

Shipping Review

GHANA'S AUTHORITATIVE QUARTERLY SHIPPING AND LOGISTICS JOURNAL

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The Critical Role of Transport and Logistics in Ghana's CONNECT24 Framework



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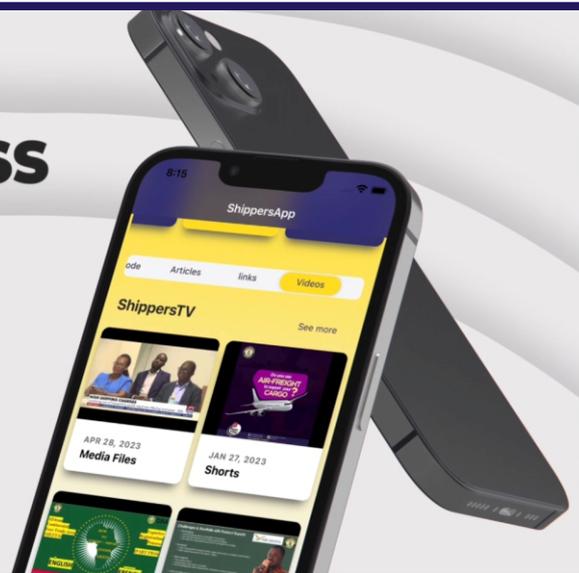


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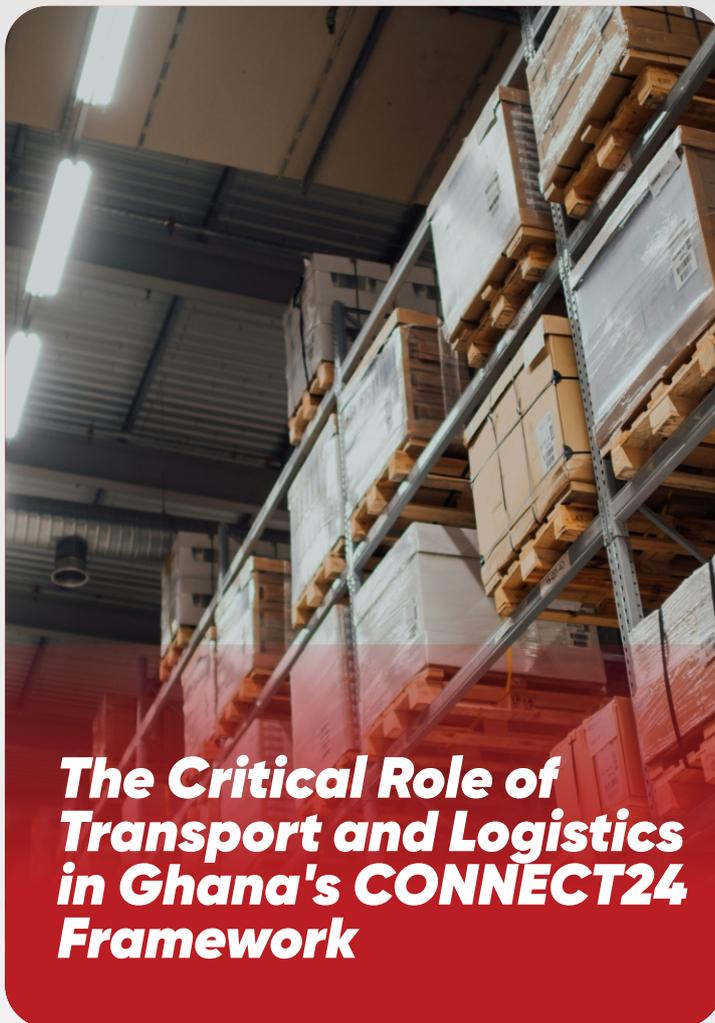
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The Critical Role of Transport and Logistics in Ghana's CONNECT24 Framework



Pamela Deh, CMILT

Introduction- CONNECT24 as Ghana's Strategic Supply Chain Redesign

In the contemporary global economy, the efficiency of a nation's transport and logistics architecture is inseparable from its competitiveness. For Ghana's policymakers, this reality underpins CONNECT24, the Supply Chain and Markets sub-programme of the broader 24H+ transformation agenda. CONNECT24 is not merely a logistics initiative; it is a strategic blueprint designed to confront persistent structural weaknesses that have long constrained Ghana's economic potential.

At its core, CONNECT24 seeks to build an integrated logistics and market system that enables seamless movement, storage, processing, and distribution of goods across domestic, regional, and global corridors. The initiative envisions Ghana as an economic system that functions without systemic friction, where cargo flows efficiently from farms and factories to domestic markets and export gateways with predictable reliability and cost effectiveness.

This vision reflects a fundamental recognition that logistics excellence is not a peripheral economic function but a foundational backbone of national productivity. CONNECT24 therefore aligns transport infrastructure development with digital market systems, institutional reforms, and targeted value-chain strategies. Through this alignment, the framework aims to enhance competitiveness, expand exports, and catalyze industrialization by

addressing bottlenecks that have historically inflated costs and fragmented value chains.

Ghana's Structural Logistics Inefficiencies

Despite its strategic location and growing trade ambitions, Ghana's transport and logistics sector remains constrained by deep-rooted inefficiencies. From the industry's perspective, the challenge has never been about effort or activity. Trucks move day and night. Ports operate continuous shifts. Warehouses rarely sit idle. The system is active. What it lacks is coordination, predictability, and cost discipline.

Decades of underinvestment in modal diversification, regulatory coherence, and logistics planning have entrenched a structure in which time uncertainty is normalised and inefficiency is absorbed as an operating condition. According to World Bank estimates, logistics-related costs in Ghana consume close to 15 percent of GDP, nearly double the level observed in efficient trading economies. It materialises daily as fuel burned in traffic congestion, assets stranded in queues, and working capital locked up in avoidable delays.

High Logistics Costs and Inland Transport Constraints.

The cost burden is particularly evident in land haulage. Industry data consistently shows that domestic inland transport can account for more than 50 percent of total logistics costs, especially along

corridors linking Tema to the middle belt and northern regions. This is not because distances are excessive, but rather time variability is built into the system. A truck that should reasonably complete two round trips in a week often completes only one. Congestion at port exits, multiple checkpoints, loading delays, and deteriorating road conditions stretch delivery timelines beyond planning assumptions. The result is chronic asset underutilization, higher per-unit transport costs, and reduced fleet productivity. These inefficiencies cascade through the supply chain, raising prices for manufacturers, traders, and consumers alike.



For Ghanaian exporters, the implications are even more severe. Elevated logistics costs act as a silent tariff, compressing margins and undermining competitiveness in international markets. This is particularly concerning given Ghana's stated ambition to increase non-traditional export earnings from approximately US\$3.5 billion to US\$10 billion by 2030, with logistics performance identified as a central enabling factor.

Port Inefficiencies and Trade Frictions

These inland challenges converge at Ghana's maritime gateways. The ports of Tema and Takoradi, while significantly expanded in recent years, continue to face operational bottlenecks that weaken trade efficiency. Congestion, documentation complexity, and inconsistent coordination between port agencies and hinterland transport systems extend cargo dwell times and raise the cost of doing business.

For exporters of cocoa, cashew, shea butter, processed foods, and manufactured goods, these delays translate into missed delivery windows, higher freight charges, and reduced access to premium international markets. Firms frequently encounter cargo clearance timelines ranging from six to twelve days, compared with the three to four days typical of more efficient ports globally. These delays impose hidden costs that ripple across supply chains, discouraging private investment and weakening Ghana's reputation as a predictable trading partner.

Fragmented Modal Integration

Beyond ports, Ghana's logistics system remains heavily skewed toward road transport, with limited integration of rail and inland water transport. This imbalance persists despite Ghana's possession of

Lake Volta, one of the world's largest man-made lakes, and the economic logic of rail for long-haul freight.

The absence of coherent multimodal architecture amplifies costs, isolates producers in the middle belt and northern regions, and constrains access to efficient trade corridors. Digital tools that could mitigate some of these inefficiencies such as real-time tracking, price transparency platforms, and supply-chain analytics remain underutilized or unevenly adopted, further limiting operational visibility and responsiveness.

Post-Harvest Losses and Value Leakage

The human and economic consequences of these systemic inefficiencies are most stark in agricultural value chains. Ghana continues to lose an estimated 20–30 percent of perishable agricultural output post-harvest, largely due to logistics constraints rather than production inefficiencies. Cold-chain breaks, delayed evacuation from farms, and inconsistent access to markets mean that significant value is lost before products ever reach the port.

These losses are not borne by farmers alone. They ripple through transporters, warehouse operators, exporters, insurers, and financiers, increasing risk premiums and reducing the overall attractiveness of agricultural investment. In aggregate, they represent a structural leakage of value from the national economy.

The industry has adapted in fragmented and defensive ways. Operators build buffers into schedules. Informal practices emerge to manage delays. Costs are passed downstream where possible. Yet these adaptations do not create efficiency; they merely enable survival within a constrained system. This is precisely the

environment that CONNECT24 seeks to transform.

The CONNECT24 Framework as a Strategic Response

Recognising these entrenched challenges, CONNECT24 positions transport and logistics not as ancillary support functions but as central drivers of systemic economic transformation. The framework is anchored on three interrelated pillars: regulatory harmonisation, infrastructure efficiency, and competitive value-chain integration.

Regulatory Integration and Predictability

A harmonised regulatory environment is essential to reducing uncertainty and cost. Historically, fragmented oversight and siloed agency mandates have generated duplicative processes and inconsistent enforcement. CONNECT24 advocates for a unified regulatory ecosystem in which Customs authorities, port agencies, transport regulators, and market institutions operate through shared protocols and interoperable systems.

Such predictability is critical not only for cargo clearance and scheduling, but also for investment planning. Global experience demonstrates that coordinated border and trade facilitation systems can reduce transit times by up to 40 percent, reinforcing the economic logic of CONNECT24's institutional reforms.

Efficient Infrastructure and Modal Integration

Infrastructure reform under CONNECT24 is both ambitious and foundational. Central to this agenda is the Volta Economic Corridor (VEC), a flagship multimodal initiative designed to integrate inland water transport, rail linkages, ports, industrial zones, and agro-export hubs. By aligning these modes, Ghana aims to reduce transport costs along key corridors by 30–50 percent, while expanding logistics access for inland producers.

Modernizing inland water transport through upgraded lake ports, new cargo vessels, and intermodal connections repositions Lake Volta from an underutilised asset into a strategic logistics artery. Complemented by a national cold-chain backbone, these investments directly address post-harvest losses and strengthen Ghana's capacity to compete in high-value export markets.

Data-Driven Market Systems

Beyond physical assets, CONNECT24 places strong emphasis on digital market systems. Platforms that provide price transparency, inventory visibility, real-time tracking, and data-driven decision support are expected to restructure relationships across value chains. For small and medium enterprises, such systems offer a pathway into formal supply chains with greater predictability and reduced transaction costs.

In this sense, digital systems function as connective tissue, ensuring that logistics operations are not only active, but intelligent, responsive, and accountable.

Conclusion- Reframing Logistics as a National Value Engine

CONNECT24 confronts a fundamental truth: transport and logistics are not merely cost centres, but engines of value creation. Ghana's longstanding challenges - high costs, fragmented modes, post-harvest losses, and regulatory inefficiencies are not isolated irritants, but symptoms of a system in need of deliberate redesign.

By advancing harmonized regulations, integrated multimodal infrastructure, digital market systems, and private-sector leadership, CONNECT24 offers a coherent pathway toward that redesign. It calls for a reconceptualization of logistics from a reactive support function to a strategic economic engine.

In an increasingly interconnected global economy, efficient logistics systems are no longer optional. They are prerequisites for countries seeking to industrialize, integrate regionally, and compete globally. Ghana's CONNECT24 framework therefore stands as a national imperative and a potential continental reference point demonstrating how strategic clarity, operational discipline, and systemic coordination can unlock economic value at scale.



Creating Value for the Shipper with GSA's Unique Shipper Registration Number



Ghana's shipping and logistics sector is poised for a significant transformation with the implementation of the Shipper Registration Number (SRN) following the enactment of the Ghana Shippers' Authority (GSA) Act 2024 (Act 1122). According to Section 28 (1)(b) of the Act, *"The Authority shall issue a shipper or shipping service provider who is registered under this Act with a registration number that shall be quoted by the shipper or shipping service provider in any dealings with the Authority or any other stakeholder in the shipping industry."*

It is important to note that the concept of a unique registration number for shippers is not entirely new. The requirement for such a number was already in force via the Ghana Shippers' Authority Regulations of 2012 (L.I. 2190), which operationalized the GSA's establishment Act of 1974, NRCD 254.

Specifically, Section 2(2)(b) of L.I. 2190 stipulated that GSA shall issue a shipper registered under these Regulations with *'a registration number which shall be quoted by the shipper in any dealings of the shipper with the Authority and with shipping service providers'*.

Under Act 1122 (2024), the SRN continues this requirement of creating a distinctive identifier for each shipper within Ghana's shipping industry.

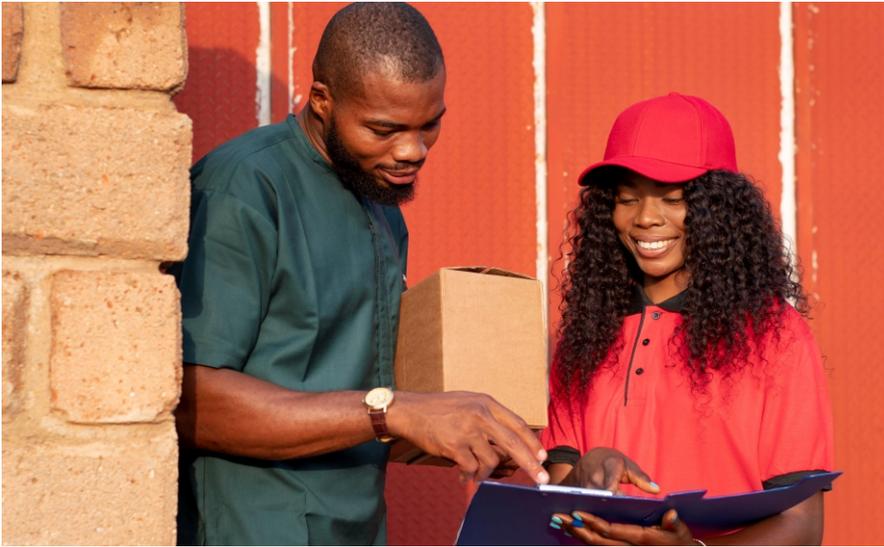
Requirements for the Registration of Shippers and Shipping Service Providers

A careful analysis of the provisions of Act 1122 (2024) reveals a significant expansion in the scope of the Unique Shipper Registration Number (SRN) compared to its previous rendition under L.I. 2190. Under Act 1122, (2024), the SRN is a requirement for not only shippers but shipping service

providers as well. This broadens the SRN's application, making it a key reference across the entire shipping ecosystem, including Freight Forwarders, Customs officials, shipping lines, importers, and exporters. In contrast, L.I. 2190 limited the requirement of the SRN to shippers only. This shift under the prevailing law reflects a more integrated approach to regulating the shipping sector, to ensure enhanced coordination, transparency, and compliance among all parties involved in shipping operations.

