MiDA rolls out Energy Efficiency activities under Compact II

The Millennium Development Authority (MiDA), Ghana, is set to roll out various programmes under its Energy Efficiency and Demand Side Management (EEDSM) project, all aimed at ensuring energy efficiency and conservation.

The EEDSM Project, a component under the Ghana Power Compact, also known as Compact II, has been designed to directly support Ghana's sector strategic objectives to achieve power supply sufficiency, including exports to neighbouring countries.

The activities expected to be completed within the five-year lifespan of the whole Compact II project, are to help Ghana cut wastage and save more than 30 to 70 per cent of energy consumption within the period.

The five-year Compact II is designed to create a self-sustaining energy sector in Ghana by reforming laws and regulations needed to transform the country's power sector.

The Compact II projects and initiatives seek to address the constraints to the supply of adequate and reliable power, while the EEDSM project would significantly reduce peak demand, ensure adequate supply for all and reduce investments needed in expensive additional generation facilities.

The EEDSM, one of the six projects making up the Compact II, is expected to implement several policy initiatives and programmes that would ensure energy efficiency and conservation among Ghanaians.

During a media briefing lst week in Accra, Mr Sylvester Ayayee, Project Manager of EEDSM at MiDA, said a total amount of 25.4 million dollars was being allocated to undertake the various activities and initiatives under the EEDSM project.

He said the activities had been grouped into four, namely: Development and Enforcement of Standards and Labels activity; Improved Energy Auditing activity; Education and Public Information

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Ghana losses US$200m yearly to tax evasion in petroleum downstream – NPA

By: Adnan Adams Mohammed

It is estimated that, the country loses over US$200 million annually in tax revenues due to the nefarious activities of service providers of the petroleum sector in order to evade tax.

This is a staggering figure which could do a lot for the country in terms of infrastructure development and provision of social services to the citizenry, but just enters into the pockets of the few greedy businessmen.

This necessitates stringent measures by the industry regulator to help curb this nefarious activity of cartels in the fuel trading business in the country.

In this vein, the Chief Executive Officer of the National Petroleum Authority, Mr Alhassan Tampuli, has said, the Authority has rolled out stringent measures to tackle the problem head-on, in close collaboration with the Ghana Revenue Authority (GRA), the Navy and other relevant security agencies.

Some of the measures include intensification of digital solutions like the Bulk Road Tracking System, the integration of the Ghana Community Network and GRA Monitoring Platform into the Enterprise Relational Management System for harmonisation of information and monitoring.

Mr Tampuli made this known at the second edition of the Ghana International Petroleum Conference in Accra on the theme: "Realising the Vision of a Petroleum Hub".

The four-day event was under the auspices of the Energy Ministry and Ghana Chamber of Bulk Oil Distributors, in collaboration with the National Petroleum Authority and Association of Oil Marketing Companies.

It brought together key stakeholders in the petroleum downstream sector including policy-makers, regulators and oil service providers, to deliberate on policies and trends in the sector, as well as discuss pertinent issues affecting the industry in the bid to guide decision-making.

The participants are expected to come

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Mobile money now biggest non-cash payment platform

...more mobile money payments than cheques, debit cards etc.

By Elorm Desewu

The latest report on Payment System Oversight by the Bank of Ghana, (BoG) unveils that Mobile money has overtaken cheques as the main non-cash retail payment instrument in terms of volume of transactions with 981.6 million transactions at the end of 2017.

This was followed by Debit Card with a transaction volume of 60.4 million; through ezwich cards -8.4 million; cheques -7.3 million; and Direct Credit Transfer -6.1 million in 2017.

However, in terms of value of transactions undertaken in 2017, cheques continued to maintain its lead with GH¢179.6 billion while mobile money followed closely with GH¢155.8 billion.

The preference for mobile money services over traditional bank services persisted during 2017. The number of mobile money accounts increased to 23.9 million in 2017 compared with 12.5 million bank accounts in 2017

Total mobile money float balances as at December 2017 nearly doubled to GH¢2.3billion compared with GH¢1.3 billion in December 2016. Similarly, the number of registered mobile money accounts recorded a significant increase to 23,947,437 in December 2017 compared with 19,735,098 in December of the previous year.

The value of retail payments excluding cash increased by 43.18 percent to GH¢381.43 billion in 2017 from GH¢266.39 billion in 2016. The growth in the value of the retail payment instruments was on account of increases in the value of mobile

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Governor of the Bank of Ghana, Dr Ernest Addison

Foreign OMCs petition gov't over the new local content policy

By: Adnan Adams Mohammed

Key players in the international downstream petroleum products trading operating in the country have registered their displeasure with the newly drafted industry local content policy which is yet to be operationalized.

The multinational Oil Marketing Companies (OMCs) which signed the petition sent to the Energy Minister, Mr Boakye Keremanteng Agyarko included: Engen Ghana Limited, Total Petroleum Ghana Limited, Vivo Energy Ghana Limited; and Puma Energy Distribution.

The joint petition expressed reservations about the draft local content policy for the downstream sector.

They explained that, the draft local content policy document does not reflect and cannot achieve the right balances between the competing interest of the local Ghanaian entities and the foreign investors' interest which have an impact on the Ghanaian economy.

The petition was jointly signed by: Mr Henry Akwaboah, Managing Director, Engen Ghana Limited; Mr Olivier van Parys, Managing Director, Total Petroleum; Mr Myles Bouvier-Baird, Managing Director, Puma Energy; and Mr Ebenezer Faulkner, Managing Director Vivo Energy.

The four multinational OMCs further explained that even though, "we agree that the petroleum downstream sector in Ghana currently faces several challenges we are of the opinion that the implementation of the arbitrary local content requirements will actually make it harder to overcome the challenges as in any vibrant economy."

They continued: "The presence of multinational companies such as ours in providing high quality fuels and lubricants to retail and commercial

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BoG sells dollars, expects local currency to recover

Ghana's central bank expects the local cedi currency to recover as it sells more dollars to local banks, it said last week.

The cedi has declined steadily against the dollar since the end of April, partly due to broader weakness in emerging markets and to a rise in the American currency.

Steve Opata, head of financial markets at the central bank, told Reuters the bank was acting to stem the depreciation, which traders estimate at nearly 3 percent since January.

"We have increased our presence in the interbank market and we've done some significant interventions in the past two weeks. That's beginning to lead to some stability," said Opata.

A market note published by Barclays Bank Ghana said the central bank sold around $30 million on Wednesday last week.

Opata said the cedi's recent slide was also caused by concerns over the potential repatriation of funds by the Ghanaian arm of South African mobile firm MTN, which launched an initial public offering of nearly $750 million late last month.

"The Bank of Ghana is also engaging the management of MTN Ghana to ensure that any FX outflows arising from the transaction are done in a phased and orderly manner," said Opata.

Ghana, which exports cocoa, gold and oil, is in the final year of a $918 million credit deal signed in 2015 with the International Monetary Fund to reduce its budget deficit, inflation, debt and to stabilise the local currency.

Opata said the cedi, which declined by around 5 percent last year, was expected to strengthen in 2018 as Ghana had built-up its reserves to $8.1 billion by the end of May.

"We are in good shape with our economic fundamentals ... we have adequate reserves and these global and domestic developments do not yet pose a threat to inflation in Ghana in the near term," he said.

EDITORIAL

Another controversial telecom tax revenue assessment contract

Yet again, a fierce controversy has erupted over a contract given to a private company by government to compute revenues made by the telecommunications network operators in order to ensure that they are fully assessed with regards to their income tax obligations. The contract awarded recently to Kelni GVG by the incumbent government has set off a furor similar to the contracts awarded Subah Infosolutions and Afriwave by the immediate past political administration for basically the same purpose.

Actually, this time around, the fallout from the controversy already shows signs of being more antagonistic than the previous ones – the Minister for Communications, Ursala Owusu has announced that she is suing musician turned outspoken political commentator, A-Plus, over public comments he has made regarding the contract.

The President Nana Akufo-Addo administration, while still in opposition during the run up to the 2016 elections, vehemently criticized its predecessor, the Mahama administration for the structure of the Subah and Afriwave contracts and the manner in which they were awarded. Indeed, the core of the incumbent's defence of its recently given contract is that it is better than the two given by its predecessor for the same purpose.

This newspaper does not want to get into a comparison of the respective contracts which indeed is hugely controversial itself. Rather, we simply wish to point out some aspects of the latest contract which call it into question on a stand-alone basis.

Most importantly we wonder why the Ministry of Communications usurped the responsibility of the National Communications Authority in identifying the company to be given the contract and then going on to actually award it. The NCA is the telecom sector's direct regulator, reporting to the Ministry. We believe that if the incumbent government wants to implement best governance practice as it continually claims it does, it should allow the respective state institutions to perform the roles and responsibilities they have been tasked with under the existing legal framework for governance, at least until when it can have that framework changed through due legal process to fit its preferences. Indeed, the Ministry of Communication's usurping of the NCA's responsibility in this regard opens it up to accusations of vested interest, whether at an institutional or personal level.

This in turn, tends to lend further credence to accusations that it has been paying Kelni-GVG its monthly contract fee when it has not actually commenced executing the contract, simply because of vested interests. The Ministry itself admitted less than a fortnight ago that MTN, Vodafone and Airtel-Tigo, which between them account for more than 90% of the telecom traffic in Ghana were yet to sign up to the new revenue data identification system created by the contract, yet Kelni-GVG had already started receiving monthly contract fees.

The controversy that the award and implementation of the new contract has generated, at both the political and technical levels, make it hard to distinguish accurately between truths, half truths and complete falsehoods being claimed by all of the several different interested parties involved in the ongoing furor. But this is why any new contract being given should have been completely and irrefutably above board in the first place.

The contract between government and Kelni-GVG is not, even if it is better than those it replaces, as is claimed by officialdom. And that is why it simply is not good enough under the current circumstances.

BoG Covers $461 Million of GCB Takeover Liability

By Moses Mozart Dzawu

GCB Bank of Ghana Ltd. said it received a 2.2 billion-cedi ($461 million) bond from the central bank for taking over the assets of two failed lenders in 2017.

Ghana's biggest lender by branch network acquired the liabilities and some assets of UT Bank Ltd. and Capital Bank Ltd. in August after the companies collapsed as they failed to meet the central bank's requirements for capital adequacy.

The Bank of Ghana issued a bond, which it gave to GCB to compensate for the shortfall of UT and Capital's assets against their debts, GCB Head of Treasury Anthony Asare said Monday in an interview in the capital, Accra.

The bond carries a coupon of 12 percent and matures in 2027, he said.

GCB also took 400 million cedis in overnight loans from the central bank on two occasions in October to cope with increased withdrawals by the customers of UT and Capital, Asare said.

"We did that because of the initial jump in withdrawals, but eventually the bank became cash rich from operations," Asare said.

The central bank's head of treasury, Stephen Opata, wasn't available to comment when contacted at his office. Esi Hammond, a spokeswoman for the central bank, couldn't immediately comment when contacted by phone.

GCB's shares closed unchanged at 6.30 cedi in Accra on Monday after rallying 25 percent since the beginning of the year, valuing the company at 1.7 billion cedis.

Ghana's banking regulator revoked the licenses of UT and Capital as it is stepping up efforts to bolster a sector beset by bad loans and poor governance. Lenders in the West African nation have to meet a December-deadline to raise their minimum capital levels more than threefold.

Ghana Gas struggling due to VRA's inability to pay debt - *Ben Asante*

Failure of the Volta River Authority (VRA) to pay some $500 million it owes the Ghana Gas Company is said to be having a toll on the production of gas in the country.

The debt which has been lingering on for some years now, accumulated as a result of the supply of lean gas for power generation by the gas company.

As at May 2017, the VRA had paid only 30% of the total debt it owes Ghana Gas Company, leaving a substantive amount still unpaid.

Speaking on the sidelines of the Ghana International Petroleum Conference (GhIPCON), Chief Executive of the Ghana National Gas Company, Dr. Ben Asante said government's failure to pay for services rendered by his outfit is having negative impact on their operations.

"The challenge is that we supply to customers and they don't pay us. Our brothers and sisters at VRA owe us a chunk of this money, he lamented."

Mr. Asante is however hopeful that the VRA will defray the debt in the coming days as talks are underway between the two companies on how to solve the problem.

Meanwhile, a 2015 report by the World Bank indicates that corruption, unnecessary taxes as well as the duplication of roles of agencies regulating the gas industry contributed to the low investor confidence in the gas industry.

Mr. Asante believes this can be corrected if the roles of agencies managing the sector are streamlined.

He explained that "the situation is not the best. We have taken some of the best steps to get clarity in terms of who does what in the gas value chain. Right from who is doing aggregation, who is doing shipping, who is doing transportation and processing and who is doing the sales' part should all be streamlined."

The Plot Preceding Kelni-GVG

By Michael Nii Yarboi Annan |MD Object Consult

We have an Executive President with overwhelming powers that stretches from end-to-end, a parliament that is basically controlled by the same Executive and Judiciary we must be prepared to trigger it powers but, must be equally patient with time albeit, we must be rich. My interest is not what exists in the contract, which, we are all crying over, but the plot laid to be abused by the ever-powerful Executive. I would have missed it, if not for one more glance of faith the devil would have gone unnoticed.

Communication Service Tax Act

There is one thing I have yet realized about the Ghanaian political regime; wrong, corruption, bad corporate governance etc. are easily passed on to successors and trust me, they continue as if it's was their personal project. The question is what changed from Subah Infosolutions Limited to Kelni-GVG? My answer will be the communication service tax act is what changed.

Section 4 (1) and (2) of the CST Act, 2008 (Act 754) put the administrative and management responsibility at the doorsteps of the Commissioner-General and further so in Section 14 (3) of that same Act gave the Commissioner General the authority to "request from any person in writing to provide security that the commissioner considers adequate for the protection of revenue". This is the reason why the Ghana Revenue Authority contracted Subah Infosolutions Limited which, was subsequently terminated effective May 5, 2016

Then came the Communication Service Tax (Amendment) Act, 2013 (Act 864) which did not affect Section 4 (1), (2) and Section 14 (3) as described above. Thus, the administration and management of the Tax was intact in the hands of the Commissioner-General but carefully put mind to it, Section 14 (4) was so affected by the Amendment. The power to award the contract to provide security over revenue for the purposes of tax was taken from the Commissioner and place at the chamber of the politician (Minister of Finance and Communication) - the question is why? And your guess is as good as mine.

This is where those we voted for to check the Executive were suppose to protect us, this is when we should have cried like we are doing today about Kelni-GVG, but we failed our conscience, our duty and most of all we failed our nation, Ghana. Therefore, weep not in Ghana for the horses have already bolted from the stables.

Assurance Services

The layman might be at a loss when the term assurance is used as it has been used in the Kelni-GVG contract, but let shave its beard, and its plain face is auditing. Government agencies have vast experiences contracting assurance services a knowledge I obtained first-hand working with one of the best audit firms in Ghana.

