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June 16, 1993

To: Members of the Executive Board

From: The Acting Secretary

Subject: Ghana - Staff Report for the 1993 Article IV Consultation,
and Request for a Purchase Under the Compensatory and
Contingency Financing Facility

Attached for consideration by the Executive Directors is the staff report for the 1993 Article IV consultation with Ghana and its request expected to be received for a purchase equivalent to SDR 47.0 million under the CCFF, which is tentatively scheduled for discussion on Wednesday, July 14, 1993. A draft decision appears on page 15.

Mr. Nowak (ext. 38969) or Mr. Basanti (ext. 38719) is available to answer technical or factual questions relating to this paper prior to the Board discussion.

Unless the Documents Preparation Section (ext. 36760) is otherwise notified, the document will be transmitted, in accordance with the procedures approved by the Executive Board and with the appropriate deletions, to the European Communities (EC) and the GATT Secretariat, following its consideration by the Executive Board.

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GHANA

Staff Report for the 1993 Article IV Consultation and Request for
Purchase Under the Compensatory and Contingency Financing Facility

Prepared by the African Department

(In consultation with the Fiscal Affairs, Legal,
Monetary and Exchange Affairs, Policy Development and Review,
Statistics, and Treasurer's Departments)

Approved by Evangelos A. Calamitsis and Anoop Singh

June 15, 1993

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I. Introduction

The 1993 Article IV consultation discussions with Ghana were held in Accra during the period March 24-April 9, 1993. The staff team met with Dr. Botchwey, Minister of Finance and Economic Planning; Dr. Agama, Governor of the Bank of Ghana; Dr. Abbey, Ghana's Ambassador to the United States; and other senior officials and representatives of the private sector. 1/

Ghana is on the standard 12-month Article IV consultation cycle, and the last consultation was concluded on March 27, 1992. On that occasion, Directors commended the authorities for the substantial improvement in Ghana's economic and financial performance since 1983, and in the context of the three-year arrangement under the enhanced structural adjustment facility (ESAF) that had recently been completed. Directors stressed the importance of maintaining the momentum of macroeconomic adjustment and structural reform, and welcomed Ghana's continued dialogue with the Fund under the arrangements for enhanced consultations. Ghana continues to avail itself of the transitional arrangements under Article XIV, Section 2, but no longer maintains any restrictions thereunder.

The Ghanaian authorities have informed the Fund that they will shortly request a purchase in an amount equivalent to SDR 47.0 million (17.2 percent of quota) under the compensatory and contingency financing facility (CCFF) decision (Table 1), relating to a shortfall in export earnings for the year ended March 1993. If the CCFF purchase is made as scheduled, total Fund credit and loans outstanding would increase to 204.9 percent of quota. 2/

Ghana adopted a new constitution based on a multiparty system in April 1992, following a national referendum on the issue. Presidential and legislative elections were held in November and December 1992, respectively.

II. Background and Recent Economic Performance

Following a protracted period of economic decline, Ghana embarked in 1983 on an economic recovery program that sought to restore financial

1/ The staff team consisted of Mr. Nowak (head-AFR), Mr. Basanti (AFR), Mr. Danielsen (PDR), Mr. Lugaresi (FAD), Mr. Hossain (EP-AFR), and Mr. Maynard (staff assistant-AFR). Mr. Calamitsis (AFR) joined the mission for the policy discussions. The mission was assisted by Mr. Zaidi, the Fund's resident representative in Accra. Mr. Mirakhor, the Executive Director for Ghana, and Mr. Ahmed, Advisor to the Executive Director, participated in the policy meetings, which were also attended by Mr. Kanbur, the World Bank's resident representative, and Mr. Martin, of the World Bank.

2/ Ghana has no outstanding obligations under the CCFF. The last drawing under the compensatory financing facility was effected in December 1984.

discipline, place greater reliance on price signals and market forces, and implement institutional and structural reforms. With the rigorous implementation of this program, in support of which the Fund approved a series of arrangements, the most recent being a three-year ESAF arrangement, Ghana achieved a major turnaround in its economic performance. By 1991 the government budget had moved into a surplus position of 1.5 percent of GDP ^{1/} and inflation had been reduced to 10 percent (Table 2), compared with 142 percent in 1983. Under the economic recovery program, real GDP rose by an average of over 5 percent per year, well above the estimated annual rate of population growth of 2.6 percent. Ghana also enjoyed a succession of balance of payments surpluses during the period 1987-91, by the end of which gross official reserves had risen to the equivalent of 4.1 months of imports.

In 1992, after completion of the ESAF arrangement, the Ghanaian authorities decided to pursue the process of economic reform in the context of a program under the arrangements for enhanced consultations (EBS/92/34). The program, which was cast within an updated medium-term policy framework, aimed at achieving real GDP growth of 5 percent, bringing inflation down further to 5 percent, and generating a sizable balance of payment surplus. These targets were to be met through appropriately tight financial policies designed to increase the budget surplus to 1.8 percent of GDP and reduce broad money growth to about 12 percent. The program also called for continuing structural adjustment intended to expand the growth potential of the agricultural and industrial sectors, as well as to reform the civil service and the public enterprise sector. The program incorporated financial and structural benchmarks for the purpose of monitoring policy performance.

In the event, economic performance under the 1992 program fell well below expectations, and most of the program benchmarks were not observed (Table 3). Also, in view of the heavy political agenda, the scheduled midterm review of the program could not be held. ^{2/} The economic growth and inflation targets were not met, and Ghana's external position deteriorated sharply. To some extent, this disappointing performance reflected the impact on the balance of payments and the government budget of weak world market conditions for cocoa and an unexpected decline in cocoa production. More importantly, however, there were major government expenditure overruns as a result of a large wage increase granted to the civil service in an effort to quell labor unrest and maintain a stable political environment during the run-up to the elections. Slippages in other areas of the government budget magnified the widening fiscal

^{1/} The budget balance is defined narrowly to exclude capital outlays financed by external project aid, but to include other external grants and loans.

^{2/} The Executive Board was informed of developments in Ghana on the occasion of "country matter briefings," the most recent being on December 11, 1992.

imbalance, and there ensued rapid monetary expansion and a resurgence in inflation and balance of payments pressures.

In 1992 the government budget recorded a deficit of 4.8 percent of GDP, or about 7 percentage points of GDP worse than envisaged under the program (Table 4). Proceeds from petroleum duties fell well short of target, largely because pump prices were not raised to cover increases in costs arising from the depreciation of the exchange rate. Cocoa revenues were also lower than expected, on account of the decline in exports, and because tax proceeds that should have flowed to the Government were absorbed by large unforeseen increases in the costs of the Cocoa Board. 1/ Moreover, anticipated improvements in tax administration did not materialize and the revenue collection effort in a number of areas, notably company taxation and customs duties, weakened significantly. In all, the shortfall in government revenue amounted to almost 4 percent of GDP. At the same time, the increase in civil service pay, which consisted of an across-the-board salary adjustment averaging about 80 percent (effective July 1, 1992), and the costs associated with an end-of-service benefits program resulted in additional expenditures of some 2 percent of GDP. 2/ Large spending overruns also occurred in the capital budget.

The large fiscal deficit in 1992 was covered primarily by recourse to bank financing. Net claims on the Government by the banking system rose by the equivalent of 30 percent of beginning-of-period money stock, while the program had targeted a reduction of 22 percent. Interest rates were raised and sales of Bank of Ghana debt stepped up, but these efforts were not sufficient to absorb the considerable excess liquidity that had been created. 3/ As a consequence, broad money grew by 53 percent in 1992 (Table 5). As much of this monetary expansion was concentrated in the final quarter of the year, the full inflationary impact was not felt in 1992 and inflation for the year was limited to 13 percent. However, for the 12-month period through March 1993, the consumer price index rose by 23 percent.

1/ The Government's tax revenue from cocoa exports consists of the remainder of export proceeds after the farmers have been paid at pre-announced producer prices and after the marketing and operating costs of the Cocoa Board have been covered.

2/ In response to pressures from workers in the public enterprises and subvented organizations, the Government decided toward the end of 1992 to introduce a program to encash accumulated retirement gratuities (or end-of-service benefits). At the commencement of this program, the gratuities amounted to some ₵ 100 billion (or over 3 percent of GDP). The end-of-service benefits program provided for cash payments of 20-25 percent of total gratuities at end-December 1992 and payment of the remainder, together with interest, over a period of two and a half years.

3/ The central bank's rediscount rate was increased from 20 percent to 30 percent during 1992.

Agricultural production is estimated to have declined by 0.6 percent in 1992, primarily because of a poor wet season. As a result, despite a surge in industrial output and a continued expansion of activity in the services sector, real GDP growth was limited to 3.9 percent in 1992, which compares with a program target of 5.0 percent.

On the external front, the current account deficit (including official transfers) widened in 1992 to 5.5 percent of GDP, as against a programmed 3.2 percent (Table 8). Despite solid gains in gold production, exports fell below expectations because of the disappointing performance in the cocoa sector and a sharp fall in timber prices. Moreover, demand pressures arising from the weakening of fiscal and monetary policies spilled over into strong import growth. The adverse impact of these developments on Ghana's international reserve position was compounded by a shortfall in external assistance prompted in large measure by the failure to fulfill conditions for the release of funds from three World Bank structural adjustment credits. ^{1/} Consequently, the overall balance of payments is estimated to have recorded a deficit of US\$124 million in 1992, whereas the program had envisaged a surplus of US\$140 million. By the end of 1992, gross official reserves had fallen sharply, to the equivalent of 2.6 months of imports.

The external value of the cedi declined throughout 1992, with the pace of depreciation being particularly marked during the final quarter as financial policies became increasingly expansionary and the central bank eased its intervention in the foreign exchange market in order to protect its international reserve position. The real effective exchange rate index for the cedi fell by 15 percent (end-of-period basis) in 1992.

The pace of structural reform slowed during 1992, particularly with regard to implementation of the divestiture program. However, progress was made in several important areas, including the adoption of a new public investment program; the establishment of a timetable for the introduction of a value added tax; and the initiation of a number of changes to the legal and regulatory framework, covering the investment code, capital controls, and industrial and labor relations.

III. Report on the Discussions

The Ghanaian authorities emphasized that they were determined to correct the slippages in policy implementation that had occurred during 1992, and return the economy to an adjustment path that is consistent with attaining the dual objectives of balance of payments viability and accelerated growth. The discussions thus focused on the formulation of a

^{1/} Of a total shortfall of US\$125 million in external assistance (i.e., loans and grants from multilateral and bilateral sources), US\$105 million represented delays in disbursements from the World Bank.

macroeconomic program for 1993 that would seek to restore fiscal discipline, bring money supply growth firmly back under control, and reconstitute Ghana's international reserve position.

1. Policy framework for 1993

Ghana's 1993 program has been designed to achieve the following macroeconomic objectives: real GDP growth of about 4.5 percent; inflation of 20 percent; and an overall balance of payments surplus of US\$168 million. To attain these objectives, the program calls for a turnaround in the government budget balance to a surplus of 0.3 percent of GDP and zero growth in broad money.

If Ghana is to achieve accelerated growth over the medium term, gross investment will have to rise from the level of 12.6 percent of GDP recorded in 1992. However, reliance on external assistance at present levels is not sustainable, and Ghana will need to generate the savings necessary to fund investment and growth from domestic sources. The 1993 program therefore places emphasis on financial and structural policies aimed at mobilizing domestic savings and removing impediments to the efficient allocation of resources.

2. Financial policies

A key element of the 1993 program is a targeted improvement in the government budget balance by about 5 percent of GDP, over 3 percent of which represents additional revenue from petroleum duties. To meet this goal, premium petrol prices were raised by 60 percent in January and further increases are planned. The revenue effort from cocoa exports should benefit from an anticipated real depreciation of the exchange rate and from steps the Government is taking to limit the expenditures of the Cocoa Board; as a consequence, cocoa revenues are expected to rise by the equivalent of nearly 1 percent of GDP. In addition, an acceleration of the divestiture program, which calls for over 30 public enterprises to be offered for sale, is expected to yield around 1.5 percent of GDP. To ensure that their overall revenue target is met, the authorities will take further revenue measures amounting to some 0.3 percent of GDP. The staff discussed a number of alternative measures with the authorities, including an increase in the rate of sales tax, a phased elimination of duty exemptions, and a temporary import surcharge.

During the discussions, the authorities expressed concern over the observed weaknesses in the tax administration system. A review had therefore been undertaken of tax collection procedures in those areas where the problems were most apparent; and a range of remedial actions had been

taken. ^{1/} Measures had also been put in place to collect arrears on taxes, dividends, and loan repayments from parastatal enterprises. While the authorities are confident of a marked improvement in the revenue effort in 1993 in response to these actions, in the interest of caution no revenue gains have been explicitly factored into the program projections.

Government expenditure is programmed to rise by 1.5 percent of GDP in 1993, which partly reflects the full-year impact of the civil service salary increase in the previous year. The authorities are committed to granting no general pay increase this year, although some adjustment in personnel emoluments will be necessary as a result of the implementation of a job regrading scheme designed with donor technical assistance. Moreover, additional spending will be required to fund the end-of-service benefits program. The Government intends to cut back on expenditure on other goods and services relative to GDP, but the savings in this area will need to be used for staffing and maintenance of the new parliamentary institutions.

On the monetary policy front, the authorities face the immediate challenge of sterilizing the excess liquidity that was generated toward the end of 1992. However, while it is their intention to tighten credit conditions quickly and sharply, they recognize that price developments that have already taken place this year, including the cost-push impact of the hike in petrol prices, make it unlikely that inflation can be contained at less than 20 percent in 1993. In the course of the discussions, the authorities expressed concern about the possible adverse implications of this inflation target on the forthcoming wage negotiations in the public enterprise and private sectors. They are therefore of the view that tightening financial policies even further might be necessary in the event that price and wage trends turn out to be significantly less favorable than anticipated.

