



REPUBLIC OF GHANA

# Mid-Year Review

of the

## Budget Statement and Economic Policy

of the Government of Ghana

&

## Supplementary Estimate

For the 2020 Financial Year

Presented to Parliament On Thursday, 23rd July, 2020

By  
Ken Ofori-Atta, Minister for Finance

On the Authority of His Excellency Nana Addo Dankwa Akufo-Addo  
President of the Republic of Ghana

*In accordance with Article 179 (8) of the 1992 Constitution and Section 28 of the  
Public Financial Management Act, 2016 (Act 921)*



*Transforming Ghana Beyond Aid*





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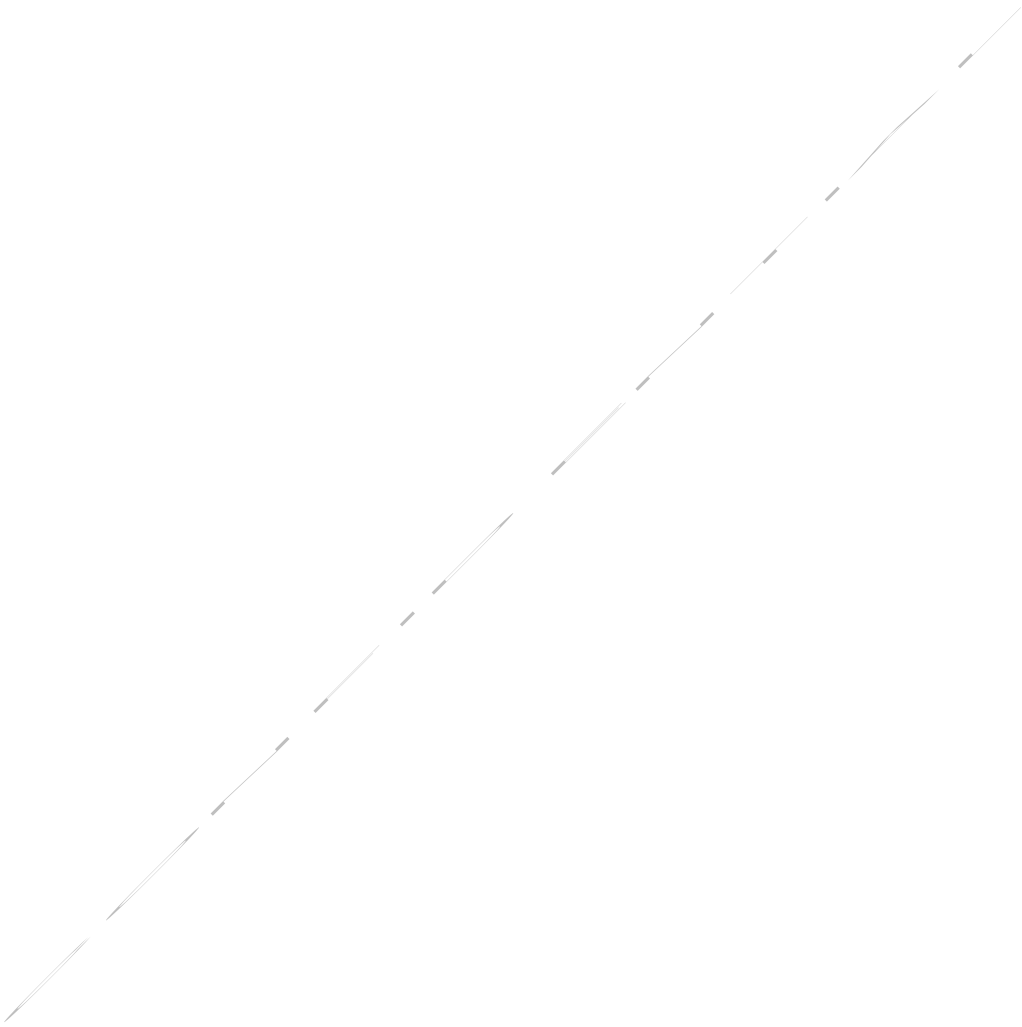
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**THE  
2020 MID-YEAR REVIEW  
&  
SUPPLEMENTARY ESTIMATE**

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## ACRONYMS AND ABBREVIATIONS

1D1F	One District One Factory
3Ts	Testing, Tracing and Treatment
ABFA	Annual Budget Funding Amount
AfCFTA	African Continental Free Trade Area
AfDB	Agence Française de Développement
AOGCP	Accelerated Oil and Gas Capacity Programme
BoG	Bank of Ghana
BoP	Balance of Payments
BPO	Business Process Outsourcing
CAP	Coronavirus Alleviation Programme
CAR	Capital Adequacy Ratio
CARES	COVID Alleviation and Revitalisation of Enterprises Support
CBG	Consolidated Bank Ghana Limited
CCB	Capital Conservation Buffer
CEMAC	Central African Economic and Monetary Community
CIEA	Composite Index of Economic Activity
CIGs	Complementary Income Generating Support
COVID-19	Coronavirus Disease
CRR	Cash Reserve Requirement
CST	Communication Service Tax
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DCO	District Census Officer
DFID	Department for International Development
DMBs	Deposit Money Banks
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
ECG	Electricity Company of Ghana
ECOWAS	Economic Community of West African States
EIB	European Investment Bank
EPOs	Electronic Point of Sale Devices
EPRP	Emergency Preparedness and Response Plan
ESLA	Energy Sector Levy Act
ESRP	Energy Sector Recovery Programme
FBOs	Farmer Based Organisations
FHs	Finance Houses
GACL	Ghana Airport Company Limited
GAMA	Greater Accra Metropolitan Area
GAT	Ghana Amalgamated Trust
GCAA	Ghana Civil Aviation Authority
GDP	Gross Domestic Product
GETFund	Ghana Education Trust Fund



GFIM	Ghana Fixed Income Market
GFZA	Ghana Free Zones Authority
GHS	Ghana Health Service
GIBA	Ghana Independence Broadcasters Association
GIFMIS	Ghana Integrated Financial Management Information System
GIIF	Ghana Infrastructure Investment Fund
GIPC	Ghana Investment Promotion Centre
GJA	Ghana Journalists Association
GMA	Ghana Medical Association
GNGC	Ghana National Gas Company
GNPC	Ghana National Petroleum Corporation
GPA	Ghana Psychological Association
GPFs	Ghana Petroleum Funds
GPP	Gas Processing Plant
GRA	Ghana Revenue Authority
GRIDCo	Ghana Grid Company Limited
GRR	Ghana Reference Rate
GSAs	Gas Supply Agreements
GSE-CI	Ghana Stock Exchange's Composite Index
GSF	Ghana Stabilisation Fund
GSs	Gas Suppliers
GSS	Ghana Statistical Service
GWCL	Ghana Water Company Limited
ICM	International Capital Market
ICT	Information and Communication Technology
IFSC	International Financial Services Centre
IGF	Internally Generated Fund
IHRMP	Institute of Human Resource Management Practitioners
ILO	International Labour Organisation
IMCIM	Inter-Ministerial Committee on Illegal Mining
IMF	International Monetary Fund
IMF-ECF	International Monetary Fund Extended Credit Facility
IPEP	Infrastructure for Poverty Eradication Programme
IPPs	Independent Power Producers
ISSER	Institute of Statistical, Social and Economic Research
IWAR	Interbank Weighted Average Rate
JSDF	Japanese Social Development Fund
KCCR	Kumasi Centre for Collaborative Research
KFW	Kreditanstalt für Wiederaufbau
KIS	Kpong Irrigation Scheme
KLBIP	Kpong Left Bank Irrigation Project
LEAP	Livelihood Empowerment Against Poverty
LIPW	Labour Intensive Public Works
LNG	Liquefied Natural Gas
M2+	Broad Money Supply



MASLOC	Microfinance and Small Loans Centre
MDAs	Ministries, Departments and Agencies
MFCs	Microfinance Companies
MMDAs	Metropolitan, Municipal and District Assemblies
MoE	Ministry of Education
MoEn	Ministry of Energy
MoF	Ministry of Finance
MoFA	Ministry of Food and Agriculture
MoH	Ministry of Health
MoRH	Ministry of Roads and Highways
MoT	Ministry of Transport
MPC	Monetary Policy Committee
MPR	Monetary Policy Rate
MSMEs	Micro, Small, and Medium-Sized Enterprises
MTDS	Medium-Term Debt Strategy
NABCo	Nation Builders Corps
NADMO	National Disaster Management Organization
NBFIs	Non-Bank Financial Institutions
NBSSI	National Board for Small Scale Industries
NCCE	National Commission for Civic Education
NDA	Net Domestic Assets
NDAPS	National Digital Property Address System
NDB	National Development Bank
NEIP	National Entrepreneurship and Innovation Programme
NFA	Net Foreign Assets
NG	Natural Gas
NHIS	National Health Insurance Scheme
NHMF	National Housing and Mortgage Fund
NIA	National Identification Authority
NIR	National Identification Register
NMIMR	Noguchi Memorial Institute for Medical Research
NPHRL	National Public Health Reference Laboratory
NPLs	Non Performing Loans
NPRA	National Pensions Regulatory Authority
OCTP	Offshore Cape Three Points
OLEM	Other Loans Especially Mentioned
PCOAs	Put-Call Option Agreements
PEMED	Presidential Empowerment for Male Entrepreneurs with Disability
PERD	Planting for Export and Rural Development
PFI	Participating Financial Institutions
PFJ	Planting for Food and Jobs
PFM	Public Financial Management
PFMA	Public Financial Management Act
PHC	Population and Housing Census



PPAs	Power Purchase Agreements
PPEs	Personal Protective Equipment
PPPs	Public-Private Partnerships
PSP	Private Sector Participation
RCBs	Rural and Community Banks
RCCs	Regional Coordinating Councils
RCF	Rapid Credit Facility
REITs	Real Estate Investment Trusts
REO	Regional Economic Outlook
RFJ	Rearing for Food and Jobs
S&Ls	Savings and Loans companies
SDG	Sustainable Development Goals
SDIs	Specialised Deposit-Taking Institutions
SEC	Securities and Exchange Commission
SEI	Student Entrepreneurship Initiative
SHS	Senior High School
SOEs	State-Owned Enterprises
SSNIT	Social Security and National Insurance Trust
TDS	Takoradi Distribution Station
TEN	Tweneboa Enyenra Ntomme
TTIP	Takoradi to Tema Interconnection Project
VAT	Value Added Tax
VSLA	Village Savings and Loans Association
WAEMU	West African Economic and Monetary Union
WAGP	West African Gas Pipeline
WASSCE	West African Senior School Certificate Examination
WEO	World Economic Outlook
WW2	World War II
YEA	Youth Employment Agency
YTD	Year-to-Date



## SECTION ONE: INTRODUCTION

1. Right Honourable Speaker, on the authority of His Excellency, President Nana Addo Dankwa Akufo-Addo, I beg to move that Honourable Members of this august House approve the Mid-Year Review of the Budget Statement and Economic Policy of the Government of Ghana and a Supplementary Estimate for the 2020 Financial Year, I present today, 23rd July 2020.
2. Mr. Speaker, I am performing this function in accordance with Article 179 (8) of the 1992 Constitution, Standing Order 143 of this august House, as well as Section 28 of the Public Financial Management Act, 2016 (Act 921).
3. Mr. Speaker, I want to take this opportunity to thank God for the privilege and extend my appreciation to His Excellency the President for the opportunity to lead this important assignment of managing the public finances of this Country. I am grateful to God for His Grace, Mercy and Goodness towards us. Indeed, when we look back at where we were and where we are now – we cannot help but be grateful.
4. Mr. Speaker, when we took over the management of this economy in January 2017, things were dire. We were recording the lowest growth rate in history in most of our critical sectors. Expenditures in sectors like Education, Agriculture and Health that addressed the basic human needs of our people were low. This had resulted in low productivity, deteriorating standards of living and general despondency. There was general lack of opportunities for social advancement for our fellow Ghanaians. Our governance institutions had also been deprived of the needed resources to play their critical roles.
5. Mr. Speaker, through well thought out economic and social policies underpinned by our belief in the ingenuity of our people and improving the well-being and livelihoods of Ghanaians, we set out to:
  - Restore macro-economic stability for growth and sustainable jobs;
  - Promote economic freedom by ensuring social mobility and social justice
  - Invest in human capital to improve the lives of Ghanaians;
  - Strengthen the PFM system to protect the public purse; and
  - Enhance governance institutions by providing adequate resources.
6. Mr. Speaker, from 2017 to date, through the diligent implementation of this Plan, we have completely changed the story. Mr. Speaker, not only should we acknowledge what God has done by turning this country around but we should celebrate him continuous favour on this land.
7. Mr. Speaker, the running theme undergirding all our policies and expenditure plans has been a commitment to invest and improve the lives of Ghanaians to access better opportunities. To ensure that even as we promote business and expand the middle class, the undergirding philosophy will continue to be driven by the preferential option for the poor. This unwavering belief has reflected in



the over fifteen (15) flagship programmes that we have initiated and implemented in the various sectors of the economy including education, agriculture and health.

8. Mr. Speaker, in implementing these programmes that the President promised, we set out to bring hope, restore confidence in the State and demonstrate care for our people. We sought to enhance the self-esteem and dignity of Ghanaians and reduce the grinding poverty that was becoming common-place.
9. We therefore set out to invest significant resources in the lives our people by increasing expenditures in education, agriculture, industry and all of our human capital.
10. Mr. Speaker, in acknowledging that education is the primary driver for upward social and economic mobility, we rolled out a raft of policy measures to improve the opportunities of our people. We invested **GH¢3.2 billion** in, and implemented the Free SHS resulting in over **1.2 million** teenagers being in school now with access to better opportunities in life and translating into over **GH¢2.2 billion** in savings for parents and families. That is money in the pocket of Ghanaians and an investment by the State for every family in this country.
11. We have also invested in excess of **GH¢1.6 billion** in **100,000** jobless young adults who were in despair and needed hope by engaging them in various state and private institutions through our NABCO programme. That is money in the pocket of our youth.
12. Mr. Speaker, from the onset, this Government had determined that Ghana would be self-sufficient in food production through our Planting for Food and Jobs programme and would add value, as well as, create jobs under our 1D1F programme. So far, we have invested over **GH¢1.85 billion** in our Agriculture sector, resulting in agricultural growth which averaged about 2.0 percent between 2014 and 2016 to an average of 5.2 over the past 3 years. That is putting food in abundance on the table of Ghanaians, reducing the cost of living and putting money in the pocket of farmers.
13. We have relegated 'dumsor' to the past. It is clear to our fellow Ghanaians by now that we have enjoyed three and half years of reliable power. We have spent in excess of **GH¢ 4.7 billion** on excess capacity payments not only to ensure that we keep the lights on, but also pay for obligations under very questionable contractual obligations. That is keeping the lights on, no dumsor.
14. Mr. Speaker, to modernise the economy and improve its global competitiveness, we embarked on a transformative agenda to digitise the economy. We implemented the Digital Addressing System and the National ID programmes to ensure that each Ghanaian and their dwellings as well as business locations will be uniquely identified. All these efforts are being made to formalize the economy, improve the way services are delivered to our people and increase productivity. That is digitising the lives of Ghanaians.



15. Mr. Speaker, to protect the public purse and advance good economic governance, we set out to fully implement the provisions of the PFM Act 2016 (Act 921), including passage of the PFM Regulations 2019, L.I. 2378 to further strengthen cash management, budget execution and budget monitoring.
16. Consequently we have for the first time in the history of our budget management, consistently published Budget Implementation reports, Medium Term Debt Strategies, Issuance calendars as well as Annual Debt reports.
17. Mr. Speaker, never in the history of our Public Financial Management have we seen this degree of openness, transparency and accountability in the management of our public finance. This has enabled citizens to hold this Government more accountable than any other in our history.
18. Mr. Speaker, while accomplishing all these, we also set out to complete the outstanding policy measures under the derailed IMF programme which we inherited. This culminated in our exit from the IMF Extended Credit Facility in March, 2019, much to the surprise of our friends on the aisle.
19. Mr. Speaker, to protect the public purse, my Ministry initiated and requested the Auditor-General to audit and validate the over GH¢11 billion outstanding claims which had been left by the previous government. The Auditor-General validated over GH¢6 billion of the GH¢11 billion claims. We await the subsequent surcharging of all those complicit in the submission of the disallowed claims from the Auditor General's Department.
20. Mr. Speaker, I am happy to inform this Honourable House that we have paid almost GH¢5 billion of the unpaid bills which we inherited.
21. Mr. Speaker, this Government under President Akufo-Addo, with these actions, has amply demonstrated its commitment to prudent financial management, ensuring value for money and being held accountable for our actions.
22. Mr. Speaker, we have also put in place key structural measures to sustain our path towards fiscal consolidation, growth and ensure irreversibility. These include the passage of Fiscal Responsibility Act 2018 (Act 982), forging Social Partnerships with Organised Labour and Employers to enhance the quality of dialogue and implementation. We have also established and operationalized the Fiscal and Financial Stability Councils to enhance the monitoring of government's fiscal and financial policies.
23. Mr. Speaker, furthermore, we have initiated a collaboration with Faith-Based Organisations to promote the material, moral and spiritual growth of our country. This is in recognition of the important role that Faith-Based Organization have played and continue to play in the socio-economic development of our country.
24. Right Honourable Speaker, when I presented H.E. The President's 2020 budget, all the indicators of the economic performance pointed towards the path of



sustained consolidation and robust broad-based growth. Honourable Members of this Parliament approved for Government to spend Ninety-Eight Billion, Thirty-Six Million, Six Hundred and Ninety-Two Thousand, Three Hundred and Fifty-Eight Ghana Cedis (**GH¢98,036,692,358**) in the 2020 fiscal year to further the agenda for consolidating the gains to spur inclusive growth, jobs and prosperity for all.

25. Mr. Speaker, a lot has happened since then. While executing the transformative interventions to improve lives, and encouraged by the resounding endorsement of the 2020 Eurobond issuance in February, which was oversubscribed by 350%, the novel Coronavirus (COVID-19) struck swiftly and unexpectedly. In a matter of weeks, what began as a distant outbreak in another part of the world, completely overturned our sense of normalcy. The world, for a period, stood still; with the virus uncontrollably disrupting all aspects of our lives. The pandemic spread with alarming speed infecting millions of people around the world and bringing global economic activities to a virtual halt. Its impact has been devastating on the people, business and the economy of the world with 2.2 billion jobs (68 percent of global workforce under threat).
26. Mr. Speaker, the COVID-19 pandemic is far more than a health crisis. Ghana has not been spared the painful economic and social impact that COVID-19 has visited on peoples in nations, big and small, all over the world. The restrictions on movements, has disrupted households and businesses with consequent job losses and reduced incomes in Ghana. The hotel and hospitality industry, trade and industry, agriculture, health, creative arts and media, transportation, manufacturing, education, our Faith-Based Organizations, financial services and young entrepreneurs have all been severely affected.
27. Mr. Speaker, a month into the COVID-19 pandemic in April, IMF revised its projections to indicate that 170 countries, that is 87 percent of world economies, would see per capita income shrink in 2020. The latest forecast from the Fund in June predicts a decline of almost 5 percent in 2020 for the world economy.
28. Mr. Speaker, world trade is also expected to contract by 11.9 percent, primarily, due to the sudden imposition of tight restrictions on movement. This has led to disruptions in the global supply chain, widespread supply shortages and its attendant increase in prices and reduction in domestic revenues. Sub-Saharan Africa is now projected to contract by 3.2 percent, 1.6 percentage points worse than the April forecast.
29. Mr. Speaker, this virus has laid bare our vulnerabilities as a world, as nations, as households and as individuals. As at yesterday, Wednesday 22<sup>nd</sup> July, 2020, Six hundred and twenty two thousand, seven hundred and twenty five (622,725) persons had sadly succumbed to this virus and fifteen million, two hundred and forty thousand, two hundred and ninety (15,240,291) had been infected across the world.





30. Mr. Speaker, even before we fully grasped the impact of the COVID-19 outbreak, our immediate concerns were on protecting lives and preserving the livelihoods of our people. The President moved swiftly with a US\$100 million preparedness plan which was prescient and laid the foundation to implement measures to save lives and safeguard economic activities by improving citizens' access to essential public services and helping businesses weather the downturn.
31. Mr. Speaker, thus far, the health consequences of the COVID-19 outbreak in Ghana has not been as devastating as in other countries. Sadly, as at yesterday 22nd July, 2020, one hundred and fifty-three (153) Ghanaians have succumbed to the virus. We have since March, recorded 29,672 cases, and 26,090 recoveries. This has been largely due to the fact that Government has shown a leadership of conviction that has been decisive, swift, innovative in the management of the crisis, and also because our health professionals, nationwide, have been heroic in handling the pandemic.
32. Mr. Speaker, we have already begun to mount an effective and coordinated response to the pandemic. Under the "Agenda 111" initiative of His Excellency the President, we will design, build, equip and staff new hospitals in every district without one, and a new regional hospital in every region with none. This demonstrates Government's commitment to protect the lives of Ghanaians. These hospitals will solely be built by Ghanaian construction companies and will lay the foundation for the launch of a nation-wide housing programme.
33. Mr. Speaker, we must not and will not be daunted by this extraordinary crisis. Government will continue to do what it has to do - to protect lives and support livelihoods through compassionate, competent and courageous leadership. We have accepted that this pandemic and its effects are unparalleled in the annals of our country, and indeed globally. It requires the marshalling of unprecedented resources to contend with the pandemic and its effects on Ghanaians.
34. Mr. Speaker, the predicted long-lasting effect of this pandemic, amidst systemic shifts and uncertainties suggest 2020 and beyond will be very challenging. Ghana will therefore need this courageous, compassionate and competent Government with a well-crafted programme to protect the lives of Ghanaians, safeguard jobs and support businesses to sustain operations during this period and especially in the four years ahead.
35. Mr. Speaker, we have proven over and over again that we are better managers of the Ghanaian economy. Together, we took Ghana out of HIPC and placed it amongst Lower Middle Income Countries within a decade. Together, we recovered and revitalised a critically weakened economy, and today we can now attract renowned global automobile companies in 3 years. And now together, we will optimise the opportunities presented by this pandemic and build a sustainable future for Ghanaians. In the now famous words of President Akufo-Addo - "we know how to bring the economy back to life. What we do not know is how to bring people back to life".



36. Therefore, this Mid-Year Review of the Budget Statement and Economic Policy of the Government of Ghana and a Supplementary Estimate for the 2020 Financial Year is the first of our economic plans to reposition Ghana and Ghanaians to deal with the challenges posed by the pandemic and seize the opportunities it brings. Our response to this pandemic prioritises the protection of our lives and livelihoods, sustains our business operations and sharpens our focus on Ghana's future Beyond Aid.
37. Mr. Speaker, I am presenting updates and progress in implementing the 2020 Budget and highlighting the significant impact of the COVID-19 pandemic. I will also outline today; the resolute steps being taken to get our economy back on track. In his May address to the nation, the President charged the Ministry of Finance to design Ghana's recovery programme.
38. Mr. Speaker, in the coming weeks the President will launch an unprecedented three and a half years, Gh¢ 100 billion Ghana CARES, "Obaatan Pa" programme to anchor the transformation of our society.
39. Mr. Speaker, I will also request supplementary funding to support our priorities of saving lives and livelihoods, supporting businesses to ensure that the health of Ghanaians and their jobs are secure in these challenging times.
40. Mr. Speaker, I now proceed to give details of updated performance for 2019, developments for the first half year of 2020, and will conclude with the outlook for the rest of the year and present the supplementary estimates.



## SECTION TWO: OVERVIEW OF RECENT MACROECONOMIC DEVELOPMENTS

### 2.1 Global Economic Developments and Outlook

#### **Growth**

41. Mr. Speaker, 2020 has been a very challenging year for the global economy primarily as a result of the impact of the COVID-19 pandemic which first broke out in China in December 2019. After several years of global output expansion with 2019 posting a growth rate of 2.9 percent, global growth entered into recession as a result of the impact of COVID-19 pandemic.
42. Mr. Speaker, at the time of the presentation of the 2020 Budget to this august House in November 2019, global growth for 2020 was projected at 3.4 percent, reflecting primarily an expected improvement in economic performance in a number of emerging markets. The emergence of the COVID-19 pandemic has disrupted global economic activity, created uncertainty, and weakened global growth conditions. The impact of the pandemic is becoming even more severe and devastating than initially anticipated. The latest update of the World Economic Outlook (WEO) published by the IMF in June 2020, projected global growth to contract by 4.9 percent in 2020, 8.3 percentage points lower than the October 2019 projection of 3.4 percent and 1.9 percentage points lower than the April 2020 growth projection of negative 3.0 percent. Advanced countries are expected to contract by 8.0 percent while growth in Emerging Markets and Developing Economies is projected to contract by 3.0 percent. Sub-Saharan Africa is expected to contract by 3.2 percent, 6.8 percentage points lower than the October 2019 estimate of 3.6 percent as shown in Table 1.

**Table 1: Summary of World Output**

No	Item	2019	2020			2021		
			Oct 2019 Proj	April 2020 Proj	June 2020 Proj	Oct 2019 Proj	April 2020 Proj	June 2020 Proj
1	Global GDP Growth	2.9	3.4	(3.0)	(4.9)	NA	5.8	5.4
2	SSA GDP Growth	3.1	3.6	(1.6)	(3.2)	NA	4.1	3.4
3	ECOWAS GDP Growth	3.6	3.8	(1.4)	(2.9)	NA	3.9	3.8

**Source: IMF World Economic Outlook (Various Issues)**

### 2.2 Update on Domestic Macroeconomic Developments in 2019

43. Mr. Speaker, when I presented the 2020 Budget to Parliament in November 2019, the projected end-year economic performance for 2019 was based on available data for the first three quarters of the year. Mr. Speaker, given that we now have the full complement of data, I will now provide an update on performance of the economy in 2019 to this august House.

#### **GDP Growth**

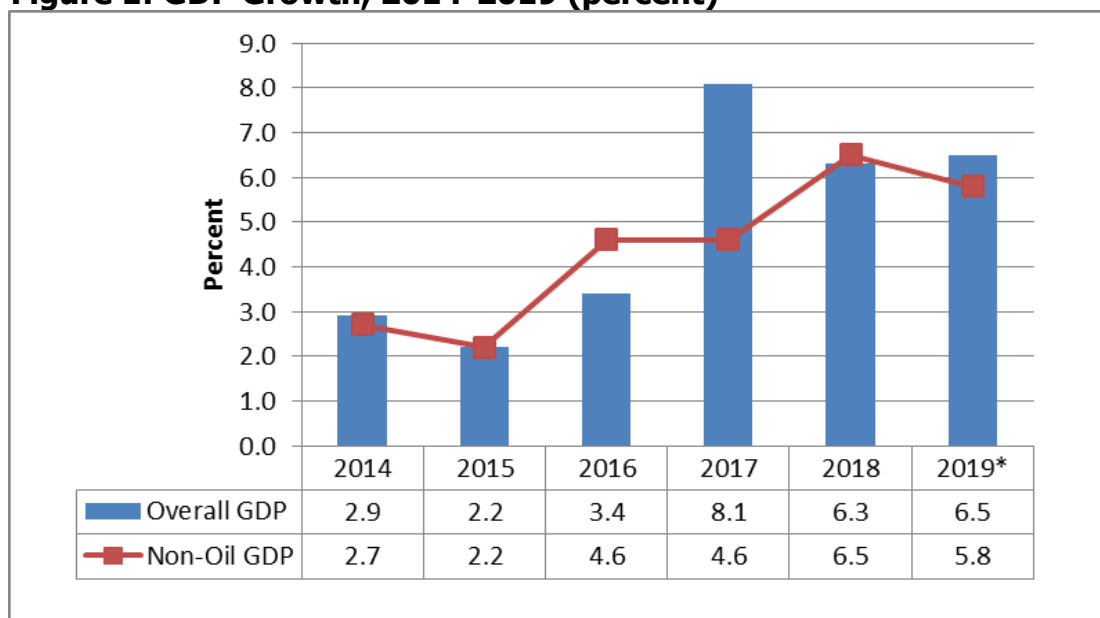
44. Mr. Speaker, provisional data from the Ghana Statistical Service (GSS) show that overall real GDP growth (including oil) for 2019 was 6.5 percent, 0.5 percentage



point lower than the revised projection of 7.0 percent, but 0.2 percentage point higher than the 2018 performance of 6.3 percent.

45. Real non-oil GDP recorded a growth of 5.8 percent, compared to the projected rate of 5.9 percent and the 2018 outturn of 6.5 percent. Recent trends in overall and non-oil real GDP are shown in Figure 1.

**Figure 1: GDP Growth, 2014-2019 (percent)**



**Source: GSS \*Provisional**

**Sector Growth Performance**

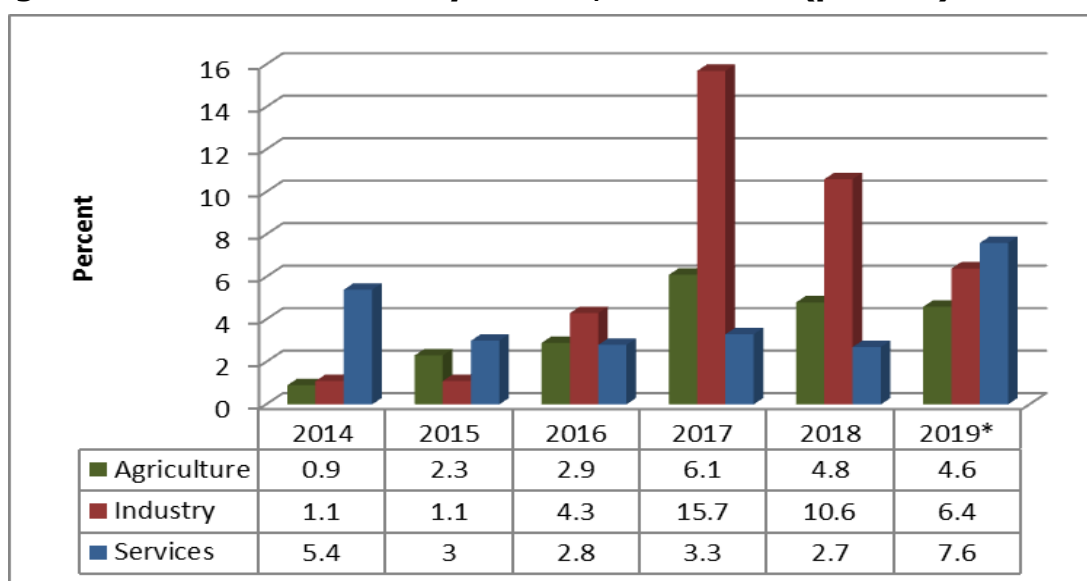
46. Mr. Speaker, Government’s policy of transforming the economy from one based on taxation to one based on production has yielded dividend over the last three years. Overall real GDP grew at an average of 7.0 percent over 2017-2019 compared with 2.8 percent over 2014-2016. Non-oil GDP growth was 5.6 percent compared with 3.2 percent over the same respective periods.
47. Mr. Speaker, the Services Sector grew by 7.6 percent in 2019, becoming the best growth-performing sector of the economy for the first time since 2015. This also represented a sharp upturn from the 2.7 percent registered in the previous year. Subsectors with considerably strong performances were Information and Communication (ICT) and Real Estate, with growth rates of 46.5 percent and 19.9 percent respectively in 2019, compared to 13.1 percent and -6.5 percent respectively in 2018.
48. Growth in the Industry Sector slowed down by 4.2 percentage points from 10.6 percent in 2018 to 6.4 percent in 2019. This growth outturn, however, is considered to be robust given the high growth performances of the Sector in the previous two years and the associated base effect. Petroleum recorded an increased growth from 3.6 percent in 2018 to 15.1 percent in 2019, but the Mining and Quarrying subsector, which includes Petroleum, recorded a slowdown from 23.3 percent to 12.6 percent over the same period. Water and Sewerage,



and Construction contracted by 4.4 percent each, compared to growth rates of -3.6 percent and 1.1 percent respectively in 2018. Manufacturing recorded a strong growth performance of 6.3 percent compared with 4.1 percent in 2018.

49. Mr. Speaker, the Agricultural Sector recorded a growth outturn of 4.6 percent in 2019 compared to 4.8 percent in 2018. In spite of the slowdown, this still represented a robust growth performance in light of the sharp growth of the Sector in 2017 and the subsequent base effect. The marginal slowdown in performance could be attributed to a slowdown in the growth of Crops from 5.8 percent in 2018 to 5.3 percent in 2019, and contraction of Forestry and Logging from 2.4 percent to -1.7 percent over the same period.

**Figure 2: Real GDP Growth by Sectors, 2014-2019 (percent)**

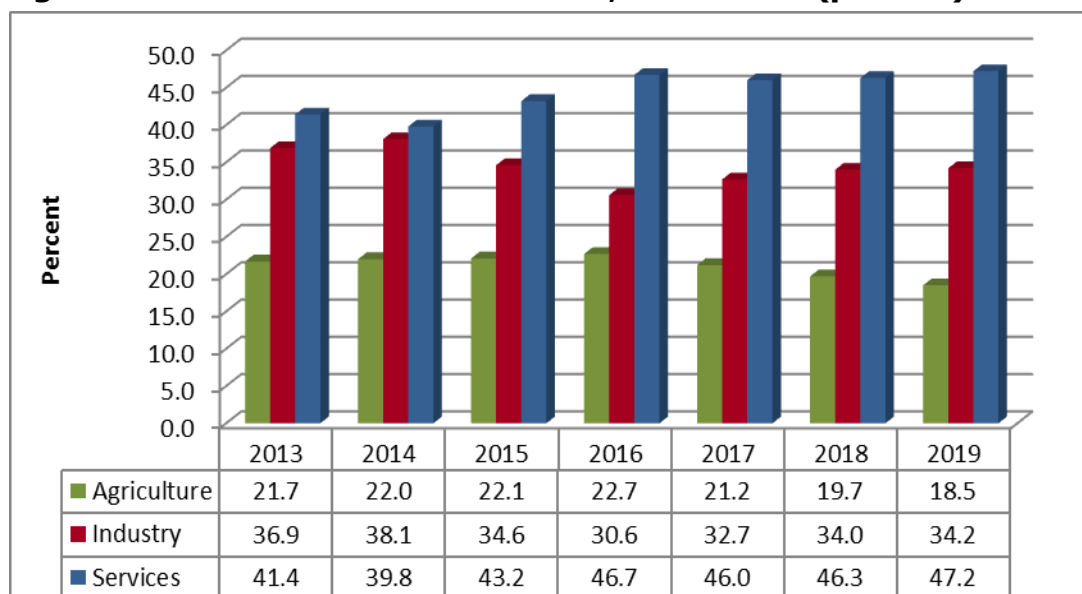


**Source: GSS**

***Distribution of GDP***

50. The Services Sector remained the dominant sector in 2019, increasing its share from 46.3 percent of GDP in 2018 to 47.2 percent in 2019. The Industry Sector increased its share of GDP from 34.0 percent in 2018 to 34.2 percent in 2019, while the share of Agriculture declined from 19.7 percent to 18.5 percent over the same period as shown in Figure 3.



**Figure 3: Sectoral Distribution of GDP, 2014-2019 (percent)**

**Source: GSS**

### ***Price Developments***

51. Mr. Speaker, headline inflation has remained in single digits since June 2018 and more recently steadied around the medium-term target of 8.0 percent. In August 2019, the Ghana Statistical Service rebased the Consumer Price Index to reflect the changing consumption pattern of consumers as contained in the Ghana Living Standards Survey (GLSS 7) 2017, and reset the base year to 2018. Following this, a new measure of headline inflation was estimated at 7.8 percent for August 2019, within the lower band of the medium-term inflation target band of  $8 \pm 2$  percent. Food inflation was reported at 8.2 percent and non-food inflation was at 7.4 percent. Inflation subsequently increased to 8.2 percent in November 2019 from 7.7 percent in October due to an upward adjustment in some administrative prices, but declined to 7.9 percent at end-December 2019 supported by lower food prices.

### ***Monetary Aggregates and Credit***

52. Mr. Speaker, growth in broad money supply (M2+) picked up significantly in 2019, driven largely by increased accumulation of NFA by the Bank of Ghana. M2+ recorded an annual growth of 21.7 percent in December 2019 compared with 15.4 percent a year before. In terms of components, the increased growth in M2+ was mainly reflected in increased deposits, a reflection of return of confidence in the banking sector following the clean-up exercise.
53. As a result, financial intermediation increased and reflected in a boost to credit extension. In 2019, the total outstanding credit increased by 22.4 percent to GH¢52,276.82 million. Of the total outstanding credit, private sector accounted for 85.1 percent, representing a growth of 18.3 percent. In real terms, credit to the private sector grew by 9.7 percent compared to 1.1 percent in 2018. Credit distribution was broad-based, with almost all the key economic sectors recording



higher growth in 2019 relative to 2018. The main beneficiaries were Services (24.1%), Commerce and Finance (20.9%), and Manufacturing (10.9%).

### ***Interest rates***

54. Mr. Speaker, the Monetary Policy Rate (MPR) was cut by 100 basis points in 2019 as inflation declined and inflation expectations eased. In line with this, the interbank weighted average rate (IWAR) decreased to 15.2 percent in December 2019 from 16.1 percent in December 2018. The reduction in the IWAR was as a result of a reduction in BOG's participation on the overnight market to encourage trading among banks. Similarly, the average lending rate marginally declined to 23.6 percent in December 2019, from 23.9 percent in December 2018.
55. The yields on Treasury bills, however, increased marginally in 2019. The 91-day Treasury bill rate inched up to 14.7 percent in December 2019 compared with 14.6 percent a year earlier. Interest rates on the 182-day instrument also moved up to 15.2 percent, from 15.0 percent over the same period. In contrast, rates on the secondary bond market remained broadly stable or declined. Yield on the 7-year bond declined to 16.3 percent in December 2019 from 18.8 percent in December 2018. However, the yield on the 15-year bond saw a slight uptick to 20.0 percent in December 2019 from 19.5 percent in December 2018. Yield on the 10-year bond, also edged up slightly to 19.8 percent in 2019 from 19.5 percent in 2018.

### ***External Sector Performance in 2019***

56. Mr. Speaker, external sector performance remained relatively strong in 2019, supported by a larger trade surplus, a modest current account deficit, and improvements in the capital and financial account net inflows, mainly due to the Eurobond issuance and an increase in FDI.
57. The current account recorded a deficit of US\$1.86 billion (2.8% of GDP) in 2019 compared to a deficit of US\$2.04 billion (3.1% of GDP) in 2018. The narrowing of the deficit was as a result of sustained gains in the trade balance and current transfers (largely from private inward remittances) which moderated the net outflows in the services and income accounts. The trade balance continued to improve, underpinned by strong performance in some of the major export commodities, especially gold and cocoa — beans and products (which benefited from both volume and price developments) — resulting in a trade surplus of US\$2.26 billion (3.4 percent of GDP) at the end of December 2019. This was an improvement on the US\$1.81 billion (2.8 per cent of GDP) trade surplus recorded in the same period of 2018. The services, income and transfers accounts recorded a deficit of US\$4.12 billion, a deterioration of US\$0.27 billion from the preceding year. The persistent deficits on the services and income accounts continued, and recorded net outflows of US\$7.53 billion in 2019 compared to US\$6.44 billion in 2018. However, the current transfers account balance, mainly driven by private inward remittances improved to US\$3.40 billion in 2019, from US\$2.58 billion in 2018.



58. During the period under review, the capital and financial accounts attracted higher inflows (net), arising mainly from net inflows of foreign direct and portfolio investments. As a result, the capital and financial account recorded a surplus of US\$3.07 billion, compared to US\$1.50 billion in 2018.

### ***International Reserves***

59. Mr. Speaker, due to the improvement in the overall BoP position, the country's gross international reserves jumped to US\$8.42 billion at the end of December 2019 from a stock position of US\$7.03 billion at the end of December 2018. This was equivalent to 4.0 months of import cover recorded at the end of December 2019 compared to 3.6 months of imports cover as at December 2018.

### ***Exchange Rate***

60. Mr. Speaker, the foreign exchange market experienced some level of volatility during the year under review mainly due to internal and external factors. During the first quarter of 2019, the Ghana cedi came under pressure, reflecting foreign exchange supply constraints and seasonal demand pressures. The interplay of these factors resulted in a year-to-date depreciation of the Ghana cedi by 8.0 percent at the peak of the crisis on March 19, 2019 compared with 0.02 percent depreciation in the same period of 2018.
61. By end-March 2019, however, the sharp depreciation had corrected and reversed to 5.2 percent influenced by reversal in investor sentiments on the outlook, the successful completion of the IMF-ECF programme, and improvement in the country's reserve buffers following the US\$3.0 billion Eurobond inflows. In the year to December 2019, the Ghana cedi cumulatively depreciated by 12.9 percent against the US dollar, compared with 8.4 percent depreciation in 2018. Against the British pound and euro, the Ghana cedi cumulatively depreciated by 15.7 percent and 11.2 percent respectively, compared with 3.3 percent and 3.9 percent over the same period in 2018.

