

## **INTRODUCTION**

1. Right Honourable Speaker, Honourable Members of Parliament, on the authority of His Excellency, President Nana Addo Dankwa Akufo-Addo, I beg to move that Honourable Members of this august House approve the Mid-Year Review of the Budget Statement and Economic Policy of the Government of Ghana and Supplementary Estimates for the 2020 Financial Year, which I present today, 23<sup>rd</sup> July 2020. Mr. Speaker, I am performing this function in accordance with Article 179 (8) of the 1992 Constitution, Standing Order 143 of this august House, as well as Section 28 of the Public Financial Management Act, 2016 (Act 921).

3. Mr. Speaker, this statement is an abridged version of the Mid-Year Review of the Budget Statement and Economic Policy of the Government of Ghana and Supplementary Estimate for the 2020 Financial Year. I would like to request the Hansard to capture the entire Mid-Year Review of the Budget Statement and Economic Policy of the Government of Ghana and Supplementary Estimate for the 2020 Financial Year.

4. Mr. Speaker, I want to take this opportunity to thank God for the privilege and extend my appreciation to His Excellency the President for the opportunity to lead this important assignment of managing the economy and public finances of this country. I am grateful to God for His Grace, Mercy and Goodness towards us. Indeed, when we look back at where we were and where we are now – we cannot help but be grateful. Mr Speaker, my prayer every morning from Exodus 13 is to ask “the Lord if you are pleased with me, teach me your ways... and remember that this nation is your people and may your presence go with us.

5. Mr. Speaker, when we took over the management of this economy in January 2017, things were dire. We were recording the lowest growth rate in history in most of our critical sectors. Expenditures in sectors like Education, Agriculture and Health that addressed the basic human needs of our people were low. This had resulted in low productivity, deteriorating standards of living and general despondency. There was a general lack of opportunities for social advancement for our fellow Ghanaians. Our governance institutions had also been deprived of the needed resources to play their critical roles.

6. Mr. Speaker, through well thought out economic and social policies underpinned by our belief in the ingenuity of our people and improving the well-being and livelihoods of Ghanaians, we set out to:

- Restore macro-economic stability for growth and sustainable jobs;

- Promote economic freedom by ensuring social mobility and social justice
- Invest in human capital to improve the lives of Ghanaians;
- Strengthen the PFM system to protect the public purse; and
- Enhance governance institutions by providing more and adequate resources.

7. Mr. Speaker, from 2017 to date, through the diligent implementation of this Plan, we managed to completely changed the story. Mr. Speaker, not only should we acknowledge what God has done by turning this country around but we should celebrate his continuous favour on this land.

8. Mr Speaker, the running theme undergirding all our policies and expenditure plans has been a commitment to invest and improve the lives of Ghanaians to access better opportunities. This principle has underpinned all our programmes. Therefore, in implementing the over fifteen flagship programmes that the President promised, we set out to bring hope, restore confidence in the state and demonstrate care for the people of Ghana. We sought to restore the self-esteem and dignity of Ghanaians and reduce the grinding poverty that was becoming commonplace.

10. We therefore set out to invest significant resources in the lives of the Ghanaian people by increasing expenditures in education, agriculture, industry and all of our human capital.

11. Mr. Speaker, in acknowledging that education is the primary driver for upward social and economic mobility, we rolled out a raft of policy measures to improve the opportunities of our people. We invested **GH¢3.2 billion** to implement Free SHS, resulting in over **1.2 million** teenagers being in secondary school now, looking forward to better opportunities in life. For their parents and families, this has translated into **GH¢2.2 billion in savings**. That is money that the State has put back into the pockets of Ghanaians all across the country.

12. We have also invested in excess of **GH¢1.6 billion** in **100,000** jobless but educated young adults who had been ignored by the State and were in despair. Through the new NABCO initiative, they have been engaged in various state and private institutions, with some of them securing permanent jobs in the process. That is money in the pockets of our youth.

13. Mr. Speaker, from the onset, this Government had determined that Ghana would be self-sufficient in food production through our Planting for Food and Jobs programme and would add value to what we produce, as well as, create jobs along the value chain under the 1D1F programme, which has currently over 70 factories in production, with many more under various stages of construction. So far, we have invested over **GH¢1.85 billion** in our Agriculture sector, resulting in agricultural growth which averaged about 2.0 percent between 2014 and 2016 to an average of 5.2 over the past 3 years. That is putting food in abundance on the table of Ghanaians, reducing the cost of living and putting money in the pocket of over 1.2 million farmers nationwide.

14. We have relegated 'dumsor' to the past. It is clear to our fellow Ghanaians by now that we have enjoyed three and half years of reliable and cheaper power. We have spent in excess of **GH¢4.7 billion** on capacity payments, not only to ensure that we keep the lights on, but also pay for power we do not use under very questionable contractual obligations we inherited.

15. Mr. Speaker, to modernise the economy and improve its global competitiveness, we embarked on a transformative agenda to digitise the economy. We implemented the Digital Addressing System and the National ID programmes to ensure that each Ghanaian and their dwellings as well as business locations will be uniquely identified. All these efforts are being made to formalize the economy, improve the way services are delivered to our people and increase productivity. That is digitising the lives of Ghanaians. Now, more than ever, the possibilities of the digital economy has been brought to the fore.

16. Mr. Speaker, to protect the public purse and advance good economic governance, we set out to fully implement the provisions of the PFM Act 2016 (Act 921), including passage of the PFM Regulations 2019, L.I. 2378 to further strengthen cash management, budget execution and budget monitoring.

17. Consequently we have for the first time in the history of our budget management, consistently published Budget Implementation reports, Medium Term Debt Strategies, Issuance calendars as well as Annual Debt reports.

18. Mr. Speaker, never in the history of our Public Financial Management have we seen this degree of openness, transparency and accountability in the management of our public finance. This has enabled citizens to hold this Government more accountable than any other in our history.

19. Mr. Speaker, while accomplishing all these, we also set out to complete the outstanding policy measures under the derailed IMF programme which we inherited. This culminated in our exit from the IMF Extended Credit Facility in March, 2019, much to the surprise of our friends on the aisle.

20. Mr. Speaker, the previous government had the penchant of awarding contracts by heart even when they had no idea as to how to pay for them. So to protect the public purse, my Ministry initiated and requested the Auditor-General to audit and validate the over **GH¢11 billion** outstanding claims which had been approved and left by the previous government to be paid. The Auditor-General validated **GH¢6 billion** of the **GH¢11 billion** claims. We await the subsequent surcharging of all those complicit in the submission of the disallowed claims from the Auditor General's Department.

21. Mr. Speaker, I am happy to inform this Honourable House that we have paid almost **GH¢5 billion** of the unpaid bills which we inherited and are managing the public purse in a much more responsible manner now.

22. Mr. Speaker, this Government under President Akufo-Addo, with these actions, has amply demonstrated its commitment to prudent financial management, investing broadly and inclusively in the nation's development, ensuring value for money and being held accountable for our actions.

23. Mr. Speaker, we have also put in place key structural measures to sustain our path towards fiscal consolidation, growth and ensure irreversibility. These include the passage of Fiscal Responsibility Act 2018 (Act 982), forging Social Partnerships with Organised Labour and Employers to enhance the quality of dialogue and implementation. We have also established and operationalized the Fiscal and Financial Stability Councils to enhance the monitoring of government's fiscal and financial policies.

24. Mr. Speaker, furthermore, we have initiated a collaboration with Faith-Based Organisations to promote the material, moral and spiritual growth of our country. This is in recognition of the important role that Faith-Based Organization have played and continue to play in the peace, security and development of our country.

25. Right Honourable Speaker, when I presented the President's 2020 budget, all the indicators of the economic performance pointed towards the path of sustained consolidation and robust broad-based growth. The evidence of our superior economic management was clear for all to see. Honourable Members of this Parliament approved for Government to

spend Ninety-Eight Billion, Thirty-Six Million, Six Hundred and Ninety-Two Thousand, Three Hundred and Fifty-Eight Ghana Cedis (**GH¢98,036,692,358**) in the 2020 fiscal year to further the agenda for consolidating the gains to spur growth, jobs and prosperity for all.

26. Mr. Speaker, a lot has happened since then. While executing the transformative interventions to improve lives, and encouraged by the resounding endorsement of the 2020 Eurobond issuance in February, which was oversubscribed by 350%, the novel Coronavirus (COVID-19) struck swiftly and unexpectedly. In a matter of weeks, what began as a distant outbreak in another part of the world, completely overturned our sense of normalcy. The world, for a period, stood still; with the virus uncontrollably disrupting all aspects of our lives. The pandemic spread with alarming speed infecting millions of people around the world and bringing global economic activities to a virtual halt. Its impact has been devastating on the people, business and the economy of the world with 2.2 billion jobs (68 percent of global workforce under threat).

27. Mr. Speaker, the COVID-19 pandemic is far more than a health crisis. Ghana has not been spared the painful economic and social impact that COVID-19 has visited on peoples in nations, big and small, all over the world. The restrictions on movements, has disrupted households and businesses with consequent job losses and reduced incomes in Ghana. The hotel and hospitality industry, trade and industry, agriculture, health, creative arts and media, transportation, manufacturing, education, our Faith-Based Organizations, financial services and young entrepreneurs have all been severely affected.

28. Mr. Speaker, a month into the COVID-19 pandemic in April, IMF revised its projections to indicate that 170 countries, that is 87% of world economies, would see per capita income shrink in 2020. The latest forecast from the Fund in June predicts a decline of almost 5% in 2020 for the world economy.

29. Mr. Speaker, world trade is also expected to contract by 11.9 percent, primarily, due to the sudden imposition of tight restrictions on movement. This has led to disruptions in the global supply chain, widespread supply shortages and its attendant increase in prices and reduction in domestic revenues. Sub-Saharan Africa is now projected to contract by 3.2 percent, 1.6 percentage points worse than the April forecast.

30. Mr. Speaker, this virus has laid bare our vulnerabilities as a world, as nations, as households and as individuals. As at yesterday, Wednesday 22<sup>nd</sup> July, 2020, Six hundred and twenty two thousand, seven hundred and twenty five (622,725) persons had sadly succumbed

to this virus and fifteen million, two hundred and forty thousand, two hundred and ninety (15,240,291) had been infected across the world.

