

Voluntary Report – Voluntary - Public Distribution

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Report Name: Food Service - Hotel Restaurant and Institutional

Country: Ghana

Post: Accra

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Report Highlights:

Ghana's Hotel and Restaurant Institutional sector is growing, with tourism being an important driver of economic growth. In 2019, the sector generated U.S. \$1.9 billion for the economy. Local and international franchises operate in major cities across the country. The country's large consumer base with a growing youthful and increasingly urbanized population provides ample opportunities for U.S. agricultural products.

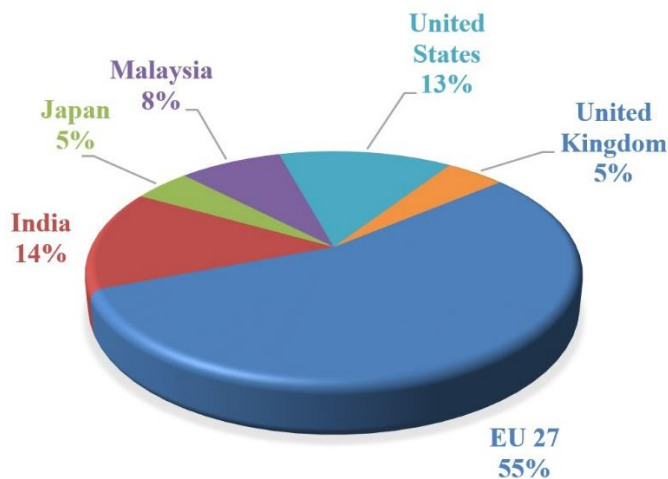
Executive Summary

The value of Ghana's agricultural and related imports was \$2.4 billion as of September 2022, a decrease of about 11 percent compared to September 2021. Ghana's market is relatively advanced compared to many others in Africa. Ghana's economy is highly dependent on exports of primary commodities such as gold, cocoa, and oil. Principal agricultural exports are cocoa, timber, horticultural products, and fish/seafood. Principal agricultural imports include wheat, rice, chicken (frozen), prepared food, soybeans, dairy products, and fish.

Imports of Consumer-Oriented Products

Externally sourced consumer-oriented products dominate the Ghanaian market. Among the major source countries are China, Brazil, EU 27, United States, Turkey & UK.

IMPORTS OF CONSUMER-ORIENTED PRODUCTS 2022



Data and Information Sources: Trade Data Monitor LLC, GATS, The Economist Intelligence Unit, Ghana Statistical Service.

Food Retail Industry

Retail sector analysts forecast retail spending to increase from \$11 billion in 2019 to \$24 billion by 2023, thanks largely to the growing middle class. This consists of imported High-Value Products (HVPs) (40 percent), products partially processed and packaged in Ghana (8 percent), products completely processed in Ghana (11 percent), and locally, unprocessed foodstuffs and staples including fresh fruits and vegetables, fish, meat, etc. (41 percent).

Quick Facts CY 2022

Imports of Consumer-Oriented Products

Total value of consumer-oriented products imports was \$1.4 billion as of September 2022. This represents a decrease of about 8 percent compared to 2021.

Top 10 Growth Products

- | | |
|----------------------------|-------------------------------|
| 1. Beer Products | 2. Chocolate & Cocoa Products |
| 3. Pork & Pork Products | 4. Beef & Beef Products |
| 5. Wine | 6. Seafood products |
| 7. Dog & Cat Food | 8. Prepared Food |
| 9. Non-alcoholic beverages | 10. Fresh Fruit |

Food Industry Gross Sales

According to industry experts, sales in the food industry was about \$14 billion in 2021.

