

HIGHLIGHTS OF THE 2022 BUDGET AND ECONOMIC POLICY

of the Government of Ghana for the
2022 FINANCIAL YEAR

Presented to Parliament on Wednesday, 17th November 2021

By

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**THEME: *Building a Sustainable Entrepreneurial Nation:
Fiscal Consolidation and Job Creation***

on the Authority of
His Excellency Nana Addo Dankwa Akufo-Addo,
President of The Republic of Ghana



2022 BUDGET HIGHLIGHTS

THEME: "Building Sustainable Entrepreneurial State: Consolidation, Digitalisation and Skills Development"

2021 MACROECONOMIC PERFORMANCE

Overall real GDP- June. 3.5%
 Non-Oil real GDP - June. 4.8%
 End-period inflation - Oct. 11.0%
 Overall budget deficit on cash basis as % of GDP- Sep. 9.4%
 Primary balance - June 7.7% of GDP
 Debt to GDP 76.1%
 Gross International Reserves (import cover) Sept. 4.9

| SECTOR/SUBSECTOR | AGRICULTURE | INDUSTRY | SERVICE |
|------------------|-------------|----------|---------|
| 2017 | 6.2 | 15.6 | 3.4 |
| 2018 | 4.9 | 10.5 | 2.7 |
| 2019 | 4.7 | 6.4 | 7.6 |
| 2020 | 7.4 | -3.6 | 1.5 |
| 2021 June | 8.1 | -3.2 | 2.3 |
| 2022 June | 4.9 | -1.3 | 7.2 |

MACROECONOMIC GOALS TO SUPPORT MEDIUM TERM OBJECTIVES

- i. Ensure restoration and sustainability of macroeconomic stability with focus on fiscal and debt sustainability
- ii. Maintain good balance between implementation of the revitalization and transformation programme and fiscal consolidation to promote growth within a macroeconomic environment
- iii. Provide a supportive private environment for domestic businesses and for FDI to thrive
- iv. Build a robust financial sector to support growth and development
- v. Deepen structural reforms to make the machinery of Government work more efficiently and effectively to support socio-economic transformation.

2022 PRIORITISED AREAS

- i. Implementation of COVID 19 containment and vaccination to protect lives and attain herd immunity
- ii. Continued revitalisation and transformation to 'build forward better' through the Ghana CARES programme and Agenda 111
- iii. Fiscal consolidation to promote fiscal & debt sustainability
- iv. Youth and job creation
- v. Build an entrepreneurial state
- vi. Social Intervention (Housing, Training & Retraining, LEAP NAELP)

SUPPORT FOR MEDIUM TERM REVITALISATION & TRANSFORMATION AGENDA

- i. Strong agriculture modernization agenda
- ii. Industrial and manufacturing programme
- iii. The AfCTA programme
- iv. Aggressive FDI promotion drive
- v. Strong digitization drive for more efficient and effective service delivery and formalization of the economy
- vi. Promotion of Ghana as a regional hub for financial services, automotive industry, manufacturing, petrochemical industry and

2022 MACROECONOMIC TARGETS

- Overall Real GDP growth of 5.8%;
- Non-Oil Real GDP growth of 5.9 %;
- End-period inflation of 8.0 %;
- Fiscal deficit of 7.9% of GDP;
- Primary surplus of 0.4 percent of GDP;
- Gross International Reserves - not less than 4. months of imports of goods and services.

MEDIUM TERM MACROECONOMIC TARGET (2022-2025)

- Overall Real GDP to grow at 5.6% average
- Non-Oil Real GDP to grow at 5.9% average
- Inflation to be within 8±2 percent target band
- Overall fiscal deficit to return to the threshold of the Act of not more than 5% percent of GDP; by 2024
- Primary balance to be in a surplus by 2024; and
- Gross International Reserves to cover at least 4.0 months of imports

EXCHANGE RATE DEVELOPMENT

- Cedi/Dollar depreciation- Sep. 1.79 %
- Cedi/Pound depreciation- Sep. 0.80%
- Cedi/Euro appreciation- Sep. 3.16%

Overview of Macroeconomic Performance 2021

Introduction

1. To better evaluate the macroeconomic developments for the first three quarters of the year, recall the following macroeconomic targets set for 2021 as presented in the 2021 Mid-Year Review documents:
 - Overall real GDP growth rate of 5.1 percent;
 - Overall non-oil real GDP growth rate of 7.0 percent;
 - End-period December year-on-year inflation of 8.0 percent;
 - Overall budget deficit (on cash basis) of 9.4 percent of GDP;
 - Primary balance of -2.0 percent of GDP; and
 - Gross International Reserves to cover at least 4.0 months of imports of goods and services.

2. Available data on the performance of the economy as at end-September 2021 indicate that the implementation of the 2021 budget is largely on track. A summary of this performance is as follows:
 - GDP data released in September 2021 indicate that Overall Real GDP grew by 3.1 percent in Q1 and 3.9 percent in Q2, averaging 3.5 percent in the first half of 2021 against the 0.7 percent growth in same period 2020;
 - Non-Oil Real GDP grew at 4.6 percent in Q1 and 5.2 percent in Q2, averaging 4.8 percent in the first half year of 2021 compared to 1.1 percent in the same period 2020;
 - End-October 2021 inflation was 11.0 percent, compared to the 10.1 percent same period in 2020;
 - Overall budget deficit (cash) of 7.7 percent of GDP against the target of 7.4 percent of GDP. The budget deficit for same period in 2020 was 8.6 percent of GDP;
 - Primary balance registered a deficit of 1.9 percent of GDP, compared to the target deficit of 1.7. The primary balance for same period in 2020 was a deficit of 3.7 percent of GDP;
 - The Public Debt as percentage of GDP stood at 77.8 percent at the end of September 2021, up from 76.1 percent at the end of December 2020. The elevated public debt ratio reflects the impact of Covid-19 pandemic, Financial Sector clean-up costs, and energy sector IPP payments;
 - The Monetary Policy Rate was maintained at 13.5 percent in October 2021. The 91-day Treasury bill rate, which fell from 14.1 percent at end-December 2020 to 13.2 percent at the end of September 2021, declined further to 12.5 percent as of 15th November, 2021;



- Gross International Reserves at end-September 2021 stood at US\$10,694.4 million, sufficient to cover 4.9 months of imports, compared to US\$8,624.4 million covering 4.0 months of imports recorded at end-December 2020;
3. Details on the performance of the economy in the Real, Fiscal, External, and Monetary sectors is as follows:

Real Sector Developments

4. Provisional GDP data in September 2021, show that the year-on-year Real GDP growth rates for the first and second quarters of 2021 were 3.1 percent and 3.9 percent respectively, compared with 7.0 percent and -5.7 percent in the corresponding periods of 2020. Overall real GDP growth rates for the first half of 2021 averaged 3.5 percent.

Figure 1: Real GDP Growth (Oil and Non-Oil)



Data source: GSS, 2021

5. The 2021 average growth rate of 3.5 percent resulted from 4.9 percent for agricultural, contraction of -1.3 percent for industry and 7.2 percent average growth for services Sector performance for the two quarters of 2021 is indicated in the table 1 below:

Table 1: Summary of Sector Performance

| Sector/Subsector | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2020 H1 Ave | 2021 H1 Ave |
|------------------|------|------|------|------|------|------|------|-------------|-------------|
| ARICULTURE | 0.9 | 2.1 | 2.7 | 6.2 | 4.9 | 4.7 | 7.4 | 8.1 | 4.9 |
| INDUSTRY | 1.1 | 1.2 | 4.3 | 15.6 | 10.5 | 6.4 | -3.6 | -3.2 | -1.3 |
| SERVICE | 5.2 | 2.9 | 2.8 | 3.4 | 2.7 | 7.6 | 1.5 | 2.3 | 7.2 |

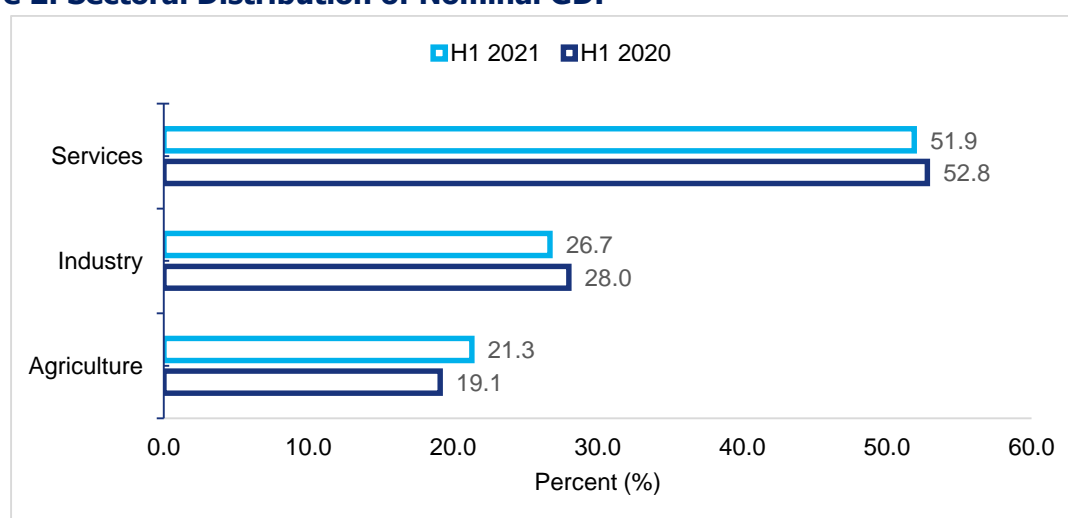
Source: GSS, June 2021



Structure of the Economy in the First Half of 2021

6. The Services sector remains dominant in terms of sectoral distribution of nominal output, although its relative share over the first half-year has shown a marginal decline. The sector accounted for an average share of 51.9 percent over the first two quarters of 2021. The average share of the Agriculture Sector increased from 19.1 percent in the first half of 2020 to 21.3 percent for the same period in 2021, while the Industry sector’s share decreased from 28.0 percent in the first half of 2020 to 26.7 percent in the corresponding period in in 2021 as shown in Figure 2.

