



REPUBLIC OF GHANA

# Budget Highlights

of the

*Budget Statement and Economic Policy  
of the Government of Ghana for the  
2019 Financial Year*

Presented to Parliament on  
Thursday, 15<sup>th</sup> November, 2018  
By

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

*Theme: "A Stronger Economy for Jobs and Prosperity"*



# 2019 BUDGET HIGHLIGHTS

Theme: A Stronger Economy for Jobs and Prosperity

Issued By:



REPUBLIC OF GHANA  
MINISTRY OF FINANCE

## MEDIUM TERM MACROECONOMIC TARGET (2019-2022)

• Average Overall Real GDP growth	7.0%
• Average Non-Oil Real GDP growth	6.5%
• Inflation target band	8±2%
• Overall fiscal deficit rule	3–5% of GDP
• Primary balance surplus	≥ 1% of GDP
• Gross International Reserves cover	≥ 4 months of imports

## 2019 MACROECONOMIC TARGETS

• Overall Real GDP growth	7.6%
• Non-Oil Real GDP growth	6.2%
• End-period inflation	8.0%
• Fiscal deficit/GDP	4.2%
• Primary surplus/GDP	1.2%
• Gross International Reserves	≥ 3.5 months of imports

## 2019 ALLOCATIONS FOR SPECIAL INITIATIVES

Special Initiatives	Allocation (GH¢)
Free SHS	1,682,641,924
IPEP	1,320,000,000
1D1F	95,000,000
Zongo Development Fund	106,875,000
NIA	285,000,000
Planting for Food & Job	380,000,000
NABCO	850,000,000
National Afforestation Programme	47,500,000
Ghana Int. Bauxite & Aluminium Development Authority	19,000,000
Road Infrastructure	380,000,000
NEIP	47,500,000
Railway Development	95,000,000
Ghana Asset Mgt. Co.	3,800,000
Venture Capital	28,500,000
Seed Capital – New Regions	120,000,000
Housing & Mortgage Finance	95,000,000

## SUMMARY OF CENTRAL GOV'T OPERATIONS & FINANCING – 2017/2018

Key Fiscal Indicators <i>(in GH¢ unless otherwise indicated)</i>	2017		2018				
	(Q1-Q3) Outrun	Budget	Revised Budget	Rev Prog (Q1-Q3)	Prov Outrun (Q1-Q3)	GH¢	%
<b>Total Revenue &amp; Grants</b>	28,550	49,401	49,059	35,599	32,201	-3,398	-9.5
<i>Percentage of GDP (old GDP series)</i>	13.9	20.4	20.3	14.7	13.3		
<i>Percentage of GDP (rebased GDP)</i>	9.6	16.5	16.4	11.9	10.8		
<b>Total Expenditure (incl. Arrears clearance)</b>	37,367	60,372	60,030	43,379	41,251	-2,128	-4.9
<i>Percentage of GDP (old GDP series)</i>	18.1	25	24.8	17.9	17.1		
<i>Percentage of GDP (rebased GDP)</i>	12.5	20.2	20.1	14.5	13.8		
<b>Budget Balance</b>	-8,818	-10,971	-10,971	-7,780	-9,050	-1,269	16.3
<i>Percentage of GDP (old GDP series)</i>	-4.3	-4.5	-4.5	-3.2	-3.7		
<i>Percentage of GDP (rebased GDP)</i>	-3	-3.7	-3.7	-2.6	-3		
<b>Primary Balance</b>	876	3,939	4,120	2,810	1,487	-1,323	-47.1
<i>Percentage of GDP (old GDP series)</i>	0.4	1.6	1.7	1.2	0.6		
<i>Percentage of GDP (rebased GDP)</i>	0.3	1.3	1.4	0.9	0.5		

## PRIORITY AREAS TO TRANSFORM GHANA BEYOND AID

- Agriculture modernization
- Job creation and livelihood improvement
- Industrialization
- Infrastructure
- Affordable housing and mortgaging
- Investment in human capital
- Efficient public service delivery
- Domestic Resource mobilization
- Strengthening the financial services sector

## EXCHANGE RATE DEVELOPMENT – END OCT.

	2018	2017
Cedi/Dollar depreciation	7.57%	4.42%
Cedi/Pound depreciation	3.98%	11.87%
Cedi/Euro depreciation	4.38%	14.58%

## 2018 MACROECONOMIC PERFORMANCE – END SEPT. (REBASED SERIES)

• Overall Real GDP	5.4%
• Non-Oil real GDP	4.6%
• End-period inflation	9.8%
• Overall budget deficit on cash basis as % of GDP	3.0%
• Primary balance	0.5%
• Debt to GDP	57.4%
• Monetary Policy rate	17%
• Gross International Reserves (import cover)	3.6 months

## 2018 SECTOR GROWTH (REBASED SERIES)

	Q1(%)	Q2(%)
• Agriculture	4.7	4.8
• Industry	10.4	11.1
• Services	1.4	0.5

## OVERALL MACROECONOMIC PERFORMANCE (2018)

- To put the performance of the economy for the first nine months of 2018 into proper context, below is the restatement of the macroeconomic targets presented in the revised 2018 Budget:
  - Overall Real GDP growth rate of 6.8 percent (5.6 percent in the rebased series);
  - Non-Oil Real GDP growth rate of 5.4 percent (5.8 percent in the rebased series);
  - End-period inflation of 8.9 percent;
  - Fiscal deficit of 4.5 percent of GDP (3.7 percent in the rebased series);
  - Primary surplus of 1.7 percent of GDP (1.4 percent rebased GDP); and
  - Gross International Reserves to cover not less than 3.5 months of imports of goods and services.
- Available data up to the end of September 2018, indicates that Ghana’s economic health is in good shape as attested by the following macroeconomic performance indicators shown in Table 1:

**Table 1: Summary of Macroeconomic Performance, 2018**

Economic Indicators	2018 (Target )	2018 (Target )	2018 Actual
	Old Series	Rebased Series	End Sept.
Overall real GDP	6.8	5.6	5.4 *
Non-Oil real GDP	5.4	5.8	4.6 *
End-period inflation	8.0	-	9.5 **
Overall budget deficit on cash basis as percentage of GDP	4.5	3.7	3.0
Primary balance	1.7	0.9	0.5
Public Debt to GDP	-	-	57.4
Monetary Policy rate (Oct)	-	-	17
Gross International Reserves (import cover)	≥3.5		3.6

Source: GSS, GoG and MoF

\* Data as at First Half 2018

\*\* Data as at October 2018

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### REAL SECTOR PERFORMANCE

3. Following the rebasing of the GDP in September 2018, the economy expanded by 24.6 percent in 2017, increasing the nominal GDP from GH¢205,914 million to GH¢256,671 million. Based on the new base year of 2013, real GDP growth in 2017 was 8.1 percent, compared with 3.4 percent in 2016.
4. The 2017 growth of 8.1 percent resulted from 6.1 percent, 15.7 percent and 3.3 percent growth rates in the Agriculture, Industry and Services Sectors, respectively. Sector Performance for the first and second quarters of 2018 is indicated in table 2.

**Table 2: Summary of Sector Performance for 2018**

Sector	2016	2017	2018	
			Q1	Q2
Agriculture	3	6.1	4.7	4.8
Industry	-0.5	15.7	10.4	11.1
Services	5.7	3.3	1.4	0.5

Source: GSS and MoF

### MONETRAY SECTOR PERFORMANCE

5. Headline and core inflation generally trended downwards in 2018. Headline inflation dropped to 9.8 per cent in September 2018, down from 12.2 per cent recorded in September 2017 and 11.8 percent in December 2017.
6. Credit to the private sector increased by 17.2 percent in September 2018, up from 9.6 percent in September 2017. In real terms, growth of credit to the private sector showed a strong recovery, registering a growth of 6.8 percent in September 2018 compared to a contraction of 2.3 percent in September 2017.
7. Interest rates eased downward in line with the reduction in the Monetary Policy Rate. The interbank weighted average lending rate declined by 4.71 percent to 16.23 percent between September 2017 and September 2018.
8. Treasury securities also declined over the period, the rates on the 182-day, 3-year, 5-year, 7-year and the 10-year notes declined respectively by 0.4, 0.75, 1.75, 3.5 and 1.5 percent to 14.03, 17.50, 16.50, 16.25 and 17.50 percent respectively in September 2018. The 91-day and 1-year note rates, however firmed up by 0.18 and 1.00 percent respectively to 13.37 and 18.00 percent.

### EXTERNAL SECTOR PERFORMANCE

9. Provisional trade balance for the period January to September 2018 recorded a surplus of US\$1,617.81 million compared to a surplus of US\$777.82 million recorded



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for the same period in 2017. This development resulted in a stock position of US\$6,756.43 million at the end of September 2018 from US\$7,554.84 million at the end of December 2017, covering 3.6 months of imports compared to 3.9 months of cover as at December 2017.

