



# Bank of Ghana Monetary Policy Report

## Fiscal Developments

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### 1.0 Highlights of Government Budgetary Operations (Broad Coverage)

Government fiscal operations for the first eleven months of 2020 indicated that:

- The pace of revenue mobilization was marginally above the revised target.
- Government expenditure was broadly consistent with the revised target.
- The fiscal deficit was 10.8 percent of GDP, slightly below the revised target of 11 percent of GDP.
- The primary balance recorded a deficit of 4.9 percent of GDP, above the expected 4.8 percent of GDP.
- The overall fiscal deficit was financed mainly from domestic sources.
- The elevated fiscal deficit path impacted the stock of public debt which rose to 74.4 percent of GDP at the end of November 2020 from 62.4 percent of GDP at the end of December 2019.

### 2.0 Total Revenue and Grants

Total revenue turned out strong in comparison with the revised target in the Mid-year Budget Review.

Total Revenue & Grants for the first eleven months of 2020 amounted to GH¢46,532.2 million (12.1% of GDP), marginally higher than the revised target of GH¢46,009.4 million (11.9% of GDP). However, this outturn represented a 4 percent year-on-year growth, lower than the 9.1 percent growth recorded in the same period of 2019. During the review period, domestic revenue amounted to GH¢45,540.8 million (11.8% of GDP), above the revised target of GH¢44,993.9 million (11.7% of GDP). The revenue performance reflected the downward revision to the initial revenue estimates as well as strong recovery in international trade taxes as transitional issues at the ports were largely resolved.

Of the total revenue and grants:

- **Tax revenue**, comprising taxes on income & property, taxes on domestic goods and services and international trade taxes, amounted to GH¢37,819.7 million (9.8% of GDP), higher than the target of GH¢35,530.1 million (9.2% of GDP). This represented a year-on-year growth of 5.8 percent, lower than the 11.1 percent growth recorded in the same period of 2019.

- **Taxes on income and property** comprising personal income tax (PAYE), self-employed taxes, company taxes (including taxes on oil), royalties from oil and minerals, national stabilization levy and airport taxes amounted to GH¢19,017.9 million, registering an annual growth of 8.1 percent compared with 18.3 percent growth in the corresponding period of 2019. This outturn was 0.3 percent above the revised target with all the key tax components (except personal income tax) exceeding their respective targets. The target for taxes on income and property was revised downwards by 10.6 percent in the mid-year budget review.
- **Taxes on Domestic Goods and Services** consisting of Domestic VAT, Excise Duty, GETFund Levy, National Health Insurance Levy (NHIL) and Communication Service Tax (CST) for the first eleven months of 2020 was GH¢13,409.4 million, and more than 5 percent lower than the revised target (the original target saw a 16.7% downward revision in the mid-year review). In year-on-year terms, the outturn represented a decline of over 12 percent due to sharp declines in excise, domestic VAT, NHIL, and GETFund on the back of containment measures and protocols associated with COVID-19. These declines were however moderated by the improved performance of the CST, which recorded a year-on-year growth of almost 40 percent – despite the reduction in the rate from 9 percent to 5 percent effective 15<sup>th</sup> September 2020 – as demand for internet services increased in response to the COVID-related restrictions and protocols. With the easing of restrictions associated with the COVID-19 pandemic, taxes on domestic goods and services are expected to pick up.
- **International trade taxes** comprising mainly import duties amounted to GH¢47,496.2 million and was almost 78 percent above the revised target (international trade taxes was revised downwards by 18.5%). In year-on-year terms, the outturn increased by 53 percent due to strong recovery in the international trade taxes as transitional issues at the ports were resolved.
- **Tax refunds** amounted to GH¢2,157.9, higher than the revised target of GH¢1,881.3 million, an indication of the extent to which COVID-19 adversely impacted the performance of corporates. **SSNIT contribution to NHIL** amounted to GH¢45.7 million, significantly lower than the revised target of GH¢522.9 million due largely to delays in public servants' pension payments by Government.
- **Non-Tax revenue**, which saw a significant 48.7 percent downward revision, amounted to GH¢5,338.9 million in the first eleven months of 2020 and represented 12.8 percent year-on-year decline due to government's inability to realize the expected dividend, interest, and profits from crude oil. This was on the back of plummeting international crude oil prices while COVID-restrictions also affected fees and charges. The outturn was 7.4 percent below the revised target.