Top 10 Retailers

- | | | |
|-----------------|---------------|---------------|
| 1. Melcom | 2. China Mall | 3. Palace |
| 4. Shoprite | 5. Maxmart | 6. Marina |
| 7. Koala | 8. All Needs | 9. Spar Ghana |
| 10. Jumia Group | | |

GDP/Population

Population (million): 31.73.8 (2020)
 GDP (\$ billion): 77.59 (2021)
 GDP per capita at PPP (\$): 2,445.3 (2021)

SWOT Analysis

Major Strengths	Major Weaknesses
<p>A very open market compared to other West African countries.</p> <p>A comparatively advanced market per ease of doing business.</p> <p>Increasing efforts in digitalization led by the Government</p>	<p>High Level of debt, Government currently going through debt restructuring program.</p> <p>Economy is mainly cash driven.</p> <p>Significantly higher cost of freight incurred in getting U.S. HVPs onto the Ghanaian market.</p>
Major Opportunities	Major Threats
<p>Ghanaian consumers associate U.S. food products with high quality.</p> <p>U.S. HVPs have always enjoyed high demand.</p> <p>A fast-growing economy and associated middle-class.</p> <p>High demand for imported HVPs.</p>	<p>Competition is strong from traditional suppliers in Europe and Asia.</p> <p>A fragile local currency makes U.S. imports relatively expensive.</p>

SECTION I. MARKET OVERVIEW

Ghana's Hotel, Restaurant and Institutional (HRI) segment is growing as tourism remains the main economic driver. According to the Deputy Minister of Tourism and Creative Arts, tourism was the third-largest GDP contributor and recipient of rising levels of foreign investment in 2022.

Ghana is the second largest economy in West Africa with an active retail market and healthy consumption levels. With an estimated population of roughly 32 million, Ghana's market remains relatively advanced compared to others in Africa despite the significant dip in economic growth recorded in recent years because of the impact of the COVID-19 pandemic and the war in Ukraine.

U.S. exports of agricultural and related products to Ghana as of December 2022 were \$125.4 million, down slightly compared to \$155.2 million in December 2021. However, the economy has suffered substantially since the beginning of 2022 as the country tumbled into economic recession. Inflation rose from 13.9 percent in January to 54.1 percent in December 2022, up from 50.1 percent in November but fell to 41.2 percent by April 2023. Ghana's economy relies on exports of hydrocarbons, gold, and cocoa, exposing it to global trade headwinds.

Ghana is facing multiple financial and economic challenges and has requested a U.S.\$3 billion bailout from the International Monetary Fund (IMF) to help it restore macroeconomic stability. This will include bringing public debt down to manageable levels from the current 105 percent of GDP to 55 percent (present value terms) by 2028. IMF assistance was conditional on Ghana restructuring its public debt, both domestic and external. The Ghanaian government announced a voluntary Domestic Debt Exchange Program (DDEP) in early December 2022 which seeks to exchange about GHS137.3 billion (U.S.\$11.45 billion or about 15 percent of 2021 GDP) of existing domestic notes and bonds held by various local investors for a package of new bonds with later payout dates. In May 2023, the IMF Executive Board approved a U.S.\$3 billion, 36-month Extended Credit Facility (ECF) arrangement for Ghana. This decision enabled immediate disbursement of U.S.\$600 million to Ghana.

According to the Economic Intelligent Unit, Ghana's real GDP growth will slow in 2023 as rising prices and monetary supply constriction weigh on private consumption and investment and as government spending drops. Growth will not return to the 2019 rate 6.5 percent between 2023 to 2027, but it is forecast to reach 5.8 percent in 2027, driven by a boost in gold and oil exports.

In 2019, the Government launched The Year of Return campaign, a major landmark marketing campaign targeting the African – American and Diaspora market to mark 400 years of the first enslaved African arriving in Jamestown, Virginia. This was a huge success as according to the Ghana Tourism Authority (GTA) a total of US\$1.9 billion was generated for the economy by the tourism and travel sector in 2019. This became a springboard for the launch of other domestic and regional campaigns such as the month of March being declared as Ghana Month with activities such as “See Ghana, Eat Ghana, Wear Ghana and Feel Ghana” to boost local tourism.

