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● Facts Are Timeless



● For Decision Makers

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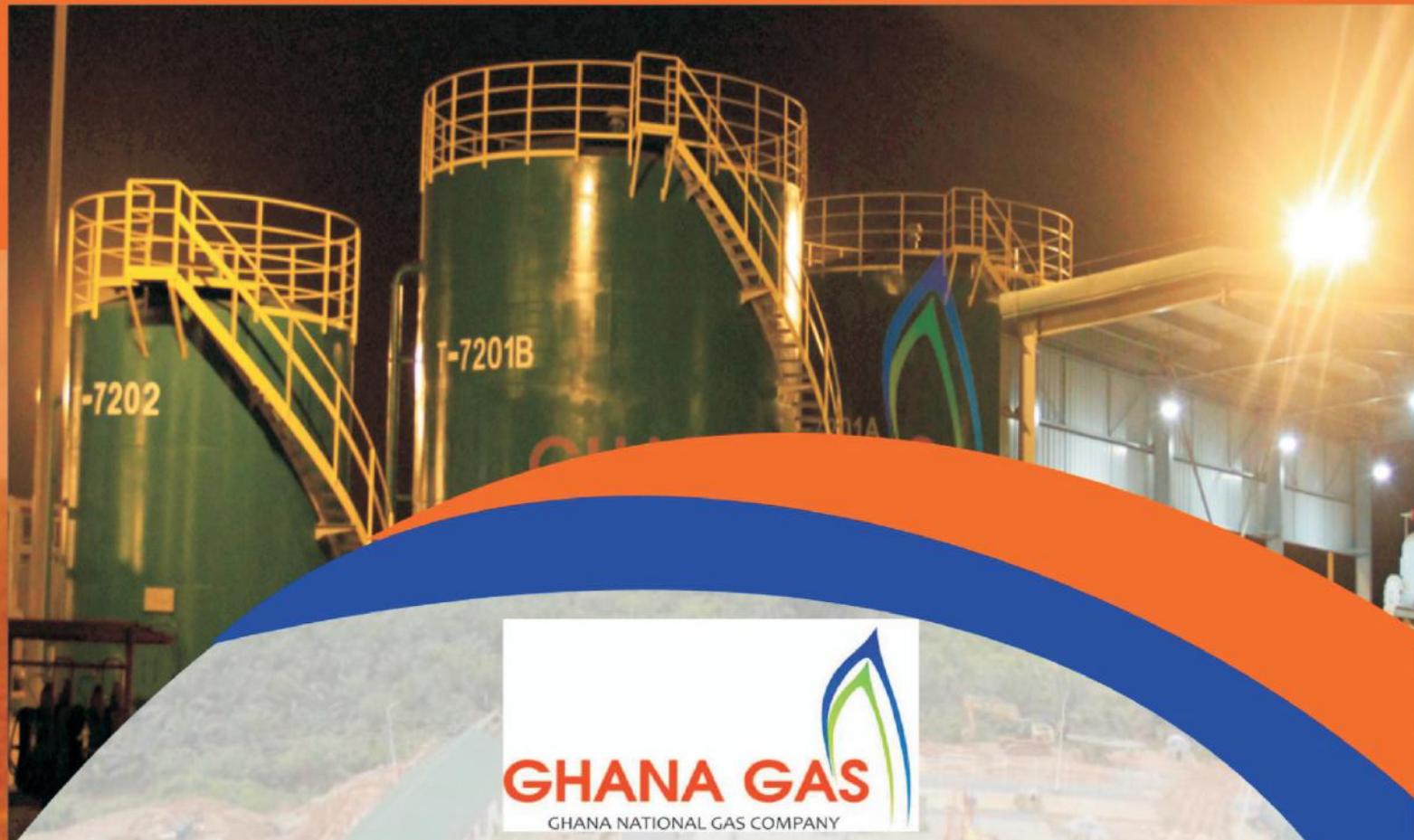
How the BoG Staved Off an Economic Collapse

Dr. Ernest Addison,
Governor, Bank of Ghana



ET MENS AH: AND THE MAN DIED

A POLITICAL TITAN
EXITS THE STAGE



Ghana National Gas Company Limited (Ghana Gas) is a limited liability company, duly incorporated under the Companies Act of Ghana 1963 (Act 179). It was established in July 2011, as a wholly owned commercial enterprise of the Government of Ghana.

Ghana Gas' mandate is to build, own and operate infrastructure required for gathering, processing, transporting, and the sale of natural gas resources in Ghana.

In line with this mandate, Ghana Gas has constructed a 150MMScfd Gas Processing facility and interconnecting Pipelines in the Western Region, constituting Phase 1 of the Western Corridor Gas Infrastructure Project.

Currently, Jubilee gas is received and transported through the offshore pipeline (59km), which is interconnected to the Gas Processing Plant (GPP) at Atuabo. Processed Gas is then transported through the 111km onshore pipeline and distribution hubs to VRA and Industrial Gas Customers respectively. Our industrial customers include 2 ceramic companies who utilize the gas for the production of ceramic floor tiles.

On average, gas delivered to power generation customers produces an estimated 600MW of power to the national grid. Additionally, LPG and Condensate produced are sold to the downstream petroleum market, reducing the nation's dependence on imported fuel and savings on foreign currency.

Plans are well advanced to commercialise Isopentane to generate electricity. In addition, a compressor will be installed to increase the existing pipeline capacity to about 405MMScfd of Lean Gas, which will potentially increase power production to over 1500MW.

Ghana Gas is proud to note that the Gas Processing Plant and associated facilities are now fully operated and maintained by an indigenous Ghanaian workforce.



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and operating the infrastructure
required for gathering, processing
and delivering natural gas resources,
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and reliable manner to customers



No. 10 Drake Avenue
Airport Residential Area

Accra-Ghana
P. O. Box CT 3686
Cantoment, Accra-Ghana

T: +233 (0) 30 274 4200
W: www.ghanagas.com_gh

MONEY MATTERS
with Toma Imirhe

THE END OF FISCAL DOMINANCE?

Until now, Ghanaians have anxiously awaited the presentation to Parliament of the annual national budget and economic policies of government because it has been regarded as by far the most important single document issued by government with regard to the economy. To be sure, the situation has not changed yet. But it increasingly appears that change is coming.

Simply put, the current economic challenges that Ghana is facing may be signaling the end of fiscal dominance in a country where since independence, government itself has been the overwhelmingly dominant actor with regards to its spending activities and the consequent impacts on economic activity in the country.

To be sure, the economic policy initiatives contained in each year's budget will continue to be key, and consequently closely monitored and reacted to by households, public institutions and private enterprises alike. However, the actual budget of government itself – its allocations to its various institutions and activities on a sector by sector basis – are diminishing in importance to the various economic actors in Ghana. This in part because those allocations, as a proportion of the overall size of the economy and as a proportion of the overall quantum of economic activity generated by the economy, is declining in response to government's shrinking economic space; and in part because of the inordinately wide gap between the allocations themselves and the actual out turns in terms of the monies actually spent on those sectors and the institutions of state that operate in them.

All this is simply the result of government running out of fiscal space. Although its revenue generating measures are generating positive results, its inability to access international capital markets through Eurobond issuances and through cedi denominated domestic bonds issued to foreign exchange wielding offshore investors – which it had hitherto used to continuously refinance its unsustainably high public debt servicing obligations – means that it can no longer engage in huge public spending increases aimed at shaping economic activity towards its political wishes.

Finally, the private sector is being positioned, by sheer default on the part of the public sector, to replace government as Ghana's engine of economic growth. Already, being unable to issue medium to long term cedi denominated treasury bonds, government is being restricted to short term treasury bills and notes of not more than 364 days tenors and the relatively high cost of these issuances, which offer coupon

yields of well over 30% are itself a restriction on the quantum that can be issued.

In turn this means that deposits and investments of institutional investors and households alike, mobilized by banks in Ghana, will now have to be increasingly channeled to the private sector for productive use. Consequently the banks themselves will have to become busier than hitherto, with regards to credit risk assessment, due diligence of would be borrowers, and monitoring and management of loans granted.

When this inevitably happens, the private sector will become the primary recipient and beneficiary of capital mobilization rather than government. In turn this will affect the degree to which the private sector's financial activities impact on money supply growth and other key fiscal and monetary performance indicators.

At the same time a financially empowered private sector will stand to take up the slack now being imposed on the public sector with regards to expenditures on public welfare. A vivid example of this is the private sector's contributions to relief efforts for victims of the Volta River Authority's recent water spillage at the Akosombo Dam. While this was simply corporate social responsibility, the private sector will also have to take up public activities on a commercial basis such as the delivery of socio-economic infrastructure and hitherto public services.

All this will be a good thing. The private sector will have clear cut commercial objectives – even its CSR activities aim at generating public goodwill that can be translated into bigger customer patronage – unlike government whose supposed focus on public welfare is in actual fact subsumed by its primary desire to retain political power and benefit from that on an individual basis. Less financial dominance by government will therefore mean less corruption at the expense of the populace with regards to how available finances are utilized.

In the incoming dispensation government will have to focus more on how private enterprise is regulated and less on its own economic activities. This will, in part require efforts by government to ensure fair transfer of resources generated to the most vulnerable segments of society and ensuring a level playing field for the private sector itself. Going by past conduct this itself will be a challenge considering how politics has influenced government's efforts in these regards. However it is a step in the right direction for a country where the biggest shortcomings are those of the ruling political elite.

TIME TO RAISE QUALITY OF ELECTIONEERING DEBATE


Oscar Ugoh Sam

Just a year from now, Ghana will engage in crucial general elections to decide the successors to the President Nana Akufo-Addo administration. Over the past seven years the country has been on a roller-coaster; the first three years witnessed strong growth and a return to economic stability, but then, in 2020, COVID 19 struck, reversing the country's fortunes sharply for the worse. Since late 2021 after an ultimately unfulfilled promise of a quick, smooth rebound from the economic recession imposed by the global pandemic, Ghana's economic performance and standing has nose-dived, and with it the fortunes of many if not most households all around the nation. Whether the pandemic was entirely at fault for this, or whether it simply accelerated the inevitable bill that had to be paid for earlier short fixes, rather than sustainable economic policy depends on the perceptions and political sentiments of each and every Ghanaian. Unsurprisingly, people who support the ruling New Patriotic Party accept the former as fact while sympathizers of the National Democratic Congress embrace the latter school of thought. Since electoral decisions are made based on perceptions rather than the cold hard fact, neither I nor this magazine is attempting to present what the facts really are. Rather we are concerned with ensuring that voter perceptions are as closely associated with the facts as possible. Because Ghana's political class are inordinately partisan in words, thoughts and deeds - all of which are dictated by the target of winning political power and reaping the rewards, both genuine and unethical rather than a commitment to pursuing the national interest - it falls on professional public servants and the private sector, where the country's astute, discerning, floating voters can be found, to make the effort to enlighten voters on the truth as different from the political propaganda continuously being fed them by vested political interests.

This is made all the more crucial by the uncharted, and unprecedently complex political terrain which Ghana is now navigating. For the first time both presidential candidates with any chance of

winning next year's presidential polls are from the north. For the first time, a Christian is being pitted against a Muslim. And this is happening in the middle of a huge economic crisis but at a time that that incumbency is being used to the hilt as an advantage.

This is a potentially volatile political brew where sentiments - regional, ethnic, religious, economic, political and socio-cultural will come into play more than ever before. There is therefore the danger that electoral decision making based on facts and realities will be buried under an avalanche of purely sentimental considerations.

This is why we suggest that the private sector in particular engages the electorate with scientific analyses, debates and such forums on their best interests with regards to who governs Ghana from 2025 and how the country should be governed. To be sure, the aforementioned sentiments would be hard to overcome but every scientific fact - especially those arrived at through quantitative and therefore incontrovertible analyses - and every well informed perspective could help to bridge the inordinately wide gap between fact and fiction which currently is driving electoral thinking at the grass roots level where most of the deciding votes will be generated.

Ghana has lots of non-partisan policy think tanks that can take the lead in this effort. What they need now is the prerequisite private sector funding and other logistical support to engage in a nationwide enlightenment campaign that evaluates the past performance, the current policy stance, and future good governance potentials of the two major political parties under their respective flag bearers.

Such an effort will not result in fully prudent voting this time next year. But it would surely bring the country closer to enlightened voting.

With Ghana's ongoing difficulties amid its inordinately sentiment driven political thinking, surely this would be a good thing.

TEAM FACTS ARE TIMELESS

 PUBLISHER
Oscar Ugoh Sam

 ASSOCIATE PUBLISHER
Chuck Bruce Mpamugo

 EDITOR-IN-CHIEF
Toma Iimirhe

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 CONTRIBUTORS
 Richard Adjei
 Mike Inyangudo (Abuja)

 Amina Issa Oumarou (Niamey-Niger)
 HEAD, S. AFRICA
Lebo Vundah

 ADMINISTRATION
Justina Rukaya Issaka

 ONLINE EDITOR
Samuel Ugo

 CREATIVE DIRECTOR
Frank Tetteh Bio

 LAGOS BUREAU CHIEF
Alex Ogundadegbe

 SPECIAL DUTIES
Abu Amidu

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GHANA PROJECT OFFICE
 13 Home School Street
 South La Estate, Accra
 P. O. BOX OS 1585 OSU, ACCRA
 TEL: (233-244) 234763/427754

 Email: thecorporateguardian@yahoo.com
SOUTH AFRICA OFFICE

 1ST Floor, Sandton City Office Tower
 Cnr Rivonia Road & 5th Street
 Sandhurst Extension 3, Sandton
 TEL: +27 11 883 0291 / 883 0290
 FAX: + 27 11 803 0277

 Email: info@thecorporateguardian.com
LAGOS OFFICE

 3, Bayode Oluwole St., Off Fadeyi Aladura St.,
 Ikeja, Lagos - Nigeria.
 Tel: 234-1-7236337, Mobile 234-8038105522

ABUJA OFFICE
 Suite 305, Akwa Ibom House,
 Ahmadu Bello Way,
 Central Area Abuja.
 Tel: 234-8039678995

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LABADI BEACH HOTEL 1ST CHOICE.



LABADI BEACH HOTEL: THE GLOBALLY REPUTED HOTEL WITH A UNIQUELY AFRICAN IDENTITY

Labadi Beach Hotel combines its unique African design and décor with the highest global standards of hospitality. This has made its position as the best hospitality facility on West Africa's coast unassailable.

Just a few months ago, in June this year, Labadi Beach Hotel, the oldest five star hotel in Ghana got its first ever indigenous Managing Director. This is a major first, coming more than three decades after the hotel opened its doors to the public. But it fits in with an even bigger change as the country's premier hotel has changed hands from its erstwhile owners, the globally renowned Legacy Hotels Group to the biggest institutional investor in Ghana, the state pension scheme manager, the Social Security and National Investment Trust, SSNIT.

What has not changed though is the hotel's pedigree as the oldest, most globally reputed and still the leading five star hotel in Ghana.

Crucially, the distinct strategic positioning of the Labadi Beach Hotel since its inception in 1991 has made the change of ownership - from part of a globally acclaimed international group to an indigenously owned facility - a seamless one with regards to its image and its sheer service quality.

This is because right from the start the hotel was conceptualized as one with a clear African design, built to the highest

international standards, thus distinguishing it from every other hotel on the continent and beyond while matching the service standards of the most reputed hotels on the globe. Simply put, Labadi Hotel portrays world class Africa.

Beyond the vantage physical location of the Labadi Beach Hotel comes its exquisite designs, those that continue to remind its diverse guests of the modern day Ghanaian and in general, how Africa's traditional cultural heritage can perfectly be blended with the cosmopolitan ambience that global travelers have become accustomed to.

Explains the hotel's new MD, Mr. David Eduaful, "management has been very careful during our refurbishments to pay homage to Ghanaian tradition, culture and customs. In this way, our rooms are not traditional cookie-cutter type hotel



Mr. David Eduaful, MD, Labadi Beach Hotel

rooms that one might find in other parts of the world."

Indeed, at Labadi Beach Hotel, the rooms are made to "reflect African traditions and customs, not only by way of displaying the artwork on the wall but also placing symbols which are the West African alphabet. This ancient alphabet has been woven into our fabrics, into our throws on the bottom of the bed and the pillowcases."

At Labadi Beach Hotel, Mr Landry said the rooms are made to "reflect African traditions and customs, not only by way of displaying the artwork on the wall but also placing symbols which are the West African alphabet. This ancient alphabet has been woven into our fabrics, into our throws on the bottom of the bed and the pillowcases."

Each of the hotel's over 104 rooms also

has unique individually-carved chief stools made of timber sourced from sustainable forests in the United States of America (USA). The chief stool is a symbol of power and authority in Africa and Ghana in particular.

"We have gone to great lengths to ensure that it shows Ghana at its best," he adds. This distinctive approach to room design, furniture and fittings have proved appealing to guests and have been incorporated into the major expansion of capacity the hotel has embarked on in recent years.

Labadi Beach Hotel which started with 104 rooms in 1991 can now boast of 164 rooms including 2 Presidential Suites, 4 Executive Suites, 4 Superior Suites, 5 Bars, 2 restaurants, a 900- seater multipurpose conference and banqueting facilities, a Spa with plunge pool, well-equipped Gym, Lagoon for

fishing, 2 plush Leisure and lap pools on a sprawling tropical landscaped garden overlooking the natural Maale Lagoon. But even more important than its sheer size is the ambience of the atmosphere in which the hotel is situated.

At the backyard of that hotel is a private white sandy beach with private access directly from the hotel's lobby, rooms or balcony. The hotel, which is surrounded by trees of various spices, overlooks one of Ghana's most popular sandy beaches, the Labadi Beach from which the hotel indeed gets its name.. It is just a step from the serene and breezy Atlantic Ocean and has, over the years, leveraged on its vantage location to serve a variety of clients who yearn for a taste of nature blended with modernity.

The Labadi Beach Hotel is strategically located; about 7.3 kilometers from the

Accra city center, where majority of the government agencies, public institutions regulatory bodies and headquarters of banks, insurance companies, oil and gas operators and other reputable establishments are situated. This makes it a perfect destination for people visiting the country to meet with people whose offices are stationed in the city center.

Close to it is also the Accra International Conference Center (AICC), where big conferences with international participation take place, as well as the U.S. Embassy.

Also, on either side of the hotel, measuring about 6.5 kilometers apart, sit the Kotoka International Airport (KIA), Ghana's premier international airport, and the Accra Sports Stadium, where big football matches, especially those involving the senior national team of Ghana, the Black Stars, and their other national counterparts, are often played.

Ultimately however, Labadi Beach Hotel's unassailable position as Ghana's premier hotel comes down to the quality of the

service delivered to guests and the facilities through which those services are delivered.

Instructively, the hotel is the only one in Ghana that has met the meticulous standards of City and Guilds International, the globally acclaimed professional training titan that has been at the forefront of shaping global industry through the training and supply of highly competent professionals. Accordingly, the hotel has been approved as the sole training centre on the hospitality and catering module of the institute. This makes the hotel the very first in West Africa that has met the eligibility criteria with regards to both facilities and service quality to run the City and Guilds course.

Currently, Labadi Beach Hotel has 164 rooms, all of them having private balconies where lodgers can take in swimming pool and garden views. Complimentary wireless Internet access are also availed for guests to be connected 24/7. The hotel's satellite

programming is readily available for guests' entertainment. Private bathrooms have separate bathtubs and the showers in them and feature handheld showerheads and makeup/shaving mirrors.

Room options at Labadi Beach Hotel include: Double; Twin; and Suite, Labadi Beach Hotel offers an outdoor swimming pool and air-conditioned rooms with free Wi-Fi access. Facilities include a sauna and fitness room, and massages are available. Each room is equipped with a flat-screen TV with satellite channels. The private bathroom is equipped with both a bathtub and a separate shower. A buffet breakfast is served daily, and the on-site restaurant offers both local and international dishes. Guests can also relax with a drink at the hotel's bar. There is a tour desk at Labadi Beach Hotel, where guests may organize various trips in the area. The hotel provides meeting and banquet facilities and free private parking on site.



David Eduaful in a shot with members of the Board



The hotel has restaurants staffed with world renowned and experienced chefs who are complimented by other equally skillful employees. All kinds of foods are available. There are continental and local dishes and indeed cuisines of various origins are readily available for the hundreds of guests who file in from all nooks and crannies of the world every day. There are also bars/lounges, either at the pool side, balcony or beach, with all kinds of beverages in stock.

Labadi Beach Hotel has facilities that offer the full range of hospitality leisure and recreation services. These include:

- Spa; Fitness center; Massage; Tennis court; Karaoke; Private Beach; Evening entertainment; Fitness Gym; Spa/Wellness packages; Tennis equipment; Beauty services; Facial

treatments; Waxing services; Hair treatments; Manicure; Pedicure; Haircut; Hair coloring; Hairstyling; Body treatments; Body scrub; Body wrap; Two Swimming pool; Spa lounge/Relaxation area

Labadi Beach Hotel's appointment of Mr. David Eduaful as Managing Director of the hotel marks a milestone in its history. David Eduaful is an accomplished hospitality professional with over 30 years of experience in the industry. He is the first ever Ghanaian Managing Director of a five-star hotel in the country having previously served in various capacities in the hotel. With his extensive knowledge and expertise, David has successfully played both a strategic and operational role in the hotel. His diverse local and international experience has

provided him with a comprehensive understanding of different aspects of the sector. David's educational background includes an Executive Masters in Business Administration from the University of Ghana Business School and a Degree in Marketing from the Central University in Ghana.

Enthuses, Professor Douglas Boateng, Acting Chairman of the Board: "David's commitment to service delivery quality, client relationship management and unquestionable passion for the hospitality industry continues to receive admiration from the supervisory Board of the hotel and his peers".

Since its inception in 1991, the hotel has led Ghana's hospitality industry, providing exceptional services to its cherished guests, and thus contributing



Mr. David Eduaful, MD, Labadi Beach Hotel

winning many awards including recently the coveted CIMG Hospitality Facility of the Year 2018, 2019 and 2021 respectively, Best Maintained Facility 2019, Best Events Hotel Venue 2019 & 2020 respectively, Best 5-star Hotel of the Year award 2020 & 2021 respectively, Most Secure Hotel of the Year 2021, Most Digitalized Hotel of the Year 2021 organized by the Ghana Hotels Association and Hospitality Company of the Year 2022 awarded by Ghana Business Awards.

