



*Leaving no trade unrecorded*

## OVERVIEW OF INFORMAL CROSS-BORDER TRADE



GHANA  
STATISTICAL SERVICE

# Outline of Presentation

- Overview
- Purpose and Learning Outcomes
- Why Conduct ICBT
- Objectives of ICBT
- Scope of ICBT
- Definitions of Concepts
- Benefits of ICBT
- Revision

# Overview (1/2)

Informal Cross-Border Trade is the first of its kind being conducted by the Ghana Statistical Service.

The following activities have been undertaken since the commencement of the project in 2022. In this exercise 10 out of the 16 administrative regions share borders with three neighbouring countries, namely Togo, Ivory Coast and Burkina Faso.

## Border Profiling

- A total of 321 borders have been identified during the profiling in 2022 and mapping of data from Ghana Revenue Authority-Customs Division and the Ghana Immigration Service (GIS).

## Overview (2/2)

- The border profiling was undertaken in collaboration with Ghana Immigration Service and Ghana Revenue Authority - Customs.

### Tests Conducted

- **December 2023:** Test the methodology for main ICBT survey (approved, unapproved, inland borders)
- **June 2024:** Weight standardization and building of product catalogue ( products and weights to be pre-filled into CAPI to reduce errors during main survey)

# Purpose and Learning Outcomes

- The purpose of this presentation is to equip trainees with knowledge and skills to explain the objectives and importance ICBT.
- By the end of the presentation participants should be able to:
  1. explain the definitions and concepts of ICBT;
  2. state and explain the objectives of ICBT; and
  4. explain the benefits for ICBT

# Why Conduct ICBT (1/3)

- There is considerable interest in informal trade among developing countries, especially Africa, yet no empirical data exist to fully understand the magnitude, particularly on the, national/regional food security and revenue generated.
- This has brought the need for ICBT to be conducted in Ghana to estimate the volume and value of informal goods traded.

# Why Conduct ICBT (2/3)

ICBT data is invaluable for capturing the full picture of cross-border economic activities to enhance better-informed policies, more equitable economic planning, and more effective support for traders and communities involved in such activities.

Specifically, the ICBT data would help:

- 1) Improve the external trade statistics, thereby improving economic planning and policy formulation.
- 2) Update the Balance of Payment by BoG through better trade balance estimation.
- 3) Promote food security.

# Why Conduct ICBT (3/3)

- 4) Enhance income creation policies, particularly for the populations around border/route communities.
- 5) Support for regional and continental integration efforts. The African Continental Free Trade Area (AfCFTA) is a key policy objective, and understanding ICBT flows can help identify the practical barriers to trade and promote strategies for economic integration that include informal traders .



# Objectives of ICBT (1/2)

The broad objective of the survey is to estimate the trade that is not formally recorded in official statistics. The specific objectives are to:

- 1) determine the volumes of informal cross-border trade;
- 2) estimate the values of informal cross-border trade;
- 3) determine the direction of informal trade; export or import;
- 4) identify informal trade activity per border;

## Objectives Of ICBT (2/2)

- 5) determine which commodities are informally traded;
- 6) determine the trading partners for informal trade;
- 7) identify the means of transport of informal trade transactions; and
- 8) provide a comparative analysis of formal and informal trade.

# Scope of ICBT

The scope of Ghana's ICBT survey is threefold:

- 1. Borders:** limited to trade at the 321 identified borders of Ghana with its neighbouring countries.
- 2. Commodities:** trade in goods that are not recorded by Customs, irrespective of the purpose (whether for sale or not).
  - Illegal goods (which are difficult or almost impossible to record) are exempted. Example of such illegal goods are firearms (guns, pistols, rifles), narcotics (heroin, cocaine).
- 3. Duration:** Data collection to span 168 days in one year (14 days per month). Transactions that take place between 6am and 6pm will be recorded during the survey.

## GHANA'S BORDER REGIONS

Region Name	Number of Borders
1. Western	9
2. Volta	76
3. Western North	45
4. Bono	35
5. Oti	25
6. Northern	24
7. Savannah	4
8. North-East	28
9. Upper East	44
10. Upper West	31

# Definitions of Concepts (1/4)

- **Informal Cross-Border Trade (ICBT):** refers to transactions in goods and between Ghana and its neighboring countries that are not entered in the official records and therefore not included in the official trade statistics.
- Other forms of non-recording are under invoicing and mis-declarations of cargo which invariably occur with the cognisance of the customs officials.



# Definitions of Concepts (2/4)

- **Going out (Export):**

This is the record of all goods that subtract from the stock of material resources of a country by leaving its economic territory (going out of the country).



# Definitions of Concepts (3/4)

## Coming in (Import):

- This is the record of all goods that add to the stock of material resources of a country by entering its economic territory (coming into the country).
- **Partner Country:** For exports, the partner country is the country of last known destination. For imports, the partner country is the country of origin.
- **Goods:** Any tangible item with economic value which cross the customs frontiers.



# Definitions of Concepts (4/4)



- **Border:** is a gazetted or non-gazetted post/point between Ghana and its neighbouring countries where formal and informal trade transactions takes place.



# Revision

- 1) What is Informal Cross border Trade?
- 2) Explain the following definitions of concepts of ICBT;
  - Export
  - Import
  - Country of origin
  - Goods
- 3) Mention three objectives of ICBT.
- 4) What is a border?
- 5) Explain the benefits for ICBT.

# Answers

1. Refer to field manual page 1
2. Refer to field manual page 45
3. Refer to field manual page 2
4. Refer to field manual 45
5. Refer to field manual page 2

# THANK YOU

Please Any Question...?

