

IN THE THIRD MEETING OF THE SECOND SESSION OF THE SEVENTH  
PARLIAMENT OF THE FOURTH REPUBLIC OF GHANA

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST  
FOR THE WAIVER OF IMPORT DUTIES, IMPORT VAT, IMPORT  
NHIL, GETFUND, AU LEVY, ECOWAS LEVY, EXIM LEVY,  
INSPECTION FEE, SPECIAL IMPORT LEVY, AMOUNTING TO  
SEVEN MILLION, SIX HUNDRED AND EIGHTEEN THOUSAND,  
SEVENTY-NINE UNITED STATES DOLLARS (US\$ 7,618,079)  
(EQUIVALENT OF GH¢ 35,854,488.81) ON THE PURCHASE OF  
MATERIALS AND EQUIPMENT UNDER THE CONTRACT  
AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC  
OF GHANA REPRESENTED BY THE MINISTRY OF ROADS AND  
HIGHWAYS/GHANA HIGHWAYS AUTHORITY AND SHIMIZU-DAI  
NIPPON JV, JAPAN FOR THE IMPROVEMENT OF GHANAIAN  
INTERNATIONAL CORRIDORS (GRADE SEPARATION OF TEMA  
INTERSECTION IN TEMA)**

**1.0 INTRODUCTION**

The request for the waiver of Import Duties, Import VAT, Import NHIL, GETFund, AU Levy, ECOWAS Levy, Exim Levy, Inspection Fee, Special Import Levy, amounting to Seven Million, Six Hundred and Eighteen Thousand, Seventy-Nine United States Dollars (US\$ 7,618,079) (Equivalent of GH¢ 35,854,488.81) on the Purchase of Materials and Equipment under the Contract Agreement between the Government of the Republic of Ghana represented by the Ministry of Roads



and Highways/Ghana Highways Authority and Shimizu-Dai Nippon JV, Japan for the Improvement of Ghanaian International Corridors (Grade Separation of Tema Intersection in Tema) was laid in the House on Monday, 26<sup>th</sup> November, 2018 in accordance with Article 174(2) of the Constitution, and referred to the Finance Committee for consideration and report pursuant to the Standing Orders of the House.

The Committee met with two Deputy Ministers for Finance Hon. Kwaku Kwarteng, and Hon. Abena Osei Asare and technical teams from the Ministries of Finance and Ghana Revenue Authority to consider the request.

### **1.1 Reference documents**

The Committee referred to the following documents in its deliberations:

- The 1992 Constitution of Ghana;
- The Public Financial Management Act, 2016 (Act 921);
- The Standing Orders of the Parliament of Ghana;
- The Grant Agreement between the Government of Ghana and the Government of Japan for an amount of ¥5,388,089,000 (equivalent to US\$47.95 million) (GH¢225,693,463.82) for the improvement of the Tema Motorway Roundabout Project; and
- The Tax Assessment by the Ghana Revenue Authority.

## **2.0 BACKGROUND**

In Ghana, Ninety-five per cent of vehicular activity is dependent on road transport. Remarkable progress has been made recently in improving the road network. However, the existing network needs to be upgraded.

The Government of Ghana (GoG) formulated the National Transport Policy in 2008 and has been expanding and upgrading the international corridors to achieve an integrated, efficient, and sustainable transport system and

strengthen the role of the country as a major transport hub in the West African sub-region.

The Greater Accra Region, with a population of about four million as of 2010, is located at the nodal point of two international transit corridors - Abidjan-Lagos Corridor, which is a part of the Dakar to Lagos Trans Africa Highway (TAH) No.7 of the Economic Community of West African States (ECOWAS) and the Eastern Corridor of Ghana, which links the Port of Tema to the landlocked countries of Burkina Faso, Mali and Niger. The development of the Greater Accra road network is important not only in terms of securing smooth flow of international logistics but also to resolve the urban traffic issues of the region.

The Tema Motorway Roundabout is a five-leg roundabout where vehicular traffic from Accra and Tema Port converge causing heavy traffic jam during rush hours. Velocity at these times retard to lower than 10km/h and the roundabout has become an impediment to smooth and safe movement of people and traffic.

