



First Quarter 2020 Public Debt Statistical Bulletin

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**SUSTAINABLE
DEVELOPMENT GOALS**

Transforming Ghana Beyond Aid





REPUBLIC OF GHANA

First Quarter 2020 Public Debt Statistical Bulletin



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Disclaimer

The figures used for this report are subject to change anytime new information becomes available. We, therefore, reiterate that the figures in this report are provisional.

Abbreviations

ABP	-	Annual Borrowing Plan
ATM	-	Average Time to Maturity
ATR	-	Average Time to Re-fixing
BoG	-	Bank of Ghana
BUA	-	Bank Unit of Account
CDB	-	China Development Bank
CBG	-	Consolidated Bank Ghana
CNY	-	Chinese Yuan Renminbi
ECF	-	Extended Credit Facility
EUR	-	Euro
FX	-	Foreign Exchange
GBP	-	Great Britain Pound
GDP	-	Gross Domestic Product
GHS	-	Ghana Cedi
ICM	-	International Capital Market
IMF	-	International Monetary Fund
JPY	-	Japanese Yen
MoF	-	Ministry of Finance
MTDS	-	Medium Term Debt Management Strategy
PFM	-	Public Financial Management
PHB	-	Premium Heritage Bond
SDR	-	Special Drawing Rights
SOE	-	State-Owned Enterprise
ST	-	Short-Term
TDMD	-	Treasury and Debt Management Division
USD	-	United States Dollar

1.0 Key Highlights

Macroeconomic Developments

The year 2019 was broadly characterized by heightened uncertainty triggered by a number of geopolitical factors, including the Brexit negotiations and trade tensions between the US and China. The prolonged presence of these factors weighed on business confidence, investment, and economic activity, especially in the manufacturing sector.

The January 2020 World Economic Outlook (WEO) by the IMF projected global growth of 2.9 percent for 2019. This represents a marginal decline of 0.1 percentage points from an earlier forecast of 3.0 percent, primarily due to subdued growth momentum in the first half of 2019. The decline was mainly due to negative shocks to economic activity in a few emerging market economies, notably India, which led to a reassessment of growth prospects over the next two years. In a few cases, this reassessment also reflected the impact of increased social unrest.

Growth in Sub-Saharan Africa (SSA) was estimated to remain at 3.2 percent in 2019, and rise to 3.6 percent in 2020. The expected recovery, however, was at a slower pace than previously envisaged for about two-thirds of the countries in the region, partly due to a challenging external environment. Growth is projected to remain strong in non-resource intensive countries, averaging about 6.0 percent.

In first quarter of the year 2020, the world was awashed by news of a severe coronavirus (COVID-19) originating from Wuhan, China, which quickly spread across the globe. The World Health Organisation (WHO) subsequently declared the novel coronavirus (COVID-19) a global pandemic on March 11, 2020. The Coronavirus (COVID-19) pandemic is expected to have a significant adverse impact on the global economy. Governments around the world are implementing various fiscal measures to mitigate the adverse effect and provide relief for businesses and households.

On the domestic front, following the country's successful completion and orderly exit from the IMF's ECF programme, Government, in 2019, succeeded in consolidating the macroeconomic stability gains and the growth momentum of earlier years, as evidenced by the performance of key macroeconomic indicators.

Inflation

Inflation has remained in single digits since June 2018 and more recently remained steady around the central path of 8.0 percent. Inflation increased to 8.2 percent in November from 7.7 percent in October 2019 due to upward adjustment in some administrative prices. However, it declined to 7.9 percent in December 2019 on the back of lower food prices amidst stable non-food prices.

Headline inflation was 7.8 percent in February 2020, unchanged from January 2020. This was supported by a decline in non-food inflation, while food inflation edged up slightly. Inflation remained 7.8 percent end March, 2020.

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Interest Rate Developments

The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) maintained the Monetary Policy Rate (MPR) of 16.0 percent since January 2019, following the decline in inflation over the period.

The BoG MPR rate remained unchanged at 16.0 percent from January 2020 until March 2020 when the MPC, in an emergency meeting on 18th March 2020, slashed its key policy rate by 150 basis points to 14.50 percent. The Bank's move, which brought the rate to its lowest level since May 2012, was chiefly driven by mounting fears of a marked economic slowdown due to the fast-spreading Covid-19 pandemic, and came against the backdrop of easing inflationary pressures.

The weighted average interbank lending rate increased to 15.9 percent in February 2020 from 15.6 percent in February 2019, reflecting constrained supply of central bank liquidity to the market and increased trading among banks.

External Sector Performance

The estimated total value of merchandise imports for the period January to February 2020 declined by 12.5 per cent to US\$1,975.5 million, from the US\$2,258.0 million recorded in 2019. This was driven by disruptions in global supply chains on account of COVID-19.

Exchange Rates Developments

The Ghana Cedi appreciated against major trading currencies by 3.9 percent during the first 52 transaction days of 2020, reflecting supportive macroeconomic conditions and inflows from the Eurobond, mining, and oil sectors. In February 2020, the Ghana Cedi cumulatively appreciated by 4.5 percent, compared with 6.9 percent depreciation during the same period in 2019. Against the British pound and Euro, the Ghana cedi cumulatively appreciated by 7.8 percent and 7.0 percent, respectively, compared with 2.1 percent and 1.7 percent depreciation over the same periods in 2019.

2.0 Public Debt Highlights

The public debt stock increased from GH¢216.7 billion (US\$39.12 billion) at end-December 2019, to GH¢234.9 billion (US\$43.17 billion) at end-March 2020 which is 59.30 percent of GDP. External debt accounted for GH¢124.79 billion (US\$22.94 billion), or 31.35 percent of GDP, whereas domestic debt accounted for GH¢111.26 billion (US\$20.45 billion), or 27.95 percent of GDP.

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3.0 Total Public Debt

Table 1. Public Debt by Source (USD millions, unless otherwise stated)

