

SPEECH DELIVERED BY H. E. ALHAJI ALIU MAHAMA VICE-PRESIDENT OF THE REPUBLIC OF GHANA AT THE LAUNCHING OF THE 2057 BUDGET BY THE MINISTRY OF FINANCE & ECONOMIC PLANNING AT LABADI BEACH HOTEL ON THURSDAY, 20TH SEPTEMBER 2007

Hon. Ministers of State;
Hon. Members of Parliament;
Country Representatives of the World Bank & the International Monetary Fund;
Excellencies, Members of the Diplomatic Corps;
Nii Mei, Naa Mei;
Distinguished Guests;
Ladies and Gentlemen:

Exactly 50 years ago, on the 20th September 1957, Ghana was received into the Bretton Woods family. That was just 6 months after independence. Fresh as we were as a nation, I can imagine that we must have been full of confidence with chest out when we joined.

Today, on the 50th anniversary of the journey, we are called upon to imagine what 50 years into the future could look like. Typical of the relationship between the Bretton Woods Institutions and their client partner states, we could probably name today's event the 'Ghana/IMF/World Bank project'.

Having received the necessary 'no objection' from the Bank, the 'Ghana/IMF/World Bank project' will this morning attempt to look very broadly at Ghana and Bretton Woods relations yesterday, today and tomorrow.

When the project is deemed to have succeeded at the end of my comments, we will launch our visionary 2057 budget statement.

Distinguished ladies and gentleman, it has been an eventful relationship with the Bank and the IMF. We have had ups and downs. Many of us do not realize that the World Bank was involved in our development agenda right from the beginning.

This is perhaps because in the early days, we were fairly solvent. Even so, but for the endorsement of the Bank which assured Kaiser, Akosombo Dam may not have happened.

Needless to say the Akosombo Dam became the bedrock of industrialization in Ghana. Beyond that, it put the name of Ghana on the engineering and tourism map of the world as it created the then largest man made lake in the world.

Still with yesterday, we recollect how in a valiant effort to fight inflation through devaluation, we ended up in a period of troubled governance and high inflation.

In the subsequent attempts to recover, we find probably the most public face of the Bretton Woods Institutions in Ghana. For many of us, that was the beginning of the era of acronyms. Words like 'reforms', 'stability' and 'take off' became part of our daily language as we run through ERP's, SAP's, ESAF's and many others.

In the event, perhaps the most popular acronym then was PAMSCAD. The Programme of Action to Mitigate the Social Costs of Adjustment, the short form of which was PAMSCAD, was widely known because the difficult policy decisions required for the economic recovery programs seemed to pinch almost everybody quite hard, thus making it mandatory to seek PAMSCAD.

Indeed, some of the policies were so tough that ideological debates raged about whether they could be carried out in a democratic environment.

Of course, today's equivalent of a popular acronym is HIPC. After several years of waiting for the economy to take *off*, the Government of the New Patriotic Party, which had just assumed the reins of power, was compelled to seek debt relief with the support of the Bretton Woods Institutions.

Mr. Chairman, I need not recall the passion and intensity of public involvement at the time. What is important to recognize now is that, with prudent policy choices, careful planning and implementation, Ghana went out of HIPC in record time.

His Excellency President Kufuor's focused vision and tenacity of purpose has been rewarded with the distinction of having the road to his residence renamed 'HIPC junction' by public acclaim.

Today, we have an economy that is moving in the right direction. Policies that would have been thought impossible in an environment of almost absolute liberty like deregulation of utilities and petroleum pricing, have been conceived and implemented with success whilst some are works in progress.

Today, the Government has successfully insulated the economy from so-called external shocks to the point where inflation, interest and exchange rates are stable enough for the private sector to be able to predict and plan with certainty.

Today, we have positive credit ratings from reputable international rating agencies. We are better integrated into the international financial system with the commencement of offshore financial services and the move to issue cedi denominated sovereign bonds on the international market.

Ghana must be proud of itself. The World Bank and the IMF deserve to share in that pride. This is because they have stood by Ghana whilst we proved to the world that a liberal market system could work in a genuine multi-party democratic dispensation in Africa.

However, ladies and gentlemen, this is just the beginning. For a whole generation of Ghanaians who have known nothing but reform all their lives, the next fifty years ought to offer opportunities for real growth. The budget of 2057 is evidence of that.

Distinguished guests, ladies and gentlemen, the 2057 budget is a document that ought to inspire our youth to take the future into their own hands. As stated on page one, and I quote 'we wish to dedicate this project to the youth of today, on whom the realization of this vision depends' unquote.

Certainly, the youth of today, with self belief and a willingness to try, backed by the expertise and capacity building of the Bank and the IMF, can rise above the challenges of global warming, the digital divide, skilled labour migration, threats of terrorism and cross border crime, to reach the heights of development that the 2057 budget predicts.

With careful management, the resources to invest will be available. The Bui Dam, discoveries of oil and other improvements in the energy sector offer exciting possibilities.

But to succeed, we will need to be more disciplined in our approach. Planning must be more meticulous, coordination of programs must be enhanced and implementation must be further improved.

More significantly, enforcement of rules and regulations must be strengthened in order to entrench the rule of law and respect for civil and contractual rights.

Ladies and gentlemen, in 50 years, budget 2057 expects fair trade from the international community. It projects intermodal transport including tunnels from Dodowa to Kwamoso and Nkawkaw to Abene, a thriving agro-industrial complex and a skilled, gender balanced working population.

Mr. Chairman, distinguished friends of Ghana, these targets are possible. Other countries have planned 100 years ahead. Therefore, I want to challenge us with the reminder that what we want in fifty years time, can only be achieved by starting today.

On that note, let me conclude by congratulating the drafters of the 2057 budget for a job well done.

And now, I have the pleasure and the privilege to declare the '2057 budget', which is symbolic of what we can do together with our development partners, duly launched.

Thank you.