

**REPORT OF THE FINANCE COMMITTEE ON THE REQUEST FOR  
WAIVER OF IMPORT DUTY, IMPORT GETFUND LEVY, IMPORT  
NHIL, IMPORT VAT, EXIM LEVY, COVID-19 LEVY AND  
SPECIAL IMPORT LEVY AMOUNTING TO THE GHANA CEDI  
EQUIVALENT OF NINE MILLION, FOUR HUNDRED AND  
EIGHTY-ONE THOUSAND, EIGHT HUNDRED AND EIGHTY  
FOUR EUROS AND SIX CENTS (€9,481,884.06) ON  
MATERIALS AND EQUIPMENT REQUIRED TO BE PROCURED  
FOR THE DESIGN AND CONSTRUCTION OF THE  
OBETSEBI LAMPTEY INTERCHANGE AND  
ANCILLARY WORKS (PHASE II)**

**1.0. INTRODUCTION**

The request for waiver of Import Duty, Import GETFund Levy, Import NHIL, Import VAT, EXIM Levy, COVID-19 Levy and Special Import Levy amounting to the Ghana Cedi equivalent of Nine Million, Four Hundred and Eighty-One Thousand, Eight Hundred and Eighty Four Euros and Six Cents (€9,481,884.06) on materials and equipment required to be procured for the Design and Construction of the Obetsebi Lamptey Interchange and ancillary works (Phase II) was *presented* to the House on Friday 4<sup>th</sup> November 2022 by the Hon. Minister responsible for Parliamentary

Affairs, Mr. Osei Kyei-Mensah-Bonsu 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. John Amponsah Kumah, Deputy Minister for Roads and Highways, Hon. Stephen Jalulah, 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 Government of Ghana (GoG) recognizes the importance of road transport in facilitating socio-economic development of the nation. It is in this direction that the National Transport Policy of the Ministry of Roads and Highways set out a vision to create an integrated, efficient, cost-effective and sustainable transport system responsible to the needs of society, supporting growth and poverty reduction.

In line with the above, the Ministry of Roads and Highways seeks to improve access, travelling comfort and efficiency for citizens within Accra, the capital city of the Greater Accra Region and of the country.

Users of the Obetsebi Lamptey Circle and its immediate environs experience congestion all day round and this result in long travel times and high vehicle operating cost.

The government has an on-going contract for the construction of Phase One of this project, consisting primarily of the construction of the Graphic-Winneba Road Flyover.

Phase 2 of the project will complement Phase I by constructing the Ring Road Flyover and Ancillary Works to complete the three tier interchange to enhance the traffic flow performance of the OLC and the network in its immediate vicinity and to improve the storm water carrying capacity of the main drainage channels.

### **3.0. TOTAL WAIVER REQUESTED**

The total amount of taxes and duties for which waiver is being sought is the Ghana Cedi Equivalent of **Nine Million, Four Hundred and Eighty-One Thousand, Eight Hundred and Eighty Four Euros and Six Cents (€9,481,884.06)**

### **4.0. OBSERVATIONS**

#### **4.1. Parliamentary Approval of the Project Financing and Contract**

The Committee noted that Parliament at its Thirty-Second Sitting of the First Meeting held on Friday, 20<sup>th</sup> March, 2020 approved by resolution the following:

- a. The United Kingdom Export Finance (UKEF) Facility Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and HSBC Bank Plc, United Kingdom for an amount of up to Sixty-Seven Million, Two Hundred and Ten Thousand Euros (€67,210,000.00) for the design and construction of the Obetsebi Lamptey Interchange and Winneba Road Flyover along the ancillary works (Phase 2);
- b. Term Loan Facility Agreement between the Government of the Republic of Ghana (represented by the Ministry of Finance) and HSBC Bank Plc, United Kingdom for an amount of Thirty Million Euros (€30,000,000.00) for the financing and construction of the Obetsebi Lamptey Interchange and Winneba Road Flyover along the ancillary works (Phase 2);

Again, Parliament at its Thirty-Fifth Sitting of the First Meeting held on Tuesday, 24<sup>th</sup> March, 2020 approved by resolution the **Contract Agreement** between the Government of the Republic of Ghana (represented by the Ministry of Roads and Highways [Department of Urban Roads]) and M/s QG Construction UK Limited for the construction of the Obetsebi Lamptey Interchange and Winneba Road Flyover along with other ancillary works (Phase 2).

