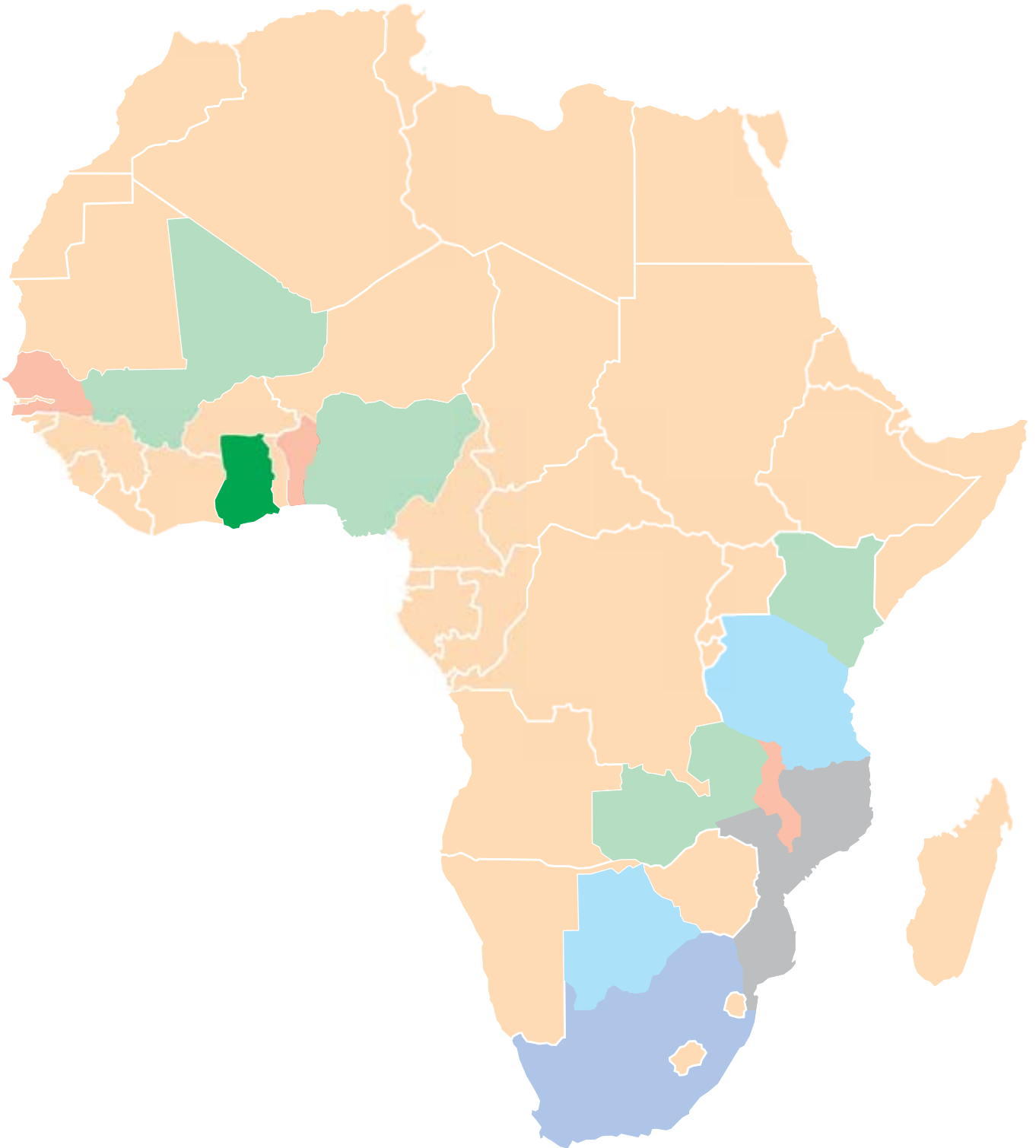


GHANA



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**State of the Nation Address by His
Excellency John Agyekum Kufuor,
President of the Republic of Ghana,
at Parliament**

22 January 2004

Accra



For the third but, God willing, not the final time, I have come before [you], as required by the Constitution, to give an account of the state of the nation.

