

*Full Length Research Paper*

# Strategic positioning analysis of Ghana's national wood export sector

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**Export-led strategies are very crucial to achieving growth and goals of developing and transition economies such as Ghana. As a result, export strategies are being adopted in many developing countries. Although such export strategies might be in place, the deployment of public resources and funds warrant periodic programmatic evaluation. The objective of the study was to assess Ghana's wood products export sector strategies and performance. Using a combined National Export Strategy Template (NEST) and Balanced Scorecard (BCS) framework, we surveyed the 250 largest wood products manufacturers in Ghana. Overall, respondents indicated there was no comprehensive and well documented export strategy in place. We suggest that public and private sector institutions in the wood export sector coordinate activities to create an enabling environment for Ghana wood products exporters to compete favorably in the international market. The application of a combined National Export Strategy Template (NEST) and Balanced Scorecard (BCS) framework can be used to evaluate wood product export strategies in any geographical or national setting. This approach is a valuable tool that pinpoints strategic strengths and weaknesses.**

**Key words:** Export, Ghana, wood products, international market.

## INTRODUCTION

Ghana's aspiration to become a middle-income country by 2015 will require an increase in an average annual growth rate in GDP from 5 to about 8% to fulfill such a target (TSSP, 2004). Such rapid growth requires structural transformation of the productive sectors of the economy such as the wood export sector. An ongoing assessment of Ghana's wood product export strategies, structures and competitiveness in international markets is a necessary requirement for the wood products export sector to achieve sustained export performance. Wood products exports contribute significantly to Ghana's economy. It is the fourth highest foreign exchange earner, providing around 12% of Ghana's foreign ex-change between 1990 and 2006 (Lebedys, 2004; Ghana Forest Commission, 2006). Domestic wood product demand

is met and wood processing companies in Ghana tend to focus on higher value export markets. Despite export demand, there are factors that hinder Ghana's successful execution of the nation's wood export strategies resulting in a failure to optimize opportunities in international markets. In fact, the trend for Ghana's overall wood products exports in terms of both volume and value has been declining over the past six years signifying an overall decline in export performance (ITC, 2006). Asia and the Far East were emerging markets for Ghana's wood products over this period while traditional European and U.S markets declined.

Although, national wood export strategies are in place, there needs to be ongoing analysis and evaluation of these strategic programs. It is imperative to demonstrate whether these strategies are effective or not. Accordingly, export policy strategists need to engage in strategic analysis and re-evaluation of the export sector (International Trade Center, 2006).

For any industry sector to make a positive impact in the

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international market at the country level, a strategy must be infused at all supply chain levels down to the business unit and address all issues that impact the sector's international competitiveness. The strategy must also address the sector's overall contribution to economic development. In order for Ghana to achieve its strategic vision of becoming a middle income country with a developed wood product export industry, we first need to understand the current situation from the perception of key stakeholders. This process is intended to reveal gaps between current and required resources and processes required to strengthen the sector (Donkor, 2003). In this study, we conducted this evaluation using the NEST and Balance Scoreboard assessment tools. The results of this analysis are intended to be information that Ghana's wood products industry and policy makers can use in refining current export strategies.

## **THE FOUR GEARS OF NATIONAL EXPORT STRATEGY**

The framework for the evaluation of Ghana's national wood products export strategy is based on International Trade Center's (ITC), National Export Strategy Template (NEST) and Balanced Scoreboard (BSC). This is a decision support tool that provides the strategy-maker with guidelines to incorporate strategic considerations and evaluate a realistic national export strategy for competitiveness (ITC, 2006). The NEST focuses on export competitiveness in terms of long-term export development. These following areas are considered:

1. Current and required export capacities and competencies (border-in issues)
2. The cost of doing business and related trade facilitation considerations (border-out issues)
3. Market access and market development (border-out issues)
4. The potential contribution that the export sector can make to overall economic and social development goals, including employment, rural development and poverty alleviation (developmental issues)

According to ITC (2004), a sector-level strategy must be proactive and comprehensive, responding to all issues that have an impact on the sector's international competitiveness. The strategy must address the following key question: How will improved competitiveness of the sector contribute directly to the wider concern of the economic and social development within the country as a whole? In simple terms, what is, and what should be the sector's contribution to national development (ITC, 2005). To achieve this combination of competitiveness and developmental impact, the "Four Gears" should be critically examined (Figure 1).

Classically, there is a tendency for strategy makers to concentrate on improving export performance by seeking

increased access to exportable products into priority markets and concentrating trade support on market development and promotional activities. Simply put, the export strategy makers are preoccupied with the border-out gear of the strategy, and this preoccupation is inadequate. While border-out activities represent an essential aspect of the strategy, they do not address the key factors that determine export competitiveness (ITC, 2002).