31. Mr. Speaker, even before we fully grasped the impact of the COVID-19 outbreak, our immediate concerns were on protecting lives and preserving the livelihoods of our people. The President moved swiftly with a US\$100 million preparedness plan which was prescient and laid the foundation to implement measures to save lives and safeguard economic activities by improving citizens' access to essential public services and helping businesses weather the downturn.

32. Mr. Speaker, thus far, the health consequences of the COVID-19 outbreak in Ghana has not been as devastating as in other countries. Sadly, as at yesterday 22<sup>nd</sup> July, 2020, one hundred and fifty-three (153) Ghanaians have succumbed to the virus. We have since March, recorded 29,672 cases, with 26,090 recoveries, which puts the number of active cases at 3,429 This has been largely due to the fact that Government has shown a leadership of conviction that has been decisive, swift, innovative and compassionate in the management of the crisis, and also because our health professionals, nationwide, have been heroic in handling the pandemic.

33. Mr. Speaker, the pandemic has also brought to the fore the structural gaps in our health delivery system. That is why, with urgency, we have already begun to mount an effective, coordinated and sustainable, long-term response to the health needs of the people. Under the "Agenda 111" (previously Agenda 88) initiative of His Excellency the President, we will design, build, equip and staff new hospitals in every district without one, and a new regional hospital in every region with none. This demonstrates Government's commitment to protect the lives of Ghanaians. The President has declared that all the district hospitals will be designed and built by Ghanaian built companies and will lay the foundation for the launch of a nation-wide housing programme, God willing, in his second term.

34. Mr. Speaker, we must not and will not be daunted by this extraordinary crisis. Government will continue to do what it has to do - to protect lives and support livelihoods through compassionate, competent and courageous leadership. We have accepted that this pandemic and its effects are unparalleled in the annals of our country, and indeed globally. We have accepted that until a vaccine is found, we have no choice but to re-arrange our lifestyle in order to protect lives and promote livelihoods. It requires the marshalling of unprecedented resources to contend with the pandemic and its effects on Ghanaians.

35. Mr. Speaker, the predicted long-lasting effect of this pandemic, amidst systemic shifts and uncertainties, suggest 2020 and beyond will be very challenging. Ghana will therefore need a continuity of courageous, compassionate and competent Government with a well-crafted programme to protect the lives of Ghanaians, safeguard jobs and support businesses to sustain operations during this period and especially in the four years ahead. This can only be possible with competent managers of the economy at the helm.

36. Mr. Speaker, we have proven over and over again that we are better managers of the Ghanaian economy. Together, we took Ghana out of HIPC and placed it amongst Lower Middle Income Countries within a decade. Together, we recovered and revitalised a critically weakened economy, and today we can now attract renowned global automobile companies in just 3 years of returning into office. Together once again, we will optimise the opportunities presented by this pandemic and build a sustainable future for Ghanaians. In the now famous words of President Akufo-Addo - *"we know how to bring the economy back to life."*

37. Therefore, this 2020 Mid-Year Fiscal Policy Review and Supplementary Estimates is the first of our economic plans to reposition Ghana and Ghanaians to deal with the challenges posed by the pandemic and seize the opportunities it brings. Our response to this pandemic prioritises the protection of our lives and livelihoods, sustains our business operations and sharpens our focus on Ghana's future Beyond Aid.

38. Mr. Speaker, I am presenting updates and progress in implementing the 2020 Budget and highlighting the significant impact of the COVID-19 pandemic. I will also outline today; the resolute steps being taken to get our economy back on track. In his May address to the nation, the President charged the Ministry of Finance to design Ghana's recovery programme.

39. Mr. Speaker, we wish to take this opportunity to announce to the people of Ghana that their President and his team have done a lot of thinking since March. We have brainstormed over the crisis with the view of using the challenges it presents rather as an opportunity to transform Ghana and for all Ghanaians. I am happy to announce that in the coming weeks the President will launch a Gh¢100 billion development programme. An ambitious and unprecedented three and half years programme called: Ghana CARES, *"Obaatan Pa"* which will anchor the comprehensive transformation of our society.

40. Mr. Speaker, I will also request supplementary funding to support our priorities of saving lives and livelihoods, supporting businesses to ensure that the health of Ghanaians and their jobs are secure in these challenging times.

41. Mr. Speaker, I now proceed to give details of updated performance for 2019, developments for the first half year of 2020, and will conclude with the outlook for the rest of the year and present the supplementary estimates.



## **OVERVIEW OF RECENT MACROECONOMIC DEVELOPMENTS**

42. Mr. Speaker, the global economy has, in the past century, experienced some negative shocks which were deemed unprecedented at the time of their occurrence. Indeed, the Great Depression of the 1930s and the more recent Global Financial Crisis of 2007/2008 adversely impacted the world economy. However, as events unfold, it is becoming increasingly evident that the COVID-19 pandemic and its crippling economic effects has an assured place in economic history as, perhaps, the singular event that decimated the global economy in ways never imagined. It is a crisis that has tested global and national leadership like none other in the history of the world during peace time.

43. Mr. Speaker, the COVID-19 pandemic continues to have dire consequences on Africa. According to estimates of the World Bank, economic growth in Sub-Saharan Africa (SSA) is expected to decline from its 2019 value of 2.4% to between -2.1% and -5.1 % in 2020, making 2020 the worst year since records began in 1970 for the continent's economic growth, (according to IMF's Regional Economic Outlook for Africa, "Covid-19: An Unprecedented Threat to Development", April 2020).

Let us be in no doubt, Africa is facing its first recession in 25 years. A recession which threatens to exact probably the heaviest human toll in peace time Africa. It is our responsibility, as leaders, as the people's elected government, to work out and execute an intelligent, ambitious and all-inclusive recovery plan, than none other, that will steer this nation and her people out of the recession before us. That, Mr Speaker, is the daunting task facing us in Ghana today.

44. Mr. Speaker, the pandemic has also affected Africa's long term structural response to its economic woes; creating the largest trade block at 1.2 billion people for a US\$3.2 trillion economy. The operations of the African Continental Free Trade Area (AfCFTA) was scheduled to launch on 1st July, 2020, right here in Accra. It has now been postponed till January 2021.

### **Update of Macro Economic Developments in 2019**

45. Mr. Speaker, at the time of presenting the 2020 Budget to this august House in November last year, the projected end-year economic performance of 2019 was based on available data for the first three quarters. Given that we now have the full complement of data; I will now provide an update of the performance of the economy in 2019 to the House:

- Overall real GDP growth rate was 6.5 percent as against a target of 7.0 percent, reflecting an improvement on the 6.3 percent in 2018;
- Non-oil real GDP growth rate was 5.8 percent as against a projection of 5.9 percent;
- End-period December inflation remained 7.9 percent with the target being 8.0 percent;
- Overall Budget Balance, which was projected to end in a deficit equivalent to 4.5 percent of GDP, reached 4.8 percent;
- Primary balance reached 0.8 percent as against a projected surplus equivalent to 1.1 percent of GDP; and
- Accumulated Gross International Reserves exceeded the projected 3.5 months of cover for imports of goods and services to reach 4 months.

### **GDP Growth**

46. Mr. Speaker, provisional data released by the Ghana Statistical Service (GSS) in April 2020 show that overall real GDP growth for 2019 was 6.5 percent, compared with 6.3 percent in 2018. This confirms that the economy has continued with its robust performance since 2017, when real GDP grew sharply by 8.1 percent, up from 3.4 percent in 2016. Non-oil real GDP growth in 2019 was 5.8 percent, down from 6.5 percent in 2018. Key drivers of this performance include the Information Communication Technology (ICT), which recorded the highest subsector growth rate of 46.5 percent, followed by Real Estate with growth rate of 19.9 percent.

### **Inflation**

47. Mr. Speaker, headline inflation ended the year at 7.9 percent in December 2019, down from 9.4 percent in December 2018. In August 2019, the Ghana Statistical Service completed the rebasing of the Consumer Price Index using updated information from the Ghana Living Standards Survey of 2017. Headline inflation, following the rebasing was estimated at 7.8 percent for August 2019, moving inflation well within the lower band of the medium-term inflation target band of  $8 \pm 2$  percent. Inflation subsequently increased to 8.2 percent in November due to upward adjustment in some administrative prices but eased down to 7.9 percent at end-December 2019 supported by lower food prices.

## **Monetary Aggregates and Credit**

48. Mr. Speaker, broad money supply (M2+) recorded an annual growth of 21.7 percent in December 2019 compared with 15.4 percent in 2018, reflecting the return of confidence following the banking sector clean-up exercise. The private sector accounted for 85.1 percent of the total outstanding credit of GH¢52,276.8 million in 2019, representing a growth of 18.3 percent compared to 10.6 percent in 2018. In real terms, credit to the private sector grew by 9.7 percent compared to 1.1 percent in 2018. Credit distribution was broad-based, with almost all the key economic sectors recording higher growth in 2019 relative to 2018. The main beneficiaries were Services (24.1%), Commerce and Finance (20.9%), and Manufacturing (10.9%).

## **Interest rates**

49. Mr. Speaker, the Monetary Policy Rate (MPR) came down by 100 basis points in 2019 as inflation declined and inflation expectations eased. As a result, the average lending rates declined marginally to 23.6 percent in December 2019, from 23.9 percent in December 2018. The 91-day Treasury bill rate, however, inched up marginally to 14.7 percent in December 2019, from 14.6 percent in 2018. Interest rates on the 182-day instrument also moved up to 15.2 percent, from 15.0 percent over the same period. Rates on the secondary bond market also remained broadly stable.

## **Balance of Payments**

50. Mr. Speaker, external sector performance remained relatively strong in 2019, supported by a larger trade surplus, a modest current account deficit, and improvements in the capital and financial account net inflows, mainly due to the Eurobond issuance and an increase in FDI. The current account deficit narrowed further to US\$1.86 billion (2.8% of GDP) in 2019 from US\$2.04 billion (3.1% of GDP) in 2018, supported by improvements in the trade surplus from US\$1.81 billion (2.8 per cent of GDP) in 2018 to US\$2.26 billion (3.4 percent of GDP) at the end of December 2019. These developments resulted in an overall Balance of Payments (BOP) surplus of US\$1.34 billion in 2019 compared to a deficit of US\$0.67 billion in 2018.

