

## **PRESIDENT JOHN KUFUOR'S THIRD 'STATE OF THE NATION' ADDRESS DELIVERED ON THURSDAY 13 FEBRUARY 2003 AT PARLIAMENT**

Mr Speaker,

As required by the Constitution, I come before this august house this morning to report on the state of our nation.

To set the tone for this report, I call the memorable words of the song composed by that remarkable Ghanaian, Ephraim Amu, whose effigy now graces the new 20,000 cedis note. He wrote and we all sing, "Yen ara asase ni" "This is our land, land of a priceless heritage, won for us by our forefathers with their blood, sweat and toil. It is now our turn to do our bit for it..."

Mr. Speaker, this generation of Ghanaians must resolve to contribute its bit. The vision is to turn Ghana into a middle income country, through the vehicle of a solid macroeconomic framework as targeted in the five priority areas chosen for development, and the special initiatives that will spur the private sector to lift the nation out of the quagmire in which it has been stuck for the past 40 years, and put it on the road to achieve its promise of well-being and prosperity.

### **Difficult But Necessary Decisions**

This past year has been full of challenges, and government has had to start the first quarter of the New Year faced with many difficult but necessary decisions. In the determination to establish a firm foundation to accelerate the economic transformation of the country, government has had to take these decisions, which require that all of us should buy into this vision and make the necessary adjustments to our patterns of behaviour.

This is why after the nation has talked about the malfunctioning of the economy for a long time, agonized about the difficult measures that can fix it for many years, and yet tried to dodge taking the hard decisions for so long, it is now having to bite the bullet in a last ditch stance to free the economy for real growth. Hence the petroleum and utility price rationalization, and increased and efficient domestic revenue mobilisation.

Mr Speaker, one of the major problems facing the economy has been the persistent under-pricing of petroleum products. The cost of petroleum products in the country depends on the price of crude oil and the exchange rate. When government took the decision to increase the prices of petroleum, Ghana charged the lowest prices in the sub-region outside Nigeria. These wide differentials encouraged an unprecedented level of smuggling activity across our borders.

Additionally, this persistent under-pricing resulted in the Tema Oil Refinery (TOR) accumulating a debt that currently exceeds the primary capital of the country's entire banking system, thereby posing a systematic risk to the whole banking sector.

Government decided there must be no further accumulation of debt and that the TOR debt must be paid within a reasonable period, but not in a manner that would cause problems for the affordability of fuel to the public.

Government also decided that the management of TOR should be made to be more efficient and the industry to be progressively opened to Private Sector participation.

Other instalments in the reform programme mean that a new independent institution will henceforth be responsible for fixing maximum allowable prices for petroleum products. This body will be guided by a market-driven formula that has been drawn up. And government will no longer have a hand in the fixing of prices.

I am heartened that so many Ghanaians have been understanding of the need for these policies and have been willing to put up with the difficulties. I am, of course, aware that the people's willingness to endure the current difficulties is a manifestation of their belief in this government that it will lead the nation out of the difficulties that have beset it for so long, and that they believe things will get better.

And indeed, Mr Speaker, things have got better, because the people have suffered for far too long. This conviction has been the preoccupation of government since it assumed office and has been the driving force of all government policies.

In the past two years, any objective observer will accept that the nation has made some gains. The important thing though is for the gains to be appreciated as benchmarks of a continuum of policy growth into the long-term, rather than as replicates of the isolated gains of earlier times, since independence, which resulted from the "stop-go" approach to governmental problems.

Mr Speaker, this appreciation is the way to hold the people's trust, and thereby influence their attitudinal change for the better. They will then share the vision of the government and be more willing to endure the sacrifices for the positive change the nation must have.

Mr Speaker, let me use an analogy of a cartoon to illustrate the point. The cartoon depicts two figures that met in the darkness to discuss some current problems. One said to the other: "Oh, I know it is better to light one little candle to shed some light, but I find it a lot more emotionally fulfilling to curse the darkness."

