

**IN THE THIRD SESSION OF THE SECOND PARLIAMENT
OF THE FOURTH REPUBLIC OF GHANA**

REPORT OF THE FINANCE COMMITTEE

ON

**THE REQUEST FOR TAX AND DUTY
EXEMPTIONS FOR THE CONSTRUCTION
OF SEKONDI FISHING HARBOUR
MESSRS TOA CORPORATION**

1.0 INTRODUCTION

The request for tax and duty exemptions for the construction of Sekondi Fishing Harbour as contained in the Exchange of Notes for the Grant Aid and the conditions of Contract for the execution of the project was laid in the House pursuant to Article 174 of the Constitution on Tuesday 16th February, 1999 and referred to the Finance Committee for consideration and report.

1.1 The Committee carefully considered the document and all the relevant materials with the Hon. Steve Akorli, Deputy Minister of Roads and Transport and his technical staff and reports as follows:-

2.0 BACKGROUND INFORMATION

The above project which is being executed by the Messrs TOA Corporation of Japan is being funded under the Japanese Government Grant Aid.

2.1 The Exchange of Notes between the Government of Ghana and Japan for the project was signed on 19th March, 1997.

2.2 According to Section 6(1) of the Exchange of Notes, the Government of the Republic of Ghana will take the necessary measures to exempt

- (a) Japanese nationals from Customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of Ghana with respect to the supply of the services under the contract.
- (b) Article 7(3) of the Contract Agreement also exempts Messrs TOA Corporation by way of the contract, from Customs duties, internal taxes and other fiscal levies which may be imposed in the Republic of Ghana with respect to the supply of products, services and equipment necessary for the work

2.3 The above provision obliges the Government to exempt the project from duties and taxes. (Attached as Appendix 1 is the list of materials, products and equipment required by the Contractor (Messrs TOA) for the execution of the project and for which tax and duty exemptions are required).

3.0 ESTIMATED TAX AND DUTIES TO BE PAID

The total amount of tax and duties on equipment, materials, spare parts, fuel and lubricants for the Sekondi Fishing Harbour comes to **¢1,864,715,433.16**

This is indicated as per attached in Annex II and III

4.0 OBSERVATIONS

The Committee was informed that the project took off in January, 1998 and indications are that Engineering works will be completed at the end of March, 1999. The project involves the construction of landing Wharf, lay-by Wharf and access road, dredging, installation of ice making plant and reclamation of the sea to provide sufficient land for port facilities including fish handling.

4.1 The Committee satisfied itself that the project is based purely on socio-economic consideration and will enhance the operation of the fisher folks in the area as well as provide job opportunities.

4.2 It is the Committee's expectation that the project will go a long way to improve activities in the Sekondi Fishing Port and will also create the enabling environment for the establishment of private fish processing industries within the fishing port area.

4.3 The Committee further observed that under the terms and conditions of the contract if the exemption is not granted, the Government would have reneged on its terms of the contract agreement which may have far-reaching repercussions on funding for similar projects in the future .

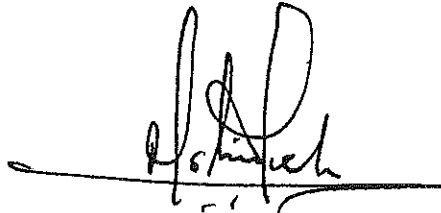
4.4 In order not to delay the execution of the project the Committee was informed that the Ministry of Roads and Highways has taken delivery of all the equipment from the port on permit and the tax exemption to be granted would be used to regularise the situation.

5.0 RECOMMENDATION

In view of the above the Committee wishes to recommend to the House to approve the tax and duty exemptions as contained in Section 6(1) of the Contract Agreement in accordance to Article 174 of the Constitution for the execution of the Sekondi Fishing Harbour Project.

Respectfully submitted.

