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SMG'S STATEMENT ON THE 2024 BUDGET STATEMENT AND ECONOMIC POLICY

SMG would like to offer the following preliminary comments on the NPP's 2024 Budget Statement and Economic Policy (hopefully the last budget that Ken Ofori-Atta will propose to Parliament) as a contribution to national debate.

1. The Government's 2024 policy statement once again shrinks from the urgent national task of restructuring our neo-colonial economy to serve the working people of Ghana. The 2024 budget if implemented will take us backwards, deepening the colonial character of our economy with an expansion (targeted) of the services sector, and a stagnation, indeed contraction, of production, or the real sector. The budget demonstrates the Government's fundamental lack of historical courage.

2. The Government is obviously at its wits end, regarding domestic mobilization. It clearly has no understanding of how to democratically organize our People to lead social and economic development - not even in financial terms; the budget contains no new domestic revenue mobilization measures.

3. The budget is rather full of disrespectful "spin" that (in the context of the coming national elections) seeks to mislead Ghanaians about the state and direction of Ghana's economy and enhance the ruling party's chances of victory (or "Nkunim" in Twi). A few examples should suffice:

- The finance minister says we have "turned the corner". However, in the first-eight months of 2023 he managed to raise a meagre GH¢77.98 billion (GH¢56.17 billion; 2022) of the programmed target of GH¢132.44 billion for the year.
- Ken Ofori-Atta tells us there is a light at the end of the tunnel. However, as at half-year, growth in the broad industrial sector had been reduced by some -3.2%; forestry & logging -4.2%; construction -11.7% and electricity by -5.1%.
- Mr. Ofori-Atta boasts of a 36.3% growth in revenue (from GH¢812 billion last year to GH¢1,107 billion this year). But the source of that revenue growth is western grants and not domestic production. And the cost of those grants is the painful surrender of national sovereignty over health, education, potable water provision and all the basics of social development. And despite this vaunted growth Mr. Ofori-Atta continues to default in meeting the national debt obligations he incurred in our name. Indeed, he proposes in 2024 to increase this debt GH¢15.1 billion.

4. We must comment specifically on the question of the high cost of sanitary pads and the disruption this causes to the lives of millions of under-privileged women in Ghana. This year, Women's groups marched and protested up and down the country demanding that the government

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resolve this issue. No less a person than the Speaker of Parliament committed to taking up this cause. In the end, the Budget removes VAT on locally produced sanitary pads and grants import-duty waivers for raw materials for the local manufacture of sanitary pads. This intervention, though lofting-sounding is superficial. It will not relieve the hardships faced by Ghanaian women of child-bearing age. This is because the domestic manufacturers meet less than 30% of the annual requirement and does not have short-term capacity to ramp up production significantly in response to lowered production costs. The bulk of the market will remain in the hands of importers who will not benefit from any VAT reductions. And without policy and enforcement the tendency is that local manufacturers will simply pocket the VAT reduction as a windfall rather than pass it on to consumers. This leaves the challenge faced by most Ghanaian women unresolved. This is a public relations response. It is not the response of a responsible, government interested in alleviating the suffering and indignity that millions of its citizens face. Such a government would have, as the DTMP movement requested, met with women's representatives, and worked out a broader policy programme that looked at value chain of domestic sanitary-pad production and addressed all the social and commercial issues including trade-offs for investment for expanding the capacity of our domestic industry. We hereby serve notice that the campaign led by the DTMP coalition including our women's wing will escalate in the coming weeks and months until substantive justice is done.

5. We must also comment specifically on Government's purported programme to introduce Electric Vehicles for the Public transport sector. In the face of bad and deteriorating road infrastructure and increasingly frequent electricity blackouts, such a policy would be laughable if it were not almost certainly a smokescreen for another "family and friends", state-procurement, scheme designed to enrich cronies who will receive contracts to increase (what this finance minister repeatedly told us was) our over-capacity in electricity generation or licenses to import buses and infrastructure. This Government's track record suggests that the programme will increase transport costs for ordinary working people who, as the finance minister and his cronies know, are the social segment that depend entirely on public transport and who will bear the brunt of another high-sounding rip-off. This arbitrary policy must be resisted at all costs.

6. Beyond this the budget will provide no comfort to the over-taxed working people of Ghana. It will cut rather than create jobs. Under the euphemism "fiscal consolidation", Government has reneged in providing basic public services and jobs through deep expenditure cuts. And yet, it shows no intent to curb wasteful government expenditures. It does not make any pragmatic provision to protect the vulnerable. Neither does Government seem to care a hoot about the excruciating economic crises which the right wing Akuffo Addo administration has plunged the working people of Ghana into. The rate of employment is shamefully high across the country while those citizens with jobs severely underpaid despite skyrocketing costs of food, shelter, and transport. Government



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remains focused on enriching the family and cronies of the President at the expense of the working people of this country. In his so called “Nkunim’ budget, Ken Ofori Atta is not ashamed to continue promising Ghanaians of “creating decent jobs and wealth for our people”. He subtly justifies the devastation caused to the victims of the Akosombo spillage instead of being regretful, apologetic, and putting up structures that would end a future occurrence of such mishap.

SMG calls on Parliament to reject this budget as directionless, insensitive, and unworkable. We call for a national conference to consider the national crisis in all its dimensions and fashion a realistic path forward.

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