BANK OF GHANA

Monetary Policy Report

January 2020

Contents

PREFACE

The Bank of Ghana releases the Monetary Policy Report after each Monetary Policy Committee (MPC) meeting. The Report provides an overview of macroeconomic developments, which served as input for economic assessment during the MPC session. Through the publication, Bank of Ghana aims to promote accountability and transparency in the monetary policy formulation and implementation process.

Monetary Policy in Ghana

The primary objective of the Bank of Ghana is to pursue sound monetary policies aimed at price stability and creating an enabling environment for sustainable economic growth. Price stability in this context is defined as a medium-term inflation target of 8 percent with a band of ±2 percent. This target band is consistent with the objective of attaining the desired long-term average rate of growth for the economy. Other objectives include promoting and maintaining a sound financial sector and payment systems through effective regulation and supervision as spelt out in Bank of Ghana Act 2016 (Act 918, *as amended*. This is important for financial intermediation and effective transmission of monetary policy decisions.

Monetary Policy Strategy

To achieve the objective of price stability, Bank of Ghana was granted operational independence to employ the appropriate policy tools needed to stabilise inflation around the medium-term target. The Bank of Ghana's framework for conducting monetary policy is based on the Inflation Targeting (IT) Framework, which uses the Monetary Policy Rate (MPR) as the key policy tool that provides guidance on the monetary policy stance and also helps anchor inflation expectations.

The MPC Process and Operational Arrangements

The MPC is a statutorily constituted body by the Bank of Ghana Act 2016 (Act 918, *as amended*) to formulate monetary policy. The MPC consists of seven members — five members from the Bank of Ghana, including the Governor who acts as the Chairman of the Committee, and two external members. The MPC meets bi-monthly in the course of the year to assess economic conditions and risks to the inflation and growth outlook. The Committee, after assessing recent economic conditions and taking a forward-looking view of the evolution of key macroeconomic indicators, then votes to position the MPR through a process of consensus-building with each member assigning reasons for the stated or preferred direction of the policy rate. Each interest rate decision provides a signalling of the stance of monetary policy. The MPC meeting dates are determined well in advance and published on the Bank's website at the beginning of each year. In line with the transparency aspects of the framework, the Bank publishes the MPC Press Release after the press conference held at the end of each MPC meeting to communicate and explain the Committee's decisions to the financial markets and the public.

EXECUTIVE SUMMARY

Global growth remained largely subdued in 2019. This stemmed from geopolitical factors, including the Brexit negotiations and trade tensions between the US and China. There are incipient signs of global recovery, though fragile, amid geopolitical tensions and rising threats of protectionism. The recent outbreak of the Coronavirus in China also poses new risks to the global growth outlook, although its impact is yet to be assessed. The coordinated monetary policy responses of the major central banks to adopt accommodative monetary policies should enhance financing conditions for emerging market and frontier economies, with strong macroeconomic fundamentals.

On the domestic front, the pace of growth was strong during 2019, although slower than was recorded in 2018. The growth outlook is positive and is expected to be supported by the services sector, especially as the banking sector continues to grow stronger and resilient, as well as the continued implementation of growth-oriented programmes in the industry and agricultural sectors. Headline inflation has remained in single digits since June 2018 and more recently converged around the central path of 8.0 percent. Also, the various measure of core inflation remains contained and inflation expectations well-anchored.

The external sector posted a strong outturn, supported by broadly favourable commodity prices. The trade surplus improved for the third consecutive year in 2019 and this together with increased net current transfers, especially from remittances, improved the current account balance. This, coupled with increased inflows into the capital and financial account, resulted in a balance of payments surplus, which translated into additional reserve build-up for the year.

Fiscal developments in 2019 were broadly in line with expectations. The budget deficit outturn was almost on target and within the fiscal rule. Going forward, Fiscal Policy would need to remain vigilant in 2020 in order to achieve the targeted budget and to sustain the gains made on the macroeconomic front over the past three years.

In summary, the Committee noted the strong performance of the economy in 2019. Inflation is projected to remain within the medium-term target band of 8±2 percent, barring any unanticipated shocks. Under these circumstances, the Committee viewed risks to the inflation and growth outlook as broadly balanced, and decided to keep the Monetary Policy Rate unchanged at 16.0 percent.

1. GLOBAL GROWTH AND FINANCING CONDITIONS

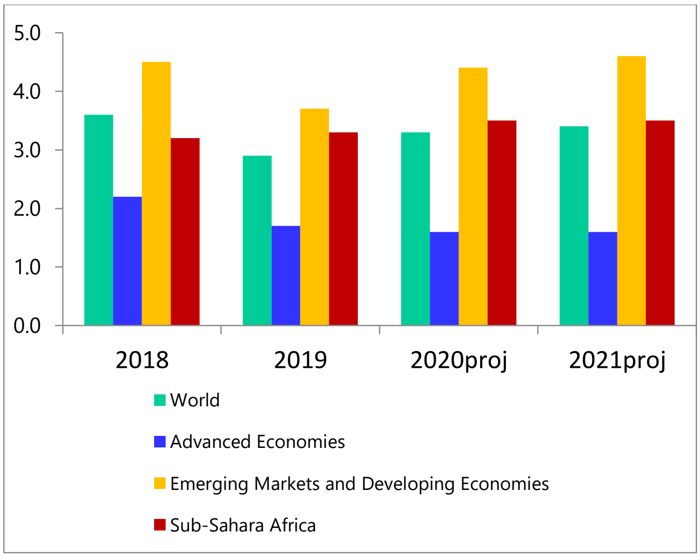
(i) Global Growth Trends

The year 2019 was broadly characterized by heightened uncertainty triggered by a number of geopolitical factors including the Brexit negotiations and trade tensions between the US and China. The prolonged presence of these factors weighed on business confidence, investment, and economic activity, especially in the manufacturing sector. Although global economic activity remains subdued, initial data released for 2019Q3 and recent survey data point to some fragile stabilization in global economic activity. The latest forecast released by the International Monetary Fund (IMF) showed that global growth will moderate from 3.6 percent in 2018 to 2.9 percent in 2019, a 0.1 percentage point lower than the October 2019 projections (See Fig. 1.1 & Table 1.1). However, the IMF expects a modest pickup, with growth at 3.3 percent in 2020. The projected recovery remains fragile as it is predicated on strengthening economic activity in emerging market and developing economies such as Turkey, Argentina and South Africa.

In emerging market economies, growth was revised down to 3.7 percent for 2019 from 4.5 percent in 2018 partly reflecting country specific shocks weighing on domestic demand. Crude oil price ended the year at US$59/bbl despite the cuts announced by OPEC in the last quarter of 2019. The lower oil price has helped the fiscal and external positions of commodity importing countries but, provides headwinds to commodity exporting countries. Looking ahead, higher than expected Shale oil production in the US may keep prices in the US$60/bbl range. However, oil production cuts agreed by OPEC members and the potential for further supply disruptions in Iran and Venezuela poses upside risks to oil price. IMF forecasts suggest oil price will remain within the US$60/bbl range over the medium term.

In the outlook, accommodative financial conditions in advanced economies, gains in employment and wage growth are expected to continue to provide some stimulus to global growth. The Coronavirus may weigh on activity in China and therefore global growth. However, its effect on global growth yet to be ascertained. China has indicated it is willing to support the economy with billions of dollars of stimulus money to prevent acceleration of the ongoing slowdwon. Over the medium term, global economic activity is expected to expand at a pace close to potential as policy support diminishes.

Fig. 1.1: Global Growth Outlook (%)



Source: IMF World Economic Outlook (WEO), January 2020 Update

Table 1.1: Global Growth Projections (%)

JANUARY 2020 UPDATES (YEAR OVER YEAR)				
	ESTIMATES		PROJECTIONS	
REAL GDP GROWTH (%)	**2018**	**2019**	**2020**	**2021**
World	**3.6**	**2.9**	**3.3**	**3.4**
Advanced Economies	**2.2**	**1.7**	**1.6**	**1.6**
United States	2.9	2.3	2	1.7
Euro Area	1.9	1.2	1.3	1.4
Germany	1.5	0.5	1.1	1.4
France	1.7	1.3	1.3	1.3
Italy	0.8	0.2	0.5	0.7
Spain	2.4	2	1.6	1.6
Japan	0.3	1	0.7	0.5
United Kingdom	1.3	1.3	1.4	1.5
Emerging and Developing Economies	**4.5**	**3.7**	**4.4**	**4.6**
Russia	2.3	1.1	1.9	2.0
China	6.6	6.1	6	5.8
India	6.8	4.8	5.8	6.5
Brazil	1.3	1.2	2.2	2.3
Sub-Saharan Africa	**3.2**	**3.3**	**3.5**	**3.5**
Nigeria	1.9	2.3	2.5	2.5
South Africa	0.8	0.4	0.8	1.0

Source: IMF WEO JANUARY 2020 UPDATE

(ii) Fourth quarter provisional GDP growth outturn

The **US** economy grew by 2.3 percent annualised in the fourth quarter of 2019, 0.2 percent higher than recorded during the third quarter. The pickup reflected the strong labour market, resilient consumer spending, supportive financial conditions, and stronger than expected trade and investments. However, the prolonged period of uncertainty weighed on non-residential investment. Looking ahead, growth in the US is expected to remain resilient in the near term, and to gradually return to the potential growth rate of just below 2 percent over the medium term, supported by a maturing economic cycle.

Activity in the **UK** rebounded by 0.4 percent in the third quarter after contracting by 0.2 percent in the second quarter of 2019, supported by strong export growth, resilient consumer spending reflecting the relatively strong real wage growth and supportive government spending. However, GDP growth reflected relatively subdued global growth and elevated uncertainty associated with the Brexit negotiations in the fourth quarter. Looking ahead, the Brexit negotiations will continue to weigh on private investments and activity in the near-term. The UK economy is projected to end the year at 1.4 percent.

