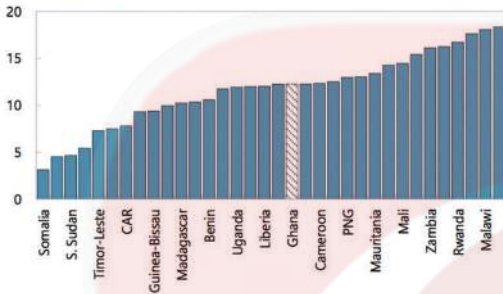


Business

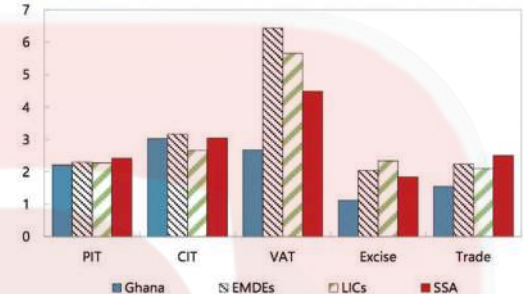
DOLLAR—GH¢11.50 ▲ 0.08 | EURO—GH¢12.35 ▲ 0.27 | POUNDS—GH¢14.23 ▲ 0.37 | GOLD \$1,9994.10 ▲ 58.4 | OIL \$86.40 ▼ 5.3 | COCOA \$3,871 ▲ 140

Ghana: 2020 Tax Revenue Against Peers
(Percent of GDP)



Sources: IMF Internal World Revenue Longitudinal Database (WoRLD).

Ghana: 2020 Tax Composition VS. Peer Country Groupings
(Percent of GDP)



Sources: IMF Internal World Revenue Longitudinal Database (WoRLD).

Scrap E-levy, review COVID 19 levy

• Businesses to Govt

By **Emmanuel Bruce**

BUSINESSES and individuals want government to scrap the E-levy and review some tax laws, a survey of businesses expectations in the 2024 budget statement has revealed.

The businesses also expect a review of the COVID-19 levy, petroleum levy and the growth and sustainability levy which was recently introduced as part of government's conditions to access the IMF bailout.

The businesses are of the view that abolishing some of these taxes or lowering the tax rates may initially reduce tax revenue, but likely to

positively impact consumption and expenditure and thus, ultimately enhancing tax revenue.

This came to light when auditing and accounting firm, KPMG in collaboration with the United Nations Development Programme (UNDP) conducted a pre-budget survey.

Ghana's economy has been battling with some challenges in the last two

years, a situation which prompted the government to approach the International Monetary Fund for a US\$3 billion support programme.

Six months after implementing the fund supported programme, some macro-economic stability are beginning to emerge, with inflation declining from a 22 year high of 54.1 per cent in December 2022 to a 12-month low of 38.1 per cent in September 2023.

On the fiscal front, the primary balance on commitment basis for first half of the year was a surplus of about GH¢2 billion compared to a target of a deficit of GH¢4 billion. Gross International Reserves (GIR) also stood at US\$2.1 billion equivalent to 1.0-month import cover, compared with

Continued on Page 06

Extend role beyond attracting FDIs

• WAIPA CEO to investment agencies

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What do you do when you run out of energy before the race ends?

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Dealing with business hurdles: The 'what now?' of enterprise risk management

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Inflation

> March '22	19.4	> January '23	53.6
> April '22	23.6	> February '23	52.8
> May '22	27.6	> March '23	45
> June '22	29.8	> April '23	41.2
> July '22	31.7	> June '23	42.5%
> August '22	33.9	> July '23	43.1%
> September '22	37.2	> August '23	40.1%
> October '22	40.4	> Sept '23	38.1%
> November '22	50.3		
> December '22	54.1		

Macro Economic targets for 2023

Total Revenue	GH¢98.08bn
Total Expenditure	GH¢159.01bn
Deficit	9.99%
Growth Target	2.8%
End of Year Inflation	18.9%
Primary Balance	0.7%
Gross Foreign Assets	3.3 months of import cover

TREASURY /
INTEREST RATES

BoG Policy Rate	- 29.5%
91-Day T-Bill	- 29.96%
182-Day T-Bill	- 32.14%
364-Day T-Bill	- 33.70%

Source: BoG

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MTN Ghana localised ownership inches to 24.1%

• Still below 30% target

By **Charles Benoni Okine**

MTN Ghana is making significant progress on the localisation of Scancom PLC and MobileMoney Limited.

Following the scrip dividend issued in quarter two (Q2) of this year, which resulted in a localisation movement from 25.0 per cent to 23.2 per cent, the telecom giant has since achieved an additional 0.9 per cent localised ownership in Scancom PLC in Q3 2023, bringing the total reported localisation to 24.1 per cent.