- **ESLA proceeds** amounted to GH¢2,336.6 million and was almost 6 percent below the revised target. This outturn represented some 33 percent year-on-year growth compared with 3 percent annual growth in the corresponding period in 2019, as measures instituted to monitor the activities of the Oil Marketing Companies seem to be yielding the desired outcome.
- Government received **project grants** in the sum of GH¢991.4 million, significantly higher than the envisaged target of GH¢665 million. This outturn was also marginally higher than the GH¢976.1 million received in the same period of 2019. The expected receipt of GH¢360.5 million in programme grants for the period under review was not realized.
- **Oil revenue** realized at the end of the first eleven months of the year amounted to GH¢3,580.3 million, lower than the revised target of GH¢3,827.3 million as crude oil prices remained below expected levels. Of this amount, the **Annual Budget Funding Amount (ABFA)** was GH¢1,968.3 million compared with the expected target of GH¢138.2 million.

**Table 1: Total Revenue and Grants (GH¢ million)**

	2018 JAN-Nov OUTTURN	2019 JAN-Nov OUTTURN	2020 JAN-Nov OUTTURN	2020 JAN-Nov PROG	2020 Y-O-Y Growth	2020 OUTTURN/ PROG,%
<b>TAX REVENUE</b>	<b>32,187.3</b>	<b>35,758.33</b>	<b>37,819.67</b>	<b>35,530.14</b>	<b>5.8</b>	<b>106.4</b>
<i>% GDP</i>	10.7	10.2	9.8	9.2		
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>14,916.4</b>	<b>17,638.9</b>	<b>19,071.9</b>	<b>19,020.7</b>	<b>8.1</b>	<b>100.3</b>
Personal	5,367.1	6,600.3	6,701.8	7,645.1	1.5	87.7
Self Employed	337.2	390.0	366.2	331.2	-6.1	110.6
Companies	6,013.2	6,982.7	8,092.4	7,658.1	15.9	105.7
Companies Taxes on Oil	682.8	829.7	789.4	776.6	-4.9	101.6
Others	2,516.2	2,836.3	3,122.1	2,609.7	10.1	119.6
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>13,474.9</b>	<b>15,264.2</b>	<b>13,409.4</b>	<b>14,171.5</b>	<b>-12.2</b>	<b>94.6</b>
Excises	3,395.9	3,596.7	2,831.7	3,436.6	-21.3	82.4
VAT	7,991.9	8,103.7	7,266.7	7,324.1	-10.3	99.2
National Health Insurance Levy (NHIL)	1,346.4	1,597.7	1,403.7	1,438.0	-12.1	97.6
GETFund	390.2	1,593.4	1,385.9	1,451.9	-13.0	95.5
Communication Service Tax	350.6	372.6	521.4	520.9	39.9	100.1
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>5,588.1</b>	<b>4,898.2</b>	<b>7,496.2</b>	<b>4,219.3</b>	<b>53.0</b>	<b>177.7</b>
Imports	5,588.1	4,898.2	7,496.2	4,219.3	53.0	177.7
<b>Tax Refunds</b>	<b>-1,792.1</b>	<b>-2,042.9</b>	<b>-2,157.9</b>	<b>-1,881.3</b>	<b>5.6</b>	<b>114.7</b>
<b>SOCIAL CONTRIBUTION</b>	<b>327.2</b>	<b>153.3</b>	<b>45.7</b>	<b>522.9</b>	<b>-70.2</b>	<b>8.7</b>
SSNIT Contribution to NHIL	327.2	153.3	45.7	522.9	-70.2	8.7
<b>NON-TAX REVENUE</b>	<b>5,765.7</b>	<b>6,119.4</b>	<b>5,338.9</b>	<b>6,463.7</b>	<b>-12.8</b>	<b>82.6</b>
<i>% GDP</i>	1.9	1.8	1.4	1.7		
Retention	2,962.7	3,725.9	2,863.7	2,689.1	-23.1	106.5
Lodgement	2,803.0	2,393.5	2,475.2	3,774.6	3.4	65.6
<b>OTHER REVENUE</b>	<b>1,704.0</b>	<b>1,755.0</b>	<b>2,336.6</b>	<b>2,477.1</b>	<b>33.1</b>	<b>94.3</b>
ESLA Proceeds	1,704.0	1,755.0	2,336.6	2,477.1	33.1	94.3
<b>DOMESTIC REVENUE</b>	<b>39,984.1</b>	<b>43,785.94</b>	<b>45,540.83</b>	<b>44,993.87</b>	<b>4.0</b>	<b>101.2</b>
<i>% GDP</i>	13.3	12.5	11.8	11.7		
<b>GRANTS</b>	<b>1,033.0</b>	<b>976.1</b>	<b>991.4</b>	<b>1,015.5</b>	<b>1.6</b>	<b>97.6</b>
<i>% GDP</i>	0.3	0.3	0	0.3		
Project Grants	1,019.5	976.1	991.4	655.0	1.6	151.3
Programme Grants	13.5	0.0	0.0	360.5		
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>41,017.2</b>	<b>44,762.0</b>	<b>46,532.2</b>	<b>46,009.4</b>	<b>4.0</b>	<b>101.1</b>
<i>% GDP</i>	13.6	12.8	12.1	11.9		