In the **Euro area**, economic activity grew by 0.2 percent in 2019Q3, the same as the previous quarter. The modest growth was supported by strong labour market data, moderate pickup in wages, and supportive financing conditions. These were however partially offset by softening global growth dynamics and weak international trade. Looking ahead, the uncertainty associated with the escalating trade tensions and the uncertainty about the Brexit outcome are likely to weigh on activity in the Euro area. Growth in the Euro area is expected to end the year at 1.2 percent.

Japan's economy grew at 0.4 percent in 2019Q3, 0.1 percentage point drop from the previous quarter. Activity was supported by increased domestic demand reflecting an increase in private non-residential investment and frontloaded spending ahead of the October 2019 value-added tax hike. This was partially offset by weak exports and inventory adjustments. Japan's economy is forecast to grow at 0.9 percent in 2019 (0.1 percentage point lower than WEO April 2019 projections), reflecting additional fiscal stimulus designed to mitigate effects of the planned increase in consumption tax rate, a highly accommodative monetary policy, robust labour market conditions, and preparations for the Tokyo 2020 Olympics. In the medium term, however, growth is projected to decelerate as fiscal stimulus wanes.

Economic activity in **China** has continued to soften, with annual real GDP growth declining to 6.0 percent year-on-year in 2019Q3 from 6.2 percent in the second quarter. Estimates for quarter four show that China's GDP grew at 6.0 percent. Escalating trade tensions and weakening external demand amplified the slowdown associated with regulatory reforms implemented to dampen excessive borrowing. The IMF estimates that the Chinese economy will grow at 6.1 percent in 2019 and 5.8 percent in 2020. The recent shift towards expansionary monetary and fiscal policy is expected to strengthen domestic demand. In addition, the Phase 1 deal with the US should ease the effects of trade tensions on economic activity. However, the Coronavirus outbreak may weigh on China's growth in the near term. Its effect may be dampened by the stimulus package announced by the Chinese authorities.

Sub-Saharan African (SSA) growth is projected at 3.3 percent in 2019 before rising to 3.5 percent in 2020, according to the IMF's January 2020 WEO update (See Table 1.1) reflecting challenging external conditions, continued output disruptions in oil exporting countries, and weaker than anticipated growth in South Africa. Downside risks to growth in SSA include a downturn in commodity prices and increasing uncertainties associated with the on-going trade talks. In addition, a slower-than-expected growth in China and the Euro area, which have strong trade and investment links to SSA could adversely affect the region's export demand and investment. Domestically, country specific risks such as fiscal slippages, political uncertainty, domestic conflict, and adverse weather conditions could also dampen growth prospects.

(iii) Central banks maintain accommodative monetary policy stance

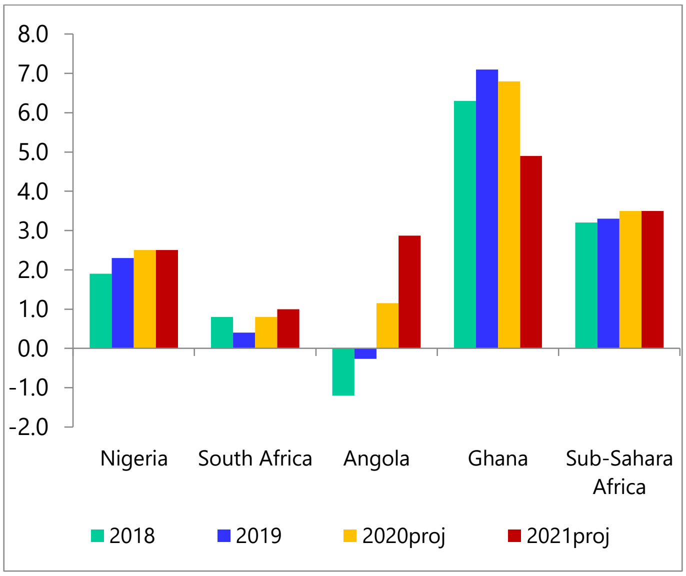
The relatively subdued global growth and inflationary pressures continued to warrant accommodative monetary policy stance in both the advanced and emerging market economies to support economic activity and prevent the de-anchoring of inflation expectations. These central bank actions especially in advanced economies, and easing global business uncertainty due to the signing of the Phase 1 trade deal between the US and China, have contributed to the easing of global financing conditions.

Overall, monetary policy stance across major advanced economies is expected to remain accommodative in the near-term as inflation pressures remain subdued. However, factors such as the possibility of faster-than - expected slowdown in systemic economies, re-escalating trade tensions, and geopolitical tensions may weigh on financial market sentiments.

The relatively accommodative monetary policy stance and resulting easing of global financing conditions have triggered a search for yields in emerging market economies with relatively strong fundamentals. Recent data show that inflows to US dollar-denominated bonds in emerging markets and developing economies picked up sharply in October-December 2019 after a sharp drop in August 2019 which was attributed to the fourth round of tariffs announced between the US and China.

Across emerging market and developing economies, monetary policy actions have become more coordinated monetary policy decisions influenced by the waning pass-through effects of past exchange rate adjustments and higher crude oil prices on inflation. The major risk to the outlook in the near-term is the policy uncertainty associated with the US-China trade tensions.

Fig. 1.2: Sub-Saharan Africa Growth Outlook (%)



Source: IMF WEO, January 2020 Update

(iv) Global Outlook

In the outlook, accommodative financial conditions in advanced economies, gains in employment and wage growth, and improving balance sheets of firms are expected to provide some stimulus to global growth. Over the medium term, global economic activity is expected to gain some momentum as as policy support diminishes. However, trade policy uncertainty and geopolitical tensions present risks to the global growth outlook.

2. BALANCE OF PAYMENTS

The external sector continued its strong performance in 2019, supported by stronger trade surplus and increased capital and financial account net inflows.

(i) Trade balance remains positive in 2019

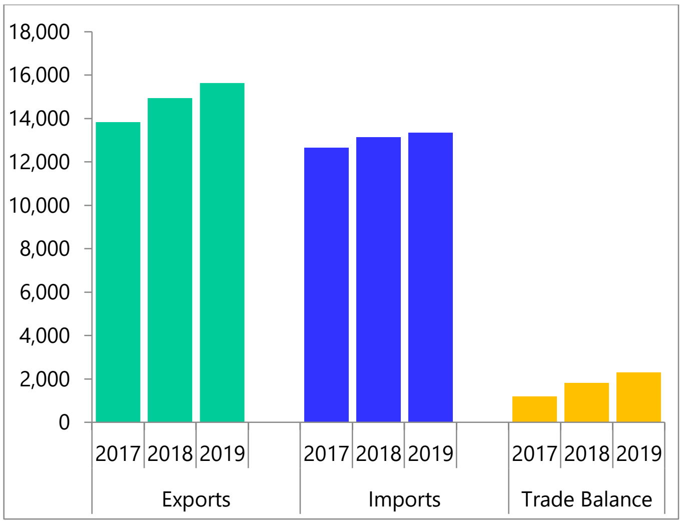
Total merchandise exports amounted to US$15,634 million in 2019, representing a year-on-year increase of 4.6 percent. Of the total, exports of cocoa beans and products amounted to US$2,249 million compared with US$2,180 million recorded in 2018. Gold exports were US$6,230 million, up by 14.6 percent in year-on-year terms. Crude oil exports declined marginally to US$4,493 million from US$4,573 million in 2018, on account of a drop in prices. Other exports, excluding non-traditional exports, also rose to US$817 million in the period under review compared with US$691 million in 2018.

Total merchandise imports for 2019 amounted to US$13,336 million, indicating a year-on-year increase of 1.5 percent. Of the total, non-oil imports rose by 4.2 percent to US$10,992 while oil and gas imports fell by 9.2 percent to US$2,344 million compared with US$2,581 million recorded in 2018.

The developments in exports receipts and imports resulted in a total merchandise trade surplus for 2019, provisionally estimated at US$2,298 million (3.4% of GDP) compared with a surplus of US$1,809 million (2.8% of GDP) for the same time in 2018 (Fig. 2.1). This outturn was on account of improvements in exports receipts mainly from gold and cocoa products.

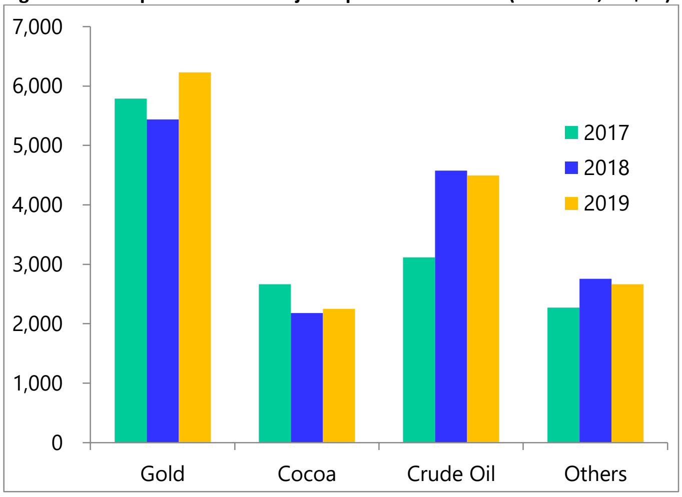
The trade surplus together with developments in the services, income and transfer accounts resulted in a current account deficit of US$1,712 million (2.5% of GDP) over the year 2019 compared to a deficit of US$2,044 million (3.1% of GDP) for the same period of 2018 (Fig. 2.3).

