Ghana: The 2015 Mid-Year Budget Review

Prepared by the staff team of the IFS

(It is based on the information available at the time it was completed on 31 July 2015)

31 July 2015

The views expressed in this paper are the views of the IFS

All enquiries should be directed to:

The Executive Director, IFS

P.O. Box CT11260, Cantonment, Accra

Executive Summary

On July 12, 2015 the Minister for Finance presented to Parliament a mid-year review of the 2015 budget, the performance of the economy during 2014 and the Supplementary Estimates. The presentation revealed that, Ghana's fiscal performance showed a significant improvement during the first five months of 2015, with the fiscal deficit being less than the target for the period driven by improved revenue mobilization and expenditure containment. The statement also indicated that, all the revenue items over-performed during the period. Domestic revenue was more than the budget target by 8.3 percent, due largely to the increase in both oil and non-oil revenues. Tax revenue exceeded the target for the period by 10.6 percent while non-tax revenue was just equal to the target. Total expenditure (including arrears and tax refunds) posted 9.1 percent less than the target during the period, with almost all the expenditure items experiencing significant underruns. Consequently, the fiscal deficit (on cash basis) stood at 1.9 percent of GDP against the target of 3.4 percent of GDP.

The statement intimated that, the government also is expecting the macroeconomic situation to significantly improve in the second half of the year, with inflation easing with the stabilization of the cedi, good rainfall pattern and distribution, as well as improvement in economic performance. The tight monetary policy of the Bank of Ghana is also expected to help deal with the high inflation expectations and depreciation of the cedi while the country's foreign reserves are expected to improve with the expected inflows and implementation of policy measures during the second half of 2015 and 2016.

Despite the impressive fiscal performance which we were told by the Minister the economy had chalked in the first five months of the year, the government at the same time moved to revise the budget for the whole year. The Minister cited developments in both the domestic and global economic environment as the main reason for the budget review. In the revised budget, both revenue and expenditure estimates for the whole 2015 were cut, but revenue was severely cut relative to expenditure resulting in an overall fiscal deficit of 7.3 percent of GDP against the original estimate of 6.5 percent of GDP. Domestic revenue was adjusted downwards by 16.1 percent relative to the original target, due to lower oil revenue projections, according to the government, while the target for grants was revised upwards by 74.5 percent. Total expenditure was revised downwards by 3.1 percent relative to the original budget estimate for the year, with the cut spread across all the expenditure items except for arrears payment and foreign-financed capital expenditure. The revised interest payments for the whole year was one-and-half times bigger than the target for capital expenditure as it was during the first five months of the year.

The question that arises is that, if the first five months of 2015 registered an impressive fiscal performance and the macroeconomic situation in the second half of the year is expected to improve significantly, then why has the revision of the 2015 Budget become so necessary? Furthermore, in the same budget document, government has explained that crude oil prices have since March 2015 been rising gradually above the price assumption of US$52.8 per barrel used in assessing the implications of the fall in crude oil prices on the 2015 budget in March. Following the recent price volatilities and consistent with the recently amended Petroleum Revenue Management Act (PRMA), the oil price assumption used in the mid-year review budget has been revised to US$57.0 per barrel. The question then is, if at US$52.8 per barrel, oil revenue exceeded the target by 13.4 percent in the first five months of the year, then how come that at US$57.0 per barrel, oil revenue is projected to fall by 72 percent in the remaining seven months of the year to warrant a downward adjustment of oil revenue by 58 percent for the whole year?

Given the impressive fiscal performance in the first five months of the year, the upwards revision of the crude oil price from US$52.8 per barrel to US$57.0 per barrel, and the fact that government expects the macroeconomic situation to significantly improve in the second half of the year, one may question the rationale behind the decision to revise the 2015 budget. There are also other concerns with the revised budget itself. First, disbursement of grants was low in the first five months of the year notwithstanding

the IMF program. This means that Developed Partners will not release frozen funds mainly because there has been an IMF program, as there are still existing other conditions for disbursement. Further, the revised target for grants for 2015 which stands at GH₵2,001.8 million appears to be too optimistic because it is way above the previous year's grants disbursement for the country. Second, the major causes of the expenditure containment during the first five months of the year which stood at GH₵1,251.8 million were (1) huge under-expenditure on compensation of employees (2) transfers to government agencies (3) interest payment, and (4) unpaid arrears. Third, the interest payment target which is about one and half times bigger than the capital expenditure in the revised budget looks very problematic since this would constrain public investment and therefore impede economic growth. If that happens revenues would be impaired, deficits would rise and so would government debt.

Almost all the macroeconomic indicators do not appear to support the view that the macroeconomic situation for the rest of the year would improve. With the current high interest rates, the rapid cedi depreciation, and the deregulation of petroleum product prices, the upswing of inflation is likely to remain for the rest of the year. The fall in prices of the country's main export commodities and the resultant potential loss of foreign exchange and revenue to government may continue for the rest of the year. The planned relaxation of capital controls will have a short term palliative effect on the cedi weakness, but with serious downside implications for the country. The fiscal outlook still poses serious challenges for debt sustainability and the country is at a high risk of debt distress on account of unfavorable trends in the country's debt service relative to domestic revenues and export earnings. This also poses serious headwinds to economic growth. It is encouraging though that efforts are being made by the government to solve the energy crisis.

In the challenging economic environment in which the country finds itself, fiscal policy, together with tight monetary policy and structural reforms, should play an essential role in building confidence and supporting growth, while mitigating risks and ensuring medium-term debt sustainability. Government should undertake a serious fiscal rebalancing to free funds to support higher critical infrastructure to support economic growth. Building fiscal buffers in the medium term should also be a priority. The reform of energy subsidies should provide space for productive spending on education, health and infrastructure, as well as programs to support the poor. Given the high level of public debt, there is an urgent need for a well-grounded fiscal framework to anchor fiscal policy and guide it toward the achievement of the medium-term objectives. The real challenge though is whether the government will be able to demonstrate fiscal prudence in the run-up to the 2016 elections.

