

Tariff Escalation and Import Bans in the Economic Partnership Agreement between the EU and West Africa



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Background

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Local Markets

Ghanaian government bans importation of poultry products from UK, other countries

MAGDALENE TEIKO LARNYOH

11/13/2020

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The Ghanaian government has banned the import of poultry products from the Netherlands, Germany, Russia, Denmark, and the United Kingdom.

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BY JACKIE LINDEN ON MAY 5, 2020

Ghana's poultry industry urgently requests support



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Nigeria's Ban on Poultry Imports – Important Lessons for Ghana

MARKETS & POLICY

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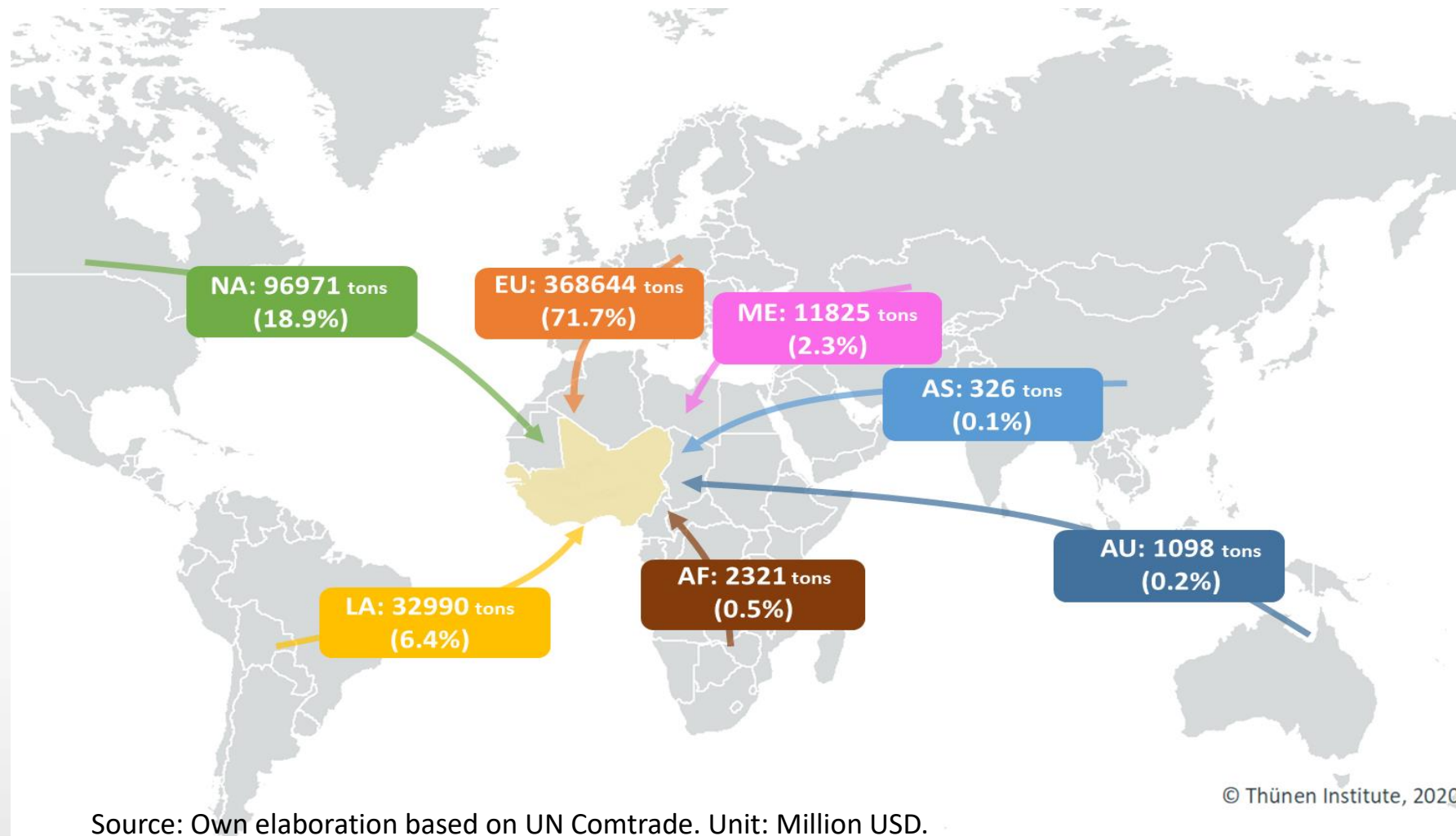