Tourism Industry

Ghana's recreation and tourism sector comprises a display of rich cultural and diverse heritage which are represented in natural reserves and safari, waterfalls, lakes, and beaches as well as forts and castles, festivals, and arts and crafts. Pre-Covid, Ghana's tourism sector was developing quickly after Ghana established itself as a destination for Diasporan travelers to West Africa. The Ghana Tourism Authority (GTA) is working to raise awareness to attract more high-income travelers including high profile Hollywood actors and singers through the annual December in Ghana events such as Afrochella. Highly visited tourist areas in Ghana include the historical castles national parks and beaches.

According to the GTA, in 2020, the sector was severely hit by COVID-19, which led to an 88 percent decline in tourist receipts of U.S.\$387 million, compared to U.S.\$3.3 billion in 2019. The sector started reviving slowly in 2021, recording \$809 million in tourist receipts. In 2021, hotels and restaurants in Ghana contributed around GHC 3.9 billion (U.S.\$640 million) to the country's Gross Domestic Product (GDP).

Major challenges facing the industry, apart from the effects of COVID 19, are rising inflation and currency depreciation, high utility costs, poor state of road network and other infrastructure shortfalls.

Hospitality Industry

In 2021, there were 3,913 public and private accommodation establishments functioning in the country (hotels, motels, remote chalets, camping sites, and other establishments). The number of establishments dropped in 2020, mainly due to closures during the COVID-19 pandemic.

According to the GTA, the average length of stay for tourist in 2021 increased by 10 percent compared to the previous year. International business travelers tend to stay at recognized international hotels located in city centers and with international-standard quality rooms and services.

Infrastructure

Ghana has five domestic airports to compliment the only international airport in the country, in Accra. Information from the Ghana Tourist Authority indicates that international arrivals through the Accra airport increased significantly from 355,108 in 2020 to 623,523 in 2021, mainly due to the easing of COVID-19 related travel restrictions and other initiatives by the government.

Dining Culture

Ghanaian cuisine, like many African cuisines, remains closely tied to home cooking, where food is the medium that brings family and friends together. Ghanaians generally like to dine in with family on weekdays and dine out during weekends, especially on Sundays, with brunch or lunch and dinner being the most common meals for dining out. Breakfast is usually eaten at home or packed to school or the workplace, although bakery products from street kiosks and institutional cafeterias are commonly consumed during the breakfast timeframe.

Rapid urbanization and gains in economic growth continue to stimulate an emerging middle class who embrace Western brands, products, and lifestyles. Most consumers in Ghana are price sensitive, but quality is never overlooked, and the growing middle class values premium products. Ghana offers expanding market opportunities due to its remarkable record of political stability, and relatively liberal import policies. These notable achievements make Ghana a potential gateway to the larger West African market. There is high demand for imported food products, especially intermediate, and consumer ready products, due to limited selection of products provided by the underdeveloped domestic agricultural and food-processing sector.

“Advantages” and “Challenges” facing U.S. exporters.

Advantages	Challenges
Ghana’s growing population of 32 million is youthful with an increasingly fast emerging middle-class.	Significantly higher cost of freight incurred in getting U.S. products onto the Ghanaian market.
58 percent of Ghana’s population was urban in 2021. Migration to the capital and southern parts of the country is expected to continue in 2022 and beyond, potentially boosting the demand for high-value products (HVPs) and making consumers reachable.	Existence of imitation U.S. products by unscrupulous businesses who take advantage of the high demand to the detriment of consumers. This affects consumer confidence and invariably impacts future demand for U.S. goods.
Middle-class incomes are rising and there is higher demand for healthy foods. The retail sector is shifting to more western style shops and convenience stores.	Many U.S. exporters view Ghana as too small a market and there are few U.S. freight consolidators who are willing to meet the requirements of Ghanaian importers.
Ghanaian consumers perceive U.S. food products to be of high quality and value.	Competition is strong from traditional suppliers in Europe, Asia, and South Africa.
Post expects significant growth in tourism due to positive coverage by news and travel sites and the Government of Ghana (GOG) initiative “Beyond the Return”.	U.S. consumer ready foods are less available in Ghana, when compared with products from the EU, South Africa, and Asia.
Insufficient domestic production and processing means import demand in Ghana for processed products and inputs will remain high.	Most Ghanaian consumers are very price sensitive.