	END MARCH 2018			END MARCH 2019			END MARCH 2020		
	JAN-2018	FEB-2018	MAR-2018	JAN-2019	FEB-2019	MAR-2019	JAN-2020	FEB-2020	MAR-2020
GROSS DEBT									
A. External debt	17,292.08	17,284.52	17,261.10	17,908.37	17,686.33	20,678.69	20,306.01	22,880.31	22,939.60
Multilateral Institutions	6,505.33	6,549.88	6,581.39	6,454.67	6,318.89	6,580.13	6,532.63	6,550.04	6,629.80
IMF	954.34	951.81	955.95	993.63	967.95	1,171.45	1,063.92	1,057.11	1,059.81
IDA	3,968.74	4,017.89	4,043.35	3,960.60	3,861.50	3,933.86	3,965.63	3,993.54	4,072.16
AfDB	1,217.70	1,214.84	1,218.93	1,132.43	1,129.14	1,110.83	1,170.75	1,168.19	1,167.35
IFAD	153.40	152.99	153.66	150.47	146.49	149.09	141.07	140.04	140.25
Other	211.16	212.35	209.50	217.54	213.81	214.91	191.27	191.16	190.25
Official Bilateral	1,252.85	1,242.13	1,211.58	1,211.05	1,191.83	1,188.75	1,214.29	1,208.05	1,200.73
Paris Club	797.57	787.42	812.29	748.05	726.81	736.47	772.03	767.29	765.02
Non-Paris Club	455.28	454.72	399.29	463.00	465.02	452.28	442.27	440.76	435.71
Other Creditors ¹	9,533.89	9,492.51	9,468.13	10,242.66	10,175.61	12,909.81	12,559.09	15,122.23	15,109.07
B. Domestic Debt	15,610.93	15,916.84	16,292.48	17,756.19	17,349.83	18,257.28	19,545.73	20,237.40	20,452.66
Banking System	5,846.15	5,916.48	6,054.07	8,123.43	8,023.33	8,107.46	8,657.02	8,787.61	9,519.37
Non-Bank Sector	3,833.88	3,807.73	3,853.82	4,494.36	4,441.87	4,945.47	5,854.47	6,319.43	5,926.28
Non-Residents	5,882.83	6,144.50	6,346.15	5,113.21	4,860.45	5,179.82	5,012.84	5,108.13	4,985.36
Loans	48.06	48.12	38.44	25.19	24.18	24.53	21.40	22.23	21.64
Gross Public Debt (A+B)	32,903.01	33,201.35	33,553.59	35,664.57	35,036.16	38,935.97	39,851.75	43,117.71	43,392.26
Gross Public Debt-to-GDP, end-Mar (%)				51.04	52.24	57.23	55.08	57.38	59.30
MEMORANDUM ITEMS									
Nominal GDP ² (GHS millions)	300,596.10	300,596.10	300,596.10	345,946.30	345,946.30	345,946.30	398,048.22	398,048.22	398,048.22
End Period Exchange Rates (GHS/USD)	4.4262	4.4204	4.4066	4.9509	5.1577	5.0850	5.5014	5.2970	5.4401
Gross Public Debt (GHS millions)	145,635.29	146,763.27	147,857.23	176,571.71	180,705.99	197,989.38	219,240.41	228,394.53	236,058.21
External Debt (GHS millions)	76,538.20	76,404.49	76,062.77	88,662.56	91,220.76	105,151.13	111,711.51	121,197.03	124,793.72
Domestic Debt (GHS millions)	69,097.09	70,358.78	71,794.46	87,909.14	89,485.23	92,838.25	107,528.89	107,197.50	111,264.52
NET DEBT									
Financial Assets³ (USD millions)	312.43	361.61	279.44	278.80	234.57	2,778.96	220.92	221.33	221.04
DSRA (USD); Collateral Accounts	210.28	210.28	210.28	210.28	210.28	210.28	210.28	210.28	210.28
DSRA (USD)	59.75	59.75	45.75	10.23	10.23	0.23	0.02	0.02	0.02
DSRA (GHS); Converted to USD	28.85	79.15	10.94	48.19	4.37	2,558.62	1.55	1.61	1.56
DDR Account	1.84	0.71	0.71	0.03	0.03	0.03	0.03	0.03	0.03
Debt Recovery Account	11.39	11.41	11.44	9.78	9.39	9.52	8.80	9.14	8.90
SOE Escrow Accounts	0.32	0.32	0.32	0.28	0.27	0.28	0.25	0.26	0.26
Net Public Debt (USD millions)	32,590.58	32,839.74	33,274.14	35,385.77	34,801.59	36,157.00	39,630.82	42,896.38	43,171.22
Net Public Debt (GHS millions)	144,252.43	145,164.79	146,625.84	175,191.42	179,496.17	183,858.36	218,025.01	227,222.12	234,855.74

Source: Ministry of Finance and Bank of Ghana.

¹ Includes sovereign bonds, commercial credits, and other semi-concessional credits.

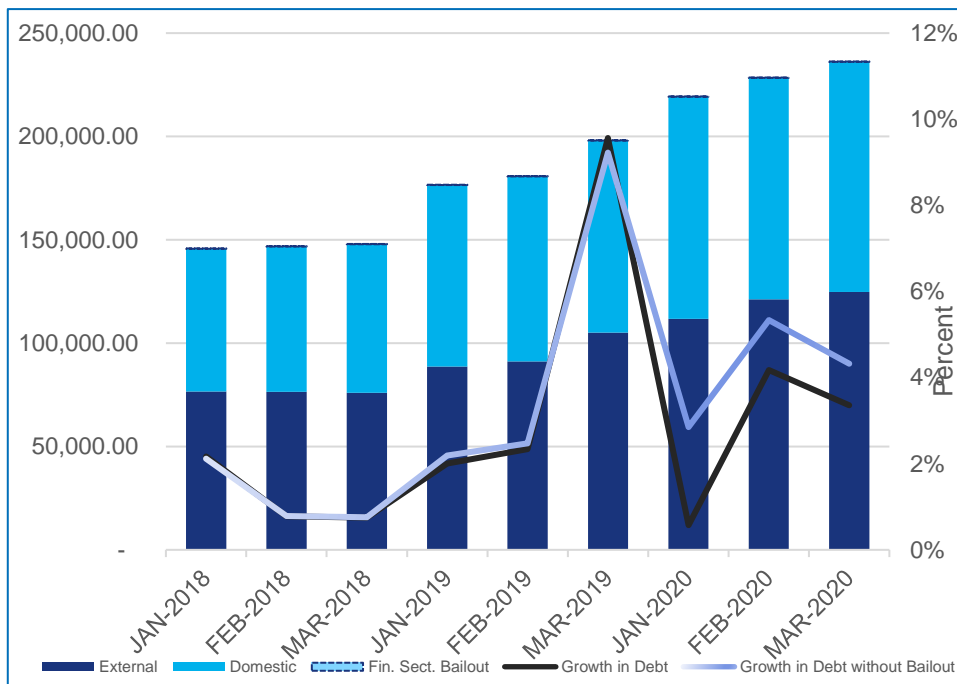
² Rebased GDP series, with 2013 as base year.

³ DSRA: Debt Service Reserve Account, DDR: Domestic Debt Restructuring, SOE: State-Owned Enterprises.

At the end of March 2020, gross public debt stood at GH¢234.9 billion (US\$43.17 billion), representing 59.30 percent of rebased GDP. The total debt comprises external and domestic debt of GH¢124.79 billion (US\$22.94 billion) representing 31.35 percent of GDP and domestic debt of GH¢111.26 billion (US\$20.49 billion); 27.95 percent of GDP. The debt-to-GDP decreased from 63.01 percent to 59.30 percent mainly on the account of reduction of the domestic debt and the Cedi appreciation over the US dollar during the first quarter of 2020.