Fig. 2.1: Trade account records surplus (Jan – Dec, US$ m)



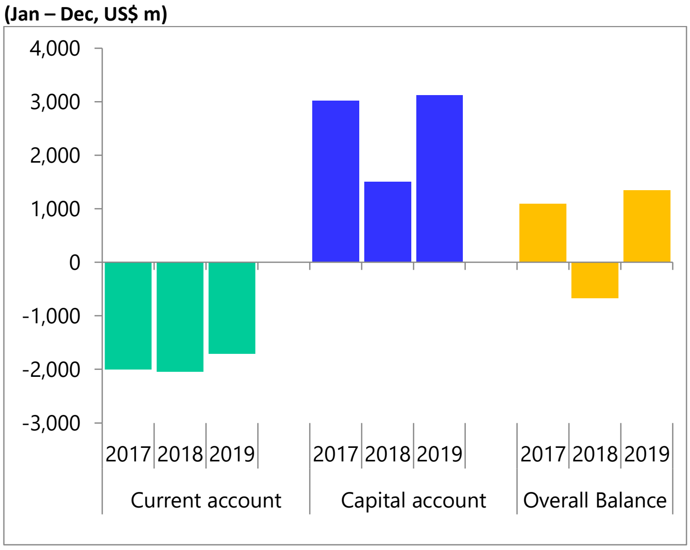
Source: Bank of Ghana

Fig. 2.2: Developments in the major export commodities (Jan – Dec, US$ m)



Source: Bank of Ghana

Fig. 2.3: Current and Capital Accounts, and Overall Balance (Jan – Dec, US$ m)



Source: Bank of Ghana

The capital and financial account recorded a significant net inflow of US$3,120 million in 2019, driven mainly by higher Foreign Direct Investment and net portfolio investment inflows, mainly as a result of proceeds from the Eurobond issuance in the year. This outturn compares to US$1,500 million net inflows for the same period in 2018 (Fig. 2.3).

As a result, the overall Balance of Payments for 2019 recorded a surplus of US$1,341 million (2.0% of GDP) compared to a deficit of US$672 million (1.0% of GDP) in 2018 (Fig. 2.3).

(ii) Gross International Reserves

The balance of payments surplus significantly boosted Gross International Reserves to US$8,418 million (4.0 months of import cover) at the end of 2019 from the end December 2018 stock position of US$7,025 (3.6 months of import cover) (Fig. 2.5).

Developments in Net International Reserves indicated a stock position of US$5,192 million at the end of December 2019, compared with a stock position of US$3,851 million at the end of December 2018.

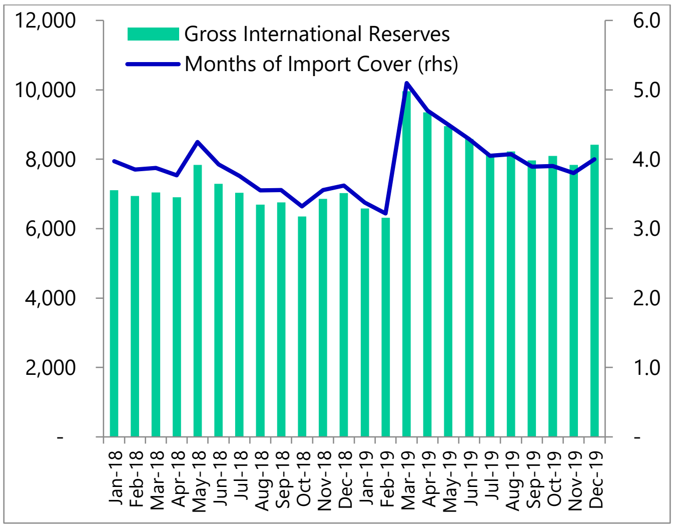
(iii) Favourable commodity prices support persistent trade surplus

Cocoa futures shrugged off some gains in December but still traded close to record levels last seen in May 2018. Average prices decreased by 2.7 percent to settle at US$2,518 per tonne in December 2019 compared to the previous month on the back of favourable crop conditions in top grower Ivory Coast. In the year, cocoa prices averaged US$2,388 per tonne, an increase of 3.2 percent compared to the averaged prices in 2018 owing to the dry weather which posed some threat to the development of the bean at the early stage of the 2018/2019 crop season.

International benchmark brent crude oil consolidated gains made in the previous month to end December at its highest in nearly six months. Crude oil prices edged up 3.9 percent to close December at an average of US$65.3 per barrel compared to the previous month buoyed by sentiments that the US-China trade fight would soon come to an end and normalize demand. Prices were further boosted by deeper production cuts coming from the Organization of the Petroleum Exporting Countries and its allies, such as Russia, which make up OPEC+.

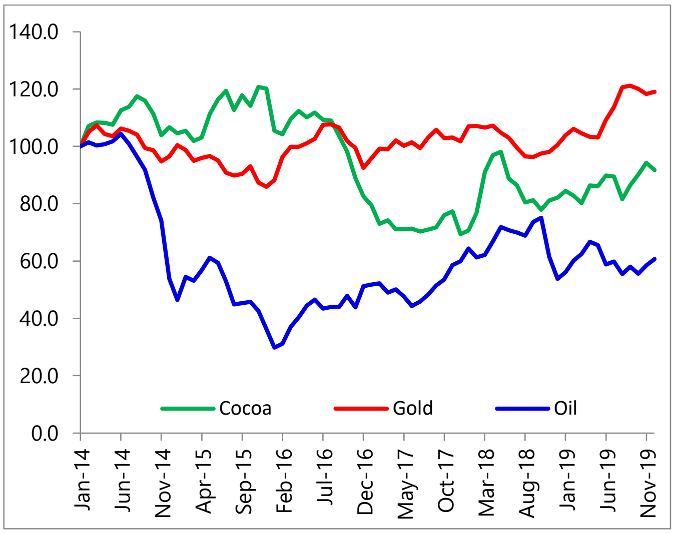
From the beginning of the year to end December 2019, crude oil prices averaged US$64.2 per barrel, 10.3 percent lower than the average price in 2018 and driven by increased US shale production and the trade war between the two world's biggest economies which lingered for most parts of the year.

Fig. 2.5: Gross International Reserves (US$ m)



Source: Bank of Ghana

Fig. 2.4: Trends in Ghana's main export commodities
Commodity Price Index (January 2014=100)



Source: Reuters & Bank of Ghana Computation

Spot gold firmed in December 2019 after trending downwards for two continuous months. The yellow metal edged higher slightly by 0.7 percent on month-on-month basis to settle at US$1,481.3 per fine ounce in December 2019. Gold gathered some momentum as the US Federal Reserve held interest rates steady and signalled borrowing costs were likely to remain unchanged indefinitely, sending the US dollar and treasury yields lower. Prices were further supported by weak US manufacturing data which rekindled worries about a slowing economy.

Gold prices averaged US$1,392.7 per fine ounce in 2019 and set for its biggest yearly rise since 2010, outpacing the preceding year by 9.7 percent. The major driver to the surge in price for the year has been the long-running U.S.-China trade war which caused fears of a global economic slowdown, pushing investors more towards safe-haven bullion.

(iv) Commodities price outlook

The Cocoa prices are likely to inch lower further in the coming months as the scant rainfall and mild Harmattan winds are expected to improve the prospects of the bean. The market however continues to monitor the demand on the global front as measured by the world cocoa grind data to give further direction on price.

The outlook for the oil market is partly dependant on the US-China trade optimism which will continue to spur demand and push price in the positive. The major headwinds however to price surge are subdued global growth momentum and robust US shale output levels in the first quarter of 2020. The Coronavirus outbreak may put downward pressure on oil process in the near term.

The outlook for the yellow metal remain bullish, bolstered from a technical point of view by negative interest rates across the globe and central bank buying. However, the dynamics are likely to change if the US and China cling a deal during their next meeting though there are no clear details on the Phase 1 deal.

3. Exchange Rate Developments

The domestic currency market remained relatively calm reflecting supportive macroeconomic fundamentals and improved foreign exchange inflows.

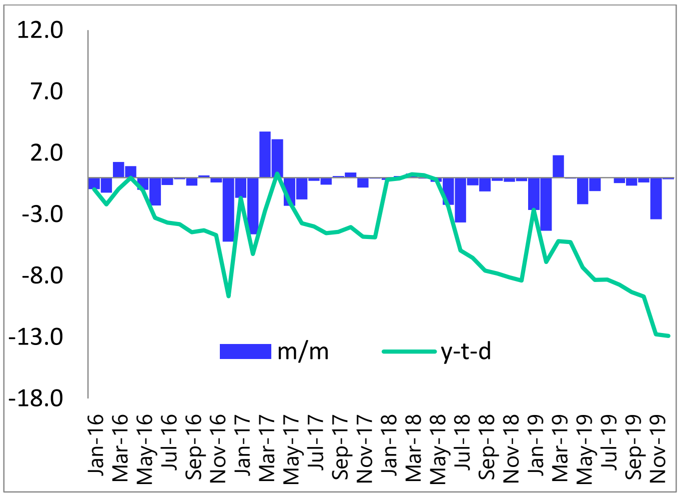
(i) International and domestic currency market developments

The US dollar weakened against the Euro and the British Pound but appreciated against the Japanese yen in the fourth quarter of 2019. The uncertainty associated with the US-China trade negotiations and geopolitical factors made US assets more attractive to investors prior to the fourth quarter of 2019. However, receding downside risks led to improved business sentiment and triggered outflows from safe haven currencies such as the dollar and Japanese yen. The dovish signals from the major central banks have led to a rebound in portfolio flows in EMEs as investors search for higher yields. As a result, the pressure on EME currencies has eased considerably since September 2019.

