



TRADE SECRETS

**The Export Answer Book
for Small and Medium-Sized Exporters**

Summary Version



International Trade Centre
UNCTAD/WTO



Ghana Export Promotion Council

Visit the *Export Ghana* website at www.gepcghana.com

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GHANA EXPORT PROMOTION COUNCIL (GEPC)**

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This is a summary version of the full *Trade Secrets: The Export Answer Book for Small and Medium-Sized Exporters – Ghana*, created in partnership by the International Trade Centre UNCTAD/WTO (ITC) and the Ghana Export Promotion Council (GEPC). The purpose of this excerpt is to provide an electronic version of the full book for the Export Ghana web portal, which is managed by GEPC, that will give Ghanaian companies answers to some of their more common export questions, while also guiding them to local sources of assistance.

This excerpted version was prepared by TRADE FACILITATION OFFICE CANADA (TFOC) under the Program for building African Capacity for Trade (PACT) – funded by the Canada Fund for Africa.

For more information about PACT, visit:
<http://www.tfoc.ca/> or
<http://www.intracen.org/>

To order your own printed copy of the full *Trade Secrets: The Export Answer Book for Small and Medium-Sized Exporters – Ghana*, contact GEPC as above.

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1. Why should a business engage in exporting and what are some of the advantages and risks?

With the expanding global market environment, tremendous opportunities exist, even for small-scale enterprises, to become significant players in the global marketplace. Exporters can take advantage of the opportunities that are available and capture a significant market share by adopting innovative methods. However, in order to reap long-term benefits, a company has to be committed to long-term activities, despite the fact that the costs of entering international markets are high, and a short-term entry is probably not worth the effort.

Advantages

- Opportunity to expand market share
- Reduced dependence on the domestic market
- Stimulation for adaptation and innovation of products to suit both local and foreign markets
- Value-added to products

Risks

- Non-payment for goods by importers
- Repatriation of money
- Changes in the currency rates
- Loss of goods
- Products not being accepted in the foreign markets
- Fraud

Other things to consider

- Sales not meeting projections
- Competition may be greater than anticipated
- Customers may be slow to pay or not pay at all

Resources

CBI News Bulletin. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, the Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081. *Article discusses some reasons for entering the export market.*

2. What steps should I take before attempting to export?

Exporting can be a full-time business. To succeed, one needs to be conversant with the export process, for which training may be necessary.

Feasibility analysis

- Analyse the conditions in the domestic market
- Determine the capacity and strong points of your business
- Consider, in detail, the factors that will affect your exports in your selected target market
- Discuss and seek advice from accredited and experienced trade experts

Planning foreign market entry

- Conduct and evaluate market research into the target market
- Plan your market entry strategy
- Understand and comply with target country licensing, standards and specifications
- Identify taxes, tariffs, duties, quotas and non-tariff trade barriers
- Obtain the necessary patent, trademark and copyright protection for your products
- Establish pricing schedule

Implementation

- Establish marketing methods
- Determine methods of distribution
- Choose sales representative or sales methods
- Negotiate financial instruments
- Obtain insurance coverage
- Package and label the product
- Complete appropriate paperwork
- Ship the products

Resources

International Trade Forum. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *An invaluable publication for information on the stages involved in exporting.*

3. What is meant by the term 'export potential', and how do I assess it?

'Export potential' is the ability of an enterprise to take advantage of sales opportunities in foreign markets. It can be assessed from the internal characteristics of the company, such as its domestic marketing performance, available corporate resources, types of products, and strengths and weaknesses of the company. External characteristics can also affect a company's export potential:

Government policy

Exporting can be encouraged through a variety of tax policies, financing schemes and incentive programmes. However, these policies can sometimes hinder exporting through such factors such as bureaucratic procedures, export restrictions, and foreign travel. Policies could also originate from the importing country through such barriers as tariffs and quotas.

Exchange rates

While the value of the Cedi is weak when compared to other currencies, this gives exporters a competitive edge by making Ghanaian products comparatively cheaper.

Foreign opportunities

Exporting succeeds when there is a good fit between the product and the market. Products must satisfy the needs of foreign consumers.

Please see the complete version of Trade Secrets Ghana for more information on:

- Common mistakes made by exporters when entering the international market
- Factors that affect exporters in developing countries

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Exports from Small and Medium-sized Enterprises in Developing Countries: Issues and Perspectives. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Discusses export potential of SMEs including promotion measures, strategies for export development, operational environment and financing of their activities.*

Trade Secrets Ghana – Full Version. Ghana Export Promotion Council (GEPC), Republic House Annex, P.O. Box M146, Accra, Ghana. Tel: (233-21) 683 153, 689 889; Fax: (233-21) 677 256; E-mail: gepc@gepcghana.com; Website: <http://www.gepcghana.com>. *This publication provides answers to many of the frequently asked questions of new exporters.*

4. How do I ensure that I succeed in the export business?

Some useful hints for success:

Ensure that your products are of the required quality

The Ghana Standards Board can certify the quality of your products, give advice on how to ensure quality, issue certificates and ensure standardisation.