The key elements of Section 28 (1)(b) of Act 1122, (2024) are as follows:

a) Mandatory Requirement: Act 1122 (2024) mandates shippers and shipping service providers to register with GSA. Registration requires these entities to provide detailed information about their shipping operations, including the company name, location, phone



number, business registration number, Tax Identification Number (TIN), and the type of shipment or service provided, among other relevant details. These details are essential for effective monitoring, regulation, and transparency in the shipping industry.

b) Mandatory Issuance and Use:

Once a shipper or shipping service provider successfully registers, GSA will assign them a Registration Number, that is, the Shipper Registration Number (SRN). The registration number serves as an official identifier for the shipper or shipping service provider. It is a critical part of the process, as it allows GSA and other stakeholders to distinguish shippers and service providers in the industry.

The Act specifies that the registration number must be used by the shipper or shipping service provider *"in any dealings with the GSA and other stakeholders in the shipping industry. These stakeholders could include the Ghana Ports and Harbours Authority (GPHA), the Customs Division of the GRA, Freight Forwarders, Insurance Companies and Banks and any other entities involved in the shipping process"*.

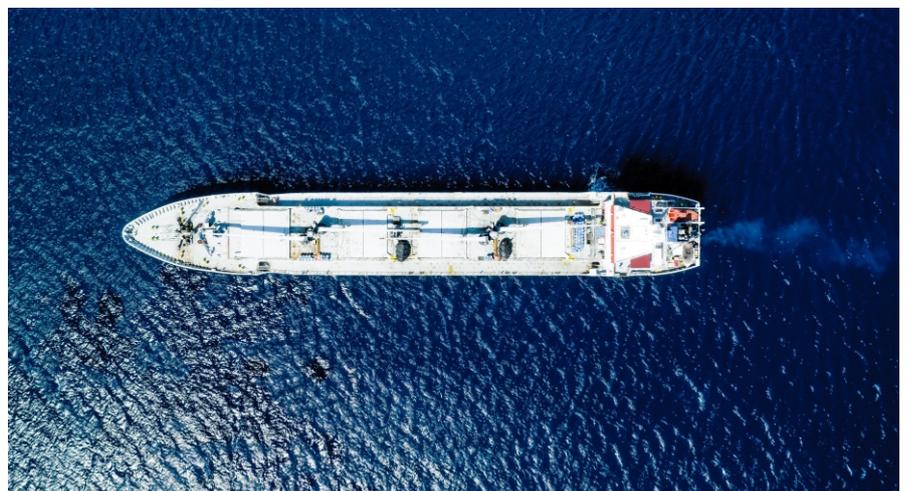
c) Essence: The unique SRN plays a critical role in maintaining

transparency within the shipping industry.

- **Easy Identification** - By assigning a specific identifier to each shipper or shipping service provider, GSA is enabled to ensure that all entities involved in shipping operations can be easily distinguished. The SRN thus promotes a more streamlined and efficient system for handling shipments, as well as for regulatory oversight.
- **Enhanced Effectiveness in Tracking** - The SRN facilitates effective tracking of shipping activities across various stages of the value chain. It allows stakeholders such

as Port Authorities, Customs officials, and Freight Forwarders to quickly verify the status and legitimacy of the shipper or service provider involved in a transaction.

- **Improved Accountability** - The SRN enhances accountability by providing a clear point of reference should regulatory checks, audits and inquiries be required. It ensures that shippers and service providers are held responsible for their actions and simplifies the process of resolving disputes and / or handling claims.
- **Effective Communication amongst Stakeholders** - The SRN serves as a tool for effective communication between different parties in the shipping industry. Whether for coordination with regulatory authorities, addressing concerns with shippers, or managing logistics with partners, having the SRN helps to create a more structured and reliable communication flow.



Benefits of the Unique Registration Number to Shippers

a. Ease of Clearing Goods at the Ports:

The Shipper Registration Number (SRN) of a shipper is integrated into the Integrated Customs Management System (ICUMS) to streamline the cargo clearance process at Ghana's ports and thereby reduce delay and enhance overall efficiency. For instance, when a shipper imports electronic appliances through the Port of Tema, their SRN will be directly linked to their shipment records on the ICUMS platform. That integration allows Customs officials to quickly verify the shipper's credentials and process their cargo with minimal delay.

The seamless exchange of information between GSA and ICUMS ensures that all necessary regulatory checks are completed promptly, making the clearance process smoother and faster. For shippers, this results in reduced clearance times, lower storage costs, and quick delivery of goods to the market. Ultimately, the SRN's integration with ICUMS does not only improve the efficiency of Customs procedures but also ensures a more transparent and reliable port operation, benefiting both shippers and the broader trade ecosystem.

b. Protection from Unscrupulous Conduct by Shipping Service Providers:

One of the key strengths of Act 1122 (2024) is that it solidifies GSA's role as a regulator in the commercial shipping industry. As mentioned earlier, Section 28(1)(b) expands GSA's authority by requiring shippers to quote their unique SRN not only when dealing with the GSA, but also when dealing with shipping service providers and industry stakeholders. Additionally, the Act mandates the registration of shipping service providers, in conjunction with the registration of shippers.

GSA is thus better positioned to protect the interest of shippers because, it is empowered and aptly enabled to monitor the entire spectrum of the shipping process effectively, and thereby manage to play its watchdog role potently. For example, the SRN makes it easier for GSA to prevent arbitrary fees from being charged during the clearance of goods from ports, as all service providers in the value chain are mandatorily registered and effectively monitored.



c. Improved Credibility and Image of the Shipper:

The SRN system significantly enhances the ability to track the activities of shippers' and ensures compliance with regulatory requirements. For example, a shipper exporting cocoa from Takoradi can be monitored through the SRN to ensure that they adhere to export regulations and standards. Such apt compliance with export regulations invariably inures to the benefit of the shipper, and impliedly the national economy.

For example; with the SRN, Ghanaian regulators are able to track a shipper's export history to ensure that all shipments meet the necessary quality and safety standards. This helps to improve the integrity of the shipper and as well build a positive reputation for Ghana in international trade.

d. Enhanced Corporate Image for Ghana:

Shippers benefit from a more level playing field because compliance is consistently monitored and enforced across board, promoting fair competition and integrity.

For instance, a shipper dealing in shea butter who exports from Tamale to the Netherlands can be monitored for Registration, Evaluation and Authorization of



Chemicals (REACH) (Regulation (EC) 1907/2006). REACH was implemented to ensure a high level of protection for human health and the environment, from chemicals manufactured and used in the European Union. Chemical substances that fall within the scope of REACH need to be registered with the European Chemicals Agency (ECHA) by the importer or manufacturer. With the SRN, regulators are enabled to facilitate full compliance proactively to forestall the avoidable cost of rejected non-compliant goods and its consequent impugned reputational damages and loss of market share and value.

e. Reduced Delay in Accessing Assistance from Shipping Service Providers: The unique identifier enables efficient management, retrieval, and analysis of shipper data. By assigning a distinct SRN to each shipper, GSA is able to maintain accurate and up-to-date records to reduce administrative burden and its attendant costs.

For instance, if a shipper in Tema needs to update their business address, the SRN allows for quick retrieval and modification of their records without extensive searches or manual cross-referencing. This efficiency does not only save time, but also minimizes errors and thereby enhances data integrity.

Similarly, a shipper based in Kumasi can use their SRN to quickly update their business information, such as a change in business name or ownership. The SRN, in this instance, provides a direct link to their records, and enables all updates to be promptly reflected across the GSA database without the shipper having to physically travel hundreds of kilometres to perform that very important administrative task.

Given that time is a critical element in the value chain of the shipping ecosystem, a system that increasingly enables more saving of time is certainly a value-adding one. The streamlined process the SRN offers, and which reduces

delays and enhances the ability of players in the industry to manage their operations more smoothly is undoubtedly a priceless benefit.

Conclusion

The implementation of the Shipper Registration Number (SRN) system represents a significant advancement in the Ghanaian shipping ecosystem. By providing a unique identity for every shipper registered under Section 28 (1)(b) of GSA Act 2024 (Act 1122), the SRN system enhances operational efficiency, data management, and regulatory compliance. The initiative underscores the Ghana Shippers Authority's (GSA) commitment to a more efficient, transparent, and competitive shipping industry in Ghana. Beyond streamlining shipping operations and reducing administrative burdens, the SRN strengthens the overall integrity and functionality of the shipping sector, making room for a more vibrant and sustainably viable industry to drive a positive trajectory in national socio-economic growth.

TESTIMONIALS

ABIGAIL ABA
Individual Shipper

I would like to commend the Ghana Shippers' Authority (GSA) for its timely and effective intervention in addressing concerns relating to the import charges on a vehicle I was clearing at the port. Following my engagement with the Authority, the matter was handled promptly and professionally, resulting in a reduction of GHS 3,000 in the charges required for clearance.

I particularly appreciate the diligence, consistency and efficiency demonstrated throughout the process. The swift follow-up and objective handling of the issue reflect the GSA's commitment to regulating the shipping and logistics sector in a manner that supports cost-effective operations for shippers.



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Ghana and Global Shipping in 2025: An Analysis of the Shipping and Logistics Sector in a Volatile Trade Environment



By: Samuel Eshun

A Global Industry Profitable in Motion but Poor in Returns

The global shipping and logistics industry entered 2025 in a paradoxical state. Ships were moving, ports were busy, yet balance sheets were shrinking. Global container demand expanded by approximately 3 to 4 percent in 2025, while total container fleet capacity grew by between 6 and 9 percent following the delivery of vessels ordered during the pandemic boom.¹ This imbalance placed sustained downward pressure on freight rates across the year. While rates remained above pre-pandemic averages, they fell sharply from the highs recorded in 2024, eroding margins across the liner shipping industry.²

The world's largest carriers felt the impact sharply. Maersk reported a decline of more than 60 percent in operating profit in its ocean segment by the third quarter of 2025, despite carrying higher volumes year on year.³ CMA CGM's net profit fell by over 70 percent year on year, while COSCO's nine month profit declined by roughly 30 percent.⁴ Shipping in 2025 was therefore not a story of collapse, but of erosion. Revenue fell faster than volumes, and efficiency gains struggled to offset falling rates and rising voyage costs.

Security, Tariffs and the Cost of Longer Oceans

Geopolitics deepened these pressures. Continued attacks on vessels transiting the Red Sea forced major carriers to divert via the Cape of Good Hope.

These diversions added between 3,500 and 4,000 nautical miles per voyage, extending transit times by up to two weeks and increasing fuel consumption by roughly 40 percent per trip.⁵ The Suez Canal, which typically handles about 12 to 15 percent of global trade and close to 30 percent of container traffic, experienced severe and sustained volume losses throughout 2024 and 2025.⁶

At the same time, renewed tariff tensions between the United States and China distorted trade flows. Importers frontloaded shipments ahead of expected tariff changes, temporarily inflating port activity, followed by noticeable slowdowns as higher duties took effect. US West Coast ports recorded declines in throughput and vessel calls during the adjustment period, reflecting softer trans Pacific demand rather than port specific operational failure.⁷ This volatility rippled outward, affecting secondary routes, including services touching Africa, which often rely on surplus vessel deployment rather than fixed liner priority.

Africa's Marginal Share in a Concentrated System

Africa's position in global shipping remained structurally constrained. In 2025, the continent accounted for a very small share of global container shipping activity and value. Container throughput growth in Africa outpaced global averages in percentage terms, but from a very low base. Only four African ports appeared in the Lloyd's List of Top 100 container ports in 2025, with Lomé consolidating its



position as West Africa's most competitive transshipment hub.⁸

This regional context is essential to understanding Ghana's performance. Ghana was not competing in a neutral market. It was operating in a crowded regional contest where cost, reliability and regulatory clarity mattered more than sheer physical capacity.

Ghana's Port Performance: Strong Volumes, Rising Expectations

Against this unsettled global backdrop, Ghana's ports delivered a comparatively strong operational year. Container traffic through Ghana exceeded 1.7 million TEUs, representing a 27.8 percent increase over the previous year.⁹ Growth continued into 2025, with container volumes maintaining double digit year on year expansion in the early months of the year. Tema Port alone handled approximately 1.66 million TEUs, accounting for about 95 percent of national container traffic.¹⁰

The completion of the Tema Port expansion fundamentally altered Ghana's capacity profile. The port now offers a designed annual container handling capacity of about 3.5 million TEUs and can receive vessels of up to 18,000 TEUs with a 16 metre draft.¹¹ This places Tema among the most technically capable ports in sub-Saharan Africa.

However, capacity did not automatically translate into revenue security. Global freight rate compression meant that higher throughput did not yield proportionate financial returns for shipping lines, terminal operators or service providers. Ghana's port system was moving more boxes in a lower value global environment.

Revenue, Trade and the Limits of Headline Growth

Ghana's broader trade performance in 2025 appeared strong in nominal terms. Merchandise trade in the first half of the year exceeded 338 billion

Ghana Cedis, with exports accounting for over 211 billion Cedis.¹² Yet this headline strength masked structural weaknesses. Gold alone accounted for roughly 60 to 65 percent of export value, followed by crude oil and cocoa.¹³ These exports are largely bulk and liquid cargoes rather than containerised goods.

When trade figures are adjusted for price effects, the picture becomes less flattering. Export unit values rose sharply in early 2025, inflating nominal surpluses, but real trade volumes stagnated and in some quarters contracted.¹⁴ This exposed a strategic misalignment. Ghana invested heavily in container infrastructure while its export base remained dominated by non containerised commodities.

