

GENERAL AGREEMENT ON TARIFFS AND TRADE

RESTRICTED

L/1597/Add.1
22 February 1962

Limited Distribution

Original: English

SUBSIDIES

Notification of Contracting Parties

Addendum

GHANA

Notification of 8 February 1962

By letter of 8 February 1962, the Government of Ghana has submitted to the secretariat the following notification in accordance with the revised questionnaire on subsidies under Article XVI.

1. The Government of Ghana guarantees a fixed price to farmers for all amount of cocoa which is sold by them to the Ghana Agricultural Produce Marketing Board (formerly Cocoa Marketing Board). The price is, at present, 72s. per 60-lbs. 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 cost of the Government's Second Five-Year Development Plan. Consequently, the actual cash price paid to the farmer is 60s. per head load of 60-lbs. For the year ending 30 September 1961 the price paid to the farmer at the above rate was subsidized to the extent of £18 per ton (total £67,371,522) due to a considerable fall in world market prices. In the same year a new system of payment for cocoa purchased was introduced whereby 6s. on every load of cocoa sold was deducted as a compulsory saving to be used for purchasing Development Bonds so that the cash price now paid to farmers is 54s. per load.

2. The Government assists cocoa producers financially in their fight against the pests and diseases of cocoa as follows:

3. Swollen shoot disease

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

- (a) For trees cut on initial treatment and retreatment of the farm for swollen shoot - £20 per acre or pro rata for the measured area of the land from which the diseased trees were removed.

- (b) For farms successfully replanted with cocoa after the original trees had been removed because of swollen shoot infection - £30 per acre or pro rata for each acre of cocoa re-established. The replanting grant is paid in three annual instalments of £10 each.

The amount paid out each year on ex-gratia payments varies somewhat but budgetary provision has been made for £800,000 to be spent on these payments during the 1961/62 financial year.

4. Capsid control scheme

The Government's current capsid control scheme was introduced in May 1959 and under this scheme the sale price to the farmer of both spraying machinery and insecticides is subsidized.

Although the purchase price of the different machines distributed under the scheme varies, the subsidy element borne by Government is approximately 75 per cent.

From May 1959 to the end of November 1961, 40,665 motorized mist-blowers of three different types had been sold to cocoa farmers at £14 each. The purchase price of these machines varied from £38.3s. to £56 each and the total cost of the subsidy borne by Government was approximately £1,674,231. During the same period 28,002 hand sprayers were sold to cocoa farmers at £1.10s. each. The purchase price of these machines varied from £4.11s.6d. to £4.16s. each and the total cost of the subsidy of hand sprayers was approximately £85,750.

There has been only one insecticide sold at subsidized prices for capsid control work. The purchase price of the insecticide which has been sold to cocoa farmers from May 1959 to the end of November 1961 was as follows:

in quart tins	-	403,823 gallons at 51s.	per gallon
		194,959 gallons at 49s.6d.	per gallon
in bulk	-	14,517 gallons at 44s.	per gallon
		28,562 gallons at 42s.6d.	per gallon

The price paid by the farmers has been £1 per gallon for insecticide purchased in quart tins and 16s. per gallon for insecticide collected in their own containers. The cost of the subsidy borne by Government up to the end of November 1961 was £971,660.

5. 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).

6. Local industries (Customs Duties Relief)

The Local Industries (Customs Duties Relief) Act 1959 No. 71 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 material, manufactured and semi-manufactured goods required by approved local industries for use in their manufacturing processes.

7. Amalgamated Banket Areas Limited

Government approved a subsidy of £G150,000 for Amalgamated Banket Areas Limited in the 1961/62 financial estimates. This amount has been paid to the company. The Amalgamated Banket Areas Limited is a gold mining company operating in the western region of Ghana.