Export competitiveness is a function of the capacity to sell the products demanded in the international market place, at the quantity, quality, price and time required; the border-out gear of the strategy does not address these issues (UNCTAD, 2004). It is only through the institution of a strategy that is driven by the combined power of border-in, border and border out, can the long-term international competitiveness with the sector be achieved (ITC, 2004).

### **The border-in gear of sector-led strategy**

Export strategies must ensure that the sector's supply side can effectively respond to opportunities in the international marketplace and therefore must include initiatives that reinforce existing supply side capacity, develop new capacities, reinforce skill and technical competency and encourage entrepreneurship. The export strategy border-in "gear" can be divided into three categories:

1. Capacity development issues relating to production capability-with reference to productivity, volume, quality and value addition. Enhancing capacity will require the combination of private sector readiness to invest, and the availability of specialized skills within the public and private sectors
2. Capacity diversification: this involves producing new product lines and producing related products.
3. Human Capital Development: this seeks to ensure that the strategy addresses directly the need to generate and continuously upgrade the sectors basic, technical and shop-floor competencies and must also foster development of entrepreneurship within the sector.

### **The border gear of export strategy**

Border issues have a significant influence on the sectors competitiveness and they define the sectors operating environment and largely dictate the cost of export transaction (ITC, 2005). Border gear strategic inputs and issues are:

1. Infrastructure issues: This addresses the bottlenecks in trade related infrastructure, that is, transport and handling problems in particular. These normally affect profit and limits options for market development (border-out) and

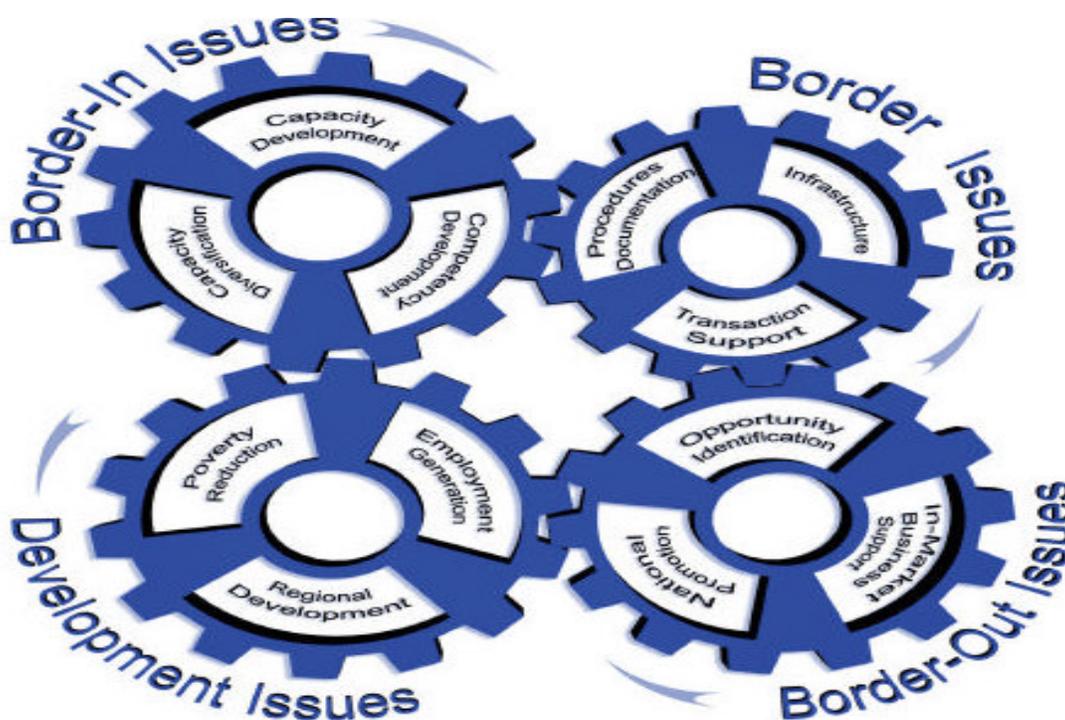


Figure 1. The four gears of national export strategy (ITC, 2006).

capacity development (border-in).

2. Trade facilitation issues: It's related to regulation, administrative procedures and documentation requirements that govern how business (importing, intermediary processing and exporting) is done in the sector. Often the streamlining of import and custom clearance procedures is at the top of the sector strategist priority list.

3. Cost of doing business: An effective export strategy also seek to reduce cost of doing business with the sector, that is, cost of company registration, ISO 9000/200 certification, internet access, port fees, inspection charges, insurance premium, etc. must be minimized.

### The border-out gear of export strategy

This gear of the export strategy relates to:

1. Market access: Tariffs, non-tariffs barriers and related entry issues.
2. In-Market support services: Acquisition and dissemination of trade information, identification of commercial opportunities abroad, initiation of contact with potential buyers, generation of interest among prospective foreign direct investors and joint venture partners.
3. National promotion: Building and reinforcing the sectors image and organizational promotional programs (e.g. trade fairs and missions).

