



REPUBLIC OF GHANA

MID YEAR REVIEW OF

the

BUDGET STATEMENT AND ECONOMIC POLICY

AND

SUPPLEMENTARY ESTIMATES

of the

GOVERNMENT OF GHANA

for the

2009 FINANCIAL YEAR

presented to

PARLIAMENT

on

25th August, 2009

by

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MINISTER OF FINANCE AND ECONOMIC PLANNING

On the authority of

H. E. JOHN EVANS ATTA MILLS

PRESIDENT OF THE REPUBLIC OF GHANA

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The Mid Year Review of the 2009 Budget Statement and Economic Policy of the Government and Supplementary Estimates is available on the internet at: www.mofep.gov.gh

ACRONYMS AND ABBREVIATIONS

ADB	African Development Bank
FDI	Foreign Direct Investment
MDA	Ministries Departments and Agencies
NGOs	Non Governmental Organisations
NPECLC	National Programme for the Elimination of Child Labour in Cocoa
TSA	Treasury Single Account

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SECTION 1: INTRODUCTION

1. Madam Speaker, thank you for receiving me in this august House at this time of the year.
2. Madam Speaker, I am here in fulfillment of my promise on Thursday 5th March, 2009 to this august House, to submit a mid year review of the 2009 Budget and report on the progress of its implementation.
3. Permit me to convey to you the deepest appreciation of His Excellency, President John Evans Atta Mills for honouring his invitation to reconvene at such short notice to consider the mid year review of the 2009 Budget and subsequently approve the supplementary estimates.
4. Madam Speaker, at the time His Excellency, President John Evans Atta Mills presented his sessional address and this august House approved the 2009 Budget, my Ministry had not been apprised of certain significant developments in the economy. These developments relate mainly to interest costs associated with domestic borrowings as well as additional resources required for the payment of some arrears and other outstanding commitments. However, Honourable members will recall that His Excellency had given a hint of these problems when he addressed the nation on the occasion of his 100 days in office.
5. It has therefore become necessary for Government to re-adjust to ensure that these adverse developments do not undermine our macroeconomic consolidation agenda.
6. Madam Speaker, the aim of this review and supplementary budget is to seek Parliamentary approval to commit the required additional resources to address the inadequacy of the amount of monies approved under the 2009 Budget. In this regard, we are seeking the approval of this august House to appropriate additional resources to resolve the domestic interest costs and also to liquidate some arrears and other outstanding

commitments in conformity with Article 179(8) of the Constitution.

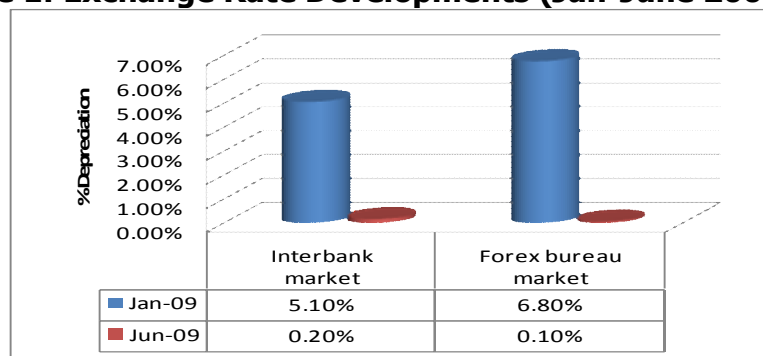
7. Madam Speaker, the NDC Government inherited a rundown economy characterized by severe imbalances that resulted in a huge public debt and a ballooned overall budget deficit of 14.5 percent of GDP. The huge deficit did not include expenditure arrears and commitments which are currently estimated at about GH¢1.7 billion, equivalent to 9.7 percent of GDP for 2008. The deficit was largely driven by lack of prudence in public spending and misplaced priorities.
8. Thus, the economy of Ghana at end December 2008 was not as robust and resilient as we were made to believe. The overall budget deficit including divestiture receipts would have been in the threshold of 24.2 percent of GDP if the arrears and commitments had been taken into account as referenced in paragraph 7.
9. Madam Speaker, the effect of this excess expenditure was the rapid depreciation of the Cedi against currencies of our major trading partners during the first quarter of 2009. However, through the prudent management of the economy by the NDC government the free fall of the Cedi has been arrested.
10. Madam Speaker, I now therefore, humbly beg to move that this honourable House considers this mid year review and also approve the supplementary estimates in conformity with Article 179(8) of the Constitution of the Republic of Ghana and Standing Order 143 of this House.
11. The aim of this review and supplementary budget is to:
 - apprise members of this august House on the performance of the economy;
 - revise our budget estimates based on current information;

- inform the House about the challenges and outlook for the rest of the year; and
 - ask members of this august House to consider and approve supplementary estimates for 2009.
12. Madam Speaker, I therefore deem it a great honour to present to this House the mid year review of the 2009 Budget on behalf of His Excellency, President John Evans Atta Mills and to seek your approval for supplementary appropriation of GH¢252.8 million.

SECTION 2: MACROECONOMIC DEVELOPMENTS

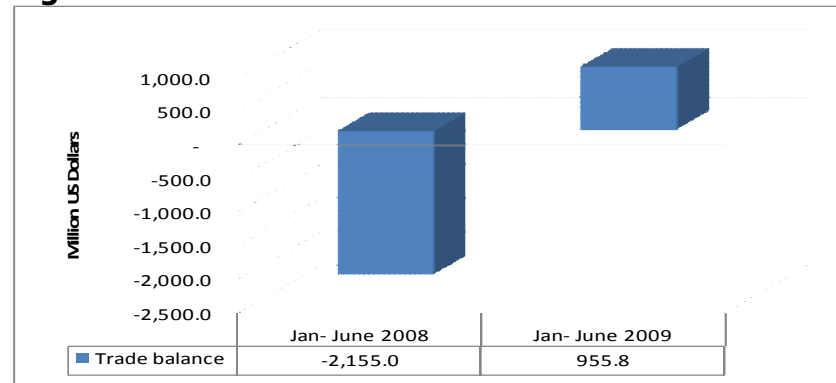
13. Madam Speaker, although the latest indicators point to a slowdown in the pace of the global economic contraction, there is not as yet any concrete evidence of the start of a firm recovery. On the domestic front, the year began with some uncertainty following from the large macro-economic imbalances and the global financial meltdown. However, the anxiety of markets and policy makers is giving way to hope, greater confidence and optimism, and the Ghanaian economy is beginning to witness some consolidation of the gains associated with both fiscal and monetary prudence.
14. Inflation pressures built up in 2008 remained strong in the first quarter of the year, causing inflation to rise to 20.5 percent at the end of March, 2009. Inflation has hovered around 20 percent with a rate of 20.6 percent recorded in April 2009, 20.1 percent in May 2009 and 20.7 percent in June 2009. The slight increase in the June inflation rate reflects mainly the pass-through effect of the petroleum price increases which caused the monthly non-food prices to rise by 3.9 percent in June, 2009 compared to a rise of 2.4 percent in May 2009. However, inflation has started falling as the month of July, 2009 registered a rate of 20.5 percent.
15. The foreign exchange market exhibited some volatility of the Cedi against the three core currencies in the first quarter, broadly following similar trends in the last quarter of 2008. Recent developments, however, indicate a much slower pace in the rate of exchange of the cedi to the US Dollar. Data from the interbank market shows that the exchange rate of the Cedi to the US dollar decelerated steadily from 5.1 percent in January 2009 to about 0.2 percent in June, 2009. On the foreign exchange bureau market, the rate of depreciation of the cedi to the US dollar was even slower, from 6.8 percent to 0.1 percent over the same period.