Contents

	Executive Summary	2
1.	Introduction	5
2.	Economic Performance, January-May 2015	5
3.	Revisions to the 2015 Budget	8
4.	Evaluation of the Revised 2015 Budget	12
5.	Conclusion	18
	References	20

1. Introduction

On July 12, 2015, the government tabled in Parliament for discussion and approval a Mid-Year Review of the Budget Statement and Economic Policy and Supplementary Estimates of the Government of Ghana for the 2015 Financial Year. According to the government, the aim of the review was to (i) provide an update on the performance of the economy in 2014 and for the first five months of 2015; (ii) revise the macroeconomic targets and fiscal framework set in the 2015 budget estimates based on current information; (iii) request for approval for supplementary estimates for 2015; and (iv) provide an update on major new government initiatives. The government also stated that the review of the Budget has been necessitated by domestic and longstanding global developments (Government of Ghana, July 2015). Before the Minister's Budget Review Statement, the IMF had on June 30, 2015 issued a statement at the conclusion of its Review Mission to Ghana. The statement indicated that the program currently being implemented in the country with the Fund's support is on track, with all performance criteria met except for the ceiling on central bank financing to the government which was technically missed by a small margin (see IMF, June 2015). The government supported the Fund's claim, adding that the fiscal consolidation program, as at the end of May 2015, remained on course due to the relatively good tax and non-tax revenue performance, as well as containment of overruns on subsidies, the wage bill and other spending. The provisional GDP numbers released by the Ghana Statistical Service also indicate that the economy grew by 4.1 percent in the first quarter of 2015, compared with a negative growth of 3.8 percent in the first quarter of 2014 and 4.0 percent at the end of that year. And despite the net adverse impact of the fall in crude oil prices, the government contends that the upward trend will continue (Government of Ghana, July 2015).

Now, despite the refreshing and welcoming news that the IMF program is on track and the fiscal consolidation process is gaining root due to good revenue performance and expenditure containment, and that the economy is showing progress in the face of domestic and longstanding global developments, the government revised the 2015 budget. Seeking an explanation to this seemingly contradictory action of the government has necessitated this study. The study seeks to review the government's mid-year Budget and establish the basis for the review of the 2015 Budget.

The paper is organized in five sections. Section one deals with the introduction. Section two discusses the performance of the economy during January-May 2015, based on data and information released by the government. Section three discusses the key revisions to the 2015 Budget announced by the Minister of Finance on July 12, 2015. In section four, we present our comments on both the performance of the economy and the Budget in the first five months of the year and the revisions made to the Budget by the government. Section five concludes the study.

2. Economic Performance, January – May 2015

Provisional figures released by the Ghana Statistical Service show that for the first quarter of 2015, the economy grew by 4.1 percent, driven by agriculture and services. The agricultural sector grew by 7.4 percent and the services sector by 4.7 percent, while the industrial sector grew by just 0.9 percent. Compared to the growth performance in the same period of 2014, the sectoral and overall GDP growth in the first quarter of 2015 was quite impressive.

Inflation continued to rise from January 2015. Inflation declined from 17 percent in December 2014 to 16.4 percent in January 2015 due to the drop in both food and non-food consumer price indices. Thereafter, inflation increased steadily, reaching 16.6 percent in March and 16.9 percent in May 2015. The upswing in inflation was due to the depreciation of the domestic currency, fuel price adjustments, rising cost of credit, and other cost-push factors.

Fiscal performance during the first five months of the year was encouraging. Preliminary data for the period released by the government show a fiscal deficit on cash basis of GH₵2,524.7 million (including a discrepancy figure of GH₵502.8 million), equivalent to 1.9 percent of GDP against a target of 3.4 percent. Total revenue and grants for the period amounted to GH¢12,065.3 million, equivalent to 9.0 percent of GDP and 5.5 percent higher than the target for the period, due mainly to a strong growth in domestic revenue. All revenue items over-performed during the period. Domestic revenue amounted to GH₵11,740.2 million which was 8.3 percent higher than the target for the period, due largely to the increase in both oil and non-oil revenues. Oil revenue amounted to GH¢782.4 million, which was 13.4 percent higher than the target of GH¢690.2 million for the period but 34.8 percent lower than the outturn for the same period in 2014, due to lower oil prices. Similarly, non-oil revenue exceeded the target for the period by 7.9 percent. Tax revenue exceeded the target for the period by 10.6 percent, driven by high increases in revenue from company income taxes, excise taxes, export duties, and import exemptions. Nontax revenue during the period was just equal to the target despite the receipt of a dividend of about GH₵600 million from the Bank of Ghana, while grant disbursements from development partners amounted to GH¢325.1 million, reflecting 44.8 percent lower than the budget target (see Table 1). The lower than expected outturn of grants was due to the slow disbursement of project grants, which resulted in project implementation delays.

Table 1. Ghana: Fiscal Outturn, January – May 2015

Item	Budget Target (GH₵' m)	Preliminary Outcome (GH₵' m)	Difference	
			Amount (GH₵' m)	% Change
Total Revenue and Grants	11,430.9	12,065.3	634.4	5.5
Domestic Revenue	10,841.7	11,740.2	898.5	8.3
Oil Revenue	690.2	782.4	92.2	13.4
Non-oil Revenue	10,151.5	10,957.9	806.4	7.9
Tax Revenue	8,467.0	9,362.3	895.3	10.6
Non-tax Revenue	2,315.6	2,323.0	7.4	0.3
Grants	589.2	325.1	-264.1	-44.8
Total Expenditure (incl. arrears clearance)	16,053.6	14,590.0	-1,463.6	-9.1
Total Expenditure	14,950.0	13,746.7	-1,203.3	-8.0
Compensation of Employees	5,110.9	4,848.9	-262.0	-5.1
Goods and Services	588.0	671.3	83.3	14.2
Interest Payments	3,600.8	3,287.0	-316.8	-8.8
Transfer to other Government Units	2,765.6	2,394.8	-370.8	-13.4
Others (incl. subsidies and social benefits)	390.0	865.2	475.2	121.8
Capital Expenditure	2,494.5	2,182.1	-312.4	-12.5
Arrears	934.3	632.1	-302.2	-32.3
Tax Refunds	169.3	211.2	41.9	24.7
Overall Budget Balance (cash; excl. discrepancy)	-4,622.7	-3,027.4	1,595.3	-34.5
As % of GDP	-3.4	-2.2	1.2	
Discrepancy	0.0	502.8	502.8	
Overall Budget Balance (cash, incl. discrepancy)	-4,622.7	-2,524.7	2,098.0	-45.4
As % of GDP	-3.4	-1.9	1.5	

Source: Government of Ghana (July 2015, Appendix 1)

On the expenditure side, all the items experienced significant underruns during the first five months of the year, except for goods and services and other expenditures (mainly tax expenditures – exemptions and tax refunds). Total government spending (including arrears payments) amounted to GH¢14,590.0 million (10.8 percent of GDP), which was 9.1 percent lower than the budget target of GH₵16,053.6 million. Excluding arrears payment, total expenditure was 8.0 percent lower than the target for the period. Expenditure on compensation of employees (wages, salaries, and benefits) for the period totaled GH¢4,848.9 million, which was less than the target by GH₵262.0 million, or 5.1 percent. Interest payments for the first five months of the year totaled GH¢3,287.0 million, reflecting GH₵316.8 million or

8.7 percent lower than the budget estimate of GH¢3,600.8 million. According to the government, the lower interest payment was partly due to the lower than estimated domestic borrowing to finance the budget during the period. Transfers to other government units was also GH₵ 370.8 million less than the target for the period. Capital expenditure during the period amounted to GH¢2,182.1 million, which was GH₵312.4 million or 12.5 percent lower than the budget target of GH¢2,494.5 million. Payment of arrears was also less than the budget estimate by GH₵302.2 million while tax refund was higher than the target by GH₵41.9 million (see Table 1).

