

AFRICA RISK CONSULTING

Ghana Monthly Briefing November 2021

Ghana Summary 16 November 2021

Parliament reconvenes for the fourth session of 2021 but is suspended twice after parliamentary sessions fail to meet quorum. Speaker for parliament Alban Sumana Kingsford Bagbin announces that the parliamentary vote on the Promotion of Proper Human Sexual Rights and Ghanaian Family Values Bill 2021 will be an open ballot vote. Ghana's Eurobond yield premiums reach 910 basis points in October, causing concern over debt sustainability and sources of funding for the 2022 budget due on 17 November. The Ghana Statistical Service (GSS) reports that year-on-year inflation increased to 11% in October from 10.6% in September. Vice president Mahamudu Bawumia signals plans to redouble efforts to digitise revenue collection and the economy to improve tax compliance. Canada-based gold mining company Golden Star Resources agrees to acquisition by Shanghai-listed Chifeng Jilong Gold Mining Co. for \$470m. South Africa-based AngloGold Ashanti announces executive restructuring and minor retrenchment. United States-based last mile drone distribution service Zipline begins distribution of cold-chain vaccines to rural areas of the Ashanti region.

President Akufo-Addo addresses COP26

President **Nana Akufo-Addo** (2017-present) addressed the **United Nations (UN) Conference of the Parties (COP26)** on 2 November in **Glasgow (United Kingdom)**.¹ His speech reflected the **Ghanaian** government's reluctance to cease development of fossil fuel resources, as evidenced in its repurchase of a stake in Ghana's deep-sea oil fields (see *ARC Briefing Ghana October 2021*). President Akufo-Addo criticised targets to which **African** leaders were asked to commit:

*"The almighty has blessed our lands with abundant natural resources, it would be wholly unfair for the world to demand that Africa abandons the exploitation of these same resources needed to finance her development and help us to cope better with the threat of climate change at a time when many countries on the continent have only just discovered them."*²

Akufo-Addo accused wealthier nations present at the conference of failing to make good on promises of financing and technology transfer:

*"The failure of wealthy nations to honour their commitments of making available one hundred billion dollars annually to poorer countries to assist us in the fight against climate change and by the unavailability of technology transfer that will help us find sustainable ways of charting a path out of this existential crisis."*³

Akufo-Addo concluded that to agree to climate emissions targets without compensatory finance and technology would be "*tantamount to enshrining inequality of the highest order*".⁴ He concluded his speech calling for a solution that recognises historical emissions from western nations and 'debt-for-climate' swaps. The president departed the conference early, returning to Ghana on 4 November, leaving vice president **Mahamudu Bawumia** to serve as the national representative.⁵

¹ [Graphic](#), 3 Nov 2021

² [Graphic](#), 3 Nov 2021

³ [Graphic](#), 3 Nov 2021

⁴ [Graphic](#), 3 Nov 2021

⁵ [The Presidency](#), 31 Oct 2021

Ghana is ranked number 42 in the Global Climate Risk Index 2021, published by the **Germany**-based NGO **GermanWatch**.⁶ According to the report, 29 fatalities in 2019 were attributable to climate change and 80% of Ghana's gross domestic product (GDP) may be negatively impacted by climate change.⁷ Ghana is a member of **African Risk Capacity**, a specialised agency of the **African Union (AU)** established to help African governments improve their capacities to better plan, prepare, and respond to extreme weather events and natural disasters.⁸

Parliament reconvenes

A hung parliament elected in the December 2020 elections may result in protracted debate and delay in the approval of 2022 budget, due for tabling on 17 November.⁹ Parliament reconvened for the fourth session of 2021 on 26 October¹⁰ but premature suspension owing to poor attendance prevented presentation of the annual report on the collection and utilisation of the **AU Import Levy** for 2020. Of the 92 members required for a quorum, only 43 MPs attended a session on 5 November following a protest by minority members of the caucus.¹¹ Parliament failed to make quorum for a second time on 10 November, with only 36 members of the ruling **New Patriotic Party (NPP)** and 26 members of the opposition **National Democratic Congress (NDC)** present. Ten NDC members were reportedly at the parliamentary coffee shop during the session.¹² The cancelled sessions prevented finance minister **Ken Ofori-Atta** from addressing a request to waive import duties, import Value-Added-Tax and other taxes amounting to \$39.7m¹³ and interrupted "*urgent questions*" relating to procurement in the education and energy ministries, including a \$40m contract signed by the **Electricity Company of Ghana (ECG)**.¹⁴

