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Quarterly Bulletin

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OVERVIEW

Global economic activity in the first three quarters of 2014 remained generally subdued reflecting stagnant euro area growth and slower growth projections in some emerging economies in spite of the observed improvements in the United States and United Kingdom. Consequently, the IMF World Economic Outlook for October 2014 reviewed downward the global growth outturn for 2014 by 0.4 percentage points to 3.3 per cent. Growth in Sub-Saharan African countries is projected to remain strong with the downside risks to the outlook being weakening commodity prices, industrial tensions, as well as the adverse effect of outbreak of Ebola in affected West African economies.

In the domestic economy, the Ghana cedi remained broadly weak during the third quarter of 2014 amid excess demand pressures. Monetary growth picked up during the period while CPI inflation continued its upward trajectory, reaching 16.5 per cent at the end of the third quarter of 2014 from 15.1 per cent at the end of the second quarter and 13.5 at the end of 2013. This development in CPI inflation continued to reflect the pass through effects of the sharp exchange rate depreciation to transportation and utility costs. Government expenditure, driven by interest payments, compensation of employees and MDA expenditure, continued to outpace revenue collections, leading to a deficit of GH¢1,873.8 million (1.6% of GDP) during the third quarter. The deficit was financed by a net domestic borrowing of GH¢1,172.5 million and net foreign inflow of GH¢3,539.2 million.

On the external front, the balance of payments registered a surplus of US\$344.6 million at

the end of the review quarter compared to a deficit of US\$992.0 million in the corresponding quarter of 2013. At the end of the third quarter of 2014, Gross International Reserves (GIR) had increased to US\$5,679.09 million from the end-December 2013 stock position of US\$5,632.15 million. The reserves were sufficient to provide cover for 3.3 months of imports of goods and services.

Real Sector Developments

Economic activity, as depicted by some selected real sector indicators, generally improved for the first nine months of 2014 when compared with developments in the corresponding period of 2013. On year-on-year basis, economic indicators such as domestic VAT, retail sales, income and corporate taxes, workers contributions to SSNIT and cement sales showed a pick-up in growth in the first nine months of 2014. Jobs advertisements and vehicle registration, however, recorded declines in the review period.

Price Developments

Headline inflation continued its upward trend to end the third quarter of 2014 at 16.5 per cent from 13.5 per cent recorded at the end of December 2013 and 15.1 per cent in the second quarter. The rise in inflation during the review quarter reflected mainly in non-food inflation. While the food index declined by 2.1 percentage points to 5.8 per cent by the third quarter of 2014, non-food inflation increased significantly to 24.1 per cent by the end of September 2014 from 20.3 per cent recorded at the end of the second quarter, reflecting exchange rate depreciation and associated increases in

the transport and utility costs.

Monetary Aggregates and Credit Developments

Developments in monetary statistics during the third quarter of 2014 showed an increase in growth of monetary aggregates. Broad Money including foreign currency deposits (M2+) also indicated a year-on-year growth of 33.6 per cent as at the end of the third quarter of 2014 compared with a growth of 17.4 per cent in the corresponding quarter of 2013. The growth in M2+ was driven by 33.9 per cent growth in Net Domestic Assets (NDA) and 32.1 per cent increase in Net Foreign Assets (NFA) respectively.

Total outstanding credit to public and private institutions stood at GH¢23,808.5 million at the end of the third quarter of 2014, indicating a year-on-year nominal growth of 50.6 per cent compared with a growth of 25.1 per cent at the end of the third quarter of 2013.

In real terms, credit from the banks grew to 29.3 per cent as at end-September 2014 from 11.8 per cent in September 2013. The private sector accounted for 87.5 per cent of total outstanding credit at the end of the review quarter compared with 89.3 per cent at the end of September 2013. In real terms, the annual growth rate of outstanding credit to the private sector increased to 26.6 per cent at the end of September 2014 from 13.1 per cent at the end of September 2013.

Financial Markets

Interest rate developments on the money market for the period January-September 2014 generally indicated an upward trend. In the

review period, the average interest rate on the 91-day Treasury bill rose to 25.34 per cent in September 2014, from 21.59 per cent in September 2013. The spread between borrowing and lending rates however declined on year-on-year basis by 66 basis points (bps) to 14.25 per cent in September 2014, while the average base rate of banks went up by 345 bps year-on-year to 25.05 per cent in September 2014.

The performance of the stock market improved in September 2014 to reverse the downward drift of the index in the preceding two months. The GSE-Composite Index (GSE-CI) rose by 1.8 per cent in September 2014, to bring the year-to-date growth to 4.4 per cent, compared with a growth of 69.3 per cent recorded in the corresponding period of 2013. The relatively poor performance in the index in 2014 reflected the adverse impact of sharp depreciation in the domestic currency on prices coupled with the relative attractiveness of yields on money market instruments. Market capitalization increased by 5.5 per cent (GH¢3,365.9 million) in September 2014 to close at GH¢64,515.3 million

The Ghana cedi continued to weaken during the review quarter on the domestic market amid high demand pressures from official sources, largely for oil imports. In the Inter-Bank market, the Ghana cedi recorded quarterly depreciations of 6.1 per cent and 1.7 per cent against the US dollar and the pound sterling respectively but strengthened against the euro by 0.9 per cent. In the forex bureaux market, the Ghana Cedi lost ground against all three currencies recording quarterly depreciation of 7.8, 9.4 and 9.2 per cent respectively against the US dollar, the pound sterling and the euro during the period.

Fiscal Developments

Total revenue and grants realised during the third quarter of 2014 was GH¢6,451.77 million (5.6% of GDP). Expenditure for the same quarter was provisionally estimated at GH¢7,320.78 million (6.4% of GDP). Consequently, the overall budget balance, including divestiture and discrepancy, was a deficit of GH¢1,873.8 million (1.6% of GDP). The deficit was financed by a net domestic borrowing of GH¢1,172.5 million and net foreign inflow of GH¢3,539.2 million.

External Sector Developments

Developments in the balance of payments during the third quarter of 2014 indicate a surplus of US\$344.6 million compared with a deficit of US\$992.0 million in the corresponding quarter of 2013.

The value of merchandise exports during the third quarter of 2014 amounted to US\$2,977.1 million compared with an outturn of US\$2,931.7 million recorded in the corresponding quarter of 2013. Merchandise imports over the review quarter were estimated at US\$3,413.2 million, down by 20.9 per cent

from the level recorded in the corresponding quarter of 2013. The decline in imports was largely driven by a 29.0 per cent drop in non-oil imports, year on year. Consequently, the balance of trade also improved to a deficit US\$436.1 million compared with a deficit US\$1,386.3 million in the same period of 2013.

At the end of the review period, the country's gross international reserves increased to US\$5,679.09 million from a stock position of US\$5,632.15 million at the end of December 2013 indicating a build-up of US\$46.94 million. This level of reserves was sufficient to provide cover for 3.3 months of imports compared to 3.1 months of imports cover as at the end of December 2013.

External Debt

The stock of external debt as at the end of the third quarter of 2014 was provisionally estimated at US\$12,678.62 million, indicating increases of 6.7 per cent and 17.7 per cent above the stock positions at the end of the second quarter of 2014 and third quarter of 2013, respectively.

1. Developments in the World Economy

The recovery process in the global economy continued but at a modest pace and remained uneven across regions and countries given the increasing cyclical and structural divergence. In the second half of 2014, global activity has gathered some momentum, supported by improved fundamentals and stronger gains in a number of advanced economies. In emerging countries, however, growth has remained subdued and uncertain due to financial markets

and geopolitical tension, as well as structural constraints. Looking ahead, global growth is likely to be boosted by developments such as reduced fiscal drag and monetary accommodation in some advanced economies. In contrast, several emerging economies growth could be constrained by factors such as infrastructure deficits, domestic and external imbalances, and tightened financial conditions.

Table 1.1: World Economic Indicators

	Year over Year (%)			
	2012	2013	WEO Projections	
			2014	2015
World Output	3.5	3.2	3.4	4
Advanced Economies	1.4	1.3	1.8	2.4
United States	2.8	1.9	1.7	3
Euro Area	-0.7	-0.4	1.1	1.5
Japan	1.4	1.5	1.6	1.1
United Kingdom	0.3	1.7	3.2	2.7
Emerging and Developing Economies	5.1	4.7	4.6	5.2
China	7.7	7.7	7.4	7.1
Brazil	1	2.5	1.3	2
Sub-Saharan Africa	5.1	5.4	5.4	5.8
South Africa	2.5	1.9	1.7	2.7

Source: IMF World Economic Update, July 2014

European Economies

The Euro area economy grew by a marginal 0.2 per cent in the third quarter of 2014, up from a 0.1 per cent expansion in the second quarter. The preliminary figures turned out better-than-projected as GDP accelerated in France and Germany avoided recession. The weak growth outturn in the Euro zone has dampened growth prospects and prompted downward revision of real GDP growth over the forecast horizon to 2016. Current assessments indicate

that domestic demand should be supported by the monetary policy measures, ongoing improvements in financial conditions, continued progress in fiscal consolidation and structural reforms, and lower energy prices. On the other hand, the upside risks to the recovery process include high unemployment, sizeable unutilised capacity, and the necessary balance sheet adjustments in the public and private sectors.

United Kingdom

In the United Kingdom, real GDP growth softened to 0.7 per cent in the third quarter of 2014 from 0.9 per cent in the second quarter. In detail, private consumption and government spending constituted the main drivers of expansion while business investment and exports shrank. Growth was particularly robust in the transport and communication sectors and the business services sector. Household final consumption expenditure rose by 0.8 per cent in the third quarter, the thirteenth consecutive quarter of growth. Government consumption increased by 1.1 per cent, following a 1.0 per cent rise in the second quarter. Gross fixed capital formation was estimated to have increased by 1.0 per cent, following a 1.3 per cent increase in the previous quarter. The labour market continued to strengthen, and the unemployment rate fell to a five-year low of 6.0 per cent in the three months to August. Latest data and surveys suggest that the softening in growth will extend to the fourth quarter of the year. The need to repair private and public sector balance sheets and the weakness in external demand are the main downside risks to economic activity.

The US Economy

In the United States, economic activity grew at an annualised rate of 3.9 per cent in the third quarter according to the first estimate by the Bureau of Economic Analysis, down from 4.6 per cent annualised growth in the second quarter. The expansion in the third quarter was supported by a turnaround in the contribution from net trade as exports grew robustly and imports declined, coupled with increased domestic demand and investments. Latest high-frequency indicators point to sustained growth

momentum, strong business sentiment, and further rise in consumer sentiment to its highest level in October since the start of the last recession. Favourable labour market prospects and recent sharp declines in gasoline prices are also expected to particularly benefit low-income households, which have a high propensity to consume. Looking further ahead, the US economy is expected to continue growing above trend rates, supported by continued improvements in the labour and housing markets, accommodative financial conditions and fading headwinds from both household balance sheet repair and fiscal policy.

Emerging Asia

The Japanese economy shrank by 0.4 per cent from July to September, after a 1.9 per cent contraction in the previous quarter. A significant rise in public demand and net exports were not enough to offset a decline in private demand. Private demand declined by 0.9 per cent, shedding off 0.7 percentage points from the growth. Private consumption, which accounts for about 60.0 per cent of the economy, rose only 0.4 per cent, a sign that an increase in Japan's sales tax to 8 per cent from 5 per cent in April continued to take a toll. Housing investment decreased by 6.1 per cent while capital spending dropped by 0.2 per cent. The negative contribution from private inventory was also another major factor in GDP decline. Public demand increased by 0.7 per cent and added 0.2 percentage points to the growth. Government consumption and public investment grew by 0.3 and 2.2 per cent respectively. External demand added 0.1 percentage points to the growth as gains in exports (+1.3%) were higher than imports (+0.8%). The third quarter gross domestic product figure translated into an annualised contraction of 1.9 per

cent. These weaker-than-expected numbers prompted a delay of the second increase in consumption taxes by the Prime Minister.

Chinese GDP growth slowed slightly to 7.3 per cent annually in the third quarter, from 7.5 per cent in the previous quarter, as the effect of the modest monetary and fiscal stimulus started to unwind. On a quarterly basis, growth decreased to 1.9 per cent from 2.0 per cent. Consumption and trade contributed most to growth, while the contribution from investment weakened, reflecting a slowdown in housing investment and more moderate credit growth. The housing market continued to deteriorate, as prices and sales volumes growth fell and are currently close to the troughs seen in previous housing downturns during 2008 and 2012. At the same time, the stock of vacant housing expressed in months of sales has more than doubled since early 2010, suggesting that this downturn might be more severe and longer-lasting than previous correction phases. In order to support the housing market, authorities lowered minimum interest rates and deposit requirements for new mortgages for customers with no other mortgage loans at the end of September.

Sub-Saharan Africa

Sub-Saharan Africa remains one of the fastest growing areas of the world in 2014 with growth estimated at 5.1 per cent, at par with the growth outturn in 2013 and at an average of 4.4 per cent over the past five years. Weaker activity in South Africa in 2014 has been compensated for by stronger growth in Nigeria, which together account for about 55.0 per cent of Sub-Saharan Africa's GDP and 83.0 per cent of the combined GDP of the IIF-7 group

of countries (South Africa, Nigeria, Kenya, Ghana, Tanzania, Côte d'Ivoire and Zambia).

However, several factors, both domestic and external, have conspired to weaken the growth outturn for 2014. These include industrial action in South Africa, which hit output in the mining and manufacturing sectors; weak investments in Nigeria's oil sector; interest rate hikes in Ghana where the currency has come under strong downward pressure, fuelling a surge in inflation; poor rains in some agricultural areas in Kenya during the main growing season and a drop in tourism due to increased concerns over security; and policy uncertainty in Zambia that has weakened the currency and prompted interest rate hikes. In Côte d'Ivoire and Tanzania, by contrast, there were no local factors impeding activity, and growth remained buoyant at over 7.0 per cent.

More generally, lower commodity prices and global headwinds have also held back growth this year; while a lack of adequate infrastructure, particularly power and transportation continue to hinder many countries' economic potential. The growth outlook however shows strong prospects for 2015 but there are some concerns with countries that are struggling to contain fiscal deficits, where currencies have depreciated, and where inflation has accelerated. Both Ghana and Zambia, which are now seeking help from the IMF to restore macroeconomic stability and policy credibility, fall into this category. Despite these difficulties, both countries are likely to continue to grow at a rate of over 5 per cent in 2015 and, with the implementation of sound macroeconomic policies, have the potential to grow faster in 2016 and beyond.

2. Real Sector Developments

Trends in selected real sector indicators point to some gradual improvement in economic activity during the third quarter of 2014. This was in spite of the energy and other economic challenges which hit the economy during the review period.

2.1 Indicators of Economic Activity

2.1.1 Consumer Spending

Consumer spending, gauged by domestic VAT collections and total retail sales picked up in the third quarter of 2014 relative to a year earlier. Domestic VAT collections increased by 62.1 per cent year-on-year to GH¢507.54 million during the third quarter compared with collections during the same period of 2013. On quarterly basis, domestic VAT collections grew by 8.6 per cent in the third quarter of 2014, above the level recorded in the second quarter of 2014.

Similarly, retail sales increased significantly by 70.8 per cent in the third quarter of 2014 to GH¢69.2 million from GH¢40.5 million recorded in the same period of 2013. Also, retail sales for the third quarter of 2014 suggested a quarter on quarter growth of 14.2 per cent over GH¢60.6 million recorded during the second quarter of 2014.

2.1.2 Production/Incomes

Manufacturing sub-sector activity, proxied by performance of income and corporate tax collections and workers contributions to the SSNIT Scheme, improved during the third quarter of 2014. Income and corporate tax collections showed a pickup of 30.3 per cent to GH¢1,820.33 million in the third quarter of 2014 from GH¢1,397.41 million collected during the same period of 2013. Similarly, income and corporate tax collections for the

Chart 2.1: Retail Sales and Domestic VAT (GH¢ million)

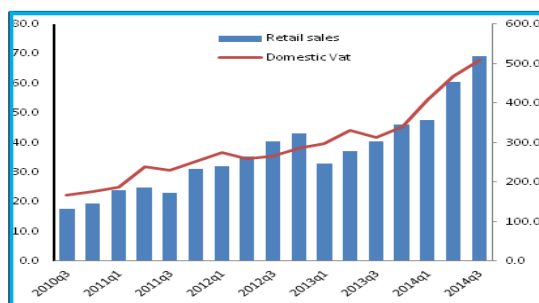


Chart 2.2: SSNIT Contributions (GH¢ million)

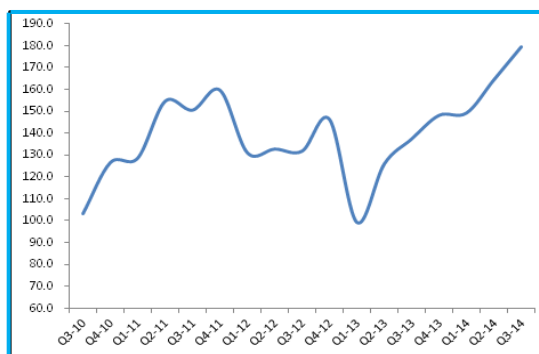
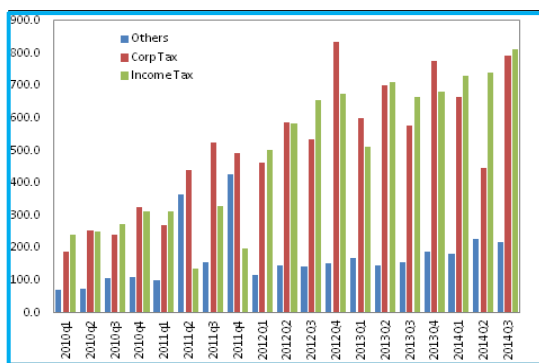


Chart 2.3: Income & Corporate Tax Collection (GH¢ million)



third quarter of 2014 indicated an improvement of 28.9 per cent above collections in the second quarter. In terms of relative contributions of the various sub-sectors, P.AY.E and Self-employed accounted for 45.0 per cent, followed by corporate tax (43.0%), while ‘Others’ category contributed 12.0 per cent.

Workers contributions to the SSNIT Scheme improved by 30.7 per cent to GH¢179.5 million in the third quarter of 2014 from contributions at the end of the third quarter of 2013. Also, workers contribution in the third quarter of 2014 represented a 9.2 per cent growth above contributions of GH¢164.41 million in the second quarter of 2014.