In the year to December 2019, the Ghana Cedi cumulatively depreciated by 12.9 percent, compared with 8.4 percent depreciation in December 2018 (Fig 3.1). Against the British pound and Euro, the Ghana cedi cumulatively depreciated by 15.7 percent and 11.2 percent respectively, compared with 3.3 percent depreciation against the Pound and 3.4 percent depreciation against the Euro over the same corresponding periods in 2018.

In the outlook, the Ghana Cedi is expected to remain relatively stable supported by the dovish posture of major central banks in the advanced economies, improving macroeconomic fundamentals and inflows from the Eurobond.

Fig. 3.1: Month-on-month Cedi depreciation (per USD) (dep. - /appr. +, %)



Source: Bank of Ghana

Table 3.1: Real Effective Exchange Rate Movements

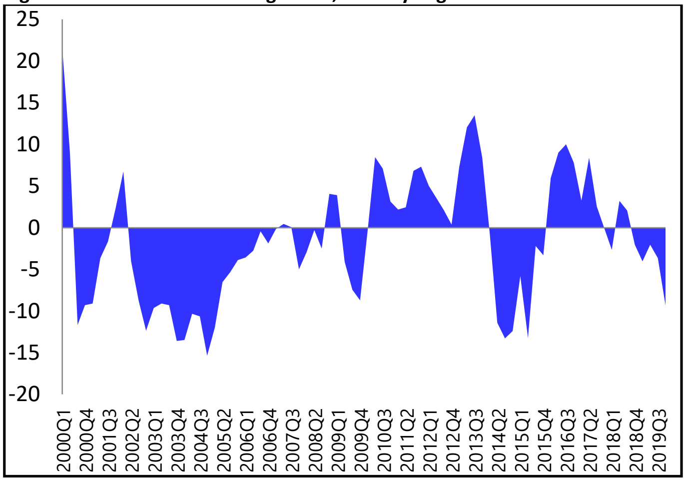
	INDEX (2011=100)		Monthly Change (%)		Year-to-Date (%)	
	RFXTWI	RTWI	RFXTWI	RTWI	RFXTWI	RTWI
Jan-18	36.62	37.14	2.31	0.72	2.3	0.72
Feb-18	36.72	37.45	0.28	0.81	2.6	1.52
Mar-18	37.05	38.08	0.88	1.66	3.4	3.15
Apr-18	37.30	39.30	0.69	3.10	4.1	6.15
May-18	37.31	39.25	0.01	-0.11	4.1	6.05
Jun-18	36.66	38.59	-1.75	-1.73	2.4	4.43
Jul-18	35.41	37.40	-3.54	-3.17	-1.0	1.40
Aug-18	34.44	37.31	-2.83	-0.24	-3.9	1.16
Sep-18	34.03	36.76	-1.19	-1.49	-5.1	-0.31
Oct-18	34.79	37.61	2.18	2.26	-2.8	1.96
Nov-18	34.76	37.61	-0.09	-0.01	-2.9	1.95
Dec-18	34.82	37.32	0.19	-0.77	-2.7	1.19
Jan-19	34.44	37.23	-1.1	-0.2	-1.1	-0.24
Feb-19	33.08	35.82	-4.1	-4.0	-5.3	-4.21
Mar-19	33.80	36.88	2.14	2.89	-3.0	-1.20
Apr-19	33.86	36.86	0.18	-0.1	-2.8	-1.27
May-19	33.49	36.61	-1.1	-0.7	-4.0	-1.96
Jun-19	33.42	36.02	-0.2	-1.6	-4.2	-3.61
Jul-19	33.56	37.18	0.42	3.12	-3.8	-0.37
Aug-19	33.54	37.34	-0.1	0.42	-3.8	0.05
Sep-19	33.31	37.22	-0.7	-0.3	-4.6	-0.28
Oct-19	33.10	36.34	-0.6	-2.4	-5.2	-2.71
Nov-19	32.14	35.73	-3.0	-1.7	-8.3	-4.44
Dec-19	32.05	35.12	-0.3	-1.8	-8.6	-6.27

RFXTWI - Real Foreign Transactions (purchases and sales) Weighted Index
RTWI - Real Trade (exports + Imports) Weighted Index
Source: Bank of Ghana computations

(ii) Nominal and Real Effective Exchange Rate Movements

On a year-to-date basis, the cedi depreciated by 13.1 percent and 14.7 percent in nominal trade and forex transactions weighted terms respectively, compared to 4.7 percent and 8.6 percent depreciation over the same period in 2018. In real terms, the cedi depreciated by 1.9 percent, 6.3 percent and 5.5 percent against the Euro, Pound Sterling and the US dollar respectively on a year-to-date basis. Also, the Cedi depreciated by 6.27 percent in real trade weighted terms and by 8.6 percent in forex transaction weighted terms.

Fig. 3.2: Real Effective Exchange Rate, broadly aligned with fundamentals



Source: Bank of Ghana Computation

4. FISCAL DEVELOPMENTS

Implementation of the 2019 budget has been consistent with the fiscal rules provisions under the Fiscal Responsibility Act.

(i) Revenue mobilization ended the year marginally below expectation

Total revenue and grants for 2019 amounted to GH¢52,974.14 million (15.3% of GDP) compared with a target of GH¢54,565.04 million (15.8% of GDP), indicating 2.9 percent shortfall in revenue mobilization. In the same period last year, revenues and grants amounted to GH¢47,636.73 million (15.8% of GDP). The marginal revenue shortfall reflected lower-than-expected import value and rising zero-rated imports which impacted negatively on international trade taxes.

For 2019, domestic revenue was GH¢51,988.01 million (15% of GDP) compared with GH¢46,501.90 million (15.5% of GDP) in the same period of 2018. This showed a year-on-year growth of 11.8 percent although the outturn was below the program target by 3.2 percent.

Tax revenues amounted to GH¢42,355.49 million (12.2% of GDP) compared with GH¢37,784.20 million (12.6% of GDP) over the same comparative period. This represented a year-on-year growth of 12.1 percent and was broadly consistent with the target. In detail,

- *Income and property taxes* amounted to GH¢22,597.82 million (6.5% of GDP), registering an annual growth of 20.4 percent, but was 2 percent above the target for the review period.
- *Taxes on Domestic Goods and Services* amounted to GH¢16,881.88 million (4.9% of GDP), below the target of GH¢17,599.54 million (5.1% of GDP), and registered an annual growth of 12.3 percent.
- *Taxes on International trade* realised during the period under review was GH¢5,345.97 million (1.5% of GDP), which was above the expected target of GH¢5,136.38 million (1.5% of GDP) and recorded a year-on-year decline of 12.4 percent.
- Social Contributions (SSNIT Contribution to NHIL) realised an amount of GH¢153.25 million (0.04% of GDP) which was 69 percent below the projected target of GH¢495.01 million (0.1% of GDP).

Non-tax revenue (excluding oil revenue) amounted to GH¢7,567.58 million (2.2% of GDP) below the target of GH¢8,876.19 million (2.6% of GDP). This represented a shortfall of 14.7 percent and compared with GH¢6,523.7 million (2.2% of GDP) realised for the corresponding period in 2018. Oil revenues for the period under review amounted to GH¢4,887.97 million (1.4% of GDP), lower than the target of GH¢5,674.76 million (1.6% of GDP). Donor support, in terms of grants for 2019, was GH¢986.12 million (0.3% of GDP) against an envisaged target of GH¢883.17 million (0.2% of GDP). Comparatively, donor support was GH¢1,134.8 million (0.4% of GDP) for the same period in 2018.

(ii) The pace of spending was broadly within the projected outturn

Total expenditure (including arrears clearance) for 2019 amounted to GH¢68,401.0 million (19.8% of GDP) compared with GH¢59,055.42 million (19.6% of GDP) recorded for the corresponding period in 2018. This outturn represents a year-on-year growth of 15.9 percent and constituted 96.4 percent of the expected target for the period.

Of the total expenditures, interest payments amounted to GH¢19,756.06 million (5.7% of GDP) for the review period compared with GH¢15,821.82 million (5.3% of GDP) for the same period in 2018. This outturn was 0.8 percent above the projected target of GH¢19,595.11 million (5.7% of GDP). Compensation of Employees for the period amounted to GH¢22,033.37 million (6.4% of GDP), below the programmed target by some 1.9 percent but represented an annual growth of 12.3 percent. Of this, wages and salaries amounted to GH¢19,521.34 million (5.6% of GDP), below the envisaged target by 1.4 percent. The Use of Goods and Services for the period under review amounted to GH¢6,169.60 million (1.8% of GDP) compared with the target of GH¢6,925.76 million (2% of GDP).

Grants to government units during the period under review amounted to GH¢11,423.60 million (3.3% of GDP) against the target of GH¢13,071.04 million (3.8% of GDP). Capital expenditures was GH¢6,151.84 million (1.8% of GDP) compared to the target of GH¢6,034.45 million (1.7% of GDP), representing a year-on-year increase of 29.8 percent. Domestically financed capital expenditure accounted for some 41 percent of the total with the rest financed from foreign sources.

(iii) Fiscal Deficit for 2019 was broadly consistent with the expected target

Overall, government budgetary operations resulted in a budget deficit of GH¢16,726.72 million (4.8% of GDP) at the end of 2019 compared with a target of GH¢16,354.78 (4.7% of GDP) (Fig. 4.1). The primary balance also recorded a surplus of 0.9 percent of GDP in line with expectations. These outcomes satisfied the provisions under the Fiscal Responsibility Act of 2018 (Act 982) which caps the overall (cash) fiscal deficit at not more than 5% of GDP.

