MEDIA REPORTS

A compilation of some business and economic reports from various news sources about the country and of some relevance to Bank of Ghana

Compiled by the Secretary's Department
31st May 2021

ECONOMIC ACTIVITIES SHOOT UP AS PORTS, CEMENT SALES INCREASE CONSIDERABLY – BOG

Date: 29th May 2021

Story by: Charles Nixon Yeboah

Source: https://www.myjoyonline.com/economic-activities-shoot-up-as-ports-cement-sales-increase-considerably-bog/

Economic activities shot up considerably as port activity and cement sales went up, the May 2021 Summary of Economic and Financial Data of the Bank of Ghana indicates.

According to graphical data by the Bank of Ghana, port activity rose from about 62,000 in January 2021 to 69,000 in March 2021 in terms of container traffic.

This shows that there had been more imports and exports which is expected to bring in the much-needed tax revenue for the country to meet its 2021 revenue target.

Port activity were relatively lower in the first quarter of last year whereby covid-19 pandemic had begun in some advanced economies. Consequently, port activity dipped significantly during the epic period of covid-19 in March, April and May 2020 respectively.

Sales of cement which is the key material in construction of houses and other buildings also witnessed some significant jump. It rose from 320,000 tons in January 2021 to 386,000 tons in March 2021.

For passenger arrivals at the airport, the numbers have seen some encouragement, though yet to hit pre covid-19 levels. It went up marginally in December 2020 after the further easing of restriction in the economy, but dipped in January and February 2021, but has begun rising slightly since March 2021.

Economic activity pick-up in December and January 2021

The report said the Ghanaian economy was on a rebound with a sustained momentum in pick-up in economic activity.

In that regard, the Bank of Ghana's updated Composite Index of Economic Activity (CIEA) recorded an annual growth of 13.9% in January 2021, the highest since December 2019, compared to 3.4% in the corresponding period of 2020.

The key drivers of economic activity during the period were construction, imports, industrial consumption of electricity, domestic VAT, passenger arrivals at the airport, and port activity.

BLIP IN INFLATION TEMPTS BOG TO CUT RATE

Date: 29th May 2021

Story by: Maxwell Akalaare Adombila

Source: https://www.graphic.com.gh/business/business-news/ghana-news-blip-in-inflation-tempts-bog-to-cut-rate.html?template=graphictv&is_preview=on

The Bank of Ghana (BoG) is tilted more towards cutting its benchmark rate, the policy rate on Monday than holding it firm for the ninth time running.

It followed a drop in inflation last month that has since signaled the softening of risks to price pressures but strengthened the case for a monetary policy decision that bolsters growth.

With the effects of COVID-19 waning, inflation now at 8.5 per cent and the policy rate still at 14.5 per cent, the seven-member Monetary Policy Committee (MPC) of the BoG has more room to signal monetary easing by cutting the rate after more than a year of tightening.

To do that though, the bank would have to be double sure that risks to inflation on the non-food side, including the impact of new tax measures and hikes in petroleum product prices and port charges, could be muted by the positive showings in the food basket.

Tight regime

Started in March last year, the tight monetary stance was one of the central bank's strategies to rein in price pressures, mitigate the effects of fiscal excesses on the economy and generally ward off the pandemic's fallouts.

After cutting the rate by 150 basis points bps in March last year, the bank maintained it at 14.5 per cent in the MPC's nine consecutive meetings that preceded the outbreak of COVID-19 in the country.

Although the pressure from the fiscal side remained elevated, the BoG's stance helped to revert inflation back to its pre-COVID-19 terrain, lowered the pressure on the deficit and kept growth on the positive territory.

Case for reduction

Thus, as the committee wrapped up its 100th meeting on Friday, May 28 ahead of a rate decision on Monday, proponents of a rate cut on the MPC would be pointing the committee to the fall in inflation from 10.3 per cent in March to 8.5 per cent in April, the widening of the gap between inflation and the policy rate (the real interest rate) to six per cent and its impact on the government borrowing and the effect of a lowered policy rate on growth prospects.

In the inflation front, the weakening of inflationary pressures from the food basket has been significant in the April reading. It bolstered hopes that subdued risks from food inflation could dowse emerging and future pressures from the non-food basket to help sustain the disinflationary path.

A lowered rate could also be opportune oiling to the economy, which requires all the support it can garner to quicken the recovery pace from the COVID-19 battering.

This bolsters the case for a cautious cut in the rate of between 50 basis points (bps) and 100bps to signal a return to easing.

Fiscal risk

While the situation on the inflation front is tempting for a reduction in the rate, the fiscal situation still calls for caution.

In its March press statement, the BoG Governor and Chairman of the MPC, Dr Ernest Addison, said while the signal from the 2021 budget on the fiscal situation was comforting, it fell below expectations.

“The 2021 budget has set fiscal policy on an adjustment path albeit slower than originally anticipated. The adjustment for 2021 is expected to be driven, mainly by revenue-enhancing measures and to a lesser extent, expenditure rationalisation due to the need to continue the stimulus programmes.”

“The committee assessed achieving the enhanced revenue targets and the heavy reliance on the domestic market as the main risks to the budget,” he added.

This could be the key constraining factor to the committee and the bank in general in any attempt to cut the rate.

As one central bank source said, maintaining the rate at 14.5 per cent in the third quarter would mean that BoG is tightening further.

But does the bank need to tighten further or at worse signal that?

RISING FUEL PRICES, NEW TAXES LIKELY TO KEEP POLICY RATE STATIC – ANALYSTS

Date: 31st May 2021

Story by: Charles Nixon Yeboah

Source: https://thebftonline.com/31/05/2021/rising-fuel-prices-new-taxes-likely-to-keep-policy-rate-static-analysts/

As the Bank of Ghana prepares to announce a new policy rate later today, analysts say a close look at the economic indicators and happenings in the country make it likely for the rate to be maintained, although businesses would appreciate a cut… even marginally.

Key factors the Monetary Policy Committee (MPC) takes into consideration before making a decision on the policy rate include inflation, exchange rate, foreign investors' reaction, and the general economic situation among other factors. These indicators, according to the analysts, have not been robust enough to necessitate a policy rate cut.

For example, inflation – a major determinant of the policy rate – has been very erratic this year. It started the year with 9.9 percent but moved to 10.3 percent in both February and March and declined to 8.5 percent in April. One would argue that the current rate falls within the central bank's target band (60-10 percent) and, hence, makes a case for policy rate reduction.

Then, another factor is the appreciation of the local currency against its major trading partner, the US dollar. Data from the Bank of Ghana show the cedi has recorded no loss of value for five consecutive months – a feat that has never been achieved in memorable history.

However, in an interview with Director of the Institute of Statistics, Social and Economic Research (ISSER) of the University of Ghana, Professor Peter Quartey, he said even though inflation has declined and is currently within the target band, its future looks bleak – given the increment in fuel prices and effect of the new taxes introduced by government.

"We are told that the new taxes will kick-in during May and already prices of goods have started increasing on the market; so it is not just about current inflation but also inflation expectation. In determining the policy rate, you have to look at inflation expectation and not current inflation alone. And from the fuel price increments and new taxes, inflation is expected to inch-up going forward. Factoring all these into consideration, I think it will be best to maintain the policy rate for now," he said.

His view was reechoed by banking consultant Dr. Richmond Atuahene, who also thinks inflation risk has been heightened by the fuel price increment and new taxes, hence there is no room for a cut in the policy rate.

He further stated that the exchange rate performance is mainly due to the Eurobond money that came in to shore-up the Bank of Ghana reserves, and not necessarily because the cedi has become stronger than the dollar.

“The reduction in inflation for April is just short-term. The fuel price increase and the new taxes will cause it to shoot up in the coming months. And with the exchange rate, the cedi has not depreciated because all the monies borrowed recently have been used to shore-up reserves at the Bank of Ghana, and the Bank has been using it to intervene in the market; and that is why the cedi looks stable.

So, I think the policy rate will be maintained; especially with the recent increase in fuel and taxes, because they feed straight into inflation. And the Bank of Ghana would not want to risk it and drop the policy rate,” he said.

Another factor that may affect the policy rate is the reaction of foreign investors who have bought the country’s bonds. These foreign investors are attracted by high interest rates on the bonds, and any reduction in policy rate will translate into reduction in their yields – which will push some to move their monies to other markets that offer higher yields. This, Prof. Quartey says, would not be a risk government will want to take at this difficult moment.