2.1.3 Construction Activities

Economic activity in the construction sub-sector measured by the volume of cement sales picked-up by 9.2 per cent during the third quarter of 2014 to 1,117,447.24 tonnes from sales during the third quarter of 2013. Total cement sales in the third quarter of 2014 also constituted a quarter-on-quarter marginal growth of 0.9 per cent from sales recorded in the second quarter.

Vehicle Registration

Provisional data from DVLA suggested that number of vehicles registered in the third quarter of 2014 dipped by 29.8 per cent to 34,972 from 49,823 vehicles recorded in the same period of 2013. However, total vehicles licensed by DVLA in the third quarter of 2013 suggested a growth of 3.1 per cent compared with the number of registered vehicles recorded in the second quarter of 2014.

Chart 2.4: Quarterly Trends in Cement Production (tonnes)

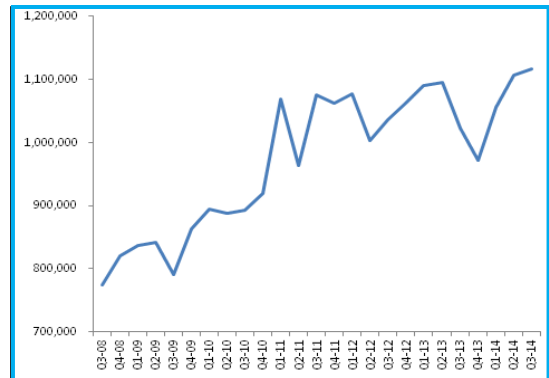
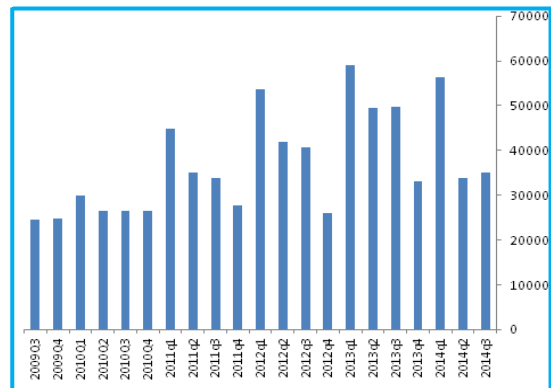


Chart 2.5: Quarterly Trends in Vehicle Registration



2.2 Labour Market Conditions

A total of 811 jobs were advertised in the ‘Daily Graphic’ during the third quarter of 2014. This represented a quarterly decline of 1.8 per cent compared with that of the second quarter. The cumulative number of job placements from January through September 2014 stood at 2,582, 47.3 per cent lower than 4,896 recorded during the same period in 2013.

2.2.1 Job Vacancies by Skills

The services sector continued to play its dominant role as the lead sector for job adverts. The service sector accounted for 88.6 per cent of advertised jobs (up from 83.9% in 2014Q2). The top three sub-sectors within the sector were: other services (22.5%), Education (14.4%), Health (9.4%) and Business Services (9.0%).

The industrial sector accounted for a 10.5 per cent share of total job adverts in the third quarter (15% in 2014Q2). The main sub-sectors under the sector with significant shares of job adverts were manufacturing (4.84%), and construction (2.75%). The share of advertised jobs in the agriculture sector dropped to 0.9 per cent during the third quarter, compared with 1.1 per cent in the second quarter.

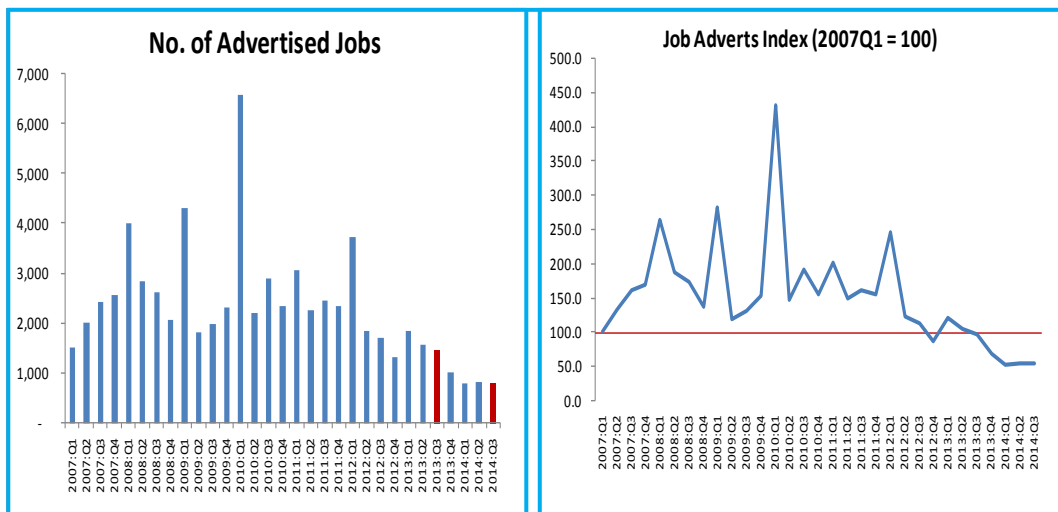
As in the previous two quarters of the year, skilled employees with tertiary education and a minimum of 5 years experience was domi-

nant in total job adverts. This category, classified as executive and top professionals, accounted for 75.9 per cent of total job adverts in the third quarter, compared with 77.6 per cent in the second quarter. This was followed by sales and other service workers (15.9%) and secretarial and clericals with 4.5 per cent share of total job adverts.

Outlook

The above trends suggest that real sector indicators recorded some growth during the first three quarters of the year, despite the ongoing energy sector challenges facing the economy. Looking forward to the last quarter of 2014 and beyond however, the potential risk factors to growth and macroeconomic stability include further volatility in the exchange rate market, unreliable supply of energy (electricity, oil and gas) to industry and the impact of fiscal consolidation measures.

Chart 2.6: Trends in Advertised Job Vacancies (2014Q3)



3. Price Developments

3.1 Global Inflation

Global CPI inflation slowed during the third quarter of 2014 on the back of lower energy prices and unutilised capacity. Annual CPI inflation in the OECD area eased to 1.7 per cent at the end of the third quarter from 2.1 per cent at the end of the second quarter, owing mainly to a significant slowdown in energy costs. Excluding food and energy, OECD annual CPI inflation eased to 1.7 per cent from 1.9 per cent in the same comparative periods. Looking ahead, inflationary pressures are expected to remain contained against the backdrop of weakened commodity prices and output gaps that are closing slowly.

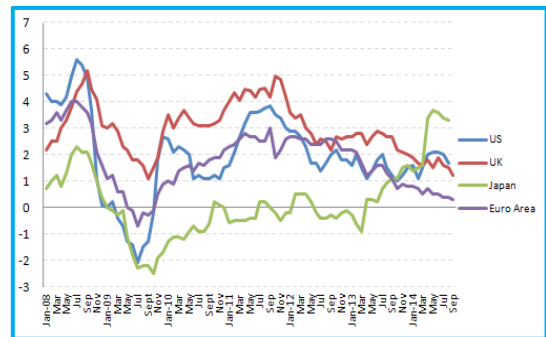
Annual CPI inflation eased in the **United States**, partly reversing increases observed in the second quarter. Headline inflation declined to 1.7 per cent in August from 2.1 per cent at the end of the second quarter. The decline was reflected in all the CPI components although food inflation has remained on an upward trend. Annual CPI inflation excluding food and energy also declined to 1.7 per cent during the same period. Looking ahead, US annual CPI inflation is expected to remain contained, as weak labour market conditions and subdued wage growth keep price pressures low.

The **Euro area** annual HICP inflation is expected to ease further to 0.3 per cent by the end of the third quarter of 2014, from 0.5 per cent in the second quarter, reflecting sharp declines in energy prices and somewhat lower price increases in most other components. Based on the available information, annual HICP inflation is expected to remain at low levels for the rest of the year, before increasing gradually during 2015.

In the UK, annual inflation declined to 1.2 per cent from 1.9 per cent in June 2014. Inflationary pressures are likely to remain subdued, owing to moderate wage growth and the effects of the appreciation of the pound sterling.

Japan's inflation continued to ease in the third quarter after surging in the second quarter following the hike in VAT. Headline inflation declined to 3.2 per cent in the third quarter, from 3.6 per cent at the end of the second quarter, reflecting declining energy prices. Excluding the direct impact of the April increase in VAT, annual CPI inflation stands currently close to 1 per cent, while annual CPI excluding food and energy inflation has remained in a range of 0.5%-0.8% since late 2013.

Chart 3.1: Inflation trends in Advanced Economies



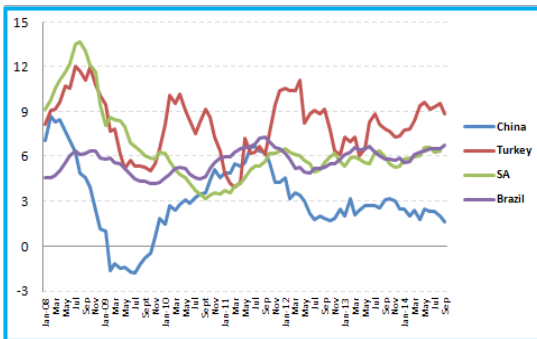
In China, inflation pressures remained subdued and annual inflation continued to fluctuate around 2.0 per cent since the beginning of the year. The annual CPI inflation rate fell to 1.6 per cent in the third quarter of 2014, the lowest since January 2010, driven by a sharp slowdown in food price increases. Comparatively, annual inflation was 2.3 per cent in June and 1.8 per cent in March 2014.

The Brazilian annual inflation rose further to 6.7 per cent in the third quarter of 2014, higher than the 6.5 per cent during the second quarter, driven mainly by meat prices.

In Turkey, annual inflation declined to 8.7 per cent at the end of the third quarter of 2014 from 9.3 per cent in the second quarter as food prices continued to slowdown. Inflation had increased from 7.6 per cent at the beginning of the year to 8.4 per cent in March. The highest annual price increase was recorded in hotels, cafes and restaurants (14.4%), followed by food and non-alcoholic beverages (13.9%), and furnishing, household equipment and routine maintenance (9.3%).

South African annual inflation rose from 5.8 per cent at the beginning of the year to 6.0 per cent during the first quarter of 2014 and further up to 6.6 per cent in the second quarter but slowed down to 5.9 per cent at the end of the third quarter of 2014 due to lower transport and food prices.

Chart 3.2: Inflation trends in Emerging Markets

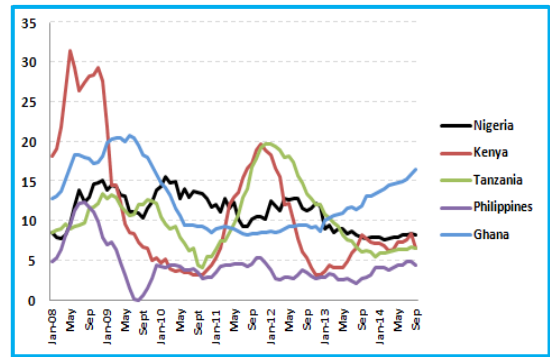


Kenyan annual inflation rate slowed for the first time in six months to 6.6 per cent at the end of the third quarter of 2014 from 7.4 per cent in the second quarter of 2014, as the base

effects from last year's sales tax increase waned. Annual inflation had slowed down from 7.2 per cent at the beginning of the year to 6.3 per cent in the first quarter of 2014.

Nigeria's annual inflation rate slowed slightly to 8.3 per cent in the third quarter of 2014 from 8.2 per cent in the second quarter, as food prices eased for the first time in six months.

Chart 3.3: Inflation trends in Developing Countries



3.2 Domestic Inflation

Headline inflation rose to 16.5 per cent at the end of the third quarter of 2014, the highest rate since November 2009. Annual inflation had risen steadily for thirteen months to 13.5 per cent at the end of 2013, from 11.9 per cent in 2012 and driven mainly by sharp increases in energy and utility costs. In 2014, inflation continued to rise to 14.5 per cent in the first quarter and moved further up to 15.0 per cent by the end of the second quarter, reflecting the sharp depreciation of the local currency which pushed up fuel, transport and imported food costs.

The rise in inflation during the first three quarters of 2014 reflected more in non-food than

food inflation. While the food index declined by 1.3 percentage points to 5.8 per cent by the end of the third quarter of 2014, non-food inflation increased significantly to 24.1 per cent from 18.5 per cent at the beginning of the year, reflecting exchange rate depreciation and associated increases in the energy and utility costs.

3.3 Monthly Changes in CPI

Analysis of the monthly changes in CPI showed a month on month disinflation of 0.2 per cent in September 2014 compared with an increase of 1.6 per cent in June and 0.9 per cent at the end of March 2014. The slowdown is consistent with trends in food harvest effects between July and September. In comparison to the past trends, the 2014 inflation profile has been relatively higher than 2013 and 2012 and is influenced mainly by the sharp depreciation of the local currency, and higher energy and utility costs.

3.4 Contributions to the Change in Consumer Prices (%)

Contributions of the sub-component to over-

all inflation during the first nine months of the year indicated that, sharp increases in the utilities & housing and transport mainly accounted for the increases in overall inflation. However, in August and September, increases in inflation was broad based and reflected in the other sub-components. In the monthly analysis, food costs, utility and housing as well as the other items (less food, utility & housing and transport) pushed up inflation from the beginning of the year.

3.5 Outlook for Inflation

The steady increases in inflation continued to September 2014, reflecting the effects of the earlier volatilities in the foreign exchange market and the attendant hikes in the energy and utility costs. In spite of this, inflation is expected to be close to peaking. In the last quarter, factors that will contribute to the moderation of inflation include base effects of previous year's utility price adjustments and relative stability in the exchange rate.

Chart 3.4: Trends in Inflation - (2012 and 2014)

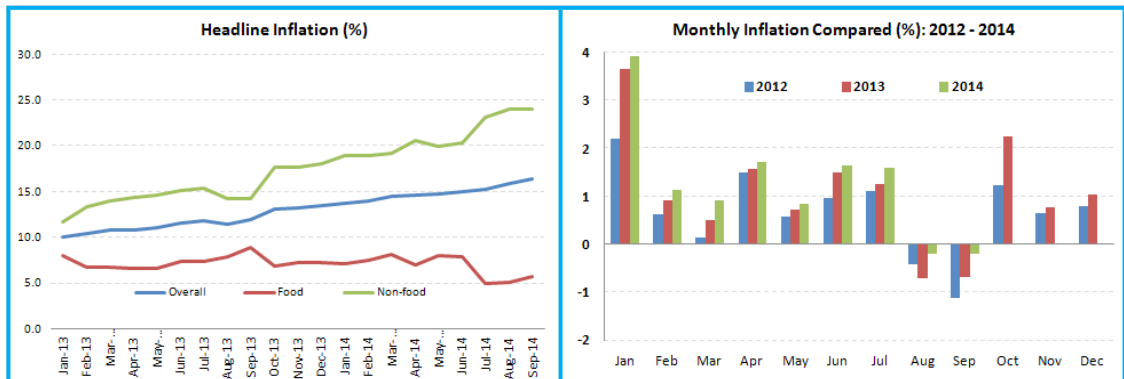


Chart 3.5: Monthly Trends in Food and Non-Food Inflation (2012 - 2014)

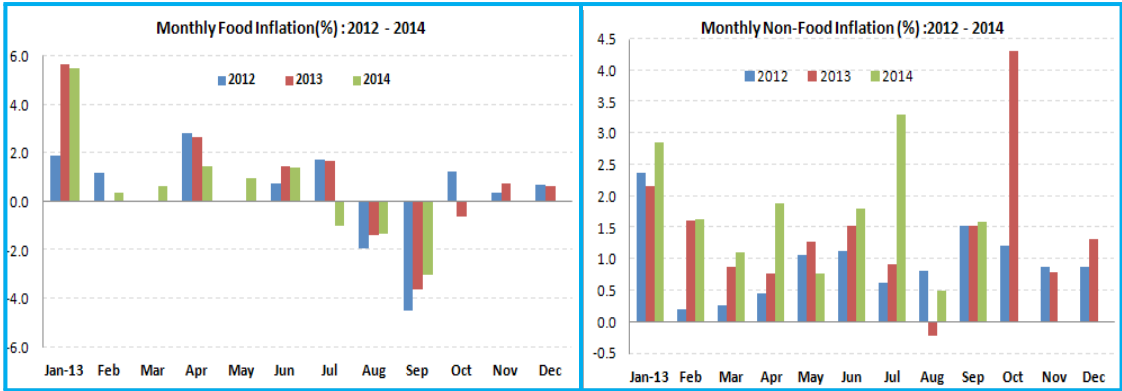


Chart 3.6: Major Contributions to INFLATION: Jan 2013 - Sep 2014

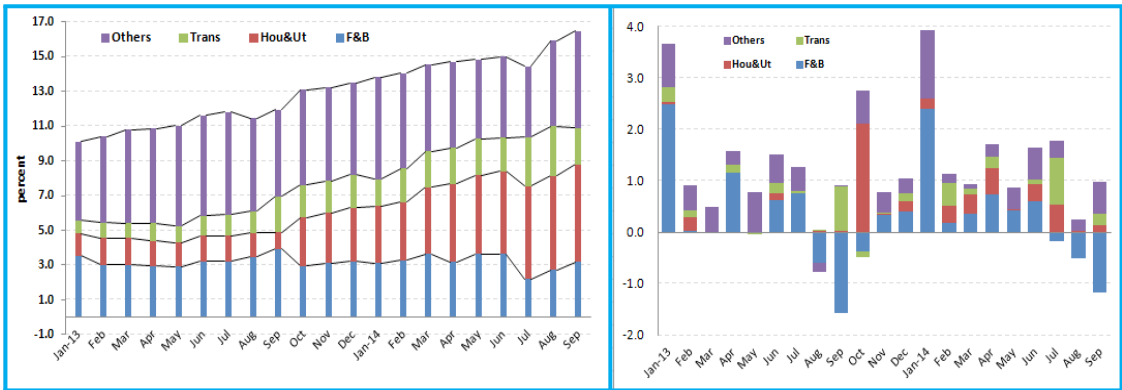


Table 3.1: Headline and Monthly Changes in CPI (%)