Increasing demand for the hotel's services persuaded it to embark on a rehabilitation and expansion initiative that is indeed still ongoing. Among other things the expansion saw the room number increasing by 60 to cope with the increased demand. For overnight stay by discerning travelers. It is instructive that the hotel has hosted Heads of several State and globally renowned royalty including Britain's late Queen Elizabeth II. Also, a 700-seater conference center and a new spa for health and beauty treatments have been constructed. The size of the hotel's gym is also being expanded by over 150 per cent and new equipment brought in. The hotel's

immensely to the Tourism sector and by extension the economy of Ghana. Clientele of the hotel have included the British Monarchy, Heads of state, Prime Ministers, and very important personalities who continue to make it their preferred resort for business and leisure activities.

Speaking to the press, Mr. David Eduaful has taken on his new responsibility with commitment dedication and confidence. He asserts that "The success story of this indigenous brand can be attributed to its innovative approach, an adaptation of the highest standards of operation and service delivery through its dedicated and most passionate staff who go the extra mile to exceed the expectations of customers".

Labadi Beach Hotel has consolidated its lead in the Hospitality industry by

conferencing facilities have been key to its attractiveness making it the most preferred venue for corporate and other institutional events. Indeed the most prestigious corporate events, particularly international conferences are held at the hotel's conferencing facilities and its banquet hall. Not only is the hotel an excellent hospitality facility; it is also an outstanding commercial enterprise. In March 2023 the hotel paid a GHc10 million dividend to SSNIT, its sole shareholder.

Ghana's tourism industry is on the rise and it is also strengthening its position as an African regional hub for trade and investment. Inevitably this has led to significant growth in the hospitality sector including the construction of several new five star hotels in Accra. But none has the sheer pedigree of Labadi Beach Hotel which remains easily the most renowned and acclaimed hotel in Ghana and indeed one of the most reputed on the west coast of Africa as a whole.

This is for good reason. Simply put, Labadi Beach Hotel represents the unique African identity taken to the highest tier of global hospitality sector excellence.



DAVID EDUAFUL MANAGING DIRECTOR LABADI BEACH HOTEL

David Eduaful is an accomplished hospitality professional with over 30 years of experience in the industry. He is the first ever Ghanaian

Managing Director of a five-star hotel in Ghana having previously served in various capacities.

With his extensive knowledge and

expertise, David plays a crucial role in the overall management and strategic direction of Ghana's Premier five-star hotel, Labadi Beach Hotel.

David's educational background includes an Executive Masters of Business Administration from the University of Ghana Business School and a Degree in Marketing from the Central University in Ghana.

Throughout his career at Labadi Beach Hotel, David has held various key positions, showcasing his versatility and dedication to the operations of the hotel. He has excelled in roles such as Hotel Manager, Executive Assistant Manager, Head of Sales and Marketing, House Manager, Guest Relations Manager, Front Office Shift Leader, and Night Auditor among other roles. This diverse experience has provided him with a comprehensive understanding of different aspects of hotel operations.

David also has work experience with prominent international hospitality establishments such as Metropole Hotels UK, Lonrho Africa Hotels, and Legacy Hotels and Resorts in South Africa. He has gained valuable insights and cross-cultural exposure and these experiences have contributed to his global perspective and enriched his managerial capabilities.

With his strong leadership skills and extensive industry knowledge, David Eduaful has played a pivotal role in the success and growth of Labadi Beach Hotel. He combines his expertise in Operations, Revenue Management, Sales, Marketing, and Guest Relations to ensure the hotel delivers exceptional service and maintains its reputation as Ghana's Premier five-star hotel.

David's commitment to continuous improvement and his passion for the hospitality industry has earned him a distinguished reputation among his peers. He remains dedicated to providing exceptional guest experiences and driving the hotel's success in the competitive market.

David loves to breed large dogs, cook, swim, cycling and play tennis in his spare time, and he is a proud member of the Old Students Association of Accra Academy (BLEOOBI)



Dr. Ernest Addison, Governor, Bank of Ghana

FINANCIAL SERVICES INDUSTRY REGULATION

The reinvention of Ghana's commercial banking industry

Over the past half a decade, the Bank of Ghana has reinvented both the structure and the regulatory framework for the country's commercial banking industry and the wider financial intermediation sector. Two unprecedented systemic shocks that have hit the industry since then have shown clearly that the reforms were not only most timely, but indeed have prevented it from suffering possible outright collapse.

Perhaps the biggest and longest lasting legacy of the Bank of Ghana under its current executive management will be the

restructuring of the country's financial intermediation industry accompanied by the reinvention of the regulatory framework governing how it is

supervised. Actually, it is this initiative that dominated the headlines with regards to the BoG between August 2017 and 2019 and it has been very

controversial, although this has been largely politically motivated. From a technical point of view, the BoG's financial sector reforms, with a major recapitalization to a minimum capital requirement of GHc400 million for commercial banks and the revocation of licenses of 11 banks for insolvency and/or financial regulatory infractions as their centerpiece, have been pivotal towards transforming the country's financial intermediation industry. Every genre of financial intermediary has had to engage in major recapitalization or have their licenses revoked.

The success of the reforms in transforming the industry from one tottering on the brink of collapse to one that is financially and operationally equipped to support Ghana's accelerated growth and development has been indisputably evidenced by the way in which the dramatically strengthened industry subsequently smoothly rode the intense shocks generated by the impact of COVID 19; including some degree of deposit withdrawals immediately prior to the three week lock down of Accra/Tema and Kumasi, Ghana's two biggest population and commercial centres as people battened down the hatches ahead of the impending severe restrictions on movement and economic activity. To remove any lingering doubts as to the efficacy of those reforms, Ghana's banking industry has similarly navigated an even bigger challenge since then: the recently completed Domestic Debt Exchange Programme (DDEP) which required the banks, alongside other institutional investors as well as household retail investors to exchange their relatively high yielding (at the time of the exchange) government cedi denominated debt securities of two years tenor and above with dramatically lower yielding and longer tenured replacements, as a key component of government's holistic public debt restructuring as demanded by the International Monetary Fund to qualify for an ongoing three year US\$3 billion bail-out. The DDEP forced Ghana's commercial banks to incur a cumulative loss of nearly GHc4 billion in 2022 alone due to provisions made against income

losses arising out of the programme and further losses may be incurred again this year due to the second phase of the DDEP and further provisions that will have to be made against foreign currency denominated government debt restructuring (particularly their Eurobond holdings) which is imminent. However, it is instructive that as at the completion of the DDEP in October, no commercial bank had needed to apply for Emergency Liquidity Assistance which the BoG stood ready to provide for those facing liquidity challenges. While the banks are not out of the woods yet in this regard, their problems are basically narrowed down to rebuilding their core capital, eroded by the provisions they have had to make. Proactively, the BoG has made them to submit plans to rebuild their capital over the next three years with the state ready to help out through loan financing available from a US\$750 million Financial Stability Fund put up by government with support from the World Bank.

The recapitalization of the various genres of financial intermediaries has not only given them the financial solidity to ensure the requisite vastly improved solvency and thus the safety of depositors' funds; it has also provided them with the financial muscle to actually increase their lending to the economy, even at the height of the COVID 19 pandemic and the draconian measures imposed to curb it. While the reforms have inevitably led to a meltdown with regards to the number of financial intermediation companies in Ghana, it has ensured that those left are strong enough to ride unforeseen shocks, both institution-specific and systemic.

But just as importantly, the BoG under its current Governor, Dr Ernest Addison has masterminded an array of crucial corporate governance directives which will ensure that the situation that forced the reforms to be implemented does not recur. The measures effectively prevent - or at least minimize - connected lending, weak risk management and insufficient capitalization hidden behind creative financial reporting practices. Key to these reforms is a "fit and proper persons" regulation which



ensures that banks are owned and managed only by people who have been shown to have personal and professional integrity. Another reform initiative ensures that the Boards of banks fulfill their responsibilities of providing strategic oversight and supervision of their respective institutions.

The latest pivotal regulatory reform aims at replacing a one size fits all approach to setting minimum capital for commercial banks with a risk related approach that requires each bank to put up capital that supports its specific risk



President Akufo-Addo (right) exchanging pleasantries with Dr Ernest Addison, Governor, Bank of Ghana, after the meeting. Looking on is Ken Ofori-Atta (left), Minister of Finance.

asset and activity profile.

In between these key reforms have been smaller, but also crucially important ones such as regulations that ensure that owners of dormant bank accounts can eventually retrieve their monies.

On its own, the financial sector meltdown would have further worsened Ghana's poor financial services penetration and consequent lack of financial inclusion. However, this has not happened because the BoG has worked assiduously at creating the enabling environment for digital

channels of financial product and service delivery to flourish.

Over the past few years, mobile banking apps have become all the rage, even as mobile money has become the most widely used mode of payments and funds transfer in Ghana, second only to cash itself, its usefulness enhanced even further by the network interoperability established in 2018. This has not only moved Ghana rapidly towards its national goal of achieving a cash-lite economy; it has also made basic financial services available even in remote places

where formal financial intermediation firms have failed to set up shop.

The strategic foresight behind this was evidenced clearly in 2020 when the onset of COVID 19 created the necessity for severe restrictions on physical movement of people and economic transactions, this reaching a crescendo with an outright lock down of Ghana's two biggest and most densely populated urban centres, Accra/Tema and Kumasi, in April 2020. More importantly, the BoG has paid intense attention to issues of cyber security,

even establishing a cyber security centre within its own ranks.

To further accelerate its digital agenda, the BoG has promoted the passing of key legislation that established a robust regulatory framework for electronic payments systems; has licensed financial technology firms to develop digital products and services for the industry; and has introduced a sand box concept which allows them to introduce new, innovative products and services on a pilot basis to establish their suitability for full roll out to the public.

Instructively, directives by the BoG to enhance the use of digital channels at the height of the COVID 19 crisis were accompanied by a host of innovative monetary stimulus measures aimed at encouraging commercial lenders to keep supporting their needy customers despite the deep uncertainties generated by the virus which made risk assessment



extremely difficult on new lending under consideration. Those measures – such as reduction in both cash reserve and capital adequacy requirements – produced the desired effect as, at least in nominal terms, credit to the private sector increased marginally compared with the corresponding period of 2019. In similar vein the BoG has introduced measured temporary regulatory reliefs for banks to help them navigate the challenges thrown up by the DDEP. Now, even as it closely monitors the liquidity and solvency of banks it has already turned its attention to strategies that will

enable them to rebuild their respective core capital which took heavy hits from the provisions, they had to make against losses on their investments in government bonds as a result of the debt restructuring exercise.

All this means Ghana has fewer banks than it had when the current BoG executive management took up office back in 2017; but those that are left are stronger than they were then, which has enabled them to survive two huge systemic shocks – COVID 19 and the DDEP – that would have crashed the entire industry if those reforms had not been implemented before they happened.

Depositors, borrowers and the macro-economy are so much better off for the reforms and initiatives which the country's central bank steadfastly committed to its guns to implement even amid huge criticism.



Dr Ernest Addison, Governor of BoG (second right) with the Vice President, Dr Mahamudu Bawumia (right) and Dr Maxwell Opoku-Afari, First Deputy Governor (left) and Mrs Elsie Addo-Awadzi, Second Deputy Governor (second left) in a discussion after the programme



BANK OF GHANA



Dr. Ernest Addison, Governor, Bank of Ghana

The controversy over the BoG's new head office

The controversy over the prudence of the Bank of Ghana's new head office and the terms under which it is being constructed are the part of a saga which increasingly looks like an effort to find the central bank and its governor guilty without finding a suitable case to try them for.

Controversies concerning the Bank of Ghana are refusing to go away, which is only to be expected considering that they are primarily politically motivated and are coming at a time that the political season is in full swing with general elections a little over a year away. Simply put, the political opposition is confident it can convince the electorate that the central bank has blood on its hands.

The latest smear attempt relates to the BoG's ongoing construction of a new head office for itself. The central bank has faced criticism first for the amount budgeted – US\$250 million – which its critics say

could have been used to build critical infrastructure such as roads and hospitals. With that issue having been clarified, the critics have shifted the goal posts yet again, now claiming that there have been procurement breaches. The BoG's management has debunked those claims with a detailed explanation of the processes used in awarding and executing the project.

But do not expect the critics to give up; recent history has shown clearly that they are ready to shift those goal posts as many times, and as far as necessary, in order to achieve their ultimate end game of smearing the central bank and finding

the government that appointed its Governor guilty by association.

This time they were set around the ongoing construction of a new head office building and even here the goal posts are continuously being moved further sideways.

The first position of the critics was that the BoG was wrong to build a new head office at a time the economy is in dire straits and the central bank itself has incurred a negative equity position. Since then, the BoG has pointed out that the decision to build the new head office was taken more than a decade ago and that it was land acquisition difficulties that



The new head office of the Bank of Ghana (BoG) at North Ridge is fast taking shape

delayed the commencement of the project to early 2021. Critic's arguments were further weakened by the fact that implementation of the project started before Ghana's economic crisis exploded at the very end of 2021 and indeed by that time contracts had already been awarded for about half of the entire project.

The critics then argued that the cost of the building is too high, and that the money could have been used to provide direly needed socio-economic public infrastructure. But it has since been correctly pointed out that the BoG is financing the project from its own coffers, not the public purse, so no such public infrastructure is being sacrificed for the head office project. All this has forced the political opposition and their sympathizers to shift the goal posts yet again – this time to alleged breaches of Ghana's procurement laws in order to engage in financial malfeasance.

But this is being shot down too. The BoG has issued a detailed explanation of both the timelines and the processes behind the ongoing construction process. This shows that all regulations have been followed. The restricted tender for the

project is in accordance with laws relating to projects that have national security implications and the contract was eventually given to the contractor that offered the lowest bid from among the four shortlisted bidders. The project is being managed by MULTICAD, a company with demonstrable experience and association in managing projects of similar nature such as Fidelity Bank Head Office Annex, the Octagon, Standard Chartered Bank Head Office, Accra Mall, Kumasi City Mall, Achimota Mall, SU Tower, 335 Place, Oxford Street Mall, Tulip Inn and others.

The increase in the cost of the project from the original amount has been shown to be the result of expanded project scope and sheer size as measured by square foot area. Instructively however, following the deterioration in both Ghana's macroeconomic fortunes and the BoG's own finances, the central bank has prudently lowered its scope where possible - many of the original design features including data centre, currency processing centre, ICT equipment, and some specialized security features have been deferred to manage costs.

Just as instructively, the revised project cost of US\$2,068.00 per square meter compares favourably with data from the Africa Property & Construction Cost Guide 2021/22 (USD2,658/m²) and 2022/23 (USD2,720.00/m²) as average construction costs for Prestige High Rise Office spaces in Africa; and even though the comparable data from Guide relates to such up-market spaces, the unique features of a Central Bank (including vaults and security installations) rank higher than the considerations for the former making the cost for the Bank's building even more competitive.

To get around all these quantitative facts the BoG's opponents have resorted to spectacle as a distractive strategy. The sheer physical spectacle of a public demonstration simply aims to divert public attention from the actual cerebral facts of the matter.

But those facts remain which means that the critics will need to shift the goal posts yet again in their search for a guilty verdict in the court of public opinion. If their actions over the past few months are anything to go by, they will have no compunctions in looking for yet another location for those goal posts.



President of Ghana, Nana Addo Dankwa Akufo-Addo

MONETARY POLICY

How the BoG has staved off an economic collapse

During the last three years of the previous decade Ghana's central bank brought both inflation and cedi depreciation to their lowest levels since the country liberalized its economy four decades ago, while cutting interest rates from a medium term high to accelerate economic growth to its highest level in nearly a decade. However, since the turn of the decade it has had to grapple with the impact of the global pandemic, and fiscal policy implementation shortcomings. The latter has required institutional self-sacrifice by the Bank of Ghana that has given its critics and the political opposition the opportunity to demonize its heroics.

The fortunes of the Bank of Ghana in the public eye since the current executive management took up office in 2017 has been a tale of two distinctly different parts and this, in itself, is very illuminating. It

was not by coincidence that at a global award scheme, the Bank of Ghana was adjudged the best central bank in sub-Saharan Africa and its Governor, Dr Ernest Addison was declared the best central banker in sub-Saharan Africa for the year 2020. To be sure, both awards were thoroughly deserved and instructively at home in Ghana no-one – not even the political opposition and the most strident regular technical critics of public economic policy – disputed them. It is instructive however that this happened at a time that Ghana's fiscal performance was still on an even keel, and with its macroeconomic performance as a whole good enough for government to insist on exiting the International Monetary Fund's Extended Credit Facility programme which it had inherited from its predecessor Mahama administration. Indeed, it was the BoG's

pivotal role in bringing the economy back from the brink on which it found itself back as at the middle of the 2010s that won it those awards – and the unalloyed confidence of the Ghanaian polity – in the first place.

From a technical point of view, with regards to the shaping of monetary policy and its impact on Ghana's economic performance, the central bank had been indisputably consistently excellent with regards to its balancing of the need to curtail inflation and the need to support accelerating economic growth. Perhaps the only monetary policy decision that some policy analysts had questioned had been in early 2019 when they felt the central bank had cut the key monetary policy rate too quickly, arguing that this had contributed to the exit from Ghana's market of direly needed foreign portfolio investors in Ghana's cedi denominated



Dr. Ernest Addison, Governor, Bank of Ghana

public debt which ultimately contributed to a sharp depreciation of the cedi during the first quarter of that year. However, this was not the BoG's fault; in actual fact the central bank had simply been trying to cut the inordinately high interest yields those foreign portfolio investors were demanding in the knowledge that Ghana needed their investments desperately to continue refinancing the inordinately high forex debt obligations incurred by government. In effect the foreign investors that exited Ghana in response to the BoG's MPR cut in early 2019 were simply holding the country to ransom.

The BoG thereafter adopted a hugely successful strategy of deepening the yield

curve. Short term interest rates were lowered to reduce the cost of domestic borrowing – thus supporting government's efforts at adopting supply side expansionary economic policy upon exiting the IMF programme as a replacement for demand management policies insisted on by the Fund which had helped stabilize the economy but at heavy cost to economic growth and job creation. Here, the BoG got it right in that most local lending is done on short term basis.

At the same time however, in order to retain the interest of foreign investors and their direly needed portfolio financing, the BoG allowed medium to

long term interest rates on bonds of two years tenor and above, to stay considerably higher, thus preventing a repeat of the problems of early 2019. The result was strong, domestic credit driven economic growth and at the same time the retention of forex inflows in the form of investment by foreign portfolio investors which enabled the cedi to remain stable against the US dollar and in turn to keep domestic price levels relatively stable too.

But ultimately it was the response of the BoG to the inevitable economic slump threatened by the arrival of the global coronavirus pandemic in March 2020 that made it stand out as both the most

efficient and effective institution of state in Ghana itself and the cleverest central bank in Sub Saharan Africa.

The Bank, in an appropriate response to the pandemic, engaged in monetary easing immediately it became clear that COVID 19 was going to have a devastating effect on the real economy in Ghana by cutting its benchmark MPR by 100 basis points to a long-term low of 13.50%. This was complemented with a raft of measures aimed at encouraging commercial banks to lend despite the clear slowdown in economic activity, such as a reduction in the capital buffer requirement of banks and a reduction in reserve requirements of banks and other financial intermediation companies alike. This proved very successful; despite the reluctance of commercial lenders to offer new credit amid the uncertainties posed by the pandemic and the requisite socio-economic public policies put up by the government to stem its spread, net lending during the first half of 2020 actually increased in nominal terms compared with the first half of 2019 when economic growth was close to a medium-term peak. This proved pivotal in Ghana's quick rebound from its inevitable first economic recession in almost four decades, suffered during the second and third quarters of that year. Instructively, this was why The Corporate Guardian declared the BoG its choice as public institution of the year for 2020.

But even more impressive was the BoG's management of the cedi exchange rate between 2017 and 2022 when the inevitable effects of Ghana's inordinate forex public debt servicing obligations and the resultant closure of international capital markets to the country set in. This is best illustrated by the fact that in 2020, an election year when excessive public deficit spending to woo voters customarily sends the cedi into steep depreciation, the nation's fiat currency depreciated by just 3.4%, one of the five lowest full year depreciation rates since the currency was floated in the mid-1980s. This feat is all the more impressive when it is considered that the COVID 19 pandemic gave government an excuse to record its highest fiscal deficit in decades, by opening the fiscal spending taps despite a dramatic fall in public revenues



Dr. Maxwell Opoku-Afari, First Deputy Governor, Bank of Ghana

caused by the effects of the pandemic on tax revenues.

Indeed, in the years up to the onset of the ongoing economic challenges in late 2021, the BoG had overseen the most stable medium term cedi exchange rate stability in Ghana's history as a liberalized market economy. This it achieved by a combination of a buildup of gross international reserves to historic highs of over US\$10 billion and the innovative introduction of regular forward forex sales by the BoG, both policies creating more confidence in local forex markets than ever before and just as importantly pulling the rug out from under the currency speculators who had been taking positions against the cedi which had led to unnecessary demand for and hoarding of forex that had given them undue profits from the resultant depreciation this generated.

Indeed, arguably the BoG's most crucial intervention with regards to monetary policy between 2017 and late 2021 had been its management of the cedi's exchange rate, which enabled the government to claim fulfillment of a key

electoral promise until the bottom fell out of the economy at the end of 2021. Indeed, the cedi enjoyed its best run of stability against the United States dollar between 2018 and 2021, this underpinning a rare era of single digit consumer price inflation for much of that period.

But while government played its part by applying a short term (but unsustainable) fix by borrowing a huge quantum of foreign exchange disguised largely as domestic debt, it was the BoG's success in building confidence in the local forex market through the build-up of international reserves to record high levels; and the elimination of hitherto debilitating speculative holding of and trading in forex, that did the most to stem the cedi depreciation.

All this was part of a wider monetary policy stance that has proved hugely successful since the incumbent executive management of Governor Dr Ernest Addison, 1st Deputy Governor Dr Maxwell Afari-Afari and 2nd Deputy Governor Mrs Elsie Addo-Awadzie took office in 2017.