by Freelancer
7 June 2016, at 6:00am

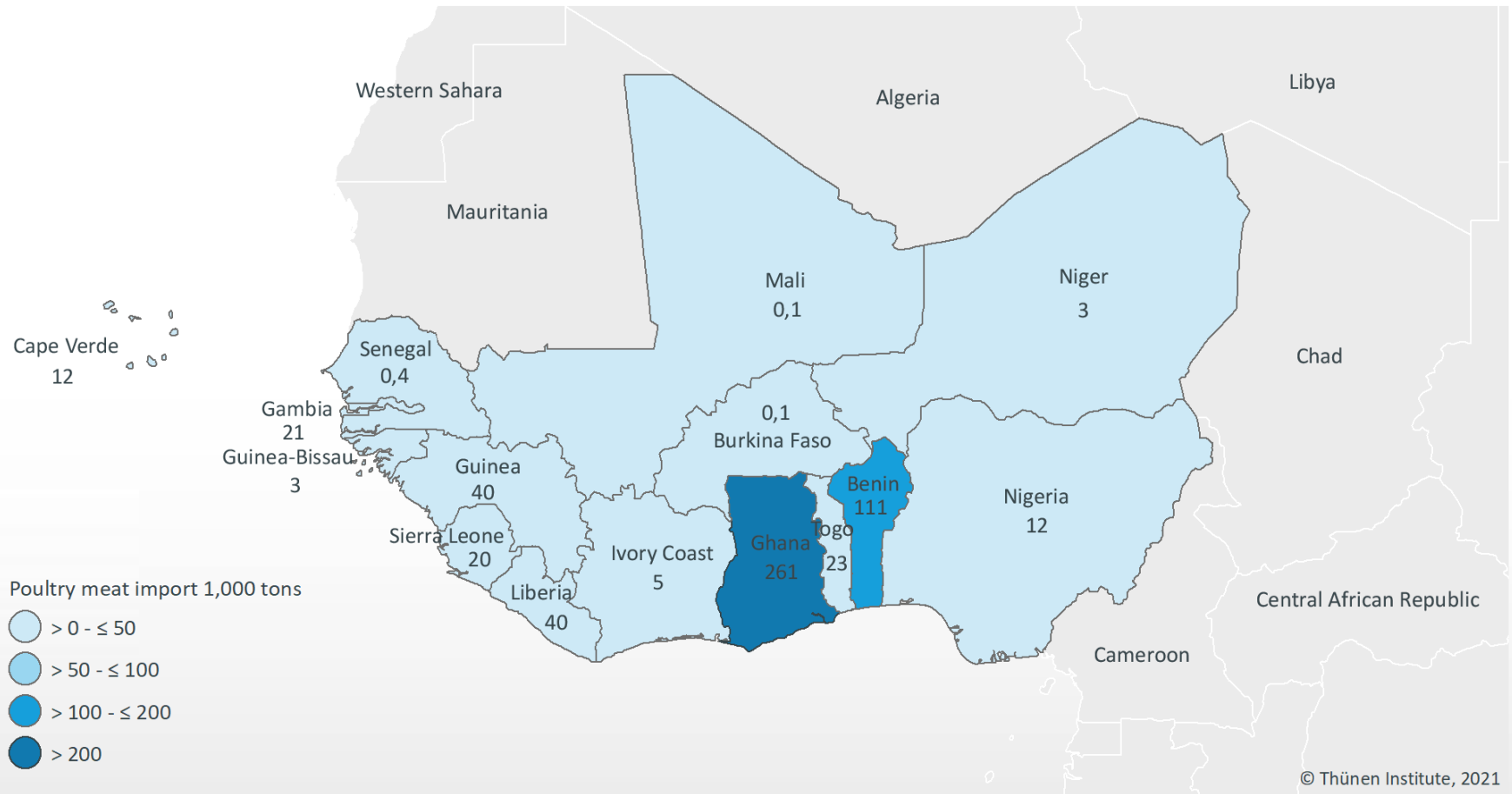
Domestic

GHANA - Ghana's government is currently implementing an ambitious programme aimed at reversing the nation's dependence on imported poultry by increasing domestic production, writes Francis Ekow de Heer for ThePoultrySite.

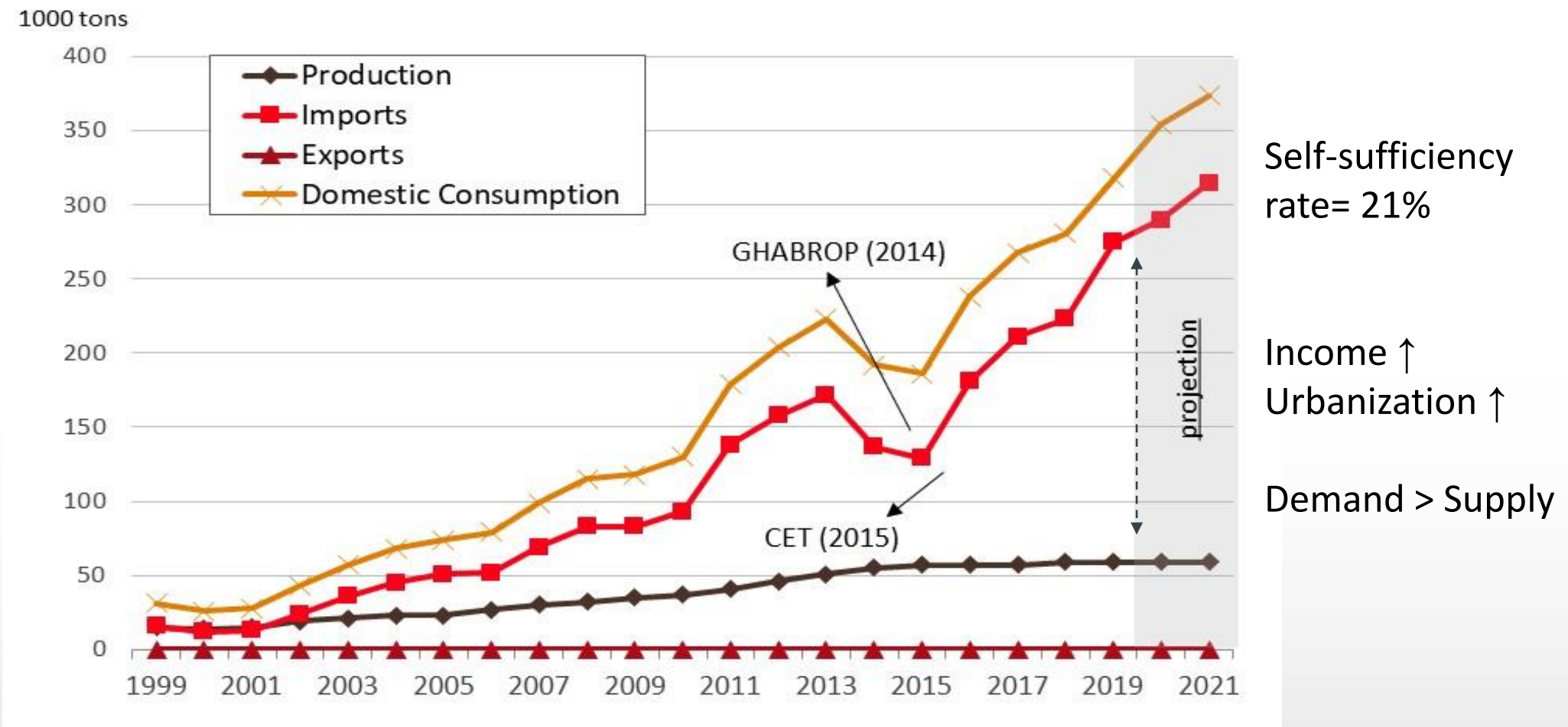
Global Trade Flows of Poultry Meat to West Africa



