



REPUBLIC OF GHANA

HIGHLIGHTS OF 2010 BUDGET

PREPARED BY

THE MINISTRY OF FINANCE AND ECONOMIC PLANNING

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MACROECONOMIC PERFORMANCE FOR 2009

Real Sector

- real GDP growth of 4.7 per cent;
- The Agricultural sector grew by 6.2 percent, against a target of 5.7 percent
- The Industrial sector grew by 3.8 per cent down from an annual growth target of 5.9 percent.
- The Services Sector grew by 4.6 per cent against a target growth rate of 6.6 percent.

Fiscal Developments

- Total revenue and grants amounted to GH¢4,518.6 million
- Total payments comprising statutory and discretionary payments amounted to GH¢6,266.4 million, equivalent to 29.6 per cent of GDP, against a budget target of GH¢7,189.9 million equivalent to 33.2 per cent of GDP.

- The overall budget deficit of GH¢1,376.7 million, equivalent to 6.4 per cent of GDP that was attained during the first three quarters of the year was financed from both domestic and foreign sources.
- Net domestic financing of the budget amounted to GH¢826.3 million, equivalent to 3.8 per cent of GDP, compared to a budget target of GH¢828.3 million.
- Financing from foreign sources totalled GH¢550.4 million, equivalent to 2.6 per cent of GDP.
- end period inflation target of 12.5 per cent;
- an overall budget deficit equivalent to 9.4 per cent of GDP;

PUBLIC DEBT MANAGEMENT

- Gross public debt rose by about US\$458.7 million to US\$8,517.7 million at the end of September 2009.
- Total public debt amounted to 59.7 per cent of GDP as at end September.

Inflation

- Reaching a peak of 20.6 per cent in April 2009, Government's fiscal consolidation stance, tight monetary policy and improved food harvest have contributed significantly to a reduction of inflation to 18.0 per cent by end October, 2009.
- Food inflation which was 19.3 per cent in April fell consistently to 13.5 per cent by end October, 2009.
- The good harvest and continuation of Government's tight fiscal stance is expected to reduce the inflation rate further to below the upper boundary of 17.5 per cent by December 2009.