#### **4.2. Project Scope**

The Committee noted that the scope of works to be undertaken under the Project includes:

- Final Detailed Design Report for the Scope of works;

- Viaduct North-South linking the Ring Road West – Ring Road South (passing through Abossey Okai intersection)
- Widening of Ring Road West – OLC to 2 x 3 carriageway;
- Widening of Ring Road West to a minimum 2x2 dual carriageway;
- Adequate provision for pedestrian crossing and footbridges;
- Improving the Storm Drainage System between Nii Teiko Din Road on the Dr. Busia Road and the ICGC Storm drain;
- Storm Drains at Obetsebi Lamptey Roundabout; and
- Storm Drains and landscaping.

### **4.3. Project Objective**

The main objectives of this project are to:

- i. reduce travel time and vehicle operating cost at OLC and the road network in its immediate environs;
- ii. improve accessibility and ease of movement for pedestrians and non-motorized vehicle users, especially those with disabilities; and
- iii. improve the capacity of the drainage systems within the vicinity.

### **4.3. Need for Parliamentary Approval**

The Committee noted that Clauses 1.13 (b) and 14.1 of the Contract Agreement signed between the Government of Ghana (represented by the Ministry of Roads and Highways) and the contractor, Messrs. QG Construction UK Limited stipulates that the Contractor is not liable for payment of taxes, duties and fees due in Ghana. This thus puts the burden of 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 undue delay.

#### **4.4. Expected Benefits of the Project**

The Committee observed that the completion of the Project will help in traffic decongestion and reduction in vehicle operating costs as well as improvement in road safety at the project corridor and within the capital city as a whole.

#### **4.5. Downward Revision of the amount to be waived**

The Committee noted that the amount of taxes and duties requested to be waived include COVID-19 Levy. The Committee however considered that in the light of the new tax exemptions regime, the levy should not be included in the waiver.

The Committee was further of the opinion that vehicle tyres, being running costs, should not be included in the items for which taxes are to be waived.

The Committee therefore agreed with the Ministry of Finance to reduce the waiver amount to the **Ghana Cedi equivalent of Nine Million, One Hundred Thousand and Nine Hundred Euros and Seventy-Five Cents (€9,100,900.75)** and to recommend this reduced amount to the House for approval.

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

#### **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 Duty, Import GETFund Levy, Import NHIL, Import VAT, EXIM Levy and Special Import Levy amounting to the Ghana Cedi equivalent of Nine Million, One Hundred Thousand and Nine Hundred Euros and Seventy-Five Cents (€9,100,900.75) on materials and equipment required to be procured for the Design and Construction of the Obetsebi Lamptey Interchange and ancillary works (Phase II) in accordance with Article 174(2) of the 1992 Constitution of the Republic of Ghana.**

Respectfully submitted.