Source: Ministry of Finance

### 3.0 Total Expenditures

*Government spending was broadly within the revised target.*

**Total expenditures & arrears clearance** from January to November 2020 amounted to GH¢88,200.8 million (22.9% of GDP), broadly consistent with the revised target of GH¢88,329.2 million (22.9% of GDP).<sup>1</sup> This outturn represents a year-on-year growth of 40.2 percent, reflecting COVID-19 and energy-related expenditures. In detail,

- **Compensation of Employees** (including wages and salaries, pensions & gratuities, and other wage related expenditure) amounted to GH¢25,822.6 million (6.7% of GDP), somewhat above the envisioned target of GH¢24,921.3 million (6.5% of GDP). This outturn represents an annual growth of 26.5 percent compared with 13.7 percent growth in the same period of 2019 as wages & salaries experienced marginal overruns. In terms of fiscal flexibility, compensation of employees constituted almost 57 percent of domestic revenue at the end of November 2020, substantially higher than the 46.6 percent recorded in the corresponding period of 2019. Similarly, wages & salaries accounted for about 50 percent of domestic revenue, up from 40.9 percent in the same period of 2019.
- **Use of Goods and Services** for the period under review amounted to GH¢7,139.8 million, marginally higher than the revised target of GH¢6,900.3 million as Government implemented measures to counter the COVID-19 pandemic. The outturn represented an annual growth of about 17 percent.
- **Total interest payments** amounted to GH¢22,884.9 million over the review period, lower than the envisioned target of GH¢23,776 million. While domestic interest payment was marginally below its target, external interest payments was significantly higher than the target. For the period under review, total interest payments constituted 50.3 percent of domestic revenue.
- **Grants to other Government units** (such as National Health Fund, Education Trust Fund (GETFund), Road Fund, Energy Fund, District Assemblies Common Fund (DACF), Retention of IGFs, transfer to GNPC and other earmarked Funds) amounted to GH¢10,394.1 million, broadly consistent with the revised target of GH¢10,351.8 million. While the revised targets for GETFund, DACF and Retention of IGFs were exceeded, the Road Fund, National Health Fund, Transfer to GNPC and other earmarked Funds broadly remained within targets.

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<sup>1</sup> Total expenditure without arrears clearance amounted to GH¢87,026.5 (22.6% of GDP), which was higher than the revised target of GH¢86,885.9 million (22.5% of GDP)

- **Capital expenditures** for the period under review amounted to GH¢10,534.4 million (2.7% of GDP), somewhat higher than the revised target of GH¢8,756 million (2.3% of GDP). This outturn represented a year-on-year growth of 79.8 percent, significantly higher than 42.2 percent annual growth experienced in the same period of 2019. Of the total, foreign-financed capital expenditure accounted for 59.6 percent, higher than the 57 percent share in the corresponding period in 2019.

