

GHANA

FOOD PROCESSING TECHNOLOGY & LOGISTICS

MARKET SURVEY AND BUSINESS POTENTIALS FOR GERMAN COMPANIES
ALONG THE VALUE CHAIN

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Delegation der Deutschen Wirtschaft
in Ghana
Delegation of German Industry and
Commerce in Ghana

Agenda

Overview and Status quo

Market Potentials

Survey results

Customers and Suppliers, structure of interviewed companies
Business Climate and investments
Growth factors and challenges

Good to know

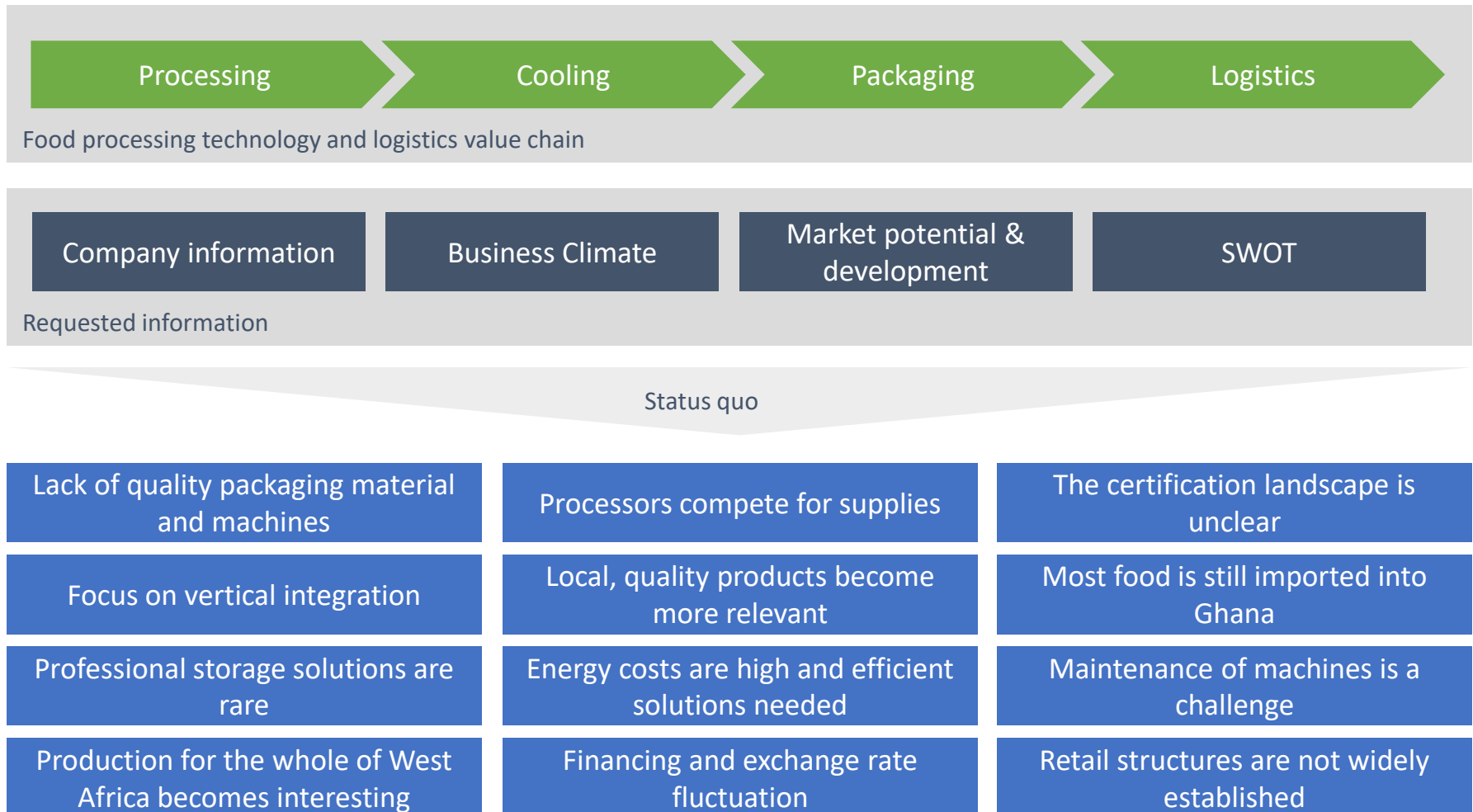
Company cases & quotes

Statistics Ghana - Germany

Laws and regulations

Contact list

The market survey evaluates input from companies and institutions along the value chain