Elsie Addo Awadzi, Second Deputy Governor, Bank of Ghana

Measured monetary policy easing, executed by lowering the benchmark monetary policy from a long term high of 26% as at late 2016 to as low as 14.5% at the start of 2020. This propelled increased economic activity enabling GDP growth to accelerate from below 4% to a peak of over 7% during the latter half of the previous decade, as inflation was cut from a high of 15.8% as at the end of 2016 to single digits during the last three years of the decade.

Then came the implementation of monetary policy measures executed when the Covid-19 restrictions were imposed amid the socioeconomic restrictions imposed to curb the spread of the virus. These restrictions imminently pushed the economy into near-recession. Recognizing the emergence of a huge negative output gap, the central bank eased monetary policy even further, lowering the benchmark MPR to 13.5%, while lowering both capital adequacy requirements and cash reserve ratios for financial intermediation institutions to keep both business and consumer

confidence up during those trying times by ensuring liquidity across the economy. Since then, however, the BoG has had to do a complete policy reversal as the concerns over the negative output gap has been replaced by large cedi depreciation and the consequent runaway inflation brought about first by supply chain disruptions, particularly for foodstuff and then a reversal of net forex inflows into Ghana to huge outflows as foreign holders of cedi denominated bonds exited the market in droves on concerns over Ghana's debt sustainability. While its regular increases in the MPR to 30% over the past one and a half years has attracted criticism in some quarters from policy analysts who argue that monetary tightening is causing cost push inflation, actual outcomes have proven the central bank right; having peaked at a little over 54% by the end of 2022, it has since fallen to 35% and could end 2023 below 30% with the possibility of headline inflation inching closer to the central bank's medium term target of 8±2% by the second half of 2024 although

the spectre of public utility price increases, particularly for electricity and water still presents a real threat to those projections. Furthermore, recent geopolitics in the Middle East could exert upward pressure on crude oil prices, and food prices could remain elevated as recent flooding and spillage of the Akosombo dam could impact food supply in the country.

Many economic analysts held the view that the BOG was the only institution providing buffer support. Weak fiscal policy implementation, resulting from a weak economy after the pandemic, high public sector borrowing, a rapid depreciating currency which resulted in unsustainable forex debt payment obligations and ultimately led to self-closure to the international capital market was always bound to lead to the opening up of large macroeconomic imbalances. When this inevitably happened in late 2021, the Ministry of Finance's policy of continuously borrowing ever larger amounts of forex from Peter in order to pay Paul left Ghana facing its biggest public forex debt servicing crisis in decades accompanied by severe forex shortages for use by the economy and a fiscal crisis almost just as debilitating.

As Ghana's foreign portfolio creditors stopped coughing up new forex inflows – and most existing ones began asking for their monies back – government simply had no choice but to turn to the BoG for a bail out and the central bank, realizing it stood between Ghana's economic survival and total economic collapse, had no choice than to provide it. But at that time little could the BoG have realized that a combination of politics and a lack of understanding of the general populace was about to redefine its economic heroism as economic villainy.

To be sure, the severe macroeconomic crisis resulting from fiscal policy shortcomings set a sturdy stage for this to fester. Inflation rose more sharply in 2022 than at any time in the past three decades and the sheer pace and quantum of the rise put paid to arguments that inflation rising to long term highs was a global phenomenon, resulting largely from the aftereffects of monetary easing all around the world to avert economic



Dr. Ernest Addison, Governor, Bank of Ghana, Ken Ofori-Atta, Finance Minister and President Akufo Addo

recessions in various jurisdictions and that therefore Ghana's situation was in no way peculiar.

The BoG has been put at the front of the firing line for this. Indeed in 2022 the central bank financed the government to the tune of some GHc44 billion, several times more than current legislation normally allows for since it places a limit of such financing to just 5% of the previous year's tax revenue. In effect therefore the BoG was not supposed to have given the government more than about GHc5 billion.

Actually, that law is for good reason; central bank financing of government tends to be heavily inflationary which is why the IMF during its programme with the Mahama administration insisted that the BoG should not finance government at all. Indeed the 5% limit eventually agreed was at Parliament's insistence and only to cater for a financial emergency should one arise.

Thus, the BoG's critics, unsurprisingly led by the political opposition, blames the

central bank for Ghana's inflationary upsurge. In doing so, however, they are deliberately ignoring two crucial facts.

The most important is that the BoG had no choice since if it had not provided the financing the situation would have become infinitely worse. Contrary to the deliberate disinformation that the BoG provided the financing to allow government to maintain its inordinately oversized staffing and running costs, the fact is that the financing was simply used to meet government's debt servicing obligations to exiting bond holders as their bonds matured, since government was no longer able to convince them to roll over their investments or issue bonds to new investors to finance the amortization of maturing bonds held by old investors. Indeed, investors were scrambling to offload their bonds on the secondary market well ahead of their maturity dates and without ready buyers, BoG was expected to take up the slack.

The situation was worsened by the fact that a large proportion of those bonds

required forex cover since their holders were foreign investors whose original bond purchases although in cedis had involved the use of their forex sales to acquire the cedis needed to invest with the understanding that they would be able to use their cedi returns on investment to repurchase forex upon their exit. Indeed, those forex inflows were a primary reason why exchange rate stability had been possible over the previous years. Thus, not only did the BoG need to finance foreign investors' redemptions of tens of billions of cedis in maturing government bonds all through 2022 – it had to draw down more than a third of the gross foreign reserves it had so prudently accumulated over the previous half a decade to cover the forex components of those obligations for government.

In this, it simply had no choice; not only because as banker to government it was obliged to support its client (which also happens to be its owner) in the same way as a commercial bank is supposed to do



President of Ghana, Nana Addo Dankwa Akufo-Addo

same for its own clients, but much more importantly because of the consequences to the country and its populace if government had defaulted on its repayment obligations to the bond holders.

Simply put it would have taken away the confidence of the international financial and trading communities that has kept the Ghanaian economy afloat for the last three decades. Most dangerously, it would have put Ghana's trade financing lines at risk; for Ghana's inordinately import dependent economy this would have been potentially disastrous. For instance, the inability to smoothly import petroleum

products due to worries by suppliers over payment delays or outright defaults would likely have led to product shortages and consequent queues just to buy petrol at the pumps. The BoG therefore did what it did to prevent all that from happening.

To be sure, it is instructive that the BoG had consistently been warning government that it needed to accelerate fiscal consolidation since even before COVID 19 struck; a warning it amplified when government opened the fiscal taps in 2020 ostensibly to ward off the worst socio-economic effects of the pandemic but which, in truth, was largely an

opportunistic effort to win over the electorate ahead of that year's general elections.

The resultant inordinate fiscal deficits and consequent increase in the public debt at a time the economy was not growing significantly led to a public debt to Gross Domestic Product ratio approaching 100% -and debt servicing costs exceeding 50% of tax revenues - which in turn resulted in the downgrading of Ghana's sovereign credit ratings by Fitch Ratings, Standard & Poor's and Moody's alike that now rate the country's public debt securities below investment grade and has triggered the closure of the international capital markets doors to the country.

Beyond all this, the contribution of the BoG's financing of government in 2022 to inflation has been exaggerated. Indeed, while the ongoing spike in inflation is primarily being caused by fiscal shortcomings, that have accumulated over the years, food supply chain inefficiencies are also to blame as evidenced by the fact that food inflation has exceeded non-food inflation for most of the year and a half during which the ongoing inflationary surge has occurred. However, the effect of interest rate hikes on domestic inflation has been limited since it has been led by food inflation, resulting from supply chain inefficiencies that make food crop prices in urban centres in southern Ghana more than twice their farm gate prices. This requires a fiscal solution – food distribution needs to be made more competitive by encouraging investment in the business by enterprises that are holistic, taking profits on the entire supply chain activity rather than the current model employed by 'market queens' who break the supply chain into three or more segments with operators in each segment taking profits of up to 20%, leaving profit taking alone to increase prices by 60% to 100% over the entire food crops supply chain.

Nevertheless, Dr Addison correctly surmised that the BoG's monetary tightening could curb inflation and he has been proved right. Even as the private sector laments the sharp rise in interest rates, some analysts question why the increases were not higher still



Governors of Bank of Ghana, Mrs Elsie Addo Awadzi, Dr Ernest Addison and Dr Maxwell Opoku Afari

pointing out that even with the hikes since March 2022 coupon rates on shorter term treasury securities have still fallen short of inflation.

However, Dr Addison points out that the BoG is not chasing the inflation rate with its MPR. Much more prudently, it is seeking to pull inflation downwards to the MPR and has largely succeeded in this over the past six months.

The other public image crisis the BoG has had to cope with is also the result of a major sacrifice it has made on behalf of the country. With government belatedly turning to the IMF for a bailout – after procrastinating for political reasons until it was almost too late – it still faced the key problem of meeting the Fund's insistence on Ghana's return to the path of debt sustainability before it approved the request for a US\$3 billion financial bail-out. This required gaining the agreement of both domestic and foreign investors to profound debt restructuring. But domestic bondholders bluntly refused the 10% haircut on the principal invested initially proposed by government forcing government to come up with a new offer that only changed the coupon rates and tenors but kept the principal intact. This formed the framework for the eventual Domestic Debt Exchange Programme

(DDEP) which however would have left the government far short of the debt servicing savings required by the IMF before it granted approval for the programme requested. With time running out for Ghana to secure the bail out before complete macroeconomic collapse, the BoG elected to sacrifice itself by accepting a huge 50% haircut on the principal amount owed it by government in the form of bonds and loans to public institutions and the remaining 50% restructured; just to meet the quantitative target set by the IMF. Because the BoG had sharply increased its exposure to government in 2022 this meant incurring a GHc60 million loss for the year leading to a negative equity position of some GHc55 million. Just as with its lending to government in 2022 the BoG did this for the greater good of the country and its populace in order to avert a major economic disaster – in this case failure to secure an IMF bailout which was the only option left to prevent Ghana's economic collapse; and just like with 2022's lending to government, the critics took advantage of the general populace's lack of understanding of the technical issues involved and their implications to accuse the central bank's chieftains of malfeasance on behalf of

their "political masters." The bank's critics got further ammunition from its ongoing new head office project to which it had committed long before Ghana's current economic challenges erupted (see box).

However, it is instructive that the IMF itself, the very institution which is now providing a US\$3 billion financial bailout on stringent conditions of improved economic management prudence has openly come out to endorse the BoG's actions in each case. This is because, ultimately, the BoG has taken the actions it is being criticized for in order to avert Ghana's economic collapse. This has severely irked its critics of the ruling government who see those actions as threatening their electoral chances next year. But the BoG is unfazed by this, keeping above the political fray and remaining focused on doing what is best for the country's economy and the consequent fate of its populace. This is a task it has taken on with the same prudence during the most recent few years since fiscal imbalances emerged – forcing the central bank effectively to pay the price – as it did during the last years of the previous decade when Ghana's plastic, and therefore brittle economic rise was unfolding.



Dr. Ernest Addison, Governor, Bank of Ghana

To be sure, politically instigated criticism of the BoG is inevitable under Ghana's current governance structure. The Governor and his two deputies are appointed by the incumbent political administration raising questions about their independence from the wishes of the same incumbent government that appointed them in the first place. Instructively however, successive political administrations in power since the commencement of Ghana's 4th Republic, recognizing the crucial importance of the BoG in national economic management have taken care to appoint competent professionals to those key positions, rather than giving them out as rewards for political support. Besides, every executive management of the BoG is supported by a staff complement comprising some of the most capable, professionally well trained and highly motivated people in Ghana's public sector.

To ensure the independence of the BoG from undue political influence, that independence is enshrined in both the Constitution itself and in the Bank of Ghana Act 2002 (Act 612) as amended (Act 918) which guides both its activities and its relationship with government itself.

How the BoG has become a prime political target.

Furthermore, the Governor and his two deputies are given contracts of four years each, renewable for a further four years and these cannot be unilaterally abrogated by the executive even if the government changes hands. To make this easy to implement practically, at the start of the 4th Republic the terms of office under those contracts were timed to closely coincide with the terms of office of the executive arm of government itself. Thus, a new administration could replace the BoG Governor and/or his two deputies within a couple of months of taking office since the contracts of the incumbents in those positions expired just after the change of government. This was to allow a newly elected - or re-elected - administration to appoint the top executives of the BoG that suited their overall macro-economic policy philosophy; for instance, whether supply side or demand management driven, or whether fully liberalized and

market driven or more state influenced and managed.

However, this convenient arrangement was thrown askew in 2012 when the then BoG Governor Kwesi Amissah-Arthur was elevated to Vice President following the sudden, untimely death of Professor John Atta Mills, who was President at the time which automatically bumped up the then Vice President John Dramani Mahama to the number one position. Because Mahama went on to win the ensuing 2012 presidential elections this did not immediately throw askew the convenient near synchronization of the terms in office of the political administration and those of the BoG's executive management.

However, when Amissah Arthur's replacement as BoG Governor, Dr Henry Kofi Wampah, was not granted a second term in 2016 by the same administration that had appointed him, the ground was set for challenges in the appointment of the

Governor as the term in office of his successor, Dr Abdul-Nashiru Issahaku, was completely out of sync with that of the President and his administration. To worsen matters, the retirement of the then 1st Deputy Governor and his replacement with the then 2nd Deputy, Dr Johnson Asiama, similarly threw the contract of the BoG's number two man out of sync with the term of office of the government itself as well.

Dr Issahaku, a development finance expert, chose to voluntarily resign when the New Patriotic Party took over government in 2017 in the form of the incumbent President Nana Akufo-Addo administration. Over the subsequent months, the then 2nd Deputy Governor, Dr Johnson Asiama, a career central banker, rumoured to be affiliated to the NDC, used his resignation to question the independence of the BoG. The then 1st Deputy Governor, Mr Millison Narh, a career central banker, may his soul rest in peace, left when his term expired in early 2017.

It is instructive that two of their replacements are career central bankers with the 3rd one being an astute financial lawyer, all whom with no public affiliations with either party. However, in Ghana's intensely politicized environment, it was inevitable that the NDC would respond to the replacement of its two top BoG appointees with those appointed by the political administration that won power from it by trying to politicize the policies and conduct of the central bank thereafter. But an even bigger reason the current BoG administration has become such a major political target is that it has been key in smoothing over the fiscal shortcomings of the incumbent government in order to fulfill its mandate of facilitating macroeconomic stability. Simply put, by using astute monetary policy to avert a much worse economic situation than Ghana is currently suffering, the BoG has incurred the wrath of politicians who see it as a stumbling block to their wresting back power in 2024 by default with regards to economic performance.

Here, politics makes the BoG an easier – and more juicy - target than most other institutions of state. Because its mandate and the policies and activities used to fulfill them are highly technical, it is relatively



easy to confuse the electorate into casting it as the villain in Ghana's current economic predicament – by resorting to populist but inaccurate commentaries - in order to find the incumbent government as guilty by association and even more importantly, to get its executive management out of the way so as to pave the way for worsening economic circumstances in order to improve the political critic's electoral chances.

In all this, the BoG is trying to maintain its status as a non-partisan institution of state that is simply striving to fulfill its mandates. But by refusing to get drawn into the political issues underpinning the criticism it has been facing in recent years – on the correct basis that they are not its business – it is thus unable to explain its way out of the real underlying reasons why it is facing such intense criticism from certain vested interests who are trying to convince an unenlightened general populace into towing their line.

To worsen matters, communicators of the ruling party – who regard the situation as their business since their government is the ultimate target – have jumped to the BoG's defence, thus inadvertently intensifying the erroneous belief in many quarters that the central bank is indeed an appendage of the ruling party.

With all this going on, the BoG is relying on correct technical analyses of its policies and actions by those institutions and experts with a proper understanding of the issues to get a proper assessment of its performance. Indeed, a formally

constituted jury of central bank chieftains from all around the world, the IMF and numerous technocrats in Ghana – financial industry professionals and academics both included – have all come out in defence of the country's central bank, asserting that its performance has been exemplary, even compared against its counterparts around the world.

So, who is to be believed? Is it the politically driven critics who ultimately have assembled a grassroots populist movement called Occupy BoG or the technocrats and professionals?

Over the following two articles, The Corporate Guardian examines the BoG's policies and actions against its institutional mandate within Ghana's macroeconomic and fiscal circumstances. To be sure, politically instigated criticism of the BoG is inevitable under Ghana's current governance structure. The Governor and his two deputies are appointed by the incumbent political administration raising questions about their independence from the wishes of the same incumbent government that appointed them in the first place. Instructively however, successive political administrations in power since the commencement of Ghana's 4th Republic, recognizing the crucial importance of the BoG in national economic management have taken care to appoint competent professionals to those key positions, rather than giving them out as rewards for political support. Besides, every executive management of the BoG is supported by a



Dr. Ernest Addison, Governor, Bank of Ghana

staff complement comprising some of the most capable, professionally well trained and highly motivated people in Ghana's public sector.

To ensure the independence of the BoG from undue political influence, that independence is enshrined in both the Constitution itself and in the Bank of Ghana Act 2002 (Act 612) as amended (Act 918) which guides both its activities and its relationship with government itself. Furthermore, the Governor and his two deputies are given contracts of four years each, renewable for a further four years and these cannot be unilaterally abrogated by the executive even if the government changes hands. To make this easy to implement practically, at the start of the 4th Republic the terms of office under those contracts were timed to closely coincide with the terms of office of the executive arm of government itself. Thus, a new administration could replace the BoG Governor and/or his two deputies within a couple of months of taking office since the contracts of the incumbents in those positions expired just after the change of government. This was to allow a newly elected – or re-elected – administration to appoint the top executives of the BoG that suited their overall macro-economic policy philosophy; for instance, whether supply side or demand management driven, or whether fully liberalized and market

driven or more state influenced and managed.

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well.

Dr Issahaku, a development finance expert, chose to voluntarily resign when the New Patriotic Party took over government in 2017 in the form of the incumbent President Nana Akufo-Addo administration. Over the subsequent months, the then 2nd Deputy Governor, Dr Johnson Asiama, a career central banker, rumoured to be affiliated to the NDC, used his resignation to question the independence of the BoG. The then 1st Deputy Governor, Mr Millison Narh, a career central banker, may his soul rest in peace, left when his term expired in early 2017.

It is instructive that two of their replacements are career central bankers with the 3rd one being an astute financial lawyer, all whom with no public affiliations with either party. However, in Ghana's intensely politicized environment, it was inevitable that the NDC would respond to the replacement of its two top BoG appointees with those appointed by the political administration that won power from it by trying to politicize the policies and conduct of the central bank thereafter. But an even bigger reason the current BoG administration has become such a major political target is that it has been key in smoothing over the fiscal shortcomings of



Mr. Charles Adu Boahen*
Non-Executive Director



Mr. Joseph Blignam Alhassan
Non-Executive Director



Dr. Samuel Nii-Noi Ashong
Non-Executive Director



Dr. Kwame Nyantekyi-Owusu
Non-Executive Director



Mrs. Comfort F. A. Ocran
Non-Executive Director



Mr. Andrew A. Boye-Doe
Non-Executive Director



Mr. Jude Kofi Bucknor
Non-Executive Director



Prof. Eric Osei-Assibey
Non-Executive Director



Ms. Angela Kyerematen-Jimoh
Non-Executive Director



Dr. Regina Ohene-Darko Adutwum
Non-Executive Director



Ms. Sandra Thompson
Board Secretary

the incumbent government in order to fulfill its mandate of facilitating macroeconomic stability. Simply put, by using astute monetary policy to avert a much worse economic situation than Ghana is currently suffering, the BoG has incurred the wrath of politicians who see it as a stumbling block to their wresting back power in 2024 by default with regards to economic performance.

Here, politics makes the BoG an easier – and more juicy – target than most other institutions of state. Because its mandate and the policies and activities used to fulfill them are highly technical, it is relatively easy to confuse the electorate into casting it as the villain in Ghana's current economic predicament – by resorting to populist but inaccurate commentaries - in order to find the incumbent government as guilty by association and even more importantly, to get its executive management out of the way so as to pave the way for worsening economic circumstances in order to

improve the political critic's electoral chances.

In all this, the BoG is trying to maintain its status as a non-partisan institution of state that is simply striving to fulfill its mandates. But by refusing to get drawn into the political issues underpinning the criticism it has been facing in recent years – on the correct basis that they are not its business – it is thus unable to explain its way out of the real underlying reasons why it is facing such intense criticism from certain vested interests who are trying to convince an unenlightened general populace into towing their line.

To worsen matters, communicators of the ruling party – who regard the situation as their business since their government is the ultimate target – have jumped to the BoG's defence, thus inadvertently intensifying the erroneous belief in many quarters that the central bank is indeed an appendage of the ruling party.

With all this going on, the BoG is relying on

correct technical analyses of its policies and actions by those institutions and experts with a proper understanding of the issues to get a proper assessment of its performance. Indeed, a formally constituted jury of central bank chieftains from all around the world, the IMF and numerous technocrats in Ghana – financial industry professionals and academics both included – have all come out in defence of the country's central bank, asserting that its performance has been exemplary, even compared against its counterparts around the world.

So, who is to be believed? Is it the politically driven critics who ultimately have assembled a grassroots populist movement called Occupy BoG or the technocrats and professionals?

Over the following two articles, The Corporate Guardian examines the BoG's policies and actions against its institutional mandate within Ghana's macroeconomic and fiscal circumstances.



Governors of Bank of Ghana, Mrs Elsie Addo Awadzi, Dr Ernest Addison and Dr Maxwell Opoku Afari

The Bank of Ghana – savior or villain

Managing the Bank of Ghana, the country's central bank, is not only one of the most technically challenging tasks in the public sector – it is also one of the most thankless. Even as analysts and public policy commentators continuously try to second guess the BoG's policy decisions based on their peculiar preferences with regards to monetary policy stance and the regulation of the financial intermediation industry, all sorts of vested interests, ranging from bank owners and managers to industrialists, farmers and traders, demand policies that favour their commercial interests. Worse still, the central bank – its executive management having been appointed by the incumbent government and being both banker to the government and a key driver of macroeconomic management policy – is a prime target for politically inspired criticism as the political opposition tries to leverage on the limited understanding by the general populace of the technical issues that determine its policy positions to find it guilty of incompetence, or even outright malfeasance, in order to accuse the government itself of the same, simply by association.

