GHANA-GERMANY RELATIONS: PROSPECTS AND CHALLENGES

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LEGON        DECEMBER 2014
DECLARATION

I do hereby declare that this dissertation carried out under the supervision of Dr. Vladimir Antwi-Danso is entirely mine and that all relevant references and works have been duly acknowledged. I certify that this work has not been submitted in its present or any other form for any examination in any University.

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(STUDENT)

DATE

DR. VLADIMIR ANTWI-DANSO
(SUPERVISOR)

DATE
DEDICATION

This work is dedicated to my father, Mr David Kofi Nukunu
ACKNOWLEDGEMENTS

I thank the Almighty God for His amazing and assuring love in seeing me through my study. Special heart-felt appreciation goes to Dr. Vladimir Antwi-Danso, my industrious and scholarly supervisor, for his astute direction and suggestions. My appreciation also goes to Director, Research Fellows, Librarians and Staff of Legon Centre for International Affairs and Diplomacy for their various supports throughout my studies at LECIAD.

For Ms Patricia Ama Korankyewaa Andoh, Gloria Urbach of the Embassy of the Federal Republic of Germany, and my friends who rendered numerous assistance to me, I am very grateful to you all.

Finally, to my siblings (Anthony and Akofa), my mother (Adzah Olivia), and aunty (Elizabeth Nukunu), am grateful for all your love, prayers and support.
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<th>Abbreviation</th>
<th>Description</th>
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<tr>
<td>AAESC</td>
<td>Adaptation of Agricultural Ecosystem to Climate Change</td>
</tr>
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<td>ADT</td>
<td>Avoidance of Double Taxation</td>
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<td>CARI</td>
<td>Competitive African Rice Initiative</td>
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<td>CSOs</td>
<td>Civil Society Organisations</td>
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<tr>
<td>CWSA</td>
<td>Community Water and Sanitation Agency</td>
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<td>DAAD</td>
<td>German Academic Exchange Service</td>
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<td>DED</td>
<td>German Development Service</td>
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<td>DEG</td>
<td>German Investment Development Corporation</td>
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<tr>
<td>ECF</td>
<td>Energy and Climate Fund</td>
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<tr>
<td>ECOWAS</td>
<td>Economic Community of West African States</td>
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<tr>
<td>FASDEP</td>
<td>Food and Agricultural Sector Development Policy</td>
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<tr>
<td>FDI</td>
<td>Foreign Direct Investment</td>
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<tr>
<td>FLT. LT</td>
<td>Flight Lieutenant</td>
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<td>FNS</td>
<td>Friedrich Naumann Stiftung</td>
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<td>GAC</td>
<td>Ghana AIDS Commission</td>
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<td>GAF</td>
<td>Ghana Armed Forces</td>
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<td>GAFTAG</td>
<td>German Armed Forces Technical Advisory Group</td>
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GDC  German Development Cooperation
GFC  German Financial Cooperation
GOG  Government of Ghana
GGEA  Ghanaian-German Economic Association
GIPC  Ghana Investment Promotion Centre
GSGDA  Ghana Shared Growth and Development Agenda
GTDC  German Technical Development Cooperation
GIZ  German International Cooperation
GTZ  German Technical Co-operation
GI  Goethe Institute
HIPC  Highly Indebted Poor Country initiative
HSS  Hanns Seidel-Stiftung
KAS  Konrad Adenauer Stiftung
KAIPTC  Kofi Annan International Peacekeeping Training Centre
KNUST  Kwame Nkrumah University of Science and Technology
KfW  Bank for Reconstruction
MDBS  Multi Donor Budget Support
MoE  Ministry of Education
MOFA  Ministry of Food and Agriculture
MCC  Millennium Challenge Corporation
MRT  Ministry of Roads and Transport
NATO  North Atlantic Treaty Organisation
NCCE  National Commission for Civic Education
SME  Small and Medium Enterprise
NGO  Non-Governmental Organisations
UG  University of Ghana
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ABSTRACT

Diplomatic relations between nations have existed for many centuries- a tool often used for mutually beneficial ends. Since no country can exist in isolation, especially in this ever globalising world, there is always the need to form cordial relations and that is what the study sets out to establish with that of Ghana-Germany relations. Ghana-Germany relations started in post independence era and since then the two countries have been engaged in various forms of cooperation in trade, sectoral developments and other forms of investment. This dissertation, therefore, looks at what the two countries have been able to achieve during the period of cooperation. Trade and investment have significantly helped in the development of both countries. The study concludes that bilateral cooperation between the two countries has been beneficial. Revenue mobilisation, technological transfer, cultural exchange programmes, and sectoral development are helping in improving the living standards of the people of the two countries. The study recommends the creation of new market opportunities for Ghana’s products, Germany providing financial assistance to Ghanaian exporters, both countries improving on joint military cooperation, improving cultural relations and further boosting economic relations for mutual beneficial ends.
CHAPTER ONE

RESEARCH DESIGN

1.1 Background to the Study

Asante notes that international cooperation is a matter of focus and essence to anyone concerned about world trade and investment.\(^1\) Cooperation of any kind is underpinned by development, for which Ghana-German relations is no exception.

Bilateral cooperation still remains a critical platform, as it provides the opportunity for the exchange of scientific, cultural, and economic experiences, as well as improving and supporting civil society organisations (CSOs). Thus, cooperation has become imperative in the era of globalization where isolation from the global village is detrimental to one’s economy. The upsurge of globalization, the sustained process of interdependence, integration, and technological transfer, necessitate the need for closer partnership by all nations across the globe. These partnerships are geared towards mutually beneficial ends.

One of the objectives of Ghana’s foreign policy has been to foster cordial and beneficial relations with other nations. Ghana-German relations date back to the time Ghana gained independence from Britain in 1957. Germany, formally established it diplomatic ties with Ghana with the opening of its Embassy in Accra. Ghana, thus, in the true spirit of cooperation also established its embassy in Bonn, the then capital of the Republic of West Germany. After Germany unification, Ghana’s Embassy was relocated to the new capital, Berlin. Ghana has enjoyed over fifty (50) years of bilateral relations with Germany since the former’s independence.
During the Golden Jubilee celebration of Ghana’s independence in 2007, the then German Ambassador to Ghana, Mr. Peter Linder, stated that, the date also marked the fiftieth (50) anniversary of diplomatic relations between the Republic of Ghana and Federal Republic of Germany. He said “the friendships and sound political relations established between Ghana and Germany fifty (50) years ago had grown and deepened, which had paved way for many other areas of co-operation in all sectors of the society." Thus, Ghana currently enjoys multilateral and bilateral assistance with German non-governmental organisations (NGOs), such as Konrad Adenauer Stiftung (KAS), Friedrich-Ebert-Stiftung (FES), Kreditanstalt fü r Wiederaufbau (KfW) and German International Cooperation (GIZ), aimed at promoting development in areas of agriculture, private sector development, capacity building and good governance.\(^3\) In the area of financial assistance, Germany has made a significant contribution of over $1.25 billion in projects and aided debt relief to Ghana, when she opted out for the Highly Indebted Poor Country (HIPC) Initiative from the early 2004 there about.\(^4\) For good bilateral relations, Germany, has over the years, been supporting development financing. From 2012 to 2014, Germany’s bilateral commitment to Ghana came to roughly €160 million in areas of agriculture, decentralisation, economic development, and renewable energy.\(^5\)

1.2 Statement of Problem

Germany and Ghana have had a long historical relationship. Ever since official contacts were made between Ghana and Germany after Ghana’s independence in 1957, the nature of bilateral relations has gradually improved. The good relations between Ghana and Germany has allowed for beneficial ties in the areas of trade and investment, educational exchange programmes and also socio-cultural activities.
However, there have been several academic and policy debates about the relations between Ghana and Germany, ranging from trade, cultural exchange, and operation of multinational companies and Non-Governmental Organizations. While some policy Think Tanks are of the view that there have been mutual benefits in bilateral relations between Ghana and Germany. Some of these benefits were the tolerance of practice of indigenous culture in both countries by their respective nationals, good Foreign Direct Investment (FDI), grants and other infrastructure development projects and social amenities.

On development cooperation between the two countries, since 1960, an amount of about €980.5 million have been committed for bilateral projects and programmes in financial, technical, and social development. The focal areas of bilateral cooperation between these two countries are Agriculture, Employment - oriented private sector development and good governance.

In a sharp contrast to the assertions above, other schools of thought are of the view that from historical times till present, unfair trade relations exists between these two countries. For instance, on trade and exchange of goods and services between both countries, they argue that, unlike the situation where made-in-German goods and services such as cars and other manufactured products have flooded the Ghanaian market, there are virtually less or no Ghanaian finished products on German market. Furthermore, there have been doubts as to whether German companies or organisations employ a substantial number of Ghanaians in their companies and if even so, how often do they occupy high hierarchy positions of such companies. Again, public perception of long tax holidays (tax incentives) enjoyed by these companies had further deepen peoples believes that bilateral relations between the two countries had been one-sided with Germany benefiting the most.
The problem is that ever since the official contact between the two countries, there have been various degrees of bilateral relations between the two countries ranging from economic through to political and social relations. Hence, the questions that readily comes to mind as a result of the two countries relations are: Has the relation been beneficial to Ghana and are there any lessons to be learned there-form? What has been the impact of the relation between the two countries on the political and economic conditions of Ghana? What is the shared benefit between the two countries as far as their bilateral relations are concerned?

1.3 Research Objectives
Bilateral relations between Ghana and Germany have been regarded as very significant over the past 50 years as a result of contributions of Germany to the overall economic development of Ghana. This work, therefore, aims at examining the different dimensions and aspects of the bilateral relations between Ghana and Germany. Finally, the study looks at the prospects and opportunities as well some challenges in promoting Ghana-Germany relations.

1.4 Rationale of Study
The relation between Ghana and Germany dates back to over five decades. Over the years, various activities have been held between the two countries. These include trading or exchange of goods and services and other strategic development activities. For instance, in 2001, both countries agreed that future co-operation would be centred on three priority areas of:

- Food Security and Agriculture
- Democracy, Civil Society, Public Administration and
- Economic Reform and Development of a Market Economy.
Also, the activities of some registered German companies in Ghana, such as the Technical Co-operation Association (GTZ), Bank for Reconstruction (KfW), German Investment Development Corporation (DEG) as well as German Development Service (DED), have further strengthened the bilateral relationship between these two countries.

There have been research works on Ghana’s bilateral relations with other states but not specifically Ghana and Germany in particular. The research seeks to delve into the trade, investment, and other social development cooperation between the two countries. More importantly, the search offers useful information concerning bilateral relation between the two countries and further looks at the extent to which their relations have positively or negatively impacted the two countries, more especially Ghana.

The study will also serve as a resource material for researchers, the Embassy of the Federal Republic of Germany and students of International Relations (I.R).

1.5 **Hypothesis**

Ghana-Germany Bilateral relations have enhanced economic development of both countries through trade and investment.

