

GENERAL AGREEMENT ON
TARIFFS AND TRADE

RESTRICTED

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SUBSIDIES

Notifications of Contracting Parties

Addendum

GHANA

Notification of 20 June 1961

By letter of 20 June 1961 the Government of Ghana has transmitted to the secretariat a notification on subsidies in Ghana.

The Government of Ghana guarantees a fixed price to farmers for all amounts of cocoa which is sold by them to the Ghana Cocoa Marketing Board (a statutory corporation established by law in 1947). The price is at present 72s. per 60 lb. head load. In 1959 the cocoa farmers, through their own organization, the United Ghana Farmers' Council, volunteered to make a contribution of 12s. on the sale of each head load of cocoa towards the costs of the Government's Second Five-Year Development Plan. Consequently, the actual cash price paid to cocoa farmers is 60s. per head load of 60 lbs.

Financial assistance is given by the Government to cocoa farmers in order to help them in their fight against the pests and diseases of cocoa.

Swollen shoot disease control

Farmers whose farms are treated for swollen shoot disease, which involves the removal of infected trees are eligible for the following ex-gratia payments:

- (a) For trees cut on initial and retreatment of the farm for swollen shoot - £G20 per acre or pro rata for the measured area of the land from which diseased trees were removed;
- (b) For farms successfully replanted after the original trees have been removed because of swollen shoot infection - £G30 per acre or pro rata for each acre of cocoa re-established. The replanting grant is paid in three annual instalments of £G10 each.

The amount paid out each year on ex-gratia payments varies somewhat but budgetary provision has been made for the 1961/62 financial year for the expenditure of £G800,000 on these payments.

Capsid Control Scheme

The Government's current Capsid Control Scheme was introduced in May 1959 and under this Scheme the selling prices of both spraying machines and insecticides to the cocoa farmer are subsidized. Although the purchase prices of the different machines distributed to farmers vary, the subsidy element borne by Government is approximately 75 per cent. From May 1959 to the end of March 1961 39,394 motorized mistblowers of three different types had been sold to cocoa farmers at £G14 each. The purchase price of these machines varied from £G38. 3s. to £G56 each and the total cost of the subsidy borne by Government was £G1,621,140. During the same period 26,857 hand sprayers were sold to cocoa farmers at £G1.10s. each. The purchase price of these hand sprayers varied from £G4.11s.6d. to £G4.16s. each and the total cost of the subsidy borne by Government was £G82,588.

There has been only one insecticide which has been subsidized to cocoa farmers for capsid control measures. This insecticide was purchased at the following costs:

In quart tins	-	403,823	gallons	at	5ls.	per	gallon
		144,365	"	"	49s.6d.	"	"
In bulk	-	14,517	"	"	44s.	"	"
		27,005	"	"	42s.6d.	"	"

The price paid by the farmers has been £G1 per gallon for the insecticide in quart tins and 16s. per gallon for the insecticide collected by them in their own containers. The cost of the subsidy borne by Government has been £G895,707 over the period May 1959 to March 1961.

West African Mills

A subsidy was granted to the above-mentioned company to enable them to buy cocoa at £G20 per ton below the world market price so that they could increase their exports of cocoa butter. This subsidy is for a period of four years from September 1960, and for a quantity of 10,000 tons per annum. An additional subsidy of £G35 per ton is allowed for further quantities up to 15,000 tons for the same period.

Tax holidays

With a view to stimulating the development of new industries in Ghana, a generous relief is given to companies certified as "pioneer companies" under the Pioneer Industries and Companies Act No.63 of 1959 (as amended) i.e. companies formed to carry on an industry not being carried on in Ghana on a scale adequate to the economic needs of the country and deemed to have favourable prospects for further development. The relief takes the form of a tax holiday for five

years, which period may be extended up to ten years in exceptional cases. A lesser period may be granted (e.g. in the case of an industry which is already developing).

Local industries (customs duties relief)

The Local Industries (Customs Duties Relief) Act 1959 No.71 of 1959 has been passed. This Act repealed the Local Industries (Customs Duties Relief) Act 1958 (No.44/58). Regulations under the Act have been enacted and are published as the Local Industries (Customs Duties Relief) Regulations 1960, L.I. 26 dated 26 April 1960. This legislation has been passed to aid the development of local industries in Ghana, and exempts from customs duties a miscellaneous variety of raw materials, manufactured and semi-manufactured goods required by approved local industries for use in their manufacturing processes.