10. The cedi’s strong performance against the major international currencies in the year to April 2018 gave way due to external pressures. Cumulatively, at the end of October 2018, the cedi had depreciated by 7.57 percent, 4.38 percent and 3.98 percent against the U.S. Dollar, Pound Sterling and Euro respectively

### **FISCAL DEVELOPMENTS (2018)**

11. Provisional data on Government’s fiscal operations from January to September 2018 indicate that Domestic Revenue grew by 15.9 percent on per annum basis and reached GH¢31,675.5 million compared to GH¢27,325.0 million during the same period in 2017. The summary of Central Government operations and financing is indicated in Table 3:

**Table 3: Summary of Central Government Operations and Financing – 2017/2018**

Key Fiscal Indicators (in GHS unless otherwise indicated)	2017		2018				
	(Q1-Q3) Outturn	Budget	Revised Budget	Rev Prog (Q1-Q3)	Prov. Outturn (Q1-Q3)	Dev GHS	Dev %
<b>Total Revenue &amp; Grants</b>	<b>28,550</b>	<b>49,401</b>	<b>49,059</b>	<b>35,599</b>	<b>32,201</b>	<b>-3,398</b>	<b>-9.5</b>
% of GDP (old GDP series)	13.9	20.4	20.3	14.7	13.3		
% of GDP (rebased GDP)	11.1	16.5	16.4	11.9	10.8		
<b>Total Exp. (incl. Arrears clearance)</b>	<b>37,367</b>	<b>60,372</b>	<b>60,030</b>	<b>43,379</b>	<b>41,251</b>	<b>-2,128</b>	<b>-4.9</b>
% of GDP (old GDP series)	18.1	25	24.8	17.9	17.1		
% of GDP (rebased GDP)	14.6	20.2	20.1	14.5	13.8		
<b>Budget Balance</b>	<b>-8,818</b>	<b>-10,971</b>	<b>-10,971</b>	<b>-7,780</b>	<b>-9,050</b>	<b>-1,269</b>	<b>16.3</b>
% of GDP (old GDP series)	-4.3	-4.5	-4.5	-3.2	-3.7		
% of GDP (rebased GDP)	-3.4	-3.7	-3.7	-2.6	-3		
<b>Primary Balance</b>	<b>876</b>	<b>3,939</b>	<b>4,120</b>	<b>2,810</b>	<b>1,487</b>	<b>-1,323</b>	<b>-47.1</b>
% of GDP (old GDP series)	0.4	1.6	1.7	1.2	0.6		
% of GDP (rebased GDP)	0.3	1.3	1.4	0.9	0.5		

**Source: Ministry of Finance**



## REVENUE PERFORMANCE

12. Total Revenue and Grants as at September 2018 accounted for 65.6 percent of the revised annual Budget target, which amounted GH¢32,201.4 million, 10.8 percent of rebased GDP, compared to a revised programmed target of GH¢35,599.1 million, or 11.9 percent of rebased GDP. Total Tax Revenue for the period amounted to GH¢25,853.7 million and constituted 68.5 percent of the annual revised target. Of this amount, total non-oil Tax Revenue amounted to GH¢24,385.2 million against a programmed target of GH¢26,829.2 million. Table 4 shows a summary of central government revenues and Grants:

**Table 4: Summary of Central Government Revenues and Grants – 2017/2018**

Key Revenue Indicators (in GHS unless otherwise indicated)	2017		2018				
	(Q1-Q3) Outturn	Budget	Revised Budget	Rev Prog (Q1-Q3)	Prov Outturn (Q1-Q3)	Dev GHS	Dev %
<b>Total Tax Revenue</b>	<b>21,522</b>	<b>38,244</b>	<b>38,589</b>	<b>27,684</b>	<b>25,854</b>	<b>-1,830</b>	<b>-6.6</b>
Percentage of GDP (old GDP series)	10.5	15.8	16	11.5	10.7		
Percentage of GDP (rebased GDP)	8.4	12.8	12.9	9.3	8.7		
<b>Non-oil Tax Revenue</b>	<b>20,915</b>	<b>37,364</b>	<b>37,115</b>	<b>26,829</b>	<b>24,385</b>	<b>-2,444</b>	<b>-9.1</b>
Percentage of GDP (old GDP series)	10.2	15.5	15.4	11.1	10.1		
Percentage of GDP (rebased GDP)	8.1	12.5	12.4	9	8.2		
<b>Non-Tax Revenue</b>	<b>3,995</b>	<b>8,047</b>	<b>7,445</b>	<b>5,763</b>	<b>4,471</b>	<b>-1,292</b>	<b>-22.4</b>
Percentage of GDP (old GDP series)	1.9	3.3	3.1	2.4	1.8		
Percentage of GDP (rebased GDP)	1.6	2.7	2.5	1.9	1.5		
<b>Petroleum Receipts (Oil Revenue)</b>	<b>1,676</b>	<b>3,207</b>	<b>3,767</b>	<b>2,497</b>	<b>3,272</b>	<b>775</b>	<b>31</b>
Percentage of GDP (old GDP series)	0.8	1.3	1.6	1	1.4		
Percentage of GDP (rebased GDP)	0.7	1.1	1.3	0.8	1.1		31
<b>Grants</b>	<b>1,225</b>	<b>587</b>	<b>761</b>	<b>505</b>	<b>526</b>	<b>21</b>	<b>4.2</b>
Percentage of GDP (old GDP series)	0.6	0.2	0.3	0.2	0.2		
Percentage of GDP (rebased GDP)	0.5	0.2	0.3	0.2	0.2		

**Source: Ministry of Finance**

## EXPENDITURE PERFORMANCE

13. Provisional data for the period indicates that Total Expenditure, including the clearance of arrears was 4.9 percent below target and amounted to GH¢41,251.1 million, 13.8 percent of rebased GDP compared to the target of GH¢43,379.5 million, 14.5 percent of rebased GDP. This outturn includes the overruns in the Use of Goods and Services and Wages and Salaries.
14. Wages and Salaries amounted to GH¢12,798.5 million, 4.3 percent of rebased GDP and constituted 49.7 percent of Tax Revenue for the period. The outturn is marginally



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higher than the programmed target of GH¢12,581.5 million. Table 5 shows the summary of central government expenditures – 2017/2018

**Table 5: Summary of Central Government Expenditures – 2017/2018**

Key Expenditure Indicators (in GHS unless otherwise indicated)	2017		2018				
	(Q1-Q3) Outturn	Budget	Revised Budget	Rev Prog (Q1-Q3)	Prov Outturn (Q1-Q3)	Dev GHS	Dev %
<b>Total Expenditure</b>	<b>37,367</b>	<b>60,372</b>	<b>60,030</b>	<b>43,379</b>	<b>41,251</b>	<b>-2,128</b>	<b>-4.9</b>
Percentage of GDP (old GDP series)	18.1	25	24.8	17.9	17.1		
Percentage of GDP (rebased GDP)	14.6	20.2	20.1	14.5	13.8		
<b>Compensation of Employees</b>	<b>12,512</b>	<b>19,595</b>	<b>19,729</b>	<b>14,643</b>	<b>14,593</b>	<b>-50</b>	<b>-0.3</b>
Percentage of GDP (old GDP series)	6.1	8.1	8.2	6.1	6		
Percentage of GDP (rebased GDP)	4.9	6.6	6.6	4.9	4.9		
<b>o/w Wages &amp; Salaries</b>	<b>10,697</b>	<b>16,762</b>	<b>17,042</b>	<b>12,581</b>	<b>12,798</b>	<b>217</b>	<b>1.7</b>
Percentage of GDP (old GDP series)	5.2	6.9	7.1	5.2	5.3		
Percentage of GDP (rebased GDP)	4.2	5.6	5.7	4.2	4.3		
<b>Use of Goods and Services</b>	<b>1,733</b>	<b>3,548</b>	<b>3,682</b>	<b>2,651</b>	<b>4,076</b>	<b>1,425</b>	<b>53.8</b>
Percentage of GDP (old GDP series)	0.8	1.5	1.5	1.1	1.7		
Percentage of GDP (rebased GDP)	0.7	1.2	1.2	0.9	1.4		
<b>Interest Payment</b>	<b>9,693</b>	<b>14,910</b>	<b>15,092</b>	<b>10,591</b>	<b>10,537</b>	<b>-54</b>	<b>-0.5</b>
Percentage of GDP (old GDP series)	4.7	6.2	6.2	4.4	4.4		
Percentage of GDP (rebased GDP)	3.8	5	5.1	3.5	3.5		
<b>Grants to Other Gov't Units</b>	<b>6,820</b>	<b>12,030</b>	<b>12,196</b>	<b>8,569</b>	<b>7,524</b>	<b>-1,046</b>	<b>-12.2</b>
Percentage of GDP (old GDP series)	3.3	6.2	5	3.5	3.1		
Percentage of GDP (rebased GDP)	2.7	4	4.1	2.9	2.5		
<b>Capital Expenditure</b>	<b>3,841</b>	<b>6,896</b>	<b>6,393</b>	<b>4,721</b>	<b>3,714</b>	<b>-1,007</b>	<b>-21.3</b>
Percentage of GDP (old GDP series)	1.9	2.9	2.6	2	1.5		
Percentage of GDP (rebased GDP)	1.5	2.3	2.1	1.6	1.2		

**Source: Ministry of Finance**

### **BUDGET BALANCE AND FINANCING OPERATIONS**

- The overall Budget Balance recorded a cash fiscal deficit of GH¢9,049.7 million, 3.0 percent of rebased GDP against a target of GH¢7,989.72 million, 2.6 percent of rebased GDP.
- The fiscal deficit was financed from Domestic sources amounting to GH¢4,166.3 million. Total Net Foreign Financing amounted to GH¢4,883.4 million and included inflows from the issuance of the 2018 Eurobond.



