GENERAL AGREEMENT ON
TARIFFS AND TRADE

COUNCIL
9-10 March 1991

TRADE POLICY REVIEW MECHANISM
GHANA
MINUTES OF MEETING

Chairman: Mr. B.K. Zutshi (India)

I. INTRODUCTORY REMARKS BY THE CHAIRMAN OF THE COUNCIL 2
II. REMARKS BY THE REPRESENTATIVE OF GHANA 3
III. GENERAL OBJECTIVES OF TRADE POLICIES 6
IV. USE OF THE MAJOR TRADE POLICY INSTRUMENTS 10
V. RESPONSE BY THE REPRESENTATIVE OF GHANA 12
VI. OTHER STATEMENTS 14
VII. CONCLUDING REMARKS BY THE CHAIRMAN 15

Page 1

92-0620
I. INTRODUCTORY REMARKS BY THE CHAIRMAN OF THE COUNCIL

1. The Chairman, introducing the Trade Policy Review of Ghana, noted that this would be based on reports prepared by the Government of Ghana (document C/RM/G/21) and the Secretariat (documents C/RM/S/21A and 21B). The Government report had followed the agreed outline format (L/6552). The Secretariat had sought clarification from the Government on factual information contained in its report. The procedures for the meeting were set out in document C/RM/9.

2. Participants were invited to adopt two main themes during the review. Ghana's general objectives of trade policies, including approaches to trade liberalization, should be followed by a discussion of the major trade policy instruments used for achieving its industrial policy objectives, including sectoral plans.

3. He invited the representative of Ghana to make his introductory remarks, to be followed by the two discussants, Mr. Andras Szepesi and Mr. Somchin Suntavaruk.
II. REMARKS BY THE REPRESENTATIVE OF GHANA

4. Ghana welcomes the opportunity to discuss its trade policies and practices under the Trade Policy Review Mechanism. In view of the extensive documentation contained in both the Government and Secretariat reports, our introductory statement will concentrate on major developments in trade liberalization since these reports were prepared.

5. As contracting parties may be aware, Ghana has been carrying out a comprehensive programme of financial, trade and structural reforms since 1983 aimed at improving resource allocation within the economy and enhancing the efficiency of production, both for the domestic and external markets.

6. The key elements of these reforms have been the:

(a) re-alignment of relative prices to encourage productive activities, promote exports and strengthen economic incentives;

(b) progressive shift away from direct controls and intervention towards greater reliance on market forces;

(c) restoration of fiscal and monetary discipline;

(d) rehabilitation of economic and social infrastructure; and

(e) reduction of state involvement in direct production and the enhancement of the rôle of the private sector in all spheres of the economy.

7. In the trade and payments area there has been a consistent policy of eliminating all forms of controls. A major aspect of the liberalization programme was the introduction in September 1986 of the Foreign Exchange Auction system under which the exchange rate of the Cedi is market determined in the context of weekly auctions. As part of the continuing liberalization process of the trade and payments system, the Government has, since March 1988, authorized the establishment of Forex Bureaux where the public can freely purchase or sell foreign exchange at open market prices.

8. In January 1989, the import licensing system which, since the early 1960s had been the main instrument applied by Ghana to regulate imports, was abolished.

9. A key area of the trade regime which has also seen further liberalized is tariff administration. The thrust has been towards a lower and more uniform tariff structure. This has involved a lowering of the average tariff rate from 50 per cent in 1983 to the current low level of about 20 per cent.
10. Since the reports were published, we have taken further measures to rationalize our tariff and tax structures, and to increase private sector incentives. The super sales tax imposed on luxury goods in the 1990 fiscal year, and which initially ranged from 75 to 500 per cent before being lowered to a range of 10 to 100 per cent during the 1991 fiscal year, was completely abolished from January 1992. Additionally, the special tax on some imports which ranged from 10 to 40 per cent has been rationalized and reduced to a maximum rate of 10 per cent. There has also been a scaling down of import and sales taxes on motor cars. Import duties and sales tax on all building materials have been abolished.

