Correspondingly, the retail prices of Guinness stout will be as follows:—

	Existing Rates ¢	*Proposed Rates* ¢
Bars	2.10	3.00
Hotels	3.20	3.30
Discotheques ..	2.60	3.50

Cigarettes

51. It is also recommended that the special tax on cigarettes which is at present ¢10.00 per a *thousand* sticks on the top brands and ¢5.00 on the lower brands be removed. To compensate for the revenue loss (estimated to be about ¢30.00 million) it is recommended that the selling price of the various brandss hould be adjusted as follows:—

Brand	*Old Price* ¢	*New Price* ¢
(i) State Express 555	3.00 per 20	5.00 per 20
Rothmans King Size ..	3.00 per 20	5.00 per 20
(ii) Embassy	2.60 per 20	4.00 per 20
Capstan	2.60 per 20	4.00 per 20
Pall Mall	2.60 per 20	4.00 per 20
Hollywuud	2.60 per 20	4.00 per 20
(iii) Cresta	2.20 per 20	3.00 per 20
Tusker	2.20 per 20	3.00 per 20
(iv) Sweet Menthol	1.80 per 20	2.60 per 20
Texan	1.80 per 20	2.60 per 20
Durbar	1.80 per 20	2.60 per 20

These price adjustments automatically raise the base on which both excise duty and sales tax (which are *ad valorem*) are calculated. The additional revenue yield is estimated to be ¢130.00 million.

Petroleum Price Adjustment

52. The last time Government adjusted the ex-pump prices of petroleum products was in September, 1978 when the world price of crude oil rose to about $14.10 or ¢38.78 per barrel. Since then, there has not been any adjustment in ex-pump prices in spite of the large increases in the world price of crude oil. The current O.P.E.C. meeting taking place in Caracas, Venezuela, is expected to end in another round of price increases. Already, Saudi Arabia has announced an increase of 33 per cent while Nigeria and Libya have announced increases of about 15 per cent. Nigeria, from where we buy about 80 per cent of our crude oil sells a barrel for $26.27 (or ¢72.24). The cost per barrel of the remaining 20 per cent of our crude oil requirement which we import from North Africa works out to $28.00 or ¢77.00 if account is taken of transportation costs. Table x of Chapter 1 shows the nation's rising bill in crude oil imports.

from: 1979-80 Budget - Ghana

53. Because ex-pump prices of petroleum products have not been adjusted in line with changes in the world price of crude oil, Government has had to subsidise petroleum consumption. It is estimated that this subsidy amounts to as much as ₵40.00 million a month. At this level of subsidy, Government can hardly obtain sufficient funds for the provision of essential services. Further, because the ex-pump prices have been kept at such low levels, smuggling of petroleum products has been very widespread. For example, in the Ivory Coast, premium sells at ₵8.71 per gallon; regular, ₵8.33; kerosene, ₵4.50; and gas oil ₵5.86. The prices in Togo follow roughly the same pattern. In Senegal, the prices are ₵15.00 for premium; ₵12.50 for regular; ₵8.50 for kerosene; and ₵9.30 for gas oil.

54. To reflect more realistically the true cost of petroleum products and eliminate the large subsidies Government has been paying, it is proposed to adjust the ex-pump price of petroleum products as follows:

	Existing Price	*Proposed New Price*
	₵	₵
Premium per gallon	3.50	7.50
Regular per gallon	3.00	7.00
Kerosene per gallon	1.00	3.50
Gas Oil per gallon	2.00	4.00
L.P. Gas per cylinder of 32 lb.	10.00	16.00

55. Due to the importance of kerosene to the rural population, Government has not reflected the full cost of production in the price of the product. The proposed price therefore carries a subsidy of 50 pesewas per gallon.

56. The necessary changes in transport fares and charges consequential to these adjustments will be announced today.

Inputs for Poultry Farms

57. In line with Government intention to boost poultry farming in order to provide cheap source of protein for the people, it is recommended that the 35 per cent duty presently imposed on imported day-old chicks be removed. Already no duties are imposed on poultry feed, machinery, plant and spare parts. This means that all inputs for the poultry industry shall now be duty free. The potential revenue loss is ₵1.00 million.

THE TIMBER INDUSTRY

58. Government also recommends that to help revive the timber industry and raise especially the volume of export of processed timber the export duty presently imposed on timber that is, 5 per cent on lumber and 10 per cent on curls and logs should be abolished. The estimated revenue loss is about ₵8.00 million.

from 1979-80 Budget - Ghana

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n products as follows:

Existing Price	*Proposed New Price*
₵	₵
3.50	7.50
3.00	7.00
1.00	3.50
2.00	4.00
10.00	16.00

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Sales Tax

59. Government has realised that a large number of manufacturers have been under-declaring their production and sales figures for sales tax purposes. In order to check this, it is proposed that henceforth production and sales figures will be matched with the rate of utilisation of import licences. Importers will be required to submit quarterly returns to the Comptroller of Customs indicating the value of import licence allocated, the amount of letter of credit established, volume and value of production and sales.

Taxes on Income and Property

60. On taxes on income and property, Government presents the following proposals:

Standard Assessment

61. Revenue collection under this item has been very poor. Whereas tax revenues from employees and companies have shown annual growth rates of around 30 per cent in the past 3 years, collection under standard assessment has actually stagnated; and this in a period when the coverage had been widened. From the financial year 1976–77 to 1978–79, while employees whose taxes are deducted at source paid a total of ₵414.00 million in income taxes, self-employed persons and those on standard assessment paid only ₵60.00 million or just about 15 per cent of employees' contribution. The situation is even more serious if account is taken of the fact that the coverage includes many professions whose operational requirements are not affected by the many constraints faced by other categories of taxpayers and yet whose charges are very responsive to the inflationary trends in the economy. Many factors may account for this but two seem to stand out, namely, that:—

(i) quite often no follow-up action is taken to ensure that all those liable to pay the tax actually do so. (In other words an active register has not been maintained on these taxpayers);

(ii) because the actual levels of income earned by the various categories of taxpayers who fall under the standard assessment are not known, the rates of assessment have remained very low and the payment of these low rates, quite contrary to the meaning of standard assessment as only a payment on account, has invariably been accepted as the final discharge of the taxpayer's liability.

from: 1979-80 Budget - Ghana