In its Q3 report on the performance of the company as published by the local bourse, Ghana Stock Exchange (GSE), the company said "localisation of both Scancom PLC and MobileMoney Limited remains a priority for MTN Ghana and we will continue to work with the relevant regulators and stakeholders to achieve the localisation targets".

The company was expected to complete a target of 3 per cent local participation by end of 2022 but has not been able to achieve that.

Financial performance

MTN Ghana continued its dominance as the only profitable telecom company in the country having posted a profit after tax for GH¢2.8 billion. This represents a 32.0 per cent increase over the same period last year.

Voice revenue grew by 14.5 per cent year on year (YoY) to GH¢2.7 billion.

Meanwhile the company said the impact of the National Communications Authority's (NCA) directive on SIM

MTN Ghana delivered a 36.0 per cent YoY increase in service revenue, driven mainly by growth in voice, data and MoMo.



Selorm Adadevoh –
CEO, MTN Ghana

Operational and financial review

MTN Ghana delivered a 36.0 per cent YoY increase in service revenue, driven mainly by growth in voice, data and MoMo.

This was underpinned by the continued execution of the company's new vision dubbed: Ambition 2025, and sustained investments in capital expenditure (capex) to support improvements in service quality and the expansion of network capacity and coverage.

"We continued to improve on investments in technology and quality of service with total capex of

GH¢2.9 billion spent during the nine-month period.

As part of the network expansion plan, we rolled out 193 2G, 196 3G and 193 4G

disconnections continued to impact our subscriber base, resulting in a 9.3 per cent YoY decrease to 25.8 million.

Against this background, voice revenue contribution to service revenue declined from 33.4 per cent to 28.1 per cent.

The company recorded a strong data revenue growth of 47.6 per cent YoY to GH¢4.1 billion. This is attributable to a 2.7 per cent YoY increase in the number of active users and continued increases in MB consumed per active user per month (+36.0% YoY).

This led to data traffic rising by 39.6 per cent YoY. The contribution of data revenue to service revenue increased from

39.5 per cent to 42.8 per cent YoY.

Mobile money (MoMo) revenue increased by 51.6 per cent YoY to GH¢2.1 billion. This was underpinned by growth of 63.4 per cent YoY in cash-out revenue, a 63.2 per cent YoY increase in advanced services revenue and 15.0 per cent YoY growth in peer-to-peer (P2P) revenue.

The contribution of MoMo revenue to service revenue increased from 19.1 per cent to 21.3 per cent YoY.

Digital revenue decreased by 15.0 per cent YoY to GH¢96.3 million. However, the company said it has observed a positive turn-around in the third quarter, with a 3.5 per cent QoQ growth, and expect it to continue through the fourth quarter and beyond.

It said improvements made to its *myMTN* app, music and game offering helped grow active digital subscribers by 15.9 per cent YoY to 3.9 million. The contribution of digital to service revenue decreased from 1.6 per cent to 1.0 per cent YoY.

Earnings Before Tax, Debentures and Amortisation (EBITDA) increased by 32.6 per cent YoY to GH¢5.4 billion with a margin decline of 1.5

percentage points (pp) to 56.0 per cent due to the impact of elevated inflation.

"We remain committed to executing our expense efficiency programme, the impact of which continues to reduce the full exposure of the current macroeconomic challenges on the business," It said in the report.

The company said a net finance cost increase of 51.5 per cent YoY to GH¢335.3 million for the period was driven by a relatively higher growth in finance cost.

Finance costs increased by 48.6 per cent YoY to GH¢528.3 million, driven by high interest rates and growth in interest expense from leases (IFRS 16).

This was mitigated by a 43.9 per cent YoY increase in finance income to GH¢193.0 million from gains on investments in fixed short-term securities.

we look forward to continuing to play our part in Ghana's sustainable development.

National roaming update

With regard to updates on national roaming, it said the company would help facilitate universal access and accelerate digitalisation in line with Ghana's ambitions of becoming a leading digital economy.

"MTN Ghana continues to be committed to making progress on national roaming partnerships with AT (formerly AirtelTigo) and Vodafone.

Discussions for a longer-term agreement with both companies are in the final stages of completion," it said.

Tax compliance

MTN Ghana in its show of commitment and resolve to remain a credible corporate citizen, stayed tax compliant within the period.

It contributed GH¢4.0 billion in direct and indirect taxes, as well as GH¢313.4 million in fees, levies and other payments to governmental agencies for the nine-month period ending September 2023.

"Our commitment to socioeconomic development continues to be a priority and