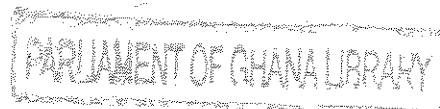


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**HON. KWAKU KWARTENG  
(CHAIRMAN, FINANCE COMMITTEE)**



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**MRS. JOANA A.S. ADJEI  
(CLERK, FINANCE COMMITTEE)**

22ND NOVEMBER, 2022



TAX EXEMPTION ASSESSMENT FOR OBETSEBI LAMPTEY INTERCHANGE PHASE TWO

November 22, 2022

S/N	GOODS DESCRIPTION	Qty	CF (USD)	I/D Rate	Import Duty	SIL	Import Vat	Import NHII/ GETFUND	EXIM	TOTAL (USD)
1	METAL SUPERSTRUCTURE IN STEEL AS PER SPECIFIC DESIGN	2,067.85 TON	13,455,000.00	0.05	672,750.00	269,100.00	1,850,062.50	672,750.00	336,375.00	3,801,037.50
2	TIPPER TRUCK 15-22 m <sup>3</sup>	10.00 UN	1,432,267.50	0.1	143,226.75	28,645.35	205,888.45	71,613.38	35,806.69	485,180.62
3	WATER TANK TRUCK 9,000-22,000 LITERS	5.00 UN	707,000.00	0.1	70,700.00	14,140.00	101,631.25	35,350.00	17,675.00	239,496.25
4	STEEL REINFORCEMENT BAR	3,335.45 TON	2,401,524.00	0.05	120,076.20	48,030.48	330,209.55	120,076.20	60,038.10	678,430.53
5	MOTOGRAIDER 104-180 kW	3.00 UN	708,000.00	0.05	35,400.00	14,160.00	97,350.00	35,400.00	17,700.00	200,010.00
6	PEDESTRIAN BRIDGE IN STEEL	80.00 M	1,923,957.97	0.05	96,197.90	38,479.16	264,544.22	96,197.90	48,098.95	543,518.13
7	BULLDOZER 90-270 kW	2.00 UN	530,000.00	0.1	53,000.00	10,600.00	76,187.50	26,500.00	13,250.00	179,537.50
8	CONCRETE BATCHING PLANT 40-80 m <sup>3</sup> /H	1.00 UN	437,724.34	0.05	21,886.22	8,754.49	60,187.10	21,886.22	10,943.11	123,657.13
9	ASPHALTIC EMULSION	1,477.88 TON	1,064,073.60	0.05	53,203.68	21,281.47	146,310.12	53,203.68	26,601.84	300,600.79
10	RETAINED EARTH STRIPS AND WIRE MESH	6,075.00 M <sup>2</sup>	1,044,866.01	0.1	104,486.60	20,897.32	150,199.49	52,243.30	26,121.65	353,948.36
11	CONCRETE MIXER TRUCK 7-11 m <sup>3</sup>	4.00 UN	515,333.32	0.1	51,533.33	10,306.67	74,079.16	25,766.67	12,883.33	174,569.16
12	HYDRAULIC EXCAVATOR 20-37 TON	2.00 UN	500,000.00	0.05	25,000.00	10,000.00	68,750.00	25,000.00	12,500.00	141,250.00
13	PICK-UP 4X4	8.00 UN	178,133.33	0.1	17,813.33	3,562.67	25,606.67	8,906.67	4,453.33	60,342.67
14	MOBILE CRANE 60-120 TON	2.00 UN	684,000.00	0.05	34,200.00	13,680.00	94,050.00	34,200.00	17,100.00	193,230.00
15	WHEEL LOADER 90-190 kW	3.00 UN	408,000.00	0.05	20,400.00	8,160.00	56,100.00	20,400.00	10,200.00	115,260.00
16	BRIDGE STEEL BARRIER PARAPET - GUARDRAIL	2,732.00 M	658,159.50	0.05	32,907.97	13,163.19	90,496.93	32,907.97	16,453.99	185,930.06
17	COMPACTOR ROLLER 80-100 kW	4.00 UN	360,000.00	0.05	18,000.00	7,200.00	49,500.00	18,000.00	9,000.00	101,700.00
18	CRANE TRUCK 5-35 TM	3.00 UN	500,000.00	0.1	50,000.00	10,000.00	71,875.00	25,000.00	12,500.00	169,375.00
19	BACKHOE LOADER 60-80 kW	4.00 UN	249,333.33	0.2	49,866.67	4,986.67	38,958.33	12,466.67	6,233.33	112,511.67
20	FLEXBEAM SINGLE BARRIER - HANDRAIL	2,353.00 M	337,369.10	0.05	16,868.45	6,747.38	46,388.25	16,868.45	8,434.23	95,306.77
21	CONCRETE ADMIXTURES	83,673.76 LTS	318,495.91	0.1	31,849.59	6,369.92	45,783.79	15,924.80	7,962.40	107,890.49
22	AGRICULTURAL TRACTOR 50-121 kW	2.00 UN	137,000.00	0.5	68,500.00	2,740.00	26,543.75	6,850.00	3,425.00	108,058.75
23	TELEHANDLER 50-80 kW	2.00 UN	274,000.00	0.05	13,700.00	5,480.00	37,675.00	13,700.00	6,850.00	77,405.00




