



Fourth Quarter 2019 Public Debt Statistical Bulletin

Prepared and published by the
Treasury & Debt Management Division,
Ministry of Finance, Ghana

March 2020



**SUSTAINABLE
DEVELOPMENT GOALS**

Transforming Ghana Beyond Aid





REPUBLIC OF GHANA

Fourth Quarter 2019 Public Debt Statistical Bulletin



Table of Contents

Table of Contents.....	ii
List of Tables.....	iii
List of Figures	iii
Disclaimer.....	iv
Abbreviations.....	v
1.0 Key Highlights.....	1
2.0 Public Debt Highlights.....	2
3.0 Total Public Debt.....	3
4.0 External Debt.....	5
4.1 External Debt Stock by Creditor Category	5
4.2 New Commitments (New External Loan Financing Agreements) in 2019.....	8
4.3 Disbursements by Creditor Category (New Borrowing).....	9
4.4 External Debt Service Payments	10
5.0 Domestic Debt.....	11
5.1 Domestic Debt Stock by Instruments	11
5.2 Domestic Debt Stock by Holders	12
5.3 Net Issuance of Domestic Debt	13
5.4 Interest Rates on Domestic Debt.....	14
6.0 Liability Management Operations	14
Glossary	16

List of Tables

Table 1. Public Debt by Source (USD millions, unless otherwise stated)	3
Table 2. New commitments, January – December, 2019	8
Table 3. Average terms of new commitments (end ,2017 – December, 2019)	9
Table 4. Actual disbursements in US\$ millions (Oct, 2017 - December, 2019).....	9
Table 5. External debt service payments	10
Table 6. Currency composition of debt service payments, Oct., 2019 – Dec., 2019.....	10
Table 7. Maturity structure of domestic debt (GHS millions)	11
Table 8. Holding structure of domestic debt (GHS millions).....	12
Table 9. Issuance and Redemption of Domestic Debt (GHS millions).....	13
Table 10. Interest rates on Government of Ghana money market instruments.....	14

List of Figures

Figure 1. Trends in Public Debt (Oct, 2017 – December, 2019)	4
Figure 2. Share of Public Debt (Oct, 2017 – December, 2019).....	4
Figure 3. External debt stock composition by creditor category end December, 2019	5
Figure 4. Trends in currency composition of external debt (Oct, 2017 – Dec., 2019)	6
Figure 5. Currency composition of external debt stock, end December, 2019.....	6
Figure 6. Trends in interest rate composition of external debt (Oct, 2017–Dec. 2019)	7
Figure 7. Interest rate composition of external debt stock, end December 2019	7
Figure 8. Share of instruments in domestic debt, end December 2019	12
Figure 9. Yield Curve (at constant maturity).....	14

Disclaimer

The figures used for this report are subject to change anytime new information becomes available. We, therefore, reiterate that the figures in this report are provisional.

Abbreviations

ABP	-	Annual Borrowing Plan
ATM	-	Average Time to Maturity
ATR	-	Average Time to Re-fixing
BoG	-	Bank of Ghana
BUA	-	Bank Unit of Account
CDB	-	China Development Bank
CBG	-	Consolidated Bank Ghana
CNY	-	Chinese Yuan Renminbi
ECF	-	Extended Credit Facility
EUR	-	Euro
FX	-	Foreign Exchange
GBP	-	Great Britain Pound
GDP	-	Gross Domestic Product
GHS	-	Ghana Cedi
ICM	-	International Capital Market
IMF	-	International Monetary Fund
JPY	-	Japanese Yen
MoF	-	Ministry of Finance
MTDS	-	Medium Term Debt Management Strategy
PFM	-	Public Financial Management
PHB	-	Premium Heritage Bond
SDR	-	Special Drawing Rights
SOE	-	State-Owned Enterprise
ST	-	Short-Term
TDMD	-	Treasury and Debt Management Division
USD	-	United States Dollar

1.0 Key Highlights

Macroeconomic Developments

Since the beginning of the year 2019, global economic growth had been projected to slow down. After slowing sharply in the last three quarters of 2018, the pace of global economic activity remains weak. Although global growth is projected to rise from an estimated 2.9 percent in 2019 to 3.3 percent in 2020, and 3.4 percent in 2021, rising trade and geopolitical tensions have increased uncertainty about the future of the global trading system and international cooperation more generally, taking a toll on business confidence, investment decisions, and global trade. Momentum in manufacturing activity, in particular, has weakened substantially to levels not seen since the global financial crisis of 2008. Although, generally, a resilient service sector has supported employment growth, the global economic outlook remains uncertain.

On the domestic economy, data from the Ghana Statistical Service (GSS) point to firmer growth during 2019, although at a relatively slower pace than was recorded in 2018. GDP growth outturn for the first three quarters of 2019 averaged 6.0 percent, almost unchanged from the 6.1 percent, recorded in the same period of 2018. Non-oil GDP growth, however, averaged 5.0 percent against 5.9 percent over the same comparative periods. Overall, GDP growth for 2019 is projected to be close to the target of 7.0 percent.

Bank of Ghana's data on the Composite Index of Economic Activity showed that economic growth continued to remain robust and broad-based, although at a moderated pace relative to 2018. Consumer confidence has rebounded and businesses are optimistic about industry prospects.

Bank of Ghana further observed that, over the medium-term, growth would be supported by the services sector, especially as the banking sector continues to grow stronger and resilient, as well as the continued implementation of growth-oriented programmes in the industry and agricultural sectors of the economy. The external sector performance continued to remain strong, with an improved trade surplus for the third consecutive year. This has contributed to further narrowing of the current account deficit and supported additional reserve build-up of US\$1.3 billion. This should provide strong buffers to withstand shocks and ensure stability in the foreign exchange market.

Inflation

The rate of Inflation increased to 9.20 percent in February 2019, from 9.0 percent recorded in January 2019. It remained unchanged at 9.20 percent in March 2019, increased to 9.50 percent in April 2019, but declined to 9.40 percent in May 2019 and further to 9.10 percent in June 2019. It, however, increased to 9.40 percent in July 2019. The inflation rate eased to 7.6 percent in September 2019, its lowest level since August 2013, from 7.8 percent in August.

2019 Fourth Quarter Public Debt Statistical Bulletin

The inflation rate increased to 8.2 percent in November from 7.7 percent in October 2019 due to upward adjustment in some administrative prices. However, it declined to 7.9 percent in December 2019 on the back of lower food prices amidst stable non-food prices. Alongside these trends, the various measures of underlying inflation remained well contained.

Interest Rate Developments

The Monetary Policy Committee of the Central Bank maintained the Monetary Policy Rate (MPR) at 16.0 percent since January 2019, following the decline in inflation over the period, reflective of the downward trending disinflationary path.

Interest rates on the money market remained relatively stable over the last quarter, in line with the MPR. Rates on the 3-year, 5-year, 6-year, 7-year, 10-year, and 15-year bonds remained unchanged. The rates on the 91-day and 182-day treasury bills increased by one basis point. Rates on the 364-day bill, however, declined by one basis point. Government issued a 20-year bond in August 2019 at a rate of 20 percent, which remained unchanged.

The weighted average interbank lending rate declined to 15.2 percent in December 2019 from 16.1 percent in the same period in 2018. Similarly, average lending rates compiled from the banking sector marginally declined to 23.6 percent in December 2019, from 23.9 percent in December 2018.

External Sector Performance

The trade surplus, together with improvements in net current transfers, especially remittances, resulted in further narrowing of the current account deficit to US\$1.7 billion (2.5 percent of GDP) by December 2019 as compared to the deficit of US\$54 million, equivalent to 0.1 percent of GDP, which was registered in the third quarter. The current account deficit was financed by significant inflows into the financial account, driven, in large part, by foreign direct investments and portfolio investments.