	Headline Inflation (yr-on-yr)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Jan-13	10.1	8.0	11.8	3.7	5.7	2.2
Feb	10.4	6.7	13.3	0.9	0.0	1.6
Mar	10.8	6.7	14.0	0.5	0.0	0.9
Apr	10.9	6.6	14.4	1.6	2.7	0.8
May	11.0	6.6	14.6	0.7	0.0	1.3
Jun	11.6	7.3	15.1	1.5	1.5	1.5
Jul	11.8	7.3	15.4	1.3	1.7	0.9
Aug	11.5	7.9	14.2	-0.7	-1.4	-0.2
Sep	11.9	8.9	14.2	-0.7	-3.6	1.5
Oct	13.1	6.9	17.7	2.3	-0.6	4.3
Nov	13.2	7.3	17.6	0.8	0.7	0.8
Dec	13.5	7.2	18.1	1.0	0.6	1.3
Jan-14	13.8	7.1	18.9	3.9	5.5	2.9
Feb	14.0	7.5	19.0	1.1	0.4	1.6
Mar	14.5	8.2	19.2	0.9	0.6	1.1
Apr	14.7	7.0	20.6	1.7	1.5	1.9
May	14.8	8.0	20.0	0.9	1.0	0.8
Jun	15.0	7.9	20.3	1.6	1.4	1.8
Jul	15.3	5.0	23.1	1.6	-1.0	3.3
Aug	15.9	5.1	24.0	-0.2	-1.3	0.5
Sep	16.5	5.8	24.1	-0.2	-3.0	1.6

Source: GSS

Table 3.2: Sub-Component's Contribution to inflation (%)

	Weight (%)	Year-on-Year Inflation				Changes Jan-Sep	
		Jan-13	Sep-13	Jan-14	Sep-14	2013	2014
Food and Beverages	43.9	8.0	8.9	7.1	5.8	0.9	-1.3
Non-Food Inflation	56.1	11.8	11.9	18.9	24.1	0.1	5.2
Housing, Water, Elect, Gas & Fuels	8.6	13.9	10.5	37.9	63.6	-3.4	25.6
Transport	7.3	9.7	27.7	21.4	27.0	18.0	5.6
Alcoholic Beverages, Tobacco	1.7	11.2	10.4	13.1	15.3	-0.8	2.2
Health	2.4	8.2	10.8	12.3	15.2	2.6	2.9
Clothing and Footwear	9.0	16.6	15.9	20.2	14.9	-0.7	-5.3
Miscellaneous gds & Serv.	7.1	11.0	16.3	19.3	13.7	5.3	-5.6
Hotels, Cafes & Restaurants	6.1	10.7	7.7	9.3	13.0	-3.0	3.7
Recreation & Culture	2.6	10.8	11.5	14.6	12.6	0.6	-2.0
Furnish, H/H Equipt. Etc	4.7	13.5	15.1	15.2	12.0	1.6	-3.1
Communications	2.7	-0.1	1.5	5.0	8.6	1.6	3.6
Education	3.9	6.2	10.1	9.1	3.5	3.8	-5.7

4. Money and Financial Markets

Provisional data on monetary developments indicate that broad money supply including foreign currency deposits (M2+) for the quarter ending September 2014 showed higher growth rates compared with the third quarter of 2013 but was lower than the growth rate recorded in the second quarter of 2014. The year-on-year growth in broad M2+ was due mainly to a significant growth in foreign currency deposits.

4.1 Broad Money Supply

Available data indicate that the quarterly

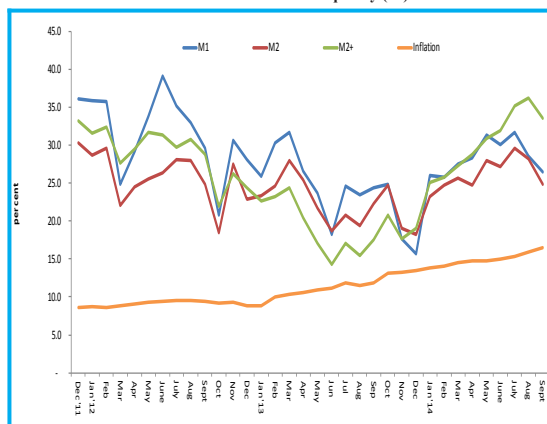
growth of M2+ on year-on-year basis was 33.6 per cent (GH¢8,054.3 million) during the third quarter of 2014 compared with growth rates of 17.4 per cent (GH¢3,555.3 million) recorded in the third quarter of 2013 and growth of 31.9 per cent (GH¢7,434.5 million) recorded in the second quarter of 2014. M2+ at the end of the third quarter of 2014 was GH¢32,052.3 million compared with GH¢30,737.8 million in the second quarter of 2014 and GH¢23,998.0 million recorded during the third quarter of 2013.

Table 4.1: Monetary Indicators (GH¢ million)

	Levels				Quarter-on-Quarter							
					As at end-Sep 2013		As at end-Dec 2013		As at end-Jun 2014		As at end-Sep 2014	
	Sep-13	Dec-13	Jun-14	Sep-14	abs	per cent	abs	per cent			abs	per cent
Reserve Money	7,848.3	9,051.1	9,976.7	10,619.5	1,366.3	21.1	1,190.7	15.1	2,683.0	36.8	2,771.2	35.3
Narrow Money (M1)	11,552.2	12,902.5	14,243.0	14,619.9	2,236.1	24.0	1,745.2	15.6	3,291.8	30.1	3,067.7	26.6
Broad Money (M2)	18,409.7	20,692.0	22,639.1	23,002.3	3,319.5	22.0	3,188.2	18.2	4,839.5	27.2	4,592.6	24.9
Broad Money (M2+)	23,998.0	26,937.0	30,737.8	32,052.3	3,555.3	17.4	4,316.4	19.1	7,434.5	31.9	8,054.3	33.6
Currency with the Public	4,292.7	5,499.7	5,276.1	5,535.8	414.2	10.7	581.1	11.8	975.1	22.7	1,243.1	29.0
Demand Deposits	7,259.5	7,402.8	8,966.9	9,084.0	1,821.9	33.5	1,164.2	18.7	2,316.7	34.8	1,824.5	25.1
Savings & Time Deposits	6,857.5	7,789.5	8,396.1	8,382.5	1,083.4	18.8	1,442.9	22.7	1,547.8	22.6	1,524.9	22.2
Foreign Currency Deposits	5,588.3	6,245.0	8,098.7	9,050.0	235.8	4.4	1,128.2	22.0	2,594.9	47.1	3,461.7	61.9
Sources of M2+												
Net Foreign Assets (NFA)	4,756.2	5,700.4	4,264.9	6,281.7	(869.7)	(15.5)	(1,382.4)	(19.5)	(868.4)	(16.9)	1,525.4	32.1
BOG	4,666.2	5,972.7	4,222.4	7,360.4	628.4	15.6	62.2	1.1	(792.7)	(15.8)	2,694.2	57.7
DMBs	90.0	(272.3)	42.5	(1,078.7)	(1,498.1)	(94.3)	(1,444.6)	(123.2)	(75.7)	(64.1)	(1,168.8)	(1,298.2)
Net Domestic Assets	19,241.7	21,236.6	26,472.9	25,770.6	4,425.0	29.9	5,698.8	36.7	8,302.9	45.7	6,528.9	33.9
Claims on Government (net)	10,565.1	11,326.8	14,437.1	13,133.1	3,650.1	52.8	3,610.7	46.8	5,310.7	58.2	2,568.0	24.3
BOG	5,088.9	5,306.2	8,657.1	7,656.6	742.6	17.1	1,166.7	28.2	4,005.8	86.1	2,567.7	50.5
DMBs	5,476.2	6,020.6	5,780.0	5,476.5	2,907.5	113.2	2,444.0	68.3	1,304.9	29.2	0.2	0.0
Claims on Public Sector	3,979.7	4,208.6	4,538.9	5,345.8	2,850.0	252.3	2,616.9	164.4	2,565.7	130.0	1,366.1	34.3
BOG	2,314.6	2,070.6	2,081.9	2,400.0	2,627.4	(840.1)	1,967.1	1,899.7	1,929.6	1,266.4	85.4	3.7
DMBs	1,665.0	2,138.1	2,457.0	2,945.8	222.6	15.4	649.9	43.7	636.1	34.9	1,280.7	76.9
Claims on Private Sector	14,631.6	15,286.7	20,134.3	21,444.0	3,186.8	27.8	3,362.0	28.2	6,288.3	45.4	6,812.5	46.6
BOG	513.8	529.5	589.8	620.8	220.1	74.9	82.2	18.4	146.1	32.9	107.1	20.8
DMBs	14,117.8	14,757.2	19,544.5	20,823.2	2,966.7	26.6	3,279.8	28.6	6,142.2	45.8	6,705.4	47.5
Other Items (Net) (OIN) 1/2	(9,934.6)	(9,585.5)	(12,637.4)	(14,152.2)	(5,261.8)	112.6	(3,890.8)	68.3	(5,861.8)	86.5	(4,217.6)	42.5
o/w BOG OMO (Sterilisation)	(3,500.0)	(1,125.8)	(781.0)	3,365.9	(2,997.7)	596.8	(261.2)	30.2	1,177.0	(60.1)	6,865.9	(196.2)

The significant growth in foreign currency deposits accounted for the development in M2+ during the review period. The most liquid component, narrow money (M1), made up of currency outside banks and demand deposits increased by GH¢3,067.7 million or 26.6 per cent. Foreign currency deposits went up by 61.9 per cent (GH¢3,461.7 million) during the period compared with a growth of 4.4 per cent (GH¢235.8 million) in the third quarter of 2014 and 47.1 per cent (GH¢2,594.9 million) in the second quarter of 2014. Furthermore, M2 increased to 24.9 per cent (GH¢4,592.6 million) from 22.0 per cent (GH¢3,188.2 million) in the third quarter of 2013 but this was lower than the 27.2 per cent (GH¢4,839.5 million) growth recorded in the second quarter of 2014.

Chart 4.1: Inflation and Liquidity (%)



4.2 Sources of Change in M2+

Growth in M2+ in the third quarter of 2014 was from increases in both the Net Domestic Assets (NDA) of the banking system and Net Foreign Assets (NFA). NDA went up to 33.9 per cent (GH¢6,528.9 million) in the third quarter of 2014 from 29.9 per cent (GH¢4,425.0 million) in the third quarter of

2013. However, this was lower than the increase of 36.7 per cent (GH¢8,302.9 million) realised in the second quarter of 2014.

Also, NFA increased by 32.1 per cent (GH¢1,525.4 million) in the third quarter of 2014 as against a decline of 15.5 per cent (GH¢-869.7 million) in the third quarter of 2013. Conversely NFA decreased by 19.5 per cent (GH¢-868.4 million) during the second quarter of 2014.

In terms of contribution, while the NFA of Bank of Ghana increased by 57.7 per cent (GH¢2,694.2 million) due to inflows of the cocoa syndication loan, the DMBs' NFA decreased significantly by 1,298.2 per cent (GH¢1,668.2 million) on account of increased accumulation of foreign liabilities. This can be compared with the same period in 2013 where Bank of Ghana's NFA increased by 15.6 per cent (GH¢531.8 million) and DMBs' NFAs decreased by 94.3 per cent (GH¢1,498.1 million). On the other hand, during the second quarter of 2014 the NFAs of both BOG and DMBs decreased by 16.9 per cent (GH¢-792.7 million) and 64.1 per cent (GH¢-75.7 million) respectively.

The growth in the NDA of the banking system during the review quarter was reflected in growth in Claims on the Private Sector (46.6% or GH¢6,812.5 million), Net Claims on Government (24.3% or GH¢2,568.0 million), Claims on the Public Sector (34.3% or GH¢1,366.1 million), and the Other Items Net (OIN) decreasing by 42.5 per cent (GH¢-4,217.6 million) to moderate the increase in the NDA. Comparatively, during the same period in 2013, Claims on the Private Sector increased by (27.8% or GH¢3,362.0 million), Net Claims on Government (52.8% or GH¢3,650.1 million), Claims on Public

Sector (252.3% or GH¢2,850.0 million), and Other Items Net (OIN) decreasing by 112.6 per cent (GH¢-5,268.8 million). On the other hand, growth in all the components were higher in the second quarter of 2014, except Claims on the Private Sector which was marginally lower at 45.6 per cent (GH¢6,288.3 million).

4.3 Developments in Banks Credit

The annual growth rate of banks outstanding credit to the public and private institutions in the third quarter of 2014 was higher than the third quarter of last year and the second quarter of 2014. The annual growth rate increased on year-on-year terms to 50.6 per cent (GH¢8,000.7 million) in the third quarter of 2014 from 25.1 per cent (GH¢3,174.6 million) at the end of third quarter of 2013 and from 44.5 per cent (GH¢6,788.2 million) at the end of the second quarter of 2014. Outstanding credit to public and private institutions stood at GH¢23,808.5 million at the end of the review period compared with GH¢15,807.8 million in the same period in 2013 and GH¢22,056.7 in the second quarter of 2014.

In real terms, total credit to both public and private institutions grew from 10.1 per cent year-on-year in the third quarter of 2013 to 29.3 per cent at the end of the third quarter of 2014 which was higher than the 25.6 per cent achieved in the second quarter of 2014. Credit to the private sector accounted for 87.5 per cent in third quarter 2014.

4.3.1 Distribution of Outstanding Credit to the Private Sector

Developments in outstanding credit to the private sector in the third quarter of 2014 continued the upward trend observed in previ-

ous quarters. The nominal growth rate went up from 26.6 per cent (GH¢2,966.7 million) at the end of the third quarter of 2013 to 45.8 per cent (GH¢6,142.2 million) at the end of the second quarter of 2014 and further to 47.5 per cent (GH¢6,705.4million) at the end of the third quarter of 2014. Outstanding credit to the private sector as at the end of the review period stood at GH¢20,823.2 million.

In real terms, the annual growth rate of outstanding credit to the private sector, year-on-year decreased marginally to 26.6 per cent at the end of the third quarter of 2014 from 26.8 per cent registered in the second quarter of 2013 and 13.1 per cent achieved at the end of the third quarter of 2013.

The top beneficiary subsectors of the annual flow of credit to the private sector for the third quarter of 2014 were Commerce and Finance (18.7%), Services (17.4%), Electricity, Manufacturing, Gas & Water (10.5%) Miscellaneous (10.3%) and Construction (10.2%) but apart from services, these sub-sectors received lower credit than what was achieved in the second quarter of 2014. On the other hand, when compared with the third quarter of 2013, Services, Construction and Electricity experienced a decrease in growth of credit, while Miscellaneous and Manufacturing experienced an increased growth in credit.

In terms of holders of credit, Enterprises (made up of Foreign Enterprises and Indigenous Enterprises) experienced an increase in credit when compared with the second quarter of 2014 and the third quarter of 2013. Households and Other subsectors experienced decreases in annual flow of credit during the third quarter of 2014 when compared with the second quarter of 2014. Furthermore when

compared against the third quarter of 2013, the Household subsector showed an increase while Others' subsector experience a decrease in credit.

Chart 4.2: Sectoral Allocation of Annual Credit to the Private Sector (%), 2012-2014

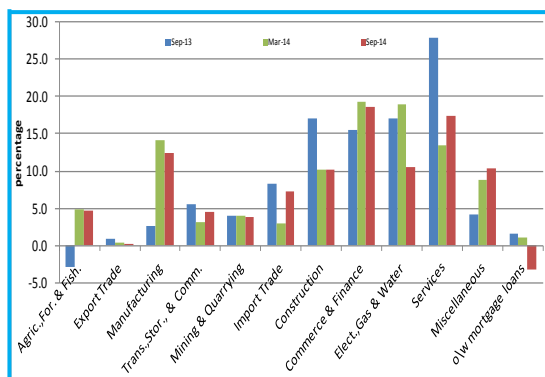
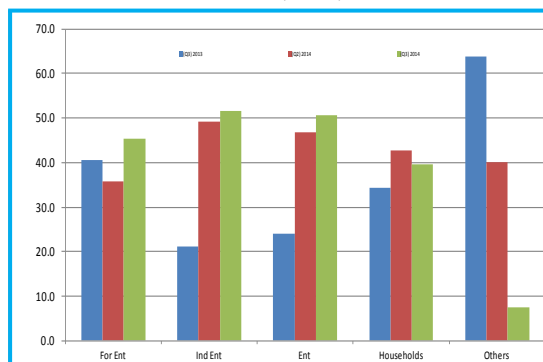


Chart 4.3: Allocation of Annual Flow of Credit to the Private Sector by Borrower (GH¢'M)



4.4 Sources and Uses of Banks' Funds

Provisional data for the third quarter of 2014 showed that banks utilization of funds into credit increased to 60.0 per cent (GH¢8,000.7 million) from 52.7 per cent (GH¢6,788.2 million) in the second quarter of 2014 and 35.4 per cent (GH¢3,937.5 million) in the same period in 2013. The rest of the annual flow of

funds for the third quarter of 2014 were distributed among Investment in Government Securities (GH¢317.5 million or 2.4%), Foreign Assets (GH¢1,655.6 million or 12.5%), Balances with BOG (GH¢1,856.2 million or 13.9%) and Other Assets (GH¢1,500.5 million or 11.3%).

When compared with the third quarter of 2013 and the second quarter of 2014, Investment in Government securities showed a decreasing trend and mainly accounted for the fall in the growth of medium/long term securities. Other Assets increased during the third quarter of 2014 when compared with the second quarter of 2014 but lower than what was achieved in the third quarter of 2013. Foreign Assets and Balances with Bank of Ghana decreased in the period under review when compared with the second quarter of 2014 but were lower in 2013. Other Assets showed a higher growth than what was attained in September 2013.

The assets of banks continued to be funded from deposit mobilization. Total deposits increased from 35.5 per cent (GH¢3,586.9 million) in the third quarter of 2013 to 50.1 per cent (GH¢6,488.2 million) in the second quarter of 2014 before marginally decreasing to 49.6 per cent (GH¢6,609.6 million) in the third quarter. The growth in total deposit was mainly from an increasing trend in foreign currency deposits while domestic deposits declined during the various quarters under review mainly from reduction in demand deposits.

Foreign currency deposits increased from 2.6 per cent (GH¢1,128.2 million) during the third quarter of 2013, to 20.1 per cent (GH¢2,594.9 million) during the second quarter of 2014 and further to 26.0 per cent (GH¢3,461.7 million) in the third quarter of 2014. Other sources of

funds during the third quarter of 2014 were balances due to Non-residents (GH¢2,824.3 million or 21.2%), Reserves (GH¢1,629.1 million or 12.2%) and Other Liabilities

(GH¢2,374.6 million or 17.8%) which comprised: margin deposits, cheques for clearing, borrowing from other resident banks, interest, suspense etc.