Operational Frictions Beneath the Growth

Despite strong throughput figures, 2025 was marked by persistent operational complaints from importers and exporters. The Integrated Customs Management System, ICUMS, suffered intermittent breakdowns that delayed cargo clearance and increased dwell times at the ports. Importers reported system outages lasting several hours and in some cases extending across multiple working days, disrupting clearance workflows and compounding congestion.¹⁵

Demurrage and detention charges remained a flashpoint. Shippers complained that containers continued to attract demurrage during weekends, public holidays and periods of system failure. Industry associations argued that these practices transferred institutional inefficiencies onto cargo owners. Court actions and regulatory interventions in 2025 resulted in penalties and refund orders against shipping lines for applying unapproved charges, reinforcing concerns about arbitrary fee structures.¹⁶

Beyond demurrage, container administrative charges, processing fees and evacuation levies became a source of sustained conflict. Estimates from shipper groups and trade bodies suggested that Ghanaian shippers paid tens of millions of dollars annually in ancillary port related charges that were either poorly justified or inconsistently applied.¹⁷ These costs eroded Ghana's competitiveness relative to neighbouring ports, where total logistics costs were reported to be materially lower.¹⁸

Lomé's advantage was not theoretical. In 2025, the Port of Lomé handled over 1.9 million TEUs, surpassing Tema's container volumes and consolidating its position as West Africa's leading

transshipment hub. Abidjan followed closely, benefiting from faster cargo evacuation and lower administrative charges. The implication for Ghana was stark. In a region where cargo owners can re-route shipments with relative ease, operational friction and cost uncertainty risk diverting traffic away from Tema, regardless of its superior physical capacity.

Inland Logistics and the Bottleneck Beyond the Berth

The limits of Ghana's logistics system in 2025 were most visible beyond the port gates. More than 70 percent of freight continued to move by road, much of it along corridors operating at poor service levels. Truck congestion, axle load restrictions and deteriorating road surfaces routinely neutralised efficiency gains achieved at the ports, extending cargo dwell times and inflating inland haulage costs.¹⁹

Against this backdrop, the Boankra Integrated Logistics Terminal (BILT) remained both a constraint and a work in progress. Conceived as a multimodal inland hub linking Tema and Takoradi to the middle and northern corridors, BILT was approximately 80 to 85 percent complete by 2025 but had not entered full commercial operation. The Ghana Shippers' Authority played a central coordinating role, pushing implementation timelines and positioning the facility as a critical evacuation and consolidation point for domestic and transit cargo. Yet despite this progress, port capacity continued to expand faster than inland evacuation capability, keeping logistics costs elevated and transit times uncertain.²⁰

Conclusion

Ghana stands at a narrowing window. Port expansion has bought capacity, not loyalty. In a region where cargo can be re-routed overnight, cost overruns, system failures, and fee uncertainty are not minor flaws, they are exit signals. Lomé and Abidjan do not need to outbuild Tema, they only need to be cheaper, faster, and more predictable. At the same time, the global trade environment is hardening. Tariff wars are no longer temporary shocks, they are becoming a permanent feature of global commerce. The rivalry between the United States of America (USA) and China persists, Europe is militarising its economy, and Russia's confrontation with the West continues to re-draw shipping lanes and raise risk premiums. In this world, Ghana cannot plan for calm. It must plan for stress. Countries that treat competitiveness as optional will

discover that ships keep moving, trade keeps flowing, but the value and influence move elsewhere.

Footnotes

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TERMINOLOGIES

ACTUAL CONTAINER GROSS WEIGHT

Total weight of a container, i.e. the weight of the payload plus empty container weight, together with any loose internal fittings.



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The Paradox of Proximity: Why Intra-African Trade Costs More Than Global Trade — A West African Lens



 Frederick Kafui Agbleze

Despite the objective of creating a single continental market under the African Continental Free Trade Area (AfCFTA), the cost of moving cargo across African borders remains prohibitively high. This disconnect is particularly pronounced in West Africa, where shipping a container from Shanghai to Lagos; a 30-day voyage of roughly 12,000 kilometres can cost less than moving the same container for about 500 kilometres along the coast of Lagos to Accra. According to the West Africa Weekly, a shipment from China to Nigeria averages US\$2,500–3,000. The same container from Lagos to Accra could however exceed US\$4,000–5,000, often taking over a week. This proximity paradox exposes a deeper structural dysfunction: Africa's growing connectivity has not translated into cost efficiency, undermining regional trade

efficiency and highlighting the persistent structural challenges in coastal shipping and port-to-port connectivity.

Against this broader backdrop of constrained regional connectivity and high transport costs, Ghana stands out as a notable case within the African trade landscape. The country has emerged as one of the continent's more integrated trading economies, underpinned by expanding industrial activity and strengthened maritime linkages. According to the Africa Trade Report 2024, Ghana's intra-African exports rose to US\$4.8 billion in 2024, up from US\$3.5 billion the previous year. This performance positions Ghana as a contributor of approximately 3.8 per cent of Africa's intra-continental exports, underscoring its growing role in regional trade despite the persistent structural challenges. On paper, Ghana's

performance looks strong as it ranks 52nd globally on United Nations Conference on Trade and Development's (UNCTAD) Liner Shipping Connectivity Index (LSCI), ahead of most sub-saharan peers; yet this connectivity has not translated into cheaper trade. Traders moving goods along the short Lagos–Accra corridor face steep freight rates, Customs delays, and low cargo utilization. Ghana's experience highlights a critical truth: connectivity is necessary, but not sufficient. Without harmonized logistics systems and border reforms, the benefits of expanded port capacity are lost in a maze of inefficiency.

Across West Africa, the relationship between trade scale, logistics capacity, and cost efficiency remains uneven, with large volumes of commerce often constrained by persistent structural frictions. Nigeria

exemplifies this dynamic. As the region's largest economy, it dominates West Africa's trade landscape, with intra-African trade estimated by the African Export–Import Bank (Afreximbank) at US\$18.4 billion in 2024, more than double its 2023 level. This expansion has been driven primarily by petroleum exports and the operational ramp-up of the Dangote refinery, reinforcing Nigeria's position as a central gravitational force in regional trade. However, this scale has yet to translate into commensurate gains in logistics efficiency. Despite improving to 54th place globally on the Liner Shipping Connectivity Index (LSCI), Nigeria continues to perform weakly on broader logistics indicators. The World Bank's Logistics Performance Index (LPI) ranks the country 13th in Africa and 90th globally, reflecting entrenched infrastructure deficits, regulatory fragmentation, and limited intermodal connectivity.

These structural constraints are most visible in regional freight movement. Transporting goods from Lagos to neighbouring West African markets often remains more expensive and time-consuming than shipping comparable cargo to Europe or Asia. Poor road conditions, fragmented Customs procedures, and the absence of seamless road–rail integration increase transit times and elevate costs, underscoring a paradox in which Nigeria's economic weight attracts trade flows while logistics inefficiencies inflate the cost of moving goods across its borders.

A similar tension between connectivity and cost is evident further west. Côte d'Ivoire has emerged as one of the region's most important logistics nodes, supported by steady investment

and rising trade volumes. In 2023, its intra-African exports reached US\$11.38 billion, representing a 26 percent year-on-year increase. The Port of Abidjan, ranked 55th globally on the LSCI, has become a critical gateway not only for Ivorian commerce but also for landlocked economies such as Mali, Burkina Faso, and Niger. More than €60 million in logistics investments are currently underway, reinforcing Abidjan's status as a regional hub. Yet the benefits of port efficiency are frequently diluted as cargo moves inland. Goods destined for Mali must navigate multiple checkpoints and lengthy overland corridors, with each border crossing introducing additional administrative requirements, informal charges, and delays. In this sense, hub dependence generates hidden costs, as cumulative inland inefficiencies erode the advantages created by coastal connectivity.

For landlocked economies, these inefficiencies are magnified. Mali's trade performance illustrates how geography, when combined with weak corridor governance, can sharply elevate logistics costs. In 2023, Mali recorded intra-African exports of US\$2.52 billion and imports of US\$5.03 billion, yet the cost of transporting goods from ports such as Abidjan or Tema to Bamako can be two to three times higher than comparable coastal routes. Along corridors such as

Abidjan–Ouagadougou, internal transport expenses alone can account for the bulk of total shipping costs. Each transit point introduces additional paperwork, delays, and informal payments, compounding costs at every stage of the journey. Mali's experience highlights the multiplier effect of logistics inefficiency, where the cumulative impact of border and corridor frictions places landlocked economies at a persistent competitive disadvantage.

Taken together, these cases underscore a central challenge facing West African trade: increased volumes and improved port connectivity have not been matched by equivalent gains in inland logistics efficiency. As long as corridor governance, Customs harmonisation, and intermodal transport remain fragmented, the region's trade potential will continue to be constrained by high costs and uneven performance across national borders.

Five Structural Cost Drivers Across West Africa

1. Hub Dependency and Trans-shipment Inefficiencies

Regional maritime gateways such as Abidjan (Côte d'Ivoire) and Tema (Ghana) function as major trans-shipment and distribution hubs for multiple landlocked and hinterland





economies across West Africa including Burkina Faso, Mali, and Niger. While this centralization allows smaller countries without direct access to the sea to engage in international trade, it also introduces several structural inefficiencies and operational bottlenecks.

- **Congestion at Gateway Ports:** Heavy reliance on a few regional ports leads to chronic congestion, particularly during peak export seasons (e.g., cocoa, cashew, and cotton exports). The limited port capacity struggles to handle both domestic cargo and transit traffic for neighboring countries, resulting in vessel delays, extended dwell times, and higher demurrage costs.
- **Double-Handling and Increased Logistics Costs:** Most hinterland cargo must be offloaded, stored, and reloaded for onward transport (by road or rail), leading to multiple handling of goods. This double-handling increases the risk of damage, theft, and administrative delays all of which translate into higher end-to-end logistics costs.

- **Inefficient Transshipment and Customs Coordination:** The coordination between port authorities, Customs agencies, and inland border posts is often fragmented. Differences in Customs procedures, documentation requirements, and transit guarantees between countries create inefficiencies and increase clearance times for cargo destined for landlocked states.
- **Infrastructure Strain and Limited Hinterland Connectivity:** The high dependence on Abidjan and Tema exerts pressure on their road and rail corridors, which are often underdeveloped or poorly maintained. This leads to slow turnaround times and unpredictable transport schedules, discouraging investment and trade competitiveness.
- **Economic Vulnerability:** Concentration of trade flows through a few hubs makes the entire regional trade network vulnerable to disruptions such as port strikes, political instability,

or infrastructure breakdowns. A blockage at one hub can ripple across multiple countries' supply chains.

In essence, the regions over dependence on a limited number of gateway ports creates a cascade of logistical inefficiencies from port congestion to high transit costs undermining the competitiveness of hinterland economies and highlighting the need for diversified port development, corridor modernization, and improved regional coordination.

2. **Border and Regulatory Barriers —** Inconsistent ECOWAS Customs enforcement and multiple checkpoints add days to regional shipments.

Despite the existence of the ECOWAS Trade Liberalization Scheme (ETLS) and other regional protocols intended to promote free movement of goods, inconsistent Customs enforcement and non-tariff barriers across member states continue to hinder the smooth flow of regional trade. These border and regulatory inefficiencies add days, not just hours to transit times, raise costs and erode competitiveness for businesses operating within the subregion.

- **Inconsistent Application of ECOWAS Protocols:** Although ECOWAS countries have committed to harmonized Customs and transit procedures, implementation remains uneven. Some border posts still apply national-

level tariffs, additional documentation, or unofficial “facilitation” fees, contradicting regional trade Agreements. This inconsistency forces traders to navigate a patchwork of rules, increasing uncertainty and discouraging cross-border commerce.

leading to delays in cargo clearance. Limited adoption of single-window systems, poor interconnectivity between Customs agencies, and inconsistent use of electronic cargo tracking systems create duplication and inefficiency.

would under harmonized procedures. The inefficiencies raise the landed cost of goods, discourage regional sourcing, and limit the effectiveness of ECOWAS as a unified economic bloc.



- In summary, inconsistent enforcement of ECOWAS trade protocols, overlapping border controls, and persistent informal practices continue to act as major bottlenecks for regional trade. Addressing these barriers requires greater policy harmonization, digitization of Customs processes, and joint border management frameworks to create a truly integrated and efficient West African trade corridor.

- **Multiple Checkpoints and Roadblocks:** Along major trade corridors such as Tema–Ouagadougou, Abidjan–Bamako, and Lagos–Cotonou, transporters encounter numerous Police, Customs, and Military checkpoints. Each stop can result in inspections, informal payments, or lengthy administrative procedures, significantly slowing down cargo movement. Studies have shown that these stops could double travel time along certain routes and inflate transport costs by up to 30%.
 - **Cumbersome Border Procedures and Limited Digitization:** Many border crossings still rely heavily on manual paperwork and fragmented data systems,
 - **Lack of Coordination Between Border Agencies:** Multiple government entities, Customs, Immigration, Port Health, Standards organizations, and Security Services often operate independently at border posts, each with separate inspection and documentation requirements. This overlap increases dwell time for goods and drivers, reducing corridor efficiency.
 - **Impact on Regional Trade Competitiveness:** The cumulative effect of these barriers is significant. Transit goods destined for landlocked countries such as Burkina Faso, Mali, or Niger can take up to a week longer to reach their destination than they
3. **Low Return-haul Utilization** — With trucks and containers often returning empty, one-way freight effectively doubles in cost. The situation known as “*poor return-haul utilization*” is a major inefficiency in logistics for several reasons:
 - **Cost of an empty trip** – Transport operators must still pay for fuel, driver wages, tolls, maintenance, and depreciation even when no cargo is being carried on the return journey. Since these costs cannot be recovered through freight charges, they end up being added to the price of the outbound shipment.
 - **Doubling of effective freight cost** – If a truck carries goods one way but returns empty, the total cost of both legs of the

journey must be covered by only the outbound load. This makes one-way freight appear almost **twice as expensive**, reducing competitiveness for shippers.

- **Loss of operational efficiency**—Empty returns mean assets (trucks, containers, trailers) are not used to their full capacity, lowering overall productivity for logistics companies.
- **Imbalance of trade flows**—Low return-haul utilization often occurs in regions where imports heavily outweigh exports (or vice versa). This trade imbalance makes it difficult to find backhaul loads, worsening inefficiencies and increasing logistics costs.
- **Environmental impact**—Empty truck or container movements still consume fuel and produce emissions, contributing to unnecessary carbon output without any economic benefit.

4. Payment and Settlement Friction in Cross-Border Trade

Payment and settlement frictions remain one of the most significant cost drivers in cross-border trade, with fragmented currencies and reliance on offshore clearing systems adding an estimated 20–25 percent in transaction overheads. In regions where multiple national currencies coexist, even routine trade payments can become slow, expensive, and operationally complex, undermining competitiveness and constraining trade volumes.