The deficit of GH₵2,524.7 million for the first five months of the year was financed mainly from domestic sources, amounting to GH¢1,761.9 million (1.3 percent of GDP) which was 55.6 percent lower than the budget estimate of GH¢3,968.5 million. Foreign financing of the budget amounted to GH¢762.7 million as against a target of GH¢654.1 million. In addition, there was a drawdown of GH¢205.7 million from the Ghana Stabilization Fund to finance the budget due to shortfalls in oil revenue resulting from lower oil prices.

Ghana's provisional debt stock increased by GH₵13.9 billion during the first five months of 2015, pushing the total public debt stock to GH¢90.0 billion (67.5 percent of GDP) at end-May. This was made up of GH¢53.8 billion external debt and GH¢36.2 billion domestic debt. In US dollar terms, the provisional debt stock stood at US$22.5 billion as at end-May, made up of US$13.5 billion and US$9.0 billion external and domestic debt, respectively.

Broad money supply (M2+) grew by 33.3 percent year-on-year in May 2015, resulting from growth in both net domestic and net foreign assets of 36.2 percent and 18.9 percent, respectively. Total outstanding credit to the public and private sectors stood at GH₵28.2 billion in May 2015, reflecting an increase of 32.1 percent from May 2014. The private sector accounted for over 87 percent of the total outstanding credit at the end of May 2015, compared with over 88 percent in April 2014 (Bank of Ghana, Feb. 2015; July 2015).

The Bank of Ghana monetary policy rate was raised from 21.00 percent in February to 22.00 percent in May 2015, reflecting the tight monetary policy stance of the Bank. Interest rates on the money market in the first five months of the year however showed a mixed performance. Interest rates on the 91-day Treasury bills dropped marginally to 25.1 percent from 25.8 percent in December 2014 while that on the 182-day Treasury bill also dropped to 25.9 percent from 26.4 percent in December 2014. The interbank weighted average interest rate also dropped to 23.6 percent in May 2015 from 23.7 percent in December 2014 while the average lending rate remained unchanged at 29 percent during the review period (Bank of Ghana, Feb 2015; July 2015).

The cedi weakened against the major trading currencies during the first five months of the year as demand continued to outweigh supply. In the inter-bank market, the cedi cumulatively depreciated by 19.9 percent against the US dollar, 18.4 percent against the pound sterling, and 10.7 percent against the euro. Conditions were similar in the forex bureau market where the cedi recorded cumulative depreciations of 19.8 percent, 19.1 percent and 10.1 percent against the US dollar, the pound sterling and the euro, respectively. The cedi was trading at GH₵4.00 to the dollar at end-May, from GH₵3.24 at end-January. According to the government, among the factors that fueled the cedi depreciation were the outflows of foreign exchange from a higher-than projected trade deficit resulting from the oil price decline and lower production levels of cocoa and gold. The depreciation was also exacerbated by speculative activities on the foreign exchange market, following similar depreciation trends during the same period in 2014 (Government of Ghana, July 2015).

Provisional trade balance for the January to May 2015 period was in a deficit of US$670.7 million, driven by the continuous decline in exports which outpaced the slowdown in imports. The value of merchandise exports during the period was provisionally estimated at US$4,816.7 million, indicating a decrease of 17.8 percent relative to the export revenue recorded in the same period of 2014. The declining trend reflected low receipts from gold and oil exports and the slump in other commodity prices. Total value of merchandise imports for the same period of 2015 amounted to US$5,487.4 million, also down by 11.0 percent from the figure recorded in the corresponding period in 2014, due mainly to a slowdown in oil imports. The level of gross international reserves also dropped by US$1,925 million to US$3,536 million by the end of May 2015, from US$5,461 million at the end of December 2014. Gross international reserves at end-May 2015 was sufficient to provide cover for 2.3 months of imports compared to 3.0 months of imports cover as at December 2014 (Government of Ghana, July 2015).

3. Revisions to the 2015 Budget

Macroeconomic and Fiscal Targets

According to the government, developments in both the domestic and global economic environment have necessitated a revision of the 2015 macroeconomic and fiscal targets. The government contends that rising inflation also poses a strong downside risk to the achievement of the growth target for the year. For these reasons, the government revised the 2015 macroeconomic targets as follows:

- Overall real GDP growth was revised from 3.9 percent to 3.5 percent;
- Non-oil real GDP growth was revised from 2.7 percent to 2.3 percent;
- End-year inflation was revised from 11.5 percent to 13.7 percent;
- Overall budget deficit target was revised from 6.5 percent of GDP to 7.3 percent; and
- Gross International Reserves is projected to remain at not less than 3 months of import cover of goods and services.

As a result of the revisions made to the macroeconomic targets, the targets for the 2015 fiscal year were also revised. Total revenue and grants were revised downwards by GH¢1,879.9 million, from GH¢32,406.2 million (24.0 percent of GDP) to GH¢30,526.0 million (22.8 percent of GDP). The downward revision is mainly on account of lower oil revenue projections and lower than expected non-tax revenues. All budget inflows denominated in foreign currency were however revised upwards on account of the exchange rate depreciation. Oil revenue for the year was revised downwards by GH₵2,436.8 million or 58 percent on account of a fall in crude oil prices while non-oil revenue estimate went up by GH₵105.8 million or 0.4 percent, causing domestic revenue to be revised downwards by GH₵2,330.9 million, or 7.6 percent. Tax revenue was revised downwards by GH₵2,278.1 million or 9.0 percent, caused mainly by a huge downward revision in revenue from company taxes on oil by GH₵1,599.8 million or 96.8 percent. Revenue from import duties was similarly revised downwards by GH₵274.0 million or 7.7 percent, and import exemptions by some GH₵63.0 million or 7.7 percent. Non-tax revenue was adjusted downwards by just GH₵52.8 million or 1.0 percent. Grants from development partners was revised upwards by GH₵451.0 million to GH₵2,001.8 million for the year (see Table 2)

