



REPUBLIC OF GHANA

# **MID-YEAR FISCAL POLICY REVIEW OF THE 2019 BUDGET STATEMENT AND ECONOMIC POLICY**

**&**

## **SUPPLEMENTARY ESTIMATES OF THE GOVERNMENT OF GHANA FOR THE 2019 FINANCIAL YEAR**

PRESENTED TO PARLIAMENT ON MONDAY, 29<sup>TH</sup> JULY, 2019

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)*



**THE**  
**2019 MID-YEAR FISCAL POLICY REVIEW**  
**&**  
**SUPPLEMENTARY ESTIMATES**

To purchase copies of the Statement, please contact the Public Relations Office of the Ministry:

**Ministry of Finance**  
Public Relations Office  
New Building, Ground Floor, Room 001 and 003  
P. O. Box MB 40  
Accra – Ghana

The 2019 Mid-Year Fiscal Policy Review of the Budget Statement and Economic Policy and Supplementary Estimates is also available on the internet at:  
[www.mofep.gov.gh](http://www.mofep.gov.gh)



## TABLE OF CONTENTS

List of Tables .....	iv
List of Figures .....	iv
Acronyms and Abbreviations .....	v
<b>SECTION ONE: INTRODUCTION .....</b>	<b>1</b>
<b>SECTION TWO: OVERVIEW OF RECENT MACROECONOMIC DEVELOPMENTS.....</b>	<b>5</b>
Summary of 2018 Global Economic Developments and Outlook.....	5
Update on Domestic Macroeconomic Developments in 2018.....	6
Update on Fiscal Performance in 2018.....	10
Petroleum Revenue and Utilisation for 2018.....	14
Update on Public Debt Developments in 2018.....	14
Macroeconomic Performance for January - June, 2019 .....	15
Fiscal Performance for January - June, 2019 .....	18
Petroleum Revenue and Utilisation for January to June, 2019 .....	23
Public Debt Developments for January - June, 2019 .....	23
<b>SECTION THREE: REVISED 2019 MACROECONOMIC TARGETS, FISCAL FRAMEWORK AND REQUEST FOR SUPPLEMENTARY BUDGET.....</b>	<b>26</b>
Revisions to Macroeconomic Framework .....	26
Revisions to the 2019 Fiscal Framework .....	26
Revisions to Total Revenue and Grants .....	27
Revisions to Expenditures.....	29
Revised Overall Budget Balance and Financing .....	29
Request for Approval of Supplementary Estimates.....	30
<b>SECTION FOUR: UPDATE ON CRITICAL ISSUES IN THE ENERGY AND FINANCIAL SECTORS.....</b>	<b>31</b>
<b>SECTION FIVE: HIGHLIGHTS OF IMPLEMENTATION OF KEY INITIATIVES IN THE 2019 BUDGET .....</b>	<b>38</b>
Agricultural Modernisation .....	38
Industrialisation .....	39
Infrastructure Development.....	40
Private Sector and Entrepreneurship Development.....	46
Social Intervention Policies .....	48
Other critical Programmes .....	50
<b>SECTION FIVE: CONCLUSION .....</b>	<b>52</b>



---

<b>APPENDICES</b> .....	<b>54</b>
APPENDIX 1: GROWTH RATES OF GROSS DOMESTIC PRODUCT AT CONSTANT 2013 PRICES (PERCENT) .....	54
APPENDIX 2: GROSS DOMESTIC PRODUCT (GDP) AT CONSTANT 2013 PRICES BY ECONOMIC ACTIVITY (GH¢ MILLION) .....	55
APPENDIX 3: GROSS DOMESTIC PRODUCT (GDP) AT CURRENT MARKET PRICES BY ECONOMIC ACTIVITY (GH¢ MILLION) .....	56
APPENDIX 4: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2018 .....	57
APPENDIX 4: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2018 .....	58
APPENDIX 5: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2018 .....	59
APPENDIX 6: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2018 .....	60
APPENDIX 7: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019 .....	61
APPENDIX 7: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019 .....	62
APPENDIX 8: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2019 .....	63
APPENDIX 9: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2019 .....	64
APPENDIX 10: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS - 2019 .....	65
APPENDIX 10: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019 .....	66
APPENDIX 11: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2019 .....	67
APPENDIX 12: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2019 .....	68



## LIST OF TABLES

Table 1: Macroeconomic Indicators for 2018.....	6
Table 2: Summary of Central Government Operations and Financing – 2017/2018	10
Table 3: 2018 Fiscal Performance - Revenue .....	11
Table 4: 2018 Fiscal Performance - Expenditure .....	12
Table 5: 2018 Fiscal Performance – Overall Budget Balance and Financing.....	13
Table 6: Macroeconomic Indicators for 2019 and Provisional Outturn for end-June 2019 .....	16
Table 7: Summary of 2019 Jan-Jun Fiscal Performance.....	19
Table 8: 2019 Q1-Q2 Fiscal Performance - Revenue .....	20
Table 9: 2019 Q1-Q2 Fiscal Performance - Expenditure.....	22
Table 10: 2019 Q1-Q2 Fiscal Performance – Overall Budget Balance and Financing.....	22

## LIST OF FIGURES

Figure 1: GDP Growth, 2014-2018 (Percent).....	7
Figure 2: Trends in Fiscal Deficit (2015-2018).....	11
Figure 3: Monthly Public Debt as Percentage of GDP, 2017-June 2019 .....	23



## ACRONYMS AND ABBREVIATIONS

1D1F	One District, One Factory
ADB	Agricultural Development Bank
AfCFTA	African Continental Free Trade Area
AfDB	African Development Bank
BoG	Bank of Ghana
Bps	Basis Points
CAR	Capital Adequacy Ratio
CHPS	Community Health Planning and Services
CIF	Cost, Insurance, Freight
CUA	Credit Union Associations
DACF	District Assemblies Common Fund
DBG	Development Bank of Ghana
DFID	Department for International Development
DPO	Development Policy Operation
DSA	Debt Sustainability Analysis
EPOs	Electronic Point of Sales Devices
ESLA	Energy Sector Levy Act
GAT	Ghana Amalgamated Trust
GETFund	Ghana Education Trust Fund
GHAMFIN	Ghana Microfinance Institutions Network
GIADEC	Ghana Integrated Aluminium Development Corporation
GIRSAL	Ghana Incentive-Based Risk-Sharing System for Agricultural Lending
GRA	Ghana Revenue Authority
GSE-CI	Ghana Stock Exchange's Composite Index
GSS	Ghana Statistical Service
HRMIS	Human Resource Management Information System
IPEP	Infrastructure for Poverty Eradication Programme
IPPs	Independent Power Producer's
IT	Information Technology
KFW	Kreditanstalt für Wiederaufbau
LEAP	Livelihood Empowerment Against Poverty
M2+	Broad Money Supply
MASLOC	Microfinance and Small Loans Centre
MFIs	Microfinance Institutions
MMDAs	Metropolitan, Municipal & District Assemblies
MoF	Ministry of Finance
MPS	Meridian Port Services
MTDS	Medium Term Debt Management Strategy
NABCO	Nation Builders Corps



NDA	Net Domestic Assets
NDC	National Democratic Congress
NEIP	National Entrepreneurship Innovation Programme
NFA	Net Foreign Assets
NHIL	National Health Insurance Levy
NHMF	National Housing and Mortgage Fund
NHMS	National Housing and Mortgage Scheme
NIC	National Insurance Commission
NPL	Non-Performing Loans
PAYE	Pay As You Earn
REITs	Real Estate Investment Trusts
SDGs	Sustainable Development Goals
SEI	Students Entrepreneurship Innovation Program
SHS	Senior High School
SMEs	Small and Medium Size Enterprises
SOEs	State Owned Enterprises
TELCOs	Telecommunications Companies
UMB	Universal Merchant Bank
VAT	Value Added Tax



## SECTION ONE: INTRODUCTION

1. Right Honourable Speaker, Honourable Members of Parliament, today the 29<sup>th</sup> July, 2019 on the authority of His Excellency, President Nana Addo Dankwa Akufo-Addo, I beg to move that this august House approves the Mid-Year Fiscal Policy Review and Supplementary Estimates to the 2019 Budget.
2. Mr. Speaker, on 15th November 2018, I presented to this House the Budget Statement and Economic Policy of the Government of Ghana for the 2019 Financial Year. I stand before you today to present the Mid-Year Fiscal Policy Review of the 2019 Budget Statement and Economic Policy, and Supplementary Estimates of Government for the 2019 Financial Year.
3. Mr. Speaker, I am performing this statutory function in accordance with Article 179 (8) of the 1992 Constitution and Standing Order 143 of this august House which set out the modalities for laying Supplementary Estimates before this House, and Section 28 of the Public Financial Management Act, 2016 (Act 921) which enjoins the Minister responsible for Finance to prepare and submit to Parliament a Mid-Year Fiscal Policy Review.
4. Mr. Speaker, I wish to update the House on key developments since the Budget presentation last year, a few of which are challenging our collective efforts to improve and expand the economy. Some of these developments have imposed significant shocks and will require decisive actions to maintain economic stability.
5. Mr. Speaker, the NPP Government came into office in response to Ghanaians' call for a government that would turn around the dire fortunes of this country and lead Ghana back onto a path of macroeconomic stability, growth and prosperity. This, Mr. Speaker, is being executed through Government's flagship programmes and prudent macroeconomic management. The success of these programmes so far attests to the fact that, like the good stewards mentioned in the parable of the talents in the Bible, we have prudently utilised the very limited resources that we were entrusted with to achieve much more.
6. Mr. Speaker, we continue to steadily implement our carefully chosen flagship programmes to secure the future of Ghana and our people. We are confident that Ghana is on course to achieve its manifest destiny of greatness and economic prosperity. Mr. Speaker, we have been able to entrench fiscal discipline through the strategic allocation of resources, efficiency in the use of public funds, as well as transparency and accountability in our management of the public purse.
7. Mr. Speaker, in line with our objective of building a strong economy for jobs and prosperity, government outlined a number of priority objectives for the 2019 Budget. They include:
  - Maintaining macroeconomic and financial stability;
  - Modernizing Agriculture;





- Industrialisation;
  - Social Intervention Policies;
  - Provision of Efficient Infrastructure; and
  - Private Sector Growth and Entrepreneurship.
8. Mr. Speaker, our macroeconomic fundamentals are strong as seen in the following:
- Inflation has dropped to single digit;
  - Interest rates are on a downward trend;
  - External payments position has strengthened;
  - Exchange rates have been more stable;
  - The fiscal deficit has reduced to below 5 percent;
  - Real GDP growth has rebounded and remains robust; and
  - Debt to GDP ratio is below 60 percent.
9. Mr. Speaker, I am delighted to inform this Honourable House that in two and half years, not only have we reversed the dire situation we inherited, we have also successfully completed and exited the IMF-ECF programme with the final review completed in April this year. Mr. Speaker, this is indeed a testament to the NPP government's resolve to do what is prudent and necessary. Even when there are difficult choices, we have carefully considered the options and taken the path that will safeguard the long-term interest of the nation and our people. Economic management, after all, is about making difficult choices. It is about putting the national interest above parochial interests.
10. Mr. Speaker, to improve domestic revenue mobilisation, we have restructured GRA and put measures in place to automate processes at the ports, and these are already yielding positive results. We see a new sense of responsibility from those entrusted with collecting our taxes and we know that they will make this country proud by keeping the tax gates and ensuring that we raise the necessary tax revenues to continue to effectively fund priority programmes for the benefit of all Ghanaians.
11. Mr. Speaker, our agricultural modernization and industrialization drive is on track to help achieve the President's vision of transforming Ghana. Our social protection and intervention programmes have seen major expansion and efficiency gains.
12. Mr Speaker, Government's flagship Free SHS programme, has changed the course of this nation forever and posterity will thank the President of the Republic of Ghana, His Excellency Nana Addo Dankwa Akufo-Addo for making it possible for our young people to realise their future dreams and aspirations through free education.
13. Access to secondary education in this country has never been higher. The innovative temporary double track system currently being implemented has helped to accommodate the numbers, affording each child the possibility of



accessing secondary education. Government has responded to this increased demand with accelerated infrastructure delivery.

14. Mr. Speaker, in line with our objectives for 2019, government is implementing a number of programmes to revamp economic and social infrastructure to support industry, facilitate business development and deliver social services.
15. Mr. Speaker, I am happy to announce that two schemes, National Housing & Mortgage Scheme (NHMS) and Affordable Housing Real Estate Investment Trusts (REITs), under our “Decent Homes, Better Life” initiative have commenced. The initiative aims to provide quality affordable housing to all citizens starting with public and civil servants.
16. Mr. Speaker, our remarkable achievements over the past two and half years have been noticed even beyond the shores of Ghana, setting the right tone for attracting massive support for Ghana to win the bid to host the Secretariat of the African Continental Free Trade Area (AfCFTA). This is the first time Ghana is hosting an African Union (AU) institution. AfCFTA is an institution covering all African countries with a population of 1.2 billion and a GDP of US\$2.5 trillion. The institution will spur trade and economic growth in Africa and with Ghana hosting the secretariat, this will advance our goal of becoming a regional economic hub.
17. Mr. Speaker, details on all of these will be provided in the course of my presentation.
18. Mr Speaker, notwithstanding the significant progress we have made so far, the serious challenges we are facing in the energy sector pose grave financial risks to the whole economy. At the heart of these challenges are the obnoxious take-or-pay contracts signed by the NDC government, which obligate us to pay for capacity we do not need.
19. Currently, according to the Energy Commission, our installed capacity of 5,083 MW is almost double our peak demand of around 2,700 MW. Notably, 2,300 MW of the installed capacity has been contracted on a take-or-pay basis. This means that we are contractually obliged to throw away money for this excess capacity which we do not consume. This has resulted in us paying over half a billion U.S. dollars or over GHS 2.5 billion annually for power generation capacity that we do not need.
20. Similarly, for gas, Ghana has contracted for around 750 mmscf per day by 2023. Current demand is around 250 mmscf per day, and this is projected to rise to between 450 and 550 mmscf per day by 2023. About 640 mmscf of the contracted gas supply is on a take-or-pay basis, meaning we have to pay whether we use it or not. From 2020, if nothing is done, we will be facing annual excess gas capacity charges of between US\$550 and US\$850 million every year.



21. Mr. Speaker, we cannot allow this situation to continue. There is no doubt that the existing situation in the energy sector is a negative shock to the economy. We are in a state of emergency and must therefore respond with urgency and boldness.
22. Mr. Speaker, the 12th June, 2019 ruling of the Supreme Court has defined the “total revenues” of Ghana of which the DACF shall be allotted 5 percent. Mr. Speaker, this judgement will bring an end to the long-standing convention that had developed since the beginning of the 4th Republic. The Ministry of Finance has written to and is working with the Ministry of Justice and the Attorney-General’s Department to implement the judgment.
23. Mr. Speaker, I now proceed to give details of updated performance for 2018, developments for the first half year of 2019, and conclude with the outlook for the rest of the year.



## SECTION TWO: OVERVIEW OF RECENT MACROECONOMIC DEVELOPMENTS

### SUMMARY OF 2018 GLOBAL ECONOMIC DEVELOPMENTS AND OUTLOOK

#### ***Growth***

24. Mr. Speaker, global economic growth was estimated to have declined marginally to 3.6 percent in 2018, down from the 3.8 percent recorded in 2017, largely reflecting an upsurge in trade tensions and tariff hikes between the United States and China, rising political tensions in Europe, a drop in business confidence, and tightening of financial conditions across economic and regional blocs. In Developing and Emerging-Market Economies, growth weakened by 0.3 percentage points to 4.5 percent compared to 4.8 percent in 2017. China's growth declined from 6.8 percent in the first half of 2018 to 6.0 percent in the second half of the year. This was primarily due to domestic regulatory tightening to rein in debt, as well as further pressure from diminishing export orders as US tariff actions began to take hold in China. Economic recovery in sub-Saharan Africa continued in 2018, with growth in the region estimated to have increased from 2.9 percent in 2017 to 3.0 percent in 2018.

#### ***Inflation***

25. Inflation generally picked up in 2017 and 2018. In advanced economies, inflation increased to 2.0 percent in 2018 from the 1.7 percent in 2017, but it is projected to reduce to 1.6 percent in 2019 before increasing to 2.1 percent in 2020. For Sub-Saharan Africa, inflation moderated from 11 percent in 2017 to 8.5 percent in 2018, and it is expected to reduce further to 8.1 percent in 2019 and 7.4 percent in 2020.

#### ***Commodity Prices***

26. Crude oil price remained strong for most part of 2018. According to the IMF's April 2019 World Economic Outlook, price of crude oil averaged US\$68.33 per barrel in 2018, an increase of 15.5 percent over the US\$52.81 per barrel recorded in 2017. The increase in price of crude is due to supply restrictions resulting from the extension of the agreement by the Organization of the Petroleum Exporting Countries (OPEC) to reduce production, and stronger-than-expected global economic growth. Crude oil price is projected to settle at US\$66.00 per barrel by the end of 2019.
27. Gold prices steadily trended upwards, averaging US\$1,269 per troy oz in 2018, up from US\$1,258 per troy oz in 2017, on account of strong demand and a fall in the long-term real interest rate. Gold prices are projected to increase to US\$1,310 per troy oz in 2019. On the other hand, cocoa price rose by 3.0 percent in the first quarter of 2018, but then remained stable in the remaining past three quarters. The world market price of cocoa beans increased marginally to US\$2,290 per metric ton in 2018 from US\$2,030 per metric ton



in 2017. Global average cocoa price is, however, projected to remain unchanged during the 2018/19 crop year as favourable supplies by Côte d'Ivoire and Ghana (the two largest global producers) are expected to compensate for the projected production shortfalls from the rest of the world, including from Brazil, Cameroon, Indonesia, and Nigeria. The world market price of cocoa beans is thus projected to remain at US\$2,030 per metric ton in 2019 as well (CMO, April 2019).

## **UPDATE ON DOMESTIC MACROECONOMIC DEVELOPMENTS IN 2018**

28. Mr. Speaker, at the time of presenting the 2019 Budget to this august House in November last year, we provided information on macroeconomic developments for the first nine months of the 2018 fiscal year. Since then, we have updated information through end-December 2018. With your permission, I will proceed to present the summary of macroeconomic developments in 2018.
29. Mr. Speaker, to put this review in perspective, I would like to restate the macroeconomic targets for 2018 as follows (Table 1):

**Table 1: Macroeconomic Indicators for 2018**

No.	Item	2018 Targets	2018 Outturn
1	Overall real GDP growth rate (%)	5.6	6.3
2	Non-Oil Real GDP growth rate (%)	5.8	6.5
3	End-period Inflation (%)	8.9	9.4
4	Overall Budget Balance (% of GDP)	-3.7	3.9
5	Primary Balance (% of GDP)	1.4	1.4
6	Gross International Reserves in months of imports of goods and services.	≥3.5	3.6

Source: MoF

### ***GDP Growth***

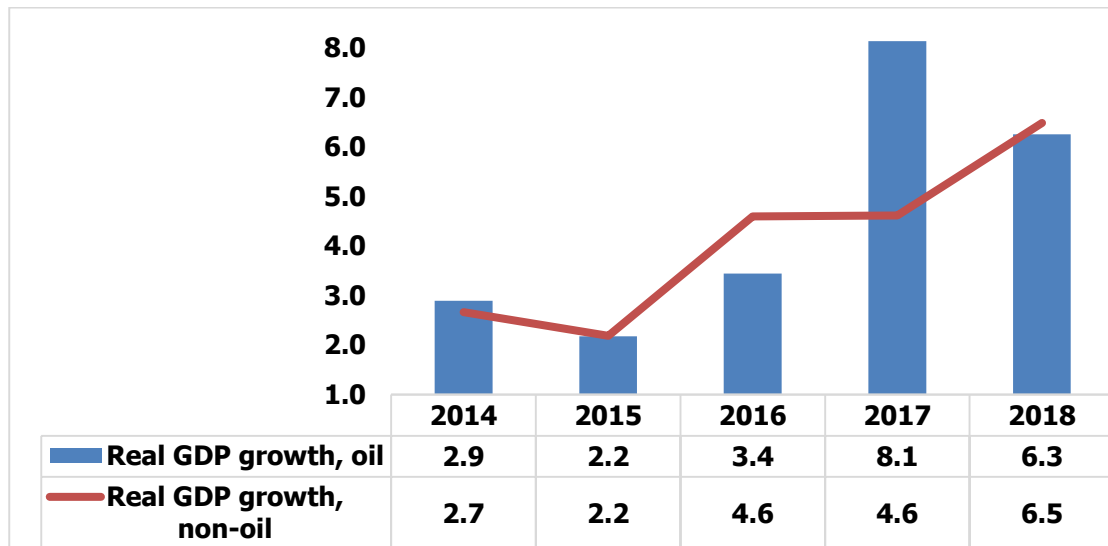
30. Mr. Speaker, provisional data released by the Ghana Statistical Service (GSS) in April 2019 show that overall real GDP growth (including oil) for 2018 was 6.3 percent, 0.7 percentage points higher than the revised projection of 5.6 percent, but 1.8 percentage points below the 2017 performance of 8.1 percent. Non-oil real GDP also increased from 4.6 percent in 2017 to 6.5 percent in 2018, and exceeded the target rate of 5.8 percent, as shown in Figure 1.
31. The Industry Sector remained the best performing sector for the third year in a row, growing at 10.6 percent in 2018, despite the considerable slowdown of the Petroleum and Electricity sub-sectors. The Petroleum sub-sector recorded a growth of just 3.6 percent in 2018 compared to 80.4 percent in 2017, while the Electricity sub-sector grew by 5.5 percent in 2018 compared to 19.4 percent in 2017. The Agriculture Sector recorded a growth outturn of 4.8 percent in 2018 compared to a target of 6.8 percent and 2017 outturn of 6.1 percent. The less than expected performance of the Agriculture Sector



was attributed to the slower growth of the Cocoa sub-sector and the continuous decline of the Fishing sub-sector. That notwithstanding, growth in crops other than Cocoa posted an annual growth of 6.1 percent partly reflecting progress on government intervention in the sector including the Planting for Food and Jobs Programme which commenced in 2017. The Services Sector recorded a growth of 2.7 percent in 2018 against a target of 4.9 percent and the 2017 outturn of 3.3 percent.

32. The Services Sector remained the dominant sector in 2018, increasing its share marginally from 46.0 percent of GDP in 2017 to 46.3 percent. The Industry Sector increased its share of GDP from 32.7 percent in 2017 to 34.0 percent in 2018, while the share of the Agriculture declined from 21.2 percent in 2017 to 19.7 percent in 2018.

**Figure 1: GDP Growth, 2014-2018 (Percent)**



Source: GSS

### ***Inflation***

33. Mr. Speaker, headline inflation stood at 9.4 percent in December 2018, down from 11.8 percent recorded in December 2017, and remained broadly anchored within the medium-term target band of  $8 \pm 2$  percent. The decline was largely on the back of steady decline in non-food inflation, which was supported by the relatively tight monetary policy stance maintained throughout the year, as well as supportive fiscal stance. Non-food inflation eased to 9.8 percent in December 2018 from 13.6 percent in December 2017, while Food inflation increased to 8.7 percent in December from 8.0 percent over the same period in 2017.



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

34. Mr. Speaker, growth in monetary aggregates generally slowed in 2018, in line with the disinflation process. Growth in broad money supply, including foreign currency deposits (M2+) fell by one percentage point from 16.7 percent in December 2017 to 15.7 percent in December 2018. The slowdown in the pace of growth of total liquidity largely reflected sharp contraction in the Net Foreign Assets (NFA) of the banking sector, following an increase in the growth of the Net Domestic Assets (NDA) of the sector. Annual growth in reserve money slowed sharply to 4.7 percent in December 2018, compared with 13.1 percent recorded in the same period of 2017, reflecting developments in the NFA and NDA of the banking sector.
35. Annual growth in private sector credit for 2018 was 10.6 percent compared with 13.4 percent growth a year earlier. In real terms, private sector credit expanded by 1.1 percent in 2018, comparable to the 1.4 percent recorded in December 2017. Total outstanding credit to the private sector at the end of December 2018 was GH¢37,593.2 million, compared with GH¢33,987.0 million recorded in the corresponding period in 2017. Despite the sharp contraction of private sector credit growth to 2.4 percent at the end of the first quarter 2018, private sector credit growth continued to recover as banking sector liquidity improved, supported by the 2018 recapitalization exercise.
36. Mr. Speaker, in view of Bank of Ghana's objective of anchoring inflation expectations and ensuring the stability of the domestic currency, the Banks' Policy Rate was lowered further by 300 basis points (bps) in 2018, from 20.0 percent in 2017 to 18.0 percent in March 2018, and further to 17.0 percent in June 2018, and remained unchanged at that level for the rest of the year.
37. Developments in the money market reflected an upward trend in interest rates, at both for the short-end and medium-term segments of the market, particularly, in the second half of 2018. The 91-day Treasury bill rate moved up from 13.3 percent in December 2017 to 13.4 percent in March 2018 and further to 14.6 percent in December 2018. Similarly, the rate for the 182-day instrument increased from 13.8 percent in 2017 to 14 percent in September 2018 and further to 15 percent in December 2018. The secondary bond market rates also increased significantly, reflecting tight financing conditions and exiting international investors on the back of the easing monetary stance of the Fed. The yields on the 7-year, 10-year and 15-year 6 bonds jumped to 21.0 percent, 21.2 percent, and 21.4 percent in December 2018, from 16.3 percent, 16.7 percent, and 17.2 percent, respectively, a year ago.