## **2.3 Update on Fiscal Performance in 2019**

62. Mr. Speaker, the fiscal strategy for the 2019 fiscal year was anchored on the following broad policy objectives:
- safeguarding macroeconomic stability;
  - reducing the fiscal deficit to sustainable levels and generating sufficient primary surpluses to ensure debt sustainability without compromising growth;
  - improving domestic revenue mobilisation;
  - reducing budget rigidities to create critical fiscal space to accommodate growth-enhancing expenditures;
  - pursuing expenditure efficiency measures to get more mileage from our hard-earned resources to ensure value-for-money spending; and
  - promoting social protection and inclusion.
63. Mr. Speaker, Government's fiscal operations in 2019 were broadly in line with expectations. The fiscal deficit, excluding financial and energy sector bailout





costs, was 4.8 percent of GDP against a target of 4.5 percent of GDP and a projected outturn of 4.7 percent of GDP. The corresponding primary balance for the period was a surplus of 0.8 percent of GDP, against a programmed revised target of 1.1 percent as shown in Table 2. Government employed a combination of efficient expenditure management strategies and enhanced revenue mobilisation efforts during the 2019 fiscal year to ensure the achievement of these successes.

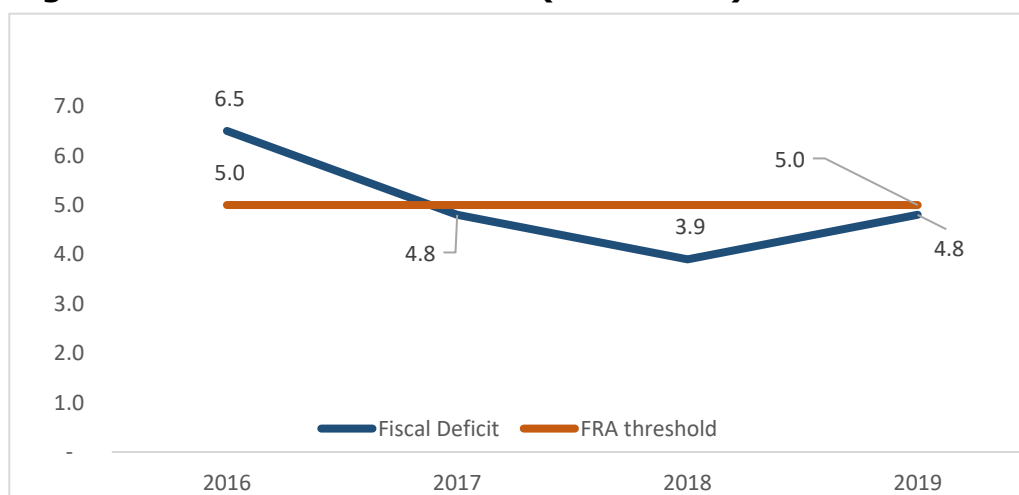
**Table 2: Summary of Central Government Fiscal Operations – 2018/2019**

No.	Item	2018		2019 Revised Budget		2019 Outturn				
		GH¢m n	% of GDP	GH¢m n	% of GDP	GH¢m n	% of GDP	Dev.		y/y growth
								GH¢m n	%	
1	Total Revenue & Grants	47,637	15.8	58,897	17.0	53,380	15.3	-5,517	-9.4	12.1
2	Total Expenditure	59,309	19.7	74,612	21.6	70,271	20.1	-4,340	-5.8	18.5
3	Overall Fiscal Balance	-11,673	-3.9	-15,715	-4.5	-16,892	-4.8	-1,177	7.5	44.7
4	Total Financing	11,673	3.9	15,715	4.5	16,892	4.8	1,177	7.5	44.7
	o/w Foreign Financing	2,724	0.9	8,238	2.4	5,041	1.4	-3,197	-38.8	85.0
	o/w Domestic Financing	8,949	3.0	7,477	2.2	11,851	3.4	4,374	58.5	32.4
5	Primary Fiscal Balance	4,149	1.4	3,883	1.1	2,877	0.8	-1,006	-25.9	-30.6
6	Nominal GDP	300,596		345,946		349,480				
7	Non-Oil Nominal GDP	289,988		332,229		334,632				

**Source: GSS**

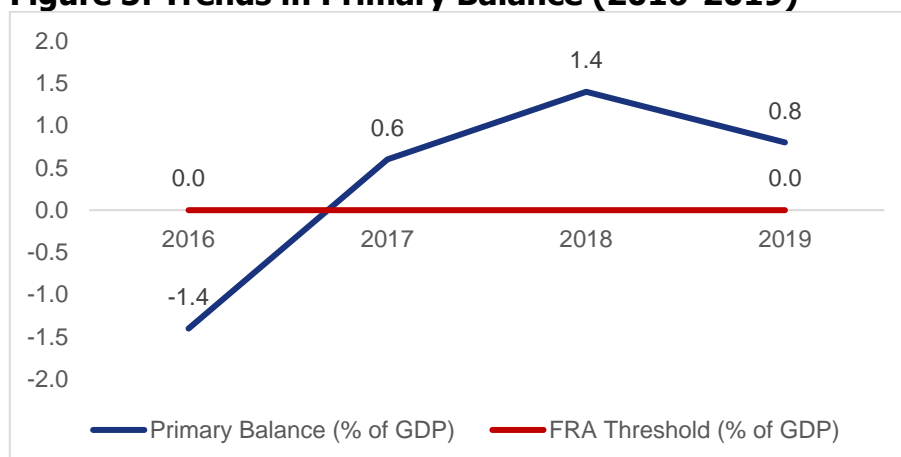
64. Mr. Speaker, even before the Fiscal Responsibility Act, 2018 (Act 982) was enacted and took effect in 2019, Government had since 2017 consistently met the fiscal threshold enshrined in the law, namely, a fiscal deficit not exceeding 5 percent of GDP and a positive primary balance, as shown in Figures 4 & 5. This is a clear indication of Government's commitment to enhanced fiscal consolidation and prudent fiscal management

**Figure 4: Trends in Fiscal Deficit (2016-2019)**



**Source: MoF**



**Figure 5: Trends in Primary Balance (2016-2019)**

**Source: MoF**

## 2.4 Petroleum Revenue and Utilisation for 2019

65. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for 2019, was US\$937.58 million. This compares with the receipts of US\$977.12 million for the same period in 2018. Receipts comprised proceeds from: the 47<sup>th</sup> to the 52<sup>nd</sup> liftings from the Jubilee field; the 10<sup>th</sup> to 13<sup>th</sup> liftings from the Tweneboa Enyenra Ntomme (TEN) field; and the 2<sup>nd</sup> and 3<sup>rd</sup> liftings from the Sankofa-Gye Nyame (SGN) field. These 12 liftings together produced 11,797,227 barrels, valued at US\$742.78 million.
66. Of the amount received in 2019, US\$260.56 million was transferred to GNPC, which is made up of Equity Financing Cost US\$155.38 million and GNPC's share of the net Carried and Participating Interest of US\$105.18 million, compared to a total amount of US\$305.72 million received by GNPC in 2018. A total of US\$269.00 million was transferred into the Ghana Petroleum Funds (GPFs) in 2019, compared to US\$436.75 million in 2018. Out of the amount transferred, the Ghana Heritage Fund (GHF) received US\$80.70 million, against US\$131.02 million in 2018, while the Ghana Stabilisation Fund (GSF) received US\$188.30 million, against US\$305.72 million in 2018. The total amount transferred in 2019 from petroleum liftings and related proceeds to the Annual Budget Funding Amount (ABFA) was US\$395.47 million against US\$235.10 million in 2018.

## 2.5 Update on Public Debt Developments in 2019

67. Mr. Speaker, over the past three years, Government has adopted a pro-active set of debt management policies and strategies that has helped to reduce the rate of growth of debt accumulation and reduction in risk in the debt portfolio.
68. Government has institutionalised the preparation of an Annual Borrowing and Recovery Plan, to inform the investor community about Government's financing plan for the fiscal year. The Medium-Term Debt Strategy has been realigned to the financing of the fiscal deficit and is updated or reviewed accordingly. An annual Public Debt Report to Parliament highlighting all public debt activities for the year has also been institutionalised to promote transparency and accountability to the people. Government has improved on investor relations and



is constantly in touch with the investor community to expand Ghana's access to the debt market to cater for its financing needs.

69. Government's liability management programme for the period focused on replacing high interest-bearing instruments in the portfolio with less expensive alternatives, and a reduction of risk in the portfolio. To manage risk, we implemented a credit risk assessment framework for all institutions that demand Government's guarantee to ensure an effective reduction in risk of debt operations for covered entities.
70. Mr. Speaker, following from a successful completion of the IMF-ECF programme, one of the main successes is the capacity building in Government to conduct debt sustainability analysis and subsequently establishing our own public debt limits for the contracting of external non-concessional loans. It is important to note that Ghana is one of the few countries to have initiated such fiscal and debt discipline on its own. Subsequently, we can conclude that debt management is no more a residual policy but an integral part of macro-fiscal management. These developments have improved the metrics in Ghana's public debt portfolio.
71. On refinancing risk, the average time to maturity in the entire public debt portfolio has improved from 7.7 years to 9.8 years from 2016 to 2019. Of more significance is the external debt, where the average time to maturity has improved from 9.3 years to 12.4 years from the period 2016 to 2019. Debt maturing in a year as a percentage of the total debt stock has reduced from 28.1 percent to 15.3 percent from 2016 to 2019. The level of external debt maturing in one year as a percentage of the total external debt stock had improved from 7.2 percent to 4.7 percent. However, our performance on the domestic debt stock maturing in one year which witnessed significant reduction from a high of 54.5 percent in 2016 to as low as 28.1 percent in 2018 saw an uptick in 2019 to 31.7 percent. This is as a result of increased tap-ins to existing debt instruments to address the crystallisation of contingent liabilities.
72. On interest rate risk, the average time to re-fixing (ATR) the portfolio improved from 7.2 years to 9.5 years from 2016 to 2019. For external debt, the ATR improved from 8.6 years to 12.0 years for 2016 to 2019.
73. Our public debt management programme for the 2019 financial year was successfully executed despite challenges from the global and the domestic economy. As at end-December 2019, the total gross public debt stock stood at GH¢217,990.7 million. This was made of GH¢112,509.4 million and GH¢105,481.2 million for external and domestic debt respectively.
74. The debt-to-GDP ratio at end-December 2019 was 62.4 percent, up from 57.6 percent at end-December 2018. This ratio reflects the impact of the financial and the energy sector bailouts.
75. Mr. Speaker, excluding these bailouts, the provisional public debt-to-GDP ratio at end-December 2019 was 59.4 percent, below Government's target threshold of



60.0 percent of GDP. The share of external and domestic debt in the public debt portfolio was 51.7 percent and 48.3 percent respectively.

76. Mr. Speaker, in light of the difficulties faced in the energy sector and unfavourable domestic market conditions in 2019, Government had to adopt new strategies to raise funds by tapping into longer-dated instruments with remaining maturities of less than one year. This adversely affected the cost-risk indicators of the public debt portfolio.
77. Mr. Speaker, as part of Government's efforts to bring debt to sustainable levels, an annual debt ceiling envisaged for 2019 was applied for the first-time post IMF programme. As such Ministries, Departments and Agencies (MDAs) adhered to the ceilings, while maintaining the public debt stock below 60.0 percent of GDP.

## **2.6 Macroeconomic Performance for January - June, 2020**

78. Mr. Speaker, I will now provide an update on the performance of the economy for the first half-year of 2020. Mr. Speaker, to put the performance of the economy in the first two quarters of the year in context, I will restate the macroeconomic targets that were set for 2020. Mr. Speaker, it is also important to note that the outbreak of the Coronavirus pandemic has gravely affected the performance of the economy for the first six months of 2020.
79. Mr. Speaker, the 2020 macroeconomic targets set in the 2020 Budget Statement are:
- overall Real GDP growth of at least 6.8 percent;
  - non-Oil Real GDP growth of at least 6.7 percent;
  - end-period inflation of 8.0 percent;
  - fiscal deficit of 4.7 percent of GDP;
  - primary surplus of 0.7 percent of GDP; and
  - Gross International Reserves to cover not less than 3.5 months of imports of goods and services.

### ***Growth***

80. Mr. Speaker, the Ghana Statistical Service (GSS) has released first quarter 2020 GDP data. According to the release, overall real GDP grew by 4.9 percent in the first quarter 2020, compared to 6.7 percent over the same period in 2019. Non-oil growth in the sector was 4.9 percent compared to 6.0 percent in the corresponding period of 2019
81. Mr. Speaker, the 2020 first quarter sectoral growth rates were as follows: 1.5 percent for Industry; 9.5 percent for Services; and 2.8 percent for Agriculture. The corresponding sectoral growth rates in 2019 were 8.4 percent, 7.2 percent, and 2.2 percent, respectively.

### ***Inflation***

82. Mr. Speaker, the thrust of monetary policy in 2020 is to remain within the medium-term inflation target of  $8 \pm 2$  percent, while supporting Government's development agenda. Headline inflation remained stable at 7.8 percent from



January until March 2020. However, the two panic-buying episodes that preceded the anticipated and the eventual partial lockdown in the two largest cities of Accra and Kumasi, exacerbated by market fumigation exercises across the country, led to significant increases in food prices in several urban centres.

83. Mr. Speaker, these developments saw headline inflation rising to 10.6 percent and 11.3 percent in April and May, respectively. Inflation in June declined marginally to 11.2 percent as pressure on food prices began to ease. Inflation for food and non-alcoholic beverages rose to 14.4 percent in April 2020 from 8.4 percent recorded in March, and increased further to 15.1 percent in May. However, as the pressures on food prices began to ease with the approaching harvest, food inflation fell to 13.8 percent in June from 15.1 percent in May. Non-food inflation remained broadly stable, recording a modest increase to 7.7 percent in April from 7.4 percent in March, and increased further to 8.4 percent in May, and 9.2 percent in June.

### ***Developments in Monetary Aggregates***

84. Mr. Speaker, from the beginning of the year to May 2020, growth in M2+ has slowed down to 6.0 percent, compared to a 7.0 percent growth recorded over the corresponding period in 2019. The slower growth of M2+ was driven by NFA of the banking system which, as at end-March 2020, contracted by 2.9 percent, and a marginal increase in NDA. The year-to-date increase in NDA was on account of expansion in Net Claims on Government.
85. The main drivers for the build-up in NFA for the period were the successful Eurobond issuance in February 2020 and other external inflows, while the increase in NDA was propelled largely by the Bank of Ghana Asset Purchase Programme to support Government's fiscal operations. Financing from the Deposit Money Banks (DMBs) and Non-bank Public also increased, as Government sought to raise additional funds to finance the widening expenditure-revenue gap, which had been exacerbated by COVID-19-related spending.
86. Credit advanced by banks to public and private institutions decreased in the first five months of the year. Both demand and supply for loans have dropped due mainly to the uncertain outlook and general economic slowdown.

### ***Interest rates***

87. Mr. Speaker, the Monetary Policy Committee (MPC) of Bank of Ghana reduced the Monetary Policy Rate (MPR) by 150 basis points to 14.50 percent in March 2020, as part of broad measures to boost economic activity. The MPC further announced a 2-percentage point reduction in the Cash Reserve Requirement (CRR) of DMBs. This measure was to bolster liquidity in the banking system and provide incentives for increased lending to critical sectors of the economy. This was part of the broader strategy of the Bank to mitigate the downside risks to the real sector. The MPR was maintained at 14.50 percent in May 2020.

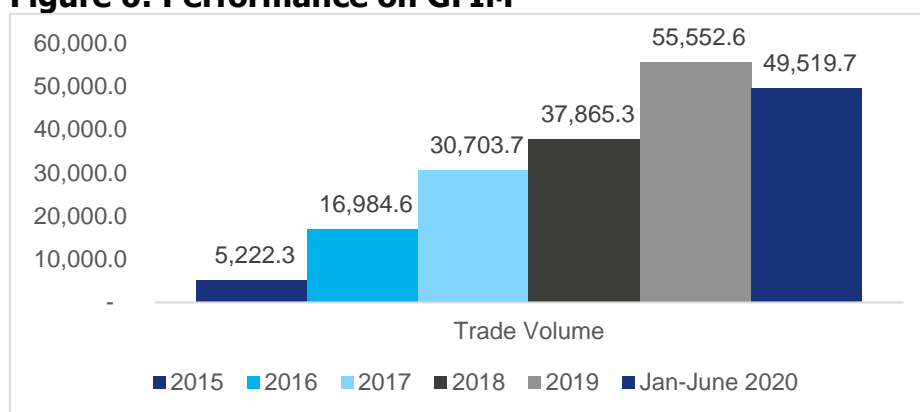


88. The interbank rate declined from 15.20 percent in December 2019 to 13.82 percent in June 2020, reflecting the reduction in the MPR in March 2020, and improved liquidity conditions in the banking sector. Similarly, the short-term Government securities (91,182 and 364-day bills) as at end-June 2020 have significantly declined to 13.9 percent, 14.0 percent, and 16.8 percent, respectively. The reductions in the MPR by 150 basis points and the primary reserve requirement of banks from 10.0 percent to 8.0 percent, largely influenced the downward trend of the rates. Average bank lending rate also decreased to 21.95 percent from 23.59 percent over the same comparative period, reflecting improved liquidity conditions in the banking sector and constrained demand for loanable funds.

**Performance on the Ghana Fixed-Income Market**

89. Performance of the Ghana Fixed-Income Market (GFIM) has improved tremendously since the financial sector clean up in 2018. The market has seen a great number of investors move to purchase its relatively safe investment instruments. While 2018 ended with a trade volume of 37.8 billion, the 2019 trade volume shot up to 55.5 billion, an increase of 46.8 percent. The performance story on the bond market has continued into the 2020 financial year. Data up to end-June 2020, indicate an increase of 160 percent growth over the outturn for the same period in 2019, that is, 45.60 billion compared to 17.48 billion. Indeed, the fixed-income market has been extremely vibrant, with an increase of 151.6 percent in the number of trades to 81,883 in 2020 from 54,000 in 2019.

**Figure 6: Performance on GFIM**



**Source: MoF**

90. The corporate bonds market has also showed prospect for growth, even though trade volumes are very low compared to that of Government Securities. Trade volumes in 2019 dipped 7.7 billion from 8.2 billion in 2018, but saw a significant uptick to 12.1 billion by end-June 2020.
91. Again, the market has seen the liquidity figures of the market trending upwards since 2018 year on year. The year 2018 ended with a liquidity figure of 55 percent, while 2019 ended with the liquidity increasing to 62 percent. In the



same vein, January 2020 to June 2020 showed the market pulled a liquidity figure of 38 percent compared to the 28 percent same period in 2019.

### ***Stock Market Performance***

92. Mr. Speaker, six months into the year 2020, the stock market continued its trading activities on both the equity and bond markets with varied investor reactions, amidst the numerous uncertainties surrounding businesses and capital markets globally. Both volume and value increased significantly despite the fall in the Ghana Stock Exchange Composite Index (GSE-CI) during the period under review. A total of 262,248,753 shares valued at GH¢194 million was traded for the mid-year ending June 2020 compared to 98,215,545 shares valued at GH¢101 million recorded for the same period in 2019.
93. The GSE-CI ended the mid-year (January to June 2020) with a decline of 15.83 percent compared to a decline of 6.90 percent recorded for the same period in 2019. This resulted in a 3.94 percent dip in market capitalisation from GH¢58,729 million at the end of June 2019 to GH¢52,950 million at the end of June 2020. Major losses were recorded in the Finance, IT, Distribution, and Food & Beverage sectors.
94. The bond market continued to be buoyant recording a year-on-year 49.7 percent increment over the trade volume in January to June 2019. Again, the half-year trade volume of 49,519 million is 89 percent of the total trade volume in 2019. The liquidity of the market has increased to 54 percent at the end of June 2020 from 32 percent in May 2020.

### ***Balance of Payments***

95. Mr. Speaker, external sector performance was mixed in the first quarter of 2020, reflecting in a higher trade surplus and improved current account balance on one hand, and a deceleration in inflows into the financial account on the other.
96. Mr. Speaker, for the first five months of the Year 2020 (January - May), total exports decreased by 8.1 percent to US\$6,205.42 million. The decrease was attributed to a fall in export receipts mainly from oil, non-traditional exports, timber and aluminium. The import bill for the same review period amounted to US\$5,162.13 million compared to US\$5,576.24 million in the corresponding period of 2019. This was driven by a fall in the demand for oil and non-oil imports. Estimated oil imports declined by 21.22 percent to US\$815.44 million from US\$1,035.04 million recorded in 2019. The total value of non-oil merchandise imports was provisionally estimated at US\$4,346.69 million, down by 4.28 percent, compared to an outturn of US\$4,541.20 million recorded in the same period in 2019. This was attributed to a fall in demand for capital and intermediate goods. As a result, the trade balance recorded a surplus of US\$1,043.29 million compared to a surplus of US\$1,178.26 million in the corresponding period of 2019.
97. Mr. Speaker, the current account recorded a surplus of US\$131.11 million (0.2% of GDP) in the first quarter of 2020, an increase of 12.4 percent over the 2019



corresponding performance of US\$177.76 million (0.3% of GDP). The increase in the current account surplus was influenced largely by improvement in the trade balance, as well as current transfers. For the same period, the trade balance recorded a healthy surplus of US\$936.15 million, mainly on account of a sharp decline in imports. The capital and financial account decreased from a surplus of US\$2,706.66 million in the first quarter of 2019 to a surplus of US\$1,375.67 million in the first quarter of 2020. This development was the result of lower inflows of net foreign capital largely in the form of foreign direct and portfolio investments coupled with higher outflows in other investments.

98. Developments in the external sector in the first quarter of 2020 resulted in an overall balance of payments surplus of US\$1,476.46 million compared to a surplus of US\$2,997.31 million recorded in the first quarter of 2019.

### ***Exchange Rate***

99. Mr. Speaker, the Ghana cedi started the year strongly, appreciating by 4.5 percent on a year-to-date basis by the end of February 2020 on the back of the US\$3 billion sovereign bond issue, strong macroeconomic fundamentals, and BoG's forward auction sales, among others. However, the deterioration in financial market risk sentiment due to the spread of COVID-19 as well as the seasonal demand pressures from the energy and corporate sectors weighed heavily on the cedi. On a year-to-date basis, the cedi depreciated by 2.4 percent against the dollar and the euro in June 2020 but appreciated by 4.5 percent against the pound sterling, compared to a depreciation of 8.3, 7.9 and 7.6 percent against the dollar, the euro and the pound sterling, respectively, over the same period in 2019.

### ***Gross International Reserves***

100. The country's Gross International Reserves stood at US\$9,171.36 million at the end of June 2020 from a stock position of US\$8,418.08 million as at the end of December 2019. This was sufficient to provide 4.3 months of import cover, compared to 4.0 months of import cover as at December 2019.

## **2.7 Fiscal Performance for January - June, 2020**

101. Mr. Speaker, when I appeared before this august House to present the 2020 Budget, I indicated that Government's fiscal policy objectives for 2020 and the medium-term shall remain consistent with the provisions under the PFM Act, the PFMA Regulations, as well as the requirements of the Fiscal Responsibility Act. I also did indicate that Government would adopt the right policy mix ahead of the 2020 elections to ensure that we do not resurrect the perennial cycle of election-year fiscal excesses. The implementation of the 2020 Budget has been largely contained despite the severe economic impact of COVID-19 on revenue performance and expenditure outlays. That notwithstanding, Government will do whatever it takes to ensure that all the gains achieved since 2017 are safeguarded, consolidated, and sustained.
102. Mr. Speaker, the implementation of the 2020 Budget from Jan-June, as presented in Table 5, shows a lower revenue performance against the programmed target





and higher expenditures compared to target, significantly influenced by the impact of the COVID-19 pandemic. Total Revenue and Grants which amounted to GH¢22,007 million fell short of target by 26.0 percent, while Total Expenditures including arrears clearance amounted to GH¢46,352 million, exceeding the target by 11.5 percent. The consequent modest increase in expenditures, despite the devastating impact of COVID-19-related unanticipated spending, is a clear indication that Government is adopting prudent expenditure management measures to minimise the effects of the associated slow revenue performance.

103. These developments for the period resulted in an overall fiscal deficit of 6.3 percent of GDP compared to a programmed deficit target of 3.1 percent of GDP. The fiscal deficit for the period more than doubled the programmed target because Government increased its financing programme to address the shortfall in revenue mobilisation and, to deal, in part, with the force majeure imposed by COVID-19-induced expenditures. The corresponding primary balance for the period was also a deficit of 3.3 percent of GDP, compared with a programmed deficit target of 0.9 percent of GDP.

**Table 3: Summary of 2020 Jan-Jun Fiscal Performance**

No	Item	2019		2020							
		Jan-June (Prov)		Budget		Jan-June (Prog)		Jan-June (Prov)		Dev.	
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%
1	Total Revenue & Grants	23,604	6.8	67,071	16.9	29,759	7.7	22,007	5.7	-7,752	-26.0
2	Total Expenditures	32,309	9.2	85,952	21.6	41,554	10.8	46,352	12.0	4,799	11.5
3	Overall Fiscal Balance	-8,705	-2.5	-18,881	-4.7	-11,794	-3.1	-24,345	-6.3	-12,551	106.4
4	Primary Balance	103	0.03	2,811	0.7	-52	0.0	-12,706	-3.3	-12,654	
5	Nominal GDP	349,480		398,048		385,378		385,378			
6	Non-Oil Nominal GDP	332,229		382,205		376,333		376,333			

**Source: MoF**

### **Revenue Performance**

104. Mr. Speaker, Total Revenue and Grants for January to June 2020 amounted to GH¢22,007 million, compared with the programme target of GH¢29,759 million, resulting in a shortfall of 26.0 percent or a performance rate of 74.0 percent. The provisional outturn constitutes 32.8 percent of the annual target compared to the programmed expectation of 44.4 percent of the annual projection, as shown in Table 4.



**Table 4: 2020 Jan-Jun Revenue Performance**

No	Item	2019		2020							
		Jan-June (Prov)		Budget		Jan-June (Prog)		Jan-June (Prov)		Dev.	
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%
1	<b>Total Revenue &amp; Grants</b>	<b>23,604</b>	<b>6.75</b>	<b>67,071</b>	<b>16.9</b>	<b>29,759</b>	<b>7.7</b>	<b>22,007</b>	<b>5.7</b>	<b>-7,752</b>	<b>-26.0</b>
2	Tax Revenue	18,783	5.37	49,248	12.4	22,082	5.7	17,996	4.7	-4,086	-18.5
3	Tax Revenue (non-oil)	17,832	5.10	44,986	11.3	19,952	5.2	16,723	4.3	-3,229	-16.2
5	Non-Tax Revenue (non-oil)	2,286	0.65	8,464	2.1	2,929	0.8	1,774	0.5	-1,155	-39.4
7	Oil Revenue	1,859	0.53	8,932	2.2	4,468	1.2	1,993	0.5	-2,475	-55.4
8	Other Revenues (ESLA)	994	0.28	2,876	0.7	1,404	0.4	1,147	0.3	-257	-18.3
9	Grants	531	0.15	1,240	0.3	735	0.2	324	0.1	-411	-55.9

**Source: MoF**

105. Mr. Speaker, non-oil tax revenue, comprising taxes on Income and Property, Goods and Services, and International Trade, amounted to GH¢16,723 million (4.3% of GDP). The recorded outturn was 16.2 percent below the programme target of GH¢19,952 million (5.2% of GDP). The lower than programmed performance in non-oil tax revenue resulted from underperformance of non-oil tax handles such as Domestic VAT, Petroleum Excise taxes, National Health Insurance Levy, and GETFund Levy. However, Personal Income Tax and Communication Services Tax both out-performed their respective targets for the period.
106. Mr. Speaker, revenue from upstream Oil and Gas activities amounted to GH¢1,993 million, 55.4 percent lower than the programme target of GH¢4,468 million. This was mainly on account of lower than programmed performance of company taxes from the oil and gas sector, as well as the global decline in crude oil prices due to impact of COVID-19.
107. Non-Tax Revenue (Non-Oil) yielded GH¢1,774 million, 39.4 percent below target as shown in Table 4. The fall in non-tax revenue for the period was due to lower than programmed MDAs' retention and lodgement for the period.
108. Mr. Speaker, Grants disbursements were below target during the period mainly due to both lower project and programmed Grants. The expectation is that disbursements will recover in the second half of the year, following the anticipated gradual easing of the COVID-19 restrictions in Donor countries.

### **Expenditure Performance**

109. Mr. Speaker, the execution of expenditures for the period exceeded the programme target by 11.5 percent, reflecting a faster execution rate due to COVID-19-related expenses. Consequently, Total Expenditures (including arrears clearance) for the period amounted to GH¢46,352 million compared to a programme target of GH¢41,554 million.



**Table 5: 2020 Jan-Jun Expenditure Performance**

No	Item	2019		2020							
		Jan-June (Prov)		Budget		Jan-June (Prog)		Jan-June (Prov)		Dev.	
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%
1	<b>Total Expenditure</b>	<b>32,309</b>	<b>9.24</b>	<b>85,952</b>	<b>21.6</b>	<b>41,554</b>	<b>10.8</b>	<b>46,352</b>	<b>12.0</b>	<b>4,799</b>	<b>11.5</b>
2	Compensation	10,952	3.13	26,565	6.7	12,587	3.3	14,219	3.7	1,632	13.0
3	Goods & Services	4,045	1.16	8,331	2.1	3,389	0.9	3,990	1.0	601	17.7
4	Capital Expenditure	3,693	1.06	9,260	2.3	4,497	1.2	4,812	1.2	316	7.0
5	Interest Payments	8,808	2.52	21,691	5.4	11,742	3.0	11,639	3.0	-103	-0.9
6	Grants to Other Govt Units	5,697	1.63	15,635	3.9	7,137	1.9	5,590	1.5	-1,548	-21.7
7	Other Expenditures	1,076	0.31	3,026	0.8	1,479	0.4	3,550	0.9	2,071	140.0
8	Arrears Clearance	625	0.18	1,443	0.4	722	0.2	1,340	0.3	618	85.7

**Source: MoF**

110. Mr. Speaker, expenditure on Compensation of Employees was 13.0 percent above the budget provision as shown in Table 5.
111. Expenses on the Use of Goods and Services were broadly contained within the programme limits as shown in Table 5. So far, expenses on free SHS programme and some other Government flagship programmes have also remained on track.
112. Mr. Speaker, Capital Expenditure amounted to GH¢4,812 million compared with a programme target of GH¢4,497 million. Lower-than-programmed Domestic Financed Capital Expenditure mainly drove the outturn vis-a-vis the target.
113. Mr. Speaker, Interest Payments, as shown in Table 5, was below the target for the period by 0.9 percent, amounting to GH¢11,639 million against programme target of GH¢11,742 million.
114. Grants to Other Government Units lagged behind the provision for the period by 21.7 percent, mimicking the shortfall in Domestic Revenue which most of such transfers depend on.

### **Overall Budget Balance and Financing**

115. Mr. Speaker, as shown in Table 6, the result of Government's fiscal operations resulted in a cash basis deficit of GH¢24,345 million, or 6.3 percent of GDP, compared to the programme target of GH¢11,794 million, or 3.1 percent of GDP for January to June cumulatively.
116. Mr. Speaker, the Overall Budget Balance was financed from both domestic and external sources. Total Domestic Financing amounted to GH¢21,786 million, equivalent to 5.7 percent of GDP, and constituted 89.5 percent of the total financing. Foreign financing amounted to GH¢2,560 million, some 0.7 percent of GDP, against a target of GH¢15,100 million or 3.9 percent of GDP, and constituted 10.5 percent of the total financing needs.
117. Mr. Speaker, the Primary Balance recorded a deficit equivalent to 3.3 percent of GDP, 3.29 percentage points higher than the programmed deficit of 0.01 percent



of GDP mainly due to lower-than-programmed revenues and grants as stated earlier.

**Table 6: 2020 Jan-Jun Fiscal Performance - Financing**

No	Item	2019		2020							
		Jan-June (Prov)		Budget		Jan-June (Prog)		Jan-June (Prov)		Dev.	
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%
1	Overall Deficit (Cash)	-8,705	-2.49	-18,881	-4.7	-11,794	-3.1	-24,345	-6.3	-12,551	106.4
2	Total Financing	8,705	2.49	18,881	4.7	11,794	3.1	24,345	6.3	12,551	106.4
	Domestic Financing	-1,112	-0.32	8,262	2.1	-3,305	-0.9	21,786	5.7	25,091	
	Foreign Financing	9,817	2.81	10,619	2.7	15,100	3.9	2,560	0.7	-12,540	
3	Primary Balance	103	0.03	2,811	0.7	-52	-0.01	-12,706	-3.3	-12,654	

**Source: MoF**

## 2.8 Petroleum Revenue and Utilisation for January - June, 2020

118. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for the first half of 2020, were US\$322.57 million. Receipts from crude oil liftings comprised the 14<sup>th</sup> and 15<sup>th</sup> TEN, the 4<sup>th</sup> SGN, and the 53<sup>rd</sup> and 54<sup>th</sup> Jubilee liftings. This involved five liftings, made up of 4,835,628 barrels valued at US\$235.28 million.

119. Of the amount received for the first half of 2020, a total of US\$80.41 million was transferred to GNPC, which is made up of Equity Financing Cost of US\$59.52 million and GNPC's share of the net Carried and Participating Interest of US\$20.89 million. A total of US\$72.65 million was transferred into the Ghana Petroleum Funds (GPFs), out of which the Ghana Heritage Fund (GHF) received US\$21.79 million, while the Ghana Stabilisation Fund (GSF) received US\$50.85 million. The Annual Budget Funding Amount (ABFA) received a total of US\$169.51 million.

## 2.9 Update on Public Debt Developments for January - June, 2020

120. Mr. Speaker, consistent with the front loading of Government's fiscal operations, the financing needs of Government were also front loaded. Consequently, our International Capital Market financing was conducted in the first 2 months of the year.

121. Also, as earlier stated, the COVID-19 pandemic affected the increased financing for the period under review. Consequently, Government accessed the IMF's RCF in April 2020 to help bridge the financing gap.

122. Taking into consideration all of the above, the provisional debt stock as at end-June 2020 stood at GH¢258,372.8 million (US\$45,566.81 million), representing 67.0 percent of GDP. The increase was mainly as a result of the Eurobond issuance in February 2020, frontloading of expenditures, the COVID-19 effect, and exchange rate depreciation which increased the cedi equivalent of the outstanding debt stock.



123. Of the total debt stock, external debt constituted 52.7 percent and amounted to GH¢136,288.3 million or 35.4 percent of GDP, while domestic debt constituted 47.3 percent and amounted to GH¢122,084.5 million or 31.7 percent of GDP.

## **2.10 Medium-Term Debt Management Strategy**

124. Mr. Speaker, Government developed its 2020 Medium-Term Debt Strategy (MTDS) in fulfilment of section 59 of the Public Financial Management Act, 2016 (Act 921). This was to support Government infrastructural projects and programmes, while taking cognisance of the cost of debt and minimising refinancing risks in the public debt portfolio.

125. The strategy proposes issuances on the ICM, and additional external borrowing for priority development projects, which cannot be financed on concessional terms. It also envisages issuances/tap-ins of medium-term and long-term instruments and the refinancing of some maturing T-bills and bonds.

126. Mr. Speaker, the required revisions to the macro-fiscal targets will also necessitate revisions to the strategy. It is expected that, the updated strategy will focus on an appropriate financing mix to mitigate the costs and risks that could adversely affect the achievement of the desired composition of the public debt portfolio with respect to borrowing from external and domestic sources. Government will continue to issue more medium to long-term bonds in order to reduce debt vulnerabilities in the portfolio.

### ***2020 Debt Sustainability Analysis and Debt Limits for contracting non-concessional External Debts***

127. Mr. Speaker, Ghana has had to revise its Debt Sustainability Analysis (DSA) conducted in 2019 in order to assess the impact of COVID-19 pandemic on revenues, expenditures, and financing in the medium to long-term.
128. Mr. Speaker, the impact of the pandemic creates an urgent need to simulate the feasible fiscal space available to meet Government's funding requirements in the light of current debt levels and make sound budgetary and funding decisions while evaluating the solvency and liquidity status of the public debt portfolio taking into account current and future debt service obligations.
129. Mr. Speaker, the result of the 2020 COVID-19 DSA shows that Ghana's debt distress from external and domestic sources remains unchanged from the results of the previous 2019 DSA which was sustainable but high. The shocks from COVID-19 pandemic (fall in crude oil prices and decline in trade) are expected to deepen the current account and fiscal deficits over the medium-term, resulting in an elevated debt path compared to the pre-COVID-19 2020 DSA.
130. Nevertheless, fiscal costs, including those associated with the pandemic response and measures to support economic activity, as well as a more prolonged crisis, could have the greatest impact on debt sustainability.



131. Invariably, to contain the additional financing requirements for the District Hospitals, the debt limits for the contracting of non-concessional external financing will have to be increased from the current level of US\$750 million in 2020.

**2020 Eurobond Issuance**

132. Mr. Speaker, as you may recall, Government obtained approval on 23<sup>rd</sup> December, 2019 from Parliament to raise up to US\$3,000.00 million to finance growth-oriented expenditures in the 2020 budget (including restructuring the energy sector) and conduct liability management operations.

133. Based on the approval, Ghana became the first ever country on the African continent to issue a 41-year bond and a second tri-tranche bond in the history of the country. Ghana successfully raised US\$3 billion on the international debt capital markets in three tranches of 6-year, 14-year and 41-year Eurobonds for US\$1,250.00 million, US\$1,000.00 million, and US\$750.00 million, respectively, on 4th February, 2020. The 6-year, 14-year, and 41-year bonds were priced at 6.375 percent, 7.875 percent, and 8.750 percent, respectively.

134. The phenomenal transaction was a landmark achievement in many respects as the Eurobond came with the lowest ever coupon rate for Ghana, and the first 41-year bond for Africa.

135. Despite initial concerns over the COVID-19 pandemic, and its potential adverse impact on market conditions for Emerging Markets credits, the order book was five times over-subscribed.

136. The transaction attracted a diverse investor base, largely from Europe and US. This translated into a peak order book, in excess of US\$15 billion. This comes on the heels of the seven times over-subscription for the 2019 Eurobond.

137. Already, a buyback of US\$523.05 million of the maturing 2023 Eurobond has already been carried out.



## SECTION THREE: HIGHLIGHTS OF IMPLEMENTATION OF KEY INITIATIVES IN THE 2020 BUDGET

### 3.1 Introduction

138. In consonance with H.E. The President's vision outlined in the Coordinated Programme for Social and Economic Policies and the Ghana Beyond Aid Agenda, Government for the past three and a half years has been implementing a number of flagship programmes to spearhead economic and social transformation.
139. Mr. Speaker, progress has been made in the implementation of these flagship programmes with significant achievements in the Free Senior High School (FSHS), Planting for Food and Jobs (PFJ), One District One Factory (1D1F), Infrastructure for Poverty Eradication Programme (IPEP), and Nation Builders Corps (NABCo), amongst others. These programmes have impacted positively on the lives of ordinary citizens.
140. Mr. Speaker, I am happy to report that a significant number of jobs have been created since January 2017. Available data collated by the Ministry of Employment and Labour Relations indicate that 3,576,380 jobs were created between 2017 and 2019 in the public and formal private sectors, as well as through Government policies and interventions.
141. While the Public Sector recorded 778,706 as jobs created, the formal Private Sector also recorded 267,939 new jobs. Additionally, Government job creation interventions such as Planting for Food and Jobs, NABCo, YEA, Out growers Value Chain Fund, National Entrepreneurship and Innovation Programme (NEIP), Ghana Commercial Agriculture Project, National Identification Authority (NIA), and Ghana Agriculture Sector Investment Programme together contributed 2,529,735 new jobs.
142. Mr. Speaker, the challenges and the opportunities presented by the onset of the COVID-19 pandemic have reinforced the importance of these flagship programmes. It has also exposed new vulnerabilities and the need to scale up some programmes and introduce new interventions. The responses to some of the emerging issues are in the areas of food security, and support to SMEs and the manufacturing sector, which are clearly being addressed in the Government's various COVID-19 response programmes.

### 3.2 Agricultural Modernisation

143. Mr. Speaker, in 2017, Government, under the leadership of His Excellency President Nana Addo Dankwa Akufo-Addo, launched the Planting for Food and Jobs (PFJ) programme. The programme was designed to address the myriad problems that had beset the agricultural sector and accounted for its low performance in the preceding decade.



