

CHAMBER OF AQUACULTURE GHANA

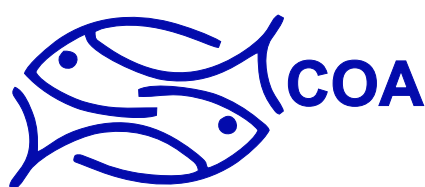


**SURVEY OF THE PREPAREDNESS OF GHANA'S AQUACULTURE
INDUSTRY AS THE AFRICAN CONTINENTAL FREE TRADE AREA
(AfCFTA) COMES INTO EFFECT IN JANUARY 2021**



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The Chamber of Aquaculture Ghana conducted a survey on the preparedness of players in the aquaculture sector following the commencement of AfCFTA January 2021. The following report summarizes the key findings of that survey.

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ABOUT THE CHAMBER OF AQUACULTURE GHANA

We present research, facts, and policy preferences about the aquaculture sector to persuade government into action. We also advocate for more sustainable production practices and the adoption of modern methods of aquaculture through our partnerships with businesses, academia, host communities of fish farms and relevant state agencies.

SURVEY OF THE PREPAREDNESS OF GHANA'S AQUACULTURE INDUSTRY AS THE AFRICAN CONTINENTAL FREE TRADE AREA (AfCFTA) COMES INTO EFFECT IN JANUARY 2021

1. Introduction

The African Union treaty establishing the African Continental Free Trade Area (AfCFTA) was signed by the African Union Heads of State on 21st March 2018. The AfCFTA is an attempt by African governments to create the world's largest single, integrated market for goods and services, and a customs union that also enables the free movement of capital and business travellers within the African continent. Moreover, the AfCFTA, is seen as a means of promoting industrialization in Africa which could help to create employment in the continent. Additionally, it will remove all existing trade barriers which hinders trading between African countries. For organisations to be well-positioned to seize the prospects offered by the AfCFTA, African governments must address the urgent need for structural transformation in the continent. Similarly, for the aquaculture industry in Ghana to benefit from the opportunities offered by the AfCFTA, all stakeholders have a role to play to empower the aquaculture industry to be able to compete on the increasingly globalized market. Considering the numerous benefits that the aquaculture industry in Ghana stands to gain from the AfCFTA which also has its Secretariat in Accra, Ghana, the Chamber of Aquaculture Ghana deemed it appropriate to conduct a survey to establish the readiness of businesses in the industry as AfCFTA comes into effect on 1 January 2021.

2. Methodology

The Chamber of Aquaculture Ghana distributed questionnaires via email to 150 stakeholders in the aquaculture industry between August 2020 and November 2020. The questions in the questionnaire were aimed at understanding the preparedness of the organisations in the aquaculture industry for the implementation of AfCFTA. Out of the 150 distributed questionnaires, 120 were fully completed representing a response rate of 80%. The responses were then analysed and interpreted.

3. Survey Audience

A total of 120 stakeholders in the aquaculture industry in Ghana willingly participated in the survey. The organisations that participated in the survey included input suppliers, distributors, fish processors, fish feed producers, fish health service providers, and fish farmers. To have a clear understanding of the audience, the size of the respondents were identified using the guidelines established by the government of Ghana as can be seen in figure 1 below (Ghana Statistical Service, 2015). The four key organisational sizes identified in the study are:

- Micro-Sized Establishments (not more than 5 employees) – 30% (n = 36)
- Small-Sized Establishments (6-30 employees) – 45% (n = 54)
- Medium-Sized Establishments (31-100 employees) – 15% (n = 18)
- Large-Sized Establishments (more than 100 employees) – 10% (n = 12)