### ***Capital Market Developments***

38. The underperformance of bank-related stocks due to the financial sector clean-up took a toll on the Ghana Stock Exchange. The Ghana Stock Exchange's Composite Index (GSE-CI) declined marginally in year-on-year terms, having contracted by 0.3 percent in December 2018, compared with a growth of 52.7 percent in the same period in 2017. Total market capitalization



on the Exchange increased by 4.0 percent year-on year to GH¢61.1 billion at the end of December 2018, compared to growth of 11.6 percent for the corresponding period of 2017. The total volume of shares traded in December 2018 was 10.9 million and was valued at GH¢18.3 million. This compares to 7.0 million shares traded and valued at GH¢15.3 million in December 2017.

### ***Banking Sector***

39. The recapitalization exercise undertaken by Bank of Ghana, which sought to increase the minimum capital of banks from GH¢120 million to GH¢400 million ended in December 2018, with a total of 23 banks meeting the minimum requirement. In spite of the banking sector challenges, total assets of the banking sector increased from GH¢93.6 billion in December 2017 to GH¢105.1 billion at the end of December 2018, representing a 12.3 percent increase. Total deposits also increased from GH¢58.2 billion in 2017 to GH¢68.3 billion in 2018, representing a 17.4 percent increase. An assessment of the health of the banking sector shows that, the banks that remained after the clean-up exercise are now more sound, adequately liquid and well capitalised, and well-positioned to translate the gains made from the far-reaching reforms into the rest of the economy. With the rebound of the sector, banks are now in the position to deploy their newly-injected capital towards financial intermediation for the socio-economic development of the nation.
40. The rebound of the banking industry is supported by the visible improvements in the key financial soundness indicators. In particular, the industry's solvency, measured by the Capital Adequacy Ratio (CAR), improved to 19.3 percent at the end of December 2018, up from the 18.6 percent recorded over the same period in 2017, and significantly above the prudential minimum requirement of 10 percent. Asset quality also improved, as reflected in the decline in the Non-Performing Loans (NPL) ratio from 21.6 percent in December 2017 to 18.2 percent in 2018. This largely reflected the implementation of Bank of Ghana's loan-loss write-off policy.

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

41. Mr. Speaker, the trade balance recorded a surplus in 2018 for the second consecutive year, the first time in over a decade. The trade surplus of US\$1.78 billion (2.7% of GDP) at the end of December 2018 was underpinned by strong performance in some of the major export commodities, especially crude oil (which benefited from both volume and price developments) and non-traditional exports. The current account, however, recorded a deficit of US\$2.07 billion (3.2 per cent of GDP) in 2018 compared to a deficit of US\$2.00 billion (3.4% of GDP) in 2017, mainly as a result of the net outflows in the income account which outweighed the gains from the trade balance.

### ***International Reserves***

42. Mr. Speaker, Gross International Reserves at the end of December 2018 was estimated at US\$7,024.8 million, indicating a drawdown of US\$530 from a stock position of US\$7554.8 million at the end of December 2017. This was





sufficient to provide cover for 3.6 months of imports in 2018, compared to 4.3 months of imports over the same comparative period in 2017.

### **Exchange Rate**

43. The Ghana cedi was largely stable in 2018 against the major currencies, because of improved macroeconomic fundamentals and higher foreign exchange inflows. It, however, experienced some volatility in December 2018 in line with the perennial seasonal domestic import-driven demand pressures. On the interbank market, the cedi cumulatively depreciated in 2018 by 8.4 percent, 3.9 percent, and 3.3 respectively against the US dollar, the euro, and pound sterling compared to 4.9 percent, 16.2 percent, and 12.9 percent against the US dollar, the euro and pound sterling, respectively, in 2017.

### **UPDATE ON FISCAL PERFORMANCE IN 2018**

44. Mr. Speaker, Government's fiscal operations in 2018 were broadly in line with expectations. The fiscal deficit, excluding financial sector bailout costs, declined further from 4.8 percent of GDP in 2017 to 3.9 percent in 2018.

**Table 2: Summary of Central Government Operations and Financing – 2017/2018**

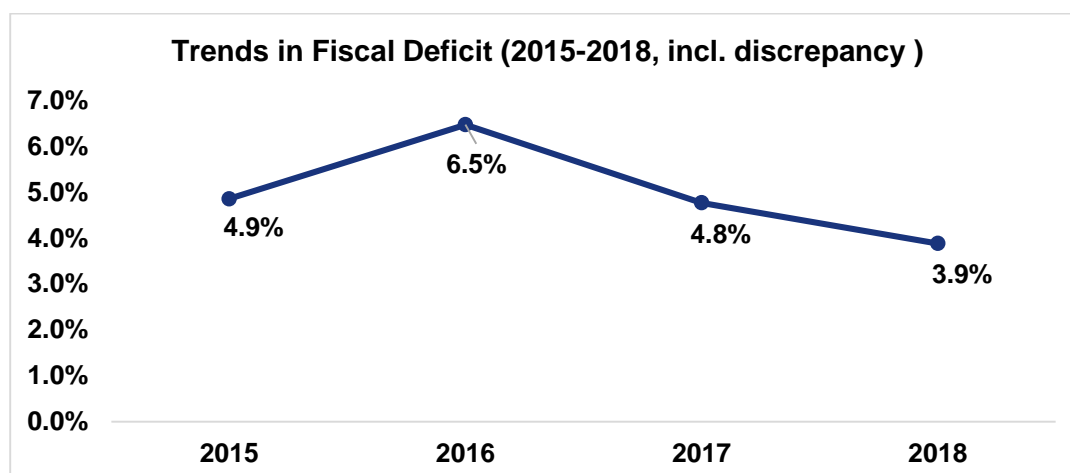
No.	Item	2017		2018		2018				y/y growth
		Prov. Outturn		Revised		Prov. Outturn		Dev.		
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%	
1	Total Revenue & Grants	39,695	15.5	49,059	16.4	47,637	15.8	(1,422)	(2.9)	20.0
2	Total Expenditure incl. Arrears	51,939	20.2	60,030	20.1	59,310	19.7	(721)	(1.2)	14.2
3	Overall Fiscal Balance	(12,245)	(4.8)	(10,971)	(3.7)	(11,673)	(3.9)	(702)	6.4	(4.7)
4	Total Financing	12,245	4.8	10,971	3.7	11,673	3.9	702	6.4	(4.7)
5	o/w Foreign Financing	(47)	0.0	4,704	1.6	2,724	0.9	(1,979)	(42.1)	
6	o/w Domestic Financing	12,292	4.8	6,268	2.1	8,949	3.0	2,681	42.8	
7	Primary Fiscal Balance	1,327	0.5	4,121	1.4	4,149	1.4	29	0.7	212.6

Source: MoF

45. Altogether, this represents a cumulative decline of 2.6 percentage points of GDP since 2016 as shown in Fig 2. Additionally, the positive Primary Balance equivalent to 0.5 percent of GDP recorded in 2017, was sustained, and reached 1.4 percent of GDP at end of 2018.



**Figure 2: Trends in Fiscal Deficit (2015-2018)**



Source: MoF

46. Mr. Speaker, the successful consolidation in our public finances was achieved on the back of prudent fiscal management and fiscal measures, with an estimated yield of about 0.5 percent of GDP that were introduced during the Mid-Year Fiscal Policy Review of the 2018 Budget in July 2018. The fiscal measures included: imposition of a Luxury Vehicle Levy on motor vehicles with engine capacity of 2950cc and above; introduction of an additional Personal Income Tax band of 35 percent on monthly incomes in excess of GH¢10,000; and a restructuring of the VAT by separating the GETFund and NHIL levies from the Input-Output mechanism of the VAT and converting them into straight levies at rates of 2.5 percent, while maintaining the VAT rate at 12.5 percent.

### **Revenue Performance**

47. Total Revenue and Grants for the period amounted to GH¢47,636.7 million (15.8 percent of GDP), against the annual programme target of GH¢49,059.0 million (16.4 percent of GDP) as shown in Table 3. The outturn, compared to target, represented an execution rate of 97.1 percent and a per annum nominal growth of 20.0 percent compared with 23.1 percent in 2017.

**Table 3: 2018 Fiscal Performance - Revenue**

No.	Item	2018						y/y growth
		Revised Budget		Prov. Outturn		Dev.		
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%	
1	Total Revenue and Grants	49,059	16.4	47,637	15.8	-1,422	-2.9	20.0
2	Tax Revenue	38,589	12.9	37,784	12.6	-805	-2.1	24.2
3	Tax Revenue (non-oil)	37,115	12.4	35,835	11.9	-1,280	-3.4	21.0
4	Non-Oil Non-Tax	5,152	1.7	3,981	1.3	-1,171	-22.7	6.7
5	Oil Revenue	3,767	1.3	4,491	1.5	725	19.2	86.5
6	Other Revenues	2,264	0.8	2,194	0.7	-70	-3.1	-9.0
7	Grants	761	0.3	1,135	0.4	374	49.1	-26.1

Source: MoF



48. Mr. Speaker, of the Total Revenue and Grants amount of GH¢47,636.7, non-oil Tax Revenue amounted to GH¢35,835.3 million (11.9% of GDP). Non-oil Tax Revenue in normal terms increased by 21.0 percent in 2018 and has increased by 48.9 percent since 2016. Although some revenue handles such as Personal Income Tax, Corporate Income Tax, Petroleum Excise Tax and upstream Oil and Gas receipts outperformed their respective annual targets, these were not enough to offset steeper revenue shortfalls from other revenue handles such as VAT, International Trade Taxes and other Non-Tax receipts. The key reasons for the shortfalls were explained by:
- non-implementation of Electronic Point of Sales devices (EPOs) policy;
  - delay in the implementation of Excise Tax Stamp policy;
  - lower recorded CIF Values of imports, and admittance of large volumes of imports into exempt or low tariff (zero-rated) categories;
  - non-realisation of some programmed Dividends from State Owned Enterprises (SOEs);
  - non-materialisation of Gas Receipts due to intra-energy sector cross debt issues; and
  - delay in the sale of an Electromagnetic Spectrum as well as TELCOs license renewal fees.

### ***Expenditure Performance***

49. Mr. Speaker, on the expenditure front, Total Expenditure including arrears clearance for the period was broadly contained within budgetary constraints and amounted to GH¢59,309.5 million (19.7 percent of GDP) against a target of GH¢60,030.2 million (20.1 percent of GDP) as shown in Table 4. The outturn represents an execution rate of 98.8 percent relative to the target.

**Table 4: 2018 Fiscal Performance - Expenditure**

No.	Item	2018						y/y growth
		Revised Budget		Prov. Outturn		Dev.		
		GH¢ mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%	
1	Total Expenditures (incl. Arrears Clearance, Discrepancy)	60,030	20.1	59,052	19.6	-979	-1.6	17.7
2	Compensation	19,729	6.6	19,612	6.5	-117	-0.6	16.9
3	Goods & Services	3,682	1.2	5,128	1.7	1,446	39.3	106.6
4	Capital Expenditure	6,393	2.1	4,738	1.6	-1,655	-25.9	-25.2
5	Interest Payments	15,092	5.1	15,822	5.3	730	4.8	16.6
6	Grants to Other Gov't Units	12,198	4.1	10,789	3.6	-1,408	-11.5	17.3
7	Other Expenditures	1,770	0.6	1,817	0.6	47	2.7	0.9
8	Arrears Clearance	-859	-0.3	-859	-0.3	0.0	0.0	-51.2

Source: MoF

50. Expenditure on Wages and Salaries for the period amounted to GH¢17,212.9 million, about 1.0 percent higher than the target of GH¢17,041.9 million. The main reason for the marginal overrun was higher than programmed wage-related allowances. In addition, about GH¢47.2 million was used to clear wage arrears from previous years.
51. Expenditure on Goods and Services for the period amounted to GH¢5,127.9 million against the target of GH¢3,682.3 million. The Goods and Services



outturn exceeded the target by 39.3 percent on account of a one-off payment for unbudgeted security-related expenditures for the year. On a year-to-year basis, the outturn recorded a growth of 106.6 percent.

52. Interest Payments amounted to GH¢15,821.8 million, 4.8 percent higher than the target of GH¢15,091.6 million. The dominant component, domestic interest payments, was 16.6 percent higher than the outturn for the same period in 2017, reflecting the large proportion of the budget financing for 2018 from domestic market operations since the expected sale of thermal assets and the monetisation of mineral royalties did not occur.
53. Transfer to Other Government Units, which includes transfers to the District Assemblies Common Fund (DACF) and Ghana Education Trust Fund (GETFund), among others, was less than the programmed amount by 11.5 percent, recording an outturn of GH¢10,789.2 million.
54. Total Capital Expenditure for the period amounted to GH¢4,738.3 million, falling short of the target by 25.9 percent.

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

55. As shown in Table 5, the Overall Budget Balance, registered a deficit of GH¢11,672.7 million, or 3.9 percent of GDP, which was financed from both domestic and external sources.

**Table 5: 2018 Fiscal Performance – Overall Budget Balance and Financing**

No.	Item	2018						
		Revised Budget		Prov. Outturn		Dev.		y/y growth
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	%	
1	Overall Deficit (Cash)	-10,971	-3.7	-11,673	-3.9	-702	6.4	-4.7
2	Total Financing	10,971	3.7	11,673	3.9	702	6.4	-4.7
3	Domestic Financing	6,268	2.1	8,949	3.0	2,681	42.8	-27.2
4	Foreign Financing	4,704	1.6	2,724	0.9	-1,979	-42.1	
5	Primary Balance	4,121	1.4	4,149	1.4	29	0.7	212.6

Source: MoF

56. Total Domestic Financing amounted to GH¢8,948.6 million, equivalent to 3.0 percent of GDP, and constituted 84 percent of the total financing. Foreign financing amounted to GH¢2,724.2 million equivalent to 0.9 percent of GDP, against a target of GH¢4,703.5 million or 1.6 percent of GDP.
57. The Primary Balance recorded a surplus of GH¢4,149.1 million, equivalent to 1.4 percent of GDP, compared to the targeted surplus of GH¢4,215.9 million, also 1.4 percent of GDP. The recorded primary surplus was a key factor in the decline in growth of the public debt in 2018 to 14.1 percent from 16.3 percent in 2017 (excluding the fiscal cost of GH¢9,800.0 million for the financial sector bailout exercise).



## **PETROLEUM REVENUE AND UTILISATION FOR 2018**

58. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for 2018, was US\$976.88 million. This compares with the receipts of US\$540.41 million for the same period in 2017. Receipts from crude oil liftings comprised the 41st (lifted in December 2017) to the 46th Jubilee liftings; 5th (also lifted in December 2017) to the 9th TEN liftings, and the first lifting from the Sankofa Field. This involved twelve liftings, made up of 11,783,080 barrels and valued at US\$813.94 million.
59. Of the amount received in 2018, an amount of US\$305.27 million was transferred to GNPC, made up of Equity Financing Cost (US\$103.44 million) and its share of the net Carried and Participating Interest (US\$78.60 million). A total of US\$436.75 million was transferred into the Ghana Petroleum Funds, out of which the Ghana Heritage Fund received US\$131.02 million, while the Ghana Stabilisation Fund received US\$305.72 million. The ABFA received US\$235.10 million.

## **UPDATE ON PUBLIC DEBT DEVELOPMENTS IN 2018**

60. Mr. Speaker, in line with our fiscal operations, Ghana's gross public debt stock in nominal terms, stood at GH¢173,068.7 million (US\$35,888.5 million) at the end of 2018. This was made up of GH¢86,169.0 million (US\$17,868.5 million) and GH¢86,899.7million (US\$18,020.0 million) for external and domestic debt, respectively.
61. Mr. Speaker, the gross public debt as a percentage of GDP was 57.6 percent in 2018, recording a marginal increase over the 55.6 percent recorded in 2017. The major contributory factor to the increase was the fiscal cost of the financial sector bailout that stood at GH¢9,800.0 million at end 2018. Excluding the financial sector bailout, the gross debt-to-GDP ratio would have been 54.4 percent.
62. Consistent with the above, the rate of debt accumulation – including financial sector bail-out – increased from 16.3 percent to 21.4 percent from 2017 in 2018.
63. Despite the cost of the financial sector bailout, the public debt dynamics benefited from a surplus on the primary balance in 2018, the second consecutive year of achieving a primary surplus.
64. During the year under review, emerging and frontier market sell-out affected Ghana's domestic market in a negative way. The domestic market yield curve witnessed a slight uptake in the 91-day treasury bill by almost 100 bps.
65. Mr. Speaker, the share of external debt declined from 53.2 percent in 2017 to 49.8 percent in 2018, whereas that of domestic debt increased from 46.8 percent to 50.2 percent over the same period as a large part of the budget



financing for 2018 was from domestic sources. The increased share of domestic debt, in large part, resulted from the financial sector bailout.

***Liability Management and Debt Re-Profiling Programme***

66. Mr. Speaker, Government in 2018 implemented a liability management programme focusing on actively managing the public debt portfolio and minimising refinancing risk in line with the approved debt strategy.
67. Leveraging on an improved macroeconomic environment, Government earmarked a total amount of US\$1,250.0 million from the proceeds of the 2018 Eurobond for its liability management programme, of which:
- A tender offer of US\$830.0 million was carried out to buy-back part of the 2022 Eurobond, thus reducing the outstanding stock on the 2022 Eurobond from US\$750.0 million to US\$48.0 million. This was also the largest liability management exercised by Ghana to date;
  - Buybacks totaling GH¢309.0 million (US\$64.1 million) were conducted to help smoothen the maturity profile of public domestic debt and to reduce refinancing risk; and
  - The maturing 2-year domestic US Dollar-denominated bond of US\$94.6 million was fully redeemed.
68. Mr. Speaker, Government also spent GH¢300 million to generate liquidity on the secondary market by buying back some domestic bonds. Consequently, the tenor of the domestic debt was extended to the longer end with an amount of GH¢4.2 billion.

**MACROECONOMIC PERFORMANCE FOR JANUARY - JUNE, 2019**

69. Mr. Speaker, provisional estimates released by the Ghana Statistical Service (GSS) in April 2019 show that overall real GDP recorded a growth of 6.7 percent in the first quarter 2019 compared to 5.4 percent over the same period in 2018, as shown in Table 6. Growth in the non-oil sector was 6.0 percent compared to 4.2 percent in the corresponding period of 2018. The Industry Sector recorded a growth of 8.4 percent in the first quarter of 2019 compared to 10.4 percent during the same period in 2018. Growth in the Services Sector rebounded strongly to 7.2 percent in the first quarter of 2019 compared to 1.4 percent recorded during the same period in 2018, while the Agriculture Sector recorded the lowest growth of 2.2 percent in the first quarter of 2019 compared to 4.7 percent during the same period in 2018.



**Table 6: Macroeconomic Indicators for 2019 and Provisional Outturn for end-June 2019**

No.	Item	2019	2019
		Target	End-June
1	Overall real GDP growth rate (%)	7.6	6.7*
2	Non-Oil Real GDP growth rate (%)	6.2	6.0*
3	End-period Inflation (%)	8.0	9.1
4	Overall Budget Balance (% of GDP)	-4.2	-3.3
5	Primary Balance (% of GDP)	1.2	-0.8
6	Gross International Reserves in months of imports of goods and services.	≥3.5	4.3

Source: MoF/GSS/BoG, \*As at end-March 2019

### ***Inflation***

70. Mr. Speaker, in spite of the progress made to contain inflationary pressures over the past 24 months, headline inflation rose gradually four months on the trot from 9.0 percent in January to 9.2 percent in February, and then to 9.3 percent and 9.5 percent in March and April, respectively, reflecting pass-through effects of the currency depreciation during the period. It, however, edged down to 9.4 percent in May 2019 and further to 9.1 percent in June 2019, reflecting mainly the slowdown in food inflation and regained stability of the exchange rate.

### ***Money, Credit, and Capital Markets***

71. Mr. Speaker, growth in broad money (M2+) accelerated over the 12-month period to June 2019, reflecting the continuing strong economic growth. The M2+ money supply recorded an annual growth of 22.3 percent compared to 13.0 percent in the corresponding period in 2018. The growth in total liquidity was largely supported by expansion in Net Foreign Assets attributable to the impact of the Eurobond inflow. Reserve money, however, grew at 8.8 percent in June 2019, much slower than the 13.9 percent recorded in June 2018.
72. Credit to the private sector continued to recover as banking sector liquidity improved, reinforced by the 2018 recapitalization exercise that saw the Bank of Ghana implemented a new minimum capital requirement. Private sector credit expanded by 16.8 percent at end-June 2019, compared with 5.7 percent growth in the same period of 2018. On a year-to-date basis, private sector credit recorded 8.5 percent growth in June 2019, compared with a growth of 2.5 percent in June 2018.
73. In line with the disinflation process, the Bank of Ghana Policy Rate was further reduced by 100 basis points to 16.0 percent in January 2019 and has since remained unchanged. Interest rates on the money market have been broadly stable, partly reflecting a shift to foreign financing of the budget after the Eurobond issuance. The 91-day Treasury bill rate has stabilised at 14.8 percent, while the 182-day instrument was stable at 15.2 percent at the end of June 2019. The weighted average interbank lending rate, which shows the



rate at which commercial banks lend to each other, also dropped to 15.2 percent in June 2019 from 16.4 percent recorded in June 2018, following trends in the monetary policy rate. However, average lending rates of banks inched up, though marginally, to 27.7 percent from 27.5 percent over the same comparative period.

### ***Capital Market***

74. The Ghana Stock Exchange Composite Index (GSE-CI), a key indicator of performance of the stock market, registered a year-on-year decline of 16.8 percent in June 2019 compared to a growth of 46.6 percent recorded in the same period in 2018. The poor performance could be attributed mainly to price depreciation of stocks in the Agriculture, Food & Brewery, Distribution, and Finance sectors.
75. However, total market capitalization increased by 6.2 percent, year-on-year, to GH¢58.7 billion at the end of June 2019, compared to a decrease of 7.0 percent for the corresponding period of 2018. The increase in market capitalization was mainly on account of the listing of MTNGH on the Exchange in September 2018 and additional share issuances by Intravenous Infusions Limited (IIL) and ADB as well.
76. The total volume of shares traded in June 2019 was 12.4 million with a total value of GH¢16.0 million. This compares to 24.1 million shares traded with a value of GH¢42.7 million in June 2018. Of the total volume and value of trades in June 2019, MTNGH accounted for 51.6 percent and 29.0 percent, respectively, followed by GCB with 18.5 percent of total value of shares traded on the local bourse.

### ***Banking Sector***

77. The recapitalization exercise undertaken by the Bank of Ghana, which sought to increase the minimum capital of banks from GH¢120 million to GH¢400 million ended in December 2018, with a total of 23 banks meeting the minimum requirement. In spite of the banking sector challenges, total assets of the banking sector increased from GH¢100.3 billion in June 2018 to GH¢112.3 billion at the end of June 2019, representing 12.4 percent increase. Total deposits also increased from GH¢61.8 billion in June 2018 to GH¢75.6 billion in June 2019, representing 22.3 percent growth. An assessment of the banking sector shows that, the banks are now sound, liquid and well-capitalized, and well-positioned to translate the gains made from the far-reaching reforms to the rest of the economy. With the rebound of the sector, the banks are now in the position to deploy their newly-injected capital towards financial intermediation to aid the development process.
78. The rebound of the banking industry is supported by the visible improvements in the key financial soundness indicators. In particular, the industry's solvency, measured by the Capital Adequacy Ratio (CAR) stood at 19.1 percent at the end of June 2019 compared with 19.3 percent over the same period last year, significantly above the prudential minimum requirement of 10 percent. Asset





quality has also improved, as reflected in the declining Non-Performing Loans (NPL) ratio from 22.6 percent in June 2018 to 18.1 percent. This largely reflected the implementation of BoG's loan-loss write-off policy. The industry's profitability indicator has also improved indicated by the 44.1 percent year-on-year growth in profit-after tax in May 2019 compared with the 14.9 percent growth recorded in the same period last year.

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

79. Mr. Speaker, on the external front, provisional trade balance for the first half of 2019 recorded a surplus of US\$1.9 billion (2.8% of GDP), compared to a surplus of US\$1.3 billion (1.9% of GDP) in the first half of 2018. The current account recorded a marginal surplus of US\$39 million (0.1% of GDP) in the first half of 2019, the first in recent times, compared to a deficit of US\$409 million (0.6% of GDP) in the same period last year. This surplus, together with significant inflows recorded by the capital and financial account, yielded an overall balance of payments surplus of US\$1.3 billion (1.9% of GDP) over the review period, compared with a deficit of US\$372 million (0.6% of GDP) last year.

### ***International Reserves***

80. The positive developments in the external sector resulted in improvements in the stock of gross international reserves to US\$9.9 billion (equivalent to 5.1 months of import cover) as at end-March 2019, before declining to US\$8.6 billion (4.3 months import cover) in June 2019, largely on account of energy-related debt payments and higher repatriation obligations occasioned by domestic debt interest and coupon repayments to non-resident domestic debt holders.

### ***Exchange Rate***

81. After coming under pressure temporary in February 2019, the volatility of the cedi has largely normalised towards the end of the first quarter of 2019, on account of improved supply of foreign exchange, partly from the recent Eurobond issue. The depreciation of the Ghana Cedi edged up again in May through June, resulting in a cumulative depreciation of 8.4 percent in the year to June 2019, compared with 2.4 percent for the corresponding period of 2018. Against the British pound and Euro, the Ghana cedi cumulatively depreciated by 7.6 percent and 7.9 percent respectively. In trade-weighted terms, the real effective exchange rate continued to be broadly aligned with the underlying fundamentals.