The Volume of Poultry Meat Exports to West African Countries in 2019 (in 1000 tons)

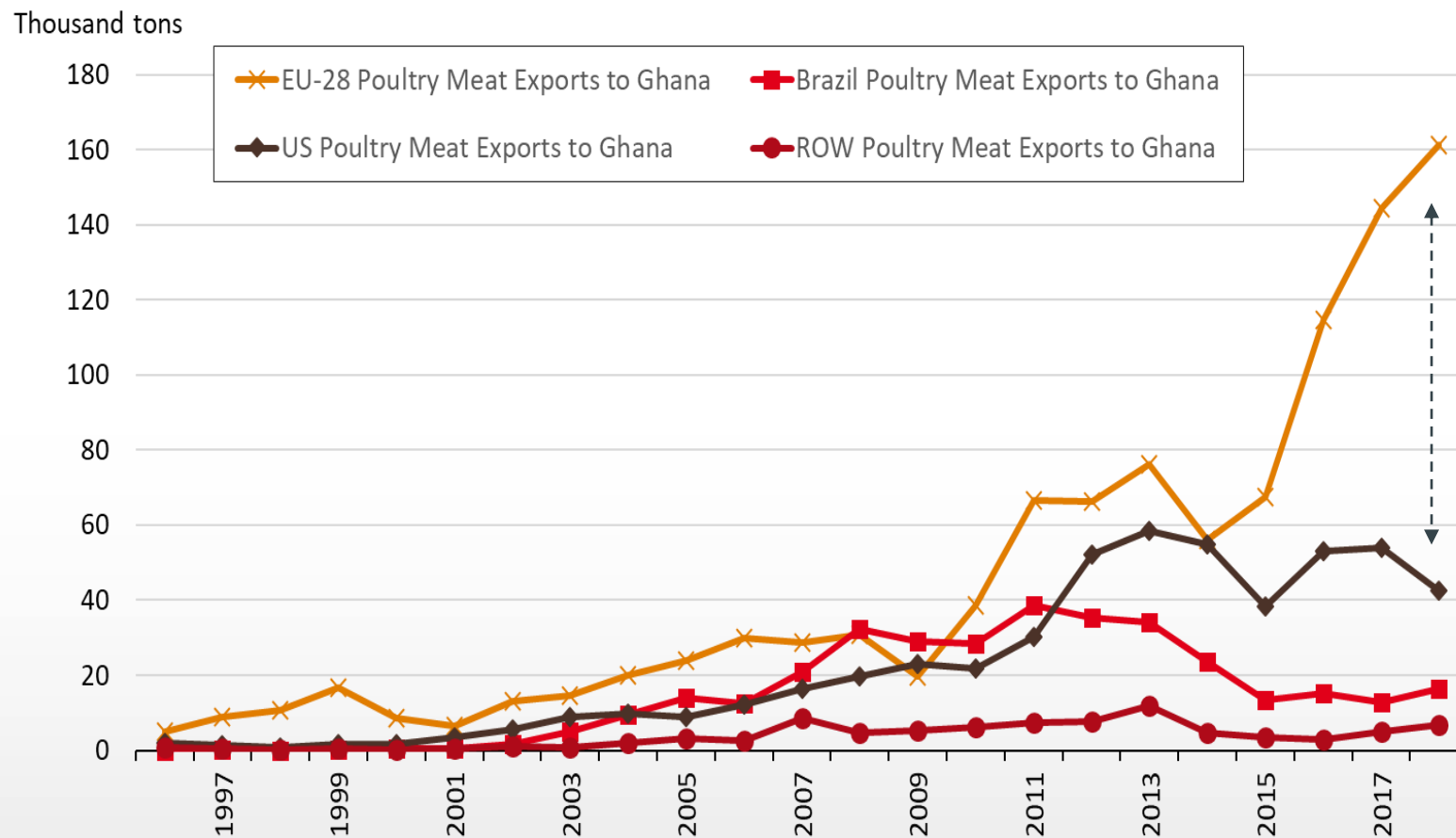


Development of the Poultry Meat Sector in Ghana from 1999 to 2021 (in 1000 metric tons)



Source: Dataset and projection based on USDA (2021).