The fourth session of parliament will last nine weeks, during which members of parliament are expected to review 56 bills currently in development stages.¹⁵ Bills high on the agenda include:

- **Promotion of Proper Human Sexual Rights and Ghanaian Family Values Bill 2021** (Ghana's anti-LGBTQ+ bill)
- **Office of the Special Prosecutor (Amendment) Bill 2021**
- **Criminal Offences (Amendment) Bill 2021**
- **Affirmative Action Bill 2021**
- **Intestate Succession Bill 2021**
- **Rent Bill 2021**
- **Small Scale Mining Bill 2021**¹⁶

Parliament heard the first public hearings of the Family Values Bill 2021 on 11 November in a session well attended by both the opposition and ruling parties. NPP deputy leader **Alexander Afenyo-Markin** said the committee on constitutional, legal and parliamentary affairs will see ten petitions per week in a series of public sessions prior to the bill being presented to parliament for a vote.¹⁷ Lawyer **Akoto Ampaw** has declared the Family Values bill "*totalitarian*" and "*unconstitutional*",¹⁸ while **Ghana Pentecostal and Charismatic Council** representative **Abraham Ofori-Kuragu** claims the bill reflects the will of Ghanaians and that the opposition has been predominantly encouraged by Western powers.¹⁹

⁶ [Global Climate Risk Index 2021](#), 25 Jan 2021

⁷ [Global Climate Risk Index 2021](#), 25 Jan 2021

⁸ Arc.int accessed 16 Nov 2021

⁹ [Modern Ghana](#), 13 Nov 2021

¹⁰ [Modern Ghana](#), 27 Oct 2021

¹¹ [Modern Ghana](#), 11 Nov 2021

¹² [Modern Ghana](#), 11 Nov 2021

¹³ [Modern Ghana](#), 11 Nov 2021

¹⁴ [Modern Ghana](#), 11 Nov 2021

¹⁵ [Modern Ghana](#), 27 Oct 2021

¹⁶ [Modern Ghana](#), 27 Oct 2021

¹⁷ [Reuters](#), 11 Nov 2021

¹⁸ [Reuters](#), 11 Nov 2021

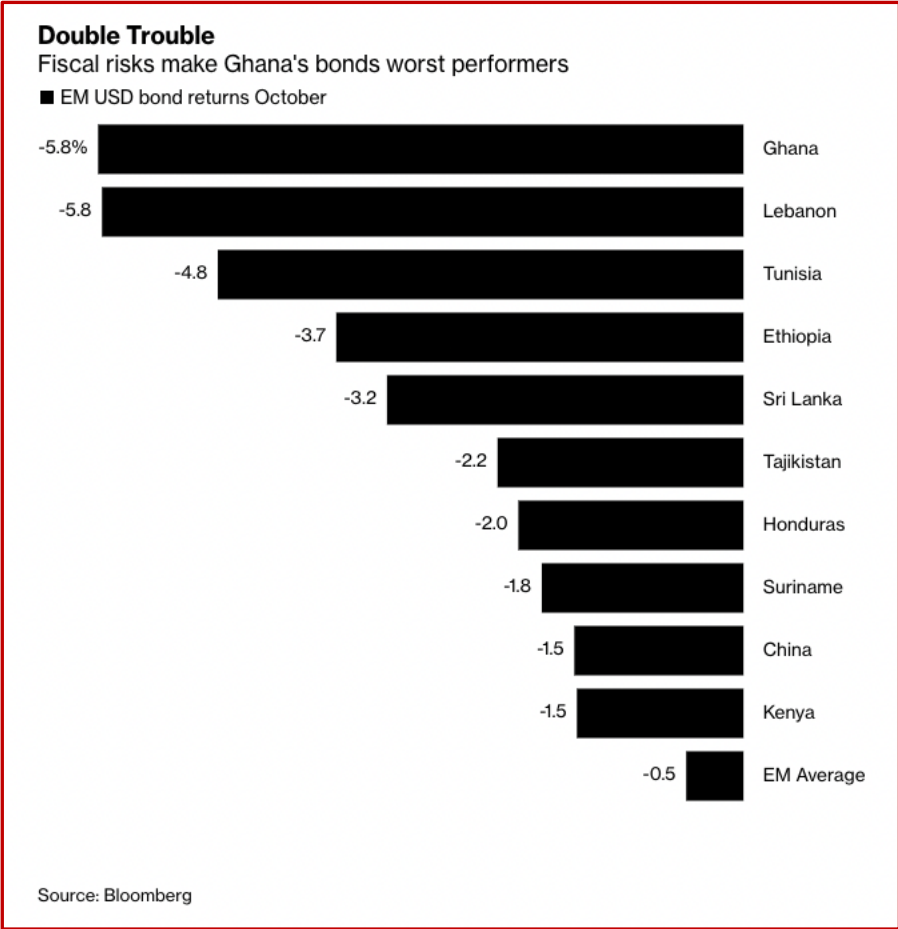
¹⁹ [Reuters](#), 11 Nov 2021

The Family Values Bill, touted to be representative of Ghanaian religious values, has yet to be confirmed by a public opinion poll. However, an **Afrobarometer** survey in 2019 reported that 93% of Ghanaians have “*low social tolerance*” for homosexuality.²⁰ Parliamentary speaker **Alban Sumana Kingsford Bagbin** announced on 26 October that the vote on the Family Values Bill will be an open ballot, meaning each parliamentarian’s vote will be known to the public.²¹

Ghana’s bond suffers as debt sustainability is questioned...

Bank of Ghana (BoG) (central bank) governor **Ernest Addison** has cautioned that the 2022 Budget must show government’s ability to tackle growing public debt and ensure debt sustainability.²² Slow recovery of GDP growth will hamper Ghana’s ability to fund its budget deficit, which breached a 5% legal limit in 2020. The government projected a fiscal deficit of 8.3% of GDP at the mid-year review in October 2020, forecasting a return to the 5% bracket in 2024.²³

