

## Snapshot of Government's Expenditure and Revenue Measures

*"Ladies and gentlemen, cutting down on expenditures alone will not be enough. Our focus is therefore twofold: to control expenditure and to raise more revenues domestically"*

**Ken Ofori-Attah**, Minister of Finance, Ghana



## Expenditure Measures

1. Discretionary spending is to be further cut by an additional 10%. This will augment an initial 20% cut announced in January 2022.
2. Expenditure cuts across various Ministries, Departments and Agencies (MDAs), including a 50% reduction in allocation of fuel coupon and complete moratorium on importation of vehicles. This new measure is to be effective from 1 April up to 31 December, 2022.
3. Government of Ghana (the "Government") has imposed a moratorium on all foreign travels, except pre-approved critical/statutory travels.
4. Government will conclude on-going measures to eliminate "ghost" workers from the Government payroll by end December 2022.
5. Renegotiation of the Energy sector, Independent Power Producer (IPP) capacity charges. This is expected to reduce capacity charges paid by the government to the IPPs by 20% leading to savings of GHS1.5 billion.
6. Impose a moratorium on establishment of new public sector institutions by end April, 2022.
7. Prioritise ongoing public projects over new projects. This is to enhance the efficient use of limited public funds over the period by finishing ongoing or stalled but approved projects.
8. Reduce expenditure on all meetings and conferences by 50%, effective immediately.
9. Cabinet approved that Ministers and the Heads of SOEs to contribute 30% of their salaries from April to December 2022 to the Consolidated Fund.



## Revenue Measures

1. Collection of revised property rate to commence by the end of April 2022. We understand this will cover both private and commercial property owners.
2. Implementation of VAT on non-resident electronic service providers – See Deloitte's publication for further details.
3. Enforcement of "No duty - No exit" policy at the MPS Terminal at Tema Port.
4. Impass upon Parliament to fast track the passage of the E-Levy Bill, Tax Exemptions Bill, and Fees and Charges Bill.
5. Prioritise the Revenue Assurance, Compliance, and Enforcement (RACE) Programme to plug revenue leakages especially at the ports and the infamous fuel bunkering and small-scale mining exporters cabal.
6. Government will partner the private sector to introduce digital systems to monitor quarrying, sand winning and salt winning to get more revenues from our natural resources.
7. Immediately enforce the "No Duty – No Exit" policy at the MPS Terminal at Tema Port to improve revenue collection.



## Debt Financing Strategies

1. In order to address the issue of a depreciating cedi, the Ministry of Finance will source external funding of US\$2 billion in the next 2 – 6 weeks in line with approved external financing for 2022 and for liability management. In addition, the Bank of Ghana is to review foreign exchange retention policy to ensure companies in the extractive sectors retain foreign exchange earnings in the country.
2. Government to pursue a comprehensive re-profiling strategy to reduce the interest expense burden on the fiscal economy.



## Petroleum Sector Interventions

In response to increasing fuel prices due to the Ukraine crisis and the depreciating cedi, the mitigation measures also covered fuel prices. These fuel price measures are expected to last for 3 months starting from 1 April.

1. BOST margin reduced by 2 pesewas per litre.
2. Unified Petroleum Pricing Fund (UPPF) margin reduced by 9 pesewas per litre.
3. Fuel Marking Margin (FMM) reduced by 1 pesewa per litre.
4. Primary Distribution Margin (PDM) reduced by 3 pesewas per litre.

In total the reductions above are expected to reduce prices of petrol by 1.6% and diesel by 1.4%.

### Contacts



Daniel Owusu  
Country Managing Partner  
dowusu@deloitte.com.gh  
+233 307 086 314



George Ankomah  
Partner, Tax & Regulatory  
gankomah@deloitte.com.gh  
+233 307 086 317



Gloria Boye-Doku  
Partner, Tax Regulatory  
gboye-doku@deloitte.com.gh  
+233 307 086 656



Yaw Appiah Lartey  
Partner, Financial Advisory  
ylartey@deloitte.com.gh  
+233 307 086 336



Gideon Ayi-Owoo  
Partner, Tax & Regulatory  
gayi-owoo@deloitte.com.gh  
+233 307 086 597



Dennis Brown  
Senior Manager, Financial Advisory  
denbrown@deloitte.com.gh  
+233 307 086 888

 [www2.deloitte.com/gh](http://www2.deloitte.com/gh)

   Deloitte Ghana  Deloitte

© 2022. For more information, contact Deloitte Touche Tohmatsu Limited.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTL"), its network of member firms, and their related entities. DTL and each of its member firms are legally separate and independent entities. DTL (also referred to as "Deloitte Global") does not provide services to clients. Please see [www.deloitte.com/about](http://www.deloitte.com/about) for a more detailed description of DTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights, and high-quality service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 320,000 professionals make an impact that matters, please connect with us on Facebook, LinkedIn, or Twitter.

This communication contains general information only, and none of Deloitte Touche Tohmatsu Limited, its member firms, or their related entities (collectively, the "Deloitte network") is, by means of this communication, rendering professional advice or services. Before making any decision or taking any action that may affect your finances or your business, you should consult a qualified professional adviser. No entity in the Deloitte network shall be responsible for any loss whatsoever sustained by any person who relies on this communication.

© 2022. For more information, contact Deloitte Touche Tohmatsu Limited.