**Table 6: Summary of Central Government Budget Balances and Financing – 2018**

Key Financing Indicators (in GHS unless otherwise indicated)	2017		2018				
	(Q1-Q3) Outturn	Budget	Revised Budget	Rev Prog (Q1-Q3)	Prov Outturn (Q1-Q3)	Dev GHS	Dev %
<b>Total Financing</b>	<b>8,818</b>	<b>10,971</b>	<b>10,971</b>	<b>7,780</b>	<b>9,050</b>	<b>1,269</b>	<b>16.3</b>
Percentage of GDP (old GDP series)	4.3	4.5	4.5	3.2	3.7		
Percentage of GDP (rebased GDP)	3.4	3.7	3.7	2.6	3		
<b>Foreign Financing</b>	<b>-213</b>	<b>2,971</b>	<b>4,704</b>	<b>5,307</b>	<b>4,883</b>	<b>-424</b>	<b>-8</b>
Percentage of GDP (old GDP series)	-0.1	1.2	1.9	2.2	2		
Percentage of GDP (rebased GDP)	-0.1	1	1.6	1.8	1.6		
<b>Domestic Financing</b>	<b>9,030</b>	<b>8,000</b>	<b>6,268</b>	<b>2,473</b>	<b>4,166</b>	<b>1,693</b>	<b>68.5</b>
Percentage of GDP (old GDP series)	4.4	3.3	2.6	1	1.7		
Percentage of GDP (rebased GDP)	3.5	2.7	2.1	0.8	1.4		

**Source: Ministry of Finance**

## OUTLOOK FOR END-2018

17. Given the trend in fiscal performance observed through end-September 2018, Total Revenue and Grants for the 2018 fiscal year is projected to be 4.6 percent below the revised annual target. The projected deviation is expected to emanate mainly from lower Non-Tax Revenue resulting from programmed one-off inflows which may not materialise. Additionally, expected receipts from Gas will not materialise. On the other hand, Tax Revenue is expected to recover somewhat, in the last quarter of the year, but will still fall short of the target by about 2.2 percent. Consequently, Total Revenue and Grants will amount to about GH¢46,807.5 million, equivalent to 15.7 percent of GDP.
18. Mr. Speaker, total Expenditure is generally expected to remain below target despite anticipated overages on specific expenditure lines, including Use of Goods and Services, and Wages and Salaries. However, Domestic financed Capital spending is also expected to adjust downwards to mitigate the impact of the overages on the overall Budget Balance. As a result, Total Expenditure (including Arrears clearance) will amount to about GH¢57,823.2 million, equivalent to 19.4 percent of GDP, and 3.7 percent below the revised annual Budget provision of GH¢60,030.2 million.





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19. Mr. Speaker, the end-2018 fiscal deficit on cash basis is, therefore, projected at GH¢11,015.4 million, equivalent to 3.7 percent of GDP broadly in line with the revised annual Budget target of GH¢10,971.1 million, which is also 3.7 percent of GDP.
20. Mr. Speaker, Government is also on track to achieving a positive primary balance for the second consecutive year and this is expected to impact positively in slowing down the rate of debt accumulation in 2018.

### **PETROLEUM RECEIPTS AND UTILISATION IN 2018**

21. Total petroleum receipts (i.e. proceeds from Liftings and other petroleum receipts) as at September 2018, was US\$723.55 million (GH¢3,292.20million), as shown in Table 7. This compares with the receipts of US\$362.58 million (GH¢1,552.13 million) in the same period in 2017.

**Table 7: Sources of Petroleum Receipts, January-September 2018**

Item	Unit	Jubilee	Ten	SGN	Other Receipts	Total
Royalties	US\$	75,908,681.73	69,716,782.35	63,030,602.08	-	208,656,066.16
Carried and Participating Interest	US\$	196,736,982.48	198,692,829.70	-	-	395,429,812.18
Corporate Income Tax	US\$	-	-	-	117,608,720.49	117,608,720.49
Surface Rentals	US\$	-	-	-	700,261,72	700,261,72
PHF Income	US\$	-	-	-	1,122,742.91	1,122,742.91
PHF Undistributed Funds	US\$	-	-	-	31,644.47	31,644.47
<b>Total Petroleum Receipts</b>	US\$	272,645,664.21	268,409,612.05	63,030,602.08	119,463,369.59	723,549,247.93
	GH¢	1,225,678,673.19	1,217,421,507.28	277,611,983.80	571,484,890.02	3,292,197,054.29

**Source: Ministry of Finance/Bank of Ghana**

22. Table 8 compares the performance of petroleum receipts as of September 2018 to previous years.



**Table 8: Analysis of Petroleum Receipts from Jan.-Sept., 2016 to 2018**

Item	Unit	2016	2017	2018	Variance
		Jan-Sept	Jan-Sept	Jan-Sept	2018 vrs 2017
<b>Royalties</b>	US\$	<b>44,793,483.31</b>	<b>91,760,907.48</b>	<b>208,656,066.13</b>	<b>116,895,158.65</b>
Jubilee	US\$	44,793,483.31	54,045,361.56	75,908,681.72	21,863,320.16
TEN	US\$		37,715,545.92	69,716,782.34	32,001,236.42
Sankofa	US\$	-	-	63,030,602.08	63,030,602.08
<b>Carried and Participating Interest</b>	US\$	<b>116,093,897.84</b>	<b>247,561,839.21</b>	<b>395,429,812.20</b>	<b>147,867,972.99</b>
Jubilee	US\$	116,093,897.84	140,072,533.32	196,736,982.49	56,664,449.17
TEN	US\$	-	107,489,305.89	198,692,829.71	91,203,523.82
Sankofa	US\$	-	-	-	-
Surface Rentals	US\$	435,094.24	845,428.91	700,261.72	- 145,167.19
Royalties from SOPCL	US\$		-	-	-
Corporate Income Tax	US\$	2,232,550.00	22,073,745.00	117,608,720.49	95,534,975.49
PHF income	US\$	60,806.40	334,121.37	1,154,387.38	820,266.01
Price Differentials	US\$	-	-	-	-
Gas Royalties	US\$	379,554.50	-	-	-
GAS Carried and Participating Interest	US\$	8,923,251.85	-	-	-
Interest on Late Payment on TEN 3	US\$	-	4,274.04	-	- 4,274.04
<b>Total Petroleum Receipts</b>	US\$	<b>172,918,638.14</b>	<b>362,580,316.01</b>	<b>723,549,247.92</b>	<b>360,968,931.91</b>
	GHC	<b>671,526,738.66</b>	<b>1,552,129,142.93</b>	<b>3,292,197,054.29</b>	<b>1,740,067,911.36</b>

Source: Ministry of Finance/Bank of Ghana

### ALLOCATION OF 2018 PETROLEUM RECEIPTS

23. The 2018 petroleum revenue allocation was done in line with the PRMA. Seventy percent (70%) of the net receipts are designated as ABFA and not less than 30 percent designated as GPFs. Out of the amount transferred into the GPFs, the GHF receives not less than 30 percent, with the rest transferred into the GSF. Of the amount of GH¢1,546.38 million approved for ABFA spending in 2018, a total of GH¢610.18 million, representing 49.0 percent was utilised as at September 2018. Table 9 provides a summary of ABFA utilisation by the priority area.

**Table 9: 2018 ABFA Utilisation by Priority Area**

No.	Priority Area	ABFA Utilisation (Jan-June)
1.0	Agriculture	34,656,067.43
2.0	Physical Infrastructure and Service Delivery in Education	417,045,522.97
3.0	Physical Infrastructure and Service Delivery in Health	11,265,085.38
4.0	Road, Rail & Other Critical Infrastructure Development	142,630,756.20
<b>5.0</b>	<b>Sub-Total</b>	<b>605,597,431.98</b>
6.0	Public Interest and Accountability Committee (PIAC)	1,000,000.00
<b>7.0</b>	<b>Grand-Total</b>	<b>606,597,431.98</b>

24. The Benchmark Revenue for 2019, which is the total revenue, net the amount ceded to the NOC, is estimated at US\$675.80 million. Of this amount, a total of US\$473.0 million has been allocated to ABFA, while the GPFs will receive US\$202.70 million. The GPFs receipts will be distributed between the Ghana Stabilisation Fund (US\$141.90 million) and the Ghana Heritage Fund (US\$60.80 million).



**TABLE 10: REVENUE DISTRIBUTION IN THE MEDIUM TERM**

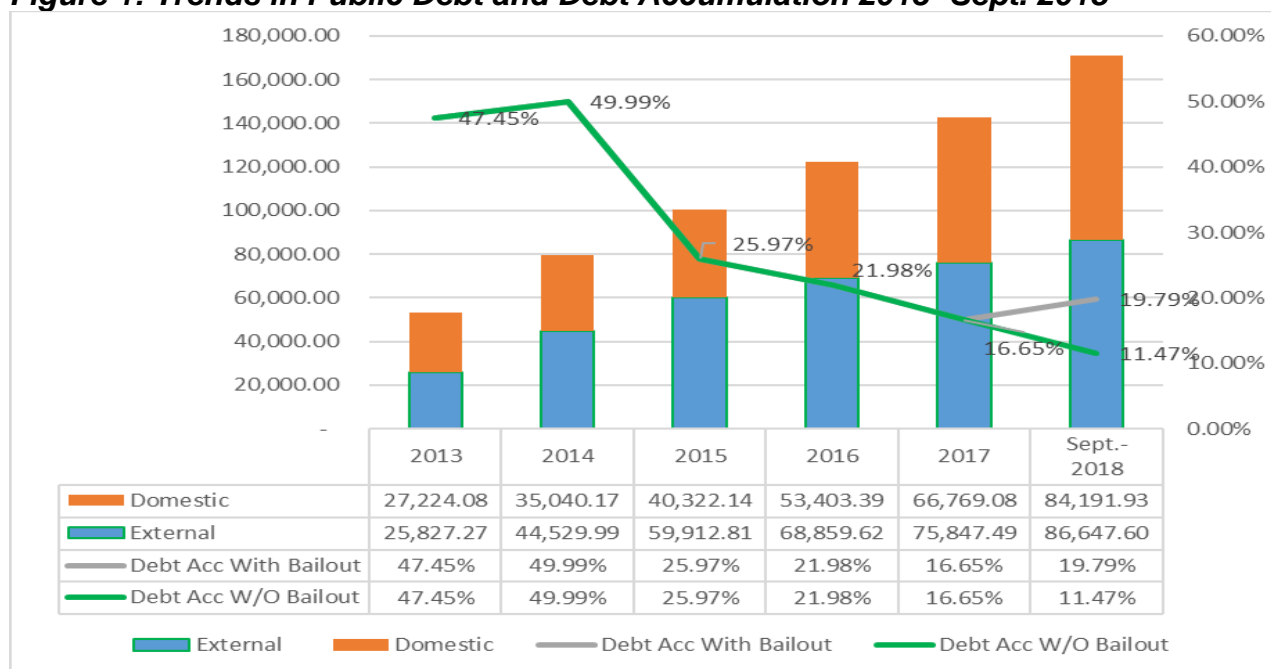
ITEM	UNIT	2019	2020	2021	2022
<b>Transfer to National Oil Company (NOC)</b>	USD mn	404.9	481.2	462.8	388.0
o/w Equity Financing	USD mn	320.1	334.6	262.7	154.5
o/w 30% share of Net Carried & Participating Interest	USD mn	84.8	146.6	200.0	233.5
<b>Benchmark Revenue (BR)</b>	USD mn	675.8	1,074.0	1,322.6	1,383.7
o/w Annual Budget Funding Amount	USD mn	473.0	751.8	925.8	968.6
o/w Transfer to the Ghana Petroleum Funds	USD mn	202.7	322.2	396.8	415.1
o/w Ghana Stabilisation Fund	USD mn	141.9	225.5	277.8	290.6
o/w Ghana Heritage Fund	USD mn	60.8	96.7	119.0	124.5