“We have foreign investors who hold onto our local bonds. If you reduce the policy rate, they may exit the market; and that can lead to capital flight. We saw that in 2019, and so we must be cautious of that situation too,” he said.

With regard to the possibility of increasing the rate, the professor said it is not an option at all, as that would come as a big blow to local businesses and defeat government’s agenda of stimulating the private sector.

“As for an upward review, is not in tandem with government policy. Government policy is to stimulate the private sector to ensure that the cost of doing business is affordable and supportive of the business environment. So, an increase in policy rate will be at variance with government policy. A reduction, on the other hand, would be in line with government policy: except that the factors will not support a reduction.

“I would be more inclined toward maintaining the policy rate because some of the key indicators – inflation, inflation expectation, exchange rate movement, level of economic activity, among others – I don’t think have seen any major shift,” he said.

If the analysts’ projections come true, it will be the seventh consecutive time the policy rate has been maintained at 14.5 percent since the pandemic struck the country.

CEDI APPRECIATES 0.4% TO DOLLAR IN 5-MONTHS – BOG

Date: 29th May 2021

Story by: Charles Nixon Yeboah

Source: https://www.myjoyonline.com/cedi-appreciates-0-4-to-dollar-in-5-months-bog/

The Ghana cedi appreciated by 0.4% to the dollar in the first five months of this year, according to data from the Bank of Ghana.It also increased in value to the euro by 1.0%, but depreciated by -3.3% to the British pound.

However, since the cedi is pegged to the dollar as the main currency for foreign exchange transcations, the appreciation of the cedi to the dollar comes as a good omen to the economy.

The cedi's strong performance has been attributed to the Bank of Ghana's Forex Forward Auction which ensures there is adequate dollars in circulation, a diversified export commodity and reduce imports.

Many research institutions and analysts have projected a favorable performance of the cedi to the dollar by the end of the year, similar to last year.

Fitch Solutions said it expects the cedi to lose just about 3.1% of its value against the dollar in 2021, unless something untoward happens.

Dollar demand up

Recent forex auctioning by the Bank of Ghana indicates a surge in demand for the American currency. But analysts believe the Bank of Ghana has sufficient forex reserves to deal with any increase in the demand for the dollar.

Currency Analyst and Fund Manager at IC Securities, Derrick Mensah told Joy Business the cedi has benefited from a healthy reserve position of the Bank of Ghana, coupled with other factors.

"Our view is that the cedi is likely to hold steady going forward mainly because of the dollar inflows that we've received, following the earlier Eurobond auction. I believe that the Central Bank currently has a healthy position of reserves in foreign currency. The last time I checked I think it was 4 months of import cover", he said.

Currency Analyst and Senior Economic Analyst at Databank Securities also said the cedi remains very well anchored despite the uptick in forex demand, adding the market remains calm and investors are not fretting over the uptick in demand.

"We typically see this increase on the spot market arising from unmet demand at the bi-weekly FX forward auctions. But this tends to diminish with time because there's sufficient amount of supply coming through from the Bank of Ghana on the spot market in addition to inflows from offshore investors", he noted.

GHANA'S PUBLIC DEBT RISES BY ¢13BN TO HIT ¢304.6BN

Date: 28th May 2021

Story by: Charles Nixon Yeboah

Source: https://www.myjoyonline.com/public-debt-rise-by-13bn-to-hit-304-6bn/

Ghana's public debt stock rose by ¢3billion to hit ¢304.6 billion in March 2021, the latest Bank of Ghana (BoG) Summary of Economic and Financial Data has revealed.

This is equivalent to 70.2% of Gross Domestic Product (GDP), lower than the 76.1% registered in December, 2020.

The fall in debt to GDP ratio is probably due to the expansion in the size of the economy, despite the impact of Covid-19.

The $3billion Eurobond raised by the country in March this year, accounted for this jump in the debt.

Between December, 2020 and March, 2021, ¢13billion was added to the country's debt. The debt stood at ¢291.6 billion at the end of last year.

The domestic debt went up to ¢163.6 at the end of the first quarter of 2021, compared with ¢149.8 billion in December 2020. This is equivalent to 37.3% of GDP.

The external debt stood at ¢141 billion ($24.6 billion) in March 2021, as against ¢141.8 ($24.6 billion). This is approximately 37.7% of GDP.

Importantly, the financial sector debt went down by ¢100 million to ¢15.2 billion. It is equivalent to 3.5% of GDP.

The debt could go down if levies collected to settle the financial sector debt is used to settle part of it.

IMF, World Bank worried about Ghana's debt

The International Monetary Fund and the World Bank have all expressed worry about the alarming increase in the country's debt, saying it's not sustainable, going forward.

They warned that the nation is gradually into the Highly Debt Distressed category. The IMF said the country's debt will go above ¢300billion before the end of 2021.

Per its estimation, Ghana's debt to GDP ratio will also surge to 83.2% in 2022, and then further to 84.8%, 86.0% and 86.6% in 2023, 2024 and 2025 respectively.

It will however drop slightly to 85.5% in 2026. The country spends about 49% of its tax revenue to settle interest payments.

GHANA’S TRADE BALANCE NARROWS TO 1.0% OF GDP; BAGS $5.13BN FROM EXPORTS

Date: 31st May 2021

Story by: Charles Nixon Yeboah

Source: https://www.myjoyonline.com/ghanas-trade-balance-narrows-to-1-0-of-gdp-bags-5-13bn-from-exports/

Ghana’s trade balance narrowed in the first four months of this year to 1.0% of Gross Domestic Product, as imports continued to surge, data from Bank of Ghana has revealed.

However, the country continued to enjoy trade surplus since first achieving that in 2018.

The trade balance that is the difference between exports and imports stood at $759 million in April 2021. Compared to same period last year, the trade balance was $1.0 billion, that is equivalent to 1.3% of GDP

Total exports was estimated at $5.13 billion in the first four months of this year, whilst total imports including oil stood at $4.37 billion.

For exports, the country earned $1.8 billion from gold, $1.2 billion from cocoa and $1.14 billion from oil respectively. Oil had witnessed growth in exports because of the increase in oil prices, which is hovering around $65 on the international market.

Ghana’s Gross International Reserves however hit $10.9 billion in April 2021, from $8.6 billion recorded in December 2020.

Ghana records trade surplus of $2bn in 2020

Despite the impact of coronavirus pandemic on global economies, Ghana recorded a trade surplus of $2.015 billion in 2020, data from the Bank of Ghana has revealed.

This was equivalent to 3.0% of Gross Domestic Product.

According to the Bank of Ghana’s January Summary of Economic and Financial Data, total exports were estimated at $14.45 billion, whilst total imports were $12.43 billion.

But comparing it to 2019, the country earned $15.6 billion from exports, whereas imports were $13.4 billion.

OUR ECONOMY WILL RECEIVE MAJOR BOOST AFTER TVET POLICY INTERVENTIONS – KWESIMINTSIM MP

Date: 29th May 2021

Story by: Myjoyonline.com

Source: https://www.myjoyonline.com/our-economy-will-receive-major-boost-after-tvet-policy-interventions-kwesimintsim-mp/

Ghana will in the next few years benefit immensely from government's remarkable policy interventions that have transformed Technical and Vocational Education and Training (TVET).

That is according to the Member of Parliament for Kwesimintsim and Vice Chairman of the Select Committee on Education, Dr Prince Hamid Armah.

Contributing to a statement on the floor of Parliament, Dr Armah stated the jobs and skills project currently being implemented by the government will ensure the training of master craftsmen and women, as well as apprentices who will be supported financially to create jobs and to boost the economy.

Even though TVET has the potential to transform Ghana's economy, the Kwesimintsim law maker said governments over the years have paid little attention to the sector.

"Mr Speaker, if you look at our school system, there are two pathways, the grammar type and the TVET sector. Yet we have focused attention over the years on the grammar type at the expense of TVET. There has been serious and significant investment in the Grammar type without a commensurate investment in TVET," he stated.

He noted that the resplendent attires worn by the law makers are handiworks of products of TVET and a lot could be achieved by them if they are given the needed support.

He said given the "pervasive influence" of TVET on the economy and its potential to address unemployment issues, it is important to strengthen the TVET service provision, something, he said the government has started doing.

"Quite remarkably, the NPP government, under the leadership of his President Akufo-Addo, has since 2017 initiated several policy interventions to address these problems."

He cited the passage of the Pre-tertiary Education Act, which he said will now streamline all activities of pre-tertiary TVET institutions and bring them under the Ministry of Education.

