



REPUBLIC OF GHANA

MID-YEAR REVIEW

of the

BUDGET STATEMENT AND ECONOMIC POLICY

and

SUPPLEMENTARY ESTIMATES

of the

GOVERNMENT OF GHANA

for the

2015 FINANCIAL YEAR

presented to

PARLIAMENT

on

TUESDAY, 21ST JULY, 2015

by

SETH E. TERKPER
MINISTER FOR FINANCE

on the Authority of

H. E. JOHN DRAMANI MAHAMA
PRESIDENT OF THE REPUBLIC OF GHANA

For copies of the Mid-Year Review, please contact the Public Relations Office of the Ministry:

Ministry of Finance

Public Relations Office

New Building, Ground Floor, Room 001/003

P. O. Box MB 40

Accra – Ghana

The 2015 Mid-Year Review of the Budget Statement and Economic Policy and Supplementary Estimates of the Government of Ghana is also available on the internet at: www.mofep.gov.gh

LIST OF ACRONYMS AND ABBREVIATIONS

ABFA	Annual Budget Funding Amount
BDCs	Bulk Oil Distribution Companies
bps	Basis Points
CAGD	Controller and Accountant General's Department
CPI	Consumer Price Indices
DACF	District Assemblies Common Fund
ECF	Extended Credit Facility
ECG	Electricity Company of Ghana
ES	Equity Study
eSPV	Electronic Salary Payment Voucher
EU	European Union
EXIM	Export -Import
FAO	Food and Agriculture Organisation
FISIM	Financial Intermediation Services Indirectly Measured
FT	Fiscal Trust
FWSC	Fair Wages and Salaries Commission
GCAP	Ghana Commercial Agricultural Project
GDP	Gross Domestic Product
GEDAP	Ghana Energy Development and Access Project
GEPA	Ghana Export Promotion Authority
GETFund	Ghana Education Trust Fund
GIFMIS	Ghana Integrated Financial Management Information System
GIIF	Ghana Infrastructure Investment Fund
GIPC	Ghana Investment Promotion Centre
GNPC	Ghana National Petroleum Company
GOG	Government of Ghana
GPF	Ghana Petroleum Funds
GRA	Ghana Revenue Authority
GSF	Ghana Stabilisation Fund
GSGDA II	Ghana Shared Growth and Development Agenda II

GSS	Ghana Statistical Service
H.E.	His Excellency
Ha	Hectares
HR	Human Resource
HRMIS	Human Resource Management Information System
IMF	International Monetary Fund
IUU	Illegal, Unreported and Unregulated
KTPP	Kpone Thermal Power Project
LI	Legislative Instrument
LNG	Liquefied Natural Gas
LPG	Liquefied Petroleum Gas
M2	Domestic Currency Component
M2+	Broad Money Supply
MDA	Ministries, Departments and Agencies
MDPI	Management Development and Productivity Institute
MLGRD	Ministry of Local Government and Rural Development
MMDA	Metropolitan, Municipal and District Assembly
mmscf	Millions of Standard Cubic Feet
MOF	Ministry of Finance
MOF	Ministry of Food and Agriculture
MOTI	Ministry of Trade and Industry
MP	Market Premium
MTDS	Medium Term Debt Strategy
MW	Mega Watts
NDA	Net Domestic Assets
NDF	Net Domestic Financing
NFA	Net Foreign Assets
NFSL	National Fiscal Stabilization Levy
NHIS	National Health Insurance
NIT	Net Indirect Taxes
NOC	National Oil Company
NRGP	Northern Rural Growth Programme

OCTP	Offshore Cape Three Points
PBR	Petroleum Benchmark Revenue
PFM	Public Financial Management
PMS	Performance Management System
PPP	Public Private Partnership
PRMA	Petroleum Revenue Management Act
PSBR	Public Sector Borrowing Requirement
PSC	Public Services Commission
QPGG	Quantum Power Ghana Gas
SEIP	Secondary Education Improvement project
SHS	Senior High Schools
SOEs	State Owned Enterprises
SPEG	Sea-freight Pineapple Exporters Association
SPT	Special Petroleum Tax
SSNIT	Social Security and National Investment Trust
SSPP	Single Spine Pay Policy
SSSS	Single Spine Salary Structure
TCS	Tax Credit System
TEN	Tweneboa-Enyenra-Ntomme
TIN	Tax Identification Number
TSA	Treasury Single Account
VAT	Value Added Tax
VRA	Volta River Authority
VRPO	VAT Relief Purchase Order

TABLE OF CONTENTS

LIST OF TABLES AND FIGURES	vii
LIST OF FIGURES	vii
APPENDICES	viii
SECTION ONE: INTRODUCTION	1
SECTION TWO: MACROECONOMIC PERFORMANCE IN 2014	7
MACROECONOMIC TARGETS FOR 2014	7
MONETARY SECTOR	10
EXTERNAL SECTOR.....	12
FISCAL PERFORMANCE	13
DEVELOPMENTS IN PUBLIC DEBT.....	16
SECTION THREE: MACROECONOMIC PERFORMANCE IN 2015	18
MACROECONOMIC TARGETS.....	18
MONETARY DEVELOPMENTS	20
EXTERNAL SECTOR DEVELOPMENTS	21
FISCAL PERFORMANCE	22
DEVELOPMENTS IN PUBLIC DEBT.....	27
SECTION FOUR: STATUS OF IMPLEMENTATION OF KEY POLICY INITIATIVES AND OTHER MID TERM INITIATIVES	28
SECTION FIVE: REVISED 2015 MACROECONOMIC TARGETS, FISCAL FRAMEWORK AND REQUEST FOR SUPPLEMENTARY BUDGET	42
REVISIONS TO THE FISCAL FRAMEWORK	42
REVISIONS TO TOTAL REVENUE AND GRANTS	42
REVISIONS TO EXPENDITURES	43
REVISED OVERALL BUDGET BALANCE AND FINANCING.....	45
SECTION SEVEN: CONCLUSION	46

LIST OF TABLES AND FIGURES

Table 1: Summary of Central Government Operations and Financing: Jan-May, 2014/2015.....	24
Table 2: Summary of Central Government Revenue and Grants: Jan - May, 2014/2015.....	24
Table 3: Summary of Central Government Expenditure: Jan-May, 2014/2015	26
Table 4: Summary of Central Government Financing: Jan-May, 2014/2015.....	27

LIST OF FIGURES

Figure 1: GDP Growth Rate (2007-2014)	8
Figure 2: Sectoral Distribution of GDP (2010-2014)	9
Figure 3: Inflation Trends, January 2014-June 2015.....	20

APPENDICES

Appendix 1: Summary of Central Government Operations – 2014 - 2015.....	48
Appendix 2: Economic Classification of Central Gov't Revenue - 2014 - 2015	50
Appendix 3: Economic Classification of Central Gov't Expenditure - 2014 – 2015....	51
Appendix 4: Summary of Central Government Operations – 2015	52
Appendix 5: Economic Classification of Central Gov't Revenue - 2015.....	54
Appendix 6: Economic Classification of Central Gov't Expenditure – 2015	55



SECTION ONE: INTRODUCTION

1. Right Honourable Speaker and distinguished members of Parliament, on the authority of His Excellency, President John Dramani Mahama, and in accordance with Article 179 (8) of the 1992 Constitution, I stand before this august House, to present a Mid-Year Review and revised macroeconomic targets as well as seek approval for Supplementary Estimates for the 2015 fiscal year. These revised estimates have been necessitated by domestic and longstanding global developments.
2. Mr. Speaker, before I proceed, on behalf of His Excellency, President John Dramani Mahama, I wish to express our profound appreciation to this august House for your cooperation and support in the management of the economy.
3. Mr. Speaker, the aim of this year's Mid-Year Review and Supplementary Estimates is to:
 - update Honourable Members on the performance of the economy in 2014 and for the first five months of 2015;
 - revise the macroeconomic targets for 2015;
 - revise our budget estimates based on current information;
 - request for approval of Supplementary Estimates for 2015; and
 - provide an update of major Government initiatives
4. Mr. Speaker, on Thursday, 12th March, 2015, I came to this House to provide information and apprise the people of Ghana on the implications of the decline in crude oil prices and its impact on the 2015 Budget.
5. In that Statement, I also outlined steps Government had taken and others it planned to take to address the expected shortfall in revenue, to ensure that the macroeconomic objectives of Government are achieved.
6. Mr. Speaker, our fiscal consolidation programme, as at the end of May 2015, remained on course. These are the result of relatively good tax and non-tax revenue performance, as well as containment of the overruns on subsidies, the wage bill and other spending. Furthermore, Mr. Speaker, the provisional GDP numbers released by the Ghana Statistical Service indicates that the economy grew by 4.7 percent in the first quarter of 2015, compared with a lower growth of 3.8 percent in the first quarter of 2014 and 4.0 percent at the end of that year. Despite the net adverse impact of the fall in crude oil prices, the upward trend seems obvious.

7. Mr. Speaker, I am glad to note that our decision to enter into the IMF programme for Balance of Payments support to build on the progress in the implementation of government's Home Grown Policies is beginning to yield dividends, nonetheless we will not be complacent at this stage.
8. It will be recalled that following the successful conclusion of negotiations on April 4, 2015, the Board of Directors of the IMF approved a 3-year Extended Credit Facility (ECF) Programme for Ghana based on concrete prior actions we were able to meet.
9. Mr. Speaker, permit me to share with you progress made so far on the IMF Programme. Ghana received an amount of US\$114.75 million being the first tranche of the total amount of US\$918 million expected to be disbursed in eight equal instalments as balance of payments support over the 3-year period. The remaining seven (7) disbursements will be made after the observance of the performance criteria and completion of reviews under the Programme.
10. Mr. Speaker, given that these disbursements are performance-based, it is refreshing to note that at the conclusion of the first review of the Programme in June, the IMF Mission was satisfied that the Programme is on track, with all the performance criteria met except for the ceiling on central bank financing to the government, which was technically missed by a small margin. The Government is keenly observing this particular programme benchmark given its implications for the overall financing levels that have been recorded this year. Following the anticipated approval by its Board, we expect the release of the second tranche soon by the IMF.
11. Mr. Speaker, the bold measures we have taken since 2013 have restored confidence in the economy resulting in the gradual and envisaged improvement in foreign exchange inflows. The sources of these inflows include budget support from our development partners, especially the World Bank, European Union and the African Development Bank. The renewed confidence and inflows are important for the stability of the Cedi. It is expected to remain relatively stable given inflows such as the second tranche of the IMF support; additional development partner inflows; the Eurobond issue; and proceeds from the cocoa syndicated loan to boost reserves. Other more gradual flows are expected from crude oil, gold and other exports.
12. Mr. Speaker, we will not adopt a passive approach to issues relating to the value of the currency. We will continue to focus on this subject matter with

short term as well as structural measures, as is characteristic of our transformational approach. Our short term measures will focus on:

- intensifying reporting and monitoring of foreign exchange inflows, retention and use under our laws and agreements to provide better information to the markets;
- enhancing monitoring of foreign exchange transactions, including speculative activities;
- continuing with Bank of Ghana SWAPS arrangements and more even utilization of its reserves; and
- rationalizing MDA/MMDA imports.

13. The more structural export-led measures include:
 - provision of credit and guarantee to exporters through the EXIM Bank;
 - provision of export incentives through GIPC; and
 - facilitation of the development and promotion of Ghanaian exports by the private sector through Ghana Export Promotion Authority.
14. Mr. Speaker, government announced a number of initiatives during the presentation of the 2015 Budget Statement and Economic Policy relating to key strategic areas such as tax policy; expenditure rationalization; debt management; structural measures; export-led development strategy including the EXIM Bank initiative; management of Internally Generated Funds and Statutory Funds; as well as measures to improve the power, industry, agriculture and infrastructure sectors.
15. Mr. Speaker, permit me, to mention some sterling performance recorded in the first half of the year which gives hope for the bright short-to-medium term prospects for the nation.
16. Mr. Speaker, I mentioned in the 2015 budget statement that government was poised to usher the country into the gas era and Phase II of crude oil production.
17. I am pleased to inform you that the Tweneboa-Enyenra Ntomme Fields Development is 57 percent complete. The project is on course to meet the deadline in gas supply and is expected to bring on stream additional gas and crude oil supplies in the second half of 2016.
18. Work on the Western Corridor Gas Infrastructure project is completed. However, some ancillary works are still ongoing. This will improve power output and the prospect for power exports. Currently, the Atuabo Gas

Processing plant is delivering 80mmscf of gas/day for Thermal plants at Aboadze as well as 400 metric tons of LPG a day to the domestic market.

19. Mr. Speaker, Ghana took another major step towards the attainment of energy and power security with the signing of an agreement for the development of the natural gas reserves of the Offshore Cape Three Points (OCTP). The Sankofa Gas Field project will provide 170 million cubic feet of gas per day for nearly 15 years, and will be sufficient to supply close to an additional 1,000MW of power generation. The Sankofa Gas field will come on line in 2018, when gas from other fields are expected to decline.
20. In this regard, the World Bank is expected to provide a US\$700 million Partial Risk Guarantee support to leverage the substantially larger gas payment flows and facilitate an investment of up to US\$7.9 billion by the private sector. A World Bank Board approval is expected in the coming weeks for this major breakthrough in investment management in Sub-Saharan Africa.
21. Mr. Speaker, as you may recall, this august House amended the Petroleum Revenue Management Law, to, among others, modify the benchmark revenue rules and ensure judicious implementation of the Law to meet our investment, debt management, savings and budget support initiatives. Among the benefits is more regular flows into the Petroleum Funds that will enhance the operation of the Contingency and Sinking Funds.
22. I am pleased to also inform you that with the recent amendments to the Petroleum Revenue Management Law and the passage of the Ghana Infrastructure Fund Law, progress is being made to fully operationalize the Ghana Infrastructure Investment Fund for the purposes of infrastructure development.
23. In addition, the Petroleum Price Liberalization policy has been approved by Cabinet to overhaul the pricing of petroleum products. Implementation of the policy has started and we expect that the full implementation of the deregulation of the petroleum downstream sector would promote competition among market players. The issue of subsidies and foreign exchange losses which put a huge financial burden on government and contributed to the misalignment of budget expenditure items will also end. This will result in the re-channeling of finances into other sectors of the economy including our social intervention programmes.

24. Mr. Speaker, a couple of weeks ago, Ghana went through one of the most unfortunate, tragic and difficult periods in the country's history. The sad twin disaster of flooding and fire that occurred on June 3rd led to the death of over one hundred and fifty Ghanaians and thousands more displaced and vulnerable.
25. There is currently a major on-going effort to mobilize and supply basic human needs like water, food, clothing, beddings, shelter and healthcare to the displaced. However, this tragic and unfortunate disaster was also a stark reminder of the very poor state in which some of our compatriots live and the urgent need to provide minimum Social Protection (SP) benefits to the thousands.
26. Recall His Excellency's visit to the Nsawam Prisons as part of the Efiase Project. As he observed, it is another area of supreme humanitarian need that requires Government action. Every effort is being made by relevant MDAs to reprioritize expenditures to complement the promise of GH¢50 million assistance to enable us respond to these needs appropriately. Plans are also being put in place, including the alignment of IGFs and statutory funds to mitigate the risk of similar future disasters.
27. Mr. Speaker, further on the initiatives, the expenditure rationalization measures I outlined in my statement to this august House, mostly under the GIFMIS initiative, included containing the wage bill; realigning expenditures to statutory funds; installation of the Human Resource Management Information System (HRMIS) to facilitate management and reconciliation with the mechanized payroll and establishment schedules; electronic payments; MDAs/MMDAs account monitoring; and commitment control.
28. I am happy to inform the House that good progress is being made on all the above mentioned initiatives and will be enhanced with the approval of a US\$45 million PFM Reform Facility. We look forward to the House approving the loan.
29. Mr. Speaker, we are presenting this Mid-Year Review and Supplementary Estimates to continue pursuing our transformation agenda; maintain the recent gains in our growth and macroeconomic stability agenda; and entrench our lower middle income status. The short-term and more structural elements are designed to manage issues such as higher foreign-financed capital expenditure due to the exchange rate effects; rising inflation; impact of gold and cocoa prices; revisions in the benchmark crude oil prices used in the PRMA; additional spending related to the recent flooding; and refinancing of existing debt stock.

30. Mr. Speaker, let me use this opportunity to remind MDAs and MMDAs that this Revision and Supplementary Estimates will not result in automatic increases in expenditure across board. Further, they do not accommodate significant new expenditures that must be justified in budget context. Our prudent expenditure drive continues with additional expenditure allowed only when revenues increase. On the other hand, we are confident that as the economy rebounds, the expenditure envelope will increase in tandem with revenue. In the interim, focus will be on pipeline projects and MDA/MMDAs are not to incur unauthorized expenditures beyond their budgets and budget allotments.

31. Mr. Speaker, against this background, I have come to this House to request for Supplementary Estimates of **GH¢865,789,380.00** in accordance with Article 179 (8) of the 1992 Constitution and Standing Order 143 of this House.

