadequate cargo handling, inconsistent Customs practices, and limited protection against fraud or loss. The lack of structured support or policy recognition has created operational vulnerabilities that may threaten the long-term sustainability of this growing sector.

This article examines the evolving architecture of pre-order shipping

in Ghana, outlines the major challenges facing informal importers, and proposes evidence-based reforms to support their integration into the formal logistics system. In doing so, it calls for a more inclusive national shipping framework one that embraces the realities of digital-age commerce and supports innovation at the micro-enterprise level.

Understanding the Pre-Order Model

The pre-order shipping model in Ghana represents a distinctive convergence of informal entrepreneurship, digital commerce, and micro-logistics. Unlike conventional import systems that depend on large-scale procurement and institutional supply chains, this model is based on small-scale, direct-to-customer transactions. Operators typically acting as sole proprietors or in small informal teams collect customer orders in advance, often via social media platforms such as WhatsApp, Instagram, and TikTok, before sourcing goods from multiple international suppliers.

Procurement is conducted primarily through e-commerce platforms such as Alibaba, 1688.com, and other regionally focused applications, with China serving as the dominant source market. In addition, a notable share of trade flows through Nigeria, particularly for goods transported overland via ECOWAS corridors. In both routes, imports are typically fragmented across multiple suppliers, making consolidation at the origin point essential for operational efficiency.

To execute shipments, most of these importers rely on third-party logistics Agents or informal freight forwarders, many of whom operate without official regulation or oversight. Upon arrival in Ghana, imported goods are either retrieved from designated warehouses or delivered through domestic courier networks. Payment systems are predominantly mobile based, leveraging platforms like Mobile Money, while order tracking is informal often relying on WhatsApp updates, voice notes, and screenshots from shipping intermediaries.

The appeal of the model lies in its agility. Built on a just-in-time structure, it reduces inventory costs and minimises financial exposure, allowing traders to align procurement closely with actual demand. However, this flexibility comes with challenges, including a high dependence on trust, effective communication, and time-sensitive coordination all within a largely unregulated framework lacking formal dispute resolution mechanisms or contractual safeguards.

Despite these constraints, the model is expanding rapidly. Informal conversations with importers suggest strong customer retention and repeated purchasing patterns, particularly in fast-moving product categories such as electronics, apparel, cosmetics, household goods, and academic supplies. In many cases, traders complement their retail operations with supply to wholesalers, thereby creating secondary micro-distribution networks within local economies.

What sets this model apart from conventional retail or wholesale practices is its decentralised, digitally enabled structure. It operates with minimal physical infrastructure and leverages the ubiquity of mobile phones, the accessibility of international suppliers, and the flexibility of digital payment tools. As such, it offers a compelling example of how commerce is evolving at the intersection of informality, technology, and entrepreneurial drive.

CHALLENGES FACING EMERGING MICRO-IMPORTERS

While the pre-order shipping model offers a flexible and responsive approach to commerce, its informality also exposes participants to a range of operational, financial, and regulatory challenges. These issues, if left unaddressed, risk undermining the long-term viability of this fast-growing import practice.

1. **Ineffective Warehousing Models**

A recurring challenge cited by many informal importers is the lack of structured and secure warehousing. Upon arrival in Ghana, goods are often held in third-party warehouses that lack basic systems for sorting, labelling, and packaging customer-specific consignments. In many instances, importers are forced to search through multiple cartons to retrieve their items, increasing the risk of misplacement or damageparticularly during periods of high demand or inclement weather.

The absence of centralized data systems or customer inventory logs further complicates the retrieval process. In some cases, items are lost altogether, with no recourse for replacement or compensation, especially when the service provider is unregistered or operating outside formal oversight mechanisms.

2. **Consolidation and Sorting Difficulties**

Given that many importers procure goods from multiple international suppliers, effective consolidation at the country of origin is essential. However, not all shipping companies offer this service. Where it is absent, items arrive in separate packaging, making tracking and coordination more complex and costly.

The lack of standardized procedures for pre-shipment sorting or customer-based labelling increases the likelihood of mix-ups. Moreover, the burden of sorting is frequently shifted to the importer upon arrival, despite their having paid for full logistics service.

3. **Payment Terms and Storage Penalties**

Shipping companies often require full prepayment before items are dispatched or released from the warehouse. While this model secures the operator's revenue, it places significant financial pressure on small-scale traders, many of whom operate on narrow margins and rely on customer advances.

4. **Exposure to Fraud and Dispute Vulnerability**

In the absence of formal contracts or dispute resolution channels, micro-importers remain vulnerable to fraud, particularly when dealing with foreign suppliers. Some have reported experiences where goods were paid for but never shipped, or where items arrived significantly different from what was advertised.

A particularly concerning example involved a university student who sourced products for a faculty member through a Chinese platform. When the goods failed to arrive, the incident escalated into a legal action, which resulted in the withholding of the academic records of the student. Such cases underscore the risks associated with informal business transactions conducted across borders without institutional safeguards.

5. **Limited Understanding of Tax and Regulatory Obligations**

Many informal importers lack clarity on the tax implications of their operations. Questions surrounding Value Added Tax (VAT), Customs duties, and import declarations are common. Some traders assume that they are exempt from tax obligations due to their scale, while others unknowingly fall short of compliance due to misinformation or lack of accessible guidance.

The low rate of registration with regulatory bodies such as the Ghana Shippers' Authority (GSA) or the Ghana Revenue Authority (GRA) means that these traders often miss out on important updates, legal protections, and capacity-building opportunities.

6. **Transport Insecurity**

Shipments routed through neighbouring countries such as Nigeria often depend on private bus services, some of which are unregistered and lack cargo insurance. This exposes goods to loss through theft, misrouting, or road incidents. In such events, recovery options are limited, and there is little accountability on the part of transport operators.

OPPORTUNITIES HIDDEN WITHIN THE TREND

While the pre-order shipping model presents considerable operational challenges, it simultaneously offers significant opportunities for trade diversification, employment generation, and logistics innovation. Recognizing and supporting this trend could allow policymakers and industry stakeholders to tap into a new layer

of economic potential one that is digitally fluent, demand-responsive, and organically connected to global markets.

1. **Pathways to Sustainable Micro-Enterprise**

The pre-order model has lowered the entry barriers to international trade. Individuals without formal storefronts, warehousing capacity, or large capital reserves can now operate viable import businesses by leveraging mobile platforms and social media. Many of these traders begin by fulfilling orders for peers, later expanding their reach through customer referrals and digital advertising.

This entrepreneurial activity contributes to livelihood creation, particularly among young people and students who use it to supplement household income or fund their education. Over time, some have scaled their operations to include wholesaling, product branding, and resale partnerships thereby generating secondary layers of economic activity.

2. **Inventory-Efficient Trade Practices**

Unlike traditional retail models that depend on stockpiling goods in anticipation of demand, the pre-order system operates on a just-in-time basis. Importers secure customer payment before sourcing items, which significantly reduces the financial risks associated with unsold inventory. This pre-payment model enhances liquidity, promotes disciplined spending, and allows for more precise cash flow management. It also limits product waste and storage costs, making it particularly suitable for fast-moving consumer goods and trend-sensitive items.

3. **Expansion of Digital and Informal Supply Chains**

The widespread use of digital tools

such as WhatsApp, Instagram, and Chinese shopping apps has enabled these micro-importers to integrate seamlessly into global trade channels. The ability to establish direct supplier relationships, negotiate pricing in real-time, and verify product authenticity through video calls exemplifies the innovative use of available technologies.

