



## ECONOMY

**High borrowing starves businesses of funds - BoG:** The Bank of Ghana (BoG) has expressed concern about the continuous "sluggishness in new lending by banks," stating that the development risked undermining the growth momentum currently enjoyed by the economy. In a statement issued on July 26 to announce the decision of the Monetary Policy Committee (MPC), the bank said the lag in credit disbursement in the first half of the year was caused by the uncertainties in the business environment and the "very high yields offered on the government securities due to increased government borrowing ([Graphic](#))

**Ghana starts implementation of Interim Economic Partnership Agreement:** The government has started the implementation of the Ghana-EU Interim Economic Partnership Agreement (IEPA) effective July 1, 2021. Under the terms of the IEPA, Ghana will progressively liberalise tariffs for 80 percent of the total volume of exports from the EU to Ghana, with cumulative tariff cuts for approximately 22 percent of applicable tariff lines in 2021, 50 percent by 2024 and 100 per cent by 2029 ([GNA](#))

## SECTORAL

**Banks' taste for gov't bills over private sector lending worrying-BoG:** The Monetary Policy Committee (MPC) of the Bank of Ghana has expressed discontent over the declining growth in lending to the private sector from banks which is mainly due to their preference to lend to government, saying, it will affect plans to recover the economy if it becomes a trend. Data from the Summary of Economic and Financial report (July 2021) published by the central bank shows gross advances recorded annual growth of 5.7 percent, relative to 15.7 percent growth in the same period of 2020 ([B&FT](#)).

**Government to digitalize fertilizer distribution to curb smuggling:** Government says it is rolling out measures to digitize the distribution of fertilizer in the country. In recent times fertilizer smuggling has become the order of the day as the Planting for Food and Jobs Secretariat reported that the country lost a whopping GHS120 million from unaccounted for fertilizer, diversion of coupons and fertilizer smuggling in the 2017 and 2018 planting seasons alone ([CBN](#)).

**Producer Price Inflation drops to 10.1% in June:** The average change in the selling prices of goods and services as received by domestic producers and measured by the Producer Price Index (PPI), dropped from 11.8 per cent in the month of May to 10.1 per cent in June this year. The rate indicates that between June 2020 and June 2021 (year-on-year), the PPI increased by 10.1 per cent. ([GNA](#)).

**DBG to plug GH¢158bn manufacturing, service financing:** The manufacturing and service sectors, including agribusiness but excluding trade, recorded an estimated GH¢158.4billion financing gap in 2020 – about 40 percent of GDP according to the Minister of Finance, Ken Ofori-Atta. Despite the huge gap, Mr. Ofori-Atta is however confident that it can be plugged by the soon to be established Development Bank Ghana (DBG): a non-deposit taking lender with focus on four key sectors – agribusinesses, manufacturing, Information Communication Technology and mortgage financing ([B&FT](#))

**Supreme Court rules the BoG's corporate governance directive is lawful:** The Supreme Court has dismissed a case filed by the Association of Finance House challenging the Bank of Ghana for issuing corporate governance directives for financial institutions, ruling that the regulator's action was lawful ([B&FT](#)).

**Govt To Finance Youth Start Ups:** Finance minister Ken Ofori-Atta has announced that the Enterprise and Youth Support Fund, which aligns with Government's overall strategy of developing a competitive and viable private sector economy, will set up a 'Youth Banc' to finance youth-led start-up businesses across the country ([DGN](#)).

## POLICY

**IMF projects further widening of deficit to 13.9%:** The International Monetary Fund (IMF) says government's plan of relying on tax compliance to generate more revenue, especially from the newly introduced taxes, may not yield the expected results – given the experience of past compliance challenges and complexities, thereby widening the budget deficit ([GNA](#)).

**Gov't will commit to fiscal discipline to achieve deficit target:** Minister for Finance, Ken Ofori Atta says government remains fully committed to achieving the fiscal deficit target of 9.5 percent of gross domestic product (GDP) for this year, aimed at returning to the Fiscal Responsibility Act (FRA) thresholds, by 2024. Provisional fiscal data for January to June 2021 from the 2021 mid-year fiscal policy review indicates an overall fiscal deficit of GH¢22.3 billion, equivalent to 5.1 of GDP, against a programmed target of GH¢22.7 billion, 5.2 percent of GDP ([B&FT](#)).

## MARKETS

### Interest Rates

Inflation Rate (June, 2021): **7.8%**  
BoG Policy Rate (May, 2021): **13.5%**  
GRR (June, 2021): **12.63%**

### Treasury Securities Rates

91-Day: **12.1667%**

Source: [BoG: 03.08.2021](#)

### Foreign Exchange Rates

	Buy	Sell
Pound Sterling (£)	GH¢8.0589/	GH¢8.0676
Dollar (US\$)	GH¢5.7982/	GH¢5.8040
Euro (€)	GH¢6.8774/	GH¢6.8842

Source: [BoG: 03.08.2021](#)

### Average Returns

([Doobia.com: 03.08.2021](#))

Money M. Funds:	<b>3.06%</b>
Real Est. Funds:	<b>1.87%</b>
Balanced Funds:	<b>5.16%</b>
Equity Funds:	<b>2.10%</b>
Ethical Funds:	<b>7.62%</b>
Fixed Inc. Funds:	<b>3.97%</b>

## TRADE & INVESTMENT

### MSMEs Receive 84.8% Of CAPBuSS

**Fund:** Government has through the Ghana Enterprises Agency (GEA) disbursed an amount of GH¢520,111,918.67 to some micro, small and medium-scale enterprises (MSMEs), representing 84.8 per cent of the over GH¢600 million earmarked for the Coronavirus Alleviation Programme Business Support Scheme (CAPBuSS). The amount, which was disbursed between May 2020 and June 2021, has benefited some 299,490 MSMEs of which women-owned businesses make up 69 per cent ([DGN](#))

## INTERNATIONAL

### Africa must build robust compliance systems

**against financial crime:** President Nana Addo Dankwa Akufo-Addo has stated that for Africa to be able to transform itself and become the epitome of economic empowerment and self-reliance, it needs to have the wherewithal to be able to protect and optimise the resources at its disposal ([CBN](#))