Source: Ministry of Finance

## PUBLIC DEBT DEVELOPMENTS FOR 2018

25. Public debt stock as at September 2018 was GH¢170,839.53 million, comprising external and domestic debt of GH¢86,647.60 Million and GH¢84,191.93 million, respectively as shown in figure 1. The rate of debt accumulation in 2018 is 19.8 percent, driven significantly by the banking sector bailout

**Figure 1: Trends in Public Debt and Debt Accumulation 2013- Sept. 2018**



Source: Ministry of Finance



## MACROECONOMIC TARGETS FOR 2019 & MEDIUM TERM POLICY OBJECTIVES

### Real Sector Outlook

26. The medium-term GDP projection is predicated on the 2018 revised GDP growth. In the medium-term (2019-2022), GDP is projected to record an average growth of 6.9 percent, with projected growth rates of 7.7 percent, 6.9 percent, 5.6 percent and 7.4 percent in 2019, 2020, 2021 and 2022, respectively, as shown in Table 11

**Table 11: Real GDP Growth, 2019-2022 (percent)**

	2019	2020	2021	2022	Average
Agriculture	7.3	7.0	7.0	7.1	7.1
Industry	9.7	7.2	3.5	7.2	6.9
Services	6.1	7.1	7.7	8.6	7.4
<b>Overall GDP (incl. oil)</b>	<b>7.6</b>	<b>7.0</b>	<b>5.8</b>	<b>7.6</b>	<b>7.0</b>
<b>Overall GDP (excl. oil)</b>	<b>6.2</b>	<b>7.1</b>	<b>6.3</b>	<b>6.9</b>	<b>6.6</b>

Source: Ministry of Finance

### Fiscal Sector Outlook

27. For the medium-term (2019-2022), the macroeconomic targets are set as follows:
- Overall Real GDP to grow at an average of 7.0 percent for the period;
  - Non-Oil Real GDP to grow at an average of 6.6 percent for the period;
  - Inflation to be within the target band of  $8 \pm 2$  percent;
  - Overall fiscal deficit to remain within the fiscal rule of not more than 5 percent of GDP;
  - The primary balance to be in a surplus of at least 1 percent of GDP; and
  - Gross International Reserves to cover at least 4 months of imports of goods and services.
28. The following macroeconomic targets are set for the 2019 fiscal year:
- Overall Real GDP growth of 7.6 percent;
  - Non-Oil Real GDP growth of 6.2 percent;
  - End-period inflation of 8.0 percent;
  - Fiscal deficit of 4.2 percent of GDP;
  - Primary surplus of 1.2 percent of GDP; and
  - Gross International Reserves to cover not less than 3.5 months of imports of goods and services.
29. Table 12 presents a summary of government’s fiscal framework for 2019 and the medium term. The fiscal deficit, which defines government’s borrowing requirement, is projected at 4.2 percent of GDP in 2019 and is expected to remain below 4 percent of GDP from 2020-2022. The primary balance is expected to remain positive,



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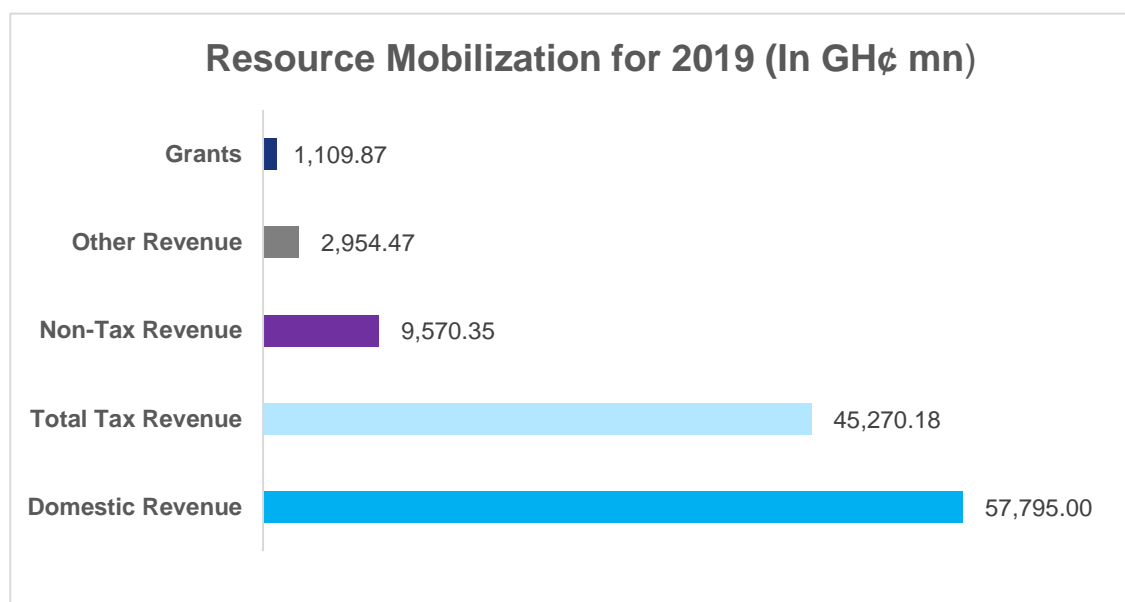
stabilising the growth of debt and ensuring that government can meet its spending commitments without additional borrowing.

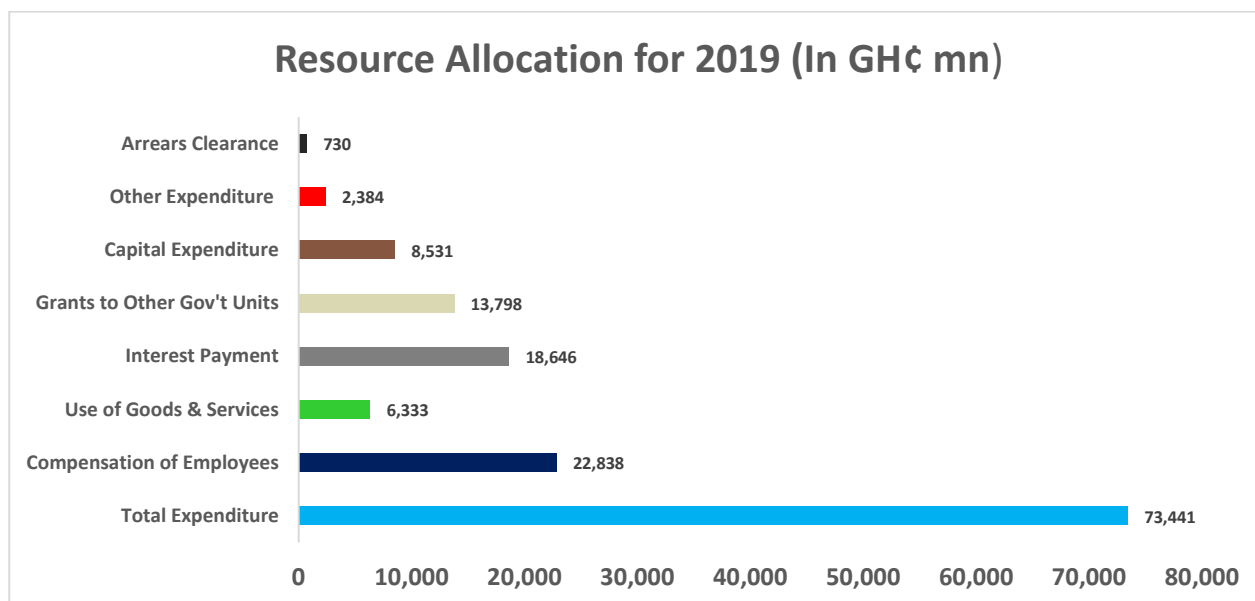
**Table 12: Summary of Central Government Fiscal Operations (2019-2022)**

	2018	2019	2020	2021	2022
	Proj Outturn	Budget	Medium-Term		
Total Revenue	46807	58905	67818	74746	79405
Percentage	15.7	17.1	17.1	16.6	15.2
Total Expenditure	57823	73441	82365	89268	95368
Percentage	19.4	21.3	20.8	19.8	18.3
Non-Interest Expenditure	42910	54795	66347	71264	76550
Percentage	14.4	15.9	16.8	15.8	14.7
Budget Balance	-11015	-14536	-14547	-14522	-15963
Percentage	-3.7	-4.2	-3.7	-3.2	-3.1

Source: Ministry of Finance

**Fig 2: Resource Mobilization & Expenditure Plans for 2019**





**Source: Ministry of Finance**

### **FINANCIAL SECTOR POLICY INITIATIVES UPDATES**

30. The Financial Sector is critical to the functioning and development of the economy. The Sector comprises the Banking Sector, Capital Markets, Insurance and Pension industries.