Currency fragmentation forces buyers and sellers to rely on foreign exchange markets to

complete transactions. Each currency conversion introduces FX spreads, commissions, and bank charges, while exchange-rate volatility compels traders to factor in additional risk margins. These costs accumulate quickly, particularly for small and medium-sized enterprises (SMEs) operating on thin margins. The problem is compounded by limited access to hard currencies such as the US dollar or the Euro, which often pushes traders to seek external financing or pay premiums to source foreign exchange, further inflating the cost of trade.

The cumulative impact of foreign exchange (FX) spreads, correspondent banking fees, compliance costs, liquidity constraints, and settlement delays raise transaction costs by as much as 20–25 percent. This erodes price competitiveness, discourages formal trade, and weakens the potential benefits of regional integration.

The Pan-African Payment and Settlement System (PAPSS) has been developed specifically to address these structural inefficiencies. PAPSS enables cross-border payments between



These challenges are exacerbated by heavy dependence on offshore correspondent banking networks, because many domestic and regional banking systems are not fully interoperable. Cross-border payments are consequently, often routed through banks in Europe or the United States. This introduces multiple intermediaries, each charging fees and imposing compliance requirements, while extending settlement times from hours to several days. The resulting delays slow the release of goods, increase working-capital pressure, and lengthen cash-conversion cycles—effects that are particularly damaging for SMEs.

African countries directly in local currencies, without routing transactions through foreign intermediaries or requiring settlement in US dollars or Euros. By allowing participating banks and payment service providers to clear and settle transactions within the continent, PAPSS significantly reduces foreign exchange conversion costs, shortens settlement times, and lowers dependence on scarce hard currencies. Faster settlement improves liquidity management for businesses, while reduced transaction costs make regional trade more viable, especially for SMEs.

PAPSS, however, faces practical challenges that must be addressed for its full potential to be realized. Adoption across countries and financial institutions remains uneven, limiting network effects. Differences in regulatory frameworks, capital controls, and domestic payment infrastructures slows integration. In addition, trust, liquidity provisioning, and awareness among traders and banks need to be strengthened to drive widespread usage. Overcoming these challenges through coordinated policy support, regulatory harmonization, and continued investment in financial infrastructure will be critical to reducing payment and settlement friction and unlocking the full promise of intra-African trade.

5. Infrastructure Gaps and the High Cost of Port Operations

Infrastructure gaps remain a major driver of Africa's elevated trade and logistics costs, with port handling charges averaging around 50 percent above global norms. These higher costs reflect a combination of outdated physical infrastructure, limited capacity, and administrative inefficiencies that slow cargo movement and raise expenses for shippers, shipping lines, and ultimately consumers.

Across much of the continent, loading, unloading, and storing cargo is significantly more expensive than in other regions. Congestion, capacity constraints, and inefficient terminal operations mean that each container moved through African ports carries a higher cost. Many ports continue to rely on aging cranes, terminal trucks, and cargo-handling equipment that operate at slower speeds and are prone to frequent breakdowns. Limited investment in modern automation, digital tracking, and terminal management systems further increases container dwell times and labour costs.

Administrative and bureaucratic processes compound these physical constraints. Complex documentation requirements, manual clearance procedures, and overlapping mandates among Regulatory Agencies often result in long queues, repeated approvals for a single shipment, and frequent delays. These inefficiencies expose traders to demurrage and storage charges, adding substantial indirect costs to already expensive port operations.

Capacity limitations also contribute to congestion and higher charges. Shortages of deep-water berths, container yards, and warehousing facilities compel vessels to wait at

anchorage and cargo to accumulate in terminals. The resulting delays increase operating costs for shipping companies, and the costs are ultimately passed on to importers and exporters through higher freight and handling fees.

Even when port operations function relatively efficiently, weak connections to inland markets undermine performance. Poor road and rail links slow the evacuation of cargo, reduce intermodal efficiency, and raise the overall cost per shipment. This lack of integrated transport infrastructure prevents ports from operating as true logistics hubs and limits their contribution to regional trade.

The cumulative impact of these infrastructure gaps is loss of trade competitiveness. Higher port and logistics costs raise input prices for domestic industries, weaken the international competitiveness of exports, and increase the final prices paid by consumers. Addressing these challenges will require sustained investment in modern port equipment, streamlined administrative processes, expanded capacity, and stronger links between ports and inland transport networks to support more efficient and competitive trade across Africa.



Breaking the Cost Curve: Regional Priorities

To realise AfCFTA's transformative potential, West Africa must treat logistics reform as a growth strategy. Five priorities stand out:

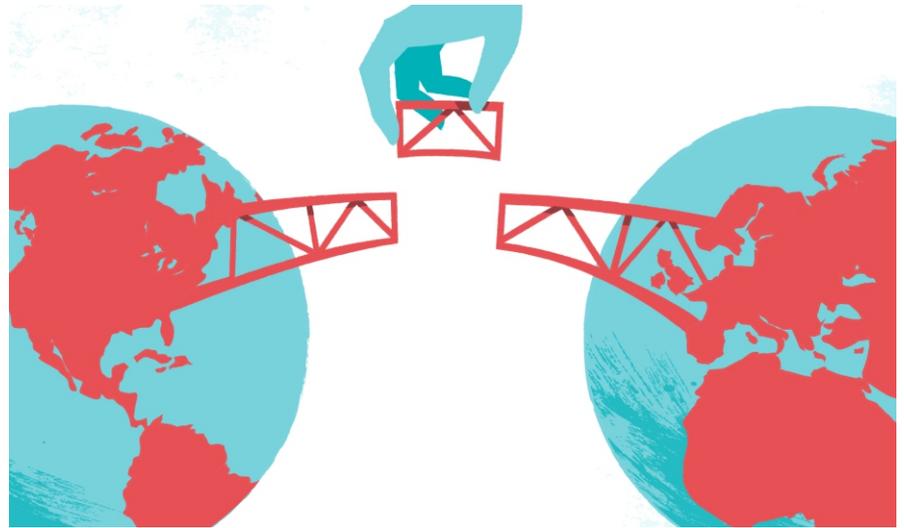
1. Invest in Multimodal Logistics to Improve Trade Efficiency

Improving the efficiency of trade flows in West Africa requires deliberate investment in multimodal logistics systems that integrate rail, road, inland depots,

and ports into a single, coherent network. Well-functioning multimodal logistics reduce transport costs, shorten transit times, and improve reliability, and thereby make regional trade more competitive and resilient. This is particularly important for Ghana and Côte d'Ivoire, which serve as key gateways for trade along the West African coast and into the hinterland.

Expanding and modernizing rail infrastructure that links major production and industrial zones to ports can significantly reduce congestion on highways and lower the cost of moving bulk commodities and containerized cargo. Rail offers a high-capacity and energy-efficient alternative to road transport, especially for exports such as minerals, agricultural produce, and manufactured goods. Complementing rail investments with upgraded road networks is equally critical. Reliable highways, feeder roads, and well-maintained corridors ensure efficient last-mile connectivity, predictable transit times, and safer movement of goods, particularly along key routes serving Ghana and Côte d'Ivoire.

The development of inland container depots, dry ports, and bonded logistics hubs closer to production centres can further transform trade flows. These facilities allow cargo to be cleared inland rather than at congested coastal ports, reducing pressure on port terminals, lowering transport and storage costs, and improving access for exporters and importers in remote or landlocked areas. For countries such as Burkina Faso and Mali, efficient inland logistics hubs linked to Ghanaian and Ivorian ports are essential for reliable access to global and regional markets.



Effective multimodal logistics also depends on integrated transport planning. Coordinating investments across rail, road, and port systems helps to eliminate bottlenecks, reduce unnecessary handling delays, and create seamless cargo movement from origin to destination. Such coordination encourages private-sector logistics providers to invest in fleets, warehousing, and value-added services, further strengthening regional supply chains.

By focusing on Ghana and Côte d'Ivoire as regional trade anchors, improved multimodal infrastructure can reinforce the Abidjan–Lagos corridor, enhance competitiveness in key export sectors such as cocoa, cashew, timber, minerals, and manufactured goods, and create more efficient gateways for inland economies. Overall, stronger multimodal logistics systems lower freight costs, reduce transit times, and improve reliability—key conditions for accelerating intra-African trade and realizing the full potential of the African Continental Free Trade Area.

2. Simplify Border Crossings to Reduce Trade Costs

Reducing delays and administrative barriers at border crossings is essential to lowering

the cost of regional trade and improving the efficiency of cross-border transport within ECOWAS. Lengthy clearance times, duplicated inspections, and inconsistent procedures along major corridors continue to add significant time and cost to the movement of goods, undermining the competitiveness of regional supply chains.

One of the most effective tools for addressing these challenges is the expansion of the ECOWAS One-Stop Border Posts (OSBPs), where Customs and Immigration authorities from neighbouring countries operate jointly in a single location. By eliminating duplicated checks and consolidating clearance procedures, OSBPs significantly cut processing times, reduce long queues of trucks at borders, and minimise paperwork. Experience from other regions, particularly East and Southern Africa, shows that when systems are fully integrated, clearance times can fall from several hours to under an hour, delivering substantial cost savings for traders and transport operators.

Equally important is the harmonisation of Customs procedures across ECOWAS member states. Differences in documentation requirements, inspection regimes, and clearance processes create uncertainty and

delays for traders operating across multiple borders. Aligning these procedures establishes predictable and uniform standards, reduces opportunities for informal payments, and accelerates cargo release. Harmonisation also supports the wider use of electronic pre-clearance systems and risk-based inspections, allowing authorities to focus on high-risk consignments while facilitating the movement of legitimate trade.

Digitization plays a critical role in simplifying border management. Electronic single-window platforms, digital cargo manifests, and electronic tracking systems reduce manual handling, limit human error, and improve transparency, resulting in faster and more reliable processing. These systems are most effective when accompanied by stronger coordination among Border Agencies. At many crossings, Customs, Police, Immigration, Health, and Standards authorities operate independently, leading to repeated inspections and unnecessary delays. A coordinated, multi-agency approach streamlines controls and shortens clearance times without compromising security or regulatory compliance.

Simplified and more efficient border crossings can have a transformative impact on intra-regional trade. Along key corridors such as Abidjan–Lagos, Lomé–Ouagadougou, and Tema–Bamako, reduced border delays lower logistics costs, strengthen regional value chains,

and improve market access for small and medium-sized enterprises. By making cross-border trade faster, cheaper, and more predictable, ECOWAS can deepen regional integration and advance the objectives of the African Continental Free Trade Area.

3. Develop Regional Shipping Lines to Strengthen West African Trade

Developing regionally focused shipping services along the West African coast particularly linking Lagos, Tema, and Abidjan offers a practical pathway to lowering logistics costs and reducing dependence on long-haul

reliability for time-sensitive goods and ease congestion at overburdened international transshipment hubs. For shippers, this translates into faster deliveries, reduced inventory holding costs, and greater predictability across supply chains.

Cabotage—coastal shipping operated by regional carriers remains underdeveloped in West Africa but represents a major opportunity to build domestic maritime capacity. Targeted incentives such as tax relief, reduced port charges, and access to financing for vessel acquisition can encourage the growth of local operators. A stronger cabotage regime would help retain freight revenues within the region, increase competition, and reduce overreliance on foreign shipping lines, while creating jobs and strengthening maritime expertise.

Direct connectivity among Lagos, Tema, and Abidjan is particularly important, as these ports handle a

substantial share of West Africa's trade. Establishing reliable coastal services between them would create a functional “triangle route” that allows cargo landed in one port to be quickly redistributed to others. This would improve links between industrial zones, support regional value chains, and reduce pressure on overstretched road corridors that currently bear much of the burden of intra-regional trade. By moving goods directly between regional ports, shippers can also avoid multiple handling charges, feeder vessel fees, and lengthy container dwell times associated with distant transshipment. The resulting



international carriers. Today, much of the region's cargo is routed through distant transshipment hubs in Europe or Asia before returning to neighbouring African ports, adding unnecessary time, cost, and complexity. Strengthening short-sea and cabotage shipping can reverse this inefficiency and support more resilient regional trade.

Short-sea shipping, which moves cargo directly between ports within the same region, can significantly cut transit times from weeks to a few days while lowering freight charges by eliminating long detours outside Africa. More direct services also improve schedule

reduction in logistics and handling costs is especially critical for small and medium-sized enterprises, which often struggle to absorb the high costs of long-haul shipping. Ultimately, stronger regional shipping services are essential to deepening intra-African trade. They enable manufacturers and processors in one ECOWAS country to serve neighbouring markets more efficiently, support the growth of regional supply chains in sectors such as agri-processing, textiles, fast-moving consumer goods, and automotive assembly, and align closely with the objectives of the African Continental Free Trade Area (AfCFTA). With predictable policies, streamlined maritime regulations, and well-structured public-private partnerships, West Africa can attract private investment into vessels, port infrastructure, and coastal logistics hubs that sustain a competitive and integrated regional shipping network.

4. Adopt Integrated Payment Systems to Reduce Trade Frictions

Broader adoption of integrated payment systems such as the Pan-African Payment and Settlement System (PAPSS) is critical to reducing the high currency conversion costs, settlement delays, and inefficiencies that continue to constrain cross-

border trade in Africa. Fragmented national currencies and heavy reliance on external correspondent banking systems have historically increased transaction costs and slowed trade flows across the continent. PAPSS directly addresses these challenges by enabling instant cross-border payments in local currencies, improving liquidity, reducing foreign exchange exposure, and accelerating settlement cycles.

Afreximbank has played a central role in advancing this continental payment infrastructure. As the architect and lead sponsor of PAPSS, the Bank has provided the financial backing and institutional coordination required to operationalize the system in close collaboration with the African Union and the AfCFTA Secretariat. Afrximbank also serves as the settlement agent, offering guarantees and liquidity support to participating central and commercial banks, a role that has been essential in building confidence, ensuring stability, and scaling adoption across multiple jurisdictions. Through continued system expansion, innovation, and strategic partnerships, Afrximbank's leadership is deepening financial integration and unlocking new opportunities for intra-African trade.

By allowing direct settlement in local currencies, PAPSS bypasses the need for costly and time-consuming conversions into hard currencies such as the US dollar or euro. This has the potential to dramatically reduce transaction fees, which in some trade corridors currently add 20–25 percent to the cost of doing business. Faster settlement—often in near real time—improves cash flow for traders and banks, enabling more efficient working-capital management and reducing dependence on short-term financing. Standardised payment protocols across participating countries further lower administrative overheads, reduce manual interventions, and minimise delays caused by incompatible banking procedures.

