BANK OF GHANA

Monetary Policy Report

Volume 4, No 5

WEO & External Sector Developments

- **Developments in global GDP, Inflation and Financial Stability**
- **Survey of Monetary Policy Stance**
- **Developments in the Commodity & Currency Markets**
- **Ghana's Gross and Net International Reserves**

Section I: World Economic Outlook

4.1.1 Global GDP growth

Global growth and prospects continue to deteriorate quickly, both for advanced economies and emerging markets, although the slowdown was led by the mature economies. IMF now estimates that global growth be 4 percent in both 2011 and 2012.

Table 1: Global Real GDP Growth (%)

	Year over Year						Q4 over Q4	
			Projections		Difference from Jul-11 Proj.		Projections	
Economy/Region	2009	2010	2011	2012	2011	2012	2011	2012
World	-0.7	5.1	4.0	4.0	-0.3	-0.5	3.6	4.1
Advanced economies	-3.7	3.1	1.6	1.9	-0.6	-0.7	1.4	2.2
USA	-3.5	3.0	1.5	1.8	-1.0	-0.9	1.1	2.0
Euro Area	-4.3	1.8	1.6	1.1	-0.4	-0.6	1.1	1.6
Japan	-6.3	4.0	-0.5	2.3	0.2	-0.6	0.5	2.0
Emerg. & Devping	2.8	7.3	6.4	6.1	-0.2	-0.3	6.4	6.4
China	9.2	10.3	9.5	9.0	-0.1	-0.5	9.3	9.1
India	6.8	10.1	7.8	7.5	-0.4	-0.3	7.0	7.5
Sub - Saharan Africa	2.8	5.4	5.2	5.8	-0.3	-0.1	...	...
Ghana	4.0	7.7	13.5	7.3	-0.2	0.0	...	...

Source: IMF WEO September 2011

In mature economies, fiscal tightening (US), sovereign debt and banking sector problems (euro area) have proven much more tenacious than expected. For Japan, the special factor has been natural disaster.

Growth in emerging economies held up better, but has moderated in recent months, driven mainly by global supply-chain disruptions, destocking in the face of more uncertain demand from advanced economies, and past policy tightening. Sub-Saharan Africa (SSA) continued to expand at a robust pace.

Outlook:

- Global growth is forecast by IMF to regain some momentum during 2011:H2 and continue into 2012.
- Real GDP growth in the advanced economies is expected to gradually return to about 2 percent.
- Activity in emerging and developing economies is expected to decelerate and settle at a still high rate of about 6% in 2012.
- Growth is expected to remain very elevated in emerging Asia, notably in China and India, followed by Sub-Saharan Africa.

4.1.2 Global inflation

Table 2: Global Consumer Price Inflation (%)

		Projections	
Economy/Region	**2010**	**2011**	**2012**
Global	**2.7**	**4.0**	**3.2**
Advanced economies	1.6	2.6	1.4
USA	1.6	3.0	1.2
Euro Area	1.6	2.5	1.5
Japan	-0.7	-0.4	-0.5
Emerg. & Devping	6.1	7.5	5.9
China	3.3	5.5	3.3
India	12.0	10.6	8.6
Sub - Saharan Africa	7.5	8.4	8.3

Source: IMF WEO Sep 2011

Headline and core inflation have been on the rise from the 2010 levels in many parts of the world until recently. IMF confirms that inflation pressure is still relatively elevated, especially in emerging and developing economies.

Although headline inflation is projected to recede in 2011:H2 as food and energy prices moderate, underlying inflation pressure may well rise further, mainly in emerging and developing economies, raising the global headline inflation to 4 percent in 2011 from the 2010 rate of 2.7 percent.

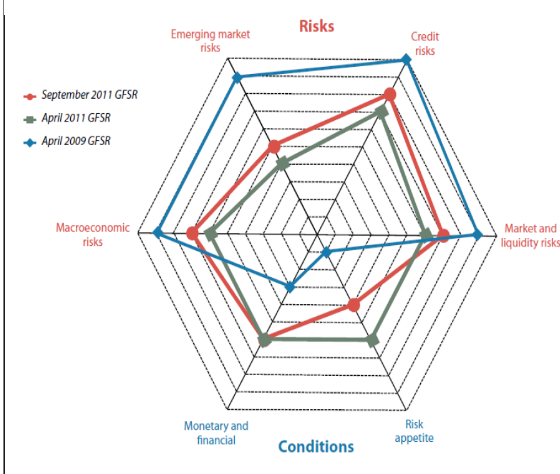
Going forward, three factors will determine the path of inflation over the coming year: (i) energy and food prices, (ii) output gaps and (iii) policy and credibility of policymakers.