Figure 1: Exchange Rate Developments (Jan-June 2009)



16. Monetary developments during the first half of the year show a slowdown in money supply growth. Broad money supply (M2+) expanded moderately by 1.9 percent in the first quarter and by 2.7 percent in the second quarter. The slowdown in monetary growth during the first half of the year was mainly the result of the general tightening of domestic credit. Net claims on Government during the period however remained relatively strong.
17. Madam Speaker, the banking sector continues to remain fairly liquid. The sector registered strong asset growth, increased competition and improved profitability during the period. The sector has proved to be resilient in spite of the global financial crisis. It is well capitalized with no indication of direct exposure to distressed financial institutions or toxic financial assets in other parts of the world. The banking sector has grown and diversified, with banks now offering a wide-range of financial products. The non-bank financial institutions and microfinance companies have also continued to expand their products and operations to the countryside.
18. For the first six months of 2009, the trade balance amounted to a deficit of US\$955.8 million, a favourable position compared to a deficit of US\$2,155.0 million recorded at the end of June 2008.

Figure 2: Trade Balance in million US Dollars



19. During the period under review, total exports amounted to US\$3,003.8 million, compared with US\$2,845.8 million during the corresponding period of 2008. Receipts from cocoa beans and products amounted to US\$1,061.0 million, an increase of 16.6 percent over what was recorded during the corresponding period of 2008.
20. Similarly, total receipts from gold exports for the first half of the year amounted to US\$1,213.9 million, indicating a marginal increase of 1.2 percent over US\$1,199.2 million recorded during the corresponding period of 2008. The growth in gold exports was on the back of a marginal increase of 2.0 percent in volume, on year-on-year basis, to 1,351,798 fine ounces.
21. Total merchandised imports amounted to US\$3,872.4 million for the first half of 2009 compared to US\$5,000.9 million for the corresponding period of 2008, indicating a decline of 22.5 percent. The value of oil imports during the first half of 2009 amounted to US\$449.6 million compared with US\$1,326.5 million during the first half of 2008.
22. The value of total non-oil imports for the first half of the year 2009 amounted to US\$3,425.8 million compared with US\$3,674.4 million for the same period in 2008, representing a decline of 6.8 percent.

23. Remittances to private individuals amounted to US\$728.3 million, compared with US\$822.8 million for the same period in 2008 due to the effects of the global credit crunch.
24. The overall current account registered a surplus of US\$125.9 million, compared to a deficit of US\$1,449.0 million registered during the same period in 2008. It is interesting to note that the surplus recorded is the first in so many years.
25. By end June 2009, gross international reserves totaled US\$1,705.2 million enough to cover 1.9 months of imports of goods and services and almost reaching the target of 2.0 months of imports cover set for 2009.
26. Despite the very difficult economic situation we inherited in January 2009, we have achieved all these notable feats within six months of being in Office. These notable achievements have come about not by accident but by the prudent macroeconomic policies being pursued by Government.

SECTION 3: FISCAL PERFORMANCE

27. Madam Speaker, allow me to now provide the highlights of the fiscal performance in the first half of the year. One of the main objectives of the 2009 Budget is to slow down the excessive spending witnessed in 2008 and bring the economy back on the path of fiscal consolidation. In this regard, the budget set an overall fiscal deficit target including divestiture receipts equivalent to 9.4 percent of GDP.
28. Provisional data for the first half of the year indicate that both revenue and expenditure were below their budget targets. Domestic VAT, excise and import duties were the main culprits for the negative deviation, whereas a lower external financing of debt and prudent fiscal stance of Government were used to contain the lower-than-expected inflows. Consequently, the fiscal deficit including divestiture receipts was GH¢965.4 million, equivalent to 4.5 percent of GDP¹. This compares with a targeted deficit of GH¢1,400.5 million, equivalent to 6.5 percent of GDP.
29. Madam Speaker, the results of our budget performance for the first half of 2009 indicate that Government has been prudent in managing the country's financial resources and we are on course to achieving the fiscal objectives outlined in the 2009 budget.

RECEIPTS

30. Madam Speaker, provisional fiscal data for the review period indicate that total receipts, comprising domestic revenue, grants and other receipts amounted to GH¢4,095.2 million, equivalent to 18.9 percent of GDP. The outturn was 16.3 percent lower than the budget target of GH¢4,892.4 million but 4.3 percent higher than the outturn for the corresponding period in 2008.

¹ GDP in this Report refers to projected annual GDP for 2009.

31. Domestic revenue totaled GH¢2,411.0 million, equivalent to 11.1 percent of GDP against a budget target of GH¢2,581.4 million (11.9 percent of GDP). On year-on-year basis, domestic revenue increased by 19.1 percent.
32. Madam Speaker, total tax revenue amounted to GH¢2,162.6 million, equivalent to 9.9 percent of GDP. This was 17.2 percent higher than the outturn recorded during the first half of 2008.
33. Direct taxes which comprise personal, self-employed, company and other taxes such as airport tax, amounted to GH¢708.5 million, 5.2 percent higher than the budget target of GH¢673.3 million. The outturn indicates a 29.6 percent increase over the outturn of GH¢ 546.9 million for the same period in 2008. The good performance in direct taxes can mainly be attributed to the performance of personal income tax and other direct taxes which recorded 33.8 and 34.9 percent increases respectively, over the outturn for the same period in 2008.
34. Revenue from indirect taxes comprising value added, petroleum and excise taxes amounted to GH¢751.1 million, against a budget estimate of GH¢870.0 million. The under-collection of 13.7 per cent for the period is mainly explained by the low performance of petroleum taxes. However, on year-on-year basis, the outturn for indirect taxes was 8.9 percent higher than the outturn for the corresponding period in 2008.
35. Value Added Tax collections recorded a total amount of GH¢ 566.7 million, 8.4 percent lower than the budget target of GH¢ 618.7 million. The outturn however, shows a 24.6 percent increase over the outturn recorded during the first half of 2008.
36. Revenue from petroleum taxes was GH¢159.3 million, 27.9 percent lower than the budget estimate of GH¢221.1 million and 22.2 percent lower than the outturn for the same period in 2008. The low performance of petroleum taxes was due mainly to the reduction in petroleum taxes. It must be noted that had it not been for the reduction in petroleum taxes and levies, the

ex-pump price of petroleum products would have been higher than what pertains currently.

37. The yield from National Health Insurance Levy (NHIL) for the first six months of 2009 amounted to GH¢153.3 million, against a budget target of 140.9 million. The outturn was 20.3 percent higher than the outturn for the same period in 2008.
38. Receipts from non-tax revenue amounted to GH¢203.2 million, equivalent to 0.9 per cent of GDP. Of this amount, GH¢120.7 million was retained by the MDAs, while GH¢82.5 million was lodged into the Consolidated Fund.
39. Madam Speaker, total grant disbursements from our Development Partners amounted to GH¢587.6 million, against a budget target of GH¢671.0 million. The outturn was 9.5 percent higher than the outturn recorded during the first half of 2008. Project grants amounted to GH¢273.6 million, 8.7 percent higher than the budget target of GH¢251.8 million and 21.4 percent higher than the outturn for the same period in 2008. Programme grants were GH¢244.4 million, 22.7 percent lower than the budget target of GH¢316.3 million.
40. Receipts from programme and project loans amounted to GH¢421.3 million, against a budget target of GH¢981.6 million. Project loan disbursements were GH¢380.6 million, 17.0 percent lower than the budget target of GH¢458.5 million and 37.7 percent higher than the outturn for the first half of 2008. Programme loans amounted to GH¢40.7 million against a budget target of GH¢523.1 million. The lower-than-projected outturn for programme loans is as a result of the disbursement of the World Bank budget support in July 2009 instead of June 2009 as anticipated and also procedures in the administration of loan and grant disbursements.

PAYMENTS

41. Madam Speaker, total payments for the first half of 2009, comprising discretionary and statutory payments, amounted to GH¢4,095.2 million, against a budget target of GH¢4,892.4 million.

