



MINISTRY OF TRADE, AGRIBUSINESS AND INDUSTRY

**INFORMATION BRIEF FOR THE GHANA AUTOMOTIVE
DEVELOPMENT POLICY PHASE 2 (GADP 2)**

**Draft
January 2026**

BACKGROUND AND RATIONALE

The Government of Ghana launched the Ghana Automotive Development Policy (GADP) in 2019 to establish Ghana as a competitive automotive manufacturing hub in West Africa. The policy sought to attract global and local Original Equipment Manufacturers (OEMs), promote vehicle assembly, stimulate component manufacturing, create skilled jobs, improve vehicle safety and environmental standards, and reduce reliance on imported used vehicles.

Since implementation, notable progress has been made, including the establishment of seven new vehicle assembly plants and the integration of existing local manufacturers such as Kantanka Automobile. Parliamentary approval of fiscal incentives and regulatory measures significantly enhanced investor confidence.

However, five years into implementation, several challenges necessitated a comprehensive policy review. These include intense competition from used vehicle imports, partial implementation of tariff differentiation measures, global shifts toward electric vehicles (EVs), AfCFTA-related opportunities and risks, and domestic regulatory bottlenecks. Consequently, Government commissioned a mid-term review to assess performance, identify gaps, and update the policy to ensure long-term sustainability and competitiveness.

INTRODUCTION AND POLICY STRUCTURE

The updated policy provides a revised framework for implementing the **Ghana Automotive Development Programme Phase 2 (GADP2)** over a ten-year period starting in 2026. It reinforces the principle that the **private sector is the engine of growth**, with Government providing a stable, predictable, and enabling environment.

The structure of the policy remains largely unchanged and is organized around **nine thematic areas**:

1. Incentive and Regulatory Framework
2. Market Expansion and Trade Facilitation
3. Environment, Standards and Safety
4. Access to Industrial Infrastructure
5. Automotive Skills and Technology Upgrading
6. Local Component Supply Chain Development
7. Implementation and Coordination Arrangements
8. Labour Relations and Productivity
9. Legislative Measures

Each thematic area is analysed through policy context, objectives, and prescriptions to ensure clarity and effective implementation.

POLICY CONTEXT, VISION AND SCOPE

The policy aligns with Ghana's broader industrialisation agenda, focusing on job creation, economic resilience, and integration into global value chains. Automotive manufacturing is identified as a strategic sector with strong spillover effects into metals, plastics, electronics, logistics, finance, and services.

Vision:

To make Ghana a fully integrated and competitive automotive industrial hub in West Africa.

Scope Expansion:

While the original policy focused on passenger cars, SUVs, and light commercial vehicles, GADP2 expands coverage to:

- Two-, three-, and four-wheelers
- Hybrid and electric vehicles
- Category L, M, N, and O vehicles

The updated policy also introduces stronger regulation of used vehicle imports and distribution to protect consumers, improve safety, and support local production.

STRATEGIC OBJECTIVES

The strategic objectives of GADP2 remain consistent with the original policy but are strengthened to reflect new realities:

- Establish a fully integrated automotive assembly and manufacturing hub
- Create skilled and semi-skilled employment with strong industrial linkages
- Develop an asset-based vehicle financing system to improve affordability
- Improve balance of payments through import substitution and exports
- Enhance vehicle safety and environmental performance
- Modernise Ghana's vehicle fleet and reduce emissions

Automotive manufacturing is positioned as a catalyst for broader industrial upgrading, skills transfer, and technology diffusion across the economy.

OPERATIONAL DEFINITIONS AND ASSEMBLY STANDARDS

To prevent abuse and ensure customs compliance, GADP2 introduces clear operational definitions for assembly levels:

- **Enhanced Semi-Knocked-Down (SKD)**
- **Completely Knocked-Down (CKD)**

Basic SKD incentives will be phased out within 12 months to encourage deeper local value addition.

Detailed assembly definitions are provided for:

- Conventional 3 and 4-wheelers
- Electric 3 and 4-wheelers

These definitions specify which components must be assembled locally under Enhanced SKD and CKD, ensuring progressive localisation, skills development, and supplier integration.

