

**FIRST BUSINESS ROUNDTABLE WITH GOVERNMENT OF
GHANA**

OCTOBER 9TH-10TH 2007, M-PLAZA, ACCRA

KEYNOTE ADDRESS

BY

KWADWO BAAH-WIREDU, M.P.

MINISTER OF FINANCE AND ECONOMIC PLANNING

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**THE HON. MINISTER OF FINANCE AND ECONOMIC PLANNING
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**Your Excellency, President John Agyekum Kufuor;
Honourable Colleague Ministers;
Distinguished Regional Director, Africa, Economist Intelligence Unit;
Invited Panelist for this roundtable;
The Corporate Network members;
Distinguished Guests;
Ladies and Gentlemen;**

It gives me great pleasure to give the keynote address at this First Business Roundtable with Government during this 50th anniversary of Ghana's independence.

2. The theme for our discussion '**Ghana at 50: West Africa's Business Gateway**' is very consistent with the current growth objectives of government which aims at ensuring that Ghana reforms its institutions to increase efficiency from the activities of the business community.

3. Cognizant of the impact of globalization on business and international trade, the NPP Government has, since 2001, pursued policies that aim at harnessing the gains of globalization on growth and productivity.

4. We note that over the last two decades, the world economy has become increasingly integrated with the rapid expansion of the flow of goods and services, labour and capital.

5. Trade liberalization and promotion of business development is key on government agenda, due to its potential of increasing wealth creation and enhancing faster productivity growth, thereby, reducing poverty. However, the internal distributional consequences on capital and labour in Ghana may be of great concern.

6. For instance, when Mexico joined the General Agreement on Tariffs and Trade (GATT) in the mid-1980s, it opened its borders to the less skilled labour- abundant world, resulting in the rising wage inequality it experienced in the late 1980s. We believe that lessons could be learned from this Mexican experience.

ECONOMIC ACHIEVEMENTS

7. On our part, we as a government, have worked hard to set up a stable economic environment for businesses to thrive. With the assistance of our development partners, including the private sector the Ghanaian economy has witnessed significant improvement in macroeconomic management and indicators, including the following:

- A steady increase in GDP growth, from 3.7 percent in 2000 to 6.2 percent in 2006;
- A significant fall in inflation, from 40.5 in 2000 to 10.6 in August 2007;
- Stability in the exchange rate of the cedi to the major international currencies; and
- Domestic debt has declined from 24.0 percent as at December, 2000 to 13.6 percent in June, 2007.

COST OF DOING BUSINESS IN GHANA

8. Mr. Chairman, the Government of Ghana has implemented policies for attracting businesses, maintaining their growth path and ensuring that government does not crowd out the private sector.

9. One critical policy that supports this policy is the reduction in corporate taxes from 35 percent in 2000 to 25 percent in 2007.

10. Also, businesses in Ghana have started benefiting from the reduction in the risk of transacting business in Ghana as a result of our currency re-denomination exercise.

11. Mr. Chairman, in considering the Cost of Doing Business, Ghana has been ranked for the second year running among the top 10 reformer countries in the world. We are continually increasing the efficiency of our public services through our reform programmes in order to among others, further reduce the cost of doing business in Ghana.

12. Also, the changes in operations at our ports have helped to speed up the clearing of imports and, thus, significantly reduced the time spent at the ports. In the same vein, our new civil procedure rules and mandatory arbitration and mediation have reduced the time it takes to enforce contracts in Ghana.

13. Another sector of interest to the business community, which is of growing importance to government, is the financial sector.

A number of reforms have been pursued, while others are on-going.

Some of these reforms include the:

- Foreign Exchange Act 2006 (Act 723);
- Insurance Act 2006 (Act 724);
- Central Depository System Act 2007 (Act 733); and
- Banking Amendment Act 2007 (Act 738).

Other reforms include the:

- Anti Money Laundering Bill;
- Credit Union Bill;
- Lenders and Borrowers Bill;
- Non Banking Financial Institutions Bill;
- Municipal Finance Authority Bill;
- Bills and Cheques Bill; and
- Review of the Securities Industry Law (PNDCL 333).

14. Mr. Chairman, Investor confidence which is highly dependent on good governance and a credible transparent regulatory framework, is being heightened in Ghana.

15. Government has demonstrated its commitment to the philosophy and practice of market liberalization policies as evidenced by the ongoing successful liberalization.

It is this practice and other efforts of government that have given credence to the favourable investment climate in Ghana.

CHALLENGES

16. The aim of Government is to accelerate GDP growth to enable the country attain a middle income status by 2015.

17. Despite the many positive developments on both the macro and micro fronts, we admit that some of the underlying fundamentals need to be looked at critically.

18. Firstly, the government requires the support of the private sector, the business community and our development partners to sustain our current growth pattern and create jobs for our growing labour force.

19. Also, government will need the support of all stakeholders as it channels its efforts at improving our energy, telecommunication and transport infrastructure to help boost the private sector's involvement in economic development.

CONCLUSION

20. Let me conclude by saying that, even though Ghana is 50, we have started thinking about how our country will be when it is 100 years, **The Budget at 2057'.**

21. I strongly believe that our discussions today will go a long way to help us sharpen our thoughts on how to build a more vibrant Business Community in Ghana whose activities can be harnessed to promote high economic growth to enable the country achieve its vision at 100 years.

22. While welcoming everybody, let us all join hands in the struggle to ensure a better Ghana and an excellent business world for our future.

Thank you.