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General News

BoG never gave GN bank a bailout; our case is different - Group Nduom VP clarifies

Vice President of Group Nduom, Nana Ofori Owusu, has revealed that GN Savings and Loans in contrast to other local banks that lost their licences in 2017 by the Bank of Ghana.

During a media engagement on Tuesday, May 28, 2024 Nana Ofori pointed out that GN Bank, which transitioned to GN Savings and Loans before its collapse, did not receive any bailout from the Central Bank, unlike its counterparts.

This explanation comes after Dr. Papa Kwesi Nduom, Chairman of Groupe Nduom and owner of the now-defunct Gold Coast Fund Management Company, revealed over the weekend that the government owes his companies and other subsidiaries more than GH¢7 billion.

Dr. Nduom has called on the government to repay the contractors who took loans from

Groupe Nduom, asserting that if these payments had been made earlier, his companies would not be in their current financial predicament.

Mr. Ofori Owusu believes that the situation of GN Bank sets it apart from other cases in the banking industry.

"A statement was made that some people have been jailed in the banking sector. I want people to understand that this is not a 'banku effect'; that everybody's the same.

Somebody was jailed for taking a bailout from the Bank of Ghana and using it in a way that was not appropriate. With the GN bank matter, GN has never taken a bailout from the Bank of Ghana," he stated.

The recent imprisonment of William Ato Essien, former CEO of the defunct Capital Bank,

has reignited discussions about bailouts and financial misconduct in the banking sector.

On October 15, an Accra High Court, presided over by Justice Kyei Baffour, sentenced Mr. Essien to 15 years of hard labour for failing to repay GH¢90 million to the state as mandated by the court.

Previously, Mr. Essien had negotiated a deal with the state

under Section 35 of the Courts Act, which allows an accused to plead guilty and make restitution for financial losses, potentially avoiding a prison sentence.

However, he did not meet his financial obligations within the agreed timeframe, leading to his incarceration.

Source: The Independent Ghana / Abigail Twumwaa Ampofo



Nana Ofori Owusu, Vice President, Group Nduom

Parliament to summon contractor over stalled \$12m Pwalugu dam project - Atta Akyea

Former Works and Housing Minister, Samuel Atta Akyea, has pledged to push for a parliamentary investigation into the lack of progress on the Pwalugu Dam Project since its commencement in November 2019.

Mr. Atta Akyea expressed concern, like many Ghanaians, over the allocation of \$12 million to the project without any visible results.

He emphasised the importance of Parliament demanding answers from the contractor, stating that it would be more productive than politicising the issue.

"The first point of the engagement is to bring the contractor, maybe with the consultant as well, and then we begin to grill the contractor that has received \$12 million, if there's documentary evidence to that effect, how did you apply it. Why have you abandoned it? Sometimes, we colour everything as political. But some contractors

too can be very funny.

"They'll receive the money and then probably they'll abandon the project. I am not saying that is what the contractor has done, but let's probe into what has happened and the first person we should engage is the contractor. Because the allegation is that it is not a politician who is a beneficiary of a million dollars, but a contractor," he said on Monday.

He added, "Let's find out why has it not taken off. If it is somebody's ineptitude, we will find out. If it is a defalcation of public funds, we will find out. And then we will be sure that this is the reason why a major promise of this government has not taken off."

Yapei-Kusawgu legislator John Jinapor has raised concerns over a project in the Talensi District earmarked for construction by the New Patriotic Party (NPP), which has not seen any development despite the NPP having just a few months left in its tenure.

During a media briefing at the site this week, Mr Jinapor disclosed that approximately \$12 million had been invested in the project, yet there is nothing to show for it.

He noted that the contractor is missing, and parts of the site have been converted into farming areas by locals.

On April 8, 2024, before the Public Accounts Committee, the Governor of the Bank of Ghana, Dr. Ernest Addison, was unable to justify the \$11.9 million paid to MS Power China International Group Limited for the Pwalugu Irrigation Project.

According to Samuel Atta-Mills, MP for Komenda-Edina-Eguafo-Abrem (KEEA) Constituency in the Central Region, no work had been done on the site.

