

# **BANK OF GHANA**



## **QUARTERLY BULLETIN**

**January – March 2020**

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## Overview

This Economic report highlights developments in the global and domestic economies for the first quarter of 2020. These includes developments in the real sector performance, inflation, government budgetary operations, monetary aggregates, banking sector credit, exchange rates, interest rates, the capital market, external sector and debt stock.

### *Global Economy*

The global economy was hit by the COVID-19 pandemic, and various governments implemented several containment measures to halt the spread of the virus and save lives. The pandemic has slowed global growth via disruptions in global supply chains, and sharp deterioration in financial market risk sentiments, which triggered tighter global financial conditions in the first quarter of 2020. Emerging markets are faced with declining external demand, sharp capital flow reversals, and the collapse of commodity prices.

### *The Domestic Economy*

#### *Real Sector*

Some selected real sector indicators showed improvements in economic activity in the first quarter of 2020 in spite of the general downturn as a result of the negative impact of COVID-19. Economic indicators such as consumer spending, vehicle registration and industry consumption of electricity went up, but tourists' arrivals and port activities declined during the review quarter mainly due to closure of the borders and the lockdown.

#### *Inflation*

Headline inflation picked up to 8.4 per cent at the end of first quarter of 2020, from 7.2 per cent at the end of the fourth quarter of 2019, and 9.3 per cent at the end of first quarter of 2019. The rise in inflation during the review quarter was largely due to COVID-related price hikes. Food inflation also increased from 7.2 per cent to 7.8 per cent during the review quarter while non-food inflation declined.

#### *Government Budgetary Operation*

In the first quarter of 2020, the overall fiscal deficit was GH¢13,105.0 million (3.4% of GDP) compared with a deficit of GH¢3,648.3 million (1.0% of GDP) recorded in a similar period of 2019. This outturn was influenced by revenue shortfalls and increased COVID-related spending.

Government receipts (including grants) in the review quarter totalled GH¢10,354.2 million (2.7% of GDP), a 3.2 per cent increase in year on year growth. Government expenditure and net lending in the first quarter of 2020 totalled GH¢20,764.6 million (5.4% of GDP), higher than the outturn of GH¢14,879.3 million in the corresponding period of 2019 by 28.3 per cent. The total wage bill, Goods and Services and Capital expenditures overshot their targets by 9.4, 16.2 and 9.6 per cent respectively largely as a result of COVID-related spending to reduce the negative social impact of the pandemic.

The primary balance recorded a deficit of GH¢6,695.3 million (1.7% of GDP) compared with a primary surplus of GH¢119.6 million (0.03% of GDP) in the corresponding period of 2019.

#### *Monetary Aggregates*

Developments in the monetary aggregates for the first quarter of 2020 showed significant moderation in the growth of broad money supply (M2+) relative to that of the first quarter of 2019. Annual growth in broad money supply (M2+) declined from

21.6 per cent in the first quarter of 2019 to a growth of 13.5 per cent in the first quarter of 2020.

The slow-down in growth of M2+ was on account of a considerable contraction in Net Foreign Assets (NFA) which was moderated by expansion in Net Domestic Assets (NDA). NFA decreased significantly from 71.1 per cent in the first quarter of 2019 to a contraction of 8.2 per cent at the end of the first quarter of 2020. In contrast, growth in Net Domestic Assets (NDA) increased from 5.0 per cent in first quarter of 2019 to 25.4 per cent in first quarter of 2020. Stock of M2+ at the end of Q1 2020 stood at GH¢92,905.2 million.

#### *Banking Sector Credit*

The annual growth in banks' outstanding credit to the public and private institutions decreased from 23.9 per cent in the first quarter of 2019 to 16.5 per cent in the first quarter of 2020. This was also lower than the growth of 22.4 per cent recorded in the fourth quarter of 2019. At the end of the first quarter of 2020, total outstanding credit stood at GH¢51,924.6 million. In real terms, credit from the banks decreased from 16.3 per cent at end of the first quarter of 2019 to 4.6 per cent in 2020. This was also lower than the 13.4 per cent growth realized in the fourth quarter of 2019.

Private sector credit accounted for 87.3 per cent of total outstanding credit at the end of the review quarter, up from 86.9 per cent recorded in the first quarter of 2019.

#### *Exchange Rates*

The domestic currency rebounded from a weak performance during the previous quarter and appreciated against the three major currencies in Q1-2020 amid uncertainty about the emerging coronavirus pandemic.

On the Interbank market, the Ghana Cedi appreciated by 8.3 per cent, 4.0 per cent and 1.7 per cent against the Pound Sterling, the Euro, and the U.S. Dollar respectively during the first quarter of the year. Comparatively, in Q1-2019, the Cedi depreciated by 6.7 per cent and 5.2 per cent and 3.4 per cent against the Pound Sterling, the U.S. Dollar, and the Euro respectively.

On the Forex Bureau market, the Ghana Cedi appreciated by 9.8 per cent and 3.6 per cent against the Pound Sterling and the Euro respectively during the review quarter. Against the US dollar, however, it depreciated by 0.2 per cent.

#### *Interest Rates*

Interest rate developments in the money market for the first quarter of 2020 reflected mixed trends on a year-on-year basis. The Monetary Policy Committee, in the first quarter of 2020, reduced the MPR by 150 basis points (bps) to 14.50 per cent from 16.0 per cent recorded at the end of the first quarter of 2019 to serve as incentive to the financial sector to on-lend to the private sector following the outbreak of the COVID-19 pandemic.

Rates on BOG bills decreased while lending rates of Deposit Money Banks (DMBs) and rates on medium and long-term GOG securities increased compared to the corresponding period in 2019. Compared with the fourth quarter of 2019, rates on BOG bills and the lending rates of DMBs declined but interest rates on GOG securities generally increased.

On the treasury market, however, interest rates generally continued to trend upwards reflecting increased Government borrowing to make up for revenue-expenditure gaps worsened by COVID-19 related expenditures.

The interbank weighted average interest rate increased by 49 bps to 15.7 per cent year-on year in 2020. The upward trend observed can be attributed to the reduction in BOG's participation on the Depo and reverse repo markets to encourage banks to trade among themselves and deepen the interbank market.

#### *Capital Market*

The GSE-CI, a key indicator of performance of stocks on the market, dipped by 4.32 per cent in Q1-2020. The GSE-CI was adversely impacted by the uncertainties associated with the COVID-19 pandemic and the resulting containment measures as investors sought after safe haven assets to minimize their risk exposures. Consequently, compared to the Q1-2019, market capitalization decreased by 1.42 per cent (-GH¢805.70 million) in Q1-2020 to GH¢55,985.55 million.

#### *External Sector*

The value of merchandise exports for the first quarter of 2019 was provisionally estimated at US\$3,936 million, indicating a decrease of 2.0 per cent (US\$81.3 million) compared with an export level US\$4,017.3 million recorded in the same period in 2019. The decrease was attributable to a fall in receipts from some export commodities notably oil, timber, and other exports (non-traditional exports and other minerals) as the negative effects of COVID-19 hit trade.

Total value of merchandise imports amounted to US\$2,999.8 million in Q1-2020, down by 10 per cent compared to US\$3,332.3 million recorded for 2019. The decline in imports was reflected in both oil and non-oil imports.

The provisional trade balance for Q1-2020 showed a surplus of US\$936.15 million compared to a surplus of US\$684.94 million recorded for the same period in 2019. The gains made in the trade balance were attributable to a reduction in imports which exceeded the fall in exports.

The country's gross international reserves increased by US\$1,868.25 million to US\$9,883.04 million in Q1-2020 from a stock position of US\$8,418.08 million at the end of Q4-2019 2019. This was sufficient to provide cover for 4.7 months of imports.

#### *External Debt*

The provisional stock of disbursed and outstanding public and publicly-guaranteed external debt at the end of Q1-2020 stood at US\$22,939.60 million.

This was US\$2,633.24 million (12.97%) more than the stock position of US\$20,306.36 million registered at the end of the previous quarter, and US\$2,260.91 million (10.93%) more than the level of US\$20,678.69 million recorded in the corresponding quarter of 2019.

## 1. Developments in the World Economy

The global economy was hit by the COVID-19 pandemic at the start of 2020. The pandemic originated in China and has spread to nearly every country in the world. The topmost priority of many countries was to save lives through quarantines, lockdowns, social distancing, and support for health facilities and frontline health professionals. Evidence from some of the most affected countries such as China, Italy, Spain, France show that these measures have decreased the numbers of infections, and have indeed begun to flatten the COVID-19 curve.

However, these restrictions have also led to severe contractions in most affected economies, both directly through the containment measures and indirectly through a sharp deterioration in financial market risk sentiment in February and March that triggered tighter global financial conditions. In addition, the collapse of oil prices due to weakening global demand and inability of OPEC+ alliance to agree on production cuts led to further deterioration in financial market sentiments.

Emerging market and developing economies (EMDEs) faced a multi-layered crisis: first, most EMDEs were hit by the COVID-19 health shock, and attempts to contain the spread through restrictions on movement of people resulted in disruptions to domestic economic activity. EMDEs were also faced with plummeting external demand due to the spread of COVID-19 pandemic globally, sharp capital flow reversals in March (more than US\$100 billion since January 2020 according to IMF's Global Financial Sector Report (GFSR), April 2020), rising spreads of dollar-denominated emerging market sovereign bonds, and the collapse of commodity prices.

In response to the deterioration in financial market risk sentiment, central banks across the globe cut policy rates and introduced various liquidity measures to ease the tighter global financial conditions. For instance, the U.S. Fed cut their policy rate by 150 basis points to a range of 0-0.25 per cent in March 2020, and made US\$1.5 trillion available for short-term interbank lending among other liquidity measures. Fiscal authorities also implemented various stimulus packages to support health institutions, frontline health workers, households, and businesses. Finally, multilateral institutions like the IMF, World Bank, and G20 also introduced loans and debt initiatives to support vulnerable countries in their fight against the COVID-19 pandemic. These measures eased the deterioration in financial markets in April, and there are also ongoing discussions in some of the most affected economies about a gradual easing of restrictions on movement of people to kick start their economies.

The IMF, in its forecasts (April-20), noted that the COVID-19 pandemic will lead to a contraction of 3.0 per cent in the global economy in 2020. However, under its baseline assumption that the pandemic fades in the second half of the year and governments gradually remove the restrictions imposed, the IMF forecasts that global growth will recover by 5.8 per cent in 2021. However, it



admits that conditions could deteriorate faster than expected with a much bigger impact on global growth. Risks to the outlook are tilted more to the downside, and the effects of the pandemic may persist and cause more disruptions to global economic activity. The associated uncertainty that a prolonged COVID-19 pandemic may generate could spook the financial markets and lead to further tightening of global financial conditions. Finally, although lower oil prices will improve the fiscal and external positions of commodity importing economies, it is a negative shock to commodity exporters and may further worsen financial market risk sentiments.

**Table 1.1: Global Growth Projections**

<b>Global Growth Projections</b>				
<b>APRIL 2020 UPDATES (YEAR OVER YEAR)</b>				
	<b>ESTIMATES</b>		<b>PROJECTIONS</b>	
<b>REAL GDP GROWTH (%)</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>
<b>World</b>	<b>3.6</b>	<b>2.9</b>	<b>-3.0</b>	<b>5.8</b>
<b>Advanced Economies</b>	<b>2.2</b>	<b>1.7</b>	<b>-6.1</b>	<b>4.5</b>
United States	2.9	2.3	-5.9	4.7
Euro Area	1.9	1.2	-7.5	4.7
Germany	1.5	0.6	-7.0	5.2
France	1.7	1.3	-7.2	4.5
Italy	0.8	0.3	-9.1	4.8
Spain	2.4	2.0	-8.0	4.3
Japan	0.3	0.7	-5.2	3.0
United Kingdom	1.3	1.4	-6.5	4
<b>Emerging and Developing Economies</b>	<b>4.5</b>	<b>3.7</b>	<b>-1.0</b>	<b>6.6</b>
Russia	2.5	1.3	-5.5	3.5
China	6.7	6.1	1.2	9.2
India	6.1	4.2	1.9	7.4
Brazil	1.3	1.1	-5.3	2.9
<b>Sub-Saharan Africa</b>	<b>3.3</b>	<b>3.1</b>	<b>-1.6</b>	<b>4.1</b>
Ghana	6.3	6.1	1.5	5.9
Nigeria	1.9	2.2	-3.4	2.4
South Africa	0.8	0.2	-5.8	4.0

Source: IMF WEO APRIL 2020 UPDATE

### United States

The US economy grew by an annualized 0.3 per cent in the first quarter of 2020, down from the 2.3 per cent growth rate recorded in the fourth quarter of 2019. The sharp slowdown in economic activity in Q1 2020 reflects the economic disruptions associated with the spread of the COVID-19 pandemic. Looking ahead, growth in the US is expected to contract by 5.9 per cent in 2020 before rebounding to 4.7 per cent in 2021.

### United Kingdom

Activity in the UK contracted by 2.0 per cent quarter-on-quarter in Q1-2020, after growing at zero per cent in the fourth quarter of 2019. The contraction was driven primarily by the effects of the Coronavirus lockdown on businesses and consumer spending. Household consumption spending and fixed capital formation dropped by 1.7 per cent and 1 per cent respectively. These negative effects were offset by increased government spending. The UK economy is projected to contract by 6.5 per cent in 2020 and recover to 4 per cent in 2021. In addition, the negative effects of the

prolonged Brexit negotiations will continue to weigh on private investment and activity in the near-term.

### **Euro Area**

In the Euro area, economic activity contracted by an annualized 3.3 per cent in the first quarter of 2020, a significant drop from 1 per cent recorded in the previous quarter. The contraction was due largely to the spread of the COVID-19 pandemic across Europe and the associated disruptions to economic activity in major European countries such as Italy, France, Spain, and Germany. The effects of the COVID-19 pandemic have worsened the pre-existing weakness in the manufacturing sector in Europe. Looking ahead, the COVID-19 curve appears to be flattening in most affected cities on the continent. In addition, the liquidity measures proposed by the ECB and the stimulus measures implemented by various governments in Europe along with global efforts at containing the spread of the virus should ease the deterioration in global financial market risk sentiment and spur a gradual recovery.

### **Japan**

Japan's economy shrank by 0.6 per cent in 2020Q1 after contracting by 1.9 per cent in the fourth quarter of 2019. The drop in activity was driven mainly by a fall in private consumption and net external demand reflecting the adverse effects of the COVID pandemic. Government spending was flat, but capital expenditure increased by 1.9 per cent COVID-19. Japan's economy is forecast to contract by 5.2 per cent in 2020, reflecting the weak external demand and disruptions to domestic economic activity.