(iv) Deficit was financed from both domestic and external sources

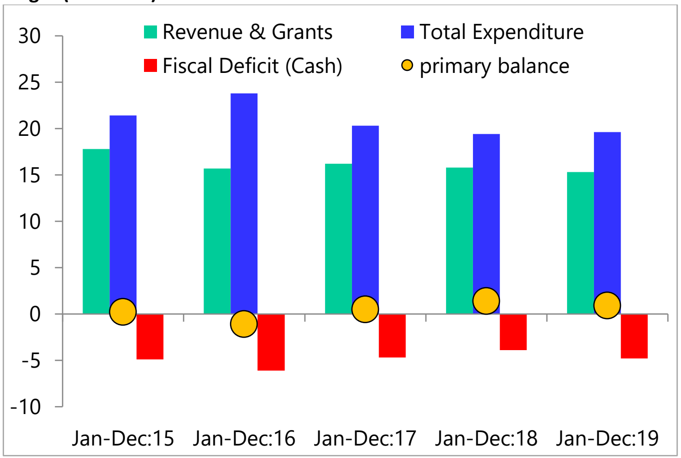
The overall fiscal deficit of GH¢16,726.72 million and amortization of GH¢11,446.07 million created a resource gap of GH¢28,172.80 million (8.2% of GDP) which was financed from both domestic and foreign sources. The resulting net foreign financing was a borrowing of GH¢4,837.69 million against a projected borrowing of GH¢6,157.87 million.

On the other hand, net domestic financing amounted to GH¢13,125.42million (3.8% of GDP) against the projected borrowing of GH¢11,290.86 million (3.3 % of GDP). The banking sector's contribution was a net borrowing of GH¢2,799.44 million (0.8% of GDP), consisting of a build-up of GH¢5,889.67 million (1.7% of GDP) at the Bank of Ghana and a borrowing of GH¢8,689.11 million (2.5% of GDP) from Deposit Money Banks (DMBs). The expected banking sector financing for the year was a borrowing of GH¢6,019.34 million (1.7% of GDP) from DMBs. The non-bank sector amounted to a borrowing of GH¢10,325.98 million (3% of GDP), compared to the projected borrowing of GH¢4,522.55 million (1.3% of GDP).

(v) Public debt rises on the back of Eurobond issuance and financial sector resolution bonds

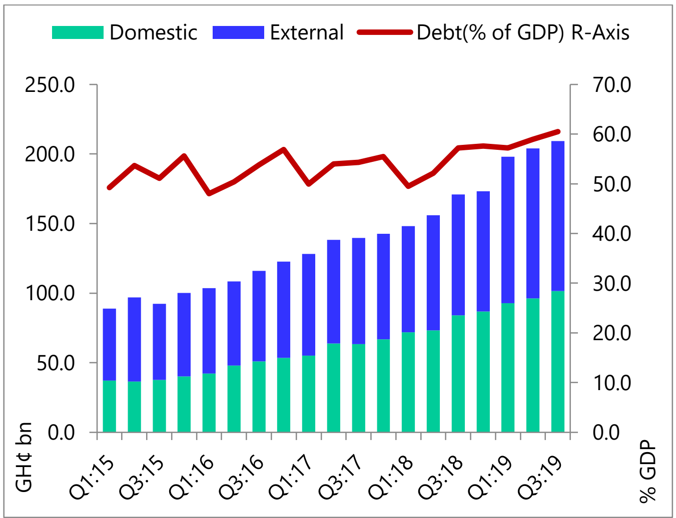
The stock of public debt increased to GH¢214.9 billion in November 2019 from GH¢172.9 billion in November 2018. As a percent of GDP, total public debt increased to 62.1 percent at the end of November 2019 from 57.5 percent at the end of November 2018, mainly reflecting financial sector resolution costs and financial sector resolution costs. The external debt component of the total public debt amounted to GH¢111.9 billion (32.4% GDP) with a 52.1 percent share of the total debt (See Fig. 4.2).

Fig. 4.1 Fiscal Deficit for 2019 was broadly consistent with the expected target (% of GDP)



Source: Ministry of Finance

Fig. 4.2: Public debt rises on the back of Eurobond issuance and financial sector resolution bonds



Source: Bank of Ghana & Ministry of Finance

5. MONETARY AND FINANCIAL DEVELOPMENTS

(i) Significant growth in Reserve money

Reserve money registered an annual growth of 33.6 percent in December 2019 compared with 0.2 percent growth in December 2018 (Fig. 5.1). The sharp growth in reserve money was largely driven by Net Foreign Assets (NFA). NFA grew by 56.1 percent in 2019 compared to 26.0 percent contraction in December 2018, reflecting increased accumulation of foreign assets by the Bank of Ghana. On the other hand, Net Domestic Asset (NDA) growth significantly slowed to 0.7 percent in December 2019, driven by the Bank of Ghana's net claims on Government.

(ii) Money supply growth picks up

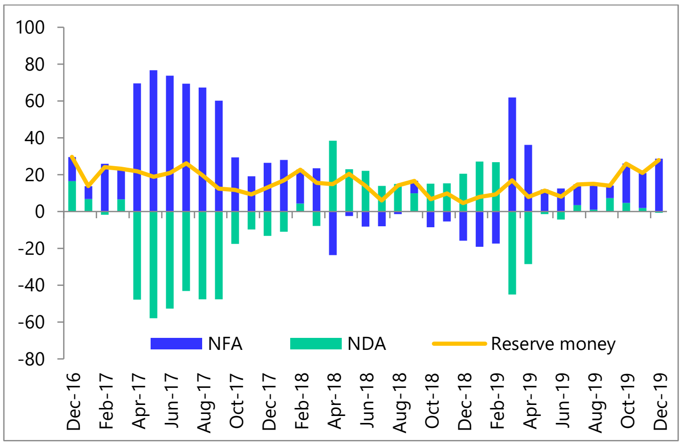
Growth in the broad money supply picked up significantly in 2019, driven largely by increased accumulation of NFA by the Bank of Ghana. Broad money supply (M2+) recorded an annual growth of 21.6 percent in December 2019 compared with 15.4 percent a year ago (Fig. 5.2). In terms of components, the increased growth in M2+ was mainly reflected in increased deposits, signifying deposit flight to quality, as the clean-up process boosted a return to confidence in the banking sector.

(iii) Private sector credit rebounds

Private DMBs' credit to the private and public sectors rebounded strongly in 2019. Private sector credit grew by 18.3 percent year-on-year to GH¢44.5 billion in December 2019, compared with 10.6 percent in December 2018. In real terms, private sector credit growth was 9.7 percent (Fig. 5.3). Credit distribution was broad-based with almost all the key economic sectors recording higher growth in 2019 relative to 2018. Services (24.1%), Commerce and Finance (20.9%), and Manufacturing (10.9%) absorbed most of the credit extended.

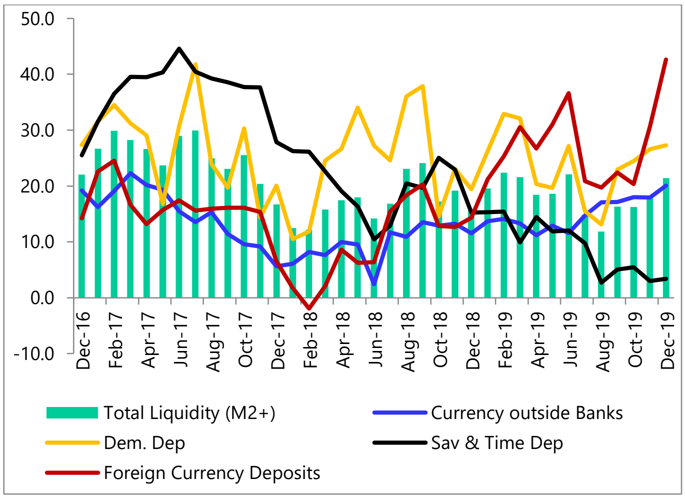
Supporting the rebound in credit growth, the Bank's latest credit conditions survey conducted in December 2019 pointed to a net easing in overall credit stance to enterprises. Underscoring these favourable survey results, the banking sector data showed a significant jump in new advances by 27.3 percent year-on-year to GH¢29.7 billion in 2019.

Fig. 5.1: Reserve money growth and Sources of Change (y/y, %)



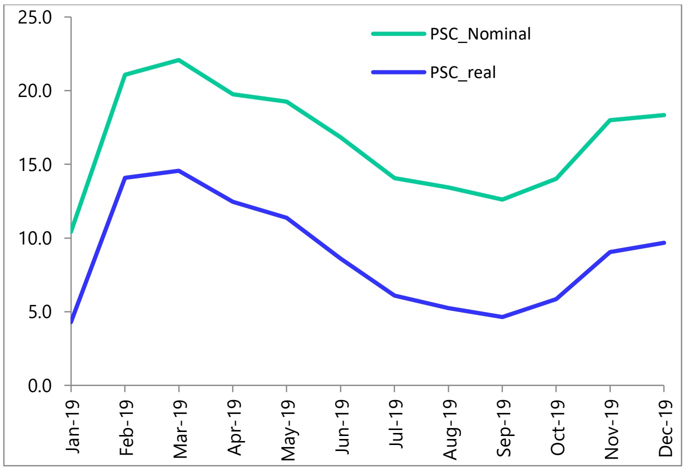
Source: Bank of Ghana

Fig. 5.2: Broad money supply (M2+) components (y/y, %)



Source: Bank of Ghana

Fig. 5.3: Private sector credit (y/y, %)



Source: Bank of Ghana

(iv) Marginal increase in shorter-dated money market instruments

Interest rates increased marginally across the various maturities of the yield curve. The 91-day Treasury bill rate inched up to 14.7 percent in December 2019 compared with 14.6 percent a year ago. Interest rates on the 182-day instrument also moved up to 15.2 percent, from 15.0 percent over the same period a year ago. In contrast, rates on the secondary bond market remained broadly stable or declined. Yields on the 7 and 15-year bonds declined marginally to 21.0 and 19.9 percent in December 2019 respectively, from 21.0 and 21.4 percent in December 2018. The yield on the 10-year bond, however edged up slightly to 21.3 percent from 21.2 percent over the same review period.