11. A current preoccupation of the Ghanaian Government is to find ways of making the private sector the real engine of growth, while the public sector focuses on the effective implementation of policy reforms to increase competition; better manage trimmer public enterprises; and on improving physical and social infrastructure - education, training, science and technology to create and sustain an enabling environment for long-term development.

12. Towards that end, and to stimulate increased investment in the private sector, a number of measures have been taken to enhance after-tax rates of return:

(a) the corporate tax rate for commerce, printing and publishing has been reduced from 50 per cent to the standard rate of 35 per cent applicable to agriculture, manufacturing and the construction sectors;

(b) the corporate tax rate for the financial sector has been reduced from 50 to 45 per cent to encourage banks to reduce lending rates; and

(c) the dividend withholding tax has been reduced from 15 to 10 per cent.

13. The Government is also carrying out a thorough review of the legal and regulatory framework, as well as the tax and financial regimes which govern the private sector, with the view to making appropriate changes to enhance the growth of the private sector.

14. As is widely acknowledged, we have since 1983 succeeded in transforming our economy from an inward-looking one to an outward-oriented economy ready to participate fully in the multilateral trading system.

15. This outward orientation, however, increases our vulnerability to adverse trends in the international economic system, in particular, to possible slumps in world commodity prices and deteriorating terms of trade. Consequently, better access to markets, especially for tropical products and the further strengthening of the GATT-based multilateral trading system through the successful completion of the Uruguay Round, would assist
Ghana's efforts at diversification away from commodity-based exports, and provide secure and stable export markets. Hence, Ghana's active participation in the Uruguay Round and interest in its successful conclusion.
III. GENERAL OBJECTIVES OF TRADE POLICIES

(1) Statement by the first discussant

16. The first discussant noted that, although only one standard should apply to all trade policy reviews, certain features of the Ghanaian economy are worth bearing in mind. Ghana was a low-income developing country, with GDP per capita of some US$400 and heavy export dependence on cocoa. Moreover, the radical change in direction of Ghana's trade policies since launching its Economic Recovery Programme in 1983, needed to be assessed against its previous inward-looking trade policies of promoting import-substitution industries which, together with general economic mismanagement, had precipitated the severe economic crisis of the 1960s and 1970s.

17. Since trade and exchange liberalization were the centrepiece of Ghana's economic reforms, it would be interesting for the Council to examine Ghana's experience with past protectionist policies. What were the main factors behind Ghana's shift towards import-opening measures, the rationale for the chosen sequencing of trade and economic reforms, and the factors determining the pace and priority attached to individual reform elements? How successful had been its transition to a more open economy?

18. While Ghana's trade policies no doubt still suffered from a number of imperfections and inconsistencies, the post-1983 unilateral trade policy reforms appeared to have been successful from a broader GATT perspective. Progressive liberalization, including the introduction of a market-based exchange regime and abolition of the comprehensive import licensing system in 1989 when Article XVIII:B was revoked, as well as tariff reductions implemented in four stages, had facilitated structural change and enhanced economic efficiency by exposing domestic industries to greater international competition.

19. Although much remains to be done, tribute was to be paid to the substantial progress in Ghana's trade and economic reforms. These had contributed to a smoother functioning of the multilateral trading system, through increased compliance by Ghana to the underlying disciplines embodied in the General Agreement. He wondered to what extent Ghana's development and reform programmes had been affected by the trade policies of individual contracting parties, as well as collective actions exercised within GATT.

20. A related point concerned the expected impact on the economy, and on the future direction of reforms in Ghana, of a successful conclusion to the Uruguay Round. To what extent are Ghana's future reforms likely to be affected by the Uruguay Round outcome, including improved market access for tropical products?

21. Finally, a critical rôle was played in economic reforms by external assistance agencies, such as the multilateral institutions like the World
Bank and the IMF, as well as country donors. How important had the provision of such assistance been to the reform process, and what forms of assistance had been most useful?