Additionally, the reliance on mobile money platforms for both customer payments and supplier transfers has facilitated secure and traceable transactions, even in the absence of formal banking systems. This digital ecosystem contributes to financial inclusion and enhances operational transparency.

4. **Creation of Niche Markets and Responsive Customer Engagement**

Pre-order importers often tailor their offerings to specific customer preferences. Whether sourcing educational supplies for university students, fashion accessories for working professionals, or electronics for tech-savvy buyers, these traders maintain close proximity to their target audience.

By engaging customers through social media and real-time updates, they build trust and foster loyalty often more effectively than larger, impersonal retailers. This direct engagement allows them to quickly identify product trends, test new markets, and adapt pricing strategies, providing them with a competitive edge in rapidly shifting consumer environments.

5. **Potential for Localized Economic Clusters**

In some areas, networks of informal importers have begun to form local trade clusters. These groups share shipping resources, co-rent storage spaces, and coordinate bulk orders to reduce individual shipping costs. Over time, such clusters could evolve into more formalised cooperatives or associations, enhancing their bargaining power and positioning them to benefit from economies of scale.

With the right institutional support, these networks could serve as a foundation for inclusive logistics hubs and could, thereby, catalyse regional trade development and create new pathways for value addition in packaging, distribution, and customer service.

STRUCTURAL GAPS IN THE CURRENT SHIPPING ECOSYSTEM

Despite the economic promise of pre-order shipping and the growing number of individuals engaged in small-scale importation, Ghana's current shipping and logistics infrastructure remains largely unresponsive to the needs of this emerging segment. Most national shipping policies, warehouse operations, and Customs processes are structured around high-volume commercial consignments, leaving micro-importers to navigate systems that are neither optimised for their scale nor tailored to their operational realities.

1. Misalignment Between Shipping Models and Micro-Level Needs

Ghana's shipping sector has traditionally focused on servicing large-scale importers, manufacturers, and bulk cargo handlers. As such, shipping lanes, Customs clearance protocols, and warehousing procedures are often complex, paperwork-intensive, time-consuming and ill-suited for traders operating on minimal volumes and lean schedules.

Micro-importers, who frequently deal in small but diverse consignments, face unnecessary friction when forced to interact with systems that were not designed with flexibility in mind. Delays in Customs processing, lack of consolidated billing options, and warehouse congestion are just a few examples of the systemic inefficiencies they encounter.

2. Limited Recognition of Small-Scale Shippers in Policy and Planning

There is currently no official categorisation or policy designation for informal or small-scale importers within the broader framework of trade and logistics planning. As a result, this group is often overlooked in consultations, stakeholder engagements, and strategic initiatives led by state Agencies including the Ghana Shippers' Authority, the Ghana Revenue Authority, and the Ghana Ports & Harbours Authority (GPHA).

This lack of visibility contributes to the absence of tailored incentives, risk-mitigation tools, and educational programs that could otherwise support micro-importers to formalise and grow their businesses responsibly.

3. Absence of Scalable Consolidation Services

Many shipping companies operating in Ghana do not offer dedicated consolidation services that are accessible and affordable to informal importers. For those who order from multiple international suppliers, the lack of unified pre-shipment packaging adds a layer of logistical complexity and increases the likelihood of errors and lost items.

Moreover, without consolidation, micro-importers are charged disproportionately high fees on a per-parcel basis, placing them at a competitive disadvantage compared to larger businesses that can absorb costs through volume.

4. Gaps in Digital Integration and Shipment Transparency

Although digital tools are transforming many aspects of the logistics value chain, most small-scale importers still operate without access to real-time tracking, digital receipts, or automated alerts. This is particularly problematic when working with unregistered shipping Agents or foreign suppliers, as traders have little recourse when goods are delayed, re-routed, or lost in transit.

The absence of standardised digital infrastructure also limits data collection, making it difficult for policymakers to understand the scale, structure, and economic contribution of this informal trade segment.

5. Underutilisation of the Ghana Shippers' Authority's Support Mechanisms

The Ghana Shippers' Authority (GSA) offers a range of services such as dispute resolution, advice on cargo protection and regulatory advocacy that remain largely underutilised by small-scale importers partly due to inadequate awareness of such support systems. Many are unaware of these services or perceive them as relevant only to larger, formally registered entities.

Additionally, current registration requirements and processes are not fully adapted to the operational realities of micro-importers, which deters engagement and perpetuates informality.

POLICY RECOMMENDATIONS AND INDUSTRY SOLUTIONS

In light of the operational gaps identified, there is an urgent need for policy and institutional responses that reflect the realities of small-scale importers many of whom are students in tertiary institutions operating on limited capital and informal networks. Rather than viewing this group as peripheral to the national shipping economy, stakeholders would do well to recognise them as a dynamic, innovative, and growing part of Ghana's trade system. Supporting their activities would not only strengthen youth entrepreneurship, but would also contribute to more inclusive and resilient logistics development.

One of the most immediate interventions lies in the creation of dedicated shipping models tailored to the needs of low-volume importers. A simplified shipping lane or service category could be established to cater to those who consolidate multiple items from varied suppliers into small consignments. This service should be designed for affordability, flexibility, and efficiency to minimise paperwork while ensure that items are properly grouped, tracked, and delivered. Such a model could be piloted through partnerships between the Ghana Shippers' Authority, selected Freight Forwarders, and campus-based trade associations.

Reforming Customs and VAT processes is also essential. Many small-scale importers are unclear on their tax obligations, partly due to the complexity of existing regulations and a lack of accessible guidance. Regulatory agencies should consider introducing simplified documentation procedures and informational materials specifically aimed at student entrepreneurs. Interactive digital tools, short videos, and mobile-accessible guides could improve compliance while also fostering formalisation. Beyond tax reform, there is value in encouraging voluntary registration with trade authorities. The Ghana Shippers' Authority, for instance, could introduce student-friendly registration schemes, offer reduced fees, hold orientation sessions, and facilitate access to basic dispute resolution services. These packages could be promoted through universities, polytechnics, and entrepreneurship hubs, to bridge the current disconnect between regulatory institutions and informal traders.

Peer collaboration offers another path forward. Many of these importers already operate within informal networks on campus sharing contacts, consolidating orders, and referring customers. There is potential to formalise these networks into associations or unions that provide shared services such as pooled warehousing, collective bargaining with shipping Agents, and group training sessions. With institutional support, such collectives could become recognised participants in broader logistics dialogues and eventually gain leverage when negotiating shipping rates or addressing service failures.

Technology can also be harnessed more effectively. While many importers rely on WhatsApp and screenshots to track shipments, this approach offers limited transparency. By extending existing digital tools like the ShippersApp to include features for small-scale users such as QR-code package tracking, SMS delivery alerts, or access to vetted shipping companies, agencies can help to bridge the digital divide between informal traders and formal logistics infrastructure.

Crucially, any policy intervention must be consultative and inclusive. Student importers should be invited to stakeholder forums, policy roundtables, and industry discussions. Their perspectives are essential to crafting solutions that are not only effective but also grounded in day-to-day experience. Engaging them directly would also build trust and encourage gradual integration into the formal trade economy.

In summary, the emergence of small-scale importation particularly among tertiary students demands an institutional response that is adaptive, inclusive, and future-focused. The potential for job creation, digital innovation, and cross-border trade expansion is significant. With targeted reforms and industry collaboration, Ghana can harness this energy to build a shipping ecosystem that is truly representative of its evolving entrepreneurial landscape.