## **International Reserves**

51. Mr. Speaker, following the developments in the external sector, the gross international reserves climbed by 20 percent to US\$8.4 billion at the end of December 2019 from a stock

position of US\$7.0 billion at the end of December 2018. This was equivalent to 4.0 months of import cover recorded at the end of December 2019 compared to 3.6 months of imports cover as at December 2018.

### **Exchange Rate**

52. Mr. Speaker, in the year to December 2019, the Ghana cedi cumulatively depreciated by 12.9 percent against the US dollar, compared with 8.4 percent depreciation in 2018. Against the British pound and Euro, the Ghana cedi cumulatively depreciated by 15.7 percent and 11.2 percent respectively, compared with 3.3 percent and 3.9 percent period in 2018.

### **Fiscal Developments**

53. Mr. Speaker, Government's fiscal operations in 2019 were broadly in line with expectations. The fiscal deficit, excluding financial sector bailout costs, amounted to 4.8 percent of GDP in 2019, 0.9 percentage point above the recorded deficit of 3.9 percent of GDP in 2018. The corresponding primary balance for the period was 0.8 percent, against a programmed revised target of 1.1 percent, reflecting three consecutive years of recording primary surplus.

### **Revenue Performance**

54. Mr. Speaker, Total Revenue and Grants for the period amounted to GH¢53,380 million, equivalent to 15.3 percent of GDP, against the annual programme target of GH¢58,897 million or 17 percent of GDP. The 2019 performance also represents a 12.1 percent year-on-year growth. The shortfall in Total Revenue and Grants emanated from both Non-Oil Tax and Non-Tax revenues.

### **Expenditure Performance**

55. Mr. Speaker, on the expenditure front, Total Expenditure (including arrears clearance) for the period was broadly contained within the budget and amounted to GH¢70,271 million or 20.1 percent of GDP, against a target of GH¢74,611.7 million or 21.6 percent of GDP. Expenditures generally were 5.8 percent lower than the budgetary appropriation for the year.

### **Overall Budget Balance and Financing**

56. Mr. Speaker, given the developments in revenue and expenditure, the Overall Budget Balance, registered a deficit of GH¢16,892 million, or 4.8 percent of GDP, which was financed

from both domestic and external sources. The total domestic financing amounted to GH¢11,851 million, equivalent to 3.4 percent of GDP, and constituted 70.2 percent of the total financing. Foreign financing amounted to GH¢5,041 million equivalent to 1.4 percent of GDP, against a target of GH¢8,238 million or 2.4 percent of GDP.

### **Public Debt Developments**

57. Mr. Speaker, our public debt management programme for the 2019 financial year was successfully executed despite challenges from the global and the domestic economy. As at end- December 2019, the total gross public stock stood at GH¢217,990.7 million (US\$39,344.2 million). Of this amount, external debt amounted to GH¢112,509.4 million or US\$20,306.4 million while domestic debt amounted to GH¢105,481.2 million or US\$19,037.9 million. The debt-to-GDP ratio as at December 2019 was 62.4 percent, up from 57.6 percent at end-December 2018, (reflecting the impact of the financial sector bailout cost and the energy sector payments).

58. Mr. Speaker, 2019 was a good year, inflation at 7.9 percent, growth at 6.5 percent, deficit 4.8 percent, positive primary balance, and an improved reserve cover.

### **Macroeconomic Performance from Jan - June, 2020**

59. I now report on the macroeconomic performance for the first half of 2020. Mr. Speaker, the following macroeconomic targets were set for 2020:

- Overall real GDP growth rate of 6.8 percent;
- Non-Oil Real GDP growth rate of 6.7 percent;
- End-period Inflation rate of 8.0 percent;
- Overall fiscal deficit of 4.7 percent of GDP;
- Primary surplus of 0.7 percent of GDP; and
- Gross international reserves to cover at least 3.5 months of imports of goods and services.

### **Growth**

60. Mr. Speaker, provisional estimates released by the Ghana Statistical Service (GSS) shows that overall real GDP growth was 4.9 percent in the first quarter 2020 compared to 6.7 percent over the same period in 2019. Growth in the non-oil sector was 4.9 percent compared to 6.0 percent in the corresponding period of 2019.

61. The Agriculture Sector recorded a growth of 2.8 percent in the first quarter of 2020 compared to 2.2 percent during the same period in 2019. Industry Sector recorded a growth of 1.5 percent in the first quarter of 2020 compared to 8.4 percent during the same period in 2019. Growth in the Services Sector was strong at 9.5 percent in the first quarter of 2020 compared to 7.2 percent recorded during the same period in 2019.

### **Inflation**

62. Mr. Speaker, headline inflation remained flat at 7.8 percent from January until March 2020. Inflation, however, rose to 10.6 percent in April and further to 11.3 percent in May, reflecting the panic-buying that preceded the market fumigation exercises across the country and the partial lockdown in the two largest cities, Accra and Kumasi. Inflation has declined marginally to 11.2 percent in June as pressure on food prices begin to decline due to the easing the restriction.

### **Monetary Aggregates**

63. Mr. Speaker, from the beginning of the year to May 2020, growth in broad money supply (M2+) has slowed down, increasing by 6.0 percent, compared with a 7.0 percent increase over the corresponding period in 2019. Credit advanced by banks to public and private institutions also decreased for the first five months of the year, as demand and supply for loans have dropped due mainly to the uncertainties created by the COVID-19 pandemic and decline in aggregate demand.

### **Interest rates**

64. Mr. Speaker, the Monetary Policy Committee of Bank of Ghana reduced the Monetary Policy Rate (MPR) by 150 basis points to 14.50 percent in March 2020 as part of broad measures to reinvigorate economic activity. The interbank rate declined from 15.2 percent in December 2019 to 13.8 percent in June 2020, reflecting the reduction in the MPR in March, 2020 and improved liquidity conditions in the banking sector. Similarly, interest rate on the 91-day Treasury instruments declined to 13.97 percent in June 2020, from 14.69 percent in December 2019. Average lending rate also decreased to 21.95 percent from 23.59 percent over the same comparative period, reflecting improved liquidity conditions in the banking sector and constrained demand for loanable funds.

### **Balance of Payments**

65. Mr. Speaker, the current account recorded a surplus of US\$199.88 million (0.3 percent of GDP) in the first quarter of 2020, up by 12.4 percent from US\$177.76 million (0.3 percent of GDP) during the same period in 2019. The increase in the current account surplus was influenced largely by improvements in the trade balance as well as current transfers. The trade balance recorded a surplus of US\$1,043.29 million compared to a surplus of US\$1,178.26 million in the corresponding period of 2019, mainly on account of a sharp decline in import growth, which more than outweighed the fall in exports. As a result of developments in the external sector, the overall balance of payments recorded a surplus of US\$1,476.46 million compared to a surplus of US\$2,997.31 million recorded in the first quarter of 2019.

### **International Reserves**

66. Mr. Speaker, the country's Gross International Reserves stood at US\$9,171.36 million at the end of June 2020 from a stock position of US\$8,418.08 million as at the end of December 2019. This was sufficient to provide 4.3 months of imports cover compared to 4.0 months of imports cover as at December 2019.

### **Exchange Rate**

67. Mr. Speaker, the Ghana cedi started the year strongly, appreciating by 4.5 percent on a year-to date basis by the end of February 2020 on the back of the US\$3billion sovereign bond issue, strong macroeconomic fundamentals, and BOG's forward auction sales, among others. However, the deterioration in financial market risk sentiment due to the spread of COVID-19 as well as the seasonal demand pressures from the energy and corporate sectors weighed heavily on the cedi. On a year to date basis, the cedi depreciated by 2.4 percent against the dollar and the euro in June 2020 but appreciated by 4.5 percent against the Pound Sterling, compared to a depreciation of 8.3, 7.9 and 7.6 percent against the dollar, the Euro and the Pound Sterling respectively over the same period in 2019. This is the lowest depreciation of the currency in an election year and especially remarkable in these COVID times. We thank God for the foresight in issuing and an Eurobond in February.

### **Fiscal Performance**

68. Mr. Speaker, the implementation of the government's fiscal policy for 2020 has been greatly impacted by the outbreak of the COVID-19 pandemic. Provisional fiscal data for the first half of the year show that revenue mobilisation fell short of target by 26.0 percent,

resulting mainly from shortfalls in oil revenue, customs receipts and non-oil Non-Tax revenues. Let me however congratulate GRAs leadership and tax division for exceeding their tax target by GHC 600 million. Expenditure execution, on the other hand, was faster than programmed due to the emergency spending on the various COVID-19 related programmes.

69. Mr. Speaker, these developments pushed our financing requirements above the programmed limits for the period to enable us address these emergency expenditure pressures. Consequently, the fiscal deficit for the period widened from a programmed target of 3.1 percent of GDP to 6.3 percent of GDP. The corresponding primary balance for the period was in deficit of 3.3 percent of GDP, compared with a targeted primary deficit of 0.0 percent of GDP.

### **Revenue Performance**

70. Mr. Speaker, Total Revenue and Grants for January to June 2020 amounted to GH¢22,007 million compared with a programmed target of GH¢29,759.1 million resulting in a shortfall of 26.0 percent or a performance rate of 74 percent. This represents a nominal decline of 6.8 percent over the corresponding period in 2019.

71. Mr. Speaker, non-oil tax revenue, comprising taxes on Income and Property, Goods and Services and International Trade, amounted to GH¢16,733 million or 4.3 percent of GDP, 16.2 percent below the programmed target of GH¢19,952 million or 5.2 percent of GDP. The lower than programmed performance in non-oil tax revenue was driven by the underperformance of non-oil tax handles such as Domestic VAT, Petroleum Excise taxes, Domestic National Health Insurance Levy, and GETFund Levy. However, personal income tax and Communication Services Tax both out-performed their respective targets for the period.

72. Mr. Speaker, Revenue from upstream Oil and Gas amounted to GH¢1,993 million (0.5% of GDP), 55.4 percent lower than the programmed target of GH¢4,468 million. This was mainly on account of lower volumes and significant drop in crude oil prices on the international market.