The PAC demanded documentation from the Bank of Ghana to further investigate these transactions.

The Bank of Ghana eventually

addressed concerns about the disbursement of \$12 million for the Pwalugu Irrigation Project, despite the limited visible progress.

The Central Bank clarified that the payment to the contractors, MS Power China International Group Limited, was made based on government authorisation, and therefore, it could not provide additional information.

Bernard Otabil, the Director of Communication at the Bank of Ghana, explained that the Bank's role as custodian of government accounts requires it to execute authorized transactions within its mandate.

"We are the Central Bank, we are actually the chief cashiers of the government and we also hold all governments accounts. So, we would act on instructions that have been given to us. Once that approval has been sought and the project is started, then you would also have the role of the ministry of finance at some point,

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General News

Parliament to summon contractor over stalled \$12M Pwalugu dam project - Atta Akyea

coming in to also look at what has been submitted and whether it is actually in line with what has been submitted with the contract that has been solely specified and when satisfied with the supporting documents that need to be presented.”

“But finally, you will also have the Controller and Accountant General coming in and making that authorization for payment to be made and that comes to us.”

“We will then go ahead to make the payment if the account is fully

funded and therefore there will not be any form of disclosure on our part because it is the same. It is not different from any of the banking services that you are very much used to. In our unique position, we deal with the government and most of all the MDAs, but largely we are on the government’s side, we are the bankers of the government. The government withdraws on its own account, let’s make that clear and nobody can issue a cheque on anybody’s account.”

Source: The Independent Ghana / Andy Ogbarmey-Tetty



Samuel Atta Akyea, Former Works and Housing Minister

KATH Labour Unions kick against dismissal of CEO

Labour unions at the Komfo Anokye Teaching Hospital (KATH) in the Ashanti Region are standing firm against a petition calling for the removal of their Chief Executive Officer (CEO), Prof. Otchere Addai-Mensah.

A private legal practitioner, Kwame Adofo who served as KATH’s legal counsel until December 31, 2023 has accused Prof. Addai-Mensah of financial impropriety and procurement violations, citing substantial evidence in a petition to President Akufo-Addo.

However, the unions issued a joint statement dismissing these allegations as groundless and riddled with inaccuracies.

They praised the CEO’s dedication and positive impact on the hospital

since his appointment.

“We recognize that the allegation against the CEO does not define his character and dedication to the well-being and development of the hospital. We witness what Professor Addai Mensah has achieved since he was appointed as CEO of KATH.

“We know his excellency, the president of the Republic, has his ears on the ground and knows the appointment of the CEO has positively impacted the hospital. We wish to put on record that we shall resist any attempt by any faceless individuals seeking to undermine the effects of the CEO because of parochial interest,” the group said.

The unions vowed to resist

any attempts by anonymous individuals to undermine the CEO’s work, emphasising their support for Prof. Addai-

Mensah’s leadership amidst the controversy.

Source: Independent Ghana / Sebastian Akaho-Tay



Professor Otchere Addai-Mensah, CEO, KATH

Small Scale miners demand immediate removal of executives

Members of the Ghana National Association of Small Scale Miners have demanded the resignation of their executives.

In a press statement, the members accused the executives of neglecting the welfare of small-scale miners since their election four years ago.

The accusations include failure

to provide accountability to association members, non-compliance with constitutional provisions in managing the association’s affairs, and exploiting the general membership for personal gain.

The leaders were again accused of “allocating 30 out of 90 concessions designated for national distribution to certain

executives, gross disregard for the general membership, exhibiting unprecedented levels of greed and ineffective leadership disintegrating the association.”

The members believe that these actions have hindered the growth of the small-scale miners association.

“How can you move forward if you are unable to meet to discuss

plans or even review plans that have been discussed to shape your actions? We are therefore by this statement demanding the immediate removal of our executives to step aside for an interim team to take over to reorganise the association.”

“With these leaders, our quest to have a sanitised and united front to deal with the challenges our

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General News

Small Scale miners demand immediate removal of executives

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association faces especially with illegal miners who do not belong to us, will be a fight in vain," the statement read.

The small-scale miners have urged the Minerals Commission to intervene and issued a two-week ultimatum.