The task of bringing money supply growth back under control will be facilitated by the substantial net repayments of domestic debt that the Government expects to make during 1993. Nevertheless, a tight rein will still need to be placed on private sector credit expansion if the broad money and balance of payments targets are to be met without placing undue pressure on the exchange rate. In addition, the central bank will have to take action to neutralize the expansion of commercial bank liquidity that is likely to arise during 1993 as a result of a significant decline in the

^{1/} These include: revising the basis upon which the exchange rate is used for the calculation of import duties and sales taxes; reducing the time lag in transferring revenue proceeds from collection points to the central bank; identifying and eliminating fraudulent practices; removing certain companies from excise duty concessions; and conducting audits and investigations to deal with the evasion of customs duties and company taxation.

public's holdings of currency relative to deposits. 1/ The Bank of Ghana is therefore targeting a contraction of 19 percent in reserve money in 1993, an objective that will require it to engage heavily in open market operations.

In keeping with this strategy, the monetary authorities have sold so far this year large amounts of Bank of Ghana bills through the weekly debt auction; this contributed to a decline in reserve money of 17 percent on a seasonally adjusted basis during the first quarter of 1993, while broad money was flat. An improvement in fiscal performance allowed for a net repayment of domestic government debt of $\text{G} 44$ billion in the first quarter, which compares with the target for the year of $\text{G} 84$ billion.

In January 1992 the Bank of Ghana shifted from a system of credit ceilings on the commercial banks to weekly debt auctions as the primary monetary policy instrument. The central bank nevertheless intends to continue to use reserve requirements as a second line of attack in effecting monetary control. In support of this strategy and to absorb the liquidity created during the purchase of the cocoa crop, in April 1993 it imposed an additional special secondary reserve requirement of 15 percentage points for a period of six months. 2/

The authorities recognize the importance of maintaining positive real rates of interest, not only as a means of tightening credit conditions but also of mobilizing domestic and external savings. In March 1993 the Bank of Ghana raised its rediscount rate by 5 percentage points, to 35 percent (thereby signalling a further increase in treasury bill yields), and it will be prepared to raise interest rates further, if necessary, to ensure that the monetary targets are observed.

3. Structural and social policies

The Government recognizes that macroeconomic stabilization alone is not sufficient to lay the basis for accelerated growth, and that continuing structural reform will be necessary to improve incentives for the private sector and ease the constraints on growth arising from inefficient public entities. The strategy for structural reform thus focuses on enhancing

1/ In 1992 the currency/deposit ratio increased from 36 percent to 55 percent, apparently as a result of the civil service pay increase and uncertainties associated with the political situation.

2/ These reserves comprise liquid assets and Bank of Ghana debt, but exclude cocoa bills. Additionally, to encourage a reduction in bank spreads, in March 1993 cash reserve requirements were lowered from 18 percent to 10 percent and secondary reserves (which comprise interest-earning liquid assets) were raised by a corresponding amount--from 24 percent to 32 percent.

incentives in the cocoa sector, accelerating the public enterprise divestiture program, improving the financial performance of state enterprises, and strengthening public sector management.

Toward the end of 1992 the Government allowed licensed private traders to compete with the Cocoa Board. To date, however, no cocoa purchases have yet been made by the licensed traders, largely because they are still required to sell cocoa for export to the Cocoa Board at regulated prices. During the discussions, therefore, the staff strongly urged the termination of the monopoly over cocoa exports. To contain the costs of the Cocoa Board, a restructuring plan has been launched that will involve the retrenchment of excess labor, an end to the marketing of noncocoa crops, and the sale of cocoa plantations. As in the past, the Government will announce in June the cocoa producer price for the next season; this price will take into account the need to strengthen farmer incentives consistent with the anticipated movements in cocoa export prices and the exchange rate, the limits set on the outlays of the Cocoa Board, and the Government's revenue objectives.

The major elements of public enterprise reform are an acceleration of the divestiture program, and an action plan to improve the operations of the enterprises that remain in public hands as well as of the subvented agencies. A top priority of the divestiture program is the partial sale during 1993 of the Government's shares in the Ashanti Goldfields Corporation, in Ghana's largest bank, and in a number of high-quality corporate enterprises. Performance contracts will continue to apply for the 14 core public enterprises and serve as a basis for monitoring their financial performance and profitability. Meanwhile, a review is being conducted of the arrears on tax and dividend payments of the enterprises to the Government. No transfers or equity investment will be made by the Government to these enterprises in 1993. A review of the activities of the subvented agencies will also be completed, with the aim of privatizing the functions of some and incorporating others into the central government administration and the civil service.

The Government has continued to make amendments to the legal and administrative framework in order to strengthen incentives for private sector activity. The regulatory changes made in 1992 include the repeal of a number of statutes entailing cumbersome investment and price control procedures. In addition, the Government will enact in 1993 a new Investment Code, prepared with World Bank assistance, which will simplify investment procedures and enhance their transparency with regard to taxation, residency, and technology transfer requirements.

Progress in reducing the size of the public service was rather mixed in 1992. While the size of the core civil service was cut by 11,000, the number of employees in the subvented agencies rose by over 8,000, reflecting primarily the effective exclusion of the education services from manpower

budgeting procedures. These procedures are now being applied to the education services. The Government had hoped to reduce the size of the civil service by a further 11,500 employees in 1993; however, partly because of the staffing requirements of the new parliamentary institutions, this reduction may not now be realized.

The Government has earmarked some 10 percent of its capital expenditure to expand basic social infrastructure and rehabilitation in the rural and densely populated urban areas. These outlays, which will cover water, sanitation, roads, health and education services, will be effected through the district assemblies and ongoing PAMSCAD projects targeted at vulnerable groups. ^{1/} To improve the pace of its implementation, PAMSCAD is now focusing on a smaller number of priority areas.

4. External sector policies and the balance of payments

Ghana continues to maintain a liberal exchange and trade system and pursue a flexible exchange rate policy. In March 1992 the weekly foreign exchange auction coordinated by the central bank was replaced by an inter-bank market in which the value of the cedi is determined on the basis of daily purchases and sales of foreign exchange by the Bank of Ghana, the commercial banks, and foreign exchange bureaus. Also in 1992, the processing of import requests was transferred from the Bank of Ghana to the commercial banks as a further step in streamlining import procedures. However, as a result of the rapid expansion in import demand during the second half of 1992, the commercial banks encountered difficulties with the new arrangements; queues for foreign exchange developed and the Bank of Ghana stepped in to satisfy the demand. The Bank of Ghana is now urging the commercial banks to use the exchange rate more actively for ensuring that the foreign exchange market clears and that queues do not re-emerge.

Ghana has bilateral payments agreements with a number of Fund members that are no longer operational. ^{2/} However, as Ghana has positive balances in its favor under each of these agreements, and they now serve only as arrangements for servicing the clearing of debt of the partner countries, none of these bilateral payments agreements gives rise to any restrictive features on the part of Ghana that are subject to Fund approval under Article VIII. The Ghanaian authorities intend to terminate these agreements as soon as the outstanding balances have been fully drawn. They have also indicated that they intend to accept the obligations of Article VIII in the near future.

^{1/} The Program of Actions to Mitigate the Social Costs of Adjustment (PAMSCAD), which is largely donor financed, was launched in 1988.

^{2/} Bulgaria, China, Poland, Romania, and the countries of the former Soviet Union.

The external current account deficit (including official transfers) is expected to remain broadly unchanged in U.S. dollar terms in 1993, but because of an anticipated depreciation in the real exchange rate, its ratio to GDP will increase slightly to 5.9 percent. The growth in export earnings is projected to be limited to 3 percent, as considerably lower cocoa prices during the current selling season will largely compensate for increases in other exports. At the same time, the increase in non-oil imports is programmed to be contained at 4 percent, reflecting the intended adherence to tight financial policies and the maintenance of a flexible exchange rate. A large increase in the capital account surplus is projected as a result of disbursements of donor support delayed in 1992 ^{1/} and the receipt of some US\$100 million from the sale of public assets. Thus, the program envisages a substantial overall balance of payments surplus for 1993, which should allow for an increase in gross official reserves to the equivalent of 3.7 months of imports.

Ghana undertook considerable new medium-term borrowing on nonconcessional terms in late 1992, and hence the external debt ceilings were exceeded by wide margins. The authorities recognize the dangers inherent in heavy commercial borrowing, but explained that this was necessary last year in order to help bridge the shortfall in external assistance. The release of delayed donor support will allow Ghana to repay during the course of 1993 all the debt contracted in excess of the 1992 debt ceilings.

A Consultative Group meeting is scheduled to be held in Paris on June 24-25, 1993 to discuss financing requirements and resource availabilities for Ghana over the next few years. Table 12 shows provisional projections for Ghana's financing requirements over the period 1993-96.

To facilitate the monitoring of economic performance under the 1993 program, a number of quarterly quantitative and structural benchmarks have been established. These benchmarks, which will be monitored by the staff, are specified in Table 10.

IV. Compensatory Financing

The Ghanaian authorities are expected to request shortly a purchase under Section II, paragraph 12(a)(i), of the CCFF decision in an amount equivalent to SDR 47.0 million (17.2 percent of quota), because of a shortfall in export earnings in the 12-month period ended March 1993. Actual data are available through the end of the shortfall year.

^{1/} Together with several legislative and institutional reforms that were implemented in 1992, the macroeconomic framework underlying the 1993 budget, resulted in the fulfillment of the conditions for the release of the second tranche of the World Bank's Structural Adjustment Credit (SAC III) in March 1993.

1. Calculation of compensable amount and causes of export shortfall

Following an increase of 5 percent in the year ended March 1992, Ghana's export earnings fell by 2 percent in the shortfall year and these earnings are projected to rise by about 12 percent in each of the two post-shortfall years (Table 11). This pattern, which does not invoke the rule in paragraph 15 of the CCFF decision limiting the projected growth of earnings in the post-shortfall years, results in a calculated shortfall of SDR 47.0 million, which is the amount of the expected request.

The calculated shortfall is largely attributable to a shortfall in the exported value of cocoa beans and other cocoa products, while an excess has been calculated for gold, the largest export earner, and small shortfalls and/or excesses in other categories (for a detailed description of developments in the various export categories, see Appendix IV). The declines in export earnings from cocoa reflect mainly a fall in world market prices for cocoa and cocoa products. The price fall is judged to be temporary, and both the future markets for cocoa and the Fund's projections give clearly higher prices for 1994 and 1995, when cocoa prices should return to their 1991 and 1992 levels in nominal terms. The low price obtained for Ghanaian cocoa when the crops from December 1992 were sold forward in the first months of 1993 (i.e., at a time when prices were particularly depressed) has contributed to the shortfall in cocoa export earnings. Normally, Ghanaian cocoa is sold at a premium over the world market price owing to its superior quality, but the estimated unit price for exported cocoa in 1993 is 4 percent lower than the projected world market price for the whole year. Because of adverse weather conditions, cocoa export volumes decreased in the year ended March 1992 and recovered only slightly in the shortfall year. However, virtually all the crop that will be exported during the first post-shortfall year has already been purchased and indications are that there will be a strong recovery in export volumes.

2. Balance of payments need, cooperation with the Fund, and capacity to repay

Ghana's balance of payments position has been described in Section III.4 above. Cross official reserves declined sharply in 1992, partly on account of factors beyond the control of the authorities, notably the significant price declines in virtually all of Ghana's commodity exports. In response to the macroeconomic and structural policies that are being implemented, Ghana's international reserves are expected to recover in 1993. The requested CCFF purchase would help raise reserves by the end of 1993 to the equivalent of 3.7 months of imports, thereby providing a necessary cushion to absorb the impact of adverse external shocks.

Ghana has been cooperating closely with the Fund. It successfully concluded a three-year ESAF arrangement, has engaged in a regular policy dialogue in the context of Article IV consultation discussions, and has given due consideration to the recommendations of the Executive Board.

Ghana adopted a program under the arrangements for enhanced consultations in 1992, but for the reasons indicated above, performance under this program did not meet expectations. Ghana has always met its financial obligations to the Fund in a timely manner. Further use of Fund resources is not presently expected.

If the financial and structural policies discussed with the authorities are successfully implemented, and assuming that Ghana's financing requirements as set out in Table 12 are satisfied, Ghana's external position should continue to improve over the medium term. Under the baseline scenario, the external current account deficit is expected to narrow to 2.1 percent of GDP by 1997 and, on the basis of projected inflows of concessional assistance, gross official reserves should rise to, and be maintained at, the equivalent of around 5 months of imports. Various sensitivity tests undertaken by the staff indicate that Ghana's gross reserve position should be sufficiently strong in the medium term to sustain moderate external shocks (Table 13). Over the longer term, the external current account deficit is expected to decline further. In the light of these considerations, Ghana should experience no difficulties in meeting its payment obligations to the Fund (Table 14).

V. Staff Appraisal

Following the successful completion of a three-year ESAF arrangement, Ghana adopted in 1992 a program under the arrangements for enhanced consultations which sought to maintain the momentum of macroeconomic adjustment and structural reform. However, 1992 proved to be a very difficult year for the Ghanaian economy, and performance under the program was disappointing. Export prices for cocoa and timber sagged owing to weak world market conditions, and foreign exchange and fiscal revenues were hurt badly as a result. At home, serious labor unrest surfaced during the run-up to multiparty elections and, in an effort to maintain a stable political and social environment during this critical time, large pay increases were granted to civil servants. The tax collection effort also weakened significantly. Consequently, the fiscal outturn was nearly 7 percentage points of GDP worse than had been envisaged in the program, and inflation and balance of payments pressures intensified markedly. The process of structural reform also slowed.

