

**COALITION FOR RESTORATION  
DIALOGUE SERIES**

**THEME: GHANA'S ECONOMIC MESS;  
VICTIM OF POOR ECONOMIC  
GOVERNANCE?**

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**VENUE: UPSA CONFERENCE HALL**

**DATE: 28<sup>TH</sup> FEBRUARY 2024**

## **BACKGROUND**

1. Ghana's economy has experienced significant deterioration since 2019 when the current Government wrote to the IMF to discontinue its extended credit facility program by applying for a special dispensation to be allowed to exit the program under a waiver for non-observance of performance criteria.
2. This was when the economic governance of the country had been led by arguably Ghana's over hyped, over-rated and most naïve experimental economist. After applying to the IMF in 2018 for a one-year extension of the program that was expected to end in 2018 due to non-compliance with key deliverables and pleaded for time to meet those performance indicators.
3. Unfortunately, the Alhaji led economic management team was not able to deliver on the

program and went to the IMF pleading to be allowed to leave the program with a waiver for non-conformance with performance criteria. The IMF granted them their wish and sent them away as schools will do to students who fail their exams.

4. Unsurprisingly, Ghana's economy started experiencing significant fiscal risks, heightened external vulnerabilities with astonishing debt-service to tax ratio and a deeply crowded fiscal space. Ghana was naked for any sort of shock absorbers as fiscal buffers were almost clipped and financial buffers were eroded, inflationary pressures and upside risks to exchange rates and interest rate outlook were glooming,

5. Then in 2020 covid-19 struck when we were fragile, anaemic with hyper hypertension and a damaging diabetic profile. Ghana's glycaemic reading was at fatal levels.

6. The question has been what happened? Where was our much touted and overhyped economic whiz kid, the man with the magic wand, Alhaji Bawumia the inventor of Mallam-Atta Market inflation calculator and the rate of change cedi depreciation calculator specialist?
7. As the inquest continued, Ghanaian livelihoods have taken a nose-dive and by 2022, Ghana had come to the attention of the international capital market and rating agencies as they took steps to highlight the imminent default of debt service by Ghana with CCC ratings with dire economic outlook culminating in the capital market taking decisive action to shut the door on us and deny Alhaji access to the ICM as our bonds trended on the junk curve.
8. This was historical as it was monumental. The first ever in the 4<sup>th</sup> Republic. Ghana, the ones shining star of Africa and emerging oil giant had crushed

landed with the whiz-kid and his boss taking turns to shirk responsibility and planning to jump ship. Alhaji the economist started avoiding the economy despite all the technical advisors we recruited for him and ventured to learn a few yahoo skills on the internet to migrate and start a new career in digitalisation even though he does not have half a human being as technical advisor in digitalisation in his office.

9. In recent months the President has demonstrated that he has checked out of office and the economy and looking forward to his exit on 7<sup>th</sup> January 2025 for the next President, H.E John Dramani Mahama, the safest and very experienced hand to turn our fortunes around.

10. As for Alhaji, he uses very derogatory and often inferiority minded descriptions of himself such as I'm a driver's mate, I'm not my own man etc to con and blackmail Ghanaians to make him

President before he clears his own mess. As a matter of fact he says he knows how to resolve the hardships he has imposed on us and even though he still has some 10 months left, he will not do it unless we make him President.

11. Technically Alhaji has checked out of office and the economy and leaving us to our fate except to use the hardship he has imposed on us to blackmail us to the Presidency to finish us ‘kwatakwata.’

12. Even as we gasp for breath and struggling to live from hand to mouth, with us sometimes struggling to stretch our hands in the direction of our mouths, Alhaji says we should forget the hardships and discuss his impaired vision. He thinks that he can jump over the mess he has created without accounting for it by magically transporting our weak bodies into a future where we will not remember his mess and begin a conversation on his so-called vision. The World Bank has reported

that Alhaji has already dragged some 850,000 of our country men and women not just into poverty but below the poverty-line.

13. The Ghana statistical service paints a very gloomy picture for our teeming youth. Unemployment is now disturbingly high with a third of the employed Ghanaians in very vulnerable jobs that could desert them any moment. The situation is scary.

14. The cedi has broken jail again and began its first lap in the year at Ghc13 to \$1, fuel now sells at Gh13 per litre and inflation reversing course and heading back to its familiar destination under Alhaji, we must take our destiny in our own hands as we experience this shameless leadership crisis in the seat of Government, the Jubilee House.

15. It is for this reason that we are gathered here today, to seek for answers to our woes, take stock of our current economic trajectory, how we got

here and remind us of some of the mouth-watering election promises, hope and vision of Alhaji that swayed and ended up impairing our lives and for him to be compelled to have a conversation on the economy and to account for his dramatic fall from grace to grass.

16. I have no doubt that the theme for today: Ghana's Economic Mess; Victim of Poor Economic Governance? Allows us to do just that.

17. Interestingly, the President checked out on Ghana when he recently made it clear that he is looking forward just like every Ghanaian to the next President H.E John Dramani Mahama to rescue us from his mess. He even got angry in Kumasi and advised them to vote for anyone they want and that he did not force them to vote for him.

18. As for Alhaji he checked out on the economy after he was panting and sweating at Yesukrom in Kasoa in 2020 in attempting to part himself in the



back for damaging the economy with ‘a something whammy’ excuse. The venue for that ill-fated youth program set up purposely to rejuvenate Alhaji’s exaggerated prowess that he never had was very instructive; YESUKROM. The loudest of his checking out on the economy came at UPSA when he indicated that he is only a driver’s mate and attempted to blackmail us when he said he can only help clear his mess if we make him a President and tragically turning a Judas against his boss.

19. You will recall that Alhaji famously paraded the economic management team shortly after assuming the role of the Vice-President and the Head of the Economic Management Team and called out the names of each of them. Professor Gyan Baffour, Akoto Osei, Allan Kyeremanteng etc; What a solid team? You will recall that he even mocked the NDC’s economic management

team and asked whether you remember their names? So clearly Alhaji made us to believe that he as the Chairman and the Head of the economic management team together with the rest of the EMT were in charge of the Economic Management of the Country.

20. Then in April 2019, Alhaji paraded his team and led a lecture that he wanted to fool us it was a Stakeholder Engagement of the Economic Management team. At the event he was the star Actor and his refrain was that ‘they had done better referencing himself and the EMT. At the time Alhaji still believed that he was delivering and was busy taking credit with his team.

21. Alhaji ignorantly and infamously declared when he saw a rare temporary stability in the cedi exchange rate that He, Alhaji and not the President had arrested the dollar, locked it up and handed the

key over to the IGP. Where's the dollar now?  
Broken Jail and fugitive?

22. Now that the President and Alhaji have emotionally, mentally and physically accepted defeat in addressing the challenges they have created, what happens to the rest of their tenure with them budgeting to spend a staggering Ghc2.4 billion doing nothing, either waiting for the next President or in the hope that Alhaji will succeed in blackmailing us to make him President to do more damage. Four more for Nana and we could not even survive 2. Can we add another second?

23. In the lead up to the 2016 elections who went about promising the people of Ghana Heaven and Ghana flowing milk and honey? Who promised;

- a. We will move the economy from taxation to production? Did it become a Government policy and forming the first budget in 2017?

- b. One Village one dam? Was it not budgeted, funds allocated, released and spent to dig dugouts unfit for purpose?
- c. One Million per constituency with paltry allocation meant for jobs for the boys in development authorities. They are now symbols of uncompleted toilets and mounting arrears. Alhaji is now ashamed to commission them. That Alhaji didn't know that Ghana's administrative bureaucracies are not constituency based but DMM beats my imagination.
- d. \$50 million a year Zongo development fund? After 7 years where's the \$350 million allocation.
- e. 1 district 1 factory which ended up painting old factories, with some as old as Alhaji's wife. Where are the factories in the Districts?

- f. There will be no toilet and water problem in the first 18 month of assuming office? Don't we still have toilet and water problems after 7 years?
- g. We will provide 100,000 unemployed graduates employment. Where is Nabco?
- h. We will build concrete roads
- i. We will build an airstrip in Yendi and construct a University Campus in Yendi.
- j. We will build an airport in Cape Coast
- k. We will build a 32 seater toilet in Agbogbloshie.

How can someone who promised all these things for vote now shamelessly come to tell us that he is not in charge. Since when did Alhaji get to know that he was not in charge?  
Did you scam us?