**Table 2: Total Expenditures (GH¢ million)**

	2018 JAN-Nov OUTTURN	2019 JAN-Nov OUTTURN	2020 JAN-Nov OUTTURN	2020 JAN-Nov PROG	2020 Y-O-Y Growth	2020 OUTTURN/ PROG,%
<b>II EXPENDITURE &amp; ARREARS CLEARANCE</b>	<b>53,370.8</b>	<b>62,890.0</b>	<b>88,200.8</b>	<b>88,329.2</b>	<b>40.2</b>	<b>99.9</b>
<i>% of GDP</i>	<b>17.8</b>	<b>18.0</b>	<b>22.9</b>	<b>22.9</b>		
<b>Compensation of Employees</b>	<b>17,950.5</b>	<b>20,412.4</b>	<b>25,822.6</b>	<b>24,921.3</b>	<b>26.5</b>	<b>103.6</b>
Wages & Salaries	15,750.5	17,903.4	22,898.7	21,865.0	27.9	104.7
Social Contributions	2,200.0	2,509.0	2,923.9	3,056.3	16.5	95.7
Pensions	843.7	948.4	1,095.3	1,128.1	15.5	97.1
Gratuities	206.7	230.9	241.7	211.3	4.7	114.4
Social Security	1,149.6	1,329.7	1,587.0	1,716.9	19.3	92.4
o/w Actual Payment						
<b>Use of Goods and Services</b>	<b>4,669.6</b>	<b>6,108.4</b>	<b>7,139.8</b>	<b>6,900.3</b>	<b>16.9</b>	<b>103.5</b>
o/w ABFA	420.0	573.8	464.3	362.4	-19.1	128.1
o/w Free SHS	0.0		0	0		
	34.8	41.2	50.3	52.8		
<b>Interest Payments</b>	<b>13,902.9</b>	<b>18,031.8</b>	<b>22,884.9</b>	<b>23,776.0</b>	<b>26.9</b>	<b>96.3</b>
Domestic	11,025.6	14,013.8	17,106.4	19,076.2	22.1	89.7
External (Due)	2,877.3	4,018.0	5,778.5	4,699.8	43.8	123.0
<b>Subsidies</b>	<b>125.3</b>	<b>124.2</b>	<b>168.1</b>	<b>213.5</b>	<b>35.3</b>	<b>78.7</b>
<b>Subsidies on Petroleum products</b>	<b>125.3</b>	<b>124.2</b>	<b>168.1</b>	<b>213.5</b>		
<b>Grants to Other Government Units</b>	<b>9,808.4</b>	<b>10,604.0</b>	<b>10,394.1</b>	<b>10,351.8</b>	<b>-2.0</b>	<b>100.4</b>
National Health Fund (NHF)	1,345.3	1,272.1	1,083.6	1,635.7	-14.8	66.2
Education Trust Fund	831.7	895.0	966.7	929.9	8.0	104.0
Road Fund	354.3	895.8	544.0	754.0	-39.3	72.1
Energy Fund	8.6	15.9	196.5	19.3		
Dist. Ass. Common Fund	1,406.9	1,606.1	2,144.1	1,680.5	33.5	127.6
Retention of IGFs	2,962.7	3,725.9	2,863.7	2,639.7	-23.1	108.5
Transfer to GNPC	1,143.7	466.4	1,120.3	1,131.1	140.2	99.0
Other Earmarked Funds	1,755.1	1,726.8	1,475.2	1,561.6	-14.6	94.5
<b>Social Benefits</b>	<b>135.8</b>	<b>100.5</b>	<b>150.1</b>	<b>150.1</b>		<b>100.0</b>
Lifeline Consumers of Electricity	135.8	100.5	150.1	150.1		
<b>Other Expenditure</b>	<b>1,704.0</b>	<b>1,755.0</b>	<b>9,932.5</b>	<b>11,816.9</b>	<b>466.0</b>	<b>84.1</b>
o/w ESLA Transfers	1,704.0	1,755.0	2,336.6	2,314.3	33.1	101.0
<b>Capital Expenditure</b>	<b>4,122.4</b>	<b>5,860.5</b>	<b>10,534.4</b>	<b>8,756.0</b>	<b>79.8</b>	<b>120.3</b>
Domestic financed	1,481.1	2,521.6	4,257.1	3,490.5	68.8	122.0
Foreign financed	2,641.3	3,338.9	6,277.2	5,265.6	88.0	119.2
<b>TOTAL EXPENDITURE</b>	<b>52,419.0</b>	<b>62,996.7</b>	<b>87,026.5</b>	<b>86,885.9</b>	<b>38.1</b>	<b>100.2</b>
% GDP	17.4	18.0	22.6	22.5		