SURVEY PARTICIPANTS

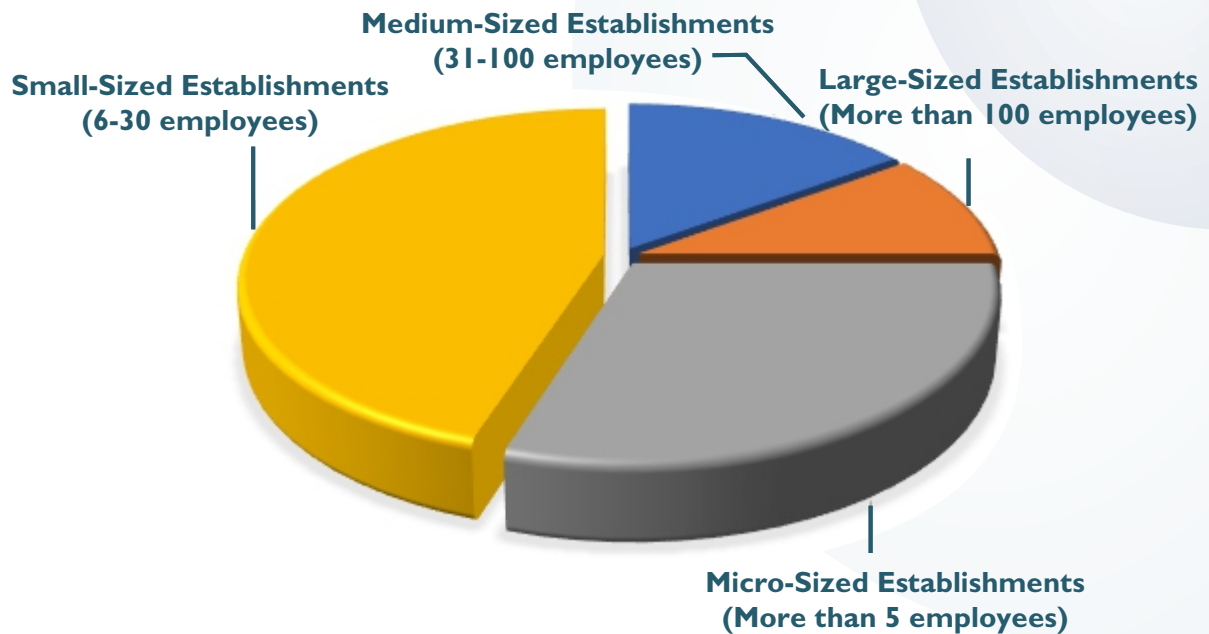


Figure 1: Size of Organisations

4. FINDINGS

After receiving all the responses, they were analysed to gain insight into the preparedness of the organisations in the aquaculture industry for the implementation of AfCFTA. A summary of the findings is presented in the subsequent paragraphs.

4.1. Business of survey participants

The organisations that participated in this survey were from different sectors within the aquaculture industry (see figure 2 below). Out of the 120 organisations that participated in the survey, 5 of them representing 4.167 % were into feed production or importation. 8.333% (n = 10), of the participating organisations were input suppliers whereas 5% (n = 6), were involved in fish processing. Moreover 20.833% (n = 25) of the participants were fish distributors. Furthermore, 2.5% (n = 3), of the participating organisations were into the provision of fish health services. However, 59.167% (n = 71) representing the largest group of survey participants were into fish production.

BUSINESS OF PARTICIPANTS (%)

