

**REPORT ON THE REQUEST FOR WAIVER OF TAXES AND
DUTIES ON EQUIPMENT AND MATERIALS TO BE IMPORTED
FOR “ACCESS TO SATELLITE TV FOR THREE HUNDRED (300)
VILLAGES IN GHANA” PROJECT**

1.0 INTRODUCTION

The request for the Waiver of Taxes and Duties on Equipment and Materials to be Imported for “Access to Satellite TV for Three Hundred (300) Villages in Ghana” Project amounting to Three Million, Two Thousand, Eight Hundred and Sixty Ghana Cedis and Nine pesewas (GH¢ 3,002,860.09) was laid in the House on Wednesday, 25th July, 2018 in accordance with article 174 (2) of the 1992 Constitution.

Mr. Speaker referred the request to the Finance Committee for consideration and report in accordance with Order 169 of the Standing Orders of the Parliament of Ghana.

The Committee met with a Deputy Minister for Finance, Hon Kwaku Kwarteng, a Deputy Minister for Communications, Hon. George Andah and technical teams from the Ministries of Finance and

Communications to assist in its deliberations. The Committee appreciates their invaluable contributions.

2.0 REFERENCES

The Committee referred to the following documents:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921);
- The Standing Orders of the Parliament of Ghana.

3.0 BACKGROUND

The People's Republic of China has had a long – standing relationship with the Governments of Africa. To further deepen the relationship, the People's Republic of China and Fifty (50) African countries, and the Chairperson of the African Union Commission, convened in Johannesburg, South Africa from 4th to 5th December, 2015 for the Summit of the Forum on China-Africa Co-operation (FOCAC) under the theme “China-Africa Progressing Together: Win-Win Co-operation for Common Development”, to consolidate solidarity and co-operation among the people of China and Africa.

At the Johannesburg Summit of FOCAC in 2015, the President of China, Xi Jinping, announced that, in order to lift the China-Africa relationship to a comprehensive strategic cooperative partnership, China is willing to implement the “Ten Major China-Africa

Cooperation Plans” with the African partners in the coming three (3) years.

In the People to People Plan, the Chinese Government has provided a grant for Access to Satellite TV for Ten Thousand (10,000) Africa Villages Project. At the request of the Government of Ghana, the Government of the People’s Republic of China agreed to assist Ghana through the provision of a Grant to provide Satellite TV reception to Three Hundred (300) villages across the country.

The Chinese Government has further entrusted the implementation of the Project to Star Times Software Technology Co. Ltd.

Clause 2 of the Contract Agreement (Obligations of the Parties) provides that the Government of Ghana is responsible for securing exemption from all Taxes, Levies and/or Duties that may be applicable on the shores of the Republic of Ghana. In the absence of the tax exemption, the Government would have to pay for the duties and taxes.

Based on the above condition and in order to implement the Programme successfully, there is the need for the waiver of taxes and duties amounting to Three Million, Two Thousand, Eight Hundred and Sixty Ghana Cedis, Nine pesewas (GH¢3,002,860.09) on the imported goods and equipment.

It is in this vein that the Request has been laid in Parliament for consideration.

4.0 REQUIRED WAIVER

Tax assessment was conducted by Ghana Revenue Authority (GRA) on the goods and equipment to be procured under the programme. Gross taxes per GRA computation amounted to a total of (GH¢ 3,002,860.09) as follows:

Table 1: Tax Assessment

No.	Item	Amount (GH¢)
1	Import Duty	1,321,394.84
2	Import VAT	1,189,255.35
3	Import NHIL	198,209.22
4	ECOWAS Levy	33,034.87
5	EXIM Levy	49,552.31
6	Inspection Fees	66,069.65
7	AU Levy	13,213.95
8	Special Import Levy	132,139.48
	Total	3,002,860.09

Attached as Appendix is the detailed Assessment of the Tax waiver.

5.0 OBSERVATIONS

The Committee was informed that a public area would be selected in each village and would be equipped with two(2) sets of solar powered projection TV systems and one(1) set of solar 32-inch digital TV integrated together.

Further, twenty (20) households, selected on the basis of need would each be provided with a set of satellite TV set-top boxes (STBs, singular, STB) free of charge. Both the public areas and the Recipient Households will be able to access thirty (30) channels free of charge for six (6) months after installation of STBs.

