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Ghana International Trade Commission Support

Summary Report

SUBMITTED TO

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Ghana ITC Support Summary Report

INTRODUCTION

Ghana's Ministry of Trade and Industry (MOTI) is committed to establishing an independent Ghana International Trade Commission (GITC). The ultimate goal of establishing the GITC is to have a well-resourced, neutral, and independent decision-making agency that can provide speedy and effective redress to affected domestic industries, exporters, importers, and consumers where unfair trade practices or even fair trade practices resulting from trade liberalization have hurt these parties. Experience from other countries, both industrialized and agro-based, demonstrates that this is the best way to balance the competing interests of these groups while also seeking to safeguard the public interest.

In 2008, with USAID support, MOTI established the Tariff Advisory Board (TAB) as an interim step to establishing the GITC. TAB works to ensure that tariffs are set in accordance with national economic development objectives rather than primarily for revenue purposes, and to improve transparency and predictability in the import-export regime while taking into account contingency trade measures. TAB is currently an administrative body with a limited mandate that entails fact-finding inquiries, the investigation of petitions in respect of tariff adjustment and safeguard measures, and the provision of policy advice and training of public and private stakeholders.

USAID/Ghana engaged the Worldwide Support for Trade Capacity Building (TCBoost) project to provide technical assistance in developing the strategic framework for the transition from the interim TAB to the GITC. TCBoost assistance was led by Dr. Susan Hester, an international trade specialist with previous experience helping to create and advise the TAB. TCBoost also collaborated with the U.S. International Trade Commission (ITC) to train TAB members and participate in public-private dialogue sessions. The following report summarizes TCBoost assistance to the TAB from October 2010 to February 2012. Relevant documents are annexed for reference.

ACTIVITY SUMMARY

TCBoost assistance included reviewing draft legislation and implementing regulations, facilitating public-private dialogue on the GITC, training TAB members on petition hearings, injury factors and trade remedies, and conducting a study tour to learn from South African experience. TCBoost activities are summarized below.

Assessing TAB progress and recommending next steps. In November 2010, Dr. Hester, traveled to Ghana to work with USAID/Ghana, MOTI, the TAB and others to assess TAB performance to-date, analyze the draft GITC law and implementing regulations, review the proposed GITC organizational structure, determine GITC human resource needs (including drafting position descriptions) and develop a roadmap for establishing the GITC. Dr. Hester and Russell Duncan, a USITC investigator, also traveled to Akosombo to participate in a three-day TAB retreat—funded by TCBoost—to discuss inconsistencies in the Ghanaian tariff regime, VAT refund bottlenecks, and duty drawback implementation. The retreat also provided the opportunity to train TAB on trade remedies (dumping calculations & injury analysis; petition, initiation and procedures, safeguards, and countervailing duties). Retreat participants included representatives from MOTI (including a USAID-funded expatriate advisor embedded in the Ministry), the Ministry of Finance and Economic Planning, the Customs Excise and Preventative Service, the Value Added Tax Service, Parliament, the Association of Ghana Industries, and the Ghana National Chamber of Commerce and Industries. After the workshop, Dr. Hester met separately with some of the same public and private sector stakeholders, as well as with other USAID/Ghana economic growth program implementing partners. The results of Dr. Hester’s assessment, including the GITC roadmap, draft GITC law and implementing regulations, and trade remedies training materials from the Akosombo retreat, can be found in Technical Assistance for the Establishment and Capacity Building of the Ghana International Trade Commission, December 2010.

Identifying immediate needs. The GITC roadmap identified several technical assistance and training activities needed to fully transition the TAB. After a hiatus of several months, USAID/Ghana and TCBoost revisited and revised the roadmap, selecting several immediate priority activities that could be accommodated under the project’s current resources. TCBoost and USAID/Ghana negotiated cost-share terms and developed new plans for technical assistance and training to be provided by Dr. Hester. These activities included hands-on training in convening petition hearings, training for public and private sector actors on injury factors and ratios in trade remedy cases, and leading a study tour for TAB members to the South African International Trade Administration Commission in Pretoria.

Reviewing first petition hearing. Aluworks Limited, a Ghanaian supplier of aluminum for small and medium-sized factories throughout West Africa, was the first company to file a petition with the TAB. Aluworks was seeking the imposition of anti-dumping duties on imported Chinese aluminum products. TAB research undertaken on export values reported by China and import values declared in Ghana indicated significant under invoicing in Ghana. Dr. Hester reviewed a video recording of the ALUWORKS petition hearing and traveled to Ghana in September 2011 to flag issues for the TAB and Secretariat regarding procedures, issues raised, process, and questions to be addressed with research or future discussion. TAB was very receptive to Dr. Hester’s feedback. Dr. Hester also reviewed trade databases with TAB and demonstrated how trade data from China and Ghana could be used to verify injury allegations in the case. TAB members resolved to obtain the names of all importers of the product in question to further define the extent of this problem. TAB members also discussed the importance of meeting with all case stakeholders to learn their viewpoints, visiting with Aluworks to observe the manufacturing process and better understand the issues raised in the petition, and meeting with Customs to confirm their awareness of this issue. A summary of the findings re the Aluworks hearing is presented in Dr. Hester’s trip report in Appendix A.

