

Konfidants Made-In-Ghana
Report 2022

**Global Supply Chain Crisis?
Foreign Products See a
Decline While Made-in-
Ghana Products in Ghana's
Largest Supermarkets
Increase Marginally
to 31%**

Konfidants
Strategy | Transactions | Advisory

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1. Introduction

The government of Ghana, in collaboration with other stakeholders, has continued to make various efforts to promote Made-In-Ghana (MIG) goods across the country. The government led initiative through the Food and Drugs Authority (FDA) to promote prime shelf space allocations for Made-In-Ghana goods across major supermarkets was one such initiative that made a lot of headlines.

This report presents the findings of the third edition of the Konfidants Made-In-Ghana survey of Ghana's leading retail supermarkets. This edition of the report follows the path of the first two editions as part of Konfidants' SME Competitiveness & Market Access Program. As in previous surveys, the study surveyed the shelf space dedicated to Made-in-Ghana goods versus foreign brands in the country's major retail outlets.

To read previous editions of the report series, click on the links below:

[Konfidants MIG Report 2019](#)

[Konfidants MIG Report 2020](#)

The survey was conducted in December 2021 covering eleven (11) retail outlets (comprising 9 leading supermarkets and 2 popular fuel station marts) in Accra. These are: *Shoprite (Accra Mall)*, *Game (Accra Mall)*, *Palace Supermarket (Palace Mall)*, *Spintex*, *Koala (Osu)*, *Maxmart (37)*, *CityDia (La)*, *Melcom (North Kaneshie)* *Marina Mall Supermarket (Airport)*, *China Mall (Spintex)*, *Batsona Total (Batsona Spintex)*, *Airport Shell (Airport)*.

The scope for this edition's survey also included a mapping of the leading countries of origin in each product category. A sequel to this report will be published soon to share these additional insights.

This is a revised version of the 2022 MIG report released on 8th June, 2022. The revision was occasioned by a data pipeline error that was detected after the earlier release. The error resulted in averages for three years being reported for a single year (2021) in certain visuals. The revised report rectifies that error.

2. Summary of Findings

Key Numbers



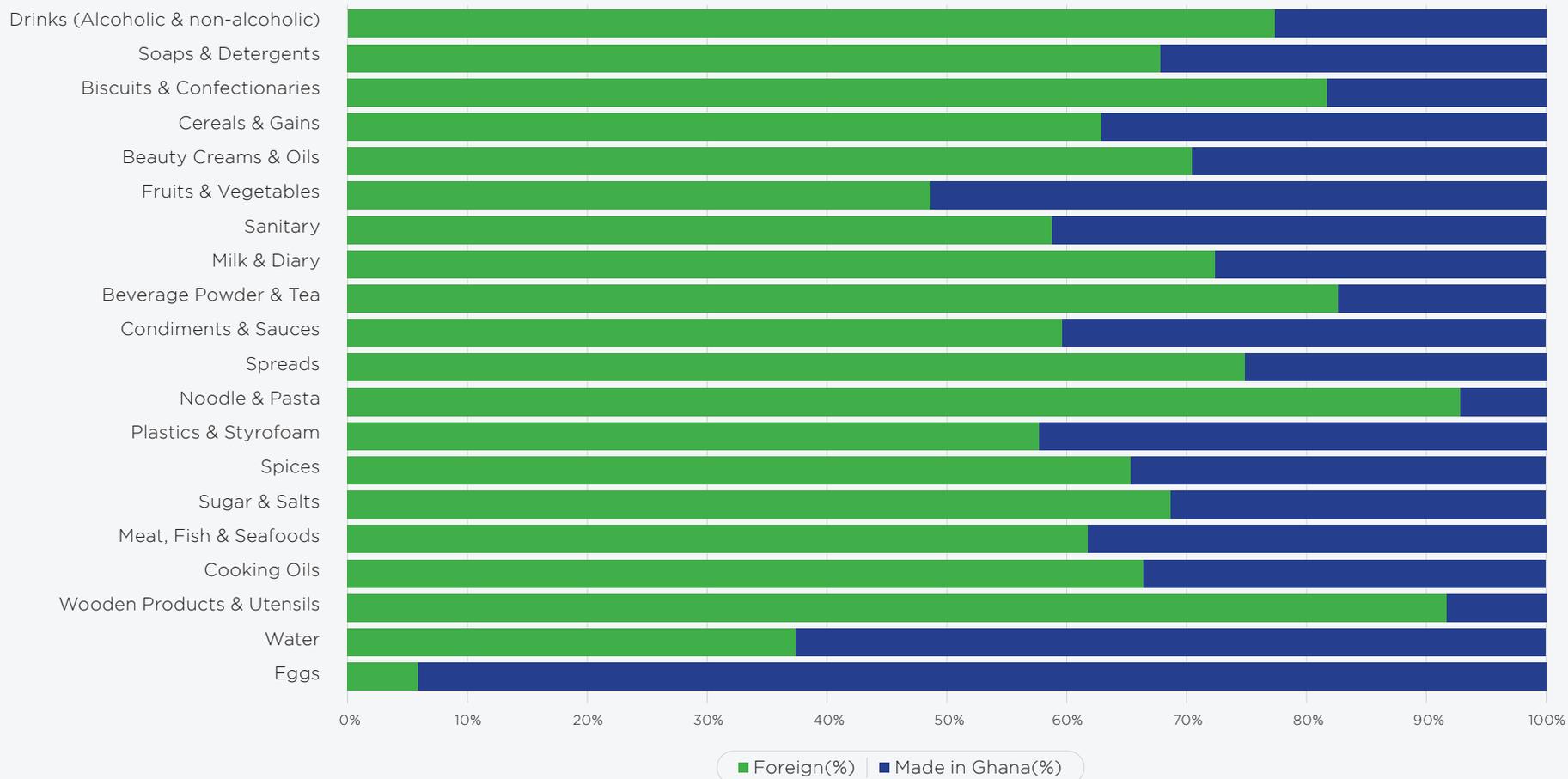
- Similar to previous editions of the survey, the percentage of Made-in-Ghana (MIG) brand count in the supermarkets saw a marginal increase in the latest survey. Across all 11 supermarkets combined, Made-in-Ghana brands constituted 31% of the 20 selected product categories while foreign brands comprised 69%. The MIG share was 18% in the 2019 survey and 26% in the 2020 survey. The improved performance of MIG compared to previous editions is not due to a significant increase in the absolute count of MIG brands on the shelves but rather a significant decline in the number of foreign brands on the shelves compared to previous years.
- Total brand count declined for the first time (since the survey began in 2019) as a result of a significant drop in the foreign brand counts. Total brand count declined by 723

