



# SEND GHANA

(A Subsidiary of SEND Foundation of West Africa)

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Telephone: 0503538211 | Email: [info@sendwestafrica.org](mailto:info@sendwestafrica.org) | Twitter: @SEND GHANA

## For Immediate Release

### **SEND GHANA STANDS IN SOLIDARITY WITH ORGANIZED LABOUR ON THE COMPLETE WITHDRAWAL OF THE 15% VAT TAX FOR RESIDENTIAL CUSTOMERS OF ELECTRICITY.**

SEND GHANA stands in solidarity with organized labour and concerned citizens across the country in calling for the complete withdrawal of the 15% Value Added Tax (VAT) for residential customers of electricity above the maximum consumption level for lifeline consumers, whose consumption is limited to 30 kilowatt-hours per month.

We acknowledge the importance of the government's Medium-Term Revenue Strategy and the IMF Post COVID-19 Program for Economic Growth (PC-PEG). However, we believe that this should not be achieved at the expense of the most vulnerable segments of our society. The implementation of the 15% VAT tax on residential electricity consumption will burden and undermine the welfare of ordinary Ghanaians who are already grappling with multiple hardships and economic challenges. This tax will further exacerbate the financial strain on households, particularly those with limited income, by increasing their utility bills and reducing their disposable income. Access to affordable electricity is crucial for supporting livelihoods, enhancing the quality of life for all citizens and ultimately for driving economic growth.

There have been some media reports stating that after a cabinet meeting on Friday, February 2, 2024, the government has decided to cancel the 15% VAT on residential electricity. However, we are concerned that we have not seen any official statement to that effect, hence, we cannot rely on it. If indeed what we are hearing from a section of the media is true, we expect a formal communication from the Ministry of Finance or the President to that effect.

SEND GHANA as a matter of urgency calls on the government to prioritize the welfare of citizens by heeding to the legitimate concerns raised by organised labour and immediately reverse the decision to impose a 15% VAT on electricity. We urge the Ministry of Finance to engage in meaningful dialogue with stakeholders, including workers' unions, civil society organizations, and the private sector, to explore alternative revenue generation measures that are equitable and do not place an undue burden on vulnerable populations. As an organization committed to advocating for social justice and inclusive development, we will continue to work alongside key stakeholders to champion policies that promote the well-being and prosperity of all Ghanaians.

For media inquiries, please contact: Ms. Jaona Addey, Communication Officer on 0503538221

Yours Faithfully

Dr. Emmanuel Ayifah  
Deputy Country Director

## BOARD MEMBERS

Janet Mohammed (Chair)  
Al-Hassan Y. Seini  
Justina Anglaare  
Emmanuel Darko  
Moses Bakar

## CEO

Siapha Kamara

[siapha.kamara@sendwestafrica.org](mailto:siapha.kamara@sendwestafrica.org)

## HEAD OFFICE

A28 Regimanuel Estates,  
Nungua Barrier,  
Sakumono, Accra (D2D)  
Tel: +233 (0) 302 716860  
+233 (0) 302 716830

Email:

[info@sendwestafrica.org](mailto:info@sendwestafrica.org)

Website:

[www.sendwestafrica.org](http://www.sendwestafrica.org)

## SALAGA

P. O. Box S182, Salaga  
Tel: 233-03726 22088

## TAMALE

H/No. RC 8, Rice City,  
Gumani, Tamale  
P. O. Box T1347, Tamale  
Tel: 233-03720 22547 / 24515  
Email:  
[tamale@sendwestafrica.org](mailto:tamale@sendwestafrica.org)

*Vision: A Ghana where people's rights and well being are guaranteed.*

*The Mission of SEND is to promote good governance and the equality of women and men in Ghana*