*Alhaji go explain explain taya sake of we now know you too much with evidence that you are a certified conman promax*

## **Responsible Leadership**

24. The true mark of leadership is the humility and ability to accept responsibility and finding solutions to problems. The Vice President, Alhaji Mahmoud Bawumia, herein called Alhaji spent three (3) hours attributing the economic mess, cost of living crisis, debt distress and bankruptcy, illegal printing of money and the unbridled corruption that have characterised his economic mismanagement and leadership of the economic management team to some external shocks and other members of the solid economic management team he touted as the best in the world.

25. You will recall Alhaji's famous quote in 2015 'How can external shocks jump over Ivory Coast, Togo and Benin and only hit Ghana'. Today, I want to ask Alhaji how come Covid-19 and Russia Ukraine War jumped over Tanzania, Kenya, Uganda, Ivory Coast, Benin and Togo and only attacked Ghana and still being used as excuse for economic mismanagement 4 years after covid ended'?

### Covid-19 and Russia Ukraine

26. Was Ghana's economy mismanaged with pre-existing conditions or it was the result of Russia-Ukraine war and covid-19? The IMF provides copious reasons for the calamitous collapse of the economy. Below are some of findings of IMF:

Ghanaians are made to believe that the current economic challenges we are experiencing in Ghana is largely the result of Russia-Ukraine war and Covid-19. The IMF staff appraisal has repeatedly

indicated that, **“The combination of -external shocks and pre-existing fiscal and debt vulnerabilities have caused a deep economic and financial crisis”**.

Government is only fixated with Covid-19 and Russia-Ukraine war as the cause of the current economic crisis but has declined- to explain to Ghanaians what the pre-existin fiscal and debt vulnerabilities that have plunged the country into a deep ditch of macroeconomic crisis. Some facts contained in the IMF’s press release on Ghana’s ECF programme showed that the Ghanaian economy suffered severe ailment due to gross mismanagement by fiscal imprudence on the back of a perpetual habit of wasteful borrowing over the years. Ghana’s fundamental ailments highlighted by the IMF are listed as follows.



a) Weak budget implementation driven by spending rigidities, weak expenditure controls, a relatively low tax base and weaknesses in SOE management resulting in large deficits and fast-rising debt with loss of investor confidence worsened Ghana economic crises. (Page 58)

b) Large monetary financing of the government which has rendered monetary policy ineffective. Despite the Bank of Ghana raising its policy rate by a cumulative 1500 bps to 29.5 percent and substantially increased the reserve requirement from 8 percent to 14 percent, inflation went up to 54 percent in December 2022. The minority repeatedly warned the BoG Governor to stop printing and giving Government illegal money. (Paragraph 6)

c) Weak commitment to achieving fiscal consolidation objectives due to overly optimistic targets, poor enforcement of announcement of across the-board spending cuts due to large extra-budgetary commitments by ministries, departments, and agencies (MDAs) (i.e., expenditures committed above appropriated budgetary allocations). The overall fiscal deficit to amounted to 11 percent of GDP (compared to a mid-year budget objective of 6.3 percent of GDP). (Paragraph 7) Overall deficits have been in double digits consistently over the last three years.

d) Large accumulation of arrears and payables of up to GHs44.5 billion. Due to weak expenditure commitment controls and insufficient budgetary allocations to cover the energy sector shortfall. Government kept hiding

arrears and stock of payables since 2018 just to achieve its cosmetic fiscal accounting agenda. The arrears to the energy sector independent power producers (IPPs) as at end 2022 was GHs19 billion. (Paragraph 8). In Appendix 3A of the 2023 budget shows that government has programmed to clear GHs37.5 billion of arrears from 2023 to 2026. Clearly, government is understating the stock of arrears which has been stated by the IMF to be GHs44.5 billion.

e)Ghana is in debt distress, and debt is assessed as unsustainable. Debt distress and debt unsustainability is not a one-day wonder. If Government and for that matter the economic management team had listened to calls from the minority to include contingent liabilities and off-budget borrowing activities such as Synohydro, ESLA Bonds and Daakye bonds to the debt stock

for the purposes of Debt Sustainability Analysis (DSA), they would have picked the signals of debt distress earlier than anticipated. (Paragraph 9).

f) Poor budget credibility and no transparency. Since 2017, we consistently criticized the non-budget fiscal operations such as the factoring arrangement used to pay contractors outside GIFMIS using Fidelity Bank. The Daakye facility, and the continuous treatment of the payment of the energy sector subsidy as amortization was used to hide the true extent of Ghana's deficits and debt.

27. In Governance as is the case with group and team dynamics, leadership takes responsibility and stand by the decisions championed by the majority as representing that of the group. It is unthinkable

for a team leader such as the Head of the Economic Management Team pick and choose supposed successes as his own and distance himself from the poor performance even though he cheers the decision making process at EMT and serves as a Co-Pilot with the Captain at the approval process in Cabinet?

28. Alhaji needs a refresher course in leadership and collective responsibility. Did he sign any oath of secrecy? It is now your unethical words against the ethical majority of both teams. The last time I checked your office was still staffed with the capacity in technical economic advisory to assist you deliver to your mandate as the Head of EMT at the expense of the Ghanaian Taxpayer even though you claim to be the best brain in economics. Ghanaians are paying technical expertise in economics and finance in your office for you to do a good job at managing the economy.

The following economic expertise selected by you to assist you in your office are paid by us:

1. Dr Gideon Boako
2. Professor Joe Amoako Tuffour
3. Mr Evron Rothschild Hughes
4. Dr Kabiru Mahama
5. Dr Mutaka Alolo
6. Dr Samuel Frimpong

Despite all these technical economic advisors in your office, you have failed to manage the economy and now seeking to hide behind digitalisation where you have no expertise and no technical advisor in digitalisation or innovation in your office.

29. We all know that Alhaji is a firm theorist of how the fundamentals of the economy is the panacea to price escalations such inflation, interest rates and exchange rate depreciation and sort to ridiculously and shamelessly reduce the methodology used by

the Ghana Statistical Service to calculate to a Mallam-Atta Market inflation. We all do remember how Samira sent Alhaji to buy some tomatoes, Onion and Ayooyo to prepare TZ and Alhaji returned home and drew a calculator to calculate Mallam-Atta inflation and even included cement which was then not part of the basket of goods and service surveyed by GSS in calculating inflation. At the time, there were over 200 items in the basket of goods and services by GSS, most of them not even sold at the Mallam-Atta Market in addition to over 200 markets that were surveyed across the country to get a representative sample to accommodate the lifestyles, cultural and traditional preferences based on the multi-ethnic, geographic and demographic representation of the population to ensure a fair generalisation of price dynamics.

30. Alhaji famously arrived at the lecture halls of Central University College to give a lecture on currency depreciation and ended up using the rate of change to calculate the depreciation of the cedi and unintelligently got over 240% depreciation of the cedi despite years of work at the BoG and several years reading economics up to PhD level.

31. As a matter of fact a currency cannot practically, theoretically and technically depreciate by 100% because that would mean that it has fully lost and shredded its value and should not be used as a legal tender for any purpose. This is thought in level 100 of investment class in the University. Yet, Alhaji managed to wickedly fully shred the value of the cedi over 240% and yet was seen at Mallam-Atta Market the next day buying tomatoes and onion with the same cedi that he twice exhausted its value.



32. At the said lecture Alhaji was confidently beaming with smiles and shockingly gave an indication of how to identify the challenges of a currency. He said ‘When in doubt look to the depreciation of the currency. You can do all the propaganda you want but if the fundamentals of your economy are weak, the exchange rate will expose you’. Really? At the time the cedi was depreciating at 13% and Alhaji attributed it to the fundamentals of the economy without showing the link and rubbished the severe exogenous shocks to the economy.

33. Today Alhaji says that a 54% depreciation of the cedi which is now about Ghc13 to one dollar is Russia-Ukraine war, Covid-19 and not fundamentals of the economy. If we are in doubt we should no longer look to the fundamentals of the economy that grew by 0.4%, inflation at 54% and interest rates around 40%, debt service to tax

revenue of 91%, debt default with a humiliating bankruptcy. How can you ever trust an Alhaji who flips, flops and unlearns all that he was thought depending on his selfish interests?