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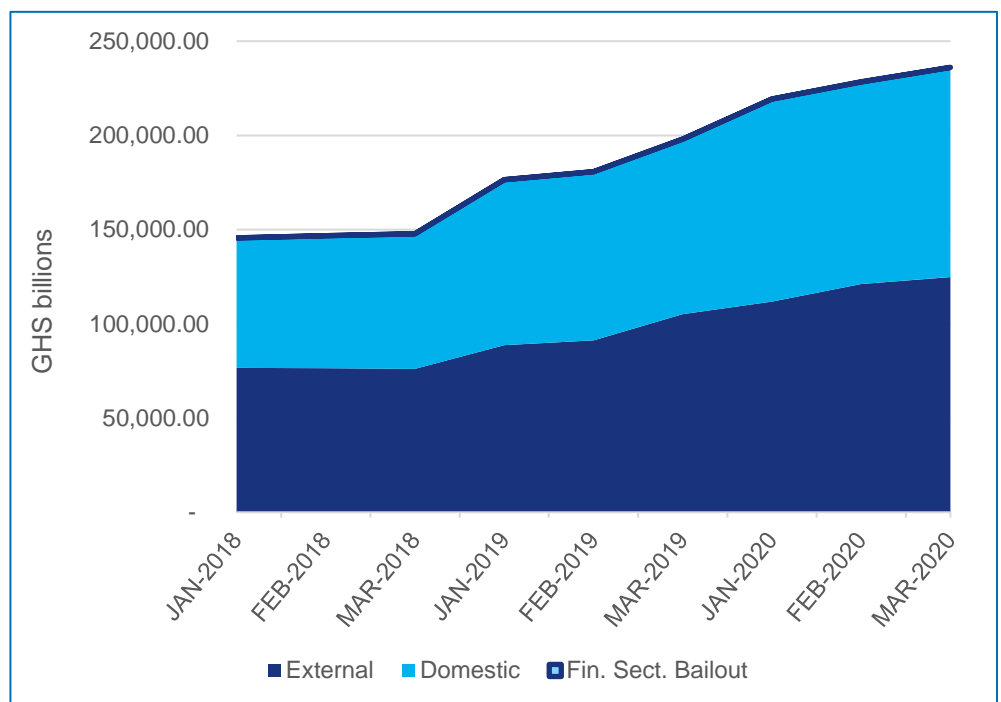
Figure 1. Trends in Public Debt (March 2018 – March 2020)



Growth in Public Debt increased from 2.0 percent in December 2019 to 3.0 percent in March 2020. The rate of debt accumulation was mainly on the back of the US\$3,000.00 million sovereign Euro bond issuance in February 2020 and new disbursement on committed loans.

Figure 2. Share of Public Debt (March 2018 – March 2020)

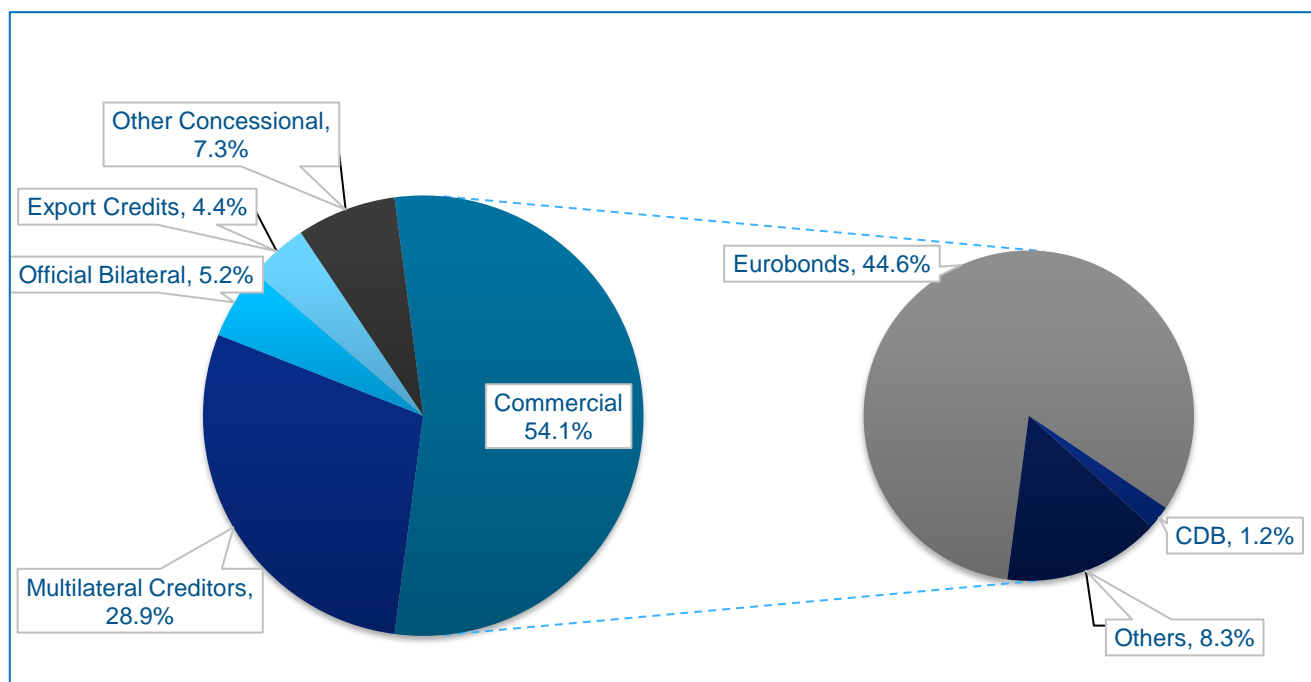
By end of March, the external debt was GH¢124.79 million, which constitutes a large share of 52.87 percent of the public debt, representing 31.35 percent of GDP, while domestic debt of GH¢111.26 million accounted for 47.13 percent of total debt stock, representing 27.95 percent of GDP. Domestic debt includes cost of financial sector bailout, which accounted for 4.68 percent of total debt. The cost of bailout of GH¢10.7 million is 9.21% of domestic debt.



4.0 External Debt

4.1 External Debt Stock by Creditor Category

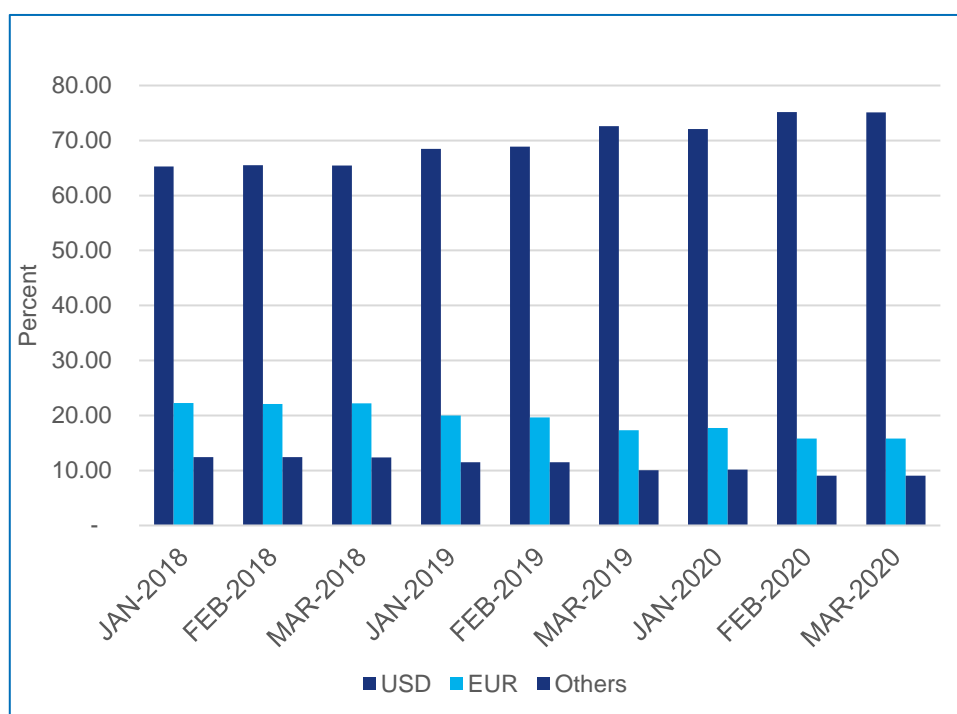
Figure 3. External debt stock composition by creditor category - March 2020



The share of commercial debt is still dominant in the external debt portfolio, which represents 41.1 percent share, followed by multilateral creditors, representing by 28.9 percent share. Other concessional debt stood at 7.3 percent share. This is followed by Official Bilateral and Export Creditors, which represents 5.2% percent, and 4.4 percent share, respectively. The dominance of the commercial debt in external debt portfolio is mainly attributable to the stock of Eurobonds. The stock of multilateral debt is dominated by World Bank loans.