Have a competitive price

Over-priced goods will not attract buyers. Price your goods reasonably.

Ensure good and appropriate packaging

Packaging protects your merchandise from damage, makes the product attractive, and indicates how the product should be used.

Choose your market carefully, with consideration for consumer tastes

Choose a target market that offers the most chance of success based on the type of product you are trying to export. You must be familiar with consumer buying preferences in your target market.

Always meet the requirement of your buyer and the buyers' country

Regulations in your buyer's country could over-rule any agreement you may have with the buyer, and could even prevent your products from being cleared at the ports.

Consider religious and cultural factors

Cultural dispositions, religious beliefs, practices and attitudes are important factors that influence your market. For example, it would be objectionable to market handicrafts expressing nudity in a Muslim country.

Resources

International Trade Forum. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>.
Focuses on export market opportunities, export marketing and trade promotion techniques and services available to developing countries.

Beginner's Guide to Exporting. Ghana Export Promotion Council (GEPC), Republic House Annex, P.O. Box MB 146, Accra, Ghana. Tel: (233-21) 228 813, 228 830, 228 620; Fax: (233-21) 668 263; E-mail: gepc@gepcghana.com; Website: <http://www.exportghana.org>. *This publication provides general information and the fundamental steps to take in exporting.*

5. Which organisations provide export training in Ghana?

Export business requires technical expertise. An exporter or prospective exporter who invests in export training has a greater chance of succeeding. Exporters who are conversant with the intricacies of the export process are less likely to make mistakes that might be costly to the business.

Some of the organizations providing export training are:

Ghana Export Promotion Council (GEPC)

Republic House Annex

P.O. Box M 146

Accra, Ghana

Tel: (233-21) 683 153, 689 889

Fax: (233-21) 677 256

The GEPC operates an export training school, which holds regular courses in all aspects of the export process at least once each quarter.

Customs, Excise and Preventive Service (CEPS)

Ministries Area

P.O. Box 68

Accra, Ghana

Tel: (233-21) 668 319, 666 841, 666 845

Fax: (233-21) 668 319

Courses involve export/import documentation and the use of the Harmonized System of commodities, and warehousing.

Institute of Export & Shipping Management (IESM)

Near Olla Balm, Bubuashie

P.O. Box 19267

Accra, Ghana

Tel: (233-21) 285 524

Provides courses on all aspects of shipping management and the export process.

Ghana Institute of Freight Forwarders (GIFF)

P.O. Box CO 1960

Tema, Ghana

Tel: (233-22) 20581

E-mail: info@ghanafreightforwarders.com

Internet: www.ghanafreightforwarders.com

Collaborates with CEPS to organise training

In addition to these, other organisations in Ghana provide workshops, seminars, and courses on various aspects of business and export development. Contact the Ghana Export Promotion Council (GEPC) for more information.

Resources

Export Procedures. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>.

6. What export strategies should I adopt to market my product?

Identification and selection of the target market

There are many markets in which your product can be sold, but you have to prioritise the markets based on how successfully you can export there.

Market segmentation

Even within your target market, it would be impossible for your product to satisfy all the needs of all consumers. Study the market and divide it into various distinguishing segments for which your product may be suitable. Each segment of the market has different needs and your marketing efforts must therefore address those needs. Common segmentation factors include social class, age, income, gender, taste and climate.

Selection of the most reliable and efficient means of bringing your products to your customer

Select a shipping and transportation method that keeps your costs down, while ensuring safe and reliable deliveries to the target market. Also carefully choose a method of distribution within your target market - consider the use of agents or distributors.

Determination of the best selling price for the product or service

A suitable price must be chosen for your products; one which is low enough to generate sufficient sales, but high enough to cover your export costs and generate a profit.

Resources

Guidebook for Ghanaian Non-Traditional Exporters. Bank of Ghana, PEED, P.O. Box 2674, Accra, Tel:(233-21) 666 174; Fax: (233-21) 662 996. *Provides general information that enables exporters of non-traditional products become conversant with some issues regarding exporting.*

7. In what foreign markets can my product be sold?

Market research allows firms to determine which foreign markets have the best potential for a particular product. Companies should seek a few target markets based on the demographic and physical environment, the political environment, economic factors, the social and cultural environment, market accessibility, and product potential. Firms should conduct a thorough market factor assessment to predict demand for its product in each potential target market. For each market being considered, the exporter should answer the following questions:

- What is the overall population of each country? Also consider growth and density trends.
- Are there climactic and weather variations that may affect the product or service offered?
- Are there adequate shipping, packaging, unloading, and other local distribution networks?
- What is the government's attitude towards conducting business and the importation of foreign products?
- Is the political system stable or do governing coalitions often change radically?
- Is the country promoting higher levels of imports and exports?
- To what degree is the target market similar to the home market?
- Will the product or service need to be translated and/or adopted?
- What are the documentary requirements and other technical or environmental import regulations
- What are the intellectual property laws that could affect the product or service?