Exchange Rates Developments

Despite these strong fundamentals, the Cedi lost ground in the fourth quarter against the major international currencies after it came under pressure in March 2019. The rate of depreciation of the Cedi peaked at 12.9 percent by end December, 2019, compared to a marginal depreciation rate of 8.4 percent in the same period of 2018.

2.0 Public Debt Highlights

The public debt stock increased from GH¢208.56 billion (US\$38.74 billion) in September 2019 to GH¢216.7 billion (US\$39.12 billion) at end-December 2019, which is 63.01 percent of GDP. External debt accounted for GH¢112.51 billion (US\$20.31 billion), equivalent to 32.52 percent of GDP, whereas domestic debt accounted for GH¢105.48 billion (US\$19.01 billion) equivalent to 30.49 percent of GDP.

2019 Fourth Quarter Public Debt Statistical Bulletin

3.0 Total Public Debt

Table 1. Public Debt by Source (USD millions, unless otherwise stated)

	OCT	2017 NOV	DEC-2017	OCT	2018 NOV	DEC-2018	OCT-2019	2019 NOV-2019	DEC-2019
GROSS DEBT									
A. External debt	16,940.55	17,017.06	17,158.22	17,974.93	17,977.61	17,875.44	20,321.01	20,295.04	20,306.36
Multilateral Institutions	6,123.09	6,179.53	6,387.70	6,452.61	6,447.46	6,390.46	6,482.75	6,462.64	6,512.46
IMF	974.83	983.83	958.26	1,036.48	1,037.32	1,015.05	1,108.51	1,105.46	1,085.70
IDA	3,671.24	3,709.68	3,927.61	3,858.00	3,853.78	3,880.28	3,941.18	3,928.11	3,920.60
AfDB	1,118.77	1,128.61	1,144.95	1,193.78	1,193.47	1,129.43	1,094.20	1,092.57	1,170.42
IFAD	146.19	144.52	144.01	144.16	143.42	146.20	142.50	142.11	142.09
Other	212.06	212.90	212.87	220.18	219.47	219.51	196.35	194.39	193.65
Official Bilateral	1,204.62	1,217.65	1,210.28	1,184.23	1,179.96	1,204.79	1,207.06	1,215.61	1,227.90
Paris Club	734.88	742.20	745.96	739.42	733.39	754.06	768.71	779.81	785.40
Non-Paris Club	469.73	475.44	464.32	444.81	446.58	450.74	438.36	435.80	442.50
Other Creditors ¹	9,612.84	9,619.88	9,560.24	10,338.09	10,350.19	10,280.18	12,631.20	12,616.78	12,566.00
B. Domestic Debt	14,537.82	14,533.28	15,118.39	17,739.75	18,016.08	18,020.02	19,107.97	18,698.04	19,037.87
Banking System	5,183.85	5,379.77	5,348.09	8,001.82	8,086.82	8,127.09	8,682.42	8,506.00	8,551.49
Non-Bank Sector	3,878.94	3,728.09	3,907.31	4,137.32	4,391.64	4,459.76	5,586.99	5,569.86	5,718.82
Non-Residents	5,439.18	5,388.84	5,811.43	5,560.53	5,507.15	5,407.30	4,812.79	4,597.16	4,745.38
Loans	45.85	36.58	51.56	40.09	30.47	25.86	25.78	25.02	22.18
Gross Public Debt (A+B)	31,478.36	31,550.34	32,276.61	35,714.68	35,993.69	35,895.45	39,428.99	38,993.07	39,344.23
Gross Public Debt-to-GDP, end-Sept (%)	53.69	54.26	55.54	56.94	57.50	57.59	60.86	62.04	63.01
MEMORANDUM ITEMS									
Nominal GDP ² (GHS millions)	256,671.37	256,671.37	256,671.37	300,596.10	300,596.10	300,596.10	345,946.30	345,946.30	345,946.30
End Period Exchange Rates (GHS/USD)	4.3764	4.4146	4.4164	4.7923	4.8024	4.8224	5.3399	5.5039	5.5406
Gross Public Debt (GHS millions)	137,805.67	139,282.14	142,546.41	171,155.48	172,856.10	173,102.24	210,546.85	214,613.97	217,990.64
External Debt (GHS millions)	74,138.61	75,123.51	75,777.56	86,141.26	86,335.68	86,202.51	108,512.17	111,701.85	112,509.45
Domestic Debt (GHS millions)	63,667.06	64,158.63	66,768.85	85,014.22	86,520.43	86,899.73	102,034.67	102,912.12	105,481.20
NET DEBT									
Financial Assets³ (USD millions)	1,733.41	1,719.44	414.51	795.56	726.60	482.43	362.17	219.37	220.85
DSRA (USD); Collateral Accounts	119.03	119.03	210.28	210.28	210.28	210.28	210.28	210.28	210.28
DSRA (USD)	-	-	-	569.49	365.03	10.23	136.08	0.02	0.02
DSRA (GHS); Converted to USD	1,611.40	1,597.46	201.28	5.37	140.89	251.56	6.45	0.00	1.54
DDR Account	-	-	-	0.03	0.03	0.03	0.03	0.03	0.03
Debt Recovery Account	0.87	0.86	0.86	10.10	10.08	10.04	9.07	8.80	8.74
SOE Escrow Accounts	2.10	2.08	2.08	0.29	0.29	0.29	0.26	0.25	0.25
Net Public Debt (USD millions)	29,754.96	29,830.90	31,864.29	34,919.12	35,267.09	35,413.03	39,066.82	38,773.70	39,123.38
Net Public Debt (GHS millions)	130,219.59	131,691.51	140,725.44	167,342.92	169,366.66	170,775.79	208,612.91	213,406.56	216,767.01

Source: Ministry of Finance and Bank of Ghana.

¹ Includes sovereign bonds, commercial credits, and other semi-concessional credits.

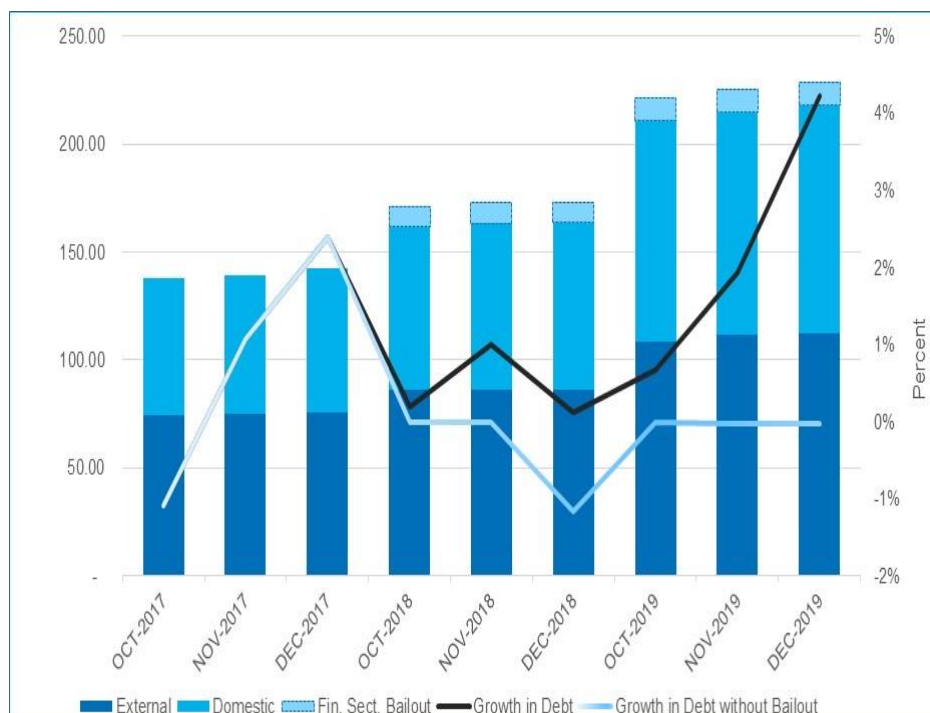
² Rebased GDP series, with 2013 as base year.