### **FISCAL PERFORMANCE FOR JANUARY - JUNE, 2019**

82. Mr. Speaker, in the 2019 Budget which I presented to this august House in November 2018, I indicated Government's commitment to a measured path for fiscal consolidation that will constrain the budget deficit to stay within the approved target and also stabilise the public debt-to-GDP ratio. Consequently, Government's fiscal operations for 2019 set both the Fiscal Deficit and the Primary Balance as the primary anchors and programmed a fiscal deficit of



4.2 percent of GDP and a positive Primary Balance equivalent to 1.2 percent of GDP.

83. Mr. Speaker, so far, the implementation of the 2019 Budget has been successful, albeit with some challenges, mostly structural. Nonetheless, we remain fully committed to ensuring that the gains achieved since 2017 are not reversed.
84. As shown in Table 7, implementation of the 2019 Budget for the first half of 2019 highlights, on the one hand, less robust revenue mobilisation relative to programme targets (despite a 7.7% per annum growth) and, on the other hand, faster execution of expenditures. The shortfall in revenues is mainly accounted for by shortfalls in customs receipts and non-tax revenues, while the faster execution of expenditures is mainly due to unprogrammed expenses on border security to combat terrorism.
85. Mr. Speaker, these developments pushed our financing requirements above the programmed limits for the period to enable us address these additional expenditure pressures. Consequently, the fiscal deficit for the period widened from a programmed target of 2.9 percent of GDP to 3.3 percent.

**Table 7: Summary of 2019 Jan-Jun Fiscal Performance**

No.	Item	2019						
		Budget		Jan-Jun (Prog)		Jan-Jun (Prov)		
		GH¢mn	% of GDP	GH¢mn	% of GDP	GH¢mn	% of GDP	Dev. (%)
1	Revenue and Grants	58,905	17.1	26,956	7.8	22,777	6.6	(15.5)
2	Expenditures	72,711	21.1	36,841	10.7	34,229	9.9	(7.1)
3	Overall Fiscal Balance	(14,536)	(4.2)	(9,885)	(2.9)	(11,452)	(3.3)	15.8
4	Primary Balance	4,110	1.2	-215	(0.1)	-2,614	(0.8)	

Source: MoF

86. This notwithstanding, some revenue measures including the sale of Electromagnetic Spectrum, Telco's Licenses renewal, gains from the realization of assets and mineral rights from extractive industry and strengthening of compliance at the ports are being pursued vigorously to ensure that the revenue target for 2019 is not compromised. Additionally, the Ghana Revenue Authority (GRA) will continue to pursue actively its debtors as part of measures to offset any revenue shortfall emanating from unintended policy consequences from the cuts to benchmark import values. The Warehousing Regime will undergo further review with a limitation on the type of goods and length of time goods can be warehoused.
87. On the expenditure front, some discretionary expenditures that have a minimum impact on economic growth will be adjusted using the system of



budget allotment. MDAs are therefore required to observe their revised ceilings to ensure that the fiscal targets are not compromised.

### **Revenue Performance**

88. Mr. Speaker, Total Revenue and Grants in the first half of the year amounted to GH¢22,777 million compared with a programmed target of GH¢26,956 million resulting in a shortfall of 15.5 percent or a half-year performance rate of 84.5 percent. The provisional outturn represents a per annum nominal growth of 7.8 percent and constitutes 38.7 percent of the annual target compared to the programmed target of 45.8 percent of the annual projection as shown in Table 9.

**Table 8: 2019 Q1-Q2 Fiscal Performance - Revenue**

No	Item	Budget	2019		Deviation	
			Prog (Q1-Q2)	Prov (Q1-Q2)	GH¢mn	%
			GH¢mn		GH¢mn	%
1	Total Revenue and Grants	58,905	26,956	22,777	-4,179	-15.5
2	Tax Revenue	45,270	20,364	18,448	-1,916	-9.4
3	Tax Revenue (non-oil)	42,875	19,314	17,496	-1,817	-9.4
4	Oil Revenue	5,430	2,697	1,859	-837	-31.0
5	Non-Oil Non-Tax	6,536	2,829	2,214	-615	-21.7
6	Other Revenues	2,954	1,464	949	-515	-35.2
7	Grants	1,110	653	258	-394	-60.4

Source: MoF

89. Non-oil Tax Revenue, comprising taxes on Income and Property, Goods and Services and International Trade, amounted to GH¢17,496 million. Although the outturn is 9.4 percent below the programmed target of GH¢19,314 million it, nonetheless, represents an annual growth of 14.7 percent compared with 8.3 percent growth during the same period in 2018. The higher increase in 2019 is driven mainly by the robust growth in some non-oil tax handles such as Domestic VAT, Petroleum Excise taxes, Domestic National Health Insurance Levy, and GETFund Levy, all of which out-performed their respective targets for the period.
90. However, these were not enough to offset the shortfalls from non-oil Tax Revenue handles including International Trade Taxes (such as Import Duty and Levies, Import VAT and NHIL) which partly reflect firstly, lower than projected CIF values due to low taxable import volumes and secondly, the impact from the reduction in Benchmark import values which form the base for the assessment of customs duties, tariffs, fees and levies.
91. Mr. Speaker, Revenue from upstream Oil and Gas amounted to GH¢1,859 million, 31.0 percent lower than the programmed target of GH¢2,697 million. This was mainly on account of four liftings compared to five programmed



liftings for the period hence the lower-than-programmed revenues. This shortfall will be recovered in the second half of the year.

92. Non-Oil Non-Tax Revenue yielded GH¢2,214 million, 21.7 percent below target as shown in Table 8. Lower collection of Internally Generated Funds (IGFs) by MDAs and poor Luxury Vehicle Levy collection largely explains the shortfall in Non-oil Non-Tax Revenue.
93. Mr. Speaker, Grants disbursements were below target during the period mainly on account of lower project Grants disbursements. Grants disbursements are, however, expected to recover in the second half of the year.

### ***Expenditure Performance***

94. Mr. Speaker, the execution of expenditures reached 92.9 percent, reflecting a faster execution rate compared with the revenue mobilisation performance rate of 84.5 percent for the period. Consequently, Total Expenditures (including arrears clearance) for the period amounted to GH¢34,229 million compared with a programme target of GH¢36,841 million.
95. Mr. Speaker, expenses on Compensation of Employees was broadly contained within the programmed limits as shown in Table 9, as Government continues to implement the HRMIS and Budgetary wage controls led by the Ministry of Finance, the Public Services Commission, and the Controller and Accountant-General's Department.
96. Expenses on the Use of Goods and Services was 0.3 percent higher than target mainly on account of security related expenses to reinforce our borders against terrorist attacks. So far, expenses on free SHS programme and some other Government flagship programmes have also remained on track.
97. Mr. Speaker, Capital Expenditure amounted to GH¢2,572 million compared with a programmed target of GH¢4,652 million. The outturn vis-a-vis the target was mainly driven by lower-than-programmed Foreign Financed Capital Expenditure.
98. Mr. Speaker, Interest Payments as shown in Table 9 were higher than programmed due mainly to the impact of the sharp exchange rate depreciation that occurred in the first quarter of 2019 which impacted adversely on External Interest Payments. Domestic Interest Payments also exceeded the target as Government raised more financing from domestic sources than programmed to accommodate some expenditure pressures.



**Table 9: 2019 Q1-Q2 Fiscal Performance - Expenditure**

No	Item	Budget	Prog (Q1- Q2)	2019 Prov (Q1- Q2)	Deviation	
					GH¢mn	GH¢mn
1	Total Expenditures (incl. Arrears Clearance, Discrepancy)	73,441	36,841	34,229	-2,612	-7.1
2	Compensation	22,838	11,235	10,989	-246	-2.2
3	Use of Goods & Services	6,333	3,389	4,411	1,021	30.1
4	Capital Expenditure	8,531	4,652	2,572	-2,080	-44.7
5	Interest Payments	18,646	9,670	8,838	-831	-8.6
6	Grants to Other Govt Units (Earmarked Funds)	13,798	6,262	5,227	-1,035	-16.5
7	Other Expenditures	2,288	1,130	846	-285	-25.2
8	Arrears Clearance	-730	-360	-407	-47	13.2

Source: MoF

**Overall Budget Balance and Financing**

99. As shown in Table 10, the result of Government's fiscal operations resulted in a cash basis deficit of GH¢11,452 million, or 3.3 percent of GDP, compared with the programmed target of GH¢9,885 million, or 2.9 percent of GDP for the half-year.
100. Mr. Speaker, 81.3 percent of the deficit was financed from foreign sources, including proceeds from the 2019 Eurobond issuance which raised a total of US\$3.0 billion in 7-year, 12-year, and 31-year Eurobonds of US\$750.0 million, US\$1.25 billion and US\$1.0 billion, respectively. Domestic financing of the deficit, including market operations, constituted the remaining 18.7 percent, higher than programmed.
101. Mr. Speaker, the Primary Balance recorded a deficit equivalent to 0.8 percent of GDP, 0.7 percentage points higher than the programmed deficit of 0.1 percent of GDP mainly due to lower-than-programmed revenues as stated earlier.

**Table 10: 2019 Q1-Q2 Fiscal Performance – Overall Budget Balance and Financing**

No	Item	Budget	Prog (Q1-Q2)	2019 Prov (Q1-Q2)	Deviation	
					GH¢mn	GH¢mn
1	Overall Deficit (Cash)	-14,536	-9,885	-11,452	-1,567	15.8
2	% of GDP	-4.2	-2.9	-3.3		
3	Total Financing	14,536	9,885	11,452	1,567	15.8
4	% of GDP	4.2	2.9	3.3		
5	Domestic Financing	4,788	328	2,144	1,816	553.5
6	% of GDP	1.4	0.1	0.6		
7	Foreign Financing	9,748	9,557	9,308	-249	-2.6
8	% of GDP	2.8	2.8	2.7		
9	Primary Balance	4,110	-215	-2,614		
10	% of GDP	1.2	-0.1	-0.8		

Source: MoF



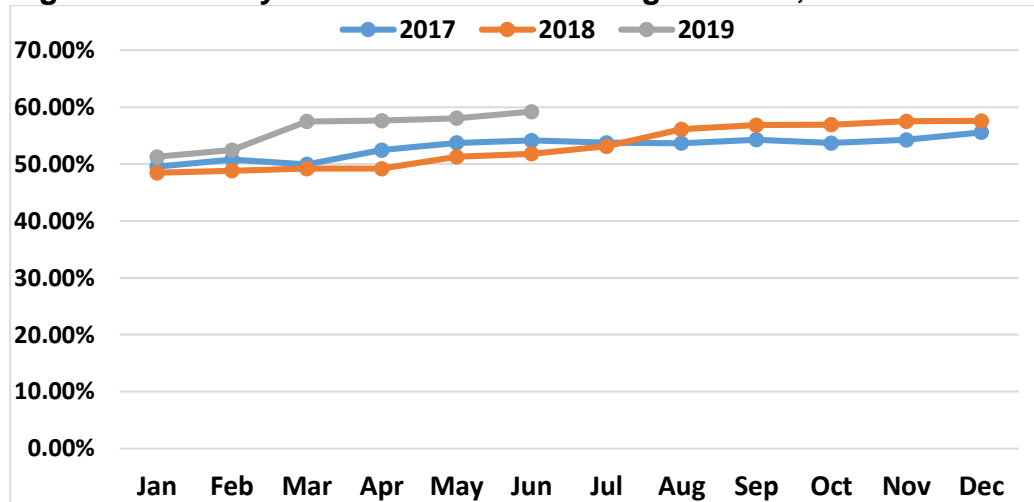
**PETROLEUM REVENUE AND UTILISATION FOR JANUARY TO JUNE, 2019**

- 102. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for the first half (January to June) of 2019, was US\$363.74 million. Receipts from crude oil liftings comprised the 47th (lifted in January 2019) to the 48th Jubilee liftings in March 2019; 10th (also lifted in January 2019) to the 11th TEN liftings. This involved four liftings, made up of 3,931,838.00 barrels and valued at US\$241.22 million.
- 103. Of the amount received for first half of 2019, an amount of US\$98.29 million was transferred to GNPC, made up of Equity Financing Cost (US\$64.87 million) and its share of the net Carried and Participating Interest (US\$33.41 million). A total of US\$99.78 million was transferred into the Ghana Petroleum Funds, out of which the Ghana Heritage Fund received US\$29.93 million, while the Ghana Stabilisation Fund received US\$69.85 million. The ABFA received US\$165.66 million.

**PUBLIC DEBT DEVELOPMENTS FOR JANUARY - JUNE, 2019**

- 104. Mr. Speaker, the gross public debt stock in nominal terms stood at GH¢203,890.47 million (US\$38,743.3 million) as at end-June 2019, representing 59.19 percent of GDP. The increase was mainly as a result of frontloading the financing requirements for 2019 in the first quarter and the cedi equivalent of the relatively larger stock of external debt. Debt accumulation in the subsequent quarters is expected ease off to a steady state.
- 105. Of the total, external debt at end-June 2019 amounted to GH¢107,633.9 million (US\$20,452.61 million), whereas domestic debt summed up to GH¢96,256.57 million (US\$18,290.69 million), representing 52.8 percent and 47.2 percent of the total public debt stock, respectively. As a percentage of GDP, external and domestic debt represented 31.25 percent and 27.94 percent, respectively.

**Figure 3: Monthly Public Debt as Percentage of GDP, 2017-June 2019**



Source: MoF



106. As shown earlier, the external debt stock increased its share from almost 50.2 percent as at the end of 2018 to 52.79 percent as at the end of June 2019. The increase in external debt stock was mainly driven by the issuance of a Eurobond of US\$3,000.00 million in March 2019. An amount of US\$303.09 million of the issuance was used to refinance part of the Eurobond maturing in 2023, and thus the net effect on the stock of debt was US\$2,696.91 million.
107. The IMF also disbursed an amount of SDR132.84 million (US\$184.30 million) in March, 2019 after their 7th and 8th reviews of ECF Facility Arrangement. On account of these two major inflows alone, a net amount of US\$2,855.20 million, equivalent to approximately GH¢14,775.62 million, was added to the debt stock. Exchange rate depreciation alone contributed an amount of GH¢9,003.24 million to the value of the stock between end-December 2018 and end-June 2019.

### ***2019 Medium Term Debt Management Strategy (MTDS)***

108. Mr. Speaker, the 2019-2022 Medium Term Debt Strategy (MTDS) was updated and published in accordance with the Public Financial Management Act, 2016 (Act 921), and in line with the Macro-Fiscal Framework for the period spanning 2019-2022.
109. The strategy envisages an increase in the issuance of medium to long-term bonds on the domestic bond market over the strategy period. For the first time, the strategy envisages the issuance of a 20-year domestic bond. It will be the first time that Ghana is issuing a 20-year bond, and would be the longest tenure domestic bond to date. This is aimed at diversifying the instrument base and providing suitable options with which institutions like the pension and insurance companies can match their assets to their liabilities. The strategy also envisions the issuance of a sovereign bond with proceeds to be used for liability management and budget support.

### ***2019 Debt Sustainability Analysis***

110. Mr. Speaker, Ghana's Debt Sustainability Analysis (DSA) conducted earlier this year showed a marked improvement in the solvency ratios following the rebasing of the GDP, although overall Ghana is still in high distress.
111. Mr. Speaker, the DSA framework jointly developed by the World Bank and the IMF provides an objective assessment of debt sustainability in a given macroeconomic context and outlines a country's fiscal and monetary stance under certain assumptions and conditions. The exercise ensures that a country's total Public Debt Portfolio is annually subjected to appropriate qualitative and quantitative analysis, by evaluating the country's repayment capacity for its current and future debt obligations, in order to ascertain the level of risk of debt distress.
112. In preparing Ghana's 2019 DSA, the latest version of the DSA framework developed by the IMF and World Bank in July 2018 was used. This is stricter and has relatively stronger benchmarks than the previous one. Had the earlier



version been used, Ghana would have had a far better outcome as the solvency ratios had improved significantly as a result of the rebased GDP.

### ***2019 Eurobond Issuance***

113. Mr. Speaker, Government had approval for up to US\$3.0 billion from this august House to access the International Capital Market (ICM) to raise funding for budgetary purposes and for debt liability management.
114. In line with the Parliamentary approval, Ghana raised a total of US\$3.0 billion in 7-year, 12-year, and 31-year Eurobonds of US\$750.0 million, US\$1.25 billion and US\$1.0 billion, respectively on March 19, 2019. The 7-year, 12-year, and 31-year bonds were priced at 7.6875 percent, 8.125 percent and 8.950 percent, respectively.
115. The Eurobond in 2019 was a landmark issuance, not only in Ghana, but across Sub-Saharan Africa with Ghana's Eurobond issuance in 2019 being the largest deal size outside of Nigeria and South Africa. The issue was also the first triple-tranche Eurobond offering by Ghana.
116. The transaction attracted the largest order book ever in Africa, confirming overwhelming investor confidence in our management of the economy. It is also notable to see that, the transaction attracted a new group of investors. About 4.0 percent of the order book were from Asia-based investors.
117. Mr. Speaker, it is worthy to note that Ghana achieved this good pricing on the Eurobond issuance in 2019 despite higher emerging market spreads and higher benchmark rates prevailing at the time.

### ***Ghana - Cote D'Ivoire Cocoa Floor Price***

118. Mr. Speaker, the world market price of cocoa dropped from US\$2,950/tonne in 2016 to an average of US\$2,080/tonne in 2017 representing about 30 percent reduction. Although the world market price has remained low for the past three years, Government continues to pay farmers GH¢7,600/tonne as it was in 2016. Faced with this challenge, Ghana and Cote d'Ivoire, the two leading producers of cocoa beans (65 percent) decided to engage buyers of cocoa to accept a premium of US\$400/tonne above the terminal market price to support the income of our cherished cocoa farmers.
119. Mr. Speaker, after extensive stakeholder consultation and engagement, the buyers have accepted to pay the US\$400/tonne which is christened Livelihood Income Differential (LID) for Ghana and Cote d'Ivoire cocoa beans. We wish to say that this is the first of its kind in the history of cocoa sales in the world and is a major achievement for the NPP Government and an indication of the Government's determination to secure a fair share of the multi-billion dollar cocoa value chain.





## **SECTION THREE: REVISED 2019 MACROECONOMIC TARGETS, FISCAL FRAMEWORK AND REQUEST FOR SUPPLEMENTARY BUDGET**

### **REVISIONS TO MACROECONOMIC FRAMEWORK**

120. Mr. Speaker, developments following the presentation and passage of the 2019 Budget Statement and Economic Policy by this august House in November 2018 have necessitated a revision to the 2019 macroeconomic framework.
121. We have observed new trends in macroeconomic aggregates some of which pose a risk and threaten to derail our fiscal efforts if the necessary corrective policy measures are not timely applied.
122. Mr. Speaker, among other things, the following developments have warranted a revision to the 2019 macroeconomic framework:
- relatively weak performance of the Ghana cedi against the US dollar, driven largely by external pressures, especially in the first quarter of 2019. The Ghana cedi depreciated cumulatively by 8.4 percent through end-June 2019;
  - lower-than-programmed Total Revenue and Grants (a 15.5 percent shortfall despite a 7.8 percent nominal growth);
  - faster rate of expenditure execution of 92.9 percent relative to a revenue mobilisation performance rate of 84.5 percent for the first half-year of 2019;
  - crystallisation of energy sector IPPs payments which were not programmed into the 2019 Budget; and
  - lower than projected crude oil and gas volumes.
123. Mr. Speaker, in view of these developments, and consistent with Section 28(2d) of Act 921, the 2019 GDP projections, as well as the 2019 Fiscal Framework have been revised to safeguard our public finances.
124. Accordingly, real GDP growth has been revised downward from 7.6 percent to 7.1 percent on the back of the relatively larger GDP base for 2018, as well as lower projected crude oil and gas volumes as shown in Appendix Table 1.

### **REVISIONS TO THE 2019 FISCAL FRAMEWORK**

125. Mr. Speaker, to enable Government take precautionary measures in response to emerging security concerns arising from developments in the Region, the fiscal framework has been recalibrated to accommodate an overall budget deficit equivalent to 4.5 percent of GDP. This is 0.3 percentage point higher than the fiscal deficit target of 4.2 percent of GDP approved previously in November 2018 by Honourable Members.
126. Mr. Speaker, this notwithstanding, the fiscal outlook for the remaining half of the year remains sound even in the midst of strong domestic headwinds. The revised 2019 fiscal framework has carefully considered some measures in the



second half of the year to safeguard the revised deficit target of 4.5 percent of GDP. We are confident that these fiscal measures will contain the fiscal deficit within the Fiscal Responsibility Act threshold of 5 percent of GDP. The fiscal measures are specifically geared towards improving domestic revenue mobilisation, reining in expenditures, as well as addressing some critical protracted structural issues in the energy sector.

127. Mr. Speaker, revenue measures including the sale of Electromagnetic Spectrum, Telco's Licenses renewal, gains from the realisation of assets and mineral rights, and strengthening of compliance at the ports are being pursued vigorously to ensure that the revenue target for 2019 is not compromised.
128. Discretionary expenditures will be rationalised in favour of growth-oriented programmes, while the implementation of some MDAs' programmes will be deferred for reconsideration in 2020. This will mean that MDAs will have to re-prioritize their expenditure programmes (including those to be deferred) for re-consideration and inclusion in the programmes and projects to be admitted in the 2020 Budget cycle.
129. Financing of the fiscal deficit for the second half of the year will be balanced using a blend of foreign and domestic financing resources. Expectations are that, a World Bank Development Policy Operation (DPO) facility estimated at US\$500 million will be approved by this august House for disbursement in the second half of the year. Domestic financing is expected to moderate in the second half of the year, given the sizeable frontloading of financing requirements in the first half of the year which were funded from this source. Use of proceeds from the monetisation of mineral royalties is also expected to moderate domestic borrowing in the second half-year.

#### **REVISIONS TO TOTAL REVENUE AND GRANTS**

130. Mr. Speaker, the revised Total Revenue and Grants is GH¢58,896.5 million, 0.01 percentage point lower than the original 2019 Budget estimate of GH¢58,904.9 million.
131. Of this amount, non-oil Tax Revenue projected at GH¢43,097.9 million, is expected to be boosted by stronger performance from higher Corporate Income Taxes, Petroleum Excise Taxes and Domestic VAT in the second half of the year.
132. Mr. Speaker, the effect of the reduction in the benchmark import values, which became effective from April 2019, will be mitigated by enhanced trade tax compliance following the introduction of additional efficiency measures at the ports, including operations by Meridian Port Services Ltd.
133. Finally, Non-Tax Revenues are expected to be boosted by the proceeds from the sale of Electromagnetic Spectrum, as well as the fees from Telco's Licenses renewal.



### **2019 Mid-Year Revenue Measures**

134. Mr. Speaker, revenue measures including the sale of an Electromagnetic Spectrum, Telco's Licenses renewal, gains to be derived from the realisation of assets and mineral rights, and strengthening of compliance at the ports and others, are being pursued vigorously to ensure that the revised Domestic revenue target for 2019, which is some GH¢8.3 million below the original Budget projection, is not compromised.

135. Mr. Speaker, as part of Government's resolve to ensure that the 2019 Budget is implemented as planned, the following additional revenue measures are being proposed for the consideration and approval by Honourable Members.

- a. **Energy Sector Levies:** The Energy Sector Levies Act, 2015 (Act 899) restructured, rationalized and consolidated all the revenue legislation relating to the energy sector into one law. The object was to dedicate the levies to the energy sector and to promote prudent and efficient utilization of the revenue as well as facilitate sustainable long-term investments in the energy sector to enhance availability, regularity and reliability of supply. The dedication of these consolidated levies was to improve the poor balance sheets of the power sector utilities and relieve Government of the pressures of the sector in terms of reduced reliance on Ministry of Finance occasional direct funding.

The sector however continues to be exposed due to recurring debts and take or pay contracts. At the inception of the Act, it was estimated that approximately twenty-four percent of the ex-pump price of fuel would adequately cover the required financing. This percentage has dwindled over the years and is currently about seventeen percent due to inflation and currency depreciation.

Government plans to adjust upwards the Road Fund Levy, the Energy Debt Recovery Levy and the Price Stabilisation and Recovery Levy to bring the ratios close to twenty-one percent to help bridge the financing gap.

- b. **Communication Service Tax:** The Communication Service Tax (CST) was introduced in 2008 at an ad valorem rate of six per cent. The tax is levied on charges payable by consumers for the use of communication services, however, its application has been limited to charges on per minute calls and interconnectivity charges. In order to correct this policy gap and ensure equity in the communication industry the tax will be applied to service charges paid by consumers for use of communication service in the Television and Radio Broadcasting Industry.

Government proposes to increase the tax to nine percent to develop the foundation for the creation of a viable technology ecosystem in the country. This will comprise amongst others putting in systems to



identify and combat cybercrime, protect users of information technology and combat money laundering and other financial crimes.

The increase will not be earmarked, however, the sharing ratio will be adjusted in such a manner that the national youth employment programmes continue to receive the same proportions as they are currently receiving.

- c. **Review of Luxury Vehicles Levy:** Mr. Speaker, Government in 2018 introduced the Luxury Vehicles Levy to raise revenue and also to address some of the adverse effects of high capacity engines on the environment. Mr. Speaker, based upon feedback data on the impact of the implementation of the tax so far, and also from the general public, Government has taken a decision to withdraw the levy.

### **REVISIONS TO EXPENDITURES**

136. Mr. Speaker, total expenditure (incl. arrears clearance) for the year is now estimated to be GH¢74,611.7 million, about 1.6 percent higher than the 2019 Budget estimate of GH¢73,440.8 million. Upward adjustments to Interest Payments reflect partly the effect of a higher exchange rate than programmed, as well as higher net domestic borrowing to meet some emergency security and energy expenses in the first half of the year. Additionally, upward adjustment in Goods and Services in the second half of the year are to meet critical expenses on security among others.