Resources

Exporter's Encyclopedia. Dun and Bradstreet, 3 Sylvan Way, Parsippany, NJ 07504, USA. Tel: (1-800) 343 867. *Covers every phase of exporting to over 200 world markets, and contains profiles, communications, data, key contacts, regulations and marketing data.*

Foundation Course in Export Marketing: Lecture Notes. Ghana Export Promotion Council (GEPC), Republic House Annex, P.O. Box M 146, Accra, Ghana. Tel: (233-21) 683 153, 689 889 Fax: (233-21) 677 256; E-mail: gepc@gepcghana.com; Website: <http://www.gepcghana.com>. *Provides the basic information required by exporters and prospective exporters in Ghana on the export process.*

8. What is e-commerce and what is its significance to my export business?

E-commerce generally refers to the production, distribution, marketing, sale or delivery of goods and services by electronic means. This is often carried out on the Internet, and by fax or telephone. These developments are changing the traditional way of doing business. Products and services on a website can be advertised and viewed so that customers can evaluate, understand the buying process, place orders, and pay for products online. SMEs that have difficulties in meeting or honouring large supply demands can still sell their products online in smaller quantities. E-commerce can reduce costs on expensive offices and warehouses.

Please see the complete version of Trade Secrets Ghana for more information on:

- How to ensure the success of your product abroad
- How to conduct a Market Factor Assessment for the markets you consider
- Developing an e-commerce strategy
- Exhibiting your products on the Internet

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Trade Secrets: The Electronic Commerce Question, Answer and Resource Book. ITC UNCTAD/WTO, Palais des Nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Answers over 100 of the most commonly asked questions on electronic commerce including security, payments, market research, marketing techniques. Free to developing countries.*

Secrets of Electronic Commerce: A Guide for Small and Medium-Sized Exporters. ITC UNCTAD/WTO, Palais des Nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Handbook answering the most commonly asked questions on electronic commerce from the perspective of developing countries.*

9. Where can an exporter find market reports for specific products?

www.intracen.org

The International Trade Centre (ITC) in Geneva monitors major markets for fresh fruits and vegetables, tropical and ornamental plants, spices, hides and skins, fruit juices, rice and selected pharmaceutical raw materials.

www.gepcghana.com

The Ghana Export Promotion Council provides potential exporters with training and expertise to help you succeed in international markets. Their national trade portal features market information, trade statistics, Ghanaian company profiles, export preparation assistance and more.

www.fas.usda.gov

Foreign market information reports are prepared by the US Department of Agriculture's Foreign Agricultural Service and provide details on food markets in more than 50 countries.

www.globefish.org

An FAO initiative, GlobeFish features market reports by fish species or by country, world price reports, and guides on standards and regulations.

www.intracen.org/menus/busserv.htm

This search feature of UNCTAD's International Trade Centre lists a multitude of online information sources that pertain to international trade.

www.export.gov

A United States government site that features market reports, trade leads, and trade show listings.

www.carolworld.com

Site provides corporate annual reports - useful for doing research on potential buyers or partners.

www.trademap.net/ghana/login.htm

Provides trade statistics and data for Ghana's trade with any of the world's markets. (Password required for access. Contact the GEPC at gepc@gepcghana.com for access.)

www.intracen.org/mns

The Market News Service provides pricing information on specific products, supply and demand, and other economic information that have an effect on the market situation. MNS subscribers can receive this information via email, telex, or mail.

www.p-maps.org

Product Map provides detailed reports on dozens of product types. Reports include price reports, trade leads, and market studies.

For many more links to sources of market information and assistance, visit www.gepcghana.com on the Internet.

10. What marketing strategy should my enterprise adopt to reach the intended markets?

After identifying the most promising opportunities, an exporter needs to focus on a few markets at a time. The more widespread the markets, the more difficult it will be to meet the varying needs of each market. Small and medium-sized enterprises have limited resources and would find targeting a small number of markets far easier and more profitable.

The exporter must consider:

- the maximum or minimum quantities and prices acceptable in the market
- the intensity of the market
- the ability to produce to standards and specifications
- profit size
- transportation
- political and economic stability of the target country

Resources

Export Trading Houses: A Guide to How to Approach Them. ITC UNCTAD/WTO, Palais des Nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>.