144. The objectives of the programme are to: ensure timely and adequate availability of selected food crops through improved productivity; provide job opportunities for the teeming unemployed youth; and create general awareness for all formal workers to have either farms or backyard gardens.
145. Mr. Speaker, due to the overwhelming success and attractiveness of the programme, the scope has evolved to five modules. These are: Food Crop Development; Planting for Export and Rural Development (PERD); Mechanisation; Rearing for Food and Jobs (RFJ); and Greenhouse Capacity Development modules.

### ***Food Crop Module***

146. A major achievement of PFJ is the significant number of farmers enrolled into the programme since its introduction in 2017. To date, a total number of 1.5 million farmers have been mobilised and registered with the programme, an increase from the initial enrolment figure of 202,000 farmers in the year of inception. To enhance food production in the wake of COVID-19 and enable more farmers access inputs, an additional 300,000 farmers were registered onto the programme, increasing the number of beneficiaries from the initial target of 1.2 million to the current 1.5 million.
147. Mr. Speaker, as a result of the usage of improved seeds and fertilizer by farmers, productivity of selected food crops has increased. National maize production increased by 71 percent, from 1.7 million MT in 2016 to 2.9 million MT in 2019, while paddy rice increased by 34 percent from 688,000 MT in 2016 to 925,000 MT in 2019.
148. From 2017 to 2019, Government distributed 700,000 MT of fertilizer (organic and inorganic) and 30,000 MT of improved seeds of selected crops such as maize, rice, soybean, sorghum, tomato, onion, and pepper to farmers across the country.
149. Mr. Speaker, in the first half of this year, a total of 219,193 MT of organic and inorganic fertilizer were distributed to farmers against a revised target of 412,000 MT for the year. In addition, a total of 6,023 MT of seeds were distributed to farmers across the country.
150. One of the most significant achievements of the PFJ campaign has been the increase in productivity of the selected food crops as a result of the usage of improved seeds and fertilizer distributed to farmers. Over the period of implementation, the percentage increases in yields of maize, rice, and soybean recorded are 131, 59, and 69, respectively.
151. Mr. Speaker, available data collated on the PFJ, based on empirical estimation from the field throughout the country over the last three years, depict an increase in jobs (labour for planting, weeding, harvesting, processing, loading and off-loading of farm inputs and produce, among others). The jobs created during the





period are 746,601 in 2017, 794,944 in 2018, and 746,984 in 2019, for a cumulative total of 2,288,529 jobs.

152. Mr. Speaker, data from the Statistics, Research and Information Directorate of MoFA show an increase of 56.6 percent in exports of foodstuff to neighbouring countries between 2016 and 2019 from 85,000 MT to 133,145 MT.
153. Government embarked on the construction of 30 warehouses, each with a capacity of 1,000 MT throughout the country as part of measures to ensure food security, reduce post-harvest losses, guarantee farmer incomes and improve marketing. To date, 17 of the warehouses have been completed, with the remaining scheduled for completion by end of December 2020.

***Planting for Export and Rural Development (PERD) Module***

154. Mr. Speaker, the PERD module was launched in 2019 to promote the development of selected tree crops for diversified export earnings, increased farmer incomes, development of agro-industries, and empowerment of rural economies. A total of 15 million seedlings of cashew, coffee, coconut, and oil palm were distributed to farmers. Parliament also passed the Tree Crop Development Bill, fashioned along the lines of COCOBOD, into law.

***Livestock Development Module — Rearing for Food and Jobs (RFJ)***

155. The objective of this module is to intensify domestic livestock production. It is aimed at developing a competitive and more efficient livestock industry that will increase domestic meat production and reduce importation.
156. Under the module, a total of 30,000 cockerels were distributed to 3,000 farmers in 12 selected regions in 2019 for crossing with local hens to improve the live weight from 1.2kg to 1.5kg, and egg laying rate from 70 to 110 eggs per year. A total of 7,500 small ruminants were also distributed to 750 farmers in six selected regions.
157. As at June 2020, procurement processes for the purchase of 531,100 improved breeds of livestock and poultry species including sheep, goats, pigs, cockerels and guinea fowls, and related products were completed. Delivery of the livestock and the related products are expected to be effected before the end of December 2020.

***Greenhouse Capacity Development Module — Greenhouse Villages***

158. Mr. Speaker, Government established three greenhouse training centres with commercial components, each on a five-hectare piece of land, at Dawhenya, Akumadan, and Bawjiase. At the end of December 2019, the three centres had, together, trained 296 graduates in greenhouse vegetable production. Additionally, a total of 180 graduates were targeted for training in 2020, of which 61 had been trained as of end-June 2020. The remaining 119 graduates are scheduled to receive their training during the second half of the year.



### ***Mechanisation Module***

159. Mr Speaker under this module, 6,270 units of agricultural machinery and equipment were supplied to mechanisation service providers, Metropolitan, Municipal, and District Assemblies (MMDAs), and farmer-based organisations to improve access to mechanisation services. This has reduced drudgery in farming and has improved efficiency in operational activities of farmers to enhance productivity.
160. Government, under a Czech Republic Credit facility, took delivery of farm equipment worth €10,000,000. These include 300 global multi-purpose mini-tractors with various accessories, and 220 Cabrio compact tractors with accessories such as rice reapers, rice threshers, and chemical applicators. This equipment is for sale to small and medium-scale farmers across the country at 40 percent subsidy.
161. In addition, Government took delivery of 1,000 rice harvesters (rice cutters) and 700 multifunctional threshers from China for distribution to rice farmers at 20 percent subsidy. These measures are to improve farmers' timely access to mechanised services and enhance productivity.
162. Mr. Speaker, in the second half of the year, Government will conclude arrangements for the importation of about US\$31 million worth of farm machinery and equipment, including hand-held equipment, tractors, combine harvesters, and rice mills, under the 3<sup>rd</sup> tranche of the Brazil "More Food International Programme".

### ***Irrigation Development***

163. A total of 7,141ha of land are being developed for various irrigation systems. These include Tamne phases I & II, Mprumem phases I & II, rehabilitation and expansion of existing schemes at Tono, Kpong Irrigation Schemes (KIS), and Kpong Left Bank Irrigation Project (KLBIP). In addition, Government has invested in numerous small earth dams in the Northern, Upper East, Upper West, and the Savannah Regions to provide farmers with easy access to water. As at June 2020, 11 out of 14 programmed small earth dams had been completed. An estimated irrigable area of 224ha will be developed in the next phase of construction.
164. Mr. Speaker, in the second half of the year, Government will complete the resettlement of people in Tamne and Mprumem to pave way for completion of these projects. The Tono and Kpong Left Bank Irrigation Projects will be completed by December 2020. The remaining three small earth dams, which are expected to irrigate over 80ha of crop lands, will also be constructed at the Dawhenya Greenhouse Village, Kaniago, and Ohawu Agricultural College.

## **3.3 Industrialisation**

### ***One District One Factory (1D1F) Initiative***

165. Mr. Speaker, Government remains committed to the implementation of the 1D1F initiative, even in the midst of the COVID-19 Pandemic. The focus of the initiative



in 2020, is to identify strategic investors to partner Government to establish factories in the districts that lack active business promoters.

166. Under this initiative, 232 projects are at various stages of implementation. Among these, 76 are completed and operational, while the remainder, including five medium-size agro-processing factories, are under construction. Twelve of these companies received approval for import duty exemptions to the tune of GH¢34 million. A total of 154 districts out of the 260 districts are benefiting from the programme.
167. Mr. Speaker, the COVID-19 pandemic has presented new opportunities for 1D1F-supported companies in selected sub-sectors of industry. These include garments and textiles (such as the production of PPEs), processed foods, fruit juices and non-alcoholic beverages, pharmaceuticals, and personal care products. The travel restrictions and disruption of global supply chains have reinforced the need for Ghana to build local productive capacity for import substitution, in line with the vision of His Excellency the President for industrial transformation in every district.
168. On the other hand, COVID-19 restrictions and protocols, including social distancing and workplace contingency measures, have increased the cost of factory operations, while sales revenues have been impacted negatively as a result of cancelled export orders. With regards to factories under construction, completion schedules have been affected by the slowdown in labour deployment due to social distancing.
169. Mr. Speaker, for the next six months, construction of 58 small-scale processing factories, under the Enable Youth 1D1F projects, financed by the African Development Bank, will commence across the country.
170. It is projected that construction of 36 out of the remaining 1D1F projects will commence in August 2020 in 36 Districts. These projects are being jointly financed by the Government of Ghana and participating financial institutions (PFIs).

#### ***Development of the Automobile Industry in Ghana***

171. Mr. Speaker, in response to Government's introduction of a new comprehensive Automotive Manufacturing Development Policy, some of the leading global automobile companies (referred to as Original Equipment Manufacturers) have already established commercial interests in Ghana to assemble their brands of vehicles.
172. In March 2020, the Volkswagen Group rolled out the first VW locally assembled vehicle. VW Ghana is currently producing six different brands of vehicles, namely, *Amarok, Caddy, Passat, Polo, Teramont, and Tiguan*. Both the Toyota and Nissan Groups are also positioned to establish assembly operations before the end of this year. Sinotruk, a leading global manufacturer of Heavy Duty Trucks is also assembling a variety of trucks in Ghana through Zonda Tec Ghana Limited. An



indigenous Ghanaian company, the Kantanka Group has also been formally granted a license to continue their auto assembly operations in Ghana and to benefit from incentives under the Ghana Automotive Manufacturing Development Policy.

173. In order to support these new major developments, Mr. Speaker, Government will establish an Automobile Industry Development Centre which will among other things, coordinate the technical processes for licensing vehicle assemblers and manufacturers, and monitor their compliance with industry regulations and standards. The Centre will also coordinate the implementation of a Vehicle Financing Scheme which will link financial institutions to individuals and groups interested in purchasing newly assembled vehicles in Ghana. Furthermore, it will manage an Automotive Skills and Technology Upgrading Programme to provide requisite skills for the industry.
174. It is envisaged that the development of the automobile industry in Ghana, which is one of the new Strategic Anchor Initiatives being promoted under the Ministry of Trade and Industry's Industrial Transformation Agenda, will constitute a significant step towards import substitution and enhancing exports, particularly within the context of the African Continental Free Trade Area (AfCFTA). Ghana is well-positioned to become the new automobile manufacturing hub in Africa.

### **3.4 Infrastructure Development**

#### ***Road Sector***

175. Mr. Speaker, 2020 was declared "The Year of Roads" and as such the road sector has seen a massive injection of resources. Major construction works being undertaken this year include:
- Pokuase Interchange under the Accra Urban Transport Project. This involves the construction of a 4-tier interchange. Progress currently stands at 74 percent;
  - Tema Motorway Roundabout, a 3-tier interchange which has been completed and commissioned;
  - Obetsebi-Lamptey Circle Interchange and ancillary works (Phase 1), currently at 45 percent completion;
  - Kumasi Lake Roads and Drainage Extension project, at 55 percent completion as at June 2020;
  - Construction of 7 bridges located at Kulun, Garu (2 bridges.), Ambalara, Kulungugu, Doninga, and Sissili. Overall physical progress stands at 70 percent, with 5 being substantially completed; and
  - Critical Regional road projects as shown in Tables 9 and 10 below:



**Table 7: Critical Inter-Regional Road Projects**

No.	Road	Km	Status
1	Reconstruction of the Osiem-Begoro road	24.80	Significant progress
2	Reconstruction of Kwabeng-Abomосу-Asuom road	41.40	Significant progress
3	Upgrading of Anwiankwanta-Obuasi road	30	Significant progress
4	Upgrading of Mampong Kofiase road	14	Significant progress
5	Reconstruction of Kwabeng Akropong road & Akropong town roads	23.3	On-going
6	Upgrading of Nsuta – Beposo road	7	On-going
7	Upgrading of Salaga – Bimbilla road	71	On-going
8	Upgrading of Kwadaso – Trabuom road	30	On-going
9	Rehabilitation of Adankrono – Kade – New Abirem road (Lot 1)	21	On-going
10	Rehabilitation of Adankrono – Kade – New Abirem road (Lot 2)	22.4	On-going
11	Upgrading of Atronie – Mim road	17	On-going
12	Reconstruction of Asuom – Subi – Kade road	22	Significant progress
13	Reconstruction of Akropong – Pramkese – Adankrono road	27.2	On-going
14	Upgrading of Odumasi – Adenta – Badu road	30.2	Mobilising
15	Upgrading of Navrongo – Naga road	42	Commenced
16	Upgrading of Bediako-Kasapin Camp 15 road	45	On-going

**Source: MoRH**

**Table 8: Critical Regional Road Projects**

REGION	ROAD/BRIDGE	KM/m	Status
<b>AHAFO</b>	Upgrading of Akrodie - Sayereso Road– AH Lot 1	20	On-going
	Upgrading of Akrodie - Sayereso Road– AH Lot 2	20.6	Commenced
	Tepa-Bomaa	11	On-going
<b>ASHANTI</b>	Rehabilitation (Asphaltic Concrete) of Kumasi Sunyani Road (N6): Mankranso Junction - Tepa Junction- ASR Lot 1	40	On-going
	Rehabilitation (Asphaltic Concrete) of Mankraso Jn - Tepa Road - ASR Lot 2	45	Commenced
	Rehabilitation (Asphaltic Concrete) of Tepa – Maaban Road and Maaban Town Roads – ASR Lot 3	19	On-going
	Rehabilitation of Obuasi Town Roads	20	On-going



<b>REGION</b>	<b>ROAD/BRIDGE</b>	<b>KM/m</b>	<b>Status</b>
<b>BONO</b>	Upgrading of Menji – Bui Road – BO Lot 1	30	Commenced
	Upgrading of Sampa – Jinini Road– BO Lot 2	31.5	On-going
	Asphaltic Overlay of Dormaa Town Roads	20	On-going
	Rehabilitation of Dormaa Town Road	5	On-going
<b>BONO EAST</b>	Upgrading of Atebubu – Kwame Danso – Kwadwokrom Road- BOE Lot 1	35	On-going
	Upgrading of Kintampo – Prang Road– BOE Lot 2	28.1	Commenced
	Upgrading of Odumase - Adentia - Badu Road- Lot 5	30.2	On-going
	Rehabilitation of New Dormaa – Yawhima Road	15.0	Mobilising
	Rehabilitation of Atebubu Town Roads	3.0	On-going
<b>CENTRAL</b>	Partial Reconstruction of Bawjiase - Adeiso Road- Cr Lot 1	15	On-going
<b>EASTERN</b>	Rehabilitation of Nkawkaw - Noyem - New Abirem Road and Upgrading of Akoase Town Road – ER Lot 1	27.6	Mobilising
	Rehabilitation of New Abirem – Ofoasekuma Road– ER Lot 2	33.2	Commenced
	Reconstruction of Akim Oda – Ofoasekuma Road – ER Lot 3	36.2	On-going
	Rehabilitation of Suhum – Asamankese Road– ER Lot 4	13.7	On-going
	Rehabilitation of Asamankese – Akroso Road and Akroso Town Roads – ER Lot 5	20.6	On-going
	Rehabilitation of Eshiem – Akroso - Oda Road– ER Lot 6	42	Commenced
	Rehabilitation of Asamankese Town Roads	15	Commenced
<b>GREATER ACCRA</b>	Rehabilitation of Selected Roads in Ayawaso Central	5	On-going
	Rehabilitation of Tema Industrial Area- Kpone Road	7.20	On-going
	Rehabilitation of Selected Roads in Okaikoi North, Accra	11	Mobilising
<b>NORTH EAST</b>	Upgrading of Nalerigu – Nankpanduri Road, Bende – Bunkpurugu Road & Resealing of Nankpanduri – Bende Road – Ne Lot 1	68	Commenced
	Upgrading of Nalerigu – Gbintri Road – Ne Lot 2	40	On-going



REGION	ROAD/BRIDGE	KM/m	Status
	Upgrading of Wulungu - Wiase Road– Ne – Lot 3	35	On-going
	Upgrading of Yagaba - Mankarigu Road and Upgrading of Mankarigu – Nawuni Road– Ne Lot 4	29.5	On-going
<b>NORTHERN</b>	Upgrading of Riverbank - Nakpali - Zabzugu Road– NR Lot 1	57.8	Commenced
	Upgrading of Gushiegu – Nalerigu Road– NR Lot 2	52	On-going
	Upgrading of Salaga - Ekumdipe - Kpandai Road and Kpandai - Nkanchina Road – Sav – Lot 2	29.4	On-going
<b>OTI</b>	Rehabilitation of Nkonya Wuropong - Kwamikrom Road and (Kpando - Worawora Road – Oti Lot 1	21	On-going
	Rehabilitation of Jasikan – Worawora Road – Oti Lot 2	17.6	Mobilising
<b>SAVANNAH</b>	Upgrading of Salaga - Ekumdipe - Salaga Road - Sav – Lot 1	23	Commenced
	Construction of Binjai - Ffulso Road – Sav – Lot – 3	71	Commenced
	Upgrading of Daboya - Mankarigu Road– Sav – Lot 4	20	Commenced
	Upgrading of Daboya - Mankarigu Road– Sav – Lot 5	27.9	On-going
<b>UPPER EAST</b>	Upgrading of Bolgatanga - Naga Road- Lot 2	39	On-going
	Upgrading of Sandema - Wiaga - Wiesi Road- Ue Lot 1	10	On-going
	Upgrading of Navrongo - Naga Road - Lot 1	39.5	Commenced
<b>UPPER WEST</b>	Upgrading of Wa-Bulenga-Yaala Road- UW Lot 1	31	On-going
	Upgrading of Fian-Issah-Wahabu Road and Issa Town Roads- UW Lot 2	56	Commenced
	Upgrading of Wahabu-Funsi-Yaala Road- UW Lot 3	21.5	Mobilising
	Upgrading of Wechau - Ga Road – UW Lot 4	20.2	Commenced
<b>VOLTA</b>	Rehabilitation of Asikuma – Have Road	45	Significant progress
	Rehabilitation of Have – Hohoe Road	50.3	Significant progress
	Rehabilitation of Hohoe – Jasikan Road	32	Significant progress



REGION	ROAD/BRIDGE	KM/m	Status
<b>WESTERN</b>	Partial Reconstruction of Bawdie - Asankragwa Road and Manso Amenfi Town Roads - WR Lot 1	51.47	On-going
	Upgrading of Sureso - Aboi Junction Road- WR Lot 2	15.6	Commenced
	Rehabilitation of Essiama - Telekubokazo - Aniben Junction Road- WR Lot 3	30.2	On-going
	Upgrading of Bogoso - Insu Siding - Huni Valley Road- WR Lot 4	26	On-going
	Upgrading of Opon Valley Junction - Opon Valley - Agyempoma Road- WR Lot 5	20	Mobilising
	Rehabilitation of Telekubokazo - Anyinase Road - WR Lot 6	20	On-going
	Rehabilitation of Awaso Town Roads	5	Works yet to commence
<b>WESTERN NORTH</b>	Upgrading of Adwofua – Osei Kojokrom Road – WN Lot 1	25	Commenced
	Upgrading of Benchema Junction - Adwofoa Road	38	Commenced
	Upgrading of Sefwi Wiawso - Akontombra Road- WN Lot 2	15	On-going
	Rehabilitation of Bibiani Town Roads	5	On-going
<b>OTHER PROJECTS</b>	Upgrading of Asekye – Atebubu Road	30	Commenced
	Resealing of Tamale - Salaga Road- Lot 1	25.4	Commenced
	Upgrading of Kumbungu - Tolon Road - Lot 1	10	Commenced
	Upgrading of Opon Valley Junction - Opon Valley - Agyempoma Road	10	On-going
	Upgrading of Nobekaw - Sankore Road	11.5	On-going
	Upgrading of Asafena-Kwaman-Ayeldu Road	9	Commenced
	Upgrading of Afrengua-Asafena Road	9	Commenced

**Source: MoRH**

176. Mr. Speaker, the following important road projects have been completed or near completion:

- Nsawam - Apedwa Road, North Bound (Kwafokrom–Apedwa Road);
- Bawku – Polmakom;
- Nkwanta - Oti Damanko Road;
- Oti Damanko - Nakpanduri Road;
- Berekum – Seikwa Road;





- Enchi - Dadieso Road;
- Dualisation of Ho Main Roads;
- Ho Bypass; (Re-packaging contract for award);
- Ho - Fume Road Phase 2;
- Bolgatanga – Bawku;
- Wa - Han Road;
- 4No. Roundabout between Ejisu and KNUST; and
- Kansaworodo By-Pass Phase 3.

177. Mr. Speaker, work on five of the projects funded by Sinohydro master facility arrangement are at following stages of completion, while five are yet to commence.

**Table 9: Sinohydro Master Facility Projects**

Lot No.	Description	Unit	Scope	Status, June 2020
1	Accra Inner City Roads	Km	84	Yet to commence
2	Kumasi Inner City Roads	Km	100	On-going
3	Tamale Interchange Project	No.	1	On-going
4	PTC Roundabout Interchange Project, Takoradi	No.	1	Yet to commence
5	Adenta- Dodowa Dual Carriageway	Km	14	Yet to commence
6	Sunyani Inner City Roads	Km	39	Yet to commence
7	Western Region and Cape Coast Inner City Roads	Km	32.19	On-going
8	Upgrading of Selected Feeder Roads in Ashanti and Western Regions	Km	68	On-going
9	Rehabilitation of New Abirem-Ofoasekuma Road	Km	38	Yet to commence
10	Construction of Hohoe-Jasikan-Dodi-Pepesu Road	Km	66.4	On-going

**Source: MoRH**

178. Mr. Speaker, Government also maintained its focus on routine and periodic maintenance activities to protect the huge investment made in the provision of the road infrastructure.

179. For the second half of the year, Government will continue the construction and maintenance of all categories of road projects in the country.

### **Railways Sector**

180. Mr. Speaker, under the Railways rehabilitation programme, sections of the existing narrow-gauge network, namely: Accra to Tema (30km); Achimota to Nsawam (33 km); and Kojokrom to Tarkwa (56km) were rehabilitated.



Additionally, two narrow-gauge conventional trains are expected to be delivered for use.

181. Passenger services for Takoradi to Tarkwa and Accra to Nsawam were launched in January 2020 and March 2020, respectively.
182. Mr. Speaker, the construction of the new standard gauge Western Line (Takoradi to Kumasi) has commenced. The Kojokrom to Manso section (22 km) is on-going, and includes a 360-meter rail bridge at Eshiem, which is almost completed. The track formation is almost completed and track laying works are expected to commence in October 2020. A contract has also been signed for the development of the Manso to Huni Valley section of the line. The contract includes the construction of a new standard gauge line from the Takoradi Station to the Takoradi Port, as well as the conversion of the existing narrow gauge section from Takoradi to Kojokrom, all totalling 102 km of track works. The development of the Kumasi (Adum) to Obuasi section is currently being negotiated, and will be ready for sod-cutting by October 2020.
183. Government is undertaking a procurement process for the development of the Eastern rail line from Accra/Tema to Kumasi on a PPP basis, with Government taking a 30 percent interest in the entity that will be established to develop the line.
184. The Tema to Mpakadan standard gauge railway construction project has seen significant progress, with approximately 56km out of the 97km of track laying works completed. The project includes the construction of a 300 metre major viaduct (Railway Bridge) across the Volta River which has also commenced. By October 2020, one standard gauge train will be delivered for test runs to commence on a section of the railway line.
185. A contract for the purchase of 35 trains has also been signed. A set of nine trains will be delivered within 18 months as the first phase, and the remaining 26, forming the second phase, will be delivered within another 18-month period.
186. Mr. Speaker, after some construction workers contracted COVID-19, the Regional Health Directorate closed down the camp where the infections were recorded. This led to a delay that affected the completion date of the project. The site is now reopened, following the full recovery of the infected persons.
187. The Western Railway Line project may face some delays as a result of several expatriate personnel engaged on the contract stuck outside Ghana due to the COVID-19-induced border closures and suspension of air travel.
188. Train services on the Accra-Tema, Accra-Nsawam, Takoradi-Tarkwa, and Takoradi-Sekondi via Kojokrom were all suspended in April 2020, due to the failure of passengers to adhere to COVID-19 social distancing protocols, despite education and caution by train attendants.



**Fish Landing Sites**

189. Mr. Speaker, work commenced at eight out of the 11 sites and the completion status ranges from 0-85 percent. The works have experienced some delays due to COVID-19 pandemic protocols. Per the Project delivery timelines, it is estimated that construction works would be delayed by two to three months.

**Table 10: Fish Landing Sites Projects**

No.	Project Site	2020 Target		Actual Overall Percentage Completion as at May 2020	Revised Outlook for 2020 due to COVID-19
		Date	Percentage Completion		
1	Accra James Town	December 2020	26% Completion	0% Completed	8% Completion
2	Axim	November 2020	100% Completion	38.26% Completed	80% Completion
3	Dixcove	November 2020	100% Completion	35.14% Completed	75% Completion
4	Elmina	December 2020	30% Completion	0% Completed	Commence Construction in July 2020
5	Gomoa Fete	November 2020	100% Completion	65% Completed	90% Completion
6	Keta	December 2020	30% Completion	3.89% Completed	Preparatory works ongoing
7	Moree	December 2020	70% Completion	30.60% Completed	70% Completion
8	Mumford	December 2020	70% Completion	29.46% Completed	60% Completion
9	Senya Beraku	November 2020	100% Completion	85% Completed	90% Completion
10	Teshie	December 2020	30% Completion	29.17% Completed	60% Completion
11	Winneba	December 2020	30% Completion	0.23% Completed	20% completion

**Source: MoT**

**Infrastructure for Poverty Eradication Programme (IPEP)**

190. Mr. Speaker, the Infrastructure for Poverty Eradication Programme (IPEP) is an innovative approach, designed to help accelerate the eradication of poverty, and address the various forms of inequalities in the country. This programme is being



funded from the allocated cedi equivalent of US\$1 million annually to each of the 275 constituencies.

191. Mr. Speaker, the Government procured and distributed 307 fully-equipped ambulances for each of the 275 constituencies and other institutions across the country. This health intervention forms part of Government's effort to improve access to emergency healthcare services across the country. They have indeed proved to be invaluable in COVID-19 operations.
192. The following Government priority projects are ongoing under IPEP:
- 568 out of the 1,000 Community-based Mechanised Water Systems are complete, and the rest are at advanced stages of completion;
  - Under the "Toilet for All" agenda, construction of 600 out of the 1,000, 10-Seater Water Closet Toilets have been completed. The remaining are scheduled to be completed by the end of the year 2020;
  - The "One District One Warehouse" Initiative seeks to complement Government efforts at addressing post-harvest losses. Forty-one, representing 82 percent of the target of fifty 1,000MT-capacity prefabricated grain warehouses have been completed and ready to be handed over to the Ministry of Agriculture and the Ghana Buffer Stock Company very soon. The remaining nine will be completed by September 2020;
  - under the One Village One Dam Initiative, Government is implementing an ambitious holistic programme to revolutionise the irrigation sector by increasing the total amount of land under irrigation and thereby provide farmers and households, especially in the Northern part of Ghana with all year round access to water. To date 437 small-earth dams to provide water storage for households, irrigation, and livestock are under construction; 88 have been completed, while 251 are 90-100 percent complete. Each dam is expected to provide water for up to five hectares of land. The completion of this project will deliver the largest stock of small earth dams ever constructed in the country;
  - 32 out of the 50 rural markets (a success rate of 64 percent) under the agriculture component of IPEP are completed. The remaining 18 are scheduled to be completed by the end of August 2020. Additionally, Government is redeveloping the Dome-Kwabanya market and also constructing a new market complex at Mankessim. The first phase of the Mankessim market, which includes a 780-metre storm drain is expected to be completed by December 2020.
  - As part of Government's efforts at improving access to health facilities, 10 out of 26 Community Clinics were constructed. The installation of medical equipment and furnishing of medical staff bungalows is ongoing. The remaining 16 clinics are scheduled for completion by end of the year. Government has additionally taken delivery of 10,000 hospital beds to augment the existing hospital admission capacity.
  - Mr. Speaker, 825 infrastructure projects comprising culverts, small bridges, community centres, police posts, classroom blocks, markets, durbar grounds, and provision of school furniture, among others, were initiated. A



total of 300 of these projects have been completed and handed over to the beneficiary communities for use.

193. In keeping with its commitment to accelerate the eradication of poverty and address inequalities, Government will for the second half of the year ensure the successful completion of all the projects being delivered under IPEP. Where necessary, timelines for project completion will be adjusted to account for COVID-19-related delays.

### ***Inner-City and Zongo Development***

194. Mr. Speaker, since inception, and in line with its declared mandate to provide infrastructure and basic services for the Inner Cities and Zongo communities, Government, through the Zongo Development Fund, has embarked upon a number of projects in education and training, health and sanitation, sports and leisure, local businesses, and cultural centres , as well as improved security.

195. Significant achievements under the Fund include the following:

- 32 schools constructed in 10 regions across 31 districts;
- An Assembly Hall constructed at Tuba Islamic Senior High School in the Ga South Municipality of the Greater Accra Region;
- A library constructed at Adoagyiri Zongo in the Eastern Region;
- A health facility constructed for the Kpando Zongo community in the Volta Region;
- 47 water systems provided for Zongo communities in 11 regions and 24 districts across the country;
- 252 household toilets completed at Ga Mashie and 16 institutional and public toilets constructed in nine regions;
- 95 streetlights comprising the grid-tie and solar-powered units installed in six communities in three regions. 12 additional communities are expected to be provided with a total of 3,000 street lights by the end of 2020;
- Four Astro Turf Parks constructed at Madina, Fadama, Kyebi and Walewale, and five Green Parks at Akim Oda, Old Tafo-Kumasi, Yeji, Salaga, and Bolga;
- Entrepreneurship training organised for 632 Zongo food vendors in the Greater Accra Region in food safety, packaging, quality assurance and standardisation, business registration and formalisation, financial literacy, and food marketing and promotion;
- Vocational skills training provided for 354 youth;
- 37 ICT centres established in 37 communities in 14 regions; and
- Bursary support provided to 68 brilliant but needy youth to pursue programmes at various levels of education.

196. Mr. Speaker, for the rest of the year, Government will focus on the following projects and programmes:

- Furnish two SHS education classroom blocks;
- Establish three waste sorting centres;
- Hold two ethno-religious dialogue sessions;
- Provide bursary support to 200 brilliant but needy students in Zongo communities;



- Provide 1,200 Zongo youth with assorted vocational skills training programmes; and
- Provide 1,000 Zongo youth with entrepreneurship and business development training.

### ***Sanitation and Water Resources***

197. Mr. Speaker, Government initiated the construction of 654 boreholes nationwide, out of which 621 are to be fitted with hand-pumps and 33 are to be mechanised. Currently, 433 of the boreholes have been drilled and water quality and pumping tests have been conducted. The remaining are at various stages of completion. Government also procured pumps to be installed on successfully drilled boreholes. The project, when completed, will provide potable water to about 220,000 people.
198. Government launched a Street Litter Bin Campaign with the aim to ensure the proper disposal of refuse along the major and principal streets by pedestrians and other road users. A total of 7,000 (240-litre) waste bins were deployed to aid the proper disposal of waste in selected MMDAs within the Greater Accra, Ashanti, Western, Central, Oti, and Eastern Regions, as well as state institutions. In addition, the Greater Accra Sustainable Sanitation and Livelihoods Project procured 1,000 (120-litre) waste bins to support the initiative. A US-based company also donated 100 (240-litre) waste bins to support this laudable initiative.
199. Government acquired 65.5 acres of land at Ayidan in the Ga South Municipality for the construction of sustainable state-of-the-art waste treatment facilities. In addition, as part of sustainable management of landfill sites, Government has initiated the process to decommission and re-engineer existing landfill sites at Kpone-on-sea in the Kpone–Katamanso Municipality and Oti in the Kumasi metropolis.
200. Mr. Speaker, 982 out of 2,000 household toilets were constructed in selected MMDAs in the Ashanti, Western, Central, and Northern Regions with the sole aim of reducing open defecation. The rest are at various stages of completion. The construction of 35 institutional toilets for selected second cycle schools, post-secondary, and other institutions is also ongoing.

## **3.5 Private Sector and Entrepreneurship Development**

### ***National Entrepreneurship Innovation Programme (NEIP)***

201. Mr. Speaker, the Presidential Business Support Programme Window 3 was launched on 8<sup>th</sup> June, 2020, to promote entrepreneurship among the youth in order to create more jobs, increase incomes, and address poverty issues through training, coaching, and mentoring of young Ghanaians. A total of 5,000 businesses will be funded with GH¢50.0 million seed capital to scale-up their businesses. Since the inception of this initiative, 19,000 start-ups out of a targeted 26,000, have been trained with 4,350 of them funded. This has created about 90,000 direct and indirect jobs.



202. The Presidential Pitch Season 3 was also launched this year in line with the President's vision to assist young entrepreneurs, nurture their business ideas, and improve livelihoods. This project is expected to create about 200 jobs. His Excellency the President, presented cheques amounting to GH¢1.0 million to the 10 beneficiaries at the final Pitch on Wednesday, 1<sup>st</sup> July, 2020.
203. Under Seasons 1 and 2, 20 innovative young entrepreneurs were supported with funding ranging between GH¢25,000 – GH¢60,000. So far 600 direct and indirect jobs have been created.
204. Under the Green House Initiative, 75 domes were constructed at Dawhenya for organic vegetable cultivation. In addition, a 200-bed hostel with recreational facilities is almost complete.
205. An amount of GH¢2.0 million has been earmarked for 1,000 male entrepreneurs under the Presidential Empowerment for Male Entrepreneurs with Disability (PEMED).
206. Mr. Speaker, in line with Government policy to build the entrepreneurial mindset of the youth, especially students, the Ministry launched the Student Entrepreneurship Initiative (SEI) programme, under which 61 entrepreneurship clubs were inaugurated in Senior High Schools (SHS) across the country, while 29 public and private universities also benefitted in 2019. The programme is being continued in 2020, with the inauguration of additional clubs in 30 SHS and 20 universities, both public and private, by end-August.

***Microfinance and Small Loans Centre (MASLOC)***

207. Mr. Speaker, in order to support businesses and start-ups in the informal sector, the Microfinance and Small Loans Centre (MASLOC), disbursed micro loans valued at GH¢12,153,473 to 12,474 beneficiaries in the first half of 2020. A total of GH¢2,255,175 in small loans and project loans was also disbursed to 87 beneficiaries.
208. From 2017 to end-2019, MASLOC:
- Disbursed GH¢99,302,484 in micro loans to 97,876 beneficiaries across the country;
  - Disbursed project and small loans of GH¢11,438,800 to a total number of 293 beneficiaries across the country; and
  - Allocated 140 tricycles and 291 vehicles to beneficiaries.
209. Mr. Speaker, the MASLOC Loan portfolio has had a positive impact on the activities of its clients as follows:
- Increased employment by beneficiary businesses;
  - Expanded scope of businesses and value addition. For example, production of liquid soap from soya and palm kernel oil; and
  - Improved marketing and quality assurance, resulting in better returns for their products.



210. For the second half of 2020, the Centre will continue to disburse loans to support small businesses and start-ups in the informal sector.

### 3.6 Social Intervention Policies

#### ***Free Senior High School Programme (Free SHS)***

211. Mr. Speaker, the Free Senior High School (Free SHS) Programme, which was successfully rolled out at the beginning of the 2017/18 academic year in September 2017 in all public Senior High Schools and Technical/Vocational Institutes under the Ghana Education Service, is currently in its third year of implementation.
212. Implementation of the Free SHS has provided unparalleled access to secondary education. The programme currently has the full complement of beneficiaries with three streams/cohorts of students benefiting. Total enrolment as at the 2016/17 academic year was **813,443**, while, currently, enrolment stands at **1,199,750** students. Enrolment trends to-date are shown in Table 11 below

**Table 11: Enrolment by Gender**

Cohort	Year Enrolled	Males	Females	Total
Cohort 3 (Form 1 Students)	2019/20	208,409	196,442	404,851
Cohort 2 (Form 2 Students)	2018/19	226,740	206,051	432,791
Cohort 1 (Form 3 Students)	2017/18	190,479	171,629	362,108
<b>Total</b>		<b>625,628</b>	<b>574,122</b>	<b>1,199,750</b>
<b>% share</b>		<b>52.1%</b>	<b>47.9%</b>	

**Source: MoE**

**Table 12: Enrolment by Residential Status**

Cohort	Year Enrolled	Day	Enrolment Boarding	Total
Cohort 3 (Form 1 Students)	2019/20	148,977	255,874	404,851
Cohort 2 (Form 2 Students)	2018/19	174,612	258,179	432,791
Cohort 1 (Form 3 Students)	2017/18	118,181	243,927	362,108
<b>Total</b>		<b>441,770</b>	<b>757,980</b>	<b>1,199,750</b>
<b>% share</b>		<b>36.8%</b>	<b>63.2%</b>	

**Source: MoE**





213. Mr. Speaker, 822 infrastructure projects were commenced by Government in existing senior high schools across the country in anticipation of increased enrolment. These projects comprised of classroom blocks, dormitories and toilet blocks. A total of 266 structures have so far been completed and the rest are at various stages of completion.

#### ***Teacher Trainee Allowances***

214. Mr. Speaker, to make Colleges of Education freely accessible to all eligible students and train teachers for the provision of quality education, Government restored the payment of teacher trainee allowances. A total of GH¢432,680,458.00 was paid in teacher trainee allowances from 2017-date.

215. The beneficiary trainees and the amounts paid to them are as follows:

- 2017/18 academic year- 47,923 at GH¢103,124,102;
- 2018/19 academic year- 47,759 at GH¢162,440,204; and
- 2019/20 academic year - 47,135 at GH¢167,116,152.

#### ***Health Sector Interventions and Nursing Trainee Allowance***

216. Mr. Speaker, a number of milestones and indicators were identified to track progress of Government health programmes and initiatives. These include:

- Malaria case fatality rate for children under five years of age, which has dropped significantly by 68.8 percent from 32 deaths per 10,000 population to 10 deaths per 10,000;
- Institutional stillbirth rate, which has reduced from the 2016 level of 17 deaths per 1,000 total births to 12.2 deaths per 1,000 total births. This represents a reduction of 28.2 percent within the three-year period;
- Government targeted reducing the institutional maternal mortality ratio from 151 in 2016 to 138 (by the end of 2020) maternal deaths per 100,000 live births. The maternal mortality ratio, however, dropped by 22.5 percent to 117 maternal deaths per 100,000 live births, thereby exceeding the set target. As at June 2020, a total of 364 maternal deaths were recorded in our health facilities compared to 474 for the same period last year; and
- To achieve Government's objective to bring basic health services close to the people, 5,509 out of 7,018 demarcated Community-Based Health Planning and Services (CHPS) compounds, were made functional. This represents 78.5 percent coverage, an 11.1 percentage point improvement over the 2016 coverage of 67.4 percent.

217. Mr. Speaker, the restoration of training allowances for student nurses was a major policy decision of Government. From 2017 to end-December 2019, a total amount of GH¢467,840,800 was paid to an average nursing student population of 50,825 per academic year. As at end-June 2020, an amount of GH¢57,800,000 was released for payment to 48,200 nursing students.

218. Mr. Speaker, the response to the COVID-19 pandemic has overshadowed the work plan for the year and brought huge financial responsibilities to the Health Sector.



219. Anecdotal evidence shows that hospital attendance has decreased and this may negatively affect health delivery. Information from the regions attest to the fact that the Sector's major programmes such as Malaria, TB/HIV, EPI, and MNCAHN (Maternal, New-born Child, and Adolescent Health, and Nutrition) activities have all been disrupted. Mothers are staying away from the clinics even for immunisation, and this is having a toll on child healthcare.
220. Details of Government's response to combating the pandemic is documented in Sections Four and Five of this document.

***Nation Builders Corps (NABCo)***

221. Mr. Speaker, with an initial recruitment of 100,000, the Scheme has served 108,373 beneficiaries to date. Out of this, the current total number of personnel deployed under the seven modules on the scheme stands at 97,373.
222. Overall, the "Feed Ghana" Module has 5,000 personnel with 20 of them under the mechanisation unit. A total of 2,750 of these NABCo personnel were deployed under the Planting for Food and Jobs Seed and Fertilizer distribution programme.
223. Under the authority of the Inter-Ministerial Committee on Illegal Mining (IMCIM) and the project "GameStop", 140 NABCo personnel were trained as drone pilots under the guidance and supervision of the George Grant University of Mines and Technology at Tarkwa. The drone pilots, comprising of 17 females and 123 males, are deployed to track and monitor artisanal and small-scale mining in the country.
224. The Revenue Ghana Module, with the Ghana Revenue Authority (GRA) as its implementation partner, has about 10 percent of the total NABCo personnel supporting the Authority's revenue mobilisation drive. The most significant areas are:
- Customs and Border Patrol;
  - Domestic Tax Support; and
  - Taxpayer Identification Number Issuance and Support.
225. Under the Ministry of Finance Public Financial Management Reform Project, about 100 NABCo personnel are currently being trained by Oracle to provide technical and functional oracle support to various components under the Ghana Integrated Financial Management Information Systems (GIFMIS).
226. Mr. Speaker, 12,750 NABCo personnel, working together with 260 MMDAs, have been assigned to the nationwide property addressing project to formalise a National Digital Property Address System (NDAPS).
227. A total of 762 NABCo personnel have been specially trained and empowered as researchers, trainers and peer monitors at the district level in addition to providing support for district NABCo offices.