### **Expenditure Performance**



73. Mr. Speaker, Total Expenditures (including arrears clearance) for the period amounted to GH¢46,352 million or 12.0 percent of GDP compared with the programme target of GH¢41,554 million or 10.8 percent of GDP.

74. Mr. Speaker, with the exception of interest payments and Grants to Other Government Units which were below their respective targets, compensation of employees, goods and services and capital expenditure were above target, due to the additional spending requirements in relation to the COVID-19 pandemic.

### **Overall Budget Balance and Financing**

75. Mr. Speaker, the result of Government's fiscal operations resulted in a cash basis deficit of GH¢24,345 million, or 6.3 percent of GDP, compared with the programmed target of GH¢11,794 million, or 3.1 percent of GDP for January to June.

76. Mr. Speaker, the Overall Budget Balance was financed from both domestic and external sources. Total Domestic Financing amounted to GH¢21,786 million, equivalent to 5.7 percent of GDP, and constituted 89.5 percent of the total financing. Foreign financing amounted to GH¢2,560 million, some 0.7 percent of GDP, against a target of GH¢15,100 million or 3.9 percent of GDP.

77. Mr. Speaker, the Primary Balance recorded a deficit equivalent to 3.3 percent of GDP, higher than the programmed deficit of 0.9 percent of GDP mainly due to lower-than-programmed revenues and faster execution of expenditures.

### **Public Debt Developments**

78. Mr Speaker, consistent with the front loading of Government's fiscal operations, the financing needs of Government were also front-loaded. As earlier stated, the COVID-19 pandemic has resulted in the tightening of global financial conditions. Fortunately, our US\$3 billion International Capital Market financing was conducted in the first 2 months of the year. In addition, the IMF's US\$1 billion rapid credit facility was also executed in April 2020. In a matter of four months, through good leadership and international goodwill brought about by

efficient management of the economy, this nation was able to raise over GH¢20 billion to protect the vulnerable, our businesses and our dignity as a people.

79. Taking into consideration all these developments, the provisional debt stock as at end-June, 2020 stood at GH¢255,727.1 million (US\$45,486.1 million), representing 66.36 percent of GDP. The increase was mainly as a result of a Eurobond issuance of US\$3.0 billion in February 2020, exchange rate depreciation, frontloading of expenditures and the COVID-19 effect which increased the cedi equivalent of the outstanding debt stock.

80. The total debt stock was made up of GH¢134,888.9 million (US\$23,992.6 million) and GH¢120,838.3 million (US\$21,493.4 million) of external and domestic debt accounting for approximately 52.7 percent and 47.3 percent of the total public debt stock, respectively. As a percentage of GDP, external and domestic debt represented 35.00 percent and 31.36 percent, respectively.

### **2020 Eurobond Issuance**

81. Mr. Speaker, as you may recall, Government obtained the approval of this august House in December last year to raise up to US\$3.0 billion to finance growth-oriented expenditures in the 2020 budget (including restructuring the energy sector) and also to conduct liability management operations.

82. Based on the approval, Ghana became the first ever country on the African continent to issue a 41-year bond and a second tri-tranche bond in the history of the country. Ghana successfully raised US\$3 billion in the international capital markets in three tranches of 6-year, 14-year and 41-year Eurobonds of US\$1.25 billion, US\$1.0 billion and US\$750.00 million, respectively on 4th February, 2020. The 6-year, 14-year, and 41-year bonds were priced at 6.375 percent, 7.875 percent and 8.750 percent, respectively.

83. Mr. Speaker, this transaction was a landmark achievement in many respects as the bond came with the lowest ever coupon rate for Ghana and first 41-year bond tenure in Africa. In fact, despite the initial concerns over the COVID-19 pandemic, and its potential adverse impact on market conditions for Emerging Markets, the order book was five times oversubscribed. This translated into a peak order book, in excess of US\$15 billion and came on the heels of the 7 times oversubscription for the 2019 Eurobond.

84. Mr. Speaker, in line with the use of proceeds approved by Parliament, an amount of US\$2.00 billion was earmarked to finance growth-oriented expenditures, US\$1.0 billion for restructuring the energy sector in the 2020 budget and the remaining US\$1.00 billion for liability management operations. Already, a buyback of US\$523.05 million of the maturing 2023 Eurobond has been carried out.

### **The Financial Sector Clean Up and Bailout**

85. Mr. Speaker, as stated earlier, the outbreak of the pandemic is having a negative impact on the financial sector here in Ghana and across the world. All over the world, central banks are being relied upon by governments to find the liquidity to tackle the socio-economic difficulties unleashed by the pandemic. The Bank of Ghana has stepped up to the challenge and announced various policy measures to help support the economy and financial institutions in order to cushion the adverse impact of Covid-19 on the economy. It is important to stress that this has been possible because of the responsible and competent management of both the fiscal and monetary space since 2017.

86. As a result of mismanagement, depositors' funds had been locked up with no hope that these depositors could access their own funds. The authorities, with foresight and appreciation of the role of the banking/financial sector to any economy, especially to oil the engine of the private sector, introduced painful but unavoidable reforms to clean up the mess inherited from the previous government. The timely intervention under this administration resulted in the saving of these locked up funds in failed banks. This was a sobering but necessary action that in total is costing the state in excess of **GH¢21 billion** of taxpayers' funds. These are funds that could have been otherwise deployed to support the development agenda of the government. Let it be said that a serious government, as we are, desperate as we were to fix a broken economy as it was and fund our own programmes, as promised, and as patriotic as we are, had absolutely no thoughts, no time, no energy or the luxury to conspire with the central bank to deliberately cause the downfall of Ghanaian banks that were already in zombie state, fatally insolvent, by the time we took office. What we did was to merge those that had failed, save those that could be saved with the view to building a strong and viable financial sector with integrity. What the President did, which is unusual in banking practice, globally, was to go the extra mile to save the funds of all depositors of failed banks. Let no one stand on the staple and proclaim untruths and let mature Ghanaians be quick to listen, slow to speak and slow to angry-James 2:10.

87. Mr. Speaker, as at the end of first quarter 2020, a total amount of GH¢13.6 billion (3.5 percent of GDP) has been spent on the resolution of failed banks, Specialised Deposit-taking Institutions (SDIs), Micro Finance Institutions (MFIs), the establishment of the Consolidated Bank Ghana Limited (CBG), as well as the capitalisation of the Ghana Amalgamated Trust (GAT).

88. Mr. Speaker, additionally, with the President's directives to fully pay all depositors whose funds were locked up with the failed SDIs and MFIs, an amount of GH¢5 billion was spent. This brings the total expenditure on financial sector interventions as at June 2020 to GH¢18.6 billion (4.8 percent of GDP). Government has also committed an amount of GH¢3.1 billion (0.78 percent of GDP) towards supporting investors in failed asset management companies regulated by the Securities and Exchange Commission (SEC).

89. Mr. Speaker, this would bring the overall total Government expenditure for the failed financial institutions to GH¢21.60 billion (5.6 percent of GDP). A legacy of financial enslavement from the previous administration.

## **HIGHLIGHTS OF IMPLEMENTATION OF KEY INITIATIVES IN THE 2020 BUDGET**

90. Mr. Speaker, while fiscal consolidation and stellar macroeconomic performance are critical to robust and sustainable economy, President Akufo-Addo believes that this must reflect first and foremost in improvements in the everyday life of “Fellow Ghanaians”. Consistent with this belief, Government for the past three and a half years been implementing a number of flagship programmes to spearhead a broad-based economic and social transformation and deliver these fundamental services to all Ghanaians.

91. Mr. Speaker, progress has been made in the implementation of these flagship programmes with significant achievements in the implementation of the Free Senior High School (FSHS), Planting for Food and Jobs (PFJ), One District One Factory (1D1F), Infrastructure for Poverty Eradication Programme (IPEP), and Nation Builders’ Corps (NABCo), amongst others. These programmes have brought needed reliefs and impacted positively on the lives of all ordinary citizens.

92. Mr. Speaker, Free SHS has saved parents and guardians a cumulative total amount of GH¢ 3.2 billion since in 2017 and that is money in their pockets and investment in their future. This intervention has sustained the schooling of 1,199,750 students to-date, a marked increase from the 813,443 students enrolled in 2016/2017 academic.

93. Mr. Speaker, the Kufuor Government, in 2005/2006 academic year, rolled out the Ghana School Feeding Programme (GSFP) to provide, at least, one meal to school children in deprived communities. Between 2016 and now, the feeding programme has been extended to reach 2,980,000 pupils in deprived communities, representing an increase of 78.3 percent in beneficiaries. In providing equal opportunity for foundational education, through school feeding, we have invested GHC1,310.92 million since 2017 as compared to the GHC925.56million in the three years prior to 2017.

94. Mr. Speaker, compassion for our compatriots has seen us expand LEAP to reach 334,084 households by June, 2020; representing an increase of 56.8 percent in beneficiaries since 2016. Furthermore, Government, through LEAP, has also successfully enrolled 73 percent of its beneficiaries onto the NHIS for free. We have invested GHC464.38 million since 2017 to increase access to services and opportunities among the extremely poor and vulnerable.

96. Mr. Speaker, the restoration of allowances for trainees has brought relief valued at GH¢ 994.23 million to 50,825 and 48,000 nurses and teacher trainees respectively between

2017 and December, 2020. An additional GH¢57 million had been released for 48,200 nursing trainees at the end-June 2020. This is true relief for students and guardians while advancing our efforts to build a robust health and educational systems.

96. Mr. Speaker, to support our youth, 97,373 graduates have been employed in key sectors of the economy under NABCO programme since May, 2018. We have subsequently retained them by spending over GH¢ 1.6 billion and that is money in their respective pockets, but more importantly the build-up of dignity and training for future job.

97. Mr. Speaker, the Government's Planting for Food and Jobs initiative has saved 1.9 million Ghanaian farmers in excess of GH¢ 1.8 billion over the last three and half years through subsidized fertilizer and other inputs. This is money in their pockets. The increased usage of improved seeds and fertilizers by farmers has led to improved productivity of selected food crops.

98. Mr. Speaker, a major outcome of our intervention in the agricultural sector has been the dramatic improvements in food security leading to increased exports of food items to neighbouring countries from 85,000 MT to 133,145 MT between 2017 and 2019.

