

*IN THE FOURTH SESSION OF THE SEVENTH PARLIAMENT OF THE FOURTH
REPUBLIC OF GHANA*

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST
FOR WAIVER OF IMPORT DUTIES, IMPORT VAT, NHIL,
GETFUND LEVY, EXIM LEVY AND SPECIAL IMPORT LEVY
AMOUNTING TO THE GHANA CEDI EQUIVALENT OF TWO
MILLION, EIGHT HUNDRED AND FORTY-NINE
THOUSAND, ONE HUNDRED AND SIXTY-SEVEN EUROS
(€2,849,167.00) ON PROJECT MATERIALS AND
EQUIPMENT TO BE IMPORTED FOR THE
IMPLEMENTATION OF THE REHABILITATION AND
AUXILIARY INFRASTRUCTURE OF KUMASI INNER RING
ROAD AND ADJACENT STREETS PROJECT (100KM) –
PHASE 1 BY MESSRS CONTRACTA CONSTRUCTION UK
LIMITED**

1.0 INTRODUCTION

The request for waiver of Import Duties, Import VAT, NHIL, GETFund Levy, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of **Two Million, Eight Hundred and Forty-Nine Thousand, One Hundred and Sixty-Seven Euros (€2,849,167.00)** on project materials and equipment to be imported for the implementation of the **Rehabilitation and Auxiliary Infrastructure of Kumasi Inner Ring Road and Adjacent Streets Project (100km) – Phase 1** by **Messrs Contracta Construction UK Limited** was *presented* to the House

on Monday 27th July, 2020 by the Hon. Deputy Minister for Finance, Mr. Kwaku Agyeman Kwarteng on behalf of the Minister responsible for Finance.

Pursuant to Order 169 of the Standing Orders of the House, the Rt. Honourable Speaker *referred* the request to the Finance Committee for consideration and report.

The Committee subsequently met and considered the request with a Deputy Minister for Finance, Hon. Kwaku Agyeman Kwarteng, the Chief Director of the Ministry of Roads and Highways, Mr. Offei Annor and a team of officials from the Ministries of Finance and Roads and Highways and the Ghana Revenue Authority (GRA).

The Committee hereby presents this report to the House pursuant to Order 161(1) of the Standing Orders of the House.

2.0 BACKGROUND

Roads in Ghana play a very important role in the transportation of goods and passengers as over 95% of all travel is by road. It provides easy access to different locations of social and economic importance such as education facilities, health facilities, markets, shops etc., access to which are essential for economic development and the improvement of the quality of life.

The City of Kumasi has, however, suffered from traffic congestion in its central area, similar to cases in most large urban areas. The Kumasi road network is characterized by deteriorated road surfaces and missing links. The road network of Greater Kumasi Metropolitan Area has exhibited stress in a

lot of areas due to increasing traffic volumes exceeding the capacity of roads and major intersections. The road network in the city centre has significantly deteriorated and there are rights of way constraints which will affect future expansion of roads in the region.

Congestion and poor conditions of the existing road network coupled with the limited supply of alternative routes has resulted in long travel times and high vehicle operating cost. The existing roads also have limited facilities for pedestrians, particularly the vulnerable such as the elderly, children and the physically challenged which make them unsafe.

To address these challenges, Parliament at its Tenth Sitting of the Second Meeting held on Thursday 13th June 2019, approved by resolution the Design-Build Contract Agreement between the Government of the Republic of Ghana (represented by the Ministry of Roads and Highways) and Messrs Contracta Construction UK Limited for an amount of Fifty-Five Million Euros (€55,000,000.00) for the implementation of the Rehabilitation and Auxiliary Infrastructure of Kumasi Inner Ring Road and Adjacent Streets Project (100km) - Phase 1.

3.0 TOTAL WAIVER REQUESTED

The total amount of taxes and duties for which waiver is being sought is the Ghana Cedi Equivalent of **Two Million, Eight Hundred and Forty-Nine Thousand, One Hundred and Sixty-Seven Euros (€2,849,167.00)**.

ATTACHMENT: Please find attached as APPENDIX the details of the taxes and duties to be waived as assessed by the Ghana Revenue Authority (GRA).

4.0 OBSERVATIONS

4.1 Project Scope

The Committee noted that the scope of the project comprises the provision of:

- u-drains;
- culverts;
- outfall drains;
- asphaltic concrete where appropriate;
- double bituminous surface where appropriate;
- road line markings; and
- road signs.

