

News Flash



Economic News

'Public debt stock hits GHS 172.9bn ending Nov. 2018'

The country's total debt stock has significantly increased by GHS 2.9bn in two months to reach GHS 172.9bn ending November 2018. The data from the Central Bank showed that the new debt stock represents 57.9 % of the total value of Ghana's economy otherwise referred to as Debt-to-GDP Ratio by economists. This could mean that country might have built adequate assets to absorb its rising debt or the economy has expanded in a way to absorb the rising expenditure. Some economists have also argued that this development was largely influenced by rebasing of the economy by the Ghana Statistical Service. A breakdown of the debt stock shows that GHS 86.3bn of the debts were secured from outside the county, while GHS 86.5bn were domestic bonds and local borrowings.

Source: Myjoyonline.com

'Return corporate tax to 35% to reduce inequality gap – TJC-GH'

The Tax Justice Coalition-Ghana (TJC), a civil society organisation, has urged government to return the corporate tax rate to 35%. Addressing the media to present an analysis of the tax policy initiatives and measures announced in the 2019 budget, the chairman of TJC-Ghana, Vitus A. Azeem said: "The TJC-Ghana believes that apart from the loss in revenues from a lower corporate tax rate, it is not fair to tax individuals at 30% or 35% while taxing companies which earn huge profits at a lower rate". Government introduced the new income tax band at a final rate of 30% for incomes above GHS 20,000 per month. The TJC-GH believes that there is still need for a review of income tax rates and to flatten and expand the income brackets to include more income tax rates such as 15%, 20% and 35%; and make the income tax system more progressive to reduce the already-widening inequality in the country. Source: Bftonline.com

'GSE calls for formalised forex trading platform'

The Ghana Stock Exchange (GSE) has called for a formalised forex trading platform that will see the local currency bought and sold in a much more transparent manner. "Ghana should have a formal and centralised reporting framework for forex trading for better price discovery in foreign exchange market space," Kofi Yamoah, Managing Director of the exchange, said at its 2018 stock market review in Accra. He explained that before establishment of the Ghana Fixed Income Market (GFIM), which is a trading platform for bills and bonds (government and corporate), banks used to trade among themselves and there was not much transparency. "Before GFIM the banks were trading fixed income securities, but they were trading bilaterally or one-on-one. With GFIM, all those deals being struck among banks are now known by all other market players, including the general public. Source: Bftonline.com

Corporate News

'BoG appoints Felix Addo as Advisor to NIB'

The Bank of Ghana (BoG) has appointed Felix E. Addo as Advisor to National Investment Bank (NIB) pursuant to section 101 (1) of the Banks and Specialised Deposit-Taking Institutions Act of 2016 (Act 930). This follows the Central Bank's communication during the announcement of the completion of its banking clean up that an Advisor had been appointed for NIB. The appointee person is charged to advise management of the bank with a view to helping improve the affairs of the bank. Mr Addo is the immediate past Country Senior Partner of PricewaterhouseCoopers, Ghana and a former member of the PwC Africa Governance Board.

Source: Myjoyonline.com

'AGI kicks against moves to increase utility tariff'

The Association of Ghana Industries (AGI) says Ghanaian businesses will be overburdened if the Public Utilities and Regulatory Commission (PURC) approves the recently proposed tariff increases, without ensuring that efficiency in the power value chain is improved. The Northern Electricity Distribution Company (NEDCo) and the Ghana Grid Company (GRIDCo) have called for an upward review of electricity tariff by 40% and 95% respectively. The providers explained that the reduction in utility tariffs in 2018 negatively affected their revenue generation and quality of service provided to customers. Mr. Kofi Owiredu Ntow, Manager, Marketing Operations for the Ghana Grid Company Limited (GRIDCo) said the pronouncement by GRIDCo for an upward adjustment in utility tariffs was to ensure the company's long term business sustainability. He said the company's inability to complete projects including; the Aboadze 330KV substation expansion, the 330kV Kumasi-Kintampo-Tamale-Bolgatanga line had increased the company's cost of transmission. Source: Citifmonline.com

Currency - Interbank	Rate 24 Jan	Rate 25 Jan	%Change
USD/GHS	4.9379	4.9405	-0.05
GBP/GHS	6.4410	6.4846	-0.67
EUR/GHS	5.6126	5.6193	-0.12
CHF/GHS	4.9640	4.9654	-0.03
CNY/GHS	0.7276	0.7319	-0.58
ZAR/GHS	0.3589	0.3621	-0.90

The cedi depreciated against all the major trading currencies.