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 Communications Office

6th February 2024

BOG LAUNCHES BETA VERSION OF MACROECONOMIC DATABASE PORTAL

Date: 5th February 2024

Story by: Bank of Ghana

Source: https://citinewsroom.com/2024/02/bog-launches-beta-version-of-macroeconomic-database-portal/

The Bank of Ghana (BoG) has launched the Beta Version of the bank's Database Portal.

This is part of efforts at providing a single environment for extracting and visualising macroeconomic data.

The provision of this portal is in line with international best practice and the Bank's commitment to greater transparency associated with its inflation targeting framework of monetary policy.

The portal will also help meet data request demands from the public and support research work.

The data contained in the portal is organised along five main Economic Sectors as follows:

▪ External Sector

▪ Financial Sector

▪ Fiscal Sector

▪ Monetary Sector

▪ Real Sector and Survey Based Indicators

The macroeconomic data is made up of 255 monthly and 86 quarterly time series data sourced from the BoG and other key stakeholder institutions.

Data updates and revisions will be done according to the Data Release Calendar as published on the portal.

To access data on the Portal, please visit our website: https://app.datawarehousepro.com/go/bog/

FITCH SOLUTIONS FORECASTS ANOTHER 100BPS CUT IN POLICY RATE IN NEXT MPC MEETING

Date: 5th February 2024

Story by: norvanreports

Source:https://norvanreports.com/fitch-solutions-forecasts-another-100bps-cut-in-policy-rate-in-next-mpc-meeting/

Research firm, Fitch Solutions, is forecasting another 100 basis points (1%) cut in Ghana's monetary policy rate by the Monetary Policy Committee (MPC) in its next meeting scheduled in March 2024. The Bank of Ghana (BoG) on January 29, 2024, reduced its monetary policy rate (base rate) by 100bps from 30% to 29%.

The decision by the Committee to cut the policy rate, Governor Ernest Addison noted, was on the back of the steady decline in headline inflation from the December 2022 year high of 54 percent to 23 percent in December 2023.

Asserting that inflation expectations are well anchored with the outlook for inflation being continued disinflation as previous policy tightening effects impact both headline and core inflation.

According to Fitch Solutions, inflation will remain on a downward trend over the coming months, in part driven by statistical base effects and the lagged impact of monetary tightening.

Moreover, a gradual improvement in investor sentiment and a $600m IMF disbursement will keep the exchange rate stable at roughly GHS12.0/USD throughout Q1 2024, only slightly weaker than the average of GHS11.8/USD recorded in the year-earlier period. As such, price pressures stemming from imported goods and services will remain limited over the coming months, supporting the ongoing disinflationary trend.

"That said, inflation will remain above the 20.0% mark ahead of the March MPC meeting, prompting a vigilant approach from central bank policymakers. In the coming months, price pressures will moderate at a much slower pace compared to Q423.

"This is partly due to the uptick in global oil prices caused by hostilities between Israel and Hamas, and a sharp increase in global shipping costs caused by rising tensions in the Red Sea. Consequently, inflation rates are set to stay well above the levels preferred by the BoG, with significant upside risks. "This context underpins our expectation that the central bank will not opt for a larger rate cut at the March MPC meeting," Fitch Solutions stated.

"Beyond the March MPC meeting, we anticipate that the BoG will lower interest rates by a cumulative 600 basis points to 22% by the end of 2024. We project that inflation will remain on a downward trajectory through Q2 2024-Q4 2024, ending the year at 13.5% y-o-y (inflation will average 17.3% over the full year), giving central bank policymakers space to lower the benchmark interest rate," it added.

GHANA’S FISCAL DEFICIT TO NARROW TO 4.5% OF GDP IN 2024; GH¢55.93BN TO BE SPENT ON INTEREST PAYMENTS

Date: 5th February 2024

Story by: Joy Business

Source:https://www.myjoyonline.com/ghanas-fiscal-deficit-to-narrow-to-4-5-of-gdp-in-2024-gh%c2%a255-93bn-to-be-spent-on-interest-payments/

Ghana’s fiscal deficit to Gross Domestic Product (GDP) ratio is expected to narrow to 4.5% ± 50 basis points in 2024, Databank Research has disclosed.