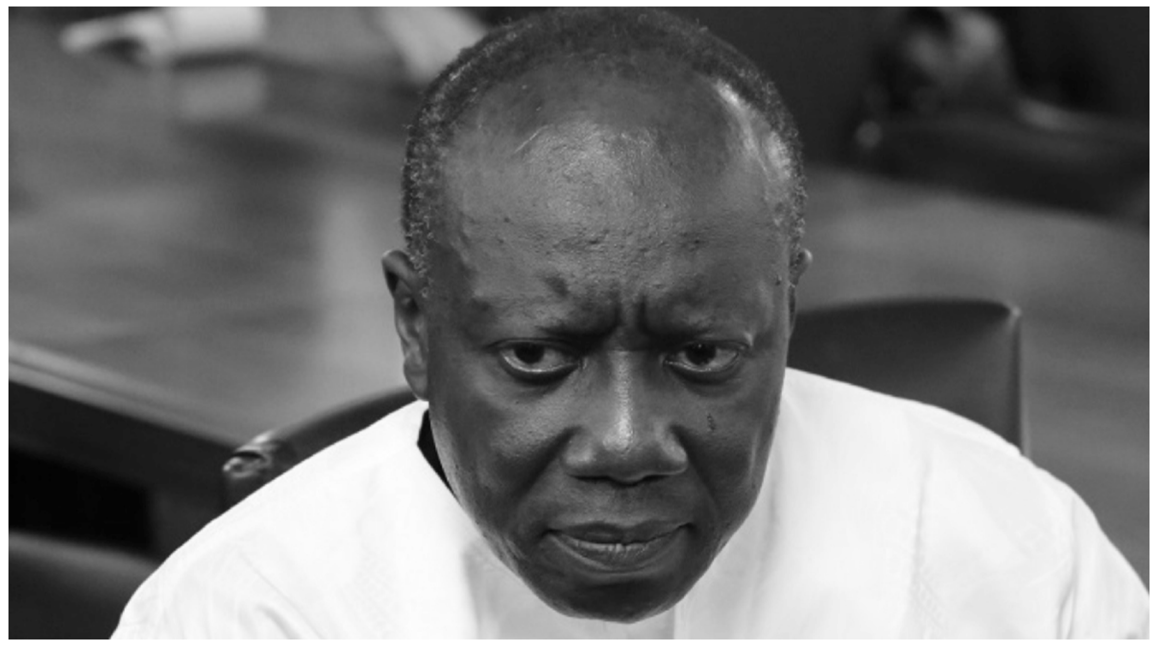
How could they have forgotten one requirement that has never been missed by government and its agencies in procuring the services of assurance or audit firms - their experience in similar assignment must be clearly exhibited by their proposal. Again, what happens to international standards for procuring such services; sorry, I have just been reminded this is Ghana where anything goes.

Focus and Mind

We can be better if we renew our mind and by extension our deed to transform Ghana. We can be a people of detail and substance rather than form if we all put our minds to it. There is nothing wrong with the contract as it has been said but there is everything wrong in the plot.

The rot must go: *Good corporate governance to transform Ghana*

By Prince Moses and Sampson Akligoh



Ghana's recent positive macroeconomic gains have been achieved on the back of prudent management. Locking-in these gains calls for the enforcement of practices that limit shocks. As Finance Minister, Ken Ofori-Atta, is leading the charge to transform Ghana into a regional financial hub by building robust corporate governance structures based on corporate citizenship is non-negotiable.

Democratic institutions thrive in an environment where there is good governance and good corporate governance is key to strengthening democracy.

Transparency, a major good governance practice, both in the public and private sectors, tends to favour taxation, environmental protection, and social responsibility; three elements that drive some of the world's most successful economies.

Ofori-Atta is leading reforms to open up Ghana's financial system and make it more transparent.

"Good corporate governance is key to transforming corporate organisations in frontier and transition economies, and policies that seek to plug gaps in weak corporate governance structures are essential to creating robust economies", said Ofori-Atta at this year's Africa CEO Forum in Abidjan, Côte d'Ivoire. The Africa CEO Forum, described as Africa's Davos, is organised by Groupe Jeune Afrique and counts the Bretton Woods' International Finance Cooperation (IFC) as one of its major sponsors.

U.S., Nigeria, Ghana

The 2008 financial crisis that hit the United States and shook the whole global economy to its core was a poster child of lax corporate governance. As the U.S. was languishing in the backdrop of what is arguably among that country's major crises in recent decades, one of Africa's largest economy, Nigeria, suffered a banking sector crisis in 2009. Much like the U.S., Nigeria's crisis resulted from a corporate governance gap that engendered its own set of financial woes.

Poor governance structures are mostly responsible for the inability of frontier markets - both at the sovereign and corporate level - to develop strong capital markets. Regardless, even large economies cannot protect themselves from the insidious rot of poor corporate governance.

Strengthening financial market and banking regulations remains a significant challenge, and Ghana's financial sector is no stranger to gaps in its corporate governance structures. A 2015 Asset Quality Review, conducted by Bank of Ghana, exposed nine banks that were on their last legs and barely solvable. In the last year alone, three banks have faced the full rigours of the law.

Locking-in recent macroeconomic gains is essential to ensuring irreversibility, and for that matter, the enforcement such major milestone enactments like the Public Financial Management Act and the establishment of a financial stability board provide the requisite governance structures to contain risk in the financial system. Both enactments are being pushed by Ofori-Atta and his team.

The rule of law matters

Ofori-Atta is not daunted by the challenge, what with his uncompromising stance to strengthen the country's banking sector and make Ghana a financial hub as proposed by the government's transformational agenda (Ghana Beyond Aid). For him, the rule of law matters in corporate governance.

And in an effort to "mop up the mess inherited from the last administration", the minister sees minimum capital increases for banks, insurance and the securities market, as important to strengthening impaired banks. The plan is to enable credit to the private sector; a key player in government's commitment to growth and jobs.

Bank of Ghana's recently released corporate governance directives serve as a vital authoritative rulebook for limiting unfettered powers that may lead to imprudent banking decisions and, by extension, negative ramifications.

The directives, which target all regulated financial institutions, are both stern and cautious. They authoritatively demand all concerned institutions to ensure that the positions of Board Chairs and Chief Executive Officers (CEOs) are separate.

Regulated financial institutions are also expected to have independently led audit committees, on the one hand, and risk committees, on the other.

It is likely the move may restore stakeholder confidence in the banking system and encourage institutional investment in the sector, as most banks seek to meet new capital requirements by December 2018.

Transferable lessons

Looking at transferable lessons from across Africa and beyond, a move by Nigeria's stock exchange to soon rank all listed companies on corporate governance may well provide the supervision needed to ensure efficiency.

Ghana is also embarking on a raft of reforms to set up a rating agency to rate banks and insurance companies. "Such rankings could serve as an incentive for good corporate governance", said Ofori-Atta. This promises to strengthen shareholder rights and buttress the role of institutional investors in the country.

Analysts argue that such a move to incentivise corporates to practice good governance could lead to the creativity and efficiency known to have characterised East-Asia's corporate governance development.

Corporate citizenship

Corporate governance does not stop with traditional financial dynamics. The social and environmental performance of corporates and stakeholders along value chains are also taken into account; the Sustainable Development Goals (SGDs) are clear about private sector engagement.

In recent times, corporate social responsibility (CSR) and sustainability have been added to the corporate governance portfolio, setting the direction for responsible corporate citizenship.

Giving back to society is a mainstay of corporate citizenship. "We need to encourage a triangular understanding between corporates, social actors (including labour), and government within the sustainability framework," said Ofori-Atta.

Before the government began rolling out the 'Free Senior High School Initiative' (Free SHS), it was not unfounded when pundits debated the rules of engagement for corporates.

An element of their corporate social responsibility involved providing support for outstanding but needy students. A bid to prevent the Free SHS initiative from eliminating contributions corporates made towards education was the driving force behind the 'Voluntary Education Fund' in the 2018 Budget.

The Voluntary Education Fund speaks to the need to engage corporates in building human capital, and could creatively harness the fund to invest in other strategic areas in education like Science, Technology, Engineering and Mathematics (STEM), and Technical and Vocational Education Training (TVET).

Ghana targets being Petroleum hub for West Africa...

Over US$50 billion FDI needed

By: Adnan Adams Mohammed

For Ghana to achieve its vision of becoming the petroleum hub for the West African sub-region, as announced by the Vice President Dr Mahamudu Bawumia, the country will need investment inflows of about US$50 billion.

The vision, which is one of Government's strategic anchor initiatives, would also lead to the establishment of Ghana as a Petrochemical hub to supply refined petroleum products to meet the demands of the West African sub-region and eventually the whole continent, and further develop Ghana's petroleum downstream sub-sector, according to the Vice President.

However, Mr Boakye Agyarko, the Energy Minister has said, over US$50 billion in foreign direct investment (FDI) would be needed to build a relevant petroleum infrastructure such as oil refineries, tank farms, pipelines, marine facilities and other allied facilities to make Ghana a petroleum hub.

He said the estimated amount was reached after the assessment made by a petroleum task force inaugurated by the government last year to develop a petroleum infrastructure master plan and road map towards the realisation of the vision.

These funds are supposed to come from public and private investments of which the government is expecting to raise 10 percent to support the construction of road networks, electricity and water facilities.

The government announced this at the just ended 2nd Edition of the Ghana International Petroleum Conference held in Accra, last week.

"The Government of Ghana has a vision to develop Ghana as a hub for refined petroleum products for the West Africa sub-region and the continent. The concept of a 'Petroleum Hub' is one of Government's strategic anchor initiatives that would serve as a new pillar of growth in the Ghanaian economy," Dr Mahamudu Bawumia stated in his keynote address.

"The project will accelerate the growth of Ghana's petroleum downstream sub-sector and make it a major player in the economy and consequently ensure development of sustainable value, wealth creation and the progress of industry."

Vice President Bawumia explained that, a successful implementation of the project would, apart from creating employment, have immense benefits for the players in the industry as well as the nation as a whole.

"The Petroleum Hub project will increase the presence of major international oil trading and storage companies, create regional trading champions and encourage joint ventures between local and international companies for knowledge transfer and wealth creation. It will provide value addition in our petroleum industry," he added.

Alluding to the expected increase in Ghana's refining capacity, Vice President Bawumia urged local industry players including Petroleum Service Providers (PSPs) and Bulk Oil Distributors (BDCs) to re-examine their business models to take advantage of the expected increase in business and take the necessary steps, including possible mergers and acquisitions, to position themselves to become multinational operators.

"The development of a hub in Ghana will require an increase in the country's refining capacity beyond current levels, both to meet domestic demand and for export. It is therefore important that our PSPs especially the BDCs change their business model to respond to the hub plans, as there would be more products for export than their current model of importing the shortfalls in production."

To that end, the Energy Minister assured Ghanaians and the investors that, his outfit would work diligently to achieve the vision of the government, adding that, a petroleum task force, which has been set up by the ministry to see to the realization of the government's vision, had visited some countries that had made headway in petroleum infrastructure.

Mr Agyarko said upon extensive consultation and assessment by the task force, government was convinced that the nation had the capacity of developing petroleum infrastructure into a hub in the sub-region.

He, therefore, urged the petroleum service providers to upgrade their skills and business capacity to partner with the foreign direct investors to ensure a fair balance and significant value retention of benefits in the country.

''Today, financing for new refineries has become difficult to obtain, especially as some existing refineries across the world are being shut down due to low margins.

''But I believe with the right strategies and value positioning, coupled with the right environment, investors will choose Ghana and partner with us to develop infrastructure such as refinery, tank farms, pipelines, marine facilities, expanding our export capabilities and other allied facilities required to make our hub a reality,'' Mr Boakye stated.

The government has therefore promised to provide favourable fiscal environment and incentives to attract the right investment into the petroleum downstream industry.

The minister is optimistic that the intended petroleum hub would compete favourably with other trading centres across the world, which would increase government's revenues to accelerate economic growth.

Rosneft new LNG deal not transparent – *industry expert*

By: Adnan Adams Mohammed

The Ghana National Petroleum Corporation (GNPC), last week, signed a new gas sale and purchase agreement (GSA) deal with Rosneft for the same natural gas supply agreement it had with Gazprom in September last year.

This means that, Gazprom has been dropped by GNPC for Rosneft.

Gazprom has more capacity and capability in all regards than Rosneft, and it is therefore a surprise to energy experts for government to take this decision.

However, a statement from GNPC announcing the new deal with Rosneft said, "due to a corporate restructuring, Gazprom's supply obligations had been assumed by Rosneft."

But, Mr Alexander Mould, former GNPC boss, has questioned the transparency and adequate and relevant contract information disclosure of the newly signed deal.

This is because, the statement from GNPC did not specify the details of whether GNPC will be losing in terms of compensation to Gazprom, whether the abrogation of Gazprom was by a consensus or forced and whether Rosneft has a direct link or dealing with Gazprom which would mean Gazprom would not be losing in anything from the initial contract abrogation. Mr Mould is therefore demanding further clarification from GNPC to show adequate transparency of the deal.

However, to assess the cost effectiveness of the Rosneft contract, the industry expert wants to know, what will be the cost of the LNG landed in Tema and what will be the cost of the regasification, that is, throughput cost?

Also, it is important to know the deadline for the LNG regasification plant to become operational, given that, the country is already receiving 100mmscF/day from natural gas (at about US$6-7/mBTU) and Jubilee/TEN can deliver another 120mmSCF/day and when SGN comes on stream in July, they will produce 170mmSCF, in all, there will be a supply of almost 400mmSCF/day, enough to power 1500-2000MW plants (single cycle - combined cycle).

Mr Mould, asked how soon the Floating Storage Regasification Unit (FRSU) will be in the country, replied that "this will depend on whether it is going to be newly built or the company has one that can be mobilized as soon as possible."

"Where in Tema port will it be located and will its location affect current port activities?" he queried.

Another important element of the new contract which needs to be answered by the contract partners is; who the promoter for this increased infrastructure, is it GPHA or GNPC?

Additionally, it is important to note whether other infrastructures would have to be built to connect to all the power plants in Tema. And whether, the WAPCO pipeline is going to be used as part of the distribution network for the regasified LNG.

"When is the reverse flow, West to East (W2E), to be completed with compression capability? This has already been captured in GNPC 2018 budget at an estimated amount of US$120 million. How much gas (in mmSCF/day) will be able to flow from W2E?" he quizzed.

The GNPC statement indicated that, it has struck a 12-year natural gas supply deal with Rosneft, a Russian integrated energy company. The deal is seen an opportunity for increased investment in Ghana's oil and gas sector.

Under the agreement, Rosneft would deliver 250 million cubic feet of liquefied natural gas (LNG) to a re-gasification terminal at the Tema Port, to be processed and carried to the GNPC's Tema Metering Station.