In Sub-Saharan Africa, there is still wide disparity in inflation and inflationary pressures. In East Africa, inflation is spiraling owing to the regional drought, currency weakness and elevated global food and fuel prices over recent months.
The inflation picture has been broadly favourable in southern Africa. Good agricultural harvests, especially in South Africa and Zambia, have kept food inflation under control and currency stability has given a helping hand.

4.1.3 Global financial stability

The IMF reports in its September 2011 Global Financial Stability Report that for the first time since the October 2008, risks to global financial stability have increased; signalling a partial reversal in progress made over the past three years.

Chart 1: Global Financial Stability Map



Source: IMF staff estimates.
Note: Away from center signifies higher risks, easier monetary and financial conditions, or higher risk appetite.

Changes in its September 2011 assessment of risks and conditions from the April 2011 assessment were noted as follows:

Macroeconomic risks rose reflecting an increase in sovereign risk in advanced economies and unexpected weakness in economic activity.

Market and liquidity risks also rose as greater volatility led to heightened uncertainty about future funding conditions.

Risk appetite dropped, prompting investors to reduce exposure to sovereign and macroeconomic risks.

Credit risk rose, as concern over banks' sovereign exposures drove up market measures of contagion risk.

Monetary and financial conditions were broadly unchanged, with interest rates in advanced economies remaining near record lows.

Low interest rates have pushed investors into a search for yield that has contributed to strong capital inflows and high credit growth in emerging market economies, raising emerging market risks.

4.2 Survey of Monetary Policy Stance of Selected Central Banks

The period since the August-ending MPC meeting to date (05 September – 15 October) saw 67 interest rate decisions from central banks around the world. Of those, 12 hiked the poly rates while 7 reviewed rates downward with the 48 majority staying put.

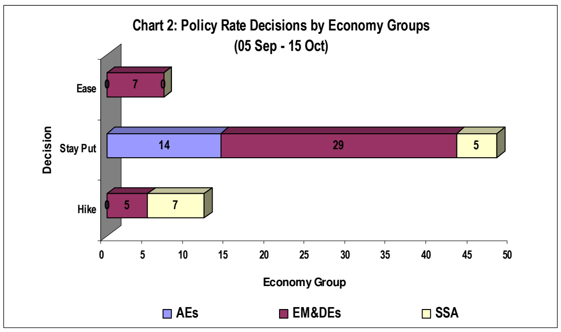


Chart 2: Policy Rate Decisions by Economy Groups
(05 Sep - 15 Oct)

Table 3: Global policy rates

	G7 AVG	FED	BOJ	ECB	BOE	BOC	SARB	CBT	CBC	BOG
End-2004	**2.30**	2.25	0.00	2.00	4.75	2.50	7.50	18.00	2.25	18.50
End-2005	**2.85**	4.25	0.00	2.25	4.50	3.25	7.00	13.50	4.50	15.50
End-2006	**3.65**	5.25	0.25	3.50	5.00	4.25	9.00	17.50	5.25	12.50
End-2007	**3.70**	4.25	0.50	4.00	5.50	4.25	11.00	15.75	6.00	13.50
End-2008	**1.31**	1.00	0.10	2.50	2.00	1.50	11.50	15.00	8.25	17.00
End-2009	**0.42**	0.25	0.10	1.00	0.50	0.25	7.00	6.50	0.50	18.00
End-2010	**0.57**	0.25	0.0 - 0.1	1.00	0.50	1.00	5.50	6.50	3.25	13.50
Jan-11	**0.57**	0.25	0.0 - 0.1	1.00	0.50	1.00	5.50	6.25	3.25	13.50
Feb-11	"	"	"	"	"	"	"	"	3.50	"
Mar-11	"	"	"	"	"	"	"	"	4.00	"
Apr-11	**0.62**	"	"	1.25	"	"	"	"	4.50	"
May-11	"	"	"	"	"	"	"	"	5.00	13.00
Jun-11	"	"	"	"	"	"	"	"	5.25	"
Jul-11	"	"	"	1.50	"	"	"	"	"	12.50
Aug-11	**0.67**	"	"	"	"	"	"	5.75	"	"
Sep-11	"	"	"	"	"	"	"	"	"	"

FED - US Federal Reserve; **BOJ** - Bank of Japan; **ECB** - European Central Bank; **CBC** - Central Bank of Chile
BOE - Bank of England; **BOC** - Bank of Canada; **SARB** - South African Reserve Bank
CBT - Central Bank of Turkey; **BOG** - Bank of Ghana

Broadly, the decision to stay put or implement other measures was driven by uncertainty surrounding global financial market volatility and economic outlook uncertainty.

