

IN THE FIRST SESSION OF THE FIFTH PARLIAMENT OF THE  
FOURTH REPUBLIC OF GHANA

PARLIAMENT OF GHANA LIBRARY

SECOND REPORT OF THE APPOINTMENTS  
COMMITTEE ON H.E. THE PRESIDENT'S  
NOMINATIONS FOR MINISTERIAL APPOINTMENT

1.0 INTRODUCTION

His Excellency President, J.E.A. Mills communicated to Parliament for prior approval of the nomination of Dr. Kwabena Duffour for appointment as Minister of Finance pursuant to Article 78(1) of the Constitution.

In accordance with Order 172(2) of the Standing Orders of the House, Madam Speaker on 28<sup>th</sup> January 2009 referred the nomination to the Appointments Committee for consideration and report.

The Committee subsequently met to determine modalities for the vetting of the nominee. The nomination was published in the media in accordance with Order 172(3) and memoranda were invited from the public.

The Committee also undertook due diligence to ensure that the nominee satisfies amongst others the requirement of article 94 of the Constitution.

2.0 REFERENCE DOCUMENTS

The Committee referred to the following documents during deliberations on the above mentioned nominee:

1. The 1992 Constitution of the Republic of Ghana
2. The Standing Orders of the Parliament of Ghana
3. The Curricular Vitae of the nominees
4. Petitions and Memoranda from the public
5. Reports from security agencies.
6. Reports from revenue agencies.

Acc No 3370

Class No: CR/M/09

### 3.0 PROCEDURE

As part of the Committee's procedure, the nominee took the oath of a witness. The nominee also answered questions on issues ranging from his records of office, through the positions to which he has been nominated to general matters of national concern.

### 4.0 OBESERVATIONS AND RECOMMENDATIONS

4.1 DR. KWABENA DUFFOUR - Minister-Designate of Finance

---

#### *Background*

Dr. Kwabena Duffour is a former Governor of Bank of Ghana and holds a PhD in Economics, from Syracuse University, USA, M.A. (Economics), BSc. (Economics) from University of Ghana, Legon. He previously held several positions including Chairman of Unibank Ghana Limited and Chairman of Star Assurance Company Limited. Clearly, Dr. Duffour is a man of impeccable business and professional competence.

#### Petitions

Two petitions were submitted against the nominee. One of the petitions was in relation to an alleged missing land document and the other relates to termination of appointment of the petitioner in a private company.

However investigations by the Committee revealed that the petitions did not have any merit.

#### State of the Economy

When asked about the state of the economy and whether the economy was 'broke', Dr. Duffour informed the Committee that the economy was not 'broke' but rather it was facing some challenges just as many stronger economies are currently facing challenges. He said that some economic measures were needed to put it back on track. He assured the Committee that if given the nod, he would put in place the needed economic policies to help address the current challenges.

### High Interest Rates/Prime Rates

On the current high interest rates, the nominee indicated that banks, like any manufacturing company, incur four basic costs of production including cost of deposits, overheads and bad debts. These and other factors contribute to the determination of interest rates by banks and it is not only the prime rate.

He further noted that savings in the country are low and this also affects the high interest rates. He informed the Committee that if given the nod, he would take measures to address the situation of low saving rate which itself has a rather long history.

### Liquidity levels in the country

Dr. Duffour informed the Committee that the country is experiencing some amount of excess liquidity. He noted that there was the need to encourage people to save with the banks as this will help reduce the rate of inflation and hence the interest rate. He assured the Committee that if given the nod, he will introduce, facilitate and support interventions in getting these funds to the banks.

### Conflict of interest

Members of the Committee wanted to know if his role as Chairman of Star Assurance Company and prominent status at Unibank would not conflict with his job and compromise him if given the nod. The nominee informed the Committee that he has already taken steps to relinquish his chairmanship of Star Assurance Company and promised to ensure that there would be no conflict of interest in his stewardship.

### Resource Mobilization

Dr. Duffour acknowledged that resource mobilization is a challenge in the country. He called for the automation of revenue mobilization as this would help increase revenue and reduce corruption.

He assured the Committee that if given the nod, he would further raise revenue by helping to revamp small scale industries which would help ensure macro stability and subsequent growth.

### Growth Rate

The nominee informed the committee that growth in emerging markets is about 2.5% but in the case of Ghana, some of her exports such as cocoa and gold have been experiencing high prices. This has contributed to the consistent higher growth rates experienced in the country in recent times. According to him, when oil production starts in earnest, Ghana's growth rate, other things being equal, would be much higher than other emerging markets.

The nominee conceded that macro economic stability and growth are imperative to achieving real national growth and everything must be done to protect the relative stability we now have and build on it.

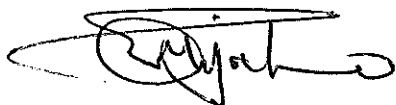
### 5.0 RECOMMENDATION AND CONCLUSION

The Appointments Committee has carried out its duty diligently in accordance with the Constitution and the Standing Orders of this House in respect of the President's nominee for Minister of Finance, Dr. Kwabena Duffour.

The Committee is satisfied that Dr. Kwabena Duffour has met the requirements of the 1992 Constitution of the Republic of Ghana.

The Committee by consensus therefore respectfully recommends his nomination to the House for approval.

Respectfully submitted.



HON. E.K.D. ADJAHO  
1<sup>ST</sup> DEPUTY SPEAKER AND CHAIRMAN,  
APPOINTMENTS COMMITTEE



ALHAJI IBRAHIM GOMBILLA  
DEPUTY CLERK TO PARLIAMENT  
11<sup>TH</sup> FEBRUARY, 2009