Source: Ministry of Finance

#### 4.0 Budget Balance and Financing

The fiscal deficit for the first eleven months of 2020 was equivalent to 10.8% of GDP, marginally above the revised seven-month target of 11% of GDP.

Government budgetary operations resulted in an overall budget deficit of GH¢41,668.6 million (10.8% of GDP) at the end of November 2020, marginally lower than the revised target of GH¢42,319.8 million (11% of GDP). In addition, the primary balance ended the first eleven months of the year with a deficit of 4.9 percent of GDP, slightly above the revised target deficit of 4.8 percent of GDP.

The overall fiscal deficit of GH¢41,668.6 million was financed mostly from domestic sources. Domestic financing (net) for the period under review was GH¢41,819.4 million (10.9% of GDP), substantially higher than the revised target of GH¢30,680.8 million (8.0% of GDP). Of this, the banking sector's contribution was a drawdown of GH¢27,148.6 million, lower than the revised target of GH¢30,837.6 million, reflecting mainly Government's drawdown on its deposits at the Bank of Ghana from the IMF Rapid Credit Facility and Bank of Ghana's purchase of Government's COVID-19 bonds. Government also borrowed an amount of GH¢4,631.9 million from Deposit Money Banks, which was significantly lower than the revised target of GH¢22,837.6 million. Financing from the non-bank sector amounted to a borrowing of GH¢12,395.3 million, contrary to an expected build-up of GH¢1,602.6 million. The net flows in the Ghana Petroleum Funds signalled a drawdown of GH¢1,128.8 million, higher than the expected GH¢928 million drawdown, to help close the financing gap generated by the COVID-19 pandemic. An amount of GH¢1,699.6 million was also transferred from the Stabilization Fund to the Sinking Fund, raising the balance in the Sinking Fund to GH¢1,776.6 million against the target of GH¢7,164.4 million.