The weighted average interbank lending rate declined to 15.2 percent in December 2019, from 16.1 percent in the same period a year earlier. In a similar trend, average lending rates compiled from the banking sector marginally declined to 23.6 percent in December 2019, from 23.9 percent in December 2018.

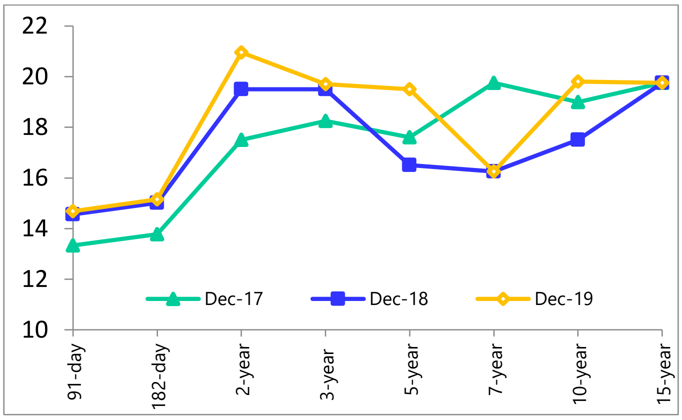
(v) Deposit Money Banks' Interest rates

Average deposit rates of the DMBs were unchanged in the year to December 2019. The average 3-month and 6-month time deposits rate remained at 11.5 percent and 10.5 percent respectively in December 2019, same as a year ago. Similarly, both savings and demand deposit rates remained unchanged at 7.6 percent and 2.8 percent respectively over the 12-month period. The survey of average lending rates of banks indicated a marginal decline to 23.6 percent in December 2019, from 24.0 percent in December 2018.

(vi) Stock market activity remained bearish

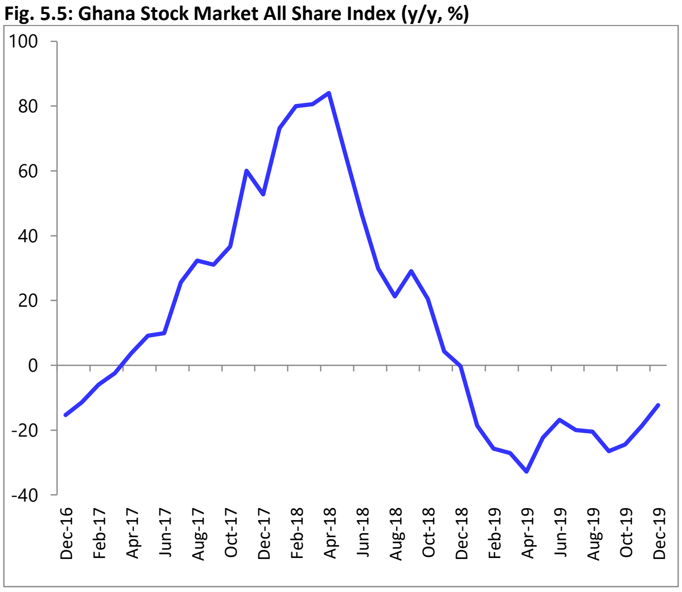
The Ghana Stock Exchange's Composite Index (GSE-CI) contracted by 24.4 percent year-on-year at the end of December 2019, compared with a measured contraction of 0.3 percent in the same period in 2018. This was mainly on account of weak stock performances in the Finance, Agriculture, Distribution, IT, and Food & Brewery sectors. The weak GSE-CI outturn contributed to a year-on-year contraction of 7.1 percent in total market capitalization to GH¢56.8 billion in December 2019, compared to GH¢61.1 billion, a year earlier. The volume of shares traded was 21.13 million at end-December 2019, almost double the traded shares of 10.91 million in December 2018, signalling improvements in secondary market activity. However, the total value of shares traded decreased to GH¢16.83 million from GH¢18.33 million over the same comparative period.

Fig. 5.4: Upward slopping yield curve (%)



Source: Bank of Ghana

Fig. 5.5: Ghana Stock Market All Share Index (y/y, %)



Source: Ghana Stock Exchange

6. INFLATION AND GROWTH

Headline inflation has remained in single digits since June 2018, and more recently edged closer to the central path of 8.0 percent. The latest data point to firm growth during 2019, although at a relatively slower pace than in 2018.

(i) Headline inflation remains below central path

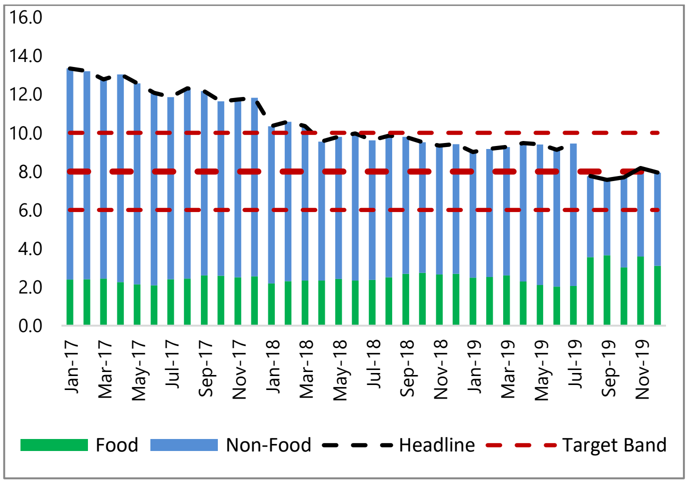
Headline inflation has remained in single digits since June 2018, and more recently remained steady around the central path of 8.0 percent. The two readings since the last MPC meeting showed that inflation rose to 8.2 percent in November from 7.7 percent in October. But, edged down to 7.9 percent in December 2019 on the back of lower prices for food and non-alcoholic beverages. Food inflation declined sharply to 7.2 percent in December 2019 from 8.4 percent in November 2019, driven mainly by price declines in vegetables and fish. Non-food inflation rose to 8.5 percent from 8.0 percent over the same period, muting the impact of the decline in food inflation on headline inflation.

Alongside these trends, the various measures of underlying inflation remained well-contained and the Bank's core inflation (defined to exclude energy and utility) has steadily decline supported by well-anchored inflation expectations (See Fig 6.2).

(ii) Latest inflation forecast showed a lower inflation profile

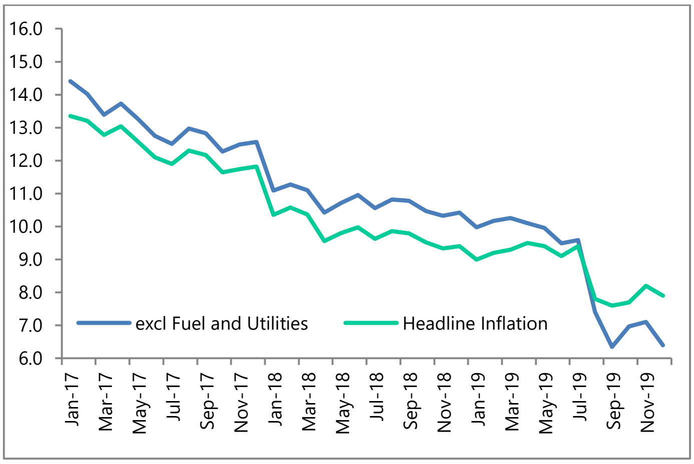
Available data on headline inflation, exchange rate developments, end-year fiscal deficit and developments in foreign inflation, output gap and the path of foreign interest rates available at this MPC round were incorporated to the baseline forecast. After incorporating the data updates, inflation was projected to remain within the medium-term target band of 8±2 percent over the forecast period, although the inflation profile was slightly lower in the near term when compared to the November 2019 forecast.