1.6 **Theoretical Framework**

The theory of international cooperation forms the basis for the study. Jennifer Anne, Sterling Folker, Joseph Grieco, and Oran Young have all done much work on the theory of international cooperation. They basically advocate cooperation among nations, parties, and organisations for mutual benefits.
Robert Keohane defines international cooperation as “a process through which policies followed by governments come to be regarded by parties as facilitating the relations of their own objectives as a result of policy coordination”.\textsuperscript{8} Joseph M. Grieco, on the other hand, defines international cooperation as “the adjustment by states of their policies so that they manage their differences and reach some mutually beneficial outcomes.”\textsuperscript{9}

According to Grieco, the theory of international cooperation posits three main tenets. First, cooperation involves efforts by states to willingly work together. Second, cooperation involves states’ specification of some common or compatible end, to which they devote their total committed efforts. Finally, cooperation by states signifies not a one-time interaction, but rather a long-term engagement by states typically associated in different degrees and forms, with the establishment and operation of an international cooperation in the issue area in which joint action needs to be undertaken.\textsuperscript{10}

Realists like Hans Morgenthau, E.R. Carr, and Kenneth Waltz criticise the theory of cooperation on the basis that states being rational and dominant in the international system only worry about their security and sovereignty. Thus, states will not consider cooperation as very important and there would be no cooperation among states, unless states have a perceived common agenda. Again, cooperation is rare to realists because they believe states act autonomously and self help is the primary rule. Hence, realists hold the view that states cooperate only to deal with common threats which manifest as a temporal or inconsequential and is ultimately explained by conflict.\textsuperscript{11} In essence, realists view international cooperation as uncommon and transitory and see the world with conflicting interest.
On the other hand, neo-Realists, such as Ernst Haas, Joseph Nye, and Karl Deutsch hold the view that, institutions that emanate from cooperation can best fix the difference of the international system. States respect institutions and as such bilateral cooperation among states can help solve political, economic, and other problems that are common to both states and even help in the management of internal affairs. Neo-Realist holds the view that, nations would want to maximise economic welfare and allow unfitted exchanges between themselves and other states. Hence, states converge under the umbrella of cooperation in such a way to promote social order and development.

This theory is important to the study because it provides the basis to establish the relationship existing between Ghana and Germany which for the most part is dependent on mutual and complementary interest and highly beneficial to both countries.

1.7 Literature Review

Hedley and Adam point out that cooperation is essential to the existence of any state. Thus, in this modern world of interdependence, states cannot exist in a vacuum but rather operate with other states within the international system. Interaction amongst countries, through trade, brings to fore one of the reasons for bilateral relations. They believe that the emergence of a single global system and a common international system has brought about a vast increase in the number of international interactions among nations and an end to the isolation of countries. Therefore, inasmuch as nations cooperate internationally, bilateral links represents the fundamental base of interactions or relations among countries. Ghana-German relations, thus, emanate from the belief that global interactions is imperative in making countries avail their respective experiences to others, for the purpose of knowledge sharing. Thus, the cordial
relationship existing between Ghana and Germany can be used to advance the cause of
development in both countries for mutual beneficial ends.

Arthur Stein posits that cooperation is rare, because states act autonomously and self-help is
the rule or as main idea. Stein further reiterates the realists’ position that, states cooperate
only to deal with common threats and thus, see cooperation as temporal or inconsequential
since self-interested rationality forms the basis of cooperation. On the other hand, Stein
points out that, international trade theory, developed by liberal economists, treat states as
principal units. Additionally, he posits that cooperative agreements would emerge naturally
from exchange. Stein concludes that international cooperation is embedded within a structure
of competition, rivalries, and insecurity among states. For Stein, liberals and realists agree
that states cooperate because it is in their finest interest to do so. As a result, self-interested
interaction leads to international cooperation and provides opportunities for economic growth
and development among nations. For Ghana-German relations, trade and investments have
been major exchanging components and thus, these components have become catalysts for
cooperation. It is therefore, in the interest of both countries to cooperate in order to satisfy the
resource needs of their respective citizens.

forward the basis for cooperation via international trade, using David Ricardo’s law of
comparative advantage. The law states that a country will export goods which it has relative
productive advantage and import those it is relatively inconvenient to produce. The model
indicates that the basis of international trade is the factors of relative endowments between
countries. Thus, through exchange of goods and services, countries will cooperate.
Therefore, with relative abundance of cocoa beans, which Ghana has comparative advantage
of, Ghana can trade the cocoa beans with Germany, which is comparative disadvantage, for electrical gadgets or automobile, which Germany has a comparative advantage. Hence, Ghana has a comparative advantage in producing cocoa beans, while Germany is better off in producing automobiles. For this reason, Ghana and Germany, through cooperation can benefit immensely from each other’s deficiency.

Keohane and Williams in Cooperation and *International Regime*, argue that, states formulate policies with the aim of achieving objectives, consistent with their overall national interest. They further explain that “cooperation occurs when actors adjust their behaviour to actual or anticipated preferences of others, through a process of policy coordination”. States agree on stipulated policies to help each other for mutual understanding and benefit. In the case of Ghana-German relations, both sovereign nations adjusted their respective behaviours and preferences, with the view of achieving development in a mutually beneficial manner. Ghana is a potent force in the West African sub-region and indeed, the African continent. Ghana’s role in contemporary African affairs is still cherished against the backdrop of its democratic credentials, peace and tranquillity. For Ghana, to adjust this position vis-à-vis its national interest means it believes in cooperation. In the same vein, Germany is a hegemon in the European Union (EU) and plays important role in global affairs as an industrial nation. Thus, adjusting its position and preference to cooperate with Ghana, means believing in the spirit of cooperation.

Generally, foreign policy is designed to help protect a country’s national interest, national security, ideological goals, and economic prosperity. Simply put, a country’s foreign policy may be said to be the policy which governs its relations with other nations. Thus,
programmes, policies and actions or behaviour are set in motion by a state to exhibit in its relations with other countries.

K. B. Asante explain in his book title “Foreign Policy Making in Ghana: Options for the 21st Century” that Ghana’s foreign policy relation, peace, friendship and treaties are enshrined in the constitution. In protecting and promoting the national interest of Ghana, the constitution also encourages establishment of a just and equitable international economic, social order, respecting international laws, staying obliged to international treaties, using peaceful means to resolve international disputes and adherence to objectives and ideals of the chapters of U.N; and any other international organisation of which Ghana is a member of and signatory to. All these had over the years guided Ghana’s relations with other states including Germany up till today.

Furthermore, K. B. Asante explained that economic development plays a vital role in formulation of foreign policy in Ghana. He also emphasize that the improvement in agriculture and industrial sector is possible through foreign investment. Therefore, Ghana in an attempt to develop the industrial sector will fashion her policy to attract foreign assistance from advanced countries including Germany. K.B Asante noted that, improvement in Balance of Payment (BOP) is needed for economic development. Thus, technological assistance provided by development partners like Germany will also lead to potential development of Ghana’s economy.

Deutsch’s The Analysis of International Relations opines that foreign policy of every country deals first with the preservation of its independence and security and secondly, with the pursuit and protection of its economic interest. He further argues that great nations
(developed countries) are concerned with resisting any manipulation by foreign countries and ideologies and unbalancing efforts to accomplish some active penetration and manipulation. Economic interest has been a pivotal area in foreign policy formulation as it plays an important role in national development. For Ghana-German relations, it is no exception since the two countries started cooperating. Economic interest constitutes both Ghana’s domestic and external attributes in her foreign policy formulation. Since attaining lower-middle income status and becoming an oil producer, Ghana’s economic value has greatly appreciated and thus, attracting other powerful nations to assist her in this regard. Ghana has always been seen to be influential and active in any international organisation through its foreign policy and strong economic base. A good economy gives the President more options in foreign policy. For Germany, its robust economy and one of the biggest in the EU, coupled with her leadership role in the EU, has further made her an economic-viable partner to trade. However, the study opines that economic interest is not the only factor in foreign policy formulation. Other factors such as political stability coupled with good governance, good investment climates, amongst others, are equally important in foreign policy formulation.

Wallner, in his article, “The Structure of German Trade with Africa” recognizes that, Germany’s trade with Africa differs significantly from the general pattern of Germanys foreign trade relations. Han emphasized that, each of the African countries concerned in trade relations with Germany have a specific trading partner. According to him, even though the early 1970’s monetary instability affected Germanys export more than any other industrialized country in Europe, it did not affect Germany’s trade relation with Africa.

Wallner pointed out that it is worthy to note that whiles Germany-Africa trade balance in early 1970’s stood at $ 1,909 million that of Germany’s foreign trade (trade with advanced countries) amounted to $15, 875 million. This is more considerably a favourable balance of
trade in terms of German foreign trade. This contravening trend according to Hans may be explained by the fact that, German import from Africa mainly consists of agricultural and raw materials, which are being affected by unfavourable prices.

Wallner, in his article talked about disparate trade structure between Africa (including Ghana) and Germany. He concluded that Africa’s balance of trade relation with Germany favours Germany more than Africa.

Wallner, does not, however make mention of the positive impact of Africa’s trade structure relations with Germany and the possible role Germany can play to improve trade structure relations between African countries and Germany. Therefore, Wallner’s article gave fair idea of trade structure gab between Africa and Germany. Hence, this research will build upon Wallner’s idea and to further investigate the specific bilateral relations between Ghana and Germany.

1.8 Sources of Data Collection and Methodology

The study relies on secondary data. The secondary source data are obtained from reports and data on trade and investment from the Ministry of Trade, Ghana Investment Promotion Centre, and journals with articles relating to the research, books on international bilateral trade and investment relations from libraries. Internet sources were also used in accessing information and materials for the study.

1.9 Limitation of the Study

Apart from the adequate time allocated for a comprehensive dissertation on Ghana-Germany relations, there were very scanty literature and fragmented data for the study.
for the study. Access to public officials especially from German Embassy and agencies was difficult. Again, official documentation and other relevant information from other quarters (mostly the Ministries and German agencies) were inaccessible for reasons of confidentiality.

1.10 Arrangement of Chapters

The study is organised in four (4) main chapters:

Chapter one is the research design.

Chapter two gives an overview of Ghana’s relations with Germany.

Chapter three assesses trade and investments relations between Ghana and Germany.

Chapter four provides the summary of findings, the conclusion, and recommendations.
END NOTES

4 Ibid
7 World Diplomat (2007). Poverty Reduction is the Ultimate Goal
10 Ibid
13 Stein, A. A., (1990), op. cit.
14 Ibid.
18 Ibid
21 Ibid.
CHAPTER TWO

AN OVERVIEW OF GHANA - GERMANY RELATIONS

2.0 Introduction

This chapter gives a general overview of the national profiles of Ghana and the Federal Republic of Germany. It delves into geographic features, political system, political economy, bilateral relations, and foreign policy orientation of the two countries. These overviews have been chosen because they provide a good background for thorough analysis of bilateral relationship between the two countries.

2.1 Geography of Ghana

Ghana is a coastal country in West Africa. It is bordered at the west by Cote d’Ivoire, to the east by Togo, Burkina Faso to the north and the Gulf of Guinea to the south. Ghana has a total land area of 238,532 square kilometres, water land of about 11,000 sq km; and falls within 8 00 N, 2 00 W coordinates. Arable land size of about 20.12%; 11.74% used for permanent crops and 63.14% for others. Ghana is located in the tropics. Hot and dry in the Northern part of the country, hot and humid in the Southwest while the south-eastern part is warm and comparatively dry. Ghana has a coastline of about 539 kilometres and an exclusive economic zone of 200 nautical miles with oil reserve fields.