Increasing concerns about debt sustainability are likely to affect Ghana’s ability to access the **Eurobond** market, which has historically underpinned national expenditure. Ghana may face greater challenges accessing international loans if its bonds continue to perform poorly. **United States (US)**-based financial services agency **Bloomberg** reports that Ghana’s bonds are the worst performing in the emerging-market hard currency debt index, declining 5.8% in October. On average, other emerging markets declined by 0.5% (see below).²⁴ Ghana’s risk premium on 19 October rose to its highest since the onset of the **Covid-19** pandemic with yield premiums reaching 910 basis points.²⁵



²⁰ [Afrobarometer](#), accessed 16 Nov 2021
²¹ [Ghana News Agency](#), 28 Oct 2021
²² [Bloomberg](#), 16 Nov 2021
²³ [MyJoyOnline](#), 28 Oct 2020
²⁴ [Bloomberg](#), 20 Oct 2021
²⁵ [Bloomberg](#), 20 Oct 2021

The **International Monetary Fund (IMF) World Economic Outlook**, published in October, estimates Ghana's gross government debt at 83.5% of GDP in 2021, a figure forecast to rise to 87.4% in 2024 before declining again.²⁶ Ghana has failed to meet its target growth for 2021 of 5% set by the finance ministry and 4.6% by the presidency. The IMF anticipates Ghana's economy to grow by 4.7% in 2021²⁷ while Germany-based multinational investment bank **Deutsche Bank** has forecast Ghana's GDP growth to reach just 2.3% in 2021.²⁸

South Africa-based **FirstRand Bank** economist **Neville Mandimika** notes that Ghana needs to present "a credible plan B" on how it will fund the budget in the absence of a Eurobond issuance:

*"In a worst-case scenario, where debt is growing amid a global risk-off mood, Ghana may have to head back to the IMF."*²⁹

The **Ghana Statistical Service (GSS)** confirmed in its Consumer Price Index newsletter released on 10 November that year-on-year inflation reached 11% in October, a 0.4% rise from September.³⁰ A rise to 11% exceeded estimates by six economists consulted as part of a Bloomberg survey.³¹ The rise continues a trend that has moved inflation outside of the central bank target range (6-10%). BoG governor Ernest Addison confirmed at the September **Monetary Policy Committee (MPC)** meeting that the MPC would respond with appropriate policy measures should inflation continue to move outside of the target band established by the bank (see *ARC Briefing Ghana September 2021*). The next MPC meeting will be held on 22 November, following the release of the national 2022 budget on 17 November.