Cursing the darkness, Mr Speaker, is not an acceptable option for the inheritors of the land Ephraim Amu describes. Instead of hours of "cursing the darkness" in the endless and heated talk on the FM radios and Television, we will do well for ourselves as individuals and for the nations, if we resolve to light the candles by changing work practices and attitudes to allow some light into our national life. Managing time better,

for example, taking better care of public property, and working a little harder will ensure that things do get better. Then we shall be adding to the heritage captured so movingly in Amu's anthem for the nation.

### **Salaries and wages**

At this stage, Mr Speaker, let me briefly address the thorny issue of wages and salaries.

I do not want in any way to underplay the difficulties in the Private or informal sectors of the economy, but I want to restrict my comments on this occasion to the public sector.

I am convinced that if government is honest with the people, there will be more understanding. Expenditure on emoluments in the public sector is now more than 70% of total government revenue. This means therefore that without a dramatic increase in revenue, it is near impossible to have any appreciable increase in salary levels.

This does not mean that government is unmindful of the plight of the public sector workers. In the forthcoming Budget, there will be some room for an increase in public sector salaries, but the level must be based on our determination that wages and salaries must not be inflationary or cause disequilibrium in the economy, which I am sure no one wants.

However, as the economy grows and the revenue base expands, there will be no room for higher and more attractive increases.

The Minister of Finance has been tasked to ensure that there is some cushion for the people against the price increases in petroleum and utilities. The truth, however, is that the nation's current resources will not allow the salary levels that I have heard being advocated in some quarters.

I plead that the nation resist the temptation of going down the path that will take us back to the high inflation regime and a reversal of all the gains that are being made, and which will nullify all the sacrifices that have been made by all.

### **The Five Priority Areas**

Mr Speaker, last year, I spelt out the five priority areas that government has defined for accelerated development to help transform the economy. Government is vigorously pursuing this plan of action even though the rate of implementation of many of these programmes has not been as fast as desired; and it is obvious that the public sector has not yet adjusted enough to the speed at which the Administration wants to operate.

With what public service support there is, however, a sound foundation for the economy is slowly but surely being laid through the implementation of the five priority areas,

Today, **Jobs and Security** remain the two biggest concerns for the majority of Ghanaians, and Mr. Speaker, I believe these concerns fit in with government's short to medium term priorities and with the National Development Plan in the long term.

### **Infrastructure Development**

Vigorous **infrastructural development** provides immediate jobs even as the country is opened up for long-term development. I am happy to report that work has finally started on the construction of the arterial roads out of Accra - Accra-Aflao, Accra-Kumasi, Accra-Mamfe and in a few weeks' time, work will start on the Accra-Cape Coast road.

Apart from these high profile roads, I must mention four, out of the many other roads being constructed around the country that give me particular satisfaction.

These are the Bole-Bamboi road, which begins in Wenchi in Brong Ahafo and continues through the Northern Region, all the way to Wa in the Upper West Region; the Sekondi-Inchaban road, which was inexplicably abandoned all these decades; the Asankragwa-Enchi road, which is probably one of the most economically important roads in the country; and the Jasikan-Brewaniase Road, which links the Volta Region to the North and will provide a shorter alternative route between the north of the country and the nation's capital.

Around the country, work is in progress, building and rehabilitating the city and town roads as well as the feeder road network in fulfilment of government commitment to open up the country. I take particular pride in the fact that after years of disgraceful neglect, the roads in the Western Region, perhaps the richest region in the country, are now getting the attention they deserve.

### **Unhealthy Dependence on Donors**

It is probably worthwhile pointing out that because we have to rely on donors and other multilateral agencies for almost all the funds for the development of roads, we are obliged to submit to and observe the varied procedures their systems require to ensure that their taxpayers' monies are used efficiently. This invariably leads to long delays between the headline announcement of the project and the actual arrival of diggers and tractors on the roads.

This year, a total amount of almost two trillion cedis, the equivalent of about \$250m will be spent on road construction. Out of this amount, the Ghana government component is about ₵422bn. In other words, only about 22% will come from our own resources.

Mr Speaker, the daily carnage on our roads is taking a heavy and tragic toll. As we gather here, two members of this honourable house lie dead as a result of road accidents. The state of the roads is a big factor in these accidents. May the souls of the two honourable members and all who perish on our roads rest in peace.