The signing event took place at the sidelines of the just ended 26th St. Petersburg International Economic Forum – an annual Russian business event, held in St. Petersburg.

Mr. Frederick Blay, the GNPC Board Chairman, and Igor Ivanovich Sechin, Chief Executive Officer (CEO) and Chairman of the Management Board of Rosneft, initialled the agreement for their respective companies.

The deal is expected to place Ghana at the centre of West Africa's rapidly growing energy market – provide job openings and building local capacity.

The statement added that the two companies also agreed to deepen their cooperation in the development of the upstream and downstream sectors.

Mr. Blay expressed optimism that through "this strong cooperation, Ghana can also act as a gateway for Russian investment within the wider West African region".

Notably, Mr Sechin said it was the beginning of a new phase of the development cooperation between Russia and Ghana.

"Ghana has placed itself among dynamically developing world economies with the energy demand growing year on year," he stated.

Dr. Kofi Kodua Sarpong, CEO of GNPC is quoted as saying, "we are happy to be working with Rosneft on this LNG transaction and already the two parties are looking at greater cooperation and partnership in the upstream sector".

MiDA rolls out Energy...

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activity; as well as the Demand Side Management Infrastructure.

He noted that under the development and enforcement of standards, MiDA was collaborating with other regulatory bodies including the Energy Commission, Ghana, and the Ghana Standards Authority (GSA), to revise and develop new standards for 20 energy consuming products and appliances that included air conditioners, television sets, and other electronic gadgets, and solar products as well.

He said an AC testing facility was being built at the GSA to enable such appliances to be re-tested in Ghana when they are brought into the country, thereby enforcing the law, saying, at the moment such appliances were being tested only abroad.

Mr Ayayee noted that there would also be field metering and monitoring studies to collect baseline data of energy appliances in 1,000 households within the country to know their energy uses to inform government policies and programmes.

Under the Energy Auditing activity, three Energy auditing centres would be established on the campuses of three tertiary institutions, where the capacities of energy auditors of public facilities would be built to enable them properly monitor and manage energy levels of State facilities to prevent wastage.

There is also a component of retrofitting and renewables, which would involve six public institutions, namely, Korle-Bu Teaching Hospital, Adabraka Polyclinic, University of Ghana, Department of Urban Roads, and Ministries of Health and Education.

Some of the buildings of these state institutions would have their lighting systems, refrigeration and air conditioners changed and installed with solar rooftops.

Mr Ayayee said the education and public information activity would include the introduction of energy efficiency and conservation in the school curriculum of pre-tertiary schools to help inculcate behavioural and attitudinal change in pupils and students.There would also be a direct public education on the new regulations and standards governing the use of electrical appliances and gadgets, for people to appreciate the need to use energy efficiency gadgets.

On the Demand Side Management Infrastructure component, Mr Ayayee said that would involve streetlight replacement activity, on all the ceremonial roads within the Accra East and West where, the lights would be replaced with LED lighting systems that would be long lasting.

Ms Pamela Djamson-Tettey, Director of Communications and Outreach, MiDA, said the 25.4 million-dollar EEDSM funding was from the first tranche of 300 million dollars fund under the Compact II for Ghana, which totals 498.2 million dollars support in all, for different project activities.

She urged all Ghanaians to patronise energy saving gadgets to save money and to protect the national grid.

The Ghana Power Compact is expected to support improved management of the country's entire power system, providing a more robust framework for private investment as well as a more competitive process for the procurement of power from independent producers.

It will address challenges in distribution, generation and access to energy in Ghana, which is investing 37.4 million dollars of its own funds in the initiative making the compact a total investment of up to 535.6 million dollars. *GNA*

Foreign OMCs petition gov't...

Contd. from front pg.

customers is essential to the economic growth whilst increasing the skills and expertise of the local workforce.

"It is important that developing this new policy does not initiate policy directives that are likely to negatively impact on Foreign Direct Investments and erode any gains to be derived from such investment for the sector".

The multinational OMCs maintained though that they fully supported the objectives of a local content policy which was aimed at creating local Ghanaian jobs and developing the economy.

"Some of us have had a presence in the Ghanaian market for many decades and are listed on the local stock exchange representing private and individual shareholders and have always been committed to promoting an effective local valued-added policy for many years.

"This has created local job opportunities and has developed local knowledge and expertise throughout the whole supply chain. Indeed, we are making substantial investments every year to maintain and develop our activities to improve industry standards which have a positive impact on the economy through logistics, service delivery and products at service stations or at customers' site".

The four multinational OMCs in the petition stressed that the policy directive seeking to achieve 60 to 100 per cent equity participation for Ghanaian sector in the medium to long term as not practicable considering that the level of investments made come with some corresponding risks.

The four multinational MDs noted that: "Our respective companies belong to world wide groups and so benefit in many ways from international business practices which are passed on locally through technology transfer

"To ensure an impact on our business operations and ultimately on the economy as a whole, and to ensure standards that go with the brand, multinational groups have policies which require them to retain control over their affiliates".

The multinational OMCs stressed that, restricting the markets in the various areas such as Aviation Marketing, and Bunkering is "unfair to multinationals as investors. It will stifle the evolution of our business and also be a disincentive to any new multinational OMC entering the country".

The multinationals therefore called for broader consultation with stakeholders on the draft local content policy for the downstream sector to avoid industrial hostilities.

Mobile money now biggest...

Contd. from front pg.

money services recording 98.50 percent and e-zwich 45.22 percent.

The Ghana Inter-bank Settlement (GIS) system which is Ghana's Real Time Gross Settlement (RTGS) system, continued to provide platform for high value payments.

The total volume of GIS transactions of 934,234 in 2017 showed an increase of 5 percent over the 2016 position of 889,709.

Total value of GIS transactions increased by 24.75 percent to GH¢2,083,846.27 million in 2017.

The average value per transaction was GH¢2.23 million in 2017 compared with GH¢1.88 million in 2016

Cheque Codeline Clearing an electronic system for clearing cheques using the cheque image and codeline data continued to engender efficiency and timeliness in clearing and settlement of cheques. The total volume of inter-bank cheques cleared during 2017 went up marginally to 7,334,460 from 7,309,406.

The value of cheques cleared increased by 17.83 percent to GH¢179,555.47 million. The marginal increase in volume of inter-bank cheques was largely on account of adoption of other digital payment options such as mobile money, e-zwich, debit cards and GhIPSS Instant Pay.

The GACH direct credit enables individuals and corporate bodies to make payments by electronic transfer directly into the bank account of the beneficiary. Direct credit is usually used for payment of salaries, pensions, welfare benefits, commissions, supplier payments, dividend, refunds, interest payments and government payments. Total volume of transactions effected through direct credit channels in 2017 was 6,061,093, indicating an increase of 15.61 percent over the 2016 position of 5,242,610.

Similarly, total value of direct credit transfers increased from GH¢19,245.65 million in 2016 to GH¢24,327.26 million in 2017.

Payment of SSNIT pensions by the Bank of Ghana on behalf of Government continued as the main contributor to the growth in direct credit transactions.

Express Automated Clearing House (ACH) direct credit, a medium of clearing that ensures funds are cleared on the same day, recorded a significant growth of 72.34 percent over 2016 position of 279,959. The growth in Express ACH is an indication that bank customers prefer to have instant access to their funds.

Direct Debits are debit-pull instruments used for recurring payments such as utility bills, insurance premiums, loan re-payments, rent and subscriptions. The total volume of direct debit transactions increased by 65,803 or 7.52 percent from 874,846 in 2016 to 940,649 in 2017. However, the value of transaction decreased by GH¢0.73 million or 0.57 percent to GH¢126.28 million.

E-zwich is an interoperable biometric smart card payment system which offers a suite of electronic payments and banking services accessible from a Point of Sales (POS) terminals or an ATM. These services include payments at merchants' point of sale (purchases), withdrawal of cash, deposit onto the card and transfer of funds. The e-zwich system continues to facilitate payments to cocoa farmers, nurses and teachers and national service personnel's salaries.

The number of e-zwich card holders of 2,364,456 in December 2017 showed an increase of 25.90 percent over 2016 position of 1,878,044. Total volume of e-zwich transactions increased by 55.95 percent; from 5,365,085 in 2016 to 8,367,017 in 2017. Similarly, total value of transactions in 2017 grew by 45.22 percent to GH¢3,431.49 million. The increasing trend in e-zwich transactions could be attributed to Government's use of the system to pay caterers of the national school feeding programme, beneficiaries of the Livelihood Empowerment

Contd. on pg.6

Ghana losses US$200m yearly...

Contd. from back pg.

out with some recommendations to help resolve challenges in the petroleum downstream sector and chart the way forward.

Mr Tampuli said the Authority would ensure due processes for export and bunkering of petroleum products as well as applying stiffer punishments for offenders including withdrawal of licences.

"Recalcitrant service providers will be made known to the public by way of naming and shaming offenders and directors would be banned from participating in any activities in the downstream petroleum sector," he warned.

Mr Tampuli gave the assurance that all unpaid taxes would be recovered, noting that the recent measures had seen the Authority saving the nation nearly 16 million Ghana cedis in tax revenue alone and seven million Ghana cedis in unpaid margins.

He said the Authority had intensified its safety compliance inspections on all petroleum products destinations nationwide and more stringent sanctions were being enforced including the shutdown of non-compliant stations.

Mr Tampuli said it had launched a national safety campaign to raise awareness and adherence to safety protocols in the petroleum downstream sector under the slogan "People's Safety First".

Additionally, the Authority was undertaking an advanced work plan for the implementation of the new Liquefied Petroleum Gas Policy regarding the Cylinder Re-Circulation Module.

Mr Tampuli gave the assurance that the Authority would ensure the security of jobs and safety of existing investments in the downstream petroleum sector as well as maintain or possibly increase the price build-up margins.

He said there was deliberate efforts to increase petroleum products penetration and consumption, which would culminate in the increase in revenue for the fuel dealers, marketers and other service providers within the value chain.

Mr Tampuli said the stable political environment would enable the nation to achieve a competitive petroleum infrastructure and an avenue for increasing tax revenue to the Government.

However, he called for downward review of some import tariffs and improvements in the port infrastructure to make Ghana competitive in the petroleum downstream sector and achieve the vision of becoming a petroleum hub in the sub-region.

Contd. from pg.20

Where a tax officer has reason to believe that a person

has committed an offence under a tax law,

will abscond before the person is prosecuted for an offence under a tax law, or

will destroy, tamper with or otherwise dispose of evidence of an offence under a tax law,

the tax officer shall apply to a magistrate for an order authorising that tax officer to take any of the actions set out in subsection (2).

Where the magistrate is satisfied that there is a serious risk to the collection of tax or the administration of justice, the magistrate may make an order authorising the tax officer, with the assistance of the police, to

enter a premises or place and distrain assets that may reasonably provide evidence that an offence has been committed under a tax law;

distrain and search a premises, place, vehicle or other asset on or in which the tax officer believes on reasonable grounds that there is evidence of an offence under a tax law;

interrogate and search or cause to be interrogated and searched a person who the tax officer believes on reasonable grounds has committed an offence under a tax law or is in possession of assets mentioned in paragraph (a);

arrest a person who the tax officer believes on reasonable grounds has committed an offence under a tax law; or

use reasonable force for the purpose of the preceding paragraphs including by way of breaking into a premises, place or asset that may reasonably contain evidence referred to in paragraph (a).

A reading of section 88 and section 33 of Act 915 reveals the following differences:

Unlike section 33, any officer of the GRA can invoke section 88.

Whereas Section 88 can be invoked upon an application to a Magistrate, section 33 can be invoked without the assistance of a court.

On the application of the provisions of section 88, where an officer of the GRA seeks to enter a premises or place to search and/or seize any document or asset without a prior order of a magistrate, that officer shall be deemed to be acting ultra vires and any action subsequent to that ultra vires action shall be declared a nullity by a court of competent jurisdiction.

SEIZURE OF VEHICLE BY CUSTOMS

There has been much talk about the nationwide exercise by the Customs Division to arrest and seize vehicles of which the requisite import taxes have not been paid. The author of this paper is of the opinion that the Customs Act, 2015, Act 891 does not in any way give the Customs Division the right to seize vehicles that are not prohibited in the country, for non-payment of the requisite import duties after the vehicle has been registered by the Driver Vehicle Licensing Authority (DVLA).

This assertion is backed by the provisions of Customs Act.

Section 56 of Act 891 provides as follows:

A vehicle licensing authority established under an enactment shall not register a motor vehicle unless the applicant produces to the vehicle licensing authority the customs entry and other related customs documents.

The Commissioner-General shall issue a Certificate of Payment of Duties and any other document as specified by the Commissioner-General to a person who purchases a motor vehicle at an auction sale under the Act, for the purpose of registration of that motor vehicle.

Section 58 of Act 891, which grants the power of seizure, provides as follows:

A person shall no import a right-handed steering motor vehicle into the country unless approved by the Minister

Subject to the provisions of this Act, the Commissioner-General shall seize a prohibited motor vehicle imported into the country and the motor vehicle shall be forfeited to the state.

Under Section 58 therefore, the power to seize a motor vehicle arises only when the vehicle is a prohibited vehicle, which, is defined as a right-handed vehicle.

A careful reading of Section 124 reveals that the power of seizure in all other cases, by the Commissioner General to seize is limited to goods only and does not extend to vehicles after same have been registered. Section 124 provides as follows:

A conveyance used in the importation, attempted importation, landing, removal, movement, exportation or attempted exportation of un-customer, forfeited, prohibited or restricted goods is liable to forfeiture to the State

Where goods are forfeited or become liable to forfeiture under this Act, a person who is involved in the act or omission that renders the goods forfeited or liable to forfeiture shall incur the penalty provided by law in respect of the act or omission or, where no penalty is provided shall incur a penalty in a sum equal to two hundred percent the duty payable on the goods seized or forfeited.

From the above provisions, it will be safe to conclude that the Commissioner General nor his officers have no power to seize vehicles which have been registered by the DVLA for non-payment of duty because the law presumes that the GRA through its officers whose presence is mandatory for the registration of vehicles, has confirmed that all due duties. It would therefore be unconscionable and against the interest of justice to permit the GRA to switch sides and start alleging that the duties required in respect of the vehicle are unpaid.

SUPERVISORY JURISDICTION OF THE HIGH COURT

The Ghana Revenue Authority is a statutory establishment whose actions and decisions are subject to judicial review by the High Court of Ghana.

Article 33(1) & (2) of the 1992 Constitution of Ghana provides as follows:

Where a person alleges that a provision of this Constitution on the fundamental human rights and freedoms has been or is being or is likely to be contravened in relation to him, then, without prejudice to any other action that is lawfully available, that person may apply to the High Court for redress.