Rate hikes were basically from emerging African (and Asian) economies, which are relatively less connected to the euro area quagmire and more exposed to the impact of still relatively high commodity prices and still strong domestic demand.

Highlights of monetary policy decisions **other than interest rate** included the following:

- Monetary Authority of Singapore which conducts its monetary policy via the exchange rate, on 15 October, effectively eased when it announced (as expected) a slower expected rate of appreciation.
- Bank of England (BOE) added a further GBP75 billion to its Asset Purchase Programme (quantitative easing).
- The European Central Bank (ECB) announced a set of liquidity and asset buying measures in its monetary policy.

- The Swiss National Bank (SNB) set the EUR-CHF exchange rate floor of a minimum 1.20 and announced that it would buy foreign currency in "unlimited quantities" to combat the overvaluation of the Swiss franc.
- ECB and four other central banks (BOE, SNB, BOJ and Fed) announced joint US dollar liquidity operations as a move to augment European banking system liquidity. They would provide 3-month dollar loans to banks from October, which will cover the year-end period.
- The US Fed announced 'operation twist', where it adjusted its quantitative easing program; switching $400 billion of shorter term maturities to longer term maturities.

4.3 Commodities markets

There has been a recent correction in broad commodity prices, and many commodities have entered Q4 with price falls. Macro and liquidity situations have moved against commodities in recent months:

- higher interest rates in emerging markets
- slower growth in both advanced and emerging market economies.

Chart 3: Commodity Indexes

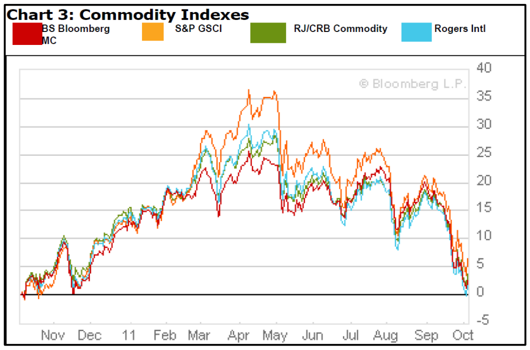


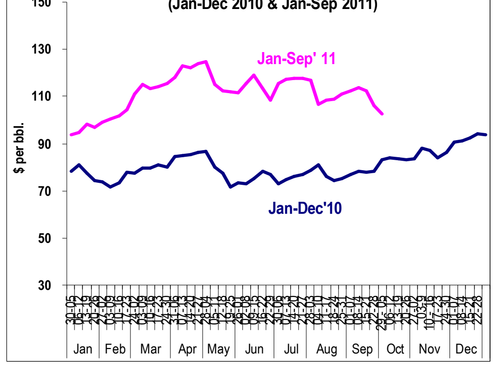
Table 4: OVERVIEW OF THE COMMODITIES MARKET

Commodity	Unit	Mkt Close (04 Oct) / Latest(14 Oct)	Change (%) m/m	Change (%) Ytd	Change (%) y/y	Period Average 2010 a	2011:Q1 a	2011:Q2 a	2011:Q3 a	2011:Q4 f	2012 f
Crude Oil											
Brent (nr future)	*USD/bbl*	102.64 111.39 8.5%	-7.7	8.9	23.7	80.40	104.46	116.83	112.64	110.00	95.00
Precious metals											
Gold (spot)	*USD/oz*	1,627.32 1,678.80 3.2%	-11.4	17.5	23.9	1,226.50	1,385.81	1,503.09	1,708.62	1,750.00	1,550.00
Softs											
Cocoa (CSCE)	*USD/tonne*	2,627 2,635 0.3%	-14.5	-13.1	-5.6	2,799	3,279	3,024	2,973	3,000	3,350

4.3.1 Oil

Crude oil prices have come under pressure over the past few months, which reflects the downgrades to global economic growth and expectations of further slowdown, especially in the US and Europe.

