CUTS WARNS AGAINST CARTEL CONDUCT AS CEMENT PRODUCERS AGREE UNIFORM GH¢12 SURCHARGE

Accra, Ghana, 5th September, 2026

CUTS International, Accra, a leading public policy think tank, has raised serious competition and antitrust concerns over the decision by the Chamber of Cement Manufacturers, Ghana (COCMAG) to introduce a uniform GH¢12 per bag clinker demurrage surcharge, warning that collective agreement among competing firms on a common surcharge bears the hallmarks of cartel conduct.

CUTS acknowledges the serious cost pressures confronting cement manufacturers because of congestion at the Tema Port. COCMAG reports that vessel waiting times increased from an average of seven days in January to between 30 and over 40 days in August 2026, resulting in estimated industry-wide demurrage costs of US$45 million to US$50 million during the first eight months of the year.

CUTS does not dispute the industry's right to recover legitimate costs. Businesses must cover their costs, remain financially sustainable and earn reasonable returns on their investments. The competition concern arises from how those costs are passed on to consumers.

"Cement manufacturers have every right to recover legitimate demurrage costs. What raises a red flag is when firms that are supposed to compete meet and collectively determine a common surcharge to be paid by consumers. When competitors agree on an element of price rather than determine it independently, such conduct bears the classic hallmarks of cartel behaviour," said Appiah Kusi Adomako, Esq., Director, West Africa Regional Centre of CUTS International.

COMPETITORS MUST COMPETE, NOT COORDINATE PRICES

According to COCMAG, the GH¢12 surcharge comprises GH¢10 before tax and GH¢2 in taxes and levies. The decision was reportedly reached at an emergency meeting on 28th August, 2026. The surcharge will remain until 31st December, subject to monthly monitoring and a review in January 2027.

Calling the amount a "demurrage surcharge" rather than a price increase does not remove the competition concern. A surcharge forms part of the amount ultimately paid by consumers. Agreements between competitors over prices or components of prices are among the most serious concerns in competition law.

Different cement manufacturers have different shipping contracts, clinker volumes, vessel arrangements, inventory levels, financing costs, operational efficiencies and exposure to demurrage. There is therefore no economic reason to assume that each manufacturer's additional cost per bag is identical.

One manufacturer might need GH¢12 to recover its costs. Another might require GH¢8. A more efficient manufacturer might absorb part of the additional cost to retain customers or gain market share.

That is competition at work. “The question is why companies with different cost structures and different demurrage exposure should all arrive at exactly the same GH¢12 surcharge. Each company should calculate its own costs and independently determine what it charges consumers. Different costs should ordinarily produce different commercial responses,” Mr. Adomako said.

AIRLINE FUEL SURCHARGES SHOW HOW COMPETITION SHOULD WORK

The airline industry provides a useful comparison. Fuel represents a major operating cost for airlines. When fuel costs rise, airlines apply fuel surcharges to recover part of those costs. Importantly, each airline independently determines its surcharge.

Fare information reviewed by CUTS for the Accra-Kumasi route for 15th September 2026 shows Africa World Airlines applying a fuel surcharge of GH¢220, while PassionAir applies a surcharge of GH¢75.

The difference makes economic sense. The airlines operate different aircraft and have different fuel consumption, operating costs, fleet economics and commercial strategies. Africa World Airlines operates jet aircraft, while PassionAir operates turboprop aircraft. They therefore need not incur identical fuel costs or impose identical fuel surcharges.

The principle is simple. Airlines face the same broad fuel-cost pressure, yet independently determine their respective surcharges.

If competing airlines met and agreed that every passenger should pay an identical fuel surcharge, such an agreement would raise serious cartel concerns.

The same competition principle applies to cement. A common industry problem does not require a common industry price.

TRADE ASSOCIATIONS MUST NOT BECOME VEHICLES FOR CARTEL CONDUCT

CUTS recognises COCMAG's legitimate role as an industry association. Cement manufacturers have every right to collectively engage Government, the Ghana Ports and Harbours Authority and other institutions over port congestion, berth availability, vessel delays and other common industry problems.

CUTS supports urgent action to resolve the congestion at Tema Port. There must, nonetheless, be a clear boundary between legitimate industry advocacy and coordination of commercial decisions among competitors.

A trade association risks crossing that boundary when competing members discuss, recommend or agree on prices, surcharges or other commercially sensitive matters which each company should determine independently.

CUTS therefore calls on COCMAG to clarify whether the GH¢12 surcharge is a collective decision or recommendation to its members and whether each manufacturer remains free to charge GH¢12, a lower amount, a higher amount or no surcharge at all.

CUTS also cautions against using the proposed monthly monitoring and January review to exchange information on future prices, production volumes, individual costs, clinker stocks or other commercially sensitive information.

ADDRESS THE PORT PROBLEM, BUT PRESERVE COMPETITION

CUTS calls on Government and GPHA to urgently address the operational constraints creating excessive demurrage costs at Tema Port. Avoidable demurrage eventually affects businesses, construction costs and consumers.

At the same time, resolving the port problem must not come at the expense of competition.

"COCMAG should collectively fight the demurrage problem. Individual manufacturers should independently decide what they charge consumers. Businesses must recover their costs and make profits, but competitors must compete, not coordinate prices," Mr. Adomako said.

Ghana's lack of a comprehensive domestic competition law makes this development even more concerning. CUTS therefore calls for renewed urgency in passing Ghana's Competition and Fair Trade Practices legislation and establishing an effective national competition authority.

CUTS stresses that a formal determination of cartel infringement would require examination of what was discussed and agreed at the meeting and how the surcharge is implemented. Nonetheless, where competitors collectively agree on a uniform component of the price consumers must pay, the conduct raises a serious cartel red flag that should not be ignored.

Different businesses have different costs. Competition allows those differences to translate into different prices. Consumers lose when competitors replace independent pricing with collective pricing.

About CUTS

CUTS International, Accra, is an independent, non-profit research, advocacy and capacity-building policy think tank working in consumer protection, competition policy and law, trade and development, regional integration and economic regulation across Ghana and the wider West African region.

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Picture: Appiah Kusi Adomako, Esq., Director, West Africa Regional Centre, CUTS International Accra