Figure 2: Sectoral Distribution of Nominal GDP



Data source: GSS, 2021

Monetary and External Sector Developments

7. The focus of monetary policy in 2021 has been to steer inflation towards the medium-term target band of 8 ± 2 percent following the surge in inflation at the onset of the COVID-19 Pandemic. So far, Monetary policy performance in 2021 has generally been in line with expectation with significantly stable exchange rate developments, increased reserves accumulation and generally low inflation.

Trade performance (January – September 2021)

8. Ghana’s export performance for the first nine months of 2021 was shaped by favourable terms of trade for the main export commodities. Total export receipts for the period grew by 2.2 percent on a year-on-year basis to US\$11.034 million supported by higher prices realized from the three major exports: gold, cocoa, and crude oil. Price increases of 4.4 percent for gold, 60.4 percent for crude oil and 3.8 percent for cocoa beans were recorded during the period. However, the impact of these higher prices on export



performance was moderated by a sharp decline in the volume of gold and crude oil exports by 26.6 and 21.2 percent respectively.

9. Merchandise imports for the first nine months of 2021, on the other hand, increased by 9.2 percent to US\$10,096 million due mainly to increased demand for refined petroleum products as economic activity picked up. Oil imports (including crude, gas, refined products and other oil products) improved by 41.6 percent while non-oil merchandise imports bill grew by 3.8 percent.

Balance of Payments (January – June 2021)

10. In the first half of 2021, the current account deficit was estimated at US\$926.1 million (1.3% of GDP) compared with US\$548.0 million (0.8% of GDP) for the same period in 2020. This was on the back of the lower trade surplus and higher net investment income outflows. Private individual transfers however remained resilient with net inflows of US\$1,600.0 million in the first half of the year, despite the uncertain global environment.
11. The capital and financial accounts recorded a net inflow of US\$3.3 billion compared with US\$1.6 billion for the same period in 2020, driven by higher portfolio and foreign direct investments inflows. As a result of these developments, the overall balance of payments recorded a surplus of US\$2.4 billion in the first half of 2021, against a surplus of US\$1.0 billion in the corresponding period of 2020.

Exchange Rate

12. The foreign exchange market was relatively stable, and the local currency performed better in 2021 than in 2020. Cumulatively, the Ghana Cedi depreciated against the US Dollar and the Pound Sterling by 1.79 and 0.80 percent respectively but appreciated by 3.16 percent against the Euro in September 2021. These compare with depreciation of 2.97, 0.19 and 7.19 percent for the US Dollar, Pound Sterling, and the Euro, respectively, over the same period in 2020.

Monetary policy outlook

13. Monetary policy will continue to hinge on the sustaining price stability with a view to firmly anchor inflation expectations and create conditions favourable to growth. Inflation is expected to return to the medium-term target band in the near-term, despite the successive upticks in July through October 2021, and should remain within the target band over the medium-term.



Banking Sector Developments

14. The banking sector remains well-capitalized, liquid, and profitable with strong buffers to support the recovery process. Banks reported a strong balance sheet position as at end-September 2021, albeit with marginal declines in the annual growth rates of some key balance sheet indicators this year compared to the same period last year.
15. Total assets of the banking industry increased by 16.9 percent year-on-year to GH¢170.3 billion as at end-September 2021. This represents a decline in growth from the 22.2 percent in September 2020, attributed to the lingering impact of COVID-19. Year-to-date growth in assets of 14.0 percent in 2021 however, marginally exceeded the corresponding growth of 13.0 percent in 2020, reflecting the gradual rebound in economic activities this year.
16. Growth in Investments moderated in September 2021, as banks redirected a portion of additional liquidity flows into credit in the third quarter of 2021. Investments in bills and securities grew by 30.0 percent year-on-year to GH¢81.2 billion as at end-September 2021 compared to a growth of 36.6 percent in September 2020.
17. The financial soundness indicators remained healthy in September 2021 reflecting robust solvency, liquidity and profitability indicators. The industry solvency position remained robust, with a CAR of 19.9 percent in September 2020 marginally lower than the CAR of 20.3 percent in September 2020, reflecting the recent gradual rebound in credit.

Fiscal Developments

18. The 2021 and medium-term fiscal policy framework was based on Government's broad macroeconomic objective of restoring and sustaining macroeconomic stability with a focus on fiscal consolidation and debt sustainability over the medium-term.
19. Preliminary data for the first nine months of the year indicate that, both revenue and expenditure were below their respective targets for the period. However, the short fall in revenue was higher than that of expenditure, resulting in a fiscal deficit of 7.7 percent of GDP against the target of 7.4 percent of GDP as shown in Table 2. This compares favourably to the deficit of 8.6 percent of GDP for the same period in 2020.



20. The corresponding primary balance registered a deficit of 2.0 percent against a targeted deficit of 1.7 percent.

Table 2: Summary of Fiscal Performance, January-September, 2021

| No. | Indicators (GH¢ million) | Jan-Sept 2020 | | 2021 Rev. Budget | | Jan-Sept 2021 | | | |
|------------------|---|----------------|-------------|------------------|----------------|----------------|---------------|--------------|--------------|
| | | Prov. Outturn | y/y (%) | Prog. | Prov. Outturn | Dev (GH¢) | Dev (%) | y/y (%) | |
| 1 | Total Revenue & Grants | 37,445 | 1.7 | 72,477 | 51,314 | 46,849 | -4,466 | -8.7 | 25.1 |
| | <i>% of GDP</i> | <i>9.8</i> | | <i>16.5</i> | <i>11.7</i> | <i>10.7</i> | | | |
| 2 | Total Exp. (incl. Arrears & Discrepancy) | 70,316 | 37.0 | 113,750 | 83,890 | 80,706 | -3,184 | -3.8 | 14.8 |
| | <i>% of GDP</i> | <i>18.3</i> | | <i>25.9</i> | <i>19.1</i> | <i>18.4</i> | | | |
| 3 | Overall Fiscal Balance (excl. Finsec Bailout & IPP Cost) | -32,871 | | -41,273 | -32,576 | -33,858 | -1,282 | 3.9 | 3.0 |
| | <i>% of GDP</i> | <i>-8.6</i> | | <i>-9.4</i> | <i>-7.4</i> | <i>-7.7</i> | | | |
| 4 | Primary Balance (excl. Finsec Bailout & IPP Cost) | -14,045 | | -8,745 | -7,417 | -8,464 | -1,047 | 14.1 | -39.7 |
| | <i>% of GDP</i> | <i>-3.7</i> | | <i>-2.0</i> | <i>-1.7</i> | <i>-1.9</i> | | | |
| 5 | Nominal GDP | 383,486 | | 439,381 | 439,381 | 439,381 | | | |
| Memo Item | | | | | | | | | |
| 6 | Overall Fiscal Balance (incl. Finsec Bailout & IPP Cost) | -39,935 | | -53,379 | -43,414 | -40,775 | 2,639 | -6.1 | 2.1 |
| | <i>% of GDP</i> | <i>-10.4</i> | | <i>-12.1</i> | <i>-9.9</i> | <i>-9.3</i> | | | |
| 7 | Primary Balance (incl. Finsec Bailout & IPP Cost) | -21,109 | | -20,851 | -18,256 | -15,381 | 2,875 | -15.7 | -27.1 |
| | <i>% of GDP</i> | <i>-5.5</i> | | <i>-4.7</i> | <i>-4.2</i> | <i>-3.5</i> | | | |

Source: Ministry of Finance

Revenue Performance

21. Total Revenue and Grants for the first three quarters of 2021 amounted to GH¢46,849 million (10.7% of GDP), against the revised target of GH¢51,314 million (11.7% of GDP) for the period. The 2021 outturn, nonetheless, compares favourably with the GH¢37,445 million recorded in the same period in 2020 as indicated in Table 3.

Table 3: Revenue Performance, January-September, 2021

| No. | Indicators (GH¢ million) | Jan-Sept 2020 | | 2021 Rev. Budget | | Jan-Sept 2021 | | | |
|-----|-----------------------------------|---------------|-------------|------------------|---------------|---------------|---------------|--------------|-------------|
| | | Prov. Outturn | y/y (%) | Prog. | Prov. Outturn | Dev (GH¢) | Dev (%) | y/y (%) | |
| 1 | Total Revenue & Grants | 37,445 | 1.7 | 72,477 | 51,314 | 46,849 | -4,466 | -8.7 | 25.1 |
| | <i>% of GDP</i> | <i>9.8</i> | | <i>16.5</i> | <i>11.7</i> | <i>10.7</i> | | | |
| 2 | Domestic Revenue | 36,588 | 2.0 | 71,012 | 50,121 | 46,001 | -4,120 | -8.2 | 25.7 |
| | <i>% of GDP</i> | <i>9.5</i> | | <i>16.2</i> | <i>11.4</i> | <i>10.5</i> | | | |
| 3 | Non-oil Tax Revenue | 28,595 | 5.2 | 53,632 | 37,856 | 34,889 | -2,967 | -7.8 | 22.0 |
| | <i>% of GDP</i> | <i>7.5</i> | | <i>12.2</i> | <i>8.6</i> | <i>7.9</i> | | | |
| 4 | Non-Oil Non-Tax Revenue | 3,567 | -3.6 | 7,078 | 5,199 | 4,260 | -939 | -18.1 | 19.4 |
| | <i>% of GDP</i> | <i>0.9</i> | | <i>1.6</i> | <i>1.2</i> | <i>1.0</i> | | | |



| No. | Indicators (GH¢ million) | Jan-Sept 2020 | | 2021 Rev. Budget | Prog. | Jan-Sept 2021 | | | |
|-----|-----------------------------|------------------|--------------|------------------------|--------------|------------------|--------------|--------------|-------------|
| | | Prov. Outturn | y/y (%) | | | Prov. Outturn | Dev (GH¢) | Dev (%) | y/y (%) |
| 5 | Oil and Gas Receipt | 2,417 | -30.3 | 5,427 | 3,619 | 4,079 | 460 | 12.7 | 68.7 |
| | <i>% of GDP</i> | <i>0.6</i> | | <i>1.2</i> | <i>0.8</i> | <i>0.9</i> | | | |
| 6 | Other Revenue | 2,010 | 31.1 | 4,875 | 3,447 | 2,774 | -674 | -19.5 | 38.0 |
| | <i>% of GDP</i> | <i>0.5</i> | | <i>1.1</i> | <i>0.8</i> | <i>0.6</i> | <i>0.1</i> | | |
| 7 | Grants | 857 | -6.7 | 1,465 | 1,194 | 847 | -346 | -29.0 | -1.1 |
| | <i>% of GDP</i> | <i>0.2</i> | | <i>0.3</i> | <i>0.3</i> | <i>0.2</i> | <i>0.1</i> | | |