### **2019 Mid-Year Expenditure Measure**

137. Mr. Speaker, it has been observed that Entities that are not on the Single Spine Salary Structure (SSSS) and already having higher salaries, continue to enjoy higher salary adjustment annually than their counterparts on the SSSS. This has the tendency of widening the salary disparities in the public sector. To improve equity in salary administration, government will ensure that salary on the SSSS enjoy higher salary increases than those outside the single spine.

### **REVISED OVERALL BUDGET BALANCE AND FINANCING**

138. Mr. Speaker, the revised Overall Budget Deficit is, therefore, programmed at 4.5 percent of GDP. This deficit target is consistent with our debt sustainability analysis for 2019 and the medium-term. The estimated World Bank DPO facility of US\$500 million and the proceeds from the monetisation of mineral royalties are expected to moderate domestic borrowing in the second half of the year.
139. Mr. Speaker, the crystallisation of energy sector contingent liabilities in respect of take-or-pay contract obligations with Independent Power Producers (IPPs) estimated at GH¢5.1 billion for 2019 is being amortised, thus increasing the requirements for external amortisation above the amount originally provisioned for in the 2019 Budget.



## **REQUEST FOR APPROVAL OF SUPPLEMENTARY ESTIMATES**

140. Mr. Speaker, as a result of all these revisions to the 2019 fiscal framework, the 2019 Appropriation of **GH¢78,771,833,602.12** that was approved by this august House in November 2018 will not be adequate to cater for the additional programmed needs which will increase the total Appropriation to **GH¢85,142,189,527.94**. Government is, therefore, requesting Honourable Members to consider and approve an amount of **GH¢6,370,355,925.82** as supplementary estimates to the original Appropriation of **GH¢78,771,833,602.12** to bring the revised total Appropriation for the 2019 Fiscal Year to **GH¢85,142,189,527.94**.
141. Mr. Speaker, consistent with Article 179 (8) of the Constitution, the request for a supplementary estimate is necessitated by additional precautionary expenditures in response to regional security developments and the amortisation of contingent liabilities associated with take or pay contracts which have crystallized.



## SECTION FOUR: UPDATE ON CRITICAL ISSUES IN THE ENERGY AND FINANCIAL SECTORS

### ENERGY SECTOR

142. Mr. Speaker, I am happy to reaffirm that “dumsor” is history, and we are determined to ensure that it remains that way. However, we are facing serious challenges in the energy sector that pose grave financial risks to the whole economy. At the heart of these challenges are the obnoxious take-or-pay contracts signed by the NDC, which obligate us to pay for capacity we do not need. We must urgently address these challenges to protect the hard-earned economic gains we have made in the past two-and-a-half years and continue with our economic growth and jobs agenda to improve the lives of Ghanaians. This Supplementary Budget therefore proposes a number of bold measures to confront the issues to ensure that the energy sector delivers the services required by Ghanaians, while maintaining financial viability.
143. To be specific, the two main issues confronting the sector are:
- Firstly, excess electricity generation which was procured during the NDC regime from Independent Power Producers (IPPs), including Emergency Power Producers, at exorbitant prices under flawed take-or-pay contracts. Currently, according to the Energy Commission, the country has installed power generation capacity of 5,083 MW, dependable capacity of 4,593 MW and peak demand of around 2,700 MW. So, our installed capacity is almost double our peak demand. Notably, 2,300 MW of the installed capacity has been contracted on a take-or-pay basis. On average, less than 40 percent of the contracted take-or-pay capacity is actually used, meaning that we are basically throwing away money by paying for the remaining 60 percent of excess capacity which we do not actually consume. In monetary terms, what this means is that we are paying over half a billion U.S. dollars or over GH¢ 2.5 billion annually for power generation capacity that we do not need; and
  - Regarding gas, Ghana has contracted for around 750 mmscf per day by 2023. Current demand is around 250 mmscf per day, and this is projected to rise to between 450 and 550 mmscf per day by 2023. So, there is projected oversupply of 200 to 300 mmscf per day by 2023. About 640 mmscf of the contracted gas supply is on a take-or-pay basis, meaning we have to pay whether we use it or not. From 2020, we will be facing annual excess gas capacity charges of between US\$550 and US\$850 million every year. Currently, for Sankofa Offshore Cape Three Points gas alone, we pay over \$51 million a month under a take-or-pay contract for 154 mmscf per day even though we only actually take 60 mmscf per day on average.



144. Mr. Speaker, additional challenges in the energy sector, include:
- electricity tariffs that do not cover the costs of non-portfolio Power Purchase Agreements (PPAs);
  - high technical and commercial losses;
  - absence of a proper system for measuring and paying for the costs of power for street lighting;
  - non-payment of utility bills by MDAs; and
  - a high level of net sector arrears of approximately US\$2.7 billion (GH¢14.04 billion) as of January 2019.
145. Mr. Speaker, the total costs in the energy sector that Government had to cover in 2018 amounted to US\$520 million (GH¢2.7 billion). Moreover, by end-June this year, Government had made total payments of US\$604 million (GH¢3.14 billion), and if we do not urgently address the problems in the sector, the projected Government payments in 2019 will be at least US\$1 billion (GH¢5.2 billion).
146. Our technical experts, assisted by counterparts from the World Bank, have subjected the energy sector to analysis and produced the Energy Sector Reform Programme (ESRP), which identifies the key issues in the sector and proposes solutions. According to the ESRP, which has been approved by Cabinet, if we continue with business as usual in the energy sector, the costs to Government will increase over time to an accumulated total of over US\$12.5 billion by 2023.
147. Mr. Speaker, our macroeconomic stability and the hard-earned economic gains we have made are at serious risk of being derailed if we do not immediately take drastic steps to arrest these reprehensible legacy issues in the energy sector.
148. Just to put this in context, the over US\$1 billion (or over GH¢ 5 billion) extraordinary payment that Government is having to make in the energy sector this year and on an ongoing basis, if not addressed, is more than two times the amount of all of Government's social expenditures on goods and services, which includes Free Senior High School, our School Feeding Programme and Livelihood Empowerment Against Poverty (LEAP). It is no wonder, therefore, that the NDC was convinced that we could not fund President Akufo-Addo's free SHS programme.
149. Mr. Speaker, in addition, these wasteful expenditures in the energy sector are one of the main causes of increases in end-user electricity tariffs, imposing hardships on Ghanaians. Similarly, this makes Ghana uncompetitive for manufacturing, thus holding back our industrialization and job-creation agenda. What's more, these wasteful payments are putting pressure on our foreign currency reserves and on the exchange rate.



150. Mr. Speaker, in Investment Banking parlance, the NDC Government's parting shot was an energy sector poison pill. But, Mr. Speaker, we are determined that the good people of Ghana will not drink this hemlock.
151. Mr. Speaker, we cannot allow this situation to continue. There is no doubt that the situation in the energy sector is shocking the economy and creating a state of emergency. And indeed, as in the case of what we have done in the financial sector, we must respond with the urgency and boldness dictated by the situation.
152. Consequently, Government has resolved as follows:
- to convert all Take-or-pay contracts to Take-and-pay contracts. Accordingly, starting August 1st 2019, all take-or-pay contracts will be renegotiated to convert to Take-and-pay for both PPAs and Gas Supply Agreements (GSA). Government will seek Parliamentary ratification where appropriate;
  - to suspend indefinitely or terminate all PPAs currently under negotiation;
  - to immediately place a complete moratorium on signing new PPAs and Put-Call Option Agreements (PCOAs);
  - to subject all future PPAs competitive and transparent procurement procedures. Government will therefore no longer entertain any unsolicited proposals;
  - to implement the economic merit order dispatch which means that the most efficient power plants will be dispatched first;
  - to improving the performance of the distribution utility and has agreed with the concessionaire a plan to reduce electricity losses and increase collections based on an agreed investment plan;
  - to significantly shift in the medium-term, the energy mix to gas and renewables;
  - to implement the recommendations of the Energy Sector Recovery Programme (ESRP) as approved by Cabinet; and
  - to mandate the Energy Sector Task Force, as constituted by Cabinet based on the recommendations in the ESRP, to ensure and oversee the implementation of the sector recovery programme.
153. Mr. Speaker, you may recall that Government in 2017 issued the Energy Sector Levy Act (ESLA) Bond, which has, to date, raised almost GH¢6 billion on the back of ESLA levies to pay for legacy debts from the NDC's "dumsor days". The bond proceeds were used to liquidate approximately 60 percent of the energy sector legacy debts. Government proposes to increase the Energy Sector Levies by GHp20 per litre for petrol and diesel, and GHp8 per kg for LPG. This will increase inflows and enable Government issue additional bonds to pay down our energy sector debt obligations. Based on today's petrol and diesel prices, this translates to less than GHp90 per gallon.





154. In addition to the above, Government is also taking steps to:
- Relocate the Karpowership to Takoradi to immediately utilize Sankofa gas;
  - Increase power exports by extending the grid to other West African countries;
  - Streamline management of street lighting to ensure accountability and transparency in billing and payments;
  - Increase productive uses of electricity and natural gas to spur industrialization; and
  - Engage gas suppliers with a view to reducing the price of natural gas.
155. Mr. Speaker, these new measures will build on the earlier ones we have already taken over the last two and half years, which include:
- Termination of the Quantum Gas project in 2017;
  - Termination of one of the Takoradi LNG projects, with the other one in the process of being terminated;
  - Renegotiation of the AMERI PPA in 2018 to reduce costs by 13 percent;
  - Renegotiation of the capacity charge under the CENIT PPA, which has resulted in a 31 percent reduction and conversion of the PPA from Take-or-Pay to Take-and-Pay in June 2019; and
  - Deferment of 8 and termination of 2 PPAs in 2017.
156. Mr. Speaker, with the additional measures we are introducing, we are going to clean up and sanitize the energy sector, just as we have been doing in the financial sector. These two sectors are fundamental to our agenda to grow the economy, create jobs, and bring prosperity to Ghanaians. Our Government is strongly supportive of the private sector and believes in fostering a strong legal, regulatory and enabling environment that supports private sector growth. However, we are not going to jeopardize our future through unbalanced contracts that benefit a few individuals and companies at the expense of the people of Ghana. Indeed, as His Excellency the President, Nana Addo Dankwa Akufo-Addo, said in his 61st Independence Day Speech on Ghana Beyond Aid: "We cannot subordinate the common good to build a prosperous nation to the selfish interest of a few." That is why this Government has decided to convert all the Take-or-Pay contracts to Take-and-Pay.
157. And in this, we are fully inspired by the great Reverend Dr. Martin Luther King, whose famous "Letter from a Birmingham Jail" reminds us that: *"One who breaks an unjust law must do so openly, lovingly, and with a willingness to accept the penalty. I submit that an individual who breaks a law that conscience tells him is unjust and who willingly accepts the penalty [...] to arouse the conscience of the community over its injustice, is in reality expressing the highest respect for law."*
158. We are determined, Mr. Speaker, to fight for Ghana. The road to Ghana Beyond Aid, Mr. Speaker, will require a spirit of courage, love, and self-



discipline. Indeed, President Akufo-Addo's Government remains resolute in upholding the common good and shared participation in Ghana's prosperity.

### **FINANCIAL SECTOR**

159. Mr. Speaker, the soundness of our financial system is essential for achieving macroeconomic stability and growth. In addition to providing substantial employment, banks, specialized deposit-taking institutions (SDIs) and fund management companies, as providers of credit, liquidity and investment, play a critical role in the effective functioning of our economy.
160. Mr. Speaker, the Bank of Ghana's bold measures over the last two years to clean up the banking and SDI sectors, involved the revocation of licenses of nine universal banks, 347 microfinance companies (of which 155 had already ceased operations) and 39 microcredit companies/money lenders (10 of which had already ceased operations). These massive failures were brought about by several years of an unsustainable licensing regime which lowered standards for entry into the banking and SDI sectors, as well as poor supervision and enforcement from the Central Bank. This was compounded by poor corporate governance and risk management practices, family and friends managing and influencing banks, abuse of related party relationships and unsustainable business models.
161. Many of these institutions had denied depositors access to their deposits for a long period of time, creating liquidity challenges in the financial system, resulting in a high incidence of credit defaults in the system. The threats posed to the stability of the financial system and the economy at large were enormous, justifying the bold actions taken by the Bank of Ghana.
162. The Government has demonstrated its commitment to providing timely relief to depositors whose funds were at risk as a result of the demise of the defunct banks and SDIs. The Government, through a Purchase and Assumption programme, facilitated GCB's consolidation of two banks. The Government then set up the Consolidated Bank Ghana Limited and capitalized it with GH¢450 million to ensure that no depositor lost their deposits. The Government of Ghana has had to issue bonds to the tune of GH¢11.2 billion to cover the cost of the financial sector resolution and protect depositors. In addition, GoG had provided an amount of GH¢925 million in cash to cover the small depositors of the 386 microfinance institutions, bringing the total cost to GH¢12.125 billion.
163. Mr. Speaker, the Government's actions have restored confidence in the banking system. Through the Government's interventions, significant deposits held by some 2,655,100 depositors (1,525, 550 bank depositors and 1,129,820 MFI depositors) have been saved. Over 3,000 jobs have also been saved.
164. The Bank of Ghana's directive to banks to increase their minimum paid-up capital to GH¢400 million by 31st December 2018 has been successful. This



injected fresh capital of GH¢4.2 billion into the banks. The Ghana Amalgamated Trust intervention is expected to lead to a strong indigenous Ghanaian presence in the banking sector.

165. Mr. Speaker, the liquidation of the defunct institutions is progressing, albeit with impediments from persons whose unlawful actions were associated with the failure of these institutions. The Government's financial interventions in the clean-up exercise were only a stop-gap measure necessary to help mitigate the socio-economic impacts of the failure of the relevant financial institutions.
166. It is imperative that we all support the recovery of assets from persons who misappropriated or borrowed funds from these institutions and have failed or refused to pay back in order that liabilities left behind can be settled. To the extent of any recoveries made by the receivers/liquidators of these institutions, Government expects to recoup amounts it has spent so far to provide relief to depositors. This will go a long way to enable Government finance other priorities for our socio-economic growth.
167. Mr. Speaker, it is gratifying to note that these regulatory and policy measures undertaken to clean up the financial sector, have already begun to bear fruit.
168. Mr. Speaker, the liquidation of the defunct institutions is progressing, albeit with impediments from persons whose unlawful actions were associated with the failure of these institutions. The Government's financial interventions in the clean-up exercise were only a stop-gap measure necessary to help mitigate the socio-economic impacts of the failure of the relevant financial institutions. It is imperative that we all support the recovery of assets from persons who misappropriated or borrowed funds from these institutions and have failed or refused to pay back in order that liabilities left behind can be settled. To the extent of any recoveries made by the receivers/liquidators of these institutions, Government expects to recoup amounts it has spent so far to provide relief to depositors. This will go a long way to enable Government finance other priorities for our socio-economic growth.
169. Mr. Speaker, government continues to support effective regulation of the financial sector. We are confident that the Financial Stability Council recently established and inaugurated by His Excellency the President will work assiduously to promote a resilient financial system that supports our economic growth agenda. We are also fully committed to supporting the operationalisation of the Ghana Deposit Protection Scheme in September 2019 to further protect the interests of depositors.

#### **National Housing and Mortgage Finance Initiative**

170. Mr. Speaker, as announced in the 2018 Budget, the government has started the National Housing and Mortgage Finance Initiative. The objective of this initiative – "Decent Homes, Better Life" is to provide quality housing to all citizens starting with public and civil servants. Two of the schemes under this



Initiative: National Housing and Mortgage Scheme (NHMS) and Affordable Housing Real Estate Investment Trusts (REITs) have commenced.

171. Mr. Speaker, under the NHMS, funds have been released to three participating Banks (GCB Bank Limited, Stanbic Bank and Republic Bank) to commence the pilot phase of the Housing and Mortgage Finance Scheme. The NHMS in collaboration with the Ministry of Employment and Labour Relations is building a pipeline of potential home owners to participate in the scheme.
172. Mr. Speaker, government is also intervening in the housing market through Affordable Housing Real Estate Investment Trusts (REITs) to serve as a vehicle for rent-to-own schemes. The intention is for the REITs to buy properties and lease to public sector workers over an extended time and sell at predetermined values. The rental payments will count as equity; this will help new entrants into the workforce own properties without the initial huge down payment. Work on the REITs has started in earnest with GCB Securities, a subsidiary of GCB Bank.

### **Insurance Industry Developments**

173. Mr. Speaker, the National Insurance Commission (NIC) has announced new minimum capital requirements for the insurance industry to address the challenge of low capitalization. The new minimum capital requirements are as follows:
- Life and Non-Life Insurers: from GH¢15 million to GH¢50 million;
  - Brokers and Loss Adjustors: from GH¢300,000 to GH¢500,000;
  - Reinsurance Brokers: maintained at GH¢1 million; and
  - Reinsurers: from GH¢40 million to GH¢125 million.
174. The new minimum capital will apply immediately to newly licensed companies and existing insurance companies will have up to June 2021 to meet the new minimum capital requirements.



## SECTION FIVE: HIGHLIGHTS OF IMPLEMENTATION OF KEY INITIATIVES IN THE 2019 BUDGET

175. Mr. Speaker, in line with the President's vision encapsulated in the Coordinated Programme of Economic and Social Development Policies (2017-2024) and the *Medium Term Development Plan, Agenda for Jobs; Creating Prosperity and Equal Opportunity for All Ghanaians (2018-2021)*, Government is pursuing various policy interventions and flagship programmes to pave the way for the accelerated socio-economic transformation of this country. These are consistent with the Ghana Beyond Aid Agenda, the United Nations (UN) Sustainable Development Goals (Agenda 2030) and the African Union Agenda 2063.
176. These priority programmes are intended to be catalyst for building a strong economy by stimulating job creation; expanding infrastructure; modernizing agriculture and the industrial sectors; improving human capital and skills development; and enhancing access to social services.
177. Mr. Speaker, with your permission, I would like to highlight the progress and achievements of some of the major programmes being implemented in the 2019 fiscal year.

### **AGRICULTURAL MODERNISATION**

178. Mr. speaker, the government's agriculture modernisation programme aims at ensuring reliable production of agriculture produce which will be the basis of our industrialisation, job creation and export drive as well as help reduce the amount of foreign exchange spent on imports. These are being delivered through our flagship initiatives: the Planting for Food and Jobs Programme; the Rearing for Food and Jobs Programme; and Planting for Food and Exports, among others.
179. Mr. Speaker, since the onset of the Planting for Food and Jobs Programme in 2017, domestic food production has increased significantly. Maize yields increased by 72 percent, rice by 24 percent, soyabean by 39 percent and sorghum 100 percent.
180. Mr. Speaker, as at June 2019 under the Fertilizer and Seed Subsidy component of the programme, about 40 percent of targeted farmers have been covered comprising only farmers in the Southern sector since the Northern sector planting season is yet to start.
181. Construction of 30 warehouses (1,000 metric tonnes capacity each) are underway across the country to provide storage facilities and reduce post-harvest losses. As at end June, five warehouses have been completed at Kwame Danso, Bole, Yagba, Dzodze and Chindiri.
182. Mr. Speaker, in June this year His Excellency the President, launched the "Rearing for Food and Jobs" programme. To date, a total of 53,500 livestock



(sheep, pigs, cockerels and guinea fowls) have been distributed to some beneficiary farmers.

183. With regards to the management of Fall Army Worm infestation, as at May 2019, a total farm area of 34,396ha was sprayed and recovered. This prevented the loss of about 106,627 metric tonnes of maize valued at about GH¢170.60 million. So far, 79,560 litres and 7,162.40kg of various kinds of pesticides have been utilized in the southern sector. Additional quantities of 10,000 litres and 13,500.00kg of pesticides have been supplied for use during the minor season.
184. Mr. Speaker, the Greenhouse village at Dahwenya has trained a total of 231 students. The new facility at Akumadan has been completed with training scheduled to start in the third quarter of the year. The Bawjiase Green house will be completed by the end of the year. Under the first phase of the project, each facility is expected to produce about 325,200kg of assorted vegetables (tomatoes, cucumber, pepper and lettuce) valued at about GH¢6.4 million. This is expected to create 35 to 45 direct and five indirect jobs per centre.
185. The Ministry completed the Guo and Piiyiri dams making available 36ha of irrigable land for cropping, while the Tamne and Mprumem dams are at various stages of completion. These additional dams, when completed, will add a total area of 520ha for all year round cropping. Under the One Village One Dam initiative, contracts for the construction of 14 small dams and 100 solar powered groundwater irrigation systems have been awarded.

### **INDUSTRIALISATION**

186. Government is aggressively pursuing an industrialization agenda with the objective of widening the opportunities for job creation and expanding the economy through accelerated technology-based manufacturing and aggressive export promotion. Government is also actively promoting marketing and distribution of domestically produced goods.

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

187. Mr. Speaker, the IDIF initiative was designed to support the private sector to establish at least one industrial enterprise in every district. Currently, 181 projects are at various stages of implementation, spread over 110 districts across the 16 regions of the country. As at mid-year, 57 projects were in operation providing 10,753 direct jobs and 43,094 indirect jobs. An additional 33 projects financed by local Partner Financial Institutions (PFIs) will commence operation by the end of 2019.
188. Additionally, eight large scale processing plants are expected to begin operations by December 2019. Government has also secured funding to commence the construction of 56 small scale processing facilities and five common user processing facilities for organised farmer groups by the end of December, 2019.



189. A total of GH¢430.7 million has been mobilised from local financial institutions to support the programme. Furthermore, government has sourced external funding and credit lines in the sum of US\$700million to address access to finance challenges.
190. Mr. Speaker, in order to enhance the competitiveness of the 1D1F companies, government obtained Parliamentary approval for a package of incentives including: a 5-year tax holiday; exemption from duties, taxes and levies on imported machinery, equipment and parts and selected raw materials not already exempted by law for 1D1F companies.
191. Government is collaborating with the private sector to facilitate the establishment of a number of modern Industrial Parks and Special Economic Zones (SEZ). The following parks are currently under development:
- The Dawa Industrial Park at Dawa on the Accra–Aflao Highway currently has 2,000 acres fully developed out of 22,000 acres available land; and
  - West Park Industrial Estate at Shama in the Western Region is constructing onsite infrastructure for its 400 acre industrial park.

### **Integrated Aluminium Development Programme**

192. Mr. Speaker, our efforts to drive the industrial transformation and accelerated development of the country through the Integrated Aluminium Development Programme remains on course. The Ghana Integrated Aluminium Development Corporation (GIADEC) successfully launched a three round investor engagement process in March, 2019. Round-one of the investor engagement covering mining, refining, smelting and power was concluded and 16 firms were shortlisted to progress to round two which will be launched in August, 2019. The investor engagement will be completed by the end of the year.

### **INFRASTRUCTURE DEVELOPMENT**

193. Government seeks to ensure rapid expansion of infrastructure in an integrated manner in order to transform the economic and social lives of Ghanaians.

#### **Road Sector**

194. Mr. Speaker, in the 2019 Budget Statement and Economic Policy, government made a commitment to undertake massive infrastructure development from a variety of funding sources.
195. Mr. Speaker, I am glad to announce that four out of ten projects to benefit from the first phase of the Sinohydro facility have commenced. His Excellency, the President cut the sod for the Tamale Interchange on 10th April, 2019. The other three projects namely Western Region and Cape Coast Inner City roads, selected feeder roads in Ashanti and Western regions, and Hohoe-Jasikan-Dodi-Pepesu are at the design phase.