Over the past two years in particular, the current executive administration of the BoG – comprising its Governor, Dr Ernest

Ever since the Bank of Ghana engaged in far reaching reforms of the financial services sector and then bailed the government out of a debilitating financing crisis, it has sharply divided opinions about its policies and actions. Over the next three articles, TOMA IMIRHE first identifies the reasons for this and then assesses the central bank's performance from a technical standpoint to ascertain the facts.

Addison, the First Deputy Governor, Dr Maxwell Opoku-Afari and the Second Deputy Governor, Mrs. Elsie Addo-Awadzie – have had to face far more than their fair share of controversy and criticism, in some cases over technical issues related to monetary policy and financial sector regulation, but more commonly driven by sheer politics albeit (thinly) disguised as technical criticism too.

But it is most instructive that the BoG under their guidance has earned the accolades of some of the most technically knowledgeable people and institutions in the world. In 2019, the BoG was adjudged the best performing central bank in sub-Saharan Africa by its peers all around the globe, and Dr Addison himself was voted the best central bank Governor too. More recently, even as Ghana's economy writhed within the pressures created by the country's ongoing challenges, the International Monetary Fund publicly endorsed the central bank, asserting that its vehement critics were getting it wrong. While such endorsements have

unsurprisingly not stopped the critics from attacking the BoG, they have enlightened most of the non-partisan technocrats who hitherto had found fault with the bank's policies and conduct. Most of those critical analysts have now come to realize that the more contentious actions of the BoG were the result of justified, prudent efforts to make the best of bad situations brought about by external shocks from abroad, macroeconomic vulnerabilities at home, domestic fiscal policy shortcomings and bad behavior by some of the owners and managers of financial institutions operating under the central bank's regulatory purview.

But many analysts, both domestic and foreign, go even further to recognize the BoG under its current management as the most competent team in decades, and indeed an institution that has stood between a troubled Ghanaian economy and one tottering on the brink of outright collapse.

The Bank of Ghana's executive management

As a pivotal institution of state that is constitutionally protected from interference by the government itself, the Bank of Ghana needs to be run by the best central banking professionals available. The BoG's incumbent governor and two deputies are living up to the billing.

Dr Ernest Addison - Governor

Dr Ernest Kwamina Yedu Addison, born 1963, a Ghanaian economist is the 15th person to hold the position of Governor of the Bank. He had previously worked at the same central bank as director of research from 2003 to 2011 and as an economist at the African Development Bank. He went to the University of Ghana for his Bachelor of Arts degree in economics from 1982 to 1986 and proceeded to Cambridge University for his Master of Economics degree from 1987 to 1989. In 1993, he obtained his Doctorate (Ph.D.) degree in economics from McGill University. After completing his doctorate, Addison returned to the country and joined the BoG in 1994 as an economist. He rose through the ranks to become the Deputy Chief and Head of the Economic Analysis and Policy Division of the Research Department. During his tenure at the bank, he was a member of several committees including the Open Market Operations (OMO) Committee, Money Market Auction (MMA) Committee and the Editorial Committee and also served as secretary to the Financial Programme Implementation Committee and the Financial Policies Committee. He chaired an Economic Community of West African States Task Force set to perform feasibility studies culminating in the setting up of the West African Monetary Institute (WAMI). Addison served as the chief economist with WAMI from 2000 to 2003. In 2012, Addison was a lead economist at the AfDB's Southern African Resource Centre in South Africa.

In March 2017, he was considered and nominated for the position of the governor of the Bank of Ghana filling the vacancy left by the resignation of the then governor Dr Abdul Nashiru Issahaku. He was subsequently approved and then appointed as the governor of the BoG on 1 April 2017 with a 4-year tenure which ended in March 2021, and was subsequently nominated and approved for a



second term of office which ends in March 2025. As central bank governor, Addison automatically serves as a member on many Governments of Ghana and international agencies that deal with financial policy and management, including:

- IMF ex officio member of the board of governors
- Ghana Interbank Payment and Settlement Systems Limited (GhIPSS), ex-officio chairman of the board
- Ghana Cocoa Board member
- Financial Stability Council (FSB), member of the Regional Consultative Group for Sub-Saharan Africa



Dr Maxwell Opoku-Afari

– 1st Deputy Governor

Capital Markets Committee from 2006 to 2008.

Opoku-Afari's work at the IMF also focused on policy design, in particular, on monetary policy modernization and macro-financial linkages. He has co-authored a number of IMF Policy Papers, two of which are currently being used to drive modernization of monetary policy frameworks in a number of low and developing countries.

As First Deputy Governor of the Bank of Ghana, Opoku-Afari serves as a member on many Governments of Ghana agencies and committees that deal with financial policy and management, including:

- Executive member, Board of Directors of Bank of Ghana (August 2017 to present)
- Member, Monetary Policy Committee (MPC) of Bank of Ghana (August 2017 to present)
- Alternate Governor at the IMF for the Government of Ghana (October 2017 to present)
- Appointed Member of the Government of Ghana Post-COVID – 19 Pandemic Economic Revitalization Team of Experts (March 2020 to present)
- Alternate Chair of National Payments Systems Advisory Council (December 2019 to present)
- Chair of Governing Council, Ghana Fixed Income Market (August 2017 to present)
- Board Member, Ghana Minerals Income Investment Fund (January 2019 to present)
- Board Member, Ghana Interbank Payments and Settlements Systems—GhIPSS (August 2017 to present)
- Board Member, Ghana Revenue Authority—GRA (August 2017 to present)
- Board Member, Ghana Investment Promotion Centre—GIPC (January 2018 to present)
- Board Member, Ghana Data Protection Commission (January 2018 to present)
- Chair of Governing Council, National Banking College (August 2017 to present)
- Board Chair, Ghana Central Securities Depository (August 2017 to present)
- Board Chair, African Rural and Agricultural Credit Association (AFRACA), Nairobi, Kenya (August 2017 – July 2019)
- Member and Deputy Board Chair, Ghana International Bank, PLC (January 2018 to present)
- Member and co-chair, Economic Policy Coordinating Committee of the Government of Ghana (August 2018 to present)
- Member and Key Presenter to Investors for all Government of Ghana Sovereign Bond Programmes (August 2017 to present)

Dr Maxwell Opoku-Afari is a Ghanaian economist and currently the First Deputy Governor of the Bank of Ghana. He was appointed to this position on August 7, 2017, and is currently serving his 2nd four-year term which ends in August 2025.

Dr Opoku-Afari went to the University of Ghana for his first degree in Economics and Statistics and a Master of Philosophy degree in economics. In 2004, he obtained a Ph.D in economics from the University of Nottingham in United Kingdom.

Prior to assuming the role of Deputy Governor, Opoku-Afari worked at IMF from December 2009, rising through the ranks to the level of Deputy Division Chief and Mission Chief. He was the Deputy Division Chief in the Regional Studies Division in the African Department of the IMF where he led and supervised the production of one of the IMF's flagship publications—the Regional Economic Outlook for sub-Saharan Africa. In addition, he also served as the Mission Chief for Mauritius. He previously worked in the Strategy, Policy and Review Department of the IMF. While at the IMF, Opoku-Afari participated in IMF negotiation missions to several African and Caribbean countries. He was also a reviewer of country policy documents for a number of developing countries.

Prior to joining the IMF in 2009, Opoku-Afari worked for 13 years at BoG, rising through the ranks to become the Head of the Special Studies Division in the Research Department between January 2005 and June 2006, and later elevated to the position of the Special Assistant to the Governor of Bank of Ghana from June 2006 until he left the Bank of Ghana in October 2009. He was also a member of the Government of Ghana's

Mrs Elsie Addo-Awadzi – 2nd Deputy Governor

Mrs. Elsie Addo Awadzi is a Ghanaian international economic and financial lawyer with over 25 years of professional experience working in various capacities in Ghana and internationally. She was appointed as the 2nd deputy governor of the Bank of Ghana in February 2018 and is now serving her second term in that position. She is the second female to hold that position. She was elected as Chairperson of the Alliance for Financial Inclusion's Gender Inclusive Finance Committee in 2020.

Elsie Addo graduated from the University of Ghana Business School and University of Ghana School of Law with degrees in L.L.B (1993) - and a Qualifying Certificate - and an M.B.A. in Finance (2000). She then furthered her education at the Georgetown University School of Law, where she acquired a Master of Law degree in international business and economic law (2012).

Elsie Addo worked as a commissioner of Ghana's Securities and Exchange Commission for six years and then as a Senior Counsel of the IMF's Legal Department (Financial and Fiscal Law Unit), where she advised on financial sector reforms in the context of the IMF's surveillance, lending and technical assistance activities. She had over 25 years of experience working in various capacities in Ghana, Japan, South Africa, and the United Kingdom before she became the second female to be 2nd Deputy Governor of the Bank of Ghana.

Elsie Addo has oversight of the Bank of Ghana's regulation and supervision of banks and other financial institutions, the macro-prudential function, and other key operational functions.

In 2020, she was awarded at the 5th Ghana Women of Excellence Awards because of her contribution to Ghana's economic development which was part of the 2020 International Women's Day celebrations.

Mrs. Elsie was also awarded the Glitz Africa Corporate Personality of the Year Award at the 2020

edition of the Ghana Women Honours event. At that event, she was honored for her sterling contribution towards shaping the economic management in Ghana, especially in the area of financial Regulations and Public Financial Management.





IMF MD Kristalina Georgieva with President Nana Akufo-Addo

The role of the Bank of Ghana under Ghana's IMF programme

The International Monetary Fund holds the correct view that appropriately tight monetary and flexible exchange rate policies will help bring inflation back to single digit and rebuild international reserves and the Bank of Ghana, the institution charged with making this happen is in complete agreement which bodes well for the programme's chances of success. The programme also has a strong focus on preserving financial stability, another objective which Ghana's central bank has shown unwavering commitment to ensuring.

Asserts Ms. Kristalina Georgieva, Managing Director, of the Fund: "Preserving financial sector stability is critical for the success of the programme. Given the adverse impact of the domestic debt restructuring on the balance sheets of financial institutions, the authorities will devise and implement a comprehensive strategy to rapidly rebuild financial institutions' buffers and exit from

temporary regulatory forbearance measures.

"Monetary and exchange rate policies under the programme will focus on reining inflation and rebuilding foreign reserve buffers. The Bank of Ghana will continue tightening monetary policy until inflation is on a firmly declining path and will eliminate monetary financing of the budget.

The central bank will also enhance exchange rate flexibility and limit foreign exchange interventions to rebuild external buffers."

Two of the key objectives of the IMF programme therefore fall under the BoG's purview:

- Appropriately tight monetary and flexible exchange rate policies to bring inflation back to single digits and rebuild international reserves.
- Strong focus on preserving financial stability in the wake of the domestic debt restructuring.

The BoG's monetary policy goal is to bring

inflation back to the 6-10 percent target by the end of the programme. In response to the large monetary policy rate hikes and the increase in reserve requirements over the past year and a half, inflation has fallen significantly, and it is now continuing to fall quite rapidly. This reflects the strong impact of these monetary policy instruments despite the earlier unavoidable large monetary financing of the government deficit and supply shocks (i.e., rising global commodity prices). Indeed inflation has been cut from a peak of 54.1% in December 2022 to 35.2% in October 2023, an almost 20 percentage drop within the space of just 10 months. Looking ahead, monetary financing will be eliminated as a key performance criterion. The BoG is committed to maintaining an appropriate tight monetary policy stance to anchor the ongoing disinflation process and nudge inflation back to the medium-term target. It will also undertake liquidity

management operations consistent with the inflation objective, while taking into consideration financial stability risks. A monetary policy consultation clause inserted into the Fund programme is intended to monitor the BoG's performance in meeting the inflation objectives. The BoG will continue enhancing its inflation targeting framework through the enriched macroeconomic forecasting and policy analysis system (FPAS). The programme will also support BoG's aim to rebuild international reserve buffers.

With gross reserves falling rapidly, the BoG has started limiting foreign exchange (FX) interventions since mid-2022. More efforts to rebuild FX buffers will be critical to achieving the programme's medium-term objective of an international reserve coverage ratio of at least 3 months of imports. The performance will be monitored through a net international reserve (NIR) target (performance criterion). Any unexpected FX inflows should be saved. In this respect, the IMF has publicly appreciated the commitment by the BoG to limit gross FX interventions to only smooth exchange rate fluctuations with high propensity to ignite disorderly market conditions.

Achieving these goals will be underpinned by efforts to ensure a unified and flexible exchange rate and to create the conditions for FX market deepening. To support price discovery and efficient allocation, the BoG will employ auctions as the primary channel for any FX intervention. Any bilateral trades will be conducted at the market rate. When the time is right, the BoG will implement a gradual phase out of the special FX auctions for fuel distributors introduced in March 2022 – which was purely a temporary measure to cope with the severe FX shortages at the time – and enhance the design of the regular FX auctions with the support of Fund technical assistance. The BoG will also gradually reverse the recently introduced surrender requirement on gold exports to BoG. These measures will help bolster FX liquidity in the banking sector and encourage price discovery and FX market deepening.

The BoG Act will be revised to strengthen



central bank independence and mitigate fiscal dominance. The amendments to the BoG Act will feature a stricter limit for monetary financing, mechanisms to monitor and enforce compliance, and a clear definition of emergency situations under which the limit can be temporarily lifted. Pending legislative changes, the BoG and the MoF signed an MoU (as a condition for the IMF approving the programme in the first place) to eliminate monetary financing during the programme. An ongoing updated Safeguards Assessment will provide additional support for designing changes to the BoG Act. It will review the authorities' gold purchase and gold-for-oil programmes and associated risks for the BoG.

The BoG's balance sheet has inevitably been affected by the debt restructuring. The Government and the BoG will assess the impact and develop plans for its recapitalization with Fund technical assistance support.

Financial Sector Stability

Ghana's financial sector was relatively robust before the debt restructuring, thanks to the financial sector cleanup conducted in recent years. A thorough asset quality review had been conducted as part of the cleanup. The aggregate NPLs had declined from 17 percent in 2019 to about 15 percent at end-2022, and the sector had been well-capitalized except for a few institutions. However, several steps under the financial sector cleanup were yet to be implemented. The DDEP presents a substantial challenge for the health of the financial

sector given its exposure to government debt. Domestic bonds were widely distributed across the financial sector in Ghana, representing the most important asset class held by commercial banks, pension funds, asset management companies, and insurance companies.

Banks held 30 to 50 percent of their total assets in government securities before the DDEP—with especially high exposures in the state-owned banks—and relied significantly on income from these securities. The coupon reductions and maturity extensions in the recently completed DDEP mean that the value of these assets will decline to about 70 percent of the par value. This devaluation represents a significant shock to the balance sheets of these financial institutions.

The authorities are determined to deploy all available instruments to preserve financial sector stability. Temporary regulatory forbearance, including lower cash reserve requirements for banks and lower adjusted capital requirements for banks and other financial sector institutions, has been offered to help provide relief in the short term. Existing repo and Emergency Liquidity Assistance (ELA) facilities will provide liquidity to the banking sector as needed. The authorities are developing the Ghana Financial Stability Fund (GFSF) to provide additional liquidity and/or solvency support to the banking and non-bank financial institution (NBFI) sectors, ensuring that the design of the GFSF—eligibility, cost of access, and additional central-bank supervision and reporting requirements—is fully aligned



with the fund's intended purpose and best international practice. The World Bank is preparing an emergency operation to provide GFSF funding (US\$ 250 million) to facilitate the build-up of capital buffers for qualifying banks.

Any capital support to qualifying institutions and other steps necessary to strengthen the financial sector in the wake of the debt exchange will be completed in a timely manner. The authorities have developed a strategy (structural benchmark) for strengthening the financial sector and for rebuilding financial sector buffers, to be accomplished by the end of the programme. Individual banks have been required to submit their credible time bound plans to rebuild capital buffers on a phased basis in line with timelines set out in this financial sector strategy; those plans have been reviewed by BoG and finalized by banks for BoG approval by end-September 2023 (another structural benchmark). As part of this process, regulatory forbearance, including on capital requirements, will be lifted as soon as possible. The BoG will monitor the

expected capital shortfalls stemming from the ongoing recognition of debt restructuring losses in CAR calculations and ensure the plans on rebuilding capital buffers are implemented based on periodic milestones. Further incentives to banks to expedite the process will include the prohibition of distributing dividends, restrictions in risk exposures, and enhanced monitoring for those that do not meet minimum CAR, and support for early recapitalization from the GFSF. Any government support for recapitalization will be designed to incentivize private capital injection and will be conditional on reforms to improve long-term profitability.

That estimate of the Net Present Value reduction is based on the 16-18 percent discount rate that most banks intend to adopt following discussion with the Institute of Chartered Accountants, Ghana (ICAG).

For Capital Adequacy Ratio (CAR) calculation, banks have been allowed to record a quarter of the DDE losses per year over a maximum of four years.

The baseline builds in a possible fiscal cost of the financial sector of up to 2.6 percent of GDP.

The authorities are also committed to completing the remaining tasks from the financial sector cleanup and to implement reforms to support credit to the private sector. Those tasks include addressing the insolvency of NIB as well as the long-standing undercapitalization of several special deposit taking institutions (SDIs). The authorities' strategy will include an assessment of these institutions' operational strategies and corrective actions to prevent the accumulation of further losses. The authorities will also complete ongoing reforms in areas related to financial sector stability, including the roll out of Basel II and III reforms, the strengthening of the nascent deposit insurance scheme, and efficiency enhancements at state-owned banks. In order to foster private sector development and to prevent the crowding out of credit to the sector, authorities will consider further measures to reduce the nexus between sovereign and financial institutions.



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Selorm Adadevoh, CEO. MTN Ghana

SELORM ADADEVOH PILOTS MTN TO NEW HEIGHTS

It is now five years since Selorm Adadevoh took up the mantle of leadership at MTN Ghana. During that time he has overseen the company's listing on the stock market, its diversification into a fully-fledged digital services provider, and its ascension to overwhelming market dominance – despite regulatory efforts to curtail its competitiveness – and unparalleled commercial success. TOMA IMIRHE documents the company's spectacular success under his exemplary guidance

Five years ago the young, unassuming and supremely eloquent Selorm Adadevoh took up the reigns of corporate leadership at MTN Ghana. While industry analysts and the media expressed confidence in his ability to deliver on his mandate – since its parent company's acquisition of Scancom in the late 1990s it has never got its choice of CEO wrong – there were questions about whether he could quite match the

achievements of his illustrious predecessors in that position. Over the past half a decade though, he has answered all those questions in an incontrovertible way. Simply put, under its guidance MTN Ghana is enjoying its best performance to date, with regards to both market positioning and financial outcomes. Perhaps most instructively, the company's market dominance has persuaded the telecommunications

industry regulator, the National Communications Authority, to (controversially) declare it a Significant Market Player in order to curb that dominance; but just as instructively that move by the NCA has effectively failed – since it was made, MTN's market share has grown even further, its competitive superiority overcoming regulatory efforts to curtail its impact. Since the SMP declaration MTN's overall market



share has increased even further to 63% currently, some 8 percentage points above its market share as at the time of a declaration intended to reduce its market share or at least prevent it from rising any further. This shows that MTN's market dominance is the result of product and service superiority rather than just competitive pricing, since, even without the pricing advantages the company was hitherto enjoying due to its critical mass of customers, the average user of digital services still prefers the company to any of its competitors.

Today, MTN stands tall as the most visible, most popular, most patronized company in Ghana among the populace and the bluest chip on the Ghana Stock Exchange. Virtually every household across the country, where network access is available, uses MTN's products and services and the company has ensured that such access is available virtually everywhere nationwide. In similar fashion, there are more households across

Ghana with shareholding in MTN than with any other company in corporate Ghana. Just as importantly, Adadevoh has charted a road map for the company's medium term evolution that is as achievable as it is ambitious. Called Ambition 2025 it is a strategic plan that properly implemented – as is being done so far – will take MTN out of sight of its competitors. Actually though, MTN, under Adadevoh receives crucial support from a most unexpected source. The coronavirus outbreak, more commonly referred nowadays that it is regression, by its scientific listing name of COVID 19, will forever be remembered not only for being the first ever global pandemic, but also for the economic damage it did worldwide. But it will also be remembered much more fondly as the trigger for digitalization even in emerging market jurisdictions that were fretting over the likelihood of a digital divide adding to the technological divide that has already separated the rich economies from the

poor ones. In Ghana, the clear industry leader MTN, has been the primary reason why Ghana has been swept along by the digital transformation rather than left behind.

Indeed, since the first half of 2020, expanding capacity in some aspects of its network's activity has been a more pressing challenge than winning the customers required to make capacity expansion financially rewarding. Several measures have been put in place though with significantly increased capacity expected to be available to enthusiastic customers by the turn of the year. To be sure, MTN Ghana has not only become arguably the most widely known and patronized brand in the country, with at least one MTN customer in most households across the country; it has been appreciated as a hugely successful commercial venture too. Indeed since doing by far the biggest Initial Public Offer ever on the Ghana Stock Exchange

in 2018, selling over 20% of its shares primarily to domestic retail investors, MTN Ghana's stock is now one of the bluest chips on the stock market and one driving growth in both trading volumes/values and the market's price index. MTN Ghana has risen to the top of not just the country's telecommunications industry but corporate Ghana as a whole by investing more than its competitors in network infrastructure and capacity, as well as coming up with the most, value adding, relevant products and services.

But the surge in demand for digital products and services since COVID 19 struck in 2020 has stretched even MTN's capacity, which the company has had to expand faster than it had originally anticipated. This year the company's capital expenditure plans have been presented with another challenge – the cedi's sharp depreciation (by 35% during the first eight months of the year) has meant less dollar spend. It is instructive that by mid-2022 MTN had spent GHc1.1 million, out of a full year capital expenditure budget of GHc1.5 million in

order to protect its budget in dollar terms. "We have accelerated our capex plans as a result of the fast depreciating exchange rate" admits Selorm Adadevoh, MTN Ghana's CEO. "This is to help us maximize the envelope of capex (measured in cedis) that we are committed to since our capex is cedi denominated but derived from a US dollar budget."