To achieve the greatest impact, the border-out strategy

should focus on export-ready firms (ITC, 2005).

### The developmental gear of export strategy

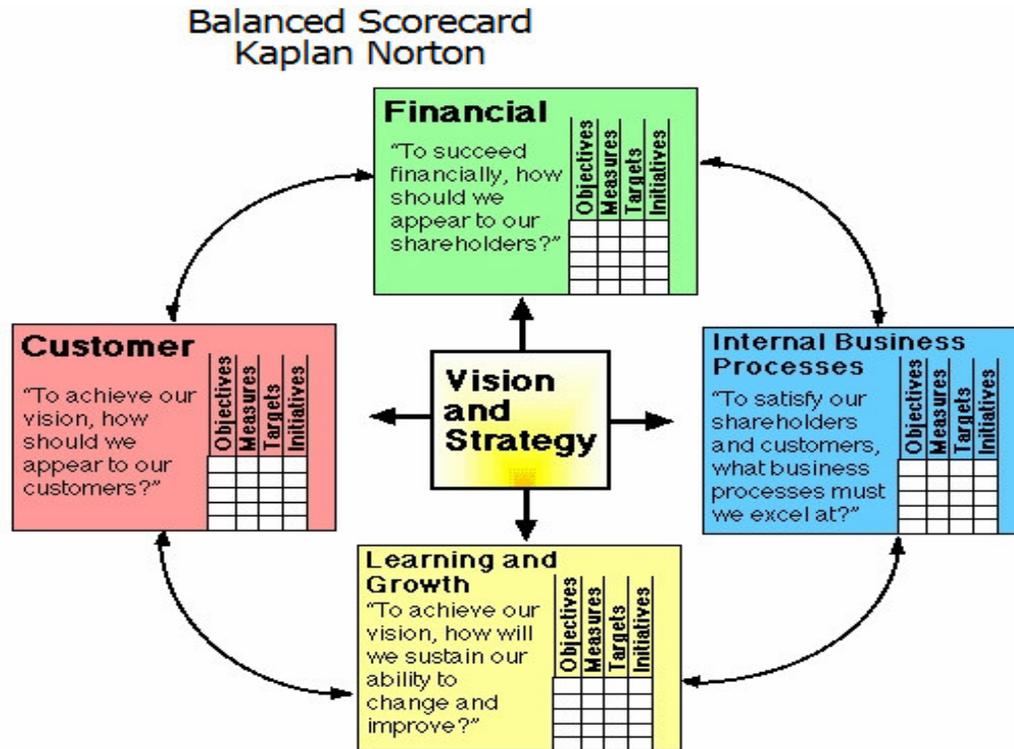
Although the border-in and border-out gears of the strategy directly influence sector competitiveness, the developmental gear of the strategy reinforces the sectors contribution to economic and social development within the country addressing key national issues such as:

1. Employment generation
2. Poverty alleviation
3. Environmental protection
4. Gender equality
5. Development of disadvantaged groups and underdeveloped regions.

This aspect of the strategy is very critical, and to ensure widest stakeholder commitment, the strategy must highlight the developmental perspective (ITC, 2005).

### NEST FRAMEWORK

The National Export Strategy Template (NEST) framework seeks to embrace the best practices with respect to the design and assessment of export strategies for the sector under consideration and the preparation of supporting strategies covering thematic areas of:



**Figure 2.** The balanced scorecard (Kaplan and Norton, 2001).

1. Trade information
2. Export finance
3. Export quality management
4. Export competence and
5. Export packaging

The NEST framework not only seeks to address the needs of the current exporter, but also the concerns of potential exporters. However, the NEST does not provide extensive guidance on how strategies, once designed and implemented, should be monitored and how impacts should be measured. Due to this lack of effective measurement by NEST framework, the concept of the Kaplan and Norton Balance Scoreboard (BSC) approach was developed.

### THE BALANCED SCOREBOARD APPROACH TO MONITORING THE IMPACT OF NATIONAL EXPORT STRATEGY

The Balanced Scorecard (BCS) is a strategic planning and management system that is used extensively in business and industry, government and nonprofit organizations worldwide to align business activities to the vision and strategy of the organization, improve internal and external communications and monitor organization performance against strategic goals (Kaplan and Norton, 2001). Since its introduction, it has been applied as a

management tool in numerous public sector organizations and its main aim accomplish critical management processes through clarifying the long-term vision and medium-term strategy; ensure cohesion among strategic objectives and identifying the measures by which to determine the extent of their achievement; set targets and align strategic initiatives and programs and enhance feedback and learning (ITC, 2005). Figure 2 shows the components of the BCS.