Toward a More Inclusive and Adaptive Logistics Future

Ghana's logistics and shipping industry is undergoing a gradual but undeniable evolution. At its forefront is a growing population of small-scale importers who, through digitally driven pre-order models, are redefining how trade flows operate at the micro level. Although often informal in structure, their activities are deeply integrated into international supply chains and domestic consumer markets contributing meaningfully to commerce, employment, and digital innovation.

Yet, this sector remains underserved by existing logistics systems, policy frameworks, and institutional mechanisms. Its participants typically operating without formal registration, legal protections, or tailored services face an uneven landscape marked by inefficiencies, vulnerability to loss or fraud, and high entry barriers into the formal economy.

What this article has sought to demonstrate is that the continued growth of this segment offers not only economic value but also an opportunity to build a more inclusive and adaptive logistics infrastructure. Through targeted interventions ranging from service innovation and policy reform to stakeholder engagement and digital integration institutions such as the Ghana Shippers' Authority, along with private sector partners, can provide the support necessary to legitimise and scale these operations.

The path forward requires a shift in perspective: away from rigid trade hierarchies and toward a more open, layered understanding of modern commerce. In doing so, Ghana will not only enhance its capacity to manage complex and diverse trade flows but would also empower a new generation of entrepreneurs whose resourcefulness and drive reflect the future of African logistics.

A CALL FOR INCLUSION AND INNOVATION

The current momentum behind small-scale importation in Ghana largely driven by a new generation of digitally enabled traders signals a broader transformation in how commerce is conducted, and logistics services are accessed. These emerging entrepreneurs are engaging directly with international supply chains, often with limited infrastructure but high levels of adaptability, creativity, and digital fluency. Yet, much of the country's existing trade infrastructure from Customs protocols to shipping support services remain designed around traditional, large-volume import models that fail to account for this shift.

Inclusion, in this context, is not merely about acknowledging the presence of a new category of traders. It is about re-thinking trade systems to accommodate alternative business models, lower capital thresholds, and informal but fast-growing networks. Integrating these importers into the formal logistics architecture requires flexible policy, simplified compliance pathways, and institutional openness to new modes of operation.

Innovation, similarly, must go beyond digitisation for its own sake. It should be embedded in service design, policy implementation, and customer engagement. For example, recognising messaging platforms such as WhatsApp as legitimate communication channels for service updates, or designing warehousing systems that support consolidated multi-supplier shipments, would constitute meaningful improvements aligned with current user behaviour.

The Ghana Shippers' Authority is uniquely positioned to champion this transition. By initiating tailored programs and engaging directly with these small-scale operators, GSA can help to bridge the gap between informal commerce and formal logistics systems. The private sector, particularly Freight Forwarders and warehouse operators, also have a key role to play in offering modular, affordable, and responsive Solutions for low-volume traders.

At stake is more than the efficiency of a particular import model; it is the broader adaptability, competitiveness, and inclusiveness of Ghana's logistics sector. In an increasingly fragmented global economy, where trade transactions can originate from mobile phones and informal supplier relationships, the ability to accommodate diverse actors is essential.

By supporting this evolving form of entrepreneurship through regulatory reform, targeted capacity building, and inclusive service development, Ghana can set a benchmark for youth-driven trade integration. The innovation, risk tolerance, and agility demonstrated by these emerging importers are already influencing the way goods move across borders. Institutions now have the opportunity and responsibility to match that progress with systems that are equally responsive and future ready.

Did You Know?

MSC Irina, is the world's largest container ship with a capacity of 24,346 TEUs. Sailing under the Liberian flag, it measures 399.9 meters in length and 61.3 meters in width.

Source: Alphaliner, 2024

TERMINOLOGIES

HOUSE AIR WAYBILL

Issued by a Freight Forwarder for air cargo shipments consolidated from multiple shippers

Key points
1. Console management: used for shippers that are part of a larger console
2. Not a title document: unlike a master air waybill, it's not a document of title
3. Forwarder - to - Client: issued by the Forwarder to the individual shipper.

Frederick Kafui Agbleze

APPRECIATION OF THE GHANA CEDI: IS THE TURBULENCE OVER?

INTRODUCTION

In a year marked by volatility across emerging and frontier markets, Ghana's currency, the Ghanaian cedi (GHC) has emerged as a surprising outlier. As of 5th June 2025, the GHC appreciated to approximately GHS 10.22 per USD, reflecting a notable rebound from earlier depreciation cycles and outperformance against several African currencies. This appreciation raises critical questions regarding its underlying drivers, short to medium-term sustainability, and macroeconomic implications. This article seeks to interrogate the issue, uncover the probable factors for the seeming swing in the Cedi's performance and to proffer some interventions to aid a continued upward trend in its performance.

KEY DRIVERS OF THE RECENT STRENGTH OF THE CEDI

Monetary Policy and Central Bank Interventions

The Bank of Ghana (BoG) has played a pivotal role through proactive foreign exchange auctions, injecting liquidity into the market. Notably, over US$155 million was sold in February 2025 alone. These measures eased short-term volatility and restored some amount of confidence.

Gold Reserves and Strategic Initiatives

Domestically, the BoG's innovative “Gold4Oil” and “GoldBod” programmes have fortified external buffers. Ghana's gold reserves increased by 40.6% between May 2024 and April 2025, reducing reliance on foreign currency for essential imports and strengthening the Cedi's fundamentals such as the Balance of Payment (BOP), Foreign Exchange Reserves, Trade Balance, Inflation, Fiscal and Monetary policies among others.

Offshore Inflows and IMF Support

The GHC benefited from increased Foreign Direct Investment (FDI) and remittance inflows, bolstered by a $3 billion IMF loan arrangement approved in May 2023. This engagement with the IMF has not only injected liquidity but has also enhanced the country's policy credibility and reduced sovereign risk premiums. The recent appreciation of the Cedi has some macroeconomic Implications for the economy:

- **Import Cost Reduction:** The stronger GHC has lowered the cost of imports, benefiting consumers and businesses, and easing pressure on inflation.

- **Inflationary Control:** With lower import prices, inflationary expectations are gradually being anchored, providing relief amid global commodity pressures. The inflationary rate for May 2025 dropped to 18.4%

- **Debt Servicing Efficiency:** Ghana's external debt burden, predominantly denominated in foreign currencies, becomes cheaper to service in GHC terms, freeing up fiscal space for development spending.

- **Export Competitiveness:** A stronger currency may render Ghanaian exports less competitive internationally, potentially affecting trade balances and local industry.

- **Investment Caution:** Currency volatility in recent years has made the GHC less predictable, dampening long-term confidence among investors and importers alike.

Comparative Regional Performance
Ghana's relative outperformance is even more pronounced when juxtaposed with regional peers:

- Zambian Kwacha: Weakened under high USD demand, trading around ZMW 28.67/USD.
- Kenyan Shilling: Remains vulnerable to external shocks, by February 2025, the shilling had depreciated marginally (≈ 21.5 basis points) year-to-date, finishing at KSh 129.60 from ~KSh 129.30.
- Nigerian Naira: Faces severe depreciation (~NGN 1,600/USD) despite aggressive central bank interventions.

This trend positions the GHC as one of the best performing global currencies in 2025 but also raises questions about how long this trend can hold.

