



HIS EXCELLENCY JOHN DRAMANI MAHAMA

PRESIDENT OF THE REPUBLIC OF GHANA

STATE OF THE NATION 2014

Tuesday, 25 February, 2014
(1000 hours)



Right Honourable Speaker,

Your Excellency, the Vice President,

Your Ladyship, the Chief Justice,

Honourable Members of Parliament,

Since the start of the Fourth Republic, every President, in fulfillment of Article 67 of the Constitution of the Republic of Ghana, has stood before this august house each year to address the state of our nation. It is my privilege, as President, to also stand before you today to present a message on the state of the nation.

I am pleased to be addressing the full house today, and I wish to thank all my parliamentary colleagues for the cooperation you have continually extended to me since I was sworn in as President. As a former Member of Parliament for twelve (12) years, I am always filled with a sense of nostalgia anytime I step onto the grounds of Parliament.

Mr. Speaker, we find ourselves at a unique place in history. Our beloved Ghana is a nation in transition. We are on the cusp of many exciting new opportunities. We are on the verge of fulfilling the promises our forefathers and foremothers made to us, and to the world, about the destiny of our country and the determination of our people.

We are in the midst of change. And change can often feel uncomfortable, especially as it pulls us away from the systems and practices with which we have become familiar, but are no longer serving our needs efficiently. Without change, Mr. Speaker, Ghana cannot grow. Change is what will propel us forward, as a nation, to all that lies ahead.

And these new opportunities will enable us to transform ourselves from a lower middle-income, import-dependent, developing country to a proud and robust, self-sufficient middle-income nation.

Mr. Speaker, we have been here before, as a nation. We have been in transition, pushing our way past doubt, and past darkness, to find the dawn of a new day. Ghana was created through change, a movement of the people in support of their collective vision.



And then Ghana went on to influence change on the African continent and in effect, the course of the world.

Mr. Speaker, last year in my first State of the Nation Address, I defined the four basic pillars around which my approach to governance and socio-economic transformation would revolve. They are: Putting People First; Building a Strong and Resilient Economy; Expanding Infrastructure for Growth; and, Maintaining Transparent and Accountable Governance.

Today, as I talk about where we are as a nation, I also want to talk about who we are as a nation. I want to talk about the richness and diversity of our talent and innovation. I want to talk about the strength of our determination as a people. It is a determination that has always guided us toward victory in all of our endeavours.

We are a nation of 24 million. That's people not products. 24 million human lives, each one deserving access to the basic necessities of life; each one possessing unique ideas and skill sets to make Ghana better; each one holding more value to this country in its existence and potential than any other natural resource we have.

Mr. Speaker, this is why my government's first priority is, and will continue to be, our people. At the core of every decision we make and every policy we implement is the understanding that it will have a direct and positive impact in the day-to-day lives of average Ghanaian citizens.

PILLAR I: PUTTING PEOPLE FIRST

a. Gender, Children and Social Protection

At the recent World Economic Forum in Davos, (Switzerland), a prominent item on the agenda was the topic of "inequality." Various development and social justice organizations cited it as one of this decade's top global risks. Inequality among nations, as well as inequality within nations, has become a major flashpoint for social tension.

Mr. Speaker, wealth disparity is of great concern to my government. It is a threat to our stability as a nation and to our unity as a people. We are aiming to bridge the gap between the richest and poorest of our people. In the next two months, here in Accra, we will host a major international conference focusing on the theme of growing inequality in the world.



We are proud to be hosting this conference, and we are eager to share our experiences with the rest of the world, and also gain insight from the other conference participants and the international community-at-large.

Mr. Speaker, the Ministry of Gender, Children and Social Protection is a major instrument in our effort to create an all-inclusive society in which the weak and disadvantaged also have a stake in our nation's progress. The Ministry's primary mandate is to promote the welfare and protection of children, and to empower the vulnerable, the excluded, the aged, and persons living with disability, and to ensure true gender equality.

A lot of this Ministry's work involves advocacy and, in this regard, the Ministry has actively been involved in the drafting of the Affirmative Action Bill and the Intestate Succession and Property Rights of Spouses Bills. The Ministry also initiated the process for the validation of the Domestic Workers Regulation. These are pieces of legislations that are key to protecting the rights of our women and other vulnerable groups in our society.

The Ministry's flagship programme, however, is the Livelihood Empowerment Against Poverty, otherwise known as LEAP. Mr. Speaker, through this programme, the Ministry has made cash grants to 74,000 of the poorest households in our country. This means that now, the poorest 74,000 families in Ghana will be able to afford food, clothing and the cost of basic transportation. Now, these families will have access to healthcare and education; now, these families can even invest in some small income-generating activity.

This year, the Ministry, with the support of Government, plans to increase the beneficiary families of LEAP to 100,000. In 2015 that number will increase to 150,000. Currently the Ministry is implementing an electronic platform to deliver the grants to the beneficiaries using mobile phones. Mobile devices are being distributed to the beneficiary families to enable them receive their transfers. With those mobile devices many households would also, for the first time, be able to connect to the national communication network.

The LEAP programme is not intended to be a source of long-term support to the same set of families. The purpose of these cash grants is to empower the poor and the vulnerable. It is to create opportunities in order to give them a way out of poverty. The programme ensures that the most impoverished among us can live in dignity. It offers them hope in their future possibilities, and a chance to participate in the collective future of our nation.



Mr. Speaker, this Ministry is especially vigilant when it comes to the rights and protection of our children. The Ministry, together with the Domestic Violence and Victims Support Unit [DOVVSU] has led an awareness campaign against child marriage. As a result of this campaign, they have successfully extricated numerous children forced into marriage and returned them to their families and studies.

The Ministry has also provided the equipment and taken tool kits to twenty-five (25) institutions across the nation to facilitate the technical and vocational training of young people.

Finally, the Ministry for Gender, Children and Social Protection, convened a team of doctors to perform the necessary surgeries on women with obstetric fistula in the Upper East, Upper West, Volta and Central regions. In addition to offering these women relief from the pain and discomfort of this childbirth injury, these procedures have restored their dignity and sense of self-worth.

Mr. Speaker, through our social intervention programmes we must create safety nets that protect the poor and vulnerable. We must share the fruits of our growth equitably in order that we leave no one behind. This is the way we can guarantee that all our citizens are committed and have a stake in the survival and advancement of our nation.

b. Health

Mr. Speaker, it is this government's vision to extend quality health care to all our people irrespective of one's status in society or geographical location. This involves the construction of new facilities and the training of health personnel.

Healthy people make a healthy nation. All around the world it is recognised that the costs and consequences of illness far outweigh the cost of making quality healthcare accessible and affordable to all.

Mr. Speaker, to this end, Government is pursuing the vision of bringing healthcare to the doorsteps of our people, in even the remotest of locations. We have been engaged in an aggressive rollout of Community Health Improvement Compounds [CHPS]. The compounds are staffed with trained nurses, midwives, and other auxiliary health personnel. They are located in rural and peri-urban communities, and they provide basic healthcare services including antenatal care to pregnant women.



These compounds have greatly increased access to healthcare, especially in deprived communities. They have cut down the distance our citizens have to travel to access healthcare. The CHPS compounds are also playing a prominent role in Ghana's steadily decreasing maternal mortality numbers. By 2016, we aim to construct an additional 1600 new CHPS compounds across the country.

To support this wonderful campaign, my colleagues and I in the Executive branch of Government have taken a voluntary ten percent (10%) cut in salaries. These contributions will be used to construct more CHPS Compounds so that we can save the lives of more women during childbirth.

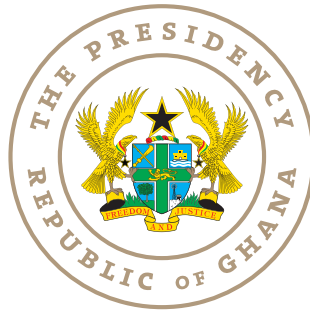
Mr. Speaker, our policy is to provide every district with a modern health facility. The newly constructed Tarkwa Hospital has been equipped and is now open for use. This has improved the quality of health for people in that catchment area. Work is ongoing on twelve (12) new district hospitals, including Dodowa, Sekondi, Fomena and Garu-Tempane, while financing for an extra nine (9) are being concluded.

Mr. Speaker, work is ongoing on a new teaching hospital for the University of Ghana. When completed, this new hospital will make quality tertiary healthcare readily available. It will also ease the pressure on the Korle-Bu Teaching Hospital. Work is ongoing to upgrade the Ridge Hospital into a full-fledged regional hospital to serve the Greater Accra Region.

Work on the Upper West Regional Hospital in Wa is progressing steadily. Just a few weeks ago I cut the sod for the start of Phase II of the upgrading and expansion of the Tamale Teaching Hospital. This upgrading has made the Tamale Teaching Hospital a critical provider of tertiary care in the northern sector.

This development also means that it is now possible for medical students from the University for Development Studies to perform their clinicals at the Tamale Teaching Hospital, instead of moving to the Kwame Nkrumah University of Science and Technology in Kumasi to complete their studies.

Mr. Speaker in this age of modern medicine, in order to best serve patients, our healthcare facilities must maintain equipment that is state of the art and in good working order. Under the National Medical Equipment Replacement Programme, modern equipment has been supplied to forty (40) district hospitals.



Other beneficiary hospitals are the Ridge, Tema General, 37 Military, the Princess Marie Louise Children's Hospital, as well as Maamobi General Hospital. There were three teaching hospitals that also benefitted- Tamale, Komfo Anokye, and Korle Bu.

Mr. Speaker, Korle-Bu, Ghana's premier teaching hospital, benefitted from equipment supplies and rehabilitation worth 276 million Ghana Cedis. This expenditure covered the paediatrics theatre, which had been closed for more than 8 years. Children are now able to have their surgeries in a beautifully renovated theatre with first class equipment. Additional facilities covered by the expenditure were the neonatal, intensive care and baby units; the mammography centre, as well as the laundry and kitchen.

We are currently engaged in the expansion of health training facilities. More Nursing and Midwifery Training and Medical Assistants Training institutions are being opened. This means that more skilled personnel are being graduated to serve in the health sector. So far, more than 3,000 medical personnel have been trained. These include, medical assistants, midwives, public and community health nurses.

The net result of this additional access to and availability of health personnel is reflected in the increasing life expectancy ratio in Ghana, which currently stands at about 65 years - among the highest in Sub-Saharan Africa. Another positive result of this is, the drop in institutional neonatal mortality from 5.8 per 1000 live births in 2012 to 2.3 per 1000 today. The average neonatal maternal mortality is also decreasing steadily. These are not just numbers; they represent human lives. These improvements mean that more babies are surviving childbirth and more mothers' lives are being saved.

Mr. Speaker, when it comes to saving lives, Ghana has been hugely successful in its efforts in the area of HIV and AIDS. Our prevalence rate for HIV and AIDS continues to decline and currently stands at 1.37%. The Ghana AIDS Commission continues to work towards implementation of our 5-year strategic plan. The plan envisions a 50% reduction in new infections by 2015, virtual elimination of mother-to-child transmission and the placement of more infected persons on antiretroviral therapies. We will mobilise funding for a massive scaling up of our antiretroviral therapy programmes.

At the invitation of UNAIDS I attended the Lancet Commission Conference of HIV and AIDS in London (recently). At the conference, I championed the cause of building local capacity in the African Pharmaceutical industry for the production of antiretroviral therapies.



Mr. Speaker, I am happy to announce that we are on track to exceed the target of a 50% reduction in new infections by 2015. We are also leading the way in Sub-Saharan Africa with over 76% reduction in new HIV infections among children.

Despite those successes, Mr. Speaker, there are key populations in which HIV infections remain much higher than the national average. Among sex workers the infection rate is 11.3%. It has dropped significantly from 25% in 2009, but it still remains well above our target, as does the infection rate among men who have sex with men, which currently stands at 17.5%.

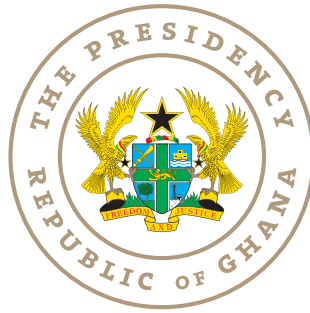
Mr. Speaker, education has proven to be the most effective tool in the battle against the spread of HIV/AIDS. The awareness that is gained through education is what prompts people to alter or stop engaging in behaviour and practices that place them at greater risk of infection. We will continue our public awareness campaigns, specifically ones targeting those populations at greatest risk.

c. Education

When it comes to education, Mr. Speaker, government's top areas of focus are quality, access, and affordability. There was a time when our public school system was on track and on par with the private schools here in Ghana, and anywhere else in the world. Where education is concerned, we have a history of being quite visionary.