Main Exporters of Poultry Meat to Ghana



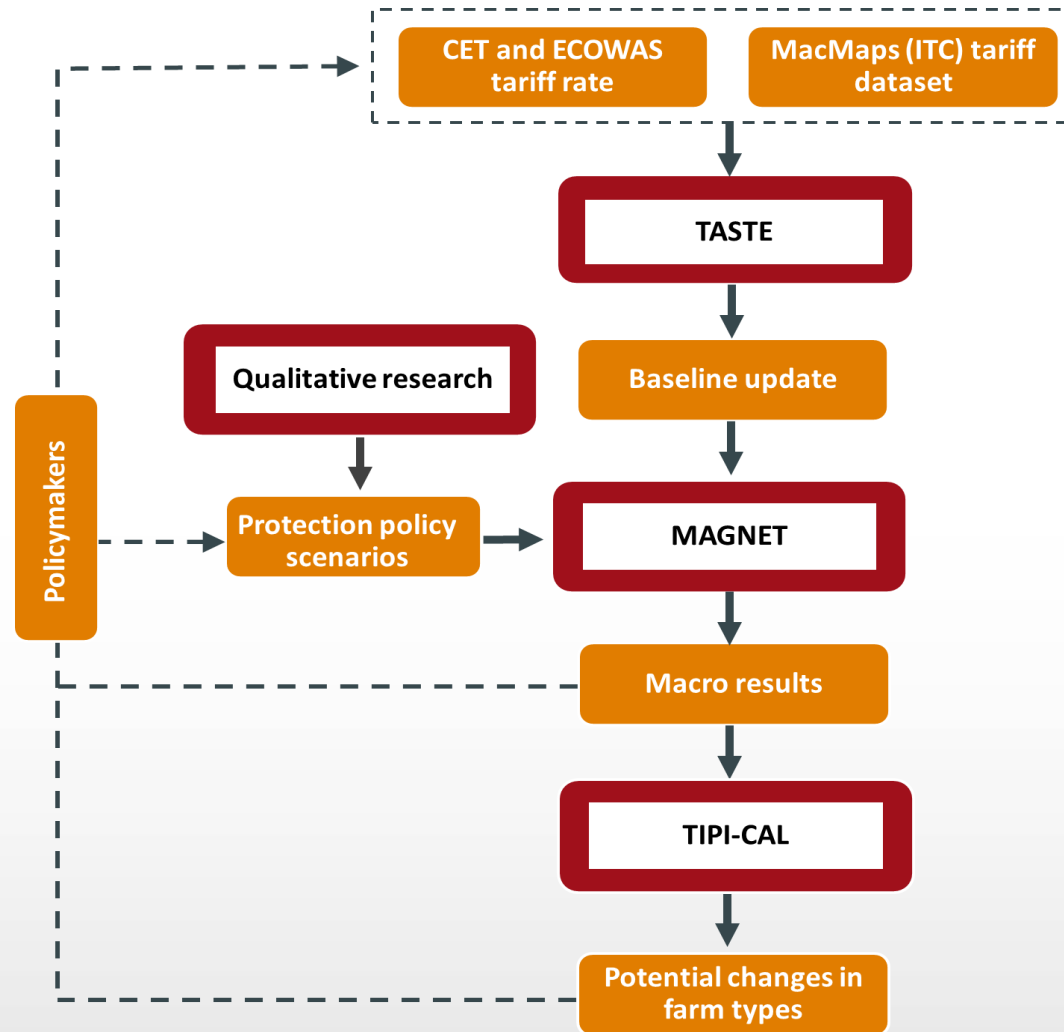
Source: Own elaboration based on UN Comtrade.