Exporting Fresh Fruit and Vegetables: A Survey and Marketing Guide on the Major Markets in the European Union. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, the Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081. *Provides a profile of the EU market, trends in demand of fresh fruit and vegetables.*

11. What channels of distribution should I use to market my products?

Distribution, in its simplest form is the method by which a product is delivered to the consumer or final user. Channels of distribution are therefore routes taken by the product as it moves to the final consumer. Along these routes are found intermediaries like agents, wholesalers and retailers.

The producer has two main distribution choices for marketing a product in a foreign market:

Direct distribution

The producer assumes all responsibilities of managing the export operations. When effectively done, the exporter earns higher sales and profits, gains greater control of the market and received first-hand information through experience, better control over prices, and more control over the distribution chain. The exporter cultivates and develops the market, and builds up international standing and reputation.

Indirect distribution

The exporter sells the product to another entity that takes up the responsibility of sales. These entities may include merchant exporters or Export Houses, often specialising in certain products or markets. This method is more suitable for small producers who lack adequate financial and managerial resources necessary for a successful entry into foreign markets. The exporter off-loads the difficulties and responsibilities of sales, however the producer loses the technical know-how of the foreign market operation as well as some of the profit that would have been gained.

Please see the complete version of Trade Secrets Ghana for more information on:

- Where to get information on exporting fresh produce to the EU
- Other essential regulations for exporting to the EU
- Organic foods and their export marketing trends

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Export Trading Houses: A Guide to How to Approach Them. ITC UNCTAD/WTO, Palais des Nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>.

12. Where can I get information, especially addresses, on foreign importers?

Your local trade promotion organisations such as the Ghana Export Promotion Council (GEPC) and the Customs, Excise & Preventive Service (CEPS), will often have business directories that can help you find buyers for your products. In addition, there are many Internet sources that can help:

www.europages.com

European Business Directory

www2.kompass.com

Kompass International Database

www.fita.org

The Federation of International Trade Associations provides an online database of trade leads. Browse existing leads from around the world or post your offer to buy or sell a particular product.

www.alibaba.com

An online worldwide company directory and provides a searchable database of potential trade leads. Also provides a list of trade shows and events.

www.go4worldbusiness.com

Provides a worldwide list of buyers and suppliers, listed by product type. Over 150,000 buyers and suppliers can be found.

www.agribusinessonline.com

Website specialising in market information for the agribusiness sector, developed in partnership with UNCTAD's International Trade Centre. Features daily prices of fruits and vegetables from 15 terminal markets in North America and Europe.

www.ecplaza.net

Features an online directory of buyers and sellers, listed by product type or location.

www.sourcecan.com

A Canadian site that features trade leads and bid requests from major international organisations such as the African Development Bank, the United States Agency for International Development, and the World Bank.

Resources

Agricultural Marketing Directory for US-Africa Trade. USAID, USDA, Washington DC 20250, USA, Tel: (1-202) 720-7327. Directory provides country profiles, which include trade issues and address of organisations and institutions relevant to trade.

13. How important are trade fairs to an exporter and where can information be obtained on trade fairs and exhibitions?

A trade fair is a public gathering where salespeople meet to try to win sales and to discuss transactions. They are one of the most important instruments for trade promotion. Trade fairs are necessary for presenting new products, building a corporate image, increasing or maintaining market share for established products, and obtaining market information.

There are two types of trade fairs: 1) general trade fairs, which feature all sorts of goods and services and are open to the general public as well as trade visitors, and 2) specialised fairs, which relate to specific product types or groups, and are primarily for business visitors.

Some trade fair directories on the Internet include:

www.tradeshowdirectories.ca

www.export.gov/comm_svc/tradeevents.html

www.expoworld.net

www.fas.usda.gov/scripts/agexport/EventQuery.asp

www.tradeshowweek.com

www.tsnn.com

Resources

Trade Fairs and Conferences. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, The Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081. Published as an annex to the CBI news Bulletin. *Provides a worldwide list of trade fairs and conferences arranged alphabetically by country.*

14. Which fairs should I participate in, and what preparations should I make beforehand?

It is advantageous to participate in trade fairs, however doing so can be an expensive activity, especially when an exhibit is located in a distant market and continues for several days. Before choosing or participating in a trade fair, a few questions have to be considered?

- Is the fair important or potentially important for my products?
- Is this fair the best one to enter?
- Do the products meet the market requirements, and can the products be produced in sufficient quantities to meet demand?
- Will my objectives be achieved?
- How much will it cost to exhibit effectively, and will the results be worth the cost?

Trade fair preparations must include:

- stand design and construction
- budget
- publicity
- logistics
- regulations (labour, building, safety, copyright, insurance, customs and excise)
- stand personnel

Please see the complete version of Trade Secrets Ghana for more information on:

- The right time to enter a new export market
- Organisations in Ghana that can assist in participation in trade fairs and exhibitions

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Exhibit Stand Design. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Handbook on design and construction of stands for trade fairs and exhibitions.*

15. Who is a distribution agent or commercial agent?

A commercial agent usually works on commission and is generally located in the target market, and is an intermediary appointed by an exporter to negotiate and conclude contracts with third parties on the name of the exporter. A distributor buys goods from an exporter for re-sale in the target market.