INCENTIVE AND REGULATORY FRAMEWORK

GADP2 introduces a comprehensive incentive regime to attract long-term investment:

Fiscal Incentives

- 5-year corporate tax holiday for investments above USD 5 million
- 10-year corporate tax holiday for investments above USD 30 million
- Duty and levy exemptions on Enhanced SKD and CKD kits
- Exemption of import VAT and related levies on assembly kits
- **Tariff Differentiation**
Increasing import duties on new and used vehicles outside the programme
- Maintaining duty waivers for programme vehicles
- Revising customs codes to distinguish SKD, Enhanced SKD, and CKD

Value-Based Duty Rebate

Registered assemblers may receive import duty rebates on limited Fully Built Units

(FBUs) based on the value of SKD/CKD kits imported, encouraging scale, model variety, and progression to CKD.

MARKET EXPANSION AND TRADE FACILITATION

Government Procurement

Government will implement preferential procurement for GADP2 programme vehicles and gradually replace its ageing fleet with locally assembled or programme-linked vehicles.

Vehicle Financing

To address affordability constraints, Government will support the creation of asset-based vehicle financing through collaboration among OEMs, banks, insurers, and regulatory agencies. An Accreditation and Data Centre is proposed to underpin financing, insurance, and traceability systems.

Export Development

GADP2 will leverage on the ECOWAS and AfCFTA markets by:

- Promoting vehicle exports
- Supporting bilateral trade arrangements
- Encouraging regional coordination on used vehicle regulation

ENVIRONMENT, STANDARDS AND SAFETY

The policy introduces **Compulsory Vehicle Standards** for all new vehicles and stricter controls on used vehicle imports. Key measures include:

- Mandatory homologation certification
- Emissions and safety compliance
- Expansion of Ghana Standards Authority capacity
- Introduction of used vehicle import standards
- Vehicle marking systems (e.g. micro-dots) to combat theft, fraud, and tax evasion
- Development of a vehicle scrap and replacement policy

These measures aim to improve road safety, environmental performance, and consumer protection while enabling asset-based financing.

INFRASTRUCTURE, SKILLS AND LOCAL SUPPLIERS

Industrial Infrastructure

Government will facilitate access to serviced land, automotive parks, and industrial zones for assemblers, suppliers, and used vehicle dealers.

Skills and Technology

Through partnerships with OEMs, educational institutions, and training agencies, GADP2 will:

- Build advanced automotive skills
- Upgrade artisanal and SME capabilities
- Establish innovation and training centres
- Leverage existing funding schemes (EXIM)

Local Component Development

A dedicated supplier development programme will support Ghanaian firms to manufacture parts, accessories, equipment, and services that meet OEM standards, strengthening backward linkages.

IMPLEMENTATION, LABOUR, LEGISLATION AND DURATION

Implementation and Governance

- Strengthening of MOTAI's Automotive Unit as a one-stop coordination body
- Two-tier registration system for assemblers
- Establishment of a Technical Committee for monitoring and compliance
- Re-establishment of the Automotive Industry Development Council (AIDC)

Labour Relations

The policy seeks to promote best practices in industrial relations, unionisation, productivity-linked bargaining, and skills upgrading to ensure stable and efficient operations.

Legislative Measures

Necessary amendments will be made to tax, customs, and standards legislation to give full legal effect to the policy.

Duration

GADP2 will run for **10 years (2026–2036)** with a mid-term review after five years, providing predictability and confidence for long-term investment.

Registration into the Auto Programme

The Ministry of Trade, Agribusiness and Industry will,

1. Enhance and effectively administer a Two-Tier Registration System to register assemblers into the Auto Programme as follows:
 - a. *Pre-assembly Bonafide Assembler*: This status enables a new assembly plant to import assembly plant equipment at 0% duty and also import CKD/Enhanced SKD kits for trial/test production purposes at 0% import duty. To ensure that the investor can start preparations as quickly as possible, even while further checks and due diligence is being carried out by MOTAI before final registration is granted (prior to the start of actual production).
 - b. *Bonafide Assembler*: This status is granted to assembly plants that are ready to start volume production. (the registered assembler would only qualify for the benefits from the programme after this status has been confirmed)
2. Register the assembler with Ghana Revenue Authority (Customs Division) to ensure that their details are incorporated into the Customs and Domestic Tax Systems.
3. Register the assembler as a manufacturer in terms of the Customs Act.
4. Register the used vehicle importers and distributors in terms of the Customs Act.

A. The following constitute the qualifying criteria for registration as a Pre-assembly Bona Fide Assembler.

1. The Applicant should be a recognized global OEM or have a technical agreement or assembly agreement with such global OEM or have an appointed contract assembler operating under the supervision of such global OEM.
2. If the applicant owns the IP and will therefore not be linked to a global OEM, a specific protocol has to be followed.