³ DSRA: Debt Service Reserve Account, DDR: Domestic Debt Restructuring, SOE: State-Owned Enterprises.

At the end of December 2019, gross public debt amounted to GH¢216.7 billion (US\$39.12 billion), representing 63.01 percent of rebased GDP. The total debt comprises external and domestic debt of GH¢112.51 billion (US\$20.31 billion) representing 32.52 percent of GDP and GH¢105.48 billion (US\$19.01 billion); 30.49 percent of GDP

2019 Fourth Quarter Public Debt Statistical Bulletin

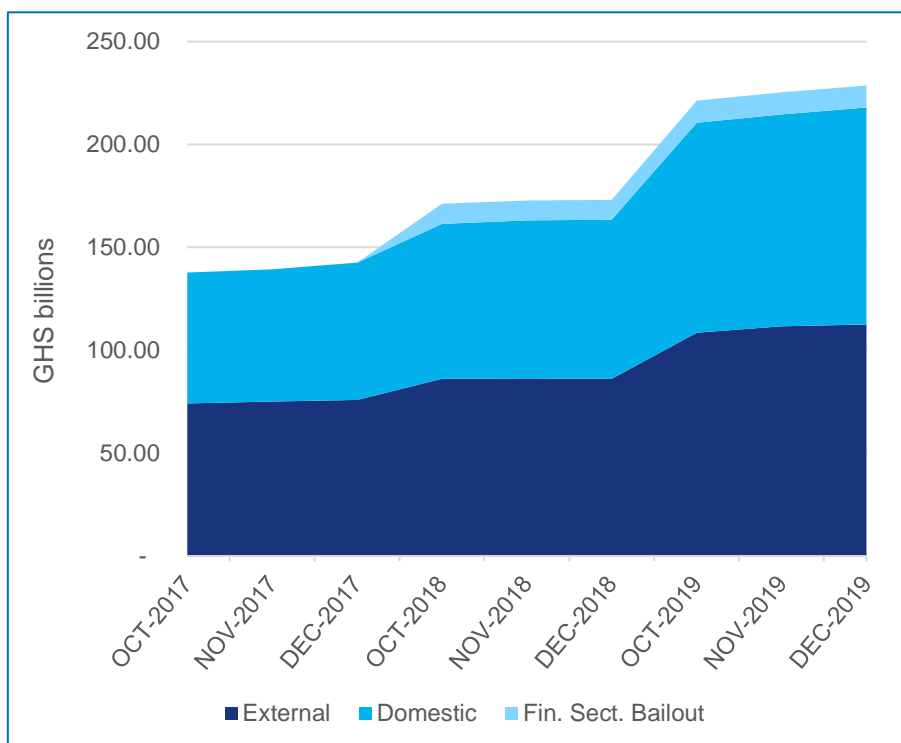
Figure 1. Trends in Public Debt (Oct, 2017 – December, 2019)



Growth in Public Debt increased from 0.22 percent in September, 2019 to 4.0 percent in December 2019. However, the rate of debt accumulation from the beginning of the year up to end December 2019 was 90.01 percent. This is mainly on the back of the US\$3,000.00 million sovereign bond issuance, the depreciation of the Ghanaian currency against major trading currencies and new disbursement on committed loans.

Figure 2. Share of Public Debt (Oct, 2017 – December, 2019)

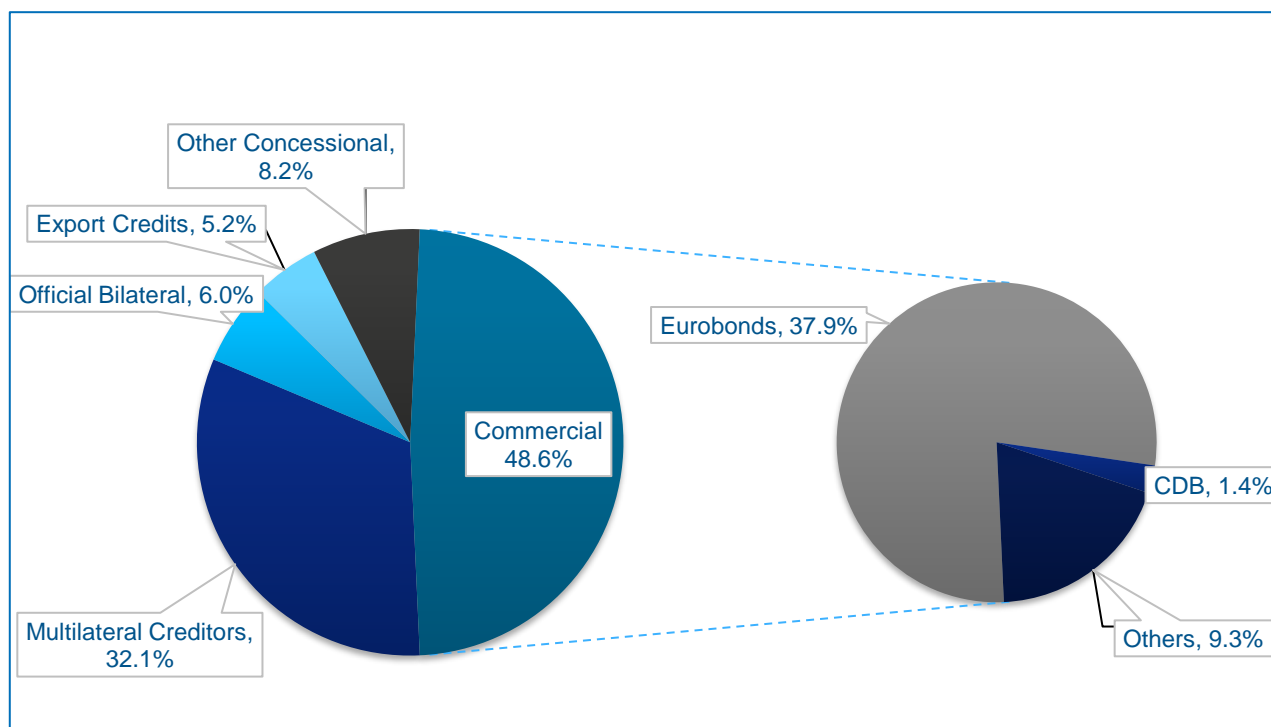
By end of December 2019, the external debt was GH¢112.51 million and constituted the larger share of the public debt, representing 51.61 percent, with domestic debt of GH¢105.48 million representing 48.39 percent of public debt. Domestic debt includes financial sector bailout, which accounted for 4.91 percent of total debt. The stock of bailout of GH¢10.7 million is 10.14% of domestic debt.



4.0 External Debt

4.1 External Debt Stock by Creditor Category

Figure 3. External debt stock composition by creditor category end December, 2019



The share of commercial debt is still dominant in the external portfolio, which represents 48.6 percent share, which is followed, by multilateral creditors representing by 32.1 percent share. Other concessional debt stood at 8.2 percent share, followed by Official Bilateral and Export Creditors, with share of 6.0% percent and 5.2 percent, respectively. The dominance of the commercial debt in external debt portfolio is mainly attributable to the stock of Eurobonds. The stock of multilateral debt is dominated by World Bank loans.

