

# News Flash



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## Economic News

### 'Tax exemptions to be further reduced'

With the on-going discussions at the government level for a possible review of some clauses concerning tax exemptions, it is being anticipated that there will be a scrapping of some of the tax waivers for multinationals and mining firms in order to complement revenue generation in the country. Discussions between finance ministry and Ghana Revenue Authority chieftains have intensified recently, ahead of the unveiling of the 2019 budget later this week and this has put some of the biggest beneficiaries of tax exemptions on edge. The International Monetary Fund (IMF) in the fifth and sixth review under the extended credit facility recommended that although several sectors benefit from reduced corporate tax rates and tax holidays, some of these tax holidays can be discontinued, while others can be replaced by a system which better targets investment. The Fund wants stronger action in this regard – the actions if agreed on for implementation in 2018, would only improve tax revenues by a mere GHS70 m, or 0.03% of GDP. In 2017 alone, import exemptions granted to foreign companies and other institutions rose by 15.5 % to GHS2.6 bn. [Source: Myjoyonline.com](#)

### 'Ghana servicing interest on debt with its internal revenue'

Out of every Cedi government collects as tax, 41 pesewas is used to service interest debt, Professor Newman Kwadwo Kusi, Executive Director, Institute for Fiscal Studies noted. "Ghana spends over 41% of tax revenue to service interest rate on debt. From last year up to July this year a chunk of our revenue goes into debt payment," he said. "The public debt stock which stood at GHS142.3 bn in December 2017 (excluding the GHS4.7 bn ESLA Plc. bond issued in October 2017) had by July 2018 risen to GHS159.4 bn. "This indicates that the country's debt stock increased by GHS17.1 bn during the first seven months of this year, and by GHS36.8 bn in the less than two years of the new administration. As a percentage of the old GDP, the debt stock dropped from 69.1% in 2017 and to 65.9% in July 2018". Speaking at the Annual Economic Review Forum, he said the interest payment and statutory obligations payment continued to place a considerable strain on government limiting the space for critical development and social expenditure. [Source: Ghanaweb.com](#)

### 'GFZA condemns diversion of goods from its enclave'

The Ghana Free Zones Authority (GFZA) has stated that it will help the Customs Division of the Ghana Revenue Authority (GRA) to stop the diversion of goods produced under its enclave for export. The pledge comes after the Customs Division off the GRA announced on 12 November, 2018 that COMET Ghana limited, a company operating under the Free Zone Enterprise had diverted some goods meant for export in Paga. "The Ghana Free Zones Authority would like to state that it does not condone any illegal acts and would support the Customs Division of the GRA in carrying out its mandate of policing goods entering and exiting Free Zone areas," Executive Secretary of the GFZA, Michael Okyere Baafi said in press statement. [Source: Citibusinessnews.com](#)

## Corporate News

### 'Gold Coast Pays 3,000 Structured Finance Customers'

Gold Coast Fund Management, last week started payments to its Individual Structured Finance (SF) clients nationwide. This payment comes ahead of the planned schedule for the official installment payments due to begin on March 1, 2019 over a three year period. Gold Coast Fund Management had earlier issued a statement informing its customers of a new directive from their regulators, the Securities and Exchange Commission (SEC) to stop all SF related products which guaranteed return on investments. In view of this directive, the Investment Firm made changes to its products and services by discontinuing the sale of its SF product effective October 22, 2019. Gold Coast also announced a three year instalment payment window beginning on March 1, 2019, during which all customers on the SF would be paid all their monies. But the Fund Manager, that has won several awards, has been quick off the mark in reaching out to its customers, a sign of assurance from management that they have put in measures to ensure all existing customers of their SF products receive all monies due them. [Source: Citibusinessnews.com](#)

### 'Align your CSR to government's policies'- Business Dev't Minister'

Minister for Business Development, Mohammed Awal, has charged businesses in the country to align their Corporate Social Responsibility (CSR) projects to that of government policies to enhance development in the country. Dr. Awal want businesses to give graduates the opportunity to get training in their organizations as part of their CSR projects. This he says is in line with government's focus on human capital development which government believes is the best way to grow and formalize the economy, while reducing unemployment in the country. [Source: Citibusiness.com](#)

Currency - Interbank	Rate 9 Nov	Rate 12 Nov	%Change
USD/GHS	4.7893	4.7893	0.00
GBP/GHS	6.2474	6.1794	1.10
EUR/GHS	5.4328	5.3978	0.65
CHF/GHS	4.7582	4.7474	0.23
CNY/GHS	0.6890	0.6881	0.14
ZAR/GHS	0.3357	0.3337	0.60

The cedi stabilized against the U.S dollar. However, it appreciated against all the other major trading currencies.