4.2 Project Objective

The Committee was informed that the objective of the project is to help improve traffic circulation by enhancing the capacity of the road network and by removing bottleneck sections of the road network. The Project also aims to reduce the average travel time on the arterial roads, support the socio-economic development of Kumasi through the provision of improved road infrastructure to enhance the movement of people and goods.

4.3 Need for Parliamentary Approval

The Committee noted that per Clause 14.1(b) of the Particular Conditions of Contract (PCC), the Contract Price of €55.00 Million does not include Import Duties.

Further, the Employer, which is the Ministry of Roads and Highways is required to use its best efforts to facilitate the request for exemption of taxes, duties and levies on materials and equipment to be procured under the project. This, thus puts the obligation for such duties and taxes on the Government of Ghana.

There is therefore the need to waive the relevant taxes and duties to ensure that the project proceeds to completion without delay.

4.4 Expected Benefits of the Project

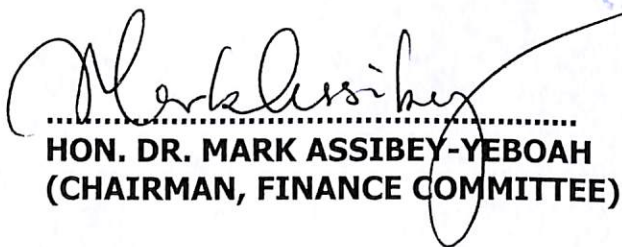
The Committee observed that the completion of the Project will lead to the following benefits, among others

- help in traffic decongestion and reduction in vehicle operating costs;
- help boost socio-economic activities in the Kumasi Metropolis and its environs by reducing travel time; and
- help Kumasi play the role of transport and logistics centre not only for the Ashanti Region, but also as a gateway to the middle and northern belts of Ghana.

5.0 CONCLUSION

The Committee, in view of the foregoing, respectfully recommends to the House to adopt this report and *approve by resolution*, the **request for waiver of Import Duties, Import VAT, NHIL, GETFund Levy, EXIM Levy and Special Import Levy** amounting to the Ghana Cedi equivalent of **Two Million, Eight Hundred and Forty-Nine Thousand, One Hundred and Sixty-Seven Euros (€2,849,167.00)** on project materials and equipment to be imported for the implementation of the **Rehabilitation and Auxiliary Infrastructure of Kumasi Inner Ring Road and Adjacent Streets Project (100km) – Phase 1 by Messrs Contracta Construction UK Limited** in accordance with Article 174(2) of the 1992 Constitution of the Republic of Ghana.

Respectfully submitted.


.....
HON. DR. MARK ASSIBEY-YEBOAH
(CHAIRMAN, FINANCE COMMITTEE)


.....
MS. EVELYN BREFO-BOATENG
(CLERK, FINANCE COMMITTEE)

5TH AUGUST, 2020

In case of reply the number and date of this letter should be quoted

Customs Division Form No. 80

H/DUTY/6
OUR REF NO.....
YOUR REF :.....



THE COMMISSIONER
CUSTOMS DIVISION OF
GHANA REVENUE AUTHORITY
P. O. BOX 68
ACCRA

TEL: 233-302-666841-4
FAX: 233-302-660019

30TH APRIL, 2020

CHIEF DIRECTOR,
MINISTRY OF ROADS & HIGHWAYS,
ACCRA.

**RE: REQUEST FOR TAX ASSESSMENT IN RESPECT OF REHABILITATION AND
AUXILLARY INFRASTRUCTURE OF KUMASI INNER ROAD AND ADJACENT STREETS
PROJECT(100KM)-PHASE I**

Reference is made to your letter no. MRH/NA150/419/01 dated 18th March, 2020 on the above subject.

I forward herewith the schedule of Assessment of Tax Liabilities totaling the Cedi equivalent of Two Million, Eight Hundred and Forty Nine Thousand, One Hundred and Sixty Seven Euros (€2,849,167.00) being Project Equipment and Materials for the above Project to enable you request for Tax Exemption.

