



REPUBLIC OF GHANA

Mid-Year Fiscal Policy Review

of the 2023 Budget Statement and Economic Policy
of the Government of Ghana

Presented to Parliament on Monday July 31, 2023

By

**KEN OFORI-ATTA
MINISTER FOR FINANCE**

ON THE AUTHORITY OF
**HIS EXCELLENCY NANA ADDO DANKWA AKUFO-ADDO
PRESIDENT OF THE REPUBLIC OF GHANA**

*In accordance with Section 28 of the
Public Financial Management Act, 2016 (Act 921)*



**2023
Mid-Year**



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THE
2023 MID-YEAR FISCAL POLICY REVIEW

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ACRONYMS AND ABBREVIATIONS

1D1F	One District One Factory
ABFA	Annual Budget Funding Amount
AELP	African Exchanges Linkage Project
AfCFTA	Africa Continental Free Trade Area
AfDB	African Development Bank
ASG	Ashanti Gold Corporation
BoP	Balance of Payment
BOST	Bulk Oil Storage and Transportation Limited
CAR	Capital Adequacy Ratio
CIEA	Composite Index of Economic Activity
CIS	Collective Investment Scheme
CIT	Corporate Income Tax
CLOGSAG	Civil and Local Government Staff Association, Ghana
CRG	Credit Risk Guarantees
CRR	Cash Reserve Ratio
CWM	Cash Waterfall Mechanism
DACF	District Assemblies Common Fund
DBG	Development Bank, Ghana
DDEP	Domestic Debt Exchange Programme
ECF	Extended Credit Facility
ECG	Electricity Company of Ghana
EEP	Economic Enclaves Project
EMDEs	Emerging Markets and Developing Economies
ESL	Energy Sector Levies
ESLA	Energy Sector Levies and Accounts
ESRP	Energy Sector Recovery Programme
ETF	Exchange Traded Fund
FAW	Fall Army Worm
FCPF	Forest Carbon Partnership Facility
FDI	Foreign Direct Investment
FoB	Free on Board
FSIs	Financial Soundness Indicators
G20	The Group of Twenty
GCFRP	Ghana Cocoa Forest REDD+ Programme
GEA	Ghana Enterprises Agency
GETP	Ghana Economic Transformation Project
GEXIM	Ghana Export and Import Bank
GFSF	Ghana Financial Stability Fund
GFZA	Ghana Free Zones Authority
GHF	Ghana Heritage Fund
GIADEC	Ghana Integrated Aluminium Development Corporation
GIIF	Ghana Infrastructure Investment Fund
GIRSAL	Ghana Incentive-Based Risk Sharing System for Agricultural Lending
GNPC	Ghana National Petroleum Corporation
GNRP	Ghana National Revenue Policy
GPFs	Ghana Petroleum Funds

GPSNP	Ghana Productive Safety Net Project
GRI	Global Reporting Initiative
GSE-CI	Ghana Stock Exchange Composite Index
GSE-FSI	Ghana Stock Exchange-Financial Stocks Index
GSF	Ghana Stabilisation Fund
GSS	Ghana Statistical Service
GTA	Ghana Tourism Authority
ICCO	International Cocoa Council
ICM	International Capital Market
IDR	Issuer Default Rating
IGF	Internally Generated Fund
IMF	International Monetary Fund
IPPs	Independent Power Producers
ITs	Indicative Targets
LEAP	Livelihood Empowerment Against Poverty
LIC-DSF	Low Income Country - Debt Sustainability Framework
LIPW	Labour-Intensive Public Works
LTLC	Long-Term Local Currency
M2+	Money Supply
MDAs	Ministries, Departments and Agencies
MGCSP	Ministry of Gender, Children and Social Protection
MLGDRD	Ministry of Local Government, Decentralisation and Rural Development
MoEn	Ministry of Energy
MoRH	Ministry of Roads and Highways
MPCC	Monetary Policy Consultation Clause
MTFF	Medium-Term Fiscal Framework
MTRS	Medium-Term Revenue Strategy
NDA	Net Domestic Assets
NDF	Net Domestic Financing
NEDCo	Northern Electricity Distribution Company
NEIP	National Entrepreneurship and Innovation Programme
NFA	Net Foreign Assets
NFF	Net Foreign Financing
NGC	Natural Gas Clearinghouse
NHIS	National Health Insurance Scheme
NIR	Net International Reserves
NPLs	Non-Performing Loans
NTE	Non-Traditional Exports
OCC	Official Creditor Committee
ORC	Office of the Registrar of Companies
PC-PEG	Post-COVID-19 Programme for Economic Growth
PFI	Participating Financial Institutions
PIP	Performance Improvement Plan
PPA	Power Purchase Agreement
PRMA	Petroleum Revenue Management Act
PSP	Private Sector Participation
PURC	Public Utilities Regulatory Commission
QPCs	Quantitative Performance Criteria

RACE	Revenue Assurance, Compliance and Enforcement
RD	Restricted Default
REDD+	Reducing Emissions from Deforestation and Forest Degradation
REO	Regional Economic Outlook
RoA	Return-on-Assets
RoE	Return-on-Equity
SBs	Structural Benchmarks
SDR	Special Drawing Rights
SEZ	Special Economic Zones
SGN	Sankofa-Gye Nyame
SHS	Senior High School
SIGA	State Interest and Governance Authority
SLA	Staff Level Agreement
SOE	State Owned Enterprise
STEM	Science, Technology, Engineering and Mathematics
TDCL	TDC Development Company Limited
TEN	Tweneboa-Enyenra-Ntomme
TVET	Technical and Vocational Education and Training
V20	The Vulnerable Twenty
VRA	Volta River Authority
WEO	World Economic Outlook
YEA	Youth Employment Agency
YUGEP	Youth in Greenhouse Enterprise Project

CHAPTER ONE: INTRODUCTION

1. Right Honourable Speaker, Honourable Members of Parliament, I stand before you, on the authority of His Excellency, President Nana Addo Dankwa Akufo-Addo, to present the Mid-Year Fiscal Policy Review of the Budget Statement and Economic Policy of the Government of Ghana for the 2023 Financial Year.
2. Today's presentation is in fulfilment of Section 28 of the Public Financial Management Act, 2016 (Act 921) and Regulation 24 of the Public Financial Management Regulations (L.I. 2378).

United for Progress

3. Mr. Speaker, eight months ago, I presented the 2023 Budget Statement and Economic Policy of the Government- '**NKABOM**' **Budget**. At the time, the economy was going through a very difficult period amidst unprecedented global turbulence.
4. This was within the context of major external headwinds coupled with domestic vulnerabilities triggered by credit rating downgrades, tightened domestic financing conditions and increased cost of borrowing. Our country, like many others globally, experienced an increase in fuel prices, rising inflation and exchange rate depreciation, leading to severe economic challenges.
5. Mr. Speaker, it is no exaggeration to say we cannot find another period in our history where so many different headwinds hit our economy at the same time. Thankfully, and as many Hon. Members of the House have indicated to me in our engagements, we have turned the corner.
6. Mr. Speaker, we have avoided the unimaginable, including empty shop shelves for medicines and other essentials, long queues for fuel and gas as well as disruptions to power supply as occurred elsewhere. Indeed, as the Psalmist said (in Psalm 118: 23) this is the LORD's doing; and it is marvellous in our eyes.
7. This turnaround is underpinned by the investments we have collectively made during this difficult period since March 2020.
8. Mr. Speaker, it is important that we acknowledge some of the major milestones that this country has experienced in the last three years. We should pause and appreciate that despite our challenges as a country, we have been saved from many extreme conditions that others have endured. We have, and continue to enjoy peace, health, security, continuous supply of power, among others.
9. Over the past three years, the country has gone through extremely difficult situations, and we have weathered the storms:
 - during the COVID-19 period, we indeed lost some compatriots. But compared to the statistics on the continent, we recorded significantly less mortality and infections. This was due to the implementation of a swift and robust COVID-19 response programme led by H.E the President. We recorded 171,653 COVID-19 cases and 1,462 deaths as against 10.8 million recorded cases and

- 228,738 deaths on the Continent. May the souls of the faithful departed, rest in peace;
- we invested immensely in education to ensure that school years were not disrupted and our children returned to school earlier to write their examinations to enable us build the requisite human capital for the future;
 - we ensured consistent power and kept the lights on to enable businesses and households function, despite the increasing cost of legacy energy agreements;
 - we continued paying salaries and wages of all public sector employees;
 - we invested in the security of the nation and protected our citizens, including the lives of the 1.1 million visitors who responded to our Beyond the Return programme; and
 - we cleaned up and strengthened the Financial Sector to promote entrepreneurship.
10. Mr. Speaker, a year ago in July 2022, we announced Government's decision to request support from the IMF to implement our Post-COVID-19 Programme for Economic Growth (PC-PEG). We were despondent and the future was uncertain.
11. A year on, our steps are more grounded, the vision is clearer, we are confident about the future, and we can all sense the recovery. Mr. Speaker, we have turned the corner. This can only be the doing of the Lord and it is marvellous in our sight.
12. Mr. Speaker, when I presented the 2023 Budget, I indicated that we would embark on major fiscal and monetary measures within the framework of the country's Post-COVID-19 Programme for Economic Growth (PC-PEG) – our coordinated response to the macro-fiscal challenges, which H.E the President charged us to develop in March 2022.
13. Parliament has subsequently passed the revenue and expenditure measures we presented and we are grateful for that. To complement this domestic resource mobilisation effort, we also needed to create additional fiscal space by:
- concluding a debt operations programme;
 - negotiating an International Monetary Fund (IMF) programme; and
 - attracting significant green investments.
14. I can now report that we have been diligent and resolute in implementing these measures and successfully:
- concluded the initial part of the Debt Operations, of which the Domestic Debt Exchange Programme (DDEP) was executed on 14th February, 2023;
 - negotiated the US\$3 billion IMF-ECF programme, which was approved on 17th May, 2023 to support the implementation of our Post-COVID-19 Programme for Economic Growth;
 - developed a framework for the V20 Climate Prosperity Plan to attract climate investments from the private sector; and
 - initiated the Prosperity Dialogue to crowd in domestic and external private investment to underpin our growth strategy.
15. These achievements have been with the support and commitment of this august House and the Ghanaian people. It demonstrates that when we speak with one voice we can achieve what we set our minds to do.

16. Right Honourable Speaker, accordingly, H.E. President Akufo-Addo has asked that I convey his profound gratitude to this House for passing all the Revenue Bills as well as the expenditure measures.
17. Indeed, our sincere gratitude also goes to all investors, financial institutions and bondholders for the sacrifice, support and forbearance in this difficult period of our country's economic history. We appreciate your contribution towards the economic turnaround and commitment to partner us in transforming the economy.
18. Mr. Speaker, for the first six months of the year, we have seen improvements in tax revenue, and we are on course to meet our targets for the year. However, oil revenues have fallen short of expectations due to changes in global prices. We will, therefore, undertake a downward review of expenditures to align with the underperformance of some of our revenue handles. This will impact the Annual Budget Funding Amount (ABFA) and thus reduce the 2023 Appropriation.
19. Mr. Speaker, in view of the reason outlined above, as well as the lower domestic interest payment and amortisation, following the completion of a part of the domestic exchange programme, and the reduction in the Foreign Finance CAPEX, the Appropriation had been revised from GH¢227.7 billion as presented and approved in November 2022 to GH¢206 billion in line with Regulations 24 sub-regulation (3) of the Public Financial Management Act Regulations 2019 (L.I. 2378).
20. The reduced appropriation also reflects a reduction in the interest payments and project loan disbursement due to the impact of the DDEP.
21. Mr. Speaker, we will, therefore, not require a Supplementary Budget.
22. Mr. Speaker, Government will, however, pursue a growth strategy within the limited fiscal space and our fiscal consolidation programme by:
 - attracting domestic and foreign private sector investments and production expansion encouraged and stimulated by Government policies and agencies; and
 - continuing government's mutual prosperity dialogue with the private sector will facilitate the ease of doing business and crowd-in private domestic and external investments.
23. Mr. Speaker, security continues to be a priority of Government. The United Nations recently reported that over 1,800 terrorist attacks, resulting in nearly 4,600 deaths, were recorded in our region - West Africa in the first six months of this year. Due to this instability among others, thousands of nationals are seeking refuge in our country. This has required a review of our security expenditures within our limited fiscal space.
24. Mr. Speaker, this 2023 Mid-Year Fiscal Policy Review will:
 - provide an update on economic performance for the first-half year of 2023 and outlook for the rest of the year;
 - provide an update on the implementation of the IMF-supported PC-PEG including update on structural reforms and achievement of quantitative performance criteria and indicative targets;
 - provide an update on the Debt Restructuring Programme;

- present a revised 2023 fiscal framework which aligns with the IMF-supported PC-PEG; and
 - outline government's Growth Strategy to drive the recovery process.
25. I will now proceed to update the House on the macro-fiscal performance of the economy since December 2022.
26. Mr. Speaker, as we usually do, the 2023 Budget was presented using end-September 2022 data. As at end-December 2022, our available data indicate that:
- Overall Real GDP growth was 3.1 percent, compared to the revised target of 3.7 percent;
 - Non-oil Real GDP growth was 3.8 percent, compared to the revised target of 4.3 percent;
 - End-December inflation rate was 54.1 percent compared to the projected 28.5 percent;
 - Total Revenue and Grants for the period amounted to GH¢96.65 billion (15.8 % of GDP) compared with the revised target of GH¢96.84 billion (16.4 percent of GDP);
 - Total Expenditure on commitment basis amounted to GH¢165.06 billion (27.0% of GDP) against the revised target of GH¢133.84 billion (22.6% of GDP);
 - Overall Budget deficit, on commitment basis, was 11.8 percent of GDP against the revised target of a deficit of 4.3 percent of GDP;
 - On cash basis, the overall budget deficit was 10.7 percent of GDP with a corresponding Primary deficit of 3.2 percent of GDP compared to a revised Mid-Year Budget target of a surplus of 0.4 percent of GDP;
 - The corresponding Primary Balance on cash basis was a deficit of 3.2 percent of GDP against a revised target of a surplus of 0.4 percent of GDP; and
 - Gross International Reserves was equivalent to 2.7 months of import cover.
27. Mr. Speaker, with the approval of Parliament, Government set out to achieve the following key macroeconomic targets:
- Overall real GDP growth of 2.8 percent;
 - Non-oil real GDP growth of 3.0 percent;
 - End-December inflation rate of 18.9 percent;
 - Overall budget deficit, 5.9 percent of GDP (on commitment) and 7.7 percent on cash basis;
 - Primary balance (commitment basis) of a surplus of 0.7 percent of GDP (deficit of 1.1 percent of GDP on cash basis); and
 - Gross International Reserves to cover not less than 3.3 months of imports.
28. As I have indicated, we have made significant progress on these indicators and the narrative is changing. The economy is showing signs of recovery. The exchange rate is less volatile, inflation has softened, and interest rates have declined since December 2022.
29. Mr. Speaker, these outturns are the result of focused implementation of all the measures we presented in the 2023 Budget and the positive sentiments arising from the progress with the IMF programme, which I will now discuss.

CHAPTER TWO: IMF-SUPPORTED POST COVID-19 PROGRAMME FOR ECONOMIC GROWTH

2.1 Objectives and Priorities of the IMF-Supported Post COVID-19 Programme for Economic Growth (PC-PEG)

30. Mr. Speaker, on 17th May, 2023, the Executive Board of the International Monetary Fund (IMF) approved a 36-month Programme under the Extended Credit Facility (ECF) of SDR 2.242 billion (equivalent to US\$3 billion) representing 304 percent of Ghana's quota. The Programme is anchored on Government's Post COVID-19 Programme for Economic Growth (PC-PEG) which was prepared by Government to serve as its blueprint to address the economic crisis facing the country.
31. Mr. Speaker, anchored on the PC-PEG, the main objective of the IMF-support is to restore macroeconomic stability and debt sustainability, build resilience through the implementation of wide-ranging and strong structural reforms, and lay the foundation for stronger and more inclusive growth, while also protecting the poor and the vulnerable.
32. Mr. Speaker, the Programme is also expected to help Ghana overcome its immediate policy and financing challenges, including obtaining catalytic financing from our development partners and providing a framework for the successful completion of the ongoing debt restructuring.
33. Mr. Speaker, the Programme has been designed to address the key issues facing the economy through the following key priority targeted interventions:
 - large and frontloaded fiscal consolidation to bring public finances back on a sustainable path. The programme envisages a cumulative fiscal adjustment of 5.1 percentage points (ppt) of GDP over the programme period (2023-2026) with a fiscal effort of 3.8 percentage points (ppt) in 2023 alone. The primary deficit on commitment basis will be reduced from 4.3 percent of GDP in 2022 to 0.5 percent in 2023. The fiscal consolidation will be executed by both mobilising more domestic revenue, and improving the efficiency of spending;
 - protect the vulnerable through enhancement of existing social protection programmes, including the Livelihood Empowerment Against Poverty (LEAP), National Health Insurance Scheme (NHIS), the Capitation Grant, and the School Feeding Programme. The 2023 Budget, for example, doubled the benefits under the LEAP Programme as well as boosted the allocations to the School Feeding Programme;
 - strong and ambitious structural reforms in tax policy, revenue administration, public financial management, financial sector, as well as strong measures to address weaknesses in the energy and cocoa sectors;
 - bring inflation under control through prudent monetary policy including appropriate monetary policy tightening and the elimination of monetary financing of the budget. Containing inflation pressures requires coordination between fiscal policy and monetary policy. The Bank of Ghana is pursuing enhanced flexible exchange rate policies to help rebuild international reserves;
 - dedicated focus on preserving financial stability following the Domestic Debt Exchange Programme (DDEP) to support private investment and growth; and

- pursuing reforms to encourage private investment, strengthen growth, and create more jobs.
34. Mr. Speaker, the IMF-Supported Programme will be monitored and reviewed semi-annually, based on agreed targets with end-June and end-December each year as “test dates”. The Programme reviews will assess semi-annual target realisation through Quantitative Performance Criteria (QPCs), Indicative Targets (ITs), and a Monetary Policy Consultation Clause (MPCC). Structural Benchmarks (SBs) will also be assessed at each review based on agreed timelines. For 2023, there are 6 QPCs, 3 ITs, 9 SBs, and an MPCC to be assessed. Of the 9 SBs, 3 were due for completion by end-June 2023 and will be assessed as part of the Programme’s First Review which has been scheduled to commence in September 2023 with an IMF Staff Mission and November 2023 for the IMF Executive Board meeting. The details of the QPCs, ITs, and SBs are presented in Appendices 6A and 6B.
35. Mr. Speaker, the IMF released the first tranche of about US\$603 million to Ghana on Friday, 19th May 2023 after the country received the IMF Executive Board approval. The second tranche of about US\$600 million will be released to Ghana after successful completion of the First Review. Thereafter, the remaining US\$1.8 billion will be released in 5 equal tranches of about US\$360 million each upon successful reviews over the next three years.
36. Mr. Speaker, it is instructive to note that our journey towards securing an approved IMF-supported Programme has been characterised by speed and tact. More specifically we:
- achieved Staff Level Agreement (SLA) in December 2022, 6 months after we formally requested for the IMF’s support to back our PC-PEG;
 - secured financing assurances from Ghana’s Paris Club Official Creditor Committee (OCC) on 12th May, 2023, 5 months after the formal request in December 2022;
 - secured an IMF Board approval in May 2023, 5 months after the SLA and 10 months after the formal request for Fund Programme;
 - secured US\$3bn IMF financing equivalent to 304 percent of Ghana’s quota; and
 - front-load disbursement of IMF resources with 40 percent in 2023 and the rest spread between 2024-2026.
37. Mr. Speaker, several key stakeholders played diverse roles in Ghana’s successful journey towards the approval of the IMF-Supported Programme. On behalf of His Excellency, President Nana Addo Dankwa Akufo-Addo, I would like to express our sincere gratitude to Rt. Hon Speaker and Members of Parliament for supporting the process through the passage of revenue and expenditure measures which underpinned the 2023 fiscal framework. Our sincere gratitude also goes to the Council of State, Organised Labour, Employer Associations, Civil Society Organisation (CSOs), Think-Tanks, the academia, Faith Based Organisations (FBOs), and the investor community. I would also like to express our sincere appreciation to the technical staff at the Ministry of Finance, including its agencies, the Bank of Ghana and other MDAs who played critical roles.

38. Mr. Speaker, permit me to express our sincere gratitude to the Managing Director of the IMF, her team and the Executive Board for providing the needed leadership and support throughout the whole process. We are grateful to the World Bank for providing technical and financial support under the Programme. We are also grateful to all the Development Partners, both multilateral and bilateral, for their support as well as the catalytic financing they are providing under the programme.
39. Mr. Speaker, as a nation, we cannot fail. Indeed, our only recourse is to be successful at the upcoming First Review of the Programme and all other subsequent reviews. We are calling, therefore, on every member of this august House and each Ghanaian to support the Government on this journey.

2.2 Implementation Strategy for the IMF-Supported Programme

40. Mr. Speaker to support the effective implementation of the IMF-Supported PC-PEG, Government has put in place an implementation strategy around at least four key areas:
- intensive sensitisation/outreach programme on the IMF Programme to sensitize key stakeholders. Sensitisation programmes have already been held for Cabinet, Economic Management Team (EMT), Council of State, MoF Management & Staff, Commissioners of the National Development Planning Commission (NDPC), Chief Directors & Heads of Covered Entities, Directors of the Policy, Planning, Monitoring and Evaluation (PPME) Divisions of the various Ministries Department and Agencies (MDAs), the Media, Regional Directors and Metropolitan, Municipal and District Chief Executives (MMDCEs) of MoFA/MLGDRD (Southern Sector), and MoF Ministerial Advisory Council. In the coming days the sensitisation programme will continue with other stakeholders including Parliament, Organised Labour, Employer Associations (including AGI and Ghana National Chamber of Commerce and Industry), CSOs, Youth Groups, National House of Chiefs, and the Judiciary;
 - monthly monitoring of the Programme by Cabinet, the Economic Management Team (EMT), and the Economic Policy Coordination Committee (EPCC);
 - weekly monitoring of the Programme through the underlisted six (6) Thematic Working Groups (TWGs) chaired by the Hon. Minister of State at MoF, Hon. Deputy Ministers, Deputy Governors and the Chief Director of MoF:
 - Thematic Working Group on Energy Sector SOEs/COCOBOD Structural Reforms;
 - Thematic Working Group on Public Financial Management Structural Reforms;
 - Thematic Working Group on Financial Sector Structural Reforms;
 - Thematic Working Group on Tax Policy and Revenue Administration Structural Reforms;
 - Thematic Group on Macro-Fiscal Policy/Reforms; and
 - Thematic Working Group on Growth Strategy and Social Protection.
 - the implementation of a strategy to support effective communication of the IMF-supported PC-PEG.
41. Mr. Speaker, the Ministry of Finance stands ready to receive inputs from stakeholders to strengthen the implementation of the Programme.

2.3 Status of Progress Towards Achieving Programme Objectives

42. Mr. Speaker, in line with the implementation strategy outlined above, the implementation of the Programme so far show that significant progress has been made towards achieving programme objectives for the first half of the year. The IMF fielded a staff mission to Ghana from 8th to 15th June 2023, for an assessment of Ghana's state of preparedness in the implementation of the Programme ahead of the 1st Review Mission in September 2023. Mr. Speaker, the Mission issued a press release at the end of the assessment and acknowledged the progress we had made thus far in the restoration of macroeconomic stability.
43. Mr. Speaker, the latest assessment of Programme performance using end-June 2023 provisional data show that we are on course to meeting the targets set under the Programme for the 1st Review.
44. Mr. Speaker, provisional data show that we are making significant progress in restoring macroeconomic stability and are on course to meeting the Programme objectives:
- the cumulative change in Net International Reserves (NIR) as at end-June 2023 shows a build-up of US\$1,029.1 million;
 - the change in the Bank of Ghana claims on the Central Government and public entities was zero since the beginning of the programme, which is in line with the Programme target of zero financing from the Bank of Ghana to the Central Government and public entities. This indicates, among others, Government's continued commitment to the MOU agreed with the Bank of Ghana on zero Central Bank financing;
 - the present value of newly contracted or guaranteed external debt by the central government and public entities is line with the Programme objective;
 - primary fiscal balance of the Central Government on commitment basis, amounted to a surplus of GH¢8.8 billion (1.1% of GDP) against the end-June programme target of a deficit of GH¢4.0 billion. We note that, despite this performance, the June fiscal outturn is subject to revision pending a comprehensive assessment of payables data especially in the energy sectors. And as notified earlier, a comprehensive review of the fiscal balance will be conducted during the Programme's first review;
 - the non-accumulation of external debt payments arrears by the Central Government and the Bank of Ghana is in line with the Programme objective.
 - Newly contracted collateralized debt by the central government and public entities is in line with Programme the objective; and
 - the June headline inflation outturn was at 42.5 percent, well within the MPCC inner target range. The Monetary Policy Consultation Clause (MPCC) end-June 2023 central target for headline inflation was set at 42.1 percent, with an inner band of ± 3 percent under the MPCC.
45. Mr. Speaker, progress has also been made on the three Indicative Targets under the Programme based on Provisional end-June 2023 data as follows:
- Non-Oil public revenue amounted to GH¢50.1 billion in line with the Programme target;
 - social spending on LEAP, NHIS, Capitation Grant, and the School Feeding Programme amounted to GH¢1.7 billion; and

- net change in the stock of payables of the Central Government and of payables to IPPs, provisionally stood at about GH¢3,500 million (mainly driven by energy sector payables) from the end-December 2022 position.
46. Mr. Speaker, despite the progress, a comprehensive assessment of the Programme performance targets will be made by the IMF during the First Review of the Programme.
47. Mr. Speaker, the IMF-Supported PC-PEG has prioritized the implementation of social protection reforms as part of measures to ensure that the country's poor and vulnerable in the country are protected from the impact of the current economic challenges and the ongoing fiscal adjustment. In addition to doubling the LEAP benefits in the 2023 Budget, we are working with the IMF and World Bank to put in place an indexation mechanism for benefits under the LEAP programme by end-September 2023 to ensure that the real purchasing power of the benefits is not eroded by inflation over time. In addition, the coverage of the LEAP programme will be expanded, and its targeting improved, to cover all the extreme poor by 2024. Social spending on health, social protection, and education will be closely monitored to ensure timely disbursement of funds to intended beneficiaries.
48. Mr. Speaker, the underlisted three Structural Benchmarks (SBs) are due for the First Review of the Programme:
- finalise the comprehensive stock-taking of payables accumulated by all MDAs. This involves designing a credible plan to clear the existing stock and a strategy to prevent future accumulation of arrears.
 - finalise strategy to strengthen the financial sector and rebuild financial institutions' buffers in collaboration with the Fund Staff; and
 - publish the updated Energy Sector Recovery Plan (ESRP) after Cabinet approval, with well-identified measures, milestones, and timelines.
49. Mr. Speaker, we made significant progress towards all three SBs as all three strategies had been prepared and approved by Cabinet before the end of June 2023. These strategies benefited from inputs from the IMF and the World Bank except for the ESRP which is now being updated to reflect the IMF's comments. The three strategies will be published as soon as the updated ESRP is reviewed to reflect comments from the IMF.
50. Mr. Speaker, Cabinet also approved a turn-around strategy for COCOBOD as part of measures to improve financial viability of the institution and to position it to deliver increased value for the people of Ghana.
51. Mr. Speaker, I take this opportunity to assure all our key stakeholders of Government's commitment to the unwavering implementation of our very own PC-PEG which has received unflinching support from the IMF.
52. Mr. Speaker, I will now provide a more detailed update on the progress made in execution of key structural reforms including the energy sector, COCOBOD, financial sector, commitment control, and SOE performance.

Update on Energy Sector Recovery Plan

53. Mr. Speaker, in 2019, Government put in place the Energy Sector Recovery Plan (ESRP) spanning the period 2019-2023 (Phase I) to implement key interventions to improve the operational efficiency and transparency of the energy sector SOEs, reduce distribution and technical losses and increase revenue collections. Though the implementation of the first ESRP yielded some dividends, there remains key issues including accumulation of legacy debt and Government's inability to fully honour its current obligations due mainly to operational inefficiencies, tariffs under recoveries, and excess capacity charges emanating from take-or-pay contractual arrangements with Power Purchase Agreements (PPAs), among others.
54. Mr. Speaker, to address these key issues and improve the financial viability and sustainability of the sector to support the economic recovery process, Government prioritised the updating of the ESRP (Phase II) in the PC-PEG. The updated ESRP (Phase II) which spans the period 2023-2025 is expected to have important spillover effects, including a reduction in Government budgetary allocations to finance energy sector indebtedness. This will ultimately free up fiscal space to support the recovery process.
55. Mr. Speaker, in addition to the preparation of the ESRP Phase II document, the following key milestones have been achieved since we began the implementation of the IMF-supported Programme:
- implementation of quarterly tariff adjustments to reflect exchange rate, inflation and fuel price changes;
 - publishing the new tariff setting guidelines by Public Utilities Regulatory Commission (PURC) for electricity distribution and supply;
 - publishing technical notes by PURC to explain and justify quarterly tariff decisions to promote transparency within 30 days of the decision announcement;
 - publishing a new policy directive on procurement of new IPPs to mitigate the commercial burden on the nation by end-2023;
 - establishing a framework to improve operational efficiency of ECG/PSP and NEDCo to meet KPIs set by the State Interests and Governance Authority (SIGA), Energy Commission (EC), PURC, and the Ministry of Energy (MoEn). The Energy Commission/PURC developed PIP guidelines which guided the preparation of ECG's and NEDCo's PIPs and were approved by Government and the regulators (EC and PURC);
 - measures have been put in place to ensure transparency in gas supply agreements (GSA) by GNPC, with justification being sought in case large variations are found in contracted prices for different customers. Government has directed GNPC and GNGC to ensure the objective of this policy is achieved;
 - developing and operationalising a framework, in consultation with the Fund staff, to guide the granting of energy sector subsidies. The analysis of the impact of subsidies to various segments has been completed. Work on policy development is on-going;
 - publishing the Integrated Power Sector Masterplan (IPSMP) that lays out a clear strategy and actionable items synchronized with updated demand-supply forecasts. This has been prepared and published on the Energy Commission's website;

- implement an inter-utility debt settlement framework on a quarterly basis. The audit has been conducted and the framework is currently being developed;
 - IPP power plant verification audit has been executed and a report submitted to MOEn to ensure transparent billing. In addition, a merit dispatch order is being monitored on a regular basis to ensure cheaper electricity goes first on the grid;
 - the categorization of MDAs into strategic and non-strategic institutions, installation of pre-paid meters to non-strategic MDAs, and allocation of budget to pay for strategic MDAs has been completed;
 - developed and operationalized a regulatory financial reporting framework; and
 - implementing a mechanism to enforce the guidelines of the Cash Waterfall Mechanism (CWM) and NGC. Mr. Speaker, I will give a more detailed update on the CWM shortly.
56. Mr. Speaker, the implementation of the ESRP Phase II has begun in earnest. One of the key reforms under the ESRP Phase II is the redesign of the Cash Waterfall Mechanism (CWM) to address existing weaknesses and ensure sustained cash flow in the energy sector as well as uninterrupted supply of electricity.
57. The CWM will have two levels. Level A will be payments to IPPs directly by ECG and Level B will be payments to SOEs and fuel suppliers. Government does not expect payment shortfalls to IPPs following recent negotiations between ECG / Government and the IPPs to pay for energy delivered. This addresses the excess capacity payments which have led to significant debts in the sector. In the case of Level B payments, where there are shortfalls, the Ministry of Finance (MoF) will release funds to make up for shortfalls in the interim.
58. The new model will ensure that we do not rebuild arrears in the power sector. It will also eliminate new debt accumulation and improve the country's overall debt sustainability.
59. Mr. Speaker, in demonstrating Government's commitment to the redesigned CWM, the MoF, a few weeks ago, made payments amounting to US\$43 million to IPPs to settle part of outstanding obligations as the processes for the implementation of the CWM are being finalised. This brings to US\$269 million, the total money paid to IPPs and fuel suppliers by MoF from January to July 2023 on behalf of the ECG.
60. Mr. Speaker, to ensure transparency in the CWM, ECG will, hence forth, operate a Single Collection Account, which will be audited monthly by an independent audit firm. PURC is currently undertaking processes for the selection of an Audit firm for this purpose.
61. Mr. Speaker, it is instructive to note that Government is working with ECG to implement a customer regularisation programme that will lead to the metering of 1.6 million customers. This will generate additional revenue to ECG to fully pay for invoices submitted by IPPs and SOEs. It is expected that when this is achieved, MoF will no longer be required to pay for any shortfalls in the energy sector, as the sector becomes financially viable.

62. Mr. Speaker other initiatives being pursued to improve the financial sustainability of the energy sector include:
- **Private Sector Participation (PSP):** The Ministry of Energy is working on the PSP policy which will allow for private participation in the retail end of ECG's business (billing, collection, among others). This is expected to improve collection efficiency and reduce losses as well as shortfalls in the sector. The policy is expected to be rolled out by end-2023.
 - **IPP Power Purchase Agreement (PPA) renegotiations:** Government has constituted a Government Negotiation Team to renegotiate with six (6) IPPs on the terms of their PPAs. Agreement reached with the IPPs will ensure that only energy consumed will be paid for and not capacity charges. This is expected to reduce Government's arrears obligation to IPPs significantly.
 - **IPP Debt restructuring:** Government, as part of its debt management strategy to restore debt sustainability in the medium-term, has programmed to restructure debts owed to IPPs and fuel suppliers for the period up to end-May 2023.
 - **Energy Sector Legacy Debt Validation Exercise:** Government is undertaking the Energy Sector Legacy Debt Validation exercise which is expected to lead to a net-off of the sector legacy debts among the sector entities, leaving the books of the entities cleared for a financially sustainable energy sector. Preliminary audit up to 2022 has been issued for comments before finalisation.
 - **The Natural Gas Clearinghouse (NGC):** The NGC ensures that the relevant SOEs in the energy sector (GNPC, VRA & GNGC) contribute to the payment of Gas supplies by the Sankofa Partners. This effort will help reduce the sector shortfall which ordinarily GoG (MoF) would be obligated to pay.
 - **Improvement in ECG's Operations and Revenue Collection:** ECG submitted its operational investment requirement to Government. Proposals to improve operational challenges include Know Your Customers (KYC) and installation of pre-paid meters, among others. A strategy has been developed and is being implemented. It is expected that the challenges, when addressed, will ensure improvement in ECG revenue collections, which impacts on payments to sector players.

Update on COCOBOD Turn-around Strategy

63. Mr. Speaker, a turn-around strategy for COCOBOD has been approved by Cabinet for immediate implementation. The strategy is aimed at addressing the structural challenges currently being faced by COCOBOD with a view to transforming COCOBOD and restore its financial viability.
64. Mr. Speaker, the strategy proposes reforms to reduce and rationalise expenditures, review the Producer Pricing Mechanism (PPM), and phase-out quasi-fiscal expenditures.
65. Mr. Speaker, the major reform in the PPM involves a change in the Producer Pricing formula, from Net FoB to Gross FoB. This will promote transparency in pricing as well as ensure remunerative producer prices, leading to competitive pricing, reduce the incidence of smuggling, and reduce industry costs. As part of the strategy, COCOBOD will institute a legally binding framework for the Producer Price Review Committee pricing mechanism.

66. Mr. Speaker, it is anticipated that the enhanced producer price will incentivise and enable the farmer to undertake the recommended Good Agronomic Practices (GAPs) and other necessary interventions.
67. Mr. Speaker, with regards to cost rationalisation, COCOBOD has programmed to reduce the operational cost share of the gross FoB from 58.2 percent to 35 percent. The cost rationalisation measures include procurement benchmarking, staff realignment, reducing crop finance cost, reducing debt financing cost, and undertaking functional review of Departments. The current debt exchange in relation to COCOBOD is part of the cost rationalisation.
68. Mr. Speaker, the last leg of the reforms entails phasing out quasi-fiscal expenditures. COCOBOD's essential pipeline Cocoa Road Projects will be phased-out in subsequent years. Existing cocoa road contracts will be honoured up to a year after their expiry.
69. Mr. Speaker, the turnaround strategy is expected to result in a reduction in COCOBOD's operational cost and improve its revenue, and enhance transparency in the cocoa producer pricing regime, thereby paying farmers remunerative price for cocoa and reduce the incidence of smuggling.

Public-Sector State-Owned Enterprise (SOE) Reforms

70. Mr. Speaker, in addition to SOE reforms in the energy and cocoa sectors, Government has prioritised public sector reforms in general. It is this singular drive, coupled with a realignment of Government's policy objective to focus on improving the performance of SOEs, that led to the establishment of SIGA in 2019 as the central oversight body. The establishment of SIGA was a central tenet of Government's plans to ensure the efficient running of SOEs, Joint Venture Companies (JVCs) and Other State Entities (OSEs), collectively referred to as Specified Entities (SEs).
71. Mr. Speaker, in keeping with the transformative agenda, Government in June 2023, approved the Code of Corporate Governance for specified entities and public service organisations and the State Ownership Policy for specified entities. The Code generally aims to promote good corporate governance practices and institutionalise ethical leadership in state institutions and to improve transparency and accountability. The Code is thus expected to improve the performance and competitiveness of Public Service Organizations and Specified Entities. The State Ownership Policy (SOP), on the other hand, is intended to provide a clear and comprehensive framework on all matters relating to Government's ownership and oversight of Specified Entities. The Policy, therefore, clarifies the guiding principles, processes, and institutions governing the ownership and oversight of SOEs and more broadly, Specified Entities, in line with international best practice.
72. Mr Speaker, it would be recalled that Government, pursuant to the erstwhile Structural Adjustment Programme (SAP), divested a number of entities and assets of the State under the auspices of the Divestiture Implementation Programme. Some of the entities on the divestiture list became moribund, after failing to attract interests of prospective investors. Over time, most of the entities became

completely defunct. A comprehensive inventory of all these assets have been taken, to enable Government to make a decision on whether to sell or prudently manage the assets on behalf of the State. In March this year, Cabinet approved the sale of assets of 17 defunct/ inactive entities that wholly belonged to the State. The assets had a stated market value of about GH¢1.10 billion.

Ghana Financial Sector Strengthening Strategy

73. Mr. Speaker, since 2017, Government has been working with financial sector Regulators to address key weaknesses in the financial sector with an estimated 5 percent of GDP (over GH¢22.5 billion) spent to protect depositors and investors, and to preserve the stability of the entire financial system. These efforts are important as the sector constitutes about 59.1 percent of GDP, with a total asset base in excess of GH¢260.4 billion as at end-December 2021.
74. Mr. Speaker, the launch of the Domestic Debt Exchange Programme (DDEP) to restore macroeconomic stability and debt sustainability has had significant impact on the financial sector, as banks and other institutions are significantly exposed to these restructured assets. Overall, the February 2023 DDEP specifically aimed to restructure about Gh¢97,749,624,691 (total eligible Government bonds, including ESLA and Daakye bonds). A total of Gh¢82,994,510,128, representing about 85 percent of eligible bonds, were successfully tendered, and restructured into 16 new bonds. It is important to state that, the financial sector played a significant role in the success of the Programme, surrendering about 73.1 percent of the total eligible bonds restructured during the programme in February 2023.
75. Additionally, on 14th July, 2023, the Government of Ghana and the Ghana Cocoa Board launched the exchange programme for holders of Cocoa Bills (GH¢8.1 billion) and domestically issued US\$-denominated bonds (US\$808.99 million). Government is further negotiating with pension funds (holding an estimated GH¢29.2 billion) in a separate execution arrangement to ensure the full completion of the domestic debt restructuring process by the end of August 2023.
76. Mr. Speaker, as a result, the impact of the debt treatment on the financial sector has been severe, albeit better than forecasted, based on the audited financial results for 2022 recently published by banks and ex-post prudential assessments by Regulators. Stress tests conducted on the financial sector by the relevant Regulators in November 2022 estimated liquidity and solvency risks for banks, SDIs, insurance firms, asset managers, collective investment schemes, pension fund trustees, and regulated pension schemes. The analysis indicated an estimated total capital shortfall of the financial sector as of November 2022 at about Gh¢23.8 billion, and a liquidity gap based on a worst-case scenario of Gh¢61.6 billion.
77. Mr. Speaker, Government stands ready to do all it can to always preserve the stability of the financial sector, and to continue to ensure that all deposits and investments are safe and credit and capital market access remain supportive of the private sector. In this regard, Government, with support from the IMF and the World Bank, has agreed to further implement reforms that will strengthen the financial sector, and remove binding constraints to credit growth and the development of the domestic capital market.

78. Mr. Speaker, as a result, and consistent with the resource envelope envisaged by the IMF-ECF macro-framework baseline under the IMF Programme, Cabinet has approved an amount of up to GH¢22.8 billion (2.6% of GDP) to further strengthen the financial system and rebuild capital buffers to improve resilience. This overall resource envelope will be deployed under the framework of the Ghana Financial Stability Fund (GFSF) in phases with an initial commitment of the Ghana Cedi equivalent of U\$750 million. The initial commitment will consist of a funded portion of US\$250 million from the World Bank/IDA and US\$500 million to be funded from the issuance of marketable debt to help rebuild capital buffers of affected banks and other eligible financial institutions. I wish to highlight that the BoG is not expected to provide funding for the GFSF.
79. Mr. Speaker, support for the financial system under the GFSF framework will be based on transparent eligibility criteria for Financial Institutions (FIs) which include full participation in the DDEP, a viable capital restoration plan notwithstanding the GoG debt restructuring impact (discounting regulatory forbearance and other reliefs), and existing GoG/GAT equity participation. For privately owned FIs, a commitment will be required from other shareholders to inject additional capital to complement GoG's funding support to ensure that dilution of private shareholders is kept to a minimum. Evidence of strong governance and prudent management is also required to be demonstrated. For example, banks which are to benefit from the arrangement must achieve a minimum of 75 percent implementation rate of the most recent on-site examination prescriptions, and full compliance with the BoG's Corporate Governance Directive, Cyber Security Directive, and Risk Management Directive. The Bank of Ghana expects banks to submit recapitalization plans with regulatory approval for such plans scheduled for end-September 2023.
80. Under the GFSF framework, Government's direct budget funding will focus on ensuring the recapitalization of state interest banks such as GCB, CBG, ADB and NIB, among others. Specifically, all state interest banks will be capitalised by end-September 2023. Government will also streamline the strategic focus of all state-owned banks to ensure that they better support areas of the economy such as agriculture, industry, and key SMEs. Government will also strengthen and preserve the resilience of the insurance industry, including the recapitalization of the state-owned SIC Life Insurance Company, and work to restore normalcy in the debt capital market to improve liquidity, especially for capital market institutions. This is important in positioning the country to continue to expand the frontiers of private sector growth.
81. The Government will also support GAT-assisted banks and other locally controlled privately-owned banks that request assistance from the GFSF in line with the operational framework agreed with the IMF and the World Bank. The World Bank facility under the GFSF will provide a debt only (non-equity dilution) capital support to banks, both foreign-owned and locally-owned to support their strong recovery post the DDEP. The Ministry of Finance is working with the Bank of Ghana and other regulators to ensure that the framework of the GFSSS is finalised, and its operationalisation commences immediately after the approval of the Mid-year budget.

82. Generally, the sources of recapitalization by banks and other FIs over the next three years will be the following, in the order of priority:
- recapitalization by existing shareholders in line with capital rules of the respective Regulators;
 - injection of new equity capital by new investors accepted by existing shareholders; and
 - support from GoG for eligible FIs that meet agreed prescribed criteria for accessing solvency support from the GFSF.
83. Mr. Speaker, Government has engaged all state interest banks, other financial institutions, and key stakeholders to prepare for the execution of the financial sector reforms. The Ministry of Finance will address any cash flow gaps in close consultation with the IMF, given the current tight financing conditions in the domestic market. The Ministry will continue to monitor the impact of the GoG debt restructuring exercise on the financial sector and market conditions generally, based on the advice of BoG, other financial sector Regulators, and the FSC. Upon finalisation of the components of the GFSF, the MoF will publish details of the structure and governance arrangements for the Fund and publish FAQs to further explain how the fund will work to promote more confidence in the stability of the financial sector.