Chart 4: Developments in the price of Brent crude: (Jan-Dec 2010 & Jan-Sep 2011)



The average weekly price per barrel of the benchmark Brent crude closed September 2011 at $102.64 per barrel, having risen by 8.9 percent from the end-2010 price of $94.28 per barrel.

The third quarter (2011:Q3) witnessed a decline of 11.1 percent following a 7.6 percent declined in Q2.

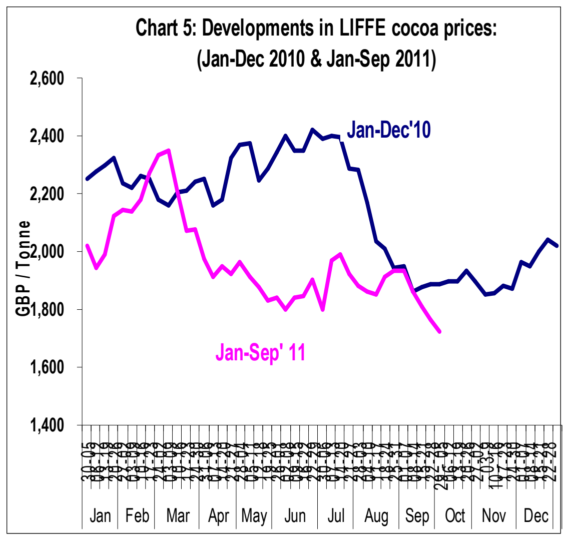
The end-September price represented an increase of 23.7 percent in year-on-year terms.

4.3.2 Cocoa

The International Cocoa Organization recently revised its forecast for the world cocoa surplus for 2010/11 to 187,000 tonnes, up 57 percent from its previous estimate, on account of better global harvests, including an estimated 1.3 million tonnes in Côte d'Ivoire and 960 thousand tonnes in Ghana.

The market expects demand-led recovery in prices, which have slumped recently on account of, among others, the resumption of exports from Côte d'Ivoire.

<u>Price developments</u>



The London International Financial Futures Exchange (LIFFE) weekly average price in the 2011 year-opening was £2,039.00 per metric tonne. For the January-September 2011 period, the average weekly LIFFE price was £1,966.25, compared with the average of £2,213.72 over the corresponding period in 2010.

The end-September 2011 price of £1,966.25 represented a weakening of 8.6 percent in year-on-year terms.

In terms of the CSCE US$ price however, the end-September price was $2,627.00 per metric tonne and represented a weakening of 5.6 percent in year-on-year terms.

4.3.3 Gold

In September, the price of gold fell in tandem with riskier assets, as disappointing economic data from China and weaker U.S. equity markets, driven by bank worries, dampened buying sentiment across the board.

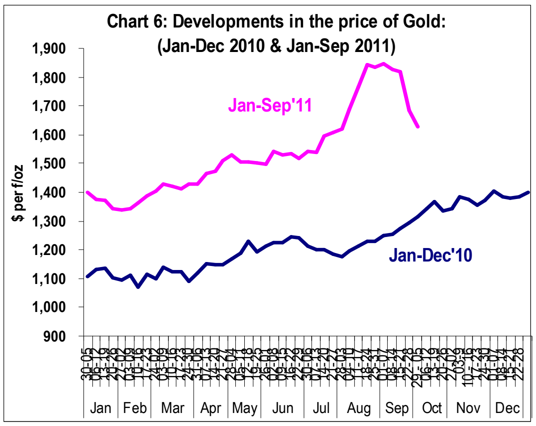


Chart 6: Developments in the price of Gold: (Jan-Dec 2010 & Jan-Sep 2011)

Price developments

Over the January – September 2011 period, spot price of gold rallied 17.5 percent from $1,384.73 to $1,627.32 per ounce, with some fluctuations being registered over the period. The max-min prices were $1,842.77 (third week of August) and $1,337.79 (last week of January).

The average weekly price over the period was $1,534.90 per fine ounce, compared with $1,179.30 over the corresponding period in 2010.

