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Our Ref: MD/O/6E/AOMC/21/3070

08<sup>TH</sup> December, 2021

The Industry Coordinator/CEO

Association of Oil Marketing Companies (AOMC)

Accra.

Dear Sir,

**RE: INTERFERENCE BY GOVERNMENT IN THE PETROLEUM DOWNSTREAM MARKET**

Our attention has been drawn to a statement issued by the Association of Oil Marketing Companies (AOMC) of which GOIL is a key member, dated 7<sup>th</sup> of December, 2021 and addressed to the Hon Minister for Energy on the above subject.

1. GOIL wants to state categorically that at no point did the government 'direct' the company to reduce its fuel prices as being alleged and circulated. GOIL is a listed company with a constituted Board of Directors and Management and takes decisions based on prudent commercial principles.  
Aside this, GOIL is guided by the fact that the company is owned by Ghanaians and that has always influenced our pricing policy.
2. To the uninformed, AOMC should be reminded that Government of Ghana, SSNIT and BOST, have in total, 78 percent shares in GOIL. All these entities are largely owned by Ghanaians, and as indicated earlier, GOIL's pricing policy takes into consideration the welfare of the ordinary Ghanaian. Profit is therefore not the company's prime motive, we also take cognisance of our corporate social responsibility to Ghanaians.
3. It would be recalled that prior to the 15 pesewas per litre reduction, GOIL had in the previous window, reduced its price from GHC6.99 to GHC6.85 per litre of fuel for both super and diesel, thereby losing 14 pesewas per litre. The motive was to cushion Ghanaians in the difficult post-COVID period.
4. In this pricing window and looking at the agitations of transporters and the concerns of Ghanaians, GOIL decided to sacrifice part of the company's margins to benefit its cherished customers and Ghanaians as a whole.
5. As stated earlier, in the previous window, GOIL reduced prices by 14 pesewas without any prompting or being 'directed' by government to do so and on this occasion, GOIL decided to reduce its prices after taking all the necessary steps to safeguard its business interest.

6. We at GOIL are therefore surprised that AOMC has found its voice and the audacity to allege that government 'directed' GOIL to reduce prices and has gone ahead to ask government to withdraw that 'directive'. The Association is fully aware that even at our current prices, most Oil Marketing Companies, OMCs are selling below the GHC6.70 per litre currently being sold by GOIL. The Association is also in knowledge of the nefarious activities of some OMCs which enable them to undercut GOIL and has kept quiet but has instead, sought to unfairly denigrate the management and Board of GOIL as being the whipping boys of government.
7. GOIL is therefore challenging the Association to provide proof other than the unproven media claims that the company was directed to reduce prices. GOIL also finds it strange and unacceptable that the chairman of the AOMC did not find it fit to seek GOIL's position before coming out with the well-circulated statement even when the association had earlier advertised for a Board meeting to discuss the same issues, and GOIL's group CEO/MD had earlier spoken to the CEO of AOMC.
8. GOIL is a responsible company fully aware of the deregulated environment in which we operate. The allegation that government is interfering in the industry is unfounded and baseless. GOIL has the right as any other OMC to determine its prices.
9. We at GOIL believe the association has shown gross disrespect to the company and treated it with contempt and public ridicule. GOIL has therefore decided to suspend its membership of the association immediately.

Yours Faithfully,



Hon. Kwame Osei-Prempeh  
**Group CEO & MD (GOIL)**

Cc: Hon. Minister For Energy