Since we all accept the urgent need for these roads, Mr Speaker, it is imperative that we try to wean the country from the over dependence on external finance and increase internal revenue mobilisation, to give us the freedom to move faster. And the least we can do, is to maintain these roads when they are built. This is why the Road Development Levy and the tolling arrangements are going to be enforced in the earnest by government.

### **Energy Needs**

Jobs also depend on the availability of reliable and affordable energy. Government is engaged in making the availability of reliable and affordable energy a reality in Ghana.

Two weeks ago, I signed the agreement for the construction of the West African Gas Pipeline. This is a big project with vast implications for the economies of the four countries that have signed up for it. I believe that once completed, it will go a long way to reducing the cost of energy to consumers generally, and to industry in particular.

The Akosombo Dam has for many years now been run dangerously close to being completely undermined. When the Gas Pipeline comes on stream, it will be possible to allow the Dam to be managed more efficiently so that this invaluable heritage is not endangered.

At the moment, the country is having to depend on expensive crude oil imports to fuel thermal plants, which complement the hydro energy from Akosombo. This the main cost of the high cost of electricity. Mr Speaker, from recent reports, there is reason for cautious optimism from the explorations for crude oil taking place in our offshore waters. So let us keep praying.

### **Information and Communications Technology**

Mr speaker in today's world, Information and Communications Technology provide the easiest route to getting linked to the rest of the world.

The telephone network is being expanded, and the project to provide telephone facilities, in every town with a senior secondary school or a training college, is on course. I will soon be commissioning the facilities in Kyebi, Asiakwa and the expanded Sekondi exchange. In the next two to three years, all the earmarked towns in all ten regions of the country will be connected.

It is to the good of the nation that more and more young people are taking to the joys of the computer and the wonders of the Internet.

The ICT Center of Excellence that is being built near the State Housing in Accra, with help from the Indian government, is due to be completed by the middle of the year. The Center comes with five (5) satellite centers in the rural areas in line with government policy to bring the technology to rural people, who went to India to be trained as trainers at the Center, have returned and are brimming full of ideas and enthusiasm.

The Center will not only cater for Ghana but also for the sub-region and I look forward to it helping to expand our horizons to keep pace with the rest of the world.

Already, the continuing interest of international data processing companies, especially from the United States of America, which are setting up business in the country, go to emphasize the importance of this sector in generating well-paid employment for the youth.

To emphasise the importance of ICT in our economy and social development plans, I appointed a committee to advise on the establishment of a communications infrastructure company. I have received the report and government will proceed with their recommendation for the creation of a fibre-optic backbone out of existing state assets for the communication industry as a whole. This will greatly facilitate fair competition among communications service providers and thereby reduce the cost of communications service in the country.

### **Rural Development through Modernizing Agriculture**

Mr Speaker, at every stage of our lives and from the President to the farmer, to the carpenter, to the police Constable and to the housewife, we need to embrace technology to make life easier.

This is at the heart of the efforts to modernize agriculture, centred on rural development. The mechanisation of agriculture will take the backbreaking drudgery out of farming and retain the interest of the youth on the land.

Rural development is the way forward for over 50 per cent of our people who live in the rural areas. This does only mean the provision of facilities like school, water, health centres, electricity, telephones and roads; all of which are being undertaken, but also, the generation of economic and leisure activities to make the rural areas, places to aspire to live in, and not to run away from.

The Budget that is about to be presented by the Minister of Finance later this month, will reflect this determination by government to develop the rural areas by modernizing agriculture.

Government will give support for the diversification of the crops grown by our farmers. Rice, soya, cashew and cotton will receive critical and enthusiastic attention to ensure there is dramatic increase in production. And of course, our dependable Golden Pod, Cocoa, will continue to enjoy the pride of place in government programmes.

More irrigation and water harvesting and conservation project will be continued to free agriculture from the near total dependency on the weather.

The provision of credit to women, who are the mainstay at every link in the food chain, is a quick way of combating rural poverty. The programme is showing dividends already and will be continued.

Whilst the abundant harvest this year has helped to bring down the cost of food, it has also helped to expose the archaic nature of the agricultural system that still dominates our lives. One week, plantain is rooting on the farms and in the markets, and a few weeks later, the cost of plantain is beyond the pocket of the worker.