#### **Banking Industry Developments**

31. The banking sector in Ghana has in the past few years been undergoing some turmoil arising from inadequate capital; high levels of Non-Performing Loans (NPLs) owing to poor liquidity and credit risk management controls; and weak corporate governance structures. Evidence from the 2016 Asset Quality Review (AQR) of banks suggest some indigenous banks were identified to be vulnerable. As such, Government had to intervene to protect the about 1.5 million depositors which included institutional depositors and pension funds, and to protect jobs. Underpinning these rather unpleasant but needful decision is the desire to ensure stability of the financial system.
32. The Bank of Ghana is taking steps to ensure that all relevant parties whose actions contributed to the failure of the insolvent banks are held accountable through administrative, civil, and criminal actions as appropriate.

#### **Ghana Commodities Exchange**

33. Government this year has set-up the Ghana Commodity Exchange (GCX) to promote private sector investment in industry and agriculture sectors which is critical for achieving the President’s Coordinated Programme of Economic and Social Development Policies. The Exchange has a state of the art trading system linked to warehouses located in rural communities such as Wenchi, Ejura, Tamale and Sandema, among others. This new regulated market is expected to contribute



immensely to the transformation of our economy that will see agricultural and other commodities take center stage in our endeavor to ensuring irreversible economic growth and development.

34. As a new pillar of the financial system, it will help in creating better opportunities for over 2.9m Ghanaians who are employed in the agriculture sector. In partnership with the One District One Warehouse and the Planting for Food and Jobs Programme and private sector, Government expects to reach 1 million farmers and increase its warehouse capacity to 100,000 MT as well as trade volume of 50,000MT.

***Development of the mortgage and housing finance market:***

35. To support private sector efforts in expanding access to housing, Government has selected five banks to kick-start the process of developing and deepening the local mortgage and construction finance market. The focus on fixing the financial system to support homeownership by large segment of the populace is critical in government effort to enter into a social compact with labor.
36. An amount of GH¢40.0 Million has been released for the pilot phase and an interim Management Board set up to supervise the implementation of the Mortgage and Housing Finance Scheme. This is expected to contribute to the reduction of Ghana’s housing deficit which currently stands at about 1.7 million.

***REVENUE POLICY MEASURES***

37. Government strategy for revenue mobilization is to continue the agenda of optimizing revenue performance by automating current tax operations and procedures, reviewing tax laws to plug revenue loopholes, improving tax compliance and administration and changing tax culture. Government will implement the following tax policy measures among others in 2019:
- **Review of the Income Tax Band:** Government proposes to review the personal income tax band of above GH¢10,000 and above per month at a rate of 35 per cent to impact monthly taxable income above GH¢20,000 at a rate of 30 per cent. The tax bands will be further adjusted to reflect the new minimum wage.
  - **Support to the textile industry:** In order to curtail smuggling and counterfeiting in the textile industry, it is proposed that the tax stamp policy be extended to the textile industry. Government also proposes to zero-rate VAT on the supply of locally made textiles for a period of three years.
  - **Withholding Tax on Small Scale Mining:** To simplify the collection of withholding tax for both small scale mining operators and tax authorities, the point of collection of the tax will be shifted to the point of export.
  - **Support for Government Initiatives:** Government under the auspices of section 100 of the Income Tax Act, 2015 (Act 896) will create a special dispensation for companies who commit additional funds to support government initiatives.



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- **Tax Exemptions Policy:** Government has completed a draft policy on exemptions which will be presented to Parliament in 2019 to be passed into law.
38. The following tax administration enhancing measures among others will also be implemented in 2019:
- **Tax Identification Number (TIN) Enforcement:** The Revenue Administration Act, 2016 (Act 915) lists a number of transactions and services that cannot be accessed without a TIN. In 2019 sanctions will be applied against institutions and individuals who breach these provisions. Additionally beneficiaries of government social services will be required to have a TIN.
  - **Deployment of Nation Builder’s Corps (NABCO):** The GRA has been assigned ten thousand officers from the NABCO who will be deployed to identify and register potential taxpayers and follow up on debtors. The data will be used to update the GRA taxpayer database.
39. Other Measures includes:
- In 2019, Government will pursue strategies to enhance property data creation and management, establish a simplified tool for property valuation, set up a system for the generation and distribution of bills, and deploy a system for the collection of property and other rates.
  - The Ministry of Finance will expand the arrangement of signing agreements with commercial banks to collect all fees and charges on behalf of the MDAs.

### 2018 SECTORAL PERFORMANCE AND OUTLOOK FOR 2019

40. Consistent with the Coordinated Programme of Economic and Social Development Policies, Medium-Term National Development Policy Framework named Agenda for Jobs: Creating Prosperity and Equal Opportunity for All and Sustainable Development Goals and other international commitments, this section highlights the key Government programmes and interventions to transform the economy. The Sectoral Performance and Outlook covers some few MDAs as follows:

#### NATIONAL IDENTIFICATION AUTHORITY

41. The National Identification System (NIS) commenced with the registration of 56,359 staff members from 100 public sector institutions. The mass registration phase is on-going.
42. The registration of legally resident foreign nationals in the country under the Foreigners Identification Management System (FIMS) is also on-going with 8,914 FIMS identity cards issued.

#### MINISTRY OF BUSINESS DEVELOPMENT

43. Under the National Entrepreneurship and Innovation Plan (NEIP), 7,000 entrepreneurs were trained and 1,350 successful entrepreneurs who presented





innovative and bankable business plans were provided with financial support. Each of these entrepreneurs are expected to create a minimum of two jobs, totaling 2,700 direct jobs. In 2019, another set of 10,000 entrepreneurs will be trained and financial support provided to about 2,000 beneficiaries.

44. Under the Entrepreneurship Development and Training project (The “Presidential Pitch”), designed to offer young Ghanaian entrepreneurs between the ages of 18 and 35, the opportunity to market their business ideas and access financial assistance, 20 out of 2,000 proposals were selected and given financial support to develop their entrepreneurial ideas into businesses.

#### **MINISTRY OF SPECIAL DEVELOPMENT INITIATIVES**

45. The Ministry commenced the allocation of the cedi equivalent of “US\$1million” annually to each of the 275 constituencies for investment in local infrastructure. This fund supported the implementation of Government priority initiatives, including One Village One Dam; Agricultural infrastructure (warehouses and markets), One Ambulance per Constituency; “Water for All” Projects; and Sanitation Projects.
46. Pending the operationalization of the three development authorities, The Ministry implemented the following local infrastructure project under IPEP, which are at various stages of completion:
- 1,000 No. 10-Seater Water Closet Institutional and Community Toilets;
  - 1,000 No. Community-Based Limited Solar Powered Mechanised Water System;
  - 50 No. 1,000 metric tonnes prefabricated grain warehouses; and
  - 570 Small Dams and Dugouts.
47. In 2019, the Ministry will support the Development Authorities to deliver the following projects:
- **The Northern Development Zone** will benefit from the construction of 20 irrigation dam; 15 warehouses; 200 culverts; rehabilitation of 200km of farm roads; 170 tricycles; 85 new 6-unit classroom blocks; and 162 units of motor tricycle ambulances among others.
  - **The Middle Belt Development Zone** will implement the following projects: Construction of 30 small town water system; 300 culverts; establishment of 33 industrial enclaves; 30 small town markets; 15 small irrigation dams; 15 warehouses; rehabilitation of 300km farm access roads among others.
  - **The Coastal Development Zone** will deliver the following: 10 agricultural centres; 4 fish and shrimp farming enclaves; street lights; 10 small town water systems; 100 culverts; and provision of 200,000 school furniture; 20 small bridges; five drainage systems; 10 Rural Health Centres; 300 km farm roads among others.



**MINISTRY OF INNER-CITY AND ZONGO DEVELOPMENT**

48. In line with providing modern social amenities for the Zongo and Inner-Cities, the Ministry constructed five Astro turfs (with spectator stands and dressing rooms) at Madina, Kyebi and Walewale. In addition, five recreational parks were completed for use at Bolgatanga, Salaga, Yeji, Tafo-Kumasi and Akim Oda.
49. Works commenced on two additional Astro turfs at Fadama in Accra and Aboabo in Kumasi. In addition, secondary drains (1km) were constructed at Madina Zongo, while dredging of the 1.7km long Aboabo (Pelele) storm drain in Kumasi is 60 percent complete.
50. In 2019, the Zongo Development Fund (ZoDF) will continue to provide basic community infrastructure such as access roads, alleyways, drains, bailey bridges, recreational parks, as well as waste water management systems among others.