Training on injury factors and ratios in trade remedy cases. In September 2011, Dr. Hester also trained TAB and Secretariat members on specific injury factors and ratios involved in antidumping, countervailing duty and safeguard cases. Dr. Hester provided charts to illustrate how several injury factors determined US ITC decisions, a sample questionnaire to be used as a template, and copies of a USITC determination and staff report. Participants reviewed each section of the determination and report to illustrate how determinations and factors are addressed, how confidential information is handled in public reports; and how data is optimally presented and analyzed for decision makers. TAB and Secretariat members also analyzed a mock case with domestic industry and import data, voted on the question of injury to the domestic industry, and then gave their reasons for their particular vote. This generated lively discussion. Lastly, the trainees broke into small groups to analyze a case study of domestic injury, based on a real USITC ruling. Training materials are provided in Appendix B.

Learning from South African experience. During the September 2011 trip, Dr. Hester also discussed next steps and expectations with TAB for the proposed study tour to South Africa. The team discussed goals and objectives for the tour, as well as a list of potential participants. TCBoost hired a training coordinator, Mrs. Henrietta (Herty) Abeka-Afari, to help with logistics for the tour (airline tickets, visas, accommodations, transport) and be a steady point of contact for TCBoost management in Washington. In February 2012, Dr. Hester returned to Ghana to prepare TAB and MOTI for the tour and accompany the group to Pretoria. Participants were provided briefing materials outlining ITAC's core mission, legal framework, and organizational structure. The final group included all members of the TAB and several members of the Technical Secretariat at MOTI and the Parliamentary Committee on Trade, Tourism, and Industry. The group was warmly hosted at ITAC and the program detailed such key ITAC functions as trade remedies, tariff reviews, and import-export controls. More than a dozen ITAC members, including the Chief Commissioner and the Deputy Chief Commissioner, presented and participated in group discussions. At the subsequent debrief meeting, the Ghanaians were unanimously satisfied with the tour and expressed appreciation for the opportunity. Mr. Tawia Akyea, TAB Chairman, reported "South Africa was a revelation. I am very glad we could make the trip and establish contact with ITAC. This is good, not only because we were able to learn so much, but also because it provides a basis for future collaboration. I thank you for all the hard work you have done on our behalf..." The invitation and agenda from the ITAC study tour are presented in Appendix C.

CONCLUSION

With assistance from TCBoost and USAID/Ghana, MOTI has taken important steps toward transitioning the interim TAB to a fully operational GITC. The establishment of the GITC will afford Ghana a well-resourced, neutral, and independent decision-making agency that can provide speedy and effective redress to economic actors negatively affected by unfair trade practices. Having the ability to redress such injuries will enable Ghana to more equitably participate in and enjoy the benefits of the global trading system. Members of the TAB firmly demonstrated their commitment to establishing an effective GITC and responded very favorably to USAID assistance towards this goal. Although members of the TAB received no compensation for their time, they consistently cooperated with TCBoost's efforts, exhibiting nearly perfect attendance at all workshops, trainings and briefings.

Upon last report, the Ministry of Finance and Economic Planning (MOFEP) is regularly referring injury petitions to the TAB, the legislative process is ongoing, and TAB continues to receive technical training to help fulfill its mandate. TCBoost is pleased to have participated in this important economic growth activity in Ghana and looks forward to receiving news of continued progress. We would also like to thank USAID/Ghana, USAID/EGAT, the US ITC, TAB and ITAC (South Africa) for their partnership in this activity.

Appendixes

Appendix A. Susan Hester Trip Report (September 2011)



USAID
FROM THE AMERICAN PEOPLE

Trip Report for Ghana International Trade Commission Assistance

September 19–October 3, 2011

SUBMITTED TO

United States Agency for International
Development

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BACKGROUND

The Ministry of Trade and Industry (MOTI) of Ghana is committed to establishing an independent Ghana International Trade Commission (GITC). The ultimate goal of establishing the GITC is to have a well-resourced, neutral, and independent decision-making agency that can provide speedy and effective redress to affected domestic industries, exporters, importers, and consumers where unfair trade practices or even fair trade practices resulting from trade liberalization have hurt these parties. Experience from other countries, both industrialized and agro-based, demonstrates that this is the best way to balance the competing interests of these groups while also seeking to safeguard the public interest.

The establishment of the GITC would represent the culmination of an effort begun under the USAID-funded Trade and Investment Program for a Competitive Export Economy (TIPCEE), which ended in 2009. With TIPCEE support, the Ministry of Trade and Industry (MOTI) established the Tariff Advisory Board (TAB) as the precursor to the establishment of the. The objective of the TAB is to ensure that tariffs are set in accordance with national economic development objectives rather than primarily for revenue purposes, and to improve transparency and predictability in the import-export regime while taking into account contingency trade measures. Specifically, the TAB is currently an administrative body with a limited mandate that entails fact-finding inquiries, the investigation of petitions in respect of tariff adjustment and safeguard measures, and the provision of policy advice and training of public and private stakeholders.

The TAB is also charged to continue work on other programs, including shepherding the draft legislation through the various steps necessary for passage and implementation to ensure the establishment of the full complement of an independent GITC with the legal mandate to address the full complement of critical of trade regulation issues that currently confront the Ministry, particularly those relating to the provision of contingent protection to domestic industries affected by trade liberalization.

OBJECTIVES

The general objective of this trip was to provide technical assistance and training to help MOTI and USAID/Ghana continue the process of transforming the TAB into an operational GITC.

Specific objectives included:

- Identifying the major issues raised in the ALUWORKS petition;
- Training TAB and Secretariat members on the injury factors and ratios or the injury factors and ratios to be considered in antidumping, countervailing duty, and safeguard cases; and
- Determining next steps in the development of the GITC, including the final project to be carried out under TCBBoost.

