

# Sowing the seeds for Growth and Jobs

## KEY POLICY INITIATIVES

MARCH 2017

# Sowing the seeds for Growth and Jobs



## Our Tax Reliefs

- ▶ The **1%** Special Import Levy **ABOLISHED**
- ▶ **“KAYAYEI”** MARKET TOLLS **ABOLISHED**
- ▶ **17.5%** VAT/NHIL on Financial Services **ABOLISHED**
- ▶ **17.5%** VAT/NHIL on selected imported medicines, that are not produced locally **ABOLISHED**
- ▶ **17.5%** VAT/NHIL on domestic airline tickets **ABOLISHED**
- ▶ **5%** VAT/NHIL on Real Estate Sales **ABOLISHED**
- ▶ **REPLACE 17.5%** VAT/NHIL with **3%** flat Rate for traders
- ▶ **TAX CREDITS** and other incentives for businesses that hire young graduates from tertiary institutions
- ▶ **TAX INCENTIVES** for young entrepreneurs
- ▶ Duty on imported spare parts **ABOLISHED**

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## Our Banking Sector Initiatives

- ▶ ESLA to accommodate all the existing legacy debts owed by SOEs in the energy sector.
- ▶ Ensure revenue streams from ESLA are appropriately used to guarantee steady cash flow for the payments of all corresponding debts.
- ▶ Increase the banking industry's minimum capital requirements and strengthen the licensing and regulatory framework.
- ▶ Introduce risk capital requirements in addition to the minimum capital requirements.
- ▶ Enhance enforcement of single obligor limit for commercial banks to minimise systemic risk.
- ▶ Support mobile money and mobile banking businesses to enhance and expand financial inclusion.

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## Our Capital Market Initiatives

- ▶ Realisation of gains on investments in securities listed on the GSE **Exempted For 2 Years**
- ▶ 2 YEARS STAMP DUTY **EXEMPTION** for Financial Services Industry to enable recapitalisation
- ▶ **ENCOURAGE** companies to list a predetermined percentage of their shares on the GSE as part of the local content policy
- ▶ Divest some **GOVERNMENT SHARES** in selected SOEs to ensure efficient use of public assets

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## Our Special Initiatives

- ▶ Rollout **NATIONAL IDENTIFICATION SCHEME**
- ▶ Provide **STIMULUS PACKAGE** for existing distressed companies as part of the National Industrial Revitalization Programme
- ▶ Provide **National Digital Addressing System** for lands and properties to improve ownership data for efficient delivery of services.
- ▶ Expand Nationwide Coverage of the **E-SERVICE PORTAL** to ensure efficient service delivery.
- ▶ **LOCAL CONTENT POLICY**
- ▶ **National Entrepreneurship and Innovation Programme**
- ▶ **\$1million 1 Constituency**



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## Our Revenue Enhancing Initiatives

- ▶ GRA to deploy **Electronic Point of Sale Devices** by 3rd Quarter of 2017
- ▶ Implement **TAX STAMP** on excisable products such as Tobacco, Cigarettes, alcoholic beverages and other tobacco products
- ▶ Enhance **TAX AUDITING** to improve Transfer Pricing Audits.
- ▶ **ABOLISH** all forms of **SPECIAL PERMITS**
- ▶ **NO TAX EXEMPTIONS** for National Health Insurance Levy on commercial loans
- ▶ All **MDAs** to budget and pay for import duties and taxes

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## Our Debt Management Initiatives

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- ▶ Introduction of **Innovative** Long Term Bonds
  - ▶ **LIABILITY MANAGEMENT** to reduce interest cost and other risks in debt portfolio
  - ▶ **Enhance Credit Risk Assessment** for SOEs
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# Sowing the seeds for Growth and Jobs

## Key Government Interventions Towards Growth and Job Creation



**One District  
One Factory**



**One Village  
One Dam**



**Planting for  
Food and Jobs**



**Water for all  
Projects**



**\$1million  
1 Constituency**



**Zongo  
Development  
Fund**



**Free Public  
Senior High  
School**



**Re-institution  
of Allowances  
(nurses and teachers)**



**Sanitation  
Projects**



**National Entrepreneurship  
and Innovation Programme**



# Sowing the seeds for Growth and Jobs



## Free SHS

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▶ Starts **SEPTEMBER 2017**

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▶ Budgeted Amount **GH¢400million** (Additional Allocation)

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# Sowing the seeds for Growth and Jobs



## One District One Factory

- ▶ To Start **2017**
- ▶ Over **350,000** direct and indirect **JOBS** to be created
- ▶ Budgeted Amount **GH¢456.3million**
- ▶ To Provide **216** medium to large Scale **FACTORIES** in each district
- ▶ To be driven by **PRIVATE SECTOR**

