

PRESS RELEASE

COMAC and CBOD Condemn Illegal Diversion of LPG Fund—Strike Action Imminent

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The Chamber of Oil Marketing Companies (COMAC) and the Chamber of Bulk Oil Distributors (CBOD) categorically condemn and are appalled by the alleged unlawful diversion of funds from the LPG Fund to the Ghana Cylinder Manufacturing Company (GCMC). This action constitutes a flagrant breach of statutory mandate, a dangerous sabotage of national energy policy, and an unacceptable betrayal of public trust. This alleged move is a blatant deviation from the fund's original purpose.

The LPG Fund: Purpose and Legal Mandate

The LPG Fund was established under Legislative Instruments LI 2262 (amended) and LI 2481, implemented by the National Petroleum Authority (NPA) on April 1, 2024, with three explicit, legally binding objectives:

1. **USD 44/MT Bottling Plant Margin** – To finance construction and operation of LPG bottling plants nationwide
2. **USD 36/MT Cylinder Investment Margin** – To fund the Cylinder Recirculation Model (CRM) rollout for safe, efficient LPG distribution

These purposes are **non-negotiable**. The fund was never intended as discretionary capital for ad hoc allocations. Redirecting it to GCMC is not administrative flexibility—it is statutory violation that demolishes the foundation of Ghana's LPG safety and infrastructure framework.

The Immediate Danger: Lives at Stake

By channeling funds away from bottling plant development, CRM implementation, and unsafe cylinder withdrawal, government is actively choosing GCMC's financial convenience over a holistic mission to increase accessibility of LPG ; remove lethal cylinders from circulation; and ensure safe replacement.

Economic Devastation Beyond the Industry

This fund misappropriation extends far beyond industry grievances. It represents:

- **Destruction of private investment** – Legitimate operators who invested billions based on government's statutory commitments now face collapse
- **Elimination of jobs** – Thousands of livelihoods across the downstream value chain are jeopardized

- **Consumer exploitation** – Ordinary Ghanaian households will absorb costs through higher prices, reduced supply, and continued safety risks
- **Investor flight** – Both domestic and international capital will flee a jurisdiction where statutory guarantees mean nothing

Every diverted cedi erodes competitiveness, freezes critical investment, and transfers wealth from productive enterprise to governmental discretion. Ghanaians' confidence in state institutions—earned over decades—is being weaponized to justify institutional pilferage.

Non-Negotiable Demands

COMAC and CBOD demand immediate corrective action:

1. **Cease all disbursements** to GCMC from the LPG Fund immediately
2. **Reverse any allocations** already made to GCMC and restore funds to their lawful purpose
3. **Reaffirm statutory mandate** – Government must publicly confirm that the LPG Fund will finance only bottling plants, CRM rollout, and unsafe cylinder withdrawal
4. **Guarantee transparency** – Implement quarterly public reporting on all fund utilization with independent audit verification

These are not industry requests. These are **legal and moral imperatives**.

The Choice Before Government

This moment demands decision: Will Ghana uphold the rule of law and protect its citizens, or will it condone misallocation, erode energy sector credibility, and sacrifice lives for bureaucratic convenience?

COMAC and CBOD will pursue every legitimate avenue—policy, legal, and public—to defend the LPG Fund's rightful utilization. We will not permit this fund to become a discretionary slush account. We will not remain passive while statutory protections are shredded. We will not accept anything less than full accountability, decisive leadership, and restoration of fund integrity.

The people of Ghana deserve nothing less than protection, transparency, and respect for the law. Government must now decide which side of that equation it occupies.

We will explore all options to protect our interest and preserve our right as key stakeholders under the structure.

Signed by:

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