### THE COMBINED BCS AND NEST FRAMEWORK

For the national export strategy to be assessed, the BSC and NEST framework are merged (ITC, 2005). When incorporating the strategic applications contained in NEST into the BSC/Strategy map framework, the micro-oriented "financial" perspective of the BSC becomes the macro-oriented "Economic and Social" perspective; the BSC's "Customer" perspective becomes NEST's "Client" perspective; the "Internal Business Process" perspective becomes the "Targeted Sector" perspective; and the definition of the "Learning and Growth" perspective is adjusted to reflect the critical importance of the national trade support network. The combined BSC and NEST framework provides the four perspectives from which to monitor the progress towards achieving the strategic vision in the export sector. It is these four perspectives that give the combined framework balance that prevents

the natural tendency to focus on specific strategic goals to the detriment of others.

## THE STUDY

The objectives of this research were to:

1. Assess the current approach to export development in Ghana's wood sector from the respondent perspective.
2. Investigate the competitive indicators of the wood industry and critical success factors of Ghana's wood exporters from the respondent perspective.
3. Apply the combined BSC and NEST framework to evaluate the overall effectiveness of Ghana's national wood export strategy.

## RESEARCH METHODS

Data were gathered at two levels to achieve the proposed research objectives. The first level consisted of secondary data obtained from relevant government institutions including the Timber Industry Development Division (TIDD), Ghana Export Promotion Council, Ghana Investment Promotion Council, Forestry Commission (FC), Ministry of Trade and Industry and Statistical Service Department of Ghana. It involved collection of statistical information as well as review of technical reports and published articles on Ghana's wood exports. This was done to obtain appropriate data to assess the national export strategies and policies impacting the wood products exports. Furthermore, the information on Ghana forest products industry used in this study came from the export records of Timber Industry Development Division. It is comprised of yearly data on volume of ten major forest products exported from 2001 to 2006. The products include air-dried and kiln-dried lumber, panels (plywood, rotary and sliced veneers) and machined products (processed lumber, molding, profile board, furniture parts, dowels and flooring). Data on export destination was also collected, and the geographical markets include Europe, America, Africa, Oceania and Asia.

The second component was qualitative (interviews) and quantitative (surveys) gathered from policy makers and focal persons in the sector ministry (Ministry of Lands and Forestry), departments and agencies on the institutional and policy environment that relate to the development of the timber industry in Ghana. Key personnel in the formal and informal were interviewed on the changes in government export policies that relate to wood products industry. Questionnaires to be used in Ghana were developed and tested by a focus group discussion. This focus group was comprised of industry consultants, millers, buyers' representatives, exporters, industry association and government representatives. This step was done to create questionnaires to capture the needs and structure of the industry.

According to Donkor (2003), accessing primary data from the formal and informal operatives in the timber industry in Ghana is difficult and limited. In the formal processing sector, this emanates principally from fear amongst the operatives of exposing themselves to government investigation by divulging company data, an approach which was used by a previous government in the late 1980s to crack down on the industry for 'irregular activities' such as smuggling, evasion of taxes and nonpayment of royalties and fraudulent invoicing. The research was conducted using mail surveys and interviews. In general, sampling, survey procedures, follow-up efforts, and data analysis were conducted using well document and verified techniques (Dillman 2000; Fowler 1996).

Mail questionnaires, semi-structured and one-on-one interviews were chosen as the most cost effective methods of data collection because they both afford a high degree of anonymity (mail surveys), and detailed responses through direct communication (interviews).

The survey process included: testing the questionnaire on a random sample of 20 from the population of Ghanaian wood product exporters; sending a pre-notification postcard one week prior to the first mailing to inform the recipients of the intended survey; mailing the initial survey accompanied by a signed cover letter promising a free summary of the questionnaire is completed and returned, and a postage-paid, pre-addressed envelope; a follow up reminder call and postcard one week after sending the questionnaire and a second survey mailing to companies that did not respond to the first mailing.

## Sample design

The sample used in this research was the top 250 companies involved in wood products exports in Ghana (by 2006 export revenue). The list was drawn from records of Timber Industry Development Division, TIDD (Forestry Commission) and from the informal wood associations. A letter was sent directly to either the managing director or the general manager of the companies to try and assure their consent to cooperate by completing the survey.

In the summer of 2007, the surveys were mailed to the 250 firms. Many of the firms were very reluctant to participate even after being repeatedly assured that their company information would not be shared with the government or be published in the public domain. Even those that provided information such as their annual revenues gave figures far below what they actually make when compared to government export permits. In these cases, government revenue data was used. The general hesitancy to respond to the mail survey requires numerous phone calls and personal visits to the company locations. Of the 250 companies surveyed, 79 useable responses were received for a 31.2 % response rate.

