REJOINDER TO ISSUES RAISED BY INDUSTRY ON THE NEW EXCISE ACT.

1. Purpose and Summary

Government has considered the publication issued by Accra Brewery PLC ("ABL") under the title "A Brewing Crisis?", in which the company objects to the revised beer and stout excise sliding scale and calls for the existing rates to be frozen for FY26 and FY27.

The Government welcomes engagement from industry and confirms, at the outset, that it shares the two objectives identified in the publication: the protection of local manufacturing and the mobilisation of domestic revenue. Government also agrees with the publication's closing proposition that Ghana should not have to choose between the two.

That, however, is the point at which agreement ends. The publication does not engage with the evidence on which the government based its review of the sliding scale in its new Excise Act. It advances five substantive propositions:

- A cost of US$7.5 million;
- Up to 2,000 jobs at risk;
- An additional 52,000 jobs from connected sectors of the economy;
- A reversal of competitiveness in favour of imported beer; and
- An asymmetry of burden between importers and local manufacturers.

The article fails to substantiate any of them. On the single question that prompted the review, namely whether the local raw material utilisation condition attached to the concession is actually being met, the publication is silent.

Government's response is summarised as follows.

First, the sliding scale has not been abolished; it has been retained in its three-band form, and a preferential margin of 22.5 percentage points below the standard rate remains available to producers in the top band. Second, the review was prompted by evidence that the concession is being claimed at a scale and on a basis that the underlying local agricultural production does not support. Third, the competitiveness argument advanced in the publication is arithmetically unsustainable once the statutory bases of assessment for imported and locally manufactured goods are correctly applied. Fourth, the employment figures cited do not measure what the publication uses them to measure. Fifth, the excise concession is one element within a wider package of public support extended to this industry over many years, and neither the case for its continuation nor the claim that the industry is overtaxed can be assessed without regard to the cumulative value of that support and to where its benefit ultimately accrues. Government therefore does not accept the case for a two-year freeze, and instead invites ABL to substitute verifiable data for assertion.

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2. What the New Excise Act Actually Does

Because the publication is framed around risk to "local production", it is necessary to state precisely what has changed, and what has not.

Table 1: Beer and stout (other than indigenous beer). All rates are ad valorem on the ex-factory price.

Local raw material content	Rate under Excise Duty Amendment Act No. 2 (2015)	Rate under the Excise Act, 2026	Change (percentage points)	Preference retained vs standard rate
Less than 50%	47.5%	47.5%	Unchanged	None (standard rate)
50% to 70%	32.5%	40.0%	+7.5 pp	7.5 pp
More than 70%	10.0%	25.0%	+15.0 pp	22.5 pp

Four features of Table 1 are material and are not acknowledged anywhere in the publication.

- The policy instrument survives. The sliding scale has not been abolished, collapsed into a single rate, or narrowed from three bands to two. Its architecture is intact and the incentive to increase local raw material content is preserved.
- A substantial preference remains. A producer in the top band pays 25% where an importer pays 47.5% — a margin of 22.5 percentage points, equal to a 47.4% discount on the standard rate. That retained preference is half as large again as the entire preference the middle band ever enjoyed under the 2015 Act (15.0 percentage points).
- The standard rate is unchanged. The rate applicable to imported beer has not been reduced. Nothing in the Act improves the position of an importer in absolute terms.
- The lowest band is untouched. Producers using less than 50% local content see no change whatsoever, because they were never in receipt of the concession.

It follows that the accurate characterisation of the reform is a **narrowing of a preference**, not the removal of one, and certainly not a reversal of it. The distinction is not semantic; as set out in Section 4.4, it is the distinction on which the publication's central competitiveness claim fails.

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3. The Case Government Has Made Which the Publication Does Not Address

A rejoinder is ordinarily a reply to an argument. In this instance, Government must first point out that the publication does not reply to the argument for the Excise tax review. It addresses the consequences of the reform for ABL, and it does not address the reasons for it. Those reasons are three.

3.1 The sliding scale has stopped sliding

Excise data obtained from the Ghana Revenue Authority show that approximately 85% of qualifying production by ABL and other domestic manufacturers has been assessed in the top concessionary band, that is, declared to contain more than 70% local raw materials and has accordingly been charged an Excise Tax of 10%.