(2) Statement by the second discussant

22. The second discussant referred to the poor economic performance which led to the turnaround in trade and economic policies since 1983, as well as Ghana's continued vulnerability through its high export and import dependency. Traditional primary products, namely tropical products, especially cocoa, forestry, fishing and mining, such as gold, diamonds, manganese and bauxite, continued to dominate exports, despite some limited growth in non-traditional products. Ghana's export dependency was now matched under the reform programme by a growing dependency on imported inputs, such as fuels, chemicals and machinery.

23. In the face of these structural constraints, Ghana had courageously embarked on a programme of gradually reforming and fine-tuning its trade policies to achieve its objectives of an adequate supply of industrial raw materials; improved international competitiveness of agricultural products; and export growth and diversification. An important precondition was the increased role of the private sector in business activities and trade policy formulation, such as through holding high level meetings with government officials. He asked what was seen as the appropriate balance between the Government's role and that of the private sector? Furthermore, although some State-owned enterprises were being privatized, many parastatals continued to operate, albeit in competition with private firms. It remained to be seen how their future import policies would contribute to opening Ghana's market.

24. Another fundamental feature of Ghana's reforms was the movement from the dual exchange rate system, an inefficient allocator of resources, towards a single rate. Ghana's reforms had greatly enhanced its capacity to participate in the multilateral system and to share in the benefits of improved and strengthened trade rules and disciplines that would result from a successful Uruguay Round. It remained to be seen how, and in what way, Ghana's reform programme would be affected by the outcome of the Uruguay Round.

(3) Statements and questions by members of the Council

25. The representative of Canada sought additional details and clarification on the impending National Tax Tribunal and its role in Customs matters; the likely content and timing of the redrafted trade laws; progress on the Government's privatization programme; and the consultant's report on areas affecting trade policy, such as structural adjustment, export diversification, industry protection and greater domestic value added in natural resource-based products. Ghana's views were also requested on its involvement in regional initiatives, such as the proposed African Economic Community, and ECOWAS. Particular information
was sought concerning the impact of restricting ECOWAS benefits to firms with community status.

26. The representative of the European Communities welcomed Ghana's trade reforms as consistent with the Communities' general support for policies aimed at avoiding fluctuations in effective protection, such as the elimination of non-tariff barriers and the implementation of more uniform tariff regimes. The Lomé Convention provided Ghana duty-free access to its major trading partner, EC markets, for all goods, except certain agricultural products. This preferential treatment would not be affected by the single EC market. Certain trade promotion programmes existing under the Convention could also help Ghana diversify its exports. Based on the EC's experience, Ghana was encouraged to pursue regional initiatives towards integration as an indispensable step in the country's development.

27. The representative of the United States recalled the challenges to the world trading system of creating an external environment that would support Ghana's substantial trade and structural reforms, and help keep them on track. She indicated that access to foreign exchange still appeared to be the major obstacle restricting imported inputs. Details were sought on Ghana's plans to bind tariffs within the Uruguay Round and its redrafted patent legislation.

28. The representative of Brazil appreciated the significant autonomous trade liberalization undertaken in Ghana, given its economic difficulties. Additional trade reforms would further improve transparency and resource allocation. Trading partners had an important responsibility to support Ghana's reforms by reducing tariffs and eliminating other trade barriers, thereby opening their markets to Ghanaian exports. In view of the export sector's importance to Ghana's development, export incentives should be recognized as valid trade policy instruments for promoting domestic value added in natural resource-based products, provided such measures did not impose excessive strains on the domestic economy.

29. The representative of Sweden, speaking also on behalf of Iceland, Finland and Norway, welcomed Ghana's trade reforms. He mentioned some minor remaining obstacles restricting imports, such as the slowness in refunding duties under the drawback scheme for exporters. Ghana, like other developing countries, should increase the predictability of the trading system and reduce uncertainty amongst producers and traders by binding its tariffs, as well as lowering rates. Furthermore, Ghana's contribution to the GATT system would be enhanced by signing MTN agreements. Details were sought on the comprehensive trade law currently being redrafted, as well as Ghana's views on the functioning and future rôle of ECOWAS.