This will also help to ensure standardization of all TVET education and certification, he pointed out. Dr Armah, who is also the immediate past Director General of the National Council for Curriculum and Assessment, (NaCCA), cited the apparent confusion in the pathways for TVET as a major disincentive for students.

Unlike the grammar type students who have a clearer pathway right from primary, senior high, to tertiary, that of TVET is a little “checkered and cumbersome,” Dr Armah noted.

“There is the need for us to align the current national vocational training qualification to the national qualification training framework for the grammar type so that there can be a direct link so that if one decides to move from stenography into the grammar type school, for example, you know exactly where the person can start from,” he stated.

He was happy the Education Ministry has initiated the process of developing a national qualification process to fill in the gaps.

LET’S TAKE ADVANTAGE OF COVID-19 TO DEVELOP THE ECONOMY – FBNBANK MD

Date: 31st May 2021

Story by: thebftonline.com

Source: https://thebftonline.com/31/05/2021/lets-take-advantage-of-covid-19-to-develop-the-economy-fbnbank-md/

The Managing Director of FBNBank, Victor Yaw Asante, has stated that although we would like to wish COVID-19 away, it however offers unique opportunities for the development of Ghana’s economy in the pandemic era which we must take advantage of.

Speaking at the maiden edition of the B&FT’s Money Summit last Tuesday, on the topic ‘The role of the financial sector in post-pandemic recovery’, Mr. Asante said: “Even though the COVID-19 pandemic would be wished away by all of us, given the opportunity, it has nevertheless provided a great opportunity to press the reset button and also introduce much needed change and development in many areas”.

Quoting former US Chief of Staff at the Obama White House, Rahm Emanuel, Mr. Asante stated that “you never let a serious crisis go to waste”. He added that the main role of the financial sector will be to set the pace for change and proper management of the pandemic situation and its aftermath. This includes introducing and fuelling the change management process as well as boosting the population’s confidence.

Explaining further, Mr. Asante spoke about the specific areas of opportunities for change and resetting the economy in a prevailing and post-pandemic recovery effort. These are fiscal, monetary, social and industrial. According to him, “In terms of the fiscal changes, we can take advantage of technology to widen the tax net to include areas like the informal sector. We need to work toward a reduction or elimination of tax holidays, tax exemptions and tax evasion”.

In the monetary space, Mr. Asante proposed that the central bank and other banks undertake development finance. He also added that banks in general, together with the regulator, must manage interest rates to enable strategic sectors of the economy – including small and medium enterprises (SMEs) – obtain credit for business.

According to Mr. Asante: “Socially; opportunities exist for the financial sector to undertake initiatives which would ultimately result in boosting the confidence of Ghanaians”. Moving Ghana faster to a ‘cash-lite’ economy with the introduction of easily accessible and acceptable digital financial services and payment systems, support for development of the health and education sectors, plus improved nationwide ICT infrastructure are some of the critical actions which can be undertaken.

Mr. Asante also mentioned that there are opportunities for the financial sector to actualise in order to drive the country’s industrial development. These include supporting the effort to move from ‘growers or providers’ of raw materials to an industrialised nation, in addition to aiding the introduction of commercial and mechanised agriculture. All these, according to him, “should provide the right impetus for Ghana to take full advantage of AfCFTA. With good planning, we can get many ‘off-takers’ for our finished products through AfCFTA”.

The Money Summit is a thought-leadership platform initiative introduced and driven by the Business & Financial Times. It is positioned as the foremost platform for discussing issues relating to Ghana’s financial sector. The maiden edition was held under the theme ‘The role of the financial sector in post-pandemic recovery’, on Tuesday 25 May 2021 at the Kempinski Hotel. Panellists for the two sessions were drawn from the C-suite of corporate institutions in the financial sector.

OUTCOME OF THE CENSUS WILL HELP GHANA REVIEW HER 2020 PER CAPITA GDP - OFORI-ATTA

Date: 28th May 2021

Story by: Godwill Arthur-Mensah

Source: https://www.gna.org.gh/1.20819572

Mr Ken Ofori-Atta, the Minister of Finance, says the outcome of the 2021 Population and Housing Census (PHC) would aid the nation to review her 2020 per capita Gross Domestic Product (GDP) from GH¢13,000.

Per capita income is a measure of the amount of money earned per person in a country, while per capita income of a nation is calculated by dividing the country's national income by its population.

Mr Ofori-Atta, who is Chairman of the National Census Steering Committee, speaking at the launch of the 30-day countdown to the Census Night, in Accra, said having accurate and reliable data would aid government, businesses and Civil Society Organisations, to effectively plan, monitor and evaluate policies and programmes for developmental growth.

Additionally, he said, quality and accurate data would guide the country's path towards achieving the 2063 African Agenda, United Nations Sustainable Development Goals(SDGs) and debt sustainability for national and global development efforts.

The Minister emphasised that the 2021 NPHC was critical as it would create an industrialised society, social justice and equal opportunity for all.

Government, he said, recognised the important role accurate and reliable data played in the country's development efforts as it would guide the Ghana Poverty Reduction Strategy.

Mr Ofori-Atta noted that, over the years, successive governments had been implementing poverty alleviation strategies, including the Livelihoods Empowerment Programme Against Poverty, which saw the number of beneficiaries increased from 230,000 to 334,000 households, while the School Feeding Programme benefitted more than five million pupils across the country. Accurate data will, therefore, help to improve the well-being of deserving vulnerable persons.

The PHC was postponed in 2020 to this year because of the COVID-19 pandemic and thus, Mr Ofori-Atta observed had affected the government's budget by creating a budget gap of 54.5 million.

This, he explained, was because of the procurement of personal protective equipment for census field officers and training of 76,500 census field officers and supervisors towards ensuring a strict compliance to the COVID-19 safety protocols.

So far, the Minister stated that, government had disbursed GH¢467 million to the Ghana Statistical Service out of GH¢521.3 million budgeted for the exercise.

Mr Dan Kweku Botwe, Minister of Local Government, Rural Development and Decentralisation, emphasing the importance of Census, said it had formed the basis for the creation of districts and regions through the years.

He said the data collected on housing would help to assess the availability, quality, access and tenancy arrangements at household level.

This would lead to better planning and improvement interventions at the districts, metropolitan, municipal, districts, regional and national levels.

The critical data collected would also help in the resolution of boundary disputes as well as improvement in waste management for better sanitation and a healthier environment.

Information Minister Kojo Oppong Nkrumah, who is Chairman of Publicity, Education and Advocacy Committee, in his remarks, said the success of the Census hinged on effective publicity and education campaigns towards the creation of awareness.

He, therefore, urged all stakeholders, including the media, religious leaders and CSOs to intensify their sensitisation drive.

President Nana Addo Dankwa Akufo-Addo launched the 30-day countdown to the Census, as part of measures to whip up national consciousness towards the exercise.

The Population and Housing Census will commence with a Census Night on Sunday, June 27, while proper enumeration would begin from Monday, June 28.

The slogan for the 2021 Census is, 'You Count, Get Counted', and Ghana Statistical Service is the lead agency for organizing the PHC.

It has earmarked 131,000 enumeration areas across the country and trained 85,000 census field officers and supervisors for the exercise.

The 30-day countdown was also witnessed by Vice President Mahamudu Bawumia, who launched the 100-day countdown on Friday, March 19, 2021 at the Alisa Hotel, in Accra.

2021 CENSUS: DATA WILL IMPROVE LIVELIHOODS – PREZ

Date: 31st May 2021

Story by: Osei Owusu AMANKWAAH

Source: https://thebftonline.com/31/05/2021/2021-census-data-will-improve-livelihoods-prez/

Data from the 2021 Population and Housing Census (PHC) will be used to share national resources equally across the country and save lives and livelihoods, President Nana Addo Dankwa Akufo-Addo has said.

According to him, government remains committed to evidence-based planning and decision-making across all spheres of the nation; hence, data from the census will be the best tool to spread development equally in the country.

Speaking at the Ghana Statistical Service's (GSS) official launch of the 30-day countdown to the census night – slated for June 27, 2021, President Akufo-Addo (GSS) said: "Government will use this census data, just as it has done on previous occasions, to assess the extent to which we have made progress in our national development agenda".

He explained that data collected will enable government to measure the social and economic condition of the nation, and receive the valuable inputs necessary for charting a road map for achieving targets and indicators envisioned in the national development agenda.