Integrated payment systems also play a vital role in advancing the objectives of the African Continental Free Trade Area. By simplifying cross-border transactions, PAPSS lowers financial barriers for small and medium-sized enterprises, allowing them to trade across borders without complex or costly banking arrangements. The system can also be extended to mobile money platforms and digital wallets, bringing informal traders and small exporters into the formal trade ecosystem and strengthening financial inclusion. Importantly, by bypassing offshore correspondent banks in Europe and the United States, PAPSS reduces settlement risk, cuts costs, and keeps more financial resources circulating within African economies.

5. Support Landlocked Economies Through Targeted Corridor Development

Landlocked countries such as Mali and other Sahelian economies face disproportionately high trade



costs due to their lack of direct access to seaports. Targeted infrastructure investment and supportive policy frameworks along key trade corridors can significantly reduce these disadvantages and improve economic integration with coastal markets.

Prioritising the development of roads, railways, and inland logistics hubs that link landlocked countries to major ports such as Abidjan, Tema, and Lagos is essential for improving trade efficiency. Well-maintained highways and bridges shorten transit times and reduce vehicle operating costs, while rail connections provide an efficient option for moving bulk cargo over long distances. Inland container depots and dry ports located near production centres allow for Customs clearance, storage, and consolidation closer to origin, easing pressure on coastal ports and lowering logistics costs for traders.

Policy coordination is equally important. Harmonised Customs procedures, simplified transit documentation, electronic cargo tracking, and the expansion of one-stop border posts can significantly reduce delays and bureaucratic bottlenecks along transit routes. These measures create more predictable and transparent trade environments for landlocked economies, strengthening regional integration and facilitating the development of cross-border value chains.

Reducing transport and logistics costs is critical for improving the competitiveness of landlocked countries, which often face freight costs 50–100 percent higher than those of coastal economies. Improved connectivity lowers the cost of both imports and exports, enabling domestic producers to compete more effectively in

regional and global markets. Beyond trade efficiency, better corridor infrastructure delivers broader economic and social benefits, including job creation in transport and logistics, improved access to essential goods and inputs, and expanded opportunities for agricultural and industrial exports from interior regions.

To ensure long-term sustainability, corridor investments should also incorporate climate-resilient design, taking into account risks such as flooding, extreme heat, and desertification. Building resilient transport and logistics networks will help safeguard trade flows and economic stability for landlocked regions, supporting inclusive growth across the continent.

Conclusion

Africa's trade paradox is not rooted in distance but in design. Even the continent's fastest-growing economies show that connectivity alone cannot deliver efficiency. Without deep structural reforms, Africa risks cementing a two-tier logistics landscape: one optimized for long-haul exports to Asia and Europe, and another that continues to penalize regional trade.

Across the continent, multiple initiatives are already addressing these structural inefficiencies. The **African Continental Free Trade Area (AfCFTA)** provides a framework for harmonizing trade rules and reducing tariff and non-tariff barriers, aiming to make intra-African trade as competitive as trade with external markets. On the financial side, the **Pan-African Payment and Settlement System (PAPSS)** is reducing transaction costs by enabling instant cross-border payments in local currencies, bypassing expensive

foreign intermediaries and improving liquidity for businesses.

In the air transport sector, the **Single African Air Transport Market (SAATM)** seeks to liberalize air services, expand route networks, and lower costs for passengers and cargo, while Regional Economic Communities (RECs) are rolling out **One-Stop Border Posts (OSBPs)** to streamline Customs and Immigration processes. With land transport, initiatives like the **Integrated Strategic Road Transport (ISRT)** corridors aim to improve road connectivity, reduce transit times, and support inland depots that link production hubs to major ports. Digital and regulatory reforms such as **electronic single-window platforms, digital manifests, and harmonized Customs procedures** are also transforming the efficiency of moving goods, people, and data across borders.

Despite these efforts, significant structural challenges remain. Port handling costs in Africa continue to exceed global norms, infrastructure gaps persist along key corridors, and fragmented payment, regulatory, and logistics systems hinder the seamless flow of trade. Administrative bottlenecks, limited intermodal integration, and inconsistent regulatory enforcement continue to raise the cost of moving goods within the continent. Until these inefficiencies are fully addressed, Africa will remain a continent where it can be cheaper to ship a container from Shanghai to Lagos than from Lagos to a neighbouring state, and the vision of a truly integrated African market will remain a dream deferred.



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Ensure the publication of approved freight rates, charges, & service standards of service providers for the benefit of the shipper.

TRADE FACILITATION

Resolution of shipper complaints at seaports, airports, and land border posts and crossing.

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Shipping Review

Maritrade

Digest of Maritime Statistics

Shippers App

The Admiral

SERVICE STANDARDS

Registration and issuance of certificates to new Shippers under Section 2 of the Ghana Shippers' Authority Regulations, 2012 (LI 2190).

Annual renewal of registration under Section 2 of the Ghana Shippers' Authority Regulations, 2012 (LI 2190).

Resolution of shipper complaints and enquiries.

SUPPORT SERVICES

Investment in infrastructure and logistic that creates value for importers and exporters across land, air, and seaports.

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Provide business opportunities for shippers including transit shippers across Ghana's ports, borders and corridors.

Conduct Industry Research to inform tailored advocacy.

Advisory Services (Legal, Commercial, Industry).



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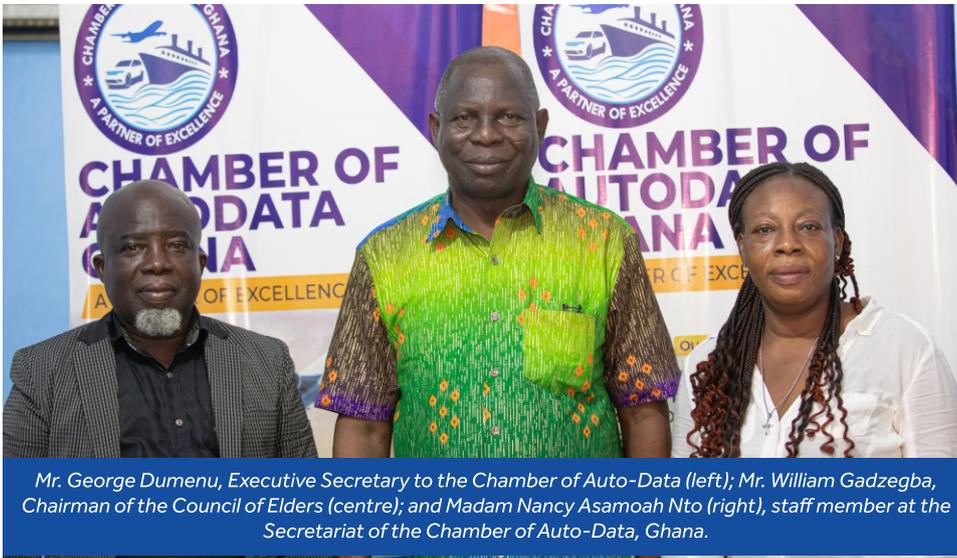
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GHANA SHIPPERS' AUTHORITY - Proving Shipping Solutions

From Figures to Facts: How the Chamber of Auto-Data Is Using Data to Shape Ghana's Automobile Industry

By: GSA News Desk



Mr. George Dumenu, Executive Secretary to the Chamber of Auto-Data (left); Mr. William Gadzegba, Chairman of the Council of Elders (centre); and Madam Nancy Asamoah Nto (right), staff member at the Secretariat of the Chamber of Auto-Data, Ghana.

Ghana's car import market has long been a vibrant part of its trade ecosystem, feeding strong consumer demand for used vehicles, including luxury vehicles. In recent years, however, industry stakeholders have observed and documented a worrying trend: a surge in imported vehicles being flagged as stolen after arrival and clearance at local ports.

Between January and July 2025, Ghana's Criminal Investigations Department (CID) in collaboration with Customs, Interpol and other international partners including the FBI confirmed the recovery of 43 luxury vehicles that had been reported stolen overseas and shipped into Ghana. These included premium brands such as Rolls-Royce, Porsche, BMW and Mercedes-Benz traced back to thefts in Europe and North America. Of the 43 vehicles impounded, 18 have been ordered by competent courts of law in Ghana to be repatriated to their countries of origin, and eight have already been returned in compliance with the court order. The remaining cases are at various stages of adjudication.

The issue is not isolated to high-end vehicles. The Economic and Organised Crime Office (EOCO) has pointed to recoveries involving popular models such as Honda CR-Vs, Ford F-150s and Range Rovers, highlighting the wide scope stolen vehicles shipped to the Ghanaian market have assumed.

What makes the trend more troubling is how deeply it is intertwined with Ghana's trade and logistics processes. Many of the vehicles flagged as stolen had

passed through the ports, and had been fully cleared, with all applicable import duties paid. Authorities, however, to insist that Customs clearance, on its own, does not establish legitimate ownership, particularly where documentation from the country of origin is incomplete, falsified or obtained through fraud.

It is against this backdrop, and other systemic irregularities within the automobile trade, that the Chamber of AutoData Ghana (CAG) was formed. Speaking to the Shipping Review in Accra, the Executive Secretary of the Chamber of AutoData Ghana, Mr. George Dumenu, explained that the Chamber was established to address persistent data and verification gaps that leave importers, buyers and even regulators exposed.

The Chamber of Auto-Data Ghana's role in the Automobile Industry

The Chamber of AutoData Ghana is a professional industry body established in 2022 and dedicated to leading the advocacy for the growth and development of Ghana's automobile ecosystem. It focuses on collecting, validating, and analyzing vehicle and market data to support a clearer understanding of what enters the country, how vehicles are traded, and how they move through the regulatory chain, from port clearance to registration.

Using technology-driven tools and verified datasets, the Chamber provides timely access to information for auto dealers, fleet operators, regulators, insurers, financial institutions, and policy makers. This data-led approach helps to reduce uncertainty in the market, supports compliance with existing regulations, and strengthens risk assessment across the import and distribution process.

CAG's work has become increasingly critical amid growing concerns over imported vehicles flagged as stolen. By promoting data checks, traceability, and



A delegation from the Chamber of Auto-Data, Ghana, led by its Executive Secretary, Mr. George Dumenu, during a courtesy call on the Board Chairman of the Ghana Ports and Harbours Authority (GPHA), Mr. Johnson Asiedu Nketiah

cross-border information sharing, the Chamber contributes to the effort aimed at protecting consumers, safeguarding legitimate businesses, and supporting enforcement Agencies to curb illicit vehicle inflows. Through research, stakeholder engagement, and advocacy, CAG has positioned itself as a trusted source for evidence-based data for a policy-driven automobile industry positioned for sustainable growth.

Despite its relatively short existence, the Chamber's work has drawn the attention of key stakeholders, including the Ghana Ports and Harbours Authority (GPHA), the Ghana Union of Traders Association (GUTA), the Customs Division of the GRA, the Ministry of Trade, and the Ghana Shippers' Authority (GSA). Through regular engagements with these statutory regulatory Agencies, CAG has provided credible data to update institutional databases and offer insights to shape policies that support the growth and development of the sector.

The Chamber has also worked to map not only import flows but the broader automotive ecosystem in Ghana. This includes associations of new and used vehicle dealers, local assemblers, motorbike and tricycle associations, artisan garages across the regions, and spare parts dealers. The intent is to go beyond the pooling of topline trade data to capture the communities that depend on the industry for their livelihoods.

Stolen Vehicles: A Three-Dimensional Problem

Mr. Dumenu breaks down what he terms the three dimensions of the stolen car phenomenon in Ghana:

First is domestic theft, where vehicles are stolen locally; another is cross-border theft within the Economic Community of West African States

(ECOWAS) where vehicles driven legally under ECOWAS protocols are diverted; and thirdly, and perhaps the most visible, is the importation of vehicles stolen abroad, usually from the United States of America (USA) and Canada, and often tied to sophisticated frauds involving rental contracts, hire-purchase defaults or forged documentation.

"It's often not because the people clearing these cars here want to break the law," Dumenu says. "It's because the system allows these cars to be cleared before the international status of the vehicle is fully verified."

According to CAG, more than 450 vehicles imported into Ghana were flagged as stolen between 2023 and 2025. "These stolen or fraudulently acquired vehicles often come to light only when traced back to their countries of origin, long after they have changed hands in Ghana," Mr. George Dumenu, explained. "In many cases, neither the importer, Customs officials, nor the dealers are aware that a vehicle is stolen at the time of clearance." He added that the Chamber will intensify engagements with the relevant authorities to review import regulations, with the aim to address the issue and flag potentially stolen vehicles at the point of clearance.

CAG's Proactive Intervention to Address the Issue

One clear message from both enforcement Agencies and industry players like the Chamber of AutoData Ghana (CAG) is the need for rigorous vehicle history checks before importation and sale. A core recommendation by CAG is the verification of the Vehicle Identification Number (VIN) or Chassis number through international databases such as Interpol's Stolen Motor Vehicle Database. This step can reveal whether a vehicle has been reported stolen in its source market.

In a proactive move to protect buyers and strengthen sector integrity, the Chamber has begun facilitating vehicle verification checks in collaboration with Interpol through Ghana's Criminal Investigations Department (CID). "Anyone looking to purchase a vehicle can contact us, and we will submit the VIN to Interpol for a comprehensive history check on their behalf," Mr. Dumenu assured.

Such due diligence is critical, as enforcement Agencies have repeatedly emphasized that Customs clearance alone does not shield buyers from later seizures or legal disputes if a vehicle is flagged as stolen abroad. Through this initiative, CAG is going

beyond advocacy and is actively intervening to enhance transparency in the industry and safeguard Ghana's reputation internationally.

CAG Advocates for Local Content to Reduce Stolen Vehicle Incidence

In furtherance of its watchdog role, t CAG is calling for stronger local content in the automobile industry as a strategic means to mitigate the growing problem of imported vehicles being flagged as stolen. According to the Chamber, a significant portion of Ghana's used vehicle imports that are later reported as stolen due to gaps in verification and weak traceability in the supply chain arrive from North America, with others from Europe and Asia.. "Building a stronger local auto industry is not just about economic growth," explains Mr. George Dumenu. "It's about improving transparency, traceability, and security across the sector. Vehicles produced or assembled locally are easier to track, document, and regulate."