Arrears Clearance and Prevention Strategy

84. Mr. Speaker, as part of the measures to achieve the objective of bringing public finances back on a sustainable path, Government is embarking on a number of expenditure efficiency drives, including the development and implementation of an Arrears clearance and prevention strategy.
85. Mr. Speaker, Government plans to clear the existing arrears over the medium-term. In certain circumstances, arrears will be audited for validation before payment.
86. Mr, Speaker to prevent the accumulation of new arrears, Government has put in place the following measures:
- alignment of the quarterly budget allotments with cash forecast and tightening the use of allotments as a control on the GIFMIS instead of the budget appropriation;
 - MDAs will revise their cash plans on a quarterly basis to reflect the allotments received. The Cash plan module will be configured on Oracle Hyperion by December 2023 after completing all stakeholder engagements, in line with the system's functionalities, which will be deployed to the various MDAs. This will ensure that MDAs are able to revise their cash plans within the window provided;
 - contracts for public works will be standardised to ensure flexibility in budget execution;
 - standard tender documents will be reviewed to include clauses that make the award of the contract null and void if not supported by a GIFMIS-generated Purchase Order;
 - all MDAs will be required to use the GHANEPS for all procurement activities to enhance transparency and efficiency in the procurement of goods, works, consultancy services, non-consultancy services, and asset disposal.

87. Mr. Speaker, we will improve Budget Execution practices by undertaking the following measures, among others:
- approval of MDAs commencement requests to be done within the first quarter of any fiscal year to allow MDAs sufficient time to complete procurement and payment processes before end of year;
 - enforcement of the use of GIFMIS for all transactions to prevent unbudgeted expenditure; and
 - internal Audit Agency will take steps to ensure that public officers within covered entities adhere to the legal and regulatory principles governing public financial management in the discharge of their duties;
 - covered Entities will be held to strict adherence to the requirements of the Public Financial Management Act, 2016 (Act 921), particularly the provisions of the Act relating to expenditure control; and
 - all public officers, particularly Principal Spending Officers of covered entities, are hereby notified of the decision of Government to strictly apply the administrative and criminal sanctions specified in sections 96 to 98 of the Public Financial Management Act for various contraventions of the Act and its Regulations, particularly provisions relating to expenditure control breaches.
88. Additionally, the Ministry of Finance will establish an office responsible for compliance that will monitor and report on commitments and arrears accumulation. This desk will, among other functions, closely track the tender advertisements from Covered Entities to ensure that they have allotments and are on the Ghana Electronic Procurement Systems (GHANEPS).

Interventions towards Improving Accountability and Transparency in the Public Financial Management Ecosystem

89. Mr. Speaker, in ensuring accountability and transparency in the use of public funds, section 88 (2) (b) of the Public Financial Management Act 2016 (Act 921) enjoins all covered entities to prepare annual statements on the status of implementation of audit recommendations and forward same to the Minister for Finance, Parliament, Office of the President, and the Auditor-General within six months after the end of each financial year.
90. Mr. Speaker, with the objective of ensuring value for money and strict accountability in the use of public resources, the Ministry of Finance has established a robust system for the review of all the annual statements on audit recommendations submitted by Covered Entities with strong follow-up action by Government, to ensure compliance and strengthen the internal control environment in public institutions.
91. Mr. Speaker, the result of the review of the annual statements submitted by covered entities in 2022 are reported as follows:
- a total of 152 annual statements (covering the 2021 financial year) were submitted in 2022 as compared to 121 in 2021. This represents 25.6 percent improvement in the submission rate over the previous year; and
 - a total of 4,641 audit recommendations were reported. As a result of the strong follow-up actions, 3,144 representing 68 percent of the recommendations were completely implemented, 1,056 representing 23 percent of the recommended

actions were ongoing, and 441 representing 9 percent of the recommendations were yet to be implemented.

92. The audit recommendations reported in the annual statements were driven mainly by administrative lapses, cash irregularities, procurement irregularities, asset management irregularities, tax irregularities, loan irregularities, contract irregularities, rent irregularities, and payroll irregularities.
93. Mr. Speaker, Government will continue to implement and monitor measures for the effective management of public resources.

Update on Revenue Policy and Administration Reforms

94. Mr. Speaker, the Ministry has developed a Ghana National Revenue Policy (GNRP) to underpin government's policy direction and strategies on revenue in the short to medium term. To operationalise the GNRP, the Ministry is undertaking a whole-of-government approach to develop a Medium-Term Revenue Strategy (MTRS) to detail specific interventions to achieve the policy objectives. The MTRS will strengthen accountability and increase the transparency of revenue policy in order to stimulate higher levels of public confidence. Additionally, the MTRS will provide stability and predictability for businesses in the short to medium-term. When finalised, these will be presented to Cabinet for approval.
95. Mr. Speaker, in collaboration with the Institute for Fiscal Studies UK (IFS UK), two research papers have been developed and are being finalised for publication. The first research paper - 'A review of Ghana's value-added tax system' evaluates the recent reforms to Value Added Tax (VAT) design and administration in Ghana, analyses Ghana's VAT revenue performance and identifies potential VAT reforms to improve revenue collection, design, and administration; while the second research paper - 'A distributional analysis of Ghana's tax system' provides analysis on the distributional effects of Ghana's current tax system and that of recent changes to the Ghanaian tax system using insights from the 'GHATAX' microsimulation model. Earlier reports on Customs completed in 2021 (A survey of the Ghanaian tax system and Customs revenue in Ghana: recent trends and their causes) have been published on the Ministry of Finance's website.
96. Mr. Speaker, Ghana's policy on Tax Treaty Negotiation has been reviewed and updated to conform with international standards. An accompanying Negotiation Manual has been developed to guide treaty negotiations, as well as an Administration Manual to guide tax auditors within the Ghana Revenue Authority on tax treaty administration. In the same light, the Environmental Fiscal Reform Policy has been reviewed and updated to reflect current trends. With a global shift in focus onto climate and environment-related policy, it is imperative for Government to institutionalise and adopt a policy on climate and the environment, while adhering to international protocols like the Paris Climate Agreement. These policy documents will be presented to Cabinet for approval in due course.
97. Mr. Speaker, proposals for new fees and charges by various Ministries, Departments and Agencies (MDAs) have been collated, and a draft Legislative Instrument to the Fees and Charges (Miscellaneous Provisions) Act, 2022 (Act

1080) has been prepared for prior engagements with the Subsidiary Legislation Committee of Parliament, before laying in Parliament.

98. Mr. Speaker, the Revenue Assurance, Compliance and Enforcement (RACE) Initiative has progressed in leaps and bounds since its inception in 2021, investigating revenue leakages from the import and domestic revenue front, thereby leading to recoveries of revenue that would otherwise have been lost. In the past year, the RACE team conducted a series of audit and reconciliation exercises on selected items, some of which include cargo weights of imported products, VAT compliance of selected imported products and the use of Import Declaration Forms.

CHAPTER THREE: GHANA'S DEBT RESTRUCTURING PROGRAMME

3.1 Context and Background to Ghana's Debt Restructuring Programme

99. Mr. Speaker, in recent years, Ghana's external and domestic borrowing has strategically aimed to address Government's fiscal gap. This source of financing has played a crucial role in supporting public expenditures for economic growth, social spending, and poverty reduction.
100. Ghana's economy has become well-diversified, especially with the 2007 discovery of crude oil. Additionally, the economy relies on a wide variety of imported final and intermediate goods for production, which increases Ghana's integration with the global economy. The country over time has therefore become highly vulnerable to external shocks.
101. Mr. Speaker, even though it has been three years since the COVID-19 pandemic, the World Bank estimates that its effects have contributed to the most severe global recession since the Second World War.
102. The pandemic affected very important economic variables. For example, interest rate hikes have reached their highest in over 3 decades and are well above the levels predicted by the majority of Central Banks that practice an 'inflation targeting regime'. Higher interest rates or borrowing costs have always led to larger than expected interest payments, virtually leaving no fiscal space for Governments around the world to build buffers for any subsequent shocks.
103. The Russian invasion of Ukraine has exacerbated the persisting effects of the COVID-19 pandemic on the global economy. In this regard, structural constraints within the global supply chain have contributed to record-level inflationary pressures and hampered the Central Banks' monetary policy instruments. In the majority of emerging and developing economies, fiscal and banking sector risks are increasing.
104. Mr. Speaker, this global backdrop, and existing vulnerabilities have resulted in an unanticipated economic crisis for Ghana. The financial sector clean-up from 2017 to 2021, and the shortfall budgetary provisions from the energy sector have further contributed to Ghana's debt dynamics worsening beyond its organic growth.
105. Simultaneously, investor concerns triggered multiple credit rating downgrades, significant exchange rate depreciation, substantial capital outflows, restricted external market access, declined international reserves and also led to acute domestic financing difficulties.
106. Mr. Speaker, we highlighted the compounding effect of these developments in the 2023 Budget Statement and our internal assessment of Ghana's debt diagnosed the country to be at a "high risk of debt distress" with unsustainable debt.
107. The results of the pre-debt restructuring public DSA indicated a PV of debt to GDP ratio of 89 percent, significantly above the threshold of 55 percent. The result of

the external DSA showed that the PV of external debt to GDP ratio was 43 percent, above the 40 percent threshold. The external debt service to revenues ratio was 28 percent, above the 18 percent threshold. However, the PV of external debt to exports of 120 percent and external debt Service to exports ratio of 12 percent, were below the 180 percent and 15 percent thresholds respectively.

108. Mr. Speaker, the Government, therefore, announced in the 2023 Budget Statement to embark on a debt restructuring programme to alleviate fiscal pressures by reducing debt servicing costs, improving debt sustainability indicators, and ensuring macroeconomic stability and economic growth.
109. The restructuring programme is critical to the implementation of the IMF supported PC-PEG Programme. To ensure a return to the path of debt sustainability, a comprehensive debt strategy centred on a debt restructuring programme was pursued.
110. Mr. Speaker, the perimeter for the restructuring includes both domestic and external central government debt and some parastatals.

3.2 Domestic Debt Exchange Programme

111. Mr. Speaker, the Domestic Debt Exchange Programme (DDEP) aims to ease the debt burden in a most transparent, efficient, and expedited manner while minimising its impact on investors. The perimeter for the DDEP covers medium and long-term bonds and notes locally issued by government and its SPVs (Daakye Plc and ESLA Plc), as well as Cocoa bills issued by Ghana Cocoa Board (COCOBOD).
112. The Government launched the DDEP on 5th December 2022, inviting holders of eligible bonds to exchange their existing holdings for new bonds. The exchange excluded treasury bills. The key features of the DDE include:
 - Capitalization of accrued interest for the new bonds;
 - Categorisation of bondholders into three:
 - category A: individuals below 59 years old and Collective Investment Scheme (CIS) investors receive two bonds due in 2027 and 2028 with a 10.0 percent coupon rate;
 - category B: individuals above 59 years old and CIS receive two bonds due in 2027 and 2028 with a 15.0 percent coupon rate; and
 - general Category C: Standard exchange terms of:
 - eligible bonds due after 2023 for 12 new bonds maturing one per year from 2027 through 2038, with an average coupon rate of 9.0 percent, part of which will be capitalised in 2023 and 2024 to alleviate the cash constrains of government; and
 - eligible bonds due 2023 for seven new bonds maturing from 2027 through 2033.
113. Following stakeholder engagements and amendments to the original terms, government successfully completed the first phase of the DDEP on 14th February, 2023. The participation rate was 84.9 percent, representing tendered bonds of GH¢82,994.51 million out of the total eligible bonds of GH¢97,749.62 million, against the target of 80 percent. The tendered bonds represented 65.4 percent of

the outstanding domestic marketable debt stock of GH¢126,978.55 million (i.e., excluding T-bills) at the end of December 2022.

114. Mr. Speaker, the government offered most bondholders a set of new bonds with average coupon rate reduction from 19.1 percent to 9.1 percent and an increase in combined average maturity from 3.8 years to 8.3 years.

Figure 1: Domestic Debt Exchange Programme (DDEP)



Source: MoF

Table 1: Summary of Results of DDEP

CATEGORY	Principal Accepted in (GH¢) <i>in millions of GH¢</i>	Amount% of Eligible amount	Outstanding Number of Instructions Accepted
Category A	5,776.82		5.9 4,098
Category B	423.92		0.4 1,333
General Category	76,793.77		78.6 4,506
Grand Total	82,994.51		84.9 9,937

Source: MoF

115. Mr. Speaker, to complete the domestic debt exchange programme, the government announced in April 2023 its intention to continue discussions regarding debt exchange operations involving the following domestic debt perimeters such as Energy sector Independent Power Producers (IPPs); Cocoa bills; Local US dollar-denominated bond; and Non-marketable debt.
116. On 14th July 2023, the Government and COCOBOD launched local US dollar-denominated bonds and Cocoa bills exchanges, respectively. Both instruments significantly burdened the fiscal position, prompting the need to seek similar efforts from domestic holders of these instruments to exchange their debt instruments.
117. Mr. Speaker, the Cocoa Bills exchange will offer five (5) new Cocoa bonds maturing between 2024 and 2028 (5.0 percent of the amount to be exchanged against 2024 bond, 20.0 percent against 2025 bonds and 25.0 percent each against 2026, 2027, and 2028 bonds). The new bonds remain the debt of COCOBOD at an interest rate of 13 percent each.
118. The US dollar-denominated bonds exchange will offer two new bonds in equal proportion, maturing in 2027 and 2028, with respective interest rates of 2.75 percent and 3.25 percent.

119. Mr. Speaker, the Government wants to use this opportunity to thank the public, especially the investors, for their forbearance during these difficult economic times. The government, therefore, urges all current holders of these bonds to participate ahead of the closing date of 4th August 2023.
120. Mr. Speaker, Government has also started constructive engagements with individual IPPs to restructure their arrears amount US\$1,747.32 million as at end May 2023 and hope to reach a mutually beneficial solution soon.
121. Mr. Speaker, the Government had series of engagements on pension funds following the signing of a Memorandum of Understanding (MoU) between the Government and Organised Labour on 22nd December 2022 to exempt pension funds from the DDEP.
122. The MoU emphasised the need for Government and Organised Labour to work together to explore mutually beneficial options within debt sustainability limits and to promote macroeconomic stability and economic recovery in the spirit of social partnership.
123. Mr. Speaker, Government has subsequently made an alternative offer to exchange the pension funds which is consistent with the tenets of the MoU.

Administrative Re-opening of the DDEP

124. Mr. Speaker, an administrative reopening of the standard DDEP is expected to be launched in the next couple of weeks, to allow holdouts to participate.

3.3 External Debt Restructuring

125. Mr. Speaker, on 19th December, 2022, Government announced an external debt service suspension for certain categories of external debt, pending an orderly restructuring. The suspension applies to all outstanding Eurobonds, as well as all commercial and bilateral debt but excluding multilateral debt. However, we expect a limited number of financing lines already disbursing to socially beneficial projects will be exempted.
126. Mr. Speaker, the suspension was part of a comprehensive external debt operation to restore Ghana's debt to sustainable levels. Government has made substantial progress with its external debt restructuring following the suspension.

Bilateral Debt and G20 Common Framework

127. Mr. Speaker, the global financial architecture is changing with regards to solving debt sustainability issues. The current architecture is through the G20 Common Framework for Debt Treatments beyond the Debt Service Suspension Initiative (CF-DSSI). This is an agreement between the G20 and Paris Club members to cooperate on debt treatments for eligible countries.
128. The debt coverage includes debt owed to G20 and Paris Club Creditors and encourages comparable treatment for other bilateral and commercial creditors. Creditors rely on the IMF's Debt Sustainability Framework for Low Income Countries (LIC-DSF) to determine the size and depth of the debt treatment on a country-by-country basis. For this, Ghana and the IMF/WB

conducted a Debt Sustainability Analysis, the results of which point to Ghana being "In Debt Distress".

129. Mr. Speaker, as part of the restructuring process, government made a request for the treatment of the bilateral debt under the CF-DSSI. Government had series of engagements with its bilateral creditors via the Paris Club.
130. The Official Creditor Committee (OCC) for bilateral creditors was created on 12th May, 2023 with China and France Co-chairing the Committee. It provided the necessary financing assurance to facilitate approval for Ghana's IMF-ECF supported programme. Thereafter, the IMF Board on 17th May, 2023 approved Ghana's Programme.
131. Mr. Speaker, Government is currently making progress in the technical discussions with the OCC Secretariat on the bilateral debt. We are expecting to sign an MoU to conclude the bilateral restructuring by end of the third quarter.
132. Mr. Speaker, we are encouraged by the recent agreement by the G20 under the common framework on Zambia's debt restructuring coming on the heels of the agreement that was earlier reached for Chad. We will continue to work to ensure a speedy conclusion of the bilateral debt restructuring.

Commercial Creditors

133. Mr. Speaker, Government has started the process of negotiating in good faith with its commercial creditors and Eurobond holders. Two bondholder groups have been formed, comprising domestic and regional bondholders, and international bondholders. Government has made significant progress in the technical work with Bondholders' advisors and has been in a position to discuss illustrative scenarios of Eurobond restructuring consistent with the IMF Debt Sustainability Analysis. Government has so far received a counterproposal from one group and expects to receive counteroffers from the other groups shortly. As a result, a debt restructuring agreement is envisaged in due time.

3.4 Impact of the Debt Restructuring

134. Mr. Speaker, the debt restructuring programme has been unprecedented in many ways, and a complex, albeit necessary economic policy to undertake. Prior to Ghana, few countries had implemented a comprehensive debt restructuring of this magnitude, involving both domestic and external debt. Government had to carefully weigh the potential risks to the economy, particularly the financial sector.
135. Mr. Speaker, the financial sector actively participated in the DDEP and a potential unintended consequence of this is the liquidity and solvency risks to the sector as well as impairment losses on their financial statements.
136. Four Regulators have taken proactive steps in providing regulatory forbearance to mitigate the impact of the DDEP on the financial sector. This includes a reduction of the cash reserve requirement and setting zero-risk weights for the new bonds. In addition, Government is committed to establishing a Ghana Financial Stability Fund with budgetary resources and support from our development partners, to provide solvency and liquidity support to the sector.

137. The announcement of the external debt service suspension led to a halt in loan disbursements on infrastructure projects, primarily from bilateral and commercial creditors. As a result, some contractors have demobilised from project sites which has affected the timelines for the projects' completion. Government is, however, working assiduously with the OCC to exempt some critical projects from the restructuring perimeter.
138. Ultimately, the successful completion of the debt restructuring exercise will enable Ghana to return to a path of sustainable finance and economic growth. The stabilisation of the economy will provide a robust foundation for future economic activity.

CHAPTER FOUR: OVERVIEW OF RECENT MACROECONOMIC DEVELOPMENTS

4.1 Global Economic Developments

Growth

139. Mr. Speaker, the global economy continues to struggle through a patchy recovery phase following the wave of shocks from the COVID-19 pandemic, the Russia-Ukraine war, and global monetary policy tightening. Amidst this difficult environment, the IMF's April 2023 World Economic Outlook (WEO) update projects global output growth to decline significantly to 2.8 percent in 2023, from 3.4 percent in 2022, before rising slightly to 3.0 percent in 2024. The projected slowdown reflects synchronous policy tightening around the globe, especially in the United States, the Euro area, the United Kingdom, and China, to contain high and persistent inflation.
140. Mr. Speaker, the forecasts indicate that Sub-Saharan Africa's growth will slow down to 3.6 percent in 2023 from 4.8 percent and 3.9 recorded in 2021 and 2022, respectively, as shown in Appendix 5. A key driver of the growth slowdown is the Russian invasion of Ukraine which has shaken global commodity markets and heightened geopolitical tensions. The region's already difficult policy outlook—which includes the contagion from the ongoing monetary tightening in advanced economies, its vulnerability to new waves of COVID-19 infections political instability, and security risks in many countries—have compounded its woes.

Inflation

141. Mr. Speaker, inflation remains high worldwide and well-above central bank targets in almost all inflation-targeting economies. Although global headline inflation has been declining since mid-2022, there are signs that indicate that underlying (core) inflation pressures could become more persistent. A fall in fuel and energy commodity prices, particularly in the United States of America, Euro area, and Latin America, has contributed significantly to this decline. To dampen demand and reduce underlying inflation pressures, central banks around the world have been tightening monetary policy, both at a faster persistent pace and in a more synchronous manner, than in the previous global monetary tightening episode just before the global financial crisis. This has, however, triggered notably tight financial conditions, particularly for less creditworthy emerging markets and developing economies (EMDEs).
142. Mr. Speaker, global average annual headline (consumer price) inflation is projected to decline from 8.7 percent in 2022 to 7.0 percent in 2023, and even drop sharply to 4.9 percent in 2024, echoing declining fuel and non-fuel commodity prices as well as the expected cooling off effects of monetary tightening on economic activity. As such, disinflation is expected in all major country groups, with about 76 percent of the world's economies expected to experience lower headline inflation in 2023. Inflation is projected at 4.7 percent in advanced economies, 8.6 percent in EMDEs, and 14.0 percent in sub-Saharan Africa in 2023. Many economies are projected to see further decline in inflation on the back unwinding monetary tightening, prompting inflation in advanced economies, EMDEs, and sub-

Saharan Africa to abate further to 2.6 percent, 6.5 percent, and 10.5, respectively, percent in 2024.

Commodity Prices in World Markets

Crude Oil

143. Mr. Speaker, the price of crude oil declined by 15.7 percent between August 2022 and February 2023 as a significant drag in global activity weakened demand, largely attributed to a huge decline in oil consumption in China on account of repeated shutdowns in response to COVID-19 outbreaks and a faltering real estate market. Crude oil prices will fall from an average of US\$96.4 a barrel in 2022 to about US\$78.0 a barrel in 2023 and continue to wane in the coming years to about US\$68.0 per barrel in 2026.

Gold

144. Mr. Speaker, available information from World Bank Commodities Price Data indicates that gold prices averaged at US\$1,801 per fine ounce in 2022 compared with US\$1,800 per fine ounce in 2021. Gold prices gained ground on the back of colossal central bank purchases, aided by vigorous retail investor purchases and slower ETF outflows, which boosted annual demand to an 11-year high in 2022. Fitch solutions has projected price of the precious metal to stabilise around US\$1,950 per fine ounce in 2023 as the banking turmoil has triggered a rush to safety buying among investors fearing recession, and market expectations for aggressive policy rate hikes by the US Federal Reserve have now faded.

Cocoa

145. Mr. Speaker, information from the International Cocoa Council (ICCO) indicate that the average world price for cocoa beans settled at US\$2,391.60 per tonne for the 2021/2022 crop year, compared to the US\$2,402.81 per tonne recorded for the 2020/2021 crop year. The ICCO's May 2023 Cocoa Market Report has projected Cocoa prices to hit a new average high above US\$3,000 per tonne for the 2022/2023 crop season as difficult agricultural conditions precipitated by high temperatures, poor rain levels (due to a "growing concern over an El Niño climatic phenomenon developing later in the year") and elevated cost of inputs are expected to reduce production and supply, combined with an expected modest increase in global demand.

4.2 Update on 2022 Domestic Economic Developments

146. Mr. Speaker, since the presentation of the 2023 Budget to Parliament in November 2022 featured a projected outturn for the year 2022 (as the year had not ended), we will take advantage of the 2023 Mid-Year Review of Fiscal Policies to provide an update of economic performance of the domestic economy in 2022.
147. Mr. Speaker, in 2022 the domestic economy continued to face the adverse impact of global shocks, including the lingering effect of COVID-19 pandemic, the Russia-Ukraine War, tight financing conditions, and global inflation. These developments, together with domestic vulnerabilities, manifested through rapid exchange rate depreciation, high inflation, unsustainable debt, and fiscal stress, despite the monetary and fiscal policy interventions that were deployed by Government and the Bank of Ghana.

148. To put the analysis of the economic developments in 2022 into proper perspective, we restate the macroeconomic targets for 2022 as presented in the 2022 Budget Statement and Economic Policy as follows (Table 2):

Table 2: Macroeconomic Targets for 2022

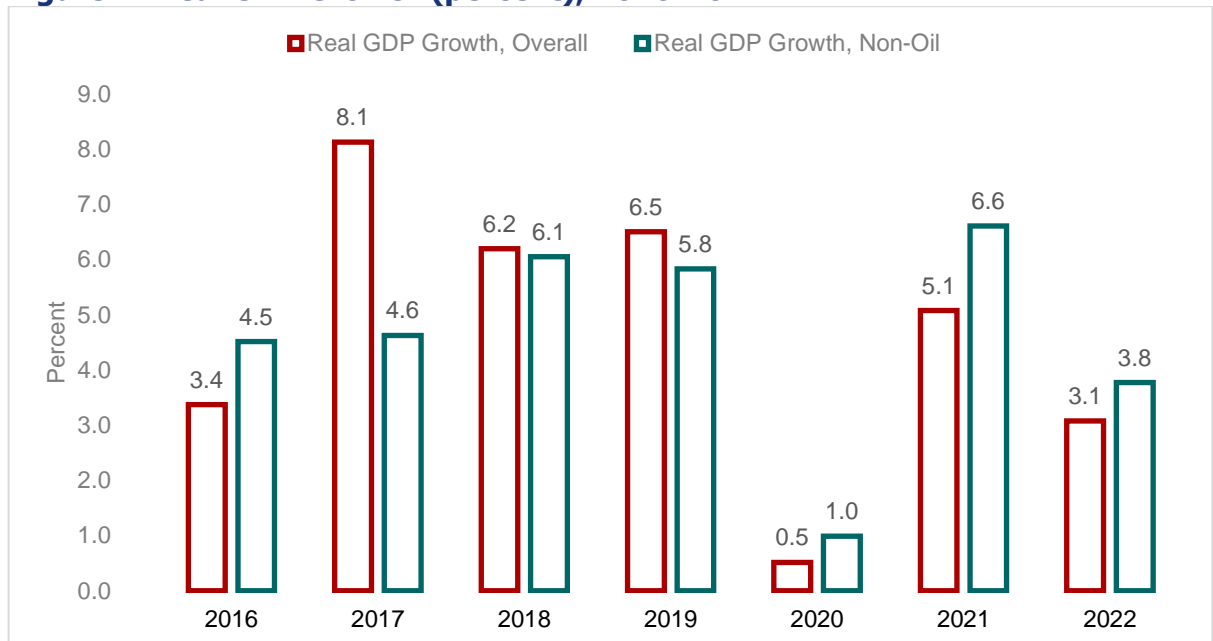
No.	Item	Target	Revised Target
1	Overall real GDP growth rate (%)	5.6	3.7
2	Non-Oil Real GDP growth rate (%)	5.9	4.3
3	End-period Inflation (%)	8	28.5
4	Overall Budget Balance (% of GDP)	-7.4	-6.6
5	Primary Balance (% of GDP)	0.1	0.4
6	Gross International Reserves in months of imports of goods and services.	≥4	≥3.5

Source: MoF

Real Sector Developments in 2022 Overall GDP

149. Mr. Speaker, provisional 2022 Annual National Accounts data released by the Ghana Statistical Service (GSS) in April 2022 show that overall real GDP growth in 2022 was 3.1 percent, down from 5.1 percent in 2021 and lower than the 3.5 percent projected for the year. The GDP growth performance partly reflected the weak macro-economic fundamentals in 2022 as well as external supply-chain disruptions. Non-oil GDP growth was 3.8 percent compared to 6.6 percent recorded in 2021 as shown in Figure 2.

Figure 2: Real GDP Growth (percent), 2016-2022



Source: MoF/GSS

Sector Developments

150. Mr. Speaker, the Services sector remained the best growth performing sector in 2022 with a growth rate of 5.5 percent, followed by Agriculture with 4.2 percent and Industry with 0.9 percent, compared with growth rates of 9.4 percent, 8.5 percent, and -0.5 percent, respectively, in 2021.

Agriculture

151. Mr. Speaker, growth in the Agriculture Sector slowed down from 8.5 percent in 2021 to 4.2 percent in 2022, reflecting growth reduction in Crops, including Cocoa (from 8.9% to 3.8%), Forestry and Logging (4.4% to 1.7%), and Fishing (14.2% to 8.8%). Growth in the Livestock subsector remained unchanged from the previous year's figure of 5.5 percent.

Industry

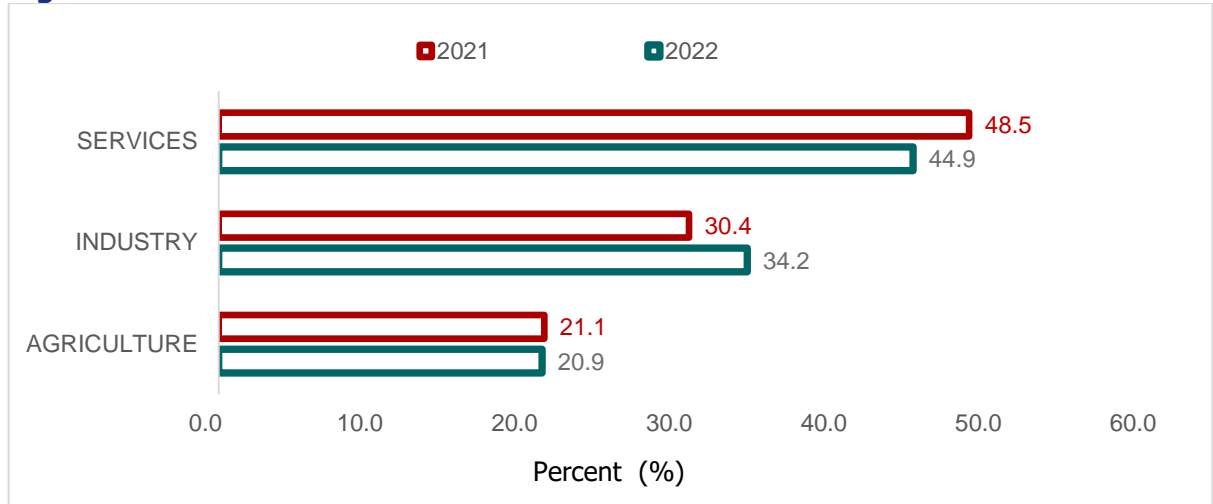
152. Mr. Speaker, the Industry Sector expanded in 2022 with a growth rate of 0.9 percent, a slow recovery from the contraction of 0.5 percent recorded in 2021. Mining and Quarrying, predominantly made up of gold and oil & gas, was the only sub-sector under Industry that expanded, recording a growth of 8.1 percent compared with a contraction of 12.2 percent in 2022. Oil and Gas contracted in 2022 by 6.7 percent, just as it did in the previous year. The performance was, nonetheless, an improvement from the contraction of 12.6 percent recorded in 2021. Growth in Gold, by contrast, increased significantly from negative 31.2 percent in 2021 to 32.3 percent in 2022. Gold was thus the sole growth driver of Mining and Quarrying as well as Industry as a whole. Output in Manufacturing, Electricity, Water and Sewerage, and the Construction subsectors contracted by 2.5 percent, 3.3 percent, 4.9 percent, and 4.0 percent, respectively.

Services

153. Mr. Speaker, the Services Sector continued as the best performing sector in 2022, with a growth rate of 5.5 percent. This was, however, lower than the growth rate of 9.4 percent recorded in 2021. The slower growth was attributable to a general slowdown in the growth of the subsectors, except Financial and Insurance Activities, Education, Health and Social Work, which recorded improved growth rates compared to the previous year. In line with the recent trend of the sector, Information and Communication was the best performing subsector with a growth rate of 19.7 percent.

Structure of the Economy

154. Mr. Speaker, the Services Sector was the largest sector, consistent with the trend in previous years. Its share of GDP, however, decreased from 48.5 percent in 2021 to 44.9 percent in 2022. The Industry Sector followed with a share of 34.2 percent, up from 30.4 percent in 2021. The share of Agriculture sector also decreased from 21.1 percent in 2021 to 20.9 percent in 2022.

Figure 3: Sectoral Distribution of Nominal GDP

Source: GSS

Price Developments

155. Mr. Speaker, headline inflation increased consecutively from 13.9 percent in January to 29.8 percent in June 2022 and remained elevated for the rest of the year, peaking at 54.1 percent in December 2022. The high inflation rates were driven mainly by the effects of sharp currency depreciation and higher food and non-food inflation.
156. Mr. Speaker, on a year-on-year basis, food inflation increased significantly from 13.7 percent in January 2022 to 59.7 percent in December 2022, partly explained by the passthrough from high imported inflation and exacerbated the sharp currency depreciation. Non-food inflation also escalated to 49.9 percent in December 2022, from 14.1 percent in January 2022. Similarly, core inflation (headline inflation excluding energy and utility prices) remained elevated for the most part of 2022, increasing from 13.3 percent in January 2022 to 53.2 percent in December 2022.

Monetary and Financial Sector Developments

Monetary Sector Developments

157. Mr. Speaker, total liquidity, measured by broad money supply (M2+), recorded an annual growth of 33.0 percent in December 2022 compared to 12.5 percent recorded in December 2021. The growth in M2+ was due to significant expansion in Net Domestic Assets (NDA) by 50.3 percent in December 2022 compared with 25.8 percent recorded in the same period in 2021. Net Foreign Assets (NFA), on the other hand, contracted by 261.1 percent in December 2022, reflecting constrained foreign inflows and increases in balance of payment support to dampen currency pressures.
158. Mr. Speaker, reserve money stood at GH¢68,103.84 million at the end of December 2022 compared with GH¢43,244.90 million at the end of December 2021. This represented an increase of 57.48 percent in December 2022, compared to the 19.85 percent recorded in December 2021, mainly driven by the significant growth in NDA alluded to earlier. The contraction in the NFA, however, moderated the growth in reserve money.

159. Mr. Speaker, private sector credit recorded an annual growth of 31.8 percent in December 2022 compared with 11.2 percent in December 2021, partly reflecting continued portfolio rebalancing by banks and revaluation effects on foreign currency denominated credit. However, in real terms, private sector credit contracted by 14.5 percent following a 1.3 percent contraction recorded over the same comparative period in 2021.

Interest Rates Developments

160. Mr. Speaker, interest rates broadly trended upward across the spectrum of the yield curve, consistent with the tightening monetary policy stance by the Bank of Ghana. The 91-day and 182-day Treasury bill rates increased to 35.48 percent and 36.23 percent, respectively, in December 2022, from 12.49 percent and 13.19 percent recorded, in the same period of 2021. Similarly, the rate on the 364-day instrument increased to 36.06 percent in December 2022 from 16.46 percent in December 2021. Rates on the 2-year, 3-year, 5-year, and 6-year bonds increased to 21.50 percent, 29.85 percent, 22.30 percent, and 21.75 percent, respectively, from the end-December 2021 levels of 19.75, 19.00, 21.00 and 18.80 percent respectively. Rates on the longer-dated bonds, however, remained broadly unchanged during the review period.
161. Mr. Speaker, the interbank weighted average rate increased to 25.51 percent in December 2022 from 12.68 percent in December 2021, consistent with the increases in the policy rate and the incremental hikes in the Cash Reserve Ratio during the year. The average lending rates of banks also increased to 35.58 percent in December 2022 from 20.04 percent in the same period of 2021.

GSE Composite Index Performance

162. The Ghana Stock Exchange Composite Index (GSE-CI) decreased to 2,443.91 points in December 2022 from 2,789.34 points recorded in the corresponding period of 2021. This translates into a year-to-date loss of 12.4 percent in December 2022 compared to a gain of 43.7 percent in December 2021. The GSE-Financial Stocks Index (GSE-FSI) closed at 2,052.6 points, standing at a loss of 4.6 percent compared to a gain of 20.7 percent, over the same comparative period in 2021. The year-to-date loss is attributed to uncertainty induced by inflation and exchange rate pressures, as well as portfolio reversals.
163. Total market capitalization stood at GH¢64.51 billion at the end of December 2022, representing a marginal growth of 0.02 percent, compared with a growth 18.6 percent in December 2021. The marginal improvement in market capitalization was largely on account of the listing of Ashanti Gold Corporation (ASG). In addition, the total outstanding shares of Newgold, Tullow Oil PLC, and Anglogold Ashanti Limited increased during the period.

Banking Sector

164. Mr. Speaker, the banking sector performance broadly reflects the challenging operating environment on account of macroeconomic conditions in 2022, and the impact of the Domestic Debt Exchange Programme (DDEP) which was concluded in February 2023 with the participation of all twenty-three (23) universal banks.

165. Pre-DDEP total assets of the industry stood at GH¢221.0 billion in December 2022, representing an annual growth of 22.9 percent reflecting sustained growth in deposits and exchange rate variations on the balance sheets of banks. Total investments declined significantly to GH¢79.2 billion in December 2022 from GH¢83.1 billion in December 2021, indicating a contraction of 4.7 percent, compared with the 29.0 percent growth in December 2020.
166. Total credit, on the other hand, increased by 30.1 percent to GH¢70.0 billion in December 2022 from GH¢53.8 billion in December 2021. Total deposits stood at GH¢157.9 billion, representing an increase of 30.4 percent year-on-year, compared with 16.6 percent recorded during the same period in 2021.
167. Mr. Speaker, key financial soundness indicators remained broadly sound, supported largely by the regulatory reliefs provided by the Bank of Ghana. Among others, the minimum Capital Adequacy Ratio (CAR) required to be maintained by banks was reduced from 13 percent to 10 percent as of 31st December, 2022, and losses from the DDEP are to be reflected in the computation of CAR over a period of up to three (3) years. Accordingly, the industry's average CAR adjusted for the regulatory reliefs was 16.2 percent in December 2022, just marginally lower than the CAR of 16.6 percent as of December 2022 without the DDEP.
168. The adjusted CAR reflected valuation losses on GoG bonds, elevated credit risk, and revaluation losses on foreign currency denominated loans. Asset quality marginally improved, with the industry's Non-Performing Loans (NPL) ratio at 14.8 percent in December 2022, compared to 15.2 percent in December 2021, reflecting the higher growth in credit, relative to the growth in the NPL stock.

External Sector Developments in 2022

169. Mr. Speaker, developments in the global economy, characterised by high energy and food prices, supply bottlenecks related to the pandemic and the war in Ukraine, and tightening financial conditions, affected Ghana's external sector position in 2022. As a result, the overall Balance of Payment (BoP) recorded a deficit of US\$3,639.5 million, compared to a surplus of US\$510.1 million in 2021. The overall BoP deficit was driven by a recorded deficit in the current account and large outflows from the financial account.
170. The current account deficit, however, narrowed to US\$1,516.9 million (2.1% of GDP) in 2022 from US\$2,541.1 million (3.2% of GDP) in 2021, driven by an improvement in the trade surplus along with slightly higher remittance flows. This was in spite of the higher net outflows recorded in the services and income accounts during the year.
171. Exports grew by 19.7 percent to US\$17,494.4 million while imports grew by 7.3 percent to US\$14,621.2 million, resulting in a trade surplus of US\$2,873.2 million. The growth in exports was reflected in improvements in crude oil and gold exports while exports of cocoa beans and products dropped by about 19 percent. The total imports bill grew by 7.3 percent to US\$14,621.2 million from US\$13,639.2 million in 2021 mainly on the back of oil and gas imports, as non-oil imports declined.

172. Mr. Speaker, the Capital and Financial Accounts recorded significant outflows during the year amounting to US\$2,141.26 million compared to a net inflow of US\$3,304.0 million in 2021. The outflows in the financial account emanated largely from portfolio reversals and reduced foreign direct investment.

International Reserves

173. Mr. Speaker, as at the end of December 2022, the stock of Net International Reserves (NIR) was estimated at US\$2,440.02 million, indicating a drawdown of US\$3,639.52 million from a stock position of US\$6,079.54 million at the end of December 2021. Gross International Reserves also declined by US\$3,457.03 million to US\$6,238.19 million, equivalent to 2.7 months of prospective imports compared to the reserve level of US\$9,695.22 million (4.3 months of prospective imports) at the end of December 2021.

Exchange Rate

174. Mr. Speaker, the foreign exchange market came under intense pressure in the year 2022, reflecting sovereign downgrades and de facto loss of market access, sharp portfolio reversals due to the U.S FED tightening policy, and increased demand for forex to meet soaring oil import bill due to the spillover effects of the Russia-Ukraine war on energy prices.
175. Cumulatively, the Ghana cedi depreciated by 30.0 percent, 21.2 percent, and 25.3 percent against the US dollar, the pound sterling and the euro, respectively, in 2022. This compared with an appreciation of 3.5 percent against the euro and depreciation of 4.1 percent and 3.1 percent against the US dollar and the pound sterling respectively, in 2021.

Fiscal Sector Performance in 2022

176. Mr. Speaker, in 2022, Government sought to, among others, strengthen the credibility of its fiscal consolidation programme which commenced in 2021. The objective was to gradually return to the Fiscal Responsibility Act thresholds of a fiscal deficit of no more than 5 percent of GDP and an annual positive Primary Balance at the close of 2024, by taking steps to correct fiscal imbalances undermining fiscal and debt sustainability. The strategy included pursuing a strong revenue-led consolidation to complement expenditure rationalisation measures.
177. Mr. Speaker, owing to several factors, Government's fiscal policy suffered a major setback from both external and domestic shocks. The external factors included the fallout from the Russia-Ukraine war and the tightening of global financing conditions arising from the large interest rate hikes by advanced economies to counter rising inflation. This impacted on our ability to raise the needed financing to effectively implement the Budget and to also shore-up our reserves.
178. Mr. Speaker, on the domestic front, the persistent sovereign rating downgrades resulted in Ghana's loss of access to the International Capital Market (ICM), constrained external and domestic financing, and led to a build-up in unpaid commitments. Government also had to rely on an overdraft from the Bank of Ghana to avoid a default on servicing domestic debt. All these factors contributed to the negative feedback loop of plummeting international reserves, Cedi

depreciation, and rising inflation in 2022, which eventually led to an acute economic crisis.

179. Mr. Speaker, the impasse in Parliament which delayed the passage of major revenue bills for 2022, including the E-levy, exacerbated domestic financing conditions. Moreover, the fast depreciation of the Ghana cedi, and rising debt service obligations hindered Government's fiscal policy goals.
180. Mr. Speaker, although Government introduced other short-term measures, including the 30 percent expenditure cuts, this was not enough to address the international market confidence and fiscal pressures amidst the difficult security environment and the need to protect the vulnerable and the poor under the harsh economic environment. Government, therefore, had to undertake more drastic fiscal adjustment measures as well as pursue debt restructuring to support the restoration of macroeconomic stability and debt sustainability.

Change in the Fiscal Anchor

181. Mr. Speaker, under the IMF-supported PC-PEG, the fiscal anchor to assess Government's effort in achieving the Programme objective of fiscal adjustment, is the Primary Balance on commitment basis. To align with this requirement, Government, therefore, had indicated in paragraph 210 of the 2023 Budget Statement presented to this august House in November 2022, that the fiscal accounts would be reported on commitment basis, thereby, taking into account outstanding unpaid commitments of Government.
182. Mr. Speaker, the assessment on commitment basis promotes transparency, enables a real-time monitoring of Government's fiscal performance under the Programme, and provides a real-time view on the payables, thus helping to prevent and reduce the accumulation of arrears. Furthermore, this information is also important for the public to appreciate the bold fiscal policies under the PC-PEG to restore fiscal and debt sustainability in Ghana.
183. Mr. Speaker, consequently, following this new approach of reporting the fiscal accounts, the projected outturn for 2022 as shown in Appendix 2A-2C of the 2023 Budget, included the outstanding 2022 expenditure claims.