The Government has resolved to bring economic performance back on course, and has adopted a comprehensive stabilization and structural reform program for 1993 to achieve this goal. At the core of the program is an improvement in the overall fiscal balance equivalent to 5 percent of GDP and a tight credit policy, which are aimed at achieving zero money supply growth and a turnaround in the overall balance of payments. The staff considers that the program, which will be monitored informally through quarterly benchmarks, will be sufficient to re-establish Ghana's strong track record of policy performance and to lay the basis for the restoration of external viability with sustainable growth. On this basis, and in accordance with

existing guidelines, consideration could be given to a program for 1994 that could be monitored under the enhanced surveillance procedure.

The objectives of the 1993 program are ambitious, and success in achieving them will depend critically on vigorous policy implementation in a number of key areas. First, further substantial increases in petrol prices need to be implemented and, in the new political environment, a particularly strong resolve on the part of the Government will be required to fully carry them through. Second, the significant rebound that is envisaged for cocoa tax revenue in 1993 hinges on successfully containing the operating costs of the Cocoa Board; an escalation of these costs on the scale that occurred last year would not only seriously undermine the fiscal program but would also greatly limit the scope for increasing producer prices for cocoa during the coming crop year. In the meantime, it is imperative that steps be taken to terminate the Cocoa Board's monopoly over the export of cocoa. Third, the Government is likely to come under considerable pressure to grant a general pay increase for the civil service in 1993; such pressure must be firmly resisted if the program's limit on the government wage bill is to be met. Finally, in light of the considerable foreign exchange inflows that are expected from the sale of public enterprises, every effort needs to be made to ensure that the divestiture program remains on track.

The Bank of Ghana will have to carefully monitor developments over the coming months. In the event that the public's currency/deposit ratio should fall by more than is anticipated, the Bank of Ghana will need to step up its open market operations, and be prepared to allow interest rates to rise if necessary. In addition, it must make every effort to facilitate the smooth functioning of the foreign exchange market and to ensure that the exchange rate is set competitively by the commercial banks and that the banks do not informally apply quantitative controls on import demand, so as to avoid the re-emergence of queues for foreign exchange.

The authorities are expected to request a purchase under the CCFF in an amount equivalent to SDR 47.0 million (17.2 percent of quota) in respect of an export shortfall. This would help raise Ghana's gross official reserves to a level that would allow it to sustain modest external shocks. The staff is satisfied that the shortfall is due largely to circumstances beyond the control of the authorities and is temporary in nature. The staff is also satisfied that Ghana has fulfilled the test of cooperation specified in paragraph 12(a)(i) of the CCFF decision, because of its previous good track record, as well as the formulation and ongoing implementation of a strong economic program for 1993, which is expected to largely reverse the slippages that occurred in 1992. The authorities considered the possibility of entering into an enhanced surveillance procedure but opted for a staff-monitored program at this stage. Implementation of the 1993 program remains on track. Ghana has also engaged in a regular policy dialogue with the Fund during Article IV consultations and has given due consideration to the recommendations of the Executive Board. Accordingly, the staff would recommend Executive Board approval of the request for a purchase under the CCFF once a request has been received. The staff's assessment is that Ghana

is expected to be in a position to repay its future obligations to the Fund as they fall due, and the authorities have indicated their intention to do so.

Although Ghana has eliminated all restrictions on the making of payments and transfers for current international transactions, it continues to avail itself of the transitional arrangements under Article XIV, Section 2. The staff strongly urges the authorities to formally accept the obligations of Article VIII, Sections 2, 3, and 4.

It is recommended that Ghana remain on the standard 12-month consultation cycle.

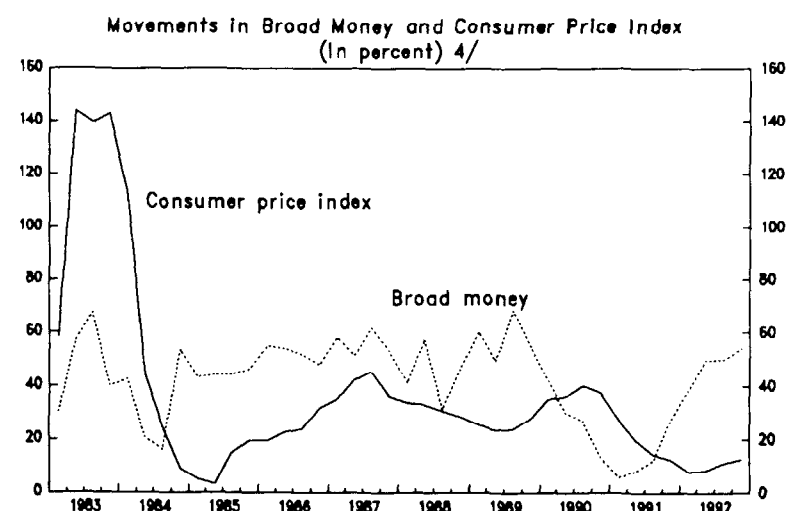
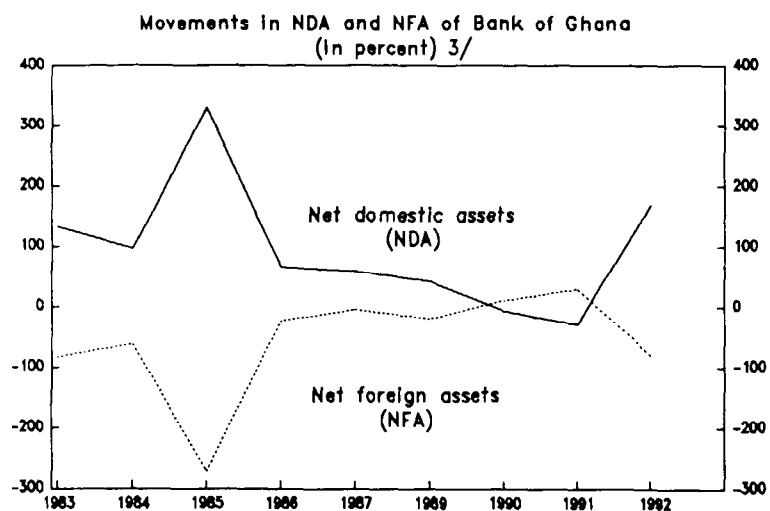
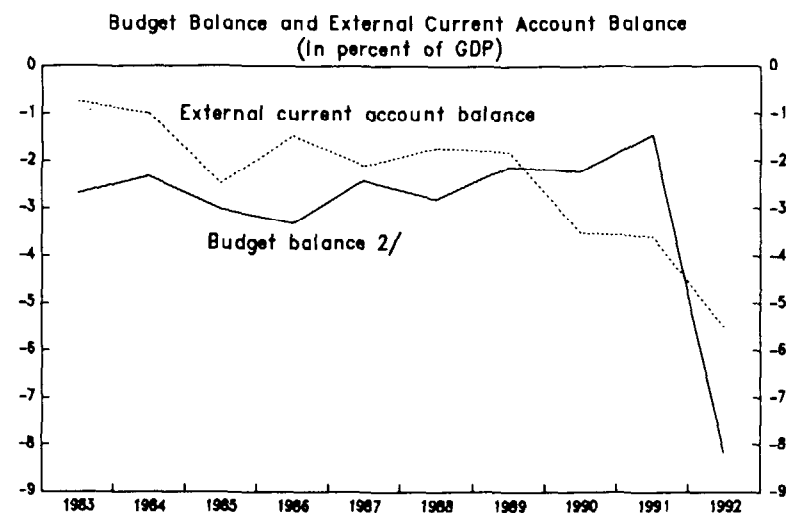
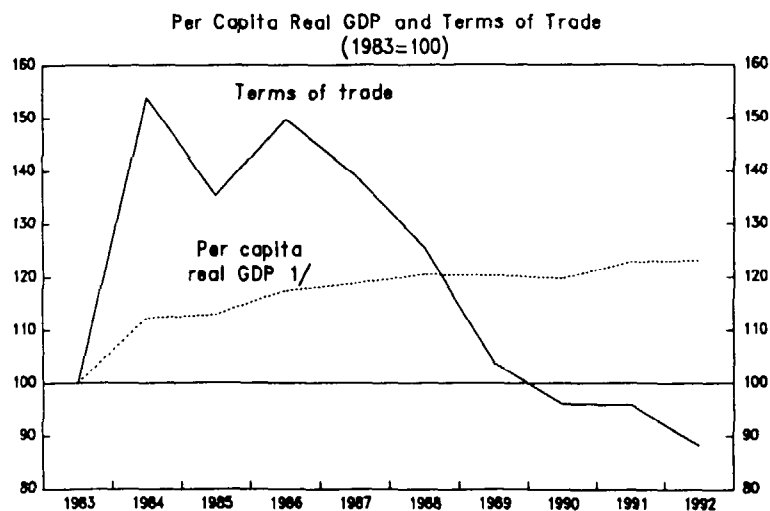
VI. Proposed Decision

In view of the foregoing, the following draft decision is proposed for adoption by the Executive Board:

Request for Purchase Under the Compensatory and
Contingency Financing Facility

1. The Fund has received a request by the Government of Ghana for a purchase in an amount equivalent to SDR 47.0 million for the compensatory financing of a shortfall in export receipts from merchandise under Section II of the Decision on the Compensatory and Contingency Financing Facility (Decision No. 8955-(88/126), adopted August 23, 1988, as amended).
2. The Fund approves the purchase in accordance with the request.

CHART 1
GHANA
SELECTED ECONOMIC INDICATORS



Sources: Data provided by the Ghanaian authorities; and staff estimates.

1/ Adjusted for changes in the terms of trade.

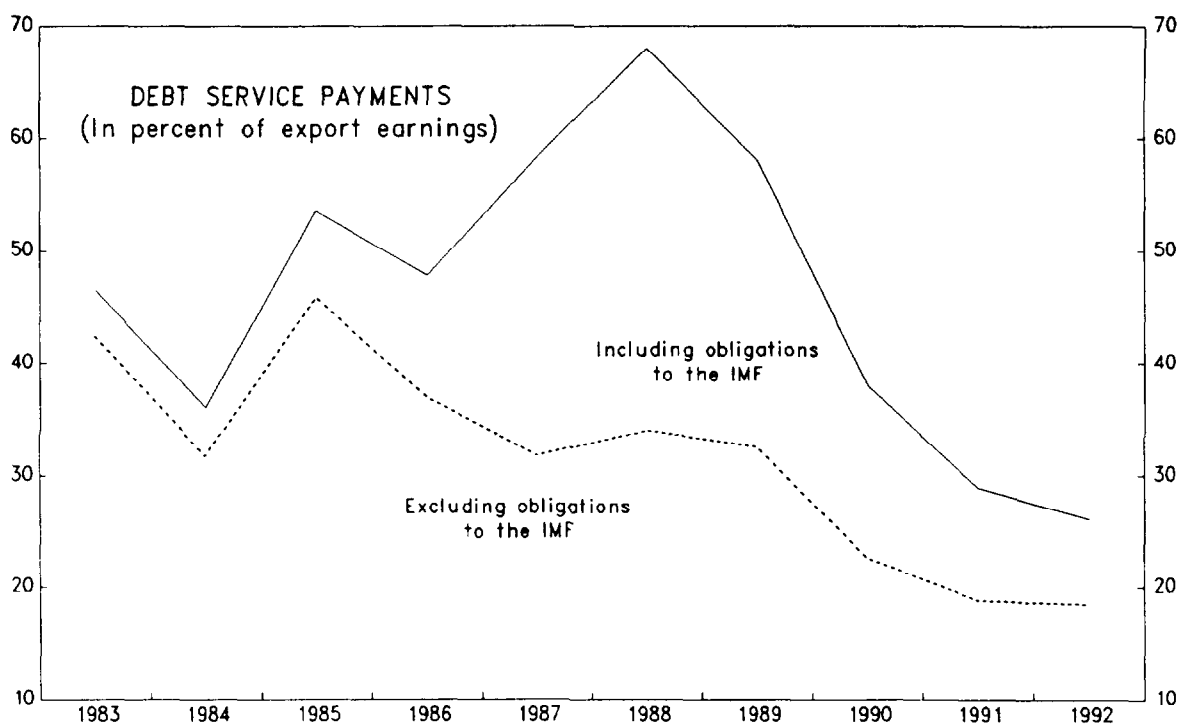
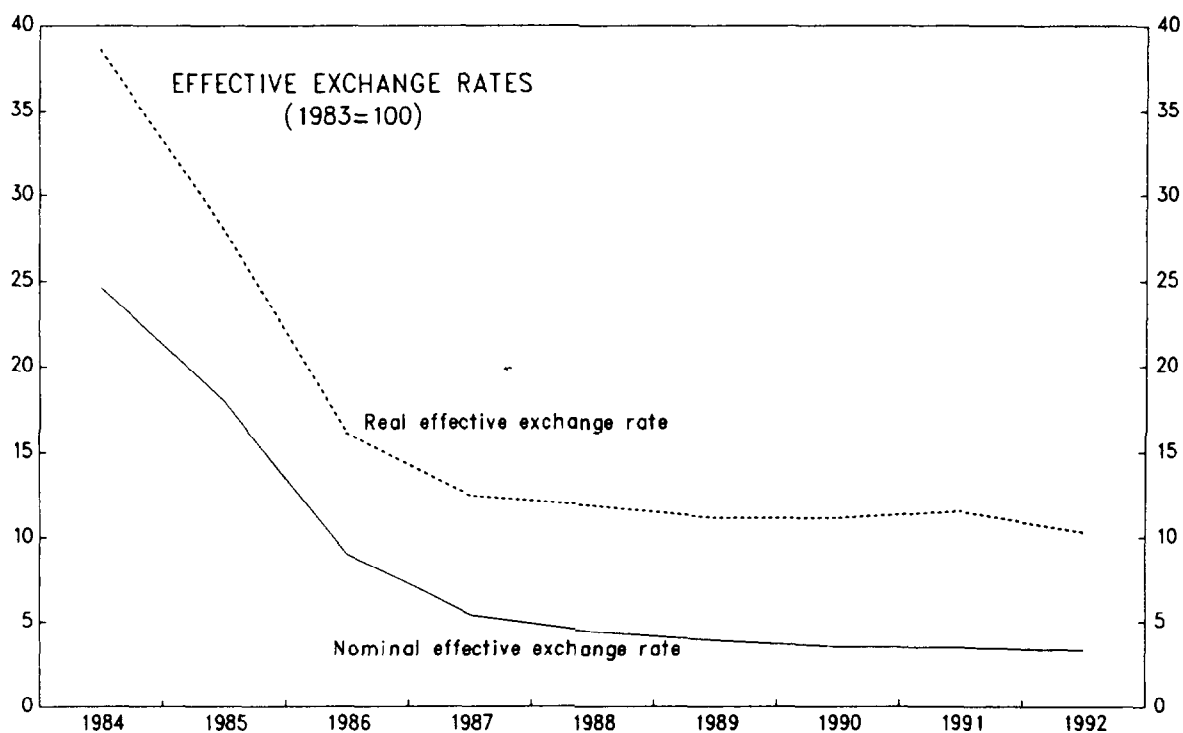
2/ Broad coverage (includes capital expenditure financed through external project loans and grants)

3/ Change in percent of beginning of period reserve money.