Permit me to begin by reminding the House and the nation of the many pressing problems [that] this administration inherited when it assumed the reins of government in 2001. At that time, the nation was choking under crushing demands from its creditors all over the globe.

The exchequer was depleted, with reserves for imports not exceeding three weeks' supplies. Indeed, it had only six days' crude oil reserves, and no bank, not even our own Ghana Commercial Bank, Ltd., was prepared to open letters of credit for the Tema Oil Refinery (TOR) for more imports because of its heavy indebtedness.

The law-and-order situation was so chaotic that, for example, there seemed to be no solution to the serial killing of our womenfolk, and the entire society was gripped in an atmosphere of terror.

The nation seemed permanently yoked under an intractable regime of high interest rates of over 50 percent in the banks, and an inflation rate of over 40 percent. Access to credit was virtually impossible, and there was hardly any private sector worth talking about.

The infrastructure of the nation was in total shambles. [A] typical example was the arterial-roads network spreading from Accra, the capital, to the east, west, and north of the country.

Similarly, the national telecommunications system had been bled into unimaginable inefficiencies through doubtful agreements.

The energy sector was riddled with many unproductive white-elephant projects in which

much of the nation's scarce resources—running into hundreds of millions of dollars—had been tied [up].

Our hospitals, which had been described as cemeteries twenty years earlier, had degenerated further into infernos.

Educational institutions were begging for expansion and refurbishment and [for] motivated staffs to pull them into modernity.

The railway system had been abandoned, with tracks taken over by hawkers and coaches serving as homes for squatters.

These are the conditions we met on assuming office.

The government determined that in tackling all these problems, it would scrupulously abide by the national Constitution and the manifesto of the political party that brought us into office. This has been our guiding principle these past three years.

This august House need not be reminded that this is [an] election year and the last year of the current mandate of this government. I can say with confidence that government intends to pursue the same levelheaded and prudent policies that have brought us this far and not succumb to the temptation of seeking short-term answers.

We shall continue to lead the way in nurturing Ghana's democracy. We shall continue to encourage the promotion of individual liberties and freedom of speech that have characterised our society these past three years. We shall do so not only because these are the firm beliefs of the NPP [New Patriotic Party], but also because such practices build the self-confidence of Ghanaians and are good for the nation.

It has been instructive to hear the debate that has been raging about "phone-in" programmes. Doubtless, the current media pluralism in the country has played a good role in promoting accountability and transparency in public life. Whilst enjoying the freedom that this brings, I ask only that the nation does not lose its soul. The pursuit of the truth should be sacrosanct. As a people, we [set] great store [by] respect for our elders and the use of cultured language, and we should not lose such attributes under the pretext of freedom of speech.

MANAGEMENT OF THE ECONOMY

The success of a nation is measured by the quality of life of its people, and democracy can thrive only in a strong economy. For the past three years, we have initiated and implemented policies aimed at halting the downward slide of the economy and kick-starting its growth. I am happy to report that at the end of 2003, all the macro-economic trends pointed at sound and sustainable economic development:

- Inflation has been on a general decline, except for the consequential jump arising from the petroleum price increase in March 2003.
- The cedi was relatively stable throughout the year.
- Domestic borrowing by government in 2003 was the lowest in many years.
- The accumulation of foreign-exchange reserves was the highest within memorable years, and [it] currently stands at over US\$1.4 billion and covers four months of imports. For the first time in many years, interest rates fell from their high level of over 50 percent in the banks to the current 26 percent and are following the Central Bank's base rate, which has also declined from over 30 percent to the current 21.5 percent.

In other words, businesses and individuals can expect some predictability and stability in making their plans. These achievements have been the result of hard work and prudent measures put in place by government.

Our recent history reveals a tendency towards financial indiscipline in election years, thus negating the achievements of years of sacrifice. As I have said on several platforms, we will resist all temptations and pressures to depart from the expenditure framework that will be outlined in the forthcoming budget. Other sectors of society must also accept the same responsibility for discipline this year. We urge the people in general, and organised labour in particular, to be moderate in their demands, as we cannot afford to

reverse the gains we have made over the past three years.