99. Towards enhancing the export potential of the country, approximately 15 million seedlings of cashew, coffee, coconut, and oil palm have been distributed to farmers. This Parliament has already passed the Tree Crop Development Bill, to properly regulate the development of these tree crops.

### **Industrialization**

100. Mr. Speaker, Government's agenda for industrial development for job creation and economic transformation rests on the partnership with the private sector to operationalise the One District One Factory (1D1F) initiative. Our push on this front has resulted in 76 operational factories, with 232 projects at various stages of implementation. Not only have we leveraged private sector support through tax exemptions valued at GH¢ 34million, Government has directly spent GH¢ 210.03 million as support to existing factories and for the construction of new factories. Our industrial agenda has certainly enhanced the prospects for more jobs for Ghanaians.

101. We have also eased the credit constraints faced by 97,876 small and micro enterprises, mostly in the formal sector, under MASLOC with an amount of GH¢99.30 million between 2017

and end 2019. This intervention continues to help these enterprises to thrive and sustain the employment of fellow Ghanaians, especially women.

102. Mr. Speaker, H.E. The President has been an ardent advocate of youth entrepreneurship. Through the Presidential Business Support Programme, about 19,000 start-ups have been trained and mentored to create about 90,000 direct and indirect jobs. A total amount of GH¢88.31 million has been expended to make this possible.

### **Infrastructure Development**

103. As a Government, we have been preoccupied with providing connective infrastructure to spur socio-economic development. This has remained a high priority as it is a bedrock for the agenda to make our country the Regional Hub for trade, manufacturing and logistics.

104. Mr. Speaker, in offering a major boost to the road sector, we declared 2020 as “The Year of Roads”. Despite the outbreak of the COVID 19 pandemic, substantial progress has been made. Major road infrastructure undertaken by this government includes:

- Tema Motorway Roundabout, a 3 – tier interchange which is completed and commissioned;
- Pokuase Interchange under the Accra Urban Transport Project. This involves the construction of a 4-tier interchange. Progress currently stands at 74 percent;
- Obetsebi Lamptey Circle Interchange and ancillary works (Phase 1) currently at 45 percent completion;
- Tamale Interchange Project which is 40% complete;
- Kumasi-Lake Roads and Drainage Extension project, at 55 percent completion as at end June, 2020.

105. Mr. Speaker, residents of all urban centres, especially Accra, Ho, Kumasi and Takoradi, are seeing continuing improvements in inner-city roads in their metropolis. In addition, construction of critical inter-regional road projects and bridges, including the Eastern Corridor Road Phase I, are all at various stages of completion.

106. Road contractors have seen increased payment of claims by this Government. We have paid road contractors approximately GH¢ 6.4 billion from 2017 to date. That substantially helps them to meet their obligations and sustain their operations.

107. Mr. Speaker, we set out to modernise the railway system and effectively replace the colonial rail lay-out. Since 2017, we have committed GH¢ 566.66 million to cover works on

construction and rehabilitation of railway lines including rehabilitation of Accra to Tema (30km), Achimota to Nsawam (33 km) and Kojokrom to Tarkwa (56km). The Tema to Mpakadan railway line has seen approximately 56km out of the 97km of track laying works completed. The construction of the new standard gauge Western Line (Takoradi to Kumasi), with the Kojokrom to Manso section, is also on course.

108. Mr. Speaker, to activate these networks, a contract for the purchase of 35 trains has also been signed. A set of nine (9) trains will be delivered within 18 months.

109. Mr. Speaker, sustainable delivery of basic infrastructure to improve lives in rural and peri-urban communities has engaged our attention. The implementation of the Infrastructure for Poverty Eradication Programme (IPEP) initiative is premised on this interest.

110. Mr. Speaker, under the IPEP programme, the infrastructure deficit in these communities have been significantly closed. A number of infrastructure initiatives including prefabricated warehouses, one-village-one-dam, one-constituency-one ambulance, mechanized boreholes have been implemented in all 275 constituencies. Our commitment to Ghanaians in these areas have meant that we have invested GH¢ 524.13 million from 2017 to date.

111. Mr. Speaker, we commenced the construction of 10 fish landing sites at Teshie, Axim, Dixcove, Elmina, Winneba, Mumford, Senya-Breku, Fetteh-Gomah, Moree, and Keta to improve safety and enhance the quality of life in fishing communities. With improved access roads and refrigeration, market linkages will be strengthened and losses will be minimised. Eight 8 of the fish landing sites are already at varied levels of completion.

112. Mr. Speaker, Government has also invested about GH¢ 904 million in the provision of sanitation facilities and potable water, mostly to deprived communities. This has supported the fitting of hand-pumps to deliver water to about 220,000 households. In addition, a total of 7,000 (240-Liter) waste bins have been deployed in selected MMDAs within the Greater Accra, Ashanti, Western, Central, Oti, and Eastern Regions, as well as state institutions to aid the proper disposal of waste.

113. Mr. Speaker, the sense of deprivation and exclusion experienced by residents in inner city and Zongo communities has been of concern to President Akufo-Addo. Not only have we established the Ministry of Inner City and Zongo Development to drive improvements in these communities, we have funded earmarked projects by resourcing the Zongo Development Fund (ZDF) instituted by this Government. We have committed GH¢ 87.38 million to the ZDF to



support the delivery of key projects in education and skills training, health and sanitation, sports and leisure, local businesses and centres of culture, as well as improved security. With these investments, the inequality gap is being bridged to enhance social mobility.

### **Development of the Automobile Industry in Ghana**

114. In response to Government's introduction of a new comprehensive Automotive Manufacturing Development Policy, some of the leading global automobile companies (referred to as Original Equipment Manufacturers) have already established commercial interests in Ghana to assemble their brand of vehicles.

115. In March 2020, the Volkswagen Group rolled out the first VW locally assembled vehicle. VW Ghana is currently producing six different brands of vehicles, namely *Tiguan, Teramont, Amarok, Passat, Polo and Caddy*. Both the Toyota and Nissan Groups are also positioned to establish assemble operations before the end of the year. Sinotruk, a leading global manufacturer of Heavy Duty Trucks is also assembling a variety of trucks in Ghana through Zonda Tec Ghana Limited. An indigenous Ghanaian company, the Kantanka Group has also been formally granted a license to continue their auto assembly operations in Ghana and to benefit from incentives under the Ghana Automotive Manufacturing Development Policy.

116. In order to support these new major developments, Government will establish an Automobile Industry Development Center which will among other things, coordinate the technical processes for licensing vehicle assemblers and manufacturers and monitor their compliance with industry regulations and standards. The Center will also coordinate the implementation of a Vehicle Financing Scheme which will link financial institutions to individuals and groups interested in purchasing newly assembled vehicles in Ghana. Furthermore, it will manage an Automotive Skills and Technology Upgrading Programme to provide requisite skills for the industry.

117. It is envisaged that the development of the automobile industry in Ghana, which is one of the new Strategic Anchor Initiatives being promoted under the Ministry of Trade and Industry's Industrial Transformation Agenda, will constitute a significant step towards import substitution and enhancing exports, particularly within the context of the African Continental Free Trade Area (AfCFTA). Ghana is well positioned to become the new automobile manufacturing hub in Africa.

118. Mr. Speaker, the continued and successful implementation of these interventions is delivering real relief to our people. Effectively, we are gradually building a stronger foundation for a more inclusive transformation of our country.



## **COVID-19 IMPACT AND MITIGATING MEASURES**

119. With your permission, Mr. Speaker, I will now proceed to present the impact of COVID-19 and the mitigating measures adopted by Government.

120. Mr. Speaker, 2020 has been a very challenging year for the global economy primarily as a result of the impact of the COVID-19 pandemic. The pandemic has disrupted global economic activity, created uncertainty, and weakened global growth conditions. Growth for 2020 which was projected at 3.4 percent, is now expected to contract by 4.9 percent in 2020. Advanced countries are expected to contract by 8.0 percent, Emerging Markets/Developing Economies is projected to contract by 3.0 percent while Sub-Saharan Africa is expected to contract by 3.2 percent

121. Mr. Speaker, Germany's leader, the bastion of prudence, Chancellor Merkle stated that "don't talk to me about Budget deficit". The IMF projects in its June 2020 World Economic Outlook (WEO) that the global overall fiscal balance will worsen from a deficit of 3.9 percent of GDP in 2019 to a deficit of 13.9 percent in 2020 while global debt-to-GDP ratio will worsen from 82.8 percent of GDP in 2019 to 101.5 percent of GDP in 2020. Likewise, Mr. Speaker, global trade is expected to contract by 11.9 percent in 2020, with that of Emerging Market and Developing Economies declining by 9.4 percent.

### **Global response to COVID**

122. Many Governments have cut interest rates and provided fiscal stimulus to businesses and industry, as well as social safety nets to their citizens. Governments have rolled out billions, sometimes trillions, of dollars to boost their economies, hoping to dampen the economic damage brought on by the pandemic. Massive economic support have been pledged, from direct payments to individuals to limitless loans for distressed businesses. It is estimated that G20 countries are providing \$7.0 trillion in fiscal support, \$3.5 trillion of which will support direct government spending. Multilateral institutions, particularly, the IMF and the World Bank, have also announced specific support packages for member countries. The IMF has within the last four months approved an amount of US\$10 billion for other countries compared to a billion each year in the past three years.

## **Impact on Ghana**

123. Mr. Speaker, these global developments and projections have significant implications for the socio-economic life here in Ghana

124. Mr. Speaker, Government was swift and proactive in its response to the pandemic. With the commendable support of this august House, the Imposition of Restrictions Act, 2020, (Act 1012) was enacted to enforce social and physical distancing protocols. Under Act 1012, Mr. Speaker, Government imposed restrictions on movement of persons in the Greater Accra Metropolitan Area (GAMA) and Kumasi Metropolitan Area and contiguous districts, for a period of three weeks.

125. Mr. Speaker, just as the Ghanaian economy was beginning to consolidate recent gains for growth and jobs, the COVID-19 outbreak hit the country leading to the initial severe movement restrictions. Although the restrictions are gradually being eased, the pandemic continues to pose significant challenges to the Ghanaian economy. The sectors heavily affected include the hotel and hospitality industry, foreign direct investment, trade and industry, agriculture, health, transportation, manufacturing and education. Households and businesses have equally been hard hit with significant job losses and reduced incomes.