4/ Quarterly percentage changes, annualized.

GHANA

EXCHANGE RATE DEVELOPMENTS AND DEBT SERVICE PAYMENTS



Sources: Data provided by the Ghanaian authorities; and staff estimates.

[illegible]

Table 1. Ghana: IMF Position

	Outstanding at Mar. 31, 1993	1993		
		April-June	July-Sept.	Oct.-Dec.
(In millions of SDRs)				
Transactions under tranche policies	--	-15.5	-4.1	-15.5
Purchases	--	--	--	--
Ordinary resources	--	--	--	--
Enlarged access resources	--	--	--	--
Repurchases	--	15.5	4.1	15.5
Ordinary resources	--	(3.4)	(2.1)	(3.4)
Enlarged access resources	--	(12.1)	(2.0)	(12.1)
Transactions under special facilities 1/	--	--	47.0	--
Purchases	--	--	47.0	--
Repurchases	--	--	--	--
Structural adjustment facility loans	--	-4.1	--	-4.1
Disbursements	--	--	--	--
Repayments	--	4.1	--	4.1
Enhanced structural adjustment facility loans	--	--	--	--
Disbursements	--	--	--	--
Repayments	--	--	--	--
Total Fund credit and loans outstanding (end-of-period)	533.7	514.2	557.1	537.5
Tranche policies	104.3	88.8	84.7	69.2
Special facilities 1/	--	--	47.0	47.0
Structural adjustment facility	40.9	36.8	36.8	32.7
Enhanced structural adjustment facility	388.6	388.6	388.6	388.6
(In percent of quota)				
Total Fund credit and loans outstanding (end-of-period)	194.8	187.7	203.3	196.2
Tranche policies	38.1	32.4	30.9	25.3
Special facilities 1/	--	--	17.2	17.2
Structural adjustment facility	14.9	13.4	13.4	11.9
Enhanced structural adjustment facility	141.8	141.8	141.8	141.8

Source: IMF, Treasurer's Department.

^{1/} Contingency and compensatory financing facility.

Table 2. Ghana: Selected Economic and Financial Indicators, 1988-93

	1988	1989	1990	1991	1992		1993
					Prog.	Est.	Prog.
(Annual percentage change, unless otherwise specified)							
National income and prices							
Real GDP	5.6	5.1	3.3	5.3	5.0	3.9	4.4
Real GDP per capita	2.9	2.4	0.7	2.7	2.4	1.3	2.4
Nominal GDP (in billions of cedis)	1,051	1,417	2,032	2,575	2,676	3,009	3,810
Nominal GDP	40.9	34.8	43.4	26.7	13.4	16.9	26.6
GDP deflator	33.4	28.3	38.8	20.4	8.0	12.5	21.3
Consumer price index (annual average)	31.4	25.2	37.2	18.0	8.0	10.1	20.2
Consumer price index (end of period)	26.6	30.5	35.9	10.3	5.0	13.3	20.0
External sector							
Exports, f.o.b.	6.9	-8.2	10.9	11.2	5.8	-1.1	2.9
Imports, f.o.b.	6.1	1.5	19.8	9.4	5.0	10.5	4.2
Export volume	12.1	10.0	7.4	13.8	6.4	4.6	11.9
Import volume	0.3	0.8	7.3	11.9	4.4	7.5	5.0
Terms of trade	-9.9	-17.2	-7.5	-0.1	-1.1	-8.0	-7.7
Nominal effective exchange rate ^{1/}	-17.5	-11.5	-10.5	-0.3	...	-4.4	...
Real effective exchange rate ^{1/}	-4.8	-5.9	-0.2	3.6	...	-10.6	...
Cedis per U.S. dollar ^{1/}	202.3	270.0	326.3	367.8	...	437.1	...
Government budget							
Revenue and grants ^{2/}	38.5	39.5	24.6	46.1	10.3	-6.2	95.3
Total expenditure ^{3/}	40.1	36.2	29.3	33.2	9.0	45.2	38.2
Current expenditure	37.8	33.9	33.3	33.1	7.3	41.5	42.2
Capital and other expenditure ^{4/}	47.2	42.8	18.5	33.7	14.1	56.3	27.4
Money and credit ^{5/}							
Net domestic assets ^{6/ 7/}	8.5	-10.7	110.3	0.2	-7.9	64.7	-19.2
Credit to the Government ^{6/ 7/}	-7.4	-7.7	121.1	-12.3	-21.8	30.2	-16.1
Credit to the rest of the economy ^{6/ 8/}	16.5	6.0	12.6	6.8	13.5	18.7	7.0
Broad money	43.0	26.9	18.0	19.9	11.8	52.9	0.1
Velocity	-1.5	6.2	21.5	5.7	1.1	-23.6	26.3
Velocity (GDP/end-of-period broad money)	5.6	5.9	7.2	7.6	7.7	5.8	7.3
Interest rates (in percent; end of period)							
Discount rate on 91-day treasury bills	19.8	20.0	30.9	20.0	...	25.4	29.8 ^{9/}
Bank of Ghana's rediscount rate	26.0	26.0	33.0	20.0	...	30.0	35.0 ^{9/}
(In percent of GDP)							
Investment and savings							
Gross investment	14.2	15.5	14.4	15.9	17.8	12.6	13.1
Gross national savings	12.5	13.7	10.9	12.3	14.6	7.1	7.2
Government budget							
Surplus or deficit (-) ^{3/}	0.4	0.7	0.2	1.5	1.8	-4.8	0.3
Revenue and grants ^{2/}	14.6	15.1	13.2	15.2	16.1	12.2	18.8
Total expenditure ^{3/}	14.3	14.4	13.0	13.7	14.3	17.0	18.5
External sector							
Current account balance ^{10/}	-1.7	-1.8	-3.5	-3.6	-3.2	-5.5	-5.9
External debt outstanding	58.0	55.4	52.9	53.8	59.4	58.0	69.3
Debt service	12.5	9.8	5.8	4.5	4.3	4.1	6.9
(In percent of exports of goods and services)							
External debt service							
Including the Fund	68.0	58.1	37.0	28.9	24.9	25.8	37.7
Excluding the Fund	34.0	32.5	21.6	18.8	17.7	18.2	30.9
(In millions of U.S. dollars)							
Current account balance ^{10/}	-89.5	-94.9	-218.0	-251.7	-216.8	-376.1	-374.9
Overall balance of payments	124.6	127.5	118.0	170.8	140.0	-124.3	167.5
External payments arrears (end of period)	65.0	17.3	--	--	--	--	--
Gross international reserves							
(end of period)	200.8	249.0	269.3	489.2	557.2	346.5	513.2
(equivalent months of imports, c.i.f.)	2.2	2.7	2.5	4.1	4.5	2.6	3.7

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

- ^{1/} Annual average data.
- ^{2/} Excluding project-related grants.
- ^{3/} Excluding capital outlays financed through external project aid.
- ^{4/} Including net lending and the special efficiency program.
- ^{5/} With effect from 1992, the monetary data include the accounts of the two new merchant banks.
- ^{6/} In percent of broad money at the beginning of the period.
- ^{7/} The large increase in net domestic assets in 1990 reflects the takeover by the Government of the revaluation losses of the Bank of Ghana.
- ^{8/} Including financing of the Cocoa Board's operations, but excluding other items (net).
- ^{9/} As at end-April 1993.
- ^{10/} Including official grants.

Table 3. Ghana: Performance During the Program Under the Arrangements for Enhanced Consultations, 1992

	1991	1992							
	Dec. Act.	March		June		Sept.		Dec.	
		Prog.	Act.	Prog.	Act.	Prog.	Act.	Prog.	Act.
(In billions of cedis: end of period)									
Quantitative benchmarks									
Net domestic assets of the Bank of Ghana 1/	179.8	183.1	204.0	168.5	213.7	150.5	225.6	146.2	347.2
Net claims on the Government by the banking system 2/	253.7	241.1	260.5	222.1	251.4	207.1	273.5	181.6	356.2
Gross financing of the Cocoa Board by the Bank of Ghana	14.4	--	7.5	--	17.0	--	--	--	--
(In millions of U.S. dollars: end of period)									
Net foreign assets of the Bank of Ghana 3/	-209.5	-241.7	-285.0	-206.7	-312.5	-156.7	-320.4	-126.7	-405.8
New nonconcessional external loans contracted or guaranteed by the Government (cumulative on a calendar-year basis) 4/									
1. 1-12 years' maturity	--	85.0	8.0	85.0	35.0	85.0	35.0	85.0	183.7
2. 1-5 years' maturity	--	60.0	8.0	60.0	13.5	60.0	13.5	60.0	109.5
Short-term external debt outstanding contracted or guaranteed by the Government or the Bank of Ghana (with an initial maturity of less than one year) 5/	29.4	30.0	29.4	30.0	29.4	30.0	29.4	30.0	71.2
External payments arrears of the Government	--	--	--	--	--	--	--	--	--
Structural benchmarks									
		Target date		Status					
1. Adoption of a public investment program for 1992-94, consistent with the medium-term macroeconomic objectives.		End-March 1992		The public investment program was adopted in April 1992.					
2. Adjustment of the cocoa producer price for the 1992/93 crop year consistent with world market trends, government budgetary requirements, and the need to strengthen farmer incentives.		End-June 1992		Observed.					
3. Quarterly publication of recent fiscal, monetary, and price data by the Bank of Ghana.		Each quarter		Not observed; publication covering data through end-1991 was issued in the last quarter of 1992.					
4. Setting of a timetable for the implementation of a value-added tax (VAT).		End-June 1992		Observed; VAT scheduled for introduction at end 1994.					
5. Reduction in government shareholdings in one of the state-owned banks to less than 40 percent of total equity.		End-December 1992		Not observed; government shareholdings in all banks are to be reduced to less than 40 percent of total equity at end-1993.					
6. Preparation of the first six-monthly report on financial flows from the Government to state enterprises.		End-September 1992		Not observed; work in progress.					
7. Introduction of a new pay scale for civil servants.		End-July 1992		Not observed; some changes were made in the context of civil service pay revision of September 1992.					

1/ The net domestic assets of the Bank of Ghana are defined as being equal to currency outside banks plus the SDR allocation account minus net foreign assets and the revaluation account.

2/ Including the discount houses, the merchant banks, and the cumulative revaluation losses of the Bank of Ghana as of end-September 1991.

3/ Revised classification of the net foreign assets (NFA) of the Bank of Ghana; including bilateral accounts. Defined as actual NFA of the Bank of Ghana at current exchange rates plus the cumulative change in the revaluation account of the Bank of Ghana since end-September 1991, divided by the cedi/U.S. dollar exchange rate at end-September 1991.

4/ Including borrowings by the Bank of Ghana from official export credit agencies.

5/ Excluding import-related credits.