PARLIAMENT OF GHANA LIBRARY
PARLIAMENT HOUSE
OSU - ACCRA



HON. (CDRE) S.G. OBIMPEH (RTD)
CHAIRMAN



ASANTE AMOAKO-ATTA
CLERK TO THE COMMITTEE

26TH FEBRUARY, 1999

ANNEX I

**THE PROJECT FOR CONSTRUCTION OF SEKONDI FISHING PORT
MASTER CARGO LIST**

A. CONSTRUCTION EQUIPMENT WITH ACCESSORIES

ITEM	DESCRIPTION	UNIT	QUANTITY
1	126' Spud Barge with Accessories	NR	1
2	120' Spud Barge with Accessories	NR	2
3	90m3 Hopper Barge with Accessories	NR	1
4	Tug Boat with Accessories	NR	1
5	Anchor Boat with Accessories	NR	1
6	Hydraulic Excavator 1.8m3 with Accessories	NR	1
7	Hydraulic Excavator 1.2m3 with Accessories	NR	1
8	Hydraulic Excavator 0.7m3 with Accessories	NR	1
9	Hydraulic Breaker with Accessories	NR	1
10	100 Ton Crawler Crane with Accessories	NR	1
11	50 Ton Crawler Crane with Accessories	NR	1
12	25 Ton Rough Terrain Crane with Accessories	NR	1
13	Dump Truck with Accessories	NR	4
14	Spare Parts for Dump Truck	SET	1
15	Truck Tractor with Accessories	NR	1
16	Semi-Trailer with Accessories	NR	2
17	Wheel Loader 2.3m3 with Accessories	NR	1
18	Tractor Shovel with Accessories	NR	1
19	Tyre Roller with Accessories	NR	1
20	Truck Mixer with Accessories	NR	2
21	Fork Lift with Accessories	NR	1
22	Cargo Truck with Crane 4Ton with Accessories	NR	1
23	Grab Bucket with Accessories	NR	1
24	Concrete Bucket with Accessories	NR	2
25	Orange-Peel Grab Bucket with Accessories	NR	2
26	Concrete Batching Plant with Accessories	NR	1
27	Plate Compactor with Accessories	NR	2
28	Stocked Anchor with Accessories	NR	6
29	Diesel Generator with Accessories	NR	4
30	Double Drum Winch with Accessories	NR	2
31	AC Arc Welder with Accessories	NR	4
32	Engine Welder with Accessories	NR	1
33	Air Compressor with Accessories	NR	1
34	Concrete Breaker with Accessories	NR	1
35	Car Washer with Accessories	NR	1
36	Concrete Vibrator with Accessories	NR	5
37	Submersible Pump with Accessories	NR	2
38	Bar Bender with Accessories	NR	1
39	Bar Cutter with Accessories	NR	1
40	Survey and Test Equipment	SET	1
41	Hand truck	SET	1
42	Electrical Equipment with Accessories	SET	1
43	Diving Equipment	SET	1
44	Marine Equipment	SET	1
45	Temporary materials	SET	1
46	Spare Wire Rope	SET	1
47	Spare Parts and Miscellaneous Tools	SET	1
48	Station Wagon 4WD Diesel (LHD)	NR	1
49	Spare Tyre with Accessories	SET	1

*These materials may be shipped in several different packages/shipment.

B. CONSTRUCTION MATERIALS WITH ACCESSORIES

50	Cement 50kg Bags	M/T	2,000
51	Deformed Bar with Sling Wire	M/T	200
52	Round Bar with Sling Wire	M/T	50
53	Steel Plate	M/T	70
54	H Beam	M/T	30
55	Equal Leg Angle	M/T	10
56	Channel Steel	M/T	10
57	Carbon steel tube	M/T	10
58	U-Bolt Galvanized	NR	70
59	Screwed Steelbar with Accessories	NR	10
60	Light Beacon	NR	2
61	Step with Accessories for Outlet	NR	40
62	Steel Plate Cover (Grating etc) with Accessories	NR	400
63	Mooring Ring with Accessories	NR	12
64	Bitt with Accessories	NR	53
65	Rubber Fender with Accessories	NR	62
66	Corner Protection with Accessories	NR	200
67	Curb with Accessories	NR	200
68	Filter Sheet with Accessories	NR	100
69	Bituminous Joint Filler with Accessories	NR	350
70	Rubber-Bituminous Joint Sealant with Accessories	M/T	2
71	Wire mesh	M/T	10
72	Subgrade Paper	NR	50
73	Curing Mat	NR	20
74	Polyvinyl Chloride sheet	NR	10
75	Metal Form with Accessories	LOT	1
76	Materials for Formwork (Separator etc)	LOT	1
77	Structure Steel with Accessories for Building work	M/T	85
78	Finishing Material with Accessories (Tile, Joint sealer Adhesive etc.) for Building Work	LOT	1
79	Roofing Material with Accessories (Roof Deck, Fixing Material etc.) for Building Work	LOT	1
80	Ceiling Board with Accessories (Fixing Materials etc.) for Building Work	LOT	1
81	Exterior Wall Board with Accessories (Fixing Metal etc.) for Building Work	LOT	1
82	Interior Wall Board with Accessories (Fixing metal etc.) for Building Work	LOT	1
83	Lighting Equipment with Accessories for Building Work	LOT	1
84	Septic Tank, Ejector Pump and Sewerage Pipe with Accessories for Building Work	LOT	1
85	Air-Conditioner and Exhaust Fan with Accessories and Parts for Building	LOT	1
86	Damp Proof Sheet with Accessories for Building Work	LOT	1
87	Power Distribution Board with Accessories	LOT	1
88	Electric Cables with Accessories	LOT	1
89	Substation Equipment with Accessories	LOT	1
90	Fire Pump and Control Panel with Accessories	LOT	1
91	Chlorine Sterilization Equipment with Accessories	LOT	1
92	Sea Water Supply Pipe, Hydrant and Hose Cabinet with Accessories	LOT	1
93	Sea Water Suction Pump with Accessories	LOT	1
94	FRP Water Tank with Accessories	LOT	1

