



ASSESSING THE IMPACT OF THE **15% US TARIFF** ON GHANAIAN EXPORTS: POLICY OPTIONS FOR RESILIENCE



POLICY BRIEF



1. Background

The United States (US) is one of Ghana's trading partners, with total bilateral trade reaching approximately \$2.1 billion in 2024. Of this, Ghana exported goods worth \$1.2 billion to the US, up from \$787.79 million in 2023, and imported \$967 million worth of goods from the US, up from \$106.3 million in 2023. The US market offers a well-established, complementary destination for several key export items from Ghana, including apparel, cocoa products, gold jewelry, shea butter, and horticultural goods such as root crops (yams), fruits, vegetables, and cashews. Ghana primarily imports cars, machinery, refined petroleum products, and ethylene polymers from the United States.

Despite the diverse composition of traded goods, the volume of trade between the two countries is relatively modest compared to Ghana's trade with partners such as China, Switzerland, and India. According to the Ghana Statistical Service, the United States is not among Ghana's top five export destinations, with exports to the US accounting for less than 5 percent of Ghana's total exports.

Recently, the US implemented a 15 percent tariff on exports from Ghana to the US market. The new tariff, known as the reciprocity tariff, was introduced through a revised executive order by the Trump administration. An earlier executive order in April this year imposed a 10 percent tariff on Ghana's exports. This was the baseline, but it was subsequently put on hold for 90 days to allow for negotiations to take place.

The updated executive order introduces an additional 5 percentage points in a revised framework of ad valorem duties aimed at numerous trading partners considered to have not provided equivalent market access or adequate alignment on economic and security issues. According to the US government, the tariff is designed to rectify the long-standing trade disparities it experiences with its trading allies. Ghana, along with other nations such as Nigeria, Côte d'Ivoire, and Kenya, was grouped under this tariff regime for failing to meet US benchmarks on reciprocity and trade barriers. The tariff applies to all products without exemptions, impacting all of Ghana's exports to the US.





Table 1: Reciprocal tariff for selected countries

Country	Reciprocal tariff (April)	Revised reciprocal tariff (August)
Kenya	Baseline 10%	Baseline 10%
Ghana	Baseline 10%	15%
Nigeria	14%	15%
Cote d'Ivoire	21%	15%
South Africa	30%	30%
Algeria	30%	30%
Angola	32%	15%
Cameroon	11%	15%
Botswana	37%	15%
Democratic Republic of Congo	11%	15%
Equatorial Guinea	13%	15%
Lesotho	50%	15%
European Union	20%	0% - 15%
United Kingdom	Baseline 10%	10%

2. Legal/ trade policy context

This trade shift is happening amid the African Growth and Opportunity Act (AGOA). AGOA is a US-Africa trade agreement that provides opportunities for selected African countries to export to the US at a duty-free rate, subject to meeting specific criteria. The act was passed in 2000 by the Bill Clinton administration. To be recognised, African countries must adhere to certain standards, which include promoting political pluralism, ensuring respect for human rights, and engaging in efforts to eliminate corruption. While the effect on Ghana has been minimal, the country has still gained certain advantages from AGOA. The Bank of Ghana estimates that between 2019 and 2024, Ghana-US trade averaged \$2.5 billion under the trade pact.

A review of AGOA is scheduled for September this year. The US is currently moving towards protectionist policies, which threaten AGOA. As the renewal nears, although the White House has not officially cancelled AGOA, the fate of the trade policy hangs in the balance. Some analysts are pessimistic about the continuation of AGOA given the direction of the Trump administration's trade policies.

Under the World Trade Organisation (WTO) rules, the reciprocal tariff raises legal tensions. This is because it contradicts the Most-Favoured-Nation (MFN) commitments since both countries are members of the WTO. The MFN is to ensure that countries cannot discriminate between their trading partners. However, the tariffs are discriminatory since the WTO's MFN maintains that any trade concession or advantage granted to one WTO member must be automatically extended to all other WTO members. The Trump tariffs exhibit a degree of discrimination, with certain countries facing rates as low as 10%, while others encounter rates as high as 40%.





3. Impact on the Ghanaian Economy

- **Ghanaian exports to the US market could become expensive**

Exports from Ghana to the US will face increased costs due to a 15 percent tariff, which is an import tax, resulting in US importers of Ghanaian goods incurring extra import duties. To remain in business and uphold their profit margins, they are likely to shift these costs onto customers, resulting in higher prices for these goods.