This is due to interest savings from the external debt restructuring though election-induced fiscal overruns remain a concern.

The Bank of Ghana put the country’s fiscal deficit to 2.5% of GDP as of September 2023.

In its 2024 Quarterly Report, the research firm said potential interest savings from the external debt restructuring could improve fiscal balance.

The government budgeted GH¢19.04 billion towards the external interest payment despite halting debt service with the ongoing negotiations with the various creditor groups.

“We believe the government could secure interest savings after concluding restructuring deals, which could improve the fiscal balance”, it pointed out.

The government plans to spend GH¢55.93 billion on interest payments in 2024, whilst GH¢63.8 billion will be spend on compensation of employees.

Overall, the government plans to spend GH¢226.68 billion in 2024.

For revenue and grants, the government plans to mobilise GH¢176.41 billion. GH¢173 billion will come from domestic revenue.

STRICTLY ADHERE TO BAILOUT PROGRAMME – IMF ADVISES GHANA

Date: 6th February 2024

Story by: Nii Larte Lartey

Source:https://citinewsroom.com/2024/02/strictly-adhere-to-bailout-programme-imf-advises-ghana/

The International Monetary Fund (IMF) is urging Ghana not to deviate from the course of its fund programme to ensure that the country reaps the full benefits of the ongoing bailout package.

The Fund requires effective implementation of structural reforms following the release of the $600 million second tranche and at a time when the government is said to be considering engagements with the IMF for a consensus on the anticipated revenue shortfall over the planned suspension of the VAT on electricity.

But the IMF insists that Ghana adheres to the agreed-upon austerity measures in order to manage its way out of the economic crisis.

"What I can say is that going forward, it would be really, really important that Ghana continues to implement the program that they have developed as envisaged. That is really critical. These programs are designed to be implemented over three, four years. And it is important that Ghana sticks to the course and sees the program being implemented over the next three years," says Abebe Selassie, Director of the African Department at the IMF, who has been speaking about Ghana's program in Washington, DC.

In late January, the Bank of Ghana acknowledged receipt of US$600 million as the second tranche for budget support and stabilization of the local currency, bringing the total to US$ 1.2 billion out of the $3 billion approved under the three-year extended credit facility in May 2022.

The IMF has stated that Ghana is performing well under the program, with reforms bearing fruit and signs of economic stabilization emerging.

"Ghana's program is being implemented effectively. We just went to the board recently with the first program review following, of course, the policies that the government has been putting in place to address the huge imbalances Ghana was facing through last year. And of course, the official creditors are signaling that they will provide debt relief, consistent with what Ghana needs. So, we just went to the Board a couple of weeks ago. We look forward to continuing to support Ghana, consistent with program implementation," Abebe Selassie added.

Ghana's next IMF program review is scheduled for June 2024 for the third tranche of approximately US$ 360 million.

GHANA'S ECONOMY TO CONTINUE TO OPERATE "BELOW CAPACITY"

Date: 5th February 2024

Story by: norvanreports

Source:https://norvanreports.com/ghanas-economy-to-continue-to-operate-below-capacity/

Research firm, Fitch Solutions, says it expects Ghana's economy to operate below its capacity for the year 2024.

This is on the back of the 3.5% projected GDP growth for 2024 which is below the average 5.3% GDP growth rate recorded from 2015 to 2019.

"We anticipate the Ghanaian economy to continue operate below capacity, further incentivising the BoG to lower interest rates. While we expect that real GDP growth will accelerate to 3.5% in 2024 from an estimated 2.7% in 2023, this will remain well below Ghana's 2015-2019 average of 5.3%," quipped Fitch Solutions.

"The lagged impact of restrictive credit conditions for both private investors and the government will continue to weigh on fixed capital formation over the year. Indeed, real credit growth contracted by an average of 23.8% y-o-y over January-August 2023 (latest available data) pointing to continued weakness in investment activity. Given our expectation that quarterly GDP outturns will disappoint, BoG policymakers will seek to lower interest rates to support the economy," it added.