Literature Review

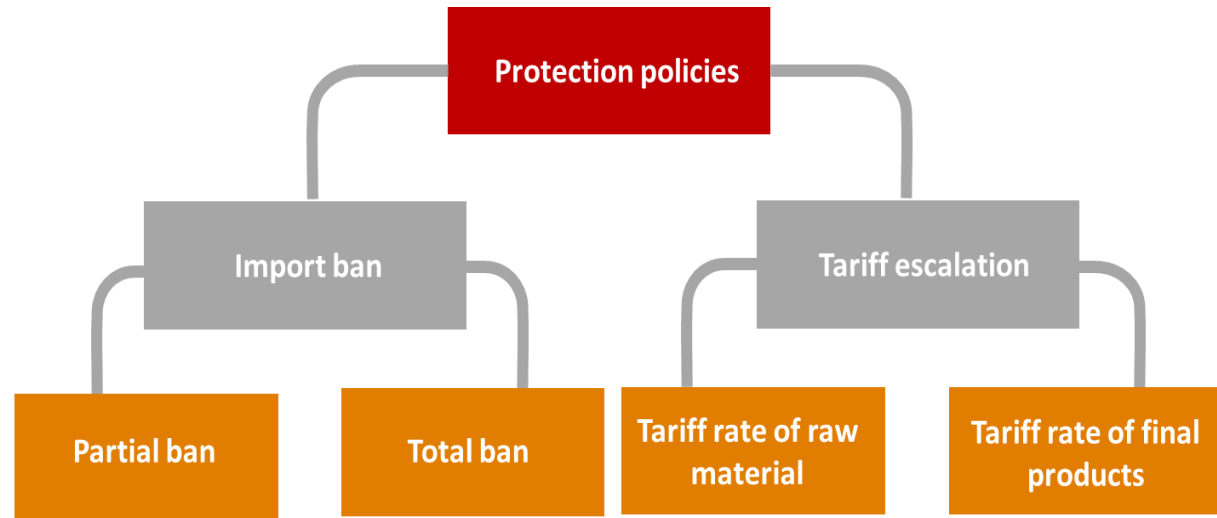
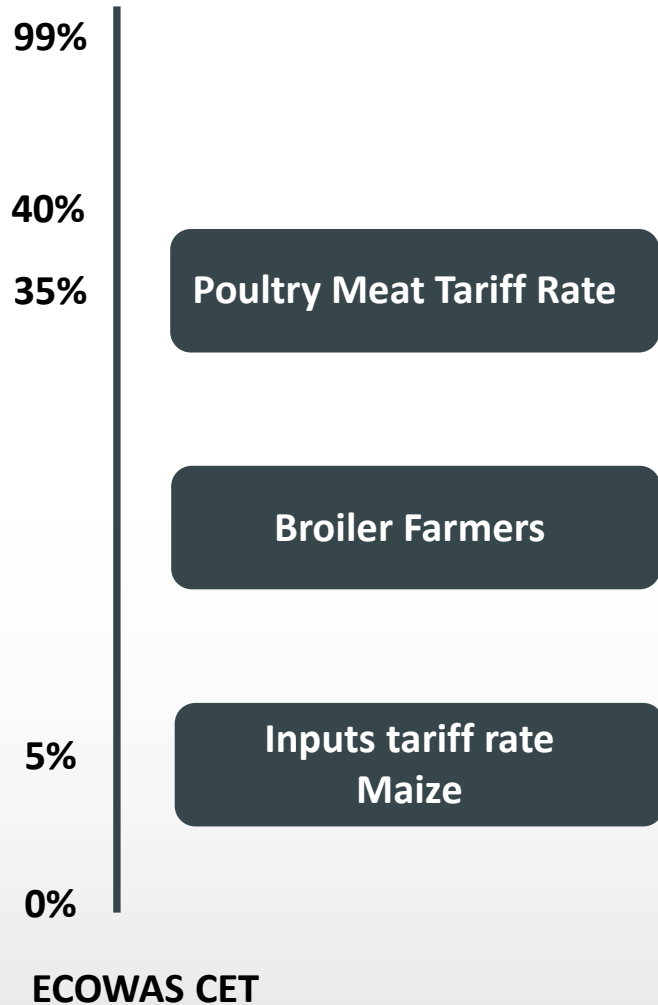
1. Chatterjee et al. (2016): the economy-wide evidence on the EU's import ban on several GM foods, GTAP.
2. Henseler et al. (2013): the potential impact of a trade ban on soybean exports from Argentina, Brazil, and the USA to the EU, general and partial equilibrium models.
3. Boulanger et al. (2016): the short-run consequences of the Russian imports ban, GTAP.
4. Banse et al. (2019): removing the Russian food import ban may result in a minor change in the agricultural sectors of both Russia and the EU, GTAP.

Tariff escalation: Rae and Josling, (2003); Bouët et al., (2014); Narayanan and Khorana, (2014); Boysen et al., (2019).