Source: Ministry of Finance

22. Non-Oil Tax Revenue, comprising taxes on Income and Property, Domestic Goods and Services, and International Trade, amounted to GH¢34,889 million (7.9% of GDP) against the revised target of GH¢37,856 million (8.6% of GDP), representing a shortfall of 7.8 percent. The shortfall in Non-Oil Tax Revenue is attributable mainly to the lower than anticipated performance in Corporate Income Tax, Personal Income Tax, Mineral Royalties, Domestic Excise Duty, and Communications Services Tax occasioned largely by the economic scarring from the COVID-19 Pandemic.
23. Non-Tax Revenue (excluding oil) amounted to GH¢4,260 million (1.0% of GDP), compared to the revised target of GH¢5,199 million (1.2% of GDP). The lower outturn was largely on account of the lower than expected IGF collection by MDAs due to the impact of the Covid-19 pandemic on service delivery.
24. Other Revenue comprising of the Energy Sector Levies (ESL) and SSNIT Contribution to NHIL amounted to GH¢2,774 million (0.6% of GDP), 19.5 percent below the target of GH¢3,447 million (0.8% of GDP).

Expenditure Performance

25. Total Expenditures (including arrears clearance and discrepancy) for the period amounted to GH¢80,706 million (18.4% of GDP) against the revised target of GH¢83,890 million (19.1% of GDP). The 2021 outturn was 14.8 percent above the GH¢70,316 million recorded same period in 2020 as shown in Table 4.



Table 5: Expenditure Performance, January-September, 2021

| No. | Indicators (GH¢ million) | Jan-Sept 2020 | | 2021 Rev. Budget | Prog. | Jan-Sept 2021 | | Dev (%) | y/y (%) |
|-----|---|------------------|--------------|------------------------|----------------|------------------|---------------|--------------|--------------|
| | | Prov. Outturn | y/y (%) | | | Prov. Outturn | Dev (GH¢) | | |
| 1 | Total Exp. (incl. Arrears & Discrepancy) | 70,316 | 37.0 | 113,750 | 83,890 | 80,706 | -3,184 | -3.8 | 14.8 |
| | <i>% of GDP</i> | <i>18.3</i> | | <i>25.9</i> | <i>19.1</i> | <i>18.4</i> | | | |
| 2 | Compensation of Employees | 20,448 | 23.3 | 31,491 | 23,324 | 23,394 | 70 | 0.3 | 14.4 |
| | <i>% of GDP</i> | <i>5.3</i> | | <i>7.2</i> | <i>5.3</i> | <i>5.3</i> | | | |
| 3 | Use of Goods and Services | 5,579 | 1.8 | 8,523 | 5,504 | 3,311 | -2,192 | -39.8 | -40.6 |
| | <i>% of GDP</i> | <i>1.5</i> | | <i>1.9</i> | <i>1.3</i> | <i>0.8</i> | | | |
| 4 | Interest Payment | 18,826 | 27.6 | 32,528 | 25,158 | 25,394 | 236 | 0.9 | 34.9 |
| | <i>% of GDP</i> | <i>4.9</i> | | <i>7.4</i> | <i>5.7</i> | <i>5.8</i> | | | |
| 5 | Grants to Other Gov't Units | 9,258 | 2.3 | 18,081 | 12,894 | 11,128 | -1,765 | -13.7 | 20.2 |
| | <i>% of GDP</i> | <i>2.4</i> | | <i>4.1</i> | <i>2.9</i> | <i>2.5</i> | | | |
| 6 | Capital Expenditure | 8,978 | 65.1 | 12,222 | 8,532 | 9,074 | 541 | 6.3 | 1.1 |
| | <i>% of GDP</i> | <i>2.3</i> | | <i>2.8</i> | <i>1.9</i> | <i>2.1</i> | | | |
| 7 | Other Expenditure | 8,102 | 392.5 | 7,205 | 5,448 | 4,197 | -1,251 | -23.0 | -48.2 |
| | <i>o/w ESLA</i> | <i>1,964.1</i> | | <i>2,979.5</i> | <i>2,267.0</i> | <i>2,135.4</i> | <i>-131.6</i> | <i>-5.8</i> | <i>8.7</i> |
| | <i>o/w Covid-19 Related</i> | <i>4,856.9</i> | | <i>3,812.4</i> | <i>2,877.1</i> | <i>1,926.0</i> | <i>-951.1</i> | <i>-33.1</i> | |
| 8 | Arrears | -1,439 | 97.8 | -3,700 | -3,030 | -2,339 | 691 | -22.8 | 62.6 |
| | <i>% of GDP</i> | <i>-0.4</i> | | <i>-0.8</i> | <i>-0.7</i> | <i>-0.5</i> | | | |
| 9 | Discrepancy | 2,314 | -2.1 | 0 | 0 | -1,869 | -1,869 | | |
| | <i>% of GDP</i> | <i>0.6</i> | | <i>0.0</i> | <i>0.0</i> | <i>-0.4</i> | | | |

Source: Ministry of Finance

26. Expenditure on Compensation of Employees amounted to GH¢23,394 million, 0.3 percent above the revised target of GH¢23,323 million and 14.4 percent above the outturn in the corresponding period 2020 mainly on account of overruns in public sector wage bill by 8.4%.
27. Interest Payments, was marginally above the target for the period by 0.9 percent, totalling GH¢25,394 million against a revised target of GH¢25,158 million. Of this amount, domestic interest payments amounted to GH¢20,576 million, 4.9 percent higher than the revised target, while external interest payments of GH¢4,818 million well below the programme for the period by 13.2 percent.
28. Other Expenditures mainly comprising Energy Sector Levies (ESL) transfers and COVID-19-related expenditures amounted to GH¢4,197 million, 23.0 percent below the programmed target of GH¢5,448 million. Of this amount, COVID-19-related expenditures amounted to GH¢1,926 million against the target of GH¢2,877 million.



Overall Budget Balance and Financing Operations

29. As shown in Table 5, Government's fiscal operations resulted in a cash deficit of GH¢33,858 million (7.7% of GDP), compared to the revised target of GH¢32,576 million (7.4% of GDP).
30. The corresponding Primary Balance was a deficit of GH¢8,464 million (1.9% of GDP) against the target deficit of GH¢7,417 million (1.7% of GDP).

Table 6: Financing, January-September (Million GH¢)

| No. | Indicators (GH¢ million) | Jan-Sept | 2021 | Jan-Sept | | | | |
|-----|-----------------------------|--------------------------|----------------|----------------|------------------|----------------------|--------------|--------------|
| | | 2020 Prov. Outturn | Rev. Budget | Prog. | Prov. Outturn | 2021 Dev (GH¢) | Dev (%) | y/y (%) |
| 1 | Total Financing | 32,871 | 41,273 | 32,576 | 33,858 | 1,282 | 3.9 | 3.0 |
| | % of GDP | 8.6 | 9.4 | 7.4 | 7.7 | | | |
| 2 | Foreign Financing | 1,816 | 15,874 | 18,514 | 13,470 | -5,044 | -27.2 | 641.6 |
| | % of GDP | 0.5 | 3.6 | 4.2 | 3.1 | | | |
| 3 | Domestic Financing | 31,054 | 25,399 | 14,061 | 20,388 | 6,326 | 45.0 | -34.3 |
| | % of GDP | 8.1 | 5.8 | 3.2 | 4.6 | | | |
| 4 | Primary Balance | -14,045 | -8,745 | -7,417 | -8,464 | -1,047 | 14.1 | -39.7 |
| | % of GDP | -3.7 | -2.0 | -1.7 | -1.9 | | | |
| 5 | Nominal GDP | 383,486 | 439,381 | 439,381 | 439,381 | | | |