He stressed that this is in line with the coordinated programme of economic and social development policies 2017-2024. President Akufo-Addo appealed for every Ghanaian to rally behind the exercise, publicise it and eschew religious or political connotations, since the data will be used for the betterment of every citizen.

"This is not the time to create controversy and confusion around this important national development activity. Census data will save lives and livelihoods." He encouraged Ghanaians to do the right thing and support the publicity, education and advocacy activities by conveying only reliable information and facilitating constructive discussions on issues around the Census process.

The COVID-19 pandemic pushed the Population and Housing Census originally slated for March 2020 to 27 June 2021. Per the United Nations directive, countries are encouraged to conduct a census every ten years. Officials for the census have been competitively recruited and competently trained to ensure that data collected is accurate.

The data collection is to start with the listing of structures from June 13, 2021. Persons in transit and those staying in places such as hospitals, hotels, guest-houses will all be counted on census night. The enumeration of households and long-stay facilities will be done from 28 June to 11 July, 2021.

What makes the 2021 Census Unique?

This year's census is unique in several important ways: It will be the first fully-digital census to be conducted in Ghana. It entails the use of tablets and the Internet to capture and transfer the information in real-time.

There will be use of rich geospatial information, including its capturing by Geographic Positioning System (GPS). Also, there will be online dashboard and comprehensive data quality assurance procedures, including the use of real-time enumeration and data quality monitoring to ensure every structure and person is counted.

This will guarantee complete and accurate data to ensure no one is left behind. The information will be categorised under thematic areas such as housing and living conditions, water and sanitation, and difficulty in performing activities of daily living.

It will halve the period between end of data collection and release of results, and will be the first time the nation receives census information tabulated by the constituencies to improve progress tracking within the important governance structure.

Ken Ofori-Atta

The Minister for Finance, Ken Ofori-Atta, assured that all the funds needed to execute the Census will be made available. He disclosed that government has already released over 70 of the budgeted funds to the Ghana Statistical Service. "With a budget of GH₵521.3million, government has already mobilised and disbursed GH₵467.2million for conducting the 2021 PHC – and will continue to make sure the needed funds are provided to ensure its successful implementation."

Mr. Ofori-Atta assured that the National Census Steering Committee will continue to build the needed systems, pool together diverse expertise, mobilise resources and support strategies for conducting a successful Census.

Dan Botwe

The Minister for Local Government, Decentralisation and Rural Development, Dan Botwe, said provision has been made to ensure the tools that will be used for the exercise are properly stored.

"I would like to indicate that the Ministry of Local Government, Decentralisation and Rural Development have supported the allocation of storage facilities in all the 272 statistical districts of the country."

Oppong Nkrumah

The Minister of Information, Kojo Oppong Nkrumah, urged the public to cooperate fully in order to ensure a successful exercise. "I would like to appeal to members of the public to bear with us, given the challenging times we find ourselves in, and support the Census process by welcoming Census officials to our communities and places."

Government Statistician

Government Statistician, Prof. Samuel Kobina Annim, said using the 30-day period until census night judiciously will help create awareness among the entire population on the important and key dates ahead.

"It is to also sensitise the public on key activities ahead on the enumeration exercise, which comprise training field enumerators and supervisors and listing structures."

ROAD MAP FOR GHANA'S CAPITAL MARKET UNVEILED

Date: 31st May 2021

Story by: Toma Imirhe

Source: https://goldstreetbusiness.com/2021/news/top-stories/road-map-for-ghanas-capital-market-unveiled/

Securities and Exchange Commission (SEC) a week ago, launched its Capital Market Master Plan (CMMP) to serve as the blueprint for developing the capital market in Ghana over the next ten years. The CMMP has the potential to dramatically improve the capacity of Ghana's capital market in financing economic growth and development by providing long term funding for both government and private enterprise.

To be sure SEC has, over the past couple of years, been designing an array of new investment products and just as importantly, has introduced policies and strategies that encourage market operators to innovate in an orderly manner that will ensure that such innovations meet regulatory requirements and thresholds of responsible market conduct.

Now however the sheer scope of new initiatives being drawn up has made it imperative that a holistic plan is used to serve as a road map for their implementation. This is precisely what the CMMP aims to do.

The CMMP was developed by a Working Group drawn from key stakeholders in the financial sector. Speaking at the launch of CMMP, the Honorable Minister of Finance and Economic Planning, Hon. Ken Ofori Atta in his keynote address underscored the importance of the capital market. He noted that the GHc100 billion Ghana CARES programme aiming at stabilizing the economy as well as triggering a revitalization and transformation requires improved access to long-term finance as a key enabler for achieving the objectives of the program, hence the need for the CMMP.

Also speaking at the launch, the Director-General (DG) of the SEC, Rev. Daniel Ogbarmey Tetteh asserted that the Capital Market is critical to the growth aspirations of Ghana and the ten-year CMMP would be the engine to facilitate this important transformation.

The vision of the CMMP is "In Pursuant Of A Deep, Efficient, Diversified And Well-Regulated Market With A Full Range Of Products Attractive To Domestic And International Investors".

The vision will be achieved on the back of four keys pillars of the Capital Market Master Plan:

Improving the diversity of investment products and liquidity of securities markets (to enhance investor participation and improve market liquidity),

Increasing the investor base and promoting innovation and product diversification,

Strengthening infrastructure and improving market services (to improve market integrity and accessibility), and Strengthening regulation, enforcement, and market confidence.

The CMMP incorporates an array of major new initiatives about to be unleashed by SEC. Combined they have the potential to transform Ghana's capital market into a model frontier market which would set the pace for even the older, bigger markets across Africa to emulate.

First of all though, SEC has prudently wiped the old slate clean, commencing wide reaching reforms in the way capital market operators are allowed to conduct themselves. This has culminated in the abrogation of operating licenses of 53 fund management firms under its regulatory purview for a wide range of infractions, some of which had become a new normal in the market despite their illegality.

The next step is to put new regulations in place to prevent the imprudent risk management behavior and in many cases outright malfeasant conduct of the affected market players from being aped in the future by those that have survived the purge SEC executed in 2019.

Most importantly, the ridiculously low minimum capital requirement Capital markets operators of various genres have been given up to the end of 2021 to meet the new minimum capital requirements which, compared with the current minimums are massive.

The new minimums require a broker – dealer to have at least GHc1.5 million in tier one capital; a fund manager, GHc1 million; a corporate investment advisor, GHc1 million and an individual investment advisor, GHc200,000; an issuing house, GHc1 million; a margin trader GHc2 million; a market maker GHc3 million; a nominee GHc1 million and an underwriter GHc2.5 million.

While these are all regular activities for operators active in both the primary and secondary capital markets, the new minimums for operators whose tasks are to protect investors monies are much higher – custodians are to have at least GHc50 million in core capital and trustees GHc50 million. Similarly, firms seeking to provide securities trading platforms will require hefty minimum core capital too – to be licensed to run a stock exchange at least GHc10 million is required and to be a securities depository, having electronic custody of the securities being owned and traded the minimum will be GHc50 million. To be a clearing house at least GHc50 million will be required.

But the biggest minimum capital requirement is for primary dealers, who handle governments treasury securities. This is GHc400 million, which effectively reserves such activities for licensed commercial banks.

Even as capital market operators are staggered by the increases – some of which are high as 1000 percent -most operators, such as investment banks will require much larger minimum capital than that for any of the above listed activities. This is because where an operator is engaged in two or more of the above listed activities – as is the case for virtually every investment bank in Ghana, the requisite minimum will be arrived at by taking the highest minimum requisite for any of the activities to be engaged in, plus at least 75 percent of the minimum capital required for each of the other activities to be engaged in.

Effectively this means, for example that an investment bank that trades in securities, is an investment advisor, and manages investment portfolios for clients would require at least GHc 4 million will be required. If the company wants to also be an issuing house for new securities issuances and also underwrite such issuances, as many investment banks currently offer to do, the minimum would rise to nearly GHc6.7 million

To be a full range investment bank, acting as margin trader and market maker in addition to those other services, the requisite minimum would rise further to about GHc 10.45 million.

Crucially, unlike in the case of the banking industry, the sheer size of the increases, combined with the much smaller turnovers generated by investment banking means that consolidation is inevitable, with the alternative simply being liquidation.

At the same time SEC is now rigorously enforcing compliance with key directives that market operators had studiously ignored since 2012. Perhaps the most crucial enforcement of key regulation that had been ignored for nearly a decade has been that relating to guaranteed returns. Fund managers had been guaranteeing returns to their clients in a manner akin to banks. Inevitably, the effort to live up to their guarantees pushed many fund managers into excessively risky investment, which ultimately resulted in even the loss of capital invested.

