



HIGHLIGHTS OF THE STATE OF THE NATION ADDRESS (21 FEBRUARY 2019)

POLICY

Tax Exemption Policy: Government is set to introduce suitable measures to lay firm foundation critical for Ghana's economic take-off. The policy in its current form poses a challenge to the country's fiscal stability and revenue generation ambitions. Between 2010 and 2018, tax exemptions in respect of import duties, import VAT, import NHIL and domestic VAT grew from GH¢392 million to GH¢4.66 billion respectively. These figures do not include exemptions from payment of corporate and individual income taxes, concessions on tax rates, petroleum tax reliefs, customs tax exemptions enjoyed by diplomatic missions, and waiver of processing charges at the ports.

Presidential Support Programme: 1,350 start-ups and small businesses have benefited from the programme with each beneficiary receiving between GH¢10,000 to GH¢100,000 at a special interest rate of 10%. 30,000 direct jobs are expected to be created while 18,000 jobs have already been created. Under the stimulus package, GH¢230 million is being disbursed among already established businesses. Consequently, 8,500 to 10,000 direct and indirect jobs have been created.

"One District, One Factory" Policy: There are 79 factories at various stages of operation or construction. Thirty-five (35) factories are undergoing credit appraisal. Government is optimistic that the policy will attract the interest of young people into manufacturing business.

Electricity Generation Mix: Government has assured its commitment to achieving an electricity generation mix that ensures diversity and security of energy supply. It will continue to promote the deployment of renewable energy in line with its policy target of 10% renewables in the energy mix from the current 1%. The Ministry of Energy (MoE) has installed a 65-kilowatt solar rooftop system at its premises as an exemplary approach. By August 2019, Jubilee House will be powered by solar energy. Government is targeting to install up to 200 megawatts of distributed solar power by 2030 in both residential and non-residential facilities. This is aimed at reducing government's expenditure on utilities and promote the use of solar power for government and public buildings.

National Automotive Policy: Government has scheduled to launch this policy in March 2019. The policy spells out the terms, conditions, and incentive package for participating in the new automobile industry. The policy is also applicable to indigenous car assembly companies in the country.

Plastics Management Policy: Government has prepared this policy with the overall objective of meeting the challenges of comprehensive plastics. It is expected that about 82% of Ghana's plastics waste could be readily recovered and recycled with appropriate technologies into value-addition products that are in high demand locally and within the West African region. Discussions are being finalized with investors on the sustainable options available to Ghana.

Housing Policy: The Ministry of Finance is expected to launch a GH¢1 billion housing fund that targets low-income earners. The Saglemi Housing Project, which will offer 5,000 units, is being reviewed to ensure value for money. A consortium of local banks has raised US\$51 million to fund the completion of the social housing units at Koforidua, Tamale, and Ho. The 2019 budget has made provision for the construction of 200,000 housing units, and a database of local and foreign developers has been created. A draft plan is being prepared that will transform Nima into a well-laid out residential area with full amenities. Government is committed to continue other housing projects for the police, armed forces and government workers across the country, through agencies like the State Housing Corporation.

RAILWAY

- Government is committing an extra US\$1 billion to the development of new railway network: US\$500 million is dedicated to the development of the Western line; and US\$500 million to be applied to the first phase of the Kumasi to Paga section of the national network.
- Work on the Tema/Ouagadougou railway line is also progressing steadily; the Accra-Tema railway service has started running on the refurbished line
- The Accra-Nsawam line is expected to be opened by end of February following its postponement due to operations of sand winners that have undermined the ground underneath the track near Pokuase.
- There are on-going rehabilitation activities of the narrow-gauge line from Nsawam to Koforidua, Koiokrom-Tarkwa section of the Western line, standard gauge section from Koiokrom-Manso line.

LEGAL

Presidential Financial Stability Advisory Council: The inter-institutional consultative coordination body has been inaugurated to advise the President on appropriate measures to be taken to preserve the stability of the financial system.

General Petroleum Regulations: These regulations have been passed to allow for disclosure of beneficial ownership information of companies operating in Ghana's oil and gas industry.

National Register of Contracts: A National Register of Contracts on which all the petroleum agreements signed by government has been established. This is expected to enable citizens scrutinize the oil contracts signed by government, and accords with the international call for contract transparency.

Social Partnership: Government is expected to sign a landmark social partnership agreement with Organized labour/Trades Union Congress, the Ghana Employers' Association and Government (represented by the Ministries of Finance, and Employment and Labour Relations). The partnership will engage stakeholders as trusted partners to actively participate in the development of the country.

BANKING

- GH¢12.7 billion clean-up exercise has been undertaken to sanitize the sector, minimize job losses, and protect deposits of 1,147,366 Ghanaians and their businesses and the people they employed.
- The banking sector has emerged stronger from these developments, and inspired confidence in it.

PORTS

- Reforms have been introduced to improve port efficiency. Included in these reforms is the paperless operations that allow goods to be cleared within 1 to 3 days.
- Further reforms are expected to be implemented to enhance the competitive position of Ghana's ports.