



PRESS STATEMENT

5th January, 2022

INSENSITIVE AKUFO-ADDO/BAWUMIA GOVERNMENT CONTINUES TO PUNISH GHANAIANS FOR THEIR ECONOMIC MISMANAGEMENT AND RECKLESSNESS AS THEY REVERSE DISCOUNTS ON BENCHMARK VALUES OF 44 CATEGORIES OF IMPORTED GOODS.

Good afternoon distinguished ladies and gentlemen of the media.

On behalf of the National Democratic Congress, I thank you for honoring our invitation at such short notice and welcome you to the National Headquarters of the National Democratic Congress (NDC) for this all-important press conference.

Before we proceed further and given the fact that this presser is the first for the year 2022, I wish to on behalf of the leadership of the NDC extend to you, our friends from the media best compliments of the season and wish all those following this event across the length and breadth of Ghana, a very fruitful and prosperous new year. “Yema mo nyinaa afehyiapa”.

Distinguished friends from the media, the NDC is utterly appalled by the decision of the insensitive Akufo-Addo/Bawumia government to reverse benchmark value discounts on selected imported goods, effective yesterday, 4th January, 2022. The reversal of benchmark value discounts is a draconian policy which will adversely affect the living conditions of all us irrespective of our social backgrounds and political affiliations.

1. It will be recalled that sometime in April 2019, government through Vice President, Dr. Mahamudu Bawumia announced a 30% and 50% discount on the benchmark values of imported vehicles and general goods respectively. Sadly but unsurprisingly, government has decided to scrap these discounts on 44 categories of imported goods.

2. This terrible decision comes at a time when the national currency is depreciating and world commodity prices are increasing at an alarming rate, with freight charges and port handling



charges being extremely high. More importantly, the callous decision by government to reverse benchmark value discounts comes at a time Ghanaian businesses, startups, parents and households are reeling under a yoke of excessive taxation, persistent increases in fuel prices and high cost of living never before witnessed in the annals of our country.

3. Ladies and gentlemen, what the decision to reverse benchmark value discounts effectively means is that, prices of the affected items such as; vehicles and spare parts, machinery, equipment and plants, aluminum finished products (roofing sheets), portland cement, cement paper bags, and clinker, poultry, animal products (meat), fish, rice, sugar, pasta, spaghetti, noodles and macaroni, pharmaceuticals (including drugs such as paracetamol, condoms etc.), toilet paper, facial tissue and towel, chocolate, toffees and chewing gum, palm oil (crude and refined oils), mosquito coils, ceramic tiles, tile cement, machetes, plastics, textile and textile articles, fruit juices, tomato paste and ketchup, furniture and parts, boxes of paper and paperboard cases of corrugated paper, iron steel bars, toilet soap and laundry bar soap, detergents washing powder, lubricating oil, soft drinks and carbonated drinks, biscuits/wafers, among others; will all go up by 30%- 50% in the coming days.

4. These increases which will eventually be passed on to Ghanaians will further escalate prices of general goods and services in the country and exacerbate the severe hardships Ghanaians are already reeling under. This will ultimately increase the cost of doing business in the country, negatively affect turnover of businesses and the volume of trade in the country, and lead to the collapse of many businesses and jobs.

5. In fact, the bitter reality is that, given the many draconian taxes that have been introduced by the callous Akufo-Addo/Bawumia/NPP government since April 2019 and the continuous depreciation of the Ghana Cedi which is already eroding profit margins and the capital of businesses, importers and Ghanaians in general will be worse off as a result of this decision. In short, import duties will be far higher than they were before April 2019 when the benchmark value discounts were introduced, in view of the continuous free fall of the Cedi and the raft of new crippling tax measures that government has introduced since April 2019.

6. Ladies and gentlemen, we wish to make the point, that this catastrophic decision has been occasioned by the self-inflicted economic malaise we presently find ourselves in, with our



economy in tatters and government simply unable to find money to do anything. After five (5) years of economic mismanagement and reckless election-driven spending, which have taken the country back to its HIPC days, the Akufo-Addo/Bawumia/NPP government has decided to punish the already-burdened Ghanaian people with more hardships for their own recklessness and mismanagement. This is why all manner of crippling taxes and killer revenue measures such as the reversal of benchmark value discounts are now being imposed on Ghanaians to shore up government's revenue just to create an artificial picture of a sound economy in order to convince the investor community on more and more borrowing.

7. We in the NDC are left in no doubt whatsoever that this latest decision by Government to reverse discounts on benchmark values of imported goods, further accentuates Dr. Bawumia's place as the most deceitful Politician in Ghana's history. It will be recalled that sometime in the year 2019, Dr. Bawumia was all over the place pontificating that Ghana's Ports were one of the most expensive in the sub-region and that government had decided to introduce discounted benchmark values in order to facilitate more trade volumes, make our ports more competitive, reduce smuggling and increase government revenues from the Ports.

8. Friends, the question that ought to be asked is, what has changed in just two years to warrant a reversal of that so-called "brilliant economic policy" which was introduced by the once economic messiah of the NPP who has now turned himself into an IT champion? What happened to all the justifications Dr. Bawumia mounted for the introduction of the discounted benchmark values? Is government no longer interested in facilitating more trade volumes and making our Ports competitive? Is government no longer interested in reducing smuggling and increasing national revenue through benchmark value discounts?

9. Furthermore, the reversal of benchmark value discounts on selected imported goods reinforces our long-held view that this Akufo-Addo/Bawumia/NPP government is an insensitive and callous administration which does not have the wellbeing of the Ghanaian people at heart. These are the very people who promised among other things to move this country from taxation to production, but have yet again pulled another deception on Ghanaians relative to import duty and Port charges. Never has a government been this cunning and untruthful to the people in our history as a country.



