

# News Flash



www.myumbbank.com | Universal Merchant Bank Limited | UMB Research/Business Intelligence Unit Tuesday, 2 October, 2018

## Economic News

### 'Fuel prices to remain unchanged in October'

Fuel prices are to remain stable for the first pricing window of October 2018. This is a prediction by the Institute of Energy Security (IES). The IES attributes the findings to various indicators such as the cedi's performance and marginal increase in the price of Brent crude. Prices of fuel went up in the last pricing window, hitting a little over GHS 5 per litre for the first time. The development caused series of agitation among consumers. A litre of both petrol and diesel is currently pegged at GHS 5.14 and GHS 5.18 respectively recording from 2% to 3% increase. However, Goil has further reduced their prices to GHS 5.07 as at 1 October 2018. Research Analyst at the IES, Mikdad Mohammed said the stability in various indicators have led to the relative stability of the prices.

Source: [Citifmonline.com](http://Citifmonline.com)

### 'GHS 20bn VAT target to thrive on compliance – Analyst'

Some Tax Analysts have tasked government to enforce the compliance of payment of VAT if it is to double VAT collection. Their sentiment comes at the back of government's plans to double VAT collection from GHS 10bn to over GHS 20bn. Ahead of government's preparation towards the 2019 budget in November 2018, Finance Minister Ken Ofori-Atta announced that one of the major areas of the budget is to double VAT collection. This follows the high deficit in revenue generation which is around 11%. The Finance Minister believes that the move can sustain government's expenditure after exit from the IMF by the end of the year. However, in achieving this, Senior Associate Consultant at Ali Nakyea and Associates, William Demetia says government must enforce compliance. "As to how we achieve that is the issue. I have always maintained that the best way to achieve or increase revenue is to ensure or enforce compliance," he said.

Source: [Citifmonline.com](http://Citifmonline.com)

### 'Informal sector's contribution to economy hits GHS 73bn - 28.6% of GDP'

Out of the GHS 256bn of total value of goods and services produced in the country in 2017, otherwise known as GDP, GHS 73.3bn – representing 28.6% - is from the informal sector, the Ghana Statistical Service's rebased GDP figures have shown. Per the statistical service's definition, the informal sector is made up of businesses – across all sectors – which are not registered with the Registrar-General's Department (RGD) and do not keep formal accounts. Even though the sector's contribution is just 28.6% of GDP, the same source says in its 2016 Regional Spatial Business Report that out of 638,000 commercial establishments in the country, 395,977 of them are informal representing 62%. What this essentially means is that even though 62% of businesses in the country are in the informal sector, the formal sector contributes more to GDP (GHS 183.3bn or 71.4%) than the informal sector. Source: [Myjonline.com](http://Myjonline.com)

## Corporate News

### 'adb embarks on expansion drive in Ashanti & Northern regions'

ADB Bank is to commence the financing of selected projects in the Ashanti and Northern regions. This will also see the bank expand its branch network to the two regions. A statement from ADB said, "The bank's new focus is to work with small and medium size indigenous businesses with the view of helping them expand and become more competitive." In Kumasi, ADB will increase its branches from five (5) to seven (7) by the end of December 2018. The bank has also established Trade Desks at the Prempeh II and Kumasi Market Branches to support and promote Foreign Trade Business. Again, ADB has fully refinanced the acquisition of a campus on behalf of Wisconsin International College in Kumasi to help increase access to quality tertiary education. Meanwhile in the Northern Region, the bank will soon unveil a major Agro-Processing Industrial Project.

Source: [Citifmonline.com](http://Citifmonline.com)

### 'Zenith Bank obtains ISO27001:2013 and PCI DSS Certifications'

Zenith Bank Ghana Limited has now obtained the internationally recognised ISO27001:2013 and PCI DSS Certifications. The ISO 27001:2013 is an information security standard published by the International Organisation for Standardisation (ISO) and International Electro-technical Commission (IEC), under the joint ISO and IEC subcommittee. The standard specifies the requirements for establishing, implementing, maintaining and improving information security management across systems, people and processes.

Source: [Citifmonline.com](http://Citifmonline.com)

Currency - Interbank	Rate 28 Sept	Rate 1 Oct	%Change
USD/GHS	4.7776	4.7799	-0.05
GBP/GHS	6.2145	6.2394	-0.40
EUR/GHS	5.5392	5.5390	0.00
CHF/GHS	4.8893	4.8578	0.65
CNY/GHS	0.6984	0.6916	0.98
ZAR/GHS	0.3378	0.3366	0.36

The cedi depreciated against the U.S. dollar and the British pound. However, it stabilised against the euro.