

In case of a reply, the number and date of this letter should be quoted

Our Ref:
Your Ref:
Tel No: 0302747197



REPUBLIC OF GHANA

MINISTRY OF FINANCE

14th September, 2021

PRESS RELEASE

FOR IMMEDIATE RELEASE

GHANA'S ECONOMY SHOWS STRONG GROWTH PROSPECTS - MOODY'S AND S&P AFFIRM GHANA'S CREDIT RATING

Accra, Tuesday, September 14th, 2021 –Two Credit Rating Agencies - Moody's Investor Services ("Moody's") and Standard and Poor ("S & P") affirmed Ghana's Credit Rating at **B3** and **B-** respectively. The Rating Agencies also maintained Ghana's outlook.

In making their decision, the credit rating agencies considered Ghana's improving growth prospects, resilient external sector performance, and continued access to the capital markets [domestic and international] as essential factors in maintaining the rating and the outlook. Notably, the two rating agencies recognized the efforts of Government to "build back better" through the innovative Ghana CARES (Obaatanpa) Programme.

Furthermore, both credit rating agencies (Moody's and S & P) acknowledge that Ghana's economy is recovering from the effects of the pandemic faster than its peers. Hence, we should focus more on growth and the implementation of the Ghana CARES Programme.

S & P, in particular, maintained Ghana's rating on the back of the growing economic prospects and the relatively transparent and responsive political institutions. The stable outlook balances risks from fiscal and external financing pressures against the country's medium-term economic growth prospects.

Understandably, both credit rating agencies raised some concerns about Ghana's debt affordability and levels. The government, however, is committed to debt sustainability and fiscal consolidation. As such, between 2019 and 2021, the government has undertaken various liability management measures to proactively reduce the external debt stock and the interest expense burden. As a result, the government bought back and retired over **US\$900m** worth of Eurobonds which has reduced the external debt stock significantly.

On the domestic front, Government continues to conduct active liability management. This year alone, an amount of **GH¢4.84 billion** has been used for domestic liability management, which involves the buy-back of 3-yr and 5-yr bonds. This has reduced the refinancing and rollover risks and interest cost inherent in the public debt portfolio. Our strategy has also positively impacted the interest rates on the primary and secondary securities markets.

This Ministry will like to assure the general public that Government is doing its possible best to vaccinate the majority of adult Ghanaians in order to achieve herd immunity, a need that has become even more imperative with the seeming third wave upon us. To this



end, Ghana is in constant talks with the African Vaccination Acquisition Trust (AVAT) for the supply of 17 million Johnson and Johnson doses. Ghana is among the 27 African countries that have made the initial deposit and completed the legal requirements, readiness checklist and emergency use authorization required. The first batch of the vaccine is expected this month under the programme.

As previously stated in numerous publications and media interactions, the primary aim of the government of Ghana, especially during the onset of the Pandemic, was to save lives and livelihoods. As such, the government has implemented various life-saving initiatives and interventions in 2020/21 to protect the general population against the pandemic's adverse social and economic effects.

These interventions led to significant unbudgeted expenditures and elevated debt levels. However, Ghana's economic fundamentals remain strong despite these interventions, and recovery prospects are high. This is reflected in the positive narrative by both rating agencies and other organizations such as the IMF, on how well Ghana has managed the economy under the Pandemic.

In addition, Ghana's medium-term plan is underpinned by a robust strategy to safeguard growth beyond 5% over the medium term, return to the fiscal path of under a 5% of GDP fiscal deficit and attain a positive primary balance by 2024.

We will sustain our progress and accelerate this through the GHS 100 billion Ghana CARES transformation program within the general policy framework of Ghana Beyond Aid and certainly beyond the pandemic. **END**



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

THE NEWS EDITOR