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2012 will be bright; CEPA predicts

The Executive Director of the Centre for Policy Analysis (CEPA) is upbeat about Ghana's potential to surmount, in 2012, some of the challenges that militated against the country's infrastructural development.

Dr. Joe Abbey, speaking to Joy News on Tuesday ahead of the 2012 budget statement presentation to Parliament on Wednesday, said with issues such as the single spine salary scheme coming to a close, "we have got a good platform... to get to next year".

He said, exclusive of tax revenue from oil companies operating in Ghana, the country achieved substantial revenues to continue stalled projects and begin new ones.

"In 2011 our own analysis at CEPA - and I am sure confirmed by government's data and also confirmed by the IMF - is that the revenue mobilization effort has been largely successful."

Dr Joe Abbey however calls for the empowerment of the Ghana Revenue Authority to widen their tax net to rope in more businesses, more importantly, those recongised by law.

"I will like to see the spreading of the tax net stay... there are indications that if we widen the tax net, we could even dare to think that we can even bring some tax rates down. So we should be more effective in collecting what is already in the system before we move on to impose new taxes on business."

He however lamented that in spite of the fact that the economy is growing fast, there isn't enough growth in the private sector, which he said is affecting job creation.

Dr Abbey remarked: "The government cannot create jobs by itself, because of the size of the public sector wage bill, which is not because we are overpaying labour, but because the numbers on public payrolls are too big."

He therefore advised the government to shed off some of these numbers to the private sector. “If the public sector is not generating the jobs, we are going to have problems.”

He also warned against any initiative that “further dampens” private sector growth and job creation”.

Executive Director of the Centre for Policy Analysis also debunked claims that government intentionally refused to spend to keep inflation down as false, explaining that there was no money, thus government failed to meet its payment obligation, “so we were rather piling up payment arrears”.

Source: myjoyonline.com