It is instructive that during the first half of this year, data revenue increased by 49.3% year on year to GHc1.8 billion driven by growth in the company's active data subscribers, higher data traffic, and an increase in the megabytes consumed by active customers. This well outpaces even the formidable overall growth which MTN enjoyed in the first six months of 2022 whereby total service revenue increased by 28.9% year on year driven by growth in voice and mobile money as well as data. Voice revenue increased by 21.3% year on year to GHc1.6 billion. This was supported by an 11.6% year on year growth in the company's subscriber base underpinned by its CVM and other customer experience initiatives.

Mobile money revenue grew by 9% year

on year to GHc899 million driven by slower growth in peer to peer (P2P) revenue and overall transactional revenue. "In May 2022 we implemented the electronic levy and reduced our P2P transaction fees by 25% to reduce the burden of the e-levy on our customers," explains Adadevoh. "These actions led to the slower growth in MoMo revenue in the period. But active MoMo users increased on a year on year basis and advanced service offerings continued to show positive growth."

The only dark spot on an otherwise unblemished performance by MTN's network itself was with regards to digital offerings. Digital revenue declined by 15.8% year on year to GHc81.7 million owing to MTN's continued effort to rationalize its digital products portfolio. During the first half of 2022 the number of active digital subscribers decreased by 0.3% year on year to 3.4 million. However Adadevoh assures that "We will continue to enhance our digital messaging channels and add more value, choice and personalization to our music and gaming offerings."



This minor hiccup however could not take any of the shine off MTN's continued sterling financial performance. Earnings before interest, tax, depreciation and amortization, EBITDA, increased by 36.0% year on year with a gross income margin expansion of 3.0% to 57.4% year on year. Actually even this understates MTN's financial performance for the first half of 2022 - its EBITDA growth was impacted by an International Financial Reporting Standards 2 charge linked to the localization of Scancom Plc, the registered corporate name MTN operates under in Ghana. If MTN had chosen not to adhere to the new, more stringent global accounting standards only now being introduced in Ghana, EBITDA would have grown by 38.2% year on year with a corresponding margin expansion of 3.9% to 58.3%.

MTN is showing its financing and portfolio investment savvy too. Its finance costs increased by 22.3% year on year to June 30, 2022 driven by the impact of the Cedi depreciation on Dollar denominated leases. However, its finance income grew by 151.8% year on year too owing to higher yields on its financial portfolio investments during the period. Consequently, the company's net finance cost decreased by 3.1% year on year, which helped to drive dramatic growth in profit after tax for the period up to mid-2022, of 54.1% year on year. Going forward, MTN recognizes that growth in customer base is slowing as Ghana's market approaches maturity with regards to being connected to a network. Indeed this has informed its strategy – a highly successful one so far – of offering its existing customers more, faster, useful products and services, thus getting them to provide more traffic, whether voice, data or MoMo.

This requires more sophistication and value addition, even in the MoMo market where MTN's dominance is most intense. "Advanced services remain a pivot for mobile money growth as we continue to expand the portfolio of products in that category. There are products in advanced services that are currently in pilot stage, and we expect these to be mainstream by the end of the year" reveals Adadevoh. But industry leadership means MTN has to tread carefully under the watchful eye



Selorm Adadevoh, CEO. MTN Ghana

of the National Communications Authority which, having designated the company a Significant Market Player, is insisting that it comply with a number of measures aimed at curbing its use of its competitive advantages, particularly with regards to product and service tariff setting. MTN is working with the NCA to comply with three measures and is in advanced stages of implementing a fourth SMP remedy on national roaming following the completion of the first pilot programme; In the second quarter of 2022, MTN Ghana signed a network roaming agreement with Vodafone Ghana and commenced a pilot in the Volta region which proved successful with Vodafone subscribers roaming on MTN's network in that region.

MTN also commenced a pilot with Ghana Investment Fund for Electronic Communications (GIFEC) on rural telephony. These partnerships form crucial pillars for a bigger plan by government to have a full national roaming regime amongst all operators in the country. Indeed, MTN has grown into

a company of such strategic importance in Ghana that its finances and its operational activities now fall under close scrutiny by all sorts of stakeholders. The happiest lot among them though – along with its customers – should be its shareholders, whose conclusion from MTN's latest half year financials, would most likely be that big is indeed beautiful. This is even more advantageous to the Ghanaian populace and its economy than is usually the case with publicly listed multinationals. This because the company is striving to go beyond the quantitative targets for local shareholding agree with the NCA in that it deliberately seeks to get retail Ghanaians to hold its shares rather than already wealthy and financially empowered big indigenous institutional investors. MTN Ghana intends to increase its indigenous equity shareholding to 30 percent as soon as possible, a level which the company had targeted for its 2018 Initial Public Offer, which resulted in the company being listed on the Ghana Stock Exchange



Selorm Adadevoh, CEO, MTN Ghana

where it is now established as a blue chip stock. The local shareholding in the company currently stands at close to 25% percent which indicates that it has significantly increased indigenous equity stake in the company following the completion of the IPO nearly five years ago. At that time, because the record sized IPO was largely undersubscribed – due to its unprecedented size the local bourse simply lacked the capacity to buy up the amount of shares offered but still subscribed to about three times the previous record size – local equity holding stood at less than 15 percent.

Although MTN Ghana intends to increase indigenous shareholding by more than

five percent, it does not intend to do a new public offer for shares nor do a rights issue either. Rather the plan, according to MTN Ghana's CEO, Selorm Adadevoh, is to facilitate the acquisition of existing shares by local institutional investors. Presumably this will involve the sale of shares currently held by the MTN parent company. To achieve its aim this would require MTN narrowing down the buyers to indigenously owned institutional investors (such as SSNIT) and managed funds (such as a mutual fund or unit trust scheme) that is wholly – or at least predominantly – subscribed to by indigenous investors.

Certainly, even with the doldrums the GSE

in general has been suffering since 2018, MTN Ghana is attractive, indeed one of the most attractive stocks for equity investors, indigenous retail investors inclusive who the company deliberately seeks out to enable them benefit directly from its financial success. But this is only one among several ways in which MTN ensures that Ghana as a sovereign entity and its general populace share in its success. As the clearly dominant provider of mobile digital services in Ghana this makes MTN arguably the most strategically important enterprise in the country today. While industry regulators are keen to limit the company's market dominance – this evidenced by its decision to declare MTN a Significant Market Player – they also appreciate the company's refusal to take advantage of the situation to fleece customers with extortion pricing. Just as importantly government recognizes the company's willingness to support the national economy in a plethora of ways ranging from being one of the biggest tax payers in Ghana, through exemplary commitment to corporate social responsibility, to billions of cedis spent every year on expanding the country's capacity with regards to the generation and distribution of mobile digital services.

In 2022, even as Ghana's macroeconomic circumstances took a turn for the worse, MTN stepped up to the plate significantly increasing its spending on fiscal and community support. In 2022, it contributed GHc3.7 billion in direct and indirect taxes and GHc301.7 million in fees, levies and other payments to governmental agencies. Combined, this represented 40.1% of MTN's total revenue for the period.

Then there is voluntary spending. The Group performs its corporate social responsibility via the MTN Foundation. MTN's global policy is to set aside 1% of its profit after tax to fund the foundation's activities. The Foundation has invested over GHc97.7 million to improve health care, education and living conditions for more than four million people with 188 projects across the entire country. In the area of education, the Foundation has provided scholarships to over 1,800 needy and

promising students in Ghana. During 2022, an amount of GHc28.3 million (2021: GHc20.0 million) was spent to undertake health, education and economic empowerment projects through the MTN Ghana Foundation. The Foundation made considerable progress in the construction of a 60-bed maternity and neonatal centre for the Keta Municipal Hospital and a STEM robotics lab for the Mamfe Girls' School. It also awarded scholarships to 100 students at various educational institutions.

MTN Foundation spends a part of the company's after tax profits on social interventions aimed at improving the lives of needy, deserving Ghanaians. But even before getting to that stage the company spreads part of the value it creates to households all around Ghana who have been astute enough to invest in the company. During 2022, MTN's Board declared an interim dividend of GHc0.04 per share, which was paid on 22 September 2022. Based on the full-year performance of the company, the Board has recommended a final dividend of GHc0.124 per share, bringing the total dividend for 2022 to GHc0.164 per share. This represents 70.6% of profit after tax in line with company policy, and a 42.6% increase in dividend per share when compared to the prior year. For the final dividend, the company is exploring the option for shareholders to choose between cash or share dividends as an alternative and elective form of shareholder return to a cash only dividend, subject to shareholder and regulatory approvals.

Instructively MTN has more retail investors on its books than any other

company in Ghana and so the company's huge profitability, coupled with its offering one of the most generous dividend payout policies on the Ghana Stock Exchange, provide a major source of wealth creation for households all around the country. Even more Ghanaians will stand to benefit going forward. In the year, MTN maintained its focus on further localization of the shareholding of both Scancom PLC and Mobile Money Limited. It achieved additional 6.8% localization during the period bringing the localization of Scancom PLC to 23.7%. MTN Ghana is committed to completing the localization of Scancom PLC and Mobile Money Limited to 30% each in the shortest possible time asserts MTN Ghana's CEO, Selorm Adadevoh, a claim confirmed by the Group CEO AT ITS Johannesburg Group Head Office.

Then there are MTN Ghana's contributions to the expansion of the country's capacity to generate and distribute digital services. In 2022 alone the company made capital expenditures of GHc2.4 billion (up 44.4% on the GHc1.484 billion spent in 2021) with most of this - GHc1.972 billion - comprising cash expenditures.

The results have been impactful in several ways. Apart from increasing the number of cell sites and thus expanding nationwide coverage in April 2022, MTN Ghana signed a national roaming agreement with Vodafone, commencing a pilot programme which allowed Vodafone subscribers in the Volta region to roam on MTN's network. Following the

success of the pilot, the parties signed a one-year agreement to extend national roaming on 2G beyond Volta region to other areas.

Undoubtedly all this is adding to the immense goodwill MTN enjoys from Ghana's general public, beyond its provision of the widest range of digital services delivers at the most competitive tariffs available in the Ghanaian market. Adadevoh is the primary driving force behind MTN Ghana's exemplary success which makes it the crown jewel of its multinational parent company which operates through similar subsidiaries in 16 other African countries. Indeed it is instructive that the Group CEO visits Ghana more often than any other country where it has subsidiaries. The usual custom is for the CEO of MTN Ghana to be moved to the bigger, but less competitive Nigerian market after his tour of duty in Ghana. But Adadevoh's case may be different. He has been so successful that he may be consider for a top tier position at the Group headquarters in Johannesburg immediately he leaves his current position. Indeed some industry analysts see him as potentially the first Ghanaian to become Group CEO eventually. Only time will tell whether or not this happens. Meanwhile though, he still has unfinished business in Ghana. Ambition 2025, MTN Ghana's medium term strategic plan is his baby and he would want to nurture it through to completion. After that the only certain thing about his career path is that the sky is his limit. And he may even break that barrier too.





Selorm Adadevoh, CEO. MTN Ghana

THE MAN BEHIND MTN'S MARKET DOMINANCE

Selorm Adadevoh is the Chief Executive Officer of MTN Ghana. Selorm is a seasoned telecoms and financial services business leader with over 20 years of experience spanning several years in the UK, USA, Caribbean, Latin America and other countries in Africa.

In his time as MTN Ghana's CEO, Selorm has been instrumental in entrenching MTN's market leadership position and gaining recognition as the "Best Network in Ghana" in both Voice and Data, by delivering on technology advancements such as the launch of the network's 4G+

services in 2019 and Voice-over-LTE (VoLTE) in 2020.

To feed his obsession with customer experience, Selorm re-launched the MyMTN app. Selorm has won numerous awards during his tenure as MTN's CEO starting with "Industry Personality of the Year 2020" and "The 2019 Telecoms CEO of the Year" by Ghana Information Technology and Telecommunications Awards (GITTA). Selorm's contributions to MTN Group has also been recognized beginning with his award as the joint "CEO of the Year 2019".

Selorm holds an MBA in Finance and

Strategic Management from The Wharton School, University of Pennsylvania, USA and a Bachelor's degree in Civil Engineering from Kwame Nkrumah University of Science and Technology (KNUST), Ghana. Selorm is a member of the Board of Directors of DIAL (Funded by the UN Foundation), Washington DC, USA and Sahel Grains Ltd., Ghana.

Adadevoh started his career and worked for 10 years as a technology consultant initially for Hewlett in the UK, where he served as an advisor to companies like, Hutchinson 3G, Vodafone, FTSE 100 and later as a Management Consultant at L.E.K Consulting in the USA where he worked on Mergers, Acquisitions and Private Equity consulting projects for companies like United Airlines, Jetblue, Procter & Gamble, Pfizer, Laidlaw, and many others.

He later moved to Ghana to work as the Chief Commercial Officer and Head of Mobile Financial Services for Millicom Ghana, the then operator of the Tigo network. In both roles he was responsible in ensuring the boost of the mobile money industry in Ghana in relation to Tigo and other networks as well.

Adadevoh was later appointed as Global Director for Mobile Financial Services at Digicel, Haiti in December 2014. He went on to work there for three years rising from his role as Global Director of MFS to Chief Operating Officer in May 2015 and eventually to CEO in March 2016, the Haiti network being the largest of Digicel's 32 operations throughout the world.

In June 2018, Adadevoh was appointed as CEO of MTN Ghana taking over from Ebenezer Asante who had been promoted to Vice President of the MTN Group. He was awarded the Marketing Man of the Year 2020 at the 32nd Annual National Marketing Performance Awards organised by the Chartered Institute of Marketing.¹

Adadevoh is a board member of Women's World Banking Ghana, Sahel Grains Ltd and DigSital Impact Alliance (DIAL) which is funded by the UN Foundation. He is a TEDx fellow, and a member of the African Leadership Network.



Hon. Kwame Osei-Prempeh,
MD, GOIL

WHY GOIL IS GHANA'S MOST STRATEGICALLY IMPORTANT CORPORATION

The petroleum price crisis of 2022 has shown Ghanaians just how strategically crucial GOIL is to their ever day activities and their living standards. But this realization is belated; the company has been arguably the most strategically important company to the fortunes of Ghanaians for many years. TOMA IMIRHE explains how and why.

Ghana Oil Company Limited, now formally known simply as GOIL, is one of the most widely known corporate brands in the country. It is present all around the country – indeed



having the widest network of retail sales outlets among all the oil marketing companies nationwide – and is thus known in virtually every household, including those who do not directly buy its products. For many Ghanaians it also represents the country's competitiveness in the global business community, having a superior market share than the global multinational brand names operating in Ghana that are its biggest competitors, these being Total and Shell. But over the past year or so, GOIL has won the goodwill of the country's populace for a far more practical reason: its role in restraining runaway increases in the prices of petroleum products nationwide, resulting from the recent surge in global market prices for crude oil and the sharp depreciation of the cedi against the United States dollar, which dramatically increased the cedi prices of such products, virtually all of which are imported and so are subject to exchange rate effects in their

local market pricing. The strategic importance of GOIL became more appreciated than ever around the middle of 2022 when global crude oil prices reached long term highs of over US\$100 a barrel at the same time as the cedi's exchange rate against the dollar rose to its worst ever level of around GHc15 to one dollar. The ultimate result of these two factors was the highest prices for petroleum prices in Ghana's entire history, which in turn fuelled a rise in consumer price inflation to their highest levels this century, of over 40% by the third quarter of 2022 and over 50% by the last months of the year.

To be sure GOIL's pricing interventions were as controversial as they were relieving for most Ghanaians, with public policy commentators claiming that the company had deliberately kept its product prices lower than they could have been because of a request from government which is still its largest

single shareholder - which therefore allows it to retain management control – despite its having been a publicly listed company on the Ghana Stock Exchange over the past two decades. Those claims created the spectre that minority shareholders, including retail investors such as individuals and households, were deliberately being deprived of optimum yields on their shareholdings, because GOIL was being used by government for its own populist political ends.

However the company correctly retorted that it was simply taking advantage of the situation to win market share – which is good for all its shareholders – while at the same time adopting a pricing policy that upholds the national interest, also a sensible objective. Indeed, industry analysts, pointed out that the revenues being lost from narrower price margins was being made up for by significantly bigger sales

volumes as customers turned to GOIL, rather than any of its competitors for their petroleum product needs.

This has since been confirmed by the company's third quarter financial results, which shows that its bottom line did not suffer at all, even as its market share reached a new high.

Going into 2023, GOIL's challenge will be to defend that increased market share.

However GOIL has a lot of things going for it, not least of all the sheer goodwill which customers now show towards the company for its standing by them and giving them succor during the dark months of 2022 when high petroleum product prices – and the resultant high transport costs and ensuing consumer price inflation – threatened the living standards of millions of Ghanaians. The fact that its biggest competitors are majority foreign owned has enhanced the general perception that GOIL is the company that stands between the populace and their suffering the effects of profit maximization by an industry that knows its products cannot be done without.

To be sure the goodwill now being GOIL is not just thoroughly deserved, but is in fact long overdue. Simply put it is a company that for decades has successfully married the commercial considerations required for its sustainability as a going concern with public interest considerations which Ghanaians country wide have benefitted from immensely, even when they did not clearly recognize it.

For one thing, GOIL has ensured that direly needed petroleum products are available nationwide, even in remote places where purely commercial considerations would have deprived communities from access to them. GOIL has by far the widest network of fuel stations across the country, indeed, supplying essential fuel products in remote areas that even the new generation of privately, indigenously owned OMCs refrain from setting up fuel stations in, because of worries, that the scale of sales in such areas would not justify the requisite capital expenditure and overhead costs.

Though the Company's main business is marketing and distribution of petroleum



Mr. Reginald Daniel Laryea, Board Chairman of GOIL Company Limited

products in Ghana, one of the tenets of the new GOIL is to move beyond the current frontiers to marketing and distribution of energy products in general. The company is therefore actively seeking partners in this regard.

The biggest chunk of GOIL's sales comes from the sale of diesel and gasoline.

The marketing of activities of the company are done from five strategically positioned zonal offices which provides nation-wide access to the markets for its products. These zonal offices are located in Accra, Tema Kumasi, Takoradi and Tamale respectively where they also serve as distribution points for the company's products. However, the main distribution points for fuels are its Liaison Office, Central Depot, and the Accra Plains Depot, Takoradi Naval base and the Takoradi Depot.

Importantly, GOIL has the largest retail network across the country, operating over 400 fuel stations nationwide, some

of them in places no other oil marketing goes and operating in others where it competes against various indigenous OMCs that operate localized networks. The company also has numerous consumer outlets throughout Ghana. These outlets include companies, schools, hospitals, factories, hotels, banks and major parastatals. Little wonder then that GOIL is, by a long way, both the most widely recognized and actually the most popular OMC brand in the country

Add to all these a number of other retail outlets established to market premix fuel and kerosene to rural areas. LP Gas filling plants have also been installed at some of the filling and service stations and at other locations in the country.

All this is in line with GOIL's corporate vision of being a world class provider of goods and services in the petroleum sector and other areas of the energy industry. The company's initiatives are



Thomas Kofi Manu, Member

further informed by its determination to fulfill its corporate mission to market quality petroleum and other energy products and services in all its branches in an ethical, healthy and safe manner; to produce and manufacture goods and services which enhance and support the marketing, distribution and sale of the company's products and services.

To be sure the mission is being accomplished and the vision is being realized. Asserts GOIL's managing director and chief executive, Prempeh, "GOIL has maintained its leadership in gasoline and bunkering since 2002 and has been a major player in all the other industry products and markets.

Indeed GOIL offers a complete range of products and services that combined make it a one stop solution provider for the energy needs (excluding electricity) of individuals, households, private enterprises and public institutions alike. The company's older range of lubricants have been repackaged and given a more vibrant look, even as new lubricants have been added to the range. Most of the lubricants are produced by Tema Lube Oil Limited, but those that cannot be blended locally are imported directly from its partnering Italian company, AGIP, which is world renowned for its research and developments capabilities which underpin its lubricants.

The lubricants offered by GOIL vary from synthetic engine oils and mineral based engine oils for both petrol and diesel engines; through multi-grade and single grade lubricants for both types of

Beauclerc Ato Williams, Member

engines; to high quality gear oils, hydraulic oils, automatic transmission oils, brake fluids, greases and car care products. They are all produced to specifications that meet the quality standards demanded by the automobile industry standards authorities in America, Europe and Asia as well as the globally recognized Original Engine Manufacturers (OEM).

Apart from the standard gasoline and diesel fuels, GOIL also sells specially branded additive versions, which it calls Super XP Diesel and Diesel XP. Both additive fuels offer extended engine life, excellent vehicle acceleration, fuel efficiency and environmental friendliness.

GOIL sells its lubricants through its nationwide network of service stations which are managed on zonal basis. Currently there are 91 service stations in the Southern Zone; 27 in the Tema Zone; 19 in the Western Zone; 63 in the Middle Belt Zone; and 27 in the North Zone. The company's rebranding, a decade ago has extended to its fuel stations and the convenience stores within their premises which now go the name Go Cafes.

Just as importantly, the company has introduced two non-cash payment modes for its petroleum products, which have proved immensely popular especially for private enterprises and public institutions as they facilitate financial accountability. These are printed GOIL Coupons and Go Advantage Cards which are electronic debit cards that are loaded with value.

Stephen Abu Tangan, Member

GOIL is also a market leader in the LPG market, leveraging on its large bulk road vehicular fleet, over 40 LPG filling plats nationwide and two depots – in Tema and Kumasi. Instructively, the company has over 300 direct bulk customers such as schools, factories, hotels, hospitals, restaurants and government ministries, departments and agencies.

Indeed, GOIL focuses heavily on its bulk customer business segment, supplying high quality fuels and lubricants to over 90 active corporate and other institutional customers. The products supplied include super (gasoline), diesel, naphtha, kerosene and residual fuel oils. The company has been involved in the supply of bitumen since 2004, selling it to road contractors nationwide and has built up a strong customer base, centered around government itself. This has persuaded it to build its own bitumen production plant which it has done at a cost of some US\$35 million and which is now ready to commence production.

GOIL owns 60% of the new production facility with its partnership in the project, Societe Multinationale de Bitumes, an Ivorian company, owning the other 40%. Hitherto Ghana has been running up a bill of some US\$11.8 million a year, importing bitumen from Cote d'Ivoire and Brazil.