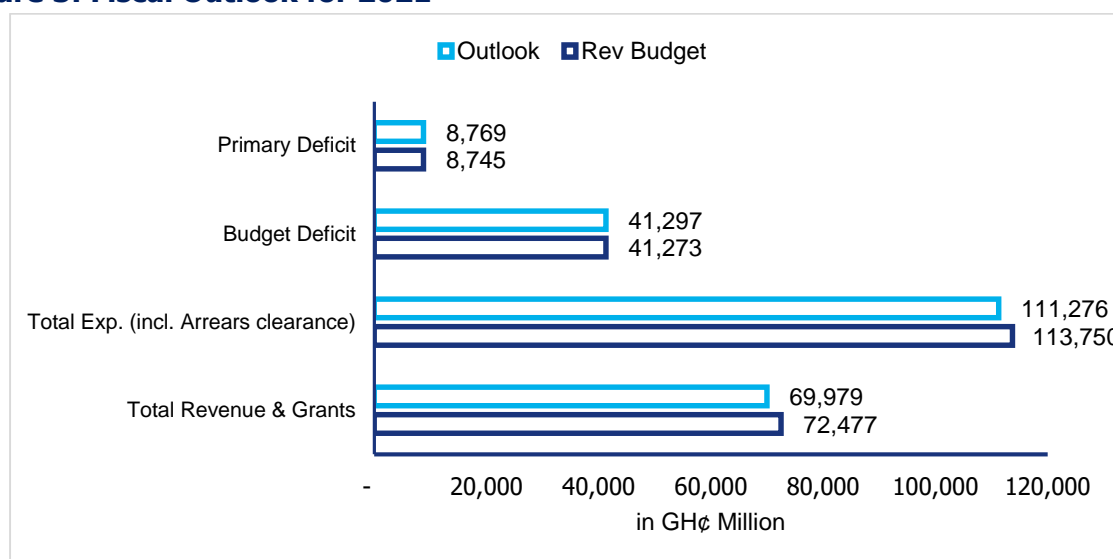
Source: Ministry of Finance

Outlook for End-year 2021

31. Based on the provisional fiscal outturn for January-September, 2021 presented above, projected fiscal outturns for the full 2021 year are as follows:
- Total Revenue and Grants of GH¢69,979 million (15.9% of GDP), 3.4 percent lower than the revised target for the year. The GRA is stepping up its revenue mobilisation efforts to achieve the GH¢57,055 million tax revenue target as originally envisioned in the 2021 Mid-Year Review of Fiscal Policy.
 - Total Expenditure (including arrears clearance) of GH¢111,276 million (25.2% of GDP), 2.2 percent lower than the revised target.
 - A resulting fiscal deficit of GH¢41,297 million (9.5% of GDP), 1.6 percent higher than the revised target of GH¢41,272.9 million (9.4% of GDP).
 - The corresponding Primary Balance is projected at a deficit of GH¢8,769 million (2.0% of GDP) as shown in Figure 3



Figure 3: Fiscal Outlook for 2021



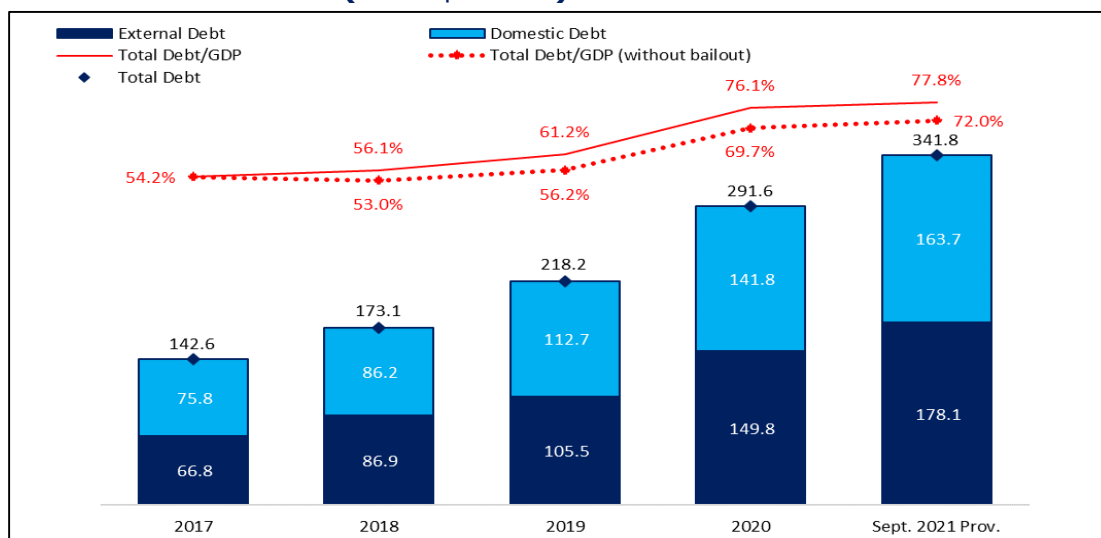
Source: Ministry of Finance

Public Debt Developments for 2021

32. The COVID-19 pandemic continues to exert a toll on the global economy. The cyclical fiscal adjustments have had some negative effects on global debt developments.
33. On the domestic scene, the provisional nominal debt stock, including financial sector bailout costs and energy sector IPPs payments, stood at GH¢341,762.7 million (US\$58,239.8 million) as at end-September 2021. In GDP terms, the debt stock, including the cost of the financial sector bailouts and energy sector IPP payments was 77.8 percent and 72.0 percent of GDP when excluded.
34. The public debt composition shows an external debt stock of GH¢163,652.2 million (US\$27,888 million) and domestic debt stock of GH¢178,110.5 million (US\$30,351.8 million). This represents a share split of 47.9 percent and 52.1 percent, respectively as shown in figure 4 below.



Figure 4: Public Debt Stock (in GH¢ Billion)



Source: Ministry of Finance

International Capital Funding Programme - 2021

35. On 29th March, 2021, Ghana successfully issued its first 4-tranche Eurobond worth US\$3.025 billion. Significant in the issuance was the innovative zero-coupon bond, which is a market response for the creation of a medium-term fiscal space, while Government revitalises the economy through the Ghana CARES 'Obaatanpa' Programme. Table 6 details of the transaction.

Table 7: Transaction Details

| Bond Type | Zero Coupon | | Conventional (Coupon Paying) | |
|------------------------------|----------------------------------|--------------------------------------|------------------------------|----------|
| | 25-Apr | 29-Apr | Apr-34 | May-42 |
| Maturity Date | 25-Apr | 29-Apr | Apr-34 | May-42 |
| Issue Size | US\$525m | US\$1,000m | US\$1,000m | US\$500m |
| Weighted Average Life (Yrs.) | 4 years | 7 years | 12 years | 20 years |
| Coupon (%) | Zero | 7.75% | 8.63% | 8.88% |
| Repayment | Bullet | 3 Equal Instalments in Final 3 Years | | |
| Order Book | Peak Orders more than US\$6,000m | | | |
| Subscription | ~2x | | | |

Source: MoF

36. The transaction's success reflects Ghana's consistent ability to raise multi-billion dollar financing and is also a testament to Ghana's hard-won credibility with investors, underpinned by solid growth prospects and disciplined fiscal consolidation efforts since 2017.



Developments in Credit Rating Actions for 2021

37. Ghana’s ratings remained relatively stable in 2021 mainly due to the robust measures initiated by Government in 2020 to address the COVID situation—including a credible fiscal consolidation plan and a steady progress in vaccine rollout which have resulted in quicker pace of economic rebound. As seen in the Table 7, Ghana is currently rated B3 with a negative outlook by Moody’s, B- with a stable outlook by S&P, and B with a negative outlook by Fitch.

Table 8: Ghana’s Current Credit Ratings

| Rating Agency | Rating Outcome | Outlook | Rating Action |
|---------------|----------------|----------|--|
| Moody's | B3 | Negative | Ghana's long-term issue & senior unsecured bond ratings maintained at B3 & outlook at negative |
| S&P | B- | Stable | Ghana's long-term foreign & local currency sovereign credit ratings maintained at B- with stable outlook |
| Fitch | B | Negative | Ghana's Long-Term Foreign-Currency IDR at B with negative outlook |

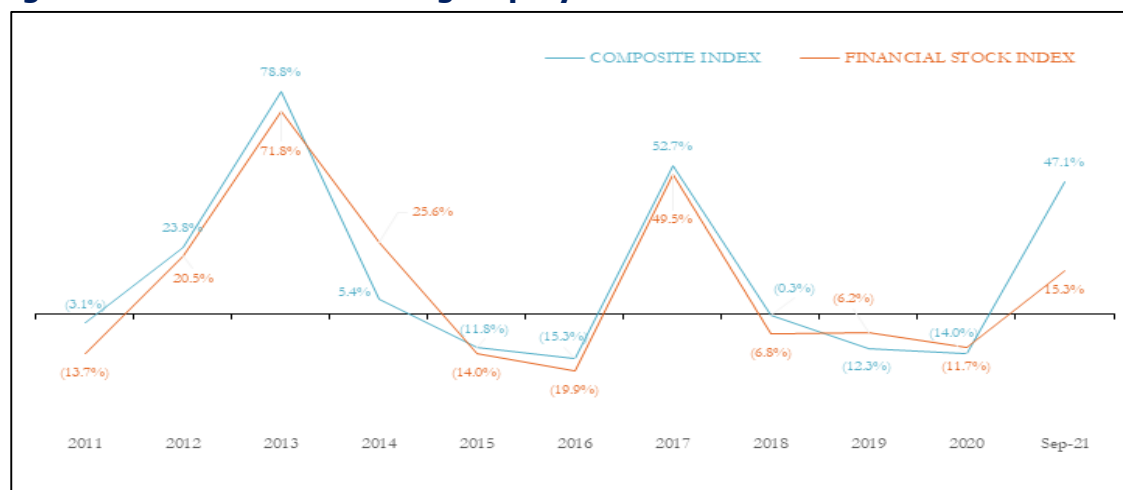
Source: MoF

Ghana Stock Exchange Performance for 2021

38. Despite the uncertainty surrounding the global capital markets, the equity market continued its run of impressive performance from last year through this year to record 400 million and GH¢411 million volume and value traded, respectively.
39. The outstanding performance of the index was because of price increases across the breadth of the market. These included FML (198%), SOGEGH (95%), MTNGH (94%), GGBL (83%), TOTAL (64%), EGL (64%), BOPP (43%), GCB (32.84%), SCB (25%), GOIL (13%), CAL (7.25%), among others.
40. Domestic investors participation has increased to 32 percent from 16 percent recorded in 2020. However, foreign investors continued to dominate trading on the market, accounting for 68 percent and 74 percent of value and volume traded, respectively.