- **Reduction in volume of export to the US**

With Ghanaian exports becoming expensive due to the tariffs, they become less competitive. American importers are likely to find alternatives with less cost, hence demanding less of Ghana's products. This could reduce the volumes of Ghana's exports to the US market. Key export items to the US, including cocoa and its derivatives, crude oil, apparel, textiles, and garments, could experience a decline in their supply.

- **Possible job losses in the affected sectors**

Industries that would be significantly affected pose a risk to Ghanaians working in those fields, as the drop in demand jeopardises their stability, increasing the likelihood of layoffs. The clothing and apparel sectors may be severely hit.

- **Reduction in forex earnings leading to cedi depreciation and inflation**

One way Ghana earns foreign exchange is through exports. When export values drop, it will inevitably lower the nation's forex inflow. Ghana's trade with the US, according to the Bank of Ghana, is valued at about \$2.5 billion annually. A significant reduction in these forex earnings will have implications for the strength of the cedi. Due to constrained forex earnings, even a small increase in demand for foreign currency will result in a further decline in the value of the cedi. This also has implications for the general macroeconomy, as a weak cedi will increase the cost of imported goods. With this, there is a threat of inflationary pressures as the prices of imported goods rise due to a weak cedi.

- **Possible increase in public debt stock**

Another impact of the tariff is a possible increase in the public debt stock. If there is a drop in forex earnings that causes the cedi to devalue, it will consequently result in higher dollar-denominated debt. This means, for the same amount of debt, more cedis will be needed to be exchanged into dollars to meet the debt obligations.





4. Recommendations

- **Negotiating with the US officials to revise the tariff**

Even though the chance for negotiations has passed, Ghana can still leverage its positive diplomatic ties to seek better terms. Already, some countries, such as Senegal, Gabon, Guinea-Bissau, Liberia, and Mauritania, have been exempted after negotiations. Ghana has the option to pursue additional negotiations to seek changes.

- **Exploring new export markets for affected products**

While the US is virtually closing its doors, Asia, particularly China, is opening its doors. This opens a good opportunity for Ghana to deepen its market in Asia. Already, China has announced zero tariffs on all African imports, making it cheaper for Ghana to export to China. With exports to the US becoming more expensive, Ghana can focus more on China and also find new markets in Asia and Latin America with favourable trade policies.

- **Export subsidies or tax reliefs to cushion the affected sectors**

If Ghana wants to continue exporting to the US under the new tariffs, deliberate steps must be taken to make Ghanaian products competitive in the US. As the tariff is expected to raise prices of Ghanaian products in the US market, the Ghanaian government could offer assistance, including tax breaks, export support, and subsidies, to industries that rely significantly on the US market. This will cushion them and minimise the impact on their exports, allowing them to stay in business.

- **Diversify export markets through AfCFTA**

To reduce its reliance on the US market, Ghana must also increase its exports to other regional markets within the framework of the African Continental Free Trade Area (AfCFTA). This could open up new market opportunities for Ghana, leading to increased demand for locally produced goods and decreasing its susceptibility to external shocks such as new tariffs.

- **Enhance product quality, packaging and marketing**

Ghanaian exporters need to prioritise enhancing the quality, packaging, and marketing of their products to add value and stand out in competitive markets. This will help to mitigate the impact of any future tariff.

- **Strengthen public-private collaboration to overcome tariff challenges**

Both the government and the private sector need to engage cooperatively and adopt measures that can help alleviate the difficulties posed by tariffs, thereby fostering continuous export growth in the country.

- **Utilise WTO mechanisms to address trade disputes**

If the tariffs contradict the WTO MFN commitments, Ghana can also use the formal WTO channels for resolution.





5. Conclusion

The 15% reciprocal tariff marks a significant shift in the trade relationship between Ghana and the US. It has profound implications for Ghana's export earnings, industrial competitiveness, and macroeconomic stability. Key sectors such as processed cocoa, garments, and textiles now face heightened barriers to accessing one of Ghana's most strategic markets. This development exposes vulnerabilities in Ghana's overreliance on preferential trade regimes and underscores the urgent need for a diversified, resilient, and value-added export economy.

Ghana must adopt a multi-pronged response that balances trade diplomacy with structural reforms. This includes scaling up industrialisation, exploring alternative markets, and strengthening public-private sector collaboration. By doing so, Ghana can turn this challenge into an opportunity to reengineer its trade architecture and assert a more sustainable position in global value chains.

About CERPA

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