

# 'HAIRCUT'

## Health Workers' Union Fights Govt Over Pensions ...As Minority Rejects Debt Restructuring Programme



**Haruna Iddrisu, Minority Leader**



**Officials of HSWU at the press conference**

**T**he Health Services Workers' Union (HSWU) has vowed to resist any attempt by the government to touch the Pensions of its members which is now widely referred to as 'haircut' on investments which is part of the government's announced debt restructuring programme. The General Secretary of the HSWU, Franklin Owusu Ansah, at a press conference held on Sunday said "If the government finds it so important to do the debt restructuring, we will urge them to ring-fence the Pension Funds of workers. Workers of Ghana can't continue suffering to the grave. Enough is enough!!"

This comes on the back of a leaked report on government modalities of a debt restructuring that will ostensibly bring about 'haircut' on bondholders and investors in the capital market. The Minority in parliament yesterday also expressed its reservations about the debt restructuring programme out rightly rejecting the move announced by the Finance Minister, Ken Ofori-Atta.

*Cont. on page 2*

### Local Tourists Laud B-BOVID Farms Over Introduction Of New Agriculture Module



**The visitors at the farm inspection of Mr Issa Ouedraogo**

**L**ocal tourists who have been visiting B-BOVID farms, located at Angu, in the Shama District of the Western Region, as part of the celebration of this year's farmers day

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**Organised Labour Rejects Govt's 18% Salary Increment, Insists On 60%** *page 3*

**Voltarians Hail Alan At Gbidukor Festival**

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# The INSIGHT

## — EDITORIAL

### THE NEED FOR RESEARCH

**T**he observation recently by a top researcher to the effect that Africa is not developing due to the failure of its governments and leaders to use researchers who will conduct research into developmental issues of interest cannot be far from the truth.

The claim that African governments have also failed to provide adequate resources and funding for researchers to enhance their work such that they can perform their duties to serve as a guide in the formulation of policies to promote socio-economic development is also very instructive.

It is regrettable that our leaders have still not seen the need to rely on research to undertake the developmental goals of the continent when elsewhere research has become a reliable tool for solving many problems that confront us as a society.

In Ghana for instance, some intensive research work conducted into both new and old fields of endeavours and their valuable findings have been shelved or abandoned for no apparent reasons.

Some of these research works or projects took the pain, sweat and time of individuals in some state or private institutions including some amount of money to arrive at conclusions and findings that seek to address challenges facing our country and society.

The situation is very disturbing in that some of the challenges confronting us as a country could have been easily addressed if policy makers especially political actors had taken research seriously.

Research findings or outcomes the world over, are critical in formulating policies for national planning as the advanced countries had chalked many developmental successes through research, scientific and technological innovations and as a country cannot afford to lose out by shelving some of our invaluable research findings. It is now time to make use of our research findings for national planning and development and if this requires going back to previous research findings and dusting them to suit areas of challenge the better for us all.

# 'HAIRCUT'

## Health Workers' Union Fights Govt Over Pensions ...As Minority Rejects Debt Restructuring Programme

*from front page*

As part of the debt restructuring for domestic bondholders in terms of interest payments, bondholders will receive zero interest rates in 2023, 5% interest in 2024, and 10% interest in 2025.

In addition to this, the government is set to forward or extend the tenure of all maturing bonds by 10 years.

This came up during a recent meeting between Finance Minister Ken Ofori-Atta, government officials, and heads of banking institutions in the country.

The HSWU in reaction however to the development fears government is tampering with the present and the future of workers who had the hope of sacrificing to have a better future.

The General Secretary said the policy responses to the economic crises by government are bringing untoward hardship to its members and all workers at large as Pensions and Investments have been put at risk by the actions of the government.

"The promulgation of Act 766 was to resolve the problem of inadequate and low Pensions that was received by workers. The second Tier was designed primarily to give contributors higher lump sum benefits. In light of this, anything short of this would be calamitous to workers.

"All these unfolding events bring shivers to the spine of our members who have struggled all these years with meager salaries. The actions and intentions of the government bring to question the principles of investment and saving," Franklin Owusu Ansah bemoaned.

The National Democratic Congress (NDC) Minority in parliament also said yesterday that it will not accept the debt restructuring programme announced by the Finance Minister, Ken Ofori-Atta.

Addressing a press conference at Parliament in Accra, Haruna Iddrisu, the Minority Leader said, "Let me state,

without any fear of contradiction, that the form and structure of the debt restructuring plan announced by Ken Ofori-Atta are unacceptable to us, and we simply will not accept it,"

He also raised concerns over why the government failed to announce the exchange programme in the budget statement that was presented to parliament.

It would be recalled that the Finance Minister in an update on the economy Sunday evening announced that Ghana is embarking on a debt exchange program to ensure that debt levels are brought to sustainable levels. The minister explained that the move is to ensure that the country achieved restoration of macroeconomic stability.