2.2 Political Economy of Ghana

Ghana, formerly the Gold Coast, was at one time the richest region in sub-Saharan Africa before it became a British colony. The name Ghana refers to an old ancient empire, believed to be in between present day Mali and Mauritania. The Portuguese were the first Europeans to arrive in Gold Coast in 1471, followed by the Dutch, the Danes, and the British. They all
came with the aim to trade with the local folks. The Danes, Portuguese, and the Dutch all left after the abolishing of slave trade, leaving behind the British, who took over all European market activities in the country. The Bond of 1844 marked the formal colonial rule of Gold Coast. Following the defeat of Germany in 1918 (World War 1), the League of Nations divided Germany’s colony of Togoland from north to south. Britain acquired part of German Togoland territory (now Volta region). This brought the whole of the Gold Coast under British rule.

Ghana achieved political independence from the British colonial rule on the 6th of March 1957. It was the first of colonial territories in Sub-Sahara Africa to achieve this feat. Ghana also became a Republic on the 1st of July 1960. Ghana is a constitutional state which is divided into ten administrative regions with a unitary system of government and a national administrative capital in Accra. Since independence, Ghana has endured long series of coup d’etat until 1981, when Flt. Lt. Jerry John Rawlings took over power and leadership of the country and banned all political parties and activities. In 1992, Rawlings approved a new constitution and restored multiparty democracy. Flt. Lt Rawlings later won presidential elections in 1992 and 1996 but was constitutionally unable to run for a third term in the year 2000. President Kufour succeeded Rawlings in 2001 after a successful election in 2000. The ensuing democratic changes made Ghana become the first country in Africa, where political power was successfully transferred from a ruling party in government (NDC) to an opposition (NPP) after a peaceful general election in December 2000. President Atta Mills succeeded President Kufour in 2009. After the demise of President Mills in August 2012, President Mahama was elevated from vice –president to the position of the President of Ghana. President Mahama was successfully elected President of Ghana after December 2012 election.
Ghana has a population of over 25 million\textsuperscript{10} with a relatively sound economic business environment. Ghana is well gifted with natural resources, which includes gold, timber, bauxite, manganese, rubber, salt, cocoa, industrial diamond, crude oil, hydropower, aluminium, and many other agricultural products which add up to form the major sources of foreign exchange. The discovery and production of oil with an estimated 3 billion barrels of light crude oil; the economy is expected to be one of the top ten fastest growing economies in the world. The service sector of the Ghanaian economy accounts for 50\% of GDP and employs about 29\% of the workforce.\textsuperscript{11} In 2006, Ghana signed the Millennium Challenge Corporation (MCC) Compact to help transform Ghana’s agricultural sector. To further improve the Ghanaian economy, Ghana signed a Three-year Poverty Reduction and Growth Facility with the IMF in 2008. This programme was to help improve private sector competitiveness, macroeconomic stability, human resource development, good governance, and civic responsibility.\textsuperscript{12}

2.3 Ghana’s Foreign Policy Orientation

Since independence, Ghana’s foreign policy has been built and continues to be based on the philosophies and policies of Dr. Kwame Nkrumah.\textsuperscript{13} Successive governments since independence have executed the principles of foreign policy initiated by Nkrumah, though they have differed from one administration to another in nuance. In a paper on Foreign Policy-Making in Ghana for the 21\textsuperscript{st} century, K. B. Asante states that “Significantly, Ghana’s foreign policy has not changed much since Nkrumah. Emphasis naturally shifts from one regime to another. But no Ghanaian government could for example ignore the liberation of the continent, even if it could not apply funds liberally to freedom fighters”.\textsuperscript{14} In August 2001, during an induction seminar or a course for newly appointed Heads of Mission, former Minister of foreign Affairs, Hackman Owusu-Agyeman said “Ghana’s foreign policy from
independence in 1957 to the present and spanning ten different administrations has remained largely unchanged in its basic tenets; the formation of the policy which derives from the nations historical, geography, and economic perspective was laid during the first republic.”

The basic document that set out the parameters of Ghana’s foreign policy is the 1992 constitution. Fundamentally, the Directive Principles of State Policy (Chapter Six: Articles 40 and 41) and articles 73 and 81 are enshrine in the constitution to determine the causes of action to be taken as a nation. In accordance with the constitution, the government of Ghana (GOG) conducts its international affairs in manners that conform to the principle of international law and diplomacy and also such conducts must be consistent with the national interest. An objective of Ghana’s foreign policy is to promote and protect nationals abroad and also Ghana’s dealing with other nations. It also seeks just and equitable international economic and social order; promotion and respect for international law, treaty obligations and also the settlement of international disputes by peaceful means; adherence to principles enshrined in United Nation charter, Africa Union charter, aims and ideals of Commonwealth; treaty of ECOWAS and other international organisation which Ghana is member.

An objective of Ghana’s foreign policy is to help to promote culture, economic, political, and also socio-economic activities. This objective has helped Ghana foster closer ties with Africa, Europe, and the rest of the world. President Kufour’s foreign policy did not change from the laid down principles and objectives since independence, but rather emphasized the need to practice good neighbourliness and economic diplomacy. In President Kufour’s manifesto “Agenda for Positive Change”, he clearly stipulated the need to promote Ghana’s vital interest abroad through good neighbourliness and economic diplomacy (through trade,
investment and tourism). Ghana’s relationship with Germany, therefore, is pivoted on these several principles of Ghana’s foreign policy.

2.4 Geography of Germany

Germany is located in western and central Europe. It is bordered on the east by the Czech Republic, France; Luxemburg to the west, Poland to the north, and Switzerland and Austria to the south. Germany lies between latitude 47° and 55° N and longitude 5° and 16° E. Its vegetation landscape is made up of north German plains, central German uplands (Mittelgelbirge) and south German highlands. Germany experiences largely a temperate climate. The total area of Germany is 357,021 square kilometres (sq km); total land size is 350,261 sq km. Major rivers include the Elbe, Oder, Wese, Danube, and the Rhine. Estimated population of Germany is about 81.3 million (2012) and life expectancy is 80.19%.

2.5 German Political Economy

The first inhabitants of Germany are believed to be the Celts. They were later followed by German tribes at the end of the 2nd century. After centuries of war and instabilities, Otto Von Bismarck later united Germany after wars with France, Austria, and Denmark. In 1933 Adolf Hitler was made Chancellor. Following the death of President Von Hindenburg, Adolf Hitler repudiated the Treaty of Versailles and also withdrew from the League of Nations. Hitler’s invasion of Poland in 1939 led to World War II. After an initial success in the war, Germany later surrendered unconditionally to the Soviet and allied forces in 1945.

Germany was divided into the Federal Republic of Germany (West Germany) and the Democratic Republic of Germany (East Germany) after World War II. The control of East
Germany by the Soviets brought strained relations between Western powers and the Soviet Union. The fall of the communist government in East Germany subsequently led to the unification of Germany. In 1990, the Democratic Republic of Germany agreed to join the Federal Republic of Germany. Germany became a united and sovereign state for the first time since 1945. In 1998 Gerhard Schroder, a Social Democrat, was elected chancellor over incumbent Helmut Kohl. Germany’s unification, coupled with the election, symbolized the end of the Cold war in Europe. Schroder was narrowly re-elected in 2002. Angela Merkel succeeded Schroder in 2005 and became the first woman Chancellor in German history.

Germany has one of the largest and most powerful national economies in Europe. It has a GDP of $3.3 trillion and a per capita income of $47,893. Germany advocates for closer European economic and political integration. Its commercial policies are increasingly determined by agreements among European Union members and the Unions legislation.

2.6 Germany’s Foreign Policy

The unification of Germany and the end of the Cold War represented a monumental shift in the geopolitical realities that had defined German foreign policy. During the early 1990s, German leaders were challenged to exercise foreign policies grounded in a long standing commitment to multilateralism and an aversion to military force. However, as the federal policy and security continue to evolve, Germany’s relation with the world and international organisation begun to be shaped by several factors. Such factors would include growing support for a stronger European Union, allegiance to NATO, and full cooperation and adherence to United Nation’s Charter. In 1999, Gerhard Schroder’s government defined a new basis for German foreign policy by taking part in the NATO decisions concerning the Kosovo war and by sending troops into combat for the first time since the end of World War
II. Since inception Germany has played a leading role in European Union and it seeks to advance the creation of a more unified security, defence, and political apparatus in the region.\(^27\)

### 2.7 Ghana-German Relations in Retrospect

Ghana–Germany relations can be traced back to more than five decades. Prior to that, Germany occupied Transvolta Togoland as colonial masters but later ceded it to Britain and France. This was after Germany had been defeated in 1918 (World War I).

After Ghana’s independence, Germany established diplomatic ties with Ghana. Ambassador Herman Saam was appointed to the head the German mission in Accra. Ghana later also opened its embassy in Germany, specifically in Bonn. Theodore Asare was appointed Ambassador to Germany. Ever since then, bilateral relationship between the two countries has been tremendous, ranging from political, economic, social, military aid, and other developmental cooperation.\(^28\)

Political relations between Ghana and Germany have been growing from strength to strength. This symbiotic relations dates back before Ghana’s independence and thus, has been supportive, amicable, and comprehensive. The two countries assume some huge amount of respect in their respective regions. While Ghana views Germany as a political and economic hegemony in Europe, Germany also considers Ghana in Africa as a visionary and exemplary state as a result of its democratic principles, prevalence of the rule of law, good human rights records, good governance, and political stability.

German political foundations, Konrad Adenauer Stiftung, Friedrich-Ebert Stiftung, and Friedrich Nauman Stiftung, have been active in Ghana as a result of the good political
atmosphere between the two countries. These active institutions in Ghana particularly offer political insight on the Ghanaian parliamentary activities and also democratic and human rights awareness.

There has been a good steering political relation between the two countries irrespective of the political party in government. Prior to former President Kuffour visit to Germany in 2002, his predecessor President Rawlings also had great relations with Germany. In 1999, former President Rawlings visited Germany to strengthen the diplomatic relations between the two countries and further invite German investors to into Ghana’s growing economy.\(^{29}\) However, the political relations were taken to a higher level when former President Kufuor was invited for a four-day official visit to Germany by then Federal President Horst Kohler. The visit gave President Kufuor the platform to further strengthen Ghana’s diplomatic relations with Germany in tandem with his pursuit of economic diplomacy with development partners, for which, Germany is deemed an integral partner. In a reciprocal gesture, Chancellor Gerhard Schröder also visited Ghana upon the invitation of President Kufuor. This act signified mutual respect and a beneficial friendship between the two countries.\(^{30}\)

In demonstrating the good political relations between Ghana and Germany, irrespective of the political party in government, Germany’s foreign minister, Dr. Guido Westerweller, in a two day official visit to Ghana, paid a courtesy call on President Mahama and Nana Akuffo Addo. During Dr. Westerweller visit to Akuffo Addo, he commended Akuffo Addo and his party faithful for choosing to contest the result of the December 7, 2012 election in the Supreme Court and not inciting his party members to take up arms. Dr. Westerwelle further noted that, Ghana continues to be a shining country on the African Continent with a good growing democracy, worth emulating.\(^{31}\)
2.8 Conclusion

Ghana-German relation was consummated after Ghana’s independence in 1957. The relation was further boosted by the establishment of Diplomatic presence in each other’s country. High level Government delegations from both countries have been witnessed to perpetually consolidate this important relation. For example, Chancellor Schroder of Germany, visited Ghana in 2004 whiles The Ghanaian President, Mr. John Agyekum Kufour, reciprocated the gesture in 2006, with a further visit by President Horst Kohler in 2008. Since Ghana’s independence, successive governments have executed the principles of foreign policy initiated by Dr. Kwame Nkrumah. Since the early 90’s, German foreign policy has been committed on the principle of multilateralism and an aversion to military force.