Sustainability Concerns: Are the Gains of the GHC durable?
While the current appreciation reflects improved macroeconomic management, structural vulnerabilities remain unresolved, including:

- **Commodity Dependence**
Ghana's economy remains overexposed to commodity cycles (cocoa, oil, and gold). Price volatility in these markets continues to transmit instability to the currency due to limited economic diversification.

- **Remittance Data Gaps**
A study by Dr. Richmond Atuahene, a banking Consultant, revealed significant data inconsistencies between the BoG and World Bank on remittance flows. Since the enactment of the Payment Systems and Services Act (Act 987) in 2019, Ghana has reportedly lost access to over $9 billion in foreign remittances due to regulatory and tracking inefficiencies, undermining forex inflow potential.

- Another significant factor that affects the GHC is the declining Foreign Direct Investment (FDI) and fiscal pressures during electioneering periods.

IS THE TURBULENCE OVER FOR THE GHANAIAN CEDI? – AN ANALYTICAL ASSESSMENT
While the recent appreciation of the Ghanaian cedi (GHC) is a welcome development, declaring the turbulence "over" would be premature. A robust analysis of both structural fundamentals and current economic dynamics suggests that the current stability is real, but fragile. Below is a detailed breakdown of the key indicators, risks, and macroeconomic context to assess the sustainability of the Cedi's gains:

1. **Short-Term Stability vs. Long-Term Sustainability**

1.1 Evidence of Short-Term Stability

- **Exchange Rate Performance:** As of June 5, 2025, the Cedi was trading at GHC 10.22/USD, its strongest position in recent years.

- **Central Bank Interventions:** The BoG's aggressive forex auctions and accumulation of gold reserves (up 40.6% in one year) have strengthened forex liquidity and curbed speculative pressure.

- **Improved Public Sentiment:** The IMF program, disbursements under the Gold4Oil and GoldBod initiatives, and improved inflation management have increased investor and public confidence.

These, however, are policy-induced and situational gains, and are not necessarily underpinned by long-term productivity or structural reforms, because;

1.2 Longterm Sustainability – The Structural Weaknesses Persists

- **Commodity Dependence:**

Ghana remains heavily reliant on exports of cocoa, gold, and oil. This exposes the Cedi to external price shocks, as was seen in previous currency declines. A drop in commodity prices could swiftly reverse any appreciation.

- **Chronic Fiscal Risks:**

Public debt remains high, and despite the recent appreciation that has eased external debt service, Ghana's debt-to-GDP ratio is still an issue for concern. Election-year spending (2024) could most likely have expanded the fiscal deficit, that has compounded the fiscal vulnerability.

- **Weaknesses in Remittance Tracking:**

Studies by Dr. Richmond Atuahene, a banking consultant, shows that Ghana may have underreported or lost track of over $9 billion in remittances between 2019 and 2024 due to regulatory loopholes. This undermines the major source of forex inflow and suggests that forex reserves may be underestimated relative to actual inflows.

- **Investor Confidence: Fragile Rebound**

While IMF support and macro-stabilization efforts have temporarily restored confidence, FDI remains subdued due to medium-term policy and regulatory uncertainty. The business community views the GHC as historically volatile and difficult to forecast, making pricing and long-term contracts risky.

Considering the situation in the regional context; Ghana's outperformance may not be structural compared to regional peers. For example, Zambia, Nigeria, and Kenya are all experiencing currency depreciation due to external shocks, policy inconsistency, and debt overhangs; and Ghana's Cedi looks strong in relative rather than in absolute terms which may say more about regional weakness than domestic strength. Moreover, the external vulnerabilities remain:

- A shift in global interest rates, especially in the U.S., could draw capital away from emerging markets, and would further weaken the GHC.
- Tighter global liquidity or lower commodity prices could erode Ghana's trade and reserve position.

POSITIVE REACTIONS AS CEDI APPRECIATES: KEY STAKEHOLDERS WEIGH IN

The recent appreciation of the GHC has drawn commendations from several key stakeholders, including the Association of Ghana Industries (AGI), the Ghana Union of Traders Association (GUTA), and the Ghana Private Road Transport Union (GPRTU).

GUTA described the Cedi's recent stability and gains as "very welcome news," noting that it brings much needed relief to traders who have long grappled with exchange rate volatility. The association emphasized that a stable currency provides a more predictable environment for planning and pricing, especially for importers.

Similarly, the President of AGI, Dr. Humphrey Ayim Darke,

acknowledged the positive trend but emphasized the importance of sustaining it. He highlighted the need for policy consistency and fiscal discipline, cautioning that any lapses in these areas could quickly reverse the progress made. Dr. Darke called on government to maintain austerity in public spending to protect the recent gains and ensure long-term currency stability.

On its part, the GPRTU announced a 15% reduction in transport fares, attributing the decision to the strengthening of the Cedi and recent declines in fuel prices. The union explained that the appreciation of the currency contributes to lowering transport related costs, particularly through reduced prices of imported spare parts and petroleum products.

In response to the growing public and industry interest, the Minister for Finance released a statement titled *"Cedi's Appreciation Not a 'Nine-Day Wonder'."* In it, he stressed that the currency's recent strength is not a temporary phenomenon but rather the outcome of deliberate and strategic economic management. He emphasized that the improvement is "not a knee-jerk reaction," but the result of well-considered policies and planning.

Echoing this sentiment, the Governor of the Bank of Ghana, Dr. Johnson Asimah, reaffirmed that the Central Bank is not artificially supporting the cedi through interventions such as the use of international reserves. "The Central Bank is not using international reserves to support the cedi, nor are we engineering an unsustainable appreciation," he stated. Instead, he attributed the Cedi's gains to "robust external buffers, prudent monetary policy, coordinated fiscal consolidation, and renewed investor confidence."

Together, these affirmations from key institutions and associations suggest cautious optimism regarding the Cedi's outlook so long as fiscal discipline, policy coherence, and macroeconomic stability remain central to the country's economic strategy hence should be held in check.

EFFECTS OF THE CEDI APPRECIATION ON THE SHIPPING & LOGISTICS SECTOR

The recent appreciation of the Ghanaian Cedi is having notable impact on the shipping and logistics sector, which relies heavily on foreign currencies, particularly the US dollar. Key industry costs such as freight charges, port fees, Customs duties, equipment import, and spare parts are often priced in USD. As a result, a stronger Cedi translates directly into cost savings for logistics companies, as fewer local currency units are required to meet US dollar denominated obligations.

This reduction in local costs extends across various operational expenses, including the importation of shipping containers, trucks, trailers, spare parts, and fuel, as well as clearing fees often pegged to the foreign exchange rate. Consequently, logistics providers can operate more efficiently and at lower cost, a benefit that can ripple through the supply chain to local manufacturers, distributors, and retailers.

Additionally, the stability of the Cedi offers operational advantages. Shipping and logistics firms typically plan their operations and corresponding budgets well in advance of their execution, a stable exchange rate environment therefore reduces volatility in such planning. It minimizes the need to hedge against foreign exchange losses when billing clients or settling invoices in foreign currencies, and thereby improves financial predictability and business confidence.

While the stronger Cedi benefits import related activities, it however, poses challenges for export focused logistics operations. A stronger Cedi makes Ghanaian exports more expensive on the global market, and potentially reduces demand from international buyers. In this case, a decline in export volumes is risked, impacting logistics companies that cater primarily to outbound cargoes, especially in sectors such as cocoa, gold, and seafood. Moreover, where the Cedi appreciates significantly in relation to other regional currencies like the CFA franc, Ghana risks losing cost competitiveness within West Africa. Such a situation could affect the country's attractiveness as a regional trade hub and reduce its share of transshipment or cross-border logistics activity.

