

Economic News

'Parliament slashes GNPC 2019 budget by USD 80m'

Parliament has slashed the Ghana National Petroleum Corporation (GNPC)'s 2019 expenditure budget by USD 80m, Ranking Member of the Select Committee on Energy, Adam Mutawakilu has said. The Ranking Member of the Select Committee on Energy who disclosed this said there was no justification for some of the projects captured in the 2019 budget of the GNPC. The committee has also questioned the USD 50m the Corporation is requesting to use for the building of a refinery, as part of government's plans to create a Petroleum hub in the country. The Ghana National Petroleum Corporation plans to spend some GHS 43m on various projects as part of its Corporate Social Responsibility in 2019. Some of the projects include the building of boreholes and educational scholarships for persons within the communities the company operates.

Source: Citifmonline.com

'Standardization issues affecting Continental Free Trade Area –Carlos Ahenkorah'

Deputy Minister for Trade and Industry Carlos Ahenkorah has cautioned that the implementation of the African Continental Free Trade Area (ACFTA) could be derailed if the issue of standardization of goods and services are not addressed in all countries. Ghana's parliament in April 2018 gave its backing to the African Continental Free Trade Agreement, seeking to boost intra-Africa trade through the creation of a single market for goods and services. But speaking in an interview on the sidelines of a Sierra Leonean investment seminar, the Deputy Minister for Trade and Industry Carlos Ahenkorah called on stakeholders in the ECOWAS region as well as the rest of the continent to adhere to the outlined standards for goods and services to facilitate a speedy implementation of the African Continental Free Trade Area. "If trade between African countries will work out, standardization comes into play. I say this because if Ghana or any other country should hike up their standards and other countries are unable to keep pace then the process will be hindered. If this is not looked at then the African Continental Free Trade Area (ACFTA) might not work properly. We might encounter serious challenges." Source: Citifmonline.com

'Ghana needs USD 40m to bridge agric sector financing gap – FAO'

African Regional Programme Leader of Food and Agricultural Organisation (FAO), Dr Ade Freeman, has said about USD 40m is needed to fill the financial gap in the agricultural sector. He said there was a deficit in the sector and until that amount was amassed the sector would continue to lag behind. Dr Freeman said this at a stakeholders' engagement on agriculture financing under the Ghana Agriculture Investment Plan (GhAIP). The stakeholders' engagement was organised by the FAO, a UN agency, in collaboration with the Ministry of Food and Agriculture (MOFA) and it is expected to come up with a policy document to guide the sector. He said government as well as development partners were not in the position to provide the stated amount. Source: Myjoyonline.com

Corporate News

'GAT will maintain 'localness' of banking sector—MD'

The consolidation of five local banks that were unable to meet the GHS 400m minimum capital requirement of the Bank of Ghana into the Ghana Amalgamated Trust (GAT) was the best decision to de-risk the sector from going under foreign control, its Managing Director, Eric Nana Otoo, has indicated. Speaking as a panelist at the Ghana Most Respected CEOs Breakfast Series in Accra, he said it was very prudent for government to step in to maintain the localness of the banking sector after it emerged that only four indigenous banks were among the 18 banks which had met the new requirement. He said GAT, was an innovative novel product from the government – and with the right expertise, will help to reshape the five local banks into being competitive and with capabilities to stand at par with its foreign counterparts; and that its success could be replicated in other areas of the economy. Source: Bftonline.com

'GAT's 21% interest unreasonably high – Dr. Atuahene'

Corporate Governance expert and CEO of Salman Partners & Financial Ltd., Dr. Richmond Akwasi Atuahene, has said the 21% annual interest on the Ghana Amalgamated Trust (GAT) is unreasonably high and will become an albatross around the neck of banks that are bailed out with the funds. The GAT is a special purpose vehicle and an intervention by government to support five local banks – namely NIB, ADB, UMB, Prudential, OmniBSIC – which could not meet the GHS 400m minimum capital by the December 2018 deadline. The GAT will raise funds through a bond structured for five years and given to the banks as zero-coupon bonds. What this means is that the banks will not pay the interest (21% annually) on the bond yearly, but will do so after end of the fifth year with the principal. Source: Bftonline.com

| Currency - Interbank | Rate 26 Mar | Rate 27 Mar | %Change |
|----------------------|-------------|-------------|---------|
| USD/GHS | 5.0805 | 5.0824 | -0.04 |
| GBP/GHS | 6.7144 | 6.7205 | -0.09 |
| EUR/GHS | 5.7381 | 5.7208 | 0.30 |
| CHF/GHS | 5.1085 | 5.1110 | -0.05 |
| CNY/GHS | 0.7567 | 0.7554 | 0.18 |
| ZAR/GHS | 0.3515 | 0.3483 | 0.92 |

The cedi depreciated against all the major trading currencies.