Table 4.2: Sectoral Distribution of DMBs' Outstanding Credit (GH¢ million)

	Sep-13	Dec-13	Jun-14	Sep-14	Quarter-On-Quarter Variation							
					As at end-Sept 2013		As at end-Dec 2013		As at end-June 2014		As at end-Sept 2014	
					Abs	Per Cent	Abs	Per cent	Abs	Per cent	Abs	Per cent
a Public Sector	1,690.0	2,205.8	2,512.2	2,985.2	207.9	14.0	657.7	42.5	646.0	34.6	1,295.3	76.6
b Private Sector	14,117.8	14,757.2	19,544.5	20,823.2	2,966.7	26.6	3,279.8	28.6	6,142.2	45.8	6,705.4	47.5
Agric, For. & Fish	501.7	535.9	772.9	817.2	(83.0)	(14.2)	(6.1)	(1.1)	293.4	61.2	315.5	62.9
Export Trade	166.3	130.6	176.5	177.5	26.7	19.1	(4.6)	(3.4)	23.8	15.6	11.2	6.7
Manufacturing	1,380.7	1,466.5	2,329.2	2,211.0	76.1	5.8	48.6	3.4	872.8	59.9	830.3	60.1
Trans., Stor., & Comm.	706.5	674.0	925.9	1,006.8	165.1	30.5	53.4	8.6	189.4	25.7	300.2	42.5
Mining & Quarrying	417.2	448.2	591.0	672.3	116.5	38.7	176.6	65.0	244.6	70.6	255.1	61.2
Import Trade	1,374.4	1,521.3	1,411.3	1,863.6	243.6	21.5	515.5	51.3	184.7	15.1	489.2	35.6
Construction	1,476.4	1,480.0	2,088.6	2,162.9	508.2	52.5	426.4	40.5	621.7	42.4	686.5	46.5
Commerce & Finance	2,179.6	2,424.2	3,279.2	3,431.0	458.9	26.7	597.5	32.7	1,188.4	56.8	1,251.4	57.4
Elect., Gas & Water	1,273.7	1,196.9	2,063.8	1,977.2	505.8	65.9	510.1	74.3	1,164.4	129.5	703.5	55.2
Services	3,504.3	3,730.0	4,313.9	4,674.0	824.7	30.8	842.1	29.2	820.9	23.5	1,169.8	33.4
Miscellaneous	1,137.1	1,149.6	1,592.3	1,829.7	124.1	12.2	120.4	11.7	538.2	51.1	692.6	60.9
c Grand Total	15,807.8	16,963.0	22,056.7	23,808.5	3,174.6	25.1	3,937.5	30.2	6,788.2	44.5	8,000.7	50.6

Table 4.3: Sources and Uses of Banks' Funds (GH¢ million)

	Sep-13	Dec-13	Jun-14	Sep-14	Amount in GH¢ million							
					Variation (Quarter-On-Quarter)							
					As at end-Sept 2013		As at end-Dec 2013		As at end-June 2014		As at end-Sept 2014	
	Abs	% of Change	Abs	% of Change	Abs	% of Change	Abs	% of Change				
Source of Funds												
Total Deposits	19,378.9	21,013.2	25,014.8	25,988.5	3,187.4	35.5	3,586.9	40.7	6,488.2	50.1	6,609.6	49.6
Domestic	13,790.6	14,768.2	16,916.1	16,938.5	2,951.6	32.9	2,458.7	27.9	3,893.2	30.1	3,147.9	23.6
Demand Deposits	6,933.1	6,978.7	8,520.0	8,556.1	1,868.2	20.8	1,015.8	11.5	2,345.5	18.1	1,623.0	12.2
Savings Deposits	3,497.1	3,787.5	3,985.5	4,041.6	558.4	6.2	441.6	5.0	369.5	2.9	544.5	4.1
Time Deposits	3,360.4	4,002.0	4,410.5	4,340.8	525.0	5.8	1,001.3	11.4	1,178.3	9.1	980.4	7.4
Foreign Currency	5,588.3	6,245.0	8,098.7	9,050.0	235.8	2.6	1,128.2	12.8	2,594.9	20.1	3,461.7	26.0
Credit from BOG	917.6	333.9	282.2	298.9	816.6	9.1	158.8	1.8	62.1	0.5	-618.7	-4.6
Balances Due to Non-Resident Banks	3,170.5	3,078.2	3,999.2	5,994.8	2,381.3	26.5	2,123.6	24.1	1,890.3	14.6	2,824.3	21.2
Capital	2,229.5	2,382.2	2,645.3	2,741.0	314.7	3.5	200.8	2.3	447.6	3.5	511.5	3.8
Reserves	2,564.9	2,952.3	3,579.9	4,194.0	917.4	10.2	1,096.6	12.5	1,311.5	10.1	1,629.1	12.2
Other Liabilities*	5,991.3	6,469.9	8,197.3	8,365.9	1,359.7	15.1	1,638.4	18.6	2,742.3	21.2	2,374.6	17.8
Total	34,252.7	36,229.7	43,718.7	47,583.1	8,977.1		8,805.1		12,942.1		13,330.4	
Uses of Funds												
Bank Credit	15,807.8	16,963.0	22,056.7	23,808.5	3,174.6	35.4	3,937.5	44.7	6,788.2	52.5	8,000.7	60.0
o/w Private Sector Credit	14,117.8	14,757.2	19,544.5	20,823.2	2,966.7	33.0	3,279.8	37.2	6,142.2	47.5	6,705.4	50.3
Investment in Government Securities	6,591.5	7,504.1	7,309.9	6,908.9	2,995.6	33.4	2,514.1	28.6	1,498.3	11.6	317.4	2.4
Short Term	1,214.3	1,714.3	1,814.7	2,330.7	203.9	2.3	321.1	3.6	647.3	5.0	1,116.4	8.4
Medium/Long term	5,377.2	5,789.8	5,495.2	4,578.3	2,791.7	31.1	2,193.0	24.9	851.0	6.6	-799.0	-6.0
Foreign Assets	3,260.5	2,805.9	4,041.6	4,916.1	883.3	9.8	679.0	7.7	1,814.6	14.0	1,655.6	12.4
Balances with BOG	3,262.1	3,645.5	5,088.1	5,118.3	538.9	6.0	315.8	3.6	2,110.5	16.3	1,856.2	13.9
Other Assets**	5,330.7	5,311.2	5,222.4	6,831.3	1,384.7	15.4	1,358.7	15.4	730.5	5.6	1,500.5	11.3
Total	34,252.7	36,229.7	43,718.7	47,583.1	8,977.1		8,805.1		12,942.1		13,330.4	

*Includes margin deposits, cheques for clearing, interest in suspense, borrowings from other resident banks and other unclassified liabilities.

**Includes real estate and equipment and other unclassified assets

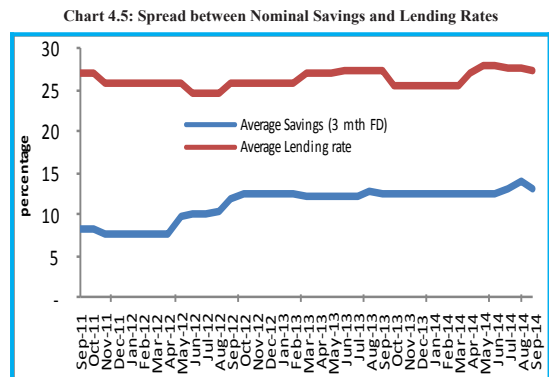
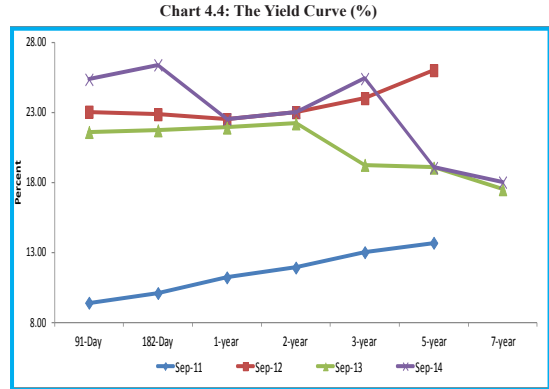
4.5 The Money Market

4.5.1 Interest Rate Trends

The developments in interest rates on the money market for the period ending September 2014 indicated that rates trended upwards from the previous quarter as well as on year-on-year and year-to-date basis. The Bank of Ghana (BoG) Monetary Policy Rate (MPR) was increased by 300 basis points (bps) from 16.00 per cent in September 2013 to 19.00 per cent in September 2014 in line with inflationary expectations. It however, increased by only 100 bps within the third quarter of 2014.

On the treasury bills market, the 91-day and the 182-day bill went up by 375 bps and 468 bps respectively from 21.59 per cent and 21.70 per cent in the third quarter of 2013 to 25.34 per cent and 26.38 per cent respectively by the end of the third quarter of 2014. When compared with the second quarter, of 2014, the rates increased by 127 bps and 511 bps respectively from 24.07 per cent and 21.27 per cent. On year-to-date basis, the two rates increased by 653 bps and 755 bps from 18.80 per cent and 18.83 per cent in December 2013.

For the medium term securities, rates on the 1-year, 2-year and 3-year treasury instruments increased by 60 bps, 80 bps and 616 bps to 22.50 per cent, 23.00 per cent and 25.40 per cent respectively in the third quarter of 2013. Compared with the second quarter of 2014, only the 3-year treasury note experienced an increase in rates by 96 bps from 24.44 per cent as at the end of June 2014. The 5-year bond remained unchanged while the rate on the 7-year bond increased by 50 bps during the review period. On year-to-date basis, the rates on the 1-year, 2-year and 3-year securi-



ties went up by 550 bps, 650 bps and 616 bps respectively while the 5-year and 7-year bonds had their rates unchanged at 19.04 per cent and 18.00 per cent respectively over the period. On year-on-year basis, the interbank weighted average rate increased by 723 bps to 24.29 per cent from 17.06 per cent recorded in the third quarter of 2013. However, when compared with the second quarter of 2014, the interbank rate only increased by 22 bps from 24.06 per cent to 24.29 per cent. On year-to-date basis, it increased by 795 basis points from 16.34 per cent recorded in December 2013.

The Deposit Money Banks' average 3-month time deposit rate also increased by 50 bps,

year-on-year, during third quarter of 2014. It rose to 13.00 per cent from 12.50 per cent recorded in the third quarter of 2013.

However, the average savings rate decreased by 75 bps during the third quarter of 2014 to settle at 5.00 per cent compared with 5.75 per cent in the corresponding period of 2013. When compared with the second quarter of 2014, the rate went down by 50 bps from 5.50 per cent. The average lending rates inched up marginally by 4.0 bps from 27.41 per cent observed in September of 2013 to 27.45 per cent in September 2014. Compared with quarter two of 2014, the average lending rate declined by 40 basis points from 27.85 recorded in June 2014.

4.5.2 Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during the third quarter of 2014 totalled 179,858 and was valued at GH¢201.59 million. This indicated an increase of 7.6 per cent in volume of transactions and 18.2 per cent in the value above the second quarter transactions. Compared with transactions settled during the same quarter the previous year, there was a 19.3 per cent and 61.8 per cent increase in volume and value terms respectively. On average, a total of 2,810 transactions were settled daily through the GIS, valued at GH¢3,149.9 million during the third quarter of 2014, compared with a total of 2,697 cheques valued at GH¢2,750.6 million during the second quarter. During the same period of 2013, a total of 2,357 transactions were settled daily through the GIS, valued at GH¢1,946.5 million.

Cheques Cleared

The volume of cheques cleared during the third quarter of 2014 totalled 1,804,664 val-

ued at GH¢36,059.8 million. This represented a 0.5 per cent decline in volume and 101.4 per cent increase in value above what was recorded in the second quarter of the year. Compared with the third quarter of 2013, there was an increase of 13.6 per cent in volume and 100.0 per cent in value terms. On daily basis, an average of 28,198 cheques valued at GH¢563.4 million were cleared during the period under review, compared with 29,241 cheques valued at GH¢440.8 million cleared daily during the second quarter. For the same period in 2013, a total of 24,432 cheques were cleared daily valued at GH¢275.4 million.

Chart 4.6: Money Market Rate (2013Q3 - 2014Q3)

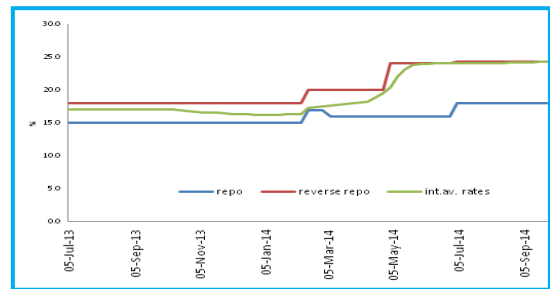
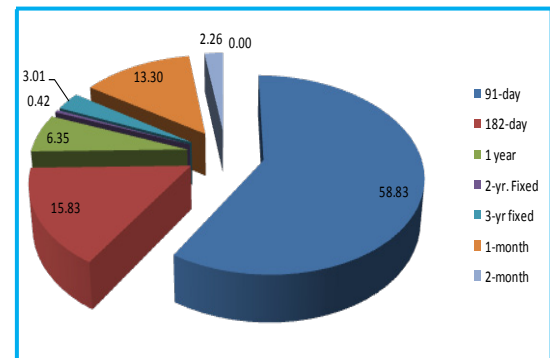


Chart 4.7: Analysis of Tender Results (2014 Q3)



4.5.3 Money Market Liquidity

Activity on the repo market was high during the third quarter compared with the two pre-

vious quarters. While the amount of reverse repo traded decreased slightly by 8.8 per cent (GH¢13,097.7 million) from the second quarter value (GH¢14,366.20 million), repo amount traded increased significantly by 209.7 per cent (GH¢12,549.0 million from GH¢4,050.8 million). The highest monthly value of trade in repo trading in the first nine months (valued at GH¢7,097.2 million) was recorded in July 2014. For reverse repo trading, value of trades was highest in the month of April. In the corresponding period of 2013, reverse repo trades decreased by 9.55 per cent with value of repo trades increasing by 6.2 per cent.

On the interbank market, values of trade during the third quarter ranged between GH¢2,687.5 million and GH¢1,206.4 million at rates ranging from 24.07 per cent and 24.31 per cent. In the previous quarter, values of trade ranged from GH¢2,591.7 million and GH¢693.0 million with weighted average rates ranging from 24.07 per cent and 18.14 per cent. During the same period in the previous year, trades ranged from GH¢1,631.0 and GH¢828.8 million while rates were between 17.06 and 17.04 per cent.

4.5.4 Tender Results

Total sales at the auction during the third quarter was GH¢13,163.6 million with maturities amounting to GH¢11,325.1 million. This resulted in a net repayment of GH¢1,838.5 million out of which an amount of GH¢586.1 million was used to finance government's activities while there was a withdrawal through Bank of Ghana's OMO activities to the tune of GH¢1,252.4 million. The 91-day bill continued its dominance on the money market accounting for 58.8 per cent of total sales.

4.6 Currency Markets

4.6.1 International Currency Market

One of the important reports in the foreign exchange markets during the third quarter 2014 was a significant rally in the value of the U.S. dollar (USD) relative to other major trading and emerging market currencies. This follows improvement in US economic outlook driven mainly by a rebound in GDP after a poor first quarter of the year, a weak euro zone economy and easing in growth prospects of the United Kingdom.

The US Dollar was the most attractive currency during the third quarter of 2014. It posted strong performance on account of strong US economic growth prospects and outlook. Reports also showed that the US economy created the most US private sector jobs and an increase in factory orders and service sector growth. Consequently, the U.S dollar appreciated by 8.51 per cent, 5.31 per cent and 6.59 per cent against the euro, the pound sterling and the yen respectively.

The pound sterling traded mix during the quarter under review. The pound sterling was weak against all the major currencies in July and August 2014 as UK manufacturing output and house prices grew at the slowest pace. However, it recovered slightly in September 2014 and cumulatively appreciated by 3.10 per cent and 98.97 per cent against the euro and the yen respectively. It however depreciated by 5.06 per cent against a strong US dollar during the period under review.

The Euro traded very weak during the third

quarter on weak German economic data and as the situation in Ukraine worsened. Weak German industrial data also high-lighted the divergent economic prospects between the euro zone and those of its biggest trading partners. In general, the euro depreciated against all the major counterparts by 7.86 per cent and 2.96 per cent and 99.01 per cent against the US dollar, the pound sterling and the yen.

The Japanese Yen slipped against the dollar and the pound sterling as traders stepped back into stock markets and risky assets worldwide during the third quarter of 2014. Demand for the yen was also dampened amid speculation that Japan's Prime Minister would appoint a policy maker who may shift pension funds toward riskier assets. However, it was strong against the euro as concerns about a serious escalation in tensions between Ukraine and Russia rattled investors and drove them to seek safe-haven currencies. The yen thus ended the quarter trading weak. It depreciated by 7.66 per cent and 2.71 per cent against the US dollar and the pound sterling but appreciated by a marginal 0.29 per cent against the weak euro.

4.6.2 Domestic Currency Market

The volatility in the domestic currency market during the quarter under review was moderate and the Ghana cedi performed better than during the preceding two quarters of the year. However, demand for foreign exchange from official sources for oil importation and loan repayments continued to exceed foreign exchange inflows.

In the **Inter-Bank Market**, the Ghana cedi was relatively stable during the third quarter and recorded a notable slow down in depreciation of 6.1 per cent and 1.7 per cent against the US dollar and the pound sterling respectively but appreciated by 0.9 per cent against a weak euro, compared to the high depreciation of 11.0 per cent, 12.9 per cent and 10.9 per cent recorded respectively during the second quarter of 2014.

On the **Forex Bureau Market**, the improvement in the value of the Ghana cedi was stronger than in the inter-bank market as it appreciated against all the major currencies. The cedi appreciated by 0.29 per cent, 3.6 per cent and 6.0 per cent against the US dollar, the pound sterling and the euro respectively in the review quarter.

Foreign Exchange Transaction Market

The activities in the foreign exchange transaction market increased during the third quarter of the year 2014. The volume of purchases recorded an upswing of 28.6 per cent from US\$1,945.0 million in the second quarter to US\$2,500.4 million in the third quarter of 2014. This was on account of a 16.05 per cent and 33.46 per cent increases in purchases from both the Bank of Ghana and the DMB's respectively. Compared with the corresponding quarter of 2013, purchases by Bank of Ghana in the review quarter represented a decrease of 32.06 per cent while purchases of the DMB's indicated an increase of 57.43 per cent.