SOW/TASKS

TAB/MOTI requires USAID assistance of to complete the investigation and assessment of the first case brought before the TAB (ALUWORKS petition). TCBoost retained Senior Trade Advisor Susan Hester to perform the following tasks (in the United States and Ghana):

In the United States:

- Review the minutes of the first Tariff Advisory Board hearing;
- Review the video recording of the hearing of the ALUWORKS petition;
- Flag issues for the TAB and Secretariat regarding procedures, issues raised, process, and questions to be addressed with research or future discussion; and
- Prepare training materials for Board and Secretariat that address the injury factors and ratios to determine if there is injury to the domestic injury.

In Ghana:

- Meet with the TAB and the Secretariat to discuss the issues to be resolved concerning the ALUWORKS petition; and
- Hold training sessions for the TAB and Secretariat on the injury factors and ratios to determine if there is injury to the domestic industry.

TRIP SUMMARY AND HIGHLIGHTS

Dr. Hester traveled to Accra, Ghana in September/October 2011 to continue the process of transforming the TAB into an operational GITC. She attended a workshop conducted on September 24-25 for TAB and MOTI Secretariat members.¹ The first workshop component dealt with the issues raised by the ALUWORKS petition. Following a review of the video recording of the ALUWORKS petition hearing, the following points were discussed:

- Hearing procedures
 - Excellent introduction by Chairman;
 - Complete list of stakeholders invited;
 - Need for name plates to identify Board members and witnesses;
 - Preparation of witnesses with background information on the case and guidelines for statements they wish to make;
 - Suggested questioning rotation by Members similar to the USITC; and
 - Emphasis on objective questioning which does not reveal Member's position.
- Statement by Managing Director of ALUWORKS
 - Extremely well-prepared private sector petitioner;
 - Statement well-researched and backed-up by facts and examples; and
 - Requested action on two matters

¹ Workshop agenda attached as Appendix A.

- Enforcement of Ghana’s laws
- Application of duty to countervail China’s export subsidy.
- Major issues to be addressed based on hearing and written submissions
 - TAB is not able to help the petitioner with his request for CVD duties because the LI for Subsidies has not been passed by Parliament. This request can be addressed in the memo to the Minister and used as leverage to move the legislative process forward more quickly;
 - Enforcement of Ghana’s laws related to appropriate Customs duties and under invoicing
 - Secretariat was assisted in researching export values reported by China and import values declared in Ghana; results suggested significant under invoicing in Ghana. Follow-up actions were taken after the workshop in a meeting with Customs to address this issue based on the evidence provided.
 - Issues related to non-manufacturers receiving a special concessionary rate were discussed; additional follow-up steps were taken after the workshop to obtain the names of all importers of the product in question to further define the extent of this problem.
 - Other issues discussed
 - Concept of non-attribution; taking the industry as you find it. In deciding the material injury question, imports must be a **cause** of injury for dumping and subsidy cases; in safeguard cases, imports must be the most important cause of injury.
 - Strategy of looking at cases involving the same product brought by other countries; shared example of aluminum case brought by the U.S. against China.
 - Need to train private sector on injury factors; they do not understand what they need to show and what data they need to present.
 - Need to present timeline and history of all actions taken in final memo to the Minister. Secretariat has met individually with all the stakeholders to ascertain their views and has visited the company to observe the manufacturing process to better understand the issues raised in the petition.
 - Timeline was established for a first draft from Dr. Ayine to be reviewed by the Board and then finalized for submission to the Minister.
 - Discussion of the respective roles of government and private sector in trade remedy cases.
 - A memo had been sent to the Chinese Embassy to collect information; the Board was provided with examples of questionnaires used by the Government of Egypt in a CVD case to collect the kind of specific information requested in the memo.

The second component of the workshop was the training on injury factors and ratios. A PowerPoint presentation was delivered on the specific injury factors to be considered in trade remedy cases.² The Board subsequently reviewed matrices that presented cases determined by the

² Copy provided in training materials.

USITC.³ The final determination was presented at the top of the column and the various factors were discussed in each row. It is important for the Board to understand that each factor must be considered in every case, but the importance attached to that factor will vary with the industry and the facts of the case. It is extremely rare to find a case where all the factors point in one direction or the other. The directions are almost always mixed or neutral, and it is the Board's job to place the factors in order of priority.

Charts were provided to illustrate several injury factors, and a sample questionnaire was presented that can be used as a template by the Secretariat.⁴ Copies of a USITC determination and staff report were provided to all participants.⁵ Each section was reviewed to illustrate:

- Template used for determinations and factors to be addressed;
- The handling of confidential information in public reports; and
- Template used for staff reports so that all data collected is presented and properly analyzed for decision makers.

Participants formed teams (Board and Secretariat members) to work on exercises that presented a mock case with domestic industry data and import data. Results were reviewed and discussed. Board members were charged with studying the data in preparation for a mock vote to be held the following morning.

At the beginning of the morning session, a Secretariat member reviewed the data analyzed the day before. Each Board member voted in turn. After the voting was completed, each member gave his or her reasons for the vote. These rationales were discussed at length. At the end of the training, it was agreed that a second training would be developed building on the first exercise. It was delivered to the Secretariat (and two other MOTI directors) the following week.⁶ After all the tables have been completed, the staff will complete a report (template was provided and some factors filled in as a model) and forward the report and completed tables to the TAB members for their consideration and voting.

