



REPUBLIC OF GHANA

# MINISTRY OF FINANCE

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Date **6<sup>TH</sup> FEBRUARY 2022**

## PRESS RELEASE

**FOR: IMMEDIATE RELEASE**

### **RE: S&P AFFIRMS GHANA'S RATINGS AT B-/B WITH A STABLE OUTLOOK**

**Accra, Sunday, 6<sup>th</sup> February 2022.** Reference is made to a publication by S&P Ratings from their New York Office, on 4<sup>th</sup> February 2022 that the Rating Agency has affirmed Ghana's Long and short-term foreign and local currency ratings at B- and maintained the outlook at Stable.

2. **According to S&P, their decision to maintain Ghana's ratings at B- with a stable outlook was predicated on several factors: Ghana's solid growth prospects with real GDP growth averaging 5.0 percent over the period 2022-2025 and the relative transparent and responsive political system. In addition, S&P acknowledged that Ghana's economy is one of the most open economies in Africa.**

3. The decision by S&P to maintain Ghana's ratings at B- with a stable outlook underscores their broad recognition of the challenges to the global economy due to the COVID pandemic and the long road to recovery facing the global economy. Amidst these global challenges, their assessment on Ghana reflects the resilience of the Ghanaian economy and appreciation of the decisive policies that have been instituted to drive the recovery process.

4. In particular, S&P took note of, and was re-assured, by the recent policy announcement by the government to further cut expenditure by 20% to reinforce the fiscal consolidation process. In their view, this very decisive measure will help to ensure fiscal sustainability and stabilize debt but may slow down growth in the short term. S&P projects that with these measures, growth will then pick up again in 2023 and thereafter. In their own assessment, S&P is confident that the fiscal measures planned for 2022 and beyond should result in a faster consolidation of the fiscal metrics than previously envisaged, including stabilization of the public debt trajectory.

5. The S&P report identified some constraints that prevented an upgrade of Ghana Sovereign ratings which included: the continuous uncertainty surrounding fiscal correction,

including the delayed approval of the e-levy bill to give assurances to the 2022 budget. Other concerns such as high-interest cost and greater dependence on domestic financing sources given the worsening external financing conditions facing Ghana were also highlighted.

6. Going forward, the government remains fully committed to restoring fiscal rectitude in public finances. The recently announced expenditure rationalization measure to decisively strengthen fiscal consolidation of the 2022 budget underscores the government's resolve to address critical concerns over the economy, create jobs for the youth, obtain a positive primary balance and stabilize debt.

7. The Government of Ghana is optimistic about the future and Ghana's solid growth prospects, as highlighted by S&P, and remains committed to its fiscal consolidation agenda.

8. We remain absolutely confident in our resolve, in line with the President's vision, to build a strong, resilient and prosperous entrepreneurial nation of a Ghana Beyond Aid. **End.**



**ISSUED BY THE PUBLIC RELATIONS UNIT  
MINISTRY OF FINANCE**

**THE NEWS EDITOR**