Over the years, both countries have cooperated in several fronts, deemed beneficial to the two countries. These include economic, social, cultural, technological transfer, trade and investments, military assistance, amongst others. It is further believed that any challenges, thereof, can be resolved to consolidate this relations.
Figure 1: Map of Germany and its neighbours

Figure 1 shows the map of Germany and some of its important towns and cities. Germany shares border with Denmark at the North, Belgium and Netherland at the West, Poland and Czech Republic at the East. Austria and Switzerland share border with Germany at the South.

SOURCE: https://www.google.com.gh/search?q=map+of+germany&rlz
Figure 2: Map of Ghana and its neighbours

Figure 2 shows the map of Ghana and some of its important towns and cities. Ghana is bordered by three countries; Togo to the East, Burkina Faso to the North and last but not the least is Cote D’Ivoire to the West. South of Ghana is the Atlantic Ocean.
ENDNOTES

2. Ibid.
4. Ibid., pp.21-22
5. Ibid., p. 19.
6. Ibid p.19
14. Ghana’s Foreign Policy Options. 2002 (Accra: Legon Centre for International Affairs, LECIA) p.27
15. Ibid., p.28
16. Ibid.
17. Ghana’s Foreign Policy Options. 2002 (Accra: Legon Centre for International Affairs, LECIA)
18. World fact book CIA.
20. www.dw.de/german-population
22. Ibid
25. Ibid
CHAPTER THREE
AN ASSESSMENT OF GHANA-GERMAN RELATIONS

3.0 Introduction

This chapter assesses Ghana-German relations. It encompasses bilateral relations, cultural cooperation, technical cooperation, investment, health, agriculture, economic and trade as well as, political relations.

3.1 Ghana-Germany Bilateral Trade Relations

Bilateral relations between Ghana and Germany over the past 50 years and above have grown from strength to strength. After the initial establishment of diplomatic post between the two countries, trading activities became one of the bed rocks between the two nations. Germany is undoubtedly one of Ghana’s investment and trading partners. Ghana exports food products such as cocoa beans and fruits; and minerals and natural resources to Germany. Ghana, on the other hand, imports motor vehicles, machineries, chemicals and electronics from Germany.

Cooperation between Ghana and Germany manifested in the establishment of the Ghanaian-German Economic Association (GGEA) in 1999. This association served as a mother umbrella and voice to Ghanaian—German businesses in Ghana. The association serves as a link between Ghanaian businesses and their German counterparts. Though this association is completely a private initiative, it contributes greatly to the growing relations between Ghana and Germany.¹

Two major bilateral agreements in trade and commerce exist between the two countries. These are: Treaty on Encouragement and Reciprocal Protection of Investment implemented
on November 23, 1998. The second agreement is Avoidance of Double Taxation, which came into effect on January 1 2008. The agreement of Avoidance of Double Taxation was signed to promote exchange of goods and services and the movement of capital and persons by eliminating international double taxation. This agreement was signed to further prevent international avoidance of tax and tax evasion between Ghana and Germany. During the agreement negotiation, Dr Peter Linder noted that the purpose of the double taxation agreement is also to promote cooperation between the tax administrations of the two countries by facilitating the exchange of information.

Development cooperation is one of the most important areas of Ghana-Germany bilateral relation. Since the early 1960’s, development cooperation between Ghana and Germany has been formidable. Agreement on development cooperation, signed in 1961, further motivated much German development cooperation to be established in Ghana. Development institutions such as Technical Cooperation Association (GIZ), Bank for Reconstruction (Kfw), German Investment Development Cooperation (DEG) and German Development Service (DED) are all active in Ghana, providing social and economic development. These institutions focus on three areas of development which include agriculture, decentralization, and sustainable economic development of Ghana.

3.2 Investment

Ghana’s wealth of natural resources, democratic political system and dynamic economy, makes it one of the most attractive locations or countries for investment business in Africa. Government aims to make Ghana the gateway to West Africa and hence, several efforts are being made to make the Ghanaian business environment friendly by enhancing transparent and responsive atmosphere for investment and also reducing the overall cost of doing
business in Ghana. The Ghana Investment Promotion Centre (GIPC) is one of the institutions created by government to further help integrate Ghana into the international economy and make Ghana more attractive to both domestic and foreign private investment. Ghana offers many attractive environments to enhance both foreign and domestic investors. Such attractions may include tax exemptions or tax holidays, stable macroeconomic environment, and peaceful political atmosphere. According to the GIPC law, 1994, investment in all sectors of the economy other than mining, petroleum, free-zones and investment portfolio, can be established without prior approval by the centre for investment promotion. In attracting investors from Germany to do business in Ghana, GIPC, through government initiative, offers tax reductions for those companies established to do business. The value of reduction and duration of tax exemption is determined, according to the type of company and the sector of interest.

Investment promotion and protection agreement signed between Ghana and Germany in 1998, serves as a cornerstone in promoting foreign direct investment (FDI) between the two countries. The agreement has helped build a sound basis in enhancing private sector activities between Ghana and Germany. This investment promotion and protection pact has led to a steady rise in German investment in the Ghanaian private sector, particularly the services and manufacturing sectors. Another investment pact between the two countries is the bilateral agreement on the Avoidance of Double Taxation (ADT). The avoidance of double taxation has made it possible for Ghanaian investors, together with their German counterparts, to enjoy smooth investment cooperation. Taxation is a major issue when it comes to making business decision and hence, a sound and good tax administration has become one of the hallmarks in promoting and strengthening the bilateral trade and investment between the two countries. Germany’s high interest in developing and diversifying Ghana’s economic and
investment capacity led to the establishment of Ghanaian-German Economic Association (GGEA). The association enhances Ghanaian-German business relations. There are over 40 registered German companies that are members of this association and are involved in various business activities, including mining, road construction, wood processing, food processing, transport, and tourism. The various investment companies have contributed substantially to job creation, enhancing Ghanaian export, and foreign exchange. The broad and strong business network of GGEA has helped build business relations with Germany and the rest of Europe for Ghanaian investors and companies. This affords Ghanaian businesses the opportunity to target a large market and thus, orienting their respective business innovations to take advantage of this huge market.

According to the Ghana Investment Promotion Centre (GIPC), the investment out-turn over the years has been encouraging. Britain, India, China, Germany and the USA have been the main sources of foreign direct investment (FDI) inflows into Ghana. Germany, like many of the other countries, has contributed immensely to the investment projects in Ghana. Table 1 below depicts sectoral distribution of German registered projects by GIPC from January 2000 to December 2013.
TABLE 1: SECTORIAL DISTRIBUTION OF GERMAN REGISTERED PROJECTS BY GIPC FROM JANUARY 2000 TO DECEMBER, 2013.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number of Projects</th>
<th>Total FDI ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agriculture</td>
<td>8</td>
<td>1,683,971.00</td>
</tr>
<tr>
<td>Building/Construction</td>
<td>6</td>
<td>345,876.00</td>
</tr>
<tr>
<td>Manufacturing</td>
<td>14</td>
<td>9,749,104.00</td>
</tr>
<tr>
<td>Liaison</td>
<td>3</td>
<td>408,414.00</td>
</tr>
<tr>
<td>Services</td>
<td>28</td>
<td>8,682,277.39</td>
</tr>
<tr>
<td>General Trade</td>
<td>4</td>
<td>2,437,455.00</td>
</tr>
<tr>
<td>Tourism</td>
<td>9</td>
<td>1,127,483.15</td>
</tr>
<tr>
<td>Export Trade</td>
<td>2</td>
<td>2,646,400.00</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>74</strong></td>
<td><strong>27,080,980.54</strong></td>
</tr>
</tbody>
</table>

Source: GIPC, 2014.

Table 1 shows German foreign direct investment projects from January 2000 to December 2013 in Ghana. The table indicates that there have been a total of seventy-four registered investment projects. These registered projects are in various sectors, including agriculture, building and construction, manufacturing, liaison, services, general trade, tourism and export trade. A sum total of $1,683,971 was invested in the agriculture sector while $345,876 was invested in the building and construction sector. Table 1 show that the service sector in Ghana enjoys most of the investment projects (28) by German registered companies with a corresponding foreign direct investment of $8,682,277.39. This was followed by the manufacturing sector, which benefited from a total of 14 projects with a total investment of about $9,749,104.00. Export trade sector benefited from only 2 investment projects, with an accumulated investment worth of $2,646,400.00. A total of $408,414.00 was invested in
liaison services whiles $2,437,455 was directed into general trade sector. A total of $1,127,483.15 was also directed into the tourism sector.

It can be observed from the investment table that, the services and manufacturing sectors attracted the most foreign direct investment projects. Export trade had a low investment projects and was followed by the liaison services. In all, a total of $27,080,980.54 of foreign direct investment has been spent on a total of 74 registered projects from January 2000 to December 2013.

3.3 Economic and Trade Relations

Germany is a key trade and investment partner of Ghana and advocates of its stability and economic potentials. Over the past years, Ghana has been a major importer of German products. These products include finished or semi-finished products such as tractors, used or new automobiles, medical apparatus, crane lorries, paints, agriculture equipment, and chain saw. In balancing trade relation between the two countries, Ghana also export some products to Germany. Ghana exports mainly cocoa beans, cocoa pastes, bauxite ores, wood products, and non-traditional export products, which include banana, pineapples, and smoked fish. Ghana’s main export trading partners are: France (13.6%), Italy (12.4%) the Netherland (8.9%), China (7.4%) United States (5.9%), and Germany (4.6%), while China (25.6%), Nigeria (11%), United States (7%), the Netherland (6.2%), Singapore (4.5%) and India (4%) are the main import trading countries.  

Ghana’s long traditional economic relation with Germany (since 1960s) has made Ghana one of Germany’s main trading partners in Sub-Sahara Africa. Bilateral trade volume between the two countries in 2011 stood at €414 million, representing a 17% rise in trade from 2010.
This was attributed to the strong rise of German export commodities to Ghana. At the same time, Ghana’s export to Germany amounted to €137.7 million. In 2002, it was estimated that Ghana’s export to Germany totalled €126.1 million, which consisted mainly of cocoa, timber and aluminium products.\textsuperscript{13}

Table 2 below gives a fair idea about the trade between the Ghana and Germany in the following top 10 tradable items.

