

Ken Ofori-Atta: ‘What does an African finance minister do now?’

In a candid diary, Ghana’s finance minister explains how he is tackling the looming crisis



A scene from the streets of Accra, where volunteers are distributing food and water to the underprivileged and homeless during the lockdown © Reuters

Ken Ofori-Atta 2 HOURS AGO

It’s 5am and I stir. My stomach feels cramped. I have slept no more than four hours. My mind races. The problems cascade through. I hear the birds and do my meditation. My wife Angie and I are in the middle of an Easter study on the Book of Daniel, and I can’t help but think of the writing on the wall: “*mene mene tekel upharsin.*” Have we been weighed and found wanting? But I am optimistic there will be a few who will stand up and become modern-day martyrs, not only to defeat this pandemic but to create a new era.

On our minds is the question of surgical and N95 masks for healthcare professionals. I make two calls to China to speak to our ambassador about ventilators, and another to Israel to a fellow from the Aspen Global Leadership Network about face masks, gloves and other forms of protection, and discuss a charter of a plane to bring these items to Ghana. Then a follow-up call to Vera Songwe, head of the UN Economic Commission for Africa, and Tito Mboweni, South Africa’s finance minister, to formulate our strategy for debt relief and commiserate on the downgrading of South Africa’s sovereign rating. Are the rating agencies beginning to tip our world into the first circle of Dante’s *Inferno*?

It’s time to go to work and I grab my made-in-Ghana face mask. First, though, we call Dad and Auntie Ellen. They are in their eighties and we can’t visit them. I drive into Accra, which is in

lockdown — a strange and eerie feeling of apocalypse. Where are the schoolchildren, the women frying doughnuts, the newspaper sellers, the beggars? Where are our youth selling everything from dog chains to gum? The street supermarket is gone, replaced by police and military officers ensuring people stay at home. Our economy is over 90 per cent informal, and the informal market is in lockdown. Growth in GDP, which was projected at 6.8 per cent, could fall to 1.5 per cent, according to our projections. How long can we sustain this?

I arrive at the office, park my car, wash my hands under running water in front of the ministry. My temperature is checked: 35.6C. It must be a good day. I am given hand sanitiser and go upstairs to my office. We are focusing on three priorities: presenting to parliament on the alleviation programme; a post-Covid-19 strategy for a more resilient economy; and a co-ordinated African effort to get support for international debt relief.

I look at the schedule for the day with Michael, my special assistant, and it is almost surreal. We had had such a great start to the year with a landmark \$3bn eurobond issue (whew! A lifesaver, as the markets are now closed). In the past three years, we had successfully completed an IMF programme, brought inflation down and acted to ensure fiscal discipline. Then the Covid-19 pandemic struck, potentially wiping out 10-15 per cent of our GDP.

The president was swift and decisive: requesting a \$100m preparedness plan, ordering the borders closed, quarantining all airline passengers for at least 14 days and ordering mandatory testing. We also introduced social distancing, and closed schools, churches, mosques and places of entertainment. The race was on for contact tracing, testing and treatment.



A staff member unloads Chinese medical supplies from an airplane at the Kotota International Airport in Accra, Ghana, April 6 2020 © Xinhua/Shutterstock





A security guard holds a thermometer, as Ghana enforces partial lockdown in the cities of Accra and Kumasi to slow the spread of Covid-19 © Reuters

Economic activity has been massively disrupted; hotels are closing, industry is tottering, airlines are grounded, and our toast-of-the-region airport lies asleep. The Bank of Ghana cut rates by 150 basis points and reduced the reserve requirements by 2 per cent, enabling banks to increase their lending to the private sector by some \$500m — a good effort, but an underwhelming response to what should be done. I need answers.

A U-shaped recovery is touted, but ours will likely be a steep drop, then a two- to three-year downward slide before a recovery; a trapezoid-shaped recovery!

Back to completing our schedule for the day. [Bank of Ghana] governor [Ernest] Addison and I finish Ghana's application for the IMF's rapid credit facility. However, Ghana and Africa desperately need fresh capital. We will work with the World Bank for a renewed approach. (I wonder what past bank heads such as [Robert] McNamara and [James] Wolfensohn would have been thinking at this time.)

We are interrupted by a call. One of our major partners in the energy sector from Europe has triggered a letter of credit facility for \$200m. I am outraged at such callousness. I am reminded of the parable in Matthew where a man's debt is forgiven, but he then finds the fellow servant who owes him and has him thrown in jail. I am now even more convinced that the African finance ministers' proposal for a debt standstill and issuance and/or mobilisation of special drawing rights should be extended for two years and not be limited to low-income countries only.

So, what is the world coming to? Extraordinary times, sobering times. Ghana, at the last count, had 636 cases and eight deaths. Analysis by the University of Ghana's Noguchi Memorial Institute for Medical Research indicates that about four-fifths of the first 300 cases were direct imports; the virus's genetic sequencing shows its origins are from Wuhan through Norway, the UK, Saudi Arabia, Hungary and India.

What does an African finance minister do now? How can we restore 10-15 per cent of GDP over a two- to three-year period? This is not a passing blizzard, as a friend said; more like a long winter, even a mini ice age. But there are some structural elements that need fixing; our health sector, digitalisation of the continent to formalise our economies; and Africa's debt — the most controversial element and the topic of much discussion. Africa's external debt stock is more than \$700bn. Africa needs to pay \$44bn to service our debt this year.

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The world is changing. The German chancellor doesn't want to hear about debt-to-GDP ratios. Unthinkable stimulus packages are being announced, trumping orthodoxies and with no talk of a moral hazard: the G20 packages may end up close to \$8tn. Their generous tool kits are not available to us.

I am green with envy. To be honest, there is a lump in my throat as I think of Africa's predicament. I question the unbalanced nature of the global architecture. I have, in one fell swoop, lost more than \$1bn of revenue as domestic taxes continue to shrink, compounded by lost productivity and job losses. We still have an obligation to service our debt portfolio.

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These are grave times, surpassing the Spanish flu epidemic in 1918. Where is the leadership and global task force that would mirror the 1944 Bretton Woods monetary conference?

This unprecedented crisis has brought capitalism "to a juddering halt", as [Arundhati Roy wrote](#) in FT Weekend. I think of Ben Okri's poem [with the line] "Will you be at the harvest?" where he inspires us to remake the world for a new era through our human genius, so our future becomes greater than our past.

It is 1am. We have had a long day. We had to launch a sanitation campaign; we had video and teleconferences with [former UK prime minister] Gordon Brown, African finance ministers, the World Bank's David Malpass and Kristalina Georgieva of the IMF, the Center for Global Development and the faith-based organisations — our partners in distributing food. I have also been tested for Covid-19 and am anxiously awaiting the results. I am sleepy. I murmur through Psalm 23: "The Lord is my shepherd . . ."

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