(9.7%) and 1,244 (15.6%) relative to the 2019 and 2020 surveys, respectively. The reduction is entirely attributable to significant decline in foreign brand counts; 1461 (24%) and 1296 (22%) decline compared to 2019 and 2020 respectively. The severe COVID-19-induced global supply chain crisis of the past 2 years (particularly 2021) is the most likely explanation for the marked decline in the foreign products sold across the leading retail chains in the country.

- The top five (5) performing Made-in-Ghana product categories are; Egg (94.12%), Water (62.5%), Fruits & Vegetables (51.39%), Plastics & Styrofoam (42.28%) and Sanitary Products (41.08%). The worst performing Made-in-Ghana product categories are: Noodles & Pasta (7.23%), Wooden Products & Utensils (8.33%), Beverage Powder & Tea (17.37%), Biscuits & Confectionery (18.26%), and Drinks - Alcoholic & Non-Alcoholic (22.53%)
- Products classified as Semi-processed contributed 16.3% of the total Made-in-Ghana count. As has been the trend, a significant share of the MIG brands (62.38%) is in goods that can be described as processed/Manufactured goods while 15.58% of the MIG brands are unprocessed goods (mostly agro-based goods).
- Citydia, China Mall and Koala are, respectively, the three leading supermarkets with the best MIG performances while Marina, Palace and Shoprite recorded the worst MIG performance.