## RESULTS

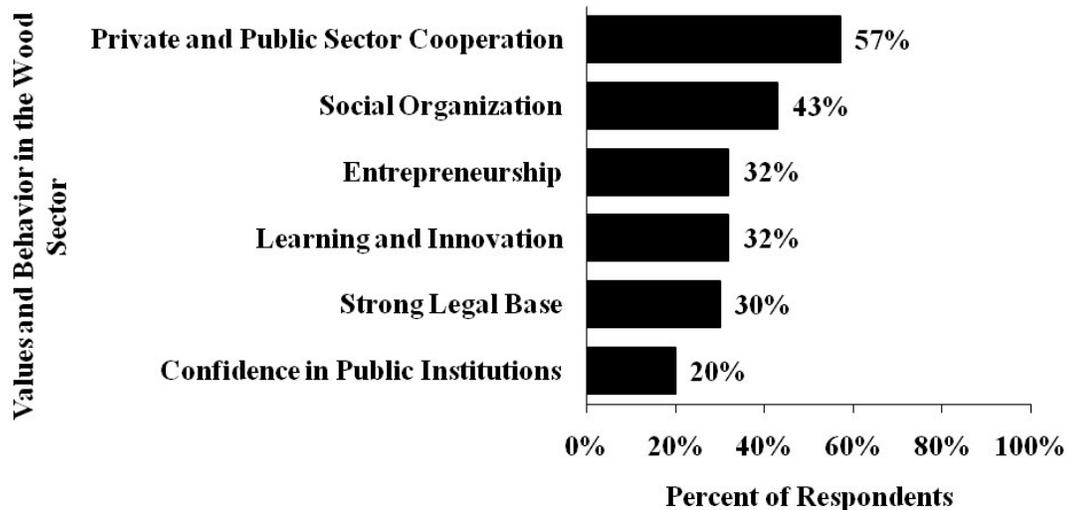
### Current approach to wood export sector development

Results from the interviews indicate that respondents believe there exists some form of wood export strategy but it's not comprehensive and lacks essential formal documentation. The scope and the emphasis of current export development in Ghana is predominantly a market penetration and development (Border-out) approach with limited focus on border-in, border and development issues.

The export development strategy is public sector led instead of being a joint collaboration between private and public sector stakeholders. Respondents indicated that market, species and product diversification should be the main priorities of a national export strategy.

### Values and behaviors that encourage competitiveness in Ghana wood export sector

Respondents were asked to indicate whether there exist values and behaviors that enhance the wood sector competitiveness (Figure 3). They were asked to indicate



**Figure 3.** Values and behaviors that encourage competitiveness in the wood sector (n=79) (multiple responses possible) (Percent stating "YES").

Yes or No to each item. The results indicate that 57% believe there is private and public sector cooperation. Forty-three percent indicated Ghana has social organizations that encourage local competitiveness. Finally, 20% of respondents said they have confidence in public institutions in Ghana

### Macro-level competitiveness indicators and facilities

A majority of respondents (86%) perceived there is adequate and competitively priced sea cargo and fifty percent indicated there is efficient and competitively priced telecommunications for conducting business effectively (Figure 4). 49% indicated there are transparent custom procedures and 35% indicated there is efficient and competitively priced electricity and efficient warehousing for the wood export sector.

### Government climate for the wood products export sector

A majority of respondents (87%) indicated the current approach to wood sector development in Ghana is predominantly export-oriented (Figure 5). 49% of respondents also believe that there is low concern about private property rights protection in the industry. 32% believe there is either very little or non-existing support of investment in research and development in product marketing or supply chain efficiency.

### Combining the national export strategy template (NEST) and balanced score card (BSC)

Although there is no formal, comprehensive and

documented wood export strategy in Ghana, specific strategic issues and measures were examined in this part of the study. The scoring for the measures was based on the following criteria: Means were calculated for each 1-5 scale-type measure anchored on level of agreement. These were then converted to conform to the strategy success rating assessment range of 0-3 (Table 1). The items cast in terms of the four strategic perspectives discussed earlier in the section on combining the NEST and BCS techniques. These perspectives are: 1) economic and social, 2) client, 3) targeted sector and 4) learning and growth. Depending on the specific situation in a country, the weighting of importance for these perspectives may vary. In any case, the total sum of the four weight percentages must equal 100%. In our analysis, we assigned a weight of 25% to each perspective (Tables 2 - 5).

### Overall rating assessment and interpretation

According to International Trade Center National Export Strategy Template, when analyzing an export strategy, the overall final assessment value should be interpreted as follows:

1. 80 and 100: The strategy is generally exceeding expectations, momentum should continue.
2. 66 and 80: The strategy is slightly exceeding expectations to refine the strategy.
3. 33 and 66: The strategy is below expectations-review and refine.
4. Less than 33: The strategy is failing-critical review and restructure.