Straight importer

Specialises solely in importing products. Generally buys directly from the exporter (and thus becomes the rightful owner of the product), and sells it to wholesalers.

Importing wholesaler

Imports and operates facilities to forward the goods into the distribution channels.

Trading house

Specialises in trading certain ranges of goods. It buys and sells for its own account and at its own risk. Such houses usually have a strong business acumen and high level of professionalism. Contact the GEPC for information on Export Trading Houses in Ghana.

Broker

Executes a marketing plan for a fee.

Resources

Selecting Importers, Distributors. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, The Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081. *Discusses the best way to choose your trade partners.*

16. How do I select a reliable importer or distributor?

Choosing a commercial agent or distributor can be a critical decision that could ultimately lead to the success or the failure of your export venture. When selecting an appropriate partner in the target market, one must conduct adequate research to find the most suitable company. Issues to consider include:

- Which other companies are they working with?
- Which products do they handle?
- Who are their clients?
- What is their turnover?
- How much of your product can they sell?
- How much time will they dedicate to selling your product?
- How do they intend on selling your product?

Please see the complete version of Trade Secrets Ghana for more information on:

- The issues involved with international export trade transactions
- The feature of a good export contract
- The respective responsibilities of the buyer and seller during the export process

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Readings in Export Channel Management. ITC UNCTAD/WTO, Palais des Nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Selected reprints from International Trade Forum providing details and technical analysis of issues dealing with the management of international channels of distribution.*

17. How can I ensure quality and where can I find information on technical regulations, standards, phytosanitary regulations and the environment?

It is essential that your products conform to the health and safety standards of your target market. In Ghana, information on standards can be obtained from:

- Ghana Standards Board
- Food and Drugs Board
- Ministry of Food and Agriculture
- Environmental Protection Agency

Relevant international organisations and their sources of information can also be found online at:

Codex Alimentaris of FAO

www.fao.org

Detailed information on production and processing guidelines for the food industry.

GlobeFish

www.globefish.org

An FAO initiative, GlobeFish provides information and links to quality standards, and regulations pertaining to labelling, processing and shipping.

International Organisation for Standardisation (ISO)

www.iso.ch

Provides information on all national organisations linked to ISA, and how to apply ISO standards to various products.

Green Seal

www.greenseal.org

Information on environmentally friendly procedures and on the promotion of the manufacture and sale of responsible consumer products.

PackInfo-World from the World Packaging Organisation (WPO)

www.packaging-technology.com

Information on packaging norms and standards.

Information on pre-shipment inspection of your exports can be obtained by contacting:

Cotecna Inspection SA

P.O. Box C2212, Cantonments

Accra, Ghana

Tel : (233-21) 775 698, 302 007

Fax : (233-21) 775 338

Inchcape Testing Services Int.

P.O. Box 199

Accra, Ghana

Tel: (233-21) 772 072

Fax: (233-21) 776 338

SGS Ghana Ltd.

P.O. Box 732
Accra, Ghana
Tel: (233-21) 773994-5
Fax: (233-21) 739 986

Please see the complete version of Trade Secrets Ghana for more information on:

- Fumigation of agricultural products prior to exporting
- Where to get fumigation
- Eco-labelling and its significance

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

World Directory 1997 of Information Sources on Standards, Technical Regulations, Certification, Eco-labelling and Quality Management Schemes. Export Quality (Monthly Publication) ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>.

Pre-Shipment Inspection of Imports: Guidelines for Exporters. SGS, Economic Affairs Division, 1 Place des Alpes, 1211 Geneva 1, Switzerland. Tel: (41-22) 739-9111; Fax: (41-22) 731-3396. *Provides exporters with a general overview of SGS' pre-shipment inspection services, in respect to imports.*

18. What issues must I consider when determining the price of my product for the foreign market?

Cost-plus strategy

This is the most straightforward strategy. Profit is added to the cost to arrive to a selling price. However it is unsuitable to price a product based solely on its production cost. An exporter must take into account the value of the product to the customer.

Demand-based pricing

The product is priced according to the demand the marketing creates for it, and the price reflects its value to the customer.

Target pricing

Customers are prepared to pay a premium in the market segment being targeted. The product is customised to meet the requirements of the consumers in that particular segment, and a custom price is applied.

Competitive parity

The price is set at a level close to that of major competitors or market leaders.

Lifetime pricing

A long-term approach, in terms of the supplier-client relationship, is adopted. Pricing reflects the expected value to the supplier over the lifetime of the relationship. Initial pricing levels may be very low to entice the client to enter a long-term relationship with the supplier.

Resources

How to set a price. CBI News Bulletin. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, The Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081.