In summary, while the appreciation of the Cedi offers short-term relief and cost advantages for importers and domestic logistics providers, it also presents strategic challenges particularly for export logistics and regional competitiveness. A balanced approach to maintaining exchange rate stability is therefore critical for long-term economic growth.

POLICY RECOMMENDATION IN SUSTAINING THE STABILITY OF THE GHANAIAN CEDI

To achieve a balance in the foreign exchange rate to enable a more stable and predictable international trade sector, the following actionable and forward-looking policy recommendations aimed at consolidating currency stability, enhancing resilience, and reducing volatility in the foreign exchange market, the following are submitted:

Institutional Reforms and Governance

- Strengthen Oversight of Remittance Channels
- ❖ Digitize and integrate remittance tracking systems with the Bank of Ghana.
- ❖ Amend Regulatory gaps in the Payment Systems and Services Act (Act 987).
- ❖ Collaborate with international MTOs (Money Transfer Operators) and financial technology firms to capture informal transfers.

- **Enhance Transparency and Policy Credibility**
- ❖ Regularly publish forex auction results, gold reserve positions, and remittance data.
- ❖ Maintain consistency between BoG data and global financial institutions (e.g., IMF, World Bank).

Macroeconomic and Fiscal Discipline

- Implement a Non-Election-Year Fiscal Rule
- ❖ Legislate a spending cap mechanism to prevent pre-election budget excesses.
- ❖ Ringfence fiscal space for debt service, infrastructure, and productivity-enhancing investments.

- **Public Debt Management Strategy**
- ❖ Shift borrowing toward concessional and long-term instruments.
- ❖ Explore diaspora bonds and green financing as alternatives to Eurobonds.

Foreign Exchange Market Deepening

- Establish a Transparent Forward Market for FX
- ❖ Support hedging instruments for businesses, to reduce exposure to forex volatility.
- ❖ Incentivize exporters and investors to participate in formal currency markets.

- **Build Strategic Reserves Beyond Gold**
- ❖ Add reserve diversification using stable-yield instruments (e.g., IMF SDRs, regional currency swaps).

Economic Diversification and Competitiveness

- Accelerate Value-Addition in Cocoa, Minerals, and Agriculture
- ❖ Prioritize agro-processing, gold refinery projects, and petrochemical development under the Ghana CARES "Obaatan Pa" program.

- **Export-led Industrial Strategy**
- ❖ Expand access to the African Continental Free Trade Area (AfCFTA).
- ❖ Provide incentives for export-oriented SMEs in ICT, manufacturing, and renewable energy.

Boost FDI and Investor Confidence

- Ease Regulatory Bottlenecks
- ❖ Streamline business registration, permit acquisition, and land title processes.

- Promote Policy Predictability
- ❖ Establish an independent fiscal and financial stability Council to monitor fiscal, debt, and currency performance.

Conclusion

The recent appreciation of the Cedi is a positive but fragile achievement. Sustaining this progress demands bold structural reforms, transparent policy implementation, and macro-fiscal discipline. A multi-pronged strategy that addresses both market confidence and structural fundamentals is essential to ensure long-term currency stability and economic resilience.

BANK OF GHANA

NOTICE TO BANKS, SHIPPING INDUSTRY AND THE PUBLIC

NOTICE NO. BG/GOV/SEC/2025/47

GUIDELINES FOR THE APPLICATION OF EXCHANGE RATES BY THE SHIPPING INDUSTRY IN GHANA

Following consultations with stakeholders from the shipping industry on the application of exchange rates by players in the shipping industry, the Bank of Ghana announces the following guidelines.

PUBLIC

The guidelines aim to ensure transparency, consistency, and alignment with regulatory frameworks in foreign exchange pricing, for services offered at the ports.

1. The guidelines apply to **all players in the shipping industry operating in Ghana.**

2. All industry players must publish daily exchange rates used for invoicing on their websites and/or at their premises.

3. The published rate must be available to customers and communicated clearly to them prior to the issuance of invoices or payment.

4. Invoices should clearly indicate:

   i. The currency of the service;
   ii. The applied exchange rate;
   iii. The date of application; and
   iv. The final amount in GHS or USD.

5. Exchange rates must be market-reflective of their commercial bank rates which is expected to be benchmarked to the Bank of Ghana's published interbank exchange rate and not arbitrarily determined.

6. In case of disputes relating to exchange rate application:

   i. Customers may lodge a formal complaint with the service provider

   ii. Unresolved complaints may be escalated to the Ghana Shippers' Authority (GSA).

7. All industry players must comply with the Foreign Exchange Act, 2006 (Act 723) and related notices.

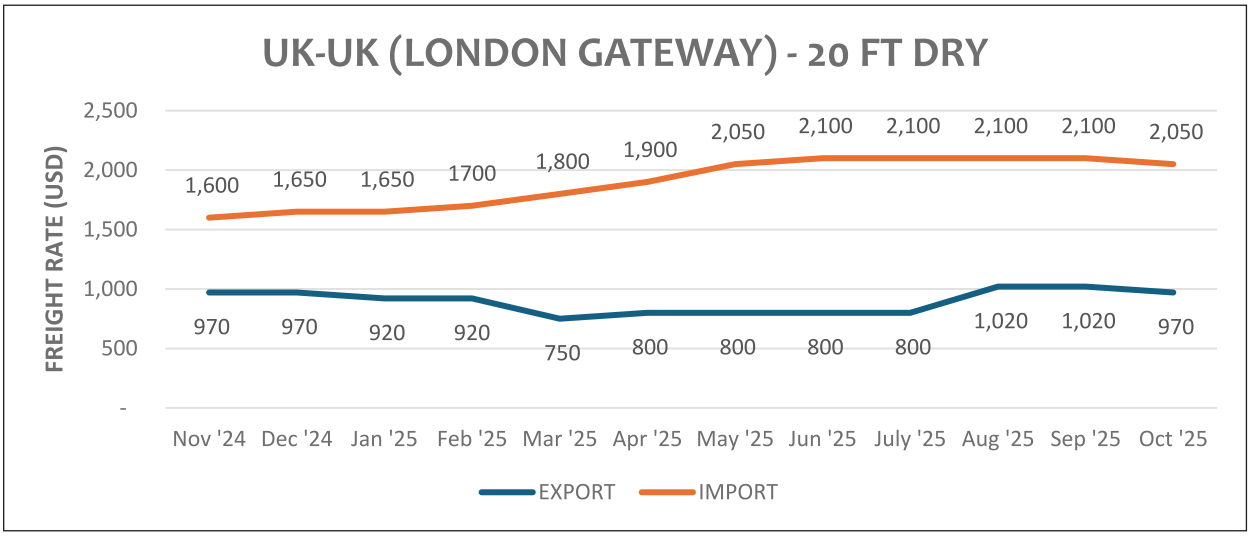
8. Non-compliance may result in administrative sanctions.