Total expenditure and arrears clearance were also revised downwards by GH₵968.4 million or 2.3 percent from GH¢41,222.0 million (30.7 percent of GDP) to GH¢40,253.6 million (30.0 percent of GDP). According to the government, the cut in total expenditure is mainly on account of projected lower spending from oil revenue and lower domestic interest payments. The downwards revision in expenditure affected all the expenditure items, except for compensation of employees, foreign-financed capital expenditure and payment of arrears. The details are as follows:

- Goods and services budget was revised downwards by GH₵113.6 million or 5.8 percent;
- Interest payments was reduced by GH₵227.4 million (domestic interest payments down by GH₵300 million while external interest payments was revised upwards by GH₵72.6 million) or 2.4 percent;
- Capital expenditure was cut by GH₵599.7 million or 8.6 percent (domestic-financed capital spending was cut by GH₵722.8 million or 28.3 percent while foreign-financed capital spending was increased by GH123.1 million or 2.8 percent);
- Arrears payments was revised upwards by GH₵300 million or 19.2 percent, from GH₵1,561.3 million to GH₵1,861.3 million); and

- Foreign-debt repayment was increased by GH₵1,843.2 million or 65.8 percent, from GH₵2,799.2 million to GH₵4,633.4 million (see Table 2).

On the basis of the revised revenue and expenditure estimates, the 2015 revised budget is expected to result in an overall deficit of GH¢9,727.4 million, or 7.3 percent of GDP, against the original estimate of GH¢8,815.9 million, or 6.5 percent of GDP. The revised budget deficit will be financed from foreign and domestic sources. Foreign financing of the deficit is estimated at GH¢4,748.9 million. Of this amount, GH¢5,107.4 million will be sourced from the international capital market, part of which will be used to buy back the country's Eurobond which matures in 2017. Domestic financing of the Budget is estimated at GH¢4,978.5 million, indicating a downward revision by GH¢2,581.6 million from the original budget estimate.

Table 2. Ghana: Revised 2015 Budget

Item	2015 Budget	Revised 2015 Budget	Difference	
			GH₵	%
Total Revenue and Grants	32,406.20	30,526.2	-1,879.9	-5.8
Oil Revenue	4,203.70	1,766.9	-2,436.8	-58.0
Non-Oil Revenue	26,651.70	26,757.5	105.8	0.4
Domestic Revenue	30,855.40	28,524.5	-2,230.9	-7.6
Tax Revenue	25,406.00	23,127.9	-2,278.1	-9.0
Company Taxes	3,750.10	3,753.7	3.6	0.1
Company Taxes on Oil	1,652.20	52.5	-1,599.8	-96.8
Other Direct Taxes	5,826.30	5,604.7	-221.6	-3.8
Excise Taxes	2,426.80	2,303.5	-123.2	-5.1
VAT	5,749.10	5,760.7	11.7	0.2
NHIL	1,003.10	1,003.1	0.0	0.0
Communication Services Tax	292.80	281.1	-11.7	-3.9
Import Duties	3,549.40	3,275.3	-274.0	-7.7
Export Duties	340.00	340.0	0.0	0.0
Import Exemptions	816.40	753.3	-63.0	-7.7
Non-tax Revenue	5,266.80	5,214.0	-52.8	-10.0
Social Contributions	182.60	182.6	0.0	0.0
Grants	1,550.80	2,001.8	451.0	29.1
Total Expenditure (incl. arrears, tax refunds and discre.)	41,222.00	40,253.6	-968.4	-2.3
Total Expenditure	39,152.60	37,930.3	-1,222.3	-3.1
Recurrent Expenditure	32,195.80	31,573.3	-622.5	-1.9
Wages and salaries	10,286.50	10,286.5	0.0	0.0
Employees Social contributions	2,026.40	2,026.4	0.0	0.0
Goods and services	1,970.00	1,856.4	-113.6	-5.8
Interest payments	9,577.20	9,349.8	-227.4	-2.4
Subsidies and social benefits	50.00	50.0	0.0	0.0
Grants to other government units	7,408.60	7,190.1	-218.5	-2.9
Other expenditure	876.10	814.1	-63.0	-7.1
Capital	6,956.80	6,357.0	-599.8	-8.6
Domestic-financed	2,557.40	1,834.5	-722.8	-28.3
Foreign Financed	4,399.40	4,522.5	123.1	2.8
Arrears	1,561.30	1,861.3	300.0	19.2
Tax Refunds	508.10	462.0	46.1	-9.1
Overall Budget Balance (cash; excluding discrepancy)	-8,815.90	-9,727.4	-911.6	10.3
As % of GDP	-6.5	-7.3	-0.8	-0.8
Discrepancy	0	0.0	0.0	0.0
Overall Budget Balance (cash, including discrepancy)	-8,815.90	-9,727.4	-911.6	10.3
As % of GDP	-6.5	-7.3	-0.8	-0.8

Source: Government of Ghana (July 2015)

Based on the revisions made to the 2015 Budget, the government sought parliamentary approval to commit GH₵865,789,380.00 to fund additional expenditures. According to the government, the supplementary estimate is required to enable it continue pursuing the transformation agenda; maintain the recent gains in the growth and macroeconomic stability agenda; and entrench the country's lower middle income status. The short-term and more structural elements, the government maintains, are designed to manage issues such as higher foreign-financed capital expenditure due to the exchange rate effects; rising inflation; impact of gold and cocoa prices; revisions in the benchmark crude oil prices used in the PRMA; additional spending related to the recent flooding; and refinancing of existing debt stock (Government of Ghana, July 2015).

New Policy Initiatives

The revised 2015 budget also provides an update on the implementation of a number of policy initiatives designed to enable the government to deliver on its transformation agenda. They include the following:

Power supply. According to the government, measures are being taken to address the power supply challenges currently facing the country and to ensure that load shedding does not recur. In the short-term, the Ministry of Power is taking steps to ensure that the existing power plants that have been shut down are restored to commercial operation. Furthermore, the Ministry is facilitating the completion of a number of power projects before the end of the year. Together, a total of about 1,800MW is expected to be added to the country's installed power generation capacity in the short term. For the medium to long term, the Ministry of Power is taking steps to add in excess of 3,000MW of power to the existing generation capacity. To address the erratic nature of gas supply from Nigeria through the West African Gas Pipeline, two gas projects are being considered for implementation. The projects include the emergency LNG project to be undertaken by West African Gas Limited before the end of 2015 and the regular LNG project to be undertaken by Quantum Power Ghana Gas in the 2nd Quarter of 2016.