Figure 4: Ghana Stock Exchange Equity Market Performance



Source: Ghana Stock Exchange

Petroleum Receipts and Utilisation in 2021

41. Total crude oil production for January to September 2021 was 41.53 million barrels. Greater Jubilee output was 19.94 million barrels, Tweneboa-Enyenra-Ntomme (TEN) was 9.48 million barrels, and Sankofa-Gye Nyame (SGN) was 12.12 million barrels, representing 48.0 percent, 22.8 percent, and 29.2 percent of the total output, respectively, as shown in Table 8.

Table 9: Total Crude Oil Production (Jan-Sept 2021) in Barrels

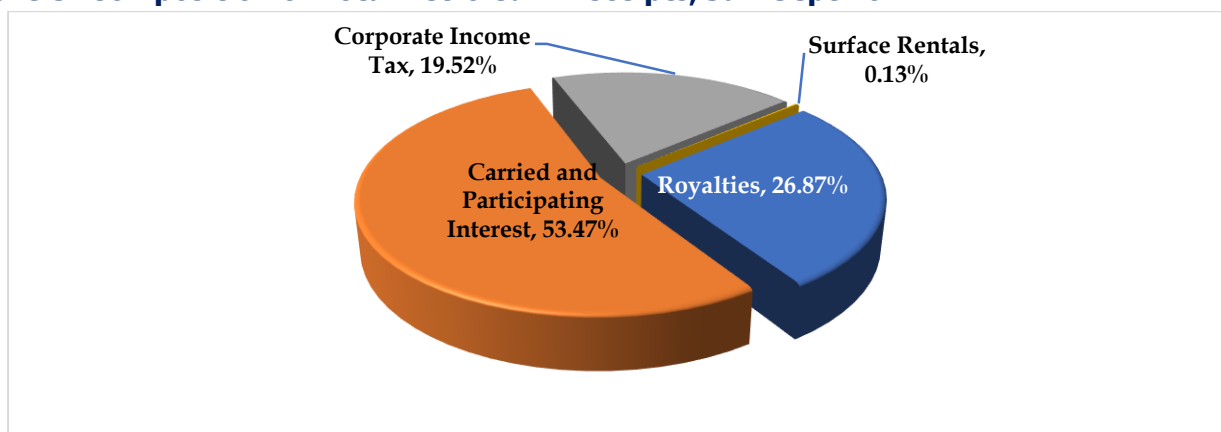
| No. | Month | Jubilee Production | TEN Production | SGN Production | Total Production |
|-----|--------------|--------------------|------------------|-------------------|-------------------|
| 1 | Jan-21 | 2,255,226 | 1,226,811 | 1,500,247 | 4,982,284 |
| 2 | Feb-21 | 1,975,758 | 1,070,128 | 1,315,371 | 4,361,257 |
| 3 | Mar-21 | 2,102,802 | 1,199,090 | 1,399,778 | 4,701,670 |
| 4 | Apr-21 | 2,155,621 | 1,093,932 | 1,382,376 | 4,631,929 |
| 5 | May-21 | 2,182,699 | 1,121,622 | 1,402,449 | 4,706,770 |
| 6 | Jun-21 | 2,109,221 | 972,682 | 1,302,046 | 4,383,949 |
| 7 | Jul-21 | 2,379,739 | 967,207 | 1,284,008 | 4,630,954 |
| 8 | Aug-21 | 2,389,790 | 949,750 | 1,314,393 | 4,653,933 |
| 9 | Sep-21 | 2,389,622 | 875,267 | 1,214,873 | 4,479,762 |
| | Total | 19,940,478 | 9,476,489 | 12,115,541 | 41,532,508 |

Source: GNPC

42. Total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for January to September, 2021, was US\$618.46 million (GH¢3,627.47 million), as shown in Table 13. This compares with the receipts of US\$387 million (GH¢2,151.58 million) for the same period in 2020. There were no receipts from gas royalties for the period under review.



Figure 5: Composition of Total Petroleum Receipts, Jan-Sept 2021



Source: MoF & BoG

43. The 2021 (January-September) petroleum receipts were distributed based on the provisions of the PRMA (as amended). Out of the total petroleum receipts of US\$618.46 million for the period under review, US\$590.82 million was distributed to the allowable designated accounts in line with the provisions of the PRMA as shown in Table 11.

Table 10: Distribution of Jan-Sept, 2021 Petroleum Receipts

| No | Item | Unit | Jubilee | TEN | SGN | TOTAL |
|------------|--|----------------|-----------------|-----------------|-----------------|-----------------|
| 1 | Transfer to GNPC | US\$ Mn | 73.97 | 58.77 | 28.77 | 161.51 |
| 1.1 | o/w Equity Financing cost | US\$ Mn | 52.21 | 43.11 | 14.70 | 110.03 |
| 1.2 | o/w Net Carried and Participation Interest | US\$ Mn | 21.76 | 15.65 | 14.07 | 51.48 |
| 2 | GoG Net Receipts for Distribution to ABFA and GPFs | US\$ Mn | 140.32 | 144.45 | 144.53 | 429.31 |
| 2.1 | ABFA | US\$ Mn | 98.23 | 101.12 | 61.29 | 260.64 |
| 2.2 | GPFs | US\$ Mn | 42.10 | 43.34 | 83.24 | 168.67 |
| 2.2.1 | o/w GSF | US\$ Mn | 29.47 | 30.33 | 58.27 | 118.07 |
| 2.2.2 | o/w GHF | US\$ Mn | 12.63 | 13.00 | 24.97 | 50.60 |
| 3 | Total Payments | US\$ Mn | 214.29 | 203.23 | 173.30 | 590.83 |
| | | GH¢ Mn | 1,256.89 | 1,191.99 | 1,016.48 | 3,465.35 |

Source: MoF

ABFA Allocation and Utilisation

44. The ABFA allocations were made in line with Section 21(4) of the PRMA, which requires that at least 70.0 percent of ABFA is used to fund public investment expenditures. Consequently, of the total allocation of GH¢1,528.72 million



(US\$260.64 million), GH¢1,070.10 million (US\$182.45 million) was earmarked for Capex and GH¢458.61 million (US\$78.19 million) for Goods and Services.

45. In terms of actual utilisation, an amount of GH¢1,420.04 million, representing 92.89 percent of the end-September 2021 allocation of GH¢1,528.72 million and 54.9 percent of the annual 2021 ABFA Budget provision of GH¢2,585.10 million, was utilised at the end of September 2021.

Table 11: ABFA Utilization by Priority Area for Jan-Sep 2021 (in GH¢ Mn)

| No. | Priority Area | 2021 Budget GH¢Mn | Actual Utilisation GH¢Mn | % of Budget utilised |
|----------|---|-------------------|--------------------------|----------------------|
| 1 | Agriculture | 10 | 2.93 | 29.3% |
| 2 | Education and Health Service Delivery | 808.61 | 412.76 | 51.0% |
| 3 | Roads, Rail and Other Critical Infrastructure | 1,385.00 | 828.64 | 59.8% |
| 4 | Industrial Development | 17.21 | 13.48 | 78.3% |
| | Sub-Total | 2,220.82 | 1,257.82 | 56.6% |
| 5 | Ministry of Finance | 364.28 | 162.22 | 44.5% |
| | o/w PIAC | 2.37 | 2 | 84.4% |
| | o/w GIIF | 361.91 | 160.22 | 44.3% |
| 6 | Total | 2,585.10 | 1,420.04 | 54.9% |

Source: MoF

FISCAL POLICY INITIATIVES UNDERPINNING THE 2022 BUDGET

Revenue Policy Measures

46. Government will introduce measures that will revamp industry and make their products competitive in both the local and international markets. In this respect, it has become increasingly necessary to make the following policy changes:
- To consolidate gains and expand production in the industry, Government will extend the Vat Relief introduced on African textile prints for textile manufacturers in 2019 for a further two years;
 - After two and a half years of operation, the temporal benchmark (discount) policy on imports introduced as a stop-gap measure will be reviewed to make it more efficient and targeted;
 - Reduction in withholding tax rate for sale of unprocessed gold by small scale miners on whom the incidence of tax falls from 3 percent to 1.5 percent;



- Government, through the Ghana Revenue Authority will from January 2022, assist MMDAs to implement a common platform for property rate administration to enhance Property rate collections and its accountability;
- Government will review fees and charges of MDAs for implementation from 1st January, 2022. Fees and charges will be subject to automatic adjustment consistent with the annual average inflation;
- Tolls on all public roads and bridges abolished effective immediately the Budget is approved.
- Introduction of an "Electronic Transaction Levy" or "E-Levy" on all electronic transactions to widen the tax net and rope in the informal sector. The levy will cover mobile money payments, bank transfers, merchant payments, and inward remittances, which will attract an applicable rate of 1.75 percent, to be borne by the sender, except inward remittances which will be borne by the recipient. This will take effect 1st February, 2022. Transactions that add up to GH¢100 or less per day will be exempt from this levy.

Expenditure Policy Measures

47. To contain expenditures and further enhance fiscal sustainability, a number of expenditure measures will be implemented in the 2022 fiscal year and the medium-term:
- a. Government will continue to safeguard the integrity of the payroll system by ensuring that only public sector employees properly engaged through approved channels are placed on the payroll;
 - b. a staff rationalisation exercise will be carried out in 2022 and the medium-term to instill efficiency in the allocation of staff to government institutions with the view to right-sizing the public sector workforce;
 - c. All new projects announced in the 2022 Budget and those included in the Medium-Term Development Plans of MDAs, MMDAs and SOEs shall, irrespective of their funding source, be subjected to the processes outlined in L.I. 2411 to ensure efficiency and effectiveness in the delivery of public infrastructure and provision of public goods and services.
48. The following expenditure commitments control measures will also be enforced to avoid veering off the chartered medium-term fiscal consolidation path:
- Only items specified in approved MDAs' Procurement Plans posted on the PPA website can be considered for procurement contracts;
 - All procurement requests by procurement entities relating to a particular fiscal year must be backed by budgetary allocations approved for that year. This notwithstanding, all such requests must also be based on actual confirmed sources and availability of funding;



- No public official must sign any MOU or agreement that commits the Government of Ghana financially without prior approval or clearance from the Minister for Finance.