34. I have used several platforms to establish that Alhaji has superintended over the worse economic management in the history of the 4<sup>th</sup> Republic. Weird and naive economic experiments, blatant corruption, inexperience and empty bragging has brought us here. Suddenly, Alhaji has jumped ship, abandoned Akufo Addo and the economy and now roaming around state agencies implementing stand-alone basic systems improvements such as ERPs and calling them big names with meaningless jargons.

35. It is rather disappointing that Alhaji situated the context of the recent crisis within Covid-19, The Russia-Ukraine war, the Finsec Bailout cost, and

the energy sector IPP payments. The whole economic management team did not make the hard choices and policies that could assist the country to deal with the crisis and the path to the medium to long term transformation of the economy.

36. There were pre-existing vulnerabilities that clearly showed the economy was headed into the ditch, yet the leader of the economic management team didn't see it coming. How can Ghanaians forget this government's appetite for debt? It got worse when future revenues of institutions such as GETFund and ESLA proceeds were used as collateral to borrow. Indeed, Alhaji spearheaded this craze for borrowing by looking everywhere to create artificial special purpose vehicles to hide our public debt and cooked the books to promote dubious financial reporting and financial engineering

37. This was a clear Government economic policy that was championed and approved by Alhaji chairing the economic management team. You will recall the following dubious debt hiding policies;

1. ESLA PLC's energy sector bonds that have saddled the country with about \$1 billion bonds and over \$500m in interest payments from collaterallising the energy sector levies that were introduced by H.E John Dramani Mahama to fully settle the energy sector debts in 5 years. AS at the end of 2023, Alhaji had received a total of about Ghc30 billion from the levy since 2017 but has not paid off the energy sector debts which now stands at a whopping \$2.5 billion and a further \$1 billion in bonds hiding in ESLA PLC.

2. You will recall how Alhaji reduced the sourcing of bilateral loans from China to

hitting of a jackpot of \$15 billion overnight in what he termed a barter arrangement using bauxite deposits in Nyinahini. They promised to service this debt with these bauxites by establishing and processing the bauxite. It's been over 6 years now and there's no bauxite processing plant with the road to Nyinahini overgrown with weeds. How do you restructure a barter arrangement as part of your bilateral loans with China? Imagine that China had fallen for this scam and parted with \$15 billion?

3. Daakye PLC was established to hide \$1.5 billion in debts secured on future revenues from Getfund.
4. The obnoxious and reckless predatory regulatory action that was used to collapse over 420 financial institutions resulted in a costs of over Ghc28 billion which was never

reflected in our fiscal deficits but nevertheless ballooned our public debts.

38. Bloomberg at the time described Ghana's economy as one that was facing monumental crisis with heightened and unsustainable multiple fiscal risks and external vulnerabilities with a debt to GDP estimated at 83% at the end of 2021 (Bloomberg), debt service, including the cost of settling uncovered auctions was more than 100% of tax revenue. According to the IMF, our debt service to total revenue ratio was 129% by end of 2020 (IMF).

39. The IMF's article IV consultations showed that when covid-19 hit, the country was extremely fragile with zero cash buffers, fiscal and financial buffers required for economic resilience to withstand shocks were non-existent. The economy was managed without building for tomorrow. With debt to GDP above the dreaded 70%

threshold, debt service to tax revenue at 91% and weak reserves, the Ghanaian economy suffered from multiple debilitating pre-conditions that made it susceptible to attack to a deadly effect.

40. Ladies and gentlemen. Alhaji would have been very excited to have the economy that H.E John Mahama left for him at the end of 2016 when covid-19 struck. An economy with strong cash and fiscal buffers and an accommodating debt trajectory.

41. The economy that he was crying about left cash buffers of over \$1 billion made up of the following;

- i. Stabilisation fund of \$300 million
- ii. Ghana Infrastructure Investment Fund of \$250 million
- iii. Sinking Fund of \$500 million.
- iv. A debt to GDP of 55% for fiscal space.

As a matter of fact H.E John Dramani Mahama built up the sinking fund to \$500 million to ensure that Ghana did not default in paying the remaining amount of \$500 million due on President Kuffour's 10 year Eurobonds of \$750million taken in 2007 and due in April 2017. That is visionary leadership unlike Alhaji who kept borrowing \$3 billion a year on the Eurobond market totalling \$15 billion from 2018 to February 2022 without any plans to redeem them and completely exhausted all cash and fiscal buffers he inherited leading to embarrassing debt default that has landed us in a painful and disgraceful bankruptcy and debt restructuring to qualify for a fund program from IMF amid excruciating austerity and fiscal adjustments crafted by the economic management team of which Alhaji is the Chairman and approved by cabinet of which Alhaji is a Co-Pilot.



1. Monetary policy has lost credibility with key policy failures to stem price developments such as spiking interest rates (over 40%), record high inflation (54%) and high depreciation of the cedi (54%). We are caught up in fiscal and monetary policy quagmire as fiscal authority and monetary policy connived against the economy to create mounting fiscal dominance over monetary policy. The Inflation targeting framework of the BoG and subsequent management of inflation expectations has been totally unanchored by monetary policy, but completely left to the discretion of Alhaji, with support from the Bank of Ghana Governor who consistently and unconstitutionally printed money to finance Alhaji's fiscal recklessness.

2. The resultant effects of this illegal fiscal and monetary policy collusion are debilitating high interest rates that is now hurting Government

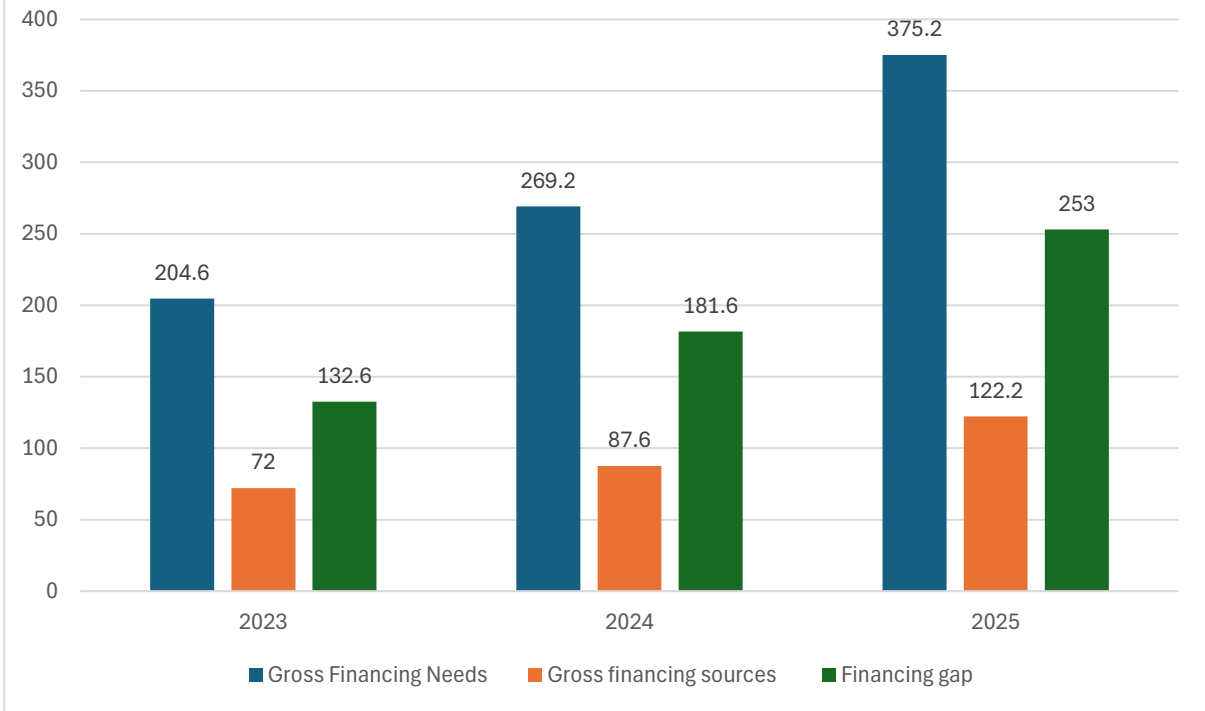
finances, real sector of the economy as the private sector struggles to raise credit to survive and grow the economy, deteriorating living conditions of Ghanaians resulting from loss of purchasing power and erosion of capital of businesses. The BoG reports of serious decline of credit to the private sector as Government's gross financing needs remain unsustainably elevated and tilted dangerously almost exclusively to the short-end in treasury bills.

