

COMPETITOR REPORT

Cocoa Powder sweetened in Nigeria

- With Untapped potential of US\$ 274,000, Ghana's export of cocoa powder (sweetened) to the world stood at US\$ 8.75m at the end of 2019. This indicated a marked decline of approximately 27% from the 2018 exports of same product. The country exported US\$ 1.7m in 2017 and US\$ 11.99m in 2018 respectively.
- Similar to 2018 , about 97.4% of the total exports of cocoa powder (sweetened) by Ghana went to its ECOWAS neighbor, Nigeria in 2019. However, the Nigerian market absorbed about 96% of the total exports of the product in 2018. With this performance notwithstanding, Nigeria is gradually cementing its position as a key market destination for Ghana's Cocoa powder (Sweetened).
- Ghana is the largest and dominant supplier of cocoa powder (sweetened) in the Nigerian market, accounting for about 95.4% of the total global exports of the product to the West African neighbor. A similar scenario played out in 2016,2017 and 2018.
- Nigeria imported US\$9m of Cocoa powder (sweetened) in 2019 with Ghana supplying US\$ 8.5m worth of the product.
- The closest competitor, China, exported an amount of US\$407,000 to Nigeria which represented a market share of (4.6%) in 2019. There were no dominant exporters to the Nigerian market in 2019.
- At the global level, Mexico was the largest supplier of cocoa powder in the world, with an export value of US\$ 44.36 million in 2019. Other global suppliers were Germany (US\$ 44.3m), USA (US\$ 36.72m) and Malaysia (US\$33.75%).
- Globally, Ghana ranked 12th in the exports of Cocoa Powder (Sweetened) in 2019.
- Total exports of China reached US\$1.4m in 2019. The largest export destination for China was UK with a market share of (34.2%). Other dominant export countries are USA (26.6%) and Singapore (7.3%).
- Exports of Cocoa Powder (Sweetened) from China to Singapore reached the highest average annual growth of (59%) from 2015 to 2019.
- Ghana's dominant position in the Nigerian market has likely been influenced by the zero tariff rate applied on Ghanaian Cocoa powder (sweetened) in 2019 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 with respect to 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.

Table 1. Import Performance in Nigeria, main suppliers

Suppliers	Import value 2019 (US\$'000)	Market share (%)	Average annual growth '15-'19 (%)	Annual growth 2019 (%)	Ranking of partner countries in world exports
World	8,935	100	57	19	
Ghana	8,528	95.4	61	20	12
China	407	4.6	76	10,608	33

Source: Trademap (2020)

- Ghana had untapped potential to the tune of US\$ 274,000. Thus, Ghana could have exported more based on the supply capacity, global demand of the product and other parameters
- Ghana has been the dominant supplier of cocoa powder (sweetened) in the Nigerian market for the last four years.
- China has been the only competitor in the Nigerian market with a market share of 4.6%.
- 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.