2019 Fourth Quarter Public Debt Statistical Bulletin

Figure 4. Trends in currency composition of external debt (Oct, 2017 – Dec., 2019)

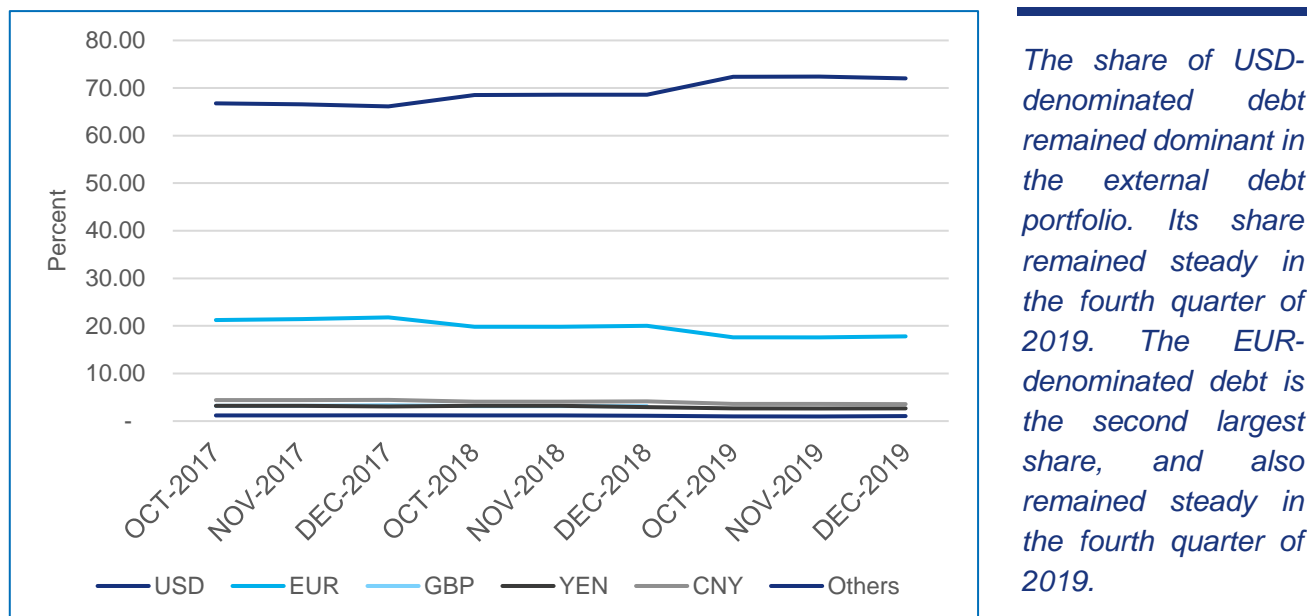
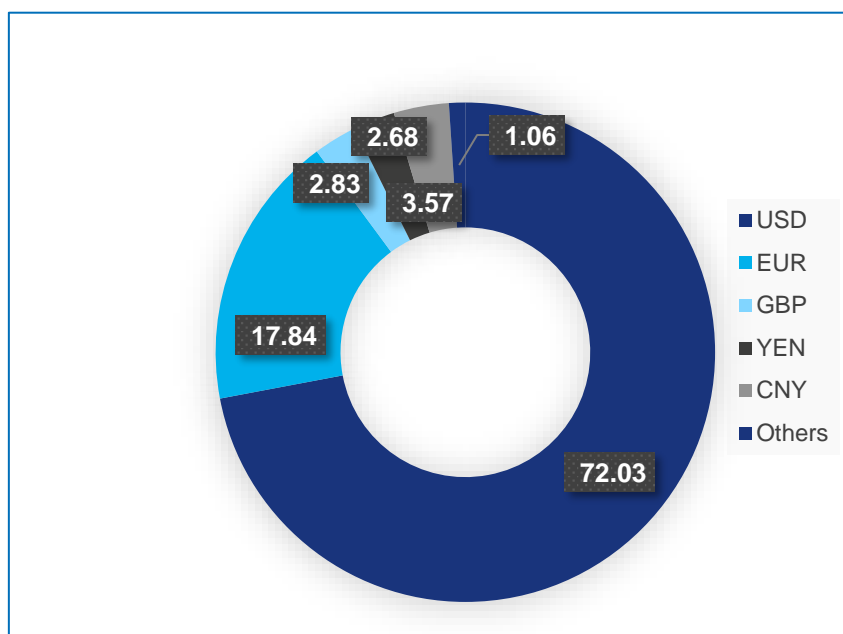


Figure 5. Currency composition of external debt stock, end December, 2019

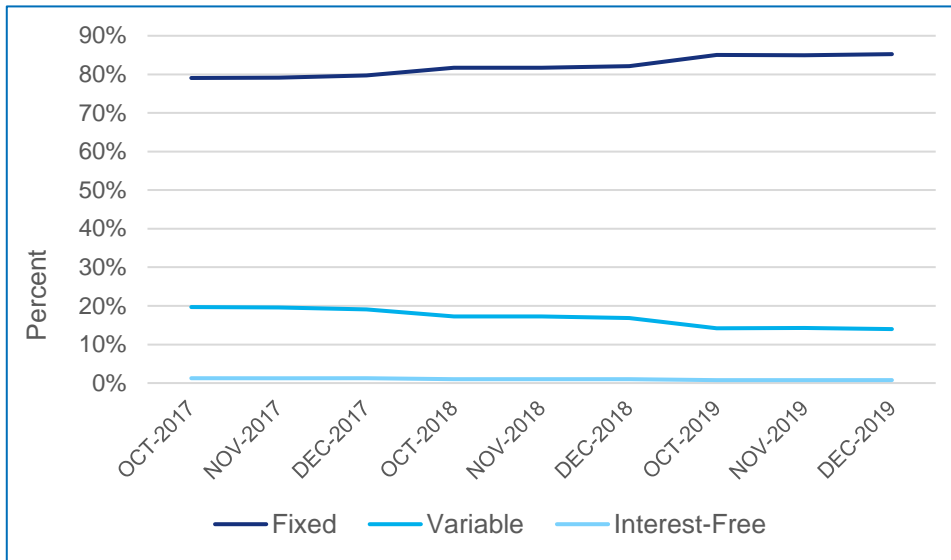
As at end-December 2019, USD-denominated loans constituted the largest share of external debt, representing 72.03 percent of the total, followed by the EUR, which constituted 17.84 percent. Other major trading currencies, including GBP, YEN and CNY, accounted for the remaining 10.13 percent.



Note: SDR and BUA-denominated loans have been decomposed into their various component currencies.

2019 Fourth Quarter Public Debt Statistical Bulletin

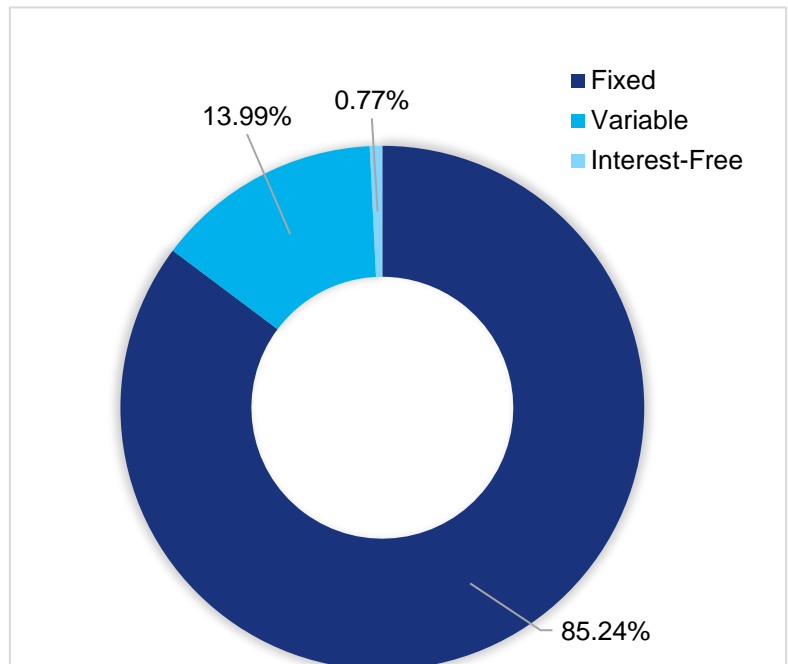
Figure 6. Trends in interest rate composition of external debt (Oct, 2017–Dec. 2019)



The share of fixed rate debt has increased marginally over the period. This meant that the share of variable rate debt also declined marginally. However, the stock of variable rate debt still poses a significant risk to debt service costs.