Table 4. Ghana: Central Government Operations and Financing, 1988-93

	1988	1989	1990	1991	1992		1993
					Prog.	Act.	Prog.
<u>Narrow coverage</u>							
	(In billion of cedis)						
Total Revenue and Grants	153.8	214.5	267.3	390.6	430.7	366.3	715.4
Revenue	142.2	193.2	239.5	354.4	399.6	333.6	668.1
Taxes on income and property	40.5	45.9	55.1	62.4	70.2	62.1	80.5
Taxes on international transactions	50.0	76.5	92.8	119.2	141.0	110.9	191.5
Taxes on domestic goods and services	38.7	52.1	71.7	137.9	153.0	128.8	297.2
Nontax revenue	13.0	18.6	19.8	34.9	35.3	31.7	98.8
Foreign grants	11.6	21.3	27.8	36.3	31.1	32.7	47.3
Total expenditure and net lending	149.9	204.2	264.0	351.6	383.3	510.7	705.8
Current expenditure	111.0	148.6	198.2	263.7	282.6	373.3	530.7
Wages and salaries	49.5	62.9	82.3	105.6	118.9	171.1	227.6
Interest	12.0	18.7	27.3	42.8	35.5	61.0	96.5
Other goods and services	26.3	35.8	45.0	60.5	62.5	69.2	81.8
Subsidies and transfers	23.2	31.2	43.6	54.8	65.7	71.9	124.8
Capital expenditures and net lending	35.9	45.9	57.8	78.6	86.7	110.3	124.1
Capital expenditure	29.9	38.2	48.3	67.2	78.7	98.4	116.1
Net lending	6.0	7.7	9.5	11.4	8.0	11.9	8.0
Special efficiency	3.0	9.6	8.0	9.3	14.0	27.1	50.9
Surplus or deficit (-)							
Including foreign grants	3.9	10.4	3.4	39.0	47.4	-144.4	9.6
Excluding foreign grants	-7.6	-11.0	-24.5	2.7	16.3	-177.1	-37.7
Financing	-3.9	-10.4	-3.4	-39.0	-47.4	144.4	-9.6
Foreign (net)	2.3	4.9	24.6	12.7	25.1	0.3	74.0
Borrowing	42.5	54.2	58.3	52.0	60.7	43.1	130.1
Repayments	-40.3	-49.2	-33.7	-39.3	-35.6	-42.8	-56.2
Domestic (net)	-6.2	-15.3	-28.0	-51.7	-72.5	144.2	-83.6
Banking system	-11.2	-21.4	-20.8	-50.7	-72.5	102.5	-83.6
Social security	7.3	-2.5	3.8	0.0	--	13.8	--
Other	-2.2	8.7	5.6	4.2	--	24.0	--
Financial sector reform	--	--	-16.5	-5.3	--	3.8	--
	(In percent of GDP)						
Total revenue and grants	14.6	15.1	13.2	15.2	16.1	12.2	18.8
Of which: revenue	13.5	13.6	11.8	13.8	14.9	11.1	17.5
Total expenditure and net lending	14.3	14.4	13.0	13.7	14.3	17.0	18.5
Surplus or deficit							
Including foreign grants	0.4	0.7	0.2	1.5	1.8	-4.8	0.3
Excluding foreign grants	-0.7	-0.8	-1.2	0.1	0.6	-5.9	-1.0
<u>Broad coverage</u>							
Total Revenue and Grants							
In billions of cedis	168.9	238.1	299.6	435.1	482.6	424.1	811.1
In percent of GDP	16.1	16.8	14.7	16.9	18.0	14.1	21.3
Total expenditure and net lending							
In billions of cedis	198.4	268.2	344.7	472.3	526.0	669.6	973.7
In percent of GDP	18.9	18.9	17.0	18.3	19.7	22.3	25.6
Current savings							
Including foreign grants							
In billions of cedis	54.8	79.8	93.4	157.3	183.9	17.7	175.9
In percent of GDP	5.2	5.6	4.6	6.1	6.9	0.6	4.6
Excluding foreign grants							
In billions of cedis	28.2	34.9	33.3	76.6	100.9	-72.8	20.2
In percent of GDP	2.7	2.5	1.6	3.0	3.8	-2.4	0.5
Overall deficit (-)							
Including foreign grants							
In billions of cedis	-29.5	-30.1	-45.2	-37.2	-43.4	-245.5	-175.2
In percent of GDP	-2.8	-2.1	-2.2	-1.4	-1.6	-8.2	-4.6
Excluding foreign grants							
In billions of cedis	-56.1	-75.0	-105.2	-117.9	-126.4	-336.0	-318.3
In percent of GDP	-5.3	-5.3	-5.2	-4.6	-4.7	-11.2	-8.4

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

- 1/ Excluding capital expenditure financed through external project aid and corresponding grants and loans.
- 2/ Totals may not match additions because of rounding.
- 3/ Including pensions to government employees.
- 4/ Provision for redeployment, retraining, and relocation of public sector employees.
- 5/ Deposited at a special blocked account at the Bank of Ghana, as a contribution toward backing up the issuance of Bank of Ghana bonds to replace the nonperforming bank assets, as well as to cover other costs of financial sector reform.
- 6/ Including capital expenditure financed through external project aid and corresponding grants and loans.
- 7/ Defined as total revenue or total revenue and grants, excluding capital receipts, minus current expenditure and special efficiency outlays.

Table 5. Ghana: Monetary Survey, 1989-93 1/ 2/

	1989	1990	1991	1992				1993			
				June		December		March	June	Sept.	Dec.
				Prog.	Act.	Prog.	Act.	Prel.		Program	
(In billions of cedis; end of period)											
Net foreign assets 3/	-121.3	-80.5	-38.4	-5.7	-12.6	37.3	-50.9	-108.3	-72.0	-76.6	-8.9
Bank of Ghana	-157.0	-144.8	-106.4	-77.7	-117.5	-47.7	-152.6	-203.5	-177.5	-175.2	-107.5
Commercial and development banks	35.7	64.3	68.0	72.0	104.9	85.0	101.7	95.2	105.5	98.6	98.6
Net domestic assets 4/											
Including revaluation losses	96.3	361.0	361.5	341.9	401.4	323.0	581.4	582.8	516.5	498.3	481.6
Excluding revaluation losses	96.3	49.3	34.0	14.4	73.9	-4.5	253.9	255.2	189.0	170.8	154.1
Net credit to the Government 4/											
Including revaluation losses	-2.1	288.6	253.7	222.1	251.4	181.6	356.2	299.6	326.1	321.0	272.6
Excluding revaluation losses	-2.1	-23.1	-73.8	-105.3	-76.1	-145.8	28.7	-27.9	-1.4	-6.5	-54.9
Cocoa financing	23.7	29.7	35.4	20.0	33.6	46.7	55.2	66.0	43.4	--	64.5
Credit to the rest of the economy 5/	81.4	105.6	119.1	122.0	140.9	119.7	163.0	181.2	184.4	190.0	190.1
Other items, net	-6.7	-62.9	-46.7	-22.3	-24.5	-25.0	6.9	36.0	-37.3	-12.6	-45.6
Revaluation account 3/ 4/	276.2	13.9	27.6	--	--	--	--	58.3	58.3	58.3	58.3
Broad money (M2)	240.1	283.2	339.6	325.0	377.7	349.2	519.3	521.6	491.7	468.9	519.8
Money	185.2	217.0	235.7	225.2	237.5	257.8	360.7	349.2	341.3	325.5	360.8
Quasi-money	54.9	66.3	103.9	99.8	140.2	114.2	158.7	172.5	150.4	143.4	159.0
Counterpart to SDR allocation	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1	11.1
(In percent)											
Memorandum items:											
Money multiplier (M2/reserve money)	1.91	2.23	2.60	...	2.72	...	2.11	2.73	2.54	2.50	2.60
Annual percentage changes in:											
Broad money (M2)	26.9	18.0	19.9	17.1	36.1	11.8	52.9	46.7	30.2	17.9	0.1
Cocoa financing	-5.9	25.0	19.3	35.0	126.8	31.0	56.0	49.9	29.2	--	16.8
Credit to the rest of economy 5/ 6/	18.6	-4.3	53.0	31.3	51.6	31.0	36.9	35.9	30.8	21.5	16.6
Contribution to the growth of M2:											
Net foreign assets	10.6	17.0	14.9	19.4	7.9	19.7	-20.8	-16.2	-8.0	-3.5	19.3
Net domestic assets, including revaluation losses 4/	-10.7	110.3	0.2	-1.2	18.6	-7.9	64.7	53.8	30.5	20.8	-19.2
Net credit to the Government, excluding revaluation losses 4/	-7.7	-8.8	-17.9	-22.4	-11.9	-21.8	30.2	11.0	19.8	11.9	-16.1
Cocoa financing	-0.8	2.5	2.0	1.9	6.8	3.5	5.8	6.2	2.6	--	1.8
Credit to the rest of economy 5/ 6/	6.7	-1.5	14.6	10.5	17.3	9.9	12.9	13.5	11.5	8.5	5.2
Revaluation account 4/	27.1	-109.3	4.9	-1.1	9.7	--	9.0	9.1	7.7	0.7	--
M2: Seasonal factors	...	...	...	...	...	...	...	102.6	97.0	94.3	106.5

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ Based on the revised classification of the net foreign assets of the Bank of Ghana and the Ghana Commercial Bank since January 1989, and including the accounts of the discount houses. With effect from the December 1991 revised base, the monetary data include the accounts of two new merchant banks.

2/ Totals may not match additions because of rounding.

3/ Data in 1992 are measured at the exchange rate prevailing at end-September 1991; otherwise, data for other periods are measured at ruling exchange rates.

4/ The Government assumed responsibility for the revaluation losses of the Bank of Ghana outstanding at end-1989 in January 1990, for the revaluation losses accumulated during the first nine months of 1990 in December 1990, and for the revaluation losses accumulated during the first nine months of 1991 in December 1991 (revised base).

5/ Figure for 1990 includes ₵ 27.7 billion of nonperforming loans. Beginning with the December 1991 revised base, nonperforming bank loans amounting to ₵ 32.4 billion, which have been replaced by Bank of Ghana bonds, are excluded from credit to the rest of the economy and are reflected in other items (net).

6/ Ratios reflect credit excluding nonperforming loans in 1990.

Table 6. Ghana: Summary Accounts of the Monetary Authorities, 1989-92 1/ 2/

	1989	1990	1991	1992			
				June		December	
				Prog.	Act.	Prog.	Act.
				(In billions of cedis; end of period)			
Net foreign assets <u>3/</u>	-157.0	-144.8	-106.4	-77.7	-117.5	-47.7	-152.6
Net domestic assets <u>4/</u>	-22.5	225.2	179.8	168.5	213.7	146.2	347.2
Total net credit to the Government	-3.9	291.3	270.5	240.1	275.7	199.7	378.4
Net claims on the Government	-3.9	-20.4	-57.0	-87.3	-51.8	-127.8	50.9
Claims on the Government	13.7	13.7	16.6	17.3	16.6	17.3	155.1
Government deposits	17.6	34.1	73.6	104.7	68.3	145.2	104.2
Revaluation losses	--	311.8	327.5	327.5	327.5	327.5	327.5
Gross Cocoa Board financing	22.9	3.9	14.4	--	17.0	--	--
Net claims on financial institutions	-47.4	-65.1	-102.6	-117.3	-147.3	-96.4	-154.3
Claims on nonbank financial institutions	5.2	9.3	6.5	4.7	1.7	4.7	2.0
Net position with the discount houses	-0.0	-9.3	-4.4	-10.7	-22.7	-10.7	-23.1
Net claims on commercial banks	-52.7	-65.1	-104.7	-111.2	-126.4	-90.3	-133.2
Net claims on the nonfinancial public sector	-8.1	-13.0	-7.1	-1.9	-8.9	-1.9	1.6
Credit to the private sector	--	--	--	--	--	--	--
Other items (net)	13.9	8.1	4.6	47.6	77.2	44.8	121.5
Revaluation account <u>3/</u>	273.5	10.8	27.6	--	--	--	--
Currency outside banks	82.9	80.0	89.9	79.6	85.0	87.4	183.5
SDR allocation	11.1	11.1	11.1	11.1	11.1	11.1	11.1
Memorandum item:				(In percent)			
Currency outside banks <u>5/</u>	34.5	28.3	26.5	24.5	22.5	23.5	35.3

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ Based on the revised classification of the net foreign assets of the Bank of Ghana since January 1989.

2/ Totals may not match additions because of rounding.

3/ Data for 1992 are measured at the exchange rate prevailing at end-September 1991.

4/ Net domestic assets defined as currency outside banks plus SDR allocation less net foreign assets and the revaluation account.

5/ As a share of total broad money (M2).

Table 7. Ghana: Summary Accounts of the Monetary Authorities, December 1992-December 1993 ^{1/}

1992 and 1993 figures are preliminary

	<u>1992</u>	<u>1993</u>			
	<u>Dec.</u>	<u>March</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>
	Act.	Prel.		Program	
(In billions of cedis; end of period)					
Net foreign assets ^{2/}	-210.9	-203.5	-177.5	-175.2	-107.5
Net domestic assets ^{3/}	409.5	347.1	323.7	315.6	260.3
Net credit to the Government ^{4/}	378.4	329.1	349.9	347.2	294.8
Gross Cocoa Board financing	--	--	--	--	--
Credit to the private sector	--	--	--	--	--
Net issue of Bank of Ghana instruments ^{5/}	...	-20.0	-64.2	-69.6	-72.6
Other items (net)	31.1	38.0	38.0	38.0	38.0
Revaluation account	58.3	58.3	58.3	58.3	58.3
Reserve money	245.8	190.8	193.3	187.6	199.9
SDR allocation	11.1	11.1	11.1	11.1	11.1

Sources: Data provided by Ghanaian authorities; and staff estimates and projections.

^{1/} Based on the revised classification of the net foreign assets of the Bank of Ghana since January 1989.

^{2/} Data for 1993 program are measured at ruling average quarterly exchange rates.

^{3/} Revised definition; net domestic assets is measured as reserve money plus SDR allocation less net foreign assets and the revaluation account.

^{4/} Includes the stock of revaluation losses of the Bank of Ghana of ¢ 327.5 billion assumed by the Government as of December 1991.

^{5/} Cumulative from January 1, 1993.

