



REPUBLIC OF GHANA

2011 BUDGET HIGHLIGHTS

Theme of the Budget: Stimulating Growth for Development and Job Creation.

Major Achievements of the Economy

1. GDP growth of 4.1 % in 2009 compared to the sub-Saharan Africa growth of 2.0 %.
2. Fiscal deficit reduced significantly from the double digit of 14.5 % on cash basis at the end of 2008 to 9.7 % in 2009.
3. Inflation has trended downwards in sixteen (16) consecutive months from 20.74 % at the end June 2009 to reach 9.38 % in October 2010, the lowest in the last two decades.
4. Gross international reserves of US\$ 3,973.0 million at the end of October 2010 have exceeded three months of import cover compared with reserves of US\$2,036.2 million at end December 2008 which could barely cover 2 months of import.
5. The Ghana Cedi has strengthened and appreciated by 0.1 percent, 2.2 % and 5.4 % against the US dollar, pound sterling and euro respectively as at the end of September, 2010.
6. Met three of the four primary convergence criteria of the West African Monetary Zone for the first time since the inception of the programme of regional integration.

2010 Macroeconomic Performance

7. Provisional figures based on Jan-June, 2010 actual data indicate that as at September 2010, the economy had expanded by 5.9 % against a GDP target of 6.5 %.

8. The Agriculture Sector grew by 4.8 % in 2010 against a target of 6.0
9. The Industry Sector grew by 7 % against a target of 6.6 percent.
10. The Services sector grew by 6.1 % and displaced the Agriculture sector as the highest contributor to GDP.
11. Overall Budget deficit of 8.8 % of GDP for the first three quarters of 2010.
12. Gross international reserves at the end of October 2010 stood at US\$3,973.0 million, enough to cover 3.2 months of imports of goods and services.

The Medium-Term Macroeconomic Framework (2011-13)

13. The "Ghana Shared Growth and Development Agenda" (GSGDA) which is the medium term development strategy of Government 2010–13 is the medium term strategy of Government. The thematic areas under the GSGDA:
 - ensuring and sustaining macroeconomic stability;
 - enhancing international competitiveness in Ghana's private sector;
 - accelerated agricultural modernisation and sustainable natural resource management;
 - oil and gas development and management; infrastructure,
 - energy and human settlements development;
 - human development, productivity and employment; and
 - transparent and accountable governance.

Macroeconomic targets of the 2011 Budget

14. Real GDP growth (excluding oil) of 7.0 %;
15. Real GDP growth (including oil) of 12.3 %;