This is decisive, and it is decisive against the publication's position rather than for it. A graduated incentive works by creating a marginal reward for movement between bands. Where 85% of output has already reached the highest band, there is no further band to move to and no marginal inducement left to offer. The instrument has ceased to function as an incentive and now operates, in substance, as a flat 10% rate on the great majority of the industry, subject only to a declaration.

The publication argues that the revised rates will not "stimulate local manufacturing, investment or the development of Ghana's agro-processing ecosystem." The government's difficulty is the converse and prior question that the publication does not confront: what marginal stimulus was the 10% rate still generating in a market where nearly everyone already qualified for it? A concession that virtually the entire industry receives is not an incentive. It is a transfer.

3.2 The local raw material condition is not being met in substance

As part of its monitoring exercise, the Ministry of Finance and the Ghana Revenue Authority conducted field verification in the Northern and Volta Regions, where approximately 70% of the relevant commodities, including cassava, maize, sorghum and millet are grown. Two findings emerged from interactions with the farming communities.

1. The commodities are not being produced at the commercial scale that would be required to support the volumes of local raw material declared by manufacturers.
2. Manufacturers source through aggregators, and a significant portion of the raw material passing through those aggregators originates outside Ghana.

If those findings hold, the consequence is not merely fiscal. It is that a concession conditioned on the use of Ghanaian agricultural output has, in part, been claimed against non-Ghanaian agricultural output. Also, farmer incomes and agro-processing linkages relied upon in the publication have accrued, to that extent, outside the jurisdiction that granted the concession.

The publication devotes four paragraphs to the importance of local sourcing, agriculture, and agro-processing. It does not, at any point, state ABL's own local raw material percentage, identify the band in which its products are assessed, name a single supplier or aggregator, or quantify a single tonne of Ghanaian grain purchased. **That information is entirely within the company's possession and is the most directly relevant evidence available on the question in dispute.** Its omission from a document whose central premise is the company's contribution to local sourcing is a matter Government is bound to note.

3.3 The fiscal cost of the existing structure

The revenue foregone under the existing three-band structure has grown at a rate that cannot be reconciled with a stable and well-targeted incentive.

Table 2: Estimated excise revenue foregone under the sliding scale, 2023–2025. Source: Ghana Revenue Authority.

Year	Estimated revenue foregone (GH¢ million)	Year-on-year increase	Cumulative (GH¢ million)
2023	405.33	—	405.33
2024	615.21	+51.8%	1,020.54
2025	733.75	+19.3%	1,754.29

Cumulative revenue foregone across just the last three years alone is about GH¢1.75 billion, and the annual figure has risen by 81% between 2023 and 2025. Government notes further that excise collections have materially underperformed compared to the projected target in the current year. A concession whose cost is compounding while collections are contracting, and whose eligibility condition field verification has placed in doubt, is a concession that requires review as a matter of ordinary fiscal stewardship.

The publication contains no reference to any of this. It argues at length about the balance to be struck between revenue mobilisation and local production while omitting the revenue figure from one side of the balance. A document that asks Government to weigh two considerations and supplies numbers for only one of them has itself failed to conduct the weighing exercise it commends.

3.4 The concession sits within a wider package of public support

The publication presents the excise sliding scale as though it were the entire fiscal relationship between the State and the brewing industry. It is not. The concession is one element of a package of support that has been extended to local manufacturers, including ABL, over a considerable period.

- **Customs relief on capital goods.** Plant, machinery, spare parts and specified production inputs have benefited from exemption or concessionary treatment on importation under successive legislative and administrative regimes.
- **Concessionary treatment under the direct tax code.** Manufacturing operations located and operating in Ghana have benefited from reliefs and rate concessions available under the income tax legislation.
- **The excise tax stamp.** Government procures and supplies excise tax stamps at public expense. The cost of the stamp, its printing, its security features and its distribution is borne by the Republic and not by the manufacturer, an arrangement that is not universal among jurisdictions operating stamp regimes, a number of which recover the cost from the industry the regime serves.
- **The sliding scale itself.** The preferential excise rate, under which, as set out at Section 3.1, approximately 85% of qualifying production has been assessed at the lowest band rate of 10%.