**Table 3: Budget Balance and Financing (GH¢ million)**

	2018 JAN-Nov OUTTURN	2019 JAN-Nov OUTTURN	2020 JAN-Nov OUTTURN	2020 JAN-Nov PROG
<b>REVENUE AND GRANTS</b>	<b>41,017.2</b>	<b>44,762.0</b>	<b>46,532.2</b>	<b>46,009.4</b>
<b>EXPENDITURE</b>	<b>52,419.0</b>	<b>62,996.7</b>	<b>87,026.5</b>	<b>86,885.9</b>
<b>OVERALL BALANCE(commitment)</b>	<b>-11,401.8</b>	<b>-18,234.7</b>	<b>-40,494.3</b>	<b>-40,876.6</b>
<i>% of GDP</i>	-3.8	-5.2	-10.5	-10.6
Arrears clearance (net change)	-858.5	-727.6	-1,438.9	-1,443.2
<b>OVERALL BALANCE(Cash)</b>	<b>-12,260.3</b>	<b>-18,962.3</b>	<b>-41,933.2</b>	<b>-42,319.8</b>
<i>% of GDP</i>	-4.1	-5.4	-10.9	-11.0
Discrepancy	-93.4	834.3	264.7	0.0
<b>OVERALL BALANCE(Cash, Discrepancy)</b>	<b>-12,353.7</b>	<b>-18,128.0</b>	<b>-41,668.6</b>	<b>-42,319.8</b>
<i>% of GDP</i>	-4.1	-5.2	-10.8	-11.0
<b>TOTAL FINANCING</b>	<b>12,353.7</b>	<b>18,128.0</b>	<b>41,669</b>	<b>42,320</b>
<i>% of GDP</i>	4.1	5.2	10.8	11.0
<b>FOREIGN NET</b>	<b>3,235.7</b>	<b>5,738.0</b>	<b>580.0</b>	<b>18,969.1</b>
<i>% of GDP</i>	1.1	1.6	0.2	4.9
Borrowing	7,680.3	16,009.4	13,341.1	29,909.5
Project Loans	1,621.8	2,362.8	5,285.9	4,610.6
Programme Loans	889.1	0.0	398.7	7,913.9
Sovereign Bond	5,169.4	13,646.6	7,656.4	17,385.0
Amortization (due)	-4,444.6	-10,271.4	-12,761.0	-10,940.5
<b>DOMESTIC NET</b>	<b>9,833.7</b>	<b>13,399.0</b>	<b>41,819.4</b>	<b>30,680.8</b>
<i>% of GDP</i>	3.3	3.8	10.8	8.0
Banking	4,914.4	5,440.1	27,148.6	30,837.6
Bank of Ghana	215.9	-2,289.0	22,516.7	8,000.0
Deposit Money Banks	4,698.5	7,729.1	4,631.9	22,837.6
Non-Bank	4,579.6	8,051.4	12,395.3	-1,602.6
o/w Non-residents	0.0	0.0	-	-
Other Domestic	403.9	0.0	0.0	0.0
o/w Debt Repayment from Ghana Stabilisation Fund	0.0	0.0	0.0	0.0
<b>Other Financing</b>	<b>-64.2</b>	<b>-92.4</b>	<b>-83.0</b>	<b>-10.3</b>
<b>Ghana Petroleum Funds</b>	<b>231.4</b>	<b>-13.0</b>	<b>1,128.8</b>	<b>928.0</b>
Transfer to Ghana Petroleum Funds	-715.7	-830.0	-570.8	-517.7
o/w Stabilisation Fund	-477.3	-559.9	-221.4	-362.4
o/w Heritage Fund	-238.4	-270.1	1,699.6	-155.3
Transfer from Stabilisation Fund	947.1	817.0	1,699.6	1,445.7
<b>Sinking Fund</b>	<b>-947.1</b>	<b>-996.0</b>	<b>-1,776.6</b>	<b>-7,164.4</b>
<b>Contingency Fund</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>-1,083.3</b>

Source: Ministry of Finance

Foreign financing (net) for the period under review amounted to GH¢580 million, significantly lower than the target of GH¢18,969.1 million. Of this, GH¢13,341.1 million came from borrowing (project loans, GH¢5,285.9 million; programme loans, GH¢398.7 million; Eurobonds, GH¢7,656.4 million) and amortization (due) of GH¢12,761 million.<sup>2</sup> Under the 2020 fiscal framework, planned borrowing was GH¢29,909.5 million (project loans of GH¢4,610.6 million, programme loans of GH¢7,913.9 million and Eurobonds of GH¢17,385 million) and amortization (due) was GH¢10,940.5 million.

## 5.0 Public debt analysis

The elevated fiscal deficit path has impacted the stock of public debt which rose to 74.4 percent of GDP at the end of November 2020 from 62.4 percent of GDP at the end of December 2019.

The stock of public debt increased from GH¢218.0 billion in December 2019 to GH¢286.9 billion in November 2020. In terms of GDP, the total public debt as at end-November 2020 was 74.4 percent, higher than the 62.4 percent registered in December 2019. In November 2019, the public debt to GDP ratio was 60.3 percent.