SECTION TWO: MACROECONOMIC PERFORMANCE IN 2014

MACROECONOMIC TARGETS FOR 2014

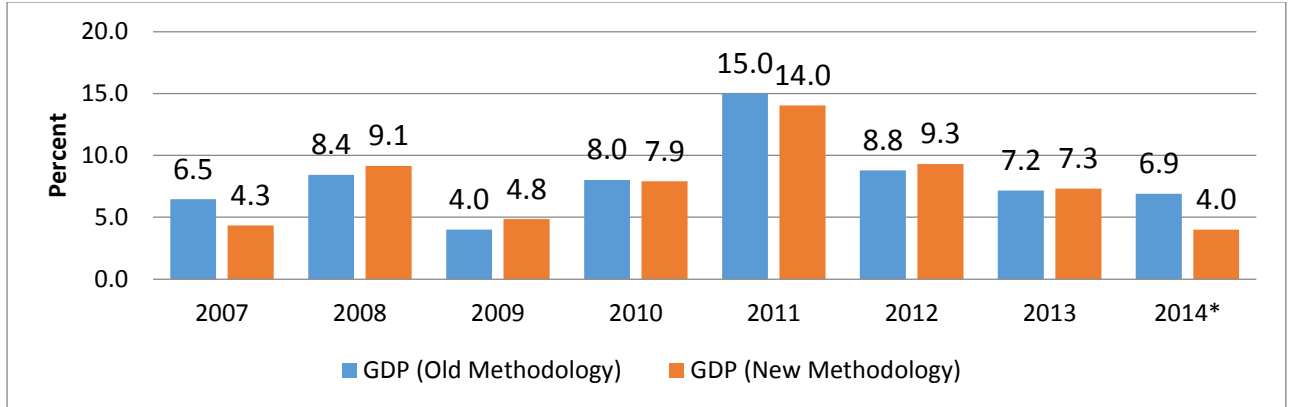
32. Mr. Speaker, at the time of presenting the 2015 Budget, we did not have full year macroeconomic performance information for 2014. Consequently, we apprised this august House of macroeconomic performance for the first three quarters of 2014 and the projected outturn for the year. We wish to inform the House that we now have the full complement of information on the macroeconomic performance in 2014.
33. Mr. Speaker, let me take this opportunity to inform this house that for the very first time, a Budget performance report has been produced by the Ministry of Finance. The report covers the period January to December, 2014. It has been published and is available on the Ministry's website – www.mofep.gov.gh.
34. Mr. Speaker, please permit me to restate the 2014 macroeconomic targets which were as follows:
- overall real GDP (including oil) growth of 7.1 percent;
 - non-oil real GDP growth of 6.6 percent;
 - an end-year inflation target of 13.0 ± 2 percent;
 - overall budget deficit of 8.8 percent; and
 - Gross International Reserves of not less than 3 months of import cover of goods and services.

GDP Growth

35. Mr. Speaker, the Ghana Statistical Service (GSS) has revised the Gross Domestic Product (GDP) methodology slightly. The change in methodology has had some marginal effects on the real and nominal GDP at levels. This has led to an annual reduction of approximately GH¢2million and GH¢49million in the GDP respectively. The change in methodology, thus affected the GDP growth rates from 2007 to 2014, as follows:
- the introduction of the Financial Intermediation Services Indirectly Measured (FISIM) variable (a reducing item) before GDP at basic prices, reduces the size and growth of GDP at basic prices; and
 - the treatment of growth in Net Indirect Taxes (NIT) on the overall GDP so as to mimic the growth of GDP at basic prices, whose impact would have been reduced by FISIM, also reduces the size and growth of NIT and, overall GDP growth.
36. Mr. Speaker, the GSS published the final 2013 GDP and revised GDP for 2014 in June 2015. The publication indicates that the economy grew by 4.0 percent

in 2014, as shown in Figure 1. The 2014 GDP growth is lower than the 7.3 percent recorded in 2013 and the 2014 Mid-Year revised growth target of 7.1 percent.

Figure 1: GDP Growth Rate (2007-2014)



Source: GSS

*Revised

37. The non-attainment of the 2014 growth target was on account of a decline in growth in all sectors of the economy relative to the projected sectoral growth targets. The Agriculture Sector grew by 4.6 percent, against a target of 5.2 percent; the Industry Sector grew by 0.8 percent, against a target of 6.8 percent; and the Services Sector grew by 5.6 percent, against a target of 7.2 percent.
38. The real GDP in monetary terms in 2014 was GH¢33,521.87 million, compared with a target of GH¢34,809.30 million, while nominal GDP was GH¢113,343.40 million, compared with a target of GH¢114,788.40 million showing a growth of 21.3 percent in 2014.

Sectoral Performance in 2014

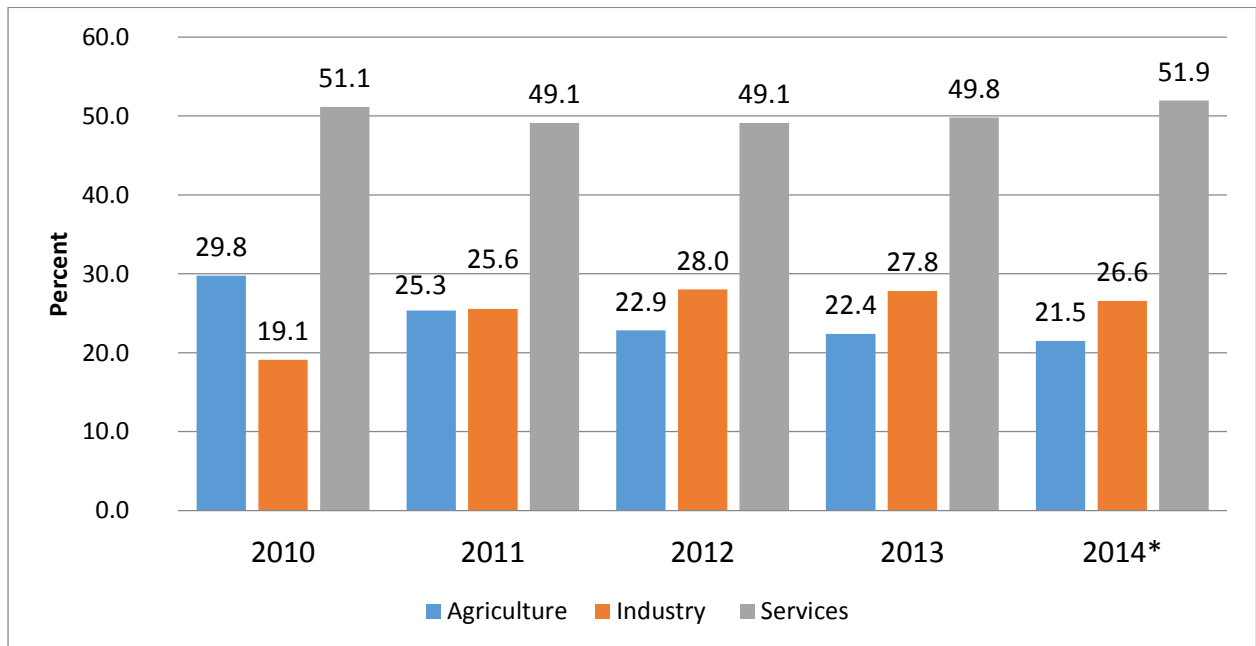
39. Mr. Speaker, the Services Sector grew by 5.6 percent in 2014 mainly on account of strong growth in the Information and Communication (38.4 percent), Financial and Insurance Activities (22.9 percent); and Education (7.1 percent) subsectors. The growth in the Services sector was, however, dampened by contraction in growth in subsectors such as Hotels and Restaurants (1.2 percent) partly as a result of the Ebola effect; Health and Social Work (1.7 percent); Public Administration & Defence; and Social Security (4.7 percent); and Community, Social and Personal Service Activities (1.6 percent).

40. Mr. Speaker, the Industry Sector recorded a rather moderate growth of 0.8 percent mainly due to the marginal growth in Mining and Quarrying (3.2 percent); Electricity (0.3 percent) and Construction (0.03 percent) subsectors. These, coupled with contractions in the Manufacturing (0.8 percent) and Water and Sewerage (1.6 percent) subsectors, led to the overall passive Industry Sector growth.
41. Finally, the Agriculture Sector grew by 4.6 percent, down from 5.7 percent in 2013. This was on account of growth in the Crops (5.7 percent), Livestock (5.3 percent) and the Forestry and Logging (3.8 percent) subsectors. The Fishing subsector, however, declined for the first time since 2011 by 5.7 percent, due to declines in both the volume and value of catch in 2014.

Structure of the Economy in 2014

42. Mr. Speaker, the Services Sector remains the largest sector in the economy, with a share of 51.9 percent of GDP, up from 49.8 percent in 2013. The Industry Sector experienced a second successive year of declining share of GDP, having declined to 26.6 percent in 2014, down from 27.8 percent in 2013. The Agriculture Sector experienced a further decline in its share of GDP, with a share of 21.5 percent, down from 22.4 percent in 2013, as shown in Figure 2.

Figure 2: Sectoral Distribution of GDP (2010-2014)



Source: GSS

*Revised

Inflation

43. Mr. Speaker, Inflation pressures remained elevated throughout 2014, with headline inflation ending the year at 17.0 percent. The rise in inflation was mainly driven by depreciation of the Cedi as well as change in utility tariffs and transport costs. From 13.5 percent in December 2013, inflation increased to 14.5 percent in March 2014, driven partly by increases in petroleum prices and sharp depreciation of the domestic currency. It increased further to 16.9 percent in October as second round effects from earlier price shocks emerged. Inflation, however, ended the year at 17.0 percent.
44. In terms of broad disaggregation, food inflation declined marginally to 6.8 percent in December 2014, compared with 7.2 percent in December 2013. In fact, this was the lowest rate of inflation among all major categories of items in the price basket. Non-food inflation, however, increased significantly from 18.1 percent in December 2013 to 23.9 percent in December 2014, reflecting the pass-through effect of domestic currency depreciation on imported items.

MONETARY SECTOR

Developments in Monetary Aggregates

45. Mr. Speaker, annual growth in broad money supply (M2+), including foreign currency deposits, recorded year-on-year growth of 36.8 percent to GH¢36,843.2 million at the end of 2014 compared with 19.1 percent in 2013. The growth in M2+ was reflected in all of its components. The domestic currency component (M2) increased by 33.0 percent in 2014 compared with 18.2 percent in 2013 while foreign currency deposits also increased by 49.1 percent, up from 22.0 percent in 2013.
46. Growth in M2+ in 2014 was underpinned by increases in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA). Net Foreign Assets recorded a growth of 57.7 percent in 2014, mainly due to a significant increase in the NFA of the BoG which grew by 45.3 percent, compared with a decrease of 19.5 percent in 2013, while NDA increased at a slower pace by 31.2 percent in 2014 compared with a growth of 36.7 percent in 2013.

Banks' Outstanding Credit

47. Mr. Speaker, the annual growth in banks' total credit to public and private institutions showed an upward trend on a year-on-year basis. The overall credit increased by 42.2 percent in nominal terms to GH¢24,101.9 million in December 2014, up from GH¢16,963.0 million in 2013. In real terms, credit to public and private sectors grew by 21.9 percent in 2014 compared with 13.3

percent in 2013. The private sector accounted for 87.3 percent of total outstanding credit at the end of 2014 compared with 87.0 percent at the end of 2013.

Exchange Rates

48. Mr. Speaker, the Cedi depreciated by 26.7 percent between January and June, 2014 but remained relatively stable during the second half, depreciating by 4.5 percent. The cumulative depreciation for 2014 was 31.2 percent compared with 14.5 percent in 2013.
49. In the forex bureau market, the Cedi depreciated by 27.6 percent, 24.5 percent and 20.2 percent against the US dollar, the pound sterling and the euro, respectively. This compares with depreciation of 16.3 percent, 17.5 percent and 19.3 percent against the US dollar, the pound sterling and the euro respectively, in 2013.
50. The decline was due to increased demand pressures, speculative activities and declining forex inflows. However, the Cedi gained marginal stability during the last quarter of the year on the back of tight monetary policy, proceeds from the Eurobond floatation and the cocoa syndicated loan.

Interest Rate Developments

51. Mr. Speaker, the Monetary Policy Committee of the Bank of Ghana raised the Monetary Policy Rate by a cumulative 500 basis points (bps) from 16.0 percent in 2013 to 21.0 percent in 2014. This was broadly in line with the tight monetary policy of the Bank during the year to deal with the high inflation expectations and depreciation of the domestic currency.
52. Consequently, Bank of Ghana bills that are used for fine tuning in the transmission process of monetary policy generally trended upwards with the rates on the 28-day bill, 56-day bill and the 270-day bill increasing by 500 bps, 656 bps and 697 bps respectively to 24.78 percent, 25.35 percent and 26.82 percent, respectively, as at the end of December 2014.
53. Mr. Speaker, Interest rates on the 91-day and 182-day bills also went up by 699 bps and 756 bps respectively to 25.79 percent and 26.39 percent respectively, at end December 2014. Rates on the 1-year note, 2-year note and 3-year bond also increased while the rates on the 5-year and 7-year bonds, remained unchanged at 19.04 percent and 18.00 percent, respectively.
54. In the interbank market, the weighted average rate also increased by 760 bps from 16.34 percent to 23.94 percent compared with a decrease of 77 bps in

2013. The average lending rates increased by 342 bps from 25.56 percent in December 2013 to 28.98 percent at the end of December 2014.

EXTERNAL SECTOR

Balance of Payments

55. Mr. Speaker, the overall balance of payments improved significantly from a deficit of US\$874.2 million in 2013 to a deficit of US\$85.2 million. This was as a result of improvements in the current account balance, which outweighed the deterioration in the capital and financial accounts.
56. Mr. Speaker, the current account balance recorded a deficit of US\$3,698.2 million (9.2 percent of GDP) in 2014 compared with a deficit of US\$5,704.1 million in 2013 (11.9 percent of GDP). This development was as a result of significant reductions in the trade deficit as well as improvements in the current transfers account.
57. The trade balance improved from a deficit of US\$3,848.3 million recorded in 2013 to a deficit of US\$1,386.9 million in 2014. This was the net result of a sharp slowdown in imports and moderate reduction in exports revenue in 2014. The fall in import was due to the sharp depreciation in the value of the Cedi while exports suffered from the falling commodity prices.
58. Mr. Speaker, the value of merchandise exports for 2014 was estimated at US\$13,213.1 million, indicating a decrease of 3.9 percent compared with the outturn of US\$13,751.9 million in 2013. Falling commodity prices on the international market, especially for gold and crude oil, accounted for the decline.
59. The value of merchandise imports was estimated at US\$14,600.1 million in 2014, down by 17 percent compared with that of 2013. The decline in imports was due to a significant reduction in non-oil imports, mainly on account of sharp depreciation in the value of the Cedi. The value of non-oil imports declined by 22.4 percent to US\$10,906.1 million while oil imports rose by 4.0 percent to US\$3,694.0 million in 2014.

International Reserves

60. Mr. Speaker, the country's gross international reserves decreased by US\$171.1 million to US\$5,461.0 million in 2014 from a stock position of US\$5,632.2 million at the end of December 2013. This level of reserves was sufficient to provide 3.2 months of imports cover compared to 3.1 months as at December

2013. The stock of net international reserves declined by US\$85.2 million to US\$3,199.3 million at the end of 2014.

FISCAL PERFORMANCE

61. Mr. Speaker, in line with Government's medium term fiscal objectives as outlined in the Budget, fiscal policy in 2014 aimed at ensuring fiscal prudence and debt sustainability. The fiscal policy objective was to be achieved through improved revenue mobilization, rationalisation of public expenditure, re-alignment and enhancement of the efficiency of public expenditures, as well as implementation of new debt management reforms.
62. In this regard, the 2014 Budget targeted a reduction in the deficit from 10.1 percent of GDP in 2013 to 8.5 percent.
63. Mr. Speaker, revenue measures in the 2014 Budget included the following:
- increase in the VAT rate by 2.5 percent and a broadening of the VAT base to cover fee-based financial services and real estate;
 - a change in petroleum excise tax from specific to ad valorem in line with other excise regimes;
 - an increase in withholding tax on rent on commercial properties from 8 to 15 percent;
 - an increase in the withholding tax on management and technical services fees from 15 to 20 percent;
 - an increase in corporate income tax rate of free zones companies selling on the local market from 8 to 25 percent;
 - more effective application of the communication service tax;
 - strengthening of the GRA headquarters;
 - segmentation of the tax offices into small, medium and large taxpayers; and
 - Integration of VAT and Income Tax Offices (alongside segmentation and automation).
64. Mr. Speaker, expenditure measures in the 2014 Budget included:
- continued deployment of financial, accounting and budgeting modules under the GIFMIS initiative;
 - continuation of the policy of regular adjustment of utility and petroleum prices;
 - intensified consultation on public sector wages in 2014 through the public sector wage negotiation process (in line with Ho Forum);
 - continuation of the policy of net freeze on employment in the public service (excluding education and health sector);

- payroll and human resource management measures such as frequent payroll audits and the use of Electronic Salary Payment Voucher (E-SPV) to reduce the incidence of 'ghost' workers on government payroll; and
 - continuation of the limit on the award of new contracts and new loans with continuing emphasis on the completion of pipeline projects.
65. Mr. Speaker, the implementation of these revenue and expenditure measures, which is showing improvements in the efficiency of both revenue administration and public spending was expected to result in an increase in tax revenue from 15.3 percent of GDP in 2013 to 17.0 percent in 2014. On the other hand, total expenditure including the clearance of arrears was expected to rise from 31.0 percent of GDP in 2013 to a modest 32.0 percent in 2014.
66. Mr. Speaker, despite the overall positive performance in 2014, the economy faced some macroeconomic challenges such as a sharp depreciation of the Cedi, rising interest rates, high inflation and a slowdown in economic activity resulting mainly from falling commodity prices, EBOLA Knock-on effect and energy supply shortages. These, coupled with delays in the implementation of some of the revenue and expenditure measures outlined above, affected the fiscal performance during the first few months of the year. This necessitated a review of the revenue and expenditure estimates in the 2014 Budget and resulted in a revision of the fiscal deficit target from 8.5 percent of GDP to 8.8 percent.
67. Provisional fiscal data for the 2014 fiscal year indicates that, both revenue and expenditure were below their respective targets for the period. However, with the shortfall in revenue exceeding that of expenditure, the resulting cash fiscal deficit was equivalent to 10.2 percent of GDP against the revised target of 8.8 percent.