Market potentials for German companies include chances as suppliers, import & export, investments and consultancy

Suppliers of products, machines, technology	Import and Export	Producer in Ghana	Consultancy & certification
Machines for food processing	Import of cocoa products, tropical fruits, dried fruits and seafood.	Foreign, processing company or joint venture with local participation	International certification like organic and fairtrade
Alternative energy sources	Intermediary products like juice concentrate and nuts as well as edible oils	Carbonated and alcoholic beverages	Certification for Intra-African trade
Cold chain including plants, transports and storage	Export of meat products to Ghana	Dried fruits, edible oils, juice, processed meat and fish	Certification and regulations in Ghana
Packaging materials and machinery as well recycling	General export of processed and packaged goods	Niche products like moringa	Laboratories and technology
Logistics and transport	Ghana as a hub for the West African region and for export		Consulting on strategies and processes

Interviewed companies in Ghana confirm the challenges and market potentials

Suppliers of products,
machines, technology

Import and Export

Producer in Ghana

Consultancy &
certification

'Every month we spend huge amount of money on electricity, gas and diesel. We are therefore urgently looking of solutions in the biomass and solar in particular.

Nana Agyenim Boateng
Managing Director
Cocoa Processing Company Ltd.

We need to automate and further mechanize processing to stay competitive.

Martha M. A. Gato-Lagble
CEO
Theomella Ventures

Our packaging is high quality - that makes us unique on the Ghanaian market.

Archibald Buah-Kwofie
Technical Director
GKV Investments Ltd.

We need more local suppliers. The local market does not match the demand.

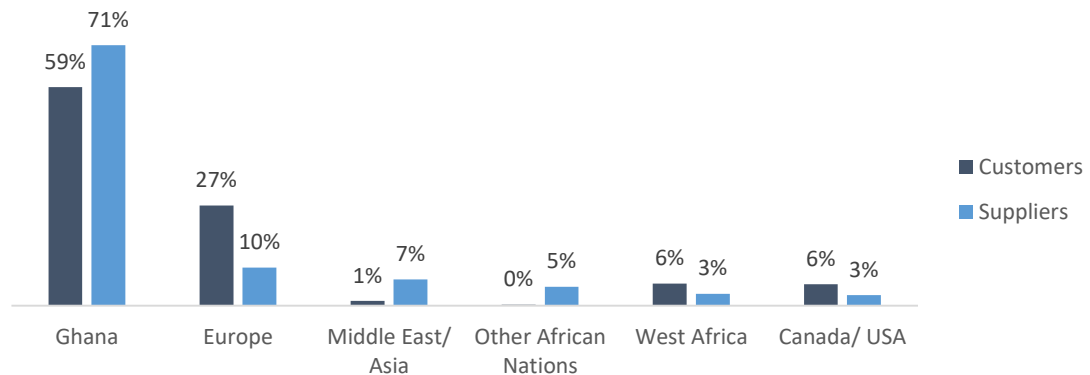
Naa Adei Addy
Business Development Manager
Ocean Foods Ltd.

Survey results: Customers and Suppliers, structure of interviewed companies

Most supplies origin from Ghana, while the biggest customer base is also Ghana, with European countries on second place.