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## One Village One Dam

- ▶ To Start 2017 to ensure all year round **FARMING AND FOOD** Security
- ▶ Budgeted Amount **GH¢94.5million**
- ▶ Small to Medium Scale irrigation Schemes to be identified and rehabilitated e.g. Torgorme Irrigation Scheme
- ▶ IWAD to increase irrigated acreage at Yagaba by **413Ha**
- ▶ Complete Phase Two of Akumadan Irrigation Project in 2017

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## Planting for Food and Jobs Campaign

▶ To Start **2017**

▶ All Citizens encouraged to **FARM**

▶ Government to make available **Seeds/Seedlings**  
**Fertilizer**  
**Extension Services**  
**Marketing**

▶ Expected to create **750,000** In both direct and indirect **EMPLOYMENT**

# Sowing the seeds for Growth and Jobs



## Re-Institution of Allowances (Nurses and Teachers)

▶ Teacher and Nursing Trainee Allowances to be restored in **SEPTEMBER 2017**

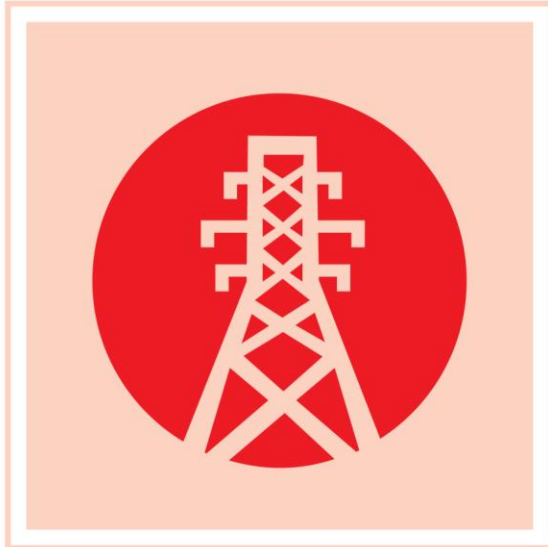
▶ **49,032** Teachers across **43** Public Colleges of Education to benefit

▶ **69,707** Trainee Nurses

▶ Budgeted Amount **GH¢252.2million**



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## Energy/Power Sector Reliefs

- ▶ Excise duty on petroleum **ABOLISHED**
- ▶ Special petroleum Tax rates **REDUCED** from **17.5%** to **15%**
- ▶ National Electrification Levy **REDUCED** from **5%** to **3%**
- ▶ Public Lighting Levy **REDUCED** from **5%** to **2%**

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## Macro Economic Stability for Growth and Jobs

- ▶ **3.6% GDP GROWTH** to **6.3%**
- ▶ **15.4% INFLATION RATE** to **11.2%**
- ▶ **8.7% FISCAL DEFICIT** to **6.5%**
- ▶ **6.6% Current Account Deficit** to **5.9%**
- ▶ **Foreign Reserves: 3.5 months** of Import Cover to **3.6 months**

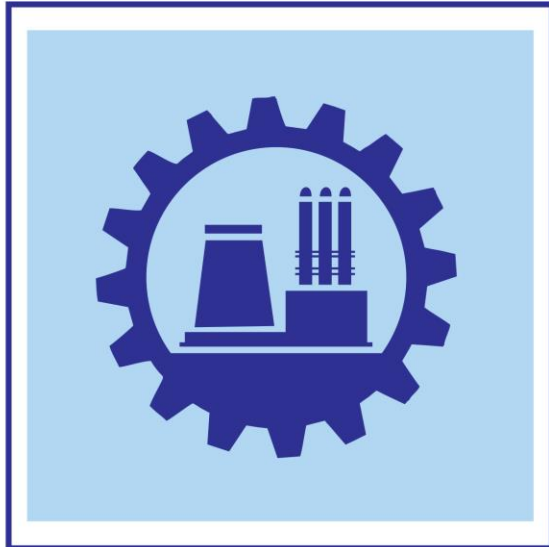
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## Local Job Creation

- ▶ **EMPLOY 30,764** in **154** Rural communities in climate change intervention
- ▶ **40,000 YOUTH** to be trained in Cocoa farming
- ▶ **50,000 YOUTH** to be employed in rehabilitation, replanting, mass spraying and fertiliser application
- ▶ **750 JOBS** to be created from the fisheries nucleus outgrowers scheme
- ▶ COCOBOD Pollination project to employ **30,000 YOUTH**

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## Industry

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- ▶ **GH¢100million** for venture capital trust fund through Ghana local banks
  - ▶ **GH¢200million** to finance agriculture and agri business
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