This has been the bane of our people from time immemorial and it is time we overcome it by processing and adding value to our agricultural produce.

There are jobs to be created in processing, packing and marketing of our food produce. And as part of the change in attitudes I asked for, let us accept that our foods, processed and instantly cooked, can still be as tasty without the laborious and time consuming processes that our wives and mothers go through, which we have come to describe as traditional.

### **Forestry Programme**

The forestry programme has been given fresh impetus adding seventeen thousand hectares to Ghana's forest cover last year, and creating 76,000 jobs in the rural areas. This programme will continue to ensure the nation reclaims all the degraded lands.

### **Education and Skills Training**

Mr Speaker, employment and productivity depend on education and on skills training; this has always been true and even more so in today's globalise and competitive world.

This is why government has placed such emphasis on education. The committee, which I appointed to review the state of education in the country, has presented its report to me.

Because of the understandable passions evoked by the subject, it took the committee much longer than the four months I had assigned to finish the task. But it is a comprehensive report and in many ways, it has produced dramatic evidence that the many fears that we all have about the state of education in the country are urgently true.

The rural-urban divide in the quality of schools is real, and it undermines the developmental efforts of government. Work has started on the project to upgrade one Senior Secondary School in each district, and thirty of them will be completed this year. This should help in bridging this divide, and would hopefully ease the intolerable pressure on parents, students and Heads of schools during the annual scramble for places in the well-endowed secondary schools.

In the meantime, government is discussing a scheme in which some of the HIPC funds will be used to establish scholarships for bright students from deprived, rural areas to gain admission into more established schools.

I am pleased to report that the rehabilitation and construction of classrooms is proceeding with the urgency that is required, and by the middle of the year, every school child in Ghana will have a desk to use and access to basic textbooks.

Modest gains have been made in raising the level of enrolment and retention of the girl child in school. This is an on-going crusade, which must be embraced by all to be effective.

Mr Speaker, whilst work on the rehabilitation of the infrastructure of the schools, is gathering momentum; progress is also being made with improving upon the numbers and quality of teachers. The number of people in teacher training colleges has risen to 8,500 from a low of 6,000 in the year 2000. The first batch of students participating in the IN-IN-OUT-IN teacher-training scheme is out in the community and their progress is being monitored keenly.

Government is not unmindful of the sacrifices inherent in the profession of teaching, and within the constraints of the economy, government is trying to upgrade the conditions of service of teachers, especially those in the rural areas. The aim is to restore teachers to the respected status they used to enjoy.

As part of government policy to encourage the learning the learning of French, which is the official language of all our neighbouring countries, Bagabaga Training College in Tamale and Wesley College in Kumasi have started training teachers to teach French in schools. This is to augment the effort of Somanya Training College, which has historically produced teachers for French.

Mr Speaker, mastering of the French language is of such practical necessity; it should be put on the priority list. I can testify to this myself, Mr Speaker, from the constant embarrassment I come face to face with while I move around the sub-region. There are many times that I wish I could do without translators. In this era of ECOWAS, I do not wish this handicap on any Ghanaian child.

The pressure on tertiary education is still severe and many young people who should be able to access university education are unable to do so. Government appreciates the role of the religious and other institutions that have moved to fill some of the gap, with the establishment of private universities.

Government is keenly aware of the many problems facing the state universities. We are continuously strategizing to find the resources to deal with the crumbling infrastructure, the overcrowding, the lack of facilities and the difficult conditions students and lecturers face. Government is endeavouring modernize and enlarge capacity in the universities. In



the meantime, I appeal to Faculty and students to make the best out of the limited facilities available.

### **A Healthy Mind in a Healthy Body**

Sporting activities are healthy for the youth and competitive sports are good for the development of character. Indeed, in addition to being good for morale, many sports are now big business.

The nation has not been doing well at all in football, the one game that excites great passion among us all. When the Black Stars perform well, the national mood is always lightened. But when they perform badly, we all get depressed.

Our performances in other games are no better. Most of the games are at very rudimentary stages in the country and are developed. To reverse this state of affairs, we must go back to basic. School sports will be regenerated so young talent can be discovered and nurtured.