Customers and suppliers in the food processing value chain

Origin of customers and suppliers of interviewed companies



Source: AHK Ghana survey, 2019

Structure of interviewed companies in 2019

Revenue (GHS) and production (tons)

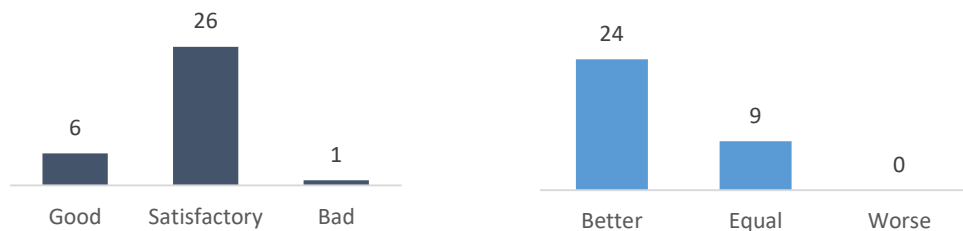
Production in tons	<1 Mio	1-5 Mio	5-10 Mio	10-50 Mio	50-100 Mio	>100 Mio
>100.000					1	2
5000-100.000	2	1		3	1	2
1000-5000			1	2		
10-1000	3	2	2	1		
Up to 10	2					

Source: AHK Ghana survey 2019

Survey results: Business Climate and investments

Business climate in the next 12 months

Current assessment and expected development by 33 companies



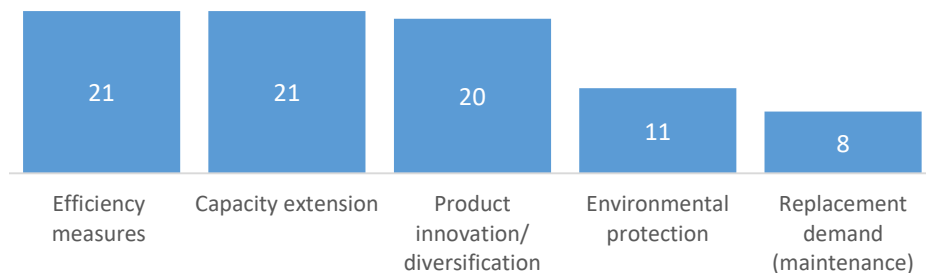
Source: AHK Ghana survey, 2019

Most companies assess the business climate only as satisfactory but expect a development to the better in the next 12 months.

Efficiency, capacity and diversification are the major reasons for investments – which is expected to increase in the next 12 months.