Government makes no complaint about the existence of these measures. Each was granted deliberately and for a stated purpose. The point is one of accounting. The proper measure of the State's contribution to this industry is the cumulative value of the whole package, and the proper question is whether the return to Ghana, in verified local sourcing, in employment, in taxes borne and in agricultural linkage, has kept pace with it. **A producer whose stamp costs, capital equipment duties and effective excise rate have each been reduced at public expense over an extended period is not readily described as a producer that is overtaxed.** Government proposes to establish the cumulative figure, and requests the particulars at Section 6E for that purpose.

Government further observes that public money spent in support of one industry is public money not available elsewhere. Revenue foregone on the scale set out in Table 2 is not an abstraction; it is measured against the health, education and infrastructure expenditure that the same revenue would otherwise fund, and on which the industry's own workforce, suppliers and consumers depend.

4. Examination of the Specific Claims

Government has examined each quantitative and analytical proposition advanced in the publication. They are taken in turn.

4.1 The claim of a "US$7.5 million" impact

> *"For Accra Brewery, the potential impact on its budget is estimated at $7.5 million, based on 2027 Financial Year (FY27) implementation assumptions."* — A Brewing Crisis?

Government makes five observations on this figure.

(a) It is a budget variance, not an economic loss. The publication is explicit that the impact is "on its budget" and rests on "implementation assumptions". What is being measured is the deviation of an outcome from ABL's own internal financial plan. A plan constructed on the premise that a 10% preferential rate would continue indefinitely. A company's planning assumption is not a legal entitlement, and the disappointment of that assumption is not a public policy cost. Government cannot treat the difference between a taxpayer's budget and the law as a claim on the Republic.

(b) It is not reproducible. No volume, no ex-factory price, no product mix, no band assumption, no pass-through assumption and no exchange rate is disclosed. The figure cannot be recalculated, audited or tested by any reader. It is, in the strict sense, an assertion of a number rather than a calculation of one.

(c) Inverting it produces testable implications. An ad valorem increase of 15.0 percentage points (top band) yielding US$7.5 million implies an annual ex-factory revenue base of approximately US$50 million. An increase of 7.5 percentage points (middle band) implies approximately US$100 million. Each of those figures is capable of reconciliation against ABL's audited financial statements, which are filed publicly as a listed company on the Ghana Stock Exchange. Government invites that reconciliation, together with a statement of which band the calculation assumes.

(d) The currency of denomination is a presentational choice. The excise is imposed in Ghana cedis upon a cedi-denominated ex-factory price. Expressing the effect in United States dollars, without disclosing the cedi amount or the rate applied, obscures the base of assessment from a domestic readership and imports an exchange rate assumption that is neither stated nor defended. Government requests the figure in cedis.

(e) It assumes no behavioural response. The figure is presented as a fixed cost falling wholly on ABL. It therefore assumes that the company will not increase its local raw material content, will not adjust product mix, and will pass none of the duty to the trade or the consumer. Each assumption is contestable, and the first is precisely the response the sliding scale exists to elicit. A statement of tax impact that omits the incidence question is incomplete on its own terms.

4.2 The claim that "up to 2,000 jobs" are at risk

> *"Based on current assessments, the changes could put up to 2,000 jobs across the beer value chain at risk…"* — A Brewing Crisis?

The phrase "current assessments" is unattributed. No author, methodology, elasticity, base year or definition of "at risk" is given, and the qualifier "up to" places no floor beneath the estimate. A figure of zero satisfies it as fully as a figure of 2,000.

The figure is also difficult to reconcile with the publication's own cited source. The publication states that around 98% of beer-related employment occurs outside breweries. Applied to the 52,000 figure it quotes, that leaves approximately 1,040 jobs within breweries across the whole of Ghana, including ABL, its competitors, and every other brewing operation in the country. The 2,000 jobs said to be at risk are therefore roughly twice the total brewery workforce of the entire nation, and must consist overwhelmingly of jobs in distribution, retail and hospitality that are not employed by ABL, are not employed by any brewer, and do not depend on the excise rate applicable to any particular producer.

For such losses to materialise, a chain of propositions must hold: that the duty is passed through substantially to retail; that retail prices rise materially as a result; that consumers reduce beer consumption in proportion; that they do not substitute towards other beverages sold through the same outlets by the same staff; and that the resulting volume contraction is severe enough to eliminate employment across four downstream sectors. The publication asserts the conclusion and supplies none of the intermediate steps.