He said, "The Debt Sustainability Analysis (DSA) demonstrated unequivocally that Ghana's public debt is unsustainable, and the Government may not be able to fully service its debt down the road if no action is taken."

"Indeed, debt servicing is now absorbing more than half of total government revenues and almost 70% of tax revenues, while our total public debt stock, including t

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## THE INSIGHT

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# Local Tourists Laud B-BOVID Farms Over Introduction Of New Agriculture Module

from front page

activities, have been commending Issa Ouedraogo, the social inclusive entrepreneur for using a new module of Agriculture to change an age old narrative in farming practices. They believed the government of Ghana should work closely with the entrepreneur to expand the scope of his business and ideas to benefit more Ghanaians. Speaking in an interview with journalists on Friday December 2, 2022, the Coordinator of Good Governance Africa, an established Non-Governmental Organization operating in Western Region, Edward Tei Sarpong,, who took over hundred school pupils to B-BOVID farms, expressed satisfaction with the impact of the new module of agriculture being used by the entrepreneur to inform farmers to reform and transform their activities. This new social inclusive module of farming, he noted would keep the farmers active, proactive and productive. "What we have been doing with B-BOVID in the last seven years, is to introduce people to his new concept of farming geared towards training farmers on sustainable Agriculture" He explained that the reason for



The visitors at the farm inspection of Mr Issa Ouedraogo

the NGO marrying governance with tourism and farming, was to promote Agriculture, "It is an aspect of our lives that borders on our existence and sustenance" Other visitors who watched the amazing things being done by the entrepreneur noted that "This is a Ghanaian who grew up as an orphan, God being so good to him, he had been able to educate himself and ended up with good jobs outside of the country. He also ended up with international organizations and was one of the guys who was spearheading the Poverty Strategy Peer Person and also the Millennium Development Goals. " This guy, was earning over 120,000 dollars a year, decided to use his own money 800,000 dollars plus a loan of 1.7 million dollars, by the way, he himself

brought it from outside and it was supposed to have been given to him at 5%, but ADB gave it to him at side plan of 33%. Nevertheless, this guy still had hope, and wanted to prove to the world, Ghanaians, that Agriculture still remains the cornerstone of our economic development," he noted. Listening to the struggle of the farmer and how he managed to turn things around, Kwame Frazier, one of visitors to the B-BOVID farms said "He set up a social enterprise and set up an ICT center for farmers which still remains the only one in the country, a mechanization center, an alternative livelihood center, and a factory to operate as a totally socially inclusive business with profit sharing and shared value as a center of that business, that worked. Aside that, he created 15 acre ecological biodiversity garden which he ironically named it garden of Eden. He set up 3 big dams, to demonstrate climate smart Agricultural technology for future farming. He also created an ecological and agro-forestry with vegetables and other products in it. "This guy deserves to be

celebrated, deserves to be encouraged, deserves to be supported and should not be left to a fake, wicked who claims to be social impact investors who by the way wanted to use this man's credit, achievements and credentials to seek glory outside Africa. It is unfortunate, that even renowned lawyers in this country will support this fake investors who have recruited same person's staff to tarnish his image, creating fake names on internet, on social media to tarnish his image and insult him. Ghanaians must not sit down to look at this to happen," he noted. He added that "His garden of Eden, his ecological biodiversity garden, his climate smart technology, or the innovation center, the agro-forestry, the tourists observed, still remains unique in this country, that students, farmers, and tourists are enjoying or benefiting from that, including universities and researchers like CSR." The visitors appealed to government to support his activities and take concrete steps to investigate issues troubling the operations of the entrepreneur.

"This is the person to be disgraced, to be dragged into dirt by jealous, greedy selfish individuals as well as lawyers, staff and individuals in this country. So it is important that Ghana government looks into that whether it is the NIB, CHRAJ or any relevant authority, the media. They should wake up and show interest in this company and find out exactly what is happening. "This guy is also ready to even borrow money to pay independent auditors to verify how these fake investors came along and the things they did if it is in line with international reclamations on how to acquire or be partner of a social impact investors. This is a challenge that the Ghanaian public has to show interest," they stated. In terms of evidence, they said "His setups are all there for people to see and the achievements he has clocked. "In the very difficult terrain in Ghana, this guy still managed to prove to the nation that it is doable, it is possible, therefore seeks national authorities support to end this issue" they concluded.