Other matters concerning the TAB discussed at the workshop were as follows:

- Timeline for pending legislation for amendment of Import-Export Act, the LIs for trade remedies, and the GITC bill.
- Study tour to South Africa
 - Topics were discussed that had been provided by the ITAC, and all were accepted except for the WTO framework that the Board is already conversant with;
 - Additional topics were requested: training of the private sector, bar association, and ministry officials; handling of proprietary information; document management; procedures for hearings; and legislative statutes;

³ Copy provided in training materials.

⁴ Copies of both are provided in training materials.

⁵ Copy provided in training materials.

⁶ Tables and report template attached at Appendix B.

- This information was conveyed to the ITAC; a hearing is not scheduled in our window of opportunity so we are now trying to settle on a mutually convenient date; and
- At a meeting later in the week the Chairman and the Executive Secretary and the Chief Technical advisor agreed on the list of participants and the tentative schedule for the study tour (leaving on Saturday evening and returning on Thursday).
- Cement case
 - Petition has been received about a tariff issue.
 - Decision was made to do a broad study of the cement industry in Ghana to provide the necessary research and background for a decision to be made about the tariff request.
 - The Board and Secretariat agreed on a report timeline.
- Training for the TAB staff
 - Consensus was reached that the roadmap plan was still on target with necessary training
 - For the private sector on how to complete a petition; and
 - For the Secretariat and Board members on the calculation of dumping and subsidy margins; additional injury analyses, and report and determination drafting
 - Special emphasis was requested on relevant research skills.

Funding arrangements for the TAB were discussed and plans made to have further discussions with the Minister.

Appendix B. Trade Remedies Training Materials

**TARIFF ADVISORY BOARD(TAB) AGENDA FOR TRAINING PROGRAMME AT
THE CAPITAL VIEW HOTEL, KOFORIDUA ON SEPTEMBER, 24 -25, 2011**

Opening Remarks – Chairman TAB

History of the Aluworks case

- Review of Aluworks hearing
- Comments on hearing
- Questions and Answers
- Conclusion on the Aluworks case and recommendation to Minister
- Review procedures on petitions and complaints

Training on Injury factors

Other matters

Pending Legislation

Training trip to South Africa

Topics suggested by the South African Coordinator:

- I TAC Governance
- WTO Frame work
- Procedure of investigation (Trade Remedies)
- Customs Tariffs Amendments

The Cement Case

Training for TAB staff

Funding arrangement for TAB

Any Other Business

***Cocoa break, Lunch and Dinner will be at convenient times**

The petition filed by the Ad hoc committee for fair trade in widgets in the Ghanaian market alleges dumping by Chinese and Indonesian producers and subsidies provided by the governments of China and Indonesia to the producers of widgets in these two countries.

The period of investigation is 2008 through the first half of 2011.

The MOTI Secretariat investigated the allegations of dumping and subsidies and came out with the following final margins:

Anti-dumping duties:

5 Chinese companies 7.6%

All other Chinese companies 135.83%

All Indonesia companies 20.13%

Countervailing duties:

5 Chinese companies and all other 17.64%

2 Chinese companies 178.03%

All Indonesian companies 17.94%

For a combined total range of:

China: 25.24% to 313.86%

Indonesia: 38.07%

Pricing data:

The MOTI Secretariat collected specific pricing data on 5 products. The data show that imports from China were lower than the U.S. producers' prices in 39 out of 42 quarterly comparisons, by margins ranging from 1.5 percent to 25.2 percent. The prices of imports from China were higher than U.S. producers' prices in 3 quarterly comparisons, by margins ranging from 1.4 to 14.3 percent. The data show that prices of imports from Indonesia were lower than the U.S. producer prices in 9 out of 16 quarterly comparisons, by margins ranging from 2.6 percent to 14.4 percent. The prices of imports from Indonesia were higher than U.S. producers' prices in 7 quarterly comparisons, by margins ranging from 0.6 to 18.7 percent.

Other AD/CVD orders in place:

The European Union initiated cases against China for the same product (AD February 2011; CVD April 2011). The proceedings are ongoing.

Report to the Tariff Advisory Board

October 2011

On the Investigation of Widgets from China and Indonesia

Introduction:

On March 3, 2011 the Ad Hoc Committee for Fair Trade in Widgets in the Ghanaian Market filed a petition with the Tariff Advisory Board alleging dumping and subsidization of widgets by China and Indonesia. The petition was reviewed and deemed adequate by the TAB Secretariat, and an investigation was launched in April 2011.

Questionnaires were sent to all producers of widgets in Ghana as well as to importers and purchasers of the same product. Information on the widget industry was also collected from producers in China and Indonesia. In addition, the Secretariat carried out investigations to determine the margins of dumping and subsidies provided by the respective governments to their industry.

Tables are attached which show the compiled data. All of the injury factors are summarized below.

Volume of imports, absolute and relative to production and consumption

Price: undercutting, suppression or depression

Impact on the Industry

Actual or potential declines in:

- **Production**

The widget industry in Ghana produced 1,303,271 widgets in 2008, and production declined in 2009 and again the following year to 1,103,889 widgets in 2010. This represented a decline of 15.3%. In the first half of 2010 the industry produced 517,681 widgets; this increased to 714,387 widgets in the January to June period of 2011 for an increase of 38%. This increase may be attributable to a significant drop in imports in response to the preliminary duties put in place as the result of this investigation.