CAG highlights several examples where local content could make a tangible difference:

- **Vehicle Assembly:** By promoting local vehicle assembly, including from imported kits (Completely Knocked Down units), Ghana can ensure that vehicles come with verifiable documentation from the point of production. This approach reduces dependence on fully imported used vehicles, which are often difficult to trace. In this context, indigenous automobile manufacturers, such as Kantanka Automobiles, should be given targeted support to scale their operations, while other local players are encouraged to establish or expand domestic vehicle manufacturing capabilities.
- **Local Manufacturing of Spare Parts:** Currently, a large proportion of vehicle parts are imported into Ghana. Developing local production of critical components such as engines, suspension systems, and body parts would enable authorities to track and register these parts more effectively, and thereby make it significantly more difficult for stolen vehicles to be introduced into the market with falsified documentation. Special attention should be given to the country's spare parts sector, particularly the dealers in Kumasi's automotive hub (Kumasi Magazine), who already manufacture a range of vehicle components. Strengthening and formalizing this local capacity would

not only enhance traceability and reduce fraud but would also support the growth of Ghana's indigenous automotive industry.

- **VIN Registration and Verification:** Integrating local assembly and production of vehicle parts with a national Vehicle Identification Number (VIN) system will ensure that each vehicle is uniquely traceable from manufacturing to sale. This would complement the Chamber's ongoing collaboration with Interpol and the CID.
- **Supporting Indigenous Dealers and Artisans:** According to CAG, Ghana's automobile artisan community including garages, spare parts dealers, motorbike, and tricycle associations employs over four million people. They believe that strengthening this ecosystem can reduce dependence on imports and improve oversight, while also creating jobs.

Mr. Dumenu further advocates that, adopting local content policies, similar to practices in countries like Nigeria, would allow Ghana to implement robust anti-theft measures. "In Nigeria, local assemblers source many components domestically, which helps to trace vehicles and prevent fraudulent imports," he notes. "Ghana can replicate this model, to ensure that the vehicles on our roads are verifiably legitimate, while boosting local industry and employment."

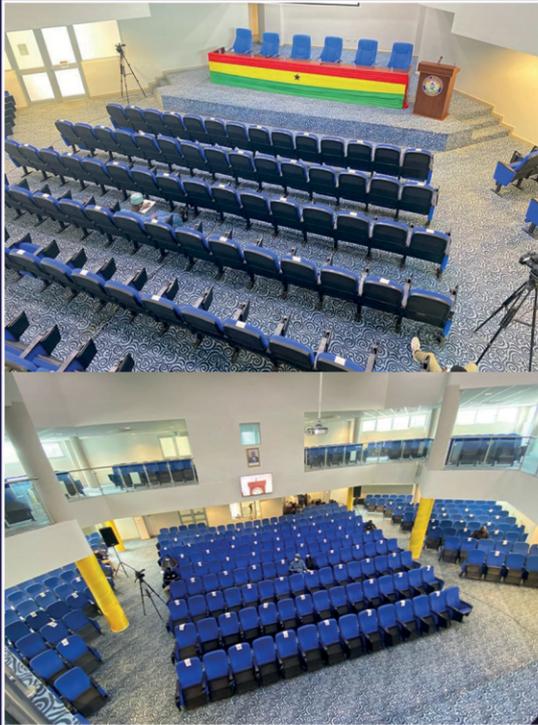
Conclusion

In conclusion, the Chamber of AutoData (CAG) is calling on the government to facilitate and incentivize the local assembly of vehicles, encourage the production of domestic parts, and integrate all stakeholders under a coordinated regulatory framework. Such measures, they believe, would not only reduce the incidence of stolen vehicles ending up in Ghana, but would also position the country as a credible and transparent hub for automotive trade in West Africa.





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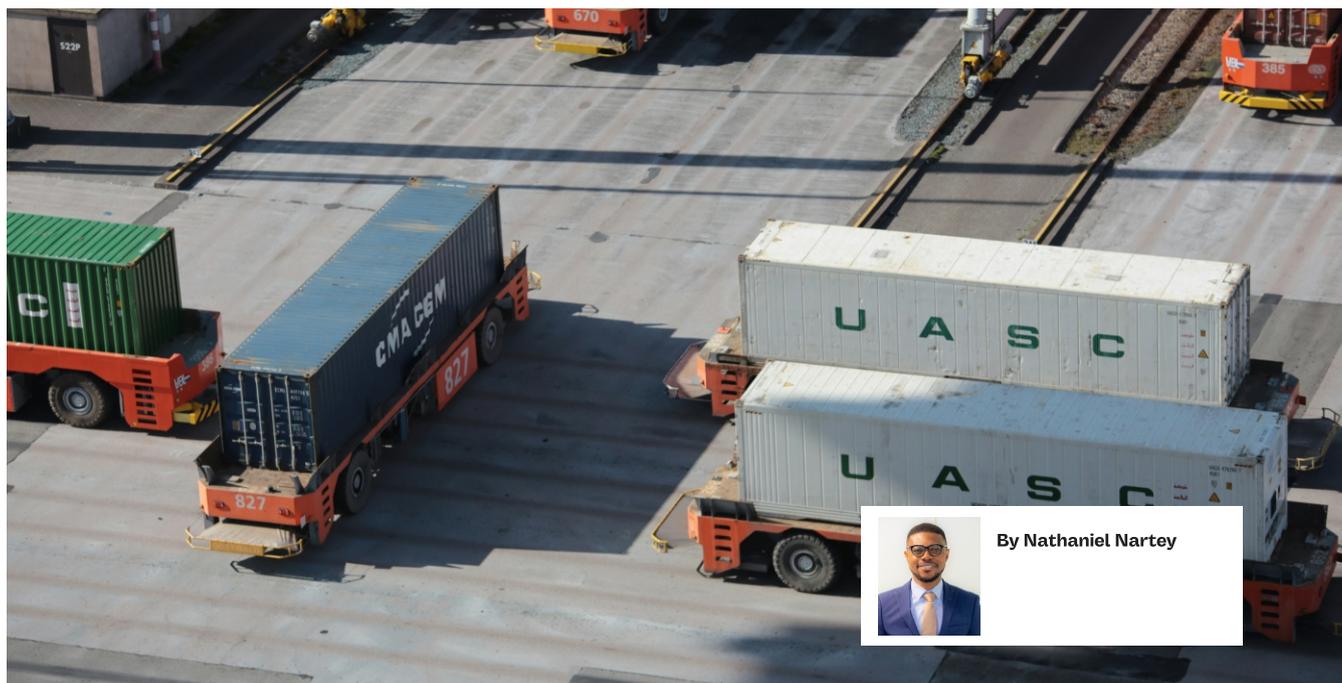
FEATURES

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



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Recommendations to Curb Illicit Outflow in Ghana's Import Declaration System



Introduction

Recent disclosures in Ghana's fiscal policy process have brought renewed attention to the structural vulnerabilities within the country's trade, transport, and logistics ecosystem. In presenting the 2026 Budget and Economic Policy to Parliament on 13th November 2025, the Minister for Finance, Dr. Cassiel Ato Forson, outlined evidence of what may constitute one of the most consequential integrity failures in Ghana's contemporary trade administration framework. Central to this revelation was the reported misuse of the Import Declaration Form (IDF) regime, through which an estimated US\$31 billion is believed to have been transferred out of the country without any corresponding physical importation of goods.

According to the Minister's presentation, transaction records captured on Ghana's Integrated Customs Management System (ICUMS) between April 2020 and August 2025 show more than 525,000 IDF-linked foreign exchange transactions, representing approximately US\$83 billion in outward transfers. Of this volume, only 10,440 transactions, valued at approximately US\$52 billion, were demonstrably linked to actual cargo entering Ghana's ports. The residual US\$31 billion, therefore, appears to have exited the economy without verifiable trade flows. Compounding this exposure, the Minister further indicated that widespread under-declaration of import values—estimated at GH¢76 billion—may

have resulted in approximately GH¢11 billion in foregone import-related tax revenues over the period under review.

Of particular concern was the disclosure that more than 17,700 IDF applications reportedly exceeded the US\$200,000 advance payment threshold established by the Bank of Ghana, enabling unverified foreign exchange transfers in excess of US\$20 billion. By explicitly identifying the IDF framework as a conduit for large-scale capital leakage, the Budget statement has reignited longstanding industry concerns regarding documentation loopholes, fragmented regulatory oversight, and weak inter-agency coordination. These deficiencies, long acknowledged within logistics and trade circles, continue to undermine the integrity, transparency, and efficiency of Ghana's cargo clearance and trade finance processes, with far-reaching implications for transport governance, supply chain reliability, and economic accountability.

The Toll on the Shipping & Logistics Sector

This is not just a revenue problem. For Ghana's shipping and logistics sector, the abuse of Import Declaration Forms strikes at the heart of trade volumes, demand, and confidence. When billions of dollars are wired offshore under the guise of imports that never arrive, there is no cargo loaded, no vessel call, and no clearing process. The result is fewer containers through Tema and Takoradi, thinner

terminal throughput, and lost income across the value chain, from port authorities to freight forwarders, hauliers, and ship agents. The damage runs deeper. Sustained pressure on the cedi, driven in part by these phantom import payments, pushes up operating costs across maritime trade. At the height of the currency slide in the latter period of 2022, when the cedi briefly traded at unprecedented levels against the dollar, the knock-on effects were immediate. Bunker costs rose. Fuel prices surged. Insurance premiums climbed. Financing became tighter and more expensive for shipping lines and logistics operators who were already working on slim margins. Port investments suddenly looked riskier, and returns were harder to justify.

If Ghana genuinely intends to position itself as a serious West African trade hub, this is a contradiction it cannot afford. Capital flight disguised as trade hollows out the very ecosystem the country claims to be building. You cannot grow port traffic, deepen transshipment volumes, or attract long-term maritime investment when trust in trade documentation is eroding, and foreign exchange is bleeding through paperwork rather than cargo holds.

Why the IDF Framework Is Breaking Down

The Import Declaration Form system, designed to link foreign exchange outflows to actual imports, has increasingly been exploited, exposing structural gaps and compliance weaknesses, including the following:

Weak Link Between Paperwork and Physical Trade

Originally designed to link foreign exchange outflows to actual imports, Ghana's IDF system has revealed a persistent gap between documentation and real cargo movements. Between April 2020 and August 2025, over 525,000 transactions worth approximately US\$83 billion were processed through the Integrated Customs Management System, yet only around 10,440 of these transactions corresponded to actual goods arriving at Ghana's ports, leaving roughly US\$31 billion moved abroad without imports. This discrepancy highlights how the system can be manipulated to transfer funds under the guise of trade, putting significant pressure on foreign reserves and contributing to cedi depreciation.

Banks and Compliance Gaps

The scale of these irregularities points to systemic compliance weaknesses beyond Customs alone. Investigations and internal reporting by the Business

& Financial Times newspaper indicates that Ghana's commercial banks processed billions of Cedis in foreign currency transfers without verifying that goods ever entered the country, in some cases ignoring the Bank of Ghana's US\$200,000 advance payment limit and required supporting documentation. This lack of due diligence means that banks have become facilitators of unverified outflows, approving transfers based on IDFs that are never reconciled with actual import documentation or cargo arrival data. The absence of robust, real-time cross-checks between Customs, banks, and regulatory databases has allowed these patterns to persist.



Documentation Abuse and Under-Invoicing

The failures of the IDF system are compounded by broader weaknesses in the trade documentation and verification process. Comprehensive assessments have found widespread under-declaration of import values, trade mis-invoicing, and the use of single or multiple IDFs in ways that disconnect them from the true flow of goods, depriving the state of billions in duties and taxes. In many cases, the system has been used not to monitor legitimate cargo but to green-light foreign exchange transfers on the strength of pro-forma invoices or incomplete paperwork, with no mechanism to ensure that the goods actually arrive or are cleared through ports. As a result, rather than anchoring foreign exchange outflows to verifiable trade, the IDF regime has been exploited in ways that mirror trade-based illicit financial flows, exposing deep structural weaknesses in Ghana's trade oversight architecture.

Fixing the Trade-Finance-Customs Triangle: Recommendations

Below are practical, industry-rooted reforms Ghana must push aggressively to plug this leakage:

Strengthen ICUMS-Bank Real-Time Reconciliation

A practical example already exists in Ghana's recent experience. In 2022, the Bank of Ghana publicly acknowledged that large volumes of foreign exchange were leaving the country through advance import payments that never translated into physical goods, a trend that came into sharp focus during the Cedi's steep depreciation. Some importers raised multiple Import Declaration Forms and secured dollar transfers through local banks, yet months later there were no matching manifests, no terminal receipts at Tema or Takoradi, and no clearing records within ICUMS. The gap was only detected retrospectively, through reconciliation exercises and audits, long after the funds had exited the system. Had ICUMS been cross-linked in real time with bank payment platforms, those repeated IDFs and outward remittances without corresponding cargo arrivals would have stood out immediately and triggered a "hold" status pending verification.

Those episodes offer tangible, verifiable illustration of why recording IDFs alone is inadequate, and why the need for live data matching. Automated red flags, and pre-transfer compliance checks are no longer optional, but essential to protecting Ghana's trade and foreign exchange ecosystem.

Implement A Smarter Advance Payment Regime

A smarter and more disciplined advance-payment framework will help to close the loopholes that allow funds to leave the country without matching cargo. Instead of applying a blunt US\$200,000 ceiling to every importer, a risk-based structure would recognise the different compliance records across the trading community. Companies that are already accredited under the Authorised Economic Operator (AEO) programme, for example, have demonstrated strong internal controls and predictable trade behaviour at the ports. Firms like Nestlé Ghana, Olam, or Unilever Ghana often qualify for AEO

privileges because they undergo continuous Customs audits and meet stringent supply-chain security standards. Allowing such low-risk operators to process higher advance-payment values would not only ease legitimate trade flows but would also free Customs and the Bank of Ghana to focus their scrutiny where it matters most.

For newer traders or importers with inconsistent documentation trails, tighter advance-payment thresholds are necessary. Ghana has repeatedly seen cases where entities with no physical presence at the ports, no track record with Customs, or no evidence of warehousing relationships initiate large transfers without any subsequent shipment. A risk-tiered approach would prevent this by requiring such operators to demonstrate credibility over time before accessing larger transfer volumes.

The high-risk category demands even stronger safeguards. Importers with past compliance breaches, pending Customs infractions, or unexplained gap between declared cargo and actual arrivals should not be allowed to move significant funds without security measures in place. In such cases, the system should require *estoy a stardelements*, bank guarantees, or insurance bonds that can be utilised where the import does not materialise.

Ghana's downstream petroleum sector already applies similar safeguards: bulk oil distributors are required to post financial guarantees before lifting products, ensuring a clear recovery pathway for any unforeseen default. Applying the same discipline to the import declaration environment would bring predictability and accountability to an area that has long operated on trust rather than verification.