Revenue Mobilisation Efforts

Proof that the country is finally getting its economic matters onto a sound footing is demonstrated by the robust change in domestic revenue mobilisation this past year. A sound economy is built on the ability to generate revenue internally. I doubt that the paying of taxes will ever be the most popular undertaking, but we must, as a people desirous of rapid development, accept pay[ing] our taxes.

We must commend the measures that have been put in place, the officials who administer the revenue collection regimes, and the taxpayers; all these enabled the nation to exceed its budgeted target. This year, revenue mobilisation will be equally robust, and I trust that all citizens will do their part.

The Ministry of Finance and Economic Planning will further improve the existing mobilisation mechanisms through efficient and effective tax collection strategies. We believe that reforms in the operational strategies will lead to plugging leakages in the tax system and thereby ensure optimum revenue mobilisation without further burdening the taxpayer.

Ghana Stock Exchange

Further proof that the economy is being transformed has been the performance of the Ghana Stock Exchange (GSE). Last year, investor confidence was high, leading to the GSE All-Share Index recording a gain of over 108 percent, increased capitalisation, and an impressive turnover. This made it one of the best-performing markets in sub-Saharan Africa.

THE FIVE PRIORITY AREAS

I am happy to report that progress has been made in all the five areas [infrastructure, agriculture, social services, good governance, and private-sector development] selected for priority attention in the development agenda.

Infrastructure

It must cheer all our hearts that vigorous activities are going on in the infrastructural sector around the country.

Trunk Roads

The three major arterial roads out of the capital, Accra-Kumasi, Accra-Cape-Coast, [and] Accra-Aflao, which link the country to her ECOWAS [Economic Community of West African States] neighbours, are all at different stages of construction. Work on the Tetteh Quarshie interchange component of the Accra-Mamfe road is 50 percent done and is proceeding ahead of schedule. Work on the Pantang-Mamfe section is due to start next month.

Work is in progress on other key trunk roads around the country, like Bole-Bamboi, Manso-Asankragwa, Jasikan-Brewaniase, Kpando-Worawora, Bekwai-Kuntunase, Sunyani-Ntoroso, Tamale-Yendi, Axim Junction-Tarkwa, Bibiani-Abuakwa, while the Wa-Han-Tumu and the Chuchuliga-Sissili roads are being upgraded to bituminous surface.

For the first time in a long while, urban, feeder, and town roads are being constructed. Last year, in addition to routine maintenance, 2,000 kilometres of feeder roads were either regravelled, rehabilitated, or spot improved. I must mention in particular the 120 kilometres of town roads that were tarred, and this includes the roads in many second-cycle institutions as well. Also in a bid to pay particular attention to the safety of schoolchildren, walkways and safe routes were provided for clusters of schools in some suburbs of Accra, Kumasi, and Takoradi under a project dubbed Safe Walk to School.

Apart from the routine works going on in the capital city, the roads in the Accra central business district and High Street will receive much-needed attention this year.

Roads in the Western Region are at long last receiving the attention they deserve, for this region is the source of much of the wealth of the nation. Bridges, stream bridges, and box culverts have been built. This has meant a reduction in

travel time and improved access to farmlands, marketing centres, and social services.

Road Transport

One of the biggest problems [that] confronted this administration when it assumed office was the [perilous] state of transportation in the country. We moved quickly to introduce a mass-transportation system, which was started in Accra, then extended to Kumasi, Sekondi-Takoradi, and now Tamale, with a current fleet of 262 buses.

This year, the Metro Mass Transit Company will augment its fleet with 100 DAF/Neoplan buses from Holland and 250 new buses from China.

The Intercity State Transport Company has acquired 48 new luxury buses to augment its fleet. Intercity travel should become safer and more comfortable.

Air Travel

Preparations to make Ghana the aviation hub of the subregion are on course. The refurbished departure hall of the Kotoka International Airport is expected to be operational by the end of the first quarter of 2004.