The lack of basic infrastructure is a major handicap in trying to make headway in sporting activities. Talks are ongoing with the Chinese government for the building of modern stadia and other sporting facilities around the country; I look forward to a quick and favourable conclusion of these talks for the construction works to start.

### **A healthy nation makes a wealthy nation.**

Mr Speaker, the overall aim of government is to have a healthy nation, because it is only when the people are healthy that they can work to grow the economy and improve upon their of life.

Government policy is to emphasize healthy living rather than the curing of diseases as the priority of the health service.

The ongoing campaigns to promote exercise, healthy diets, clean environments and disciplined lifestyles will continue to ensure a healthy population

HIV/AIDS remains the most urgent threat to the health of the nation. The AIDS Commission and other health agencies have succeeded in raising the awareness of the disease to a high level. The challenge now is to translate this awareness into a change in behaviour so as to contain the menace.

### **Health Insurance**

I am certain the entire nation will be relieved to hear that the Health Insurance Scheme is ready to be launched nationwide. The experience from the 42 districts that have piloted the scheme shows that, since not all the districts are equally endowed, there has to be

state intervention to ensure a basic uniform standard nationwide. Government has therefore decided to provide the seed money for all the 110 districts around the country.

A lot of work has gone into devising a system that will be accessible and affordable for most people and still be sustainable.

A National Health Insurance Bill will soon be placed before Parliament and I hope the House will give it bi-partisan support and treat it with dispatch.

### **Security of the State and of the Individual**

Mr. Speaker, in our efforts to deepen good governance, government is engaged in strengthening the institutions of state to better protect our freedoms and security.

The establishment of law and order is gaining root by strengthening the relevant agencies and empowering the courts and other institutions that oversee civil liberties. The computerization of the courts is in progress. And the plans to establish a Fast Track Court in each region to speed up the administration of justice, is back on course.

The Police Service is being reinvigorated. The training is being redirected to induce a heightened sense of social responsibility among officers. A recruitment drive is in progress. The aim is to increase Police numbers by 4,000 within the next two years. That, Mr. Speaker, would only bring the strength of the Service to about 19,000 and this would still be dramatically short of the 50,000 Police that our nation of almost 20 million people should have.

The transportation and equipment needs of the service are being addressed. This year, some 600 vehicles with communication equipment have been provided for the Service.

The other long-standing problem for the police is housing. This too is being tackled. Again with help from the Chinese government, a barracks building scheme is underway. I trust there will be co-operation from all citizens to help the Police transform their image to serve the society well.

I wish to pay a special tribute to the growing sense of co-operation between the Police and The Armed Forces. Doubtless, this has helped the law and order situation in the country.

Whilst helping the Police with the armed robbery menace and during national emergencies, the Ghana Armed Forces have continued to bring honour to Ghana through their exemplary conduct in the peacekeeping operations they undertake in various parts of the troubled world.

I must also mention and commend the growing sense of professionalism in the Forces, and I am happy to note that this is going hand in hand with a lot of physical regeneration as well. I look forward to the completion of the new Burma Hall Complex, the

rehabilitation of the Nicholson Stadium and the second phase of the 37 Military Hospital Expansion project.

### **National Identity Card**

Mr. Speaker, this nation has not been very good at keeping records or keeping track of what happens, when or where. Government has approved proposals for a National Identification System for implementation. The aim is for all citizens to have a National Identity Card by the end of next year. I believe this will go a long way to smoothen the conduct of our social life and everyday business.

### **Dagbon Tragedy**

Mr. Speaker, this past year the nation witnessed an awful tragedy in Dagbon when ancient rivalries erupted and brother turned on brother, leading to the loss of lives and the regicide of the Yaa Na Yakubu Andani II. May his soul and the souls of all who lost their lives in the tragedy, rest in peace.

It is a matter of deep regret that in spite of the best efforts of government and other parties, the situation has still not been resolved. I commend the House for the co-operation that government is receiving in dealing with these difficult and delicate issues. That the Dagbon Traditional area should still be under a state of emergency should be a matter of great concern to all of us.

