

Ghana's power producers urge government to pay \$1.4bn debt

By [Christian Akorie](#)

24 Mar 2023

Ghana's independent power producers have rejected a government proposal to restructure a \$1.4bn debt owed them by the West African nation, the chief executive of their lobby group said on Thursday, 23 March.



Source: www.pexels.com

Elikplim Kwabla Apetorgbor, the head of Ghana Independent Power Producers Chamber, told Reuters they could not guarantee power generation if the government failed to meet debt its obligation.

"Members have accrued huge arrears with their suppliers for which they are already in default and accruing associated penalties. We cannot continue defaulting on our obligations," Kwabla Apetorgbor said.

Economic crisis

The gold, cocoa and oil-producing country is struggling with its worst economic crisis in a generation.

It secured a staff-level agreement with the International Monetary Fund (IMF) in December for a \$3bn loan, but needs to

restructure its debt and get assurances from its lenders as a condition for the IMF's board to sign off the programme.

Ghana defaulted on its external debts in December and has sealed a domestic debt swap. It has requested a restructuring of its bilateral debts via the G20's Common Framework vehicle.

The power producers are resisting a move by the government to restructure the debt owed to them.



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Turning power off not an option

"It's very important government prioritise payment to us at this critical point," Kwabla Apetorgbor said, adding that turning the power off is not an option for now.

The independent power generators control over 60% of Ghana's available thermal power generation capacity, he added.

"But if we are constrained, sincerely we can't guarantee generation," Kwabla Apetorgbor said.

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