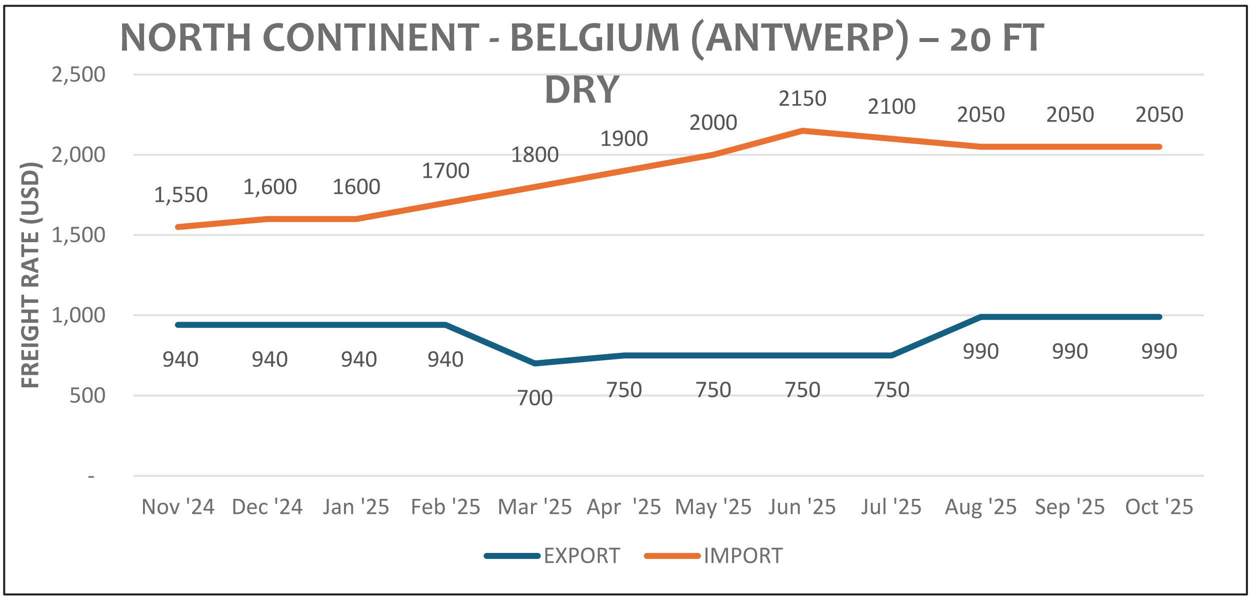
9. The guidelines shall come into effect on 22nd July, 2025 and remain in force until otherwise amended or revoked.

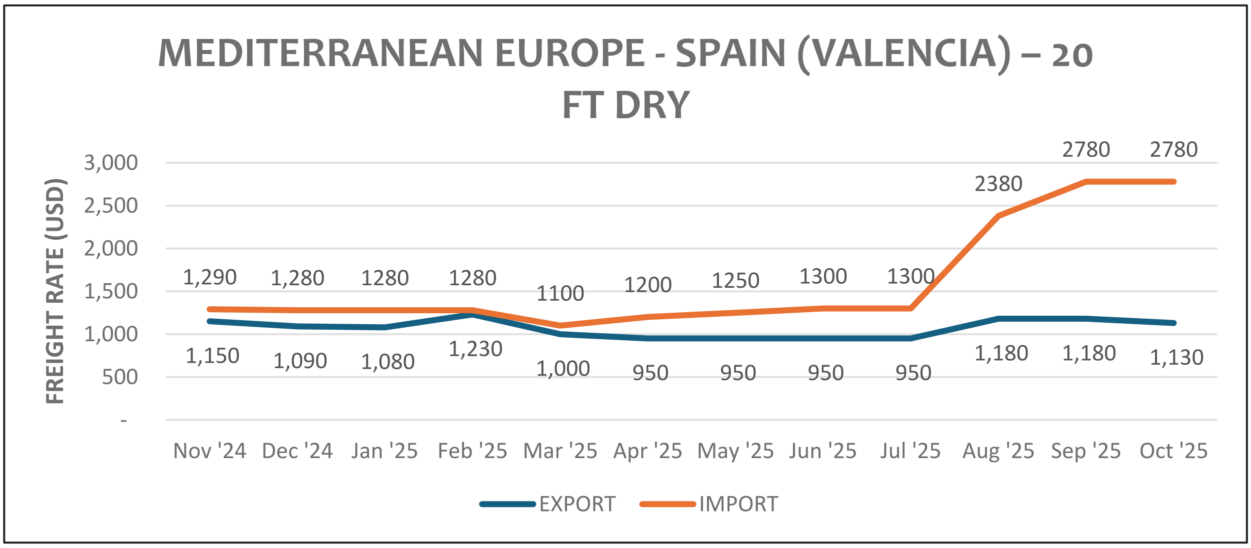
(SGD.)
SANDRA THOMPSON (MS.)
THE SECRETARY

22ND JULY 2025

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







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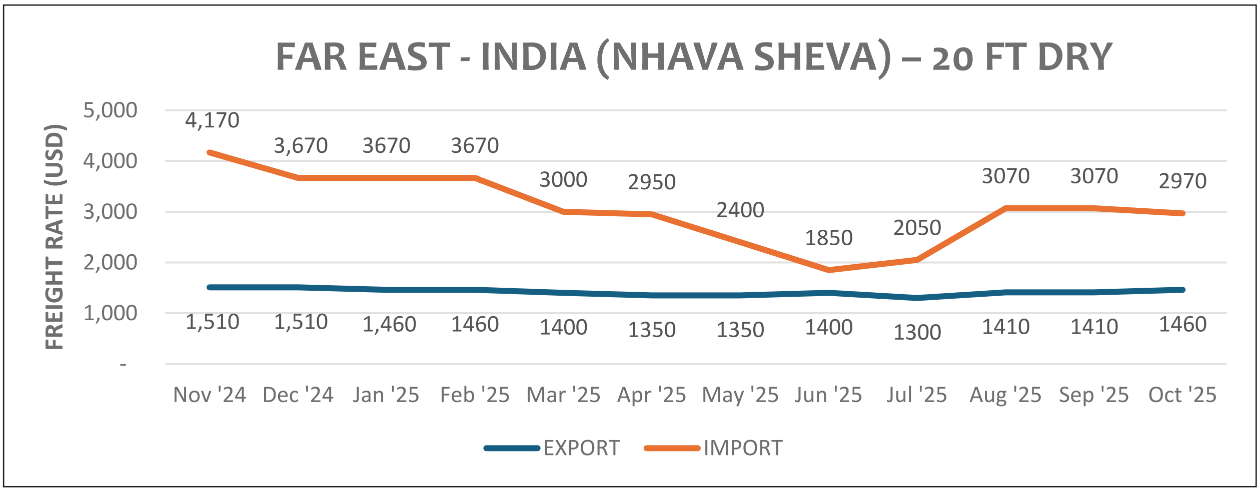