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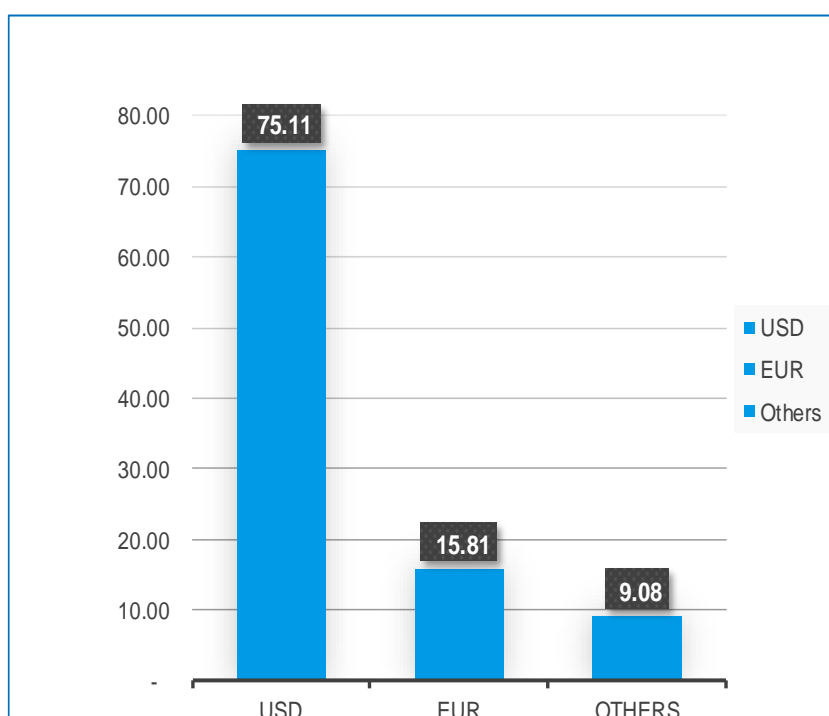
Figure 4. Trends in currency composition of external debt (March 2018 – March 2020)



The share of USD-denominated debt remained dominant in the external debt portfolio. Its share increased marginally by in the first quarter of 2020 to 75.11 percent. The EUR-denominated debt is the second largest category, its share declined by 2 percentage points at end-March 2020, compared to same period in 2019.

Figure 5. Currency composition of external debt stock - March 2020

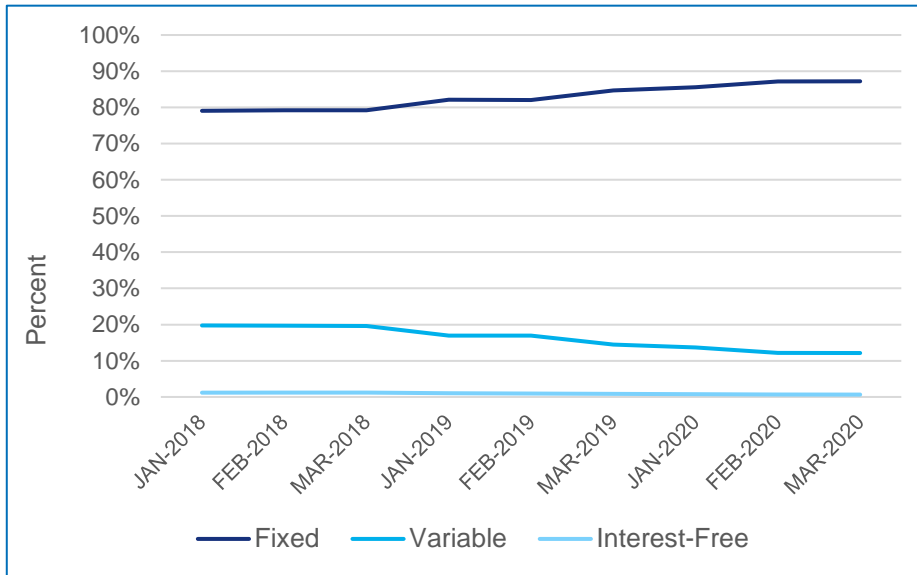
As at end March 2020, USD-denominated loans constituted the largest share of external debt representing 75.11 percent of total external debt, followed by the EUR, which constituted 15.81 percent. Loans accounted in the other major trading currencies, including GBP, YEN and CNY, accounted for the remaining 9.08 percent of the external public debt. The USD share of the external debt stock increased marginally while the composition of the other currencies, including the EUR, declined compared to same period in 2019.



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Note: SDR and BUA-denominated loans have been decomposed into their various component currencies.

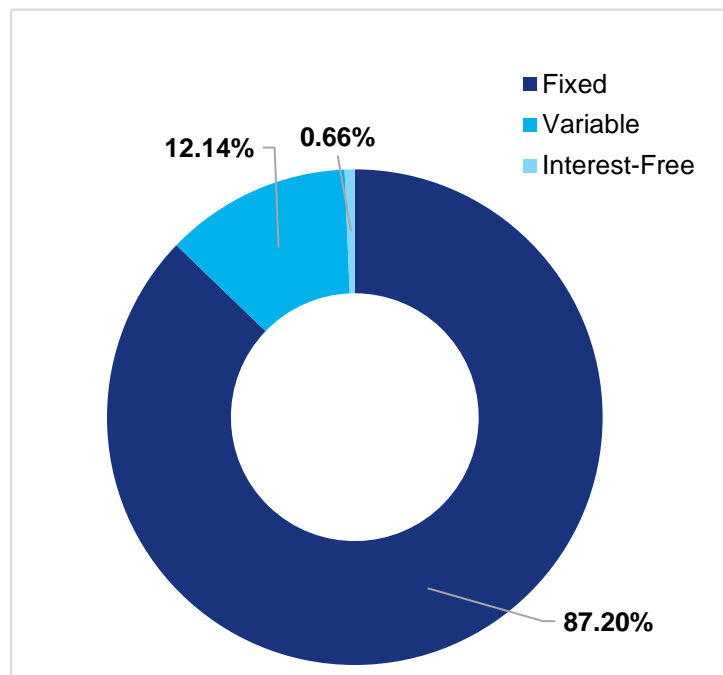
Figure 6. Trends in interest rate composition of external debt (March 2018– March 2020)



The share of fixed rate debt has increased marginally over the period. This meant that the share of variable rate debt also declined marginally. The interest-free rate has remained the same. However, the stock of variable rate debt still poses a significant risk to debt service costs.