19. What would a buyer look for when determining whether to purchase my product?

Quality, guarantees, specifications

When the quality of a product is guaranteed, and conforms to international or specified standards, the buyer is confident that the product meets the requirements of consumers. This is a major factor in the purchase decision.

Packaging and labelling

Packaging protects the product, during and after shipment. Good protection costs money and should be factored into the price quote.

Environmental aspects

This emerging issue is assuming more important dimensions. It may require changes in production techniques, recycling considerations, and non-use of toxic or dangerous components.

Price, terms of payment

These are critical factors that must not be neglected.

Delivery schedules, transport arrangements, continuity of supplies and confidentiality

Time is money, and money can be made or lost with the observance or non-observance of time schedules. Delays often result from production and transportation issues, which may affect continuity of supplies.

20. What should an exporter do when a foreign inquiry is received?

Although price quotations vary widely, there are certain minimum requirements the exporter should consider:

Buyer's / Seller's details

Clearly specify the buyer's name and address for correspondence. The Seller making the quotation must also be clearly identified by name, title and address.

Product details

Product characteristics and details should be concisely and clearly stated.

Packaging arrangements

Details of this must be clear.

Price, terms of payment, conditions of sale, time and conditions of delivery

Responsibilities must be specified using appropriate Incoterms, as well as the price and currency, and how payment is to be done.

Resources

Profitable Exporting: A Complete Guide to Marketing your Products Abroad. John Wiley & Sons Inc., 605 Third Avenue, New York, NY 10158, Tel: 1(800) 225-5945. *A systematic guide on to how to enter and succeed in the export market.*

21. What documents should I present to my bank to obtain export financing?

If you require bank funds to finance an export venture, the bank will require several documents in order to decide on whether to lend to you or not. The more complete a picture you can paint for the bank, the better your chances of obtaining financing. Banks will often require the following documents:

- A brief profile of yourself (CV or resume) and possibly a letter of introduction by a person of integrity and reputation
- A brochure or a letter describing your company, your last audited accounts (balance sheet, profit & loss account) and, if available, your latest annual report
- Your company's registration and your statutes
- A description of the proposed transaction
- Your annual cash flow
- A forecast profit & loss account
- Any other documents relating to the contract to be financed, (e.g. feasibility study, business plan, etc.)

22. How do I ensure that foreign buyers pay me for my produce?

As with local trade, the method of payment you agree on with your buyer will depend on the level of confidence you have in him. Ranked in order from most to least secure are frequently used terms of payment in the export trade:

Cash in advance / Pre-payment

The buyer provides payment to the seller prior to shipment of the products. This method is used when the buyer's credit is doubtful, an unstable political or economic climate exists in the buyer's country, or if there is a potential delay in payment.

Documentary Credit (or Letter of Credit)

This is the most common form of payment. A Letter of Credit is an undertaking issued by the buyer's bank (upon a request from the buyer) to the seller through the seller's bank in Ghana, promising to pay a specified amount on presentation of stipulated documents evidencing shipment of the product. Upon presentation of the documents to the bank, the seller is paid. The bank in Ghana then forwards the documents to the buyer's bank abroad for reimbursement.

Documentary Collection

Similar to a Documentary Credit, except that the shipping documents are sent to the buyer's bank (through the seller's bank). The buyer's bank will release the shipping documents to the buyer on either payment or a promise of payment (depending on the terms of the contract), which in turn will enable the buyer to collect the shipped goods at the port of entry.

Open account

This involves shipping goods to the buyer against a promise by him to pay the seller after he has received the goods. No banks are used as intermediaries in the transaction. An open account sale could be very risky unless you know the buyer and are absolutely confident about his credit standing. Many exporters, especially first time exporters in their zeal to export, ship to people they know little about and end up losing fortunes.

Please see the complete version of Trade Secrets Ghana for more information on:

- What to do if a buyers defaults on payments

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

ICC Guide to Documentary Credit Operations for the UCP500. International Chamber of Commerce, 38, Cours Albert 1er - 75008, Paris, France. ISBN 92-842-1159-X. Discusses the meaning, types, procedures and problems associated with documentary credit and payment, and links these with transport documents.

Documentary Credits: UCP500 & 400 Compared: An Article by Article, Detailed Analysis of the New UCP500 Compared with the UCP400. International Chamber of Commerce, 38, Cours Albert 1er - 75008, Paris, France. *Offers extensive information to understand the new UCP500 rules and the impact on the international trade community of implementing them.*

23. What mode of transportation should I use?

A bad transport carrier could ruin your entire export operation. Your goods could be damaged, may be delivered to the wrong address or port, shipping delays could result, etc. Once you consider the issues below to select the most appropriate form of transportation (road, rail, air, or sea), it is important to carefully select a carrier based on its capabilities, reputation, and cost.