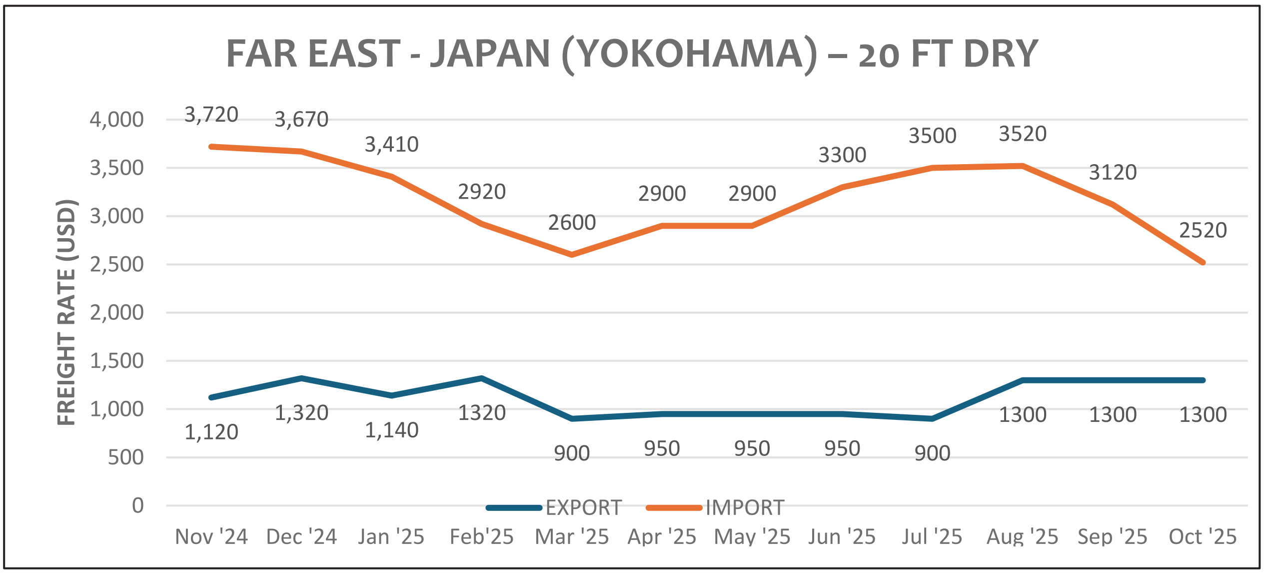

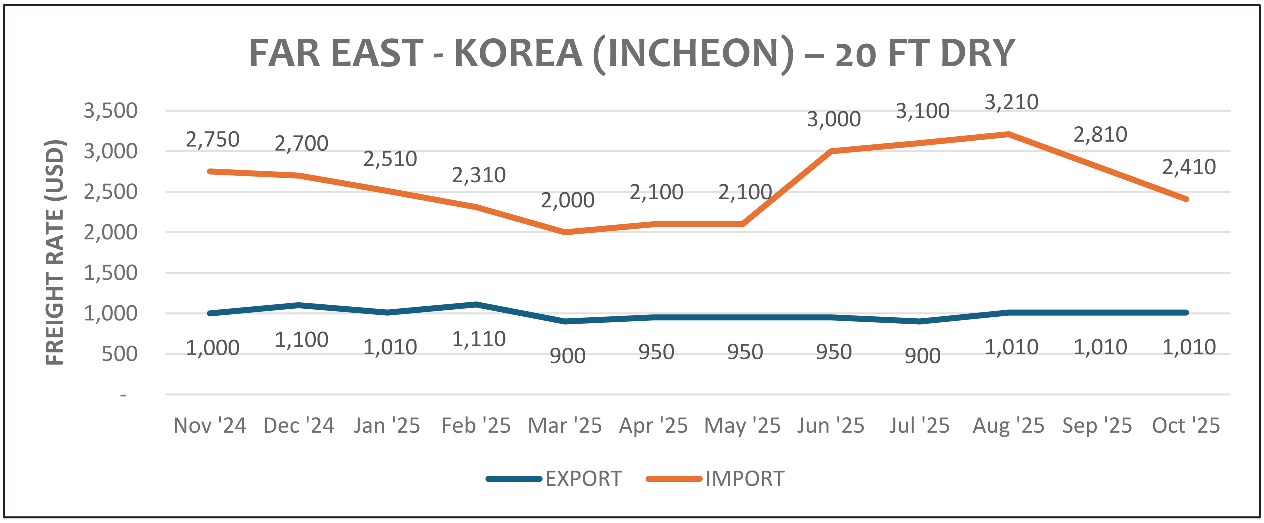

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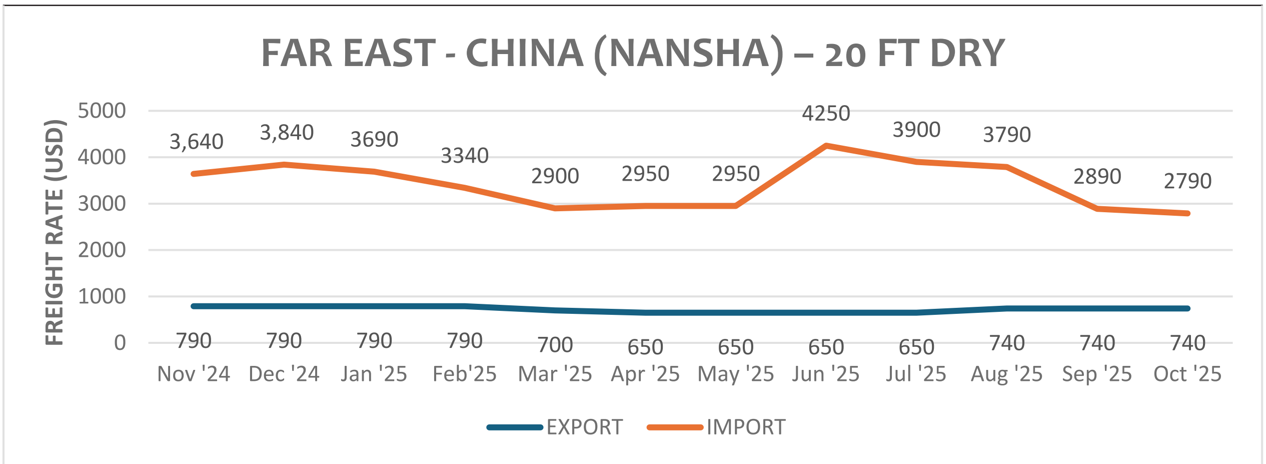