Table 2: Top 10 Commodities Exported To Germany, 2005

<table>
<thead>
<tr>
<th>Exports from Ghana</th>
<th>Custom value (New Ghana cedi)</th>
<th>Net weight (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cocoa Beans</td>
<td>25,535,234.55</td>
<td>20,037,540.00</td>
</tr>
<tr>
<td>Cocoa paste not defatted</td>
<td>6,040,083.53</td>
<td>3,530,000.00</td>
</tr>
<tr>
<td>Pineapples, fresh or dried</td>
<td>557,372.15</td>
<td>1,619,733.00</td>
</tr>
<tr>
<td>Lead waste and scrape</td>
<td>138,286.68</td>
<td>883,827.00</td>
</tr>
<tr>
<td>Palm nuts and kernel</td>
<td>73,812.31</td>
<td>65,250.00</td>
</tr>
<tr>
<td>Veneer sheets and sheets of plywood, and other woods= &lt;6mm thick</td>
<td>2,801,350.71</td>
<td>1,528,590.00</td>
</tr>
<tr>
<td>Peanut butter</td>
<td>11,566.90</td>
<td>19,074.00</td>
</tr>
<tr>
<td>Natural rubber, in primary forms or plates etc</td>
<td>105,327.00</td>
<td>90,720.00</td>
</tr>
<tr>
<td>Prepared or preserved fish</td>
<td>185,454.88</td>
<td>98,901.00</td>
</tr>
<tr>
<td>Non-coniferous wood, continuously shaped along any of its edges or faces</td>
<td>2,112,586.05</td>
<td>2,119,436.00</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>32,125,074.76</strong></td>
<td><strong>29,993,071.00</strong></td>
</tr>
</tbody>
</table>


The total worth of goods exported from Ghana in 2005 was GH¢32,125,074.76 with a total net weight of about 29,993,071.00 kg. Export of cocoa beans alone amounted to GH¢25,535,234.55 with a net weight of about 20,027,540.00kg. Other items exported to
Germany included cocoa paste, not defatted of about GH¢6,040,083.53. Lead waste and scrap amounted to GH¢ 138,286.68, Pineapples (fresh or dried) worth GH¢557,372.15, palm nuts and kernel at GH¢73,812.31; peanut butter valued at GH¢11,566.90; veneer sheets and sheets of plywood, and other woods equal or less than 6mm thick worth GH¢2,801,380.71. The rest of the items exported included natural rubber in primary form or plates valued at GH¢105,372.00.14

Table 3: Top 10 Items Imported To Ghana, 2005

<table>
<thead>
<tr>
<th>Item</th>
<th>Net Weight</th>
<th>Customised Value (New Ghana cedi)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Apparatus of Alpha, beta or gamma radiations for medical use</td>
<td>60,926.00</td>
<td>74,823.00</td>
</tr>
<tr>
<td>Refrigerated vessels</td>
<td>32.00</td>
<td>11,354.71</td>
</tr>
<tr>
<td>Tanker trailers and semi-trailers</td>
<td>2,820.00</td>
<td>4,438.48</td>
</tr>
<tr>
<td>Used motorcycles and cycles, reciprocating engine, 50 &lt;CC= &lt;250, not CKD</td>
<td>61,769.00</td>
<td>50,262.11</td>
</tr>
<tr>
<td>Road wheels and parts and accessories thereof</td>
<td>591,696.00</td>
<td>2,066,344.10</td>
</tr>
<tr>
<td>Crane lorries, used</td>
<td>12,781.00</td>
<td>33,096.66</td>
</tr>
<tr>
<td>Used Dumpers (excl off highway) diesel, gvw&lt;=5t,&lt;=10years</td>
<td>58,134.00</td>
<td>43,312.00</td>
</tr>
<tr>
<td>Ambulances, new</td>
<td>204.00</td>
<td>1,211.56</td>
</tr>
<tr>
<td>Electric conductors, for a volta=&lt;80V, with connectors</td>
<td>654.06</td>
<td>1,089,711.28</td>
</tr>
<tr>
<td>Absorption-type household refrigerator</td>
<td>302,384.00</td>
<td>1,728,568.21</td>
</tr>
<tr>
<td>Refractory ceramic goods</td>
<td>101,942.00</td>
<td>100,425.58</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>1,193,342.06</strong></td>
<td><strong>5,203,547.69</strong></td>
</tr>
</tbody>
</table>

In 2005, items imported from Germany to Ghana included, tanker trailer, and refrigerated vessel. The rest of the imported items included motorcycle, reciprocating engines, new ambulances and gamma medication for medical use. Table 3 shows that a total of about €5,203,547.69 value of goods were imported with a total net weight of about 1,193,342.06 kg. Furthermore, it is observed that the highest value goods imported (road wheels and parts and accessories) cost about GH¢2,006,344.10 with a corresponding weight unit of about 591,696.00 kg. The least valued item imported was new ambulances at a total cost of GH¢1,211.56.

**Table 4: Ghanaian Exports to Germany, 2006**

<table>
<thead>
<tr>
<th>Export from Ghana</th>
<th>Custom Value (New Ghana Cedi)</th>
<th>Net weight (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude shea (karite) oil and fractions</td>
<td>28,349.71</td>
<td>18,050.00</td>
</tr>
<tr>
<td>Natural rubber latex, in primary forms or in plates ,sheets or strip</td>
<td>295,437.93</td>
<td>183,960.00</td>
</tr>
<tr>
<td>Cocoa paste not defatted</td>
<td>16,053,551.66</td>
<td>8,440,000.00</td>
</tr>
<tr>
<td>Cocoa butter , fat and oil</td>
<td>5,667,583.00</td>
<td>1,600,041.00</td>
</tr>
<tr>
<td>Cocoa Beans</td>
<td>44,510,658.43</td>
<td>31,675,000.00</td>
</tr>
<tr>
<td>Copper waste and scrap</td>
<td>147,185.18</td>
<td>90,140.00</td>
</tr>
<tr>
<td>Aluminium waste and scrape</td>
<td>183,828.96</td>
<td>130,260.00</td>
</tr>
<tr>
<td>Lead waste and scrape</td>
<td>239,700.05</td>
<td>1,540,970.00</td>
</tr>
<tr>
<td>Non-coniferous wood, continuously shaped along any of its edges or faces=&lt; 6mm</td>
<td>1,097,491.00</td>
<td>1,148,366.00</td>
</tr>
<tr>
<td>Veneer sheets and sheets for plywood and other wood, =&gt;6mm thick, nes</td>
<td>4,009,388.98</td>
<td>1,953,182.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td><strong>72,233,174.90</strong></td>
<td><strong>46,779,969.00</strong></td>
</tr>
</tbody>
</table>


In 2006, there were a lot of changes in export of Ghanaian goods to Germany. Ghana exported goods such as cocoa beans, aluminium scrap, cocoa butter, fat or oil; copper waste and scraper. From table 4, it can be observed that total exports value was GH¢72,233,174.90
with a net weight of 48,779,969.00 kg. Further, it can be ascertained that cocoa beans constituted the highest value product exported to Germany. The value of cocoa beans exported to Germany amounted to GH¢44,510,658.43 and a net weight of about 31,675,000 kg. Comparing the value of cocoa in the years, 2005 and 2006, there was an astronomic rise from GH¢25,535,234.53 to GH¢44,510,658.43. The difference in export in the two year period (2005 and 2006) stood at GH¢18975, 423.95. This increase can primarily be attributed to the increase in demand of Ghanaian cocoa beans which is considered as premium cocoa beans in European market. Furthermore, the increase can be attributed to increase in government supply of fertilizer to cocoa growing communities or famers.

Table 5: Top 10 Items Imported From Germany, 2006.

<table>
<thead>
<tr>
<th>Item</th>
<th>Net Weight</th>
<th>Customised Value</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Paints, distemper, vanish or similar brushes; paints pads and roller</td>
<td>271,710.00</td>
<td>10,311,335.00</td>
<td>11,207,973.00</td>
</tr>
<tr>
<td>Used s/w diesel, vehicle of CC&gt; 3000 and &lt;=10 years</td>
<td>37,363.09</td>
<td>239,554.00</td>
<td>260,384.00</td>
</tr>
<tr>
<td>Used road tractors for semi-trailers; age &lt;= 10years</td>
<td>728,873.00</td>
<td>6,416,742.00</td>
<td>6,974,720.00</td>
</tr>
<tr>
<td>Parts of chains saw</td>
<td>70,698.00</td>
<td>1,639,340.00</td>
<td>1,781,891.00</td>
</tr>
<tr>
<td>Machinery for filling, closing bottles, cans and aerating drinks</td>
<td>8,116.00</td>
<td>2,004,826.00</td>
<td>1,092,202.00</td>
</tr>
<tr>
<td>Fuel/lubricating/cooling-medium pumps for internal combustion engines</td>
<td>35,373.00</td>
<td>516,501.00</td>
<td>561,414.00</td>
</tr>
<tr>
<td>Crown corks of base metal</td>
<td>444,555.00</td>
<td>504,952.00</td>
<td>548,861.00</td>
</tr>
<tr>
<td>Rock drilling or earth boring tools with working parts of cermets</td>
<td>48,027.00</td>
<td>304,844.00</td>
<td>331,352.00</td>
</tr>
<tr>
<td>Mixtures of odoriferous substances, for the food or drink industries</td>
<td>59,926.00</td>
<td>727,499.00</td>
<td>790,759.00</td>
</tr>
<tr>
<td>Spelt, common wheat and meslin</td>
<td>26,270.00</td>
<td>6,164,047.00</td>
<td>6,700,051.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>1,730,911.09</td>
<td>28,829,640.00</td>
<td>29,157,405.00</td>
</tr>
</tbody>
</table>

Goods imported included, used vehicles of cc> 3000 and <=10 years, used road tractors for semi-tactor age <=10 years; paints, paintpad and roller; crown corks of base metal; fuel/lubricating/cooling medium pumps for internal combustion; rock drilling or earth boring tools with working parts of cermets; mixtures of odoriferous substances, for the food or drink industries; and spelt common wheat and meslin. The total value of the top ten (10) major items imported amounted GHe28,829,640.00. This represents a total net weight of about 1,730,911.09 kg. It is observed that, paints, distemper, vanisher or similar brushes had the highest custom value of GHe10,311,335.00. The least custom valued item imported is used diesel vehicle with an amount of GHe239,554.00. It is further observed that in 2006, imports from Germany included items such as crown corks of base metal; machinery for filling; closing bottles, cans and aerating drinks; parts of chain saw; and mixtures of odoriferous substances, for food and drink industries.\textsuperscript{15}

Fig 1: Items Exported to Germany, 2007.

\begin{figure}
\centering
\includegraphics[width=\textwidth]{chart.png}
\caption{Chart showing export items to Germany, 2007.}
\end{figure}

Source: Ministry of Trade and Industries, 2014
The total value of commodities exported from Ghana to Germany in 2007, amounted to GH¢57,349,508.70. The net weight of the 10 items exported was 30,581,854.00kg. The total export of goods comprised cocoa beans, cocoa paste, not defatted; bauxite crude ores; unfrozen orange juice, unfermented, not containing added spirit; cocoa butter, fat and oil; crude shea (Karite) and fraction; copper waste and scrap; veneer sheets and sheets for plywood and other woods less or equal 6mm thickness; crude palm oil and wood sawn or chipped lengthwise sliced or peeled greater than 6mm thick. The total value of export in 2007 fell by 20.6% compared to the value in 2006. Fall in cocoa products, especially; cocoa beans affected the total value of goods exported from Ghana to Germany. In 2006, a total of GH¢44,510,658.48 value of cocoa beans were exported as compared to GH¢24,171,661.34 in 2007. Again, a further fall in other export products including sawn woods and veneer sheets wood affected the total value of Ghanaian exports commodity to Germany.

In 2007, the custom value of goods imported amounted to GH¢ 62,027,848.99. The net weight of the goods amounted to 6,9936,444.46 kg. 26.5% of the total custom value of goods was used in importing instruments and apartment for medical instruments. 10% of custom value representing Gh¢6817910.65 was spent on used lories and vans, 44% of custom value spent on importing used ignitions, 1.23% on New 4wd. 13.9% of the custom value was also spent on new vehicles. 0.36% on new pax motor vehicles, 1.89% on static converters, 0.19% of total custom value also spent on sawing or cutting off machines. 0.73% spent on finishing of felts or nonwovens. 0.04% of the total custom value of goods imported in 2007 was spent on paints.
The total custom value of the ten (10) most imported items from Germany to Ghana increased from GH¢28,829,640.00 in 2006 to GH¢62,027,848.99 in 2007 indicating a 115.15% increment. This increase could be attributed to the new items on the list, which includes medical apparatus, used spark ignition, machinery for the manufacturer or finishing of felt or non-woven. These items had a high import value and were in great demand in 2007.

