

News Flash



Economic News

'Govt targets 15% tax-to-GDP growth'

The Ghana Revenue Authority (GRA) has been tasked to grow the contribution of tax revenue to the national economy from the 13.1% that was realised in 2018 to 15% this year. Ghana's tax to GDP ratio is currently far below the average of 20% for lower-middle-income economies. Customs revenue, which was also tipped to grow by 27.7% last year, only managed an "abysmal" 3.9%. From 2015 to 2017, the economy averaged a VAT C-efficiency ratio of 0.30%, which is calculated as the ratio of VAT revenues to consumption divided by the standard rate. This is also well below the average for lower-middle-income countries of 0.46%, and below the 0.38 average of lower-income countries. "These figures tell us that we have the potential for growth. Government is challenging the GRA to hit a tax-to-GDP ratio of 15%, instead of the estimated 13.9% for 2019," Finance Minister Ken Ofori-Atta said at the second national delegate's congress of the GRA Workers' Union (GRAWU) in Winneba. [Source: Myjoyonline.com](#)

'Obuasi first face blast as redevelopment project gains momentum'

AngloGold Ashanti's Obuasi Redevelopment Project has completed its first week of underground development blasting as the work to pour first gold by the end of the year gathers momentum. The first blast, at about 7pm on Friday, February 1, advanced development by around 4.2 metres on the 2,700 level, which is accessed through the Obuasi Deeps Decline from surface and is just over 700 metres vertically below the decline portal. Benching and a number of additional face blasts have taken place since then, with more than 14m of advance recorded. "The first blast was a significant milestone in transforming this important mine into a modern, productive operation," said AngloGold Ashanti, Chief Executive Officer, Kelvin Dushnisky. "Our investment in Obuasi Gold mine's redevelopment will ultimately make this a key asset for Ghana, and for AngloGold Ashanti's portfolio, for the long term." [Source: Bftonline.com](#)

'Ghana Bauxite Company slapped with USD 3.5m tax liability'

The Ghana Bauxite Company has been slapped with a tax liability of over USD 3.5m for transfer pricing and underselling of bauxite to its mother company Saite Mineral Group. An audit of the company account between 2013 and 2016 revealed a sale difference of over USD 9.6m in transactions between Ghana Bauxite Company and its parent company in China. "The world price was slightly different that accounts for the difference in pricing," the Commissioner in charge of operations at the Ghana Revenue Authority (GRA), Kofi Owusu said. He explained that "if the mark up on the price of the product, for instance, is supposed to be USD 10 on the world market, it means that we get taxes on all the 10 but if related parties agree that they are going to sell to themselves at USD 5, it means the extra USD 5 we are going to lose on that," he said. [Source: Myjoyonline.com](#)

Corporate News

'Only 10% of Unibank debts were recoverable-KPMG report'

It has emerged that over 90% of defunct Unibank's loan books was non-performing as at March 2018. According to the Official Administrator's report, Unibank had 3.4 of the GHS 3.73bn, non-performing; a development which affected the performance of the bank. The Official Administrators, KPMG were made to assume the management of the defunct Unibank following the Bank of Ghana's discovery of severe capital and liquidity issues. KPMG was to manage the bank for six months; spanning 20th March to August 1, 2018. Aside the non-performing loans, Unibank had also overstated its loans and advances to customers by GHS 1.3bn in December 2017 prudential returns to the Bank of Ghana. Again, there was the exclusion of customer deposits of GHS 2.3 bn from December 2017 prudential returns to BoG. This represents 53% of total deposits of GHS 4.3bn. [Source: Citibusiness.com](#)

'GN Savings and Loans in talks with another bank to improve liquidity'

GN Savings and Loans, previously GN Bank, says it is finalizing talks with another bank to possibly help it meet its financial obligations. The move is part of some emergency measures to help deal with current liquidity challenges facing the Savings and Loans Company. GN has received applications from eight commercial banks that are seeking to act as "partner institution". GN Savings and Loans is finalizing negotiations with one of them with an announcement expected in the coming days. This would help GN depend on this bank for clearing of its Cheques and Forex transactions since it is expected to lose that function from the middle of this year. Following the reclassification of GN Bank now GN Savings and Loans, Bank of Ghana indicated the institution can no longer carry out that function. [Source: Myjoyonline.com](#)

Currency - Interbank	Rate 8 Feb	Rate 11 Feb	%Change
USD/GHS	5.0002	5.0003	0.00
GBP/GHS	6.4738	6.4359	0.59
EUR/GHS	5.6708	5.6458	0.44
CHF/GHS	4.9989	4.9814	0.35
CNY/GHS	0.7411	0.7380	0.42
ZAR/GHS	0.3678	0.3630	1.34

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