126. Mr. Speaker, COVID-19 has also led to disruption in corporate and general business confidence, with threats to projected revenues, profitability, liquidity and corporate growth. So far 19 out of the 28 State-owned Enterprises (SOEs) are projecting losses up to GH¢1.55 billion for 2020.

127. Mr. Speaker restrictions on movements and enforcement of social distancing protocols severely affected the transport sector. Commuter mini bus services, tro-tro, operated at 70 percent load capacity whilst inter-city buses had passengers reduced by 50 percent between March and May. The operations of Metro-Mass Transport experienced a decline in monthly revenue from GH¢5.5 million to GH¢2.1 million. The Intercity STC Company witnessed decline in bus services and luggage revenue from average of GH¢5.0 million in previous months to average of GH¢3.0 million since March 2020. The Driver and Vehicle Licensing Authority also experienced losses as revenue fell drastically from GH¢3.5 million to about GH¢1 million between March and April 2020.

128. Evidence presented by the Tour Operators Association shows 11,558 tourists cancelled their visits to Ghana, leading to a projected year-to-date revenue loss of GH¢4.8 million.

129. Mr. Speaker, in the energy sector, the significant impact is on exploration, appraisal and production of oil and gas activities, including delays in implementing the 2020 work programmes of operators. The Petroleum Commission has estimated that projects valued at US\$324 million across the petroleum upstream sub sector have stalled or been postponed due to the pandemic. Aker Energy, for instance, has notified the Ministry of Energy of the postponement of the Pecan field development. This has impacted the delivery of first oil from the Pecan project, thereby postponing projected revenues to Government. These postponements could weaken the critical role of the oil and gas sector in propelling economic growth.

130. Mr. Speaker, to authenticate initial indications, the Ministry of Employment and Labour Relations is currently leading a comprehensive study on job losses, as well as the impact of COVID-19 on employment and related matters in Ghana. This august House will be accordingly apprised in due course.

131. Consequently, the projected real GDP growth for 2020 has been revised considerably downwards from 6.8 percent to 0.9 percent. Mr. Speaker, it is only the solid foundation established by this Government and the resilient buffers built by the Bank of Ghana that has saved the economy from contracting, as have happened in many countries.

132. Mr. Speaker, the fiscal cost of the COVID-19 pandemic is enormous. When I appeared before this august House in March this year, I informed Honourable Members that the total fiscal impact of the pandemic was estimated at GH¢9,505 million (2.5% of revised GDP), stemming from shortfalls in petroleum receipts, import duties, and other tax revenues, the cost of the Emergency Preparedness Response Plan, and the cost of the Coronavirus Alleviation Programme.

133. Mr. Speaker, updated fiscal estimates indicate that revenues are expected to fall short of the 2020 Budget target by GH¢13,632 million (3.5% of revised GDP) arising from shortfalls in Petroleum Receipts of GH¢5,257 million; Non-Oil Tax revenue GH¢5,089 million; and Non-Tax Revenues of GH¢3,286 million.

134. Mr. Speaker, expenditures, on the other hand, are expected to increase by GH¢11,660 million (3.4% of revised GDP), reflecting mainly expenditures on COVID-19 Preparedness & Response Plan, provision of Health Infrastructure (Agenda 88+), Coronavirus Alleviation Programme, Capitalisation of National Development Bank, Security, Elections, and payment of outstanding claims

### **Government's leadership and immediate response**

135. Mr. Speaker, at the beginning of the year, Government did not anticipate the need to provide over 300,000 COVID-19 test kits, extra allowance to frontline health workers, income tax exemption for all health sector workers, hire over 1,000 contact tracers, supply households with free water, free electricity for over 50 percent of the population and provide GH¢600 million to support small and medium scale enterprises under the Coronavirus Alleviation Programme.

136. Mr Speaker, all these costs to Government come at a time of reduced revenue at our ports, fall in global oil prices, near collapse of the hospitality industry and a general decline in global trade. Such unexpected expenditure often leads to increased budget deficits. However, it should be noted that these are not ordinary times and as such, require extraordinary economic and financial interventions.

137. Mr. Speaker, the interventions implemented by countries the world over have been massively expensive but necessary to sustain their economies amidst the COVID-19 pandemic. It is worthy of note that most of these interventions by various countries were not budgeted for at the beginning of the fiscal year. Hence, these countries, like Ghana, could experience budget deficits, not because of profligate spending or mismanagement of their economies, but the inescapable exigencies of the time. Indeed, our donor partners are amazed at how we have spent so little and yet achieved impressive results, compared to the colossal resources their governments have released to support their economies.

### ***Health***

138. Government proactively put together the GH¢560 million (US\$100 million) National Emergency Preparedness and Response Plan (EPRP) for COVID-19 to help manage and contain the spread of the virus and strengthen the national capacity for surveillance, diagnosis,

and case management. The implementation of the Plan was anchored on the 3Ts – Testing, Tracing and Treatment.

139. Mr. Speaker, in order to enhance our testing efforts, the Noguchi Memorial Institute for Medical Research (NMIMR) at the University of Ghana, the Kumasi Centre for Collaborative Research (KCCR), and the National Public Health Reference Laboratory (NPHRL) at Korle-Bu were designated as national testing institutions. The capacity of scientific research and testing teams at the three original designated testing institutions have been significantly expanded to 10 sites over the last four to six weeks.

140. Mr. Speaker, the supply of much needed logistics was also a first-order priority. Accordingly, Government provided 3.6million reusable face masks, 50,000 medical scrubs, 90,000 hospital gowns, and 90,000 head covers to the health facilities from the 9<sup>th</sup> April to 30<sup>th</sup> June, 2020.

141. Mr. Speaker, in motivating health personnel, Government has provided a life insurance package worth GH¢10.3 million for those directly involved in surveillance, case management, laboratory, and all other health and allied personnel who get infected. Additional provision was made for overtime and risk-based payments for key frontline workers. Transport costs and costs of sustenance for contact tracers and field surveillance officers were also absorbed by Government.

142. Mr. Speaker, to further cushion and incentivise frontline workers, Government waived personal income taxes for 137,000 health workers, offered allowance of 50 percent of basic salary for about 10,000 frontline health workers, and provided them transportation for the duration of the lockdown. These direct reliefs to health workers cost Government additional GH¢320 million

## **Social**

143. To mitigate the impact of the pandemic on citizens Government needed to help businesses retain their workers and support families in these unprecedented times. With Ghanaians being asked to stay home, or work from home if possible, and observe hygiene protocols, Government substantially covered the cost of electricity and water services from April-June, 2020.

144. To this end, electricity and water consumption was temporarily subsidized. Government fully covered the cost of consumption of the one million lifeline customers and subsidised 50 percent of the consumption of all other customers. This livelihood preservation programme for about 4 million households and 680,000 businesses, added an unplanned GH¢1.02 billion to Government expenditures. The total cost of the Water Relief Programme to Government is projected at GH¢275.5 million out of which GH¢199.3 million had been paid by end-June 2020.

145. Government through the Gender Ministry and NADMO provided 1,827,581 and 917,142 cooked food packs to vulnerable persons within Accra and Kumasi respectively. In collaboration with Faith-Based Organizations, Government also distributed dry food packages to about 470,000 families. Let me extend my deepest gratitude to the Faith-based organisations for this unique partnership with Government and may the Lord count this as righteousness for the FBOs and Government.

146. Mr. Speaker, the support to households, in terms of supply of dry food packs and hot cooked meals cost Government GH¢54.3 million to enable them mitigate the impact of the pandemic. This was in addition to an amount of GH¢50.2 million transferred to the 400,000 most-vulnerable individuals under the Livelihood Empowerment Against Poverty (LEAP) Programme.

147. Mr. Speaker, in response to the plight of an estimated 3,212 Ghanaians stranded abroad due to the disruptions caused by the pandemic, Government has rolled out the Operation Return Home Programme. As at end-June 2020, a total of 2,250 individuals had been evacuated with Government bearing the full cost of flight and mandatory 14-day hotel quarantine services for 1,116 persons, most of whom are students.

148. Government has prioritised the easing of restrictions on education by first allowing final year students at the tertiary level to resume schooling on Monday 15<sup>th</sup> June, 2020. To facilitate this process, a total of 600,000 face masks were supplied to the tertiary institutions. In addition to this, 1,700 Veronica buckets, 200,000 litres of alcohol-based hand sanitizers, 3,400 litres of liquid soap, and 900 thermometer guns were distributed.

149. All the 1,167 Senior High Schools (SHS) in the country were fumigated and disinfected. Government also provided 2.4 million pieces of re-usable face masks to students, teaching



and non-teaching staff, invigilators and school administrators, with each person receiving three pieces.

### **Economic**

150. Mr. Speaker, recognising the devastating impact of the pandemic on businesses, and in the spirit of the Ghana Beyond Aid vision, Government mobilised several local industries to produce and ensure adequate supply of critically needed inputs to fight the pandemic.

151. As part of that programme, Government procured PPEs consisting of 50,000 hospital scrubs costing GH¢6.0 million as well as 90,000 medical gowns and caps valued at GH¢6.75 million were produced by the local textile firms. In addition, 15 million face-masks, out of which 5 million and 10 million were supplied to frontline health workers and schools, respectively, at a cost of GH¢65.0 million.

152. Mr. Speaker, the CAP Business Support Scheme (CAP-BuSS) of GH¢600 million was designed to specifically support micro, small and medium-sized enterprises (MSMEs) and was launched by H. E. President Nana Addo Dankwa Akufo-Addo on 19<sup>th</sup> May, 2020. The Scheme is part of the GH¢1.2 billion CAP approved by Parliament to address the disruption to economic activities due to the pandemic. To date, more than 64,000 Ghanaians from all the regions have benefited from the scheme.