Statutory Payments

42. Total statutory payments amounted to GH¢1,161.5 million, equivalent to 5.4 percent of GDP, against a budget estimate of GH¢1,299.8 million, equivalent to 6.0 percent of GDP. On year-on-year basis, statutory payments increased by 6.7 percent against the 2008 outturn.
43. External Debt Service for the period under review was GH¢232.1 million, against a budget target of GH¢371.3 million and an outturn of GH¢359.6 million recorded during the corresponding period in 2008. Principal and interest payments were GH¢125.7 million and GH¢106.4 million, respectively.
44. Domestic interest payments, amounted to GH¢342.6 million, 29.4 per cent higher than the budget target of GH¢264.7 million. The outturn indicates a 78.1 percent increase over the outturn recorded during the same period in 2008. The higher-than-projected expenditure on domestic interest payment was due to higher-than-projected domestic borrowing and increases in the cost of borrowing.
45. Madam Speaker, transfers to households, in the form of pensions, gratuities and social security contributions by Government on behalf of public sector workers, amounted to GH¢188.0 million, 19.9 percent below the budget target of GH¢234.6 million and 5.7 percent higher than the outturn for the corresponding period in 2008.
46. Transfers to the Road Fund and Petroleum-related Funds totaled GH¢63.7 million, against a budget target of GH¢60.4 million. Of this amount, GH¢61.1 million was disbursed to the

Road Fund, indicating a 52.1 percent increase over the outturn for the first half of 2008, and GH¢2.5 million was transferred into the Petroleum-related Funds.

47. A total amount of GH¢135.1 million was released to the District Assemblies Common Fund (DACF). This amount was lower than the budget target of GH¢145.9 million, on account of lower outturn for tax revenue.
48. Transfers into the Ghana Education Trust Fund (GETFund) amounted to GH¢83.3 million, against a budget target of GH¢108.8 million due to the low performance of domestic Value Added Tax.
49. Transfers into the National Health Insurance Fund (NHIF) was GH¢116.7 million, 2.4 percent higher than the budget target of GH¢114.0 million and 16.1 percent higher than the outturn for the corresponding period in 2008.

Discretionary Payments

50. Madam Speaker, total discretionary payments for the review period amounted to GH¢2,933.7 million, equivalent to 13.6 percent of GDP. This compares with an outturn of GH¢ 2,839.5 million, equivalent to 16.1 percent of GDP recorded during the same period in 2008.
51. Personal Emoluments (item 1) amounted to GH¢1,099.7 million, equivalent to 5.1 percent of GDP. The outturn was 1.9 percent higher than the budget target of GH¢1,079.7 million and 39.9 percent higher than the outturn for the same period in 2008. The high year-on-year growth in wages is due to the fact that the 2009 first half payments are being compared to 2008 first half wages which had a lower base as public sector salaries were increased in July 2008.
52. Administration expenditure (item 2) was GH¢167.3 million, 38.7 percent higher than the budget target of GH¢120.7 million. The outturn indicates a 10.2 percent increase over the outturn

recorded during the corresponding period in 2008. The apparent over expenditure is due to a reclassification of some salary-related allowances from Personal Emoluments to Administration.

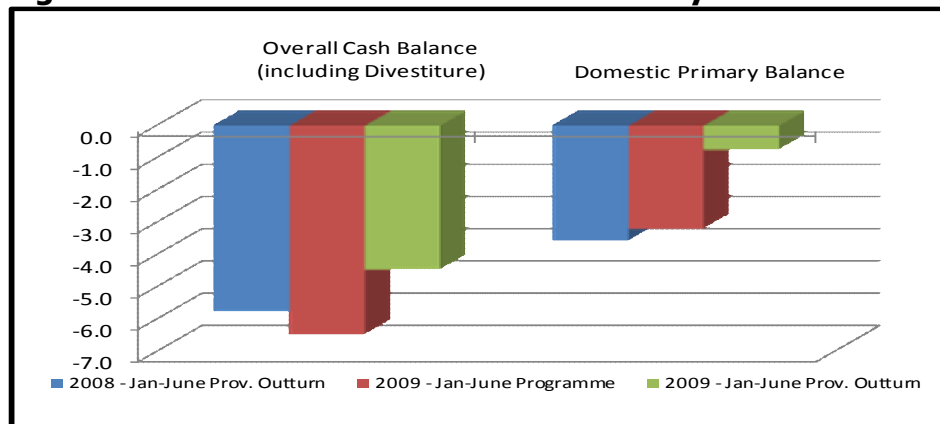
53. Service expenditure (item 3) amounted to GH¢51.1 million, against a budget target of GH¢51.6 million. On year-on-year basis, Service expenditure declined by 48.0 percent. The decline compared to the level in 2008 reflects the tightening of expenditure resulting from rationalisation of expenditures on travels, seminars and workshops.
54. Total Investment Outlays (Item 4) for the first half of the year amounted to GH¢103.2 million, 35.7 percent higher than the budget target of GH¢76.1 million.
55. Madam Speaker, foreign-financed capital expenditure amounted to GH¢654.2 million, 7.9 percent lower than the budget target of GH¢710.3 million, but 30.4 percent higher than the outturn for the same period in 2008.
56. Multilateral Debt Relief Initiative (MDRI) and Highly Indebted Poor Country (HIPC) financed expenditures totaled GH¢127.5 million, against a budget estimate of GH¢111.7 million. Of this, GH¢92.0 million was expended on HIPC-related projects and programmes, including an amount of GH¢2.4 million disbursed to Members of Parliament as their share of the HIPC receipts to help the execution of development projects in their respective constituencies.
57. During the first half of the year, a total amount of GH¢83.7 million against a budget target of GH¢127.5 million was spent from the Reserve Fund. Of this amount, GH¢49.2 million was used for the payment of judgment debts emanating from court orders against the Government.
58. During the period under review, a total amount of GH¢292.6 million was paid in respect of clearance of arrears and liquidation of commitments carried over from 2008. The outturn

for the period was made up of road arrears of GH¢60.2 million and non-road commitments of GH¢232.4 million.

Overall Budget Balance and Financing

59. Madam Speaker, the overall budget balance including divestiture, amounted to a deficit of GH¢965.4 million, equivalent to 4.5 percent of GDP, against a target deficit of GH¢1,400.3 million, equivalent to 6.5 percent of GDP. The outturn compares with a deficit equivalent to 5.8 percent of GDP recorded during the corresponding period in 2008.

Figure 3: Overall Cash and Domestic Primary Balances



60. The overall budget deficit including divestiture, was financed from both domestic and foreign sources. Net Domestic Financing of the budget amounted to GH¢634.2 million, equivalent to 2.9 percent of GDP compared to 3.8 percent of GDP for the same period in 2008. Financing from foreign sources totaled GH¢331.2 million, equivalent to 1.5 per cent of GDP.
61. The domestic primary balance for the period under review was a deficit equivalent to 0.8 percent of GDP, against a target of 3.2 percent of GDP. The outturn compares with a deficit of 3.6 percent of GDP recorded during the corresponding period in 2008. This indicates much improvement in the domestic effort

in budget implementation, a clear indication that the nation's finances are now in skillful hands. (See Table 1)

Table 1: Domestic Primary Balance (1997-2008)

YEAR	AMOUNT (MILLION GH¢)	AS A % OF GDP
1997	45.8	3.2
1998	74.5	4.3
1999	61.4	3.0
2000	62.5	2.3
2001	185.4	4.9
2002	102.3	2.2
2003	163.2	2.5
2004	53.6	0.7
2005	330.1	3.4
2006	-562.5	-4.9
2007	-861.6	-6.2
2008	-1,773.2	-10.1

Public Debt

62. Madam Speaker, Ghana's public debt stood at about US\$8,073.3 million as at end December, 2008 in spite of the substantial debt relief from both our multilateral and bilateral partners. As a result of prudence in management of loans, we have reduced the stock of debt to US\$7,841.3 million as at end June, 2009. Even though Government has contracted loans during the six month period, the borrowing has been driven more by need and financial prudence. Above all, most of these facilities have been secured on concessionary terms.