The members insist on having a leadership that is prepared to collaborate with all licensed miners.

"We as a group should be leading the fight against illegal mining but if we do not have accountable leaders, this fight will be lost. We will take further steps if our call for emergency elections to remove our current executives is not adhered to in two weeks," they added.

Source: The Independent Ghana / Amanda Cartey



File Photo

EC to hold special voting for 2024 elections on Dec. 2'

The Electoral Commission (EC) has announced that special voting for the 2024 presidential and parliamentary elections will take place on Monday, December 2.

This announcement was made by the Commission's chairperson, Jean Adukwei Mensa, during a meeting with the national executives of the Ghana Journalists Association (GJA) and representatives of the security forces in Accra on Tuesday, May 28.

"The special voting will be held on Monday 2nd December 2024 in all the 275 constituencies in the country," she stated.

The special voting arrangement is designed to accommodate individuals performing election-related duties on the main polling day.

This includes personnel from the Ghana Armed Forces, National Intelligence Bureau (NIB), National Security, Ghana Immigration Service, Ghana National Fire Service, and Information Services Department.

Additionally, members of the National Ambulance Service, Customs Division of the Ghana Revenue Authority, Prisons Service, Ghana Journalists Association, Ghana Police Service, and the National Media Commission are

also included.

This early voting ensures that these individuals can exercise their right to vote without conflicting with their professional responsibilities

during the elections. However, the results of the special voting will not be declared until after the general elections.

Source: The Independent Ghana / Andy Ogbarmey-Tetty



Jean Adukwei Mensa, EC Chairperson

Effutu: NDC concerned about potential manipulation after EC's abrupt transfer

The National Democratic Congress (NDC) branch in Effutu has voiced significant concerns regarding the abrupt transfer of Emelia Ama Akotiah, the Electoral Commissioner for the area.

This move comes just days before the conclusion of the voter registration exercise.

At a press conference on Tuesday, May 28, 2024, James Kofi Annan, the NDC's parliamentary candidate for Effutu, expressed worries about potential election manipulation linked to the sudden transfer.

He noted that despite past allegations of voter manipulation during the 2020 elections, Akotiah had been working to resolve these issues.

"Why will you transfer an officer at such an ungodly hour when you know that there is an ongoing registration exercise and there is an impending transfer to be done?" Mr. Annan questioned, suggesting that the transfer could be a deliberate move to influence the fairness of the upcoming December 7 elections.

Mr. Annan stressed that the timing of the transfer raises serious doubts and could threaten the

electoral process's integrity in Effutu.

He speculated that Akotiah's efforts to correct past mistakes and prevent new ones might have led to her sudden reassignment.

The Effutu NDC is calling for openness and responsibility from the Electoral Commission concerning this matter.

They demand a thorough explanation for Akotiah's transfer and assert that the registration and forthcoming election procedures must be protected from any

manipulation or prejudice.

Source: The Independent Ghana / Abigail Twumwaa Ampofo



File Photo

General News

We will not harass you with EOCO and burden you with endless tax audits - Mahama

Former President John Mahama asserts that if he emerges victorious in the presidential election on December 7, 2024, his subsequent administration will refrain from employing state institutions to intimidate businesses.

Addressing attendees at the 8th Ghana CEO Summit in Accra on Monday, May 27, the ex-President additionally pledges to reduce government expenditure.

"We will do this by pruning the huge government expenditures, preventing waste and corruption, and boosting revenues by expanding the tax net," Mr Mahama noted.

"We will simplify the VAT and streamline its collection," promised Mr Mahama.

Also, he said: "We will abolish the e-levy and some taxes that have become a burden on businesses

and households."

"We will not burden you with endless tax audits and harass you with EOCO."

The leader of the primary opposition party, the National Democratic Congress, stated that

addressing the economy and restoring stability to the cedi would be among his top priorities within the first 100 days.

"The number one priority will be stabilising the economy and restoring a stable currency by

launching an urgent economic recovery and fiscal consolidation plan following a national economic dialogue to be held within one hundred days of assumption of office."