**Table 4: Public Debt**

	2017	2018	2019	2019	2020	2020	2020	2020	2020	CHANGE
	DEC	DEC	Nov	DEC	MAR	JUN	SEP	OCT	NOV	YTD
TOTAL DOMESTIC DEBT (GH¢m)	66,696.8	86,899.8	102,951.9	105,479.7	111,264.5	122,084.5	135,263.5	144,477.0	147,329.2	41,849.5
SHORT-TERM	11,996.8	11,031.9	16,918.2	16,341.0	16,585.28	16,659.67	16,286.95	16,725.54	17,166.99	826.0
MEDIUM-TERM	36,698.3	48,429.8	56,395.1	59,519.0	65,388.25	70,343.93	79,393.55	85,747.83	87,758.61	28,239.6
LONG-TERM	17,847.5	27,313.3	29,496.8	29,496.8	29,173.21	34,963.14	39,465.26	41,909.24	42,309.24	12,812.4
STANDARD LOANS	154.1	124.8	141.9	122.9	117.75	117.75	117.75	94.38	94.38	(28.5)
HOLDINGS OF DOMESTIC DEBT (GH¢m)	66,696.8	86,899.8	102,951.9	105,479.7	111,264.5	122,084.5	135,263.9	144,500.5	147,329.3	41,849.6
BANKING SYSTEM	23,473.3	38,903.1	46,466.5	46,938.6	51,904.10	61,649.07	70,549.60	76,713.73	78,690.32	31,751.8
NON-BANK	17,557.8	21,920.5	31,183.1	32,248.9	32,239.55	35,667.42	39,149.67	41,300.81	42,282.23	10,033.3
FOREIGN SECTOR (Non-Resident)	25,665.6	26,076.2	25,302.3	26,292.3	27,120.86	24,768.00	25,564.61	26,485.96	26,356.74	64.5
TOTAL EXTERNAL (US\$m)	17,160.4	17,868.5	20,295.0	20,306.4	23,061.9	24,109.1	24,331.0	24,311.3	24,414.7	4,108.4
MULTILATERAL	6,436.8	6,390.5	6,462.6	6,512.5	6,670.06	7,810.76	7,932.83	7,979.49	8,059.16	1,546.7
BILATERAL	4,441.3	4,134.6	3,934.2	3,933.9	3,887.27	3,837.46	3,814.67	3,777.69	3,814.90	(119.0)
COMMERCIAL	6,282.3	7,343.5	9,898.2	9,860.0	12,504.60	12,460.84	12,583.48	12,554.14	12,540.66	2,680.7
TOTAL EXTERNAL (GH¢m)	75,787.2	86,169.0	107,945.2	112,509.4	122,159.0	136,703.2	138,827.7	138,888.1	139,561.9	27,052.4
TOTAL PUBLIC DEBT (GH¢m)	142,484.0	173,068.8	210,897.2	217,989.2	233,423.5	258,787.7	274,091.2	283,365.1	286,891.1	68,902.0
NOMINAL GDP ( GH¢m)	256,671.4	300,596.1	349,480.4	349,480.4	385,378.0	385,378.0	385,378.0	385,378.0	385,378.0	
TOTAL DEBT /GDP RATIO (%)	55.51	57.58	60.35	62.38	60.57	67.15	71.12	73.53	74.44	
<i>Memorandum Items</i>										
EXTERNAL DEBT/GDP	29.5	28.7	30.9	32.2	31.7	35.5	36.0	36.0	36.2	
DOMESTIC DEBT/GDP	26.0	28.9	29.5	30.2	28.9	31.7	35.1	37.5	38.2	
EXTERNAL DEBT/TOTAL DEBT	53.2	49.8	51.2	51.6	52.3	52.8	50.7	49.0	48.6	
DOMESTIC DEBT/TOTAL DEBT	46.8	50.2	48.8	48.4	47.7	47.2	49.3	51.0	51.4	

Source: Ministry of Finance

Of the total public debt, the domestic component was GH¢147.4 billion (38.2% of GDP), representing a year-to-date increase of 39.7 percent. Domestic debt also accounted for 51.4 percent of the total public debt in November 2020, higher than the 48.4 percent share in December 2019. The increase in the domestic debt mainly reflected a pickup in the medium to long-term debt, as government attempted to close the financing gap created by the COVID-19 pandemic. External debt was GH¢139.6 billion

<sup>2</sup> The amortization figure includes a buyback of US\$523.05 million Eurobonds maturing in 2023.