Revenue

68. Mr. Speaker, total revenue and grants for the period amounted to GH¢24,745.5 million (21.8 percent of GDP), against a target of GH¢26,230.3 million (22.9 percent of GDP). The shortfall in total revenue and grants for the period was as a result of lower than anticipated domestic revenue collections and low disbursement of grants, mainly budget support from development partners. In nominal terms, the provisional outturn was 27.1 percent higher than the outturn for the same period in 2013.

69. Total tax revenue amounted to GH¢19,229.8 million (17.0 percent of GDP), 2.8 percent lower than the revised budget target of GH¢19,788.6 million (17.2 percent of GDP). The shortfall in tax revenue compared to the target was partly on account of the slowdown in economic growth resulting from the energy challenges as well as lower import volumes. This led to lower than estimated corporate income taxes and import duties.
70. In nominal terms, tax revenue was 34.4 percent higher than the outturn recorded for the same period in 2013. The sturdy year-on-year growth in tax revenue was mainly the result of the strong growth in oil tax revenue and VAT by 78.3 percent and 40.8 percent, respectively. Of the total tax revenue, oil tax revenue for the period was GH¢1,350.7 million, 25.5 percent higher than the revised Budget target of GH¢1,076.2 million.
71. Disbursement of grants from development partners was 41.5 percent lower than the budget target of GH¢1,390.8 million and 10.1 percent higher than the outturn for the same period in 2013. The lower than expected outturn of grants was mainly due to the slow disbursement of programme grants from our Multi Donor Budget Support partners.

Expenditure

72. Mr. Speaker, total expenditure, including payments for clearance of arrears and outstanding commitments amounted to GH¢36,296.1 million (32.0 percent of GDP), against a target of GH¢36,358.3 million (31.7 percent of GDP). The outturn was 0.2 percent lower than the budget target and 25.5 percent higher than the outturn for 2013.
73. The lower than estimated expenditure for the period was mainly as a result of lower than estimated interest costs, delays in the payment of Social Security of Government employees, as well as delays in the transfer of grants to other government units such as the District Assemblies Common Fund (DACF) and the Ghana Education Trust Fund (GETFund), the latter mainly due to the need to control government spending in light of the unexpected shortfall in revenue.
74. Total expenditure on Wages and Salaries for the period totalled GH¢9,448.6 million (8.3 percent of GDP), 2.5 percent higher than the budget target of GH¢9,218.9 million (8.0 percent of GDP) and 14.6 percent higher than the outturn for 2013. In addition, an amount of GH¢567.6 million was spent on the clearance of wage arrears.
75. Total interest payments was GH¢7,080.9 million (6.2 percent of GDP), against a Budget target of GH¢7,884.7 million (6.9 percent of GDP). The outturn was

10.2 percent lower than the Budget target but 61.0 percent higher than the outturn in 2013. The growth in interest payments is mainly on account of rising domestic interest rates and increased short term domestic debt. Of the total interest payments in 2014, domestic interest payment constituted 86.3 percent.

76. Mr. Speaker, total capital expenditure amounted to GH¢6,095.7 million (5.4 percent of GDP), 1.8 percent higher than the Budget target of GH¢5,990.2 million (5.2 percent of GDP) and 27.2 percent higher than the outturn in 2013. The higher than estimated outturn for capital spending was on account of higher foreign-financed capital expenditure driven mainly by higher than estimated disbursement of project loans.

Overall Budget Balance and Financing

77. Mr. Speaker, based on the revenue and expenditure performance outlined above, an amount of GH¢11,550.6 million (10.2 percent of GDP) was registered as the cash fiscal deficit for 2014. This compares with the Budget target of GH¢10,128.1 million (8.8 percent of GDP). The deficit was financed mainly from foreign sources, with total foreign financing amounting to GH¢5,874.1 million (5.2 percent of GDP), including GH¢3,161.9 million from the issue of the Eurobond.
78. Net Domestic Financing (NDF) of the Budget was GH¢5,676.5 million, 35.4 percent higher than the Budget target and 9.1 percent lower than the outturn in 2013.

DEVELOPMENTS IN PUBLIC DEBT

79. Mr. Speaker, Ghana's total public debt stock as at end-December, 2014 stood at GH¢79,665.5 million, representing an increase of 52.8 percent from the end-2013 stock of GH¢52,125.9 million. Out of this, external debt was GH¢44,625.3 million and domestic debt was GH¢35,040.2 million, representing 56.0 percent and 44.0 percent of the debt stock, respectively. In dollar terms, the debt stock was US\$24,817.1 million, representing an increase of 3.3 percent from the end-2013 stock of US\$24,021.2 million. Out of this, external debt was US\$13,901.5 million and domestic debt was US\$10,915.6 million.
80. The increase in the total debt stock was largely on account of high domestic net issuance, the US\$1 billion Eurobond issue, net disbursement of externally financed infrastructure projects and the depreciation of the local currency.

81. Mr. Speaker, total public debt as a percentage of GDP stood at 70.2 percent at the end of December 2014, an increase from the end 2013 ratio of 54.9 percent.

External Debt Stock

82. Mr. Speaker, total public external debt stock at the end of 2014 stood at GH¢44,625.3 million, representing an increase of 79.4 percent from the end-2013 stock of GH¢24,871.9 million. Total external debt as a percent of GDP stood at 39.3 percent in December, 2014 up from 26.2 percent recorded in 2013. In US dollar terms the debt stock increased from US\$13,901.5 million, representing an increase of 21.3 percent from the end-2013 stock of US\$11,461.7 million.

Domestic Debt Stock

83. Mr. Speaker, the total domestic debt stock amounted to GH¢35,040.2 million at the end of December 2014. This represented a 28.6 percent increase from the GH¢27,254.0 million recorded at the end of December, 2013. In US dollar terms, the domestic debt stock stood at US\$10,915.60 million at the end of December 2014. This represented a 13.1 percent decrease from the US\$12,559.5 million recorded at the end of December, 2013. Total domestic debt as a percent of GDP, which stood at 28.7 percent as at the end-2013, increased slightly to 30.9 percent by the end of 2014.

SECTION THREE: MACROECONOMIC PERFORMANCE IN 2015

MACROECONOMIC TARGETS

84. Mr. Speaker, to support the growth objectives of the GSGDA II, which covers the period 2014-2017, Government's macroeconomic programme for 2015 aims to attain and sustain macroeconomic stability and strong economic growth. This will be achieved through fiscal discipline that hinges on prudent public expenditure management, enhanced domestic revenue mobilization, and the implementation of reforms to strengthen fiscal institutions. Hence, the 2015 Budget set the following macroeconomic targets:
- non-oil real GDP growth of 2.7 percent;
 - overall real GDP (including oil) growth of 3.9 percent;
 - an end year inflation target of 11.5 percent;
 - overall budget deficit equivalent to 6.5 percent of GDP; and
 - gross international reserves of not less than 3 months of import cover of goods and services.
85. Developments from January to May 2014, particularly with regards to fiscal performance, indicate that Government policies and reform measures implemented since 2013 are taking hold and yielding results. Fiscal performance has improved significantly, however, the economy has witnessed a sharp depreciation of the Cedi which has partly contributed to rising inflation due mainly to the softening of commodity prices (oil and gold) and seasonality of foreign exchange flows. The details of the macroeconomic performance for the period under review are highlighted below.

GDP Growth

86. Mr. Speaker, the provisional GDP numbers released by GSS indicate that the economy expanded by 4.7 percent in the first quarter of 2015, compared with a contraction of 3.8 percent in the first quarter of 2014. The Agriculture Sector grew by 7.4 percent, compared with a contraction of 8.0 percent in the first quarter of 2014; Industry Sector grew by 0.9 percent, compared with a contraction of 1.8 percent; and Services Sector grew by 4.7 percent, compared with a contraction of 5.5 percent in the first quarter of 2014.
87. The growth of 7.4 percent in the Agriculture Sector was due to improved performances in all the subsectors, except for the Fishing subsector, which declined by 1.1 percent, compared with a growth of 10.3 percent in 2014. The Crops subsector grew by 8.2 percent in the first quarter of 2015, up from negative 14.7 percent in 2014, while the Livestock subsector grew by 20.7 percent, up from 9.5 percent in the first quarter of 2014. Finally, the Forestry

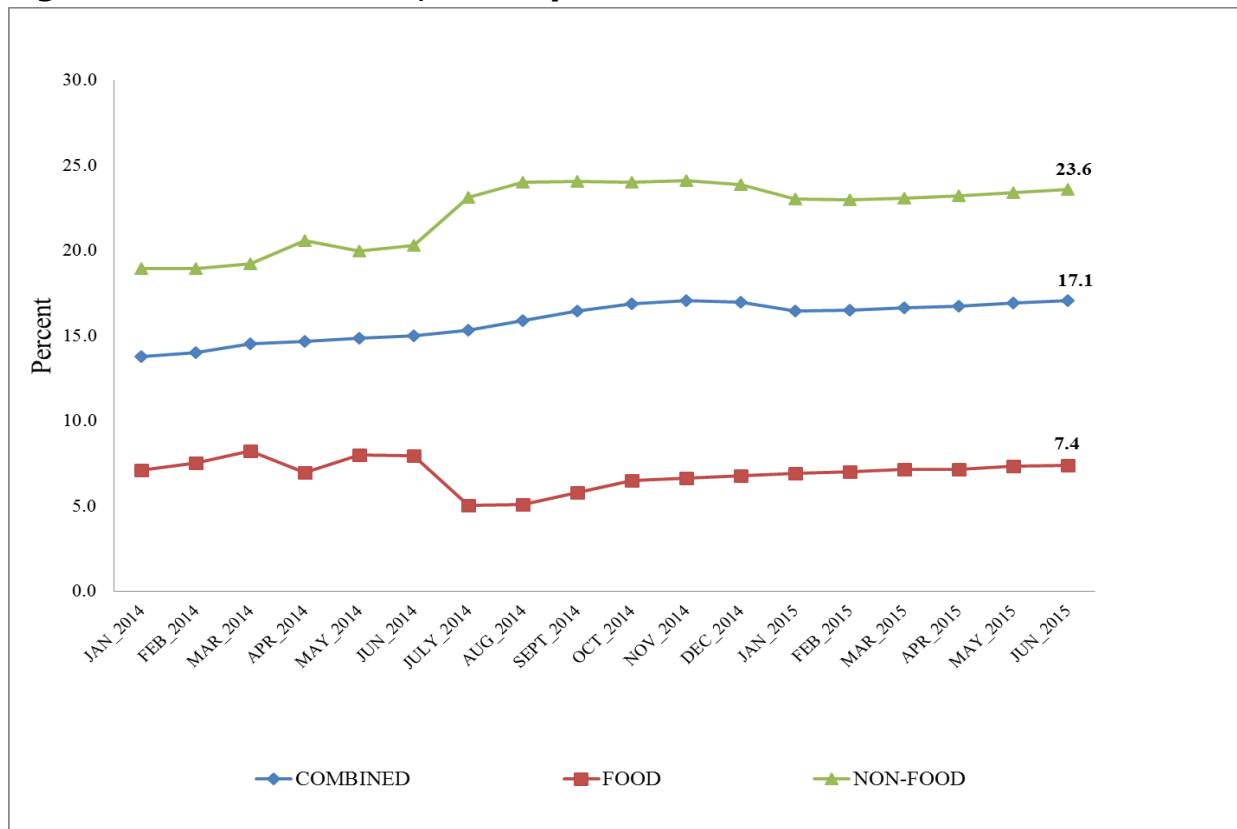
and Logging subsector recorded a marginal growth of 0.2 percent, up from negative 2.3 percent in 2014.

88. Mr. Speaker, the moderate growth of the Industry Sector was underscored by declines in the Manufacturing (0.4 percent), Electricity (7.6 percent), and Construction (6.3 percent) subsectors. The Water and Sewerage and Mining and Quarrying subsectors, on the other hand, grew by 16 percent and 8.7 percent, respectively.
89. The Services Sector grew by 4.7 percent with strong growth by the Information and Communication (41.3 percent); Public Administration (9.8 percent); Health (9.7 percent); Education (6.4 percent) subsectors. On the other hand, some subsectors; including the Hotels and Restaurants; and Transport and Storage declined.

Inflation

90. Mr. Speaker, inflation declined to 16.4 percent in January 2015 from the end-2014 rate of 17.0 percent owing to declines in the rate of change in both the Food and Non-food Consumer Price Indices (CPI). Inflation increased persistently thereafter to 16.6 percent in March and to 17.1 percent in June 2015, as shown in Figure 3. The rise in inflation was fuelled by the currency depreciation, fuel price adjustments and other cost-push factors.
91. Food inflation for June 2015 stood at 7.4 percent, while Non-food inflation stood at 23.6 percent. Seven subgroups of the food and non-alcoholic beverages group recorded inflation rates higher than the group's average rate of 7.4 percent.
92. Mr. Speaker, four subgroups of the non-food group recorded year-on-year inflation rates higher than the group's average rate of 23.6 percent. Transport recorded the highest inflation rate of 25.5 percent followed by Housing, water, electricity, gas and other fuels subgroup (24.8 percent), Education (24.6 percent) and Clothing and Footwear (24.3 percent). Inflation was lowest in the Communication subgroup (13.1 percent).
93. Mr. Speaker, for the outlook for the rest of the year, we expect inflation to ease with the stabilization of the currency, current good rainfall pattern and distribution, and good economic performance.

Figure 3: Inflation Trends, January 2014-June 2015



Source: GSS

MONETARY DEVELOPMENTS

Monetary Aggregates and Credit Developments

94. Mr. Speaker, broad money supply (M2+) provisionally grew by 33.3 percent (GH¢10,103.4 million) year-on-year compared to a growth of 30.8 percent (GH¢7,157.9 million) in May 2014. The annual growth in M2+ in the review month resulted from growth in both Net Foreign Assets (NFA) and Net Domestic Assets (NDA) of the banking system. The NFA went up by 18.9 percent (GH¢973.8 million) with the NDA also increasing by 36.2 percent (GH¢9,129.6 million). At the end of May 2015, M2+ stood at GH¢40,474.8 million compared with GH¢30,371.4 million in May 2014.
95. Total outstanding credit to the public and private sectors stood at GH¢28,173.5 million in May 2015, compared with GH¢21,331.0 million in 2014. In real terms, credit from the banks decreased from 28.2 percent year-on-year in May 2014 to 11.4 percent in May 2015. The private sector accounted for 87.5 percent of total outstanding credit at the end of the review period, compared with 88.8 percent in April 2014.

Interest Rate Developments

96. Mr. Speaker, interest rates on the money market in the first five months of the year generally showed mixed performance. The Bank of Ghana Monetary Policy Rate rose from 21.00 percent in February to 22.00 percent in May 2015. The rate was maintained in July, reflecting confidence in monetary policy response to the lingering inflationary pressures. The interest rates on the 91-day Treasury bills increased to 25.1 percent while 182-day Treasury bill remained unchanged at 25.90 percent during the review period. The Interbank weighted average rate rose to 23.61 percent, while banks average base rates declined to 26.17 percent in May 2015. Average lending rates remained unchanged at 29.00 percent in May 2015 and the spread between borrowing and lending rates widened from 15.13 in December 2014 to 15.98 percent at the end of May 2015.

Exchange Rate Developments

97. Mr. Speaker, developments in foreign exchange market in the first-five months of the year indicated that the Cedi traded weak against its major trading currencies as demand continued to outweigh supply sources. In the inter-bank market, the Cedi cumulatively depreciated by 19.95 percent, 18.44 percent and 10.66 percent against the US dollar, the pound sterling and the euro, respectively. Conditions were similar in the forex bureau market where the Cedi recorded cumulative depreciations of 19.79 percent, 19.10 percent and 10.10 percent against the US dollar, the pound sterling and the euro, respectively.
98. Comparatively, during the whole of 2014, the Cedi depreciated by a cumulative 31.25 percent, 26.26 percent and 20.48 percent against the US dollar, the pound sterling and the euro, respectively, in the interbank market. Some factors that fuelled the Cedi depreciation are the outflows of foreign exchange from a higher-than projected trade deficit resulting from the oil price decline and lower production levels of cocoa and gold. This was also exacerbated by speculative activities on the foreign exchange market, following similar depreciation trends during the same period in 2014.

EXTERNAL SECTOR DEVELOPMENTS

99. Mr. Speaker, the provisional trade balance for the period January to May 2015 recorded a deficit of US\$670.7 million compared to a deficit of US\$303.0 million recorded during the same period in 2014. The worsened trade balance was driven by the continuous decline in exports which outpaced the slowdown in imports.