### **China**

Economic activity in China contracted by an annualized 6.8 per cent in first quarter of 2020, down from the 6.0 per cent growth rate year-on-year in the fourth quarter of 2019. It is the first contraction of China's Gross Domestic Product (GDP) since records began in 1992, reflecting the severe damage caused by the COVID-19 outbreak after the authorities enforced a near two month long shutdown of all non-essential business activity. The IMF estimates that the Chinese economy will slow from 6.0 per cent to 1.2 per cent in 2020 due to the effects of Coronavirus pandemic. The recent shift towards expansionary monetary and fiscal policy is expected to strengthen domestic demand. However, should trade tensions with the US escalate further, economic activity may decline.

### **Emerging Market and Developing Economies**

Economic activity in Emerging Market and Developing Economies (EMDEs) is projected to contract by 1 per cent in 2020 and rebound strongly by 6.6 per cent in 2021. Plummeting oil prices presents a headwind to commodity exporting countries although it helps the fiscal and external positions of commodity importing countries in the region. Oil prices are projected to remain around US\$42.0 per barrel for the near-term (IMF WEO April 2019 updates).

## Sub-Saharan Africa

Sub-Saharan African (SSA) countries have also been affected by the spread of the COVID-19 pandemic with the associated disruptions to the domestic economy. In addition, the sharp slowdown in global growth and tightening financial global conditions posed a danger to the recovery of the already weak economies in the region. Finally, plummeting global oil prices present a major headwind to the largest economies such as Nigeria and Angola. As a result, IMF forecast a contraction of 1.6 per cent in 2020 for SSA economies and sharp rebound of 4.1 per cent in 2021. Downside risks to growth in SSA include a downturn in commodity prices, prolonged presence of COVID-19 pandemic and slower-than-expected growth in China and the Euro area, which have strong trade and investment links to SSA. Domestically, country specific risks such as fiscal slippages, political uncertainty, domestic conflicts, and adverse weather conditions could also dampen growth prospects.

PUBLIC

## 2. Real Sector Developments

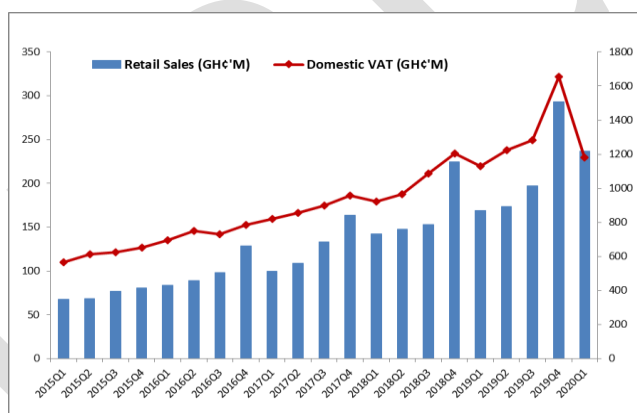
A review of selected indicators of economic activity indicated some improvement in the domestic economy during the first quarter of 2020, compared with trends observed during the first quarter of 2019.

### 2.1 Indicators of Economic Activity

#### Consumer Spending

Consumer spending, measured by domestic VAT collections and retail sales, improved in the first quarter of 2020, compared with the corresponding period of 2019. Domestic VAT collections grew by 4.5 per cent year-on-year to GH¢1,182.25 million, relative to GH¢1,131.40 million collected during the same quarter in 2019. Domestic VAT collections for Q1-2020 however decreased by 28.6 per cent when compared with the GH¢1,655.80 million collected in the fourth quarter of 2019. Retail sales increased by 39.9 per cent (year-on-year) to GH¢236.85 million during the first quarter of 2020 from GH¢169.34 million registered in the corresponding quarter of 2019. The comparative improvement in retail sales could be attributed to increased household consumption during the review period.

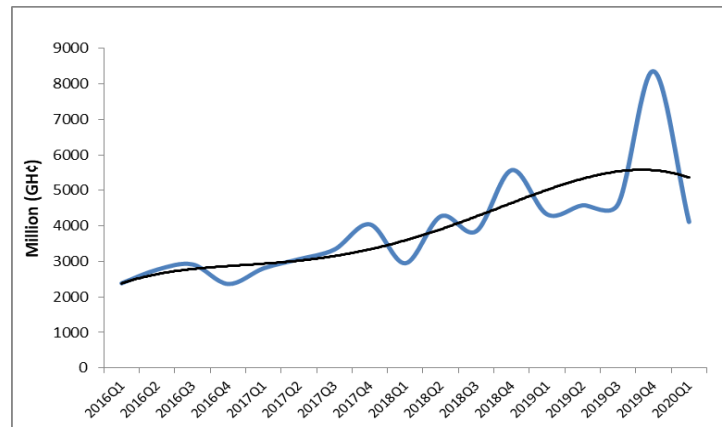
Chart 2.1: Retail Sales and Domestic VAT (GH¢' Million)



#### Manufacturing Activities

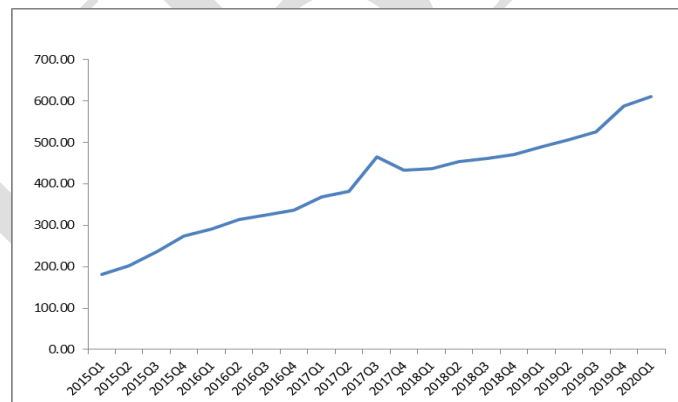
Manufacturing related activity, as measured by trends in the collection of direct taxes (income, corporate and others) and private sector workers' contributions to the SSNIT Pension Scheme (Tier-1), posted mixed outturns during the first quarter of 2020 compared with what was observed in the same period of 2019. Total direct taxes collected declined by 4.89 per cent (year-on-year) to GH¢4,113.91 million in the first quarter of 2020, relative to GH¢4,325.59 million recorded during the same quarter of 2019. Similarly, total direct tax collected for the quarter under review dropped by 50.8 per cent from GH¢8,357.44 million collected in the fourth quarter of 2019. In terms of contribution of the various sub-tax categories, income tax (P.A.Y.E. and self-employed) accounted for 50.0 per cent, followed by Corporate tax with 40.0 per cent, while other tax sources contributed 10.0 per cent.

**Chart 2.2: Trends in Domestic Taxes (Direct)**



Conversely, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) went up by 24.8 per cent, year-on-year, to GH¢610.81 million in the first quarter of 2020, from GH¢489.43 million collected during the corresponding quarter of 2019. Total contribution in the review period also registered a growth of 3.9 per cent when compared with GH¢587.83 million for the fourth quarter of 2019. The improvement in private workers' contributions to the Tier-1 pension scheme could be attributed to the registration of new employees as well as improved compliance by private sector employers.

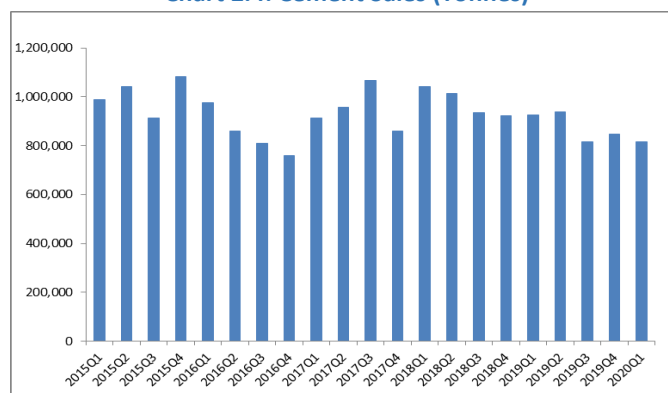
**Chart 2.3: SSNIT Contributions from Private Sector Workers (GH¢' Million)**



### Construction Sector Activities

Economic activity in the construction sub-sector, as measured by the volume of cement sales, declined by 12.0 per cent (year-on-year) during the first quarter of 2020 to 814,979.29 tonnes, from 925,612.99 tonnes recorded in the first quarter of 2019. Similarly, total cement sales during the review period decreased by 3.9 per cent when compared with 848,258.76 tonnes recorded during the fourth quarter of 2019. The relative dip in total cement sales was due to a slowdown in construction activities during the review period.

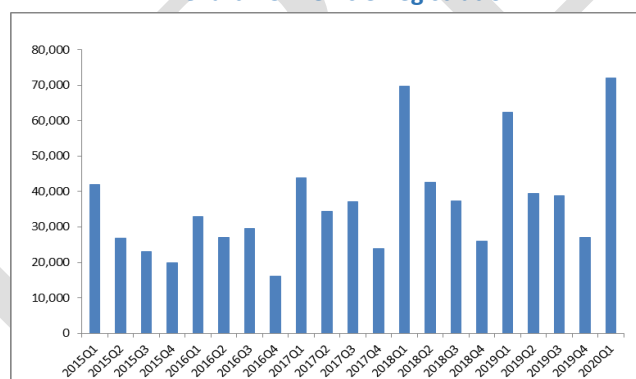
Chart 2.4: Cement Sales (Tonnes)



### Vehicle Registration

Transport related economic activities, measured by vehicle registration by DVLA, improved by 15.6 per cent to 72,130 in the first quarter of 2020 as against 62,382 vehicles registered during the corresponding quarter of 2019. Similarly, the number of vehicles registered during the review period increased significantly by 166.2 per cent relative to 27,099 vehicles recorded in the fourth quarter of 2019. The comparative improvement recorded in vehicle registration was due to an increase in vehicle importation during the review period.

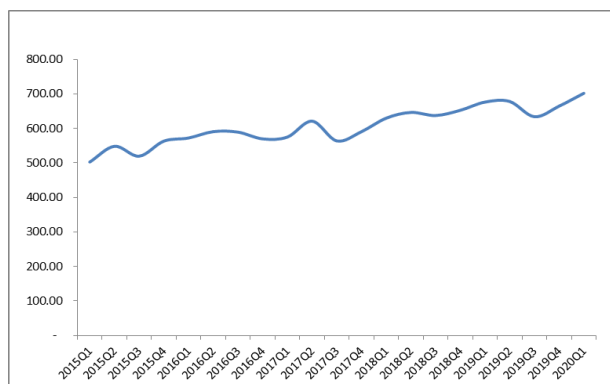
Chart 2.5: Vehicle Registration



### Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went up by 3.8 per cent during the first quarter of 2020, compared with observations made in the corresponding period of 2019. Industries utilised 701.88 gigawatts of power in the first quarter of 2020, as against 676.39 gigawatts recorded for the same period in 2019. Industrial consumption of electricity also rose by 5.62 per cent from 664.56 gigawatts utilised during the fourth quarter of 2019. The relative improvement in the electricity consumed by industries could be attributed to stability in power supply.

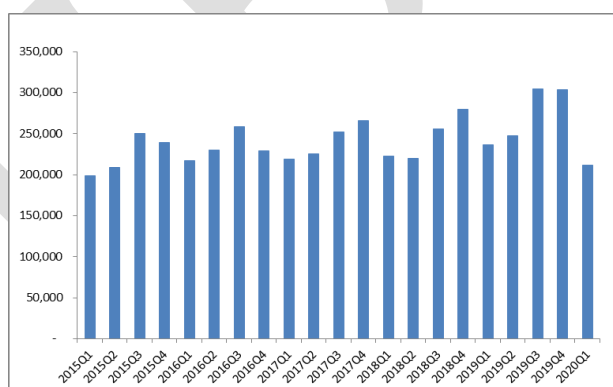
**Chart 2.6: Industrial Consumption of Electricity (gw)**



### International Tourist Arrivals

Tourist arrivals through the country's various ports of entry dipped in the first quarter of 2020, compared with figures recorded in the corresponding quarter of 2019. A total of 211,599 tourists entered the country during the review period, as against 236,741 in the first quarter of 2019, a decline of 10.62 per cent. Similarly, tourist arrivals during the period dropped by 30.40 per cent when compared with 304,007 visitors received in the fourth quarter of 2019. The relative dip in tourist arrivals was mainly due to a decrease in tourism-related activities during the period following the coronavirus outbreak.

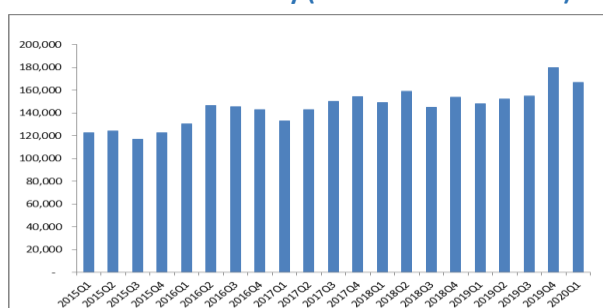
**Chart 2.7: Trends in Tourist Arrivals**



### Port Activity

Economic activities at the country's two main harbours (Tema and Takoradi), gauged by container traffic, improved during the first quarter of 2020, compared with the corresponding quarter of 2019. Total container traffic increased by 12.6 per cent, year-on-year, to 166,685 during the review period from 148,022 for the first quarter of 2019. However, port activity declined by 7.3 per cent when compared to the container traffic of 179,727 in the fourth quarter of 2019. The relative improvement in port activities may be attributed to an uptick in international trade activities during the period.

**Chart 2.8: Port Activity (Total Container Traffic)**



## 2.2 Labour Market Conditions

The number of jobs advertised in the “Daily Graphic” during the first quarter of 2020 decreased marginally relative to the first quarter of 2019. In total, 2,322 job adverts were recorded, compared with 2,339 for the same period in 2019, indicating a decline of 0.7 per cent (year-on-year). However, compared to the fourth quarter of 2019, the number of job vacancies advertised increased by 56.26 per cent.

### Sector Distribution and Skill Set of Job Adverts

The Services Sector maintained its dominance as the leading job providing sector in the economy, accounting for 93.6 per cent of total job adverts recorded during the first quarter of 2020. This compares with a share of 83.8 per cent it recorded in the first quarter of 2019. Industry followed with a share of 6.4 per cent (down from 14.2% in the first quarter of 2019) while there were no job adverts from the Agriculture Sector during the period, compared with 2.0 per cent of total job adverts recorded for the corresponding quarter of 2019.