Table 4.4: International Market Exchange Rate Movements

End Period	US\$ / £ Movements			US\$ / € Movements			US\$ / ¥ Movements		
	Quarter	Annual		Quarterly	Annual		Quarterly	Annual	
2012	1.6182	-1.0	-4.0	1.3191	-2.6	-1.8	0.0116	10.7	12.1
2013									
Q1	1.5195	6.5		1.2804	3.0		0.0106	9.4	
Q2	1.5209	-0.1		1.3010	-1.6		0.0101	5.0	
Q3	1.6155	-5.9		1.3497	-3.6		0.0102	-1.0	
Q4	1.6528	-2.3	-2.1	1.3787	-2.1	-4.3	0.0095	7.4	22.1
2014									
Q1	1.6676	-0.9		1.3782	0.0		0.0097	-2.1	
Q2	1.7042	-2.1		1.3655	0.9		0.0097	0.0	
Q3	1.6183	5.3		1.2584	8.5		0.0091	6.6	

Depreciation (-) / Appreciation (+), Source: The Economist

Table 4.5: Interbank Market Exchange Rate Movements

End Period	Movement								
	GH¢/US\$			GH¢/GBP			GH¢/Euro		
	Quarterly	Annual		Quarterly	Annual		Quarterly	Annual	
2012	1.8800	0.5	-17.5	3.0574	-0.5	-18.4	2.4769	-1.1	-14.9
2013									
Q1	1.9010	-1.1		2.9299	4.6		2.4760	0.0	
Q2	1.9469	-2.4		3.0919	-5.5		2.6506	-6.6	
Q3	1.9608	-0.7		3.3958	-8.9		2.8829	-8.1	
Q4	2.2000	-10.9	-14.5	3.6715	-7.5	-16.7	3.0982	-6.9	-20.1
2014									
Q1	2.6707	-17.6		4.4478	-17.5		3.6479	-15.1	
Q2	3.0016	-11.0		5.1080	-12.9		4.0934	-10.9	
Q3	3.1973	-6.1		5.1942	-1.7		4.0566	0.9	

Depreciation (-) / Appreciation (+)

Table 4.6: Forex Bureaux Exchange Rate Movements

End Period	Movement			Movement			Movement		
	GH¢/US\$			GH¢/GBP			GH¢/Euro		
	Quarter	Annual		Quarter	Annual		Quarter	Annual	
2012	1.9628	1.4	-15.4	3.106	2.3	-18.0	2.555	-0.5	-15.5
2013									
Q1	1.9443	1.0		2.9241	6.2		2.5491	0.2	
Q2	2.0877	-6.9		3.1840	-8.2		2.7209	-6.3	
Q3	2.1637	-3.5		3.4109	-6.7		2.8755	-5.4	
Q4	2.3457	-7.8	-16.3	3.7641	-9.4	-17.5	3.1664	-9.2	-19.3
2014									
Q1	2.6796	-12.5		4.3946	-14.3		3.6586	-13.5	
Q2	3.1955	-16.1		5.3346	-17.6		4.2932	-14.8	
Q3	3.1864	0.29		5.1473	3.6		4.0500	6.0	

Depreciation (-) / Appreciation (+)

Table 4.7: Foreign Exchange Transaction Market, (US\$' million)

	Purchases				Total	Percentage Change	Cumulative	Year-On-Year	Sales			Total
	BOG	Banks	InterBank	F. Bureau					InterBank	F. Bureau		
2013												
Q1	970.90	1,143.21	2,114.11	81.54	2,195.65	-15.48		-18.6	2,264.27	82.20		2,346.47
Q2	804.06	1,057.89	1,861.95	81.43	1,943.38	-11.49		-16.7	3,799.75	27.35		3,827.10
Jul	327.67	376.16	703.83	27.14	730.97	32.44	4,870.00	-20.1	599.78	27.35	*	627.13
Aug	373.11	253.61	626.72	27.13	653.85	-10.55	5,523.85	-30.3	505.88	27.34	*	533.22
Sep	651.78	323.05	974.83	27.13	1,001.96	53.24	6,525.81	16.1	714.34	27.34	*	741.68
Q3	1,352.56	952.82	2,305.38	81.41	2,386.79	22.82	8,912.60	-12.1	1,820.00	27.34	*	1,847.34
2014												
Q1	639.31	917.52	1,556.83	45.23	1,602.06	194.07	3,240.29	-27.0	1,371.09	45.57	*	1,416.66
Apr	315.57	435.24	750.81	27.14	777.95	42.80	2,416.18	18.2	680.41	27.34	*	707.75
May	178.57	338.19	516.76	27.13	543.89	-30.09	2,960.08	-25.8	526.65	27.34	*	553.99
Jun	297.75	350.56	648.31	27.14	675.45	24.19	3,635.52	22.4	520.34	27.34	*	547.68
Q2	791.89	1,123.99	1,915.88	29.15	1,945.03	185.41	6,262.02	0.1	3,098.49	27.34	*	3,125.83
Jul	257.42	540.83	798.25	27.14	825.39	22.20	4,460.91	12.9	631.95	27.34	*	659.29
Aug	385.33	475.14	860.47	27.13	887.60	30.25	5,204.60	35.8	768.86	27.34	*	796.20
Sep	276.22	484.09	760.31	27.14	787.45	-11.28	5,992.05	-21.4	592.67	27.34	*	620.01
Q3	918.97	1,500.06	2,419.03	81.41	2,500.44	28.56	8,492.48	4.8	1,993.48	27.34	*	2,020.82

4.7 The Stock Market

Developments in the capital market indicated a general decline in market activity after a relatively brisk activity during the second quarter of 2014. The Ghana Stock Exchange Composite Index (GSE-CI), which is the key capital market performance indicator, slipped on average during the quarter to record a year-to-date growth of 4.4 per cent. From a promising start, this year has seen the worst performance of the GSE in the past three years. The Exchange's Financial Index (GSE-FI) however inched up marginally by 0.7 per cent in quarter three to register a year-to-date growth of 20.37 per cent. This compares with a growth of 7.0 per cent in the third quarter of 2013.

4.7.1 GSE All-Share Index (GSE-CI)

The GSE-CI inched up marginally by 1.8 per cent (39.5 points) in September 2014. This resulted in an overall year-to-date decline of 5.6 per cent (133.7 points) in the GSE-CI during the third quarter compared with growth rates of 11.2 per cent (241.1 points) and -0.5 per cent (-13.0 points) registered in the first and second quarters of 2014 respectively. A growth rate of 8.0 per cent (150.7 points) was recorded for the third quarter of 2013. The high returns on money market instruments due to rising rates of inflation and higher inflationary expectations as well sharp depreciation of the domestic currency, underpinned the diminished performance on the exchange.

4.7.2 Sectoral Performance

Three sectors out of a total of nine registered varying degrees of gains while the remaining six sub-sectors registered losses. Comparatively, four sub-sectors registered positive growth rates, another three sub-sectors registered losses while the last two sub-sectors remained

Chart 4.8: Monthly Changes in Share Prices (%), 2014

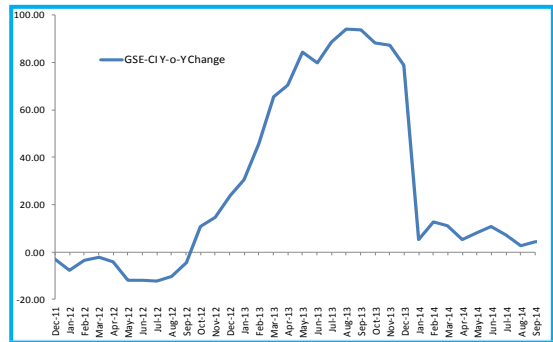
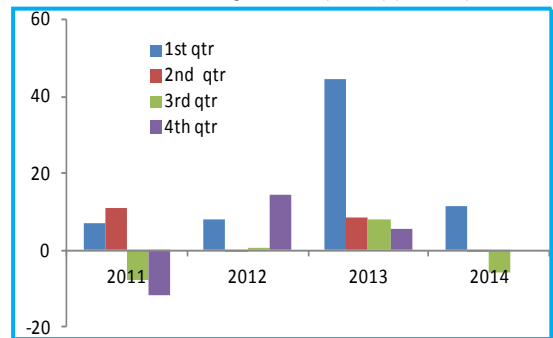


Chart 4.9: GSE Composite-Index (GSE-CI) (2011-2014)



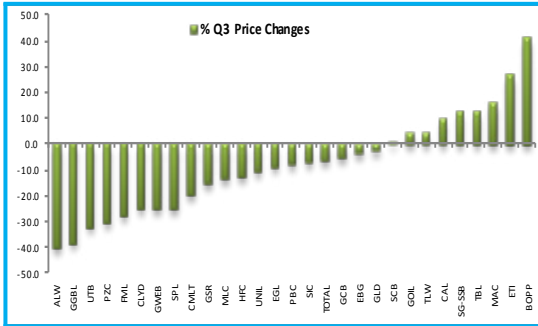
virtually unchanged in the corresponding period of 2013.

The Agriculture sector led the list of advancers on the back of gains made by BOPP to increase the sub-sector's index by 41.3 per cent (214.00 points) which helped to minimize the decline of the GSE-CI. This was followed by the OIL sector (4.4%) and the Finance sub-sector (0.9%).

The Food & Beverage, Manufacturing, IT, Distribution, the ETFund and the Mining sectors registered negative growth rates of 33.6 per cent, 12.0 per cent, 9.0 per cent, 4.4 per cent 2.6 per cent and 0.7 per cent respectively. This was mainly due to the backtracking in

prices of many equities during the period.

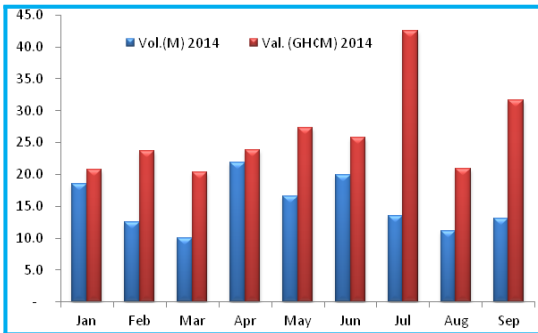
Chart 4.10: Changes in Share Prices (%), 2014Q3



4.7.3 Market Performance

For the review quarter, total exchanges on the GSE from the beginning of July to end-September 2014 amounted to 37.7 million shares valued at GH¢95.0 million. This was mainly as a result of block trades in the shares of CAL Bank and ETI. This compares with 71.8 million shares valued at GH¢95.7 million registered in the corresponding period of 2013. Volumes and values of trade were mainly

Chart 4.11: Volume and Value of Trade (Jan-Sept 2014)



more evenly spread between the top five to eight leading equities.

In all, there were 29 market movers on average during the review quarter. The share prices of nine equities appreciated while twenty equities lost value. The rest remained virtually unchanged for the review quarter. BOPPP led the list of advancers with a growth rate of 41.3 per cent followed by ETI (26.9%), MAC (15.8%), TBL (12.5%) and SOGEGH (120.0%). The major losers were ALW, GGBL, UTB, PZC and FML which shed 40.0 per cent, 38.8 per cent, 32.5 per cent and 28.2 per cent respectively.

4.7.4 Market Capitalisation

Total market capitalization as at the end of the third quarter of 2014 stood at GH¢64,515.30 million representing an increase of 2.7 per cent (GH¢4,141.2 million) from a previous position of GH¢62,825.6 million registered at the end of June 2014. Comparatively, the GSE-CI registered a third quarter growth in market capitalization of 0.9 per cent (GH¢505.3 million) in 2013. On year-to-date basis, market capitalization increased by 5.49 per cent (GH¢3,357.00 million) compared with a decline of 1.46 per cent (GH¢834.10 million) growth for the same period in 2013.

4.7.5 Outlook

The bearish sentiments in the capital market are likely to persist, so long as the uncertainties in the economy remain. At best a semblance of stability could be attained in the absence of that would change investor sentiments.

Table 4.8: Sectors Contribution to the Growth in GSE-CI

MONTH	SECTOR									GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	
Dec-13	2468.7	1870.1	1786.6	2074.1	145.4	35.1	642.0	112.8	83.2	2,145.2
Jun-14	2217.7	1752.6	2138.4	2440.6	134.2	35.1	518.0	111.2	73.2	2,373.4
Sep-14	1473.2	1542.3	2154.1	2333.7	133.3	31.9	732.0	116.1	71.3	2239.7
Quarterly Change										
ABS	-744.52	-210.30	15.66	-106.91	-0.90	-3.17	214.00	4.94	-1.91	-133.70
(%)	-33.57	-12.00	0.73	-4.38	-0.67	-9.04	41.31	4.44	-2.61	-5.63
YTD. Change										
ABS	-995.51	-327.84	367.50	259.63	-12.10	-3.17	90.00	3.29	-11.88	94.48
(%)	-40.32	-17.53	20.57	12.52	-8.32	-9.04	14.02	2.92	-14.27	4.40

Table 4.9: Stock Market Performance

MONTH	SECTOR									GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	
Dec-13	2120.4	1335.7	9356.8	891.19	15602.80	3.8	111.7	31725.6	10.45	61158.3
Jun-14	1904.8	1251.8	11622.9	1048.68	15631.35	3.8	90.1	31263.0	9.20	62,825.6
Sep-14	1265.3	1101.6	12818.3	1002.74	15536.87	3.4	127.4	32650.7	8.96	64,515.3
Quarterly Change										
ABS	-639.46	-150.21	1195.48	-45.94	-94.48	-0.34	37.24	1387.65	-0.24	1689.70
(%)	-33.57	-12.00	10.29	-4.38	-0.60	-9.04	41.31	4.44	-2.61	2.69
YTD. Change										
ABS	-855.04	-234.16	3461.58	111.56	-65.93	-0.34	15.66	925.10	-1.49	3356.96
(%)	-40.32	-17.53	37.00	12.52	-0.42	-9.04	14.02	2.92	-14.27	5.49

Table 4.10: Ten Most Traded Equities

Equity	Trading (Volume)		Equity	Trading (Value)	
	Vol.	% of Tot. Mkt		Val.	% of Tot. Mkt
CAL	36,573,314	26.66	GCB	37,763,966	15.95
ETI	20,359,883	14.84	CAL	33,143,067	14.00
SOGEGH	9,196,949	6.70	EBG	32,126,823	13.57
GCB	8,201,412	5.98	TOTAL	31,302,719	13.22
PBC	7,421,455	5.41	FML	26,708,155	11.28
ACI	6,720,027	4.90	SCB	25,552,213	10.79
HFC	5,306,583	3.87	SOGEGH	8,286,777	3.50
UTB	5,194,743	3.79	EGL	7,510,983	3.17
GOIL	5,154,361	3.76	HFC	5,927,049	2.50
TOTAL	4,969,007	3.62	ETI	5,285,560	2.23

5. Fiscal Developments

Government budgetary operations in the third quarter of 2014 resulted in an overall fiscal deficit of GH¢1,873.8 million (1.6% of GDP) compared with a target deficit of GH¢2,650.1

million (2.31% of GDP). The outturn of revenue exceeded its target while expenditure was below its target for the quarter.

Table 5.1: Fiscal Indicators (GH¢ million)

	2013	2014			
	Prov. Q3	Prov. Q1	Prov. Q2	Prov. Q3	Prog Q3
Taxes on income and property	1,378.31	2,015.29	1,930.26	2,146.06	2,268.66
per cent of GDP	1.47	1.76	1.68	1.87	1.98
Taxes on goods and services	1,172.49	1,396.24	1,558.97	1,597.06	1,609.97
per cent of GDP	1.25	1.22	1.36	1.39	1.4
Taxes on international trade	800.92	824.99	904.22	1,013.22	980.25
per cent of GDP	0.86	0.72	0.79	0.88	0.85
Tax revenue including oil	3,351.73	4,236.53	4,393.44	4,756.33	4,858.88
per cent of GDP	3.59	3.7	3.83	4.15	4.23
Tax revenue excluding oil	3,193.64	3,836.86	4,180.24	4,232.19	4,645.18
per cent of GDP	3.57	3.67	4	4.05	4.42
Nontax revenue	806.59	1,250.56	809.96	1,269.85	1,136.82
per cent of GDP	0.86	1.09	0.71	1.11	0.99
Domestic revenue including oil	4,201.02	5,547.95	5,255.20	6,084.38	6,037.89
per cent of GDP	4.49	4.84	4.58	5.31	5.26
Domestic revenue excluding oil	4,042.93	5,148.28	5,042.00	5,560.24	5,824.19
per cent of GDP	4.51	4.93	4.83	5.32	5.54
Grants	0.0	137.98	204.25	367.39	223.12
per cent of GDP	0.0	0.12	0.18	0.32	0.19
Total revenue and grants	4,201.02	5,685.93	5,459.45	6,451.77	6,261.00
per cent of GDP	4.49	4.96	4.76	5.63	5.45
Compensation of Employees	2,511.83	2,372.57	2,678.17	2,543.81	2,736.49
per cent of GDP	2.69	2.07	2.34	2.22	2.38
Goods and services	277.17	143.23	251.9	403.21	374.08
per cent of GDP	0.3	0.12	0.22	0.35	0.33
Interest payments	1,178.34	1,399.46	1,843.31	1,625.45	2,083.45
per cent of GDP	1.26	1.22	1.61	1.42	1.82
Subsidies	271.62	0.0	57.68	25	10
per cent of GDP	0.29	0.0	0.05	0.02	0.01
Non-Financial Assets (Capital Expenditure)	1,892.40	1,077.21	1,347.37	1,292.66	1,368.58
per cent of GDP	2.02	0.94	1.18	1.13	1.19
Total expenditure & net lending	7,955.35	6,243.70	7,288.45	7,320.78	8,373.60
per cent of GDP	8.51	5.45	6.36	6.39	7.29
Overall Budget Balance	-3,856.44	-2,469.25	-2,350.14	-1,873.81	-2,650.12
per cent of GDP	-4.13	-2.15	-2.05	-1.63	-2.31
Domestic Expenditure	5,236.12	4,115.36	4,603.90	4,954.52	5,360.50
per cent of GDP	5.6	3.59	4.02	4.32	4.67
Domestic Primary Balance	-1,035.10	1,432.60	651.3	1,129.86	677.38
per cent of GDP	-1.11	1.25	0.57	0.99	0.59
Stock of Domestic Debt	24,363.34	27,197.32	27,925.40	28,458.63	28,458.63
per cent of GDP	26.07	23.72	24.36	24.82	24.82
Nominal GDP (Including Oil)	93,461.00	114,654.15	114,654.15	114,654.15	114,654.15
Nominal GDP (Excluding oil)	89,545.00	104,476.33	104,476.33	104,476.33	104,476.33

Source: Bank of Ghana

Developments in domestic revenues and expenditure resulted in a domestic primary surplus of GH¢1,129.9 million (0.9% of GDP) compared with a budgeted surplus of GH¢677.4 million (0.6% of GDP). In the corresponding period of 2013, the domestic primary balance recorded a deficit equivalent to 1.1 per cent of GDP.