Figure 7. Interest rate composition of external debt stock - March 2020

The fixed rate debt and variable rate debt constitute 87.20 percent and 12.14 percent of external debt, respectively. Interest-free debt largely consists of subsidized loans from some bilateral creditors and its share continues to dwindle in the external debt portfolio as fewer of such loans have been sourced in recent years. Interest free loans account for 0.66 percent of total external debt as at end-March 2020.



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4.2 New Commitments (New External Loan Financing Agreements) - 2020

Table 2. New Commitments - March 2020

S/N	Project/Financing Title	Sector	Creditor	Date Signed	Curr	Loan Amount	USD Equivalent
World Bank Loan							554,473,172.15
1	Ghana Economic Transformation Project	Trade and Industry	World Bank	17-Jan-20	XDR	144,400,000.00	198,477,754.23
2	Greater Accra Resilient and Integrated Development Project	Works and Housing	World Bank	17-Jan-20	XDR	144,100,000.00	198,065,404.33
3	Ghana Accountability for Learning Outcomes Project	Education	World Bank	17-Jan-20	XDR	107,900,000.00	148,308,515.80
4	Strategic Climate Fund-Forest Investment Program	Lands	World Bank	17-Jan-20	XDR	7,000,000.00	9,621,497.78
International Capital Market Issuance							3,000,000,000.00
5	Eurobond Issuance	Budget Support	Citi Group Bank	12-Feb-20	USD	3,000,000,000.0	3,000,000,000.00
TOTAL							3,554,473,172.15

Government signed four (4) new external loan agreements, amounting to US\$554.47 million, which are World Bank loans, and also issued Eurobonds amounting to US\$3 billion in February 2020. The Eurobond transaction comprised US\$1.25 billion 6-year Weighted Average Life (WAL), US\$1 billion 14-year WAL, and US\$750 million 41-year WAL priced at a coupon rate of 6.375 percent, 7.875 percent and 8.750 percent, respectively.

Table 3. Average terms of new commitments (March 2020)

Average Terms of New Commitments

	MAR-2018	MAR-2019	MAR-2020
Interest (%)	1.7	8.2	6.0
Maturity (yrs)	22.5	16.9	15.7
Grace Period (yrs)	4.3	13.8	10.0
Grant Element (%)	*	-31.5	-12.1

In the first quarter of 2020, the weighted average interest rate of new commitments declined by 2.2 percent points as compared to same period in 2019. The maturity on new commitments also declined by 1.2 years. Generally, the average terms to new commitments were favourable, mainly because of the fact that the loans signed were World Bank loans, which also had longer maturity, as well as good rates on the Eurobond.

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4.3 Disbursements by Creditor Category (New Borrowing)

Table 4. Actual disbursements as at end - March 2020 (USD million)

CREDITOR CATEGORY	Jan-18	Feb-18	Mar-18	Q1, 2018	Jan-19	Feb-19	Mar-19	Q1, 2019	Jan-20	Feb-20	Mar-20	Q1 2020
MULTILATERAL	6.29	16.88	13.77	36.95	27.11	3.05	187.22	217.38	53.15	67.63	0.00	120.79
EXPORT CREDITS	3.67	1.30	1.40	6.36	-	0.06	-	0.06	0.00	0.00	3.91	3.91
COMMERCIAL	-	0.13	-	0.13	8.20	0.98	3,008.55	3,017.73	14.29	3014.00	69.44	3,097.73
OTHER CONCESSIONAL	-	-	-	-	0.37	7.44	27.87	35.69	12.65	20.88	14.42	47.95
BILATERAL	4.52	5.13	19.56	29.21	12.51	0.60	2.59	15.70	0.00	0.60	0.00	0.60
Total	14.49	23.44	34.73	72.65	48.19	12.14	3,226.24	3,286.57	80.09	3103.12	87.77	3,270.98

Disbursements on external loans in the first quarter of 2020 was primarily from the Eurobond issuance of US\$3.00 billion, multilateral and other concessional sources.

4.4 External Debt Service Payments

Table 5. External debt service payments

	JAN-2018	FEB-2018	MAR-2018	JAN-2019	FEB-2019	MAR-2019	Total	JAN-2020	FEB-2020	MAR-2020
	<i>USD million</i>									
Principal	62.84	38.47	46.25	89.14	85.34	49.10	1,273.30	96.21	19.61	93.43
Interest	68.91	49.72	44.33	64.01	63.64	14.76	973.50	65.17	34.49	66.89
Total	131.75	88.19	90.57	153.15	148.98	63.87	2,246.80	161.37	54.09	160.32

	JAN-2018	FEB-2018	MAR-2018	JAN-2019	FEB-2019	MAR-2019	Total	JAN-2020	FEB-2020	MAR-2020
	<i>GHS million</i>									
Principal	277.99	170.09	204.33	436.23	431.21	254.82	5,481.05	532.77	105.25	495.98
Interest	304.78	219.92	195.91	313.60	317.09	76.89	4,451.48	360.91	184.93	361.01
Total	582.77	390.01	400.24	749.83	748.30	331.71	9,932.53	893.67	290.18	856.99

Principal repayments increased in March 2020 as compared to March 2019. This was on the account of payments made to Exim China and CSI. Interest payments on existing Eurobonds were made in the first quarter of 2020.

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Table 6. Currency composition of debt service payments end March 2020

	JAN-2020	FEB-2020	MAR-2020
USD	91.44%	78.61%	92.85%
EUR	6.31%	14.74%	7.14%
GBP	0.41%	1.11%	0.00%
JPY	0.09%	0.00%	0.00%
CNY	0.09%	0.00%	0.00%
OTHERS	1.66%	5.54%	0.00%

A breakdown of the currency composition of external debt service payments in the first quarter of 2020 shows that USD-denominated payments accounted for the largest portion of debt service payments, accounting for 92.85 percent. They consist of debt service payments due commercial creditors, including Deutsche Bank, CDB and Citi Bank facilities. This skewedness towards the US Dollar highlights the huge exposure to fluctuations in the USD-GHS exchange rate and the pressure debt service payments put on our USD reserves. This is followed by EUR-denominated payments, which accounted for 7.14 percent.