Government's own illustrative calculation runs in the opposite direction. For a top-band producer, the duty change raises the excise-inclusive factory-gate cost by 13.6%. Where the factory gate plus excise represents approximately 40% of the final retail price, full pass-through implies a retail price effect of approximately 5.5%, and for a middle-band producer, approximately 2.3%. Government does not present these as findings; the pass-through share is an assumption, and ABL is better placed than Government to state the true figure. However, these figures do indicate the order of magnitude at issue, and they do not plainly support the elimination of 2,000 jobs.

4.3 The use made of the Oxford Economics figure

> *"The beer sector supported 52,000 jobs in 2023, equivalent to 0.4 per cent of total employment, with around 98 per cent of the jobs fostered beyond breweries."* — Oxford Economics, as quoted in A Brewing Crisis?

Government does not dispute this figure and has no reason to doubt the study. Government disputes the inference drawn from it, which is a category error.

The study measures the economic footprint of the beer *sector*. It does not measure the economic footprint of the excise *concession*. Those are different quantities, and only the second is in issue. The relevant counterfactual is not the absence of a beer industry in Ghana; it is the same beer industry taxed at 25% rather than 10% in the top band. The employment attributable to the concession is the *difference* between employment under the two rates, a marginal quantity and it is nowhere estimated in the publication.

Deploying a gross sectoral aggregate to resist a marginal rate adjustment is the standard error of economic impact analysis. Carried to its conclusion, it proves that no tax may ever be levied on any sector that employs anyone. Government further notes that studies of this genre are commissioned by the industry they measure and rely on input-output multipliers with induced and downstream effects, which systematically generate large gross totals. That does not impugn the study; it does bear on the weight it can carry in this argument, which is very little.

A relevant use of the study would have been to compare Ghanaian beer sector employment before and after 2012, when the sliding scale was introduced, against an appropriate counterfactual. Fourteen years of data are available. The publication does not attempt it.

4.4 The claim that the regime favours imported beer over local production

> *"In its current form, the revised sliding scale risks creating an unintended incentive for imported beer over locally produced beer… A tax framework should not inadvertently make importing a product more attractive than manufacturing that same product locally."* — A Brewing Crisis?

Government agrees entirely with the principle in the second sentence. Government does not accept that the Act offends it and considers the claim to rest on two identifiable technical errors.

Error 1 — Confusing a reduction in advantage with a reversal of it

It is correct that the preferential margin has narrowed, from 37.5 percentage points to 22.5 percentage points in the top band. It does not follow that importing has become more attractive than local manufacture. A local producer who previously paid 10% and now pays 25% remains taxed at little more than half the rate borne by an imported product. The publication treats a change in the rate of advantage as though it were a change in its sign. It is not.

Error 2 — Comparing headline rates across different statutory bases

The more serious error is that comparing 25% with 47.5% is not a like-with-like comparison, because the two rates are applied to materially different values.

- For goods manufactured in Ghana, excise duty is assessed on the ex-factory price.
- For imported goods, the value for excise purposes is the customs value together with the duties, taxes, fees and other charges payable on entry, excluding excise duty and value added tax. The base is therefore the Cost, Insurance and Freight (CIF) value grossed up by import duty and the associated levies.

The imported product is thus charged a higher rate upon an already inflated base and does so after bearing freight and insurance on a heavy, low value-density commodity, and after import duty at the ECOWAS Common External Tariff rate applicable to finished consumer goods, together with the ECOWAS and African Union levies and the Special Import Levy. None of these charges falls on the finished output of a Ghanaian brewery. Comparing 25% against 47.5% in isolation therefore understates the position of the local producer and does so substantially.

Table 3 sets out an illustrative comparison on a consistent basis. The local producer's ex-factory price is indexed to 100, and the imported competitor is assumed to have an identical factory-gate value in its country of origin.

Table 3: Illustrative comparative incidence. Value-added tax, NHIL, and the GETFund Levy are excluded because they apply equally to both downstream products. Freight, insurance and origin value are assumptions stated for transparency; the structural conclusion does not depend on their precise calibration.