196. The second phase of the Sinohydro Project is at the planning stage. An additional 1,300km of roads, three interchanges and 69 steel bridges are under consideration for implementation.
197. Mr. Speaker, the people of the Upper East region will be happy to learn that financing arrangements have been completed for the restart of the Bolgatanga-Bawku-Polmakom road in a few weeks.
198. Mr. Speaker, in order to improve the road conditions and protect lives and properties across the country, government has programmed a number of projects to commence in the course of the year. The projects include:
- Osiem-Begoro road;
  - Kwabeng-Abomosu-Asuom road;
  - Anwiankwanta-Obuasi road;
  - Mampong Kofiase road;
  - Kwabeng Akropong road & Akropong town roads;
  - Nsuta – Beposo road;
  - Salaga – Bimbilla road;
  - Kwadaso – Trabuom road;
  - Adankrono – Kade – New Abirem road;
  - Atronie – Mim road;
  - Asuom – Subi – Kade road;
  - Akropong – Pramkese – Adankrono road;
  - Odumasi – Adenta – Badu road;
  - Akrodie-Sayereso
  - Bediako-Kasapin-Camp15
  - Tepa-Boma
  - Kofiekrom 3 No. 1.8 Pipe Culvert
  - Obuasi Town Roads
  - New Dormaa-Yawhima
  - Menji-Bui
  - Sampa-Jinijini
  - Dormaa Town Roads
  - Atebubu-Kwame Danso
  - Kintampo-Abeasi-Prang
  - Atebubu Town Roads
  - Twifo-Praso- Assin Fosu
  - Swedru-Bawjiase-Adeiso
  - Ayanfuri-Takyikrom
  - New Abirem -Ofoasekuma
  - Suhum-Asamankese-Oda
  - Asamankese Town Roads
  - Bunkpurugu-Nalerigu
  - Nalerigu Gbintiri
  - Wulugu-Kpasenkpe
  - Prima-Misio Bridge
  - Zabzugu- Nakpali
  - Bimbilla-Jilo-Asafoatse





- Gushegu-Gbandaa-Nalerigu
- Dambai Town Roads
- Nkonya-Wurapong-Kwamikrom
- Jasikan-Worawora
- Bunjai-Fufulso
- Daboya-Mankarigu
- Salaga-Kpandai
- Chuchulga-Sandema-Wiase
- Bolga-Naaga
- Wa-Bulenga
- Fian Issa-Wahabu
- Wahabu-Funsi-Yaala
- Wechau-Ga
- Bawdie-Sureso-Samreboi
- Essiama-Nkroful-Aniben-Anyinase
- Aboso-Junction-Huni Valley-Damang
- Sefwi-Dwenase-Nsawora
- Asawinso-Kojina Esaakrom
- Bibiani and Awaso Town Roads

### **Cocoa Roads**

199. Mr. Speaker, works has resumed on cocoa roads involving upgrading, routine and periodic maintenance activities of 1362km of trunk roads, 1389km of feeder roads, and 183km of urban roads. The roads include:
- Obuasi Jn - Dunkwa - Ayanfuri Road;
  - Have - Hohoe Road;
  - Hohoe-Jasikan Road;
  - Benchema Junction (Barrier)-Adwofua Road;
  - Sefwi Wiawso-Akontombra Road; and
  - Cape Coast-Twifo Praso Road and Access Road to Kakum National Park.
200. Further, 450 feeder roads and 20 trunks roads covering 4500km and 500km respectively have been programmed by COCOBOD and the Ministry of Roads and Highways for construction, upgrading, rehabilitation and routine maintenance activities. They include:
- Odumase-Kwatire-Bada
  - Bayerebon No.3 – Nyame Bekyere
  - Nkranfo Nkwanta – Agrave
  - Akim Manso – Osenase
  - Kwahu Nsaba – Akoase
  - Chiraa - Akroasua – Adrobaa
  - Akrodie – Asumura
  - Assin Fosu – Twifo Praso
  - Brofoyedru – Akenkasu
  - Sankore-Cocoa Station
  - Dapaa - Dapaa Bunkusie
  - Asato – Apesukubi
  - Tokokoe – Shia



- Akrokrowa – Asukawkaw
- Konogo – Nsiakrom
- Ankaase - Kensre - Pampaso – Homase
- Poana Jnc - Ntinanko
- Menang Nkwanta - Subin Camp
- Wassa Akropong - Saaman - Adansi
- Bepoh - Dawurampong – Dunkwa
- Nsawora Junction - Yawkrom - Bodi
- Adeisu-Wantram-Jukwa
- Asawinso - Merewa – Nkronna
- Shama Junction - Botogina - Adanse
- Gwira Ahomkakrom - Qwira Tabakrom
- Ateiku - Appiasuman - Bonsaho
- Odoben - Nanakese - Ansaikwaa – Tweredua

### **Railways Sector**

201. Mr. Speaker, the development of the transportation network, including a modern railway system to facilitate vibrant economic activities is a high priority of Government. In this regard, government has initiated several projects in the railway sector.
202. The Ghana Railway Company Limited has completed the rehabilitation of the 30km narrow gauge railway line from Accra to Tema which has enabled the restoration of passenger rail services on the corridor. The Achimota to Nsawam line (40km) has also been rehabilitated and test runs have commenced in anticipation for the relaunch of the sub-urban commuter rail services from Accra to Nsawam to ease traffic congestion on the corridor. Preparatory activities have also commenced for the extension of the narrow gauge rehabilitation works to Koforidua.
203. The engagement of a strategic investor for the development of the 303km Eastern Railway Line on standard gauge, from Accra to Kumasi with a branch line from Busoso to Atiwa through Kyebi on a Build, Operate and Transfer (BOT) basis with Ghanaian participation is at the final stages of procurement. Work is expected to commence before the end of the year.
204. The rehabilitation of the Kojokrom-Tarkwa section of the Western railway line (56km, narrow gauge) is progressing steadily and currently the project is 60 percent complete and employs over 300 people.
205. The construction of the 22km standard gauge Kojokrom-Manso section of the Western railway is being undertaken in two phases. Phase I (Kojokrom-Eshiem) is 45 percent complete and a major railway bridge is under construction at Eshiem.
206. Mr. Speaker, significant progress has been made on the Tema-Mpakadan (Akosombo) rail line. The status of the project currently stands at about 45 percent and is expected to be 58 percent complete by the end of 2019. The



scope of the project has been revised to include a major railway bridge across the Volta Lake between Senchi and enters the Volta Region at Adomi.

207. Feasibility studies on the proposed railway interconnectivity project between the Port of Tema and Ouagadougou, is also receiving attention. The project is being implemented jointly by the Governments of Ghana and Burkina Faso.
208. Mr. Speaker, feasibility studies have also been undertaken on the proposed 670km greenfield railway corridor from Kumasi to Paga, popularly known as the Central Spine. In April, 2019, a contract was signed for the development of the first phase from Kumasi to Bechem, a distance of about 103km.
209. Mr. Speaker, the old Railway Training School and two workshops located at Essikadu, have received major refurbishments and facelifts. The training school is to be upgraded and equipped with modern teaching and learning facilities to enhance capacity building and skills development for the Railway Sector.

#### **Fish Landing Sites:**

210. Mr. Speaker, I am happy to announce that His Excellency the President has cut the sod for the construction of the Axim and Moree Fish landing sites. Work on the remaining fish landing sites along the coastal stretch has commenced. These are James Town, Dixcove, Elmina, Mumford, Winneba, Senya Bereku, Keta, Gomoa Feteh and Teshie.

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

211. Mr. Speaker, in order to accelerate the provision of basic infrastructure in rural and deprived communities, a number of projects are being implemented under the Infrastructure for Poverty Eradication Programme (IPEP). They include:
- 300 small earth dams to support all year round farming activities;
  - 50 pre-fabricated warehouses to improve post-harvest management to be completed by December, 2019;
  - 1,000 community mechanised solar powered water systems to be completed by September, 2019;
  - 1,000 community and institutional water closet toilet facilities with mechanised solar powered water systems to be completed by December, 2019; and
  - the construction of 50 rural markets and two urban markets to commence before the end of the year.
212. Mr. Speaker, as part of efforts to ensure equitable and easily accessible universal health coverage, government has established Letters of Credit to procure 275 Ambulances for each constituency. In addition, contracts were awarded for the construction of 26 clinics which are expected to be completed in December, 2019.



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

213. Mr. Speaker, the Zongo Development Fund seeks among others to improve the quality of life in Zongos and inner-cities through the provision of critical infrastructure, education and training, health and sanitation, support to local businesses and centres of culture, as well as improve security.
214. Government has granted commencement approval for the following projects to be implemented in a number of Zongo communities across the country:
- Construction/ rehabilitation of water systems;
  - Rehabilitation of access roads;
  - Paving of alley ways;
  - Construction and dredging of drains;
  - Construction of bailey bridges;
  - Construction of local sewerage networks;
  - Construction/rehabilitation and furnishing of basic schools; and
  - Construction of institutional and household toilets.
215. In addition to the development of infrastructure in the communities, 250 youth in Accra and Kumasi have benefitted from skills training in software development and 50 beneficiaries provided with laptops to establish their own businesses.
216. Over 500 women have also been trained in entrepreneurship and business development under the “Zongo Cuisine Promotion Programme” in the Greater Accra region. Participants received training in packaging, food safety, business registration, record keeping, among others.

### **Sanitation and Water Resources**

217. The broad objective of the sanitation programme is to ensure effective management of solid and liquid waste within the country. This supports the President’s vision of making Accra the “Cleanest City in Africa” and by extension to all the regions.
218. Mr. Speaker, to facilitate the proper disposal of solid waste, 2,000 public litter bins are being placed at vantage public points in the Greater Accra and Ashanti regions. Additional 3,000 litter bins are being procured for other regional capitals and MMDAs.
219. Government has begun negotiations with prospective land owners to purchase 65.5-acres of land at Ayidan, in the Ga South Municipality to develop a mechanized disposal site to serve the Greater Accra Metropolitan area.
220. Under the Sustainable Rural Water and Sanitation Project, 338No. out of 500 targeted communities have attained open defecation free status as a result of the construction of 9,241 household toilets.
221. Under the Greater Accra Metropolitan Area Project, 22,500 household toilets, benefiting 180,000 low income beneficiaries and 260 institutional sanitation



facilities to serve 200,000 school pupils have been completed. The construction of high capacity storm drain at Kaneshie First Light to address the perineal flooding of the area is also ongoing.

222. Mr. Speaker, the Ministry has initiated various processes for the construction of additional 2,000 household toilets as well as 25No. 12-Seater institutional toilets for various public institutions across the country.
223. In order to enforce sanitation by-laws across the country, MMDAs are deploying Sanitation Guards within their jurisdiction to check sanitation offences. Guards within the Kpong and Kumasi Metropolitan Assembly have been inaugurated.
224. The Ministry of Sanitation and Water Resources awarded contracts for the construction of 750 boreholes and 50 limited mechanized schemes for selected rural communities within the country.
225. Financing has been secured for the implementation of the Yendi Water Supply Project to serve 133,000 people in the Yendi Municipality and beyond. Additionally, Parliament has approved the construction of the Tamale and Damango Water Supply Project which is expected to produce 30 million gallons of water daily to serve Yapei to Damango and surrounding communities.

#### **PRIVATE SECTOR AND ENTREPRENEURSHIP DEVELOPMENT**

226. The private sector and entrepreneurship development objective is to transform the economy and place Ghana as the most business friendly country in Africa. The medium term focus is to grow domestic businesses and expand the private sector to create ample employment opportunities, especially for the youth and take Ghana beyond aid.
227. Mr. Speaker, a number of interventions are being implemented to support businesses as well as improve the enabling environment and Ghana's competitiveness and ranking. These include ongoing reforms to improve business registration, issuance of construction permits, access to electricity, trading across borders, paying taxes, enforcing contracts and registering property. As a result of these interventions, Ghana moved up six places from 120 to 114 in the 2019 Doing Business Rankings of the World Bank Group.

#### **The New Companies Act, 2019**

228. Mr. Speaker, this August House on 2nd May, 2019 passed the new Companies Act. The Act introduced various key provisions which has aligned our corporate governance regime to global best practices. These include the following:
- Shareholders can now enforce the rights of their company through derivative actions, which enforces the company's rights, distinct from the personal rights of the shareholders;



- provision for the identification of members and beneficial owners of companies who are politically exposed; and
- A requirement for Company Secretaries to possess relevant professional qualifications, among others.

### **African Continental Free Trade Area (AfCFTA)**

229. Mr. Speaker, Ghana won the bid to host the secretariat of the African Continental Free Trade Area. This is the first time Ghana is hosting an African institution of this importance. The AfCFTA is the world's largest Free Trade Area in terms of number of people, covering 54 countries with a population of an estimated 1.2 billion people and a Gross Domestic Product (GDP) of \$2.5 trillion (about 5 percent of global GDP).
230. The AfCFTA will lead to the removal of tariffs and non-tariff barriers between African countries and thereby promote intra-regional trade from the current low level of 16 percent to over 60 percent by 2022 as well as increase Africa's share of global trade.
231. It is expected that by hosting the Secretariat, Ghana's service sector particularly the hospitality sector will experience a major boost through increased international exposure. Several direct and indirect jobs are expected to be created.
232. Mr. Speaker, in view of the various reforms and implementation of the government's priority programmes we believe that Ghana is well positioned to take advantage of the Free Trade Area. As part of measures to ensure that Ghana derives maximum benefit from the AfCFTA, a National Strategy and Action Plan will be developed to further boost industrial production and exports. Government will also undertake the needed institutional, legal and regulatory reforms to facilitate the new trade regime.

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

233. Mr. Speaker, the National Entrepreneurship Innovation Programme seeks to improve the entrepreneurial capacity of Ghanaians particularly the youth in order to create jobs and also develop an innovative business environment for socio-economic development.
234. The Ministry of Business Development has instituted a structured business entrepreneurial training programme for young entrepreneurs. Between January and June 2019, over 2,000 young entrepreneurs drawn from the 16 regions of the country were trained in modern business practices. An additional 12,000 were also trained under the Presidential business support programme.
235. The Students Entrepreneurship Innovation Program (SEI) was launched at the University of Ghana Business School to deepen the entrepreneurship culture among students. Consequently, 30,000 university students are participating in entrepreneurship clubs in various universities across the



country. Funding was also provided for over 100 disabled women entrepreneurs to support them to scale up their businesses.

236. Mr. Speaker, under the Green Business Initiative, 75 Green Houses (Domes) were built to train young entrepreneurs in Agri-business at Dawhenya in the Greater Accra Region. Over 700 young graduates have been engaged under the initiative.

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

237. The key objective of the Microfinance and Small Loans Centre (MASLOC) is to provide loans to small businesses and start-ups in the informal sector.
238. Under the MASLOC- Small and Micro Loans programme, 22,396 beneficiaries have been supported as at end June. The micro enterprise sub-sector accounted for 80.6 percent of total loans disbursed, the agro marketing sub-sector, 13.5 percent and the remaining 5.9 percent was disbursed to applicants engaged in food crop production, poultry and the alternative livelihood sub-sectors.
239. Mr. Speaker, as a result of pragmatic measures including the establishment of a regional recovery taskforce to enhance efficiency at MASLOC, the loan recovery rate improved from 22 percent in 2016 to 65 percent as at mid-year. This achievement will be further enhanced with the upcoming implementation of an integrated accounting software to improve data collection.

### **SOCIAL INTERVENTION POLICIES**

240. The overall goal of Government's social development policies and programmes is to create a fair and inclusive society, with opportunities for all. In this regard, Ghana has been implementing major social protection interventions including the Free Senior High School programme, Livelihood Empowerment Against Poverty (LEAP), and School Feeding programme amongst others. These are aimed at eradicating poverty and minimizing inequality among socio-economic groups and between geographical areas.

### **Free Senior High School Programme**

241. Mr. Speaker, the free SHS programme is currently in the second year of implementation. A total of 432,791 first year students were enrolled for the 2018/19 academic year representing a 19.5 percent increase over the previous year's figure of 362,108. This brings the total number of beneficiaries to 794,899 since the inception of the free SHS programme. In September, 2019, the third cohort of Senior High School students will be enrolled making senior high education free for all for the first time in our history.
242. The successful implementation of the Free SHS programme has resulted in an increase in demand for secondary education. To meet this demand and ensure that no child is left behind, government introduced the double track school calendar as a temporary measure in 394 senior high schools and employed



additional 8,872 teachers in order to ensure effective teaching and learning in the schools.

243. Mr. Speaker, in order to facilitate the phasing out of the double track system, the Ministry of Education initiated a total of 804 infrastructure projects of which 413 are expected to be completed in November, 2019 for use in the 2019/20 academic year, with funding from the Ghana Education Trust Fund (GETFund). Eighteen workers on average are employed on each project site.

244. Mr. Speaker, in addition to improving access, an Academic Intervention Programme was introduced in the 2018/19 academic year in all public Senior High Schools to improve academic performance of students. The programme identifies weak students, especially those performing below achievement standards and provides coordinated and individualized support in after school, evening and weekend programmes.

#### **Nation Builders Corps (NABCO)**

245. In the 2019 Budget statement, government announced its intention to recruit and place into active work, 100,000 young tertiary graduates for a maximum of 36 months. As at mid-year, 97,373 beneficiaries had been placed under the seven modules of the scheme across the country.

246. Mr. Speaker, government established a virtual training portal, the NABCO Talent Academy, to further enhance the skills of beneficiaries and position them for permanent employment and entrepreneurship.

#### **Nursing Trainee Allowances and other interventions**

247. Mr. Speaker, government continues to implement programmes to ensure Ghana achieves Universal Health Coverage (UHC) and that all citizens in Ghana have timely access to high quality health services and interventions. These include:

- the extension of specialised outreach services to the community levels;
- continuous implementation of Community Health Planning and Services (CHPS); and
- provision of district hospitals.

248. Mr. Speaker, due to deliberate Government actions to improve the human resource base in the health sector, the nurse to patient ratio in the country has reached 1:839 which is superior to the WHO benchmark of 1:1000. Government has also since 2017, restored the nursing trainee allowances. The first and second quarter allowances for 2019 was paid to a total of 51,000 trainees.

249. As a result of these interventions, we are able to produce enough nurses to meet domestic requirements and deploy some to support other countries. In this regard and in line with the National Human Resource Policy, plans are underway to formalise the migration of nurses to foreign countries beginning with Barbados, United Kingdom amongst others.





250. In April this year, the medical drone delivery service to CHPS compounds, health centres and hospitals commenced in Eastern and Ashanti regions and is expected to be extended to the Northern and Western regions by the end of the year. In June 2019 alone, as many as 195 drone deliveries (comprising 44 blood products and 151 medical supplies) were made to various health facilities.
251. The rehabilitation and upgrading of Tamale Teaching Hospital Project Phase II was completed and commissioned in February, 2019. The construction and equipping of five polyclinics in the Greater Accra Region at Adentan (Obojo), Ashaiman, Bortianor, Oduman and Sege was also completed and commissioned in June, 2019. A number of projects in the sector are also on-going.

### **Livelihood Empowerment Against Poverty (LEAP)**

252. Under the LEAP programme, a total of 330,438 households are receiving LEAP grants. This is an increase over the 213,044 households reported in the 2019 budget representing a percentage increase of 35.5 percent. Two cycles of regular LEAP payments were made as at June, 2019 to these households, covering 1,420,883 extremely poor individuals.
253. Currently, the programme pays grants to beneficiaries bi-monthly as follows:
- A one-member household -GH¢64.00;
  - two-member household - GH¢76.00;
  - three-member household - GH¢88.00; and
  - four-member household and above GH¢106.00.
254. The LEAP programme has instituted a re-certification and graduation strategy to wean off beneficiaries whose circumstances have improved and no longer qualify to be on the programme.

### **Ghana School Feeding Programme**

255. Mr. Speaker, government continued to implement the Ghana School Feeding Programme. Currently, the programme serves about 2.6 million pupils (up from 1.6 million in 2016) in 8,676 primary schools with one meal every school-going day.
256. Mr. Speaker, in order to improve the effectiveness and enhance the management of the programme, financial and operational controls are being strengthened to reduce waste and improve linkages with local farmers.

### **OTHER CRITICAL PROGRAMMES**

#### **2020 Population and Housing Census**

257. Mr. Speaker, the year 2020 marks 10 years since the last census in Ghana. In this regard, the government has initiated steps to conduct the Population and Housing census next year. The Ghana Statistical Service (GSS) has commenced a number of preparatory activities including the conduct of the trial census and mapping out enumeration areas in 130 out of the 260 districts



in the country. Following the exercise, a total of 21,590 out of 37,000 enumeration area maps have been updated.

258. The census mapping exercise is expected to be completed by September, 2019. Arrangements for procuring the required logistics and recruitment of about 70,000 field staff are underway in preparation towards the main census.

### **Referendum and District Level Elections**

259. Mr. Speaker, pursuant to government's commitment to have DCEs elected into office, preparatory activities for a referendum to determine whether or not Metropolitan, Municipal and District Chief Executives (MMDCE's) should be elected on partisan lines are underway. The referendum will be held alongside the District Assembly and Unit Committee Elections (DAE and UCE) in December, 2019. To this end, two draft Constitutional Instruments (CIs) to regulate the conduct of the District Level Elections and Referendum have been completed.

### **Preparation towards the 2020 Elections**

260. The Electoral Commission has completed the limited registration exercise as part of arrangements for the revision of the voters register for the 2020 elections. This will pave way for the exhibition of the voters' register and nomination of candidates.

261. In order to ensure the integrity of the Electoral process, the Commission is working towards deployment of a modernized Biometric Registration and Verification Solution.

### **National Identification Programme**

262. Mr. Speaker, the Ghana Card Registration exercise commenced with institutional registration and enrollment from June 2018 to March 2019. The mass registration exercise which started in Accra in April, 2019 has so far enrolled 1,793,207 Ghanaians. A total of 1,195,415 cards have been printed as at the end of June, 2019. In addition, 12,923 foreigners were enrolled unto the Foreigner Identification Management System (FIMS) with 9,634 cards printed so far.

### **Forward Operating Base**

263. Mr. Speaker, on 23rd September 2017, Ghana successfully defended its maritime boundary dispute with Cote D'Ivoire when the International Tribunal for the Law of the Sea (ITLOS) ruled in favour of Ghana. This gave Ghana the green light to continue making investments in its territorial waters. To adequately address any security threats to Ghana's territorial waters and ensure our oil resources and investments are adequately protected, the Ministry of Defence will begin the construction of a modern Forward Operating Base (FOB) in Takoradi, to enhance maritime security in the western corridor of the Country. This forms part of Governments broader security strategy and will afford the Ghana Armed Forces the ability to protect offshore oil assets, prevent and combat pirate activities, narcotic traffic and other high sea criminal activities.



## SECTION FIVE: CONCLUSION

264. Right Honourable Speaker, the creation of an optimistic, self-confident and prosperous nation, as articulated in the President's Co-ordinated Programme for Economic and Social Development, is becoming a reality to the citizens of our dear country. We are indeed moving Ghana Beyond Aid.
265. Mr. Speaker, the implementation of the 2019 budget is on course.
- We are ready to take on board the third cohort of the Free SHS students in September, 2019.
  - We have started paying contractors who have certificates valued up to GH¢500,000 and plan to clear these by the end of the year.
  - In keeping with our promise, the referendum to decide on the election of MMDCs will come off in December, 2019.
  - We have issued a number of commencement approvals for work to begin on a number of roads, drains, fish landing sites and housing projects.
  - The relevant Ministries and Development Authorities are expected to complete procurement processes and award contracts for work to begin on all projects by October, 2019.
266. These programmes will generate critical economic activities, provide job opportunities and improve incomes for masons, carpenters, food vendors, road and general contractors and many others in the informal sectors of our society.
267. We have made a significant impact in reducing poverty, bridging inequality gaps, providing adequate and accessible quality education, improving healthcare, providing affordable housing, promoting a vibrant agricultural sector and improving food security, ensuring robust security measures and revitalizing our industries amongst others. These priority programmes further underscore Government's commitment towards achieving the Sustainable Development Goals (SDGs).
268. Mr. Speaker, let me once again take the opportunity to thank you for the cordial working relationship we have had. We have no doubt that the achievements made, from the beginning of the year, will continue to be felt in the ensuing months as we work steadily and tirelessly towards building a Ghana that is truly Beyond Aid.
269. Mr. Speaker, we will continue to tackle the challenges with boldness, and with the Good Lord on our side, we remain optimistic, assured, and rooted in our resolve to maintain economic stability. We will pursue the initiatives and programmes of the Nana Akufo-Addo-led government, which are steadily transforming our Nation and creating jobs and shared prosperity for all Ghanaians.



270. Mr. Speaker, consistent with Article 179 (8) of the 1992 Constitution and Standing Order 143 of this august House I beg to move that this House consider and approve an amount of **GH¢6,370,355,925.82** as supplementary estimates to the original appropriation of **GH¢78,771,833,602.82** to bring the revised total appropriation to **GH¢85,142,189,527.94**.
271. Mr. Speaker, I so move.
272. Thank you and God bless us all.