In order to address the challenge, the Government of Ghana (GoG) has secured a grant facility from the Government of Japan (GoJ) amounting to ¥5,388,089,000 (equivalent of US\$47.95 million) (GH¢225,693,463.82) for the improvement of the Tema Motorway Roundabout (Project).

Under Article 6, section 4 of schedule 2 and 4 of the Grant Agreement, the burden of taxes on the project-related items is placed on the employer (in this case GoG through the Ministry of Roads and Highways).

To ensure that the project is effectively implemented and in compliance with Article 174 of the 1992 Constitution, this request for tax waiver has been submitted to Parliament for approval.

### **3.0 THE REQUEST**

The request is for the waiver of Import Duties, Import VAT, Import NHIL, GETFund, AU Levy, ECOWAS Levy, Exim Levy, Inspection Fee, Special Import Levy, amounting to Seven Million, Six Hundred and Eighteen Thousand,

Seventy-Nine United States Dollars (US\$ 7,618,079) (Equivalent of GH¢ 35,854,488.81).

### 3.1 Assessment of Duties, Taxes and Levies

The breakdown of the assessment is provided in Table 1 below.

**Table 1 Assessment of taxes and duties**

	<b>Tax/ Duty/ Levy</b>	<b>Estimated Amount (GH¢)</b>
1	Import Duty	2,646,390.00
2	Import VAT	2,802,022.50
3	Import NHIL/GETFund	986,690.00
4	ECOWAS/AU LEVY	191,489.00
5	EXIM	287,233.50
6	Inspection fees	382,978.00
7	SIL	321,276.00
	<b>Total</b>	<b>35,854,488.81</b>

The details of the Tax Assessment is given in the Appendix to the report.

## 4.0 OBSERVATIONS

### 4.1 Rationale for the Project

The Committee was informed that the Tema Motorway Roundabout has been experiencing heavy traffic congestion causing severe delays and lengthy travel times. Further, the current ongoing expansion works at the Tema Port and the operationalization of the Eastern and Coastal corridor roads are anticipated to significantly increase traffic volumes thereby worsening the already severe delays and lengthy travel times at the roundabout area. The project is to address these difficulties that commuters encounter when using the Tema Motorway Roundabout.

## **4.2 Benefits of the Project**

The Committee observed that the benefits to be derived from the project include:

- Improvement in the capacity of the Tema Motorway Roundabout and its legs,
- Improvement in the safety and efficiency of transport operations, and
- Provision of uninterrupted traffic flows in order to facilitate trade and transit in the West Africa Sub-Region.

## **4.3 Scope of the Project**

The committee observed that the project involves the construction of a 3-tier partial free flow single point diamond interchange in two phases. Phase 1 began in January 2018 and will last for approximately 28 months ending in 2020. There will also be road improvement of approximately 2.1km with a 730m underpass section including 190m of box culvert along the East-West direction. The number of carriageways will be 3 lanes with a width of 3.65m. There will also be road improvement on approximately 1.9km in the North-South direction.

A one-lane service road of approximately 3.5km of 3.0m width will be constructed. The lane would have ramps approximately 7.0km with a signal controlled at – grade intersection, lighting inside the underpass, drainage, safety measures and disability-friendly footbridges.

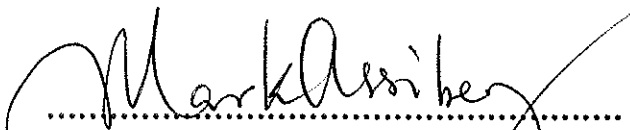
## **5.0 CONCLUSION**

Considering the benefits the country stand to gain from undertaking this project and the immense socio-economic benefits to be derived as well, the Committee is of the view that the request is in the right direction.