TRANSFORMING THE ECONOMY BEYOND COVID-19 PANDEMIC

GhanaCARES "Obaatan Pa" Programme

49. The following are highlights of the key successes of the programme in 2021 and initiatives planned for 2022.

Modernisation of Agriculture and Food import-substitution

50. A total of 579,662 individuals, comprising 547,126 farmers and 32,536 value chain actors, have been registered in an electronic database of farmers as of October 2021, to improve tracking, targeting, efficiency and transparency in public support programmes within the agriculture sector.
51. Government engaged various actors in the poultry, rice, soya and tomato value-chain to understand the challenges of the sub-sector, which led to the development of a framework to provide Interest Rate Subsidy (IRS) to agribusinesses to address the financing constraints. The IRS intervention will grant about 50 percent subsidy on interest charges for loans advanced to qualified agribusinesses to secure equipment and expand working capital.
52. To sustain the modernisation of agriculture, the following will be pursued in 2022:
- create a Ghana Agricultural Land Information Bank (GhLIB) improve access to land, especially for commercial farming;
 - sensitize and engage the youth on the opportunities within the agricultural sector, including the use of social media; and
 - map-out agribusiness start-up ecosystem and resources to take stock of the ecosystem resources and disseminate them to the youth

Promoting Tourism, Arts & Culture

53. As part of promoting the Tourism, Art and Culture Sector of the economy under the CARES, government completed the on boarding of 300 operators on the National Tourism Destination Single Window platform to automate tourism operations and enhance service delivery and quality.
54. In 2022, Government will construct ancillary facilities such as a Pattern Development Shop, a Powerhouse, a Scrapyard, develop road networks as



well as provide other infrastructure such as power, water and telecommunication facilities at tourist sites.

Expanding Manufacturing and Export Capacity

55. In alignment with Government’s 10-Point Industrialization Agenda, accelerated expansion of Ghana’s Light Manufacturing is prioritised to ensure rapid competitive import substitution, expanded capacity for agro-processing, increased exports and job creation. In 2021, Government commenced works towards establishing the Bioequivalence Centre at Noguchi to support local pharmaceutical manufacturing industry. The following key initiatives will be implemented in 2022:

- Acceleration of Business Regulatory Reforms (including digitization of operations at the Registrar General Department;
- Commence a programme to build regional industrial parks linked to technical universities; and
- Expand domestic procurement of pharmaceuticals and work with industry to facilitate production of Active Pharmaceutical Ingredients (API)

Bridging the digital divide and fast-tracking digitalisation

56. Government is making significant progress towards our digitalisation drive. To this end, Government issued unique identification cards to over 15 million Ghanaians and placed 7.5 million houses on the national digital address system.

57. The drive to digitise the economy has received additional recognition from the adoption of the e-cedi currency by the Bank of Ghana. We have rolled out the ‘Ghana.gov’ platform as well as other initiatives to enhance and expand efficiency in service delivery.

Protecting Lives and Building Resilient Health System

58. Government has rolled-out an aggressive vaccination programme to protect Ghanaian lives from COVID-19. About 2,067,670 Ghanaians received a single dose, with 825,706 fully vaccinated as at September 2021.

59. Government has commenced concrete steps to establish the Ghana Vaccine Manufacturing Centre. A draft National Vaccine Policy will be finalized and the establishment of a National Vaccine Institute to coordinate production of vaccines is underway. In conjunction with the National Health Insurance Scheme, Government would under the Agenda 111 programme boost health care infrastructure and financial access to health care to achieve quality universal health coverage by 2030.



Addressing the Youth Employment and Skills Challenge

60. To help address the youth unemployment and skill challenge, Government through special programmes such as NEIP, NABCO, National Afforestation and NBSSI (now GEA) has created significant job opportunities for the youth and SMEs.
61. Following extensive consultation with stakeholders, including youth associations and educational institutions, Government in 2022 will implement the YouStart Initiative as a vehicle to use 1 billion to create 1 million jobs in 3 years under the GhanaCARES programme. The YouStart will support young entrepreneurs to gain access to capital, training, technical skills, and mentoring to enable them launch and operate their own businesses.

Climate Action and Sustainable Transition to a Low Carbon Economy

62. The post COVID-19 economic recovery agenda provides an opportunity to build back better through innovation and more aggressive pursuit of green growth. In this regard, Government has put in place climate change interventions to leverage the drive towards a green transition in a manner that promotes sustainable growth, financial and fiscal stability, increased employment, and reduced inequality.
63. Ghana is pursuing and implementing an aggressive afforestation programme and projects aimed at restoring lost forest cover. In this regard, Government is embarking on programmes to reclaim our degraded lands to ensure the sustainable protection, management, production and development of forest and wildlife resources.
64. To avert the challenge of deforestation and forest degradation, H.E the President led the country to plant over seven million trees in June 2021. This was far above the five million targeted under the Green Ghana Project.



SECTORAL DEVELOPMENT AND OUTLOOK

OFFICE OF GOVERNMENT MACHINERY

65. The "One Village One Dam" Initiative which aims to support all-year-round farming, 507 small earth dams out of the 560 targeted have been completed. Eighty of the dams were completed this year. In addition, riprapping of the upstream slopes of the completed dams are currently on-going to increase the lifespan and safety of the dams.
66. All the 50 rural markets targeted under the agriculture component of IPEP have been completed. The first phase of the Mankessim market, which includes the construction of a 780 metre storm drain to protect the market and its environs from periodic flooding, has been completed. The second phase has begun and work is progressing steadily.
67. National Identification Authority enrolled 15,656,160 Ghanaians on the National Identity Register (NIR), out of which 11,648,391 Ghanaians aged 15 years and above were issued with Ghana Cards and a total of 163,695 foreigners were also enrolled on the NIR and issued with Non-Citizen Identity Cards in 2021. The National Identification Authority will continue with the provision of Identity Verification Services for selected stakeholders including SSNIT, NHIA, DVLA, GRA, the banks and telecommunications companies.
68. Government Scholarships Secretariat awarded local scholarships to a total of 45,000 tertiary students and 1,600 training college students, while 560 students were awarded foreign scholarships. Payments for tuition fees and allowances to scholarship beneficiaries under the various scholarship schemes for the 2020/2021 academic year are ongoing. The Scholarships Secretariat will also make payments to 27,252 public tertiary university students for bursaries, thesis grants to postgraduate students, long stay allowances to medical students and allowances to the physically challenged. The Secretariat will continue to support continuing students across all level.
69. Under the Zongo Development Fund, 34No. 6-unit basic educational classroom blocks have been completed. Over 3,050 dual desks were supplied to basic schools in Zongo communities across the country. An additional supply of 19,550 pieces of classroom furniture is expected to be carried out by the end of this year.



Population and Housing Census

70. The 2021 Population and Housing Census was completed on 8th August, 2021 and the Preliminary Report was released on 22nd September, 2021. The Report placed the current total population of Ghana at 30,792,608 composed of 15,610,149 million females (50.7 percent) and 15,182,459 million males (49.3 percent). Additional data collected during the census include population density, average household size, level of completion of structures and concentration of residential structures.
71. Figures 7 and 8 below show the annual intercensal population growth rates and average household size between the periods 1960-2021.

Figure 7: Annual Intercensal Population Growth Rates: Ghana 1960-2021 Censuses

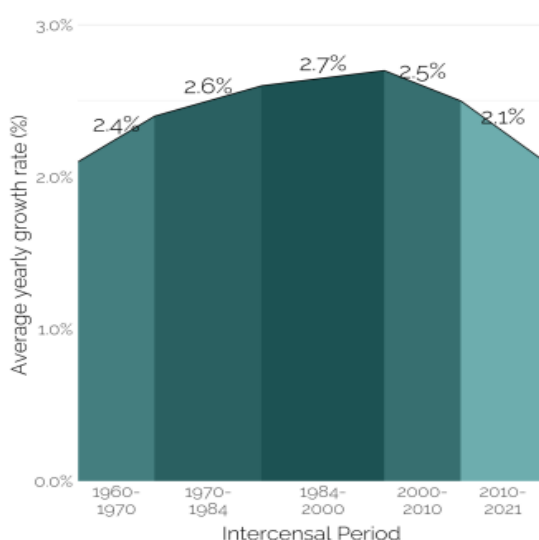
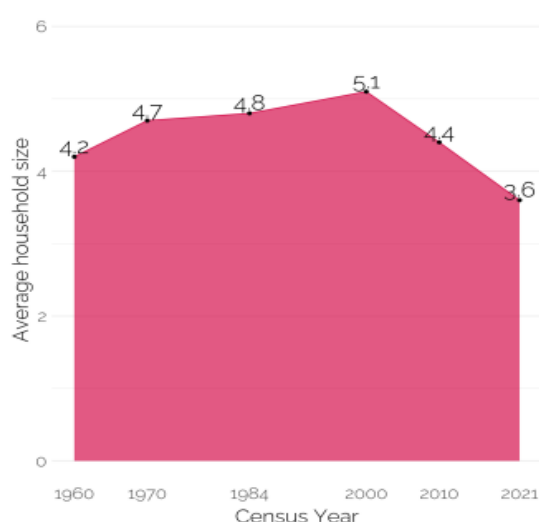