SECTION 4: STATUS OF IMPLEMENTATION OF POLICY INITIATIVES IN THE 2009 BUDGET

63. Madam Speaker, in addition to the achievements made on the macroeconomic front, Government's sound management strategies have yielded positive results from the implementation of a number of policy initiatives outlined in the 2009 Budget. These include the following:

Education

64. Madam Speaker, quality education leads to quality life. This Government believes that it is the right of every child and young person to have access to quality education for personal development and for building a prosperous Ghana for a better life for all.
65. The Capitation Grant, which is aimed at enhancing school enrolment has increased by 50 percent from **GH¢3.00** to **GH¢4.50**. A total amount of GH¢15.8 million has been released for the 2008/2009 Academic Year.
66. Madam Speaker, Government has started discussions with the local textile industry towards the implementation of the free school uniform programme for basic schools in deprived areas. This programme is expected to reduce the cost of education on parents and to increase primary school enrolment. In fulfillment of Government's desire to support our local artisans, Government has instructed that sewing of the uniforms should be done by our own local tailors and seamstresses. The programme is expected to cost GH¢1.7 million.
67. An amount of GH¢13.0 million has been released for the Ghana School Feeding Programme to improve nutrition of children of school going age and also enhance enrolment.
68. Madam Speaker, government has accepted the proposal of the Anamuah-Mensah Committee report including the proposal that the duration for senior high school education be reduced from

four years to three years. Government has therefore tasked the Ministries of Education and Finance and Economic Planning to work out the technical and administrative modalities for a smooth implementation in 2010. The process for the reversal of the duration will begin this year with the review of the legislation on Education.

Health

69. Madam Speaker, in fulfillment of Government's promise to control malaria, GH¢1.0 million required by the Noguchi Memorial Institute for Medical Research to conduct clinical trials has been released.

Agriculture

70. Madam Speaker, Government has provided GH¢10.7 million to support the youth who are into farming of crops such as maize, rice, sorghum and soya beans. The regions that are to benefit from the programme include Northern, Upper East, Upper West, Brong-Ahafo, Ashanti, Central and Volta. The total hectares of land under cultivation are 14,000.
71. Madam Speaker, Government is committed to the cause of farmers in expanding agricultural production. In this regard, an amount of GH¢10.0 million has been released to support the 50 percent subsidy on fertilizer.
72. Forty-one dams are being rehabilitated in the three northern regions to support dry season farming. It is expected that farmers will take advantage of the investment that government is making, to increase food production.
73. In the area of fisheries, Government is tackling the issue of premix fuel. The National Premix Committee has been reconstituted. We have established Landing Beach Committees to supervise premix fuel sales and management at the landing beaches. The supply of premix has increased and we assure our fisher folks that supply will be sustained.

74. Madam Speaker, in line with Government's agenda to encourage commercial agriculture in mango production, the Export Development and Investment Fund (EDIF) has approved GH¢1.1 million for eight farmer-based organizations and associations in the Northern and Upper West regions. This will enable the associations cultivate 180 acres each of mango plantations, to be intercropped with annual crops like soyabeans, groundnuts and yams. It is anticipated that intercropping with the annual crops will ensure judicious use of land as well as increase in food output and improvement of household income in the short to medium term during the gestation period of the mango.
75. The Ministry of Food and Agriculture, under the Food Security and Emergency Preparedness Programme, is embarking on an extensive production of rice and maize in some strategic locations in the country.
76. To enable the Ministry implement this programme successfully, appropriate machinery and equipment for planting and harvesting will be required. An amount of GH¢3.6 million has been provisioned to support the procurement of these equipment.
77. Madam Speaker, I am happy to report that COCOBOD has paid outstanding bonuses of GH¢21.2 million relating to the 2008/2009 cocoa season. We wish to assure our hardworking farmers that the bonus due them for the 2009/2010 cocoa season will also be paid. COCOBOD has also arranged for a US\$1.2 billion syndicated loan facility which is scheduled to be signed in September 2009 with 25 banks, for cocoa purchases during the 2009/2010 cocoa season. This happens to be the largest syndicated loan ever contracted to support the cocoa industry in Ghana, since the NDC Government introduced syndicated loans for cocoa purchases in 1993.

Savannah Accelerated Development Authority (SADA)

78. Madam Speaker, preparatory work on the establishment of the Savannah Accelerated Development Authority (SADA) has begun. In this regard, Government has inaugurated the SADA Implementation Committee to chart a way forward.

Public Financial Management (PFM) Reforms

79. Madam Speaker, the PFM reforms which have remained on pilot basis for all these years will be implemented fully. The first phase of this programme has already taken off. It is expected that the reforms would improve the financial management of MDAs and MMDAs. As part of the reforms, the Ministry of Finance and Economic Planning is undertaking the following programmes and activities:

- **Treasury Single Account (TSA):** The architectural framework for the introduction of the Treasury Single Account has been established with the Bank of Ghana and the Controller and Accountant General's Department. This has resulted in a daily compilation of the overall cash position of the Government.
- **Cash Management System:** Madam Speaker, in March, 2009 the Ministry of Finance and Economic Planning established a Cash Management System involving the monthly forecast of cash inflows and outflows with its required financing. The main objective of the system is to ensure that there is an efficient management of Government's cash flow so as to avoid any wide fluctuations in Government borrowing that can undermine the conduct of monetary policy.
- **Establishment of National Revenue Authority:** The revenue administration reforms have started and steering and project teams have been formed. The reform will incorporate some aspects of E-Government/E-Ghana

project that are intended to computerize domestic tax administration procedures.

Labour Issues

80. Madam Speaker, Government has successfully negotiated 2009 wage settlements with public sector workers. The roadmap for the implementation of the Single Spine Salary Structure (SSSS) is being pursued to ensure that the new salary structure is implemented in 2010.
81. Additionally, Government has paid the salary arrears of GH¢951,000 for June and July 2009 to Ghana Railway Corporation staff. Arrangements are far advanced to pay arrears to this corporation's retrenched staff amounting to GH¢566,204.

Public Safety

82. Madam Speaker, in the 2009 budget, Government promised to improve the capacity of the security agencies to ensure personal safety and security of the citizenry. In fulfillment of this, Government has increased the supply of logistics to the security agencies. This has led to a massive reduction in the crime rate.

SECTION 5: CHALLENGES

83. The implementation of the 2009 Budget during the first half of the year has not been without challenges. Government is confronted with a number of issues which would have to be managed in order to meet the fiscal objectives. These challenges are in the energy, roads and transport sectors as well as the payment of huge judgment debts.
84. Madam Speaker, MDAs have submitted outstanding arrears and commitments related to 2008 amounting to GH¢1.7 billion, which is far in excess of the provision of GH¢533.5 million made for the clearance of arrears and commitments in the 2009 Budget. This information was not made available by the MDAs at the time of the budget preparation. The arrears and commitments are currently being subjected to due diligence and audit to ascertain their authenticity or otherwise.
85. Madam Speaker, there has been a growing concern for the number of court judgments against Government. This has resulted in the payment of judgment debt amounting to GH¢49.2 million against a budget provision of GH¢30 million. Government is still saddled with an additional GH¢100.0 million court judgment debts, including land compensations which date back to the immediate post independence period, and these are being paid as part of a consolidation of our democratic process.
86. The quantum of these court judgment debts increased substantially over the last eight years due to bad governance. In situations where local and foreign courts had ruled that payments should be effected, Government was adamant. This resulted in astronomical compounded interests, loss of profits claims and damages which we are now compelled to pay.
87. The indebtedness of TOR, VRA and BOST continue to pose major challenges to the economy. Ghana Commercial Bank's (GCB) exposure to the oil sector stands at about GH¢989.7 million, while the indebtedness of the sector to the Standard

Chartered Bank is about US\$165 million. As a result, GCB is not able to establish Letters of Credit for the import of crude oil. This fiscal risk to the economy has received the attention of His Excellency the President, who has instructed that the debt of GCB be restructured to give some fiscal space.