Further analysis showed that the main requirements for skilled employees were tertiary education qualifications and a minimum of three years’ working experience. This category, classified as Professionals and Technicians, collectively accounted for 57.4 per cent of total jobs advertised during the first quarter of 2020, relative to 52.4 per cent recorded in the first quarter of 2019. This was followed by the categories classified as Sales and Other Service Workers (30.3% in Q1 2020 vs. 23.3% in Q1 2019), Secretarial & Clerical Staff (6.6% vs. 8.3%), others (3.1% vs. 6.9%) and Artisans and Machine Operators (2.5% vs. 9.2%).

**Chart 2.9: Trends in Advertised Job Vacancies (Q1-2020)**





### 3. Price Developments

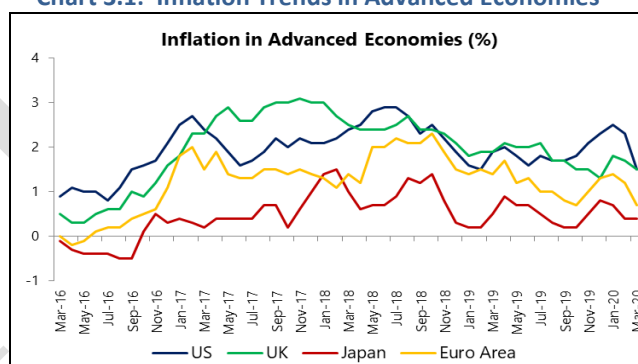
#### 3.1 Global Inflation

Global inflationary pressures remained subdued in the first quarter of 2020. The sharp decline in price of crude oil, the slowdown in activity arising from the COVID-19 pandemic, and the containment measures to check the spread of the virus reduced inflationary pressures and inflation expectations across countries. The IMF in its latest global economic outlook projected inflation to slowdown in 2020 across all regions with the exception of Sub-Saharan Africa (SSA). Inflation in SSA is expected to increase from an average of 8.4 per cent in 2019 to 9.3 per cent in 2020 as supply chain disruptions and shortages could prolong price increases and trigger expectations of rising inflation (World Economic Outlook Report, April 2020).

#### Advanced Economies

Inflation in the **United States** fell to 1.5 per cent at the end of the first quarter of 2020 from 1.9 per cent in the corresponding period of 2019. This decrease was mainly driven by the sharp decline in gasoline prices. In the **Euro area**, inflation declined to 0.7 per cent in Q1 of 2020 from 1.6 per cent a year ago due to the significant decline in energy prices and the effects of COVID-19 pandemic. Consumer price inflation in the **United Kingdom** declined to 1.5 per cent at the end of the first quarter of 2020 from 1.9 per cent at the end of the first quarter of 2019, marginally below market expectations of 1.6 per cent. **Japan's** consumer price inflation eased to 0.4 per cent at the end of the first quarter of 2020 from 0.5 per cent in the same period of 2019, as crude oil prices declined in the period under review.

Chart 3.1: Inflation Trends in Advanced Economies

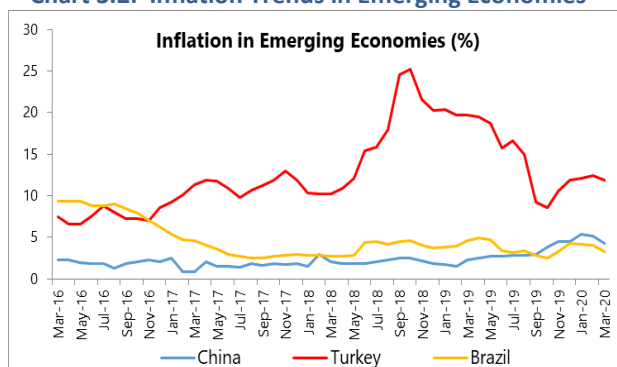


#### Emerging Market Economies

**China's** headline inflation jumped to 4.3 per cent in at the end of the first quarter of 2020 from 2.3 per cent recorded at the end of first quarter of 2019 mainly due to a surge in pork prices during the quarter as the Covid-19 pandemic disrupted supply chains. In **Brazil**, inflation fell to 3.3 per cent in the first quarter of 2020 from 4.6 per cent a year ago as prices of transportation declined significantly. **Turkey's** inflation rate slowed significantly to 11.9 per cent in the period under

review from 19.7 per cent at the end of the first quarter of 2019 on the back of lower ex-pump prices.

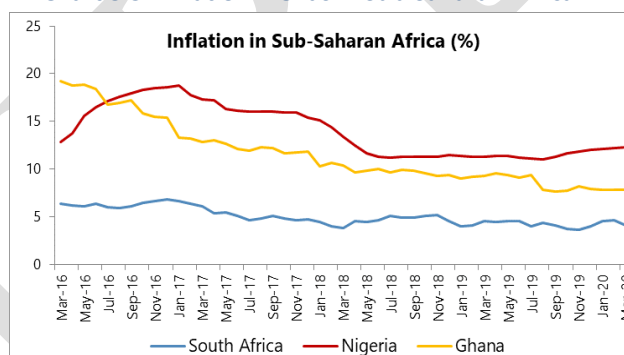
**Chart 3.2: Inflation Trends in Emerging Economies**



### Sub-Saharan Africa

Headline inflation in **South Africa** declined to 4.1 per cent at the end of the first quarter of 2020 from 4.5 per cent in the corresponding period of 2019, on the back of relatively lower food inflation. In **Nigeria**, inflation rose to 12.3 per cent at the end of the first quarter of 2020 from 11.3 per cent at the end of the first quarter of 2019 amid the continued closure of the country's border and the recent hike in the tax rate. The prolonged border closure also caused food prices to increase to their highest level in nearly two years.

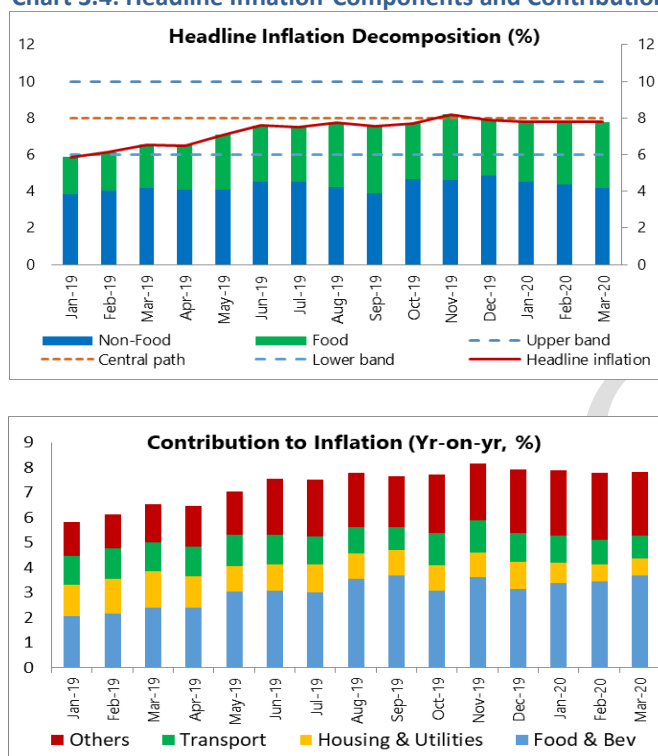
**Chart 3.3: Inflation Trends in Sub-Saharan Africa**



### 3.2 Domestic Inflation

Headline inflation remained flat at 7.8 per cent in the first quarter of 2020, marginally below the 7.9 per cent recorded at the end of the fourth quarter of 2019. Food inflation picked up to 8.4 per cent from 7.2 per cent at the end of 2019 on the back of an increase in price levels of vegetables and fruits & nuts. Non-food inflation however, fell to 7.4 per cent at the end of the quarter under review compared to 8.5 per cent recorded in the preceding quarter, largely driven by a sharp fall in prices for hotels and restaurants.

**Chart 3.4: Headline Inflation-Components and Contribution**



### 3.3 Inflation Outlook

Headline inflation has been low and broadly hovered around the mid-point target of 8.0 per cent. In the outlook, inflation is projected to stay within the medium-term target band of  $8 \pm 2$  per cent. The inflation outlook is characterized by greater uncertainty, given the difficulty in assessing the full impact of COVID-19 on supply chains. Inflation is likely to inch up in the event that supply chains are adversely impacted. Also, the widening sovereign spread of emerging markets and frontier economies may lead to pressure on the exchange rate and inflation. The subdued global inflation and well-anchored inflation expectations, receding aggregate demand pressures, and a well-calibrated monetary policy stance should help ensure inflation remains within the medium-term target band.

**Table 3.1: Headline Inflation and Components**

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
<b>Dec-18</b>	<b>9.4</b>	<b>8.7</b>	<b>9.8</b>	<b>1.1</b>	<b>1.3</b>	<b>1.0</b>
<b>2019</b>						
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
<b>2020</b>						
Jan	7.8	7.8	7.9	1.4	2.3	0.8
Feb	7.8	7.9	7.7	0.4	0.5	0.4
Mar	7.8	8.4	7.4	0.8	1.6	0.3

**Source: Ghana Statistical Service**

**Table 3.2: Contributions to Inflation**

CPI Components (%)													
	Weghts (%)	2018	2019								2020		
		Dec	Jan	Mar	Jun	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
<b>Overall</b>	100.0	9.4	9.0	9.3	9.1	7.8	7.6	7.7	8.2	7.9	7.8	7.8	7.8
<b>Food and Beverages</b>	43.9	8.7	8.0	8.4	6.5	8.2	8.5	7.0	8.4	7.2	7.8	7.9	8.4
<b>Non-food</b>	56.1	9.8	9.5	9.7	10.3	7.4	7.0	8.2	8.0	8.5	7.9	7.7	7.4
Alcoholic Beverages, Tobacco	1.7	8.4	8.3	8.4	9.9	12.9	12.2	13.2	13.4	13.5	11.1	11.6	11.4
Clothing and footwear	9.0	13.0	12.8	13.3	15.2	6.6	6.1	7.4	6.8	6.7	7.2	8.5	8.4
Housing and Utilities	8.6	3.4	2.9	2.1	6.8	9.9	10.0	9.9	9.6	10.5	7.6	6.3	6.7
Furnish, H/H Equipt. Etc	4.7	11.6	11.2	12.2	14.6	6.1	5.6	5.9	4.9	4.7	4.3	4.3	4.3
Health	2.4	6.4	5.3	5.0	7.5	5.4	5.5	8.5	7.0	6.7	6.3	6.4	6.2
Transport	7.3	13.6	13.4	13.7	6.9	10.2	8.7	12.9	12.3	11.0	10.5	9.9	9.2
Communications	2.7	5.1	5.2	5.8	6.9	2.0	2.0	3.0	2.9	2.8	3.1	2.9	3.0
Recreation & Culture	2.6	13.2	12.7	14.1	15.0	7.4	7.5	7.9	7.7	9.3	9.0	9.0	9.0
Education	3.9	8.2	8.1	8.4	6.2	2.7	2.7	3.3	4.4	6.6	6.8	6.7	6.8
Hotels, Cafes & Restaurants	6.1	6.3	6.7	7.5	9.5	4.8	4.2	4.1	3.8	5.5	7.5	6.8	3.5
Insurance and Financial services						0.3	1.1	0.9	0.9	0.6	0.6	0.4	0.1
Miscellaneous goods & services	7.1	10.0	9.6	9.4	11.3	7.1	6.9	8.2	8.2	7.4	7.3	7.4	7.3

**Source: Ghana Statistical Service**

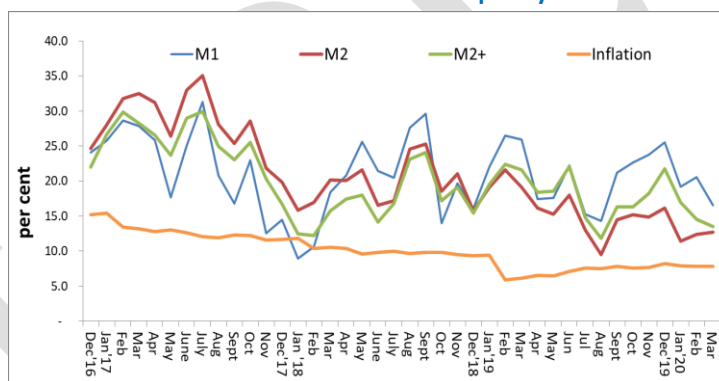
## 4. Money and Financial Markets

Developments in the monetary aggregates for the first quarter of 2020 showed significant moderation relative to the first quarter of 2019. Growth in broad money supply (M2+) slowed on account of considerable contraction in Net Foreign Assets (NFA). The decline in the growth of NFA of depository corporations was mainly due to significant contraction in the NFA of Domestic Money Banks (DMBs).

### 4.1 Broad Money Supply

Annual growth in broad money supply (M2+) declined from 21.6 per cent in the first quarter of 2019 to 13.5 per cent in the first quarter of 2020. Stock of broad money supply stood at GH¢92,905.2 million during the review period compared with stock levels of GH¢81,837.2 million and GH¢92,910.2 million recorded in the first and fourth quarters of 2019 respectively. The decrease in year-on-year growth of M2+ during the first quarter of 2020 reflected in the decline in growth of demand deposits, saving and time deposits, as well as foreign currency deposits, relative to that of the first quarter of 2019. However, growth in currency with the public increased over the same comparative periods.

Chart 4.1: Inflation and Liquidity



### 4.2 Sources of Change in M2+

The observed contraction in M2+ was mainly attributed to considerable contraction in Net Foreign Assets (NFA), which was moderated by expansion in Net Domestic Asset (NDA). Provisional data showed that growth in NFA decreased significantly from 71.1 per cent in the first quarter of 2019 to negative 8.2 per cent at the end of the first quarter of 2020. This was also lower than the growth of 51.7 per cent recorded in the fourth quarter of 2019. In contrast, growth in Net Domestic Assets (NDA) increased from 5.0 per cent in first quarter of 2019 to 25.4 per cent in first quarter of 2020. This was also higher than the growth of 15.0 per cent recorded in the fourth quarter of 2019.

## Monetary Indicators (GH¢ million)

In terms of components of NDA, growth in net claims on government and claims on public sector increased from 12.7 per cent and negative 8.2 per cent respectively in the first quarter of 2019, to 135.8 per cent and 42.1 per cent respectively in the first quarter of 2020. However, growth in claims on private sector declined from 21.5 per cent to 17.2 per cent over the same comparative period. Growth in Other Items (Net) changed by 177.5 per cent in the first quarter of 2019 compared to a change of 211.8 per cent in the first quarter of 2020.