153. The Scheme established the Adom Micro Soft Loans for micro enterprises which are being disbursed through the Vodafone mobile money platform. The Anidasuo Soft Loans, targeted at small and medium enterprises, will be disbursed through participating financial institutions. Mr. Speaker, through the Scheme, TIN registration in Ghana increased from approximately **110,000 a month** to **815,449** from 19<sup>th</sup> May, 2020 to 30<sup>th</sup> June, 2020, thereby supporting Government's agenda to formalise the informal sector

154. Mr. Speaker, in addition to the interventions, Government, through the Bank of Ghana, responded to the COVID-19-related challenges in the Banking sector with a suite of policy measures designed to cushion businesses and the economy at large. We targeted syndicated lending of GHS3 billion. Mr Speaker, I am happy to announce that the banks have reported loan restructurings, moratoria, and new facilities of over GH¢7 billion in the past four months.

155. Mr. Speaker, the COVID-19 National Trust Fund established under Act 1013 in April 2020 had mobilised about GH¢53 million from individuals, churches, corporate bodies, staff of organisations, non-governmental organisations, groups, and associations, among others as at end June, 2020. Out of this, an amount of GH¢32 million had been for the same period.

156. Mr. Speaker, the scale of this pandemic has deepened the strategic partnership between state and non-state actors, especially the private sector.

157. Mr. Speaker, the Church of Pentecost, as a humanitarian gesture, and in keeping with recent social partnership arrangements, offered the Pentecost Convention Centre at Gomoa Fetteh as an isolation centre for infected persons. Similarly, the Catholic Church released a host of its facilities located across the country to house and treat infected persons. The 140-bed capacity Ghanaman Soccer Centre in Prampram, owned by the Ghana Football Association, also served as an isolation centre. The work of the traditional churches, Charismatic, Pentecostal Churches and our Islamic leaders continue to uphold our people.

158. To help mobilise critical support from the business community and help Government respond promptly to the pandemic, the private sector set-up the Ghana COVID-19 Private Sector Fund to provide critical interventions to Ghanaians.

159. Mr. Speaker, in a commendable effort towards increasing the country's infectious disease treatment capacity, the Private Sector Fund has undertaken to construct four 100-bed facilities each with a 21-bed Intensive Care Unit, a level 2.5 laboratory and staff block in Accra, Kumasi, Tamale, and Takoradi. The first of this four, which commenced through a virtual sod-cutting by the His Excellency the President on 17<sup>th</sup> April, 2020, is expected to be commissioned by end-August 2020. This is real partnership at work.

## **GETTING THE ECONOMY BACK ON TRACK—THE COVID-19 ALLEVIATION AND REVITALISATION OF ENTERPRISES SUPPORT (CARES) PROGRAMME**

160. Mr. Speaker, at the very height of the pandemic, overnight, planes stopped flying, buses were empty, city centres were deserted, churches were closed, offices empty, and hotels shut down. The experience of this pandemic has come along with real lessons that have implications for Ghana's socio-economic development.

161. Mr. Speaker, COVID-19 has taught us that a lot of the things we did not believe possible are possible. The enticing emergency social support and economic stimulus packages announced by G20 and OECD countries must ignite our passions for our country and re-energize our efforts to create prosperity for all our people.

162. Mr. Speaker, I believe we must not waste this pandemic. It is a once in a lifetime opportunity to really effect and deliver an enduring transformational change. We are called upon to remove the unspoken limits on our ambitions and critically examine all the boundaries we imposed on ourselves.

163. Mr. Speaker, we must have courage and be audacious in repositioning Ghana and Ghanaians, not only to mitigate this pandemic, but to implement programmes that will transform our country. We should change our approach to our development and dare to do the impossible. Under the leadership of President Akufo-Addo, and informed by broad consultations, we have prepared the Ghana COVID-19 Alleviation and Revitalisation of Enterprises Support (Ghana CARES) Obatanpa Programme for this very purpose.

164. Mr. Speaker, the Ghana CARES Obatanpa programme is an unprecedented, bold and audacious GH¢100 billion programme for us to re-imagine and re-envision our future like never before. It is sequenced in two phases: a **Stabilisation Phase** that runs from July to the end of the year (2020); and a medium-term **Revitalisation Phase** will accelerate the Ghana Beyond Aid transformation agenda. Mr. Speaker, with your permission, I wish to highlight the main elements of each phase of the programme.

165. Mr. Speaker, the stabilisation phase of CARES will ensure food security, protect businesses and worker incomes, strengthen the health system, attract private investments and support Ghanaian businesses.

166. Mr. Speaker, Government will intensify support for farmers through the Planting for Food and Jobs and Rearing for Food and Jobs programmes. We will aggressively facilitate access to financing for rice millers to enable them to purchase paddy from rice farmers. In addition, we will provide financial support to the National Buffer Stock Company and Ghana Commodity Exchange to enable them store and trade stocks as needed to smoothen out supplies on the market.

167. Mr. Speaker, Government will inject liquidity into the system to ease cash flow difficulties of businesses and protect workers by honouring obligations to contractors and suppliers in a timely manner. Building on recent good experience of sourcing from the pharmaceuticals and textile & garment sectors, Government will expand procurement from local producers for its goods and services

171. Mr. Speaker, we are mindful of the fact that some businesses may have to shed some labour in order to survive. In the unlikely event that this happens, Government, through the Ministry of Employment and Labour Relations (MELR), will collaborate with the Social Partners (Labour and Employers) to establish *a National Unemployment Insurance Scheme*. The scheme will provide temporary income support to workers that are laid off and also provide them access to re-training to help them take advantage of employment opportunities in new fields.

172. Mr. Speaker, Government will soon roll out an Emergency Preparedness and Response Plan II, which will enable us to continue strengthening the health system.

173. Mr. Speaker, Government will, over the course of this year, work with this august House to pass a number of legislations that will provide a strong framework to raise the funds, attract the investments necessary for the revitalisation and transformation phase of CARES and rationalise and strengthen support to SMEs. These will include Bills on tax exemptions, public-private partnerships (PPPs), the Ghana Investment Promotion Centre (GIPC), Development Finance Institutions, Home Ownership Financing and *Enterprise Ghana*.

174. Mr. Speaker, over the medium-term (2021 to 2023), Government's plan is to implement a phase 2 of Ghana CARES which will revitalise and transform the economy. The main focus will be to accelerate the implementation of the Ghana Beyond Aid agenda.

175. Mr. Speaker, in our economic revitalisation and transformation, Government will, take resolute measures to improve the business environment for the private sector. Specific measures to be implemented include significant improvements in business regulations and their implementation, digitisation to improve quality and transparency of public service delivery, expanding access to finance for Ghanaian business, skills training, and energy sector reform.

176. Mr. Speaker, we all know that a plan is only as good as its implementation; it is not enough just to raise the money. So, for the CARES Programme, execution, execution, and execution, will have to be the watchwords. The CARES Revitalisation & Transformation agenda is about national survival and security, just like our response to the COVID-19 pandemic itself. Therefore, we need to approach it as such, with a resolute focus on implementation. We will have to pursue a “Whole-of-Government” approach, and in close collaboration with and support to the private sector. And we will make sure they happen!

## **CONCLUSION**

177. Mr. Speaker, I crave your indulgence to remind this House, that we inherited an economy characterized by the slowest economic growth rate for the last 30 years - since 1990. We were bequeathed an economy that was choking on the largest nominal fiscal slippages since independence, with underperforming revenues battling against the insatiable appetite of an overspending government, surrounded by a mountain range of billions of arrears (about half of which turned out to be dubious). We took over a treasury stymied in high debt burden, a derailed IMF programme, forlornly expected to be corrected by the same government that had lost touch with the plight and aspirations of the people and lost track with its own programme of action. Thankfully, the Lord has steered us past that.

178. Mr. Speaker, to restore the dignity and hope of Ghanaians and put the economy back on track, in fulfilment of our manifesto, we put in place carefully-sequenced programmes of macroeconomic adjustments and consolidation, removed nuisance taxes to boost production, introduced revenue enhancing measures, implemented growth-inducing interventions, supported the private sector and rolled out the most ambitious, comprehensive and far-reaching social policies implemented by any government in the past half-century.

179. Mr. Speaker, 2019, signalled the "Year of Ghana's Return" in many ways. With the IMF programme behind us, hundreds of millions of arrears owed to road contractors paid, the economy booming with a growth rate of 6.5%, inflation tamed at 7.9%, a trade surplus of USD2.3 billion and fiscal deficit under control at 4.8% and a primary surplus of 0.8%. We ended the year confidently on the path of economic transformation and anchored on impressive macroeconomic indicators. Then, suddenly the whole world was struck by the COVID-19 pandemic.

180. Mr. Speaker, the good people of Ghana and, indeed, the world, recognize that the President was swift to respond with a US\$100 million preparedness plan and has since shown bold, decisive and compassionate leadership in navigating this uncertainty with calm and calming authority. Under his leadership, we have instituted a comprehensive emergency plan that is sharply focused on saving lives and livelihoods, averting economic collapse, building resilience and strengthening the pillars of the economic system for a new normal. We are confident that, together, we will come through this stronger as one people with a common destiny. In the words of that astounding American statesman: "It is not the critic who counts; not the man who points out how the strong man stumbles, or where the doer of deeds could have done them better. The credit belongs to the man who is actually in the arena, whose

face is marred by dust and sweat and blood; who strives valiantly; who errs, who comes short again and again, because there is no effort without error and shortcoming; but who does actually strive to do the deeds; who knows great enthusiasms, the great devotions; who spends himself in a worthy cause; who at the best knows in the end the triumph of high achievement, and who at the worst, if he fails, at least fails while daring greatly, so that his place shall never be with those cold and timid souls who neither know victory nor defeat."

181. Mr. Speaker, for us governance is all about the wellbeing of the people we have been elected to serve. Ours is the government for the ordinary people of Ghana.

a. That is why since 2017 we have spent a total GH¢900,531,258.00 in keeping nearly 100,000 trainee teachers and trainee nurses in training.

b. We are for the ordinary Ghanaian, that is why, until schools were forced to close down, we were feeding 2,980,000 children every day, 78% more than the 1,671,766 who were fed in 2016.

c. We are in government for every family in Ghana, no matter where you are, that is why we have spent GH¢3 billion to provide free education for 1.2 million senior high school and TVET students.

d. We connect with the aspirations of hardworking Ghanaians looking for a push to start or support their small business, that is why 19,000 young people have been trained and some funded to start-up their own business under NEIP. In addition, 97,876 Ghanaians have seen their businesses benefiting from some GH¢100 million (GH¢99,302,484) credit facility so far disbursed by MASLOC since 2017.

e. We feel the desperation of young graduates struggling to land a job, that is why we have invested GH¢1.6 billion to recruit 100,000 of them under NABCO.