Reasons for investments in food processing

Assessment by 33 companies

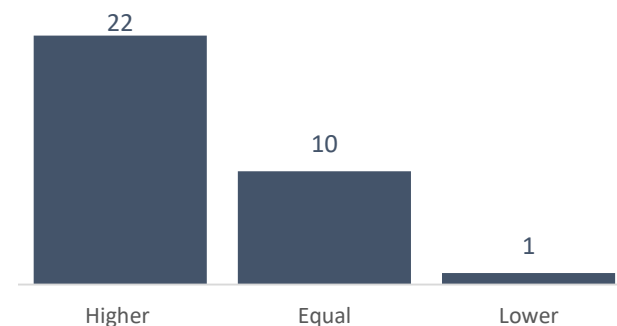


*Multiple answers possible

Source: AHK Ghana survey, 2019

Investment within the next 12 months

Assessment by 33 companies

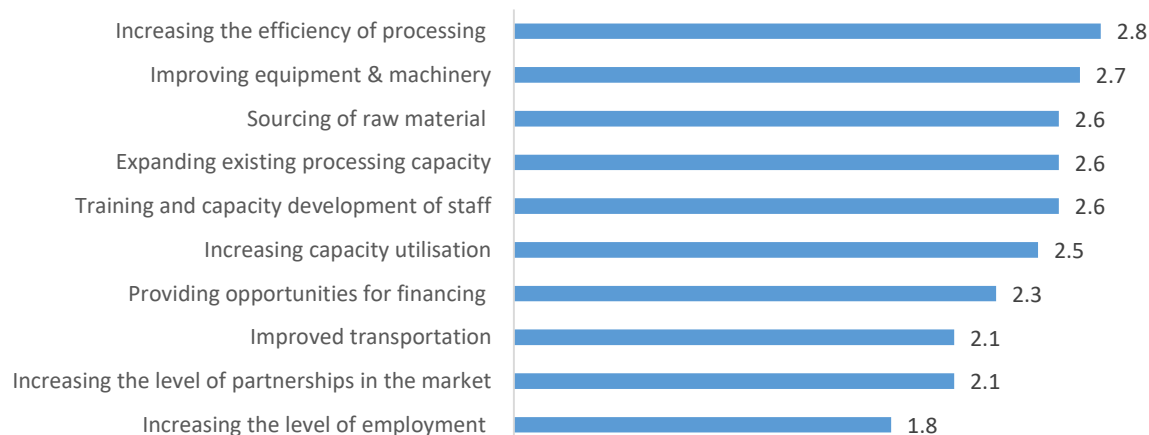


Source: AHK Ghana survey, 2019

Survey results: Growth factors and challenges

How important are the following factors for your potential to grow?

very important (3), slightly important (2), not important (1)



Increased efficiency, capacity and improvements are the most important factors for companies in the sector to be able to grow. Sourcing and staff also plays a major role.

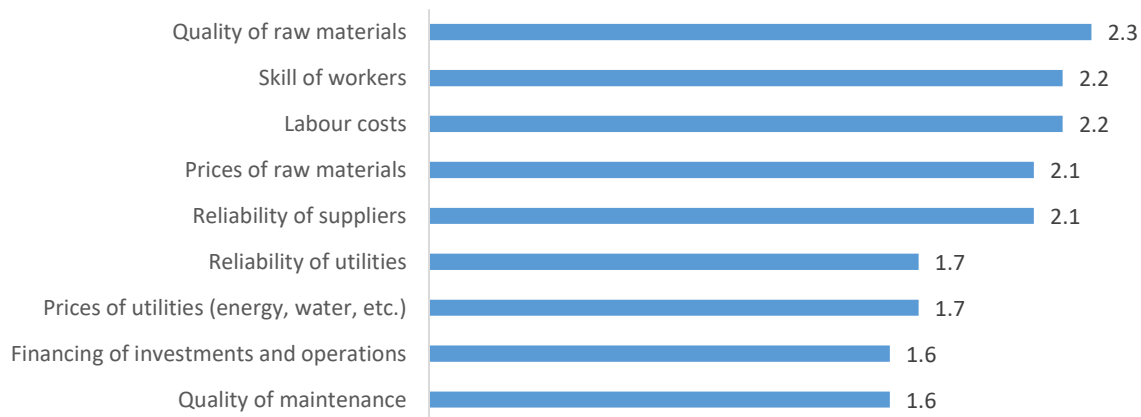
*Multiple answers possible

Source: AHK Ghana survey, 2019

Quality of raw materials and skills and costs of workers are the biggest challenges for companies to grow.

How challenging are the following factors for your potential to grow?

very challenging (3), slightly challenging (2), not challenging (1)



*Multiple answers possible

Source: AHK Ghana survey, 2019

Good to know – Valuable information for businesses in Ghana and beyond



Company cases in Ghana along the value chain and business potentials

BASF Performance Materials - Cold Chain Project

Close the gap in refrigerated warehouse capacity across Sub – Saharan Africa

- construction of storage facilities using locally manufactured sandwich panels incorporating BASF's polyurethane technology

Investor Roadshows in Ghana and Nigeria

Cooling
Supply of material

Peelco Ltd - processing in Ghana and export to Germany

Vertical integration from planting of fruits to the finished and packaged Fresh Fruit Cut.