228. The Ghana Meteorological Agency (GMA) trained and deployed 137 NABCo personnel to complement its workforce and, in some cases, replaced retired staff.
229. Mr. Speaker, for the rest of the year, the programme will continue with the following:
- Provide further training opportunities for the personnel to enhance their employability;
  - Design and organise series of training for qualified graduates under the various modules; and
  - Prepare and execute an exit plan for participants.

***The Livelihood Empowerment Against Poverty (LEAP) Programme***

230. Mr. Speaker, in the first half of 2020, the Livelihood Empowerment Against Poverty (LEAP) Programme provided three payment cycles (64th, 65th, 66th) of cash grants to a total of 334,084 households (consisting of approximately 1,451,656 individuals) as compared to 213,044 households (consisting of 943,842 individuals) in 2016. This represents an increase of 53.8 in beneficiaries. The Programme has also successfully enrolled 73 percent of its beneficiaries onto the NHIS for free.
231. LEAP has linked 5,522 individuals to the various support programmes [Labour Intensive Public Works (LIPW) 3,054, Japanese Social Development Fund (JSDF) 1,235, Village Savings and Loans Association (VSLA) 348, Complementary Income Generating Support (CIGs) 537] and other complementary productive activities to help leap them out of extreme poverty. The programme has also migrated all LEAP households to financial services through the e-payment (Ezwich) platform.
232. The programme is also implementing an electronic reporting and monitoring system in 99 districts. The remaining districts will be brought on board by the end of 2020.

***Ghana School Feeding Programme***

233. Mr. Speaker, prior to the closure of schools the Ghana School Feeding programme was providing one hot nutritious meal per day for 2,980,000 beneficiaries compared to the 1,671,766 in 2016, representing an increase of 78.3 percent beneficiaries.
234. The emergence of the COVID-19 pandemic has adversely affected the normal operations of the School Feeding Programme. Due to the closure of the schools, cooking had to be suspended and this has affected the livelihood of caterers, and their employees, as well as farmers who sell their produce to these caterers. Food items procured in bulk by caterers got spoilt causing financial loss to them. The planned innovative nutrition training programmes for caterers to improve the quality of meals served to pupils, was also suspended due to the restrictions imposed on social gatherings. Also the daily nutritional needs of beneficiary pupils have been negatively affected placing a financial burden on their parents.



235. Mr. Speaker, the Ghana School Feeding Programme is currently collaborating with some Development Partners to provide dry food rations to each family of children on the School Feeding Programme in extremely poor districts. This is to ensure that, the gains made in feeding these pupils are not negatively affected by the closure of the schools.

### 3.7 Other critical Programmes

#### Financial Sector

##### ***The Financial Sector Clean Up and Bailout***

236. Mr. Speaker, Government started to address the challenges of distressed financial institutions in 2017 with a programme to clean up the Sector, and is continuing with the implementation of various reforms to strengthen the Sector.
237. The clean-up exercise, which was necessitated by weak and failed institutions, inadvertently brought hardships to families and businesses. Many households had their monies locked up with these firms, affecting their livelihoods and the successful running of their businesses.
238. Mr. Speaker, as at the end of first quarter 2020, a total amount of GH¢13.6 billion (3.5 percent of GDP) has been spent on the resolution of failed banks, Specialised Deposit-taking Institutions (SDIs), Micro Finance Institutions (MFIs), the establishment of the Consolidated Bank Ghana Limited (CBG), as well as the capitalisation of the Ghana Amalgamated Trust (GAT).
239. Additionally, with the President's directives to fully pay all depositors whose funds were locked up with the failed SDIs and MFIs, an amount of GH¢5 billion was spent. This brings the total expenditure on financial sector interventions as at June 2020 to GH¢18.6 billion (4.8 percent of GDP). Government has also committed an amount of GH¢3.1 billion (0.78 percent of GDP) towards supporting investors in failed asset management companies regulated by the Securities and Exchange Commission (SEC).
240. Mr. Speaker, this would bring the overall cumulative total Government expenditure for the failed financial institutions to GH¢21.62 billion as shown in the table below.



**Table 13: Financial Sector Intervention - 2017 to 2020 (GH¢ Billions)**

Financial Institutions	2017	2018	2019	2020	Total
Banks	2.20	8.05	1.40		11.65
% of GDP	0.86	2.68	0.40		
S&Ls, FHs and MFIs			0.93	5.14	6.07
% of GDP			0.26	1.33	
AMCs**				3.10	3.10
% of GDP				0.80	
GAT (Banks)			0.80		0.80
% of GDP			0.23		
Total	2.20	8.05	3.13	8.24	21.62
% of GDP	0.86	2.68	0.89	2.13	
Source: MoF 2020					

**Source: MoF**

\*\*The total estimated bailout requested by SEC is **GH¢8.5 billion** of which Government has committed to pay GH¢3.1 billion based on validated claims.

241. Government expects that any future recoveries from the various Receivers will be used to offset these payments in line with the receivership process.
242. Mr. Speaker, the social cost to the economy without this intervention would have been very severe. The evidence is that, Government through these interventions has protected the funds of 4.6 million depositors and 81,700 investors. The decision to spend taxpayers' funds on the bailout has been a painful exercise and deprived the Government of resources which could have been used for infrastructure development and other critical expenditures. However, Government has the responsibility to care for its citizens, hence the intervention. Besides, a sound and resilient financial sector constitutes an aspect of national security. It is, therefore, a critical public good that needs to be protected from collapse at all cost with public money whenever the need arises.

**Ghana Amalgamated Trust (GAT)**

243. Mr. Speaker, Government's decision to retain strong indigenous ownership in the banking sector led to the set-up of the Ghana Amalgamated Trust (GAT). GAT successfully invested in the first four banks — ADB, Prudential, Universal Merchant Bank (UMB), and Omni/BSIC — through an initial capitalization of GH¢800million via preference shares by Government. GAT secured Parliamentary approval in December 2019 for a Put–Call option to enable it raise an amount of up to GH¢3.0 billion from the capital market to redeem the preference shares by Government and fund the National Investment Bank's (NIB) minimum capital deficit of GH¢2.2 billion.
244. Mr. Speaker, it is worth mentioning that the GAT initiative is one of the most ambitious and innovative interventions in the financial sector in recent years. It has provided a lifeline support to indigenous banks which otherwise would have been downgraded or liquidated with its associated negative social contagion effect. With GAT, Government saved over 5,400 direct and 12,000 indirect jobs, and ensured that, the country retained nine indigenous banks instead of only four, after the increase in the minimum capital requirement for the banking



industry. The transformational plan being executed by GAT and the investee banks, will have a significant positive impact on these banks and the economy as a whole.

***Establishment of Development Bank, Ghana (DBG)***

245. Mr. Speaker, Government is working with KfW, World Bank, AFD and European Investment Bank (EIB) to operationalise the Development Bank Ghana (DBG) by September 2020. The Bank will focus on transforming the industry, agriculture, agro-processing, and housing and mortgage sub-sectors of the economy over the medium-term. It will serve as a promotional bank for the country, with a focus on mobilising medium to long-term funds and channel them into the economy through the financial system as a wholesale bank. It would deploy products and instruments such as credit guarantee funds, refinancing of Participating Financial Institutions (PFIs) loans, term loans, business development services, and factoring, among others.
246. Mr Speaker, the proposed Development Bank has generated keen interest from major international financial institutions willing to provide funding for its establishment. It is expected that, the combined resources from these international institutions will amount to about US\$500 million by December 2021.
247. Mr. Speaker, the Bank is also expected to source funds from the domestic, regional, and international capital markets through periodic issuance of bonds, diaspora instruments, and direct borrowing.
248. Mr. Speaker, the Development Bank Ghana is being positioned as a post COVID-19 recovery institution, learning from the experience of KfW and Development Bank of Singapore, among others, which were critical institutions for the transformation of their respective countries. DBG will be regulated by Bank of Ghana, with a competitively selected independent Board and Management.
249. Mr. Speaker, Government completed a draft Development Finance Institutions Bill, 2020, which received Executive approval and is a key regulatory pillar for the promotion of the development finance ecosystem. This Bill will be laid in this august House for consideration and passage.

***National Housing and Mortgage Fund (NHMF)***

250. Mr. Speaker, the National Housing and Mortgage Fund (NHMF), in partnership with GCB Bank, Republic Bank, and Stanbic Bank has deepened the mortgage and residential housing finance market. Through these banks, a framework has been developed to make mortgage and rental charges affordable on a pilot scale.
251. The NHMF, in partnership with GCB Bank and GCB Securities, has developed a new housing community at Tema Community 22. The first phase of the project, consisting of 250 housing units is expected to be completed by September 2020. The second phase consists of 200 additional housing units.



252. In addition, a pilot phase to develop affordable housing Real Estate Investment Trusts (REITs) ecosystem commenced in partnership with GCB Securities, NHMF, and TDC Development Company Limited. This initiative has resulted in the purchase of 80 completed flats for rentals at the Kpone Affordable Housing Project at Tema Community 26.
253. Mr. Speaker, Government's bold decision to clean-up the Sector, build resilience, promote digitisation and financial inclusion has led to renewed confidence and improved performance in the Sector. The broad-based increase in equity capital, financial stability, and improved corporate governance practices has strengthened the sector and positioned it strongly to facilitate Ghana's post-COVID-19 recovery and transformational drive under the Ghana Beyond Aid Agenda.

### **Energy Sector**

254. Mr. Speaker, Government, continues to develop and sustain an efficient and financially viable energy sector that provides secure, safe, and reliable supply of energy to promote economic growth. Since 2017, several achievements have been made in the power and petroleum sub-sectors.

#### ***Power Generation***

255. Mr. Speaker, Ghana's energy sector faced significant financial challenges due to the fragmented and uncoordinated approach to procuring additional generation capacity, which led to excess generation capacity beyond the acceptable reserve margin. Considering the financial implications of this development, Government, in 2019, approved the rationalisation of signed Power Purchase Agreements (PPAs) and placed a moratorium on further development and expansion of thermal power generation in Ghana.
256. Mr. Speaker, as part of the Energy Sector Recovery Programme (ESRP), Government in 2019 set up the Energy Sector Task Force. Currently, the ESRP Steering Committee under the Task Force is executing a more structured, transparent, and objective process for collaborative consultations with IPPs and gas suppliers, to modify existing contract terms with the ultimate aim of reducing Government's substantial excess capacity liability under the onerous take-or-pay power contracts. This consultation process is designed to help Government and its energy sector partners achieve a managed transition towards more balanced, long-term relationships, and sustainable energy partnerships.
257. Mr. Speaker, the ESRP Steering Committee and its external advisors have to date carried out detailed and holistic legal and financial analysis of 15 operational and near-operational power projects, within the context of Government's broader sector-wide objectives and cost-reduction considerations.
258. In addition, the Steering Committee's Negotiating Team has entered into consultations with each of these 15 IPPs (First Tier IPPs) and tabled various strategic interventions and solutions to achieve efficiencies and cost savings for the country. These strategic interventions include:



- Conversion to natural gas as primary fuel, to not only achieve cost savings from running thermal plants on gas and prioritising use of Ghana's abundant natural gas resources, but also reducing foreign exchange pressure and reaping environmental benefits from lower emissions;
  - Conversion of gas-fired thermal plants that currently operate on the basis of PPAs to a tolling regime using Energy Conversion Agreements (ECAs), to achieve additional cost savings for the country;
  - Centralized arrangements for procuring, stocking and supplying back-up fuel to thermal IPPs to further reduce overall costs;
  - Government refinancing and restructuring of expensive debt held by IPPs through the Ghana Infrastructure Investment Fund (GIIF), with a view to reducing capacity payments and overall costs within the shortest time possible; and
  - Reductions in IPP capacity charges over the life of their respective power projects.
259. Further, Government continues to enforce certain interventions, such as the current moratorium on the signing of new PPAs, Gas Supply Agreements (GSAs), Put-Call Option Agreements (PCOAs), and any long-term take-or-pay contracts until further notice, or unless properly exempted by Government on a case-by-case basis. Careful forward planning, proper data-driven analysis, and transparent, competitive, corruption-free contracting processes, are critical for a sustainable and sound energy sector development.
260. Mr. Speaker, in order to address the chronic financial challenges and effect an equitable distribution of sector revenues, on 1<sup>st</sup> April, 2020, Government implemented a Cash Waterfall Mechanism (CWM) and monitoring regime. The CWM will ensure that all participants in the power supply value chain, will, based on dispatched output, benefit from ECG's collections and VRA's revenues from its deregulated market operations, in a transparent manner that eliminates any discretionary element. Since the commencement of the implementation of the CWM, stakeholders along the power supply value-chain are receiving payments, based on agreed percentages.
261. Mr. Speaker, some of the specific achievements so far in the area of power generation from 2017 to date include the following:
- Completion of the 340 MW Kpone Power Project by CenPower Limited;
  - Relocation of the 470 MW Karpowership Project; specifically, the switch of the Karpowership to Natural Gas (NG) would save electricity users an amount of US\$170.5 million per annum and a projected amount of US\$1.2 billion over the remaining term of the contract by way of reduced electricity charges to consumers.
  - Completion of construction works under the 190 MW Amandi Power Project, which is yet to be commissioned; and
  - Construction of the 400 MW Early Power Phase 1 Project (now 98% complete).





### ***Power Transmission***

262. Mr. Speaker, in line with Government's policy to create a non-congested transmission system, GRIDCo continued with the Transmission System Reinforcement Projects to improve operational reliability, security and control among others. The following were achieved within the period under reference:
- Completion of the 330 KV Prestea-Kumasi Transmission Line and substation project;
  - Completion of the 330 KV Aboadze-Prestea Transmission Line and Aboadze Substation Expansion Project;
  - Completion of the 225 KV Ghana-Burkina Faso Interconnection Project, allowing for the export of 140 MW of power to Burkina Faso, in addition to the long existing power exports to Togo-Benin (120 MW) and the exchange arrangement between Ghana and La Cote d'Ivoire;
  - Completion of Lot 2 and Lot 3 of the 330 KV Kumasi-Bolgatanga Transmission Line; and
  - Completion of the Power Supply Improvement Project to Berekum, Dormaa-Ahenkro, Nkran-Nkwanta, Drobo, Wamfie and Sampa areas.

### ***Power Distribution***

263. Mr. Speaker, Government intends to follow through on its commitment to Private Sector Participation (PSP) in ECG's operations, as a means of attracting the requisite technical and financial support to reduce losses, improve service quality, strengthen the management and governance of ECG, minimise the financial burden on Government, and ultimately create a financially viable power distribution sector.
264. As part of measures to provide a more reliable and stable power supply, the Electricity Company of Ghana (ECG) Limited is replacing obsolete equipment, including underground cables within its network. The company has started deploying intelligent network devices to clear transient faults and minimise the impact of permanent faults by reducing the resultant outages. One of the intelligent systems being deployed is the Voltage, Current, Time (VIT) technology, which ensures self-correction of faults on the network.

### ***Rural Electrification***

265. In line with the objectives of the National Electrification Scheme, access to electricity moved from 83.24 percent at the end of 2016 to the current figure of 84.98 percent of the population. There are however, several ongoing electrification projects at different stages of completion. Government is committed to ensuring 100 percent coverage and has approved the following turnkey electrification projects in the medium-term:
- Electrification of 582 communities in the Ashanti, Bono, Bono East, Ahafo, Eastern, Volta, Oti and Western Regions (Phase 2);
  - Electrification of 234 communities in the North East, Savanna and Northern Regions; and
  - Electrification of 292 communities in the Ashanti, Central, Eastern, Bono East and Ahafo Regions.



### ***Renewable and Alternative Energy***

266. Mr. Speaker, since 2017, the following achievements were made in the area of Renewable and Alternative Energy:

- five mini-grids (Krachi East and Krachi West) are currently running 100 percent on Renewable Energy (Solar PV and Wind) in selected island communities and have been handed over to VRA for operations and maintenance;
- a 20 MW utility solar project by Meinergy at Winneba was commissioned in August 2018 by H. E. the President;
- a total of 60,283 Solar Lanterns (with phone charging functionality) were sold at a subsidy to poor off-grid rural households to replace the use of kerosene as the main lighting fuel for non-electrified communities;
- the first 45 KW Micro Hydropower Project was constructed on the Tsatsadu River in Hohoe, Volta Region to provide electricity to the people of Alavanyo-Abehenease and the surrounding villages, to provide electricity to small communities through the construction of micro-grids; and
- the first phase of the roadmap setup for the Ghana Nuclear Programme by the International Atomic Energy Agency has been successfully completed and the Owner Operator — Nuclear Power Ghana (NPG) Limited — has been established.

### ***Petroleum Sub-Sector***

267. In the petroleum sub-sector, the following key achievements were made during the period.

#### ***Petroleum Upstream***

- Ratification of Exxon Mobil Petroleum Agreement
- Maiden Licensing Round for exploratory blocks
- Award of two blocks to Eni Ghana and First E&P Limited
- Development of a New Upstream Strategy to encourage aggressive exploration in Ghana's Basins by the Amendment to the Petroleum (exploration and production) Regulations, 2019, LI 2390
- Launch of the Accelerated Oil and Gas Capacity Programme (AOGCP) in November 2017.

#### ***Petroleum Downstream***

268. The following were achieved in the Petroleum Downstream Sub-sector:

- National LPG Promotion Policy which seeks to provide direction to achieve 50 percent access to LPG by the year 2030 was approved by Government;
- 39,240 LPG Cylinders and 53,840 LPG Stoves were distributed in 80 constituencies across the country under the Rural LPG Promotion Programme;
- Petroleum Hub Master Plan for development of Ghana into a hub for refined petroleum products and petrochemicals was approved; and
- Ghanaian Content and Ghanaian Participation Policy for Petroleum Downstream activities, which seeks to consolidate gains in local content and protection of indigenous companies, was also approved. Draft Regulations to enforce implementation of the Policy has been submitted to Parliament for ratification.



## ***Major Activities in the Oil and Gas Sector***

### ***Gas Supply***

269. Mr. Speaker, under the Takoradi to Tema Interconnection Project (TTIP), our national gas transmission infrastructure was expanded and interconnected to the West African Gas Pipeline (WAGP) to enable stranded gas in the west (Takoradi) to be transported to the east (Tema). The TTIP entailed the following:
- Expansion of the Ghana National Gas Company's (GNGC) Takoradi Distribution Station (TDS) from 150 mmscfd to 405 mmscfd;
  - Connection of GNGC's TDS to the West African Gas Pipeline Company (WAPCo) Takoradi Regulatory and Metering Station (RMS) with a 1.5 km pipeline;
  - Addition to WAPCo's Takoradi RMS of a 225 mmscfd receipt point into the WAGP to enable reverse flow on the WAGP (RMS has delivery capacity of 128 mmscfd); and
  - Expansion of WAPCo's Tema RMS from 140 to 235 mmscfd delivery capacity.

### ***Institutional Realignment for Gas Management***

270. Mr. Speaker, Government has approved a proposal for GNGC to assume the role of national gas aggregator. This would require GNPC to novate all agreements it currently has for the purchase of gas upstream and sale downstream to GNGC. This new policy, expected to make GNGC an integrated gas company, will be implemented in the second half of 2020.

### ***Regional Reorganisation and Development***

271. Mr. Speaker, following the establishment of the six new Regional Coordinating Councils (RCCs) for the newly created regions viz. Ahafo, Bono East, North East, Oti, Savannah, and Western North, Government continued to provide various logistics for effective delivery of public services.
272. The construction of six 3-storey RCC Administration Blocks, 24 2-storey Administration Blocks for Regional Directorates of Ghana Health Service, Ghana Education Service, Department of Feeder Roads, and Department of Agriculture, is progressing steadily and will be completed before the end of 2020.
273. Mr. Speaker, Government will commence the design and award of contracts for the under-listed re-prioritised projects:
- Construction of 6 Regional Hospitals;
  - Construction of 6 Regional Police Commands;
  - Construction of 12 Senior and Junior Staff Bungalows/Flats; and
  - Construction of 12 Administration Blocks for Decentralised Departments.

### ***National Identification Authority (NIA)***

274. Mr. Speaker, in line with the National Identification Authority's mandate to register all Ghanaians and qualified foreign nationals — legally resident and permanent resident foreign nationals — and issue them with National Identity



Cards, a total of 11,834,870 Ghanaians were enrolled onto the National Identification Register (NIR) as at 30<sup>th</sup> June, 2020. Out of this number, 10,794,679 Ghanaians aged 15 years and above were issued with Ghana Cards. Additionally, 128,978 qualified foreign nationals were enrolled onto the NIR and issued with Non-Citizen Identity Cards.

275. For the second half of the year, the Authority will continue with the registration of Ghanaians and qualified foreign nationals in all the Regions, as well as setup district and regional offices.

### ***2020 General Elections***

276. Mr. Speaker, the General Elections (Presidential and Parliamentary) to be conducted on 7<sup>th</sup> December, 2020, will be preceded by the following activities:

- Replacement of the voters' register, which is currently ongoing;
- Exhibition of the voters' register; and
- Nomination of candidates.

277. The Electoral Commission has undertaken the following activities:

- Procurement of a suite of modernised biometric voter management system;
- Procurement of registration, exhibition, and election materials;
- Procurement of operational vehicles;
- Construction of Data and Recovery Centres;
- Recruitment of 201 permanent staff;
- Conduct of 267 Grassroot Training of Registration Officials at the District Level;
- Conduct of 16 Regional Training of Trainers Workshop for Registration Officials;
- Recruitment of 42,623 temporal registration officials; and
- Gazetted a new Constitutional Instrument (C.I.126), Registration Centres and District Registration Centres, as required by Law.

278. Mr. Speaker, to ensure the creation of a safe and secure environment for the conduct of electoral activities, the Electoral Commission has also procured PPEs for staff and registrants for the registration exercise. The Commission intends to procure additional PPEs for the Exhibition of the Voters Register and the General Elections.

### ***The National Cathedral Project***

279. Mr. Speaker, the vision, design, and programming of the National Cathedral presents an iconic infrastructure that will provide a sacred space for the nation, attract pilgrims and tourists, as well as include an in-built system to ensure financial sustainability. On 5<sup>th</sup> March, 2020 – the eve of our country's 63<sup>rd</sup> independence – we had one of the most significant groundbreaking events in our history. Representatives of the state, the church, chiefs, the business community, civil society, diplomatic corps and the media, joined H.E. the President to lay the foundation stone brought in from Jerusalem. This was to mark the formal start of the construction phase of the National Cathedral. Notwithstanding initial delays



due to the COVID-19 pandemic, construction is expected to be completed by the year 2023, God willing.

***Collaboration With Faith-Based Organisations***

280. Mr. Speaker, Faith Based Organisations (FBOs) continue to partner Government for nation building through policy development and expeditious delivery of social services. On 10<sup>th</sup> December, 2019, the Collaboration was officially launched and a Memorandum of Understanding (MoU) was signed between Government and the FBOs formalising the partnership. The FBOs continue to work closely with Government in critical sectors such as Education, Health, Agriculture, and Skills training.
281. Over the last six months, the FBOs have reinforced Government's belief in their impartial mechanisms for delivering social services and interventions to the disadvantaged. During the initial national response to the COVID-19 outbreak, especially the partial lockdown, Churches and the Chief Imam's Office managed the distribution of dry food provided by Government to the vulnerable in low income areas. About 400,000 households in Kumasi, Kasoa, Accra, and Tema were beneficiaries of this programme. Government also acknowledges and appreciates the financial contributions that various Faith Based Organisations make in support of the fight against COVID-19. The Churches, through their 344 health facilities under the management of the Christian Health Association of Ghana (CHAG), have joined Government health agencies in providing preventive and case management services for COVID-19 patients.
282. Additionally, FBOs continue to work with Government, in preparing the youth for the future through Entrepreneurship and Skills Training with Government agencies such as NBSSI, COTVET and NEIP.
283. In the coming days, a Governing Council will be instituted to oversee the Collaboration and contribute to the development of a resilient and self-sufficient Ghana.



## SECTION FOUR: COVID-19 IMPACT AND MITIGATING MEASURES

### 4.1 Impact of the COVID-19 Pandemic on the Global Economy

284. Mr. Speaker, the global economy has, in the past century, experienced some negative shocks which were deemed unprecedented at the time of their occurrence. Indeed, the Great Depression of the 1930s and the more recent Global Financial Crisis of 2007/2008 adversely impacted the world economy. However, as events unfold, it is becoming increasingly evident that the COVID-19 pandemic and its crippling economic effects would end up in the annals of economic history as, perhaps, the singular event that decimated the global economy in ways never imagined.
285. Mr. Speaker, the COVID-19 pandemic has wreaked havoc on economic activities, created uncertainty, and weakened global growth conditions. No one single nation has been spared. Restaurants, hotels, bars, barbering shops, hair-dressing salons, public transport operators, travel & tour operators, factories, retailers, street vendors, informal sector workers... the list goes on and on. The bad economic situation, like loss of jobs and incomes, visited on us here in Ghana is the same in other countries all across the world.
286. With virtually the entire world economy going under some form of lockdown or restrictions, the pandemic has had dire consequences on countries all over the world through:
- disruptions in global supply chains, widespread supply shortages (including food, pharmaceuticals and manufactured goods) and consequent price hikes;
  - decline in foreign direct investments;
  - significant job losses;
  - volatility and collapse of stock markets due to high uncertainty;
  - decline in tourism and international travel resulting in revenue losses;
  - unanticipated increases in health and other pandemic containment expenditure with significant implications for fiscal and debt sustainability;
  - decline in remittances; and
  - tightened global financing conditions despite monetary interventions to cut interest rates.
287. Mr. Speaker, projections by major international economic institutions including the World Bank, the International Monetary Fund (IMF) and the Organisation for Economic Cooperation and Development (OECD) paint a gloomy picture of global recession. This is evidenced by the recently revised growth forecasts published by these institutions. For example, between January 2019 and June 2020, the World Bank reduced its global growth forecast for 2020 from 2.9 percent to -5.2 percent. Similarly, the IMF lowered its forecast from 3.4 percent in October 2019 to -4.9 percent in June 2020. As predictions of a second wave of infections



became more likely, the OECD also revised its growth forecast from 2.9 percent in November 2019 to between -6.0 percent and -7.6 percent in June 2020.

288. In quantifying the global contractions in monetary terms, the Asian Development Bank (ADB) estimated the global economic impact of COVID-19 to be between US\$5.8 trillion and US\$8.8 trillion, representing losses equivalent to between 6.4 percent and 9.7 percent of global GDP. The ADB further estimated that mitigating measures such as travel restrictions, lockdowns, border closures among others, instituted by various countries to curb the spread of the disease, will reduce global trade by between \$1.7 trillion and US\$2.6 trillion.
289. Mr. Speaker, the revealing, yet harrowing aspect of the pandemic is that the real economies of developed countries which were thought to be resilient and impervious to shocks following lessons learnt from the Global Financial Crisis of 2007/2008, have all succumbed to the unforgiving economic effects of the COVID-19 pandemic. Companies which were considered strong are collapsing. Others are declaring bankruptcies and some banks are on the verge of becoming insolvent. This has led to an unprecedented number of job losses resulting in increased unemployment rates.
290. Mr. Speaker, with regards to the collapse of companies, the aviation industry is amongst the most adversely affected globally. Lockdowns and the closure of borders have significantly affected operations and revenue. The high number of job losses in the aviation industry occasioned by the pandemic has significantly contributed to increasing global unemployment rates. The aviation industry, is expected to lose roughly US\$314 billion due to COVID-19 shocks.
291. Mr. Speaker, the COVID-19 pandemic continues to have dire consequences on Africa, with the projection of its first recession in 25 years. According to IMF WEO June 2020 data, the Sub-Saharan Africa (SSA) economy, which grew at 3.1 percent in 2019 is expected to contract by 3.2 percent in 2020.
292. Further, Mr. Speaker, the World Bank predicts that due to the pandemic, between 26 million and 58 million people in SSA may fall into extreme poverty (defined by the international poverty line of US\$1.90 a day). This would likely increase the poverty rate of the region by more than 2 percentage points whilst setting it 5 years back, in its efforts to reduce poverty in the region.
293. Additionally, the 2020 Global Report on Food Crisis suggests that an estimated 73 million people in Africa are acutely food insecure. Given the adverse impact of the pandemic on food security, this number is expected to be even greater with the rising cases of COVID-19.
294. Mr. Speaker, according to the World Travel and Tourism Council, the travel and tourism sector provides an estimated 19.7 million jobs in SSA. Given that the tourism and hospitality sectors are amongst the worst hit, there are indications that a significant number of people in this sector have already lost their jobs.



This is supported by reports by the African Union that indicate that an estimated 20 million African jobs may be lost due to the pandemic.

295. Mr. Speaker, the pandemic has also affected Africa's long term structural response to its economic woes. 1<sup>st</sup> July, 2020, was scheduled for the operations of the African Continental free Trade Area (AfCFTA) to start, operating right here in Accra. It has now been postponed till January 2021.
296. Getting on with the concept of free movement of people, goods and services within Africa is an urgent necessity which President Akufo-Addo believes has been rather reinforced by the pandemic.
- Intra-African exports were 16.6 percent of total exports in 2017, compared with 68.1 percent in Europe, 59.4 percent in Asia, 55.0 percent in America and 7.0 percent in Oceania.
  - Intra-African trade, defined as the average of intra-African exports and imports, was around 2 percent during the period 2015–2017, while comparative figures for America, Asia, Europe and Oceania were, respectively, 47 percent, 61 percent, 67 percent and 7 percent.
  - Since 2008, Africa, along with Asia, is the only region with a rising trend in intraregional trade.
297. Our President sees this crisis also as an opportunity for Africa to significantly boost its self-reliance agenda.

## 4.2 Socio-Economic Impact on Ghana

298. Mr. Speaker, these global developments and projections have significant implications for the socio-economic life here in Ghana.

### ***Health Impact***

299. From the first confirmed case of COVID-19 on 12<sup>th</sup> March, 2020, Ghana has recorded 29,672 cases, with 26,090 recoveries and 153 deaths as at 22<sup>nd</sup> July, 2020. The death rate of 0.50 percent is among the lowest in the world.
300. Mr. Speaker, Government was swift and proactive in its response to the pandemic. With the commendable support of this august House, the Imposition of Restrictions Act, 2020, (Act 1012) was enacted to enforce social and physical distancing protocols. Under Act 1012, Mr. Speaker, Government imposed restrictions on movement of persons in the Greater Accra Metropolitan Area (GAMA) and Kumasi Metropolitan Area and contiguous districts, for a period of three weeks. Only essential movements such as going out for food, water, medicine, banking transactions, or visits to public toilet facilities were permitted under these restrictions.
301. Mr. Speaker, prior to the passage of the Act 1012, the President had directed the Minister for Health to activate section 169 of the Public Health Act, 2012 (Act 851) to take necessary measures to protect public health and lives. Similarly, by 16<sup>th</sup> March, all public gatherings such as conferences, workshops, funerals, festivals, political rallies, sporting events, and religious activities were suspended,





while formal educational institutions at all levels were closed. Our national borders were also closed to international travellers, except for cargo transportation.

***Economic impact of the pandemic***

302. Mr. Speaker, just as the Ghanaian economy was beginning to consolidate recent gains for growth and jobs, the COVID-19 outbreak hit the country leading to the initial severe movement restrictions. Although the restrictions are gradually being eased, the pandemic continues to pose significant challenges to the Ghanaian economy. The sectors heavily affected include the hotel and hospitality industry, foreign direct investment, trade and industry, agriculture, health, transportation, manufacturing, real estates, financial and education. Households and businesses have equally been hard hit with significant job losses and reduced incomes.
303. Disruptions in the global supply chain, reduction in demand, low productivity, high recurrent expenditure, and low revenue turnover have combined to impact the operations within the manufacturing sub-sector. To this end, entire workforce have either been asked to stay home or downsized to accommodate social distancing protocols. In other instances, salary cuts have been instituted to enable factories survive.
304. Mr. Speaker, the combined effect of these developments is that, Ghana's overall economic growth and revenue are expected to fall sharply while expenditures are expected to rise. The economic shock of the pandemic has manifested through external trade disruptions (particularly with China), decline in commodity prices (particularly oil whose prices have fallen by more than half, and tightening of global financial markets. The Ghana cedi, after appreciating strongly against the three major currencies in the first quarter 2020, came under pressure, depreciating against the US dollar in April and May. The cedi further depreciated by 2.4 percent against the dollar and the euro in June 2020. Inflation also inched-up by 2.8 percentage points to 10.6 percent in April and further to 11.3 percent in May and moderated to 11.2 percent in June while the BoG's Composite Index of Economic Activity (CIEA), a key indicator of economic performance contracted by 2.2 percent in March. Consequently, the projected real GDP growth for 2020 has been revised considerably downwards from 6.8 percent to 0.9 percent. It is only the solid foundation established by the Government and the resilient buffers built by the Bank of Ghana that has saved the economy from contracting, as have happened in many countries.
305. Mr. Speaker, COVID-19 has also led to disruption in corporate and general business confidence, with threats to projected revenues, profitability, liquidity and corporate growth. So far 19 out of the 28 State-owned Enterprises (SOEs) are projecting losses up to GH¢1.55 billion for 2020. Collectively, 1,531 job losses were recorded between April to June, 2020 from eight companies within the Ceramics, Timber, Food and Agro-processing industries in the manufacturing sub-sector.



306. Mr. Speaker, the Tourism and Hospitality Industry, is currently one of the hardest-hit by the outbreak of COVID-19, with severe adverse impacts on travel demand and accommodation bookings, domestic tourism, and other segments including cruises, restaurants and cafes, conventions, festivals, as well as conferences and meetings. Within the space of a few months, the Ghanaian tourism industry had plunged from a situation of healthy growth into a crisis mode.
307. Based on data collected by the Ghana Tourism Authority, as at 31<sup>st</sup> May, 2020, 979 accommodation facilities had shut down. This represents almost 25 percent of licensed facilities. The related job losses are over 2,300 personnel. In addition, the Tour Operators Association presented evidence of 11,558 tourists cancelling their visits to Ghana, leading to a projected year-to-date revenue losses of GH¢4.8 million.
308. Mr. Speaker, the Creative Arts industry, which largely employs informal and vulnerable persons with mostly no social protection, has been severely affected. The restriction on social gatherings, travel and border closures have manifested in worker redundancies due to low or non-patronage of services.
309. Mr. Speaker, the Agriculture sector has mainly been impacted through sudden changes in price and labour shortages. Due to export bans, rising international market prices and freight costs (which increased more than 100 percent from \$1.10/kg to \$3.00/kg), prices of agricultural inputs and imported staples such as rice, wheat, soya, poultry, and cooking oil increased. Within the same period, prices of key agricultural export commodities also fell drastically. For instance, while the price of imported rice increased about 20 percent between March and April 2020, the export price of cashew declined by 60 percent between January and April 2020. The non-traditional export sector suffered mostly due to the lockdown and suspension of flights to and from foreign markets, leading to significant post-harvest losses. Furthermore, in addition to limited provision of technical extension services to farmers during the lockdown, the imposition of restriction on movement resulted in drastic decreases in labour for agriculture.
310. In the Energy sector, the significant impact is on exploration, appraisal and production of oil and gas activities, including delays in implementing the 2020 work programmes of operators. The National Petroleum Commission has estimated that projects valued at US\$324 million across the petroleum upstream sub sector have stalled due to the pandemic. Aker Energy, for instance, has notified the Ministry of Energy of the postponement of the Pecan field development. This has impacted the delivery of first oil from the Pecan project, thereby postponing projected revenues to Government. These postponements could weaken the critical role of oil and gas sector in propelling economic growth.
311. Mr. Speaker, restrictions on movements severely affected the transport sector. The enforcement of social distancing protocols reflected in general decline in passengers. Commuter mini bus services, tro-tro, operated at 70 percent load capacity while inter-city buses had passengers reduced by 50 percent between



March and May. The operations of Metro-Mass Transport experienced a decline in monthly revenue from GH¢5.5 million to GH¢2.1 million. The Intercity STC Company witnessed decline in bus services and luggage revenue from average of GH¢5.0 million in previous months to average of GH¢3.0 million since March 2020. The Driver and Vehicle Licensing Authority also experienced losses as revenue fell drastically from GH¢3.5 million to about GH¢1 million between March and April 2020. The projected revenue from the PSC-Tema Shipyard and Drydock of GH¢41 million for 2020 would decline to about GH¢16 million. Faced with the prospects of mass lay-offs of staff, several of these companies have resorted to seeking support from financial institutions to honour their pay roll obligations.

312. The imposition of restrictions and ban on social gathering, closure of schools, colleges, universities, restaurants and churches as well as the 3-week partial lockdown in Greater Accra Metropolitan and Greater Kumasi Metropolitan areas had some unintended implications for the labour markets. For example, 856 job losses were recorded from 32 Montessori, Day Care and Primary schools between April and June, 2020 for private sector educational institutions according to the Ministry of Employment and Labour Relations.
313. Mr. Speaker, COVID-19 mitigation measures resulted in disruptions in value chains, workplace arrangements, and reduced productivity levels. The International Labour Organisation (ILO) estimates that the global pandemic is having an unprecedented impact on nearly 2.2 billion workers, representing 68 percent of the global workforce. Based on the global trends reported by the ILO, COVID-19-spread mitigation measures have resulted, on average, in a loss of 7.5 percent working hours. Taking into account disparities in the labour market, and the disproportionate effect of the pandemic on the service sector as well as reports received by the Labour Offices nationwide, there are indications that workers in the urban areas and women suffered most of the job losses. Mr. Speaker, to authenticate these impressions or otherwise, the Ministry of Employment and Labour Relations is currently leading a comprehensive study on job losses, as well as the impact of COVID-19 on employment and related matters in Ghana.
314. Mr. Speaker, the 2020 Population and Housing Census, designed to provide Government and stakeholders with essential benchmark information on demographic, social and economic characteristics of the population, has had to be postponed because of the pandemic. The delay in the organization and compilation of the census data can potentially affect effective planning and improved service delivery for Ghanaians in the coming years.
315. Mr. Speaker, the restructuring of the Banking sector, which began in 2017, has continued to reposition the sector on the path of recovery, as evidenced by improvements in key financial indicators. For instance, the industry Capital Adequacy Ratio of 20.7 percent as at April 2020 was well above the revised regulatory limit of 11.5 percent, while liquidity remains strong. Total assets grew by 25.1 percent in May 2020 as compared to 11.9 percent growth in May 2019.



316. However, the outbreak of this pandemic has started to impact negatively on the operations of the sector. The slowdown in socio-economic activities, rising operating cost associated with banks' pursuing health and safety protocols, and higher provisions for loans in anticipation of repayment challenges could adversely impact the sector.
317. Mr. Speaker, the Bank of Ghana's Credit Conditions Survey conducted in April 2020 indicated a net tightening in overall credit stance on loans to enterprises and households, reflecting the emerging challenging operating environment, including the general slump in economic activity, lockdown measures to contain the virus, the resultant temporary closure of some bank branches and anticipated loan repayment challenges.
318. As a manifestation of the adverse impact of the pandemic, year-on-year deposits grew by 5.3 percent in May 2020, lower than the 7.0 percent growth in May 2019. Gross credit advances dipped by 0.3 percent in May 2020 compared to the 4.7 percent growth in May 2019. Growth of profit-after-tax also declined sharply to 5.4 percent as at May 2020 compared to 44.1 percent in May 2019. The ratio of Non-Performing Loans equally increased in May 2020 to 15.2 percent, from 14.3 percent in December 2019. The relapse in these key indicators largely reflects the impact of the slowdown on economic activities and the challenging operating environment for the banking sector due to COVID-19.
319. Due to the evolving operating environment, banks further projected a net tightening in overall credit stance on loans to enterprises and households over the next couple of months, except for SME loans where banks expect some net easing – a likely response to measures introduced by Bank of Ghana to encourage banks to support critical sectors of the economy.
320. The demand for loans also declined during the survey period, reflecting the slowdown in economic activity due to COVID-19, with banks however projecting a rebound in demand for corporate and household loans.