**Table 4.1: Monetary Indicators (GH¢ million)**

	Levels				Quarter-on-Quarter							
	Mar-18	Mar-19	Dec-19	Mar-20	As at end-Mar 2018		As at end-Mar 2019		As at end-Dec 2019		As at end-Mar 2020	
					abs	per cent	abs	per cent	abs	per cent	abs	per cent
<b>Reserve Money</b>	20245.6	23658.2	28721.1	28486.6	2,725.8	15.56	3,412.6	16.86	7,395.0	34.39	4,828.4	20.41
<b>Narrow Money (M1)</b>	30442.5	38343.9	43430.5	44691.0	4,736.1	18.42	7,901.4	25.96	8,850.1	25.54	6,347.1	16.55
<b>Broad Money (M2)</b>	52935.5	63064.6	69907.9	71097.9	8,886.3	20.17	10,129.1	19.13	9,718.3	16.13	8,033.3	12.74
<b>Broad Money (M2+)</b>	67318.5	81837.2	92910.2	92905.1	9,178.7	15.79	14,518.7	21.57	16,595.1	21.73	11,067.9	13.52
<b>Currency with the Public</b>	9964.3	11291.1	14335.5	13647.5	702.8	7.59	1,326.8	13.32	2,417.1	20.24	2,356.4	20.87
<b>Demand Deposits</b>	20478.2	27052.8	29094.9	31043.5	4,033.3	24.53	6,574.6	32.11	6,433.0	28.33	3,990.7	14.75
<b>Savings &amp; Time Deposits</b>	22493.0	24720.7	26477.4	26406.8	4,150.1	22.63	2,227.7	9.90	868.2	3.39	1,686.2	6.82
<b>Foreign Currency Deposits</b>	14383.0	18772.6	23002.4	21807.2	292.4	2.08	4,389.6	30.52	6,876.8	42.65	3,034.6	16.17
<b>Sources of M2+</b>												
<b>Net Foreign Assets (NFA)</b>	16900.5	28919.1	20593.8	26544.1	2,489.3	17.27	12,018.5	71.11	7,256.3	51.69	(2,374.9)	(8.21)
<b>BOG</b>	14642.5	27183.5	19923.3	27685.5	4,104.1	38.94	12,541.0	85.65	7,859.8	61.58	502.1	1.85
<b>DMBs</b>	2258.0	1735.6	670.5	-1141.4	(1,614.8)	(41.69)	(522.4)	(23.14)	(603.5)	(47.37)	(2,877.0)	(165.76)
<b>Net Domestic Assets</b>	50417.9	52918.1	72316.4	66360.9	6,689.4	15.30	2,500.1	4.96	9,338.8	14.98	13,442.9	25.40
<b>Claims on Government (net)</b>	15881.0	17897.9	34214.5	42196.7	99.7	0.63	2,016.8	12.70	6,663.0	24.18	24,298.8	135.76
<b>BOG</b>	6508.1	-3714.4	8468.7	12879.7	(3,189.8)	(32.89)	(10,222.4)	(157.07)	(1,740.2)	(17.05)	16,594.0	(446.75)
<b>DMBs</b>	9373.0	21612.2	25745.8	29317.0	3,289.5	54.07	12,239.3	130.58	8,403.3	48.45	7,704.8	35.85
<b>Claims on Public Sector</b>	5706.0	5238.4	8647.8	7444.6	(1,107.2)	(16.25)	(467.6)	(8.20)	2,655.2	44.31	2,206.2	42.12
<b>BOG</b>	1933.2	430.2	974.8	917.8	(12.7)	(0.65)	(1,503.0)	(77.75)	(734.7)	(42.98)	487.6	113.34
<b>DMBs</b>	3772.8	4808.2	7673.0	6526.8	(1,094.5)	(22.49)	1,035.4	27.44	3,389.9	79.15	1,718.6	35.74
<b>Claims on Private Sector</b>	32199.9	39131.5	45279.0	45870.1	729.0	2.32	6,931.5	21.53	7,362.5	19.42	6,738.6	17.22
<b>BOG</b>	479.7	409.4	793.7	530.5	(1.2)	(0.24)	(70.3)	(14.65)	470.4	145.49	121.1	29.58
<b>DMBs</b>	31720.3	38722.1	44485.3	45339.5	730.2	2.36	7,001.8	22.07	6,892.1	18.33	6,617.5	17.09
<b>Other Items (Net) (OIN) 12</b>	-3369.0	-9349.6	-15824.8	-29150.3	6,967.9	(67.41)	(5,980.6)	177.52	(7,341.9)	80.53	(19,800.7)	211.78
<b>o/w BOG OMO (Sterilisation)</b>	0.0	-131.1	-131.1	-131.1	150.0	(100.00)	(131.1)	-	-	-	-	-

## 4.3 Developments in Banks Credit

The annual growth in banks outstanding credit to the public and private sectors in the first quarter of 2020 decreased significantly compared to what was recorded in the corresponding period of 2019. The nominal annual growth rate of banks outstanding credit decreased from 23.9 per cent in the first quarter of 2019 to 16.5 per cent in the first quarter of 2020. This was also lower than the growth of 22.4 per cent recorded in the fourth quarter of 2019. At the end of the first quarter of 2020, total outstanding credit stood at GH¢51,924.60 million compared with a stock of GH¢44,566.50 million and GH¢52,276.80 million for the first and fourth quarters of 2019 respectively.

In real terms, credit from banks decreased from 16.3 per cent at end of the first quarter of 2019 to 4.6 per cent in the same period of 2020. This was also lower than the 13.4 per cent growth realised in the fourth quarter of 2019. The share of total outstanding credit to the private sector however increased to 87.3 per cent at the end of the review period, from 86.9 per cent recorded in the first quarter of 2019.

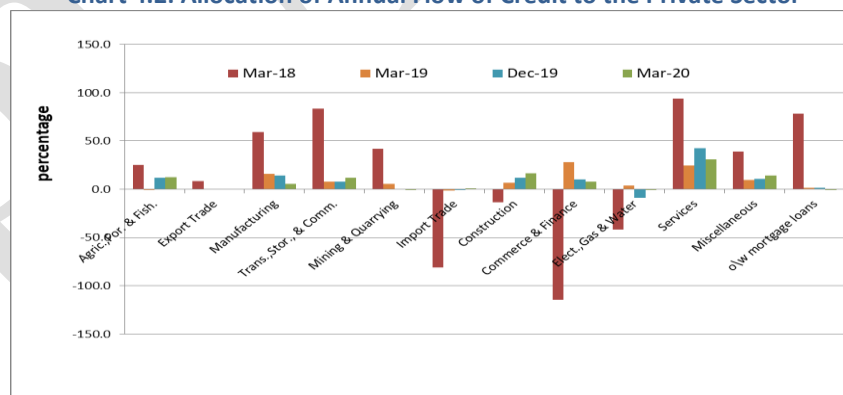
**Table 4.2: Sectoral Distribution of Banks Outstanding Credit**

	Levels (GHC Millions)				Quarter-On-Quarter Variation							
	Mar-18	Mar-19	Dec-19	Mar-20	As at end-Mar 2018		As at end-Mar 2019		As at end-Dec 2019		As at end-Mar 2020	
					Abs	Percent	Abs	Percent	Abs	Percent	Abs	Percent
<b>a Public Sector</b>	4,252.2	5,844.4	7,791.6	6,585.0	(758.9)	(15.1)	1,592.2	37.4	2,660.4	51.8	740.7	12.7
<b>b Private Sector</b>	31,720.3	38,722.1	44,485.3	45,339.5	730.2	2.4	7,001.8	22.1	6,892.1	18.3	6,617.5	17.1
Agric., For. & Fish.	1,360.4	1,315.6	2,231.2	1,739.9	183.7	15.6	(44.8)	(3.3)	803.0	56.2	424.3	32.2
Export Trade	315.5	325.6	355.0	343.6	62.3	24.6	10.0	3.2	35.9	11.2	18.1	5.5
Manufacturing	3,223.0	4,335.8	4,942.2	4,505.7	431.5	15.5	1,112.7	34.5	967.1	24.3	169.9	3.9
Trans., Stor., & Comm.	2,310.5	2,866.3	3,365.2	3,395.8	610.8	35.9	555.9	24.1	533.7	18.9	529.4	18.5
Mining & Quarrying	1,099.8	1,474.9	1,399.4	1,348.6	305.5	38.5	375.1	34.1	23.7	1.7	(126.3)	(8.6)
Import Trade	1,435.2	1,328.7	1,320.9	1,229.2	(592.6)	(29.2)	(106.5)	(7.4)	(37.8)	(2.8)	(99.5)	(7.5)
Construction	3,397.6	3,870.5	4,525.0	4,607.0	(100.2)	(2.9)	472.8	13.9	805.0	21.6	736.5	19.0
Commerce & Finance	5,576.5	7,554.1	8,388.4	7,978.9	(835.5)	(13.0)	1,977.5	35.5	703.5	9.2	424.8	5.6
Elect., Gas & Water	2,696.9	2,976.0	2,233.3	2,563.7	(305.1)	(10.2)	279.1	10.3	(629.8)	(22.0)	(412.3)	(13.9)
Services	6,884.2	8,585.1	10,913.5	12,750.3	685.6	11.1	1,700.9	24.7	2,934.5	36.8	4,165.2	48.5
Miscellaneous	3,420.5	4,089.4	4,811.2	4,876.8	284.2	9.1	669.0	19.6	753.2	18.6	787.4	19.3
<b>c Grand Total</b>	35,972.5	44,566.5	52,276.8	51,924.6	(28.7)	(0.1)	8,594.0	23.9	9,552.5	22.4	7,358.1	16.5

### Distribution of Outstanding Credit to the Private Sector

The growth of outstanding credit to the private sector decreased in nominal and real terms in the first quarter of 2020. In nominal terms, it decreased to 17.1 per cent in the first quarter of 2020 from 22.1 per cent recorded in the first quarter of 2019. This was also lower than the 18.3 per cent registered at the end of the fourth quarter of 2019. Total outstanding credit to the private sector at the end of the first quarter of 2020 stood at GH¢45,339.50 million, compared with GH¢38,722.1 million in the first and GH¢44,485.30 million for the fourth quarters of 2019. In real terms, the annual growth rate of outstanding credit to the private sector decreased to 8.6 per cent at the end of the first quarter of 2020, from 14.6 per cent in 2019.

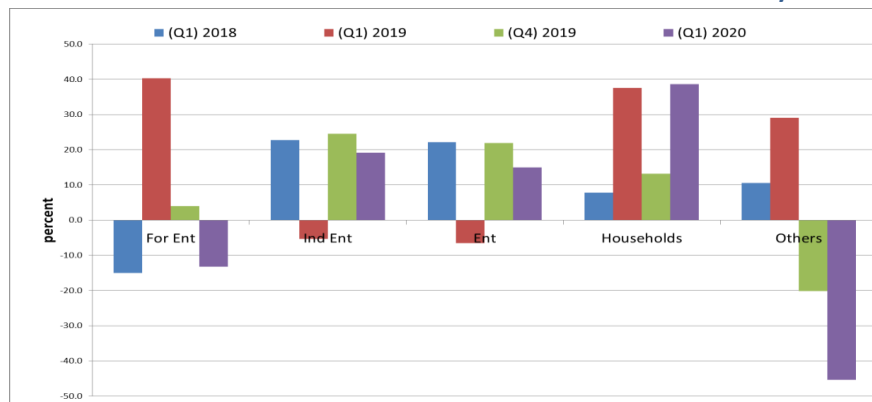
**Chart 4.2: Allocation of Annual Flow of Credit to the Private Sector**



The decrease in credit to the private sector during the review period reflected in decreases in annual flow of credit to the following sectors when compared with same period in 2019: Manufacturing, Commerce & Finance, Mining & Quarrying, and Elec., Gas & Water. However, Agriculture, Forestry & Fisheries, Transport, Storage & Communication, Services, and Construction saw significant increases in credit flow in March 2020 when compared with the corresponding

period in 2019. The major beneficiary sectors of annual flow of private sector credit in the first quarter of 2020 were Services (23.3%), Commerce and Finance (17.9%), Manufacturing (10.7%), Miscellaneous (11.5%), and Construction (10.8%). The top five sectors accounted for about 74.2 per cent of the overall credit flow for the first quarter of 2020.

**Chart 4.3: Growth Rate of Annual Flow of Credit to the Private Sector by Borrower**



In terms of annual flow of credit to private sector by borrower at the end of the first quarter of 2020, flows to foreign enterprises and the others subsectors decreased relative to 2019 while flows to indigenous enterprise, enterprise (foreign and indigenous), and households subsectors increased in 2020 when compared to the same period in 2019.

#### 4.4 Sources and Uses of Banks Flow of Funds

The provisional figures for the first quarter of 2020 showed that the proportion of commercial banks' funds allocated to balances with Bank of Ghana and other assets increased while the proportion of funds in investments in Government securities, bank credit, and foreign assets decreased relative to that of the corresponding period in 2019. The proportion of banks' fund to balances with Bank of Ghana and other assets increased from 3.6 per cent and negative 99.2 per cent respectively, in the first quarter of 2019 to 35.7 per cent and 1.8 per cent respectively, in the first quarter of 2020.

The proportion of bank funds allocated to Government securities decreased significantly from 114.7 per cent in the first quarter of 2019 to 38.1 per cent in the corresponding period in 2020. This reflected a decline in investments in both short-term and medium-term securities. Investment in short term and medium/long term government instruments decreased from 9.3 per cent and 105.4 respectively in the first quarter of 2019, to 8.3 per cent and 29.8 per cent respectively in the first quarter of 2020.

The proportion of funds to bank credit decreased from 67.0 per cent in the first quarter of 2019 to 30.4 per cent at the end of the first quarter in 2020. This was also lower than the 36.3 per cent recorded in the fourth quarter of 2019. Similarly, proportion of investment in foreign assets also decreased from 13.9 per cent to negative 5.7 per cent.



