

ECONOMY

BoG projects positive growth outlook: The Bank of Ghana (BoG) has re-emphasized its projection of a positive outlook for growth, saying it will remain favourable over the medium-term, supported by increased oil production and an easing of the credit stance. BoG maintained that growth is expected to be given a major boost in the medium-term due to additional oil production, especially from AKER Energy, resumption of operations at the Obuasi mine, and on-going implementation of growth-oriented initiatives by the government ([thefinder](#)).

Debt to hit 62% of GDP in 2019: The International Monetary Fund (IMF) has projected the country's debt to GDP will increase by 2.4 percentage points to hit 62 percent in 2019, on the back of increase in foreign debt. It is noted that the increase in debt to GDP ratio will add Ghana to countries classified as having a high risk of debt distress. IMF believes that the huge infrastructural deficit on the continent has led many African governments to resort to foreign borrowing, hence the high debt to GDP ratio ([B&FT](#)).

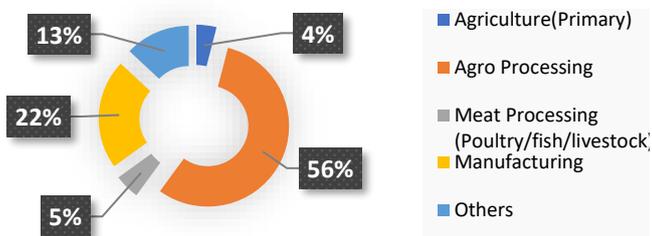
SECTORAL

Ghana gets new Companies Act after a long wait: After almost six decades in use, Ghana's Companies Act of 1963 will finally be replaced with the new Companies Act, 2019. The new Act would not compel investors to state the objects of their businesses, which would then allow them to engage in as many businesses as they wished. The new law is expected to enhance the ease of doing business in the country and also bring to bear best global practices, and have significant positive implications on the business environment ([Graphic](#)).

Government secures one billion dollars to revamp railways sector: The Government has signed two separate contract agreements with the Chinese Government to secure one billion dollars facility to revamp Ghana's Railways sector. The sector Minister maintained that Western and Eastern rail line, totalling 930 km, and new lines from Team to Akosombo, among others, would be constructed under the contracts ([GNA](#)).

GEPA targets \$5.3 billion Non Traditional Exports by 2023: The Ghana Export Promotion Authority (GEPA) has set a target of 5.3 billion dollars to trade Non-Traditional Exports to foreign markets by 2023. GEPA seeks to rely on 10 year cashew development strategic plan and other initiatives to achieve this objective ([CNR](#)).

Sectoral distribution of companies participating in 1D1F (N=181)



POLICY

IMF warns of revenue shortfall if Africa Free Trade Agreement is implemented: The International Monetary Fund (IMF) has warned that Ghana could face revenue shortfall if the country starts the implementation of the African Continental Free Trade Agreement (CFTA) this year. The IMF maintains that although the agreement will boost trade on the continent, it will affect earnings and employment opportunities in some sectors of the economy. Nonetheless, the IMF were optimistic that policy measures put in place will shelter the part of the population that would be affected. The sector Minister maintained that government has begun working with trade unions (GUTA, AGI and the GNCCI) to find ways of reducing possible shocks from the agreement. The IMF believes that for the country to enjoy the full benefit of the CFTA, government should consider structural reforms to improve agricultural productivity and strengthen the competitive advantage of the other economies ([CNR](#)).

MARKETS

Interest Rates

Inflation Rate (Mar., 2019): **9.3%**
BoG Policy Rate (April, 2019): **16.0%**
GRR (May, 2019): **16.11%**

Treasury Securities Rates

91-Day: **14.7569%**
182-Day: **15.3263%**
Source: [BoG 06/10.05.2019](#)

Foreign Exchange Rates

	Buy	Sell
Pound Sterling (£)	GH¢6.6359/	GH¢6.6444
Dollar (US\$)	GH¢5.0877/	GH¢5.0927
Euro (€)	GH¢5.6916/	GH¢5.6965

Source: [BoG 08-05-19](#)

Mutual Funds – Yields (MM & FIM 1)

TTL Income Haven: **+20.26% (01.04.19)**
Galaxy Mfund: **+9.39% (31.01.19)**
EDC Fixed Income: **+18.67% (02.05.19)**
First Fund: **+17.67% (03.05.19)**
Republic Unit: **+11.02% (06.05.19)**
SEM MoneyPlus: **+13.72% (30.04.19)**
Source: [Doobia](#)

TRADE & INVESTMENT

1D1F tax incentives will boost investor confidence: Government designed tax incentives for companies under the One District, One Factory (1D1F) initiative. Government maintained that approval of the tax incentives framework is expected to help inform and give confidence to the investor community about efforts being made by government to support the programme. The tax incentives include waiver of Import Duties, Import VAT/GETFund Levy, Import NHIL, ECOWAS Levy, AU Levy, EXIM Levy on Plant, Machinery and Equipment or parts as well as corporate tax for five years of operation. Government assured that the 1D1F programme will ensure even and spatial spread of industries and thus stimulate economic activity and growth in different parts of the country, promote exports and increase foreign exchange earnings to support government's development agenda, as well as reduce the volume of imports through imports substitution ([B&FT](#)).

INTERNATIONAL

ECOWAS to implement automotive industry policy to reduce vehicle import: Ministers and commissioner responsible for Trade, Industry and Investment in the Economic Community of West Africa States (ECOWAS) are in Accra to deliberate and validate the ECOWAS Automotive Industry Policy Framework. The validation of the policy would enable ECOWAS member countries to harmonise their automotive policies in order to optimise the benefit in the value chain of the industry ([GNA](#)).

Oil gains despite mounting US-China trade tensions: Oil prices rose on despite the start of US President tariff hike on \$200bn of Chinese goods, stoking the trade dispute between the world's two biggest economies. China on Friday said it "deeply regrets" the US move, adding that it would take necessary countermeasures, without elaborating ([Reuters](#)).