Component (index; local ex-factory price = 100)	Local, top band (25%)	Local, middle band (40%)	Imported (47.5%)
Factory-gate / origin value	100.00	100.00	100.00
Freight and insurance (12%)	—	—	12.00
CIF value	—	—	112.00
Import duty (20% of CIF)	—	—	22.40
ECOWAS, AU and Special Import Levies (2.7% of CIF)	—	—	3.02

Component (index; local ex-factory price = 100)	Local, top band (25%)	Local, middle band (40%)	Imported (47.5%)
Value for excise purposes	**100.00**	**100.00**	**137.42**
Excise duty	25.00	40.00	65.28
Total duty-paid cost to the trade	**125.00**	**140.00**	**202.70**
Cost relative to local top-band producer	**1.00×**	**1.12×**	**1.62×**

On these assumptions the imported product reaches the trade at approximately 1.62 times the duty-paid cost of a top-band local producer, and still at approximately 1.45 times the cost of a middle-band producer. Under the previous 10% rate the multiple was 1.84. The advantage has narrowed. It has not disappeared, and it has not inverted.

The same analysis can be expressed as a break-even test, which Government considers the more useful formulation because it identifies precisely what ABL would need to demonstrate.

Table 4: Discount below the Ghanaian ex-factory price at which an importer's duty-paid cost equals that of the local producer, on the assumptions in Table 3.

Local producer's band	Required import discount under Act 903	Required import discount under the Act, 2026	Change
More than 70% LRM	45.7%	38.3%	7.4 pp narrower
50% to 70% LRM	34.6%	30.9%	3.7 pp narrower
Less than 50% LRM	27.2%	27.2%	Unchanged

The proposition advanced in the publication therefore requires an importer to source a comparable product at a price **at least 38% below** the ex-factory price of a Ghanaian brewery before importation becomes the cheaper route to market, and to do so on a sustained basis. If ABL contends that such sourcing is available, that contention is not an argument about excise policy at all. It is an argument that Ghanaian brewing costs - energy, packaging, financing, scale, currency are 38% or more above those of a foreign competitor, which is a competitiveness question that a 15 percentage point excise concession would neither create nor cure, and which is properly addressed through industrial and energy policy rather than through the permanent forfeiture of excise revenue.

Government notes finally that if the revised regime genuinely rendered importation more attractive than domestic manufacture, this would be observable in import volumes and market share. Customs data will record it. Government will monitor it. The claim is falsifiable, and Government is content to be judged against it.

4.5 The claim of an imbalance between importers and local manufacturers

> *"Importers would not face the same level of business impact, while local producers would carry a significantly higher burden despite their investments in factories, employees, supply chains and local sourcing."* — A Brewing Crisis?

This proposition equivocates between the level of the burden and its change and is true only in the second sense.

It is correct that importers experience no change, for the plain reason that the standard rate has not moved. It does not follow that they "would not face the same level of business impact", because importers were already, and remain, taxed at the highest rate in the schedule and on the wider base described above. The party whose burden does not change is the one already carrying the heavier one. A statement that a taxpayer at 47.5% is unaffected by a reform, offered as evidence that a taxpayer moving to 25% is disadvantaged relative to them, does not survive being set out in full.

As to investment in "factories, employees, supply chains and local sourcing": Government recognises these contributions and has said so. They are also precisely the contributions the publication declines to quantify. Government cannot weigh an investment that has not been measured against a revenue loss that has been measured.

4.6 The call for a freeze across FY26 and FY27

> *"Accra Brewery respectfully calls for the existing beer sliding-scale rates to remain unchanged for FY26 and FY27…"* — A Brewing Crisis?

Three difficulties attend this request.

(a) It exceeds the publication's own evidence. The sole quantified harm relied upon is expressly "based on 2027 Financial Year (FY27) implementation assumptions". If the impact arises in FY27, no case has been made on the publication's own figures for suspending the rates in FY26. The request is broader than the evidence offered to support it.

(b) It asks for the suspension of an enacted statute. The revised rates are contained in legislation that has completed its passage through Parliament. A request that duly enacted rates "remain unchanged" pending further consultation is, in substance, a request that Government decline to apply the law while consultation proceeds. Consultation on the design of future rates is a proper and welcome request. The non-application of enacted rates is a separate request, and Government does not accept it.

(c) It carries a quantified fiscal cost that the publication does not state. On the trajectory in Table 2, a two-year deferral would preserve revenue foregone totalling more than GH¢1.5 billion over the period. The publication asks Government to bear that cost and does not disclose it to the reader.