New digital tax system

Vice president Mahamudu Bawumia, addressing students at the **Ashesi University (Eastern region)** on 2 November, announced government's plan to boost domestic revenues through the implementation of a digitised tax system.³² Bawumia confirmed that this has been made possible by the issuance of national ID cards.³³ Citizens' national identification numbers double as tax identification numbers. The national ID card scheme has increased the taxable adult population from 4% in early 2017 to 86% in 2021.³⁴

Ghana Revenue Authority (GRA) commissioner general **Ammishaddai Owusu-Amoah** confirmed that Ghana's tax-to-GDP ratio is currently 13%, below an average of 15% in developing countries, 10% in emerging countries and 26% in developed countries.³⁵ Owusu-Amoah confirmed that in addition to the **Integrated Tax Application and Preparation System (iTAPS)** launched in 2019, the GRA intend to publish a mobile application to facilitate the payment of taxes.³⁶

The **Ghana Economic Forum 2021**, held on 18-20 October, hosted a panel to discuss the proposed **Central Bank Digital Currency (CBDC)**, the 'E-Cedi'.³⁷ The digital currency falls under the umbrella of the Digital Ghana Agenda designed to facilitate offline transactions and transition Ghana's economy from a cash-based system to a digital system to improve transaction surveillance and prevent tax evasion.³⁸

²⁶ [International Monetary Fund](#), 12 Oct 2021

²⁷ [International Monetary Fund](#), 12 Oct 2021

²⁸ [Bloomberg](#), 16 Nov 2021

²⁹ [Bloomberg](#), 20 Oct 2021

³⁰ [StatsGhana](#), 10 Nov 2021

³¹ [Bloomberg](#), 10 Nov 2021

³² [Ministry of Information](#), 27 Oct 2021

³³ [Modern Ghana](#), 9 Nov 2021

³⁴ [Bloomberg](#), 2 Nov 2021

³⁵ [Modern Ghana](#), 9 Nov 2021

³⁶ [Modern Ghana](#), 9 Nov 2021

³⁷ [Ghana Economic Forum](#), accessed 15 Nov 2021

³⁸ [Modern Ghana](#), 9 Nov 2021

Mining news

Canada-based gold mining company **Golden Star Resources Ltd** has agreed to its acquisition by **Shanghai Stock Exchange**-listed **Chifeng Jilong Gold Mining Co.** for \$470m.³⁹ The deal, if approved by Golden Star's investors, will provide Chifeng Jilong with access to Ghana's **Wassa mine (Western region)**.⁴⁰ Golden Star CEO **Andrew Wray** confirmed that the Wassa mine remains marked for expansion in addition to prospecting wider regional targets where Golden Star is exploring for standalone orebodies.⁴¹ Golden Star released an update on 27 October on its drilling programmes at Wassa mine, which includes three surface diamond drill rigs. Results of the 2021 exploration and infilling drilling programme are due to be included in the 2021 end of year resource update scheduled for release in Q1 2022.⁴² Golden Star welcomed **Ben Pullinger** as its new executive vice president and head of discovery on 1 November.⁴³

Ghana's largest gold miner, South Africa-based **AngloGold Ashanti**, has seen disappointing results in 2021. AngloGold CEO **Alberto Calderon** announced on 8 November a new "*simplified*" executive structure, noting that AngloGold had "*lost its competitive position versus its peers*".⁴⁴ Poor performance at AngloGold has been linked to reduced output from the **Obuasi mine (Ashanti region)** following a fatal accident due to an underground collapse in May.⁴⁵ Following the accident, AngloGold suspended operations at the mine for five months to facilitate a search mission and prevent further incidents.⁴⁶ Restructuring will involve minor retrenchment and consolidation of local managers under a single chief operations officer and chief executive officer.⁴⁷ Former minister for Ashanti region **John Alexander Ackon** addressed the **Global Obuasi Citizens Association (GOCA)** on 7 November, urging the organisation to cooperate with AngloGold to identify alternative investment opportunities in Obuasi.⁴⁸

Covid-19 update...

Cases of **Covid-19** in Ghana remain low following a third wave of infections that peaked in early August (see *ARC Briefing Ghana August 2021*).⁴⁹ As of 15 November, Ghana had registered 130,649 cases of Covid-19 in its population of 31.7 million, with 1,206 Covid-19-related deaths.⁵⁰ In August, the **Ghana National Chamber of Pharmacy (GNCop)** urged government to redouble its efforts to vaccinate 20 million individuals by December.⁵¹

The **World Health Organisation (WHO)** vaccine tracker reports that as of 20 September, a total of 3.16 million Covid-19 vaccine doses have been administered in Ghana, with 2.32 million individuals (7.49% of the population) in receipt of a single dose and 834,331 individuals (2.69% of the population) fully vaccinated.⁵²

In March, US-based drone delivery service **Zipline** began delivering Covid-19 vaccines to non-urban communities in Ghana, helping to reach the 12 million Ghanaians who live in rural areas and are difficult to reach with time-limited cold chain vaccines such as US-manufactured **Pfizer BioNTech Covid-19** vaccine.⁵³ Zipline confirmed in November the first long-range delivery of Pfizer vaccines