Table 7: Top 10 Items Imported From Germany, 2007

<table>
<thead>
<tr>
<th>Item</th>
<th>Net Weight</th>
<th>Custom Value(New Ghana cedi)</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruments and apartment for medical, surgical sciences</td>
<td>515,841</td>
<td>16,444,360.04</td>
<td>16,952,957.77</td>
</tr>
<tr>
<td>Used lorries and vans, diesel, gvw&lt;=5t, &lt;=10years</td>
<td>1,211,715</td>
<td>6,817,910.65</td>
<td>7,028,773.86</td>
</tr>
<tr>
<td>New 4wd, diesel, cc&gt;3000cc</td>
<td>47,659</td>
<td>767,029.10</td>
<td>790,751.64</td>
</tr>
<tr>
<td>Used, spark ignition, vehicle of CC&gt; 1500 but &lt;=1900, &lt;=10 years</td>
<td>4,656,798</td>
<td>27,347,843.33</td>
<td>28,193,652.92</td>
</tr>
<tr>
<td>New vehicles sli, CC &gt; 1900 but &lt;3000</td>
<td>464,294</td>
<td>8,639,759.24</td>
<td>8,906,968.28</td>
</tr>
<tr>
<td>New pax motor vehicle, diesel, 10-22 seater including driver</td>
<td>20,739</td>
<td>228,186.16</td>
<td>235,243.46</td>
</tr>
<tr>
<td>Static converters</td>
<td>30,739</td>
<td>1,178,527.42</td>
<td>1,214,976.71</td>
</tr>
<tr>
<td>Sawing or cutting off machines for working metal</td>
<td>15,477</td>
<td>119,662.58</td>
<td>123,363.48</td>
</tr>
<tr>
<td>Machinery for the manufacture or finishing of felt or nonwovens</td>
<td>1,920</td>
<td>454,527.26</td>
<td>468,584.80</td>
</tr>
<tr>
<td>Paints (including enamels)</td>
<td>22,689</td>
<td>29,773.25</td>
<td>30,694.07</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>6,936,444.46</strong></td>
<td><strong>62,027,848.99</strong></td>
<td><strong>63,945,966.99</strong></td>
</tr>
</tbody>
</table>

Table 7: Top 10 Items Exported To Germany, 2008

<table>
<thead>
<tr>
<th>Exports from Ghana</th>
<th>Custom Value (New Ghana cedi)</th>
<th>Net weight (Kg)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rubber solutions; dispersions, unvulcanized, nes</td>
<td>1952,239.02</td>
<td>48,440.00</td>
</tr>
<tr>
<td>Yam</td>
<td>100,451.87</td>
<td>139,165.00</td>
</tr>
<tr>
<td>Bauxite crude ores</td>
<td>10,153,651.39</td>
<td>302,009,388.00</td>
</tr>
<tr>
<td>Cocoa Beans</td>
<td>16,463,513.52</td>
<td>7,771,813.00</td>
</tr>
<tr>
<td>Wood, nes sawn or chipped lengthwise, sliced or peeled, &gt;6mm thick</td>
<td>7,205,791.85</td>
<td>6,026,014.00</td>
</tr>
<tr>
<td>Crude shea (karite) oil and fractions</td>
<td>349,809.02</td>
<td>187,025.00</td>
</tr>
<tr>
<td>Pineapples, fresh or dried</td>
<td>326,372.66</td>
<td>1,001,709.00</td>
</tr>
<tr>
<td>Cocoa paste wholly or partly defatted</td>
<td>22,245.64</td>
<td>200,000.00</td>
</tr>
<tr>
<td>Fresh cut flowers and buds</td>
<td>17,896.00</td>
<td>6,114.00</td>
</tr>
<tr>
<td>Cocoa butter, fat and oil</td>
<td>2,292,806.64</td>
<td>300,211.00</td>
</tr>
<tr>
<td>TOTAL</td>
<td>38,884,777.61</td>
<td>317,689,879.00</td>
</tr>
</tbody>
</table>


From table 7, the total custom value of goods exported to Germany amounted to Gh¢38,884,777.61. The total net weight is 317,689,879.00kg. Among the goods exported to Germany, fresh cut flowers and buds accounted for the least custom value product exported at a value of about Gh¢17896.00. Despite the total fall in the custom value of goods exported to Germany in 2008, cocoa beans still topped as the highest earning export commodity (Gh¢16,463,513.52)

The total value of export in 2008 further decreased by 32.1% compared to the value in 2007. However, this decrease indicates a second successive fall in the total export value, thus 2007
and 2008. Even though there was a continuous fall in the total value of cocoa beans exported, it still remained the highest export commodity by value.

### Table 8: Top 10 German Items Imported to Ghana, 2008

<table>
<thead>
<tr>
<th>Item</th>
<th>Net Weight</th>
<th>Customised Value</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cut and Offan, frozen</td>
<td>212,729</td>
<td>204,328.57</td>
<td>194,598.63</td>
</tr>
<tr>
<td>Chocolate containing cocoa in slabs or bars</td>
<td>2,290</td>
<td>10,341.34</td>
<td>9848.89</td>
</tr>
<tr>
<td>Petroleum jelly</td>
<td>1,477,290</td>
<td>2,597,166.60</td>
<td>2,473,492.03</td>
</tr>
<tr>
<td>Cyclic amides (including carbonates and derivatives; salts thereof)</td>
<td>48,938</td>
<td>215,524.61</td>
<td>205,261.53</td>
</tr>
<tr>
<td>Enzymes; prepared (not elsewhere specified or included)</td>
<td>121,848</td>
<td>1,489,687.58</td>
<td>1418750.07</td>
</tr>
<tr>
<td>Aluminium foil, &lt;= 0.2mm thick not backed (excl rolled)</td>
<td>24,093</td>
<td>330,667.91</td>
<td>314921.81</td>
</tr>
<tr>
<td>Interchangeable tools for drilling, other than for rock drilling</td>
<td>149,761</td>
<td>1,473,595.49</td>
<td>14034024.27</td>
</tr>
<tr>
<td>Non-domestic heating/cooling equipment</td>
<td>109.68</td>
<td>2,185,056.63</td>
<td>2081006.3</td>
</tr>
<tr>
<td>Tractors: new complete road tractors for semi-trailers</td>
<td>990.97</td>
<td>12,072,877.86</td>
<td>11497978.91</td>
</tr>
<tr>
<td>Used lorries and vans diesel, gvw&gt; 5t, gvw&lt;=20t, &lt;=10 years</td>
<td>204,821</td>
<td>1,212,899.75</td>
<td>1,155,142.61</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>2,242,870.65</strong></td>
<td><strong>21,792,146.34</strong></td>
<td><strong>33,385,025.05</strong></td>
</tr>
</tbody>
</table>


From table 8, it can deduce that the year 2008 saw Ghana’s import from Germany amounting to GH¢21,792,146.34 with total net weight of about 2,242,870.65kg. Items imported included cut and offal, frozen; petroleum jelly; chocolate containing cocoa in slabs or bars; cyclic
amides (including carbonates and derivatives, salts thereof; non-domestic heating/cooling equipment; tractors: new complete road tractors for semi-trailers; used lorries and van diesel gvw greater than 5t, gvw less or equal to 20t, greater or equal to 10 years; aluminium foil equal or less than 0.2mm thick not backed (excluding rolled); and enzymes; prepared (not elsewhere specified or included).\textsuperscript{16}

Furthermore, in table 8, 55.4\% of export value was attributed to tractors; new complete road tractor for semi-trailers and petroleum jelly export value was 11.1\%. The value of cyclic amides fetched 0.4\%, while enzymes prepared (not elsewhere specified) was 5.5\%. The value of non-domestic heating/cooling equipment was 10.0\% and interchangeable tools for drilling other than for rock drilling was 6.7\% of the total import from Germany. The total value of import in 2008, however, shows a decrease in the total amount, compared to imports in 2007.

Table 9: Ghana’s Cumulative Exports to Germany, from 2009-2011.

<table>
<thead>
<tr>
<th>YEARS</th>
<th>CIF VALUE CEDI (NEW)</th>
<th>NETWEIGHT (KG)</th>
<th>CIF VALUE US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>80,905,883.72</td>
<td>291,520,557.15</td>
<td>57,380,059.38</td>
</tr>
<tr>
<td>2010</td>
<td>155,081,342.64</td>
<td>466,651,023.65</td>
<td>106,952,650.10</td>
</tr>
<tr>
<td>2011</td>
<td>80,374,113.64</td>
<td>24,544,835.89</td>
<td>50,869,692.83</td>
</tr>
<tr>
<td>TOTAL</td>
<td>316,361,245.70</td>
<td>782,716,415.88</td>
<td>215,802,400.70</td>
</tr>
</tbody>
</table>


From 2009-2011, Ghana exported commodities worth GH\textcurren316,361,245.70 ($215,802,400.70) to Germany. The total net weight from the goods exported was GH\textcurren782,716,415.88kg. From the table, it indicates that the total amount value of export has not been constant but rather indicating a rise and fall in total goods exported. Thus, the total value of export increased from GH\textcurren80,905,883.72 in 2009 to GH\textcurren155,081,113.64 in 2010 and later fell to
GH¢80,374,113.64 in 2011. It is further observed from the table that, total value of export between 2009 and 2010 fall almost within the same range of amount.

Table 10: German’s Cumulative Imports To Ghana, from 2009-2011.

<table>
<thead>
<tr>
<th>YEARS</th>
<th>CIF VALUE CEDIS (NEW)</th>
<th>NETWEIGHT (KG)</th>
<th>CIF VALUE US $</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>360,063,755.09</td>
<td>116,239,434.17</td>
<td>232,913,301.48</td>
</tr>
<tr>
<td>2010</td>
<td>360,063,215.05</td>
<td>92,478,630.01</td>
<td>244,255,601.06</td>
</tr>
<tr>
<td>2011</td>
<td>3,684,175.83</td>
<td>1,129,156.74</td>
<td>2,361,651.17</td>
</tr>
<tr>
<td>TOTAL</td>
<td>723,811,143.30</td>
<td>209,847,217.80</td>
<td>479,530,553.70</td>
</tr>
</tbody>
</table>


It is observed from table 10 that, over the three cumulative years of import, 2011 experienced the least total amount of goods imported. This indicates that the total custom value of goods imported from Germany to Ghana in that particular year was low as compared to 2009 and 2010. In 2011, the total value of import fell drastically. The total value of goods imported amounted to GH¢3,684,175.83. This represent 98.9% fall in value of goods imported from Germany in 2010 to 2011.

In all, it can be observed from tables 9 and 10 that over the three year period of export and import, the total value of import from Germany to Ghana far exceed Ghana’s export to Germany in value. Thus the total amount value of import over the three years added up to GH¢723,811,143.30 whiles the total amount of export to Germany amounted to GH¢316,361,245.70. This further indicates that the balance of trade highly favours Germany.

