

Business

DOLLAR—GH¢15.34 ▲ 0.16 | EURO—GH¢17.00 ▲ 0.22 | POUNDS—GH¢20.14 ▲ 0.22 | GOLD \$2,526.30 ▼ 74 | OIL \$71.95 ▼ 4.83 | COCOA \$7,383 288



> Ghana's poultry industry faces an uphill task due to maize shortages.
Picture: AVEMMED Farms

Feed milling industry in crisis

... as maize prices soar 80%
— Poultry farmers call for import licence

By **Elizabeth Nyaadu Adu**

Ghana's feed milling industry struggles to maintain production capacity due to severe shortages and soaring prices of essential raw materials, particularly maize.

From about 1,000 metric tonnes, the production capacity has dipped to about 700 metric tonnes.

The ongoing drought has compounded the issue, driving maize prices up by 80% in just eight months.

Sharing further insights into the grievous development in an exclusive interview in Accra,

Eric Manteaw, the Executive Secretary of the Association of Feed Millers of Ghana (AFMOG), said the industry relies heavily on maize (50-55%) and soya beans (30%) for feed production.

However, the drought has led to raw material unavailability, resulting in steep price hikes. "Maize prices have escalated from GH¢200 per 50 kg bag in January to around GH¢360 per bag currently," Mr Manteaw said adding that, "This volatility has forced us to

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2024 elections

Tax reforms take center stage

By **Emmanuel Bruce**

AS Ghana gears up for the 2024 elections, the two major political parties have laid out their visions for the country's economic future.

The New Patriotic Party (NPP) and the National Democratic Congress

(NDC) have presented starkly different approaches to addressing Ghana's economic challenges, setting the stage for a heated debate on the best path forward for the nation.

While the Presidential candidate of the incumbent party, Dr Mahamudu Bawumia, has outlined a plan which is

focused on accelerating economic growth, the candidate for the NDC, John Dramani Mahama, has outlined a plan that seeks to reset the economy and position it on the path of growth.

Although they both have their own plans towards reviving the economy, one thing that stands out is the fact that

both candidates have placed tax reforms at the forefront of their economic agenda and are proposing some changes.

While Dr Bawumia is advocating a flat rate tax system inspired by Estonia, John Mahama proposes a series of VAT reforms designed to provide relief to both citizens and businesses.

With these contrasting approaches

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Inflation

> January '23	53.6%	> Jan '24	23.5%
> February '23	52.8%	> Feb '24	23.2%
> March '23	45%	> March '24	25.8%
> April '23	41.2%	> April '24	25%
> June '23	42.5%	> May '24	23.1%
> July '23	43.1%	> June '24	22.8%
> August '23	40.1%	> July '24	20.9%
> Sept '23	38.1%		
> Oct '23	35.2%		
> Nov '23	26.4%		
> Dec '23	23.2%		

Macro Economic targets for 2024

Total Revenue	GH¢176.4bn
Total Expenditure	GH ¢226.7bn
Deficit	5.9%
Growth Target	2.8%
End of Year Inflation	15%
Primary Balance	0.5%
Gross Foreign Assets	3 months of import cover

TREASURY /
INTEREST RATES

BoG Policy Rate	-	29.00%
91-Day T-Bill	-	24.90%
182-Day T-Bill	-	26.78%
364-Day T-Bill	-	27.92%

Source: BoG

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BoG report reveals mixed labour market activity

By **Charles Benoni Okine**

A BANK of Ghana (BoG) report for the first half of the year has revealed mixed labour market activity.

While social security contributions for the Tier One pension scheme and the Composite Index of Economic Activity (CIEA), witnessed improved growth, that of advertised jobs and consumer confidence index witnessed a marginal decline.

Private sector pensions

Private sector pension contributions to the Tier One pension scheme run by the Social Security and National Insurance Trust (SSNIT), rose rapidly, indicating strong acceptance of the scheme as one of the safest ways to guarantee a better future.

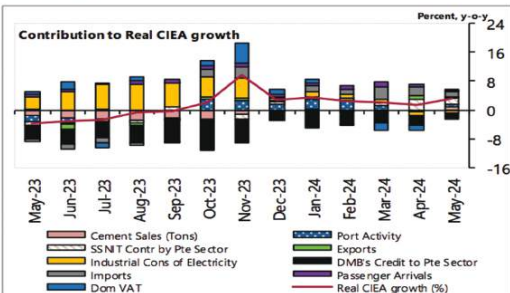
According to the Monetary Policy Report undertaken by

the Research Department of the BoG for the first half of the year, indicated that total number of private sector SSNIT contributors, which partially gauges employment conditions, improved by 2.7% to 1,007,341 in May 2024.

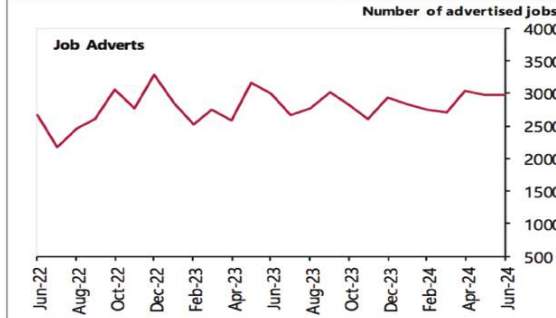
That compares with the 980,808 for the same period in 2023.

Cumulatively, for the first five months of 2024, the total

...The growth in the real CIEA was driven by a pick-up in SSNIT contributions from the private sector, Imports, Port Activity, Cement Sales, Exports, Passenger Arrivals and Domestic VAT...



...Demand for labour, proxied by the number of job adverts (in print and online media), remained largely unchanged in June 2024...



Cumulatively, for the first five months of 2024, the total number of private sector contributors increased by 4.8% to 5,063,676, from 4,829,487 recorded over the corresponding period in 2023

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Advertised jobs

Using the Daily Graphic, the country's biggest selling and most widely circulated newspaper in the country as its reference, the BoG also observed that "the number of jobs advertised in selected print and online2 media, which partially gauges labour demand in the economy, remained largely unchanged in June 2024 relative to what was observed in the corresponding period a year ago."

In total, 2,968 job adverts were recorded as compared with 2,993 for the same period in 2023. Cumulatively, for the first half of 2024, the total number of advertised jobs went up by 2.4% to 17,278, from 16,866 recorded during the same period in 2023.

Composite Index of Economic Activity (CIEA)

The bank's updated real Composite Index of Economic Activity (CIEA) recorded an annual growth of 3.3% in May

2024, compared to a contraction of 3.7% observed for the same period in 2023.

The report identified the key growth drivers of the index over the period to be SSNIT contributions from the private sector, imports, port activity, cement sales, exports, passenger arrivals and domestic VAT.

Consumer and business surveys

With regards to consumer and business surveys, the bank found out that, the latest confidence surveys conducted in June 2024 indicated some softening of consumer and business sentiments.

The Consumer Confidence Index declined to 81.2 in June 2024, from 87.7 in April 2024, on

account of high food prices and some uncertainties about future economic conditions.

Similarly, it observed that the Business Confidence Index dipped to 88.8 from 92.6 in the same comparative period as businesses expressed concern about the cost implications of the rapid exchange rate depreciation observed in May 2024.

These findings were broadly in line with observed trends in Ghana's Purchasing Managers' Index (PMI), which fell below the 50.0 benchmark to 49.7 in June 2024, from 51.6 in the previous month.