Source: The Independent Ghana / Amanda Cartey



John Dramani Mahama, Former President & NDC Flagbearer

EPA advises Ghanaians against excessive tiling of their houses to check flooding

Environmental Protection Agency (EPA) has called on Ghanaians to reduce the use of tiles or cement in their compounds to allow rainwater to flow naturally.

According to the agency, the widespread practice of cementing or tiling compounds is a significant factor in the occurrence of flash floods and the reduction of groundwater levels as it reduces the amount of underground water.

Speaking to the media at a climate change adaptation education event, Mr. Kwadwo Opoku Mensah highlighted the need for a balanced approach in landscaping around homes.

He advocated for the inclusion of both permeable surfaces, like green grass and paving, alongside hard surfaces.

This balance, he explained, would facilitate the absorption of rainwater into the ground, thereby

increasing groundwater reserves and preventing flooding.

Despite the Land Use and Spatial

Planning Authority's regulations against excessive tiling and cementing, many property owners continue to ignore these

guidelines.

Source: The Independent Ghana / Abigail Twumwaa Ampofo



File Photo

General News

“You must be transparent with hotels sale” - Afenyo-Markin to SSNIT

Parliament's Majority Leader, Alexander Afenyo-Markin, has called upon the Social Security and National Insurance Trust (SSNIT) to disclose documentation concerning the transaction involving the sale of its shares in four hotels to Dr. Bryan Acheampong, the Minister of Agriculture.

“Let me make this appeal to SSNIT, SSNIT must come out, make the documents available, and speak to it. I mean, they cannot be dodgy. This is not a political matter. I cannot come and speak to it politically, condemn it, or commend it,” he said.

SSNIT is nearing completion of the sale of 60% of its shares in the Elmina Beach Resort, Ridge Royal Hotel, La Palm Royal Beach Resort, and Labadi Beach Hotel to Rock City Hotel, owned by Dr. Acheampong.

Concerns have been raised

by stakeholders regarding a potential conflict of interest in the transaction. North Tongu MP, Samuel Okudzeto Ablakwa, has submitted a petition to CHRAJ urging an investigation into the deal.

In his petition to CHRAJ, Mr. Ablakwa seeks an inquiry into various allegations, including conflict of interest, abuse of power, procedural irregularities, violations of procurement protocols, favoritism, and corruption.

Mr. Ablakwa's petition points out what he perceives as breaches of constitutional provisions, citing Articles 78(3) and 98(2) of the 1992 Constitution.

It noted that following this “further advertisements for an Expression of Interest (EOI) for a Strategic Partner for the SSNIT Hotels were placed in the Daily Graphic on 3rd February 2022 and in the Ghanaian

Times on 7th February 2022. The advertisement was also published in The Economist Magazine on 26th February 2022.”

SSNIT has refuted any allegations of wrongdoing in its choice to divest a 60% interest in its hotels to Rock City Hotel.

In an official statement, the Trust clarified that the initiative commenced in November 2018 subsequent to its engagement of a Transaction Advisor to oversee the identification of a Strategic investor among other

considerations.

“SSNIT must come out, and even not only this decision, [it must] look at all their investments that are failing and explain them to the public.

“I am sure that TUC and other labour unions will understand if these things are explained and they will take away Bryan Acheampong as a person and understand that, let's not look at the form but at the substance.”

Source: The Independent Ghana / Amanda Cartey



Alexander Afenyo-Markin, Majority Leader

Parliament reconvenes on June 11 to deliberate \$335m tax exemption proposal

Parliament is scheduled to resume from recess on Tuesday, June 11, 2024, as announced in a statement issued by the Speaker of Parliament, Alban Bagbin, on Monday, May 27.

The release stated that the Speaker is exercising his authority to reconvene the house under Order 58 of the standing orders of Parliament.

“Pursuant to Order 58 of the standing orders of the Parliament of Ghana, I, Alban Sumana Kingsford Bagbin, Speaker of Parliament, hereby give notice that the third meeting of the fourth session of the eighth Parliament of the Fourth Republic shall commence on Tuesday, the 11th day of June 2024 at ten o'clock in the forenoon at Parliament House, Accra.”