When the Prince of Wales College, which later became Achimota, was established in 1924 as a co-educational facility, gender equality in education was far from the norm. In fact, most women the world over did not even have the right to vote or own property. But in Ghana, girls and young women were being educated alongside their male counterparts. And, rightfully, with that education came the expectation of comparable careers.

When the commission on higher education in the British colonies recommended that a single university be established in British West Africa and chose Ibadan, Nigeria as the location of that university, we Ghanaians challenged their decision. We understood the value of education. We knew what the presence of an institution of higher learning would mean to our people, especially to the future generations.



In the end our protest was successful and that university which was established in 1948 as an affiliate of the University of London is now none other than our esteemed University of Ghana.

Mr. Speaker, we must make education a priority again. The students of this nation deserve to have the confidence that comes from knowing that the education they are receiving will adequately prepare them to navigate this competitive global workplace. If our students are left behind, then we as a nation will also be left behind.

To this end, Government has been working to improve the quality of education, especially at the basic level. The main problems affecting this level are a lack of teachers, a lack of teaching and learning materials, and poor school infrastructure especially, in the rural areas; and, also, community apathy in the management of schools.

We are actively engaged in the process of building new school blocks to replace schools in sub-standard structures. In 1,900 communities, mostly rural, this has improved the environment in which children learn and enabled classes to be held all year round.

In urban schools, these additional facilities have enabled Government to progressively eliminate the shift system that had children attending school in turns. Science resource centres have also been rehabilitated across the country to facilitate the learning of science and mathematics.

Mr. Speaker, the availability of teachers has been a major challenge. Because of constraints of paying teacher trainee allowances, Government previously imposed quotas on admissions into colleges of education. Annual admission to these colleges was therefore restricted.

With the recent decision to transfer teacher trainees onto the Students Loan Trust, it has made it possible to increase the number of trainees in the colleges of education from the previous 9000 to 15000. This would improve the supply of teachers and open up the opportunity to many young people who want to take up teaching as a profession.

Unfortunately, it has become apparent that the training of these professionals does not always translate into an availability of teachers in certain areas. Mr. Speaker, I am concerned, and we all must be concerned, about the findings from a national staff rationalization exercise just completed by the Ministry of Education. It is clear that we need to do better with the deployment of our teachers.



The current situation is that in many regions there is an excess of teachers in urban and peri-urban areas, but in the rural and other deprived communities, teachers are often in short supply. We cannot accept this educational divide between our urban and rural communities.

So, Mr. Speaker, I am calling for nationwide support for the Education Ministry and the Ghana Education Service as they take the necessary actions to implement a programme aimed at an immediate and comprehensive redeployment and redistribution of teachers.

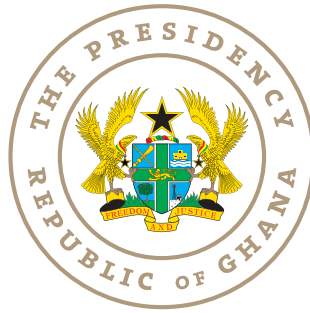
It is very important that all Metropolitan, Municipal and District Chief Executives, as well as MPs and community leaders take an active part in these efforts to address issues of education at the district and community levels. Together, we can and we must improve school management, performance and accountability across our nation.

Mr. Speaker, the lack of instructional and learning materials is also being addressed through the supply of textbooks and exercise books to children in public schools across the country. Through this programme, more than 12 million books have been distributed to basic schoolchildren in the country, thus equipping them with the core tools they require for their education.

While Ghana has been successful in achieving the Millennium Development Goals (MDGs) on universal primary education, there still remain pockets where school enrolment is low. To address this, Government introduced the Complementary Basic Education programme. This programme has facilitated teaching and learning for 25,000 out-of-school children.

Classes under this programme are ongoing in the Upper East, Upper West, Northern and Brong Ahafo Regions. Now, there are 25,000 children whose choices will not be limited by illiteracy; 25,000 children who can go on to become productive contributors to this society in ways they might never before have even imagined.

Mr. Speaker, at the secondary level, access continues to be a major problem. Existing secondary schools have a capacity to absorb only 60% of the students who qualify from Junior High School. Because of the high demand for secondary education, existing schools have been compelled to admit much higher than they were designed to accommodate. This has led to circumstances in which there are some schools with as many as 3000 students. This is significantly higher than the prescribed average of 1500.



Government's programme to construct 200 new community day secondary schools is on track. Architectural drawings, designs and quantities have been completed, sites for the schools have been selected, and the procurement process for the first batch of schools is currently ongoing.

The start of construction works for these schools was held back in 2013 because of the detailed activities that went into the preparatory process. We have made good progress on this project and I invite all of you honourable members of this august house to join me to break ground for the commencement of construction of the first 50 schools next month, precisely on the 3rd of March.

Mr. Speaker, the most expensive segment of our education system is the second cycle. We promised to rationalize fees in the secondary schools in order to reduce the burden on parents. The Ministry of Education, after extensive stakeholder consultations, advertised a uniform list of approved fees for second cycle schools. Parents are being advised to report any head of school that charges fees outside of those on the schedule published by the Ministry.

Further to this, the Ministry, following consultations with stakeholders, has prepared a report on the road map for a progressive introduction of free secondary education in Ghana as required under the 1992 Constitution. This road map would be presented to Cabinet for approval and subsequent implementation. Under the guidance of this proposed road map, we can anticipate that fees for day students will be abolished at an estimated cost of GHC71 million in the 2015/2016 academic year. Other reliefs in respect of boarding student would be announced when the road map is published.

Mr. Speaker, access to tertiary education continues to expand with the increase in admission into public universities and the participation of accredited private institutions in providing. While this has provided opportunity for many to gain a university education, we must be mindful both of the quality of education provided and also the disciplines offered in our institutions of higher learning. Some universities may appear interested in only expanding enrolment to attract greater revenue and therefore waive the strict entry qualifications required for study in university.

Additionally many universities and tertiary institutions go for the softer course options and churn out graduates in business and the humanities at the expense of science, technology



and allied courses which are increasingly in demand in an economy in transition from lower middle income to middle income status.

This is partly responsible for the increasing graduate unemployment level with which we are currently plagued. I have asked the Ministers of Education and Employment and Labour Relations to sponsor a joint survey of the professional and skills sets in demand in the Ghanaian labour market. Such a survey will provide students guidance in selecting courses in areas where their opportunities for employment are brighter and also provide our universities with information to adjust curricula and admissions to align with the demands of the job market.

Mr. Speaker, I am happy to report to this august house today that, as stated in our 2012 NDC manifesto and indicated in my 2013 State of the Nation Address, the establishment of the first public university in the Eastern Region is becoming a reality.

The Professor Benning-Amoako-Nuamah Committee has completed work on the nature, specialization, proposed academic mandate and specific location for this university. A draft bill for the establishment of this new university in the Eastern Region is also ready and will soon be presented to the House for consideration.

Mr. Speaker, it also pleases me to report that progress is being made with the two latest public universities that were set up in the last term of the NDC Government. The University of Health and Allied Sciences in the Volta Region has increased its intake from 155 students at its inception three years ago to 535.

Additionally, the University of Energy and Natural Resources in the Brong Ahafo Region has also grown from 150 founding students to 716 current students.

Plans are also afoot for the establishment of their satellite campuses in Hohoe Dorma Ahenkro, and Nsoatre. Honourable members will also observe in the Ghana Education Trust Fund (GETFund) Formula, to be presented to the house soon, that we have proposed to scale-up financial support to these new universities.

Mr. Speaker, before the end of this year, I will announce the formal process to convert ten of our polytechnics into Technical Universities. The Technical Committee set up by the Ministry of Education has completed its work and various stakeholder consultations are currently taking place, leading to the final conversion.



I must commend the technical committee for their impressive output and, Mr. Speaker, I welcome the excitement this policy intervention has generated in the technical and vocational education fraternity.

Ghanaians can remain assured that government will continue in our efforts to rebrand technical and vocational education and give it the important attention and support it deserves in the development of our nation. This move is particularly important at this critical moment of our development when we are embarking on the transformation of the structure of our economic fundamentals.

Mr. Speaker, despite resistance by some persons who are even guaranteed to benefit, just like all Ghanaians, we have taken a major and innovative decision to operationalize a National Research Fund.

The importance of a research fund cannot be lost on any one of us. Nations and companies have become great through research and innovation. How can we adapt and develop effective local solutions without investment in research and innovation?

Mr. Speaker, our lecturers, researchers and students deserve this special support, so that they can increase their capacity to carry out important scientific inquiries. It is fitting that this objective is being led by one of our esteemed academics, Professor Daniel Mireku-Gyimah, former Vice Chancellor of the University of Mines and Technology in Tarkwa.

Government expects the Committee to make recommendations on the modalities for accessing the Fund, its independence and its sustainability. Higher institutions of learning and all Ghanaians especially the private sector must support the establishment of this Fund, which has enormous potential to transform the fortunes of our nation.

I wish to call for the support of the legislature in the implementation of these decisions and policies, because, Mr. Speaker, our nation will have greater prosperity, with benefits for all, as a result.

As a country, Mr. Speaker, we can only be happy with the many academic opportunities being created for the youth of our country.

d. Youth and Sports



Mr. Speaker, as government responds to the issues that confront the youth in our population, we are also mindful of the need to ensure that our young people are part of the process of finding the needed solutions.

Following on the national policy document launched in 2010, we have finalized work on an Action and Implementation Plan for the National Youth Policy. The Implementation Plan represents what is a major paradigm shift in our approach to youth development in this country. While the plan represents our commitment to addressing the challenges facing our young people, it is first and foremost the work of the youth themselves.

Mr. Speaker, after several rounds of discussions with our young people and the entrepreneurs among them, we have also finalized work on what was proposed as a Youth Jobs and Enterprise Development Fund, now to be known as the Youth Enterprise Support (YES).

The ten million Ghana cedi (GH¢10million) Youth Enterprise Support (YES) initiative to provide opportunities for innovation and the creation of decent jobs by the youth of Ghana through mentorship and support.

While YES is not a full answer to our job creation issues, it does reflect my commitment to the future of the Ghanaian youth. I encourage our young people to begin the process of organizing and formalizing their business ideas to access the facilities available under the YES.

Mr. Speaker, construction of the superstructure of the Cape Coast Sports stadium commenced in June 2013. The preparatory work, which involves ground-levelling, extension of utilities to the site, construction of drainage facilities and the layout of the road, has been completed. It is expected that work will progress steadily and be completed on schedule.

Mr. Speaker, for the third consecutive time, our Senior National Football Team, the Ghana Black Stars, has qualified for the prestigious 2014 FIFA World Cup Tournament, to be held in Brazil this June. Our national Under-17 female soccer team has also qualified to participate in the next FIFA Under-17 Women's World Cup Tournament scheduled to take place in Costa Rica next month.



Still on Sports, our local Black Stars won last year's WAFU Zone B Tournament, which was hosted here in Ghana. This tournament prepared our players for the 2014 CHAN Tournament, which was recently concluded in South Africa. We won the silver in that tournament.

Mr. Speaker, our sports teams consistently make Ghana stand out as being and giving the very best that Africa has to offer. As part of our commitment to ensure the further development of Sports, the National Sports College in Winneba has been pursuing successful private collaborations for infrastructural development through the Public-Private Partnership arrangement.

Government last year reviewed drawings of the Sports Arenas and Sports Senior High School to be established in the District and Regional capitals, and actual construction work on a selected few is expected to begin as soon as all the procurement formalities are completed.

PILLAR II: BUILDING A STRONG AND RESILIENT ECONOMY

a. Economic Performance

Mr. Speaker, despite the short-term challenges we face, our economic fundamentals remain sound and our mid-term prospects are good. Growth continues to be robust at an estimated 7.4% last year and we still retain our vision to accelerate and maintain GDP growth at above 8% going forward.

The non-oil sector of our economy grew by 5.81 percent over the same period. The agriculture sector in particular, which faced a few challenges the previous year, due principally to some difficulties in the cocoa sector, still posted a significant growth of 3.41 percent.

That we are transiting into a services economy is apparent from the strong growth that continues to be posted by the services sector. The sector in 2010 overtook agriculture as the largest contributor to GDP and last year it posted an impressive growth of 9.1%. The Industry sector, which has witnessed sluggish growth over the last couple of years, last year posted a remarkable increase of 9.2%.