- **Sales volumes (shipments)**

Shipments by domestic producers followed a similar pattern as production. Domestic shipments began the period at 1,223,741 and dropped to 999,459 at the end of the period of investigation, for an overall decline of 18.3%. In the interim period, domestic shipments increased by 47% from 429,098 in the first six months of 2010 to 634,236 in the same period in 2011.

Exports of widgets by Ghanaian producers declined 13% from 2008 to 2010 from 123,101 to 106,678. In the interim period, exports increased -- similar to production and domestic shipments -- from 46,852 to 61,778 or 31.9%.

- **Market share**
- **Profits**
- **Productivity**
- **Capacity**
- **Capacity utilization**

Actual or negative effects on:

- **Cash flow**
- **Inventories**
- **Employment and wages**
- **Capital investment**

Threat factors

- **Unused production capacity or imminent substantial increases in exporting countries**
- **Existence of other markets**
- **Significant increase in volume or market penetration of imports**
- **Whether import prices are likely to suppress or depress domestic prices**
- **Inventories in Ghana and exporting countries**

Domestic Industry Data								
Item (value in 1,000 cedis)							% change	% change
	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2	
Average production capacity (<i>quantity</i>)	1,395,457	1,266,051	1,354,352	669,847	770,217			
Beginning-of-period inventories (<i>quantity</i>)	349,715	306,146	245,712	245,712	243,464			
Production (<i>quantity</i>)	1,303,273	1,185,322	1,103,889	517,681	714,387			
Domestic shipments:								
Commercial shipments:								
Quantity of commercial shipments	1,223,741	1,115,817	999,459	429,098	634,236			
Value of commercial shipments	1,327,764	1,262,975	1,023,688	461,806	620,782			
Internal consumption:								
Quantity of internal consumption	0	0	0	0	0			
Value of internal consumption	0	0	0	0	0			
Transfers to related firms:								
Quantity of transfers	0	0	0	0	0			
Value of transfers	0	0	0	0	0			
Export shipments:								
Quantity of export shipments	123,101	129,939	106,678	46,852	61,778			
Value of export shipments	111,437	111,336	101,040	41,520	56,207			
End-of-period inventories (<i>quantity</i>)	306,146	245,712	243,464	287,443	261,837			
Employment data:								
Average number of production workers	1,874	1,723	1,614	1,654	1,590			
Hours worked by employees	3,491,000	3,099,000	2,894,000	1,453,000	1,528,000			
Wages paid to workers (<i>value</i>)	46,464	44,866	42,224	18,811	23,004			

Hours per week

Wages per year/half year

Hourly wages

Productivity (units per hour)

Capacity utilization

Check ending inventory

Domestic Industry Data							
Item (value in 1,000 cedis)						% change	% change
	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2
Average production capacity (quantity)	1,395,457	1,266,051	1,354,352	669,847	770,217	-2.9%	15.0%
Beginning-of-period inventories (quantity)	349,715	306,146	245,712	245,712	243,464	-29.7%	-0.9%
Production (quantity)	1,303,273	1,185,322	1,103,889	517,681	714,387	-15.3%	38.0%
Domestic shipments:							
Commercial shipments:							
Quantity of commercial shipments	1,223,741	1,115,817	999,459	429,098	634,236	-18.3%	47.8%
Value of commercial shipments	1,327,764	1,262,975	1,023,688	461,806	620,782	-22.9%	34.4%
Internal consumption:							
Quantity of internal consumption	0	0	0	0	0		
Value of internal consumption	0	0	0	0	0		
Transfers to related firms:							
Quantity of transfers	0	0	0	0	0		
Value of transfers	0	0	0	0	0		
Export shipments:							
Quantity of export shipments	123,101	129,939	106,678	46,852	61,778	-13.3%	31.9%
Value of export shipments	111,437	111,336	101,040	41,520	56,207	-9.3%	35.4%
End-of-period inventories (quantity)	306,146	245,712	243,464	287,443	261,837	-20.5%	-8.9%
Employment data:							
Average number of production workers	1,874	1,723	1,614	1,654	1,590	-13.9%	-3.9%
Hours worked by employees	3,491,000	3,099,000	2,894,000	1,453,000	1,528,000	-17.1%	5.2%
Wages paid to workers (value)	46,464	44,866	42,224	18,811	23,004	-9.1%	22.3%

Hours per week	35.82	34.59	34.48	33.79	36.96
Wages per year/half year	24,794	26,039	26,161	11,373	14,468
Hourly wages	13.31	14.48	14.59	12.95	15.05
Productivity (units per hour)	0.373	0.382	0.381	0.356	0.468
Capacity utilization	93.39%	93.62%	81.51%	77.28%	92.75%
Check ending inventory	306,146	245,712	243,464	287,443	261,837