The new plant has a production capacity of 240 metric tonnes a day for each of its two product lines: bitumen emulsion and polymer modified bitumen (PMB). The latter is a combination of asphalt and more polymer materials. It is appropriate for roads that carry heavy traffic under



Mabel Abena Amoatemaa Sarpong, Member

extreme weather conditions.

GOIL is trading safe grounds with its large investment into bitumen production. Government itself will be the main customer and an impending public policy will insist that road contractors buy locally made bitumen.

GOIL's involvement in aviation fuel goes back many years too. The company offers aviation turbine kerosene through its partnership with ENI, a major Italian petroleum industry operator. This partnership ensures safety, product quality control and efficiency of its aviation sector activities and provides training for GOIL staff.

In 2012 GOIL acquired a 33% equity stake in the Joint User Hydrant Installation at the Kotoka International Airport, thus giving it joint ownership with Total and Vivo over a facility that supplies Jet A fuel to both domestic and international airlines as well as the Ghana Air Force. The company has also constructed a modern Jet A fuel depot at the Takoradi Ghana Air Force base with a 90,000 capacity, primarily for use by helicopters providing security for upstream oil and gas infrastructure. It has also constructed a 36,000 capacity containerized storage facility at Kumasi.

GOIL is also deeply involved in bunkering for marine industry Operators Sea faring vessels. It supplies fuel oil and marine lubricants and now plans to supply Liquefied Natural Gas (LNG) as well. The company makes its supplies from Tema Fishing Harbour, Tema Main Harbour, Takoradi Port and the Sekondi Naval Base.

Angela Forson, Member Edwin Alfred Provencal, Member John Boadu, Member

GOIL is not only a full suite provider of petroleum and gas sector products and services. It is both a retailer and wholesaler, this now extended to bulk product distribution. Now, the company has moved beyond the downstream industry altogether into the upstream industry. Similarly the company is now poised to move beyond its nationwide markets coverage in Ghana itself, any expanding into neighbouring West African countries.

Little wonder then that GOIL is the leading petroleum company in the country, matching the capacities of its biggest multinational competitors and leading them with regards to sheer popularity, in both urban centres and of course in remote rural areas where indeed it is the only Oil Marketing Company operating.

This is most useful for Ghana from a strategic point of view. For instance its construction of a bitumen manufacturing plant is a most invaluable import substitution intervention. Even more importantly, it's pricing of its retail products balances commercial objectives with a State's desire to cap inordinately high product prices and this is benefitting the consuming public immensely.

Instructively, this is also a strategic move, aimed at positioning GOIL as a full spectrum transportation energy company rather than just a fuel supplier. Besides the bitumen plant, the company has disclosed that it has begun the establishment of a gas plant for the

cylinder re-circulation model in the country and looking forward to partner some banks to fund the project.

GOIL's expansion into new product areas has been accompanied by a modernization of both its operations and the corporate image that underpins them. The company, a decade ago set the ball rolling with a hugely successful rebranding exercise, carried out in 2012, which reinvented the company's public image and further enhanced its already sterling corporate reputation. The intense media campaign behind the rebranding tagged GOIL as "Good Energy" even as its fuel stations were redesigned, internal and external operational processes revamped, leveraging on IT advancements and a new corporate culture was adopted, more customer focused, more customer friendly and more customer convenient. Thus GOIL has entered the 21st century and shown its readiness to compete with the foreign multinationals on every front. One of those emergent new fronts where GOIL is proving its competitiveness on an international level is in bulk petroleum product distribution. Indeed GOIL has expanded into this area of activity which has the potential to ultimately match the business volumes it has achieved at the retail end of the market.

In 2016, the company established Go Energy, a bulk distribution company. As with most of its investments this to both provide commercial profits and give a strategic advantage to the Ghanaian economy, in this case to secure supply of



**Kwame
Osei-Prempeh**
Group CEO & MD

imported refined petroleum products which in the past have occasionally been in short supply at great cost and inconvenience to businesses and households alike. Instructively there has been no such shortages since Go Energy started operating. Just as instructively the company already has an industry leading market share of within just a couple of years of entering the market.

Go Energy was voted Bulk Distribution Company of the Year for 2017 this shortly after being established. Indeed within two years of starting operations the company had secured a 19.60% market share, this rising to 22.19% a year later. It now controls about a quarter of the entire bulk supply market, serving as a major supplier of gasoline, gas oil, marine gas and liquefied petroleum gas to GOIL and to other OMCs and BDCs.

Spurred by its successes in the downstream sector of the petroleum industry and then the midstream segment GOIL took the ultimate step forward, although here it has encountered hurdles which illustrate just how tricky new business lines that necessarily require international partnerships for both financial and technical reasons, can be. The latest venture, GOIL's entry into the upstream oil and gas sector, is easily its biggest and most ambitious, with the requisite initial investment of an expected US\$25 million. It is also its most risky investment to date,

which, apart from the sheer cost involved, is the primary reason why GOIL's entry into this industry segment is the first by any Ghanaian owned enterprise.

This is a strategic move that puts GOIL at par with the top multinationals that have subsidiary operations in Ghana – Total and Shell, which both are already active in the upstream segment in several countries around the world. Here the company's astuteness with regards to strategy comes to the fore; GOIL entered the industry by taking up a position as minority partner to ExxonMobil – the world's largest upstream oil and gas corporation – in Ghana, leveraging on the country's recently enacted local content and participation legislation to secure a five percent stake in its Deep Water Cape Three Points Exploration block with an investment expected to reach US\$25 million. But it could not foresee was ExxonMobil's sudden, totally unexpected decision to pull out of Ghana for reasons still undisclosed to the public.

Nevertheless, GOIL's partnership with the company although now in abeyance has put it in prime position to lead Ghana's indigenous foray into the upstream oil and gas industry, right behind Springfield, the first indigenously owned exploration company to announce a major find.

Instructively, some of the multinational which GOIL has been competing with in Ghana at the retail end of the downstream segment of the oil and gas industry oil

marketing companies are already doing business upstream, whether here or in other countries. For instance Total Ghana's France headquartered parent company is currently licensed to explore for oil off the shores of western Ghana and Anglo-Dutch owned Shell which runs retail networks worldwide, (including Ghana through Viva Energy) is also one of the biggest oil and gas explorers on the globe, indeed being the largest producer in neighbouring Nigeria.

To be sure, GOIL is not just looking to the commercial profits it eventually stands to make; it is also considering the strategic benefits to Ghana in terms of retention of wealth created from the exploitation of its natural resources, and capacity building of its human resources. Instructively GOIL has already trained some of its staff to take up key positions when a new partnership arrangement is secured.

GOIL's entry into the upstream sector has been made possible in part by its large cash reserves, derived from decades of consistent profitability and access to new financing, both equity and debt due to its blue chip status on the stock market and its reputation among the banking industry players. With those strengths still at play it is only a matter of time before GOIL resumes its foray into the upstream segment of its industry, with a new partnership agreement.

GOIL's transformation into one of the most modern corporations in Ghana is also illuminated by its leveraging of emergent technological platforms on which business efficiency can be improved, especially in its dealings with customers.

GOIL, does not want to just be the biggest oil marketing company in Ghana – it wants to be the best with regards to product quality and the customer-focus with which it delivers its products and services. To achieve this the company has upgraded its technological platforms dramatically. But this is just a part of the fundamental change that the company has embarked on, which covers corporate culture, product and service delivery channels, tightened financial controls and a stronger commitment to corporate social responsibility as a

means of generating the goodwill of stakeholders.

"The Company recognizes the importance of operating efficiently using technology, innovation and change in behavior" asserts Kwamena Bartels, GOIL's board chairman. "The Company has won the custom of several organizations as a result of improvement in the operations of both electronic card and coupon payment system. Moreover, the Company has been very persistent in seeking to change the attitudes of station attendants through continuous training in customer service, health and safety."

The consistent use of an in-built fuel analyzer laboratory van has maintained customer confidence in quality of GOIL's fuels. Environmental issues are very fundamental to the operations of the Company. The Company became ISO 14001:2015 (EMS) certified in December 2018.

GOIL recognizes that advancement in technology has become a game changer. To this end, the Company continues to train employees to bring their competencies to the level where they can take advantage of the innovations in the industry. As the Company prepares to resume upstream activities it has become imperative Gto gain more knowledge in the upstream sector so that GOIL can diversify and expand its activities."

Going beyond the Company's core business, one growth opportunity in the Company's five year plan is to leverage on its experience in e-payment to offer better financial services to the populace. The Company has managed to integrate its e-payment platform with that of the national payment platform. Therefore besides being able to use bank card on Point of Sale terminals deployed by banks at the service stations, the holder of a bank card can directly interact with GOIL's e-payment system without hassles.

While this reflects GOIL's astuteness with regards to its financial dealings, its financial savvy is best illuminated by its corporate financial performance.

As a corporation listed on the Ghana Stock Exchange, GOIL's financial performance is of immense interest to retail and institutional equity investors

**Reginald
Daniel Laryea**
Board Chairman



alike, both local and international. The company has customarily been profitable since it was listed on the stock market but in recent times it has been forced to compromise its commerciality because of its traditional role of supporting the economy – in this case adopting a pricing policy aimed at curbing the sharp increases in the prices of petroleum prices imposed by rising global oil and gas prices.

Nevertheless, GOIL has applied immense managerial prudence to actually increase its profitability, substituting part of its profits derived from its margins with profits derived from significantly bigger sales volumes as customers have sought out the company's service stations ion their efforts to cap their expenditures on core petroleum products, particularly gasoline and diesel. Besides this by establishing its own bulk distribution company, Go Energy, GOIL has been able to lower its purchase costs, and this has enabled it to defend its retail profit margins even as it charges less than its competitors.

In 2021, GOIL achieved double digit revenue growth as its products – gasoline and diesel in particular – became the most price competitive in the local market. During 2021 the Group's bottom-line increased by 10.6% year on year to GHc102.2million,

posting an earnings per share of 26 pesewas.

Revenue increased by 55.3% year on year (y/y) to GHc7.5billion, owing to an increase in fuel prices and higher volume sales, as GOIL's ex-pump price for the period increased by 27.0% y/y, driven by a 58.7% y/y rise in global crude oil price.

The astuteness of GOIL's diversification is coming into play with regards to the Group's financial performance; in 2021 GOEnergy's ex-refinery price also increased by 66.5% y/y. Revenue growth for the period was supported by an 8.6% increase in retail fuel consumption and a 16.3% increase in GoEnergy's volume of petroleum products distributed.

However, despite the strong growth in revenue, gross profit margin dipped by 1.4 percentage points to 6.3% in 2021. This was primarily because cost of sales increased in line with revenue generation, rising by 57.7% y/y to GHc 7.1billion on the back of the increase in global crude oil prices and inflationary pressures. Furthermore operational expenditure increased by 34.7% y/y to GHc 334.1million, as other income rose by 23.6% y/y. Resultantly, operating margin and net profit margin slipped by 0.8 percentage points and 0.5 percentage points to 2.2% and 1.4% in 2021.

Equity investors and debt financiers alike are eagerly awaiting the release of GOIL's full year audited results for 2022 after encouraging unaudited quarterly and half year financial performance announcements

There is good reason to expect an even better 2023. With Go Energy enabling GOIL to price below its arch competitors, industry analysts expect the advantage in pricing to improve the Group's market share even further in the coming year as consumers continue to shift to Oil Marketing Companies with relatively lower fuel prices.

It is also expected that the Group will continue to register positive growth in revenue and earnings on the back of increased consumption and diversification into bitumen production. Indeed with GOIL's bitumen production, industry analysts anticipate the project to help expand margins from exports to neighbouring countries in the sub-region.

GOIL's leveraging upon its excellent corporate reputation illustrates the sheer quality of its corporate governance. The company's financial standing is so good that even with the risk involved in expanding upstream, financiers are queuing up. The management of the GSE has publicly called on the company to



Hon. Kwame Osei-Prempeh, MD GOIL

raise new equity to finance its expansion even as its bankers are willing to provide both short term working capital and medium term retooling loans.

The country's biggest indigenous Oil Marketing Company is customarily profitability every year and this has not only given it a hefty financial war chest but is also the reason why it is regarded as both an excellent equity investment and an exemplary lending opportunity. GOIL is incontrovertible evidence that

state part-ownership of commercial enterprises, when restrained by the stock market's insistence on good corporate governance, rather than undue political interference can produce corporations that provide profits while pursuing national strategic objectives. GOIL's latest venture, into upstream oil and gas exploration and production will expectedly illustrate just how well this works.





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Hon. Kwame Osei-Prempeh, MD GOIL

The man at the helm of GOIL

The appointment of Kwame Osei Prempeh as GOIL's Group MD/CEO indicated that good corporate governance and continuity are the company's priorities as it continues its landmark expansion and diversification

When GOIL Company Limited announced the appointment of Kwame Osei Prempeh, 60 at the time, as the replacement for the retiring Patrick Akorli in late 2019, the company's more knowledgeable shareholders, and indeed many of the company's wider stakeholders,

employees, suppliers, financiers and bulk customers alike, all gave a collective sigh of relief. Akorli had raised the standards of leadership at the company to new heights and upon his retirement stakeholders had resigned themselves to a dip in quality as inevitable. But then came the announcement of Prempeh as

his successor and stakeholders immediately realized that government, as the biggest shareholder, with controlling authority, had pulled a very big rabbit out of its hat. Simply put, a new CEO with the potential to take the company to an even higher level had been identified.

His appointment indicated two key things. One is that GOIL had recognized the importance of continuity as it entered the next phase in its ongoing corporate transformation - Prempeh had been a non-executive Director of the company since May 2017, playing a key role in the pivotal decision to diversify into the upstream segment of Ghana's oil and gas industry, as well as the immediate success of its bulk distribution subsidiary, Go Energy, whose board is now chaired by his predecessor, another sign of the strategic focus on continuity. The other is that good corporate governance is the company's highest priority as it profoundly diversifies its business activities and plans for spatial expansion into neighboring countries as well; indeed it is taking precedence over the emphasis on financial and technical issues, the consideration of which put his predecessor, who is a chartered accountant and long term management staffer of the company, onto the top seat. For this, Prempeh was an excellent choice. A hugely experienced legal practitioner and former law maker - he was a member of parliament from 1997 to 2013 - he has, as expected put regulatory compliance on the front-burner, which is essential for a company that is now listed on the Ghana Stock Exchange and is currently diversifying into an upstream oil and gas industry which is even more closely regulated than the downstream segment of the sector in which it has operated since it was established half a century ago. The best practice in corporate governance which Prempeh insists on is just as important for GOIL's expansion into the upper end of the downstream industry segment - some distinguish it completely from the downstream segment by categorizing as midstream - through the bulk distribution activities of its subsidiary, Go Energy.

Kwame Premeh first obtained a Bachelor of Arts degree from the Kwame Nkrumah University of Science and Technology before obtaining a qualifying certificate in Law from the University of Ghana, Legon and then attending the Ghana School of Law after which he was called to the Bar in 1990. His legal and institutional; governance education has since been furthered with a certificate in Legislative Drafting and a masters of arts degree in Conflict, Peace and Security from the Kofi Annan International Peacekeeping Training Centre.

Premeh is thoroughly rounded, his working experience covering both the private and the public sectors. Between 1990 and 2001 he was engaged in private legal practice. During that period, in 1997 he was a Member of Parliament, elected to represent Nsuta Kwameng Beposo in the Ashanti Region, and subsequently re-elected for several more terms, serving as a legislator until 2013. A consummate legal professional, his public service career culminated in his appointment as Deputy Attorney General and Minister for Justice in June 2006, a position he held until the change in government that took place in January 2009.

As a parliamentarian, Premeh was a key lawmaker. He was Chairman of Parliament's committee on



GOIL CEO receives his award from Vice President Bawumia

Constitutional, Legal and Parliamentary Affairs from 2001 to 2006, and Chairman of the committee on the Judiciary from 2001 to 2005, as well as Chairman of the Works and Housing committee over the same period.

He was also a member of the Finance committee from 2001 to 2005 and

member of the Subsidiary Legislation committee for two terms, covering 1997 to 2001 and 2001 to 2005 respectively. He also was a member of the committee on Trade and Industry from 1997 to 2001.

Importantly, Premeh is a vastly experienced board member across an array of institutions. He was Board Chairman of Ghana Supply Company from June 2002 to January 2009; Board member of the National Media Commission from June 2002 to January 2008; Board member of Tema Steel Company from February 2001 to June 2004; Board member of the GRATIS Foundation from June 2006 to June 2007; and Board Member of the Public Procurement Authority from June 2006 to January 2009. Add to this council membership of the Prisons Service Council from June 2006 to January 2009. Importantly though, Premeh has made the oil and gas industry his research interest, which was instrumental in his being appointed to GOIL's board in the first place in May 2017. Since then he has evolved from a researcher in that industry to an expert, and that is who GOIL now has as its Group MD/CEO at arguably the most important period in its corporate history and evolution.





Driving Excellence Together.

- CIMG Motor Firm of the Year 2022
- CIMG Hall of Fame Retainer -Motor Firm.

As we celebrate this milestone, we reflect on the meaningful relationships that have fueled our success. It is customers like you who make our journey so special, and we look forward to many more years of collaboration, growth, and shared achievements.





Dr. Daniel Kasser Tee, President CIMG

CIMG UNVEILS 2023 MARKETING GURUS

CIMG has held this year's version of its coveted annual marketing performance awards, honouring the institutions, enterprises and individuals adjudged as the most exemplary in 2022. TOMA IMIRHE documents the latest roster of those assessed as the best in marketing across Ghana.

The annual national marketing performance awards organized by the Chartered Institute of Marketing Ghana (CIMG) are the most prestigious, and therefore most sought after awards available in the country to corporate institutions and their management executives alike. Indeed, these annual awards are the flag bearer which has made CIMG one of the most respected private sector professional groupings in the country.

At a time that various organizations are leveraging on Ghanaians curious desire for awards to offer all sorts of award schemes for individuals, private enterprises and public institutions alike, primarily conferred for commercial reward, CIMG's awards have remained the most credible and therefore the most respected and widely coveted.

CIMG's awards are aimed at:

- **Creating Awareness:** To create awareness for the Marketing

Concept and its importance for the success of businesses.

- **Promote Professional Standards:** To promote high professional standards and to encourage excellence among marketing practitioners.
- **Healthy Competition:** To ensure an improved quality of products and services being offered by businesses.



Under the guidance of its incumbent President, the affable and untiring Dr Daniel Kasser Tee, the institute is leveraging on the shinning public reputation the awards confer on it to expand the scope of its activities dramatically, adding on customer satisfaction surveys and professional training programmes and certifications in marketing.

In October 2023, CIMG unveiled its award winners for 2022.

Given the current difficult economic situation, CIMG deemed it appropriate to encourage businesses to improve their operations and return to profitability, hence the theme for the awards: **'Marketing: A Tool for Economic Recovery'**.

Addressing both virtual and in-person participants at the awards conferment event at the plush Labadi Beach Hotel, Dr Daniel Kasser Tee stated that "marketing should be the bridge between adversity and prosperity, where money and time should be invested as a catalyst for promoting economic resurgence with excellent leadership and the right management teams in place".

Dr Kasser Tee further commented on the significance of marketing-driven leadership in public institutions – hence his advocacy for the appointment of marketers, or people who understand the

essence of marketing, to be at the helm of poorly performing organizations.

In attendance, was the Minister for Education, Dr Yaw Osei Adutwum, who applauded awardees for their "exceptional performance" and challenged them to "leverage their marketing skills to promote government initiatives, combating misinformation and showcasing the transformative potential of marketing for Ghana's economy and progress".

The Guest of Honor for the awards ceremony, Prof Abednego Feehi Okoe Amartey, who is the Vice-Chancellor of the University of Professional Studies, Accra (UPSA), emphasized the transformative potential of marketing when applied professionally. He highlighted its role as a catalyst for the nation's economic recovery.

The Chief executive officer of GB foods, David Aflu was adjudged the overall 'Marketing Man of the Year 2022.' He was recognized for leading GB Foods to a tremendous rise in the FMCG industry, with brands such as Gino and Pomo in the tomato mix category enjoying a total brand communication awareness increase from 97% to 99%, Top-of-mind awareness increased from 28% to 33% and spontaneous awareness from 84% to 91%. Under his leadership, GB Foods has also experienced a growth in market

share from 34% in 2020 to 40 % in 2022.

Vodafone Ghana's CEO, Patricia Obo-Nai clinched the 'Marketing Woman of the Year 2022'. She was recognized for, among other things, successfully leading the introduction of some irresistible offers, notably 20-minute call to all networks and 1GB data for only 1 Ghana cedi. During this period, she supervised the implementation of exciting marketing programmes that led to a 5% growth on data revenue month-on-month, and a 35% annual growth from the previous year.

The Marketing Practitioner of the Year went to Mrs Nana Essilfuah Tamakloe, who serves as the Director of Marketing & Corporate Affairs at ABSA Bank. Meanwhile, the Marketing Students of the Year were jointly awarded to Ms Priscilla Mawuse Menka, Strategy & Business Development Executive at Deon-Noed International, and Ms Agnes Narkie Odonkor, Business Development Manager at Microfinance and Loans Centre (MASLOC). They were the overall best students in the professional marketing examinations.

Joy FM's Super Morning Show (Joy SMS) also took home the coveted Radio programme of the year, while myjoyonline.com made bagged the online news portal of 2022 for the second time running.

The National Science and Math Quiz won two awards on the night; New Media Campaign and TV Programme of 2022. Leading manufacturing company, Unilever Ghana, took away the Manufacturing Company of the Year. Absa Bank's 'Absa Young Africa' won the Services Product of the Year.

The CIMG President's Special Award went to Melcom Group and the Bulk Oil Storage and Transport Company.

Managing Director of BOST, Edwin Alfred Provencal took home the CIMG President's special award.

Labadi Beach Hotel was named the CIMG Hospitality Facility of the Year 2022, while Adansi Travel and Tours took home the Hospitality, Allied support Services Company of the year. Others are FWF Micro Finance Company, Microfinance Company of the Year and Planned Parenthood Association of Ghana (PPAG), Not-For-Profit organisation.

In all, 56 companies and individuals were awarded.