**Table 4.3: Sources and Uses of Banks' Funds**

	(Amount in GH¢ 'million)											
					Percentage of Annual Flows (Quarter-on-Quarter)							
					As at end-Mar. 2018		As at end-Mar. 2019		As at end-Dec. 2019		As at end-Mar. 2020	
	Mar-18	Mar-19	Dec-19	Mar-20	Abs	% of Change	Abs	% of Change	Abs	% of Change	Abs	% of Change
Sources of Funds												
Total Deposits	55,226.90	66,224.37	75,930.02	76,343.85	7,905.74	52.34	10,997.47	85.72	14,039.17	53.29	10,119.48	41.82
Domestic	40,843.89	47,451.78	52,927.64	54,536.67	7,613.32	50.40	6,607.89	51.50	7,162.36	27.19	7,084.89	29.28
Demand Deposits	18,350.91	22,731.13	26,450.26	28,129.83	3,463.20	22.93	4,380.22	34.14	6,294.19	23.89	5,398.70	22.31
Savings Deposits	9,031.39	10,627.11	13,173.17	13,504.80	1,224.19	8.10	1,595.72	12.44	2,659.32	10.09	2,877.69	11.89
Time Deposits	13,461.60	14,093.55	13,304.21	12,902.04	2,925.92	19.37	631.95	4.93	-1,791.15	-6.80	-1,191.51	-4.92
Foreign Currency	14,383.01	18,772.59	23,002.37	21,807.18	292.42	1.94	4,389.58	34.21	6,876.82	26.10	3,034.60	12.54
Credit From BOG	2,926.66	567.26	1,703.41	1,177.23	-1,378.68	-9.13	-2,359.40	-18.39	1,208.15	4.59	609.96	2.52
Balances Due to Non-Resident Banks	5,560.23	7,863.97	9,706.61	9,356.87	1,286.20	8.51	2,303.74	17.96	2,315.81	8.79	1,492.90	6.17
Capital	5,187.60	8,882.64	9,633.32	9,783.32	999.90	6.62	3,695.04	28.80	891.46	3.38	900.67	3.72
Reserves	8,501.09	6,594.07	7,946.90	8,651.62	996.12	6.59	-1,907.02	-14.86	1,883.79	7.15	2,057.55	8.50
Other Liabilities*	20,408.58	20,508.90	24,777.66	29,523.61	5,295.87	35.06	100.33	0.78	6,006.35	22.80	9,014.70	37.26
					0.00							
Total	97,811.06	110,641.22	129,697.91	134,836.49	15,105.15		12,830.16		26,344.73		24,195.26	
Uses of Funds												
Bank Credit	35,972.48	44,566.45	52,276.82	51,924.57	-28.73	-0.19	8,593.97	66.98	9,552.46	36.26	7,358.11	30.41
o/w Private Sector Credit	31,720.27	38,722.08	44,485.25	45,339.53	730.19	4.83	7,001.81	54.57	6,892.08	26.16	6,617.45	27.35
Investment in Government Securities	11,143.81	25,862.18	30,923.93	35,081.37	1,072.11	7.10	14,718.37	114.72	9,353.51	35.50	9,219.19	38.10
Short Term	1,357.84	2,553.97	5,152.34	4,564.54	-2,458.72	-16.28	1,196.13	9.32	4,000.82	15.19	2,010.56	8.31
Medium/Long Term	9,785.97	23,308.20	25,771.59	30,516.83	3,530.83	23.38	13,522.24	105.39	5,352.69	20.32	7,208.63	29.79
Foreign Assets	7,818.27	9,599.57	10,377.07	8,215.45	-328.56	-2.18	1,781.29	13.88	1,712.31	6.50	-1,384.11	-5.72
Balances with BOG	10,379.57	10,838.30	15,989.08	19,483.99	1,951.50	12.92	458.73	3.58	3,673.43	13.94	8,645.69	35.73
Other Assets**	32,496.93	19,774.73	20,131.01	20,131.11	12,438.84	82.35	-12,722.20	-99.16	2,053.02	7.79	356.38	1.47
					0.00							
Total	97,811.06	110,641.22	129,697.91	134,836.49	15,105.15		12,830.16		26,344.73		24,195.26	
*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												

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

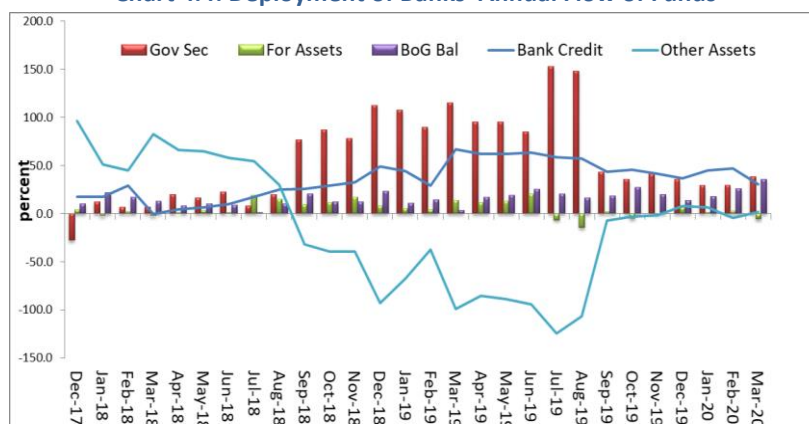
\*\*Includes real estate and equipment and other unclassified assets

The main source of funds for the financing of banks assets emanated from the mobilisation of deposits. Its share in source of funds however decreased from 85.7 per cent in the first quarter of 2019 to 41.8 per cent in Q1-2020. This can be compared with 53.3 per cent recorded in the fourth Q4-2019. The decrease in total deposits for the period under review can be attributed to decrease in both domestic currency deposits and foreign currency deposits. Domestic currency deposits decreased from 51.5 per cent to 29.3 per cent in 2020. In analysing the components of domestic deposits, it was evident that demand, savings and time deposits accounted for the decrease in domestic deposits in Q1-2020 relative to what was recorded for the same period in 2019.

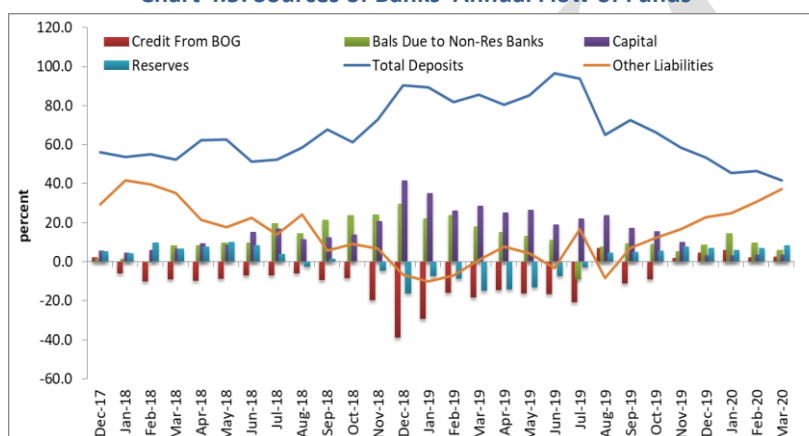
Similarly, foreign deposits decreased from 34.2 per cent in the first quarter of 2019 to 12.5 per cent in the first quarter of 2020. The proportion of balances due non-resident banks, and bank capital in the sources of bank funds also declined over the same comparative periods. Balances due non-resident banks decreased from 18.0 per cent to 6.2 per cent, while bank capital declined from 28.8 per cent to 3.7 per cent.

Other sources of funds such as credit from Bank of Ghana, bank reserves and other liabilities increased in proportion in Q1-2020 relative to Q1-2019. Credit from Bank of Ghana, bank reserves and other liabilities increased from negative 18.4 per cent, negative 14.9 per cent, and 0.8 per cent respectively to 2.5 per cent, 8.5 per cent and 37.3 per cent respectively, in the first quarter of 2020.

**Chart 4.4: Deployment of Banks' Annual Flow of Funds**



**Chart 4.5: Sources of Banks' Annual Flow of Funds**



## 4.5 Money Market

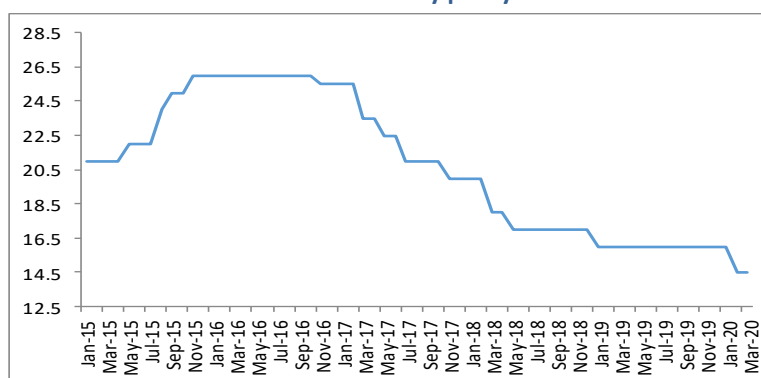
### Money Market Developments

Interest rate developments in the money market for the first quarter of 2020 reflected mixed trends on a year-on-year basis. Rates on BOG bills decreased while lending rates of Deposit Money Banks (DMBs) and rates on medium and long-term GOG securities increased compared to the corresponding period in 2019. Compared with the fourth quarter of 2019, rates on BOG bills and the lending rates of DMBs declined while interest rates on GOG securities generally increased.

### Monetary Policy Rate

The Monetary Policy Committee (MPC) reduced the Monetary Policy Rate (MPR) by 150 basis points (bps) in the first quarter of 2020 from 16.0 per cent recorded at the end of the first quarter of 2019 to 14.50 per cent. The MPC eased its policy stance to provide additional stimulus to the financial sector to on-lend to the private sector following the outbreak of the COVID-19 pandemic.

Chart 4.6: Monetary policy Rate



## BOG Bills

The interest equivalent on the 14-day BOG bill decreased to 15.6 per cent at the end of the first quarter of 2020. The interest equivalent on the 56-day BOG bill, which was re-introduced in January 2018, recorded a year-on-year decrease of 38 bps from 16.0 per cent in the first quarter of 2019.

## Government Securities

On the treasury market, interest rates generally continued to trend upwards reflecting increased Government borrowing to make up for revenue-expenditure gaps worsened by COVID-19 related expenditures. The 91-day and 182-day T-bills' rates increased marginally by 1 bps and 3 bps respectively, on year-on-year terms, to settle at 14.7 per cent and 15.8 per cent respectively.

For the corresponding quarter in 2019, interest rates on the 91-day and 182-day T-bills recorded year-on-year increases of 135 bps and 125 bps respectively. However, rates on the 364-day bill decreased on year-on-year basis by 37 bps to settle at 17.7 per cent at the end of Q1-2020 compared with Q1-2019. Compared with the fourth quarter of 2019, interest rates on the 91-day and 182-day bills increased by 3 bps each while rates on the 364-day bill decreased by 14 bps.

The rate on the 2-year fixed note increased by 45 bps on a year-on-year basis to settle at 20.2 per cent at the end of the first quarter of 2020. Compared with the corresponding quarter in 2019, the rate on the 2-year fixed note also increased by 325 bps from 16.5 per cent recorded at the end of the first quarter in 2018 to 19.8 per cent in the first quarter of 2019.

The rates on the 3-year and 5-year Government of Ghana (GOG) bonds increased by 75 bps and 520 bps respectively, on year-on-year terms, to end the first quarter of 2020 at 20.8 per cent and 21.7 per cent respectively. The 6-year and 7-year GOG bonds recorded no change in rate, and ended Q1-2020 at 21.0 per cent and 16.3 per cent respectively. Rates on the 10-year GOG bond, introduced in November 2016, increased by 230 bps to settle at 19.8 per cent at the end of the Q1-2020. For the corresponding quarter in 2019, the 7-year and 10-year GOG bonds experienced

year-on-year decreases in interest rates while the 3-year and 6-year GOG bond recorded increases in interest rates. The other medium to longer dated securities registered no change in rates.

### Interbank Market

The interbank weighted average interest rate increased by 49 bps to 15.7 per cent in Q1-2020. The upward trend observed can be attributed to the reduction in BOG's participation on the depo and reverse repo markets to encourage banks to trade among themselves and deepen the interbank market. This may be compared with the 287 bps decrease in the interbank weighted average interest rate for the corresponding quarter in 2019. Compared with Q4-2019, the interbank weighted average rate however increased by 51bps from 15.2 per cent recorded in December 2020.

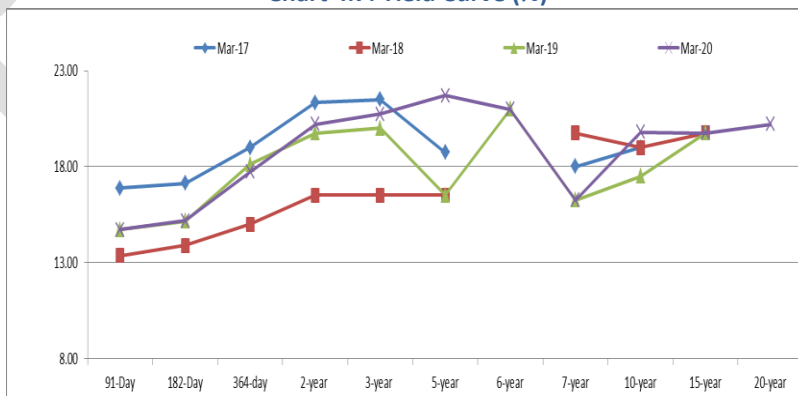
### Time and Savings Deposit Rates

The average interest rate on the DMBs' 3-month time remained unchanged at 11.5 per cent when compared with the first and fourth quarters of 2019. For the corresponding quarter in 2019, however, the average interest rate on the DMBs' 3-month time deposit recorded a 150 bps decrease from 13.0 per cent recorded in the first quarter of 2018. The savings rate remained unchanged at 7.6 per cent when compared with the first quarter in 2019, and the interest rate on savings deposits with the DMBs also recorded no change.

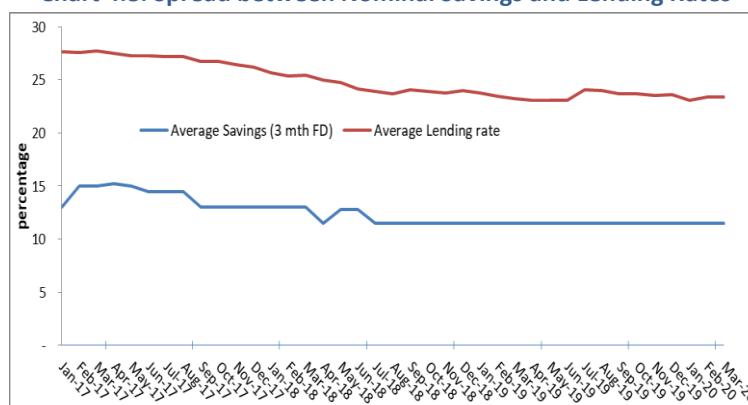
### Lending Rates

Lending rates trended upwards during the review quarter. The average lending rate increased by 14 bps on a year-on-year basis, from 23.3 per cent recorded in the first quarter of 2019 to 23.4 per cent at the end of the first quarter of 2020. However, for the same period in 2019, average lending rates decreased by 220 bps from 25.8 per cent. Compared with the fourth quarter of 2019, average lending rate decreased by 19 bps from 23.6 per cent in December 2019. The spread between the borrowing and lending rates widened by 14 bps on year-on-year basis from 11.8 per cent in the first quarter of 2019 to 11.9 per cent at the end of the first quarter of 2020.

