



SEVENTH EDITION OF THE NDC'S MOMENT OF TRUTH SERIES PRESENTED BY HON. SAMUEL NARTEY GEORGE, MP FOR NINGO-PRAMPAM, AT THE NDC NATIONAL HEADQUARTERS ON 12TH DECEMBER, 2019.

Good morning ladies and gentlemen of the media.

Thank you for joining us, here, at our Party Headquarters; and thank you very much for executing your role as the fourth estate of the realm.

This morning, we will address two issues – the fifty percent (50%) increase in Communication Service Tax (CST); and the white elephant, KelniGVG which is only siphoning money from suffering Ghanaians under the pretext of telecommunications revenue assurance. As you are aware, the Communications sector under Nana Akufo-Addo has been in the news, since 2017 largely for the wrong reasons. Starting from the GhanaPost GPS saga; to the white elephant called KelniGVG; through the attempt to hand over the Television space to StarTimes despite the protestations of the Ghana Independent Broadcasters Association; to the malicious and arbitrary closure of media houses; and to the recent draconian 50% increase in CST and all its attendant challenges.

Addressing all these issues can keep us here for hours. Therefore, today, as already indicated we have decided to focus on the needless KelniGVG deal and the 50% increase in CST which is imposing unbearable hardships on already suffering Ghanaians.

THE 50% INCREASE IN COMMUNICATION SERVICE TAX (CST)

This past week saw the culmination of frustrations by Ghanaians. The frustrations manifested as the online #SaveOurData campaign which spread like wildfire in the harmattan. The #SaveOurData campaign was a restless response to both the implementation and the full effect of the drastic increase in the cost of both voice and data tariffs. Ghanaians suddenly realized they were paying far too much for phone calls, WhatsApp, Instagram among others.

You may recall the recent 50% increase in CST which heralded this hardship and chaos was originally introduced as a 6% consumer tax eleven (11) years ago, in 2008, by the John Agyekum Kufuor administration. The 6% tax was imposed on all voice and data transactions in the country. Despite being a consumer tax, Mobile Network Operators (Telcos) have managed it without generating the chaos that we have witnessed under President Akufo-Addo – The Nana Addo led administration decided, simply, without recourse to consumers and current market indicators to increase the CST by 50%.



This increase points to two things – first, a lack of policy coherence on the part of Government as it claims to be driving technology inclusivity and yet appears to be slapping inhibitive tax hikes on the same technology.

Secondly, it reaffirms the notorious fact that, President Akufo-Addo is insensitive to the plight of Ghanaians. Indeed, October, 2019 shall remain an October to remember! How could the President have increased fuel prices, increased electricity tariffs, increased water tariffs and added a 50% increase in CST to the burdens of the already suffering Ghanaian?

Ladies and Gentlemen, for a President who before coming into office promised to move Ghana from taxation to production, this state of affairs is helplessly unacceptable. The President is producing and hiking taxes as against his 2016 promise of, “From taxation To Production.” As a result, the President has broken his moral and social contract with Ghanaians and has eroded trust and confidence in his ability to lead Ghana.

When Ghanaians met the price hikes with proportionate anger, instead of Government listening and reversing the increases in tariffs and CST, the Minister of Communications, Ursula Owusu, decided to play to public sentiments and emotions. The Minister deliberately mixed up the CST issues with the issue of data expiry. This is typical of an administration that is unwilling to listen to the people and act on their grievances – they choose to obfuscate. But Ghanaians are wide awake.

At this juncture, let me separate the two issues namely: upfront deductions; and data expiry that have arisen from the Communications Minister’s directives.

1. UPFRONT DEDUCTIONS

Ladies and Gentlemen, when Government increased CST by 50% the Telcos decided to be transparent about it to avoid any confusion with their customers. They started deducting upfront. Government felt this was exposing the public to the full effect of their tax hike. According to the Minister this upfront deduction exposed Government to the ire of the public. They were preoccupied with deception and not decreasing the tax hikes to bring economic relief to Ghanaians.

As one telecom expert puts it, “The Government's position was not to listen to the cries of the people for the removal of the increase but rather a directive to hide the deductions.”