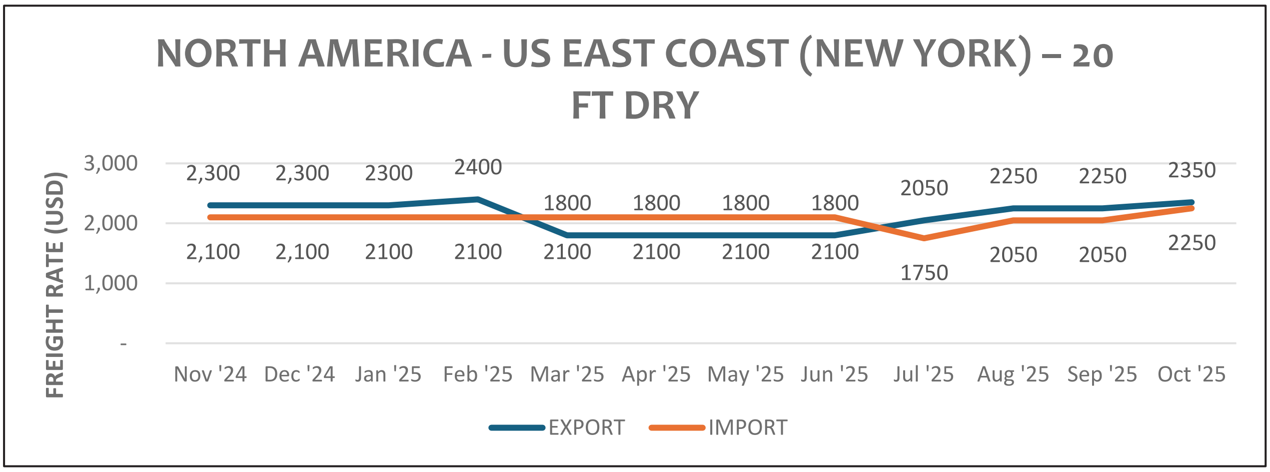

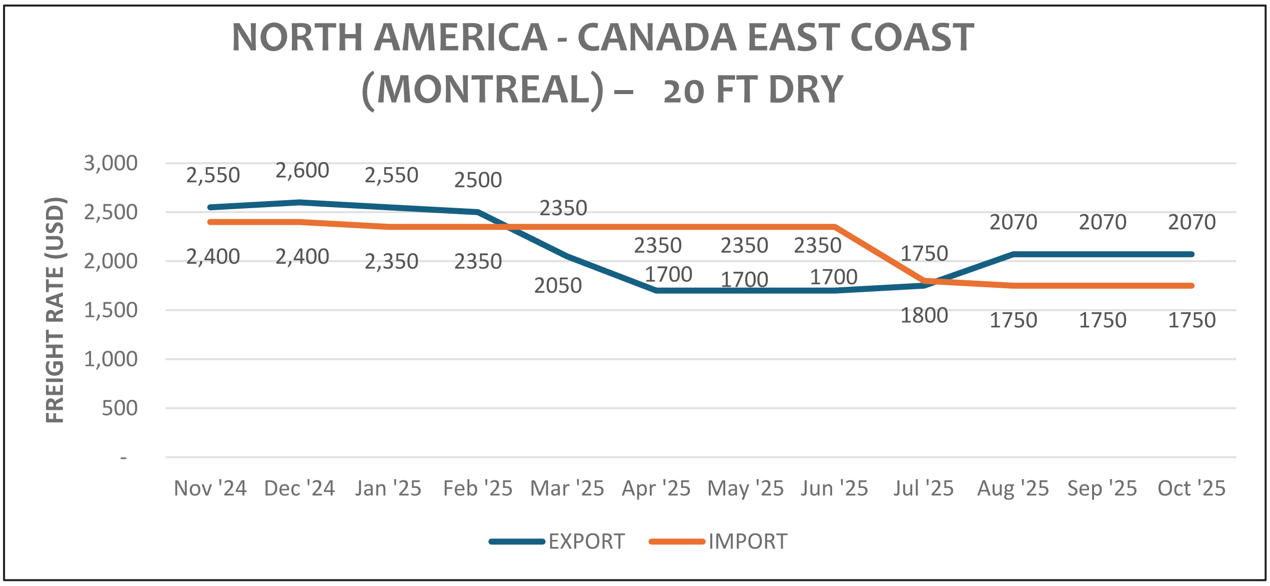

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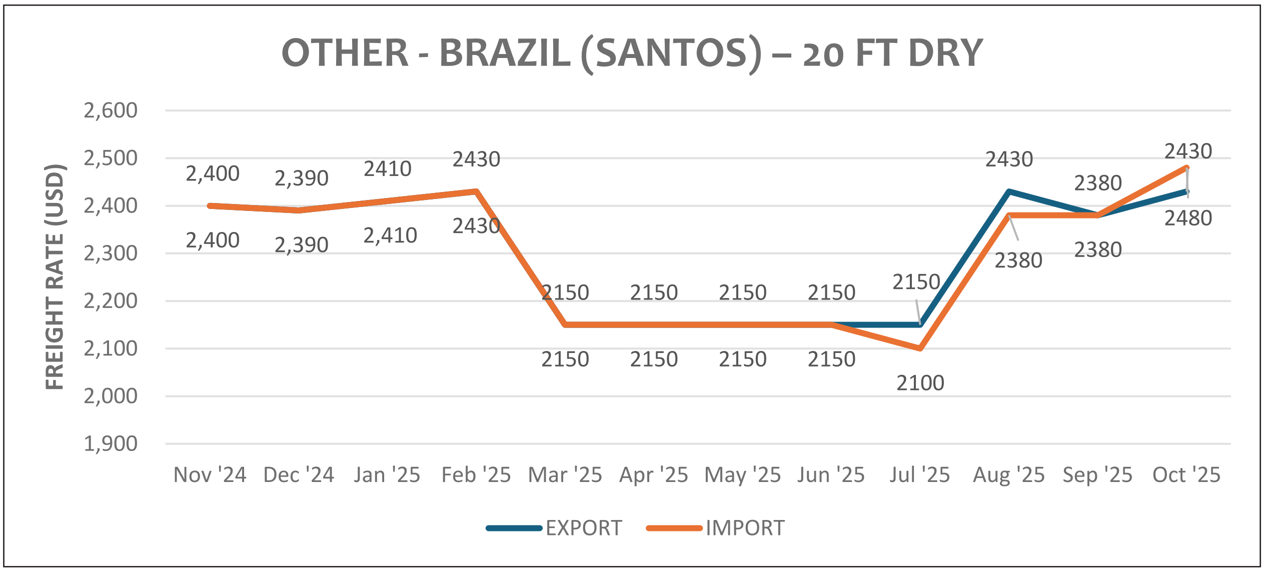

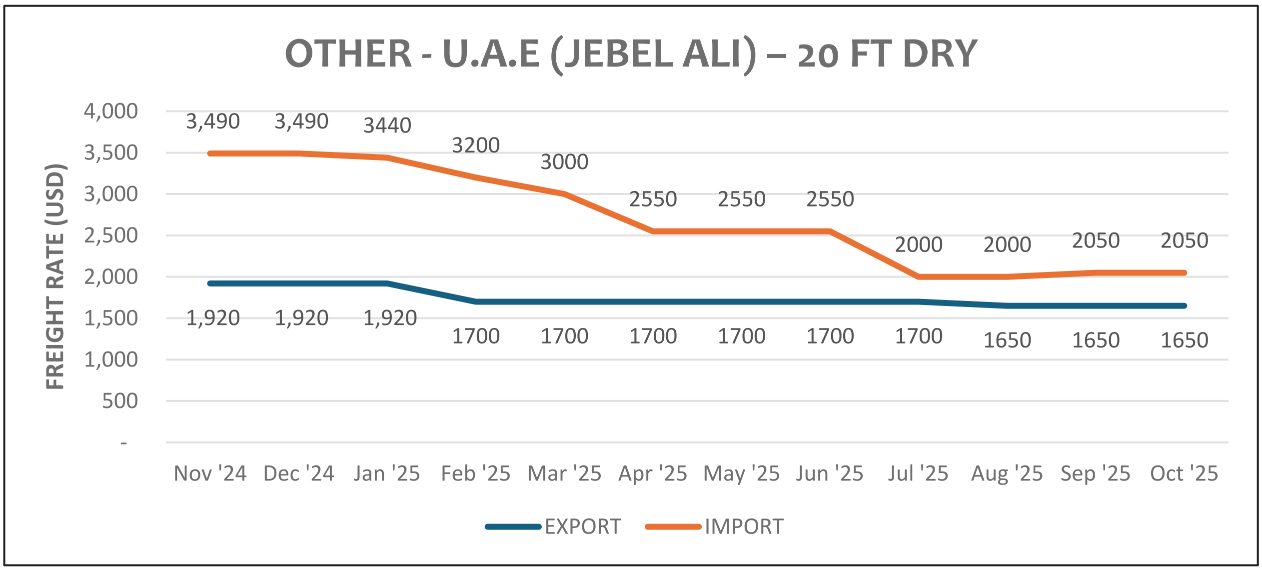

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DIVERSIFYING OUR GENERATION PORTFOLIO FOR SUSTAINABLE POWER SUPPLY

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

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