- type of product
- size of shipment
- distance to travel
- cost
- speed
- reliability
- risk of theft
- linkages to ports or airports

Based on these considerations, you should select the carrier that will keep your costs low, while maintaining a reliable and quality service.

Resources

Shipping Guidelines for Importers. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *A guide on sea transport, covering aspects like seller and buyer's obligations, structure of services, and vessels.*

24. What major export documents should an exporter be familiar with and who needs all these documents?

Packing List: Itemizes the contents of each package in an export consignment and indicated the type of packaging used. Should indicate weights, measurements, and other details of each package. It can be attached to the outside of a package in waterproof material. A Packing List is also necessary for obtaining insurance for your shipment.

Ghana Export Form: All non-traditional exporters are required to complete a Ghana Export Form, obtainable from the Customs, Excise and Preventive Service.

Commercial Invoice: A bill from the exporter to the importer for the goods consigned. A good commercial invoice should have information on the quantity, description and price per unit of the goods, total price, payment terms, name and address of the buyer, and the exporter's address.

Customs Entry Form: Obtainable from the Customs, Excise and Preventive Service, and carries information on the consignee's (buyer) name and address, the exporter's particulars, carrier of the goods, and description of the goods including the harmonised code.

Certificate of Origin: Sometimes determines the rate of import duties to which your goods will be subjected and possible quota rules. Because Ghana enjoys preferential treatment under a number of international trade agreements, it is important to include a Certificate of Origin. This document can be obtained from the Ghana National Chamber of Commerce.

Certificate of Health / Phytosanitary Certificate: Issued by the Ministry of Food and Agriculture at exit points and usually required for the export of food or drinks. Fish exports to the European Union are however an exception. In their case, Certificates of Health can only be obtained from the Ghana Standards Board.

Certificate of Inspection: Some buyers or importing countries require certificates attesting to the quality and price of goods shipped, and this is usually done by specialised independent inspection agencies. Where such inspection is required, insist that your buyer bear the cost of inspection. SGS, Inchcape and Cotecna are examples of inspection agencies in Ghana.

Bill of Lading: A contract between the exporter and the shipper for the transportation of goods. They may be negotiable or non-negotiable. Negotiable Bills of Lading have monetary value and can even be sold before the goods reach their destination (with original copies only). Bills of Lading also provide proof of ownership of goods and describe the goods being shipped.

Air Waybill: Similar to a Bill of Lading except that it is difficult to use as a title document, and therefore has no monetary value. Importers can clear the goods from the airport even without the original Air Waybill.

Game and Wildlife Certificate: Issued by the Department of Game and Wildlife and required for the export of all wild animals.

Forest Products Inspection Bureau (FPiB) Permit: Required for the export of all wood products.

Certificate of Insurance: Issued once you have insured your goods, and indicates the type and amount of coverage. Like the Bill of Lading, the insurance certificate is a negotiable document and therefore has monetary value.

GCNet: This is a new electronic company set up to connect all regulatory agencies in Ghana to one network using an Electronic Data Interchange (EDI) system (i.e. a TradeNet) to process trade and customs declarations, and the payments involved, by all parties connected to the system. The system also allows relevant statutory bodies to issue exemptions, permits, or approvals through the system, monitor revenue collections, to extract data from the system for statutory reports

Please see the complete version of Trade Secrets Ghana for more information on:

- Requirements for shipping by ocean freight
- Common discrepancies on export documents
- The need to obtain insurance for your shipment

Contact the Ghana Export Promotion Council (GEPC) for additional information on the types of export documentation you require, and for assistance on how to prepare them.

Resources

Export Procedures. Export Training Pack 4, Series II. ITC UNCTAD/GATT, 54-56 rue de Montbrillant, CH-1211, Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *A training manual on the preparation of trade documents.*

A Guide to Export Documentation: The Preparation and Understanding of Export Documents. International Trade Institute Inc., 5055 North Main Street, Dayton, Ohio 45414, USA. Tel: (1-513) 276-5995. *Discusses, with examples, all the different types of export documents, their significance, and what steps to take in completing them, from both the seller and buyer's perspectives.*

25. What type of packaging should I use for my products?

Although packaging brings advantages, it also adds to the cost of the product and should be kept as simple and inexpensive as possible. While your chosen packaging will depend on the type of product itself, consider that your packaging should:

- Protect the product from the elements, during storage, stacking and handling
- Present the product in a manner that is attractive to the consumer
- Respect the target market's government regulations
- Provide instructions on how to use the product

Resources

Manual on the Packaging of Fresh Fruits and Vegetables. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Discusses packaging characteristics for fresh fruits and vegetables, highlighting protection requirements, types of packaging, product information and pack-house operations.*

Packaging Manual: A European Manual for Exporters in Developing Countries. CBI, WTC-Beursbeuilding, 5th Floor, 37 Beursplein, Rotterdam, The Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081. No. 263 March 1999; p. 10-11. *Manual consists of general packaging ad transportation information and serves as a systematic guide for beginner exporters preparing shipments of goods to Europe.*