3. The recklessness of Government's borrowing has become a full cycle with weekly treasury bill maturities around Ghc5 billion with occasional weekly borrowing needs in excess of Ghc10 billion to cater for refinancing treasury bill maturities, coupon payments of DDEP bonds and financing of budget deficits. The table below shows a worrying expansion of Government's gross financing needs.

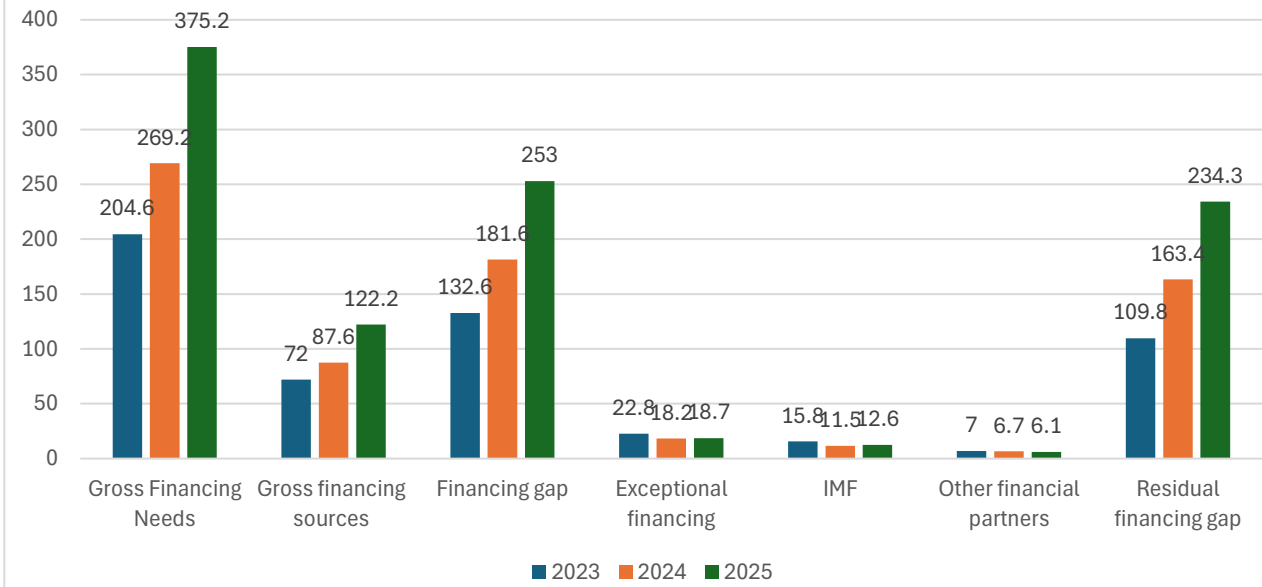
## Ghana's widening financing gap:

<b>Indicator</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Gross Financing Needs	204.6	269.2	375.2
Gross financing sources	72	87.6	122.2
Financing gap	132.6	181.6	253
Exceptional financing	22.8	18.2	18.7
IMF	15.8	11.5	12.6
Other financial partners	7	6.7	6.1
<b>Residual financing gap</b>	<b>109.8</b>	<b>163.4</b>	<b>234.3</b>
<b><i>% of GDP</i></b>	<b><i>13.7</i></b>	<b><i>17.1</i></b>	<b><i>21.4</i></b>

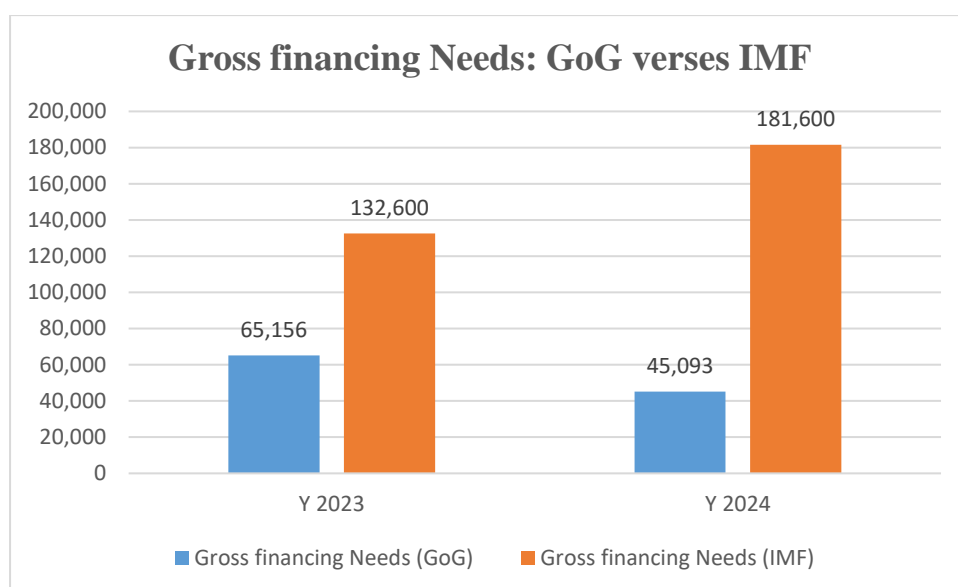
### Ghana's widening financing gap GHS' billion



### Ghana's widening financing gap GHS' billion



# Government of Ghana Verses IMF Financing Needs:



## 4. The Costs of Alhaji’s Mess

After promising heaven but delivering hell, Alhaji thinks that he jump over the mess and hardships he has created and appear somewhere in the future discussing another vision from cruel, wicked, inexperienced, naïve and visionless Alhaji.

It is important to serve notice and notice is hereby served that Alhaji should be ready to account for his economic mess and the hardships he has brought on Ghanaians before embarking on another round of his meaningless and theoretical

so-called vision theatrics. We will not allow him to run from accounting for his monumental failures. At the last count, his economic mess is costing the country some \$62 billion. These are conservative estimates. This amount is enough to finance 3 and half years of the national budget.

5. Ghanaian taxpayers, domestic bondholders including pensioners, market women and ordinary Ghanaians who have invested in mutual funds and collective investment schemes, banks, finance houses, insurance companies, other financial institutions including rural community banks, Eurobond holders, international commercial creditors and bilateral creditors are suffering and losing their hard earned money to pay for your economic mess.

6. The excruciating cost of living crisis with inflation in 2022 and 2023 wiping off 78% of purchasing power of the cedi, a litre of fuel selling at Ghc13,

the dollar selling at Ghs13 and mounting tax burden are just a few of the laborious burden Ghanaians are enduring to accommodate your naïve economic experiments and mess.

7. Financial costs of your economic mismanagement to innocent Ghanaians and foreigners from your disgraceful but consequential bitter pill and the bail out and support of multilateral institutions to plug the gapping whole in our balance of payment quagmire to prevent the economy, country and the cedi from collapsing on your head and to restore livelihoods, economy and dignity of Ghanaians is initially programmed at a colossal \$15 billion over 3 years of the IMF Program. That is \$5 billion a year.

8. This money is to be provided by the IMF in \$3 billion Extended Credit Facility of which you have already shamelessly received \$1.2 billion in 2 tranches of \$600 million each. About \$10.5 billion

is to be provided as relief by Eurobond holders, international commercial and bilateral creditors in the ongoing debt restructuring and bankruptcy negotiations.

9. The World Bank has pledged to make up the difference of about \$1.5 billion in concessionary facilities over a 3 year period of which you are currently before Parliament begging for approval of an initial \$300million in budgetary and balance of payment support from the World Bank.

10. In addition to the above \$15 billion, domestic bond holders were forced to take a haircut of Ghc60 billion or \$6 billion in the unending DDEP. Banks in Ghana recorded a net loss of Ghc18 billion or \$1.8 billion in 2022 as part of the damaging impact of steps to resolve and pay for your economic mess and mismanagement.

11. The Bank of Ghana was not spared. You raided BoG and colluded with the Governor to illegally



print and spend Ghc80 billion or \$8 billion resulting in a net loss in reserves of Ghc70 billion or \$7 billion on the books of BoG and a negative net worth of Ghc54 billion or \$5.4 billion. As part of your nativity and incompetence you run BoG into a ditch and a policy-insolvent monetary authority.

12. The total burden on domestic bond holders and the printing of money by the Central Bank amount to a staggering Ghc140 billion or about \$14 billion. This brings the total costs of your mess to external and domestic creditors as well as illegal printing of money in response to your economic mismanagement to a staggering \$29 billion.

