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## **SPEECH BY H.E PRESIDENT J.A KUFUOR, PRESIDENT OF THE REPUBLIC OF GHANA AT THE INAUGURATION OF MALLAM SUB-STATION**

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Mr. Vice President,

Mr. Speaker of Parliament,

Members of Council of State,

Honourable Ministers of State,

Niimej and Naamej,

The Chief Executive of VRA and the Managing Director of Electricity Company of Ghana,

Distinguished Ladies and Gentlemen,

I am very pleased to be with you today. The inauguration of this Station today is yet another step towards sustainable and reliable power supply to Accra and its environs which have been facing an increase in population and in industrial and other economic activities with a corresponding growth in demand for power.

It is satisfying for me to note that the completion of this Sub-station has come at a time when there has been general public outcry against unannounced and intermittent interruptions of power. It is also at a time when we are working hard to win investor confidence through the provision of an enabling

environment for business. I expect it to mark the end of Accra's vulnerability of relying solely on a single Bulk Supply Point for the supply of electricity.

Your Excellencies, Honourable Ministers and Distinguished Ladies and Gentlemen, reliable and sustainable supply of electricity is also necessary to back the government's economic policies in ushering in a golden age of business for Ghana. I thank you for your foresight in jointly planning and investing in this Sub-station.

We are aware that the prolonged unstable Cedi situation and high inflation have had a toll on the operations of your two companies as most of your expenditures are denominated in foreign currency while the bulk of your receipts are in Cedis.

Associated with these is the high cost of crude oil on the world market which had also tied the hands of VRA to occasionally reduce capacity of its Takoradi Thermal Power Station. These problems translate into the utilities' inability to acquire inputs to enhance their operations, giving the wrong impression that they cannot deliver.

Proper energy pricing is key to your financial viability and the sustainability of the power sector. Presently economic tariffs have not as yet been achieved even though my government has a matter of policy indicated that this is the preferred option. I would therefore use this forum to again ask the Public Utilities Regulatory Commission (PURC) to ensure that economic tariffs are approved for the utilities at all times in order to reduce government subsidies to these entities and help re-direct other areas.

I would wish therefore that the PURC will stick to its transitional plan to attain economic tariffs within the shortest possible period.

We in government appreciate your efforts in sustaining generation and distribution in spite of the difficult times you are going through especially with the low and uneconomic tariffs that the PURC has approved for you. We assure you of our support in meeting the electricity requirements of this country.

I need to stress this point because of the linkages between the level of a country's energy resources and the measure of its economic growth. It is for

this reason that we in government have supported the need for the utilities to recover all their operational costs of production and also find a way to finance development or investment budget. Without recovering all your costs of production, utility services cannot service their debts not attract funding to procure needed inputs for maintenance and repair works to make the power system reliable.

I wish to entreat consumers to use electricity more efficiently, pay their bills promptly and also accept to pay more for reliable services.

I will charge the heads of the utilities to work to eliminate any inefficiency that bring added costs to your operations and improve on service delivery. Whenever the public kicks against increases in tariffs, they do so mainly because they are not seeing the quality service they want from you.

I would also call on my Minister of Energy to work closely with the Management and newly appointed Boards of VRA and ECG to restore their financial viability. I pledge my governments support to help you secure funding to bridge your financial difficulties.

My administration will continue to push ahead for the implementation of the Bui Hydroelectric Project that we see as another source of potentially cheap. It will further stabilize the power network in the northern part of the country and also open up the area for development.

We would also support VRA in its new role as manager of Ghana's holdings in the West African Gas Pipeline Project. We see a lot of economic potential with the arrival of gas from the pipeline including its use as domestic fuel to free the pressure on the country's wood for fuel and protect the environment.

I would also call on VRA and ECG to work together to improve power supply to other centres of growth like Takoradi, Kumasi and the mining centres. You should work to upgrade the capacity of other substations and transformers in the communities for better and improved services.

I would use this opportunity to thank the Swedish International Development Agency (SIDA) for financing this Project and also to Norelec Energie of France for the works it has carried out with other contractors here.

I now have the singular honour of declaring this Station dully inaugurated.

Thank you.