100. The value of merchandise exports for the first five months of 2015 was provisionally estimated at US\$4,816.7 million, indicating a decrease of US\$1,046.6 million or 17.8 percent compared to a US\$5,863.4 million recorded for the same period in 2014. Low receipts from gold and oil exports accounted for the slump in export earnings. The value of crude oil exported was estimated at US\$875.7 million compared to US\$1,589.7 million recorded in the corresponding period in 2014.
101. Mr. Speaker, the volume exported also went up by 6.7 percent to 15.6 million barrels compared to 14.6 million barrels in 2014. Gold exports during the period under review amounted to US\$1,360.9 million compared to US\$1,881.9 million recorded during the same period of 2014. Earnings from cocoa beans and products exports totalled US\$1,489.9 million in May 2015 as compared to US\$1,353.32 million in 2014 representing an increase of 10.1 percent.
102. Total value of merchandise imports for the first five months of 2015 amounted to US\$5,487.4 million, down by 11.0 percent or US\$678.9 million compared to the outturn recorded in 2014. The decline in imports was the result of a slowdown in oil imports. The total value of oil imports amounted to US\$761.2 million compared with US\$1,544.8 million for the same period last year. The total non-oil merchandise imports from January to May 2015 was provisionally estimated at US\$4,725.4 million, 2.2 percent higher than the outturn of US\$4,621.5 million recorded for the same period in 2014.
103. At the end of May 2015, the level of gross international reserves decreased by US\$1,925.0 million to US\$3,536.0 million, down from a stock position of US\$5,461.0 million at the end of December 2014. This level of reserves is sufficient to provide cover for 2.3 months of imports compared to 2.7 and 3.0 months of imports cover as at May and December 2014, respectively.

FISCAL PERFORMANCE

104. Mr. Speaker, in line with Government's medium term fiscal objectives as outlined in the 2015 Budget, fiscal policy aims to ensure a strong fiscal consolidation in order to start putting public debt on a more sustainable path by improving revenue mobilization, strictly containing current and capital public expenditures as well as the implementation of structural reforms.
105. The 2015 Budget, therefore, aims to reduce the fiscal deficit from 10.2 percent of GDP in 2014 to 6.5 percent of GDP in 2015. The 2015 Budget, therefore, introduced a number of revenue enhancing measures in addition to the continued implementation of earlier measures, debt management reforms and

measures to realign and rationalize expenditures. The 2015 Budget, therefore, introduces a number of fiscal measures to ensure the achievement of the set objectives.

106. Mr. Speaker, the revenue measures outlined in the 2015 budget which are estimated to yield about 2 percent of GDP include:
- the imposition of Special Petroleum Tax of 17.5 percent;
 - implementation of the VAT on fee-based financial services and 5 percent flat rate on real estate;
 - the extension to 2017 of the special import levy of 1–2 percent on some imported goods; and
 - the extension to 2017 of the National Fiscal Stabilization Levy of 5 percent on selected sectors.
107. Mr. Speaker, expenditure measures outlined in the budget include:
- salary adjustment for public sector workers within budgetary limits;
 - strict implementation of tariff and price adjustment mechanisms to ensure the elimination of subsidies on utilities and petroleum products; and
 - continuation of the net freeze on employment in all sectors of the public service (excluding education and health).
108. To support the fiscal adjustment effort, various structural reforms are also being undertaken in the following areas:
- revenue administration and tax policy;
 - public financial management;
 - public service reform; and
 - debt management.
109. Mr. Speaker, preliminary fiscal data for January to May 2015 indicate an over performance in revenue and grants whiles expenditures were below target for the period. This resulted in a cash fiscal deficit equivalent to 1.9 percent of GDP, against a target of 3.4 percent. This compares to a deficit equivalent to 3.7 percent of GDP for the same period in 2014 as indicated in table 1.

Table 1: Summary of Central Government Operations and Financing: Jan-May, 2014/2015

Description	2014 (Jan-May) Actual Outturn		2015 (Jan-May) Budget Estimate		2015 (Jan-May) Provisional Outturn		% Deviation	% Change over 2014 (Jan-May) outturn
	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)		
	a	b	c	e	f	g	$h=(f/c)-1*100$	$i=(f/a)-1*100$
Total Revenue and Grants	9,420.1	8.3	11,430.9	8.5	12,065.3	9.0	5.6	28.1
Total Expenditure & Arrears Clearance	13,579.8	12.0	16,053.6	11.9	14,590.0	10.8	-9.1	7.4
Overall Fiscal Balance	-4,159.8	-3.7	-4,622.7	-3.4	-2,524.7	-1.9	-45.4	-39.3
Total Financing	4,159.8	3.7	4,622.7	3.4	2,524.7	1.9	-45.4	-39.3
o/w Domestic Financing	3,208.8	2.8	3,968.5	2.9	1,761.9	1.3	-55.6	-45.1

Source: MoF

Revenue

110. Mr. Speaker, total revenue and grants for the period was GH¢12,065.3 million, equivalent to 9.0 percent of GDP, against a target of GH¢11,430.9 million, equivalent to 8.5 percent of GDP. In nominal terms, the provisional outturn was 28.1 percent higher than the outturn for the same period in 2014. The over performance in total revenue and grants was mainly due to a strong growth in domestic revenue driven mainly by good tax revenue performance the receipt of additional dividends.
111. The summary of government revenue and grants from January to May 2015 is presented in Table 2.

Table 2: Summary of Central Government Revenue and Grants: Jan - May, 2014/2015

Description	2014 (Jan-May) Actual Outturn		2015 (Jan-May) Budget Estimate		2015 (Jan-May) Provisional Outturn		% Deviation	% Change over 2014 (Jan-May) outturn
	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)		
	a	b	c	e	f	g	$h=(f/c)-1*100$	$i=(f/a)-1*100$
Total Revenue and Grants	9,420.1	8.3	11,430.9	8.5	12,065.3	9.0	5.6	28.1
Domestic Revenue	9,104.3	8.0	10,841.7	8.0	11,740.2	8.7	8.3	29.0
o/w Oil Revenue	1,199.6	1.1	690.2	0.5	782.4	0.6	13.4	-34.8
Tax Revenue	7,108.6	6.3	8,467.0	6.3	9,362.3	7.0	10.6	31.7
o/w Oil Revenue	615.3	0.5	191.7	0.1	217.0	0.2	13.2	-64.7
Non-Tax Revenue	1,906.8	1.7	2,315.6	1.7	2,323.0	1.7	0.3	21.8
o/w Oil Revenue	584.2	0.5	498.5	0.4	565.4	0.4	13.4	-3.2
Others	88.9	0.1	59.1	0.0	54.9	0.0	-7.1	-38.2
Grants	315.7	0.3	589.2	0.4	325.1	0.2	-44.8	3.0

Source: MoF

112. Total tax revenue amounted to GH¢9,362.3 million, 10.6 percent higher than the budget target of GH¢8,467.0 million. In nominal terms, tax revenue was 31.7 percent higher than the outturn recorded for the same period in 2014. The good performance of tax revenue is mainly on account of the implementation of new tax measures, particularly the 2.5 percentage points increase in VAT and the special petroleum tax, ongoing tax administration reforms and improvement in efficiency in tax collection as well as compliance which resulted in higher corporate income tax collections.
113. Mr. Speaker, oil revenue for the period under review amounted to GH¢782.4 million, 13.4 percent higher than the Budget target of GH¢690.2 million and 34.8 percent lower than the outturn for the same period in 2014 due to lower oil prices.
114. Grant disbursements from our development partners was GH¢325.1 million, 44.8 percent lower than the budget target and 3.0 percent higher than the outturn recorded during the same period in 2014. The lower than expected outturn of grants was due to the slow disbursement of project grants from our development partners resulting in project implementation delays.

Expenditure

115. Mr. Speaker, total expenditure, including payments for the clearance of arrears and outstanding commitments amounted to GH¢14,590.0 million (10.8 percent of GDP), against a target of GH¢16,053.6 million (11.9 percent of GDP). The outturn was 9.1 percent lower than the budget target and 7.4 percent higher than the outturn for the same period in 2014. The lower than estimated expenditures for the period was mainly as a result of the containment of spending.
116. Expenditure on Wages and Salaries for the period totalled GH¢4,238.9 million, 1.2 percent lower than the budget target of GH¢4,288.7 million and 11.4 percent higher than the outturn for the same period in 2014. In addition to this, an amount of GH¢319.7 million was spent on the clearance of wage arrears.
117. Mr. Speaker, interest payment for the period totalled GH¢3,287.0 million, 8.7 percent lower than the Budget target of GH¢3,600.8 million and 16.1 percent higher than the outturn for the same period in 2014. Of the total interest payment, domestic interest cost amounted to GH¢2,591.4 million against a target of GH¢2,844.5 million. The lower domestic interest cost is partly on account of lower than estimated domestic borrowing to finance the budget.

118. Total capital expenditure from January to May 2015 amounted to GH¢2,182.1 million, against the Budget target of GH¢2,494.5 million. Of this amount, domestically financed capital expenditure was GH¢173.5 million.
119. The summary of Government expenditure for January to May 2015 is presented in Table 3.

Table 3: Summary of Central Government Expenditure: Jan-May, 2014/2015

Description	2014 (Jan-May) Actual Outturn		2015 (Jan-May) Budget Estimate		2015 (Jan-May) Provisional Outturn		% Deviation	% Change over 2014 (Jan-May) outturn
	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)	%	$i=(f/a)-1*100$
	a	b	c	e	f	g	$h=(f/c)-1*100$	
Total Expenditure and Arrears Clearance	13,579.8	12.0	16,053.6	11.9	14,590.0	10.8	-9.1	7.4
Total Expenditure	11,316.5	10.0	14,949.9	11.1	14,249.4	10.6	-4.7	25.9
Compensation of Employees	4,131.2	3.6	5,110.9	3.8	4,848.9	3.6	-5.1	17.4
o/w Wages and Salaries	3,804.5	3.4	4,288.7	3.2	4,238.9	3.1	-1.2	11.4
Use of Goods and Services	279.5	0.2	588.0	0.4	671.3	0.5	14.2	140.2
Interest Payments	2,829.9	2.5	3,600.8	2.7	3,287.0	2.4	-8.7	16.1
o/w Domestic Interest	2,427.9	2.1	2,844.5	2.1	2,591.4	1.9	-8.9	6.7
Subsidies	-	-	25.0	0.0	-	0.0	-100.0	
Grants to Other Government Units	1,708.7	1.5	2,765.6	2.1	2,394.8	1.8	-13.4	40.2
Social Benefits	-	-	56.2	0.0	-	0.0	-100.0	
Others	349.3	0.3	308.8	0.2	865.2	0.6	180.2	147.7
Capital Expenditure	2,018.0	1.8	2,494.5	1.9	2,182.1	1.6	-12.5	8.1
Arrears Clearance and Tax Refunds	2,005.8	1.8	1,103.6	0.8	843.3	0.6	-23.6	-58.0
Discrepancy	-257.6	-0.2	-	0.0	502.8	0.4		

Source: MoF

Overall Budget Balance and Financing

120. Mr. Speaker, the cash fiscal deficit for the period amounted to GH¢2,524.7 million (1.9 percent of GDP) against a target of GH¢4,622.7 million (3.4 percent of GDP). The deficit was financed mainly from domestic sources, resulting in a Net Domestic Financing (NDF) of the budget of GH¢1,761.9 million (1.3 percent of GDP). The NDF for the period was 55.6 percent lower than the budget target of GH¢3,968.5 million.
121. Foreign Financing of the budget was GH¢762.7 million, against a target of GH¢654.1 million. In addition, there was a drawdown of GH¢205.7 million from the Ghana Stabilization Fund to finance the budget due to shortfalls in oil revenue resulting from lower oil prices. The summary of financing of the cash fiscal deficit from January to May 2015 is presented in Table 4.

Table 4: Summary of Central Government Financing: Jan-May, 2014/2015

Description	2014 (Jan-May) Actual Outturn		2015 (Jan-May) Budget Estimate		2015 (Jan-May) Provisional Outturn		% Deviation	% Change over 2014 (Jan-May) outturn
	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)	Amt. (Million GH¢)	(% of GDP)		
	a	b	c	e	f	g	$h=(f/c)-1*100$	$i=(f/a)-1*100$
Total Financing	4,159.8	3.7	4,622.7	3.4	2,524.7	1.9	-45.4	-39.3
Foreign	951.0	0.8	654.1	0.5	762.7	0.6	16.6	-19.8
Domestic	3,208.8	2.8	3,968.5	2.9	1,761.9	1.3	-55.6	-45.1

Source: MoF

DEVELOPMENTS IN PUBLIC DEBT

122. Mr. Speaker, the provisional debt stock as at end May, 2015 stood at GH¢90,042.58 million, representing 67.53 percent of GDP. This was made up of GH¢53,844.83 million and GH¢36,197.75 million for external and domestic debt, respectively. In US dollar terms, the provisional debt stock stood at US\$22,512.90 million made up of US\$13,462.55 million and US\$9,050.34 million for external and domestic debt, respectively.
123. Mr. Speaker, it must however, be noted that, the growth in public debt as at the end of May 2015 is largely on account of the significant risk of exchange volatility which affected more than 50 percent of the entire public debt stock. The expectation is that, the significant recovery of the Cedi against the major trading currencies will fundamentally reduce the ratio of public debt to GDP.

SECTION FOUR: STATUS OF IMPLEMENTATION OF KEY POLICY INITIATIVES AND OTHER MID TERM INITIATIVES

124. Mr. Speaker, during the presentation of the 2015 Budget Statement and Economic Policy of Government to this august House in November 2014, a number of policy initiatives were outlined to enable government deliver on its transformation agenda.
125. The initiatives included both existing and new ones and covered the strategic areas of Power, Tax Policy, Structural Measures, Debt Management, Export-led Development, Community Day Senior High Schools (SHS) and Progressively Free SHS.
126. Mr. Speaker, I would like to present an update on the implementation of these initiatives.

ENERGY INITIATIVES

Petroleum Sector

127. Mr. Speaker, the work on the Western Corridor Gas Infrastructure Project is completed. However, some ancillary works are still ongoing. This will improve power output and enhance prospects for power exports. The Atuabo Gas Processing Plant is currently delivering around 80mmscf of gas/day for thermal plants at Aboadze as well as evacuation of 400 metric tons of LPG a day to the domestic market.
128. Production of oil from the Jubilee field from January to May was 16,686,419 barrels with daily average of 110,298.8 bbls.
129. The Tweneboa-Enyenra-Ntomme (TEN) Development is at 57 percent completion. The project is on course to meet deadline. Gas Sales Agreement and Amendment to Heads of Agreement between ENI and Partners for OCTP has been signed. The project is on course for gas production in 2018.
130. Under the Rural LPG Project, 6,500 cylinders and cook stoves have been distributed in 3 districts.
131. A Memorandum on Reverse Flow of Atuabo Gas in the West African Gas Pipeline system has been submitted to Cabinet for consideration.

Power Sector

The Current Power Supply Situation

132. Mr. Speaker, measures are being taken to address the power supply challenges currently facing the country. The main objective of Government is to bring an end to the ongoing challenges and to ensure that load shedding does not recur. This is to be achieved through short-term and medium to long term measures.
133. In the short-term the Ministry of Power is taking steps to ensure that already existing plants that have been shut down are restored to commercial operation. Furthermore, the Ministry is facilitating the completion of the following projects before the end of the year:
- 220MW Kpone Thermal Power Project (KTPP);
 - 110MW Tico Expansion Project;
 - 180MW first half of Asogli 360MW Phase 2 Project; and
 - VRA TT2PP (38 MW) expansion project.
134. Other short term measures include the following emergency or fast-track power projects:
- 225MW Powership (Preparatory works in progress), which is an IPP project;
 - 250MW Ameri Project in Takoradi, which is a Build Own Operate and Transfer (B.O.O.T) arrangement with Government for 5 years after which the plant will be handed over to Government to run for the remaining 15 years of the plant's lifespan. Civil works have commenced under this project.
 - 370MW AKSA Project (Commercial Contract sent to Parliament), which is an Emergency Power Agreement (EPA) Project for 5 years with option to negotiate a further term with ECG;
 - 110MW TEI project (Commercial proposal submitted to Parliament), which is an Emergency Power Agreement (EPA) Project for 4 years with option to negotiate a further term with ECG; and
 - 300MW GE Early Power Project (Commercial Agreement under review), which is also an Emergency Power Agreement (EPA) Project.
135. Mr. Speaker, in the short term a total of about 1,800MW is expected to be added to the country's installed generation capacity.

136. In the Medium to long term, Mr. Speaker, the Ministry of Power is taking steps to add in excess of 3,000MW through the following:
- 360MW Asogli Phase 2 Project (construction has commenced); 180MW expected in 2015; Second group of 180MW expected in 2016
 - 350MW CenPower Project (Sod has been cut);
 - 360MW Jacobsen Project (Parliamentary approval obtained for GCSA);
 - 240MW Amandi Project (Parliamentary approval obtained for GCSA);
 - 1,000 MW of 'clean' coal into the generation mix; and
 - Use of solar in households and hotels for basic lighting and water heating to free grid power for industrial use (200,000 units estimated at 200MW to be installed in 3 years).

Fuel for Power Generation

137. Mr. Speaker, in order to address the erratic nature of gas supply from Nigeria through the West African Gas Pipeline, the following projects are currently being considered:
- emergency LNG project to be delivered in five months at Tema by West African Gas Limited; and
 - regular LNG project to be delivered by Quantum Power Ghana Gas in the 2nd Quarter of 2016.

Rural Electrification

138. The Ministry of Power continues to pursue the goal of achieving universal access to electricity in the country. Several electrification projects are therefore ongoing, whilst others are going through the necessary procurement processes to allow for the commencement of those projects. About 1,500 communities were earmarked for connection to the national grid in 2015. Out of this number, two hundred (200) communities have been connected to the national grid. Installation works in additional five hundred communities have been completed and awaiting commissioning. The Ministry of Power is monitoring the progress of works in the communities to ensure that the target set for the year is achieved.

TAX POLICY INITIATIVES

Sliding Scale Excise Duty

139. Mr. Speaker, as part of efforts to substitute local raw materials for imported raw materials, a Sliding Scale Excise Duty on beer and malt was introduced in 2012 to provide an incentive for brewery companies, to use local raw materials. The rates were reduced with the intention of reviewing them after a period. After three years of implementation, a committee has been set up to

review of rates and is expected to submit its report soon. The revised rates will be presented in the 2016 Budget Statement and Economic Policy.