Table 8. Ghana: Balance of Payments, 1990-97

	1990 Act. 1/	1991 Act.	1992 Prog. Est.	1993 Prog.	1994	1995	1996	1997
					Projections			
(In millions of U.S. dollars)								
Exports, f.o.b.	896.8	997.6	1,050.4	986.3	1,014.6	1,187.4	1,286.7	1,317.8
Cocoa beans and products	360.6	346.5	371.2	302.5	280.0	369.1	390.9	425.1
Gold	201.7	304.4	315.4	343.4	378.2	412.7	450.5	565.6
Timber and timber products	118.0	124.2	137.0	113.9	117.3	139.8	157.0	164.6
Other	216.5	222.5	226.7	226.6	239.3	265.6	288.3	362.5
Imports, f.o.b.	-1,205.0	-1,318.7	-1,358.4	-1,456.6	-1,517.6	-1,554.7	-1,646.7	-1,847.7
Non-oil	-1,006.5	-1,153.6	-1,217.6	-1,299.0	-1,347.6	-1,379.8	-1,458.6	-1,628.4
Oil	-198.5	-165.1	-140.8	-157.6	-170.0	-174.9	-188.1	-219.3
Trade balance	-308.2	-321.1	-308.0	-470.3	-503.0	-367.3	-360.0	-329.9
Services (net)	-325.5	-352.5	-377.5	-376.2	-398.4	-404.1	-411.5	-429.3
Of which: interest due	(-104.7)	(-116.3)	(-114.0)	(-102.2)	(-108.3)	(-120.3)	(-119.5)	(-116.9)
Private transfers (net)	201.9	219.5	230.6	254.9	261.2	282.4	292.8	325.1
Current account balance, excluding official transfers	-431.8	-454.1	-454.9	-591.6	-640.2	-488.9	-478.7	-434.2
Official transfers (net)	213.8	202.4	238.1	215.5	265.3	263.3	285.5	251.3
Current account balance, including official transfers	-218.0	-251.7	-216.8	-376.1	-374.9	-225.7	-193.3	-182.9
Capital account	284.0	391.5	356.8	274.0	542.5	460.7	360.3	360.4
Official capital (net)	290.4	356.6	389.4	386.5	405.5	413.9	301.2	310.5
Long-term loans	322.4	373.0	416.3	311.6	530.6	441.2	331.9	391.1
Inflows	354.5	410.6	455.0	350.6	576.6	487.0	399.0	449.0
Amortization	-32.1	-37.6	-38.7	-39.0	-46.0	-45.8	-67.1	-57.9
Medium-term loans	-28.5	-16.0	-26.9	74.9	-125.1	-27.3	-30.7	-80.6
Inflows	65.1	70.6	47.9	155.4	92.1	45.0	45.0	15.0
Amortization	-93.6	-86.6	-74.8	-80.5	-217.2	-72.3	-75.7	-95.6
Trust Fund	-3.5	-0.4	--	--	--	--	--	--
Private capital	52.8	19.1	6.4	6.4	111.8	39.3	56.8	50.0
Direct investment	14.8	20.0	22.5	22.5	25.0	27.5	45.0	50.0
Others (incl. divestiture)	38.0	-0.9	-16.1	-16.1	86.8	11.8	11.8	--
Short-term capital	-59.2	15.8	-39.0	-118.9	25.2	7.5	2.3	--
Net errors and omissions	52.0	31.0	--	-22.2	--	--	--	--
Overall balance	118.0	170.8	140.0	-124.3	167.5	235.1	167.0	177.5
Financing	-118.0	-170.8	-140.0	124.3	-167.5	-235.1	-167.0	-177.5
Net foreign assets	-103.9	-147.1	-140.0	123.0	-167.5	-235.1	-167.0	-177.5
Payments arrears	-17.3	--	--	--	--	--	--	--
Net international reserves	-86.6	-147.1	-140.0	-123.0	-167.5	-235.1	-167.0	-177.5
Use of Fund credit	-47.7	82.2	-63.4	-63.8	-0.7	-79.1	-96.7	-162.1
Disbursement/purchases	--	--	--	--	64.8	--	--	--
Repurchases	-112.8	-77.1	-63.4	-63.8	-54.2	-37.2	-17.8	-46.4
SAF and ESAF loans (net)	65.1	159.3	--	--	-11.3	-41.9	-78.9	-115.7
Other reserve (increase-)	-38.9	-229.3	-76.6	186.8	-166.8	-156.0	-70.3	-65.9
Bilateral payments agreements 2/	-14.1	-23.7	--	1.3	--	--	--	--
Memorandum items:								
(In percent)								
Current account deficit/GDP								
Excluding official transfers	6.9	6.5	6.7	8.6	10.1	7.2	6.5	5.1
Including official transfers	3.5	3.6	3.2	5.5	5.9	3.3	2.6	2.1
Overall balance/GDP	1.9	2.4	2.1	-1.8	2.6	3.4	2.3	2.1
Gross international reserves								
End of period (US\$ millions)	269.3	489.2	557.2	346.5	513.2	669.2	739.5	820.6
In months of imports (c.i.f.)	2.5	4.1	4.5	2.6	3.7	4.8	4.9	4.9
Cocoa exports								
Volume (in thousands of tons)	268,136	264,785	262,000	243,102	280,000	299,600	299,600	299,600
Price (in US\$ per ton)	1,345	1,309	1,280	1,244	1,000	1,232	1,305	1,419

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ The 1990 data have been revised to reflect revaluation and reclassification of bilateral accounts.

2/ Projections assume no change in outstanding balances due to uncertainties regarding when partner countries will pay down amounts owed to Ghana.

Table 9. Ghana: External Public Debt and Debt Service, 1990-97 1/

	1990 Act.	1991 Act.	1992 Prog.	1992 Est.	1993	1994	1995 Projections	1996	1997
(In millions of U.S. dollars; end of period)									
External public debt									
Medium-term debt 2/	358.4	507.2	298.1	522.6	397.5	370.2	339.5	242.9	162.3
Previously rescheduled	130.6	110.1	122.4	103.2	103.2	103.2	103.2	103.2	103.2
Other	227.8	397.1	175.7	419.4	294.3	267.0	236.3	139.7	59.1
Long-term debt	2,215.1	2,437.7	2,999.4	2,731.6	3,262.2	3,703.4	4,035.2	4,440.6	4,831.6
Bilateral loans	509.7	512.3	782.1	526.3	678.8	804.7	869.1	1,020.3	1,163.3
Multilateral loans	1,705.4	1,925.4	2,217.3	2,205.3	2,583.4	2,898.7	3,166.1	3,420.3	3,668.3
IMF	721.8	822.6	753.0	739.5	740.3	659.1	558.1	437.3	272.3
Tranche policies/CCFF	289.7	216.8	151.7	149.0	159.9	122.2	103.6	80.0	33.1
Trust Fund/SAF/ESAF	432.1	605.8	601.2	590.5	580.4	536.9	454.5	357.3	239.2
Arrears	--	--	--	--	--	--	--	--	--
Total	3,295.2	3,767.5	4,050.5	3,993.7	4,400.0	4,732.7	4,932.8	5,120.8	5,266.2
(In percent of total; end of period)									
Medium-term debt	10.9	13.5	7.4	13.1	9.0	7.8	6.9	4.7	3.1
Of which:									
previously rescheduled	(4.0)	(2.9)	(3.0)	(2.6)	(2.3)	(2.2)	(2.1)	(2.0)	(2.0)
Long-term debt	67.2	64.7	74.1	68.4	74.1	78.3	81.8	86.7	91.7
Of which:									
multilateral loans	(51.8)	(51.1)	(54.7)	(55.2)	(58.7)	(61.2)	(64.2)	(66.8)	(69.7)
IMF	21.9	21.8	18.6	18.5	16.8	13.9	11.3	8.5	5.2
(In millions of U.S. dollars)									
External public debt service									
Principal	258.7	201.7	176.9	183.3	328.7	197.2	239.5	274.2	315.6
Medium-term	110.3	86.6	74.8	80.5	217.2	72.3	75.7	111.6	95.6
Long-term	32.1	37.6	38.7	39.0	46.0	45.8	67.1	45.6	57.9
IMF repurchases	116.3	77.5	63.4	63.8	65.5	79.1	96.7	117.0	162.1
Interest	105.2	116.3	114.0	102.2	108.3	120.3	119.5	118.0	116.0
Medium-term	33.2	37.7	42.5	33.8	36.3	38.2	31.2	24.3	17.2
Long-term	36.8	44.9	50.0	47.8	58.6	70.3	78.9	86.3	94.7
IMF charges 3/	35.2	33.7	21.5	20.6	13.4	11.8	9.3	7.5	4.9
Total									
Including IMF	363.9	318.1	290.9	285.5	436.9	317.5	359.0	392.3	432.5
Excluding IMF	212.4	206.8	206.0	201.1	358.1	226.6	253.0	267.7	265.4
(In percent)									
Memorandum items:									
Debt service ratio 4/									
Including IMF	37.0	28.9	24.9	25.8	37.7	23.7	25.0	25.5	25.9
Excluding IMF	21.6	18.8	17.7	18.2	30.9	16.9	17.7	17.4	15.9
External public debt/GDP	52.9	53.8	59.4	58.0	69.3	69.3	67.1	64.8	61.6

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ For 1991 and 1992, changes in reclassification and revaluation may cause discrepancies between flow figures and changes in stock figures.

2/ Including medium-term debt owed by the Bank of Ghana to foreign commercial banks.

3/ Excluding SDR charges.

4/ In percent of exports of goods and services; excluding repayment of arrears.

Table 10. Ghana: Benchmarks for 1993

	<u>1992</u>	<u>1993</u>	<u>1993</u>		
	<u>Dec.</u>	<u>Mar.</u>	<u>June</u>	<u>Sept.</u>	<u>Dec.</u>
	<u>Act.</u>	<u>Prel.</u>	<u>Program</u>		
<hr/>					
	<u>(In billions of cedis; end of period)</u>				
<u>Quantitative benchmarks</u>					
Net domestic assets of the Bank of Ghana <u>1/</u>	409.5	347.1	323.7	315.6	260.3
Gross financing of the Cocoa Board by the Bank of Ghana	--	--	--	--	--
Net domestic financing of the Government <u>2/</u>	...	-43.9	-30.1	-35.2	-83.6
<u>(In millions of U.S. dollars; end of period)</u>					
Net foreign assets of the Bank of Ghana <u>3/</u>	-405.8	-393.8	-350.8	-347.0	-238.3
New nonconcessional external loans contracted or guaranteed by the Government or the Bank of Ghana (cumulative on a calendar-year basis) <u>4/</u>					
1. 1-12 years' maturity	...	40.0	40.0	40.0	40.0
2. 1-5 years' maturity	...	15.0	15.0	15.0	15.0
Short-term external debt outstanding contracted or guaranteed by the Government or the Bank of Ghana (with an initial maturity of less than one year) <u>5/</u>	71.2	71.2	71.2	30.0	30.0
External payments arrears of the Government	--	--	--	--	--
<u>Structural benchmarks</u>			<u>Target date</u>		
1. Adjustment of the cocoa producer price for the 1993/94 crop year consistent with world market trends, government budgetary requirements, and the need to strengthen farmer incentives.	End-June 1993				
2. Complete the review of subvented agencies to identify those to be dissolved and those to be incorporated into the civil service and to identify measures to increase their revenue-earning capacity.	End-September 1993				
3. Complete a review and estimation of overdue payments on tax arrears, dividends, and debt service repayments of public enterprises; and draw up an action plan for the recovery of these payments by the budget.	End-September 1993				
4. Draw up a detailed action plan showing the phasing of the intermediate measures in the legal, administrative, and fiscal areas, needed for the full implementation of the value-added tax by end-1994.	End-September 1993				

1/ Revised definition. The net domestic assets of the Bank of Ghana are defined as reserve money plus the SDR allocation account minus net foreign assets minus the revaluation account.

2/ New benchmarks replacing net claims on the Government. Defined to include net domestic financing by the banking system, and net sales of government debt to the nonbank public; cumulative from January 1, 1993.

3/ Revised classification of the net foreign assets of the Bank of Ghana.

4/ Cumulative from January 1, 1993. Includes borrowings by the Bank of Ghana from official export credit agencies.

5/ Excluding import-related credits.

Table 11. Ghana: Compensatory Financing Request
-- Determination of the Amount of Compensation

(In millions of SDRs)

	Year Ended March					
	1991	1992	1993	1994	1995	Excess/ Shortfall <u>1/</u>
				Projections <u>1/</u>		
Merchandise exports	683.0	716.3	704.1	784.9	883.9	47.0
Net compensable amount			47.0 <u>2/</u>			
Proposed purchase			47.0			

Sources: Data provided by the Ghanaian authorities; and staff projections.

1/ Geometric averages of export earnings for the five-year period centered on the shortfall year are used to calculate export shortfalls (excesses).

2/ The constraint that exports in the post-shortfall period not exceed 20 percent of their average in the pre-shortfall period is not binding in this case.

Table 12. Ghana: External Financing Requirements and Resources, 1992-96

(In millions of U.S. dollars)

	<u>1992</u>		<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1993-96</u>
	Prog.	Est.	Prog.	Projections			Total
<u>Requirements</u>	<u>709</u>	<u>588</u>	<u>1,137</u>	<u>842</u>	<u>788</u>	<u>787</u>	<u>3,554</u>
Current account deficit, excluding interest payments and official grants	341	489	533	369	359	329	1,590
Interest payments	114	102	108	120	119	118	465
Principal payments	114	120	263	118	143	157	681
IMF repurchases/repayments	63	64	66	79	97	117	359
Increase in gross official reserves	77	-187	167	156	70	66	459
<u>Resources</u>	<u>709</u>	<u>588</u>	<u>1,137</u>	<u>842</u>	<u>788</u>	<u>787</u>	<u>3,544</u>
Official grants (net)	238	216	265	263	286	249	1,063
Long-term loan disbursements	455	351	577	487	399	451	1,914
Medium-term loan disbursements	48	155	92	45	45	15	197
Other capital inflows (net)	-33	-135	137	47	59	72	315
Use of Fund resources (CCFF)	--	--	65	--	--	--	65

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

Table 13. Ghana: Medium-Term Outlook for the Balance of Payments, Sensitivity Tests, 1992-98