The Committee therefore recommends to the House the adoption of this report and to approve the request for the waiver of Import Duties, Import Vat, Import NHIL, GETFund, AU Levy, ECOWAS Levy, Exim Levy, Inspection Fee, Special Import Levy, amounting to Seven Million, Six Hundred and Eighteen Thousand,

Seventy-Nine United States Dollars (US\$ 7,618,079) (Equivalent of GH¢ 35,854,488.81) on the Purchase of Materials and Equipment under the Contract Agreement between the Government of the Republic of Ghana represented by the Ministry of Roads and Highways/Ghana Highways Authority and Shimizu-Dai Nippon JV, Japan for the Improvement of Ghanaian International Corridors (Grade Separation of Tema Intersection in Tema) in accordance with Article 174(2) of the Constitution.

Respectfully submitted.

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

  
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**EVELYN BREFO-BOATENG (MS)**  
**CLERK TO THE COMMITTEE**

TAX ASSESSMENT

MINISTRY OF ROADS & HIGHWAYS/TEMA/MOTORWAY INTERCHANGE PROJECT

Description of Goods	unit	Qty	CFR (USD)	L/D Rate	Imp. Duty	NHLL/GetFund	Imp. VAT	AV/Eco. Levy	EXIM	Insp Fee	SLL	TOTAL (USD)
Materials												
Bitumen	ton	3500	2,100,000	5%	105000	105000	288750	10500	15750	21000	42000	588,000
Emulsion	ton	300	216,000	20%	43200	10800	33750	1080	1620	2160	4320	96,930
Polymer (Liquid Type)	ton	70	280,000	5%	14000	14000	38500	1400	2100	2800	5600	78,400
Polymer (Powder Type)	ton	35	420,000	5%	21000	21000	57750	2100	3150	4200	8400	117,600
Admixture	ton	500	750,000	5%	37500	37500	103125	3750	5625	7500	15000	210,000
Reinforcement Bar	ton	500	450,000	20%	90000	22500	70313	2250	3375	4500	9000	201,938
Epoxy Reinforcement Bar	ton	10	10,000	20%	2000	500	1563	50	75	100	200	4,488
Mechanical Joint Coupler	set	3000	150,000	20%	30000	7500	23438	750	1125	1500	3000	67,313
Rubber Asphalt Waterproof Sheet	m2	2000	30,000	20%	6000	1500	4688	150	225	300	600	13,463
Primer	can	50	6,000	20%	1200	300	938	30	45	60	120	2,693
Coated Waterproof	m2	200	10,000	20%	2000	500	1563	50	75	100	200	4,488
Water Stop	m	2000	30,000	20%	6000	1500	4688	150	225	300	600	13,463
Waterproof Protection Sheet	m2	500	5,000	20%	1000	250	781	25	38	50	100	2,244
PVC/HDPE/VP Pipe	nos	500	5,000	20%	1000	250	781	25	38	50	100	2,244
Rubber Bearing (Box Culvert)	nos	1000	20,000	20%	4000	1000	3125	100	150	200	400	8,975
GAS PIPE incl. of GAS Filling & Cap	nos	1000	30,000	10%	3000	1500	4313	150	225	300	600	10,088
Joint Materials	m2	3000	90,000	20%	18000	4500	14063	450	675	900	1800	40,388
Weep Holes Filter	sheet	900	1,800	5%	90	90	248	9	14	18	36	504
Expansion Joint (Pedestrian Bridge)	lot	4	32,000	20%	6400	1600	5000	160	240	320	640	14,360
Sealing Material	kg	100	8,000	20%	1600	400	1250	40	60	80	160	3,590
Anti-Corrosion Anchor System	lot	4	60,000	20%	12000	3000	9375	300	450	600	1200	26,925
Rubber Bearing (Pedestrian Bridge)	lot	4	24,000	20%	4800	1200	3750	120	180	240	480	10,770
Non-Shrink Grout	bag	800	16,000	20%	3200	800	2500	80	120	160	320	7,180
Non-Woven Fabrics	m2	10000	40,000	20%	8000	2000	6250	200	300	400	800	17,950
Porous Pipe	nos	1000	50,000	20%	10000	2500	7813	250	375	500	1000	22,438
Foot Hook	nos	50	1,500	20%	300	75	234	8	11	15	30	673
Rubber Pole	nos	800	120,000	20%	24000	6000	18750	600	900	1200	2400	53,850
Cushion Drum	nos	30	7,500	20%	1500	375	1172	38	56	75	150	3,366
Road Light with Accessories	set	30	150,000	20%	30000	7500	23438	750	1125	1500	3000	67,313
Traffic Signal with Accessories	set	15	180,000	20%	36000	9000	28125	900	1350	1800	3600	80,775
Geotextile	m2	1000	80,000	20%	16000	4000	12500	400	600	800	1600	35,900
Street Light with Accessories	lot	5	1,000,000	20%	200000	50000	156250	5000	7500	10000	20000	448,750