- Expand into juice processing to reduce loss of substandard fruits
- Usage of alternative energy sources
- Installation of weather stations to improve supplying network

Processing
Producer in Ghana

Fairafric – establish a chocolate value chain

Establish a wholly foreign owned chocolate factory in Ghana (investment of 7,5 Mio. US\$)

- Focus on full value chain in Ghana
- Export to Germany (at least 70% of goods) for Ghana Free Zones certification

Processing
Export

Krones - bottling plants and recycling

Already supplies and maintains bottling plants for large beverage producers in Ghana.

- Targets solutions in PET recycling for Ghana
- Feasibility study to analyze technology and the Ghanaian market associated waste management

Packaging
Supplier of machines

Dr. Bronner's – organic and fair trade

The sister company Serendipalm produces fair trade palm oil in certified organic quality. High demand on its products and production conditions concerning social and environmental aspects.

- Expansion of product range and processing in Ghana: cocoa, ginger, turmeric, cassava flour and vanilla
- Operation of a Montessori kindergarten with attached Training Center for outgrowers.

Certification
Processing

Statistics – German exports decreased in 2018, while Ghanaian exports to Germany increased strongly

Economic relationship between Germany and Ghana

Trade (in Mio. Euro), deviations from previous year in percent

	2016	%	2017	%	2018	%
German imports	281,4	3,3	215,5	-23,4	395,3	83,4
German exports	301,8	14,5	265,5	-12	229,5	-13,5
Saldo	20,4		50		-165,7	

Source: GTAI Wirtschaftsdaten Kompakt 2019

Logically, to reduce imports, more must be produced locally.

Catherine Krobo Edusie

Managing Director

Eden Tree

German import of goods according to SITC* 2018; % of total imports

Food items	55.6
Crude oil	32.6
Raw materials (except fuels)	7.2
Non-ferrous metals	2
Others	2.6

German export of goods according to SITC* 2018; % of total exports

Machines	24
Chemicals	14
Food items	11.8
Cars and car parts	11.5
Others	38.7

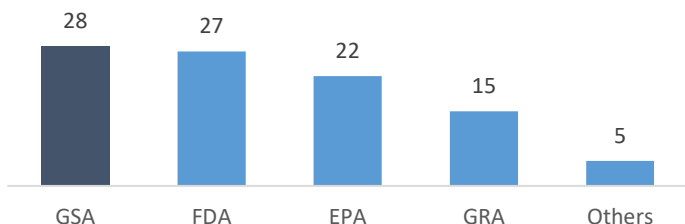
*Standard International Trade Classification

Source: GTAI Wirtschaftsdaten Kompakt, November 2018

Laws and regulations – Ghana Standards Authority and Food & Drugs Authority are the main institutions

Top 3 relevant government institutions in Ghana

Assessment by 33 companies



Source: AHK Ghana survey, 2019

Legal support in the sector	Governmental support programs
GEPA Ghana Export Promotion Council Act - 1969 (NLCD 396)	Office of the President 1 District 1 Factory / 1D1F
GFZA Free Zones Act (1995)	Ministry of Food & Agriculture Ghana Commercial Agriculture Project
GIPC Customs Harmonized Commodity and tariff Code Schedule to the Customs, Excise and Preventive Service (Management) Act, 1993 (P.N.D.C.L. 330)	Office of the President Export Marketing and Quality Awareness Project / EMQAP
	Ministry of Food & Agriculture Planting for Food and Jobs / PFJ

Laws and regulations – FDA, GSA, EPA and GIPC define the framework for the industry

Laws and regulations in the food processing value chain	
Food & Drugs Authority (FDA)	Public Health ACT 851, 2012 (§81 sowie §97 ff.)
	Guidelines for the Registration of prepackaged foods
Ghana Standards Authority (GSA)	Standards Decree, 1973 (NRCD 173)
	General labelling rules, 1992
Environmental Protection Agency (EPA)	Act 490, Environmental Protection Agency Act, 1994
	Environmental Assessment Regulations 1999Part 1, §1 bis §4
Ghana Investment Promotion Center (GIPC)	Ghana Investment Promotion Center Act (Act 865)