The High Court may, under clause (1) of this article, issue such directions or orders or writs including rites of herbs as corpus, certiorari, mandamus, prohibition, and quo warranto as it may consider appropriate for the purposes of enforcing or securing the enforcement of any of the provisions on the fundamental human rights and freedoms to the protection of which the person concerned is entitled.

Order 55 Rule 1(a) of the High Court (Civil Procedure) Rules, 2004 (C.I. 47) also provides for the means by which an applicant can invoke the review jurisdiction of the High Court as enshrined in the 1992 constitution.

I must add that the application for judicial review is not an appeal against a decision or action of the GRA or any officer of it. An application for judicial review shall be to question the procedure and processes adopted by the GRA in its work. In other words, judicial review does not deal with the merits of the decision by the means of arriving at that decision or action.

Hence, if an officer breaches any of the provisions recited above, that action could be susceptible to be set aside by means of a judicial review.

CONCLUSION

My final words to the GRA are that it ought to ensure the utmost respect and obedience to the law in the performance of their statutory provisions. A default in following the laid down rules and procedures in the various tax regimes, puts any decision or action of GRA at risk of being declared a nullity by a High Court upon an application by an affected person. If due processes are not followed, the GRA will end up a "Don Quixote", in pursuit of nothing.

Meeting revenue targets:

A tale of nothingness & GRA's rush for fool's gold

By: Bobby Banson, Esq., MCIArb

Every Country survives on tax. Every person (natural or artificial) is obliged to pay tax on his taxable income or revenue. All across the world, Revenue Authorities have often been entrusted with wide powers for the sole purpose of ensuring that as much revenue is collected on the State's behalf as is possible.

In Ghana, the situation is no different. The Ghana Revenue Authority (GRA) is charged with the responsibility of collecting tax from individuals and companies for the Country. The Authority consists of the Internal Revenue Service, Customs Excise and Preventive Service and the Value Added Tax Service.

Section 1 (1) of the Revenue Administration Act, 2015, Act 915 provides, "The Ghana Revenue Authority is responsible, through the Commissioner-General, for administering and giving effect to tax laws in accordance with the provisions of the Ghana Revenue Authority Act, 2009, (Act 791)".

In a similar train of thought, Section 3 of the Ghana Revenue Authority Act, Act 791, outlines the functions of the GRA as among other things the collection of taxes for the Republic with optimum efficiency.

Conventionally, every budget presented to Parliament of Ghana projects the revenue to be collected by the GRA to support the budget. This projection of the tax, which will accrue to the State, results in the setting of collection targets for the revenue agencies. In 2017, the GRA collected Gh¢ 32.4 billion as against the target of Gh¢ 34 billion representing 97% of the projected tax. The target for the 2018 fiscal year is set at GH¢ 39 billion.

In respect of this high revenue target, the GRA has adopted a colossally aggressive approach to revenue mobilization. Media reportage abounds with offices, shops and factories, which have been raided by officials of the GRA allegedly to collect information and equipment/computers in an attempt to enforce the provisions of the relevant tax regimes.

In as much as the author of this paper admits the wide powers given to the GRA by the various tax laws, the aim of this paper is to remind the GRA of its superior responsibility to ensure compliance with due process and not the abuse of the rights of the taxable populace.

ACCESS TO INFORMATION AND ASSETS

Section 33 of the Revenue Administration Act, 2016, Act 915 provides as follows:

For the purpose of a tax law, the Commissioner–General shall for reasonable cause, have without prior notice, full and free access to premises, documents or assets

In the case of a dwelling house, conveyance or public premises or where a document or asset is located in a dwelling house or public premises

Between 6:00am and 6:00pm

At other times as permitted by an order of a magistrate under section 88; or

In any other case, at all times.

The power of the Commissioner – General under subsection (1) may be delegated to and exercised only by a tax officer who is specifically authorized in writing by the Commissioner–General for this purpose.

This provision undoubtedly gives the Commissioner–General the right to invade the privacy of a taxable person. It is worth recalling that the provisions of Article 18 of the 1992 Constitution of Ghana which enshrines the right to privacy of citizens provides as follows:

Every person has the right to own property either alone or in association with others.

No person shall be subjected to interference with the privacy of his home, property, correspondence or communication except in accordance with law and as may be necessary in a free and democratic society for public safety or the economic well-being of the country, for the protection of health or morals, for the prevention of disorder or crime or for the protection of the rights or freedoms of others.

With these two provisions in contradistinction to each other, it is safe to assume that the provision made under Section 33 of Act 915 is so wide as to accommodate abuse of an individual's right to privacy by officers of the GRA. It is perhaps, for this reason that the framers of Section 33 of Act 915 were sure to include the caveat that the power to have full and free access to business premises and private homes without prior notice is exercisable by the Commissioner-General alone or by any tax officer specifically authorized in writing by the Commissioner-General for this purpose.

A purposive interpretation of this provision means that any tax officer (other than the Commissioner-General) who seeks to invade the privacy of any tax payer to seize assets of the latter under Section 33 of Act 915 must of necessity have in his or her possession, a document in writing from the Commissioner General authorizing that officer to invade the privacy and seize the assets of the taxpayer. If any officer refuses, fails or neglects to produce any such authority, the taxpayer has every legal right to resist the entry into his premises (business or home). This assertion is fortified by the provisions of Section 34 of Act 915, which provides as follows:

"(1) A possessor of any premises, place, document or asset to which an authorised tax officer seeks or obtains access under Section 33 may request the tax officer to produce the authorisation for the access.

(2) Where a tax officer fails to comply with a request under subsection (1), the possessor may refuse the tax officer access or require the tax officer to leave the premises or place or return the documents or assets to which the tax officer has obtained access".

In the same vein, if a tax officer exercises the powers reserved for the Commissioner General under section 33 of Act 915 without any authority in writing, any step taken by the officer, including seizing of assets and documents, subsequent to this breach of due process, stands to be declared as a nullity by any court of competent jurisdiction.

POWER OF SEARCH, SEIZURE OR ARREST

Section 88 of Act 915 provides as follows:

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Banks need to collaborate for secured SWIFT Environment

There is the need for banks to collaborate to make the Society for Worldwide Interbank Financial Telecommunication (SWIFT) environment secured against abuse.

The Second Deputy Governor of the Bank of Ghana (BoG) Mrs Elsie Addo Awadzi, who made the call, has underscored that the need for securing the SWIFT environment against possible abuse was a collective responsibility of the BoG and the banks.

"Securing the SWIFT environment against possible abuse is without doubt, our collective responsibility", she said in a speech read on her behalf by Mrs Peggy Osei-Tutu Dzodzomenyo, Director of Banking, Bank of Ghana.

SWIFT is a network that enables financial institutions worldwide to send and receive information about financial transactions.

Large value local funds transfers, settlement of security related transactions and cross border transitions across borders rely on the network.

According to Mrs Awadzi, threats like cyber-attacks were now more than ever imminent in the system thus the need for players in the banking sector to close ranks and fend off such threats.

She said the fear of high risk jurisdictions was making many banks around the world to reduce their corresponding banking relationship and Ghana stands to lose out as some existing local banks had already lost their corresponding banks.

New banks are also finding it extremely difficult to secure reputable financial institutions to represent them in major centres.

She said with the assistance of SWIFT it would be possible to develop ways to prevent local banks from being de-risked by their correspondent banks.

Mrs Awadzi, highlighting the importance of the SWIFT said most banks in Ghana, relied on SWIFT products to meet their international compliance requirements.

The Central Bank, she said operated a gateway that enabled 29 banks to connect to the SWIFT network and this had reduced cost for participating banks as well as helped them meet required standards.

The country Manager for SWIFT, Mr Solomon Souza, said there were currently 11,000 connected financial institutions, corporate and market connected globally.

He said SWIFT was present in more than 200 countries and territories, registering about seven billion messages daily.

He said data from SWIFT showed that its payment business in Ghana had outperformed the total growth of the business globally.

Ghana in 2017 recorded seven billion transactions and its current average messages number around 33,000 per day, representing an increase of 22.7 percent over last year's average.

GNA

BANK OF GHANA

NOTICE TO BANKS AND PUBLIC NO BG/FMD/2018/25

GOVERNMENT OF GHANA SECURITIES

1. RESULTS OF TENDER 1593 HELD ON 8TH JUNE, 2018 FOR GOVERNMENT OF GHANA SECURITIES TO BE ISSUED ON 11TH JUNE, 2018.

ISIN	SECURITIES	BIDS (AMT) TENDERED GH¢ (M)	BIDS (AMT) ACCEPTED GH¢ (M)	RANGE OF BID RATES (% P.A.)	BID RATES ALLOTTED IN FULL (%P.A.)		WEIGHTED AVG. RATES FOR THE WEEK 11TH - 15TH JUNE, 2018 (%P.A)	
					Discount Rate	Interest Rate	Discount Rate	Interest Rate
GHGGOG050253	91 Day Bill	GH¢377.49	GH¢377.49	12.8000-12.9500	12.8000-12.9500	13.2231-13.3833	12.8763	13.3045
GHGGOG050261	182 Day Bill	GH¢36.03	GH¢36.03	12.9000-13.0000	12.9000-13.0000	13.7894-13.9037	12.9258	13.8189
GHGGOG050246	10 YR FXR BOND	GH¢523.20	GH¢477.60	17.3500-17.7500		17.3500-17.5000		17.5000

TARGET FOR 91/182 DAY T/BILL: GH¢417.00 Million

2. SUMMARY OF TENDER 1592 HELD ON 1ST JUNE, 2018 FOR TREASURY BILLS.

SECURITIES	TOTAL AMOUNT TENDERED	TOTAL AMOUNT SOLD
91 AND 182 DAY BILLS	*GH¢644.11 Million*	*GH¢644.11Million*
1 YEAR T/NOTE	*GH¢74.37Million*	*GH¢74.37Million*

3. TARGET FOR TENDER 1594

SECURITIES	AMOUNT
91 AND 182 DAY BILLS	GH¢641.00 *Million*
1 YEAR T/NOTE	GH¢100.00 *Million*

I) The GOG Securities wholesale Auction is opened to only Primary Dealers.

II) All Primary Dealers are obliged to act as market makers in GOG Securities.

III) The Investing public interested in purchasing or selling GOG Securities may do so on the Secondary Market (Ghana Fixed Income Market) through Depository participants (including Primary Dealers).

CAROLINE OTOO (MRS)
THE SECRETARY

8TH JUNE, 2018

Bayport to increase its Note Programme to GH¢500 million

The Management of Bayport Savings and Loans PLC seeks to increase the size of its existing Note Programme, a debt instrument, to GH¢500 million.
The company is thus raising the Note Programme by an additional GH¢300 million from the current GH¢200 million.
Nii Amankra Tetteh, the Managing Director of Bayport Savings and Loans PLC, said currently the company was going through some approval process from the Bank of Ghana.
Nii Tetteh was speaking during the company's turn at the facts behind the figures programme of the Ghana Stock Exchange in Accra last week.
He said the bonds would be listed privately on the Ghana Fixed Market and would have a tenor of seven years at a fixed or floating rate, issued to qualified institutional investors in accordance with stipulated Ghanaian law.
Nii Tetteh said as a strategic focus, Bayport intended to become Ghana's leading financial solution provider in the mass market space and is looking to be one of the top three savings and loans companies by 2020.
He said currently they were in all the regions providing significant services to their customers and they sought to explore relationships within the non-payroll space.
He said the company was looking to create a business that was customer centric, leverage digital resources to serve their customers better and build a culture of execution for their operations.
He said the company would also deploy technology and other resources to better serve their customers effectively and better.
The company was well-positioned and committed to the establishment of an ecosystem of complementary customer service outlets and touchpoints, deploying digital and physical assets for the express objective of enhancing the customer experience, Nii Tetteh said.
He said Bayport intended to consolidate their dominance in government payroll lending, by enriching the proposition and experience of their customers.
"We are also leading new opportunities in the private sector payroll space and are poised to pilot new offerings in this space as well," he added.
Mr Gabriel Quartey, the Chief Finance Officer, Bayport Savings and Loans PLC, said Bayport closed the year, 2017 with net interest income of GH¢100.3 million compared to 2016's value of GH¢81.9 million.
He said the total asset size of the business increased from GH¢365.83 million in 2016 to GH¢538.83 million in 2017.
"The company's return to shareholders is at a margin of 32 per cent," he added.

Contd. from pg.4

Mobile money now biggest…

Against Poverty (LEAP), Youth Employment Agency (YEA), Nurses and Teacher Trainees allowances, Students Loans Trust Fund and personnel of the National Service Scheme as means of ensuring efficiency in payments and eliminating waste in public expenditure.
The volumes and values of e-zwich cash withdrawals exceeded other e-zwich products or services such as purchases, cash deposits and money transfers. This trend suggests that cardholders prefer withdrawing cash from ATMs and POS terminals to pay for goods and services instead of using the system to transfer monetary value to merchants and beneficiaries to discharge financial obligations. The cardholders' preference for cash could be attributed to inadequate merchant e-zwich point of sales devices and lack of awareness of other e-zwich payment options.
Gh-linkTM as an interbank switching and processing system interconnects financial institutions and allows domestic cardholders to transact on any ATM or point of sales of member institutions. The gh-linkTM recorded 2,340,409 total volume of transactions in 2017 with a value of GH¢603.43 million compared with 2,067,498 with a value of GH¢447.04 million in 2016. While ATM withdrawal was the main driver of gh-link transactions, POS transactions recorded significant growth of 53.17 percent, from 1,121 transactions in 2016 to 1,717 in 2017.
GhIPSS Instant Pay (GIP) which is on gh-link platform allows payments to be sent across financial institutions electronically from a sender's bank account to a beneficiary bank account instantly. A total of 41,795 GIP transactions with a value of GH¢ 83.23 million were affected in 2017, compared with 184 transactions with value of GH¢ 0.42 million in 2016.
The mobile money ecosystem continued to grow since the passage of the Electronic Money Issuers and Agents Guidelines in July 2015. Three (3) Mobile Money Operators made up of MTN Mobile Financial Service, AirtelTigo Money, and Vodafone Cash offered mobile money services during the year under review on account of Airtel and Tigo merger in November 2017.

The number of registered mobile money accounts as at end-December, 2017 was 23,947,437 showing a growth rate of 21.34 percent over the 2016 position of 19,735,098. Similarly, the number of active mobile money accounts increased by 33.75 percent from 8,313,283 in 2016 to 11,119,376. The active registered agents of the three (3) mobile money operators (MMOs) in 2017 stood at 151,745 and showed a growth rate of 41.27 percent over the previous year's position of 107,415.
Total value of mobile money transactions of GH¢155,844.84 million in 2017 showed a 98.51 percent increase over the 2016 position of GH¢78,508.90 million.
The total float balances which refer to the cash component held in banks to cover mobile money in circulation increased by 84.59 percent from GH¢1,257.40 million in December 2016 to GH¢2,321.07 million in 2017.
Total interest paid on float balances to holders of mobile money wallets in 2017 in line with the Electronic Money Issuers Guidelines of 2015 was GH¢57.68 million; representing growth of approximately 132.67 percent compared to the 2016 position of GH¢24.79 million.
The growth in mobile money sub-sector could be attributed to efficiency and convenience of the service, expansion in agent networks, introduction of innovative products and services and creation of enabling regulatory environment.

