

Cabinet approves GH¢2.3bn recapitalisation plan for NIB

BY KINGSLEY ASARE

CABINET has approved government's GH¢2.3 billion for the recapitalising of the National Investment Bank (NIB), says Finance Ministry, Dr Mohammed Amin Adam.

Dr Adam said government for the start would allocate GH¢400 million to the bank before the end of this month.

Briefing the media on Friday, in Accra, on the government's efforts to give the state bank a new lease of life, he said there were plans to strengthen the "governance structure and operational efficiency" of the bank to ensure that the recapitalisation exercise yielded the desired results.

Dr Adam said that was not the first time NIB was going through similar challenges and requiring support, adding there was the need to strengthen the governance and



• Dr Mohammed Amin Adam (head of table) addressing the press conference Photo: Ebo Gorman

operation efficiency of the bank.

NIB, the country's first development bank, was established in 1963 primarily to promote rapid industrialisation in all sectors of the Ghanaian economy.

Currently, the bank, with branches in major part of the country, is going through challenges due to lack of capital injection by the

state.

In a related development, the Finance Minister said the government had initiated the Small and Medium-sized Enterprises (SMEs) and Opportunity Growth Programme which was expected to be launched by the President, Nana Addo Dankwa Akufo-Addo, on July 16, 2024.

He said SMEs in Ghana accounted for 92 per cent of existing companies, 85 per cent of manufacturing jobs and 70 per cent of Gross Domestic Product.

"Within that context, our SMEs represent a significant opportunity for providing growth and employment that is sustainable, inclusive, and impactful," Dr Adam stated.

He said the SME Growth and Opportunity Programme was being designed to consolidate ongoing SME support programmes and offer better-targeted support to a select number of companies that had the potential to transition from SMEs to large businesses under the 'SME Champions' initiative.

The Finance Minister said the programme would be coordinated by the Ministry of Finance and the Ministry of Trade and Industry and the Ghana Enterprises Agency (GEA), Ghana EXIM Bank, and the Development Bank Ghana (DBG), which work with PFIs, and would offer tailored technical and financial support to programme beneficiaries.

Dr Adam said the programme framework prioritised targeted interventions, loan recovery, technical training and handholding support for beneficiaries. Additionally, financing instruments, such as loans, equity investments, and interest subsidies, will be provided through multi-faceted funding sources so that we can reach our desired goal of creating "SME champions" over the near term.