Figure 7. Interest rate composition of external debt stock, end December 2019

Fixed rate debt and variable rate debt constitute 85.24 percent and 13.99 percent of external debt, respectively. Interest-free debt largely consists of subsidized loans from some bilateral creditors and its share continues to dwindle in the external debt portfolio as fewer of such loans have been sourced in recent years. Interest free loans account for approximately 0.77 percent of total external debt as at end-December, 2019.



2019 Fourth Quarter Public Debt Statistical Bulletin

4.2 New Commitments (New External Loan Financing Agreements) in 2019

Table 2. New commitments, January – December, 2019

S/N	Project/Financing Title	Sector	Creditor	Date Signed	Curr	Loan Amount	USD Equivalent
Concessional Loans							628,762,089.63
1	Ghana Incentive Based Risk Sharing System for Agricultural Lending (GIRSAL) Project	Food and Agriculture	African Development Fund	12-Mar-19	USD	14,600,000.00	14,600,000.00
2	Rehabilitaion and Upgrading of Potable System in Yendi	Water Supply	Export-Import Bank of India	5-Apr-19	USD	30,000,000.00	30,000,000.00
3	Strengthening of Agricultural and Mechanisation Services Centre (AMSECS)	Food and Agriculture	Export-Import Bank of India	5-Apr-19	USD	150,000,000.0	150,000,000.00
4	Strengthening Agricultural Mechanization Service Centers	Food and Agriculture	Export-Import Bank of India	5-Apr-19	USD	150,000,000.00	150,000,000.00
5	Dome-Kwabenya-Kitaase Trunk Road	Roads and Highways	Kuwait Fund for African Economic Development	13-Sep-19	USD	24,000,000.00	24,000,000.00
6	Support to Basic Education in Five Regions Project	Education	Arab Bank for Economic Development(BADEA)	18-Oct-19	USD	13,500,000.00	13,500,000.00
7	Integrated National Security Communications Enhancement Network Project	Communications and Technology	Export-Import Bank of China	4-Dec-19	USD	199,413,626.10	199,413,626.10
8	Design, Construction and Commissioning of a potable water infrastructure Project in Tamale, Northern Region, Ghana	Sanitation and Water Resource	Deutsche Bank AG, London	23-Dec-19	XEU	43,007,885.97	47,248,463.53
World Bank Loan							58,773,000.00
9	First Africa Higher Education Centers of Excellence for Development Impact Project	Education	World Bank	18-Oct-19	XDR	42,900,000.0	58,773,000.00
Non-Concessional Loans							806,492,524.90
10	Supply of 300 sets of Global Multipurpose Mini Tractors and 220 Compact (CABRIO I and II) Tractors	Food and Agriculture	Gov't of Czech Republic	14-Feb-19	XEU	10,000,000.0	11,025,222.10
11	Expansion of University of Ghana Hospital-Phase II	Health	Bank Hapoalim	7-Mar-19	XEU	45,623,656.0	50,301,093.90
12	Design, Fabrication, Supply and Installation of 50 No. Composite Bridges and Related Civil Works	Roads Highways	Gov't of Czech Republic	2-Apr-19	XEU	47,500,000.0	52,369,804.90
13	Accra Intelligent Traffic Management System Project	Transport	China Development Bank	17-Apr-19	USD	210,660,000.0	210,660,000.00
14	Construction of Eleven Coastal Fishing Landing Sites Project	Food and Agriculture	China Development Bank	17-Apr-19	USD	185,570,000.0	185,570,000.00
15	Execution and Completion of the Military Housing Units for the Ghana Armed Forces	Housing and Urban Development	Poly Changda Overseas Eng.	24-May-19	USD	100,000,000.0	100,000,000.00
16	Overall Upgradation and Modinization of the Vocational Education System in Ghana	Education	ING Bank/ Government of Netherlands	1-Jul-19	XEU	123,287,931.7	135,927,682.60
17	Rehabilitation and Auxiliary Infrastructure of Kumasi Inner Ring Road and Adjacent Streets	Roads Highways	Deutche Bank, Frankfurt	12-Jul-19	XEU	55,000,000.0	60,638,721.40
18	Modernisation of the Komfo Anokye Teaching Hospital and associated buildings in the Ashanti region of Ghana	Health	Deutche Bank, Frankfurt	8-Nov-19	XEU	153,809,224.1	169,190,146.49
19	Financing of Kumasi Airport Redevelopment- Phase 3	Aviation	Deutche Bank, Frankfurt	8-Nov-19	XEU	64,477,065.7	71,087,396.82
International Capital Market Issuance							3,000,000,000.00
20	Eurobond Issuance	Budget Support	Citi Group Bank	18-Mar-19	USD	3,000,000,000.0	3,000,000,000.00
TOTAL							4,494,027,614.53

Since the beginning of 2019, Government has signed twenty (20) new external loan agreements, amounting to US\$4,494.27 million, of which issuance of Eurobonds accounted for US\$3 billion. Government signed four (6) new loans in the fourth quarter of 2019 which were from both concessional and non-concessional sources.

2019 Fourth Quarter Public Debt Statistical Bulletin

Table 3. Average terms of new commitments (end ,2017 – December, 2019)

	2017Q4	2018 Q4	Mar-19	Jun-19	Sep-19	Dec-19
Interest (%)	1.1	6.6	8.2	7.4	7.5	6.0
Maturity (yrs)	21.5	28.1	16.9	12.4	12.3	15.7
Grace Period (yrs)	4.1	7.8	13.8	15.2	16.3	10.0
Grant Element (%)	20.4	-3.5	-31.5	-28.4	-25.5	-12.1

In the fourth quarter of 2019, the weighted average interest rate of new commitments went down by 1.5 percentage points as compared to the third quarter of 2019. The maturity on new commitments increased by 3.4 years. The grace period decreased to 10 years from 16.3 years in the previous quarter, while the grant element on the new loan decreased to -12.1 percent from -25.5 percent in the last quarter.

4.3 Disbursements by Creditor Category (New Borrowing)

Table 4. Actual disbursements in US\$ millions (Oct, 2017 - December, 2019)

CREDITOR CATEGORY	Oct-17	Nov-17	Dec-17	Oct-18	Nov-18	Dec-18	Oct-19	Nov-19	Dec-19	Q4, 2019
MULTILATERAL	30.02	16.02	205.60	0.14	0.09	21.91	11.14	34.74	6.93	52.81
EXPORT CREDITS	0.16	0.99	1.00	6.01	-	-	0.00	0.00	0.00	-
COMMERCIAL	-	23.15	17.68	2.33	18.56	10.94	6.78	9.04	112.44	128.26
OTHER CONCESSIONAL	42.30	-	-	0.22	51.04	11.82	11.70	0.00	0.00	11.70
BILATERAL	3.90	2.71	-	-	0.98	18.51	0.01	13.29	0.36	13.67
Total	76.37	42.87	224.28	8.70	70.67	63.18	29.64	57.06	119.73	206.43

Disbursements on external loans in the fourth quarter of 2019 was primarily from commercial and other multilateral sources, with the two accounting for 87.7 percent of the total.

2019 Fourth Quarter Public Debt Statistical Bulletin

4.4 External Debt Service Payments

Table 5. External debt service payments

	OCT-2017	NOV-2017	DEC-2017	OCT-2018	NOV-2018	DEC-2018	OCT-2019	NOV-2019	DEC-2019	Q4-2019	Total
	USD millions										
Principal	286.06	54.66	175.11	56.81	115.02	133.55	101.42	72.59	150.79	324.79	1,273.30
Interest	74.11	14.46	43.52	68.60	62.15	81.78	139.50	86.40	91.28	317.18	973.50
Total	360.17	69.12	218.64	125.42	177.17	215.34	240.91	158.99	242.07	641.97	2,246.80

	OCT-2017	NOV-2017	DEC-2017	OCT-2018	NOV-2018	DEC-2018	OCT-2019	NOV-2019	DEC-2019	Q4-2019	Total
	GHS millions										
Principal	1,256.49	240.06	773.09	272.24	551.35	643.32	542.21	389.43	835.54	1,767.18	5,481.05
Interest	324.82	63.47	192.14	329.22	297.85	393.89	746.21	463.49	505.83	1,715.53	4,451.48
Total	1,581.31	303.53	965.23	601.46	849.20	1,037.21	1,288.42	852.91	1,341.37	3,482.70	9,932.53

Debt service repayments increased in December 2019 as compared to December 2018. This was on the account of payments made on new disbursing facilities from the Deutsche Bank, and outlays for interest payments on existing Eurobonds were also made in the last quarter.