When Parliament resumes recess

on Tuesday, June 11, 2024, one of the key agenda items will be the government's proposal to grant approximately \$335,072,712.13 in tax exemptions to 42 companies participating in the One District One Factory initiative.

The tax breaks are facilitated by the Exemptions Act, 2022 (Act 1083),

which was originally presented to Parliament by former Minister for Finance, Ken Ofori-Atta, in 2022. This Act aims to support the government's industrialization efforts by providing financial relief to companies involved in the initiative.

During the resumption of

Parliament, members will deliberate on this critical issue, among others, to assess the potential impact of these tax exemptions on the national economy.

Source: The Independent Ghana / Andy Ogbarmey-Tetty



Parliament of Ghana



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Business

Lack of incentives for investors to blame for decline in Ghana's oil production - ACEP

Executive Director of the Africa Center for Energy Policy (ACEP), Ben Boakye has raised alarm about Ghana's dwindling oil production.

According to the 2023 Public Interest and Accountability Committee (PIAC) Annual Report, Ghana has experienced a steady decline in crude oil output for the fourth consecutive year.

The report unveils a concerning trend, showing a substantial drop in crude oil production from 71.44 million barrels in 2019 to 48.25 million barrels in 2023, marking an average annual decrease of 9.2 percent.

Moreover, the report brings to light another troubling discovery: for the second consecutive year, the total proceeds of US\$70,456,718.93 from the Jubilee Oil Holdings Limited (JOHL) lifts were not deposited into the Petroleum Holding Fund (PHF).

In an interview with the media, Ben Boakye attributed this decline to Ghana's unattractiveness to global investors.

He emphasised the importance of incentivizing existing investors and local companies to attract more investments into the sector.

"When those in your country already producing are not incentivised to put in more money,

you are only joking to think you can bring in more investors... Once you are roaming around looking for investors, the narrative globally is that Ghana is not attractive. And that is known to the industry.

"You have Wood Mackenzie, you have all the energy journals saying that Ghana is not attractive, you are only wasting money showing up at events to list what you have or showcase what you have," he said.

Mr Boakye noted that despite the global constraint on investments, neighbouring Cote D'Ivoire is successfully attracting substantial investments.

"I don't think it's a general problem, there's a general constraint on investments, but again, oil is being

consumed, the demand is growing, and therefore, we need to produce it. Countries that are strategizing around broad problems globally are still attracting investments.

"One example you can always reference is our next-door neighbour Cote D'Ivoire, which was not producing significant oil, they have the same investments we have here," he said.

Boakye pointed out that while global investment constraints exist, neighbouring Cote D'Ivoire has been successful in drawing substantial investments.

He urged the Ghanaian government to strategize and optimise investments to leverage the country's proven reserves, citing successful examples of

countries that have benefited from flexible investment terms.

"We have proven reserves, but there's room for more exploration and that costs a lot of money. So, you need to attract investments into those fields. If you have money to do it yourself, it's always an option. But if you don't have money, you always want to attract investments, discount the investments and be able to share the profits or the benefits," he mentioned to host Bernard Avle.

The news of Ghana's falling oil production serves as a wake-up call for strategic investment planning to revitalise the sector and ensure long-term sustainability.

Source: Independent Ghana/ Sebastian Akaho-Tay



Ben Boakye, Executive Director, ACEP

Contractors in financial difficulties due to unpaid GHS15bn debt owed by gov't

The Ghana Chamber of Construction Industry has lamented the plight of many of its members due to an unpaid debt of GH¢15 billion owed by the government, which has accumulated since 2014.

According to the Chamber, this situation has resulted in the deaths of some members, others being bedridden, and several facing lawsuits from their financiers due to delays in repaying loans.

During a press briefing on Friday, May 24, Finance Minister Dr.

Mohammed Amin Adam stated that the government had spent approximately GH¢49 billion on payments to contractors.

However, Emmanuel Cherry, CEO of the Construction Chamber, in an interview with the Ghana News Agency on Monday, May 27, denied any knowledge of such payments being received.

He described the dire condition many contractors are facing due to the government's failure to pay the GH¢15 billion debt accrued since 2019.