In addition, the airport is being modernised with the installation of aerobridges and aperture satellite equipment to improve [the] aeronautic communication system.

Since January last year, clearance of imports at the Kotoka International Airport has become fully automated, and this has reduced clearance time at the airport from days and even weeks to less than a day.

Ghana Airways

Whilst we are making some headway with the civil aviation, there is still some way to go in turning around Ghana Airways, the national carrier. It has been bedeviled with [an] overage fleet, overemployment, corrupt practices, and insolvency. To be candid, the airline is all but dead.

It is only the prospect of the profitability of its routes and the resolve of the nation not to let it go that are keeping it alive.

Over the last two years, government has done a lot to engage serious partnerships that will come with the needed restructuring of management and technical services and [the] replacement of the overage fleet to rationalise and resurrect the airline.

The cost of these efforts is daunting, but government, guided by a vision [that] is practical and attainable, is determined to help rehabilitate the airline one way or the other, even if as a joint-venture company flying the national flag.

Government is convinced that to realise the nation's ambition of becoming the aviation hub of the subregion, it is necessary that a carrier with a national flag be in place.

Railways

Government is determined to resuscitate the railway sector to enable it to play its vital role in the economy. Last year some of the existing wagons were rehabilitated and new high-density coaches purchased. This enabled the sector to haul 1.57 million tonnes of freight as against the targeted 1.40 million tonnes, an increase of 11 percent.

The albeit limited passenger service of the company remains popular, particularly the suburban rail services on the Accra-Nsawam and the Kumasi-Ejisu lines. The target is to increase the high-density coaches to meet the increased demands of both freight and passenger services.

Ports

The strategic location of the country as the geographical center of the world must be fully exploited for increased business with the world and particularly with our landlocked neighbours. Government will, therefore, pursue the development of Tema, Takoradi, and inland ports until they become the preferred trans-shipment ports of the subregion.

Energy

Let me now address issues in the energy sector, which remains one of the most crucial to our developmental efforts. Government has taken certain measures [that] will radically change the direction and strategic focus of the generation, transmission, and distribution components of the power sector.

Work on the projected ECOWAS Gas Pipeline should start this year, and if everything works [according] to plan, the project is expected to be completed in 2005. It is estimated that with it, [the] fuel costs of the nation will be reduced appreciably and will help to rationalise the economy.

At the same time, government is encouraging concessionaires to step up with prospecting and drilling for crude oil, which the nation has to import at a current high price of US\$32 per barrel.

I need hardly remind this House of the import of this [to] our carefully laid economic plans. I only want to assure the nation that government remains very sensitive to the plight of the citizens and industry and will do its best to help tide over our economy [in] this critical and harsh season.

Communications

In pursuit of government's plans to expand [the] telecommunication industry, a credit facility from a Chinese company, Alcatel Shanghai Bell, has been arranged for Ghana Telecom to acquire more switches to undertake a massive expansion programme throughout the country, including wiring of second-cycle schools and colleges to facilitate the deployment of ICT [information and communications technology] facilities. By December 2004, 25 percent of schools and colleges should have been linked.

The Kofi Annan Centre of Excellence in ICT, which is a joint Ghana-India project, was commissioned in December 2003. It will produce the human capacity needed for the emerging ICT industry in Ghana and the subregion.

I also commissioned the Ghana Multimedia Centre located in Ghana House, the former GNTC [Ghana National Trading Company] building, in Accra, last week. This is to serve as an incubator where new private companies in the industry can be nurtured. It is expected that as such companies grow, they will relocate to the technology park business centre to be set up in the free-zone area in Tema.

Agriculture

Agriculture is the second of the priority areas, and we were all very happy when the sector performed well last year. I have heard criticism in certain quarters for thanking God for giving us good rains, which made food plentiful and affordable.

The complaint was that we should be doing mechanized farming aided by irrigation and not rain-fed farming. What the critics overlooked was that government was already promoting the construction of dams and irrigation throughout the country.