	1992 Act.	1993 Prog.	1994	1995	1996	1997	1998
			Projections				
<u>Baseline scenario</u>							
Cocoa export price (in U.S. dollars per ton)	1,244.0	1,000.0	1,232.0	1,304.6	1,342.0	1,419.0	1,502.6
Nontraditional exports ^{1/}	226.6	239.2	265.7	288.3	323.0	362.5	408.6
Aid inflows (in months of U.S. dollars)	575.2	851.0	759.6	693.9	709.2	709.2	709.2
Current account deficit, excluding official transfers (in percent of GDP)	8.6	10.1	7.2	6.5	5.6	5.1	4.7
Debt service ratio (in percent)	25.8	37.5	23.4	24.8	25.3	25.8	22.6
Overall balance of payments (in millions of U.S. dollars)	-124.3	167.5	235.1	167.0	182.9	177.4	163.3
Reserves, end of period							
In millions of U.S. dollars	346.5	513.2	669.2	739.5	805.3	820.6	847.0
In months of imports, c.i.f.	2.6	3.7	4.7	4.9	5.1	4.9	4.7
<u>Scenario A: Lower cocoa prices ^{2/}</u>							
Cocoa export price (in U.S. dollars per ton)	1,244.0	850.0	1,047.2	1,108.9	1,140.7	1,206.2	1,277.2
Current account deficit, excluding official transfers (in percent of GDP)	8.6	10.7	8.0	7.4	6.5	6.0	5.7
Debt service ratio (in percent)	25.8	38.9	24.5	25.9	26.3	26.8	23.5
Overall balance of payments (in millions of U.S. dollars)	-124.3	125.5	178.1	403.1	113.2	100.3	78.0
Reserves, end of period							
In millions of U.S. dollars	346.5	471.2	570.2	576.6	572.8	511.0	452.0
In months of imports, c.i.f.	2.6	3.4	4.0	3.9	3.6	3.0	2.5
Shortfall in reserves (in millions of U.S. dollars) ^{3/}	...	42.0	99.0	162.9	232.5	309.7	395.0
<u>Scenario B: Lower "other exports" ^{4/}</u>							
Nontraditional exports	226.6	237.5	258.1	276.4	296.4	318.4	342.8
Current account deficit, excluding official transfers (in percent of GDP)	8.6	10.1	7.3	6.7	6.0	5.6	5.5
Debt service ratio (in percent)	25.8	37.5	23.4	24.8	25.3	25.8	22.6
Overall balance of payments (in millions of U.S. dollars)	-124.3	165.8	227.4	154.5	155.0	130.6	92.0
Reserves, end-of-period							
In millions of U.S. dollars	346.5	511.5	659.8	717.6	755.6	724.0	678.8
In months of imports, c.i.f.	2.6	3.7	4.7	4.8	4.8	4.3	3.8
Shortfall in reserves (in millions of U.S. dollars) ^{3/}	...	1.7	9.4	21.9	49.8	96.7	168.0
<u>Scenario C: Lower aid flows ^{5/}</u>							
Aid inflows (in months of U.S. dollars)	575.2	765.9	683.6	624.5	638.3	638.3	638.3
Current account deficit, excluding official transfers (in percent of GDP)	8.6	10.1	7.2	6.6	5.8	5.3	5.0
Debt service ratio (in percent)	25.8	37.5	23.4	24.8	25.3	25.8	22.6
Overall balance of payments (in millions of U.S. dollars)	-124.3	82.4	155.9	88.9	98.0	87.7	68.4
Reserves, end-of-period							
In millions of U.S. dollars	346.5	428.1	504.9	497.0	478.0	403.6	335.0
In months of imports, c.i.f.	2.6	3.1	3.6	3.3	3.0	2.4	1.9
Shortfall in reserves (in millions of U.S. dollars) ^{3/}	...	85.1	164.3	242.4	327.3	417.0	511.9

Source: Data provided by the Ghanaian authorities; and staff estimates and projections.

^{1/} Exports other than cocoa, gold, and timber.

^{2/} Assumed that cocoa prices will be 15 percent lower than in baseline scenario.

^{3/} Shortfall relative to the baseline scenario.

^{4/} Assumed that exports other than cocoa, gold, and timber grow at same rate as GDP.

^{5/} Assumed that there is 10 percent shortfall in concessional aid.

Table 14. Ghana: Indicators of Fund Credit, 1990-2001

	1990	1991	1992	1993 Prog.	1994	1995	1996	1997	1998	1999	2000	2001
								Projections				
Outstanding Fund credit												
In millions of U.S. dollars	721.8	822.6	739.5	740.3	659.1	558.1	437.3	272.3	133.9	59.7	22.0	--
In percent of quota	255.8	285.1	196.3	196.2	175.1	149.2	117.7	73.8	36.5	16.3	6.0	--
In percent of GDP	11.6	11.8	10.7	11.7	9.7	7.6	5.5	3.2	1.4	0.6	0.2	--
In percent of exports of goods and nonfactor services	73.4	74.7	66.9	63.8	49.2	38.9	28.4	16.3	7.4	3.1	1.0	--
Debt service due to the Fund <u>1/</u>												
In millions of U.S. dollars	151.5	111.3	84.4	78.8	90.9	106.0	124.5	167.1	139.0	74.7	37.9	22.1
In percent of quota	54.6	39.8	21.9	20.9	24.1	28.4	33.5	45.3	37.9	20.4	10.3	6.0
In percent of exports of goods and nonfactor services	15.4	10.1	7.6	6.7	6.8	7.4	8.1	9.9	7.6	3.8	1.8	1.0
In percent of debt service due	41.6	35.0	29.6	17.9	27.8	28.8	31.2	38.4	33.8	21.6	12.2	7.7
In percent of gross official reserves	56.3	22.8	24.3	15.4	13.6	14.3	15.5	20.4	16.3	8.0	3.6	1.8
Gross Fund financing												
In millions of U.S. dollars	65.1	159.3	--	64.8	--	--	--	--	--	--	--	--
In percent of Ghana's gross financing need <u>2/</u>	8.7	18.0	--	5.7	--	--	--	--	--	--	--	--

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ Excluding SDR charges.

2/ Gross financing need is defined as the sum of the current account deficit, medium- and long-term debt amortization, miscellaneous capital outflows, Fund repurchases, Trust Fund repayments, the reduction in payments arrears, and the reduction in other net foreign liabilities of the Bank of Ghana.

Ghana - Relations with the Fund

(As of April 30, 1993)

I. Membership Status: Joined 9/20/57; Article XIV

II. <u>General Resources Account</u> :	<u>SDR Million</u>	<u>% Quota</u>
Quota	274.00	100.0
Fund holdings of currency	360.19	131.5
Reserve position in Fund	17.38	6.3

III. <u>SDR Department</u> :	<u>SDR Million</u>	<u>% Allocation</u>
Net cumulative allocation	62.98	100.0
Holdings	1.84	2.9

IV. <u>Outstanding Purchases and Loans</u> :	<u>SDR Million</u>	<u>% Quota</u>
Stand-by arrangements	26.59	9.7
Extended arrangements	76.98	28.1
SAF arrangements	40.90	14.9
ESAF arrangements <u>1/</u>	388.55	141.8

V. <u>Financial Arrangements</u> :				
	<u>Approval</u>	<u>Expira-</u>	<u>Amount</u>	<u>Amount</u>
<u>Type</u>	<u>Date</u>	<u>tion</u>	<u>Approved</u>	<u>Drawn</u>
		<u>Date</u>	<u>(SDR Million)</u>	<u>(SDR Million)</u>
ESAF	11/09/88	3/05/92	388.55	388.55
SAF	11/11/87	11/08/88	129.86	40.90
Extended	11/06/87	11/08/88	245.40	97.55

VI. Projected Obligations to Fund (SDR Million; based on existing use of resources and present holdings of SDRs):

	<u>Overdue</u>	<u>Forthcoming</u>				
	<u>4/30/93</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Principal	--	42.7	57.6	70.9	80.4	96.9
Charges/interest	--	8.9	8.8	7.2	6.1	5.1
Total	--	51.6	66.4	78.0	86.5	102.0

1/ Including ESAF Trust resources.

Ghana - Relations with the Fund (concluded)

(As of April 30, 1993)

VII. Exchange Rate Arrangement:

Ghana maintains a flexible exchange rate system, using the U.S. dollar as the intervention currency. Since March 19, 1992, the foreign exchange auction has been abandoned and the exchange rate of the cedi has been determined freely in the context of an extended interbank market. The exchange rate in the interbank market at end-April 1993 was ¢ 601 per U.S. dollar, while the average bureau buying rate was ¢ 615 per U.S. dollar and the average selling rate was ¢ 621 per U.S. dollar.

Ghana has liberalized all payments and transfers for current international transactions.

VIII. Article IV Consultations:

The 1991 Article IV consultation discussions were held during the periods December 3-16, 1991, and January 13-17, 1992. The staff report (EBS/92/34) was discussed by the Executive Board on March 27, 1992.

Ghana is on the standard 12-month cycle for Article IV consultations.

IX. Technical Assistance, 1986-93

African Department and Bureau of Statistics	Bank of Ghana (monetary accounts): May 1987
Statistics Department	Bank of Ghana and Ministry of Finance and Economic Planning (external debt): October 1988. A Fund staff member has been on secondment to the Bank of Ghana as financial statistics advisor since April 8, 1991.
Central Banking Department	Bank of Ghana and Ministry of Finance and Economic Planning (instruments of monetary control): June 1989
Exchange and Trade Relations Department	Ministry of Finance and Economic Planning and Bank of Ghana (auction market): August and September 1986
Fiscal Affairs Department	Ministry of Finance and Economic Planning (expenditure control): July 1986 (capital income tax reform): November 1989 (expenditure control): May 1990

X. Resident Representative A Fund resident representative has been stationed in Accra since June 1985. The current Fund representative is Mr. Iqbal Zaidi.

Ghana - Relations with the World Bank Group

(As of March 31, 1993)

Commentary on Lending Operations

1. The main objective of the Bank's assistance strategy is to help the Government achieve its goals of rapid economic growth, macroeconomic stability, and poverty alleviation. There are three strategic elements in the Bank's assistance program over the medium term. The first is an emphasis on achieving enhanced growth in Ghana, through an expanded role for the private sector, and to achieve this in a way that preserves macroeconomic stability. The second is improved management of public sector resources to allow the Government to be an effective partner in promoting growth. The third is to sustain the achievements envisaged through more effective human resource development and physical resource preservation.

2. As of March 31, 1993, the World Bank Group had approved operations for Ghana totaling US\$2,576.1 million, consisting of 10 loans, 81 credits (including African Facility), and 33 IFC operations (Table attached). Over the three-year period FY 1993-95, the Bank's lending program for Ghana, based on current plans, could amount to about the same level of lending over the last three years (US\$794 million during FY 1990-92).

3. Recent and proposed Bank Group projects emphasize rehabilitation, maintenance, and institutional strengthening. These cover the transport telecommunications, energy, water, and urban sectors. Other operations are intended to increase output and efficiency in agriculture and mining. The Bank program also includes support for enterprise and technology development.

4. Since the formulation of Ghana's ERP in 1983, the Bank has provided a series of policy-based credits to help the Government arrest the deterioration in the economy and lay the basis for sustained growth. These credits were designed to ensure the flow of urgently needed imports, and helped implement the Government's strategy for economic recovery through the phased liberalization of exchange, trade, and price controls, the rationalization of capital and recurrent public expenditures, improvements in producer prices, and parastatal reform. In addition, an industrial sector adjustment credit, followed by a financial sector adjustment credit and a public enterprise sector reform project, effected reforms in key sectors. A third adjustment credit (Program to Promote Private Investment and Sustained Development) was approved in May 1991. In FY 92 two credits were approved, one for a second Financial Sector Adjustment Operation followed by an Agricultural Sector Adjustment Credit, to further deepen policy and institutional reforms. At both the sector-wide and project-specific investment levels there will be increased attention to longer-term issues, including human resource development, population and environment, as well as on ways to improve efficiency in the delivery of economic infrastructure.

Ghana - Relations with the World Bank Group) (concluded)
(As of March 31, 1993; in millions of U.S. dollars)

<u>Lending Operations</u>	<u>IBRD and IDA 1/</u>		<u>IFC loans and equity participations 1/</u>		<u>Grand total commitments</u>
	<u>Total commitments 2/</u>	<u>Of which: undisbursed</u>	<u>Total commitments 2/</u>	<u>Of which: Undisbursed</u>	
Ten loans and 43 credits fully disbursed	1,225.86	(--)	--	(--)	1,212.86
Structural adjustment and program lending 3/	388.14	(176.17)	--	(--)	388.14
Agriculture	250.85	(185.52)	--	(--)	250.85
Energy and industry	225.00	(83.31)	410.8	(49.0)	635.80
Transport and tele-communications	254.50	(175.04)	--	(--)	254.50
Urban development, water, education, and health	<u>231.7</u>	<u>(176.53)</u>	<u>--</u>	<u>(--)</u>	<u>231.70</u>
Total	2,576.05	(849.90)	410.8	(42.6)	2,736.00
Amounts repaid or sold	143.77		261.9		405.61
Total outstanding 4/					2,330.33
Held by IBRD					(63.10)
IDA					(2,561.48)
IFC					(148.90)

Memorandum items:

<u>IBRD/IDA operations on a fiscal year basis</u>	<u>Commitments</u>	<u>Disbursements</u>	<u>Repayments</u>
1980	54.4	31.7	3.5
1981	29.0	28.3	5.6
1982	--	30.5	5.7
1983	71.5	18.8	7.4
1984	124.6	39.8	9.0
1985	131.8	52.0	10.1
1986	121.0	115.0	9.8
1987	198.6	234.6	13.0
1988	276.1	126.1	12.7
1989	260.0	211.1	9.9
1990	185.7	157.9	11.0
1991	319.5	231.7	13.8
1992	288.9	188.9	14.2
1993 5/	172.1	165.8	9.1

Source: World Bank Group.

1/ Excluding cancellations.

2/ U.S. dollar equivalent at the date of signature.

3/ Including Technical Assistance Credits.

4/ Valued at end-of-period exchange rate; it differs from total commitments because the latter are valued at the exchange rates of the date of signature.

5/ To March 31, 1993.