30. The representative of Japan appreciated the substantial market-opening measures that had contributed to Ghana's economic expansion. However, he noted that a number of measures in Ghana's trading system, including tariffs, temporarily protected domestic industries to counter
economic difficulties, such as falling world cocoa prices and deteriorating terms of trade.

31. The representative of Switzerland commented on the positive economic results experienced in Ghana following trade liberalization. These included exchange and foreign investment reforms. He also welcomed the progress achieved in democratization. Greater transparency was, however, needed in Ghana’s taxation and tariff structures, including the numerous concessional tariff arrangements.

32. The representative of Egypt raised the importance of export diversification in reducing Ghana’s vulnerability to fluctuations in world commodity prices, and attracting increased foreign investment in all sectors. Ghana was urged to attach additional priority to trading with other developing countries.

33. The representative of Tanzania noted the limited export diversification so far achieved by Ghana and sought details on external constraints confronted by Ghana in attempting to broaden its export base.

34. The representative of Australia raised the absence of tariff bindings by Ghana. This substantially diminished tariff predictability and created uncertainty for producers and traders. He wondered whether Ghana would consider binding tariffs under the Uruguay Round. He noted the importance to Ghana’s reform process of achieving a successful conclusion to the Uruguay Round and improving market access in areas, like tropical products and agriculture, vital for its export diversification and growth. Other matters raised by the Australian representative included the promotion of private investment and exports as well as the intended acceleration of Ghana’s ongoing privatization programme, especially for larger mining enterprises.
IV. USE OF MAJOR TRADE POLICY INSTRUMENTS

(1) Statement by the first discussant

35. The first discussant stated that traditional import substitution policies for Ghana were inappropriate, since improved export performance required access to imported inputs. Trade reforms, such as several tariff changes, including in special import taxes - the major import barrier following the elimination of quantitative restrictions - have been an important factor behind recent import growth. Apart from unbound tariffs, minimum import prices were implemented in conjunction with Ghana's pre-shipment inspection system.

36. Export incentives, especially the income tax rebate, had assisted export diversification and growth. However, the generous financial benefits offered to major exporters through lower income tax payments could reduce domestic supplies by diverting funds to exports. Other measures directed at improving export performance included investment incentives, duty-free imports for exporters, and Government expenditure on export promotion.

(2) Statement by the second discussant

37. The second discussant referred to the importance of promoting a broader export base for Ghana. The country continued to be highly dependent on cocoa, despite some minor diversification towards non-traditional food exports. Although import liberalization had in part encouraged this process, exports were assisted by, for example, the income tax rebate scheme. An important issue for discussion was whether the provision of export assistance could contradict the objective of improving economic efficiency.

38. Similarly, the efficacy might be questioned of using export restrictions to promote domestic processing of natural resource-based products, such as timber products, as a means of generating employment and achieving environmental goals. Increased use of these measures by Ghana could adversely affect trading partners.

39. Although self-sufficiency was no longer a stated policy objective, the Government clearly saw agricultural development as a vital engine for sustained economic growth. How was this growth to be generated, and what would be the rôle of Government in this area?

(3) Statements and questions by members of the Council

40. The representative of the United States, in response to introductory comments made by the Chairman that the Council limit its discussion to existing GATT arrangements covering merchandise trade, pointed out her
understanding that the Mechanism was intended to review all aspects of a contracting parties' trade-related policies. Previous reviews had already examined areas such as investment, services trade and competition policies.

41. Ghana had a good record in protecting intellectual property rights. It was a member of both the World Intellectual Property Organization and the African Intellectual Property Organization. Since Independence, prior registration of patents had been required in the United Kingdom. However, its patent legislation was currently being redrafted. She requested details on any likely changes. Questions were also raised on the need for additional export and investment incentives; Ghana's views on binding tariffs within the Uruguay Round; and the rationale for setting minimum export prices.