3.4 Agricultural Development

The German Development Cooperation (GDC) is one of many players in supporting Ghana’s Agricultural Development under Ghana’s policy framework, the Food and
Agricultural Sector Development Policy (FASDEP). FASDEP aims at accelerating the growth in the agricultural sector by introducing political and institutional reforms, and investment programmes. The goal of German support to agriculture sector is to improve the income situation of agricultural producers. Efficient extension services and access to improve production methods are important factors in increasing agricultural revenues. These activities are closely linked with interventions targeting improvements in the areas of processing, marketing, institutional and organisational development, and rural infrastructure. The thrust of German support is to move small producers from subsistence to market oriented production.\textsuperscript{18}

The delivery mode of the German Development Cooperation is based on value chain development, looking at the market opportunities and following through from farmer to consumer. Linking stakeholders of the value chains and distributing value added equally are central to the GDC approach. Quality assurance along the value chain and adequate volumes to satisfy consumers’ needs are also crucial. To date, nine value chains have been supported (rubber, mango, pineapple, citrus, chili pepper, maize, guinea fowl, grass cutter, and fish) in five regions (Western, Central, Brong Ahafo, Volta and Northern) of Ghana. About 5,800 farmers have been directly supported in addition to processing companies; key achievements being increased income and gender participation, improved access to finance/markets and job creation.\textsuperscript{19} Other programmes (like the Programme for Sustainable Economic Development) are complementary and are contributing to improve agricultural financing through agricultural insurance or financial literacy. The planned roll out of e-zwich will also enhance access to electronic banking services by farmers and rural communities.\textsuperscript{20}
Ghana’s agriculture sector is fraught with numerous challenges and thus, any external assistance becomes an important avenue in addressing these challenges. Ghana’s donor partners such as Canada, Germany, France, the UK, and the US, have been intervening in addressing some of these challenges in their respective agricultural programmes. In furtherance of Germany’s desire to address some of Ghana’s agricultural constraints, the German Ministry of Economic Cooperation launched the Competitive African Rice Initiative (CARI) project in Ghana. The project aims at increasing the competitiveness of domestic rice supply to meet increasing national demand. The project further aims at spurring economic growth and improving the incomes of the rural population by supporting value chain approaches and strengthening small-scale commercial farming. The project is also supported by stakeholders such as, GIZ, Kufour Foundation and MOFA.

Over the years, Ghanaians have developed high demand for rice. Rice is an important food staple for most families. Ghana produces only about 30% of its domestic rice demand whiles the rest two-third in a region of 350,000 tonnes worth $500 million are imported. Other German organisations assisting Ghana in its agricultural efforts include, the German Technical Development Cooperation (GTDC). Through its affiliate, the Energy and Climate Fund (ECF) is spending £3 million to help Ghana’s agriculture sector to properly respond to the debilitating effect of climate change and improving agricultural crop yields in Northern Ghana. The project christened “Adaptation of Agricultural Ecosystem to Climate Change (AAESC)” is being implemented under the auspices of the Ministry of Food and Agriculture within a-five and a half year period. Lessons from the project would be used to formulate an agriculture sector policy that will help farmers adapt their land use patterns to climate change.
3.5 Health

Ghana and Germany have collaborated immensely on health related issues. Germany, on numerous occasions, has cooperated with Ghana to strengthen actions in fighting communicable and non-communicable diseases. Germany provides technical training for professionals from local institutions, such as the Ghana AIDS Commission (GAC), in the areas of prevention techniques, treatment and care of HIV patients. Germany also collaborates with civil society in advocacy to combat AIDS in Ghana. Furthermore, German Technical Corporation (GTC) and the Ghana AIDS Commission launched the “Work Place Project” for revenue agencies to reduce the level of employment related discrimination against People Living with HIV/AIDS (PLWHA) and also reduce risk behaviour amongst workers. Both agencies, GTC and GAC, are collaborating in implementing work place policies to ensure that HIV/AIDS become a cooperate issue. The need for corporate bodies to take appropriate measures and responsibility to manage HIV/AIDS related issues and put effective workplace policies and interventions to address the effect of the HIV/AIDS epidemic is very important.\(^{25}\) The correlation between productivity and HIV/AIDS can be profoundly ascertained.

Germany’s health assistance to Ghana was further strengthened by the establishment of Merck (Germany’s oldest pharmaceutical and chemical company) in Ghana. The extension of Merck services to Ghana is primarily to expand access to high quality health solutions and further enhance delivery of safe and quality medicine in Ghana. Merck has helped foster the need to empower healthcare professionals and further complement their work through technical healthcare training and assistance. Furthermore, Merck, in collaboration with the University of Ghana (UG) and Kwame Nkrumah University of Science and Technology (KNUST), under the auspices of the Ministry of Education (MoE), is introducing clinical and
diabetes courses for medical and pharmacy students. This educational activity is to improve diabetes healthcare in Ghana.\textsuperscript{26}

3.6 Development Cooperation

Development cooperation is one of the most important areas of Ghana–German relations, over the past years. Ghana-Germany development cooperation is one additional element that has supported or promoted private sector driven growth between the two countries. In the light of Ghana’s challenges and potentials as a lower-middle income country, issues of good governance and good economic development for equitable growth, formed the forefront of development agenda between the two countries.

The German Development Cooperation (GDC), has over the years, focused on developing three vital areas of Ghana’s socio-economic structure. These focal areas are private and financial sector development, decentralization, and agriculture development sector. Ghana, further receives some amount of support on its national budget and good financial governance through bilateral development cooperation. In 2007, Ghana had an intergovernmental negotiation on development cooperation with Germany. The agreement highlighted Germany’s strong commitment in helping Ghana to achieve the Millennium Development Goals and promoting broad-based growth.\textsuperscript{27}

The Ghana Shared Growth and Development Agenda (GSGDA) serves as the key guideline for cooperation. In strengthening development cooperation between the two countries, Germany, committed an amount of GH¢67.31million (€53million) for various developmental agenda for the years 2007 and 2008.\textsuperscript{28} This total commitment consisted of GH¢49.53million (€39 million) for financial cooperation and GH¢17.78 million (€14 million) for technical
cooperation. This commitment raised the total German development cooperation support to Ghana since independence to more than GH₵1333.5 million (€1050 million).²⁹

In furtherance of Germany’s development commitment to Ghana, Germany annually contributes to Ghana’s budget support. Germany contributes directly to the state budget of the Government of Ghana (GOG) to the tune of GH₵12.7 million (€10 million) annually. The objective of this commitment is to help provide additional and predictable budget resources to enable Ghana to implement its Shared Growth Development Strategy, which mainly aims at reducing poverty and achieving the Millennium Development Goals (MDGs). Since 2003, Germany supported the implementation of Ghana’s Poverty Reduction Strategy (GPRS), jointly with bilateral and multilateral donors in the framework of Multi Donor Budget Support (MDBS). MDBS is a joint support mechanism of eleven Development Partners (DP) and GOG. MDBS is based on the contribution of financial resources by DPs directly to the Government’s treasury to compliment Ghana’s domestically generated revenues. This contribution facilitates the implementation of Ghana’s development and poverty reduction policies.³⁰ Germany contributed €6 million in 2003, as part of its support of MDBS disbursement fund to help increase Ghanaian ownership of poverty reduction and public expenditure programmes, a strengthened budget process and reduced transaction cost of external assistance.³¹

3.7 Road

Infrastructures are critical in the socio-economic development process of any nation. Thus, the importance of road infrastructure cannot be overemphasised. It serves as the means of connecting communities in transporting important commodities for the purposes of trading, carting agricultural produce from hinterlands to marketing centres, providing access to
mineral-rich communities and the same means of carting these mineral resources to processing sites, amongst other uses. Despite its importance in development, financial commitments continue to overwhelm successive Ghanaian governments in meeting its construction and maintenance obligations. It is in the light of this constraint that German Financial Cooperation (GFC) has been a long-standing partner to Ghana’s Ministry of Roads and Transport (MRT) with an investment of over €80 million into various roads and infrastructural project in Ghana.\textsuperscript{32} These investments include, the rehabilitation of sections of the coastal highway, such as the Tema-Sogakope (78 km) stretch and Sogakope-Akatsi (27 km) roads and similar on-going road projects in the BrongAhafo and Ashanti regions of Ghana.\textsuperscript{33}

3.8 Water

Ghana’s population that has access to improved drinking water increased from 56% in 1990 to 83.8% in 2008. Similarly, the proportion of the urban population with improved access to drinking water increased from 86% in 1990 to 93% in 2008, while that for rural population increased from 39% in 1990 to 76.6% in 2008.\textsuperscript{34} Despite this modest achievement in the water sector, more needs to be done, especially in recent times where communicable water and sanitation related diseases like cholera are plaguing the country. Some sources of water are unsafe for human consumption and for citizens searching for potable water for domestic chores, are a daily struggle. Thus, it is to bridge this gap that GDC continues to extend assistance to Ghana in the provision of potable water to its citizens, especially in the rural areas. Germany’s assistance in this sector is via the Community Water and Sanitation Agency (CWSA) and the District Assemblies (DAs), focusing on rural water supply in Brong Ahafo and Ashanti regions, as well as, the small town water supply system in the Eastern and Volta regions. It is estimated that over 1 million to benefit from these water projects.\textsuperscript{35}
3.9 Political Relation

German political foundations; Friedrich-Ebert Stiftung (FES), Friedrich Naumann Stiftung (FNS), Konrad Adenauer Stiftung (KAS) and Hanns Seidel-Stiftung (HSS) are very active in Ghana. These various political foundations cooperate with the government and other national stakeholders, including civil societies, the media, and traditional authorities in all political activities.

These pro-democracy institutions fund key development Think Tanks to effectively and efficiently deliver on their respective duties. This institutional support from these foundations continues to help consolidate Ghana’s democratic dispensation for national development. For Friedrich-Ebert Foundation, it is key in promoting parliamentary activities, support to various political parties, women and youth empowerment, and providing security policy on small arms control.36

Friedrich Naumann Foundation works with liberal political groups, NGO’s, Think Tanks, and associations in Ghana, with emphasis on communicating liberal political ideals, providing policy consultations and facilitating political dialogue. The Foundation works together with the Government of Ghana to formulate relevant liberal reform policies to further improve the democratic and economic development of Ghana.37

Another German political foundation, working closely with government and relevant organisations in improving Ghana’s democratic system, is the Konrad Adenauer Foundations. Over the past four decades, KAS, has helped strengthened the role of parliament and has also created a platform for citizens to take part in political decision making, build a consensus to accelerate decentralization, as well as, help build strong traditional institutions. During the
2012 elections, the German government, through KAS funded the National Commission for Civic Education (NCCE) in its public education.\textsuperscript{38}

In terms of governmental relations, both countries have had their leaders visit either nation. In the case of Ghana, right down from former President Rawlings to the late Professor Mills have all had the opportunity to go on an official visit to Germany to negotiate bilateral trade relations. The most recent visit of Germany by President John Mahama was the request of the German chancellor Angela Merkel. During the visit President Mahama had the opportunity to hold talks with chancellor Merkel and President Joachim Gauck in Berlin.\textsuperscript{39}

Furthermore, German-Ghanaian government usually hold triennial bilateral negotiations which often decide the focal areas and adequate instruments for bilateral cooperation for the next three years. This consultation often serves as the platform to discuss future cooperation and possibly set new priorities. At the recent triennial consultation held on February 3\textsuperscript{rd} and 4\textsuperscript{th} 2015 in Ghana at the office of the Minister of Finance, the two parties discussed areas of importance and these includes, economic development, decentralization, and agriculture. In addition to aforementioned was budget support/good financial governance and renewable energy.\textsuperscript{40}

\subsection{Military Cooperation}

Over the years, there has been cooperation between Ghana and Germany with respect to military activities. Germany has helped Ghana acquire formidable military equipment, for international peacekeeping. The German Armed Forces Technical Advisory Group (GAFTAG) has helped Ghana Armed Forces (GAF) with heavy armed vehicles, bridging equipment, and heavy engineering machinery needed for peacekeeping participation.\textsuperscript{41} Since
2002, Ghana has been receiving military material and training assistance from Germany, to the tune of about €19 million. Another area of military cooperation between Ghana and Germany, is the support to Kofi Annan International Peacekeeping Training Centre (KAIPTC). Since its founding in 2003, KAIPTC has been supported with over €11 million, through the German Ministry of Foreign Affairs, Ministry of Defence, Ministry of Interior, and Ministry of Economic cooperation. Germany has contributed significantly to the success of the Centre through financing of buildings, logistical support, and deployment of advisors (military and police officers since 2010) and execution of holistic courses, which help military officers in all manner of activities.

