

News Flash



www.myumbbank.com | Universal Merchant Bank Limited | UMB Research/Business Intelligence Unit Thursday, 11 October, 2018

Economic News

'Talks advance on Ghana-Burkina Faso railway project'

Ghana and Burkina Faso are in advanced talks to select an investor for the construction of the approximately 1,200km railway project to link the two countries to promote intra-regional transit trade, Deputy Minister for Transport, Titus Glover, has said. An international competitive tender for potential contractors to submit bids has been opened for the project, which is expected to be undertaken through a Public Private Partnership (PPP) arrangement. Mr. Glover said this at a freight negotiation conference held in Accra which brought together stakeholders in the commodities, shipping and insurance industries. He explained that the proposed Ghana-Burkina Faso rail network is expected to pass through the eastern corridor of Ghana, starting from the Tema Port, through Akosombo, Ho, Hohoe, Yendi, Tamale and to Paga. The intention, according to Mr. Glover, is to reduce the time and resources people spend transacting business between Ghana and Burkina Faso. [Source: Citifmonline.com](#)

'Economy being revived despite setbacks – President'

President Nana Addo Dankwa Akufo-Addo has said the economy is on the path of recovery and growth, in spite of the difficult economic circumstances inherited from the past administration. He said the economic policies being promoted by his government are fixing the fundamentals of the economy, which will enable the country to realise the vision of becoming an industrialised nation. President Akufo-Addo made the assertion in an address at the ongoing 5th Financial Times Africa Summit in London, United Kingdom. He said with some degree of success, his government "has stabilised our currency despite the recent challenge of a stronger dollar, and has reduced significantly inflation from 15.4% we inherited in 2016 to 9.9% today; and, moderately, the cost of borrowing". Additionally, a number of tax cuts have brought relief to businesses and at the same time reduced substantially the country's fiscal deficit, from 9.3% in 2016 to 5.9% in 2017, with a projected 4.5% deficit this year. [Source: Bftonline.com](#)

'Oil prices drop after IMF's review of global economic growth'

Oil prices fell on Tuesday, October 10, 2018 following the IMF's downward review of the global economic growth forecasts. Reuters however reports that markets were supported as Hurricane Michael closed nearly 40% of U.S. Gulf of Mexico oil output and U.S. sanctions restricted Iranian exports. The Fund reduced the global economic growth from 3.9% to 3.7%. The IMF also raised concerns that demand for oil products may slump as well. But on Tuesday, the price of Brent crude went down by 44 cents or about half a percentage; to reach USD 84.56 a barrel. This was after a 1.3% gain earlier in the day. The decline in prices may impact Ghana in two ways; the country will receive less for the exports of crude during the period which will affect projected oil revenue. On the other hand, the country could save some dollars as it will have to spend less in purchasing crude that it imports. [Source: Citifmonline.com](#)

Corporate News

'Aggrieved customers give Menzgold 4-week ultimatum to pay returns'

A group calling itself aggrieved traders of gold dealership company, Menzgold has given the company a four-week ultimatum to pay 50% of their principal investments to all customers. The group made this known at a press conference to drum home their demands following the refusal of the company to honor contract obligations of paying them their investment returns. The press conference was in response to several statements from Menzgold since the impasse between the gold dealership company and the SEC began. The company has recently hinted of its plan to make payment of the principal investment of all customers within three months. General Secretary of the aggrieved customers of Menzgold, Kenneth Nimoh gave a four-week ultimatum for the company to provide 50% of the principal investment of customers. [Source: Citifmonline.com](#)

'Capital, UT Bank collapse: PwC recovers 15% of total loan stock'

The Joint Receivers of collapsed UT and Capital banks, PricewaterhouseCoopers (PwC), has disclosed that it has recovered fifteen percent (15%) of the total loan stock of the two banks. A statement on the progress of work done over the last one year said that the receivers are pursuing legal action against defaulters of loans of the two banks and will prosecute where necessary. The Receivers say the greatest value of the banks' assets which is the loan stock, constitutes approximately 70% of the total assets of GHS 3.9bn of the banks. The total loan stock of the two banks amounted to GHS 2.7bn as at the receivership date. According to the receivers, they have realized over GHS 400m through their sale and recovery efforts. [Source: Myjoyonline.com](#)

Currency - Interbank	Rate 9 Oct	Rate 10 Oct	%Change
USD/GHS	4.7963	4.7973	-0.02
GBP/GHS	6.2806	6.3310	-0.80
EUR/GHS	5.5064	5.5321	-0.47
CHF/GHS	4.8279	4.8452	-0.36
CNY/GHS	0.6929	0.6932	-0.04
ZAR/GHS	0.3235	0.3277	-1.27

The cedi depreciated against all the major trading currencies.