## Organised Labour Rejects Govt's 18% Salary Increment, Insists On 60%



Ignatius Baffour Awuah, Minister for Employment and Labour Relations

Organised Labour has rejected a proposal by the Government of Ghana for an 18% increment in the base pay of public sector workers. A negotiation meeting between the government and Organised Labour ended in a stalemate as the labour front maintained its position for a 60% increment. A representative of the Civil and Local Government Staff Association, Ghana (CLOGSAG) has suggested that they may

rather adjust their demands upwards considering the details contained in the 2023 budget. "As you are aware, we have read the budget and there is an indication that there will be an increase in VAT of 2.5 ... so this is fresh information that they have brought to that table. Because the budget has indicated certain issues in relation to VAT and the tax bracket to increase our burden," the CLOSAG representative is quoted in a report by Myjoyonline.com. In the same vein, the Ghana National Association of Teachers (GNAT) said it has also rejected the offer by the government. "We are not representing ourselves, we are representing the

larger group of teachers that are working in the country, so the stance of Organised Labour we are bound by it," President of GNAT, Isaac Owusu is quoted as saying. The Trades Union Congress (TUC) also shared the same position against the government's proposed figure of 18%. "We've been considerate for years and many things have gone wrong, so I think that this is the time to right the wrongs. The Single Spine Salary Structure is the most indecent structure in this country and we think that this is the opportune time to right the wrongs. So we have not been difficult...we are the same

people that took the four and seven percent and so we won't take anything below 60%," a TUC representative said. Meanwhile, the Deputy Minister for Employment, Bright Wereko Brobbe, has expressed worry about the development. "We have met, but labour insists on a figure, so we will go back and reconvene... We have tabled something, and labour says that they are unwilling to take it. So it is a clear state of frustration, of course, you do not expect me to be happy when there is this state of affairs," he said. The Deputy General Secretary of the TUC, Joshua Ansah, in an

interview with Joynews on Tuesday, November 29, 2022, said the government should expect fierce resistance if it insists on paying anything less than 60%. "There is no way Organised Labour is also going to accept what has been put in the budget. Well, if the government has made up its mind that it is the way it thinks that he can actually force down the throat of workers, then we are in for a big fight, because there is no way government can pay anything below what we are expecting," he said.



# INTERNATIONAL NEWS REPORT

## Compiled By Peoples Dispatch

### The US Senate Just Voted To Force Rail Workers To Work Without Sick Days

The United States Senate has voted to force rail workers to accept a tentative agreement that provides no paid sick leave, which is the central demand of unionized workers. This agreement had been [pushed](#) by the Biden administration in a bid to prevent rail workers from utilizing their right to strike in their struggle against rail companies, which currently deny many rail workers any sick leave. The Senate struck down a measure pushed by progressives in the House of Representatives, which would have added seven days of paid sick leave. The measure would have passed in the Senate as it

was approved by 52 in favor and 43 against, were it not for a filibuster, which required the bill to pass by 60 votes. Therefore, it seems as if workers will be forced to accept the agreement as is, without sick days. Joe Manchin, [infamous](#) for striking down major progressive legislation pushed from his own Democratic Party, voted down the seven day measure. Notably, six Republicans voted for the measure: Senators Ted Cruz, Josh Hawley, Marco Rubio, Mike Braun, John Kennedy, and Lindsey Graham. Many workers had [rejected](#) the tentative agreement earlier this month, including some organized under

SMART-TD, the largest rail workers union. The tentative agreement excluded any sick leave and only added one extra day of personal leave. Workers are demanding as many as 15 days of paid sick leave. The US government is essentially poised to force these workers to work under a contract they had [rejected](#). The tentative agreement had been sold by Biden and leading congressional politicians as a way to avert a railway strike which could be economically devastating. "We cannot let our strongly held conviction for better outcomes for workers deny workers the benefits of the bargain they reached, and hurl this nation into a devastating rail freight shutdown," said Biden in a



Activists protest in front of the US capitol on behalf of rail workers (Photo: Ben Zinevich). The Senate struck down a measure that would have provided rail workers with seven sick days, already a step down from the 15 sick days they

November 28 [statement](#). But some point out that workers have a legal right to strike in the US, and that rail companies such as Warren Buffet's BNSF were pushing cruel policies which penalized employees if they fell sick or

had a family emergency. As per a YouGov poll, a plurality of people in the US (39%) favors prioritizing workers' rights over economic growth in regards to a potential rail strike.

### ICJ Rules That Bolivia And Chile Both Have Right To Use Disputed River



The ICJ delivering a verdict on the dispute between Bolivia and Chile over the Silala river. Photo: ICJ. The ICJ recognized Bolivia's sovereign right to the canalization of the Silala river as well as Chile's usufruct right to its waters

The International Court of Justice (ICJ), on Thursday, December 2, delivered its verdict on the dispute between Bolivia and Chile over the use of the waters of the Silala river, which originates in Bolivia and crosses Chile. The Hague-based United Nations court ruled that "Silala is an international watercourse," and that both countries have "the right to an equitable and reasonable use" of its waters. The ICJ also established that Bolivia has the sovereign right over the

Silala spring as well as the right to dismantle or make modifications to the artificial channels that carry water from its territory to the neighboring country. The ICJ also recognized Chile's usufruct right (a legal right accorded to a person or party that confers the temporary right to use and derive income or benefit from someone else's property) to the waters of Silala. The ICJ said that most of the claims had been resolved during the judicial process and the parties had managed to reach agreements. It recalled that Bolivia "no longer questions the international course" of the Silala waters, and that Chile "has recognized that it does not have an acquired right" over the artificially channeled water flow. In this regard, the ICJ urged the neighboring countries to work together on issues surrounding the frontier river, and protect the shared water resource through cooperation. The Silala river originates from a spring in Bolivia's Potosí department and descends towards the Pacific Ocean basin. Over the last six years, the use of its water has been the subject of a dispute between the South American countries. In 2016, Chile asked the ICJ to

declare the Silala river an international watercourse in order to guarantee Chileans' right over the use of water resources in their territory. Two years later, in 2018, Bolivia asked the ICJ to recognize its rights over the river's artificial flow given the fact that the country built a system of canals to collect water from high-altitude wetlands. Bolivia also demanded that Chile pay compensation for the use of the resources downstream.