Smart Port Note (SPN) System and Comprehensive Supply Chain Verification

To tighten anti-fraud controls and strengthen trade compliance, Ghana's Customs must move beyond reliance on import-finance paperwork and ensure that every Import Declaration Form (IDF) is validated against hard evidence. Verification should hinge on original Bills of Lading, Port Receipts, and Independent Surveyor Reports, supported by on-site confirmation that the cargo has physically landed. Entries into the Integrated Customs Management System (ICUMS) must be cross-checked against these supporting documents, so that, payments would only be cleared when the respective cargo arrives and is fully verified.



In line with this approach, the Ghana Shippers' Authority (GSA) has recently partnered with Inter-Ocean Maritime and Logistics Institute Limited to implement the Smart Port Note (SPN) system for all shipments to and from Ghana, including transit cargoes. The system is designed to enhance trade facilitation, cargo monitoring, compliance enforcement, and the availability of reliable shipping and logistics data.

By combining ICUMS cross-verification with the SPN system, Ghana's ports will achieve real-time cargo tracking and robust fraud prevention, to ensure that only genuine shipment is cleared and the full chain of a transaction is verifiable from origin to arrival.

Scale Up of the Authorised Economic Operator Program

Ghana's Authorised Economic Operator (AEO) programme; still in its early stages offers a powerful model for balancing supply-chain security with trade facilitation. Under the World Customs Organization's Secure and Facilitate Global Trade (SAFE) Framework of Standards, AEO-certified firms benefit from lower risk profiling, priority treatment at Customs, and streamlined procedures. The Ghana Revenue Authority (GRA) recognized this potential in 2024 by certifying nine companies, including major players such as Meridian Port Services (MPS), Ghana Ports & Harbours Authority, Guinness Ghana, Nestlé Ghana, and Imesco Ghana. To maximize the AEO programme's impact, two strategic moves are critical. First, Ghana must urgently broaden uptake: more companies, especially in logistics, freight forwarding, and manufacturing must be encouraged and /or incentivized to apply to be certified. The GRA's own AEO User Manual states clearly, that small and medium-sized enterprises (SMEs) are eligible for certification.

By expanding and enhancing the AEO scheme, Ghana will be able to build a more credible, efficient, and secure trading environment. More certified firms would not only deepen trust with Customs and thereby facilitate the pace of the clearance process at the seaports, land borders and other entry points, but would also help to drive down the risk of illicit trade, a critical necessity in the face of recent pressures on the import-declaration system.

Institutional Transparency & Accountability

The Ghana Revenue Authority (GRA), together with the Financial Intelligence Centre (FIC) and the



Economic and Organised Crime Office (EOCO), must publish a quarterly IDF-transparency report. This should include data on total IDF applications, their value, the number of transactions linked to verified cargo, cases flagged for review, and enforcement actions taken. Such a report would not only signal accountability, but would also empower civil-society groups, shippers, and freight-forwarders to hold officials to account. Such a step would help to rebuild confidence in a trade system that has been rocked by allegations of illicit financial flows.

The mandated authorities could also consider creating a "whistleblower channel" backed by safeguards and reward mechanisms for reporting suspicious IDF activity..

Conclusion: A Trade System at a Crossroads

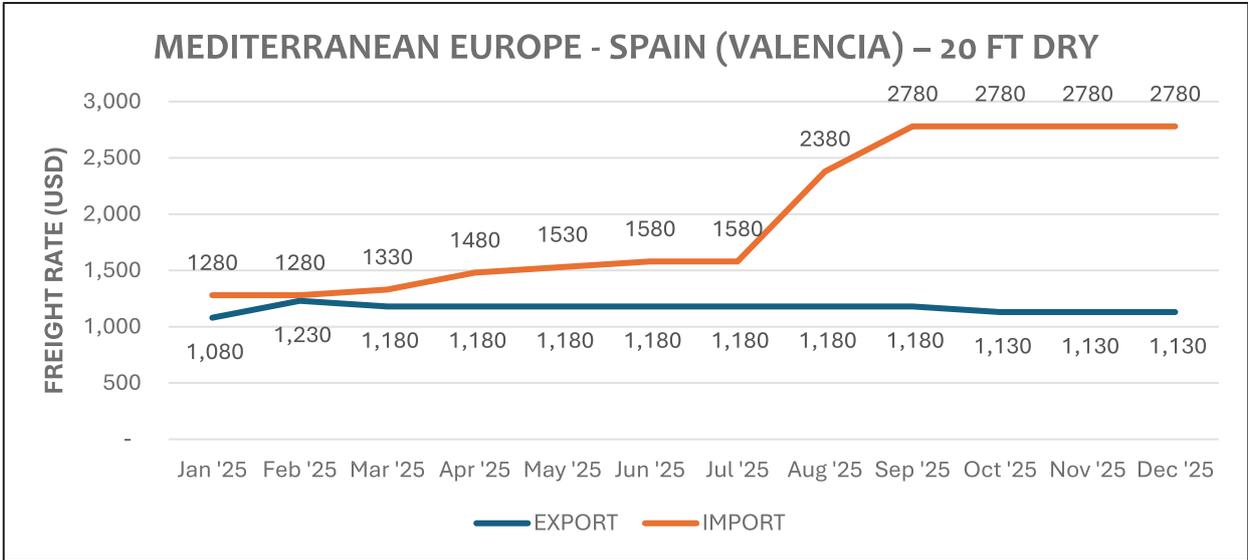
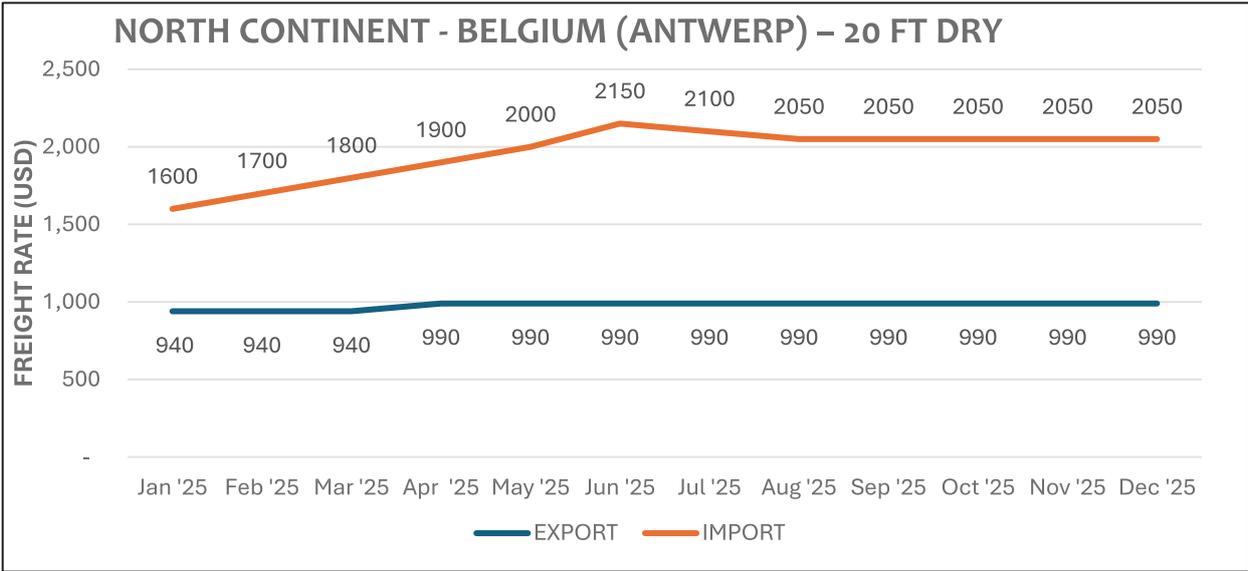
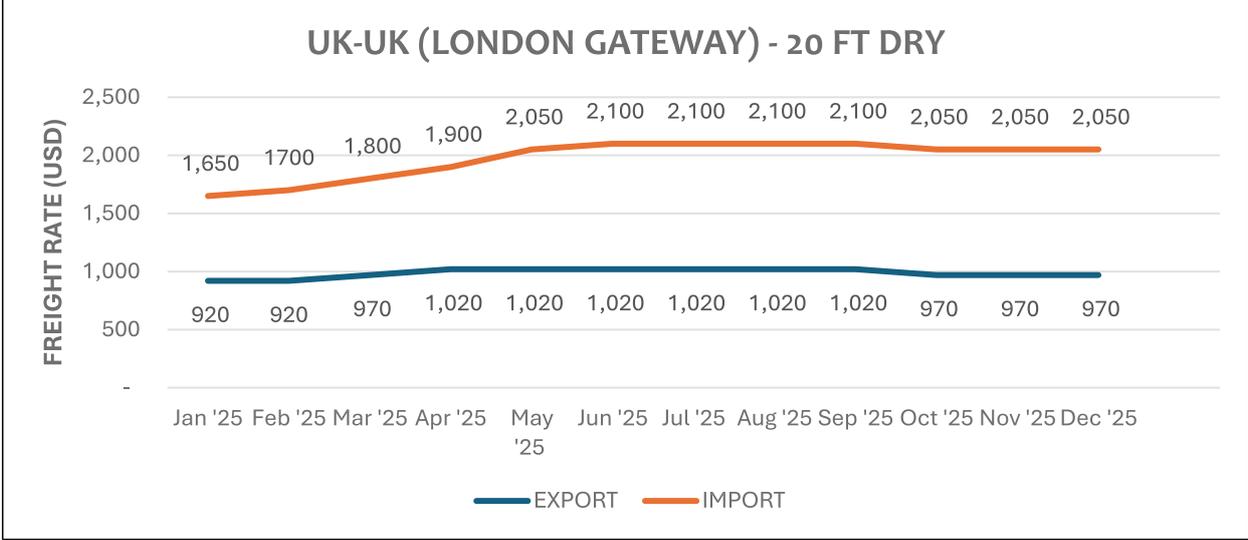
Ghana's import declaration scandal is not just about lost money; it's a symptom of deeper institutional misalignment. For a country that seeks to be a regional maritime and logistics powerhouse, losing US\$31 billion through phantom trade is a self-inflicted wound.

The challenge now is not just enforcement, but structural reform: building systems where technology, transparency, and trust work together. Ghana must move from reactive audits to proactive prevention. Only then can its trade architecture become resilient, its Customs system credible, and its ports, engines of growth rather than conduits for capital flight.

If left unchecked, this leakage could hollow out investor confidence, undermine public services, and erode Ghana's hard-earned reputation in international trade. The time for bold and pragmatic action is now.

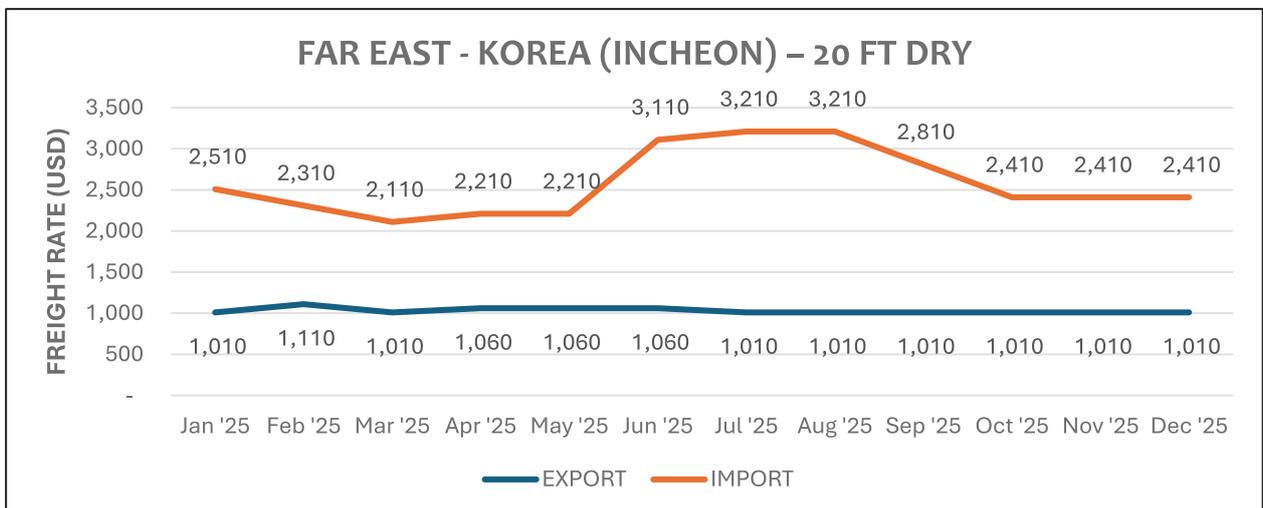
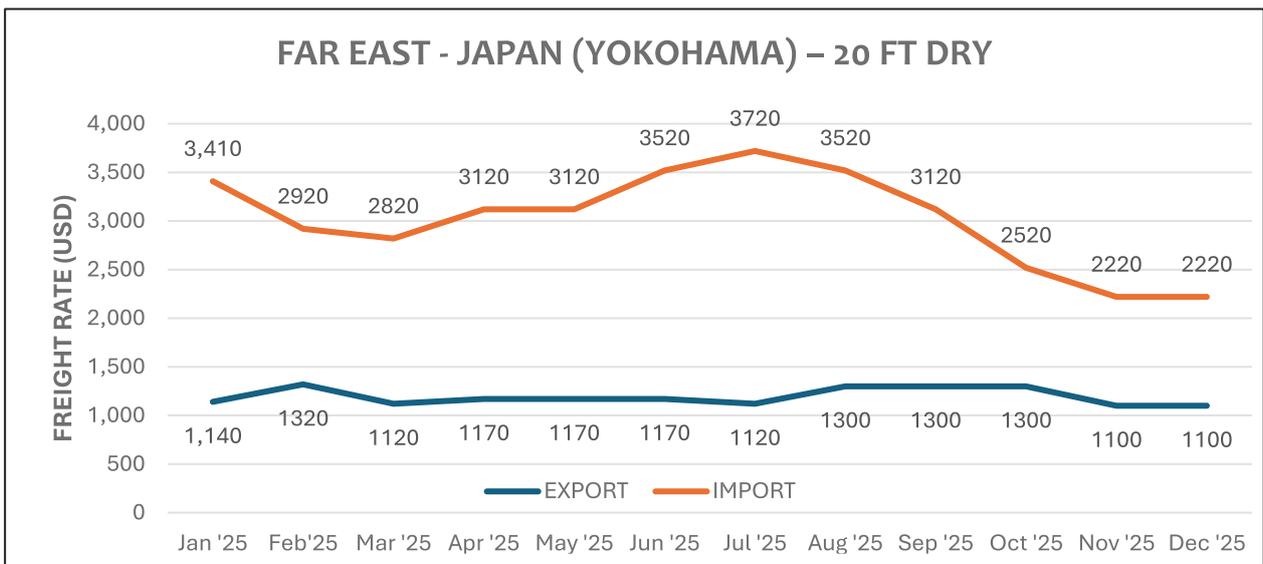
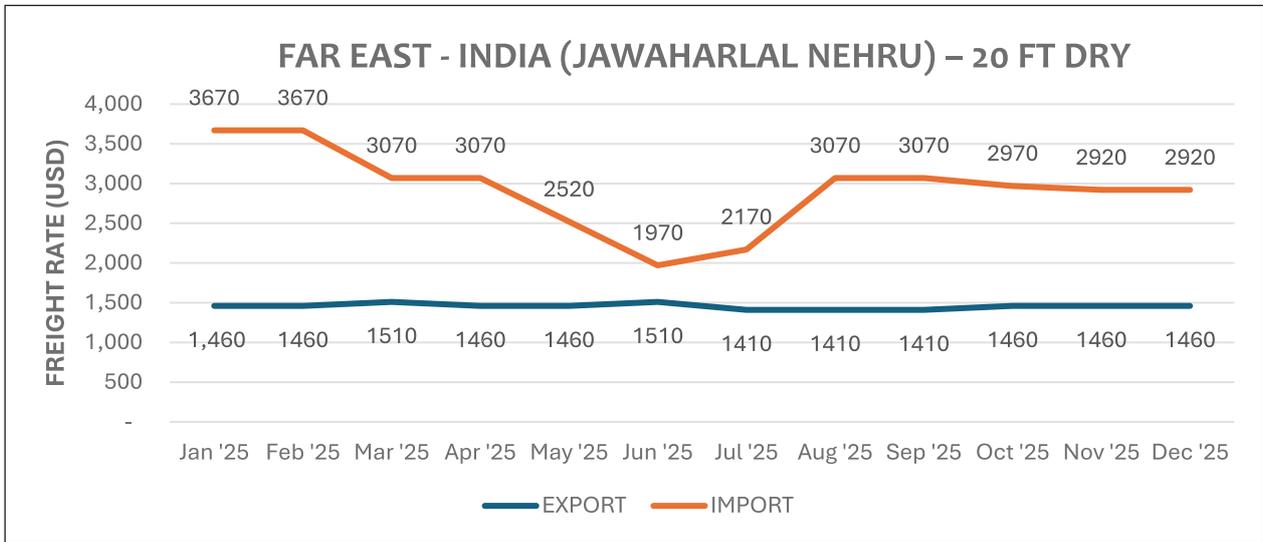