This has been stopped along with several other imprudent – and illegal – types of conduct by SEC's licensees; or at least those that survived 2019's biggest purge in the history of Ghana's capital market.

Now SEC is turning its attention to devising and implementing a plethora of risk management and wider corporate governance directives that will ensure that best practice guides conduct in the market going forward.

While these steps are out in the open, a host of equally crucial initiatives are being drawn up by SEC, aimed at significantly deepening and widening Ghana's financial markets, capital, foreign exchange and commodities trading markets all inclusive.

One of these initiatives will introduce derivatives such as futures, forward trading and price hedging into the capital market. Actually, this has been on the cards for several years now and has been given legal backing through the Securities Industry Law of 2016, but SEC has sensibly decided that it needs to further strengthen the regulatory framework and operating platforms for spot market trading first. Besides, in introducing derivatives into Ghana's capital market, SEC will have to consider the framework being created by the ongoing integration of the various stock markets across West Africa – comprising the Ghana and Nigeria Stock Exchanges as well as the pan francophone West African BRVM and the emergent stock exchanges in Sierra Leone and Liberia. But there are several other pivotal initiatives that SEC is working on at the same time.

One is the establishment of a domestic market trading platform for foreign exchange trading in Ghana, a new regulatory initiative which could legalize foreign exchange trading on local Ghanaian platforms as early as next year. This would allow institutions to be licensed as dedicated forex market traders, and trade in foreign currencies on domestic Ghanaian trading platforms.

Currently forex trading is increasingly being done by individuals in Ghana, but only on foreign trading platforms since none exist in Ghana and the activity has neither legal backing nor regulatory framework. This means individuals in Ghana who trade forex can only do so on foreign markets using forex which they have domiciled abroad.

However, a new initiative being put together by SEC with the consent of the Bank of Ghana would allow the capital markets regulator to license and regulate enterprises as dedicated forex market traders who can carry out their activities on domestic trading platforms.

While BoG has left SEC to fashion out a trading framework it will expectedly make inputs where such trading could affect its monetary policy implementation and impacts.

Interestingly, some foreign financial institutions including some major international banks are already expressing interest in setting up dedicated forex trading subsidiaries in Ghana when the new platform commences and licenses become available.

As with other financial markets and indeed other types of markets, the more the number of players involved the more liquid the market and the more efficient the pricing, because trading margins would narrow.

Another initiative being pursued by SEC is the introduction of Crowd Funding, an increasingly popular business financing mode globally. Simply put this will enable small start up and early stage businesses to raise both debt and equity financing from investors in a manner akin to venture capital or angel investing but in a less bureaucratic framework, without the complex rules required by a stock exchange. In a country where the informal sector is predominant this holds immense potential for raising business finance on behalf of micro, small and medium sized businesses.

While SEC wants to keep it as simple as possible to encourage both would be investors and needy businesses to get involved, the regulator nevertheless recognizes the need to come up with a regulatory framework that would eliminate fraud and other forms of malfeasance, and protect the interests of investors.

Crowd funding is a relatively new means sourcing both debt and equity financing for promising start up and early stage private enterprises Crowd funding is the use of small amounts of capital from a large number of individuals to finance a new business venture.

It makes use of the easy accessibility of vast networks of people through social media and crowd funding websites to bring investors and entrepreneurs together, with the potential to increase entrepreneurship by expanding the pool of investors beyond the traditional circle of owners, relatives and venture capitalists, through a channel that is much more informally structured than the Ghana Stock Exchange and even the Ghana Alternative Market.

This would make it attractive to micro, small and medium sized enterprises, who could use it to raise needed finance quickly from astute investors willing to put their money into promising new enterprises without going through long, time consuming regulatory processes, while still enjoying substantial protection from financial malfeasance.

Crucially, SEC's regulatory framework requires that specialist financial firms will be licensed to provide crowd funding services, which will involve bringing together potential investors and deserving entrepreneurs, and ensuring that beneficiary enterprises are managed responsibly so as to meet their obligations to crowd-investors.

Crowd funding is one of the fastest growing business financing modes in the world, now being used to raise hundreds of millions of dollars annually in many countries around the globe.

Another new investment product which SEC is working to introduce into Ghana's capital market is green bonds issuance. Here it is getting technical support from the International Finance Corporation which has considerable experience in the issuance of green bonds, having launched its Green Bond Program in 2010, which has helped catalyze the market and unlocked investment for private sector projects that support renewable energy and energy efficiency. IFC has issued roughly 170 green bonds in 20 currencies amounting to over US$10 billion.

Even as SEC identifies new investment products such as these it has taken the bold step of introducing sand box to get market operators to innovate. The Securities and Exchange Commission has announced a new "sandbox" regulatory regime aimed at encouraging the introduction of innovative new products for use in Ghana's capital markets.

Expectedly most of the new innovations will involve the use of technology to deliver products and services which means the new sand box regime is aimed primarily at financial technology firms. Instructively, since the Bank of Ghana began licensing fintechs (as they are popularly known) who want to design financial products either by themselves or in collaboration with financial intermediation companies such as banks, about 70 license applications have been sent to the central bank.

A sandbox regime allows for the testing of a potential new product or service for agreed limited time duration and covering an agreed limited target market. The idea is that this is the best way to discover whether a proposed new product or service can actually work as expected and it also enables the promoters, in collaboration with the regulator to iron out any wrinkles identified with regards to the product or service before it is offered to the market as a whole.

Under the new regulations SEC will begin issuing Regulatory Sandbox Licenses to companies deemed to deserve them. Depending on the capital market service or the provisions of support to the capital market service provider to be tested, the applicant involved and the application made, SEC will determine the specific legal and regulatory requirements which it is prepared to relax in each case.

In each case the duration of the testing period will be agreed although extensions may be granted where necessary. At the end SEC will determine whether the product or service can be offered to the entire market, although the Commission under certain circumstances retains the right to abrogate the testing mid-way.

The new sand box regime is expected to accelerate the design and introduction of a host of new capital market products and services by opening the door to private sector enterprises. For instance, SEC has been considering the introduction of forward contracts for securities trading for years. With the new regime, fintechs, in collaboration with licensed securities traders will have the chance to come up with workable models and frameworks.

Indeed, capital market analysts expect that the new sand box framework will see several new products and services introduced which would modernize both trading in listed securities on stock markets as well as private placement transactions and even over the counter transactions.

Incorporated into the CMMP, all these initiatives hold the promise of transforming Ghana's capital market into one of the most sophisticated in Africa. And with investment services about to be integrated all around the continent under the impending phase two of the African Continental Free Trade Agreement, this will not just pave the way for deeper wider long term financing of both the public and private sectors in Ghana; it will also create a platform for Accra to become a financial services hub for the entire continent.

ASANTEHENE ENCOURAGES LOCAL BUSINESSES TO ADOPT NEW TECHNOLOGIES

Date: 29th May 2021

Story by: Prince Appiah

Source: https://www.myjoyonline.com/asantehene-encourages-local-businesses-to-adopt-new-technologies/

The Asantehene, Otumfuo Osei Tutu II, has encouraged the Ghanaian business community to quickly adopt new technologies if they are to stay globally competitive.

He is positive such technologies will ensure business continuity and sustainability in the wake of growing economic uncertainty.

The Asante overlord was addressing the Annual Accountancy Conference by the Institute of Chartered Accountants Ghana (ICAG) held in Kumasi.

GOV'T MUST ACT ON ENI/SPRINGFIELD UNITISATION NOW – IES

Date: 31st May 2021

Story by: thebftonline.com

Source: https://thebftonline.com/31/05/2021/govt-must-act-on-eni-springfield-unitisation-now-ies/

The state cannot continue to watch on as Eni Ghana and Springfield Exploration and Production Limited continue to disregard a directive to unitise their Afina and Sankofa fields, the Institute for Energy Security (IES) has advised.

In a statement, it said the country stands to lose greatly if the unitisation is not expedited; hence, government and Parliament's Select Committee on Mines and Energy must act urgently to protect the state's interests.

"While the country sits unconcerned and watches the two oil companies delay in effecting the country's own directive, the state stands to lose heavily in the form of a significant drop in operational and capital costs for the unitised fields, as well as increases in royalties, taxes, Additional Oil Entitlement (AOE), fees and levies," the IES statement read.