Bolivian President Luis Arce and Chilean President Gabriel Boric both expressed their satisfaction with the ruling.

President Arce, in a [tweet](#), celebrated that the ICJ "ratified our rights over the waters of Silala and our sovereignty over the dismantling of artificial canals."

"Bolivia resolved the controversy with a sister nation thanks to the work based on scientific studies and our international relations strategy. We will continue this work for the benefit of the people," [added](#) Arce. Meanwhile, President Boric, at a [press](#)

[conference](#) from the Moneda presidential palace, described the ruling as "solid", "well-founded" and "favorable to what the State of Chile has sustained."

"Here we are honoring a tradition of excellence in our foreign policy, which is crowned with the obtaining of a solid and well-founded ruling that today manifests itself in a decision that is favorable to what the State of Chile has sustained. The ruling that the International Court of the Hague has delivered today has been categorical. Chile went to the Court for legal certainty and obtained it," said Boric.

Boric also expressed his government's intention to continue working towards deepening and improving relations with Bolivia.

"Today, after this ruling, we can focus on what unites us and not on what separates us, promoting cooperation to contribute to the development of our countries and peoples," he said. The Chilean president added that his government has every "will to work with Bolivia on issues such as security,

migration, the fight against organized crime, and the fight against climate change."

The dispute over the Silala river was one of several water-related issues that have spurred tensions between Bolivia and Chile. For over a hundred years, the neighboring countries have been in conflict over the maritime territory lost at the Battle of Calama in the late 1800s, which left Bolivia landlocked. Bolivia broke diplomatic relations with Chile in 1978 after the failure of negotiations seeking a solution to the sovereignty over the 400 km of coastline on the Pacific Ocean in the Antofagasta and Calama coastal regions.

In March, following the inauguration of President Boric, President Arce [expressed his optimism about the resolution of the long-standing struggle](#) of the Bolivian people and state for maritime access.

# Voltarians Hail Alan At Gbidukor Festival

**G**hana's Trade and Industry Minister, Alan Kyerematen set the annual Gbidukor festival alive with his presence to confirm the admiration from the Volta region. The revered politician was given a rousing welcome on arrival at the 2022 Gbidukor festival in a colorful ceremony held at Hohoe. Alan Kyerematen was accompanied to the festival grounds by some current and former New Patriotic Party Members of Parliament including Hon John Peter Amewu, MP for Hohoe, Hon Asante Boateng, MP for Asante Akyem South, Hon Dr Kissi Adomako, MP, for Anyaa Sowotuum, Hon Davis Opoku Ansah, MP for Mpraeso, Hon Ridwan Abass Dauda, former MP for Sisala East, Hon Yaw Boaben Asamoah, former MP for Adenta

and Hon Gifty Klenam, former MP for Lower West Akim. Also in Alan's company were some prominent NPP members such as Nana Ohene-Ntow, former General Secretary of NPP, Dr Samuel Yaw Annor, former NHIS Boss and former Eastern Regional Chairman, Hon Kofi Agyei Ntim, former NPP 1st Vice Chair of Oti Region and Alhaji Haruna Warlord, former NPP chairman for Tain. Already described by many known pundits as the political hometown of Alan, Volta Region confirmed their love relationship with the Trade and Industry Minister with unconditional love. The deafening cheers that welcomed the arrival of the Trade and Industry Minister crowned an occasion many described as the best ever Gbidukor festival in recent

years.

The emotional Alan was seen visibly acknowledging the love and admiration from the Voltarians ahead of his speech at the annual traditional festival.

As expected, the Trade and Industry Minister heaped kind words on the Fiagba of the Gbi Traditional Area, Togbega Gabusu VII for the cultural revolution witnessed in the Area.

Alan Kyerematen then pleaded with the natives and Ghanaians in general to have patience as the government steps up plans to alleviate the current economic meltdown.

"While I congratulate Togbega, the Regional Minister, and other Ministers of State and Members of Parliament of the region for their relentless efforts to bring development to the area, I assure you that government is very much in tune with the current

hardships facing all us and is relentless in its efforts to turn things around so we can all enjoy the good times again.

In this vein, I wish to appeal to all of you my Brothers and Sisters to support government's efforts aimed at resolving the situation in record time, including the One District One Factory (1D1F) initiative aimed at exploiting local opportunities to create sustainable jobs for all Ghanaians, particularly the youth in their home districts", Alan Kyerematen pleaded.