The Wuaku Commission has presented its report. Government is implementing the recommendations in the White Paper issued. It is therefore unacceptable that some sections should adopt entrenched positions against the due process, without offering credible reasons for their behaviour. Government's sole aim is to achieve a just peace. Government has been as transparent and evenhanded as possible in dealing with this matter.

Mr. Speaker, the truth is oftentimes bitter, but I believe that the way forward in Dagbon, is for all concerned to exercise maximum restraint, and allow due process to work to establish the truth, however unpalatable, and to proceed to dispense justice therefrom.

This is the way to restore normalcy and harmony. I therefore renew my appeal to the two sides of the conflict to respect and submit to the law of the land in the interest of Dagbon and of Ghana.

### **Coming to Terms with Our Past**

As we grapple with finding a way to bring about reconciliation among the Dagbani, the nation has embarked upon a process of coming to terms with the events of our turbulent political past.

In the past few weeks, the old Parliament building has witnessed some extraordinary scenes as the National Reconciliation Commission has set to work. The proceedings so far have strengthened my conviction that the Reconciliation process is good for the nation. And I hope that those who were sceptical about the worth of the Commission, or had fears about its impartiality, have been won over. I hope the House will join me to wish the Commission well and that it will do its work expeditiously, and thereby quicken the healing process in the country.

### **Reinvigorating the Private Sector**

Mr. Speaker, as government makes headway with stabilizing the macroeconomic framework, we find that all is not well with the country's financial and foreign exchange regime. Quite Substantial parts of Export proceeds tend not to be repatriated, and some receipts not channelled through the banking system.

We need to deepen and improve the foreign exchange market, to reduce its vulnerability to external shocks. This will be good for the economic health of the nation and for market stability and the strength of our currency. Relevant legislation will therefore be introduced to ensure that export proceeds are repatriated and channelled through the banking system.

Ghana's liberal economic environment and the fact that foreign exchange accounts can be opened and maintained in the country should encourage exporters to bring the proceeds home. This is a call to all exporters and foreign exchange dealers to be good corporate citizens.

Mr. Speaker, as institutions of state develop, and begin to function properly; and as government ensures a stable macroeconomic environment; the Private Sector must be helped to take advantage of the opportunities available to flourish. In this way, more and more jobs will be created in all sectors of our productive economy.

The President's Special Initiatives as designed, are intended to do just this kind of stimulation of enterprise, productivity and jobs, both in agriculture and in processing. The factory for the pilot Cassava Starch project at Bawjiase will be commissioned in April. I hope that as the initiatives spread around the country, more groups of people will embrace them. Indeed, numerous groups and individuals have already emerged to emulate the pioneers.

A Garment Village is being built at the Tema Export Processing Zone for 112 factories to operate under the Textile and Garment Initiative. Fifty of the factories will be completed by the end of the year.

With the attainment of the AGOA Visa status, Ghana now has access to the United States market, duty and quota free. This privilege covers textile and apparel as well as six thousand, four hundred other products.

The Special Initiatives on Salt, Oil Palm and Cotton are due to take off this year. Already, Government has sourced \$40m, which venturists are accessing to develop the salt business. The high-powered Committee appointed to set up the Oil Palm Initiative has earmarked 100,000 hectares of land to be planted over the next five years. This is estimated to double the current national output during the period. Talks are far advanced with a Mauritius company to set up a sub-regional cotton-processing factory in Ghana with an initial investment of \$67m.

Mr. Speaker, these initiatives are calculated to spearhead the diversification and deepening of the economy. Government's role is to develop the specific plans for each initiative and then to serve as a catalyst to enable the Private Sector, individuals and cooperatives to carry them out. Without this process, and similar ventures, the economy will remain largely monoculture and we shall not be able to add much value to our produce.

Given the rate of our population growth, unless we make a success of these and other initiatives and the development of infrastructure, any talk of increasing our GDP to enable us join the middle-income group of nations in the foreseeable future might well be futile.

It is estimated conservatively that when these initiatives mature, within the next three to five years, they will contribute something in the region of \$6 to \$10bn annually to the GDP. When that happens, per capita income will then be lifted from the \$400 rut in which this nation has been stuck since independence. If we stay the course, I envisage a per capita of \$1,000 within the next ten years. This is why we must all rally to support these initiatives.