Chart 4.7: Yield Curve (%)



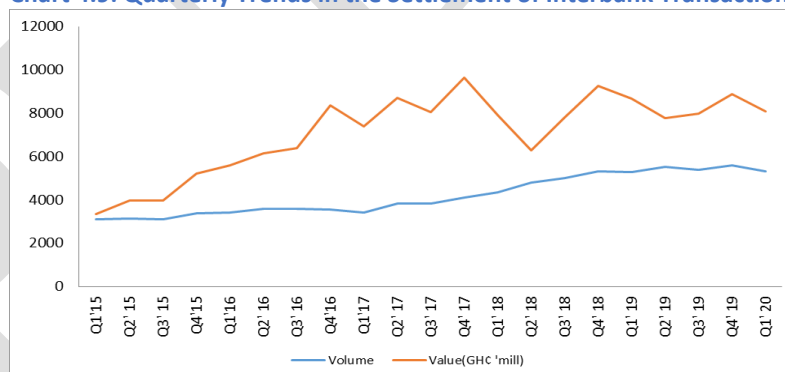
**Chart 4.8: Spread between Nominal Savings and Lending Rates**



### Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) in Q1-2020 amounted to 345,743, valued at GH¢526,227.11 million. This represents decreases in both volume and value of transactions by 6.3 per cent and 10.2 per cent respectively compared to Q4-2019 transactions. When compared with transactions settled during the first quarter in 2019, there was an increase in the volume of transactions by 5.7 per cent, while the value of transactions decreased by 1.9 per cent. On average, a total of 5,319.12 transactions were settled daily through the GIS, valued at GH¢8,095.80 million during the quarter under review, compared to a total of 5,587.61 cheques, valued at GH¢8,876.94 million during Q4-2019. In Q1-2019, an average of 5,275.44 transactions were settled daily, valued at GH¢8,653.64 million.

**Chart 4.9: Quarterly Trends in the Settlement of Interbank Transactions**

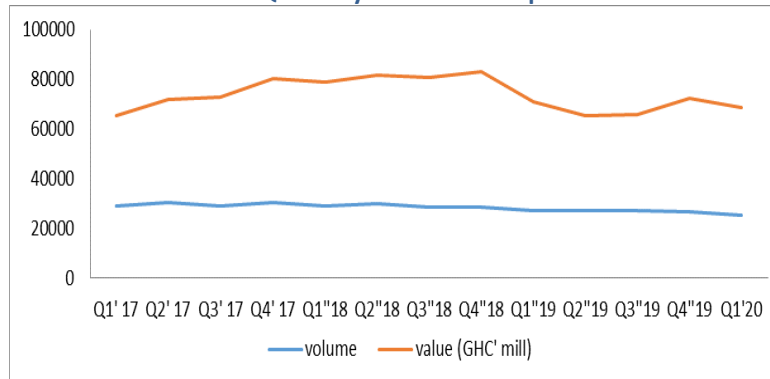


### Cheques Cleared

The volume of cheques cleared during the first quarter of 2020 amounted to 1,640,972.00 valued at GH¢44,575.33 million. This represents a decrease in both value and volume by 7.2 per cent and 6.5 per cent respectively compared to the fourth quarter transactions in 2019. When compared with the first quarter of 2019, the volume decreased by 2.1 per cent while the value of cheques cleared increased by 1.5 per cent. On a daily basis, an average of 75,950.15 cheques valued at GH¢2,058.95 million were cleared during the period under review, compared with 80,373.71 cheques valued at GH¢2,168.51 million cleared during the fourth quarter of 2019. In the same

period in 2019, an average of 81,210.16 cheques were cleared daily with a value of GH¢2,117.39 million.

**Chart 4.10: Quarterly Trends in Cheques Cleared**

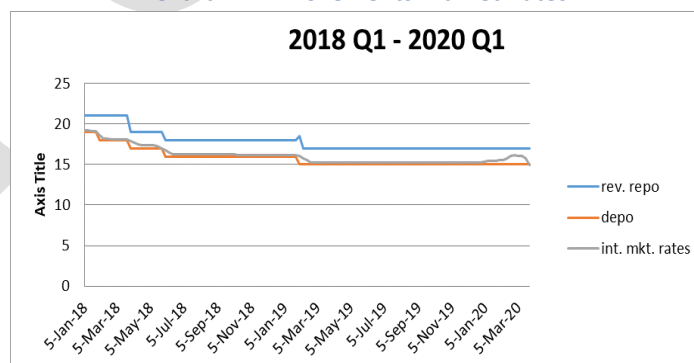


### Interbank Market

Reverse Repo activities by the commercial banks decreased significantly during the first quarter of 2020 when compared to the fourth quarter of 2019. Reverse Repo trades amounted to GH¢725.0 million, a decrease of 86.7 per cent from the previous quarter position and 94.5 per cent when compared to Q1-2019. Depos also decreased significantly to GH¢93,678 million from GH¢113,939.0 million (17.8%) in the fourth quarter of 2019, compared with Q1-2019, when Depos decreased by 17.3 per cent.

On the interbank market, value of trades during the first quarter ranged between GH¢5,190.0 million and GH¢4,403.0 million at a weighted average rate ranging from 14.9 per cent to 16.1 per cent. In the previous quarter, values of trades ranged from GH¢535.0 million and GH¢3,951.0 million at weighted average rates ranging from 15.2 per cent to 15.2 per cent. In the previous year, trades during the Q1-2020 ranged from GH¢705.0 million and GH¢3,161.0 million. Weighted average rates were between 15.2 and 16.1 per cent.

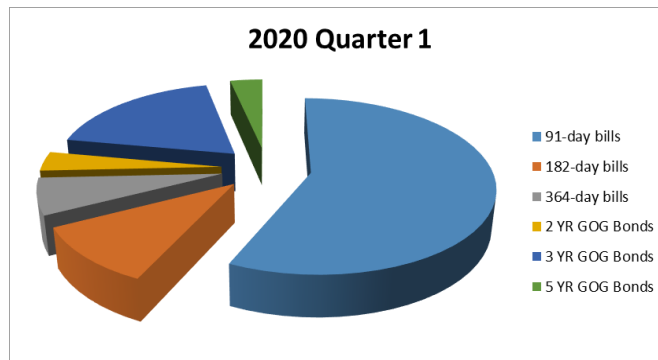
**Chart 4.11: Movements Market Rates**



## Tender Results

Total Auction sales for Q1-2020 amounted to GH¢40,472.27 million with maturities of GH¢32,701.43 million. This resulted in a net sale of GH¢7,770.84 million, out of which an amount of GH¢6,197.98 million was used to finance government's activities with a withdrawal of GH¢1,572.86 million through Bank of Ghana's OMO activities.

Chart 4.12: Tender Results



## 4.6 Currency Markets

### The International Currency Market

As the coronavirus outbreak ravaged economies in Q1-2020, the U.S. Dollar and Japanese Yen emerged strong against major rivals on the international market, largely boosted by safe haven gains as concerned investors dropped riskier assets and currencies. The Pound Sterling and the Euro on the other hand struggled during the period. Apart from investors shirking these currencies in favour of safe haven currencies, the British currency was also troubled by weak data showing a slowdown of the economy, while the Euro was weighed down by uncertainty surrounding the decision to support coronavirus-hit economies in the Eurozone.

The **U.S. Dollar** soared against the Pound Sterling and Euro during the Q1-2020. However, the greenback underperformed against the Japanese Yen during the period. In the wake of the coronavirus outbreak, worried investors sought safety in the greenback. The Dollar shrugged off poor data which showed massive job losses with rising unemployment benefits claims. The currency ended the quarter with a gain of 6.5 per cent and 2.2 per cent against the Pound Sterling and the Euro respectively. It however depreciated by 0.9 per cent against the Japanese Yen.

The **Pound Sterling** traded weak during the period under review as risk sentiments persisted while the crisis evolved. Periodic data also showed a record slump among Britain's services and manufacturing firms as businesses and households paused activity in an effort to slow down the spread of the coronavirus. Low market liquidity for the currency in favour of the U.S. Dollar further exacerbated the decline in demand for the Pound Sterling. At the end of the quarter, the Pound

Sterling recorded a loss of 6.6 per cent, 6.1 per cent, and 4.0 per cent against the Japanese Yen, the U.S. Dollar, and the Euro respectively.

The **Euro** exhibited a weak performance against its rival currencies during the first quarter of 2020. The currency was weighed down by the failure of European Union finance ministers to agree on further support for their coronavirus-hit economies. The Euro was also pressured by strengthening safe haven currencies such as the U.S. Dollar and Japanese Yen, as worried investors dumped riskier assets and currencies. The Euro ended the period with an appreciation of 4.1 per cent against the Pound Sterling and losses of 2.7 per cent and 2.2 per cent against the Japanese Yen and the U.S. Dollar respectively.

The **Japanese Yen** emerged strong during Q1-2020 as the currency benefited from safe haven purchases. In an effort to repair the Japanese economy in the wake of the coronavirus pandemic, the Bank of Japan also pledged to buy more corporate bonds and commercial debt as well as establish a new corporate lending scheme to further boost investor confidence in the currency. The safe haven currency appreciated by 7.1 per cent, 2.9 per cent and 0.6 per cent against the Pound Sterling, the Euro, and the U.S. Dollar respectively.

**Table 4.4: International Market Exchange Rate Movements**

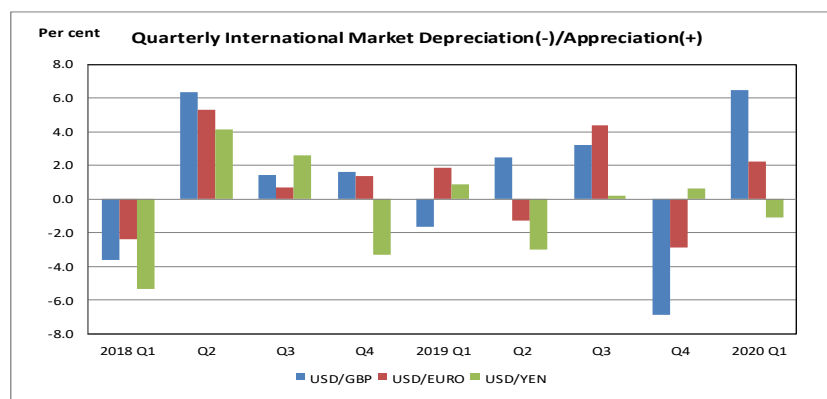
Quarterly Table									
International Market									
End Period	US\$/£ Movements			US\$/¥ Movements			US\$/€ Movements		
		Quarterly depreciation/appreciation	Annual depreciation/appreciation		Quarterly depreciation/appreciation	Annual depreciation/appreciation		Quarterly depreciation/appreciation	Annual depreciation/appreciation
<b>2018</b>									
Q1	1.4035	-3.6		1.2300	-2.4		0.0094	-5.3	
Q2	1.3195	6.4		1.1677	5.3		0.0090	4.1	
Q3	1.3008	1.4		1.1593	0.7		0.0088	2.6	
Q4	1.2803	1.6	5.68	1.1438	1.4	4.98	0.0091	-3.3	-2.20
<b>2019</b>									
Q1	1.3016	-1.6		1.1230	1.9		0.0090	0.9	
Q2	1.2700	2.5		1.1377	-1.3		0.0093	-2.7	
Q3	1.2305	3.2		1.0902	4.4		0.0093	0.2	
Q4	1.3222	-6.9	-3.17	1.1224	-2.9	1.91	0.0092	0.6	-1.09
<b>2020</b>									
Q1	1.2418	6.5		1.0978	2.2		0.0093	-1.1	

Depreciation (-)/ Appreciation (+)

Source: Reuters



Chart 4.13: International Market Exchange Rate Movements



### The Domestic Currency Market

The Domestic Currency rebounded from a weak performance during the previous quarter and appreciated against the three major currencies in Q1-2020 despite coming under some pressure following some liquidation of portfolio investments by some foreign investors amid uncertainty about the coronavirus pandemic. A reduced appetite for foreign currency in the wake of the coronavirus pandemic combined with the Central Bank's forward forex auction sales helped shore up the currency.

On the **Interbank market**, the Ghana Cedi appreciated by 8.3 per cent, 4.0 per cent, and 1.7 per cent against the Pound Sterling, the Euro, and the U.S. Dollar respectively during the first quarter of the year. Comparatively, for Q1-2019, the Cedi depreciated by 6.7 per cent, 5.2 per cent, and 3.4 per cent against the Pound Sterling, the U.S. Dollar, and the Euro respectively.

On the **Forex Bureau market**, the Ghana Cedi appreciated by 9.8 per cent and 3.6 per cent against the Pound Sterling and the Euro respectively during the review quarter. It however depreciated by 0.2 per cent against the US dollar.

