

THE LIMA DIGEST

NOVEMBER 2023 / VOL. 11



UPCOMING DEADLINES

VALUE ADDED TAX, OCTOBER - GRA	30 TH NOV. 2023
WITHHOLDING TAX, NOVEMBER - GRA	15 TH DEC. 2023
PAY AS YOU EARN(PAYE), NOVEMBER - GRA	15 TH DEC. 2023



OTHER AVAILABLE DOCUMENTS



GHANA'S CREDIT RATING: AN OVERVIEW OF RECENT ASSESSMENTS

Introduction

Ghana, like many other countries, undergoes annual evaluations by prominent international credit rating agencies. These assessments provide valuable insights into the country's economic stability and creditworthiness. In this edition of the LIMA Digest, we explore Ghana's current credit rating from leading agencies and its implications for the country's financial landscape.

What are Credit Ratings?

Credit ratings are assessments or evaluations of the creditworthiness of individuals, companies, governments, or other entities. These ratings are used by investors, lenders, and other financial institutions to make informed decisions about lending money, investing in bonds or securities, or conducting business transactions. Credit ratings are typically expressed as letter grades, with each grade indicating a level of credit risk associated with the entity being rated. 'AAA' is considered the best credit rating for any country or institution whilst 'DDD' is seen to be the worst rating any country or institution can receive. The main categories for credit ratings often include:

Investment Grade Ratings

AAA, AA, A, and BBB: These represent low to moderate credit risk and are considered investment-grade ratings. Countries with these ratings are more likely to meet their financial obligations.

Speculative or Non-Investment Grade Ratings

BB, B, CCC, CC: These represent higher credit risk and are considered speculative or non-investment grade. Countries with these ratings have a higher chance of defaulting on their financial obligations.

Default or High-Risk Ratings

C, D, and SD: These indicate a high likelihood of default. Countries with these ratings may already be in default or at imminent risk of default.

Credit Rating Agencies

Credit rating agencies are independent organizations that analyze the financial health of countries and their ability to meet their financial obligations. Ghana's creditworthiness is evaluated by several prominent credit rating agencies, including Moody's Investors Service, Standard & Poor's (S&P), and Fitch Ratings. These agencies assess various factors, such as economic performance, political stability, fiscal management, and external vulnerabilities, to determine the country's creditworthiness.

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Ghana's Credit Ratings.

The table below shows the credit ratings of Ghana over a period by the major credit rating agencies.

Year	Grade	Credit Rating Agency
2015	B3	Moody's
2016	B3	Moody's
2020	B3	Moody's
2019	B	Fitch
2021	B	Fitch
2023	CCC	Fitch
2017	B-	S&P
2018	B	S&P
2022	SD	S&P

From the table above, it is evident that Ghana's creditworthiness has gotten poorer over the years. The high risk of defaulting on its obligations will discourage investors from showing interest in the country.

Implications

Ghana's credit ratings have a considerable impact on its ability to access international capital markets and secure financing for essential projects and government operations. A lower credit rating can result in higher borrowing costs, reducing the government's capacity to invest in infrastructure and public services.

It's important to note that credit ratings are subject to change over time. The Ghana government's commitment to prudent fiscal management, debt reduction, and economic diversification will play a crucial role in influencing these ratings positively in the future.

Conclusion

Ghana's credit rating from major agencies reflects its economic challenges and vulnerabilities. As Ghana continues its journey toward economic development, maintaining fiscal discipline and attracting foreign investment will be essential for improving its creditworthiness and ensuring a stable financial future.



SNAPSHOT OF THE ECONOMY OF GHANA

INFLATION (as at 14th November, 2023)

35.2%

MONETARY POLICY RATE (as at 1st November, 2023)

30.0%

GHANA REFERENCE RATE (as at 1st November, 2023)

32.0%

EXCHANGE RATE AS AT 15TH NOVEMBER, 2023

GHS - USD	BUYING	SELLING
BANK OF GHANA	11.53	11.54
ABSA BANK	11.52	11.99
ZENITH BANK	11.51	12.01
STANBIC BANK	11.60	11.99
CAL BANK	11.45	11.99
GCB BANK	11.75	11.98



QUOTES

"The Poor is no longer not just having enough, but poverty is in fact, not having more than the debts you owe!!!."

Cornelius J.

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ACCOUNTING AND CONSULTING SERVICES

We offer the following accounting and consulting services;

- Providing day-to-day bookkeeping and accounting services;
- Preparation of financial statements according to International Financial Reporting Standards (IFRS);

- Review and analysis of financial statements;
- Preparation of management accounts, budgets, financial models, etc.;
- Payroll services;
- Assistance with accounting system set up (chart of accounts, finance and accounting procedures manuals, software installation and configuration, etc.);
- Due diligence;
- Mergers and acquisitions;
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- Preparation of business plans, policies and procedures manuals, etc.;
- Recruitment and Selection of Human Resource.

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