Mr. Speaker , since 2007 the world has been faced with a financial crisis and Ghana has not remained immune to the pressures created by this crisis. Recent tapering policy announced by the US Federal Reserve greatly impacted numerous emerging markets. Ghana is one of those affected. Compounding this is the fact that several domestic factors have further aggravated the challenges with our macro economy:

A larger-than-expected expansion in the wages and compensation bill during the implementation of the single spine created a wage spiral that we are working with organized labour to contain. Huge and unsustainable subsidies on petroleum products and utilities also threw the budget out of sync.

The net effect was an increase in our budget deficit to nearly 12%, an increase in inflation above 13%, an increase in interest rates, and also an increase in our domestic debt.

Ghana is in the capital markets to stay. And we take note of the concerns that analysts have expressed about these developments, notably the compensation bill — including acknowledgement of the painful measures that our people are having to endure towards our consolidation effort. The visiting IMF Article IV mission (*who I believe are here in Chamber with us*) has also expressed similar concerns in the course of our interactions with them.

Mr. Speaker , it is for these reasons that we have had to take difficult measures to arrest this trend and restore the macro economy to good health. While these measures have been unpleasant and difficult to take, ultimately they are necessary to create a good economic environment in which businesses can continue to, not merely survive but also grow.

Mr. Speaker , we have had to take difficult measures to arrest this trend and restore the macro economy to good health. While these measures have been unpleasant and difficult to take, ultimately they are necessary to create a good economic environment in which businesses can continue to not merely survive but also grow.

It is an experience with which, I am sure, we can empathise in our daily lives. We have all, at some point, had to bear the taste of a bitter medicine in order to restore our bodies to good health.



Mr. Speaker , I wish to assure this august house, and the good citizens of Ghana that as with the taste of any bitter medicine, this turbulence we are all being made to bear is temporary. We shall begin to see the benefits of the sacrifices we are making very soon.

Mr. Speaker , as a lower middle-income country in transition to middle income status, we have an enormous need for credit to develop our social and economic infrastructure. Our debt to GDP ratio is currently estimated at 52%. While this is not abnormally high, our domestic debt and the current high interest rates are a major challenge to the economy. The Hon Minister for Finance is currently implementing measures to refinance a portion of the domestic debt, thereby reducing the pressures these obligations are placing on the budget.

We have also commenced work on the Ghana Infrastructure Investment Fund. This fund will enable us to disaggregate our debt profile and transfer infrastructure investments with a revenue generating capacity from the public debt. Institutions such as Ghana Gas, VRA, GPHA, GACL, GNPC and other public and private institutions would be able to finance their investments through this window without burdening the public debt stock. This should significantly improve our debt sustainability profile.

We will work with our development partners and other multi-lateral associates to ensure that Ghana continues on the path of accelerated growth and equitable development into the future.

b. Foreign Exchange

Mr. Speaker , recent measures announced by the Bank of Ghana in response to the depreciation of the cedi created some concern among the business and investment community.

Mr. Speaker , Ghana still remains the most attractive investment destination in West Africa and guarantees peace, safety, stability and security. I wish to assure investors that all agreements governing their investments remain in force and repatriation of profits and dividends are guaranteed. The BOG has clarified its regulations in respect of foreign currency accounts and it is my hope that this has allayed the concerns of both the domestic and foreign investor communities.



Mr. Speaker, Ghana has come from the environment in the 70's and early 80's when a command and control economy led to a strict regulation of foreign exchange. Reforms in the mid 80's saw the introduction of forex bureaus and the liberalization of the foreign exchange regime. In this transition we moved from one extreme to another, a situation in which control of forex was so lax, that Ghana was fast becoming a source of foreign exchange for our neighbours. Huge transactions in millions of dollars were being conducted in forex bureaus. This had not been the original intention.

Dwindling confidence in our currency led to a situation where people hedged on the dollar. Persons with excess cedis converted them into dollars and deposited them in their foreign exchange accounts. We had a situation where forex holdings on behalf of businesses and individuals in our commercial banks amounted to over \$3 billion.

In addition, our economy had become increasingly dollarized. Hotel room rates, vehicles, rents, school fees, household appliances, consumer items, cosmetics, clothes and other items were all quoted in dollars. The obvious problem with this is that the dollar is not our national currency. The currency of Ghana is the cedi, and the cedi will only gain strength if we begin to view and use it as that, our nation's only currency. The Attorney General and the EOCO have been charged to monitor the situation and severely sanction any institution advertising rates or prices and charging in foreign currency. A directive to the same effect has also been issued to government agencies.

c. Transforming our economy

Mr. Speaker, the basic structure of our economy has not changed from colonial times. The Gold Coast was designed by the colonial masters to be exporters of raw material and importers of finished goods. This is what best served their needs and purposes.

After independence our first President Osagyefo Dr. Kwame Nkrumah of blessed memory, sought to break this vicious cycle by establishing numerous state owned industries to produce consumer products for the domestic market as an import substitution measure. Unfortunately, the management of these enterprises became a challenge and soon they turned into a very huge expense on the budget. A decision was made to divest these enterprises to the private sector. Unfortunately, in many cases, the domestic private sector was unable to leverage the financing needed to revamp these industries and bring them back into production.



Mr. Speaker the result is that we are still largely dependent on the export of raw material, gold, cocoa, timber, oil and mineral exports and on the import of finished goods. That is still the basic structure of our economy.

Mr. Speaker, a fundamental problem of our economy is that we do not make what we consume. This is the situation the late General Acheampong sought to address with the “Operation Feed Yourself” and “Operation Feed Your Industries” programmes, which were aimed at strengthening Ghana’s ability to be self-reliant.

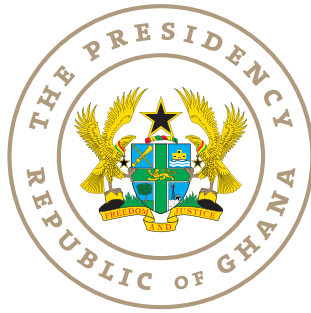
Mr. Speaker, in 2013 alone we spent a whopping amount of almost \$1.5 billion in foreign currency on the import of rice, sugar, wheat, tomato products, frozen fish, poultry and vegetable cooking oils. Rice accounted for \$374 million, fish \$283.3 million, wheat \$226.7 million, poultry \$169.2 million, cooking oils \$127 million, tomato products \$112.1 million.

Mr. Speaker, imagine if this money had been retained in Ghana. Imagine if it had gone into the pockets of Ghanaian entrepreneurs who would, in turn, spend those cedis at markets, restaurants, beauty shops, pharmacies, shopping centres and other Ghanaian enterprises.

When Ghanaians produce goods that other Ghanaians use, they are then able to re-invest that revenue back into the very communities that patronized them. The money flows in a current, and it fortifies the nation’s economy. That, Mr. Speaker, is the best use of a nation’s currency. Imagine all that we could achieve if in one year, we could spend as much in cedis on locally produced rice, sugar, wheat, tomato products, frozen fish, poultry, vegetable and cooking oils, as we spent in dollars on those very same imported items last year. Just imagine!

Mr. Speaker, as we all know, raw material exports are subject to price fluctuations on the international market. Countries that are dependent on raw material exports are therefore subject to wild cycles of booms and busts.

Mr. Speaker, 57 years after independence, we need to take pause and ask ourselves some critical questions. Can the current structure of our economy carry us to the next level? What changes must we make to create an economic structure that will serve our needs and purposes?



Mr. Speaker, between 2012 and 2013 Ghana lost \$1.3 billion in export revenues on account of the decline in cocoa and gold prices. At the same time our import bill rose dramatically to \$17 billion.

Can we, as a nation, continue this unbridled importation of everything from plastic dolls to toothpicks? Must we continue to rely on a narrow band of raw material exports? Were we born to be a nation of only shopkeepers and traders? My definite response to these questions is NO!

Once more, Mr. Speaker, we return to the need for change in order to facilitate growth. We must change the structure of our economy. We must reduce the importation of items that we have a comparative advantage to produce. We must add value to our exports through primary, secondary and tertiary processing: add value to our cocoa by increased domestic processing; refine our gold before export; pursue Nkrumah's dream of an integrated bauxite and alumina industry. We must revamp Tema Oil Refinery, revive BOST, VALCO, Tema Shipyard and Drydock and the many other strategic industries that serve as extra pillars for our economy.

Mr. Speaker, in compliance with the Constitution I am required to present this house with a medium term development framework before the close of this year. I have dialogued with the NDPC that is working on this plan and urged them to come out with a plan that fundamentally addresses this weakness in the structure of our economy. I have specifically tasked them to handle the process in a way as to create a buy-in from all Ghanaians irrespective of political affiliation or societal status. This is not a time to stand divided along any lines; this is not the time to stand on the sidelines; this is the time for us to stand together, as Ghanaians, on the side of Ghana.

In the interim, to kick start this process of transformation, I have tasked the Minister of Trade and Industry to request that the Export Development and Agriculture Investment Fund extend assistance to local investors for increased production of poultry, rice, tomatoes, cooking oil, and fish.

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I have asked the Board and Management of the Electricity Company of Ghana to encourage the local manufacture of electrical products like cables, transformers, meters etc by purchasing from local producers who meet their quality standard.

Mr. Speaker, we will this year launch a broad campaign to encourage Ghanaians to buy made-in-Ghana goods. Any import item we buy as Ghanaians constitutes an export of jobs out of our country, especially in respect of items for which we have a comparative advantage to produce.

Mr. Speaker , last week I held several meetings with a host of leaders in the business community, from large corporations to medium and small-scale enterprises, companies as



wide-ranging as CalBank, FinaTrade, and Scancom to Sethi Industries, Beige Capital, Reroy Cables and Agbeve Herbal.

The purpose of these meetings was to open an honest and easy exchange of ideas and information between Government and the private sector. The better we are able to assist one another, the faster we can all help to strengthen the economy by building a Ghana that is self-sufficient and successful.

Mr. Speaker , I was encouraged and inspired by these meetings. The determined, hardworking, visionary men and women I met reaffirmed my belief that Ghanaians are more than capable of creating industries to sustain this country. I met Mr. Magnus Nunoo, President of the National Association of Sachet and Packaged Water Producers. Mr. Nunoo spoke to me with the eloquence and knowledge of an economist; and why not? Mr. Nunoo attended schools in Cape Coast, Ningo and Labone; he read Economics at Legon. Mr. Nunoo introduced the packaging of water in sachets and he now employs over 100,000 people. Mr. Nunoo even found value in his industry's waste, and became a proponent of commercial-scale plastic waste management.

Mr. Speaker , at this same meeting, I also made an acquaintance of Mr. Tony Senayah, of Horseman Shoes, a company he started in 2009 by buying and selling locally made shoes from a manufacturer in LaPaz. It had always been Mr. Senayah's dream to build a vocational training institute. One day he saw a business opportunity. He realized that a lot of the young people he knew were skilled at making shoes, but beyond that they didn't know how to make their work economically viable. Suddenly he saw a way to create employment for young people. He recruited them to make the shoes that he designed. And, Mr. Speaker, I tell you: they are very nice, very comfortable shoes. In fact, I am wearing a pair right now.

c. Education

When it comes to education, Mr. Speaker , government's top areas of focus are quality, access, and affordability. There was a time when our public school system was on track and on par with the private schools here in Ghana, and anywhere else in the world. Where education is concerned, we have a history of being quite visionary.



When the Prince of Wales College, which later became Achimota, was established in 1924 as a co-educational facility, gender equality in education was far from the norm. In fact, most women the world over did not even have the right to vote or own property. But in Ghana, girls and young women were being educated alongside their male counterparts. And, rightfully, with that education came the expectation of comparable careers.

When the commission on higher education in the British colonies recommended that a single university be established in British West Africa and chose Ibadan, Nigeria as the location of that university, we Ghanaians challenged their decision. We understood the value of education. We knew what the presence of an institution of higher learning would mean to our people, especially to the future generations. In the end our protest was successful and that university which was established in 1948 as an affiliate of the University of London is now none other than our esteemed University of Ghana.

Mr. Speaker , we must make education a priority again. The students of this nation deserve to have the confidence that comes from knowing that the education they are receiving will adequately prepare them to navigate this competitive global workplace. If our students are left behind, then we as a nation will also be left behind.

To this end, Government has been working to improve the quality of education, especially at the basic level. The main problems affecting this level are a lack of teachers, a lack of teaching and learning materials, and poor school infrastructure especially, in the rural areas; and, also, community apathy in the management of schools.

We are actively engaged in the process of building new school blocks to replace schools in sub-standard structures. In 1,900 communities, mostly rural, this has improved the environment in which children learn and enabled classes to be held all year round.