4.4 Currencies Markets

4.4.1 Movements of selected currencies

Table 5: MOVEMENTS OF SELECTED CURRENCIES AGAINST THE US DOLLAR (%)									
Pt-to-pt. (%)	Advanced Economies			Emerging Market & Developing Economies					
	Euro	Pound	Yen	Rupee	Real	Ruble	Peso	Rand	Gh. Cedi
	Euro zone	UK	Japan	India	Brazil	Russia	Chile	S. Africa	Ghana
2010									
Jan	-2.2	-0.4	-1.3	1.4	-1.6	0.8	0.3	0.4	0.0
Feb	-4.2	-3.4	1.0	-0.8	-3.4	-1.0	-5.8	-2.8	0.1
Mar	-0.8	-3.6	-0.6	1.8	3.2	2.0	1.8	3.6	0.6
Apr	-1.2	1.8	-2.9	2.3	1.7	1.3	0.5	0.8	0.1
May	-6.4	-4.3	1.6	-2.8	-3.1	-4.3	-2.5	-3.8	-0.3
Jun	-2.7	0.6	1.3	-1.7	0.4	-2.5	-0.6	0.0	-0.4
Jul	4.8	3.6	3.8	-0.6	2.0	2.2	1.4	1.6	-0.7
Aug	0.7	2.3	2.6	0.6	0.5	0.6	4.4	3.2	0.4
Sep	1.6	-0.4	1.2	1.4	2.4	-1.3	2.9	2.5	0.3
Sep-10 (y/y)	***-10.1***	***-4.5***	***8.2***	***5.3***	***5.8***	***-0.4***	***11.3***	***5.5***	***1.7***
2011									
Jan	1.0	1.2	0.7	-0.8	1.1	2.4	-3.6	-1.7	-1.9
Feb	2.2	2.1	0.1	0.1	0.6	3.0	3.5	-3.4	0.3
Mar	2.7	0.2	1.1	1.0	0.5	2.9	-1.0	4.1	-0.4
Apr	3.1	1.3	-1.9	1.3	4.6	1.3	2.1	2.6	0.4
May	-0.8	-0.1	2.6	-1.2	-1.7	0.5	0.5	-1.9	-0.4
Jun	0.4	-0.8	0.8	0.2	1.7	-0.2	-0.4	0.9	-0.2
Jul	-0.9	-0.4	1.5	0.9	1.5	0.2	1.6	0.0	-0.1
Aug	0.4	1.2	2.9	-2.1	-2.2	-3.3	-1.2	-4.4	-0.4
Sep	-4.1	-3.6	0.2	-4.8	-8.4	-6.2	-3.9	-6.1	-0.7
Sep-11 (y/y)	***4.9***	***1.2***	***9.8***	***-3.8***	***-1.6***	***0.1***	***1.4***	***-5.9***	***-6.3***

4.4.2 Currency war

On 6 September, the Swiss National Bank set a "minimum exchange rate" of EUR-CHF 1.20 "with immediate effect" – it last pegged its currency to the Deutschemark in 1978. It announced that it would buy foreign currency in "unlimited quantities" to combat the overvaluation of the Swiss franc.

In justifying the move, the bank highlighted the "threats to the Swiss economy" created by the strong CHF.

4.4.3 Euro area sovereign debt crisis

The December 2010 announcement by EU leaders of a permanent crisis resolution mechanism (or "bail-out fund") and the subsequent institution of the EFSF[1] in May 2011, have so far done little to improve market perceptions of sovereign risk. A number of Euro Area government bond spreads continued to remain under pressure. In early August 2011, the euro zone turmoil spread to the much larger Spanish and Italian economies.

G7 leaders signalled their willingness to take any measures necessary to stem global financial instability. This, together with the decision by the ECB to intervene directly in the Spanish and Italian sovereign debt markets, has brought a measure of calm, though underlying concerns remain.

---

[1] The **European Financial Stability Facility** (**EFSF**) is a special purpose vehicle financed by members of the euro zone to combat the European sovereign debt crisis. It was agreed by the 27 member states of the European Union on 9 May 2010, aiming at preserving financial stability in Europe by providing financial assistance to euro zone states in economic difficulty.

