



Press release.

**RE: IMPLEMENTATION OF THE GOLD FOR OIL PROGRAM - AOMC's
OPTICS**

DATE: 8TH FEBRUARY 2023

- In general, Government can, and is constitutionally authorized to intervene in the market to protect the welfare of the Ghanaian citizenry with a variety of policy instruments designed to promote the sound economic management of the Ghanaian economy. The policy on Gold for Oil appears to be premised on the need to moderate the rising prices of petroleum products arising from challenging forex pressures and world market turbulence and is accordingly permitted within the context of that right.
- However, it is worth highlighting that Government's intervention in the market to manage the unexpected occurrences must be done in a balanced manner to avoid any form of discrimination and ensure fairness to all licensed parties.
- We note that the declared fact that the imported quantity of products under the Gold for Oil program is inadequate to meet the monthly consumption of the country and the indication that BOST is compelled to restrict distribution of the products to selected BIDECS to the exclusion of others, notwithstanding that the product is bought and imported with public funds, does not augur well for market fairness.
- The indicated mechanism allows for arbitrary selection of BIDECS, and by extension OMCs, to benefit from the program. Also, the fact that this mechanism is intended to force players to reduce prices at the pumps creates some form of arbitrariness which will eventually distort the market and create an uneven playing field. Ordinarily a rationalized mechanism such as liftings on a "first come first served" basis or any other approach that gives equal opportunity to all licensed parties to access the products will be legitimate and justifiable as providing for a fair distribution of the product to the market.
- It is further worth highlighting that the indicated distribution mechanism has the potential to result in preferential treatment for some industry players which is statutorily and constitutionally untenable as it does not only contravene Government's own stated policy of operating a deregulated market but also unacceptably impacts the commercial competitiveness of other players in a rather unfair manner. This will also challenge the long-term viability of the industry.

Kwaku Agyemang

- In the circumstances, while the Gold for Oil program is of itself legally justified per conception, its implementation process raises serious issues of discrimination against some licensed actors in the downstream petroleum industry given its covert use of product access as a means of attaining the ends of price fixing. The resultant discrimination against some licensed actors who are unable to access the limited quantity of products is wrong and could accordingly be questioned.
- We believe that a passionate discussion of the implementation of this innovation and any others in the industry with all stakeholders is the way to go to achieve the overall goals of the program.

Thank you.



Kwaku Agyemang-Duah,
Industry Coordinator ,