In urban schools, these additional facilities have enabled Government to progressively eliminate the shift system that had children attending school in turns. Science resource



centres have also been rehabilitated across the country to facilitate the learning of science and mathematics.

Mr. Speaker , the availability of teachers has been a major challenge. Because of constraints of paying teacher trainee allowances, Government previously imposed quotas on admissions into colleges of education. Annual admission to these colleges was therefore restricted.

With the recent decision to transfer teacher trainees onto the Students Loan Trust, it has made it possible to increase the number of trainees in the colleges of education from the previous 9000 to 15000. This would improve the supply of teachers and open up the opportunity to many young people who want to take up teaching as a profession.

Unfortunately, it has become apparent that the training of these professionals does not always translate into an availability of teachers in certain areas. Mr. Speaker , I am concerned, and we all must be concerned, about the findings from a national staff rationalization exercise just completed by the Ministry of Education. It is clear that we need to do better with the deployment of our teachers.

The current situation is that in many regions there is an excess of teachers in urban and peri-urban areas, but in the rural and other deprived communities, teachers are often in short supply. We cannot accept this educational divide between our urban and rural communities.

So, Mr. Speaker , I am calling for nationwide support for the Education Ministry and the Ghana Education Service as they take the necessary actions to implement a programme aimed at an immediate and comprehensive redeployment and redistribution of teachers.



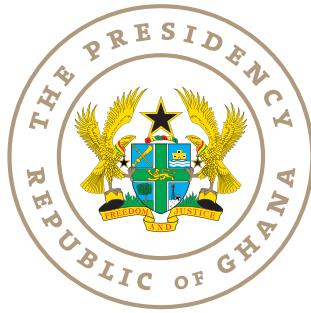
It is very important that all Metropolitan, Municipal and District Chief Executives, as well as MPs and community leaders take an active part in these efforts to address issues of education at the district and community levels. Together, we can and we must improve school management, performance and accountability across our nation.

Mr. Speaker , the lack of instructional and learning materials is also being addressed through the supply of textbooks and exercise books to children in public schools across the country. Through this programme, more than 12 million books have been distributed to basic schoolchildren in the country, thus equipping them with the core tools they require for their education.

While Ghana has been successful in achieving the Millennium Development Goals (MDGs) on universal primary education, there still remain pockets where school enrolment is low. To address this, Government introduced the Complementary Basic Education programme. This programme has facilitated teaching and learning for 25,000 out-of-school children.

Classes under this programme are ongoing in the Upper East, Upper West, Northern and Brong Ahafo Regions. Now, there are 25,000 children whose choices will not be limited by illiteracy; 25,000 children who can go on to become productive contributors to this society in ways they might never before have even imagined.

Mr. Speaker , at the secondary level, access continues to be a major problem. Existing secondary schools have a capacity to absorb only 60% of the students who qualify from Junior High School. Because of the high demand for secondary education, existing schools have been compelled to admit much higher than they were designed to accommodate. This has led to circumstances in which there are some schools with as many as 3000 students. This is significantly higher than the prescribed average of 1500.



Government's programme to construct 200 new community day secondary schools is on track. Architectural drawings, designs and quantities have been completed, sites for the schools have been selected, and the procurement process for the first batch of schools is currently ongoing.

The start of construction works for these schools was held back in 2013 because of the detailed activities that went into the preparatory process. We have made good progress on this project and I invite all of you honourable members of this august house to join me to break ground for the commencement of construction of the first 50 schools next month, precisely on the 3rd of March.

Mr. Speaker , the most expensive segment of our education system is the second cycle. We promised to rationalize fees in the secondary schools in order to reduce the burden on parents. The Ministry of Education, after extensive stakeholder consultations, advertised a uniform list of approved fees for second cycle schools. Parents are being advised to report any head of school that charges fees outside of those on the schedule published by the Ministry.

Further to this, the Ministry, following consultations with stakeholders, has prepared a report on the road map for a progressive introduction of free secondary education in Ghana as required under the 1992 Constitution. This road map would be presented to Cabinet for approval and subsequent implementation. Under the guidance of this proposed road map, we can anticipate that fees for day students will be abolished at an estimated cost of GHC71 million in the 2015/2016 academic year. Other reliefs in respect of boarding student would be announced when the road map is published.

Mr. Speaker , access to tertiary education continues to expand with the increase in admission into public universities and the participation of accredited private institutions in providing. While this has provided opportunity for many to gain a university education, we must be mindful both of the quality of education provided and also the disciplines offered in our institutions of higher learning. Some universities may appear interested in only



expanding enrolment to attract greater revenue and therefore waive the strict entry qualifications required for study in university.

Additionally many universities and tertiary institutions go for the softer course options and churn out graduates in business and the humanities at the expense of science, technology and allied courses which are increasingly in demand in an economy in transition from lower middle income to middle income status.

This is partly responsible for the increasing graduate unemployment level with which we are currently plagued. I have asked the Ministers of Education and Employment and Labour Relations to sponsor a joint survey of the professional and skills sets in demand in the Ghanaian labour market. Such a survey will provide students guidance in selecting courses in areas where their opportunities for employment are brighter and also provide our universities with information to adjust curricula and admissions to align with the demands of the job market.

Mr. Speaker , I am happy to report to this august house today that, as stated in our 2012 NDC manifesto and indicated in my 2013 State of the Nation Address, the establishment of the first public university in the Eastern Region is becoming a reality.

The Professor Benning-Amoako-Nuamah Committee has completed work on the nature, specialization, proposed academic mandate and specific location for this university. A draft bill for the establishment of this new university in the Eastern Region is also ready and will soon be presented to the House for consideration.

Mr. Speaker , it also pleases me to report that progress is being made with the two latest public universities that were set up in the last term of the NDC Government. The University of Health and Allied Sciences in the Volta Region has increased its intake from 155 students at its inception three years ago to 535.



Additionally, the University of Energy and Natural Resources in the Brong Ahafo Region has also grown from 150 founding students to 716 current students.

Plans are also afoot for the establishment of their satellite campuses in Hohoe Dorma Ahenkro, and Nsoatre. Honourable members will also observe in the Ghana Education Trust Fund (GETFund) Formula, to be presented to the house soon, that we have proposed to scale-up financial support to these new universities.

Mr. Speaker, before the end of this year, I will announce the formal process to convert ten of our polytechnics into Technical Universities. The Technical Committee set up by the Ministry of Education has completed its work and various stakeholder consultations are currently taking place, leading to the final conversion.

I must commend the technical committee for their impressive output and, Mr. Speaker, I welcome the excitement this policy intervention has generated in the technical and vocational education fraternity.

Ghanaians can remain assured that government will continue in our efforts to rebrand technical and vocational education and give it the important attention and support it deserves in the development of our nation. This move is particularly important at this critical moment of our development when we are embarking on the transformation of the structure of our economic fundamentals.

Mr. Speaker, despite resistance by some persons who are even guaranteed to benefit, just like all Ghanaians, we have taken a major and innovative decision to operationalize a National Research Fund.



The importance of a research fund cannot be lost on any one of us. Nations and companies have become great through research and innovation. How can we adapt and develop effective local solutions without investment in research and innovation?

Mr. Speaker, our lecturers, researchers and students deserve this special support, so that they can increase their capacity to carry out important scientific inquiries. It is fitting that this objective is being led by one of our esteemed academics, Professor Daniel Mireku-Gyimah, former Vice Chancellor of the University of Mines and Technology in Tarkwa.

Government expects the Committee to make recommendations on the modalities for accessing the Fund, its independence and its sustainability. Higher institutions of learning and all Ghanaians especially the private sector must support the establishment of this Fund, which has enormous potential to transform the fortunes of our nation.

I wish to call for the support of the legislature in the implementation of these decisions and policies, because, Mr. Speaker, our nation will have greater prosperity, with benefits for all, as a result.

As a country, Mr. Speaker , we can only be happy with the many academic opportunities being created for the youth of our country.

d. Youth and Sports

Mr. Speaker , as government responds to the issues that confront the youth in our population, we are also mindful of the need to ensure that our young people are part of the process of finding the needed solutions.



Following on the national policy document launched in 2010, we have finalized work on an Action and Implementation Plan for the National Youth Policy. The Implementation Plan represents what is a major paradigm shift in our approach to youth development in this country. While the plan represents our commitment to addressing the challenges facing our young people, it is first and foremost the work of the youth themselves.

Mr. Speaker , after several rounds of discussions with our young people and the entrepreneurs among them, we have also finalized work on what was proposed as a Youth Jobs and Enterprise Development Fund, now to be known as the Youth Enterprise Support (YES).

The ten million Ghana cedi (GH¢10million) Youth Enterprise Support (YES) initiative to provide opportunities for innovation and the creation of decent jobs by the youth of Ghana through mentorship and support.

While YES is not a full answer to our job creation issues, it does reflect my commitment to the future of the Ghanaian youth. I encourage our young people to begin the process of organizing and formalizing their business ideas to access the facilities available under the YES.

Mr. Speaker , construction of the superstructure of the Cape Coast Sports stadium commenced in June 2013. The preparatory work, which involves ground-leveilling, extension of utilities to the site, construction of drainage facilities and the layout of the road, has been completed. It is expected that work will progress steadily and be completed on schedule.

Mr. Speaker , for the third consecutive time, our Senior National Football Team, the Ghana Black Stars, has qualified for the prestigious 2014 FIFA World Cup Tournament, to be held in Brazil this June. Our national Under-17 female soccer team has also qualified to participate in the next FIFA Under-17 Women's World Cup Tournament scheduled to take place in Costa Rica next month.



Still on Sports, our local Black Stars won last year's WAFU Zone B Tournament, which was hosted here in Ghana. This tournament prepared our players for the 2014 CHAN Tournament, which was recently concluded in South Africa. We won the silver in that tournament.

Mr. Speaker , our sports teams consistently make Ghana stand out as being and giving the very best that Africa has to offer. As part of our commitment to ensure the further development of Sports, the National Sports College in Winneba has been pursuing successful private collaborations for infrastructural development through the Public-Private Partnership arrangement.

Government last year reviewed drawings of the Sports Arenas and Sports Senior High School to be established in the District and Regional capitals, and actual construction work on a selected few is expected to begin as soon as all the procurement formalities are completed.

PILLAR II: BUILDING A STRONG AND RESILIENT ECONOMY

a. Economic Performance

Mr. Speaker , despite the short-term challenges we face, our economic fundamentals remain sound and our mid-term prospects are good. Growth continues to be robust at an estimated 7.4% last year and we still retain our vision to accelerate and maintain GDP growth at above 8% going forward.

The non-oil sector of our economy grew by 5.81 percent over the same period. The agriculture sector in particular, which faced a few challenges the previous year, due principally to some difficulties in the cocoa sector, still posted a significant growth of 3.41 percent.

That we are transiting into a services economy is apparent from the strong growth that continues to be posted by the services sector. The sector in 2010 overtook agriculture as



the largest contributor to GDP and last year it posted an impressive growth of 9.1%. The Industry sector, which has witnessed sluggish growth over the last couple of years, last year posted a remarkable increase of 9.2%.

Mr. Speaker , since 2007 the world has been faced with a financial crisis and Ghana has not remained immune to the pressures created by this crisis. Recent tapering policy announced by the US Federal Reserve greatly impacted numerous emerging markets. Ghana is one of those affected. Compounding this is the fact that several domestic factors have further aggravated the challenges with our macro economy:

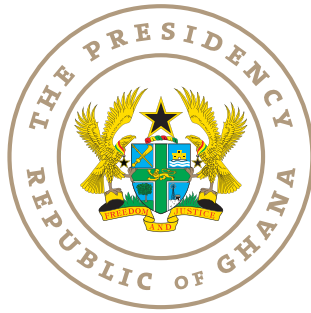
A larger-than-expected expansion in the wages and compensation bill during the implementation of the single spine created a wage spiral that we are working with organized labour to contain. Huge and unsustainable subsidies on petroleum products and utilities also threw the budget out of sync.

The net effect was an increase in our budget deficit to nearly 12%, an increase in inflation above 13%, an increase in interest rates, and also an increase in our domestic debt.

Ghana is in the capital markets to stay. And we take note of the concerns that analysts have expressed about these developments, notably the compensation bill — including acknowledgement of the painful measures that our people are having to endure towards our consolidation effort. The visiting IMF Article IV mission (*who I believe are here in Chamber with us*) has also expressed similar concerns in the course of our interactions with them.

