



Ghana Ministry of Finance
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Newsletter

Welcome to 2019!



Message from the Minister

In the last several months, we have dedicated much time to preparing the 2019 Budget Statement and Economic Policy, which was presented to parliament November 15

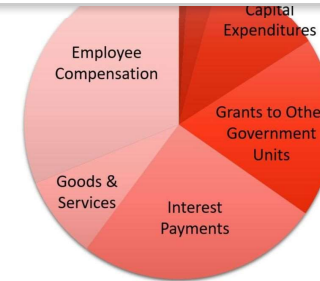
drivers of our economy: industrialization, infrastructure, agricultural modernisation, domestic resource mobilization, entrepreneurship, and social intervention. We believe these strategic pillars will propel our economic transformation and to a Ghana Beyond Aid.

We look forward to beginning to implement some transformative projects such as: the MoU between Ghana and Volkswagen A.G. to establish an assembly plant here in Ghana; the MOU with Nissan to establish manufacturing and make Ghana its hub for sales and marketing in West Africa; the financing agreement with Sinohydro for infrastructure development; and many more.

We were pleased to have hosted Madame Christine Lagarde, Managing Director of the IMF, on a 2-day working visit in December to discuss Ghana's plans as we anticipate our exit from the IMF's Extended Credit Facility (ECF) programme.

In December we also successfully **established two critical government bodies**: the Fiscal Responsibility Advisory Council and the Financial Stability Advisory Council. These groups will offer independent advice on fiscal responsibility and ensure the stability of Ghana's entire financial system.

We are gradually but confidently building a stable macroeconomic environment to support our economic



2019 Budget Statement

\$500m will support road construction

The government has allocated \$500 million for intra-urban and national roads, the first phase of a three-year, \$2 billion Master Project Support Agreement (MPSA) with Sinohydro Corporation Ltd of China.

Govt plans for fiscal discipline

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ensuring you are regularly updated on our achievements in the year to come.

*God bless,
Ken O-A*



GDP. To maintain fiscal discipline, the government plans to establish a Fiscal Council, and will submit a bill to Parliament mandating a deficit of no more than 5 percent of GDP.

Revenue target up 25 percent

Domestic revenue for 2019 is estimated at GHC 57.8 billion, an increase of 25.5 percent over the projected total for 2018; tax revenue represents 74.2 percent of this total.

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Ghana prepared to exit IMF programme

With the IMF lending programme coming to an end in April, **IMF Director Christine Lagarde said** on a recent

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review also **noted that** Ghana's "growth prospects remain strong."

After the programme ends in April, **Ghana's government plans to** continue to seek cooperation through instruments such as the policy support programme, which includes biannual assessments.



Debt ratio drops as economy grows

Ghana's **economy grew** by 7.4% in Q3 2018. Industry had the highest growth rate at 11.7 percent followed by the agricultural sector at 5.5 percent.

According to the Monetary Policy Committee of the Bank of Ghana, **Ghana's debt-to-GDP ratio dropped** to 57.2% as of November 2018. This is compared to a debt-to-GDP ratio of 73.1% at the end of 2016.



Ratings rise after banking reforms

On Sept. 14, 2018, **S&P Global Ratings** raised its long-term sovereign credit ratings on Ghana to 'B' from 'B-' with a stable outlook. The rating was based on Ghana's improving banking sector stability and lower inflation. **Moody's Investors Service** said in October that banks in Ghana will likely report higher earnings in 2019 thanks to the cleanup of the banking industry and accelerating growth.

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estimated 50,000 jobs.



Government aligns budget with SDGs

In August, the Ministry of Finance launched the first **Sustainable Development Goals (SDG) Budget Report** to track resources devoted to achieving the SDGs. Ghana is the second country in the world, after Mexico, to develop such an accountability tool.

In December, Ghana hosted the **Accra SDG Investment Fair**, ending with a call from President Akufo-Addo for companies and institutional investors to contribute to attaining the SDGs.



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