*These materials may be shipped in several different packages/shipment

C. FACILITIES AND CONSTRUCTION MATERIALS WITH ACCESSORIES

95	Ice Making Unit with auxiliaries	LOT	1
96	Spare parts and Special tools for Ice making unit	LOT	1
97	Ice Storage Facilities with auxiliaries	LOT	1
98	Spare Parts and Special tools for Ice storage facilities	LOT	1
99	External Lighting Pole and Light with Accessories	LOT	1
100	Paint	LOT	1
101	Welding Materials	LOT	1
102	Safety Goods	LOT	1
103	Consumable Goods	LOT	1
104	Operation Manuals	LOT	1
105	Miscellaneous Materials	LOT	1

*These materials may be shipped in several different packages/shipment.

D. FOODSTUFF AND KITCHENWARE

106	Food Stuff	LOT	1
107	Kitchenware	LOT	1

*These materials may be shipped in several different packages/shipment.

E. STATIONERIES AND OFFICE SUPPLY

108	Stationeries and office supply	LOT	1
109	Blue print copying machine	LOT	1
110	Drawing Goods	LOT	1
111	Document and Books	LOT	1
112	Electric Appliances	LOT	1
113	Computer with Accessories	LOT	1
114	Miscellaneous Goods	LOT	1

*These materials may be shipped in several different packages/shipment.

F. PERSONAL EFFECTS

115	Personal Effects	LOT	1
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*These materials may be shipped in several different packages/shipment.

G. COMMUNICATION EQUIPMENT

116	Communication Equipment with Accessories	LOT	1
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*These materials may be shipped in several different packages/shipment.

H. MISCELLANEOUS

117	Security alarm with Accessories	LOT	1
118	Lock	LOT	1
119	Steel case (Used container)	LOT	1
120	Working uniform	LOT	1

*These materials may be shipped in several different packages/shipment.

ITEMS TO BE PURCHASED LOCALLY

121	Airconditioners with accessories : number	20	₦ 52,000,000.00
122	Aluminium doors, windows, etc.: number	31	55,665,666.00
123	Diesel in litres	2,065,500	1,491,291,000
124	Petrol in litres	9,720	7,231,680.00
125	Lubricants in litres	26,730	114,807,780.00
	TOTAL		₦ 1,720,996,126.00

Please note that the above quantities and values are approximate and may therefore vary.

GHANA PORTS & HARBOURS AUTHORITY

SEKONDI FISHING HARBOUR PROJECT

ANNEX II

TAX COMPONENT ON FUEL & LUBRICANTS

Month	Quantity (Ltrs)	Tax per Ltr: ¢	Tax Paid: ¢
Dec. '97 to May-98	342,000	241.04	82,435,680.00
June/Aug. 98	249,300	241.04	60,091,272.00
September, 98	81,000	241.04	19,524,240.00
October, 98	81,000	241.04	19,524,240.00
November, 98	81,000	241.04	19,524,240.00
December, 98	63,000	241.04	15,185,520.00
January, 99	63,000	241.04	15,185,520.00
February, 99	36,000	241.04	8,677,440.00
March, 99	18,000	241.04 (Estimate)	4,338,720.00
TOTAL TAX(DIESEL)	1,014,300	241.04	244,486,872.00
Engine Oil (Drum)	43	51,000.00	2,193,000.00
Hydraulic Oil (Drum)	10	50,500.00	505,000.00
Grease Multi PL(25kg)	15	97,573.00	1,463,595.00
Tranself EP 140	9	61,160.00	550,440.00
Total Tax(Lubricants)			4,712,035.00
Total Tax Paid		¢	249,198,907.00

GHANA PORTS & HARBOURS AUTHORITY
SEKONDI FISHING PORT
TAX EXEMPTION

SUMMARY

TAXES- CONSTRUCTIONAL MATERIALS AND OTHERS
(CLEARED ON PERMIT)

ITEM	DESCRIPTION	TAX (CEDI)	REMARKS
1.	NISSAN PATROL, SPARE PARTS FOR VARIOUS EQUIPMENT & OFFICE EQUIPMENT	610,810,046.00	
2.	AIR CONDITIONERS & COTTON RAGS	8,320,216.00	
3.	FOOD STUFFS	11,330,441.46	ITEM 3 & 4 (inclusive)
4.	DIVING EQUIPMENT & CEMENT	88,917,186.20	ITEM 5 & 6 (inclusive)
5.	ELECTRICAL CONTROL PANEL, SWITCH GEAR ICE MAKING PLANT	896,138,636.50	ITEM 7, 8 & 9 (inclusive)
	TOTAL TAX (CEDI)	<u>1,615,516,526.16</u>	