Fitch Solutions has identified potential upward pressures on Ghana's interest rate forecasts, citing geopolitical tensions and their impact on global trade dynamics.

The research firm underscores the vulnerability of Ghana's economy as a net importer of crucial commodities like fuel and food items. Heightened geopolitical tensions, Fitch Solutions warns, could disrupt global trade flows, leading to a surge in commodity prices worldwide. Such a scenario would inevitably translate into increased import costs for Ghana, posing a threat to the country's ongoing efforts to stabilize inflation.

Moreover, Fitch Solutions highlights the risk of prolonged negotiations between Ghana and its commercial creditors. Delays in reaching agreements could extend beyond initial expectations, potentially delaying IMF disbursements and eroding investor confidence. This, in turn, could trigger a sell-off of the Ghanaian cedi and reignite inflationary pressures.

In anticipation of these challenges, Fitch Solutions suggests that the Bank of Ghana may adopt a more cautious stance in its monetary easing cycle than previously anticipated.

BURKINA FASO, NIGER, MALI TO DECIDE FATE OF GHANAIAN TRADERS FOLLOWING ECOWAS 'EXIT'

Date: 5th February 2024

Story by: Blessed Sogah

Source:https://www.myjoyonline.com/burkina-faso-niger-mali-to-decide-fate-of-ghanaian-traders-following-ecowas-exit/

There's a looming diplomatic row as Burkina Faso's Military leader Ibrahim Traoré has disclosed that his country will consult Mali and Niger to take a final decision on whether to allow Ghanaian traders and other West African nationals to do business in their countries.

He said a final determination would be made on the matter as consultation would first have to be made by leaders ofNiger Mali and Burkina Faso.

" We remain pan-African. Anyone in Africa or an African who wants to come to Burkina, is welcomed. We will decide what measures to take in due course regarding traders coming from Ghana, Nigeria, and other West African countries)," he said.

The three nations officially announced last week that they were departing from the sub-regional ECOWAS trading bloc.

This raised fears from the Ghana Union of Traders (GUTA) which said its members import vegetables and other livestock from Mali Burkina Faso and Niger would be affected.

"This thing is going to affect us more than the other member states. We should bypass the ECOWAS to find an immediate solution," Dr Joseph Obeng, President of the Union told Joy News.

He added "the cross-border trading activities that goes on is going to be impacted negatively. Look at the cola nut that we ship to Niger, the onions that we bring from there and the tomatoes that we bring in.

"Also consider the bulk of things that the Burkinabes come to buy from us [in Ghana] so definitely it's going to have a negative impact".

Ibrahim Traore added that the departure from ECOWAS is well thought.

He added "it's not a burst of anger. If it was an outburst, we would have done it a long time ago".

“WE ARE NOT WHERE WE HOPE TO BE” – TERKPER ON ECONOMY

Date: 6th February 2024

Story by: Winston Tackie

Source:https://www.myjoyonline.com/we-are-not-where-we-hope-to-be-terkper-on-economy/

Former Finance Minister, Seth Terkper has described Ghana’s economic fundamentals as still fragile, saying, the performance of the economy has been mixed despite the International Monetary Fund-support programme.

According to him, inflation remains high while the exchange rate is not too stable and the country is still in debt distressed.

Speaking in an interview with Joy Business, Mr. Terkper, however, alluded that some gains have been chalked so far but minimal, indicating more work needs to be done to bring the economy back to its sound footing.

He however attributed the recent improvement in Ghana’s economic fundamentals to the Bank of Ghana’s zero financing of the government budget, but warns economy is far from recovering.

“In the case of inflation, it was high because it crossed 50%, for the first time in many years (two or three decades) …such highs were reached because of the central bank deficit financing. The fact that the Central Bank has moved towards zero financing of the budget obviously will bring some discipline to fiscal, which was being financed, therefore should expect some definite improvement”.

Yes, it is a progress but we are not where we hope to be. All government's aim is single-digit (inflation)”, he pointed out.

Mr. Terkper therefore wants the government to be efficient in spending to keep the fiscal economy stable.