Excise Duty on Tobacco

140. Mr. Speaker, the Bill for the amendments to the excise duty rate from 150 percent to 175 percent is currently in Parliament for consideration and passage.

Tax Identification Number (TIN)

141. Mr. Speaker, government plans to extend the TIN to other sectors to facilitate the identification of eligible taxpayers. In this regard, a committee has been set up to review the law and submit a proposal on the modalities to Ministry of Finance. However, GRA has initiated moves to request tax payers to present their TINs as an administrative measure.

Amendment of National Health Insurance (NHIS) Act

142. Mr. Speaker, the NHIS Act has been amended to conform to the taxable base of the VAT Act 2013 (Act 870), which includes fee based financial services and real estate taxable activities.

Support to Local Industries

143. Mr. Speaker, the VAT Act has been amended to provide for regulations to be made to exempt specified locally produced pharmaceuticals. This will reduce the cost of production of pharmaceuticals and make them more affordable. The regulation detailing the specific items that qualify under this has been laid in Parliament.
144. In addition, the law on removal of import duty and VAT on inputs for the production of machetes, exercise books and textbooks to the benefit of farmers and the printing industry has also been passed.

Review of Exemptions

145. Mr. Speaker, modalities are being finalized to put in place the tax credit system. Discussions are on-going with Ghana Investment Promotion Centre (GIPC) to replace Upfront Exemptions with a Tax Credit System which will make exempted entities pay all import duties and taxes in full and apply for a Tax Credit Note to be used to offset future tax liabilities.
146. A VAT Refund Account into which 5 percent of VAT revenue is paid will be replaced with a General Refund Account into which 5 percent of GRA collection will be paid for tax and duty refunds. The General Refund Account has been

set up to receive transfers. The Account will be audited annually and any balance transferred into the Consolidated Fund. However, in order not for government revenue to remain dormant, when no refund is due, it was agreed that, 4 percent instead of the 5 percent of GRA collections be paid into the General Refund Account. This again will hasten the abolishing of the VAT Relief Purchase Order (VRPO) in the second half of the year.

Tax Compliance

147. Mr. Speaker, GRA has launched its strategic plan for 2015-2017 and in it, the third party information and exchange of import data with domestic information for compliance purpose is being pursued. Importers are required to indicate their TIN numbers and the domestic tax office where they honour their tax obligations for a full compliance audit.

STRUCTURAL FISCAL MEASURES

Public Financial Management

148. Mr. Speaker, the Ministry of Finance (MOF) has developed a public financial management reform strategy which has received executive approval. The Ministry is also leading the development of an overarching Public Financial Management (PFM) law, which will underpin Ghana's ongoing PFM reforms designed to address persistent weaknesses and promote fiscal discipline, transparency and accountability. The existing financial legislations will be revised to reflect the new PFM law. This Bill will be submitted to this august House for your consideration and approval.

Enhancing Flexibility in the Budget

149. Mr. Speaker, in the 2015 Budget Statement and Economic Policy, I stated government's Medium Term objective of re-aligning expenditures to Statutory Funds as a means of dealing with the increasing rigidities in the National Budget. I also indicated that, government will enhance the administrative processes for aligning statutory fund expenditures to national priorities.
150. In this regard, expenditures related to ongoing and new projects, which hitherto were on the National Budget, and which ought to be funded from the Statutory Funds will be off-loaded to the Statutory Funds, starting with the 2016 Budget. For example, most infrastructure projects under the Education Sector such as Schools under Trees and Community Day SHS etc. will be off-loaded to GETFUND for financing. Expenditures such as continuation of Jubilee Markets will be handled by the respective MMDAs using their share of their District Assemblies Common Fund (DACF).

151. Mr. Speaker, to this end, consultations have begun to rationalize the percentage of deductions to be retained at the centre as well as improve oversight over the management of the Funds.

Revision of the Local Government Finance Bill

152. Mr. Speaker, a consultative process by MLGRD and MOF has begun to review the draft Local Government Finance Bill to address critical issues that have stalled the passage of the Bill into an Act of Parliament since it was first laid before the House in 2008. In particular, in line with the new debt management strategy, the consultations will result in building consensus on measures to: utilize the proposed Municipal bond towards MMDA commercial (self-financing) projects; and safeguarding central government interest in the event of default by any MMDA.

Introduction of Pre-Budget Statement

153. Mr. Speaker, I indicated in the 2015 budget statement that government was going to present a pre-budget statement to provide the broad framework as well as parameters which will be the basis of the budget to be presented to Parliament. A concept paper has been developed on the modalities for presenting the pre-budget statement and will be shared with Parliament, before it is introduced.

DEBT MANAGEMENT INITIATIVES

Borrowing strategy

154. Mr. Speaker, the Government of Ghana has developed its Medium Term Debt Strategy (MTDS) to ensure that the financing requirements are met promptly at the lowest possible cost consistent with prudent degree of risk. The MTDS primarily focuses on determining the appropriate composition of the debt portfolio, taking into account the macro-fiscal framework and the market environment in the most cost-efficient way.
155. Government intends to diversify its funding sources and lengthen the maturity profile of the debt portfolio including the use of innovative financing instruments. Government intends to issue a Eurobond of US\$1,500.00 million in the second half of the year. Portions of the bond proceeds will be used to buy-back the 2017 Eurobond, pay down and amortise maturing short-term debt and finance capital expenditure including counterpart funds. Going forward, the plan is to take steps to induce increased participation in domestic debt markets by resident and non-resident investors, including opening of the

2-year bonds to non-residents during 2015. The modalities for this process is currently being worked on by the Ministry of Finance and Bank of Ghana.

Sinking Fund

156. Mr. Speaker, the objective of establishing the Sinking Fund is to manage the orderly redemption of Eurobonds and other debt instruments. Currently, the Sinking Fund account has been opened by the Controller and Accountant General's Department (CAGD) and a total of US\$100.00 million has been transferred into it from the excess amount from the cap on the Ghana Stabilization Fund (GSF). However, in March 2015 Bank of Ghana swept all positive balances in government accounts making the account's balance zero. Going forward, corrective measures will be taken to ensure that government Accounts established by statutes are protected from general sweeping. This will be achieved by differentiating Bank of Ghana's monetary survey requirements from those of the public accounts in classifying the government's accounts for liquidity, investments and other statutory purposes
157. In the Budget Statement for 2015, approval was sought to raise the cap on the GSF in the first quarter of 2015 to US\$300 million with the excess amount over the cap to be treated as follows:
- 50 percent will be paid into the Sinking Fund to build up resources to repay specified debt obligations of the government;
 - 25 percent will be paid into the Contingency Fund, which was established in May 2014; and
 - the remaining 25 percent will be deposited back into the GSF.
158. With the downward revision of the expected oil revenue for 2015, resulting from the drastic decline in world oil prices, we propose to reduce the cap on the GSF to GH¢150 million for the rest of 2015. With the amendment of the PRMA, passed by this Honourable House, it is expected that resources will start flowing into the Ghana Petroleum Funds to enable us fund the Stabilization Fund itself, and the Sinking and Contingency Funds as envisaged in the 2015 Budget.
159. Mr. Speaker, Debt obligations to be covered by the sinking fund are the 2017, 2023 and 2024 Eurobonds as well as other domestic and foreign bonds.

Status of On-lending & Escrow Arrangement

160. Mr. Speaker, Government introduced an on-lending and escrow account initiative to minimize the impact of loans on the public debt portfolio with debt service accounts opened at the Bank of Ghana. As part of the arrangements

signed with some State Owned Enterprises (SOEs) and MMDAs, the Electricity Company of Ghana (ECG) has deposited an amount of GH¢2.00 million into its escrow account for the Ghana Energy Development and Access Project (GEDAP) besides the existing escrows by VRA, GRIDCo and Bui Power Authority. Increased efforts are being made to ensure that other SOEs honour their part of the arrangement and Government will continue with the on-lending and escrow arrangements as a sustained feature of the debt strategy.

Capital Market Development

161. The issuance calendar for the first half of the year was developed and published. Preparations are underway to publish the second half calendar. The book building approach which would help deepen the domestic security market has commenced. Initial process to select the local banks for participation has been completed for the implementation of the pilot phase.

Ghana Infrastructure Investment Fund (GIIF)

162. Mr. Speaker, the Board and the Advisory Council of the GIIF as well as an interim Chief Executive are in place. In addition, an executive search firm of international repute has been contracted to recruit the three top executive positions of Chief Executive Officer, Chief Investment Officer and Chief Risk Officer. The GIIF will be launched later in the year by H. E. the President.

EXPORT PROMOTION AND IMPORT SUBSTITUTION MEASURES

Ghana EXIM Bank

163. Mr. Speaker, in February this year, H.E. the President inaugurated a Task Force to prepare a road map for the establishment of the Ghana Exim Bank. The Report of the Task Force was submitted to H.E. the President in June. A draft bill has been prepared for consideration by Cabinet after which it will be presented to this august House for consideration. Mr. Speaker, we expect Ghana EXIM to be up and running in 2016.

Export-led Development Strategy

164. Mr. Speaker, the Ministry of Trade and Industry (MOTI) has facilitated and supported the Sea-freight Pineapple Exporters Association (SPEG) to diversify their product range by introducing the galia melon and cantalopes, which are high value short gestation crops, onto their existing farmlands.
165. The Ministry also collaborated with Ghana Export Promotion Authority in revamping interest of local farmers in the Greater Accra and Volta Regions in the cultivation of Asian vegetables, as well as with Central Regional

Development Commission rekindling the cultivation of the sugar loaf and smooth cayenne pineapple for export by farmers in the Central Region.

Investment Incentives

166. Mr. Speaker, given the importance of changing orientation of government policies in support of exports the GIPC will be required to put more emphasis on incentives for exporters. Together with the GEPA, government will encourage private sector institutions such as GUTA, GNCC and AGI to evolve programmes that will promote exports among their members

Enhancing domestic production to reduce imports

167. Mr. Speaker, the MOTI has developed a comprehensive strategic plan for Made-in-Ghana products and also to undertake promotional campaign for Made-in-Ghana goods and services.

Revamping of the Broiler Programme

168. Mr. Speaker, the broiler revitalization project to progressively reduce imports of chicken by 40 percent by the end of 2016 is ongoing. Activities undertaken currently include the agreement with stakeholders (farmers, feed millers, importers, financial institutions etc.) to cooperate along the value chain. The Ministry of Food and Agriculture is also promoting the processing and packaging of local chicken as well as regulating importation.
169. Mr. Speaker, it is expected that by the end of the year, these activities will lead to the production of 20 million broilers which will result in 60,000mt of poultry meat. With this achievement, Ghana will save about US\$132 million and reduce poultry importation by 38.9 percent. This target, however, is threatened by the recent outbreak of avian influenza, also known as bird flu, which has already led to the destruction of over 33,143 birds resulting in the loss of millions of Cedis. The Ministry of Food and Agriculture and other Agencies are taking prompt steps to stem the spread of the disease in the Country.

Fish Production

170. Mr. Speaker, the Fisheries (Amendment) Regulation, (LI 2217) 2015, has been passed to give meaning to the Fisheries Amendment Act, Act 880, 2014. The two Fisheries Amendments are geared towards combating Illegal, Unreported and Unregulated (IUU) fishing by Ghanaian tuna vessels. The Amendment of the Fisheries Act 2002 (Act 625) and the passage of Regulation 2015, (LI 2217) therefore give effect to international conservation and right obligations that empower the Minister for Fisheries to make regulations to control IUU

Activities. These two actions are major land marks to resolve EU issues and revamp the Tuna Industry towards increasing export earnings for Ghana.

171. As at 30th June 2015, the Fisheries sector recorded a total of 154,621mt of fish Exports. The Ministry further collaborated with FAO and introduced new fish processing technologies to increase the export of smoked fish.

Agricultural Infrastructure

172. Mr. Speaker, rehabilitation works have been completed on seven irrigation schemes and handed over to the respective communities. Work is currently on-going at five other schemes. Forty-one irrigation schemes of 2,828.60ha and 1,302ha of flood recession are being constructed and developed, respectively, under the Northern Rural Growth Programme (NRGP).
173. The Ghana Commercial Agricultural Project (GCAP) is developing a 69.8km gravity-based irrigation canal, under PPP arrangements. This will irrigate 11,000ha under gravity within the immediate command area, and a substantially larger area using pumped irrigation in the out-of-command area.

Community Day and Progressively Free SHS

174. Mr. Speaker, the first phase of the 50 community day SHS programme which involved the Construction of 4-storey 24 unit Classroom Blocks (E-Block) in 50 districts are at various stages of completion. Five of the projects listed below are scheduled to be completed by end of August 2015:
- Derma in the Tano South District of the Brong Ahafo Region;
 - Nyanoa in the Upper West Akim District in the Eastern Region;
 - Bunkpurugu Namong in the Bunkpurugu Yunyoo District of the Northern Region;
 - Chinderi in the Kratsi Ntsumuru District of the Volta Region; and
 - Bamiankor in the Nzema East District of the Western Region.
175. The remaining 45 contracts which were started in September 2014 are scheduled for completion in February 2016. The second phase of 50 schools have been awarded for completion within 15 months.
176. Mr. Speaker, Government through the Ministry of Education will commence the implementation of Progressively Free Secondary Education Programme from the 2015/16 academic year with an estimated number of 367,565 day students to benefit from the programme. An advisory committee has been constituted to guide the Ministry in the implementation of the programme. Government will

continue to target beneficiaries for efficiency and effectiveness while rolling out the programme gradually in order to harness it most effectively.

Secondary Education Improvement project (SEIP)

177. Mr. Speaker, work on the Secondary Education Improvement Project (SEIP) which comprises of the Construction of 23 new SHSs each having an E-Block; a Block of 8 flats for Staff; a Headmaster's Bungalow; a Vocational/Technical Block and a Security/Gate House in 23 districts and the facilities upgrade in 50 SHS, has also commenced. All contracts have been awarded and sites have been handed over to the contractors by the Consultants.

SUSTAINING THE NEW PAY POLICY

178. Mr. Speaker, a Post-Ho Forum on the Sustainability of the Single Spine Pay Policy (SSPP), was held at Takoradi to assess progress towards achievement of the objectives of the Ho forum. In line with the recommendations from the Post-Ho Forum Government has de-frozen the incremental credits of workers on the Single Spine Salary Structure which hitherto remained same upon migration.
179. The Fair Wages and Salaries Commission will soon commence the administrative process to kick start negotiations on Categories 2 and 3 allowances and the base pay for 2016. In the context of negotiating within budgetary constraints which has been agreed to by all stakeholders as well as reduce transaction cost of negotiations, there is the need to ensure that Categories 2 and 3 allowances are negotiated within the service classifications as stipulated in the government white paper on the Single Spine Pay Policy.
180. For the first half of this year, Government undertook the following wage measures to sustain the successes chalked in managing the wage bill.
181. **Payroll Clean-up Measures**
- suspension of Salaries of public service workers without Bank Accounts numbers in the payroll system;
 - implementation of Electronic Salary Payment Voucher (eSPV) expected to be completed in August, 2015;
 - continuation of Head Count which commenced in April 2015;
 - validation of SSNIT Numbers; and
 - migration of subvented agencies onto the mechanised payroll.
182. **Market Premium:** Government commissioned the Ghana Statistical Service to undertake a labour market survey to identify critical but scarce skills to form

the basis for the determination of Market Premium for such skills. The survey has been completed and the report submitted to Government;

183. **Human Resource Management:** The current HRMIS pilot exercise in 9 MDAs including the Ministries of Health and Education is expected to end by December 2015, with nationwide roll-out scheduled for December 2016. Currently, the HR audit to reconcile the mechanized payroll with the established posts within the Public Service is on-going.
184. **Public Service-Wide Performance Management System:** A new Staff Performance Management Instrument for the Civil Service was deployed in the first quarter of this year and a mid-year review is to be undertaken in July, 2015. The PSC is to lead in developing a Performance Management System in collaboration with the Public Sector Reform Secretariat, Fair Wages and Salaries Commission, Management Development and Productivity Institute and other relevant agencies.
185. Mr. Speaker, with major achievements chalked in the first phase of implementation, Government and its stakeholders will continue to undertake various activities under the following key areas:
- sustaining the Single Spine Pay Policy and payroll reform initiatives;
 - linking pay to work and productivity;
 - implementing categories 2 & 3 allowances;
 - settlement of Pay Related Disputes;
 - weaning-off Subvented Agencies from government payroll; and
 - implementing Market Premium (MP) with government guidelines.

MID-YEAR INITIATIVES

186. Mr. Speaker, government is additionally embarking on a number of mid-year initiatives to further consolidate the gains made. Some of the initiatives are highlighted as follows:

Equity Study and Fiscal Trust

187. Mr. Speaker, Government has significant equity holdings in several companies resulting either from partial privatization or joint ventures between government and the private sector. Before the end of this year, selected equity investments will be transferred to a newly designed Fiscal Trust for improved management and performance monitoring. An equity study currently being undertaken by the Ministry of Finance will identify the equity holdings to be transferred to the Trust for management.

Infrastructure Guarantee Facility

188. Mr. Speaker, Government intends to continue with measures to reduce the number of sovereign guarantees provided directly by government to support commercial projects, in particular. In this regard, a feasibility study will be undertaken on a dedicated guarantee facility that can provide risk mitigation and credit enhancements to support long term infrastructure financing in Ghana. This initiative will result in amendment of the GIIF Law to facilitate the setting up of a Guarantee Fund.