SECTION 6: REVISED BUDGET ESTIMATES

88. Madam Speaker, since the 2009 Budget was approved by this august House, there have been some developments in the economy, especially with regard to interest costs associated with domestic borrowing. As a result of the build up in the stock of domestic debt and associated high cost of borrowing, as well as the need to liquidate some arrears and outstanding commitments, payments will exceed earlier estimates for 2009. Consequently, resources will be required to meet these additional payments.
89. Madam Speaker, Government is determined to achieve the fiscal deficit target of 9.4 percent of GDP indicated in the 2009 Budget. In this regard, new fiscal measures on both the revenue and expenditure sides have been identified. The new measures are outlined below:

Revenue Enhancing Measures

90. **Removal of Exemptions:** We have observed a consistent reduction in import duty exemptions and concessions granted during the first six months of the year. The outturn for tax exemptions was GH¢180.2 million against an estimate of GH¢209.1 million indicating a revenue inflow to the Consolidated Fund of about GH¢ 28.9 million.
91. Government is of the view that more revenue can be made through an immediate elimination of exemptions granted under special permits and general concessions, as well as the reduction of some exemptions granted under our investment incentives. To ensure that additional revenue is generated from this measure, the Customs, Excise and Preventive Service (CEPS), Value Added Tax (VAT) Service and the Ghana Investment Promotion Centre (GIPC) are to ensure that the necessary approval channels are followed judiciously.

92. **National Fiscal Stabilisation Levy Act:** The National Fiscal Stabilisation Levy Act approved by this House in July, 2009 is to raise revenue for fiscal stabilization of the economy. It imposes a five (5) percent levy on the profits of banks, insurance companies, non-bank financial institutions, breweries, mining, tobacco and communication companies. This is expected to generate an additional revenue of GH¢11 million for the rest of the year.
93. Madam Speaker, the revenue measures outlined above will result in additional net revenue of GH¢99.8 million. This together with GH¢153.0 million expected from cocoa revenue, will generate total additional receipts of GH¢252.8 million.
94. **Statutory Funds:** As a result of the expected import Value Added Tax (VAT), it is estimated that transfers to the Ghana Education Trust Fund, National Health Insurance Fund (NHIF) and the District Assemblies Common Fund (DACF) which are directly linked to revenue performance will in total, increase by GH¢4.3 million, GH¢16.6 million and GH¢7.0 million respectively. This means more development projects in constituencies of honourable Members of Parliament.
95. An additional amount of about GH¢ 109.5 million has been provided under the outstanding commitments and reserve fund in the budget to cater for the liquidation of arrears and some outstanding commitments, and the creation of an escrow account for the uptake of compressed gas from the West Africa Gas Pipeline.
96. In his first Sessional Address, His Excellency the President announced that this year marks the 100th birthday anniversary of Dr. Kwame Nkrumah, an illustrious founder of our nation. His Excellency the President mentioned that this anniversary will be commemorated as an African event in an appropriate and fitting manner. Arrangements are far advanced for this activity.

Expenditure Rationalisation

97. **Non-development capital expenditure:** As a contingency measure to ensure that the budget deficit target of 9.4 percent of GDP is achieved, Government has instituted expenditure reduction measures in domestic-financed capital expenditure by GH¢45 million. This reduction will mainly affect non-developmental capital expenditures, including the purchase of official vehicles and office equipment such as furniture and air conditioners.

Financing

98. Madam Speaker, you may recall that we received an amount of US\$535 million from the World Bank for budget support (US\$300 million), transport sector support (US\$225 million), and Natural Resource and Environmental Governance Support (US\$10 million), for which this House approved. Out of the budget support of US\$300 million, an amount of US\$150 million had already been factored into the 2009 Budget that was approved by this House in March 2009, while the US\$150 million was an additionality.
99. As a result of the additional budget support from the World Bank, the net domestic financing of the budget has been reduced to GH¢1,032.8 million, while programme loans have increased to GH¢611.7 million.
100. Madam Speaker, we also successfully negotiated a three-year loan from the International Monetary Fund (IMF) to the tune of US\$602 million for balance of payments support. This is expected to increase the foreign exchange reserves of the Bank of Ghana. The G-20 decision is to increase the IMF's Special Drawing Rights (SDR) allocation by US\$250 billion to member countries. It is expected that Ghana will receive US\$ 425 million before the end of 2009 without any conditionalities.

SECTION 7:OUTLOOK

101. Madam Speaker, the contagion effects of the global financial crisis pose a threat to Ghana's economy through reduced demand for export products, lower remittances and tourism earnings and a reduction in foreign capital inflows. As a result, real economic growth will slow to some extent but will remain strong. We will therefore continue to maintain prudent and flexible macroeconomic policy management in order to adjust to the global crisis and achieve the growth target for the year.
102. It is projected that inflation will fall to 14.5 percent by the end of the year given the ongoing fiscal consolidation, slowdown in the pace of monetary expansion, increased stabilization in the value of the cedi and the expected good harvest season.
103. Madam Speaker, the Bank of Ghana has begun to accumulate significant stock of foreign exchange reserves, to provide a buffer for our balance of payments. Expected cocoa-related inflows and disbursements from our development partners will contribute to sustain the level of reserves for the rest of the year.
104. The liquidation of the stock of arrears and commitments that have been identified, could pose a challenge to the attainment of our fiscal objectives. We are however, determined to pursue policies that will help to sustain aggregate demand in the economy without jeopardizing fiscal sustainability, the control of inflation, and external stability.

SECTION 8: CONCLUSION

105. Madam Speaker, the economic challenges that the NDC Government faced when we took over the administration of the country was to deal with the imbalances in the economy to restore macro-stability and fiscal sustainability. The 2009 Budget therefore sought to gradually adjust and consolidate public spending to reduce the pressures on inflation, exchange rate, and the balance of payments. This, we believe, was necessary to pave the way for a sustainable economic growth, job creation, and improvement in the livelihood of the citizens for a better Ghana.
106. Madam Speaker, the record in the first half of the year points to significant successes in a number of areas:
- we have managed to maintain the budget deficit at 4.5 percent of the projected GDP;
 - the inflation pressures built up in late 2008 have significantly reduced and the rate has stabilised in recent months, and the inflation rate even started dropping in July;
 - the rate of depreciation of the cedi has also slowed down significantly, and there is imminent convergence of the interbank market and forex bureau market exchange rates;
 - there has been a sharp drop in the trade deficit causing the current account to register a surplus in many years;
 - by end June this year, the gross international reserves of the country was enough to cover nearly two months of imports of goods and services, a target that was set for the whole year;

- we have also successfully managed to secure respectable budgetary, project and balance of payments support from our development partners; and
- confidence and stability in the economy is rapidly being restored due to the positive impact of the government's fiscal and macroeconomic policies being implemented.

107. Madam Speaker, the continuation of the fiscal adjustment and consolidation in the second half of the year is imperative in propelling the economy onto a sustainable growth trajectory. We need to do this to ensure that we have a robust economy in place before the oil revenues are generated. With a solid macroeconomic foundation, and a careful management of the expectations of the oil economy, we will succeed in laying a firm basis for accelerated and shared growth for a better Ghana.