Mr. Speaker , it is for these reasons that we have had to take difficult measures to arrest this trend and restore the macro economy to good health. While these measures have been unpleasant and difficult to take, ultimately they are necessary to create a good economic environment in which businesses can continue to, not merely survive but also grow.

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It is an experience with which, I am sure, we can empathise in our daily lives. We have all, at some point, had to bear the taste of a bitter medicine in order to restore our bodies to good health.

Mr. Speaker , I wish to assure this august house, and the good citizens of Ghana that as with the taste of any bitter medicine, this turbulence we are all being made to bear is temporary. We shall begin to see the benefits of the sacrifices we are making very soon.

Mr. Speaker , as a lower middle-income country in transition to middle income status, we have an enormous need for credit to develop our social and economic infrastructure. Our debt to GDP ratio is currently estimated at 52%. While this is not abnormally high, our domestic debt and the current high interest rates are a major challenge to the economy. The Hon Minister for Finance is currently implementing measures to refinance a portion of the domestic debt, thereby reducing the pressures these obligations are placing on the budget.

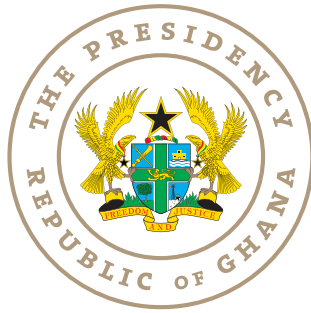
We have also commenced work on the Ghana Infrastructure Investment Fund. This fund will enable us to disaggregate our debt profile and transfer infrastructure investments with a revenue generating capacity from the public debt. Institutions such as Ghana Gas, VRA, GPHA, GACL, GNPC and other public and private institutions would be able to finance their investments through this window without burdening the public debt stock. This should significantly improve our debt sustainability profile.

We will work with our development partners and other multi-lateral associates to ensure that Ghana continues on the path of accelerated growth and equitable development into the future.

b. Foreign Exchange

Mr. Speaker , recent measures announced by the Bank of Ghana in response to the depreciation of the cedi created some concern among the business and investment community.

Mr. Speaker , Ghana still remains the most attractive investment destination in West Africa and guarantees peace, safety, stability and security. I wish to assure investors that all



agreements governing their investments remain in force and repatriation of profits and dividends are guaranteed. The BOG has clarified its regulations in respect of foreign currency accounts and it is my hope that this has allayed the concerns of both the domestic and foreign investor communities.

Mr. Speaker , Ghana has come from the environment in the 70's and early 80's when a command and control economy led to a strict regulation of foreign exchange. Reforms in the mid 80's saw the introduction of forex bureaus and the liberalization of the foreign exchange regime. In this transition we moved from one extreme to another, a situation in which control of forex was so lax, that Ghana was fast becoming a source of foreign exchange for our neighbours. Huge transactions in millions of dollars were being conducted in forex bureaus. This had not been the original intention.

Dwindling confidence in our currency led to a situation where people hedged on the dollar. Persons with excess cedis converted them into dollars and deposited them in their foreign exchange accounts. We had a situation where forex holdings on behalf of businesses and individuals in our commercial banks amounted to over \$3 billion.

In addition, our economy had become increasingly dollarized. Hotel room rates, vehicles, rents, school fees, household appliances, consumer items, cosmetics, clothes and other items were all quoted in dollars. The obvious problem with this is that the dollar is not our national currency. The currency of Ghana is the cedi, and the cedi will only gain strength if we begin to view and use it as that, our nation's only currency. The Attorney General and the EOCO have been charged to monitor the situation and severely sanction any institution advertising rates or prices and charging in foreign currency. A directive to the same effect has also been issued to government agencies.

c. Transforming our economy

Mr. Speaker , the basic structure of our economy has not changed from colonial times. The Gold Coast was designed by the colonial masters to be exporters of raw material and importers of finished goods. This is what best served their needs and purposes.

After independence our first President Osagyefo Dr. Kwame Nkrumah of blessed memory, sought to break this vicious cycle by establishing numerous state owned industries to produce consumer products for the domestic market as an import substitution measure.



Unfortunately, the management of these enterprises became a challenge and soon they turned into a very huge expense on the budget. A decision was made to divest these enterprises to the private sector. Unfortunately, in many cases, the domestic private sector was unable to leverage the financing needed to revamp these industries and bring them back into production.

Mr. Speaker the result is that we are still largely dependent on the export of raw material, gold, cocoa, timber, oil and mineral exports and on the import of finished goods. That is still the basic structure of our economy.

Mr. Speaker , a fundamental problem of our economy is that we do not make what we consume. This is the situation the late General Acheampong sought to address with the “Operation Feed Yourself” and “Operation Feed Your Industries” programmes, which were aimed at strengthening Ghana’s ability to be self-reliant.

Mr. Speaker , in 2013 alone we spent a whopping amount of almost \$1.5 billion in foreign currency on the import of rice, sugar, wheat, tomato products, frozen fish, poultry and vegetable cooking oils. Rice accounted for \$374 million, fish \$283.3 million, wheat \$226.7 million, poultry \$169.2 million, cooking oils \$127 million, tomato products \$112.1 million.

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Mr. Speaker , as we all know, raw material exports are subject to price fluctuations on the international market. Countries that are dependent on raw material exports are therefore subject to wild cycles of booms and busts.



Mr. Speaker , 57 years after independence, we need to take pause and ask ourselves some critical questions. Can the current structure of our economy carry us to the next level? What changes must we make to create an economic structure that will serve our needs and purposes?

Mr. Speaker , between 2012 and 2013 Ghana lost \$1.3 billion in export revenues on account of the decline in cocoa and gold prices. At the same time our import bill rose dramatically to \$17 billion.

Can we, as a nation, continue this unbridled importation of everything from plastic dolls to toothpicks? Must we continue to rely on a narrow band of raw material exports? Were we born to be a nation of only shopkeepers and traders? My definite response to these questions is NO!

Once more, Mr. Speaker , we return to the need for change in order to facilitate growth. We must change the structure of our economy. We must reduce the importation of items that we have a comparative advantage to produce. We must add value to our exports through primary, secondary and tertiary processing: add value to our cocoa by increased domestic processing; refine our gold before export; pursue Nkrumah's dream of an integrated bauxite and alumina industry. We must revamp Tema Oil Refinery, revive BOST, VALCO, Tema Shipyard and Drydock and the many other strategic industries that serve as extra pillars for our economy.

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I have asked the Ghana Cocoa Board to enter into a strategic partnership to produce jute sacks in Ghana. This will start by the importation of the jute fibres and the sewing of the sacks locally. It will eventually backward integrate into the production of kenaf and the weaving of the jute fibres locally. Cocobod will, at that time, be required to halt the importation of jute sacks and buy all its sacks from this factory.

I have asked the Board and Management of the Electricity Company of Ghana to encourage the local manufacture of electrical products like cables, transformers, meters etc by purchasing from local producers who meet their quality standard.

Mr. Speaker , we will this year launch a broad campaign to encourage Ghanaians to buy made-in-Ghana goods. Any import item we buy as Ghanaians constitutes an export of jobs



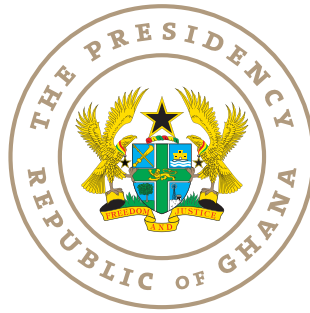
out of our country, especially in respect of items for which we have a comparative advantage to produce.

Mr. Speaker , last week I held several meetings with a host of leaders in the business community, from large corporations to medium and small-scale enterprises, companies as wide-ranging as CalBank, FinaTrade, and Scancom to Sethi Industries, Beige Capital, Reroy Cables and Agbeve Herbal.

The purpose of these meetings was to open an honest and easy exchange of ideas and information between Government and the private sector. The better we are able to assist one another, the faster we can all help to strengthen the economy by building a Ghana that is self-sufficient and successful.

Mr. Speaker , I was encouraged and inspired by these meetings. The determined, hardworking, visionary men and women I met reaffirmed my belief that Ghanaians are more than capable of creating industries to sustain this country. I met Mr. Magnus Nunoo, President of the National Association of Sachet and Packaged Water Producers. Mr. Nunoo spoke to me with the eloquence and knowledge of an economist; and why not? Mr. Nunoo attended schools in Cape Coast, Ningo and Labone; he read Economics at Legon. Mr. Nunoo introduced the packaging of water in sachets and he now employs over 100,000 people. Mr. Nunoo even found value in his industry's waste, and became a proponent of commercial-scale plastic waste management.

Mr. Speaker , at this same meeting, I also made an acquaintance of Mr. Tony Senayah, of Horseman Shoes, a company he started in 2009 by buying and selling locally made shoes from a manufacturer in LaPaz. It had always been Mr. Senayah's dream to build a vocational training institute. One day he saw a business opportunity. He realized that a lot of the young people he knew were skilled at making shoes, but beyond that they didn't know how to make their work economically viable. Suddenly he saw a way to create employment for young people. He recruited them to make the shoes that he designed. And, Mr. Speaker, I tell you: they are very nice, very comfortable shoes. In fact, I am wearing a pair right now.



This, Mr Speaker, this is what I mean when I say “Made In Ghana”. The people as well as the products. Who we are as Ghanaians has always been the driving force behind what we do and how we do it. This country is more than capable of consistently delivering quality—in people, in performance, in products—if only we demand it of ourselves.

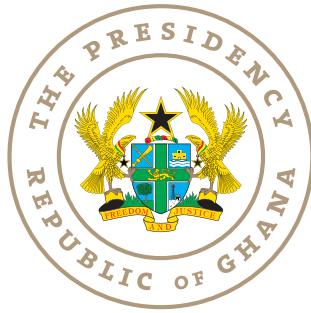
d. Agriculture and Food Security

Mr Speaker, despite the fact that the agricultural sector has lost its prime spot as the largest contributor to GDP to the services sector, agriculture remains a key priority of Government. Government’s vision to ensure food security in Ghana has been largely achieved. This has even been acknowledged by the international community. Last year, 2013, the UN Food and Agriculture Organisation (FAO) and the AU/Forum for Agricultural Research in Africa (FARA) recognized Ghana for achieving the MDG of reducing hunger and malnutrition in advance of the 2015 target date. The award was received by the Minister for Agriculture on my behalf, and it was dedicated to all the hardworking farmers of Ghana. I take the opportunity to salute my predecessors, President Jerry John Rawlings, John Agyekum Kufuor, John Evans Atta Mills (of blessed memory) for the role they all played in helping us achieve this feat.

Mr Speaker, through the use of improved planting material, subsidized fertilizers, extension services, and access to credit we have achieved surpluses in our traditional staple crops: cassava, yam, plantain and maize. This has enhanced food security in Ghana, as these foods are now plentiful in the market at reasonable prices.

And to continue on this positive note, Mr Speaker, I would like to report that even with the huge volume and value of our rice imports, our local rice production has seen a significant increase of about 60%. This has necessitated the establishment by the private sector of two new rice-processing factories in Nyankpala in the Northern Region and Sogakope in the Volta Region. Another rice processing factory is planned for Atsutuare in the Greater Accra Region.

Despite these successes, many challenges still confront the industry. Access to credit, lack of mechanized equipment for large-scale commercial rice production, non-availability of sufficient irrigated lands; all of these conditions constrain increased rice production.



However, Government is focused on partnering with the private sector to eliminate as many of these constraints as possible.

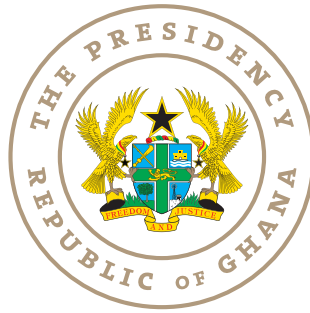
Mr Speaker, in this regard, within the past year, Government completed rehabilitation work on some viable irrigation schemes and added more than 1,200 hectares of land to the stock of irrigable land, mainly for rice production. Another 8,000 hectares have been added by the private sector, to supplement nearly 6,000 hectares of land in the three Northern regions alone. That is 15,200 hectares of land total, all devoted to rice cultivation. It is my firm belief that if we maintain this progress, we are making in rice production, Ghana will, in the near future, become a net exporter of rice.

Mr Speaker, as I said earlier, we achieved surpluses in our traditional staple crops including cassava. Cassava is the most consumed crop per capita in Ghana. An abundance of cassava, therefore, represents a good source of income for our farmers, but it also guarantees the availability of local foods such as banku, tuo zafi, gari, kokonte and fufu.