- a. The applicant will have to provide proof that they have registered the IP in his/her name.
 - b. The applicant has to clearly identify how he/she will meet the requirement to homologate the vehicle and which internationally accredited test facility he/she will be utilising for the confirmation testing.
3. The corporate entity and its structure must be clearly identified. To ensure the objective of developing the assembly industry, the economic interest of the OEM and any equity participation in the corporate entity must be fully outlined.
4. There is a distinct difference between the Registered Assembler and the actual assembler. It could be the same entity, but it could also be separate entities. The commitment/contract with Ghana Government is with the Registered Assembler and he should also be the importer of Enhanced SKD/CKD kits, as well as the FBUs that he wants to get complementary benefits on. He will manage the actual assembler to ensure that the planned commitments are met.
5. The Applicant will be required to submit a local value addition development and progression plan towards CKD. In the event that the Applicant is not an OEM, such progression plan should include a technical partnership agreement with an OEM. The progression plan could be based on market growth and volume or linked to a specific timeframe. The progression plan must be documented and lodged with MOTAI so as to confirm the Applicant's intentions and to facilitate the technical monitoring of progress against the planned commitments.
6. The factory address to be provided at registration must include copies of title deed or lease document of the factory address.
7. The Applicant should submit to MOTAI an Equipment List for the Vehicle Assembly Plant supplied by the OEM. Such list is necessary for tariff concessions provided under the Policy and MOTAI reserves the right to use it in the physical confirmation and tracking of the preparations for production.
8. The Applicant should present an Assembly and Investment Plan clearly indicating the start of production timing and how it plans to progress to CKD assembly level. The minimum requirements for the Assembly Plan should be:

-

- a) Plant Layout.
- b) Future expansion towards CKD.
- c) Utility supply requirement plan.
- d) Human resource plan, including organisation structure and skills development plan.

The application should clearly indicate the installed capacity of at least 5,000 vehicles per year. The onus will be on the applicant to clearly demonstrate that it does meet this requirement.

The Applicant may engage with MOTAI to provide explanations and seek clarification. Likewise, MOTAI may engage with the Applicant for like purposes. However, no material variation from these requirements will be accepted

MOTAI will inform the Applicant in writing when it has become eligible for the status of a Pre-assembly Bona Fide Assembler.

B. Qualification as Bona Fide Assembler

To be accredited as a Bona Fide Assembler within the GADP2 the following conditions and procedures must be complied with after meeting all the requirements as a Pre-assembly Bonafide Assembler:

- 1 The Bona Fide Assembler should be the importer of the Enhanced SKD or CKD kits as well as the importer of the FBU's to qualify under the complementary import incentive scheme.
- 2 The Technical Committee must confirm that the factory complies with requirements stipulated in Section A above.
- 3 The Technical Committee must confirm that the assembler will be capable of complying with all standards and regulations that are applicable.
- 4 The assembler must register with the GRA as having the capacity and facilities to comply with the customs administration procedures that will be required. Non-compliance with such customs administration procedures can result in the revocation of the Bona Fide Assembler status.

MOTAI and the Applicant may engage for purposes of explanation, clarity and facilitation. However, no material variation of the above conditions will be permissible.

MOTAI will inform the Applicant in writing when it has become eligible for Bona Fide Assembler status.

C. The following constitute the qualifying criteria for registration as a Used

Vehicle Importer and Distributor.

- i. The corporate entity and its structure must be clearly identified.
- ii. The address of the dealership/garage must be provided at registration and must include copies of title deed or lease document of the dealership/garage address.
- iii. The entity must register with the GRA as having the capacity and facilities to comply with the customs administration procedures that will be required. Non-compliance with such customs administration procedures can result in the revocation of the registration.
- iv. A designated person of the entity must undergo training on the Used Vehicle Standard GS 4510. Training will include understanding requirements for used vehicles, due diligence / conformity assessment, due diligence reporting, importation and clearance procedures, client management, etc. After training they will receive a Certificate of Training.
- v. An annual registration fee will be levied for Registration as a Used Vehicle Importer and Distributor.
- vi. Private individuals will only be granted a permit to import a used vehicle under specific circumstances;
 - a. Returning expats who brings the vehicles they own back to Ghana when returning after their assignment abroad.
 - b. Importation of racing cars and vintage cars will also be considered.
 - c. For any other used vehicle imports, the individuals should import the vehicles through registered used vehicle importers and distributors.

MOTAI will inform the Applicant in writing when it has become eligible to import and/or distribute used vehicles.

