National Budget

2012 Budget Highlights

Commentary

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"Infrastructural Development for Accelerated Growth and Job Creation"

The 2012 Budget Statement and Economic Policy was delivered to Parliament on Wednesday 16 November 2011 by Dr. Kwabena Duffuor, Minister of Finance and Economic Planning

Outlined in this publication are some of the principal matters in the Budget Statement:

In this issue

- *Commentary*
- *Overall summary*
- *The Economy*
- *Direct Taxation and VAT*
- *Customs and Excise*
- *Sectoral Outlook*
- *Glossary*

We will point out that in prior years, changes have often been made to proposals in the Budget Statement before the relevant bills have been published and enacted

Macroeconomic policies that the Government has pursued over the last few years, have shown positive results; a sustained drop in inflation to single digit, a relatively stable currency against the major trading currencies and an improved budget deficit position (September 2011). This gives a solid basis for Ghana to optimise its potential as an emerging lower middle income economy.

There is evidence of a sustained growth in Gross Domestic Product (GDP) from 4.0% in 2009 to 13.6% in 2011. The increased access to credit, falling trends in lending rates and increased foreign direct investments all suggest increased investor confidence in the domestic market and an improving economic environment. It is no surprise that the International Monetary Fund (IMF) considers Ghana as one of the fastest growing economies in the world today.

Interim data on implementation of the 2011 Budget over the first 3 quarters indicate that revenues were above the budget target by 8.4 % while expenditures remained lower than the budget estimate by 1.2 %.

The question is how sustainable is the improvement in fiscal/economic performance given that most of the critical subsectors such as manufacturing, financial services, agriculture, and hospitality did not achieve their 2011 targets? What measures has Government put in place to shore up these sectors and not be over reliant on the Oil and Gas (O&G) sub-sector to drive the accelerated growth and job creation agenda?

The 2012 Budget, which is the fourth for the current administration, seeks to answer these questions focusing on infrastructure development as the take off point.

It is estimated that meeting Ghana's infrastructure needs over the next ten years would cost approximately US$1.6 billion per year. For 2012, Government plans are underpinned by infrastructure investments across various sectors including O&G, power, transport, roads and highways, water, housing, education, health and services.

The real economy for the various sectors grew by 4.2% for Services, 2.8% for Agriculture and 32% for Industry (due to Oil and Gas).

The 2012 Budget also highlights the traction gained on stabilisation of the fiscal policy and showcases the continued tax reforms in both the personal and corporate tax arena, healthcare, food and agriculture sectors.

Reforms/Initiatives

The 2012 Budget includes several reforms and policy initiatives designed to create an enabling environment for infrastructure development, the inclusion of the private sector, especially Small and Medium Enterprises (SMEs) and various revenue enhancement measures.

In the light of the recent set backs with major infrastructure projects (e.g. STX, Accra-Kumasi Road Dualisation, the Gang of Six), it is imperative that planned initiatives to reduce infrastructural deficit using the US$ 3 billion China Development Bank (CDB) facility should be diligently and expeditiously executed to achieve the desired impact .

Government recently launched its policy document on Public Private Partnerships (PPP) for major projects. This policy framework should facilitate infrastructural development. It is vital that Government consistently applies these policies to win the confidence and trust of the private sector.

The sustained efforts of Government to deepen the activities of SMEs are commendable. SMEs are a catalyst to growth and require significant attention. Government plans to promote SME listing on the Ghana Stock Exchange and initiatives by the Trade Ministry to provide access to credit by way of grants are all steps in the right direction.

In response to the global economic downturn and Government is placing increasing reliance on internal funds, and this year's Budget reflects further proposals to increase revenue mobilisation through taxation. The extractive industry, mining companies in particular, would be most impacted by the reforms.

A tax amnesty is being introduced in 2012 to Encourage those taxpayers outside the tax net into the mainstream, bring structure to the informal
sector, and to increase tax revenues. We note that the grace period allowed this time around is nine months which is an additional three months compared to the 2006 amnesty grace period of six months.

The resident individual tax payer thresholds have been widened for PAYE and this is expected to result in increased disposable income for employees and possibly enhanced standard of living for wage earners.

Commentary

Continuing with Government's revenue mobilisation strategies in this year's budget is the ***proposed transfer pricing*** legislation. This should guide multinationals on their cross border transactions with related parties and will affect the corporate income taxes as well as the VAT payable by multinationals in Ghana.

The 2012 Budget also provides for the exemption of Capital Gains Tax on stocks traded on the GSE for another five years. The strategy with this initiative is to encourage transactions on the stock exchange and in the long term make the securities market more vibrant and fluid.

Corporate Ghana is again delighted to note the adoption of some of their recommendations in the 2012 budget, including;

- Repeal of the National Fiscal Stabilisation Levy;
- Prompt refund of VAT credits with guidelines and timelines;
- The consolidation of all tax laws into a single legislation;
- Introduction of a mechanism for offsetting tax credit balances against other tax types (e.g. VAT credit against corporate tax payable);
- Adoption of appropriate measures to ensure that tax holidays serve as true incentives and are not abused by recipients;
- Exemption of sub-contractors in the oil and gas industry from VAT or alternatively including them within the scope of the VAT relief purchase orders, currently available to contractors only.

Perhaps responding to public opinion, the Budget Statement has provided for a windfall profit tax for the mining sector and also increased the corporate income tax rate for mining companies to 35%. These new taxes ostensibly would cover all mining companies including those with Stabilisation Agreements, a scenario which would not augur well for investor confidence.

The 2012 Budget has set the stage for Ghana's growth. Given the reported achievements of 2011, the targets set for 2012 should be realisable as they are rather conservative. Alongside this, Government should ensure strict fiscal discipline so as to sustain the gains achieved to date in light of the fact that 2012 is an election year.

In conclusion the Budget sets out the road map towards addressing the current infrastructure deficit. If successfully implemented it should make Ghana an attractive destination for foreign direct investments and also encourage domestic investments participation. This should assist in realising the desired accelerated economic growth , improved infrastructure and job creation.

2012 Budget Highlights

Overall Summary

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"Infrastructural Development for Job Creation"

The Economy

The theme for the 2012 Budget '***'Infrastructural Development for Accelerated Growth and Job Creation"*** is reflective of the Government of Ghana's continuing pursuit of its ''Better Ghana" agenda. The focus of the 2012 Budget is on the provision of key infrastructure in various sectors of the economy to stimulate growth and support the private sector to create more jobs to improve the incomes of Ghanaians.

It is also worth noting that Ghana has met all four convergence criteria (single digit inflation of 8.6%, external reserves of 3 months import cover, fiscal deficit excluding grants to GDP ratio of 1.9% and Central Bank financing 0%) for the West African Monetary Zone (WAMZ) as at June 2011 for the first time since the programme commenced in 2001.

2011 performance

Description	Target 2011	Projected outturn to end of 2011
Real GDP growth rate (excluding oil)	7.5%	8%
Real GDP growth rate (including oil)	14.4%	13.6%
12 month CPI inflation (average)	8.7%	9%
End of period inflation	9%	8.6%
Gross international reserves	Reserves not less than three months of import cover of goods and services	Reserves not less than three months of import cover of goods and services
Overall budget deficit	5.1% of GDP	4.8% of GDP

The performance of the economy during 2011 is determined by the key indicators shown below:
Source: 2012 GoG Budget Statement

A Debt Sustainability Analysis (DSA) showed that the solvency and liquidity conditions which demonstrate ability to service debt are favourable over the medium to long-term.

We believe however, that it would be prudent to manage the rate of growth of Ghana's external debt as there is a real opportunity to wean the country off donor funds with the expected inflows from oil revenue.

Economic objectives and policies for 2012 and the medium term

The 2012 Budget is aligned to Government's strategy as laid out in the Ghana Shared Growth and Development Agenda (GSGDA). In fiscal year 2012 –2014 Government's macroeconomic policy will focus on three complementary objectives, namely:

- Preserving the gains of macroeconomic stabilisation and fiscal consolidation achieved since 2009;
- Creating fiscal space for high-priority investments to spur long-term growth and development; and
- Maintaining inflation in single digits.

To achieve the above objectives, Government plans to maintain fiscal deficits at levels that can be prudently financed without crowding out private sector credit. There are also efforts to fill the country's large infrastructure gaps by accelerating and keeping consistent with the Ghana Shared Growth and Development Agenda (GSGDA).

The GSGDA 2012 – 2014 focuses on structural transformation of Ghana's economy through industrialisation, modernised agriculture and natural resource development.

The key infrastructural projects to be implemented in 2012 are consistent with GSGDA and are principally in the areas of:

- Electricity, Oil and Gas;
- Water and Sanitation;
- Railways, Roads, and Ports; and
- Health, Education, and Agriculture.

Fiscal year 2012 macroeconomic targets

Government seeks to maintain the fiscal consolidation achieved so far, notwithstanding that 2012 is an election year.

Overall Summary

The 2012 fiscal targets are broadly consistent with the targets for 2011.

The fiscal deficit targets for the year has an overarching aim of deficit reduction in both the oil and non-oil sectors of the economy. The fiscal deficit reduction will be achieved through:

- Further reforms in tax administration;
- Managing the wage bill and implications of the implementation of the Single Spine Pay Policy; and
- Controlling other recurrent expenditure.

Debt management outlook

In line with the rising public debt levels, there are plans to rationalise the domestic debt auction calendar and build higher benchmark bonds. Seven-Year and Ten-Year fixed rate bonds will be introduced in 2012 to extend the yield curve, aimed at reducing liquidity in the short-dated instruments.

Government intends to hedge interest rates through SWAP arrangements to allow for enhanced predictability of debt service obligations.