### **4.3 Fiscal Cost of the Pandemic**

321. Mr. Speaker, the fiscal cost of the COVID-19 pandemic is enormous. When I appeared before this august House in March this year, I informed Honourable Members that the total fiscal impact of the pandemic was estimated at GH¢9,505 million (2.5% of revised GDP), stemming from shortfalls in petroleum receipts, import duties, and other tax revenues, the cost of the Emergency Preparedness Response Plan, and the cost of the Coronavirus Alleviation Programme.
322. The overall fiscal deficit was projected to increase from the programmed GH¢18.9 billion (4.7% of GDP) to GH¢30.2 billion (7.8% of revised GDP). The primary balance will correspondingly worsen from a surplus of GH¢2,811 billion (0.7% of revised GDP) to a deficit of GH¢5.6 billion (1.4% of GDP). These estimates were based on provisional data available at the time when the pandemic was in its early phase. Now we have more updated information. More interventions have been rolled out, costed and included in the estimates. With your permission Mr.



Speaker, I would like to update the House on the revised estimated fiscal impact of the COVID-19 pandemic.

323. Mr. Speaker, updated fiscal estimates indicate that revenues are expected to fall short of the 2020 Budget target by GH¢13,632 million (3.5% of revised GDP) arising from shortfalls in Petroleum Receipts of GH¢5,257 million; Non-Oil Tax revenue GH¢5,108 million; and Non-Tax Revenues of GH¢3,286 million.
324. Mr. Speaker, expenditures, on the other hand, are expected to increase by GH¢11,660 million (3.0% of revised GDP), reflecting mainly expenditures on COVID-19 Preparedness & Response Plan, provision of Health Infrastructure (Agenda 111), Coronavirus Alleviation Programme, Capitalisation of National Development Bank, Security, Elections, and payment of outstanding claims.
325. Mr. Speaker, the combined fiscal impact of the shortfall in revenues and additional expenditures is estimated at GH¢25,291 million (6.6% of GDP). Government has secured new financing including:
- Lowering the Ghana Stabilization Fund threshold from US\$300 million to US\$100 million and using the excess of the cap amounting to GH¢1,204 million to fund the CAP1;
  - Bank of Ghana Asset Purchase Programme as part of the COVID-19 Relief Programme - GH¢10,000 million;
  - World Bank Support for Covid-19 Preparedness & Response Plan of GH¢580 million;
  - World Bank Development Policy Operations of GH¢2,028 million;
  - World Bank Preparedness Support of GH¢580 million;
  - IMF Rapid Credit Facility (RCF) of GH¢5,853 million; and
  - African Development Bank (AfDB) support of GH¢406 million.

#### **4.4 Measures to Mitigate the Pandemic**

326. Mr. Speaker, Ghana, just like other countries across the globe, has been compelled by the COVID-19 pandemic to accommodate extra expenditures to support the highly stressed health sector, while cushioning families and businesses against unexpected economic disruptions. Mr. Speaker, at the beginning of the year, Government did not anticipate the need to provide over 300,000 COVID-19 test kits, extra allowance to frontline health workers, income tax exemption for all health sector workers, hire over 1,000 contact tracers, supply households with free water, free electricity for over 50 percent of the population and provide GH¢600 million to support small and medium scale enterprises under the Coronavirus Alleviation Programme.
327. Mr. Speaker, as at end-June 2020, Government had spent a total of GH¢1,937 million on direct Covid-19-related expenditures. Out of this, an amount of GH¢1,609 million was sourced from the Contingency Fund and other GoG sources, including the IMF facility, to support households and businesses, and provide relief for water and electricity payment, among others. Additionally, an amount of GH¢328 million was obtained from the World Bank to support the



implementation of the COVID-19 Preparedness Plan activities submitted by the Ministry of Health. The details are shown in Table 14:

**Table 14: Status of COVID-19 Expenditures as at End-June 2020**

Source	Funding	Allocation (GH¢ million)	Payments (GH¢ million)	Balance (GH¢ million)
<b>GOG</b>	CAP Contingency Fund	1,204	621	582
	Allocation from the Budget to Support COVID-19 Measures	100	23	77
	Government Electricity Relief	1,020	693	328
	Allocation from Budget to support Fumigation and management of landfill sites	122	122	0
	Allocation from Budget for Procurement of logistics and fumigation towards reopening of school	150	150	0
	<b>Sub-Total</b>	<b>2,596</b>	<b>1,610</b>	<b>986</b>
<b>World Bank</b>	GARID CERC	362	232	130
	Fast track Covid-19 Facility	195	96	99
	<b>Sub-Total</b>	<b>557</b>	<b>328</b>	<b>229</b>
	<b>Grand Total</b>	<b>3,153</b>	<b>1,938</b>	<b>1,215</b>

**Source: MoF**

328. Mr Speaker, all these additional costs to Government come at a time of reduced revenue at our ports, fall in global oil prices, near collapse of the hospitality industry and a general decline in global trade. Such unexpected expenditure invariably results in larger budget deficits. However, it should be noted that these are not ordinary times and as such, require extraordinary economic and financial interventions.

329. There is a popular Akan adage, "*Abaa nna ho mma kraman nka nnipa*". To wit, "you either club a mad dog to death or be mauled by it". Like the proverbial mad dog, COVID-19 is threatening to devour the Ghanaian economy. Confronted with the threat of the proverbial mad dog, any responsible parent would do whatever is necessary to protect dependants whose survival remain threatened. In the same vein, the Government of Ghana under the leadership of H. E. Nana Addo Dankwa Akufo-Addo is committed to doing whatever is necessary to safeguard the people of Ghana against this deadly pandemic.



330. Mr Speaker, the interventions implemented by countries the world over have been hugely expensive but necessary to sustain their economies amidst the COVID-19 pandemic.
331. Mr Speaker, it is worthy of note that most of these interventions by various countries were not budgeted for at the beginning of the fiscal year. Hence, these countries, like Ghana, could experience budget deficits not because of mismanagement of their economies but the inescapable exigencies of the time.
332. But even more importantly, this is the time for Governments to show practical compassion by helping businesses and households to cushion the impact. This is the time for your Government to think with you, work with you and help the President and his administration device packages that will not only seek to alleviate the sufferings from coronavirus, but to plot how the Ghanaian economy comes out of this lockdown stronger and more competitive.

### ***Health and Health-related Response***

333. Mr. Speaker, even before the first case of COVID-19 in Ghana was confirmed on 12<sup>th</sup> March, 2020, Government had proactively put together the GH¢560 million National Emergency Preparedness and Response Plan (EPRP) for COVID-19 to manage and contain the spread of the virus and strengthen the national capacity for surveillance, diagnosis, and case management.
334. Mr. Speaker, the key objectives of the EPRP are to:
- promote communication and engagement with decision makers, stakeholders, community and opinion leaders, as well as the general public with regard to the risks associated with the pandemic;
  - enhance capacity building and training for preparedness, response and service delivery;
  - develop requisite additional institutional capacity to handle basic testing;
  - offer timely case detection as well as containment and treatment, including symptom relief and supportive care, for all patients; and
  - coordinate and procure needed medical supplies, logistics and equipment.
335. Mr. Speaker, the implementation of the Plan was anchored on the 3Ts – **Testing, Tracing, and Treatment**. As at Monday 20<sup>th</sup> July, 2020, Ghana had conducted about 361,542 tests cumulatively. In achieving this, Government undertook key measures, some of which I now highlight below.
336. Mr. Speaker, in order to enhance our testing efforts, the Noguchi Memorial Institute for Medical Research (NMIMR) at the University of Ghana, the Kumasi Centre for Collaborative Research (KCCR), and the National Public Health Reference Laboratory (NPHRL) at Korle-Bu were designated as national testing facilities. The capacity of scientific research and testing teams at the three original designated testing facilities have been significantly expanded to 10 sites over the last four to six weeks. This has led to a gradual process of decentralising the testing arrangements nationwide.



337. Mr. Speaker, to increase the staff strength of the Health sector to fight the pandemic, financial clearance was granted to employ additional 24,285 Health Professionals between March and June 2020. This is made up of 8,076 Nurse Assistants (Clinical and Preventive), 5,786 Diploma Nurses and Midwives, and 326 newly inducted House Officers. Also, 10,097 Graduate Nurses and Midwives (both public and private) were granted the financial clearance. It is worthy of note that financial clearance to employ 5,928 health professionals had already been granted in January, bringing the total new recruitments into the health sector to-date to 30,382.
338. Mr. Speaker, Government trained Rapid Response Teams comprising Doctors, Physician Assistants, staff of quarantine facilities, and surveillance and point of entry teams across the country to beef up their capacity to manage the COVID-19 pandemic cases. Intensive care, anaesthetic and infectious disease personnel in private, faith-based and public facilities were also trained. In addition, 400 Case Management Teams in all the 16 regions were trained to collect samples.
339. Mr. Speaker, Government recognised that there was the need to upgrade infrastructure to handle this health challenge. As a result, Government refurbished and expanded 10 treatment centres across the country in districts close to formal points of entry. Five facilities at formal points of entry were also upgraded with pre-fabricated purpose-built migrant health posts and patient holding rooms.
340. Mr. Speaker, the Church of Pentecost, as a humanitarian gesture, and in keeping with recent social partnership arrangements, offered the Pentecost Convention Centre at Gomoa Fetteh as an isolation centre for infected persons. This is a 1,200-bed capacity facility. Similarly, the Catholic Church released a host of its facilities located across the country to house and treat infected persons. The combined bed capacity of these facilities is 1,950. The 140-bed capacity Ghanaman Soccer Centre in Prampram, owned by the Ghana Football Association, also served as an isolation centre.
341. Mr. Speaker, the supply of much needed logistics was also a first-order priority. Accordingly, Government provided 3,600,000 reusable face masks, 50,000 medical scrubs, 90,000 hospital gowns, and 90,000 head covers to the health facilities from the 9<sup>th</sup> April to 30<sup>th</sup> June, 2020. The Kotoka International Airport and 40 other formal points of entry were also provided with closed cabin screening cubicles. Further, pick-up vehicles for field supervision and monitoring for the regions and five zonal coordination points were provided by Government.
342. Mr. Speaker, in motivating health personnel, Government provided a life insurance package worth GH¢10.3 million for those directly involved in surveillance, case management, laboratory, and all other health and allied personnel who get infected. Additional provision was made for overtime and risk-based payments for key frontline workers. Transport cost and cost of sustenance for contact tracers and field surveillance officers were also absorbed by Government.





343. Mr. Speaker, to further cushion and incentivise frontline workers, Government waived personal income taxes for 137,000 health workers, offered allowance of 50 percent of basic salary for about 10,000 frontline health workers, and provided them transportation for the duration of the lockdown. These direct reliefs to health workers cost Government additional GH¢320 million.
344. Mr. Speaker, fighting a pandemic such as this requires a robust engagement and communications strategy aimed at effecting positive behavioural changes. Together with stakeholders, Government, through the Ministry of Information, developed a five-strand strategy to guide these engagements and communications. Broadly, these strategies include Broadcast Van Outreach, Mass Media Infomercials, IT-based Communications, Engagement of Stakeholder Groups, and regularly scheduled Ministers' Press Briefings.
345. Mr. Speaker, Government has rolled out this strategy extensively. In order to keep the public fully abreast, H.E. the President, between 5<sup>th</sup> March and 27<sup>th</sup> June, 2020, spearheaded the communication efforts of Government by delivering 14 statements to update "**fellow Ghanaians**" on measures to curb the spread of the virus. By end-June, 31 media briefing sessions led by the Minister for Information had also been organised to inform the public on the country's response measures and progress made at both national and regional levels.
346. Mr. Speaker, to support public education, materials such as billboards, poster campaigns and pocket cards were deployed. This was in addition to the development and broadcast of TV documentaries and infomercials. The Information Services Department and other stakeholders conducted Public Education Campaigns across all the communities in the country.
347. Meetings and executive briefings were held with Parliament, Political Parties, Media Personnel, Community Leaders, Leaders of Faith-Based Organisations, and other organised Stakeholders. Furthermore, orientation programmes were organised for selected NGOs in the health sector on COVID-19 to better position them as strategic partners.
348. Mr. Speaker, in order to enhance these engagements, 90 persons were trained in risk communication in all 16 regions. Government also operationalised the National Information and Contact Centre (311 Call Centre) and trained 40 personnel to manage and respond to calls on COVID-19 and related matters. The national Task Force was central in coordinating all these health and safety measures, and in collaboration with the Security Services have been instrumental in enforcing social (physical) distancing protocols.

### ***Economic and Social Measures***

#### ***Livelihood Support for Households***

349. Mr. Speaker, as indicated previously, Government also needed to help businesses retain their workers and support families in these unprecedented times. With Ghanaians being asked to stay home, or work from home if possible, and observe



hygiene protocols, Government substantially covered the cost of electricity and water services from April-June 2020.

350. To this end, electricity consumption was temporarily subsidised. Government fully covered the cost of consumption of the one million lifeline customers and subsidised 50 percent of the consumption of all other customers. This livelihood preservation programme for the 4,086,286 households (and 686,522 businesses) added an unplanned GH¢1.02 billion to Government expenditures.
351. Mr. Speaker, Government through the Ministry of Sanitation and Water Resources, supplied 3,447,612 cubic metres of additional potable water, a 37 percent increase over and above pre-COVID levels, to 522,864 and 10,763 domestic and commercial customers of the Ghana Water Company Limited (GWCL). In addition, 630 Rambo 10,000-litre Poly tanks were mounted across the country to supply free water to communities aided by the deployment of 118 privately-owned and GWCL-owned water tankers to areas that needed such services. The stock of public standpipes managed by GWCL within communities increased by 531, reaching 11,038 as at end-June 2020.
352. The Community Water and Sanitation Agency, through this intervention, provided 174 piped-water systems to serve 268,861 persons between April and June 2020. A total of 1,755,907.82 cubic metres of water was delivered at no cost to the beneficiaries as part of the relief programme.
353. Mr. Speaker, the total cost of the Water Relief Programme to Government is projected at GH¢275.5 million out of which GH¢199.3 million was paid by end-June 2020.
354. Mr. Speaker, during the period of the lockdown in the two metropolitan areas, Government through the Gender Ministry and NADMO provided 1,827,581 and 917,142 cooked food packs to vulnerable persons within Accra and Kumasi respectively. In collaboration with Faith-Based Organizations, Government also distributed dry food packages to about 470,000 families.
355. Mr. Speaker, the support to households, in terms of supply of dry food packs and hot cooked meals cost Government GH¢54.3 million to enable them mitigate the impact of the pandemic. This was in addition to an amount of GH¢50.2 million transferred to the 400,000 most-vulnerable individuals under the Livelihood Empowerment Against Poverty (LEAP) Programme.
356. Mr. Speaker, in response to the plight of an estimated 3,212 Ghanaians stranded abroad due to the disruptions caused by the pandemic, Government has rolled out the Operation Return Home Programme. As at end-June 2020, a total of 2,250 individuals had been evacuated with Government bearing the full cost of flight and mandatory 14-day hotel quarantine services for 1,116 persons, most of whom are students. Additionally, support was given to 1,134 persons to cover part of the cost of the mandatory quarantine. The remaining 962 are expected to be evacuated by end of July 2020.



***Support to Enterprises***

357. Mr. Speaker, recognising the devastating impact of the pandemic on businesses, and in the spirit of the Ghana Beyond Aid vision, Government mobilised several local industries to produce and ensure adequate supply of critically needed inputs to fight the pandemic.
358. Mr. Speaker, as part of that programme, Government procured PPEs consisting of 50,000 hospital scrubs costing GH¢6.0 million as well as 90,000 medical gowns and caps valued at GH¢6.75 million were produced by the local textile firms. In addition, 15 million face-masks, out of which 5 million and 10 million were supplied to frontline health workers and schools, respectively, at a cost of GH¢65.0 million.
359. Additionally, Government procured other critical items such as hand sanitisers, veronica buckets, paper towels, liquid soaps from local manufacturing industries for distribution to the health and education sectors in particular. Various Government institutions are procuring these supplies from local manufacturers.
360. Mr. Speaker, the CAP Business Support Scheme (CAP BuSS) of GH¢600.0 million was designed to specifically support micro, small and medium-sized enterprises (MSMEs) and was launched by H. E. President Nana Addo Dankwa Akufo-Addo on 19<sup>th</sup> May, 2020. The Scheme is part of the GH¢1.2 billion CAP approved by Parliament to address the disruption to economic activities due to the pandemic.
361. Under the Scheme, Government, through the National Board for Small Scale Industries (NBSSI), and in collaboration with the business and trade associations and selected commercial and rural banks, rolled out a soft loan scheme with a one-year moratorium and two-year repayment period for MSMEs.
362. The objectives of the Scheme are to provide emergency relief fund for MSMEs and entrepreneurs in Ghana, establish a comprehensive and financially sustainable emergency relief fund package for MSMEs, and provide them with technical assistance to ameliorate the impact of COVID-19.
363. The Scheme established the Adom Micro Soft Loans for micro enterprises which are being disbursed through Vodafone mobile money. The Anidasuo Soft Loans, targeted at small and medium enterprises, will be disbursed through participating financial institutions.
364. Mr. Speaker, the online registration and application for assistance was opened to the public on 20<sup>th</sup> May, 2020 and closed on 26<sup>th</sup> June, 2020. At the close of registration, 715,795 applications, comprising 64.2 percent female and 35.8 percent male applicants, had submitted requests for assistance totalling GH¢7.6 billion. Micro Businesses accounted for GH¢5.2 billion, or 95 percent of the loan requests.



365. As at **Wednesday, 22<sup>nd</sup> July, 2020** an amount of GH¢57,121,441.50 has been disbursed to 64,196 successful applicants (made up of 17,526 males and 46,670 females) under the Adom Micro Loans Scheme. The average amount disbursed per beneficiary is GH¢889.80.
366. Mr. Speaker, through the Scheme, TIN registration in Ghana increased from approximately **110,000 a month** to **815,449** from May 19<sup>th</sup>, 2020 to June 30<sup>th</sup>, 2020, thereby supporting Government's agenda to formalise the informal sector.

### ***Bank of Ghana (BoG) Policy Responses to COVID-19***

367. Mr. Speaker, in addition to the interventions outlined in the EPRP and the CAP, Government, through the Bank of Ghana, responded to the COVID-19-related challenges in the Banking sector with a suite of policy measures designed to cushion businesses and the economy at large. These measures include:
- lowering the monetary policy rate by 150 basis points to 14.5 percent;
  - reducing the Primary Reserve Requirement from 10 percent to 8 percent to provide more liquidity to banks to support critical sectors of the economy;
  - reducing the Capital Adequacy Requirement from 13 percent to 11.5 percent;
  - providing a syndication facility of GH¢3.0 billion to support industry, especially in the pharmaceutical, hospitality, service and manufacturing sectors;
  - granting of six-month moratorium of principal repayments for selected businesses; and
  - reducing interest rates based on the Ghana Reference Rate (GRR) by 200 basis points (2 percent per annum).
368. These measures from BoG together enabled the sector to provide about GH¢7 billion worth of support to borrowers (between March and June 2020). In addition to arranging liquidity support to Rural and Community Banks (RCBs) through the ARB Apex Bank and MFIs, BoG continues to monitor these measures to inform appropriate remedial actions.

### ***Tax relief for Households and Businesses***

369. Mr. Speaker, despite the downward pressure on revenues due to the COVID-19 pandemic, Government, has over the past few months instituted several measures to cushion businesses and citizens against any economic hardships caused by the pandemic. These included:
- extension of due dates for filing of Income Tax returns from four to six months after the end of the basis year;
  - remission of penalties on principal debts to taxpayers who redeemed, their outstanding debts due GRA up to 30th June, 2020;
  - permit the deduction of contributions and donations towards COVID-19 as allowable expenses for income tax purposes;
  - waiver of Value Added Tax, National Health Insurance Levy and GETFund Levy on donations of stock of equipment and goods for fighting the Covid-19 Pandemic;
  - waiver of income taxes on Third-Tier Pension withdrawals;



- waiver of income tax on personal emoluments of all health workers for the period April 2020 to September 2020; and
- waiver of income tax on 50% additional allowances paid to staff of frontline health facilities for the period March 2020 to September 2020

### ***Education Sector Measures***

370. Mr. Speaker, as noted by H.E. the President, in his Update Number 11 to the nation "Education, indeed, is the future of our country". Government therefore prioritised the easing of restrictions on education by first allowing final year students at the tertiary level to resume schooling on Monday 15<sup>th</sup> June, 2020. To facilitate this process, a total of 600,000 face masks were supplied to the tertiary institutions. In so doing, every student, teaching and non-teaching staff received three re-usable face masks. In addition to this, 1,700 Veronica buckets, 200,000 litres of alcohol-based hand sanitizers, 3,400 litres of liquid soap, and 900 thermometer guns were distributed.
371. In support of final year senior high school students returning for examinations from Monday, 22<sup>nd</sup> June, and Gold Track students, all the 1,167 Senior High Schools (SHS) in the country were fumigated and disinfected. Government also provided 2.4 million pieces of re-usable face masks to students, teaching and non-teaching staff, invigilators and school administrators, with each person receiving three pieces.
372. Mr. Speaker, to enhance the maintenance of hygiene protocols, Government distributed 18,000 Veronica Buckets, 800,000 pieces of 200-ml sanitizers, 36,000 rolls of paper towel, 36,000 gallons of liquid soap, and 7,200 thermometer guns to all SHS institutions.
373. Mr. Speaker, cognisant of the impact of the pandemic on livelihoods of households, Government has made available GH¢75.4 million to cater for the full cost of this year's WASSCE examination fees for the 313,837 SHS-3 students.
374. Mr. Speaker, to protect the 532,000 Junior High School final year students, and the 218,000 teaching and non-teaching staff, Government distributed 45,000 Veronica Buckets, 90,000 gallons of liquid soap, 90,000 rolls of paper towels, 40,000 thermometer guns, 750,000 pieces of 200-ml sanitizers, and 2.2 million re-usable facemasks. This was preceded by the fumigation and disinfection of all the 17,439 schools across the country prior to the re-opening date of Monday, 29<sup>th</sup> June, 2020.

### ***Social Events Measures***

375. Mr. Speaker, boosted by the enhanced capacity to trace and test citizens as well as encouraging recoveries, Government eased initial restrictions imposed on social events such as funerals, religious activities, and non-contact sports. With attendance limited to 25 percent capacity or a maximum of 100 congregants at a time (whichever happens to be lower), as well as strict adherence to the mandatory social distance protocols, religious activities have resumed with a



maximum duration of one hour for each service. These are complemented by measures requiring worshippers to wear face masks, leaders to register the names and contact details of all worshippers, and provide hand washing facilities and sanitisers.

376. Mr. Speaker, similarly, private burials have been allowed to take place, and public transport, including domestic air transport, and restaurants and hotels, are currently permitted to conduct their activities, provided strict social distancing and the relevant hygiene protocols are observed.
377. Consistent with the phased approach for easing restrictions, Mr. Speaker, contact sporting events, nightclubs, cinemas, drinking spots, bars, beaches, festivals, large funerals, political rallies, and large religious gatherings such as crusades, pilgrimages and conventions, however remain suspended, at least until the end of July.

#### **4.5 COVID-19 National Trust Fund**

378. Mr. Speaker, to leverage other resources to fight the pandemic, Government passed the COVID-19 National Trust Fund Act (CNTF), 2020 (Act 1013) in April 2020 to establish the Fund, and put in place a 7-member Board of Trustees. As at 30<sup>th</sup> June, 2020, the CNTF had mobilised GH¢53,911,249.87 from individuals, churches, corporate bodies, staff of organisations, non-Governmental organisations, groups, and associations, among others. Out of this, an amount of GH¢32,820,564.97 has been utilised as at 30<sup>th</sup> June, 2020.
379. Mr. Speaker, the Fund transferred GH¢10,257,360.00 into the COVID-19 Private Sector Fund for acquisition of PPEs and other medical items to resource the country's frontline workers. The National Commission for Civic Education (NCCE) was also supported with GH¢2,500,000.00 to enhance COVID-19-related public sensitisation. To improve decision making, the Institute of Statistical, Social and Economic Research (ISSER) was provided with an amount of GH¢ 297,920.00 to conduct studies on the impact of the pandemic in 80 districts across the country.
380. Mr. Speaker, food items, vehicles, PPEs, and medical supplies were provided to 32 other key institutions. A significant quantity of the PPEs were distributed to the Ghana Health Service, the COVID-19 Care Management Team, and 5 health institutions to support the fight against the pandemic. The Fund also distributed food items to the aged, vulnerable, and needy persons through Help Age Ghana, and 5 care homes and shelters. In addition, 10 saloon cars and two 2 pick-up vehicles were provided to 4 Treatment/Isolation Centres, 6 Laboratories and COVID-19 Care Management Teams to enhance surveillance, testing, contact tracing, and management of cases. To address the peculiar needs of Pantang Hospital, PPEs and one ventilator were also provided.
381. Mr. Speaker, as a demonstration of accountability and transparency, the Fund published all donations received as at 31<sup>st</sup> May, 2020 in the Tuesday, 27<sup>th</sup> June, 2020 edition of the Daily Graphic. The details of the beneficiaries of the Fund are



shown in Appendix 16. Appendix 16 also presents the income and expenditure statement for the Trust Fund as at 30<sup>th</sup> June, 2020.

#### **4.6 COVID-19 Private Sector Fund**

382. Mr. Speaker, the scale of this pandemic has deepened the strategic partnership between state and non-state actors, especially the private sector. To help mobilise critical support from the business community and help Government respond promptly to the pandemic, the private sector set-up the Ghana COVID-19 Private Sector Fund to provide critical interventions to Ghanaians.
383. In helping underprivileged persons cope with the impact of the restrictions on movements, 140,000 cooked meals were served to head-porters and other deprived persons in Accra and Kumasi during the period of the partial lock-down.
384. Mr. Speaker, to protect frontline professionals, the Fund supplied a total of 449,770 PPEs to various National COVID-19 Treatment Centres. In addition to sponsoring the training of 55 health personnel on COVID-19 Treatment and Prevention protocols, the Fund also supported the daily feeding needs of all frontline staff on duty in the Ga East Hospital in Accra. Noguchi Memorial Institute for Medical Research also received 10,000 test kits from the Fund to sustain the testing of samples.
385. In partnership with the National Commission for Civic Education (NCCE), the Ghana Psychological Association (GPA), and the Ghana Medical Association (GMA), with support from media and communication consultants, a total of 1,476 representatives from various institutions such as GIBA/GJA, GHS, Security Agencies, IHRMP, GEA, and NCCE were trained to respond to the growing stigmatisation of COVID-19 patients and recovered persons.
386. Mr. Speaker, in a commendable effort towards increasing the country's infectious disease treatment capacity, the Fund has undertaken to construct four 100-bed facilities each with a 21-bed Intensive Care Unit, a level 2.5 laboratory and staff block in Accra, Kumasi, Tamale, and Takoradi. The first of this four, which commenced through a virtual sod-cutting by the His Excellency the President on 17<sup>th</sup> April, 2020, is expected to be commissioned by end-August 2020.



## **SECTION FIVE: GETTING THE ECONOMY BACK ON TRACK—THE COVID-19 ALLEVIATION AND REVITALISATION OF ENTERPRISES SUPPORT (CARES) PROGRAMME**

387. Mr. Speaker, based on consultations with a wide cross section of Ghanaians, Government, under the leadership of H. E. The President, has prepared the Ghana COVID-19 Alleviation and Revitalisation of Enterprises Support (CARES) Programme. The programme aims to mitigate the impact of the pandemic on the lives and livelihoods of Ghanaians, and to ensure that we quickly emerge from the pandemic with a stronger and more resilient economy.
388. Mr. Speaker, the CARES programme is in two phases: a stabilisation phase that runs from July to the end of the year (2020); and a medium-term revitalisation phase that is aimed at accelerating the Ghana Beyond Aid economic transformation agenda. Mr. Speaker, with your permission, I wish to highlight the main elements of each phase of the programme.
389. Mr. Speaker, the stabilisation phase of the programme is aimed at extending the duration or coverage of some of the programmes we have already put in place to provide relief and support to Ghanaians, ensuring food security, protecting businesses and workers, strengthening the health system, and working with this august House to pass some legislations that will be instrumental in attracting private investments to support Ghanaian businesses during the economic revitalisation and transformation phase.
390. Mr. Speaker, recognising the hardships that many of our citizens, particularly the poor, are facing as a result of COVID, Government has decided to extend the provision of free water supply for another three months. Similarly, Government will extend free electricity supply for those on the lifeline tariff for three additional months. This should go some ways in helping our citizens sustain their quality of life, and in the case of water also uphold the hygiene protocols needed to fight the pandemic.
391. Also, in order to expand support to the millions of Ghanaians in the micro, small, and medium-size enterprises (MSMEs) sector that make up more than 70 percent of our labour force, Government will increase the funding to the CAP-BuSS Programme being run by NBSSI. The increased funding will enable CAP-BuSS to help several thousand more MSMEs to weather the storm of COVID-19.
392. Mr. Speaker, the Bank of Ghana has been very responsive in ensuring a monetary policy stance and regulatory regime that help ease the burden on businesses. It introduced temporary measures to create lending headroom for the banks, such as reducing primary reserve requirements, reducing capital conservation buffers, and relaxing some prudential guidelines. As a result, domestic banks report that they have provided about GH¢7.0 billion of support to borrowers (between March and June 2020), via loan restructurings, interest rate reductions, and granting of





new facilities. Furthermore, banks have indicated their intention to continue to work with their clients in similar vein to help them respond to the challenges of COVID-19.

393. Mr. Speaker, Government will also introduce additional measures during the stabilization phase. The first set of measures will aim to ensure food security through the rest of year. To this end, Government will: intensify its support for farmers through the “Planting for Food and Jobs” and “Rearing for Food and Jobs” programmes; facilitate access to financing for rice millers to enable them to purchase paddy from rice farmers; and provide financial support to the National Buffer Stock Company and Ghana Commodity Exchange to enable them store and trade stocks as needed to smoothen out supplies on the market. In addition, a Food Security Monitoring Committee, chaired by the Ministry of Food and Agriculture, and comprising relevant Government ministries and agencies, as well as market queens and food transporters, will be established to enable Government to monitor the food situation and take timely and appropriate actions.
394. Mr. Speaker, Government will be taking several measures to help businesses meet the challenges of COVID-19 and to protect workers. First, Government will pay its outstanding obligations to contractors and suppliers, to inject liquidity into the system and ease the cash flow difficulties of businesses.
395. Second, Government will build on its recent good experience of sourcing from the pharmaceuticals and textile & garment sectors and expand procurement from local producers for its goods and services as far as practicable.
396. Mr. Speaker, the CAP-BuSS programme’s restriction to micro, small, and medium-scale enterprises (MSMES) leaves out large enterprises (i.e. those with 100 employees or more). Large enterprises in several economic sectors, particularly hospitality, manufacturing, private education, and aviation, have been hit hard by COVID-19. These businesses have had to sharply reduce, or in some cases even close, their operations due to either supply disruptions or collapse in demand. Many large businesses are struggling to pay their employees, and without help they will likely lay off a large number of workers. As a nation, we cannot afford to allow significant parts of our critical production base to collapse leading to wide-scale unemployment. Government will, therefore, complement the CAP-BuSS programme with another one that provides support to large businesses to help them adjust to the “new-normal” being imposed by COVID-19 and to as much as possible retain their workers.
397. Mr. Speaker, in consultation with the Bank of Ghana and the banks, Government will establish a *Guarantee Scheme* of up to GH¢2.0 billion to enable businesses to borrow from banks at more affordable rates and at longer tenor so that they can undertake necessary adjustments in order to survive COVID-19 and thereby retain jobs. The scheme will also enable businesses in sectors where COVID-19 has revealed opportunities (e.g. food import-substitution, pharmaceuticals, textiles and garments) to take advantage by accessing finance to enable them to



improve and expand their operations. The *Guarantee Scheme* will complement other arrangements that banks have been using to assist their business clients in response to the monetary policy and regulatory measures introduced by the Bank of Ghana.

398. Mr. Speaker, the *Guarantee Scheme* will assist businesses to take necessary measures to continue operations despite the pandemic, and thereby continue to provide employment. But, Mr. Speaker, we also have to prepare for the fact that, realistically, some businesses may have to shed some labour in order to survive. Workers that find themselves in such an unfortunate situation deserve our help. To this end, Government is providing a Seed-Fund for a *Retraining Programme* to help workers who are laid off to either improve their skills or acquire new skills to improve their chances of finding new employment. Government will design and implement the programme in collaboration with the Social Partners (i.e. Labour and Employers) and also the Faith-Based Organisations (FBOs) who are active in skills and capacity training in the country. In addition, Government through the Ministry of Employment and Labour Relations (MELR), will work together with the Social Partners to establish a *National Unemployment Insurance Scheme*. Work on the design and necessary legislation will start immediately. The scheme will provide temporary income support to workers that are laid off and also facilitate their retraining. The *Retraining Programme and the National Unemployment Insurance Scheme* will not only enable us to help our compatriots who lose their jobs because of COVID-19; they will also become important pillars of resilience in our labour market going forward.
399. Mr. Speaker, Government's rapid launching of the Emergency Preparedness and Response Plan I has been of immense value in enabling us to mount a timely response to the pandemic. Government will soon follow up with Emergency Preparedness and Response Plan II, to enable us continue with the strengthening the health system.
400. To this end, the capacities of more laboratories will be expanded to increase the network of functional laboratories for COVID-19 testing for improved database management and coordination. In addition to creating isolation centres in all regions and districts, the systems for tracking case confirmation and case management will be revitalised by adopting improved technology and providing training and logistics to health personnel. Furthermore, regional-specific strategic plans for preparedness and response to COVID-19 will be operationalised. In seeking to entrench emerging behaviours, a national Infection Prevention and Control programme, which emphasises water, sanitation and hygiene standards for the country, will be rolled out.
401. Mr. Speaker, under this strategy, Government plans to ramp up local production and supply of PPEs to create business opportunities for the local textile and garments industry. To bolster the timely and adequate supply of these critical inputs, the tracking system for stockpiles and logistics will be enhanced and decentralised.



402. In addition, Mr. Speaker, Government is determined to ensure that each district in the nation has a decent district hospital. Government launched a programme — **Agenda 111** — to construct a 100-bed hospital in 88 districts that currently lack such facilities. In addition, each of the six new regions will get a regional hospital, the Effia-Nkwanta Regional Hospital will be rehabilitated, and there will be two new psychiatric hospitals as well as infectious disease centres for each of the three ecological zones. The importance of pursuing this goal has been reinforced by lessons from COVID-19 global experiences.
403. Progress to-date includes the completion of preliminary designs for district and regional hospitals, and for the rehabilitation of Effia-Nkwanta Hospital. Additionally, a project consultant has been recruited and site plans have been received from respective MMDAs and RCCs. Government plans to award contracts by end-July for works to commence in August this year. The fully- equipped facilities are expected to be operational within 12 months for District Hospitals and 24 months for Regional Hospitals.
404. Mr. Speaker, in order to help address the severe national shortage in housing and also generate employment, the CARES programme will provide strong support to Ghana’s housing and construction industry. We will leverage the massive hospital construction programme under Agenda 111 in order to strengthen the capacity of the housing construction industry. The Housing Mortgage and Construction Finance Scheme, initiated by Government with some selected banks last year will be strengthened and expanded, and measures will be taken to facilitate access to land for home construction by the housing industry. It is also the expectation of Government that the implementation of Project Agenda 111 will generate jobs in the construction industry.
405. Lastly, on the stabilisation phase of CARES, Mr. Speaker, Government will, over the course of this year, work with this august House to pass a number of legislative bills that will provide a strong framework for raising the funds and attracting the investments necessary for the revitalisation and transformation phase of CARES. These will include bills on tax exemptions, public-private partnerships (PPPs), the Ghana Investment Promotion Centre (GIPC), Development Finance Institutions, and *Enterprise Ghana* (which will help rationalise and strengthen support to SMEs).
406. Mr. Speaker, over the medium-term (2021 to 2023), Government’s plan is to implement a phase 2 of CARES which will revitalise and transform the economy. The main focus will be to accelerate the implementation of the Ghana Beyond Aid agenda. The programme envisages strong actions to improve the private sector environment and provide support to Ghanaian enterprises in targeted sectors in order to accelerate competitive import substitution and export expansion in light manufacturing. It also envisages optimising the implementation of Government economic flagships and key programmes for greater results and financial sustainability. Mr. Speaker, permit me to highlight some of the main initiatives to be pursued.



407. Mr. Speaker, Government will make a further push to spur agricultural modernisation by complementing the Planting for Food and Jobs and the Rearing for Food and Jobs (PFJ/RFJ) initiatives with a targeted programme to support commercial farming and to attract the youth into farming.
408. Government will also provide targeted, efficient, and transparent support to enable the private sector accelerate progress in building Ghana's light manufacturing, technology, and digital economy sectors. We will target agro-processing (specifically, rice, poultry, cassava, sugar and tomatoes initially), pharmaceuticals, textiles & garments, machine tools, as well as ICT and the digital economy (e.g. fintechs, tech entrepreneurs, and business process outsourcing (BPO)).
409. Mr. Speaker, a key pillar of the CARES revitalisation and transformation agenda is to establish Ghana as a regional hub, leveraging the Africa Continental Free Trade Area (AfCFTA) and our privileged position as the headquarters of its Secretariat. The specific aims are to make Ghana a regional financial hub by establishing an International Financial Services Centre (IFSC), as well as a regional manufacturing and logistics hub for the West Africa region by strengthening the capacities of the Ghana Investment Promotion Centre (GIPC) and the Ghana Free Zones Authority (GFZA), as well as overhauling the institutional framework for investment promotion.
410. Mr. Speaker, Government will review and optimise implementation of its flagships and key programmes:
- Programmes such as 1D1F, PFJ/RFJ, Free SHS, water and sanitation, will be further optimised for greater results and fiscal sustainability;
  - For execution of major infrastructure projects, Government will pursue public-private partnerships (PPPs) or concession arrangements. Government will also assign the Ghana Infrastructure Investment Fund (GIIF) to oversee implementation of selected strategic projects; and
  - In the natural resource sectors (e.g. aluminum, iron and steel, and petroleum), Government will actively pursue joint ventures with proven international operators who will provide needed technology and skills transfer as well as managerial expertise and connections to global supply chains.
411. Mr. Speaker, in our economic revitalisation and transformation, Government has an important role to play by ensuring that the critical enabling factors are in place to make it possible for the private sector to invest and drive the expansion of production, jobs and exports. Government will, therefore, take resolute measures to improve the business environment for the private sector. Specific measures to be implemented include significant improvements in business regulations and their implementation, digitisation to improve quality and transparency in public service delivery, and expanding access to finance for Ghanaian business, skills training, and energy sector reform.



412. Mr. Speaker, we estimate that it will require around GH¢100 billion of spending and investment inflows to fully fund the initiatives under the CARES Programme from 2021 to 2023. Given the severe fiscal strains that we expect Government to be under, we are targeting the bulk of the required funds—at least GH¢70 billion—to come from the private sector, both domestic and external. Government will therefore be proactive in making Ghana an attractive place for private investments—number one in West Africa, and among the top five in Africa. Furthermore, Government will do its part in financing CARES. We will, therefore, implement radical reforms to increase public revenues and to increase the efficiency of public expenditure management. We are putting in place policies and reforms to raise the tax-to-GDP ratio from the current level of 13 percent to 20 percent by 2023.
413. Mr. Speaker, we all know that a plan is only as good as its implementation; it is not enough just to raise the money. So, for the CARES Programme, **execution, execution, and execution**, will have to be the watchwords. The CARES Revitalisation & Transformation agenda is about national survival and security, just like our response to the COVID-19 pandemic itself. Therefore, we need to approach it as such, with a resolute focus on implementation. We will have to pursue a “Whole-of-Government” approach, and in close collaboration with our private sector and other stakeholders, and with their support as well. And we will make sure they happen!



## SECTION SIX: REVISED 2020 MACROECONOMIC TARGETS, FISCAL FRAMEWORK, AND REQUEST FOR SUPPLEMENTARY BUDGET

### 6.1 Revision to the 2020 Macroeconomic Framework

414. Mr. Speaker, since this august House passed the 2020 Budget in December 2019, there have been a number of developments in both the global and domestic economy through the first half of the year, which have necessitated a revision of the macro-fiscal framework that underpinned the 2020 Budget. This revision, therefore, is informed by performance of the economy for the first half-year of 2020.

415. Mr. Speaker, in line with Government's strong commitment to address the damage being caused by the COVID-19 pandemic, and to protect lives, protect livelihoods, save jobs, and return the economy to a sustainable growth and fiscal path, the 2020 macroeconomic framework has been revised to reflect the impact of the COVID-19 pandemic and developments in the first half of 2020.