Summary of 2022 Fiscal Performance

184. Mr. Speaker, against this backdrop, provisional data on Government's fiscal operations for 2022, as shown in Table 3, indicate the following:
- Total Revenue and Grants for the period amounted to GH¢96,651 million (15.8% of GDP) compared with the Mid-Year Budget (MYB) target of GH¢96,842 million (16.4% of GDP) and the projected outturn of GH¢98,080 million (15.9% of GDP); and
 - on the other hand, Total Expenditure (on commitment basis) amounted to GH¢165,057 million (27.0% of GDP) compared to the MYB target of GH¢133,842 million (22.6% of GDP) and the projected outturn of GH¢159,012 million (25.8% of GDP).
185. Mr. Speaker, the higher expenditure, together with the lower revenue outturn, resulted in an overall budget deficit on commitment basis of GH¢72,197 million

(11.8% of GDP), compared to the 2022 MYB target of GH¢37,000 million (6.3% of GDP) and the projected outturn of GH¢60,932 million (9.9% of GDP).

186. Mr. Speaker, the corresponding Primary Balance (on commitment basis) for the period was a deficit of GH¢26,510 million (4.3% of GDP) compared to the 2022 MYB target of a deficit of GH¢4,361 million (0.7% of GDP) and the projected outturn of a deficit of GH¢16,920 million (2.7% of GDP). The summary of fiscal operations for the period is shown in Table 3.

Table 3: Overall Fiscal Performance - Jan – Dec 2022

No.	Indicators (GH¢ million)	2021	2022			
		Prov. Outturn	Budget	Mid-Year Budget	Projected Outturn	Provisional Outturn
1	Total Revenue & Grants	70,918	100,517	96,842	98,080	96,651
	<i>% of GDP</i>	<i>15.4</i>	<i>20.0</i>	<i>16.4</i>	<i>15.9</i>	<i>15.8</i>
2	Total Exp. (Commitment)	109,535	135,629	133,842	159,012	165,057
	<i>% of GDP</i>	<i>23.9</i>	<i>27.0</i>	<i>22.6</i>	<i>25.8</i>	<i>27.0</i>
	<i>o/w Outstanding Current Year Exp. Claims</i>				22,091	18,684
3	Discrepancy		0	0	0	-3,791
4	Overall Balance (Commitment)	-38,617	-35,112	-37,000	-60,932	-72,197
	<i>% of GDP</i>	<i>-8.4</i>	<i>-7.0</i>	<i>-6.3</i>	<i>-9.9</i>	<i>-11.8</i>
5	Primary Balance (Commitment)	-5,094	2,335	4,361	-16,920	-26,510
	<i>% of GDP</i>	<i>-1.1</i>	<i>0.5</i>	<i>0.7</i>	<i>-2.7</i>	<i>-4.3</i>
6	Arrears Clearance (Net)		-1,900	-1,900	9,656	7,041
	<i>% of GDP</i>	<i>0.0</i>	<i>-0.4</i>	<i>-0.3</i>	<i>1.6</i>	<i>1.2</i>
7	Overall Balance (Cash)		-37,012	-38,900	-51,276	-65,156
	<i>% of GDP</i>	<i>0.0</i>	<i>-7.4</i>	<i>-6.6</i>	<i>-8.3</i>	<i>-10.7</i>
8	Primary Balance (Cash)		435	2,461	-7,264	-19,469
	<i>% of GDP</i>		<i>0.1</i>	<i>0.4</i>	<i>-1.2</i>	<i>-3.2</i>
9	Nominal GDP	459,131	502,430	591,883	615,761	610,222

Source: MoF

2022 Revenue Performance

187. Mr. Speaker, actual Total Revenue and Grants amounted to GH¢96,651 million (15.8 % of GDP) in 2022 broadly in line with the 2022 MYB target of GH¢96,842 million (16.4% of GDP), representing an execution rate of 99.8 percent compared to the MYB target. The outturn was, however, slightly lower than the projected outturn of GH¢98,080 million (15.9% of GDP). The Total Revenue and Grants outturn represents a nominal year-on-year growth of 36.3 percent.

188. Mr. Speaker, of the Total Revenue and Grants outturn of GH¢96,651 million (15.8 % of GDP), Total Domestic Revenue amounted to GH¢95,533 million (15.7 percent of GDP), representing a nominal year-on-year growth of 37.0 percent (compared with 29.4% growth in the corresponding period for 2021). The outturn constituted 98.8 percent of Total Revenue and Grants. The details of the revenue performance for the year are summarised in Table 4.
189. Mr. Speaker, Non-Oil Tax Revenue - comprising taxes on Non-oil Income and Property, Domestic Goods and Services, and International Trade - amounted to GH¢69,594 million (11.4% of GDP), 1.2 percent above the MYB target of GH¢68,797 million (11.6% of GDP) and higher than the projected outturn of GH¢68,917 million. The Non-Oil tax revenue outturn constituted 72.8 percent of Domestic Revenue. The ratio of Non-Oil Tax Revenue to GDP, however, moderated to 11.4 percent from 11.8 percent recorded in 2021 despite recording an annual nominal growth of 28.2 percent compared with 28 percent for the corresponding period in 2021.
190. Mr. Speaker, the revenue performance largely reflected the improvement in tax administration (such as with VAT monitoring) and tax policy measures (such as the partial reversal of the benchmark discount policy). Other factors include the price effects from higher currency depreciation and higher inflation. The performance was despite the delays in the implementation of the proposed revenue measures for the 2022 fiscal year. Specifically:
- Income & Property Taxes (Non-Oil) amounted to GH¢32,470 million (5.3% of GDP), 2.6 percent less than the target of GH¢33,347 million (5.6% of GDP) and 2.3 percent below the projected outturn of GH¢33,246 million. The outturn represents a year-on-year growth of 26.3 percent. The key drivers of the underperformance stems from lower-than-programmed Mineral Royalties, Non-oil Corporate Income Tax (CIT), and Self-Employed Income Tax;
 - Taxes on Domestic Goods and Services amounted to GH¢31,392 million (5.1% of GDP), exceeding the MYB target of GH¢30,028 million (5.1% of GDP) by 4.5 percent. The higher-than-programmed outturn was driven by the GETFund Levy, NHIL, and VAT, which exceeded their respective targets by 22.0 percent, 24.2 percent, and 3.6 percent. A combination of stronger VAT monitoring as well as the price effect from higher inflation partly accounted for the strong performance; and
 - International Trade Taxes amounted to GH¢9,848 million (1.6% of GDP), 14.9 percent above the MYB target of GH¢8,573 million (1.4% of GDP) and also 4.8 percent above the projected outturn of GH¢9,398 million. The performance was partly explained by the partial reversal of the benchmark discount policy on imports, currency depreciation, revision of reference values, and revision of freight charges for general goods.
191. Mr. Speaker, Other Revenue—comprising of SSNIT Contribution to NHIL and proceeds from the Energy Sector Levies (ESL), altogether amounted to GH¢5,423 million, exceeding the target of GH¢5,267 million by 3.0 percent. The outturn, however, fell below the projected outturn of GH¢6,148 million by 11.8 percent mainly on account of lower-than-programmed SSNIT transfers to NHIL.

192. Mr. Speaker, proceeds from ESL alone amounted to GH¢5,073 million (0.8% of GDP). The outturn exceeded the GH¢4,756 million by 6.7 percent driven by the price effect of the higher crude oil price on the Energy Sector Levies, but below the projected outturn of GH¢5,741 million by 11.6 percent, despite registering an annual increase of 26.1 percent. On the other hand, SSNIT contribution to NHIL amounted to GH¢350 million, falling short of the target of GH¢511 million by 31.5 percent, and the projected outturn of GH¢408 million.
193. Mr. Speaker, Non-oil Non-Tax Revenue – which comprises MDAs’ IGF Retention, IGF Lodgements, Fees & User Charges, and Dividends - amounted to GH¢8,454 million (1.4% of GDP), falling below the target of GH¢9,502 million (1.6% of GDP) by 11.0% mainly on account of lower MDAs reported Retention.

Table 4: Summary of 2022 Revenue Performance

No.	Indicators (GH¢ million)	2021	2022			
		Prov. Outturn	Budget	Mid- Year Budget	Projected Outturn	Provisional Outturn
1	Total Revenue & Grants	70,918	100,517	96,842	98,080	96,651
	<i>% of GDP</i>	<i>15.4</i>	<i>20.0</i>	<i>16.4</i>	<i>15.9</i>	<i>15.8</i>
2	Domestic Revenue	69,736	99,547	95,654	96,577	95,533
	<i>% of GDP</i>	<i>15.2</i>	<i>19.8</i>	<i>16.2</i>	<i>15.7</i>	<i>15.7</i>
3	Non-oil Tax Revenue	54,276	77,136	68,797	68,917	69,594
	<i>% of GDP</i>	<i>11.8</i>	<i>15.4</i>	<i>11.6</i>	<i>11.2</i>	<i>11.4</i>
4	Non-Oil Non-Tax Revenue	6,087	10,254	9,502	8,554	8,454
	<i>% of GDP</i>	<i>1.3</i>	<i>2.0</i>	<i>1.6</i>	<i>1.4</i>	<i>1.4</i>
5	Total Oil and Gas Receipts	4,900	6,628	12,088	12,958	12,062
	<i>% of GDP</i>	<i>1.1</i>	<i>1.3</i>	<i>2.0</i>	<i>2.1</i>	<i>2.0</i>
6	Other Revenue	4,472	5,528	5,267	6,148	5,423
	<i>% of GDP</i>	<i>1.0</i>	<i>1.1</i>	<i>0.9</i>	<i>1.0</i>	<i>0.9</i>
7	Grants	1,182	970	1,188	1,504	1,119
	<i>% of GDP</i>	<i>0.3</i>	<i>0.2</i>	<i>0.2</i>	<i>0.2</i>	<i>0.2</i>

Source: MoF

194. Mr. Speaker, receipts from upstream oil and gas operations for the period was largely on target, amounting to GH¢12,062 million against the target of GH¢12,088 million, representing a marginal shortfall of 0.2 percent. The outturn was 6.9 percent below the projected outturn of GH¢12,958 million which is largely explained by differences in the exchange rate assumption used for the projection and realised exchange rate for the period. The year-on-year growth, however, was 146 percent compared to the 30.8 percent growth for the corresponding period of

2021. The significant jump is largely explained by the surge in crude oil prices (US\$94.8 against actual average of about US\$100bbl) following the Russian invasion of Ukraine, as well as the Cedi depreciation that occurred in 2022.

195. Mr. Speaker, Grants disbursements by Development Partners amounted to GH¢1,119 million (0.2 percent of GDP), 5.9 percent below the programmed target of GH¢1,188 million. The inflows were exclusively from Project Grants, as no Programme Grants were expected for 2022 fiscal year.
196. Mr. Speaker, to summarise, whilst the non-oil Domestic Revenue outturn for 2022 amounted to 13.7 percent of GDP, consistent with the projected outturn, it was still significantly lower than our peers and what we as a Government envisages for the medium-term at 16-17 percent of GDP. This is why Government is grateful to Parliament for passing the 2023 revenue measures to support the optimisation of domestic revenue mobilisation agenda.

2022 Expenditure Performance (Commitment basis)

197. Mr. Speaker, as shown in Table 5, Total Expenditure on commitment basis amounted to GH¢165,057 million (27.0% of GDP), above the 2022 MYB target of GH¢133,842 million (22.6% of GDP) by 23.3 percent and the projected outturn of GH¢159,012 million (25.8% of GDP) by 3.8 percent.
198. Mr. Speaker, Compensation of Employees amounted to GH¢39,542 million (6.5% of GDP), 3.9 percent above the MYB target of GH¢37,949 million (6.4% of GDP) and 2.8 percent above the projected outturn of GH¢38,476 million (6.2% of GDP). The overage stems from higher payments for wage salaries of GH¢35,394 million and constituted 89.8 percent of the total Compensation of Employees outturn. The overage in wages and salaries is attributed to unanticipated payments including the cost of migrating one public university onto the IPPD2, payment of uniform allowances to all nurses, registered anaesthetists, and physician assistants in the health sector, payment of Government Machinery Allowance for CLOGSAG, payment of GES Continuous Professional Development Allowance, and the payment of Market Premium to Health professionals in 2022. The ratio of the wage bill to Tax revenue, however, declined by 5ppts to 46.8 percent in 2022 down from 51.8 percent recorded in the previous year.
199. Mr. Speaker, Expenditure on the Use of Goods and Services including unpaid outstanding 2022 commitments for the period was GH¢12,554 million (2.1% of GDP). The outturn, therefore, represents a 47.9 percent increase over the projected outturn of GH¢8,485 million (1.4% of GDP).
200. Mr. Speaker, Grants to Other Government Units (transfers to Statutory and Earmarked Funds) amounted to GH¢24,553 million (4.0 percent of GDP), 3.7 percent above the programmed target of GH¢23,684 million (3.5 percent of GDP) mainly on account of the higher-than-programmed Tax Revenue.
201. Mr. Speaker, Interest Payments for the period amounted to GH¢45,687 million (7.5% of GDP) and was 10.5 percent higher than the MYB target of GH¢41,362 million (7.0% of GDP), reflecting the higher cost of borrowing, particularly at the

shorter end of the market and the adverse impact of the currency depreciation on external interest.

Table 5: Summary of 2022 Expenditure Performance

No.	Indicators (GH¢ million)	2021		2022		
		Prov. Outturn	Budget	Mid-Year Budget	Projected Outturn	Provisional Outturn
1	Total Exp. (Commitment)	109,535	135,629	133,842	159,012	165,057
	<i>% of GDP</i>	<i>23.9</i>	<i>27.0</i>	<i>22.6</i>	<i>25.8</i>	<i>27.0</i>
2	Compensation of Employees	31,663	35,841	37,949	38,476	39,542
	<i>% of GDP</i>	<i>6.9</i>	<i>7.1</i>	<i>6.4</i>	<i>6.2</i>	<i>6.5</i>
	<i>o/w Outstanding Current Year Exp. Claims</i>				<i>0</i>	<i>107</i>
3	Use of Goods and Services	7,161	9,149	5,867	8,485	12,554
	<i>% of GDP</i>	<i>1.6</i>	<i>1.8</i>	<i>1.0</i>	<i>1.4</i>	<i>2.1</i>
	<i>o/w Outstanding Current Year Exp. Claims</i>				<i>2,605</i>	<i>4,628</i>
4	Interest Payment	33,523	37,447	41,362	44,012	45,687
	<i>% of GDP</i>	<i>7.3</i>	<i>7.5</i>	<i>7.0</i>	<i>7.1</i>	<i>7.5</i>
5	Grants to Other Gov't Units	13,770	26,828	23,684	23,994	24,553
	<i>% of GDP</i>	<i>3.0</i>	<i>5.3</i>	<i>4.0</i>	<i>3.9</i>	<i>4.0</i>
6	Capital Expenditure	16,967	16,396	13,700	24,162	24,135
	<i>% of GDP</i>	<i>3.7</i>	<i>3.3</i>	<i>2.3</i>	<i>3.9</i>	<i>4.0</i>
	<i>o/w Domestic Financed</i>	<i>5,330</i>	<i>7,795</i>	<i>4,207</i>	<i>9,653</i>	<i>11,780</i>
	<i>o/w Outstanding Current Year Exp. Claims</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>8,437</i>	<i>5,446</i>
	<i>o/w Foreign Financed</i>	<i>11,637</i>	<i>8,601</i>	<i>9,493</i>	<i>11,518</i>	<i>12,355</i>
7	Other Expenditure	6,450	9,967	11,281	19,885	18,586
	<i>% of GDP</i>	<i>1.4</i>	<i>2.0</i>	<i>1.9</i>	<i>3.2</i>	<i>3.0</i>
	<i>o/w Outstanding Current Year Exp. Claims</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>11,050</i>	<i>8,502</i>

Source: MoF

202. Mr. Speaker, total Capital Expenditure for the period amounted to GH¢24,135 million (4.0% of GDP), an average of 76.2 percent compared to the MYB provision of GH¢13,700 million (2.3% of GDP). Domestically Financed CAPEX including outstanding 2022 commitments of GH¢5,446 million for the period amounted to GH¢11,780 million exceeded the 2022 MYB target of GH¢4,207 million and below the projected outturn of GH¢12,644 million. Foreign Financed Capex amounted to GH¢12,355 million reflecting higher than programmed Project Loan disbursements mainly because of the cedi depreciation.

203. Mr. Speaker, Other Expenditure comprising ESL and payments for energy sector shortfalls to IPPs amounted to GH¢18,586 million compared to the MYB target of GH¢11,281 million and the projected outturn of GH¢19,885 million. The total annual commitment for energy sector shortfall payments for 2022 was estimated at about US\$1.5 billion (equivalent to about GH¢12,600 million).
204. Mr. Speaker, in the course of the year, Government cleared Arrears from previous years amounting GH¢11,643 million against the MYB target of GH¢1,900 million. The higher-than-programmed payment emanates from the payment of an outstanding stock of payables from 2021 in 2022. Nonetheless, owing to financing constraints, we observed a significant build-up of payables at the end of 2022 amounting to GH¢29,852 million.

Budget Balances & Financing Operations

205. Mr. speaker, fiscal operations resulted in an overall budget deficit (on commitment basis) of GH¢72,197 million (11.8% of GDP), compared to the MYB target of GH¢37,000 million (6.3% of GDP) and the 2022 projected deficit outturn of GH¢60,932 million (9.9% of GDP). The corresponding Primary balance for the period was a deficit of GH¢26,510 million (4.3% of GDP), compared to the MYB target of a surplus of GH¢4,361 (0.7% of GDP) and the 2022 projected deficit outturn of GH¢16,920 million (2.7% of GDP).
206. Mr. Speaker, of the total commitments, Government financed commitments of GH¢65,156 million (10.7% of GDP) from both domestic and foreign sources. However, a significant portion of the financing was from domestic sources (including transfers from the Ghana Stabilisation Fund and the Sinking Fund) amounting to GH¢55,556 million, while Net Foreign financing for the period amounted to GH¢9,600 million. Specifically:
- of the Total Domestic Financing, the Net Domestic Financing (NDF) from a combination of government deposit drawdowns and net domestic borrowing amounted to GH¢54,169 million. Of this amount, a net issuance of GH¢2,719 million was raised from Commercial Banks, whilst a net repayment of GH¢1,699 million was made to the non-bank public; and
 - the remaining financing was mainly sourced from the Bank of Ghana overdraft amounting to about GH¢37,900 million and the drawdown in IMF SDR resources of GH¢5,110 million.

Table 6: Summary of Financing Operations – 2022

No.	Indicators (GH¢ million)	2021		2022		
		Prov. Outturn	Budget	Mid-Year Budget	Projected Outturn	Provisional Outturn
1	Total Financing	42,244	37,012	38,900	44,530	65,156
	<i>% of GDP</i>	<i>9.2</i>	<i>7.4</i>	<i>6.6</i>	<i>7.2</i>	<i>10.7</i>
2	Foreign Financing	20,082	4,551	10,880	6,148	9,600
	<i>% of GDP</i>	<i>4.4</i>	<i>0.9</i>	<i>1.8</i>	<i>1.0</i>	<i>1.6</i>
3	Exceptional financing	1,779	4,540	0	0	0
	<i>% of GDP</i>		<i>0.9</i>	<i>0.0</i>	<i>0.0</i>	<i>0.0</i>
4	Total Domestic Financing	22,162	27,921	28,020	38,381	55,556
	<i>% of GDP</i>	<i>4.8</i>	<i>5.6</i>	<i>4.7</i>	<i>6.2</i>	<i>9.1</i>
	<i>o/w Bank of Ghana</i>	<i>98</i>	<i>0</i>	<i>8,388</i>	<i>41,860</i>	<i>53,150</i>
	<i>o/w IMF SDR Drawdown</i>	<i>1,779</i>	<i>0</i>	<i>5,561</i>	<i>5,944</i>	<i>5,110</i>
	<i>o/w Commercial Banks</i>	<i>0</i>	<i>14,341</i>	<i>11,231</i>	<i>-5,266</i>	<i>2,719</i>
	<i>o/w Non-Banks</i>	<i>0</i>	<i>13,985</i>	<i>11,067</i>	<i>-194</i>	<i>-1,700</i>
	<i>o/w GPF & Sinking Fund</i>	<i>-8,721</i>	<i>-406</i>	<i>-2,665</i>	<i>1,981</i>	<i>1,386</i>

Source: MoF

Petroleum Revenue and Utilisation in 2022

207. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) as of December 2022, amounted to US\$1,428.76 million. This amount comprises receipts from the 63rd to the 68th liftings from the Jubilee field; the 20th and 21st liftings from the Tweneboa-Enyenra-Ntomme (TEN) field; and the 9th, 10th, and 11th liftings from the Sankofa-Gye Nyame (SGN) field.
208. In addition to the total receipts for the year under review, petroleum receipts that spilled over from 2021 to 2022 was US\$14.82 million bringing the total amount distributed to US\$1,443.58 million. This compares with the amount distributed of US\$808.61 million for the same period in 2021.
209. Of the amount received in 2022, GNPC was allocated a total of US\$335.75 million, which is made up of Equity Financing Cost of US\$165.14 million and GNPC's share of the net Carried and Participating Interest of US\$170.61 million, compared to a total amount of US\$228.33 million received by GNPC in 2021.
210. A total of US\$581.52 million was transferred into the Ghana Petroleum Funds (GPFs) in 2022, compared to US\$227.49 million in 2021. Out of the amount transferred, the Ghana Heritage Fund (GHF) received US\$174.46 million, against US\$68.25 million in 2021, while the Ghana Stabilisation Fund (GSF) received US\$407.06 million, compared to US\$159.24 million in 2021.
211. The total amount transferred in 2022 from petroleum liftings and related proceeds to the Annual Budget Funding Amount (ABFA) was US\$526.31 million compared to US\$352.79 million in 2021.

Public Debt Developments in 2022

212. Mr. Speaker, at the time the 2023 Budget Statement was presented, we reported the debt developments as at end-September 2022.
213. Mr. Speaker, as at end-December 2022, Ghana's central government debt and guaranteed debt in nominal terms provisionally stood at GH¢435,306.45 million (US\$52,325.52 million), from GH¢351,787.00 million (US\$58,639.97 million) at end-December 2021, representing an increase of 23.7 percent.
214. The increase in nominal debt is largely due to the spillover effect of global financing conditions, simultaneously leading to investor concerns on Ghana's credit, triggering multiple credit rating downgrades, substantial capital outflows, loss of external market access, and acute domestic financing difficulties.
215. Mr. Speaker using the revised GDP released by the Ghana Statistical Service in April 2023, the debt-to-GDP ratio as at end-December 2022 stood at 71.3 percent.
216. Mr. Speaker, the composition of the total debt stock was made up of a provisional amount of GH¢240,919.57 million (US\$28,959.46 million), equivalent to 39.5 percent of GDP for external debt and GH¢194,386.89 million (US\$23,366.06 million), equivalent to 31.8 percent of GDP for domestic debt, accounting for 55.3 percent and 44.7 percent of the total debt, respectively.
217. Mr. Speaker the depreciation of the local currency accounted for a GH¢67,188.85 million increase (equivalent to 94.8 percent of the total nominal increase) in the external debt stock whilst the transaction effect was GH¢3,720.93 million (5.2 percent).

Table 7: Annual Public Debt Developments, 2018 – 2022

Debt Type	2018	2019	2020*	2021*	2022 Prov.
	<i>(in millions of GH¢)</i>				
External Debt	86,202.51	112,747.72	141,796.83	170,009.79	240,919.57
Domestic Debt	86,899.73	105,481.22	149,833.90	181,777.24	194,386.89
Total Public Debt	173,102.24	218,228.94	291,630.73	351,787.03	434,306.45
	<i>(in millions of US\$)</i>				
External Debt	17,875.44	20,349.37	24,715.77	28,339.22	28,959.46
Domestic Debt	18,020.02	19,037.87	26,116.66	30,300.75	23,366.06
Total Public Debt	35,895.46	39,387.24	50,832.43	58,639.97	52,325.52
	<i>(as % of GDP)</i>				
External Debt	27.9	31.6	36.2	36.8	39.5
Domestic Debt	28.2	29.6	38.2	39.4	31.8
Total Public Debt	56.1	61.2	74.4	76.2	71.3
	<i>(as % of Total)</i>				
External Debt	49.8	51.7	48.6	48.3	55.3
Domestic Debt	50.2	48.3	51.4	51.7	44.7
Total Public Debt	100	100	100	100	100

Source: MoF

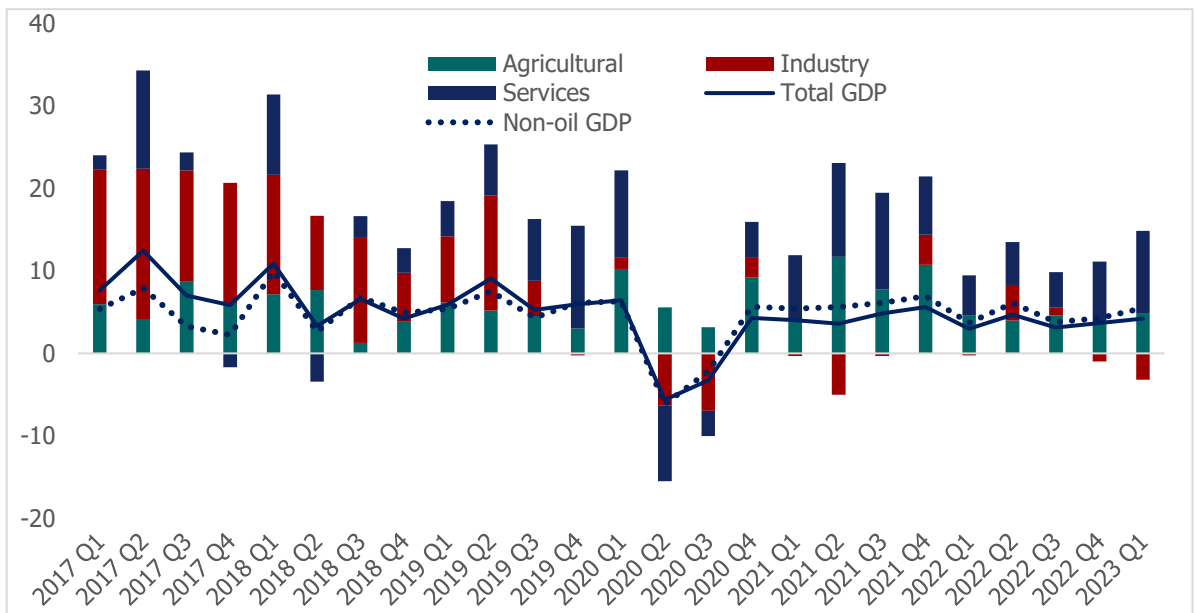
*Revised figures

4.3 Update on Macroeconomic Developments in H1 of 2023

218. Mr. Speaker provisional data for the first six months of 2023 show significant progress in restoration of macroeconomic stability and economic recovery:
- growth in Q1 2023 rebounded to 4.2 percent compared to 3.0 percent in Q1 of 2022 mainly on the back of growth in services (10.1%) and agriculture (4.8%);
 - inflation has declined to 42.5 percent in June 2023 after reaching 54.1 percent in December 2022. Food inflation, however, continues to dominate inflation;
 - the fiscal balance is improving with the primary balance (commitment basis) recording a surplus of 1.1 percent of GDP exceeding the H1 2023 target of a surplus of 0.04% by 1.1ppt of GDP;
 - the public debt at the end of June was GH¢575,531.58 million (71.8% of GDP)
 - the Cedi has stabilised at around GH¢11/US\$1 since the beginning of the year. YTD depreciation of GH¢/US\$ about 22.1% compared to about 30% by year-end 2022 (after reaching about 54% in Nov22);
 - treasury bill rates have reduced with the 91-day TB rate declining from 35.5% at the end of 2022 to 23.5 percent as at Monday, 24th July 2023; and
 - Gross International Reserves (GIR) stood at US\$5.3 billion (2.5 months of import cover) at the end of June 2023 down from US\$6.2 billion (2.7 months of import cover at the end of December 2022.
219. Mr. Speaker, I will now provide the details of economic performance in the first half of 2023 in the real, fiscal, monetary/financial and external sectors of the economy.

Real Sector Developments in H1 of 2023

220. Mr. Speaker, overall real GDP growth for the first quarter of 2023 was 4.2 percent, up from 3.0 percent recorded for the same period in 2022. This growth was largely driven by the Services Sector recording a growth of 10.1 percent with some subsectors recording considerable growth including the Public Administration, Defence & Social Security (37.6%), Education (26.0%), Health & Social Work (31.6%), and Information & Communication (18.9%).
221. Mr. Speaker, the Agriculture Sector also remained steady with a growth of 4.8 percent. All the subsectors recorded an increase in growth except Fishing, which contracted by 3.3 percent. The Industry Sector contracted by 3.2 percent, emanating from negative growth performances in Mining and Quarrying (2.9 %), Manufacturing (2.5%), Water Supply, Sewerage, Waste Management & Remediation Activities (6.4%), and Construction (6.0 %). Electricity was the only subsector that recorded an expansion over the period with a growth rate of 3.5 percent.

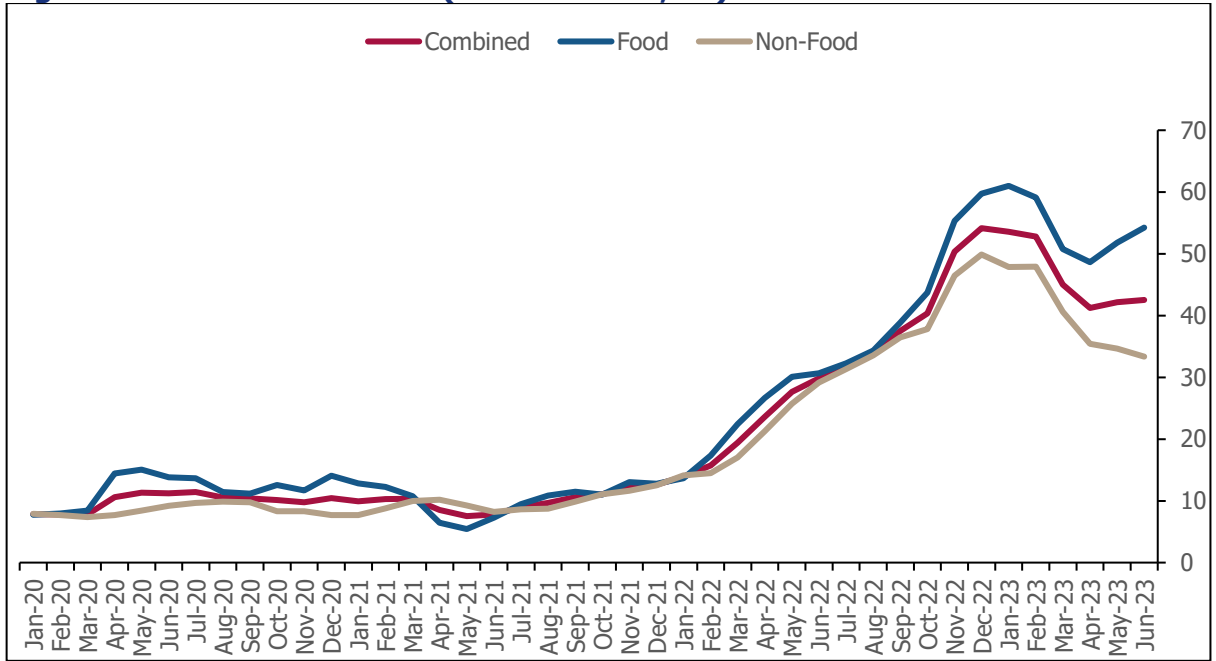
Figure 4: Quarterly Y-o-Y GDP Growth (Percent), 2017 Q1- 2023 Q1

Source: GSS

Price Developments

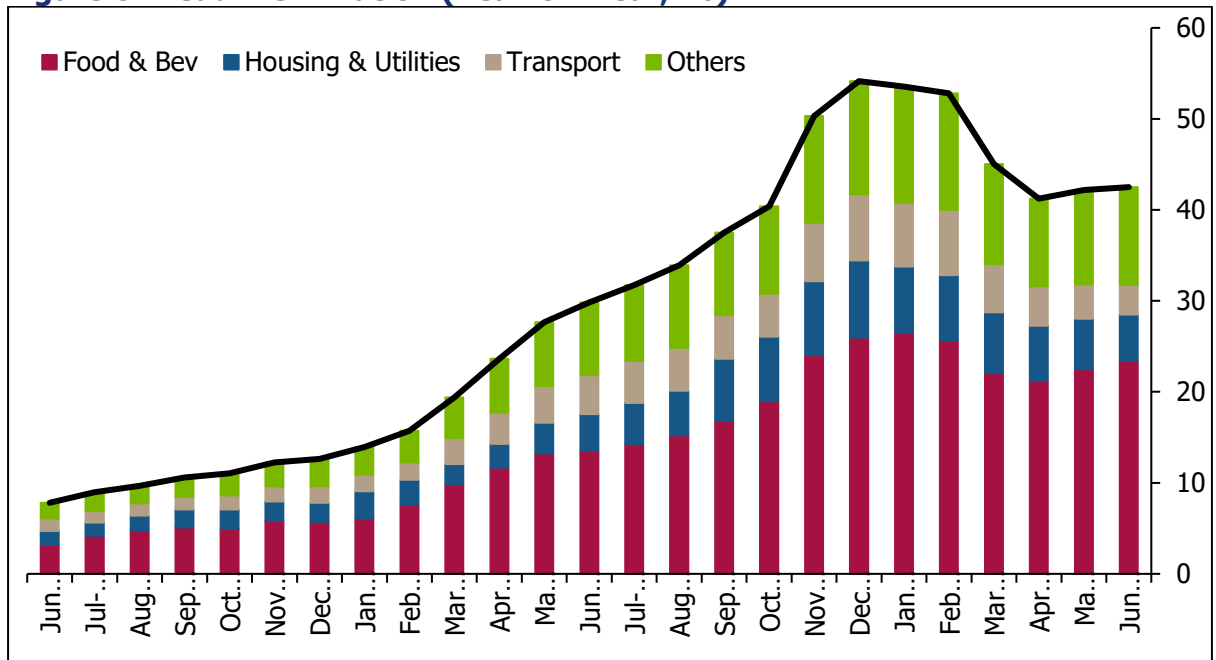
222. Mr. Speaker, headline inflation eased in the first half of 2023. After peaking at 54.1 percent in December 2022, headline inflation gradually trended downwards to 53.6 percent in January 2023 before falling further to 42.5 percent in June 2023 as shown in Figures 5 and 6. The decline was driven largely by both food and non-food items. Per year-on-year terms, food inflation decreased to 54.2 percent in June 2023, from 61.0 percent in January 2023. Similarly, non-food inflation reduced to 33.4 percent from 47.8 percent over the same period. The moderation in inflation was largely supported by monetary policy tightening, base-drift effects, relative stability in the exchange rate, and stable ex-pump petroleum prices.
223. Mr. Speaker, in line with the decline in headline inflation in the first half of the year, the Bank's measure of core inflation, which excludes energy and utility prices, also declined from 53.2 percent in January 2023 to 43.5 percent in June 2023. The downward trend in core inflation indicated easing underlying inflationary pressures.
224. The ease in inflation during the first half of 2023 was characterized by a broad decline in prices across items in the Consumer Price Index basket. A decomposition of headline inflation indicated that inflation for Transport-related items declined the most in the first half of the year, from 7.0 percent in January to 3.3 percent in June. This was followed by Food & Beverages (from 26.5% to 23.4%), Housing & Utilities (from 7.3% to 5.0%), and Other Items (from 12.8% to 10%).

Figure 5: Headline Inflation (Year-on-Year, %)



Source: Bank of Ghana & GSS

Figure 6: Headline Inflation (Year-on-Year, %)



Source: Bank of Ghana & GSS

225. Mr. Speaker, in the outlook, headline inflation is projected to return to the medium-term target band of 8 ± 2 percent by the end of the IMF programme. The upside risks to the inflation projection are food price shocks, pass-through effects of recently implemented revenue measures (income tax, excise duty, and growth and sustainability amendment bills), upward adjustments of utility tariffs, and cuts in crude oil production by OPEC+. These could however be countered by downside risks including the tight monetary policy stance, relative stability in the local currency, impending harvest, and a favourable base drift.

Monetary Sector Developments in H1 of 2023

Monetary Aggregates and Credit Developments

226. Mr. Speaker, the pace of growth in monetary aggregates increased in the first half of 2023. The stock of broad money supply (M2+) went up by 44.4 percent year-on-year to GH¢209,620.61 million at the end of June 2023, compared with GH¢145,156.93 million at the end of June 2022. The observed expansion in M2+ was driven largely by expansion in Net Domestic Assets (NDA), on the back of increased net claims on Government and expansion in credit to the private sector, which was underpinned by exchange rate depreciation effects. The Net Foreign Assets (NFA) also showed some recovery during the review period, mainly on account of growth in the NFA of Deposit Money Banks.
227. Mr. Speaker, the increase in the growth of M2+ is reflected in all the components. Currency with the public, demand deposits, savings & time deposits, and foreign currency deposits increased to 41.3 percent, 44.7 percent, 36.4 percent, and 54.0 percent respectively in June 2023, from 19.1 percent, 8.3 percent, 15.4 percent, and 39.7 percent, respectively in June 2022. The growth in foreign currency deposits was largely attributed to exchange rate depreciation effects.
228. Growth in total outstanding credit to both private and public sectors showed significant deceleration during the review period, partly on the back of increased perception of credit default risk and weaker capital position of banks, induced by the impact of the Domestic Debt Exchange Programme (DDEP). Annual nominal growth in total outstanding credit decreased to 15.4 percent in June 2023 from 33.3 percent in June 2022. As at the end of June 2023, total outstanding credit stood at GH¢73,125.27 million, compared with GH¢63,362.78 million, recorded in the corresponding period in 2022. The decline in the growth in total outstanding credit is largely reflected in a significant decrease in the growth in credit to the private sector. Growth in the private sector credit slowed to 16.1 percent in June 2023 from 33.7 percent in June 2022. In real terms, credit to the private sector contracted by 18.5 percent, relative to a growth of 3.0 percent, over the same comparative period, reflecting sustained price pressures.

Status of IMF Performance Criteria on Central Bank Claims on Government

229. Mr. Speaker, under the IMF programme the Central Bank is expected to maintain a Zero Financing of the Budget. Central Bank financing of the budget was necessitated in 2022 due to the economic challenges that confronted the economy. Prior to the IMF Board meeting in May 2023, a Memorandum of Understanding on zero central bank financing was signed between the MOF and the BOG to ensure zero central banking financing. This has been respected so far this year and the performance criteria of zero financing as at end June 2023 has been attained under the programme.

Money and Capital Markets

230. Mr. Speaker, developments in interest rates broadly showed mixed trends at the short end of the yield curve. The 91-day and 182-day Treasury bill rates decreased to 21.77 percent and 24.58 percent respectively, in June 2023, from 24.15 percent and 25.55 percent respectively, in the corresponding period of 2022. The rate on

the 364-day instrument, however, increased to 28.66 percent in June 2023 from 27.14 percent in June 2022.

231. Mr. Speaker, the Interbank Weighted Average Rate (IWAR) increased to 26.01 percent in June 2023 from 19.92 percent in June 2022, underpinned by the tight monetary policy and supported by the increase in the Cash Reserve Ratio (CRR) in the review period. Consequently, the average lending rate of banks has adjusted upwards to 31.15 percent in June 2023 from 24.27 percent in the corresponding period of 2022.
232. Mr. Speaker, the Ghana Stock Exchange's (GSE's) key market performance indicator, the GSE Composite Index (GSE-CI) recorded a year-on-year gain of 10.3 percent (262.55 points) in June 2023, compared with a loss of 3.7 percent (-98.19 points) in the corresponding period of 2021. The main sectors that contributed to the gain in GSE-CI were the manufacturing, distribution, mining, IT, agriculture, oil and ET Fund sectors. Market capitalization recorded an annual growth of 8.3 percent, mainly reflecting the appreciation in share prices.

External Sector Developments in H1 of 2023

Trade performance

233. Mr. Speaker, the trade account recorded a surplus for the period January to June 2023, largely driven by sharp import compression.
234. Mr. Speaker, in the first half year, total export receipts fell by 7.9 percent to US\$8,178.56 million on the back of lower crude oil exports receipts. Crude oil exports declined by 41.3 percent year-on-year due to a 21.4 percent decline in volumes and 25.3 percent fall in prices. However, the impact of declining crude receipts on exports performance was moderated by a 14.9 percent year-on-year growth in cocoa beans export earnings and 14.2 percent growth in gold export receipts mainly due to higher production volumes. The volume of cocoa beans and gold grew by 15.3 percent and 14.1 percent respectively. However, the prices of both commodities, cocoa beans, and gold, remained flat during the period. Non-traditional exports also declined by 2.7 percent during the period under review.
235. Merchandise imports decreased by 13.4 percent to US\$6,407.5 million due to a decline in both oil and non-oil imports. Though demand in terms of volumes for refined petroleum products increased, prices declined by 22.1 percent which resulted in a 17.7 percent year-on-year drop in oil imports. Non-oil imports also compressed by 13.8 percent year-on-year to US\$4,469.65 million.

Balance of Payments

236. Mr. Speaker, in the first half of 2023, the current account recorded a provisional surplus of US\$849.16 million (1.1% of GDP) compared with a deficit of US\$1,111.87 million (1.5% of GDP) for the same period in 2022. This was on the back of the higher trade surplus and lower net investment income outflows. Private individual transfers improved by 20.7 percent to a net inflow of US\$1,897.54 million in the review period.
237. The capital and financial accounts registered a net outflow of US\$897.29 million lower than the net outflow of US\$1,341.22 million for the same period in 2022 and

driven by lower amortization and private loan repayments. As a result of these developments, the overall balance of payments recorded a lower deficit of US\$107.81 million in the first half of 2023, against a deficit of US\$2,497.07 million in the corresponding period of 2022.

International Reserves

238. Gross International Reserves dropped from US\$6.2 billion at the end of December 2023 to US\$5.3 billion (2.5 months of import cover) in June 2023, reflecting BOGs objectives of reducing their foreign liabilities in line with the IMF programme. Net International Reserves received a boost from gold reserves and improved to US\$2,353.95 million equivalent to 1.1 months of import cover, compared with US\$1,4935.95 million (0.6 months of import cover) recorded at the end of December 2022.

Exchange Rate Developments

239. Mr. Speaker, cumulatively, the Ghana cedi depreciated by 22.0 percent against the US dollar from January to June 2023, compared to 16.9 percent in the same period of 2022. Similarly, it depreciated against the British pound by 26.3 percent, compared to 7.7 percent in the same comparative period. Against the euro, the cedi depreciated by 23.8 percent, compared to the depreciation of 9.9 percent in the previous year. On a month-on-month basis, the Ghana cedi has remained relatively stable since February 2023, and has depreciated slightly by 0.2 percent on a month-on-month basis against the US dollar in June 2023. This was on the back of positive sentiments from the improved foreign inflows (IMF first tranche disbursement and forex purchases from the mining and oil sectors) and weakened demand.

External Sector Outlook

240. Mr. Speaker, available data suggests that the external sector position improved in the first half of 2023 due to the debt restructuring and IMF programme. The first half year improvement in the external sector should be reinforced by strict implementation of the IMF-supported PC-PEG, especially the fiscal adjustments and structural reforms. In the outlook, the external performance will depend on the successful completion of the debt restructuring programme, easing global financing conditions, and favourable commodity price movements.