What this has done is, instead of a flat 7% deduction when you purchase either a voice or data plan, the Minister has approved a tariff increase for the Telcos which is charged on a rolling basis every time you make a call. This actually brings more revenue to the Telcos and also means more corporate tax for



government. The only one losing out here is the ordinary Ghanaian. The Telcos do not care about us and so also does our government. The Telcos are interested solely in their bottom lines and profit margins for their shareholders and, sadly, the Akufo-Addo Government which Ghanaians elected is interested in how much more tax it can take out of our meagre earnings.

Ladies and Gentlemen, this insensitivity on the part of Government and the Telcos is most unfortunate. This insensitivity will also make it more expensive for both businesses and Ghanaians who rely on telecommunications services to go about their daily activities and business operations.

THE BOGUS RATIONALE FOR THE 50% INCREASE IN CST

In July 2019, when the President increased CST by 50%, the Minister for Communications promised the revenue was to support the Cyber Security Authority. Not that we believed her.

But the 2020 budget has exposed her prank on Ghanaians. The 2020 budget is silent on the formation of the Cyber Security Authority. In fact, only GHS10 million out of the whopping GHS436, 540,000 to be collected from CST has been allocated to the Cyber Security Authority.

We demand that, until legislation for the Cyber Security Authority is put before Parliament and passed, any revenue collection in its name must cease. In any case why must the Cyber Security Authority be funded solely by the taxpayer and not with contributions from private entities such as banks who are also facing challenges with cyber-attacks?

Enough of the fleecing of Ghanaians for the interests of private and foreign business interest. The President and Hon. Ursula Owusu-Ekuful must put Ghanaians first over whatever business interests they may have. We remain citizens not spectators and demand that our President and his government also become citizens and not sleeping spectators.

2. DATA EXPIRY

Ladies and Gentlemen, I now turn to data expiry – the second issue the Minister for Communications raised to confuse herself and unsuspecting Ghanaians with the hope of confusing and watering down the impact of the 50% CST increase.

It is common knowledge. Data that DOES NOT expire has always been on offer on the Ghanaian telecommunications market. It is simply more expensive than data that expires. So, what did Ursula Owusu seek to achieve? Yet again, we have seen the Telcos place commercial interest over the welfare of their customers. However, the ultimate blame lays at the doorstep of the Akufo-Addo government.



Industry practice globally points to cheaper rates when data, voice or SMS plans are bundled. In the UK, Europe and in the US, service providers offer plans inclusive of all three or specific to one or a mix. Even with voice, plans are segregated into on-net, off-net and international call plans. In those jurisdictions, you can choose a plan or pay as you go. Plans are always cheaper than pay as you go. In what appears to be either a lack of understanding of the industry or just sheer incompetence, we have seen the Minister's regressive directive impose expensive plans or bundles that are not time bound on Ghanaians while the Telcos smile all the way to their fat bank accounts.

Ladies and Gentlemen, by playing to the gallery, the Minister has imposed untold hardships on the Ghanaian people. The Telcos especially those with the largest market share have failed to show good faith to their customers. Ghana is a free market economy and private business models are NOT determined by government directives or fiats. The Telcos have, however, agreed to this government imposition because it increases their profit margins. They would have put up a fight if it did not benefit them.

In effect, our Government has increased CST which is taking more money from our pockets. Our Government has imposed a no data expiry directive which is giving Telcos more money and making the Ghanaian worse off. Who do you blame – The gods, government or Telcos?

So, fellow Ghanaians, when you get less data for the same amount you used to pay and are told it doesn't expire, you would however consume all the data before your usual usage period is up because you are on a more expensive tariff rate now. What this means is that you have to buy another data package. I repeat, this means more revenue for the Telcos.

Scenario 1

If you used 100GB every 30 days for a business and that cost was GHS399, that data plan had an expiry of 30 days. Let's assume you only consumed 90GB.

You would lose your 10GB if you did not roll over by renewing the bundle before expiry. So we clamoured for 'no expiry' to save that 10GB. Fair or unfair?

Scenario 2

Now with the new directive, of data expiry, you are told you have no expiry on your bundle but now for GH399, the Telco is offering you only 50GB. What this means is that even though your data now does not expire, to get the 90GB which is your standard consumption for 30 days, you would need to pay GHS 798.



Again, this is more revenue for the Telcos and more money out of your pocket. The NDC feels sad, for us all as Ghanaians, that the Government of Ghana has deliberately and out of incompetence allowed the Telcos to take more money from our pockets. And this is happening in addition to the obnoxious and needless 50% increase in CST.