- Madam Speaker, I hereby request the honourable House to approve the supplementary estimates of GH¢252.8 million in compliance with Article 179 (8) of the Constitution and Standing Order 143 of this House.

108. Madam Speaker, the Appropriation Bill covering this Supplementary Estimates will be submitted to this august House in conformity with Article 179 (9) of the Constitution of the Republic of Ghana and Standing Order 144 of this august House.

109. Madam Speaker, I beg to move.

Appendix Table 1: Ghana: Medium Term Expenditure Framework - Jan - June 2008-2009
Total Receipts

	2008	2009	2009
	Prov. Outturn	Prog	Prov. Outturn
	Jan-June	Jan-June	Jan-June
Total Receipts	3,928,201,850	4,892,376,186	4,095,201,037
Total revenue & grants	2,560,514,748	3,252,343,373	2,998,569,871
Total revenue	2,024,134,506	2,581,386,628	2,410,998,917
Tax revenue	1,827,225,706	2,273,749,997	2,162,643,917
Direct taxes	546,870,600	673,309,639	708,485,400
Personal	238,975,254	298,060,498	319,753,863
Self employed	30,783,839	33,871,545	34,318,493
Companies	227,637,338	285,161,329	287,694,224
Other direct taxes	49,474,169	56,216,267	66,718,820
Indirect taxes	689,572,159	869,988,577	751,083,549
Value Added Tax	454,832,273	618,711,166	566,725,678
Domestic	186,683,031	246,101,475	179,565,204
Imports	268,149,242	372,609,691	387,160,474
Petroleum	204,860,000	221,057,790	159,304,200
Excise	29,879,886	30,219,621	25,053,671
International trade taxes	285,549,758	402,484,118	369,598,226
Import duties	285,549,758	395,725,118	362,839,226
Export duty	0	6,759,000	6,759,000
National Health Insurance Levy	127,472,900	140,862,753	153,291,900
CEPS Collection	56,670,300	80,100,300	84,661,900
VATS Collection	32,426,484	38,747,812	38,470,000
SSNIT Contribution	38,376,116	22,014,641	30,160,000
Other Revenue Measures	1,500,000	39,004,067	45,170,000
Import Exemptions	177,760,288	209,119,550	180,184,841
Non-tax revenue	195,408,800	246,617,923	203,185,000
Other revenue	0	0	0
Grants	536,380,242	670,956,746	587,570,954
Project	225,425,172	251,807,510	273,600,000
Programme	230,862,300	316,270,696	244,363,300
HIPC Assistance	48,728,380	60,501,895	35,759,933
Multilateral Debt Relief Initiative (MDRI)	31,364,391	42,376,644	33,847,721
International Monetary Fund	0	0	0
World Bank	23,809,573	36,064,120	26,960,716
African Development Bank	7,554,818	6,312,524	6,887,005
Other receipts	1,160,845,302	1,640,032,813	1,096,631,167
Loans	375,181,032	981,600,728	421,333,900
Project loans	276,483,132	458,485,449	380,640,000
Programme loans	98,697,900	523,115,279	40,693,900
Divestiture receipts	15,368,300	5,500,000	5,500,000
Exceptional financing	38,768,870	62,296,332	35,575,767
External arrears	0	0	0
Clearance	0	0	0
Current (accumulation)	0	0	0
Financing gap	0	0	0
Traditional debt rescheduling	0	0	0
HIPC Relief (Cologne terms)	38,768,870	62,296,332	35,575,767
Domestic Financing (Borrowing)	731,527,100	590,635,753	634,221,500
Banking	476,942,100	185,305,984	396,714,200
Non- bank	155,672,200	335,329,769	137,507,300
o/w HIPC-financed debt reduction	2,657,328	0	0
Other domestic	98,912,800	70,000,000	70,000,000
Other financing	206,841,800	0	0
o/w Capital Market Borrowing	206,841,800	0	0
Deferred interest payments on inflation-indexed bonds	0	0	0
Nominal GDP	17,617,600,000	21,630,000,000	21,630,000,000

Appendix Table 2: Ghana : Medium Term Expenditure Framework -Jan - June- 2008-2009
Total Payments

	2008	2009	2009
	Prov. Outturn	Prog	Prov. Outturn
	Jan-June	Jan-June	Jan-June
Total Payments	3,928,201,850	4,892,376,186	4,095,201,037
Statutory Payments	1,088,696,197	1,299,811,305	1,161,542,426
External Debt Service	359,602,200	371,310,522	232,128,800
Principal	271,598,800	234,264,387	125,683,900
Interest	88,003,400	137,046,135	106,444,900
Domestic Interest	192,305,900	264,718,369	342,558,100
District Assemblies Common Fund	115,221,731	145,939,868	135,147,393
Transfers to Households	177,937,083	234,636,698	188,025,706
Pensions	64,084,671	91,983,153	86,627,670
Gratuities	21,182,044	38,691,374	30,797,176
Social Security	92,670,368	103,962,171	70,600,860
National Health Fund (NHF)	100,500,000	113,974,026	116,683,547
Education Trust Fund	101,836,973	108,822,773	83,325,708
Road Fund	40,202,280	58,167,984	61,142,091
Petroleum-related Fund	1,090,029	2,241,065	2,531,081
Discretionary Payments	2,839,505,654	3,592,564,882	2,933,658,612
Personal Emoluments (MDAs- Item 1)	786,326,014	1,072,590,339	1,099,691,202
Administration (MDAs- Item 2)	151,907,218	120,707,414	167,390,527
Service (MDAs- Item 3)	98,169,159	58,993,195	51,081,613
Domestic Investment (Item 4) (Excl. Statutory Fi	353,805,132	76,094,201	103,245,055
Net Lending	0	0	0
New Loans	0	0	0
Loan Recoveries	0	0	0
Foreign-financed Investment (Item 4)	501,908,304	710,292,959	654,240,000
			0
Strategic Oil Stocks	0	0	0
Tax Refunds	11,968,901	17,281,775	13,644,375
Outstanding Commitments	154,916,884	273,046,473	292,621,108
Roads	46,912,217	80,000,000	60,199,685
Non-roads	108,004,667	193,046,473	232,421,423
Utility Price Subsidies	0	0	0
o/w TOR's Under-recovery	0	0	0
Other Transfers	339,082,998	408,977,379	310,286,620
Retention of Internally-generated funds (IGFs)	135,690,000	178,641,570	120,700,000
Safety net for petroleum deregulation	21,335,709	13,682,778	7,034,964
Lifeline consumers of electricity	4,297,000	7,533,481	2,366,814
Tax Expenditure (Exemptions)	177,760,288	209,119,550	180,184,841
Reserve Fund	211,636,811	127,502,799	64,868,066
HIPC-financed Expenditure	83,284,700	67,152,771	92,038,800
MDRI-financed Expenditure	51,143,300	44,586,540	35,440,700
Divestiture Liabilities	0	0	0
Repayment of Domestic Debt	65,282,300	0	0
Banking	65,282,300	0	0
Non- bank	0	0	0
o/w Reduction due to HIPC-fin'd debt buyback	0	10,052,809	0
Redemption of Deferred Interest Payments on	0	0	0
 Inflation-indexed Bonds			
Discrepancy	30,073,933	615,339,037	49,110,545

Appendix Table 2B: Ghana: Medium Term Expenditure Framework - 2008-2009
Total Receipts