13. In any civilised society where leaders have credibility and take responsibility for the hardships and pain they put their people through, Alhaji should have been apologising profusely and remorsefully with his resignation letter in hand.

Strangely and rather shamelessly, he rather thought that he could rather jump over the mess and appear at a delusionary future and dishonestly foster a conversation about a so-called vision without accounting for his naïve economic experiments, the economic mess, the cost of living crisis and the over \$29 billion costs of economic mess and still counting

14. Ladies and gentlemen, as if the staggering costs of \$29 billion to fix Alhaji's economic mess is not enough Alhaji has introduced a total of some 40 new and adjusted taxes which Ghanaians are further paying to fix his mess. Through these taxes, Ghanaians are paying an additional Ghs110 billion or \$11 billion a year and a total of Ghs330 billion or \$33 billion over 3 years as part of the burden in fiscal corrections to fix the mess Alhaji has caused the people. That is about \$33 billion dollars in additional tax burden in addition to the

\$29 billion debt restructuring and multilateral support. How can we suffer such monumental costs in excess of \$62 billion to fix the mess of a Vice President who promised heaven, Ghana flowing with milk and honey and ended up damaging us, compromising our collective future, our livelihoods, our investments and our sovereignty? Those naïve experiments that were churned out from the lecture halls of Central University College, the empty and cunning rhetorics at Mallam-Atta Market, Voodoo analysis of exchange rates calculation and very empty economic prescriptions have failed and landed us in deep trouble needing a safe pair of hands to save us from sinking further.

	<b>COST OF ALHAJI'S MESS TO GHANAIS:</b>	<b>USD \$</b>
1	IMF Extended Credit Facility	3,000,000,000
2	World Bank Concessionary Loan	1,500,000,000
3	Domestic Debt Exchange Programme (DDEP)	6,000,000,000
4	Relief by Eurobond holders, international commercial and bilateral creditors (debt restructuring and bankruptcy negotiations)	10,500,000,000
5	Printing of money by Bank of Ghana	8,000,000,000
6	Additional tax burden for fiscal correction	33,000,000,000
	<b>TOTAL</b>	<b>62,000,000,000</b>

15. The spirited attempt by Alhaji to jump ship, betray his Boss, Nana Addo Dankwa Akuffo Addo who had so much blind faith, confidence and trust in him, the attempt to wrongly depart from the constitutional role entrusted to him and appeal to pity are all too familiar of a ‘certified conman Promax’ and a black mail gone bad.

16. In any responsible society, Alhaji would be in hiding and the last to appear in public.

17. Unfortunately and consistent with Alhaji’s credibility crisis and certified conman personality he sought to run away from responsibility, shut the

door on accountability and a discussion of his economic management record, blackmailing us to make him President through a jaundiced conversation around a delusionary vision.

18. Ghanaians need to survive this excruciating hardships and request Alhaji to tell us where the next meal will come from to give the energy to hope for the future before discussing a vision.

19. As my big brother, Hon A.B.A Fuseini once said, ‘you must first have head before you can chew corn’. We are dying and can’t go through a day but you want us not to be concerned about how we survive but want to start another scam.

## **The Driver's-Mate Mindset.**

In an attempt to con Ghanaians with self-pity, run away from his terrible economic management record, Dr Bawumia tried fruitlessly to escape responsibility for the economic mess, cost of living crisis, embarrassing bankruptcy with a so-called driver's mate position in Government.

The constitution does not create your office as a driver's mate but a co-pilot to safely navigate our aircraft with a captain. As a matter of fact, unlike a driver's mate who is appointed by driver and can be fired by the driver, the constitution does not make you an appointing of the President and he does not have the powers to fire you.

Ladies and Gentlemen, the constitution creates the office of the Vice President as a co-pilot with security of tenure who should stand ready to act as President in his stead. As a matter of fact, Dr

Bawumia can go to bed and wake up only to sworn in as President.

We have had H.E John Dramani Mahama who went to work as a Vice President and returned home as a President.

Dr Bawumia's driver's mate mind-set is born out of inferiority complex and que personality trait that appeals to pity to fool and scam people.

Clearly, the problem of Dr Bawumia is not the absence of powers because even if the constitution makes him a co-pilot he allows his inferiority complex stand in his way and with his lack of capacity to do the things he says he can do, he goes blaming every one and blackmailing everybody for more powers to cover his shortcomings.

This driver's mate mindset has followed Alhaji all his life and born out a clear unacceptable

personality trait that pushes him to deploy self-pity to get what he wants.

You will recall that Alhaji recently cooked up stories on how he was born a poor boy, was a driver's mate and engaged in all sorts of menial jobs to finance his education.

As it turned out Dr Bawumia was born a privileged child with a golden spoon in his mouth. He was born into an iconic and one of the most respected families and parents to have come out of Northern Ghana.

His father died the Chief of Kperige, was an MP in the first republic, serving as the Regional Minister of the Northern Territories that comprised all the Northern Regions of today and later held one of two most significant cabinet positions of Dr Kwame Nkrumah. That's the Minister for Food and Agriculture.



Hon Alhaji Bawumia at one time the Chairman of the Council of State and one time Ghana's Ambassador to Saudi Arabia.

Dr Bawumia's mother was a trail blazer for Northern being one of a first few girls from Northern Ghana to gain admission to the famous Wesley Girls Secondary School.

Sakasaka Basic where Dr Bawumia had his basic education was the best school that the elite at the time sent their children and Tamale Secondary School (my Alma Matta) where he had his secondary school remains of the best in Ghana producing a Vice President in Alhaji Alieu Mahama long before him.

As a poor boy, Dr Bawumia should tell us which Universities he attended in Ghana. Through his studies in the UK, can Dr Bawumia tell us who his landlord was and how much was his rent?

Can Dr Bawumia how he paid for his PhD in the famous Simon Fraizer in Canada.

Dr Bawumia is a certified conman Promax and would lie and appeal to pity for the Presidency, including painting his illustrious parents as irresponsible to appear a poor boy for power.

I will Scrap E-Levy, 15% VAT on Electricity, scap the tax on winnings etc.

Dr Bawumia next joke please. The Legendry Bob Marley said ‘ you can fool some people sometimes but you can’t all the people all the time.

As the Head of the economic management team, you crafted Ghana’s revenue mobilisation strategy and convinced the IMF that it is your solution to Ghana’s revenue generation problem.

You participated in Cabinet meetings and IMF staff Meetings to discuss, approve and submit bills to Parliament to impose these taxes and in

return the IIMF agreed to \$3 billion and \$1,5 billion from the world bank and now you say we should make you President to scrap them? So you took this your scamming international? You have already received \$1.2 billion from the IMF and \$300 million from the world bank on account of those taxes and you think that we are so gullible to believe that you will scrap.

Your promise to scrap these taxes and also address the cost-of-living crisis only if we make you President as blackmail gone bad.

You want us to believe that you are against those taxes yet you did not speak against them publicly and refused to stand with the poor? A man who cannot stand for what he believes in and will profit from the proceeds imposed on the poor is not worth electing as President. You prioritised your stomach by getting paid with E-Levy

proceeds of the poor and all the pegs of your office and now tell us you against them?

You sat there and watched Akufo Addo appoint 125 Ministers and wasted our money, but you kept mute to protect your stomach. You have no principles and cannot stand for what you believe in. It's a shame you are still in office after your Judas against the President. Go and do a refresher course on group dynamics and collective responsibility.