He believes a stable fiscal economy is key to a productive economy such as low interest rates and high private sector growth.

EMISSIONS LEVY IS ESSENTIALLY DOUBLE TAXATION – TERKPER

Date: 6th February 2024

Story by: Winston Tackie

Source:https://www.myjoyonline.com/emissions-levy-is-essentially-double-taxation-terkper/

Former Finance Minister, Seth Terkper, has raised concerns about the government's proposed emission levy, calling it essentially double taxation due to its overlap with existing excise duties on imported vehicles.

He argues that the emission tax designed to encourage environmentally friendly vehicles is "punitive" and already covered by the existing excise duty based on engine size and other factors that indirectly reflect emissions.

Speaking in an interview with Joy Business, he warned that this double taxation could lead to increased cases of tax evasion and avoidance.

“I think it's mistaken to say we don’t have emission tax in the country, particularly concerning vehicles that are embedded in the excise duty. Because if you import a vehicle, the cost includes excise which is graduated based on the age of the vehicle and the capacity of the vehicle”.

“If you’re bringing in an old vehicle you get to pay more for a nine-year-old vehicle than two years old brand-new vehicle. That is because the engine is deemed to be weaker and creates more harm to the economy…it’s an emission, a punitive tax under our excise regime. “

The implementation of the new tax laws and amendments directs the enactment of the Emissions Levy Act, 2023 (Act 1112).

This law imposes a levy of GH¢100 per tonne on carbon dioxide equivalent emissions from the electricity producers, as a statutory incidence.

Already, the Chief Executive Officer of the Chamber of Independent Power Generators, Ghana (IPGG), Dr. Elikplim Kwabla Apetorgbor, has described the Emissions Levy Act, 2023 as a political risk that will increase the cost of power.

According to him, the emissions levy would trigger an increase in electricity tariff.

The Institute of Climate and Environmental Governance (ICEG) also expressed concern about the implementation of the emission levy when there is still a lack of clarity as to the management of the likely revenues this will generate to spur climate transition efforts.

ONLY 14% OF WORKING GHANAIANS SATISFIED WITH FINANCIAL SITUATION – REPORT

Date: 5th February 2024

Story by: Joy Business

Source:https://www.myjoyonline.com/only-14-of-working-ghanaians-satisfied-with-financial-situation-report/

Only 14% of working Ghanaians are very satisfied with their financial situation. According to the 2023 Old Mutual Financial Services Monitor, the informal sector and local income earners in Ghana are the most financially stressed.

While 68.0% of those financially stressed are in the informal sector, 55% are in the formal sector.

On dependents, the report revealed that the incidence of dependents is high. Less than half are 'sandwich generation' individuals in Ghana, significantly higher among older and more affluent consumers. For most, their dependent children are their own, while only 13.0% have dependent children belonging to somebody else.

In terms of financial priorities, income security is the top priority for Ghanaian consumers. This is followed by managing their expenses downward such as putting major expenditure plans on hold, switching to more affordable retail brands, amongst others.

Paying off debt emerged as a 6th ranked priority.

Household Income Spending

Meanwhile, consumption makes up just over half of the Ghanaian household spending, while savings make up a quarter of the spending allocation.

Debt servicing makes up only 9% of household income allocation. The report furthered that Ghanaians are disciplined regarding debt management.

One in four Ghanaians have had to borrow from friends or family. One in five have however fallen behind on household bills in the last year.

Furthermore, six in 10 dipped into savings to make ends meet. Less than a quarter use a credit card.

AGRIC MINISTRY ORDERED TO DISBURSE GH¢1.8M TO FARMERS AFFECTED BY BIRD FLU WITHIN 1 MONTH

Date: 5th February 2024

Story by: Myjoyonline.com

Source:https://www.myjoyonline.com/agric-ministry-ordered-to-disburse-gh%c2%a21-8m-to-farmers-affected-by-bird-flu-within-1-month/

Parliament acting the Public Accounts Committee (PAC) has instructed the Ministry of Food and Agriculture (MOFA) to compensate farmers who suffered losses due to avian influenza or the Bird Flu outbreak between 2015 and 2018.