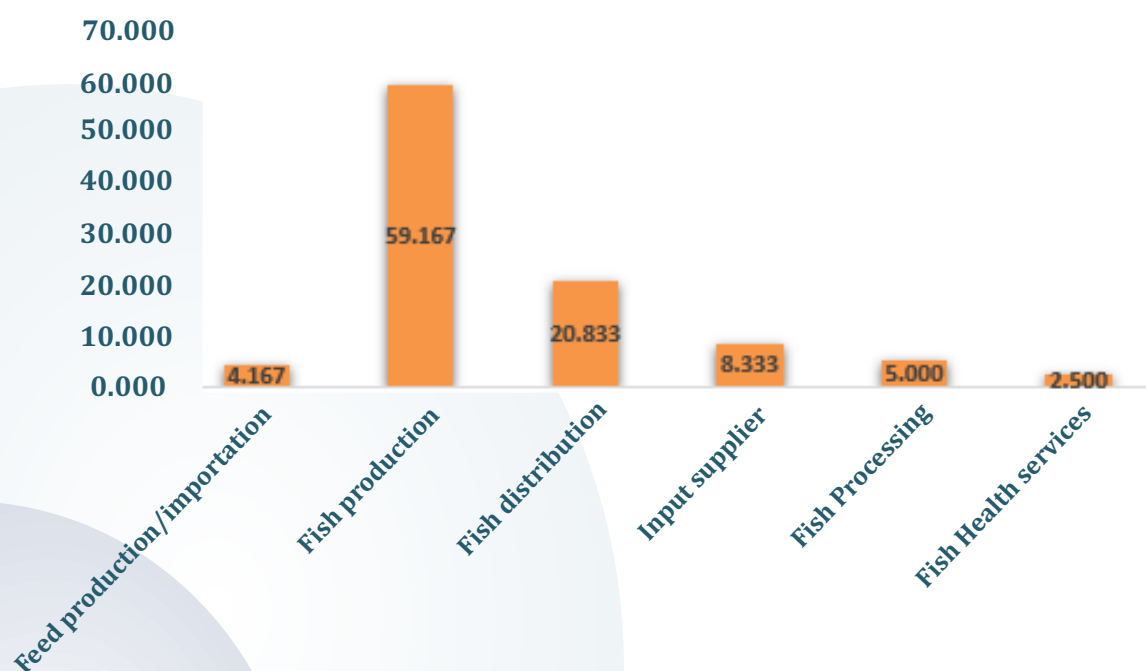


Figure 2: Business of survey participants

4.2. INFORMATION ABOUT AfCFTA

Participating organisations were asked if they had adequate information about AfCFTA (see figure 3 below) and astonishingly only 20% (n = 24) of the participating organisations responded in the affirmative. On the other hand, 80% (n = 96) of the participants did not have adequate information about AfCFTA.

AWARENESS OF AfCFTA

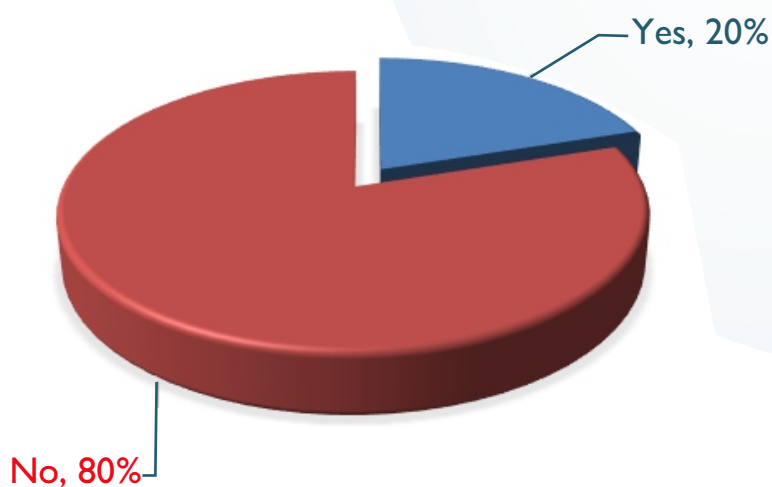


Figure 3: Awareness of AfCFTA

4.3. Possession of licenses and certifications needed for AfCFTA

Trade liberalisation within African Union member countries is one of the major aims of AfCFTA. However, businesses are required to possess certain licenses and certificates to be able to gain full access to the benefits of AfCFTA. Hence, participants were asked during the survey if they had the licenses and certifications needed to optimise the benefits of AfCFTA (see figure 4 below). Only 10% (n = 12) of the organisations indicated that they had all the needed licenses and certifications. 5% (n = 6) selected may be which indicates that they were not sure if they had all the requisite licenses and certificates needed to benefit from AfCFTA. Research participants that said no were 85% (n = 102) indicating that they did not have the requisite licenses and certifications needed to be able to take full advantage of AfCFTA.