	2008 Prov. Outturn Jan-June	2009 Prog Jan-June	2009 Prov. Outturn Jan-June
Total receipts	3,928,201,850	4,892,376,186	4,095,201,037
Total Revenue (domestic tax and non-tax)	2,024,134,506	2,581,386,628	2,410,998,917
Grants	536,380,242	670,956,746	587,570,954
Project	225,425,172	251,807,510	273,600,000
Programme	230,862,300	316,270,696	244,363,300
HIPC Assistance	48,728,380	60,501,895	35,759,933
Multilateral Debt Relief Initiative (MDRI)	31,364,391	42,376,644	33,847,721
International Monetary Fund	0	0	0
World Bank	23,809,573	36,064,120	26,960,716
African Development Bank	7,554,818	6,312,524	6,887,005
Loans	375,181,032	981,600,728	421,333,900
Project Loans	276,483,132	458,485,449	380,640,000
Programme Loans	98,697,900	523,115,279	40,693,900
Divestiture Receipts	15,368,300	5,500,000	5,500,000
Domestic Financing (Borrowing)	731,527,100	590,635,753	634,221,500
Other Financing	180,339,200	0	0
Deferred Interest Payments on Inflation-indexed	0	0	0
Exceptional Financing (HIPC Debt Relief)	38,768,870	62,296,332	35,575,767
Memo items			
Overall Cash Balance (including Divestiture)	-1,015,437,702	-1,400,268,426	-965,447,267
percent of GDP	-5.8	-6.5	-4.5
Overall balance (cash - excluding divestiture)	-1,000,732,069	-790,429,389	-921,836,722
percent of GDP	-5.7	-3.7	-4.3
Overall balance (cash, exclu divestiture and sovereign bond)	-793,890,269	-790,429,389	-921,836,722
percent of GDP	-4.5	-3.7	-4.3
Overall balance (cash, inclu divest. excluding sovereign bor)	-808,595,902	-1,400,268,426	-965,447,267
percent of GDP	-4.6	-6.5	-4.5
Domestic Revenue	2,024,134,506	2,581,386,628	2,410,998,917
percent of GDP	11.5	11.9	11.1
Domestic Primary Expenditure	2,654,186,262	3,273,007,864	2,573,653,029
percent of GDP	15.1	15.1	11.9
Domestic Primary Balance	-630,051,757	-691,621,236	-162,654,113
percent of GDP	-3.6	-3.2	-0.8
Nominal GDP	17,617,600,000	21,630,000,000	21,630,000,000

Appendix Table 3: Ghana: Medium Term Expenditure Framework - 2009
Total Receipts

	2009 Budget Estimate	2009 Revised Budget	2009 Supplementary Budget
Total Receipts	9,793,131,406	10,045,922,354	252,790,947
Total revenue & grants	7,237,057,462	7,474,226,021	237,168,559
Total revenue	5,935,117,462	6,172,136,021	237,018,559
Tax revenue	5,117,108,436	5,210,915,936	93,807,500
Direct taxes	1,554,542,500	1,565,350,000	10,807,500
Personal	662,714,000	662,710,000	-4,000
Self employed	82,480,000	82,480,000	0
Companies	677,075,000	677,080,000	5,000
Other direct taxes	132,273,500	143,080,000	10,806,500
Indirect taxes	1,917,425,579	1,938,813,190	21,387,611
Value Added Tax	1,418,531,416	1,439,919,027	21,387,611
Domestic	593,831,416	577,219,027	-16,612,389
Imports	824,700,000	862,700,000	38,000,000
Petroleum	436,200,000	436,200,000	0
Excise	62,694,163	62,694,163	0
International trade taxes	922,508,941	967,508,941	45,000,000
Import duties	875,500,000	920,500,000	45,000,000
Export duty	47,008,941	47,008,941	0
National Health Insurance Levy	375,209,162	391,821,551	16,612,389
CEPS Collection	159,000,000	159,000,000	0
VATS Collection	98,831,416	115,443,805	16,612,389
SSNIT Contribution	117,377,746	117,377,746	0
Other Revenue Measures	109,780,000	100,000,000	-9,780,000
Import Exemptions	464,800,000	464,800,000	0
Non-tax revenue	590,851,280	743,842,339	152,991,059
Other revenue	0	0	0
Grants	1,301,940,000	1,302,090,000	150,000
Project	683,085,000	683,085,000	0
Programme	395,550,000	395,700,000	150,000
HIPC Assistance	130,035,000	130,035,000	0
Multilateral Debt Relief Initiative (MDRI)	93,270,000	93,270,000	0
International Monetary Fund	0	0	0
World Bank	83,850,000	83,850,000	0
African Development Bank	9,420,000	9,420,000	0

Appendix Table 3B: Ghana: Medium Term Expenditure Framework - 2009
Total Receipts

	2009 Budget Estimate	2009 Revised Budget	2009 Supplementary Budget
Other receipts	2,556,073,945	2,571,696,333	15,622,388
Loans	1,029,180,000	1,404,180,000	375,000,000
Project loans	792,480,000	792,480,000	0
Programme loans	236,700,000	611,700,000	375,000,000
Divestiture receipts	0	0	0
Exceptional financing	134,700,000	134,700,000	0
External arrears	0	0	0
Clearance	0	0	0
Current (accumulation)	0	0	0
Financing gap	0	0	0
Traditional debt rescheduling	0	0	0
HIPC Relief (Cologne terms)	134,700,000	134,700,000	0
Domestic Financing (Borrowing)	1,392,193,945	1,032,816,333	-359,377,612
Banking	1,392,193,945	1,032,816,333	-359,377,612
Non- bank	0	0	0
o/w HIPC-financed debt reduction	0	0	0
Other domestic	0	0	0
Other financing	0	0	0
o/w Capital Market Borrowing	0	0	0
Deferred interest payments on inflation-indexed bonds	0	0	0
Nominal GDP	21,404,300,000	21,630,000,000	21,630,000,000

Appendix Table 4: Ghana : Medium Term Expenditure Framework - 2009
Total Payments

	2009 Budget Estimate	2009 Revised Budget	2009 Supplementary Budget
Total Payments	9,793,131,406	10,045,922,354	252,790,947
Statutory Payments	3,012,736,795	3,156,003,128	143,266,333
External Debt Service	855,127,500	855,127,500	0
Principal	537,929,265	537,929,265	0
Interest	317,198,235	317,198,235	0
Domestic Interest	507,659,141	623,000,000	115,340,859
District Assemblies Common Fund	345,687,483	352,723,045	7,035,562
Transfers to Households	527,203,604	527,203,604	0
Pensions	211,915,174	211,915,174	0
Gratuities	95,620,262	95,620,262	0
Social Security	219,668,168	219,668,168	0
National Health Fund (NHF)	375,209,162	391,821,551	16,612,389
Education Trust Fund	275,077,883	279,355,405	4,277,522
Road Fund	123,282,407	123,282,407	0
Petroleum-related Fund	3,489,615	3,489,615	0
Discretionary Payments	6,780,394,611	6,889,919,226	109,524,615
Personal Emoluments (MDAs- Item 1)	2,496,206,126	2,171,374,733	-324,831,393
Administration (MDAs- Item 2)	266,324,815	593,324,815	327,000,000
Service (MDAs- Item 3)	186,641,387	186,641,387	0
Domestic Investment (Item 4) (Excl. Statutory F)	305,764,500	260,129,449	-45,635,051
Net Lending	-2,000,000	-2,000,000	0
New Loans	0	0	0
Loan Recoveries	-2,000,000	-2,000,000	0
Foreign-financed Investment (Item 4)	1,475,565,000	1,475,565,000	0
Strategic Oil Stocks	0	0	0
Tax Refunds	43,142,000	43,142,000	0
Outstanding Commitments	533,488,799	626,488,799	93,000,000
Roads	80,000,000	135,000,000	55,000,000
Non-roads	453,488,799	491,488,799	38,000,000
Utility Price Subsidies	0	0	0
Other Transfers	905,703,984	905,703,984	0
Safety net for petroleum deregulation	35,022,674	35,022,674	0
Lifeline consumers of electricity	19,000,000	19,000,000	0
Tax Expenditure (Exemptions)	464,800,000	464,800,000	0
Reserve Fund	344,500,000	404,491,059	59,991,059
HIPC-financed Expenditure	131,788,000	131,788,000	0
MDRI-financed Expenditure	93,270,000	93,270,000	0
Divestiture Liabilities	0	0	0
Repayment of Domestic Debt	0	0	0
Banking	0	0	0
Non- bank	0	0	0
o/w Reduction due to HIPC-fin'd debt buyback	0	0	0
Redemption of Deferred Interest Payments on Inflation-indexed Bonds	0	0	0
Discrepancy	0	0	0

