



**Africa
Sustainable
Energy Centre**

info@asec-gha.com



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PRESS RELEASE

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ASEC WELCOMES GOVERNMENT OF GHANA'S BOLD DECISION TO REMOVE PETROLEUM TAXES, CALLS FOR A MORE SUSTAINABLE APPROACH.

EMERGENCY CABINET ACTION DELIVERS CRITICAL RELIEF TO GHANAIAN HOUSEHOLDS AND THE TRANSPORT SECTOR AS THE MIDDLE EAST CONFLICT DRIVES GLOBAL FUEL PRICES SKYWARD

Accra, Ghana – The Africa Sustainable Energy Centre (ASEC) warmly welcomes President John Dramani Mahama and the Government of Ghana's swift and decisive action in approving the removal of selected taxes and margins on petroleum products as highlighted in ASEC's recommendations to the government. The announcement, made on Thursday, 9 April 2026, following an emergency Cabinet meeting at the Jubilee House, reflects the government's prompt approach and responding with urgency in one of the most challenging global energy moments in recent decades.

ASEC's Perspective: A Model of Responsive Energy Governance

At the Africa Sustainable Energy Centre (ASEC), we have long advocated for energy policies that centre on the welfare of ordinary African citizens, particularly during external economic shocks. The government's action today exemplifies that commitment. We commend the President and his Cabinet for recognising that unchecked fuel price increases do not merely affect motorists – they threaten food security, public transport affordability, small business survival, and the broader economic wellbeing of every Ghanaian household.

We also note that Ghana has fiscal room to absorb this intervention. With global crude prices well above Ghana's 2026 budget benchmark of \$76.22 per barrel, the country has benefited from significant windfall revenues from its crude oil exports that can responsibly offset any shortfall from the tax reduction, as economic analysts have affirmed. This is precisely the kind of smart, evidence-based fiscal thinking that we at ASEC encourage across the continent.

ASEC further commends Ghana's transport unions, particularly the Ghana Private Road Transport Union (GPRTU), for their restraint in not immediately passing on increased costs to commuters, in response to President Mahama's personal appeal. This spirit of national solidarity is to be applauded and sustained.



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A Call for Sustained Action and Long-Term Energy Resilience

While we celebrate this immediate relief measure, ASEC also calls on the Government of Ghana to use this moment as a catalyst for deeper structural reforms in the energy sector. Adding up to the immediate measures, Ghana should open immediate diplomatic channels with Nigeria, the Republic of Congo, and Algeria to explore preferential supply agreements. Diversifying away from Middle Eastern suppliers reduces exposure to the current geopolitical disruption and builds more resilient, continent-centred supply chains. The recurring vulnerability of African nations to external oil price shocks underscores the urgent need to accelerate the transition to domestically sourced, renewable, and sustainable energy. Investments in solar, wind, and other clean energy technologies, alongside the diversification of the energy mix, remain the most durable path to insulating Ghanaian citizens from the volatility of global fossil fuel markets.

ASEC reiterate the medium-term and long-term measures as listed below:

Medium-Term Structural Reforms

1. **Build and Expand Strategic Petroleum Reserves:** Ghana must urgently invest in expanding its petroleum storage capacity and the volume of reserves held. The country's current reserves are inadequate to sustain economic activity through any prolonged supply disruption. Investment in storage infrastructure is a critical national security priority.
2. **Renegotiate Royalty and Revenue Agreements with Oil Companies:** Existing agreements with international oil-producing companies should be re-examined, with a focus on royalty structures and revenue-sharing arrangements, to secure terms that afford Ghana greater flexibility and more equitable returns from its own hydrocarbon resources.
3. **Review and Strengthen Force Majeure Provisions in Energy Contracts:** Government contracts with oil supply companies should include appropriately drafted force majeure provisions to protect both parties during extraordinary, unforeseeable events, such as the current conflict, and to provide a clear legal framework for managing supply obligations during crises.





Long-Term Strategic Investments

1. **Rehabilitate and Expand the Tema Oil Refinery:** Ghana's dependence on imported refined fuels is a fundamental vulnerability. Restoring and modernising the Tema Oil Refinery would reduce import exposure and enable Ghana to process its own crude oil into usable products domestically.
2. **Diversify the National Energy Mix Through Renewables:** Accelerated investment in solar, wind, and other renewable energy technologies will reduce the economy's overall dependence on fossil fuels, making Ghana less vulnerable to oil price shocks regardless of their origin.
3. **Adopt a Hybrid Energy Transition Strategy:** ASEC advocates a balanced approach to energy transition that does not abruptly abandon oil and gas – which remain essential to Ghana's current energy system – but pursues a deliberate, phased shift toward cleaner technologies. This includes expanding electric vehicle infrastructure and incentivising electric mobility to progressively reduce demand for imported petroleum.

ASEC stands ready to partner with the Government of Ghana, the private sector and all relevant stakeholders to advance these goals. We remain committed to supporting evidence-based policy, clean energy advocacy, and initiatives that promote energy access, affordability, and security for all Africans.

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ING. JUSTICE OHENE-AKOTO
EXECUTIVE DIRECTOR, ASEC