416. Mr. Speaker, more specifically, the following developments, among others, have informed the revised 2020 macro-fiscal framework:

- slowdown in economic activities as a result of the impact of the COVID-19 pandemic, resulting in a downward revision in the growth of real GDP from 6.8 percent to 0.9 percent growth;
- shortfalls in domestic direct and indirect taxes, as well as custom taxes, as a result of the impact of the COVID-19 pandemic, estimated at GH¢5,089 million (1.3% of GDP);
- shortfall in petroleum revenue mainly due to decline in crude oil prices (from US\$62.6 per barrel used in the 2020 budget to US\$39.1 per barrel) as a result of the pandemic, estimated at GH¢5,257 million (1.4% of GDP);
- shortfall in Non-Tax Revenue (Non-Oil) estimated at GH¢3,286 million (0.85% of GDP);
- increase in expenditures to contain the COVID-19 pandemic estimated at GH¢11,660 million (3.0% of GDP);
- reduction in selected programmed expenditures to make room for additional unprogrammed expenditures induced by the impact of the pandemic; and
- adjustments to both domestic and external financing as part of measures to close the financing gap resulting from the shortfalls in revenue and the increased spending in the wake of the COVID-19 pandemic.

### 6.2 Revision to 2020 GDP

417. Mr. Speaker, as has been mentioned earlier, the COVID-19 pandemic is slowing down economic activities in Ghana through direct and indirect routes:

- directly through the effects of the pandemic on production, trade and investment, global commodity price shocks, tourist flows, fiscal stance and debt sustainability, and human lives and livelihoods, especially the health and lives of the most vulnerable; and



- indirectly through the slowing of global economic growth, supply chain disruptions, and by extension, the negative impact on Ghana's own growth.
418. The slowdown in economic activities is primarily due to the measures that Government rolled out to contain and limit the spread of the virus, including border closures, closure of schools, a three-week partial lockdown in some major urban centres, physical distancing, and restrictions on social and public gathering.
419. Accordingly, the economy is approaching near-stagnation, as overall real GDP growth for 2020, originally projected at 6.8 percent, has now been revised downwards to 0.9 percent. This is in sharp contrast from the robust growth path chartered over the past three years when real GDP growth averaged 7.0 percent between 2017 and 2019.
420. Mr. Speaker, Non-Oil GDP growth for 2020 has correspondingly been revised downwards from 6.7 percent to 1.6 percent.
421. The nominal GDP for 2020 has, accordingly, been revised from GH¢398.0 billion to GH¢385.4 billion, a reduction of 3.2 percent. The details of the revised GDP for 2020 are presented in Appendices 1A, 1B, and 1C.

### **6.3 Revision to the 2020 Fiscal Framework**

422. Mr. Speaker, on the basis of the revenue shortfalls, expenditure increases, and the adjustments in financing occasioned by the COVID-19 pandemic, the 2020 fiscal framework has been recalibrated to accommodate these unanticipated shocks to enable Government implement policies and programmes to ensure that both lives and livelihoods are protected in the COVID-19 era. The revision of the 2020 fiscal framework is in compliance with section 28(2)(d) of the PFM Act, 2016 (Act 921), which requires the Minister for Finance to present the revised budget outlook for the unexpired term of the financial year. Mr. Speaker, I now present the main revisions to Revenues, Expenditures, Fiscal Balance, and Financing.

#### ***Revisions to Petroleum Revenues***

423. Mr. Speaker, at the time of presenting the 2020 Budget to Parliament in November 2019, we used a benchmark crude oil price of US\$62.6 per barrel to project petroleum revenues for 2020, in line with provisions of the PRMA. Since the COVID-19 pandemic hit the globe in December 2019, it has impacted on commodity prices and volumes including that for crude oil. For example, Brent crude oil prices plummeted to US\$17.32 per barrel on 21<sup>st</sup> April 2020, down from US\$66.31 per barrel on 1<sup>st</sup> January, 2020, but have since witnessed some modest appreciation as global COVID-19 containment measures are gradually eased and demand for crude oil is increasing. Mr. Speaker, the Brent crude oil price, as reported by Bloomberg on Wednesday, 22<sup>nd</sup> July, 2020, is US\$43.84 per barrel.
424. Mr. Speaker consistent with section 7 of the PRMA (Amendment), 2015 (Act 893), we are recommending for approval, a revised average crude oil price of US\$39.10



per barrel for 2020 down from the price of US\$62.60 per barrel used for the 2020 Budget. The recommended crude oil price reflects projected prices from reputable international institutions such as the IMF, Bloomberg, and the World Bank. Based on performance of crude oil production for the first six months of 2020, revised production volumes for 2020, and the revised crude oil prices, the total petroleum receipts have been revised downwards by 57.9 percent from US\$1,567.60 million to US\$660.45 million. The breakdown of the projected petroleum receipts is presented in Table 15. The distribution of the revised petroleum receipt is shown in Tables 15 and 16.

**Table 15: Revised Petroleum Receipts (US\$ Millions)**

S/N	ITEMS	2020 Budget	2020 Revised Budget
1	<b>TOTAL PETROLEUM RECEIPTS</b>	<b>1,567.61</b>	<b>660.45</b>
2	Royalties	254.37	144.70
3	o/w Crude Oil	238.06	144.70
4	o/w Gas	16.30	0.00
5	Carried and Participating Interest	818.68	380.39
6	o/w Crude Oil	629.33	380.39
7	o/w Gas	189.35	0.00
8	Corporate Income Tax	492.98	134.01
9	Surface Rentals	1.59	1.35

*Source: MoF*

**Table 16: Revised Distribution (US\$ Millions)**

S/N	ITEMS	2020 Budget	2020 Revised Budget
1	<b>TOTAL RECEIPTS DISTRIBUTED</b>	<b>1,567.61</b>	<b>660.45</b>
2	<b>Transfer to National Oil Company (NOC)</b>	479.80	252.17
3	o/w Equity Financing	334.56	197.22
4	o/w 30% Net CAPI	145.24	54.95
5	<b>Benchmark Revenue (BR)</b>	<b>1,087.81</b>	<b>408.28</b>
6	o/w Annual Budget Funding Amount	761.47	285.80
7	o/w Transfer to the Ghana Petroleum	326.34	122.48
8	o/w Ghana Stabilization Fund	228.44	85.74
9	o/w Ghana Heritage Fund	97.90	36.75

*Source: MoF*

### **Revisions to Total Revenue and Grants**

425. Mr. Speaker, Total Revenue and Grants have been revised to GH¢53.7 billion (13.9% of GDP) in 2020, representing a 20.0 percent decrease over the original 2020 Budget target of GH¢67.1 billion (16.9% of GDP), and 0.5 percent higher than the 2019 outturn of GH¢53.4 billion (15.3% of GDP), as shown in Table 17.





**Table 17: Total Revenue and Grants**

No	Item	2019		2020 (Ghs mn)				
		Prov.	y/y growth	2020 Budget	Revised Budget	Deviation GH¢mn	%	y-on-y (%)
1	<b>Total Revenue &amp; Grants</b>	<b>53,380</b>	<b>12.1</b>	<b>67,071</b>	<b>53,667</b>	<b>-13,405</b>	<b>-20.0</b>	<b>0.5</b>
	% of GDP	15.3		16.9	13.9	-3.5		
2	<b>Tax Revenue (non-oil)</b>	<b>43,067</b>	<b>20.2</b>	<b>44,986</b>	<b>40,717</b>	<b>-4,269</b>	<b>-9.5</b>	<b>-5.5</b>
	% of GDP	12.3		11.3	10.6	-1.1		
3	<b>Non-Tax Revenue (non-oil)</b>	<b>4,857</b>	<b>22.0</b>	<b>8,464</b>	<b>4,523</b>	<b>-3,941</b>	<b>-46.6</b>	<b>-6.9</b>
	% of GDP	1.4		2.1	1.2	-1.0		
4	<b>Oil Revenue</b>	<b>4,888</b>	<b>8.8</b>	<b>8,932</b>	<b>3,827</b>	<b>-5,105</b>	<b>-57.2</b>	<b>-21.7</b>
	% of GDP	1.4		2.2	1.0	-1.3		
5	<b>Other Revenues</b>	<b>2,051</b>	<b>12.9</b>	<b>2,876</b>	<b>2,780</b>	<b>-97</b>	<b>-3.4</b>	<b>35.5</b>
	% of GDP	0.6		0.7	0.7	0.0		
6	<b>Grants</b>	<b>986</b>	<b>-13.1</b>	<b>1,240</b>	<b>1,223</b>	<b>-17</b>	<b>-1.3</b>	<b>24.1</b>
	% of GDP	0.3		0.3	0.3	0.0		

**Source: MoF**

426. Total Non-Oil Tax Revenue has been revised to GH¢40.7 billion (10.6% of GDP), which is GH¢4.3 billion lower than the original budget target of GH¢45.0 billion (11.3% of GDP). This is on account of a significant shortfall in import duties as well as shortfall in both the domestic direct and indirect taxes.
427. Mr. Speaker, as a result of the significant decline in crude oil prices on the international market, Oil Revenue has been revised downwards to GH¢3.8 billion (1.0% of GDP) from GH¢8.9 billion (2.2% of GDP) in the original 2020 Budget. This represents a shortfall of GH¢5.1 billion (1.3% of GDP) or 57.2 percent decrease.
428. Mr. Speaker, Non-Tax Revenues (Non-Oil) have been revised downwards to GH¢4.5 billion (1.2% of GDP) from GH¢8.5 billion (2.1% of GDP).
429. Mr. Speaker, Grants have been revised downwards by 1.3 percent from GH¢1.24 billion to GH¢1.22 billion.
430. Mr. Speaker, the following revenue measures are to ensure the realisation of the revenue targets in the revised framework.

### **Revenue Measures**

431. Mr. Speaker, in the 2020 Budget presented to this august House in November 2019, some measures were proposed to improve domestic revenue mobilization, ensure efficiency in revenue collection, support individuals, and prevent revenue leakage. The Ghana Revenue Authority has, accordingly, undertaken the following:
- Commenced the imposition of the withholding tax on sale of precious minerals by small scale miners which has been sitting in our statute books since 2016;
  - established a Tax Audit and Quality Assurance Department to ensure quality audits and revenue assurance;



- deployed an end-to-end Electronic Metering Management System (EMMS) and Monitoring Centre to validate and assure the quantity of petroleum products transported from the various depots and bunkering sites; and
- deployed an end-to-end customs administration system—the Integrated Customs Management System (ICUMS)— to ensure a more efficient management and collection of customs duties and taxes.

432. Mr. Speaker, to shore up revenue, the VAT on commercial properties and submission of returns for gains from realisation of assets and liabilities will be enforced.

### ***Reduction in Communication Service Tax***

433. Mr. Speaker, with the policy to promote digitalisation as a major policy intervention in the Ghana CARES Programme to catalyse economic activities and promote growth, as well as the increasing use of communication services as a result of the impact of the COVID-19 pandemic, it is proposed that the Communication Service Tax be reduced from 9 percent to 5 percent, effective September 2020. It is anticipated that this policy measure will provide some relief to households and businesses in the procurement of communication services such data and airtime as part of measures to mitigate the impact of the COVID-19 pandemic and promote digitalisation.

### ***Revisions to Expenditures***

434. Mr. Speaker, Total Expenditure (including clearance of arrears) for the year is now estimated at GH¢97.7 billion (25.4% of GDP), about 13.7 percent higher than the 2020 Budget estimate of GH¢86.0 billion (21.6% of GDP). The upward revision in expenditures is largely influenced by provision for additional expenditures for COVID-19 programmes and activities (including COVID-19 Preparedness Plan, COVID-19 Alleviation Programmes, and health infrastructure) amounting to GH¢11,660 billion. Interest Payments have also been revised upwards by nearly 21.1 percent from GH¢21.7 billion (5.4% of GDP) to GH¢26.3 billion (6.8% of GDP), mainly reflecting the effect of higher net domestic borrowing to meet additional COVID-19 related expenditures. Capital Expenditures are expected to remain relatively unchanged at GH¢9.3 billion (2.4% of GDP).

435. Mr. Speaker, even though overall expenditures have been revised upwards mainly as a result of COVID-19 expenditures, the original provision for MDAs for Goods and Services and Domestic Capex was revised downwards by GH¢738.4 million through re-prioritisation to create fiscal space to accommodate more critical expenditures induced by the pandemic. The expenditures that were stepped down to create the needed fiscal space include travels, workshops, and conferences.



**Table 18: Total Expenditures and Arrears Clearance**

No	Item	2019		2020 (Ghs mn)				
		Prov.	y/y growth	2020 Budget	Revised Budget	Deviation GH¢mn	%	y-on-y (%)
1	<b>Total Expenditures</b>	<b>70,271</b>	<b>18.5</b>	<b>85,952</b>	<b>97,740</b>	<b>11,788</b>	<b>13.7</b>	<b>39.1</b>
	% of GDP	20.1		21.6	25.4	3.1		
2	<b>Compensation</b>	<b>22,219</b>	<b>13.3</b>	<b>26,565</b>	<b>27,062</b>	<b>497</b>	<b>1.9</b>	<b>21.8</b>
	% of GDP	6.4		6.7	7.0	0.1		
3	<b>Goods &amp; Services</b>	<b>6,170</b>	<b>20.3</b>	<b>8,331</b>	<b>7,744</b>	<b>-587</b>	<b>-7.0</b>	<b>25.5</b>
	% of GDP	1.8		2.1	2.0	-0.2		
4	<b>Capital Expenditure</b>	<b>6,152</b>	<b>29.8</b>	<b>9,260</b>	<b>9,327</b>	<b>67</b>	<b>0.7</b>	<b>51.6</b>
	% of GDP	1.8		2.3	2.4	0.0		
5	<b>Interest Payments</b>	<b>19,769</b>	<b>24.9</b>	<b>21,691</b>	<b>26,268</b>	<b>4,577</b>	<b>21.1</b>	<b>32.9</b>
	% of GDP	5.7		5.4	6.8	1.2		
6	<b>Grants to Other Govt Units</b>	<b>11,424</b>	<b>5.9</b>	<b>15,635</b>	<b>11,805</b>	<b>-3,830</b>	<b>-24.5</b>	<b>3.3</b>
	% of GDP	3.3		3.9	3.1	-1.0		
7	<b>Other Expenditures</b>	<b>2,123</b>	<b>0.7</b>	<b>3,026</b>	<b>14,092</b>	<b>11,065</b>	<b>365.7</b>	<b>563.8</b>
	<i>o/w ESLA</i>	1,898.0	-10.0	2,646.8	2,550.3	-96.5	-3.6	34
	<i>o/w Covid-19 Related</i>	-	-	-	11,162.0	11,162		
8	<b>Arrears Clearance</b>	<b>-730</b>	<b>-15.0</b>	<b>-1,443</b>	<b>-1,443</b>	<b>0</b>	<b>0.0</b>	<b>97.7</b>
	% of GDP	-0.2		-0.4	-0.4	0.0		

**Source: MoF**

### **Overall Balance and Financing**

436. Mr. Speaker, the revisions in the Total Revenue and Grants and Total Expenditures resulted in a fiscal deficit (on cash basis) of GH¢44.1 billion (11.4% of GDP) for 2020, up from the original 2020 Budget target of GH¢18.9 billion (4.7 percent of GDP). The deficit is expected to be financed from both foreign and domestic sources. Net Foreign Financing of the deficit will amount to GH¢18.5 billion (4.8 percent of GDP), equivalent to 41.9 percent of the total, while total Domestic Financing will amount to GH¢25.6 billion (6.6% of GDP), or 58.1 percent of the total for 2020 as shown in Table 21. The corresponding primary balance worsens from a surplus of GH¢2.8 billion (0.7% of GDP) in the original 2020 Budget to a deficit of GH¢17.8 billion (4.61% of GDP).

**Table 19: Summary Government Fiscal Operations**

No	Item	2019		2020 (Ghs mn)				
		Prov.	y/y growth	2020 Budget	Revised Budget	Deviation GH¢mn	%	y-on-y (%)
1	<b>Total Revenue &amp; Grants</b>	<b>53,380</b>	<b>12.1</b>	<b>67,071</b>	<b>53,667</b>	<b>-13,405</b>	<b>-20.0</b>	<b>0.5</b>
	% of GDP	15.3		16.9	13.9	-3.5		
2	<b>Total Expenditures (incl. arrears)</b>	<b>70,271</b>	<b>18.5</b>	<b>85,952</b>	<b>97,740</b>	<b>11,788</b>	<b>13.7</b>	<b>39.1</b>
	% of GDP	20.1		21.6	25.4	3.1		
3	<b>Overall Fiscal Balance (Cash)</b>	<b>-16,892</b>	<b>44.7</b>	<b>-18,881</b>	<b>-44,074</b>	<b>-25,193</b>	<b>133.4</b>	<b>160.9</b>
	% of GDP	-4.8		-4.7	-11.4	-6.5		
4	<b>Total Financing</b>	<b>16,892</b>	<b>44.7</b>	<b>18,881</b>	<b>44,074</b>	<b>25,193</b>	<b>133.4</b>	<b>160.9</b>
	% of GDP	4.8		4.7	11.4	6.5		
5	<b>o/w Foreign Financing</b>	<b>5,041</b>	<b>85.0</b>	<b>10,619</b>	<b>18,462</b>	<b>7,843</b>	<b>73.9</b>	<b>266.2</b>
	% of GDP	1.4		2.7	4.8	2.0		
6	<b>o/w Domestic Financing</b>	<b>11,851</b>	<b>32.4</b>	<b>8,262</b>	<b>25,612</b>	<b>17,350</b>	<b>210.0</b>	<b>116.1</b>
	% of GDP	3.4		2.1	6.6	4.5		
7	<b>Primary Balance</b>	<b>2,877</b>	<b>-30.7</b>	<b>2,811</b>	<b>-17,806</b>	<b>-20,616</b>	<b>-733.5</b>	<b>-718.9</b>
	% of GDP	0.8		0.7	-4.6	-5.3		
8	<b>Nominal GDP</b>	<b>349,480</b>		<b>398,048</b>	<b>385,378</b>	<b>385,378</b>		

**Source: MoF**



437. Mr. Speaker, new financing secured by Government from both domestic and external sources to close the financing gap include:
- GH¢1.2 billion from the Ghana Stabilisation Fund (GSF) through Lowering of the Cap on GSF from US\$300 million to US\$100 million and transferring the excess over the cap into the Contingency Fund to finance the Coronavirus Alleviation Programme (CAP);
  - GH¢5.8 billion from the IMF Rapid Credit Facility;
  - GH¢580 million from the World Bank Support for COVID-19 Preparedness & Response support;
  - GH¢406 million from the African Development Bank;
  - GH¢10.0 billion from the Bank of Ghana as COVID-19 Relief Bond; and
  - GH¢2.0 billion from the World Bank as Budget support through the DPO.

#### **6.4 Revised Fiscal Responsibility Rules in the COVID-19 Era**

438. Mr. Speaker, from developments thus far, it is clear that the fiscal rules of a deficit not exceeding 5 percent of GDP and a positive primary balance enshrined in the Fiscal Responsibility Act, 2018 (Act 982), are neither feasible nor attainable targets in this emergency period of the COVID-19 Pandemic. The scale of the damage and macroeconomic distortions caused by the pandemic is unprecedented in our country's history. It may take a while to return to the pre-COVID-19 fiscal path. According to our revised fiscal framework, the economy is only likely to return to the 5 percent fiscal deficit threshold set in the Fiscal Responsibility Law no sooner than 2024.
439. Mr. Speaker, however, to ensure that the macroeconomic gains achieved over the last three years are not eroded, Government, through the COVID-19 Alleviation, Revitalisation, and Enterprise Supports (CARES) Programme, will implement a number of strategies to stabilise and revitalise the economy and return it to the path of robust growth and to the 5 percent fiscal deficit threshold as the law requires. The main highlights of the Ghana CARES Programme have been outlined in Section Five of this document.
440. Mr. Speaker, there are severe adverse contagion effects related to the drastic crude oil price declines and the deep deceleration in economic growth. Under these very severe conditions, and consistent with both section 3 of the Fiscal Responsibility Act, 2018 (Act 982) and section 18 of the Public Financial Management Act, 2016 (Act 921), Government has opted to suspend the fiscal rules and targets for the fiscal year 2020.
441. Mr. Speaker, consequently, as required by section 3(3) of the Fiscal Responsibility Law, Government will, within 30 days, present before this august House, the necessary documentation that supports the suspension of the fiscal rules and targets for this year 2020.



## 6.5 Supplementary Estimate for Contingency Fund

442. Mr. Speaker, as you may recall, on 8<sup>th</sup> April 2020, Parliament granted approval for an amount of GH¢1,203,720,000 to be advanced from the Contingency Fund to meet expenditures in relation to the Government of Ghana's Coronavirus Alleviation Programme (CAP). Mr. Speaker, we will like to thank Parliament once again for its dedication to duty and swift action on the matter, which has significantly contributed to Government's success in addressing the impact of the pandemic during the implementation of the CAP.
443. Mr. Speaker, in line with Article 177 (2) of the 1992 Constitution, we present to you a supplementary estimate showing how the funds advanced will be replaced as soon as possible. Mr. Speaker, given the shortfalls in revenues, the increased spending, and the tight financing conditions, that have resulted out of the negative impact of the COVID-19 pandemic, we wish to indicate that the amount advanced will be replaced gradually. We will honour this obligation through transfers of amounts in excess of the Ghana Stabilisation Fund (GSF) cap of US\$100 million into the Contingency Fund until the full amount is replaced. For the rest of 2020, we anticipate to transfer the cedi equivalent of at least US\$22 million into the Contingency Fund. Mr. Speaker, our projections of crude oil receipts for the medium-term show that the GH¢1.204 billion will be fully replaced through transfers from the excess over the Ghana Stabilisation Fund by end-December 2022.

## 6.6 Request for Approval of Supplementary Estimates

444. Mr. Speaker, the revisions made to the 2020 fiscal framework have resulted in an increase in the 2020 Appropriation of GH¢98,036,692,358 that was approved by this august House in December 2019. Mr. Speaker, the aim of this Supplementary Estimate is to seek parliamentary approval to commit additional resources, amounting to GH¢11,896,477,566 as outlined in this Mid-Year Review to fund additional expenditures resulting from the revisions made to the 2020 Budget, consistent with Article 179 (8) of the 1992 Constitution. This will bring the revised 2020 Total Appropriation for 2020 to GH¢109,933,169,924.
445. Mr. Speaker, with our commitment to deal with this pandemic to ensure that the economy is stabilised, revitalised and transformed to protect lives and livelihoods, permit me to mention some of the specific expenditures items under the supplementary appropriation as shown below:

Item	Amount (GH¢ Million)
COVID-19 Preparedness Plan 1 & 2	1,342
Health Infrastructure (Agenda 111 District and Regional Hospitals)	600
Allowance of 50% of basic Salary for frontline health workers	80
Sanitation, Market Fumigations	50
Fumigation of schools, procurement of PPEs for education	220
Support to Households (Food Packages and Hot Meals)	44



Item	Amount (GH¢ Million)
Relief for payment of Water Bills	560
Relief for payment of Electricity Bills	1,108
Soft Loans for Micro, Small & Medium-Sized Businesses	700
Food Security	120
Stimulus through accelerated payments of Outstanding Claims	1,310
Governance and Security issues	1,106

## 6.7 Revised Medium-Term Macro-Fiscal Framework

446. Mr Speaker, permit me to now update the House on the revised medium-term macroeconomic framework which shows the assessment of the outlook into the medium-term. The main thrust of macroeconomic policy in 2021 and the medium-term will be focused on achieving at least the following objectives:

- ensuring stabilisation and returning the economy to the pre-pandemic fiscal stance; and
- Restoring economic growth to the pre-pandemic growth path, while protecting social spending.

### ***Real Sector***

447. Mr. Speaker, in the real sector, our revision of the Gross Domestic Product (GDP) is based on global outlook reflecting the impact of the COVID-19 pandemic, as well as the programmes and activities we have planned to undertake, including through the Ghana CARES programme, to stabilise, revitalise, and transform the Ghanaian economy to pre-COVID-19 levels and beyond.

448. Even though global recovery is uncertain and projected to be more gradual, the global economy is expected to recover in 2021 with the assumption that the pandemic will fade in the second half of 2020 and containment efforts are gradually unwound. The IMF projects global growth to recover to 5.4 percent in 2021 with Sub Saharan Africa (SSA) and ECOWAS regions growing at 3.4 percent and 3.8 percent, respectively. The 2020 West Africa Regional Economic Outlook rather projects a slower recovery in 2021 with real GDP growth projected to be between 1.7 percent and 2.5 percent.

449. On the domestic front, the medium-term GDP projections are informed by the main programmes and interventions outlined in the Ghana CARES Programme (Section Five). Other key assumptions underpinning the 2021-2024 growth projections include:

- expected increase in crude oil production from 2021 to 2024 partly due to increase in SGN oil field production and the introduction of crude oil from the Pecan fields from 2022;
- expected increase in GDP for the medium-term partly due to the base effect of expected sharp slowdown in 2020 GDP; and
- COVID 19 is expected to moderate significantly by the end of 2020 and economic activities are expected to pick up from 2021 onwards.



450. Over the medium-term, overall GDP is expected to grow by 4.7 percent in 2021, 5.8 Percent in 2022, and 5.4 percent in 2023 and 2024. Non-oil GDP growth is projected at 4.2 percent for 2021, 5.1 percent for 2022, 4.9 percent for 2023, and 6.0 percent for 2024, as shown in Table 20.

**Table 20: Revised Medium-Term Macro-Fiscal Targets**

No	Item	2020		2021		2022		2023		2024
		2020 Budget Proj	Revised Proj	2020 Budget Proj	Revised Proj	2020 Budget Proj	Revised Proj	2020 Budget Proj	Revised Proj	Revised Proj
1	Real GDP Growth	6.8	0.9	4.9	4.7	4.6	5.8	6.5	5.4	5.4
2	Non-Oil GDP Growth	6.7	1.6	5.9	4.2	5.5	5.1	5.5	4.9	6.0
3	End-Period Inflation	8.0	11.1	8±2		8±2		8±2		8±2
4	Fiscal Balance	(4.7)	(11.4)	(4.5)	(9.6)	(3.5)	(7.1)	(3.0)	(5.2)	(3.8)
5	Primary Balance	0.7	(4.6)	0.5	(3.4)	0.6	(1.9)	0.8	(1.0)	0.1
6	Gross International Reserves	≥3.5	≥4.0	≥3.5	≥4.0	≥3.5	≥4.0	≥3.5	≥4.0	≥4.0

**Source: MoF**

### **Fiscal Sector**

451. Mr Speaker, to return the fiscal path to the Fiscal Responsibility thresholds, fiscal policy will focus on:
- ensuring fiscal sustainability; and
  - providing the necessary fiscal anchors and supports for economic recovery and rebound of growth.
452. Mr Speaker, fiscal policy in the medium-term will be supported by factors including:
- The recoveries in GDP will enhance the base of revenue, thereby, improving revenue mobilisation:
    - Tax revenue performance will also be bolstered by increased efficiency resulting mainly from improved compliance in response to the implementation of enhanced compliance and efficiency measures, including broadening the tax base through digitisation and tax education and minimising revenue leakages through simplification of tax filing processes, frequent tax audits, and prosecutions of tax offenders.
    - The implementation of the revised Transfer Pricing Regulations, the passage of the Tax Exemption Bill, and the implementation of an effective property rate collection system, will all boost domestic revenue mobilisation in the medium-term.;
  - Non-Tax Revenue (NTR) collection will be optimised through the amendment of the Fees and Charges Act. This will bring on board all MDAs that generate NTR to facilitate regular review of their rates consistent with



the Act, and the Amendment/Repeal of the MDAs Retention of Funds Act, which has not been reviewed since its enactment in 2007, to bring it in line with current policy, regulatory, and operational requirements;

- The anticipated recovery in crude oil prices above the revised 2020-projected average of US\$37.2 per barrel and projected volume increase will boost petroleum revenues. Revised projected crude oil prices per barrel for the medium-term are US\$39.07 for 2021, US\$42.40 for 2022, US\$45.27 for 2023, and US\$47.66 for 2024.
- On the expenditure front:
  - one-time expenditure items such as election-related expenditures, one-time COVID-19 expenditures (including utility reliefs, support to SMEs), Energy sector IPP payments, as well as expenditure containment measures (such as those incurred to improve commitment control) will aid fiscal consolidation;
  - Goods & Services and Capex growth will also reflect the main imperatives of the Ghana CARES programme; and
  - In addition, embarking on expenditure waste minimisation/elimination measures, such as efficient and bulk procurement, rationalisation of the public travel budget, re-prioritisation of Government spending to drop dead/over-aged projects, and in ensuring disciplined and professional public investment management, will all contribute to containing public expenditures;
- On financing, a mix of domestic and foreign borrowing, including raising funds from the Eurobond market, informed the revisions. Financing strategies to be pursued include: pursuing longer-term concessional financing; issuance of Green and SDG Bonds; establishing non-concessional funding annual limits based on the Debt Sustainability Analysis; earmarking non-concessional borrowing for identified growth-promoting projects; and ensuring the passage of the PPP Bill to attract the private sector to jointly finance major infrastructure projects with Government.

453. With the above considerations in view, the medium-term path for the fiscal balance, as a percent of GDP, has been revised as follows: 11.4 percent in 2020; 9.6 percent in 2021; 7.1 percent in 2022; 5.2 percent in 2023; and 3.8 percent in 2024, as shown in Table 19. The corresponding primary balance as a percent of GDP is expected to improve from a deficit of 4.6 percent in 2020 to a deficit of 3.4 percent in 2021, 1.9 percent in 2022, 1.0 percent in 2023, and returning to a surplus of 0.1 percent in 2024.

### ***Outlook for Inflation***

454. After remaining steady at 7.8 percent for three consecutive readings (January - March 2020), headline inflation surged to 10.6 percent in April 2020 and 11.3 percent in May 2020 but dipped marginally to 11.2 percent in June, above the upper bound of the target band of  $8\pm 2\%$ . The inflation rates in the second quarter represent the highest since January 2018, and stem mainly from the





increased demand for food items following the partial lockdown in the two largest metropolitan cities of Accra and Kumasi and their environs, exacerbated by the panic-buying episodes preceding the market fumigation exercises across the country. Inflation is expected to hold steady at current levels and end the year at about 11.0 percent, barring any other unanticipated shocks. In the medium-term, the projection is for the headline inflation rate to return to within the medium-term target band.

455. Assessment of risks to the inflation outlook from global economic conditions and domestic economic activity amid the pandemic, suggests that the balance of risks to the inflation outlook is somewhat elevated in the medium-term horizon.

#### ***Outlook for Monetary Aggregates***

456. Growth in the key monetary aggregates is projected to remain broadly stable, supported by both NFA and NDA of the banking system, with the latter reflecting the increased claims of the banking system on Government. On the other hand, private sector credit growth is expected to weaken in 2020, underscored by the weak economic activity from the impact of the COVID-19 pandemic. In the medium-term, private sector credit is projected to rebound strongly to support economic activity.

#### ***Outlook for the External Sector***

457. Going forward, external sector performance will depend largely on how fast economies around the world recover from the ramifications of the ongoing pandemic, including the current global slowdown. The global economic shock of the COVID-19 pandemic and the mitigation measures taken to contain and slow the spread of the virus have driven most commodity prices down, especially for crude oil. Gold, however, continues to benefit from investor flight to safety. These have implications on our exports and imports. The trade balance is projected to record a surplus of US\$1.76 billion in 2020. On the other hand, the services, income and transfers account is projected to deteriorate as a result of a projected drop in remittances. Net Remittance inflows are projected to significantly decline from US\$3.39 billion in 2019 to US\$1.92 billion in 2020.
458. Consequently, we project the current account balance to record a higher deficit of 3.6 percent of GDP at the end of 2020 compared to a deficit of 2.8 percent recorded at the end of 2019. The capital and financial account is projected to record net inflows of about US\$2.80 billion compared to US\$3.07 billion recorded in 2019, on account of a projected decline in foreign direct investment and projected outflows in portfolio investments as a result of maturities not being rolled over. Overall, we project the balance of payments to record a surplus of US\$350 million compared to US\$1.34 billion surplus in 2019. This should boost gross international reserves at the end of 2020 to US\$8.77 billion, sufficient to provide 4.1 months of import cover.
459. In the medium-term, the thrust of external sector policy will focus on building robust reserve buffers to cover at least four months of imports of goods and services to cushion the economy against adverse external shocks. This will be



supported by improvements in the trade balance and the current account balance.

460. The downside risks to the projection include further worsening in commodity prices (especially oil) below what is projected, energy related payments, and possible portfolio reversals.



## SECTION SEVEN: CONCLUSION

461. Mr. Speaker, I crave your indulgence to remind this House, that we inherited an economy characterized by the slowest economic growth rate for the last 30 years - since 1990. We were bequeathed an economy that was choking on the largest nominal fiscal slippages since independence, with underperforming revenues battling against the insatiable appetite of an overspending government, surrounded by a mountain range of billions of arrears (about half of which turned out to be dubious). We took over a treasury stymied in high debt burden, a derailed IMF programme, forlornly expected to be corrected by the same government that had lost touch with the plight and aspirations of the people and lost track with its own programme of action.
462. Mr. Speaker, to restore the dignity and hope of Ghanaians and put the economy back on track, in fulfilment of our manifesto, we put in place carefully-sequenced programmes of macroeconomic adjustments and consolidation, removed nuisance taxes to boost production, introduced revenue enhancing measures, implemented growth-inducing interventions, supported the private sector and rolled out the most ambitious, comprehensive and far-reaching social policies implemented by any government in the past half-century.
463. Mr. Speaker, 2019, signalled the “Year of Ghana’s Return” in many ways. With the IMF programme behind us, hundreds of millions of arrears owed to road contractors paid, the economy booming with a growth rate of 6.5 percent, inflation tamed at 7.9 percent, a trade surplus of US\$2.2 billion and fiscal deficit under control at 4.7 percent and a primary surplus of 0.8 percent. We ended the year confidently on the path of economic transformation and anchored on impressive macroeconomic indicators. Then, suddenly the whole world was struck by the COVID-19 pandemic.
464. Mr. Speaker, the good people of Ghana and, indeed, the world, recognize that the President has shown bold, decisive and compassionate leadership and navigated this uncertainty with calm authority. Under his leadership, we have instituted a comprehensive emergency plan that is sharply focused on saving lives and livelihoods, averting economic collapse, building resilience and strengthening the pillars of the economic system for a new normal. We are confident that, together, we will come through this stronger.
465. Mr. Speaker, for us governance is all about the wellbeing of the people we have been elected to serve. Ours is the government for the ordinary people of Ghana.
- That is why since 2017 we have spent a total GH¢900,531,258.00 in keeping nearly 100,000 trainee teachers and trainee nurses in training
  - We are for the ordinary Ghanaian, that is why, until schools were forced to close down, we were feeding 2,980,000 children every day, 78 percent more than the 1,671,766 who were fed in 2016.



- We are in government for every family in Ghana, no matter where you are, that is why we have spent GH¢3 billion to provide free education for 1.2 million senior high school and TVET students.
  - We connect with the aspirations of hardworking Ghanaians looking for a push to start or support their small business, that is why 19,000 young people have been trained and some funded to start-up their own business under NEIP. In addition, 97,876 Ghanaians have seen their businesses benefiting from some GH¢100 million (GH¢99,302,484) credit facility so far disbursed by MASLOC since 2017.
  - We feel the desperation of young graduates struggling to land a job, that is why we have invested GH¢1.6 billion to recruit 100,000 of them under NABCO.
466. Mr. Speaker, the evidence is all around us. With all the difficulties that the Akufo-Addo administration have had to endure and overcome since January 2017, we stayed focused on the all-important task of making government work for every Ghanaian.
467. We remember all so well how the previous government, after imposing the inconvenient and income-sapping dumsor on households and businesses for five years, and insensitively increased electricity tariffs first by 89 percent, then by 10 percent, then by 78 percent, and 28 percent and finally by 59 percent between 2010 and 2015 alone. It took courage and care for President Akufo-Addo to do what no other government had been able to do before, which is a net reduction of electricity tariffs by 11 percent since 2017. Such is the higher level of care that today, after nearly four years in office, electricity prices for Ghanaians, households and businesses all included, remain cheaper in both nominal and real terms than what they were before 2017.
468. Mr. Speaker, the reason is simple. It is because we put the concerns and aspirations of the ordinary Ghanaian first. That is also why we further reduced electricity prices by half and completely provided potable water for free for everybody since March this year. And we will extend it for another 3 months. To break it down:
- It takes a caring government of the people, and with that, I mean, a Government of all the people, to offer cost-free water to all across the country: representing all domestic and commercial customers in Ghana for three months.
  - It takes a caring government to be for the people and for business, large and small, to choose to subsidize electricity consumption by 50 per cent to 4 million (4,086,286) households and nearly 700,000 (686,522) businesses at a cost of Gh¢1.02 billion in three months. And we will extend the coverage for lifeline customers for another 3 months.
  - It takes a caring government to hear the distress of business and respond with support to small and medium businesses to the tune of GH¢600 million in order to help them survive and thrive in these uncertain times. The CAPBuSS will be increased by GH¢100 million to help many more MSMEs, including GH¢30 million for the creative arts industry and the media.



- It takes a caring government to establish a Guarantee Scheme of up to GH¢2.0 billion to enable businesses to borrow from banks at more affordable rates and at longer tenor to save their business and retain jobs.
  - It takes a caring government to provide seed funding to set up Retraining & Skills Improvement Programme in partnership with Labour, Employers, and Faith-Based Organisations. The seed fund will help workers who are laid off to either improve their skills or acquire new skills to improve their chances of finding new employment or set up their own business.
  - It takes a caring government to partner with Labour and Employers to initiate an unemployment insurance scheme to provide temporary income support to workers when they lose their jobs.
  - It takes a caring government and its central bank to create an environment for the banks to provide GH¢7 billion to help their clients through loan restructurings, interest rate reductions and granting of new facilities and offering moratoriums on debt servicing. Going forward, Government and BoG will work with the banks to extend some of these reliefs.
  - This caring government provided over 2.74 million cooked and dry food packs to the poor and vulnerable persons in Accra and Kumasi during the three-week lockdown, (1,827,581 and 917,142, respectively).
  - Today, Government has paid GH¢75.4 million as full cost cover for WASSCE examination fees for all 313,837 SHS 3 students. This is a caring Government.
  - A responsive and caring Government is one that, with urgency and military precision, managed to fund and provide the logistical support to supply 5.2 million reusable face-masks, 64,700 veronica buckets, and accompanying sanitizers to all final year students at tertiary, senior and junior high school levels in Ghana to return to school and write their examinations.
  - A responsible and caring Government is one that sees it as necessary to show support and appreciation to the 137,000 health workers with reliefs valued at GH¢320 million and provide insurance cover for them at the value of GH¢10.3 million.
469. Mr. Speaker, the future is about digitalization. Data is now becoming as essential as water and electricity, especially for our youth. The COVID-19 pandemic has reaffirmed this, especially as more people work remotely and also access education and health services. Government has worked diligently to digitalise the economy over the last three and half years. We need to further speed up the digitalisation effort where every citizen nationwide has access to the internet and other digital services.
470. As such going forward, government will work with the Telcos and ECG to rollout fibre across the country on the back of the electricity distribution network so every citizen nationwide will have access to high speed broadband.
471. In the short term, we will reduce the CST from 9 percent to 5 percent to reduce the cost of communication services to the consumer as more and more people work remotely and utilize online services. We hope we can count on the Telcos to also match this reduction in the CST by reducing their tariffs.



472. Mr. Speaker, Ghana has been hit with a double shock: a health pandemic and a global economic recession. These have resulted in revenue shortfall of GH¢13.6 billion and unanticipated but necessary expenditures of approximately GH¢11.7 billion. This will result in a projected fiscal deficit of 11.4 percent of GDP. This is above the 5 percent limit as stated in the Fiscal Responsibility Act, 2018 (Act 982).
473. Mr Speaker, Ghana is not unique in this regard. The pandemic has caused other countries including the 26 countries in the EU, Brazil, Jamaica, Costa Rica, etc. to suspend their fiscal rules in 2020 in light of their sharply increased fiscal deficits.
474. Mr. Speaker, given our history of fiscal rectitude, it is with great difficulty that we are having to suspend our fiscal rule due to exogenous factors. We intend to return to compliance with the FRA in the shortest possible time.
475. Mr. Speaker, to ensure that we do not only survive this pandemic but recover and thrive, this Government is rolling out a three-and-a-half-year recovery and revitalization programme. The Coronavirus Alleviation & Revitalisation of Enterprises Support (CARES) programme allows us to recreate our economy and set it on a course that we yearn for. It will involve an investment of GH¢100 billion from 2021 to 2023, of which GH¢ 70 billion will come from the private sector.
476. Mr Speaker, I consider the CARES programme truly ground-breaking as it requires radical reforms in government, particularly in revenue generation and a radical improvement in doing business for the private sector. It also adopts a whole-of-government implementation approach and fosters closer collaboration with the private sector to give a sustainable future to Ghanaians, as captured earlier.
477. Mr. Speaker, as you can see, every aspect of the lives of Ghanaians would be dramatically impacted with the implementation of this program; ranging from what we eat, to where we live, to where we work.
478. Mr Speaker, Government will vigorously promote the consumption of locally produced goods and services in order to support local businesses and generate employment. To this end, MDAs and MMDAs will be required to prioritise the procurement of local goods and services. The aim is to achieve up to 50 percent of all government procurement sourced locally.
479. Mr. Speaker, we are in extraordinary times which calls for extraordinary leadership. Accordingly, on behalf of the President of the Republic, I have presented to you an extraordinary Mid-Year Fiscal Policy Review that seeks to reorganise our public finances to protect lives, secure incomes, revitalise businesses and focus our energies on driving the economy back on track to building a Ghana Beyond Aid. It involves a recognition that the solutions to



Ghana's problems lie with Ghanaians and that, with inspiring leadership, Ghanaians can find a way to address their own challenges. The agenda of the President is to modernize Ghana for all Ghanaians.