24	PNEUMATIC ROLLER 5-13 TON	2.00	UN	216,000.00	0.1	21,600.00	4,320.00	31,050.00	10,800.00	5,400.00	73,170.00
25	GENSET 250-550 kW	3.00	UN	127,500.00	0.05	6,375.00	2,550.00	17,531.25	6,375.00	3,187.50	36,018.75
26	EXPANSION JOINTS	37.00	M	198,909.85	0.1	19,890.99	3,978.20	28,593.29	9,945.49	4,972.75	67,380.71
27	TRAFFIC LIGHT	16.00	UN	183,050.85	0.05	9,152.54	3,661.02	25,169.49	9,152.54	4,576.27	51,711.86
28	HEIGHT CONTROL BARRIER	4.00	UN	150,361.02	0.05	7,518.05	3,007.22	20,674.64	7,518.05	3,759.03	42,476.99
29	BUMPER GUARD	56.00	UN	147,763.64	0	-	2,955.27	19,393.98	7,388.18	3,694.09	33,431.52
30	SIGNSBOARDS	203.00	M2	143,476.27	0.1	14,347.63	2,869.53	20,624.71	7,173.81	3,586.91	48,602.59
31	UTILITY VEHICLE - AMBULANCE	1.00	UN	42,000.00	0.1	4,200.00	840.00	6,037.50	2,100.00	1,050.00	14,227.50
32	NEOPRENE ELASTOMERIC BEARING	2,602.80	UN	115,411.70	0.1	11,541.17	2,308.23	16,590.43	5,770.59	2,885.29	39,095.71
33	GENSET 50-230 kW	5.00	UN	56,000.00	0.05	2,800.00	1,120.00	7,700.00	2,800.00	1,400.00	15,820.00
34	SKID STEER WHEEL LOADER 30-56 kW	2.00	UN	102,000.00	0.1	10,200.00	2,040.00	14,662.50	5,100.00	2,550.00	34,552.50
35	TANDEM ROLLER 1.5-11 TON	2.00	UN	78,000.00	0.1	7,800.00	1,560.00	11,212.50	3,900.00	1,950.00	26,422.50
36	LIGHT UTILITY TRUCK 3-7 TON	2.00	UN	70,000.00	0.1	7,000.00	1,400.00	10,062.50	3,500.00	1,750.00	23,712.50
37	CEMENT SILO TRAILER	1.00	UN	65,000.00	0.1	6,500.00	1,300.00	9,343.75	3,250.00	1,625.00	22,018.75
38	TROXLER EQUIPMENT	1.00	UN	30,000.00	0.05	1,500.00	600.00	4,125.00	1,500.00	750.00	8,475.00
39	IGNITION MACHINE FOR BITUMEN EXTRACTION	1.00	UN	30,000.00	0.05	1,500.00	600.00	4,125.00	1,500.00	750.00	8,475.00
40	MOVEABLE TRAFFIC LIGHT	5.00	UN	25,000.00	0.05	1,250.00	500.00	3,437.50	1,250.00	625.00	7,062.50
41	TOTAL			30,604,711.24		1,934,742.08	612,094.22	4,258,711.11	1,530,235.56	765,117.78	9,100,900.75

CERTIFICATE

TOTAL EXERCISE LIABILITY = 9,100,900.75 USD

This is to certify that the assessment given is true and correct.

Signature:  Date: 22nd November, 2022.

Officer's Name & Rank: EBENEZER BOB-ESHUN (SENIOR REVIEW OFFICER)