From the assessment in our study, the summated score was 48% indicating that the current wood export strategy

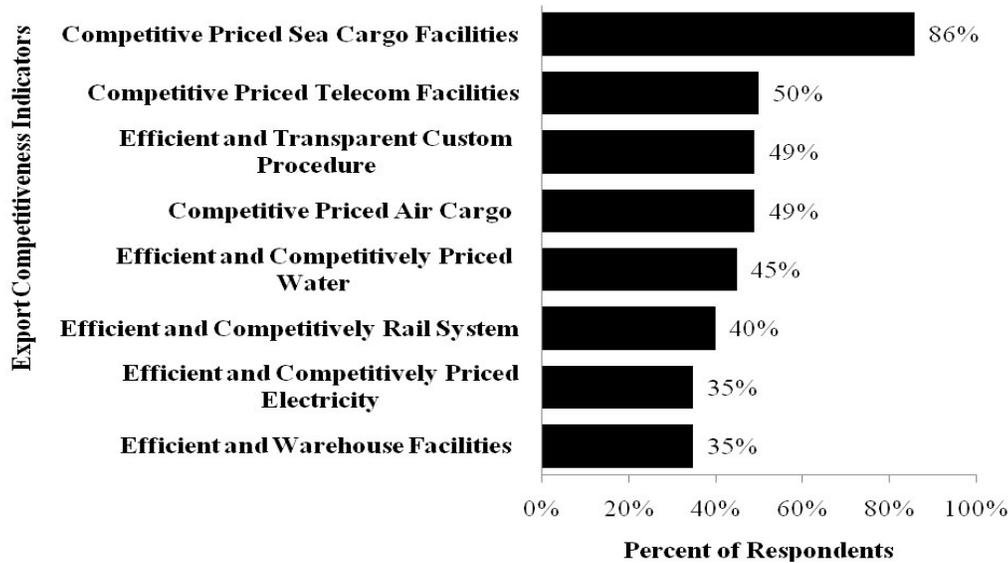


Figure 4. Enterprise competitiveness indicators (n = 79) (multiple responses possible) (percent of respondents indicating “YES”).

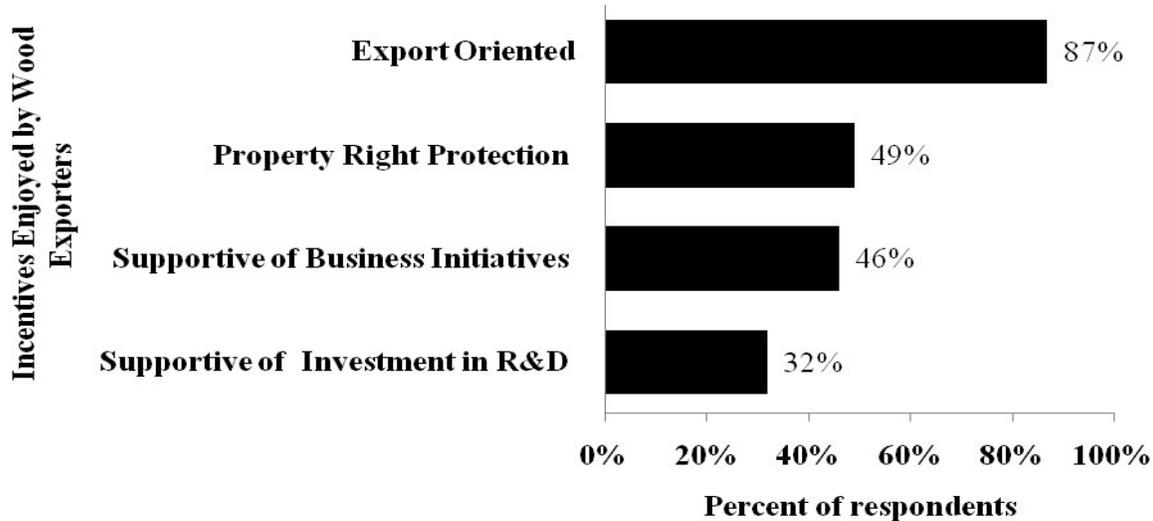


Figure 5. Government support for wood export sector development (n = 79) (multiple responses possible) (percent of respondents indicating “YES”).

Table 1. NEST/BSC Rating Scales.

Mean rating	Score rating	Interpretation
1.0 - 2.0	0	Strategy does not exist
2.1 - 3.0	1	Strategy below expectations
3.1 - 4.0	2	Strategy somewhat exists
4.1 - 5.0	3	Strategy exists and is working effectively

is below expectations (Table 6). Following is discussion of some of the issues imbedded in the four perspectives.