- a. The formula that will be used to calculate the Local Content is as follows:

Local Content (LC)

$$= \frac{\text{Invoice price of local components}}{\text{CIF price of all imported CKD parts} + \text{Invoice price of local components}} \times 100$$

Table 2. Illustration of Value based incentives

Assembling Process	Multiplier	Local Content	Total incentive (as a product of Customs value declaration)
Enhanced SKD Assembly	1	LC	1+LC
CKD Assembly	2	LC	2+LC

ANNEXES

PASSENGER AND LCV ASSEMBLY DEFINITIONS FOR GADP Phase 2			
ASSEMBLY CONDITION	Basic SKD	Enhanced SKD	CKD
Vehicle cabin/body	Foreign Assembly	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Foreign Assembly	Local Assembly
Glass - Windscreen, Rear Window and side glass	Foreign Assembly	Local Assembly	Local Assembly
Electrical harnesses	Foreign Assembly	Local Assembly	Local Assembly
Braking & clutch systems, including pipes	Foreign Assembly	Local Assembly	Local Assembly
Instrument panel	Foreign Assembly	Local Assembly	Local Assembly
Roof Trim	Foreign Assembly	Local Assembly	Local Assembly
Carpets	Foreign Assembly	Local Assembly	Local Assembly
Seats	Foreign Assembly	Local Assembly	Local Assembly
Door Trim Panels	Foreign Assembly	Local Assembly	Local Assembly
Fuel tank	Foreign Assembly	Local Assembly	Local Assembly
Cab & Loadbox to Chassis Assy	Local Assembly	Local Assembly	Local Assembly
Monocoque Vehicle RR Sub-Frame Assy to Body	Local Assembly	Local Assembly	Local Assembly
Centre Console	Foreign Assembly	Local Assembly	Local Assembly
Frt & RR bumpers	Local Assembly	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly	Local Assembly
Exhaust systems	Local Assembly	Local Assembly	Local Assembly
Engine & Gearbox Fitment	Local Assembly	Local Assembly	Local Assembly
Prop Shaft Fitment	Local Assembly	Local Assembly	Local Assembly
Battery	Local Assembly	Local Assembly	Local Assembly
Tires & wheels	Local Assembly	Local Assembly	Local Assembly
Radiator Grille	Local Assembly	Local Assembly	Local Assembly
Notes:			
Basic SKD to be phased out.			
No new entrants will be allowed at Basic SKD level.			

All incentives for Basic SKD level of assembly will be phased out systematically over the next 12-month period.

ASSEMBLY DEFINITIONS FOR ELECTRIC VEHICLES FOR GADP Phase 2

ASSEMBLY CONDITION	Enhanced SKD	CKD
Vehicle cabin/body	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Local Assembly
Glass - Windscreen, Rear Window and side glass	Local Assembly	Local Assembly
Electrical harnesses	Local Assembly	Local Assembly
Braking systems, including pipes	Local Assembly	Local Assembly
Instrument panel assembly	Local fitment to vehicle	Local fitment to vehicle
Roof Trim	Local Assembly	Local Assembly
Carpets	Local Assembly	Local Assembly
Seats	Local Assembly	Local Assembly
Door Trim Panels	Local Assembly	Local Assembly
Traction Battery System	Local Assembly	Local Assembly
Cab & Load box to Chassis Assy for framed vehicles	Local Assembly	Local Assembly
Monocoque Vehicle RR Sub-Frame Assy to Body	Local Assembly	Local Assembly
Centre Console	Local Assembly	Local Assembly
Front & Rear bumpers	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly
Cooling System	Local Assembly	Local Assembly
Traction Motor System	Local Assembly	Local Assembly
Prop Shaft Fitment (if applicable)	Local Assembly	Local Assembly
Low Voltage Battery	Local Assembly	Local Assembly
Tyres & wheels	Local Assembly	Local Assembly
Front Grille	Local Assembly	Local Assembly
Inverters and Vehicle Control Unit	Local Assembly	Local Assembly
Charger Receptacle	Local Assembly	Local Assembly
On-Board Charger	Local Assembly	Local Assembly
DC-DC Converter	Local Assembly	Local Assembly

