



OFFICE OF THE MINORITY LEADER

Parliament House - Accra (Ghana)

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18/05 2023

For Immediate Release:

MINORITY IN PARLIAMENT RESPONDS TO IMF EXECUTIVE BOARD APPROVAL OF GHANA'S REQUEST FOR AN EXTENDED CREDIT FACILITY OF \$3 BILLION

1. The Minority in Parliament has taken notice of a joint announcement by the International Monetary Fund (IMF), and the Government of Ghana, on the completion of processes leading to the IMF's Executive Board approval of Ghana's request for a Fund-supported programme.
2. This comes after months of protracted negotiations with Ghana's international creditors committee made up of the Paris Club and China for financing assurance to pave way for the IMF's Board consideration of Ghana's request.
3. Ghana's recent unilateral suspension of both domestic and external debt servicing led to a default on both our domestic and foreign debts for the first time in our lifetime. This is far worse than the repudiation that occurred under the Gen. Ignatius Kutu Acheampong's military regime. This has resulted in Ghana being downgraded by international rating agencies to restrictive default (RD), the worst in our history.
4. We wish to state for the records that when the Akufo-Addo/Bawumia NPP government finally decided on 4th July, 2022 (11 months ago) to seek an IMF bailout, we in the Minority were clear in our minds that this government had long missed every golden opportunity they were presented with to salvage the economy which they have so grossly mismanaged since coming into office in 2017.

5. The Minority has on countless occasions cautioned this government that the fruits of its crass mismanagement of Ghana's economy through wanton misuse of borrowed funds for consumption purposes, had long crystalized into a crisis. We urged government to immediately seek the Fund's support long ago, a call that was flatly disregarded.
6. The Akufo-Addo/Bawumia NPP government's continuous denial over the true state of Ghana's economy, and their strenuous attempts to shift responsibility and blame external factors have been clear from day one. Despite all the manipulations of the data to hide the true state of the economy, the real situation on the ground has no doubt subsequently compelled them to arrive at the doorsteps of the IMF like a patient in an emergency ambulance, desperate for immediate resuscitation.
7. Indeed, the vainglorious words of the Finance Minister, Ken Ofori-Atta in February 2022, when he was urged by the Ghanaian people to go to the IMF, still ring hollow to this day:
"I can say; we are not going to the IMF. Whatever we do, we are not. Consequences are dire, we are a proud nation, we have the resources, we have the capacity".
8. The tragic events that have preceded this announcement, including the debilitating Domestic Debt Exchange Programme (DDEP) with its attendant cruel haircuts and denial of coupon payments to aged pensioners, negative impact on banks and insurance companies (as evidenced by the billions of Ghana Cedis impairments they recorded in the 2022 financial year), did not therefore come to us as a surprise.
9. We are on record to have urged this government to seek an IMF bailout in 2021, almost two clear years ahead of this announcement date, by which time things were not this critically dire, but true to their "Yentie Obiaa" disposition, the Akufo-Addo/Bawumia government arrogantly ignored wise counsel.

10. We wish to commend the tolerance of the Ghanaian bondholders who have taken haircuts on their investment and returns, the pensioners who have so far been denied payment of maturing coupons on their investments and Ghanaians, both young and old, who have so far endured various painful sacrifices such as a turbulent economy, rising cost of living and anxiety over how to afford the basic needs of life.
11. Having secured a Board approval, the Ghanaian people look forward to the Board document on the true state of Ghana's economy in the coming days. This report will outline the full details of the bargain between the Fund and the Akufo-Addo/Bawumia NPP government, in terms of our Debt Sustainability Analysis, Performance Criteria, Structural Benchmarks and the gamut of other conditionalities that have been agreed upon.
12. The Minority in Parliament will in the coming days address Ghanaians on the contents of this report and what this IMF deal portends for all of us going forward.
13. Suffice it to say, that the Akufo-Addo/Bawumia government, as part of their proposal to the IMF to secure this deal, has agreed to increase utility tariffs every three months from last year. So far, since September 2022, electricity tariff have gone up by a cumulative figure of 75.32% (27% in September 2022, 29.96% in the last quarter of 2022 and 18.36% a few days ago).
14. Let us brace ourselves for the full consequences of this IMF deal, which will without doubt bite hard on Ghanaians, especially the youth. This is not a counsel of despair, but a reality that will soon dawn on all of us.

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(Minority Leader)