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5.0 Domestic Debt

5.1 Domestic Debt Stock by Instruments

Table 7. Maturity structure of domestic debt (GHS millions)

	JAN-2018	FEB-2018	MAR-2018	JAN-2019	FEB-2019	MAR-2019	JAN-2020	FEB-2020	MAR-2020
A. Short-Term Instruments	11,642.12	11,123.81	10,824.29	11,232.67	11,656.55	12,832.39	17,344.33	16,858.62	16,585.28
91-Day Treasury Bill	5,400.96	5,100.35	4,986.34	5,758.46	6,095.63	6,010.14	7,428.60	7,654.99	7,665.36
182-Day Treasury Bill	2,845.00	2,865.71	2,907.44	3,025.30	3,055.42	3,095.52	2,900.88	2,902.03	2,833.27
364-Day Treasury Bill	-	-	-	43.42	350.29	1,651.02	7,014.85	6,301.60	6,086.65
1-Year Treasury Note	3,396.17	3,157.76	2,930.51	2,405.49	2,155.21	2,075.72	-	-	-
B. Medium-Term Instruments	37,194.46	38,974.46	40,810.21	49,345.63	50,501.82	51,241.94	60,836.41	60,999.74	65,386.73
2-Year Fixed Treasury Note	6,894.12	7,155.85	7,534.28	13,421.57	14,157.68	13,996.60	13,457.75	12,094.11	11,998.01
2-Year USD Domestic Bond	418.90	418.36	417.05	-	-	-	-	-	-
3-Year USD Domestic Bond	979.96	978.68	975.62	1,096.59	1,146.36	1,126.02	2,043.22	1,976.33	2,018.93
3-Year Fixed Rate Bond	7,255.54	6,785.46	8,361.43	10,944.39	10,944.39	11,579.50	14,376.98	14,876.98	14,766.36
3-Year Stock (SSNIT)	881.85	881.85	767.55	502.85	502.85	388.56	123.86	123.86	123.86
5-Year GOG Bond	11,204.01	13,194.20	13,194.20	12,661.66	12,661.66	12,661.66	15,807.95	15,957.95	20,509.07
6-Year GOG Bond	-	-	-	-	370.31	370.31	1,780.73	1,835.48	1,835.48
7-Year GoG Bond	2,150.50	2,150.50	2,150.50	2,857.39	2,857.39	3,258.13	4,580.80	5,319.90	5,319.90
10-Year GOG Bond	7,409.57	7,409.57	7,409.57	7,861.17	7,861.17	7,861.17	8,665.12	8,815.12	8,815.12
C. Long-Term Instruments	20,047.80	20,047.80	19,990.60	27,206.60	27,206.60	28,639.40	29,230.41	29,230.41	29,173.21
15-Year GoG Bond	4,793.78	4,793.78	4,793.78	4,793.78	4,793.78	4,793.78	10,212.65	12,429.92	14,483.32
20-Year GoG Bond	-	-	-	-	-	-	162.13	162.13	162.13
Long-Term Govt Stock	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40	11,987.40
Long-Term Govt Stock (Bank Bailout)	2,201.28	2,201.28	2,201.28	9,474.49	9,474.49	10,964.49	6,031.69	3,814.42	1,761.02
GoG Petroleum Financed Bonds	80.02	80.02	80.02	80.02	80.02	80.02	80.02	80.02	80.02
TOR Bonds	514.80	514.80	457.60	400.40	400.40	343.20	286.00	286.00	228.80
Revaluation Stock	361.06	361.06	361.06	361.06	361.06	361.06	361.06	361.06	361.06
Other Government Stock	-	-	-	-	-	-	-	-	-
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	109.46	109.46	109.46	109.46
D. Standard Loans	212.72	212.72	169.38	124.71	124.71	124.71	117.75	117.75	117.75
TOTAL (A+B+C+D)	69,097.09	70,358.79	71,794.47	87,909.61	89,489.68	92,838.45	107,528.90	107,206.52	111,262.97

The share of short and medium-term debt of the total domestic debt stock increased by end March 2020 as compared to the same period in 2019. This was partly on account of the fresh issuance of 2, 3, & 5-year instruments in line with the issuance calendar for the first quarter to meet Government's financing requirements. This is also in line with the 2020 Medium-Term Debt Strategy (MTDS).

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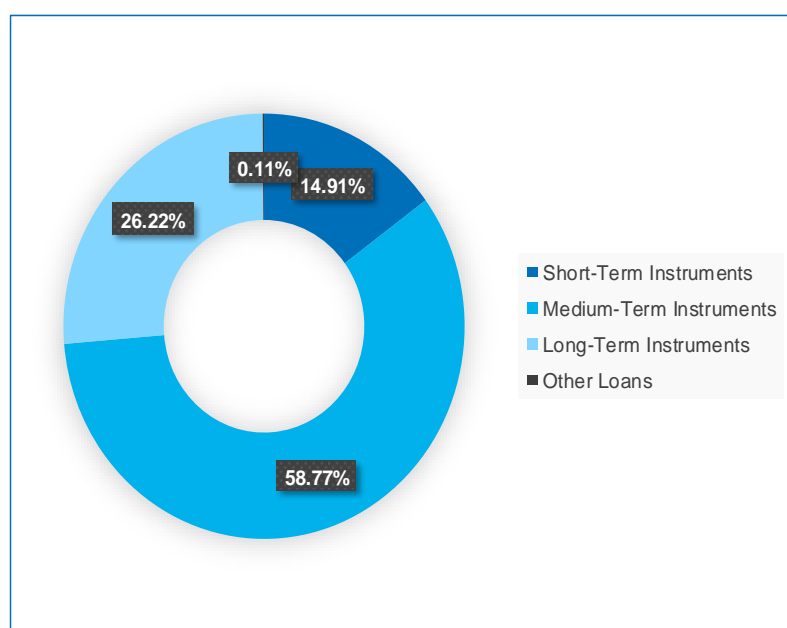
5.2 Domestic Debt Stock by Holders

Table 8. Holding structure of domestic debt (GHS millions)

	JAN-2018	FEB-2018	MAR-2018	JAN-2019	FEB-2019	MAR-2019	OCT-2019	NOV-2019	DEC-2019
A. Banking System	25,876.25	26,153.20	26,677.89	40,218.77	41,386.39	41,226.61	47,625.71	46,556.97	51,784.86
Bank of Ghana	13,003.47	13,002.18	13,002.58	16,326.64	16,313.49	14,579.15	15,551.27	15,241.88	15,425.38
Deposit Money Banks	12,872.78	13,151.02	13,675.32	23,892.13	25,072.90	26,647.46	32,074.44	31,315.09	36,359.48
B. Non-Bank Sector	16,969.54	16,831.70	16,982.24	22,251.11	22,909.85	25,147.73	32,207.79	33,474.04	32,239.55
SSNIT	1,210.01	1,282.64	1,183.35	666.73	618.73	511.19	273.97	255.81	198.25
Insurance Companies	324.61	332.48	347.05	470.04	466.79	477.43	598.83	609.65	624.06
Other Holders	15,434.91	15,216.58	15,451.85	21,114.34	21,824.33	24,159.10	31,334.99	32,608.59	31,417.24
C. Foreign Sector	26,038.58	27,161.17	27,964.95	25,315.01	25,068.73	26,339.40	27,577.65	27,057.76	27,120.86
D. Standard Loans	212.72	212.72	169.38	124.71	124.71	124.71	117.75	117.75	117.75
TOTAL (A+B+C+D)	69,097.09	70,358.79	71,794.47	87,909.61	89,489.68	92,838.45	107,528.89	107,206.52	111,263.02

Most of the domestic debt at end-March 2020 was held by the Banking sector with a share of 46.5 percent, followed by Non-banking sector mainly from individuals and firms & institutions with a share of 29.0 percent. Non-resident holdings and Standard loans accounted for 24.4 percent and 0.1 percent shares respectively.

Figure 8. Share of instruments in domestic debt end March 2020



The proportion of medium-term debt remained dominant in the portfolio of the domestic debt at the end of March 2020 accounted for 58.8 percent. The long-term instruments, with a share of 26.22 percent. The short-term and other loans have a percent share of 14.91 percent and 0.11 percent, respectively.