## APPENDICES

### APPENDIX 1: GROWTH RATES OF GROSS DOMESTIC PRODUCT AT CONSTANT 2013 PRICES (PERCENT)

	Provisional/Revised/Final					Projection				
	2014*	2015*	2016*	2017*	2018	2019	2020	2021	2022	2023
<b>I. AGRICULTURE</b>	<b>0.9</b>	<b>2.3</b>	<b>2.9</b>	<b>6.1</b>	<b>4.8</b>	<b>6.9</b>	<b>7.0</b>	<b>6.6</b>	<b>7.2</b>	<b>6.8</b>
Crops	2.8	1.7	2.2	7.2	5.8	7.1	7.3	6.9	7.9	7.4
<i>o.w. Cocoa</i>	<i>4.3</i>	<i>(8.0)</i>	<i>(7.0)</i>	<i>9.2</i>	<i>3.7</i>	<i>5.4</i>	<i>5.6</i>	<i>5.0</i>	<i>10.0</i>	<i>7.9</i>
Livestock	5.1	5.2	5.4	5.7	5.4	5.7	5.7	5.7	5.7	5.6
Forestry and Logging	(1.5)	(3.9)	2.9	3.4	2.4	3.5	3.7	3.9	3.9	3.7
Fishing	(23.3)	8.5	3.1	(1.4)	(6.8)	13.8	11.3	9.8	7.1	6.5
<b>II. INDUSTRY</b>	<b>1.1</b>	<b>1.1</b>	<b>4.3</b>	<b>15.7</b>	<b>10.6</b>	<b>8.8</b>	<b>7.6</b>	<b>4.0</b>	<b>6.9</b>	<b>7.6</b>
Mining and Quarrying	5.4	(8.3)	(0.2)	30.8	23.3	13.1	9.3	0.9	7.2	8.9
<i>o.w. Oil***</i>	<i>6.8</i>	<i>2.0</i>	<i>(15.6)</i>	<i>80.3</i>	<i>3.6</i>	<i>20.1</i>	<i>7.3</i>	<i>(5.7)</i>	<i>14.7</i>	<i>10.6</i>
Manufacturing	(2.6)	3.7	7.9	9.5	4.1	6.7	6.7	6.7	6.9	6.5
Electricity	1.3	17.7	(5.8)	19.4	5.5	7.1	8.9	10.2	5.7	6.3
Water and Sewerage	5.9	13.9	(11.8)	6.1	(3.6)	3.5	3.7	4.5	4.7	5.1
Construction	(0.4)	9.5	8.4	5.1	1.1	4.1	5.2	5.5	6.6	6.8
<b>III. SERVICES</b>	<b>5.4</b>	<b>3.0</b>	<b>2.8</b>	<b>3.3</b>	<b>2.7</b>	<b>5.4</b>	<b>5.3</b>	<b>5.3</b>	<b>5.8</b>	<b>6.1</b>
Trade; Repair of Vehicles, Household Goods	2.0	0.5	(0.4)	8.2	2.8	5.1	4.3	5.7	6.7	6.8
Hotels and Restaurants	1.5	4.1	2.3	7.6	3.2	4.7	5.1	5.7	5.9	6.1
Transport and Storage	5.8	2.6	1.1	8.9	1.1	3.7	3.9	3.9	4.1	4.3
Information and communication	29.7	11.9	5.6	4.2	13.1	4.6	4.8	5.1	5.3	5.5
Financial and Insurance Activities	21.4	12.9	8.0	(17.7)	(8.2)	1.7	1.9	2.3	2.7	4.1
Real Estate	(0.3)	3.1	3.2	3.8	(6.5)	2.6	2.6	2.2	3.4	3.4
Professional, Administrative & Support Service activities	6.8	1.4	(4.2)	2.9	0.3	2.5	2.5	2.5	2.7	2.9
Public Administration & Defence; Social Security	(3.5)	(2.6)	8.9	4.2	4.3	5.7	5.9	6.5	5.6	5.6
Education	(0.3)	(0.5)	2.3	6.3	3.9	4.5	4.7	4.7	5.7	7.5
Health and Social Work	2.7	(4.4)	4.0	14.1	22.6	21.2	19.2	11.2	11.5	10.1
Other Service Activities	1.4	2.7	(0.1)	5.3	3.1	6.1	6.3	5.8	5.8	5.6
<b>IV. GROSS DOMESTIC PRODUCT at basic prices</b>	<b>2.9</b>	<b>2.2</b>	<b>3.4</b>	<b>8.4</b>	<b>6.2</b>	<b>7.1</b>	<b>6.6</b>	<b>5.0</b>	<b>6.5</b>	<b>6.9</b>
Net indirect Taxes	3.5	2.6	4.8	4.6	7.5	7.3	7.3	7.4	7.3	7.3
<b>V. OVERALL GDP</b>	<b>2.9</b>	<b>2.2</b>	<b>3.4</b>	<b>8.1</b>	<b>6.3</b>	<b>7.1</b>	<b>6.6</b>	<b>5.2</b>	<b>6.6</b>	<b>6.9</b>
<i>o.w. informal GDP at purchasers' value</i>	<i>2.7</i>	<i>2.8</i>	<i>2.7</i>	<i>6.1</i>	<i>2.6</i>	<i>12.5</i>	<i>6.6</i>	<i>5.2</i>	<i>6.6</i>	<i>6.9</i>
<b>VI. Non-Oil GDP</b>	<b>2.7</b>	<b>2.2</b>	<b>4.6</b>	<b>4.6</b>	<b>6.5</b>	<b>6.0</b>	<b>6.5</b>	<b>6.2</b>	<b>5.9</b>	<b>6.5</b>

\*Revised

\*\* Base year

\*\*\* Oil means Oil and Gas



## APPENDIX 2: GROSS DOMESTIC PRODUCT (GDP) AT CONSTANT 2013 PRICES BY ECONOMIC ACTIVITY (GH¢ MILLION)

	Provisional/Revised/Final					Projection				
	2014*	2015*	2016*	2017*	2018	2019	2020	2021	2022	2023
<b>I. AGRICULTURE</b>	<b>25,528.0</b>	<b>26,103.4</b>	<b>26,862.3</b>	<b>28,503.2</b>	<b>29,877.5</b>	<b>31,939.9</b>	<b>34,163.0</b>	<b>36,429.5</b>	<b>39,050.6</b>	<b>41,703.7</b>
Crops	17,535.2	17,830.0	18,228.3	19,535.5	20,677.8	22,146.0	23,762.6	25,402.3	27,409.0	29,437.3
<i>o.w. Cocoa</i>	2,065.4	1,901.0	1,767.6	1,930.0	2,001.8	2,109.5	2,227.7	2,339.0	2,573.0	2,776.2
Livestock	4,575.9	4,816.1	5,074.1	5,361.7	5,649.9	5,971.9	6,312.3	6,672.1	7,052.5	7,447.4
Forestry and Logging	2,016.1	1,937.1	1,992.5	2,060.0	2,108.4	2,182.2	2,263.0	2,351.2	2,442.9	2,533.3
Fishing	1,400.7	1,520.2	1,567.3	1,546.1	1,441.4	1,639.8	1,825.1	2,003.9	2,146.2	2,285.7
<b>II. INDUSTRY</b>	<b>43,599.4</b>	<b>44,080.8</b>	<b>45,989.5</b>	<b>53,191.4</b>	<b>58,808.5</b>	<b>63,975.8</b>	<b>68,806.4</b>	<b>71,530.6</b>	<b>76,456.2</b>	<b>82,252.9</b>
Mining and Quarrying	16,789.4	15,403.2	15,366.4	20,092.0	24,775.5	28,026.1	30,635.4	30,918.5	33,135.5	36,084.2
<i>o.w. Oil**</i>	7,266.3	7,412.4	6,254.6	11,278.5	11,680.4	14,033.3	15,058.3	14,203.8	16,285.2	18,018.8
Manufacturing	14,149.8	14,667.6	15,829.2	17,335.5	18,054.1	19,263.7	20,554.3	21,931.5	23,444.8	24,968.7
Electricity	1,344.2	1,581.8	1,490.7	1,780.1	1,878.7	2,012.1	2,191.2	2,414.7	2,552.3	2,713.1
Water and Sewerage	720.8	821.2	724.3	768.2	740.6	766.5	794.9	830.7	869.7	914.1
Construction	10,595.2	11,606.9	12,578.9	13,215.6	13,359.6	13,907.4	14,630.6	15,435.3	16,454.0	17,572.8
<b>III. SERVICES</b>	<b>51,016.8</b>	<b>52,546.6</b>	<b>54,014.2</b>	<b>55,776.2</b>	<b>57,294.7</b>	<b>60,376.2</b>	<b>63,594.8</b>	<b>66,981.3</b>	<b>70,871.9</b>	<b>75,196.1</b>
Trade; Repair Of Vehicles, Household Goods	13,385.7	13,453.7	13,393.2	14,492.0	14,892.1	15,651.6	16,324.6	17,258.7	18,419.1	19,671.6
Hotels and Restaurants	4,646.3	4,834.9	4,945.9	5,324.0	5,494.1	5,752.3	6,045.7	6,390.3	6,767.3	7,180.2
Transport and Storage	7,383.5	7,577.2	7,663.7	8,349.5	8,441.7	8,754.0	9,091.1	9,445.6	9,832.9	10,255.7
Information and communication	2,432.5	2,723.2	2,874.5	2,994.6	3,387.6	3,543.7	3,715.1	3,903.8	4,112.0	4,338.1
Financial and Insurance Activities	7,226.3	8,158.9	8,811.4	7,251.2	6,656.3	6,769.5	6,898.1	7,056.8	7,247.3	7,544.4
Real Estate	1,142.2	1,177.6	1,214.8	1,261.2	1,179.3	1,210.4	1,241.9	1,269.2	1,312.3	1,357.0
Professional, Administrative & Support Service activities	1,722.0	1,746.3	1,672.5	1,720.8	1,725.4	1,768.5	1,812.7	1,858.0	1,908.2	1,963.5
Public Administration & Defence; Social Security	4,115.2	4,009.6	4,364.9	4,546.9	4,742.3	5,014.2	5,308.4	5,651.1	5,969.0	6,303.3
Education	4,679.1	4,657.9	4,764.6	5,064.5	5,264.0	5,500.9	5,759.4	6,030.1	6,373.8	6,851.8
Health and Social Work	2,682.4	2,563.3	2,666.1	3,041.6	3,727.7	4,517.9	5,385.4	5,988.5	6,677.2	7,351.6
Other Service Activities	1,601.5	1,644.1	1,642.6	1,730.0	1,784.3	1,893.2	2,012.4	2,129.1	2,252.6	2,378.8
<b>IV. GROSS DOMESTIC PRODUCT at basic prices</b>	<b>120,144.2</b>	<b>122,730.8</b>	<b>126,866.0</b>	<b>137,470.8</b>	<b>145,980.7</b>	<b>156,291.9</b>	<b>166,564.1</b>	<b>174,941.4</b>	<b>186,378.7</b>	<b>199,152.7</b>
Net indirect Taxes	7,088.5	7,273.3	7,620.4	7,967.4	8,566.9	9,192.3	9,863.3	10,590.8	11,366.6	12,200.1
<b>V. OVERALL GDP</b>	<b>127,232.7</b>	<b>130,004.1</b>	<b>134,486.4</b>	<b>145,438.2</b>	<b>154,547.7</b>	<b>165,484.2</b>	<b>176,427.5</b>	<b>185,532.1</b>	<b>197,745.3</b>	<b>211,352.8</b>
<i>o.w. informal GDP at purchasers' value</i>	<b>37,085.7</b>	<b>38,119.1</b>	<b>39,156.0</b>	<b>41,561.0</b>	<b>42,647.8</b>	<b>47,990.42</b>	<b>51,163.97</b>	<b>53,804.32</b>	<b>57,346.13</b>	<b>61,292.31</b>
<b>VI. Non-Oil GDP</b>	<b>119,966.4</b>	<b>122,591.7</b>	<b>128,231.7</b>	<b>134,159.7</b>	<b>142,867.2</b>	<b>151,450.9</b>	<b>161,369.1</b>	<b>171,328.3</b>	<b>181,460.1</b>	<b>193,334.0</b>

\*Provisional

\*\*Oil means Oil and Gas



### APPENDIX 3: GROSS DOMESTIC PRODUCT (GDP) AT CURRENT MARKET PRICES BY ECONOMIC ACTIVITY (GH¢ MILLION)

	Provisional/Revised/Final				2018	Projection				
	2014*	2015*	2016*	2017*		2019	2020	2021	2022	2023
<b>I. AGRICULTURE</b>	<b>31,086.0</b>	<b>36,525.7</b>	<b>45,116.5</b>	<b>50,554.4</b>	<b>54,923.5</b>	<b>63,793.1</b>	<b>74,632.4</b>	<b>87,052.2</b>	<b>102,144.2</b>	<b>119,413.9</b>
Crops	20,637.1	24,479.3	32,209.8	36,598.7	40,349.1	47,103.1	55,570.5	65,315.7	77,488.0	91,502.7
<i>a.w. Cocoa</i>	3,253.7	3,645.8	3,833.9	4,186.1	4,341.9	4,895.8	5,531.8	6,215.0	7,315.0	8,445.4
Livestock	5,572.2	6,051.8	6,524.0	7,100.3	7,528.3	8,514.4	9,629.8	10,891.2	12,317.8	13,918.1
Forestry and Logging	2,891.8	3,455.4	3,541.5	4,055.0	4,238.5	4,694.0	5,208.4	5,790.3	6,437.3	7,142.7
Fishing	1,985.0	2,539.2	2,841.2	2,800.4	2,807.6	3,481.6	4,223.7	5,055.0	5,901.2	6,850.4
<b>II. INDUSTRY</b>	<b>53,767.3</b>	<b>57,155.2</b>	<b>60,709.1</b>	<b>78,015.1</b>	<b>94,770.3</b>	<b>108,700.7</b>	<b>123,325.1</b>	<b>135,633.2</b>	<b>152,992.4</b>	<b>173,574.3</b>
Mining and Quarrying	21,704.7	17,130.9	16,831.4	25,917.0	37,998.6	44,815.7	51,075.4	53,743.8	60,051.7	68,182.2
<i>a.w. Oil**</i>	9,000.8	4,691.9	1,027.1	8,445.9	10,607.8	13,717.7	15,843.5	16,085.5	19,850.6	23,640.8
Manufacturing	17,605.2	20,506.0	23,921.8	26,860.3	31,440.7	35,560.1	40,219.2	45,488.7	51,545.1	58,189.2
Electricity	1,378.5	2,978.7	3,485.9	4,389.7	4,177.9	4,787.7	5,578.8	6,578.2	7,439.9	8,462.2
Water and Sewerage	895.8	1,183.1	1,304.6	1,415.3	1,469.9	1,612.7	1,772.7	1,963.6	2,179.2	2,427.8
Construction	12,183.1	15,356.6	15,165.3	19,432.9	19,683.2	21,924.5	24,679.1	27,859.0	31,776.5	36,312.9
<b>III. SERVICES</b>	<b>56,132.1</b>	<b>71,333.7</b>	<b>92,679.7</b>	<b>109,697.6</b>	<b>129,278.9</b>	<b>147,698.5</b>	<b>168,661.5</b>	<b>193,093.7</b>	<b>222,291.4</b>	<b>256,621.3</b>
Trade; Repair Of Vehicles, Household Goods	15,920.6	20,460.4	27,890.5	33,383.3	42,267.0	47,532.2	53,046.4	60,007.6	68,525.2	78,307.9
Hotels and Restaurants	4,487.6	5,780.7	7,260.8	9,253.9	10,579.6	11,963.0	13,579.0	15,501.2	17,729.1	20,315.4
Transport and Storage	7,717.7	9,949.8	13,117.5	17,109.1	20,857.7	24,873.8	29,706.2	35,494.5	42,492.2	50,967.3
Information and Communication	2,781.5	3,658.1	4,304.9	5,040.4	6,790.5	7,600.5	8,525.9	9,586.0	10,804.0	12,196.1
Financial and Insurance activities	7,195.0	9,549.6	13,519.1	12,017.9	11,752.4	12,669.4	13,684.7	14,839.4	16,154.5	17,825.8
Real Estate	1,334.9	2,174.3	3,470.0	5,562.7	6,112.7	6,964.2	7,931.2	8,997.4	10,326.6	11,852.3
Professional, Administrative & Support Service activities	2,115.1	2,664.3	3,115.3	3,678.9	4,133.2	4,575.5	5,065.0	5,607.0	6,219.1	6,911.4
Public Administration & Defence; Social Security	4,549.2	5,236.6	6,501.7	7,846.1	9,247.2	10,559.7	12,073.6	13,881.2	15,835.2	18,059.7
Education	5,189.5	6,279.4	6,897.5	8,045.6	8,880.4	10,022.4	11,332.9	12,814.8	14,628.9	16,984.1
Health and Social Work	3,108.4	3,437.9	3,977.2	4,934.0	5,802.5	7,665.6	9,959.7	12,072.0	14,671.7	17,607.4
Other Service Activities	1,732.4	2,142.5	2,625.2	2,825.7	2,855.7	3,272.3	3,756.8	4,292.6	4,904.9	5,594.0
<b>IV. GROSS DOMESTIC PRODUCT at basic prices</b>	<b>140,985.4</b>	<b>165,014.6</b>	<b>198,505.3</b>	<b>238,267.1</b>	<b>278,972.8</b>	<b>320,192.3</b>	<b>366,619.0</b>	<b>415,779.1</b>	<b>477,428.0</b>	<b>549,609.5</b>
Net indirect Taxes	14,447.1	15,384.4	16,571.8	18,404.3	21,623.3	25,754.0	30,673.8	36,558.9	43,552.9	51,889.0
<b>V. OVERALL GDP</b>	<b>155,432.5</b>	<b>180,399.0</b>	<b>215,077.0</b>	<b>256,671.4</b>	<b>300,596.1</b>	<b>345,946.3</b>	<b>397,292.8</b>	<b>452,338.1</b>	<b>520,980.9</b>	<b>601,498.5</b>
<i>ow informal GDP at purchasers' value</i>	43,728.1	51,550.7	64,457.5	73,325.4	81,253.8	98,747.36	113,699.6	129,132.52	148,643.64	171,582.11
<b>VI. Non-Oil GDP</b>	<b>146,431.7</b>	<b>175,707.1</b>	<b>214,049.9</b>	<b>248,225.5</b>	<b>289,988.2</b>	<b>332,228.6</b>	<b>381,449.2</b>	<b>436,252.6</b>	<b>501,130.2</b>	<b>577,857.7</b>

\*Provisional

\*\*Oil means Oil and Gas



## APPENDIX 4: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2018

<i>In GH¢ unless otherwise stated</i>	2018 Budget	2018 Revised Budget	2018 Prov Outturn
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>49,401,041,562</b>	<b>49,059,044,226</b>	<b>47,636,732,967</b>
(per cent of GDP)	20.4	16.4	15.8
<b>Domestic Revenue</b>	<b>48,814,274,479</b>	<b>48,297,908,686</b>	<b>46,501,927,375</b>
<b>Tax Revenue</b>	<b>38,243,500,342</b>	<b>38,589,145,188</b>	<b>37,784,185,991</b>
<b>Taxes on Income and Property</b>	<b>16,278,913,569</b>	<b>16,614,325,669</b>	<b>18,776,430,344</b>
Company Taxes	6,856,331,618	6,917,388,754	8,527,925,603
Company Taxes on Oil	0	373,512,126	735,742,317
Other Direct Taxes	9,422,581,951	9,323,424,789	9,512,762,423
<b>Taxes on Domestic Goods and Services</b>	<b>16,889,748,608</b>	<b>16,992,289,255</b>	<b>15,030,377,746</b>
Excises	3,836,535,633	3,643,506,052	3,661,209,713
VAT	10,834,341,878	10,646,722,070	8,892,689,347
National Health Insurance Levy (NHIL)	1,814,854,736	1,729,457,892	1,501,037,191
GETFund Levy		570,831,000	555,434,106
Communication Service Tax	404,016,361	401,772,240	420,007,388
<b>International Trade Taxes</b>	<b>6,712,917,200</b>	<b>6,609,710,178</b>	<b>6,102,117,562</b>
Import Duties	6,712,917,200	6,609,710,178	6,102,117,562
Export Duties	0	0	0
<b>Tax Refunds</b>	<b>-1,638,079,036</b>	<b>-1,627,179,915</b>	<b>-2,124,739,660</b>
<b>Social Contributions</b>	<b>419,057,447</b>	<b>494,002,987</b>	<b>377,305,823</b>
SSNIT Contribution to NHIL	419,057,447	494,002,987	377,305,823
<b>Non-tax revenue</b>	<b>8,047,240,281</b>	<b>7,444,943,948</b>	<b>6,523,710,364</b>
<b>Other Revenue</b>	<b>2,104,476,410</b>	<b>1,769,816,564</b>	<b>1,816,725,197</b>
<b>Grants</b>	<b>586,767,083</b>	<b>761,135,540</b>	<b>1,134,805,592</b>
Project Grants	586,767,083	747,961,430	1,121,266,339
Programme Grants	0	13,174,110	13,539,253
<b>II. EXPENDITURE</b>			
<b>Total Expenditure</b>	<b>59,513,731,568</b>	<b>59,171,734,232</b>	<b>58,196,960,205</b>
(percent of GDP)	24.6	25.2	19.4
Compensation of Employees	19,595,126,198	19,728,998,472	19,612,040,673
Wages & Salaries	16,762,297,860	17,041,871,155	17,212,921,176
(percent of GDP)	6.9	5.7	5.7
Social Contributions	2,832,828,338	2,687,127,318	2,399,119,497
Use of Goods and Services	3,548,137,121	3,682,273,554	5,127,862,371
Interest Payments	<b>14,909,848,896</b>	<b>15,091,615,959</b>	<b>15,821,822,181</b>
Domestic	12,165,240,329	12,268,179,213	12,494,066,482
External	2,744,608,567	2,823,436,746	3,327,755,699
Subsidies	171,980,514	146,980,514	125,311,376
Grants to Other Government Units	12,030,373,884	12,197,568,091	10,789,156,375
Social Benefits	257,486,654	161,153,840	165,707,197
Other Expenditure	2,104,476,410	1,769,816,564	1,816,725,197
Capital Expenditure	<b>6,896,301,891</b>	<b>6,393,327,239</b>	<b>4,738,334,834</b>
Domestic Financed	3,339,114,808	2,674,945,808	1,682,807,818
Foreign Financed	3,557,187,083	3,718,381,430	3,055,527,017
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Balance (Commitment)</b>	<b>-10,112,690,006</b>	<b>-10,112,690,006</b>	<b>-10,560,227,238</b>
(percent of GDP)	-4.2	-3.4	-3.5
Road Arrears (net change)	0	0	0
o/w ABFA	0	0	0
Arrears clearance (net change)	-858,457,472	-858,457,472	-858,457,472
Unpaid commitments	0	0	0
Outstanding payments	0	0	0
o/w Statutory Funds	0	0	0
Clearance of outstanding commitments	-858,457,472	-858,457,472	-858,457,472
o/w other outstanding payments/deferred payments	-858,457,472	-858,457,472	-858,457,472
o/w other outstanding claims	0	0	0
<b>Overall Balance (Cash)</b>	<b>-10,971,147,478</b>	<b>-10,971,147,478</b>	<b>-11,418,684,710</b>
(percent of GDP)	-4.5	-3.7	-3.8
Discrepancy	0.0	0.0	-254,063,824.7
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-10,971,147,478</b>	<b>-10,971,147,478</b>	<b>-11,672,748,535</b>





## APPENDIX 4: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2018

<i>In GH¢ unless otherwise stated</i>	2018 Budget	2018 Revised Budget	2018 Prov Outturn
<b>Financing</b>	<b>10,971,147,478</b>	<b>10,971,147,478</b>	<b>11,672,748,535</b>
<b>Foreign (net)</b>	<b>2,970,832,991</b>	<b>4,703,523,351</b>	<b>2,724,179,197</b>
Borrowing	8,240,520,000	9,973,210,360	7,992,744,785
Project Loans	2,970,420,000	2,970,420,000	1,934,260,678
Programme Loans	479,100,000	1,394,181,000	889,104,601
Sovereign Bond	4,791,000,000	5,608,609,360	5,169,379,506
Amortisation (due)	-5,269,687,009	-5,269,687,009	-5,268,565,588
<b>Domestic (net)</b>	<b>4,657,162,188</b>	<b>5,223,744,979</b>	<b>9,800,138,339</b>
Banking	3,100,057,062	1,547,712,977	5,401,432,764
Bank of Ghana	0	-1,521,313,383	884,289,421
Comm. Banks	3,100,057,062	3,069,026,360	4,517,143,343
Non-banks	1,557,105,126	3,676,032,002	3,994,815,129
o/w Non-residents			410,569,699
Other Domestic	0	0	403,890,446
<b>Other Financing</b>	<b>4,054,837,427</b>	<b>4,030,553,133</b>	<b>-71,720,491</b>
Other Programme Financing	2,395,500,000	2,395,500,000	0
Other Domestic Financing	-17,512,573	-41,796,867	-71,720,491
Divestiture Receipts	1,676,850,000	1,676,850,000	0
<b>Ghana Petroleum Funds</b>	<b>-502,416,962</b>	<b>-763,072,273</b>	<b>167,237,491</b>
Transfer to Ghana Petroleum Funds	-661,685,128	-763,072,273	-779,848,511
o/w Stabilisation Fund	-463,179,589	-534,150,591	-500,933,647
o/w Heritage Fund	-198,505,538	-228,921,682	-278,914,864
Transfer from Stabilisation Fund	159,268,166	0	947,086,001
<b>Sinking Fund</b>	<b>-159,268,166</b>	<b>-2,173,601,712</b>	<b>-947,086,001</b>
<b>Contingency Fund</b>	<b>-50,000,000</b>	<b>-50,000,000</b>	<b>0</b>
<b>Memorandum items</b>			
Domestic Revenue	48,814,274,479	48,297,908,686	46,501,927,375
(percent of GDP)	20.2	16.2	15.5
Domestic expenditure	41,046,695,589	40,361,736,843	39,573,674,831
(percent of GDP)	16.98	13.51	13.17
Domestic Primary Balance	7,767,578,890	7,936,171,843	6,928,252,543
(percent of GDP)	3.2	2.7	2.3
Primary Balance	3,938,701,418	4,120,468,480	4,149,073,647
(percent of GDP)	1.6	1.4	1.4
Non-oil Primary Balance	731,568,160	353,487,384	-342,357,954
(percent of GDP)	0.3	0.1	-0.1
Overall Balance (cash, discrepancy)	-10,971,147,478	-10,971,147,478	-11,672,748,535
(percent of GDP)	-4.5	-3.7	-3.9
Overall Balance (cash, discrepancy, incl. finsec bailout)	0	-13,172,428,112	-21,474,029,169
(percent of GDP)	0.0	-4.4	-7.1
Overall Balance (cash, discrepancy, excl. finsec bailout & Bank Capitalisation)	0.0	0.0	-11,252,748,535
(percent of GDP)	0.0	0.0	-3.7
Oil Revenue	3,207,133,258	3,766,981,097	4,491,431,601
(percent of GDP)	1.3	1.3	1.5
Non-Oil Revenue and Grants	46,193,908,304	45,292,063,129	43,145,301,366
(percent of GDP)	19.1	15.2	14.4
Benchmark Oil Revenue	2,205,617,093	2,702,464,778	3,099,054,040
(percent of GDP)	0.9	0.9	1.0
Annual Budget Funding Amount (ABFA)	1,543,931,965	1,891,725,345	2,169,337,828
(percent of GDP)	0.6	0.6	0.7
<b>Nominal GDP</b>	<b>241,717,542,407</b>	<b>298,699,479,898</b>	<b>300,596,100,000</b>
<b>Non-Oil Nominal GDP</b>	<b>229,558,342,407</b>	<b>285,921,006,108</b>	<b>289,988,300,000</b>