4.7 The appeal to predictability and the status of the concession

The publication invokes a "balanced and predictable excise framework". Government accepts predictability as a legitimate objective of tax administration and has preserved it where it matters: the structure of the instrument, the number of bands, the eligibility thresholds and the standard rate are all unchanged.

Predictability, however, is not immutability, and a tax concession is not a vested right. The sliding scale was introduced in 2012 as an instrument to achieve a defined purpose. An instrument that may never be adjusted in light of evidence as to whether it is achieving that purpose is not a policy; it is an entitlement. Government notes that the 2012 measure was itself a change to the framework then in force and was welcomed by the industry on that basis.

4.8 Where the benefit of the concession accrues

The publication advances its case as that of a Ghanaian manufacturer and appeals throughout to Ghana’s industrial and agricultural interests. The Government accepts that ABL is a Ghanaian incorporated company, listed on the Ghana Stock Exchange, employing Ghanaians and operating a Ghanaian plant. It is also a matter of public record that controlling interest in the company passed to SABMiller in 1997 and, following that group’s acquisition, to AB InBev, so that the company forms part of a foreign-controlled international group.

Government draws no adverse inference from that fact. Ghana welcomes foreign direct investment, has benefited from it in this sector, and applies its tax law without regard to the nationality of a taxpayer’s shareholders. The relevance of ownership is narrower and is this. A tax concession is an expenditure of Ghanaian public money. It is justified only by benefit that accrues in Ghana. The sliding scale was designed so that the benefit would reach Ghanaian farmers and Ghanaian agro-processing through the local raw material condition attached to it. Where that condition is met in substance, the design works and the manufacturer's ownership are immaterial. Where it is not met in substance, as the field verification at Section 3.2 indicates may be the case, the relief does not reach Ghanaian agriculture at all. It settles in the margin of the enterprise, and from there, in part, in distributions and related-party payments to a shareholder base outside the jurisdiction that granted it, while the revenue foregone falls wholly on Ghanaian public finances.

That is the asymmetry which properly concerns Government. It is not the asymmetry between importers and local manufacturers advanced at Section 4.5, which does not survive examination. It is the asymmetry between the domestic cost of the concession, which is measured, recurrent and rising, and the destination of its benefit, which is asserted but not evidenced. The publication does not address the question. Government has accordingly requested at Section 6E the particulars by which it can be answered.

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5. Observations on the Publication as a Whole

Beyond the individual claims, Government records six features of the document’s construction that bear on the weight it can be given.

Asymmetry of evidential standard. Every proposition favourable to ABL is asserted without supporting data, the US$7.5 million, the 2,000 jobs, the competitiveness reversal, the asymmetry of burden. The single external source cited is invoked to support a proposition it does not support. Meanwhile, the one body of evidence that is documented and sourced, i.e. the Ghana Revenue Authority’s assessment data and the field verification in the Northern and Volta Regions, is not addressed at all.

Conflation of the firm with the sector. A budget variance affecting one company is placed in immediate proximity to a 52,000-job sectoral figure and a 2,000-job risk estimate, inviting the reader to transfer the magnitude of the second to the first. ABL is one participant in a competitive market containing other brewers of comparable and greater scale. Its budget is not the industry, and the industry is not the economy.

Presumption of inadvertence. The reform is described as having effects that are “unintended”, “inadvertent” and liable to occur “unintentionally”. This framing presupposes that Government has not considered the matters raised. Government has considered them, has published its reasoning, and has reached a different conclusion on the evidence. Disagreement with a conclusion is not evidence that the conclusion was reached without thought.

Silence on the operative issue. The review was prompted by a finding that the local raw material condition is not being satisfied in substance. A publication issued in response to that review, by a company that benefits from the condition, and which argues at length for the importance of local sourcing, does not mention the finding. Government draws no conclusion from that silence, but it cannot pass over it.

The form of the appeal. The propositions in the publication were addressed to the general public rather than submitted to the Ministry and the Ghana Revenue Authority as evidence in the review to which they respond. A warning of job losses and reduced investment, issued publicly and unquantified, is a familiar feature of exchanges of this kind in many sectors and many jurisdictions. Government imputes no bad faith and accepts that a company is entitled to state its position publicly. It records only that a public warning of harm is not a substitute for the data by which harm is demonstrated, and that Government cannot determine rates of duty on the strength of consequences a taxpayer announces but does not evidence.