Financial Sector Developments and Outlook

241. Mr. Speaker, the banking sector maintained a stable performance during the first half of the year, despite the lingering effects of the domestic debt exchange programme. Prudential data showed an increase in the industry's total assets to GH¢242.4 billion in June 2023 from GH¢200.0 billion in June 2022, representing a year-on-year growth of 21.2 percent. The strong growth in the industry's assets was funded largely by the sustained increases in total deposits, while total borrowings and shareholders' funds contracted during the period.
242. Mr. Speaker, the industry's total deposits grew by 42.8 percent to GH¢187.6 billion in June 2023 from GH¢131.3 billion in June 2022, representing 19.1 percent growth. Total borrowings however contracted by 39.1 percent to GH¢16.0 billion in June 2023 from GH¢26.4 billion during the same period in 2022, due to declining domestic and external sources of borrowing.

243. Mr. Speaker, growth in total credit slowed during the first half of this year compared with the same period last year, partly on account of the sharp decline in the growth of new loans and advances in response to the elevated credit risks. The industry's gross loans and advances increased by 15.4 percent to GH¢73.1 billion in June 2023 from the 33.3 percent growth recorded during the same period last year.
244. Total investments increased to GH¢90.0 billion in June 2023 from GH¢81.0 billion in June 2022, driven mainly by sharp increase in short-term investments to GH¢40.0 billion from GH¢16.0 billion. In contrast, the medium to long-term investments declined to GH¢50.0 billion from GH¢65.0 billion, because of the DDEP.
245. Mr. Speaker, the Financial Soundness Indicators (FSIs) of the banking sector remained healthy and well-within prudential and regulatory benchmarks during the first half of 2023, despite some moderation due to the adverse effects of the DDEP on the banking industry. Roll-out of the regulatory reliefs introduced by the Bank of Ghana following the roll-out of the Phase 1 of the DDEP to cushion the performance of the banking sector helped improved the FSIs during the review period.
246. Mr. Speaker, the industry's profitability performance remained strong in the first half year, reflected by increases in profit-before-tax and profit-after-tax which have translated into marked improvements in the profitability indicators. The industry's Return-on-Assets (RoA) was 5.5 percent in June 2023 compared with 4.6 percent in June 2022, while Return-on-Equity (RoE) was 37.6 percent from 21.8 percent during the same comparative period. The industry's Capital Adequacy Ratio (CAR), with the regulatory reliefs was 14.3 percent in June 2023, above the temporary regulatory requirement of 10 percent. The industry's Non-Performing Loans (NPLs) ratio, however, deteriorated to 18.7 percent in June 2023 from 14.1 percent in June 2022 due to a higher increase in the NPL stock from the general repayment challenges relative to the moderation in total credit growth.

Impact of the Domestic Debt Exchange Programme (DDEP) on the Banking Sector

247. Mr. Speaker, an assessment of the impact of the Phase 1 of the DDEP on the banking sector revealed significant losses on account of impairment of banks' holdings in Government of Ghana bonds. However, the impact of the DDEP was partly moderated by the timely introduction of temporary regulatory reliefs by the Bank of Ghana to support the banking sector, like the reliefs provided at the onset of the COVID-19 pandemic. In the outlook, operationalisation of the Ghana Financial Stability Fund and the planned recapitalization of banks would ensure stability of the banking sector and further strengthen financial intermediation to support the rest of the economy.

Fiscal Sector Developments in H1 of 2023

Summary of Fiscal Performance H1 2023

248. Mr. Speaker, the provisional fiscal performance for the first half of 2023 is presented within the context of the 2023 approved Budget:
- 2023 overall deficit on commitment basis target of 5.9 percent of GDP and corresponding primary surplus of 0.7 percent of GDP. The assessment on commitment basis is critical as this is the key anchor of the IMF-supported PC-PEG Programme against which Government's performance will be assessed; and
 - 2023 overall deficit target (on cash basis) of 7.7 percent of GDP and corresponding primary balance of a deficit of 1.1 percent of GDP.
249. Mr. Speaker, the provisional revenue performance will also be presented within the context of the 2023 fiscal framework under the IMF-supported Programme. The assessment on this basis is critical given the ambitious revenue mobilisation under the Programme. Table 8 shows the revenue measures that were adopted as part of the 2023 Budget and their respective expected yields.

Table 8: 2023 Revenue Measures

No.	Revenue Measure	% of GDP
1	Removal of Selected VAT Exemptions	0.04
2	Complete Removal of Discount on Benchmark Values	0.24
3	Undertake E-Levy Reforms to close loopholes/leakages, improve patronage & enhance yield	0.19
4	Implement the Unified Property Rate Collection	0.02
5	Growth and Sustainability Levy	0.18
6	Intensify the implementation of the VAT E-Invoicing system to enhance compliance	0.12
7	Increase VAT rate from 12.5% to 15% (Increase by 2.5 pts) with NHIS and GETF straight levies maintained at 2.5% each and earmarked proceeds for Road Construction	0.34
8	Revision of Excise Taxes for selected items	0.06
9	Revision of Income-based Taxes	0.16
	Total	1.35

Source: MoF

250. Mr. Speaker, provisional data on Government fiscal operations for half of 2023 indicates a slower pace in expenditure execution relative to revenue shortfall, resulting in an overall budget deficit on commitment basis of GH¢6,302 million (0.8% of GDP), compared to the 2023 H1 Budget deficit target of GH¢28,277 million (3.5% of GDP). The corresponding Primary balance (on commitment basis) was a surplus of GH¢8,842 million (1.1% of GDP), compared to the target of a surplus of GH¢310 million as shown in Table 9. The cash deficit was GH¢10,341 million (1.3% of GDP), against the 2023 H1 Budget target of GH¢35,494 million (4.4% of GDP). The corresponding primary balance on cash basis was a surplus of GH¢4,804 million (0.6% of GDP), against the 2023 H1 deficit target of GH¢6,908 million (0.9% of GDP).

Table 9: Summary of Fiscal Performance – H1 2023

No.	Indicators (GH¢ million)	2022		2023					
		H1 Prov.	y/y (%)	Budget	H1 Prov.	H1 Prov.	Dev		y/y (%)
							(GH¢)	(%)	
1	Total Revenue & Grants	41,828	37.3	143,956	64,719	59,300	-5,419	-8.4	41.8
	<i>% of GDP</i>	<i>6.9</i>		<i>18.0</i>	<i>8.1</i>	<i>7.4</i>			
2	Total Exp. (Commitment)¹	66,450	38.8	190,912	92,996	68,505	-24,491	-26.3	3.1
	<i>% of GDP</i>	<i>10.9</i>		<i>23.8</i>	<i>11.6</i>	<i>8.6</i>			
3	Discrepancy	1,736		0	0	2,903	2,903		
	<i>% of GDP</i>	<i>0.3</i>		<i>0.0</i>	<i>0.0</i>	<i>0.4</i>			
4	Overall Balance (Commitment)	-24,622		-46,956	-28,277	-6,302	21,975	-77.7	
	<i>% of GDP</i>	<i>-4.0</i>		<i>-5.9</i>	<i>-3.5</i>	<i>-0.8</i>			
5	Primary Balance (Commitment)	-4,150		5,594	310	8,842	8,532	2,752.3	
	<i>% of GDP</i>	<i>-0.7</i>		<i>0.7</i>	<i>0.0</i>	<i>1.1</i>			
6	Arrears Clearance (Net)	-8,621		-14,435	-7,218	-4,038	3,179	-44.0	
	<i>% of GDP</i>	<i>-1.4</i>		<i>-1.8</i>	<i>-0.9</i>	<i>-0.5</i>			
7	Overall Balance (Cash)	-33,243		-61,391	-35,494	-10,341	25,154	-70.9	
	<i>% of GDP</i>	<i>-5.4</i>		<i>-7.7</i>	<i>-4.4</i>	<i>-1.3</i>			
8	Primary Balance (Cash)	-12,771		-8,841	-6,908	4,804	11,711	-169.5	
	<i>% of GDP</i>	<i>-2.1</i>		<i>-1.1</i>	<i>-0.9</i>	<i>0.6</i>			
9	Nominal GDP	610,222		800,921	800,921	800,921			

Source: MoF

Revenue Performance

251. Mr. Speaker, Total Revenue and Grants for the first half of 2023 was GH¢59,300 million (7.4% of GDP), below the target for the period of GH¢64,719 million (8.1% of GDP) by 8.4 percent. Despite the shortfall, the outturn shows a nominal y/y growth of 41.8 percent. The key driver of the revenue deviation is the lower-than-programmed oil receipts.
252. Mr. Speaker, Non-oil Tax Revenue amounted to GH¢45,074 million (5.6% of GDP), marginally above the period target of GH¢43,259 million (5.4% of GDP) and represents an annual growth of 55.5 percent. The boost to the performance was on the back of Company Taxes, exceeding targets by 16.3 percent, and offsetting

the shortfalls in International Trade Taxes, Petroleum Tax and E-Levy, CST, and Covid-19 Levy for the period.

253. Mr. Speaker, the underperformance in the import duties is expected to be temporary. Part of the underperformance is driven by sharp import contraction in 2023H1 which is expected to recover in the second half of the year. Importantly, part of the import compression in 2023Q1 is driven by the frontloading of some imported goods at end-2022, as importers attempted to avoid the reversal of discount on benchmark values. These shocks are rather one-time in nature. We are committed to enhancing the governance and compliance structures of the Customs Division of the GRA to realise the full yield of the measure.
254. Mr. Speaker, similarly, the underperformance in the recently enacted Growth and Sustainability Levy is expected to be temporary as the measure was delayed from January 2023 to May 2023. We are committed to ensuring the full yield of these measures in the second half of the year.
255. Mr. Speaker, on Domestic VAT, the GRA and MOF are working together to improve VAT performance by improving e-VAT invoicing system as well as VAT monitoring.
256. Mr. Speaker, Non-oil Non-Tax Revenue which comprises MDAs' IGF Retention, IGF Lodgements, Fees & User Charges, and Dividends amounted to GH¢5,031 million (0.6% of GDP), falling below the target of GH¢5,420 million (0.7% of GDP) by 7.2 percent mainly on account of lower MDAs Retention and Lodgements.
257. Mr. Speaker, Receipts from upstream oil and gas activities fell substantially below period target, amounting to GH¢5,949 million (0.7% of GDP) against the target of GH¢11,727 million (1.5% of GDP). The significant shortfall of 49.3 percent is explained by:
- the actual exchange rate applied for the period compared to the exchange rate assumptions underpinning the projected outturn; and
 - the realised oil prices at an average of US\$80.4bbl compared with the budget price assumption of US\$88.55bbl;
258. Mr. Speaker, Other revenues, comprising of SSNIT Contribution to NHIL and proceeds from the Energy Sector Levies (ESL), altogether amounted to GH¢2,614 million, against the target of GH¢2,871 million.
259. Mr. Speaker, Grants disbursements amounted to GH¢633 million, 56.1 percent below the programmed target of GH¢1,442 million. The inflows were exclusively from Project Grants.
260. Mr. Speaker, to summarise, Oil Revenue underperformed, and the annual outlook will be revised to reflect current developments. Total non-oil revenues are around the target, however, VAT – the key revenue measure under the Programme - underperformed calling for more efforts to enhance compliance.

Table 10: Summary of Revenue Performance – H1 2023

No.	Indicators (GH¢ million)	2022		2023					
		H1 Prov.	y/y (%)	Budget	H1 Prov.	H1 Prov.	Dev		y/y (%)
							(GH¢)	(%)	
1	Total Revenue & Grants	41,828	37.3	143,956	64,719	59,300	-5,419	-8.4	41.8
	<i>% of GDP</i>	<i>6.9</i>		<i>18.0</i>	<i>8.1</i>	<i>7.4</i>			
2	Domestic Revenue	41,193	38.5	141,553	63,277	58,667	-4,610	-7.3	42.4
	<i>% of GDP</i>	<i>6.8</i>		<i>17.7</i>	<i>7.9</i>	<i>7.3</i>			
3	Non-oil Tax Revenue	28,984	24.4	99,639	43,259	45,074	1,815	4.2	55.5
	<i>% of GDP</i>	<i>4.7</i>		<i>12.4</i>	<i>5.4</i>	<i>5.6</i>			
4	Non-Oil Non-Tax Revenue	3,925	42.3	12,308	5,420	5,031	-389	-7.2	28.2
	<i>% of GDP</i>	<i>0.6</i>		<i>1.5</i>	<i>0.7</i>	<i>0.6</i>			
5	Oil and Gas Receipt	5,223	174.9	23,455	11,727	5,949	-5,778	-49.3	13.9
	<i>% of GDP</i>	<i>0.9</i>		<i>2.9</i>	<i>1.5</i>	<i>0.7</i>			
6	Other Revenue	3,062	72.3	6,151	2,871	2,614	-257	-9.0	-14.6
	<i>% of GDP</i>	<i>0.5</i>		<i>0.8</i>	<i>0.4</i>	<i>0.3</i>	<i>0.1</i>		
7	Grants	635	-11.6	2,404	1,442	633	-809	-56.1	-0.3
	<i>% of GDP</i>	<i>0.1</i>		<i>0.3</i>	<i>0.2</i>	<i>0.1</i>	<i>0.1</i>		

Memo Item

8	Non-oil Domestic Revenue	<i>35,970</i>		<i>118,098</i>	<i>51,550</i>	<i>52,718</i>	<i>1,168</i>	<i>2.3</i>	<i>47</i>
	<i>% of GDP</i>	<i>5.9</i>		<i>14.7</i>	<i>6.4</i>	<i>6.6</i>	<i>0.1</i>		
9	Non-oil Public Revenue	<i>0</i>		<i>111,947</i>	<i>48,679</i>	<i>50,105</i>	<i>1,426</i>	<i>2.9</i>	
	<i>% of GDP</i>	<i>0.0</i>		<i>14.0</i>	<i>6.1</i>	<i>6.3</i>	<i>0.1</i>		

Source: MoF

Expenditure Performance (on Commitment basis)

261. Mr. Speaker, as shown in Table 11, Total Expenditure for the first half of 2023 amounted to GH¢68,505 million (8.6% of GDP), 26.3 percent below the programmed expenditure of GH¢92,996 million (11.6% of GDP). All other expenditure lines were contained within their respective targets for the period except for Compensation of Employees and Expenditure on Goods and Services.
262. Mr. Speaker, Compensation of Employees amounted to GH¢23, 884 million (3.0% of GDP), 4.9 percent above the target of GH¢22,761 million (2.8% of GDP). The overage stems from higher payments for wage and salaries from the implementation of the 30 percent Base Pay increase for Public Sector Workers which was agreed to after the 2023 Budget was presented and approved by this

august House last year. Wages and Salaries constituted 88.8 percent of the total Compensation and amounted to GH¢21,207 million.

263. Mr. Speaker, Expenditure on the use of Goods and Services for the period was GH¢4,716 million (0.6% of GDP) 14.6 percent above the target of GH¢4,115 million (0.5% of GDP).
264. Mr. Speaker, Interest Payments for the period amounted to GH¢15,144 million (1.9% of GDP), 47.0 below the target of GH¢28,587 million (3.6% of GDP). The lower than programmed interest expense for the period is mainly explained by the impact of the DDEP.

Table 11: Summary of Expenditure Performance

cnf	Indicators (GH¢ million)	2022		2023					
		H1 Prov.	y/y (%)	Budget	H1 Prov.	H1 Prov.	Dev		y/y (%)
							(GH¢)	(%)	
1	Total Exp. (Commitment)	66,450	38.8	190,912	92,996	68,505	-24,491	-26.3	3.1
	<i>% of GDP</i>	<i>10.9</i>		<i>23.8</i>	<i>11.6</i>	<i>8.6</i>			
2	Compensation of Employees	17,761	20.5	45,523	22,761	23,884	1,123	4.9	34.5
	<i>% of GDP</i>	<i>2.9</i>		<i>5.7</i>	<i>2.8</i>	<i>3.0</i>			
3	Use of Goods and Services	2,495	154.4	8,579	4,115	4,716	601	14.6	89.0
	<i>% of GDP</i>	<i>0.4</i>		<i>1.1</i>	<i>0.5</i>	<i>0.6</i>			
4	Interest Payment	20,473	36.3	52,550	28,587	15,144	-13,442	-47.0	-26.0
	<i>% of GDP</i>	<i>3.4</i>		<i>6.6</i>	<i>3.6</i>	<i>1.9</i>			
5	Grants to Other Gov't Units	11,230	76.8	30,079	13,462	12,968	-494	-3.7	15.5
	<i>% of GDP</i>	<i>1.8</i>		<i>3.8</i>	<i>1.7</i>	<i>1.6</i>			
6	Capital Expenditure	8,793	19.8	26,546	16,604	7,907	-8,697	-52.4	-10.1
	<i>% of GDP</i>	<i>1.4</i>		<i>3.3</i>	<i>2.1</i>	<i>1.0</i>			
	<i>o/w Domestic Financed</i>	<i>749</i>		<i>10,538</i>	<i>5,057</i>	<i>1,868</i>			
	<i>o/w Foreign Financed</i>	<i>8,044</i>		<i>16,009</i>	<i>11,547</i>	<i>6,039</i>			
7	Other Expenditure	5,698	65.0	27,636	7,467	3,885	-3,582	-48.0	-31.8
	<i>% of GDP</i>	<i>0.9</i>		<i>3.5</i>	<i>0.9</i>	<i>0.5</i>			

Source: MoF

265. Mr. Speaker, Capital Expenditure amounted to GH¢7,907 million (1.0% of GDP), against the target of GH¢16,604 million (2.1% of GDP). Domestically Financed CAPEX amounted to GH¢1,868 million against a target of GH¢5,057 million. Foreign Financed CAPEX constituted 76.4 percent of Total CAPEX, amounting GH¢6,039 million, against the target of GH¢11,547 million.

266. Mr. Speaker, Grants to Other Government Units accrued a total amount of GH¢12,968 million as at end June 2023 for transfer to all earmarked funds against the target of GH¢13,462 million. The negative deviation for the period is largely driven by the underperformance of underlying revenue bases of some Earmarked Funds.
267. Mr. Speaker, Other Expenditure, including social benefits and subsidies for the period amounted to GH¢3,885 million, against the programmed target of GH¢7,467 million. Of the total amount, Energy Sector payments amounted to GH¢1,944 million, below the estimated payments of GH¢5,584 million for the period.

Overall Budget Balances and Financing Operations

268. Mr. Speaker, Governments fiscal operations for the first half of 2023 resulted in an overall budget deficit on commitment basis of GH¢6,302 million (0.8% of GDP), compared to the deficit target of GH¢28,277 million (3.5% of GDP). The corresponding Primary balance was a surplus of GH¢8,842 million (1.1% of GDP), compared to the target of a surplus of GH¢310 million (0.04% of GDP) driven largely by smaller spending outturn than projected.
269. Mr. Speaker, for the period, financing of the deficit from from both domestic and external sources amounted to GH¢10,341 million (1.3% of GDP). Of the total Financing, Total Domestic Financing was GH¢5,594 million and constituted 54.1 percent of total financing while Foreign Financing (Net) accounted for 45.9 percent of total financing and amounted GH¢4,747 million.
270. Mr. Speaker, Net Domestic Financing from debt issuances has been limited to the short end of the market (treasury bills). Government has also drew-down on its deposits with the Bank of Ghana to meet its financing obligations, including part of the IMF ECF first tranche disbursement of US\$604 million.

Table 12: Summary of Financing Operations

No.	Indicators (GH¢ million)	2022		2023		
		H1 Prov.	y/y (%)	Budget	H1 Prov.	H1 Prov.
1	Total Financing	3,261	-83.9	-61,391	-35,494	-10,341
	<i>% of GDP</i>	<i>0.5</i>		<i>-7.7</i>	<i>-4.4</i>	<i>-1.3</i>
2	Foreign Financing	-382	-102.5	-869	8,204	4,747
	<i>% of GDP</i>	<i>-0.1</i>		<i>-0.1</i>	<i>1.0</i>	<i>0.6</i>
3	Exceptional Financing	0	-	64,217	28,239	0
	<i>% of GDP</i>	<i>0.0</i>		<i>8.0</i>	<i>3.5</i>	<i>0.0</i>
4	Total Domestic Financing	3,644	-21.3	-1,957	-949	5,594
	<i>% of GDP</i>	<i>0.6</i>		<i>-0.2</i>	<i>-0.1</i>	<i>0.7</i>
	o/w Bank of Ghana	556	-104.7	0	0	-808
	o/w IMF SDR Drawdown	556	-	0	0	0
	o/w Commercial Banks	4,421	-185.2	0	0	5,565
	o/w Non-Banks	-1,333	117,844.2	0	0	781
	o/w GPF & Sinking Fund	0	-100.0	-1,586	-949	56

Source: MoF

Update on Implementation of 2023 Revenue Measures

271. Mr. Speaker, Government introduced several revenue policy measures in the 2023 Budget to support the fiscal consolidation and growth agenda. These policy interventions were specifically targeted at growing the revenue base to yield an estimated 1.35 percent of GDP. A number of laws were amended and enacted to give effect to the policy interventions to be pursued for 2023. The update on these policies are as follows:
- the Income Tax Act, 2015 (Act 896) was amended to among other things, waive the tax on early withdrawals of third tier provident funds and personal pension schemes before retirement in 2023 for persons who lose their jobs or capital due to the economic crises, introduce a 35 percent Income Tax bracket, increase the concessional rate for Corporate Income Tax to 5%, revise the upper limits for motor vehicle benefits, as well as introduce a withholding tax on the realisation of assets and liabilities;
 - the Value Added Tax Act, 2013 (Act 870) was also amended to increase the VAT rate to 15 percent and review some VAT exemptions while the Electronic Transfer Levy Act, 2022 (Act 1075) was amended to reduce the rate from 1.5 percent to 1 percent and provide for the filing of returns and payment of the levy;
 - the Excise Duty Act, 2014 (Act 878) was amended to revise the taxation of specified items to align with the ECOWAS Protocols while, the Excise Tax Stamp Act, 2013 (Act 873) was amended to update the list of items on which the Excise Tax Stamp is affixed;
 - the Standard for Automatic Exchange of Financial Account Information Act, 2018 (Act 967) was amended to reinforce anti-avoidance provisions and strengthen due diligence procedures as well as the provisions on dispute resolution, penalties and offences, towards ensuring effective compliance with Exchange of Information standards by financial institutions in the country;
 - the Revenue Administration Act, 2016 (Act 915) was amended to introduce the requirement of a tax clearance certificate, provide for returns for the realisation of assets or liabilities and establish a monitoring mechanism for verifying actual revenue collections of taxpayers;
 - the Growth and Sustainability Levy Act, 2023 (Act 1095) was enacted to replace the National Fiscal Stabilisation Levy, with Act 1095 now covering all entities; and
 - to support the implementation of the Exemptions Act, 2022 (Act 1083), draft Administrative Guidelines have been developed, while Regulations to the Exemptions Act are in the process of being developed. The implementation of tax on Gross Gaming Revenue has begun, replacing Corporate Income Tax and Value Added Tax on betting, gambling, and other games of chance. Practice notes have also been developed for the implementation of the Minimum Chargeable Income system, scheduled to begin in the fourth quarter.

Petroleum Revenue and Utilisation in H1 of 2023

272. Mr. Speaker, total petroleum receipts (i.e. proceeds from liftings and other petroleum receipts) for the first half of 2023, amounted to US\$540.46 million. Receipts from the sale of five (5) crude oil liftings comprising the 69th to 71st Jubilee, the 22nd TEN lifting and the 12th SGN lifting amounted to US\$370.54 million, while other receipts accounted for the remaining US\$169.92million.

273. Mr. Speaker, out of the amount received for the first half of 2023, a total of US\$466.87 million was distributed to the allowable accounts as stated in the Petroleum Revenue Management Act (PRMA) 2011, (Act 815) as amended. An amount of US\$125.710 million was transferred to GNPC, which is made up of Equity Financing Cost of US\$78.79 million and GNPC's share of the net Carried and Participating Interest of US\$46.92 million.
274. Mr. Speaker, a total of US\$102.35 million was transferred into the Ghana Petroleum Funds (GPFs), out of which the Ghana Heritage Fund (GHF) received US\$30.70 million, while the Ghana Stabilisation Fund (GSF) received US\$71.64 million. The Annual Budget Funding Amount (ABFA) received a total of US\$238.81 million, out of which US\$74.68 million was allocated to the Ghana Infrastructure Investment Fund (GIIF). Of the US\$74.68 million allocated to GIIF, US\$33.43million was transferred to GIIF Agenda 111 and US\$41.25 million was transferred to the GIIF SPV Viability Gap/Tema Motorway Extension project account. Additionally, US\$11.94million was transferred to the District Assemblies Common Fund (DACF) out of the ABFA amount of US\$238.81 million, bringing the net ABFA to US\$152.19 million.

Public Debt Developments in H1 of 2023

275. Mr. Speaker, arising from the DDEP, some structural changes have commenced in the presentation of Ghana's public debt data. The debt from the Special Purpose Vehicles (SPVs) which previously was not part of the Central Government debt has now been included. Furthermore, we would be expanding the scope of reporting to include SOE debt.
276. Mr. Speaker, provisional debt data as at end- June 2023, indicates an increase in Ghana's central government debt and guaranteed debt amounting to GH¢575,531.58 million (US\$52,308.21 million), equivalent to 71.8 percent of GDP.
277. Mr. Speaker, in terms of composition, domestic debt stock stood at GH¢246,910.92 million (US\$22,440.94 million), equivalent to 30.8 percent of GDP as at end-June 2023 and accounted for 42.9 percent of the total public debt. The external debt stood at GH¢328,620.67 million (US\$29,867.27 million), equivalent to 41.0 percent of GDP and represented 57.1 percent of the total debt stock. However, including the potential liabilities from the SPVs, IPPs-PPAs, and financial sector, the provisional public sector debt would increase to GH¢613,563.07 million, equivalent to 76.6 percent of GDP.

Table 13: Public Debt Developments January to June 2023

Debt Type	June 2023 Prov. (in millions of GH¢)
External Debt	328,620.67
Domestic Debt	246,910.92
Total Public Debt (in millions of US\$)	575,531.58
External Debt	29,867.27
Domestic Debt	22,440.94
Total Public Debt (as % of GDP)	52,308.21

Debt Type	June 2023 Prov. (in millions of GH¢)
External Debt	41
Domestic Debt	30.8
Total Public Debt	71.8
(as % of Total)	
External Debt	57.1
Domestic Debt	42.9
Total Public Debt	100

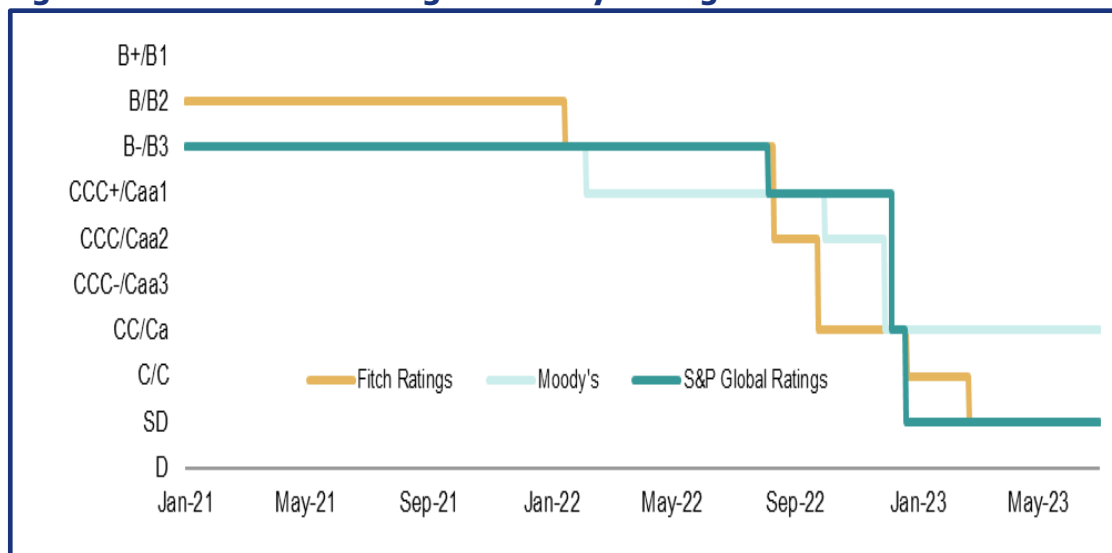
Source: Ministry of Finance

*Revised figures

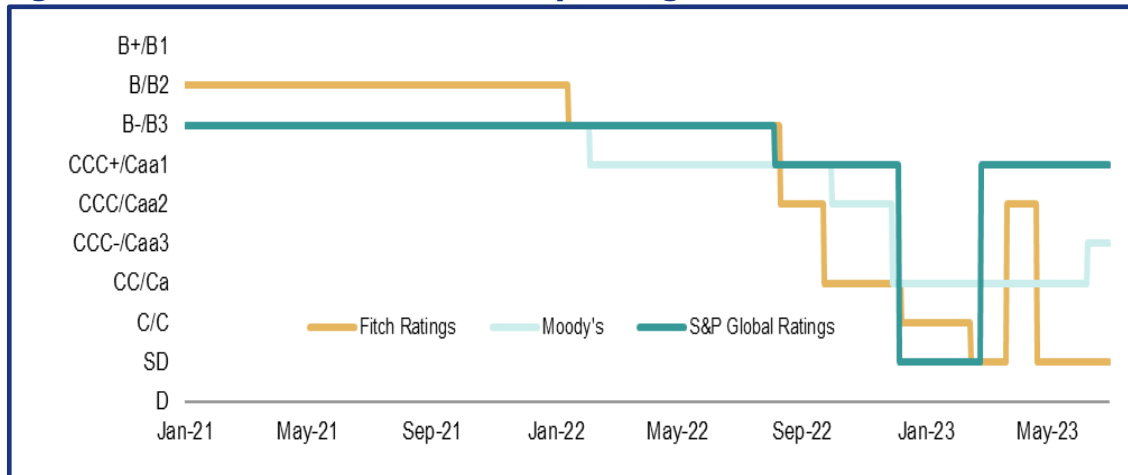
Update on Ghana's Sovereign Credit Ratings for 2023

278. Mr. Speaker, globally, sovereign credit ratings in the first half of 2023 witnessed marked improvement compared to the debilitating situation of 2022. The global economy, albeit the ongoing conflict in Eastern Europe, has seen significant abatement of the global supply chain shortages, complete removal of Covid-19 restrictions, especially in China, stable commodity prices, and an easing of inflation-roiled markets, especially in Emerging Markets (EMs). These rating improvements, however, could worsen if the war in Russia and Ukraine does not de-escalate given its implications for energy markets and food supply.
279. Mr. Speaker, Ghana's sovereign credit ratings for the period have been mixed. Given the ongoing domestic and external debt restructuring, the three rating agencies downgraded Ghana's local and foreign currency issues in the first quarter of 2023. However, upon the successful rollout of the first phase of the DDEP, Ghana's credit ratings for the local currency issues have improved.

Figure 7: Evolution of Foreign Currency Ratings of Ghana



Source: MoF and Credit Rating Agencies

Figure 8: Evolution of Local Currency Ratings of Ghana

Source: MoF and Credit Rating Agencies

280. Mr. Speaker, as of end-June 2023, seven rating actions have been conducted on Ghana:
- on 14th February 2023 Fitch Ratings downgraded Ghana's Long-Term Local Currency (LTLC) Issuer Default Rating (IDR) to Restricted Default (RD) from 'C' due to the debt exchange offer and a missed principal payment on 6th February 2023. The Long-Term Foreign Currency IDR was affirmed at 'C'.
 - on 21st February 2023, Fitch Ratings downgraded Ghana's Long-Term Foreign Currency (LTFC) IDR to 'RD' from 'C' due to a missed Eurobond coupon payment and Government's request for debt treatment under the Common Framework. The LTLC IDR remained at 'RD';
 - on 24th February 2023, S&P Global Ratings upgraded Ghana's Local Currency (LC) long-term rating from 'SD' to 'CCC+' after the country settled its domestic debt exchange with bondholders and affirmed its Foreign Currency (FC) rating at 'SD';
 - on 22nd March 2023, Fitch Ratings upgraded Ghana's LTLC IDR to 'CCC' from 'RD' after the completion of DDEP and the resumption of payments on local-currency bonds;
 - on 21st April 2023, Fitch Ratings downgraded LTLC IDR to 'RD' from 'CCC' due to missed local-currency bond payments;
 - S&P Global Ratings, on 2nd June 2023, affirmed Ghana's FC rating at 'SD' and its LC long-term rating at 'CCC+'. Two other local U.S. dollar-denominated bonds were also downgraded to 'D' (default) from 'CC' after missed payments; and
 - Moody's, on 9th June 2023, upgraded the Government of Ghana's long-term local currency issuer rating to Caa3 from Ca and maintained a stable outlook due to the completion of the first phase of the domestic debt restructuring and the receipt of the first disbursement from the IMF under the ECF facility. These, according to Moody's, contributed to the improved local currency ratings for Ghana.

Developments on the Ghana Stock Market from January to June 2023

281. Mr. Speaker, the GSE Composite index advanced in the first half of the year with a year-to-date gain of 14.9 percent on the back of strong performance posted by

some listed stocks in the agriculture, distribution, and ICT sectors. However, the GSE Financial stock index trailed with a year-to-date loss of 17.6 percent.

282. Mr. Speaker, market activity is gradually picking up as investors expect the market to bounce back post-DDEP despite a year-to-date decline in volume and value traded by 79.0 percent and 68.0 percent, respectively.
283. Mr. Speaker, the average outstanding bids and offers amounted to 0.37 million and 0.78 million shares, respectively. The equities market continues to experience sustained selling pressures, surpassing the level of demand.
284. Mr. Speaker, several companies are seeking to raise additional capital through the capital market using ordinary or preference shares or a combination of both. These proposed corporate actions signify confidence in the markets and will increase trading activities.
285. Mr. Speaker, MTN Ghana (MTNGH) issued additional shares on the market and hence increased its total float of shares on the market. This contribution by MTNGH is expected to improve liquidity in the market.
286. Mr. Speaker, there has been a considerable increase in the value of shares traded by pension funds from 3 percent in 2022 to 16 percent in 2023 as pension funds continue to diversify their portfolios into other instruments such as equities and Exchange Traded Funds.
287. Mr Speaker, the GSE and the Botswana Stock Exchange will in the course of the year be integrated into the African Exchanges Linkage Project (AELP). The AELP is a flagship project of the African Securities Exchanges Association (ASEA) and the African Development Bank (AfDB) to facilitate cross-border trading of securities in Africa. The AELP presents significant opportunities for investors and the GSE to get access to enhanced liquidity, a wider investor base, and access to diverse asset classes across the participating exchanges. Phase 2 of the project comes off after a successful launch of Phase 1 in December 2022 which connected seven exchanges and over 30 brokers.

Developments on the Ghana Fixed Income Market -January to June 2023

288. Mr. Speaker, as at the end of the first half of the year, the secondary market had traded a total volume of 40 billion compared to 124 billion in the same period in 2022, representing a decrease of 67.74 percent. The secondary market has been very responsive to the developments of the economy at large. Activities in the market in the first half of the year 2023 have been reflective of the current macroeconomic developments and the outcome of the domestic debt exchange programme (DDEP) which has temporarily impacted the market negatively.
289. The Government will therefore engage all market operators and other stakeholders to work on all the challenges the market is facing and ensure a recovery faster than anticipated.

Update on Debt Sustainability Analysis

290. Mr. Speaker, the DSA as presented in the 2023 Budget Statement classified Ghana as "High Risk of Debt Distress". The December 2022 DSA subsequently placed Ghana at "High Risk of Debt Distress and Unsustainable Debt." In addition, the DSA identified risks and vulnerabilities associated with the debt portfolio and proposed policy interventions to mitigate these risks and vulnerabilities. This has a significant effect on the government's ability to meet its current and future debt obligations.
291. To bring debt to sustainable levels over the medium to long-term, the Government commenced debt restructuring to reduce debt servicing costs and improve debt sustainability indicators. This became necessary to promote a sustained fiscal adjustment. The restructuring was critical to help secure the IMF supported Post Covid-19 Programme for Economic Growth (PC-PEG) Programme, with US\$3.0 billion Extended Credit Facility (ECF).
292. Mr. Speaker, the announcement of the external debt service suspension and the domestic debt exchange offer triggered a sovereign default in 2023. Against this backdrop, the 2023 DSA will be recalibrated in line with Ghana's IMF-supported programme and post debt restructuring.

Update on Medium-Term Debt Management Strategy

293. Mr. Speaker, Government debt management objective as embodied in the 2023 Medium-Term Debt Management Strategy (MTDS) was to ensure Government's financing requirements are met at the lowest possible cost with a prudent degree of risk in line with the Medium-Term Fiscal Framework (MTFF) and Government's debt restructuring programme.
294. Mr. Speaker, the debt strategy envisaged restructuring of both domestic and external debt portfolios in 2023 to reduce the cost of debt service. The strategy also proposed issuances of Treasury bills (T-Bills) and optimising concessional funding sources to support the budget.
295. Government financing for the first half of 2023 was from both domestic and external sources. Government issued T-bills amounting to GH¢16,437.27 million (net issuance) and received US\$600.0 million being the IMF first disbursement to support the budget. Ghana's access to the International Capital Markets remains restricted largely due to unfavourable global financial developments and sovereign credit rating downgrades. Development on the domestic front stems from a combination of factors including high inflation and interest rates as well as tightening monetary policy rate.
296. Mr. Speaker, the performance of the debt management strategy for the period under review showed improved cost-risk indicators of the existing public debt portfolio. This is mainly because of the implementation of the DDE in 2023 particularly the refinancing risk of the domestic debt portfolio. However, the portfolio is faced with the risk of rollover given that the domestic debt market is focused on the short end.

CHAPTER FIVE: REVISED 2023 MACROECONOMIC TARGETS & FISCAL FRAMEWORK

297. Mr. Speaker, the macroeconomic environment has changed significantly since the 2023 Budget was presented to this august House in November 2022.
298. Mr. Speaker, to restate the conditions then, global growth had slackened and was projected to weaken further amid tight financing conditions, rising cost of living and a squeeze on real incomes, alongside recession fears in advanced economies. Global headline inflation was elevated and had broadened beyond food and energy prices, with several other factors adding to inflationary pressures. These included tighter labour market conditions, the pass-through effects of currency depreciations to inflation, and supply chain cost pressures. Global financing conditions tightened further, reflecting in large part the aggressive policy rate increases across several Advanced Economies to re-anchor the persistent rise in inflation. The US dollar strengthened, and longer-term bond yields rose sharply because of the sustained policy tightening in response to high inflation concerns. This triggered currency pressures and volatility in equity markets across Emerging Markets and Developing Economies. Altogether, there was so much uncertainty, and this spilled over to our domestic economy, further worsening the existing vulnerabilities.
299. Mr. Speaker, although these pressures still exist, our economy is in a better position than it was seven months ago. The macroeconomic environment has seen relative stability since the beginning of the year largely explained by factors including:
- the Staff Level Agreement (SLA) reached with the IMF staff in December 2022, six months after requesting for a Fund-supported programme in July 2022;
 - the passage of bold fiscal measures - both revenues and expenditures - in the 2023 Budget & its subsequent implementation;
 - the appropriately tight monetary policies deployed by the BoG since last year to support the fiscal consolidation process towards macroeconomic stability;
 - Ghana's success at largely completing phase 1 of the domestic debt restructuring 3 months after launch of the programme in December 2022;
 - Successfully securing financing assurances from Ghana's Paris Club Official Creditor Committee (OCC) on 12th May 2022 under the G20 Common Framework, 5 months after formal request on 13th December, 2023; and
 - Securing the approval of the 3-year US\$3bn IMF-supported PC-PEG on 17th May 2023, 5 months after reaching a Staff Level Agreement.

5.1 Revision to 2023 Macroeconomic Framework

300. Mr. Speaker, all these developments together with the need to align with the Programme targets of the IMF-supported PC-PEG approved by the IMF Executive on Board on 17th May 2023, warrant a revision to the macroeconomic framework that underpinned the 2023 Budget. The revisions to the macro-fiscal framework generally seek to:
- align 2023 Midyear Review Budget to the IMF-supported PC-PEG macro-fiscal path;
 - reflect the latest development of the macroeconomic variables such as exchange rate, GDP, interest rates, crude oil prices;

- reflect possible strategies to absorb the impact of lower oil revenue outturns; and
 - adjustments in revenues/expenditures to stay on track with the implementation of the PC-PEG towards realisation programme objectives.
301. Mr. Speaker, key revisions to the macro-fiscal assumptions and fiscal targets for 2023 year includes:
- Overall Real GDP Growth rate of 1.5 percent down from 2.8 percent;
 - Non-Oil Real GDP Growth rate of 1.5 percent down from 3.0 percent;
 - End-period headline inflation of 31.3 percent, from 18.9 percent;
 - Primary Balance on Commitment basis of a deficit of 0.5 percent compared to a surplus of 0.7 percent of GDP, aligning with IMF-supported PC-PEG target Primary balance;
 - Gross International Reserves (programme definition) sufficient to cover at least 0.8 months of imports of goods and services by 2023.

5.2 Revision to GDP Projections

302. Mr. Speaker, Revisions have been made to expected growth for 2023 and the medium term to reflect first quarter developments in 2023 as well as the impact of the fiscal consolidation and debt exchange programme in 2023. The revision is informed by Government's renewed commitment to a growth strategy and set of structural reforms to support growth in the medium-term.
303. Overall GDP for 2023 is expected soften to 1.5 percent largely on the back of the fiscal consolidation programme, the DDEP, and the continued impact of Russia-Ukraine war. Non-oil GDP growth is also projected at 1.5 percent.
304. Mr. Speaker, a steady pick-up in growth is expected over the medium-term on the back of the implementation of growth-oriented and structural transformation programmes to complement Government's fiscal adjustment under the IMF programme. Overall GDP Growth is projected at 2.8 percent, 4.7 percent, and 4.9 percent in 2024, 2025 and 2026, respectively.

Table 14: 2023-2026 GDP Growth Projection, (Percent)

Sector	Projections			
	2023	2024	2025	2026
Agriculture	1.8	3.0	5.0	5.0
Industry	1.4	3.9	5.2	5.2
Services	1.4	1.8	4.2	4.7
Overall GDP	1.5	2.8	4.7	4.9
Non-Oil GDP	1.5	2.6	4.6	4.9
Nominal GDP (GH¢ mn)	854,834	1,059,324	1,228,690	1,388,672

Source: MoF

5.3 Revision to the 2023 Fiscal Framework

305. Mr. Speaker, the 2023 revised fiscal framework is now fully aligned with the IMF programme fiscal objectives in terms of primary balance (cash and commitment), revenue path and trajectory of primary expenditures. The drivers of the revisions to 2023 Fiscal Framework includes:
- Variations in actual fiscal outturn for 2022 compared with programmed targets, including Primary deficit on Commitment basis of 4.3 percent of GDP against the projected outturn of a deficit of 2.7 percent;
 - Fiscal developments for Jan-June 2023 reflecting shortfalls in revenues and lower spending;
 - Increase in base pay on Single Spine Salary Structure of 30 percent compared to the assumed 20 percent for the 2023 Budget;
 - Partial restoration of capped transfers to the NHIS and GETFund;
 - The impact of the completed Domestic Debt Exchange Programme (DDEP) on debt service cost as well as on revenue mobilisation;
 - IMF ECF Programme disbursements for 2023 of US\$1.2 billion and reflection of other catalytic financing including the World Bank US\$530 million (DPO - US\$300 million and Emergency Projects - US\$230 million) and expected disbursements of US\$103mn from the AFDB;
 - Revision in exchange rates, interest rates, crude oil prices, crude oil volumes, and GDP projections; and
 - The need to align 2023 MYR to the approved IMF-supported PC-PEG.
306. Mr. Speaker, incorporating these developments, the revision of the 2023 fiscal framework leads to a revised primary balance on commitment basis of a deficit of 0.5 percent of the revised GDP, lower than the initial target of a surplus of 0.7 percent of GDP set in the 2023 Budget. This aligns with the IMF Programme fiscal consolidation path (Table 15).