Financial management. On the financial management front, a few new initiatives were introduced in the revised budget. First, a VAT Refund Account into which 4-5 percent of VAT revenue will be paid for tax and duty refunds is to be replaced by a General Refund Account. Second, as part of compliance measures to control expenditure, the Controller and Accountant General's Department has been directed to put in place a (i) b-Tracking system to be used in monitoring government accounts with all commercial banks, (ii) e-Travel Cards onto which all funds for foreign travel by government officials will be loaded to ensure accountability and efficient management of travel expenses; (iii) e-Fuel Cards onto which fuel expenses by all government officials will be loaded and used in designated filling stations across the country to enhance administration and management of fuel expenses to deliver value for money, transparency and control within government establishments, and (iv) e-Switch Card to be used to validate and maintain identity of government employees by banks for payment of salaries to avoid duplicate payments and help minimize the size of the payroll. Third, to enhance flexibility in the budget, expenditures related to ongoing and new projects, which ought to be funded from the statutory funds but hitherto were provided for in the national budget, will be off-loaded to the relevant Statutory Funds, commencing in 2016.

Deregulation of the petroleum sector downstream activities. During the review period, Cabinet approved the Petroleum Price Liberalization Policy which has been designed to overhaul the pricing of petroleum products, and implementation of the policy commenced. Full implementation of the deregulation of the petroleum downstream sector is expected to promote competition among market players. The goal is to remove subsidies and limit foreign exchange losses which place a huge financial burden on government and contribute to the misalignment of budgeted expenditures.

Debt management. Government intends to diversify its funding sources and lengthen the maturity profile of the public debt portfolio, including the use of innovative financing instruments. To this end, part of the proceeds of the US$1.5 billion Eurobond planned to be issued in the second half of the year will be used to buy-back the 2017 Eurobond, pay down and amortize maturing short-term debt and finance capital expenditure, including counterpart funds. Going forward, the plan is to take steps to induce increased participation in domestic debt markets by resident and non-resident investors, including opening of the 2-year bonds to non-residents during the year. Government has also established a Sinking Fund whose objective is to manage the orderly redemption of Eurobonds and other debt instruments. Debt obligations to be covered by the Sinking Fund include the 2017, 2023 and 2024 Eurobonds as well as other domestic and foreign bonds. In addition, Government has introduced an on-lending and escrow account initiative as part of the debt management strategy to minimize the impact of loans on the public debt portfolio with debt service accounts opened at the Bank of Ghana.

Ghana Stabilization Fund. In the Budget Statement for 2015, approval was sought to limit the cap on the Ghana Stabilization Fund (GSF) to US$300 million in the first quarter of 2015 with the excess amount over the cap to be distributed follows: (i) 50 percent to be paid into the Sinking Fund to build up resources to repay specified debt obligations of the government; (ii) 25 percent to be paid into the Contingency Fund, which was established in May 2014; and (iii) the remaining 25 percent to be deposited back into the GSF. With the downward revision of the expected oil revenue for 2015, resulting from the drastic decline in world oil prices, the government proposes to reduce the cap on the Ghana Stabilization Fund to GH¢150 million for the rest of 2015.

Investment Financing. According to the government, preparations are underway to publish the second half year debt-issuance calendar. A book building approach which will help deepen the domestic security market has commenced. The selection of local banks to participate in the process has been completed for the implementation of the pilot phase. With the recent amendments to the Petroleum Revenue Management Act and the passage of the Ghana Infrastructure Investment Fund Law, progress is being made to fully operationalize the Fund for the purposes of infrastructure financing and development. The government also plans to formulate a mid-term policy to amend the Ghana Infrastructure Investment Fund Act to establish a Guarantee Fund.

Performance management in the public sector. A new Staff Performance Management Instrument for the Civil Service was deployed by the government in the first quarter of 2015 and a mid-year review is to be undertaken in July, 2015. In collaboration with the Public Sector Reform Secretariat, Fair Wages and Salaries Commission, Management Development and Productivity Institute and other relevant agencies, the Public Service Commission will lead in developing a Performance Management System for the civil service. Government will also continue to sustain the single spine pay policy and payroll reform initiatives; link pay to work and productivity; implement categories two and three allowances; settle pay-related disputes; implement market premium in the public sector; and wean-off subvented agencies from government payroll.

Export promotion and support to local industries. As part of the strategy to promote exports, a draft bill for the establishment of Ghana EXIM Bank that will provide credit and guarantees to exporters is before Cabinet for consideration after which it will be presented to Parliament for passing. It is expected that the Ghana EXIM Bank will be up and running in 2016. The Ghana Investment Promotion Council will also be required to put more emphasis on incentives for exporters. Together with the Ghana Export Promotion Authority, government will encourage private sector institutions such as Ghana National Chamber of Commerce and Association of Ghanaian Industries to evolve programs that will promote exports among their members.

The Ministry of Trade and Industry is supporting the Sea-Freight Pineapple Exporters Association to diversify their product range by introducing the *galia* melon and *cantaloupes*, which are high value short gestation crops. The Ministry has also collaborated with the Ghana Export Promotion Authority to revamp interest of local farmers in the Greater Accra and Volta Regions in the cultivation of Asian vegetables, as well as with the Central Regional Development Commission to rekindle the cultivation of sugar loaf and smooth cayenne pineapple for export by farmers in the Central Region. The broiler revitalization project which is designed to progressively reduce imports of chicken by 40 percent by the end of 2016 is ongoing. The Ministry of Food and Agriculture is also promoting the processing and packaging of local chicken as well as regulating importation. It is expected that by the end of 2015, these activities will lead to the production of 20 million broilers which will result in 60,000mt of poultry meat. With this achievement, Ghana will save about US$132 million and reduce poultry importation by 38.9 percent. An amendment to the Fisheries Regulation, (LI 2217) 2015, has also been passed to give meaning to the Fisheries Amendment Act, Act 880, 2014. The Act and its accompanying Regulation are geared towards combating illegal, unreported and unregulated fishing by Ghanaian tuna vessels. They also give effect to international conservation and the right and obligations that empower the Minister for Fisheries to make regulations to control illegal, unreported and unregulated fishing in Ghanaian waters. The passing of the two legislations is a major landmark to resolving EU issues and revamping the tuna industry towards increasing export earnings for Ghana.

To support local industries to enhance domestic production and reduce imports, the Ministry of Trade and Industry has developed a comprehensive strategic plan for "Made-in-Ghana" products and also plans to undertake a promotional campaign for "Made-in-Ghana" goods and services. The VAT Act has also been amended to provide for regulations to be made to exempt specified locally produced pharmaceuticals. This is expected to reduce the cost of production of pharmaceuticals and make them more affordable. The regulation detailing the specific items that qualify for exemption has since been laid in Parliament. In addition, a law on the removal of import duty and VAT on inputs for the production of machetes, exercise books and textbooks to benefit farmers and the printing industry was also passed during the review period.

