



REPUBLIC OF GHANA  
**MINISTRY OF FINANCE**

# Launch of RACE (Revenue Assurance & Compliance Enforcement)

Draft Intervention by

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## **Introduction- Economic Resilience Amidst an Unprecedented Pandemic**

H.E Vice President Mahamadu Bawumia,

The Honourable Chief of Staff,

Fellow Ministers of State,

Directors/Heads of Public Sector Agencies and Associations

Distinguished Invited Guests.

Ladies and Gentlemen

1. Good Morning (Afternoon), and welcome to the Revenue Assurance and Compliance Enforcement Initiative (RACE) launch. We meet here today, confident in our values, conscious of our responsibilities, aware that we carry with us the hopes of millions of people and the knowledge that we must forge ahead with a united resolve to accelerate the structural transformation of our country.
2. Undoubtedly, the past year has been a particularly challenging one. The dilemma of sustaining an economy in the face of a global health crisis is a matter that has more questions than answers. Pandemics like COVID-19 expose the fundamental defects in policies, systems, and practices at community, national and global levels. So far, we have recorded **112,000** cases and close to **950** deaths. Our recovery rate stands at **93%**, which is in line with the average recovery rate in Western Africa (approx. **92%**). The Government has also been able to administer over **1.3 million** doses of COVID-19 vaccines.
3. In truth, we had a strong year despite the pandemic, and history will show that Ghana was more resilient in a time of a global crisis than its neighbours. According to the IMF, real GDP growth for Sub-Saharan Africa was **-2.4%** in 2020, compared to **+0.4%** in Ghana.

4. The Economy also picked up strongly in Q1-2021, reflecting the impact of COVID-19 containment measures and recovery interventions. So far, Ghana remains one of the bright spots on the Continent, and our Q1-2021 growth of **3.1%** vindicates this Government's commitment to promoting social mobility, the enterprise economy, and economic freedom.
5. Our focus over the medium term will be to maintain and entrench economic stability. The very qualities we have – our belief in stability, openness to trade, and a culture of enterprise and innovation – are the qualities the new post COVID world demands, and I believe that by making the right long term decisions, Ghana will be well suited to become one of the great successes of the post COVID era.
6. As a Government, we must lead our nation through these difficult times fully aware of our economic responsibility and moral purpose. Under the visionary leadership of H.E President Akufo-Addo, Government proactively designed the **G.H. ₵100 billion** Ghana CARES "Obaatan pa" programme to guide our post-COVID recovery and transformation. Ladies and Gentlemen, through the CARES programme, we seek to build a more resilient National Economy underpinned by stability from which opportunity and dynamism will flourish. Therefore, it demands a government that can generate the requisite resources domestically to make far reaching investments across the areas "which matter most" to millions of people, i.e closing Ghana's infrastructure gap, giving young people new opportunities, and tackling job insecurity.
7. Based on available data from GRA, we have a total of **2.45 million** registered taxpayers in our country. Under the prevailing structures, the burden of raising **G.H. ₵30 billion** for the CARES programme demands each taxpayer contribute **G.H. ₵12,257**, or roughly **GH₵ 34** every day for a year. Indeed, the current tax per capita is around **GH₵ 49** a day- to cover the cost of maintaining security, providing quality education, health services, constructing much-needed roads, supplying potable water, etc.
8. We cannot continue to hinge our prospects for economic recovery on a mere **8%** of our total population. A recent assessment reveals that GRA could ramp up its efforts and mobilise an additional **G.H. ₵75billion – G.H. ₵86 billion** over the next three years. The potential for this year alone -is estimated to be between **G.H. ₵15.8billion - G.H. ₵18.6 billion**. Realising just one-third of our 2021 potential, approximately G.H. ₵5billion, would be critical to meeting our fiscal commitments.

9. Towards the pursuit of this additional revenue, we recognise that the Ghana Revenue Authority must be retooled to respond to Government's financing needs urgently. The deadweight cost of carrying on with an unresponsive GRA is the tragedy of being unable to create opportunities for social progress. This forms why we are here to launch the Ghana Revenue Assurance and Compliance Enforcement (RACE) Initiative to drive our quest to mobilise resources sufficient for inclusive growth and development.
10. We seek to identify and prevent revenue leakages through this initiative while reinforcing compliance in the short to medium term. Aside from the focus on traditional approaches, RACE will leverage technology and other aggressive revenue assurance activities to enhance revenue mobilisation and strengthen the capacity of revenue collecting agencies.
11. At the launch of the Ghana.gov platform, I mentioned that COVID-19 is a crisis that requires bold and imaginative measures to lead the charge for a sustainable "build back" and recovery. The RACE initiative thus forms part of the Government's proactive efforts to move our tax revenue to GDP of **14.3%** closer to the **18%** average for sub-Saharan Africa over the immediate to the near term, and possibly move beyond **20%** over the long run.
12. Overall, the implementation of initiatives such as RACE, Ghana.gov, Paperless Port, the National ID (GhanaCard), Digital Property Address and Land Records Digitization, among others, will ensure we do not miss out on valuable resources. In truth, we will remain relentless in our efforts to roll out other complementary measures that enable us to gather data and information for revenue purposes.
13. With more accurate and reliable taxpayer information and better knowledge of potential taxpayers, the GRA and RACE will work together to reduce tax noncompliance and revenue leakages, improve the efficiency of tax administration, and improve risk management and fiscal planning. Over time, we expect to capture potential taxpayers in the informal sector who deliberately avoid taxes, improve risk management mechanisms, and influence the design of tax policies.
14. Ladies and Gentlemen, in these last few years, we have made economic decisions as they should be – for long-term economic purposes, not for short-term partisan gain. Consequently, the international capital markets demonstrated their confidence in our economic management amid the pandemic. Our March Eurobond sale was subscribed twice over in a global context of low-interest rates and ample liquidity.

15. In addition, FDI inflows in 2020 were an impressive **US\$2.65 billion**, a significant increase of **139%** over the FDI value of **US\$1.1 billion** recorded in 2019. Indeed, since 2019, we have overtaken Nigeria as West Africa's largest recipient of foreign direct investments.
16. Even with the global challenges now evident, and the past 18 months has brought them home as never before, I am optimistic that as an ever more enterprising nation, we can reposition our state institutions as partners to crystallise our ambitions and spearhead a development renaissance across our country.
17. As we launch the RACE Initiative today, I expect it will provide the impetus to realise our revenue mobilisation aspirations. It is clear; we are embarking on a new chapter in our storied nation's history. To all the officials assigned this crucial national assignment, my message to all of you is clear: "through your efforts, we intend to use this pandemic to position our country as Africa's shining star ".
18. It is now time for a fresh start. We each understand that the economic and social challenges facing each Generation since 1957 can be resolved if we commit to a core belief in transparency, accountability, contributing "our fair share", and being prudent custodians of the resources entrusted to us. Accordingly, I am confident that together, under the watch of the Almighty God, we can be the Generation that made our country Great and Strong.
19. May the abiding grace of God be with us as we begin this RACE.
20. Thank You, and God Bless Us All.