Hand Guide Roller	unit	3	30,000	5%	1500	0	0	150	225	300	0	2,175
Wheel Loader	unit	3	450,000	5%	22500	0	0	2250	3375	4500	0	32,625
Wheel Loader	unit	3	360,000	5%	18000	0	0	1800	2700	3600	0	26,100
Wheel Loader	unit	3	270,000	5%	13500	0	0	1350	2025	2700	0	19,575
Wheel Loader	unit	3	180,000	5%	9000	0	0	900	1350	1800	0	13,050
Macadam Roller	unit	4	240,000	5%	12000	0	0	1200	1800	2400	0	17,400
Vibration Roller	unit	2	240,000	5%	12000	0	0	1200	1800	2400	0	17,400
Vibration Roller	unit	4	320,000	5%	16000	0	0	1600	2400	3200	0	23,200
Milling Machine with Accessories	unit	1	300,000	5%	15000	0	0	1500	2250	3000	0	21,750
Asphalt Paver with Accessories	unit	2	240,000	5%	12000	0	0	1200	1800	2400	0	17,400
Asphalt Paver with Accessories	unit	2	180,000	5%	9000	0	0	900	1350	1800	0	13,050
Distributor	unit	2	180,000	5%	9000	9000	24750	900	1350	1800	3600	50,400
Water Tank Truck	unit	3	240,000	5%	12000	12000	33000	1200	1800	2400	4800	67,200
Water Tank Truck	unit	3	180,000	5%	9000	9000	24750	900	1350	1800	3600	50,400
Dump Truck	unit	15	1,500,000	5%	75000	75000	206250	7500	11250	15000	30000	420,000
Dump Truck	unit	10	800,000	5%	40000	40000	110000	4000	6000	8000	16000	224,000
Dump Truck	unit	4	160,000	5%	8000	8000	22000	800	1200	1600	3200	44,800
Truck with Crane	unit	4	400,000	5%	20000	20000	55000	2000	3000	4000	8000	112,000
Fork Lift	unit	4	120,000	5%	6000	6000	16500	600	900	1200	2400	33,600
Generator	unit	2	300,000	5%	15000	15000	41250	1500	2250	3000	0	78,000
Generator	unit	4	320,000	5%	16000	16000	44000	1600	2400	3200	0	83,200
Generator	unit	4	160,000	5%	8000	8000	22000	800	1200	1600	0	41,600
Generator	unit	4	120,000	5%	6000	6000	16500	600	900	1200	0	31,200
Generator	unit	4	80,000	5%	4000	4000	11000	400	600	800	0	20,800
Generator	unit	4	40,000	5%	2000	2000	5500	200	300	400	0	10,400
Generator	unit	4	20,000	5%	1000	1000	2750	100	150	200	0	5,200
Compressor with Accessories	unit	3	240,000	10%	24000	12000	34500	1200	1800	2400	0	75,900
Compressor with Accessories	unit	3	180,000	10%	18000	9000	25875	900	1350	1800	0	56,925
Compressor with Accessories	unit	3	90,000	10%	9000	4500	12938	450	675	900	0	28,463
Compressor with Accessories	unit	3	60,000	10%	6000	3000	8625	300	450	600	0	18,975
Truck Scale with Accessories	set	1	60,000	10%	6000	3000	8625	300	450	600	0	18,975
Hydraulic Hammer	unit	6	216,000	5%	10800	0	0	1080	1620	2160	0	15,660
Hydraulic Breaker	unit	6	216,000	5%	10800	0	0	1080	1620	2160	0	15,660
Ripper	unit	6	216,000	5%	10800	0	0	1080	1620	2160	0	15,660
Cut Back Produce Machine with Accessories	set	1	80,000	5%	4000	0	0	400	600	800	0	5,800
Prime Mover	unit	2	240,000	5%	12000	0	0	1200	1800	2400	0	17,400
Low Bed Trailer	unit	2	160,000	5%	8000	0	0	800	1200	1600	0	11,600
Concrete Batching Plant with Accessories	set	1	400,000	5%	20000	0	0	2000	3000	4000	0	29,000

