



# LPG MARKETING COMPANIES ASSOCIATION OF GHANA

## PRESS STATEMENT

*FOR IMMEDIATE RELEASE (10.00am, Sunday, 21<sup>ST</sup> JULY 2024)*

**LPG Marketing Companies Association of Ghana debunks NPA CEO's remarks, describing them as derogatory, unfair, and highly unfortunate, and calls for fair regulatory practices.**

The LPG Marketing Companies Association of Ghana hereby responds to the claims made by the Chief Executive of the National Petroleum Authority (NPA), Hon. Dr. Mustafa Hamid, at the recent Ghana International Petroleum Conference (GhIPCon) as follows:

### 1. OUR PURPOTED OPPOSITION TO CRM:

The assertion that we oppose the Cylinder Recirculation Model (CRM) is categorically false. We have engaged in numerous discussions with the NPA and have mutually agreed that both the REFILLING and CRM systems must operate side by side. Our advertisements are solely aimed at promoting LPG usage to protect our environment and promote INDEGENOUS BUSINESSES, but not to oppose CRM. There are clear differences between opposition and competition in our humble opinion. **Our requests to mount cages in all our LPG stations across the country to support the policy by distributing CRM cylinders were vehemently turned down by the NPA.** We therefore find it very ironic and disingenuous that the CEO will turn round and accuse us of being backwards looking and not wanting change. We take very serious exception to that derogatory statement.

### 2. COSTS OF CHANGE:

While we acknowledge the necessity for change, it must be recognized that such transitions always come with significant costs, and we must be prepared to pay for the cost of such changes. The LPG Marketing Companies Association and LPG Retailers Association have invested over \$400 MILLION in the industry, with around 60% of this investment financed through bank loans. These substantial investments, made by INDEGENOUS GHANIANS over the past 25 - 30 years, cannot be sacrificed just on the altar of change.

### 3. EMPLOYMENT OPPORTUNITIES:

Our sector is a critical provider of employment for over 10,000 Ghanaians, including 8,000 direct and 2,000 indirect jobs. We are proud to be the only industry wholly owned and operated by INDEGENOUS GHANIANS in Ghana. We are yet to be told the exact number of jobs that CRM could potentially create, and it will do all of us a lot of good if NPA could tell Ghanaians how many jobs CRM has created over the past one year of its launch. Simply claiming that CRM will generate 'Aboboyaa' jobs is insufficient, lacks transparency and authenticity, and can only have propaganda and a populist value.

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#### 4. GLOBAL AND REGIONAL COMPARISM:

There is no example of any country in the world with a well-established, regulated, robust, and entrenched LPG distribution network that has abandoned it in favour of CRM without due process and adequate compensation to indigenous investors. Colombia, which transitioned to CRM, provided full compensation to its citizens. Nigeria, on the other hand, is moving away from CRM to refilling plants even though they started with a dual system. Ghana, the star of Africa, should rather aim to perfect its existing system for others to emulate rather than blindly and unnecessarily following trends. Change must be managed carefully, taking into account our unique circumstances to prevent adverse outcomes.

We strongly urge the CEO of NPA, Hon Dr. Mustafa Abdul Hamid, to desist from making inflammatory and derogatory remarks that undermine and incite the public against our association. It is imperative for the NPA to maintain neutrality and fulfil its role strictly as a regulator. The use of funds generated by members of our association to support and promote foreign and semi foreign entities at the expense of INDEGENOUS GHANAIAN BUSINESSES is unjust, unnationalistic, and highly unacceptable. Taxpayer funds should not be diverted to support and advertise for private bottling companies that have the financial means to promote their own businesses.

In conclusion, we firmly reiterate our agreement with the NPA that both REFILL and CRM systems must coexist peacefully. We call on the NPA to uphold its regulatory role with impartiality and ensure a fair and balanced approach for all stakeholders in the industry. We further urge the CEO of NPA to respectfully desist from such needless attacks on INDEGENOUS GHANAIAN BUSINESSES; as such attacks inflame passions and have the potency to result in industrial disharmony

Thank you.

SIGNED:

GABRIEL KUMI  
(Vice Chairman)

For: Chairman