**Table 2.** NEST/BSC Scores for respondents by strategic consideration-economic and social perspective.

<b>Economic and social perspective (Weighing = 25%, Measures =12)</b>		
<b>Strategic consideration</b>	<b>Measures</b>	<b>Score</b>
Development issues	1. Level of export related investments getting into less developed regions in Ghana	1
	2. Number of wood export related activities in areas designated as poor	1
	3. There is growing number of export oriented expanding operations in the rural areas	0
Border issues	1. Availability of appropriate transport (air, rail, road, sea)	2
	2. Reduction in export transport cost	2
	3. Decreasing level of non-tradable cost	2
Border-in issues	1. Upgraded capacity in terms product and value addition	1
	2. Reduction in trade dispute	2
	3. Increase enrolment in wood export management training	2
Border-out issues	1. Level and extent of opportunity dissemination through trade services	2
	2. Availability of efficient trade support services in Ghana export sector	2
	3. Increase in firms participating in trade fairs and mission programs	2
	Sub-total (Maximum possible score = 12 x 3 = 36) Score for this perspective (19/36) =	19 52%

**Table 3.** NEST/BSC scores for respondents by strategic consideration-client perspective.

<b>Client perspective (Weighing = 25%, Measures =3)</b>			
<b>Strategic consideration</b>	<b>Measure</b>	<b>Score</b>	
Current exporters	1. Performance in establish market by volume and country	2	
	2. Performance in new market	2	
	3. Exporters continually innovate into new products and finding new markets	1	
	Sub-Total (Maximum possible score = 3x3=9) Score for this Perspective(5/9) =	5 56%	Weighted score 56% of 25 = 14

### Developmental issues

Developmental issues identified to be impacting export development in Ghana are a lack of involvement of rural people due to lack of basic skills in wood processing. Weak and often exploitative linkages exist between rural and urban economies as most of the wood export firms are located in the urban areas, neglecting potential contributions of rural communities such as processing and even timber harvesting.

In addition to a lack of basic skills training, there is little training for existing employees to upgrade technical and managerial skills. Poor access to capital to upgrade

technology is an additional barrier to sector development. Finally, high staff turn-over (in both public and private sectors) contributes to a continuous "brain drain" in the wood export sector.

### Border-in issues

In analyzing the border-in issues of the Ghana wood export sector, major export constraints are high inflation and interest rates that act as a disincentive to borrowing and investment in the wood product export industry. High costs and unreliability of electricity and water supplies

**Table 4.** NEST/BSC scores for respondents by strategic consideration-targeted sector perspective.

Targeted sector perspective (Weighing = 25%, Measures =13)			
Strategic consideration	Measure	Score	
Value chain analysis	1. Increase in Wood export Volumes	2	
	2. Number of suppliers entering Value chain	2	
	3. Extent of Investment in Value Chain	2	
Competitive analysis	1. Value of New investment both local and Foreign Direct Investment	2	
	2. Number of International awards given for innovation to local companies	1	
	3. Number of trademarks and patents registered by local entrepreneur abroad	0	
Export quality management	1. Ability of exporters to adapt products to meet international requirements	2	
	2. Adequate Information on mandatory/voluntary requirements in markets	2	
	3. Number of companies receiving ISO9000 and other standard accreditation	1	
Trade finance	1. Availability and affordability of investment operating capital	0	
	2. Facilitation of export transaction and payment	2	
	3. Availability of leasing facilities	1	
Export packaging	1. Increased in packaging material production for wood export	0	
	Sub-Total (Maximum possible score = 13 x 3=39) Score for this perspective(17/39)	17	
			Weighted score 43% of 25 =11

were cited by respondents as additional institutional barriers to development. Additional barriers cited by respondents include lack of ability to meet quality requirements of international markets, lack of industrial clusters or networks and lack of competitive and advanced skills in production and marketing management.

### Border issues

The major indicators identified by respondents under the border issues include costly transportation due primarily to increasing fuel prices. There is also a perceived lack of transparency in logistics systems at ports creating unreasonable time lags for the time it takes to process exports.

High port costs and time consuming pre-shipment inspections are perceived to contribute to overall port inefficiencies. Other problems identified by respondents are high freight charges for air transport, lack of a national rail system, slow documentation processing for exporters, incomplete or unworkable bilateral trade agreements with most trade partners, lack of export credit guarantees and insufficient pre-shipment financing. One positive note is the perception that roads to neighboring countries are in good shape which facilitates intra-African trade.

### Border-out issues

The border-out issues identified in this study can be summarized as: high infrastructure costs associated with transportation, lack of national branding and poor market development for Ghana's higher value products and lesser-used species. Poor market development is directly associated with perceived inadequate representation and participation at international trade fairs and other promotional activities.

Companies typically attempt to individually develop these capabilities. There is a general sense among respondents that there is a lack of national or regional resources and capacity to develop effective trade support organizations in Ghana. Respondents said they would participate in such marketing or networking organizations to increase access to (and dissemination of) information to international markets (e.g. national product portfolios), and a better understanding of foreign consumer demand dynamics.