Revisions to Total Revenue and Grants

307. Mr. Speaker, Total Revenue and Grants have been revised to GH¢134,913 million (15.8% of GDP) in 2023, down from the 2023 Budget target of GH¢143,956 million (18.0% of the revised GDP), representing 6.3 percent reduction as shown in Table 15.
308. Mr. Speaker, non-oil public revenue which includes total tax revenue and total non-tax revenue excluding grants, oil revenue, social security contributions and ESLA proceeds have been revised to GH¢114,752 million (13.4% of the revised GDP) in 2023, from the 2023 Budget target of GH¢111,946 million (14.0% of GDP).
309. Total Non-Oil Tax Revenue has been revised to GH¢102,610 million (12.0% of the revised GDP), which is 3.0 percent above the 2023 Budget target of GH¢99,639 million (12.4% of GDP). The revision mainly reflects revenue performance for the first half of the year.
310. Mr. Speaker, revenues from upstream petroleum activities have been revised downward to GH¢11,499 million (1.3% of the revised GDP) from GH¢23,455 million (2.9% of GDP) to reflect recent developments. Specifically, the more appreciated Cedi exchange rate compared to the time of the Budget, the lower Benchmark

Crude oil price from US\$88.55/bbl to US\$74.0/bbl and lower production volume from 52.6mn barrels to 46.28mn barrels to reflect recent developments.

311. Mr. Speaker, Non-Oil Non-Tax Revenue has been revised downwards from GH¢12,308 million (1.5% of GDP) to GH¢2,143 million (1.4% of the revised GDP) to reflect the performance for the first half of the year.
312. Mr. Speaker, Grants have been revised marginally upward by 2.9 percent from GH¢2,404 million (0.3% of GDP) to GH¢2,474million (0.2% of the revised GDP).

Revisions to Total Expenditure

313. Mr. Speaker, Total Expenditure (including payments for the clearance of arrears and discrepancy) has been revised downward by 7.5 percent, amounting to GH¢189,864 million (22.2% of the Revised GDP) from the original budget projection of GH¢205,348 million (25.6% of GDP) largely on the back of reduction in interest payments, foreign-financed capex, and Lower ABFA emanating from lower oil revenue. However, Compensation allocation increased to reflect negotiated 30% increase in base pay. as shown in Table 15.
314. Mr. Speaker, Compensation of Employees has been revised upward to GH¢51,346 (6.0% of the Revised GDP) from the 2023 Budget target of GH¢45,523 (5.7% of GDP) largely reflecting the realised 30 percent Base Pay increase negotiated with Public Sector Workers compared to the 20 percent used in the 2023 Budget.
315. Mr. Speaker, Interest Payments have been revised downwards by 14.6 percent, amounting to GH¢44,866 million (5.2% of GDP) from GH¢52,550 million (6.6% of Revised GDP), mainly reflecting the outcome of the ongoing completed part of the Domestic Debt Exchange Programme.
316. Mr. Speaker, expenditure on Use of Goods and Services remains unchanged at GH¢8,579 million (1.0% of GDP) after making up for the shortfall in ABFA with a commensurate increase in non-ABFA Goods and Services.
317. Mr. Speaker, Capital Expenditure has also been revised downwards by 23.0 percent to GH¢20,441 million (2.4% of Revised GDP), from the 2023 Budget estimate of GH¢26,546 million (3.3% of GDP). Of this amount, Foreign-Financed Capital Expenditure has been revised downwards to GH¢9,903 million from GH¢16,009 million to reflect exchange rate developments, while domestic-financed Capital Expenditure remained unchanged at GH¢10,538 million, also reflecting a commensurate increase in non-ABFA Domestic CAPEX to make up for the shortfall in ABFA.
318. Mr. Speaker, Grants to other Government Units have been revised upwards from GH¢30,079 million (3.8% of Revised GDP) to GH¢30,996 million (3.6% of GDP) following the upward revision to non-oil Tax Revenue as well as the partial restoration of capped transfers to the NHIS and GETFund in line with Government's objective to protect the vulnerable.
319. Mr. Speaker, Other Expenditure, comprising Energy Sector Levies (ESL) transfers, and payments to Independent Power Producers (IPPs) remains unchanged from

the 2023 Budget estimate of GH¢27,636 million (3.2% of Revised GDP). Significant effort is required to holistically resolve the energy sector challenges as this is the only way to ensure a reduction in the transfers from Central Government towards the payment of energy sector power shortfalls.

320. Mr. Speaker, net change in payables of the central government and payables of IPP is estimated at GH¢6,000 million for the year.

Overall Balance and Financing

321. Mr. Speaker, the Overall balance on commitment basis is a deficit of GH¢48,951 million (5.7% of the revised GDP). The corresponding Primary balance on commitment basis is estimated at a deficit of GH¢4,085 million (0.5% of Revised GDP compared to a deficit of 4.3% of GDP at the end of 2022), down from a surplus of GH¢5,594 million (0.7% of GDP) originally programmed in the 2023 Budget. This fiscal adjustment path for 2023 is now aligned with the IMF-supported PC-PEG and constitutes a year-on-year fiscal adjustment of 3.2 percentage points of GDP for 2023 alone compared to an adjustment of 2.0 percentage points ppts of GDP during the 2023 Budget.
322. Mr. Speaker, the revisions in Government's fiscal operations reduces fiscal deficit (on cash basis) to GH¢54,951 million (6.4% of Revised GDP) down from the originally approved 2023 Budget deficit target of GH¢61,391 million (7.7% of GDP). The corresponding primary balance is a deficit of GH¢10,085 million (1.2% of revised GDP), up from the 2023 Budget estimate of a deficit of GH¢8,841 million (1.1% of GDP), as shown in Table 15.
323. Mr. Speaker, Net Foreign Financing of GH¢8,973 million (1.0% of revised GDP), includes a provision for financing from IMF ECF programme disbursements of US\$1,200 million, World Bank funding of US\$530 million of which US\$300 million will materialise from the negotiated Development Policy Operation (DPO), and US\$230 million for Emergency Projects including the funding of the Ghana Financial Stability Fund.
324. Mr. Speaker, the residual Net Domestic Financing, will amount to GH¢46,872 million (5.5% of revised GDP), representing 83.9 percent of the total financing for 2023. This is expected to be sourced from the issuances of debt at the short end of the domestic market.

Table 15: Summary Revised Government Fiscal Operations (GH¢ million)

Indicators	2022	2023		2022	2023	
	Prov.	Budget	Revised	Prov.	Budget	Rev. Budget
	% GDP			GH¢ (million)		
Total Revenue & Grants	15.8	18.0	15.8	96,651	143,956	134,913
Tax Revenue (non-oil)	11.4	12.4	12.0	69,594	99,639	102,610
Non-Tax Revenue (non-oil)	1.4	1.5	1.4	8,454	12,308	12,143
Oil Revenue	2.0	2.9	1.3	12,062	23,455	11,499
Other Revenue	0.9	0.8	0.7	5,423	6,151	6,187
Grants	0.2	0.3	0.3	1,119	2,404	2,474
Total Expenditures (Commitment, incl. discrepancy)	27.7	23.8	21.5	168,848	190,912	183,864

Indicators	2022	2023		2022	2023	
	Prov.	Budget	Revised	Prov.	Budget	Rev. Budget
	% GDP			GH¢ (million)		
Primary Expenditures 1 (incl. discrepancy)	20.2	17.3	16.3	123, 161	138,362	138,998
Compensation of Employees	6.5	5.7	6.0	39,542	45,523	51,346
o/w Wages and Salaries	5.8	4.9	5.3	35,394	39,263	45,021
Goods and Services	2.1	1.1	1.0	12,554	8,579	8,579
Grants to Other Gov. Units	4.0	3.8	3.6	24,553	30,079	30,996
Capital Expenditures	4.0	3.3	2.4	24,135	26,546	20,441
o/w Domestically financed	1.9	1.3	1.2	11,780	10,538	10,538
o/w Foreign financed	2.0	2.0	1.2	12,355	16,009	9,903
Other Expenditure	3.0	3.5	3.2	18,586	27,636	27,636
o/w Energy Sector Payments Shortfalls	0.9	3.0	2.8	5,239	23,653	23,653
Statistical Discrepancy	0.6	0.0	0.0	3,791	0	0
Interest Payment	7.5	6.6	5.2	45,687	52,550	44,866
Primary Balance (Commitment)	-4.3	0.7	-0.5	-22,718	5,594	-4,085
Nominal GDP				610,222	800,921	854,834

¹ Primary Expenditures (Commitment): current year expenditures (commitment) excluding Interest Payment

Source: MoF

Mid-Year Supportive Revenue Measures

325. Mr. speaker, to accelerate and strengthen revenue administration towards the achievement of our domestic revenue mobilisation objectives for 2023, the Ghana Revenue Authority (GRA) will be actively pursuing the following activities to boost revenues in the second half of the year:
- Betting and Gaming. The Income Tax (amendment) Act 2023 (Act 1094) converted the corporate tax on betting and gaming into a tax on Gross Gaming Revenue and introduced a withholding tax on winnings. Administrative Guidelines, processes and returns have been completed and will be fully rolled out in the second half of the year;
 - Implementation of VAT Upfront Non-Registration Penalty at importation. The VAT non-registration penalty on importers of vatable goods has been fully rolled out. A Compliance team has been established to monitor the activities of the newly registered VAT taxpayers to ensure compliance and recovery of outstanding revenue;
 - Review of classification and values used in the ICUMS. Classification and valuation processes will be fully reviewed and enhanced to ensure that goods (especially raw materials and intermediate goods) are properly classified for payment of the correct import duties and taxes;
 - Enhanced Customs operations: The GRA will enhance preventive operations and control of suspense regimes including special Free Zone audits to reduce the risk to revenue and improve revenue inflows

Mid-Year Expenditure Control Measures

326. Mr. Speaker, in line with government commitment to strengthen expenditure controls, Government has proposed a series of actions laid out in the Arrears Prevention and Clearance Strategy. The key elements of the strategy include:
- enforcing the sanctions in the Public Financial Management Act 2016 (Act 921); and
 - enhancing the rollout of Ghana Integrated Financing Management System (GIFMIS) to attain a holistic financial reporting.

327. Mr. Speaker, specifically, the list of immediate actions to support fiscal policy are as follows:
- Statement of all multi-year commitment to be published as part of the budget documentation (starting from Budget 2024);
 - Activating and making the "Blanket Purchase Agreement" to capture multi-year commitments / contracts in line with MTEF ceilings mandatory;
 - Standardisation of contracts for public works to ensure flexibility in budget execution (by end November 2023). If any MDA intends to deviate from the standard template (allowing additional incentives to contractors), it must seek permission from the MoF;
 - Review of our standard tender document to include clauses that make the award of the contract null and void if not supported by GIFMIS generated Purchase Order (September 2023);
 - Sensitisation of the business community (through advertisement on radio, newspaper, and TV) to be aware that a contract not backed by GIFMIS generated Purchase Order is null and void; and
 - Aligning of the quarterly allotments with cash forecast and tighten the use of allotments as a control on the GIFMIS rather than the budget (starting from Q1-2024).

Revisions to Petroleum Revenues

328. Mr. Speaker, at the time of presenting the 2023 Budget to Parliament in November 2022, a Benchmark Revenue crude oil price of US\$88.55 per barrel was used to project petroleum revenues for 2023, in line with provisions of the Petroleum Revenue Management Act (PRMA) 2011, (Act 815) as amended. Recent global economic developments have led to a decreased demand for crude oil.
329. For example, Brent crude oil price traded at US\$78.83 per barrel on 10th of July, 2023 compared to US\$82.50 in January 2023 according to the Energy Information Administration (EIA).
330. Mr. Speaker, consistent with Section 7 of the Petroleum Revenue Management (Amendment) Act 2015, (Act 893), we are recommending for approval, a revised average crude oil price of US\$74.0 per barrel for 2023 down from the price of US\$88.55 per barrel used in the 2023 Budget Statement and Economic Policy of Government.
331. Mr. Speaker, the recommended crude oil price reflects a mix of annual average of prices sourced from reputable international institutions consistent with subsection 10 of the First Schedule of the PRMA (Act 815).
332. Mr. Speaker, based on performance of crude oil production for the first six months of 2023, a revised production volumes for 2023, and the revised crude oil prices, the total petroleum receipts have been revised downwards from US\$1,484.47 million to US\$1,008.65 million representing a 32 percent decline. The breakdown of the revised 2023 projected petroleum receipts and distribution for the medium-term are presented in Table 16 & Table 17.

Table 16: Revised 2023 & Medium Term Petroleum Revenue Receipt

No.	Items	Unit	2023	2024	2025	2026
1	Royalties	USD mn	190.27	201.14	209.41	232.33
1.1	o/w Crude Oil	USD mn	190.27	201.14	209.41	232.33
1.2	o/w Gas	USD mn				
2	Carried and Participating Interest	USD mn	492.84	522.32	545.57	606.42
2.1	o/w Crude Oil	USD mn	492.84	522.32	545.57	606.42
2.2	o/w Gas	USD mn				
3	Corporate Income Tax	USD mn	324.81	564.42	637.62	842.97
4	Surface Rentals	USD mn	0.73	0.76	0.88	-
5	TOTAL PETROLEUM RECEIPTS	USD mn	1,008.65	1,288.63	1,393.47	1,681.72

Memo

1	Price	USD/Bbl	74.00	70.90	72.04	76.61
2	Benchmark Production (Oil)	Million Bbl	46.28	51.37	53.40	56.17

Source: MoF

Table 17: Revised 2023 & Medium-Term Petroleum Distribution

No.	Items	Unit	2023	2024	2025	2026
1	Transfer to National Oil Company (NOC)	USD mn	302.48	244.51	249.16	293.12
1.1	o/w Equity Financing	USD mn	220.90	125.45	122.12	158.84
1.2	o/w 30% Net CAPI	USD mn	81.58	119.06	127.04	134.27
2	Benchmark Revenue (BR)	USD mn	706.17	1,044.12	1,144.32	1,388.61
2.1	o/w Annual Budget Funding Amount (ABFA)	USD mn	494.32	730.88	801.02	972.03
2.2	o/w Transfer to the Ghana Petroleum Funds (GPFs)	USD mn	211.85	313.24	343.29	416.58
2.2.1	o/w Ghana Stabilisation Fund	USD mn	148.30	219.27	240.31	291.61
2.2.2	o/w Ghana Heritage Fund	USD mn	63.56	93.97	102.99	124.97
3	Total Amount Distributed	USD mn	1,008.65	1,288.63	1,393.47	1,681.72

Source: MoF

5.4 Medium-Term Debt Management Strategy

333. Mr. Speaker, given the impact of the ongoing debt restructuring, the 2023-2026 MTDS will be updated in line with the revised macro-fiscal targets for the remaining half of 2023.

334. The debt restructuring is expected to adversely impact the financial sector with potential solvency and liquidity challenges. To mitigate this potential impact, Government would set up a Ghana Financial Stability Fund (GFSF) to provide solvency and liquidity support to the financial institutions.

Measures to Ensure Effective Debt Management

335. Mr. Speaker, to ease fiscal pressures and provide the space for economic recovery and growth, and ensure effective debt management, the following measures will be pursued:
- all SOEs are required by the provisions of the PFM law to seek prior approval by the Ministry of Finance on all new borrowings;
 - monitoring of Debt Issuances by SPVs and SOEs: to support the debt restructuring programme, the Ministry will monitor debt issuances by SOEs and SPVs to ensure effective debt management;
 - Debt Limits: in line with efforts to restore debt sustainability and ensure effective fiscal consolidation, there will be a limit on new non-concessional debt. The limit applies to all SOEs and covered entities; and
 - Collateralised Debt Limits: to mitigate fiscal risk to government and ensure effective fiscal consolidation, government has placed a zero ceiling on any collateralized debt over revenue streams or other assets for all MDAs and SOEs such as Tema Oil Refinery, Ghana National Petroleum Company, Ghana National Gas Company, Volta River Authority, ECG, Ghana Grid Company Ltd, Ghana Water Company Limited, Ghana Infrastructure Investment Fund, Daakye PLC, ESLA PLC, Ashanti Gold Corporation, and COCOBOD, GIADEC and BOST.

CHAPTER SIX: UPDATE ON KEY INTERVENTIONS TOWARDS IMPROVING PRODUCTIVE CAPACITY AND COMPETITIVENESS

6.1 Introduction

336. Mr. Speaker, in the 2023 Budget Statement, Government outlined a series of measures to address the economic challenges that had manifested over the past year. These measures were designed to achieve transformation through accelerated economic growth and job creation while protecting the vulnerable. The measures outlined included interventions under Government flagship programmes, GhanaCARES, both of which have been subsumed into the post COVID-19 Programme for Economic Growth (PC-PEG).
337. These interventions have assumed even greater significance within the context of our current IMF-supported PC-PEG programme, as part of which we committed to implement a series of interventions to put us on a sustainable fiscal path and broad based employment generating growth. In addition to these growth interventions, Government is pursuing a social protection agenda to mitigate any detrimental effects of our medium-term fiscal adjustment on the poor and other vulnerable groups.
338. To this end, this chapter provides an update on the following interventions, namely, Agriculture and Food Security, National Entrepreneurship and Innovation Programme (NEIP), One District One Factory (1D1F), Tourism, Infrastructure, Social Protection and other Government programmes.

6.2 Agriculture and Food Security

Planting for Food and Jobs

339. Mr. Speaker, during the period of implementation of Government's flagship programme in the agriculture sector, Planting for Food and Jobs (PFJ), witnessed substantial improvements in productivity and growth.
340. With an average growth rate of 6.3 percent, the agricultural sector experienced notable success from 2017 to 2021. The sustained growth resulted in increased food security, employment opportunities along agricultural value chains, and improved the accessibility of raw materials for developing industries. These increases are a direct result of the significant government investments in the agricultural sector.
341. Mr. Speaker, the rate of fertilizer application increased appreciably from 8kg/ha in 2016 to 20Kg/ha in 2022. The local seed industry saw a boost as distribution of certified seeds increased from 2,000mt in 2016 to 36,000mt in 2022. The Ministry's extension service delivery improved from an Agriculture Extension Agent to farmer ratio of 1:1,500 in 2016 to 1:746 at end June 2023. The PFJ directly contributed to increased crop yields for major food staples such as maize, rice, and soya by 135 percent, 67 percent and 18 percent, respectively, within the period.
342. After six years of implementation, Government saw the need to review aspects of the PFJ flagship programme to ensure a more efficient and sustainable support for the agrifood sector by transitioning from the current input subsidy system, to a

much more inclusive input credit system within an effective value chain structure. Consultations and stakeholder engagements are currently ongoing to ensure a successful implementation of the second phase of the Planting for Food and Jobs programme (PFJ 2.0).

343. Mr. Speaker, certified seeds and fertilizers continue to be the major drivers of increased productivity and production. Government, therefore, prioritised the provision of improved seeds and fertilizers to enhance food security. As at end June 2023, the Ministry completed modalities to facilitate the provision of inputs in a cyclical self-financing input credit model to ensure efficiency and inclusiveness while lessening the financial burden on Government. This is a shift from the input subsidy policy to an input credit system where farmers are provided with all the needed inputs and services on credit. The cost will be recovered from harvested produce.
344. To ensure effective pest management and plant protection, the Government, in the first half of the year, continued to maintain surveillance on Fall Army Worm (FAW) infestation across the southern part of the country where the cropping season is ongoing. The Government also initiated processes for the procurement of chemicals as a strategic stock for the control of FAW.
345. Mr. Speaker, as part of efforts to improve farmers timely access to appropriate farm machinery and equipment for agricultural production and increased productivity, Government took delivery of various agricultural machinery and equipment worth US\$29.9 million under the third and final tranche of the Brazilian More Food Programme.
346. As at June 2023, over 200 units of subsidised farm machinery and equipment (agricultural tractors, combine harvesters, power tillers, tractor drawn planters/boom sprayers, shellers/threshers, silo dryers, and rice mills) were assembled and distributed to over 150 beneficiaries including farmers, farmer based organisations, and service providers. In the second half of the year, the Government will distribute the remaining 730 units of farm machinery and equipment to farmers at subsidised rates.
347. Under the "One District One Warehouse" intervention, Government embarked on the construction of 30 new warehouses in addition to the existing 50 which are at various stages of completion to augment the national grains storage capacity. As at June 2023, a total of 69 out of the 80 warehouses were completed with the remaining 11 at various stages of completion. The 80 warehouses will add 80,000mt to the national grain storage capacity and enhance the operations of National Food Buffer Stock Company Limited and the Warehouse Receipt System being implemented by Ghana Commodity Exchange.
348. Mr. Speaker, under the intervention for year-round crop production, Government continued to improve irrigation infrastructure across the country. The repair of the Ashaiman Irrigation Dam and the construction of the Tamne Irrigation Project Phase III are 85 percent and 65 percent complete, respectively. The projects, when completed, will facilitate year-round agricultural production for export and agro-

industry, create employment and, in the case of Tamne Irrigation Project, also reduce rural-urban migration.

349. Government, through the Ghana Irrigation Development Authority, is developing small earth dams in the Northern, Upper East, Upper West, and Savannah Regions to support the 'One- Village One-Dam' (1V1D) Initiative. Construction of small-earth dams at Sunyeri, Tousal/Jeyiri, Tasundo and Gilang and the development of the irrigable areas at Vunania (15ha) and Gilang (15ha) are progressing steadily. As at end-June 2023, the status of completion of the various projects were: Vunania – 90 percent; Gilang – 90 percent; Tousal/Jeyiri – 95 percent; Tasundo – 97 percent; and Sunyeri – 60 percent. At full completion, a total of 90ha of irrigable land will be available for dry season farming. In addition, the dams will provide adequate water for livestock watering and domestic use.
350. The flood mitigation dam projects located in Kpalbutabu in the Northern Region and Duadinyediga in the Upper East Region are both 90 percent complete. The scope of works includes the construction of dam embankment and irrigable area development.

Fisheries and Aquaculture Development

351. Mr. Speaker, Government commenced the construction of the National Aquaculture Centre and Commercial Farms located at Amrahia in 2020. The Centre was completed and commissioned by H.E. Nana Addo Dankwa Akufo-Addo in June 2023. It is a state-of-the-art facility aimed at demonstrating proven technologies such as aquaponics and recirculation systems in aquaculture to increase productivity in the sector. The facility comprises in-door aquaculture structures, classrooms, accommodation for students, pack houses, and cold storage facilities.
352. The Centre is expected to train about 200 people over a period of four years to help augment local fish production. The first batch of 24 students made up of 12 males and 12 females were admitted for a three-month training programme during the period under review. Participants in the programme will be equipped with skills in fish production, farm management, fish health, feed formulation, and fish processing.
353. The Ghana National Aquaculture Development Plan has been finalised and awaiting Cabinet approval. The Plan, which will be the blueprint for all strategic development and investments in aquaculture in the country, has a target of 210,000mt of farmed fish by 2028.
354. Mr. Speaker, civil works on Phase 1 of the Anomabo Fisheries College Project, which consists of a 2-storey administration block, a 2-storey laboratory block, a 3-storey lecture block, and a 2-storey hostel block, is complete. The college will facilitate the training of fisheries students in best fishing and farming practices. Preparations are ongoing for the enrolment and training of students by the end of the year 2023.
355. Mr. Speaker, closed fishing seasons are held annually to help replenish dwindling marine fish stock. Government implemented a two and half month closed season for tuna fleet from January to March 2023, one month for artisanal and in-shore

operators in July, and two months, July and August, for trawlers. Government donates fishing inputs to support the fisher folks and relief items to sustain their livelihoods during the closed seasons.

356. As part of efforts to prevent diversion and hoarding of premix fuel which results in acute shortages, 37 out of a target of 50 premix automated vending machines were installed at various landing beaches in Elmina, Chorkor, and Nungua, among others. Government will install the remaining 13 machines at various landing beaches across the country by end of the year.
357. A total of 17,428,500 litres of premix fuel was supplied to various Landing Beach Committees as at end-June 2023. This intervention by the Government seeks to boost production from both the marine and inland sub-sectors to reduce the importation of fish and fishery products.
358. Government, with the support of Ghana Fisheries Recovery Activity, piloted the use of electronic monitoring systems on trawlers as a measure to sustain Ghana's fisheries sector. This exercise will help check illegal, unreported, and unregulated fishing practices.

6.3 Industry

One District One Factory Initiative

359. Mr. Speaker, in line with its strong commitment to industrialisation, Government continued with the implementation of the flagship One District One Factory (1D1F) Initiative. Under the programme, business promoters are incentivised to invest in manufacturing projects in the districts, with the support of the Ministry of Trade and Industry and Participating Financial Institutions.
360. So far, 296 1D1F projects are at various stages of implementation and over 160,000 direct and indirect jobs have been created. Notable examples of 1D1F companies manufacturing innovative products are: Specialty Beer Company in the Nsawam-Adoagyiri Municipality in the Eastern Region, which is manufacturing beer from local grains (maize, rice, sorghum) and spices (ginger, hibiscus); and Sinostone Alcohol Manufacturing Company in the North Tongu District in the Volta Region and Denker Industrial Limited in the Kwahu Afram Plains South District in the Eastern Region, both of which are producing bioethanol from cassava for the beverage and pharmaceutical industries.
361. Mr. Speaker, other examples are: Appeb Cylinder Limited in the Awutu Senya West District in the Central Region, which manufactures cylinders for Liquefied Petroleum Gas (LPG); Tamanaa Company at Nasia in the West Mamprusi Municipality in the North-East Region, which processes rice; Beacon Hills in the Atwima Kwanwoma District in the Ashanti Region, which produces fish feed for our increasingly vibrant aquaculture industry; and Rikpat Lubricant, which manufactures lubricants in the Gomoa East District in the Central Region.
362. Mr. Speaker, there are also a number of 1D1F companies whose activities directly support Ghana's export drive. They include: Golden Africa Consumer Products, in Kpone-Katamanso Municipality of the Greater Accra Region producers of soaps and detergents for export to Niger, Burkina and Mali; and Keda Ceramics in the Shama

District of the Western Region, manufacturers of ceramic tiles for the local market and for export to Cameroon, Cote d'Ivoire, Benin and Guinea.

363. Others are: Sentuo Ceramics Ghana Limited, manufacturers of ceramic tiles and ceramic products in the Kpone Katamanso Municipality for the local market and for export to Mali, Niger and Burkina Faso; Narubiz Limited, processing rubber in the Wassa East District of the Western Region for export to Turkey, China, Malaysia, and Germany; and Spring and Bolts in the Asokwa Municipality of the Ashanti Region, manufacturing U-bolts, leaf springs, and trailer suspensions to Burkina Faso, Niger, and Mali as well as for the local market.
364. Mr. Speaker, the youth have not been left out of the 1D1F Programme. Out of the 143 1D1F projects at the construction and plant acquisition stage, 58 are fully-owned by youth groups (with an average of 50 young persons per group), who have been mobilised to establish agro-processing factories in 58 districts under what is referred to as the ENABLE Youth 1D1F Initiative.
365. Mr. Speaker, within the first half of 2023, processing equipment was installed in 17 ENABLE Youth 1D1F Projects for the cassava, plantain, and banana processing value chains, while machinery and equipment are currently being installed for additional 11 in the rice, maize, ginger, bamboo and mushroom processing value chains. These 28 processing plants are expected to be operational by the end of 2023, and will increase the total number of 1D1F projects in operation from the current 126 to 154.

Ghana's Integrated Aluminium Industry Plan

366. Mr. Speaker, in September 2021, His Excellency the President, launched the four Integrated Aluminium Industry (IAI) projects of the Ghana Integrated Aluminium Development Corporation (GIADEC). These projects define the full scope of the upstream segment of the aluminium industry which is a major part of Ghana's industrial transformation that will drive and underpin sustainable economic growth.
367. In order to leverage Ghana's significant bauxite resources of over 900 million metric tonnes, GIADEC, since its inception, has made progress in the development and execution of the four upstream projects under the IAI plan. GIADEC has selected two investors who are partnering with the corporation to deliver a total of two mines and an alumina refinery. The first investor, Rocksure International, an experienced indigenous Ghanaian company, has been engaged to develop a mine at Nyinahin-Mpasaaso and a refinery solution. The company completed prospecting drilling in 2022, and has now completed the Mineral Resource Estimate Report. The report indicates significant findings which show an appreciation in the historical bauxite estimates, and forms the basis for the development of a robust refinery solution.
368. Mr. Speaker, under the aluminium smelting project, GIADEC together with VALCO have commenced an investor engagement process aimed at engaging a strategic partner with the requisite technical capacity, backed by the needed investments and strategic global linkages in consideration of an agreed equity stake in a restructured VALCO. The Transaction Advisor for the project, PWC, is leading the process to find an investor by the end of the first quarter of 2024.

369. Beyond the upstream sector, the corporation has been working with key stakeholders to drive growth in the downstream sector which has seen a substantial decline over the years due to cheap imports. To achieve the full benefits of the IAI, GIADEC is driving the development of a vibrant downstream sector and defining the linkages from upstream through to the full gamut of downstream activities including secondary aluminium production and alloying plants, manufacturing plants, aluminium foundries, metal service centres and wholesalers. This approach, which has been adopted by GIADEC, is especially important to Ghana's budding automotive manufacturing industry.

6.4 YouStart

370. Mr. Speaker, the response from the youth since the launch and opening of the application portal for the YouStart Ghana Jobs and Skills Project has been positive. The project, which is being implemented by the Ghana Enterprises Agency (GEA) with backing assistance from development partners, is supporting entrepreneurship training for more than 50,000 individuals. The project will also support competitive businesses with start-up grants for about 10 percent of beneficiaries who have successfully completed an intermediate level of entrepreneurship training.
371. At the time of closure of the portal, 280,240 participants had applied for support under the programme. As at end-June 2023, a total of 26,626 participants comprising 6,759 males and 19,867 females had received basic and intermediate training in entrepreneurship in all 16 regions.

6.5 National Unemployment Insurance Scheme

372. Mr. Speaker, the National Training and Retraining Programme is a component of the National Unemployment Insurance Scheme (NUIS) which was initiated in June 2022 to assist workers whose jobs were heavily impacted by the effects of the COVID-19 pandemic.
373. So far, a total of 8,865 qualified beneficiaries, representing 59.1 percent of the 15,000 targeted number of beneficiaries have been processed for the first cohort of the programme. Out of these, 3,325 are enrolled in the education sector courses while 5,540 are enrolled in the hospitality and tourism sector courses.
374. The training will improve the knowledge and skills of workers and ensure that they can re-enter into productive employment at higher levels of performance. The mandatory module on work ethics and attitudinal change facilitates a positive attitude towards work to enhance economic competitiveness.
375. Mr. Speaker, the programme is expected to benefit teachers in the private education sector by enabling them pursue education programmes to acquire the requisite qualification to become professional teachers. Additionally, most of the course modules under the hospitality and tourism sector are practical in nature. these courses include social media marketing, conferencing, event management and banqueting, food and beverage services, among others. The courses are expected to provide beneficiaries with the requisite skills and practical knowledge

to enable them to set up their own businesses. The second cohort of the programme is expected to commence by the end of the third quarter of 2023.

6.6 National Entrepreneurship and Innovation Programme

Hubs Acceleration Grant Programme

376. Mr. Speaker, Government launched, the Hubs Acceleration Grant Programme in April 2023 under the Ghana Economic Transformation Project (GETP). A total of 30 Business and Innovation Hubs from all 16 regions applied for the grant and have received up to US\$180,000 each. The initiative is to enable the hubs to beef-up their capacities to also train and resource start-ups in their communities. The 30 hubs from Each hub is required to train 20 start-ups, out of which 8 should be women-led businesses and 12 should be youth-led. In the second half of the year, 15 new hubs will be supported to set up across the country.

Training Entrepreneurs in partnership with Youth Employment Agency

377. Mr. Speaker, the National Entrepreneurship and Innovation Programme (NEIP), in partnership with the Youth Employment Agency (YEA), embarked on a nationwide training of budding entrepreneurs, small business owners, and start-ups. A total of 5,000 individuals were equipped with entrepreneurial skills, supported with investment-readiness tools, and provided with coaching and mentoring services.

Entrepreneurship for Restoration (Training for Prison Inmates)

378. Mr. Speaker, the NEIP and the Ghana Prisons Service collaborated to train prison inmates and officers at five prison centres in Ghana. The aim of this project is to engage inmates in vocational training and equip them with entrepreneurial and vocational skills to facilitate their orderly and successful reintegration into the society after discharge.
379. Inmates and officers are being trained in soap and detergent making, processing and packaging of yoghurt, brukina, juices, grains, cereals, nuts, tubers, groundnut paste, chocolate spread, edible oils, and cosmetics. In all, a total of 1,260 participants will be equipped with skills to enable inmates start their own businesses upon their release, while officers will acquire skills to augment their income and employ other people.

6.7 Tourism

380. Mr. Speaker, a Presidential Summit on Tourism was held in May 2023 at the Peduase Lodge under the theme, "Rethinking Tourism for Economic Growth and Job Creation". The 2-day summit was designed to encourage critical thinking about the future of tourism in Ghana and its impact on national development. It also created a platform to explore new approaches in tourism which prioritise sustainability and community involvement, accelerate tourism development through innovation and digitalisation, and bring to the fore, the role of the creative arts in tourism development.
381. The Ministry of Tourism, Arts and Culture together with the Ghana Tourism Authority (GTA), and in collaboration with Ghana Cocoa Board and Cocoa Processing Company, organised the National Chocolate Week from 8th to 14th February, 2023 under the theme – "Eat Chocolate, Stay Healthy, Grow Ghana".

The National Chocolate Day was instituted in 2005 with the objective of promoting the domestic consumption of Ghana chocolate and other locally produced cocoa-based products, highlighting their health benefits, the economic potential of the cocoa value chain, and promoting domestic tourism.

382. Mr. Speaker, the Ministry, together with GTA, organised the Kwahu Easter Paragliding Festival from 7th to 10th April, 2023 at the "Odweanoma Paragliding Field" in Kwahu. Most of the tourism establishments like hotels, guest houses, motels, among others, recorded over 95 percent occupancy rate, translating into increased revenue over the previous year. Moreover, the food, beverage, and entertainment sectors also recorded huge patronage during the period.
383. Mr. Speaker, the Destination Ghana Global Project continued during the first half of the year. The project aims to exponentially increase visits to the country by emphasising its attractions as a centre of cultural experiences, entertainment, eco-tourism, and adventure. The project is expected to position the tourism and hospitality sector as a key driver of social and economic development. The campaign is also in consonance with the 7-pillars of the **Beyond-the-Return** project launched in 2020 on the heels of the **Year-of-Return** in 2019.
384. Mr. Speaker, the Domestic and Regional Tourism Campaign, dubbed "Experience Ghana, Share Ghana", was intensified across the country by Government through the Ghana Tourism Authority. Fifty tourist and attraction sites in Ashanti, Bono, Savannah, Eastern, Volta, Western, Upper East, and Central Regions were visited during the half-year period. Some of the sites and attractions visited include Mole National Park, Larabanga Mosque, Mognori Eco Village, Tongo Hills and Tengzug Shrines, Paga Crocodile Pond, Pikworo Slave Camp, Kumasi Zoo, Kumasi Cultural Centre, Okomfo Anokye Sword Site, Ghana Armed Forces Museum, Boabeng Fiema Monkey Sanctuary, Kintampo Waterfalls and Canopy Walkway, Centre of Ghana, Fuller Falls, Aburi Botanical Gardens, Bunso Eco Park, and Akwamufie. Other sites visited are Shai Hills Resource Reserve, Amedzofe Walkway, Mount Gemi, Tafi Atome Monkey Sanctuary and Wli Waterfalls, Kakum National Park, Cape Coast Castle, Elmina Castle, Nzulezu, Bisa Aberewa Museum, and Ankasa Resource Reserve, among others.
385. GTA will continue its Domestic Tourism Promotion i.e., the #ExperienceGhana and #ShareGhana campaigns. Domestic tourism promotion, customised tour packages, and special events will continue to be promoted on all its social online platforms.
386. Mr. Speaker, the Kwame Nkrumah Memorial Park have been redeveloped and modernised. The Park was commissioned by H. E. Nana Addo Dankwa Akufo-Addo. The new facilities added to the park include:
- Presidential Library with an extensive collection of historical materials and documents related to Dr. Kwame Nkrumah's life and legacy;
 - Gift Shop where visitors can find unique memorabilia;
 - Restaurant which offers a diverse culinary experience;
 - Restroom facilities to ensure convenience and comfort of visitors;
 - Audio-visual fountain which incorporates captivating visuals and synchronises music;

- Museum expansion with increased gallery space and state-of-the-art audio-visual capabilities; and
- Upgraded car park, road, and drainage network.

387. Mr. Speaker, Ghana prioritises ecotourism development based on its potential economic value. In this regard, Accra Zoo was rehabilitated and the facilities upgraded. The upgrade includes construction of a 100-seater summer hut to serve as a reception area for visitors, cladding of the inner zoo area, and renovation of the ostrich and warthog enclosures. New enclosures for tigers and zebras are under construction and near completion. As at end-June 2023, the Accra Zoo had recorded 42,668 visitors, representing over 72 percent increase compared to a total of 24,775 recorded in the same period last year.

6.8 Infrastructure

388. Mr. Speaker, investments in the country's infrastructure enhance the productive capacity of the economy. This is essential for sustained, accelerated, and inclusive economic growth, and enhances the pace of economic development. Cognisant of this, Government remains steadfast in its pursuit to provide quality infrastructure across the country, even amidst the current economic challenges. Government continues to invest in roads and interchanges, railways, telecommunication, energy, agriculture (irrigation), and water, among others.

389. In spite of the austerity measures associated with the implementation of Government's IMF-backed Post-COVID-19 Programme for Economic Growth (PC-PEG) which, in the medium-term, constrains Government's level of borrowing for these infrastructural projects, Government will continue to explore innovative ways of financing some of this essential infrastructure to ensure that the country's growth is not unduly hampered.

Road Infrastructure

390. Mr. Speaker, as part of efforts to improve mobility and accessibility in urban areas, works on the La Beach Road Project, which involves improving capacity along the Accra-Tema Beach Road and the construction of a 3-tier interchange at the Nungua Barrier, are at various stages of completion. Progress on Lot 1 and Lot 2 are 79 and 89 percent, respectively, as at June 2023. Development works on the Kumasi Lake Road and Drainage Extension project is 98 percent complete, while works on Selected Roads in Sekondi and Takoradi Phase 1 is 21 percent complete.

391. As part of efforts to improve safety and capacity along major trunk roads, works have started on the upgrading of Nsawam-Ofankor and dualisation of the Tema-Aflao and Tema-Akosombo roads. Works on a 17km section of the Tema-Aflao Road involve the construction of 2 lane one-way service roads on either side of the main carriageway, and the construction of four interchanges at Kpone Barrier, Savannah, Dawhenya, and Prampram. Physical progress as at June 2023 are 30 percent.

392. Works on the Tema-Akosombo Road which involve the development of 64km of roads with interchanges at Ashaiman Roundabout and Asutsuare Junction are 16 percent complete. In addition, works are ongoing on the Nsawam-Ofankor road. It involves the widening of the road to 10 lanes with a 6-lane expressway and 4-

lane service road with interchanges at Amasaman, Pobiman, Medie and Nsawam junctions. The physical progress is at 26 percent.

393. Mr. Speaker, works are also ongoing on several other national trunk roads to improve capacity. Works on the Tamale-Walewale Phase 1 (Savelugu to Walewale) and Dome-Kitase which begun in 2022 are 10 percent and 16 percent complete, respectively. The reconstruction of Bechem-Techimantia-Akomadan road and Agona Nkwanta-Tarkwa road are 64 percent and 34 percent complete, respectively. Works on the 31.2km Assin Fosu-Assin Praso portion of the National Trunk Road N8 (Phase 2) were completed and commissioned in June 2023.
394. Works on Phase 2 of the Obetsebi Lamptey Circle Interchange and other ancillary works are 86 percent complete as at end-June 2023. Additionally, with Phase 1 of the Tema Motorway Roundabout completed, Phase 2, which involves the construction of the 3rd tier of the interchange, has started. Construction of the flyover over the Accra-Tema Motorway from the Flowerpot roundabout is progressing steadily.
395. Works on the construction of 50No. prefabricated bridges in all 16 regions continued in 2023 and are 86 percent complete as at end June. In addition, the project for the design, fabrication, and delivery of 87No. steel panel bridges is ongoing, with 45No. bridges delivered. Furthermore, a new bridge under construction at Twifo Praso to separate vehicular traffic from the railway line is 93 percent complete.
396. Mr. Speaker, the status of implementation of the projects under the Master Project Support Agreement (MPSA) with Sinohydro Corporation Limited are shown in Table 18 below:

Table 18: Sinohydro Projects

LOT NO.	DESCRIPTION	UNIT	SCOPE	JUNE 2023 PROGRESS (%)
2	Kumasi Inner City Roads	km	100	20%
3	Tamale Interchange Project	No.	1	100%
4	PTC Roundabout Interchange Project, Takoradi	No.	1	80%
6	Sunyani Inner City Roads	km	39	81%
7	Western Region and Cape Coast Inner City Roads	km	32.19	100%
8	Upgrading of Selected Feeder Roads in Ashanti and Western Regions	km	68	100%
10	Construction of Hohoe-Jasikan–Dodi-Pepesu Road	km	66.4	100%

Source: MoRH

397. Mr. Speaker, Phase 1 of the Accra-Tema Motorway and Extension Project (27.7km) will be procured and executed as a PPP using a Ghana Infrastructure Investment Fund (GIIF) Special Purpose Vehicle. The works involve the reconstruction of the

Accra-Tema Motorway into a 4-lane expressway with a 3-lane service road in both directions and interchanges at Old Lashibi (Ashaiman under-bridge), Community 18 and Teshie Link. It also involves the remodelling of the Tetteh Quarshie Interchange. The Concession Agreement and draft Engineering Procurement and Construction (EPC) agreement have been finalised.

398. Mr. Speaker, the Ministry of Roads and Highways continued routine maintenance activities comprising grading, pothole patching, shoulder maintenance, and vegetation control on: 862km of the trunk road network; 1,654km of the feeder road network; and 1,873km of the urban road network. In addition, periodic maintenance activities, comprising asphalt overlay, re-gravelling/spot improvement and resealing works, were carried out on 36km, 198km, and 93km of the trunk, feeder, and urban road networks, respectively.
399. Furthermore, minor rehabilitation works covering minor upgrading and construction of culverts and drainage structures were carried out on 162km of trunk road network, 306km of the feeder road network and 35km of the urban road network.

Railways Development

400. Mr. Speaker, transportation plays an integral role in propelling development, economic growth, and sustainable poverty reduction as outlined in the United Nations' Sustainable Development Goals. Government is, therefore, committed to the development of a modern railway network to accelerate the transformation of Ghana's economy to achieve sustained growth.
401. Mr. Speaker, despite existing constraints, substantial progress has been made towards the development of the new standard gauge railway network. The development of the Tema-Mpakadan railway line, which is a 97km standard gauge railway line, is about 98 percent complete and scheduled to be fully completed by the end of September 2023. This railway line forms part of a multi-modal transport system for the efficient and effective transportation of cargo from the Tema Port to the Buipe Port through the Volta Lake transport system.
402. Some of the major components of the project which have been completed include an operation control centre, maintenance facility, and eight railway stations at Tema Harbour, Tema Industrial Area, Ashaiman, Afiencya, Shai Hills, Doryumu-Kordiabe, Kpong, and Juapong. Also completed are a 900m-road over bridge at Afiencya and a 300m-railway bridge over the Volta River between Senchi and Old Akrade. The magnificent railway bridge over the Volta River is the first of its kind in the West African sub-region.
403. In addition, two railheads are being constructed as part of the project: one at the Tema Port which connects to the cargo terminals at the Port, and the other one at the Mpakadan Terminal which provides connectivity to the Volta Lake to facilitate the haulage of containerised cargo and other bulk commodities from the southern sector to the northern sector and further to our neighbouring countries of Burkina Faso, Mali, and Niger.