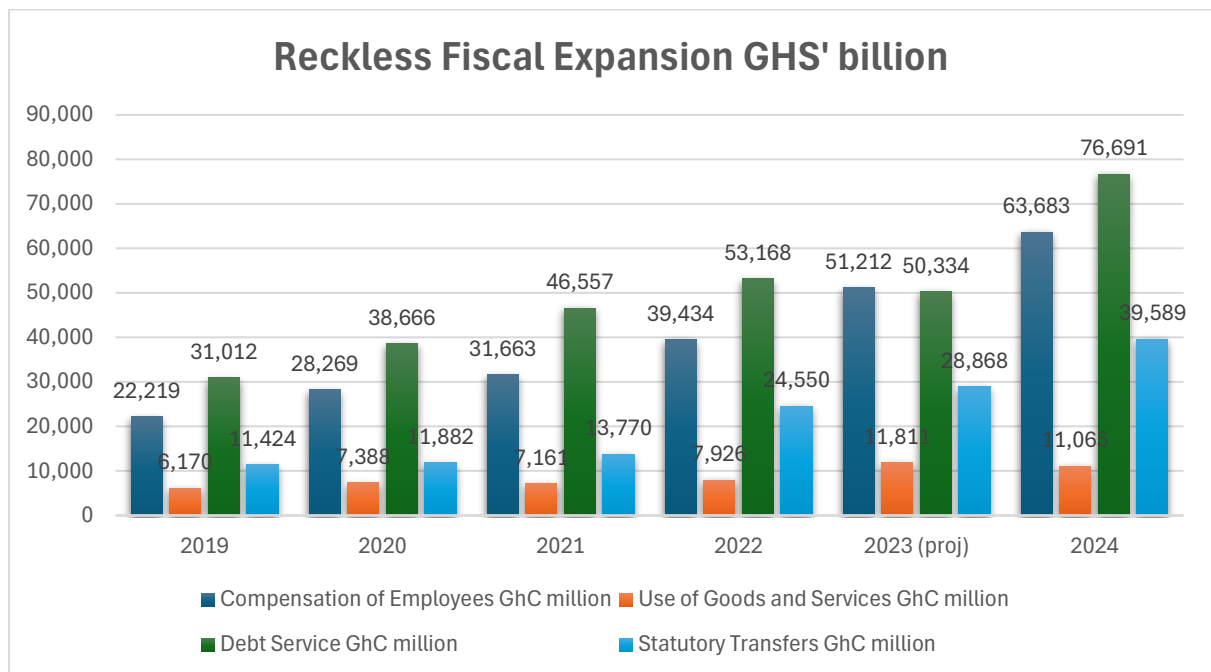
## **Fiscal Developments (2016 to 2027)**

20. There is the need to take a critical look at fiscal developments and how it has impacted the capacity of the country to invest in infrastructure, address or worsen rigidities in the budget and the key drivers of fiscal risks and sustainability.

21. Over the last couple of years, the mounting fiscal risks to the economy has largely been driven by the high proportion of tax and total revenue used to pay for compensation, debt service and statutory payments.

22.

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023 (proj)</b>	<b>2024</b>
Compensation of Employees	22,219	28,269	31,663	39,434	51,212	63,683
Use of Goods and Services	6,170	7,388	7,161	7,926	11,811	11,065
Debt Service	31,012	38,666	46,557	53,168	50,334	76,691
Statutory Transfers	11,424	11,882	13,770	24,550	28,868	39,589
<b>TOTAL EXPENDITURE</b>	<b>70,824</b>	<b>86,205</b>	<b>99,152</b>	<b>125,079</b>	<b>142,226</b>	<b>191,029</b>
% of Debt servicing to Total Expenditure	44%	45%	47%	43%	35%	40%



23. By the end of 2019, debt service alone was consuming about 91% of tax revenue with only a paltry 9% left to finance the rest of the budget. This means that to adequately meet the full costs of non-discretionary expenditure, the Government had to elevate the public sector debt by borrowing to pay for part of debt service, compensation of employees and statutory payments. Goods and services and capital expenditure must essentially be financed through public debt.

24. In the face of lower revenues, this fiscal trajectory as at 2019 was unsustainable and exposed the country to depletion of fiscal buffers to withstand headwinds such as was experienced with Covid-19 and the Russia-Ukraine war. These susceptible underlying conditions made it very easy for the economy to come under severe strain on the onset of covid 19 and later the ravages of the Russia-Ukraine War.

### **Dwindling Capital Expenditure**

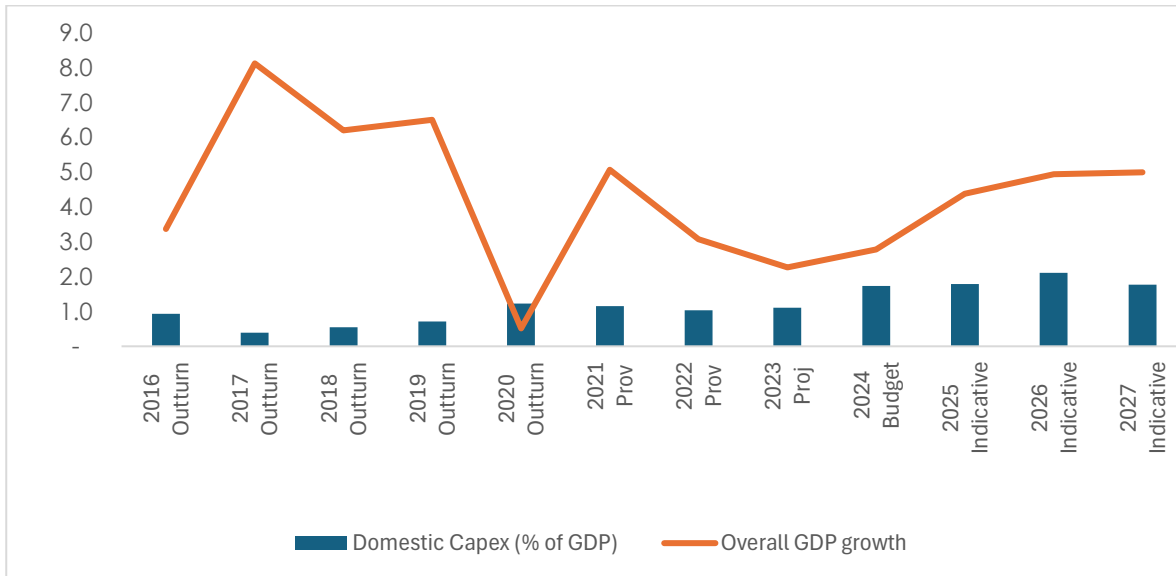
25. The generic measure of the contribution of various factors of production located within a country to the output produced at any given time is its GDP, both at the nominal level as well as the rate of growth. So, at any given time, it is expected that factors within Agriculture sector, Industrial sector, and the Services sector of the Ghanaian

economy will contribute to the production of a given level of output. However, the commercial production of oil in Ghana since 2011 resulted in the disaggregation of our GDP into oil and non-oil GDP. The oil sector in most cases is considered an enclave, hence may not depict the real performance of general economic activities.

26. In my discussions of growth as it has always been presented in most empirical literature, let me state emphatically that it is investment that creates Output and growth. By way of data, I will carefully analyse and examine trends in government investment expenditure (capital expenditure) and relate that to GDP growth from 2015 to date as well as the medium-term projections.

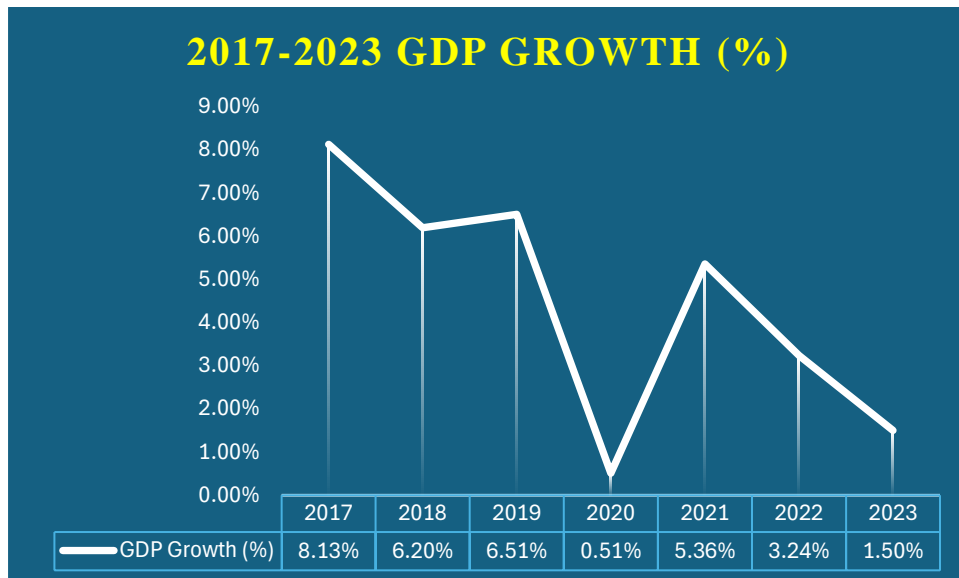
Figure 1: Trend in GDP Growth vrs Capital Expenditure





Source: Ghana Statistical Service & Ministry of Finance

27. Figure 1 clearly depicts the trend in GDP growth and investment expenditure from 2014 through to 2021 and the forecast for 2022 and the medium term. In growth accounting, lags and lead effects play an important role in explaining the main drivers of growth. These two concepts help economist explain why “A seed does not germinate the very day it is sown no matter how many times you water it”.