The Public Accounts Committee Chairman, James Klutse Avedzi, emphasised that the directive should be implemented within one month.

He warned that if the ministry fails to comply within the stipulated timeframe, it will be summoned before the house for questioning.

“I am sure you have a list of the farms that are affected and a certificate for destroying the birds as well. All that you need is to have the affected farmers’ bank details to do the transfer, and I am sure that you have the contact details of these farmers."

“So, we are giving you one month to disburse the monies to them quickly. Call them so that they will give their bank details so you can do the transfer for them.”

The 2022 Auditor General’s Report revealed that a significant portion of the allocated compensation funds, exceeding GH¢1.8 million, remains unused in the Ministry’s account.

The Ministry of Agriculture contends that the funds have not been distributed because affected farmers have not provided the necessary details to the Ministry.

T-BILL YIELDS DROP FURTHER AMID ROBUST INVESTOR DEMAND

Date: 6th February 2024

Story by: Joshua Worlasi Amlanu

Source:https://thebftonline.com/2024/02/06/t-bill-yields-drop-further-amid-robust-investor-demand/

Yields on Treasury bills (T-bills) have continued a downward trend in the latest auction, marking the fifth consecutive week of declines.

This development, driven by robust investor demand with oversubscription reaching 58 percent last week, will certainly be welcome news to government as it further lowers its cost of borrowing.

During the auction, yields decreased notably with the 91-day and 182-day bills contracting to 28.30 percent (-0.29 percent) and 30.79 percent (-0.3 percent) respectively. The 364-day yield witnessed the biggest drop, as it closed at 31.40 percent (-0.4 percent).

The auction aimed to raise GH¢2.86billion but received bids worth GH¢4.53billion for short-term bills. All the bids were accepted, covering the current debt due of GH¢2.67billion and resulting in a coverage ratio of 1.70x.

Market analysis by Apakan Securities suggests that investors are hedging against reinvestment risk amid falling yields. There was a noticeable shift toward the 364-day bill, indicating higher demand for longer-term securities – although the 91-day bill remains the most preferred.

Investors are strategically seeking opportunities to secure higher returns amid declining T-bill rates, as observed by the surge in oversubscription during recent weeks. On this, Apakan Securities emphasised that the trend underscores investors' intentional pursuit of maximising returns amid the decreasing rates.

This proactive stance of investors also reflects a keen interest in capitalising on prevailing market conditions to secure favourable returns. The trend of increased uptake in T-bills is expected to persist amid declining yields, according to Databank.

Last month, the Treasury exceeded its auction target by raising GH¢22.06billion – an uptick of approximately 35 percent month-on-month. Databank anticipates a continuation of this uptake trend in February 2024, driven by an estimated cash coupon payment of about GH¢4.3billion on new bonds.

However, yields are expected to decline further – in line with the disinflation trend and 100bps cut in the key monetary policy rate during the January 2024 Monetary Policy Committee meeting.

This week, the Treasury aims at raising GH¢4.59billion to refinance maturing debt totalling GH¢4.23billion. Despite being the highest target size in nine weeks, upbeat market demand suggests the Treasury is likely to meet its target in the upcoming auction – with further yield declines anticipated.

Databank predicts that over 50 percent of the GH¢61.9billion budget deficit in 2024 will be financed through T-bills. The estimated T-bill issuance for the fiscal year is projected to reach approximately GH¢180billion, marking a significant 21 percent increase compared to the previous year.

Data from 2023 highlight the increasing role of T-bills in deficit financing, with the average weekly refinancing obligation rising from GH¢1.17billion in 2022 to GH¢2.26billion in 2023. Concurrently, the average weekly uptake increased from GH¢1.52billion in 2022 to GH¢2.87billion in 2023; underscoring the pivotal role of T-bills due to limited external capital market access and zero central bank financing.

Secondary market

Despite a 100bps cut in the MPC rate, activity in the bond market saw a marginal decline of 1.89 percent week-on-week. The new bonds recorded a total trading volume of GH¢1.59billion, with February 2028 (CPN: 8.50 percent) being the most actively traded and accounting for approximately 60 percent of the total volumes.