Poor risk management practices,
the mystery behind failure of Ghanaian businesses

By Cliff Kakra Boakye

Business failure is the closure or cessation of business activity following its inability to make profit or generating enough revenue to cover its expenses.
It was reported Modern Ghana Online News on 7th June 2017 that 75% of businesses in Ghana fail within the first three years. This was according to the Minister for Business Development Ibrahim Awal Mohammed.
He note that those businesses that are able to exceed three years do not go beyond 10 years of operation, adding that "Small businesses constitute over 90 of all businesses in the country and the rate of failure is not acceptable."
Risk is the possibility of a negative deviation between that which is planned and the actual outcome or living with the possibility that a future event may cause harm.
Risks to businesses come in many different guises and may include among others financial risk, Operational risk, legal risk, reputation risk, product risk, political risk and natural disaster. The success of any business depends on its ability to identify and properly manage these risks.
Risk management is the methodical and systematic process of identification and evaluation of pure loss exposures faced by the individual or an organization as well as the selection and application of the most appropriate tools for handling such risk exposures.
Most Ghanaian Businesses have however become reactive to risk exposures and have nobody responsible for Risk Management. Unlike some Banks, the non-financial corporations have not institutionalized risk management practices e.g. through the development of risk management departments and therefore in-house risk assessment capabilities.
The absence of proper risk management practices by these businesses leads to deviations of results from target objectives leading to damages and losses.
It is important to note that failure of businesses have negative impact on the economy as it increases the rate of unemployment.
Ghanaian businesses need to institutionalize risk management practices by way of assigning a manager responsible for risk management, who will identify and evaluate risk exposures and find appropriate solutions to them.
The following addresses ways in which businesses can manage its risk
First of all managers of businesses must make the effort to systematically and continuously identify all property, liability, personnel and net income risk exposures of the business as soon as or before they emerge. Businesses must determine the existence of an exposure and identify the operating cause leading to loss.
The risk identification should determine every possible risk factor associated with the business's own activities and the business's own environment.
The risk associated with the business's own activities may be known by examining the nature of the business, how activities are conducted, with whom i.e. suppliers, customers etc. and where business activities are conducted i.e. whether own or customers' premises, final destination of products etc.
The risk associated with the businesses own environment may be known by examining the business's physical environment e.g. exposure to natural catastrophes, the social environment e.g. the rate of criminal activities, the legal environment e.g. legal provisions and enforcement of laws and the political environment, determining the exposure of political liabilities.

In order for managers to effectively identify risk inherent in Ghanaian businesses as stated above, knowledge of the tools and techniques for risk identification is required. Risk identification tools and techniques include Organizational Charts, Financial Records and Accounting Records Analysis, and Flow - Chart Method.
The organizational chart helps managers of businesses to determine organizational weaknesses, which may exacerbate risk situations e.g. whether key positions are actually manned by qualified personnel.
Financial statements and accounting records analysis include balance sheet, operating statement and supporting records. This tool helps managers of businesses to identify all property, liability and personnel exposures. Where supported by financial forecasts and budgets, future exposures may also be identified.
The flow-chart method shows all the operations of the firm i.e. the flows of materials, parts, and products from suppliers, through the various production stages and on to customers. The flow chart method can provide managers of businesses with a very detailed picture about potential operational bottlenecks. Potential hazards can be determined along the flow by applying a checklist of potential property, liability and personnel losses to each property and operation in the flow chart.
Effective risk management practice does not end at identification of the business risk. When risks are identified, they must be controlled. Some Ghanaian businesses become clueless or lack techniques in controlling risks even when they are able to identify them. Some popular risk control techniques include avoidance, loss reduction, and diversification among others.
Avoidance technique in risk control is whereby the risk is avoided completely. If managers' efforts at avoiding the loss become successful, then there is 0% probability that you will suffer a loss from that particular risk factor. This is why avoidance is generally the first of the risk control techniques that is considered by many. With avoidance technique, threats are completely eliminated.
Loss reduction is a technique that does not only accept risk, but accepts the fact that loss might occur as a result of the risk. This technique minimizes loss in the event of some type of threat.
Diversification is a risk control technique that allocates business resources to create more than one business subsidiaries with the aim of spreading the risk. Here varieties of products are offered in different businesses or subsidiary firms. In an event of significant revenue loss from one line of business, other lines of businesses may not be affected.
The last stage which ensures effective risk management practice in Ghanaian businesses is risk financing. Risk financing may be defined as setting aside some funds to cover the financial effect of unexpected losses experienced by a firm as a result of a certain risk factor. It may also be defined as contingency capital that is assigned as reserves against those risk.
Managers of Ghanaian businesses can finance risk through insurance premiums, credit or counterparty transfers, and financial (hedging) instruments, just to mention a few.
A successful and competitive business is one which has been able to effectively identify, control and finance all forms of risk associated with its activities and environment.
Unfortunately, most Ghanaian companies have not been able to adopt these risk management practices and this has resulted in rampant failure of most Ghanaian businesses.
In conclusion, I recommend that the ministry of business development in Ghana should embark on series of outdoor and on-air -business education programs, with the aim of educating business leaders, entrepreneurs among others on effective risk management practices.
The ministry should as well frequently create a platform for business players to interact with each other, thereby creating an opportunity for others to learn from successful business men and women.

Early marriage; the sad end of Fati

A GNA Feature by A.B. Kafui Kanyi

Child birth complications killed Fati at age 26. It was her sixth child after she dropped out of school at age 15 to marry Musa, who was 50 years.

Fati, was cajoled to marry Musah because Memunatu, 35, Musa's first wife, has had no child, after 19 years of marriage.

Despite Fati's protests, her father, a very good friend of Musa pushed her into it, to cement their old-time friendship.

Three months after the marriage ceremony, witnessed by only a handful of people, Fati got pregnant and later gave birth to Musa's first child.

Soon, the second and third children came, bringing joy to Musa and Memunatu. Memunatu because, Fati was not only a second wife, but also a house-help.

The two-acre yam farm, could not sustain the family, compelling Fati to engage in economic activities apart from farming to feed her children, her Husband and Memunatu.

She wakes up around 0400 hours, prepares porridge to sell at Dambai-Zongo, where they live and does other menial jobs for people, before visiting the farm late afternoon.

By 1800 hours, she must get home and prepare supper for the family, bath her children before getting ingredients ready for porridge at dawn.

A few years later, the fourth and fifth children were born, with more economic pressure on Fati, because Musa and Memunati are now very old and could not do any meaningful work to cater for the family.

Fati turns to selling rice and beans, (waakye), which arguably, has bigger profit margin, so she could take care of the family. She carries the food to market centres and public gatherings on days that she is unable to sell all at her joint.

Gradually, her natural beauty fades. She is often seen in the same dress and looks a bit unkempt, with three, four children trailing, the youngest strapped at her back.

At age 26, Fati, got pregnant for the sixth time but appears unhappy with it. She tells her friends, "I'm fed up. This is the last one, I can't be taking care of the children alone," and hinted of her plans to opt for family planning after the sixth child.

But it is a difficult pregnancy from day one. She is unable to do most of her usual household chores and her economic activities. Some of her children tried to help, but unable to sustain the family.

She gets weaker by the day, weeks and months. She has been in and out of a local clinic and made herbal preparations her companion, which she carries along when going to sell.

In the seventh month, the pregnancy developed complications and she was rushed to the local clinic, from her food joint.

The clinic referred her to the Worawora Government Hospital, but Fati couldn't go because she had no money.

At dawn, the situation got bad, and a taxi driver neighbour was begged to help transport Fati to Worawora Government Hospital.

It started quite well. It was as if we were welcoming the sixth child but mother and child died upon reaching Dambai cemetery, off the Dambai-Worawora road.

The sad end of Fati went around Dambai-Zongo, sending shivers down the spine of many, including; other victims of child marriage, whose stories are yet to be told.

In Krachi East, four new cases of early marriage were recorded between January and April, this year, prompting World Vision International Ghana to launch the "End child marriage now! It takes us all" campaign in the Municipality.

Hosts of teenage mothers, mostly victims of early marriage have resorted to charcoal trading activities, deemed a good alternative for the poor in the Krachi East and West Districts.

The increasing demand for the fuel by city dwellers has kept girls between ages seven and 15 out of school, with many involved in the rather tedious activities of charcoal production, packaging and selling in market centres.

This they do, sometimes with babies strapped at their backs, a few (babies), not weaned from the breast, crawling and drifting in the charcoal dust, mostly half naked.

A 17-year old mother of two, married to a 45-year old farmer when she was 14, said they wished to be in school, but the charcoal business was helping put food on the table for their children and husbands.

Multiple Indicator Cluster Survey (MICS, 2011) says one (1) in four (4) women, 27 per cent, married before age 18, with the frequency in rural areas.

Reverend David Mensah, Chairman, Local Council of Churches, Dambai, said issues of early marriage had reached the tipping point with some girls seeking refuge in churches.

Child labour is another issue the two districts are grappling with. ILO defines the term as work that deprives children of their childhood, their potential and dignity. That is work that is mentally, physically, socially or morally dangerous and harmful to children and interferes with their education.

But, a father of eleven children from Grubi-Chinderi, in the Krachi-Nchumuru District, sees nothing wrong sending two of his daughters, 10 and 13 years to Dambai-Wankaya, to stay with a bread baker and work.

Checks indicate that the bread baker sends GH¢150.00 every month to the man for allowing the girls to stay and work with her.

The trafficked girls reportedly keep wake controlling fire in the local oven till next morning and move round to sell bread in nearby communities, with no opportunity to go to school.

A study by Andrea I. Zambrano, Beatriz E. Munoz, and Sheila K. West, in Tanzania found a strong relationship between cooking fire exposure while sleeping and active trachoma in children.

It says "there is good biologic plausibility why trachoma may be higher in children exposed to indoor air pollution (IAP). In addition to tearing and irritation, which

may result in auto-re-infection, IAP appears to have a direct effect on the immune system."

Science Daily also says children exposed to open fire cooking in developing countries experience difficulty with memory, problem-solving and social skills.

At Dambai old town, Adjoa, 40, gave her daughter, 12, out as a house help to a 25 year-old lady Teacher, for her (mother) to be paid GH¢80.00 monthly. The teenager wakes up early to do all household chores including; the preparation of local drinks, which she sells in the market during school hours.

Attempts to enrol her in school was unsuccessful as her mother was not ready to lose her monthly pay.

Investigations show that hundreds of children, boys and girls are trafficked especially from neighbouring island communities to the two districts and engaged in economic activities, including fishing.

A few of the children who are living with relations go to school but sell food and other items after school and on market days.

Experts say lack of rest affects the growth hormone levels of children, their metabolism and ability to concentrate, but alas, these children know no rest, not even on school vacations.

The Department of Social Welfare and other institutions mandated to protect the welfare of children in the districts seem overwhelmed by the number of early marriage and child labour cases.

Mr Israel Aklorbortu, Volta Regional Director, Department of Children lamented the unrepentant nature of some parents and therefore called for the development of response mechanisms outside the formal system-establishment of child protection committees by the Assemblies or Traditional authorities to protect children from all forms of violence, abuse, neglect and exploitation.

He said the committees could serve as watchdogs, to ensure that children enjoyed their rights to the fullest. Such committees are welcome but you and I have our roles to play too. All we need to do according to experts, is to look out for triggers such as unexplained bruises on children, children wandering late at night, begging for food and poor clothing, for rescue.

Children also suffer many other abuses, such as parents showing little concern for a child and incessant verbal thrashing of a child for poor performance at school and home.

Some parents follow up their children to school to demand of their teachers to use harsh physical discipline on them (children), also denying them healthcare and abandonment, all these are signs of abuse calling for attention.

GNA

Only Ghanaians will be licensed to implement the Cylinder Recirculation Model – NPA

By: Adnan Adams Mohammed

The National Petroleum Authority (NPA) has cleared the air on the argument that, the implementation of the Cylinder Recirculation Model (CRM) will cause some businesses within the current LPG value chain, specifically those on the marketing and retail sides, to shut down, and thereby jobs will be lost.

At a sensitisation workshop for journalists in Accra, last week, on the CRM implementation plan, Chief Executive Officer of NPA, Mr Hassan Tampuli was emphatic that, the CRM policy rather revolves around the active participation of such businesses while assuring that non-Ghanaian firms cannot operate under the new model.

"The Cylinder Recirculation Model revolves around LPG marketers; so, when we hear concerns about job-losses, obviously, the facts do not support that conclusion."

He said: "We are minded by the local content policy, which identifies operation such as this one to be reserved for Ghanaian equity participation of 100 per cent. So, if you are not a Ghanaian, you will not be given license to operate in this industry as far as the CRM is concerned."

So far, he said 18 companies have applied for licencing, with one being a foreign company.

He explained that the company wants to operate as a free zones company that would produce in the country but cannot sell the products in Ghana.

The National Petroleum Authority (NPA) is seeking to move away from the old model of gas filling to a new model, which would see the building of bottling plants that will fill cylinders for distribution at approved cylinder exchange points.

Cabinet on April 4, 2018 approved a local content policy which would allow only Ghanaian companies to operate under the CRM.

Under the new model, consumers would be expected to exchange empty cylinders for filled ones at retail centres.

Mr Tampuli stated that the policy, when implemented, will help to curb the numerous gas explosions in the country and also solve the stress consumers go through in filling their cylinders.

In order to ensure smooth implementation, he said LPG refilling plants would be classified into low risk and high risk based on their deficiency in meeting safety standards in a risk assessment of all plants by the NPA. The high-risk refilling station would be immediately converted into filled cylinder retail and distribution outlets whereas low-risk refilling stations would be dedicated to the supply of auto gas only, with improved safety standards.

The objective of CRM is to develop a market-driven structure that would ensure safety, increased access and adoption of LPG. It is also to ensure the existence of robust and standard health, safety and environmental practices in the production, marketing and consumption of LPG.

Additionally, it is also to ensure local content and participation in the LPG sub-sector in compliance to the Downstream Local Content Policy while ensuring the sustainability of supply under the new market structure.

The CEO told journalists that the broad objective of the policy was to increase LPG penetration in the country, which was to ensure that at least 50% of Ghanaians have access to safe, clean and environmentally-friendly LPG for increased domestic, commercial and industrial usage by 2030.

Alleviating the fear of some LPG Marketing Companies that the new policy is going to wipe away the current players in the industry, Mr Tampuli said the current operators in the market were the spectrum around which the whole new policy evolves.