480. Thankfully, Mr. Speaker, this leader, Nana Addo Dankwa Akufo-Addo, is only in his first term in office.
481. Mr. Speaker, before I finally conclude, let me pay tribute to all Ghanaians who have endured the difficult and drastic fallouts from the ravages of this virus, an unknown enemy. Enduring lockdown, social distancing, mandatory wearing of masks to taking our entrepreneurial spirit in our own hands, have proven the can-do spirit of the Ghanaian. Our endurance is emblematic of the biblical Job who persevered in the hope that God will show himself at the right time. Together with James, the brother of Jesus, in James Chapter 1 verse 4, I will say to them "Let endurance complete its work, so that you may be complete and sound in all respects, not lacking in anything". Mr. Speaker as often repeated by the President, this too shall pass. I am confident that in working closely, we will emerge from this crisis even more united and purposeful to fulfil our manifest destiny as the Black Star of Africa.
482. Mr. Speaker, this Mid-Year Fiscal Policy Review and its programmes draws us closer to our collective aspirations. Whiles this pandemic requires us to exceed the limits imposed by the FRA, Act, 982, we have had to make these major expenditures to protect lives and livelihoods of Ghanaians and sustain businesses. We therefore request a supplementary Budget of GH¢11,896,477,566.00 to enable us continue this extraordinary task.
483. Mr. Speaker, before I take my seat, allow me to express sincere gratitude for the enormous support this august house has extended me since taking office. I truly appreciate the long hours Honourable Members of Parliament sat through, considering and passing key bills and measures for the ASEMPA BUDGET in 2017, the ADWUMAPA budget in 2018, MPONTUO Budget of 2019 and the NKOSUO AND NKANBOM Budget of 2020.
484. Mr. Speaker, the task ahead is great, yet it is a noble and glorious challenge - a challenge which calls for the courage to dream, the courage to believe, the courage to dare, the courage to do, the courage to work and the courage to attain excellence in achievement. As a Government, we have dared to dream, believe, work and achieve. Clearly, we can and will do more with the privilege of service to God and Country.
485. Right Honourable Speaker, I so move.



## APPENDICES

## Appendix 1A: Growth Rates of Gross Domestic Product at Constant 2013 Prices (Percent)

S/N	ITEMS	Provisional				2020 Projection		Revised Medium Term Projections			
		2016*	2017*	2018*	2019*	Budget	Revised	2021**	2022**	2023**	2024**
<b>I</b>	<b>AGRICULTURE</b>	<b>2.9</b>	<b>6.1</b>	<b>4.8</b>	<b>4.6</b>	<b>5.1</b>	<b>3.7</b>	<b>4.2</b>	<b>4.6</b>	<b>5.1</b>	<b>5.3</b>
	Crops	2.2	7.2	5.8	5.3	5.4	4.1	4.5	4.8	5.5	5.6
	<i>a.w. Cocoa</i>	-7.0	9.2	3.7	5.4	1.3	1.0	2.1	2.1	2.0	2.0
	Livestock	5.4	5.7	5.4	5.4	5.6	4.5	4.5	5.4	5.5	5.7
	Forestry and Logging	2.9	3.4	2.4	-1.7	3.1	0.0	2.0	2.1	2.1	2.1
	Fishing	3.1	-1.4	-6.8	1.7	2.2	0.5	1.6	2.0	2.1	2.5
<b>II</b>	<b>INDUSTRY</b>	<b>4.3</b>	<b>15.7</b>	<b>10.6</b>	<b>6.4</b>	<b>8.6</b>	<b>0.8</b>	<b>5.6</b>	<b>6.9</b>	<b>5.4</b>	<b>5.4</b>
	Mining and Quarrying	-0.2	30.8	23.3	12.6	10.1	0.7	7.0	9.1	5.2	5.1
	<i>a.w. Oil &amp; Gas</i>	-15.6	80.3	3.6	15.1	7.3	-7.7	10.8	13.7	11.2	0.0
	Manufacturing	7.9	9.5	4.1	6.3	6.8	0.5	4.5	5.0	5.5	6.0
	Electricity	-5.8	19.4	5.5	6.0	15.2	3.0	4.5	7.0	7.1	7.2
	Water and Sewerage	-11.8	6.1	-3.6	-4.4	4.1	1.6	1.7	1.8	2.0	2.0
	Construction	8.4	5.1	1.1	-4.4	7.4	1.0	4.5	5.0	5.5	5.0
<b>III</b>	<b>SERVICES</b>	<b>2.8</b>	<b>3.3</b>	<b>2.7</b>	<b>7.6</b>	<b>5.8</b>	<b>-0.8</b>	<b>3.9</b>	<b>5.3</b>	<b>5.5</b>	<b>5.5</b>
	Trade; Repair of Vehicles, Household Goods	-0.4	8.2	2.8	3.7	4.6	-3.2	4.0	6.0	6.0	5.9
	Hotels and Restaurants	2.3	7.6	3.2	6.0	4.0	-6.5	6.5	6.5	6.0	6.0
	Transport and Storage	1.1	8.9	1.1	4.3	5.1	-3.0	4.0	5.5	5.0	5.0
	Information and communication	5.6	4.2	13.1	46.5	5.9	5.0	5.7	6.0	6.0	6.2
	Financial and Insurance Activities	8.0	-17.7	-8.2	1.6	1.1	0.5	2.5	5.5	5.5	5.5
	Real Estate	3.2	3.8	-6.5	19.9	1.7	-2.5	2.0	4.0	4.0	4.5
	Professional, Administrative & Support Services	-4.2	2.9	0.3	5.1	2.5	0.5	2.0	2.5	4.0	5.0
	Public Administration & Defence; Social Security	8.9	4.2	4.3	3.7	7.9	2.0	2.1	2.5	5.1	5.2
	Education	2.3	6.3	3.9	9.4	5.5	2.0	3.0	5.7	5.0	5.0
	Health and Social Work	4.0	14.1	22.6	10.4	21.5	4.5	6.0	5.5	5.5	5.0
	Other Service Activities	-0.1	5.3	3.1	2.6	4.5	-1.5	1.5	1.5	4.5	4.5
<b>IV</b>	<b>GDP at basic prices</b>	<b>3.4</b>	<b>8.4</b>	<b>6.2</b>	<b>6.5</b>	<b>6.8</b>	<b>0.7</b>	<b>4.6</b>	<b>5.8</b>	<b>5.4</b>	<b>5.4</b>
	Net indirect Taxes	4.8	4.6	7.5	6.1	6.5	3.0	5.5	6.0	6.0	6.0
<b>V</b>	<b>GDP in purchasers' value</b>	<b>3.4</b>	<b>8.1</b>	<b>6.3</b>	<b>6.5</b>	<b>6.8</b>	<b>0.9</b>	<b>4.7</b>	<b>5.8</b>	<b>5.4</b>	<b>5.4</b>
	<i>a.w. Informal GDP at purchasers' value</i>	<b>2.7</b>	<b>6.1</b>	<b>2.6</b>	<b>5.9</b>	6.8	2.0	5.4	5.7	6.5	7.5
<b>VI</b>	<b>Non-Oil GDP</b>	<b>4.6</b>	<b>4.6</b>	<b>6.5</b>	<b>5.8</b>	<b>6.7</b>	<b>1.6</b>	<b>4.2</b>	<b>5.1</b>	<b>4.9</b>	<b>6.0</b>
	* Provisional										
	** Projection										

Source: MoF / GSS





## Appendix 1B: Gross Domestic Product (GDP) at Constant 2013 Prices by Economic Activity (GH¢ Million)

S/N	ITEMS	Provisional				2020**		Revised Medium Term Projection			
		2016*	2017*	2018*	2019*	Budget	Revised	2021**	2022**	2023**	2024**
<b>I</b>	<b>AGRICULTURE</b>	<b>26,862</b>	<b>28,503</b>	<b>29,878</b>	<b>31,266</b>	<b>33,419</b>	<b>32,434</b>	<b>33,799</b>	<b>35,362</b>	<b>37,181</b>	<b>39,145</b>
	Crops	18,228	19,535	20,678	21,773	23,342	22,666	23,685	24,822	26,188	27,654
	<i>o.w. Cocoa</i>	1,768	1,930	2,002	2,111	2,137	2,132	2,176	2,222	2,267	2,312
	Livestock	5,074	5,362	5,650	5,956	6,305	6,224	6,504	6,855	7,232	7,645
	Forestry and Logging	1,993	2,060	2,108	2,072	2,249	2,072	2,113	2,157	2,203	2,249
	Fishing	1,567	1,546	1,441	1,466	1,522	1,473	1,496	1,526	1,558	1,597
<b>II</b>	<b>INDUSTRY</b>	<b>45,990</b>	<b>53,191</b>	<b>58,809</b>	<b>62,560</b>	<b>69,483</b>	<b>63,047</b>	<b>66,566</b>	<b>71,143</b>	<b>74,966</b>	<b>79,010</b>
	Mining and Quarrying	15,366	20,092	24,776	27,898	30,857	28,090	30,056	32,789	34,491	36,257
	<i>o.w. Oil &amp; Gas</i>	6,255	11,279	11,680	13,447	15,058	12,411	13,752	15,636	17,387	17,387
	Manufacturing	15,829	17,336	18,054	19,195	20,574	19,291	20,159	21,167	22,332	23,671
	Electricity	1,491	1,780	1,879	1,991	2,318	2,051	2,143	2,293	2,456	2,633
	Water and Sewerage	724	768	741	708	798	719	732	745	760	775
	Construction	12,579	13,216	13,360	12,768	14,937	12,895	13,476	14,149	14,928	15,674
<b>III</b>	<b>SERVICES</b>	<b>54,014</b>	<b>55,776</b>	<b>57,295</b>	<b>61,644</b>	<b>63,876</b>	<b>61,134</b>	<b>63,525</b>	<b>66,891</b>	<b>70,543</b>	<b>74,400</b>
	Trade; Repair Of Vehicles, Household Go	13,393	14,492	14,892	15,436	16,372	14,943	15,540	16,473	17,461	18,491
	Hotels and Restaurants	4,946	5,324	5,494	5,824	5,982	5,446	5,800	6,177	6,547	6,940
	Transport and Storage	7,664	8,350	8,442	8,808	9,200	8,544	8,886	9,374	9,843	10,335
	Information and communication	2,875	2,995	3,388	4,964	3,753	5,212	5,509	5,840	6,190	6,574
	Financial and Insurance Activities	8,811	7,251	6,656	6,761	6,844	6,794	6,964	7,347	7,751	8,178
	Real Estate	1,215	1,261	1,179	1,413	1,231	1,378	1,406	1,462	1,520	1,589
	Professional, Administrative & Support S	1,673	1,721	1,725	1,813	1,813	1,822	1,859	1,905	1,981	2,080
	Public Administration & Defence; Social S	4,365	4,547	4,742	4,917	5,410	5,016	5,121	5,249	5,517	5,804
	Education	4,765	5,065	5,264	5,759	5,803	5,874	6,050	6,395	6,715	7,051
	Health and Social Work	2,666	3,042	3,728	4,117	5,489	4,302	4,560	4,811	5,075	5,329
	Other Service Activities	1,643	1,730	1,784	1,831	1,978	1,803	1,830	1,858	1,941	2,029
<b>IV</b>	<b>GDP at basic prices</b>	<b>126,866</b>	<b>137,471</b>	<b>145,981</b>	<b>155,469</b>	<b>166,778</b>	<b>156,615</b>	<b>163,890</b>	<b>173,395</b>	<b>182,690</b>	<b>192,555</b>
	Net indirect Taxes	7,620	7,967	8,567	9,090	9,786	9,363	9,878	10,471	11,099	11,765
<b>V</b>	<b>GDP in purchasers' value</b>	<b>134,486</b>	<b>145,438</b>	<b>154,548</b>	<b>164,560</b>	<b>176,564</b>	<b>165,978</b>	<b>173,768</b>	<b>183,866</b>	<b>193,790</b>	<b>204,320</b>
	<i>o.w. Informal GDP at purchasers' value</i>	39,156	41,562	42,648	45,156	51,204	46,059	48,545	51,318	54,637	58,717
<b>VI</b>	<b>Non-Oil GDP</b>	<b>128,232</b>	<b>134,160</b>	<b>142,867</b>	<b>151,113</b>	<b>161,506</b>	<b>153,567</b>	<b>160,017</b>	<b>168,231</b>	<b>176,403</b>	<b>186,933</b>

\* Provisional

\*\* Projection

Source: MoF / GSS



## Appendix 1C: Gross Domestic Product (GDP) at Current Market Prices by Economic Activity (GH¢ Million)

S/ N	ITEMS	Provisional				2020**		Revised Medium Term Projection			
		2016*	2017*	2018*	2019*	Budget	Revised	2021**	2022**	2023**	2024**
<b>I</b>	<b>AGRICULTURE</b>	<b>45,116</b>	<b>50,554</b>	<b>54,924</b>	<b>60,482</b>	<b>72,931</b>	<b>67,455</b>	<b>76,429</b>	<b>86,703</b>	<b>97,709</b>	<b>109,803</b>
	Crops	32,210	36,599	40,349	45,069	54,587	50,482	57,502	65,685	74,495	84,174
	<i>a.w. Cocoa</i>	3,834	4,186	4,342	4,417	5,021	4,755	5,205	5,686	6,177	6,697
	Livestock	6,524	7,100	7,528	8,050	9,619	9,026	10,187	11,489	12,872	14,422
	Forestry and Logging	3,542	4,055	4,239	4,329	5,177	4,662	5,112	5,532	5,959	6,401
	Fishing	2,841	2,800	2,808	3,035	3,549	3,285	3,628	3,996	4,382	4,806
<b>II</b>	<b>INDUSTRY</b>	<b>60,709</b>	<b>78,015</b>	<b>94,770</b>	<b>111,810</b>	<b>124,865</b>	<b>122,251</b>	<b>138,355</b>	<b>157,483</b>	<b>174,850</b>	<b>195,251</b>
	Mining and Quarrying	16,831	25,917	37,999	48,532	51,445	50,822	58,838	69,129	76,356	85,722
	<i>a.w. Oil &amp; Gas</i>	1,027	8,446	10,608	14,848	15,843	9,045	10,724	13,046	15,378	16,301
	Manufacturing	23,922	26,860	31,441	36,474	40,257	41,899	46,411	51,168	56,682	62,786
	Electricity	3,486	4,390	4,178	4,333	5,901	4,851	5,424	6,181	7,017	7,936
	Water and Sewerage	1,305	1,415	1,470	1,458	1,780	1,610	1,739	1,859	1,987	2,118
	Construction	15,165	19,433	19,683	21,013	25,483	23,070	25,942	29,146	32,809	36,689
<b>III</b>	<b>SERVICES</b>	<b>92,680</b>	<b>109,698</b>	<b>129,279</b>	<b>154,270</b>	<b>169,818</b>	<b>169,375</b>	<b>190,574</b>	<b>215,559</b>	<b>242,013</b>	<b>270,569</b>
	Trade; Repair Of Vehides, Household Goods	27,891	33,383	42,267	50,824	53,199	54,118	60,222	67,665	75,312	83,344
	Hotels and Restaurants	7,261	9,254	10,580	12,211	13,437	12,433	14,300	16,372	18,587	21,081
	Transport and Storage	13,118	17,109	20,858	23,278	30,064	26,418	30,222	35,073	39,773	44,894
	Information and Communication	4,305	5,040	6,790	9,794	8,970	11,363	13,116	15,154	17,349	19,806
	Financial and Insurance activities	13,519	12,018	11,752	12,788	13,577	14,009	15,220	17,021	19,035	21,086
	Real Estate	3,470	5,563	6,113	8,790	7,862	9,513	10,673	12,099	13,464	15,055
	Professional, Administrative & Support Service a	3,115	3,679	4,133	4,840	5,065	5,399	6,002	6,614	7,360	8,230
	Public Administration & Defence; Social Security	6,502	7,846	9,247	10,829	12,305	12,371	13,767	15,099	16,980	19,132
	Education	6,898	8,046	8,880	10,712	11,420	12,129	13,742	15,542	17,380	19,343
	Health and Social Work	3,977	4,934	5,803	6,996	10,227	8,115	9,463	10,782	12,171	13,546
	Other Service Activities	2,625	2,826	2,856	3,208	3,693	3,507	3,845	4,137	4,604	5,052
<b>IV</b>	<b>GDP at basic prices</b>	<b>198,505</b>	<b>238,267</b>	<b>278,973</b>	<b>326,562</b>	<b>367,615</b>	<b>359,081</b>	<b>405,357</b>	<b>459,745</b>	<b>514,573</b>	<b>575,623</b>
	Net indirect Taxes	16,572	18,404	21,623	22,918	30,434	26,297	30,795	35,907	41,677	47,712
<b>V</b>	<b>GDP in purchasers' value</b>	<b>215,077</b>	<b>256,671</b>	<b>300,596</b>	<b>349,480</b>	<b>398,048</b>	<b>385,378</b>	<b>436,152</b>	<b>495,652</b>	<b>556,250</b>	<b>623,335</b>
	<i>a.w. Informal GDP at purchasers' value</i>	64,457	73,325	81,254	92,469	113,788	101,864	115,951	131,768	150,532	173,097
<b>VI</b>	<b>Non-Oil GDP</b>	<b>214,050</b>	<b>248,226</b>	<b>289,988</b>	<b>334,632</b>	<b>382,205</b>	<b>376,333</b>	<b>425,428</b>	<b>482,606</b>	<b>540,872</b>	<b>607,034</b>

\* Provisional

\*\* Projection

**Source: MoF / GSS**

## Appendix 2A: Summary of Central Government Operations - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Prov. Outturn
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>58,904,864,627</b>	<b>58,896,530,230</b>	<b>53,379,610,097</b>
(per cent of GDP)	17.1	17.0	15.3
<b>Domestic Revenue</b>	<b>57,794,999,111</b>	<b>57,786,664,714</b>	<b>52,393,486,520</b>
<b>Tax Revenue</b>	<b>45,270,182,441</b>	<b>45,639,400,381</b>	<b>42,774,600,946</b>
<b>Taxes on Income and Property</b>	<b>22,185,213,574</b>	<b>22,674,406,995</b>	<b>22,683,103,950</b>
Company Taxes	9,355,351,264	10,071,708,335	10,567,406,385
Company Taxes on Oil	1,254,227,042	1,363,672,689	925,647,652
Other Direct Taxes	11,575,635,267	11,239,025,971	11,190,049,913
<b>Taxes on Domestic Goods and Services</b>	<b>18,239,662,132</b>	<b>18,639,899,287</b>	<b>17,151,664,590</b>
Excises	4,102,159,266	4,232,887,252	3,919,202,990
VAT	9,923,592,866	9,916,121,274	9,330,102,895
National Health Insurance Levy (NHIL)	1,895,100,000	1,983,220,000	1,745,212,320
GETFund Levy	1,895,100,000	1,983,220,000	1,744,809,504
Communication Service Tax	423,710,000	524,450,761	412,336,881
<b>International Trade Taxes</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>5,410,014,397</b>
Import Duties	7,417,793,264	6,355,888,233	5,410,014,397
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-2,030,794,133</b>	<b>-2,470,181,990</b>
<b>Social Contributions</b>	<b>485,914,749</b>	<b>494,172,112</b>	<b>153,254,626</b>
SSNIT Contribution to NHIL	485,914,749	494,172,112	153,254,626
<b>Non-tax revenue</b>	<b>9,570,346,634</b>	<b>9,021,646,319</b>	<b>7,567,576,168</b>
<b>Other Revenue</b>	<b>2,468,555,287</b>	<b>2,631,445,901</b>	<b>1,898,054,780</b>
<b>Grants</b>	<b>1,109,865,516</b>	<b>1,109,865,516</b>	<b>986,123,576</b>
Project Grants	1,052,145,516	1,052,145,516	986,123,576
Programme Grants	57,720,000	57,720,000	0
<b>II. EXPENDITURE</b>	<b>73,440,768,495</b>	<b>74,611,705,498</b>	<b>70,271,453,480</b>
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>67,856,108,798</b>
(percent of GDP)	21.1	21.4	19.4
Compensation of Employees	22,837,993,208	22,837,993,208	22,219,027,550
Wages & Salaries	19,436,589,964	19,766,884,488	19,479,340,650
(percent of GDP)	5.6	5.7	5.6
Social Contributions	3,401,403,244	3,071,108,720	2,739,686,900
Use of Goods and Services	6,333,414,987	6,938,414,987	6,169,604,335
Interest Payments	<b>18,645,707,469</b>	<b>19,598,376,427</b>	<b>19,769,256,894</b>
Domestic	14,504,883,697	15,024,773,450	15,209,469,023
External	4,140,823,772	4,573,602,978	4,559,787,871
Subsidies	180,260,489	180,260,489	124,235,839
Grants to Other Government Units	13,798,464,237	14,034,246,741	11,423,598,231
Social Benefits	95,616,060	130,076,360	100,492,956
Other Expenditure	2,288,294,797	2,451,185,411	1,898,054,780
Capital Expenditure	<b>8,531,017,247</b>	<b>7,711,151,874</b>	<b>6,151,838,213</b>
Domestic Financed	3,222,211,330	3,617,211,329	2,528,504,333
Foreign Financed	5,308,805,917	4,093,940,544	3,623,333,880
<b>Overall Balance (Commitment)</b>	<b>-13,805,903,869</b>	<b>-14,985,175,268</b>	<b>-14,476,498,702</b>
(percent of GDP)	-4.0	-4.3	-4.1
Arrears clearance (net change)	-730,000,000	-730,000,000	-730,000,000
<b>Overall Balance (Cash)</b>	<b>-14,535,903,869</b>	<b>-15,715,175,268</b>	<b>-15,206,498,702</b>
(percent of GDP)	-4.2	-4.5	-4.4
Discrepancy	0	0	-1,685,344,681
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-14,535,903,869</b>	<b>-15,715,175,268</b>	<b>-16,891,843,383</b>



## Appendix 2A: Summary of Central Government Operations - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Prov. Outturn
<b>Financing</b>	<b>14,535,903,869</b>	<b>15,715,175,268</b>	<b>16,891,843,383</b>
<b>Foreign (net)</b>	<b>9,748,095,294</b>	<b>8,237,868,249</b>	<b>5,041,082,481</b>
Borrowing	15,079,160,401	18,768,352,279	16,283,767,555
Project Loans	4,256,660,401	3,041,795,028	2,637,210,304
Programme Loans	1,202,500,000	2,080,000,000	0
Sovereign Bond	9,620,000,000	13,646,557,251	13,646,557,251
Amortisation (due)	-5,331,065,107	-10,530,484,030	-11,242,685,074
<b>Domestic (net)</b>	<b>4,401,784,840</b>	<b>7,011,254,058</b>	<b>13,087,154,949</b>
Banking	2,665,403,798	2,871,345,972	2,787,726,993
Comm. Banks	2,665,403,798	2,871,345,972	8,677,400,211
Non-banks	1,736,381,042	3,390,979,834	10,299,427,956
Other Domestic	0	748,928,252	0
<b>Other Financing</b>	<b>1,418,950,463</b>	<b>1,535,950,463</b>	<b>-92,434,316</b>
Other Programme Financing	1,443,000,000	1,560,000,000	0
Other Domestic Financing	-24,049,537	-24,049,537	-92,434,316
<b>Ghana Petroleum Funds</b>	<b>-309,878,019</b>	<b>-320,969,251</b>	<b>-147,954,743</b>
Transfer to Ghana Petroleum Funds	-1,032,926,729	-1,069,897,503	-964,976,921
o/w Stabilisation Fund	-723,048,710	-748,928,252	-609,634,546
o/w Heritage Fund	-309,878,019	-320,969,251	-355,342,375
Transfer from Stabilisation Fund	723,048,710	748,928,252	817,022,178
<b>Sinking Fund</b>	<b>-723,048,710</b>	<b>-748,928,252</b>	<b>-996,004,987</b>
<b>Memorandum items</b>			
Domestic Revenue	57,794,999,111	57,786,664,714	52,393,486,520
(percent of GDP)	16.8	16.7	15.0
Domestic expenditure	48,756,255,109	50,189,388,526	46,148,862,706
(percent of GDP)	14.2	14.5	13.2
Domestic Primary Balance	9,038,744,002	7,597,276,188	6,244,623,814
(percent of GDP)	2.6	2.2	1.8
Primary Balance	4,109,803,601	3,883,201,160	2,877,413,511
(percent of GDP)	1.2	1.1	0.8
Non-oil Primary Balance	-1,319,754,722	-1,791,558,656	-2,010,561,081
(percent of GDP)	-0.4	-0.5	-0.6
Overall Balance (cash, discrepancy)	-14,535,903,869	-15,715,175,268	-16,891,843,383
(percent of GDP)	-4.2	-4.5	-4.8
Overall Balance (cash, discrepancy, incl. bailout & Bank Capitalisation)	-14,535,903,869	-15,715,175,268	-20,106,843,383
(percent of GDP)	-4.2	-4.5	-5.8
Oil Revenue	5,429,558,322	5,674,759,815	4,887,974,592
(percent of GDP)	1.6	1.6	1.4
Non-Oil Revenue and Grants	53,475,306,305	53,221,770,415	48,491,635,505
(percent of GDP)	15.5	15.4	13.9
Benchmark Oil Revenue	3,443,089,096	3,566,325,009	3,948,248,616
(percent of GDP)	1.0	1.0	1.1
Annual Budget Funding Amount (ABFA)	2,410,162,367	2,496,427,506	2,763,774,032
(percent of GDP)	0.7	0.7	0.8
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>349,480,413,209</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>334,632,242,800</b>

Source: MoF



## Appendix 2B: Economic Classification of Central Gov't Revenue - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Prov. Outturn
<b>TAX REVENUE</b>	<b>45,270,182,441</b>	<b>45,639,400,381</b>	<b>42,774,600,946</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>22,185,213,574</b>	<b>22,674,406,995</b>	<b>22,683,103,950</b>
Personal	7,586,460,731	7,544,135,133	7,313,111,080
Self Employed	479,866,800	440,974,390	421,057,510
Companies	9,355,351,264	10,071,708,335	10,567,406,385
Company Taxes on Oil	1,254,227,042	1,363,672,689	925,647,652
Others	3,509,307,737	3,253,916,448	3,455,881,324
Other Direct Taxes	2,602,157,737	2,393,718,462	2,594,490,038
o/w Royalties from Oil	1,141,179,871	1,177,763,307	1,251,724,946
o/w Mineral Royalties	1,027,207,866	803,955,155	1,056,656,418
National Fiscal Stabilisation Levy	339,540,000	290,895,626	340,050,176
Airport Tax	567,610,000	569,302,360	521,341,110
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>18,239,662,132</b>	<b>18,639,899,287</b>	<b>17,151,664,590</b>
<b>Excises</b>	<b>4,102,159,266</b>	<b>4,232,887,252</b>	<b>3,919,202,990</b>
Excise Duty	632,199,266	554,574,579	387,199,868
Petroleum Tax	3,469,960,000	3,678,312,673	3,532,003,122
o/w Energy Fund levy	35,728,537	40,351,088	38,623,776
o/w Road Fund levy	1,514,235,492	1,599,717,414	1,540,880,080
<b>VAT</b>	<b>9,923,592,866</b>	<b>9,916,121,274</b>	<b>9,330,102,895</b>
Domestic	4,894,030,000	5,176,813,736	5,208,723,933
External	5,029,562,866	4,739,307,537	4,121,378,962
<b>National Health Insurance Levy (NHIL)</b>	<b>1,895,100,000</b>	<b>1,983,220,000</b>	<b>1,745,212,320</b>
Customs Collection	959,560,000	947,860,000	714,714,969
Domestic Collection	935,540,000	1,035,360,000	1,030,497,351
<b>GETFund Levy</b>	<b>1,895,100,000</b>	<b>1,983,220,000</b>	<b>1,744,809,504</b>
Customs Collection	959,560,000	947,860,000	714,312,153
Domestic Collection	935,540,000	1,035,360,000	1,030,497,351
<b>Communication Service Tax</b>	<b>423,710,000</b>	<b>524,450,761</b>	<b>412,336,881</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>5,410,014,397</b>
<b>Imports</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>5,410,014,397</b>
Import Duty	7,417,793,264	6,355,888,233	5,410,014,397
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-2,030,794,133</b>	<b>-2,470,181,990</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>485,914,749</b>	<b>494,172,112</b>	<b>153,254,626</b>
SSNIT Contribution to NHIL	485,914,749	494,172,112	153,254,626
<b>NON-TAX REVENUE</b>	<b>9,570,346,634</b>	<b>9,021,646,319</b>	<b>7,567,576,168</b>
Retention	4,426,573,220	4,326,712,206	3,952,691,556
Lodgement	5,143,773,414	4,694,934,113	3,614,884,612
Fees & Charges	674,226,027	624,210,000	622,984,267
Dividend/Interest & Profits (Others)	85,073,121	85,073,121	105,874,914
Dividend/Interest & Profits from Oil	3,028,460,719	3,127,433,773	2,691,135,522
Surface Rentals from Oil/PHF Interest	5,690,690	5,890,046	19,466,472
Gas Receipts	0	0	0
Taxes on Property	150,000,000	0	0
Licences	0	520,000,000	0
Luxury Vehicle Levy/Environmental Levy	598,125,000	52,327,174	60,775,439
Fees from Mineral Exports	320,000,000	160,000,000	0
Yield from Capping Policy	282,197,857	120,000,000	114,647,998
<b>OTHER REVENUE</b>	<b>2,468,555,287</b>	<b>2,631,445,901</b>	<b>1,898,054,780</b>
ESLA Proceeds	2,468,555,287	2,631,445,901	1,898,054,780
Energy Debt Recovery Levy	1,609,992,238	1,710,674,939	1,664,910,291
Public Lighting Levy	247,660,997	247,660,997	63,286,683
National Electrification Scheme Levy	160,250,828	160,250,828	44,481,833
Price Stabilisation & Recovery Levy	450,651,223	512,859,136	125,375,973
<b>DOMESTIC REVENUE</b>	<b>57,794,999,111</b>	<b>57,786,664,714</b>	<b>52,393,486,520</b>
<b>GRANTS</b>	<b>1,109,865,516</b>	<b>1,109,865,516</b>	<b>986,123,576</b>
Project Grants	1,052,145,516	1,052,145,516	986,123,576
Programme Grants	57,720,000	57,720,000	0
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>58,904,864,627</b>	<b>58,896,530,230</b>	<b>53,379,610,097</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.4	6.6	6.5
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.0	6.1	6.2
Taxes on Goods and Services (% of GDP)	5.3	5.4	4.9
Taxes on International Trade (% of GDP)	2.2	1.8	1.5
Tax Revenue (% of GDP)	13.1	13.2	12.2
Non-Oil Tax Revenue (% of non-oil GDP)	13.1	13.0	12.2
Non-Oil Tax Revenue (% of GDP)	12.4	12.5	11.6
Non-Tax Revenue (% of GDP)	2.8	2.6	2.2
Domestic Revenue (% of GDP)	16.8	16.7	15.0
Non-Oil Domestic Revenue	16.0	15.7	14.3
Grants (% of GDP)	0.3	0.3	1.4
Total Revenue and Grants	17.1	17.0	15.3
Non-Oil Tax Revenue (Gross)	45,447,262,057.7	45,128,758,518.2	43,067,410,338.3
Non-Oil Tax Revenue (Net)	42,874,775,528.4	43,097,964,384.9	40,597,228,348.1
Non-oil Taxes on Income and Property	19,789,806,661.1	20,132,970,998.6	20,505,731,351.6
Import Exemptions	2,814,595,200	2,814,595,200	2,209,070,611
Benchmark Oil Revenue	3,443,089,096	3,566,325,009	3,948,248,616
<b>Nominal GDP (rebased)</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>349,480,413,209</b>
<b>Non-Oil Nominal GDP (rebased)</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>334,632,242,800</b>

Source: MoF



## Appendix 2C: Economic Classification of Central Gov't Expenditure - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Prov. Outturn
<b>Compensation of Employees</b>	<b>22,837,993,208</b>	<b>22,837,993,208</b>	<b>22,219,027,550</b>
Wages & Salaries	19,436,589,964	19,766,884,488	19,479,340,650
Social Contributions	3,401,403,244	3,071,108,720	2,739,686,900
Pensions	1,243,941,758	1,063,420,083	1,037,631,578
Gratuities	388,731,799	238,958,950	246,573,485
Social Security	1,768,729,687	1,768,729,687	1,455,481,837
<b>Use of Goods and Services</b>	<b>6,333,414,987</b>	<b>6,938,414,987</b>	<b>6,169,604,335</b>
o/w ABFA	723,048,710	748,928,252	573,765,918
<b>Interest Payments</b>	<b>18,645,707,469</b>	<b>19,598,376,427</b>	<b>19,769,256,894</b>
Domestic	14,504,883,697	15,024,773,450	15,209,469,023
External (Due)	4,140,823,772	4,573,602,978	4,559,787,871
<b>Subsidies</b>	<b>180,260,489</b>	<b>180,260,489</b>	<b>124,235,839</b>
Subsidies on Petroleum products	180,260,489	180,260,489	124,235,839
<b>Grants to Other Government Units</b>	<b>13,798,464,237</b>	<b>14,034,246,741</b>	<b>11,423,598,231</b>
National Health Fund (NHF)	1,692,678,294	1,724,946,052	1,316,888,851
Education Trust Fund	1,206,763,545	1,230,773,940	919,924,002
Road Fund	964,236,288	1,104,052,410	899,239,239
Petroleum Related Funds/Energy Fund	22,751,251	25,041,633	15,874,726
Dist. Ass. Common Fund	2,079,426,613	2,090,251,273	1,606,107,942
Retention of Internally-generated funds (IGFs)	4,426,573,220	4,326,712,206	3,952,691,556
Transfer to the National Oil Company from Oil Revenue	1,264,945,726	1,308,481,466	939,725,975
<b>Other Earmarked Funds</b>	<b>2,141,089,300</b>	<b>2,223,987,762</b>	<b>1,773,145,939</b>
Youth Employment Agency	215,848,359	260,376,692	165,816,094
Student's Loan Trust	2,698,104	3,254,709	850,661
Ghana EXIM Bank Ltd	224,035,069	327,510,036	87,990,505
Ghana Airport Company Ltd.	361,443,225	353,305,487	521,341,110
Mineral Development Fund	130,821,277	99,785,909	89,335,884
GRA Retention	1,206,243,266	1,179,754,929	907,811,686
<b>Social Benefits</b>	<b>95,616,060</b>	<b>130,076,360</b>	<b>100,492,956</b>
Lifeline Consumers of Electricity	95,616,060	130,076,360	100,492,956
<b>Other Expenditure</b>	<b>2,288,294,797</b>	<b>2,451,185,411</b>	<b>1,898,054,780</b>
ESLA Transfers	2,288,294,797	2,451,185,411	1,898,054,780
<b>Capital Expenditure</b>	<b>8,531,017,247</b>	<b>7,711,151,874</b>	<b>6,151,838,213</b>
<b>Domestic financed</b>	<b>3,222,211,330</b>	<b>3,617,211,329</b>	<b>2,528,504,333</b>
o/w ABFA	1,265,335,243	1,747,499,254	414,178,702
<b>Foreign financed</b>	<b>5,308,805,917</b>	<b>4,093,940,544</b>	<b>3,623,333,880</b>
<b>TOTAL EXPENDITURE</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>67,856,108,798</b>
<b>APPROPRIATION</b>	<b>78,771,833,602</b>	<b>85,142,189,528</b>	<b>79,828,793,872</b>
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>67,856,108,798</b>
<b>Arrears Clearance (net change)</b>	<b>730,000,000</b>	<b>730,000,000</b>	<b>730,000,000</b>
<b>Amortisation</b>	<b>5,331,065,107</b>	<b>10,530,484,030</b>	<b>11,242,685,074</b>
<i>Memorandum items:</i>			
Compensation of Employees	6.6	6.6	6.4
Wage and Salaries	5.6	5.7	5.6
Wage and Salaries (% of Tax Revenue)	42.9	43.3	45.5
Goods and Services	1.8	2.0	1.8
Interest Payments	5.4	5.7	5.7
Interest Payments (% of non-oil Tax Revenue)	43.5	45.5	48.7
Subsidies	0.1	0.1	0.0
Recurrent Expenditure	16.4	16.8	15.9
Capital Expenditure	2.5	2.2	1.8
Total Capital Expenditure (including those under Grants to other G	4.1	3.9	3.0
Total Expenditure	21.1	21.4	19.4
<b>Total Capital Exp (incl those under Grants to other Gov't U</b>	<b>12,961,515,986</b>	<b>12,318,032,451</b>	<b>9,656,535,721</b>
<b>Annual Budget Funding Amount (ABFA)</b>	<b>2,410,162,367</b>	<b>2,496,427,506</b>	<b>2,763,774,032</b>
<b>Benchmark Oil Revenue</b>	<b>3,443,089,096</b>	<b>3,566,325,009</b>	<b>3,948,248,616</b>
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>349,480,413,209</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>334,632,242,800</b>

Source: MoF



## Appendix 3A: Summary of Central Government Operations - 2020

In GH¢ unless otherwise stated	2020 Budget	2020 Revised Budget	2020 Adjustment
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>67,071,159,908</b>	<b>53,666,501,089</b>	<b>-13,404,658,819</b>
(per cent of GDP)	16.9	13.9	-2.9
<b>Domestic Revenue</b>	<b>65,831,114,820</b>	<b>52,443,164,623</b>	<b>-13,387,950,197</b>
<b>Tax Revenue</b>	<b>49,247,704,677</b>	<b>42,331,692,489</b>	<b>-6,916,012,188</b>
<b>Taxes on Income and Property</b>	<b>26,603,389,006</b>	<b>23,768,768,489</b>	<b>-2,834,620,517</b>
Company Taxes	11,169,949,780	11,113,290,000	-56,659,780
Company Taxes on Oil	2,812,090,497	776,591,364	-2,035,499,133
Other Direct Taxes	12,621,348,729	11,878,887,124	-742,461,605
<b>Taxes on Domestic Goods and Services</b>	<b>19,102,341,082</b>	<b>15,901,650,000</b>	<b>-3,200,691,082</b>
Excises	4,488,873,266	3,838,180,000	-650,693,266
VAT	10,158,295,416	8,287,160,000	-1,871,135,416
National Health Insurance Levy (NHIL)	2,009,316,200	1,610,420,000	-398,896,200
GETFund Levy	2,009,316,200	1,630,090,000	-379,226,200
Communication Service Tax	436,540,000	535,800,000	99,260,000
<b>International Trade Taxes</b>	<b>5,810,164,200</b>	<b>4,714,210,000</b>	<b>-1,095,954,200</b>
Import Duties	5,810,164,200	4,714,210,000	-1,095,954,200
<b>Tax Refunds</b>	<b>-2,268,189,611</b>	<b>-2,052,936,000</b>	<b>215,253,611</b>
<b>Social Contributions</b>	<b>572,938,602</b>	<b>596,289,955</b>	<b>23,351,353</b>
SSNIT Contribution to NHIL	572,938,602	596,289,955	23,351,353
<b>Non-tax revenue</b>	<b>13,134,343,440</b>	<b>6,735,564,078</b>	<b>-6,398,779,362</b>
<b>Other Revenue</b>	<b>2,876,128,101</b>	<b>2,779,618,101</b>	<b>-96,510,000</b>
<b>Grants</b>	<b>1,240,045,088</b>	<b>1,223,336,466</b>	<b>-16,708,622</b>
Project Grants	1,139,097,622	719,336,466	-419,761,156
Programme Grants	100,947,466	504,000,000	403,052,534
<b>II. EXPENDITURE</b>	<b>85,952,090,340</b>	<b>97,740,370,934</b>	<b>11,788,280,594</b>
<b>Total Expenditure</b>	<b>84,508,862,873</b>	<b>96,297,143,468</b>	<b>11,788,280,595</b>
(percent of GDP)	21.2	25.0	3.8
Compensation of Employees	26,565,153,899	27,061,783,898	496,630,000
Wages & Salaries	22,917,544,093	23,851,598,208	934,054,115
(percent of GDP)	5.8	6.2	0.4
Social Contributions	3,647,609,805	3,210,185,690	-437,424,115
Use of Goods and Services	8,330,827,244	7,743,573,689	-587,253,555
Interest Payments	<b>21,691,482,220</b>	<b>26,268,279,691</b>	<b>4,576,797,471</b>
Domestic	16,557,622,240	21,134,419,711	4,576,797,471
External	5,133,859,980	5,133,859,980	0
Subsidies	229,332,274	229,332,274	0
Grants to Other Government Units	15,635,154,175	11,805,140,463	-3,830,013,712
Social Benefits	150,076,365	150,076,365	0
Other Expenditure	2,646,795,827	13,712,285,827	11,065,490,000
ESLA Transfers	2,646,795,827	2,550,285,827	-96,510,000
Covid-19 Related Expenditures	0	11,162,000,000	11,162,000,000
Capital Expenditure	<b>9,260,040,870</b>	<b>9,326,671,261</b>	<b>66,630,391</b>
Domestic Financed	3,775,538,534	3,624,415,191	-151,123,343
Foreign Financed	5,484,502,336	5,702,256,070	217,753,734
<b>Overall Balance (Commitment)</b>	<b>-17,437,702,965</b>	<b>-42,630,642,379</b>	<b>-25,192,939,414</b>
(percent of GDP)	-4.4	-11.1	-6.7
Arrears clearance (net change)	-1,443,227,466	-1,443,227,466	0
<b>Overall Balance (Cash)</b>	<b>-18,880,930,431</b>	<b>-44,073,869,845</b>	<b>-25,192,939,414</b>
(percent of GDP)	-4.7	-11.4	-6.7
Discrepancy	0	0	0
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-18,880,930,431</b>	<b>-44,073,869,845</b>	<b>-25,192,939,414</b>