The wider implication of the request. The publication asks that rates enacted by Parliament be held in suspension for two financial years pending further consultation. If an enacted rate can be suspended in that way on assertion rather than evidence, the practical effect is that the exercise of the taxing power becomes contingent upon the assent of the taxpayers most affected by it. Government cannot accept that position, and the consideration weighs against the request independently of its merits. Ghana's fiscal policy is settled by evidence and by Parliament. It remains open to revision on evidence, and Government has said at Section 6 precisely what evidence it will act on.

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6. Information Required of Industry

Government does not ask ABL to abandon its case. Government asks it to evidence it. If the claims in the publication are sound, the following material exists and can be produced. Government invites ABL, and industry generally, to furnish the following for the period from 2023 to date, subject to applicable data protection requirements.

A. Local raw material utilisation — the condition of the concession

- The declared local raw material percentage for each product, by period, and the band claimed.
- Quantities of cassava, maize, sorghum and millet purchased, by commodity, by season and by region of origin, distinguishing material grown in Ghana from material sourced outside Ghana.
- A complete schedule of farmers and agricultural suppliers, with Taxpayer Identification Numbers, registration particulars, locations and contact details.
- Amounts paid to each farmer or supplier, historical and current.
- Full particulars of all aggregators used, including registration details, TINs, locations, and the taxes they have paid to date.

- Contracts or other documentary evidence establishing the farmer and aggregator relationships, and the traceability arrangements by which ABL satisfies itself as to Ghanaian origin.

B. The employment and value chain claims

- The number of direct jobs, with identifiable payroll records, and the associated PAYE remitted.
- The methodology, author, base year and assumptions underlying the estimate of "up to 2,000 jobs at risk", including the assumed pass-through rate and price elasticity of demand.
- The basis on which employment beyond the brewery gate is attributed to the excise concession rather than to the existence of the sector.
- Corporate income tax and other taxes paid, by year.
- Particulars of investments, farmer support programmes and community projects claimed as part of the industry's contribution, with locations, beneficiaries and expenditure.

C. The US$7.5 million estimate

- The calculation in Ghana cedis, showing volumes, ex-factory prices, product mix, the band assumed, the percentage point increase applied, the exchange rate used and the pass-through assumption.
- Reconciliation of the implied ex-factory revenue base to ABL's audited financial statements as filed with the Ghana Stock Exchange.
- The counterfactual against which the impact is measured, and confirmation of whether it assumes local raw material content is held constant.

D. The competitiveness claim

- A full comparative model on a consistent basis, in the form set out in Table 3, showing: for imported beer, landed cost plus import duty plus levies plus 47.5% excise plus other charges; and for locally produced beer, production cost plus applicable taxes plus the preferential excise rate plus other relevant costs.
- The origin ex-factory price at which the imported comparator is assumed to be available, and evidence that supply at that price exists.
- Import volume and market share data supporting the contention that substitution towards imports is occurring or is likely to occur.

E. The cumulative value of public support, and the destination of the benefit

- The value of customs duty exemptions, concessions and reliefs claimed on plant, machinery, spare parts and production inputs, by year, with the statutory or administrative basis of each.
- The volume and value of excise tax stamps supplied to the company at Government expense, by year, together with the company's estimate of the cost it would have borne had the stamps been procured at its own expense.
- All other tax incentives, holidays, exemptions, reliefs and concessionary rates claimed since 2015, with the statutory basis and the value of each by year.
- Distributions to shareholders and payments to related parties, including management fees, royalties, technical service fees, procurement through affiliated entities and interest on

shareholder loans, for the period 2023 to date, together with the withholding tax accounted for on each.

- The value retained in Ghana, comprising wages, payments to Ghanaian farmers and suppliers, domestic procurement and taxes borne, expressed both in cedis and as a proportion of turnover, for each year of the period.

Government undertakes that material properly furnished under this schedule will be examined on its merits by the Ministry of Finance and the Ghana Revenue Authority, and that where the evidence establishes a proposition, Government will act on it. Government is bound by evidence in both directions.