INDICATIVE FREIGHT RATES (in USD) FOR SHIPMENTS TO/FROM GHANA (PORT OF TEMA) JANUARY 2025 – DECEMBER 2025



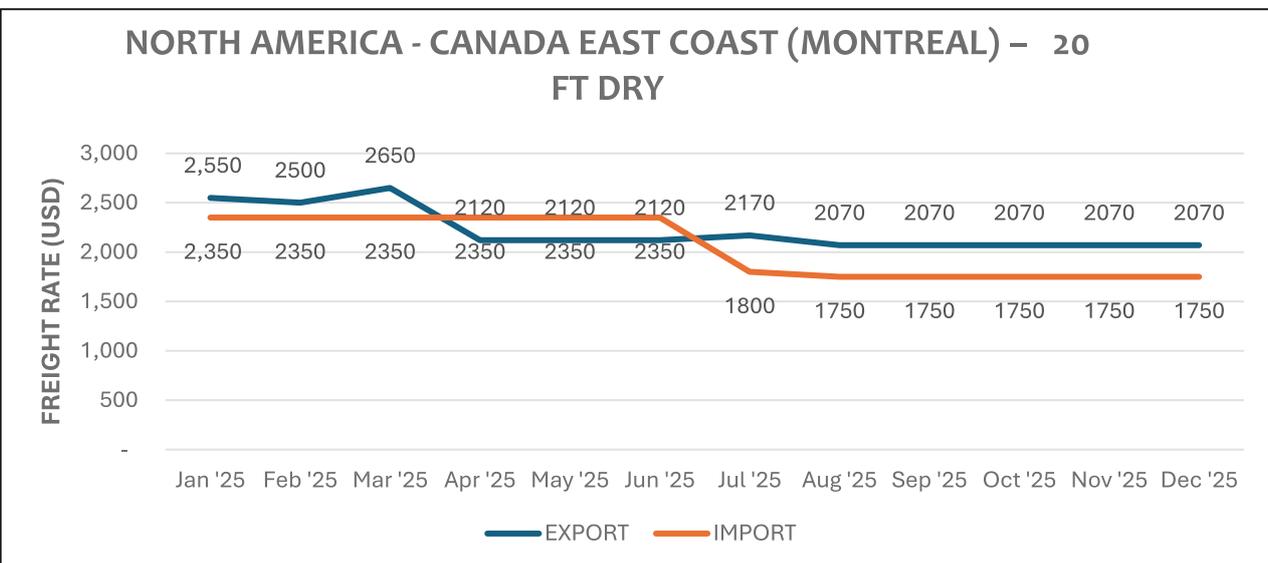
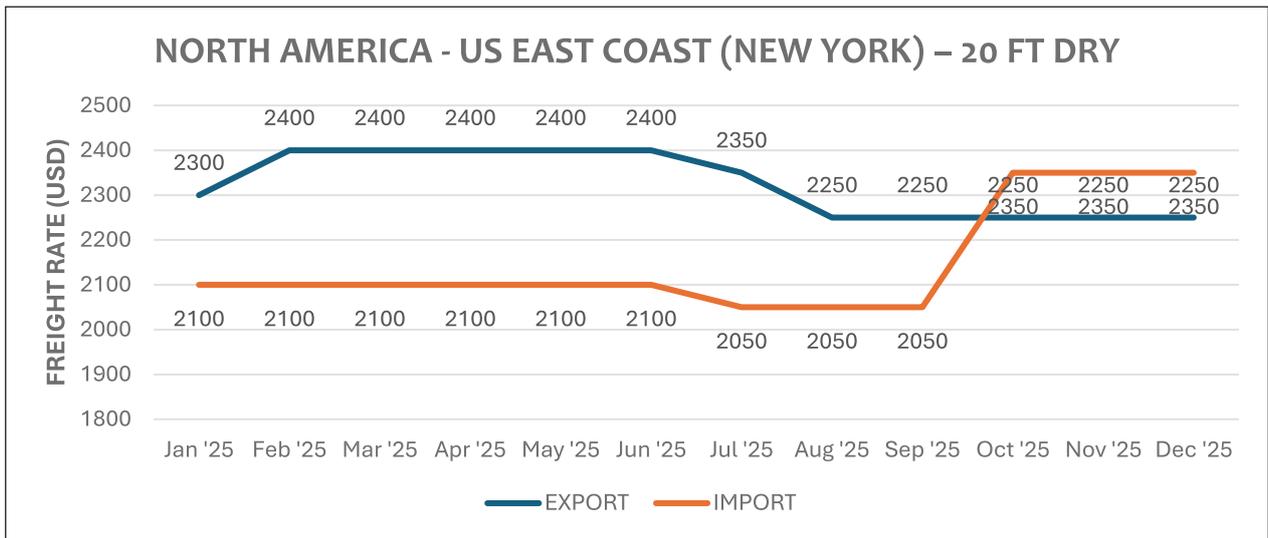
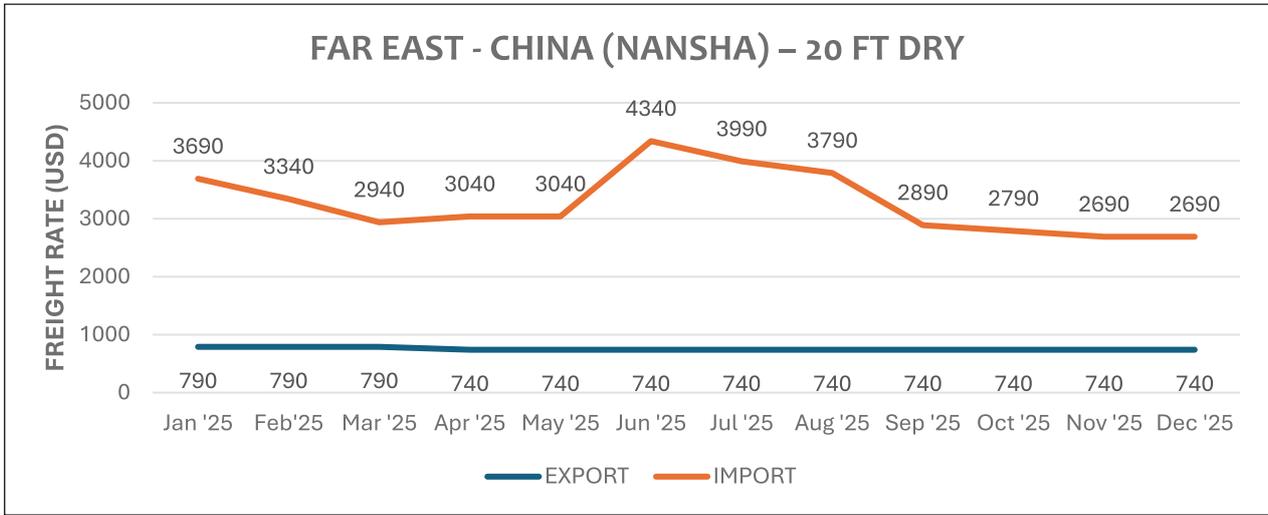


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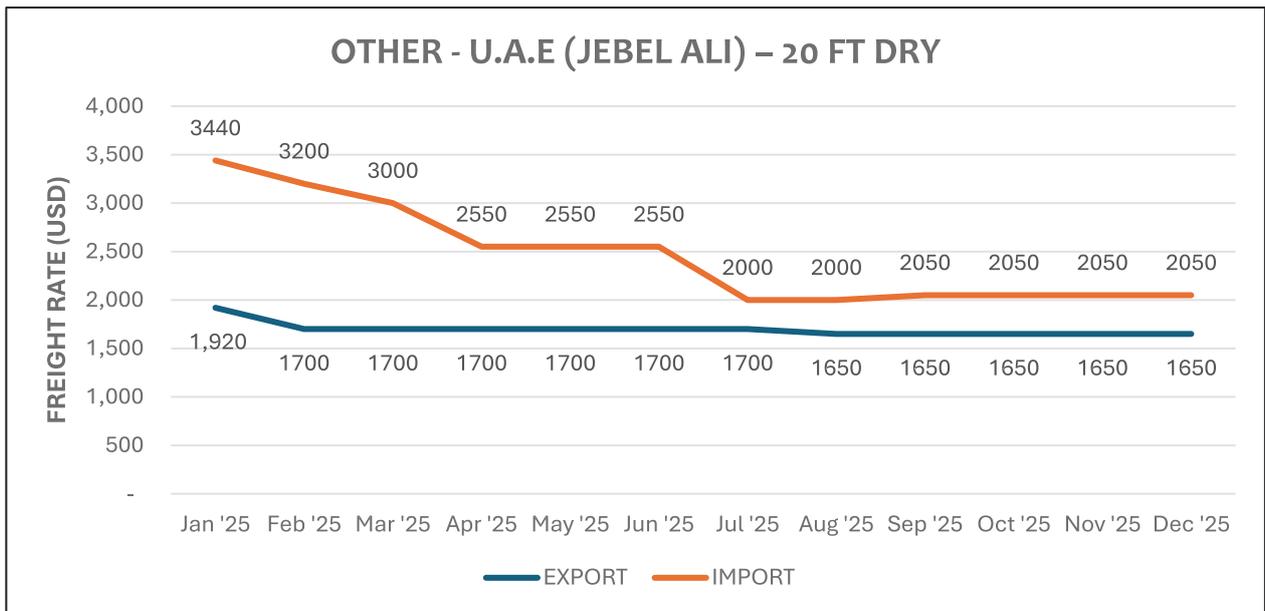
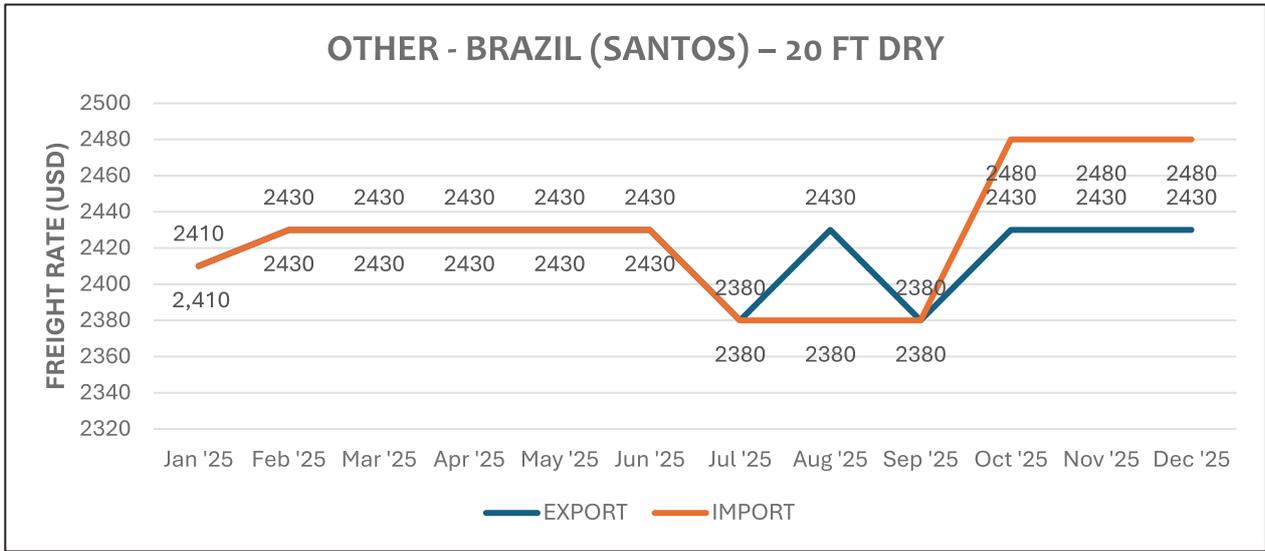


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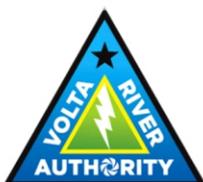


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**VOLTA
RIVER
AUTHORITY**

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