



Highlights of the 2021 Expenditure in Advance Of Appropriation

November 2020



Fiscal Performance as at Sept. 2020



GH¢36.7bn

Vs.

GH¢35.7bn (Target – Sept. 2020)

Total Revenue

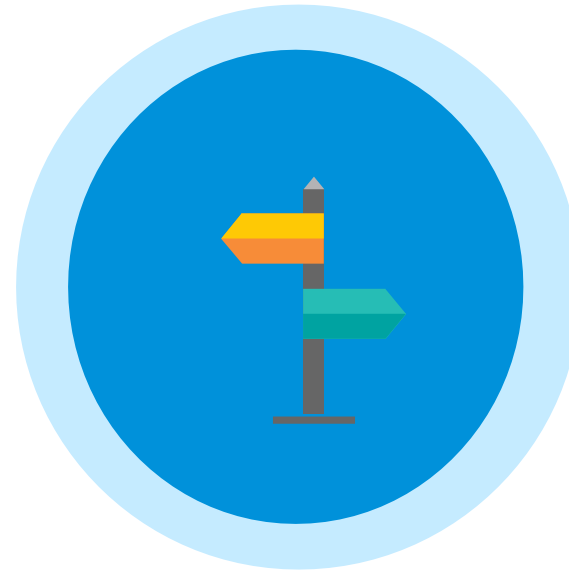


GH¢71.3bn

Vs.

GH¢70.0bn (Target – Sept. 2020)

Total Expenditure



9.0%

Vs.

8.9% (Target – Sept. 2020)

Fiscal Deficit



-4.1%_{of GDP}

Vs.

-4.0% of GDP (Target – Sept. 2020)

Primary balance

- o Total revenue exceeded the target of GH¢35.7bn for period end September 2020 by **2.7%**. This favourable increase was driven largely by taxes on domestic goods and services (indirect taxes) and taxes on the revamping international trade.
- o Fiscal deficit inched up marginally by 10 basis points above the Q3 target of 8.9%. As government continues with its expansionary fiscal to revamp the economy, it is expected that the fiscal deficit reach the year end target of 11.6% before the end of 2020.
- o Primary balance saw a deficit of GH¢15.7 billion, representing 4.1% of GDP against the target of GH¢15.4 billion (4.0% of GDP).



Fiscal Outlook for Q1 2021

Tax Revenue (Net) – GH¢10.4 billion

- Taxes on Income and Property: **GH¢ 5.67 billion**
- Taxes on Domestic Goods and Services: **GH¢ 4.1 billion**
- International Trade Taxes: **GH¢ 1.2 billion**