Under the Village Infrastructure Programme (VIP) and similar projects, small and micro-irrigation systems, which can be managed by small-scale farmers, have been in service in different parts of the country for many years and are systematically being expanded. More of these are still being developed.

The point remains, however, that even when a dam is constructed, it would need the rains to fill it, so when by his grace the rains do come, we should gratefully thank God for them.

Food Crop Sector

But whether we are engaged in mechanised or rain-fed farming, the key challenges of the food crop sector have always been the diversification of crops, mechanisation, and the better use of extension services.

The processing, storage, and marketing of locally produced food is no longer being left to chance. Credit is being provided to specialised companies and individuals with requisite techni-

cal know-how to ensure that scientific and businesslike methods are employed, not only on the farms but throughout the food chain, from the farms to dining tables.

It is crucial, however, that as we adopt modern methods of farming to increase yield on the farms, we do not damage the environment.

Cocoa Industry

In the 2002–2003 cocoa season, Ghana obtained its second-highest cocoa production level, with a total of 496,793 tonnes as compared to the 580,869 tonnes produced in [the] 1964–1965 season. Indeed, in terms of foreign-exchange receipts, the US\$889 million of the 2002–2003 cocoa season is the highest ever. The programme to control cocoa diseases and pests [that] resulted in this achievement will be continued, and support will be given to private-sector participation in the domestic processing of cocoa beans.

The cocoa farmers of Ghana are at long last coming into their own with very high producer prices, and bonuses currently stand at 69 percent of FOB [free on board] price to strengthen their commitment to their occupation.

Enhanced Social Services

The social services sector was the third of the priority areas targeted.

Education

It bears repeating that education must be at the heart of all that we seek to do. For the past two weeks, I have been cheered by the intensity of the debate that has followed the publication of the league table of examination performance by senior secondary schools. Naturally, my eyes drifted to the school that occupied the fifteenth position on the list, and I was irritated that our local rival had beaten us comprehensively to take the second position.

This is a healthy debate, and it must go further to ensure that school matters are not left to schools alone. Old students and communities

must take an interest. Naturally we are all finding reasons for the good or bad performance of our schools, but we are all agreed that the schools with good facilities tend to perform better.

I am, therefore, pleased to report that last year there were massive capital outlays and infrastructural development in the educational sector.

For example, 685 three-unit classroom blocks—each with toilet, urinal, teachers' common room, store, and library—were constructed for basic schools across the country. This year, 440 more will be constructed. A significant development was that 5,500 needy pupils, most of them girls, received material support.

This year, an amount of 9 billion cedis has been provided to the forty most deprived districts to enable them [to] abolish all fees and levies in the districts and thus ensure massive enrolment of school pupils in basic schools.

In line with the policy of upgrading at least one senior secondary school in each district, work on the first batch of thirty-one schools is progressing steadily. Funding has been secured from the African Development Bank for work on the second batch comprising twenty-five schools.

Last year, an estimated 224 billion cedis were spent to modernise and enlarge the capacity of facilities at the universities and polytechnics. Lecture halls, libraries, laboratories, and administration blocks are being provided in various tertiary institutions. Research was also given a boost with an amount of 28.8 billion cedis.

As a result of these measures, for the 2002–2003 academic year, student intake to universities and polytechnics rose by 30.5 percent and 28.5 percent, respectively, above that of the previous year.

A very important development was the phenomenal increase in the enrolment for distance education from 750 in 2001–2002 to 3,618 in 2002–2003 academic years. The happy result is that this has reduced by half the number of teachers who leave the classroom to go on study leave annually. In the process, the big problem of [an] inadequate number of qualified teachers in classrooms is being addressed.

Youth and Sports

One of the happy moments in the past year came when the nation won a total of twenty-three medals, including four gold, at the 2003 All Africa Games at Abuja. This was the country's best performance since 1973.

The Black Queens, the women's football team, also put [in] some thrilling performances at the World Cup Finals in California, even though they could not go beyond the preliminary stage.