Fig. 6.1: Contribution to headline inflation (y/y, %) [Rebased CPI from August-December 2019]



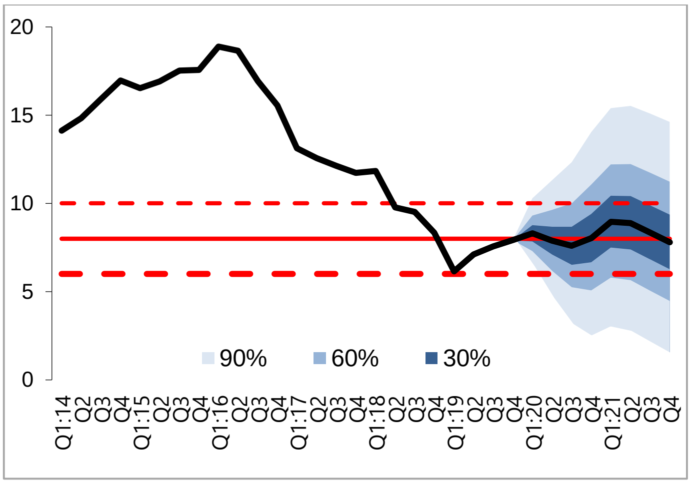
Source: Ghana Statistical Service and Bank of Ghana computations

Fig. 6.2: Core inflation (%)



Source: Bank of Ghana

Fig. 6.3: Fan chart - Inflation forecast



Source: Bank of Ghana

(iii) Risks to the inflation outlook

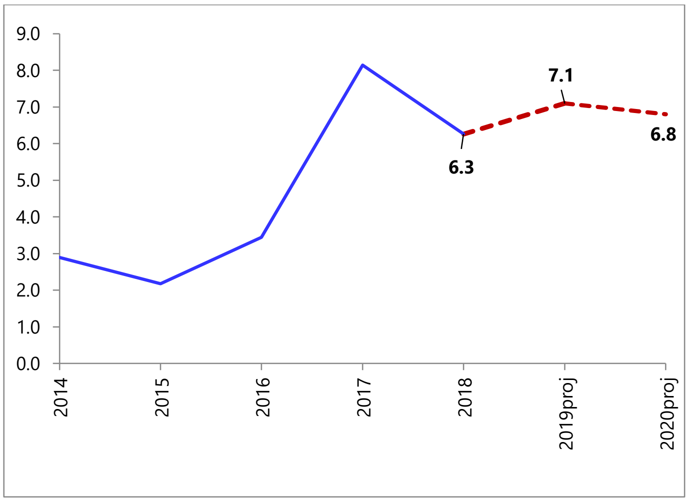
Risks to the inflation outlook were broadly balanced at this MPC round. The emergence of a more orderly Brexit, signing of a Phase I deal between the US and China, and accommodative monetary policy by central banks in advanced economies are expected to dampen uncertainties in the global economy and support growth. On the domestic front, the main downside risk to the inflation outlook are: favourable global financing conditions, issuance of a Eurobond in February 2020, relative stability in the exchange rate, and dampened underlying inflation as both core inflation and weighted inflation expectations trend downwards .

On upside risks to inflation, the likelihood of a further slowdown in global growth, especially with the outbreak of the Coronavirus in China, could weaken global trade with implications for commodity exporting countries. Other potential upside risks include electoral cycle fiscal pressures which could heighten inflation pressures. However, the Government's commitment to stay within budget limits and ensure that the fiscal rule is not breached could counter the materialisation of this risk.

(iv) Domestic Economic Activity

Provisional GDP for the first three-quarters of 2019 was estimated 6.0 percent, compared to 6.1 percent in the corresponding period of 2018. Non-oil GDP recorded 5.0 percent growth relative to 5.9 percent over the same comparative periods. The growth outturn was driven mainly by Industry supported by Mining and Quarrying (14.5%) and Manufacturing (5.9%) sub-sectors. This was followed by Services which was driven by the Information and Communication (38.8%), Real Estate (15.4%), Health and Social Work (12.3%) and Education (9.0%) sub-sectors. The Agricultural sector was largely supported by Livestock (5.6%) and Crops (4.6%). Overall GDP growth is projected at 7.0 percent in 2019, and Non-oil growth at 5.9 percent. This compares with GDP growth of 6.3 percent and non-oil of 6.5 percent in 2018.

Fig. 6.4: GDP growth (y/y, %)

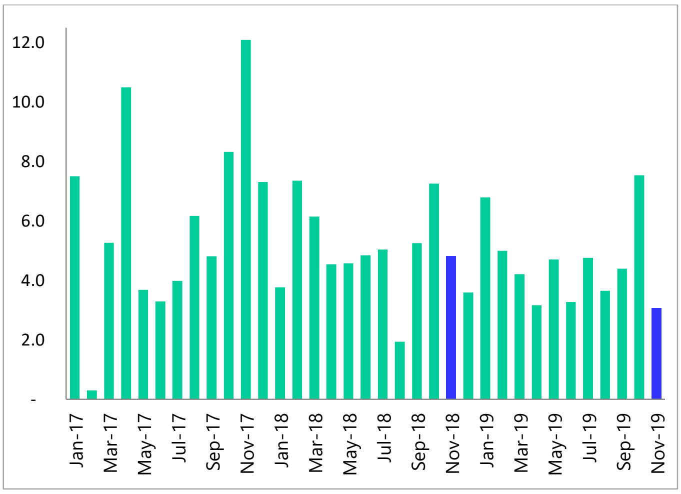


Source: Ghana Statistical Service

(v) Composite Index of Economic Activity

The November 2019 update of the Bank of Ghana's Composite Index of Economic Activity (CIEA) reflected some increased pace of economic activity, although at a slower pace compared to 2018. The index expanded by 3.1 percent in November 2019, compared to 4.8 percent in the same period of 2018 (see Fig 6.5). The growth in the CIEA was largely driven by Port Activity, Domestic VAT, and DMB's Credit to the Private Sector.

Fig. 6.5: CIEA growth, (y/y %)

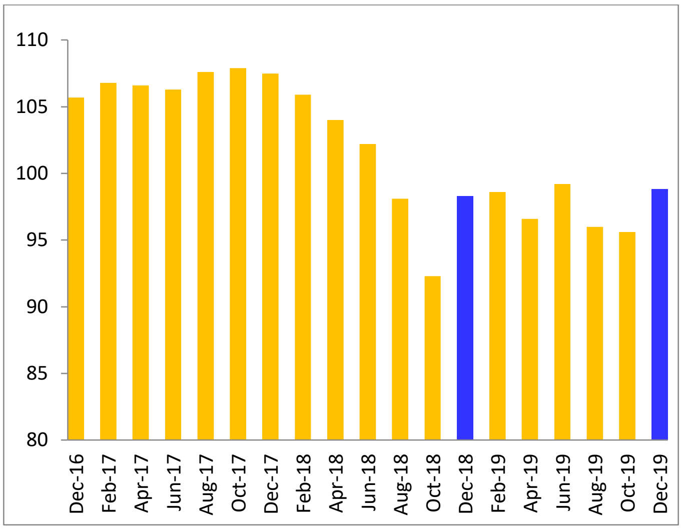


Source: Bank of Ghana Computation

(vi) Consumer confidence improved

Results from the Consumer Confidence Survey conducted in December 2019 showed an uptick in the consumer confidence index to 98.8 from 95.6 observed in October 2019 (see Fig 6.6). The improved consumer sentiments was driven by optimism about current and future economic conditions as well as expected improvement in household finances and job opportunities.

Fig. 6.6: Consumer Confidence Index

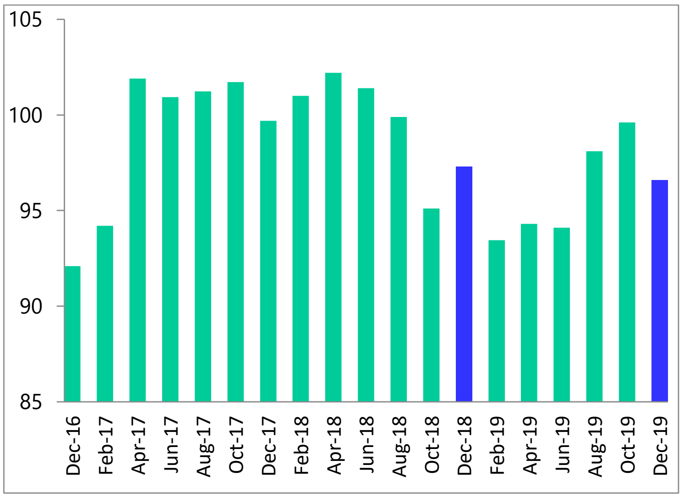


Source: Bank of Ghana Survey

(vii) Business confidence eased

The Business Confidence Index on the other hand eased to 96.6 in December 2019 from 99.6 in October (see Fig 6.7). The dip in business confidence in December 2019 was largely influenced by the sharp movements in the exchange rate in November 2019. Businesses however expressed positive sentiments about declining interest rates.

Fig. 6.7: Business Confidence Index



Source: Bank of Ghana Survey

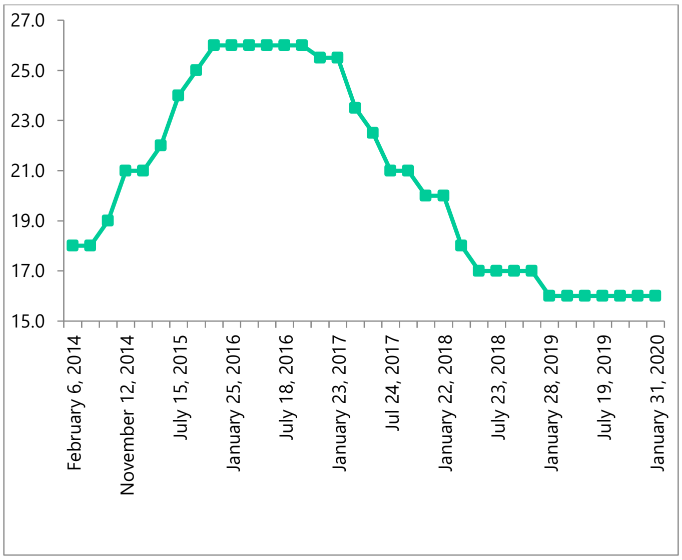
(viii) Monetary Policy Rate Maintained

The MPC, after careful considerations, noted risks to the inflation and growth outlook as broadly balanced and decided to maintain the policy rate at 16.0 percent. The Committee noted in particular the benign global financing conditions as beneficial to emerging market economies with strong macroeconomic fundamentals. The growth outlook remains positive in the medium term supported by both the oil and non-oil sectors, with increased crude oil production alongside implementation of growth-oriented programs in the industry and agricultural sectors of the economy.

The Committee acknowledged the dampening of underlying inflation pressures, with the latest forecast indicating that inflation will remain within the medium term target band of 8±2 percent over the forecast horizon. In addition, the strong commitment by the fiscal authorities to meet the fiscal rule offers strong support for price stability in the outlook.