Petroleum Revenues – Outlook for 2012

The total revenue expected from crude oil sales in 2012 fiscal year is projected at GHS,1,239.82 million. This amount comprises royalty payments, income from Government carried and participating interest and corporate income tax as detailed below:

Description	Amount (GHS million)
Royalties	236.87
Carried and Participating Interest	618.84
Corporate Taxes	384.11
Total receipts	**1,239.82**

Government intends to submit to Parliament for approval, a proposal for the Annual Budget Financing Amount (ABFA) from oil revenues for fiscal year 2012 to be set at 70% of the benchmark revenue.

In line with section 21 (5) of the Petroleum Revenue Management Act (PRMA), the ABFA amount will be spent in the following four priority areas:

- Expenditure and amortisation of loans for oil and gas infrastructure;
- Road and other infrastructure;
- Agricultural modernisation; and
- Capacity building (including oil and gas).

Taxation

While recognising the strong revenue performance in 2011, Government plans to sustain its revenue mobilisation efforts in order to provide the required funding to close the country's infrastructural gap in 2012. To this end, Government has proposed a number of key initiatives aimed at enhancing revenue management, expanding the tax base and improving efficiency of tax administration.

Direct Taxation

Some key proposals and steps taken in light of the above objectives include the following:

- Increase in corporate tax rate of mining companies from 25% to 35%;
- A 10% windfall tax levy on mining companies;
- A uniform regime for capital allowances of 20% for five years for the mining sector, as is the case for the oil and gas industry;
- Widening of the personal income tax thresholds and brackets;
- Abolishment of the National Fiscal Stabilisation Levy;
- Reduction in the corporate tax rate for the hotels and hospitality industry from 22% to 20%; and
- Broadening of the tax net through the establishment of the Employment Income Tax Revenue Enhancing Project.

Value Added Tax

In an effort to improve efficiency in tax administration, the Government has raised the VAT registration threshold from an annual turnover of GHS90,000 to GHS120,000. Businesses with turnover less than GHS120,000 over the twelve month period will pay a presumptive tax of 6% of turnover.

Overall Summary

Customs & Excise

Some key policies are to be implemented to increase revenue generation from customs and excise duties. Against the back drop of increased revenue after the reduction of ad-valorem duties on alcoholic and non-alcoholic beverages to 2.5% in 2011, Government plans to further reduce the rate as the industry increases the use of local raw materials in production and further investments in capital, technology and employment of labour.

As a matter of priority, Government proposes to grant excise duty reduction on a sliding scale to companies using local materials as substitutes in the production of excisable goods.

Government also plans to reduce the environmental tax on plastic packaging materials in 2012, with exemptions for the pharmaceutical and agricultural sectors.

Other initiatives

- The Tax Administration Bill, Internal Revenue Bill, Customs, Excise and Preventive Bill and the VAT Amendment Bills are expected to be passed in 2012;
- Government has offered a nine-month tax amnesty commencing January 2012 to individuals and companies that have evaded taxes. During this period, the GRA also intends to conduct a registration and re-registration of tax payers as part of its efforts to increase the tax base;
- Government has extended the existing twenty year tax holiday of the Ghana Stock Exchange ("GSE") by five years to enable the GSE meet the industry capitalisation expectations. Similarly, Government has extended the Capital Gains Tax exemption for gains on sale of listed securities by a further five years in order to promote investments and deepen activities on the GSE;
- The GRA would adopt an accounting system to allow taxpayers offset tax refunds against other tax obligations;
- In order to track and account for containers and consignments arriving at the ports, a Ghana Integrated Cargo Clearance System (GICCS) is expected to be introduced by the GRA; and
- To improve revenue collection, Government, through the GRA plans to broaden the coverage of the database of prices of goods imported into the country. This is to serve as a basis for comparison with the Final Classification and Valuation Report (FCVR) issued by the Destination Inspection Companies (DIC).

Sectoral Outlook

Ministry of Food and Agriculture (MoFA)

For the year 2012, Government is focused on accelerating the modernisation of agriculture to transform the economy through the continuous introduction of technology. MoFA will continue with its mandate to implement programmes and projects in the Medium Term Agricultural Sector Investment Plan (METASIP).

A Fisheries College would be established at Anomabu in the Central Region in collaboration with the University of Cape Coast. In addition, a fish processing plant will be established at Elmina and the Marine Fisheries Research Division will also be rehabilitated.

Ministry of Energy

The Ministry will continue to pursue programmes and projects aimed at ensuring secure, safe and reliable supply of energy to meet Ghana's development needs.

The Rural Electrification Project will continue with it's aim of attaining universal access to electricity. Work is also expected to start on the construction of the Tema Natural Gas Secondary Network System which will distribute gas to Independent Power Producers (IPPs) and industrial facilities in the Tema zone.

The Ministry has procured a GHS80 million facility from local banks to be used to purchase cables and conductors from local manufacturers. This forms part of Government efforts to enhance local participation and local value addition.

Ministry of Trade and Industry

The Ministry aims to develop a vibrant technology driven and competitive industrial sector that significantly contributes to economic growth and employment creation.

One way the Government seeks to achieve this is via the Micro, Small and Medium Enterprises Development (MSME) project. The Ministry, through this project, will provide matching grants to businesses via the Business Development Services (BDS) Fund.

Ministry of Roads and Highways

The Ministry will maintain its present focus on routine and periodic maintenance activities. Accordingly, the Road Fund will ensure that projects are in the order of priority of routine maintenance, periodic maintenance, road safety and other works.

Government is committed to the implementation of the Eastern Roads Corridor project and will secure donor funding of US$1.5 billion to fully execute the project.

One of the proposed projects involves the construction of five new steel bridges to improve access from Volta Region to the Northern Region. Also, the construction of Burma Camp Road, Giffard and Maate Tsuru roads in the eastern corridor of Accra will commence.

Ministry of Water Resources, Works and Housing

The Ministry mainly intends to continue planned projects targeted at ensuring 68% of the Ghanaian population has access to safe water.

With respect to housing, Government will continue to ensure that the objectives of the National Housing Policy are achieved to support the private sector to increase housing delivery in the country and to improve mortgage affordability.

In addition, Government will continue to sustain the channel opening, widening and deepening of most drains at flood prone areas within the Accra-Tema Metropolis, other regional capitals and selected district capitals to improve upon the environment and to protect life and property.

Ministry of Transport

Government will continue to encourage private sector participation in the investment and management of aviation infrastructure and services.

The Ministry plans to seek Cabinet and Parliamentary approval to enable Ghana Civil Aviation Authority (GCAA) and Ghana Airports Company Limited (GACL) to have enough funds for infrastructure development.

Government plans to continue the Kotoka International Airport (KIA) Phase Three and Regional Airports Rehabilitation Projects.

With Government's effort to improve and modernise the railway system, it plans to complete the Railway Master Plan in 2012. Government plans to complete rail networks which have started while rehabilitating existing lines.

The reconstruction of the Western Line under the China Development Bank (CDB) facility will also commence in 2012.

To improve and enhance intra and intercity passenger bus services, the Ministry will continue to assist the Metro Mass Transit (MMT) and Inter-City STC (ISTC) to acquire new buses and also support the private sector to renew their fleet.

In the long term, Government should plan to establish assembly plants for these buses in strategic regional centres. This will ensure a consistent supply of buses with local technical support and parts to keep the system running.

Ministry of Environment, Science and Technology

Government aims to procure an additional 6,000 laptops for distribution and training of youth in assembling and repairs of ICT equipment. In addition, Government plans to support the use of local materials in the construction industry.

This is an area where collaboration with local companies would be beneficial. It will also allow Government to direct resources into specific ICT sub-sectors that it considers critical to the "Better Ghana" agenda.

Ministry of Communications

The Ministry will continue initiatives started in 2011 especially relating to the implementation of a number of e-applications that have been adopted to facilitate efficient and effective service delivery to the public.

Government also plans to promote the extension of voice, data and video services to rural and underserved areas. Special incentives will be offered existing Telecom companies to enable them realise positive returns on capital invested.

Overall Summary

Ministry of Tourism

Government plans to complete tourist facilities currently under construction to enhance patronage and boost revenue among beneficiary communities.

Also the Ministry plans to organise National Chocolate Day and World Tourism Day among others to generate foreign exchange and revenue for local communities, District Assemblies, boost businesses and local SMEs.

Ministry of Lands and Natural Resources

Government will continue with its objective of ensuring land and sustainable natural resources management for accelerated wealth creation.

Key activities for 2012 to be carried out include; decentralisation of land administration to the district level and building of staff capacities at all levels to facilitate integration in the delivery of land administration services.

In addition, Government will support small scale miners to improve their operational activities as well as identify and initiate Alternative Livelihood Projects in mining communities.

Also Government plans to develop Keta into a salt winning enclave for prospective investors. To this end, fiscal incentives will be provided to attract investors.

Other Policy Initiatives

Other key policy initiatives include:

- The US$3.0 billion facility from China Development Bank (CDB) will be utilised to reduce the infrastructure deficit of the country;
- Viability Gap Schemes will be used to provide financial support for Public Private Partnership ("PPP") projects that are economically essential but not commercially viable;
- The Ghana School Feeding Programme will be extended to cover an additional 500,000 pupils from the current 1,040,000; and
- Government will support the Ghana Stock Exchange to create an alternative market where simplified rules of entry will allow SMEs to list.

The Economy—Delivering the "Better Ghana" agenda through "Infrastructural Development for Accelerated Growth and Job Creation"

Globally, growth in quite a number of large economies stalled in 2011

Economies in the WAMZ generally performed very well, driven by strong growth in agricultural and industrial sectors.

Ghana out performed her peer WAMZ countries, meeting all four primary convergence criteria. Liberia is the only other country that satisfied all four criteria.

