

GENERAL AGREEMENT ON TARIFFS AND TRADE

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SUBSIDIES

Notifications Pursuant to Article XVI:1

GHANA

1. COCOA

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

(a) Swollen shoot diseases of cocoa

Payments made to farmers whose farms were treated for swollen shoot disease which involved the removal of diseased trees from the beginning of the scheme to 30 June 1960 amounted to £G9,096,583.11.1. and farmers who successfully replanted their farms with cocoa after the original trees had been removed because of swollen shoot infection were also paid £G820,284.14.0. during the same period. In addition, subsidies paid for the various operations i.e. initial treatment, retreatment and replanting between 1 July 1960 and 30 September 1962 amounted to £G1,459,268.7.9. which brought up the total expenditure on grant payments to £G11,376,146.12.10.

(b) Capsid control

From May 1959 to the end of February 1963, 73,033 motorized mistblowers and 32,026 hand-sprayers were sold to cocoa farmers at subsidized prices. The motorized sprayers were purchased at prices ranging from £G38.3.0. to £G56 each, and sold to farmers at first at £G14 each and later, in November 1962, at £G5 each. The total cost of subsidy borne by Government on the motorized sprayers was approximately £G3,261,729. The subsidy on hand-sprayers amounted to £G3,379,484.12.0.

(c) Insecticides

The only insecticide subsidized for capsid control work was Gammalin 20. The price of the "bulk" insecticide was 44/- per gallon up to 12 November 1960. This was thereafter reduced to 42/6. Insecticide sold in tins (cartons) was priced at 51/- per gallon; and reduced to 49/6 after December 1960. The price paid by farmers was 16/- per gallon for Gammalin collected in farmers own containers and £G1 for insecticides in quart tins. The total subsidy borne by Government in respect of insecticides for the period May 1959 to February 1963 amounted to £G1,389,552.15.6.

2. 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. 65 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).

3. Local industries (Customs duties relief)

Legislation has been enacted 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.