The HRI sector continues to expand and requires more consumer ready products and food ingredients.	Some Ghanaian retailers prefer products with 13-digits barcode (EAN/IAN) to the 12-digits UPC.
U.S. grocery items entering Ghana can be re-exported to neighboring West African countries (a market of about 400 million people).	U.S. consumer ready foods typically have shorter shelf-life labeling and longer transit times, thereby reducing the available shelf life of U.S. products in Ghana.

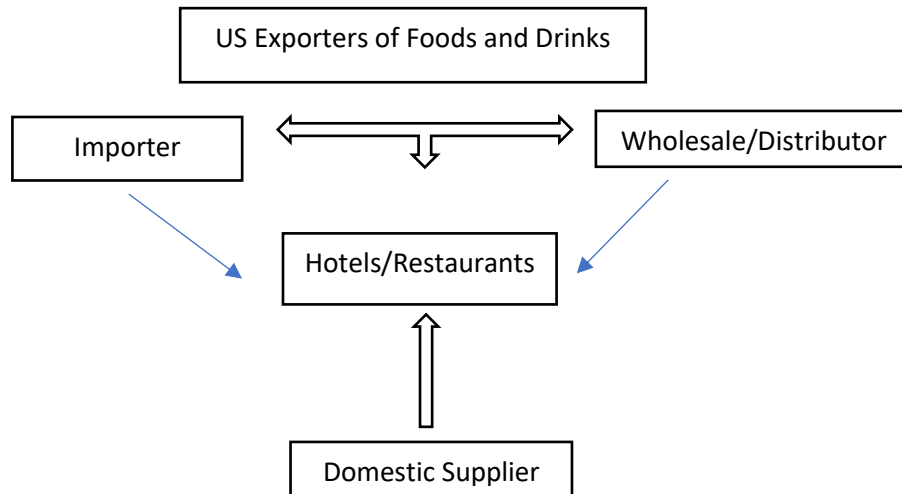
SECTION II. ROAD MAP FOR MARKET ENTRY

Entry Strategy

The first point of contact for entry into the Ghanaian market is typically the Importer/Distributor. An exporting firm could also appoint an agent or sign an agreement to make a local business entity the sole representative. U.S. exporters are encouraged to take one or more of the following steps to ensure easy access to the Ghanaian market:

- Contact the USDA/FAS office located in the U.S. Embassy in Accra, Ghana, to assist in identifying credible importers/distributors;
- Directly contact the importer/distributor or the local agent that would register the products with the Foods and Drugs Authority;
- Identify and sell through consolidators based in the United States who are already serving the West African region. Such consolidators usually have a good understanding of local market practices;
- Participate and exhibit at the various USDA sponsored and endorsed trade shows, which are well attended by Ghanaian importers and are suitable venues for face-to-face meetings and networking;
- Offer flexible shipping volumes and small-sized packaging with well displayed readable manufacture date and date of expiration.

Market Structure and Distribution



Distribution channels are mainly through wholesalers or major distributors who sell to retailers. Most food products and ingredients used in the hotel sector are fresh produce, poultry products, seafood and beef, and other food ingredients sourced locally. Hotels buy products not produced in Ghana at different points of the distribution chain, reflecting each product's particular nature. Fresh foods are bought in produce markets and the open markets. Most hotels in Ghana have in-house departments that source and purchase local food products. This means that the food service operators need to deal with many distributors and wholesalers to meet their requirements. Most hotel operators prefer to make their purchases from a small number of wholesalers who provide several lines of food and beverages at competitive prices.

