



REPUBLIC OF GHANA

MINISTRY OF FINANCE

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PRESS RELEASE

FOR IMMEDIATE RELEASE

RE: The Media Discussions on the IMF's debt position

Accra, 18th May, 2021 - On 12th May 2021, the IMF issued a Press Release following another successful conclusion of the annual Article IV mission which took place virtually from 28th April to 12th May, 2021.

2. The mission was highly successful and considered the risks arising from the COVID 19 pandemic on Ghana Government's containment interventions and the areas that need further attention due to the exacerbated nature of the interventions to combat the pandemic.
3. Despite this positive development, reports from some media outlets seek to create the impression that the IMF disagrees with Government of Ghana (GoG) on the computation of Ghana's public debt.
4. The Ministry of Finance hereby informs the general public that there is no inconsistency between the IMF and GoG position on debt computation.
5. The following are the reasons:
 - Budget and Debt Classifications are based on international classifications known as central government or general government classification.
 - Governments all over the world report at least at the central government level - which means the activities that the central government is involved in for all Ministries, Departments and Agencies but excludes Local government, State Owned Enterprises or other investment interests of Government, apart from debts guaranteed by central government.
 - When you add local governments and SOEs to the central government classification, then you are reporting on **general government classification**.



- Ghana, as a country, reports on **central government budgeting** and not **general government budgeting**.
- Consequently, Ghana's public debt stock is calculated as all the debt incurred by all Ministries, Departments and Agencies and any other debt that the Central Government guarantees for any Local Government or SOEs.
- With this definition, the 2020 public debt stock as a percentage of GDP was 76.1%, up from 62.4% recorded in 2019. This corresponds at the same level to those from the IMF. In other words, the 2019 Public Debt Stock as percent of GDP was 62.4% and 64% for the MoF and IMF respectively. Similarly, the end 2020 Public Debt stock was 76.1% and 78% for the MoF and IMF respectively.
- The IMF explained the variance indicated above by categorically stating in their press release that they **included ESLA debt of GHS 7.63 billion** which relates to the debt of energy SOEs and are therefore excluded from the central government classification used by Government.
- Therefore, IMF and government computation are not at cross purposes. We once again reiterate that the Ministry operates an open door policy and would therefore encourage the media to seek clarification of issues from us before publication. **END**



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

THE NEWS EDITOR