The Trade and Industry Minister as since developed a strong bond with the people of Volta that spanned over two decades with regular visits to major programmes.

The recent love and affections from natives of the Volta region is a confirmation of the known



love affair between the two parties.

The annual Gbidukor festival is the flagship traditional festival celebrated by the people of Volta region. The New Patriotic Party (NPP) is expected to head to the poll in early 2023 to elect the flag bearer that will lead them to the 2024 make or break General Elections.

Alan Kyerematen is heavily tipped by political experts to shake off oppositions from Assin Central lawmaker, Hon Kennedy Ohene Agyapong and Ghana's Vice President, HE Dr Mahamudu Bawumia.

## Next NDC Government Will Give Aflao Modern International Market, New Hospital – Mahama



**John Dramani Mahama and Togbui Amenya Fiti V**

**F**ormer President John Dramani Mahama has said Aflao, as the most vibrant border town in Ghana, deserves more than it currently has and, thus, in line with the party's promises in the 2020 People's Manifesto, the next NDC government will

give the people of Aflao a modern international standard market, a new hospital, in addition to other socio-economic infrastructure. Mr Mahama made the promise when he joined Togbui Amenya Fiti V, Paramount Chief of Aflao, on the occasion of his 25th

anniversary over the weekend.

Togbui's anniversary coincided with the Godigbe Festival of the chiefs and people of Aflao.

Mr Mahama expressed joy that Togbui visited and personally invited him to grace the occasion.

Aflao being a border town, people from I thank the people of Aflao Togo and Benin thronged the durbar ground to witness the ceremony.

Aflao is a town in Ketu South District in the Volta Region on Ghana's border with Togo.

## All Set For 2022 NDC Delegates Conference & Congress

**T**he National Democratic Congress (NDC) has officially announced the final date for its Woman and Youth Conference as well as the National Delegates Congress.

The theme for the occasion is, "Running for Victory 2024, Ghana's hope".

The Woman and Youth Conference is scheduled for 10th December, 2022 at Cape Coast in the Central Region. The 10th National Delegates Congress on the other hand, would take place at the Accra Sports Stadium on the 17th December, 2022 in Accra. About 1,086 Youth and 830 Women delegates are expected to vote at the Cape Coast Conference whilst, 8,964 delegates are supposed to arrive on the 16th December 2022 for the Delegate Congress scheduled on the 17th December, 2022.

It has been made known that, only media houses with accreditation cards would be allowed to cover the events. Regular press briefing have also been assured to take place including a centralized TV to telecast the event. Meanwhile, the election Committee has made it clear that, delegates list are out for contestants to go through because, no injunction would be entertained if one fails to report issues for ratification before the Delegate Conference and the Congress is over.

The elections committee have assured to make everything possible to ensure that, both the Delegate Conference and the Congress become a success.

## Kojo Bonsu Salutes Farmers On The Occasion Of The National Farmers Day

**M**r. Kojo Bonsu, former Mayor of Kumasi and Presidential aspirant wishes to congratulate and salute All farmers on the occasion of the National Farmers Day. This annual celebration was purposely intended to elevate and celebrate the Ghanaian farmer who is the back bone of our economy. I would like to use this special occasion to say Ayeekeo to the All the hard working women across this nation who provide the greatest and most committed input into our food production. As patriotic citizens, is important to honour the

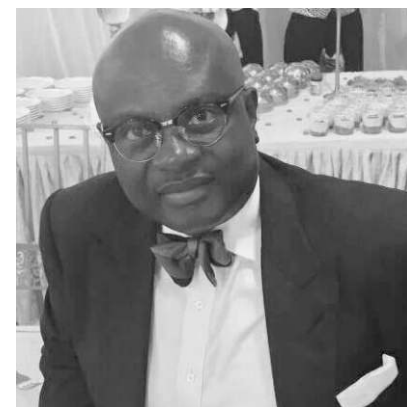
outstanding achievement of our farmers who daily toil under the harshest of conditions to provide essential food for our families all over the country.

As a nation blessed with a comparative advantage to grow food, we must be concerned about our current growing penchant for imported foods that are procured with often scarce foreign currency at the expense of providing a local farmer a job.

I wish to encourage All Ghanaians to be more patriotic in our attitude towards consuming our local produce at every meal. The unfortunate

irony is that our local foods are infact of a higher nutritional value than those we import. For every input in our meals that we source locally, we help to sustain the job and livelihood of a local farmer and their dependants. This positive attitude therefore can sustain the local economy of many communities as we are largely an agrarian society. While we seek to have greater productivity from our farms we must be careful not to upset the delicate balance of the natural ecosystem which includes many plants, insects, birds and other animals that play a beneficial role in nature. The integrity of the environment today is a great worry in Ghana and I

weep for future generations unborn if we continue on this reckless path of excessive inorganic fertilizer and pesticide use. As a stakeholder concerned about Ghana's future, I cannot let such a day pass without a repeated call for decisive and effective from leadership that will ensure that the laws of this land are enforced without fear nor favour. The rate at which farm lands especially those on which the nations flagship cash crop cocoa is grown are being destroyed is alarming and a clear and present danger for our national security. Our agricultural policies must work to focus on



**Mr. Kojo Bonsu**

serving the interests of farmers and we must ensure that our National Development Planning Commission works with the relevant stakeholders so that we fashion out an agricultural policy that is informed by our long term aspirations and interests as a people. Long Live Farmers, Long Live Ghana!