At the beginning of the COVID-19 pandemic, Ghana's food service and hospitality sector were negatively affected. Restrictions on movement, closure of airports and borders, and the introduction of social distancing protocols by the President during his annual state of the nation address in affected consumer behavior. The sector recorded declines in patronage, occupancy rates, and profits while restrictions were in place. In 2021, the World Travel and Tourism Council (WTTC) reported that the main source of international tourists was the U.S., accounting for 32 percent of arrivals, followed by Nigeria at 18 percent, the UK at 13 percent, Côte d'Ivoire at 9 percent, and Germany at 7 percent. In 2021, the different sectors began to recover due to the gradual reopening of the economy and lifting of bans on social gatherings.

Full-Service Restaurants

Full-service restaurants were the fastest growing category prior to 2020. This is because Ghana maintained its status as one of Africa's fastest-growing economies through 2019 due to the expansion of the extraction industry and rapid urbanization. However, in 2020, consumers switched to delivery and take away services for their meals as COVID restrictions limited the amount of service restaurants could provide. According to the GTA, the number of licensed restaurants increased slightly in 2021, signifying that the industry is recovering. It is expected that the full-service restaurant category will fully recover in 2024 as the economic climate in the country recovers.

Quick-Service Restaurants

This category is currently expanding and evolving. This segment includes cafés and pizza shops. This segment of the food market in Ghana is growing substantially, with Vida e Café, Pizza Hut, Second Cup, Pinkberry among the foreign franchises to enter the market space. Pizza Hut operates more than 13 restaurants and Pinkberry also operates 22 branches nationwide. Also included in this segment are smaller and usually informal restaurants that serve simple cheap meals and drinks (mainly local Ghanaian dishes and instant noodles). Masco Foods, the franchise owner of KFC Ghana, owned and operated by the Mohinani Group of Companies, opened its first flagship restaurant in 2011 and now has 29 stores across the country. Its fierce competitors are Chicken Inn and Pizza Inn operated by Simbisa Group and Burger King operated by Royalty QSR Ghana. These options are popular among Ghanaians and will continue to experience growth regardless of concerns of obesity and related health problems.

Street /Corner Vendors

Street kiosk and Ghanaian corner food vendors make up the largest category with the highest number of vendors as they are extensively spread around the country. They easily spring up in neighborhoods, communities, and workplaces, especially around construction sites. They offer more affordable options for food, therefore the majority of people, regardless of their financial situations, find these vendors attractive for their daily food needs. Unlike the restaurant, cafés, and bars, street food vendors were not required to close during the lockdown. This category serves traditional local staple foods and snacks.

Catering Services

The Ghanaian catering sector is increasingly attractive with a growing number of companies operating on the market. Catering businesses range from small to large-scale operations and are organized into several categories. Institutional caterers supply government agencies, private companies, hospitals, corporate and private parties such as weddings, funerals, and events. This is a huge sector and like the other categories, the segment was severely hit by the pandemic due to the restrictions placed on gatherings and conferences.

Delivery and Third-Party Operators

The outbreak of the global pandemic boosted the growth of the food delivery space as consumer behavior suddenly shifted from dine-ins to online food ordering. The pandemic forced a lot of businesses particularly restaurants, to quickly adapt to delivery models to keep afloat. A need to purchase from home combined with the government's support for digital infrastructures enhanced online

purchases and made delivery the new normal. Jumia and Uber Eats are some of the most popular delivery food services. In March 2021, Glovo launched operations in Accra Ghana primarily catering to delivery of goods within the capital city.

Institutional

Institutional catering services are used by public institutions, government agencies, air transportation, mining companies, and some corporate institutions. There is no official government data on the value of the institutional food service market in Ghana, which represents a relatively small but growing sector of the food market. The National Food Buffer Stock Company Limited (NAFCO) is the government agency responsible for supplying state institutions like the Military, Police, Prisons, hospitals and the over 700 public senior high schools all over the country. They purchase, sell, preserve, and distribute food stuffs produced in the country to ensure stability in demand and supply while guaranteeing an assured income to farmers. They work with Licensed Buying Companies (LBC) to import items like canned fish products to distribute to state institutions. They were initially supplying food items to the National government's School Feeding Program (GSFP) but had to stop due to funding challenges.