The IES statement comes on the back of the two oil firms' failure to unitise the Sankofa field belonging to Eni and Springfield's Afina, as directed by former Energy Minister John Peter Amewu in an April 2020 letter.

The directive follows previous engagements and analysis of post-drill data by the Petroleum Commission (PC) and Ghana National Petroleum Corporation (GNPC), which confirmed that the Afina discovery in the WCTP-2 and Sankofa field in the OCTP contract areas were one and the same. That is to say the Sankofa Cenomanian Reservoir extended into the WCTP-2 contract area.

The purpose of executing the Unitisation & Unit Operating Agreement (UUOA), IES reiterated, is to give full effect to government's directive to unitise the Afina and Sankofa fields, and the subsequent imposition of terms and conditions for unitisation of the Afina discovery and the Sankofa field.

Consequently, and in accordance with the law, the minister directed Springfield and Eni to begin the process leading to unitisation, and to furnish him with a draft UUOA within 120 days of his letter. "Until government prevails on ENI and Springfield to obey the laws of the country, they shall continue to act in violation of the country's laws and petroleum regulations," the energy think-tank lamented.

IES further added that even though the minister's directive was founded on Ghana's laws and international best practices, one year on the two oil companies are yet to abide by the directive by signing the UUOA to give full effect to it – a clear manifestation of disrespect and disregard for Ghana's laws. If unitised, the statement said, it will not only prevent physical economic waste but also protect correlative rights – fair shares – of the parties to the contract areas.

Unitisation, to IES, will also lead to maximum economic benefits for the state and to the parties involved in production of the unitised accumulation. These benefits would be derived from, among others, the sharing of development infrastructure – thus lowering the costs of production through economies of scale and operating efficiencies, and ultimately improving economic returns. "Unitisation is intended to maximise the ultimate recovery of petroleum from the fields, according to the best technical or engineering information.

"The Institute for Energy Security (IES) finds that the positions presently held by ENI and Springfield on government's directive for the two to unitise their respective oil fields has created an impasse. The Institute finds that while Springfield's position aligns with government's claim of evidence of common reservoir, the ENI holds the view that there is no existence of hydrocarbon communication between the two contracts areas based on data available to them.

"The IES is of firm belief that a workable agreement is still possible. On that score, government and the Parliamentary Select Committee on Mines and Energy must intervene and help the parties to engage, analyse their respective data, and to engage in a constructive negotiation," the statement added.

However, being a partner to both the OCTP and WCTP-2, it said, government is well-placed to be the catalyst of a fair resolution for the impasse between Springfield and ENI.

"As an interested party to the two fields, and a custodian of the country's mineral resources, government can still play the role of a mediator to help the two companies overcome the resistance to a workable solution. It is imperative that government immediately finds a solution to this impasse. Undoubtedly, the longer this unitisation delays, the more revenue the country loses. Consequently, the IES wishes to respectfully ask government to inform the nation how it intends to immediately resolve this issue," the statement concluded.

GHANA'S NEW OILFIELD DEVELOPMENT FACES STAGNATION

Date: 31st May 2021

Story by: Toma Imirhe

Source: https://goldstreetbusiness.com/2021/business/oil-and-gas/ghanas-new-oilfield-development-faces-stagnation/

A new study conducted by the Institute for Energy Security (IES) has cast further illumination on the implications of the ongoing stagnation in new oil and gas field development that Ghana is currently suffering from. The study, released last week warns that the refusal of Eni Ghana Exploration and Production Limited (ENI) to accede to a directive by Ghana's Ministry of Petroleum Resources to collaborate with Springfield E&P (Springfield) to unitise the Sankofa and Afina oil and gas fields which they respectively own could cost Ghana as much as US$6 billion in revenues accruing to the state.

This is just one of the two bottlenecks Ghana's upstream oil and gas industry is faced with in regard to new field development. The other is the decision by Aker Energy to seek a new equity investor in its efforts to develop its planned Pecan oilfield, which will further delay commencement of production from what is billed to ultimately be the country's biggest oilfield so far. Under the original schedule the field would have started producing by the end of 2020 or by the first half of this year at the latest. However, field development has not even started as at yet and with Aker's latest decision, emanating from financing challenges, construction of the requisite infrastructure may not even start before the end of the year.

Therefore, the commencement of production from a unitized Sankofa/Afina field presents Ghana's best hope of having a fourth oilfield up and running before a string of annual Eurobond issuances start falling due for amortization in late 2023.

But the IES study reveals that while the State stands to derive upwards of US$8.4 billion from the unitization of the Sankofa and Afina fields, as opposed to US$2.065 billion that it would derive from the production from the Sankofa field alone, assuming no incidence of unitization. Yet there is still no certainty that the preferable first scenario will play out.

Government has accommodated Eni's resistance so far, setting new deadlines for unitization when an old one expires without action being taken. The latest deadline from government is May 2022, but no progress has yet been made towards meeting it.

Eni is disputing the premise for government's directive that the two companies unitize their respective fields, which is that they are technically interconnected, a situation established by drilling conducted by Springfield and confirmed independently by analysis of the resultant data by the Ghana National Petroleum Corporation.

The Institute's analysis asserts that unitization would lead to maximum economic benefits for the State, and for all the parties involved in the production of the unitized accumulation.

These benefits would be derived from, amongst others, sharing of development facilities, which naturally drives down costs and ultimately improve economic returns. The benefits to the State are in the form of significant reduction in operational and capital costs of the unitized fields, as well as increases in royalties, taxes, Additional Oil Entitlement (AOE), fees and levies asserts the IES report.

It says “With the unitization concept, the unitized area, usually a reservoir is treated as a single unit for development purposes. It is as if the separate leases and licenses are merged into one single lease or license, with a single Unit Operator appointed to manage the development of the field.”

In April 2020, the Energy Ministry in a letter signed by the then Minister, John Peter Amewu, directed the two companies to unitize their fields. The decision resulted from series of engagements and analysis of post-drill data, which showed that the Afina discovery in the WCTP-2 belonging to the two companies field in the OCTP contract areas were one and the same. A year after the directive, the two companies have not complied.

The study states that, Ghana’s laws make provision for the unitization because it prevents physical waste, prevents economic waste, and protects correlative rights of the parties to the contract areas. Actually, Ghana’s laws on the issue of unitization conform to predominant laws in many other major oil producing jurisdictions around the world.

The Institute’s review of unitization laws in other countries show that majority of countries including Azerbaijan, United Kingdom, Egypt, Brazil, Nigeria, and Ecuador have enacted laws and regulations governing unitization processes which are very similar to the law in Ghana. The practice is usually for voluntary unitization, with the government having the power to enforce processes for unitization if voluntary unitization fails.

However, Eni does not agree with the technical findings of interconnection of the two oilfields.

The study reveals that per IES’ investigation, the reason for the inability of the two companies to comply with the government’s directive is primarily due to Eni’s rejection of government’s position on the matter, by claiming that in their opinion there is no dynamic or hydrocarbon communication between the Afina discovery and the Sankofa field.

However, the Institute’s review of the Petroleum (Exploration and Production) Act, 2016 (Act 919) and the Petroleum (Exploration and Production) (General) Regulations, 2018 (L.I 2359), the laws that regulate unitization in Ghana, show that dynamic or hydrocarbon communication is not a requirement for unitization; it can be insisted on simply if the state stands to gain without major loss to the parties required to unitize their respective fields. Eni though asserts that it would be a major loser.

Indeed, Eni has been arguing, over the past year that it should not be compelled to unitize its already operating field with Springfield’s which it asserts has not been fully confirmed.

Instructively the Government of Ghana has been treading cautiously because Eni is creating the impression that its unitization directive aims to deliberately favour Springfield, the first Ghanaian owned firm to make a major discovery, but which lacks the financial and technical capacity to bring it on line. Eni's argument cleverly aims to imply (without stating outright) that government's decision seeks to solve Springfield's capacity dilemma since unitization, with Eni as the field operator would put the onus on the Italian firm to provide the technical expertise and most of the financing. Indeed, it is instructive that the comparison of anticipated revenues with and without unitization assumes no revenues from Springfield's Afina field if unitization is not done.

Thus, even if Ghana wins in legal terms, Eni's protests could cost Ghana the confidence of the international oil exploration and production community which it needs to uncover and exploit its hydrocarbon resources, especially if it wins on the basis of maximizing benefits to the state rather than actual interconnection of the two fields.