POSSESSION OF LICENSES & CERTIFICATION NEEDED FOR AfCFTA

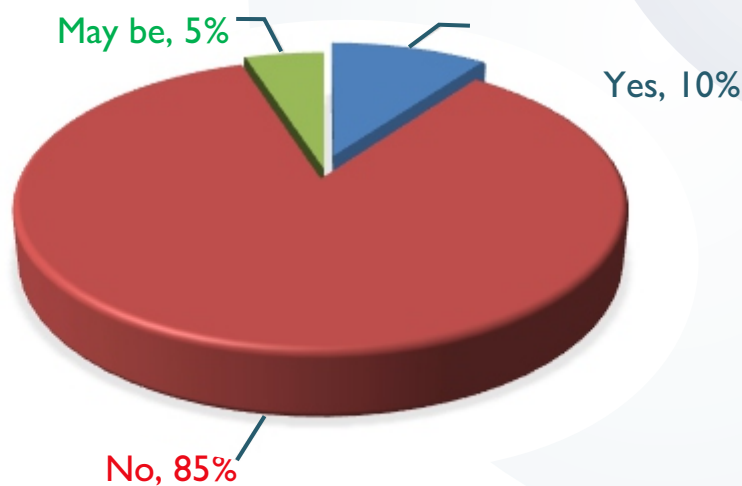


Figure 4: Possession of licenses and certifications needed for AfCFTA

4.4. Readiness of organisations to take advantage of the benefits of AfCFTA

Survey participants were asked if they were ready for AfCFTA as it is expected to come into effect on 1 January 2021 (see figure). From the responses gathered, only 20% (n=24) reported that they were ready for AfCFTA. On the other hand, 80% (n= 96) responded that they were not prepared for AfCFTA.

READINESS FOR AfCFTA

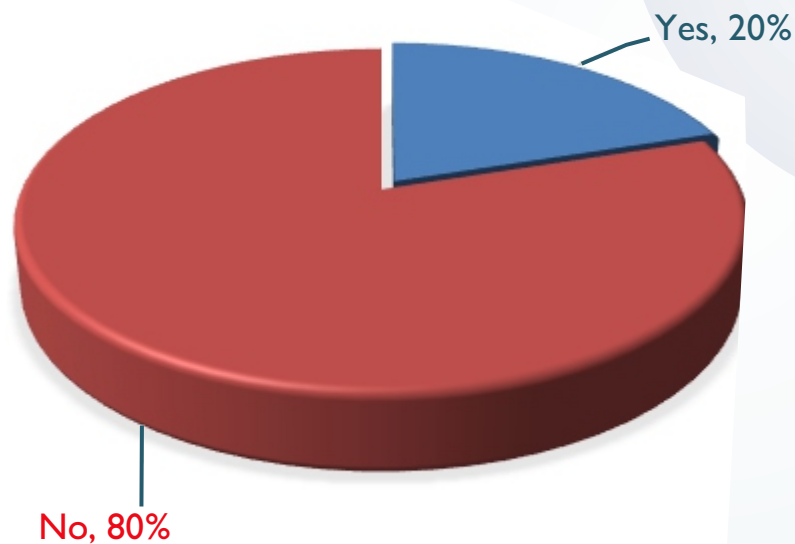


Figure 5: Readiness for AfCFTA

4.5 Challenges envisaged after AfCFTA is implemented

Research participants were also asked whether they envisaged some challenges with the implementation of AfCFTA (see figure 6 below). 15% (n = 18) reported that they may not have the ability to meet the production scale for export. 10% (n = 12) indicated that they envisage high cost of production. Another 15% (n = 18) envisaged that non-tariff barriers will be a challenge to them. Finally, 60% (n = 72) of research participants are of the view that the certification of products for export may be a challenge.