Table 6. Currency composition of debt service payments, Oct., 2019 – Dec., 2019

	OCT-2019	NOV-2019	DEC-2019
USD	87.67%	89.94%	81.17%
EUR	6.24%	9.72%	17.69%
GBP	0.01%	0.07%	0.00%
JPY	0.02%	0.04%	0.00%
CNY	6.05%	0.00%	0.00%
OTHERS	0.02%	0.24%	1.13%

A breakdown of the currency composition of external debt service payments in the fourth quarter of 2019 shows that USD-denominated payments accounted for the largest portion of debt service payments. They consist of debt service payments due commercial creditors, including Deutsche Bank, CDB and Citi Bank facilities. This skewedness towards the US Dollar highlights the huge exposure to fluctuations in the USD-GHS exchange rate and the pressure debt service payments put on our USD reserves. This is followed by EUR-denominated payments.

2019 Fourth Quarter Public Debt Statistical Bulletin

5.0 Domestic Debt

5.1 Domestic Debt Stock by Instruments

Table 7. Maturity structure of domestic debt (GHS millions)

	OCT-2017	NOV-2017	DEC-2017	OCT-2018	NOV-2018	DEC-2018	OCT-2019	NOV-2019	DEC-2019
A. Short-Term Instruments	15,314.90	14,826.81	11,996.82	10,415.25	10,594.14	11,031.93	16,425.04	16,918.15	16,340.98
91-Day Treasury Bill	7,804.66	7,787.22	5,444.68	5,142.99	5,424.53	5,576.65	6,765.02	7,071.66	7,153.43
182-Day Treasury Bill	2,857.94	2,749.02	2,866.95	2,978.84	2,978.65	3,049.80	3,298.52	3,235.69	2,842.66
364-Day Treasury Bill	-	-	-	-	-	-	5,539.84	5,826.79	6,344.89
1-Year Treasury Note	4,652.29	4,290.57	3,685.19	2,293.42	2,190.96	2,405.49	821.67	784.02	-
B. Medium-Term Instruments	31,676.63	32,695.44	36,697.84	46,983.51	48,356.62	48,429.82	55,975.14	56,368.51	59,519.03
2-Year Fixed Treasury Note	6,287.17	6,351.52	6,400.61	11,534.93	12,932.35	13,049.78	12,424.09	11,362.78	13,526.06
2-Year USD Domestic Bond	414.18	417.80	417.97	-	-	-	-	-	-
3-Year USD Domestic Bond	-	977.39	977.79	1,061.02	1,063.25	1,067.68	1,983.24	2,053.17	2,056.26
3-Year Fixed Rate Bond	7,255.54	7,255.54	7,255.54	10,930.29	10,930.29	10,930.29	11,372.79	12,424.09	12,929.59
3-Year Stock (SSNT)	908.40	881.85	881.85	578.06	551.51	502.85	199.07	172.52	172.52
5-Year GOG Bond	10,433.32	10,433.32	11,204.01	12,160.66	12,160.66	12,160.66	14,969.30	15,329.30	15,807.95
6-Year GOG Bond	-	-	-	-	-	-	1,780.73	1,780.73	1,780.73
7-Year GoG Bond	1,653.80	1,653.80	2,150.50	2,857.39	2,857.39	2,857.39	4,580.80	4,580.80	4,580.80
10-Year GOG Bond	4,724.22	4,724.22	7,409.57	7,861.17	7,861.17	7,861.17	8,665.12	8,665.12	8,665.12
C. Long-Term Instruments	16,474.88	16,474.88	17,846.51	27,423.33	27,423.33	27,313.27	29,496.81	29,496.81	29,496.81
15-Year GoG Bond	3,422.15	3,422.15	4,793.78	4,793.78	4,793.78	4,793.78	5,812.65	5,812.65	5,812.65
20-Year GoG Bond	-	-	-	-	-	-	162.13	162.13	162.13
Long-Term Govt Stock	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40
Long-Term Govt Stock (Bank Bailout)	-	-	-	9,691.22	9,691.22	9,581.15	10,698.09	10,698.09	10,698.09
GoG Petroleum Financed Bonds	80.02	80.02	80.02	80.02	80.02	80.02	80.02	80.02	80.02
TOR Bonds	514.80	514.80	514.80	400.40	400.40	400.40	286.00	286.00	286.00
Revaluation Stock	361.06	361.06	361.06	361.06	361.06	361.06	361.06	361.06	361.06
Other Government Stock	-	-	-	-	-	-	-	-	-
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	109.46	109.46	109.46	109.46
D. Standard Loans	200.65	161.50	227.91	192.13	146.34	124.71	137.68	137.68	122.90
TOTAL (A+B+C+D)	63,667.06	64,158.63	66,769.08	85,014.22	86,520.43	86,899.73	102,034.67	102,921.15	105,479.70

The share of short and medium-term debt to the total domestic debt stock increased by end December, 2019 as compared to the same period in 2018 this partly on account of the introduction of the 6-year bond in 2019. The trend in the long-term debt to the total domestic debt stock also increased, with the issuance of the 15-year and 20-year bonds. This was to lengthen the maturity profile of domestic debt as indicated in the 2019 MTDS.

2019 Fourth Quarter Public Debt Statistical Bulletin

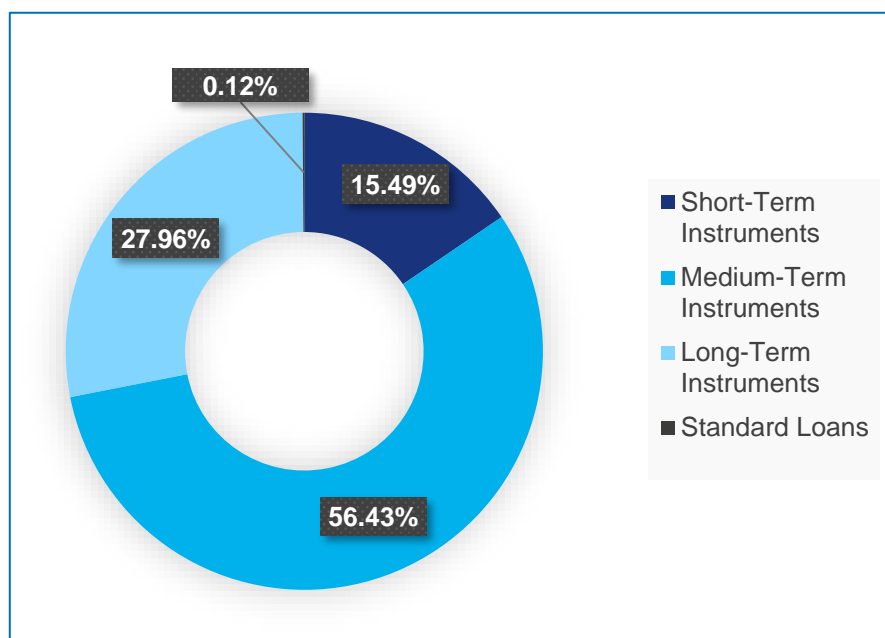
5.2 Domestic Debt Stock by Holders

Table 8. Holding structure of domestic debt (GHS millions)