3. Product Category Highlights & Specific Product Performances

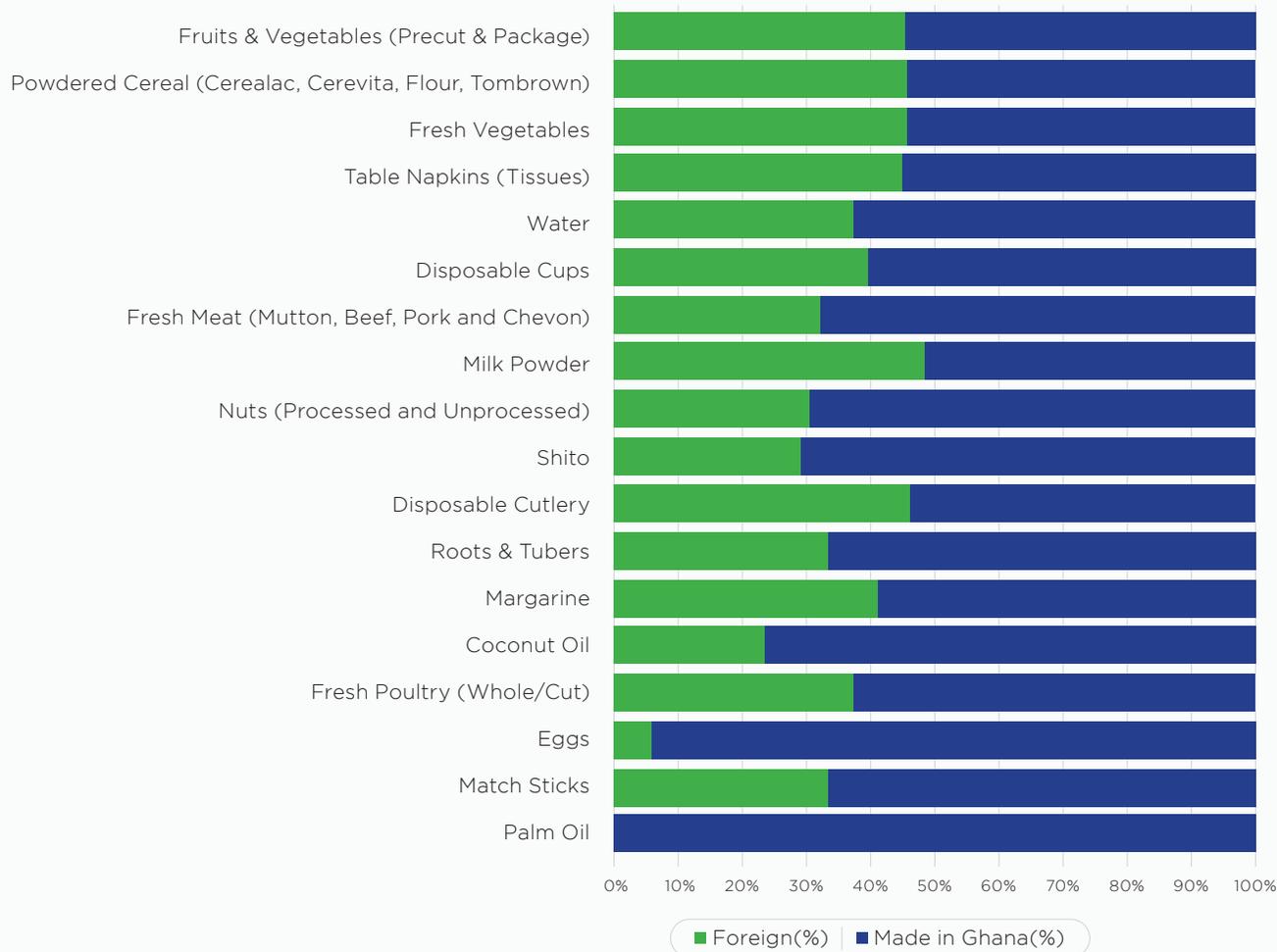
Figure 1: Percentage of Made-In-Ghana Vs Foreign Goods on the Sale in 11 of Ghana’s Top Supermarkets in Selected Product Categories



Retail Outlets Surveyed: Shoprite (Accra Mall), Game (Accra Mall), Palace Supermarket (Palace Mall, Spintex), Koala (Osu), Maxmart (37), CityDia (La), Melcom (North Kaneshie) Marina Mall Supermarket (Airport), China Mall (Spintex), Baatsona Total (Baatsona Spintex), Airport Shell (Airport)

Source: Konfidants, Made-In-Ghana Survey, December 2021

Figure 2: Products Where Made-in-Ghana Brands Constitute at Least 50% of All Brands