But we are all keenly aware that the African Cup of Nations is about to kick off in Tunis [this] weekend, and the Black Stars are absent. The Meteors are currently engaged in the qualifying series for [the] Olympic Games, and I am sure the entire nation joins me in wishing them the best of luck.

As passionate as we all get about the performance of our sporting teams, the only way to achieve sustainable success at a high level is to persevere with the school sports programme and the provision of [the] appropriate infrastructure that government has embarked upon.

The Accra and Kumasi Stadia will be rehabilitated, and lands have already been acquired at Sekondi-Takoradi and Tamale for the construction of modern stadia in anticipation of Ghana hosting the 2008 African Cup of Nations football tournament.

Whilst government will certainly take the lead in providing the infrastructural base for the development of sports, let me here extend an urgent and particular invitation to private-sector businesses to invest in sports. It promises good returns and induces a feel-good factor among the population.

The Physical Health of the Nation

The necessary legislation for the National Health Insurance Scheme was finally enacted last year. I regret that the bill did not get support from all parts of the House and that organised labour has felt it necessary to campaign against the measure. But now that it has become law, I urge the entire

country to come together to support it, to make it a success. There has been enough argument; it is time to put the scheme into operation and put the nightmare of the cash-and-carry behind us.

Permit me to stress for the third time that the funds expected from SSNIT [Social Security and National Insurance Trust] will not affect the pensions of contributors, each of whom will be paid his or her full entitlements when due. As I have said earlier, this is the best way to bring quality health care to all, rich and poor, employed and unemployed.

College of Physicians and Surgeons

There were other positive gains in health delivery. Forty years after Ghana's first medical school was established, the country's first postgraduate Ghana College of Physicians and Surgeons has been inaugurated. The happy news is that the programme of the college is specially structured to enable doctors to access it, even from their district hospitals, while continuing their normal work. It must surely help to stem the exodus of doctors and other health personnel from the country.

HIV/AIDS

We are still grappling with the HIV/AIDS pandemic and have intensified our efforts at public education.

Last year, government started dispensing imported antiretroviral drugs at highly subsidised rates to HIV patients. But we all know that this alone will not be enough. I therefore entreat all of us to continue showing love and compassion to AIDS sufferers, even as we endeavour to protect ourselves against [the disease].

Good Governance

As this House must be aware, good governance has been the guiding principle [that] has informed many of the policies of this government.

The decision to create a special Ministry of Women and Children's Affairs is paying healthy

dividends. From the high-profile positions that are going to more and more women [to] the provision of credit to women engaged in farming and trading—and some say the performance of the girls' schools—it is obvious that the female half of the population is coming into its own. The self-confidence is palpable, and we must build on it.

Employment Generation

Let me now address the problem of unemployment. Government is convinced that skills acquisition and training are the major tools for tackling the unemployment problem. As conditions improve to make Ghana a competitive destination for the siting of businesses, young people must be well equipped to get the jobs that come with the improved conditions. So government is supporting the Skills Training and Employment Placement (STEP) programme. Great strides are being made under this programme, and it is expected that 23,000 youth will be trained this year in various vocations. A number of them will be assisted through the Microfinance Scheme to set up [a] business on their own.

This number will be in addition to the 98,278 jobs already created in the formal sector of the economy and the 166,000 in the informal sector since this government came to power. Indirectly, many more unemployed must have benefited from our policies, especially in the rural areas.

Local Government

To promote good governance, this government appreciates the necessity for devolution of power to the district assemblies as a way of tackling some of the socioeconomic problems of society.

To this end, government will continue to ensure a balanced development of our metropolitan, municipal, and district assembly areas, especially with reference [to] competent staffing and funding. Participation of civil society, traditional authority, NGOs [nongovernmental organisations], and the private-sector partnership in local governance will be enhanced. Decentralisation

will help us better cope with the problems of sanitation in particular. This year the national sanitation policy will become operational, with emphasis being laid [on] four components: inspection, compliance enforcement, hygiene education, and pest control.

As I watched the proceedings during the ceremonial opening of Parliament earlier this week, I heard the laughter that greeted the compliment paid by the Deputy Speaker of the Gambian Parliament on what she saw as the cleanliness of our capital city.

