

REPORT OF THE FINANCE COMMITTEE ON THE
CUSTOMS, EXCISE (DUTIES AND OTHER
TAXES)(AMENDMENT) BILL, 2008

1.0 INTRODUCTION

The House passed the Customs, Excise (Duties and Other taxes) (Amendment) Bill, 2008 on Friday 23rd May, 2008 and subsequently presented it to H.E. the President for assent in accordance with article 106(1) of the Constitution.

The President however signified to the House that he was unable to give assent to the Bill in accordance with article 106(7) of the Constitution.

Pursuant to article 106(8)(a) of the Constitution, the Bill was resubmitted to the House with the President's recommendation for amendment on Thursday 5th June, 2008 and referred to the Finance Committee for Consideration and report.

The Committee met with the Minister of State at the Ministry of Finance and Economic Planning, Hon. Dr. Anthony Akoto Osei, Deputy Minister of Finance and Economic Planning, Hon. Prof. George Gyan-Baffour and officials from the Ministry of Finance and Economic Planning in its reconsideration of the Bill.

The Committee also met and thoroughly discussed the matter with representatives of the **Association of Ghana Industries (AGI)** and hereby submits this report.

2.0 CONTENT OF THE BILL

The Bill contains one clause to amend the First Schedule to the Customs and Excise (Duties and Other Taxes) Act, 1996 (Act 512) by zero-rating the Import Duty on Rice, Wheat, Vegetable Oil and Yellow Maize.

3.0 H.E. THE PRESIDENT'S PROPOSED AMENDMENT

The President proposes that **Vegetable Oil** with **HS Code 1511** be *deleted* from Schedule 1 and the following *inserted* in its place:

HS Code	Description of Goods	Rate of Import Duty
9812.20.00.00	Crude Vegetable Oils under headings 15.07, 15.08, 15.09, 15.10, 15.11 , 15.12, 15.13, and 15.15 for soap and food manufacture.	0%

4.0 OSERVATIONS

The Committee observed that the removal of the import duty on vegetable oil is meant to be on the *crude form* of vegetable oil which is the raw material for the production of cooking oils and soaps.

This is to reduce the cost of locally manufactured vegetable oil products which will then translate into reduction in prices of the end products.

The Committee was informed that for a person to benefit from this concessional duty rate, that person must be a recognized manufacturer or must possess refinery facilities for soap or food processing.

Members expressed the need for government to put strict monitoring measures in place to ensure that traders comply with the measure and reduce prices accordingly for the benefit of final consumers.

5.0 AMENDMENT

The Committee proposes the following amendment to the Bill in accordance with the request of H.E. the President.

- i. **Schedule - Amendment proposed - delete item "No. 3 Vegetable Oil with HS Code 1511" and insert the following:**

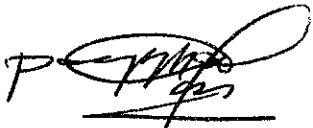
HS Code	Description of Goods	Rate of Import Duty
9812.20.00.00	Crude Vegetable Oils under headings 15.07, 15.08, 15.09, 15.10, 15.11, 15.12, 15.13, and 15.15 for soap and food manufacture.	0%

6.0 CONCLUSION

The Committee has carefully considered the Bill and the request of His Excellency the President and is of the opinion that the request is in line with the spirit of the Bill.

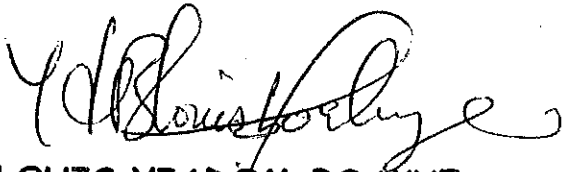
The Committee therefore recommends to the House to adopt this report and pass the Bill subject to the amendment proposed in line with the President's recommendation Pursuant to article 106(9) of the Constitution.

Respectfully submitted.



HON. PAUL COLLINS APPIAH-OFORI

FOR CHAIRMAN



LOUIS YIADOM BOAKYE

FOR CLERK, FINANCE COMMITTEE

11TH JUNE, 2008