5.1 Government Revenue

Government revenue and grants of GH¢6,451.8 million (5.6% of GDP) recorded for the re-

view quarter exceeded the budget estimate of GH¢6,261.0 million (5.5% of GDP), and was also higher than GH¢4,201.0 million recorded for the corresponding quarter of 2013. The total receipts were made up of Tax revenue of GH¢4,756.3 million (73.7%), social security contributions of GH¢58.2 million (0.9%), GH¢1,269.85 million from Non-tax revenue (19.7%) and GH¢367.4 million (5.7%) from Grants. The increase in total receipts in the review quarter was attributed to exchange rate effects on import duty, and increase in non-tax revenues and grants.

Table 5.2: Government Revenue (GH¢ million)

	2013		2014		
	Prov. Q3	Prov. Q1	Prov. Q2	Prov. Q3	Prog. Q3
TAX REVENUE	3,351.73	4,236.53	4,393.44	4,756.33	4,858.88
(percent of GDP)	3.59	3.7	3.83	4.15	4.23
TAXES ON INCOME & PROPERTY	1,378.31	2,015.29	1,930.26	2,146.06	2,268.66
Personal	574.94	695.89	733	702.75	858.28
Self employed	36.89	53.22	51.44	49.43	69.33
Companies	472.24	658.32	706.81	667.89	877.14
Company taxes on oil	102.58	256.63	131.87	346.76	131.38
Others	191.65	351.24	307.13	379.23	332.53
Other direct taxes /1	154.97	306.02	233.03	340.11	243.09
o/w Royalties from Oil	55.51	143.04	81.33	177.38	82.32
o/w Mineral Royalties	73.07	133.23	115.6	133.76	119.21
NRL (Arrears)	0.0	0.0	0.0	0.0	0.0
NFSL	18.08	33.75	45.14	36.6	61.93
Airport tax	18.6	11.46	28.96	2.52	27.51
TAXES ON DOMESTIC GOODS AND SERVICES	1,172.49	1,396.24	1,558.97	1,597.06	1,609.97
Excises	169.37	178.78	189.99	174.28	193.34
Excise Duty	34.01	37.19	33.66	30.76	37.87
Petroleum tax	135.36	141.59	156.33	143.52	155.47
o/w Debt recovery levy	0.0	0.0	0.0	0.0	0.0
VAT	808.27	994.63	1,130.03	1,173.28	1,160.98
Domestic	326.19	387.31	464.51	471.81	448.64
External	482.08	607.32	665.52	701.47	712.34
National Health Insurance Levy (NHIL)	161.24	171.12	186.9	196.33	181.69
Customs Collection	100.03	106.56	109.48	117.7	115.92
Domestic Collection	61.21	64.55	77.42	78.64	65.77
Communication Service Tax	33.61	51.71	52.04	53.17	73.96
TAXES ON INTERNATIONAL TRADE	800.92	824.99	904.22	1,013.22	980.25
Imports	549.17	624.62	644.75	690.14	777.98
Import duty	549.17	624.62	644.75	690.14	777.98
Exports	0.0	0.0	0.0	0.0	0.0
Cocoa	0.0	0.0	0.0	0.0	0.0
Import Exemptions	251.75	200.38	259.46	323.07	202.27
SOCIAL CONTRIBUTIONS	42.71	60.87	51.8	58.2	42.18
SSNIT Contribution to NHIL	42.71	60.87	51.8	58.2	42.18
NON-TAX REVENUE	806.59	1,250.56	809.96	1,269.85	1,136.82
Retention	554.63	711.99	496.09	639.44	695.98
Lodgement	251.96	538.57	313.88	630.41	440.85
Fees & Charges	107.86	167.79	102.85	89.56	108.11
Dividend/Interest & profits from Oil	143.86	370.74	210.79	458.54	212.88
Surface Rentals from Oil	0.25	0.05	0.23	2.9	0.41
Gas Receipts	0.0	0.0	0.0	0.0	10.08
Dividend/Interest & profits (Others)	0.0	0.0	0.0	79.42	109.37
DOMESTIC REVENUE	4,201.02	5,547.95	5,255.20	6,084.38	6,037.89
GRANTS	0.0	137.98	204.25	367.39	223.12
Project grants	0.0	135.75	204.25	342.79	197.07
Programme grants	0.0	2.23	0.0	24.6	26.05
TOTAL REVENUE & GRANTS	4,201.02	5,685.93	5,459.45	6,451.77	6,261.00

Source: Bank of Ghana

Income and Property Tax

Taxes from income and property during the third quarter amounted to GH¢2,146.1 million compared with a target of GH¢2,268.7 million. Personal income taxes recorded GH¢702.8 million, taxes from corporate sources raked in GH¢667.9 million, corporate tax on oil amounted to GH¢346.8 million and ‘others’ amounted to GH¢379.2 million. The marginal short fall in revenue collections for Income and property tax during the third quarter resulted from the rising cost of inputs which affected the mining companies’ contribution to revenue. Irregular power supply during the first nine months of 2014 and the consequent slowdown in economic activity also affected the performance of industry and consequently corporate taxes.

Domestic Goods and Services

Collections of domestic goods and services tax of GH¢1,597.1 million fell below the target by GH¢12.9 million. This tax component comprised of excise duty and petroleum tax of GH¢174.3 million, VAT collections of GH¢1,173.3 million, National Health Insurance Levy of GH¢196.3 million and GH¢53.2 million from Communication Service Tax. With the exception of the National Health Insurance Levy and Domestic Vat, all the major components of these tax types performed below their respective targets. The CST performed poorly due to the increasing number of companies that continue to file self assessment forms.

International Trade Taxes

International trade taxes for the review quarter of GH¢904.2 million was higher than the

budget target of GH¢902.2 million and the GH¢681.0 million recorded for second quarter of 2013. Total import duty of GH¢644.8 million realised during the quarter was 11.1 per cent below target. Import exemptions however exceeded the programmed figure by 39.4 per cent. The underperformance of import duty was attributed to a number of factors including lower-than-targeted volume of imports and higher-than-programmed exemptions granted.

5.2 Government Expenditures

Government expenditure and net lending in the third quarter of 2014 amounted to GH¢7,320.8 million (6.4% of GDP) compared with targeted amount of GH¢8,373.6 million (7.3% of GDP). This was also lower than the outturn of the corresponding period of 2013 of GH¢7,955.4 million (8.5% of GDP).

The total expenditure comprised Compensation of Employees of GH¢2,543.8 million (2.2% of GDP), Goods and Services of GH¢403.2 million (0.4% of GDP), Interest Payments of GH¢1,625.5 million (1.4% of GDP), subsidies to utility companies and on petroleum products of GH¢25.0 million and Grants to Government Units like District Assembly Common Fund, National Health Fund, Education Trust Fund, among others, of GH¢1,107.6 million. Government outlay on acquisition of non-financial assets (i.e. Capital Expenditure) were GH¢1,292.7 million (1.1% of GDP).

Compensation of Employees

Compensation of Employees comprising wages & salaries and social security contribution for the third quarter amounted to GH¢2,543.8 million and was lower than programmed target by GH¢192.7 million. It was however margin

ally higher than GH¢2,511.83 million recorded for the corresponding period of 2013. The decline in the wage bill was attributed to the virtual completion of migration of all public workers to the Single Spine Salary Structure.

Interest Payments

Interest Payments made in the third quarter of 2014 totalled GH¢1,625.5 million falling below its programmed target by GH¢485.0 million. The low interest cost for the period reflected lower domestic borrowing in the period.

Grants to Other Government Units

Grants to Other Government Units were made up of transfers to statutory funds such as National Health Fund (NHF), Education Trust Fund (GETF), Petroleum Related Fund, Road Fund and District Assembly Common Fund (DACF) as well as Retention of IGFs by MDAs and Transfer to GNPC from Oil Revenue. Of the total Grants to Government Units of GH¢1,107.6 million, GH¢639.5 million represented Retention of IGFs and Transfer to GNPC from Oil Revenue amounted to

Table 5.3: Government Expenditure (GH¢' million)

	2013	2014			
	Prov. Q3	Prov. Q1	Prov. Q2	Prov. Q3	Prog Q3
Compensation of Employees	2,511.83	2,372.57	2,678.17	2,543.81	2,736.49
Wages & Salaries	2,210.88	2,168.04	2,444.12	2,356.17	2,343.23
Social Contributions	300.94	204.53	234.05	187.64	393.26
Pensions	151.44	161.62	182.08	147.37	160.76
Gratuities	62.42	42.91	51.97	40.28	52.4
Social Security	87.08	0	0	0	180.1
Use of Goods and Services	277.17	143.23	251.9	403.21	374.08
o/w Recurrent Expenditure share of ABFA from Oil (30% of ABFA)	13.43	0	0	0	0
Interest Payments	1,178.34	1,399.46	1,843.31	1,625.45	2,083.45
Domestic	1,018.22	1,138.32	1,656.92	1,344.33	1,786.75
External (Due)	160.12	261.14	186.39	281.12	296.7
Subsidies	271.62	0	57.68	25	10
Subsidies to Utility Companies	271.62	0	0	0	0
Subsidies on Petroleum products	0	0	57.68	25	10
Grants to Other Government Units	1,213.32	1,049.77	850.45	1,107.58	1,589.01
National Health Fund (NHF)	165.79	146.27	230.35	239.96	223.87
Education Trust Fund	66.17	0	0	0	181.33
Road Fund	50.84	51.98	50.22	54.98	59.27
Petroleum Related Fund	0.32	1.31	1.27	1	1.39
Dist. Ass. Common Fund	312.48	0	0	0	327.33
Retention of Internally-generated funds (IGFs)	554.63	711.99	496.09	639.44	695.98
Transfer to GNPC from Oil Revenue	63.09	138.23	72.53	172.2	99.84
Social Benefits	0.46	1.08	0.1	0	9.71
Lifeline Consumers of Electricity	0.46	1.08	0.1	0	9.71
Other Expenditure	610.21	200.38	259.46	323.07	202.27
Reserve Expenditure Vote	358.47	0	0	0	0
Tax Expenditure (Exemptions)	251.75	200.38	259.46	323.07	202.27
Acquisition of Non-Financial Assets	1,892.40	1,077.21	1,347.37	1,292.66	1,368.58
Domestic financed	828.22	79.21	305.56	313.9	373.62
Foreign financed	1,064.19	998	1,041.82	978.76	994.97
TOTAL EXP. & NET LENDING	7,955.35	6,243.70	7,288.45	7,320.78	8,373.60

Source: Bank of Ghana

GH¢172.2 million. Statutory Funds for the review period in respect of National Health Fund (NHF), Road Fund and District Assembly Common Fund (DACF) were GH¢240.0 million, GH¢55.0 million, GH¢ 1.00 million respectively.

Acquisition of Non-Financial Assets (i.e. Capital Expenditure)

Government acquisition of non-financial assets for the third quarter of 2014 amounted to GH¢1,292.7 million falling below the budgeted target by GH¢75.9 million. This constituted 17.7 per cent of the total expenditure and was made up of domestic financed assets of GH¢313.9 million and foreign financed of GH¢978.8million. Government outlay on acquisition of non-financial assets was below

budgeted target for Q3 2014 by 6.9 per cent.

Other Expenditures

Other components of government expenditure items was Tax expenditure i.e. Tax Exemptions of GH¢323.07 million exceeding its programmed target for the third quarter of 2014.

5.3 Financing

The overall budget balance on cash basis in the third quarter of 2014, including divestiture and discrepancy was a deficit of GH¢1,873.8 million (1.6% of GDP). The deficit was financed by a net domestic borrowing of GH¢1,172.5 million and net foreign inflow of GH¢3,539.2 million.

Table 5.4: Government Financing (GH¢' million)

	2013	2014			
	Prov. Q3	Prov. Q1	Prov. Q2	Prov. Q3	Prog Q3
Overall balance (commitment)	-3,754.33	-557.76	-1,829.01	-869.01	-2,112.60
(percent of GDP)	-4.02	-0.49	-1.60	-0.76	-1.84
Road Arrears (net change)	-85.09	-153.31	0.00	0.00	-31.42
o/w Commitments & certs for works done	-85.09	-153.31	0.00	0.00	0.00
Non-road arrears	-493.72	-1,489.04	-320.56	-766.86	-440.78
o/w other outstanding payments/deferred payments	-493.72	-1,331.08	-320.56	-135.04	-440.78
o/w Wage arrears	-225.72	-244.33	-134.62	-60.04	-57.91
o/w DACF	0.00	-60.00	0.00	-350.22	0.00
o/w GETF	0.00	-97.96	0.00	-281.60	0.00
Tax Refunds	-44.94	-55.28	-43.06	-29.75	-65.32
Required Fiscal Measures	0.00	0.00	0.00	0.00	0.00
Transfers into Oil Fund	0.00	0.00	0.00	0.00	0.00
Overall balance (cash)	-4,378.09	-2,255.40	-2,192.63	-1,665.62	-2,650.12
(percent of GDP)	-4.68	-1.97	-1.91	-1.45	-2.31
Discrepancy	521.65	-213.85	-157.51	-208.19	0.00
Overall balance (incl. Divestiture and Discrepancy)	-3,856.44	-2,469.25	-2,350.14	-1,873.81	-2,650.12
(percent of GDP)	-4.13	-2.15	-2.05	-1.63	-2.31
Financing	3,856.44	2,469.25	2,350.14	1,873.81	2,650.12
Foreign (net)	2,357.30	719.28	382.48	3,539.15	3,651.18
Borrowing	2,513.12	862.25	837.57	3,797.88	5,511.04
Project loans	1,064.19	862.25	837.57	635.97	797.90
Programme loans	0.00	0.00	0.00	0.00	48.15
Sovereign Bond	1,448.93	0.00	0.00	3,161.91	4,665.00
Amortisation (due)	-155.82	-142.97	-455.09	-258.73	-1,859.86
Domestic (net)	1,764.73	2,168.33	1,599.86	-1,172.54	-943.48
Banking	1,438.77	2,341.39	768.90	-1,303.94	313.05
Bank of Ghana	437.64	2,721.41	629.56	-1,000.51	313.05
Comm. Banks	1,001.12	-380.03	139.34	-303.43	0.00
Non-banks	325.96	-173.05	830.97	131.40	-1,185.71
Other Domestic	0.00	0.00	0.00	0.00	-70.82
Other Financing	-26.48	-35.62	-59.19	-39.06	-27.23
clawback from TOR	0.00	0.00	0.00	0.00	0.00
Other domestic financing	-26.48	-35.62	-59.19	-39.06	-27.23
Ghana Petroleum Funds	-239.11	-382.76	477.00	-453.74	-30.35
Transfer to Ghana Petroleum Funds	-239.11	-382.76	477.00	-498.93	-30.35
o/w Stabilisation Fund	-167.38	-267.93	494.57	-349.25	0.00
o/w Heritage Fund	-71.73	-114.83	-17.57	-149.68	-30.35
Transfer from Stabilisation Fund	0.00	0.00	0.00	45.19	0.00
Contingency Fund	0.00	0.00	-50.00	0.00	0.00

Source: Bank of Ghana

5.4 Domestic Debt

5.4.1 Composition of Domestic Debt

The stock of domestic debt at the end of the third quarter of 2014 stood at GH¢28,458.6 million (24.82% of GDP), indicating an increase of 6.7 per cent (GH¢1,792.9 million) over the end 2013 stock. The rise in the debt stock for the period was the net result of growth of GH¢1,757.2 million and GH¢35.7 million in both short-term and medium-term securities respectively.

The growth in the short-term component of the

domestic debt stock resulted mainly from increases of GH¢1,755.4 million and GH¢685.3 million in the 91-day and 182-day Treasury bills respectively which was moderated by reductions in the 1-Year Treasury note by GH¢683.6 million. The medium-term component rose on account of increases in the 3-year Fixed Treasury Note (GH¢444.1 million) and 5-year GoG Treasury Bond (GH¢472.3 million). This was also moderated by decreases in 2-year Fixed Treasury Note (GH¢646.2 million), 3-year SSNIT Bond (162.0 million) and NPRA Stocks (GH¢72.6 million).

Table 5.5: Stock of Domestic Debt (GH¢ million)

	2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
A. Short-Term Instruments	5,801.80	5,832.60	6,787.90	8,806.40	9,325.90	9,904.00	10,563.60
91-Day Treasury Bill	3,108.10	3,077.10	2,992.30	4,620.40	5,419.70	6,454.40	6,375.80
182-Day Treasury Bill	1,429.80	1,313.70	1,656.00	2,028.70	2,058.10	1,900.40	2,714.10
1-Year Treasury Note	1,263.90	1,441.70	2,139.60	2,157.30	1,848.10	1,549.20	1,473.70
Short term Advance	0.00	0.00	0.00	0.00	0.00	0.00	0.00
B. Medium-Term Instruments	11,208.80	12,050.30	12,265.20	12,576.80	12,588.90	12,738.90	12,612.50
2-Year Fixed Treasury Note	2,687.30	3,276.30	3,432.10	3,643.50	3,654.80	3,523.60	2,997.30
3-Year Fixed Treasury Note	5,125.30	5,398.10	4,817.20	4,817.20	4,818.00	4,861.40	5,261.40
3-Year Stock(SBG)	29.90	29.90	29.90	29.90	29.90	29.90	29.90
3-Year Stock(SSNIT)	529.40	529.40	529.40	529.40	529.40	367.50	367.50
3-Year Floating Treasury Note (SADA-UBA)	202.50	202.50	202.50	202.50	202.50	202.50	202.50
5-Year GOG Bond	1,667.90	1,667.90	2,317.90	2,317.90	2,317.90	2,790.20	2,790.20
5-year Golden Jubilee Bond	20.90	0.60	0.00	0.00	0.00	0.00	0.00
7-Year GOG Bond	0.00	0.00	101.60	201.70	201.70	201.70	201.70
GOG Petroleum Finance Bond	80.00	80.00	80.00	80.00	80.00	80.00	80.00
TOR Bonds	682.00	682.00	682.00	682.00	682.00	682.00	682.00
NPRA Stocks	183.40	183.40	72.60	72.60	72.60	0.00	0.00
C. Long-Term Instruments	2,876.30	2,876.30	5,310.20	5,282.50	5,282.50	5,282.50	5,282.50
Long Term Government Stocks	2,377.10	2,377.10	4,811.00	4,811.00	4,811.00	4,811.00	4,811.00
Telekom Malaysia Stocks	109.50	109.50	109.50	109.50	109.50	109.50	109.50
Revaluation Stock	388.70	388.70	388.70	361.10	361.10	361.10	361.10
Others Government Stocks	1.00	1.00	1.00	1.00	1.00	1.00	1.00
TOTAL(A+B+C)	19,886.90	20,759.20	24,363.30	26,665.80	27,197.30	27,925.40	28,458.60

Source: Bank of Ghana

5.4.2 Holdings of Domestic Debt

Bank of Ghana's holding of domestic debt as at September 2014 stood at GH¢7,197.9 million, representing 25.3 per cent of the total compared with 23.6 per cent as at the end of December 2013. The Deposit Money Banks (DMBs) held GH¢7,297.4 million (25.6%), compared with 28.8 per cent of their holdings at the end of December 2013. Social Security

and National Insurance Trust (SSNIT) held GH¢715.8 million (2.5%), Insurance Companies GH¢59.5 million (0.2%), 'Other holders' GH¢7,220.9 million (25.4%) and Non-Resident holders GH¢5,966.7 million (21.0%). There has been a rising trend in holdings of 'other holders' over the end Dec 2013 level.