Table 4.5: Inter-Bank Market Exchange Rate Movements

Inter-Bank	Quarterly Table										
	Movement										
		Quarterly depreciation/ appreciation	Annual depreciation/ appreciation		Quarterly depreciation/ appreciation	Annual depreciation/ appreciation		Quarterly depreciation/ appreciation	Annual depreciation/ appreciation		
End Period	¢/US\$			¢/GBP			¢/Euro				
2018											
Q1	4.4044	0.3		6.1816	-3.5		5.4179	-2.2			
Q2	4.5230	-2.6		5.9681	3.6		5.2808	2.6			
Q3	4.7776	-5.3		6.2145	-4.0		5.5392	-4.7			
Q4	4.8200	-0.9	-8.39	6.1710	0.7	-3.31	5.5131	0.5	-3.93		
2019											
Q1	5.0834	-5.2		6.6166	-6.7		5.7084	-3.4			
Q2	5.2590	-3.3		6.6787	-0.9		5.9831	-4.6			
Q3	5.3161	-1.1		6.5412	2.1		5.7956	3.2			
Q4	5.5337	-3.9	-12.90	7.3164	-10.6	-15.66	6.2114	-6.7	-11.24		
2020											
Q1	5.4423	1.7		6.7583	8.3		5.9752	4.0			

Depreciation (-)/ Appreciation (+)

Chart 4.14: Inter-Bank Market Exchange Rate Movements

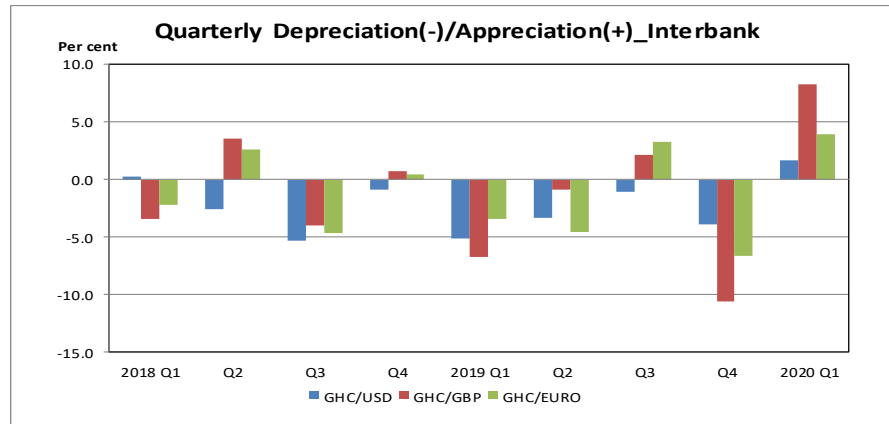
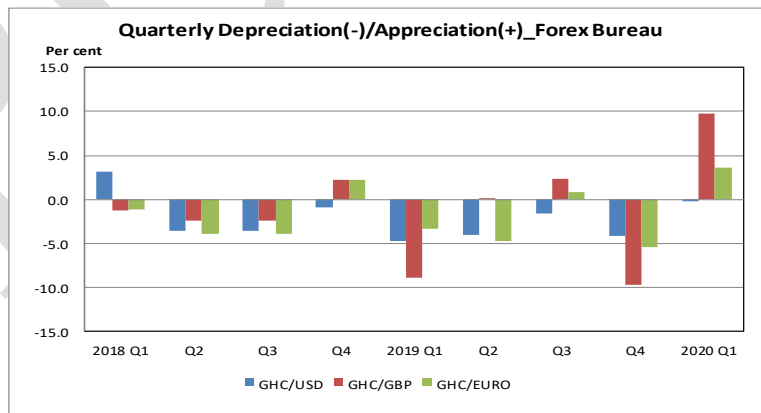


Table 4.6: Forex Bureau Exchange Rate Movements

Forex		Quarterly Table							
End Period	Movement			Movement			Movement		
	¢/US\$	Quarterly depreciation/appreciation	Annual depreciation/appreciation	¢/GBP	Quarterly depreciation/appreciation	Annual depreciation/appreciation	¢/Euro	Quarterly depreciation/appreciation	Annual depreciation/appreciation
2018									
Q1	4.4450	3.2		6.1812	-1.3		5.4711	-1.1	
Q2	4.7561	-6.5		6.2189	-0.6		5.4644	0.1	
Q3	4.9312	-3.6		6.3694	-2.4		5.6878	-3.9	
Q4	4.9728	-0.8	-7.74	6.2283	2.3	-2.01	5.5617	2.3	-2.74
2019									
Q1	5.2156	-4.7		6.8350	-8.9		5.7556	-3.4	
Q2	5.4309	-4.0		6.8268	0.1		6.0395	-4.7	
Q3	5.5182	-1.6		6.6736	2.3		5.9900	0.8	
Q4	5.7582	-4.2	-13.64	7.3873	-9.7	-15.69	6.3359	-5.5	-12.22
2020									
Q1	5.7709	-0.2		6.7300	9.8		6.1164	3.6	

Depreciation (-)/ Appreciation (+)

Chart 4.15: Forex Bureau Market Depreciation Rates



## Foreign Exchange Transaction Market

The volume of forex purchases at the end of Q1-2020 totalled US\$4,717.11 million. Support from the Bank of Ghana contributed 19.5 per cent of the total purchases while commercial banks purchases amounted to 79.3 per cent. The volume of purchases increased by 21.7 per cent compared with US\$3,876.59 million in Q4-2019. Support from the Central bank also rose by 4.9 per cent from US\$874.38, million, while bank purchases rose by 27.4 per cent from US\$2,937.73 million recorded Q4 -2019.

Compared to the corresponding quarter of 2019, the volume of forex purchases was higher by 9.6 per cent. While bank purchases increased by 7.0 per cent from US\$3,497.24 million, sales by the central bank increased by 23.2 per cent from US\$744.71 million recorded for Q1-2019. On the other hand, sales of forex by the banks amounted to US\$4,628.36 million, representing a rise of 22.7 per cent from the preceding quarter. Total sales rose by 22.2 per cent from US\$3,835.20 million recorded for Q4-2019. Compared to the same period in 2019, the total volume of sales similarly increased by 14.8 per cent.

**Table 4.7: Foreign Exchange Transaction Market**

	Purchases (mil' \$)				Sales (mil' \$)		
	BOG SALES	Bank Purchases	F. Bureau	Total Purchases	Bank Sales	F. Bureau	Total
<b>2019</b>							
Jan	257.75	1,235.23	21.37	1,514.35	1,364.96	21.32	1,386.28
Feb	155.01	906.52	16.80	1,078.33	1,024.98	16.74	1,041.72
Mar	331.95	1,355.49	22.33	1,709.77	1,632.44	22.34	1,654.78
<b>Q1</b>	<b>744.71</b>	<b>3,497.24</b>	<b>60.50</b>	<b>4,302.45</b>	<b>4,022.38</b>	<b>60.40</b>	<b>4,082.78</b>
Apr	427.05	1,094.62	20.30	1,541.97	1,474.64	20.07	1,494.71
May	393.64	1,425.35	84.53	1,903.52	1,713.38	22.39	1,735.77
June	276.11	853.71	21.34	1,151.16	1,112.32	20.01	1,132.33
<b>Q2</b>	<b>1,096.80</b>	<b>3,373.68</b>	<b>126.17</b>	<b>4,596.65</b>	<b>4,300.34</b>	<b>62.47</b>	<b>4,362.81</b>
July	85.15	998.86	22.86	1,106.87	1,085.31	24.11	1,109.42
Aug	138.71	830.50	22.67	991.88	1,036.49	22.83	1,059.32
Sep	162.17	930.98	21.83	1,114.98	1,113.29	21.75	1,135.04
<b>Q3</b>	<b>386.03</b>	<b>2,760.34</b>	<b>67.36</b>	<b>3,213.73</b>	<b>3,235.09</b>	<b>68.68</b>	<b>3,303.77</b>
Oct	295.40	1,185.49	20.49	1,501.38	1,493.10	20.33	1,513.43
Nov	232.13	828.05	20.89	1,081.07	1,025.91	20.72	1,046.63
Dec	346.85	924.19	23.10	1,294.14	1,251.84	23.30	1,275.14
<b>Q4</b>	<b>874.38</b>	<b>2,937.73</b>	<b>64.48</b>	<b>3,876.59</b>	<b>3,770.85</b>	<b>64.35</b>	<b>3,835.20</b>
<b>2020</b>							
Jan	246.44	1,474.09	22.44	1,742.97	1,686.02	22.39	1,708.41
Feb	298.75	1,167.08	21.99	1,487.82	1,487.34	21.96	1,509.30
Mar	372.41	1,101.25	12.66	1,486.32	1,455.00	12.49	1,467.49
<b>Q1</b>	<b>917.60</b>	<b>3,742.42</b>	<b>57.09</b>	<b>4,717.11</b>	<b>4,628.36</b>	<b>56.84</b>	<b>4,685.20</b>

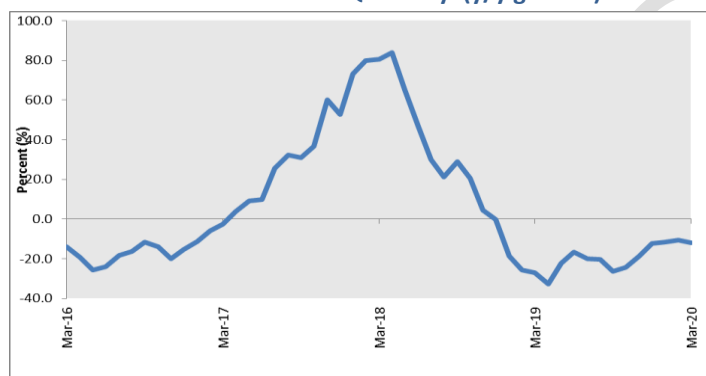
## 4.7 The Stock Market

The Ghana Stock Exchange Composite Index (GSE-CI), a key indicator of performance of stocks on the market, dipped by 4.32 per cent in Q1-2020. The GSE-CI was adversely impacted by the uncertainties associated with the COVID-19 pandemic and the resulting containment measures as investors sought after safe haven assets to minimize their risk exposures. Consequently, market capitalization decreased by 1.42 per cent during the quarter.

## The GSE-CI Index

The GSE-CI fell by 4.3 per cent (-97.54 points) at the end of Q1-2020 which is a marginal improvement compared to a decline of 4.6 per cent (-117.71 points) recorded same period in Q1-2019. The decline in the GSE-CI in the review period could be attributed to the adverse impact of the COVID-19 pandemic on the international and domestic financial markets. Demand for stocks waned as investor sought after safe haven assets like gold and U.S. Treasuries. This development is also reflected in the year-on-year performance of the GSE-CI.

Chart 4.16: GSE-CI - Quarterly (y/y growth)



## Sector Performance

The weak performance of the GSE-CI in Q1-2020 was mainly as a result significant loss in value of stocks in the Food & Brewery (-3.2%; -39.00 points), Agriculture (-0.4%; -2.00 points), Distribution (-3.6%; -85.96 points), Finance (-4.8%; -96.73 points), and IT (-2.9%; -0.72 points) sectors. Manufacturing sector stocks also performed poorly, declining in value by 12.6 per cent (-201.60 points) as some investors envisaged a cut in production and consequently dwindling profits due to the lockdown restrictions imposed by the Government to contain the COVID-19 pandemic. The fall in the GSE-CI in Q1-2020 was moderated by an impressive gain in value of GLD in the ETFund sector (50.3%; 86.46 points) which was supported by a marginal increase in the Mining sector stocks (0.02%; 0.03 points). The Mining and ETFund sectors, which were gold-related stocks, attracted investors as gold had turned out safe haven assets in the wake of the pandemic. The Education and Advertisement & Production sectors recorded no change during the review quarter.

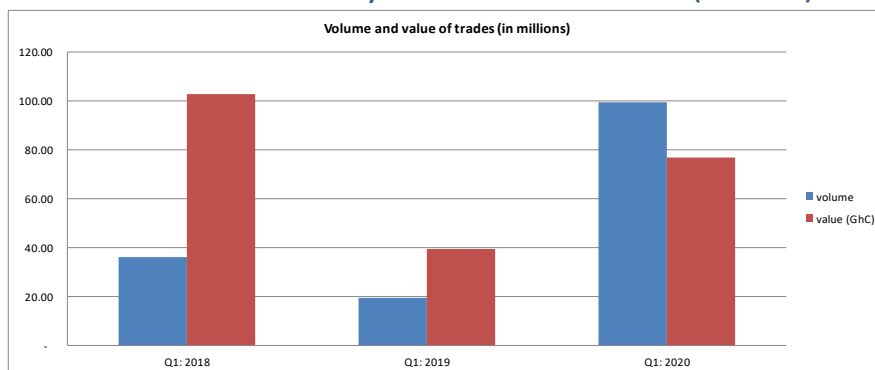
Table 4.8: Sector contribution to the Growth of GSE-CI

	SECTOR											
Month	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	GSE-CI
Mar-19	1932.07	1724.40	2155.29	3669.48	134.53	25.38	830.00	38.52	171.97	100.00	100.00	2454.51
Dec-19	1227.34	1600.71	2019.65	2375.45	134.54	25.38	572.00	38.52	171.97	100.00	100.00	2257.15
Mar-20	1188.35	1399.12	1922.92	2289.49	134.57	24.65	570.00	38.48	258.44	100.00	100.00	2159.61
QTR CHG												
ABS	-39.00	-201.60	-96.73	-85.96	0.03	-0.72	-2.00	-0.03	86.46	0.00	0.00	-97.54
(%)	-3.18	-12.59	-4.79	-3.62	0.02	-2.86	-0.35	-0.08	50.28	0.00	0.00	-4.32
Yoy												
ABS	-743.72	-325.28	-232.37	-1379.99	0.03	-0.72	-260.00	-0.03	86.46	0.00	0.00	-294.90
(%)	-38.49	-18.86	-10.78	-37.61	0.03	-2.86	-31.33	-0.08	50.28	0.00	0.00	-12.01

## Market Performance

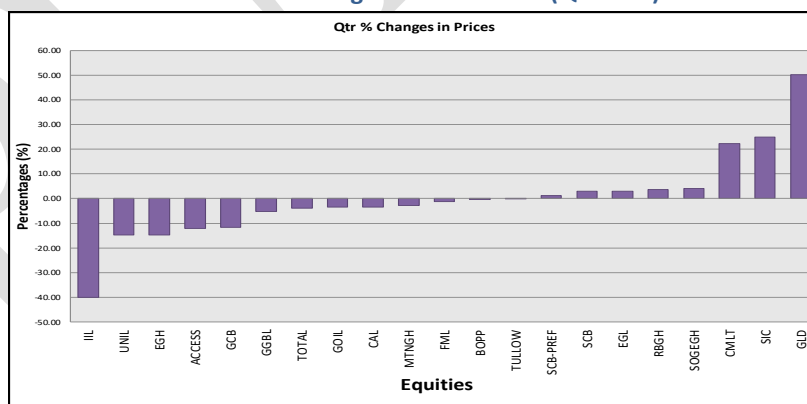
For the review quarter, total volume of trade on the GSE amounted to 99.51 million shares, valued at GH¢76.85 million. This compares with a volume of 19.40 million shares valued at GH¢39.48 million recorded in the corresponding period in 2019, indicating an improvement in secondary market activity.

**Chart 4.17: Market Activity-Volumes & Values of Trade (in million)**



In Q1-2020, thirteen (13) stocks shed value while eight (8) gained to moderate the decline in the GSE-Cl. The rest remained unchanged throughout the review period. GLD, a gold-related stock, was the best performer and led the list of advancers with a share price appreciation of 50.3 per cent. SIC, CMLT, RBGH and EGL also recorded gains of 4.2 per cent, 3.6 per cent, 3.0 per cent and 2.9 per cent, respectively. Manufacturing sector stocks; IIL, UNIL and GGBL shed 40.00 per cent, 14.8 per cent and 5.3 per cent, respectively, to top the losers. Other major losers were EGH and ACCESS which shed 14.7 per cent and 12.0 per cent respectively.

**Chart 4.18: Change in Share Prices (Q1-2020)**



## Market Capitalization

Total market capitalization at the end of Q1-2020 stood at GH¢55,985.55 million reflecting a decrease of 1.4 per cent (-GH¢805.70 million). Comparatively, market capitalization decreased by 2.3 per cent (-GH¢1,386.52 million) in the same period in 2019.