for: COMMISSIONER
(STANLEY ESSUMAN MENSAH)
AG ASST COMMISSIONER


Light Tower	4	units	26,000	5%	1300	0	0	195	0	1,495
Jumping Jack	5	units	21,000	5%	1050	0	0	158	0	1,208
Precast Equipment	1	units	45,000	5%	2250	0	0	338	0	2,588
Concrete Vibrators	2	units	3,600	5%	180	0	0	27	0	207
Painting Machine	1	units	28,000	5%	1400	0	0	210	0	1,610
Light Tool	1	units	25,000	5%	1250	1313	3445	188	500	6,695
Thinner	3,030	units	12,122	10%	1212	667	1750	91	242	3,962
Signage	1,000	units	60,000	20%	12000	3600	9450	450	1200	26,700
Signage	50	units	2,500	20%	500	150	394	19	50	1,113
Uniform & Safety Equipment	350	units	14,000	20%	2800	840	2205	105	280	6,230
Uniform & Safety Equipment	1	units	120,000	20%	24000	7200	18900	900	2400	53,400
Lab	1	units	90,000	5%	4500	4725	12403	675	1800	24,103
Slings	1	units	30,000	20%	6000	1800	4725	225	600	13,350
Site Offices	6	units	54,000	20%	10800	3240	8505	405	1080	24,030
Tent For Workers Lunch	2	units	4,000	20%	800	240	630	30	80	1,780
Prefab Warehouses	2	units	110,000	20%	22000	6600	17325	825	2200	48,950
Shipping Containers	5	units	20,000	20%	4000	1200	3150	150	400	8,900
Polyethylene Water Tank	9	units	10,800	20%	2160	648	1701	81	216	4,806
Water Pumps	3	units	4,500	5%	225	236	620	34	0	1,115
Site Hoarding	750	units	26,003	20%	5201	1560	4095	195	520	11,571
Furniture	8	units	4,448	20%	890	267	701	33	89	1,979
Furniture	8	units	12,000	20%	2400	720	1890	90	240	5,340
Furniture	8	units	1,984	20%	397	119	312	15	40	883
Polyethylene Septic Tank	1	units	450	20%	90	27	71	3	9	200
Precast Equipment	2	units	150,000	5%	7500	0	0	1125	0	8,625
U-Drain Machine In-Situ	1	units	45,000	5%	2250	0	0	338	0	2,588
Precast Equipment	1	units	80,000	5%	4000	0	0	600	0	4,600
Generator	3	units	105,000	5%	5250	5513	14470	788	2100	28,120
Generator	1	units	22,000	5%	1100	1155	3032	165	440	5,892
Forklift	1	units	30,023	5%	1501	0	0	225	0	1,726
Concrete Admixture	222,000	units	310,800	20%	62160	18648	48951	2331	6216	138,306
Iron Rebars And Frames	253,000	units	240,350	20%	48070	14421	37855	1803	4807	106,956

Metallic Mesh	5,000	units	10,750	20%	2150	645	1693	81	215	4,784
Wire	600	units	7,380	20%	1476	443	1162	55	148	3,284
Metallic Formworks	2,530	units	17,533	20%	3507	1052	2761	131	351	7,802
Plywood	1	units	15,000	20%	3000	900	2363	113	300	6,675
Nails	450	units	14,912	20%	2982	895	2349	112	298	6,636
Wood Beams And Boards	3,500	units	4,200	20%	840	252	662	32	84	1,869
Shuttering Oil	60	units	32,670	20%	6534	1960	5146	245	653	14,538
Petroleum Products	5,741	units	15,500	10%	1550	853	2238	116	310	5,067
Tyres	1	units	450,000	10%	45000	24750	64969	3375	9000	147,094
Spare Parts	500	units	600,000	10%	60000	33000	86625	4500	12000	196,125
Paint	1	units	500,000	10%	50000	27500	72188	3750	10000	163,438
Glass Beads	7,576	units	90,914	20%	18183	5455	14319	682	1818	40,457
Hydraulic Materials	2,500	units	25,000	20%	5000	1500	3938	188	500	11,125
Electric Material	1	units	5,500	5%	275	289	758	41	110	1,473
Cast Iron Manhole Cover	1	units	15,000	20%	3000	900	2363	113	300	6,675
TOTAL	50	units	45,000	20%	9000	2700	7088	338	900	20,025
			11,674,437		857557	476630	1251154	87558	176268	2,849,167

CERTIFICATE
 TOTAL TAX LIABILITY=2,849,167EUROS
 This is to certify that the assessment given is true and correct.

Signature:.....
 Importer/Agent's Name & Designation:.....

For Official Use
 Assessment rechecked and found correct and complete.
 25-04-2020
 Date

Signature: 
 Officer's Name & Rank:- GIDEON GLEY
 (SNR REV. OFFICER)