List of select International Hotels

- [Kempinski Hotel Gold Coast City](#)
- [Accra Marriott Hotel](#)
- [Movenpick Ambassador Hotel Accra](#)
- [Labadi Beach Hotel](#)
- [The Royal Senchi Hotel](#)
- [Lancaster Accra](#)
- [Holiday Inn](#)
- [Accra City Hotel](#)
- [Number One Oxford Street Hotel & Suites](#)
- [Maaha Beach Resort](#)
- [Zaina Lodge](#)

SECTION III. COMPETITION

The EU is the main competitor for U.S. consumer-oriented food. According to information from Trade Data Monitor, the EU supplies about 50 percent of consumer-oriented products in Ghana. Ghana has a bilateral Economic Partnership Agreement (EPA) with the European Union and an Interim Trade Partnership Agreement with the United Kingdom and Northern Ireland. Under the Ghana – EU EPA,

Ghana will eliminate tariffs for EU products covered by 78 percent of Ghana's tariff lines by 2029. Products that are excluded from tariff elimination include cotton, pearls, precious stones, textiles, olive oil and table olives, meat, crustaceans, milk and milk products, coffee, cocoa, tobacco, fruits, cement, beauty and make-up products, rubber and rubber products, and automobiles.

Ghana's Interim EPA with the United Kingdom and Northern Ireland signed in 2021 replicates the tariff treatment under the European Union-Ghana EPA, giving the UK and Northern Ireland exports to Ghana the same reduced tariff treatment or tariff elimination as products from the European Union. As a result of these two agreements, covered EU and UK/Northern Ireland exports to Ghana benefit from lower or no tariffs as compared to U.S. exports to Ghana. China, Brazil, Turkey, United Kingdom, and South Africa are some of the other top non-EU suppliers.

U.S. exports remain subject to the Economic Community of West African States (ECOWAS) Common External Tariff (CET), that requires member countries to simplify and harmonize ad valorem tariff rates which Ghana applies. The five (5) rate bands include:

- 0% - essential social commodities
- 5% - basic raw materials, capital goods and specific inputs
- 10% - intermediate products
- 20% - final consumer goods
- 35% - specific goods for economic development

There is a 15 percent Value Added Tax (VAT) in Ghana. The VAT is charged to consumers based on the purchase price of certain goods and services. Visit <https://shippers.org.gh/index.php/cargo-clearance-tariff-guidelines/> for more information on Cargo Clearance Tariff guidelines.

For additional information about Ghana's import food standards & regulations and import procedures, please visit: <https://www.fas.usda.gov/data/ghana-fairs-country-report-2>

SECTION IV. BEST PRODUCT PROSPECTS CATEGORIES

Best consumer-oriented product prospects based on growth trends.

Poultry meat & products were among the top 10 best consumer-oriented product prospects based on growth trends. Food preparation products, seafood, beer, distilled spirits, dairy products, fruit and vegetable juices, snack foods, processed vegetables, and non-alcoholic drinks round out the group.

Top Consumer-Oriented products imported from the U. S.