### Value addition and value retention

Increase in value addition and retention in Ghana's wood products industry is one of the major issues the sector faces. The vast majority of wood products exported by

**Table 5.** NEST/BSC scores for respondents by strategic consideration-learning and growth perspective.

Learning and growth perspective (Weighing = 25%, Measures =12)		
Strategic consideration	Measure	Score
Export competence development	1. Extent, level and cost of business counseling and advisory available	2
	2. Level of enrolment in wood export management and related training programs	1
	3. Availability of training programs for export managers	2
Trade information	1. Rapidity of business information dissemination	1
	2. Availability of specialized information units providing information for wood exporters	0
	3. Level of "e-based" information exchange	1
Coordination of export support network	1. Capacity of Trade Promotion Organizations to address trade information and trade finance queries	2
	2. Level of production, marketing and managerial expertise within the wood export network	2
	3. Extend of public sector funding in the Wood Sector	1
Coordination of service delivery network	1. Degree of integration between export and investment institutions	2
	2. Extend of investment promotion in the wood export sector	1
	3. There is assessment of strength of the public-private partnership in wood strategy management	0
Sub-Total (Maximum possible score = 12x3=36)		15
Score for this perspective(15/39) =		42%
		Weighted Score
		43% of 35 = 10

**Table 6.** NEST/BSC assessment summary scores.

Perspective	Score	Weight (%)
Economic and social	13	25
Client perspective	14	25
Targeted sector perspective	11	25
Learning and growth perspective	10	25
Total	48	100

respondents were primary products with very little secondary or value added products. There is a need to develop efficient value chains for value-added products. As mentioned earlier, wood products from Ghana are also unbranded and therefore, if the national and international components of the value chain are improved, Ghana wood products can be branded with positive attributes to increase their intrinsic and extrinsic value in international markets.

### Trade information

Lack of timely and adequate trade information in internet-based electronic formats in the wood product sector is also a hindrance to the wood export growth in Ghana.

Trade support institutions also have limited capacity to transform data into timely actionable market intelligence, market opportunities and investments. There is the need for the government to build these capacities of these institutions and organizations to make trade information current and accessible to wood exporters.

### Trade finance

As is the case in many countries, the need for financing is another important issue that the wood export sector faces in Ghana. High interest rates, low levels of investments are characteristics of the sector. High interest rates most often result in exporter inability to execute high volume orders, if the exporter does not have adequate working capital. Trade finance and export credit are also not well developed, putting additional constraints on Ghana wood exporters.

### Quality and conformity

Producing high quality products in the international market is very important and an indicator of sector competitiveness. Exporters need to understand the unique needs to meet international standards to be competitive. In as much as quality conformity guidelines exist through

the Ghana Standards Board, there is a need to further invest in ensuring that quality and conformity to standards are actually being adhered to.

### Export packaging

Export packaging is typically overlooked by wood exporters from Ghana. Packaging is very crucial in achieving competitiveness as it not only protects the products but is also an opportunity for branding.

### Service delivery network

Strategic analysis of the service delivery system in Ghana indicates there are a number trade service organizations and institutions that exist; however service delivery tends to be poor and at times unreliable. Most respondents were of the view that public institution service delivery networks are weak in terms of performance. Due to lack of funding and coordination, performance is sub-standard. Therefore, there is the need for both public and private sector to work together in making service delivery more efficient.

### Strategy support network

For a strategy to work well, all stakeholders need to be involved. In Ghana, strategy support networks are not coordinated. The institutions in charge of strategy support need to be coordinated to be able to achieve much needed competitiveness. The government and private institutions often do not recognize exporting is an important economic driver for development. Both actual and perceived gains are not easily realized without a coordinated strategic initiative.

## DISCUSSION

Ghana has an abundant inventory of unique tree species which have international demand placing Ghana in a potentially advantageous position to compete with other tropical countries. Although the wood product export sector is well established, respondents in this study have identified a number of perceived detrimental barriers that, if removed, can improve the sector's competitive position in international markets

Major weaknesses identified in the sector include lack of skilled and experienced human capacity. Though there are abundant human resources and cheap labor, training of personnel in the sector is abysmal as most managers of the exporting companies see training as an added cost to their budget without seeing the potential added value

and revenue. Due to lack of overall investment in upgrading production capacity, the performance of the sector is below standards to compete effectively internationally. Infrastructure problems such as inadequate warehousing facilities, ineffective rail systems, and high shipping cost are all precluding the industry to realize optimal international performance. Most exporters are of small and medium scale and as a result their capacity is low. In addition, they are very fragmented. This fragmentation has resulted in an inability to achieve economies of scale to meet large export orders. Inadequate institutional support, insufficient technical and innovation in the sector have also affected performance. Market research and product development are virtually non-existent in the sector which has further compounded an inability to perform competitively internationally. Although Ghana has unique wood species that are demanded internationally, the rate at which wood resources are being depleted has created an uncertain long-term future Ghana's wood products sector.

In terms of opportunities that the sector can capitalize on, there is significant demand for value-added tropical wood products globally. If the industry can effectively focus on the production and the export of value-added products, and the aforementioned barriers and challenges are addressed, Ghana will experience increased international market share, industry performance, increase job creation and overall competitiveness.

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