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7. Government's Position

Government's position may be stated as follows:

3. The sliding scale will not be abandoned. Its three-band structure is retained, and a preference of 22.5 percentage points below the standard rate remains available to producers demonstrating genuine local raw material utilisation.
4. The rates have been tightened, not because local manufacturing is unimportant, but because the evidence indicates that the concession has ceased to operate as a targeted incentive and has begun to operate as an untargeted transfer of increasing cost.
5. Preferential treatment will be linked to verified local content. Government will strengthen certification, traceability to farm gate, and the registration and taxation of aggregators, so that the benefit accrues to producers who are in fact sourcing from Ghanaian farmers.
6. Government remains open to consultation on the long-term design of the regime including the calibration of thresholds, the treatment of verified high-content producers and appropriate transitional administration conducted on the basis of the evidence identified in Section 6 and within a defined timetable.
7. Government will monitor import volumes and market share and will keep the competitiveness question under review against observed data rather than assertion.
8. The excise concession will be assessed as part of the whole of the public support extended to the industry. Government will establish the cumulative value of that support, and will expect the return to Ghana, in verified local sourcing, employment and taxes borne, to be commensurate with it.
9. Rates of duty will be set by evidence and by Parliament. Government will consider any properly evidenced case placed before it, in either direction, and has set out at Section 6 what such a case would consist of. It will not set aside enacted rates on the strength of unquantified warnings of adverse consequence, from any taxpayer, of any ownership, in any sector.

Government affirms the closing proposition of the publication: Ghana should not have to choose between revenue mobilisation and local industrial growth, and both are achievable. Achieving both, however, requires that concessions granted in the name of local industry are in fact delivering local industrial and agricultural benefit commensurate with their cost. Establishing whether that is so is the purpose of this review.

Accra Brewery PLC is a long-standing contributor to Ghana’s industrial base and Government values its presence and its investment. Government therefore invites the company to do what the publication did not: to place on the record the volumes, the farmers, the payments, the calculations and the comparative model that would allow its case to be assessed. Government will assess it. **What Government cannot do is set aside verified revenue of GH¢1.75 billion on the strength of figures that cannot be checked.** Nor can Government treat a concession granted for a purpose as an entitlement held in perpetuity irrespective of whether that purpose is being served. Every cedi of excise duty collected funds the roads, ports, power, schools and hospitals on which this industry, its workforce and its consumers depend. Ghana intends to have both a thriving brewing industry and the revenue to develop the country in which it operates, and Government does not accept that it must forgo the second in order to retain the first.

ANNEX A

Assumptions Underlying the Comparative Incidence Model (Tables 3 and 4)

Government sets out below the full basis of the calculations at Section 4.4, so that they may be tested, challenged or replaced with better data. Government invites correction of any assumption on evidence.

Assumption	Value used	Basis and sensitivity
Local ex-factory price	Index 100	Numeraire. All figures are expressed relative to it.
Origin factory-gate value of imported comparator	Index 100	Assumes cost parity between the Ghanaian and foreign producer. Table 4 relaxes this by solving for the break-even value.
Freight and insurance	12% of origin value	Beer is a heavy, low value-density product. A lower figure narrows the gap; the structural conclusion is unchanged at any plausible value.
Import duty	20% of CIF	ECOWAS Common External Tariff band applicable to finished consumer goods.
ECOWAS, AU and Special Import Levies	2.7% of CIF combined	Special Import Levy 2.0%, ECOWAS Levy 0.5%, African Union Levy 0.2%.
Value for excise on imports	CIF + duty + levies	Duties, taxes and charges payable on entry, excluding excise duty and VAT.
Value for excise on local production	Ex-factory price	Statutory base for goods manufactured in Ghana.
VAT, NHIL, GETFund Levy	Excluded	Applied equally to both products downstream; inclusion does not alter the relative position.
Factory gate plus excise as a share of retail price	40%	Used only for the illustrative pass-through estimate at Section 4.2. ABL is better placed to state the true figure and is invited to do so.
Pass-through of duty to retail	100%	A deliberately conservative assumption that maximises the estimated consumer price effect.

The conclusions at Section 4.4 are structural rather than parametric: they follow from the fact that imported beer bears freight, import duty and levies which local production does not, and is assessed for excise on a base that already includes them. No plausible recalibration of the assumptions above reverses that ordering.