4. Evaluation of the Revised 2015 Budget

Fiscal Performance and Budget Review

The preliminary fiscal data published by the government for the first five months of 2015 appears to give an impressive performance, with the fiscal deficit coming in lower than the target for the period, driven by improved revenue mobilization and expenditure containment. From the data, it is seen that all the revenue items over-performed during the first five months of the year. Domestic revenue was more than the budget target due largely to the increase in both oil and non-oil revenues. Tax revenue exceeded the target for the period while non-tax revenue was just equal to the target. Total expenditure (including arrears and tax refunds) was less than the target during the period, with almost all the expenditure items experiencing significant underruns. Consequently, the fiscal deficit (on cash basis) came in lower than the target for the period.

Despite the glossy performance painted by the fiscal dada in the first five months of the year, the government moved to revise the budget for the whole year, citing developments in both the domestic and global economic environment as the cause. In the revised budget, both revenue and expenditure estimates for the whole 2015 were cut, but revenue was severely cut relative to expenditure resulting in an overall fiscal deficit of 7.3 percent of GDP which is higher than the original estimate of 6.5 percent of GDP. Domestic revenue was adjusted downwards relative to the original target, due to lower oil revenue projections, according to the government, while the target for grants was revised upwards by a whopping 74.5 percent. Total expenditure was also revised downwards relative to the original budget estimate for the year, with the cut spread across all the expenditure items except for arrears payment.

In addition, the government indicated that it expects the macroeconomic situation to significantly improve in the second half of the year. According to the government, inflation is expected to ease with the stabilization of the cedi (which began to appreciate in July in response to expected significant inflows for the rest of the year and measures introduced to stabilize it), good rainfall pattern and distribution, as well as improvement in economic performance. The tight monetary policy of the Bank of Ghana is also expected to help deal with the high inflation expectations and depreciation of the cedi. The country's foreign reserves are also expected to improve with the expected inflows and implementation of policy measures during the second half of 2015 and 2016 (see Government of Ghana, July 2015).

First, if the first five months of 2015 registered an impressive fiscal performance and the macroeconomic situation in the second half of the year is expected to significantly improve, then what was the cause of the revision of the 2015 Budget? According to the government, the budget was revised on account of lower oil revenue projections. This explanation provided by the government does not seem to support the reality of the situation because the government itself states that, since March 2015 crude oil prices have been rising gradually above the price projection of US$52.8 per barrel used in assessing the implications of the fall in crude oil prices on the 2015 budget in March. The price rose above US$65.0 per barrel but has since fallen below US$60.0 per barrel. Following these recent price volatilities and consistent with the recently amended Petroleum Revenue Management Act (PRMA), the oil price projection used in the mid-year review budget has been revised to US$57.0 per barrel (see Government of Ghana, July 2015). The question then is, if at US$52.8 per barrel, oil revenue exceeded the target by GH₵92 million or 13.4 percent in the first five months of the year, then how come that at US$57.0 per barrel, oil revenue is projected to fall by GH₵2,529 million in the remaining seven months of the year to warrant a downward adjustment of oil revenue by GH₵2,437 million for the whole year?

The decision to revise the 2015 Budget appears problematic, given the impressive fiscal performance suggested by the fiscal data in the first five months of the year, the upwards revision of the crude oil price projection, and the expectation by the government that the macroeconomic situation will significantly improve in the second half of the year. Normally, adjustments to budgets during the fiscal year are warranted for two key reasons, viz. to seek legal approval to use new revenue that has been mobilized or will be mobilized during the year but was not appropriated in the original budget and/or revising expenditure upwards to deal with shocks (both domestic and global) or unforeseen events, such as widespread fire outbreak, flood, or other national disasters, drop in export commodity prices, and the like. In Ghana's case, the crude oil price downswing which the government uses as a justification for revising the budget started in July 2014, and by the time the Budget was tabled in Parliament in November 2015, the oil price had fallen by more than 30 percent and was still falling. So one cannot claim that the crude oil price fall since July 2014 was an unforeseen global shock for which the associated risks could not have been mitigated.

Second, in the revised budget, it is observed that grants disbursed by development partners during January-May 2015 were GH₵264.1 million or 44.8 percent short of the budget estimate, confirming our observation that the deal with the IMF does not guarantee the release of frozen funds by development partners as there are other conditions that influence disbursement of those funds (see IFS, May 2015). Grants from development partners have been declining steadily in recent years, from GH₵1,207.3 million in 2009 to GH₵739.4 million in 2013, reflecting a reduction of 38.7 percent over the period. Grants increased marginally to GH₵787.3 million in 2014, giving an increase of just 6.5 percent in the year. Despite this poor performance, the target for grants in the remaining period of the year has been revised upwards by GH₵715.9 million or 74.5 percent, bringing the total grants to be disbursed by the development partners to GH₵2,001.8 million. The revised grants target for the year which reflects a 154.3 percent increase over the 2014 outcome is overly optimistic and may not be achieved.

Third, we note that, during the first five months of the year, every component of the compensation of employees' bill came in below the budget estimate, with the bulk of the underrun totaling GH₵212.2 million recorded in employees' social benefits (pensions, gratuities, and health insurance). Significant expenditure undershoots were also recorded in transfers to government agencies and interest payments during the period. Transfers to other government units were less than the target by GH₵370.8 million and interest payments was also short of the target by GH₵316.8 million. The under-expenditure on compensation of employees, interest payments, and transfers to other government units which were all obligatory payments totaled GH₵949.6 million during the first five months of the year. We also note that, GH₵302.2 million of the budgeted amount for payment of arrears was not paid, bringing to a total of GH₵1,251.8 million unpaid arrears for the first five months of the year. These unpaid arrears together were the major cause of the expenditure containment during the first five months of the year, and thus the improved fiscal deficit during the period.

Fourth, we see a revised expenditure undershoot of GH₵1.2 billion or 3.1 percent relative to the original budget estimate for 2015, spread across all the expenditure items except arrears payment and foreign-financed capital expenditure. The interesting aspect of this development is that, although interest payments during the first five months of the year was lower than the budget estimate, it was one-and-half times bigger than capital expenditure for the period. In the revised budget for the full year too, the target for interest payment is again one-and-half times bigger than the target for capital expenditure. Since public investment supports delivery of key public services, connects businesses to economic opportunities, and serves as an important catalyst for economic growth, the strong containment of capital expenditure relative to recurrent expenditure is not good for the economy. Cutting down budgets too abruptly, including much needed capital expenditure will impede overall economic recovery, remembering that if the economic recovery slows down, revenues will be impaired, deficits will rise and so will government debt. As we have mentioned before, what the country needs is a steady but gradual fiscal adjustment (see IFS, May 2015).