Mr Speaker, when left to our devices, we Ghanaians are exceptionally innovative and industrious. Lately cassava has also been serving as a profitable input for the brewery industry. With the introduction of a new sliding scale for excise based on the use of local inputs, the breweries have been incentivized to introduce sorghum and cassava into beer production. These new brands are proving to be quite popular with consumers. This has been made possible as a result of the availability of 6 million tons of extra cassava, over and above our national demand. The introduction of improved varieties, plus a well-developed value chain as well as the development of business oriented viable Farmer Based Organizations (FBOs) has been the basis of this achievement.

Mr Speaker, we have sustained our programme of subsidies for fertilizer and improved seeds. The fertilizer subsidy programme has increased in quantity from below 50,000 metric tonnes in 2008 when it was initiated to 150,000 metric tonnes in 2013. This year, 2014, the subsidy is expected to cover a volume of 180,000 metric tonnes. I am also pleased to report that as a result of measures put in place, the incidence of smuggling of the product has largely been curtailed.

Under the livestock production programme, the Animal Production Division of the Ministry of Agriculture is assisting farmers in the sub-sector to improve the quality and quantity of meat they supply to the market.



Mr Speaker, Government's objective is to position agriculture as a truly viable and attractive area for private capital, just as we are seeing with mining, petroleum and housing. I call on the private sector to partner with us to create these new instruments that can allow us to share both the risk and benefits of such large-scale undertakings, which will trigger a more sustainable transformation, to deliver prosperity to our people.

Mr Speaker, I am pleased to report that we're entering in some of these partnerships already in the area of irrigation development. Collaboration between government institutions and private agribusiness groups is underway to deliver almost 30,000 hectares of irrigated land under the Sissili-Kulpawn project in the West Mamprusi area of the Northern Region.

Mr Speaker, environmental impact assessment studies are also underway for a combined irrigation, flood control and hydroelectric power station at Pwalugu in the Upper East region. The Ghana Commercial Agriculture Project (GCAP) funded by the USAID and the World Bank is working with traditional authorities in the Nasia river catchment area for another irrigation project.

Mr Speaker, as mentioned earlier, work will commence on a new sugar factory at Komenda this year. This will be supported with an irrigation scheme for high yield sugar cane plantation to feed the factory. The factory is expected to create jobs and employment especially within the catchment area, and produce value-added bi-products such as energy and alcohol.

e. Trade & Industry

Since the establishment of the Free Zones in the early 90s, a lot of progress has been made in attracting serious investors into the processing zone. Mr Speaker, the Export Processing Zone is being positioned to attract more export-oriented investments that can generate foreign exchange, create employment and improve livelihoods.



The Ghana Free Zones Board licensed 23 new companies that are expected to generate more than 10,000 new jobs over the next three years.

Mr Speaker, globalization and trade liberalization have brought in their wake a number of unfair trading practices such as dumping by foreign exporters. We are aware of the difficulties encountered by some domestic companies as a result of these unfair trading practices.

To check these practices we will, in the course of this year, submit to Parliament a Bill on the establishment of a Ghana International Trade Commission (GITC), which will enable our nation to take advantage of the remedies on piracy, anti-dumping and countervailing measures. The overall effect of this commission would be to boost our domestic and international competitiveness.

--Local content boosting the Ghanaian private sector.

Mr Speaker, we have passed the local content law for the Oil and Gas industry. This will allow the Ghanaian private sector to participate fully in the multi-million dollar contracts awarded in the industry. With the passage of this bill, Ghanaian registered companies must quickly build capacity to compete in tenders advertised by the oil companies.

Mr Speaker, Government will also use its financial muscle to boost the Ghanaian private sector. Their success is everybody's success. Their prosperity is one that will ultimately benefit the entire nation. Ghanaian registered companies that are up to date in their corporate obligations would be given preference in bids under a revised Public Procurement Act soon to be laid before Parliament. Government agencies would be compelled to give first consideration in procurement to goods and services made in Ghana. Value for money and quality will not be compromised in the process.



--Ghana Commodity Exchange (GCX)

Mr Speaker, as part of efforts to create an orderly, transparent, and efficient marketing system for Ghana's key agricultural commodities to promote agricultural investment and enhance productivity, the Government has committed itself to the establishment of a Ghana Commodity Exchange (GCX) and associated Warehouse Receipt System (WRS). This move is to encourage market access and fair returns for smallholder farmers, and to facilitate the formalization of informal agricultural trading activities. It is expected that the establishment of the Ghana Commodity Exchange will position it as a West Africa Regional Hub for commodity trading activities.

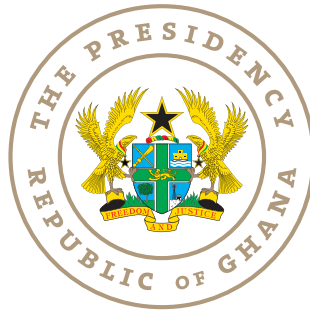
--Economic Partnership Agreement

Mr Speaker, regarding the Economic Partnership Agreement with the EU, the West Africa Regional bloc is in negotiations. In the interest of regional solidarity, Ghana is committed to the collective position of the Economic Community of West African States (ECOWAS) in conformity with the region's common goal. I am optimistic about the process of negotiation between the EU and ECOWAS and believe that an equitable and development-oriented regional EPA Agreement will be concluded in line with Market Access Regulations. Ghana must, however, consider traditional measures to guarantee market access seeing as a regional partnership agreement would not have been ratified before the deadline of 14th October of this year.

Mr Speaker, Government will support the Ghanaian industrial sector to enable it to generate jobs, reduce poverty, and increase manufactured exports. This will include affordable financial credit for retooling and expansion.

--Ports and Trade Facilitation

As part of measures to decongest the ports and facilitate trade, more non-intrusive cargo scanners will be deployed in 2014 at the various ports and major border posts. I have also directed the Minister for Finance to initiate the revision of the relevant legislative instruments to extend the time for goods meant for warehousing from 3 p.m. to 7.30 p.m.



This will also facilitate the delivery of a twenty-four hour service by the Customs Division of the Ghana Revenue Authority.

Mr Speaker, we will reduce the time and transaction costs of clearance at the ports. The case where importers must pay demurrages as a result of inefficiencies not caused by these importers but by state agencies will be corrected.

--Investment Promotion

Mr Speaker, a new Ghana Investment Promotion Act is in force to regulate investment into the country. The GIPC supported by the Ministry of Trade and Industry and the Ministry of Foreign Affairs and Regional Integration has started embarking on aggressive Trade and Investment Promotion activities in the coming years. We have plans to establish Trade Offices in China, Turkey, South Africa and Japan.

--Tourism

The Tourism and the creative sector are a major contributor to our economic growth. In 2013 the sector maintained its position as the fourth highest foreign exchange earner after Gold, Cocoa and remittances from Ghanaians abroad. International arrivals and receipts grew by 10%, rising from 903,300 in 2012 to 993,600 in 2013 resulting in an increase from US\$ 1.7 Billion to US\$1.9 and contributing 4.7% to GDP.

In terms of employment a total of 319,000 jobs were created in both formal and informal tourism enterprises. With appropriate investments in this sector, tourism can become a leading revenue earner for our economy. We will invest also in the creative industries, which have become a major source of employment and income for thousands of our people.

PILLAR III: EXPANDING INFRASTRUCTURE FOR GROWTH



Mr. Speaker, just as the basic structure of our economy has remained virtually unchanged since our transition to a free, self-governing nation, our basic infrastructure has not been greatly expanded since the early days of our liberation. Back then our population was significantly smaller and distributed more evenly between the urban and rural areas.

Mr. Speaker, in 2000 Ghana's population was roughly 18.9 million; by 2010 it had increased by more than 30% to 24.6 million. In order to sustain and enhance our projected rate of growth over the long term, it is absolutely necessary that we develop and expand our infrastructure to support expanded economic activity and to guarantee rapid socioeconomic development. Current estimates indicate an annual funding gap of about four billion cedis if we are to effectively tackle our infrastructure challenges and expand them as a catalyst for growth.

Mr. Speaker, following the announcement by the Hon Minister for Finance when he presented the 2014 Budget Estimates to this august house, I have moved quickly to set up an Advisory team to lead the way for the operationalization of the Ghana Infrastructure Fund.

Mr. Speaker, we made clear commitments to the nation in the 2012 manifesto to embark on an aggressive expansion of the country's infrastructure. Pursuant to this commitment, a number of major investments have been made as part of our strategic infrastructure programme in the road, transport, energy, water, housing and communications sectors.

a. Roads

Mr. Speaker, every single day, we trust our roads to carry our children, spouses, parents and friends safely to and from school, work, appointments, villages and hometowns. We trust our roads for the reliable transport and delivery of food and beverages, clothing and other merchandise. When our roads are not adequately maintained or repaired, we face the possibility of losing precious lives, losing much-needed revenue and losing time that could have been better spent doing something other than sitting in traffic.

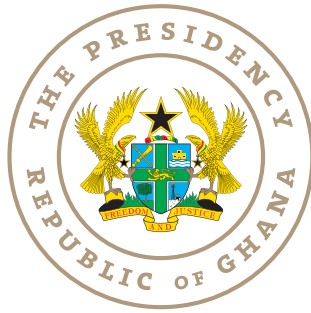


Mr. Speaker, when I delivered the State of the Nation Address last year, I informed this House of my government's desire to transform the Kwame Nkrumah Circle into a modern three-tier interchange to eliminate the human and vehicular congestion that has come to be associated with that very busy intersection. I am happy to report that I cut the sod for construction to begin on the interchange last year and work is currently ongoing.

Mr. Speaker, we are making similar progress on many other road projects in various parts of the country. We are on schedule to complete the 147-kilometre Fufulso- Sawla Road in the Northern Region. That long stretch of road, which is being constructed for the first time in history, has completely transformed the catchment area that it covers. Even before completion of the road, it is being reported that economic activity and tourist arrivals at the Mole Game Reserve have increased.

Within Accra, work is also progressing on a number of traffic improvement roads, and I must acknowledge the messages of appreciation received from residents of Teshie Tebibiano and surrounding communities following the fast track reshaping of the road linking the area to the main Accra-Tema beach road. Several road works are ongoing in the Accra urban roads district. 30 kilometers of road have been completed in the Garden city of Kumasi, many of these are in the Suame and Asawase constituencies (Abawa Ruth, Bremang UGC, Sepe Dote, Abusuakruwa, Sawaba area, Adukrom, Asokore Mampon roads.

Mr. Speaker, in 2013, significant progress was made on other important road projects in various parts of the country. These include the Tarkwa-Ayanfuri-Bogoso, sectional repairs on Tarkwa-Prestea the Central Corridor Road, consisting of Nsawam By-Pass, Kwafokrom – Apedwa, Techiman-Kintampo, Buiepe – Tamale; the Eastern Corridor Road, consisting of Asikuma Junction – Kpeve; Dodo-Pepesu to Nkwanta, Nkwanta – Oti Damanko. The Coastal Corridor Road, consisting of Aflao-Agbozume-Akatsi, and Agona Junction to Elubo Road; Accra East Corridor roads, that is Giffard and Burma Camp Roads; and the Accra West Corridor that is the Awoshie-Pokuase Road. Work will continue on the Walewale-Gambaga, Navrongo-Tumu, Tamale –Salaga, Kintampo-Abease and Atebubu-Kwame Danso



road. Work will start this year on the Lawra-Han-Tumu road. Installation of bridges is also ongoing to open up the road from Walewale to Wa.

Mr Speaker, the 60 km Anwia-Nkwanta-Assin Praso road has been reconstructed with a new bridge spanning River Pra. This project will be commissioned in the coming weeks.

Mr Speaker, in 2013, across the country, we undertook critical maintenance work on a total of 15,405 km of trunk, urban and feeder roads. This year, in addition to ensuring speedy completion of the ongoing projects, we will commence a number of new road projects aimed at further opening up the country and facilitating the free movement of people as well as enhancing economic activity. These projects include the 25km Kasoa bypass, and town roads in Sekondi-Takoradi, Nyarkrom, Gwolu, Bole, Manfi-Kumasi, Kpetoe, Moree, Old Tafo and Fomena-Anyasi.

b. Transport

Mr. Speaker, we have always been fond of referring to Ghana as the gateway to West Africa, but more and more it's looking like Ghana is becoming a gateway to the rest of Africa as well. A reliable, efficient, cost-effective and modern transportation system is required to fast track our transition from a lower middle-income to a fully-fledged middle-income status. To this end we have, over the last few years, been putting in place the building blocks for reaching this goal.