Concrete Pump with Accessories	unit	3	1,200,000	5%	60000	60000	165000	6000	9000	12000	0	312,000
Truck Mixer	unit	10	800,000	5%	40000	40000	110000	4000	6000	8000	0	208,000
Crawler Crane	unit	3	1,200,000	5%	60000	0	0	6000	9000	12000	0	87,000
Mobile Crane	unit	2	1,200,000	5%	60000	0	0	6000	9000	12000	0	87,000
Mobile Crane	unit	4	1,200,000	5%	60000	0	0	6000	9000	12000	0	87,000
Welding Machine	unit	10	150,000	5%	7500	0	0	750	1125	1500	0	10,875
Water Pump	unit	20	100,000	5%	5000	5000	13750	500	750	1000	2000	28,000
High Pressure Washer	unit	8	24,000	5%	1200	1200	3300	120	180	240	480	6,720
Tower Light	unit	20	240,000	20%	48000	12000	37500	1200	1800	2400	4800	107,700
Tamping Rammer	unit	10	80,000	5%	4000	0	0	400	600	800	0	5,800
Hand Roller	unit	10	150,000	10%	15000	0	0	750	1125	1500	0	18,375
Plate Compactor	unit	10	50,000	5%	2500	0	0	250	375	500	0	3,625
Asphalt Cutter	unit	5	25,000	5%	1250	0	0	125	188	250	0	1,813
Concrete Cutter	unit	5	25,000	5%	1250	0	0	125	188	250	0	1,813
Concrete Vibrator with Accessories	unit	50	150,000	5%	7500	0	0	750	1125	1500	0	10,875
Melting Unit with Tanks with Accessories	unit	1	80,000	5%	4000	0	0	400	600	800	0	5,800
Line Marker and Melter with Accessories	unit	2	100,000	20%	20000	0	0	500	750	1000	0	22,250
Power Broom with Accessories	unit	2	40,000	5%	2000	0	0	200	300	400	0	2,900
Soil Mixing Plant with Accessories	unit	1	300,000	5%	15000	0	0	1500	2250	3000	0	21,750
Crushing Plant with Accessories	unit	1	500,000	5%	25000	0	0	2500	3750	5000	0	36,250
Crawler Drill with Accessories	unit	1	100,000	5%	5000	0	0	500	750	1000	0	7,250
Equipment and Tools for Power Supply System	lot	6	240,000	5%	12000	0	0	1200	1800	2400	0	17,400
Equipment and Tools for Water Supply System	lot	6	120,000	5%	6000	0	0	600	900	1200	0	8,700
Survey Equipment with Accessories	lot	20	200,000	5%	10000	10000	27500	1000	1500	2000	4000	56,000
Q.C. Test Equipment with Accessories	lot	4	1,200,000	5%	60000	60000	165000	6000	9000	12000	24000	336,000
Passenger Car - Station Wagon	unit	5	300,000	20%	60000	15000	46875	1500	2250	3000	6000	134,625
Passenger Car - Pick Up	unit	6	240,000	5%	12000	12000	33000	1200	1800	2400	4800	67,200
Passenger Car - Sedan	unit	2	60,000	10%	6000	3000	8625	300	450	600	1200	20,175
Passenger Car - Van	unit	4	160,000	5%	8000	8000	22000	800	1200	1600	3200	44,800
<b>TOTALS</b>			<b>38,297,800</b>		<b>2646390</b>	<b>986690</b>	<b>2802023</b>	<b>191489</b>	<b>287234</b>	<b>382978</b>	<b>321276</b>	<b>7,618,079</b>