## Debt Exchange: Public Debt Stock Exceeds 100% Of GDP - Ofori-Atta



**F**inance Minister [Ken Ofori-Atta](#) has stated that Ghana's public debt stock has exceeded the country's GDP by more than 100%. According to him, one of the reasons for Ghana's high debt levels has been

that a chunk of the government's revenue is being used for debt servicing. He added that a debt sustainability analysis conducted by the International Monetary Fund revealed that

Ghana's debt is unsustainable. Announcing the debt exchange programme on December 5, 2022, the minister said: "The Debt Sustainability Analysis (DSA) demonstrated unequivocally that Ghana's

public debt is unsustainable, and that the Government may not be able to fully service its debt down the road if no action is taken. "Indeed, debt servicing is now absorbing more than half of total government revenues and almost 70% of tax revenues, while our total public debt stock, including that of State-Owned Enterprises and all, exceeds 100% of our GDP. This is why we are today announcing the debt exchange which will help in restoring our capacity to service debt," he added. The Minister announced that Ghana is embarking on a debt exchange programme where domestic bondholders are allowed to voluntarily exchange their bonds with

fresh bonds. He added that the government is expected to reach some level of agreement with the International monetary fund for financial support. "We expect to reach a Staff-Level Agreement soon on an IMF programme aimed at restoring macroeconomic stability and protecting the most vulnerable. To this end, as a government, we are determined to implement wide-ranging structural and fiscal reforms to restore fiscal and debt sustainability and support growth," he said.

# 'HAIRCUT': Minority Rejects Debt Restructuring Programme

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1. In 2023, there will be 0% interest paid them on their bonds
2. In 2024, only 5% interest will be paid
3. In 2025, 10% interest will be paid until maturity.

This means that for those who have invested their lifetime savings in government bonds and depend on the interests for their livelihood and regular upkeep, you will suffer a drastic reduction in the rate of interest, which will significantly diminish your source of livelihoods.

A few weeks ago, after coming under a barrage of public criticism for failing to show leadership and failing to address the nation in the wake of the harrowing hardships and economic crisis. President Akufo-Addo took to the airwaves and categorically denied every credible information we in the Minority caucus in Parliament, had put out about an impending drastic debt restructuring and very painful haircut for investors in government bonds and other creditors.

The President stated clearly that there would be **"NO HAIRCUT"**.

The measures referred to above show steep cuts in interest rates and this clearly exposes the falsehood and hollowness of the President's claims in the said address. Beyond a terse claim that principals of domestic bondholders would not suffer haircuts, the finance minister failed to provide details of what would happen to the principals.

We have become aware of the emergence of details of a briefing given by the Finance Minister and officials of the Finance Ministry to stakeholders in the Banking Sector.

It was clearly disclosed at the briefing that bondholders who look forward to having their principals paid upon the maturity of their bonds, are also in for a very rough ride as the Akufo-Addo/Bawumia government has decided not to pay in full when the bonds reach maturity.

The principal payments are to be done according to the under listed formula.

1. In 2027, which is five years from now, only 17% of the principal will be paid.
2. In 2029, seven years from now, only 17% will be paid
3. In 2032, ten years from now, 25% will be paid and
4. In 2037, fifteen years from now, 41% will be paid.

This arrangement is set to derail and disrupt the plans of bondholders who have planned their lives and expenditure around the expected timely and full payment of their principals in consonance with the terms of purchase of the original bonds.

It will no doubt lead to hardships for bondholders, not to mention the breach of the original instruments. Though the Finance Minister stated that details of treatment of external bonds are yet to be disclosed, it is the worst kept secret in Ghana that in the case of external bondholders, the Akufo-Addo/Bawumia government has decided to cut a staggering 30% off both the interest and principal.

In addition, external bondholders will have the maturity dates of their bonds extended by twenty whole years.

We need to stress that this crude haircut will not only affect foreigners or non-Ghanaians as erroneously believed because there is a significant number of Ghanaians who hold external bonds through various Ghanaian financial institutions who made these investments on their behalf.

These harsh cuts in the interests and principals of bondholders stem from a self-inflicted economic

disaster.

Incontrovertible information reaching us indicates that this decision has been reached after a Debt Sustainability Analysis (DSA) carried out under the aegis of the IMF and World Bank showed that we in the Minority have always been right that our public debt is no longer sustainable. We can also state with absolute certainty, that after years of denial and falsification of our debt numbers through the exclusion of debts owed by SoES, contingent liabilities, and debts on the books of dodgy Special Purpose Vehicles, the Akufo-Addo government has finally capitulated and accepted the reality that we owe far more than they have been admitting.