Mr Speaker, there is good news to report on the healthy expansion of business opportunities in the country. The biggest gold mining company in the world, Newmont Mining is commencing operations in Ghana to develop two mines in August. The initial investment will be \$450m and will provide 500 direct jobs. I hasten to assure that the company and government are agreed that the exploitation will be done with a lot of sensitivity to the environment.

The number of companies that are exploring investment opportunities in the country is growing steadily.

The Export Development and investment Fund is now operational and an initial amount of ₵80bn has been disbursed to exporters in the area of agro-processing, salt, wood products, health products and garments. A Small Scale Enterprise Development programme to assist enterprises has also been set up and training programmes are being held to introduce business opportunities and enhance entrepreneurial skills.

### **Confidence From Ghanaians Abroad**

Mr. Speaker, one of the most heartening developments in the past year has been the surge of inward flow of foreign exchange from Ghanaians resident abroad in the form of remittances. The Bank of Ghana has reported that last year such private inward transfers amounted to \$1.3bn, showing over 200% increase over previous years.

This development is a massive vote of confidence in the economic policies being pursued by this government and should lead to more investments by Ghanaians abroad. As I have always said, it is only when Ghanaians themselves demonstrate confidence in the economy and are willing to invest in Ghana that foreigners will be convinced to come as corporate citizens.

### **Old Accra To Be Regenerated**

Mr. Speaker, a brief word about Accra, our capital, Government will give the necessary assistance to the Metropolitan Authority to turn the city into a true gateway to the sub-region, and enhance its aesthetic appeal.

A Redevelopment Project for Old Accra, designed by Government and UNESCO, is due to be launched later this month. This will lead to the regeneration of the old parts of the city and bring business to the area.

### **Good Neighbourliness**

This past year, Mr. Speaker, government has pursued its stated policy of good neighbourliness and I am happy to report that relations with our neighbouring countries are very warm. There is no doubt also that outside the sub-region, Ghana's image is soaring once again.

I got a telephone call from a renowned Ghanaian, who called to congratulate me on my having been elected as Chairman of ECOWAS. "But, Mr. President", he said, "don't forget that we in Ghana elected you and we deserve your first attention and it is only what we can spare that you can give to the rest of the sub-region".

I wish to assure this House and the country at large that I am very much aware that my first obligation is to Ghana and her people. But I also know that the people of Ghana are united in the fervent wish that our sub-region becomes peaceful and sheds its image of instability. The people of Ghana are very much aware that what affects our neighbours, affects us as well.

I am sure therefore that I have all your support in the efforts I make with other leaders in the sub-region to find solutions to the problems that plague us. In addition to these efforts, I hope I can count on the prayers of all Ghanaians for the people of Cote d'Ivoire during these trying times.

### **Ghana Must Not Lose Her Soul**

Mr. Speaker, last year, in the course of visits to Malaysia, India, Japan and China, I was struck by the steely determination of the people of these countries to take advantage of all that modernity has to offer in the drive to create wealth for themselves. And yet, all these countries have preserved their ancient civilizations. Indeed, their peoples are confident in their cultures. I trust that while modernizing the economy and social conditions, Ghana will not lose her soul.

### **Support Needed From All**

Mr. Speaker, our nation is poised to overcome the distortions that have bedevilled all attempts to move our economy forwards. If we hold our collective nerves to see us through the current difficulties, I believe the path ahead will be clearer and smother.

The challenge, Mr. Speaker, demands an all-party rally of the people. I make this appeal not as a Presidential Candidate. If I had my eyes simply on the goal of winning the next elections, scheduled for 2004, my government would have undoubtedly chosen the easier way out by avoiding the difficult decisions and continue with business as usual.

But I have rejected the easier option. For I am convinced that having taken the harsh and difficult decisions, which we believe will lead to the fundamental re-alignment of the economy, the nation will be freed to move on the path of sound economic transformation. We are in no doubt that this is the way to ensure enduring success and prosperity for the nation and the strengthening of the democratic process.

It is only on this realisation, that we shall be able to sing with pride and give meaning to the immortal words of Amu: "Yen ara asase ni".

I thank you, Mr Speaker, and May god Bless Ghana.