

## COMPETITOR REPORT

### Cocoa Powder (Sweetened) in Nigeria

- Ghana exports of cocoa powder (sweetened) to the world stood at US\$ 11.99 million at the end of 2018, a marked jump of 608% from the 2017 exports of same product. The country exported US\$ 2m and US\$ 1.7m in 2016 and 2017 respectively.
- Similar to 2016, about 96% of the total exports of cocoa powder (sweetened) by Ghana went to its ECOWAS neighbor, Nigeria in 2018. However, the Nigerian market absorbed about 46% of the total exports of the product in 2017. 2017 performance notwithstanding, Nigeria is gradually cementing its position as a key market destination for Ghana.
- Ghana is the largest and dominant supplier of cocoa powder (sweetened) in the Nigerian market, accounting for about 99.8% of the total global exports of the product to the West African neighbor. A similar scenario played out in 2016 and 2017.
- The closest competitor, Italy, exported an insignificant amount of US\$ 11,000 to Nigeria in 2018
- Other non-dominant exporters to the Nigerian market include Germany (US\$ 7,000), Lebanon, Poland and South Africa exported about US\$1,000 each to Nigeria in 2018.
- At the global level, Germany was the largest supplier of cocoa powder in the world, with an export value of US\$ 49.8 million in 2018. Other global suppliers were Mexico (US\$ 43.5m), USA (US\$ 35.5m)
- Globally, Ghana ranked 11<sup>th</sup> in the exports of Cocoa Powder (Sweetened) in 2018.
- Ghana's dominant position in the Nigerian market has likely been influenced by the zero tariff rate applied on Ghanaian Cocoa powder (sweetened) in 2018 by Nigeria.
- The zero tariff is applied to products that have met the ECOWAS rules of origin and are under the ECOWAS Trade Liberalization Scheme (ETLS) Protocol.
- At the regional (ECOWAS & AU) level, there is no specific competitive threat to Ghana in the Nigerian market in the exports of Cocoa powder sweetened. Similarly, there was no major competitive threat from any country in the world in respect of the same market.

Performance of main suppliers and Regional competitors in the Nigerian Market

Supplier	Import value in 2018 (USD '000')	Market Share (%)	Import Qty 2018 (Tons)	Ranking of partner countries in world exports (2018)
Ghana	11,502	99.8	3937	11
Italy	11	0.1	2	8
Germany	7	0.1	2	1
Poland	1	0	< 1	25
South Africa	1	0	< 1	22

Source: Trademap (2019)

- Ghana has been the dominant supplier of cocoa powder (sweetened) in the Nigerian market for the last three years
- The ECOWAS Protocol that allows manufactured products of regional origin to be exported within the ECOWAS without import duties or equivalent taxes presents Ghana with enormous opportunity to scale up and augment its position in the Nigerian market
- Ghana has reputable companies operating in the cocoa derivatives space. Notable amongst them are Cocoa Processing, Cargill Ghana, Niche Cocoa, Barry Callebaut, Cadbury, Plot Ghana etc.
- There are equally small and medium enterprises engaged in the processing and exportation of the product under consideration. Asarco Cacao, Alpha Industries, Oxy industries are but a few of such SMEs