Appendix Table 4B: Ghana: Medium Term Expenditure Framework - 2009
Total Receipts

	2009 Budget Estimate	2009 Budget June Projections	2009 Supplementary Budget
Total receipts	9,793,131,406	10,045,922,354	252,790,947
Total Revenue (domestic tax and non-tax)	5,935,117,462	6,172,136,021	237,018,559
Grants	1,301,940,000	1,302,090,000	150,000
Project	683,085,000	683,085,000	0
Programme	395,550,000	395,700,000	150,000
HIPC Assistance	130,035,000	130,035,000	0
Multilateral Debt Relief Initiative (MDRI)	93,270,000	93,270,000	0
International Monetary Fund	0	0	0
World Bank	83,850,000	83,850,000	0
African Development Bank	9,420,000	9,420,000	0
Loans	1,029,180,000	1,404,180,000	375,000,000
Project Loans	792,480,000	792,480,000	0
Programme Loans	236,700,000	611,700,000	375,000,000
Divestiture Receipts	0	0	0
Domestic Financing (Borrowing)	1,392,193,945	1,032,816,333	-359,377,612
Other Financing	0	0	0
Deferred Interest Payments on Inflation-indexed	0	0	0
Exceptional Financing (HIPC Debt Relief)	134,700,000	134,700,000	0
Memo items			
Overall Cash Balance (including Divestiture)	-2,018,144,680	-2,033,767,068	-15,622,388
percent of GDP	-9.4	-9.4	0.0
Overall balance (cash - excluding divestiture)	-2,018,144,680	-2,033,767,068	-15,622,388
percent of GDP	-9.4	-9.4	0.0
Overall balance (cash, exclu divestiture and sovereign bond)	-2,018,144,680	-2,033,767,068	-15,622,388
percent of GDP	-9.4	-9.4	0.0
Overall balance (cash, inclu divest. excluding sovereign bor)	-2,018,144,680	-2,033,767,068	-15,622,388
percent of GDP	-9.4	-9.4	0.0
Domestic Revenue	5,935,117,462	6,172,136,021	237,018,559
percent of GDP	27.7	28.5	0.8
Domestic Primary Expenditure	6,421,290,966	6,465,741,055	44,450,089
percent of GDP	30.0	29.9	-0.1
Domestic Primary Balance	-486,173,504	-293,605,034	192,568,470
percent of GDP	-2.3	-1.4	0.9
Nominal GDP	21,404,300,000	21,630,000,000	21,630,000,000

Appendix Table 5: Supplementary Budget (Receipts)- 2009

2009
Supplementary
Budget

Total Receipts	252,790,947
Total revenue & grants	237,168,559
Total revenue	237,018,559
Tax revenue	93,807,500
Direct taxes	10,807,500
Personal	-4,000
Self employed	0
Companies	5,000
Other direct taxes	10,806,500
Indirect taxes	21,387,611
Value Added Tax	21,387,611
Domestic	-16,612,389
Imports	38,000,000
Petroleum	0
Excise	0
International trade taxes	45,000,000
Import duties	45,000,000
Export duty	0
National Health Insurance Levy	16,612,389
CEPS Collection	0
VATS Collection	16,612,389
SSNIT Contribution	0
Other Revenue Measures	-9,780,000
Import Exemptions	0
Non-tax revenue	152,991,059
Other revenue	0
Grants	150,000
Project	0
Programme	150,000
HIPC Assistance	0
Multilateral Debt Relief Initiative (MDRI)	0
International Monetary Fund	0
World Bank	0
African Development Bank	0

Appendix Table 5B: Supplementary Budget (Receipts)- 2009	
	2009 Supplementary Budget
Other receipts	15,622,388
Loans	375,000,000
Project loans	0
Programme loans	375,000,000
Divestiture receipts	0
Exceptional financing	0
External arrears	0
Clearance	0
Current (accumulation)	0
Financing gap	0
Traditional debt rescheduling	0
HIPC Relief (Cologne terms)	0
Domestic Financing (Borrowing)	-359,377,612
Banking	-359,377,612
Non- bank	0
o/w HIPC-financed debt reduction	0
Other domestic	0
Other financing	0
o/w Capital Market Borrowing	0
Deferred interest payments on inflation-indexed bonds	0
Nominal GDP	21,630,000,000

Appendix Table 6: Supplementary Budget (Payments) - 2009

	2009 Supplementary Budget
Total Payments	252,790,947
Statutory Payments	143,266,333
External Debt Service	0
Principal	0
Interest	0
Domestic Interest	115,340,859
District Assemblies Common Fund	7,035,562
Transfers to Households	0
Pensions	0
Gratuities	0
Social Security	0
National Health Fund (NHF)	16,612,389
Education Trust Fund	4,277,522
Road Fund	0
Petroleum-related Fund	0
Discretionary Payments	109,524,615
Personal Emoluments (MDAs- Item 1)	-324,831,393
Administration (MDAs- Item 2)	327,000,000
Service (MDAs- Item 3)	0
Domestic Investment (Item 4) (Excl. Statutory)	-45,635,051
Net Lending	0
New Loans	0
Loan Recoveries	0
Foreign-financed Investment (Item 4)	0
Strategic Oil Stocks	0
Tax Refunds	0
	0
Outstanding Commitments	93,000,000
Roads	55,000,000
Non-roads	38,000,000
Utility Price Subsidies	0
Other Transfers	0
Safety net for petroleum deregulation	0
Lifeline consumers of electricity	0
Tax Expenditure (Exemptions)	0
Reserve Fund	59,991,059
HIPC-financed Expenditure	0
MDRI-financed Expenditure	0
Divestiture Liabilities	0
Repayment of Domestic Debt	0
Banking	0
Non- bank	0
o/w Reduction due to HIPC-fin'd debt buyback	0
Redemption of Deferred Interest Payments on Inflation-indexed Bonds	0
Discrepancy	0

Appendix Table 6 B: Supplementary Budget (Receipts) - 2009

	2009 Supplementary Budget
Total receipts	252,790,947
Total Revenue (domestic tax and non-tax)	237,018,559
Grants	150,000
Project	0
Programme	150,000
HIPC Assistance	0
Multilateral Debt Relief Initiative (MDRI)	0
International Monetary Fund	0
World Bank	0
African Development Bank	0
Loans	375,000,000
Project Loans	0
Programme Loans	375,000,000
Divestiture Receipts	0
Domestic Financing (Borrowing)	-359,377,612
Other Financing	0
Deferred Interest Payments on Inflation-indexed	0
Exceptional Financing (HIPC Debt Relief)	0
<hr/>	
Memo items	
Overall Cash Balance (including Divestiture)	-15,622,388
percent of GDP	0.0
Overall balance (cash - excluding divestiture)	-15,622,388
percent of GDP	0.0
Overall balance (cash, exclu divestiture and sovereign bor	-15,622,388
percent of GDP	0.0
Overall balance (cash, inclu divest. excluding sovereign b	-15,622,388
percent of GDP	0.0
Domestic Revenue	237,018,559
percent of GDP	0.8
Domestic Primary Expenditure	44,450,089
percent of GDP	-0.1
Domestic Primary Balance	192,568,470
percent of GDP	0.9
Nominal GDP	21,630,000,000