Model Framework



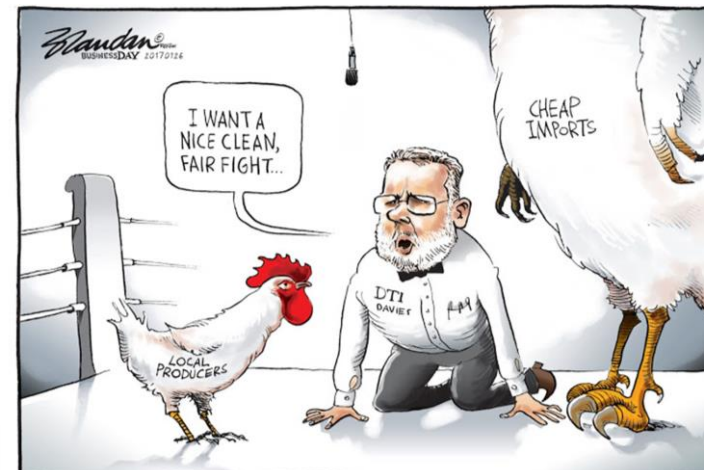
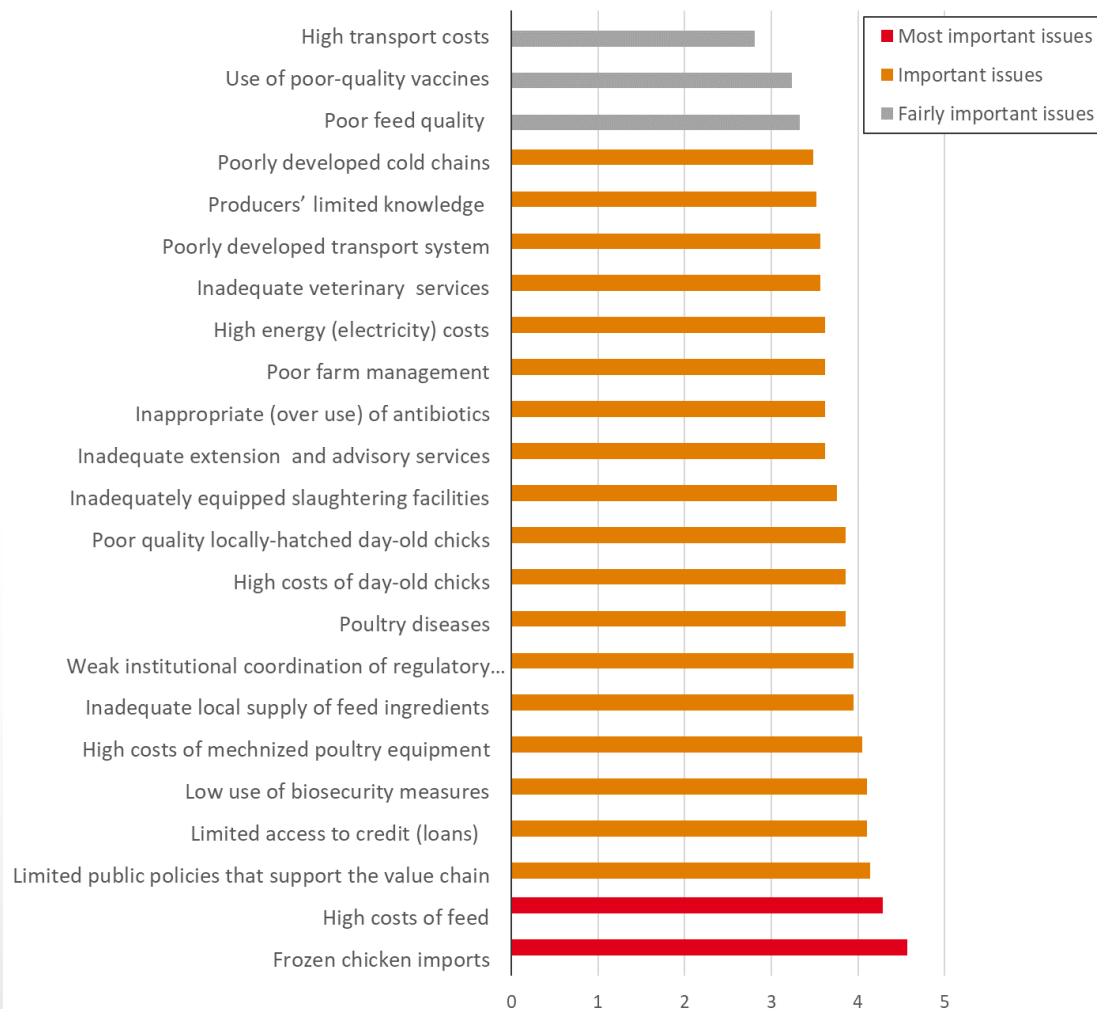
Model Framework: Scenarios



$$qxs_{irs} = -ams_{irs} + qim_{irs} - \varepsilon_i [pms_{irs} - amS_{irs} - pim_{is}]$$

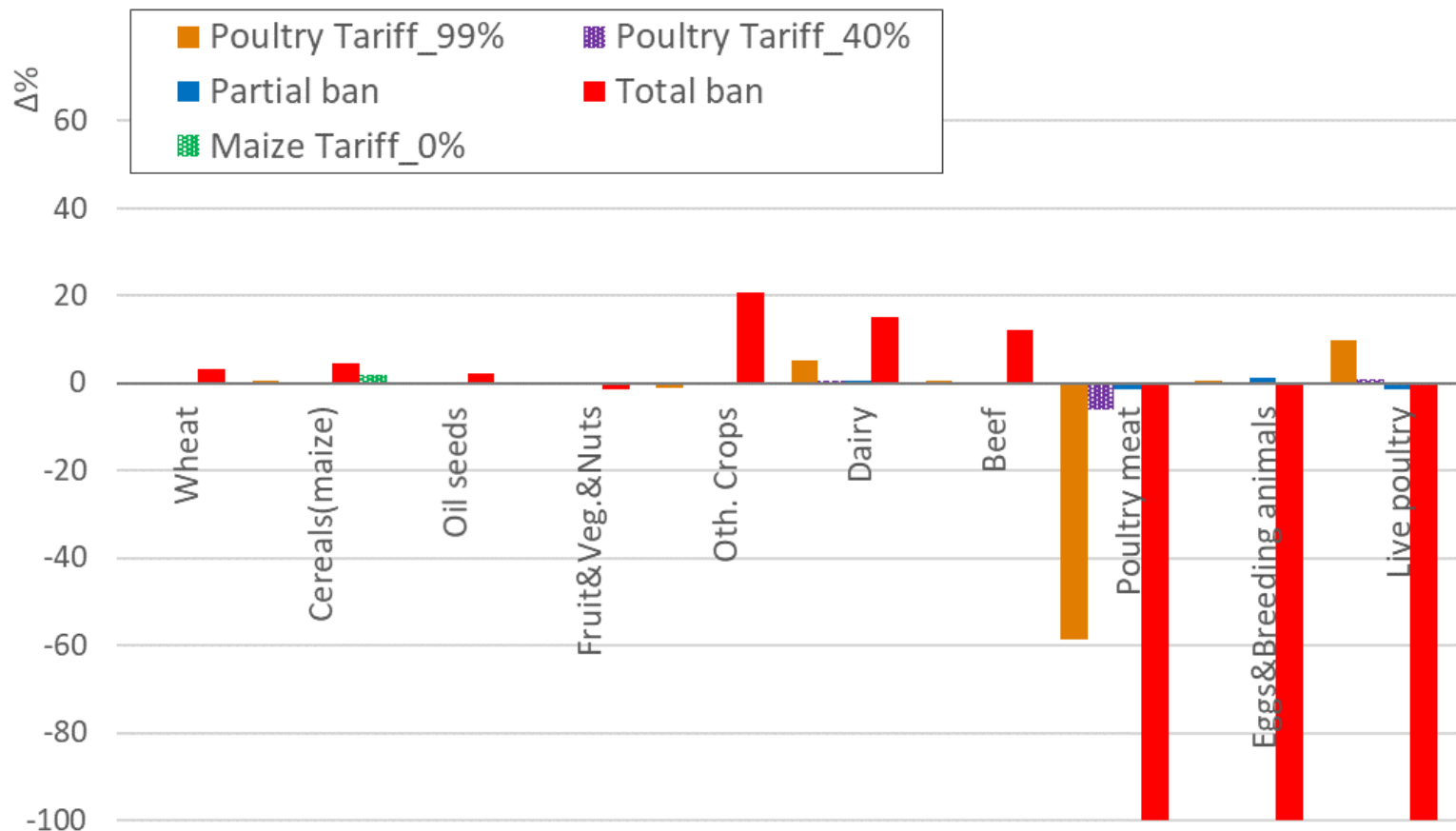
Baseline: Inter EPA between Ghana and the EU
 Scenario A-C) Tariff escalation
 Scenario D) Partial ban
 Scenario E) Total ban