³⁹ [Bloomberg](#), 1 Nov 2021

⁴⁰ [Bloomberg](#), 1 Nov 2021

⁴¹ [Newswire](#), 26 Oct 2021

⁴² [Newswire](#), 27 Oct 2021

⁴³ [Newswire](#), 26 Oct 2021

⁴⁴ [Bloomberg](#), 8 Nov 2021

⁴⁵ [Mining Weekly](#), 26 May 2021

⁴⁶ [Graphic Online](#), 18 Oct 2021

⁴⁷ [Bloomberg](#), 8 Nov 2021

⁴⁸ [Modern Ghana](#), 7 Oct 2021

⁴⁹ [World Health Organisation](#), accessed 15 Nov 2021

⁵⁰ [World Health Organisation](#), accessed 15 Nov 2021

⁵¹ [Modern Ghana](#), 21 Aug 2021

⁵² [World Health Organisation](#), accessed 15 Nov 2021

⁵³ [CitiNews](#), 2 Mar 2021

donated through the WHO **COVAX** scheme to **Bosomtwe** district (Ashanti region). Zipline is tasked to deliver 50,000 Pfizer vaccines to remote communities in Ghana. Zipline's senior vice president for Africa noted:

*"This is the last real mile: places where road accessibility is terrible, where changing weather conditions can cut communities off, where river bodies or lakes separate people from the mainland."*⁵⁴

Following a pledge by US president **Joseph Biden** (2021-present) to donate over 500 million doses of vaccine to low-income countries, Zipline may expand to facilitate last mile deliveries of cold chain pharmaceutical products to the rural populace in other countries.⁵⁵

Planner

17-19 Nov 2021 **Accra (Ghana) Bank of Ghana (BoG)** (central bank) **Monetary Policy Committee (MPC)** meets;

Chronology

11 Nov 2021 **Accra (Ghana) Reuters**. Parliament sits to hear the first public hearings for the proposed **Promotion of Proper Human Sexual Rights and Ghanaian Family Values Bill 2021**, Ghana's anti-LGBTQ+ bill

11 Nov 2021 **Accra (Ghana) S&P Global**. **Petroleum Commission** director of resource management says **Ghana** has received interest from a company to explore the **Eastern** basin, which may yield the country's largest oil find;

10 Nov 2021 **Accra (Ghana) MyJoyOnline**. Government statistician **Samuel Kobina Annim** says annual inflation accelerated to 11% in October from 10.6% in September, exceeding the central bank's target band for a second straight month;

8 Nov 2021 **Accra (Ghana) Bloomberg**. **South Africa**-based mining company **AngloGold Ashanti** CEO **Alberto Calderon** announces to investors a retrenchment process and new executive structure that will consolidate all company operations under one chief operations officer; the new structure has yet to be publicly announced;

1 Nov 2021 **Accra (Ghana) Bloomberg**. **Shanghai Stock Exchange**-listed **Chifeng Jilong Gold Mining Co** offers to acquire **Canada**-based mining company **Golden Star Resources Ltd** for \$470m;

7 Nov 2021 **Accra (Ghana) Africanews**. **Economic Community of West African States (ECOWAS)** chair **Jean-Claude Brou** announces the freezing of financial assets and a travel ban on **Malian** transition leaders after Mali announces it will not hold elections in February 2022;

7 Nov 2021 **Accra (Ghana) Aminata.com**. **Economic Community of West African States (ECOWAS)** leaders salute progress made by **Guinean** transition authorities but maintain sanctions against leaders of the **Comité National du Rassemblement pour le Développement (CNRD)** and call for the release of deposed former president **Alpha Condé**;

6 Nov 2021 **Accra (Ghana) Modern Ghana**. Parliament suspends voting on the motion to adopt the **African Union (AU)** Import Levy for the 2020 financial year due to a lack of quorum;

2 Nov 2021 **Accra (Ghana) MyJoyOnline**. Vice president **Mahamudu Bawumia** says **Ghana** is seeking to boost domestic revenue with a digitised tax system that improves compliance;

27 Oct 2021 **Accra (Ghana) Modern Ghana**. Parliament reconvenes for its fourth session;

⁵⁴ [Bloomberg](#), 13 Nov 2021

⁵⁵ [Reuters](#), 22 Sep 2021

18 Oct 2021 **Accra (Ghana)** *Ghana Web*. Former gender, children and social protection minister **Nana Oye Bampoe Addo** cautions the ruling **New Patriotic Party (NPP)**, stressing the importance of adhering to democratic principles and advising against the incitement of 'chaos';

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