Domestic Industry Financial Information							
Values in 1,000 cedis						% change	% change
	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2
Net sales quantities:							
Commercial sales	1,346,842	1,245,756	1,106,137	475,950	696,014		
Internal consumption	0	0	0	0	0		
Transfers to related firms	0	0	0	0	0		
Total net sales quantities	1,346,842	1,245,756	1,106,137	475,950	696,014		
Net sales values:							
Commercial sales	1,439,201	1,374,311	1,124,728	503,326	676,989		
Internal consumption	0	0	0	0	0		
Transfers to related firms	0	0	0	0	0		
Total net sales values	1,439,201	1,374,311	1,124,728	503,326	676,989		
Cost of goods sold (COGS):							
Raw materials	593,126	597,179	506,479	224,159	301,450		
Direct labor	198,687	186,056	192,964	88,606	119,926		
Other factory costs	437,701	406,809	348,246	161,562	215,094		
Total COGS	1,229,514	1,190,044	1,047,689	474,327	636,470		
Gross profit or (loss)	209,687	184,267	77,039	28,999	40,519		
Selling, general, and administrative (SG&A) expenses:							
Selling expenses	29,584	25,213	21,611	10,962	11,491		
General and administrative expenses	66,083	75,496	62,712	31,263	32,130		
Total SG&A expenses	95,667	100,709	84,323	42,225	43,621		
Operating income (loss)	114,020	83,558	-7,284	-13,226	-3,102		
Other income and expenses:							
Interest expense	-67,675	-61,326	-79,474	-28,962	-32,846		
All other expense items	-4,225	-4,341	-28,284	-4,645	-2,848		
All other income items ¹	2,607	265	140,873	57,435	4,691		
All other income or expenses, net	-69,293	-65,402	33,115	23,828	-31,003		
Net income or (loss) before income taxes	44,727	18,156	25,831	10,602	(34,105)		
Depreciation/amortization included above	81,396	89,600	80,753	39,736	39,643		
Capital expenditures	43,275	46,011	28,100	12,650	13,792		
Estimated cash flow	126,123	107,756	106,584	50,338	5,538		

Average unit value of sales

COGS to net sales

Operating income (loss) to net sales

SG&A to net sales

¹ Special tax credit for alternative fuel

Domestic Industry Financial Information							
Values in 1,000 cedis	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	% change	% change
						2008-2010	Q2-Q2
Net sales quantities:							
Commercial sales	1,346,842	1,245,756	1,106,137	475,950	696,014	-17.9%	46.2%
Internal consumption	0	0	0	0	0		
Transfers to related firms	0	0	0	0	0		
Total net sales quantities	1,346,842	1,245,756	1,106,137	475,950	696,014	-17.9%	46.2%
Net sales values:							
Commercial sales	1,439,201	1,374,311	1,124,728	503,326	676,989	-21.9%	34.5%
Internal consumption	0	0	0	0	0		
Transfers to related firms	0	0	0	0	0		
Total net sales values	1,439,201	1,374,311	1,124,728	503,326	676,989	-21.9%	34.5%
Cost of goods sold (COGS):							
Raw materials	593,126	597,179	506,479	224,159	301,450	-14.6%	34.5%
Direct labor	198,687	186,056	192,964	88,606	119,926	-2.9%	35.3%
Other factory costs	437,701	406,809	348,246	161,562	215,094	-20.4%	33.1%
Total COGS	1,229,514	1,190,044	1,047,689	474,327	636,470	-14.8%	34.2%
Gross profit or (loss)	209,687	184,267	77,039	28,999	40,519	-63.3%	39.7%
Selling, general, and administrative (SG&A) expenses:							
Selling expenses	29,584	25,213	21,611	10,962	11,491	-27.0%	4.8%
General and administrative expenses	66,083	75,496	62,712	31,263	32,130	-5.1%	2.8%
Total SG&A expenses	95,667	100,709	84,323	42,225	43,621	-11.9%	3.3%
Operating income (loss)	114,020	83,558	-7,284	-13,226	-3,102		
Other income and expenses:							
Interest expense	-67,675	-61,326	-79,474	-28,962	-32,846		
All other expense items	-4,225	-4,341	-28,284	-4,645	-2,848		
All other income items ¹	2,607	265	140,873	57,435	4,691		
All other income or expenses, net	-69,293	-65,402	33,115	23,828	-31,003		
Net income or (loss) before income taxes	44,727	18,156	25,831	10,602	(34,105)		
Depreciation/amortization included above	81,396	89,600	80,753	39,736	39,643		
Capital expenditures	43,275	46,011	28,100	12,650	13,792	-35.1%	9.0%
Estimated cash flow	126,123	107,756	106,584	50,338	5,538	-15.5%	-89.0%

Average unit value of sales	1.07	1.10	1.02	1.06	0.97		
COGS to net sales	85.4%	86.6%	93.2%	94.2%	94.0%		
Operating income (loss) to net sales	7.9%	6.1%	-0.6%	-2.6%	-0.5%		
SG&A to net sales	6.6%	7.3%	7.5%	8.4%	6.4%		

1 Special tax credit for alternative fuel

IMPORTS	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011
	Volume				
China	345,768	329,307	352,555	190,622	71,706
Indonesia	52,541	52,938	61,039	19,883	13,327
All other	727,306	611,626	363,472	196,512	307,612
Total Imports	1,125,615	993,871	777,066	407,017	392,645
Import Market Share					
China					
Indonesia					
All other					
Value					
China	318,066	319,306	297,527	165,213	63,243
Indonesia	45,543	48,765	52,384	16,458	11,536
All other	737,251	650,135	368,605	204,901	286,665
Total Value	1,100,860	1,018,206	718,516	386,572	361,444
Import Average Unit Value					
China					
Indonesia					
All other					
Total Import Average Unit Value					
Domestic Average Unit Value	1.07	1.10	1.02	1.06	0.97
Domestic shipments	1,223,741	1,115,817	999,459	429,098	634,236
Total imports	1,125,615	993,871	777,066	407,017	392,645
Subject Imports					
Consumption					
Domestic Production	1,303,273	1,185,322	1,103,889	517,681	714,387
Domestic market share					
Import market share					
Subject import market share					
Subject import production share					