Note: This classification of domestic debt by tenor includes the stock of non-marketable debt and domestic standard loans.

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5.3 Net Issuance of Domestic Debt

Table 9. Issuance and Redemption of Domestic Debt (GHS millions)

	JAN-2019	FEB-2019	MAR-2019	Q1-2019	JAN-2020	FEB-2020	MAR-2020	Q1-2020
Issuance								
91-Day	1,666.30	2,077.89	1,938.77	5,682.96	2,288.94	2,405.04	2,971.37	7,665.35
182-Day	580.57	340.95	285.16	1,206.67	656.44	347.85	425.67	1,429.96
364-Day	43.42	306.86	1,300.73	1,651.02	713.38	393.41	447.06	1,553.85
1-Yr	-	-	-	-	-	-	-	-
2-Yr Fixed	1,832.18	986.47	1,169.94	3,988.59	164.80	874.73	350.83	1,390.36
2-Yr Fixed (USD)	-	-	-	-	-	-	-	-
3-Yr Fixed	387.33	-	635.10	1,022.44	1,447.39	500.00	1,535.07	3,482.47
5-Yr Bond	501.00	-	-	501.00	-	150.00	5,253.95	5,403.95
6-Yr Bond	-	370.31	-	370.31	-	54.75	-	54.75
7-Yr Bond	-	-	400.74	400.74	-	739.10	-	739.10
10-Yr Bond	-	-	-	-	-	150.00	-	150.00
15-Yr Bond	-	-	-	-	-	-	-	-
20-Yr Bond	-	-	-	-	-	-	-	-
Total Issuance	5,010.80	4,082.48	5,730.44	14,823.73	5,270.96	5,614.88	10,983.95	21,869.79
Maturities								
91-Day	1,484.48	1,740.72	2,024.26	5,249.46	2,013.77	2,178.65	2,961.01	7,153.43
182-Day	605.07	310.82	245.07	1,160.96	598.22	346.69	494.43	1,439.34
364-Day	-	-	-	-	43.42	1,106.66	662.02	1,812.10
1-Yr	-	250.27	79.50	329.77	-	-	-	-
2-Yr Fixed	1,460.39	250.36	1,331.02	3,041.76	233.12	2,238.36	446.94	2,918.42
2-Yr Fixed (USD)	-	-	-	-	-	-	-	-
3-Yr Fixed	373.23	-	-	373.23	-	-	1,645.70	1,645.70
5-Yr Bond	-	-	-	-	-	-	702.83	702.83
6-Yr Bond	-	-	-	-	-	-	-	-
7-Yr Bond	-	-	-	-	-	-	-	-
10-Yr Bond	-	-	-	-	-	-	-	-
15-Yr Bond	-	-	-	-	-	-	-	-
Non-Mrkt	-	-	-	-	-	-	-	-
20-Yr Bond	-	-	-	-	-	-	-	-
Total Maturities	3,923.17	2,552.18	3,679.84	10,155.19	2,888.53	5,870.36	6,912.92	15,671.81
Net issuance								
91-Day	181.82	337.16	(85.48)	433.50	275.17	226.39	10.36	511.93
182-Day	(24.50)	30.13	40.09	45.72	58.22	1.15	(68.76)	(9.39)
364-Day	43.42	306.86	1,300.73	1,651.02	669.96	(713.25)	(214.95)	(258.24)
1-Yr	-	(250.27)	(79.50)	(329.77)	-	-	-	-
2-Yr Fixed	371.79	736.11	(161.08)	946.83	(68.32)	(1,363.63)	(96.11)	(1,528.06)
3-Yr Fixed	14.10	-	635.10	649.20	1,447.39	500.00	(110.63)	1,836.77
5-Yr Bond	501.00	-	-	501.00	-	150.00	4,551.12	4,701.12
6-Yr Bond	-	370.31	-	370.31	-	54.75	-	54.75
7-Yr Bond	-	-	400.74	400.74	-	739.10	-	739.10
10-Yr Bond	-	-	-	-	-	150.00	-	150.00
15-Yr Bond	-	-	-	-	-	-	-	-
20-Yr Bond	-	-	-	-	-	-	-	-
Non-Mrkt	-	-	-	-	-	-	-	-
Total Net Issuance	1,087.63	1,530.30	2,050.61	4,668.54	2,382.43	(255.49)	4,071.03	6,197.98

Gross domestic issuance (face value) totaled GH¢21.86 billion by end-March 2020. The bulk of new issuance in the first quarter was in the short-end instruments. Most of the issuances was in the 2-year and 3-year bonds were re-opens/tap-ins used to offset uncovered primary auctions.

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5.4 Interest Rates on Domestic Debt

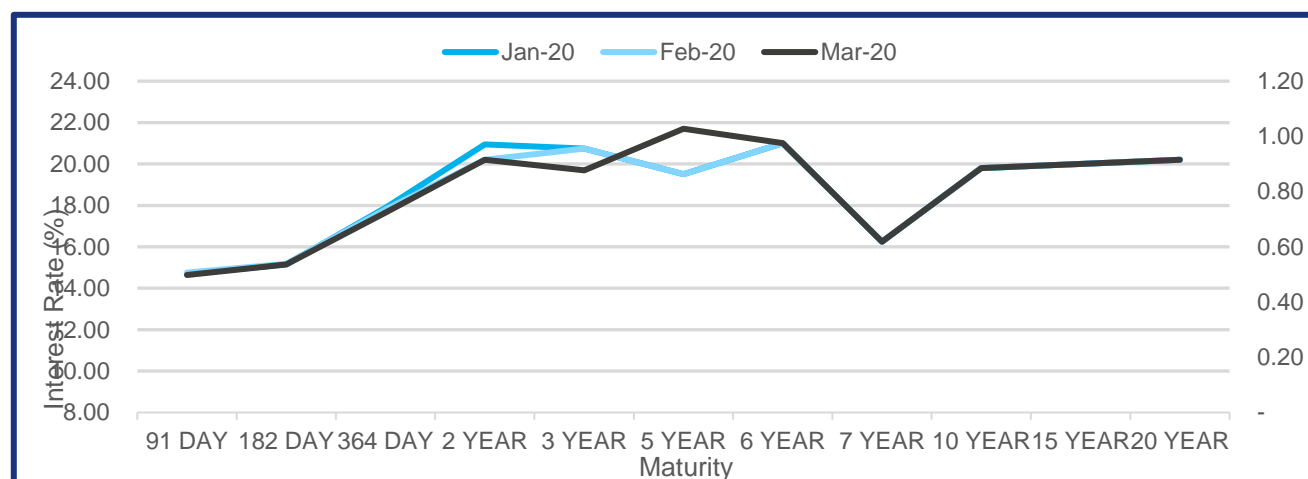
Table 10. Interest rates on Government of Ghana money market instruments

