

**Monday January 4, 2012**

**Govt's decision to remove subsidies on fuel is prudent - Dr. Joe Abbey**

Dr. Joe Abbey, Executive Director of the Centre for Policy Analysis (CEPA) has described government's decision to remove subsidies on petroleum products as a prudent one.

According to the renowned Economist, the policy of taking funds meant for other sectors to subsidize fuel appeared not to be yielding the desired results.

His comments are in sharp contrast to the heavy public criticism of government especially from organized labour and industries over the move.

Prices of Petroleum Products at the pumps have witnessed a 15 to 30 percent increase following government's decision to withdraw subsidies on the products. Dr Abbey however told Joy Business fuel can only be subsidized at the cost of development.

Dr. Joe Abbey said "you cannot go and borrow so that you can charge yourself less. TOR almost dropped Ghana Commercial Bank on its [knees] and Ghanaians should be worried about that."

He said if GCB, which is Ghana's main bank, can be reduced to a state of insignificance due to the TOR debt, then the country cannot continue to look the other way.

**Source: Joyonline**