It is quite right that we set our standards high; the filth in our towns and cities is unacceptable. We hope that the division of the big urban sprawls into submetros will make their administration and sanitation problems more manageable.

I need to point out, though, that no matter how [many] resources we put into the cleaning of the towns and cities, unless citizens change their habits, the problem will not go away. We must take pride in our environment and more so in our towns and cities, and that means we should not litter or put up illegal structures.

Peace and Security

I am happy to report that the general security situation is much improved. The signs are that the problem in Dagbon is gradually being resolved, and we pray that the Almighty touches the hearts of the people to engender a spirit of forgiveness and love among them.

As promised, police numbers are being increased. By the end of the year, an extra four thousand police officers will have been added to the service since this government came into office, and government is continuing to provide the facilities needed to make their work easier. This will put more police on patrol, day and night, and make us all sleep much easier.

Management of Lands and Forestry

The problem of land management remains a vexing one. I am happy to report that a loan of

US\$20.5 million has been obtained from the World Bank to finance the implementation of the first phase of the Ghana Land Administration Programme, which should harmonise land policies and its legislative framework.

Government is also examining the feasibility of registering all lands at all levels of titles from government, chiefs, and individuals to render them bankable as a source of revenue, for the generation of wealth.

This idea was introduced by Professor Hernando de Soto of Peru, who worked on it with former President William J. Clinton of the USA [United States of America].

Private-Sector Development

I am happy to report that the private sector is becoming increasingly active and confident. The problem of [a] lack of coordination between the sector and [the] ministries, departments, and agencies of the public sector is being solved within a national framework to regulate the operations of public-private partnership.

As the macroeconomic conditions improve, credit is also becoming available at affordable rates at the banks. But we are not leaving it all to the individual businessmen's initiatives; government is being proactive in sourcing funds for the sector.

For example, under the African Development Fund [ADF], five to eight small- and medium-scale enterprises are being supported with credit of up to [US]\$500,000 each year for the next five years. Already, the Wenchi Tomato Factory, Coastal Groves Ltd., in [the] Central Region, and Bosbel Vegetable Oil Mills Ltd., in Tamale, have benefited from it.

There are also 10 million euros from the Italian credit; US\$30 million, the Danish government's Business Sector Programmes Support; [and] US\$5 million from the Swiss government, in addition to an existing US\$40 million HSBC [Hong Kong and Shanghai Banking Corporation Limited] Bank credit.

The President's Special Initiatives

Government is focusing attention on the industrial sector to promote growth in the economy and [to] create jobs through rural-based agro industries.

The President's Special Initiatives are the instruments for the promotion of [the] private sector and the diversification of the economy. Through the initiatives, government is creating enabling environments by providing appropriate infrastructure for private-sector operators.

Areas identified so far include cassava production to feed starch factories, salt production and processing, oil palm plantation development, cotton production for textile and garment development, and sorghum and soya to feed the breweries.

Already the Ayensu Starch Factory, the first cassava initiative [that] was commissioned at Bawjiase in April 2003, has generated employment for ten thousand farmers and made its first shipment of 120 tonnes of cassava starch.

A modern Clothing and Technology Training Centre (CTTC) has been established in Accra. It has trained over 2,500 operators to feed the textile and garment industry. Indeed, as a result, opportunities presented to the clothing and garments sector under the African Growth and Opportunity Act (AGOA), Ghana's nontraditional export to the United States increased significantly, from US\$42 million in 2002 to US\$62.5 million in 2003.

This year, government expects to complete one hundred medium-sized garment and textile factories as part of an industrial park in the Export Processing Zone.

Also, enough oil palm seedlings have been nursed to be planted on 6,700 hectares of land this year.

Tourism

One area of growing importance to this country is the tourism industry, which is one of the new

pillars for economic development and job creation. Currently, it contributes about 3.9 percent of the country's GDP [gross domestic product], and it is the fourth foreign-exchange earner.