IMPORTS	2008	2009	2010	Q1-Q2 2010	Q1Q2 2011
	Volume				
China	345,768	329,307	352,555	190,622	71,706
Indonesia	52,541	52,938	61,039	19,883	13,327
All other	727,306	611,626	363,472	196,512	307,612
Total Imports	1,125,615	993,871	777,066	407,017	392,645
Import Market Share					
China	30.7%	33.1%	45.4%	46.8%	18.3%
Indonesia	4.7%	5.3%	7.9%	4.9%	3.4%
All other	64.6%	61.5%	46.8%	48.3%	78.3%
Value					
China	318,066	319,306	297,527	165,213	63,243
Indonesia	45,543	48,765	52,384	16,458	11,536
All other	737,251	650,135	368,605	204,901	286,665
Total Value	1,100,860	1,018,206	718,516	386,572	361,444
Import Average Unit Value					
China	0.92	0.97	0.84	0.87	0.88
Indonesia	0.87	0.92	0.86	0.83	0.87
All other	1.01	1.06	1.01	1.04	0.93
Total Import Average Unit Value	0.98	1.02	0.92	0.95	0.92
Domestic Average Unit Value	1.07	1.10	1.02	1.06	0.97
Domestic shipments	1,223,741	1,115,817	999,459	429,098	634,236
Total imports	1,125,615	993,871	777,066	407,017	392,645
Subject Imports	398,309	382,245	413,594	210,505	85,033
Consumption	2,349,356	2,109,688	1,776,525	836,115	1,026,881
Domestic Production	1,303,273	1,185,322	1,103,889	517,681	714,387
Domestic market share	52%	53%	56%	51%	62%
Import market share	48%	47%	44%	49%	38%
Subject import market share	17%	18%	23%	25%	8%
Subject import production share	31%	32%	37%	41%	12%

Foreign Industry Data -- China						% change	% change
Item	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2
	Capacity	3,875,558	3,919,692	3,832,237	1,927,417	1,850,778	
Production	3,515,012	3,626,445	3,673,622	1,772,807	1,833,516		
End-of-period inventories	129,672	274,467	137,314	212,720	221,840		
Shipments							
Home market	2,335,641	2,183,226	2,347,216	1,177,097	1,114,446		
Exports to Ghana	341,194	339,324	353,386	176,325.00	25,002		
Exports to European Union	241,836	231,857	288,749	124,432.00	137,383		
Exports to U.S.	481,410	483,826	530,852	268,037.00	331,943		
Exports to all other markets	164,779	242,536	290,985	123,018.00	179,829		
Total exports	1,229,219	1,297,543	1,463,972	691,812	674,157		
Total Shipments	3,564,860	3,480,769	3,811,188	1,868,909	1,788,603		
RATIOS and SHARES							
Capacity Utilization							
Inventories to production							
Inventories to total shipments							
Share of total quantity of shipments:							
Home market							
Exports to Ghana							
Exports to the European Union							
Exports to the U.S.							
Exports to all other markets							
Exports to all export markets							

Foreign Industry Data --China							
						% change	% change
	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2
Capacity	3,875,558	3,919,692	3,832,237	1,927,417	1,850,778	-1.1%	-4.0%
Production	3,515,012	3,626,445	3,673,622	1,772,807	1,833,516	4.5%	3.4%
End-of-period inventories	129,672	274,467	137,314	212,720	221,840	5.9%	4.3%
Shipments							
Home market	2,335,641	2,183,226	2,347,216	1,177,097	1,114,446	0.5%	-5.3%
Exports to Ghana	341,194	339,324	353,386	176,325.00	25,002	3.6%	-85.8%
Exports to European Union	241,836	231,857	288,749	124,432.00	137,383	19.4%	10.4%
Exports to U.S.	481,410	483,826	530,852	268,037.00	331,943	10.3%	23.8%
Exports to all other markets	164,779	242,536	290,985	123,018.00	179,829	76.6%	46.2%
Total exports	1,229,219	1,297,543	1,463,972	691,812	674,157	19.1%	-2.6%
Total Shipments	3,564,860	3,480,769	3,811,188	1,868,909	1,788,603	6.9%	-4.3%
RATIOS and SHARES							
Capacity Utilization	90.7%	92.5%	95.9%	92.0%	99.1%		
Inventories to production	3.7%	7.6%	3.7%	12.0%	12.1%		
Inventories to total shipments	3.6%	7.9%	3.6%	11.4%	12.4%		
Share of total quantity of shipments:							
Home market	65.5%	62.7%	61.6%	63.0%	62.3%		
Exports to Ghana	9.6%	9.7%	9.3%	9.4%	1.4%		
Exports to the European Union	6.8%	6.7%	7.6%	6.7%	7.7%		
Exports to the U.S.	13.5%	13.9%	13.9%	14.3%	18.6%		
Exports to all other markets	4.6%	7.0%	7.6%	6.6%	10.1%		
Exports to all export markets	34.5%	37.3%	38.4%	37.0%	37.7%		