Contrary to the Finance Minister's claim in the 2023 budget presented barely a week ago, that our debt to GDP ratio was 76%, government has now admitted that it is actually an unthinkable 105%.

This puts our actual public debt well above **GHS 500 billion**.

With such astronomical debt and how unsustainable it has become, Government is compelled as a precondition to securing an IMF program to reduce the debt and bring the debt to GDP ratio to 55% over a five-year period.

In the circumstance, the Akufo-Addo/Bawumia government has decided to implement these cut-throat debt restructuring measures that will see it failing to pay government bond holders and creditors up to as much as GHS 200 billion.

These haircuts are a complete disaster for those affected and represents an economic atrocity on an unparalleled scale against the people of Ghana.

All this was very avoidable had the Akufo-Addo/Bawumia government not been so hopeless,

incompetent, arrogant and intransigent.

They had absolutely no business collapsing our economy and inflicting such a calamity on our people given all the resources and goodwill placed at their disposal. We are appalled that this government believes that only the people of Ghana, who had no hand in the criminal mismanagement of the economy that has brought us to this sad juncture, should bear the pain of the supposed corrective measures.

We observe that there is no corresponding level of sacrifice on the part of the incompetent bunch whose puerile mismanagement has resulted in this national tragedy.

They continue to be arrogant and unrepentant and are unwilling to accept responsibility for mismanaging the economy. Even as it is abundantly clear that the managers of the economy like Alhaji Bawumia, Ken Ofori-Atta and the entire membership of the Economic Management Team have lost credibility, proven to be incompetent and cannot be relied upon to salvage the situation, they continue to cling on and are taking more damaging decisions that continue to bring suffering to our people.

President Akufo-Addo is also refusing to show leadership by outlining more credible and deeper cost cutting measures that will signal a departure from the old ways. He has refused to reduce the size of what has become the largest and most inefficient government in our history. Government is required to bring both the budget estimates and debt-restructuring plan to parliament for approval. We wish at this juncture, to state emphatically, that we in the NDC Minority Caucus in Parliament will vigorously oppose and refuse to

entertain both the budget estimates and any bill on debt restructuring until the follow conditions are met.

1. The resignation of the entire Economic Management Team and in particular Alhaji Bawumia from his position as Chair of that obviously moribund body.
2. The immediate resignation or dismissal of the Finance Minister, Ken Ofori-Atta
3. Immediate reduction in the number of Ministers and political appointees at the Office of the President by half.
4. Removal of all non-essential expenditure in the 2023 budget including the GHS 80 million allocated to the National Cathedral
5. Reinstatement of the GHS 100 exemption threshold for e-levy payment

We are aware that the Akufo-Addo/Bawumia government have become desperate and is compelled after reckless mismanagement of the economy to achieve fiscal consolidation.

Fiscal consolidation also involves deep expenditure cuts and prudence in the use of scarce resources.

The people of Ghana alone cannot be called upon to withstand the worst of the economic mismanagement and attendant hardships while those responsible for the crisis continue as if nothing happened or they did nothing.

We wish to assure the good people of Ghana that we will continue to fight to preserve their interests and prevent the hopeless Akufo-Addo/Bawumia government from doing more damage to the economy and bringing more pain and hardships upon us.

I thank you for your kind attention.

# Kenyan President Ruto Looks East To Get Kenya Affordable Project Financing

**K**enya's President William Ruto doesn't like debt. He just wants the government to have enough money. Earlier on November 11, he told a stakeholder's workshop on pensions in Nairobi that the government will not be borrowing any money at a rate of more than 10 percent from local markets. This drew sharp criticism from money market players who trade in treasury Bonds, who alleged that the government was discouraging lending. Governments borrow locally through treasury Bonds.

"I promise you I will not be the president that will continue the journey of taking our country into debt," President Ruto said.

"It is a difficult choice but I don't see an option out. We are going to rationalize the budget and look at what else we can do," he added.

Hardly a week later, President Ruto this week traveled on an official three-day visit to South Korea, where he agreed with Seoul to have the latter take on a \$1 billion financing of projects including the planned tech city at Konza, 60km southeast of Nairobi. He also sees Kenya as being ready for investment in trade and green energy.

## Increase farm productivity

"We are committed to implementing strategies to increase farm productivity and seek your government's support for agricultural mechanization as well as cooperation in research and technological innovation," Ruto said at a meeting with his hosts.

So how do such project financing agreements play into his foreign policy? Political watchers however say Ruto is simply looking elsewhere for money that helps him fulfill promises he made on the campaign trail.

Ngovi Kitau, a former Kenyan ambassador to South Korea suggested Ruto may still need to borrow, given the insufficiency of government revenue collection, but will look for credit arrangements that are not burdensome. South Korea, he argued, is a member of the Organisation

for Economic Co-operation and Development (OECD), a 38-member group of countries that has rules on multilateral engagements including on debt.