42. The representative of Canada questioned the negative effects on investment and efficiency of the relatively high protection afforded to domestic industries by the existing four-tiered tariff structure, and the absence of tariff bindings. The increasing use of export prohibitions in the forest products sector and their debilitating impact on the competitiveness of industries relying on these measures was also raised. Finally, reference was made to the non-transparent and arbitrary nature of Ghana's anti-dumping procedures and the remedy of applying special import taxes at the tariff line level. Ghana was asked whether it would consider joining the Anti-dumping Code, as well as other MTN Codes in which it had observer status.

43. The representative of Australia referred to the tendency for tariff disparities to widen, leading to increased effective protection, due largely to higher duties and special taxes on imports of consumer goods as well as concessional arrangements, such as end-use tariff concessions. He wondered whether a more uniform assistance structure would further improve economic performance, by inducing more efficient resource allocation and diversification of Ghana's production and export base. Details were sought on any proposed trade reforms.
V. RESPONSE BY THE REPRESENTATIVE OF GHANA

44. In responding to the matters raised by Council (see Sections III and IV), the representative of Ghana stated that trade policy reforms implemented since 1983 must be seen in the context of Ghana's overall development and past experiences. The Government now clearly recognized the failure of previous import-substitution policies, and that it was important to further liberalize trade under the recovery programme. It remained committed to systematically and gradually achieving lower, more uniform tariff rates. In this regard, the 1992-94 programme provided for, to the extent permitted by budgetary requirements, reduced tariff rates, abolition of special import taxes and lower coverage of duty exemptions and concessions.

45. Export diversification and promotion to reduce Ghana's vulnerability to world commodity price fluctuations was seen as an important aspect of the Government's reform strategies. This included further reducing overdependency on cocoa and encouraging the growth of non-traditional manufactured products, such as fish, salt, aluminium and wood products. Some success has been achieved in this area. Exports were expected to continue growing from US$62 million currently to some US$300 million by 1995.

46. The activities of the Ghana Export Promotion Council in providing marketing and other assistance, especially for selected areas thought to offer greatest potential - including agricultural commodities like pineapples, ginger and black pepper, as well as manufactured wooden furniture, aluminium products, processed foods, soaps, detergents and traditional-type textiles like batik - had been important in this regard. It was emphasized that the minimum export prices set by the Promotion Council were only indicative for use as a guide by exporters in their commercial transactions, and did not prevent lower prices from being negotiated by the exporter to reflect prevailing market conditions.

47. The Government, as part of its policies for expanding the role played by the private sector, was committed to the privatization programme. A number of State-owned enterprises had, or were in the process of being, divested; all three of the mines formerly owned by the State Gold Mining Enterprise were being sold, and part-sale was being offered of the main mine of the Ghana Consolidated Diamond Company. The Government had also undertaken a number of measures to promote private sector involvement, such as tax reforms, restructuring of the financial system and establishment of a stock exchange.

48. Most state-owned enterprises were not statutory monopolies, with the notable exception of the marketing activities of the Ghana Cocoa Board (COCOBOD). Its monopoly position over coffee and sheanuts ended recently, however, by allowing private operators to market these products. Similar steps were to be taken in 1992 to enable domestic cocoa sales to be traded
privately, while at the same time retaining the Board's monopoly controls over cocoa exports and quality certification.

49. Ghana's trade reforms were supported by overseas remittances of around US$200 million annually and by financial assistance from both multilateral and bilateral sources. External funds had augmented Ghana's foreign exchange levels, moderating Ghana's balance of payments problems and assisting in the rehabilitation of physical and social infrastructure necessary for Ghana's economic development.

50. The Government's view was that further tariff reductions should precede any binding commitments by Ghana. However, the Government accepted that tariff bindings at ceiling rates above existing levels might increase predictability in the trading environment, and was prepared therefore to consider this issue seriously.

51. The planned Tax Tribunal, to be established under legislation already passed, would have High Court jurisdiction over all matters relating to customs duties and taxes. Aggrieved parties would in future be able to seek redress from the Tribunal against Customs decisions, and rulings by the Tribunal will be appealable through the Courts.