The Deputy Minister for Communications stated that at the end of the six-month period, the free access to the thirty-channel bouquet shall come to an end except for two (2) free-to-air (FTA) channels, specifically GTV and GTV Sports Plus. After the six months free access period comes to an end, viewers can access the 30 channels, only upon the payment of a monthly subscription of Fifteen Ghana cedis (GH¢15.00). Households that fail to subscribe will have access to only two (2) FTA channels.

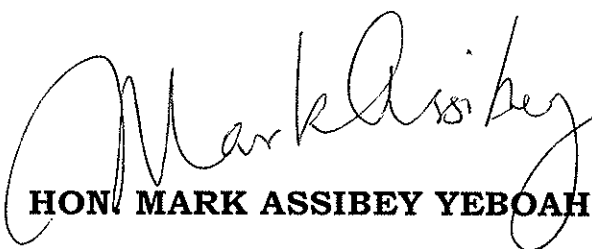
The Deputy Minister stated that the facility is a grant from the Chinese Government which is to be used to help facilitate the implementation of the African Villages Project to which Three Hundred (300) communities in Ghana have been selected to benefit from. The aim of the Project is to install satellite television in villages. The Waiver is therefore to enable the Company install the equipment necessary for transmitting the satellite signals across the country.

6.0 CONCLUSION

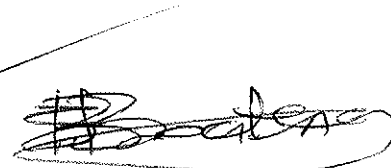
After careful consideration, the Committee is of the view that the Programme will go a long way to achieve Government's objective of migrating the country from analog television to digital television.

The Committee therefore recommends to the House to adopt this report and approve the request for the Waiver of Taxes and Duties on Equipment and Materials to be Imported for Access to Satellite TV for Three Hundred (300) Villages in Ghana Project amounting to Three Million, Two Thousand, Eight Hundred and Sixty Ghana Cedis and Nine pesewas (GH¢ 3,002,860.09) in accordance with Article 174(2) of the Constitution and the Standing Orders of the House.

Respectfully Submitted.



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



EVELYN BREFO-BOATENG (MS)
CLERK TO THE COMMITTEE

APPENDIX

TAX ASSESSMENT FOR EQUIPMENT AND MATERIALS ACCESS SATELLITE TV FOR 300 VILLAGES IN GHANA PROJECT

S/N	Batches	DESCRIPTION	CHF (10)	Import Duty		Import VAT @15% (13)	Import NHIL @2.5% (14)	ECG Levy @0.5% (15)	EKIM @0.75% (16)	Inspection Fee @1% (17)	Special Imp. Levy @2% (18)	AUI Levy @0.2% (20)	Total (21)
				Rate (11)	Amount (12)								
1	WCTGH18001	DISH ANTENNA	286,342.73	20%	57,268.55	54,541.69	9,590.28	1,431.71	2,147.57	2,863.43	5,726.85	572.65	130,142.57
		COAXIAL CABLE											
		PORTABLE POWER STATION	1,123,793.02	20%	224,758.60	202,282.74	33,713.79	5,618.97	8,428.45	11,237.93	22,475.85	2,247.59	510,763.93
2	WCTGH19002	FAST FOLD SCREEN DIGITAL DECODER											
		TOOL SETS											
3	WCTGH18003	MICRO PROJECTOR	1,861,342.02	20%	372,268.40	335,041.56	55,840.36	9,306.71	13,960.07	18,613.42	37,226.84	3,722.68	845,979.94
		PORTABLE POWER STATION	2,664,973.98	20%	532,994.80	479,695.32	79,949.22	13,324.87	19,987.30	26,649.74	53,299.48	5,329.93	1,211,230.60
4	WCTGH18004	INTEGRATED DIGITAL TV DIGITAL DECODER T-SHIRT NAMEPLATE LOUDSPEAKER											
		FAST FOLD SCREEN											
		DISH ANTENNA	549,685.65	20%	109,937	98,943.42	16,480.57	2,748.43	4,122.64	5,496.36	10,993.71	1,099.37	249,832.13
5	WCTGH18005	COAXIAL CABLE											
		INTEGRATED DIGITAL TV	120,836.78	20%	24,167.36	22,790.62	3,625.10	604.18	906.28	1,208.27	2,416.74	241.67	54,920.22
6	WCTGH18006	TOTAL	6,606,974.18		1,321,394.84	1,199,255.35	198,209.22	33,084.87	49,552.31	65,089.65	132,139.48	13,213.95	3,092,869.09