**MINISTRY OF EDUCATION**

51. To ensure that all girls and boys complete free, equitable and quality secondary education, government continued with the successful implementation of the Free SHS Policy. The enrolment in 2018 was 490,882 representing an increase of 36 percent over the 2017 enrolment of 361,771.
52. The Ministry introduced the double track school calendar as a temporary measure in 400 schools to accommodate more students and ease congestion in schools. As at October 30, a total of 484,743 students had been placed in schools on both the green and gold tracks. Out of the number placed, 405,540 had enrolled. In 2019, the Ministry will complete stalled building projects in the secondary schools to expand capacity.
53. To bridge shortfalls in staff at the pre-tertiary level of education, government recruited 19,650 teaching and non-teaching staff and deployed them to schools across the country. Furthermore, approximately 8,872 teachers were recruited and deployed to various senior high schools for the double track system.
54. Following government commitment to establish the University of Environment and Sustainable Development as a centre of excellence in Agriculture and Engineering, work will commence on the Bunso campus to include the construction of Administration Block, School of Agriculture, School of Engineering, Buildings for supporting facilities, and Sporting facilities among others in 2019.
55. Processes have also commenced to merge Ghana Institute of Languages, National Film and Television Institute (NAFTI) and the Ghana Institute of Journalism (GIJ) into National Institute of Communication and Media Arts. In 2019, the necessary regulatory bill will be put together with stakeholder consultations.



**MINISTRY OF EMPLOYMENT AND LABOUR RELATIONS**

56. To provide income earning and capacity building opportunities for young graduates in the country in line with the job creation agenda of Government, a total of 100,000 graduates were enrolled and trained and 96,983 posted to various institutions under the Nations Builders’ Corps (NABCo) modules. The posted beneficiaries will remain on the programme for a maximum of three years.

**MINISTRY OF HEALTH**

57. Government under the Health Services Delivery Programme, aim to reduce neo-natal mortality and under 5 mortality as well as achieving the Universal Health Coverage, the following interventions were made:
- Ensuring affordable, equitable, easily accessible and Universal Health Coverage;
  - Reducing disability, morbidity and mortality and
  - Ensuring that payment at the district hospital level and below by NHIS cards holders become completely illegal. These will continue in 2019.
58. To develop quality, reliable, sustainable and resilient health infrastructure, the following health investments in infrastructure were undertaken:
- Construction and equipping of 10 polyclinics in the Central Region at Bisease, Gomoa Dawurampong, Akunfude, Etsii Sunkwa, Odoben Gyamera, Biriwa, Ekumfi Naakwa, Mankrong, Bimpong Egya and Gomoa Potsin. Works were completed and commissioned for use;
  - Construction and equipping five polyclinics in the Greater Accra Region at Adenta 82 percent, Ashaiman 80 percent, Bortiano 78 percent, Oduman 85 percent and Sege 82 percent; and
  - The Wa Regional Hospital, Nsawkaw District Hospital and Atomic Hospital are scheduled for completion by the end of the year.
59. The following health projects will continue in 2019:
- Completion and Equipping of Bekwai District Hospital; 4 District Hospital Projects at Sawla, Tolon, Somanya, Buipe and a polyclinic at Bamboi;
  - Construction of Axim Hospital; and Rehabilitation of Effia-Nkwanta Emergency, Maternity and Children’s Block.
  - Phase II of the University of Ghana Medical Centre
  - Upgrading of the Hohoe Municipal Hospital to a Regional Hospital will begin.
  - One District Hospital and five Polyclinics in Western Region at Akontombra, Bogoso, Wassa Dunkwa, Mpoho, Elubo and Nsuaem; as well as expansion and equipping of facilities at Aburi, Kyebi, Atibie and Mampong;
  - Completion and Equipping of Bekwai District Hospital; four District Hospital Projects at Sawla, Tolon, Somanya, Buipe and a polyclinic at Bamboi;



Construction of Axim Hospital; and rehabilitation of Effia-Nkwanta Emergency, Maternity and Children’s Block; and

- The construction of 15 CHPS Compounds as follows: Greater Accra Region – two; Brong-Ahafo Region – five; Ashanti Region – two; Eastern Region - three and Western Region - three.

#### **MINISTRY OF FOOD AND AGRICULTURE**

60. Following a year of implementation of the Planting for Food and Jobs (PFJs) Programme, the sector witnessed a growth rate of 8.4 percent in 2017. Significant yield increases were recorded in 2017 compared to 2016 levels for selected crops; maize yield increased by 67 percent from 1.8mt/ha to 3.0mt/ha; rice yield increased by 48 percent from 2.7mt/ha to 4.0mt/ha and soya yield increased by 150 percent from 1mt/ha to 2.5mt/ha.
61. A total of 577,000 farmers were supplied with subsidized fertilizers and seeds for the 2018 cropping season, compared to a target of 500,000 farmers.
62. In 2018, a total of 183,000mt of fertilizers, 7,600mt of seeds and cassava planting materials were distributed across the country. In 2019, 13,000mt of subsidized seeds for priority crops (cereals, legumes and vegetables) and 200,000 bundles of cassava planting materials; 438,900mt subsidized inorganic fertilizer and 30,000mt of organic fertilizers will be distributed. This is expected to translate into a total of 1.2 million metric tonnes of additional production of cereals and legumes.
63. To improve extension service delivery, the Ministry facilitated the recruitment of 2,700 extension agents, procured and distributed 3,000 motorbikes to extension agents and also distributed 216 brand new pickups to Departments of Agriculture of District Assemblies.
64. The Ministry continued the irrigation development projects initiated in 2017. These included Tamne Phase I dam which is 84 percent complete and the fully completed Zakpalsi, Kornorkle, Uwasi, Atidzive-Ayiteykorfe and Aka Basin dams, making available 83 hectares of land for irrigation. Government will in 2019, rehabilitate the Guo, Kpong left and right banks, Tono, Ohawu, Weta and Ashaiman irrigation schemes, which will make available a total of 9,850 hectares.
65. In order to establish strong agribusinesses to attract Ghanaian youth, the Ministry introduced the concept of greenhouse villages in 2017. The greenhouse villages will each house 13 commercial greenhouses of 5,000 square meters with additional facilities such as nursery, post-harvest packing houses among others. To date, a total of 143 graduates have been trained, of which 51 are currently undergoing eleven months hands on training in Israel to sharpen their skills.



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66. Government will in 2019, launch the livestock model of Planting for Food and Jobs called “Rearing for Food and Jobs” to increase the production of selected livestock, especially poultry.
67. The Ministry will also launch the Planting for Export and Rural Development (PERD) model of the Planting for Food and Jobs. The model will promote selected tree crops including coconut, cashew, coffee, rubber, mango and oil palm, and diversifying away from the dominant cocoa crop.
68. Government is establishing cattle ranches in selected locations to address the persistent conflict between the Fulani herdsmen and food crop farmers’. A model ranche with a carrying capacity of 6,000 animals was established at Wawase in the Afram Plains.
69. In anticipation of increased production from PFJ, the Ministry completed the rehabilitation of five warehouses at Yendi, Tamale, Wenchi, Sunyani and Kumasi. In 2019, the Ministry will construct additional 30 new warehouses equipped with seed cleaners, dryers and weighing scales to minimize losses along the supply chain.
70. In the cocoa sector, despite the significant decline in world cocoa price by almost a third, Government maintained the producer price at GHS7,600.00 per tonne to ensure that farmers did not unduly suffer loss of income.

### **MINISTRY OF FISHERIES AND AQUACULTURE**

71. To support the National Agenda for Jobs, Government will roll out the “Aquaculture for Food and Jobs” (AFJ) flagship Programme in 2019 to complement the ongoing “Planting for Food and Jobs” (PFJ) initiative. The AFJ Programme will mobilize and train 10,200 unemployed youth in modern aquaculture production technique, and supported with inputs such as fish feed, fingerlings, tanks and cages to engage in commercial fish farming. The programme will be implemented in collaboration with “Feed Ghana’ and Enterprise Ghana modules of the Nation Builders Corps (NaBCo) Secretariat.
72. The Ministry facilitated the construction of Anloga fish landing site to enhance the productivity of fishers. In addition, detailed construction designs and Environmental Impact Assessment studies were completed for landing sites at Teshie, Axim, Winneba, Mumford and a fishing harbour complex at James Town. Actual construction on these landing sites will commence in 2019 as well as Phase II of the Anomabo Fisheries College.

### **MINISTRY OF TRADE & INDUSTRY**

73. Government by the end of this year, would have approved a total number of 79 projects under the 1D1F, which are at various stages of implementation. To date 22



projects are being implemented in the Greater Accra Region, 14 in Eastern Region, 13 in Ashanti Region, 13 in Brong Ahafo Region, eight in Central Region, six in Northern Region and one each in the Western, Volta and Upper West regions, having received funding approval from the Participating Financial Institutions. Another set of 35 projects are going through further critical credit appraisal to ensure the projects receive financial support for smooth implementation.

74. The unfair trade practices in the textile sector has literally collapsed local manufacturing companies leading to a significant reduction in the number jobs. Against this back drop, the following policy measures to be implemented: -
- Introduction of Tax Stamps for locally manufactured as well as imported textiles;
  - Introduction of a Single Dedicated Entry Corridor for imported textiles products; (Tema Port)
    - The implementation of a Textile Import Management System to coordinate all Imports of textiles, including the vetting of designs and logos.
    - Providing support and incentives to local manufacturers to improve their competitiveness.
    - Attracting foreign textile manufacturing companies to locate in Ghana.
    - Conducting market surveillance exercises by the Textile Task Force to monitor compliance with the new policy measures.

