



PRESS RELEASE

Electricity Tariff Adjustment Must Favour Industries to Sustain Business Recovery Post Covid-19

Recently, the Ghanaian economy has had challenges including, but not limited to, rapid exchange rate depreciation, rising inflation, high fuel cost, and the recent policy rate increase to 17% with expected adverse effect on the cost of credit. The anticipated uptick in global food and crude oil prices from the Russia-Ukraine war and its impact on supply chain disruptions will also affect cost of living and production in the country.

Accordingly, the Ghana National Chamber of Commerce and Industry (GNCCI) welcomes the steps being undertaken by policy makers and stakeholders to address the current challenges facing the country. As representative organ of the business community in the country, the GNCCI is mindful of issues that particularly affect the cost of doing business.

Energy is one of the critical cost components of business. While recognizing improvements in the energy situation over the last few years, energy cost to businesses remains too high (comprising up to 30% of cost of operation in some extreme cases). Businesses pay much higher energy in order to subsidize households. Whereas in many other countries, households pay higher energy cost to subsidize industry.

The Coordinated Programme of Economic and Social Development Policies (CPESDP) 2017 – 2024 enjoins government to go beyond ensuring energy availability and reliability to reducing the cost of doing businesses and lowering production costs. One of the interventions expected by government under the energy for industry sub-section is to “re-align the electricity tariff structure in support of industrial development”.

As the Public Utilities Regulatory Commission (PURC) engages stakeholders on electricity tariff adjustment given the economic challenges, **the GNCCI maintains that any adjustment must favour industries.** The GNCCI urges the **PURC to consider cushioning the business community with a comparatively lower tariff that is reflected in the production capacity of manufacturing and key service sectors.**

Already, businesses are recovering from the impact of the pandemic in addition to rising cost of doing business. Therefore, further increases particularly in energy cost, will be detrimental to the private sector.

As we move into the integrated African market zone, power tariff component of products will be a defining factor. Ethiopia and Kenya have better tariffs than Ghana; thus, making their products competitive. Government must remain committed to implementing the (CPESDP) to support the private sector.

The GNCCI will continually engage stakeholders in the public and private sectors to ensure a thriving business environment that delivers shared growth and prosperity for all. Together we stand, divided we fall.

Long live the GNCCI, long live Ghana.

Thank you.

Signed

Mr. Clement Osei-Amoako

President, Ghana National Chamber of Commerce and Industry

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info@ghanachamber.org

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