Section II: External sector developments

4.5 Local foreign exchange market

4.5.1 Nominal performance of the Ghana cedi – Bilateral and Effective

Bilateral movements

Table 6: BILATERAL MOVEMENTS OF THE CEDI AGAINST CORE CURRENCIES

Month	Gh¢/$	Gh¢/£	Gh¢/€	Monthly change (%)			Year-on-year changes (%)		
				$/Gh¢	£/Gh¢	€/Gh¢	$/Gh¢	£/Gh¢	€/Gh¢
2010									
Jan-10	1.4279	2.3095	2.0037	0.0	-0.4	2.5	-10.2	-20.7	-15.6
Feb-10	1.4266	2.1847	1.9332	0.1	5.7	3.6	-7.1	-12.2	-12.4
Mar-10	1.4175	2.1282	1.9167	0.6	2.7	0.9	-2.5	-7.5	-4.3
Apr-10	1.4169	2.1565	1.8756	0.0	-1.3	2.2	-0.8	-4.8	-1.4
May-10	1.4210	2.0433	1.7465	-0.3	5.5	7.4	1.4	7.3	14.2
Jun-10	1.4270	2.0990	1.7486	-0.4	-2.7	-0.1	3.3	13.3	18.4
Jul-10	1.4365	2.2344	1.8546	-0.7	-6.1	-5.7	3.5	6.7	11.8
Aug-10	1.4311	2.1998	1.8084	0.4	1.6	2.6	2.1	7.8	15.4
Sep-10	1.4272	2.2420	1.9474	0.3	-1.9	-7.1	1.7	3.8	8.7
2011									
Jan-11	1.5024	2.3473	2.0485	-1.9	-4.0	-5.1	-5.0	-1.6	-2.2
Feb-11	1.4975	2.4048	2.0631	0.3	-2.4	-0.7	-4.7	-9.2	-6.3
Mar-11	1.5031	2.4419	2.1643	-0.4	-1.5	-4.7	-5.7	-12.8	-11.4
Apr-11	1.4971	2.4771	2.2213	0.4	-1.4	-2.6	-5.4	-12.9	-15.6
May-11	1.5028	2.4356	2.1589	-0.4	1.7	2.9	-5.4	-16.1	-19.1
Jun-11	1.5054	2.4064	2.1523	-0.2	1.2	0.3	-5.2	-12.8	-18.8
Jul-11	1.5062	2.4514	2.1508	-0.1	-1.8	0.1	-4.6	-8.9	-13.8
Aug-11	1.5121	2.4841	2.1832	-0.4	-1.3	-1.5	-5.4	-11.4	-17.2
Sep-11	1.5225	2.4383	2.1343	-0.7	1.9	2.3	-6.3	-8.1	-8.8

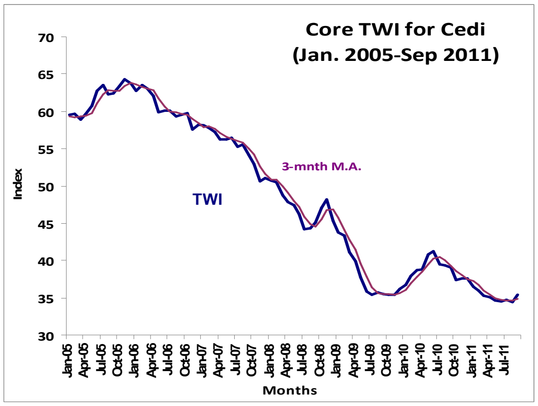
Memorandum (Cumulative year-to-date)	$/Gh¢	£/Gh¢	€/Gh¢
Mar-10	0.7	8.0	7.0
Mar-11	-2.0	-7.9	-10.5
Jun-10	0.1	9.5	16.5
Jun-11	-2.1	-6.4	-9.9
Sep-10	0.1	3.2	6.2
Sep-11	-3.2	-7.6	-9.0

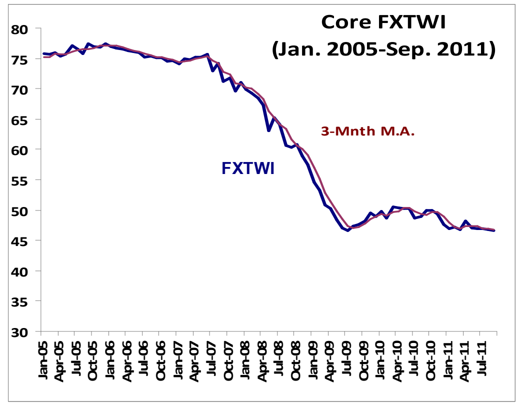
Developments in the nominal bilateral exchange rates of the cedi against the three core currencies – the US dollar, the pound sterling and the euro – show that in September 2011, the cedi depreciated by 6.3, 8.1 and 8.8 percent against the US dollar, the pound sterling and the euro respectively in year-on-year terms, as compared to appreciation of 1.7, 3.8 and 8.7 per cent against the dollar, pound and euro respectively in September 2010.