	OCT-2017	NOV-2017	DEC-2017	OCT-2018	NOV-2018	DEC-2018	OCT-2019	NOV-2019	DEC-2019
A. Banking System	22,686.61	23,749.53	23,619.32	38,347.10	38,836.13	39,192.07	46,363.25	46,825.19	47,378.88
Bank of Ghana	13,003.55	13,003.42	13,002.64	13,822.49	16,914.36	13,933.31	15,632.17	15,613.87	15,598.75
Deposit Money Banks	9,683.06	10,746.11	10,616.68	24,524.61	21,921.77	25,258.75	30,731.08	31,211.32	31,780.13
B. Non-Bank Sector	16,975.79	16,458.02	17,256.23	19,827.26	21,090.42	21,506.77	29,833.95	30,655.98	31,685.67
SSNIT	1,175.65	1,241.35	1,402.56	819.24	879.76	795.56	413.66	379.53	313.12
Insurance Companies	341.98	332.05	340.48	403.57	463.41	462.37	551.84	564.91	581.84
Other Holders	15,458.16	14,884.62	15,513.19	18,604.46	19,747.25	20,248.84	28,868.44	29,711.54	30,790.70
C. Foreign Sector	23,804.01	23,789.58	25,665.61	26,647.73	26,447.54	26,076.18	25,699.79	25,302.30	26,292.26
D. Standard Loans	200.65	161.50	227.91	192.13	146.34	124.71	137.68	137.68	122.90
TOTAL (A+B+C+D)	63,667.06	64,158.63	66,769.08	85,014.22	86,520.43	86,899.73	102,034.67	102,921.14	105,479.70

The majority of new issuance of domestic debt is held by the Banking sector, followed by Non-banking sector mainly from individuals and firms & institutions.

Figure 8. Share of instruments in domestic debt, end December 2019



The proportion of medium-term debt remained dominant in the portfolio of the domestic debt at the end of December 2019. Government introduced the 6-year bond issued in the third quarter which increased the stock of the medium-term debt in September, 2019. The issuance of the 15-year and 20-year bonds in July and August, 2019 also increased the stock of the long-term instruments as part of efforts to gradually move to longer dated issuances.

Note: This classification of domestic debt by tenor includes the stock of non-marketable debt and domestic standard loans.

2019 Fourth Quarter Public Debt Statistical Bulletin

5.3 Net Issuance of Domestic Debt

Table 9. Issuance and Redemption of Domestic Debt (GHS millions)

	OCT-2018	NOV-2018	DEC-2018	OCT-2019	NOV-2019	DEC-2019
Issuance						
91-Day	1,785.56	1,740.72	2,351.44	2,013.77	2,178.65	2,961.01
182-Day	579.94	405.50	903.40	336.76	483.88	582.67
364-Day	-	-	-	136.94	286.95	518.11
1-Yr	193.33	37.65	784.02	-	-	-
2-Yr Fixed	2,808.85	1,709.47	1,158.14	-	1,522.45	3,231.40
2-Yr Fixed (USD)	-	-	-	-	-	-
3-Yr Fixed	988.69	-	-	979.67	-	505.50
5-Yr Bond	-	-	-	60.00	360.00	478.65
6-Yr Bond	-	-	-	-	-	-
7-Yr Bond	-	-	-	437.37	-	-
10-Yr Bond	-	-	-	-	-	-
15-Yr Bond	-	-	-	498.00	-	-
20-Yr Bond	-	-	-	-	-	-
Total Issuance	6,356.37	3,893.34	5,197.00	4,462.50	4,831.93	8,277.33
Maturities						
91-Day	1,679.60	1,459.18	2,199.32	1,765.29	1,872.01	2,879.24
182-Day	708.77	405.69	832.26	425.71	546.72	975.70
364-Day	-	-	-	76.76	37.65	784.02
1-Yr	394.43	140.11	569.49	-	-	-
2-Yr Fixed	273.86	312.04	1,040.72	1,566.31	1,532.47	1,068.11
2-Yr Fixed (USD)	451.56	-	-	-	-	-
3-Yr Fixed	2,054.86	-	-	-	-	-
5-Yr Bond	-	-	-	-	-	-
6-Yr Bond	-	-	-	-	-	-
7-Yr Bond	-	-	-	-	-	-
10-Yr Bond	-	-	-	-	-	-
15-Yr Bond	-	-	-	-	-	-
Non-Mrkt	-	-	-	-	-	-
20-Yr Bond	-	-	-	-	-	-
Total Maturities	5,563.07	2,317.02	4,641.79	3,834.07	3,988.84	5,707.08
Net issuance						
91-Day	105.96	281.54	152.12	248.48	306.64	81.77
182-Day	(128.83)	(0.19)	71.15	(88.95)	(62.83)	(393.03)
364-Day	-	-	-	60.18	249.30	(265.91)
1-Yr	(201.10)	(102.46)	214.53	-	-	-
2-Yr Fixed	2,535.00	1,397.42	117.42	(1,566.31)	(10.02)	2,163.28
3-Yr Fixed	(1,066.17)	-	-	979.67	-	505.50
5-Yr Bond	-	-	-	60.00	360.00	478.65
6-Yr Bond	-	-	-	-	-	-
7-Yr Bond	-	-	-	437.37	-	-
10-Yr Bond	-	-	-	-	-	-
15-Yr Bond	-	-	-	498.00	-	-
20-Yr Bond	-	-	-	-	-	-
Non-Mrkt	-	-	-	-	-	-
Total Net Issuance	793.30	1,576.32	555.22	628.43	843.09	2,570.25

Gross domestic issuance (face value) totaled GH¢16.41 billion by end-December, 2019 which was mainly from short-term issuances. The bulk of new issuance in the fourth quarter was in the short-end instruments. Much of the issuances in the 2-year and 3-year bonds were re-opens/tap-ins used to offset uncovered primary auctions.

2019 Fourth Quarter Public Debt Statistical Bulletin

5.4 Interest Rates on Domestic Debt

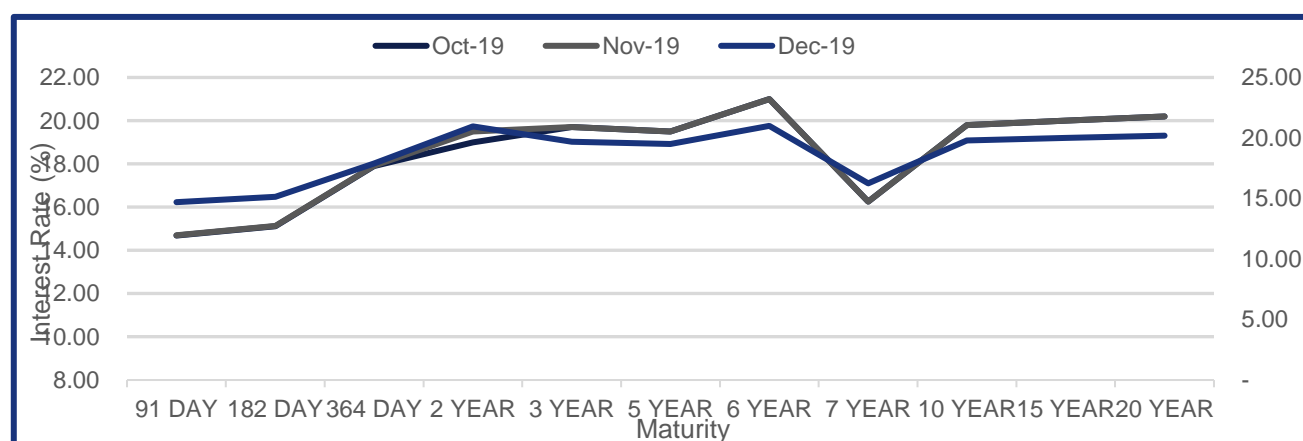
Table 10. Interest rates on Government of Ghana money market instruments