CHALLENGES ENVISAGED WHEN AfCFTA TAKES EFFECT

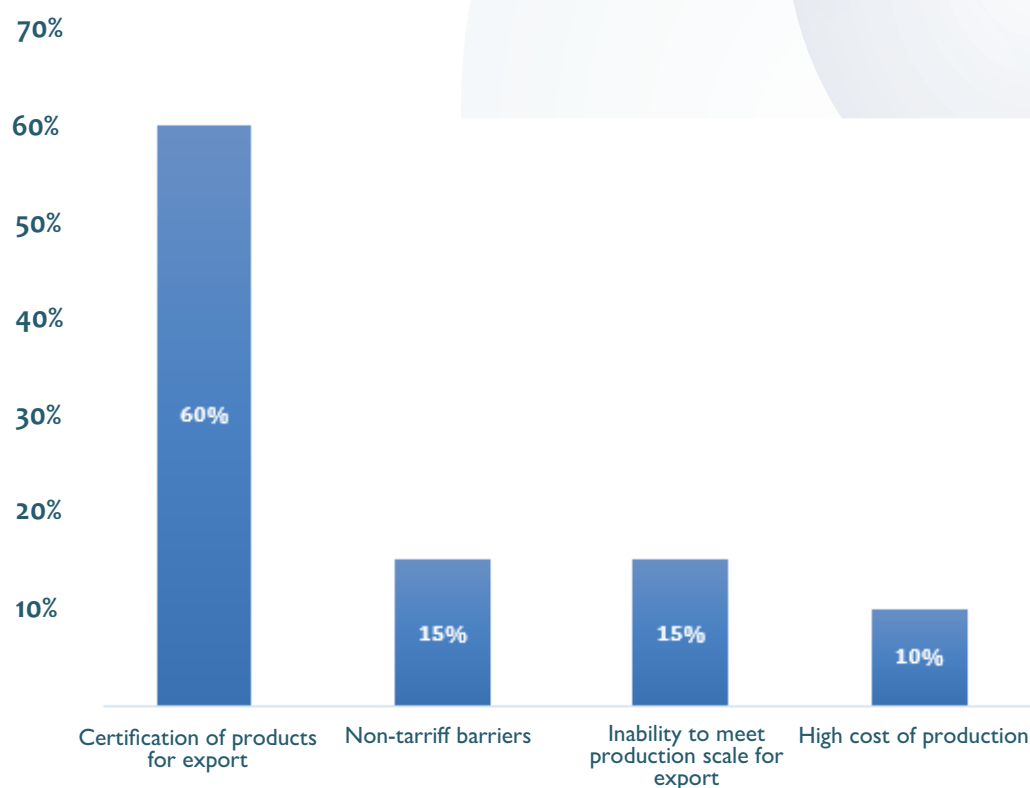


Figure 6: Challenges envisaged when AfCFTA takes effect.

4.6. Type of support needed by businesses in the aquaculture industry.

To help organisations in the aquaculture industry to maximise the benefits of AfCFTA, respondents were asked to specify the form of support they would like to receive (see figure 7 below). Out of the 120 responses collected, 10% (n = 12) of respondents asked for capacity financial support, 15% (n = 18) appealed for logistics support, 20% (n = 24) requested for development and training, and 55% (n = 66) requested for assistance to acquire the requisite permits and certifications.