Nominal Effective Exchange Rates (NEERs)

<u>Trade Weighted Index (TWI)</u>

The major (or core) Trade Weighted Index (TWI) is an index measure of the value (January 2002=100), in nominal terms, of the cedi relative to the currencies of Ghana's top three trading currencies – the euro, the pound and the dollar. It is thus a nominal effective index.





	Nominal TWI and FXTWI (Jan-Sep, 2010 and 2011)						
	2010				2011		
	Dec-09	Sep-10	Change (%)		Dec-10	Sep-11	Change (%)
TWI	36.12	39.05	2.9		37.57	35.40	-2.2
FXTWI	48.90	49.89	1.0		47.60	46.59	-1.0

For the January-September 2011 period, the cedi depreciated by 2.2 percentage points in trade-weighted terms. This compares with appreciation of 2.9 percentage points over the corresponding period in 2010. The September 2011 value of the index was 35.40 and was 0.53 of a percentage point above its quarterly trend represented by the 3-month moving average.

Foreign Exchange Transactions Weighted Index (FXTWI)

Like the TWI, the FXTWI is nominal and effective, the difference being that while the TWI uses total merchandise trade (i.e. imports plus exports) as weights, the FXTWI uses the value of total foreign exchange transactions (i.e. purchases and sales) in the three core currencies as weights.

The FXTWI also shows that over January – September 2011, the cedi depreciated, in FX transactions-weighted terms, by 1.0 percentage point as compared with appreciation of 1.0 percentage point in the corresponding period in 2010. The September 2011 value of the index of 46.59 was 0.17 of a percentage point below the quarterly trend value.

4.5.2 Real exchange rate developments

For the first nine months of 2011, the Ghana cedi's real exchange rate showed a cumulative depreciation of 0.7 of a percentage point against the euro but appreciated by 0.8 and 1.9 percent against the pound and the USD respectively.

Real Bilateral Exchange Rate Developments									
	RERI (Jan.02=100)			MONTHLY CHANGE (%)			CUMULATIVE (%)		
Month	EUR	GBP	USD	EUR	GBP	USD	EUR	GBP	USD
2005	98.9	108.2	130.2				20.2	20.3	11.9
2006	95.3	102.2	138.9				-3.6	-6.0	8.7
2007	89.9	104.4	143.1				-5.4	2.3	4.2
2008	90.1	129.6	134.8				0.2	25.2	-8.4
2009	81.5	114.0	129.6				-8.5	-15.6	-5.2
2010									
Jan-10	89.7	116.1	130.8	3.3	2.1	1.2			
Feb-10	90.8	122.2	134.0	6.0	6.1	3.2			
Mar-10	92.7	128.4	136.4	1.8	6.2	2.4	11.1	14.4	6.8
Apr-10	94.8	127.2	138.3	2.1	-1.2	1.9			
May-10	102.6	135.0	140.6	7.8	7.8	2.3			
Jun-10	107.0	135.5	142.3	4.4	0.5	1.7	25.5	21.5	12.7
Jul-10	102.6	130.9	142.9	-4.4	-4.6	0.5			
Aug-10	101.4	127.2	142.5	-1.2	-3.7	-0.4			
Sep-10	97.7	126.8	139.4	-3.7	-0.4	-3.1	16.2	12.8	9.8
2011									
Jan-11	91.7	118.3	133.4	-0.8	-2.0	-1.0			
Feb-11	92.4	117.9	136.4	0.6	-0.4	3.0			
Mar-11	90.0	118.4	136.7	-2.4	0.4	0.3	-2.6	-1.9	2.3
Apr-11	88.3	117.7	138.4	-1.7	-0.7	1.7			
May-11	90.0	119.5	139.8	1.7	1.8	1.4			
Jun-11	91.0	121.8	141.4	1.0	2.4	1.7	-4.2	-2.6	4.0
Jul-11	92.9	122.7	142.6	1.9	0.8	1.1			
Aug-11	91.3	119.5	140.9	-1.6	-3.2	-1.7			
Sep-11	91.9	121.1	136.3	0.6	1.6	-4.6	-0.7	0.8	1.9