"Every day, labourers and professionals, financial institutions, cement dealers, and fuel suppliers, are all calling and demanding their money from one contractor, bringing untold thinking and health difficulties to us," he said.

"Some contractors have died. There's one contractor in good standing who is currently bedridden and cannot do anything; I spoke with the wife last week Friday, and even money to take care of him is a problem. A lot of them are also in court," Mr Cherry

added.

He clarified that the funds allocated to contractors are divided into different categories, which include covering interest payments on loans. This often leaves them with only around five percent or a maximum of ten percent of the total contract amount.

"So, if the contractor works and the certificate that's supposed to have been honoured within 91 days travels to 600 days or 1,000 days and over, the financial institutions that loan money to the contractor

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Business

Contractors in financial difficulties due to unpaid GHS15bn debt owed by gov't

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will convert their simple interest into compound interest, because there's a default.

Therefore, at the end of the day, if a contractor is being paid, all those monies go to the financial institutions, without a drop left for the contractor... some contractors have now become blacklisted," he said.

According to Mr. Cherry, the breakdown of the debt includes GH¢6 billion owed to contractors since 2017, accumulated from

Road Fund projects, and GH¢5 billion from Government of Ghana contracts since 2019.

Additionally, there is GH¢4.4 billion owed for Cocoa Board (COCOBOD) road projects accumulated since 2014, of which GH¢1 billion has been paid in the last month, and GH¢600 million for Ghana Education Trust Fund (GETFund) projects.

Mr. Cherry also mentioned outstanding debts owed to contractors in the Energy sector

and for the government's recent Agenda 111 hospital projects.

He emphasised that if the aforementioned GH¢49 billion had been paid, numerous suspended projects across the country would have resumed, and the pace of work would have increased.

However, this is not the current situation.

The Chamber's CEO, however, said they were willing to jaw-jaw with the government for a solution regarding the payment of debts,

adding, "Should things not go well, the government will see the other side of us [contractors]."

The Speaker said that the Chamber had already taken action in that direction and that a meeting with the Minister of Works and Housing was set for May 27. Later this week, a meeting with the Minister of Finance was anticipated.

Source: Independent Ghana/ Sebastian Akaho-Tay



Mohammed Amin Adam, Finance Minister

International

US dollar edges down ahead of data, set for first monthly drop in 2024

The US dollar edged down on Tuesday (May 28) ahead of key US and eurozone inflation data later this week that could affect expectations for major central banks' monetary policy outlooks.

The greenback was also on the verge of its first monthly decline in 2024.

"A backdrop where the Federal Reserve can start cutting rates this year, even in December, is consistent with further dollar weakness," said Athanasios Vamvakidis, global head of forex strategy at BofA.

He mentioned some weakness in US economic data and recent stronger-than-expected figures from the eurozone as the main reasons for the dollar slowdown.

He also highlighted that the Fed had pushed back against speculation about possible rate hikes, preventing the dollar from appreciating further.

Markets are currently more than fully priced for a US rate cut in December. They also discount an 80 per cent chance of such a move in November and a 60 per cent chance in September.

Against a basket of currencies, the dollar was down 0.20 per cent to 104.44, for a 1.84 per cent decline on a monthly basis.

The euro was up 0.25 per cent to US\$1.0885 despite some dovish comments from European Central Bank (ECB) policymakers on

Monday and data showing German business morale stagnated in May.

ECB's Francois Villeroy de Galhau confirmed market expectations that, barring major surprises, a first rate cut next week is a done deal. But investors have recently updated their bets on future ECB moves, pricing in less than a cut in every quarter in 2024 and early 2025.

German inflation data due on Wednesday and the wider eurozone's reading on Friday will be watched for clues on how soon easing from the central bank could come.

All of that data, however, will be a sideshow to the main focus for markets on Friday when the US core personal consumption expenditures (PCE) price index report – the Federal Reserve's preferred measure of inflation – is released. Expectations are for it to hold steady on a monthly basis.

Analysts tried to assess the impact of an upside surprise in US figures, as they see the market well priced for benign data.

Derek Halpenny, head of research, global markets EMEA at MUFG Bank said markets might be more sensitive to stronger-than-expected incoming data against the backdrop of the increased debate on the Fed's implied neutral policy stance.