#### **MINISTRY OF ENERGY AND POWER**

75. Under the Power Sector Development and Management Programme, Government Completed installation works on the 340MW CenPower Project. The Ministry is also facilitating the relocation of the 450MW Karpowership from Tema to Sekondi to utilize gas produced from the Sankofa Fields. The 147MW (Phase 1) Early Power (which is 40 percent complete) and the 192MW Amandi Power Projects are scheduled to be completed in 2019.
76. Under the Transmission System Improvement Projects, Ghana Grid Company (GRIDCo) continued with the Transmission System Reinforcement to improve operational reliability, security and control among others. Key activities include:
- Aboadze-Prestea 330kV Transmission Line - 98 percent complete;
  - Prestea-Kumasi 330kV Transmission Line - 94 percent complete; and
  - Kumasi-Bolgatanga 330kV Transmission Line - 96.3 percent complete.
77. In addition, the 225kV Bolgatanga-Ouagadougou Interconnection project, which is a component of the WAPP Inter-zonal Transmission Hub Project, was completed and inaugurated by the Presidents of Ghana and Burkina Faso. This is currently allowing the export of 70MW power from Ghana to Burkina Faso.
78. GRIDCo will in 2019 initiate processes for the implementation of the following transmission projects:
- 161kV Aboadze-Takoradi line upgrade project;



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- 161kV Takoradi-Tarkwa-New Tarkwa-Preatea line upgrade project; and
- 330kV A4BSP (Pokuase) - Nkawkaw-Anwomaso line project

79. Under the Rural Electrification Programme, 122 out of a targeted 1,796 communities were connected to the national grid. The national electricity access rate is currently at 84.3 percent. In 2019, a total of 1,250 communities are expected to be connected to the national grid.
80. The Volta Aluminium Company (VALCO) in June this year initiated a restart of a second Pot line. The restart process is 60 percent complete and is projected run two Pot lines by the end of 2018. VALCO has engaged 180 direct personnel and indirectly employing 900 personnel in the downstream and allied industries. In 2019, VALCO will run fully, two out of its five plotlines to increase output from 40,000 to 80,000 tons with associated revenue of US\$160 million. In line with Government’s vision for an integrated aluminum industry, the company will embark on the Smelter Technology Upgrade project.
81. To promote LPG as a healthier, safer and cleaner fuel in semi-urban and rural areas in a bid to reduce deforestation, the Ministry distributed 2,000 cylinders, 32,800 cook stoves and accessories under the Rural LPG Promotion Programme (RLPGPP). In 2019, the Ministry will procure 60,000 cook stoves for distribution.

### **MINISTRY OF ROADS AND HIGHWAYS**

82. Government under the Road Rehabilitation and Maintenance Programme, continued routine and periodic maintenance activities of 28,125km of trunk roads, 9,182km of feeder roads, and 1,437km of urban roads at the end of September 2018. In addition, re-gravelling, spot improvement and resealing works of 55km, 271km and 64km on the trunk, feeder and urban road networks were completed respectively. Minor rehabilitation works for upgrading, construction of culverts and drainage structures were completed for 15km trunk roads, 266km feeder roads and 69km urban road networks respectively.
83. The Ministry of Roads will in 2019 undertake 11,100km, 25,000km and 6,500km of routine maintenance activities on trunk, feeder and urban road networks respectively. Periodic maintenance activities will be undertaken on 55km, 500km, 400km which includes spot Improvement, Re-gravelling, Resealing, Asphaltic Overlaying, Partial Reconstruction, and Bridge Maintenance on trunk, feeder and urban roads respectively. The Ministry will also undertake minor rehabilitation works on 5km of trunk roads, 450km of feeder roads and 60km of urban roads. It will also implement an electronic tolling of roads to improve revenue generation into the Road Fund.
84. Activities undertaken under the Road and Bridge Construction Programme in 2018 include 3 tier Pokuase interchange under the Accra Urban Transport Project, 3 – tier



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interchange Tema Motorway roundabout, Kasoa and Nungua terminals, and Kumasi facelift projects including asphalt overlay in Manhyia, Bantama and road from Anloga Junction to Tech Junction. Additional projects completed include:

- Construction of Oil and Gas Enclave Roads – (Construction of 10km road along the pipe line including the Amazure bridge
- Rehabilitation of Tarkwa – Bogoso – Ayamfuri Road (94.4km): Tarkwa Bogoso Section (30km).
- Construction of two lane underpass to link Spintex and East Legon

85. Mr. Speaker, in 2019, the following ongoing projects will be continued:

- Construction of Bridge on the Volta River at Volivo
- Nsawam - Apedwa Road (Kwafokrom – Apedwa Road)
- Tamale – Yendi Road
- Bolgatanga – Bawku - Polmakom
- Nkwanta - Oti Damanko Road
- Oti Damanko - Nakpanduri Road
- Berekum – Seikwa Road
- Enchi - Dadieso Road
- Dualisation of Ho Main Roads
- Construction of Ho Bypass
- Construction of Pokuase Interchange
- Kumasi Roads and Drainage Extension Project

86. The following key new roads are programmed for construction in 2019:

PROJECT	LENGTH (KM)
Anwiankwanta-Obuasi	30
Adentan – Oyibi	15
Asphaltic Overlay of Pantang Jn-Ayi Mensah	8
Mampong – Kofiase	14
Odumase-Seikwa Nkwanta	44
Bediako-Kasapii- Camp 15	45
Wulugu- Wiasi	200
Tamale-Yendi-Tatale	98
Daboya, Buipe and Yapei Bridges	-
Navrongo-Naga	30
Lawra-Han-Tumu	150
Wa-Yaala-Wiasi	160
Kwabeng-Abomосу-Asuom	41.4
Kwabeng-Akropong	20.5
Osiem-Begoro	17
Ankamu-Achiase-Swedru	30
Swedru-Bawjiase-Adeiso	43
Twifo Praso - Asikuma - Dunkwa	55
Benchema-Adwofia	38
Asankragua-Agona-Sefwi Bekwai	55
Jasikan-Dodo Pepesu	56





**MINISTRY OF RAILWAYS DEVELOPMENT**

87. Government under the Railway Development and Services Programme commenced the rehabilitation of the existing 56km narrow gauge line from Kojokrom to Tarkwa through Nsuta corridor to restore the passenger rail and freight services for the first time since 2007 and will be completed in 2019.
88. Rehabilitation also commenced with Ghana Railway Company Limited own work force for the 70.8km narrow gauge sections of the Eastern Railway Line from Accra to Nsawam and Accra to Tema. The Achimota to Tema section is 90% complete; Achimota to Accra Central and Achimota to Nsawam will be completed by end of 2018. Rehabilitation will continue to Koforidua in 2019.
89. The construction of the 22km new standard gauge railway line from Kojokrom to Manso is progressing steadily. The remainder of the Western Line from Manso to Kumasi, with a branch line from Awaso to Dunkwa will be pursued in 2019.
90. The 15km line between Sekondi to Takoradi via Kojokrom has been converted from narrow gauge line to a dual gauge enabling standard gauge trains access Takoradi. The 15No. existing Passenger Coaches were also refurbished to pave way for the sub-urban commuter services to be re-opened.
91. The construction works on Tema – Mpakadan (Akosombo) rail line started and currently stands at 25% completion. The projects is expected to be completed in 2020.

**MINISTRY OF TRANSPORT**

92. The Ministry continued to construct new container terminals at the Tema Port to increase container handling capacity, provide additional berths, reduce waiting time and ensure quick access to the Port. The first berth with a depth weight capacity of 16.0m is 42% complete and is scheduled to be operational by 2019.
93. As part of the strategy to develop Takoradi Port as an Oil and Gas hub , the Ministry commenced the development and operation of an on-dock container multi-purpose terminal with a container quay of 16-metre draft to accommodate bigger vessels. The first phase of the Dry Bulk Jetty which involves the construction of the 600m quay wall has been completed. The second phase of an additional 200m quay wall will commence in 2019.
94. To decongest the Tema Port and to facilitate transit trade especially to our landlocked countries, a Strategic Investor will be engaged in 2019 to partner Government to develop an Inland Port at Boankra
95. In order to improve transportation services on the Volta Lake, the construction/ rehabilitation of ferry landing sites and facilities along the Lake is ongoing.



Construction works on the landing sites at Dambai and Dambai Overbank has commenced and is about 20% complete. Additionally, contract has been awarded for the construction/rehabilitation of Yeji, Makango and Agordeke landing sites. The Volta Lake Likelihood Development and Blackfly Nuisance Control Programme is being introduced to save lives and property as well as reduce public health impact of onchocerciasis in the Volta Basin. It will create additional 3,000 jobs for the teeming youth of the community.

#### **MINISTRY OF THE INTERIOR**

96. The National Disaster Management Organisation, NADMO launched the Operation Thunderbolt to respond to the Bagre Dam spillage. The team patrolled on the flood waters 24/7 to respond to emergencies in the three affected Northern Regions made up of 41 Districts and 686 communities. Also, the spillage affected 81,532 victims, caused the death of 17 persons, destroyed 75,607 farms, and 10,676 houses, contaminated 43 wells and collapsed 52 bridges. NADMO supported 57,066 persons of the 81, 532 victims.
97. As part of the Police Transformational Agenda, the Service took delivery of 200 Branded Technical vehicles, 10 SWAT Technical Vehicles, 108 Pick-up Vehicles and 179 motorbikes to intensify the mobile patrols in the communities to help combat crimes.

#### **OFFICE OF THE SPECIAL PROSECUTOR (OSP)**

98. The Office of the Special Prosecutor (OSP) was established, pursuant to the Special Prosecutor Act, 2017 (Act 959), as a special initiative of His Excellency, the President, to root out corruption in the society. The objectives of the Office in summary are, to investigate and prosecute alleged corruption offences, recover the proceeds of corruption and take steps to prevent corruption. An L.I to make it fully operational in 2019 was submitted to Parliament.
99. The Office received and acted upon a total of 35 petitions, complaints and information in respect of corruption and corruption-related offences, 27 were acknowledged with an indication that actions were being or intended to be taken. The Office is pursuing two joint investigations with the Economic and Organised Crime Office (EOCO), one of which is ready for the suspect to be formally charged for prosecution.
100. To be fully functional in 2019, the Office has projected for the recruitment and appropriate training of staff; develop adequate regulatory backing as well as acquisition of requisite modern anti-corruption equipment and information systems.