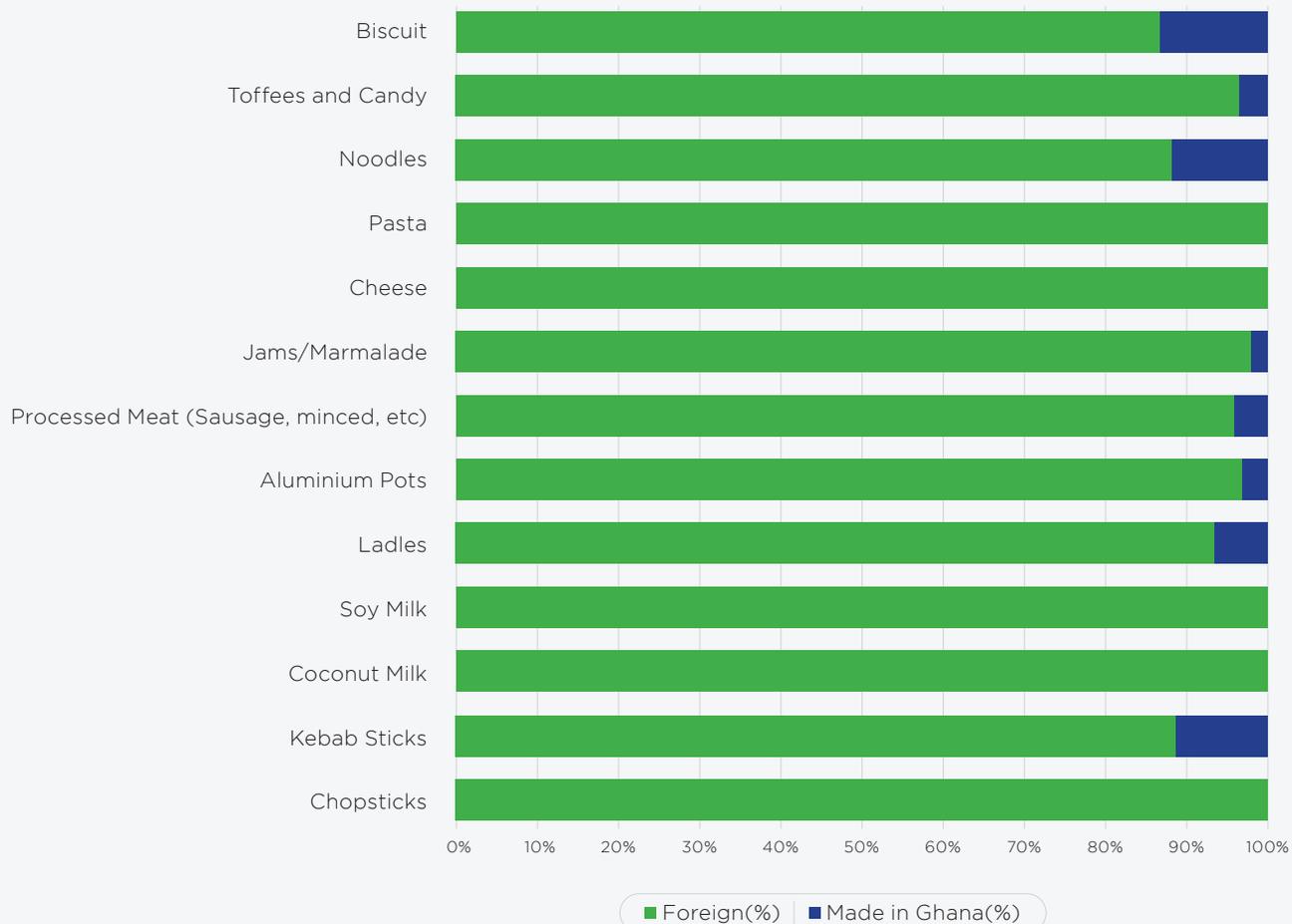


Retail Outlets Surveyed: Shoprite (Accra Mall), Game (Accra Mall), Palace Supermarket (Palace Mall, Spintex), Koala (Osu), Maxmart (37), CityDia (La), Melcom (North Kaneshie) Marina Mall Supermarket (Airport), China Mall (Spintex), Baatsona Total (Baatsona Spintex), Airport Shell (Airport)

Source: Konfidants, Made-In-Ghana Survey, December 2021

- The number of products in which MIG counts constituted at least 50% has increased from 15 to 18.
- The products that have dropped out of the 'at least 50 percent' basket, relative to the last edition of the report, are; Peanut butter, Honey, Oats, Toilet Tissue, and Yoghurt.
- Palm Oil has maintained its position as best performing product - recording 100% MIG count for the third consecutive time.
- Chocolate, Fruit Juice, Salt and Rice are still conspicuously yet to make the '50 percent or more MIG' basket since the inception of the survey in 2019

Figure 3: Products Where Made-in-Ghana Brands Constitute Less than 15% of All Brands Stocked



Retail Outlets Surveyed: Shoprite (Accra Mall), Game (Accra Mall), Palace Supermarket (Palace Mall, Spintex), Koala (Osu), Maxmart (37), CityDia (La), Melcom (North Kaneshie) Marina Mall Supermarket (Airport), China Mall (Spintex), Baatsona Total (Baatsona Spintex), Airport Shell (Airport)