Indeed, government's insistence on the unification and the terms it is proposing, despite the protestations of the Sankofa field, appears to be drawing the ire of the foreign upstream oil and gas industry, which sees it as an attempt to shortchange one of theirs to the unfair benefit of an indigenous operator.

While this assertion is questionable, even local industry analysts are beginning to fret that the circumstances of the situation holds the potential to discourage direly needed foreign investment into Ghana's nascent, but hugely promising industry.

Indeed, the Executive Director of the Institute for Energy Security (IES), Nana Amoasi VII. warns that Ghana could thus conceivably be the overall loser if the ongoing impasse between ENI Ghana Exploration and Production Limited, and Springfield Exploration ends up in the International Court of Arbitration.

Foreign industry experts assert that the Ghanaian government might be over reaching in making the nascent oil industry serve its interests. For quite some time the general political narrative cut through the industry somewhat noiselessly after, in early May 2020 Ghana's (then) Energy and Petroleum Minister John Peter Amewu suggested that the Sankofa oil field and the Afina oil discovery should be unified into one joint project.

While many industry observers find it absurd that the Energy Minister has the competence to decide which fields should be unified this, however, is completely legal in Ghana following several recent regulatory changes – in 2016 the Ghanaian government introduced this clause so as to streamline new projects. Technically, Ghana's Energy Minister can also force reticent sides to acquiesce to its intent with the proviso that the top-down decision can only be done if both plays are appropriately appraised.

But apart from the fact that Sankofa's shareholders totally oppose government's ruling on unification of the two oilfields, foreign industry operators also assert that the Afina discovery should be officially confirmed as a commercial one, which has not happened because potential partners in developing the field have not announced the results of their due diligence.

The Afina-1 discovery well was spudded in September-October 2019 to a total depth of 4085 meters and wielded a light oil play with a gross thickness of 65 meters. Afina was the first-ever well drilled by Springfield Exploration and Production, a Ghanaian company that took a 80 percent operatorship role in the West Cape Three Points Block 2, with the remaining stake going to Ghana’s national oil company GNPC. Upon the discovery, Springfield stated that Afina’s oil-in-place reserves are assumed at around 1.5 billion barrels, with a further 3 billion barrels of undiscovered potential, making it a superb start to the company’s drilling history (provided the discovery is commercial though). In contrast to Afina, the 0.5 billion barrels Sankofa has already been producing since 2017, eight years after its initial discovery by Vitol’s Ghanaian upstream branch.

Government’s assertive view of how it would prefer its offshore crude production to develop has also generated another controversy. Although the Energy Ministry wants ENI to operate the prospective Sankofa-Afina field, however, it would be Springfield that gets the largest stake as Afina’s nominal reserves are higher, despite its commercial size and viability remaining unconfirmed. Mirroring a 54.5-45.5 percent split between Afina and Sankofa, ENI would receive only 20.2 percent of the future joint project; Vitol would be left with 16.2 percent whilst Springfield would get 44.7 percent.

Foreign industry experts are suggesting that Ghana ought to be very careful in how it treats the Sankofa/Afina issue because it carries enormous reputational risks for future offshore projects. Throughout 2020 there was no exploration activity in Ghana’s offshore and the restoration of drilling is dependent on the operator of Sankofa, ENI, going forward with its plans in the Tano Basin.

Moreover, Sankofa might be perceived as a pioneering project, being the first non-associated gas field in Ghana’s offshore and has been playing an instrumental role in the nation’s shedding some of its unnecessary hydrocarbon imports. Using its gas production for electricity generation at an assumed cost of $6.6/mmBtu (with the involvement of the World Bank), Sankofa has doubly benefited Ghana by saving its currency reserves and by supplanting polluting oil products as sources of energy.

Ghana’s other bottleneck with regards to significantly increasing its revenues from oil exports through new fields coming on stream, derives from Aker Energy’s financing challenges – it is now facing a major delay in the rollout of its oil field developments as Aker Energy is looking to sell part of its 50% participating interest in the Deepwater Tano Cape Three Points (DWT/CTP) block in Ghana, which includes the Pecan development project.

The Pecan project was supposed to be Ghana’s fourth operational oilfield after the two operated by the Jubilee partners comprising Jubilee itself and TEN, and the Sankofa field operated by Eni. It was originally expected to be up and running by 2021 at the latest and was expected to be the country’s largest producing field to date, dwarfing all of its predecessors.

However initial delays resulted from Aker’s inability to satisfy the Ministry of Petroleum Resources and the Petroleum Commission with its proposed Plan of Development, which consequently had to be revised twice. But since its revised PoD was finally approved, financing became a problem as COVID 19 generated a crude oil price crash on the global commodity markets.

The need to secure a new equity partner will inevitably delay the development of the project considerably. This is bad news for Ghana which had been hoping that its equity share, taxes and royalties from the project would contribute significantly to enhancing its negotiating position when it seeks to refinance a string of annual Eurobond issuances maturing from 2023. It now seems certain that even the first phase of the Pecan field will not be up and running – and may not even is in development – when those refinancing negotiations commence expectedly next year.

This will mean tighter terms for refinancing at least the first couple of Eurobond maturities. After the COVID-19 wreckage, the Norwegian operator has struggled to come up with the funding for the Pecan development, which it sounded so passionate about just 18 months ago.

Aker Energy's demonstrated passion to fast track the development project led to the Ghanaian government's amendment of Petroleum Agreements concerning the DWT/CTP and the South Deep Water Tano (SDWT), an amendment which significantly reduced the state's share of the partnership and snuffed out the involvement of GNPC Explore, a company that was set up to build operating capacity of the state hydrocarbon company GNPC.

But Aker Energy appeared to walk the talk. As far back as February 2020, the operator had entered into a Letter of Intent (LOI) with Yinson Holdings Berhad to award a bare-boat charter and an operations and maintenance contract for a floating, production, storage and offloading (FPSO) vessel at the Pecan field, following a competitive tender. The plan was that the contracts would have a firm duration of ten years followed by five yearly extension options exercisable by Aker Energy as operator on behalf of the license partners. Once developed and installed, the FPSO will be located over and connect to the state-of-the-art subsea production system located at approximately 2,400 metres below sea level.

Now, all of that enthusiasm has been considerably challenged by the economic downturn of the last one year. Recently, Aker has been looking at the possibility of developing the field in phases; instead of producing from one central installation the company is considering the option of developing it in parts, starting with a floating production, storage and offloading unit (FPSO) in the southern part of the block and then adding a second unit in the northern part of the property subsequently This would substantially reduce the project's break even cost and make a positive final investment decision possible sooner than later.

Aker Energy's other partners in the DWT/CTP block are Lukoil (38%), Fueltrade (2%) and Ghana National Petroleum Corporation (10%).

All this is happening at entirely the wrong time. Ghana has got three oil and gas fields up and running over the past decade but since the latest field – the GyeName Sankofa field commenced production in 2017 – little progress has been made towards developing a fourth field. This is despite two major discoveries – each bigger than the previous one and both several times the size of the three already operating fields put together – having been announced.

Government has been holding out to push Aker into accelerating development of the field in one go that the State can start earning revenues before the annual Eurobonds issued by the Mahama administration from 2013 start falling due for amortization. But faced with the possibility that

Aker may decide to suspend all field development activities until global market prices pick up, government is relenting somewhat on its demands as to how Aker should go about developing the field.

But Aker is refusing to be rushed, said one company official on strict condition of anonymity: "When we were ready to press ahead government held us back. If it had not, Ghana would have been on the brink of getting a new oilfield by now, despite the fall in global market prices for crude oil. By delaying us to press home its demands government has ultimately shot itself in the foot."

To be sure though government has the backing of most local stakeholders including public policy think tanks who believe government called Aker's bluff by insisting on terms that are best for the State. However, this is coming at great cost as Ghana now faces the prospect of securing refinancing for the impending maturing Eurobonds without even a certain timeline for revenues from the Pecan field as part of its negotiating hand.

Ghana Crude Production vs Exports in 2017-2020 (in '000 barrels per day)

The swift production increases of 2017-2018 gave way to stagnation that was rendered even more apparent by the consequences of COVID-19 (see Graph) Currently Ghana has two oil producers – Tullow with its Jubilee and TEN fields, and ENI with Sankofa – totaling around 190,000-200,000 barrels per day recently. The output volumes are unlikely to increase significantly as there seems to be no other project coming up in the pipeline. The Pecan field, operated by Aker Energy, might have been the one to supplement the Ghana's production portfolio, however overall delays in its development will postpone its commissioning, all the more so as Aker now wants to split it in two separate phases for the field's northern and southern part and is seeking a new equity partner. Should there be any output additions over the course of 2021-2025, they would come from Tullow's Greater Jubilee production ramp-up and not new projects.