CASH MANAGEMENT INITIATIVES

189. Mr. Speaker, as a measure of effectively managing public expenditure and making funds available in a timely manner to meet planned expenditure, government this year has taken a relook at its cash management strategy by developing a Cash Management Operational Framework which is directly linked to treasury management. With a 2-weeks focus, within a monthly and annual outlook, the framework provides revenue and public expenditure forecast while taking into consideration the financing need on a weekly basis.
190. The revamped Cash Management Committee meets weekly to determine the weekly cash requirement which feeds into the determination of Public Sector Borrowing Requirement (PSBR). This has helped improve the funding of planned expenditure and debt service in a timely manner, and is expected to eventually help reduce substantially idle balances in the banking system with its associated costs by the operationalisation of the Treasury Single Account (TSA).
191. Currently, weekly decisions of the Committee are relayed to the Controller and Accountant-General's Department, Ghana Revenue Authority and the Debt Management Division of Ministry of Finance to serve as a guide to enable them implement their mandate in strengthening cash management.
192. The CAGD with the support of the Ministry of Finance is earnestly working towards the operationalisation of a TSA by consolidating all dormant or closed project accounts with idle funds sitting in the central bank and commercial banks into the Government Treasury Main Account.

Expenditure Controls

193. Mr. Speaker, as part of compliance measures on financial management and control of expenditure, CAGD has been directed to put in place the following

systems aimed at controlling expenditure to ensure effective utilization of budgetary resources and monitoring thereof. The systems include: (i).B-Tracking System (ii) e-Travel Card (iii) e-Fuel Card.

194. **B-Tracking System**- the B-Tracking System is a platform that will be used in monitoring government accounts with all Commercial Banks. The objective is to have visibility of all government accounts with banks and thus to ensure prompt transfer of funds from the Commercial Banks to a designated account at BOG and thus reduce cost of borrowing. The platform will also be used to facilitate the transfer of VAT on financial services from the Commercial Banks to BOG and reduce the incidence of banks keeping government funds unduly. Implementation of the system is to commence on 1st October, 2015.
195. **e-Travel Card** - as a matter of policy all funds for foreign travel by government officials will be loaded onto the e-Travel Card. The e-Travel Card is a card platform on which travel allowances for all government officials travelling outside the country are loaded to be used. The objective is to ensure accountability and the management of travel advance granted to employees on official travel. This eliminates the risk of carrying bulk cash and provides a better security and record keeping. The system will be piloted with MOF and CAGD after which it will be rolled out to all agencies that subsist on government funds. Implementation of the system is to commence on 1st October, 2015.
196. **e-Fuel Card** - similarly, the e-Fuel Card is a card platform on which fuel expenses for all government officials are loaded to be used in designated filling stations across the country. The objective is to ensure administration and management of fuel expenses to deliver value, transparency and control within government establishments. The e-Fuel Card will thus replace the fuel coupons system. The system will be piloted with MOF and CAGD after which it will be rolled out to all agencies that subsist on government funds. Implementation of the system is to commence on 1st October, 2015.
197. **e-Switch Card** - In order to further strengthen existing controls in payroll management, the biometric database of the e-switch system will be used to validate and maintain a single identity of employees at the point of payment of salaries at the banks and avoid any double payment with the aim of minimizing the size of the payroll. To implement this policy, the CAGD has been tasked to work with the Ghana Interbank Payment and Settlement System (GhIPPS) to sensitise public servants to register for the e-switch cards. Actual implementation of the e-switch to pay salaries of employees will be done on pilot basis with effect from October 2015.

SECTION FIVE: REVISED 2015 MACROECONOMIC TARGETS, FISCAL FRAMEWORK AND REQUEST FOR SUPPLEMENTARY BUDGET

198. Mr. Speaker, developments in both the domestic and global economic environment have necessitated a revision of the macroeconomic framework and targets that was presented to this august House in November, 2015. The current exchange rate depreciation due to high outflows of foreign exchange, and the rising inflation pose a strong downside risk to the achievement of the growth target for the year. Based on the revisions to the macroeconomic framework, the 2015 macroeconomic targets have been revised as follows:

- overall real GDP growth revised from 3.9 percent to 3.5 percent;
- non-oil real GDP growth revised from 2.7 percent to 2.3 percent;
- end-year inflation revised from 11.5 percent to 13.7 percent;
- overall budget deficit target revised from 6.5 percent of GDP to 7.3 percent; and
- Gross International Reserves is projected to remain at not less than 3 months of import cover of goods and services.

REVISIONS TO THE FISCAL FRAMEWORK

199. Mr. Speaker, as a result of the revisions made to the macroeconomic framework arising from developments in both the domestic and global economic environment and the fiscal performance for the first five months of the year, the 2015 revenue and expenditure estimates have been revised to reflect these developments.

REVISIONS TO TOTAL REVENUE AND GRANTS

200. Mr. Speaker, as indicated in the statement I presented to this House in March 2015, the Petroleum Benchmark Revenue (PBR) price in the 2015 Budget, based on the formula stipulated in the Petroleum Revenue Management Act (PRMA), 2011 (Act 815), was estimated at US\$99.38 per barrel and a volume of 102,033 barrels per day was also estimated in pursuant to the Act.

201. Based on these assumptions, the estimated total petroleum receipts for the 2015 Budget amounted to GH¢4,203.7 million. Of this amount, GH¢2,454.2 million was allocated as Annual Budget Funding Amount (ABFA) to finance specific programmes in the Budget; GH¢1,051.8 million was estimated to be transferred into the Ghana Petroleum Funds; and GH¢697.7million to the National Oil Company.

202. Mr. Speaker, since the March Statement to the House, crude oil prices have been rising gradually above the price assumption of US\$52.8 per barrel used in assessing the implications of the fall in crude oil prices on the 2015 budget. The price rose above US\$65.0 per barrel but have since fallen below US\$60.0 per barrel. Consequently, following these recent volatility and consistent with the recently amended PRMA, Act 815, the oil price assumption for the revised macroeconomic framework in this review is projected at US\$57.0 per barrel.
203. Mr. Speaker, based on the revised oil price assumption, the revised total petroleum receipts for 2015 is estimated at GH¢1,766.9 million (1.3 percent of GDP), compared with the 2015 Budget estimate of GH¢4,203.7 million (3.1 percent of GDP). The difference of GH¢2.2 billion is 58.0 percent lower than the 2015 Budget target.
204. In addition to the direct impact on petroleum receipts, the decline in crude oil prices is expected to impact negatively on the Special Petroleum Tax (SPT). Thus, the revenue yield from the special petroleum tax is estimated to be lower by GH¢124.4 million.
205. Mr. Speaker, in spite of the receipt of additional dividends of about GH¢600 million during the first quarter of the year, non-tax revenue receipts for 2015 are estimated to be lower than projected due to the lower oil price.
206. Mr. Speaker, as a result of the earlier exchange rate depreciation, the exchange rate assumption for the Budget has been revised. Consequently, all Budget inflows denominated in foreign currency have also been revised upwards.
207. In summary, total revenue and grants for the 2015 fiscal year have been revised downwards by GH¢1,879.9 million, from GH¢32,406.2 million (24.0 percent of GDP) to GH¢30,526.0 million (22.8 percent of GDP). The downward revision is mainly on account of the lower oil revenue projections. The revised total revenue and grants for the year represents an increase of 23.4 percent over the outturn for 2014.

REVISIONS TO EXPENDITURES

208. Mr. Speaker, the estimate for total expenditure and arrears clearance have been revised downwards marginally, from GH¢41,222.0 million to GH¢40,253.6 million (30.0 percent of GDP) mainly on account of lower spending from oil revenues and lower domestic interest payments.

209. In spite of the estimated lower spending from oil revenue and domestic interest payment, some other expenditure items such as external interest payment and foreign financed capital expenditure are estimated to be higher mainly as a result of the exchange rate depreciation.
210. As a result of lower oil revenue inflow due to the decline in crude oil prices, goods and services expenditure have been revised downwards by GH¢113.6 million from GH¢1,970.0 million to GH¢1,856.4 million.
211. Mr. Speaker, in anticipation of the proposed Eurobond of US\$1.5 billion in 2015, domestic financing is estimated to be lower than projected in the 2015 Budget. In this regard, domestic interest payment has been revised from GH¢8,034.0 million to GH¢7,734.0 million. On the other hand, external interest is estimated at GH¢1,615.8 million, higher than the 2015 Budget estimate by GH¢72.6 million. On the whole, total interest payments for 2015 have been revised downward by GH¢227.4 million, from GH¢9,577.2 million to GH¢9,349.8 million.
212. Due to the lower estimated revenue from oil, and in accordance with the Petroleum Revenue Management Act (Act 815), transfers to GNPC from the oil revenue have been revised downwards from GH¢697.7 million to GH¢497.9 million.
213. As a result of a short fall in oil prices, domestically financed capital has been revised downwards by GH¢722.8 million, down from GH¢2,557.4 million to GH¢1,834.5 million. On the other hand, foreign-financed capital expenditure has been revised upwards from GH¢4,399.4 million to GH¢4,522.5 million on account of the exchange rate depreciation.
214. Mr. Speaker, following the completion of the audit of claims of Bulk Oil Distribution Companies (BDCs) on Government, it has become necessary to clear more arrears than was envisaged in the 2015 Budget. As a result, arrears clearance for 2015 have been revised upwards from GH¢1,561.3 million to GH¢1,861.3 million.
215. Mr. Speaker, in view of the exchange rate depreciation and the plan to buy back part of the 2017 Eurobond, foreign debt repayment has been revised upwards by GH¢1,834.2 million, from GH¢2,799.2 million to GH¢4,633.4 million.

REVISED OVERALL BUDGET BALANCE AND FINANCING

216. Mr. Speaker, on the basis of the revised revenue and expenditure estimates, the 2015 revised budget will result in an overall budget deficit of GH¢9,727.4 million, equivalent to 7.3 percent of GDP, against the earlier estimate of GH¢8,815.9 million, equivalent to 6.5 percent of GDP.
217. The revised budget deficit will be financed from foreign and domestic sources. Foreign financing of the deficit is estimated at GH¢4,748.9 million. Of this amount, GH¢5,107.4 million will be sourced from the International Capital Market, part of which will be used to buy back Ghana's Eurobond which matures in 2017. Domestic financing of the Budget is estimated at GH¢4,978.5 million, indicating a downward revision by GH¢2,581.6 million from the estimate in the 2015 Budget.

Request for Approval of Supplementary Estimates

218. Mr. Speaker, as mentioned earlier on in this presentation, the aim of this Supplementary Estimate is to seek Parliamentary approval to commit additional resources outlined in this report to fund additional expenditures resulting from the revisions made to the 2015 budget. We are requesting approval for a total amount of **GH¢865,789,380.00**.

SECTION SEVEN: CONCLUSION

219. Right Honourable Speaker, we are very committed to achieving the transformation agenda for the country with opportunities for all. The on-going fiscal consolidation measures and policies under the IMF programme, promise an environment of all-encompassing growth, value addition and diversification. In the near term, our access to oil and gas revenues will fast-track the achievement of this goal and facilitate further investment in downstream energy, agriculture and services sectors.
220. Mr. Speaker, we are focused on making the transformation a reality:
- We are focused on a fiscal consolidation effort with significant structural measures to stabilise the macro economy; enhance domestic revenue mobilisation; and change public financial management;
 - We are focused on boosting power supply as the main element of establishing an industrial base, be it in agro-processing; downstream petrochemical; and other industries;
 - We are focused on utilising our petroleum and other resources to set up funds for infrastructure development; and managing our debt and contingencies;
 - We are focused on transforming our IGF and statutory fund programmes to set up improved social intervention programmes in support of inclusive growth; and
 - We are focused on leading the private sector to participate in an export-led strategy, through initiatives such as the Exim bank and to gradually reduce our import dependency.
221. In short, we have not just started planning, we are in implementation mode and we encourage all Ghanaians to join in the effort.
222. Mr. Speaker, I beg to move that this august House approves the 2015 Supplementary Estimates of **GH¢865,789,380.00** in compliance with Article 179 (8) of the Constitution and Standing Order 143 of this House.
223. The Appropriation Bill covering these Supplementary Estimates will be submitted to this august House in accordance with Article 179 (9) of the Constitution of the Republic of Ghana and Standing Order 144 of Parliament.

224. Mr. Speaker, we are determined in our efforts through the Transformation Agenda to building a better Ghana for all. We trust that in this endeavour we can count on the support of all. God Bless Us All, God Bless Our Homeland Ghana.
225. Mr. Speaker, I so move.

Appendix 1: Summary of Central Government Operations – 2014 - 2015

	2014	2014	2014	2015	2015	2015
	Budget	Revised Budget	Prov	Budget	Prog.	Prov.
			Outturn		Jan-May	Jan-May
I. REVENUES						
Total Revenue & Grants	26,056,530,555	26,230,279,074	24,745,460,166	32,406,173,413	11,430,895,644	12,065,329,801
(per cent of GDP)	24.7	22.9	21.8	24.0	8.5	9.0
Domestic Revenue	24,925,807,555	24,839,443,534	23,931,323,558	30,855,399,413	10,841,726,844	11,740,196,973
Tax Revenue	20,421,628,400	19,788,586,611	19,229,761,309	25,406,031,034	8,467,006,476	9,362,301,271
Taxes on Income and Property	9,308,815,075	9,159,736,811	8,486,571,523	11,228,607,519	3,208,015,454	3,400,748,667
Company Taxes	3,661,700,000	3,561,730,000	3,033,646,441	3,750,096,201	1,100,657,812	1,316,041,300
Company Taxes on Oil	411,925,576	582,312,974	796,643,465	1,652,205,048	0	0
Other Direct Taxes	5,235,189,499	5,015,693,837	4,656,281,617	5,826,306,271	2,107,357,642	2,084,707,367
Taxes on Domestic Goods and Services	7,061,747,725	6,478,340,000	6,434,283,960	9,471,695,219	3,607,544,236	3,732,348,373
Excises	1,205,770,000	795,820,000	764,317,498	2,426,772,151	885,040,869	988,847,508
VAT	4,874,927,725	4,626,610,000	4,671,649,584	5,749,079,617	2,226,296,412	2,276,872,522
National Health Insurance Levy (NHIL)	765,190,000	738,880,000	781,716,375	1,003,090,000	376,006,181	371,000,770
Communication Service Tax	215,860,000	317,030,000	216,600,504	292,753,451	120,200,773	95,627,573
International Trade Taxes	4,051,065,600	4,150,509,800	4,308,905,825	4,705,728,295	1,651,446,786	2,229,204,232
Import Duties	3,086,770,000	3,047,230,000	2,772,673,539	3,549,372,598	1,342,639,664	1,283,423,308
Export Duties	100,000,000	311,000,000	318,550,000	340,000,000	0	80,580,000
Import Exemptions	864,295,600	792,279,800	1,217,682,286	816,355,697	308,807,123	865,200,924
Social Contributions	161,420,508	165,940,282	218,198,700	182,584,914	59,124,075	54,917,100
SSNIT Contribution to NHIL	161,420,508	165,940,282	218,198,700	182,584,914	59,124,075	54,917,100
Non-tax revenue	4,342,758,647	4,884,916,640	4,483,363,549	5,266,783,466	2,315,596,293	2,322,978,602
	4,504,179,155	5,050,856,922				
Grants	1,130,723,000	1,390,835,540	814,136,608	1,550,774,000	589,168,800	325,132,828
Project Grants	805,321,000	910,744,840	787,301,408	1,017,586,000	589,168,800	325,132,828
Programme Grants	325,402,000	480,090,700	26,835,200	533,188,000	0	0
II. EXPENDITURE						
Total Expenditure	31,804,081,124	33,783,010,564	31,962,206,271	39,152,568,262	14,949,948,074	14,249,428,252
(percent of GDP)	30.1	29.4	28.2	29.0	11.1	10.6
Compensation of Employees	10,597,256,351	10,793,436,075	10,466,820,494	12,312,909,378	5,110,880,250	4,848,940,179
Wages & Salaries	8,967,806,000	9,218,904,568	9,448,569,646	10,286,474,000	4,288,680,254	4,238,913,366
(percent of GDP)	8.5	8.0	8.3	7.6	3.2	3.1
Social Contributions	1,629,450,350	1,574,531,506	1,018,250,848	2,026,435,378	822,199,996	610,026,813
Use of Goods and Services	1,550,032,400	1,085,022,680	1,776,632,829	1,970,009,170	588,033,691	671,349,348
Interest Payments	6,178,597,987	7,884,706,682	7,080,869,100	9,577,175,000	3,600,841,477	3,286,971,200
Domestic	5,102,787,987	6,820,153,682	6,110,959,300	8,034,000,000	2,844,491,377	2,591,423,200
External	1,075,810,000	1,064,553,000	969,909,800	1,543,175,000	756,350,100	695,548,000
Subsidies	50,000,000	618,755,321	473,725,000	50,000,000	25,000,000	0
Grants to Other Government Units	6,498,022,790	6,570,045,494	4,850,786,077	7,408,583,655	2,765,647,949	2,394,818,595
Social Benefits	48,531,656	48,531,656	0	60,754,863	56,187,866	0
Other Expenditure	864,295,600	792,279,800	1,217,682,286	816,355,697	308,807,123	865,200,924
Capital Expenditure	6,017,344,340	5,990,232,857	6,095,690,485	6,956,780,498	2,494,549,718	2,182,148,006
Domestic Financed	1,491,546,800	1,241,546,800	1,265,215,059	2,557,357,298	404,303,318	173,482,760
Foreign Financed	4,525,797,540	4,748,686,057	4,830,475,426	4,399,423,200	2,090,246,400	2,008,665,246
Overall Balance (Commitment)	-5,747,550,569	-7,552,731,490	-7,216,746,104	-6,746,394,848	-3,519,052,431	-2,184,098,451
(percent of GDP)	-5.4	-6.6	-6.4	-5.0	-2.6	-1.6
Road Arrears	-231,727,496	-231,727,496	-231,727,496	-322,306,373	-100,000,000	0
o/w ABFA	0	0	0	-322,306,373	-100,000,000	0
Non-Road Arrears	-2,584,465,519	-2,019,249,357	-3,848,832,789	-1,239,043,166	-834,288,801	-632,068,330
o/w other outstanding payments/deferred payments	-2,584,465,519	-2,019,249,357	-3,012,492,550	-776,877,424	-474,661,068	-472,268,330
o/w Wage Arrears	-562,140,000	-562,140,000	-567,616,587	-371,000,000	-185,500,000	-319,736,655
o/w DACF	0	0	-360,190,700	-282,103,434	-300,851,717	-159,800,000
o/w GETF	0	0	-476,149,539	-180,062,309	-58,776,016	0
Tax Refunds	-407,022,568	-324,361,732	-156,660,831	-508,120,621	-169,340,130	-211,248,984
Overall Balance (Cash)	-8,970,766,152	-10,128,070,075	-11,453,967,220	-8,815,865,008	-4,622,681,361	-3,027,415,765
(percent of GDP)	-8.5	-8.8	-10.1	-6.5	-3.4	-2.2
Divestiture Receipts	0	0	0	0	0	0
Divestiture Liabilities	0	0	0	0	0	0
Discrepancy	0	0	-96,647,981	0	0	502,755,425
Overall balance (incl. Divestiture and Discrepancy)	-8,970,766,152	-10,128,070,075	-11,550,615,201	-8,815,865,008	-4,622,681,361	-2,524,660,340