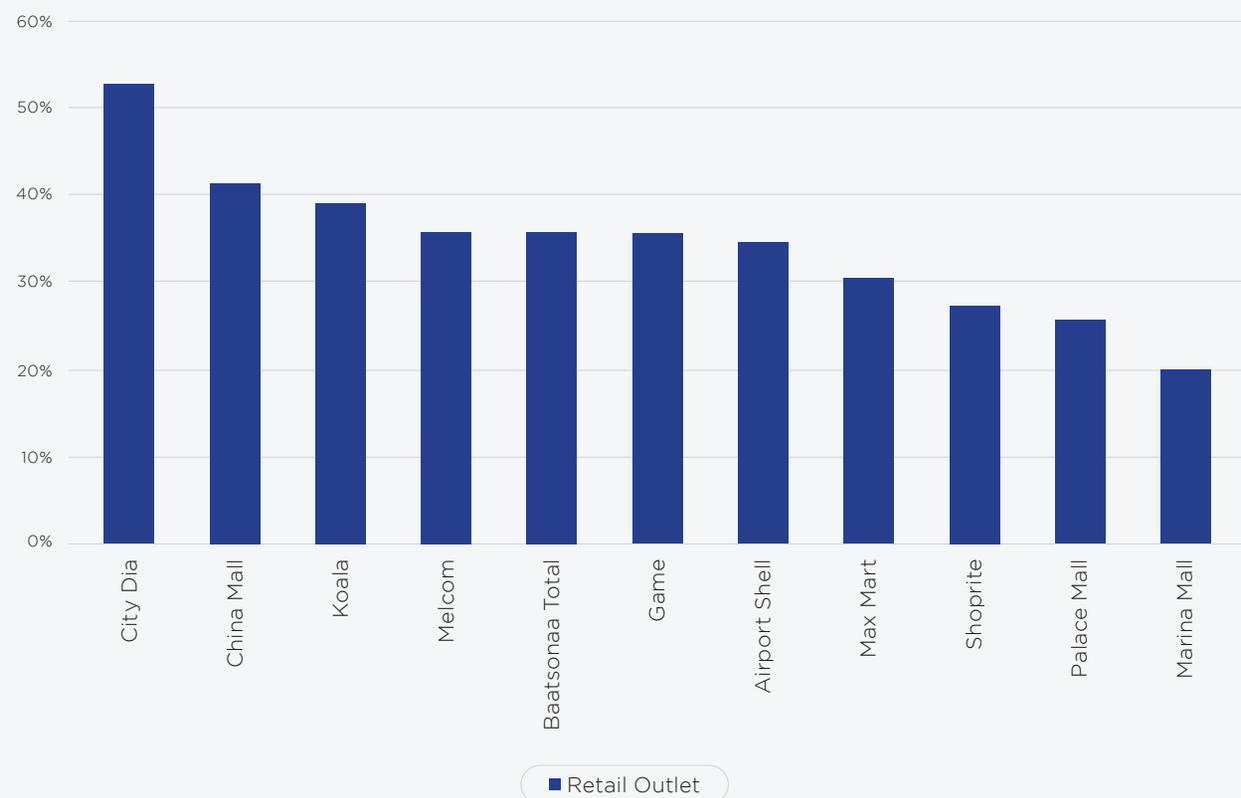
Source: Konfidants, Made-In-Ghana Survey, December 2021

- The number of products in which MIG counts recorded <15% has decreased to 13 (from 14 in the 2020 survey).
- There are 6 new entrants into this category; Noodle, Processed Meat, Ladle, Kebab Sticks, Soy Milk and Pasta.
- 8 products namely Vegetable Oils, Match Sticks, Sauces, Straw, Spirits, toothpick, cake cereals and Juices exited this category
- Except for Vegetable oils, Spirits, and cake cereals which narrowly escaped the “less-than-15-percent” basket by recording 16.7%, 15.74% and 17.86% MIG, the remaining five (Match Sticks, Juices, Toothpick, Sauces and Straws) recorded 20% or more MIG.

4. How Supermarkets Performed

The overall performance of the 11 supermarkets in terms of MIG as a percentage of total brand stock is not significantly different from the last edition of the survey.