## **CONCLUSION**

### **Marching Boldly Towards Ghana Beyond Aid**

101. With December, 2018 as the last test date, we are on track to successfully complete and exit the IMF ECF programme. We have clearly demonstrated our competence in managing Ghana’s economy in the past two years that we have been in Government. We will remain steadfast in this resolve. To this end we are putting in place a number of legal and institutional measures to ensure we do not revert to the bad days of macroeconomic mismanagement.
102. One of the key measures we are institutionalising is the Social Partnership among Organised Labour, Ghana Employers Association, and Government which we believe will provide avenue for the partners to deliberate on significant development matters and providing relevant solutions.
103. Further, the 6 Strategic Pillars in the 2019 budget put us in a position to advance boldly towards Ghana Beyond Aid. In this budget we are:
  - making an unprecedented push in infrastructural expansion;
  - modernising agriculture, increasing production, and reducing our dependence on imports for food;
  - forging ahead with a bold and comprehensive industrialisation plan that adds value to our agriculture and natural resources, and leverages our rising population of educated youth;
  - strengthening our domestic revenue mobilization and taking strong measures to enforce efficiency in public expenditures and protect the public purse; and
  - building on and strengthening our social interventions in order to ensure that no one is left behind, as we transform our economy and march boldly to a Ghana Beyond Aid.
104. The future is indeed very bright as we embark on big ticket projects and programmes as part of our resolve to transform the economy and better the lives of Ghanaians.  
Mr Speaker:
  - we are implementing the Sinohydro project which will provide additional US\$2bn in road, rail, and other infrastructure;
  - the Aker oil Field will start producing in 2021 and will eventually add about 100,000 barrels of oil per day to Ghana’s crude oil production. In addition, ExxonMobil is coming on board soon to explore and produce crude oil in the Deep Water Cape Three Points;
  - the Ghana Integrated Aluminium Development Corporation (GIADEC) will be established to develop an integrated aluminium industry;
  - Ghana is attracting international car manufacturing giants such as Nissan, Volkswagen, SinoTruk to set up auto assembly plants to produce vehicles.



105. As you know, H.E. the President constituted a Committee to draw up a Ghana Beyond Aid Charter. The Committee comprises representatives from a wide cross-section of Ghanaians, including Government, organised labour, the private sector and employers, and the youth. Work on the Charter and on the detail contours of the Ghana Beyond Aid agenda is well advanced, and the Committee will present its report to the President before the end of the year. Following that there will be consultations with Ghanaians before revising the Committee’s work for eventual submission to Parliament for debate.
106. In March 2017, I presented the first budget of a President who had re-energised the nation and inspired hope in:
- the millions of Ghanaians who went to the polls and voted him into government;
  - youthful Ghanaians who believed that their lives would be turned around;
  - expectant parents who believed that their burdens will be eased;
  - hundreds of children who believed and hoped that they will have opportunity to improve their lives through education;
  - university graduates who believed that they might have opportunity to wake up in the morning, dress up and show up for work;
  - businesses who believed that interest rates would come down so that they can borrow and expand their businesses and employ more people;
  - dying businesses that required some stimulus to live again like the bones in Ezekiel;
  - Ghanaians who had sat in darkness and wanting to see light;
  - our development partners who believed that they can revitalise their partnership with us; and
  - the international investor community and also in the IMF, whose programme with Ghana had derailed.
107. I am happy to announce that those who believed, have seen their dreams and aspirations come to fruition:
- 100,000 trained graduates who have been home for years, despondent without hope, now have the opportunity to contribute to our national development;
  - 271,000, 16 -18 year olds who would have been thrown onto the streets but for free SHS are now seated in classrooms getting an education and gaining training to give them a better future;
  - and as the Bible says, for those who sat in darkness, they have seen a great light. This is in spite of the deep challenge and the grievous harm that has been done through questionable take or pay contracts, for which we will have to pay some \$600 million annually whether we switch on the light or not. But we have resolved to do so;
  - nurses and teachers who believed that the government will come to their aid, we have met their aspirations and hope; and
  - over 1.5 million depositors who but for the timely intervention of Government would have lost their businesses and their life savings and deposits of over GH¢ 9 million.



## *Theme: “A Stronger Economy for Jobs and Prosperity”*

108. Ghana’s international profile is now on the rise; in the last year, the President has hosted several Heads of State and Governments, as well as high profile international dignitaries. Global Leaders and investors are lining up now to pay serious attention to Ghana.
109. We are proud of what we have accomplished in 22 months and are certain and resolved to deliver a future that meets the hopes and aspirations of our people through this budget and into the medium term.
110. This story of hope continues. This budget meets the expectations of Ghanaians for better infrastructure and housing, increased economic activity through unprecedented investment in industrialisation and agriculture, expanding job opportunities for entrepreneurs, and rising incomes.
111. In the next 26 months, we are determined to address:
- the hope of farmers whose food crops are getting rotten through expanded storage facilities; improved marketing and the intervention of the Ghana Commodity Exchange;
  - the challenges faced by communities that lack access to potable water and continue to drink water from streams;
  - the lack of ambulances for our pregnant mothers and sick relatives;
  - transportation challenges through better roads and rail networks;
  - the challenges faced by our market women who have to sell their wares on the dusty ground and in the scorching sun by providing improved markets and stalls;
  - the difficulties faced by fisher folk by providing them with landing beaches, cold storage facilities and thereby improving their incomes;
  - meeting the spiritual needs of our people with the promotion of the Ghana National Cathedral.
112. Through this budget, we will frontally address the sanitation challenges faced by many of our towns and cities.
113. In this 2019 budget we have chosen to sacrifice and build for the future; we have chosen to invest in people; we have chosen to boldly tackle the infrastructural needs of the people with a \$2 billion facility next year. We have chosen to make our rich oil resources more accessible to credible investors through competitive bidding and we aim to hit, God willing, a million barrels of crude oil production within a matter of a decade. It may sound ambitious but we are confident in the plan that we have. We know that Ghana’s rich bauxite resources have the potential to deliver over \$500 billion in revenue and create tens of thousands of jobs along the value chain, if we stick to the President’s vision and commitment to build an integrated aluminium industry, as spelt out in the law. We know that the Ghana industrialisation project is ready for that long-awaited big take-off. It is not by sheer accident that the big



## *Theme: “A Stronger Economy for Jobs and Prosperity”*

multinationals in the automobile industry are signing up to set up manufacturing hubs in Ghana. It is not by accident that we were the fastest growing economy in the world last year and still growing strong.

114. We have chosen 2019 as the year to begin some landmark redevelopment projects that will stamp Accra’s growing reputation as the main city for business and holiday travellers in our region and beyond. Three of these major multi-billion cedi redevelopment projects are namely the Marine Drive, Trade Fair Redevelopment and the Energy City. Ghana, Mr Speaker, is working again and will work for the benefit of the people and to the Glory` of God.
115. We have chosen to be bold in devising a budget that deals with the past; delivers opportunity in the present, while investing responsibly into the future. We will not heed the voices encouraging us to eat the seeds that need to be harvested for the future. We shall not be discouraged by the voices that seek to play down the gains that we constantly continue to make. We pledge not to repeat the mistakes of the past; so long as the majority of Ghanaians continue to keep faith with our leadership.
116. The 2019 National Budget addresses the past. Exiting the IMF programme is a great achievement towards fiscal sovereignty but not from eternal fiscal discipline; expenditures on SHS is expensive but a responsible investment that provides incalculable future returns on our greatest asset – our children – the next generation of Ghanaians who will inherit the future that we create today. In this budget, we have invested in MASLOC so that small businesses up and down the country can have additional cheaper access to credit. We were also challenged that in looking at the past and into the future we could not ignore the urgency of today—the development and delivery of electricity, inputs for agricultural expansion, health care and better roads and infrastructure. 2019 is a budget that better enables us to balance the decisions of the past and the needs of today with the pillars and foundation needed to build a better tomorrow.
117. We also recognize that building national prosperity is not the exclusive domain of Government. If, we are to win in pushing Ghana Beyond Aid then every single one of us must own it; be citizens in developing our nation and not just mere spectators with strong opinions only as our contribution. I thank all the productive communities of Ghana and all Ghanaians for the epic sacrifices and contributions you make every day. I particularly thank the community of faith whose intercession and prayers for this nation are unceasing. The Government recognizes and appreciates the role you play in fulfilling the biblical mandate in Matthew 25 to “feed the hungry, clothe the naked, take care of the sick and visit the prisoner.” Government’s partnership with you to lift the vulnerable and needy is stead-fast and immovable.
118. I believe, that with faith as our shield and God-loving Ghanaians as partners, the promise of God in Genesis 12:2-3 will also be ours: “I will make you a great nation; I



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## *Theme: “A Stronger Economy for Jobs and Prosperity”*

will bless you and make your name [Ghana] great... And in you all the families of the (earth) [Ghana] shall be blessed”

119. In the Spirit of the season, I declare that by this budget, we bring Glad Tidings of Great Joy, of Hope, Relief and a Renewed strength. Indeed, Emmanuel God is with us!!!





REPUBLIC OF GHANA

## MINISTRY OF FINANCE

*Responsive, Ethical, Efficient, Professional – Transforming Ghana Beyond Aid*

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