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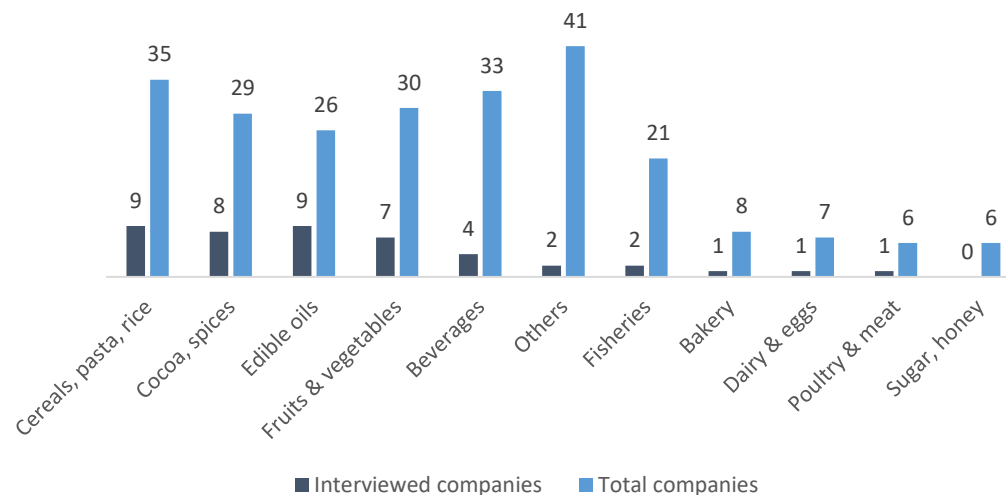
Participating companies

Bomarts Farms Ltd.	Eastern Region
Caltech Ventures Ltd.	Volta Region
Cocoa Processing Company Ltd.	Greater Accra
Eden Tree Ltd.	Greater Accra
FreshPak Products Ltd.	Greater Accra
GKV Investments Ltd.	Western Region
Homefoods Processing & Cannery Ltd	Greater Accra
HPW fresh and dry Ltd.	Eastern Region
Juaben Oil Mills Ltd.	Ashanti Region
K. Gyasi Oil Enterprise	Ashanti Region
Kasapreko Company Ltd.	Greater Accra
Kofi Vinyo and Company Ltd.	Brong Ahafo Region
Kwatsons Ghana Ltd.	Greater Accra
Nkulenu Industries Ltd.	Greater Accra
Norpalm Ghana Ltd.	Western Region
Nyame Yie Cold Store	Western Region
Ocean Foods Packaging Ltd	Greater Accra
Peelco Ltd	Greater Accra
Picadilly Biscuits Ltd.	Greater Accra
PINORA Ltd.	Eastern Region
Pioneer Food Cannery Ltd	Greater Accra
Plot Enterprise Ghana Ltd.	Western Region
Ltd.	Ashanti Region
Promasidor Ghana Ltd.	Greater Accra
Samba Foods Ltd.	Greater Accra
Serendipalm Company Ltd.	Eastern Region
Start Right Nutrition	Greater Accra
Takoradi Flour Mills Ltd.	Western Region
Theomella Ventures	Volta Region
Truecoco Ltd.	Western Region
Vester Oil Mills Ltd.	Ashanti Region
Yedent Agro Processing Ventures Ltd.	Brong Ahafo Region
Yvaya Farms	Greater Accra

Participating institutions

Association of Ghana Industries (AGI)
 AGI Kumasi
 Federation of Associations of Ghanaian Exporters (FAGE)
 FDA Regional Office Kumasi
 Food and Drugs Authority (FDA)
 Council for Scientific & Industrial Research - Food Research
 Institute (CSIR-FRI)
 Ghana Export Promotion Authority (GEPA)
 Ghana Investment Promotion Center (GIPC)
 Ghana Standards Authority (GSA)

Companies in the food processing and -logistics sector Classification by sectors



Source: GIPC, AGI, AHK research

For questions and details please contact



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