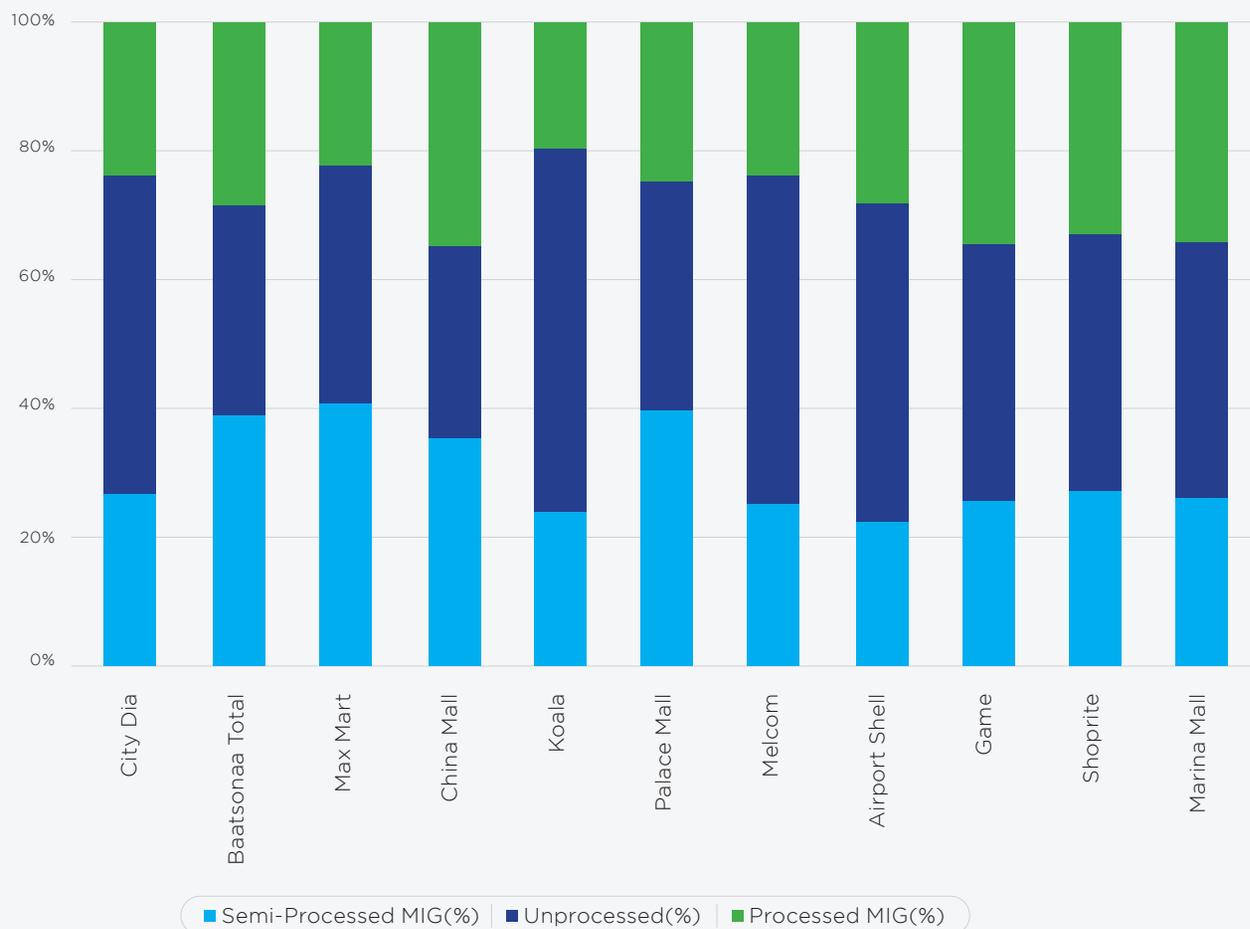
Figure 4: Percentage of Made-in-Ghana Brands in Each Retail Outlet Surveyed across the 20 Selected Product Categories



Source: Konfidants, Made-In-Ghana Survey, December 2021

- More than half of the supermarkets surveyed recorded more than 35% MIG. A figure that no supermarket attained in the last edition of the survey.
- While in the last edition of the survey, one supermarket recorded less than 20%, all supermarkets recorded more than 20% MIG in this edition of the report.
- Marina, Palace and Shoprite Supermarkets have the least MIG stock. They are the only supermarkets with less than 30% MIG in this edition of the survey.

Figure 5: Breakdown of Made-in-Ghana Brands Stocked in Each Supermarket by Level of Value Addition