A well-coordinated port infrastructure expansion programme has commenced at both the Tema and Takoradi harbours. The purpose of these projects, Mr. Speaker, is to position the ports in readiness for enhanced port business, targeting our landlocked neighbours, larger vessels and the oil and gas sector.

Infrastructure development projects are major job creation avenues, and these ongoing works are creating thousands of jobs. As we prepare for the start of work on the



upgrading of the Tamale Airport, we can be assured of new job opportunities in the city. This will be resulting from new and improved eco and cultural tourism opportunities, as well as support the agricultural sector by leveraging exports of fresh produce and agro-based industries.

Mr. Speaker, work is progressing on the rehabilitation and expansion projects at the Kotoka International Airport (KIA). The parking apron for wide-bodied aircraft has been completed. Expansion of the arrival hall will be carried out to create more space for the increased number of passengers arriving at Kotoka each day. Adverts would soon be placed for the construction of a new terminal at the Kotoka Airport. This terminal to be known as terminal 3 will take the pressure of terminal 2, so that rehabilitation of that terminal can take off in earnest.

Work is ongoing on the resurfacing of the Kumasi Airport runway. Runway lights and modern navigation systems are being installed and work should be completed within a few months. This will allow aircraft to land at all times through the day and into the night time. Passengers arriving on long haul aircraft at night and wishing to continue directly to Kumasi would be able to connect by domestic carriers. Designs for aerodromes in Ho, Bolgatanga, and Cape Coast are being done and should be ready soon.

Mr. Speaker, before the end of my first term, Ghana will witness a revival of its railway transport service, carting export produce to the ports and safely carrying commuters over various distances.

I have directed a team comprising the Minister for Finance and the Minister for Transport to actualize my plans for the railway sector which includes the construction of a new rail line linking the Tema and Takoradi ports to the Boankra Inland Port, as a way of attracting more interest and revenue-generating activity from our landlocked neighbours.



Mr. Speaker, not only will this increase the life span of our roads, but it will improve the speed with which goods bound for the northern sectors of Ghana and for these nearby landlocked countries are received.

c. Energy

Mr. Speaker, the damage caused in 2012 to the West African Gas Pipelines revealed the flaws, limitations and deficiencies of an outdated infrastructure that was being forced to operate beyond its capacity.

Mr. Speaker, the pledge to ramp up of our generation capacity to 5,000 MW from the current levels by 2016, is very much on course. While we were confronted with managing the dire power supply challenges of 2013, we were not short-sighted in our resolve, but also started working towards making such crises a thing of the past.

In building what will be a resilient energy sector, we recognize that our quest to expand the manufacturing sector, enhance industrialization and transform the structure of the economy will depend on the availability of energy. Government is accordingly working to guarantee the required generation capacity, using a mix of generation sources including renewable energy, and supply from independent power producers.

A total of 534 megawatts of power generation was added in 2013, bringing our total generation capacity to 2,845. We are aggressively pursuing the completion of a number of additional power generation projects. These include the first phase of a 220 megawatt Kpone Thermal Power Plant, completion of the 110-megawatt T2 and the Volta River Authority's 12-megawatt solar project. Mr Speaker, several Independent Power Producers (IPPs) will also commence the construction of new power plants this year.



Mr. Speaker, increased power generation capacity must be supported with a reliable transmission system. Government policy in this direction is aimed at developing an efficient, modern and non-congested transmission system by the year 2015.

To attain this, a number of projects were executed in 2013. Work was completed on the Kintampo sub-station to ensure the evacuation of power from the Bui Hydroelectric Dam and to also improve transmission of power to Kintampo and its environs.

A state-of-the-art System Control Centre has been set up to improve supervisory control and a data acquisition system that now enables GRIDCO to perform economic dispatch of generating units. Work on the Tumu – Han –Wa transmission project is progressing on schedule.

Mr. Speaker, last year, government successfully secured funding for the 330kV Kumasi-Bolgatanga Transmission Line. We also commenced work to reinforce the power system in Ghana and ensure power transfer to Burkina Faso and other Sahelian countries as part of the West African Power Pool (WAPP).

Arrangements are underway to secure additional funds for the implementation of the Prestea–Kumasi component of the transmission lines.

Mr. Speaker, we are concerned about the customer responsiveness of our utility companies, and have accordingly charged the new Boards of Directors to demand and ensure that the management of the companies draw up and implement efficient and effective customer and service management modules.

Mr. Speaker, the implementation of projects under the National Electrification Scheme, in line with my ‘Energy for All Programme’, has been stepped up. In 2013, electrification



projects commenced in some 900 communities in Ghana. These projects are at various stages of completion. Ghana's electricity connectivity at 75% is currently highest in sub-Saharan Africa after South Africa.

Mr. Speaker, steady progress continues to be made in the petroleum sub-sector. Average daily production from the Jubilee Oil Field is currently 102,969 barrels a day, with a year to date average daily production of 102,112 barrels a day.

The TEN field Plan of Development (PoD) has been approved paving the way for the exploitation of reserves of about 245 million barrels of oil and 367 billion cubic feet of gas, associated and non-associated.

The Sankofa-Gye Nyame appraisal activities have been completed. Both oil and non-associated gas discoveries have been declared commercial, with proven reserves of 116 million barrels of oil and in excess of 1,110 billion cubic feet of gas. Four Petroleum agreements in the South Deepwater Tano and East Cape Three Point are at various stages of approval.

Mr. Speaker, the 3 components of the Gas Infrastructure project, which consist of offshore pipeline, onshore pipeline and a processing plant, have reached various levels of completion. The offshore pipeline is 95 per cent complete and awaiting pre-commissioning. We expect the plant to be operational in the 2nd half of the year.

Mr. Speaker, as part of efforts to discourage the reliance on wood as a source of fuel, Government will launch an LPG Promotion Programme aimed at reversing the deleterious effect the continuous burning of some 13 million tons of firewood annually is having on our environment.



The programme is expected to achieve 50% LPG penetration in urban areas and 15% in rural areas. Under this programme, 50,000 LPG cylinders will be distributed.

d. Water

Mr. Speaker, we all know that water is life. Without it, neither we, nor this planet could survive; however, this simple truth holds little meaning for a significant section of our people who do not as yet have access to potable water.

In Ghana, urban water coverage is currently estimated at 63% while rural water coverage stands at 64%. Government's long-term objective in water provision is to guarantee universal access by 2025. In the short term, however, we are working to increase urban water coverage from the current level to 85% by 2015 while taking rural water coverage to 76% within the same period.

The Greater Accra Metropolitan Area alone accounts for 60% of the total urban water supply in the country. By 2015, its projected daily demand will be 150 million gallons. Total water production from the Kpong and Weija treatment plants, which supply the area, stands at only 93 million gallons per day. This leaves a shortfall of 57 million gallons each day.

To bridge this gap four key projects are currently ongoing and will deliver a total of 65.3 Million Gallons of water per day to the existing production capacity. Between this year and 2015, the total water supply to the Greater Accra Metropolitan Area will increase to 158.3 Million Gallons of water per day, enough to tackle the water demands in the area by the end of 2015. This will end the water starvation in the Northern part of the city. Adenta, Haatso, Agbogba, Madina and all others will receive water.



Mr. Speaker, the projects are the Kpong water supply expansion project, Kpong intake rehabilitation project, Accra-Tema metropolitan area water supply project and the Teshie-Nungua desalination water project.

Mr. Speaker, there are dozens of other water projects at various stages of completion around the country which would add about 30 million Gallons of water per day to the existing production capacity.

Mr. Speaker, a number of projects intended to make water available to rural dwellers were vigorously pursued in 2013, including the Damanko-Kpassa Water Supply Project, which will serve about 60,000 inhabitants in 13 communities in the Nkwanta North District of the Volta Region.

Under the COCOBOD borehole project, over one thousand boreholes were sunk to serve 300,000 people, and under the Northern Regional Small Water and Sanitation Project, 125,000 inhabitants in 14 Districts are been targeted. Mr. Speaker these interventions coupled with other initiatives across the country have firmly put Ghana on the way to achieving the MDG goals on water.

e. Housing

Mr. Speaker, available data puts the housing deficit in Ghana at a staggering 1.7million housing units. There are a number of interventions ongoing to help reduce the deficit. Work has commenced on a 5,000 units project at Ningo in the Greater Accra Region. This is part of what is billed to be a 9,120 unit affordable housing complex.

The quest to tackle the housing deficit is being handled not as a 100% government financed project but through various forms of private sector participation. Another set of 15,000 affordable units will be constructed over the next five years in Nsakina, Odumase, Kpone and Borteyman.



I have, following discussions with some members of the Ghana Real Estate Developers Association (GREDA), directed the Minister for Lands and Natural Resources, and his colleague at the Water Resources, Works and Housing to discuss with the association a proposal for their contribution and involvement in the construction of affordable houses.

Mr. Speaker, let me add that various state agencies have been tasked to finance and complete the projects abandoned by the Kufuor administration. The Tema Development Corporation (TDC) is working on buildings at the Kpone site while the Social Security and National Insurance Trust (SSNIT) has taken over the construction of the units at Boteyman, Asokore-Mampong in Kumasi, Koforidua, Tamale and Wa.

f. Communications

Mr Speaker, information and communication technology can improve the quality of life of our citizenry. Just think of all the ways we now use our mobile phones. In a relatively short period of time, this technology has become one of the most indispensable tools of trade, health, banking, financial services, money transfer, social networking, and education as well as skills training.

In the face of global economic challenges, this sector in Ghana continues to register improved growth, contributing about 24.7% to the Service Sector's share of GDP last year. Due in part to an enabling and improved operating environment, infrastructural expansion and sustained competition, telephone subscriptions for both mobile and fixed access lines increased by 10.5% over the 2012 figure of over 25 million. Last year, the sector recorded a total of about 28 million access lines representing a penetration rate of 107.5% with mobile telephony accounting for 106%, representing over 27 million subscribers.



Mr. Speaker, to further expand access to broadband infrastructure for increased Internet access in the country, the construction of the Eastern Corridor Fibre Optic network commenced last year and so far 107km of fibre out of the 780km stretch has been laid.

PILLAR IV: MAINTAINING TRANSPARENT AND ACCOUNTABLE GOVERNANCE

Mr. Speaker, the most formidable pillar of our transition to middle-income status is our enviable and deepening record of constitutional governance and rule of law. In the past year, Ghana has demonstrated, beyond every shred of doubt, the resilience of our democracy. Together we are knitting the fabric of an inclusive, united and tolerant society. Together we are moving forward on the path of democratic consolidation.

In the past year I have sought to conduct a participatory and transparent administration by consulting regularly with selected interest groups to interact and share ideas with them on Government policy and to receive their input on issues of concern to them. I have met with religious and traditional leaders, with youth groups, persons with disability, women's groups, civil society organizations, anti-corruption coalition, market traders associations and several others too numerous to mention.

I will continue these interactions with the good people of Ghana in order to get better sense of their needs and, from their own mouths, to gain an understanding of how they feel Government is or is not fully meeting its mandate to represent their needs.

The judiciary also remains a strong ally in our fight against crime, and the promotion of rule of law. I wish to place on record again that Government is committed to deepening collaboration among the various arms of government in our collective desire to build a stronger nation that truly respects law and order.

a. Combating Corruption

Mr. Speaker, we will aggressively continue the fight against corruption. Corruption erodes national resources and deprives Government of the capacity to invest in our people. I wish to restate my unwavering commitment to continue an unrelenting battle against corruption. We will fight this battle on two fronts. Firstly to put in place the measures to prevent corruption, and secondly to pursue and punish corruption wherever it occurs.



Mr. Speaker, in the past year our commitment to the fight against corruption has been manifested in the actions we have taken. We set up the Sole Commissioner office to investigate cases of Judgement debt. We eagerly await his report and would work with it to ensure that we get rid of this huge drain on our public resources.

While we await the completion of work by the Sole Commissioner for further action, I have asked the Attorney General to vigorously defend all actions brought against the state. In this regard, Government has successfully defended claims filed against the government both within and outside Ghana, thereby halting payment of sums in excess of GHC1 billion.

Last year we set up investigative committees to look into various allegations of corruption. We published their reports and the Attorney General and EOCO are proceeding to act on the outcome of their investigation.

We completed and launched a Code of Ethics for public office holders. This code provides guidance to public officers in matters such as conflict of interest, abuse of office, modesty etc.

Mr. Speaker, I also announced supplementary measures to stem corruption, including the cancellation of the convention of being able to purchase one's official car or residence at the end of one's public service.

We have embarked on a registration exercise of Government vehicles in order to prevent their misuse or theft.