The three key planks of Ghana's medium term development strategy include: stability preservation Encouraging high priority investments single digit inflation

Ghana is now a lower middle income country

Overview

In 2011, the following key targets were set for economic performance:

- Real GDP growth (excluding oil) of 7.5% ;
- Real GDP growth (including oil) of 14.4% ;
- Average inflation of 8.7% ;
- End-period inflation of 9.0%;
- Fiscal balance of a deficit equivalent to 5.1% of GDP; and
- Gross international reserves equivalent of not less than 3 months of import cover of goods and services.

Based on provisional data at the end of the first three quarters of the year, expected out turns for 2011 are:

- Real GDP growth (including oil) of 13.6% ;
- Average inflation of 8.4% ;
- Fiscal balance of a deficit equivalent to 2.0% of GDP; and
- Gross international reserves equivalent to 3.6 months of import cover of goods and services.

These expected out turns indicate that Ghana would achieve its key economic performance targets for 2011

The World Economy

Growth prospects in, emerging and developing countries remained resilient in 2011 with many sub-Saharan African economies growing at rates close to their pre-crisis averages . Advanced economies in Europe and the US are projected to grow minimally on the assumption that policies will remain sufficiently strong to keep the financial turmoil under control.

The West African Monetary Zone (WAMZ)

Preliminary results from the half-year surveillance report prepared by the West African Monetary Institute (WAMI) indicates that the overall economic performance in the WAMZ remained strong with real GDP expected to expand by 8% in 2011, compared to 7.7 % in 2010. The strong growth in 2011 is being driven by increased activities in the agricultural and industrial sectors in member countries.

Ghana achieved single-digit inflation of 8.6%, external reserves of 3 months import cover, fiscal deficit excluding grants to GDP ratio of 1.9% and Central Bank financing of 0%.

However, there was no improvement in the performance on the secondary convergence criteria. Convergence performance of other WAMZ countries are: Liberia (4), The Gambia (3); Guinea (3); Nigeria (3); and Sierra Leone (2).

Economic development framework

Government continues to pursue the objectives of the "Ghana Shared Growth and Development Agenda" (GSGDA). In the medium term, Government's macroeconomic policy agenda is expected to focus on three complementary objectives:

- Preserving the gains of macroeconomic stabilisation and fiscal consolidation achieved since 2009;
- Making fiscal space for high-priority investments to spur long-term growth and development; and
- Maintaining single digit inflation.

Middle income country status

The rebasing and revision of the national accounts measurement in 2010 has raised Ghana's national income by more than 60%, moving the country to lower middle-income status.

Middle income status has its benefits as well as its drawbacks; the net position depends on how Government manages the country's total resource base and opportunities. However, middle income status may exclude Ghana from accessing some types of aid, especially grants and loans priced at concessionary rates.

Conversely, middle income status will make the country more visible to international investors, thereby attracting FDIs with its associated benefits of employment creation and an increment in the country's domestic capital in the short-to-medium term.

The Economy

Provisional estimates at September put real GDP growth at 13.6% and on track to achieve the 2012 target of 14.4%

Growth in the Industry Sector was phenomenal, powered by the commencement of production from the Jubilee Fields

While the Services Sector remains the largest contributor to GDP at 43.1%, key sub-sectors such as Financial Intermediation shrank by as much as 11%

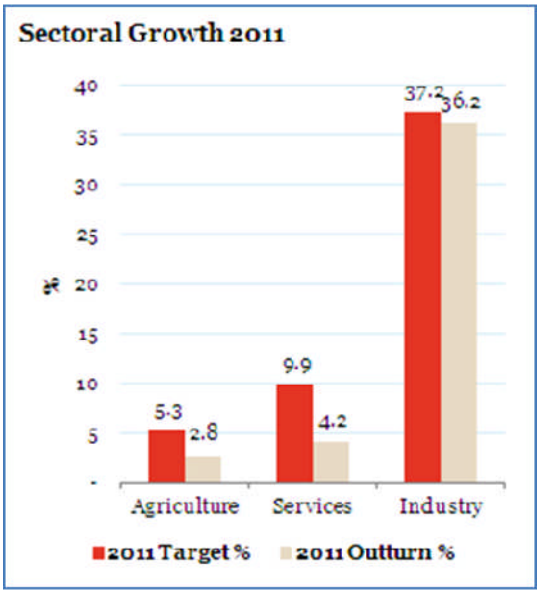
Provisional data indicate revenue out performed budget by 8.4%; expenditure fell behind budget by 1.2%, resulting in a better than planned deficit

Domestic revenues as at end September 2011 was GHS8.18bn; equal to 14.4% of GDP and better than budget for the period by 15.9%

Real GDP growth

Provisional estimates put real GDP growth (including oil) at 13.6% at the end of September 2011, suggesting that the economy is on track to achieve the 2012 target of 14.4%. In 2010, real GDP growth was 7.7%; in 2012, it is projected to be 9.4%.

It is generally expected that the Oil and Gas (O&G) industry will continue to spawn confidence in the country's future and therefore help to sustain high real GDP growth rates in the near and medium terms. However, perceptions of prudential management of the sector's revenue will be important for sustaining such confidence.



Source: GSS/PwC Analysis

Summary of sectoral performances

The Agricultural Sector

The sector expanded by 2.8% against a target of 5.3% for the year; the actual outturn in 2010 was 5.3% . Growth in the Fishing sub-sector was significantly lower than expected with the Forestry and Logging sub-sector experiencing a contraction of 14%.

Government should create policies that target accelerated growth in the sub-sectors that are experiencing lower than expected growth as it has done for the cocoa sub-sector.

The Industry Sector

The Industry Sector recorded the highest output growth this year due mainly to the debut production of oil from the Jubilee Fields. The output of the Mining and Quarrying subsector, which includes O&G, grew by 225.4% over of 2010.

In spite of the astronomical growth rate, the Mining and Quarrying subsector (powered by the newfound oil) still fell behind the Construction subsector within the Industry Sector in terms of contribution to GDP.

Of concern is the low growth achieved by the manufacturing sub-sector – the provisional outturn of 1.7% is a dismal performance compared to the target of 7%. It would seem that in spite of the increased credit to the private sector, the country's manufacturers still face difficulties, one of which is cheap imports from countries that are fast assuming the profile of major development partners to Ghana e.g. China.

The Services Sector

The Services Sector grew by 4.2% and contributed 48.1% to GDP, still making it the largest contributor to GDP. The Hospitality sub sector shrank significantly (negative 11%) compared to budgeted growth of 13.5%; financial intermediation also performed poorly (1%) relative to its target (17%). Business and other service activities experienced a contraction of –1% against a target of 10% growth.

Fiscal performance

Provisional data on implementation of the Budget for the first three quarters of 2011 indicate that revenues were above the budget by 8.4%. Expenditure was lower than the budget estimate by 1.2%. Total revenue and grants for the first three quarters of the year amounted to GHS8,798.2 million (equivalent to 15.5% of GDP), compared to a target of GHS8,119.9 million (equivalent to 14.3% of GDP). For the year as a whole, total revenue and grants are projected at GHS12,825.0 million.

Domestic revenues for the first three quarters comprising tax and non-tax revenue, totalled GHS8,177.0 million, equivalent to 14.4% of GDP. The outturn was 15.9% higher than the budget estimate of GHS7,055.0 million.

The Economy

Total tax revenue as at the ninth month was 11% of GDP. This represented a 16.2% over performance compared to the Budget for the same period budget

Total expenditure at end September 2011 was GHS10.41billion which was 18.3% of GDP. This represented 1.2% behind budget

As at September 2011, the fiscal deficit was 2%, much smaller than the targeted 4.4% for the same period

Outstanding bank credit to the private sector as at September 2011 stood at GHS 7.7bn, representing almost 93% total bank credit to both public and private institutions

Total tax revenue was GHS6,596.0 million, equivalent to 11.0% of GDP. This was higher than the target of GHS5,676.7 million by 16.2%, and 49.6% higher than the outturn recorded during the first three quarters of 2010. For the year as a whole, total tax revenue is projected at GHS9,614.0 million, against a budget estimate of GHS8,527.1 million.

Provisional disbursements of grants (project and programme) from development partners amounted to GHS621.2 million, against a target of GHS1,064.9 million. Total grant disbursements at year-end are projected at GHS989.4 million, 26.8% lower than the budget estimate for 2011.

World economic developments e.g. low growth rates of some large and powerful economies and the crisis of the Euro Zone accounts for the relatively low level of development partners' disbursements.

At September 2011, total expenditure amounted to GHS10,412.3 million, equivalent to 18.3% of GDP. The outturn was 1.2% lower than the target of GHS10,543.8 million. Total expenditure for the year is projected at GHS15,565.5 million, 8.1% higher than the 2011 budget estimate of GHS14,397.4 million.

Recurrent expenditure for the period totalled GHS7,121.7 million, exceeding the target of GHS6,808.0 million. For the year as a whole, revised projections put recurrent expenditure at GHS10,155.5 million, compared to a budget estimate of GHS9,222.5 million.

Total capital expenditure for the three quarters to September also amounted to GHS2,168.3 million, equivalent to 3.8% of GDP. This compares with a budget estimate of GHS2,887.5 million, equivalent to 5.1% of GDP. Total capital expenditure for the year is projected to be GHS3,681.9 million, 14.6% lower than the 2011 budget estimate of GHS4,311.5 million.

The level of capital expenditure continues to be low compared to the recurrent expenditure; this expenditure mix or balance does not support Government's medium-term infrastructure transformation plans, especially when infrastructure development is a pivotal element in its short to medium term plans for economic growth and development.

The overrun in recurrent expenditure is principally the result of the higher than anticipated cost of personnel emoluments arising from the implementation of the Single Spine Salary Structure (SSSS). The ability to more accurately estimate the public sector wage bill will be very important for managing inflation in 2012, which could be a year that presents significant challenges for prudent fiscal management. In particular, Government's success at managing pressure from various stakeholder groups in 2012 will help not to destabilise the foundation built so far.