## APPENDIX 5: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2018

<i>In GH¢ unless otherwise stated</i>	2018 Budget	2018 Revised Budget	2018 Prov Outturn
<b>TAX REVENUE</b>	<b>38,243,500,342</b>	<b>38,589,145,188</b>	<b>37,784,185,991</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>16,278,913,569</b>	<b>16,614,325,669</b>	<b>18,776,430,344</b>
Personal	6,012,691,760	5,906,399,497	6,269,948,663
Self Employed	489,411,499	430,554,237	378,695,921
Companies	6,856,331,618	6,917,388,754	8,527,925,603
Company Taxes on Oil	0	373,512,126	735,742,317
Others	2,920,478,692	2,986,471,054	2,864,117,840
Other Direct Taxes	2,154,647,567	2,233,501,604	2,089,313,586
o/w Royalties from Oil	879,697,567	1,100,434,056	1,213,125,519
o/w Mineral Royalties	766,370,000	734,286,694	743,923,690
National Fiscal Stabilisation Levy	263,221,125	259,605,066	299,241,186
Airport Tax	502,610,000	493,364,384	475,563,067
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>16,889,748,608</b>	<b>16,992,289,255</b>	<b>15,030,377,746</b>
<b>Excises</b>	<b>3,836,535,633</b>	<b>3,643,506,052</b>	<b>3,661,209,713</b>
Excise Duty	544,935,633	475,104,862	319,293,298
Petroleum Tax	3,291,600,000	3,168,401,190	3,341,916,415
o/w Energy Fund levy	33,300,000	31,876,831	35,433,642
o/w Road Fund levy	1,411,310,000	1,423,754,381	1,331,011,006
<b>VAT</b>	<b>10,834,341,878</b>	<b>10,646,722,070</b>	<b>8,892,689,347</b>
Domestic	4,506,860,317	4,501,964,502	3,980,330,222
External	6,327,481,560	6,144,757,568	4,912,359,126
<b>National Health Insurance Levy (NHIL)</b>	<b>1,814,854,736</b>	<b>1,729,457,892</b>	<b>1,501,037,191</b>
Customs Collection	1,011,433,308	948,508,653	809,978,546
Domestic Collection	803,421,429	780,949,239	691,058,646
<b>GETFund Levy</b>		570,831,000	555,434,106
Customs Collection		285,415,500	288,597,350
Domestic Collection		285,415,500	266,836,757
<b>Communication Service Tax</b>	<b>404,016,361</b>	<b>401,772,240</b>	<b>420,007,388</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>6,712,917,200</b>	<b>6,609,710,178</b>	<b>6,102,117,562</b>
<b>Imports</b>	<b>6,712,917,200</b>	<b>6,609,710,178</b>	<b>6,102,117,562</b>
Import Duty	6,712,917,200	6,609,710,178	6,102,117,562
<b>Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Refunds</b>	<b>-1,638,079,036</b>	<b>-1,627,179,915</b>	<b>-2,124,739,660</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>419,057,447</b>	<b>494,002,987</b>	<b>377,305,823</b>
SSNIT Contribution to NHIL	419,057,447	494,002,987	377,305,823
<b>NON-TAX REVENUE</b>	<b>8,047,240,281</b>	<b>7,444,943,948</b>	<b>6,523,710,364</b>
Retention	3,761,240,072	3,455,236,235	3,164,836,575
Lodgement	4,286,000,209	3,989,707,712	3,358,873,789
Fees & Charges	577,360,214	616,245,957	554,649,285
Dividend/Interest & Profits (Others)	275,500,000	236,858,506	139,179,363
Dividend/Interest & Profits from Oil	1,636,112,834	1,736,903,130	2,530,760,568
Surface Rentals from Oil/PHF Interest	7,633,146	9,180,016	11,803,196
Gas Receipts	683,689,710	546,951,768	0
Taxes on Property	150,000,000	0	0
Licences	699,486,000	699,486,000	0
Luxury Vehicle Levy	0	104,000,000	21,260,562
Fees from Mineral Exports	0	0	0
Yield from Capping Policy	256,218,304	40,082,336	101,220,814
<b>OTHER REVENUE</b>	<b>2,104,476,410</b>	<b>1,769,816,564</b>	<b>1,816,725,197</b>
ESLA Proceeds	2,104,476,410	1,769,816,564	1,816,725,197
Energy Debt Recovery Levy	1,364,010,000	1,337,158,030	1,071,987,436
Public Lighting Levy	204,037,631	117,872,784	118,660,858
National Electrification Scheme Levy	134,677,146	78,507,006	77,764,018
Price Stabilisation & Recovery Levy	401,751,633	236,278,743	548,312,885
<b>DOMESTIC REVENUE</b>	<b>48,814,274,479</b>	<b>48,297,908,686</b>	<b>46,501,927,375</b>
<b>GRANTS</b>	<b>586,767,083</b>	<b>761,135,540</b>	<b>1,134,805,592</b>
Project Grants	586,767,083	747,961,430	1,121,266,339
Programme Grants	0	13,174,110	13,539,253
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>49,401,041,562</b>	<b>49,059,044,226</b>	<b>47,636,732,967</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.7	5.6	6.2
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.7	5.3	5.8
Taxes on Goods and Services (% of GDP)	7.0	5.7	5.0
Taxes on International Trade (% of GDP)	2.8	2.2	2.0
Tax Revenue (% of GDP)	15.8	12.9	12.6
Non-Oil Tax Revenue (% of non-oil GDP)	16.3	13.0	12.4
Non-Oil Tax Revenue (% of GDP)	15.5	12.4	11.9
Non-Tax Revenue (% of GDP)	3.3	2.5	2.2
Domestic Revenue (% of GDP)	20.2	16.2	15.5
Non-Oil Domestic Revenue	20.2	15.8	14.5
Grants (% of GDP)	0.2	0.3	0.4
Total Revenue and Grants	20.4	16.4	15.8
Non-Oil Tax Revenue	37,363,802,775	37,115,199,005	35,835,318,155
Non-oil Taxes on Income and Property	15,399,216,003	15,140,379,486	16,827,562,507
Import Exemptions	2,625,964,000	2,625,964,000	2,047,876,610
Benchmark Oil Revenue	2,205,617,093	2,702,464,778	3,099,054,040
<b>Nominal GDP (rebased)</b>	<b>241,717,542,407</b>	<b>298,699,479,898</b>	<b>300,596,100,000</b>
<b>Non-Oil Nominal GDP (rebased)</b>	<b>229,558,342,407</b>	<b>285,921,006,108</b>	<b>289,988,300,000</b>



## APPENDIX 6: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2018

<i>In GH¢ unless otherwise stated</i>	2018 Budget	2018 Revised Budget	2018 Prov Outturn
<b>II EXPENDITURE</b>			
<b>Compensation of Employees</b>	<b>19,595,126,198</b>	<b>19,728,998,472</b>	<b>19,612,040,673</b>
Wages & Salaries	16,762,297,860	17,041,871,155	17,212,921,176
Social Contributions	2,832,828,338	2,687,127,318	2,399,119,497
Pensions	1,005,737,872	993,566,504	924,288,187
Gratuities	385,532,851	308,213,713	217,879,491
Social Security	1,441,557,616	1,385,347,100	1,256,951,820
<b>Use of Goods and Services</b>	<b>3,548,137,121</b>	<b>3,682,273,554</b>	<b>5,127,862,371</b>
o/w ABFA	463,179,589	567,517,603	421,029,838
<b>Interest Payments</b>	<b>14,909,848,896</b>	<b>15,091,615,959</b>	<b>15,821,822,181</b>
Domestic	12,165,240,329	12,268,179,213	12,494,066,482
External (Due)	2,744,608,567	2,823,436,746	3,327,755,699
<b>Subsidies</b>	<b>171,980,514</b>	<b>146,980,514</b>	<b>125,311,376</b>
Subsidies to Utility Companies	0	0	0
Subsidies on Petroleum products	171,980,514	146,980,514	125,311,376
<b>Grants to Other Government Units</b>	<b>12,030,373,884</b>	<b>12,197,568,091</b>	<b>10,789,156,375</b>
National Health Fund (NHF)	1,814,537,436	2,026,210,229	1,473,283,192
Ghana Education Trust Fund	928,041,133	1,004,859,630	851,719,919
Road Fund	884,501,241	954,874,397	516,807,572
Energy Fund	20,869,895	21,378,947	13,074,917
Dist. Ass. Common Fund	1,812,144,435	1,800,087,152	1,446,921,070
Retention of Internally-generated funds (IGFs)	3,761,240,072	3,455,236,235	3,164,836,575
Transfer to the National Oil Company from Oil Revenue	1,001,516,165	1,064,516,319	1,397,124,348
<b>Other Earmarked Funds</b>	<b>1,807,523,508</b>	<b>1,870,405,183</b>	<b>1,925,388,782</b>
Youth Employment Agency	202,565,261	215,566,410	289,348,541
Student's Loan Trust	2,532,066	2,694,580	0
Ghana EXIM Bank Ltd	205,719,191	220,145,573	284,547,306
Ghana Airport Company Ltd.	314,997,533	330,886,440	475,563,067
Mineral Development Fund	96,060,428	98,493,332	0
GRA Retention	974,806,710	991,016,195	875,929,868
Plastic Waste Recycling Fund	10,842,318	11,602,652	0
<b>Social Benefits</b>	<b>257,486,654</b>	<b>161,153,840</b>	<b>165,707,197</b>
Lifeline Consumers of Electricity	89,116,853	62,938,123	69,988,267
Transfers for Social Protection	168,369,800	98,215,717	95,718,930
<b>Other Expenditure</b>	<b>2,104,476,410</b>	<b>1,769,816,564</b>	<b>1,816,725,197</b>
ESLA Transfers	2,104,476,410	1,769,816,564	1,816,725,197
<b>Capital Expenditure</b>	<b>6,896,301,891</b>	<b>6,393,327,239</b>	<b>4,738,334,834</b>
<b>Domestic financed</b>	<b>3,339,114,808</b>	<b>2,674,945,808</b>	<b>1,682,807,818</b>
o/w ABFA	810,564,282	993,155,806	406,623,729
<b>Foreign financed</b>	<b>3,557,187,083</b>	<b>3,718,381,430</b>	<b>3,055,527,017</b>
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>59,513,731,568</b>	<b>59,171,734,232</b>	<b>58,196,960,205</b>
<b>APPROPRIATION</b>	<b>65,641,876,049</b>	<b>65,299,878,713</b>	<b>64,323,983,265</b>
<b>Total Expenditure</b>	<b>59,513,731,568</b>	<b>59,171,734,232</b>	<b>58,196,960,205</b>
<b>Arrears Clearance (net change)</b>	<b>858,457,472</b>	<b>858,457,472</b>	<b>858,457,472</b>
<b>Amortisation</b>	<b>5,269,687,009</b>	<b>5,269,687,009</b>	<b>5,268,565,588</b>
<b>Memorandum items:</b>			
Compensation of Employees	8.1	6.6	6.5
Wage and Salaries	6.9	5.7	5.7
Wage and Salaries (% of Tax Revenue)	43.8	44.2	45.6
Goods and Services	1.5	1.2	1.7
Interest Payments	6.2	5.1	5.3
Interest Payments (% of non-oil Tax Revenue)	39.9	40.7	44.2
Subsidies	0.1	0.0	0.0
Recurrent Expenditure	19.1	15.4	15.8
Capital Expenditure	2.9	2.1	1.6
Total Capital Expenditure (including those under Grants to other Gov't U)	4.8	3.8	3.0
Total Expenditure	24.6	19.8	19.4
Total Capital Exp (incl those under Grants to other Gov't Units)	10,613,960,186	10,269,900,394	8,118,853,096
<b>Annual Budget Funding Amount (ABFA)</b>	<b>1,543,931,965</b>	<b>1,891,725,345</b>	<b>2,169,337,828</b>
<b>Benchmark Oil Revenue</b>	<b>2,205,617,093</b>	<b>2,702,464,778</b>	<b>3,099,054,040</b>
<b>Nominal GDP</b>	<b>241,717,542,407</b>	<b>298,699,479,898</b>	<b>300,596,100,000</b>
<b>Non-Oil Nominal GDP</b>	<b>229,558,342,407</b>	<b>285,921,006,108</b>	<b>289,988,300,000</b>



## APPENDIX 7: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Prog Q1+Q2	2019 Prov Q1+Q2
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>58,904,864,627</b>	<b>26,956,096,284</b>	<b>22,777,235,730</b>
(per cent of GDP)	17.1	7.8	6.6
<b>Domestic Revenue</b>	<b>57,794,999,111</b>	<b>26,303,499,908</b>	<b>22,518,740,278</b>
<b>Tax Revenue</b>	<b>45,270,182,441</b>	<b>20,363,559,446</b>	<b>18,447,997,843</b>
<b>Taxes on Income and Property</b>	<b>22,185,213,574</b>	<b>9,493,712,894</b>	<b>8,925,293,361</b>
Company Taxes	9,355,351,264	3,592,518,214	3,670,308,997
Company Taxes on Oil	1,254,227,042	430,122,012	619,101,967
Other Direct Taxes	11,575,635,267	5,471,072,668	4,635,882,396
<b>Taxes on Domestic Goods and Services</b>	<b>18,239,662,132</b>	<b>8,578,140,479</b>	<b>8,166,365,951</b>
Excises	4,102,159,266	1,956,291,661	1,881,298,863
VAT	9,923,592,866	4,632,295,120	4,389,103,130
National Health Insurance Levy (NHIL)	1,895,100,000	887,180,309	862,172,404
GETFund Levy	1,895,100,000	891,936,934	849,276,509
Communication Service Tax	423,710,000	210,436,456	184,515,046
<b>International Trade Taxes</b>	<b>7,417,793,264</b>	<b>3,487,974,534</b>	<b>2,770,312,620</b>
Import Duties	7,417,793,264	3,487,974,534	2,770,312,620
Export Duties	0	0	0
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-1,196,268,462</b>	<b>-1,413,974,089</b>
<b>Social Contributions</b>	<b>485,914,749</b>	<b>239,044,443</b>	<b>103,337,923</b>
SSNIT Contribution to NHIL	485,914,749	239,044,443	103,337,923
<b>Non-tax revenue</b>	<b>9,570,346,634</b>	<b>4,475,863,275</b>	<b>3,121,668,425</b>
<b>Other Revenue</b>	<b>2,468,555,287</b>	<b>1,225,032,744</b>	<b>845,736,086</b>
<b>Grants</b>	<b>1,109,865,516</b>	<b>652,596,376</b>	<b>258,495,452</b>
Project Grants	1,052,145,516	623,736,376	258,495,452
Programme Grants	57,720,000	28,860,000	0
<b>II. EXPENDITURE</b>			
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>36,481,158,224</b>	<b>32,882,516,947</b>
(percent of GDP)	21.1	10.6	9.5
Compensation of Employees	22,837,993,208	11,235,088,813	10,988,813,631
Wages & Salaries	19,436,589,964	9,561,777,713	9,580,672,343
(percent of GDP)	5.6	2.8	2.8
Social Contributions	3,401,403,244	1,673,311,100	1,408,141,289
Use of Goods and Services	6,333,414,987	3,389,475,849	4,410,779,299
Interest Payments	<b>18,645,707,469</b>	<b>9,669,745,007</b>	<b>8,838,323,752</b>
Domestic	14,504,883,697	7,582,660,295	7,051,812,302
External	4,140,823,772	2,087,084,712	1,786,511,450
Subsidies	180,260,489	94,639,535	0
Grants to Other Government Units	13,798,464,237	6,262,348,889	5,226,971,055
Social Benefits	95,616,060	47,808,030	0
Other Expenditure	2,288,294,797	1,130,393,210	845,736,086
Capital Expenditure	<b>8,531,017,247</b>	<b>4,651,658,890</b>	<b>2,571,893,123</b>
Domestic Financed	3,222,211,330	2,153,640,545	1,238,534,597
Foreign Financed	5,308,805,917	2,498,018,345	1,333,358,526
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Balance (Commitment)</b>	<b>-13,805,903,869</b>	<b>-9,525,061,940</b>	<b>-10,105,281,217</b>
(percent of GDP)	-4.0	-2.8	-2.9
Road Arrears (net change)	0	0	0
o/w ABFA	0	0	0
Arrears clearance (net change)	-730,000,000	-360,000,000	-407,382,488
Unpaid commitments	0	0	0
Outstanding payments	0	0	0
o/w Statutory Funds	0	0	0
Clearance of outstanding commitments	-730,000,000	-360,000,000	-407,382,488
o/w other outstanding payments/deferred payments	-730,000,000	-360,000,000	-407,382,488
o/w other outstanding claims	0	0	-407,382,488
<b>Overall Balance (Cash)</b>	<b>-14,535,903,869</b>	<b>-9,885,061,940</b>	<b>-10,512,663,705</b>
(percent of GDP)	-4.2	-2.9	-3.0
Discrepancy	0.0	0.0	-939,177,352.1
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-14,535,903,869</b>	<b>-9,885,061,940</b>	<b>-11,451,841,057</b>



## APPENDIX 7: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Prog Q1+Q2	2019 Prov Q1+Q2
<b>Financing</b>	<b>14,535,903,869</b>	<b>9,885,061,940</b>	<b>11,451,841,057</b>
<b>Foreign (net)</b>	<b>9,748,095,294</b>	<b>9,556,938,502</b>	<b>9,307,660,824</b>
Borrowing	15,079,160,401	12,215,781,969	14,721,420,325
Project Loans	4,256,660,401	1,874,281,969	1,074,863,074
Programme Loans	1,202,500,000	721,500,000	0
Sovereign Bond	9,620,000,000	9,620,000,000	13,646,557,251
Amortisation (due)	-5,331,065,107	-2,658,843,468	-5,413,759,501
<b>Domestic (net)</b>	<b>4,401,784,840</b>	<b>843,769,360</b>	<b>2,602,696,422</b>
Banking	2,665,403,798	-185,670,162	-2,853,717,219
Bank of Ghana	0	0	-7,068,016,401
Comm. Banks	2,665,403,798	-185,670,162	4,214,299,183
Non-banks	1,736,381,042	1,029,439,522	5,456,413,640
o/w Non-residents	0	0	-891,773,527
Other Domestic	0	0	0
<b>Other Financing</b>	<b>1,418,950,463</b>	<b>-11,919,351</b>	<b>-6,851,291</b>
Other Programme Financing	1,443,000,000	0	0
Other Domestic Financing	-24,049,537	-11,919,351	-6,851,291
Divestiture Receipts	0	0	0
<b>Ghana Petroleum Funds</b>	<b>-309,878,019</b>	<b>-151,117,971</b>	<b>-451,664,898</b>
Transfer to Ghana Petroleum Funds	-1,032,926,729	-503,726,572	-451,664,898
o/w Stabilisation Fund	-723,048,710	-352,608,600	-316,165,428
o/w Heritage Fund	-309,878,019	-151,117,971	-135,499,469
Transfer from Stabilisation Fund	723,048,710	352,608,600	0
<b>Sinking Fund</b>	<b>-723,048,710</b>	<b>-352,608,600</b>	<b>0</b>
<b>Contingency Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Memorandum items</b>			
Domestic Revenue	57,794,999,111	26,303,499,908	22,518,740,278
(percent of GDP)	16.8	7.6	6.5
Domestic expenditure	48,756,255,109	24,313,394,871	23,650,012,020
(percent of GDP)	14.15	7.06	6.84
Domestic Primary Balance	9,038,744,002	1,990,105,037	-1,131,271,743
(percent of GDP)	2.6	0.6	-0.3
Primary Balance	4,109,803,601	-215,316,932	-2,613,517,305
(percent of GDP)	1.2	-0.1	-0.8
Non-oil Primary Balance	-1,319,754,722	-2,912,130,027	-4,473,003,565
(percent of GDP)	-0.4	-0.9	-1.3
Overall Balance (cash, discrepancy)	-14,535,903,869	-9,885,061,940	-11,451,841,057
(percent of GDP)	-4.2	-2.9	-3.3
Overall Balance (cash, discrepancy, excl. finsec bailout)	-17,663,703,574	-9,885,061,940	-11,451,841,057
(percent of GDP)	-5.1	-2.9	-3.3
Oil Revenue	5,429,558,322	2,696,813,095	1,859,486,260
(percent of GDP)	1.6	0.8	0.5
Non-Oil Revenue and Grants	53,475,306,305	24,259,283,190	20,917,749,470
(percent of GDP)	15.5	7.0	6.0
Benchmark Oil Revenue	3,443,089,096	1,679,088,572	1,505,549,659
(percent of GDP)	1.0	0.5	0.4
Annual Budget Funding Amount (ABFA)	2,410,162,367	1,175,362,001	1,053,884,761
(percent of GDP)	0.7	0.3	0.3
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>



## APPENDIX 8: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Prog. Q1+Q2	2019 Prov. Q1+Q2
<b>TAX REVENUE</b>	<b>45,270,182,441</b>	<b>20,363,559,446</b>	<b>18,447,997,843</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>22,185,213,574</b>	<b>9,493,712,894</b>	<b>8,925,293,361</b>
Personal	7,586,460,731	3,506,025,675	3,261,610,587
Self Employed	479,866,800	227,714,564	199,364,732
Companies	9,355,351,264	3,592,518,214	3,670,308,997
Company Taxes on Oil	1,254,227,042	430,122,012	619,101,967
Others	3,509,307,737	1,737,332,429	1,174,907,077
Other Direct Taxes	2,602,157,737	1,311,490,848	831,940,906
o/w Royalties from Oil	1,141,179,871	619,497,644	332,429,572
o/w Mineral Royalties	1,027,207,866	484,687,782	379,062,789
National Fiscal Stabilisation Levy	339,540,000	142,130,779	103,268,150
Airport Tax	567,610,000	283,710,802	239,698,022
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>18,239,662,132</b>	<b>8,578,140,479</b>	<b>8,166,365,951</b>
<b>Excises</b>	<b>4,102,159,266</b>	<b>1,956,291,661</b>	<b>1,881,298,863</b>
Excise Duty	632,199,266	307,146,741	190,948,917
Petroleum Tax	3,469,960,000	1,649,144,919	1,690,349,946
o/w Energy Fund Levy	35,728,537	16,363,336	19,982,832
o/w Road Fund Levy	1,514,235,492	709,619,658	755,906,293
<b>VAT</b>	<b>9,923,592,866</b>	<b>4,632,295,120</b>	<b>4,389,103,130</b>
Domestic	4,894,030,000	2,284,225,836	2,314,684,594
External	5,029,562,866	2,348,069,284	2,074,418,536
<b>National Health Insurance Levy (NHIL)</b>	<b>1,895,100,000</b>	<b>887,180,309</b>	<b>862,172,404</b>
Customs Collection	959,560,000	450,528,993	365,572,118
Domestic Collection	935,540,000	436,651,316	496,600,286
<b>GETFund Levy</b>	<b>1,895,100,000</b>	<b>891,936,934</b>	<b>849,276,509</b>
Customs Collection	959,560,000	455,285,618	352,676,223
Domestic Collection	935,540,000	436,651,316	496,600,286
<b>Communication Service Tax</b>	<b>423,710,000</b>	<b>210,436,456</b>	<b>184,515,046</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>7,417,793,264</b>	<b>3,487,974,534</b>	<b>2,770,312,620</b>
<b>Imports</b>	<b>7,417,793,264</b>	<b>3,487,974,534</b>	<b>2,770,312,620</b>
Import Duty	7,417,793,264	3,487,974,534	2,770,312,620
<b>Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-1,196,268,462</b>	<b>-1,413,974,089</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>485,914,749</b>	<b>239,044,443</b>	<b>103,337,923</b>
SSNIT Contribution to NHIL	485,914,749	239,044,443	103,337,923
<b>NON-TAX REVENUE</b>	<b>9,570,346,634</b>	<b>4,475,863,275</b>	<b>3,121,668,425</b>
Retention	4,426,573,220	2,089,158,834	1,803,104,961
Lodgement	5,143,773,414	2,386,704,442	1,318,563,464
Fees & Charges	674,226,027	290,923,633	301,447,042
Dividend/Interest & Profits (Others)	85,073,121	15,865,463	5,629,212
Dividend/Interest & Profits from Oil	3,028,460,719	1,644,021,533	901,777,875
Surface Rentals from Oil/PHF Interest	5,690,690	3,171,905	6,176,845
Gas Receipts	0	0	0
Taxes on Property	150,000,000	0	0
Licences	0	0	0
Luxury Vehicle Levy	598,125,000	243,442,064	52,327,174
Cocobod	0	0	0
Fees from Mineral Exports	320,000,000	80,000,000	0
Yield from Capping Policy	282,197,857	109,279,843	51,205,315
<b>OTHER REVENUE</b>	<b>2,468,555,287</b>	<b>1,225,032,744</b>	<b>845,736,086</b>
ESLA Proceeds	2,468,555,287	1,225,032,744	845,736,086
Energy Debt Recovery Levy	1,609,992,238	784,829,211	813,663,945
Public Lighting Levy	247,660,997	123,483,534	0
National Electrification Scheme Levy	160,250,828	80,121,163	0
Price Stabilisation & Recovery Levy	450,651,223	236,598,836	32,072,141
<b>DOMESTIC REVENUE</b>	<b>57,794,999,111</b>	<b>26,303,499,908</b>	<b>22,518,740,278</b>
<b>GRANTS</b>	<b>1,109,865,516</b>	<b>652,596,376</b>	<b>258,495,452</b>
Project Grants	1,052,145,516	623,736,376	258,495,452
Programme Grants	57,720,000	28,860,000	0
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>58,904,864,627</b>	<b>26,956,096,284</b>	<b>22,777,235,730</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.4	2.8	2.6
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.0	2.6	2.4
Taxes on Goods and Services (% of GDP)	5.3	2.5	2.4
Taxes on International Trade (% of GDP)	2.2	1.0	0.8
Tax Revenue (% of GDP)	13.1	5.9	5.3
Non-Oil Tax Revenue (% of non-oil GDP)	13.1	5.9	5.3
Non-Oil Tax Revenue (% of GDP)	12.4	5.6	5.1
Non-Tax Revenue (% of GDP)	2.8	1.3	0.9
Domestic Revenue (% of GDP)	16.8	7.6	6.5
Non-Oil Domestic Revenue	16.0	7.2	6.2
Grants (% of GDP)	0.3	0.2	0.1
Total Revenue and Grants	17.1	7.8	6.6
Non-Oil Tax Revenue	42,874,775,528	19,313,939,790	17,496,466,304
Non-oil Taxes on Income and Property	19,789,806,661	8,444,093,238	7,973,761,822
Import Exemptions	2,814,595,200	1,346,449,313	1,282,010,127
Benchmark Oil Revenue	3,443,089,096	1,679,088,572	1,505,549,659
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>