10. As always, it would come as no surprise to us for government's apologists led by Dr. Bawumia himself to once again canvass the COVID-19 pandemic as a convenient excuse for the decision to reverse benchmark value discounts. These days, the inept and clueless Akufo-Addo/Bawumia/NPP government blames literally every single thing on COVID-19, including when the sun fails to appear. However, it is important to state forcefully that COVID-19 can never be blamed for the reversal of benchmark values. Government exceeded its revenue target for the year 2020 (COVID year) and actually raked in more revenue than they did before COVID struck. For instance, in the year 2019 before the advent of COVID-19, total tax revenue stood at just about GHS43 billion, while total tax revenue for 2020 (covid-year) stood at GHS45.3 billion, thereby exceeding government's tax revenue target for 2020 by a whopping GHS2.5 billion. Also, whereas government projected a total tax revenue of GHS55 billion for the 2021 fiscal year, our checks show that this revenue target has been exceeded.

11. In addition to this, and by courtesy of the coronavirus pandemic, government has received support of about US\$2 billion from the IMF, a US\$100 million grant from the World Bank, US\$250 million from the Stabilization Fund, about GHS20 billion support from the Central Bank, among others, all of which have been squandered on hyper-inflated consumption-related expenditures.

12. Ladies and gentlemen, it is worthy of note that, several countries in the sub-region such as Togo, Benin, Nigeria, Ivory Coast, among others, have better budget deficit, debt to GDP ratio and other economic indices than Ghana despite being hit by the COVID pandemic. None of these countries have slapped their citizenry with the kind of draconian revenue measures the Ghanaian people are witnessing at the hands of the insensitive Akufo-Addo/Bawumia government. Therefore, COVID-19 can neither be a reasonable justification for the reversal of benchmark discounts on imported products nor the imposition of unprecedented hardships and misery on Ghanaians by this government. On the contrary, it is down to crass economic mismanagement spurred by a toxic combination of unbridled borrowing and reckless spending on misplaced priorities that have brought us here. That is what has created the unprecedented high budget deficit and unsustainable debt hole we presently find ourselves in.

13. Again, we must register our displeasure at the misplaced priorities of this government and the continuous waste of the public purse on the opulent lifestyle of the President and his government



of family and friends in this time of economic difficulties. It is important to emphasize that, revenue has never been a problem for the Akufo-Addo/Bawumia/NPP government. Without any argument, this government has been the luckiest and most resourced government in Ghana's history, with a total resource envelope of over GHS460 billion accruing to them in the last five years. It is a fact that this government has had more taxes than any other government in Ghana's history (GHS157 billion in four years (2017-2020) as compared to GHS86 billion that accrued to the NDC/Mahama administration in four years- 2013-2016); more oil revenue and more borrowed funds than any government in Ghana's history.

14. Yet, the chunk of all these unprecedented revenues is spent on consumption-related expenditures such as the rental of hyper-expensive luxurious jets to satisfy the comfort of President Akufo-Addo, while the rest of the meager resources of state are misappropriated through corruption and naked thievery by his appointees and family & friends, as was recently noted by the Catholic Bishops Conference. For instance, the 2020 Auditor General report shows that Ghana lost over GHS32 billion as a result of corruption and financial irregularities in the public sector from 2017-2020. President Akufo-Addo continues to display such insensitivity in this time of economic difficulties and same continues to be emulated by his appointees.

15. Friends from the media, the claim by government that the purpose of the reversal of benchmark value discounts is to address concerns raised by the Association of Ghana Industries (AGI) and promote local production, is mischievous and ridiculous to say the least. This is because some of the items listed under the 44 categories of imported goods affected by this draconian policy, such as vehicles, spare parts, Plants, Equipment, machinery, sugar, some drugs (pharmaceuticals) are not manufactured in Ghana, while some of the affected items such as Clinker, cement paper, paper etc. are input materials for local production. Even for the few affected products that are produced locally, we do not currently have the local capacity to produce to meet national demand. Hence, any policy that seeks to increase import duties and ultimately the prices of goods, will lead to more hardships in the country. The sensible thing for government to do under the circumstances if they are genuinely minded to support AGI and boost local production is to reduce the cost of doing business and the factors of production by stabilizing the Ghana cedi, reducing the tax burden on businesses and by ensuring that businesses have access to cheaper credit, low utility tariffs and subsidized inputs. This is the the surest and sustainable



way of boosting local production without necessarily increasing the level of hardships in the country.

16. In conclusion, we wish to make the point, that Ghanaians have had enough of the deception and callousness of the Akufo-Addo/Bawumia/NPP government. The NDC holds the view, that this is not the time for more taxes and draconian revenue measures such as the reversal of benchmark value discounts. We share in the view expoused by GUTA that the GRA withdraws the statement announcing this measure which will only go a long way to stifle the already burdened businesses in the country.

We contend that this is the time for the judicious and efficient use of taxes collected, and the meager resources of state for the benefit of the Ghanaian people. Enough of the wastage and ostentation being displayed by President Akufo-Addo and his government, only to turn around and impose hardship on the Ghanaian people through killer measures such as these.

17. It is about time we came together as a people irrespective of our social backgrounds or political affiliations to resist these draconian measures of the failed Akufo-Addo/Bawumia/NPP government which will only worsen our living conditions should they be allowed to stand. Enough is Enough!

Signed,

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