52. Many laws, such as the Exchange Control Act, the Manufacturing Industry Act and the basic trade legislation, were currently being reviewed to bring them into line with existing policies. The redrafted trade law would reinforce the thrust of recent reforms and enforce the interests of multilateral trade. Ghana was considering joining the MTN agreements on Technical Barriers to Trade, Customs Valuation, Government Procurement and Import Licensing. Accession to MTN agreements would, however, depend on the outcome of the Uruguay Round.

53. Given the sector's predominance in the Ghanaian economy, agricultural development occupied a central rôle of the Government's strategy for economic growth. Policies have shifted away from direct Government involvement in agricultural production to providing necessary marketing services and infrastructure, such as storage and limited irrigation facilities, for private sector development.

54. Following world wide trends, regional initiatives were receiving renewed interest in Ghana as a means of facilitating the country's export growth and diversification. This was reflected in the recent changes in the trade liberalization scheme undertaken by ECOWAS members, and the longer term plan to consolidate regional trading groups into the proposed African Economic Community. The objective of these regional arrangements was to reinforce multilateral trade. Ghana was also hopeful that its goals of export diversification and growth would be aided by a successful conclusion to the Uruguay Round, through improved market access for Ghanaian exports, especially for tropical and natural resource-based products.
VI. OTHER STATEMENTS

55. The first discussant referred to views expressed by participants that external support and encouragement was important to keep Ghana's reform efforts on track and to make them even more consistent with GATT ideals. In this regard, a clear consensus had emerged from the review that an early and successful conclusion to the Uruguay Round would, through aiding stability, predictability and improving market access for Ghanaian exports, make an essential contribution to the continued success of Ghana's trade and economic reforms.

56. The second discussant stated that in promoting open-market policies, like those implemented in Ghana which no doubt contributed to improved economic performance, difficulties often arose in conforming with the multilateral rules and disciplines; meeting conflicting domestic interests; satisfying plurilateral international relationships; and reflecting important non-trade concerns.

57. The representative of Madagascar referred to Ghana's tremendous achievements as a developing country in setting up a market-based economy and contributing to the multilateral trading system.

58. The representative of the European Communities raised several matters, such as Ghana's desire to achieve improved market access for tropical and natural resource-based products under the Uruguay Round as a means of achieving export diversification and growth.
VII. CONCLUDING REMARKS BY THE CHAIRMAN

59. This special meeting of the Council has collectively reviewed and evaluated Ghana's trade policies and practices, including their impact on the functioning of the multilateral trading system. The statements made during the meeting by the Ghanaian delegation and other participants will be reflected in the minutes. These remarks are intended to summarize, on my own responsibility, the salient points emerging from this review.

60. The representative of Ghana opened the discussion by outlining the basic objectives of the ongoing programme of trade and economic reforms followed by Ghana since 1983 under the Economic Recovery Programme. An essential ingredient of these reforms had been to improve the country's resource allocation as well as its productive and export capacities, through greater reliance on market forces and an increasing role for the private sector, while maintaining responsible monetary and fiscal policies. Public sector efforts focused on effective implementation of policy reforms and improving the physical and social infrastructure.

61. Efforts taken to liberalize the trading regime in Ghana included the removal of import licensing and tariff reductions, together with the introduction of a market-determined exchange rate. Further steps announced in the 1992 Budget included abolition of the super sales tax; rationalization of the special additional import tax rates, formerly of between 10 and 40 per cent, to a maximum rate of 10 per cent; the scaling down of import and sales taxes on motor cars and abolition of duties on building materials as well as, inter alia, reductions in company tax rates in commerce and other service areas. As Ghana's economy became more outward looking, however, its need for better access to foreign markets and a stronger international trading system would be more critical.

62. Participants recognized that Ghana, as a low-income developing country with a natural resource-based economy, a limited export base and a high level of indebtedness, had faced many serious constraints in a responsible manner. Its impressive achievements to date in economic reform, with trade and exchange liberalization at the centre, had strengthened its integration in the world economy and improved its economic performance.