(36.2% of GDP), indicating a year-to-date increase of 24 percent with a share of 48.6 percent in November 2020, marginally lower than the 51.6 percent share in December 2019. In terms of the holding structure, the banking system and the non-bank sector witnessed substantial increases while the foreign sector (non-residents) increased its holdings marginally by GH¢64.5 million.

## **6.0 Conclusion and Outlook**

Government fiscal operations in the first eleven months of the year was largely influenced by the COVID-19 pandemic. Revenue performance was strong, reflecting the downward revision to the revenue estimates as well as strong recovery in international trade taxes as transitional issues at the ports were largely resolved. Government expenditure was broadly consistent with the revised target as the mid-year Budget revisions accounted for the previously unbudgeted COVID-19 and energy-related spending. The resulting fiscal deficit was marginally below the revised target. Indications are that the end-year fiscal deficit target of 11.4 percent of GDP was within reach as the COVID-19 related restrictions were significantly eased by end-year, which otherwise would have weighed down on revenue mobilization and raised government spending.



### Appendix 1: Fiscal indicators

In millions of GH¢ unless otherwise stated	2017	2018	2019	2020
	Prov JAN-Nov	Prov JAN-Nov	Prov JAN-Nov	Prov. JAN-Nov
Domestic Revenue <i>(percent of GDP)</i>	34,987.1 <i>17.0</i>	39,984.1 <i>13.3</i>	43,785.9 <i>12.5</i>	45,540.8 <i>11.8</i>
Domestic expenditure <i>(percent of GDP)</i>	29,532.5 <i>14.3</i>	35,968.1 <i>12.0</i>	40,791.8 <i>11.7</i>	57,599.8 <i>14.9</i>
Domestic Primary Balance <i>(percent of GDP)</i>	5,454.6 <i>2.6</i>	4,016.0 <i>1.3</i>	2,994.2 <i>0.9</i>	-12,059.0 <i>-3.1</i>
Primary Balance <i>(percent of GDP)</i>	912.5 <i>0.4</i>	1,549.3 <i>0.5</i>	-96.2 <i>0.0</i>	-18,783.7 <i>-4.9</i>
Non-oil Primary Balance <i>(percent of GDP)</i>	-763.4 <i>-0.4</i>	-2,238.6 <i>-0.7</i>	-3,563.8 <i>-1.0</i>	-22,364.0 <i>-5.9</i>
Overall Balance (cash, discrepancy) <i>(percent of GDP)</i>	-11,183.1 <i>-5.4</i>	-11,933.7 <i>-4.0</i>	-18,128.0 <i>-5.2</i>	-41,668.6 <i>-10.8</i>
Overall Balance (cash, discrepancy, incl. bailout & Bank Capitalisation) <i>(percent of GDP)</i>		-22,154.9 <i>-7.4</i>	-21,343.0 <i>-6.1</i>	-49,709.2 <i>-12.9</i>
Oil Revenue <i>(percent of GDP)</i>	1,675.8 <i>0.8</i>	3,787.8 <i>1.3</i>	3,467.6 <i>1.0</i>	3,580.3 <i>0.9</i>
Non-Oil Revenue and Grants <i>(percent of GDP)</i>	34,676.3 <i>16.8</i>	37,229.3 <i>12.4</i>	41,294.4 <i>11.8</i>	42,951.9 <i>11.1</i>
Benchmark Oil Revenue <i>(percent of GDP)</i>	990.6 <i>0.5</i>	2,648.9 <i>0.9</i>	3,001.2 <i>0.9</i>	2,460.0 <i>0.6</i>
Annual Budget Funding Amount (ABFA) <i>(percent of GDP)</i>	537.2 <i>0.3</i>	1,854.2 <i>0.6</i>	2,100.8 <i>0.6</i>	1,968.3 <i>0.5</i>

Source: Ministry of Finance