The process for deciding who wins CIMG awards is comprehensive. Nominations are invited from the general public through adverts in the national media. Personal surveys are also carried out by an Awards Selection Committee.

The Awards Selection Committee - comprising representatives of CIMG, Ministry of Trade & Industry, Ghana National Chamber of Commerce & Industry, Association of Ghana Industries, etc - evaluates nominations and screens them down to three nominees based on published criteria for the Executive and the governing Council of the CIMG to decide on the winner.

Criteria for selection include: marketing innovation, technological innovation; level of sophistication; geographical coverage; outstanding contributions to national development; public image; market place success; marketing metrics, societal impact; ecological/ethical issues; customer service schemes; corporate reputation; corporate social responsibility; and segmentation, targeting and product positioning.

Enthuses the Chairman of the Awards Planning and Selection Committee, Theodore Osae : "the award processes are transparent and fair, and the awards themselves are designed to improve organizational and professional performance. There is no denying that the scheme has incredibly evolved into what could be considered Ghana's benchmark awards scheme. There have been several landmark accomplishments which has greatly contributed towards improvement in organizational and professional performances and especially for practicing marketers."

Indeed is instructive that many individuals and organizations, who have won the CIMG awards, have gone on further to win international awards.

A survey was recently conducted on the CIMG Annual National Marketing Performance Awards, to assess the public perceptions of the process. The sample was drawn from corporate organizations and individuals.

The Survey revealed that CIMG awards has a very favourable image and is recognized as a benchmark of marketing excellence in Corporate Ghana.



Kwabena Akuamoah Agyekum, Executive Director CIMG

Indeed, enthuses Hon. Dr Konadu Apraku, Member of Parliament and a former trade and industry member:

"The institution of these awards has indeed facilitated the creation of awareness about the emerging and increasingly critical importance that marketing has assumed as an important tool for economic development. These awards, distinguished ladies and gentlemen will no doubt help unearth talents whose contribution to nation building would have gone unrecognized, unrewarded and above all taken for granted."

CIMG ultimately aims at seeing organizations -both private and public - embrace the marketing concept, and be marketing oriented in their operations

Ayekoo!

2022 AWARD
WINNERS

CIMG
WORKING FOR GHANA

CATEGORY	WINNER
1. MARKETING MAN	DAVID AFFLU, CEO, GB FOODS
2. MARKETING WOMAN	PATRICIA OBO-NAI, CEO, VODAFONE
3. MARKETING PRACTITIONER	NANA ESSILFAUH TAMAKLOE, DIR, MARKETING & CORPORATE AFFAIRS, ABSA
4. MARKETING STUDENT	PRISCILLA MAWUSE MENKA, STRATEGY & BUS. DEV'T EXECUTIVE, DEON-NOED INT.
5. MARKETING STUDENT	AGNES NARKIE ODONKOR, BUSINESS DEV'T MANAGER, MASLOC
HALL OF FAME – ELITE CATEGORY (>10)	
6. RETAIL OUTLET	MELCOM
HALL OF FAME (<10)	
7. INSURANCE COMPANY (GEN)	VANGUARD ASSURANCE
8. INSURANCE COMPANY (GEN)	ENTERPRISE INSURANCE
9. INSURANCE COMPANY (LIFE)	SIC LIFE
10. MOTOR FIRM	JAPAN MOTORS
11. BANK	ECOBANK
12. PETROLEUM	GOIL
13. AIRLINE (DOMESTIC)	AFRICA WORLD AIRLINES
14. TELECOMMUNICATION	MTN GHANA
15. PETROLEUM	TOTALENERGIES
MEDIA	
16. ATL CAMPAIGN	VODAFONE CASH FREE MMI CAMPAIGN - METEWO
17. BTL CAMPAIGN	UNILEVER GHANA PLC- TALK TO THE DENTIST CAMPAIGN
18. NEW MEDIA CAMPAIGN	NATIONAL SCIENCE & MATHS QUIZ
19. TV PROGRAMME	NATIONAL SCIENCE & MATHS QUIZ
20. RADIO PROGRAMME	JOY FM – JOY SMS
BUSINESS	
21. INSURANCE COMPANY (LIFE)	HOLLARD LIFE
22. INSURANCE COMPANY (GENERAL)	STAR ASSURANCE
23. HOSPITALITY FACILITY (HOTEL)	LABADI BEACH HOTEL
24. HOSPITALITY (ALLIED & SUPPORT SERVICES)	ADANSI TRAVELS
25. PETROLEUM COMPANY	GOIL PLC
26. REAL ESTATE	LAKESIDE ESTATE
27. PRIVATE HEALTH FACILITY	NEW CRYSTAL HEALTH SERVICES LTD

BUSINESS	
28. POSTAL AND COURIER SERVICE (DOMESTIC)	
29. POSTAL AND COURIER SERVICE (INT.)	
30. CORPORATE PENSIONS TRUST	
31. MEDIA ORGANISATION	
32. MOTOR FIRM	
33. BANK	
34. RURAL BANK	
35. FINANCE HOUSE	
36. SAVINGS & LOANS COMPANY OF THE YEAR	
37. INDIGENOUS CATERING FACILITY	
38. TELECOM COMPANY	
39. TELECOMS (ALLIED & SUPPORT SERVICES)	
40. INTERNET SERVICE PROVIDER	
41. MARKETING-ORIENTED ORGANISATION	
42. AIRLINE OF THE YEAR (DOMESTIC)	
43. AIRLINE OF THE YEAR (INTERNATIONAL)	
44. MANUFACTURING COMPANY	
45. AGRO-BASED COMPANY	
46. ONLINE NEWS PORTAL	
47. RETAIL OUTLET	
48. MICRO-FINANCE	
49. E-COMMERCE	
50. NOT-FOR-PROFIT ORGANISATION	
51. MANUFACTURING	
52. SERVICES	
53. EMERGING BRAND	
PRODUCT	
54. MELCOM GROUP	
55. EDWIN ALFRED PROVENCAL	
56. BOST	



Lawrence Agyinsam, CEO, Ghana EXIM Bank

GEXIM Bank enters next phase of its evolution

Success in export is heavily dependent on international price competitiveness and to achieve this GEXIM has sought, to lend at far lower interest rates than Ghana's commercial banks whose relatively high interest rates give their customers inordinately high financing costs. Indeed, the bank has been lending at between 5% and 15% per annum which is about a third of prevailing commercial bank lending rates at various periods over the past seven years and this has brought economic viability to enterprises in Ghana that are of strategic importance to the growth and development of the national economy but

which would not be price competitive if financed at local commercial market rates. In turn this requires GEXIM Bank to secure its funding at well below market deposit rates, which means using alternative sources of finance, including substantial foreign currency funding. Here, GEXIM Bank's status as a state owned development bank has been crucial, as it has allowed government to part fund it from official sources. The primary source is a percentage of the state's take from import duties.

To secure forex for foreign currency lending, the Bank has also secured lines of credit from counterpart export import

banks and other foreign financial institutions, using its clout as a state owned institution. For instance it took a US\$300 million credit facility from the US Eximbank, as well as similar facilities from the Eximbanks of India and China, as well as Afreximbank, the United Kingdom's CDC, Credit Suisse and SACE of Italy among others.

Importantly this enabled it provide medium to long term loans requisite for equipment acquisition and retooling by manufacturing concerns.

At the height of its run GEXIM considered issuing corporate bonds itself, as a



sustainable source of financing its lending activities which have become key for Ghana's industrialization agenda.

Indeed the bank far advanced plans to issue US\$100 million in bonds from international investors around the turn of the decade. The bank aimed to use bond issuance to raise

financing for its financing programme and also to diversify its financing sources.

However the bank has opted to pause and catch its breath for now. Consequently it is focusing most of its efforts on loan monitoring in preparation for the flood of maturities that are now approaching on the medium term loans given out since the middle of the last decade.

This is most prudent. Commercial banks tend to shy away from direly needed medium to long term lending in part because of the paucity of financing sources for such loan tenures; but also in part because of the complexities involved in ensuring that the original plan for cash flow generation and commercial profitability is maintained over several years despite the inevitable economic turbulence that tends to afflict emerging market economies from time to time.

Indeed, Gexim needs to manage

particularly intense complexities in these regards, since the

enterprises it has financed since its establishment have had to grapple with the debilitating effects of COVID 19 before facing the macroeconomic instability that afflicted Ghana's economy since late 2021, brought about by a combination of net foreign portfolio investment outflows and government's own fiscal constraints which have had reverberating effects on the economy as a whole.

This may create cash flow problems for medium term borrowers that Gexim Bank will need to help them manage. In line with prudent financial management therefore the bank may need to increase working capital lending to its already existing clients rather than provide bigger new loans to freshly starting up enterprises. Besides these potential challenges are coming at a time that government's own ability to provide bridge finance for Gexim Bank is severely curtailed.

However Gexim Bank's own strategists point out that since most of its lending has been medium to long term and sooner or later,

it will be receiving enough repayments to stand on its own feet, enabling it to secure sustained financing on the strength of its own balance sheet.

"The bank has taken care to plan its expected cash flows well into the future, and has acted on these projections accordingly, so that it will be getting loan repayments which can be recycled into new loans, apart from its regular sources of financing from the state and from international financing institutions, in such quanta that its financial support activities can be sustainable" assure Lawrence Agyimsim, Managing Director of Gexim Bank. "Although Ghana's ongoing economic challenges have affected those cash flow projections, the Board and management prudently made allowances for some degree of variation from those projections right from the get go and so far the emergent variations are still well within the bank's contingency ceiling. Therefore, although cash flow management has become more challenging than originally hoped for, it is still well within manageable limits."

Financial analysts familiar with the bank's trajectory indeed are confident that it will navigate these challenges, leveraging on the financial prudence with which it has built up its loan portfolio in the first place. Here the bank has been exemplary in walking the thin line between supporting economic sectors and commercial enterprises that are of strategic importance to Ghana's overall economic performance – but whose potentials could not have been maximized when financed on purely commercial market terms – and at the same time ensuring that the bank's own financial solidity is not impaired by lending on concessionary terms to such sectors and enterprises.

Gexim Bank's ability to navigate the possible unwanted effects of Ghana's economic challenges will be crucial to the ability of the country to replace macroeconomic instability with resumed accelerated economic growth and development that is sustainable because



it is underpinned by the structural changes the bank has helped to wrought. For instance Gexim Bank had been aiming to increase Non-Traditional Export revenues from the annual average annual level of US\$ 2.4billion as at the end of the last decade to US\$ 5bn a year by 2022.

This was to be achieved in part by fulfilling another strategic objective of developing crops such as avocado, sweet potatoes and coconut into major Non-Traditional export products during this period. Gexim now has to deal with the dire, but unavoidable effects of COVID 19, which have severely disrupted global trade in Ghana's NTEs.

Eximbank also is a key agent of Government, serving its key finance partner for effective implementation its 10 point industrialization agenda and special Initiatives such as One District OneFactory (1D1F) programme over the period up to 2022.

To this end the Bank aimed to support the reduction of Ghana's annual import bill by a

minimum of US\$300 million by 2022, another target challenged by macroeconomic difficulties.

The bank also aims to Increase the

capacity of Ghanaian non traditional product exporters through effective collaboration with key strategic partners such as the Ghana Export Promotion Authority, the Food and Drugs Authority and the Ghana Standards Authority.

To be sure, the advent of the global coronavirus pandemic, by virtually shutting down major economic activity in Ghana and the country's trade and investment counterparties all around the world, has made the achievement of the quantitative targets much more difficult to achieve than originally envisaged at the time they were set. However, GEXIM Bank's accomplishments up to that time with regards to the qualitative targets illustrate

vividly how much ground this unique state institution in Ghana's context had been making.

Within its first four years GEXIM Bank had supported 84 deserving enterprises with financing running into hundreds of millions of cedis. But impressive as this figure is, it is

the strategic impact of this support that had made the bank stand out so clearly, making

it arguably the single most important

institution in Ghana's efforts to develop industrial

capacity that is globally competitive, both in international and domestic markets. The intensity of this impact is even more the result of the clever analytical thinking that

has gone into selecting the bank's priorities – and the efficiency with which they were being pursued

GEXIM, has for strategic reasons, selected activities relating to support for 14 different products as its priorities. These are cashew, cassava, palm oil, pharmaceuticals, poultry, creative arts, pineapple, shea butter, cocoa processing, avocado, bricks and tiles, fertilizer manufacturing and sweet potatoes.

Explains Lawrence Agyimsim, "These key areas have been chosen carefully and deliberately to fit in with government's 10 point industrialization agenda and the President's vision of Ghana Beyond Aid." In this regard the Bank has used a holistic approach, seeking to ensure adequate supply of agricultural raw materials for industry as well as supporting the creation of sufficient agro processing and industrial manufacturing capacity."



Prof. Alex Dodoo, CEO, Ghana Standards Authority

THE PIVOTAL ROLE THE GSA IS PLAYING TOWARDS BUILDING A GLOBALLY COMPETITIVE GHANAIAN ECONOMY

The Ghana Standards Authority may not be one of the more glamorous institutions of state, being that it does not interact directly with the general populace; but it is definitely one of the most crucial to the country's efforts at establishing a vibrant, industrialized economy, which is competitive on a global level within the emergent global liberalized economy. Not only is the GSA the key protector of consumers in Ghana against sub-standard quality goods and services – it is also the institution responsible for ensuring that goods and services produced in the

country are of sufficiently high standard to compete against alternatives produced everywhere else around the world.

Indeed, as Ghana seeks to leverage on its currently ongoing macro-economic challenges to transform from an inordinately import dependent one into an industrialized, export driven one, the GSA's role has become even more pivotal than ever before.

Ghana Standards Authority is an Agency of Government responsible for developing, publishing and promoting standards in the country.

It does this through standardization,



metrology and conformity assessment activities. Some of these activities are testing, inspection and certification. These activities ensure that products or goods and services produced in Ghana, whether for local consumption or for export are safe, reliable and are of good quality.

Its vision is to become a customer-focused world-class standards organization while its mission is to contribute towards the growth of industry, protect consumers and facilitate trade through standardization, metrology and conformity assessment.

The GSA has the mandate for establishing and promulgating standards to ensure the high quality of goods produced in Ghana whether for local consumption or for export. It also has responsibility for providing quality assurance through inspection, testing and metrology and for assisting operators in both the manufacturing and the services sectors to improve their competitiveness by establishing quality management systems along ISO/IEC 9001: 2008 and 22000: 2005.

The GSA's activities are structured into core (mandatory) and commercial services as a means of improving operational efficiency to generate enough revenue. The services of GSA are grouped into four programme areas as follows:

• STANDARDIZATION PROGRAMME

This involves:

- The development of standards;
- The dissemination of standards and related documents.

• METROLOGY PROGRAMME

This involves:

- Verification of weighing and measuring instruments and equipment;
- Calibration of weighing and measuring instruments and equipment;
- Pattern approval of weighing and measuring instruments and equipment;
- Importation of weighing and measuring

instruments and equipment

• TESTING PROGRAMME

This involves offering a range of testing services including physical, chemical and microbiological analyses in the following areas:

- Food; Chemicals; Materials; Engineering; Drugs; Cosmetics and; Forensic samples.

•QUALITY ASSURANCE PROGRAMME

This involves:

- Product certification
- System certification
- Factory; Consignment; Fish inspection
- Import and export certification
- Destination inspection.

To be sure the GSA has come a long way, evolving out of what used to be known as the Ghana Standards Board.

The Ghana Standards Authority was known as National Standards Board in August, 1967, when it was couched out of the Institute of Industrial Research (IIR), one of the leading 13 Research Institutes of Ghana's Council for Scientific and Industrial Research (CSIR), the main Science and Technology Research and Development institution of Ghana.

Under the leadership of GSA's first Executive Director, Mr. Emmanuel Lartey, who recommended at the time that a Standards Body ought to be made to stand on its own, the Organization was separated from IIR and located in a pre-fabricated structure at the beach, near the current Management Development Productivity Institute (MDPI) in Accra.

After a few years, the Standards Body was re-located to the third floor of the State House in Accra. From the State House, the Organization was again re-located to a new place off Tetteh Quarshie Interchange - Legon - Madina Road, near Gulf House, Okponglo where its Head Office is currently situated. Through hard work and a desire to bring standardization to the door steps of all people throughout the country, the GSA now has branches in all the regions, apart from the Upper West Region for which reason the Regional Office in Tamale has been empowered to superintend over the Upper West.

During the early years of the Organization - from IIR to the location at the beach and then to the State House and, finally, to its



present location at Okponglo - the National Standards Body had a change in its name from National Standards Board in 1967 to Ghana Standards Board in 1973 and, finally, to Ghana Standards Authority in 2011. During this period of chequered history, the National Standards Body was gradually, systematically and consistently shaped into a formidable force in spite of the challenges faced by the Organization. It is, therefore, the quality of leadership as well as dedicated support from members of staff over the years which has made Ghana Standards Authority what it is today.

Today, the GSA is led by the renowned Professor Alex Dodoo, who is deservedly globally acclaimed for his technical expertise in product and services standards assessment and certification as well as for his exemplary institutional leadership qualities and his sheer integrity.

Standards have become an integral component of Ghana's economic, legal and social systems but their crucial role is often not recognized. The Standards Directorate in its core function develops national standards and maximizes the benefits of international standards through adoptions. This enhances the competitiveness of the Ghanaian industry and advance global trade. Standards have extremely wide

applicability and constitute a critical factor in quality management, assurance and control.

The GSA's function in industry include the development of standards, certification of systems used in industries. It also certifies products and runs test training for industries to promote compliance of industries to the set standards of the Authority. The board reviews industry conformity to regulations and calibrates weighing and measuring instruments such as fuel pumps. The board performs physical analysis of products before they can be sold.

The GSA operates a decentralized system for effective monitoring and supervision, allowing it to operate at a regional level. There are seven regional board offices. These are located at Ho, Koforidua, Takoradi, Kumasi, Sunyani, Cape Coast and Tamale respectively.

The Authority promotes product safety by monitoring all goods that are imported to and exported from the country. There are six entry official entry points into Ghana, each of which is staffed by GSB personnel. These are: Tema Harbour; Takoradi Harbour; Kotoka International Airport; Aflao entry point; Elubo entry point; and Paga entry point.

The Product Certification Department provides assessment and impartial

third-party attestation that fulfilment of specified requirement has been demonstrated. Specified requirements for products are generally contained in standards or other normative documents. Product certification is carried out by product certification bodies which should conform to ISO IEC 17065.

It is an established conformity assessment activity that provides confidence to consumers, regulators, industry and other interested parties that products conform to specified requirements, including for example product performance, safety, interoperability and sustainability (ISO IEC 17067:2013).

Product Certification facilitates trade, market access, fair competition and consumer acceptance of products on a national, regional and international level. It involves the issuance of a certificate or mark (or both) to demonstrate that a specific product meets a defined set of

requirements for that product. The certification mark is normally found on the product packaging (label) and may also appear on the certificate issued by the certification body. The mark carries a reference number or name of the relevant product standard against which the product has been certified.

The Ghana Standards Authority (GSA) is mandated under the Standards Authority Act, 1973 to undertake conformity assessment activities. The GSA gives permission for a conforming product to bear a mark of conformity called the Standard Mark; providing evidence of compliance to specification. A product bearing this mark carries a third-party guarantee; an assurance that the product has been inspected, tested and conforms to the requirements of an accepted standard. Production has been supervised and controlled, assuring safety and value for money.

Consumers require the assurance that

products and services conform and comply with national regulations. This confidence can only be realized through conformity assessment of products, processes or services to ensure fulfilment of requirements and relevant standards. Conformance to these standards offers protection by safeguarding consumer health and safety.

Then there is Management System Certification, which is the responsibility of a Department of the GSA which has the same name and which carries out third party certification of the management systems of organizations to applicable management standards.

The Department is accredited by Deutsche Akkreditierungsstelle GmbH (DAkkS), a German accreditation organization.

The scope of accreditation is the Quality Management System (ISO 9001:2015) and the technical areas are Rubber &





Plastics as well as Chemicals.

The Department's scope of certification scheme covers: ISO 22000 (Food Safety Management System); Hazard Analysis & Critical Control Point (HACCP); ISO 14001 (Environmental Management System); and ISO 9001 (Quality Management System)

Companies, whose management system had been certified, by the Department, provide products/services in the following areas: Rubber & Plastics; Chemicals; Management of waste of mining companies; Electrical cables production and; Building & Construction Companies

The main focus of the GSA's Industrial Support Department is to help fulfil the Authority's mandate of promoting standardization for the improvement of the quality of goods, services and sound management, environmental and safety practices in industries and public institutions by providing training to industry.

The GSA believes training and re-training is one of the most important ways of keeping any institution/industry relevant in the 21st century. To this end its tutors are seasoned practitioners with several years of experience. In several instances, these tutors have represented Ghana in

the drafting of these Standards at international forums.

GSA's current areas of training include: Quality Management Systems; Food Safety Management System / HACCP; Environmental Management Systems; Occupational Health and Safety Management; Laboratory Management; Medical Laboratories Management; Information Security Management Systems; Basic metrology training for fuel pump mechanics; Good Hygienic Practices in the food industry; and Tailor made training

The other central mandate of the GSA relates to Metrology which is the science of measurement, embracing both experimental and theoretical determinations at any level of uncertainty in any field of science and technology

The functions of the GSA's Metrology Directorate are performed by three departments, namely: Scientific Metrology; Industrial Metrology; and Legal Metrology

Scientific metrology- deals with the organization and development of measurement standards and with their maintenance. **Industrial metrology**- ensures the adequate functioning of

measurement instruments used in industry, in production and testing processes, for ensuring quality of life for citizens and for academic research.

Legal metrology- is the application of legal requirements to measurements and measuring instruments. It is the branch of metrology concerned with the implementation of regulations to ensure an appropriate level of credibility for measurement results whenever conflicts of interest exist.

The three department of metrology currently undertake calibration, verification, inspection and pattern approval of instruments.

The deep technical nature of the GSA's activities - it is indeed one of the most science driven institutions of state in Ghana - means it is not fully understood and therefore appreciated by the generality of Ghanaians. However this takes nothing away from its critical importance. Quite simply its activities are the foundation upon which Ghana's efforts to build a globally competitive economy are being built even as the Authority is also the institution that protects the country's consumer markets from sub-standard products and services offered them from both domestic industry and from abroad.



