As contracting parties will recall, Ghana last consulted on her balance-of-payments restrictions in December 1966. At the time, we had just had a change in government brought about in an attempt to remedy the economic maladministration that had plagued the country for a number of years.

At the last consultations, we outlined a three-phased programme for stabilizing the economy and for laying the foundations for normal growth. The three phases of the programme were as follows:

(a) the emergency phase;
(b) the review phase; and
(c) the plan phase.

I am happy to report that through the diligent pursuit of clear cut policies together with assistance from friendly countries, we have successfully carried through the first two phases. We have been able to achieve a satisfactory measure of internal stability through the curtailment of public expenditure which had been the main source of monetary expansion and inflationary pressures.

Other stabilizing measures included the adjustment of taxes and duties to a level consistent with the demand and supply position and the elimination or reduction of export duties to boost the export sector of the economy.

Through financial assistance from friendly nations and international institutions, particularly the IMF, we have been able to avert short-term payment crisis and at the same time maintained supply of essential commodities.

During this period of stabilization, the efforts of the Ghana Government were greatly assisted by the successful outcome of the first debt renegotiations in which many of the creditor countries agreed to a rescheduling of debt repayments.

On 8 July 1967 the Ghana Government had to take a bold step to devalue the cedi by 30 per cent in an effort to establish a more realistic external rate for the currency. This measure was further destined to boost our exports and to restrict imports particularly of inessential commodities.
These monetary and fiscal policies have had the salutary effect of restraining excessive demand and significantly reducing the deficits on the balance of payments. Whereas the current account deficit of the balance of payments in 1965 amounted to (post devaluation) N$ 233 million, by 1966 the deficit had been reduced to N$ 132.6 million. There was a further reduction of the deficit to N$ 89.3 million in 1967. The continued pursuit of sound economic and financial policies is expected to reduce further the pressure on Ghana's balance of payments during 1968.

Phase Three of our programme involving a two-year development plan has now been launched. The objectives of this plan are:

(i) To provide the foundation for self-generating growth.
(ii) To achieve growth with an improved efficiency in the use of imports and investment resources likely to be available.
(iii) To reduce the high level of unemployment and check the rate of migration to the cities.
(iv) To maintain internal financial equilibrium in avoiding on the one hand an inflationary rise in prices and, on the other, the creation of additional idle capacities.
(v) To maintain external financial equilibrium in such a way that the balance of payments shows no larger deficit after accounting for the debt service than can be covered by foreign aid and loans.
(vi) To aim at an improved rate of growth of national income through a sustained high rate of development well balanced between the sectors.
(vii) To achieve more equitable distribution of income between regions and between persons.
(viii) Diversification of the export base of the economy.
(ix) Development of the rural areas; and, finally
(x) Reduction of dependence on foreign aid.

Now it will be observed that this is a very short period development plan by all known standards, but this, to our mind, is an attempt to move from the stabilization period to a period of sustained growth. Immediate effect has been given to the implementation of the development plan in the current budget for 1968/69. It will also be realized that unlike previous budgets and development plans, considerable emphasis has been given to improvements in agricultural production and living conditions in the rural areas. This is so because we
realize that for a long time to come economic activity will centre around agriculture and that the immediate prospects for easing our balance-of-payments difficulties will come from the agricultural sector. Basically, we envisage increasing agricultural production for four main purposes:

(a) To meet an increased proportion of Ghana's food consumption from local production;
(b) To provide food for a larger number of people as the population grows;
(c) To provide raw materials for existing and prospective factories in Ghana;
(d) To provide surpluses for export of those commodities which Ghana can profitably sell on the world market, in either processed or unprocessed form.

Export promotion:

Along with the objectives enumerated in the two-year development plan, it is realized that a vigorous export promotion activity should be instituted. To this end, concrete plans have now been completed for the establishment of an Export Promotion Council which will be the centre of information, advice and assistance to all exporters and generally spearhead a vigorous export campaign to boost the exports of the country. At the same time, a company has been established to be responsible for the marketing overseas of Ghanaian manufactured products. It is hoped that the new organization which will shortly start functioning will help considerably in boosting our exports.

Future problems:

The background material produced by the GATT secretariat for this consultation (BOP/83/Rev.1) adequately identifies a number of economic problems facing our country as well as the export possibilities for the future. The prospects and problems of the traditional export items of cocoa, minerals, timber and small agricultural crops are well spelt out in the document. I do not, therefore, wish to add anything to what is contained in this very exhaustive review. It appears, however, that significant increases in exports can be achieved from some of the minor agricultural products, to which the Ghana Government is paying full attention.
At the same time, over the past few years, Ghana embarked upon a very high scale of industrialization which produced considerable investment in industrial plant from which production for export on a reasonable scale can be obtained to aid the balance of payments. Unfortunately, there is a large amount of unutilized industrial capacity which makes the cost of production on the present scale very high. It is estimated that about 60 per cent only of industrial capacity is at present utilized. The main reason for the excess capacity is that most of these industries use imported raw materials, the imports of which have to compete for foreign exchange allocation in a situation of balance-of-payments crisis.

We believe that a successful renegotiation of our external debts on easier terms at the next meeting will ease the burden of our debt service commitments and make resources available to reduce the degree of under-utilization of industrial capacity.

I would like to take the opportunity here to indicate the areas in which assistance from contracting parties would lead to resolving our problems:

(a) greater liberalization in the utilization of aid loans;
(b) an earlier conclusion of an international cocoa agreement;
(c) reduction of tariffs and removal of non-tariff barriers;
(d) general preferential treatment without discrimination and reciprocity for commodities of export interest to developing countries.

I am sorry it has not been possible to make a very short statement as much as I would have liked to. But it has nevertheless been possible to state clearly, I hope, the problem which the present Ghana Government inherited, the measures it has taken so far to restore stability in our economy and the future prospects of managing the economy on a sound basis. The Ghana Government can be justly proud of its achievement in rebuilding an economy which was at the point of collapsing. At the same time, judging from the problems still to be resolved, we cannot be complacent and would like the CONTRACTING PARTIES to endorse the measures taken so far as explained in GATT Document BOP/85. In doing so, I would like to draw attention particularly to the annex to the document in which we have indicated steps already taken to ease the restrictions on imports by placing more items on the open general licence.