Calendar Year	2018	2019	2020	2021	2022
	Value (U.S. \$ 000)				
Poultry Meat & Prods. (ex. eggs)	44,887	57,124	54,961	92,599	60,047
Food Preparations	6,001	4,678	5,123	11,592	8,724
Distilled Spirits	5,491	8,951	9,251	7,846	35
Other Consumer Oriented	1,346	1,488	1,442	1,436	1,960
Dairy Products	2,461	5,128	10,361	5,621	2,800
Processed Vegetables	51	125	411	116	90
Condiments & Sauces	837	869	779	632	400
Dog & Cat Food	905	673	1,053	1,396	1,184
Wine & Related Products	275	250	289	634	701
Beef & Beef Products	437	570	35	107	0
Non-Alcoholic Bev. (ex. juices)	94	112	438	906	292
Tree Nuts	707	63	20	27	20
Fruit & Vegetable Juices	179	299	827	1,516	1,144
Bakery Goods, Cereals, & Pasta	144	138	603	691	335
Beer	29	13	52	170	1,740
Processed Fruit	23	8	155	79	250
Total	63,867	80,489	85,800	125,368	79,722

Source: BICO Report/U.S. Bureau of the Census Trade Data

Ghana relies on food and agricultural products imports. These imports will continue to grow as Ghana's underdeveloped food processing sector is unable to meet increased demand. Food imports mostly comprise of bulk, consumer-oriented commodities such as rice, and poultry. U.S. exports of agricultural and related products to Ghana as of October 2022 are U.S.\$114.6 million, slightly up compared to U.S.\$113.2 million in October 2021. Although U.S. exports to Ghana have mostly been soybean, rice, and poultry, exports of U.S. snack foods, dairy products, fruit and vegetable juices, non-alcoholic beverages, breakfast cereals, chocolate and cocoa products, food ingredients, beer, and pet food recorded significant growth in 2021. Based on year-over-year growth in 2022, the 10 best U.S. high-value consumer-oriented product prospects categories for the Ghanaian market in descending order are: 1) Food preparations; 2) Seafood products; 3) beer; 4) dairy products; 5) chocolate & cocoa; 6) pork & pork products; 7) beef & beef products; 8) wine & related products; 9) non-alcoholic beverages; (10) fruit & vegetable juices. The 2022 top 10 leading suppliers of agricultural and related products to Ghana are the European Union, China, Brazil, and the UK.

SECTION V. KEY CONTACTS AND FURTHER INFORMATION

If you have questions or comments regarding this report, require listings of local importers and institutions or need assistance exporting to Ghana, please contact the U.S. Office of Agricultural Affairs in Accra.

Office of Agricultural Affairs
American Embassy
No 24, Fourth Circular Rd.,
Cantonments, Accra, Ghana
Tel : +233 (0) 302 741 590
E-mail : agaccra@usda.gov
Website: www.fas.usda.gov

Links to other government sources:

<https://www.fas.usda.gov/GATS> (Trade Data)

https://www.export.gov/article?series=a0pt0000000PAtrAAG&type=Country_Commercial_kav
(Ghana Country Commercial Guide prepared by the Department of Commerce)

Contacts of Ghana government regulatory agencies:

Ghana Revenue Authority (GRA)

Address: Off Starlets 91 Road Ministries, P. O. Box 2202, Accra-Ghana
Tel: +233 (0) 20 926 7048; +233(0) 20 063 1664
Email: info@gra.gov.gh
Website: www.gra.gov.gh

Food and Drugs Authority (FDA)

Address: P. O. Box CT 2783, Cantonments – Accra, Ghana
Tel +233 (0) 302 233 200; +233 (0) 299 802 932
Email: fda@fdaghana.gov.gh
Website: www.fdaghana.gov.gh

Ghana Standards Authority (GSA)

Address: P. O. Box MB 245, Accra - Ghana

Tel : +233 (0) 302 506 991

Email : gsanep@gsa.gov.gh/gsadir@gsa.gov.gh

Website: www.gsa.gov.gh

Ghana Tourism Authority

Address: P. O. Box GP 3106, Accra, Ghana

Tel: +233 (0) 307 007 100

Email: info@visitghana.com

Website: visitghana.com

Ghana Ports and Harbours Authority

Address: P. O. Box 150 Tema, Ghana.

Tel: +233 (0) 303 219120

Email: headquarters@ghanaports.gov.gh

Website: ghanaports.gov.gh

End of Report

Attachments:

No Attachments.