Dr. Mustapha Abdul-Hamid, CEO, NPA

NPA TURNS TO STRATEGIC DEVELOPMENT OF GHANA'S DOWNSTREAM PETROLEUM INDUSTRY

As recently as a year ago, Ghana's National Petroleum Authority was undeservedly in the bad books of most Ghanaians. With petroleum product prices at an all-time high – due to a combination of the surge in global market prices for crude oil due to the outbreak of war between Russia and Ukraine as well as sharp cedi depreciation on Ghana's domestic foreign exchange market – a frustrated general populace was looking for a villain to blame for the unprecedented rise in transport costs and the NPA as the downstream oil and gas industry regulator appeared to fit the bill.

Today, following a partial recovery of the cedi and a retreat of global market oil prices from their 2022 peak, petroleum product prices in Ghana have declined somewhat. But just as importantly, during

the intervening period, the NPA done enough to convince Ghanaians that in direct contrast to their initial hasty and ill-informed judgment, it is actually working in their best interests.

The National Petroleum Authority was established by an Act of Parliament (NPA Act 691) to regulate the downstream petroleum industry in Ghana. As its regulator, the Authority ensures that the industry remains efficient, profitable fair, and at the same time ensures that customers receive value for money. The downstream petroleum industry in Ghana encompasses all activities involved in the importation and refining of crude oil as well as the sale, marketing and distribution of refined petroleum products in the country.

The various commercial activities of the

industry include importation, exportation, re-exportation shipment, transportation, processing, refining, storage, distribution, marketing and sale of petroleum products. The industry is one of the key sub-sectors and a major contributor to Gross Domestic Product (GDP).

It currently boasts of over 5,000 service providers and an annual sales value of about GHc22.3 billion, according to 2022 estimates, which is about 6% of the country's GDP. Since the establishment of the NPA in 2005, the Authority has supervised the acceleration of the downstream petroleum industry's deregulation process by facilitating the removal of restrictions on the establishment and operation of facilities and importation of crude oil and petroleum products. In June 2015 the Authority successfully implemented the

final phase of the deregulation process which is price liberalization. This process involved the full decontrol of prices of petroleum products from government. Private importers, distributors and retailers are empowered to set ex-refinery and ex-pump prices with no intervention from government. The Ghana downstream petroleum industry boasts of over 4.2 million metric tons worth of state of the art storage infrastructure. Due to the positioning of Ghana along West Africa's coast line as well as the country's democratic credentials, security and stability the downstream industry is well placed to efficiently store strategic stocks of petroleum products as well as serve as a reliable point for exportation into the neighboring land-locked countries. This is evident in the increasing rate of exportation of petroleum products out of the country.

The NPA currently regulates 37 bulk distribution companies, 170 oil marketing companies and 42 LPG marketing companies. Dr. Mustapha Abdul Al-Hamid has been the chief executive officer of the NPA since early 2021, having been appointed to the position by President Nana Akufo-Addo himself at the start of his second term in office.

Under his guidance NPA is currently engaged in several key projects which have the potential to permanently enhance the performance and conduct of Ghana's downstream petroleum industry. For instance the NPA recently inaugurated a Tanker Parking Terminal at Kpone in the Greater Accra Region. The investment displays the Authority's long term



commitment to curb the risk to public safety imposed by the indiscriminate parking of petroleum product carrying tankers along the road leading to the (currently non-functional) Tema Oil Refinery and other depots in Tema. The new state of the art parking terminal can accommodate up to 1000 at a go and also has office space and resting rooms for tanker drivers.

Another initiative is the issuance of licenses for the ongoing gas recirculation project which will greatly enhance public safety with regards to the use of gas cylinders by households, enterprises and institutions all around Ghana.

The NPA under Dr. Al-Hamid has also stepped up its commitment to and activities with regards to corporate social responsibility interventions. For instance it has commissioned a mechanized water system at Nabuli Witches Camp in the Gushiegu District of the Northern Region, a small farming community with a population of about 2,000 people. The project, executed under the auspices of the Miss Ghana Foundation and with financing from the NPA will ensure that the community and its neighboring villages who have had to trek for several kilometres in search of potable water can now access it with ease.

But the most ambitious initiative of the NPA – and the most impactful, if actually seen through to implementation – is the plan to reserve oil marketing activities for indigenous enterprises. To be sure there is good reason for this potentially game changing initiative. The biggest OMCs outside of the partly state owned GOIL are all foreign owned multinationals but they are all reticent about investing in retail stations in the

rural hinterlands because they fret that low demand and consequent low sales volumes would prevent them from reaping the economies of scale they enjoy in the urban centres. Indeed it is this situation that persuaded government to liberalize entry into the retail oil marketing sector by indigenous enterprises about a decade ago since this was seen as the only way to facilitate access to petroleum products in rural Ghana beyond that offered by GOIL.

Now the NPA wants to reward such indigenous enterprises by giving them the entire sector of activity. Multinationals, on their part would be restricted to other sectors of activity within the industry such as storage transportation refining and processing which require heavier investment – in quanta which indigenous enterprises are ill-equipped to cough up, which is why there are capacity shortfalls in those activities currently. There is bound to be concerted push back by foreign OMCs against implementation of the policy so the NPA is treading cautiously. But there is no doubt that the concept would be beneficial to the Ghanaian economy, the downstream petroleum industry's capacity and indigenous entrepreneurship; even as industry analysts agree that it is fair in that the foreign companies have been reluctant to invest in places where returns are relatively low, leaving that for their indigenous counterparts.

This proposed initiative shows that the NPA is getting bolder in the right ways. Now that retail petroleum product prices have retreated back into the realms of affordability the Authority can now turn its attention to bigger, more long term impactful policy initiatives and projects. Ghana will be much better for it.



CIMG HALL OF FAME - PETROLEUM



TotalEnergies Marketing Ghana PLC has received the award for **Petroleum Company of the Year 2021** at the **CIMG Awards**. Our Company was also elevated into **CIMG Hall of Fame - Petroleum** Category for winning this award three consecutive times.



Shadow Boards, a tool for strategic growth and alignment

Traditionally, the board of directors has held the primary responsibility for steering the affairs of a company. However, the complexities of modern business have given rise to this novel concept that supports the board's need to tap the expertise of younger minds to modify and diversify the decisions they make for the company's benefit. Shadow Boards bring a certain verve and flexibility only the young possess, and that diversity is essential to the work done by corporate boards. Though shadow boards have been part of European corporate culture since the 1980s, my first experience came in 2002, when I was invited to join one by the CEO of the IT/Telecom services firm I worked for. Once every month, over breakfast, we addressed workplace issues, business and (or) industry trends, and weighed in on various scenarios and solutions for each. This quickly became a platform for the relatively younger workforce to put their creative ideas and unique perspectives to valuable use as our committee provided a nimble go-to-market and other forward-looking strategies for management to consider, strategies for which budgets were readily approved by the board of directors.

Aside from experiencing their impact first-hand, I have since read from different sources the various businesses that have benefited from their shadow boards, including but not limited to firms in the fashion, beverage and technology industries. For the sake of brevity, I will focus on a few of the most important take-homes from these benefits:

Increased Employee Engagement: Knowing that their opinions matter and are valued fosters a sense of belonging among younger employees. This increased engagement has led to higher productivity and a more positive workplace culture in various cases.

Talent Development: Involvement in the shadow board provides employees with a unique learning experience. They gain exposure to high-level strategic discussions, enhancing their skills and understanding of the business which improves their subject matter expertise.

Innovative Insights: Shadow boards infuse fresh perspectives into boardroom discussions, encouraging innovative thinking and challenging established norms. They offer the board various demographic subtleties on matters they're better positioned to understand. This diversity of thought usually leads to creative solutions to various challenges.

Succession Planning: Identifying potential leaders from the shadow board pool aids in effective succession planning. By nurturing and grooming internal talent, companies can ensure a smooth leadership transition when the need arises.

In conclusion, shadow boards signify a paradigm shift in how companies approach strategy, talent development, succession planning and decision-making. By harnessing the potential of emerging leaders within their ranks, businesses can foster

innovation, federate problem-solving, strengthen leadership structures, and ultimately, achieve sustainable growth. Embracing this progressive approach to governance not only benefits the board of directors but also propels a firm towards a future of strategic excellence and resilience.

How will your organisation benefit from a shadow board?



ABOUT THE AUTHOR

Eugene Agben has a strong commitment to social justice and sound administration. As a former C-level executive with expertise in corporate governance, he helps entrepreneurs and growing companies strategically position their firms by drawing on his extensive knowledge of technology and corporate governance from both the public and private sectors. He is usually found where corporate governance, policy, and technology converge.



GHANA POST STRENGTHENS TIES WITH DHL, FEDEX, OTHER COURIER STAKEHOLDERS

As part of efforts to remain at the forefront of the postal industry both in Ghana and worldwide, the leadership of Ghana Post-paid a courtesy call on some major courier stakeholders to strengthen collaboration.

The team from Ghana Post visited the offices of DHL, FedEx and Amtrak Express to explore collaborative opportunities that will contribute to building a more robust postal and courier ecosystem.

The Ghana Post team led by Deputy Managing Director, Kwaku Tabi Amponsah and Chief Commercial

Officer, Kwesi Owusu Abrokwa, engaged these global courier brands to build consensus on forming a chamber of telecommunication which could give the courier service providers enough leverage to engage on regulatory issues and their corporate wellbeing.

This falls in line with the transformational agenda of Ghana Post by embracing digitalization to propel the nation's postal service into the future.

"Digital Address System: Ghana Post has introduced a revolutionary Digital

Address System that assigns unique addresses to every location in the country

"Financial Services: Ghana Post has diversified its offerings to include financial services, such as savings and loans, aimed at enhancing financial inclusion and empowering underserved communities."

According to Ghana Post, they are committed to their vision to "bridge the gap between traditional postal services and the digital age, ensuring that Ghana remains at the forefront of the postal industry."



Samuel Sakyi-Hyde, (CEO)

UMB APPOINTS SAKYI-HYDE AS ACTING CEO

The Board of the Universal Merchant Bank (UMB) has appointed Samuel Sakyi-Hyde as the Acting Chief Executive Officer (CEO) of the Bank.

He is expected to continue to drive the growth strategy of the Bank, as the process of executive succession is secured, within regulatory and statutory guidelines.

A statement issued in Accra and copied to GNA by Kofi Sarfo Akyea, Representative of the Corporate Communications Department, said Mr Sakyi-Hyde is a leading Ghanaian banker with almost three decades of experience.

His career track includes periods at

UniCredit Ghana Limited where he served as the Chief Executive Officer.

He has since 2019 served as General Manager, Consumer Banking at UMB, where he is recognized and acclaimed for bringing the Consumer Banking Division of the Bank into the black for the first time in a decade.

Mr. George Smith Graham, the Board Chairman at UMB, said: "Sakyi-Hyde comes to the role as part of the succession protocol being deployed, as Nana Dwemoh Benneh proceeds to retire from the Bank. It is a testament to the robust governance framework we have in place and it is anticipated that the growth

strategy and trajectory we have in place will continue seamlessly."

Mr Sakyi-Hyde said: "I am humbled by the appointment and look forward to contributing to the Bank's 50-year heritage of positive impact in this market. Our brand is strong and the fundamentals of our business are healthy."

He pledged to continue to vigorously pursue the Bank's growth strategy of achieving dominance in SME and prioritise a digital-led offering.

"Overall, I am glad to lead a team that has been committed to delivering a uniquely Ghanaian perspective to world-class banking, since 1972," he added.



Mr. Manasseh Afoh, CIO

REPUBLIC BANK APPOINTS MANASSEH AFOH AS CHIEF INFORMATION OFFICER

Republic Bank (Ghana) PLC has appointed Mr. Manasseh Afoh as Chief Information Officer (CIO). Mr. Afoh assumed the role on 16th August upon receipt of approval from the Bank of Ghana.

Profile of Mannaseh Afoh

Mr. Manasseh Afoh is a Senior Technology leader with over 22-years experience within the Financial Services, Software Engineering and Aviation sectors. He has proven expertise in Business/Technology Strategy, Datacentre Engineering, Financial Service Technology and Core Banking Systems, and Cloud Technologies.

He has for the past decade been advocating the adoption of Secure Cloud Strategies and Digital Experience Platforms toward business development and the growth of banking products.

Manasseh joined Republic Bank (Ghana) PLC as Project Manager, Core Banking Upgrade, and later became a Consultant at the Bank's Technology and Business Support Systems (BSS) Division. Prior to



joining Republic Bank, he worked with the Receiver PwC (as Associate Consultant), Heritage Bank Limited as CIO/GM Information Technology, Access Bank Ghana PLC as Head-Information Technology, Fidelity Bank as Manager-IT Infrastructure & Security, and as Head-Business Solutions. In his early career, Manasseh worked as Head, IT Automation then Head, IT Production at SG-SSB.

Manasseh holds a B Sc. in Electrical/Electronic Engineering from the Kwame Nkrumah University of Science and Technology (KNUST). He also has certifications in AWS Cloud and IBM Infosphere.

As Chief Information Officer of the bank, Mr. Afoh will provide strategic direction, leadership and the technical skills necessary to build profitable and sustainable businesses in the Information Technology and Management Information Systems departments.

Managing Director-Republic Bank, Mr. Benjamin Dzoboku, congratulated Mr. Afoh and assured him of management's commitment to accord him the needed support and cooperation in discharging his duties.

Republic Bank (Ghana) PLC is a subsidiary of Republic Financial Holdings Limited (RFHL) of Trinidad & Tobago. The bank is a leading universal banking institution in Ghana, and arguably the most diversified financial institution. As a one-stop financial institution, our services include Corporate, Commercial and Retail Banking; Investment Banking; Mortgage Banking; Private Banking; International Trade Services; VISA Card Services; Securities Management; Trust Management; and Micro Finance.

PRINCE KOFI AMOABENG

SCHOLARS PROGRAMME LAUNCHED IN ACCRA

In pursuit of a fervent ambition to foster transformative leadership for the betterment of the African continent, the inaugural cohort of the Prince Kofi (PK) Amoabeng Scholars Program has been officially launched in Accra.

Comprising 20 carefully selected young men and women, this program, a flagship initiative of the PK Amoabeng Leadership Foundation, is designed to provide participants with a comprehensive one-year experience involving mentorship, coaching, courses, seminars, and even military training exercises.

During the opening ceremony, former Chief Justice Her Ladyship Justice Sophia Akuffo delivered a compelling keynote address. She challenged the young scholars to consistently strive for excellence, emphasizing the importance of a shared vision among leaders to foster inclusivity and collective ownership.

Her Ladyship Akuffo highlighted the historical challenge in Africa, attributing it to leaders failing to communicate their visions effectively. She urged the scholars to work collaboratively, underscoring the value of shared ideas for the greater good.

Referring to the beneficiaries as "special future leaders," Her Ladyship Sophia Akuffo called upon them to be exceptional in their pursuits and aspire to surpass the achievements of P. K Amoabeng himself.

She envisioned a future where these young scholars, equipped



with clear goals and principles, would make lasting impacts on society.

The architect behind the PK Amoabeng Scholars Program, Prince Kofi Amoabeng, drew upon his life experiences, notably the UT Bank episode, to express his confidence in shaping the much-needed thought leaders for Africa's transformative agenda. He emphasized the need for leaders with a different mindset, well-acquainted with the African continent, and committed to serving people in various capacities.

"I believe that with my experiences through UT and my life, I have solutions that would create leaders with a different mindset. And that is why we formed this PK Amoabeng scholars group," he stated.

The beneficiaries, selected through a rigorous process, expressed gratitude to Mr. Kofi Amoabeng for the opportunity. They pledged to make the most of the program, vowing to learn, develop their leadership skills, and set an example as they prepare for significant roles in the future. The one-year transformative Scholars Program includes military training, mentorship sessions, and various local and international courses, all aimed at building leadership capacity.

Organizers revealed that the PK Amoabeng Scholars Program will be an annual initiative, creating a network of interconnected and well-prepared servant leaders poised to make meaningful impacts in society.





ET MENSAH: AND THE MAN DIED A POLITICAL TITAN EXITS THE STAGE

The Corporate Guardian pays tribute to Enoch Teye Mensah, who achieved legendary status as a politician but whom Ghana correctly now mourns as a nationalist whose service to his party was simply to provide the platform for him to serve his country.

When Enoch Teye Mensah passed away on Monday, October 2, 2023, aged 77, he left Ghana in a state of shock. He had been receiving medical treatment in South Africa under the radar of public attention and so his death had not been widely foreseen. Besides, E.T. Mensah as he was simply known by the public had attained the rare stature of a living legend, his political career having spanned some four decades one military regime and every single political administration since the commencement of Ghana's 4th Republic at the start of 1993. During that time he had served as the Member of Parliament for the Ningo Prampram constituency for four consecutive sittings of the legislature, over a period of 20 years, this making one of the longest serving legislators in Ghana's history and certainly one of the most well-known. He also served as the Mayor of Accra for a decade and subsequently was Minister for Sports, Minister for Education and

Minister for Education and various times.

As at the time of his death, even though he had left Parliament and the National Democratic Congress which he had served so faithfully from the commencement of the 4th Republic until he passed away was in opposition, he was still at the forefront of Ghana's political stage, being the member of the Council of State representing the Greater Accra Region, a position he had been unanimously elected to in early 2021.

For four decades ET Mensah had been centre stage in Ghana's polity and many Ghanaians - especially the elderly and the middle aged - are now finding it difficult imagining the country without him standing in the spotlight. But for his wife and the seven children he has left behind, reality is already biting as they mourn a loving husband and doting father who always took care to keep them away from the often vicious public scrutiny he had to endure himself as part

of the price he had to pay for serving his nation.

But even as they mourn his passing they can stand proud of their patriarch who left such a sterling track record of achievement that his footsteps will always be indelible in the history of Ghana, no matter who is writing it.

Born on May 17, 1946 in Koforidua, in the Eastern Region of Ghana, ET Mensah was educated at the SNAPS College of Accountancy, which he completed in 1968. He also had his RSA III in 1970, and he became a fellow of the Institute of Financial Accountants in 1986. As a professional accountant he went on to become a member of the Institute of Financial Accountants (FFA), Institute of Administrative Accountants (IAA), National Association of Public Accountants (USA) and the Institute of Public Accountants (FIBA), Australia. Prior to the commencement of his full time political career he was an Accountant and worked at the University of Ghana Legon as Accounting Officer. He also obtained a Master of Arts (MA) in Theological Studies from the Vision International University, Romana, California in the United States.

But it was his extraordinary political career that made him stand out as one of the most influential Ghanaians for over four decades.

He became an easily recognizable public figure when he was appointed the PNDC Metropolitan Secretary for Accra (this making him the Mayor of Accra), the

capital city of Ghana in 1982, a position he held for 10 years. During his tenure of office as Mayor, Accra benefitted from many infrastructural development projects which were unprecedented in the history of Ghana. Indeed his imprint remains to this day on how the city of Accra looks like.

In 1992 when the country was on the brink of transforming into democratic governance, ET Mensah became the Deputy PNDC Secretary for Youth and Sports. His performance and conduct in that position quickly earned him an elevation to substantive Minister of Youth and Sports in April, 1993 a position he held until January 6, 2001, when the NDC handed over power to the New Patriotic Party.

His tenure as Youth and Sports Minister was transformational for instance he introduced professional football and the Premier League itself. Clubs were directed to register a corporate entities. He also introduced a national sports policy, player transfer regulations and sponsorship programmes which opened sporting activities in Ghana to private funding. Then he introduced a National Youth Policy in 1999 making the development and empowerment of the youth a deliberate and structured objective of the State for the first time. He also served as a Member of Government's Task Force to oversee the implementation of the President's Priority Projects at the Office of the President.

While the Minister for Youth and Sports he contested for the Ningo-Pampram parliamentary seat and won it, starting a 20 year stint as a legislator as he won re-election through four more consecutive Parliamentary elections, during which time he evolved into one of the most influential, experienced and impactful law makers to grace Ghana's parliament ever. During that time he, at various times served on the Public Accounts Committee, House Committee, Finance Committee, Mines and Energy Committee, and the respective Parliamentary committees on Trade, Industry and Tourism. He also served as the Minority Chief Whip in parliament prior to the 2008 general elections which restored the NDC to power and



following this, in January 2009, he became the Majority Chief Whip in parliament.

It is instructive that the confidence late Jerry John Rawlings had in ET Mensah was retained by the next NDC president the late President Professor John Atta Mills. In January 2010, after a cabinet reshuffle, President Mills appointed him Minister for Employment and Social Welfare. Mensah was a member of the Pan African Parliament until January 2009, when he resigned after being appointed a Minister in Ghana. In January 2011, he was appointed Minister for Education. Following the resignation of Betty Mould-Iddrissu. Respected by President Mills as a trouble shooter with exemplary problem solving capabilities he also successfully stood in for a short period in 2012 as Minister for Water Resources, Works and Housing while the President was looking for a permanent candidate. ET Mensah's glittering Parliamentary career came to an end however when he lost the NDC primaries to Sam George on November 21 2015 this preventing him from contesting the Ningo Pampram seat on behalf of the NDC in the 2016 elections. But one cannot keep a man of his stature down for long; in February 2021 he became a member of the Council of State, a position he held until

his death.

While the nation as a whole mourns ET Mensah – who deservedly is honoured with a state assisted burial, the NDC will mourn the most intensely. Apart from serving the State, as a legislator and as a minister, he was also very instrumental in building the NDC itself into a party capable of contesting for power against the more experienced politicians of the NPP. Among his many pioneering contributions to the NDC ET Mensah was a Founding Member, National Youth Organizer and Vice Chairman of the party. He also founded the tertiary student's wing of the National Democratic Congress, Tertiary Educational Institutions Network (TEIN).

This is all the more reason that the way his passing has made the entire country sad – irrespective of partisan political affiliations – is a tribute to his patriotism and statesmanship. Indeed ET Mensah was an NDC stalwart. But he will be remembered first and foremost as a Ghanaian nationalist whose first loyalty was to his country not his party. And so Ghana is right to mourn the passing of a political titan who made significant, invaluable contributions to the restoration of Ghana as a model for the rest of Africa.

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