	Oct-17	Nov-17	Dec-17	Oct-18	Nov-18	Dec-18	Oct-19	Nov-19	Dec-19
91 DAY	13.33	13.34	13.35	13.92	14.39	14.59	14.69	14.70	14.70
182 DAY	13.83	13.86	13.88	14.44	14.81	15.03	15.11	15.14	15.15
364 DAY	15.00	15.00	15.00	15.00	15.00	15.50	17.90	17.91	17.90
2 YEAR	17.00	17.24	17.50	19.50	19.50	19.50	19.00	19.50	20.95
3 YEAR	18.50	18.50	18.50	18.00	19.50	19.50	19.70	19.70	19.70
5 YEAR	18.25	18.25	17.60	16.50	16.50	16.50	19.50	19.50	19.50
6 YEAR							21.00	21.00	21.00
7 YEAR	19.75	19.75	19.75	16.25	16.25	16.25	16.25	16.25	16.25
10 YEAR	19.00	19.00	19.00	17.50	17.50	17.50	19.80	19.80	19.80
15 YEAR	19.75	19.75	19.75	19.75	19.75	19.75	20.00	20.00	20.00
20 YEAR	19.75	19.75	19.75	19.75	19.75	19.75	20.20	20.20	20.20

Source: Bank of Ghana and Ministry of Finance

Interest rates on the money markets remained relatively stable over last quarter, in line with the MPR. Rates on the 3-year, 5-year, 6-year, 7-year, and 15-year bonds remained unchanged due to the fact that there was no issuances on those instruments. The rates on the 91-day and 182-day bills increased by 0.01 percentage point. However, rates on the 364-day bill declined by 0.01 percentage point as at end-December. Government issued a 0-year bond in August at a rate of 20 percentage point, which remained unchanged.

Figure 9. Yield Curve (at constant maturity)



Investors' appetite was still high toward the short end of the yield curve, although Government introduced medium to long-term bonds into the market. The strong appetite for the shorter-term instruments is the main driver behind the lower rates as compared to the longer-dated instruments. The rates on the longer-dated instruments have remained constant because there been no new issuances on them.

6.0 Liability Management Operations

In the 2019 Budget Statement and Economic Policy and the Medium-Term Debt Strategy (MTDS) of the Ministry, Government hoped to continue its on-going liability management and debt re-profiling programme, which has contributed to the improvement of the debt mix and lower interest payments to help manage the risks embedded in the debt portfolio. It is prudent to manage the rollover and refinancing risk by reducing the large outstanding securities into more liquid maturities.

Government successfully issued US\$3.00 billion on the international capital market on 19th March, 2019. In line with the intended use of proceeds from the Eurobond, US\$2.00 billion was allocated for budget support and the remaining US\$1.00 billion for liability management operations.

A tender offer was conducted to buyback a portion of the 2023 outstanding Eurobond of an amount of **US\$303.10 million**. The remaining US\$700.00 million portion of the liability management is earmarked for buying back outstanding maturities on the domestic market. Currently, the Ministry has successfully repurchased a total of **GH¢209.77 million** of the outstanding July 2022 5-year bond on the domestic market. It is important to mitigate the forex risk associated with early bond redemptions which arises from high exposures to offshore investors. Buyback auctions are being conducted in close coordination with the Bank of Ghana to avoid any associated forex risk from the repatriation of offshore flows.

Glossary

Amortization	Schedule for payments of principal on a loan on an on-going basis
Average Time to Maturity	The average time to maturity measures the weighted average time to maturity of all the principal payments in the portfolio
Bonds	Debt securities that give holders an unconditional right to fixed income or contractually determined payments on a specified date or dates.
Buy-back	The repurchase by a debtor government of all or a portion of its debt at a discount from face value
Bilateral Debt	Debt contracted from sovereign countries.
Commercial Debt	Short-term borrowing from banking institutions other than Official Development Assistance (ODA).
Concessional loans	These are loans that are extended on terms substantially generous than loans contracted from the open market.
Contingent Liability	Obligations that do not arise unless particular discrete event occur in the future.
Coupon	The annual interest rate paid on a bond, expressed as a percentage of the face value
Debt Service	Debt payments in respect of both principal and interest.
Debt-to-GDP Ratio	Ratio of a country's gross public debt to its Gross Domestic Product (GDP).
Debt Relief	Any form of debt reorganisation that relieves the overall burden of debt.
Disbursed Outstanding Debt	The amount, at any given time, of disbursed and outstanding contractual liabilities of a country denominated in globally traded currency.
Disbursement	The transfer of the committed loan amount from the lender to the borrower, once contractual conditions are fulfilled.
Domestic Debt	Domestic Debt liabilities owed by residents to residents and non-residents.
Escrow Account	An Account in which proceeds are logged to pay off future debt service payments.
Eurobonds	Bond issued by a borrower in a foreign country, denominated in a Eurocurrency (e.g. US dollar, Canadian dollar, yen, euro), underwritten and sold by an international syndicate of financial institutions.
External Debt	Debt liabilities owed by residents to non-residents and dominated in foreign currency.
Gross Domestic Product	The market value of all final goods and services produced within a country in a given period. The GDP is determined using data for

2019 Fourth Quarter Public Debt Statistical Bulletin

	production, expenditures, or income, and is presented in current or constant prices.
HIPCs	Heavily Indebted Poor Countries (HIPCs) comprise a group of 41 developing countries classified as being heavily indebted and poor.
Interest Payment	The amount paid periodically over a period to a lender as compensation for the use of the lenders capital.
Interest Rate	An interest rate is the cost or price of borrowing, or the gain from lending, normally expressed as an annual percentage.
Letter of Credit	A financial instrument that specifies a letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the stated agreed amount. If the buyer is unable to make the payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase.
Maturity	The maturity of a bond refers to the date that the debt would cease to exist, at which time the issuer will redeem the bond by paying the principal.
MTDS	A Debt Management Strategy planned to be implemented over the medium-term (three to five years) in order to achieve a composition of a desired debt portfolio with regards to the cost-risk trade-off.
Multilateral Debt	Debt contracted from multilateral institutions such as World Bank, IMF and development banks such as the African Development Bank (AfDB).
Net Domestic Financing	New debt issuance (net of principal repayment) required to partly fund the budget deficit from domestic sources.
On-Lending	Government borrowed funds which are lent to State-Owned Enterprises (SOEs) and other private sector businesses. Government would generally do this as a measure to promote strategic policy interventions.
Principal Repayment	The act of paying back money previously borrowed from a lender.
Promissory Note	An unconditional promise to pay a certain sum on demand on a specified due date.
Public Debt	The total public (external and domestic) debt obligations of a sovereign nation.
Public-Guaranteed Debt	Debt liabilities of public and private sector units, the servicing of which is contractually guaranteed by public sector units.
Public-Private Partnership	Long-term contracts between two units (one in the public sector and the other in the private sector), whereby one unit acquires or builds an asset or set of assets.
Refinancing Risk	The risk associated with debt that is rolled over into new debt.
Rollover	The extension or transfer of debt from one period to the next.
Short-Term Debt	Outstanding debt with a maturity of one year or less.

2019 Fourth Quarter Public Debt Statistical Bulletin

Sinking Fund	A fund created by a borrower for the purpose of redeeming bonds. The borrower is obliged to redeem specified amounts of the bond within specified periods.
State-Owned Enterprise	A legal entity partially or wholly-owned by the government to conduct business on or on behalf of the government.
Yield	The return on an investment or interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and current market value or face value.
Yield curve	A graph that shows the mathematical relationship, computed across all government securities (or other securities), between yield and maturity



REPUBLIC OF GHANA

MINISTRY OF FINANCE

Professional, Ethical, Efficient, Responsive – Transforming Ghana Beyond Aid

📍 Finance Drive, Ministries-Accra 📍 Digital Address: GA - 144-2024 📧 MB40, Accra - Ghana
☎ +233 302-747-197 📧 info@mofep.gov.gh 🌐 mofep.gov.gh 📺 @ministryoffinanceghana

© 2018. All rights reserved. No part of this publication may be stored in a retrieval system or transmitted in any or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior written permission of the Ministry of Finance