Appendix 1: Summary of Central Government Operations – 2014 - 2015

Financing	8,970,766,152	10,128,070,075	11,550,615,201	8,815,865,008	4,622,681,361	2,524,660,340
Foreign (net)	6,021,896,540	5,936,312,217	5,874,148,818	1,255,808,700	654,142,600	762,714,769
Borrowing	7,096,552,540	8,610,485,017	7,205,088,018	4,055,037,200	1,501,077,600	1,683,532,418
Project Loans	3,720,476,540	3,837,941,217	4,043,174,018	3,381,837,200	1,501,077,600	1,683,532,418
Programme Loans	76,076,000	107,543,800	0	673,200,000	0	0
Sovereign Bond	3,300,000,000	4,665,000,000	3,161,914,000	0	0	0
Amortisation (due)	-1,074,656,000	-2,674,172,800	-1,330,939,200	-2,799,228,500	-846,935,000	-920,817,649
Domestic (net)	3,126,840,568	3,965,380,472	6,142,654,665	8,697,559,537	3,798,533,836	1,639,178,900
Banking	1,302,826,528	1,311,513,954	3,017,937,500	3,349,993,308	1,349,561,516	315,794,900
Bank of Ghana	1,302,826,528	1,311,513,954	1,581,493,900	1,219,993,308	525,340,776	314,951,000
Comm. Banks	0	0	1,436,443,600	2,130,000,000	824,220,740	843,900
Non-banks	2,140,680,274	3,410,582,987	3,124,717,165	5,347,566,229	2,448,972,320	1,323,384,000
Other Domestic	-316,666,234	-756,716,468	0	0	0	0
Other Financing	-108,940,000	-108,940,000	-240,312,300	-85,710,829	-35,712,845	-82,951,100
Other Domestic Financing	-108,940,000	-108,940,000	-240,312,300	-85,710,829	-35,712,845	-82,951,100
Ghana Petroleum Funds	-19,030,956	385,317,386	-175,875,982	-627,101,390	205,717,770	205,717,770
Transfer to Ghana Petroleum Funds	-115,709,157	-163,570,672	-1,086,685,979	-627,101,390	0	0
o/w Stabilisation Fund	0	0	-760,680,185	-311,563,670	0	0
o/w Heritage Fund	-115,709,157	-163,570,672	-326,005,794	-315,537,720	0	0
Transfer from Stabilisation Fund	96,678,201	548,888,058	910,809,997	0	205,717,770	205,717,770
Sinking Fund				-283,127,340	0	0
Contingency Fund	-50,000,000	-50,000,000	-50,000,000	-141,563,670	0	0
<i>Memorandum items</i>						
Domestic Revenue	24,925,807,555	24,839,443,534	23,931,323,558	30,855,399,413	10,841,726,844	11,740,196,973
(percent of GDP)	23.6	21.6	21.1	22.9	8.0	8.7
Domestic expenditure	21,506,708,165	21,473,979,558	20,304,170,556	25,684,090,682	9,428,200,327	8,662,285,364
(percent of GDP)	20.4	18.7	17.9	19.0	7.0	6.4
Domestic Primary Balance	3,419,099,390	3,365,463,976	3,627,153,002	5,171,308,731	1,413,526,517	3,077,911,609
(percent of GDP)	3.2	2.9	3.2	3.8	1.0	2.3
Primary Fiscal Balance	-2,792,168,165	-2,243,363,393	-4,469,746,101	761,309,992	-1,021,839,884.1	762,310,860.4
(percent of GDP)	-2.6	-2.0	-3.9	0.6	-0.8	0.6
Non-oil Primary Fiscal Balance	-4,501,567,510	-4,659,832,468	-7,258,825,088	-3,442,353,255	-1,712,004,443	-20,046,763
(percent of GDP)	-4.6	-4.4	-6.9	-2.8	-1.4	0.0
Overall Balance (cash, discrepancy)	-8,970,766,151.5	-10,128,070,075	-11,550,615,201	-8,815,865,008	-4,622,681,361	-2,524,660,340
(percent of GDP)	-8.5	-8.8	-10.2	-6.5	-3.4	-1.9
Oil Revenue	1,709,399,346	2,416,469,075	2,789,078,987	4,203,663,247	690,164,559	782,357,623
(percent of GDP)	1.6	2.1	2.5	3.1	0.5	0.6
Non-Oil Revenue and Grants	24,347,131,209.4	23,813,809,998.6	21,956,381,179.3	28,202,510,166.6	10,740,731,084	11,282,972,178
(percent of GDP)	23.1	20.7	19.4	20.9	8.0	8.4
Benchmark Oil Revenue	1,285,657,302	1,817,451,913	2,271,718,682	3,505,974,669	419,942,337	539,161,068
(percent of GDP)	1.2	1.6	2.0	2.6	0.3	0.4
Annual Budget Funding Amount (ABFA)	899,960,111	1,272,216,339	1,590,203,078	2,454,182,268	419,942,337	539,161,068
(percent of GDP)	0.9	1.1	1.4	1.8	0.3	0.4
Nominal GDP	105,503,600,003	114,788,400,000	113,343,000,000	135,010,806,378	134,685,000,000	134,685,000,000
Non-Oil Nominal GDP	97,270,700,003	105,124,000,000	104,818,000,000	123,098,634,578	123,098,634,578	123,098,634,578

Appendix 2: Economic Classification of Central Gov't Revenue - 2014 - 2015

	2014 Budget	2014 Revised Budget	2014 Prov Outturn	2015 Budget	2015 Prog. Jan-May	2015 Prov. Jan-May
TAX REVENUE	20,421,628,400	19,788,586,611	19,229,761,309	25,406,031,034	8,467,006,476	9,362,301,271
TAXES ON INCOME & PROPERTY	9,308,815,075	9,159,736,811	8,486,571,523	11,228,607,519	3,208,015,454	3,400,748,667
Personal	3,462,360,000	3,322,570,000	2,999,797,057	3,663,944,604	1,302,016,917	1,310,970,191
Self Employed	249,580,000	249,580,000	219,370,029	258,902,281	100,556,060	111,212,452
Companies	3,661,700,000	3,561,730,000	3,033,646,441	3,750,096,201	1,100,657,812	1,316,041,300
Company Taxes on Oil	411,925,576	582,312,974	796,643,465	1,652,205,048	0	0
Others	1,523,249,499	1,443,543,837	1,437,114,530	1,903,459,386	704,784,665	662,524,724
Other Direct Taxes	1,070,929,499	1,081,893,837	1,220,106,787	1,586,469,386	607,833,950	538,810,074
o/w Royalties from Oil	349,399,499	493,923,837	554,023,996	629,774,733	191,686,364	216,974,167
o/w Mineral Royalties	499,610,000	440,200,000	517,051,248	597,960,000	275,807,632	254,946,398
National Fiscal Stabilisation Levy	301,750,000	251,450,000	161,933,764	246,400,000	67,136,634	62,116,569
Airport Tax	150,570,000	110,200,000	55,073,980	70,590,000	29,814,082	61,598,081
TAXES ON DOMESTIC GOODS AND SERVICES	7,061,747,725	6,478,340,000	6,434,283,960	9,471,695,219	3,607,544,236	3,732,348,373
Excises	1,205,770,000	795,820,000	764,317,498	2,426,772,151	885,040,869	988,847,508
Excise Duty	333,950,000	159,700,000	146,818,933	212,627,391	88,181,212	78,755,501
Petroleum Tax	871,820,000	636,120,000	617,498,565	2,214,144,760	796,859,657	910,092,008
VAT	4,874,927,725	4,626,610,000	4,671,649,584	5,749,079,617	2,226,296,412	2,276,872,522
Domestic	1,894,358,500	1,765,430,000	1,915,086,036	2,468,654,190	916,203,730	917,523,793
External	2,980,569,225	2,861,180,000	2,756,563,548	3,280,425,428	1,310,092,682	1,359,348,729
National Health Insurance Levy (NHIL)	765,190,000	738,880,000	781,716,375	1,003,090,000	376,006,181	371,000,770
Customs Collection	523,430,000	465,790,000	462,750,949	559,970,000	214,035,065	218,080,137
Domestic Collection	241,760,000	273,090,000	318,965,426	443,120,000	161,971,116	152,920,632
Communication Service Tax	215,860,000	317,030,000	216,600,504	292,753,451	120,200,773	95,627,573
TAXES ON INTERNATIONAL TRADE	4,051,065,600	4,150,509,800	4,308,905,825	4,705,728,295	1,651,446,786	2,229,204,232
Imports	3,086,770,000	3,047,230,000	2,772,673,539	3,549,372,598	1,342,639,664	1,283,423,308
Import Duty	3,086,770,000	3,047,230,000	2,772,673,539	3,549,372,598	1,342,639,664	1,283,423,308
Exports	100,000,000	311,000,000	318,550,000	340,000,000	0	80,580,000
o/w Cocoa	100,000,000	311,000,000	318,550,000	340,000,000	0	80,580,000
Import Exemptions	864,295,600	792,279,800	1,217,682,286	816,355,697	308,807,123	865,200,924
SOCIAL CONTRIBUTIONS	161,420,508	165,940,282	218,198,700	182,584,914	59,124,075	54,917,100
SSNIT Contribution to NHIL	161,420,508	165,940,282	218,198,700	182,584,914	59,124,075	54,917,100
NON-TAX REVENUE	4,342,758,647	4,884,916,640	4,483,363,549	5,266,783,466	2,315,596,293	2,322,978,602
Retention	2,805,994,376	2,805,994,376	2,497,284,022	2,833,040,000	476,843,433	943,676,739
Lodgement	1,536,764,270	2,078,922,264	1,986,079,528	2,433,743,466	1,251,550,076	1,379,301,863
Fees & Charges	261,750,000	411,750,000	329,837,833	306,280,000	118,972,779	197,861,069
Dividend/Interest & Profits from Oil	903,554,813	1,277,297,941	1,434,700,372	1,630,647,852	496,016,663	562,344,673
Surface Rentals from Oil/PHF Interest	1,751,457	2,475,923	3,711,154	4,923,064	2,461,532	3,038,783
Gas Receipts	42,768,000	60,458,400	0	286,112,550	0	0
Dividend/Interest & Profits (Others)	326,940,000	326,940,000	217,830,169	205,780,000	634,099,102	616,057,338
DOMESTIC REVENUE	24,925,807,555	24,839,443,534	23,931,323,558	30,855,399,413	10,841,726,844	11,740,196,973
GRANTS	1,130,723,000	1,390,835,540	814,136,608	1,550,774,000	589,168,800	325,132,828
Project Grants	805,321,000	910,744,840	787,301,408	1,017,586,000	589,168,800	325,132,828
Programme Grants	325,402,000	480,090,700	26,835,200	533,188,000	0	0
TOTAL REVENUE & GRANTS	26,056,530,555	26,230,279,074	24,745,460,166	32,406,173,413	11,430,895,644	12,065,329,801
<i>Memorandum items</i>						
Taxes on Income and Property	8.8	8.0	7.5	8.3	2.4	2.5
Taxes on Goods and Services	6.7	5.6	5.7	7.0	2.7	2.8
Taxes on International Trade	3.8	3.6	3.8	3.5	1.2	1.7
Tax Revenue	19.4	17.2	17.0	18.8	6.3	7.0
Non-Oil Tax Revenue	20.2	17.8	17.1	18.8	6.7	7.4
Non-Tax Revenue	4.1	4.3	4.0	3.9	1.7	1.7
Domestic Revenue	23.6	21.6	21.1	22.9	8.0	8.7
Non-Oil Domestic Revenue	23.9	21.4	20.2	21.9	8.2	8.9
Grants	1.1	1.2	0.7	1.1	0.4	0.2
Total Revenue and Grants	24.7	22.9	21.8	24.0	8.5	9.0
Benchmark Oil Revenue	1,285,657,302	1,817,451,913	2,271,718,682	3,505,974,669	419,942,337	539,161,068
Nominal GDP	105,503,600,003	114,788,400,000	113,343,000,000	135,010,806,378	134,685,000,000	134,685,000,000
Non-Oil Nominal GDP	97,270,700,003	105,124,000,000	104,818,000,000	123,098,634,578	123,098,634,578	123,098,634,578

Appendix 3: Economic Classification of Central Gov't Expenditure - 2014 – 2015

	2014 Budget	2014 Revised Budget	2014 Prov Outturn	2015 Budget	2015 Prog. Jan-May	2015 Prov. Jan-May
II EXPENDITURE						
Compensation of Employees	10,597,256,351	10,793,436,075	10,466,820,494	12,312,909,378	5,110,880,250	4,848,940,179
Wages & Salaries	8,967,806,000	9,218,904,568	9,448,569,646	10,286,474,000	4,288,680,254	4,238,913,366
Social Contributions	1,629,450,350	1,574,531,506	1,018,250,848	2,026,435,378	822,199,996	610,026,813
Pensions	678,862,914	645,323,320	611,855,969	750,912,602	294,941,199	266,590,479
Gratuities	224,195,150	202,815,901	366,364,420	216,015,954	86,678,778	60,496,055
Social Security	726,392,286	726,392,286	40,030,459	1,059,506,822	440,580,019	282,940,279
Use of Goods and Services	1,550,032,400	1,085,022,680	1,776,632,829	1,970,009,170	588,033,691	671,349,348
o/w ABFA	0	0	0	736,254,680	179,193,363	0
Interest Payments	6,178,597,987	7,884,706,682	7,080,869,100	9,577,175,000	3,600,841,477	3,286,971,200
Domestic	5,102,787,987	6,820,153,682	6,110,959,300	8,034,000,000	2,844,491,377	2,591,423,200
External (Due)	1,075,810,000	1,064,553,000	969,909,800	1,543,175,000	756,350,100	695,548,000
Subsidies	50,000,000	618,755,321	473,725,000	50,000,000	25,000,000	0
Subsidies to Utility Companies	0	291,000,000	0	0	0	0
Subsidies on Petroleum products	50,000,000	327,755,321	473,725,000	50,000,000	25,000,000	0
Grants to Other Government Units	6,498,022,790	6,570,045,494	4,850,786,077	7,408,583,655	2,765,647,949	2,394,818,595
National Health Fund (NHF)	926,610,508	904,820,282	947,199,000	1,185,674,914	435,130,256	514,300,000
Education Trust Fund	739,447,239	712,030,693	328,753,144	843,899,218	331,211,101	208,264,408
Road Fund	226,732,850	226,732,850	224,971,864	257,034,280	95,646,825	107,272,583
Petroleum Related Funds	5,731,045	5,731,045	4,908,742	5,327,590	2,147,003	2,247,367
Dist. Ass. Common Fund	1,369,764,728	1,315,719,086	330,309,000	1,585,919,077	567,244,326	375,860,943
Retention of Internally-generated funds (IGFs)	2,805,994,376	2,805,994,376	2,497,284,022	2,833,040,000	1,064,046,217	943,676,739
Transfer to GNPC from Oil Revenue	423,742,044	599,017,162	517,360,305	697,688,578	270,222,222	243,196,555
Social Benefits	48,531,656	48,531,656	0	60,754,863	56,187,866	0
Lifeline Consumers of Electricity	48,531,656	48,531,656	0	60,754,863	56,187,866	0
Other Expenditure	864,295,600	792,279,800	1,217,682,286	816,355,697	308,807,123	865,200,924
Tax Expenditure (Exemptions)	864,295,600	792,279,800	1,217,682,286	816,355,697	308,807,123	865,200,924
Capital Expenditure	6,017,344,340	5,990,232,857	6,095,690,485	6,956,780,498	2,494,549,718	2,182,148,006
Domestic financed	1,491,546,800	1,241,546,800	1,265,215,059	2,557,357,298	404,303,318	173,482,760
o/w GIIF			0	966,608,331	160,000,000	0
o/w ABFA				1,272,913,171	155,000,000	0
Foreign financed	4,525,797,540	4,748,686,057	4,830,475,426	4,399,423,200	2,090,246,400	2,008,665,246
	-4,525,797,540	-4,748,686,057	-4,830,475,426			
TOTAL EXPENDITURE	31,804,081,124	33,783,010,564	31,962,206,271	39,152,568,262	14,949,948,074	14,249,428,252
APPROPRIATION	36,101,952,707	39,032,521,949	37,530,366,586	44,021,266,921	16,900,512,004	16,013,563,214
Total Expenditure	31,804,081,124	33,783,010,564	31,962,206,271	39,152,568,262	14,949,948,074	14,249,428,252
Road Arrears	231,727,496	231,727,496	231,727,496	322,306,373	100,000,000	0
Non-Road Arrears	2,584,465,519	2,019,249,357	3,848,832,789	1,239,043,166	834,288,801	632,068,330
Tax Refunds	407,022,568	324,361,732	156,660,831	508,120,621	169,340,130	211,248,984
Amortisation	1,074,656,000	2,674,172,800	1,330,939,200	2,799,228,500	846,935,000	920,817,649
<i>Memorandum items:</i>						
Compensation of Employees	10.0	9.4	9.2	9.1	3.8	3.6
Goods and Services	1.5	0.9	1.6	1.5	0.4	0.5
Interest Payments	5.9	6.9	6.2	7.1	2.7	2.4
Subsidies	0.0	0.5	0.4	0.0	0.0	0.0
Recurrent Expenditure	21.8	21.7	21.6	21.3	8.3	8.3
Capital Expenditure	5.7	5.2	5.4	5.2	1.9	1.6
Total Capital Expenditure (including those under Gr	8.3	7.7	6.6	7.7	2.8	2.3
Total Expenditure	30.1	29.4	28.2	29.0	11.1	10.6
Annual Budget Funding Amount (ABFA)	899,960,111	1,272,216,339	1,590,203,078	2,454,182,268	419,942,337	539,161,068
Benchmark Oil Revenue	1,285,657,302	1,817,451,913	2,271,718,682	3,505,974,669	419,942,337	539,161,068
Nominal GDP	105,503,600,003	114,788,400,000	113,343,000,000	135,010,806,378	134,685,000,000	134,685,000,000
Non-Oil Nominal GDP	97,270,700,003	105,124,000,000	104,818,000,000	123,098,634,578	123,098,634,578	123,098,634,578