404. Mr. Speaker, Government will take delivery of two Diesel Multiple Unit (DMU) Trains for operations on the Tema-Mpakadan railway line by the 4th Quarter of 2023. The manufacturing of these two DMUs is ongoing and the inspection and acceptance tests will be undertaken in November.

Infrastructure for Poverty Eradication Programme (IPEP)

405. Mr. Speaker, Government's commitment to poverty eradication, by addressing infrastructure challenges in deprived communities, continued with the implementation of the Infrastructure for Poverty Eradication Programme (IPEP).

406. Government, through the Coastal Development Authority constructed:

- a 3-unit classroom block at Kubekro in the Kpone-Katamanso Constituency in the Greater Accra Region;
- a 2-unit classroom block with ancillary facilities at Ankra in the Akontombra Constituency and a CHPS Compound at Camp 15 in the Bia West Constituency in the Western North Region;
- a 6-unit classroom block with ancillary facilities constructed at Battor-Dugame in the North Tongu Constituency, a CHPS Compound at Kologa Aflao, and a 3-unit classroom block with ancillary facilities at Atsiaklobor in the Ketu South Constituency, all in the Volta Region; and
- a small-town water system at Likpe Mate SHS in the GUAN/SALL in Oti Region.

407. The Middlebelt Development Authority constructed:

- 3No. handpumps at Domeabra in New Edubiase and Takyiman and Mmofranfandwene in Ofoase Ayirebi Constituencies;
- 14No. mechanised boreholes – 4No. at Roman Hill in Subin, 1No. at Ayiem in Manso Adubia, 2No. at Edwinase & Abrade in Afigya Kwabre South, 1No. at Nkasiem in Asutifi South, 1No. at Nkrankwanta in Dormaa West, 2No. at Asikasu and 1No. at Alafia in Upper West Akyem, 1No. at Beposo in Dormaa, and 1No. at Muoho in Manso Adubia Constituencies;
- 4No. Community Centres at Bontodiase and Abenase in Ofoase Ayirebi, Susuaho in Tano North and Tanoboase in Techiman North Constituencies;
- 2No. Durbar Grounds at Fetentaa in Berekum West and Banda Boase in Banda Constituencies; and
- 4No. Police Stations with bungalows at Akyem Awisa in Akyem Swedru Constituency, Busoso in Fanteakwa South Constituency, Adumasa in Juaben Constituency, and Osabene in Akuapem North Constituency.

408. Additionally, the Authority is undertaking the following projects which are at various stages of completion:

- OPD and theatre at Badu Health Centre in the Tain Constituency which is 99 percent complete; and
- nurses quarters at Yaakrom and Diabaa in the Dormaa West constituency which are 40 and 45 percent completed, respectively.

409. Mr. Speaker, the Northern Development Authority, during the period under review, executed a total of 600 projects across the five regions of northern Ghana. The regional breakdown of projects executed are as follows: Northern Region-167; Upper East Region-164; Upper West Region-128; Savannah Region-76; and the North East Region-65.

410. In terms of sectoral classification of projects executed, the following are the distributions across the 57 constituencies in northern Ghana: Health – 90; Education – 210; Agriculture – 7; Roads – 73; Water – 83; Sanitation Projects – 19; Transportation – 13; Rural Electrification/Power – 69; Security – 5; Sports – 1; Entertainment – 7; and others – 23.
411. Currently, a total of 303 out of the total number of 600 projects have been completed and accordingly handed over to the beneficiary communities with the following regional breakdown: Northern Region – 101; Upper East Region – 72; Upper West Region – 65; Savannah Region – 29; and the North East Region – 36. The remaining 297 projects are at different stages of completion.

Digitalisation

Digitalisation and the Ease of Doing Business

412. Mr. Speaker, in today's rapidly evolving digital landscape, embracing technology and digitalisation has become crucial for government organisations to enhance efficiency, create value and drive economic growth. The Office of the Registrar of Companies (ORC), in this regard, has been implementing interventions including streamlined business registration, improved access to information, automation of compliance procedures, integration with other government agencies, and enhanced monitoring capabilities, to promote the ease of doing business in the country.
413. The ORC has streamlined business registration by implementing online platforms and automated systems, which have significantly reduced the time and effort required to register a business. Clients are able to submit their registration documents electronically, eliminating the need for physical visits and extensive paperwork. This streamlined process is expected to attract more investors, encourage business registration and improve revenue generation.
414. The online platform has provided businesses, investors, creditors and other stakeholders with efficient access to crucial company information thereby fostering trust and confidence in the business environment. This has also facilitated decision-making, and reduced risks, hence attracting both domestic and foreign investments, as well as promoting a thriving business ecosystem.
415. Mr. Speaker, the ORC has also automated compliance procedures making it easier for companies to fulfil their obligations. Businesses are now able to process and submit online annual returns, financial statements, and other regulatory filings that reduce their administrative burdens.

National Identification Authority

416. Mr. Speaker, as at 30th June, 2023, a total of 17,437,010 Ghanaians had enrolled onto the National Identification Register (NIR) out of which 17,300,713 had been issued with Ghana Cards, while 176,080 foreigners had enrolled onto the NIR and issued with Non-Citizen Identity Cards.

417. The National Identification Authority (NIA) has so far established 16 regional, 276 district, 2 premium, and 6 stadia registration service offices across the country. Additionally, an ongoing pilot testing of NIA verification system through the Bank of Ghana and 17 other banks was conducted during the period under review.

Ghana Priority Health Infrastructure Projects - Agenda 111

418. Mr. Speaker, Government initiated the Agenda 111 initiative to address infrastructure deficiencies in the health sector and contribute to the improvement of healthcare outcomes in the country by ensuring increased access to quality healthcare services. As at end-May 2023, total payments under the programme stood at US\$189.34 million. Currently, there are 83 active project sites with the following regional distribution: Ahafo – 2; Ashanti – 13; Bono – 3; Bono East – 4; Central – 7; Eastern – 6; Greater Accra – 3; North East – 4; Northern – 9; Oti – 4; Savannah – 2; Upper East – 8; Upper West – 5; Volta – 8; Western – 2; and Western North – 3.

6.9 Social Protection

Introduction

419. Mr. Speaker, Government's social protection interventions, coupled with other programmes, are targeted towards improving the country's human development indices and promoting sustainable economic growth and development. Free education enhances human capital, reduces income inequality, and promotes social cohesion. Accessible healthcare ensures a healthy workforce, reduces healthcare cost, and attracts local investment. In addition, household financial support programmes alleviate poverty, foster entrepreneurship, and stimulate innovation.
420. Mr. Speaker, Government sustained social protection programmes to protect the poor and the vulnerable. Four key government agencies namely, the Ministries of Education, Gender, Children and Social Protection, Health, Local Government, Decentralisation and Rural Development, and the Office of Government Machinery collaborate to implement the various interventions under review, such as the Free Senior High School (SHS)/ Technical, Vocational Education and Training (TVET), Capitation Grant, School Feeding Programme, Livelihood Empowerment Against Poverty (LEAP), and National Health Insurance Scheme (NHIS), among others. The half-year performance of the programmes above, are provided below.

Livelihood Empowerment Against Poverty (LEAP)

421. Mr. Speaker, to mitigate the impact of the economic adjustment on the vulnerable and to maintain the value of the Livelihood Empowerment Against Poverty (LEAP) cash grant, the monthly grant was doubled for beneficiary households from GH¢32.00 to GH¢64.00 for one-member household, GH¢38.00 to GH¢76.00 for two-member households, GH¢44.00 to GH¢88.00 for three-member household and GH¢53.00 to GH¢106.00 for four and above member households.
422. Mr. Speaker, LEAP disbursed a total of GH¢176.15 million as at June 2023 to 346,019 households comprising 1,533,748 individuals. This is made up of 693,684 males and 840,064 females representing 45.23 percent and 54.77 percent, respectively. The payments to beneficiaries continued to improve livelihoods, consumption levels, health attendance, and retention of children in school.

423. Mr. Speaker, since the inception of the programme in 2007, beneficiaries have not undergone comprehensive reassessment to determine eligibility to remain on or graduate from the programme. The Ministry, therefore, piloted a reassessment of the programme in 10 districts in 5 regions of the northern sector. Consultations on reassessment will be undertaken to guide data collection in the remaining districts of the 5 piloted regions and all districts in the 11 remaining regions. In addition, LEAP is organising a Digital Financial Literacy training for 600 female beneficiaries in 4 districts (Builsa South, Saboba, Central Tongu, and South Tongu) on productive inclusion.

Ghana Productive Safety Net Project

424. Mr. Speaker, Government, through the Ministry of Local Government, Decentralisation and Rural Development, continued the implementation of the Ghana Productive Safety Net Project II (GPSNP II). The project provided 3,900 beneficiaries with entrepreneurial skills under the Productive Inclusion component. The project also trained 287 persons as Complementary Livelihood and Assets Support Scheme (CLASS) Implementation members in 41 new District Assemblies covering a total of 384 communities.
425. Under the Labour-Intensive Public Works (LIPW) component, 529 subprojects comprising 415 plantations (3,700.98ha), 88 feeder roads (374.4km), and 26 small earth dams were prepared for implementation. Work is currently ongoing at 244 sites where 20,211 poor persons (with 68.7 percent of them being females) have been employed, and an amount of GH¢4.15 million have been paid to them.

Ghana School Feeding Programme (GSFP)

426. Mr. Speaker, the Ghana School Feeding Programme coverage increased considerably from 1,671,777 beneficiaries in 8,326 public basic schools in 2016 to 3,801,491 beneficiaries in 10,832 public basic schools by 2023. The feeding grant cost per meal, per child, per day increased from GH¢1.00 to GH¢1.20 for the 2023 academic year.
427. Government also settled all arrears owed to caterers under the programme for the second and third terms of the 2021/2022 academic year and the first term of 2023. The programme continued to provide employment and generate income for 34,350 caterers especially women to take care of their families. The programme also created a ready market for local farmers thereby boosting the local economy.

National Health Insurance Scheme (NHIS)

428. Mr. Speaker, the National Health Insurance Authority (NHIA) continued to digitalise operations by scaling up the enrolment of members onto the Scheme, using the Ghana Card and the e-Claims paperless systems at all claims processing centres. The NHIA launched the 'Sunshine Policy' as a platform to deepen accountability, transparency, and social auditing. Since the launch in March 2023, suppliers of medicine to healthcare facilities and other stakeholders log onto the NHIA website with privileged access to verify payments and other transactions. Currently, about 86.3 percent of claims are processed electronically.
429. The NHIS active membership stood at 17.2 million as at June 2023, representing approximately 55 percent of the population of Ghana, the highest since the

inception of the Scheme. The NHIA credentialed over 4,500 health facilities across the country. These include public, private, quasi-public, and faith-based health facilities.

430. Mr. Speaker, the NHIA paid healthcare providers GH¢977.47 million by end-June 2023 to cover claims submitted for the period up to January 2023. The NHIA maintained a 90-day claims payment regime to prevent build-up of payment arrears. In February 2023, the NHIA increased the base rate for both medicines and services by 50 percent under framework contracts. For non-framework contracts, the rate increased by 20 percent for medicines while service tariffs were increased by 10 percent across board.
431. The Authority is implementing the 'Free Elderly Care Policy' to address the many underlying health-related challenges facing the older population. The policy guarantees waiver of the mandatory 30-day waiting period and waiver of payment of premium and processing fees for members 70 years and above. The NHIS also expanded its benefit package to cover four main childhood cancers (cancers of the jaw and abdomen, kidney, blood, and eye) and Family Planning services.

Capitation Grant

432. Mr. speaker, Government continued with the implementation of the Capitation Grant in its various forms, including feeding grants to special schools, registration fees for public JHS candidates, and the provision of basic establishment supplies to public basic schools across the country. The grant eases the financial burden on parents and guardians, and assures availability of resources for the running of public basic schools. The implementation of the Capitation Grant contributed to increased enrolment in public basic schools from 6,048,897 pupils for the 2021/2022 academic year to 6,114,302 pupils for the 2022/2023 academic year.

Social Intervention Programmes Free SHS/TVET Programme

433. Mr. Speaker, the implementation of the Free Senior High School (SHS) and Technical and Vocational Education and Training (TVET) programmes created and expanded access to secondary and technical/vocational education across the country. To this end, a total of 447,396 first-year students enrolled during the 2022/2023 academic year to bring the total number of Free SHS/TVET beneficiaries to 1,318,035 students. Government continued with the construction of 9 State-of-the-Art TVET centres, equipped with modern facilities and equipment, to provide effective skills training and empower young people with the relevant skills required for employment and entrepreneurship. In addition, the Commission for TVET issued accreditation to 20 centres to offer competency-based training to stimulate lifelong learning and continuous skills development for the job market.

Science, Technology, Engineering and Mathematics Education

434. Mr. Speaker, as part of efforts to enhance innovation, creativity, and critical thinking among students while promoting the importance of science, technology, engineering, and mathematics (STEM) education, the Ministry of Education launched the second edition of the STEM competition, 'STEMNOVATION'. The competition tasks competing second-cycle schools to apply indigenous materials in

their surroundings to develop a STEM project with the potential to solve specific problems in their respective communities.

Complementary Education

435. Mr. Speaker, to offer basic functional literacy instruction to underprivileged groups, including out-of-school children, the Complementary Education Agency commenced the implementation of Cycle 8 of the Complementary Basic Education Programme (CBEP) in February 2023, with a total enrolment of 5,000 learners as at end-June 2023.

6.10 Other Government Interventions

National Homeownership Fund

436. Mr. Speaker, in 2018, Government, as part of the financial sector initiatives, established the National Homeownership Fund (NHF) with the mandate of stimulating and developing the local currency mortgage market. The NHF partnered with private sector financial institutions to revive the ailing local currency mortgage market with a blended financing solution. The Fund, leverages private capital to achieve a cheaper blended mortgage rate. This creates a market for cedi denominated mortgages at rates below the market and tenors of up to 20 years.
437. Mr. Speaker, the Fund, in collaboration with three participating financial institutions, underwrote 296 mortgages valued at GH¢39.9 million. The mortgages comprise 2 and 3-bedroom housing units at multiple sites in Tema Community 22. In addition, the Fund, in partnership with participating financial institutions and TDC Development Company Limited (TDCL), is developing a 600-unit affordable mixed housing enclave of 1, 2 and 3 bedrooms also at Tema Community 22. This initiative has been very successful in leveraging private capital to provide the funding for mortgages for the Ghanaian working-class to acquire homes under the affordable homeownership arrangements.
438. Mr. Speaker, by implementing these growth and social protection interventions, Government is creating a conducive environment for economic growth, while protecting the vulnerable, ultimately leading to improved living standards and the overall well-being of the citizens.

2023 District Level Elections

439. Mr. Speaker, as part of efforts to deepen the decentralisation agenda in Ghana, the Ministry of Local Government, Decentralisation and Rural Development, as per the Local Governance Act, 2016 (Act 936) is mandated to ensure good governance and balanced development of all Metropolitan, Municipal and District Assemblies (MMDAs).
440. In line with this mandate, the Ministry will undertake a series of stakeholder engagements across the country dubbed "**Popular Participation for Development Campaign**", which is aimed at deepening the electorates' interest in actively participating in the upcoming District Level Elections on 3rd October, 2023.

CHAPTER SEVEN: THE GROWTH AGENDA

7.1 Introduction

441. Mr. Speaker, the Post-COVID Programme of Economic Growth (PC-PEG) that Government is now implementing with the support of the IMF-ECF facility requires strong fiscal consolidation to enable us quickly re-establish macroeconomic stability and debt sustainability, which are necessary pre-conditions for high long-term economic growth and rapid transformation.
442. Mr. Speaker, a key pillar of the PC-PEG is the focus on inclusive growth. Our renewed push for growth is informed by the usual experience that fiscal consolidation tends to have a negative impact on growth. For the medium-term, we are targeting revised economic growth rates of 1.5 percent for 2023; 2.8 percent for 2024; and 4.7 percent for 2025.
443. Mr. Speaker, we need to be deliberate and strategic in our actions if we are to match or exceed our pre-COVID strong economic growth which averaged 7 percent, compared to 4.5 percent and 2.6 percent in Lower Middle-Income Countries (LMIC) and Sub-Saharan Africa (SSA), respectively.
444. Mr. Speaker, with the economy showing signs of stabilisation, Government intends to pursue a Growth Agenda that is fully aligned with the 2028 timeline for returning to a path to debt sustainability.

7.2 Funding the Growth Agenda

445. Mr. Speaker, given the limited fiscal space as well as our determination not to accumulate new arrears, our growth agenda will be mainly financed from domestic and external private sector investments while re-prioritising ongoing programmes in the Budget. The approach is to narrow down and to focus only on a prioritised subset of the elements in existing programmes that are critical for growth and can be implemented to deliver quick results without huge demands on budgetary resources.

7.3 Objective of the Growth Strategy

446. The objective is to, as much as possible, stay the course on our industrialisation drive, agricultural transformation and value-addition, and create economic and employment opportunities for our most valuable resource — our growing and increasingly educated youth. Ultimately, the goal is to aggressively encourage the private sector, under the 'Ghana Mutual Prosperity Dialogue Framework' to promote shared growth anchored on job creation, exports and import substitution.

Towards this objective, Government expects to finalise a Growth Strategy in August, 2023, which:

- Prioritises and fast-tracks implementation of ongoing growth-enhancing programmes such as Planting for Food and Jobs (PFJ) Phase II, 1D1F, IPEP, as well as some of the key initiatives outlined in the GhanaCARES Programme; and
- Attracts domestic and foreign private sector investments stimulated by Government policies.

447. Mr. Speaker, the key elements of the Growth Strategy include:
- accelerating commercial agriculture and value-addition for key staples such as rice, poultry, maize, soya, tomatoes;
 - supporting Industrial Parks and Economic zones that promote innovation and positive spill-overs, and efficiency for key sectors such as the automotive, pharmaceutical, textile and garment industries;
 - promoting tourism to attract international and domestic tourists to boost incomes and create jobs;
 - advancing the digitalisation of financial and public services to promote efficiency in service delivery;
 - expanding affordable housing programmes to improve access to jobs and accommodation; and
 - deepening financial intermediation programmes to enhance inclusion and entrepreneurship.
448. Mr. Speaker, I now take the opportunity to elaborate on these key aspects of the growth strategy, focusing first on Government-funded programmes.

7.4 Fast-tracking Government Funded Key Growth-Oriented Programmes

449. Mr. Speaker, Chapter Five of the 2023 Budget Statement and Economic Policy laid out an inclusive growth programme. This remains relevant. The prioritised programmes and projects are the following:

Planting for Food and Jobs Phase II

450. Mr. Speaker, the Planting for Food and Jobs (PFJ) programme is a key anchor of the growth strategy. In this regard, H.E. President Akufo-Addo is expected to launch the PFJ Phase II in August 2023 after the initial phase of the PFJ ended in December 2022.
451. This enhanced prioritisation of the PFJ is on the back of an average agricultural sector growth rate of 6.3 percent between 2017 and 2021 that drove employment along agricultural value chains, improved access to raw materials for industries and increased food security.
452. Mr. Speaker, after comprehensive review of PFJ Phase I, Government has committed to a paradigm shift from input subsidy to an input credit programme. The PFJ Phase II provides a cost-efficient alternative to the input subsidy approach, replacing it with an input credit system for farmers that enhances the operations of all value chain actors involved in the production and processing of 11 selected commodity value chains.
453. The PFJ Phase II is, thus, anchored on an input credit system, off-take arrangements or commodity trading, digitised platform as well as line of sight management and coordination. The reform seeks to improve access to credit and high quality inputs, address unsustainable subsidies, improve access to markets for produce and remove entry barriers for prospective young farmers.
454. Mr. Speaker, based on extensive consultation with value chain actors, the Ministry of Food and Agriculture has estimated the following production targets for the immediate term:

- Rice – 1.4million mt, from the 1.2million mt 2022;
- Maize – 3.7million mt, from the 3.4million mt 2022;
- Tomato – 530,000mt, from the 470,000mt 2022; and
- Poultry – 25,000mt of meat; from 16,000mt in 2022

Aquaculture

455. Mr. Speaker, currently, there are about 3000 small-scale fish farmers and 10 large-scale operators. Clearly, there is enormous opportunity to develop the aquaculture sector for jobs and food security. To this end, strategic and catalytic support will be provided to incentivise private sector actors to enhance production, storage and transportation in the sub-sector. Government intends to expedite action on the formulation of pre-mix fuel using condensate, a by- product from the Atuabo Gas Plant, to replace gasoline. This will help reduce the cost of premix fuel and improve access to the product. Further, well-structured incentives will be operationalised to promote the production of 280,000 mt of feed to support the expansion of aquaculture.

One District One Factory

456. Mr. Speaker, the implementation of the One District One Factory (1D1F) Initiative, through which business promoters are incentivised to invest in manufacturing projects in the Districts, is a core part of the growth strategy. To-date, 296 1D1F projects are at various stages of completion and over 160,000 direct and indirect jobs have been created.
457. Under the Growth Strategy, focus will be on accelerating the completion and operationalisation of about 30agro-processing industries in the districts and catalyse the operations of 30 enterprises in industries assessed to have potentially high impact on creating additional jobs or exporting to African market. This strategy also focuses on revitalising anchor industries in the textile and garment sub-sector. We will accelerate the implementation of targeted projects to help the textile and garment manufacturers and other businesses expand, create jobs.
458. Furthermore, Government will introduce a legislative framework and appropriate measures to streamline the importation of selected strategic products to preserve foreign exchange and improve balance of payments. This will be complemented with targeted interventions to promote the consumption of made-in-Ghana products.

Economic Enclaves Projects

459. Mr. Speaker, I can report that efforts toward promoting commercial agriculture, building technological capability, and advancing digitalisation under the GhanaCARES Programme are on track. This follows the formalisation of administrative and institutional arrangements to support its implementation in 2021 after the programme was launched in November 2020.
460. Mr. Speaker, in December 2022, Government launched the Economic Enclaves Project (EEP) within the GhanaCARES Programme to promote private sector-driven large-scale production of targeted staples and strengthen agri-business value-chains and create employment for our youth. The EEP aims to establish 'growth poles' in key locations including Kasunya (Greater Accra), Kumawu (Ashanti) and

Banda (Oti Region). The approach under the EEP is to provide agriculture infrastructure and land development support to the private sector to cultivate about 110,000 acres of import-substitutes for staple foods such as rice, maize, soya, vegetables and poultry.

461. Since January 2023, out of the cleared 2,300 acres in the Noryaa Akutso Economic Enclave located in Kasunya, about 650 acres has been developed. Rice is now being harvested on the 450 acres that was seeded.
462. Mr. Speaker, to enhance production and productivity, delivery of ancillary services such as housing and multi-purpose training facilities, drains, canals, farm roads, electricity, a holding dam, and pumping stations have also commenced at the Noryaa Akutso Economic Enclave.
463. Mr. Speaker, it is gratifying to note that the domestic private sector has responded positively to incentives provided under the EEP. About 10 medium and large-scale enterprises with experience in the commercial agriculture space have applied to play diverse roles, ranging from anchor farmers to machine and equipment services, in the EEP site in Kasunya. MasterCard Foundation has already expressed high commitment to partner on this EEP and Government is awaiting the approval of the Board of Mastercard to trigger disbursement of funds for the Kasunya Enclave.
464. Mr. Speaker, the Sekyere Kumawu Economic Enclave in the Ashanti Region is also being developed as indicated to this House in the 2023 Budget Statement. In partnership with the National Service Scheme, about 20,000 acres of land in Kumawu, is being developed to accelerate maize, tomato and animal production. As at end-June 2023, almost 3,000 acres had been cleared, with 2,050 acres developed and cultivated. Out of this, 700 acres has been utilised for rice cultivation, 1,050 acre for maize and 300 acres for soya bean. While the rice and soya bean are yet to mature, the maize is already being harvested. Accommodation for National Service Personnel, who are envisaged as out-growers, is also complete.
465. Similarly, land measuring 20,000 acres has been acquired in Banda, Oti Region for the cultivation of soya, maize, rice and poultry. Furthermore, an assessment is ongoing to secure 20,000 acres of land in the Savannah Region and 10,000 acres of land in the Bono Region for the development of two other economic enclaves. This is expected to be concluded by October 2023.
466. Mr. Speaker, as part of this growth strategy, Government expects that by end-2023, the EEP will have:
- fully seeded 7,500 acres of rice, on-boarded qualified private sector as anchor farmers, value chain actors and delivered key ancillary services in Kasunya;
 - developed and seeded 1,500 acres of lands in Kumawu; and
 - developed and seeded 1,200 acres of land in Banda.
467. Altogether, 23,000mt of paddy rice, 4,000 mt of maize and 500 mt to Soya is estimated to be harvested by end 2023 from the operationalised Enclaves, and 3000 direct and indirect jobs created for the youth.

468. We will also pursue the interest expressed by other international private sector operators to unlock investment and technology for the Economic Enclave Projects. With these efforts, Mr. Speaker, we expect to significantly drive down the food component of inflation, create jobs for our youth, reduce the volatility on the forex market and improve food security.

Development Partner supported Projects for Growth

469. Mr. Speaker, several developments on the macroeconomic front require that we become more efficient and effective in optimising existing financing. As we conclude the external debt operations, a carefully planned programme will be rolled out to increase disbursement of externally funded projects, by especially the multilateral institutions, in the agriculture, financial, digitalisation, entrepreneurship and infrastructure sectors.

Arrears Clearance

470. Mr. Speaker, the delayed payments for work done on public programmes and projects also impacts growth. For a start, about GH¢6 billion has been programmed to defray outstanding arrears this year. By honouring these payments, we are helping enterprises to preserve their working capital, repay obligations to financial institutions and create additional demand in the economy. In line with the Arrears Clearance and Prevention Strategy, which was approved by Government in June 2023, Government will work with the private sector and MDAs to establish a system that enhances commitment controls and prevents the accumulation of arrears.

7.5 Private Sector Interventions

Digitalisation

471. Mr. Speaker, evolving digitalisation and technology are crucial to enhancing efficiency, creating value, and driving economic growth. Work has already commenced towards developing four digital hubs at the University of Ghana, KNUST, Sunyani Technical University and University of Development Studies. These hubs will provide digital skills and services that create job opportunities for our youth and spur growth.

Financial Intermediation for Entrepreneurship

472. Mr. Speaker, promoting access to competitive financing for entrepreneurship remains a key part of the growth strategy. Fortunately, Government is in a position to pursue these goals without burdening our budgetary resources. As we are all aware, over the course of the past five years, Government has established or reformed and strengthened important institutions that are able to work with and support the private sector.
473. Mr. Speaker, these institutions are: the Ghana Incentive-based and Risk-Sharing Scheme for Agricultural Lending (GIRSAL); Development Bank, Ghana (DBG); the Ghana Commodity Exchange (GCX); and the Venture Capital Trust-Fund (VCTF), which have been recently reformed and financially strengthened. In this regard, DBG, GIRSAL, GEXIM, VCTF as well as GCX, and YouStart will be supported and effectively coordinated.

474. Mr. Speaker, we already know:
- the Development Bank Ghana (DBG) has supported vital sectors of the economy with over GH¢450 million for on-lending to businesses in ICT, manufacturing, and agriculture;
 - GIRSAL has issued agricultural credit risk guarantees worth almost GH¢80 million for 18 loans valued at GH¢146 million through six Participating Financial Institutions (PFIs) this year. This brings GIRSAL's cumulatively issued Credit Risk Guarantees (CRG) to GH¢422.9 million;
 - over the past years, the Ghana Export and Import Bank (GEXIM) has lent out a total of GH¢2.14 billion in support of the garments and apparel industry, pharmaceutical industry, cash crops cultivation and processing, and the poultry sector.
 - the recently reformed and strengthened VCTF has committed US\$16 million into four funds namely: Injaro Ghana Venture Fund, Industrial Support Fund, Mirepa SME Fund and Wangara Green Ventures, enabling these funds to invest into 68 companies;
 - GIIF has committed US\$332 million in a portfolio of 13 infrastructure projects in seven different sectors, including airports, seaports, ICT, energy, hospitality, mining, and recently, affordable university accommodation.
 - We launched the YouStart Initiative in 2022 to promote entrepreneurship and create 1 million jobs over three years. Since then, Participating Financial Institutions, despite the challenges in the financial sector, have committed a total of GH¢1.149 billion to the YouStart Initiative. Under the pilot phase, about 29,000 youth have been trained and supported with starter packs. In addition, the World Bank is implementing the US\$150 million Ghana Jobs and Skills Project to provide skills and employment opportunities to the youth.
475. Mr. Speaker, as the economy recovers, it is essential to effectively support these critical financial sector institutions to deepen their interaction with the private sector to spur growth and create more jobs. Among the initiatives of the growth strategy, emphasis will be placed on:
- Raising DBG's loan portfolio to around GH¢1 billion by the end of the year.
 - DBG and GIRSAL working on a number of agricultural initiatives and providing co-guarantees that will reduce risk and attract more potential private sector actors to expand agribusiness operations;
 - operationalising the US\$11 million funds under VCTFin partnership with other private sector investors to augment existing capital for SMEs;
 - supporting GIIF to execute commercially sustainable solutions including the Agenda 111, Accra-Tema Motorway project, affordable University Hostel accommodation and Affordable Housing;
 - partnering with Faith Based Organisations to activate the YouStart Grace while providing catalytic funds to the YouStart Initiative to create 68,781 and 161,500 more jobs under the social and commercial models respectively in the next one year.

7.6 Foreign Private Investment

476. Mr. Speaker, given our context of limited fiscal resources, increased investment from foreign sources remains an important component of our growth agenda. In this regard, existing institutions that have been strengthened by Government in recent years will be leveraged to pursue our goals without direct recourse to budget

resources. Government has asked GIPC, Free Zones Board, and GIIF to step up and measurably raise Foreign Direct Investment (FDI) inflows for key growth-promoting projects, and PPP inflows for key infrastructure and growth projects.

477. Additionally, Government will enhance the Strategic Investor Programme in the Exemptions Act, 2022 (Act 1083) to expand incentives for both domestic and foreign strategic investments.

7.7 Strategic Investments to Boost Foreign Direct Investment Inflows

Strategic Anchor Industries

478. Mr. Speaker, the available evidence indicates that the global automobile industry has responded positively to the Ghana Automotive Development Policy. To-date, six vehicle assembly plants are currently in operation - Toyota, CFAO, KIA, Hyundai, Changan, and Isuzu. Indeed, the focused implementation of the Policy is on course to make Ghana the leading automotive and component manufacturing hub in West Africa. To this end, Legislative Instruments for full implementation of the Automotive Policy will be completed by April, 2024.
479. Mr. Speaker, the growth strategy will seek to accelerate several policy initiatives to support and further boost private sector investment in key strategic anchor industries. Priority will be given to Auto Component and Parts Manufacturing, Textile and Garment Manufacturing and Pharmaceutical Manufacturing.

Industrial Parks and Special Economic Zones

480. Mr. Speaker, Government will continue to prioritise the development of industrial parks and Special Economic Zones (SEZ) to crowd-in investment by enabling investors, both domestic and foreign, to obtain easy access to serviced industrial lands.
481. Mr. Speaker, it is envisaged that before the end of 2023, the Engineering, Procurement and Construction contract for the development of the first phase of offsite infrastructure for the Greater Kumasi Industrial City and SEZ will commence under the Ghana Economic Transformation Project. Additionally, the Ghana Free Zones Authority will develop a 1,600-acre parcel of land at Yabiw/Shama in the Western Region into a Multi-Purpose Industrial Park. This will be complemented with the dedicated support for 15 Free Zones companies to access an average of 5 million Euros grant each from the Investing for Employment facility of the German Government to retool, expand and export. These targeted interventions are expected to create about 16,231, 38,786 and 41,341 jobs in next five months, 2024 and 2025 respectively.

Export Promotion and AfCFTA

482. Mr. Speaker, export promotion will be revitalised under the growth strategy. In addition to increasing our external presence through coordination with Ghana Missions, deliberate interventions will be pursued to enable Ghanaian companies take advantage of AfCFTA.
483. Mr. Speaker, export promotion will be revitalised under the growth strategy within the framework of the National Export Development Strategy (NEDS). In addition to increasing our external presence through coordination with Ghana Missions,

deliberate interventions will be pursued to enable Ghanaian companies take advantage of AfCFTA.

484. GEPA will be supported to explore markets across the continent and to prepare one hundred (100) additional high-performing Ghanaian companies access these markets in Africa, Europe, America and Asia by end of December, 2023. These companies are expected to export at least three million tonnes of various products, including processed cocoa, pharmaceuticals, cosmetics, textiles and garments, processed foods, plastics and aluminium products among others and earn US\$1.8 billion in forex exchange. We expect that the direct support provided by GEPA to indigenous export companies will provide 10,000 jobs and earn US\$4.8 billion in non-traditional exports revenue in 2024.

Ghana Investment Promotion Centre (GIPC)

485. Mr. Speaker, attracting FDI has always been central to the growth strategy. The Ghana Investment Promotion Centre (GIPC) has pursued this mandate with a significant degree of success. Recognising the urgent need for sustained recovery, the GIPC will be supported to prioritise greenfield investments into infrastructure, manufacturing, agriculture, agro-processing and energy sectors. These high-growth and high-impact investments have the potential to create 26,100 jobs by the end of December, 2023.
486. Additional support will be offered to enable GIPC attract US\$5.2 billion more investments to create 30,953 jobs in 2024. This will be anchored on supporting GIPC to conclude investments deals with prospective investors for several key projects. As part of this strategy, critical regulatory constraints to attracting FDI will be addressed.

7.8 Energy Security

Power Sector Development and Management Programme

487. Mr. Speaker, the national electricity access rate as at mid-year 2023 was 88.85 percent. The transmission interconnection system of Ghana will continue to be upgraded to ensure reliable supply of power to meet the steadily growing demand and avoid power interruptions that undermines the growth of industry. The Grid Company of Ghana (GRIDCo) is pursuing critical system upgrade projects including the 330kV Awodua-Prestea Line, 330/225kV Prestea Substation Project and 2No. +/- 50MVAR STATCOM at Prestea and Nayagnia.

Renewable and Alternative Energy Development Programme

488. Mr. Speaker, towards integrating a clean and affordable electricity generation mix, Nuclear Power Ghana has commenced stakeholder engagement to facilitate the acquisition of the preferred site for a nuclear power plant. Shortlisted vendors have been engaged to identify economical and resilient nuclear power technology for the first power plant. The achievement of these will result in competitive prices which will impact on the operational cost of businesses.

7.9 Climate Change

Climate Change and Economic Growth:

489. Mr. Speaker, climate change poses a significant threat to Ghana's economic growth. The World Bank estimates that climate change could cost Ghana approximately 1.7 percent of GDP annually by 2030, if left unaddressed.
490. Mr. Speaker, fortunately, efforts to mitigate the adverse impact of climate change also offer us a unique opportunity to leverage additional private sector resources to also spur growth. Ghana became the second African country after Mozambique to receive FCPF REDD+ payments in January 2023. Together with the Green Climate Fund, we have established the Ghana Shea Landscape Emission Reduction Project (GSLERP) at an estimated cost of US\$54.5 million. The GSLERP will address the country's efforts to reduce emissions from deforestation and forest degradation (REDD+).
491. Mr. Speaker, to enhance the livelihoods and climate resilience of Ghanaians and protect our economy, Government, as part of the prioritised growth strategy, will:
- focus on actively engaging with international climate finance mechanisms, such as the Green Climate Fund, to access funding for climate-resilient projects; and
 - constitute high-level executive and technical committees to provide strategic oversight and technical guidance to the Global Shield Against Climate Risk process.

7.10 Community Roads Improvement

492. Mr. Speaker, as part of the strategy to grow the economy, Government intends to reintroduce the Accelerated Community Roads Improvement (ACRI) II project in to expand the improvement of roads in communities nationwide. The new national effort is to assist local authorities quickly construct passable critical roads and related drainage across the country to support general economic and social activities. Special emphasis would be placed on food growing areas to accelerate evacuation of produce from farm gates to the markets. Ministry of Local Government, Decentralisation and Rural Development will coordinate the project and the 48 Engineers of the Ghana Armed Forces will lead the execution.

CHAPTER EIGHT: CONCLUSION

493. Mr. Speaker, in preparing this 2023 Mid-Year Budget, we have held extensive engagements with diverse stakeholders including:
- Organised Labour;
 - Employer Associations;
 - Ghana Union of Traders Association;
 - Association of Ghana Industries;
 - Peasant Farmers Association;
 - Civil Society Organisations;
 - Think-Tanks;
 - The Academia;
 - Faith Based Organisations;
 - The investor community;
 - The Council of State;
 - National Development Planning Commission;
 - Chief Directors and PPME Directorates of MDAs; and
 - Chief Executives of all Metropolitan, Municipal and District Assemblies.
494. In all these meetings, stakeholders provided insights into issues such as widening the tax net, SOE Governance, extractive industry, providing increased and targeted support to agriculture and industry, as well as growing and changing the structure of the economy. The feedback has been well received and we will continue to engage to find mutually acceptable solutions as we prepare the 2024 Budget Statement.
495. Mr. Speaker, last Friday, I had the singular privilege to be invited to participate in the Joint Caucus Meeting of Parliament. Indeed, the meeting effectively reflected the theme of the 2023 '**Nkabom**' Budget. It was a pleasant and intimate experience. I appreciated the opportunity to engage and receive valuable feedback from the Hon. Members. I want to thank the leadership of the House for the opportunity.
496. I will be the first to admit that it has been an extremely difficult year for our country and our citizens.
497. While most countries are still going through difficulties due to what is happening globally, our economic crisis also emanates from fundamental and systemic weaknesses that we must confront boldly.
498. These include:
- Our low revenue to GDP ratio;
 - Our high demand and dependence on imports, including food products that can easily be produced here;
 - Our inefficient power management;
 - Lack of robust commitment control systems to secure us efficient public service delivery;
 - The numerous statutory funds with economic governance issues; and
 - Weak SOE governance.

499. Mr, Speaker, what I have outlined today begins a strong effort on the part of Government to address these issues. Most of the structural reforms we proposed in the PC-PEG, with which we secured an IMF programme, are all geared towards addressing these fundamental issues.
500. In the next 15-months, there will be renewed efforts to undertake the necessary reforms and implement very critical measures.
501. Mr. Speaker, I want to, once again, acknowledge the sacrifices that our people have made in the painful DDEP. Government sincerely appreciates all these sacrifices.
502. On our part, we will ensure that we:
- implement systems to raise more revenues through compliance measures to grow the real sector of the economy, especially agriculture;
 - implement the necessary structural reforms to strengthen commitment control and avoid arrears accumulation;
 - strengthen SOE governance;
 - review Statutory Funds and ensure improved alignment with key priorities;
 - address the energy sector challenges; and
 - implement the Accelerated Community Roads Improvement (ACRI) II to expand and improve roads in communities nationwide.
503. Mr. Speaker, while concluding the 2023 Budget Statement in this House, I emphasised that our unity – **“Nkabom”** - will be vital in confronting the daunting challenges facing our economy.
504. Mr. Speaker, today, I have provided updates that demonstrate that we have delivered on these critical areas. We thank “fellow Ghanaians” and partners for their invaluable support and sacrifices. Our economy is showing signs of stabilisation. And we are deeply grateful for the abiding grace of God, which has been more than sufficient.
505. By being hopeful, speaking the same language of productivity, growth and working closely together, we are securing our own collective success.
506. Mr. Speaker, the implementation of on-going fiscal adjustments and sustained investments in our people have contributed immensely to the stabilisation we are seeing in the economy. Exchange rate is less volatile, inflation has softened, and interest rates have declined since December 2022.
507. Ordinarily, Mr. Speaker, these positive trends should ease the burden on our pockets. As a Finance Minister who is part of a family unit, I will continue to work hard to sustain the favourable macroeconomic environment and remain hopeful that the prices of goods and services for Ghanaians would reflect the trend.
508. Mr. Speaker, we must all work together – Regulators, Market Federations and Unions – and play our part to ensure consumers are treated fairly to complete the turnaround.

509. This Mid-Year Fiscal Policy Review has outlined the strategy for re-aligning our programme to sustain our progress to stability. We have not asked for additional funding. We have committed to stay within appropriation and be even more efficient in mobilising resources and managing expenditure.
510. Mr. Speaker, we have indicated that we are focused on:
- Structural reforms to address systemic weaknesses and build resilience in key areas including revenue mobilisation, expenditure management, commitment control and arrears clearance, debt management, financial stability as well as energy and cocoa sector SOEs reformation;
 - Rejuvenating the growth agenda with a prioritised Growth Strategy, which emphasises private sector-led investments in areas such as agriculture, local manufacturing, tourism, and digital transformation. The PFJ (Phase II), Aquaculture, YouStart, Economic Enclaves Project, 1D1F, and Tech Hubs will be integral to this Growth Strategy. We will strengthen the ecosystem of financial services to enhance the catalytic role of the DBG, GCX, GIRSA, GhanaEXIM, GIIF etc.; and
 - Safeguarding Social Protection for the vulnerable.
511. Mr. Speaker, intermediate results from our collective efforts and our resources, especially our people, indicate that we will succeed. Beyond these current challenges, our economic prospects remain bright. But we must adapt quickly and address unexpected challenges ahead.
512. Mr. Speaker, as I conclude, I would like to bring our attention to several critical imperatives that require our immediate and collective action:
- Energy sector shortfalls: the energy sector, especially IPP power payments, remains a critical challenge. We must support the ECG to significantly improve its collection to reduce the burden the sector imposes on public finances. We must also support the implementation of the updated Energy Sector Recovery Plan to bring the sector towards a sustainable path;
 - Expenditure control has become more important to ensure that revenue shocks are efficiently managed. Even as we address the systemic challenges through technology and capacity development, Government will work with state institutions to enforce the sanctions outlined in the PFM Act, especially regarding off-budget commitments by MDAs;
 - Increasing non-oil domestic revenue collection cannot be overemphasised. In this vein, it is important to support the GRA to enhance collection and operationalise measures to strengthen revenue administration efforts. To achieve the ambitious non-oil revenue target in the PC-PEG, enhanced commitment is required; and
 - It is very important to complete the domestic debt operations to place us in a better position to engage the external creditors.
513. Mr. Speaker, this Mid-Year Review offers us an even better opportunity to jointly work towards entrenching stability for our economy. We must seize it.
514. Let us continue to believe in Ghana. Let us have the courage to be proud about what we are capable of achieving. Let us be, and think positive. Let us act patriotic

and stand firm. With hard work, integrity and fraternity, we will stabilise and transform our economy.

515. As 1 Peter 1:10 exhorts us, let us use whatever gift we have received to serve Ghana, as faithful stewards of God's grace. Let us unite and build this Republic.
516. Mr. Speaker, we have all, including me, been 'battered, bruised, and broken' in this past year but we held our resolve as a nation. The Lord indeed fought our battle. As we sit today, He has Rescued us; He has Recovered and Restored what we lost; and He is Reviving our economy.
517. Mr. Speaker, we need to Rejoice in fervent gratitude to the Lord. Mr. Speaker, we must endeavour to build a Righteous Republic, united in our Resolve to transform our economy, speaking one language and nothing will be impossible for us.
518. Mr. Speaker, let me once again express my profound appreciation to this House for the support and collaboration towards stabilising the economy.
519. May God continue to bless our homeland Ghana and make her great and strong.
520. Right Honourable Speaker, let me once again express my sincere appreciation for the opportunity to present the 2023 Mid-Year Budget to this august House.