Fiscal deficit

Fiscal deficit at the end of September 2011 was 2.0% of GDP, lower than the target for the nine-month period of 4.4% and the full-year target of 5.1%. Based on the projected revenues and expenditures up to the end of 2011 fiscal year, the fiscal deficit for the year is expected to be GHS2,740.5 million, equivalent to 4.8% of GDP, and well within the budget deficit target of 5.1% of GDP.

Monetary Sector

Broad money supply, including foreign currency deposits (M2+) grew by 41.9% year-on-year to GHS15,851.3 million compared with growths of 28.0% and 33.8% for the ninth month and full year periods September and December 2010, respectively. Growth in bank outstanding credit to public and private institutions at September 2011 rose by 14.1% on a year-on-year basis, compared with a decline of 5.7% recorded at September 2010.

Outstanding bank credit stood at GHS8,377.0 million at the end of September 2011, of which GHS7,752.4 million represented outstanding credit to institutions in the private sector.

The Ghana Cedi traded weaker on both the Inter-Bank and Forex Bureau markets during the nine-month period from January to September 2011, compared to the corresponding period in 2010.

Interest rates continued their downward trend during 2011, in line with declining inflation and inflationary expectations.

The Bank of Ghana (BoG) policy rate which stood at 18% in December 2009 was lowered progressively to 13.5% in July 2010 and further reduced by 50 basis points each in May and July 2011 to bring the rate to 12.5% where it remained as at the end of September 2011.

The Economy

Inflation rates—year-on-year and average—both remained single digit. September average inflation was 8.4% and better than period target

Banks have generally been slow in lowering their base rates in response to reduction in the Bank of Ghana (BOG) policy rate. It is refreshing to note that BOG will continue to apply moral persuasion to get commercial banks to harmonise their base rates and also respond quickly to reductions in the policy rate.

Inflation rate

Average inflation for the 9 month period between January to September 2011 (8.40%) was better than period target (8.7%) and well within end of year target of 9%. Average inflation for 2012 is targeted to be 8.7% with; end-period inflation projected to be 8.5%.

Government has been successful in maintaining inflation in the single digit range over an extended period of time. The performance of single inflation could however be at risk , as historically, Government has been liberal in spending in a General Election year. The temptation to do so should be tempered with the long-term policy objective of a low inflation economy that encourages business investment planning and growth.

Interest rates

Interest rates generally have continued to trend downwards. Developments within the money market have led to the correction of the market's inverted interest rate yield curve. The BOG's policy rate has been reduced twice already in 2011 to signal the Central Bank's policy in money markets. Interbank weighted average rates have also declined to 10.59% (September 2011) from 11.65% (December 2010). Some banks also reduced their base rates in the course of the year, signalling a fall in borrowing costs.

In a relatively low inflation environment as the country is experiencing now, low commercial lending interest rates would help to provide business with the impetus for rapid growth, thus powering the economy in the direction desired. The concerns of banks with regard to interest rates should however be taken into account when solutions are being considered.

External sector

The Balance of Trade (BOT) recorded a deficit of US$1,685.8 million (4.5% of GDP) for the first nine months of 2011, against a deficit of US$2,016.4 million (8.7% of GDP) during the corresponding period of 2010.

Gross international reserves

At US$4.98 billion (end October 2011), gross international reserves is higher than the December 2010 balance of US$4.68 billion, and offers more than 3 months cover for 2012 projected imports. This was driven principally by favourable price movements in gold, cocoa beans and cocoa products. It is envisaged that there will be a further build-up in the gross international reserves to an average of US$7.5 billion over the medium term (estimated to cover 4 months of imports) on the back of oil production.

This is good news, as the Ghana Cedi can become more stable allowing households and businesses to more reliably make projections.

Financial stability

Ghana's financial system is fairly well-diversified. The banking system has seen steady growth over the years and remains fairly well capitalised, solvent and profitable. The banking system's assets-to-GDP ratio has seen consistent growth, from under 30.0% of GDP in 2008 to 43.5% as of August 2011. In terms of the ownership structure, the split is 55.4% to 44.6% between foreign and local control respectively.

Concentration within the banking system, measured by the share of the top 5 banks in total assets, has declined consistently over the years reaching 45.3% in August 2011, from over 70.0% in 2005.

Over the medium term, BOG aims to continue to implement measures towards addressing challenges in the banking system with the view to ensuring a safe, sound and stable banking system to support broad based economic growth. At present, the Central Bank has issued two guidelines on Risk Management and Intervention in Troubled Institutions. The former is aimed at improving risk management in banks, while the latter sets out criteria for intervening in weak banks.

Public debt

The total public debt increased from US$11,247.7 million 37.8% of GDP as at September 2010 to US$14,766.72 million 38.98% of GDP by the end of September 2011, representing an increase of 1.1% of GDP over the period. As at end September 2011, external debt was US$7,103.41 million, representing 19.1% of GDP and 49% of the total public debt stock, while domestic debt amounted to US$7,521.59 million, representing 19.9% of GDP and 51% of the total public debt stock.

Debt Sustainability Assessment

The Debt Sustainability Analysis (DSA), updated in November 2011, showed that public debt stood at 33.6% of GDP in December 2008. This is estimated to rise to 37.8% of GDP in 2015.

Part of Government's debt management strategy is to keep the total public debt ratio below a ceiling of 50% of GDP. Government also proposes to introduce long-dated fixed rate bonds (seven-year and ten-year) in 2012.

Review of Personal Income tax bands

Government has proposed revised income tax bands on employment income.

The proposed revision in tax bands follows a previous tax band increment announced in the 2011 Budget Statement but which was not passed into law until a year later.

The proposed income thresholds and brackets are as follows:

	Chargeable income GHS	Tax Rate
First	1,440	Free
Next	720	5%
Next	1,008	10%
Next	25,632	17.50%
Exceeding	28,800	25%

Widening of personal income tax bands is a step in the right direction as it will result in increased disposable income for employees, which should in turn enable them to enhance their living standards.

Hotel and Hospitality Industry

The corporate tax rate for the hotel and hospitality industry has been reduced from 22% to 20%.

Government has completed the review of incentives granted under LI 1817 (Ghana Investment Promotion Centre, Promotion of Tourism Instrument), which will be incorporated in Internal Revenue Act of 2000 (Act 592). The Ghana Revenue Authority ("GRA") is expected to publish the full list of incentives available to the hotels and hospitality industry in due course.

For the tax incentives to achieve the desired effect of attracting investments into the industry, the GRA should publish the list of tax incentives without any delays.

Capital Gains Tax on appreciation in the value of a company

The appreciation in values of companies as a result of transformation in ownership structure and control of aspects of their business would be subject to Capital Gains Tax .

What is not clear is whether the Capital Gains tax would be applicable only when there is a change in the ownership structure of the resident Ghana entity or whether it will include appreciation in local subsidiaries as a result of changes in ownership structure of their non-resident parent entities.

Financial Services Sector

The tax holiday granted to the Ghana Stock Exchange as an entity which expired in 2010 is to be extended by another 5 years.

In addition, the Capital Gains Tax exemption on gains made on the GSE has been extended by 5 years. The exemptions are expected to promote investment activities on the GSE.

The extension of the exemption period for Capital Gains Tax in respect of gains made on the GSE will encourage investors to increase their participation in securities traded on the GSE. It is also expected to make the securities market more vibrant.

There is however the need for clarity as to whether capital gains made in the 2011 year of assessment would be covered by this exemption since the initial exemptions expired in November 2010.

VAT exemption

Government proposes that Mutual Funds and Unit Trust Funds that invest in shares listed on the GSE will be exempted from VAT on financial services.

The VAT Act currently exempts from VAT, financial services with the exception of professional services such as investment advice. This announcement will therefore also specifically exempt these funds from VAT on their professional services.

Tax Refunds

Government has recognised through its 2012 Budget the problems that taxpayers have always encountered on VAT refunds and duty drawbacks.

It has been proposed that the GRA will adopt an accounting system that will allow taxpayers to offset tax refunds against other tax obligations.

Prior to this development it was difficult for taxpayers to plan with any certainty regarding their tax refunds, which in turn impacted adversely on their cash flow planning. Some corporate tax payers ended up with significant tax refunds due to them whilst at the same time making tax payments on their Corporate Tax obligations. Tax payers should welcome this proposal as a potential solution to their challenges. More guidelines on the mechanism, however needs to be provided to aid taxpayers.

Direct Taxation and VAT

A project has been set up to increase the tax contribution from self-employed professionals

Increase in VAT threshold and introduction of turnover tax.

Transfer Pricing regulation drafted by Government to regulate growing casino operations to increase tax revenue

Ring fencing in energy and mining sector — for income tax purposes, costs incurred in one site not to be offset against profits from another site of the same company

Revision in corporate tax rates and introduction of the windfall tax for mining entities.

Changes in the rate and method of granting capital allowances for qualifying assets of mining companies.

Taxation of professionals and the informal sector

Government in fulfilment of its statement in the 2011 Budget to focus attention on revenue contribution from the self-employed, has set up the "***Self-Employment Income Tax Revenue Enhancing Project".*** The project is aimed at broadening the tax net.

Government's should speed up measures to enhance the identification of self-employed persons in the informal sector to be able to track all taxable persons and make them contribute their quota in taxes to Government revenue.

Increase in VAT threshold

Government proposes to raise the threshold for VAT registration from an annual turnover of GHS90,000 to GHS120,000. Businesses with turnover of less than GHS120,000 will be expected to pay a presumptive tax of 6% of turnover and will also fall into the category of small taxpayers.

The increase in the VAT threshold should help reduce the administrative burden on small businesses.