Interest was also observed in Feb-2036 (CPN: 9.70 percent) and Feb-2037 (CPN: 9.85 percent), settling at 15.55 percent and 23.47 percent respectively last week. Moving forward, market activity is expected to pick up in the secondary market over the coming week.

GHANA MUST STICK TO AND IMPLEMENT FULLY FUND-SUPPORT PROGRAMME – IMF

Date: 6th February 2024

Story by: Joy Business

Source:https://www.myjoyonline.com/ghana-must-stick-to-and-implement-fully-fund-support-programme-imf/

The International Monetary Fund has said that it is important for Ghana to stick to the International Monetary Fund – support programme being implemented over the next three years.

Addressing the press, the Director of African Regional Department at the IMF, Abebe Aemro Selassie said it is really important for Ghana to implement the programme fully.

He however pointed out that the Fund will continue to support Ghana, consistent with the programme implementation.

“What I can say is that going forward would be really really important that Ghana continues to implement the programme that they have developed as envisaged. That is really critical”.

“These programmes are designed to be implemented over three, four years. And it is important that you stick…Ghana's sticks the course and see the programme being implemented over the next three years. So, we look forward to continuing to support Ghana, consistent with program implementation”, he explained.

He pointed out that the official creditors have signalled to provide debt relief, consistent with what Ghana needs.

This he assured his outfit support for Ghana to prevent the debt restructuring with external creditors from dragging as a result of the ‘push for equal terms’ by the creditors.

The government is currently working to reach a final deal with bilateral and commercial creditors on the debt restructuring. However, there are fears the ‘push for equal terms’ for all categories of creditors could drag the process and hurt Ghana’s programme and the economy.

Ghana has so far received $1.2 billion as bailout package from the IMF for the three year programme.

BOND MARKET: TOTAL MARKET TURNOVER DIPPED 1.87% WEEK-ON-WEEK TO GH¢1.59BN

Date: 6th February 2024

Story by: Joy Business

Source:https://www.myjoyonline.com/bond-market-total-market-turnover-dipped-1-87-week-on-week-to-gh%c2%a21-59bn/

The trading volumes on the local secondary bond market declined marginally by 1.87% to GH¢1.59 billion over the preceding week.

According to the trading report, the bond exchanges remained skewed towards the shorter maturities, as the 2027 to 2030 papers jointly pulled 69% of the total market turnover.

The LCY yield curve continued to tilt northwards, as the average Yield-To-Maturity (YTM) on the 2027-2030 papers increased to 21.12% (+192 basis points).

That of the 2035-2038 also advanced to 17.22% (+128 basis points).

Analysts believe bond market activity could remain sluggish as investors seek to snap returns on the money market amid declining treasury bill yields.

In 2024, T-bills would remain the dominant driver of activity in the fixed-income market.

"We expect yields to decline on a positive inflation outlook, but upside pressures will persist from the government's high demand for money market funding. Substantial refinancing obligations may keep upside pressures elevated", said Databank Research.

GEOPOLITICAL RISKS POSE CHALLENGES TO GHANA'S INTEREST RATE OUTLOOK, SAYS FITCH SOLUTIONS

Date: 5th February 2024

Story by: Norvan Reports

Source:https://norvanreports.com/geopolitical-risks-pose-challenges-to-ghanas-interest-rate-outlook-says-fitch-solutions/

In a recent report titled "More Interest Rate Cuts On The Way In Ghana, Following Cautious Start Of Easing Cycle," Fitch Solutions has identified potential upward pressures on Ghana's interest rate forecasts, citing geopolitical tensions and their impact on global trade dynamics.

The research firm underscores the vulnerability of Ghana's economy as a net importer of crucial commodities like fuel and food items. Heightened geopolitical tensions, Fitch Solutions warns, could disrupt global trade flows, leading to a surge in commodity prices worldwide. Such a scenario would inevitably translate into increased import costs for Ghana, posing a threat to the country's ongoing efforts to stabilize inflation.