Appendix 4: Summary of Central Government Operations – 2015

	2015 Budget	2015 Revised Budget	2015 Supplementary Budget
I. REVENUES			
Total Revenue & Grants	32,406,173,413	30,526,225,646	-1,879,947,767
(per cent of GDP)	24.0	22.8	-1.2
Domestic Revenue	30,855,399,413	28,524,461,136	-2,330,938,277
Tax Revenue	25,406,031,034	23,127,915,766	-2,278,115,268
Taxes on Income and Property	11,228,607,519	9,410,805,540	-1,817,801,980
Company Taxes	3,750,096,201	3,753,662,159	3,565,959
Company Taxes on Oil	1,652,205,048	52,451,306	-1,599,753,742
Other Direct Taxes	5,826,306,271	5,604,692,074	-221,614,197
Taxes on Domestic Goods and Services	9,471,695,219	9,348,439,004	-123,256,215
Excises	2,426,772,151	2,303,541,933	-123,230,218
VAT	5,749,079,617	5,760,738,412	11,658,795
National Health Insurance Levy (NHIL)	1,003,090,000	1,003,090,000	0
Communication Service Tax	292,753,451	281,068,659	-11,684,792
International Trade Taxes	4,705,728,295	4,368,671,223	-337,057,073
Import Duties	3,549,372,598	3,275,342,457	-274,030,140
Export Duties	340,000,000	340,000,000	0
Import Exemptions	816,355,697	753,328,765	-63,026,932
Social Contributions	182,584,914	182,584,914	0
SSNIT Contribution to NHIL	182,584,914	182,584,914	0
Non-tax revenue	5,266,783,466	5,213,960,456	-52,823,010
Grants	1,550,774,000	2,001,764,510	450,990,510
Project Grants	1,017,586,000	1,065,472,400	47,886,400
Programme Grants	533,188,000	936,292,110	403,104,110
II. EXPENDITURE	41,222,038,421	40,253,649,402	-968,389,020
Total Expenditure	39,152,568,262	37,930,282,498	-1,222,285,763
(percent of GDP)	29.0	28.3	-0.7
Compensation of Employees	12,312,909,378	12,312,909,378	0
Wages & Salaries	10,286,474,000	10,286,474,000	0
(percent of GDP)	7.6	7.7	0.1
Social Contributions	2,026,435,378	2,026,435,378	0
Use of Goods and Services	1,970,009,170	1,856,409,779	-113,599,391
Interest Payments	9,577,175,000	9,349,795,000	-227,380,000
Domestic	8,034,000,000	7,734,000,000	-300,000,000
External	1,543,175,000	1,615,795,000	72,620,000
Subsidies	50,000,000	50,000,000	0
Grants to Other Government Units	7,408,583,655	7,190,118,586	-218,465,068
Social Benefits	60,754,863	60,754,863	0
Other Expenditure	816,355,697	753,328,765	-63,026,932
Capital Expenditure	6,956,780,498	6,356,966,127	-599,814,372
Domestic Financed	2,557,357,298	1,834,483,117	-722,874,181
Foreign Financed	4,399,423,200	4,522,483,010	123,059,810
Overall Balance (Commitment)	-6,746,394,848	-7,404,056,852	-657,662,004
(percent of GDP)	-5.0	-5.5	-0.5
Road Arrears	-322,306,373	-322,306,373	0
o/w ABFA	-322,306,373	-322,306,373	0
Non-Road Arrears	-1,239,043,166	-1,539,043,166	-300,000,000
o/w other outstanding payments/deferred payments	-776,877,424	-917,077,424	-140,200,000
o/w Wage Arrears	-371,000,000	-371,000,000	0
o/w DACF	-282,103,434	-441,903,434	-159,800,000
o/w GETF	-180,062,309	-180,062,309	0
Tax Refunds	-508,120,621	-462,017,364	46,103,256
Overall Balance (Cash)	-8,815,865,008	-9,727,423,756	-911,558,748
(percent of GDP)	-6.5	-7.3	-0.7
Divestiture Receipts	0	0	0
Divestiture Liabilities	0	0	0
Discrepancy	0	0	0
Overall balance (incl. Divestiture and Discrepancy)	-8,815,865,008	-9,727,423,756	-911,558,748

Appendix 4: Summary of Central Government Operations – 2015

Financing	8,815,865,008	9,727,423,756	911,558,748
Foreign (net)	1,255,808,700	4,748,965,710	3,493,157,010
Borrowing	4,055,037,200	9,382,372,610	5,327,335,410
Project Loans	3,381,837,200	3,457,010,610	75,173,410
Programme Loans	673,200,000	818,012,000	144,812,000
Sovereign Bond	0	5,107,350,000	5,107,350,000
Amortisation (due)	-2,799,228,500	-4,633,406,900	-1,834,178,400
Domestic (net)	8,697,559,537	5,064,425,377	-3,633,134,160
Banking	3,349,993,308	741,376,471	-2,608,616,837
Bank of Ghana	1,219,993,308	0	-1,219,993,308
Comm. Banks	2,130,000,000	741,376,471	-1,388,623,529
Non-banks	5,347,566,229	4,323,048,906	-1,024,517,323
Other Domestic	0	0	0
Other Financing	-85,710,829	-85,710,829	0
Other Domestic Financing	-85,710,829	-85,710,829	0
Ghana Petroleum Funds	-627,101,390	-256,502	626,844,888
Transfer to Ghana Petroleum Funds	-627,101,390	-205,974,272	421,127,118
o/w Stabilisation Fund	-311,563,670	-144,181,991	167,381,679
o/w Heritage Fund	-315,537,720	-61,792,282	253,745,439
Transfer from Stabilisation Fund	0	205,717,770	205,717,770
Sinking Fund	-283,127,340	0	283,127,340
Contingency Fund	-141,563,670	0	141,563,670
Memorandum items			
Domestic Revenue	30,855,399,413	28,524,461,136	-2,330,938,277
(percent of GDP)	22.9	21.3	-1.6
Domestic expenditure	25,684,090,682	24,520,021,853	-1,164,068,829
(percent of GDP)	19.0	18.3	-0.7
Domestic Primary Balance	5,171,308,731	4,004,439,283	-1,166,869,448
(percent of GDP)	3.8	3.0	-0.8
Primary Balance	761,309,992	-377,628,756	-1,138,938,748
(percent of GDP)	0.6	-0.3	-0.8
Non-oil Primary Balance	-3,442,353,255	-2,144,505,967	1,297,847,287
(percent of GDP)	-2.8	-1.7	1.1
Overall Balance (cash, discrepancy)	-8,815,865,008	-9,727,423,756	-911,558,748
(percent of GDP)	-6.5	-7.3	-0.7
Oil Revenue	4,203,663,247	1,766,877,212	-2,436,786,035
(percent of GDP)	3.1	1.3	-1.8
Non-Oil Revenue and Grants	28,202,510,166.6	28,759,348,434.3	556,838,267.7
(percent of GDP)	20.9	21.5	0.6
Benchmark Oil Revenue	3,505,974,669	1,268,922,434	-2,237,052,235
(percent of GDP)	2.6	0.9	-1.7
Annual Budget Funding Amount (ABFA)	2,454,182,268	1,062,948,162	-1,391,234,107
(percent of GDP)	1.8	0.8	-1.0
Nominal GDP	135,010,806,378	134,073,000,000	134,073,000,000
Non-Oil Nominal GDP	123,098,634,578	123,098,634,578	123,098,634,578

Appendix 5: Economic Classification of Central Gov't Revenue - 2015

	2015 Budget	2015 Revised Budget	2015 Supplementary Budget
TAX REVENUE	25,406,031,034	23,127,915,766	-2,278,115,268
TAXES ON INCOME & PROPERTY	11,228,607,519	9,410,805,540	-1,817,801,980
Personal	3,663,944,604	3,547,309,392	-116,635,212
Self Employed	258,902,281	264,743,478	5,841,196
Companies	3,750,096,201	3,753,662,159	3,565,959
Company Taxes on Oil	1,652,205,048	52,451,306	-1,599,753,742
Others	1,903,459,386	1,792,639,205	-110,820,181
Other Direct Taxes	1,586,469,386	1,375,859,205	-210,610,181
o/w Royalties from Oil	629,774,733	445,864,552	-183,910,181
o/w Mineral Royalties	597,960,000	496,260,000	-101,700,000
National Fiscal Stabilisation Levy	246,400,000	246,400,000	0
Airport Tax	70,590,000	170,380,000	99,790,000
TAXES ON DOMESTIC GOODS AND SERVICES	9,471,695,219	9,348,439,004	-123,256,215
Excises	2,426,772,151	2,303,541,933	-123,230,218
Excise Duty	212,627,391	213,819,629	1,192,237
Petroleum Tax	2,214,144,760	2,089,722,305	-124,422,455
VAT	5,749,079,617	5,760,738,412	11,658,795
Domestic	2,468,654,190	2,398,088,121	-70,566,069
External	3,280,425,428	3,362,650,291	82,224,864
National Health Insurance Levy (NHIL)	1,003,090,000	1,003,090,000	0
Customs Collection	559,970,000	559,970,000	0
Domestic Collection	443,120,000	443,120,000	0
Communication Service Tax	292,753,451	281,068,659	-11,684,792
TAXES ON INTERNATIONAL TRADE	4,705,728,295	4,368,671,223	-337,057,073
Imports	3,549,372,598	3,275,342,457	-274,030,140
Import Duty	3,549,372,598	3,275,342,457	-274,030,140
Exports	340,000,000	340,000,000	0
o/w Cocoa	340,000,000	340,000,000	0
Import Exemptions	816,355,697	753,328,765	-63,026,932
SOCIAL CONTRIBUTIONS	182,584,914	182,584,914	0
SSNIT Contribution to NHIL	182,584,914	182,584,914	0
NON-TAX REVENUE	5,266,783,466	5,213,960,456	-52,823,010
Retention	2,833,040,000	2,833,040,000	0
Lodgement	2,433,743,466	2,380,920,456	-52,823,010
Fees & Charges	306,280,000	306,280,000	0
Dividend/Interest & Profits from Oil	1,630,647,852	1,155,573,308	-475,074,544
Surface Rentals from Oil/PHF Interest	4,923,064	6,188,046	1,264,982
Gas Receipts	286,112,550	106,800,000	-179,312,550
Dividend/Interest & Profits (Others)	205,780,000	806,079,102	600,299,102
DOMESTIC REVENUE	30,855,399,413	28,524,461,136	-2,330,938,277
GRANTS	1,550,774,000	2,001,764,510	450,990,510
Project Grants	1,017,586,000	1,065,472,400	47,886,400
Programme Grants	533,188,000	936,292,110	403,104,110
TOTAL REVENUE & GRANTS	32,406,173,413	30,526,225,646	-1,879,947,767
	24.0%		
<i>Memorandum items</i>			
Taxes on Income and Property	8.3	7.0	-1.3
Taxes on Goods and Services	7.0	7.0	0.0
Taxes on International Trade	3.5	3.3	-0.2
Tax Revenue	18.8	17.3	-1.6
Non-Oil Tax Revenue	18.8	18.4	-0.4
Non-Tax Revenue	3.9	3.9	0.0
Domestic Revenue	22.9	21.3	-1.6
Non-Oil Domestic Revenue	21.9	21.8	-0.1
Grants	1.1	1.5	0.3
Total Revenue and Grants	24.0	22.8	-1.2
Benchmark Oil Revenue	3,505,974,669	1,268,922,434	-2,237,052,235
Nominal GDP	135,010,806,378	134,073,000,000	134,073,000,000
Non-Oil Nominal GDP	123,098,634,578	123,098,634,578	123,098,634,578

Appendix 6: Economic Classification of Central Gov't Expenditure – 2015

	2015 Budget	2015 Revised Budget	2015 Supplementary Budget
II EXPENDITURE			
Compensation of Employees	12,312,909,378	12,312,909,378	0
Wages & Salaries	10,286,474,000	10,286,474,000	0
Social Contributions	2,026,435,378	2,026,435,378	0
Pensions	750,912,602	750,912,602	0
Gratuities	216,015,954	216,015,954	0
Social Security	1,059,506,822	1,059,506,822	0
Use of Goods and Services	1,970,009,170	1,856,409,779	-113,599,391
o/w ABFA	736,254,680	318,884,448	-417,370,232
Interest Payments	9,577,175,000	9,349,795,000	-227,380,000
Domestic	8,034,000,000	7,734,000,000	-300,000,000
External (Due)	1,543,175,000	1,615,795,000	72,620,000
Subsidies	50,000,000	50,000,000	0
Subsidies to Utility Companies	0	0	0
Subsidies on Petroleum products	50,000,000	50,000,000	0
Grants to Other Government Units	7,408,583,655	7,190,118,586	-218,465,068
National Health Fund (NHF)	1,185,674,914	1,185,674,914	0
Education Trust Fund	843,899,218	853,200,063	9,300,845
Road Fund	257,034,280	257,034,280	0
Petroleum Related Funds	5,327,590	5,327,590	0
Dist. Ass. Common Fund	1,585,919,077	1,557,886,962	-28,032,114
Retention of Internally-generated funds (IGFs)	2,833,040,000	2,833,040,000	0
Transfer to GNPC from Oil Revenue	697,688,578	497,954,778	-199,733,800
Social Benefits	60,754,863	60,754,863	0
Lifeline Consumers of Electricity	60,754,863	60,754,863	0
Other Expenditure	816,355,697	753,328,765	-63,026,932
Tax Expenditure (Exemptions)	816,355,697	753,328,765	-63,026,932
Capital Expenditure	6,956,780,498	6,356,966,127	-599,814,372
Domestic financed	2,557,357,298	1,834,483,117	-722,874,181
o/w GIFF	966,608,331	1,039,215,991	72,607,660
o/w ABFA	1,272,913,171	235,741,412	-1,037,171,759
Foreign financed	4,399,423,200	4,522,483,010	123,059,810
TOTAL EXPENDITURE	39,152,568,262	37,930,282,498	-1,222,285,763
APPROPRIATION	44,021,266,921	44,887,056,302	865,789,380
Total Expenditure	39,152,568,262	37,930,282,498	-1,222,285,763
Road Arrears	322,306,373	322,306,373	0
Non-Road Arrears	1,239,043,166	1,539,043,166	300,000,000
Tax Refunds	508,120,621	462,017,364	-46,103,256
Amortisation	2,799,228,500	4,633,406,900	1,834,178,400
<i>Memorandum items:</i>			
Compensation of Employees	9.1	9.2	0.1
Goods and Services	1.5	1.4	-0.1
Interest Payments	7.1	7.0	-0.1
Subsidies	0.0	0.0	0.0
Recurrent Expenditure	21.3	21.2	-0.2
Capital Expenditure	5.2	4.7	-0.4
Total Cap. Expenditure (incl. those under Grants to other Gov't Units)	7.7	7.1	-0.6
Total Expenditure	29.0	28.3	-0.7
Annual Budget Funding Amount (ABFA)	2,454,182,268	1,062,948,162	-1,391,234,107
Benchmark Oil Revenue	3,505,974,669	1,268,922,434	-2,237,052,235
Nominal GDP	135,010,806,378	134,073,000,000	134,073,000,000
Non-Oil Nominal GDP	123,098,634,578	123,098,634,578	123,098,634,578