

APPENDIX1 GHANA'S STATUS OF CONVERGENCE CRITERIA

Primary Criteria		Target	2000	2001	2002	2003	2004	2005 June	2005	2006 June
1	Inflation Rate (end period)	Single Digit	40.5	21.3	15.2	23.6	11.8	15.7	14.8	10.5
2	Fiscal Deficit excl. grants /GDP (%)	≤4%	10.1	13.2	8.3	7.5	8.1	4.7	7.5	8.6
3	Central Bank Financing of Fiscal Deficit as % of previous	≤10%	57.9	0	12.1	0	0	0	0	0
4	Gross External Reserves (Months of Imports)	≥3 months	0.8	1.4	2.6	4.9	4.5	4.5	4	3.6
Number of Criteria Satisfied			0	1	0	2	2	2	2	2

Secondary Criteria		Target	2000	2001	2002	2003	2004	2005 June	2005	2006 June
1	Domestic arrears*	0	Na	Na	Na	Na	Na			
2	Tax revenue/GDP ratio	≥20%	16.3	17.2	17.5	20.2	22.4	21.8	23.9	18.6
3	Salary mass/Total tax revenue	≤35%	51.1	52.9	57.2	49.6	46.1	44.7	44.8	47.5
4	Domestic Financed Investment/Tax Revenue	≥20%	23.5	16.4	13.2	17.2	17.3	17.2	16	20.3
5	Real Interest Rate	>0	-22.5	-6.8	-2.2	-13.9	-2.3	-6.7	-8.4	-4.1
6	Exchange rate (annual change)	+/-15%	49.2	5	13.1	5.2	2.2	2.5	2	3.7
Number of Criteria Satisfied			1	1	1	2	2	2	2	2

Source: WAMI