182. Mr. Speaker, the evidence is all around us. With all the difficulties that the Akufo-Addo administration have had to endure and overcome since January 2017, we stayed focused on the all-important task of making government work for every Ghanaian.

183. We remember all so well how the previous government, after imposing the inconvenient and income-sapping dumsor on households and businesses for five years, and insensitively increased electricity tariffs first by 89%, then by 10%, then by 78%, and 28% and finally by 59% between 2010 and 2015 alone. It took courage and care for President Akufo-Addo to do what no other government had been able to do before, which is a net

reduction of electricity tariffs by 11% since 2017. Such is the higher level of care that today, after nearly four years in office, electricity prices for Ghanaians, households and businesses all included, remain cheaper in both nominal and real terms than what they were before 2017.

184. Mr. Speaker, the reason is simple. It is because we put the concerns and aspirations of the ordinary Ghanaian first. That is also why we further reduced electricity prices by half and completely provided potable water for free for everybody since March this year. And we will extend it for another 3 months. To break it down:

- It takes a caring government of the people, and with that, I mean, a Government of all the people, to offer cost-free water to all across the country: representing all domestic and commercial customers in Ghana for three months.
- It takes a caring government to be for the people and for business, large and small, to choose to subsidize electricity consumption by 50 per cent to 4 million (4,086,286) households and nearly 700,000 (686,522) businesses at a cost of Gh¢1.02 billion in three months. And we will extend the coverage for lifeline customers for another 3 months.
- It takes a caring government to hear the distress of business and respond with support to small and medium businesses to the tune of GH¢600 million in order to help them survive and thrive in these uncertain times. The CAPBuSS will be increased by GH¢100 million to help many more MSMEs, including GH¢30 million for the creative arts industry and the media.
- It takes a caring government to establish a Guarantee Scheme of up to GH¢2.0 billion to enable businesses to borrow from banks at more affordable rates and at longer tenor to save their business and retain jobs.
- It takes a caring government to provide seed funding to set up Retraining & Skills Improvement Programme in partnership with Labour, Employers, and Faith-Based Organisations. The seed fund will help workers who are laid off to either improve their skills or acquire new skills to improve their chances of finding new employment or set up their own business.
- It takes a caring government to partner with Labour and Employers to initiate an unemployment insurance scheme to provide temporary income support to workers when they lose their jobs.
- It takes a caring government and its central bank to create an environment for the banks to provide GH¢7 billion to help their clients through loan restructurings, interest rate reductions and granting of new facilities and offering moratoriums on debt



servicing. Going forward, Government and BoG will work with the banks to extend some of these reliefs.

- This caring government provided over 2.74 million cooked and dry food packs to the poor and vulnerable persons in Accra and Kumasi during the three-week lockdown, (1,827,581 and 917,142, respectively).
- Today, Government has paid GH¢75.4 million as full cost cover for WASSCE examination fees for all 313,837 SHS 3 students. This is a caring Government.
- A responsive and caring Government is one that, with urgency and military precision, managed to fund and provide the logistical support to supply 5.2 million reusable face-masks, 64,700 veronica buckets, and accompanying sanitizers to all final year students at tertiary, senior and junior high school levels in Ghana to return to school and write their examinations.
- A responsible and caring Government is one that sees it as necessary to show support and appreciation to the 137,000 health workers with reliefs valued at GH¢320 million and provide insurance cover for them at the value of GH¢10.3 million.
- Mr. Speaker, the future is about digitalization. Data is now becoming as essential as water and electricity, especially for our youth and businesses. The COVID-19 pandemic has reaffirmed this, especially as more people work remotely and also access education and health services. This caring Government has worked diligently to digitalise the economy over the last three and half years. We need to further speed up the digitalisation effort where every citizen nationwide has access to the internet and other digital services.
- As such going forward, government will work with the Telcos and ECG to rollout fibre across the country on the back of the electricity distribution network so every citizen nationwide will have access to high speed broadband.
- In the short term, we will reduce the CST from 9% to 5% to reduce the cost of communication services to the consumer as more and more people work remotely and utilize online services. We will count on the Telcos to match this reduction in the CST by reducing their tariffs. This is important for our youth, entrepreneurs and the burgeoning FINTEC industry.

185. Mr. Speaker, Ghana has been hit with a double shock: a health pandemic and a global economic recession. These have resulted in revenue shortfall of GH¢13.6 billion and unanticipated but necessary expenditures of approximately GH¢11.7 billion. This will result in a projected fiscal deficit of 11.4% of GDP. This is above the 5% limit as stated in the Fiscal Responsibility Act, 2018 (Act 982).

186. Mr Speaker, Ghana is not unique in this regard. The pandemic has caused other countries including the 26 countries in the EU, Brazil, Jamaica, Costa Rica, etc. to suspend their fiscal rules in 2020 in light of their sharply increased fiscal deficits.

187. Mr. Speaker, given our history of fiscal rectitude, it is with great difficulty that we are having to suspend our fiscal rule due to exogenous factors. We intend to return to compliance with the FRA in the shortest possible time.

188. Mr. Speaker, to ensure that we do not only survive this pandemic but recover and thrive, this Government is rolling out a three-and-a-half-year recovery and revitalization programme. The Coronavirus Alleviation & Revitalisation of Enterprises Support (CARES) programme allows us to recreate our economy and set it on a course that we yearn for. It will involve an investment of GH¢100 billion from 2021 to 2023, of which GH¢70 billion will come from the private sector.

189. Mr Speaker, I consider the CARES programme truly ground-breaking as it requires radical reforms in government, particularly in revenue generation and a radical improvement in doing business for the private sector. It also adopts a whole-of-government implementation approach and fosters closer collaboration with the private sector to give a sustainable future to Ghanaians, as captured earlier.

190. Mr. Speaker, as you can see, every aspect of the lives of Ghanaians would be dramatically impacted with the implementation of this program; ranging from what we eat, to where we live, to where we work.

191. Mr Speaker, Government will vigorously promote the consumption of locally produced goods and services in order to support local businesses and generate employment. To this end, MDAs and MMDAs will be required to prioritise the procurement of local goods and services and our Public Procurement Authority and Central Tender Review Committee shall be so instructed. The aim is to generate local demand and consumption with the full force of government's procurement capacity to ensure that most of government procurement will be sourced locally.

192. Mr. Speaker, we are in extraordinary times which calls for extraordinary leadership. Accordingly, on behalf of the President of the Republic, I have presented to you an extraordinary Mid-Year Fiscal Policy Review that seeks to reorganise our public finances to protect lives, secure incomes, revitalise businesses and focus our energies on driving the economy back on track to building a Ghana Beyond Aid. It involves a recognition that the

solutions to Ghana's problems lie with Ghanaians and that, with inspiring leadership, Ghanaians can find a way to address their own challenges.

Let me reiterate, Mr Speaker, the President's plan for the next three and a half years.

- (i) An unprecedented GH¢100 billion Ghana Cares Obaatanpa Programme to transform and modernise our society
- (ii) For the next 6 months:-
  - a. Reduce CST from 9% to 5%
  - b. Establish a GH¢2 billion Guarantee Facility to support all sectors of business and job retention
  - c. Establish an Unemployment Insurance Scheme
  - d. Create a GH¢100 Fund for Labour and Faith-based organisations for retraining and skills development
  - e. Increase the CapBuss Programme by GH¢150 million to, among others, facilitate credit of GH¢50 million to support the Creative Arts, the Media and the Conference of Independent Universities.
  - f. Retain provision of free water for the next three months
  - g. Retain free electricity for all life-line customers for the rest of the year.

193. The agenda of the President is to modernise Ghana for all Ghanaians. Thankfully, Mr. Speaker, this leader, Nana Addo Dankwa Akufo-Addo, is only in his first term in office.

194. Mr. Speaker, before I finally conclude, let me pay tribute to all Ghanaians who have endured the difficult and drastic fallouts from the ravages of this virus, an unknown enemy. Enduring lockdown, social distancing, mandatory wearing of masks to taking our entrepreneurial spirit in our own hands, have proven the can-do spirit of the Ghanaian. Our endurance is emblematic of the biblical Job who persevered in the hope that God will show himself at the right time. Together with James, the brother of Jesus, in James Chapter 1 verse 4, I will say to them "Let endurance complete its work, so that you may be complete and sound in all respects, not lacking in anything". Mr. Speaker as often repeated by the President, this too shall pass. I am confident that with Government working closely with this House, we will emerge from this crisis even more united and purposeful as Ghanaians to fulfil our manifest destiny as the Black Star of Africa.

195. Mr. Speaker, this Mid-Year Fiscal Policy Review and its programmes draws us closer to our collective aspirations. Whiles this pandemic requires us to exceed the limits imposed by

the FRA, Act, 982, we have had to make these major expenditures to protect lives and livelihoods of Ghanaians and sustain businesses. We therefore request a supplementary Budget of GH¢11,896,477,566.00 to enable us continue this extraordinary task.

196. Mr. Speaker, before I take my seat, allow me to express sincere gratitude for the enormous support this august house has extended me since taking office. I truly appreciate the long hours Honourable Members of Parliament sat through, considering and passing key bills and measures for the ASEMPA BUDGET in 2017, the ADWUMAPA budget in 2018, MPONTUO Budget of 2019 and the NKOSUO AND NKANBOM Budget of 2020.

197. Mr. Speaker, the task ahead is great, yet it is a noble and glorious challenge - a challenge which calls for the courage to dream, the courage to believe, the courage to dare, the courage to do, the courage to work and the courage to attain excellence in achievement. As a Government, we have dared to dream, believe, work and achieve. Mr. Speaker, this caring government shall continue to be the eyes of the blind, the feet to the lame, the father to the needy, and the champion against injustice, wherever it rears its ugly head. Let us as a nation choose joy and know that He will restore the years that the locust has eaten. Mr Speaker, the Lord indeed reigns. Clearly, we can and will do more with the privilege of service to God and Country.

198. Mr. Speaker, I beg to move.