## Appendix 3A: Summary of Central Government Operations - 2020

In GH¢ unless otherwise stated	2020 Budget	2020 Revised Budget	2020 Adjustment
<b>Financing</b>	<b>18,880,930,431</b>	<b>44,073,869,845</b>	<b>25,192,939,414</b>
<b>Foreign (net)</b>	<b>10,619,255,967</b>	<b>18,461,970,615</b>	<b>7,842,714,648</b>
Borrowing	22,703,857,986	30,654,769,604	7,950,911,619
Project Loans	4,345,404,715	4,982,919,604	637,514,890
Programme Loans	1,202,500,000	8,286,850,000	7,084,350,000
o/w IMF RCF	0	5,852,950,000	5,852,950,000
o/w World Bank DPO	0	2,028,250,000	2,028,250,000
o/w AFDB	0	405,650,000	405,650,000
Sovereign Bond	17,155,953,271	17,385,000,000	229,046,729
Amortisation (due)	-12,084,602,019	-12,192,798,990	-108,196,971
<b>Domestic (net)</b>	<b>15,849,013,547</b>	<b>32,127,019,419</b>	<b>16,278,005,872</b>
Banking	10,395,403,851	19,234,556,753	8,839,152,902
Bank of Ghana	0	10,000,000,000	10,000,000,000
Comm. Banks	10,395,403,851	9,234,556,753	-1,160,847,098
Non-banks	4,152,754,901	11,191,885,334	7,039,130,433
Other Domestic	1,300,854,795	1,700,577,332	399,722,537
o/w from Ghana Stabilisation & Heritage Funds	1,300,854,795	1,700,577,332	399,722,537
<b>Other Financing</b>	<b>-10,324,000</b>	<b>-10,324,000</b>	<b>0</b>
Other Programme Financing	0	0	0
Other Domestic Financing	-10,324,000	-10,324,000	0
<b>Ghana Petroleum Funds</b>	<b>-557,509,198</b>	<b>990,781,143</b>	<b>1,548,290,341</b>
Transfer to Ghana Petroleum Funds	-1,858,363,993	-709,796,188	1,148,567,804
o/w Stabilisation Fund	-1,300,854,795	-496,857,332	803,997,463
o/w Heritage Fund	-557,509,198	-212,938,857	344,570,341
Net Transfer from Ghana Stabilisation & Heritage Funds	1,300,854,795	1,700,577,332	399,722,537
<b>Sinking Fund</b>	<b>-7,019,505,885</b>	<b>-6,291,857,332</b>	<b>727,648,553</b>
<b>Contingency Fund</b>	<b>0</b>	<b>-1,203,720,000</b>	<b>-1,203,720,000</b>
<b>Memorandum items</b>			
Domestic Revenue	65,831,114,820	52,443,164,623	-13,387,950,197
(percent of GDP)	16.5	13.6	-2.9
Domestic expenditure	57,332,878,317	64,326,607,706	6,993,729,389
(percent of GDP)	14.4	16.7	2.3
Domestic Primary Balance	8,498,236,503	-11,883,443,083	-20,381,679,587
(percent of GDP)	2.1	-3.1	-5.2
Primary Balance	2,810,551,789	-17,805,590,154	-20,616,141,943
(percent of GDP)	0.7	-4.6	-5.3
Non-oil Primary Balance	-6,121,621,357	-21,632,892,252	-15,511,270,894
(percent of GDP)	-1.6	-5.7	-4.1
Overall Balance (cash, discrepancy, excl. energy sector payments)	-18,880,930,431	-44,073,869,845	-25,192,939,414
(percent of GDP)	-4.7	-11.4	-6.7
Overall Balance (cash, discrepancy, incl. finsec bailout & energy sector payments)	0.0	-52,497,869,845	-52,497,869,845
(percent of GDP)	0.0	-13.6	-13.6
Overall Balance (cash, discrepancy, excl. energy sector payments)		-44,073,869,845	-44,073,869,845
(percent of GDP)		-11.4	-11.4
Oil Revenue	8,932,173,146	3,827,302,097	-5,104,871,048
(percent of GDP)	2.2	1.0	-1.3
Non-Oil Revenue and Grants	58,138,986,763	49,839,198,992	-8,299,787,771
(percent of GDP)	14.6	12.9	-1.7
Benchmark Oil Revenue	6,194,546,642	2,365,987,295	-3,828,559,347
(percent of GDP)	1.6	0.6	-0.9
Annual Budget Funding Amount (ABFA)	4,336,182,649	1,656,191,106	-2,679,991,543
(percent of GDP)	1.1	0.4	-0.7
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>-12,670,192,353</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>-5,872,511,610</b>

Source: MoF





## Appendix 3B: Economic Classification of Central Gov't Revenue - 2020

In GH¢ unless otherwise stated	2020 Budget	2020 Revised Budget	2020 Adjustment
<b>I. REVENUES</b>			
<b>TAX REVENUE</b>	<b>49,247,704,677</b>	<b>42,331,692,489</b>	<b>-6,916,012,188</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>26,603,389,006</b>	<b>23,768,768,489</b>	<b>-2,834,620,517</b>
Personal	8,312,379,196	8,651,430,000	339,050,804
Self Employed	481,385,401	360,920,000	-120,465,401
Companies	11,169,949,780	11,113,290,000	-56,659,780
Company Taxes on Oil	2,812,090,497	776,591,364	-2,035,499,133
Others	3,827,584,132	2,866,537,124	-961,047,008
Other Direct Taxes	2,851,243,568	2,256,407,124	-594,836,444
o/w Royalties from Oil	1,449,853,568	838,537,124	-611,316,444
o/w Mineral Royalties	1,052,210,000	1,003,630,000	-48,580,000
National Fiscal Stabilisation Levy	420,110,000	296,010,000	-124,100,000
Airport Tax	556,230,564	314,120,000	-242,110,564
<b>TAXES ON DOMESTIC GOODS AND SERVICE</b>	<b>19,102,341,082</b>	<b>15,901,650,000</b>	<b>-3,200,691,082</b>
<b>Excises</b>	<b>4,488,873,266</b>	<b>3,838,180,000</b>	<b>-650,693,266</b>
Excise Duty	425,423,266	333,510,000	-91,913,266
Petroleum Tax	4,063,450,000	3,504,670,000	-558,780,000
o/w Energy Fund levy	41,488,113	41,488,113	0
o/w Road Fund levy	1,659,524,523	1,659,524,523	0
<b>VAT</b>	<b>10,158,295,416</b>	<b>8,287,160,000</b>	<b>-1,871,135,416</b>
Domestic	6,022,089,316	5,043,350,000	-978,739,316
External	4,136,206,100	3,243,810,000	-892,396,100
<b>National Health Insurance Levy (NHIL)</b>	<b>2,009,316,200</b>	<b>1,610,420,000</b>	<b>-398,896,200</b>
Customs Collection	806,913,900	619,250,000	-187,663,900
Domestic Collection	1,202,402,300	991,170,000	-211,232,300
<b>GETFund Levy</b>	<b>2,009,316,200</b>	<b>1,630,090,000</b>	<b>-379,226,200</b>
Customs Collection	806,913,900	638,920,000	-167,993,900
Domestic Collection	1,202,402,300	991,170,000	-211,232,300
<b>Communication Service Tax</b>	<b>436,540,000</b>	<b>535,800,000</b>	<b>99,260,000</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>5,810,164,200</b>	<b>4,714,210,000</b>	<b>-1,095,954,200</b>
<b>Imports</b>	<b>5,810,164,200</b>	<b>4,714,210,000</b>	<b>-1,095,954,200</b>
Import Duty	5,810,164,200	4,714,210,000	-1,095,954,200
<b>Tax Refunds</b>	<b>-2,268,189,611</b>	<b>-2,052,936,000</b>	<b>215,253,611</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>572,938,602</b>	<b>596,289,955</b>	<b>23,351,353</b>
SSNIT Contribution to NHIL	572,938,602	596,289,955	23,351,353
<b>NON-TAX REVENUE</b>	<b>13,134,343,440</b>	<b>6,735,564,078</b>	<b>-6,398,779,362</b>
Retention	4,990,171,580	2,858,988,827	-2,131,182,753
Lodgement	8,144,171,860	3,876,575,251	-4,267,596,609
Fees & Charges	1,087,864,465	437,267,769	-650,596,696
Dividend/Interest & Profits (Others)	290,940,539	90,940,000	-200,000,539
Dividend/Interest & Profits from Oil	4,661,185,033	2,204,345,313	-2,456,839,720
Surface Rentals from Oil/PHF Interest	9,044,048	7,828,295	-1,215,752
Gas Receipts	0	0	0
NLA & NCA (IITT Proceeds)		70,061,321	70,061,321
Licences	548,800,000	274,800,000	-274,000,000
Other Income	1,372,000,000	686,000,000	-686,000,000
Yield from Capping Policy	174,337,776	105,332,552	-69,005,224
<b>OTHER REVENUE</b>	<b>2,876,128,101</b>	<b>2,779,618,101</b>	<b>-96,510,000</b>
ESLA Proceeds	2,876,128,101	2,779,618,101	-96,510,000
Energy Debt Recovery Levy	1,874,490,000	1,777,980,000	-96,510,000
Public Lighting Levy	260,044,047	260,044,047	0
National Electrification Scheme Levy	168,263,369	168,263,369	0
Price Stabilisation & Recovery Levy	573,330,684	573,330,684	0
<b>DOMESTIC REVENUE</b>	<b>65,831,114,820</b>	<b>52,443,164,623</b>	<b>-13,387,950,197</b>
<b>GRANTS</b>	<b>1,240,045,088</b>	<b>1,223,336,466</b>	<b>-16,708,622</b>
Project Grants	1,139,097,622	719,336,466	-419,761,156
Programme Grants	100,947,466	504,000,000	403,052,534
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>67,071,159,908</b>	<b>53,666,501,089</b>	<b>-13,404,658,819</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.7	6.2	-0.5
Non-oil Taxes on Income and Property (% of non-oil GDP)	5.8	5.9	0.0
Taxes on Goods and Services (% of GDP)	4.8	4.1	-0.7
Taxes on International Trade (% of GDP)	1.5	1.2	-0.2
Tax Revenue (% of GDP)	12.4	11.0	-1.4
Non-Oil Tax Revenue (% of non-oil GDP)	11.8	10.8	-1.0
Non-Oil Tax Revenue (% GDP)	11.3	10.6	-0.7
Non-Tax Revenue (% of GDP)	3.3	1.7	-1.6
Domestic Revenue (% of GDP)	16.5	13.6	-2.9
Non-Oil Domestic Revenue (% of GDP)	14.9	12.9	-2.0
Grants (% of GDP)	0.3	0.3	0.0
Total Revenue and Grants (% of GDP)	16.9	13.9	-2.9
Non-Oil Tax Revenue (Gross)	47,253,950,222	42,769,500,000	-4,484,450,222
Non-Oil Tax Revenue (Net)	44,985,760,611.5	40,716,564,000	-4,269,196,611
Non-oil Taxes on Income and Property	22,341,444,940.4	22,153,640,000.0	-187,804,940.4
Import Exemptions	4,011,430,000	4,011,430,000	0
Benchmark Oil Revenue	6,194,546,642	2,365,987,295	-3,828,559,347
PAYE Tax Relief to Health Workers	0	576,000,000	576,000,000
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>-12,670,192,353</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>-5,872,511,610</b>

Source: MoF



## Appendix 3C: Economic Classification of Central Gov't Expenditure - 2020

In GH¢ unless otherwise stated	2020 Budget	2020 Revised Budget	2020 Adjustment
<b>II EXPENDITURE</b>			
<b>Compensation of Employees</b>	<b>26,565,153,899</b>	<b>27,061,783,898</b>	<b>496,630,000</b>
Wages & Salaries	22,917,544,093	23,851,598,208	934,054,115
Social Contributions	3,647,609,805	3,210,185,690	-437,424,115
Pensions	1,103,762,411	1,232,571,341	128,808,930
Gratuities	458,350,882	230,383,298	-227,967,584
Social Security	2,085,496,512	1,747,231,051	-338,265,461
<b>Use of Goods and Services</b>	<b>8,330,827,244</b>	<b>7,743,573,689</b>	<b>-587,253,555</b>
o/w ABFA	1,300,854,795	496,857,332	-803,997,463
<b>Interest Payments</b>	<b>21,691,482,220</b>	<b>26,268,279,691</b>	<b>4,576,797,471</b>
Domestic	16,557,622,240	21,134,419,711	4,576,797,471
External (Due)	5,133,859,980	5,133,859,980	0
<b>Subsidies</b>	<b>229,332,274</b>	<b>229,332,274</b>	<b>0</b>
Subsidies on Petroleum products	229,332,274	229,332,274	0
<b>Grants to Other Government Units</b>	<b>15,635,154,175</b>	<b>11,805,140,463</b>	<b>-3,830,013,712</b>
National Health Fund (NHF)	2,191,615,926	1,929,290,502	-262,325,424
Education Trust Fund	1,228,038,448	1,055,581,093	-172,457,355
Road Fund	1,014,255,457	871,820,329	-142,435,128
Petroleum Related Funds	25,356,386	21,795,508	-3,560,878
Dist. Ass. Common Fund	2,312,706,550	1,874,464,189	-438,242,361
Retention of Internally-generated funds (IGFs)	4,990,171,580	2,858,988,827	-2,131,182,753
Transfer to the National Oil Company from Oil Revenue	1,673,161,548	1,438,194,137	-234,967,411
<b>Other Earmarked Funds</b>	<b>2,199,848,279</b>	<b>1,755,005,877</b>	<b>-444,842,403</b>
Youth Employment Agency	213,440,932	183,466,742	-29,974,191
Student's Loan Trust	2,668,012	2,293,334	-374,677
Export Development Levy	271,015,031	232,955,526	-38,059,505
Ghana Airport Authority	556,230,564	314,120,000	-242,110,564
Mineral Development Fund	128,616,326	110,554,325	-18,062,001
GRA Retention	1,024,821,553	908,989,233	-115,832,321
Plastic Waste Recycling Fund	3,055,862	2,626,717	-429,144
<b>Social Benefits</b>	<b>150,076,365</b>	<b>150,076,365</b>	<b>0</b>
Lifeline Consumers of Electricity	150,076,365	150,076,365	0
<b>Other Expenditure</b>	<b>2,646,795,827</b>	<b>13,712,285,827</b>	<b>11,065,490,000</b>
ESLA Transfers	2,646,795,827	2,550,285,827	-96,510,000
Covid-19 Related Expenditures		11,162,000,000	11,162,000,000
o/w CAP (Contingency Fund)	0	1,203,720,000	
<b>Capital Expenditure</b>	<b>9,260,040,870</b>	<b>9,326,671,261</b>	<b>66,630,391</b>
<b>Domestic financed</b>	<b>3,775,538,534</b>	<b>3,624,415,191</b>	<b>-151,123,343</b>
o/w ABFA	3,035,327,854	1,159,333,774	-1,875,994,080
<b>Foreign financed</b>	<b>5,484,502,336</b>	<b>5,702,256,070</b>	<b>217,753,734</b>
<b>TOTAL EXPENDITURE</b>	<b>84,508,862,873</b>	<b>96,297,143,468</b>	<b>11,788,280,595</b>
<b>APPROPRIATION</b>	<b>98,036,692,358</b>	<b>109,933,169,924</b>	<b>11,896,477,566</b>
<b>Total Expenditure</b>	<b>84,508,862,873</b>	<b>96,297,143,468</b>	<b>11,788,280,595</b>
<b>Arrears Clearance (net change)</b>	<b>1,443,227,466</b>	<b>1,443,227,466</b>	<b>0</b>
<b>Amortisation</b>	<b>12,084,602,019</b>	<b>12,192,798,990</b>	<b>108,196,971</b>
<i>Memorandum items:</i>			
Compensation of Employees	6.7	7.0	0.3
Wage and Salaries	5.8	6.2	0.4
Wage and Salaries (% of Tax Revenue)	46.5	56.3	9.8
Goods and Services	2.1	2.0	-0.1
Interest Payments	5.4	6.8	1.4
Subsidies	0.1	0.1	0.0
Recurrent Expenditure	16.8	20.7	4.0
Capital Expenditure	2.3	2.4	0.1
Units)	3.9	3.8	-0.1
Total Expenditure	21.2	25.0	3.8
<b>Total Capital Exp (incl those under Grants to other Gov't Units)</b>	<b>14,262,855,581.4</b>	<b>13,536,155,466.8</b>	<b>-726,700,114.7</b>
<b>Annual Budget Funding Amount (ABFA)</b>	<b>4,336,182,649</b>	<b>1,656,191,106</b>	<b>-2,679,991,543</b>
<b>Benchmark Oil Revenue</b>	<b>6,194,546,642</b>	<b>2,365,987,295</b>	<b>-3,828,559,347</b>
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>-12,670,192,353</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>-5,872,511,610</b>

Source: MoF



## Appendix 4A: Summary of Central Government Operations - 2020

<i>In GH¢ unless otherwise stated</i>	2020 Budget	2020 Prog. Q1+Q2	2020 Prov. Q1+Q2
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>67,071,159,908</b>	<b>29,759,135,611</b>	<b>22,006,977,450</b>
(per cent of GDP)	16.9	7.7	5.7
<b>Domestic Revenue</b>	<b>65,831,114,820</b>	<b>29,024,008,343</b>	<b>21,682,896,236</b>
<b>Tax Revenue</b>	<b>49,247,704,677</b>	<b>22,082,113,883</b>	<b>17,996,093,602</b>
<b>Taxes on Income and Property</b>	<b>26,603,389,006</b>	<b>11,372,331,456</b>	<b>10,302,049,590</b>
Company Taxes	11,169,949,780	4,244,205,851	4,060,320,937
Company Taxes on Oil	2,812,090,497	1,404,983,684	479,504,488
Other Direct Taxes	12,621,348,729	5,723,141,922	5,762,224,164
<b>Taxes on Domestic Goods and Services</b>	<b>19,102,341,082</b>	<b>9,020,638,499</b>	<b>6,720,173,944</b>
Excises	4,488,873,266	2,255,176,646	1,408,778,334
VAT	10,158,295,416	4,711,569,841	3,643,133,778
National Health Insurance Levy (NHIL)	2,009,316,200	923,565,169	694,887,616
GETFund Levy	2,009,316,200	923,565,169	699,422,805
Communication Service Tax	436,540,000	206,761,674	273,951,411
<b>International Trade Taxes</b>	<b>5,810,164,200</b>	<b>2,695,136,435</b>	<b>1,997,233,428</b>
Import Duties	5,810,164,200	2,695,136,435	1,997,233,428
<b>Tax Refunds</b>	<b>-2,268,189,611</b>	<b>-1,005,992,507</b>	<b>-1,023,363,360</b>
<b>Social Contributions</b>	<b>572,938,602</b>	<b>271,469,301</b>	<b>45,723,029</b>
SSNIT Contribution to NHIL	572,938,602	271,469,301	45,723,029
<b>Non-tax revenue</b>	<b>13,134,343,440</b>	<b>5,266,478,056</b>	<b>2,493,675,640</b>
<b>Other Revenue</b>	<b>2,876,128,101</b>	<b>1,403,947,103</b>	<b>1,147,403,966</b>
<b>Grants</b>	<b>1,240,045,088</b>	<b>735,127,268</b>	<b>324,081,214</b>
Project Grants	1,139,097,622	675,283,610	324,081,214
Programme Grants	100,947,466	59,843,659	0
<b>II. EXPENDITURE</b>	<b>85,952,090,340</b>	<b>41,553,601,668</b>	<b>46,352,346,430</b>
<b>Total Expenditure</b>	<b>84,508,862,873</b>	<b>40,831,987,935</b>	<b>43,800,610,412</b>
(percent of GDP)	21.2	10.6	11.4
Compensation of Employees	26,565,153,899	12,587,079,549	14,218,633,284
Wages & Salaries	22,917,544,093	10,858,772,047	11,931,933,363
(percent of GDP)	5.8	2.8	3.1
Social Contributions	3,647,609,805	1,728,307,502	2,286,699,921
Use of Goods and Services	<b>8,330,827,244</b>	<b>3,389,475,849</b>	<b>3,990,350,724</b>
Interest Payments	<b>21,691,482,220</b>	<b>11,742,312,653</b>	<b>11,639,329,921</b>
Domestic	16,557,622,240	9,159,932,528	9,126,676,807
External	5,133,859,980	2,582,380,125	2,512,653,114
Subsidies	229,332,274	106,733,844	141,442,517
Grants to Other Government Units	15,635,154,175	7,137,484,114	5,589,934,230
Social Benefits	150,076,365	75,038,183	150,076,365
Other Expenditure	2,646,795,827	1,297,213,258	3,258,345,049
Capital Expenditure	<b>9,260,040,870</b>	<b>4,496,650,484</b>	<b>4,812,498,321</b>
Domestic Financed	3,775,538,534	1,853,640,545	1,624,743,949
Foreign Financed	5,484,502,336	2,643,009,939	3,187,754,372
<b>Overall Balance (Commitment)</b>	<b>-17,437,702,965</b>	<b>-11,072,852,324</b>	<b>-21,793,632,962</b>
(percent of GDP)	-4.4	-2.9	-5.7
Arrears clearance (net change)	-1,443,227,466	-721,613,733	-1,339,740,341
<b>Overall Balance (Cash)</b>	<b>-18,880,930,431</b>	<b>-11,794,466,057</b>	<b>-23,133,373,302</b>
(percent of GDP)	-4.7	-3.1	-6.0
Discrepancy	0	0	-1,211,995,678
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-18,880,930,431</b>	<b>-11,794,466,057</b>	<b>-24,345,368,980</b>

Source: MoF



## Appendix 4B: Summary of Central Government Operations – 2020

<i>In GH¢ unless otherwise stated</i>	2020 Budget	2020 Prog. Q1+Q2	2020 Prov. Q1+Q2
<b>Financing</b>	<b>18,880,930,431</b>	<b>11,794,466,057</b>	<b>24,345,368,980</b>
<b>Foreign (net)</b>	<b>10,619,255,967</b>	<b>15,099,702,693</b>	<b>2,559,798,378</b>
Borrowing	22,703,857,986	20,326,179,601	10,520,108,158
Project Loans	4,345,404,715	1,967,726,330	2,863,673,158
Programme Loans	1,202,500,000	1,202,500,000	0
Sovereign Bond	17,155,953,271	17,155,953,271	7,656,435,000
Amortisation (due) <sup>1</sup>	-12,084,602,019	-5,226,476,908	-7,960,309,780
<b>Domestic (net)</b>	<b>15,849,013,547</b>	<b>3,348,657,814</b>	<b>22,339,323,532</b>
Banking	10,395,403,851	2,609,354,216	16,055,449,469
Bank of Ghana	0	0	13,245,386,276
Comm. Banks	10,395,403,851	2,609,354,216	2,810,063,193
Non-banks	4,152,754,901	88,246,646	4,008,415,116
o/w Non-residents		0	-1,524,255,397
Other Domestic	1,300,854,795	651,056,952	2,275,458,947
o/w Debt Repayment from Ghana Stabilisation Fund	1,300,854,795	651,056,952	488,912,365
<b>Other Financing</b>	<b>-10,324,000</b>	<b>-5,162,000</b>	<b>-21,382,736</b>
Other Domestic Financing	-10,324,000	-5,162,000	-21,382,736
<b>Ghana Petroleum Funds</b>	<b>-557,509,198</b>	<b>-279,024,408</b>	<b>1,160,257,257</b>
Transfer to Ghana Petroleum Funds	-1,858,363,993	-930,081,359	-532,370,194
o/w Stabilisation Fund	-1,300,854,795	-651,056,952	-372,659,136
o/w Heritage Fund	-557,509,198	-279,024,408	-159,711,058
Transfer from Stabilisation Fund	1,300,854,795	651,056,952	1,692,627,451
<b>Sinking Fund</b>	<b>-7,019,505,885</b>	<b>-6,369,708,042</b>	<b>-1,692,627,451</b>
<b>Contingency Fund</b>			
<b>Memorandum items</b>			
Domestic Revenue	65,831,114,820	29,024,008,343	21,682,896,236
(percent of GDP)	16.5	7.5	5.6
Domestic expenditure	57,332,878,317	26,446,665,343	30,185,521,796
(percent of GDP)	14.4	6.9	7.8
Domestic Primary Balance	8,498,236,503	2,577,343,000	-8,502,625,560
(percent of GDP)	2.1	0.7	-2.2
Primary Balance	2,810,551,789	-52,153,404	-12,706,039,058
(percent of GDP)	0.7	-0.01	-3.3
Non-oil Primary Balance	-6,121,621,357	-4,519,843,468	-14,698,924,915
(percent of GDP)	-1.6	-1.2	-3.9
Overall Balance (cash, discrepancy)	-18,880,930,431	-11,794,466,057	-24,345,368,980
(percent of GDP)	-4.7	-3.1	-6.3
Overall Balance (cash, discrepancy, incl. bailout & Bank Capitalisation)	-18,880,930,431	-11,794,466,057	-24,345,368,980
(percent of GDP)	-4.7	-3.1	-6.3
Oil Revenue	8,932,173,146	4,467,690,064	1,992,885,856
(percent of GDP)	2.2	1.2	0.5
Non-Oil Revenue and Grants	58,138,986,763	25,291,445,547	20,014,091,594
(percent of GDP)	14.6	6.6	5.2
Benchmark Oil Revenue	6,194,546,642	3,100,271,198	1,774,567,313
(percent of GDP)	1.6	0.8	0.5
Annual Budget Funding Amount (ABFA)	4,336,182,649	2,170,189,838	1,242,197,119
(percent of GDP)	1.1	0.6	0.3
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>385,378,029,218</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>376,332,820,768</b>

Source: Ministry of Finance

<sup>1</sup> Amortization in February 2020 includes a US\$523.05 million buyback of Eurobonds maturing 2023

## Appendix 4B: Economic Classification of Central Gov't Revenue - 2020

<i>In GH¢ unless otherwise stated</i>	2020 Budget	2020 Prog. Q1+Q2	2020 Prov. Q1+Q2
<b>TAX REVENUE</b>	<b>49,247,704,677</b>	<b>22,082,113,883</b>	<b>17,996,093,602</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>26,603,389,006</b>	<b>11,372,331,456</b>	<b>10,302,049,590</b>
Personal	8,312,379,196	3,700,247,643	3,841,334,220
Self Employed	481,385,401	206,102,768	159,817,147
Companies	11,169,949,780	4,244,205,851	4,060,320,937
Company Taxes on Oil	2,812,090,497	1,404,983,684	479,504,488
Others	3,827,584,132	1,816,791,510	1,761,072,798
Other Direct Taxes	2,851,243,568	1,376,337,560	1,473,944,928
o/w Royalties from Oil	1,449,853,568	724,945,468	793,654,751
o/w Mineral Royalties	1,052,210,000	475,952,093	444,496,605
National Fiscal Stabilisation Levy	420,110,000	152,576,856	169,304,550
Airport Tax	556,230,564	287,877,094	117,823,319
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>19,102,341,082</b>	<b>9,020,638,499</b>	<b>6,720,173,944</b>
<b>Excises</b>	<b>4,488,873,266</b>	<b>2,255,176,646</b>	<b>1,408,778,334</b>
Excise Duty	425,423,266	224,736,646	204,769,624
Petroleum Tax	4,063,450,000	2,030,440,000	1,204,008,710
o/w Energy Fund levy	41,488,113	20,017,062	17,565,481
o/w Road Fund levy	1,659,524,523	815,674,256	807,350,790
<b>VAT</b>	<b>10,158,295,416</b>	<b>4,711,569,841</b>	<b>3,643,133,778</b>
Domestic	6,022,089,316	2,770,223,776	2,460,260,462
External	4,136,206,100	1,941,346,066	1,182,873,317
<b>National Health Insurance Levy (NHIL)</b>	<b>2,009,316,200</b>	<b>923,565,169</b>	<b>694,887,616</b>
Customs Collection	806,913,900	374,915,332	214,137,574
Domestic Collection	1,202,402,300	548,649,837	480,750,042
<b>GETFund Levy</b>	<b>2,009,316,200</b>	<b>923,565,169</b>	<b>699,422,805</b>
Customs Collection	806,913,900	374,915,332	218,412,061
Domestic Collection	1,202,402,300	548,649,837	481,010,744
<b>Communication Service Tax</b>	<b>436,540,000</b>	<b>206,761,674</b>	<b>273,951,411</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>5,810,164,200</b>	<b>2,695,136,435</b>	<b>1,997,233,428</b>
<b>Imports</b>	<b>5,810,164,200</b>	<b>2,695,136,435</b>	<b>1,997,233,428</b>
Import Duty	5,810,164,200	2,695,136,435	1,997,233,428
<b>Tax Refunds</b>	<b>-2,268,189,611</b>	<b>-1,005,992,507</b>	<b>-1,023,363,360</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>572,938,602</b>	<b>271,469,301</b>	<b>45,723,029</b>
SSNIT Contribution to NHIL	572,938,602	271,469,301	45,723,029
<b>NON-TAX REVENUE</b>	<b>13,134,343,440</b>	<b>5,266,478,056</b>	<b>2,493,675,640</b>
Retention	4,990,171,580	2,355,153,868	1,376,133,679
Lodgement	8,144,171,860	2,911,324,188	1,117,541,961
Fees & Charges	1,087,864,465	489,092,071	300,197,566
Dividend/Interest & Profits (Others)	290,940,539	16,959,690	45,601,052
Dividend/Interest & Profits from Oil	4,661,185,033	2,333,238,889	714,246,974
Surface Rentals from Oil/PHF Interest	9,044,048	4,522,024	5,479,643
Gas Receipts	0	0	0
Licences	548,800,000	0	0
Cocobod	1,372,000,000	0	0
Yield from Capping Policy	174,337,776	67,511,514	52,016,726
<b>OTHER REVENUE</b>	<b>2,876,128,101</b>	<b>1,403,947,103</b>	<b>1,147,403,966</b>
ESLA Proceeds	2,876,128,101	1,403,947,103	1,147,403,966
Energy Debt Recovery Levy	1,874,490,000	923,310,000	859,543,706
Public Lighting Levy	260,044,047	129,675,059	71,897,869
National Electrification Scheme Levy	168,263,369	84,127,433	49,436,704
Price Stabilisation & Recovery Levy	573,330,684	266,834,611	166,525,687
<b>DOMESTIC REVENUE</b>	<b>65,831,114,820</b>	<b>29,024,008,343</b>	<b>21,682,896,236</b>
<b>GRANTS</b>	<b>1,240,045,088</b>	<b>735,127,268</b>	<b>324,081,214</b>
Project Grants	1,139,097,622	675,283,610	324,081,214
Programme Grants	100,947,466	59,843,659	0
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>67,071,159,908</b>	<b>29,759,135,611</b>	<b>22,006,977,450</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.7	3.0	2.7
Non-oil Taxes on Income and Property (% of non-oil G	5.8	2.5	2.4
Taxes on Goods and Services (% of GDP)	4.8	2.3	1.7
Taxes on International Trade (% of GDP)	1.5	0.7	0.5
Tax Revenue (% of GDP)	12.4	5.7	4.7
Non-Oil Tax Revenue (% of non-oil GDP)	11.8	5.3	4.4
Non-Oil Tax Revenue (% of GDP)	11.3	5.2	4.3
Non-Tax Revenue (% of GDP)	3.3	1.4	0.6
Domestic Revenue (% of GDP)	16.5	7.5	5.6
Non-Oil Domestic Revenue	14.9	6.5	5.2
Grants (% of GDP)	0.3	0.2	0.1
Total Revenue and Grants	16.9	7.7	5.7
Non-Oil Tax Revenue (Gross)	47,253,950,222.1	20,958,177,238.9	17,746,297,722.6
Non-Oil Tax Revenue (Net)	<b>44,985,760,611</b>	<b>19,952,184,731</b>	<b>16,722,934,362</b>
Non-oil Taxes on Income and Property	<b>22,341,444,940</b>	<b>9,242,402,305</b>	<b>9,028,890,350</b>
Import Exemptions	<b>3,069,440,000</b>	<b>1,430,045,241</b>	<b>778,808,227</b>
Benchmark Oil Revenue	<b>6,194,546,642</b>	<b>3,100,271,198</b>	<b>1,774,567,313</b>
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>385,378,029,218</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>376,332,820,768</b>

Source: MoF



## Appendix 4C: Economic Classification of Central Gov't Expenditure – 2020

<i>In GH¢ unless otherwise stated</i>	2020 Budget	2020 Prog. Q1+Q2	2020 Prov. Q1+Q2
<b>II EXPENDITURE</b>			
<b>Compensation of Employees</b>	<b>26,565,153,899</b>	<b>12,587,079,549</b>	<b>14,218,633,284</b>
Wages & Salaries	22,917,544,093	10,858,772,047	11,931,933,363
Social Contributions	3,647,609,805	1,728,307,502	2,286,699,921
Pensions	1,103,762,411	522,983,805	605,666,332
Gratuities	458,350,882	217,175,441	115,672,373
Social Security	2,085,496,512	988,148,256	1,565,361,216
<b>Use of Goods and Services</b>	<b>8,330,827,244</b>	<b>3,389,475,849</b>	<b>3,990,350,724</b>
o/w ABFA	1,300,854,795	651,056,952	464,329,079
<b>Interest Payments</b>	<b>21,691,482,220</b>	<b>11,742,312,653</b>	<b>11,639,329,921</b>
Domestic	16,557,622,240	9,159,932,528	9,126,676,807
External (Due)	5,133,859,980	2,582,380,125	2,512,653,114
<b>Subsidies</b>	<b>229,332,274</b>	<b>106,733,844</b>	<b>141,442,517</b>
Subsidies on Petroleum products	229,332,274	106,733,844	141,442,517
<b>Grants to Other Government Units</b>	<b>15,635,154,175</b>	<b>7,137,484,114</b>	<b>5,589,934,230</b>
National Health Fund (NHF)	2,191,615,926	1,008,571,162	617,783,401
Ghana Education Trust Fund	1,228,038,448	550,638,553	667,252,901
Road Fund	1,014,255,457	454,780,678	480,000,000
Energy Fund	25,356,386	11,369,517	14,429,802
Dist. Ass. Common Fund	2,312,706,550	982,976,965	1,371,020,180
Retention of Internally-generated funds (IGFs)	4,990,171,580	2,355,153,868	1,376,133,679
Transfer to the National Oil Company from Oil Revenue	1,673,161,548	750,226,718	218,318,543
<b>Other Earmarked Funds</b>	<b>2,199,848,279</b>	<b>1,023,766,654</b>	<b>844,995,724</b>
Youth Employment Agency	213,440,932	95,704,501	133,296,461
Student's Loan Trust	2,668,012	1,196,306	849,416
Ghana EXIM Bank Ltd	271,015,031	121,520,075	63,522,635
Ghana Airport Company Ltd.	556,230,564	287,877,094	117,823,319
Mineral Development Fund	128,616,326	57,670,106	71,205,467
GRA Retention	1,024,821,553	458,428,358	458,298,427
Plastic Waste Recycling Fund	3,055,862	1,370,214	0
<b>Social Benefits</b>	<b>150,076,365</b>	<b>75,038,183</b>	<b>150,076,365</b>
Lifeline Consumers of Electricity	150,076,365	75,038,183	150,076,365
<b>Other Expenditure</b>	<b>2,646,795,827</b>	<b>1,297,213,258</b>	<b>3,258,345,049</b>
ESLA Transfers	2,646,795,827	1,297,213,258	1,147,403,966
<b>Capital Expenditure</b>	<b>9,260,040,870</b>	<b>4,496,650,484</b>	<b>4,812,498,321</b>
<b>Domestic financed</b>	<b>3,775,538,534</b>	<b>1,853,640,545</b>	<b>1,624,743,949</b>
o/w ABFA	3,035,327,854	1,519,132,887	1,010,071,670
<b>Foreign financed</b>	<b>5,484,502,336</b>	<b>2,643,009,939</b>	<b>3,187,754,372</b>
<b>TOTAL EXPENDITURE</b>	<b>84,508,862,873</b>	<b>40,831,987,935</b>	<b>43,800,610,412</b>
<b>APPROPRIATION</b>	<b>98,036,692,358</b>	<b>46,780,078,576</b>	<b>53,100,660,532</b>
<b>Total Expenditure</b>	<b>84,508,862,873</b>	<b>40,831,987,935</b>	<b>43,800,610,412</b>
<b>Arrears Clearance (net change)</b>	<b>1,443,227,466</b>	<b>721,613,733</b>	<b>1,339,740,341</b>
<b>Amortisation</b>	<b>12,084,602,019</b>	<b>5,226,476,908</b>	<b>7,960,309,780</b>
<i>Memorandum items:</i>			
Compensation of Employees	6.7	3.3	3.7
Wage and Salaries	5.8	2.8	3.1
Wage and Salaries (% of Tax Revenue)	46.5	49.2	66.3
Goods and Services	2.1	0.9	1.0
Interest Payments	5.4	3.0	3.0
Interest Payments (% of non-oil Tax Revenue)	48.2	58.9	69.6
Subsidies	0.1	0.0	0.0
Recurrent Expenditure	16.8	8.4	9.2
Capital Expenditure	2.3	1.2	1.2
Total Capital Expenditure (including those under Grants to oth	3.9	1.9	2.0
Total Expenditure	21.2	10.6	11.4
<b>Total Capital Exp (incl those under Grants to other Gov</b>	<b>14,262,855,581</b>	<b>6,696,644,429</b>	<b>7,013,315,463</b>
<b>Annual Budget Funding Amount (ABFA)</b>	<b>4,336,182,649</b>	<b>2,170,189,838</b>	<b>1,242,197,119</b>
<b>Benchmark Oil Revenue</b>	<b>6,194,546,642</b>	<b>3,100,271,198</b>	<b>1,774,567,313</b>
<b>Nominal GDP</b>	<b>398,048,221,571</b>	<b>385,378,029,218</b>	<b>385,378,029,218</b>
<b>Non-Oil Nominal GDP</b>	<b>382,205,332,378</b>	<b>376,332,820,768</b>	<b>376,332,820,768</b>

Source: MoF



## Appendix 5: Picture Gallery

1D1F



# COVID-19 FIGHT



Leadership by example



Leadership by example in the COVID-19 Fight



Launch of Coronavirus Alleviation Programme



Local Production of PPEs



Leadership by example



Local Production of PPEs





# COVID-19 FIGHT



Council of State donates to Covid-19 Trust Fund



Local Production of Sanitizers and hand Soaps



COVID-19 National Trust Fund distribution of PPE



COVID-19 National Trust Fund distribution of PPE



Local Production of PPEs





Volkswagen car assembling plant



Volkswagen car assembling plant



Shai Osudoku Tama Processing Factory



Nsawam Tissue Factory



## INDUSTRIALISATION



Daboase Palm Oil Processing Factory