Table 5.6: Holdings of Domestic Debt (GHe' million)

	2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
A. Banking system	9,475.10	9,499.60	12,875.90	13,967.50	14,630.20	14,470.30	14,495.30
Bank of Ghana	3,631.80	3,651.80	6,171.90	6,280.20	7,324.20	7,011.30	7,197.90
Commercial Bank	5,843.30	5,847.80	6,704.00	7,687.30	7,305.90	7,459.00	7,297.40
B. Nonbank sector	10,411.80	11,259.60	11,487.40	12,698.20	12,567.20	13,455.10	13,963.30
SSNIT	772.20	762.80	777.10	707.50	708.70	660.80	715.80
Insurance Companies	58.30	47.00	39.00	48.50	53.20	55.00	59.90
NPRA	183.40	183.40	72.60	72.60	72.60	0.00	0.00
Others Holders	9,397.80	10,266.50	10,598.70	11,869.60	11,732.70	12,739.30	13,187.60
TOTAL(A+B)	19,886.90	20,759.20	24,363.30	26,665.80	27,197.30	27,925.40	28,458.60

Source: Bank of Ghana

Table 5.7: Holdings of Domestic Debt (Per cent of Total)

	2013				2014		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
A. Banking system	47.60	45.80	52.80	52.40	53.80	51.80	50.90
Bank of Ghana	18.26	17.59	25.33	23.55	26.93	25.11	25.29
Commercial Bank	29.38	28.17	27.52	28.83	26.86	26.71	25.64
B. Nonbank sector	52.40	54.20	47.20	47.60	46.20	48.20	49.10
SSNIT	3.88	3.67	3.19	2.65	2.61	2.37	2.52
Insurance Co.s	0.29	0.23	0.16	0.18	0.20	0.20	0.21
NPRA	0.92	0.88	0.30	0.27	0.27	0.00	0.00
Others Holders	47.26	49.45	43.50	44.51	43.14	45.62	46.34
TOTAL(A+B)	100	100	100	100	100	100	100

Source: Bank of Ghana

6. Balance of Payments Developments

6.1 International Trade and Finance

Ghana's Balance of Payments for the third quarter of 2014 provisionally registered a surplus of US\$344.6 million, compared with a deficit of US\$992.0 million in the corre-

sponding quarter of 2013. This was driven by moderately higher inflows to the capital and financial account and a narrowing of the current account deficit due to improvement in the trade balance.

Table 6.1: Balance of Payments (US\$' million)

	2012 Q3	2013 Q3	2014 Q3 * prov	Q2' 2013/14	
				Absolute	% Change
CURRENT ACCOUNT	-1,539.9	-2,184.0	-795.5	1,388.5	-63.6
Merchandise Exports (f.o.b.)	2,702.6	2,931.7	2,977.1	45.4	1.5
Cocoa beans and products	403.4	289.6	354.8	65.2	22.5
Gold	1,100.9	1,011.0	1,141.2	130.2	12.9
Timber products	30.7	42.1	49.8	7.7	18.4
Oil	740.7	972.0	902.1	-69.9	-7.2
Others (including non-traditionals)	426.9	617.0	529.2	-87.8	-14.2
Merchandise Imports (f.o.b.)	-4,344.4	-4,318.0	-3,413.2	904.8	-21.0
Non-oil	-3,580.5	-3,578.7	-2,540.9	1,037.8	-29.0
Oil	-763.9	-739.3	-872.3	-133.0	18.0
Trade Balance	-1,641.7	-1,386.3	-436.1	950.2	-68.5
Services (net)	-81.1	-793.6	-480.9	312.7	-39.4
Receipts	892.3	700.1	640.6	-59.5	-8.5
Payments	-973.4	-1,493.6	-1,121.5	372.1	-24.9
Income (net)	-244.1	-463.3	-308.0	155.3	-33.5
Receipts	24.7	50.0	21.1	-28.9	-57.8
Payments	-268.8	-513.3	-329.1	184.2	-35.9
Current Transfers (net)	427.1	459.1	429.5	-29.6	-6.5
Official	54.1	0.0	8.6	8.6	
Private	372.9	459.1	420.9	-38.2	-8.3
Services, Income and Current Transfer (net)	101.9	-797.7	-359.4	438.3	-54.9
CAPITAL & FINANCIAL ACCOUNT	1,208.8	1,272.3	1,299.7	27.4	2.2
Capital Account (net)	75.9	0.0	0.0	0.0	0.0
Capital Transfers	75.9	0.0	0.0	0.0	0.0
Financial Account (net)	1,132.9	1,272.3	1,299.7	27.4	2.2
Direct Investments	1,249.9	899.8	621.3	-278.5	-31.0
Portfolio Investments	639.8	717.9	989.6	271.7	37.8
Other Investments	-756.8	-345.4	-311.2	34.2	-9.9
Of Which					
Official Capital (net)	198.9	446.0	112.9	-333.1	-74.7
Sovereign bond					
Other Private Capital (net)	-23.6	-230.0	-280.9	-50.9	22.1
Short-term capital (net)	-926.1	-437.5	5.3	442.8	-101.2
Government Oil Investments (net)	-6.0	-123.9	-148.5	-24.6	19.9
ERRORS AND OMISSIONS	28.9	-80.3	-159.6	-79.3	98.7
OVERALL BALANCE	-302.2	-992.0	344.6	1,336.6	-134.7
FINANCING	302.2	992.0	-344.6	-1,336.6	-134.7
Changes in International Reserves	302.2	992.0	-344.6	-1,336.6	-134.7

*Provisional

Note: + Classification of Balance of Payments is according to Balance of Payments Manual 5 (BPM5) format

6.2 The Current Account

The current account registered a deficit of US\$795.5 million in the third quarter of 2014, compared to a deficit of US\$2,184.0 million recorded at the end of the third quarter of 2013. A smaller trade deficit and an improvement in the services and income account resulted in the improvement in the current account deficit.

6.2.1 Merchandise Trade

The trade balance for the review period recorded a deficit of US\$436.1 million (1.1% of GDP) compared to a deficit of US\$1,386.3 million (2.9% of GDP) for the corresponding period in 2013. The improvement in the trade balance was due to decline in import demand which outpaced the growth in exports in the review period.

Merchandise Exports

The value of merchandise exports for the period was estimated at US\$2,977.1 million, up by 1.4 per cent recorded in the corresponding quarter in 2013. The growth in exports earnings was largely attributed to an increase in export receipts of cocoa beans and products, gold and timber, mainly on account of increases in volumes exported. Compared with the third quarter of 2013, the price of cocoa beans and products fared relatively well whilst that of gold and timber declined during the period.

The value of **Gold exports** for the review period was estimated at US\$1,141.2 million representing a 12.9 per cent higher than the earnings for the same period in 2013. This was mainly due to 16.6 per cent increase in volume exported during the period.

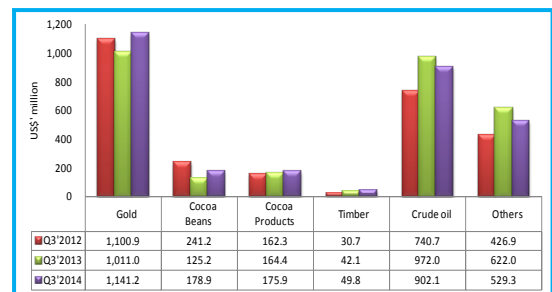
Earnings from exports of **Cocoa beans and products** amounted to US\$354.8 million and was 22.5 per cent higher than earnings in the third quarter of 2013. The volume of cocoa beans exported increased by 35.6 per cent to 68,276 metric tonnes, while average realised prices also rose by 5.3 per cent to US\$2,619.5 per tonne. The volume of cocoa products exported increased by 2.1 per cent to 50,356 tonnes while the realised price also increased by 4.8 per cent to US\$3,493.9 per tonne in the third quarter of 2014.

The value of **Crude oil** exports however decreased by 7.2 per cent to US\$902.1 million during the review period, on account of a 0.3 per cent decrease in volume to 8.8 million barrels and 6.9 per cent decrease in average realised prices to US\$102.5 per barrel.

The value of exports of **timber products** increased by 18.3 per cent to US\$49.8 million compared to the corresponding period in 2013. The volume exported increased by 33.7 per cent to 92,559 cubic meters while the realized price fell by 11.5 per cent to US\$536.07 per cubic meter.

Earnings from Other exports, (including non traditional exports) reduced by 14.9 per cent from the third quarter of 2013 to US\$529.30 million in the review period.

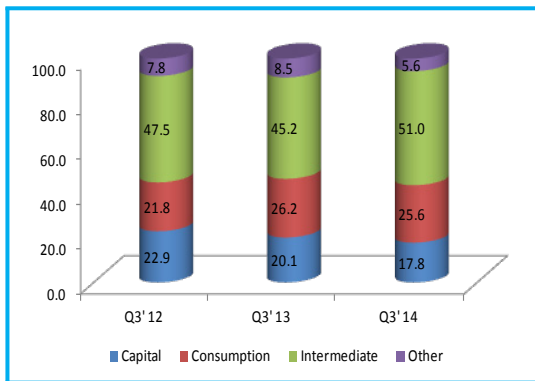
Chart 6.1: Developments in Merchandise Exports (US\$' million)



Merchandise Imports

Ghana's import bill for the third quarter of 2014 contracted by 21.0 per cent to US\$3,413.2 million compared with the value of imports in the corresponding period of 2013. The non oil import bill shrank by 29.0 per cent largely because of a slowdown in import demand arising from the sharp depreciation of the cedi against the major international currencies. The resultant effect of the decline in the import bill, relative to the modest increase in export earnings, was the significant improvement in trade deficit during the review quarter.

Chart 6.2: Developments in Merchandise Imports (US\$ million)



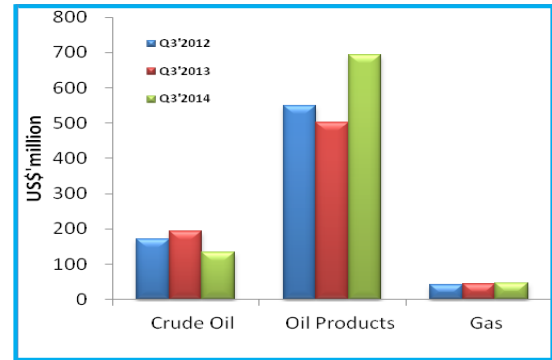
Oil and Gas Imports

Total value of oil and gas imports for the review period amounted to US\$872.3 million indicating an increase of 18.0 per cent compared to the import level in the third quarter of 2013.

The value of crude oil imports amounted to US\$133.9 million which was 30.5 per cent lower than the outturn in the third quarter of 2013. The volume of crude oil imports declined by 29.2 per cent to 1,227,227 barrels

while the realized price increased by 1.9 per cent to US\$109.2 per barrel.

Chart 6.3: Oil Imports (2012-2014)



The value of refined products imported amounted to US\$692.50 million and was 37.8 per cent above the value of imports in the third quarter of 2013.

During the review quarter, US\$45.8 million worth of gas was imported compared to US\$44.0 million imported during corresponding period of 2013.

Non – Oil Imports

The total value of non-oil imports in the third quarter of 2014 was estimated at US\$2,540.9 million representing a 29.0 per cent decrease compared to the outturn of US\$3,578.7 million recorded for the same period in 2013. The sharp decline was observed in all the broad economic categories.

The value of imports of **capital goods** declined by 37.2 per cent to US\$451.1 million. The decline was underpinned by a 34.6 per cent decline in the import of capital goods (except transport) and 42.9 per cent decline in imports of industrial transport to US\$323.4

million and US\$127.7 million, respectively.

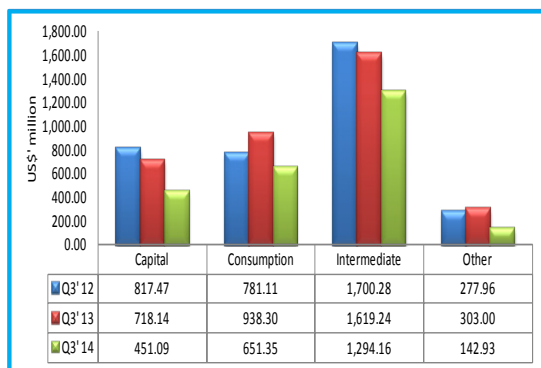
Expenditure on imports of **consumption goods** dipped by 30.6 per cent to US\$651.4 million. This was driven by significant decline in the imports of all the types of goods under the category.

The value of imported **Intermediate goods** was estimated at US\$1,294.2 million, down by 20.1 per cent. The decrease largely reflected lower imports of all items in the category, especially processed industrial supplies, which is a key item in this category.

Imports of **‘other’ goods** also declined significantly by 52.8 per cent to US\$142.9 million, largely on account of a drop in imports of passenger cars.

During the period, 11,571,335 kWh of electricity, valued at US\$1.39 million, was imported by VRA as against no imports for the same period in 2013.

Chart 6.4: Non-Oil Imports by Broad Economic Classification

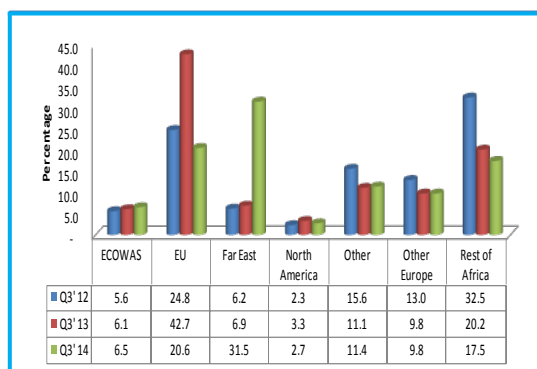


6.2.2 Direction of Trade

Destination of Exports

By region, the Far East emerged as the main destination of Ghanaian exports with a share of 28.5 per cent. The bulk of which was oil exports to China and Taiwan. This was followed by the EU with 20.6 per cent while the Rest of Africa was next with a share of 17.5 per cent. The rest were ‘Other’, Other Europe, ECOWAS and North America with relative shares of 11.4 per cent, 9.8 per cent, 6.5 per cent and 2.7 per cent respectively.

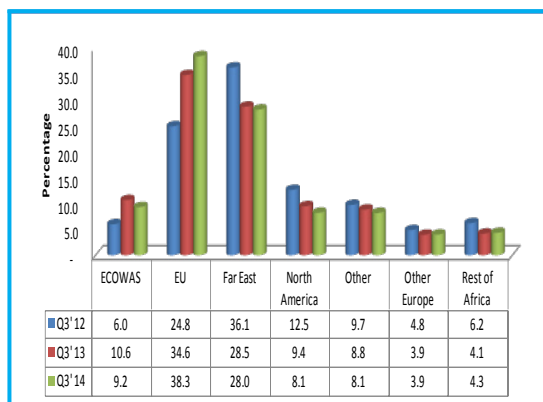
Chart 6.5: Destination of Exports Q2 (2012-2014)



Origin of Imports

During the quarter under review, the European Union remained the main source of imports into the country, accounting for 38.3 per cent of total imports. The Far East was next with 28.0 per cent, followed by ECOWAS with 9.2 per cent. Imports from North America, ‘Other’, the Rest of Africa and Other Europe constituted 8.1 per cent, 8.1 per cent, 4.3 per cent and 3.9 per cent respectively. The pattern of distribution was quite similar to that of the third quarter of 2013.

Chart 6.6: Origin of Imports Q3 (2012-2014)



6.3 Services, Income and Transfers Account

The Services, Income and Transfers account improved significantly from a deficit of US\$797.7 million in the third quarter of 2013 to a deficit of US\$359.4 million in the third quarter of 2014. The improvement was on the back of a slowdown in net payments for services and a decrease in investment income owing to the slowdown in economic activity. Current transfers also declined on the back of a decrease in its largest component, private transfers which are mainly made up of remittances from the Diaspora. The net outflow on the services account decreased from US\$793.6 million from the third quarter of 2013 to US\$480.8 million in the third quarter of 2014. Likewise, net payments from the Income account also decreased by 33.5 per cent to US\$308.0 million while the net inflow into the transfers account reduced by 6.5 per cent to US\$429.5 million.

6.4 Capital and Financial Account

The capital and financial account surplus was

US\$1,299.66 million during the review quarter, a marginal increase of 2.1 per cent from the level recorded in third quarter of 2013. This was due mainly to improvement in the net inflow to the financial account since the capital account recorded no inflows in the two periods.

Financial Account

The net inflows into the financial account increased by 2.1 per cent from US\$1,272.3 million in quarter three of 2013 to US\$1,299.6 million in the corresponding quarter of 2014. The main components in the financial account were; foreign direct investment, portfolio and other investments. Inflows of foreign direct investments during the period declined by 31.0 per cent to US\$621.3 million. Portfolio investments inflows on the other hand increased by 37.8 per cent to US\$989.6 million. Net outflow of 'other investments' slowed down by 9.9 per cent to US\$311.2 million.

Other Investments

Net official capital (project loans) disbursements during the quarter under review were lower than in quarter three of 2013. The net outflow of other private capital also decreased by 22.0 per cent to US\$280.9 million while short term capital recorded an overall net inflow of US\$5.3 million compared to a net outflow of US\$437.4 million in the same period of 2013. Government oil investment continued to register net outflows, increasing from US\$123.9 million in the third quarter of 2013 to US\$148.5 million during the review period.