Fed governor Christopher Waller said last week that a key underlying rate crucial for the monetary

policy, the so-called R-Star, may rise after years of declines. R-star is the rate that neither stimulates nor restricts the economy while keeping inflation at the central bank's target.

"This increased debate on the (Fed's) implied neutral policy stance could have an increasing impact on lifting market yields if the economy fails to slow," said Halpenny.

The yen languished near 157 per dollar and last stood at 156.80 per dollar.

BofA's Vamvakidis said a Fed first rate cut in 2024 would "be consistent also with a strengthening of the yen versus the greenback."

However, if markets should discount a Fed that "starts easing its policy in 2025, the yen could test the 160 level again, and more interventions by Japanese authorities will be likely," he added.

The Bank of Japan's (BOJ) three

key measurements of underlying inflation all fell below 2 per cent in April for the first time since August 2022, data showed on Tuesday, heightening uncertainty over the timing of its next interest rate hike.

That comes ahead of Friday's Tokyo inflation data, a leading indicator of nationwide figures.

BOJ governor Kazuo Ueda said on Monday the central bank would proceed cautiously with inflation-targeting frameworks.

Sterling and the New Zealand dollar both rose to over two-month highs. They last bought US\$1.2786 and US\$0.6162, respectively.

The Aussie dollar edged 0.25 per cent higher. Australian monthly consumer price index data is due on Wednesday.

In cryptocurrencies, Bitcoin slid 1.5 per cent to US\$68,571, while Ether rose 0.3 per cent to US\$3,903.05.

Source: Reuters via The Business Times



US Dollars

Kenya's president overrules ban on addictive stimulant

Kenya's President William Ruto has reversed a contentious ban imposed in parts of the country on muguka, a variety of the popular stimulant known as khat or miraa.

The consumption of the freshly plucked buds and soft leaves has been blamed for a rise in mental health issues and increased social

ills, including crime.

Three county governors from the coastal region banned its sale and use last week, sparking anger in the areas where the crop is grown.

President Ruto on Monday said the muguka crop was legal and its sale should not be prevented.

Muguka, a cheaper, more potent and addictive variety of the plant, is popular in the coastal counties of Mombasa, Kilifi, Taita Taveta and Kwale.

Last week, Mombasa Governor Abdulswamad Shariff Nassir banned the entry, transportation, sale and consumption of muguka

citing its harmful effects, especially on young people.

Governor Nassir said more than half the people recovering in Mombasa rehabilitation centres were muguka addicts.

A similar directive was issued by the governors of Kilifi and Taita Taveta counties who vowed to crack down on its sale and use.

Continued on page 11

International

Kenya's president overrules ban on addictive stimulant

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It sparked protests in the muguka-growing county of Embu, with farmers and traders decrying the risk of closing businesses due to the ban on the lucrative crop.

On Monday, President Ruto held a meeting with local leaders from Embu in an effort to end the muguka row.

"With muguka having been recognised by national legislation, any other laws or orders that contradict national legislation is null and void," Mr Ruto said in a statement issued by the

president's office.

President Ruto said muguka was a legal crop under the Crops Act 2013 and the Miraa Regulations 2023.

He said the government would allocate \$3.7m (£3m) in this financial year to expand khat farming in the country.

Two activists had also challenged the muguka ban in court. More than 10 traders were arrested last Friday in the main coastal city of Mombasa as the ban on the stimulant took effect, local media

reported.

The ban had gained widespread support from religious organisations, with Muslim leaders in Mombasa calling for muguka to be categorised as a restricted drug.

Although the National Agency for the Campaign Against Drug Abuse has not banned muguka, it has classified it as a harmful substance based on the stimulants cathinone and cathine found in the plant.

"The amounts of cathinone and cathine are very high in muguka

because you are chewing the leaves, where the potency resides," John Mututho, the former chief of the anti-drug abuse agency, told a local TV station.

He said the chemicals in muguka had impaired normal body functions.

"Let's invest in other herbs like rosemary. Farmers will be very rich, and we will not have zombies," Mr Mututho added.

Source: BBC



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