The Akufo-Addo Government is not a spectator in this loot from our pockets but an instigator of the loot. Therefore, we call for an immediate withdrawal of the 50% increase in the Communications Service Tax.

COMMON MONITORING PLATFORM (KelniGVG) For those of you familiar with the Netflix series, Money Heist, this is Ghana's version. A clear calculated attempt to fleece the taxpayer to the tune of \$US90 million over a 5-year period with another \$US90 million for an extension of 5 years. This amounts to a whopping \$US180 million from our pockets.

At today's conservative exchange rate of GHS5.65 to \$US1, this comes to GHS1, 017,000,000 – over one billion Ghana Cedis (GHS1 Billion). This amount is equivalent to the entire cost of the Kasoa Interchange and its ancillary projects or the state of the art Ridge Hospital. This amount of money can build 113 complete Mahama E-blocks at the cost of GHS9 million per school.

It can also build seven (7) more brand new District Hospitals like the spectacular Dodowa District Hospital at a cost of \$US25 million each. Furthermore, this amount of money would build 1,271 6-unit classroom blocks at the current price of GHS800, 000. These 1,271 classroom blocks would mean almost 5 of these 6-unit classroom blocks for each of the 275 Constituencies in the Ghana.

Ladies and Gentlemen, these examples illustrate how much has been created to be looted and shared by apparatchiks of the Akufo-Addo administration. The KelniGVG Contract was signed by Mr. Ken Ofori Atta and Madam Ursula Owusu (Ministers for Finance and Communications respectively).

Their proximity to President Akufo-Addo is public knowledge. IMANI Ghana and several others yelled, wailed and cried to no avail. Where there is create, loot and share, Nana Akufo-Addo hears no evil. Indeed, he even sees no evil even if it is within his Government. This is the problem, that, a Government of family and friends, by family and friends and for family and friends visits on a nation.

Strangely, the Minister for Communications recently, at a Meet the Press briefing, made fallacious claims about savings due to the common monitoring platform. I challenged her on the floor of Parliament and she is yet to find her voice in response to the facts. If the Minister claims the KelniGVG platform has saved GHS205 million from sim box fraud, who has been prosecuted or even put before court? Where are the sim



box machines that should have been confiscated as we saw under President Mahama which led to the prosecution and imprisonment of the former boss of Ghana Real Estate Developers Association (GREDA), Dr. Alex Tweneboah? (<https://www.myjoyonline.com/news/2015/January-26th/former-greeda-boss-dr-tweneboah-arrested-for-sim-box-fraud.php>)

The Communications Minister also claimed that the platform has detected under invoicing by the Telcos. The facts show the contrary. In fact, in one instance, the platform billed GHS17 million less than the manual GRA assessment of one of the Telcos. The Ghana Chamber of Telecommunications has challenged the Minister to provide proof of under invoicing by any of their members since the 20th of November 2019. Again she has gone mute. Under invoicing is criminal and you would have expected to see penalties and sanctions imposed on any such entity if that was the case.

Ladies and Gentlemen, the entire KelniGVG platform is sitting in the premises of the NCA. The question we need to ask is how much is KelniGVG paying for rental of the floor space? How much are they paying for utilities (light and water)? Are they using a state facility for private gain and getting paid on top?

Even though we in the NDC support growing Ghanaian businesses, we believe in doing so in accordance with the laws of the land. There are multiple breaches of the procurement laws and the entire procurement processes that led to the signing of the contract between the company and Ministers Ken Ofori Atta and Ursula Owusu. The process is replete with irregularities. In effect, a few people have ganged up and are raping the public purse with reckless abandon while Ghanaians are saddled with in excess of GH8 million every month to the individuals behind KelniGVG and their sponsors in Government. [L T L T L T]
[S E P I S E P I S E P I]

CONCLUSION

In conclusion, the future of the Communications space looks bleak under the current crop of 'mismanagers'. We are calling on President Akufo-Addo to immediately withdraw the 50% increase in CST. The trade-off of none expiry of data and tariff increases has disadvantaged the Ghanaian even the more.

We, also, demand a forensic audit into the KelniGVG contract and its operations so far.

President Akufo-Addo, Save our data now!

Stop raiding our pockets for private gain.

God bless our Homeland Ghana and make her great and strong.



Thank you for your attention.