He explained that the said foreign company that applied would be having its bottling plant in Ghana for shipping filled cylinders outside the country on a daily basis, which would create jobs in the country.

"On the average, a bottling plant can have about 30 employees and then the distribution companies would have not less than six to four people," adding that "in some jurisdiction, you have a redistribution company which also don't have less than four employees and then the retailers, all in the new value chain. So, the issue that there would be job losses was far from the facts".

Explaining how the new policy would work, Madam Esther Anku, Chief Inspector at the Inspection, Monitoring and HSSE Department of the NPA, said the proposed new LPG distribution model will begin with the LPG Bulk Distribution Company (LBDC), whose responsibility would be to either import or buy the LPG from local refinery and gas processing plant, such as Tema Oil Refinery and Ghana National Gas Company, and store the LPG in their bulk storage facility.

The LBDC, she said, would then sell the LPG in bulk to either the bottling plant for the sole purpose of filling the empty cylinders or to the LPG Marketing Companies (LMCs) for bulk sale to industrial end-users – factories, restaurant, and mini-power plants – and also to auto gas users.

"The LPG Bottling Plant Company will be responsible for filling the empty cylinders for onward distribution to LMCs. The LMCs will be responsible for procuring, branding, and maintaining the cylinders. Specialised trucks will be used to transport the filled cylinders from the bottling plants to the retail stations or exchange points, where consumers will exchange their empty cylinders for filled ones."

Madam Anku told journalists that the new model would be rolled out side by side with the old model until the whole country is covered. She noted that the country would need eight bottling plants to cover the whole country, but would roll them out after the first is built.

The LPG bottling plant is expected to have a minimum storage capacity of 250Mt with an automated bottling plant and a filling capacity of 1,000 cylinders per hour. The country will be zoned for the locating of these bottling plants. However, the distribution of their filled cylinders will not be limited to any particular zone.

Mining companies post impressive balance sheet in 2017 - PwC

Mining companies operating across the globe have posted an impressive balance sheet for the 2017 financial year.

A new mining sector report released by PwC has indicated that some 40 largest mining companies in the world have delivered an impressive financial performance in 2017.

The selected 40 companies collectively increased their revenue by 23 percent to record US$600 billion.

The PwC's 'Mine 2018' report, was released on the sidelines of the Junior Mining Indaba conference held in Johannesburg last week.

The report analysis confirms an upswing in the mining cycle, which comes on the back of rising global economic growth and a recovery in commodity prices. Helped by astute cost-saving strategies over the past few years, margins and cash-generating ability has improved significantly, leading to a 126 per cent jump in net profits.

The 2018 outlook indicates that the Top 40's improved financial performance will continue as companies continue to benefit from this upward momentum in the mining cycle.

Michal Kotzé, Energy, Utilities and Mining Industry Leader for PwC Africa, said, "For the world's Top 40 Miners, 2017 was a remarkable year. We're expecting the improved performance to continue into 2018 as companies continue to reap the benefits of the upswing in the mining cycle.

He said, "One of the risks currently facing the world's top miners is the temptation to acquire mineral-producing assets at any price in order to meet rising demand. While we expect capital expenditure to increase next year as companies implement their long-term growth strategies, miners must be careful to maintain discipline and transparency in the allocation of capital."

While the Top 40 Miners are enjoying a bounce back, miners will need to stay focused and deliberate in the pursuit of their long-term goals to create value for all stakeholders on a sustainable basis.

PwC's Mine 2018 analysis is based on the major Top 40 global mining companies by market capitalisation. The results aggregated in this report have been sourced from the latest publicly available information, primarily annual reports and financial reports available to shareholders.

Miners continued to focus on strengthening their balance sheets in 2017, with $25bn being allocated to the repayment of debt, and capital expenditure at a record low of $48bn. As a result, gearing has fallen from 41 per cent to 31 per cent, which is back in line with the Top 40's 15-year average. With the liquidity concerns that were still lingering in 2016 now largely resolved, balance sheets are strong, and companies have the flexibility to act.

Andries Rossouw, Assurance Partner at PwC, says: "In 2018, we expect that favourable market conditions, higher commodity prices and strong internal discipline will produce increased liquidity and balance sheet strength.

'While we expect to see an increase in value and growth opportunities in 2018, we anticipate that this will be tempered by a continued focus on maintaining a robust and flexible balance sheet."

Tax expenses increased 81 per cent in 2017, with cash taxes paid to governments rising by 67 per cent, despite the fact that corporate tax rates remained relatively stable across most key markets.

The jump in tax expenses was driven mostly by increased profit and the impact of US tax reforms, which saw a one-off 4 per cent (or $2.8bn) rise in the effective tax rate due to a revaluation of deferred tax. It is expected that US tax reforms will ease the tax burden on US operations going forward.

Shareholders returns have almost doubled year-on-year, from $16bn in 2016 to $36bn. Based on current levels of performance, dividends are likely to reach record highs in 2018.

"Shareholders who endured the boom cycles of 2008 and 2012 will be keen to reap the rewards of their patience now that optimism and profits are back. But the immediate temptation for larger returns – for shareholders or other stakeholders – must also be balanced against the on-going need to invest for sustainable long-term value," said Kotze.

2017 saw a range of new entrants active in the mining sector. Private Equity investors took a keen interest in mining investment opportunities, for example, and were active participants in almost every quality coal deal brought to market in Australia during the year.

There are also examples of non-mining companies partnering or merging with miners to secure access to commodities. For example, Agrium, a Canadian fertiliser and chemical wholesale and retail company merged with the world's largest potash producer, PotashCorp, while Tesla continued to invest in lithium supplies, including their recent transaction with Kidman Resources in Australia.

In 2017 there was a 36 per cent reduction in the number of fatalities among the 28 companies (of the Top 40) that disclose safety statistics. Of the 22 companies that disclose injury statistics, 15 reported that the number of injuries had either fallen or remained consistent compared to the previous year.

While an improvement in the safety record of the Top 40 is welcome news, there is clearly more work to do to ensure a safe working environment for all employees.

Bulk commodities such as coal, copper, iron ore, zinc, manganese and chrome also showed remarkable price increases over the last two years. Miners of these commodities in Africa will reflect similar trends to those explained for the global mining industry.

Unfortunately, precious metals haven't done as well. The US-dollar gold price has remained relatively flat and platinum prices are at extreme lows. With higher input costs driven by input cost inflation, miners of these commodities are not experiencing the same growth as other commodities. They are still faced with the challenges of the bottom of the commodity cycle and job losses and mine closures are real risks.

What is the iPhone X?

The iPhone X – or iPhone 10 – is an important device for Apple. Not only does its release coincide with the 10th anniversary of arguably the most important tech product of the past decade, but it's the first iPhone in four years to undergo a major redesign. But it comes at a cost. A hefty one.

iPhone X – Design

Apple has been coasting for too long with the design it introduced for the iPhone 6, but that all changes with the iPhone X – in a big way. You don't need me to tell you the iPhone X is a huge departure from the iPhone design of old – just look at the pictures. Not only does it look good, however; Apple has done a fantastic job at actually making it feel really good too.

This phone is simply gorgeous. It's slightly taller than the iPhone 8 (and 7 and 6) but much narrower and smaller than the iPhone 8 Plus. It strikes the perfect balance, especially since you're getting a 5.8-inch display here.

The aluminium sides have been swapped out for stainless steel – as seen on the Apple Watch – and the front and rear of the device are glass. I received the Silver variant for review – and, unfortunately, it wasn't long before it was covered in fingerprints, those shiny sides being a particular magnet. This is a phone that looks fantastic straight after a wipe-down; not so much a few hours after it's been in your greasy palms.

Also, of concern is how the iPhone X will fare over time. No matter how unscientific they might be, drop tests indicate that the finish here doesn't lend itself well to wear and tear. After all, the stainless-steel Apple Watch I've been using is a scratched-up mess. As a result, my iPhone X has spent much of its time inside an Apple case, but this certainly sees it lose points in the glamour stakes.

It's around the front of the iPhone X that the magic happens, though. The iPhone 8 has an extensive bezel running around the display, but the iPhone X doesn't. Similar to the Samsung Galaxy S9, Apple has pushed out the screen to the edges here, significantly reducing the bezel. A noticeable black border remains, but it adds a nice contrast to the bright display.

The lack of a thick bezel means there's no room for the Home button, a feature present on every single iPhone iteration until now. As a result, there's no Touch ID fingerprint scanner. Instead, the iPhone X sees Apple introduce facial recognition – a bold move.

All of the components for Face ID (infrared camera, flood illuminator, dot projector) are housed in what's affectionately being called the 'notch'. You'll find the notch at the top of the display, where it somewhat disrupts that all-screen look. There's been much controversy concerning the notch with regards to it completely ruining the immersive experience. Once you begin using the phone, however, I've found that it simply blends into the background. The notch has become common sight since the iPhone X came out and Android phones like the LG G7 and Huawei P20 have both brought the design trait across.

Sure, you notice it when the screen is on, plus it juts into video if you're playing something full-screen. But in all other instances it fades into the background. Certain apps – Apple's Music being one – use software trickery to blank out the notch, and some apps clearly need to be updated to ensure important buttons aren't hidden by it.

In the space either side of the notch you'll find the battery indicator and time. Annoyingly, you can no longer see the battery percentage remaining or whether you have a pair headphone connected without opening the Control Center. The bigger annoyance is that the battery and signal indicators aren't in line with the bottom of the notch, so they dip slightly below and look rather weird.

I do feel that the notch gives the iPhone X a bit of character and a distinctive look, something lost by the dismissal of the Home button. I'm sure Apple would get rid of it in an instant if it could cram this tech inside the bezel; but it does feel as though the company wants to use it as a distinguishing feature while it's here.

iPhone X – Face ID

I've used Samsung's face unlock and iris scanners a fair bit and have never been particularly impressed by either their speed or accuracy. So, it was important that Apple's Face ID worked every single time.

It works accurately in both the light and dark; it can't be fooled by pictures or masks; and it works if you're wearing glasses too. There have been reports that twins have fooled it, and Apple told me some IR-blocking sunnies won't work, but these are limited scenarios. Note that you need to be 'actively aware' for it to work – you can't just shove it in someone's face and expect it to unlock.

Face ID isn't perfect, though, but then neither was Touch ID; the fingerprint scanner was poor if your fingers were slightly greasy or wet. This isn't a problem now. However, I have found that Face ID struggles if my eyes are a shrivelled mess, usually first thing in the morning, and if the phone isn't close enough to my face. If you're the type of person who tries to sneak a look at their notifications with your phone at pocket-level then you're out of luck.

Apps that previously used Touch ID as a means of unlocking will automatically be replaced by Face ID without the need for an update, and you can of course use it for Apple Pay payments too.

iPhone X – Screen

The iPhone X sees Apple switch out its usual LCD screen tech for an OLED panel for the first time. Samsung, Google and many other Android phone makers have been using this technology for some time now, and it's nice to see Apple finally joining the fray with a product other than the Apple Watch. This is also the highest-resolution screen ever on an iPhone, with a slightly odd 2436 x 1125 pixel, plus there's support for the DCI P3 colour gamut and Dolby Vision HDR.

OLEDs offer better contrast, true blacks and a more colourful picture, but they're not always perfect. The LG panels used by Google in the Pixel 2 XL have come in for plenty of criticism for poor viewing angles and an odd blue tinge. Even the excellent screens on the Samsung Galaxy S9 and S9 Plus are prone to suffering poor viewing angles.

Apple's OLEDs come from Samsung, and while there's a small shift to blue if you tilt the device off-axis, it's far less noticeable than on the Pixel 2 XL. Apple says it's made a fair few tweaks to this panel, and the company's optimisation of it is certainly different to Samsung's approach for its own Galaxy S9 and Note 8 panels. Colours on the iPhone X are more natural and the saturation isn't quite so intense.

ECONOMY TIMES

Ghana's most read weekly business newspaper

PRESENTS:

20 SAFE BANK HAVENS FOR CUSTOMER DEPOSITS

In the wake of the financial troubles afflicting several banks in Ghana, with corporate governance shortcomings and consequent poor risk management culminating in the threat of technical insolvency, the banking public are no longer guaranteed that their savings and investments placed with the country's commercial banking sector are completely safe.

Over the past seven months, two erstwhile universal banks have had their licenses revoked due to irredeemable technical insolvency, another has been placed under official administration to avert a similar fate and most recently, yet another has had an advisor imposed on it by the Bank of Ghana to address corporate governance shortcomings and capitalization deficiencies. There is a clear and present danger of further distress in Ghana's banking industry.

With the impending commencement of deposit insurance cover for retail deposits, the State will no longer guarantee the redemption of retail deposits of over GHc5,OOO.

While it is public knowledge that several other banks are tottering on the brink of insolvency and consequent inability to meet their obligations to customers who have placed savings and investments with them, the public does not have information as to which banks remain fully safe havens for their deposits, and which banks are not.

As a key part of our continuous effort to provide readers with crucial information with which to make key financial decisions at the institutional, enterprise and household levels, ECONOMY TIMES, is preparing for publication a Special Section which will contain a selection of 2O commercial ,banks which remain safe havens for customers savings and investments, amid the turmoil currently afflicting much of Ghana's banking industry.

The Special Section will be published in our edition to be circulated nationwide.

The edition will thus serve as the only available reference guide for the banking public as to where they can keep their deposits without fear of losing them to bank illiquidity, insolvency, or outright failure over the coming months.

It is being prepared using a combination of in-depth, technical analyses of the current financial solidity of the various banks, and insider information and insights made exclusively available to us.

Our selection is not conclusive in that it will not identify *all* the banks that are safe havens because that would, by default, also irresponsibly identify the banks that are not safe havens which would consequently set off a run on their deposits. Rather our selection will simply identify 2O safe options for depositors from which to choose.

BOOKINGS

As an invaluable reference guide, our special edition will be highly sought after by members of the banking public. Therefore it will be advisable to book your copies in advance to ensure your access to the crucial information and analyses it will contain.

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This is a must read reference guide publication for Ghana's banking public.
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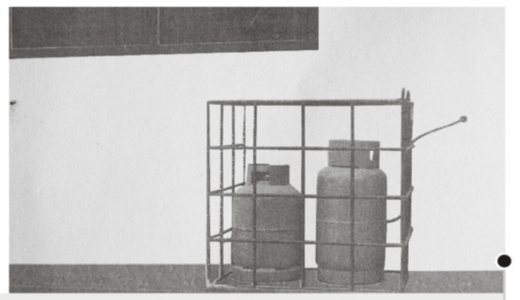

Ensure adequate ventilation to appliance.


Fit the cylinder pressure regulator only in daylight or under electric lighting.


Light your match before turning on the gas.


Always keep the cylinder in a vertical position with the valve on top and installed at ground level on the flat surface.


Do not place cylinder (empty or filled) near any naked flame or inflammable liquids.