Ghana - Selected Social and Demographic Indicators 1/

Area	
Total land area (square kilometers)	238,500
Agricultural land (in percent of total)	33.6
Population and vital statistics	
Total population (mid-1991, in millions)	15.3
Population growth rate (1980-90 average, in percent)	2.6
Urban population (percent of total)	33
Population density (per sq. km. of agricultural land)	234
Population age structure (in percent)	
0-14 years	47
15-64 years	49
65 and above	4
Crude birth rate (per thousand)	45
Crude death rate (per thousand)	13
Infant mortality rate (per thousand)	83
Life expectancy at birth (years)	55
Health and nutrition	
Access to safe water (in percent of population)	
Total	49
Urban	72
Rural	39
Per capita supply of	
Calories (per day)	1,785
Proteins (grams per day)	34
Labor force	
Total labor force (in millions)	5.9
Participation rate (in percent)	
Total	38
Male	44
Female	29
Education	
Enrollment rates (in percent)	
Primary	66
Secondary	39
Pupil-teacher ratio	
Primary	29
Secondary	19

Ghana - Selected Social and Demographic Indicators 1/ (concluded)

Poverty	
Percent of population below	
upper poverty line (¢ 32,981 per year)	36
Percent of population below	
lower poverty line (¢ 16,491 per year)	7
Summary of results of the Ghana Living Standards Survey	
(in percent of total people surveyed) 2/ 3/	
Employer of head of household	
Private	6.9
Government	12.1
Parastatal	2.5
None	3.9
Self-employment	74.7
Occupation of head of household	
White collar worker	9.1
Sales/services	10.9
Production/crafts	13.3
Unemployed	2.2
Cocoa farmer	18.4
Other farmer	44.5
Retired	1.6
Education of head of household	
University	1.2
Post-secondary/non-university	0.4
Secondary school, A level	0.3
Secondary school, O level	3.0
Middle school	31.3
Primary	18.1
Teacher training	1.8
None	53.9

Sources: Statistical Service, Quarterly Digest of Statistics; IMF, International Financial Statistics; World Bank, Ghana: Progress on Adjustment, April 16, 1991; and data provided by the World Bank.

1/ Unless otherwise mentioned, estimates refer to the latest available year between 1980 and 1990.

2/ The survey was based on the World Bank's Living Standards Measurement Study methodology and was carried out by the Ghana Statistical Service during the period from September 1987 to August 1988, covering 3,200 households.

3/ The figures refer to the total number of people surveyed and not the total number of households surveyed. For example, 6.9 percent of the people surveyed live in households headed by a person working in the private sector.

Analysis of the Shortfall in Total Earnings
from Merchandise Exports

In the years immediately prior to the shortfall year, the value of Ghana's exports increased steadily in terms of SDRs, and in the year ended March 1992 it was nearly 17 percent above the 1989 level (Appendix Table 1). This increase was due mainly to higher production of gold, diamonds, electricity, and certain nontraditional exports. On the other hand, export prices generally declined during this period, owing to the depressed conditions in world markets for Ghana's commodity exports. In particular, world market prices for cocoa, traditionally Ghana's most important export product, have fallen sharply in recent years. The movement in world market prices for cocoa is the most important factor underlying the export shortfall over the 12-month period ended March 1993. However, some reversal of this trend is expected over the medium term.

1. Cocoa beans and cocoa products

During the year ended March 1993, shortfalls of SDR 30.1 million and of SDR 7.2 million are estimated for exports of cocoa beans and cocoa products, respectively. Earnings from exports of cocoa beans and products accounted for about 29 percent of total merchandise exports in the shortfall year.

As a consequence of a competitive domestic producer pricing policy from 1985 to 1990, Ghana was able to increase its cocoa exports by 43 percent in volume terms. In the first of the two pre-shortfall years ended March 1991 and March 1992, production kept pace, but in the second year poor weather conditions contributed to a fall in production. In the shortfall year ended March 1993, the volume of cocoa exports showed a small recovery. Since virtually all the crop that will be exported in the first post-shortfall year has already been purchased from the farmers, the authorities believe that export volumes will rise by about 20 percent in that year. Thereafter, the volume is expected to level off.

The world cocoa market in the 1980s was characterized by over-investment, which led to overproduction and stockpiling. By the end of the 1980s, the market for cocoa collapsed and prices declined. Another contributing factor was the fall in demand from eastern Europe and the countries of the former Soviet Union. Thus, cocoa prices in the shortfall year are nearly one half of the level prevailing in 1988; they were 12 percent lower than in the preceding 12-month period, and 17 percent lower than in the period April 1990 to March 1991. In March 1993 cocoa prices reached U\$977 per ton, their lowest level in three years, and increased to

US\$1,011 per ton in April. According to WEO projections, it is expected that world market prices for cocoa have bottomed out. 1/

In the twelve month period ending March 1994, the unit value of exported cocoa from Ghana is projected to fall further, despite the present upward trend in world market prices. This is because much of the 1992/93 main crop was sold forward, and the contracts were concluded at a time when the cocoa market was especially depressed. Market conditions have since firmed somewhat and, as a consequence, the projections show a relatively sharp increase in unit values for the year ended March 1995.

2. Timber and timber products

A shortfall of SDR 7.5 million is estimated for exports of timber and timber products for the year ended March 1993. Earnings from exports of timber and timber products accounted for about 12 percent of total merchandise exports in the shortfall year.

From the mid-1980s to 1990, timber exports more than doubled in value, largely as a result of an increase in price from US\$151 per cubic meter in 1986 to US\$319 in 1990 (calendar-year basis). Since then, prices of Ghanaian timber and timber products have fallen to US\$278 per cubic meter in the shortfall year.

During the first half of 1993, however, prices of timber and timber products increased sharply in a number of important markets, most notably in North America. This development appears to have been related to environmental concerns over excessive extraction rates that may hold back timber cutting on the North American continent. The world market for timber is, however, largely segmented by types of timber products and by established lines of marketing and sales organizations, and Ghanaian timber exports, which go mostly to Europe, have not enjoyed similar price gains. The projected export values for the years ending March 1994 and March 1995 are based on price increases of 13 percent and 7 percent, respectively, which build on projected world market trends and take into account planned increases in the value added of Ghanaian timber products owing to ongoing investment in timber processing facilities.

Ghana's exports of timber increased from 291,000 cubic meters in 1986 to 546,000 cubic meters in 1988, as externally financed rehabilitation projects improved production capacity. In calendar year 1990 exports totaled 395,000 cubic meters. In the first of the two pre-shortfall years, the volume of timber exports declined, but there was a turnaround in the

1/ This assumption is based on analyses of international stocks of cocoa, and projections of future supply and demand conditions. In particular, it is expected that demand from eastern Europe will pick up, while some suppliers may reduce production due to the low prices which have prevailed for some time.

second year. For the shortfall year, the value of timber exports increased by 3 percent. Contributing factors to this increase included improved management of state-owned timber companies, and an increase in capital investment. In the first of the two post-shortfall years, timber exports are projected to fall by 5 percent compared with the preceding twelve-month period. ^{1/} This decline is regarded as temporary, and a 10 percent volume increase is expected for the second post-shortfall year as productive capacity in the industry continues to expand.

3. Gold

Earnings from exports of gold represented about 36 percent of total merchandise exports in the shortfall year. An excess of SDR 11.2 million is estimated for exports of gold in the shortfall year. As shown in Appendix Table 1, gold contributed negatively to the overall export shortfall for the year ended March 1993. This reflects strong production increases, combined with the assumption that volume growth will be more modest in the two post-shortfall years.

Ghana's gold exports increased threefold from calendar year 1986 to the beginning of the 1990s, and have now become Ghana's major export product. This development is attributable to increased production, as new gold fields have come on stream and existing fields have been rehabilitated. Gold prices have declined in each of the past three years.

In the two pre-shortfall years, the value of gold exports increased by an average of 39 percent a year, despite a price decline of 7 percent during this period. In the shortfall year, the average unit value of exported gold was US\$339 per ounce, which is 8 percent below that of the preceding 12 months. Export volumes expanded by 18 percent. In the first post-shortfall year, the gold price in nominal terms is expected to increase by 6 percent from the low level of the shortfall year. This is consistent with a 2 percent increase from average prices in the first part of 1993, leaving the price unchanged in real terms. The price increase for the second post-shortfall year is also consistent with an unchanged price in real terms. The volume, however, will continue to expand by approximately 7 percent a year, as capacity increases in existing and new gold fields.

^{1/} This partly reflects the exceptionally high exports in the first quarter of 1993, as a result of which some replenishment of stocks is expected.

4. Other exports

A shortfall of SDR 7.6 million is estimated for the category "other exports" during the year ended March 1993. Earnings from these exports accounted for about 23 percent of total merchandise exports in the shortfall year. This category of exports consists primarily of electricity, bauxite, manganese, and diamonds. It also includes new export activities (such as agro-industrial products, finished consumer goods, and arts and crafts), many of which are aimed at markets in other developing countries.

Electricity is the item that most clearly contributes to the total shortfall of the category "other exports." This is due to its larger share (almost 10 percent of total merchandise exports is electricity) and to the magnitude of the shortfall for this particular item. The shortfall is caused mainly by a fall in the price of exported electricity to the Volta Aluminum Company (Valco), reflecting weak world market conditions for aluminum. 1/ In terms of volume exported, electricity remained relatively stable in the pre-shortfall years and in the shortfall year. In the two post-shortfall years, export of electricity in value terms is expected to pick up moderately, mostly due to an expected rise in price (reflecting an expected recovery in aluminum prices).

1/ The price of electricity charged to Valco is determined by an agreed formula which takes into account the international price of aluminum.

Table 1. Ghana: Earnings from Merchandise Exports, 1988-95, and Shortfalls of Major Commodities for Year Ended March 1993

	Year Ended March								Geometric shortfall
	1988	1989	1990	1991	1992	1993	1994 <u>1/</u>	1995 <u>1/</u>	
(In millions of SDRs)									
Earnings	655.5	612.9	597.3	683.0	716.3	704.1	785.1	883.9	47.0
Cocoa	343.8	311.0	280.5	285.3	225.0	203.3	228.4	273.1	37.8
Cocoa beans	314.2	286.9	259.4	259.9	198.3	184.4	196.2	243.9	30.1
Cocoa products	29.6	24.1	21.1	25.5	26.7	18.9	32.3	29.2	7.2
Gold	125.4	122.6	120.8	160.6	236.4	253.2	280.6	307.8	-11.2
Timber and products	79.0	74.2	69.9	85.6	90.7	83.0	89.6	105.1	7.5
Other	107.3	105.1	126.2	151.4	164.1	164.5	186.6	197.9	7.6
Sheanuts	2.0	1.4	0.5	0.7	0.5	0.3	0.6	0.6	0.2
Coffee	0.7	0.5	0.5	0.4	0.4	0.8	0.7	0.8	-0.2
Diamonds	2.6	2.1	3.9	15.1	14.3	12.3	16.7	16.3	2.6
Bauxite	5.1	5.0	6.8	7.2	6.3	6.8	8.0	7.7	0.4
Manganese	6.5	5.5	10.2	9.7	16.6	9.5	14.8	14.5	3.2
Residual oil (1993: total)	12.6	12.0	17.4	18.6	12.8	13.8	15.4	18.5	1.8
Electricity	54.8	56.9	61.3	66.0	70.2	63.1	78.0	80.5	8.1
Other (1993: total estimate)	23.0	21.8	25.5	33.7	42.9	57.9	52.3	59.0	-9.8
(Percentage change)									
Earnings	...	-6.5	-2.5	14.3	4.9	-1.7	11.5	12.6	...
Cocoa	...	-9.6	-9.8	1.7	-21.1	-9.6	12.3	19.6	...
Cocoa beans	...	-8.7	-9.6	0.2	-23.7	-7.0	6.4	24.3	...
Cocoa products	...	-18.7	-12.4	20.6	5.0	-29.2	70.5	-9.4	...
Gold	...	-2.2	-1.5	33.0	47.2	7.1	10.8	9.7	...
Timber and products	...	-6.1	-5.8	22.6	6.0	-8.5	7.9	17.3	...
Other	...	-2.0	20.0	20.0	8.4	0.2	13.4	6.1	...
Sheanuts	...	-32.1	-62.3	39.0	-23.2	-48.3	106.0	0.5	...
Coffee	...	-25.4	1.6	-20.0	3.8	80.9	-6.6	10.3	...
Diamonds	...	-19.1	84.3	288.6	-5.4	-13.9	36.4	-2.7	...
Bauxite	...	-1.1	35.8	4.6	-12.4	8.0	17.9	-3.0	...
Manganese	...	-15.9	86.1	-4.1	70.7	-42.8	55.1	-1.8	...
Residual oil	...	-4.9	45.4	6.5	-30.9	7.6	11.5	20.1	...
Electricity	...	3.8	7.8	7.6	6.5	-10.1	23.5	3.3	...
Other	...	-5.4	17.1	32.2	27.2	35.0	-9.6	12.6	...

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

^{1/} Based on judgmental forecasts.

Table 2. Ghana: Earnings Value, Volume, and Unit Value Series for Major Exports, 1988-95

		Year Ended March						Value share in total exports in 1993	
	1988	1989	1990	1991	1992	1993	1994 1/	1995 1/	(In percent)
(1993 = 100; in terms of SDRs)									
Value	93	87	85	97	102	100	112	126	76.6
Cocoa	169	153	138	140	111	100	112	134	28.9
Cocoa beans	170	156	141	141	108	100	106	132	26.2
Cocoa products	156	127	111	134	141	100	171	154	2.7
Gold	50	48	48	63	93	100	111	122	36.0
Timber and products	95	89	84	103	109	100	108	127	11.8
Volume	71	75	75	84	92	100	109	115	...
Cocoa	90	91	111	116	98	100	120	122	...
Cocoa beans	89	91	114	118	96	100	116	118	...
Cocoa products	101	86	83	103	108	100	163	160	...
Gold	37	45	41	56	85	100	105	114	...
Timber and products	130	129	93	88	97	100	95	105	...
Unit value	131	116	113	116	111	100	102	109	...
Cocoa	188	169	124	121	113	100	94	110	...
Cocoa beans	192	171	124	120	111	100	92	112	...
Cocoa products	155	148	134	131	131	100	105	97	...
Gold	136	108	117	113	109	100	106	107	...
Timber and products	73	69	90	118	113	100	113	121	...

Sources: Data provided by the Ghanaian authorities; and staff estimates and projections.

1/ Based on judgmental forecasts.