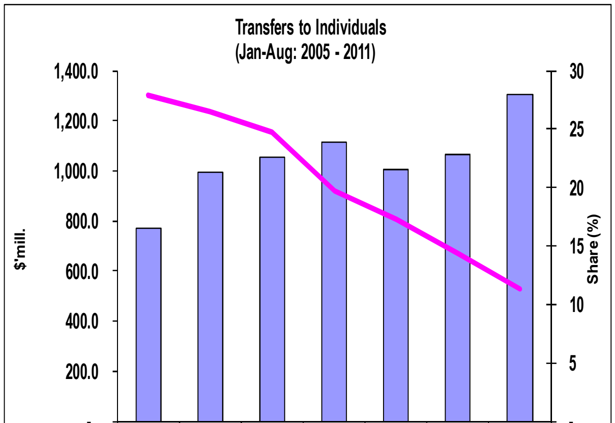
Comparatively, for the corresponding period in 2010, the cedi's real exchange rate cumulatively appreciated by 16.2, 12.8 and 9.8 percent against the euro, the pound and the US dollar respectively.

4.5.3 Inward remittances

Private inward transfers – received by **NGOs, embassies, service providers, individuals etc.** – through the banks for January to August 2011 amounted to $11.5 billion, which represents 55.5 percent increase over the transfers through banks in January to August 2010.

The impressive growth was reflected in all the eight months with August alone recording a growth of 65.8 percent in year-on-year terms.

INWARD TRANSFERS THRO' BANKS Jan - Aug, 2007 - 2011 ($'million)					
Year	Q1	Q2	JUL	AUG	JAN. - AUG
2007	1,516.82	1,651.78	516.54	592.20	4,277.34
2008	2,132.26	2,151.12	701.32	661.55	5,646.24
2009	1,976.59	2,249.49	815.81	770.01	5,811.89
2010	2,500.96	3,028.50	939.08	918.14	7,386.68
2011	4,219.96	4,369.92	1,377.78	1,521.94	11,489.61
Change ($'m)					
2007-8	*615.44*	*499.34*	*184.78*	*69.34*	*1368.90*
2008-9	*-155.67*	*98.37*	*114.49*	*108.46*	*165.65*
2009-10	*524.37*	*779.02*	*123.27*	*148.14*	*1574.79*
2010-11	*1719.01*	*1341.42*	*438.70*	*603.80*	*4102.93*
Change (%)					
2007-8	*40.6*	*30.2*	*35.8*	*11.7*	*32.0*
2008-9	*-7.3*	*4.6*	*16.3*	*16.4*	*2.9*
2009-10	*26.5*	*34.6*	*15.1*	*19.2*	*27.1*
2010-11	*68.7*	*44.3*	*46.7*	*65.8*	*55.5*



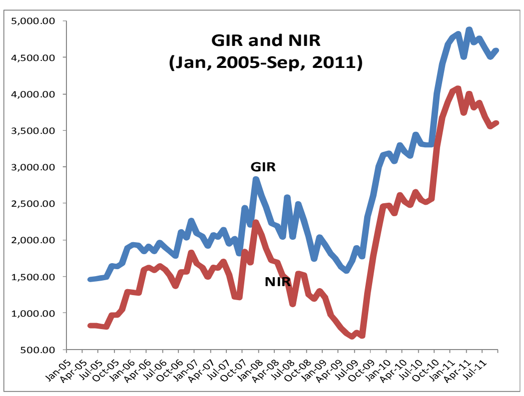
	2005	2006	2007	2008	2009	2010	2011
Level ($'m)	771.0	996.1	1,056.1	1,112.8	1,003.7	1,062.6	1,302.26
Share (%)	28.0	26.5	24.7	19.7	17.3	14.4	11.33

Of the total transfers from January to August 2011, $1.3 billion (or 11.33%) accrued to individuals, compared with $1.06 billion (or 14.4%) in 2010.

Even though the value of transfers received by individuals through banks increased over the 2005 – 2011 period, nonetheless, the share of individual to the total inward transfers declined over the period.

4.6 Gross and Net International Reserves

Developments in both the Gross International Reserves (GIR) and Net International Reserves (NIR) in the first nine months of the year were marked by significant fluctuations.



The GIR peaked at $4.9 billion in April 2011, but declined steadily by 5.9 percent to $4.59 billion in September 2011. The end-September level however represented a year-on-year increased of 39 percent. The September 2011 GIR position of $4.6 billion translates, on the average, into goods and services import cover of 3.5 months.

For further information, contact:
Financial Stability Department,
Bank of Ghana,
Accra.
Tel: +233 30 2666902-8 (Ext. 4851)
Fax: +233 30 2660844
Website: www.bog.gov.gh