Figure 8: Average Household Size: Ghana 1960-2021 Censuses



MINISTRY OF AGRICULTURE

72. The Ministry, through the Department of Community Development, trained 4,601 artisans in 25 Community Development and Vocational Technical Institutes across the country.
73. The Department trained 370 community educators at the Rural Development College at Kwaso in the Ashanti Region. Furthermore, 1,107 trainees graduated in various trade skills and competencies at both institutional and community levels.
74. In 2022, the Department of Community Development will continue to train 5,000 youth in Vocational and Technical skills (CDVTIs) and 2,600 youth in



- employable skills on income generating activities, trades and craft to support the implementation of the 1D1F agenda within the local communities.
75. The Ministry procured and distributed 31,797mt of improved seeds, comprising 11,289mt of maize, 16,382mt of rice, 4,126mt of soybean and 26mt of vegetables to farmers across the country as at September 2021. In addition, 259,500mt of various fertilizers were also distributed to PFJ beneficiary farmers across the country. The Ministry will continue to provide improved seeds and fertilizers at subsidised prices to increase the production volumes of maize, rice, soyabean, sorghum, cowpea and groundnut.
 76. Under the "Planting for Export and Rural Development" initiative, 1,360,589 cashew, coffee, coconut, oil palm, mango and rubber seedlings were distributed to 7,543 farmers in Ahafo, Ashanti, Bono, Central, Eastern, Greater Accra, Oti, Western, Western North and Volta Regions. This brings the total seedlings distributed to beneficiary farmers to 23,216,000 since 2019.
 77. Under the "Rearing for Food and Jobs" initiative, as at September, 2021, 86,000 cockerels, 1,946 small ruminants, 43,200 broiler day old chicks and 4,895 grower pigs were procured and supplied to beneficiary farmers. In addition, 144,000 layers and 100,000 broiler day-old chicks were ordered for distribution to beneficiary poultry farmers across the country. Further, 1,200 poultry battery cages were procured to be distributed to 1,200 female poultry farmers.
 78. To complement the "One-Village-One-Dam" initiative, the Ministry completed procurement processes to develop the irrigable areas of 6 out of the 10 completed small dams at Kataa and Duong in the Upper West Region; Vunania in the Upper East Region; Sangbaa in the Northern Region; as well as Kachilende and Sunyeri in the Savannah Region.
 79. In support of the "One District One Warehouse" intervention, the Ministry initiated the construction of 30 warehouses.
 80. In 2022, Government will complete ongoing construction works on the Kpong Irrigation Scheme, the Tono Irrigation Scheme, the Kpong Left Bank Irrigation Project, the Mprumem Phase II Irrigation Project and the Ashaiman Irrigation Spillway.

Cocoa Sector

81. International prices of cocoa continue to be low. But Producer price was increased by 28 percent to GH¢10,560 per tonne ie. of US\$400 per tonne on



cocoa during the 2019/20 season and maintained at that level for the 2021/22 season in the face of cocoa prices being held down at the international market. The trend in Ghana's cocoa production has turned in a positive direction.

82. COCOBOD has commenced the digitisation of the cocoa sector through the implementation of the Cocoa Management System (CMS). The project was started in the 2020/2021 crop year and data capture and validation in the Western and Ashanti Regions was completed in August 2021.
83. Government, through COCOBOD, allocated an amount of GH¢456.6 million to continue with the CRIP in the 2020/2021 cocoa season. For the current 2021/22 season, an amount of GH¢400 million has been earmarked by COCOBOD for the programme.
84. To ensure income security of cocoa farmers on retirement, Government this year implemented the Cocoa Farmers' Pension Scheme in fulfilment of Section 26(1) of the Ghana Cocoa Board Act 1984, PNDCL 84. This is a contributory pension scheme and COCOBOD will provide a matching contribution of 5 percent. For the 2021/2022 crop year, COCOBOD has budgeted GH¢74.59 million to meet its obligation under the Scheme.

Coffee Programme

85. To ensure the long-term sustainability of coffee production, reforms to improve the internal marketing environment of coffee were pursued to guarantee coffee farmers ready market and remunerative prices. In the 2020/2021 crop season, COCOBOD made a budgetary allocation of GH¢2.27 million to support activities in the coffee sector
86. An amount of GH¢2.08 million was earmarked to support coffee activities in 2021/2022. The objective is to continue with the free distribution of coffee seedlings to facilitate the growth of young plants and improve the productivity of mature coffee plants.

MINISTRY OF FISHERIES AND AQUACULTURE DEVELOPMENT

87. Ministry of Fisheries and Aquaculture Development continued with the implementation of the Aquaculture for Food and Jobs (AFJ) Initiative, in 2021, and constructed 24 aquaculture facilities at Ve-Golokwati, Akpafu, Mempeasem, and Osei Tutu Senior High School, bringing the total aquaculture holding facilities under the Initiative to 180. In 2022, the AFJ



Initiative is expected to produce 116.64mt of fish as well as provide 270 direct and 675 indirect jobs.

88. The Ministry procured 17,440 bags of assorted fish feed to be distributed to fish farmers across the country to stimulate private sector investment in the aquaculture industry.
89. As part of efforts at preparing a new Fisheries Act to replace the existing Fisheries Act, 2002 (Act 625), the Ministry reviewed the National Fisheries and Aquaculture Policy developed in 2008 to incorporate emerging trends in fisheries and aquaculture management.

MINISTRY OF LANDS AND NATURAL RESOURCES

90. Under the National Afforestation Programme which encompasses all the landscape restoration models, a total area of 75,170ha out of a target of 80,000ha was planted with suitable tree seedlings.
91. In 2021, the Forestry Commission engaged a total of 72,000 persons exceeding the target of 60,000 persons to assist in various areas of planting activities under the National Afforestation Programme (NAP). And The private sector also engaged about 18,000 persons nationwide.
92. In a bid to minimise land disputes in the country, OASL assisted traditional authorities at Kong in the Savannah Region, Kukuom in the Ahafo Region and Ngleshie Amanfrom in the Greater Accra Region to establish Customary Land Secretariats in line with the Land Act, 2020 (Act 1036). And The Office will facilitate the demarcation of 200 parcels of farm land for small holder farmers and establish five more Customary Land Secretariats to help improve tenure security in land ownership in the country.
93. To improve monitoring of small scale mining activities, the Commission is currently piloting the installation of tracking devices on earth moving and mining equipment at Anyinam in the Atiwa East District of the Eastern Region, and Gyapa in the Wassa Amenfi East Municipality of the Western Region.
94. A total of 26 community mining concessions were supported with mercury-free gold processing plants in line with the Minamata Convention. This will create about 30,000 direct and indirect jobs to curb the menace of illegal mining.
95. In 2022, the Minerals Commission will procure drones, patrol boats, tracking devices, operational vehicles and recruit river guards to enhance monitoring



of mining operations in order to reduce the menace of illegal mining and pollution of rivers.

96. The Ghana Integrated Aluminium Development Corporation(GIADEC) selected Rocksure International as the strategic partner for the development of a 5 million tonne bauxite mine and a refinery at Nyinahin-Mpasaaso.
97. GIADEC in 2022, will complete the prospecting of the bauxite concessions in collaboration with selected partners and begin to develop the structures which will establish the mines and refineries.

MINISTRY OF TRADE AND INDUSTRY

98. The Government’s current industrial development programme is anchored on the One District One Factory (1D1F) Programme which is arguably one of the most innovative and comprehensive programmes for industrial development ever to have been implemented.
99. 278 1D1F projects are at various stages of implementation, out of which 106 companies are currently in operation, 148 are under construction while 24 constitute pipeline projects.
100. Under the Enable Youth 1D1F Initiative, which is supported by two development partners, 58 of the 278 projects are fully owned by youth groups mobilised by Government. And five medium scale, state-of-the-art agro-processing common-user facilities have also been established in Dormaa West, Savelugu-Nanton, Sefwi Akontonbra, Sekyere Central andTarkwa Nsuaem.
101. Regional distribution of the 278 1D1F projects are indicated in Table 14 below:

Table 12: Regional Distribution of 1D1F Projects

| Region | Number of 1D1F Projects |
|----------------------|--------------------------------|
| Ahafo Region | 5 |
| Ashanti Region | 54 |
| Bono East Region | 10 |
| Bono Region | 19 |
| Central Region | 19 |
| Eastern Region | 37 |
| Greater Accra Region | 76 |
| North-East Region | 3 |
| Northern Region | 6 |



| Region | Number of 1D1F Projects |
|----------------------|--------------------------------|
| Oti Region | 3 |
| Savanna Region | 4 |
| Upper East Region | 7 |
| Upper West Region | 6 |
| Volta Region | 13 |
| Western Region | 11 |
| Western North Region | 5 |

102. Parliament has granted approval for exemptions from import duty for the importation of machinery, equipment and industrial raw materials to 37 1D1F Projects. And in 2022, the Ministry will support 45 additional 1D1F projects projects at various stages of implementation to 323 by the end of the year.
103. In 2021, Free Zones enterprises generated total export revenue of US\$424.61 million. Capital investments by Free Zone enterprises amounted to US\$75.39 million and a total of 30,189 jobs were created, mainly in the manufacturing sector.
104. Proprietary studies on the flagship Greater Kumasi Industrial City and Special Economic Zone Project, which is linked to the Boankra Inland Port, were completed.
105. Government’s Strategic Anchor Industries Initiative comprise three distinct programmes, namely: the Ghana Automotive Development Programme; Garment and Textiles; and Pharmaceutical Industries.
106. Toyota Tsusho Manufacturing Company commissioned an assembly plant in June 2021 to assemble Toyota and Suzuki brands of vehicles – Hilux Pickup and Suzuki Swift – in Ghana. Four new vehicle assembly plants in Ghana, namely Nissan, KIA, Hyundai and Renault are also expected to commence commercial production in 2022.
107. Volkswagen commenced commercial production in Ghana in August 2020, and continued in 2021 to assemble Tiguan, Teramont, Amarok, Passat and Polo models. Kantanka Automobile Company Limited also stepped up production of the made-in-Ghana vehicles. Similarly, Sinotruck is assembling Tipper Trucks, Oil Tankers, Trailer Heads, Water Tankers, CIMC Flatbed and Wheel Loaders.