- The GRA should as a matter of urgency, issue administrative guidelines operationalise the 6% turnover tax,;
- It should also clarify whether the 6% tax on turnover would replace the corporate tax for small business; and
- And lastly whether the recent taxpayer segmentation criteria of the Domestic Tax Revenue Division of GRA will be revised as a result of increase in the VAT threshold to GHS120, 000.

Transfer Pricing

Government intends to reduce revenue loss through transfer pricing and has consequently drafted regulations to strengthen existing tax legislation to deal with taxation of multinational companies and minimise the incidence of transfer pricing.

Betting and gaming

Government intends to take an active interest in the growing gaming and betting industry in Ghana. Government therefore intends to develop regulations to streamline activities in this industry and to ensure efficient mobilisation of tax revenues from casino operations.

It is expected that most of these businesses would be captured under the proposed re-registration exercise next year.

Ring Fencing

Government has proposed to review the principles of ring fencing applicable to the petroleum and mining sector. With effect from year 2012, losses on one site will no longer be offset against profits from another contract area or site (belonging to the same company) in determining chargeable income for income tax purposes.

Prior to this proposal, mining and petroleum companies were allowed to offset costs and profits from different sites. This approach was easier to administer. The proposed approach is likely to result in increased administrative procedures especially for mining entities with different contract sites under various stages of development Entities affected will be expected to ensure each contract area or site maintain separate accounting records for tax purposes. This may also come with increased compliance costs due to requirements to prepare separate reports for accounting purposes and associated tax calculations for filing with the GRA.

Natural Resource Taxation

Government commented on the inadequacy of tax revenues and social benefits generated from the mining sector and to address these, made the following proposals:

- Increase the corporate income tax rate for mining companies from 25% to 35%;
- Re-introduction of a windfall profit tax at 10%; and
- Alignment of the method of granting capital allowances with that operated in the oil and gas sector. This will result in the capitalised costs of qualified assets owned by mining companies being spread evenly over a 5-year period through the capital allowance system.

The above proposals may indeed improve tax income mobilised from the mining sector although it should be acknowledged that some implementation issues are bound to be encountered. Issues to be addressed include constraints in stabilisation agreements of existing mining companies that protect these companies from adverse consequences of newly introduced laws and amendments.

Mining entities had previously been granted capital allowance deductions at 80% on initial addition of assets and subsequent allowance of 50% which critics cited as being generous and often resulted in little or no chargeable income to be subjected to corporate taxes.

The proposals may be viewed as a major disincentive to mining companies.

National Fiscal Stabilisation Levy ("NFSL")

National Fiscal Stabilisation Levy abolished.

The NFSL that was introduced in 2009 and further extended to the 2011 year of assessment will be revoked from 2012.

The NFSL was intended to be a temporary levy mainly aimed at the fiscal stabilisation of the economy for the years 2009 and 2010 and therefore a repeal of this Act is in line with the original intent of the law and the expectations of taxpayers.

Tax amnesty—

Government offers a 9-month window for taxpayers to declare their tax liabilities.

Tax Amnesty

Government has offered a tax amnesty to individuals and companies that have evaded taxes . This exercise will run for nine months from January 2012 to 30 September 2012. During this period, the GRA also intends to conduct a registration and re-registration of tax payers as part of its efforts to increase the tax base.

Government conducted a similar exercise in 2006 for six months. The nine months offered this time is expected to be sufficient for taxpayers to regularise their tax affairs.

Tax Administration Bill and the CEPS Bill are expected to be presented to Parliament for consideration

It is also proposed that after the nine month window, the GRA will go ahead and conduct their audits and any irregularities would be subject to interest and penalties applicable under tax laws amnesty period. Under these circumstances, it would be difficult for the GRA to grant waivers of interest and penalties to taxpayers who fail to declare their taxes during the amnesty period.

This is a good opportunity for businesses to reassess their tax affairs and ensure compliance.

Bills expected to be passed during 2012 include the following:

- Tax Administration Bill (to consolidate the common procedures of all the tax laws);
- The Internal Revenue Bill;
- The Customs Excise and Preventive Bill; and
- VAT Amendment Bill.

2012 Budget Highlights
Customs and Excise

pwc

Reduction of environmental excise tax on plastic packaging materials and products from 20% to 15% with exemption for agricultural and pharmaceutical sectors

Companies using local raw materials in the production of excisable goods are to be granted a reduction in the excise duty rate

Re-organisation of customs bonded warehouses in Ghana

Widening the database of prices of imports

Increased monitoring of Free Zones Operators

Proposed expansion and modernisation of KIA and other regional airports

Resource Mobilisation Initiatives

The focus of revenue management in fiscal year 2012 is to expand the tax base and improve the efficiency of tax administration. In the area of Customs and Excise administration, increased monitoring is expected to be a key driver for revenue mobilisation.

As part of measures to strengthen the Customs Division (CD) of the GRA, a Tax Administration Bill and a CEPS Bill are expected to be presented to Parliament for consideration. Proposed changes to Customs and Excise duties for the 2012 fiscal year are as follows:

Environmental excise tax on plastic and packaging materials

The environmental tax charged on plastic packaging materials and products is expected to be reduced from 20% to 15% with exemptions for the pharmaceutical and agricultural sectors.

There is the need for guidelines on how the exemption for pharmaceutical and agricultural sectors will operate, areas to consider include:

- *tracking the production of packaging materials for use in the pharmaceutical and agricultural sectors;*
- *how producers of plastic packaging materials for the sectors exempted and other sectors of the economy should calculate excise duties; and*
- *how operators in the exempt sectors should seek exemption from the purchase of plastic packaging materials.*

Review of Excise Duty Rates

In addition to the general 2.5% reduction in excise duty rates in 2011, Government will consider granting further reductions in excise duty rates on a sliding scale for persons using local raw materials as substitutes in the production of excisable goods.

The relevant Government agencies should ensure that the production capacity for such raw materials is expanded to prevent shortfalls and supplies. The proposed incentive would be expected to result in increased demand for such local raw materials. The proposal may not only contribute to reduced production cost for affected businesses in the industry, but also serve as an incentive which could potentially boost production and utilisation of local raw materials.

The sliding rate concept was previously used in determining applicable mineral royalty rates. A reason for the change to a fixed rate was the difficulty in determining the applicable rate for a mining company for a particular year. To avoid such difficulty in the case of excise duties there is the need to fully evaluate how the sliding rate will be implemented for producers that use local raw materials.

Air Transport and Aviation Development Levy

A committee to propose modalities for funding the expansion and modernisation of Kotoka International Airport (KIA) and other regional airports is to be set-up by Government. This is aimed at reducing the congestion and pressure on existing infrastructure and facilities at the airport.

To finance the expansion of the KIA, a levy as mentioned above is likely to be introduced in the near future.

With Government's recent adoption of a PPP policy, the committee should consider developing any additional airport or aviation infrastructure using PPP models and associated funding mechanisms.

Re-organisation of customs bonded warehouses

Government proposes to re-organise and reduce to a reasonable number the more than 300 customs bonded warehouses in Ghana. The remaining customs bonded warehouses will be re-zoned and sub-offices created to ensure effective revenue collection.

Customs Valuation of Imported Goods

GRA will broaden the coverage of the database of prices of goods imported into the country. This is to serve as a basis for comparison with the Final Clarification and Valuation Report (FCVR) issued by the Destination Inspection Company (DIC).

Government should work towards minimising delays in release of FVCR by DIC for valuation of goods that are cleared at the ports to reduce compliance time for customs matters.

Monitoring of Free Zone Operators

The GRA is expected to step-up monitoring of Free Zones Operators to ensure that at least 70% of production in the Free Zones is exported and the maximum of 30% for the local market is adhered to.

Government should ensure that the monitoring exercise does not unduly affect the day-to-day business of entities in the free zones enclave.

Introduction of Ghana Integrated Cargo Clearance System for tracking and accounting purposes.

Introduction of GICCS

In order to track and account for containers and consignments arriving at the ports, GICCS is expected to be introduced by the GRA.

The GRA needs to indicate how the GICCS will link with GeGov's—a PPP to deploy an eGovernment solution in Ghana — and other electronic systems for automating and integrating various government agencies. Government should continually engage with stakeholders to ensure a smooth implementation of the system.

Imposition of standard duty rates on teak products imported into the country

Import duties on Teak products

To support rural electrification and augment local production, teak products used as electric poles for the Self Help Electrification Project (SHEP) were exempted from import duties. However, over the years, domestic supply has significantly improved and Government proposes to restore the duties at the standard rate when local production capacity is adequate.

Government should give an indication of when the local production capacity is expected to be adequate for consumption by SHEP. This will encourage indigenous producers while restricting the dumping of imported products on the Ghanaian market. This will also contribute towards improving the country's balance of payments position when it comes into force.

Migration from HS Code 2007 to HS Code 2012

Migration from HS Code 2007 to HS Code 2012

The ECOWAS Commission is working on the migration from the HS Code 2007 to HS Code 2012 which the World Trade Organisation (WTO) recommends all countries to migrate onto to ensure harmonised global trading system. The aim is to have individual country HS Codes replaced by the regional Central External Tariff (CET) tariff structure throughout the sub-region.

This is another step in furthering integration with the sub-region through a framework for the same nomenclature of goods

Taxpayers to offset drawbacks against liabilities of other tax types.

Duty drawbacks and tax refunds

The Ministry of Finance and Economic Planning (MoFEP) will ensure that there are enough funds available for refunds and duty drawbacks. Ultimately, the GRA in its administrative improvement will adopt an accounting system that will allow taxpayers to offset such refunds against other tax obligations.

The opportunity to set-off refunds against other tax obligations will help improve the cash flow position of taxpayers and also reduce time in settling refunds.

We expect that the Tax Administration Bill which seeks to consolidate the common procedures of all the tax laws will help to achieve this setting-off process.