"For example, they have a ceiling on interest rates for their concessionary economic development loans. They are far cheaper than Chinese and other commercial lenders," he told The EastAfrican.

## 'Look East Policy'

"So we're back to Mwai Kibaki's "Look East Policy" and cheaper concessionary loans," he argued, before suggesting that Ruto may not necessarily be fetching loans from anyone.

"The Republic of Korea has always followed a neo-mercantile development model, and if that is what Ruto has in mind, it will be a big plus for Kenya's economic development.

"This means that we will have a government and entrepreneurial synergy leading to an alignment of our foreign policy and trade policy," said Mr. Kitau.

In Kenya's history, only President Ruto's predecessor, Uhuru Kenyatta, documented a foreign policy. The 2014 document lists five pillars of the policy including economic, peace, cultural, environmental, and diaspora diplomacy. Ruto has so far taken on the peace side of it, continuing policies of his predecessors such as avoiding quarrels with neighbors, mediating in regional conflicts, and sending troops to peacekeeping missions.

## External debt

But the economy is the elephant in the room.

The country's \$38 billion external debt has largely been caused by an extensive infrastructure boom including the standard gauge railway and roads and a new port in Lamu. This October, Kenya defaulted on timely payments to China, earning a fine. It has since paid up the fine. Last week, however, the Chinese signaled intent to continue doing business with

Kenya, ramping up discussions on the expansion of the Jomo Kenyatta International Airport.

"We look forward to continued collaboration in infrastructure development and attracting more investment into the sector," said Kipchumba Murkomen, Kenya's Cabinet Secretary for Transport after meeting with Chinese ambassador Zhou Pingjian.

"We consider China a close friend and a great partner owing to their active involvement in the transformation of Kenya's infrastructure landscape over the past 20 years resulting in the cheaper, faster, and more efficient movement of people and goods between cities and towns."

"The initial indications of the new administration are that it appears to lean more West than East. It's however too early to conclude that the policy is Western-oriented," said Dr. Hassan Khannenje, director of the Horn Institute for Strategic Studies in Nairobi.

## Delicate balance

"Because of the existing engagement with the East and the reality of economics, we are likely to see a delicate balance between the two blocs. If the early engagements are anything to go by, however, it is plausible to say that the West has a head start in its efforts to embrace the new administration." China, however, will remain a key trading and economic partner, he said, because it has become a central piece of the world economy and politics.

As soon as he came to power, President Ruto reversed some of the policies that targeted Chinese cooperation with Kenya. He, for example, allowed Kenyan and regional importers to choose their preferred mode of transporting cargo from the port of Mombasa, away from the compulsory use of the SGR. Cargo volumes over the SGR had been seen as one way of ensuring the railway remains viable to pay for its debt. The government had



## Kenya's President William Ruto

also promised to release details of the financing contract for the SGR. However, when it did, it redacted crucial details, signaling adherence to confidentiality clauses. Nairobi has since signed a deal with the United Kingdom to build a dam in Kenya, worth about \$4.2 billion, potentially one of the largest infrastructure projects. On November 8, the International Monetary Fund reached a staff-level agreement on economic policies to conclude the fourth review of the 38-month financing arrangements worth \$2.34 billion meant. The money is meant to, among others, "cover external financing needs resulting from drought and challenging global financing conditions." Kenya will have access to about \$433 million in financing once the review is formally completed by the IMF Executive Board.

## IMF conditions

However, Nairobi has had to put up with conditions from the IMF, including abolishing subsidies on fuel and the staple maize flour, promising to cut costs on spending, and working on debt management. "There has been good progress on fiscal adjustment needed to address debt vulnerabilities through pressures remain elevated," the IMF said in its review. Coming in at a time of a strained economy caused by challenges beyond Kenya,

Kenyan legislators say the president should engage with external entities if it helps solve local problems.

"The effectiveness of any government policy is rated majorly on its responsiveness to contextual needs of society and its progressiveness and adaptation to changing circumstances," said Nelson Koech, MP and chairperson of the National Assembly Defence, Intelligence and Foreign Relations Committee.

## Promote fair trade

And according to Mr Koech, Kenyan legislators will urge the president to promote fair trade and "equitable" bilateral and multilateral engagements. "We do have a strong foreign policy but I think in the coming days we may need to strengthen the economic diplomacy pillar, as a strategic incentive to secure Kenya's place as the investment destination of choice in the region as we strive to expand access to our traditional markets and explore new destinations for our exports," Mr. Koech told The EastAfrican.

"The Kenya Kwanza government has taken up the country's leadership in the middle of a global technological transformation which will naturally affect trade and diplomatic relations across the world. We need to be alert as a committee to ensure our foreign policy is adaptive to the changing times," he argued.

**Source --** [theeastafrique.co.ke](https://theeastafrique.co.ke)