6.5 International Reserves

The stock of net international reserves (NIR)

at the end of September 2014 was estimated at US\$ 1,592.5 million; indicating a drawdown of US\$1,132.5 million from a stock position of US\$2,724.9 million at the end of December 2013.

The country's gross international reserves increased to US\$5,679.1 million in September

2014 from a stock position of US\$5,632.2 million at the end of December 2013, indicating a build up of US\$46.9 million. This level of reserves was sufficient to provide cover for 3.3 months of imports of goods and services compared to 2.9 and 3.1 months of imports cover as at end-September 2013 and December 2013 respectively.

Chart 6.7: Gross International Reserves (US\$' million)

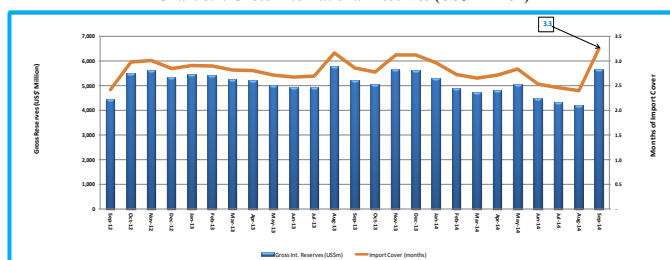


Table 6.2: Developments in Merchandise Exports (US\$' M); 2012-2014

	Q3'2012	Q3'2013	Q3'2014	Q4'2013/14	
				Abs.	% Change
Exports					
Gold	1,100.9	1,011.0	1,141.2	130.2	12.9
Cocoa Beans	241.2	125.2	178.9	53.7	42.8
Cocoa Products	162.3	164.4	175.9	11.6	7.0
Timber	30.7	42.1	49.8	7.7	18.3
Crude oil	740.7	972.0	902.1	-69.9	-7.2
Others	426.9	622.1	529.3	-92.8	-14.9
Total	2,702.6	2,936.7	2,977.1	40.4	1.4

Table 6.3: Developments in Current Account (US\$' M); 2012-2014

	Q3'2012	Q3'2013	Q3'2014	% Change	
				Q3'2013/14	
Current Account Balance	-1,539.9	-2,184.0	-795.5		-63.6
Merchandise Trade Balance	-1,641.70	-1,386.30	-436.1		-68.5
Services Balance	-81.1	-793.6	-480.9		-39.4
Investment income Balance	-244.1	-463.3	-308		-33.5
Net Unilateral Transfers	427.1	459.1	429.5		-6.5

Table 6.4: Top Ten Exported Non-Traditional Exports: (Mar - June, 2013/2014)

July - Sept 2013			July - Sept 2014		
Description	Value US\$'M	% Distr.	Description	Value US\$'M	% Distr.
Prepared or preserved tuna	40.92	21.85	Technically specified natural rubber	49.41	24.68
Cashew nuts	36.76	19.63	Prepared or preserved tuna	30.33	15.14
Palm kernel or babassu oil fractions	27.79	14.84	Palm oil and its fractions	28.35	14.16
Tableware, kitchenware, other household articles and toilet articles	14.91	7.96	Granules, chippings and powder of stones	25.32	12.64
Waste and scrap of gold (incl. metal with gold)	14.57	7.78	Food preparations containing cocoa	24.11	12.04
Switches, nes, =<1000 v	13.61	7.27	Frozen tuna	10.88	5.43
Aluminium	13.15	7.02	Ores and concentrates of other precious metals	10.8	5.4
Prefabricated buildings	9.43	5.03	Sacks and bags	10.62	5.3
Fruit, fresh - other, nes	8.23	4.39	Tableware, kitchenware, other household articles and toilet articles	10.41	5.2
Parts of machinery	7.94	4.24	Other fresh fruits	9.17	4.58
Grand Total	187.3	100	Grand Total	200.2	100

Table 6.5: Developments in Merchandise Imports

	Q3'2012	Q3'2013	Q3'2014	Q4'2013/14	
				Abs.	%change
Imports					
Non-Oil	3,580.5	3,578.7	2,540.9	-1,037.8	-29.0
Crude Oil	171.1	192.7	134.0	-58.8	-30.5
Oil Products	549.9	502.5	692.5	190.0	37.8
Gas	42.4	44.0	45.8	1.8	4.1
Total	4,344.0	4,318.0	3,413.2	-904.7	-21.0

Table 6.6: Top Ten Imported Non-Oil Goods: (Mar - June, 2013/2014)

July - Sept 2013			July - Sept 2014		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
Capital	110.14	12.03	Capital	74.55	11.17
Motor vehicles for the transport of goods	110.14	12.03	Motor vehicles for the transport of goods	74.55	11.17
Consumption	394.73	43.11	Consumption	246.95	37
Rice	110.38	12.05	Frozen fish	80.89	12.12
Frozen fish	66.03	7.21	Rice	69.46	10.41
Sugar	62.44	6.82	Insecticides, herbicides and fungicides	61.97	9.28
Insecticides	60.59	6.62	Poultry cuts and offal	34.62	5.19
Poultry cuts and offal	51.59	5.63	Intermediate	214.29	32.1
Tomatoes; prepared or preserved	43.7	4.77	Cement and clinkers	69.11	10.35
Intermediate	136.06	14.86	Wheat and meslin	63.18	9.46
Wheat	72.52	7.92	Polyethylene	45.98	6.89
Cement clinkers	63.54	6.94	Semi-manufactured gold (incl. gold plated with platinum),	36.02	5.4
Other	274.78	30.01	Other	131.73	19.73
Motor vehicles for the transport of persons	274.78	30.01	Motor vehicles for the transport of persons	131.73	19.73
Grand Total	915.71	100	Grand Total	667.53	100

Table 6.7: Services, Income and Current Transfers (net) in US\$ millions

	Q3'2012	Q3'2013	Q3'2014	Q4'2013/14	
				Abs.	%change
	Amounts in millions of U.S. dollars				
Services (net)	-81.0	-793.6	-480.9	312.7	-39.4
Freight and Insurance	-275.7	-269.5	-178.2	91.3	-33.9
Other Services	194.7	-524.1	-302.7	221.4	-42.2
Income (net)	-244.1	-463.3	-308.0	155.3	-33.5
Current Transfers (net)	427.1	459.1	429.5	-29.6	-6.5
Official	54.1	0.0	8.6	8.6	
Private	372.9	459.1	420.9	-38.2	-8.3
Services, Income and Current Transfers (net)	101.9	-797.7	-359.4	438.3	-54.9

Table 6.8: Capital and Financial Accounts (net) in US\$ millions

Amount in millions of U.S. dollars	Q3'2012	Q3'2013	Q3'2014	Q3'2013/14	
				abs	%change
Capital and Financial Accounts	1,208.8	1,272.3	1,299.7	27.3	2.1
Capital transfers	75.9	0.0	0.0	0.0	
Financial Account	1,132.9	1,272.3	1,299.7	27.3	2.1
Foreign Direct Investments	1,249.9	899.8	621.3	-278.5	-31.0
Portfolio Investments	639.8	717.9	989.6	271.7	37.8
Other Investments	-756.8	-345.4	-311.2	34.1	-9.9
Official	198.9	446.0	112.9	-333.1	-74.7
Disbursements	283.8	520.2	206.3	-313.9	-60.3
Amortisation	-84.9	-74.3	-93.4	-19.1	
Private	-23.6	-230.0	-280.9	-50.9	22.1
Disbursements	28.4	25.0	57.5	32.5	130.0
Amortisation	-52.0	-255.0	-338.4	-83.4	32.7
Short-term	-926.1	-437.5	5.3	442.7	-101.2
Non-Monetary	-684.0	-452.2	-356.9	95.4	-21.1
Monetary	-242.1	14.8	362.1	347.3	2,350.1
Government Oil Investments	-6.0	-123.9	-148.5	-24.6	19.9
Inflow	0.0	0.0	14.7	14.7	0.0
Outflow	-6.0	-123.9	-163.2	-39.3	31.7

7. External Debt

7.1 Debt Stock

The stock of disbursed and outstanding Government and Government-guaranteed external debt at the end of the third quarter of 2014 was provisionally estimated at US\$12,678.6 million, indicating an increase of US\$802.2 million and US\$1,904.0 million from the stock position recorded at the end of the second quarter of 2014 and the third quarter of 2013

respectively. The external debt stock at the end of the third quarter of 2014 constituted 35.1 per cent of projected GDP at current prices for 2014.

This rise in the external debt stock was the result of the net transactions (disbursements and amortizations) of US\$1,201.4 million and valuation changes, with respect to the US dollar, of currencies in which the debt stock is held.

Chart 7.1: Outstanding Stock of External Debt (US\$ million)



7.1.1 External Debt by Borrower Category

Debt liabilities to multilateral creditors in the third quarter of 2014 declined by US\$22.3 million to US\$4,543.8 million (35.8% of total external debt stock) from the position at the end of June 2014 due mainly to repayments. Apart from the IDA, the largest creditor of the group and the AfDB group which registered increases in debt stocks as a result of net disbursements, all other lenders in the multilateral category registered declines in their asset levels.

The bilateral component of the debt, which represented 33.9 per cent of the total external debt stock rose from US\$2,372.1 million at the end of the second quarter to US\$2,389.9 million at the end of the review quarter, with

the largest creditor in this category being the United States of America.

Commercial debt has been on the increase, both in magnitude and importance, primarily due to the lower middle income economy status of the country and an oil exporter. Consequently, the country's access to very cheap concessional debt has dwindled forcing her to access more and more of the rather expensive bilateral and commercial debt.

At the end of the third quarter of 2014, commercial debt rose by 25.0 per cent, following the acquisition of the US\$1,000.0 million Eurobond facility, to US\$4,474.8 million, and represented 35.3 per cent of the total external debt stock.

Table 7.1: External Debt Stock by Borrower Category (US\$ million)

Creditor Category	2012	2013				2014		
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total External Debt	9,153.59	9,231.46	9,342.99	10,774.34	11,461.71	11,488.88	11,876.42	12,678.62
Multilateral Creditors	4,336.81	4,140.50	4,263.61	4,339.01	4,557.92	4,513.63	4,566.08	4,543.77
<i>of which</i> : IDA	2,490.85	2,349.16	2,452.60	2,514.13	2,800.76	2,845.75	2,908.58	2,922.95
IMF	704.79	687.80	686.18	686.56	678.08	674.23	661.09	633.12
Bilateral Creditors	3,108.38	3,339.81	3,311.30	3,252.49	3,564.60	3,557.24	3,743.93	3,660.08
<i>of which</i> : Paris Club	609.46	548.85	545.66	611.35	643.01	647.39	708.55	668.99
Non-Paris Club	339.26	329.88	329.17	297.79	487.08	463.61	449.34	457.62
Export Credit	1,036.38	985.91	1,008.81	1,072.33	1,099.75	1,135.84	1,209.36	1,144.02
Other concessional	1,123.28	1,475.17	1,427.66	1,271.02	1,334.76	1,310.40	1,376.68	1,389.46
Commercial Creditors	1,708.40	1,751.15	1,768.08	3,182.84	3,339.19	3,418.02	3,566.42	4,474.77
<i>of which</i> :								
International Capital Market	750.00	750.00	750.00	1,530.51	1,530.51	1,530.51	1,530.51	2,530.51

7.1.2 Interest rate structure of External Debt

The bulk of the disbursed outstanding external debt stock (81.2%) was of fixed interest rate to maturity while 16.8 per cent had commitments under variable interest rate terms. About 2.0 per cent of the debt was however entirely interest-free at the end of the review period.

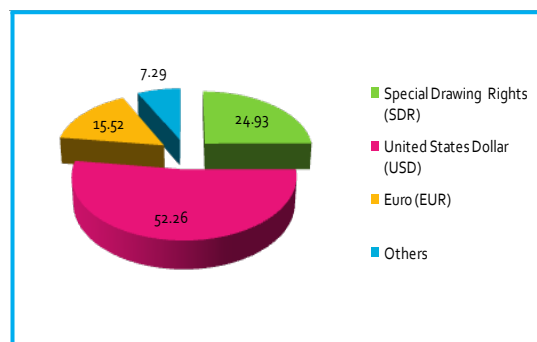
7.1.3 Maturity Structure of External Debt

At the end of the third quarter of 2014, the total external debt stock had a maturity profile of 100 per cent long-term nature, thus extending the average term to maturity and reducing the refinance risk associated with the debt portfolio.

7.2 Currency Composition of Debt Stock

At the end of the review quarter, Ghana's external debt was mainly held in the three currencies, the Special Drawing Rights (SDR), the US dollar and the euro. The SDR accounted for 24.9 per cent, while 52.3 per cent and 15.5 per cent of the debt stock were held in the US dollar and euro denominated assets respectively. The residual 7.2 per cent was held in a basket of other currencies that included the Japanese Yen and the Chinese Yuan.

Chart 7.2: Currency Composition of External Debt Stock (2014Q3)



7.3 Debt Service Payments

External debt service payments for the review quarter made through the Bank of Ghana amounted to US\$173.8 million compared with an amount of US\$173.0 million recorded for the corresponding quarter of 2013. Payments in the review quarter comprised capital repayment of US\$69.6 million and interest expense of US\$104.2 million.

The multilateral group of creditors received a total of US\$8.1 million in principal repayments and US\$10.0 million in interest payment. This may be compared with principal repayments of US\$5.5 million, and interest

payments of US\$8.4 million made in the corresponding period in 2013.

The bilateral group received US\$20.3 million in principal repayment and US\$18.3 million in interest payments, compared with US\$35.2 and US\$23.2 million respectively in the same period of 2013.

Commercial creditors were paid US\$77.7

million, made up of principal repayments of US\$41.1 million and interest payments of US\$36.6 million. These compared with principal repayments of US\$33.2 million and interest payments of US\$94.9 million to the same group in 2013. Additionally, a coupon payment of US\$39.4 million was made on outstanding Eurobond debt within the quarter under review.

Table 7.2: Payment of Government and Government-Guaranteed Debt by creditor

	Q1-2014			Q3-2014		
	Prin	Int	Total	Prin	Int	Total
Total	73.82	126.56	173.03	69.55	104.2	173.79
Multilateral Creditors	5.45	8.43	13.88	8.13	9.99	18.12
IDA	3.09	6.52	9.61	6.33	7.57	13.90
ADB / ADF	0.77	1.41	2.18	0.96	2.31	3.27
Others	1.59	0.50	2.09	0.84	0.11	0.95
Bilateral Creditors	35.22	23.17	31.04	20.34	18.25	38.59
Paris Club	35.06	20.49	24.99	19.86	13.77	33.63
Non-Paris Club	0.16	2.68	6.05	0.48	4.48	4.96
Commercial Creditors	33.15	94.96	128.11	41.08	36.62	77.70
10-Year Sovereign Bond	0.00	0.00	0.00	0.00	39.38	39.38

8. The Rural Banking Sector

8.1 Performance of RCBs

Total assets of Rural and Community Banks (RCBs) at the end of the third quarter of 2014 was GH¢1,939.6 million. This showed increases of 2.4 per cent from GH¢1,894.9 million at the end of the previous quarter and 17.7 per cent (above the GH¢1,647.8 million recorded) at the end of the corresponding quarter of 2013. However, the share of total assets of RCBs in the banking system declined to 3.9 per cent at the end of the review quarter compared with 4.6 per cent in the corresponding period of 2013.

Total deposits of RCBs rose to GH¢1,448.4 million by the end of the third quarter of 2014

compared with GH¢1,411.4 million at the end of the previous quarter and GH¢1,210.3 million in the corresponding quarter of 2013. The level of RCBs deposits at the end of review quarter constituted 5.3 per cent of total deposits of the banking system. This may be compared with the shares of 5.6 per cent at the end of the preceding quarter and 6.1 per cent at the end of the corresponding quarter of 2013.

Loans and advances made by RCBs stood at GH¢778.1 million in the third quarter of 2014, indicating increases of 5.7 per cent from GH¢736.3 million recorded at the end of previous quarter and 13.9 per cent from GH¢683.5 million recorded at the end of the third quarter of 2013.

Table 8.1: Consolidated Assets and Liabilities of Rural/Community Banks (GH¢' million)

	2013			2014			Variation (2013-2014, %)		
	Q2	Q3	Q4	Q1	Q2	Q3	Q-Q-Q	Y-to-D	Y-on-Y
Assets									
Cash Holdings & Balances with Banks	234.07	216.55	266.71	251.10	246.48	269.85	9.48	1.18	24.62
Bills and Bonds	485.93	449.02	537.67	558.57	564.36	546.01	-3.25	1.55	21.60
Loans and Advances	647.06	683.46	716.81	715.63	736.25	778.12	5.69	8.55	13.85
Other Assets	304.62	298.76	331.67	339.26	347.85	345.58	-0.65	4.19	15.67
Total Assets	1,697.66	1,647.78	1,852.86	1,864.55	1,894.95	1,939.56	2.35	4.68	17.71
Liabilities									
Total Deposits	1,272.25	1,210.34	1,372.48	1,402.28	1,411.37	1,448.35	2.62	5.53	19.67
Shareholders' Funds	229.35	237.33	246.80	255.46	266.53	277.38	4.07	12.39	16.88
Other Liabilities	196.60	199.71	233.58	206.40	216.64	213.42	-1.48	-8.63	6.86
Total Liabilities	1,697.66	1,647.78	1,852.86	1,864.55	1,894.54	1,939.56	2.35	4.68	17.71
No. of Reporting Banks	137	140	140	140	140	140			

* Provisional

Table 8.2: Proportion of RCBs' Total Assets of the Banking System (GH¢' million)

	2013				2014					
	Q3		Q4		Q1		Q2		Q3	
	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share
Commercial Banks	34,252.7	95.4	36,229.7	95.1	40,170.2	95.6	43,718.7	95.8	47,583.1	96.1
Rural Banks	1,647.8	4.6	1,852.9	4.9	1,864.6	4.4	1,895.0	4.2	1,939.6	3.9
Total	35,900.5	100.0	38,082.6	100.0	42,034.7	100.0	45,613.6	100.0	49,522.6	100.0

Table 8.3: Proportion of RCBs' Deposits of the Banking System (GH¢' million)

	2013				2014					
	Q3		Q4		Q1		Q2		Q3	
	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share	GH¢' M	% Share
Commercial Banks	19,378.7	93.9	21,013.2	93.9	23,793.8	94.4	25,014.8	99.3	25,988.5	94.7
Rural Banks	1,266.1	6.1	1,372.5	6.1	1,402.3	5.6	1,411.4	5.6	1,448.4	5.3
Total	20,644.8	100.0	22,385.7	100.0	25,196.1	100.0	26,426.2	104.9	27,436.9	100.0