Social Contributions – GH¢ 161 million

- Constituting **~ 25%** of 2021 projected level

Non-tax revenue – GH¢ 1.9 billion

- Constituting **~ 20%** of 2021 projected level

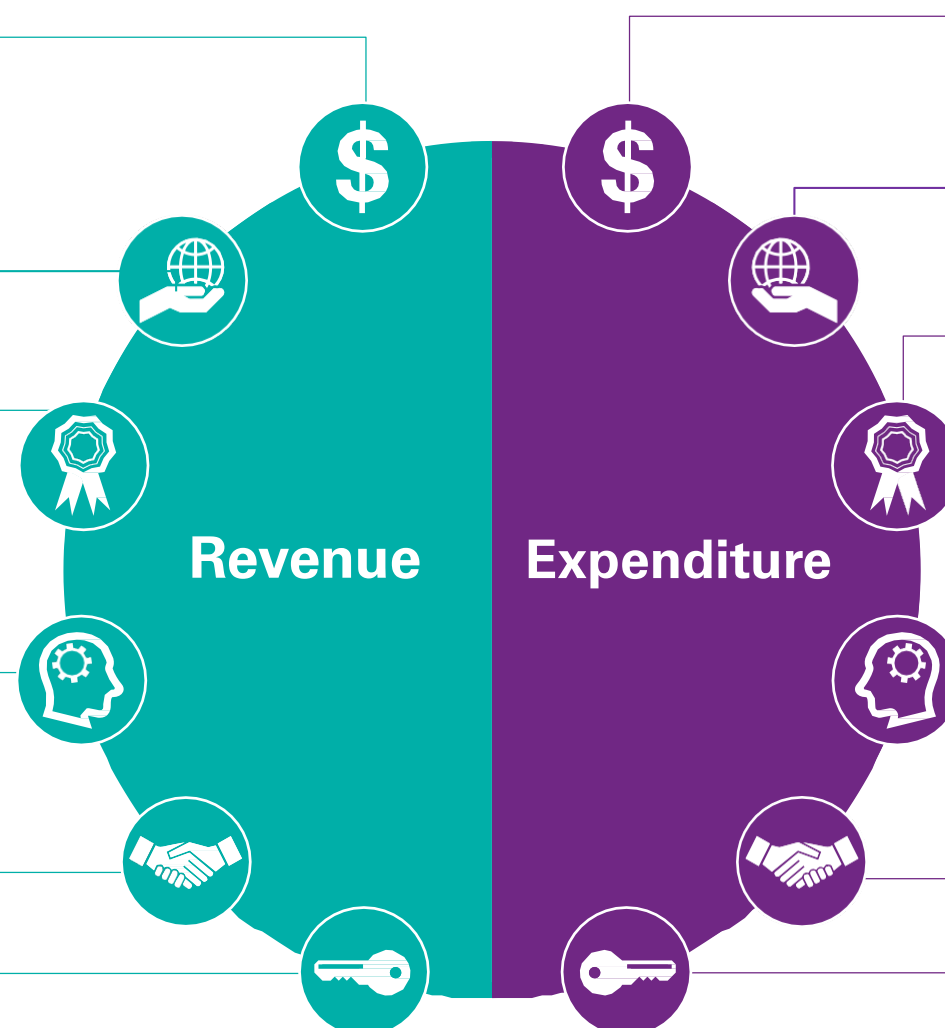
Other Revenue – GH¢ 648 million

- Constituting **~ 20%** of 2021 projected level

Grants – GH¢187 million

- This represents Project Grants.

Total Revenue & Grants – GH¢13.3 billion



Compensation of Employees – GH¢ 7.7 billion

- Wages & Salaries constitutes **~ 84%**
- Social Contributions **~ 16%**

Use of Goods and Services – GH¢ 1.6 billion

- Constituting **~ 22%** of 2021 projected level

Interest Payments – GH¢ 7.0 billion

- Domestic: GH¢ 4.6 billion **~ 66%**
- External: GH¢ 2.4 billion **~ 34%**

Subsidies, Grants to Other Government Units & Social Benefits

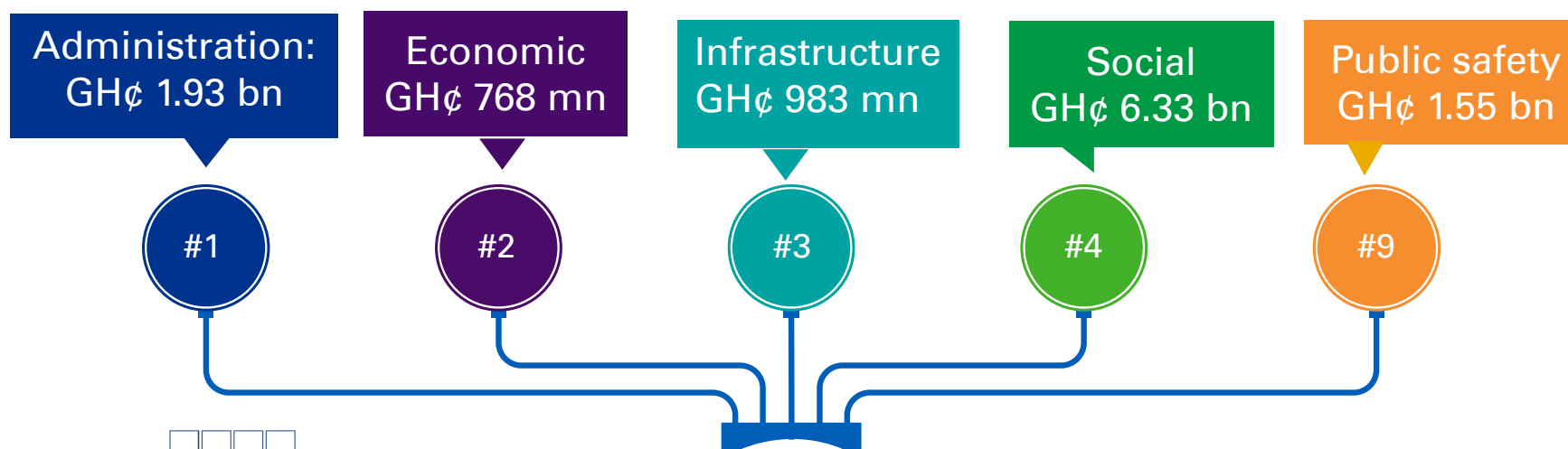
- **GH¢ 259 million** Subsidies
- **GH¢ 4.3 billion** Grants to Other Government Units
- **GH¢ 41 million** Social Benefits

Capital Expenditure – GH¢ 1.9 billion

- Domestic financed **~ 36%**
- External financed **~ 64%**

Total Expenditure – GH¢ 23.7 billion

Sectoral Allocations – Q1 2021



- Total government revenue and grants of **GH¢13.3 billion** for Q1 is expected to constitute **20%** of 2021 annual projected revenue and represent **3%** of GDP. This is expected to be driven mainly by taxes on income and property (~43% of total revenue) as well as taxes on domestic goods and services (~31% of total revenue).
- Total projected expenditure of **GH¢ 23.7 billion** for the same period is expected to represent **5.3%**.
- An overall budget deficit of **GH¢ 10.7 billion (2.4%)** is expected for Q1 of 2021.
- The historical trend of huge allocations to the Social sector is expected to continue in Q1 of 2021.



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