Government to continue policies to support cocoa and coffee sectors

Land administration to be decentralised to the district level

Aggressive marketing and promotion of Ghana as a preferred tourism destination

ECONOMIC SECTOR

Government's key areas of focus in the Economic Sector for the medium term are: enhancing competitiveness of Ghana's private sector, accelerating agricultural modernisation and natural resource mobilisation and the development of the Energy, Oil and Gas industry.

Ministry of Food and Agriculture

Government intends to focus on accelerating the modernisation of agriculture to transform the economy through continuous introduction of technology. Programs for 2012 include:

- Implementation of main policy interventions such as fertilizer subsidy, irrigation, buffer stock management, seed improvement and quality standardisation;
- Expansion of the Agriculture Subsidy
- Programme to include liquid fertilizers (bio-fertilizer) and improved seeds. 165,000 metric tonnes of chemical and liquid fertilizer will be subsidised;
- Continue with the policy of providing one Agricultural Mechanisation Service Centre (AMSEC) per district with the full complement of machinery and equipment along the value chain;
- Rehabilitation of 50 breached dams and dug-outs in the 3 Northern Regions, Greater Accra and Volta Regions. Additional works on Weija and Okyereko will be completed;
- Rehabilitation of Ashaiman Soil Laboratory and Vea Irrigation Scheme;
- Establishment of project implementation units and a National Steering Committee to improve the investment climate for agri-business and developing inclusive Public Private Partnerships (PPPs); and
- Continue to implement policies to support the Cocoa and coffee sector. The Cocoa Disease and Pest Control Programme (CODAPEC) will continue to be pursued to mitigate the risks associated with the incidence of disease and pest attacks on cocoa.

Ministry of Lands and Natural Resources

Government is committed to ensuring sustainable management and utilisation of the nation's lands, forests, wildlife and efficient management of mineral resources for the socio-economic growth and development of the country.

Key activities to be undertaken during the year include:

- Decentralisation of land administration to the district level to facilitate integration in delivery of land administration services;
- Establish plantation development programmes to promote ecological balance and job creation;
- Undertake geographical investigations for small scale mining to reduce environmental degradation and initiate Alternative Livelihood Projects in mining communities; and
- Provide the necessary infrastructure and fiscal incentives to attract investors in the salt industry.

Ministry of Trade and Industry

Government will continue to pursue programs under the Private Sector Development Strategy, the Industrial Sector Support Programme and the National Export Strategy to improve competitiveness of businesses and job creation. Initiatives to be taken during the year include:

- Implementation of programmes to assist the manufacturing sector to become competitive and build efficient supply chains;
- Upscale the Rural Enterprises Project;
- Provide matching grants to businesses in Micro, Small and Medium Enterprises (MSME) through Business Development Services (BDS); and
- Construction of storm drain at Tema Export Processing Zone.

Ministry of Tourism

Government's aim is to make Ghana the preferred tourist destination in Africa and making the sector a major foreign exchange earner and employment provider for the country. Programmes and activities will focus on:

- marketing and aggressive promotion of the country in key markets in Europe, America and emerging markets in Korea and China; and

- Completion of tourist receptive facilities, continuing with the United Nation's Industrial Development Organisation-United Nations World Tourism Organisation (UNIDO-UNWTO) Collaborative Actions for Sustainable Tourism (Coast Project) to reduce the environmental impact from coastal tourism and develop eco-tourism around Ada.

First 133MW out of the 400MW from Bui Power Project to be commissioned into the national grid

132MW from Takoradi Thermal Plan to be commissioned

Science Technology and Innovation Fund to be established

Government to focus on the infrastructure development for accelerated growth and job creation

To achieve these objectives, the Government should also focus on the hospitality industry, which contracted in 2011 (-11%). In the long term, it may be necessary to invest in training colleges/institutions that focus on hospitality services – hotels, restaurants, tour operators etc which are crucial to the tourism industry.

Ministry of Energy

Government's emphasis will be to continue pursuing programmes and projects aimed at ensuring secure, safe and reliable supply of energy to meet Ghana's development needs.

Power Sub Sector

The first 133MW out of the 400MW Bui Hydro project and 132MW Takoradi 3 Thermal Project will be released into the national grid in 2012. Government will continue to implement measures to improve system reliability and reduction of system losses, such as the Transmission Improvement Projects and Distribution System Improvement Project.

Also, Government will rehabilitate, upgrade and construct various ECG primary sub-stations in Accra and Tema and link all the Electricity Company of Ghana (ECG) sub-stations.

Government intends to boost rural electrification through the connection of over 2,800 communities across all the regions of Ghana.

Petroleum Sub Sector

Government intends to continue with the development of the Gas Commercialisation Master Plan and the management of block acquisition in the upstream petroleum sub-sector. Construction of 150,000 cubic meter capacity tanks for gasoline, diesel and kerosene storage for the Bulk Oil Storage and Transportation Company (BOST) Petroleum Terminal will commence in 2012 in the downstream sub-sector. The project will also include 20,000 cubic meter storage tanks for Liquified Petroleum Gas (LPG) and Methane Coalbed (CBM) which will facilitate import and export of products

To maximise the benefits of the oil and gas resource, Government will ensure the conversion of the Local Content and Local Participation Policy into legislation.

In addition, work is expected to start on the construction of the Tema Natural Gas Secondary Network System which will distribute gas to Independent Power Producers (IPPs) and Industrial facilities in the Tema zone. A new 70 kilometer (12-inch) twin petroleum pipeline linking the Accra Plains Depot to the Akosombo Depot will also be constructed as part of the Depot Expansion Programme.

The speedy delivery of additional power is crucial to fill the current power gap to meet the needs of the fast expanding economy.

Government should also continue to focus on renewable energy sources.

Ministry of Environment, Science and Technology

Government will implement projects and programmes that focus on biodiversity, reduction of the impact of climate variability and change, application of science and technology, enhancing environmental quality and ensuring proper spatial organisation for sustainable development as outlined in their Medium Term Development Plan.

Specific initiatives include:

- Establishment of Science Technology and Innovation Fund;
- Initiation of the National Science and Technology Theme Park Project;
- Implementation of the Mathematics, Science and Technology Scholarship Scheme (MASTESS); and
- Utilisation of local building materials.

INFRASTRUCTURE SECTOR

The role of the infrastructure sector has become more critical in propelling economic growth and sustained poverty-reduction. In recognition of that role, Government will focus on infrastructure development for accelerated growth and job creation; accordingly, priority will be given to the expansion of existing social and economic infrastructure to ensure that services provided are reliable, affordable and efficient so as to enable the acceleration of growth and achieve job creation.

Government to tackle perennial flooding in the Accra-Tema metropolis

Housing sector continues to receive Government's priority

Rail transport to be expanded and China to provide most of funding

New Acts to address marine pollution and Bills to be drafted for shipping manning agencies licensing and inland water ways

A new road traffic regulations to be enacted.

Ratification of International conventions for the negotiation of Bilateral Air Services Agreements with trade partners

The ministries under the infrastructure sector are Water Resources, Works and Housing (MWRWH), Transport (MOT), Roads and Highways (MRH) and Communications (MOC).

Ministry of Water Resources, Works and Housing

Government targets 68% access to safe water by vigorously pursuing interventions intended to provide safe water with emphasis on small town water schemes and boreholes. These are expected to be achieved by development and implementation of appropriate regulations by the Water Resources Commission (WRC) for effective and sustained utilisation and development of water resources. 24,000 boreholes are to be sunk over the next five years for rural water as well as continuing with the on-going urban water projects

Access to safe water is a necessity and Government should consider the participation of the private sector for efficiency.

Government is expected to sustain the channel opening, widening and deepening of most drains at flood prone areas within the Accra –Tema Metropolis, other regional capitals and selected district capitals to improve upon the environment and protect life and property.

Flooding in the Accra-Tema metropolis has become a perennial occurrence and Government efforts to widen and deepen most drains could minimise floods. However, it is important that the human activities which also contribute to flooding addressed to bring a holistic solution to the problem.

Government is to ensure that its objective for the National Housing Policy is achieved. It plans to support the private sector to increase housing delivery to improve mortgage affordability. In this regard, it will continue to facilitate private sector to commence the construction and delivery of safe, decent, and low income affordable housing.

The implementation of the Affordable Housing Project as planned across the nation will create massive employment and accelerate economic growth if the objective of the housing policy is achieved.

Ministry of Transport

Reconstruction of the Western Railway Line is to commence under the China Development Bank (CDB) Facility. The Tema port expansion project and the Multi-Modal Transport project that links the Tema Port by rail to the Volta Lake will also be undertaken under the same CDB facility.

Government should make rail transport a priority for the transportation of food stuffs. This will help reduce carriage cost and result in lower food prices.

New Acts to be introduced to adequately address regulatory issues in relation to the oil find. These include Marine Pollution Bill, Draft Shipping Services Providers Regulations, draft regulations on inland waterways and draft regulations to license shipping agencies.

A new road traffic regulations to be enacted to operationalise the Road Traffic Act 2004 (Act 683).

Government to ratify various international conventions and to continue its policy of liberalising the legal and regulatory framework by reviewing and negotiating Bilateral Air Services Agreements with its trading partners.

Government to review the Airport Passenger Service Charge to enable the Ghana Civil Aviation Authority and Ghana Airport Company Limited have enough funds for infrastructure development.

Airport charges in Ghana are already considered high. Government must therefore consider the review of the proposed charges carefully so as not to make Ghana an expensive destination for air travel, which could negatively affect tourist and business travel to the country.

Ministry of Roads and Highways

Government to expand the electronic tolling of roads to other sections of the road network in anticipation of improved revenue generation into the Road Fund for the maintenance of the road network.

Coordination and supervision of donor funded projects to be enhanced to in order to improve the disbursement process. It is expected that this will enable the quick commencement of such projects and matching of funds as well as compensation payments to be made in a timely manner.