APPENDICES

Appendix 1A: Growth Rates of Gross Domestic Product at Constant 2013 Prices (percent)

S/N	ITEMS	2016	2017	2018	2019	2020	2021	2022*	2023**	2024**	2025**	2026**	2027**
1.	AGRICULTURE	2.7	6.2	4.9	4.7	7.3	8.5	4.2	1.8	3.0	5.0	5.0	5.5
1.01	Crops	2.2	7.2	5.8	5.3	8.6	8.9	3.8	1.6	3.0	5.2	5.2	5.6
	<i>o.w. Cocoa</i>	-7.0	9.2	3.7	5.4	1.4	10.4	0.9	4.0	2.8	5.2	4.8	5.2
1.02	Livestock	5.4	5.7	5.4	5.4	5.4	5.5	5.5	3.8	4.0	5.0	5.0	5.2
1.03	Forestry and Logging	2.9	3.4	2.4	-1.7	-9.4	4.4	1.7	1.3	2.2	3.5	3.8	5.1
1.04	Fishing	3.1	-1.4	-6.8	1.7	14.1	14.2	8.8	1.0	1.1	3.2	3.7	5.0
2.	INDUSTRY	4.3	15.6	10.5	6.4	-2.5	-0.5	0.9	1.4	3.9	5.2	5.2	5.0
2.01	Mining and Quarrying	-0.2	30.8	23.3	12.6	-9.2	-12.2	8.1	6.3	6.4	6.6	5.8	5.0
	<i>o.w. Oil & Gas</i>	-15.6	80.3	7.9	14.4	-4.6	-12.6	-6.7	1.0	6.5	7.0	6.2	3.9
	<i>o.w. Gold</i>	17.2	-3.7	23.8	1.2	-12.2	-31.2	32.3	22.4	21.2	0.6	1.0	1.0
2.02	Manufacturing	7.9	9.5	4.1	6.3	1.9	8.1	-2.5	-0.7	2.5	5.0	5.4	5.5
2.03	Electricity	-5.8	19.4	5.5	6.0	9.9	7.9	-3.3	-1.2	2.0	4.5	4.5	4.8
2.04	Water and Sewerage	-11.8	6.1	-3.6	-4.4	2.2	26.0	-4.9	-5.0	1.0	4.1	4.5	4.5
2.05	Construction	8.4	5.1	1.1	-4.4	3.1	6.0	-4.0	-3.0	1.8	3.0	4.0	4.2
3.	SERVICES	2.8	3.4	2.8	7.6	0.7	9.4	5.5	1.4	1.8	4.2	4.7	5.0
3.01	Trade; Repair of Vehicles, Household Goods	-0.4	8.2	2.8	3.7	-2.9	6.3	1.3	1.2	1.5	4.1	4.8	5.0
3.02	Hotels and Restaurants	2.3	7.6	3.2	6.0	-37.0	4.7	-1.0	1.3	1.0	4.5	5.0	5.5
3.03	Transport and Storage	1.1	8.9	1.1	4.3	4.1	7.2	4.7	1.1	2.0	3.7	4.2	5.1
3.04	Information and communication	5.6	4.2	13.1	46.5	21.5	31.7	19.7	5.5	3.4	5.4	5.9	5.0
3.05	Financial and Insurance Activities	8.0	-17.7	-8.2	1.6	9.3	2.4	5.7	-2.5	2.1	3.2	3.5	5.0
3.06	Real Estate	3.2	3.8	-6.5	19.9	11.7	8.9	-7.6	2.1	2.0	4.2	4.3	5.0
3.07	Professional, Administrative & Support Service activities	-4.2	2.9	0.3	5.1	-6.2	10.8	-10.9	1.2	1.5	3.0	2.5	5.0
3.08	Public Administration & Defence; Social Security	8.9	4.2	4.3	3.7	10.0	25.5	6.1	1.5	1.7	4.5	5.0	5.0
3.09	Education	2.3	6.3	3.9	9.4	7.8	-3.9	10.2	1.4	1.5	4.5	5.1	5.0
3.10	Health and Social Work	4.0	14.1	22.6	10.4	5.9	7.6	9.2	1.2	1.0	4.5	5.0	5.0
3.11	Other Service Activities	-0.1	5.3	3.1	2.6	-17.2	11.1	-1.3	-0.5	0.5	4.0	4.0	5.0
4.	GDP at basic prices	3.3	8.3	6.1	6.5	0.8	5.4	3.6	1.5	2.8	4.8	5.0	5.1
	Net indirect Taxes	4.8	4.6	7.5	6.1	-4.0	-2.3	-7.8	1.7	3.5	4.6	4.0	3.0
5.	GDP in purchasers' value	3.4	8.1	6.2	6.5	0.5	5.1	3.1	1.5	2.8	4.7	4.9	5.0
	<i>o.w. Informal GDP at purchasers' value</i>	2.7	6.1	2.6	5.9	-0.8	4.5	4.2	3.2	3.6	3.7	4.5	4.4
6.	Non-Oil GDP	4.5	4.6	6.1	5.8	1.0	6.6	3.8	1.5	2.6	4.6	4.9	5.1

* Provisional

** Projection

Appendix 1B: Gross Domestic Product (GDP) at Constant 2013 Prices by Economic Activity (GH¢ Million)

S/N	ITEMS	2016	2017	2018	2019	2020	2021	2022*	2023**	2024**	2025**	2026**	2027**
1.	AGRICULTURE	26,824	28,491	29,880	31,271	33,549	36,386	37,898	38,592	39,744	41,724	43,821	46,227
1.01	Crops	19,788	21,207	22,447	23,636	25,677	27,963	29,025	29,489	30,374	31,953	33,615	35,497
	<i>o.w. Cocoa</i>	2,318	2,531	2,625	2,768	2,807	3,099	3,126	3,251	3,342	3,516	3,685	3,877
1.02	Livestock	3,564	3,766	3,969	4,184	4,412	4,653	4,909	5,093	5,296	5,560	5,837	6,140
1.03	Forestry and Logging	1,960	2,026	2,073	2,037	1,846	1,927	1,959	1,984	2,028	2,099	2,179	2,290
1.04	Fishing	1,513	1,492	1,391	1,414	1,614	1,843	2,005	2,025	2,047	2,112	2,191	2,300
2.	INDUSTRY	45,285	52,355	57,854	61,537	60,001	59,714	60,267	61,137	63,525	66,848	70,355	73,867
2.01	Mining and Quarrying	15,004	19,619	24,192	27,240	24,737	21,722	23,473	24,952	26,549	28,301	29,942	31,440
	<i>o.w. Oil & Gas</i>	6,255	11,279	12,175	13,932	13,288	11,617	10,843	10,956	11,668	12,489	13,269	13,787
	<i>o.w. Gold</i>	8,134	7,835	9,701	9,815	8,621	5,927	7,842	9,598	11,633	11,703	11,820	11,938
2.02	Manufacturing	15,723	17,219	17,933	19,066	19,431	21,013	20,492	20,348	20,857	21,900	23,082	24,352
2.03	Electricity	1,506	1,799	1,898	2,012	2,210	2,385	2,306	2,278	2,324	2,428	2,538	2,659
2.04	Water and Sewerage	748	793	765	731	747	941	895	850	858	894	934	976
2.05	Construction	12,303	12,926	13,067	12,488	12,876	13,653	13,102	12,709	12,937	13,326	13,859	14,441
3.	SERVICES	56,191	58,128	59,761	64,317	64,754	70,820	74,725	75,771	77,165	80,436	84,244	88,490
3.01	Trade; Repair Of Vehicles, Household Goods	14,168	15,331	15,754	16,330	15,856	16,861	17,077	17,282	17,542	18,261	19,137	20,094
3.02	Hotels and Restaurants	5,052	5,439	5,612	5,950	3,749	3,925	3,886	3,937	3,976	4,155	4,363	4,603
3.03	Transport and Storage	7,747	8,440	8,533	8,903	9,270	9,933	10,395	10,509	10,719	11,116	11,583	12,173
3.04	Information and communication	2,987	3,112	3,520	5,158	6,267	8,252	9,882	10,425	10,780	11,362	12,032	12,634
3.05	Financial and Insurance Activities	8,707	7,165	6,577	6,681	7,299	7,474	7,898	7,700	7,862	8,114	8,398	8,818
3.06	Real Estate	1,245	1,292	1,208	1,448	1,617	1,762	1,627	1,661	1,695	1,766	1,842	1,934
3.07	Professional, Administrative & Support Servi	1,734	1,784	1,788	1,879	1,764	1,955	1,742	1,763	1,789	1,843	1,889	1,983
3.08	Public Administration & Defence; Social Secu	4,693	4,889	5,099	5,287	5,816	7,301	7,746	7,862	7,996	8,356	8,774	9,212
3.09	Education	5,406	5,747	5,973	6,535	7,045	6,772	7,461	7,565	7,679	8,024	8,433	8,855
3.10	Health and Social Work	2,756	3,145	3,854	4,256	4,507	4,847	5,295	5,358	5,412	5,655	5,938	6,235
3.11	Other Service Activities	1,696	1,786	1,842	1,890	1,565	1,739	1,716	1,708	1,716	1,785	1,856	1,949
4.	GDP at basic prices	128,300	138,974	147,496	157,125	158,304	166,920	172,889	175,500	180,435	189,008	198,420	208,585
	Net indirect Taxes	6,859	7,172	7,711	8,182	7,853	7,672	7,076	7,199	7,451	7,794	8,106	8,349
5.	GDP in purchasers' value	135,159	146,146	155,207	165,308	166,157	174,592	179,966	182,699	187,886	196,802	206,526	216,934
	<i>o.w. Informal GDP at purchasers' value</i>	39,156	41,562	42,648	45,156	44,805	46,831	48,812	50,387	52,201	54,131	56,567	59,056
6.	Non-Oil GDP	128,904	134,867	143,032	151,375	152,869	162,975	169,123	171,743	176,218	184,314	193,257	203,147

* Provisional

** Projection

Appendix 1C: Gross Domestic Product (GDP) at Current Market Prices by Economic Activity (GH¢ Million)

S/N	ITEMS	2016	2017	2018	2019	2020	2021	2022*	2023**	2024**	2025**	2026**	2027**
1.	AGRICULTURE	45,773	51,408	55,967	61,765	73,896	90,758	119,393	166,025	205,359	237,893	267,844	302,667
1.01	Crops	34,965	39,730	43,801	48,925	59,816	74,173	100,601	141,970	176,791	205,566	231,632	261,849
	<i>o.w. Cocoa</i>	5,028	5,490	5,694	5,793	6,627	9,364	10,640	12,913	14,569	16,592	18,780	21,485
1.02	Livestock	4,583	4,987	5,288	5,655	6,134	7,080	7,510	9,895	11,666	13,203	14,873	16,805
1.03	Forestry and Logging	3,483	3,988	4,168	4,257	4,395	4,947	5,902	7,323	8,607	9,760	10,890	12,258
1.04	Fishing	2,742	2,703	2,710	2,929	3,551	4,557	5,381	6,837	8,294	9,364	10,449	11,755
2.	INDUSTRY	60,813	78,714	96,211	110,913	117,099	131,145	195,226	298,471	383,812	446,572	505,184	570,940
2.01	Mining and Quarrying	16,851	26,268	39,296	47,460	41,715	41,582	78,464	146,297	203,915	239,763	272,694	308,376
	<i>o.w. Oil & Gas</i>	1,027	9,023	16,971	21,335	13,793	21,082	32,939	51,741	64,368	74,757	82,190	88,097
	<i>o.w. Gold</i>	13,965	15,189	19,773	22,737	27,233	18,636	42,904	63,543	90,492	100,957	112,673	125,749
2.02	Manufacturing	23,761	26,680	31,229	36,229	42,929	50,257	70,553	95,280	112,800	130,320	146,972	166,685
2.03	Electricity	3,522	4,435	4,221	4,377	4,808	5,458	5,311	6,560	8,029	9,372	10,479	11,795
2.04	Water and Sewerage	1,846	2,324	2,212	2,294	2,539	3,931	5,316	6,191	7,210	8,256	9,231	10,370
2.05	Construction	14,833	19,007	19,252	20,552	25,108	29,916	35,581	44,143	51,858	58,862	65,808	73,715
3.	SERVICES	96,437	114,272	134,786	160,948	177,111	209,249	256,449	332,463	397,870	457,468	514,680	581,710
3.01	Trade; Repair Of Vehicles, Household Goods	29,505	35,315	44,713	53,766	62,201	73,634	99,780	137,329	164,935	191,956	216,660	245,124
3.02	Hotels and Restaurants	7,417	9,453	10,807	12,473	8,716	10,013	11,640	14,161	17,163	19,819	22,371	25,371
3.03	Transport and Storage	13,259	17,294	21,083	23,530	26,567	32,685	36,021	44,065	52,452	59,832	66,959	75,652
3.04	Information and Communication	4,473	5,237	7,056	10,177	13,807	17,745	21,102	26,270	30,423	35,176	40,045	45,201
3.05	Financial and Insurance activities	13,359	11,876	11,613	12,637	14,363	15,770	17,290	20,752	25,002	28,025	31,094	35,097
3.06	Real Estate	3,556	5,700	6,263	9,006	10,087	11,297	11,755	15,483	18,556	20,689	23,133	26,111
3.07	Professional, Administrative & Support Services	3,229	3,813	4,284	5,016	5,169	5,986	7,459	10,470	12,593	14,319	15,734	17,710
3.08	Public Administration & Defence; Social Security	6,990	8,436	9,942	11,643	14,237	18,698	21,863	26,895	32,730	37,281	42,003	47,543
3.09	Education	7,826	9,129	10,076	12,155	11,255	10,987	13,270	16,362	19,215	22,027	24,817	27,934
3.10	Health and Social Work	4,112	5,101	5,999	7,234	7,704	8,860	11,666	14,403	17,238	19,705	22,221	25,082
3.11	Other Service Activities	2,710	2,918	2,948	3,312	3,005	3,573	4,603	6,272	7,562	8,638	9,643	10,885
4.	GDP at basic prices	203,023	244,394	286,964	333,626	368,106	431,152	571,068	796,960	987,040	1,141,933	1,287,708	1,455,318
	Net indirect Taxes	16,572	18,404	21,623	22,918	23,835	30,543	39,155	57,874	72,284	86,757	100,964	114,330
5.	GDP in purchasers' value	219,595	262,798	308,587	356,544	391,941	461,695	610,222	854,834	1,059,324	1,228,690	1,388,672	1,569,648
	<i>o.w. Informal GDP at purchasers' value</i>	64,479	73,501	72,915	89,582	101,414	118,879	156,752	183,546	208,694	236,537	270,663	309,416
6.	Non-Oil GDP	218,568	253,775	291,616	335,210	378,148	440,613	577,283	803,093	994,956	1,153,934	1,306,482	1,481,551

* Provisional

** Projection

Appendix 2A: Summary of Central Government Operations - H1 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
I. REVENUES			
Total Revenue & Grants	143,956,437,532	64,719,454,422	59,300,024,834
(per cent of GDP)	18.0	8.1	7.4
Domestic Revenue	141,552,710,996	63,277,216,422	58,667,179,853
Tax Revenue	112,357,901,731	49,618,252,181	47,802,252,287
Taxes on Income and Property	59,813,213,354	24,933,287,788	23,729,754,915
Personal	16,536,358,232	7,163,095,808	8,273,010,352
Company Taxes	23,947,401,904	8,780,995,774	10,212,143,087
Company Taxes on Oil	8,589,676,365	4,294,838,182	1,833,470,049
Other Direct Taxes	10,739,776,853	4,694,358,024	3,411,131,427
Taxes on Domestic Goods and Services	44,888,824,961	20,842,473,141	20,908,701,949
Excises	6,333,937,923	3,065,033,563	2,703,964,056
VAT	23,715,017,064	10,817,581,931	11,395,660,993
National Health Insurance Levy (NHIL)	4,644,363,009	2,201,077,382	2,522,120,328
GETFund Levy	4,644,363,009	2,201,075,767	2,522,756,714
Communication Service Tax	782,286,974	366,625,478	315,127,024
E-Transaction Levy	2,235,108,261	982,849,212	455,579,224
Covid-19 Health Levy	2,533,748,723	1,208,229,808	993,493,609
International Trade Taxes	14,015,787,079	6,603,685,083	6,028,268,728
Import Duties	14,015,787,079	6,603,685,083	6,028,268,728
Tax Refunds	-6,359,923,663	-2,761,193,831	-2,864,473,305
Social Contributions	630,716,370	316,257,124	565,000,000
Non-Tax Revenue	23,043,666,473	10,788,138,166	8,251,382,873
Other Revenue	5,520,426,421	2,554,568,951	2,048,544,694
Grants	2,403,726,536	1,442,238,000	632,844,980
Project Grants	2,403,726,536	1,442,238,000	632,844,980
Programme Grants	0	0	0
II. EXPENDITURE			
Total Expenditure (Commitment)	190,912,391,306	92,996,256,585	68,504,869,218
(percent of GDP)	23.8	11.6	8.6
Compensation of Employees	45,522,728,119	22,761,364,060	23,884,219,778
Wages & Salaries	39,263,480,707	19,631,740,354	21,206,942,804
(percent of GDP)	4.9	2.5	2.6
Social Contributions	6,259,247,412	3,129,623,706	2,677,276,974
Use of Goods and Services	8,578,823,367	4,115,140,768	4,716,416,531
Interest Payment	52,550,368,539	28,586,802,164	15,144,365,940
Domestic	31,297,838,102	17,952,541,082	14,341,932,426
External	21,252,530,437	10,634,261,081	802,433,513
Subsidies	350,548,297	80,216,439	37,141,522
Grants to Other Government Units	30,078,760,145	13,462,186,326	12,968,157,020
Social Benefits	545,070,000	272,535,000	221,691,204
Other Expenditure	26,739,907,256	7,113,954,928	3,625,928,549
o/w Energy Sector Payment Shortfalls	23,652,600,000	5,584,420,200	1,943,984,573
Capital Expenditure	26,546,185,584	16,604,056,902	7,906,948,676
Domestic Financed	10,537,633,612	5,056,578,318	1,868,442,798
Foreign Financed	16,008,551,971	11,547,478,584	6,038,505,878
Discrepancy	0	0	2,902,580,485
Overall Balance (Commitment, incl. discrepancy)	-46,955,953,775	-28,276,802,164	-6,302,263,899
(percent of GDP)	-5.9	-3.5	-1.1
Primary Balance (Commitment, incl. discrepancy)	5,594,414,764	310,000,000	8,842,102,040
(percent of GDP)	0.7	0.0	1.1
Payables/Arrears Clearance (Net)	-14,435,333,333	-7,217,666,667	-4,038,498,282
Overall Balance (Cash)	-61,391,287,108	-35,494,468,830	-10,340,762,181
(percent of GDP)	-7.7	-4.4	-1.7

Appendix 2A: Summary of Central Government Operations - H1 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
Financing	61,391,287,108	35,494,468,830	10,340,762,181
Foreign (net)	-868,632,885	8,204,457,017	4,746,909,832
Borrowing	21,504,825,435	18,005,240,584	6,905,660,897
Project Loans	13,604,825,435	10,105,240,584	5,405,660,897
Programme Loans	7,900,000,000	7,900,000,000	1,500,000,000
Sovereign (Eurobonds, Green Bonds, Term Loans, Others)	0	0	0
Amortisation (due)	-22,373,458,321	-9,800,783,567	-2,158,751,065
Exceptional Financing/Other Financing Sources	64,216,524,718	28,239,474,045	0
IMF	22,247,664,000	28,239,474,045	0
Others/IMF SDR	41,968,860,718	0	0
Domestic (net)	0	0	5,537,575,521
Banking	0	0	4,756,952,669
Bank of Ghana	0	0	-808,157,743
Comm. Banks	0	0	5,565,110,412
Non-banks	0	0	780,622,852
Other Domestic	0	0	0
Ghana Petroleum Funds	-1,586,436,263	-793,218,132	56,276,829
Transfer to Ghana Petroleum Funds	-5,288,120,877	-2,644,060,439	-1,126,729,350
o/w Stabilisation Fund	-3,701,684,614	-1,850,842,307	-788,710,545
o/w Heritage Fund	-1,586,436,263	-793,218,132	-338,018,805
Net Transfer from Ghana Stabilisation Fund	3,701,684,614	1,850,842,307	1,183,006,178
Sinking Fund	-370,168,461	-156,244,100	0
Contingency Fund	0	0	0
Memorandum items			
Domestic Revenue	141,552,710,996	63,277,216,422	58,667,179,853
(percent of GDP)	17.7	7.9	7.3
Domestic Expenditure	122,353,470,796	52,861,975,838	44,419,416,916
(percent of GDP)	15.3	6.6	5.5
Domestic Primary Balance	19,199,240,200	10,415,240,584	14,247,762,938
(percent of GDP)	2.4	1.3	1.8
Primary Balance (Commitment)	5,594,414,764	310,000,000	8,842,102,040
(percent of GDP)	0.7	0.0	1.1
Primary Balance (Cash)	-8,840,918,569	-6,907,666,667	4,803,603,758
(percent of GDP)	-1.1	-0.9	0.6
Non-oil Primary Balance	-32,295,499,648	-18,634,957,206	-1,145,204,605
(percent of GDP)	-4.0	-2.3	-0.1
Overall Balance (Commitment, incl. discrepancy)	-46,955,953,775	-28,276,802,164	-6,302,263,899
(percent of GDP)	-5.9	-3.5	-0.8
Overall Balance (Cash, discrepancy)	-61,391,287,108	-35,494,468,830	-10,340,762,181
(percent of GDP)	-7.7	-4.4	-1.3
Oil Revenue	23,454,581,079	11,727,290,539	5,948,808,364
(percent of GDP)	2.9	1.5	0.7
Non-Oil Revenue and Grants	120,501,856,453	52,992,163,882	53,351,216,470
(percent of GDP)	15.0	6.6	6.7
Benchmark Oil Revenue	17,627,069,591	8,813,534,795	3,755,764,500
(percent of GDP)	2.2	1.1	0.5
Annual Budget Funding Amount (ABFA)	12,338,948,713	6,169,474,357	2,629,035,150
(percent of GDP)	1.5	0.8	0.3
Nominal GDP	800,920,526,493	800,920,526,493	800,920,526,493
Non-Oil Nominal GDP	726,625,397,882	726,625,397,882	726,625,397,882

Appendix 2A: Summary of Central Government Operations - H1 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
<i>in percent of GDP</i>			
I. REVENUES			
Total Revenue & Grants	18.0	8.1	7.4
Domestic Revenue	17.7	7.9	7.3
Tax Revenue	14.0	6.2	6.0
Taxes on Income and Property	7.5	3.1	3.0
Personal	2.1	0.9	1.0
Company Taxes	3.0	1.1	1.3
Company Taxes on Oil	1.1	0.5	0.2
Other Direct Taxes	1.3	0.6	0.4
Taxes on Domestic Goods and Services	5.6	2.6	2.6
Excises	0.8	0.4	0.3
VAT	3.0	1.4	1.4
National Health Insurance Levy (NHIL)	0.6	0.3	0.3
GETFund Levy	0.6	0.3	0.3
Communication Service Tax	0.1	0.0	0.0
E-Transaction Levy	0.3	0.1	0.1
Covid-19 Health Levy	0.3	0.2	0.1
International Trade Taxes	1.7	0.8	0.8
Import Duties	1.7	0.8	0.8
Export Duties	0.0	0.0	0.0
Tax Refunds	-0.8	-0.3	-0.4
Social Contributions	0.1	0.0	0.1
Non-Tax Revenue	2.9	1.3	1.0
Other Revenue	0.7	0.3	0.3
Grants	0.3	0.2	0.1
Project Grants	0.3	0.2	0.1
Programme Grants	0.0	0.0	0.0
II. EXPENDITURE			
Total Expenditure	25.6	11.6	8.2
Total Expenditure	23.8	11.6	8.6
Compensation of Employees	5.7	2.8	3.0
Wages & Salaries	4.9	2.5	2.6
(percent of GDP)	0.0	0.0	0.0
Social Contributions	0.8	0.4	0.3
Use of Goods and Services	1.1	0.5	0.6
Interest Payment	6.6	3.6	1.9
Domestic	3.9	2.2	1.8
External	2.7	1.3	0.1
Subsidies	0.0	0.0	0.0
Grants to Other Government Units	3.8	1.7	1.6
Social Benefits	0.1	0.0	0.0
Other Expenditure	3.3	0.9	0.5
o/w Energy Sector Payment Shortfalls	3.0	0.7	0.2
Capital Expenditure	3.3	2.1	1.0
Domestic Financed	1.3	0.6	0.2
Foreign Financed	2.0	1.4	0.8
Discrepancy	0.0	0.0	0.4
Overall Balance (Commitment, incl. discrepancy)	-5.9	-3.5	-1.1
Primary Balance (Commitment, incl. discrepancy)	0.7	0.0	1.1
Payables/Arrears Clearance (Net)	-1.8	-0.9	-0.5
Overall Balance (Cash)	-7.7	-4.4	-1.7

Appendix 2A: Summary of Central Government Operations - H1 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
Financing	7.7	4.4	1.3
Foreign (net)	-0.1	1.0	0.6
Borrowing	2.7	2.2	0.9
Project Loans	1.7	1.3	0.7
Programme Loans	1.0	1.0	0.2
Sovereign (Eurobonds, Green Bonds, Term Loans, Others)	0.0	0.0	0.0
Amortisation (due)	-2.8	-1.2	-0.3
Exceptional Financing/Other Financing Sources	8.0	3.5	0.0
Domestic (net)	0.0	0.0	0.7
Banking	0.0	0.0	0.6
Bank of Ghana	0.0	0.0	-0.1
Comm. Banks	0.0	0.0	0.7
Non-banks	0.0	0.0	0.1
Other Domestic	0.0	0.0	0.0
Ghana Petroleum Funds	-0.2	-0.1	0.0
Transfer to Ghana Petroleum Funds	-0.7	-0.3	-0.1
o/w Stabilisation Fund	-0.5	-0.2	-0.1
o/w Heritage Fund	-0.2	-0.1	0.0
Net Transfer from Ghana Stabilisation Fund	0.5	0.2	0.1
Sinking Fund	0.0	0.0	0.0
Contingency Fund	0.0	0.0	0.0
Memorandum items			
Domestic Revenue	17.7	7.9	7.3
Domestic Expenditure	15.3	6.6	5.5
Domestic Primary Balance	2.4	1.3	1.8
Primary Balance (Commitment)	0.7	0.0	1.1
Primary Balance (Cash)	-1.1	-0.9	0.6
Non-oil Primary Balance	-4.0	-2.3	-0.1
Overall Balance (Commitment, excl. discrepancy)	-5.9	-3.5	-0.8
Overall Balance (Cash, discrepancy)	-7.7	-4.4	-1.3
Oil Revenue	2.9	1.5	0.7
Non-Oil Revenue and Grants	15.0	6.6	6.7
Benchmark Oil Revenue	2.2	1.1	0.5
Annual Budget Funding Amount (ABFA)	1.5	0.8	0.3

Appendix 2B: Economic Classification of Central Gov't Revenue - H1 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
TAX REVENUE	112,357,901,731	49,618,252,181	47,802,252,287
TAXES ON INCOME & PROPERTY	59,813,213,354	24,933,287,788	23,729,754,915
Personal	16,536,358,232	7,163,095,808	8,273,010,352
PAYE	15,680,269,986	6,768,810,971	7,776,514,196
Self Employed	856,088,246	394,284,837	496,496,156
Companies	23,947,401,904	8,780,995,774	10,212,143,087
Company Taxes on Oil	8,589,676,365	4,294,838,182	1,833,470,049
Others	10,739,776,853	4,694,358,024	3,411,131,427
Other Direct Taxes	7,268,371,307	3,527,460,841	2,406,619,007
o/w Royalties from Oil	4,129,421,307	2,064,710,653	895,005,496
o/w Mineral Royalties	2,547,100,000	1,233,863,526	1,346,532,330
National Fiscal Stabilisation Levy	2,216,389,230	673,853,976	291,535,191
Finsec clean-up Levy	377,226,317	166,748,428	158,837,046
Airport Tax	877,790,000	326,294,779	554,140,182
TAXES ON DOMESTIC GOODS AND SERVICES	44,888,824,961	20,842,473,141	20,908,701,949
Excises	6,333,937,923	3,065,033,563	2,703,964,056
Excise Duty	1,186,563,556	454,673,114	412,170,460
Petroleum Tax	5,147,374,367	2,610,360,450	2,291,793,596
o/w Energy Fund levy	59,812,506	29,231,126	23,388,557
o/w Road Fund levy	2,496,277,494	1,265,159,002	1,108,159,891
VAT	23,715,017,064	10,817,581,931	11,395,660,993
Domestic	15,611,812,578	7,060,499,943	6,561,222,450
External	8,103,204,485	3,757,081,988	4,834,438,543
National Health Insurance Levy (NHIL)	4,644,363,009	2,201,077,382	2,522,120,328
Customs Collection	1,498,393,727	695,899,767	744,953,024
Domestic Collection	3,145,969,282	1,505,177,615	1,777,167,304
GETFund Levy	4,644,363,009	2,201,075,767	2,522,756,714
Customs Collection	1,498,393,727	695,898,152	745,591,211
Domestic Collection	3,145,969,282	1,505,177,615	1,777,165,504
Communication Service Tax	782,286,974	366,625,478	315,127,024
E-Transaction Levy	2,235,108,261	982,849,212	455,579,224
Covid-19 Health Levy	2,533,748,723	1,208,229,808	993,493,609
TAXES ON INTERNATIONAL TRADE	14,015,787,079	6,603,685,083	6,028,268,728
Imports	14,015,787,079	6,603,685,083	6,028,268,728
Import Duty	14,015,787,079	6,603,685,083	6,028,268,728
Tax Refunds	-6,359,923,663	-2,761,193,831	-2,864,473,305
SOCIAL CONTRIBUTIONS	630,716,370	316,257,124	565,000,000
NON-TAX REVENUE	23,043,666,473	10,788,138,166	8,251,382,873
Retention	10,627,615,268	4,704,498,620	4,391,986,682
Lodgement	12,416,051,205	6,083,639,546	3,859,396,191
Fees and Charges	941,894,247	414,676,830	420,192,861
Dividend/Interest & Profits (Others)	403,690,462	135,972,113	90,386,447
Dividend/Interest & Profits from Oil	10,719,649,513	5,359,824,757	3,182,585,854
Surface Rentals from Oil/PHF Interest	15,833,895	7,916,947	37,746,964
Property Rate Collection	165,438,000	82,719,000	0
Yield from Capping Policy	169,545,089	82,529,899	128,484,065
OTHER REVENUE	5,520,426,421	2,554,568,951	2,048,544,694
ESLA Proceeds	5,520,426,421	2,554,568,951	2,048,544,694
Energy Debt Recovery Levy	2,658,837,324	1,345,932,030	835,074,045
Public Lighting Levy	257,010,774	110,426,325	110,426,325
National Electrification Scheme Levy	171,459,157	73,176,374	73,176,374
Price Stabilisation & Recovery Levy	802,164,392	200,541,098	306,421,169
Delta Fund	1,108,706,417	560,482,015	490,996,290
Pollution and Sanitation Levy	522,248,357	264,011,110	232,450,491
DOMESTIC REVENUE	141,552,710,996	63,277,216,422	58,667,179,853
GRANTS	2,403,726,536	1,442,238,000	632,844,980
Project Grants	2,403,726,536	1,442,238,000	632,844,980
Programme Grants	0	0	0
TOTAL REVENUE & GRANTS	143,956,437,532	64,719,454,422	59,300,024,834
Memorandum items			
Taxes on Income and Property (% of GDP)	7.5	3.1	3.0
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.5	2.6	2.9
Taxes on Goods and Services (% of GDP)	5.6	2.6	2.6
Taxes on International Trade (% of GDP)	1.7	0.8	0.8
Tax Revenue (Net of Tax Refunds, % of GDP)	14.0	6.2	6.0
Non-Oil Tax Revenue (Net of Tax Refunds, % of non-oil GDP)	13.7	6.0	6.2
Non-Oil Tax Revenue (Gross, % of GDP)	13.2	5.7	6.0
Non-Tax Revenue (% of GDP)	2.9	1.3	1.0
Domestic Revenue (% of GDP)	17.7	7.9	7.3
Non-Oil Domestic Revenue	14.7	6.4	6.6
Grants (% of GDP)	0.5	0.2	0.1
Total Oil Receipts	23,454,581,079	11,727,290,539	5,948,808,364
Non-Oil Tax Revenue (Gross)	105,998,727,723	46,019,897,176	47,938,250,046
Non-Oil Tax Revenue (Net)	99,638,804,060	43,258,703,345	45,073,776,741
Non-oil Taxes on Income and Property	47,094,115,683	18,573,738,952	21,001,279,370
Benchmark Oil Revenue	17,627,069,591	8,813,534,795	3,755,764,500
Non-Oil Public Revenue ¹	111,946,987,125	48,679,099,808	50,104,826,796
Nominal GDP	800,920,526,493	800,920,526,493	800,920,526,493
Non-Oil Nominal GDP	726,625,397,882	726,625,397,882	726,625,397,882

¹ Excl. Grants, Oil Revenue, Social Security Contributions and ESLA proceeds

Appendix 2B: Economic Classification of Central Gov't Revenue - H1 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
<i>in percent of GDP</i>			
TAX REVENUE	14.0	6.2	6.0
TAXES ON INCOME & PROPERTY	7.5	3.1	3.0
Personal	2.1	0.9	1.0
PAYE	2.0	0.8	1.0
Self Employed	0.1	0.0	0.1
Companies	3.0	1.1	1.3
Company Taxes on Oil	1.1	0.5	0.2
Others	1.3	0.6	0.4
Other Direct Taxes	0.9	0.4	0.3
o/w Royalties from Oil	0.5	0.3	0.1
o/w Mineral Royalties	0.3	0.2	0.2
National Fiscal Stabilisation Levy	0.3	0.1	0.0
Finsec clean-up Levy	0.0	0.0	0.0
Airport Tax	0.1	0.0	0.1
TAXES ON DOMESTIC GOODS AND SERVICES	5.6	2.6	2.6
Excises	0.8	0.4	0.3
Excise Duty	0.1	0.1	0.1
Petroleum Tax	0.6	0.3	0.3
o/w Energy Fund levy	0.0	0.0	0.0
o/w Road Fund levy	0.3	0.2	0.1
VAT	3.0	1.4	1.4
Domestic	1.9	0.9	0.8
External	1.0	0.5	0.6
National Health Insurance Levy (NHIL)	0.6	0.3	0.3
Customs Collection	0.2	0.1	0.1
Domestic Collection	0.4	0.2	0.2
GETFund Levy	0.6	0.3	0.3
Customs Collection	0.2	0.1	0.1
Domestic Collection	0.4	0.2	0.2
Communication Service Tax	0.1	0.0	0.0
E-Transaction Levy	0.3	0.1	0.1
Covid-19 Health Levy	0.3	0.2	0.1
TAXES ON INTERNATIONAL TRADE	1.7	0.8	0.8
Imports	1.7	0.8	0.8
Import Duty	1.7	0.8	0.8
Tax Refunds	-0.8	-0.3	-0.4
SOCIAL CONTRIBUTIONS	0.1	0.0	0.1
NON-TAX REVENUE	2.9	1.3	1.0
Retention	1.3	0.6	0.5
Lodgement	1.6	0.8	0.5
Fees & Charges	0.1	0.1	0.1
Dividend/Interest & Profits (Others)	0.1	0.0	0.0
Dividend/Interest & Profits from Oil	1.3	0.7	0.4
Surface Rentals from Oil/PHF Interest	0.0	0.0	0.0
Property Rate Collection	0.0	0.0	0.0
Yield from Capping Policy	0.0	0.0	0.0
OTHER REVENUE	0.7	0.3	0.3
ESLA Proceeds	0.7	0.3	0.3
Energy Debt Recovery Levy	0.3	0.2	0.1
Public Lighting Levy	0.0	0.0	0.0
National Electrification Scheme Levy	0.0	0.0	0.0
Price Stabilisation & Recovery Levy	0.1	0.0	0.0
Delta Fund	0.1	0.1	0.1
Pollution and Sanitation Levy	0.1	0.0	0.0
DOMESTIC REVENUE	17.7	7.9	7.3
GRANTS	0.3	0.2	0.1
Project Grants	0.3	0.2	0.1
Programme Grants	0.0	0.0	0.0
TOTAL REVENUE & GRANTS	18.0	8.1	7.4
Memorandum items			
Taxes on Income and Property (% of GDP)	7.5	3.1	3.0
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.5	2.6	2.9
Taxes on Goods and Services (% of GDP)	5.6	2.6	2.6
Taxes on International Trade (% of GDP)	1.7	0.8	0.8
Tax Revenue (Net of Tax Refunds, % of GDP)	14.0	6.2	6.0
Non-Oil Tax Revenue (Net of Tax Refunds, % of non-oil GDP)	13.7	6.0	6.2
Non-Oil Tax Revenue (Gross, % of GDP)	13.2	5.7	6.0
Non-Tax Revenue (% of GDP)	2.9	1.3	1.0
Domestic Revenue (% of GDP)	17.7	7.9	7.3
Non-Oil Domestic Revenue	14.7	6.4	6.6
Grants (% of GDP)	0.5	0.2	0.1
Total Oil Receipts	2.9	1.5	0.7
Non-Oil Tax Revenue (Gross)	13.2	5.7	6.0
Non-Oil Tax Revenue (Net)	12.4	5.4	5.6
Non-oil Taxes on Income and Property	5.9	2.3	2.6
Benchmark Oil Revenue	2.2	1.1	0.5
Non-Oil Public Revenue ¹	14.0	6.1	6.3

¹ Excl. Grants, Oil Revenue, Social Security Contributions and ESLA proceeds

Appendix 2C: Economic Classification of Central Gov't Expenditure (Commitment Basis) - H1 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1 + Q2	2023 Prov. Q1 + Q2
Compensation of Employees	45,522,728,119	22,761,364,060	23,884,219,778
Wages & Salaries	39,263,480,707	19,631,740,354	21,206,942,804
Social Contributions	6,259,247,412	3,129,623,706	2,677,276,974
Pensions	1,859,701,576	929,850,788	899,677,934
Gratuities	447,078,484	223,539,242	221,985,961
Social Security	3,952,467,352	1,976,233,676	1,555,613,079
Use of Goods and Services	8,578,823,367	4,115,140,768	4,716,416,531
o/w Non-ABFA	4,877,138,753	2,264,298,461	2,963,221,677
o/w ABFA	3,701,684,614	1,850,842,307	1,753,194,854
Interest Payment	52,550,368,539	28,586,802,164	15,144,365,940
Domestic	31,297,838,102	17,952,541,082	14,341,932,426
External (Due)	21,252,530,437	10,634,261,081	802,433,513
Subsidies	350,548,297	80,216,439	37,141,522
Subsidies to Utility Companies	0	0	0
Subsidies on Petroleum products	350,548,297	80,216,439	37,141,522
Grants to Other Government Units	30,078,760,145	13,462,186,326	12,968,157,020
National Health Fund (NHF)	2,500,279,651	1,141,872,954	1,070,398,759
Ghana Education Trust Fund (GETF)	1,869,563,281	825,615,830	795,398,759
Road Fund	1,004,863,042	443,756,488	427,515,252
Energy Fund	24,077,202	10,632,707	10,243,556
Dist. Ass. Common Fund	4,554,034,657	1,993,228,743	1,903,040,640
o/w ABFA	616,947,436	308,473,718	131,451,757
Ghana Infrastructure Fund (ABFA Capex)	1,727,452,820	863,726,410	368,064,921
Retention of Internally-Generated Funds (IGFs)	10,627,615,268	4,704,498,620	4,391,986,682
Transfer to the National Oil Company from Oil Revenue	2,345,833,321	1,035,940,931	1,383,151,167
Other Earmarked Funds	5,425,040,903	2,442,913,642	2,618,357,283
Youth Employment Agency	345,400,636	156,764,117	143,410,606
Student's Loan Trust Fund	3,149,054	1,390,650	1,339,753
Ghana EXIM Bank Ltd	181,800,456	80,284,704	77,346,329
Ghana Airport Company Ltd.	877,790,000	326,294,779	554,140,182
Mineral Development Fund	205,064,274	90,558,213	87,243,834
Mineral Income Investment Fund	820,257,094	362,232,854	348,975,337
GRA Retention	2,989,164,122	1,424,321,721	1,404,873,675
Plastic Waste Recycling Fund	2,415,268	1,066,604	1,027,567
Social Benefits	545,070,000	272,535,000	221,691,204
Lifeline Consumers of Electricity	150,000,000	75,000,000	0
Transfers for Social Protection (LEAP)	395,070,000	197,535,000	221,691,204
Other Expenditure	26,739,907,256	7,113,954,928	3,625,928,549
ESLA Transfers	3,087,307,256	1,529,534,728	1,681,943,975
Energy Sector Payment Shortfalls	23,652,600,000	5,584,420,200	1,943,984,573
Capital Expenditure	26,546,185,584	16,604,056,902	7,906,948,676
Domestic Financed	10,537,633,612	5,056,578,318	1,868,442,798
o/w MDAs Non-ABFA CAPEX	4,244,769,769	1,910,146,396	475,339,355
o/w MDAs ABFA CAPEX	6,292,863,844	3,146,431,922	1,393,103,443
o/w ABFA-Financed Accra Tema Motorway Project	1,975,000,000		
Foreign Financed	16,008,551,971	11,547,478,584	6,038,505,878
TOTAL EXPENDITURE & NET LENDING	190,912,391,306	92,996,256,585	68,504,869,218
APPROPRIATION	227,721,182,960	110,014,706,819	75,546,267,140
Total Expenditure (Commitment)	190,912,391,306	92,996,256,585	68,504,869,218
Clearance of Arrears (Net)	14,435,333,333	7,217,666,667	4,038,498,282
Amortisation	22,373,458,321	9,800,783,567	3,002,899,641
Memorandum items:			
Compensation of Employees	5.7	2.8	3.0
Wage and Salaries	4.9	2.5	2.6
Wage and Salaries (% of Tax Revenue)	34.9	2.5	2.8
Goods and Services	1.1	0.5	0.6
Interest Payments	6.6	3.6	1.9
Subsidies	0.0	0.0	0.0
Recurrent Expenditure	18.4	8.6	6.6
Capital Expenditure	3.3	2.1	1.0
Total Capital Expenditure (including those under Grants to other Gov't Units)	4.5	2.6	1.5
Total Expenditure	23.8	11.6	8.6
Total Capital Exp (incl those under Grants to other Gov't Units)	35,747,583,280	20,733,871,623	11,808,685,267
ABFA CAPEX	8,637,264,099	4,318,632,050	1,840,324,605
Annual Budget Funding Amount (ABFA)	12,338,948,713	6,169,474,357	2,629,035,150
Benchmark Oil Revenue	17,627,069,591	8,813,534,795	3,755,764,500
Nominal GDP	800,920,526,493	800,920,526,493	800,920,526,493
Non-Oil Nominal GDP	726,625,397,882	726,625,397,882	726,625,397,882