	Jan-18	Feb-18	Mar-18	Jan-19	Feb-19	Mar-19	Jan-20	Feb-20	Mar-20
91 DAY	13.35	13.35	13.36	14.70	14.71	14.72	14.69	14.75	14.64
182 DAY	13.91	13.90	13.90	15.15	15.13	15.16	15.15	15.17	15.15
364 DAY	15.00	15.00	15.00	18.21	18.16	18.19	17.88	17.81	17.65
2 YEAR	17.18	16.50	16.50	19.75	19.75	19.75	20.95	20.20	20.20
3 YEAR	18.50	18.50	16.50	19.50	20.00	20.00	20.75	20.75	19.70
5 YEAR	17.60	16.50	16.50	16.50	16.50	16.50	19.50	19.50	21.70
6 YEAR				21.00	21.00	21.00	21.00	21.00	21.00
7 YEAR	19.75	19.75	19.75	16.25	16.25	16.25	16.25	16.25	16.25
10 YEAR	19.00	19.00	19.00	17.50	17.50	17.50	19.80	19.80	19.80
15 YEAR	19.75	19.75	19.75	19.75	19.75	19.75	20.00	20.00	20.00
20 YEAR	19.75	19.75	19.75	-	-	-	20.20	20.20	20.20

Source: Bank of Ghana and Ministry of Finance

Interest rates on the money markets remained relatively stable over first quarter, in line with the Monitoring Policy Rate (MPR). Rates on the 6-year, 7-year, 10-year, 15-year, and 20-year bonds remained unchanged due to the fact that there was no issuances on those instruments. The rates on the 91-day, 364-day bills declined by 6 and 25 basis points, respectively. However, rates on the 182-day bill remained virtually unchanged as at end-March, 2020.

Figure 9. Yield Curve (at constant maturity)



Investors' appetite was still high toward the short-end of the yield curve, though Government introduced medium and long-term bonds into the market. The strong appetite for the shorter-term instruments is the main driver behind the lower rates. The rates on the longer instruments has remained constant because there not been new issuances on them.

6.0 Liability Management Operations

In the 2019 Budget Statement and Economic Policy and the Medium-Term Debt Strategy (MTDS) of the Ministry, Government hoped to continue its on-going liability management and debt re-profiling programme which had contributed to the improvement of the debt mix and lower interest payments to help manage the risks embedded in the debt portfolio. It is prudent to manage the roll-over and refinancing risk by reducing the large outstanding securities into more liquid maturities.

Government successfully issued US\$3.00 billion on the international capital market on 19th March, 2019. In line with the intended use of proceeds from the Eurobond, US\$2.00 billion was allocated for budget support and the remaining US\$1.00 billion for liability management operations.

A tender offer was conducted to buyback a portion of the 2023 outstanding Eurobond in an amount of **US\$303.10 million**. The remaining US\$700.00 million portion of the liability management operations is earmarked for buying back outstanding maturities on the domestic market. Currently, the Ministry has successfully repurchased a total of **GH¢209.77 million** of the outstanding July 2022 5-year bond on the domestic market. It is important to mitigate the forex risk associated with early bond redemptions which arises from high exposures to offshore investors in this regard. Buyback auctions are being conducted, in close coordination with the Bank of Ghana, to avoid, any associated forex risk from the repatriation of offshore flows.

Glossary

Amortization	Schedule for payments of principal on a loan on an on-going basis
Average Time to Maturity	The average time to maturity measures the weighted average time to maturity of all the principal payments in the portfolio
Bonds	Debt securities that give holders an unconditional right to fixed income or contractually determined payments on a specified date or dates.
Buy-back	The repurchase by a debtor government of all or a portion of its debt at a discount from face value
Bilateral Debt	Debt contracted from sovereign countries.
Commercial Debt	Short-term borrowing from banking institutions other than Official Development Assistance (ODA).
Concessional loans	These are loans that are extended on terms substantially generous than loans contracted from the open market.
Contingent Liability	Obligations that do not arise unless particular discrete event occur in the future.
Coupon	The annual interest rate paid on a bond, expressed as a percentage of the face value
Debt Service	Debt payments in respect of both principal and interest.
Debt-to-GDP Ratio	Ratio of a country's gross public debt to its Gross Domestic Product (GDP).
Debt Relief	Any form of debt reorganisation that relieves the overall burden of debt.
Disbursed Outstanding Debt	The amount, at any given time, of disbursed and outstanding contractual liabilities of a country denominated in globally traded currency.
Disbursement	The transfer of the committed loan amount from the lender to the borrower, once contractual conditions are fulfilled.
Domestic Debt	Domestic Debt liabilities owed by residents to residents and non-residents.
Escrow Account	An Account in which proceeds are logged to pay off future debt service payments.
Eurobonds	Bond issued by a borrower in a foreign country, denominated in a Eurocurrency (e.g. US dollar, Canadian dollar, yen, euro), underwritten and sold by an international syndicate of financial institutions.
External Debt	Debt liabilities owed by residents to non-residents and dominated in foreign currency.
Gross Domestic Product	The market value of all final goods and services produced within a country in a given period. The GDP is determined using data for

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	production, expenditures, or income, and is presented in current or constant prices.
HIPCs	Heavily Indebted Poor Countries (HIPCs) comprise a group of 41 developing countries classified as being heavily indebted and poor.
Interest Payment	The amount paid periodically over a period to a lender as compensation for the use of the lenders capital.
Interest Rate	An interest rate is the cost or price of borrowing, or the gain from lending, normally expressed as an annual percentage.
Letter of Credit	A financial instrument that specifies a letter from a bank guaranteeing that a buyer's payment to a seller will be received on time and for the stated agreed amount. If the buyer is unable to make the payment on the purchase, the bank will be required to cover the full or remaining amount of the purchase.
Maturity	The maturity of a bond refers to the date that the debt would cease to exist, at which time the issuer will redeem the bond by paying the principal.
MTDS	A Debt Management Strategy planned to be implemented over the medium-term (three to five years) in order to achieve a composition of a desired debt portfolio with regards to the cost-risk trade-off.
Multilateral Debt	Debt contracted from multilateral institutions such as World Bank, IMF and development banks such as the African Development Bank (AfDB).
Net Domestic Financing	New debt issuance (net of principal repayment) required to partly fund the budget deficit from domestic sources.
On-Lending	Government borrowed funds which are lent to State-Owned Enterprises (SOEs) and other private sector businesses. Government would generally do this as a measure to promote strategic policy interventions.
Principal Repayment	The act of paying back money previously borrowed from a lender.
Promissory Note	An unconditional promise to pay a certain sum on demand on a specified due date.
Public Debt	The total public (external and domestic) debt obligations of a sovereign nation.
Public-Guaranteed Debt	Debt liabilities of public and private sector units, the servicing of which is contractually guaranteed by public sector units.
Public-Private Partnership	Long-term contracts between two units (one in the public sector and the other in the private sector), whereby one unit acquires or builds an asset or set of assets.
Refinancing Risk	The risk associated with debt that is rolled over into new debt.
Rollover	The extension or transfer of debt from one period to the next.
Short-Term Debt	Outstanding debt with a maturity of one year or less.

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Sinking Fund	A fund created by a borrower for the purpose of redeeming bonds. The borrower is obliged to redeem specified amounts of the bond within specified periods.
State-Owned Enterprise	A legal entity partially or wholly-owned by the government to conduct business on or on behalf of the government.
Yield	The return on an investment or interest received from holding a particular security. The yield is usually expressed as an annual percentage rate based on the investment's cost and current market value or face value.
Yield curve	A graph that shows the mathematical relationship, computed across all government securities (or other securities), between yield and maturity



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