Road projects in the Western oil and gas enclave to commence. Along side that, Government will continue to improve major road corridors to promote trade and economic activities.

Government to show commitment to implementing the Eastern Corridor Roads project by securing donor funding of US$1.5 billion for its full execution.

Government to continue pursuing pro-poor programmes to increase enrolment figures in schools

Government to continue providing infrastructural facilities in schools to be user friendly to people with disability

Provision of Infrastructure for the two new Universities to pave way for the commencement of the 2012/13 academic year

Adequate resources to enable the Computerised School Selection and Placement System (CSSPS) to deliver improved services

Plans are in place to pass a new National Youth and Sports law whilst reviewing existing Sports Policies

Private sector participation in sports development

Construction of two multi-purpose sports halls for the Northern and Southern sectors

Ministry of Communications

Government to ensure transparent and accountable governance. In doing so, the Ministry will continue to implement a number of e-applications which have been adopted to facilitate efficient and effective service delivery to the public. It is expected that national e-government network infrastructure project will continue by utilising capacity from the National Communications Backbone Company.

Government to facilitate a major uptake of e-government by formally establishing the public Internet Governance Registry and also come up with policy guidelines to guide the migration from IPV4 to IPV6.

Government will embark on a nationwide publicity and communication campaign to educate the general public on the switchover to digital broadcasting to prevent panic buying. The public education will cover the entire lifespan of the digital broadcasting migration programme until analogue switch-off by December 2014.

The implementation of the e-government project which is now taking off at the Ghana Revenue Authority and the Registrar Generals Department will go a long way to create efficiency in the service delivery of these institutions thereby creating investor confidence in the systems and processes.

SOCIAL SECTOR

Ministry of Education

As part of the proposed 2012—2014 Education Sector Operational Plan, Government plans to address the enormous infrastructural challenges as well as human resource needs of the sector. This would include the following initiatives:

- intensify the implementation of pro-poor intervention programmes such as the capitation grant, free school uniforms, free exercise books and subsidies to basic and senior high schools. This is expected to increase enrolment figures in basic schools.;
- Rehabilitated and newly constructed infrastructure projects in secondary and basic schools would be done in line with the Disability Act; and
- Equip the two new public universities in Ho and Sunyani with infrastructural development. It is anticipated that the first batch of students would be enrolled in 2012/2013 academic year.

Whilst addressing the infrastructural issues associated with the public universities, government should ensure the enabling environment is created to ensure adequate number of lecturers and professional staff to deliver quality teaching and learning.

Government would continue to provide adequate resources to CSSPS to deliver improved services.

Since its introduction, the CSSPS has removed some challenges encountered in the selection of schools for basic students. However with the recent challenges encountered by the unit leading to the delay in the placement of basic school students in second cycle schools, Government would need to review the system to ensure the achievement of the intended objectives.

Ministry of Youth and Sports

The Ministry plans to complete the processes for the passage of the new National Youth Law, the National Sports Law and also review the existing Sports Policy formulated in 1994.

Establishment of a mechanism to take advantage of the regulation that will provide tax rebate/ waiver for companies and individuals that make donations or import equipment for sports development and promotion. This is expected to encourage private sector participation in the development of sports in Ghana.

As part of sports Infrastructure development, there are plans to commence the construction of two multipurpose Sports Halls for the Northern and Southern sectors.

Parliament is expected to pass the National Youth Employment Programme (NYEP) Law before the end of 2012 to provide clear guidance on the implementation of the NYEP.

Parliament should speed up the passage of this law when presented by the Ministry to serve as a guide to Government and development partners.

Continuous dialogue with all stakeholders to deepen understanding of the SSPP

Ministry of Employment and Social Welfare

Government is planning to have continuous dialogue with all stakeholders to deepen understanding of the Single Spine Pay Policy (SSSP).

Recent strikes by medical doctors, teachers and other public sector workers on transfer to SSPP requires Government to continue dialogue with all stakeholders in finding a solution to this issue.

A national labour survey is planned to provide information on the rate of unemployment

The Ministry will collaborate with the Ghana Statistical Service (GSS) and International Labour Organisation (ILO) to conduct a National Labour Survey to provide information on the rate of unemployment for more effective employment policy implementation.

Blood transfusion centres would be constructed in Korlebu and Komfo Anokye Teaching Hospital

Various infrastructural projects planned to improve health service delivery in the country

Ministry of Health

Government will focus on the following core areas in 2012:

- Continue to implement programmes to bridge equity gaps in access to health care and nutrition services;
- Ensure sustainable financing arrangements that protect the poor;
- Strengthen governance and improve efficiency and effectiveness in the health system;
- Improve access to quality maternal, neonatal, child and adolescent services;
- Intensify prevention and control of communicable and non communicable diseases; and
- Strengthen institutional care including mental health service delivery.

The draft legislative instrument for the operationalisation of the Human Trafficking Act is expected to be finalised

Ministry of Women and Children Affairs

The Ministry plans to scale up its sensitisation and awareness creation programmes on Human Trafficking (HT) to include five additional district assemblies and outlying communities. The draft Legislative Instrument for the operationalisation of the HT Act will be finalised and the disseminated and existing database on HT updated.

Provision of credit facilities to promote gender equality

To help promote gender equality, the Ministry plans to continue dialogue with Microfinance and Small Loans Centre (MASLOC) and other financial institutions to provide micro-credit on flexible terms to women groups and organizations.

MOWAC's Re-engineering Action Plan is expected to be implemented in 2012

The Ministry's Re-engineering Action Plan is expected to be implemented in 2012 to enable MOWAC to be effective and efficient at promoting gender equality and rights of women and children in Ghana.

ADMINISTRATION SECTOR

Ministry of Local Government and Rural Development

The Ministry seeks to continue implementation of the Local Service and Skills Development Programme (LESDEP) in collaboration with the private sector to create employment for the youth. About 6,000 youth will also be trained through formal apprenticeship programmes in Technical and Vocational Institutions through the Department for Community Development.

Government is keen in its pursuit to sustain the Ghana School Feeding Programme. A national policy for the programme will be developed in 2012 and steps taken to increase the number of pupils covered under the programme from 1,040,000 in 2011 to 1,500,000 pupils in 2012.

Start up capital of GHS1 million has been earmarked for each of 42 new districts created in 2011 to enable them meet the initial infrastructural needs.

Office of the Head of Civil Service

The Service will undertake initiatives for efficient management of its human resources. These include:

- Development of comprehensive Civil Service Human Resource Plan;
- Development of comprehensive training plan;
- Creation of Human Resource database for all Civil Servants;
- Operationalisation of the Annual Performance Reporting System; and
- Review of the Civil Service Code of Conduct and Rules and Regulations.

Government commits to sustain the School Feeding Programme

Live transmission of Parliamentary proceedings to commence in 2012

Ghana is eligible to apply for MCC Compact II

Biometric registration and electronic verification for 2012 general elections

Biometric passport processing centers to be established in missions abroad

Ghana Living Standards and Labour Force Surveys to be carried out

GSE to create platform to enable SMEs raise capital

With the Human Resource database, more information will be available on the variety and levels of competencies and experience of civil service personnel, and add to the richness of expertise for policy formulation, analysis and decision making across sectors. The availability of such a database will facilitate and enhance the efficient allocation of human resources.

National Pensions Regulatory Authority (NPRA)

The NPRA will register existing pensions schemes and licensed trustees for implementation of the new pension policy. The existing contribution in the Temporary Fund Account will also be transferred to the registered schemes and trustees. A regulatory body will also be established to supervise and help develop the pension industry.

Office of Parliament of Ghana

In the effort to improve the legislative and oversight functions of Parliament, there will be enhanced quality of information service to MPs and parliamentary committees will have access to technical expertise. Infrastructure for the legislature will be improved with the establishment of research centers in some regional capitals.

To further bring Parliament closer to the people, a dedicated television channel for the live broadcast of parliamentary sittings and proceedings is planned. Parliamentary committee meetings will also be open to the public.

The MPs constituency fund will be enshrined in the relevant laws of the country and appropriate guidelines and policies developed for proper disbursement while the office space for the MPs will be completed in 2012.

Millennium Development Authority (MIDA)

The Compact I awarded to Ghana ends in February 2012. This Compact focussed on agricultural transformation for effective and sustainable rural development. Ghana has been selected by Millennium Challenge Corporation (MCC) as eligible for Compact II and Government has accordingly submitted a Constraints Analysis for Compact II, to the MCC for consideration. The Compact II if awarded, will focus on the constraint of "inadequate and unreliable power supply".

Electoral Commission (EC)

With the impending general elections in 2012, the EC will undertake biometric voters registration to replace the existing voters register to ensure free, fair and transparent election. Electronic verification equipment will also be procured for easy identification of voters.

This will be the first time Ghana will be undertaking such an exercise and as such the relevant resources should be made available to the EC in time. The biometric registration and electronic verification will boost confidence in the country's electoral process.

Ministry of Foreign Affairs and Regional Integration

In pursuit of its strategy to promote the use of ICT under the National e-Governance Programme, biometric passport processing centres will be set up in selected missions abroad. This will ensure that online application system for biometric passport and visas are operational.

Economic strategy programme

The Ghana Statistical Service will conduct the Ghana Living Standards Surveys and Labour Force Surveys. The report and findings of the 2010 Population and Housing Census will be published by the Service in 2012.

The results of the two surveys could provide relevant data for key economic and social decisions. The Service should be adequately resourced to perform its functions and publish the results on timely basis.

Government will continue to strengthen the financial markets through increased capitalisation of the banking and insurance sectors. Efforts will also be geared towards attracting long term investments through provision of incentives for capital market institutions and enhancement of existing regulatory policies. The GSE will create an SME development market to enable SMEs raise relatively cheaper capital.