None of this augers well for Ghana's upstream oil industry's growth despite the huge prospects both onshore and offshore. There is little doubt as to the country's hydrocarbons endowment. Bur recent regulatory developments are curbing the enthusiasm of the international oil companies to explore for new fields right now and even more worrying is curtailing their willingness to spend direly needed capital on bringing out of the ground what has already been discovered.

INVEST IN TECHNOLOGY, VALUE ADDITION INSTEAD OF ATTACKING CHINA FOR EXPORTING COCOA-BISHOP AGYINASARE

Date: 30th May 2021

Story by: Rainbowradioonline.com

Source: https://www.rainbowradioonline.com/invest-in-technology-value-addition-instead-of-attacking-china-for-exporting-cocoa-bishop-agyinasare/

Bishop Charles Agyinasare, the Founder and General overseer of the Perez Dome has said Ghanaians do not have to attack the Chinese for venturing into the cocoa sector. The man of God noted that we don't have to blame the Chinese for venturing into the cocoa business but rather find new ways in making our sector improve. In his view, what we have to do is adopt new technologies to meet the changing trends of farming in the country instead of attacking them.

Delivering a sermon on Sunday, May 30, 2021, on the theme 'The Anointing for Impact" the man of God showed his congregation a video of how a Chinese farmer used technology in harvesting cocoa.

He said he has never seen anything like what the farmer was doing. The man of God averred that for all these years we have used only one approach in harvesting and preserving our cocoa as compared to what China is doing today. Bishop Agyinasare said he was so impressed at the way the Chinese were investing their cocoa.

He challenged our engineers in Ghana to create innovations and technology for the cocoa sector to thrive in Ghana. He stated that we need to move away from using cutlass in breaking our cocoa to an era where we can use technology.

Ghanaians he said complain about how foreigners have come and taken over our things "but if you are there and you are not seeing," then the foreigner will surely see the value in what you have not seen and move ahead of you. He said we need men with the anointing to create solutions for our education, government, family, religion, economy, media, arts, entertainment, and sports.

These seven pillars he added are pillars we need anointing for so we can have the knowledge and understanding to create innovations to build our society. News about China exporting cocoa to Belgium has got several Ghanaians expressing worry that it could be a threat to Ghana's position as the world's second-largest cocoa beans exporter.

Some persons are of view that China with capital and technology will out compete Ghana and other African countries who are top producers.

But Bishop Agyinasare wants Ghana to invest in technology and value addition to make our cocoa sector better. The first batch of 500 kg of the China cocoa beans, worth 3,044 euros (about $3,600), was produced in Xinglong, a township of Hainan with a tropical climate.

EMBRACE TECHNOLOGY – OTUMFUO TO ACCOUNTANTS

Date: 30th May 2021

Story by: Ibrahim Abubakar

Source: https://3news.com/embrace-technology-otumfuo-to-accountants/

The Asantehene, Otumfuo Osei Tutu has charged accountants to improve their work by adapting to technology.

He noted the change in business environment calls for new and easier way of working to avoid facing extinction.

“We need to be abreast with technology because the business environment is changing and we must learn to change with it. Technological advancement can improve the Accountant’s ability to reduce errors, interpret date effectively and efficiently, and thereby enhance decision making”

The Asantehene was speaking at the Accountants Conference. The 5-day Conference provided opportunity for members of the Institute of Chartered Accountants Ghana (ICAG) to deliberate on how to sustain and improve on the accountancy profession in the midst of COVID-19.

President of ICAG, Professor Williams Abayaawien Atuilik stressed on the need to embrace technology to stay in business.

“COVID-19 is a living testimony of why we must embrace technology or die. As Chartered Accountants, we need to include the content of technological knowledge in our dealings. We have to digitize everything we do mindful of the destruction technology can bring about.

This is why we are rolling out a post chartered diploma in cyber security for members to get deeper orientation. “

The 2021 Accountants’ Conference was on the theme “Business Continuity and Sustainable Development: The Role of Technology”.

PARTNER PRIVATE SECTOR TO EXPAND JOB OPPORTUNITIES FOR GRADUATES – NSS PERSONNEL TO AKUFO-ADDO

Date: 30th May 2021

Story by: 3news.com

Source: https://3news.com/partner-private-sector-to-expand-job-opportunities-for-graduates-nss-personnel-to-akufo-addo-2/

The government has been told to invest in career guidance and work based education in the country.

In a statement written and signed by the President of National Service Personnel Association (Volta and Oti) who doubles as National General Secretary aspirant for 2021/ 2022 service year he said " This will enable acquire relevant skill needed for work.

He added that, government must employ possible means to absorb graduates for employment in the numerous sectors in our country.

Over the years graduate unemployment has been a major problem in Ghana. I acknowledge the effort made by his Excellency the president by providing the Nation Builder's Corps to reduce graduate unemployment.

But I ask, what plans are are available to absorb these graduates and as well those who are yet to complete school and are struggling to make a living.

I believe a lot more could be done to tackle this problem. Government must partner with the private sector to expand the sector's employment opportunities

Government must invest in career guidance and work- based education to enable the youth acquires relevant skills needed for work.

Government must lay emphasis and expand Technology Vocational Education and Training (TVET).

Government must employ the necessary steps to absorb graduates into the numerous sectors available in our country.

Finally, I admonish all service personnel to equip them through knowledge and skill acquisition.

GIVE US 'GALAMSEY' PUMPING MACHINES – FARMERS APPEAL

Date: 28th May 2021

Story by: Lydia Kukua Asamoah

Source: https://www.gna.org.gh/1.20814404

Mr Benjamin Afranie, a horticulturist in the Oforikrom Municipal area in the Ashanti Region has appealed to Government to give seized water pumping machines from galamsey sites to farmers.

He said that initiative would promote irrigation farming, boost agriculture production and attract more young people into farming.

"We have heard in the news that government is seizing pumping machines and excavators from the galamsey sites and burning them and the people are complaining...so my appeal is that government should stop burning them and give the pumping machines to farmers so that we can pump more water to irrigate our farms and feed the nation," Mr Afranie said in an interview with the Ghana News Agency on his farm at Boadi junction in Kumasi.

This was when a team of implementers of the "Entrepreneurship in Horticulture: Farming as a Business" project visited him at his model farm.

The team made up of delegation from the Delft University of Technology (TU Delft) in the Netherlands, the Kwadaso Agriculture College (KAC), the Holland Green Tech, and the Kumasi Business Incubator Hub at the Kwame Nkrumah University of Science and Technology (KNUST), also visited the farm alongside some 25 horticulture and entrepreneurship students undergoing training in the project at KAC, to interact with the lead farmer.

Mr Afranie said they needed water for all year round farming and prayed government to intervene and make agriculture appealing and rewarding. He mentioned labour as one of the critical challenges facing farmers and said the use of water pumping machines could reduce labour cost.

Mr Afranie also said because of the changing rainfall patterns, it had become critical that irrigation services, aided with pumping machines, were used by farmers so they could produce all year.

The Farmer thanked President Nana Addo Dankwa Akufo-Addo for initiating various policies to help farmers, especially the Planting for Food and Jobs programme, and appealed to the President to ensure that subsidised fertilizers and other farm inputs were made available on time and distributed throughout the year.

Narrating how he entered into the horticulture sector, Mr Afranie who used to be a storekeeper said he had to abandon his first job due to persistent theft and armed robbery attacks.

He said after thorough considerations, he acquired land and started to grow vegetables, and through hard work, he had received two best farmer awards within the last three years.

Mr Afranie, however, admitted that the intervention under the “Entrepreureship in Horticulture: farming as a business project,” being funded by the European Union Archipelago project, which he signed onto for barely a year, had made it possible for him to overcome challenges of finance, proper application of pesticides, proper planning to beat better prices, labour, and unfaithful aggregators.

Expressing much optimism about the project, Mr Afranie said: I’m confident that I’m now on the track of producing quality vegetables to feed mother Ghana.”

Madam Gloria Temmah Gambrah, Municipal Chief Executive, Oforikrom Municipality, commended the implementing partners for bringing the project to the newly created Municipality, saying the Assembly welcomed such initiatives that would directly grow the local economy.

She urged the farmers to stick to good farming practices that would produce “healthy foods for the markets.”