ASSEMBLY DEFINITIONS FOR 2 WHEELERS FOR GADP Phase 2

ASSEMBLY CONDITION	Enhanced SKD	CKD
Frame Assembly	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Local Assembly
Fork	Local Assembly	Local Assembly
Electrical harnesses	Local Assembly	Local Assembly
Rear Shockabsorbers	Local Assembly	Local Assembly
Handle Bar	Local Assembly	Local Assembly
Steering Tube	Local Assembly	Local Assembly
Handle Bar Grips	Local Assembly	Local Assembly
Front Brake System	Local Assembly	Local Assembly
Rear Brake System	Local Assembly	Local Assembly
Cables	Local Assembly	Local Assembly
Seats	Local Assembly	Local Assembly
Tires	Local Assembly	Local Assembly
Wheels	Local Assembly	Local Assembly
Battery	Local Assembly	Local Assembly
Motor and Gearbox	Local Assembly	Local Assembly
Instrument panel	Local Assembly	Local Assembly
Chain	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly

ASSEMBLY DEFINITIONS FOR 2 WHEELER E-Bikes FOR GADP Phase 2

ASSEMBLY CONDITION	Enhanced SKD	CKD
Frame Assembly	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Local Assembly
Fork	Local Assembly	Local Assembly
Electrical harnesses	Local Assembly	Local Assembly
Rear Shockabsorbers	Local Assembly	Local Assembly
Handle Bar	Local Assembly	Local Assembly
Steering Tube	Local Assembly	Local Assembly
Handle Bar Grips	Local Assembly	Local Assembly
Front Brake System	Local Assembly	Local Assembly
Rear Brake System	Local Assembly	Local Assembly
Cables	Local Assembly	Local Assembly
Seats	Local Assembly	Local Assembly
Tires	Local Assembly	Local Assembly
Wheels	Local Assembly	Local Assembly
Battery	Local Assembly	Local Assembly
Motor	Local Assembly	Local Assembly
Motor Controller	Local Assembly	Local Assembly
Instrument panel	Local Assembly	Local Assembly
Chain	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly

ASSEMBLY DEFINITIONS FOR 3 and 4 WHEELERS FOR GADP Phase 2

ASSEMBLY CONDITION	Enhanced SKD	CKD
Frame Assembly	Foreign Assembly	Local Assembly
Cabin/Body	Foreign Assembly	Local Assembly
Load Box/Rear Body	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Local Assembly
Fork	Local Assembly	Local Assembly
Glass - Windscreen, Rear Window and Side Glass	Local Assembly	Local Assembly
Electrical harnesses	Local Assembly	Local Assembly
Rear Shock absorbers	Local Assembly	Local Assembly
Steering Wheel/Handle Bars	Local Assembly	Local Assembly
Steering System	Local Assembly	Local Assembly
Front Suspension	Local Assembly	Local Assembly
Rear Suspension	Local Assembly	Local Assembly
Rear Axle	Local Assembly	Local Assembly
Front Brake System	Local Assembly	Local Assembly
Rear Brake System	Local Assembly	Local Assembly
Cables	Local Assembly	Local Assembly
Seats	Local Assembly	Local Assembly
Tires	Local Assembly	Local Assembly
Wheels	Local Assembly	Local Assembly
Battery	Local Assembly	Local Assembly
Motor and Gearbox	Local Assembly	Local Assembly
Instrument panel	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly

ASSEMBLY DEFINITIONS FOR ELECTRIC 3 and 4 WHEELERS FOR GADP Phase 2

ASSEMBLY CONDITION	Enhanced SKD	CKD
Frame Assembly	Foreign Assembly	Local Assembly
Cabin	Foreign Assembly	Local Assembly
Load Box/Rear Body	Foreign Assembly	Local Assembly
E-Coating	Foreign Assembly	Local Assembly
Sealing & Painting	Foreign Assembly	Local Assembly
Fork	Local Assembly	Local Assembly
Glass - Windscreen, Rear Window and Side Glass	Local Assembly	Local Assembly
Electrical harnesses	Local Assembly	Local Assembly
Rear Shock absorbers	Local Assembly	Local Assembly
Steering Wheel/Handle Bars	Local Assembly	Local Assembly
Steering System	Local Assembly	Local Assembly
Front Suspension	Local Assembly	Local Assembly
Rear Suspension	Local Assembly	Local Assembly
Rear Axle	Local Assembly	Local Assembly
Front Brake System	Local Assembly	Local Assembly
Rear Brake System	Local Assembly	Local Assembly
Cables	Local Assembly	Local Assembly
Seats	Local Assembly	Local Assembly
Tires	Local Assembly	Local Assembly
Wheels	Local Assembly	Local Assembly
Battery	Local Assembly	Local Assembly
Motor	Local Assembly	Local Assembly
Motor Controller	Local Assembly	Local Assembly
Head and tail lamps	Local Assembly	Local Assembly