## APPENDIX 9: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Prog. Q1+Q2	2019 Prov. Q1+Q2
<b>II EXPENDITURE</b>			
<b>Compensation of Employees</b>	<b>22,837,993,208</b>	<b>11,235,088,813</b>	<b>10,988,813,631</b>
Wages & Salaries	19,436,589,964	9,561,777,713	9,580,672,343
Social Contributions	3,401,403,244	1,673,311,100	1,408,141,289
Pensions	1,243,941,758	611,953,774	545,083,997
Gratuities	388,731,799	191,235,554	131,438,821
Social Security	1,768,729,687	870,121,772	731,618,470
<b>Use of Goods and Services</b>	<b>6,333,414,987</b>	<b>3,389,475,849</b>	<b>4,410,779,299</b>
o/w ABFA	723,048,710	2,319,662	316,165,428
<b>Interest Payments</b>	<b>18,645,707,469</b>	<b>9,669,745,007</b>	<b>8,838,323,752</b>
Domestic	14,504,883,697	7,582,660,295	7,051,812,302
External (Due)	4,140,823,772	2,087,084,712	1,786,511,450
<b>Subsidies</b>	<b>180,260,489</b>	<b>94,639,535</b>	<b>0</b>
Subsidies to Utility Companies	0	0	0
Subsidies on Petroleum products	180,260,489	94,639,535	0
<b>Grants to Other Government Units</b>	<b>13,798,464,237</b>	<b>6,262,348,889</b>	<b>5,226,971,055</b>
National Health Fund (NHF)	1,692,678,294	781,874,179	566,000,000
Ghana Education Trust Fund	1,206,763,545	542,829,736	251,545,142
Road Fund	964,236,288	433,735,450	422,817,709
Energy Fund	22,751,251	10,234,031	6,773,066
Dist. Ass. Common Fund	2,079,426,613	938,085,340	1,082,258,142
Retention of Internally-generated funds (IGFs)	4,426,573,220	2,089,158,834	1,508,586,896
Transfer to the National Oil Company from Oil Revenue	1,264,945,726	504,182,842	353,936,601
<b>Other Earmarked Funds</b>	<b>2,141,089,300</b>	<b>962,248,476</b>	<b>1,035,053,498</b>
Youth Employment Agency	215,848,359	97,093,510	112,959,908
Student's Loan Trust	2,698,104	1,213,669	0
Ghana EXIM Bank Ltd	224,035,069	100,776,078	139,747,054
Ghana Airport Company Ltd.	361,443,225	162,585,397	239,698,022
Mineral Development Fund	130,821,277	58,846,391	75,812,558
GRA Retention	1,206,243,266	541,733,432	466,835,957
<b>Social Benefits</b>	<b>95,616,060</b>	<b>47,808,030</b>	<b>0</b>
Lifeline Consumers of Electricity	95,616,060	47,808,030	0
<b>Other Expenditure</b>	<b>2,288,294,797</b>	<b>1,130,393,210</b>	<b>845,736,086</b>
ESLA Transfers	2,288,294,797	1,130,393,210	845,736,086
<b>Capital Expenditure</b>	<b>8,531,017,247</b>	<b>4,651,658,890</b>	<b>2,571,893,123</b>
<b>Domestic financed</b>	<b>3,222,211,330</b>	<b>2,153,640,545</b>	<b>1,238,534,597</b>
o/w ABFA	1,265,335,243	841,873,675	328,005,354
<b>Foreign financed</b>	<b>5,308,805,917</b>	<b>2,498,018,345</b>	<b>1,333,358,526</b>
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>72,710,768,495</b>	<b>36,481,158,224</b>	<b>32,882,516,947</b>
<b>APPROPRIATION</b>	<b>78,771,833,602</b>	<b>39,500,001,691</b>	<b>38,703,658,936</b>
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>36,481,158,224</b>	<b>32,882,516,947</b>
<b>Arrears Clearance (net change)</b>	<b>730,000,000</b>	<b>360,000,000</b>	<b>407,382,488</b>
<b>Amortisation</b>	<b>5,331,065,107</b>	<b>2,658,843,468</b>	<b>5,413,759,501</b>
<b>Memorandum items:</b>			
Compensation of Employees	6.6	3.3	3.2
Wage and Salaries	5.6	2.8	2.8
Wage and Salaries (% of Tax Revenue)	42.9	47.0	51.9
Goods and Services	1.8	1.0	1.3
Interest Payments	5.4	2.8	2.6
Interest Payments (% of non-oil Tax Revenue)	43.5	50.1	50.5
Subsidies	0.1	0.0	0.0
Recurrent Expenditure	16.4	8.3	7.9
Capital Expenditure	2.5	1.4	0.7
Total Capital Expenditure (including those under Grants to other Gov't Units)	4.1	2.1	1.4
Total Expenditure	21.1	10.6	9.5
Total Capital Exp (incl those under Grants to other Gov't Units)	12,961,515,986	6,594,912,810	4,265,757,651
<b>Annual Budget Funding Amount (ABFA)</b>	<b>2,410,162,367</b>	<b>1,175,362,001</b>	<b>1,053,884,761</b>
<b>Benchmark Oil Revenue</b>	<b>3,443,089,096</b>	<b>1,679,088,572</b>	<b>1,505,549,659</b>
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>



## APPENDIX 10: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Adjustments
<b>I. REVENUES</b>			
<b>Total Revenue &amp; Grants</b>	<b>58,904,864,627</b>	<b>58,896,530,230</b>	<b>-8,334,397</b>
(per cent of GDP)	17.1	17.0	-0.1
<b>Domestic Revenue</b>	<b>57,794,999,111</b>	<b>57,786,664,714</b>	<b>-8,334,397</b>
<b>Tax Revenue</b>	<b>45,270,182,441</b>	<b>45,639,400,381</b>	<b>369,217,940</b>
<b>Taxes on Income and Property</b>	<b>22,185,213,574</b>	<b>22,674,406,995</b>	<b>489,193,421</b>
Company Taxes	9,355,351,264	10,071,708,335	716,357,071
Company Taxes on Oil	1,254,227,042	1,363,672,689	109,445,647
Other Direct Taxes	11,575,635,267	11,239,025,971	-336,609,297
<b>Taxes on Domestic Goods and Services</b>	<b>18,239,662,132</b>	<b>18,639,899,287</b>	<b>400,237,154</b>
Excises	4,102,159,266	4,232,887,252	130,727,986
VAT	9,923,592,866	9,916,121,274	-7,471,593
National Health Insurance Levy (NHIL)	1,895,100,000	1,983,220,000	88,120,000
GETFund Levy	1,895,100,000	1,983,220,000	88,120,000
Communication Service Tax	423,710,000	524,450,761	100,740,761
<b>International Trade Taxes</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>-1,061,905,031</b>
Import Duties	7,417,793,264	6,355,888,233	-1,061,905,031
Export Duties	0	0	0
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-2,030,794,133</b>	<b>541,692,396</b>
<b>Social Contributions</b>	<b>485,914,749</b>	<b>494,172,112</b>	<b>8,257,363</b>
SSNIT Contribution to NHIL	485,914,749	494,172,112	8,257,363
<b>Non-tax revenue</b>	<b>9,570,346,634</b>	<b>9,021,646,319</b>	<b>-548,700,314</b>
<b>Other Revenue</b>	<b>2,468,555,287</b>	<b>2,631,445,901</b>	<b>162,890,614</b>
<b>Grants</b>	<b>1,109,865,516</b>	<b>1,109,865,516</b>	<b>0</b>
Project Grants	1,052,145,516	1,052,145,516	0
Programme Grants	57,720,000	57,720,000	0
<b>II. EXPENDITURE</b>			
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>1,170,937,003</b>
(percent of GDP)	21.1	21.4	0.2
Compensation of Employees	22,837,993,208	22,837,993,208	0
Wages & Salaries	19,436,589,964	19,766,884,488	330,294,524
(percent of GDP)	5.6	5.7	0.1
Social Contributions	3,401,403,244	3,071,108,720	-330,294,524
Use of Goods and Services	6,333,414,987	6,938,414,987	605,000,000
Interest Payments	<b>18,645,707,469</b>	<b>19,598,376,427</b>	<b>952,668,958</b>
Domestic	14,504,883,697	15,024,773,450	519,889,753
External	4,140,823,772	4,573,602,978	432,779,206
Subsidies	180,260,489	180,260,489	0
Grants to Other Government Units	13,798,464,237	14,034,246,741	235,782,504
Social Benefits	95,616,060	130,076,360	34,460,299
Other Expenditure	2,288,294,797	2,451,185,411	162,890,614
Capital Expenditure	<b>8,531,017,247</b>	<b>7,711,151,874</b>	<b>-819,865,373</b>
Domestic Financed	3,222,211,330	3,617,211,329	395,000,000
Foreign Financed	5,308,805,917	4,093,940,544	-1,214,865,373
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Overall Balance (Commitment)</b>	<b>-13,805,903,869</b>	<b>-14,985,175,268</b>	<b>-1,179,271,399</b>
(percent of GDP)	-4.0	-4.3	0
Road Arrears (net change)	0	0	0
o/w ABFA	0	0	0
Arrears clearance (net change)	-730,000,000	-730,000,000	0
Unpaid commitments	0	0	0
Outstanding payments	0	0	0
o/w Statutory Funds	0	0	0
Clearance of outstanding commitments	-730,000,000	-730,000,000	0
o/w other outstanding payments/deferred payments	-730,000,000	-730,000,000	0
o/w other outstanding claims	0	0	0
<b>Overall Balance (Cash)</b>	<b>-14,535,903,869</b>	<b>-15,715,175,268</b>	<b>-1,179,271,399</b>
(percent of GDP)	-4.2	-4.5	-0.3
Discrepancy	0.0	0.0	0.0
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-14,535,903,869</b>	<b>-15,715,175,268</b>	<b>-1,179,271,399</b>





## APPENDIX 10: SUMMARY OF CENTRAL GOVERNMENT OPERATIONS – 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Adjustments
<b>Financing</b>	<b>14,535,903,869</b>	<b>15,715,175,268</b>	<b>1,179,271,399</b>
<b>Foreign (net)</b>	<b>9,748,095,294</b>	<b>8,237,868,249</b>	<b>-1,510,227,045</b>
Borrowing	15,079,160,401	18,768,352,279	3,689,191,878
Project Loans	4,256,660,401	3,041,795,028	-1,214,865,373
Programme Loans	1,202,500,000	2,080,000,000	877,500,000
Sovereign Bond	9,620,000,000	13,646,557,251	4,026,557,251
Amortisation (due)	-5,331,065,107	-10,530,484,030	-5,199,418,923
<b>Domestic (net)</b>	<b>4,401,784,840</b>	<b>7,011,254,058</b>	<b>2,609,469,218</b>
Banking	2,665,403,798	2,871,345,972	205,942,174
Bank of Ghana	0	0	0
Comm. Banks	2,665,403,798	2,871,345,972	205,942,174
Non-banks	1,736,381,042	3,390,979,834	1,654,598,792
o/w Non-residents	0	0	0
Other Domestic	0	748,928,252	748,928,252
<b>Other Financing</b>	<b>1,418,950,463</b>	<b>1,535,950,463</b>	<b>117,000,000</b>
Other Programme Financing	1,443,000,000	1,560,000,000	117,000,000
Other Domestic Financing	-24,049,537	-24,049,537	0
Divestiture Receipts	0	0	0
<b>Ghana Petroleum Funds</b>	<b>-309,878,019</b>	<b>-320,969,251</b>	<b>-11,091,232</b>
Transfer to Ghana Petroleum Funds	-1,032,926,729	-1,069,897,503	-36,970,774
o/w Stabilisation Fund	-723,048,710	-748,928,252	-25,879,542
o/w Heritage Fund	-309,878,019	-320,969,251	-11,091,232
Transfer from Stabilisation Fund	723,048,710	748,928,252	25,879,542
<b>Sinking Fund</b>	<b>-723,048,710</b>	<b>-748,928,252</b>	<b>-25,879,542</b>
<b>Contingency Fund</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Memorandum items</b>			
Domestic Revenue	57,794,999,111	57,786,664,714	-8,334,397
(percent of GDP)	16.8	16.7	-0.1
Domestic expenditure	48,756,255,109	50,189,388,526	1,433,133,417
(percent of GDP)	14.15	14.51	0.35
Domestic Primary Balance	9,038,744,002	7,597,276,188	-1,441,467,814
(percent of GDP)	2.6	2.2	-0.4
Primary Balance	4,109,803,601	3,883,201,160	-226,602,441
(percent of GDP)	1.2	1.1	-0.1
Non-oil Primary Balance	-1,319,754,722	-1,791,558,656	-471,803,934
(percent of GDP)	-0.4	-0.5	-0.1
Overall Balance (cash, discrepancy)	-14,535,903,869	-15,715,175,268	-1,179,271,399
(percent of GDP)	-4.2	-4.5	-0.3
Overall Balance (cash, discrepancy, excl. bailout & Bank Capitalisation)	-14,535,903,869	-15,715,175,268	-1,179,271,399
(percent of GDP)	-4.2	-4.5	-0.3
Oil Revenue	5,429,558,322	5,674,759,815	245,201,493
(percent of GDP)	1.6	1.6	0.1
Non-Oil Revenue and Grants	53,475,306,305	53,221,770,415	-253,535,889
(percent of GDP)	15.5	15.4	-0.1
Benchmark Oil Revenue	3,443,089,096	3,566,325,009	123,235,913
(percent of GDP)	1.0	1.0	0.0
Annual Budget Funding Amount (ABFA)	2,410,162,367	2,496,427,506	86,265,139
(percent of GDP)	0.7	0.7	0.0
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>1,490,918,853</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>4,950,032,908</b>



## APPENDIX 11: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T REVENUE - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Adjustments
<b>TAX REVENUE</b>	<b>45,270,182,441</b>	<b>45,639,400,381</b>	<b>369,217,940</b>
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>22,185,213,574</b>	<b>22,674,406,995</b>	<b>489,193,421</b>
Personal	7,586,460,731	7,544,135,133	-42,325,598
Self Employed	479,866,800	440,974,390	-38,892,410
Companies	9,355,351,264	10,071,708,335	716,357,071
Company Taxes on Oil	1,254,227,042	1,363,672,689	109,445,647
Others	3,509,307,737	3,253,916,448	-255,391,289
Other Direct Taxes	2,602,157,737	2,393,718,462	-208,439,275
o/w Royalties from Oil	1,141,179,871	1,177,763,307	36,583,437
o/w Mineral Royalties	1,027,207,866	803,955,155	-223,252,712
National Fiscal Stabilisation Levy	339,540,000	290,895,626	-48,644,374
Airport Tax	567,610,000	569,302,360	1,692,360
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>18,239,662,132</b>	<b>18,639,899,287</b>	<b>400,237,154</b>
<b>Excises</b>	<b>4,102,159,266</b>	<b>4,232,887,252</b>	<b>130,727,986</b>
Excise Duty	632,199,266	554,574,579	-77,624,687
Petroleum Tax	3,469,960,000	3,678,312,673	208,352,673
o/w Energy Fund levy	35,728,537	40,351,088	4,622,550
o/w Road Fund levy	1,514,235,492	1,599,717,414	85,481,922
<b>VAT</b>	<b>9,923,592,866</b>	<b>9,916,121,274</b>	<b>-7,471,593</b>
Domestic	4,894,030,000	5,176,813,736	282,783,736
External	5,029,562,866	4,739,307,537	-290,255,329
<b>National Health Insurance Levy (NHIL)</b>	<b>1,895,100,000</b>	<b>1,983,220,000</b>	<b>88,120,000</b>
Customs Collection	959,560,000	947,860,000	-11,700,000
Domestic Collection	935,540,000	1,035,360,000	99,820,000
<b>GETFund Levy</b>	<b>1,895,100,000</b>	<b>1,983,220,000</b>	<b>88,120,000</b>
Customs Collection	959,560,000	947,860,000	-11,700,000
Domestic Collection	935,540,000	1,035,360,000	99,820,000
<b>Communication Service Tax</b>	<b>423,710,000</b>	<b>524,450,761</b>	<b>100,740,761</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>-1,061,905,031</b>
<b>Imports</b>	<b>7,417,793,264</b>	<b>6,355,888,233</b>	<b>-1,061,905,031</b>
Import Duty	7,417,793,264	6,355,888,233	-1,061,905,031
<b>Exports</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Tax Refunds</b>	<b>-2,572,486,529</b>	<b>-2,030,794,133</b>	<b>541,692,396</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>485,914,749</b>	<b>494,172,112</b>	<b>8,257,363</b>
SSNIT Contribution to NHIL	485,914,749	494,172,112	8,257,363
<b>NON-TAX REVENUE</b>	<b>9,570,346,634</b>	<b>9,021,646,319</b>	<b>-548,700,314</b>
Retention	4,426,573,220	4,326,712,206	-99,861,014
Lodgement	5,143,773,414	4,694,934,113	-448,839,300
Fees & Charges	674,226,027	624,210,000	-50,016,027
Dividend/Interest & Profits (Others)	85,073,121	85,073,121	0
Dividend/Interest & Profits from Oil	3,028,460,719	3,127,433,773	98,973,054
Surface Rentals from Oil/PHF Interest	5,690,690	5,890,046	199,355
Gas Receipts	0	0	0
Taxes on Property	150,000,000	0	-150,000,000
Licences	0	520,000,000	520,000,000
Luxury Vehicle Levy	598,125,000	52,327,174	-545,797,826
Fees from Mineral Exports	320,000,000	160,000,000	-160,000,000
Yield from Capping Policy	282,197,857	120,000,000	-162,197,857
<b>OTHER REVENUE</b>	<b>2,468,555,287</b>	<b>2,631,445,901</b>	<b>162,890,614</b>
ESLA Proceeds	2,468,555,287	2,631,445,901	162,890,614
Energy Debt Recovery Levy	1,609,992,238	1,710,674,939	100,682,702
Public Lighting Levy	247,660,997	247,660,997	0
National Electrification Scheme Levy	160,250,828	160,250,828	0
Price Stabilisation & Recovery Levy	450,651,223	512,859,136	62,207,913
<b>DOMESTIC REVENUE</b>	<b>57,794,999,111</b>	<b>57,786,664,714</b>	<b>-8,334,397</b>
<b>GRANTS</b>	<b>1,109,865,516</b>	<b>1,109,865,516</b>	<b>0</b>
Project Grants	1,052,145,516	1,052,145,516	0
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>-8,334,397</b>
<b>Memorandum items</b>			
Taxes on Income and Property (% of GDP)	6.4	6.6	0.1
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.0	6.1	0.0
Taxes on Goods and Services (% of GDP)	5.3	5.4	0.1
Taxes on International Trade (% of GDP)	2.2	1.8	-0.3
Tax Revenue (% of GDP)	13.1	13.2	0.1
Non-Oil Tax Revenue (% of non-oil GDP)	13.1	13.0	-0.1
Non-Oil Tax Revenue (% of GDP)	12.4	12.5	0.0
Non-Tax Revenue (% of GDP)	2.8	2.6	-0.2
Domestic Revenue (% of GDP)	16.8	16.7	-0.1
Non-Oil Domestic Revenue	16.0	15.7	-0.3
Grants (% of GDP)	0.3	0.3	0.0
Total Revenue and Grants	17.1	17.0	-0.1
Non-Oil Tax Revenue	42,874,775,528	43,097,964,385	223,188,857
Non-oil Taxes on Income and Property	19,789,806,661	20,132,970,999	343,164,338
Import Exemptions	2,814,595,200	1,282,010,127	-1,532,585,073
Benchmark Oil Revenue	3,443,089,096	3,566,325,009	123,235,913
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>1,490,918,853</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>4,950,032,908</b>



## APPENDIX 12: ECONOMIC CLASSIFICATION OF CENTRAL GOV'T EXPENDITURE - 2019

<i>In GH¢ unless otherwise stated</i>	2019 Budget	2019 Revised Budget	2019 Adjustments
<b>II EXPENDITURE</b>			
<b>Compensation of Employees</b>	<b>22,837,993,208</b>	<b>22,837,993,208</b>	<b>0</b>
Wages & Salaries	19,436,589,964	19,766,884,488	330,294,524
Social Contributions	3,401,403,244	3,071,108,720	-330,294,524
Pensions	1,243,941,758	1,063,420,083	-180,521,675
Gratuities	388,731,799	238,958,950	-149,772,849
Social Security	1,768,729,687	1,768,729,687	0
<b>Use of Goods and Services</b>	<b>6,333,414,987</b>	<b>6,938,414,987</b>	<b>605,000,000</b>
o/w ABFA	723,048,710	748,928,252	25,879,542
<b>Interest Payments</b>	<b>18,645,707,469</b>	<b>19,598,376,427</b>	<b>952,668,958</b>
Domestic	14,504,883,697	15,024,773,450	519,889,753
External (Due)	4,140,823,772	4,573,602,978	432,779,206
<b>Subsidies</b>	<b>180,260,489</b>	<b>180,260,489</b>	<b>0</b>
Subsidies to Utility Companies	0	0	0
Subsidies on Petroleum products	180,260,489	180,260,489	0
<b>Grants to Other Government Units</b>	<b>13,798,464,237</b>	<b>14,034,246,741</b>	<b>235,782,504</b>
National Health Fund (NHF)	1,692,678,294	1,724,946,052	32,267,758
Ghana Education Trust Fund	1,206,763,545	1,230,773,940	24,010,395
Road Fund	964,236,288	1,104,052,410	139,816,122
Energy Fund	22,751,251	25,041,633	2,290,382
Dist. Ass. Common Fund	2,079,426,613	2,090,251,273	10,824,660
Retention of Internally-generated funds (IGFs)	4,426,573,220	4,326,712,206	-99,861,014
Transfer to the National Oil Company from Oil Revenue	1,264,945,726	1,308,481,466	43,535,740
<b>Other Earmarked Funds</b>	<b>2,141,089,300</b>	<b>2,223,987,762</b>	<b>82,898,462</b>
Youth Employment Agency	215,848,359	260,376,692	44,528,333
Student's Loan Trust	2,698,104	3,254,709	556,604
Ghana EXIM Bank Ltd	224,035,069	327,510,036	103,474,967
Ghana Airport Company Ltd.	361,443,225	353,305,487	-8,137,738
Mineral Development Fund	130,821,277	99,785,909	-31,035,367
GRA Retention	1,206,243,266	1,179,754,929	-26,488,337
<b>Social Benefits</b>	<b>95,616,060</b>	<b>130,076,360</b>	<b>34,460,299</b>
Lifeline Consumers of Electricity	95,616,060	130,076,360	34,460,299
<b>Other Expenditure</b>	<b>2,288,294,797</b>	<b>2,451,185,411</b>	<b>162,890,614</b>
ESLA Transfers	2,288,294,797	2,451,185,411	162,890,614
<b>Capital Expenditure</b>	<b>8,531,017,247</b>	<b>7,711,151,874</b>	<b>-819,865,373</b>
<b>Domestic financed</b>	<b>3,222,211,330</b>	<b>3,617,211,329</b>	<b>395,000,000</b>
o/w ABFA	1,265,335,243	1,747,499,254	482,164,011
<b>Foreign financed</b>	<b>5,308,805,917</b>	<b>4,093,940,544</b>	<b>-1,214,865,373</b>
<b>Other Outstanding Expenditure Claims</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL EXPENDITURE</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>1,170,937,003</b>
<b>APPROPRIATION</b>	<b>78,771,833,602</b>	<b>85,142,189,528</b>	<b>6,370,355,926</b>
<b>Total Expenditure</b>	<b>72,710,768,495</b>	<b>73,881,705,498</b>	<b>1,170,937,003</b>
<b>Arrears Clearance (net change)</b>	<b>730,000,000</b>	<b>730,000,000</b>	<b>0</b>
<b>Amortisation</b>	<b>5,331,065,107</b>	<b>10,530,484,030</b>	<b>5,199,418,923</b>
<b>Memorandum items:</b>			
Compensation of Employees	6.6	6.6	0.0
Wage and Salaries	5.6	5.7	0.1
Wage and Salaries (% of Tax Revenue)	42.9	43.3	0.4
Goods and Services	1.8	2.0	0.2
Interest Payments	5.4	5.7	0.3
Interest Payments (% of non-oil Tax Revenue)	43.5	45.5	2.0
Subsidies	0.1	0.1	0.0
Recurrent Expenditure	16.4	16.8	0.4
Capital Expenditure	2.5	2.2	-0.2
Total Capital Expenditure (including those under Grants)	4.1	3.9	-0.2
Total Expenditure	21.1	21.4	0.2
Total Capital Exp (incl those under Grants to other Gov't)	12,961,515,986	12,318,032,451	-643,483,535
<b>Annual Budget Funding Amount (ABFA)</b>	<b>2,410,162,367</b>	<b>2,496,427,506</b>	<b>86,265,139</b>
<b>Benchmark Oil Revenue</b>	<b>3,443,089,096</b>	<b>3,566,325,009</b>	<b>123,235,913</b>
<b>Nominal GDP</b>	<b>344,455,336,099</b>	<b>345,946,254,952</b>	<b>1,490,918,853</b>
<b>Non-Oil Nominal GDP</b>	<b>327,278,526,883</b>	<b>332,228,559,791</b>	<b>4,950,032,908</b>