Macroeconomic Performance and Outlook

The Cedi Exchange Rate. The cedi which was trading at GH₵3.20 to the US dollar in December 2014 was at June 30, 2015 trading at GH₵4.33, indicating year-to-date depreciation of 26.2 percent. The cedi however recovered strongly against the major currencies in July in response to expected significant foreign inflows and measures introduced by the Bank of Ghana to stabilize the value of the currency. As at mid-July 2015 the cedi was trading at GH₵3.31 to the US dollar, reflecting year-to-date depreciation of 3.4 percent (Bank of Ghana, July 2015). For now, the cedi has rallied significantly on the back of the expectation of some US$4 billion inflows, comprising a US$1.8 billion syndicated cocoa loan, a US$1.5 billion Eurobond, and US$114.8 million tranche from the IMF as well as donor inflows from development partners. These anticipated inflows will provide a strong buffer and help to sustain stability in the foreign exchange market. Furthermore, the Bank of Ghana is reported to have stepped up its daily foreign exchange interventions from some US$14 million a week to US$20 million a day aimed at correcting speculative drive of the cedi depreciation and anchoring exchange rate expectations until the anticipated COCOBOD and Eurobond inflows arrive. This happened at a time when market flows appeared to be somewhat thin and exporters were keen to get their proceeds back into local currency before the expected huge capital flows hit the market. In our opinion, short-term measures, such as re-introduction of foreign exchange controls and stepping-up the foreign exchange market intervention by the Bank of Ghana must be supported by medium to long term measures to increase and conserve foreign exchange such as modernizing agriculture, expanding exports (both traditional and non-traditional), and reducing imports of goods that can be competitively produced in the country.

Rising Inflation. Inflation has been rising steadily since January 2015 with no sign of abating in the face of the rising Bank of Ghana policy rate. This has led the Bank of Ghana to revise the end-2015 inflation target from 11.5 percent set in the 2015 Budget to 13.7 percent in the revised budget when the policy rate has been hiked to 22 percent for some months. Inflation has remained higher than expected since the beginning of 2013 caused by the depreciation of the cedi, rising cost of credit, rising fuel prices, rising costs of non-oil imports, and rising cost of transportation and rent. We believe that the inflation upswing will continue in the remaining period of the year, especially with the deregulation of petroleum product prices. The sustained high interest rates caused by the high policy rate have contributed to the cost of credit in the country and together with the weakened cedi they have increased the cost of doing business, and therefore need to be contained.

Relaxation of Capital Controls. The decision to relax capital controls and allow foreigners to buy short term government securities may have positive implications for the value of the cedi, but there are serious downside implications. After many years of prevarication, the Bank of Ghana announced on July 15, 2015 that the country will now open its two-year Note to the international community. Currently, foreigners are only allowed to invest in fixed income instruments with a tenor of three years or longer, restraining inflow of an important segment of foreign exchange liquidity and impacting negatively on the currency. Some analysts believe that the move by the Bank of Ghana is in the right direction and it signals the willingness of the authorities to remove the remaining foreign exchange controls that have dogged the capital account of the balance of payments for many years. To them, the timing of the decision is also propitious, as the country needs to do everything in its power to attract much-needed capital inflows or risk yet another sharp cedi depreciation, especially as capital is likely to flow out of emerging markets into US assets once policy tightening commences in the US (see Morgan Stanley, July 2015b).

Falling Export Commodity Prices. Prices of Ghana's three key export commodities have been experiencing serious downswing in recent months. The cocoa market was in a free-fall during the third week of July this year, and it was the steepest weekly drop since January 2015 when speculators liquidated their positions, taking profits after the market rose to its highest level since March 2011 in London. The price of gold continued its downward trend for a fifth week in a row to late July this year, leaving the gold market vulnerable to further slippages that could send the metal to below US$1000 an ounce level. A rising US dollar and the imminent rate hike in the US, the first time in nearly a decade, has also put gold under severe downward pressure. The oil market in tandem with cocoa and gold markets fell on account of pressure from the stronger US dollar. Large amounts of supply of oil on the market added to the downward pressure on the oil price.

In the face of the huge drop in prices of the country's key export commodities and the resulting potential loss in foreign exchange and revenue to the government, the country has remained a huge importer of both intermediate goods and household consumables, with very little to offer in local manufacturing. This undesirable combination has seriously constrained the ability to both accumulate and conserve foreign exchange reserves, thus exposing the cedi to excessive downswing. What Ghana needs is a complete overhaul of the trade policy through the introduction of targeted demand-side measures aimed at reining in excessive and unproductive import demand while contemporaneously reallocating the fiscal resource envelope away from ballooning recurrent wage and interest outlays towards long-term, growth propelling capital investment and infrastructure. A series of supply-side incentives aimed at stimulating export competitiveness with a key focus on key non-traditional exports such as simple value-added manufactures is also needed ((Morgan Stanley, July 2015a).

Rising Public Debt. A major challenge to addressing the country's debt problem is that, the debt-GDP ratio is not only rising astronomically but has already reached a level considered to be above the sustainability threshold, posing serious headwinds to economic growth. According to the government, the growth in public debt in recent months was due largely to the significant risk of exchange rate volatility which affected more than 50 percent of the entire public debt stock. This underscores the call to the government to slow down borrowing, unless the borrowed funds are used to finance projects that can generate funds within a reasonable time period to pay off the loan.

The public debt is also concentrated at the short-term end of the market, putting pressure on the budget from the high rate and high cost of refinancing. Although the government hopes to lengthen the maturity profile of the public debt stock by actively increasing the share of longer-duration foreign debt in the portfolio, it is planning to open up the two-year note to foreign investors. This is good for the economy because of its positive foreign exchange inflow effect but, as mentioned earlier, it has its downside effect of adding to the short-term debt stock with its high and rising debt-service costs and also making the economy vulnerable to both domestic and external shocks.

Restoration of macroeconomic stability is also constrained by the level and composition of the country's public debt. Total public debt has risen to more than 67 percent at end-May 2015 and amortizations have almost doubled from what they were three years ago. Amortization of short term domestic debt has reached the equivalent of 31 percent of GDP (World Bank, 2015). Hence, the debt composition has become a major source of risk, trapping debt managers in a vicious circle of short maturity high risk currency depreciation-high debt levels. To ensure that there is a significant change in the amortization profile of the current public debt, the government approached the IDA for support. This is a positive move by the government.