We estimate a 20 percent annual growth rate, which should attract about one million tourists by year 2007 and earn Ghana some US\$1.5 billion. A special school has been established in Koforidua to train qualified personnel to world standards to service the sector.

INTERNATIONAL RELATIONS

The policy of good neighbourliness and mutually beneficial economic cooperation, which government adopted on assuming office, has continued to pay healthy dividends. We are at peace with our neighbours, and it has also raised Ghana's stature within the comity of nations.

Economic Community of West African States (ECOWAS)

Ghana continues to play an active role in ECOWAS, and our soldiers have been at the forefront in ECOWAS peacekeeping efforts. The subregion is beginning to regain some measure of peace. An interim government is in place in Liberia to prepare the country for elections. Again, ECOWAS helped to broker peace in Côte d'Ivoire and succeeded in preventing the unconstitutional overthrow of the government of Guinea-Bissau. My reelection to serve for a second term as chairman of ECOWAS is an honour [that] belongs to Ghanaians, and I dedicate it to them. I hope I can count on your support.

West African Monetary Zone

At the last ECOWAS summit here in December [2003], it was decided that Ghana should host the headquarters of the West African Central Bank next year. Government will work assiduously towards the success of this development, which should reflect positively on the image of the country. Ghana has continued to work with all countries on the basis of equality and mutual

respect. My foreign visits have helped to promote Ghana's image and trading and investment prospects.

The decision of Japan to convert the loan for the Kasoa-Yamoransa road to a grant is one such concrete example of the dividends from our policies and the enhanced status of our country. Similar gestures have been extended by many other friendly countries and development partners like Denmark, Canada, Holland, the UK [United Kingdom], Germany, Italy, [the] European Union, the USA, and China, and we are grateful to all of them.

Tomorrow we are expecting the German chancellor, His Excellency Gerhart Schroeder, in Accra on a state visit. The king of Morocco, His Majesty King Mohammed VI, former president Jimmy Carter of the United States, and Mr. James P. Wolfensen, president of the World Bank, are all due to visit Ghana within the next few months.

Ghanaian residents abroad are also taking more pride and interest in matters back home. The result is increased remittances, which currently stand at over US\$1 billion.

CONCLUSION

To conclude, let me say with all modesty that our dear country under this administration has been making steady and appreciable progress towards stability and prosperity. Within the short period of three years, this government has done more than just lay a firm foundation to carry the superstructure of our economy. It has inspired most, if not all, sections of our population to share in the vision of the greatness of Ghana and to aspire towards achieving that greatness. These efforts have attracted [the] encouragement and support of our development partners from around the globe.

In spite of whatever problems we may still have, the future is bright, and we dare not falter. This is a critical year for the nation. After decades of political turbulence [and] economic stagnation, the nation is at long last beginning to see a glimmer of light at the end of the tunnel. This year must therefore be the year of consolidation.

It is also [an] election year, which will confirm the nation's commitment to the democratic dispensation as its routine way of governance. On the continent of Africa, this is indeed a big challenge as we prepare ourselves for the moment of truth, when Ghanaians will be called upon to choose freely their next government and parliament under the national Constitution.

Given the sensitivity and gravity of the moment, this government, which I lead, wants to seize this occasion to assure [all] the people of Ghana of its continued respect for the letter and spirit of the national Constitution. Government is resolved to discharge fully and firmly its primary duty, again under the Constitution, to maintain law and order, to ensure that the nation sails through this critical year without let[up] or hindrance, in pursuit of the glorious vision that impels this government.

In my new-year message, I invited the entire nation to operate on the basis of goodwill; perhaps I can borrow a fine statement made by the immortal American statesman Abraham Lincoln—"with malice toward none, with charity for all"—to convey the meaning of what I have said more clearly. I pray that we all agree to work on this basis, within the laws of the country. This, I believe, is the surest way to success for the nation and for all of us, no matter our political stance.

In this spirit, since it is still very early in the year, let me use this opportunity to convey to you and all members of this House, and [to] the entire nation, my sincerest wishes for a happy and prosperous new year.

Thank you.
