



# LPG MARKETING COMPANIES ASSOCIATION OF GHANA

## PRESS RELEASE

### **GOVERNMENT MUST REMOVE TAXES ON LPG NOW!!!**

The liquefied Petroleum Gas Marketing Companies Association wants government to as a matter of urgency remove all taxes on the Liquefied Petroleum Gas.

We note with grave concern that the product which used to be subsidized has its price build-up been constituted of more than 23% taxes now.

For example, in 2015 a typical 14.5kg LPG cylinder cost about GH¢48 and a bag of charcoal then was also GH¢40 whilst the bag of charcoal is now 45 cedis the same 14.5kg LPG cost 80 cedis.

This is clearly in breach of the policy decision that influenced the introduction of and the push for the utilization of LPG: to replace wood and other unhealthy fuel alternatives.

Currently it is logical to conclude that low income homes have been priced-out of the LPG market resulting in the massive decline in the use of the product.

Now, According to the Cylinder Recirculation Model (CRM), which is the implementation model for the National LPG Policy, government envisages that at least 50% of Ghanaians should have access to safe, clean and environmentally-friendly LPG for domestic, commercial and industrial usage by 2030.

We state unequivocally that the vision to increase consumption and get more people to use LPG gas is noble and government has our unalloyed support to implement this great quest.

However, we are afraid this move no matter how wonderful it sounds will not be realized anytime soon. This is because in the existing saturated market of the product, the only way to increase use is by creating access for new users.

Unfortunately, these same new consumers have no monetary incentive to abandon their cheaper options and jump on the LPG bandwagon because it does not make economic sense to do so.

It is our contention that the removal of taxes will significantly bring down the cost of the LPG and make it possible for the ordinary Ghanaian to afford it.

That is why we are calling upon the government to act immediately in the interest of the Ghanaian people it swore to protect and help progress.

Yours, for God & Country.

  
Justice Adu Mante  
Secretary  
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