Moreover, Fitch Solutions highlights the risk of prolonged negotiations between Ghana and its commercial creditors. Delays in reaching agreements could extend beyond initial expectations, potentially delaying IMF disbursements and eroding investor confidence. This, in turn, could trigger a sell-off of the Ghanaian cedi and reignite inflationary pressures.

In anticipation of these challenges, Fitch Solutions suggests that the Bank of Ghana may adopt a more cautious stance in its monetary easing cycle than previously anticipated.

Despite these concerns, the Bank of Ghana reports relative stability in interest rates, particularly evident in the declining trend observed in short-term Treasury bill rates. As of February 4, 2024, rates for the 91-day and 182-day Treasury bills have decreased to 28.29% and 30.79%, respectively. Similarly, the rate on the 364-day instrument has fallen to 31.39%.

While Ghana's interest rates remain broadly stable, Fitch Solutions' cautionary stance highlights the intricate interplay between global geopolitical developments and domestic monetary policy, underscoring the need for vigilance amidst uncertain economic landscapes.

CEDI DEPRECIATES 2.50% TO DOLLAR SINCE JANUARY 1; GOING FOR GH¢12.48 TO A DOLLAR

Date: 6th February 2024

Story by: Joy Business

Source:https://www.myjoyonline.com/cedi-depreciates-2-50-to-dollar-since-january-1-going-for-gh%c2%a212-48-to-a-dollar/

Renewed corporate demand pressures saw the cedi losing value to the dollar last week, increasing its year-to-date loss to about 2.5%.

This is despite the Bank of Ghana's foreign exchange (FX) intervention.

The Central Bank sold $7 million on the spot market and auctioned $20 million to the Bulk Oil Distribution Companies in the Forward Forex Auction.

However, the local currency could not hold its ground against the American greenback.

It lost 0.60% week-on-week to the dollar due to demand from the energy sector to settle US dollar debt obligations and the agricultural sector for seasonal restocking.

The cedi also shed 0.64% week-on-week versus the pound but remained stable against the euro on the retail market.

It is presently going for GH¢12.48 against the US dollar in the retail market, whilst selling at GH¢12.07 on the interbank market

Analysts expect the cedi to be relatively stable this week and during the Chinese holidays that will span from February 9, 2024, to February 15, 2024.

They believe corporate foreign exchange demand will be lower this week as importers have generally restocked in anticipation of the upcoming Chinese holidays.

WITHDRAW EMISSIONS LEVY, IT'LL WORSEN ALREADY ACIDIC BUSINESS ENVIRONMENT – FABAG TO GOVT

Date: 6th February 2024

Story by: Leticia Osei

Source:https://citinewsroom.com/2024/02/withdraw-emissions-levy-itll-worsen-already-acidic-business-environment-fabag-to-govt/

The Food and Beverage Association of Ghana (FABAG) is calling on the government to immediately withdraw the Emissions Levy.

In a statement dated February 5, FABAG said it believes the aspect of the tax that affects the industry is highly insensitive and anti-business.

On February 1, 2024, the government introduced a new tax policy on carbon dioxide equivalent emissions on internal combustion engine vehicles.

The Ghana Union of Traders Association (GUTA), the Trades Union Congress (TUC), Ghana Private Road Transport Union (GPRTU), among others, have strongly opposed the Emissions Levy.

FABAG in its statement insisted that the Emissions Levy is premature and will not achieve its desired results.

"In as much as the Carbon Emissions tax sounds nice in theory, its introduction is premature in Ghana and hence cannot achieve its desired objectives. The tax is going to simply raise the cost of production, create avenues for corruption and disturb the already acidic business environment."

"For instance, how are carbons emitted by industries through their manufacturing processes going to be measured? Who measures it? And how will the measurement be reported to ensure that there is no corruption in the collection of the data and right fees are paid to the government?

Even the bonded warehouses system where officers of government daily man the gates of the warehouses failed in delivering its set-up objectives.

How can carbons emitted by an industry be measured accurately to ensure that neither the government nor the industrial player is cheated? The Carbon Emission tax is just going to make a few people rich at the expense of the consumer and the Republic," FABAG added.