I have made submission of reports of Audit Reports Implementation Committees (ARICS) a part of the performance criteria of Ministers and their Chief Directors.



I have asked the AG to pursue prosecution of persons indicted in audit reports for the misappropriation of public funds.

For more transparency in procurement we have directed for sole sourcing applications to be justified to Cabinet by Ministries, Departments and Agencies (MDAs) before submission to the Public Procurement Authority (PPA).

Mr. Speaker, we have presented many pieces of anticorruption legislation to this house for your consideration. The National Anti-corruption Action Plan and Strategy has been laid before Parliament, as part of a series of anti-corruption legislation, including, the Anti-Money Laundering (Amendment) Bill, 2013; the Conduct of Public Officers Bill, 2013; the Whistle Blowers (Amendment) Bill and the Right to Information Bill.

Mr. Speaker, the existence of corruption in the system must not be a political baton that we drudge up every few years to clobber one another with. Corruption is a problem that begins and ends with one government; it is pervasive and virtually institutionalized. It does not help to segment corruption because it does not segment the harm that it does. It hurts society as a whole, so must fight it as a whole. The Attorney General has received my full encouragement and support to deal firmly with cases of corruption no matter whose watch the acts occurred under.

b. Law and Order

Mr. Speaker, indiscipline and lawlessness are fast infecting the fabric of our society in the form of encroachment of public lands, sale of the same plot of land to multiple buyers, armed land guards wreaking violence on innocent people. All these problems are becoming endemic in our society and are being exacerbated by growing urbanization.



Part of the problem is associated with the negligence of heads of public institutions whose mandate it is to regulate these practices. In some cases, these very institutions condone and connive with the offenders, thereby appearing to provide legitimacy to their actions.

Recently, there has been a spate of demolitions, some ordered by the courts and others carried out by state agencies to evict squatters or encroachers from public lands. Ultimately, these demolitions create hardship for our citizens. Public institutions have a responsibility to act in a timely manner in protecting state-owned lands, and must do so. It doesn't help to sleep on one's rights only to suddenly awake one day and seek to enforce those rights by measures as drastic as demolition.

I have tasked the Ministry of Interior, Ministry of Local Government and the Ministry of Lands and Natural Resources to develop guidelines to regulate demolitions that are in conformity with the laws and statutes in such a way that they respect the rights of citizens and at the same time hold relevant public institutions culpable for their inactions at the outset of the problem. We will strengthen our public institutions to make them more transparent and client-friendly.

Mr. Speaker, the fight against crime is being prosecuted vigorously by our security services. In pursuit of this, the Ghana Police Service, with the approval of Government introduced Visibility & Accessibility Patrols alongside Community Policing, Tent City Systems and Street Policing Strategies. The Formed Police Unit was also established to deal with public order management. I am happy to report that there has been a steady reduction in crime with the introduction of the Police Visibility Patrol in the main metropolises of Accra, Tema and Kumasi. The Patrol's presence has also positively impacted the flow of vehicular traffic in those cities. These initiatives were meant to bring the services of the Police closer to the people and will be extended nationwide.



Mr. Speaker, to improve the capacity of security agencies to provide internal security for human safety and protection, Government has facilitated the establishment of a Police Command and Staff College in Winneba and recruited 3,000 personnel with 1,900 of them in training at the various Police Training Schools across the country. This has led to the improvement in Police Population Ratio (PPR) from 1:824 in 2012 to 1:747 in 2013 as compared to 1:1100 in 2010. This has brought us closer to the United Nations' benchmark of 1:500 (PPR). Currently, the strength of the Service has increased from 29,117 in 2012 to 32,117. Government has acquired 2 mobile clinic vans, 6 marine police speedboats, 14 "Maverick" armoured vehicles and some communication equipment to aid operations. The police have also received more than a 1000 vehicles to enhance their mobility.

Mr. Speaker, high on the government's priority is the fight against the trafficking in and use of illicit drugs. Beyond taking steps to improve public education, our security agencies have stepped up their operations to fight against the abuse of, and trafficking in narcotics. Last year, NACOB facilitated the arrest of traffickers, and seizure of several kilograms of various illicit drugs and psychotropic substances including a recent case of 414kg of cocaine with an approximate street value of 115million cedis. As part of our strategy to arrest the drug menace, the NACOB has been facilitated to open 8 additional regional offices, for which they have recruited 250 personnel who are currently undergoing training.

Government has also initiated a draft Narcotics Control Commission's Bill to replace PNDCL 236, which established the Narcotics Control Board (NACOB).

Mr Speaker, Ghanaians have proven time and time again that we are a peaceful and harmonious people with no desire or tolerance for war or violence. Even as our neighbours were engaged in civil unrest and bloodshed for lengthy periods, we did not allow it to spill over into our land. Within our borders there existed peace.

Government will do everything possible to ensure that this continues to be the case. We will work with the National Peace Council to ensure a resolution of conflicts and bring



lasting peace to areas that have been going through conflict. We will continue to support NPC to deliver on its mandate.

Mr Speaker, our Armed Forces continue to earn praise for their professionalism and performance both within the country and abroad at the peacekeeping missions to which they are deployed. Despite the esteem in which our Forces are held, Mr Speaker, the equipment and logistic situation of the Armed Forces was pathetic. Lack of airplanes and helicopters; lack of naval vessels; lack of APCs, IFVs, and engineering equipment forced our men and women in uniform to become the most ingenious improvisers you could ever find.

Mr. Speaker this situation has dramatically changed. Our waters are kept safe from pirates because the Navy has received 7 new vessels. The Air Force role in ensuring national security and safety has been enhanced by the acquisition of CASA Troop transport Aircrafts, Diamond surveillance and patrol aircrafts, MI 17 heavy lift helicopters, and new Hangars for maintenance work.

The responsibilities of our Forces continue to increase. Apart from engagement in peacekeeping theatres in Lebanon, DRC, Liberia, Sierra Leone and Mali, we recently have been requested to deploy for air operations in Mali, and also to deploy 850 troops as part of the UN mission in South Sudan.

Mr Speaker, we are proud of the valiant men and women who serve Ghana and the world, on behalf of this nation, and Government is committed to doing what it can to make sure they are able to conduct their service more safely and efficiently, in attire that is appropriate and an atmosphere that is befitting.

c. Parliament



Mr Speaker, Ghana enjoys substantial praise both nationally and internationally, and has earned an enviable reputation as a burgeoning democracy in large part because of our strong Parliament. The Parliament of the Republic of Ghana has led the way in ground-breaking procedures and practices, becoming the hub of many Parliamentary Networks. Strengthening Parliament is therefore crucial to strengthening our democracy.

Mr. Speaker, I will continue to work to enhance the dignity and respect of this august house. We need to work closely to strengthen public input in the legislative process. After years of delay, I am pleased that Members of Parliament would soon have decent offices from which to conduct their business. The days of using our car trunks to conduct business will finally be a thing of the past.

Mr. Speaker, the Constitutional Review Implementation Committee has been working hard to fulfil the mandate given them. It is my hope that at the appropriate time this house will lend its unalloyed support to achieve the objectives of the Constitutional Review exercise.

Mr. Speaker, work will commence on the reconfiguration of the Chamber to accommodate the increased number of MPs to 275 for effective legislative work.

d. Deepening Centralization

Mr. Speaker, Ghana's decentralization process has been acclaimed across Africa as one of the most far-reaching in the continent. We have continued to deepen administrative decentralization and made significant headway in the areas of Fiscal Decentralization.

By putting more power in the hands of our people at the local government level, we would be empowering our people to take their destinies into their hands. It will make us better able to handle the enormous issues of sanitation and pollution that are threatening to engulf us. This will enhance efficient use of national resources and give our people a better stake in the progress of our nation.



e. Foreign Policy

Mr. Speaker, Ghana's foreign policy has assumed prominence in the area of peacekeeping. We are getting more engaged in advancing regional integration at the West Africa and continental levels. In 2013, we were instrumental in the successful efforts of ECOWAS and the international community to achieve a peaceful resolution of the conflict in Mali.

We continue to be actively engaged in several other peacekeeping initiatives in the region and around the world. Our people have provided us full support for these initiatives, and our citizens are proud to belong to a nation that helps in the resolution of conflicts and the promotion of democracy across our continent.

Mr Speaker, as the focus of my Government is on the transformation of our economic structure, we are actively engaged with our neighbours in strengthening regional integration. A key part of this agenda relates to the very themes I have enumerated for our domestic economic growth, namely: strategic infrastructure; energy; improved governance; and employment.

Ghana will continue to champion regional integration and African unity. We see the transformation of Ghana's economic structure as deeply linked to the emergence and fortunes of a viable West African market, with an overall population of more than 250 million people.

Mr Speaker, most nations have accelerated their development and transformation by harnessing the contributions of their Diaspora. People of African descent made key contributions towards Ghana's independence and Ghana continues to benefit from the contributions of Ghanaians and non-Ghanaians in the Diaspora.

The Ministry of Foreign Affairs and Regional Integration has now established a fully-fledged Bureau for Diaspora Affairs, as a national platform for Diaspora engagement, migration and development. This new outfit possesses the enhanced capacity as well as



the mandate to coordinate the work of stakeholder institutions and mainstream their contribution into our national development agenda.

Many hundreds of highly experienced and qualified Ghanaians who have recently retired from the UN system, for example, are also standing by to assist us in our transition to middle-income status.

These are refreshing new directions that our foreign policy will begin to address, as we embark on this journey of transformation.

CONCLUSION

Mr Speaker, in order for it to be thorough and successful, this transformation will require the support and participation of all Ghanaians.

In 2013 during my year's-end meeting with the Council of State, various members were bemoaning what seems to be a fallen sense of selflessness and patriotism within our society. We discussed at length the topic of responsible citizenship and wondered whether that value had somehow been lost to the political divide that has swallowed so much of what once joined us together.

My first inclination is to believe that it has not. It is to believe that Ghanaians are, at our core, the same people we were on March 6, 1957 when we became a free nation. I am inclined to believe that those traits and values that led us to our liberation back then were passed down, as gifts, from one generation of Ghanaians to the next.

Mr Speaker, I began this address by stating that today, as I talked about where we are as a nation, I also wanted to talk about who we are as a nation. Ask any Ghanaian what it means to be from this country, what it means to be "Made in Ghana" so to speak, and she or he will respond with pride.



I have witnessed it time and time again, the pride with which we talk about our homeland, whether we are mentioning our leading role in Africa's independence or our leading role as UN peacekeepers since the inception of the programme. When we talk about Ghana there is so much to share from our rich culture and numerous languages, from our foods and folklore, from our music and dance, and from our heritage and traditions.

Mr. Speaker, there is a reason why day after day, flights destined for Ghana are filled to capacity with tourists and volunteers and NGO workers. There is a reason why so many black people in the Diaspora with no immediate Ghanaian lineage rename themselves Kwame, Kofi, and Kwasi or Adwoa, Abena and Afia.

Mr Speaker, the world loves Ghana because we love Ghana. But the instant we allow ourselves to fall prey to the pettiness of politics and the small-mindedness of doomsayers and people who actively wish for the failure of any action or policy intended to lift Ghana up, we turn our backs on that love and in so doing, we betray our own homeland.

Ghana is bigger than any of us. She is bigger than any of our political parties.. Ghana belongs to its people. Ghana belongs to the members in the 74,000 households who will now be able to eat because of the cash assistance given to them by LEAP. Ghana belongs to the children who are now able to attend school, the new teachers who are now being trained, the villagers who now have potable water to drink.

Ghana belongs to our Black Stars and Black Queens and other representatives in the arena of sports. Ghana belongs to its business leaders, entrepreneurs and its enterprising young people who are creating jobs and working to strengthen our economy, innovate people like those seated in this house today: Kate Papafio of Reroy Cables, Frank Adu of CalBank, Michael Hinaku of Beige Capital, Alhaji Mohammed Agbeve of Agbeve Herbal, Tony Senayah of Horseman Shoes, Magnus Nunoo of Sachet and Bottled Water Producers and many, many more like them.



But most of all, Ghana belongs to you, the people who get up every day and do their best to earn a living, to maintain your household, to feed and educate your children, to care for your elders, and to be a functional part of your communities.

Your love of this country matters.

Your service to this country makes a difference.

Mr. Speaker, I must believe that we are still a patriotic society with citizens who feel a sense of responsibility to their nation.

Mr. Speaker, we must all rise to the challenge of transforming Ghana—because if not us, then who?

We cannot falter and we must not be afraid because God is on our side, and the holy book says “If God be for us, who can be against us”

I thank you for your kind attention.

END