108. The Ministry will complete the establishment of an Automotive Development Support Centre in 2022 to promote innovative vehicle financing, regulate vehicle standards, and facilitate the domestication of the industry through the local manufacture of components, parts and accessories by SMEs to supply local assemblers.
109. Automotive Industry Development Council Bill, which will soon be submitted to Parliament for consideration and approval, will establish a consultative body for stakeholders to effectively address any issues of concern that arise from the implementation of the Policy.

Micro, Small and Medium Enterprises Development

110. The President has launched the Ghana Enterprises Agency (GEA) in June 2021.
111. Under the Coronavirus Alleviation Programme Business Support Scheme (CAPBuSS), Ghana Enterprises Agency provided 302,001 successful applicants with loans amounting to GH¢523.11 million.
112. COVID-19 Recovery and Resilience Programme financed by MasterCard Foundation, to support MSMEs in the formal and informal sectors.
113. In the area of building capacity for MSMEs 141,295 enterprises were provided with business development programmes, 116,189 women were provided with business development services, and 57,657 enterprises participated in financial literacy programmes. Additionally, 1,332 MSMEs were provided with Japanese Kaizen training to improve efficiency.
114. The Rural Enterprise Programme, the Ministry, in collaboration with GEA, supported 37 Business Resource Centres (BRCs) to become fully operational with a total client base of 10,653 SMEs, and has further expanded access to business development services at the district level.

Standards and Conformity Assessment Programme

115. The Ministry received Cabinet approval for the revised Ghana Standards Authority (GSA) Bill, soon to be presented to Parliament. In 2022, the GSA will draft the Ghana National Accreditation Service Bill and the National Quality Policy. The Accreditation Service Bill will provide an internationally recognised and effective accreditation system for conformity assessment.



116. In addition, GSA will implement nationwide calibration of medical devices, develop National Hydrocarbons Standards, and establish a Metrology Laboratory to provide services to the Oil and Gas Industry.
117. Under the National Export Development Strategy (NEDS), a number of value-added products and commodities were selected for enhanced production and export. NEDS was launched in 2021 to increase Non-Traditional Exports.

Business Regulatory Reforms

118. Government has developed a comprehensive Business Regulatory Reforms (BRR) Programme coordinated by the Ministry, which is being implemented in collaboration with over 40 MDAs and regulatory institutions.

MINISTRY OF HEALTH

COVID-19 Pandemic and Vaccines Roll-out Programme

119. Ghana started COVID-19 vaccine roll-out in March 2021 with an initial 600,000 doses of the AstraZeneca vaccine received through the COVAX Facility. The launch of Ghana's COVID-19 vaccination roll-out was performed by H.E. The President, Nana Addo Danquah Akufo-Addo, who was the first person to be vaccinated on 1st March, 2021.
120. Five brands of vaccines, namely AstraZeneca (COVISHIELD and VAXZEVRIA), Sputnik-V, Janssen (Johnson and Johnson), Moderna and Pfizer-BioNTech are currently authorised by the Food and Drugs Authority (FDA) for use in Ghana.
121. An initial target of 20 million persons was earmarked to be vaccinated by end of 2021. Ultimately, the entire population, inclusive of children and pregnant women, will be considered for vaccination as more safety and efficacy data become available.
122. Mr. Speaker, a total of 8,421,630 doses of AstraZeneca, Sputnik-V, Johnson & Johnson, Moderna and Pfizer vaccines have been received with AstraZeneca accounting for approximately 55.4 percent, of total doses as shown in Table 12. The COVAX facility has provided 5,224,230 doses representing 62 percent of all doses received in the country as at 8th November, 2021.



Table 13: Summary of Vaccines Received, Feb- 8 Nov 2021

| Vaccine Brand Name | Quantity received | Prop (%) | Doses Distributed | Doses available |
|--------------------------|-------------------|--------------|-------------------|------------------|
| AstraZeneca | 4,662,270 | 55.4 | 4,335,970 | 326,300 |
| COVID-19 Vaccine Janssen | 1,178,450 | 14.0 | 422,450 | 756,000 |
| Moderna COVID-19 vaccine | 1,229,620 | 14.6 | 1,229,620 | 0 |
| Pfizer-BioNTech | 1,330,290 | 15.8 | 20,901 | 1,309,389 |
| Sputnik-V | 21,000 | 0.2 | 21,000 | 0 |
| Grand Total | 8,421,630 | 100.0 | 6,029,941 | 2,391,689 |

As at 8th November, 2021 the wastage rate is approximately 5 percent.

Source: Ghana Health Service

123. Mr Speaker as at 8th November, 2021 over 2.5 million persons have been vaccinated with at least one dose. Of these, 835,989 are fully vaccinated (i.e., have received two doses of AstraZeneca or Sputnik-V, or one dose of Johnson and Johnson vaccine). Approximately 93 percent of vaccines administered are AstraZeneca; 6.0 percent being Johnson and Johnson while Sputnik-V and Moderna constitute approximately 1 percent.
124. Mr. Speaker, currently, vaccination is ongoing in all 16 regions and 261 districts across the country as part of Phase 2 of the vaccination exercise targeting persons 18 years and above, excluding pregnant women. The following vaccines: AstraZeneca (986,400), Pfizer (3,472,560) and Johnson and Johnson (2,217,600) are expected by the end of 2021.
125. Additional 15 million doses of Johnson and Johnson vaccines will be purchased by the Government of Ghana with support from a World Bank facility through the African Vaccine Acquisition Trust (AVAT) of the African Union, and are expected over scheduled monthly deliveries through 2023.
126. Mr. Speaker, as at 5th November, 2021, the total confirmed cases of COVID-19 were 130,608 with an active case count of 1,274 and 1,203 deaths. A total of 1,909,489 tests have been conducted with a positivity rate of 6.8 percent. To help curb the spread of the pandemic, the Ministry of Health and its Agencies continued to lead the implementation of the National Strategic Response Plan. This Plan guided all activities carried out as part of Ghana’s response to the pandemic.



Table 13: COVID-19 Update as at 5th November, 2021

| Category | Total no. Tested | Number of Positive Cases | Recovered/ Discharged | Dead | Active |
|--------------------------------|------------------|--------------------------|-----------------------|--------------|--------------|
| Routine Surveillance | 446,782 | 49,609 | 125,320 | 1,203 | 1,274 |
| Enhanced Contact Tracing | 876,926 | 78,092 | | | |
| International travellers (KIA) | 585,781 | 2,907 | 2,811 | | |
| Total | 1,909,489 | 130,608 | 128,131 | 1,203 | 1,274 |

Source: Ghana Health Service

OFFICE OF THE ATTORNEY GENERAL AND MINISTRY OF JUSTICE

Law Administration Programme

127. Mr. Speaker, the Office of the Attorney General continued to defend the interest of the State in the justice delivery system. The Office represented the State in 141 civil cases which could have resulted in the payment of huge sums of money to plaintiffs as judgement debts. Notable among them were:
- A plaintiff claim of GH¢1.27 billion as outstanding judgment debt against the State was contested and judgment of only GH¢14,689 (including interest) granted against the State; and
 - Another plaintiff claim of GH¢11.00 million was contested and judgement of less than GH¢2.00 million granted against the State.
128. The Office of the Attorney General received 910 criminal cases and initiated prosecutions in 874 across the country.

MINISTRY OF DEFENCE

Armed Forces Programme

129. Mr. Speaker, to ensure peace and security across the country, the Ghana Armed Forces continued to collaborate with other Security Agencies in the following operations: COWLEG, CALM LIFE, HALT, GONGGONG and VANGUARD to provide security to civil society and check illegal logging and mining to control environmental degradation.
130. Additionally, the establishment of 10 Mechanised Battalion at Wa, 11 Mechanised Battalion at Bawku, 3 Field Workshop and 3 Mechanical Transport Company have improved security and continued to deter threats of terrorism from the Northern Border.



131. In 2022, the Ghana Armed Forces will continue to provide surveillance of Ghana's airspace, territorial waters and boundaries and also collaborate with other Security Agencies to ensure internal peace and security.

MINISTRY OF THE INTERIOR

Crime Management Programme

132. Mr. Speaker, the Ghana Police Service deepened intelligence-led policing through gathering of critical intelligence for effective and efficient combat of criminals in a proactive manner by preventing many potential crimes. A total of 2,012 newly recruited officers comprising 1,323 males and 689 females successfully passed out and were posted to various stations.
133. The Ghana Police Service (GPS), in conjunction with other security agencies, launched "Operation Peace Trail" to secure the Eastern and Western Borders. The GPS Marine Unit, in collaboration with the Navy and other security agencies, are currently deployed on our territorial waters. Beach motor bike patrol teams have also been deployed. In addition, the Counter-Terrorism Unit of the Service has been deployed in: Bunkprugu, Chereponi, Gambaga and Yendi in the Northern Region; Kulungugu, Paga, Pusiga and Zebilla in the Upper East Region; and Gwollu, Hamile, Lawra, Nadowli, Tumu and Wechiau-Dorimon in the Upper West Region.
134. In 2022, the Service will computerise and network all Police stations and offices to facilitate the implementation of the statistics tracking system and create specialised courts for expeditious disposal of cyber-crimes in the country. It will also create more Neighbourhood Watch Committees across the country in order to enhance partnership and collaboration with the communities to fight crime.

