

# Cement Regulation takes effect – Existing Companies to Re-Register, No New Factories Without Licence

The Ghana Standards Authority (Manufacture of Cement) Regulation, 2023, (L.I. 2480) has come into force in a significant move to ensure the quality and safety of cement products in the country.

The new regulation, which was approved unanimously by Members of Parliament, sets stringent standards and guidelines for cement production to safeguard consumers and promote industry best practices.

The LI, which was gazetted on November 23, took effect from December 22, 2023, making it mandatory for any entity to intending to manufacture cement to obtain licence before it could do so.

Section 17 (1) provides that “A person shall not manufacture cement in the country unless the person has obtained a licence in accordance with this Regulation.”

Section 17 (2) also makes it criminal to operate without a licence, stating, “A person who contravenes sub-regulation (1) commits an offence and is liable on summary conviction to a term of imprisonment of not less than twelve months and not more than two years”.

The legislation also requires that existing cement manufacturing companies shall re-register to ensure



that they meet all regulatory and quality specifications.

Before obtaining a licence, the entity must ensure that the product, procedure, process, system or practice each conforms to the standard specification for cement production determined by the Ghana Standards Authority (GSA).

The L.I. establishes the Cement Manufacturing Development Committee (CMDC), with representation from the private sector and other regulatory agencies to consider the applications for licence, among other requirements, and recommend to the Minister responsible for Trade and Industry to issue the licence.

Under the regulation, cement manufacturers will be required to

adhere to specific quality control measures throughout the manufacturing process, from raw material sourcing to packaging and distribution.

This includes rigorous testing of cement samples to ensure compliance with international quality standards and specifications.

## **Committee**

Chaired by the Director-General of the GSA, the members of the CMDC include the GSA Director responsible for Product Certification of the authority, a representative of the Ministry of Trade and Industry not below the rank of a Director; the Ministry responsible for Environment, Science, Technology and Innovation not below the rank of a Director, the Environmental Protection Agency not below rank of

a Director and the Ghana Institution of Engineers.

The rest of the members are a representative of the Association of Ghana Industries (AGI), the Chamber of Cement Manufacturers of Ghana and one expert in the manufacture of cement nominated by the minister in consultation with the GSA.

### **Government Committed**

The Minister of Trade and Industry, K. T. Hammond, told the Daily Graphic in an interview that the new regulation emphasised the government's commitment to promoting high-quality products in the construction sector.

He hailed the passage of the regulation as a crucial step towards improving the quality of cement and creating a level playing field for cement manufacturers to promote a healthy competition while ensuring that only products that met the specified quality requirements were available in the market.

Mr. Hammond said the regulation was also expected to contribute to a more stable pricing environment in the industry by addressing quality concerns, promoting competition, enhancing consumer confidence and encouraging long-term investment.

Those factors, he said, could collectively help mitigate price instability and create a more sustainable market for cement products in the country.

### **Another Layer**

The Director-General of the GSA, Professor Alex Dodoo, told the Daily Graphic that although the law sets up the committee to recommend licensing, among other procedures, the sector minister had the oversight to ensure that everything was done according to regulation.

He said although the GSA was using its existing legislation to regulate cement producers, L.I. 2480 had provided another layer of oversight which made it all inclusive and transparent in ensuring that everything was done to procedure.

On the re-registration of existing cement manufacturers, Prof. Dodoo said it was to ensure that they met all the quality requirements and where they fell short, they would be given time to comply.

### **Background**

In recent years, the GSA, under the auspices of the Ministry of Trade and Industry and in partnership with law enforcement agencies, has intensified efforts to combat the production of substandard cement by unscrupulous firms operating in the country.

This crackdown has revealed alarming practices, including the unauthorised use of the GSA certification logo and the operation of cement factories without proper permits.

Three companies found to be using substandard raw materials in their cement production in their cement

production in the Ashanti Region were closed down in the last quarter of last year.

The Ministry of Trade and Industry also issued a directive to halt the setting up of new cement factories in the country until the regulation comes into force.

Prof. Dodoo said the situation underscored the absence of robust regulations governing the issuance of permits for establishing cement factories, leaving room for exploitation by individuals seeking to cut corners and compromise quality standards.