

# Ghana to receive \$1.2b to stabilise the Cedi

By Jennifer Ambolley

**G**hana is set to receive US\$1.2 billion from its Development Partners, namely the International Monetary Fund (IMF), the World Bank and the African Development Bank (ADB) to further stabilise the local currency, the Cedi.

According to the Ministry of Finance, the Cedi has been largely stabilised since early 2023 against the major trading currencies, even though “we are seeing some pressures on the cedi in the foreign exchange market between the official and the forex markets.”

## State of the economy

The Minister of Finance, Dr. Mohammed Amin Adam, made this known at a news conference on the state of the economy in Accra yesterday.

“The Cedi’s stability continued from 2023 into 2024, with a cumulative depreciation of 6.8% as at 20th March, 2024 compared to 22.1% recorded in the same period in 2023. We encourage the Bank of Ghana to continue with its intervention to sustain the stability of the currency”, he added.

Dr Amin Adam bemoaned that the exchange rate had witnessed some pressures in the last few weeks due mainly to the strengthening of the US Dollar against major trading currencies.

Additionally, “payments made for energy and corporate sectors, compounded by the delays with the disbursement of the 2nd tranche of the cocoa loan and the World Bank DPO1 have placed further pressures on the cedi”, he complained.

According to him, these pressures have been mitigated somewhat by the continued inflows from remittances and mining companies, and from the domestic gold purchase programme.

“Additional planned disbursements from ongoing projects will also support our growth interventions and strengthen the currency”, the minister said.

In this vein, the Ministry requested that the Parliament approved the US\$150 million World Bank facility for the GARID project to enhance flood protection at the local level.

## Ghana to sign MoU with Creditors

The Finance Minister also announced that the Government of Ghana was on the brink of a significant financial milestone as it prepares to formalize an agreement with its Official Creditors under the G20 Common Framework.

The comprehensive Debt Treatment Beyond the Debt Service Suspension Initiative, announced on 12th January 2024, is set to be enshrined in a Memorandum of Understanding (MoU) between Ghana and its Official Creditors.

“The Government on 12th January 2024 announced that it has reached an agreement with its Official Creditors under the G20 Common Framework, on a comprehensive Debt Treatment.

## Beyond the Debt Service Suspension Initiative

“The terms of the agreed debt treatment are expected to be formalised in a Memorandum of Understanding between Ghana and Official Creditors, which will then be implemented through bilateral agreements with each member of the Official Creditor Committee”, he told the media.

This Memorandum of Understanding will serve as the blueprint for implementing the agreed-upon debt treatment, with bilateral agreements expected to be established with each member of the Official Creditor Committee (OCC), co-chaired by France



Dr. Mohammed Amin Adam, Minister for Finance

and China.

The OCC agreement represents a crucial step towards restoring Ghana’s long-term debt sustainability, aligning with the targets outlined by the International Monetary Fund (IMF) programme.

As Ghana progresses towards financial stability, the Minister explained that the final phase of restructuring involves addressing the commercial debt, particularly focusing on the Eurobonds.

He continued that the recent approval of the First Review by the IMF Board and the agreement with Official Creditors have paved the way for intensified engagement with bondholders.

With counterproposals from two bondholder groups already received, the Government is gearing up for extensive discussions with bondholder representatives in the coming weeks.

## Medium-Term Macroeconomic Outlook

Dr. Amin Adam emphasised that the country’s medium-term macroeconomic outlook and prospects remain positive and favourable stating that the Real GDP growth rate has been programmed to increase from a provisional 2.9% at the end of 2023 to 5% by 2027;

Also, “The primary balance on commitment basis is projected to improve from a provisional deficit of 0.3% of GDP in 2023 to surplus of 0.5% of GDP in 2024 and 1.5% of GDP from 2025 to 2027; Public debt is expected to return to sustainable trajectory by 2028 with the present value of public debt to GDP ratio reducing to 55% by end 2028”, he added.

Dr. Amin Adam disclosed that Inflation is projected to return to the medium-term band of 8±2% by 2025 down from the inflation rate of 23.2% at the end of December, 2023.

The Gross International Reserves, the minister said are expected to improve to reach 4.4 months of import cover by 2027 up from the 2023 reserve position of 2.7 months of import cover.

The Minister stated that the government will continue to implement strong and ambitious structural reforms in the areas of tax policy, revenue administration, public financial management to address structural weaknesses and enhance our resilience to shocks.

“Government will aggressively pursue its

growth strategy with the objective of progressively reviving Ghana’s industrialisation drive, modernize agriculture with focus on value-addition to create

economic and employment opportunities. Emphasis will be placed on SME growth and financing to promote job creation”, he concluded.

## Ghana Revenue Authority

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## DOMESTIC TAX REVENUE DIVISION

### FILING OF PERSONAL INCOME TAX (PIT) RETURNS BY NEWLY REGISTERED SELF-EMPLOYED TAXPAYERS

The Domestic Tax Revenue Division (DTRD) of the Ghana Revenue Authority (GRA) is undertaking an exercise to assist newly identified self-employed / individual taxpayers in the Greater Accra region to file their Personal Income Tax (PIT) returns online.

This exercise is currently on-going in the Greater Accra region and it is aimed at encouraging voluntary tax compliance amongst taxpayers, especially self-employed.

GRA officers have therefore been officially assigned to various self-employed taxpayers to assist them in the filing of their PIT returns. These officers can either be identified by their staff identity cards or a branded GRA jacket.

We therefore entreat the general public to offer the needed assistance and cooperation to the GRA Team who will be visiting their business premises to carry out this exercise.

The GRA can be reached by email on [info@gra.gov.gh](mailto:info@gra.gov.gh), by WhatsApp on 0552-990-000 and 0200-631-664, call Toll-free number 0800-900-110 or visit the nearest Taxpayer Service Centre (TSC) for further clarification.

COMMISSIONER-GENERAL

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