Appendix 2C: Economic Classification of Central Gov't Expenditure (Commitment Basis) - H1 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Prog. Q1+Q2	2023 Prov. Q1+Q2
Compensation of Employees	5.7	2.8	3.0
Wages & Salaries	4.9	2.5	2.6
Social Contributions	0.8	0.4	0.3
Pensions	0.2	0.1	0.1
Gratuities	0.1	0.0	0.0
Social Security	0.5	0.2	0.2
Use of Goods and Services	1.1	0.5	0.6
o/w Non-ABFA	0.6	0.3	0.4
o/w ABFA	0.5	0.2	0.2
Interest Payment	6.6	3.6	1.9
Domestic	3.9	2.2	1.8
External (Due)	2.7	1.3	0.1
Subsidies	0.0	0.0	0.0
Subsidies to Utility Companies	0.0	0.0	0.0
Subsidies on Petroleum products	0.0	0.0	0.0
Grants to Other Government Units	3.8	1.7	1.6
National Health Fund (NHF)	0.3	0.1	0.1
Ghana Education Trust Fund (GETF)	0.2	0.1	0.1
Road Fund	0.1	0.1	0.1
Energy Fund	0.0	0.0	0.0
Dist. Ass. Common Fund	0.6	0.2	0.2
o/w ABFA	0.1	0.0	0.0
Ghana Infrastructure Fund (ABFA Capex)	0.2	0.1	0.0
Retention of Internally-Generated Funds (IGFs)	1.3	0.6	0.5
Transfer to the National Oil Company from Oil Revenue	0.3	0.1	0.2
Other Earmarked Funds	0.7	0.3	0.3
Youth Employment Agency	0.0	0.0	0.0
Student's Loan Trust Fund	0.0	0.0	0.0
Ghana EXIM Bank Ltd	0.0	0.0	0.0
Ghana Airport Company Ltd.	0.1	0.0	0.1
Mineral Development Fund	0.0	0.0	0.0
Mineral Income Investment Fund	0.1	0.0	0.0
GRA Retention	0.4	0.2	0.2
Plastic Waste Recycling Fund	0.0	0.0	0.0
Social Benefits	0.1	0.0	0.0
Domestic Financed	1.3	0.6	0.2
o/w MDAs Non-ABFA CAPEX	0.5	0.2	0.1
o/w MDAs ABFA CAPEX	0.8	0.4	0.2
o/w ABFA-Financed Accra Tema Motorway Project	0.2	0.0	0.0
Foreign Financed	2.0	1.4	0.8
TOTAL EXPENDITURE & NET LENDING	23.8	11.6	8.6
APPROPRIATION	28.4	13.7	9.4
Total Expenditure (Commitment)	23.8	11.6	8.6
Clearance of Arrears (Net)	1.8	0.9	0.5
Amortisation	2.8	1.2	0.4
Memorandum items:			
Compensation of Employees	5.7	2.8	3.0
Wage and Salaries	4.9	2.5	2.6
Goods and Services	1.1	0.5	0.6
Interest Payments	6.6	3.6	1.9
Subsidies	0.0	0.0	0.0
Recurrent Expenditure	18.4	8.6	6.6
Capital Expenditure	3.3	2.1	1.0
Total Capital Expenditure (including those under Grants to other Gov't Units)	4.5	2.6	1.5
Total Expenditure	23.8	11.6	8.6
Total Capital Exp (incl those under Grants to other Gov't Units)	4.5	2.6	1.5
ABFA CAPEX	1.1	0.5	0.2
Annual Budget Funding Amount (ABFA)	1.5	0.8	0.3
Benchmark Oil Revenue	2.2	1.1	0.5

Appendix 3A: Summary of Central Government Operations - Revised 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
I. REVENUES		
Total Revenue & Grants	143,956,437,532	134,912,606,013
(per cent of GDP)	18.0	15.8
Domestic Revenue	141,552,710,996	132,438,418,310
Tax Revenue	112,357,901,731	108,481,763,898
Taxes on Income and Property	59,813,213,354	52,875,516,633
Personal	16,536,358,232	18,740,031,919
Company Taxes	23,947,401,904	22,741,189,104
Company Taxes on Oil	8,589,676,365	3,702,887,178
Other Direct Taxes	10,739,776,853	7,691,408,433
Taxes on Domestic Goods and Services	44,888,824,961	47,572,632,268
Excises	6,333,937,923	6,520,752,485
VAT	23,715,017,064	26,180,027,573
National Health Insurance Levy (NHIL)	4,644,363,009	5,129,006,911
GETFund Levy	4,644,363,009	5,129,006,911
Communication Service Tax	782,286,974	938,050,102
E-Transaction Levy	2,235,108,261	1,111,284,831
Covid-19 Health Levy	2,533,748,723	2,564,503,455
International Trade Taxes	14,015,787,079	14,617,669,695
Import Duties	14,015,787,079	14,617,669,695
Tax Refunds	-6,359,923,663	-6,584,054,698
Social Contributions	630,716,370	666,770,898
Non-Tax Revenue	23,043,666,473	17,769,457,093
Other Revenue	5,520,426,421	5,520,426,421
Grants	2,403,726,536	2,474,187,703
Project Grants	2,403,726,536	1,887,087,703
II. EXPENDITURE		
Total Expenditure	190,912,391,306	183,864,039,275
(percent of GDP)	23.8	21.5
Compensation of Employees	45,522,728,119	51,346,295,029
Wages & Salaries	39,263,480,707	45,020,519,839
(percent of GDP)	4.9	5.3
Social Contributions	6,259,247,412	6,325,775,190
Use of Goods and Services	8,578,823,367	8,578,823,367
Interest Payment	52,550,368,539	44,866,243,609
Domestic	31,297,838,102	27,796,680,847
External	21,252,530,437	17,069,562,762
Subsidies	350,548,297	350,548,297
Grants to Other Government Units	30,078,760,145	30,996,290,530
Social Benefits	545,070,000	545,070,000
Other Expenditure	26,739,907,256	26,739,907,256
o/w Energy Sector Payment Shortfalls	23,652,600,000	23,652,600,000
Capital Expenditure	26,546,185,584	20,440,861,187
Domestic Financed	10,537,633,612	10,537,633,612
Foreign Financed	16,008,551,971	9,903,227,574
Discrepancy	0	0
Overall Balance (Commitment, incl. discrepancy)	-46,955,953,775	-48,951,433,261
(percent of GDP)	-5.9	-5.7
Primary Balance (Commitment, incl. discrepancy)	5,594,414,764	-4,085,189,652
(percent of GDP)	0.7	-0.5
Payables/Arrears Clearance (Net)	-14,435,333,333	-6,000,000,000
Overall Balance (Cash)	-61,391,287,108	-54,951,433,261
(percent of GDP)	-7.7	-6.4

Appendix 3A: Summary of Central Government Operations - Revised 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
Financing	61,391,287,108	54,951,433,261
Foreign (net)	-868,632,885	8,973,264,880
Borrowing	21,504,825,435	25,116,139,871
Project Loans	13,604,825,435	8,016,139,871
Programme Loans	7,900,000,000	17,100,000,000
Amortisation (due)	-22,373,458,321	-16,142,874,991
Exceptional Financing/Other Financing Sources	64,216,524,718	0
Domestic (net)	0	46,871,760,392
Banking	0	46,871,760,392
Bank of Ghana	0	0
Comm. Banks	0	46,871,760,392
Non-banks	0	0
Other Domestic	0	0
Ghana Petroleum Funds	-1,586,436,263	-724,534,063
Transfer to Ghana Petroleum Funds	-5,288,120,877	-2,415,113,543
o/w Stabilisation Fund	-3,701,684,614	-1,690,579,480
o/w Heritage Fund	-1,586,436,263	-724,534,063
Net Transfer from Ghana Stabilisation Fund	3,701,684,614	1,690,579,480
Sinking Fund	-370,168,461	-169,057,948
Contingency Fund	0	0
Memorandum items		
Domestic Revenue	141,552,710,996	132,438,418,310
(percent of GDP)	17.7	15.5
Domestic expenditure	122,353,470,796	129,094,568,091
(percent of GDP)	15.3	15.1
Domestic Primary Balance	19,199,240,200	3,343,850,219
(percent of GDP)	2.4	0.4
Primary Balance (Commitment)	5,594,414,764	-4,085,189,652
(percent of GDP)	0.7	-0.5
Primary Balance (Cash)	-8,840,918,569	-10,085,189,652
(percent of GDP)	-1.1	-1.2
Non-oil Primary Balance	-32,295,499,648	-21,583,826,435
(percent of GDP)	-4.0	-2.5
Overall Balance (Commitment, incl. discrepancy)	-46,955,953,775	-48,951,433,261
(percent of GDP)	-5.9	-5.7
Overall Balance (Cash, discrepancy)	-61,391,287,108	-54,951,433,261
(percent of GDP)	-7.7	-6.4
Oil Revenue	23,454,581,079	11,498,636,783
(percent of GDP)	2.9	1.3
Non-Oil Revenue and Grants	120,501,856,453	123,413,969,230
(percent of GDP)	15.0	14.4
Benchmark Oil Revenue	17,627,069,591	8,050,378,477
(percent of GDP)	2.2	0.9
Annual Budget Funding Amount (ABFA)	12,338,948,713	5,635,264,934
(percent of GDP)	1.5	0.7
Nominal GDP	800,920,526,493	854,834,485,106
Non-Oil Nominal GDP	726,625,397,882	803,093,335,992

Appendix 3A: Summary of Central Government Operations - Revised 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
<i>in percent of GDP</i>		
I. REVENUES		
Total Revenue & Grants	18.0	15.8
Domestic Revenue	17.7	15.5
Tax Revenue	14.0	12.7
Taxes on Income and Property	7.5	6.2
Personal	2.1	2.2
Company Taxes	3.0	2.7
Company Taxes on Oil	1.1	0.4
Other Direct Taxes	1.3	0.9
Taxes on Domestic Goods and Services	5.6	5.6
Excises	0.8	0.8
VAT	3.0	3.1
National Health Insurance Levy (NHIL)	0.6	0.6
GETFund Levy	0.6	0.6
Communication Service Tax	0.1	0.1
E-Transaction Levy	0.3	0.1
Covid-19 Health Levy	0.3	0.3
International Trade Taxes	1.7	1.7
Import Duties	1.7	1.7
Export Duties	0.0	0.0
Tax Refunds	-0.8	-0.8
Social Contributions	0.1	0.1
Non-Tax Revenue	2.9	2.1
Other Revenue	0.7	0.6
Grants	0.3	0.3
Project Grants	0.3	0.2
Programme Grants	0.0	0.1
II. EXPENDITURE		
Total Expenditure	25.6	22.2
Total Expenditure	23.8	21.5
Compensation of Employees	5.7	6.0
Wages & Salaries (percent of GDP)	4.9	5.3
Social Contributions	0.0	0.0
Social Contributions	0.8	0.7
Use of Goods and Services	1.1	1.0
Interest Payment	6.6	5.2
Domestic	3.9	3.3
External	2.7	2.0
Subsidies	0.0	0.0
Grants to Other Government Units	3.8	3.6
Social Benefits	0.1	0.1
Other Expenditure	3.3	3.1
o/w Energy Sector Payment Shortfalls	3.0	2.8
Capital Expenditure	3.3	2.4
Domestic Financed	1.3	1.2
Foreign Financed	2.0	1.2
Discrepancy	0.0	0.0
Overall Balance (Commitment, incl. discrepancy)	-5.9	-5.7
Primary Balance (Commitment, incl. discrepancy)	0.7	-0.5
Payables/Arrears Clearance (Net)	-1.8	-0.7
Overall Balance (Cash)	-7.7	-6.4
Financing	7.7	6.4
Foreign (net)	-0.1	1.0
Borrowing	2.7	2.9
Project Loans	1.7	0.9
Programme Loans	1.0	2.0
Sovereign (Eurobonds, Green Bonds, Term Loans, Others)	0.0	0.0
Amortisation (due)	-2.8	-1.9
Exceptional Financing/Other Financing Sources	8.0	0.0
Domestic (net)	0.0	5.5
Banking	0.0	5.5
Bank of Ghana	0.0	0.0
Comm. Banks	0.0	5.5
Non-banks	0.0	0.0
Other Domestic	0.0	0.0
Ghana Petroleum Funds	-0.2	-0.1
Transfer to Ghana Petroleum Funds	-0.7	-0.3
o/w Stabilisation Fund	-0.5	-0.2
o/w Heritage Fund	-0.2	-0.1
Net Transfer from Ghana Stabilisation Fund	0.5	0.2
Sinking Fund	0.0	0.0
Contingency Fund	0.0	0.0
Memorandum items		
Domestic Revenue	17.7	15.5
Domestic expenditure	15.3	15.1
Domestic Primary Balance	2.4	0.4
Primary Balance (Commitment)	0.7	-0.5
Primary Balance (Cash)	-1.1	-1.2
Primary Balance (Cash, excl. IPP & FinSec)	1.8	1.6
Non-oil Primary Balance	-4.0	-2.5
Overall Balance (Commitment)	-5.9	-5.7
Overall Balance (Cash, discrepancy)	-7.7	-6.4
Oil Revenue	2.9	1.3
Non-Oil Revenue and Grants	15.0	14.4
Benchmark Oil Revenue	2.2	0.9
Annual Budget Funding Amount (ABFA)	1.5	0.7

Appendix 3B: Economic Classification of Central Gov't Revenue - Revised 2023 Revised 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
TAX REVENUE	112,357,901,731	108,481,763,898
TAXES ON INCOME & PROPERTY	59,813,213,354	52,875,516,633
Personal	16,536,358,232	18,740,031,919
PAYE	15,680,269,986	17,827,056,108
Self Employed	856,088,246	912,975,810
Companies	23,947,401,904	22,741,189,104
Company Taxes on Oil	8,589,676,365	3,702,887,178
Others	10,739,776,853	7,691,408,433
Other Direct Taxes	7,268,371,307	5,143,995,313
o/w Royalties from Oil	4,129,421,307	2,169,037,578
o/w Mineral Royalties	2,547,100,000	2,564,503,455
National Fiscal Stabilisation Levy	2,216,389,230	1,111,284,831
Finsec Clean-up Levy	377,226,317	228,057,164
Airport Tax	877,790,000	1,208,071,126
TAXES ON DOMESTIC GOODS AND SERVICES	44,888,824,961	47,572,632,268
Excises	6,333,937,923	6,520,752,485
Excise Duty	1,186,563,556	1,391,745,574
Petroleum Tax	5,147,374,367	5,129,006,911
o/w Energy Fund levy	59,812,506	63,540,000
o/w Road Fund levy	2,496,277,494	2,651,640,000
VAT	23,715,017,064	26,180,027,573
Domestic	15,611,812,578	16,096,689,702
External	8,103,204,485	10,083,337,871
National Health Insurance Levy (NHIL)	4,644,363,009	5,129,006,911
Customs Collection	1,498,393,727	2,051,602,764
Domestic Collection	3,145,969,282	3,077,404,146
GETFund Levy	4,644,363,009	5,129,006,911
Customs Collection	1,498,393,727	2,051,602,764
Domestic Collection	3,145,969,282	3,077,404,146
Communication Service Tax	782,286,974	938,050,102
E-Transaction Levy	2,235,108,261	1,111,284,831
Covid-19 Health Levy	2,533,748,723	2,564,503,455
TAXES ON INTERNATIONAL TRADE	14,015,787,079	14,617,669,695
Imports	14,015,787,079	14,617,669,695
Import Duty	14,015,787,079	14,617,669,695
Tax Refunds	-6,359,923,663	-6,584,054,698
SOCIAL CONTRIBUTIONS	630,716,370	666,770,898
NON-TAX REVENUE	23,043,666,473	17,769,457,093
Retention	10,627,615,268	10,627,615,268
Lodgement	12,416,051,205	7,141,841,825
Fees & Charges	941,894,247	941,894,247
Dividend/Interest & Profits (Others)	403,690,462	403,690,462
Dividend/Interest & Profits from Oil	10,719,649,513	5,618,335,427
Surface Rentals from Oil/PHF Interest	15,833,895	8,376,600
Property Rate Collection	165,438,000	0
Yield from Capping Policy	169,545,089	169,545,089
OTHER REVENUE	5,520,426,421	5,520,426,421
ESLA Proceeds	5,520,426,421	5,520,426,421
Energy Debt Recovery Levy	2,658,837,324	2,658,837,324
Public Lighting Levy	257,010,774	257,010,774
National Electrification Scheme Levy	171,459,157	171,459,157
Price Stabilisation & Recovery Levy	802,164,392	802,164,392
Delta Fund	1,108,706,417	1,108,706,417
Pollution and Sanitation Levy	522,248,357	522,248,357
DOMESTIC REVENUE	141,552,710,996	132,438,418,310
GRANTS	2,403,726,536	2,474,187,703
Project Grants	2,403,726,536	1,887,087,703
Programme Grants	0	587,100,000
TOTAL REVENUE & GRANTS	143,956,437,532	134,912,606,013
Memorandum items		
Taxes on Income and Property (% of GDP)	7.5	6.2
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.5	5.9
Taxes on Goods and Services (% of GDP)	5.6	5.6
Taxes on International Trade (% of GDP)	1.7	1.7
Tax Revenue (Net of Tax Refunds, % of GDP)	14.0	12.7
Non-Oil Tax Revenue (Net of Tax Refunds, % of non-oil GDP)	13.7	12.8
Non-Oil Tax Revenue (Gross, % of GDP)	13.2	12.8
Non-Tax Revenue (% of GDP)	2.9	2.1
Domestic Revenue (% of GDP)	17.7	15.5
Non-Oil Domestic Revenue	14.7	14.1
Grants (% of GDP)	0.5	0.5
Total Oil Receipts	23,454,581,079	11,498,636,783
Non-Oil Tax Revenue (Gross)	105,998,727,723	109,193,893,840
Non-Oil Tax Revenue (Net)	99,638,804,060	102,609,839,142
Non-oil Taxes on Income and Property	47,094,115,683	47,003,591,877
Benchmark Oil Revenue	17,627,069,591	8,050,378,477
Non-Oil Public Revenue ¹	111,946,987,125	114,752,584,207
Nominal GDP	800,920,526,493	854,834,485,106
Non-Oil Nominal GDP	726,625,397,882	803,093,335,992

¹ Excl. grants, oil revenue, social security contributions and ESLA proceeds

Appendix 3B: Economic Classification of Central Gov't Revenue - Revised 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
<i>in percent of GDP</i>		
TAX REVENUE	14.0	12.7
TAXES ON INCOME & PROPERTY	7.5	6.2
Personal	2.1	2.2
PAYE	2.0	2.1
Self Employed	0.1	0.1
Companies	3.0	2.7
Company Taxes on Oil	1.1	0.4
Others	1.3	0.9
Other Direct Taxes	0.9	0.6
o/w Royalties from Oil	0.5	0.3
o/w Mineral Royalties	0.3	0.3
National Fiscal Stabilisation Levy	0.3	0.1
Finsec clean-up Levy	0.0	0.0
Airport Tax	0.1	0.1
TAXES ON DOMESTIC GOODS AND SERVICES	5.6	5.6
Excises	0.8	0.8
Excise Duty	0.1	0.2
Petroleum Tax	0.6	0.6
o/w Energy Fund levy	0.0	0.0
o/w Road Fund levy	0.3	0.3
VAT	3.0	3.1
Domestic	1.9	1.9
External	1.0	1.2
National Health Insurance Levy (NHIL)	0.6	0.6
Customs Collection	0.2	0.2
Domestic Collection	0.4	0.4
GETFund Levy	0.6	0.6
Customs Collection	0.2	0.2
Domestic Collection	0.4	0.4
Communication Service Tax	0.1	0.1
E-Transaction Levy	0.3	0.1
Covid-19 Health Levy	0.3	0.3
TAXES ON INTERNATIONAL TRADE	1.7	1.7
Imports	1.7	1.7
Import Duty	1.7	1.7
Tax Refunds	-0.8	-0.8
SOCIAL CONTRIBUTIONS	0.1	0.1
NON-TAX REVENUE	2.9	2.1
Retention	1.3	1.2
Lodgement	1.6	0.8
Fees & Charges	0.1	0.1
Dividend/Interest & Profits (Others)	0.1	0.0
Dividend/Interest & Profits from Oil	1.3	0.7
Surface Rentals from Oil/PHF Interest	0.0	0.0
Property Rate Collection	0.0	0.0
Yield from Capping Policy	0.0	0.0
OTHER REVENUE	0.7	0.6
ESLA Proceeds	0.7	0.6
Energy Debt Recovery Levy	0.3	0.3
Public Lighting Levy	0.0	0.0
National Electrification Scheme Levy	0.0	0.0
Price Stabilisation & Recovery Levy	0.1	0.1
Delta Fund	0.1	0.1
Pollution and Sanitation Levy	0.1	0.1
DOMESTIC REVENUE	17.7	15.5
GRANTS	0.3	0.3
Project Grants	0.3	0.2
Programme Grants	0.0	0.1
TOTAL REVENUE & GRANTS	18.0	15.8
Memorandum items		
Taxes on Income and Property (% of GDP)	7.5	6.2
Non-oil Taxes on Income and Property (% of non-oil GDP)	6.5	5.9
Taxes on Goods and Services (% of GDP)	5.6	5.6
Taxes on International Trade (% of GDP)	1.7	1.7
Tax Revenue (Net of Tax Refunds, % of GDP)	14.0	12.7
Non-Oil Tax Revenue (Net of Tax Refunds, % of non-oil GDP)	13.7	12.8
Non-Oil Tax Revenue (Gross, % of GDP)	13.2	12.8
Non-Tax Revenue (% of GDP)	2.9	2.1
Domestic Revenue (% of GDP)	17.7	15.5
Non-Oil Domestic Revenue	14.7	14.1
Grants (% of GDP)	0.5	0.5
Total Oil Receipts	2.9	1.3
Non-Oil Tax Revenue (Gross)	13.2	12.8
Non-Oil Tax Revenue (Net)	12.4	12.0
Non-oil Taxes on Income and Property	5.9	5.5
Benchmark Oil Revenue	2.2	0.9
Non-Oil Public Revenue ¹	14.0	13.4

¹ Excl. grants, oil revenue, social security contributions and ESLA proceeds

Appendix 3C: Economic Classification of Central Gov't Expenditure (Commitment Basis) - Revised 2023 (GH¢)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
II EXPENDITURE		
Compensation of Employees	45,522,728,119	51,346,295,029
Wages & Salaries	39,263,480,707	45,020,519,839
Social Contributions	6,259,247,412	6,325,775,190
Pensions	1,859,701,576	1,879,467,820
Gratuities	447,078,484	451,830,355
Social Security	3,952,467,352	3,994,477,015
Use of Goods and Services	8,578,823,367	8,578,823,367
o/w Non-ABFA	4,877,138,753	6,888,243,887
o/w ABFA	3,701,684,614	1,690,579,480
Interest Payment	52,550,368,539	44,866,243,609
Domestic	31,297,838,102	27,796,680,847
External (Due)	21,252,530,437	17,069,562,762
Subsidies	350,548,297	350,548,297
Subsidies to Utility Companies	0	0
Subsidies on Petroleum products	350,548,297	350,548,297
Grants to Other Government Units	30,078,760,145	30,996,290,530
National Health Fund (NHF)	2,500,279,651	4,271,999,992
Ghana Education Trust Fund (GETF)	1,869,563,281	2,381,451,277
Road Fund	1,004,863,042	1,076,087,352
Energy Fund	24,077,202	25,785,774
Dist. Ass. Common Fund	4,554,034,657	4,331,611,751
o/w ABFA	616,947,436	281,763,247
Ghana Infrastructure Fund (ABFA Capex)	1,727,452,820	788,937,091
Retention of Internally-Generated Funds (IGFs)	10,627,615,268	10,627,615,268
Transfer to the National Oil Company from Oil Revenue	2,345,833,321	1,399,370,634
Other Earmarked Funds	5,425,040,903	6,093,431,392
Youth Employment Agency	345,400,636	416,017,463
Student's Loan Trust Fund	3,149,054	3,806,791
Ghana EXIM Bank Ltd	181,800,456	387,250,869
Ghana Airport Company Ltd.	877,790,000	1,208,071,126
Mineral Development Fund	205,064,274	208,145,128
Mineral Income Investment Fund	820,257,094	832,580,511
GRA Retention	2,989,164,122	3,035,124,588
Plastic Waste Recycling Fund	2,415,268	2,434,917
Social Benefits	545,070,000	545,070,000
Lifeline Consumers of Electricity	150,000,000	150,000,000
Transfers for Social Protection (LEAP)	395,070,000	395,070,000
Other Expenditure	26,739,907,256	26,739,907,256
ESLA Transfers	3,087,307,256	3,087,307,256
Covid-19 Related Expenditures		
Energy Sector Payment Shortfalls	23,652,600,000	23,652,600,000
Finsec	0	0
Capital Expenditure	26,546,185,584	20,440,861,187
Domestic Financed	10,537,633,612	10,537,633,612
o/w MDAs Non-ABFA CAPEX	4,244,769,769	7,663,648,496
o/w MDAs ABFA CAPEX	6,292,863,844	2,873,985,116
o/w ABFA-Financed Accra Tema Motorway Project	1,975,000,000	1,425,000,000
Foreign Financed	16,008,551,971	9,903,227,574
TOTAL EXPENDITURE & NET LENDING	190,912,391,306	183,864,039,275
APPROPRIATION	227,721,182,960	206,006,914,265
Total Expenditure (Commitment)	190,912,391,306	183,864,039,275
Clearance of Arrears (Net)	14,435,333,333	6,000,000,000
Amortisation	22,373,458,321	16,142,874,991
Memorandum items:		
Compensation of Employees	5.7	6.0
Wage and Salaries	4.9	5.3
Wage and Salaries (% of Tax Revenue)	34.9	41.5
Goods and Services	1.1	1.0
Interest Payments	6.6	5.2
Subsidies	0.0	0.0
Recurrent Expenditure	18.4	17.2
Capital Expenditure	3.3	2.4
Total Capital Expenditure (including those under Grants to other Gov't Units)	4.5	3.3
Total Expenditure	23.8	21.5
Total Capital Exp (incl those under Grants to other Gov't Units)	35,747,583,280	28,422,827,670
ABFA CAPEX	8,637,264,099	3,944,685,454
Annual Budget Funding Amount (ABFA)	12,338,948,713	5,635,264,934
Benchmark Oil Revenue	17,627,069,591	8,050,378,477
Nominal GDP	800,920,526,493	854,834,485,106
Non-Oil Nominal GDP	726,625,397,882	803,093,335,992

Appendix 3C: Economic Classification of Central Gov't Expenditure (Commitment Basis) - Revised 2023 (percent of GDP)

<i>In GH¢ unless otherwise stated</i>	2023 Budget	2023 Revised Budget
<i>in percent of GDP</i>		
II EXPENDITURE		
Compensation of Employees	5.7	6.0
Wages & Salaries	4.9	5.3
Social Contributions	0.8	0.7
Pensions	0.2	0.2
Gratuities	0.1	0.1
Social Security	0.5	0.5
Use of Goods and Services	1.1	1.0
o/w Non-ABFA	0.6	0.8
o/w ABFA	0.5	0.2
Interest Payment	6.6	5.2
Domestic	3.9	3.3
External (Due)	2.7	2.0
Subsidies	0.0	0.0
Subsidies to Utility Companies	0.0	0.0
Subsidies on Petroleum products	0.0	0.0
Grants to Other Government Units	3.8	3.6
National Health Fund (NHF)	0.3	0.5
Ghana Education Trust Fund (GETF)	0.2	0.3
Road Fund	0.1	0.1
Energy Fund	0.0	0.0
Dist. Ass. Common Fund	0.6	0.5
o/w ABFA	0.1	0.0
Ghana Infrastructure Fund (ABFA Capex)	0.2	0.1
Retention of Internally-Generated Funds (IGFs)	1.3	1.2
Transfer to the National Oil Company from Oil Revenue	0.3	0.2
Other Earmarked Funds	0.7	0.7
Youth Employment Agency	0.0	0.0
Student's Loan Trust Fund	0.0	0.0
Ghana EXIM Bank Ltd	0.0	0.0
Ghana Airport Company Ltd.	0.1	0.1
Mineral Development Fund	0.0	0.0
Mineral Income Investment Fund	0.1	0.1
GRA Retention	0.4	0.4
Plastic Waste Recycling Fund	0.0	0.0
Social Benefits	0.1	0.1
Domestic Financed	1.3	1.2
o/w MDAs Non-ABFA CAPEX	0.5	0.9
o/w MDAs ABFA CAPEX	0.8	0.3
o/w ABFA-Financed Accra Tema Motorway Project	0.2	0.2
TOTAL EXPENDITURE & NET LENDING	23.8	21.5
APPROPRIATION	28.4	24.1
Total Expenditure (Commitment)	23.8	21.5
Clearance of Arrears (Net)	1.8	0.7
Amortisation	2.8	1.9
Memorandum items:		
Compensation of Employees	5.7	6.0
Wage and Salaries	4.9	5.3
Goods and Services	1.1	1.0
Interest Payments	6.6	5.2
Subsidies	0.0	0.0
Recurrent Expenditure	18.4	17.2
Capital Expenditure	3.3	2.4
Total Capital Expenditure (including those under Grants to other Gov't Units)	4.5	3.3
Total Expenditure	23.8	21.5
Total Capital Exp (incl those under Grants to other Gov't Units)	4.5	3.3
ABFA CAPEX	1.1	0.5
Annual Budget Funding Amount (ABFA)	1.5	0.7
Benchmark Oil Revenue	2.2	0.9

Appendix 4A: Monetary Indicators (GH¢ Millions)

Indicator	Levels (GH¢ Millions)			(Year- on- Year)					
				As at end-Jun 2021	As at end-Jun 2022		As at end-Jun 2023		
	Jun. 2021	Jun. 2022	Jun. 2023	Abs	%	Abs	%	Abs	%
Reserve Money	36,063.64	48,237.98	62,343.44	10,516.81	41.17	12,174.34	33.76	14,105.46	29.24
Narrow Money (M1)	59,921.11	66,917.35	96,097.32	11,236.43	23.08	6,996.24	11.68	29,179.97	43.61
Broad Money (M2)	94,210.69	106,488.56	150,070.56	17,258.85	22.43	12,277.87	13.03	43,582.00	40.93
Broad Money (M2+)	121,891.32	145,156.93	209,620.61	21,392.41	21.29	23,265.61	19.09	64,463.68	44.41
Currency with the Public	18,556.97	22,102.32	31,238.50	3,739.53	25.24	3,545.35	19.11	9,136.18	41.34
Demand Deposits	41,364.14	44,815.03	64,858.82	7,496.90	22.14	3,450.89	8.34	20,043.79	44.73
Savings & Time Deposits	34,289.58	39,571.21	53,973.24	6,022.42	21.31	5,281.63	15.40	14,402.03	36.40
Foreign Currency Deposits	27,680.63	38,668.37	59,550.05	4,133.56	17.55	10,987.74	39.69	20,881.68	54.00
Sources of M2+									
Net Foreign Assets (NFA)	25,384.55	(7,470.94)	649.46	3,496.21	15.97	(32,855.49)	(129.43)	8,120.40	(108.69)
BOG	25,033.84	(6,401.93)	(13,750.49)	4,575.16	22.36	(31,435.77)	(125.57)	(7,348.56)	114.79
DMBs	350.71	(1,069.01)	14,399.95	(1,078.95)	(75.47)	(1,419.72)	(404.81)	15,468.95	(1,447.04)
Net Domestic Assets (NDA)	96,506.78	152,627.87	208,971.16	17,896.21	22.77	56,121.10	58.15	56,343.28	36.92
Claims on Government (net)	63,281.84	96,441.19	137,161.10	9,605.52	17.90	33,159.35	52.40	40,719.91	42.22
BOG	19,340.81	51,437.82	82,951.81	(2,373.32)	(10.93)	32,097.01	165.95	31,513.99	61.27
DMBs	43,941.03	45,003.37	54,209.29	11,978.84	37.48	1,062.34	2.42	9,205.91	20.46
Claims on Public Sector	7,634.80	8,457.33	7,675.22	1,650.24	27.57	822.52	10.77	(782.10)	(9.25)
BOG	2,839.65	2,255.50	920.91	1,787.92	170.00	(584.15)	(20.57)	(1,334.59)	(59.17)
DMBs	4,795.15	6,201.82	6,754.31	(137.68)	(2.79)	1,406.67	29.34	552.49	8.91
Claims on Private Sector	43,387.05	57,856.53	74,117.64	2,862.35	7.06	14,469.48	33.35	16,261.11	28.11
BOG	643.60	695.58	7,746.68	155.69	31.91	51.98	8.08	7,051.10	1,013.71
DMBs	42,743.45	57,160.95	66,370.96	2,706.66	6.76	14,417.51	33.73	9,210.01	16.11
Other Items (Net) (OIN) \2	(17,796.91)	(10,127.18)	(9,982.80)	3,778.10	(17.51)	7,669.74	(43.10)	144.37	(1.43)
o/w BOG OMO (Sterilisation)	(4,535.30)	(4,583.13)	(27,273.48)	3,710.41	(45.00)	(47.83)	1.05	(22,690.35)	495.08

Appendix 4B: Sectoral Distribution of Bank Outstanding Credit

Sector	Levels (GH¢ Millions)			Year -On-Year Variation					
	Jun-21	Jun-22	Jun-23	As at end-Jun. 2021		As at end-Jun. 2022		As at end- Jun. 2023	
				Abs	%	Abs	%	Abs	%
a Public Sector	4,795.15	6,201.82	6,754.31	(137.68)	(2.79)	1,406.67	29.34	552.49	8.91
b Private Sector	42,743.45	57,160.95	66,370.96	2,706.66	6.76	14,417.51	33.73	9,210.01	16.11
Agric.,For. & Fish.	1,531.59	2,044.45	2,619.62	(604.29)	(28.29)	512.86	33.49	575.17	28.13
Export Trade	164.58	245.42	474.92	(41.73)	(20.23)	80.85	49.12	229.50	93.51
Manufacturing	5,184.87	6,034.83	7,739.05	231.27	4.67	849.95	16.39	1,704.23	28.24
Trans.,Stor., & Comm.	3,287.86	3,101.12	3,770.45	(44.74)	(1.34)	(186.74)	(5.68)	669.33	21.58
Mining & Quarrying	1,051.28	1,330.25	2,489.31	(230.89)	(18.01)	278.97	26.54	1,159.06	87.13
Import Trade	1,178.18	1,931.37	4,904.19	(204.93)	(14.82)	753.19	63.93	2,972.82	153.92
Construction	4,077.50	5,964.24	6,503.67	613.73	17.72	1,886.74	46.27	539.44	9.04
Commerce & Finance	8,130.46	10,926.74	9,828.76	1,078.72	15.30	2,796.27	34.39	(1,097.97)	(10.05)
Elect.,Gas & Water	2,077.25	2,629.65	2,606.11	(488.47)	(19.04)	552.40	26.59	(23.54)	(0.90)
Services	12,889.29	19,084.41	21,235.79	2,306.16	21.79	6,195.12	48.06	2,151.38	11.27
Miscellaneous	3,170.59	3,868.48	4,199.07	91.84	2.98	697.89	22.01	330.59	8.55
c Grand Total	47,538.60	63,362.78	73,125.27	2,568.97	5.71	15,824.18	33.29	9,762.49	15.41

Appendix 5: Global Economic Growth Rates for Selected Countries (%)

No.	REGION/COUNTRY	2018	2019	2020	2021	2022	2023	2024
	WORLD	3.6	2.8	-3.0	6.0	3.4	2.8	3.0
1	ADVANCED ECONOMIES	2.3	1.7	-4.4	5.2	2.7	1.3	1.4
1.1	United Kingdom	1.7	1.7	-9.3	7.4	4	-0.3	1
1.2	USA	2.9	2.3	-3.4	5.7	2.1	1.6	1.1
1.3	EURO Area	1.8	1.6	-6.1	5.2	3.5	0.8	1.4
1.4	Korea Republic	2.9	2.2	-7	4.1	2.6	1.5	2.4
1.5	Japan	0.6	-0.4	4.6	1.7	1.1	1.3	1
2	EMERGING MARKETS & DEVELOPING ECONOMIES	4.6	3.6	-0.2	6.6	4.0	3.9	4.2
2.1	Brazil	1.8	1.2	-3.9	4.6	2.9	0.9	1.5
2.2	Russia	2.8	2.2	-2.7	4.7	-2.1	0.7	1.3
2.3	India	6.5	3.7	-6.6	8.7	6.8	5.9	6.3
2.4	China	6.5	6	2.2	8.1	3	5.2	4.5
3	AFRICA							
3.1	SUB-SAHARAN AFRICA	3.3	3.2	-1.6	4.7	3.9	3.6	4.2
3.1.1	ETHIOPIA	7.7	9	6.1	6.3	6.4	6.1	6.4
3.1.2	SOUTH AFRICA	1.5	0.3	-6.3	4.9	2	0.1	1.8
3.1.3	RWANDA	8.6	9.5	-3.4	10.9	6.8	6.2	7.5
3.1.4	KENYA	5.7	5.1	-0.3	7.5	5.4	5.3	5.4
3.1.5	MAURITIUS	3.8	3	-14.9	4	8.3	4.6	4.1
3.2	ECOWAS	3.6	3.5	-0.6	4.4	3.9	3.8	4.2
3.2.1	GHANA	6.2	6.5	0.5	5.4	3.2	1.6	2.9
3.2.2	NIGERIA	1.9	2.2	-1.8	3.6	3.3	3.2	3
3.2.3	IVORY COAST	6.9	6.2	2	7	6.7	6.2	6.6

Appendix 6A: Ghana - Performance Criteria and Indicative Targets Under the Extended Credit Facility, 2023-2024

Item	2023			2024
	June Performance Criteria	September Performance Criteria	December Performance Criteria	March
Performance Criteria:				
Net international reserves of the Bank of Ghana, cumulative change floor (millions of U.S. dollars) ¹	-98.5	270.7	655.0	107.0
Bank of Ghana claims on the Central Government and public entities, cumulative change ceiling (billions of cedis) ^{2,7}	0.0	0.0	0.0	0.0
Present value of newly contracted or guaranteed external debt by the central government and public entities, cumulative ceiling (millions of cedis) ^{4,8}	66.2	66.2	66.2	84.7
Primary fiscal balance of the Central Government, commitment basis, cumulative floor (millions of cedis) ^{4,5}	-4,008.4	-5,756.4	-4,607.1	1,392.3
Non-accumulation of external debt payments arrears by the Central Government and the Bank of Ghana, continuous ceiling (millions of U.S. dollars) ⁶	0.0	0.0	0.0	0.0
Newly contracted collateralized debt by the central government and public entities, continuous cumulative ceiling (millions of U.S. dollars) ⁸	0.0	0.0	0.0	0.0
Monetary Policy Consultation Clause				
Twelve-month consumer price inflation (percent)				
Outer band (upper limit)	48.1	45.6	33.4	30.9
Inner band (upper limit)	45.1	43.6	31.4	28.9
Central target rate	42.1	40.6	29.4	26.9
Inner band (lower limit)	39.1	37.6	27.4	24.9
Outer band (lower limit)	36.1	35.6	25.4	22.9
Indicative Targets:				
Non-oil public revenue, cumulative floor (millions of Cedis) ⁴	49,843	79,871	116,365	32,952
Social spending, cumulative floor (millions of cedis) ^{4,7}	2,034	3,051	4,068	1,298
Net change in the stock of payables of the Central Government and of payables to IPPs, ceiling (million of cedis)	0	0	0	0

Sources: Ghanaian authorities; and IMF staff estimates and projections.

¹ Evaluated at program exchange rates as defined in the Technical Memorandum of Understanding (TMU), differently from the figures in Table 1 of the Staff Report, cumulative change since January 1

² Cumulative change since the beginning of the program

³ Quarterly average of daily balances; bank reserves in foreign currency are converted using program exchange rates as defined in the TMU; not directly comparable to figures in Table 3 of the Staff Report.

⁴ Cumulative from January 1

⁵ Includes net change of payables of the Central Government reported in GIFMIS

⁶ Accumulation of new arrears since previous test date.

⁷ Public entities comprise of (i) Tema Oil Refinery; (ii) Ghana National Petroleum Company; (iii) Ghana National Gas Company; (iv) Volta River Authority; and (v) Electricity Company of Ghana; (vi) GRIDCO; (vii) Ghana Water Company Limited; (viii) GIIF; (ix) Ghana Educational Trust Fund (GETFund/Daakye); (x) ESLA PLC; (xi) Road Fund; (xii) MIIF/Ashanti Gold Corporation; (xiii) Cocobod; (xiv) GIADEC; and (xv) BOST

⁸ Public entities comprise of (i) Tema Oil Refinery; (ii) Ghana National Petroleum Company; (iii) Ghana National Gas Company; (iv) Volta River Authority; and (v) Electricity Company of Ghana; (vi) GRIDCO; (vii) Ghana Water Company Limited; (viii) GIIF; (ix) Ghana Educational Trust Fund (GETFund/Daakye); (x) ESLA PLC; (xi) Road Fund; (xii) MIIF/Ashanti Gold Corporation; (xiii) Cocobod (excl. the annual syndicated trade financing facility); (xiv) GIADEC; and (xv) BOST

Appendix 6B: Structural Benchmarks Under the Extended Credit Facility, 2023-2024

No.	Structural Benchmarks	Objective	Date
1	Finalize the comprehensive stock-take of payables accumulated by all MDAs, design a payable clearance plan and lay out a structural reform plan to reduce future accumulation of arrears.	<i>Get clarity on the current situation regarding stock of payables of the central government (including statutory funds) and ensure that payables are cleared with appropriate prioritization and in a timely manner</i>	End-June 2023
2	Finalize strategy to strengthen the financial sector and rebuild financial institutions' buffers in collaboration with Fund staff. The strategy will lay out steps and timelines to (i) address the impact of the domestic debt exchange and the ongoing macroeconomic challenges on the financial system, including by rebuilding financial sector buffers by the end of the program; and (ii) complete the legacy tasks from the 2017-19 financial sector cleanup.	<i>Promote financial stability and bolster financial sector contribution to medium-term growth</i>	End-June 2023
3	Publish the updated Energy Sector Recovery Plan , after Cabinet approval, with well-identified measures and timelines in the following areas: (i) removal of subsidies, (ii) reduction in transmission and distribution losses, (iii) improvement in recoveries, (iv) a credible solution to cut idle capacity cost (including excess capacity as well as reserve margin), and (v) improvement in operational performance of SOEs. These will have been established in consultation with Fund staff.	<i>Sustainably reduce losses in the energy sector</i>	End-June 2023
4	Publish a strategy - after cabinet approval - to streamline statutory funds. The strategy should include the following: (i) Key findings of the review process for each statutory fund; (ii) Assessment of whether these funds served the stated purpose; and (iii) Well-articulated reasons to support retaining statutory funds (and not merging them under the line ministry - this should justify why the line ministry cannot serve the objectives of statutory fund).	<i>Reduce budget expenditure rigidities</i>	End-September 2023
5	Publish a medium-term revenue strategy - approved by cabinet - that is consistent with the agreed fiscal adjustment under the program, delivers permanent non-oil public revenue increase of at least 1.5 pp of GDP over the 2024-27 period, and clearly identifies measures related to tax policy, compliance and administration (with estimated yields and timelines). These will have been established in consultation with Fund staff.	<i>Enable revenue-based fiscal adjustment and increase fiscal space for development spending</i>	End-September 2023
6	Approve plans of all banks, negotiated during the previous quarters, to rebuild capital buffers and initiate corrective actions on institutions whose plans are not deemed credible.	<i>Promote financial stability and bolster financial sector contribution to medium-term growth</i>	End-September 2023
7	Introduce an indexation mechanism of the benefits under the Livelihood Empowerment Against Poverty , approved by Cabinet, to ensure the benefits value is not eroded by inflation.	<i>Strengthen the social safety net and protect the most vulnerable from the impact of inflation.</i>	End-September 2023
8	Operationalize the Integrated Tax Administration System by completing: (i) procurement of the system, (ii) data migration from other portals (including E-VAT and GITMIS), (iii) Appraisal of current situation and verification of requirements (data checks) (iv) Implementation of the functionality of VAT (v) Implementation of the functionality of CIT (vi) Implementation of the functionality of PIT	<i>Fundamentally and sustainably improve tax administration</i>	End-December 2023
9	Expand GIFMIS infrastructure to 265 IGF-reliant institutions with all the available functionalities	<i>Strengthen budget execution, commitment control and reporting</i>	End-December 2023



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