Whilst listing of the SMEs on the exchange is commendable, the SMEs should be sensitised on the relevance of risk management standards and corporate governance to boost investor confidence

GHS 1 million set aside for Media Development Fund

Ministry of Justice and Attorney General to create more awareness on its initiatives

Quicker access to judicial services through ICT

Improvement in maritime security and protection of the new oil and gas industry

Enhancement of health care delivery for security services

Public Financial Management Programme

The Ministry seeks to complete the development of a Disaster Recovery Management System. The Government intends to introduce the Ghana Integrated Cargo Clearance System (GICCS) to track and account for containers and consignments. An online database will be installed to capture and report information on external resources. To improve the capacity of staff, various training schools under the Ministry and its agencies will be merged under one umbrella, Ghana Fiscal Institute (GFI).

Ministry of Information

In the effort of improving the professional output and competence of the media, GHS 1 million has been set aside for establishment of a Media Development Fund to be managed by a Board of Trustees.

Appropriate legislation, policies and guidelines for accessing the funds should be developed to enhance its administration.

PUBLIC SAFETY SECTOR

Ministry of Justice and Attorney General

To improve access to justice for all, Government plans to create more awareness through the media on publication of new enactments, organise public education activities as well as intensify stakeholder education, drive an agenda for the translation of laws into local languages and set up a Task Force of Attorneys to deal with the backlog of remand cases.

The Government also plans to set up the Witness Charter as part of plans to implement the Justice for all programs.

While the departments and agencies under the Ministry of Justice focus on enhancing their visibility in the public space in 2012, it is important that the Ministry creates and utilises the required systems and processes that will allow it to be seen as independent of Government in order to build public trust.

Judicial Service

The process of automating Magistrates Courts to facilitate performance of the family, juvenile and drug related courts, aimed at enhancing delivery of legal services and ensuring quicker access to justice is ongoing.

Government also plans to conduct regular training for judges and staff of the Judicial Service to equip them with skills to improve service delivery.

The efforts to enhance speedy and affordable access to justice through the weekend magistrate courts and the Alternate Dispute Resolution programme is a laudable initiative.

Ministry of Defence

Plans are underway to establish 2 naval detachments at Ada and Elmina to strengthen sea patrols in line with Government's plans to tighten maritime security in the new oil and gas industry. A number of maritime infrastructural improvements were carried out in Sekondi in the past year in this regard.

500 and 20 bed capacity blocks are expected to be constructed at the 37 military hospital and the Medical Reception Centres respectively to improve health care delivery.

Ministry of the Interior

There has been infrastructural development and capacity building over the 2011 fiscal year. The Ghana National Fire Service (GNFS) received its biggest logistical support since its establishment while the housing difficulties of Prisons Service has received some attention. For 2012, the Government has allocated GHS 406 million for various projects within the Ministry.

To safeguard the gains achieved so far and to spur further economic growth, the Ministry of the Interior should continuously improve on its service delivery to ensure rapid response to internal security threats.

Appendix

Appendix 1 - Government revenue: projections, outturns, and variances for 2011 and 2012

Items	2012 Budget (A)	2011 Budget (Revised) (B)	2011 Projected Outturn (C)	Variance (D=A-B)	Variance (E=B-C)
A. Direct taxes	**5,656.18**	**3,935.39**	**3,972.11**	**1,720.79**	**-36.72**
B. Indirect tax	**3,463.15**	**2,500.91**	**2,920.63**	**962.24**	**-419.72**
Value Added Tax	2,804.27	2,028.17	2,336.73	776.10	-308.56
Petroleum tax	440.66	330.00	425.20	110.66	-95.20
Other indirect taxes	218.22	142.74	158.70	75.48	-15.96
C. International Trade Taxes	**1,973.34**	**1,411.30**	**1,631.04**	**562.04**	**-219.74**
Import duties	1,898.72	1,349.12	1,568.85	549.60	-219.73
Export duty (duty)	74.62	62.18	62.19	12.44	-0.01
D. Import Exemptions	**382.66**	**273.87**	**659.38**	108.79	-385.51
D. National Health Insurance	**682.14**	**495.41**	**530.20**	**186.73**	**-34.79**
E. Other Revenue Measures	**208.59**	**158.60**	**145.70**	**49.99**	**12.90**
F. Non Tax Reve-	**2,092.25**	**1,845.39**	**1,976.61**	**246.86**	**-131.22**
TOTAL REVENUE	**14,458.31**	**10,620.87**	**11,835.67**	**3,837.44**	**-1,214.80**
Grants	**1,156.01**	**1,346.48**	**989.36**	**-190.47**	**357.12**
TOTAL REVENUE AND GRANTS	**15,614.32**	**11,967.35**	**12,825.03**	**3,646.97**	**-857.68**
A. Foreign Financing	**370.52**	**1,373.51**	**828.23**	**-1,002.99**	**545.28**
Loans	1,323.10	1,997.03	1,456.53	-673.93	540.50
Amortisation (due)	-952.58	-623.52	-628.30	-329.06	4.78
B. Exceptional Financing	**130.59**	**122.25**	**123.18**	**8.34**	**-0.93**
C. Domestic Financing (net)	**1,665.92**	**1,545.28**	**2,361.08**	**120.64**	**-815.80**
D. Other Financ-	**1,201.80**	**-122.00**	**-572.00**	**1,323.80**	**450.00**
TOTAL FINANC-	**3,368.83**	**2,919.04**	**2,740.49**	**449.79**	**178.55**

Source: 2012 Economic Policy & Budget Statement (Appendices 3A, 3C, 6A, and 6C)

Appendix

Appendix 2 - Government Expenditure: projections, outturns, and variances for 2011 and 2012

Items	2012 Budget (A)	2011 Budget (Revised) (B)	2011 Projected Outturn (C)	Variance (D=A-B)	Variance (E=B-C)
A. Recurrent Expenditure	**11,817.17**	**9,222.49**	**10,155.47**	**2,594.68**	**-932.98**
Wages and Salaries	5,050.00	3,910.41	4,323.53	1,139.59	-413.12
Goods and Services	967.17	836.37	786.37	130.80	50.00
Transfers	3,208.78	2,383.44	2,944.82	825.34	-561.38
Interest payments	1,883.71	1,688.40	1,696.87	195.31	-8.47
Other recurrent expenditure	707.51	403.87	403.88	303.64	-0.01
B. Capital Expenditure	**5,697.91**	**4,311.54**	**3,681.86**	**1,386.37**	**629.68**
Domestic-financed	2,666.20	2,078.71	2,202.17	587.49	-123.46
Foreign-financed	3,031.71	2,232.83	1,479.69	798.88	753.14
C. HIPC and MDRI -financed	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
TOTAL EXPENDITURE	**17,515.08**	**13,534.03**	**13,837.33**	**3,981.05**	**-303.30**
D. Arrears clearance and tax refunds	**1468.1**	**863.37**	**1,728.21**	**604.73**	**-864.84**
TOTAL EXPENDITURE (INCLUDING ARREAR CLEARANCE AND TAX REFUNDS)	**18,983.18**	**14,397.40**	**15,565.54**	4,585.78	-1,168.14

Source: 2012 Economic Policy & Budget Statement (Appendices 3B and 6B)

Glossary

ADR	Alternative Dispute Resolution
ABFA	Annual Budget Financing Amount
BDS	Business Development Services
BoG	Bank of Ghana
BOP	Balance of Payment
BOT	Balance of Trade
CBD	Methane Coalbed
CD	Customs Division
CDB	China Development Bank
CEPS	Customs Excise and Preventive Service
CET	Common External Tariff
CODAPEC	Cocoa Disease and Pest Control Programme
CPI	Consumer Price Index
CRIP	Cocoa Road Improvement Project
CSSPS	Computerised School Selection and Placement System
CST	Communication Service Tax
DIC	Destination Inspection Companies
DSA	Debt Sustainability Assessment
DTA	Double Taxation Agreement
EC	Electoral Commission
ECOWAS	Economic Community of West African States
EITI	Extractive Industries Transparency Initiative
FCVR	Final Classification and Valuation Report
FDIs	Foreign Direct Investment
GCB	Ghana Commercial Bank
GCNeT	Ghana Community Network Services Limited
GDP	Gross Domestic Product
GHS	Ghana Cedis
GICCS	Ghana Integrated Cargo Clearance System
GIFMIS	Ghana Integrated Financial Management Information System
GIPC	Ghana Investment Promotion Council
GPA	Gross Payment Account
GRA	Ghana Revenue Authority
GSE	Ghana Stock Exchange
GSGDA	Ghana Shared Growth Development Agenda

Glossary

HS Code	Harmonised Code
IBRD	International Bank for Reconstruction and Development (World Bank Group)
ICT	Information Communication Technology
IMF	International Monetary Fund
IPPs	Independent Power Producers
IRA	Internal Revenue Act 2000 (Act 592) (as amended)
JBP	Joint Border Project
KIA	Kotoka International Airport
MCC	Millennium Challenge Corporation
MDAs	Ministries, Departments and Agencies
METASIP	Medium Term Agricultural Sector Investment Plan
MMDAs	Metropolitan, Municipal and District Assemblies
MMT	Metro Mass Transit
MoC	Ministry of Communications
MOFA	Ministry of Food and Agriculture
MSME	Micro, Small and Medium Enterprises
NFSL	National Fiscal Stabilisation Levy
NITA	National Information Technology Agency
NYEP	National Youth Employment Programme
O&G	Oil and Gas (Sub-sector)
PPP	Public Private Partnerships
PRMA	Petroleum Revenue Management Act
RGD	Registrar-General's Department
SHEP	Self Help Electrification Project
SME	Small and Medium Enterprises
SSPP	Single Spine Pay Policy
TOR	Tema Oil Refinery
VAT	Value Added Tax
WAMZ	West Africa Monetary Zone
WTO	World Trade Organisation

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