PRESS RELEASE
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ABOA Objects to Government Imposition of Local Insurance on Marine Cargo Import Directive

The Ashanti Business Owners Association wishes to formally register its objections to the proposed policy requiring mandatory placement of local insurance cover on imported goods from their country of origin to Ghana.

While the objective of strengthening domestic insurance capacity is acknowledged, the proposed measure raises substantive concerns relating to trade compliance, insurance regulation, cost efficiency, and macroeconomic stability, which warrant careful reconsideration.

Regulatory and Trade Implications
Deviation from International Commercial and Trade Standards
International trade transactions are governed by widely accepted frameworks, such as Incoterms (CIF), under which the allocation of insurance responsibility is contractually determined between the buyer and seller. A compulsory local insurance requirement overrides these contractual allocations, introducing regulatory uncertainty into cross-border trade transactions. This defiles the Sanctity of Contract Principle which requires that agreements must be honoured.

Potential Conflict with WTO and AfCFTA Obligations
The policy risks being construed as a non-tariff barrier to trade, contrary to Ghana's commitments under:
World Trade Organisation (WTO) agreements on trade facilitation, and
The African Continental Free Trade Area (AfCFTA), which promotes the free movement of goods and the reduction of trade-distorting measures.

Such a requirement may invite reciprocal restrictions or formal trade complaints from trading partners.

Duplication of Risk Coverage and Insurance Inefficiency
Goods insured at origin are already subject to valid marine cargo insurance under internationally rated insurers. Imposing additional compulsory local insurance creates double insurance, leading to inefficiencies in risk allocation and claims management, and raising questions regarding subrogation, liability hierarchy, and claims settlement jurisdiction.

Economic and Operational Impact
Increase in Landed Cost and Inflationary Pass-Through
The additional insurance premium constitutes a direct increase in import costs, which will be passed through supply chains into wholesale and retail prices. This has implications for inflation management, cost of production, and consumer purchasing power, particularly in import-dependent sectors.

Port Operations and Trade Facilitation Risks
Mandatory compliance checks for insurance placement may introduce administrative delays at ports, increase clearance timelines, and raise transaction costs—undermining government efforts to improve trade facilitation and port efficiency.

Investment Climate and Regulatory Predictability
Abrupt regulatory interventions without adequate transition frameworks or stakeholder consultation weaken Ghana's ease-of-doing-business credentials and may adversely affect investor confidence, especially for firms operating under long-term supply and financing contracts.

Conclusion
A sustainable insurance market cannot be built through compulsory mechanisms that distort trade flows and increase systemic costs. Policy coherence, regulatory predictability, and alignment with international trade norms remain critical to Ghana's economic competitiveness.

We respectfully call on the Government of Ghana, the Ministry of Finance, the Ministry of Trade, Agricbusiness and Industry, and the National Insurance Commission (NIC) to suspend the proposed measure and initiate broad-based stakeholder consultations to develop a technically sound and economically efficient alternative.

Issued by:
Charles Kusi Appiah Kubi
Executive Secretary
Ashanti Business Owners Association
0553679964