28. From figure 1 above, the highest peak in capital expenditure was recorded between 2014 and 2016, however, economic growth was relatively modest around that time. Growth peaked in 2017, driven largely by the investment made in the past (earlier before 2017). Ghanaians will recall that huge investments were made by the John Mahama Administration to transform the face of infrastructure. The seeds sown in that time is what yielded growth in 2017. Power was handed over to this current administration right in 2017. Before they could put the necessary government

machinery and start initiating policies that will translate into any meaningful economic growth the economy was already bearing fruits from the seeds sown by H.E John Dramani Mahama from 2014 to 2016.

29. The rebound of world commodity prices and a return to oil production after solving the turret bearing problems in the jubilee fields together with the onset of a return to stable power supply resulted in remarkable growth in oil GDP and in particular recovery of non-oil GDP.

30. Ghana was poised to unleash further growth in subsequent years if the trajectory of improved investments to address Ghana's infrastructure gap necessary to eliminate lack of competitiveness and create the enabling environment for the private sector was sustained.

31. Ladies and Gentlemen, the declining investment in capital projects and its projected steep deterioration is a major cause for concern. As a country grows and expands with increasing population, new settlements and urbanisation, the need to invest significant proportion of the national cake becomes paramount. For purposes of renewal of existing infrastructure and providing additional ones such as roads, schools, hospitals, energy etc ought to be measured in relation to the size of the economy to provide the appropriate capacity of the economy to renew, sustain and create further opportunities for enhanced growth.

32. A reduction in the proportion of the economy to fund infrastructure will ultimately compromise future growth outlook of the country, worsen infrastructure deficits, collapse social services

such as health care, education and security and create further unemployment.

33. Ladies and Gentlemen, no wonder our educational system is in a mess, health care still reliant on the facilities inherited by the administration in the face of mounting pressure on these inadequate facilities, poorly resourced security services leading to the citizenry living in insecurity.

34. Ghana after experiencing alignment of capital expenditure in response to the needs of the expanding economy from 2014 to 2016 was poised for a sustained take off. Unfortunately, this forward march was to be rudely curtailed in response to the implementation of propaganda policies that which were derived from the propaganda lectures of Alhaji that became the trust

of the NPP manifesto going into the 2016 elections.

35. Alhaji who is the current flagbearer of the NPP has eloquently delivered an “eloquently-lied” lecture with all sort of sweet promises which will metamorphose into the manifesto of the NPP. If we allow these propaganda speeches, no matter how confidently they were delivered to become Government Policies, implementation will be heading into another ditch. What happened to **“the famous policy of moving the economy from taxation to production”** must be a lesson to Ghanaians.

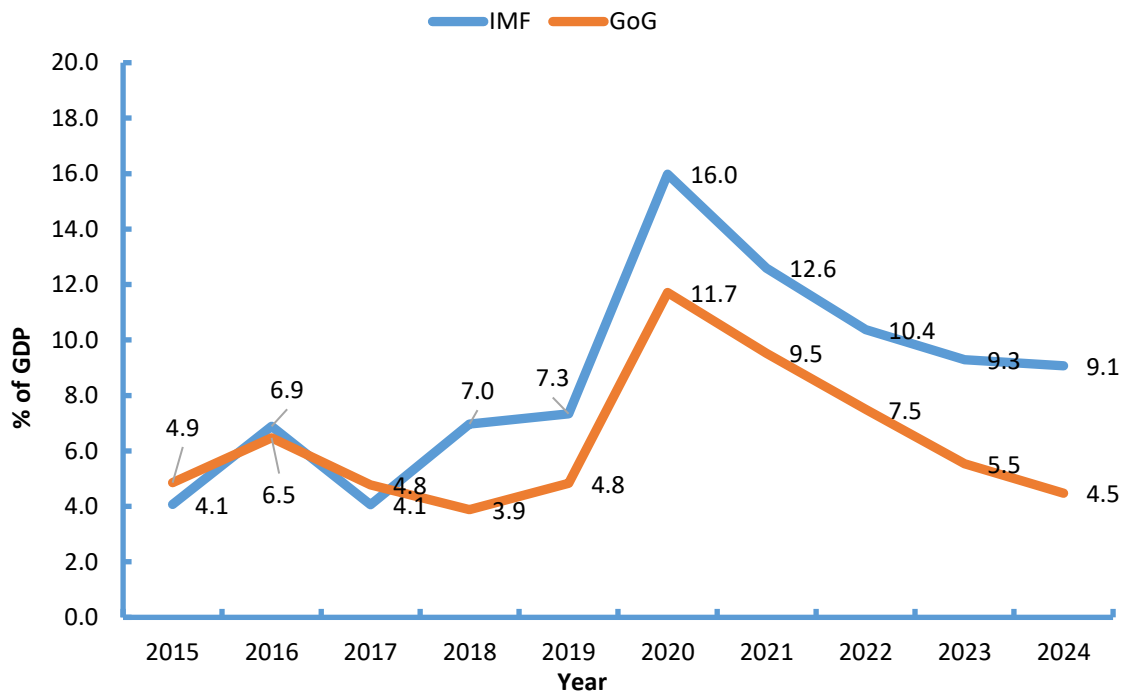
36. Fellow Ghanaians, let me remind you of the taxes imposed by this government with Alhaji as the head of the EMT.

- i. 10% tax on betting and lottery winnings
- ii. 1% COVID-19 levy on VAT flat rate.

- iii. 1% COVID-19 levy on the 2.5% National Health insurance levy, making it 3.5%.
- iv. 5% financial sector clean-up recovery levy
- v. 20 pesewas Energy Sector Recovery Levy on every litre of diesel and petrol
- vi. 10 pesewas Sanitation levy (“Borla”) tax on every litre of diesel and petrol
- vii. 18 pesewas energy sector recovery levy on every kilogram of LPG
- viii. Introduction of E-Levy Act
- ix. Excise Duty Amendment Act 2022
- x. Growth and Sustainability
- xi. Ghana Revenue Authority Act as amended 2022
- xii. Income Tax Amendment Act 2022
- xiii. Emissions levy
- xiv. Other taxes on Petroleum

37. levels of vulnerability in 2020 with lower levels of revenue and increased borrowing, the **Overall Fiscal Deficit Dynamics**

**Figure 5: Trend in Fiscal Deficit (% of GDP) – IMF vrs GoG**



**Source:** IMF WEO

(<https://www.imf.org/en/Publications/WEO/weo-database/2021/April/weo->), MoF

(<https://www.mofep.gov.gh/index.php/fiscal-data>)



## **Public Debt, Sustainability and External Vulnerabilities**

38. There has been major concerns about Ghana's public debt dynamics since Alhaji became the head of the economic management team of Ghana. In measuring and evaluating public debt and its sustainability, the focus has to be on both the quantum or size of the public debt as well as its quality in relation to its inherent risks to the fiscal health of the country, growth of the economy and its impact on Ghana's external vulnerability.

39. The quantum of the public debt pose serious questions regarding the efficiency of utilisation in pursuit of critical national development needs and how it has impacted the size of the economy.

40. Thus, when Ghana's public debt grows from about GHC120 billion to about Ghc600 billion in just 7 years, legitimate enquiries must be made

into what the monies were used for when we have very deplorable roads, kids in SHS are running double track systems, new hospitals have not been built and the old ones ill equipped to deliver fit for purpose health care etc.

