



UKGCC
UK - GHANA CHAMBER *of* COMMERCE

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POSITION PAPER

UKGCC Logistics and Manufacturing Sector Committee Meeting 1

April 2025

INTRODUCTION

- Ghana's logistics and manufacturing sector plays a critical role in the country's industrial development, value addition, job creation, and regional trade integration.
- However, recent policy developments and economic challenges—including rising energy tariffs, volatile exchange rates, and high logistics costs—are affecting the competitiveness of this sector.
- This position paper, prepared by the Logistics and Manufacturing Sector Committee of the UK-Ghana Chamber of Commerce (UKGCC), outlines key concerns expressed by member companies during the committee's first meeting of 2025.
- It offers policy recommendations for creating an enabling environment that supports private sector growth, boosts exports, and enhances Ghana's positioning as a regional trade hub under AfCFTA.

OVERVIEW OF SECTOR CHALLENGES

Key developments and policy shifts affecting the logistics and manufacturing landscape in Ghana include:

- A projected 60% increase in electricity tariffs, which threatens the cost competitiveness of local manufacturers.
- Ambiguities surrounding the Special Import Levy, particularly for capital-intensive sectors.
- Rising shipping and port-related costs, compounded by high dollar-indexed fees.
- Regional competition from neighbouring ports in Côte d'Ivoire and Togo.
- Operational and communication inefficiencies within customs and port authorities.
- A lack of financing for fleet upgrades and equipment acquisition in logistics, with high spare parts costs driven by forex pressures.

KEY CONCERNS FROM UKGCC MEMBER COMPANIES

1. Electricity Tariff Increases

- The projected increase in tariffs may lead to cost-push inflation and reduced margins. Members emphasized the need for reliable, alternative energy sources.

2. Barriers to Renewable Energy Adoption

- Solar energy is a viable alternative; however, the 10% duty on solar equipment discourages investment. There is a need for fiscal incentives to scale up solar energy adoption.

3. High Regional Logistics Costs

- Shipping line charges and rising freight costs are diminishing Ghana's trade competitiveness. Neighbouring regional ports offer more affordable services, drawing business away from Ghana.

4. Inefficiencies in Transportation Infrastructure

- Members noted inadequate access to affordable financing for logistics providers to upgrade fleets, as well as delays in customs processes—particularly around the issuance of Bills of Entry.

5. Limited Clarity on Trade and Fiscal Policies

- Uncertainty surrounding the Special Import Levy and other tax-related policies affect planning and investment decisions in the sector.

6. Concerns Around AfCFTA Implementation

- While AfCFTA holds promise, Ghana's internal transport inefficiencies and policy inconsistencies could hinder the private sector from leveraging intra-African trade opportunities.

RECOMMENDATIONS FOR POLICY AND REGULATORY REFORM

- **Duty Waiver on Solar Energy Equipment**

Introduce a waiver or reduction on import duties for solar equipment. Engage the Ministry for Climate Change and Sustainability to integrate solar energy into national industrial energy plans.

- **Review of the Special Import Levy**

Clarify the scope and application of the levy, especially for manufacturing inputs and logistics machinery. Exempt critical capital goods to ease cost burdens on businesses.

- **Streamline Customs and Port Procedures**

Digitize and standardize the Bill of Entry issuance process. Enhance collaboration among customs, shippers, and port authorities to reduce delays.

- **Capital Support for Logistics Firms**

Provide access to soft loans for fleet renewal. Work with financial institutions to offer low-interest financing to capital-intensive logistics businesses.

- **Establish a Multistakeholder Trade Competitiveness Taskforce**

Coordinate efforts among bilateral chambers, exporters, freight forwarders, and government agencies (e.g. GRA, MOTI) to address trade competitiveness issues, including port fees and cross-border trade policies.

- **Engage with AfCFTA Secretariat**

UKGCC to lead advocacy by engaging the AfCFTA Secretariat together with UKGCC member companies and requesting operational clarity and infrastructure support to enable firms to benefit fully from the agreement.

CONCLUSION

- To enable the full potential of Ghana's logistics and manufacturing sectors, there must be deliberate collaboration between the private sector and government to address policy bottlenecks, reduce operating costs, and increase regional competitiveness. The UKGCC Logistics and Manufacturing Sector Committee stands ready to support and engage in constructive dialogue with relevant ministries and agencies to achieve this shared vision.

ABOUT THE UK – GHANA CHAMBER OF COMMERCE

- The UK-Ghana Chamber of Commerce was established in 2016 to promote trade and commercial partnerships between Ghana and the UK.

- It supports businesses through advocacy, market insights, networking, and strategic connections to government agencies and international markets.
- Backed by the UK-Ghana Business Council and the British Chambers of Commerce, UKGCC has twice been a finalist for the BCC's International Chamber of the Year award.
- **UKGCC Logistics and Manufacturing Sector Committee Member Companies:**
 - Unilever Ghana PLC (Sector Chair)
 - Agility Logistics Park Ghana
 - Consolidated Shipping Company LTD
 - Nii Plants and Car Rentals
 - Guinness Ghana Breweries PLC
 - Crocodile Machetes Ghana Limited
 - B5 Plus Limited
 - Cyndex Limited
 - Trashy Bags Africa
 - Aqua Africa
 - Japan Motors Trading LTD
 - Pioneer Food Cannery (Thai Union)
 - G4S Security Services Ghana



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