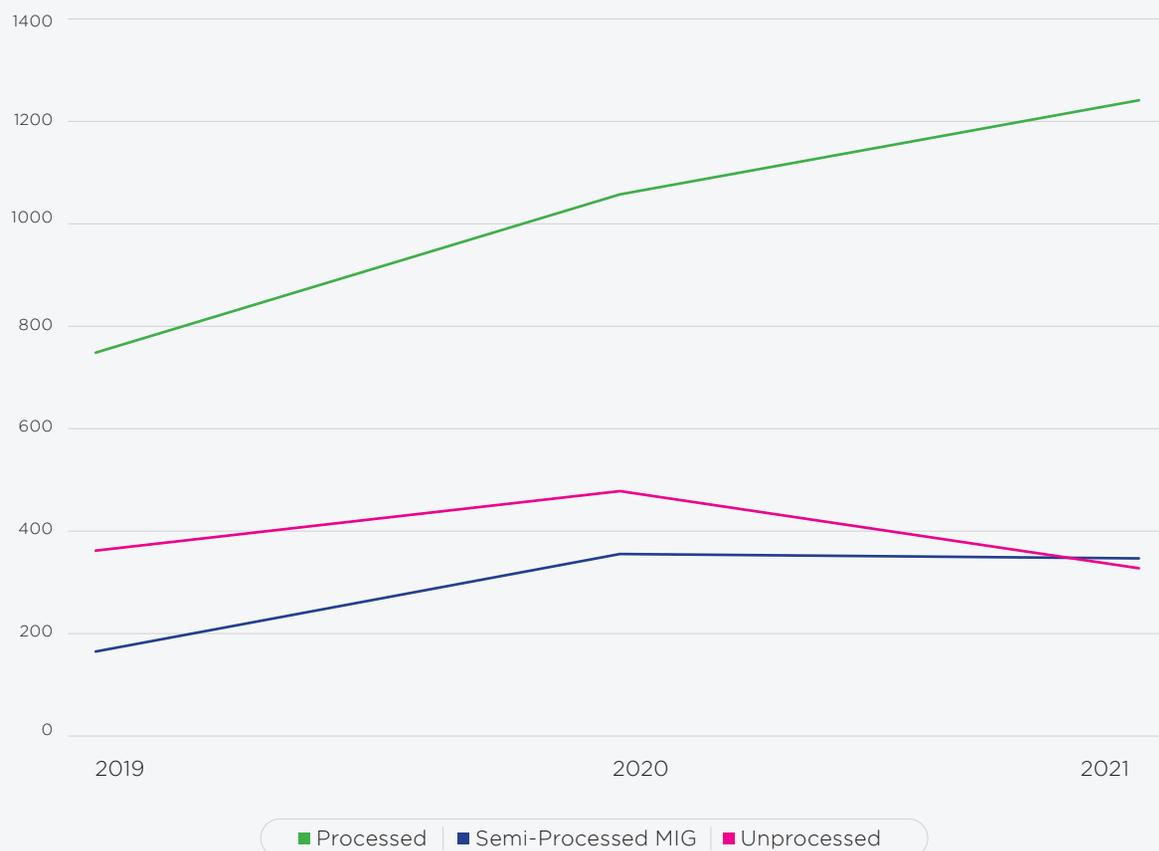


Source: Konfidants, Made-In-Ghana Survey, December 2021

- China Mall leads processed/ manufactured MIG goods (34.47%) on display. This is however not surprising as manufactured goods generally constitute a considerable proportion of goods sold at China Mall compared to other shops.
- Maxmart has the most semi-processed MIG goods on display (41.06%)
- Koala has the most unprocessed MIG goods (56.42%) on display.

5. The Journey So Far: 2019–2022: How this Year’s Findings Compare with Previous Surveys

Figure 6: Performance of Processed/manufactured Vs Unprocessed Goods in the supermarkets over the course of three Annual Surveys



Source: Konfidants, Made-In-Ghana Survey, December 2021

- Consistently, processed/manufactured goods have constituted the largest share of MIG brand counts. This is because majority of the product categories surveyed can be categorized as processed/manufactured.
- Processed/manufactured MIG product brand count has been on a rise since the inception of the survey – 2019 (785), 2020 (1104), 2021(1305).
- Semi-processed product brand count has consistently contributed the least MIG count except for the current survey. The MIG count almost doubled between 2019 and 2020 but has somewhat plateaued between 2020 and 2021 - recording 173, 343 and 341 for 2019, 2020 and 2021 respectively.
- Unprocessed product brand count saw a rise between 2019 and 2020 but has sharply declined in 2021 – recording 356, 488 and 326 in 2019, 2020, and 2021 respectively.

Table 1: Made-in-Ghana Performance of the Product Categories over Three Annual Surveys

Product Category	2019 MIG(%)	2020 MIG(%)	2021 MIG(%)	Average MIG(%)	MIG(%) by Year
Beauty Creams & Oils	6%	31%	29%	16%	
Beverage Powder & Tea	15%	25%	17%	18%	
Biscuits & Confectionaries	9%	7%	18%	11%	
Cereals & Gains	16%	33%	37%	31%	
Condiments & Sauces		27%	40%	34%	
Cooking Oils	80%	53%	34%	47%	
Drinks	13%	16%	23%	17%	
Eggs	91%	55%	94%	63%	
Fruits & Vegetables	45%	52%	51%	49%	
Meat, Fish & Seafoods	37%	33%	44%	36%	
Milk & Dairy	28%	36%	28%	31%	
Noodle & Pasta		6%	7%	7%	
Plastics & Styrofoam	24%	8%	42%	22%	
Sanitary Products	28%	38%	41%	36%	
Soaps & Detergents	8%	35%	32%	23%	
Spices	30%	36%	34%	33%	
Spreads	35%	45%	25%	34%	
Sugar & Salts	49%	44%	31%	40%	
Water	56%	60%	63%	60%	
Wooden Products & Utensils		8%	8%	8%	

- Cooking oil and sugar & salt have consistently declined in MIG brands on display since 2019, with cooking oil having the sharpest decline.
- Biscuits & Confectionary, Plastics & Styrofoam, Meat/Fish & Seafood, and Eggs declined in 2020, but have increased significantly in this edition of the survey.