Notwithstanding, the Committee stands ready to take appropriate monetary policy actions when necessary, to ensure that inflation remains within the target band

Fig. 6.8: Monetary Policy Rate at 16 percent



Source: Bank of Ghana

ANNEXES

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Dec-16	**15.4**	**9.7**	**18.2**	**0.9**	**1.2**	**0.8**
Dec-17	**11.8**	**8.0**	**13.6**	**1.0**	**1.3**	**0.9**
Dec-18	**9.4**	**8.7**	**9.8**	**1.1**	**1.3**	**1.0**
2019						
Jan	9.0	8.0	9.5	1.0	1.5	0.8
Feb	9.2	8.1	9.7	1.0	1.2	0.9
Mar	9.3	8.4	9.7	1.2	1.3	1.1
Apr	9.5	7.3	10.4	1.1	0.1	1.5
May	9.4	6.7	10.6	0.9	0.6	1.0
Jun	9.1	6.5	10.3	0.8	0.8	0.8
Jul	9.4	6.6	10.7	0.6	0.4	0.7
Aug	7.8	8.2	7.4	0.5	1.0	0.1
Sep	7.6	8.5	7.0	-0.1	-0.3	0.2
Oct	7.7	7.0	8.2	0.3	-1.3	1.6
Nov	8.2	8.4	8.0	0.7	1.1	0.4
Dec	7.9	7.2	8.5	0.3	-0.6	1.0

Source: Ghana Statistical Service

CPI Components (%)														
		2017	**2018**	**2019**										
	Weghts (%)	**Dec**	**Dec**	**Jan**	**Mar**	**Apr**	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Oct**	**Nov**	**Dec**
Overall	100.0	11.8	9.4	9.0	9.3	9.5	9.4	9.1	9.4	7.8	7.6	7.7	8.2	7.9
Food and Beverages	43.9	8.0	8.7	8.0	8.4	7.3	6.7	6.5	6.6	8.2	8.5	7.0	8.4	7.2
Non-food	56.1	13.6	9.8	9.5	9.7	10.4	10.6	10.3	10.7	7.4	7.0	8.2	8.0	8.5
Alcoholic Beverages, Tobacco	1.7	9.2	8.4	8.3	8.4	8.7	9.5	9.9	10.3	12.9	12.2	13.2	13.4	13.5
Clothing and footwear	9.0	18.8	13.0	12.8	13.3	14.3	15.0	15.2	14.9	6.6	6.1	7.4	6.8	6.7
Housing and Utilities	8.6	9.0	3.4	2.9	2.1	6.0	6.5	6.8	9.8	9.9	10.0	9.9	9.6	10.5
Furnish, H/H Equipt. Etc	4.7	15.2	11.6	11.2	12.2	12.8	14.5	14.6	14.6	6.1	5.6	5.9	4.9	4.7
Health	2.4	6.3	6.4	5.3	5.0	5.9	7.1	7.5	7.9	5.4	5.5	8.5	7.0	6.7
Transport	7.3	18.7	13.6	13.4	13.7	13.2	12.5	6.9	6.9	10.2	8.7	12.9	12.3	11.0
Communications	2.7	9.7	5.1	5.2	5.8	6.7	6.1	6.9	7.6	2.0	2.0	3.0	2.9	2.8
Recreation & Culture	2.6	17.5	13.2	12.7	14.1	14.1	15.0	15.0	14.8	7.4	7.5	7.9	7.7	9.3
Education	3.9	8.2	8.2	8.1	8.4	7.8	6.2	6.2	6.4	2.7	2.7	3.3	4.4	6.6
Hotels, Cafes & Restaurants	6.1	9.8	6.3	6.7	7.5	8.1	7.2	9.5	9.9	4.8	4.2	4.1	3.8	5.5
Insurance and Finacial services										0.3	1.1	0.9	0.9	0.6
Miscellaneous goods & services	7.1	13.6	10.0	9.6	9.4	10.0	9.5	11.3	11.2	7.1	6.9	8.2	8.2	7.4

Source: Ghana Statistical Service

Measures of Core Inflation	Weight %	2019											
		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Headline Inflation	100.0	9.0	9.2	9.3	9.5	9.4	9.1	9.4	7.8	7.6	7.7	8.2	7.9
Core 1: Inflation excl Energy and Utility	94.9	10.0	10.2	10.3	10.1	10.0	9.5	9.6	7.4	6.4	7.0	7.1	6.4
Core 2: Inflation excl Energy and Utility and Volatile Food Items	77.3	10.4	10.6	10.6	10.7	10.7	10.2	10.3	7.1	6.0	7.3	7.7	6.5
Core 3: Inflation excl Energy and Utility Volatile Food Items & Transportation	73.1	9.9	10.1	10.2	10.0	9.9	10.2	10.3	7.9	6.5	6.5	6.7	6.8
Core 4: Inflation excl All Food Items, Energy & Utility	51.0	11.0	11.3	11.2	11.7	11.8	11.2	11.3	6.6	5.3	7.2	7.5	6.0

Source: Ghana Statistical Service

Note: August - December 2019 inflation data reflects the newly rebased CPI (Year 2018=100) released by the GSS.

Selected Economic and Financial Indicators	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19
National Income and Prices (Quarterly, %)													
Real GDP Growth	6.8	n.a	n.a	6.7	n.a	n.a	5.7	n.a	n.a	5.6	n.a	n.a	n.a
Real GDP_non-oil	8.4	n.a	n.a	6.0	n.a	n.a	4.3	n.a	n.a	4.6	n.a	n.a	n.a
Consumer Prices (year-on-year, %)													
Overall	9.4	9.0	9.2	9.3	9.5	9.4	9.1	9.4	7.8	7.6	7.7	8.2	7.9
Food	8.7	8.0	8.1	8.4	7.3	6.7	6.5	6.6	8.2	8.5	7.0	8.4	7.2
Non-food	9.8	9.5	9.7	9.7	10.4	10.6	10.3	10.7	7.4	7.0	8.2	8.0	8.5
Exchange rate (US$/GH¢): (end of period)	4.8200	4.9506	5.1752	5.0834	5.0881	5.2011	5.2590	5.2570	5.2814	5.3161	5.3372	5.5254	5.5337
Exchange rate depreciation (M/M, %)	-0.3	-2.6	-4.3	1.8	-0.1	-2.2	-1.1	0.0	-0.5	-0.7	-0.4	-3.4	-0.1
Exchange rate depreciation (YTD, %)	-8.4	-2.6	-6.9	-5.2	-5.3	-7.3	-8.3	-8.3	-8.7	-9.3	-9.7	-12.8	-12.9
Money and Credit													
Broad money supply (M2+) (y/y, %)	15.7	19.5	22.4	21.6	18.4	18.6	22.1	14.8	11.8	16.3	16.3	18.2	21.6
Credit to the private sector (y/y, %)	10.6	10.4	21.1	22.1	19.8	19.2	16.8	14.1	13.4	12.6	14.0	18.0	18.3
Real Credit to the private sector (y/y, %)		4.3	14.2	14.6	12.5	11.4	8.7	6.1	5.2	4.6	5.8	9.1	9.7
Interest rates (%)													
Monetary Policy Rate	17.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0
Interbank rate	16.1	16.1	15.6	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2	15.2
91-Day treasury bill rate	14.6	14.7	14.7	14.7	14.7	14.8	14.8	14.7	14.7	14.7	14.7	14.7	14.7
182-Day treasury bill rate	15.0	15.1	15.1	15.1	15.1	15.4	15.2	15.2	15.2	15.1	15.1	15.1	15.2
3-month average Deposit rate	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
External Sector (cummulative)													
Current account balance (US$million)	-2043.9	n.a	n.a	232.4	n.a	n.a	-464.6	n.a	n.a	-1204.9	n.a	n.a	-1711.6
percent of GDP	-3.1	n.a	n.a	0.3	n.a	n.a	-0.7	n.a	n.a	-1.8	n.a	n.a	-2.5
Trade balance (US$million)	1808.6	86.5	407.5	685.2	1093.4	1236.8	1454.2	1443.7	1580.8	1700.6	1745.2	2036.3	2298.1
Commodity prices (International)													
Cocoa ($/tonne)	2256.3	2318.2	2273.8	2202.5	2370.4	2365.8	2467.1	2456.9	2238.6	2375.8	2474.1	2589.6	2518.4
Gold ($/ounce)	1251.1	1292.1	1320.0	1300.7	1286.2	1283.4	1359.7	1414.7	1501.0	1508.4	1494.3	1471.1	1481.3
Crude Oil ($/barrel)	57.7	60.2	64.5	67.0	71.7	70.3	63.1	64.2	59.5	62.3	59.6	62.7	65.2
Gross International Reserves (US$ m)	7024.8	6585.0	6310.0	9959.6	9347.7	8950.9	8581.2	8137.9	8226.1	7965.7	8093.7	7836.6	8418.1
months of import cover	3.6	3.4	3.2	5.1	4.7	4.5	4.3	4.0	4.1	3.9	3.9	3.8	4.0
Net International Reserves (US$ m)	3851.0	3514.1	3173.3	6848.3	5915.5	5577.8	5174.5	4941.3	5050.2	4730.0	4743.8	4764.4	5191.9
Non-Performing Loan (NPL) ratio (%)	18.2	18.4	18.2	18.8	18.9	18.8	18.1	17.9	17.8	17.3	17.3	16.7	13.9
Non-Performing Loan (excluding loss category)	10.2	9.9	9.4	8.8	9.0	9.1	9.0	9.3	8.9	8.1	8.1	7.5	6.7

NB: August - December 2019 inflation data reflects the newly rebased CPI (Year 2018=100) released by the GSS.