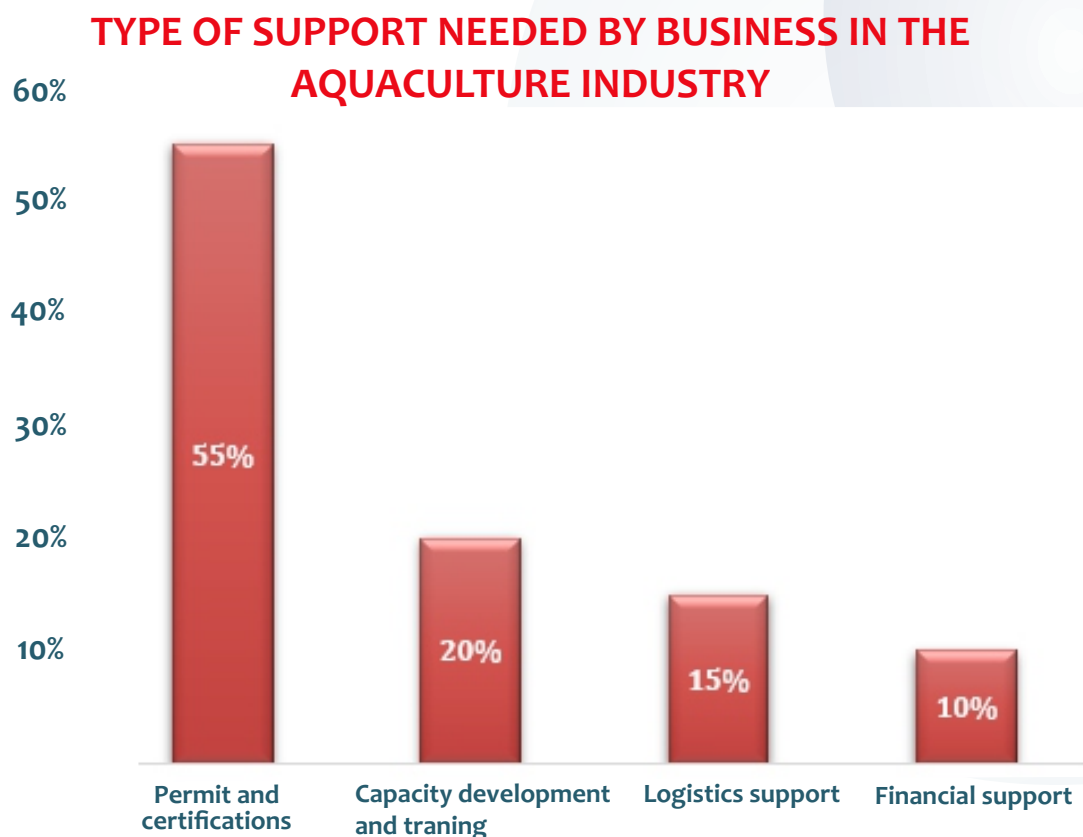


Figure 7: Support needed by aquaculture industry.

5. Discussion

According to the African Union (n.d.), the AfCFTA is aimed at "[a]ccelerating intra-African trade and boosting Africa's trading position in the global market by strengthening Africa's common voice and policy space in global trade negotiations". For this to be achieved, governments and other stakeholders must come together to educate the business community within their jurisdictions regarding the benefits that they stand to gain from the AfCFTA. From the survey responses gathered, it appears that businesses in the aquaculture industry in Ghana have little knowledge about AfCFTA. Moreover, the few that have some knowledge about AfCFTA feel threatened by the removal of trade barriers in the African continent. Thus, businesses are going to be competing with other business from other countries within the African Union in addition to the already existing stiff competition from businesses from Europe, Asia and other parts of the world.

6. Conclusions & Future Research Directions

The aquaculture industry in Ghana creates employment for several people in the country and has the capability to even create more jobs (Aheto, Acheampong & Odoi, 2018). However, many aquaculture businesses in Ghana feel threatened by the AfCFTA which is expected to come into effect on January 1, 2021. Hence, stakeholders in the aquaculture industry must make a deliberate effort to educate members on the AfCFTA and the benefits their businesses stand to gain. Moreover, the government of Ghana (through the various state agencies in charge of aquaculture) should come up with activities and programmes which will help businesses in the aquaculture industry to gain better understanding of AfCFTA. Additionally, the AfCFTA Secretariate could partner with the Chamber of Aquaculture Ghana to help with the capacity development and training of businesses in the aquaculture industry across the length and breadth of Ghana. Finally, a future study could look at the impact of AfCFTA on the aquaculture industry in Ghana.

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