Results: Key Challenges Facing the Poultry Sector

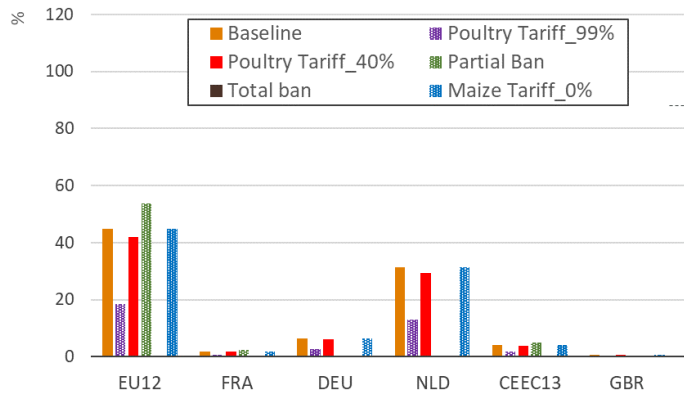


Brinkhuis et al. (2017).

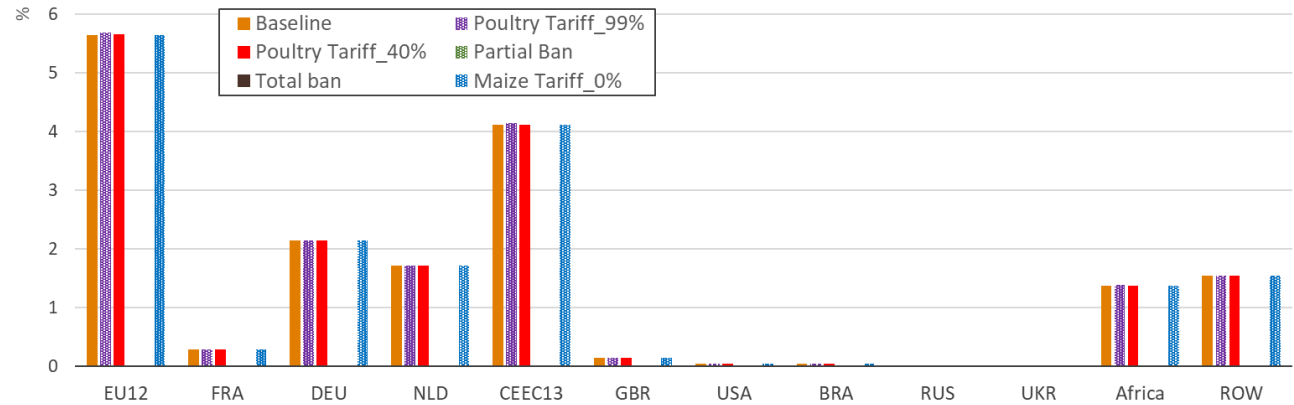
Results: Imports



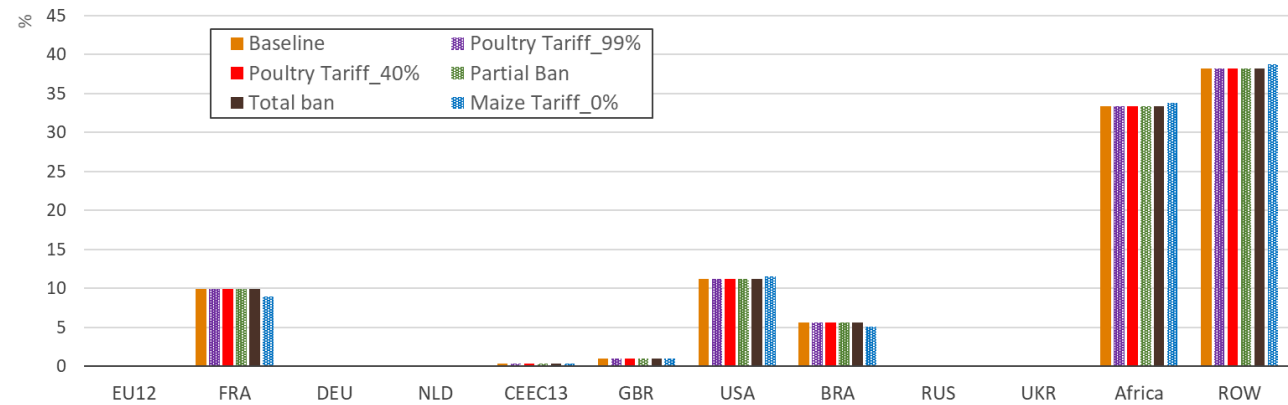
Results: Imports



A) Poultry meat

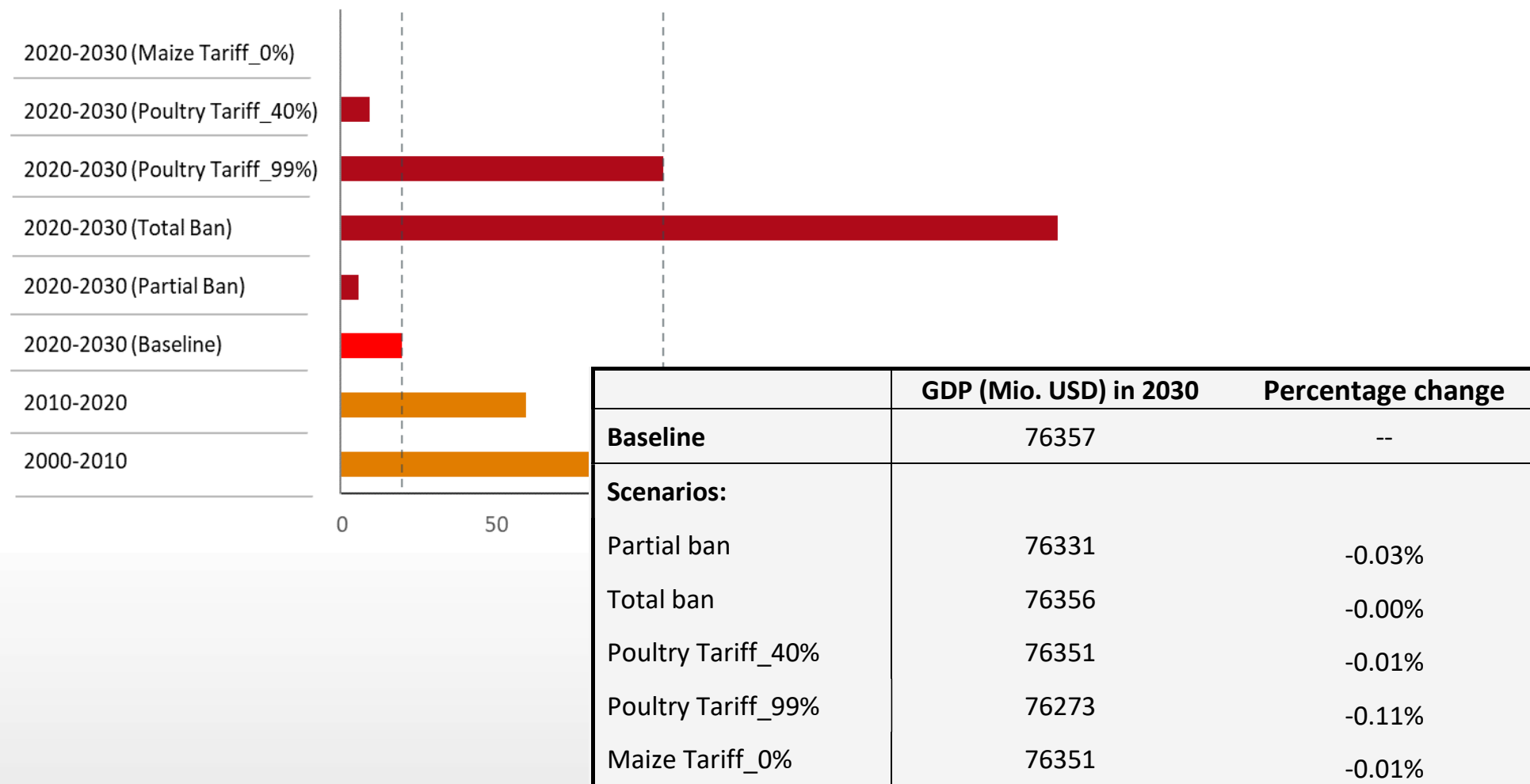


B) Eggs & breeding animals



C) Maize

Results: the production effects



Results: typical broiler production systems in Ghana

	Small-scale commercial	Medium-scale commercial	Large-scale integrated
Farm size	< 5.000 birds per year	5.000- 20.000 birds per year	> 20 000 birds per year
Feed source	Commercial feed-mills		Operate their own feed-mills
Day-old chicks	Exotic breeds that are often imported	Exotic breeds that are often imported	Farms often own a hatchery and produce their own exotic breeds.
Marketing	Live birds sold in local communities, live markets, and to small restaurants	Live chickens are sold in live markets and to traders.	Chickens are often slaughtered on the farm, and sold to retailers and restaurants.
Number of cycles per year	3.72	3.00	3.00

Conclusion

- Increasing the current duty rate of poultry meat to the 99% bound rate, i.e. tariff escalation, causes domestic production to rise by 144%.
- Due to the low tariff rate of maize, production cost reduction driven by market liberalization is not large enough to change the final product price through the cost pass-through process.
- In contrast with the total ban policy, imports of corresponding products do not change significantly due to the partial ban.
- The large-scale integrated broiler farms are better positioned to receive the positive effects of increasing import tariff rates or imposing a total ban and meet the demand for processed chickens.

Thank you for your attention!

Feedback and discussion!



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Senegal: another Case study