3.11 Energy Development Assistance

In 2013, the Federal Republic of Germany through Deutche Gesellschaft International Zusammenarbeit (GIZ) invested €1.8 million to boost the development of renewable energy. This effort from German government is to help build capacity in Ghana’s energy sector. It further offers opportunity to diversify energy production. This diversification will help improve Ghana’s energy capacity development.

3.12 Cultural Cooperation

Germany’s cultural programmes with Ghana are enhanced by the Goethe Institute (GI). With assistance and encouragement by this institution, the cultural heritage of the two countries are exposed to residents of either countries to understand the customs and traditions of the people. Thus, over the past 50 years of Goethe’s existence in Ghana, it regularly holds open cultural programmes to help foster inter-cultural exchanges in all branches of the arts, such as film, music, and fine arts for both Ghanaians and German residents in Ghana. Within this Socio-cultural relationship, Ghanaians, especially have the opportunity to teach and learn.
German as a second language. The Institute, in collaboration with the German Academic Exchange Service (DAAD), helps teach German culture and educational activities through its regular seminars for Ghanaians as well as Germans resident in Ghana.\textsuperscript{45} Central to the cultural relations is the exchange of cultural troupes. A typical example of cultural troupes going to Germany to perform was when Adikanfo cultural troupe went to perform for Ghanaian communities in Germany following activities to mark the 50\textsuperscript{th} Independence anniversary of Ghana.\textsuperscript{46}

Culture is a significant feature in bilateral relations between countries. Culture help forge closer ties, erase prejudice and further strengthens the mutual respect countries have for each other. Indeed, Ghana and Germany are no exception to fostering closer ties through cultural and social activities. Promoting knowledge of the German language in Ghana and fostering cultural cooperation helps to deepen development, economic, political, and educational ties between Ghana and Germany.

3.13 Ghana’s Benefits in Ghana-German Relations

Ghana has benefited from a number of investments and economic trade activities from Germany. This is because Ghana has attracted investment from Germany in the areas of construction, agriculture (Shea butter and rice farming project), manufacturing and services. That notwithstanding, Ghana has benefited in some form of technical, cultural, and military assistance from Germany. Financially, the government of Ghana continues to receive budgetary support and further receives political assistance from Germany in strengthening democratic governance and various institutions of state.
3.14 Germany’s Benefits in Ghana-Germany Relations

Germany has also benefited from Ghana through Ghana-Germany relations. These gains are vastly in the areas of trade and economic activities. The trading activities include, export of cocoa beans and non-traditional export commodities. Germany further benefits from the repatriation of profit from its investments in Ghana, especially through tax exemption granted to German companies commencing operations in Ghana.

3.15 Challenges to Ghana-Germany Trade and Investment Relations

Ghana and Germany offer each other different commodities for trade. Whereas Germany brings more technologically advanced and sophisticated machines and goods to Ghana to trade for high priced revenue, Ghana, on the other hand, exports mainly primary products, which include cocoa, aluminium ores etc. In 2012, trade exchange between the two countries grew by 56% with a chunk of the trade exchange going in favour of Germany. This disparity creates imbalance between Ghanaian and German imports.

The main challenge however has been the minimal influence of Ghanaian trade and investment activities in Germany. Thus, compared to Germany, Ghana is quite disadvantaged on trade exchange between the two countries.

Cultural challenge is another factor affecting Ghana and Germany relations. Racist attacks on Africans including Ghanaians are common occurrence in Germany. Most Ghanaians in Germany to an extent do not feel respected and integrated in German society unless they learn and speak German language. Unlike Germans in Ghana, they are not forced to learn Ghanaian language and racially abuse. Thus, multicultural intolerance especially on the part of Germany is hindering cultural relations between the two countries.
Financial constraint especially on the part of Ghanaian investors is another challenging factor affecting the relation between the two countries. In as much as Ghana provides investment incentive and strategy through GIPC for foreign investors like Germans to invest in Ghana, same cannot be said of favourable German policy to suit Ghanaian investors. Ghanaian investors do not have same financial muscles to battle other multi-national companies in investment project. Ghanaian investors find it difficult to source capital for investment projects. Even though the 1994 Ghana Investment Promotion Act guarantee encourages joint-venture partnership, it’s difficult on the part of Ghanaian investors to raise the necessary capital to put up joint venture investment with foreign investor including Germans. This capital constraint to an extent holds back bilateral investment and trade relation between the two countries.

3.15 Conclusion

Ghana-Germany bilateral relations continue to touch critical areas of paramount importance to both countries. Both countries continue to cooperate in the areas of health, education, agricultural development, military assistance, private sector development, trade, political cooperation, road, and cultural development. Amidst these efforts, there are emerging challenges of trade imbalances, where Ghana’s domestic market is flooded with German goods and services. Also, financial constrains, cultural differences among others affect bilateral relation between the two countries.
End Notes

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CHAPTER FOUR
SUMMARY OF FINDINGS, CONCLUSIONS AND RECOMMENDATIONS

4.0 Introduction
This chapter focuses on the summary of the study, findings and observations, and final conclusion and recommendations.

4.1 Summary of Findings and Observations
The study sought to examine Ghana-Germany relations: the prospects and challenges and provide recommendations to address these challenges towards improving existing relations between the two countries.

First, the study established that Ghana and Germany consummated bilateral relations immediately the former gained independence in 1957. The two countries developed bilateral relations from the 1960’s and was revitalised in 2002, after President Kufour paid a four-day official visit to Germany. It was found that, Germany has been one of the major trading partners of Ghana. Ghana was also found to be Germany’s important trading, importing products such as automobile (new and used), paints, trailer tankers, medical apparatus, electric conductor household refrigerator, cut and offal frozen, petroleum jelly, interchangeable tools for drilling, aluminium and used dumpers. Ghana, on the other hand, also exports commodities, such as cocoa beans and products, tropical woods, aluminium alloys, pineapples, yams, smoked fish, banana-plantain, jet fuel, bauxite crude ores, copper waste and scrap, shea nuts, and rubber solutions. The study also revealed that, the Federal Republic of Germany, through its agencies and companies, invested in various sectors of the Ghanaian economy. These investments were undertaken in sectors such as manufacturing,
services, liaison, construction, tourism, export trade, and general trade sectors. Apart from mainstream trade and investment relations between the two countries, other areas of cooperation, such as technical, cultural and political were found to be important, though on a small-scale.

Second, Germany is an economic and regional hegemon well positioned in the European Union. Germany serves as the gateway to the European region and further offers financial and technical assistance for the development and promotion of Ghana’s export into the European region. Germany has the capacity to assist Ghana’s small and medium enterprises (SMEs) development programme. There is no doubt that, Ghana continues to benefit from substantial bilateral development assistance programmes provided by Germany since the 1960s. The targeted areas or areas of priority are:

- Food security and Agriculture;
- Economic reform and development of a market economy;
- Democracy, civil society, public administration and
- The development of transport infrastructure.

4.2 Conclusion

Bilateral relations between Ghana and Germany have improved greatly over the past years. This, to a large extent, can directly be related to the deepening political, social and economic relations between the two countries. The cooperation between the two countries have been asymmetrical—that is, benefited one party to the detriment of the other party. It was ascertained that, Ghana exported largely primary products to Germany, while Germany, on the other hand, exported manufactured or finished products to Ghana. Germany’s development agencies have contributed to development activities in Ghana in the areas of
constructions, health assistance, military assistance and other services of interest. Per the data obtained and analysed for the study, it can be established that, Ghana and Germany have a productive and cordial relations which have been mutually beneficial for both countries.

Ghana and Germany have been enjoying bilateral and diplomatic relations since independence. The relationship was realised or energised by President Kufour’s visit to Germany in 2002, and also his close friendship with President Horst Kohler. It can be confirmed that political leadership and personal relationship between the two presidents played a vital role in the substantial improvement of relations between Ghana and Germany. Furthermore, subsequent government of the two countries have maintained very cordial relation, amongst them to improve trading and political activities. The substantial improvement in Ghana-Germany relations confirmed the hypothesis that, Ghana-Germany relations will enhance economic development of both countries through trade and investment. Though both countries have improved relations through trade and investments activities, other areas can be explored by both countries to further improve the bilateral relations. These may include oil and gas industry, artefacts and aviation industry.

From the study, it was observed that, both Ghana and Germany need to work together to improve Ghanaian business investments in Germany. Both also need to develop and implement strategic approaches to attract German investors to Ghana.

The office of German Industry and Commence (AHK) in Ghana brings to fore some opportunities in further developing business relations between the two countries. One of such opportunities is seeking cooperation through/in private sector development and entrepreneurship.
Another opportunity is to increase or expand export of non-traditional products to Germany. These products may include clothes and textiles, medical plants and artefacts.

Finally, bilateral relations between Ghana and Germany offer opportunity for both countries to explore and improve business activities in Ghana’s energy sector. Thus, the growing bilateral relations between the two countries offer German investors many more opportunity to get involved in Ghana’s growing oil industry. It further offers Ghana the necessary opportunity to understudy the level of development in German energy sector.

4.3 Recommendations

Ghana should modernise agriculture by the utilization of the state of the art equipment such as irrigational facilities, combined harvesters; as well as the use of drought-resistant crops that are able to withstand vagaries of the weather in order to ensure food security. This will further boost Ghana’s non-traditional exports, such as vegetables, fruits, basketry, and pottery, amongst others, to ably compete favourably with other products from Germany. Thus, GIPC, Export and Agricultural Development Authority (EDAIF), can help Ghanaians in this sector to realise this dream. This can supplement Ghanaian traditional exports in generating the necessary foreign exchange.

Both countries should further improve upon joint military cooperation, where staff of Ghana Armed Forces (GAF) and KAIPTC, can receive training in combating global and contemporary threats to international peace and security.

GIPC, which is an institution of government, should use its investor – targeting strategy to identify incentives to attract big investors from Germany into key sectors of the Ghanaian economy.
Ghana and Germany can improve cultural relations, through exchange programmes, where reciprocal visits can be undertaken by students of both countries in historical and cultural sites in both countries.

Ghana and Germany should negotiate free trade agreements to clarify policies on customs regulations and other trade related activities.

Germany should use its huge influence in the EU to allow goods and services of Ghanaian origin into German markets and the EU as a whole.
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