6. Impact of COVID-19 Induced Global Supply Chain Crises on Foreign Brands: a window of opportunity for local suppliers?

As noted earlier, the 2021 total brand count was the least since the inception of the survey. The decline in total of number brands counted was entirely as a result of a significant decrease in foreign brand counts. In fact, much of the increase in the Made-in-Ghana share from 26% in 2020 to 31% is attributable to this decline in the foreign share. Although, we are unable to sufficiently explain the decline in the foreign brands, we are compelled to believe that the severe COVID-19 induced global supply chain crisis of 2021 is a major contributory factor. During the survey, it was found that some of the major supermarkets had nearly empty shelves in several of the product categories. Attempts to reach officials of these supermarkets for an explanation proved futile.

If the improved share of Made-in-Ghana from 26% to 31% is indeed the result of global supply chain crisis, then the

improvements recorded may not be sustainable once global supply chain bottlenecks resolve – as indeed they will with passage of time. On the other hand, this opens a window of opportunity for local producers to aggressively convince the supermarkets of their capacity to be alternative suppliers, and eventually replacement suppliers for certain goods.

However, we doubt the willingness of the supermarkets to easily abandon their existing sourcing arrangements for local options in the face of temporary disruptions. The supermarkets are bound to all manner of pre-existing international sourcing arrangements that give them comfort, predictability, volumes, international brands and quality standards, and cheaper financing terms. Even the most competitive local suppliers will always be disadvantaged in the face of these FMCG industry forces.

7. Supermarkets' 30 to 90-day Payment Policy continues to be a major challenge to local suppliers

As we have noted in previous reports, one major constraint for many Ghanaian MSMEs trying to get their products on supermarket shelves has been the supplier payment policy of the supermarkets. The payment period typically ranges from 30 days to 3 months -- which is standard international practice for big retailers. Such long periods of payment however lock up working capital and severely disrupts cash flow and operational efficiency of MSMEs. Our interaction

with local producers and suppliers reveals that this payment arrangement is a major deterrent for MSMEs who wish to penetrate the fast-growing FMCG market in these leading supermarket chains. Even for those who have penetrated the supermarkets, some deliberately limit quantities and volumes, however high the quantity demanded. This is to minimise the impact of long payment periods on their working capital and cash flows.

8. Conclusion and Recommendations

In conclusion, findings of the 2022 edition of the report (based on the December 2021 survey) are not significantly different from the findings from the 2019 and 2020 surveys. As previously highlighted, although the performance of Made-in-Ghana products (measured as percentage of total brand count) in the current report is the best of the three annual surveys conducted so far, the performance was not necessarily due to marked superior performance compared to former years. The high performance is primarily due to the large decline in foreign goods on the shelves. We therefore reiterate much of the recommendations from previous reports:

- To improve shelf space of Made-in-Ghana across retail outlets, there is the need for policy makers and key stakeholders to review current efforts being made to increase shelf presence of Made-In-Ghana goods, to ensure these efforts are holistic, dealing with the very roots of the problem and ensuring that any results attained are not just at face value but are deeply impactful and sustainable. There is the need to go beyond the sole FDA led approach to a multi-stakeholder approach. The Ministry of Trade and Industry with its agencies such as the Ghana Enterprises

Agency (Formerly NBSSI), National Entrepreneurship Innovation Program (NEIP), Ghana Standards Authority should collaborate with the FDA and other stakeholders such as industry associations (e.g., Association of Ghana Industries), GIPC, the supermarkets, MASLOC, and financial institutions towards a holistic policy and program framework to improving shelf space of Made-in-Ghana. This should be evidence based -such as setting a target for a minimum threshold for Made-In-Ghana goods across the supermarkets within a specified period.

- The overall competitiveness of MIG products (and manufacturers) need to be improved. Local small producers will need support to make their products more competitive in quality, standards certifications, branding, pricing and financing. Innovative financing options by financial institutions and the supermarkets could provide invoice receivable financing solutions that can assist small suppliers to comfortably adjust to the long payment cycles of the supermarkets.

About the Made-In-Ghana Report

This report is the third in a series of surveys by Konfidants to monitor progress in how the major retail outlets in Ghana are championing the patronage of Made-In-Ghana products. It forms part of its SMEs Competitiveness & Market Access Program.

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