Energy Supply. It is encouraging to hear from the government that (i) the Tweneboa-Enyenra Ntomme (TEN) Fields Development is 57 percent complete and that the project is on course to bring on stream additional gas and crude oil supplies in the second half of 2016; (ii) work on the Western Corridor Gas Infrastructure project is completed, except for some ancillary works that are still ongoing, and (iii) that the Atuabo Gas Processing Plant is delivering some gas for thermal plants at Aboadze as well liquefied petroleum gas to the domestic market. It is equally good news that the government has taken another major step towards the attainment of energy and power security with the signing of an agreement for the development of the natural gas reserves of the Offshore Cape Three Points. The Sankofa Gas Field project which will come on stream in 2018 when gas from other fields are expected to decline will provide 170 million cubic feet of gas per day for nearly 15 years. Hopefully, these initiatives will help deal with the energy crisis which has been weighing heavily on economic growth. It is also a welcome news that the World Bank has approved a unique combination of two guarantees for the Sankofa Gas Project - an IDA payment guarantee of US$500 million to support timely payments for gas purchases by the Ghana National Petroleum Corporation and an IBRD Enclave Loan guarantee of US$200 million to enable the project to secure financing from private sponsors. Together, the two guarantees are expected to mobilize US$7.9 billion in new private investment for offshore natural gas, representing the biggest foreign direct investment in Ghana's history.

As the USA's oil production has reached 9.6 million barrels per day and global over-supply has reached over 1.5 million barrels a day, Ghana's fortunes do not lie in its oil production but rather in gas production. Even if the entire annual oil revenues are allocated to the budget, they may not exceed 10 percent of total revenue and grants which makes the country less dependent on oil. Oil revenues may create fiscal space to correct the fiscal challenges of the non-oil economy. Natural gas is seen as a good source of energy supply for a number of economic, operational and environmental reasons. Its deployment could help transform the energy sector, thereby supporting the revival of the country's industrial activities, transportation and household use. Natural gas plants are also flexible both in technical and economic terms, so they can react quickly to demand peaks. The initiatives taken by the government to support the gas projects are therefore in the right direction and should be pursued relentlessly.

The government has also made good progress with the deregulation of petroleum products. Oil marketing companies are now allowed to set petroleum prices fortnightly using a pricing formula prescribed by the National Petroleum Authority, and so far the process appears to be running smoothly. This has allowed the government to lock in some savings from petroleum product subsidies that it used to pay in the past.

IMF Review Mission's Observations

According to the Fund Review Mission, the program is on track, with all performance criteria met except for the ceiling on central bank financing to the government which was technically missed by a small margin. The mission also welcomed the commitment of the Ghanaian authorities to the ambitious fiscal consolidation and structural reforms program, but noted that more needs to be done to further improve the revenue performance over the medium term. According to the team, additional revenue above the budget projections will help cover additional spending related to the recent flooding and larger arrears clearance, as additional arrears as of end-2014 were identified in audits of claims from oil importers and reviews of cross debts among utility companies.

More importantly, the Fund's Mission Team noted that, the success of the program critically hinges on continued spending moderation, in particular the wage bill with stricter control of the payroll being put in place, and renewed efforts to improve revenue collection. It also referred to a number of challenges that have to be addressed to advance the success of the program, including addressing the electricity shortages, bringing down inflation to contribute to the strengthening of the cedi, disbursement of grants from development partners, and taking measures to rebuild the country's external reserves. It is important as a nation that the Fund's observations are taken seriously to ensure the success of the program.

6. Conclusion

Despite the glowing report on the Ghanaian economy in the first five months of 2015 by the government, there are still some challenges relating to the fiscal outlook and the macroeconomic performance. While some progress has no doubt been made on the fiscal front during the first five months of the year, more needs to be done to broaden the tax base, further enhance tax administration, and eliminate tax exemptions to improve revenue performance over the medium term. Quite clearly, the success of the government's program critically hinges on continued spending moderation and renewed efforts to improve revenue mobilization.

In the challenging economic environment in which the country finds itself, strengthening revenue mobilization and containing discretionary spending, together with structural reforms to improve agricultural production and increase both traditional and non-traditional exports should play an essential role in building confidence and supporting growth. Imports of goods that can be competitively produced in the country should be curtailed, while support is given to the private sector to step up local manufacturing activities. Government should also undertake a serious fiscal re-balancing to free funds to support higher critical infrastructure to support economic growth. Building fiscal buffers in the medium term should also be a priority. The reform of energy subsidies should provide space for productive spending on education, health and infrastructure, as well as programs to support the poor. The support given to gas production should also be sustained. The real challenge however, is whether the government will be able to demonstrate fiscal prudence in the run-up to the 2016 elections.

References

Ablorh-Odjidja, E. "The Foreign Currency Conundrum"; The Chronicle, Friday, July 24, 2015

Akuoko, K. "Wampahnomics: Policy Inconsistency, Long-Term Collateral Damage and a Short-Term Fix for an Import Junky". The Business and Financial Times, July 28, 2015

Bank of Ghana (2015) Monetary Policy Committee Press Release. Accra: The Bank of Ghana, July

Bank of Ghana (2015) Monetary Policy Committee Press Release. Accra: The Bank of Ghana, February

Forson, J and E. Baah-Duodu. Commodities Weekly Report. The Business and Financial Times, Tuesday July 28, 2015.

Government of Ghana (2015) Mid-Year Review of the Budget Statement and Economic Policy and Supplementary Estimates of the Government of Ghana for the 2015 Financial Year. Accra: Ministry of Finance, July

International Monetary Fund (2015) Statement at the Conclusion of an IMF Review Mission to Ghana. Press Release No. 15/307, Washington DC: The IMF, June

International Monetary Fund (2015) Request for a Three-Year Arrangement under the Extended Credit Facility Staff Report: Press Release, and Statement by the Executive Director for Ghana. IMF Country Report NO. 15/103. Washington DC: The IMF, April

Institute for Fiscal Studies (2015) Ghana: Public Debt and Debt Sustainability Issues. Accra: The IFS, June

Institute for Fiscal Studies (2015) Ghana's 2015-17 IMF Program. Accra: The IFS, May

Institute for Fiscal Studies (2014) Ghana: A Review of the 2015 Budget, Accra: The IFS, December

Kwapong H.A. "Will the Cedi (GH₵) Revert"? Business and Financial Times, July 24, 2015

Morgan Stanley (2015a) Ghana Economics: IMF Squeeze Yields Dividend. Will it last? Morgan Stanley Research, London: Morgan Stanley & Co International plc, July

Morgan Stanley (2015b) Ghana Economics: Capital Control Abolition to Support Ghana Cedi. Morgan Stanley Research, London: Morgan Stanley & Co. International plc, July

Morgan Stanley (2015c) Ghana Economics: Beyond 2015 – Watch Wages, Arrears and Foreign Exchange. Morgan Stanley Research, London: Morgan Stanley & Co. plc, July