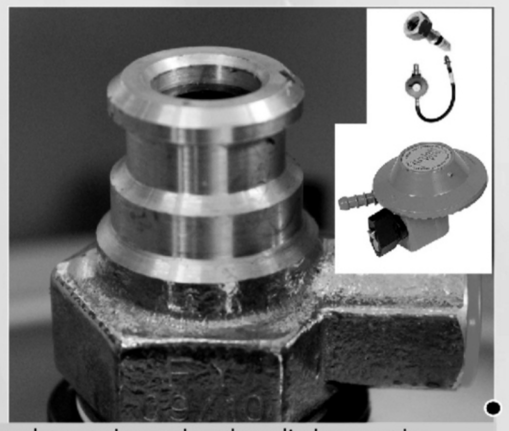

Regulators should always be kept in OFF position when the cylinder is not in use.


In case of leakage, which is characterized by typical gas odour, first open all windows to let in fresh air and extinguish all naked flames.


Check rubber tubes regularly for cracks, if any. Change rubber tubes once in two years


Before using cylinder, check for leakage from cylinder valve and other joints by applying soap solution

If cylinder accessories develop leakage, do not fix it yourself:, contact your supplier.


Regulators to be used on the cylinders must be of the same diameter as the cylinder valve

SAFETY TIPS

For more information contact
NATIONAL PETROLEUM AUTHORITY
ENA
House Number 20
Boundary Road
East Legon-Accra
CPMB
Cantonments-Accra

VODAFONE TOLL FREE: **080012300**
TEL: **0302 766196 / 766201**
MTN: **0545 006111 / 0545 006112**
FAX: **0302 766193**
EMAIL: **info@npa.gov.gh**

Ghana drafts Action Plan for compliance with Port State Agreement

The Food and Agriculture Organisation (FAO) is supporting Government to draft a National Strategy and Action Plan for its compliance with the 2009 Port State Agreement measures to prevent, deter and eliminate illegal, unreported and unregulated fishing.

The National Strategy and Action Plan is to lay out a plan of action that identifies existing gaps in relations to combating Illegal, Unreported and Unregulated (IUU) fishing and steps to address these gaps and to prevent, deter and eliminate IUU fishing by preventing vessels engaged in IUU fishing from using ports and landing their catches.

Dr Abebe Haile Gabriel, Regional Programme Leader for Africa and FAO Representative to Ghana, speaking at a workshop to formulate the National Plan of Action said it was now obvious that continued practices of illegal and unregulated fishing, wood logging and other bad agriculture practices threaten livelihoods and lead to high rates of malnutrition, poverty and food insecurity, which must be tackled with stringent measures at national, regional and global levels.

He said it was for this reason that FAO's support for the country's efforts towards combating IUU fishing comes in handy within FAO's core mandate to end hunger and malnutrition through increased and improved provision of goods and services from agriculture, forestry, fisheries in a sustainable manner.

He said Ghana's acceding as Party to the Agreement on Port State Measures, is an essential aspect of the government's commitment and determination to combat IUU fishing.

He said fish is an important source of food security and nutrition among Ghanaians; on average per capita consumption is estimated about 23–25 kg per year, which is on the high side.

"As many as 2.5 million people are directly dependent on the fisheries sector for their livelihoods, which means that it is an important job creation sector," he said.

He said an improved performance of the fisheries and aquaculture sector in Ghana is therefore strategic and consequential for the achievement of Sustainable Development Goals.

He said the agreement reduces the incentives for such vessels to continue to operate, while it also blocks fishery products derived from IUU fishing from reaching national and international markets.

"The effective implementation of the agreement ultimately contributes to the long-term conservation and sustainable use of living marine resources and marine ecosystems," he added.

Dr Gabriel said the agreement would also support the enhancement of national means and competencies to carry out coordinated monitoring, control and surveillance operations to combat IUU fishing through PSMs and complementary MCS tools.

"FAO is privileged to be associated with this noble undertaking in support of countries efforts for them to be able to rightfully use and manage their own natural resources in a sustainable manner," he said.

The FAO Representative emphasised that combating IUU fishing should be a national and regional priority with strong commitment and resolute action by Flag States, Port States, Coastal States and Market States.

Mr Francis Kingsley Ato Cudjoe, the Deputy Minister, Ministry of Fisheries and Aquaculture Development, said the efforts to deter, prevent and eliminate IUU fishing required collaboration with key institutions, whose work in the maritime domain includes the sea ports.

He said the marine fisheries have long been a pillar of Ghana's coastal economy, contributing significantly to Ghana's socio-economic development, adding that the sector generates over one billion US dollars in revenue each year and accounts for at least 1.2 per cent of the GDP.

"The sector also accounts for an estimated 2.6 million people or 10 per cent of the population employed directly or indirectly," he added.

He commended the FAO and the Government of Norway for spearheading the support for such an important initiative in Ghana and globally.

The agreement entered into force on June 5, 2016, and as at February 2018, there were 52 State Parties and one-member organization.

GNA

Trade partners want new trade policy for Ghana

Industry, trade and commerce players have blamed the current trade policies in force for the high level of unemployment in the country.

The sector associations' have therefore resolved to team up to mount pressure on government to change the country's trade policy.

The associations include; the Trades Union Congress(TUC), Association of Ghana Industries(AGI), Ghana National Chamber of Commerce, and the Association of Employers.

According to the group, the current trade policy favours importation, affecting local production and ultimately leading to a high unemployment rate in the country.

Some statistics show that the rate of unemployment among the general population currently stands at 12%, while the unemployment rate among the youth is at 25%.

Speaking to Citi Business News after a breakfast meeting as part of the collaborative efforts, Executive Secretary of the TUC, Dr. Yaw Baah, said the individual associations have not been able to effectively demand for change, hence the need for the consolidation.

"The talking must end, let us rise up. Let us put pressure on our government to do the right thing. Most of our failures are because our policies have failed. If you have policies that fail, then they are not good policies."

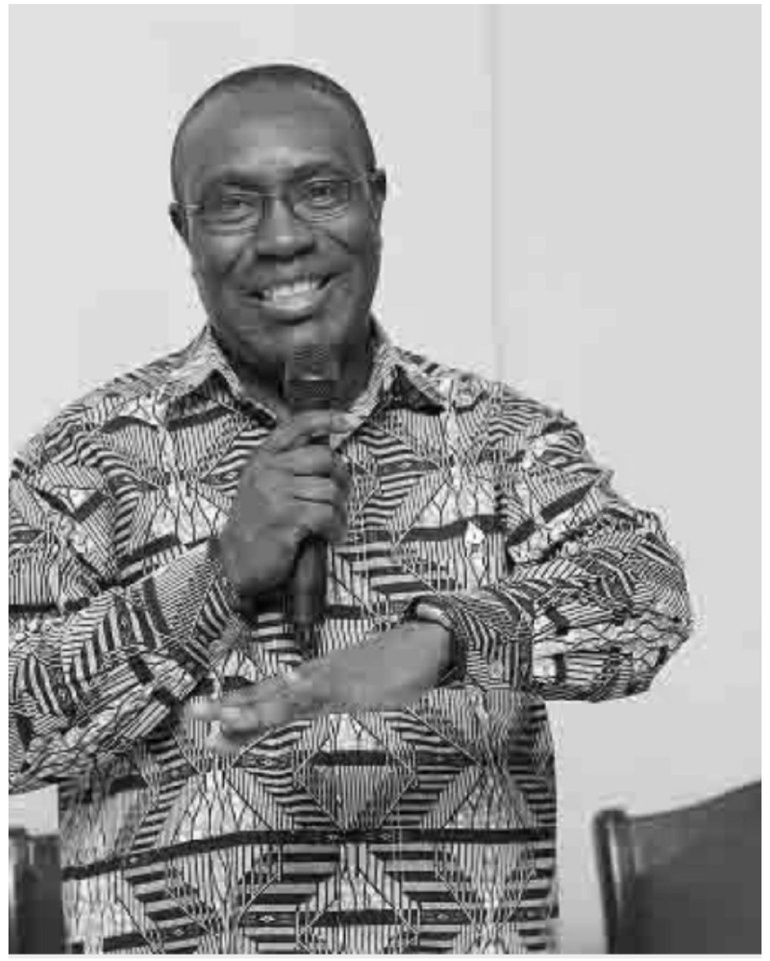
Dr. Baah added that "the trade we do now in Ghana is only for imported goods. If we want to create jobs for our children then we have to go back to industry."

The meeting is the first of the series of meetings the groups want to hold to discuss an action plan for their agenda.

On his part, President of the AGI, Dr. Yaw Adu Gyamfi said government has failed to address the high unemployment rate in the country.

"We have to look at the trade policies and see how we can promote local investors because they will create jobs. But if you always look at people to bring things into the country, then you are creating jobs for other countries because these investors come to sell products from their countries, Dr. Adu-Gyamfi noted.

The group is hoping to set up a committee made up of representatives from all the associations to put together a framework to begin the process.



IFC to invest $60M in Ghana and seven other African countries

The International Finance Corporation (IFC) has announced a $60 million investment to support small and medium-sized business loans in Ghana and seven other African countries.

A press release to the Ghana News Agency, last week said, the move is intended to facilitate growth and job creation in the region.

The funding will support Bank of Africa Group (BOA) loans to small and medium-sized (SMEs) enterprises in Ghana, Burkina Faso, Mali, Niger, Senegal, Tanzania, Togo and Madagascar.

Supported by IFC's Womens' Opportunity Fund (WEOF), the investment will cover up to 50 per cent the risk with an amount equivalent to $ 120 million in loans to SMEs in these countries, including half of the expenses being allocated to women-run businesses.

Mr Oumar Seydi, IFC's Regional Director for Africa, said, "Expanding SME financing, especially in higher-risk markets, is an important pillar of IFC's strategy for Africa."

"This facility will allow BOA to provide more than 5,000 loans to underserved SMEs over the next five years. It could have a transformational impact on participating countries, including seven low-income countries and five fragile and conflict-affected countries."

According to official figures, in sub-Saharan Africa, where around 350 million new jobs will be needed over the next 20 years, SMEs account for 30-60 per cent of gross domestic product and 67 per cent of jobs.

GNA

Recent depreciation of the cedi is temporary - *BoG Official*

The recent blip in the foreign exchange market that has seen a slight depreciation of the cedi against the dollar is short-term and a reflection of a spillover from external developments, an official of the Bank of Ghana has said.

Mr Steve Opata, the Director, Financial Markets Department, told a section of the media that changes in global financing conditions, due to rising oil prices and hikes in US interest rates, were impacting frontier market economies in Sub-Saharan Africa.

However, he said, Ghana is in a strong position to overcome the exchange rate volatility due to excellent economic fundamentals and a good external payments position.

"We want to assure the market that we have adequate reserves and the fundamentals do not support the slippages we have seen and we expect it to correct itself," he said.

From the week beginning May 21, the local currency had been under pressure, particularly the cedi against the dollar.

The cedi opened on the interbank market on Tuesday last week at 4.43 cedis to the dollar while the Forex Bureaux were quoting it at 4.65 cedis to the dollar.

"In the case of Ghana, we strongly believe that staying on track with government's fiscal consolidation plan, the strong trade surplus, narrowing current account balances, significant build-up in international reserves (now standing at US$8.1 billion and 4.4 months of imports cover), and declining inflation rates, should moderate this impact," he said.

On fears of some market participants that MTN's payments to external shareholders from the initial public offering could impact negatively on the exchange rate, Mr Opata said the BoG had received assurances from management of MTN that there were no immediate plans to externalise the payments.

"The BoG is engaging the management of MTN Ghana to ensure that any Foreign exchange outflows arising from this transaction is done in a phased and orderly manner," he said, adding that even if there are some externalisations we will work with them so that it is done in a gradual manner so as not to shock the system.

"I don't think market participants should be too concerned that this will dislocate the market because it would be done in an orderly fashion," Mr Opata added.

He said the BoG would continue to assess the market and support with liquidity when necessary, adding that, the global and domestic developments do not yet pose a threat to inflation in Ghana in the near term, and that, the BoG is monitoring the situation to take appropriate policy actions as required.

GNA

Portuguese business delegation to invest in Ghana

The Portuguese Association of Metal and Electromechanical Industries has expressed interest to invest in the country's manufacturing and infrastructural sector for mutual benefits.

The Association has expertise in the metal and electrochemical sector and will be ready to strengthen institutional collaboration to explore investment opportunities.

Ms Maria Luis Correia, the Head of the Delegation, said this in Accra when an eight-member delegation called at the Ministry of Trade and Industry to discuss business opportunities between the two countries.

She said the delegation was to have a first-hand interaction with key companies in the manufacturing sector to strengthen relationships and chart the way forward as far as investment was concerned.

Ms Correia said their outfit had expertise in the manufacturing, engineering, agriculture and other sectors and would provide assistance and support through technical services, and enhance the development and progress of activities in the companies.

She said the Association was ready to promote and encourage vocational training and development of human resources in the metallurgical and electromechanical sector.

Mr Ebo Quayson, Team Leader, Export Trade and Investment at the Ministry of Trade and Industry, said government had designed policy reforms to make Ghana the most business-friendly nation in Africa to accelerate socio-economic development and prosperity for all.

To this end, government has outlined a 10-point agenda to transform the industrial sector of the national economy that would create job opportunities for the teeming unemployed youth and ensure prosperity for all Ghanaians.

He mentioned the industrial agenda was anchored on the following areas: building competitive businesses of existing local industries by facilitating access to medium and long term financing at low interest rate, and implementing the One District, One Factory initiative designed to bring industrialisation to the doorsteps of the people.

Mr Quayson enumerated other initiatives, including introduction of strategic anchor industrial initiatives to create new growth poles for the Ghanaian economy; establishment of industrial parks and special economic zones in each of the ten regions (One Region, One Park); and promoting small and medium-scale enterprise development.

Mr Edward Asong-Lartey, Director of Investor Services, Ghana Investment Promotion Centre, assured the delegation of an enabling environment for investment, adding that Ghana was the second largest economy in West Africa with market access to the over 350 million strong ECOWAS market.

He said Ghana was opened for doing business and urged them to explore in areas such as agriculture, manufacturing, education, ICT, health and energy.

Mr Ashong-Lartey assured the delegation of investment incentives such as guarantee against expropriation, custom duty exemption on plant, machinery and equipment.

"There is strong government support for investment and our legal framework is transparent to ensure the success of every investor," he added.

Mr Ernest Agyapong, the Team Leader for One District One Factory policy, said the initiative was aimed at creating jobs for Ghanaians through the setting up of factories and industries, and welcomed the investors to collaborate to move the country towards greater industrialization.

He said the policy aimed to transform the structure of the economy from one which was dependent on production and export of raw materials to a value-added industrialised economy, driven primarily by the private sector.