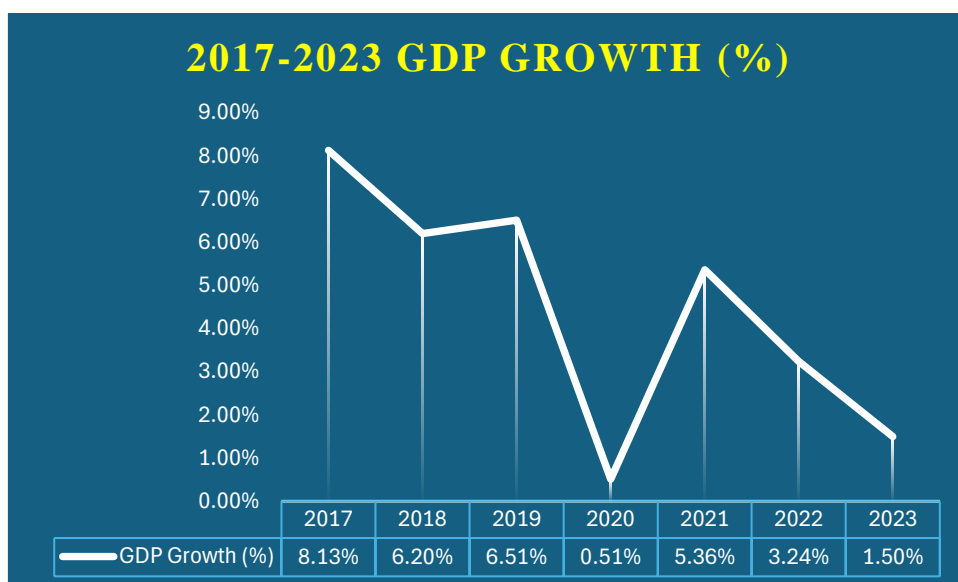
41. The second question to be addressed is how the huge public debt is expanding the size of the economy and creating a pool of national income for increased revenue mobilisation of tax and non-tax revenue to service the public debt, amortise it when due and still leave a reasonable fiscal space to fund critical national development. Government's borrowing program must be aligned to growing the economy and funding growth enhancing expenditures such as infrastructure to give the country and its citizenry a chance at enhanced livelihood and economic well-being through jobs, improve social service delivery and enabled private sector. This is often

measured by measuring the present value of public debt as a percentage of the size of the economy called the GDP.

42. There has been worrying development in Ghana's public debt. As shown in figure 6, public debt has increased from GH¢120 billion (56.8% of GDP) in 2016 to about GH¢300 billion (76.1% of GDP) in 2020 and Ghc600 billion in Dec 2023. An amount of about GH¢480 billion was added to our debt stock within the space of 7 years. Between 2016 and 2019 alone, government added GH¢96.1 billion, bringing the total public debt to GH¢218.2 (62.4% of GDP). Tentatively, the appetite to borrow had gained significant momentum by 2019. Covid-19 only paved way for this appetite to fully manifest.

43. Ghana's debt to GDP shows that whilst our public debt is growing at a faster rate, the economy is not growing at a level that is required

to anchor debt sustainability. In other words, we are not growing the income earning opportunities of Ghanaians, so Ghana is not generating the pool of income necessary to ensure that we can generate significant resources from the economy to pay for and service these debts.



44. Debt to GDP improved slightly in 2017 from 56% in 2016 to 55% in 2017 consistent with the improvement in the economy from the seeds sowed by H.E John Dramani Mahama. From 2018, the debt to GDP began to worsen to 57% above the 2016 levels and increased further to 62% in 2019. Clearly, Ghana's economy and

trajectory had long gotten worse by 2019 and could only get worse in 2020. The end year 2020 debt to GDP crossed the dreaded 70% to 72% and ended 2022 at 104%.

45. What is worrying is that Government and the IMF projections show that it is getting scary as Ghana's debt to GDP's medium--term path shows a period end figure of 86% by the end of 2024.

46. Another important measure of the quality of Ghana's public debt is our ability to service both the interest and principal payments when they fall due. A key measure of this risk of default is the proportion of our tax revenue we use to pay for debt service. Do we have enough room or fiscal space based on the public debt service, size of the economy in relation to tax, non-tax and other domestic revenue mobilisation?

47. Ghana which used to spend about 66% of its tax revenue to service its debt, spent about 72% of its

tax revenue in 2019 to service its debts, leaving only 28% of tax revenue to fund critical infrastructure. This was not induced by Covid.

48. By the end of 2021, Ghana is projected to use about 91% of its tax revenue to pay for debt service, leaving only 9% for other critical infrastructure. In the medium term, Ghana's debt service to GDP is expected to increase from 66% in 2016 to about 78% in 2024. Ghana's economy is in dire straits and need more than an intensive care unit to revive it.

49. Based on the rate of increase in debt, the World Bank and the IMF joint DSA analyses under the Joint Bank-Fund Debt Sustainability Framework for Low Income Countries for 2019 and published in April 2020 showed that Ghana's risk of external debt distress and the risk of overall debt distress was high

<https://www.worldbank.org/en/programs/debt-toolkit/dsa>).

50. In managing public debt, it is important to build adequate buffers to prepare for headwinds when they occur. A country is faced with the possibility of several external and internal shocks that may dislocate fiscal and external stability. To deal with this, a country must be adequately prepared to weather the storm.

51. These factors must be analysed to determine the quality of a country's public debt. Any time Ghana borrows foreign currency denominated loans, we expand the country's obligations in foreign currency and must build buffers of foreign reserves to pay for interest and the principal when they fall due or when non-resident holders of those bonds decide to sell off and exit the market

with their monies. Of course, these investors are paid either in foreign currency or in cedis, but they must return to their countries with foreign currency and not the cedi.

52. It is for this reason that a country like Ghana that has about 50% foreign currency denominated debts and a further 30% of its domestic cedi denominated bonds held by non-residents who brought foreign currencies to the country, sold the foreign currencies to their banks for cedi and bought our cedi bonds need a lot of foreign currency buffers. More loans in foreign currency is akin to drinking more poison as your foreign currency obligations soar, leading to heightened external vulnerability and exchange rate pressures.



53. There are several measures of a country's vulnerability resulting from increased holding of foreign denominated currency debts. These measures aim at identifying the capacity of the country to either generate foreign currency or the levels of foreign currency buffers to ensure adequate forex liquidity.

54. The relationship between Ghana's public debt and its export earnings gives an indication of the foreign currency earning potential for the accumulation of forex buffers. Unfortunately the outcome of the last two joint IMF and World Bank Debt sustainability analysis of Ghana shows that Ghana has breached the threshold of this measure for debt sustainability signifying heightened external vulnerability.

55. Another measure of external vulnerability is the adequacy of net reserves of foreign currency with the BOG to cover for short-term non-resident capital holding in the country. As a rule of thumb, a country must have at least \$2 for every dollar of short-term capital holding of non-resident investors. Over the last couple of years, declining net international reserves of Ghana has resulted in breaches of this prudential foreign currency reserve requirement. By the end of 2019, Ghana's net international reserves could hardly cover for 50 cents of every \$3 short-term capital holding of non-resident investors.

56. You will recall, the significant reversal of portfolios of domestic bonds held by non-residents in Ghana and mounting uncovered-auctions led to excessive depreciation of the cedi

as our buffers were inadequate to stem the huge liquidity demands in the market.

57. High debt service even if it were covered by good tax revenue generation will still require high levels of foreign currency reserve buffers to be able to pay the foreign currency obligations imposed by the high component of foreign currency debt service. This is the reason Ghana's external vulnerability has been heightened by high foreign component of public debt, low levels of net reserve buffers and high demand for increased export earnings. This has resulted in a cycle of more foreign currency denominated bonds to provide artificial buffers, further worsening debt service obligation and more poison to the economy.

## 58. Key Policies Announced by H.E. John Mahama

1. Implement a 24-hour economy strategy with three (3) shifts of eight (8) hours each to; maximize productivity and efficiency; transform Ghana into an import substitution and export-led economy; enhance access to public services and create more well-paying jobs for unemployed Ghanaians.
2. Stop the economic decline and restore stability and inclusive growth to the economy.
3. Reform the Bank of Ghana and rejuvenate the almost collapsed banking and financial sector
4. Prioritize local participation in the banking, financial, telecommunications, mining, oil and gas, agriculture, manufacturing, and construction sectors to generate more jobs for the youth.
5. Actively attract viable and serious private sector investors to partner government to invest in productive sectors for job creation.
6. Lead a process to set a standardized limit for borrowing and ensure that Ghana never suffers such a deadly debt management programme that threatens to send elderly people holding

- government bonds to their early graves and wipe out the investments of the Ghanaian middle class.
7. Complete abandoned and ongoing projects instead of rushing to start new ones.
  8. Establish a Governance Advisory Council to help improve political governance, curb corruption, and ensure respect for human rights.
  9. Run the leanest but most efficient government under the fourth republic by appointing not more than 60 ministers and deputy ministers in our bid to cut down on government expenditure.
  10. Abolish the payment of ex-gratia and cut out waste and ostentation in government.

**THANK YOU**