63. Ghana had ceased to use trade restrictions for balance-of-payments purposes, had reduced tariffs and thus exposed its economy to greater international competition. The Council commended Ghana for the way that, with the aid of substantial external assistance, it had resolutely tackled the challenges before it using comprehensive economic reforms. The important role played by autonomous trade liberalization in redressing the inefficiencies caused by past import-substitution policies was emphasized.

64. One participant suggested that trade liberalization by itself was unlikely to fully solve Ghana's economic problems and that export incentives were a legitimate trade policy instrument for diversifying
exports of processed products, provided they did not impose excessive costs elsewhere in the economy.

65. Participants raised questions and sought further information from Ghana on a variety of issues, including:

- the effects on trade and production incentives of Ghana's escalating tariff structure and various tax concessions;
- the use of minimum import prices and special import tariffs, including for anti-dumping purposes;
- the proposed role of the Tax Tribunal in customs matters;
- Ghana's experience in the field of export diversification and the use of export incentives, such as income tax rebates;
- the use and potential effects on resource allocation of export restrictions on unprocessed products, especially timber, to promote domestic value-added in the sector;
- Ghana's aims and policies in the area of agricultural development;
- Ghana's ongoing privatization programme;
- policies relating to foreign investment;
- the revised basic trade law under consideration in Ghana;
- details regarding Ghana's proposed new patent legislation; and
- Ghana's experience as a member of ECOWAS and its views on the functioning of that organization, and the proposed creation of the African Economic Community.

It was noted that Ghana had bound none of its tariffs in GATT. Participants also asked whether Ghana would join any of the MTN Agreements.

66. In responding to these questions and comments, the representative of Ghana reiterated his Government's commitment to further trade reforms, including the gradual lowering of tariffs to more uniform levels, and reductions in the scope for duty exemptions and concessions. A major aspect of its policy thrust was to reduce the economy's vulnerability to world commodity price movements through export diversification away from traditional exports, such as cocoa, towards non-traditional manufactured and primary exports, including fish, salt, processed food, soaps, wood and aluminium products. The activities of the Export Promotion Council were important in this regard. The stimulation of greater private sector involvement was also receiving high priority, through acceleration of the
divestiture programme and other policies, such as tax concessions and financial reforms. He emphasized that the Government’s rôle was one of providing the infrastructural facilities necessary for economic growth.

67. Details were given on the important rôle played by overseas remittances, as well as external assistance, in supporting the balance of payments and the reform programme. The impending establishment of the Tax Tribunal, with High Court status, would be an important advance in customs administration. Ghana would give consideration to binding its tariffs, but thought that further tariff reforms should precede any binding commitments. The reduction of the Government’s rôle in marketing of primary products would be continued. Steps would soon be taken to remove COCOBOD’s monopoly position on domestic cocoa sales, although it was thought necessary to maintain its sole export responsibilities for quality control purposes, among others. Ghana was considering acceding to MTN Agreements, especially those on Technical Barriers to Trade, Customs Valuation, Government Procurement and Import Licensing. However, this would be heavily influenced by the outcome of the Uruguay Round. There had been a renewed interest in regional trade initiatives, such as ECOWAS and the proposed African Economic Community, following the strengthening of international trade blocs elsewhere in the world. Other matters raised by participants would be covered in a written response.

68. Members agreed with the representative of Ghana on the importance to its reform programme of a successful outcome to the Uruguay Round, especially in tropical products, natural resource-based products and agriculture. Improved market access in these areas would significantly assist Ghana achieving its full export potential, and help further reduce its dependence on cocoa. At the same time, Ghana could make its contribution to the Round and increase the stability and predictability of its own trade policies through tariff bindings.

69. The Council commended Ghana for the substantial progress that it had made in economic liberalization, in the face of considerable difficulties. The implementation of further reforms, including continuing reductions in tariffs and greater divestiture of State-owned enterprises, would strengthen Ghana’s economic potential. However, Ghana’s autonomous liberalization efforts must be matched by its trading partners, within the multilateral system, by ensuring favourable market access and stable trading conditions for its export growth and diversification.