Foreign Industry Data -- indonesia							% change	% change
Item	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2	
	Capacity	658,845	721,345	732,145	366,073	376,890		
Production	532,704	545,231	578,211	289,106	296,547			
End-of-period inventories	25,934	26,565	28,677	27,577	29,899			
Shipments								
Home market	236,454	243,559	261,068	119,784	122,594			
Exports to Ghana	52,541	52,938	61,039	19,883	13,327			
Exports to European Union	62,356	50,616	43,329	39,032	35,667			
Exports to U.S.	78,424	90,362	104,236	55,637	57,768			
Exports to all other markets	95,679	103,768	85,791	44,231	62,535			
Total exports	289,000	297,684	294,395	158,783	169,297			
Total Shipments	525,454	541,243	555,463	278,567	291,891			
RATIOS and SHARES								
Capacity Utilization								
Inventories to production								
Inventories to total shipments								
Share of total quantity of shipments:								
Home market								
Exports to Ghana								
Exports to the European Union								
Exports to the U.S.								
Exports to all other markets								
Exports to all export markets								

Foreign Industry Data --Indonesia							% change	% change
	2008	2009	2010	Q1-Q2 2010	Q1-Q2 2011	2008-2010	Q2-Q2	
Capacity	658,845	721,345	732,145	366,073	376,890	11.1%	3.0%	
Production	532,704	545,231	578,211	289,106	296,547	8.5%	2.6%	
End-of-period inventories	25,934	26,565	28,677	27,577	29,899	10.6%	8.4%	
Shipments								
Home market	236,454	243,559	261,068	119,784	122,594	10.4%	2.3%	
Exports to Ghana	52,541	52,938	61,039	19,883	13,327	16.2%	-33.0%	
Exports to European Union	62,356	50,616	43,329	39,032	35,667	-30.5%	-8.6%	
Exports to U.S.	78,424	90,362	104,236	55,637	57,768	32.9%	3.8%	
Exports to all other markets	95,679	103,768	85,791	44,231	62,535	-10.3%	41.4%	
Total exports	289,000	297,684	294,395	158,783	169,297	1.9%	6.6%	
Total Shipments	525,454	541,243	555,463	278,567	291,891	5.7%	4.8%	
RATIOS and SHARES								
Capacity Utilization	80.9%	75.6%	79.0%	79.0%	78.7%			
Inventories to production	4.9%	4.9%	5.0%	9.5%	10.1%			
Inventories to total shipments	4.9%	4.9%	5.2%	9.9%	10.2%			
Share of total quantity of shipments:								
Home market	45.0%	45.0%	47.0%	43.0%	42.0%			
Exports to Ghana	10.0%	9.8%	11.0%	7.1%	4.6%			
Exports to the European Union	11.9%	9.4%	7.8%	14.0%	12.2%			
Exports to the U.S.	14.9%	16.7%	18.8%	20.0%	19.8%			
Exports to all other markets	18.2%	19.2%	15.4%	15.9%	21.4%			
Exports to all export markets	55.0%	55.0%	53.0%	57.0%	58.0%			

Appendix C. RSA Study Tour Invite and Agenda



International Trade Administration Commission of South Africa

The DTI Campus (Block E)
77 Meintjies Street
Sunnyside, Pretoria, 0002
Private Bag X753
Pretoria, 0001, South Africa
Tel: +27 12 394 3688
Fax: +27 12 394 4688
<http://www.itac.org.za>

Mr Akyea
Chairman
Ghana Tariff Advisory Board
ACCRA

papakyea@yahoo.com

Dear Mr Akyea

Thank you for your interest in understanding the operations of the ITAC. I have pleasure to invite the members of the Ghana Tariff Advisory Board for a study tour of South Africa's International Trade Administration Commission. I have no doubt that you will find it interesting to hear our experiences in international administration as an African institution. The proposed study tour is planned for 06 -08 February 2012 in Pretoria, South Africa.

The tour could also be of interest to members of the Tariff Board, its secretariat and the technical staff. Please feel free to extend the invitation as you see fit.

Yours sincerely


Siyabulela Tsengiwe
Chief Commissioner
Date: 20/01/2012

enabling



FAIR TRADE

GHANA ADVISORY TARIFF BOARD STUDY TOUR TO ITAC AGENDA

Day 1

D	
09:00 – 09:30	<p>Welcome by the Chief Commissioner</p> <p>Introductory remarks by Ghana head of delegation</p>
09:30 – 10:30	<p>ITAC constitution and governance</p> <ul style="list-style-type: none"> • ITAC – EDD and DTI • The Commission • ITAC structure • Trade Remedies structure and organisation • Trade Remedies staff composition • Questions/Answers
10:30 – 11:00	TEA
11:00 – 12:30	<p>Legal framework</p> <ul style="list-style-type: none"> • ITA Act • Regulations • Other legislation • Customs and Excise Act • PAJA • Questions answers discussion session
12:30 – 13:30	LUNCH
13:30 – 16:00	<p>TRADE REMEDIES</p> <ul style="list-style-type: none"> • Substantive issues

Day 2

09:00 – 10:30	TRADE REMEDIES <ul style="list-style-type: none"> • Substantive issues
10:30 – 11:00	TEA
11:00 – 12:30	TRADE REMEDIES <ul style="list-style-type: none"> • Substantive issues • Interaction with interested parties, lawyers, consultants
12:30 – 13:30	LUNCH
14:00 – 15:00	TRADE REMEDIES <ul style="list-style-type: none"> • Procedural issues
15:00 – 16:00	Question and answer session

Day 3

09:00 – 11:00	Tariff investigations <ul style="list-style-type: none"> • Substantive issues • Procedural issues
11:00 – 11:30	TEA
11:30 – 12:00	ITAC investigators training
12:00 – 12:30	Closing remarks by Deputy Chief Commissioner Closing remarks by head of Ghana delegation
12:30	LUNCH