GNA

OCP Africa launches Agribooster programme for Ghanaian farmers

Agribooster programme, meant for farmers to boost food production in Ghana, has been launched in Accra last week by OCP Africa, a subsidiary of the Moroccan Phosphate Group, a company committed to the development of the agricultural ecosystem in Africa.

The farmer-centred market development model, called the 'Agribooster Offer, aims at supporting smallholder farmers to get access to good quality inputs and financial services, enhance market linkages and benefit from training on Good Agricultural Practices (GAP).

The programme's end goal, is to help farmers increase their yields and hence, their revenues.

Under the programme, two agricultural inputs packages namely "Agribooster Plus" and Agribooster would be introduced to farmers.

The "Agribooster Plus" package is a compressive package consisting of high performing hybrid seeds, crop protection chemicals and fertilizers.

The package would be offered to lead farmers, who would also benefit from training in GAP and farming as a business.

The regular Agribooster package consists of fertilizer and cascaded training on GAP and farming as a business.

This training is to be delivered by the lead farmers.

The objective of the package is to also demonstrate the impact of training and good application of fertilizers on farm yields, and eventually, convince farmers to switch to the "Agribooster Plus" package.

The overall goal of the project is to enhance a sustainable farmer ecosystem and consolidate availability of high quality agricultural inputs (fertilizers, seeds and crop protection chemicals) and services (training, finance and take-off).

Dr Seth Osei Akoto, Director of Crops, Ministry of Food and Agriculture (MoFA), who officially launched the programme in Accra on Wednesday, said improving yields of these priority crops would allow farmers to meet demand for feed, food and jobs (both rural and urban), while minimizing the pressure on the need to bring large amounts of new land into crop production.

He noted that the programme was governed by demand and market-driven approaches and led to increases in adoption of quality seeds of improved varieties, fertilizers and good agronomic practices as well as marketing of farm produce.

He explained that it also built a critical knowledge base and strengthened systems that would further catalyze private sector participation and full engagement in the agriculture sector.

He urged farmers and agribusiness community to take maximum advantage of the opportunities being offered by the 'Agribooster' programme of OCP Africa; so as to increase productivity of major crops and ultimately aid in the socio-economic transformation of our country Ghana.

Dr Osei Akoto, also formally cut the tape to commission the motorbikes for the project's extension officers.

Mr Samuel Oduro-Asare, Country Manager, OCP Ghana, said the programme holds a transformative offer to the nation's farmers, youth and any other group or individuals interested, not just in farming, but aspires to be successful at it.

He said to ensure effective monitoring and supervision of the programme, the project extension officers would be provided with motorbikes to facilitate their work.

Mr William Awuku Ahiadormey, Chief Executive Officer, Cropcare Ghana Limited, challenged Ghanaian farmers to rise up and produce enough food crops for domestic consumption and the export market.

GNA

Government dedicated to promoting on-farm productivity – *MoFA Director*

The government, through the Ministry of Food and Agriculture (MoFA), is dedicated to promoting on-farm productivity through intensification of targeted crops; thereby, ensuring job creation in agriculture and other related sectors.

Dr Seth Osei Akoto, Director of Crops, MoFA, said agriculture had long provided a firm foothold for Ghana's economy, stating that growth in the contribution of the agriculture sector to national Gross Domestic Product (GDP) in recent years, however, had consistently declined.

"Trends in production of major food crops such as maize, rice and sorghum show that on-farm productivity has stagnated and the exploitable difference between the actual and potential yield of most crops has widened," Dr Osei Akoto stated at the launch of the OCP Africa Agribooster programme in Accra.

"Improving yields of these priority crops will allow farmers to meet demand for feed, food and jobs (both rural and urban), while minimizing the pressure on the need to bring large amounts of new land into crop production."

OCP Africa is a subsidiary of the Moroccan phosphate Group, a company committed to the development of the agricultural ecosystem in Africa.

The farmer-centred market development model called the 'Agribooster Offer' aims at supporting smallholder farmers get access to good quality inputs and financial services, enhance market linkages and benefit from training on good agricultural practices.

The programme's end goal is to help farmers increase their yields and hence, their revenues.

Under the programme, two agricultural inputs packages namely "Agribooster" and "Agribooster Plus" would be introduced to farmers.

Dr Osei Akoto said studies undertaken by MoFA revealed that low accessibility and inadequate use of certified seeds, insufficient nutrient fertilizer application, lack of extension services to farmers, weak linkages between producers and markets, and limited use of information and communication technology (ICT) in agriculture sector were amongst the major factors stifling productivity in the agriculture sector.

He said in an effort to resolve these constraints, the government in 2017, launched a flagship programme dubbed 'Planting for Food and Jobs Campaign' (PFJ).

He said the PFJ programme provides a framework for engaging farmers through a private sector-led agricultural value chain development.

"The programme is governed by demand and market-driven approaches that lead to increases in adoption of quality seeds of improved varieties, fertilizers and good agronomic practices as well as marketing of farm produce while building a critical knowledge base and strengthening systems that will further catalyze private sector participation and full engagement in the agriculture sector," he said.

He said the use of fertilizer in agriculture was very crucial in African countries owing to the fact that the soil was perceived to be the poorest in the world.

He said the programme had increased farmer's access to fertilizer, reduced their cost of production to fertilizer input and enabled farmers to apply the right quantities of fertilizer.

He noted that research conducted by Peasant Farmers Association of Ghana years ago on the impact of fertilizer subsidies revealed that, small scale farmers, especially, women's livelihoods had improved and these farmers were experiencing a reduction in poverty and an increase in their income, albeit at a slow rate.

He urged farmers and agribusiness community to take maximum advantage of the opportunities being offered by the 'Agribooster' programme of OCP Africa so as to increase productivity of major crops and ultimately aid in the socio-economic transformation of our country Ghana.

Mr Samuel Oduro-Asare, Country Manager, OCP Ghana, said the programme holds a transformative offer to the nation's farmers, youth and any other group or individuals interested, not just in farming, but who aspire to be successful at it.

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GNA

Capacity to adapt is crucial for sustainable development - *World Development Report*

The World Development Report 2017: Governance and the Law has said the capacity to adapt, both politically and economically, is crucial for sustainable development.

According to the report high priority should be given to the continuous cultivation of adaptive policies and institutions.

Dr Deborah Wetzel, Senior Director, Governance Global Practice, World Bank, presented findings of the report in Accra.

The report deals with the topics such as governance and the law; "why are carefully designed, sensible policies too often not adopted or implemented? When they are, why do they often fail to generate development outcomes such as security, growth, and equity? And why do some bad policies endure?"

It addresses these fundamental questions, which are at the heart of development.

It said policy making and policy implementation do not occur in a vacuum; but rather, they take place in complex political and social settings, in which individuals and groups with unequal power interact within changing rules as they pursue conflicting interests.

The process of these interactions is what this Report calls governance, and the space in which these interactions take place, the policy arena.

It said the capacity of actors to commit and their willingness to cooperate and coordinate to achieve socially desirable goals are what matter for effectiveness.

"However, who bargains, who is excluded, and what barriers block entry to the policy arena determine the selection and implementation of policies and, consequently, their impact on development outcomes."

The 300-page report said exclusion, capture, and clientelism were manifestations of power asymmetries that lead to failures to achieve security, growth, and equity.

It said the distribution of power in society was partly determined by history; yet, there was room for positive change.

The report reveals that governance could mitigate, even overcome, power asymmetries to bring about more effective policy interventions that achieve sustainable improvements in security, growth, and equity.

It said this happens by shifting the incentives of those with power, reshaping their preferences in favour of good outcomes and taking into account the interests of previously excluded participants.

It said these changes could come about through bargains among elites and greater citizen engagement, as well as by international actors supporting rules that strengthen coalitions for reform.

Dr Wetzel said three institutional functions - commitment, coordination and cooperation - matter for policy effectiveness.

The presentation was followed by a roundtable on the theme "Improving Good Governance to Meet Today's Development Challenges" - solutions as to how Ghana could revive its old culture and ethos of integrity, transparency and accountability to fight the governance challenges it faces based on World Development Report 2017: Governance and The Law.

The discussants were Prof Henry Kwasi Prempeh, Executive Director, Centre for Democratic Development – Ghana; Mr Kofi Abotsi, Dean of GIMPA Law School; and Dr Bossman Asare, Head of Political Science Department, University of Ghana.

GNA

Petroleum contracts fiscal regime: *are we getting better with age?*

By: Adnan Adams Mohammed

Since Ghana started commercial production of oil, the expectations from most Ghanaians including economists, politicians, civil society groups and ordinary citizens were those of high optimism. Some even thought the country will be a 'Dubai' replicate of Africa using the earnings from the oil.

But, after 11 years of exploration and production of oil and gas from three oil fields (Jubilee field, TEN field and ENI field), there appears to be a wide gap between reality and the expectations that people had. Admittedly though, there is appreciative record of foreign direct investment (FDI) which in 2011 contributed to the over 14% growth of the economy and also contributed heavily to the 8.4% GDP growth recorded in 2017.

The Finance Minister Mr. Ken Ofori Atta in last year's budget stated that, total petroleum receipts were approximately US$3.2 billion as at 2016. Though this is additional money that was not available to the country, people argue that Ghana could have gotten more if we negotiated better.

The US$3.2 billion receipt is about 4 percent of Ghana's Gross Domestic Product (GDP). Although this provides an additional stream of income for the government, it is relatively small compared to non-oil revenues over same period, most of which come from the mining and agriculture sectors.

The US$3.2 billion can also be considered not significant compared to the investment in the oil and gas sector in Ghana since exploration began over a decade ago, with many suggesting that Ghana could have gotten more from the resource.

The excuse of attracting FDIs

A look at the various petroleum agreements shows that a number of incentives were given to the oil companies. Government argues that such incentives were intended to attract the International Oil Companies (IOCs) as Ghana was not a known oil producer. However, it is important to note that key determinants of Foreign Direct Investment (FDI) inflow go beyond fiscal incentives; they include maturity of geological basins, availability of geological data, track record of exploration successes, skilled labour, level of infrastructure development, and efficiency of the services sector. May be we should pay more attention to these in order to have a stronger bargaining chip. Like any FDI in all sectors of the economy, any oil block or field signed brings jobs, tax revenue, crude oil and gas sales, additional investments, which results in economic growth and maybe economic development. But more importantly, the better the terms of the agreements, the better the benefits derived.

Are we getting any better with new contracts?

Granted that we were novices some ten years ago, how about now? Experts say Ghana's western offshore area has been de-risked after the second oil field, TEN, commenced commercial production. Expectedly, the power and skills of the national negotiation team for oil block contracts should improve to secure better deals and draw in more revenue and benefits to the country. However, a trend analysis of the various contracts signed does not suggest that we have gotten better with experience.

The petroleum fiscal regime is a set of laws, regulations and agreements which governs the economic benefits derived from petroleum exploration and production. The regime regulates transactions between the political entity and the legal entities involved.

The fiscal regime within the country's petroleum sector include; paid and carried interest, royalties, corporate income tax, surface rentals, income tax (PAYE), bonus payment and additional oil entitlement, property rates of landed assets among others.

According to the International Monetary Fund (IMF), fiscal regimes for countries vary greatly with a wide range of instruments being used. "Country circumstances require tailored advice, but a regime combining a royalty and a tax targeted explicitly on rents (along with the standard corporate income tax) has appeal for many developing countries", Carlo Cottarelli of IMF's Fiscal Affairs Department has said.

Table of selected oil block contracts and their fiscal regime is provided below:

Oil Blocks	Carried Interest	Paid Interest	Royalty	CIT	Surface Rental (US$/ per sq Km)	Capital Allowances	Import Duty	Export Duty
Jubilee Partners	10%	3.64%	5%	35%	30, 50, 75, 100	100% 5-year straight-line deduction	0	0
TEN	10%	5%	5%	35%	30, 50, 75, 100	100% 5-year straight-line deduction	0	0
ENI	15%	5%	10% @ 1,312 ft; 7.5% @ depth > 1,312 ft	35%	30, 50, 75, 100	100% 5-year straight-line deduction	0	0
Springfield	New - 11% Existing 8%	New – 17% Existing – 5%	12.5%	35%	50, 100, 100, 200	100% 5-year straight line deduction	0	0
ExxonMobil	15%	3%	10%	35%	50, 100, 100, 200	100% 10-year straight line deduction	0	0

From the table above a critical trend analysis of the fiscals of the five selected oil block contracts depicts a mix judgement of improved benefits to the country. With the Jubilee Field and TEN fields, their fiscal terms in their agreement are almost the same with exception of Paid Interest where that of Jubilee field is 3.64% and TEN field had 5%. Also, ENI field had almost the same agreement with both Jubilee field and TEN field but had their Carried Interest at 15% while Jubilee and TEN Carried Interest were both 10%.

Springfield contract, signed later, offered Ghana a better deal among the first four contracts (Jubilee, TEN, ENI). This showed an improvement in the trend analysis of the fiscals. Logically, it was anticipated that subsequent contracts will also indicate an improvement over the previous ones. But that was not to be. The ExxonMobil contracts currently in public domain, looks worse off than that of Springfield. This has been a shock to most oil experts who were expecting that Ghana could have gotten a better fiscal term than that of Springfield which was the latest before the negotiation and signing of the ExxonMobil contract. It should be stated though that Government has indicated that the ExxonMobile contract in the public domain is different from what they are working with, although it has failed to produce what they claim is the authentic contract.

According to Dr. Steve Manteaw, energy policy analyst and Public Interest and Accountability Committee Chairman, ExxonMobil being allowed to recover cost over 10 years appears to over-ride the provisions of Section 67(6) of the Income Tax Law and its rationale. According to income tax law, financial cost recovery is supposed to be 20% straight-line method which is five years strictly.

Also, the sweeping nature of waivers in all the contracts really disadvantage Ghana: Tax liability waved on all export of petroleum from Ghana; No duty or other charges are levied on such export, including vessels used in transporting the crude; Tax liability waved on all imports of plant, equipment and materials for the project. This is, however, on condition that the national oil company, GNPC shall have the right of first refusal for these goods, yet this is not in the best interest of Ghana; and same as the Contractor's VAT liability waiver.

Again, authorization of 100% repatriation of earnings in all the contract agreements is really a disturbing situation for the economy. It affects the value of the local currency as well as deprives the country of supposed benefit of reinvestment of profits in other sectors of the economy to help in the even growth of all sectors of the economy.

There are also instances where provisions in contracts conflict and more often than not overrides the national laws. Dr Manteaw who also serves as Co-Chair of Ghana Extractive Industry Transparency Index (GHEITI) argues that this practice of using oil contracts to re-write the law of the industry as in the case of exempting some companies from the provisions of Section 67.6 of the Income Tax Law, undermines the rule of law of the country.

He adds that, going forward, it will be useful for an upstream cost/benefit analysis to compute or estimate the total tax expenditure as against revenue, in the various agreements to inform policy and new contracts, as he thinks, Ghana could be giving out too much to the investors.