Principles of Cargo Handling and perishable Cargo Handling Guide. IATA, 33 route de l'Aéroport, P.O. Box 672, CH-1215 Geneva 15 Airport, Switzerland. *A general reference guide addressing all aspects of air cargo, including labelling and marking.*

26. Where can I get advice on packaging specifications and where can I have good commercially attractive labels made?

The following organisations can be contacted for more information on packaging:

Customs, Excise and Preventive Service

P.O. Box 68
Accra, Ghana
Tel: (233-21) 668 319, 666 841, 666 845
Fax: (233-21) 668 319

Ghana Institute of Freight Forwarders (GIFF)

P.O. Box CO 1960
Tema, Ghana
Tel: (233-22) 20581

Ghana Export Promotion Council (GEPC)

Republic House Annex
P.O. Box M 146
Accra, Ghana
Tel: (233-21) 663 153, 688 889
Fax: (233-21) 677256

Shippers Council of Ghana

Ministry of Trade Building
PMB
Tema, Ghana
Tel: (233-22) 206 479
Fax: (233-21) 668 768

The Institute of Packaging Ghana (IOPC)

P.O.Box C0 2234
Tema, Ghana
Tel: (233-20) 818 4358, 819 6867

Here are some companies that offer labelling services:

Global Impressions

Comm. 7 Top of Post Office
P.O. Box CS 9154, Tema
Tel: (233-22) 302 457
(Graphic design, company logos, letterhead, printing, etc.)

IKAM Ltd.

Off Nsawam Road, Mile 7, Achimota
P.O. Box 12738, Accra-North
Tel: (233-21) 401 041, 401 042, 400 978
Fax: (233-21) 401 043
E-mail: ikamltd@africaonline.com.gh
(security printers)

Buck Press

27 Cable and Wireless Road, Bubuashie, near Olla Balm

P.O. Box 12321, Accra-North

Tel: (233-21) 226 384, 228 049, 234 026

Fax: (233-21) 228 385

(Full service printing house, providing high quality design and printing services, as well as door-to-door service.)

Please see the complete version of Trade Secrets Ghana for more information on:

- Technical details for produce packaging in the EU
- Protecting your brand name from being copied

Contact Ghana Export Promotion Council (GEPC) for information on obtaining the full versions of both Trade Secrets Ghana and the Exporters' Reference Manual.

Resources

Harmonising Packaging Practice for Global Markets. ITC Export Packaging Packdata Factsheet No. 40, Apr 1997. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Discusses packaging issues and how they affect developing countries in particular.*

Implications of WTO Agreements for Health, Safety and Environmental Aspects of Products and their Packaging. ITC Export Packaging Packdata Factsheet. ITC UNCTAD/WTO, Palais des nations, 1211 Geneva 10, Switzerland. Tel: (41-22) 730 0218; Fax: (41-22) 733 4439; E-mail: itcreg@intracen.org; Website: <http://www.intracen.org>. *Seminar paper on the TBT and SPS agreements of the WTO and their implications for the business community, Arusha, Tanzania, 9-11 Mar 1999.*

CBI News Bulletin. CBI, WTC-Beursbeuiling, 5th Floor, 37 Beursplein, Rotterdam, The Netherlands; P.O. Box 30009; Tel: (010) 201 3434; Fax (010) 411 4081; p. 32.

Trade Secrets Ghana: The Export Answer Book (full version)

Prepared by the Ghana Export Promotion Council in partnership with the International Trade Centre in Geneva (UNCTAD), this 209-page booklet uses an easy-to-understand format and discusses over 120 frequently asked questions from a Ghanaian perspective. Covering all the steps involved in exporting, from pre-export preparation, to finding customers, to dealing with international trade regulations, *Trade Secrets Ghana* offers Ghanaian exporters an excellent insight into the exporting process.

The Exporters' Reference Manual

The Exporters' Reference Manual discusses all aspects of operating an exporting business in Ghana; where and how to register your company, how to best prepare your company and product for exporting, how to select the best market, how to reach your prospective customers, and how to repatriate your proceeds. This invaluable reference manual should be found on the shelves all Ghanaian exporting companies.

Exporting Basics For Small and Medium-Sized Businesses

Prepared in cooperation with the GEPC and adapted from a guide created by the Government of Canada, *Exporting Basics* is a 60-page booklet that provides an overview of the exporting process for companies that are thinking about exporting, or are already planning their first export venture. *Exporting Basics* can act as a checklist of items to consider when devising an export plan so that Ghanaian companies *minimize their risk* and increase their chances for *export success*. *Exporting Basics* is available in electronic format on the Internet, and can be downloaded by visiting <http://www.gepcghana.com>.