The main sectors that accounted for the decrease in market capitalization in Q1-2020 were Manufacturing (-12.6%; -GH¢144.79), Distribution (-3.6%; -GH¢36.94), Food & Brewery (-3.2%; -GH¢33.49), Finance (-2.7%; -GH¢344.61), and IT (-2.9%; -GH¢245.81). Only the ETFund and the Mining sectors recorded increases in market capitalization during the review period as stocks in these sectors recorded appreciation in prices. The only listed ETFund stock, GLD, recorded a capital appreciation of 50.3 per cent (GH¢10.86 million) during the period whereas the Mining sector recorded 0.02 percent (GH¢3.13 million) gain in market capitalization.

**Table 4.9: Sectors' Contribution to the Growth of Market Capitalization**

Month	SECTOR(GH¢ mill)											MKT. CAP.
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	
Mar-19	1659.44	1236.42	14389.64	1576.71	15691.89	8604.35	144.42	16404.24	21.60	10.57	10.70	59750.01
Dec-19	1054.16	1149.55	12555.51	1020.69	15860.36	8604.35	99.53	16404.24	21.60	10.57	10.70	56791.25
Mar-20	1020.66	1004.77	12210.90	983.75	15863.49	8358.54	99.18	16390.50	32.46	10.57	10.70	55985.55
QTR CHG												
ABS	-33.49	-144.78	-344.61	-36.94	3.13	-245.81	-0.35	-13.74	10.86	0.00	0.00	-805.70
(%)	-3.18	-12.59	-2.74	-3.62	0.02	-2.86	-0.35	-0.08	50.28	0.00	0.00	-1.42
Yoy												
ABS	-638.77	-231.65	-2178.74	-592.96	171.60	-245.81	-45.24	-13.74	10.86	0.00	0.00	-3764.46
(%)	-38.49	-18.74	-15.14	-37.61	1.09	-2.86	-31.33	-0.08	50.28	0.00	0.00	-6.30

### The Bond Market

The total value of Government of Ghana Notes and Bonds listed on the exchange as at the end of Q1-2020 stood at GH¢95,667.04 million compared with GH¢57,618.70 million in the corresponding period of 2019. Also listed on the GSE in the review period were US\$8,750.00 million Eurobonds compared with the US\$4,978.10 million issued in Q1-2019. The total value of corporate bonds listed on the exchange stood at GH¢9,592.72 million at end March 2020, compared with GH¢7,616.31 million in the same period in 2019.

## 5. Fiscal Developments

Provisional fiscal developments in the first quarter of 2020 resulted in an overall fiscal deficit of GH¢13,105.0 million (3.4% of GDP), compared with a deficit of GH¢3,648.3 million (1.0% of GDP) recorded in Q1-2019. The deficit exceeded the programmed deficit of GH¢7,208.0 million (1.9% of GDP) by 81.8 per cent. Total revenue (including grants) and total expenditure were all below their programmed targets by 25.8 per cent and 0.2 per cent respectively. The primary balance recorded a deficit of GH¢6,695.3 million (1.7% of GDP) compared with a primary surplus of GH¢119.6 million (0.03% of GDP) in the corresponding period of 2019.

**Table 5.1: Fiscal Indicators (GH¢ million)**

	2018 Prov Q1	2019 Prov. Q1	2020 Prov. Q1	2020 Prog Q1	Deviation Prov/Prog 2020 Q1	Yr-on-Yr
<b>Taxes on income and property</b>	<b>2,810.58</b>	<b>3,653.95</b>	<b>4,423.27</b>	<b>4,994.34</b>	<b>(11.43)</b>	<b>21.05</b>
per cent of GDP	0.94	1.05	1.15	1.29		
<b>Taxes on goods and services</b>	<b>3,248.00</b>	<b>4,161.98</b>	<b>3,624.87</b>	<b>4,431.21</b>	<b>(18.20)</b>	<b>(12.91)</b>
per cent of GDP	1.08	1.19	0.94	1.15		
<b>Taxes on international trade</b>	<b>1,423.28</b>	<b>1,442.11</b>	<b>829.71</b>	<b>1,257.26</b>	<b>(34.01)</b>	<b>(42.47)</b>
per cent of GDP	0.47	0.41	0.22	0.33		
<b>Tax revenue including oil</b>	<b>7,048.80</b>	<b>8,711.25</b>	<b>8,421.26</b>	<b>10,213.84</b>	<b>(17.55)</b>	<b>(3.33)</b>
per cent of GDP	2.34	2.49	2.18	2.65		
<b>Tax revenue excluding oil</b>	<b>6,845.86</b>	<b>8,470.31</b>	<b>8,093.85</b>	<b>9,301.02</b>	<b>(12.98)</b>	<b>(4.44)</b>
per cent of GDP	2.28	2.42	2.10	2.41		
<b>Nontax revenue</b>	<b>1,314.57</b>	<b>1,362.49</b>	<b>1,163.87</b>	<b>2,475.17</b>	<b>(52.98)</b>	<b>(14.58)</b>
per cent of GDP	0.44	0.39	0.30	0.64		
<b>Domestic revenue including oil</b>	<b>9,007.69</b>	<b>10,581.54</b>	<b>10,033.59</b>	<b>13,541.61</b>	<b>(25.91)</b>	<b>(5.18)</b>
per cent of GDP	3.00	3.03	2.60	3.51		
<b>Domestic revenue excluding oil</b>	<b>8,804.75</b>	<b>10,340.61</b>	<b>9,706.18</b>	<b>12,628.78</b>	<b>(23.14)</b>	<b>(6.14)</b>
per cent of GDP	2.93	2.96	2.52	3.27		
<b>Grants</b>	<b>354.33</b>	<b>112.45</b>	<b>320.57</b>	<b>407.02</b>	<b>(21.24)</b>	<b>185.07</b>
per cent of GDP	0.12	0.03	0.08	0.11		
<b>Total revenue and grants</b>	<b>9,362.02</b>	<b>10,693.99</b>	<b>10,354.16</b>	<b>13,948.63</b>	<b>(25.77)</b>	<b>(3.18)</b>
per cent of GDP	3.11	3.06	2.68	3.62		
<b>Compensation of Employees</b>	<b>4,792.70</b>	<b>5,383.76</b>	<b>6,503.62</b>	<b>5,945.79</b>	<b>9.38</b>	<b>20.80</b>
per cent of GDP	1.59	1.54	1.69	1.54		
<b>Goods and services</b>	<b>869.73</b>	<b>1,177.19</b>	<b>2,216.29</b>	<b>1,907.18</b>	<b>16.21</b>	<b>88.27</b>
per cent of GDP	0.29	0.34	0.57	0.49		
<b>Interest payments</b>	<b>2,706.78</b>	<b>3,767.88</b>	<b>6,409.74</b>	<b>6,420.26</b>	<b>(0.16)</b>	<b>70.12</b>
per cent of GDP	0.90	1.08	1.66	1.66		
<b>Subsidies</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>61.30</b>		
per cent of GDP	0.00	0.00	0.00	0.02		
<b>Non-Financial Assets (Capital Expenditure)</b>	<b>890.35</b>	<b>1,154.05</b>	<b>2,504.79</b>	<b>2,286.00</b>	<b>9.57</b>	<b>117.04</b>
per cent of GDP	0.30	0.33	0.65	0.59		
<b>Total expenditure &amp; net lending</b>	<b>12,440.36</b>	<b>14,879.28</b>	<b>20,764.64</b>	<b>20,795.86</b>	<b>(0.15)</b>	<b>39.55</b>
per cent of GDP	4.14	4.26	5.38	5.39		
<b>Overall Budget Balance</b>	<b>(2,617.83)</b>	<b>(3,648.26)</b>	<b>(13,105.01)</b>	<b>(7,208.04)</b>	<b>81.81</b>	<b>259.21</b>
per cent of GDP	(0.87)	(1.04)	(3.40)	(1.87)		
<b>Domestic Expenditure</b>	<b>7,850.29</b>	<b>9,696.05</b>	<b>15,567.97</b>	<b>12,840.82</b>	<b>21.24</b>	<b>60.56</b>
per cent of GDP	2.61	2.77	4.04	3.33		
<b>Primary Balance</b>	<b>88.95</b>	<b>119.62</b>	<b>(6,695.27)</b>	<b>(787.78)</b>	<b>749.89</b>	
per cent of GDP	0.03	0.03	(1.74)	(0.20)		
<b>Stock of Domestic Debt</b>	<b>71,626.07</b>	<b>92,713.74</b>	<b>111,148.58</b>			<b>19.88</b>
per cent of GDP	23.83	26.53	28.82	0.00		
<b>Nominal GDP (Including Oil)</b>	<b>300,596.10</b>	<b>349,480.41</b>	<b>385,679.77</b>	<b>385,679.77</b>		
<b>Nominal GDP (Excluding oil)</b>	<b>285,921.01</b>	<b>332,228.56</b>	<b>377,320.15</b>	<b>377,320.15</b>		

Source: Bank of Ghana and Ministry of Finance

## 5.1 Government Revenue

Government receipts (including grants) in Q1-2020 totalled GH¢10,354.2 million (2.7% of GDP). This was lower than the target of GH¢13,948.6 million (3.6% of GDP) by 25.8 per cent and recorded a year on year growth of 3.2 per cent. Total Revenue was made up of Tax Revenue of GH¢8,421.3 million (81.3% of total revenue), Social Security Contributions to NHIL of GH¢45.7 million (0.4% of total revenue), Non-tax Revenue of GH¢1,163.9 million (11.2% of total revenue) and GH¢320.6 million (3.1% of total revenue) from Grants as presented in table 5.2.

Non-Tax receipts of GH¢1,163.9 million was lower than the target of GH¢2,475.2 million by 53.0 per cent. This was however, slightly lower than GH¢1,362.5 million recorded for the corresponding quarter in 2019. Grants disbursement of GH¢320.6 million fell below the programmed target of GH¢407.0 million by 21.2 per cent.

### Income and Property Tax

Taxes from income and property during the first quarter was GH¢4,423.3 million, which missed the budgeted target of GH¢4,994.3 million by 11.4 per cent but recorded a year on year growth of 21.1 per cent. Personal income taxes raked in GH¢2,009.0 million, which exceeded programmed target by 36.6 per cent. Companies' taxes totalled GH¢1,627.2 million, while other taxes, comprising royalties from oil and mineral summed up to GH¢487.2 million. Inflows from National Fiscal Stabilization Levy (NFSL) for the period was GH¢50.7 million, compared to GH¢30.0 million recorded in the similar period in 2019.

### Domestic Goods and Services

Domestic goods and services tax of GH¢3,624.9 million recorded a negative deviation of 18.2 per cent against its programmed target. This category of tax comprised of Excise Duty and Petroleum Tax of GH¢1,018.0 million, VAT collections of GH¢1,817.7 million, National Health Insurance Levy of GH¢342.1 million, GET Fund Levy of GH¢344.6 million, and GH¢102.6 million from Communication Service Tax.

All tax handles under goods and services performed below their respective targets with Communication Service Tax registering the highest year on year growth of 38.0 per cent.

### International Trade Taxes

International Trade Taxes revenue was GH¢829.7million, lower than the budget target of GH¢1,257.3 million, and lower than GH¢1,442.1 million recorded in a similar period of 2019. Total Import Duty realised was 34.0 per cent below target and recorded a year on year decline in growth of 42.5 per cent.

### Non-Tax Revenue

Non-Tax Revenue of GH¢1,163.9 million fell below the programmed target of GH¢2,475.2 million, and lower than the GH¢1,362.5 million recorded for the corresponding period of 2019. Non-Tax Revenue comprised of Retention of Internally Generated Funds (IGF) of GH¢947.6 million, and Lodgement of GH¢216.3 million.



Table 5.2: Government Revenue (GH¢' million)

	2018 Prov. Q1	2019 Prov. Q1	2020 Prov. Q1	2020 Prog Q1	Deviation Prov/Prog 2020	Yr-on-Yr
<b>TAX REVENUE</b>	<b>7,048.80</b>	<b>8,711.25</b>	<b>8,421.26</b>	<b>10,213.84</b>	<b>(17.55)</b>	<b>(3.33)</b>
<i>(percent of GDP)</i>	<i>2.34</i>	<i>2.49</i>	<i>2.18</i>	<i>2.65</i>		
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>2,810.58</b>	<b>3,653.95</b>	<b>4,423.27</b>	<b>4,994.34</b>	<b>(11.43)</b>	<b>21.05</b>
Personal	914.69	1,408.32	2,008.95	1,471.23	36.55	42.65
Self employed	75.21	85.42	88.28	103.31	(14.56)	3.34
Companies	1,300.49	1,584.33	1,627.16	1,977.99	(17.74)	2.70
Company taxes on oil	53.27	159.50	0.00	602.14		
Others	466.92	416.38	698.88	839.67	(16.77)	67.85
Other direct taxes /1	289.06	261.85	531.04	605.49	(12.30)	102.81
o/w Royalties from Oil	149.67	81.44	327.41	310.69	5.38	302.04
o/w Mineral Royalties	112.21	128.49	159.80	207.98	(23.17)	24.37
NFSL	49.17	37.02	50.71	70.97	(28.54)	36.99
Airport tax	128.68	117.52	117.13	163.21	(28.23)	(0.33)
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>3,248.00</b>	<b>4,161.98</b>	<b>3,624.87</b>	<b>4,431.21</b>	<b>(18.20)</b>	<b>(12.91)</b>
<b>Excises</b>	<b>822.89</b>	<b>932.34</b>	<b>1,017.95</b>	<b>1,152.17</b>	<b>(11.65)</b>	<b>9.18</b>
Excise Duty	86.91	90.76	114.96	109.00	5.47	26.66
Petroleum tax	735.98	841.58	902.99	1,043.17	(13.44)	7.30
o/w Debt recovery levy/ Energy Fund Levy	7.79	9.60	9.79	9.87	(0.80)	2.03
o/w Road Fund levy	301.37	370.25	446.93	415.85	7.47	20.71
<b>VAT</b>	<b>1,984.29</b>	<b>2,290.64</b>	<b>1,817.70</b>	<b>2,274.51</b>	<b>(20.08)</b>	<b>(20.65)</b>
Domestic	889.23	1,103.67	1,210.47	1,348.98	(10.27)	9.68
External	1,095.06	1,186.97	607.23	925.53	(34.39)	(48.84)
<b>National Health Insurance Levy (NHIL)</b>	<b>341.01</b>	<b>439.87</b>	<b>342.05</b>	<b>446.36</b>	<b>(23.37)</b>	<b>(22.24)</b>
Customs Collection	187.36	197.23	109.61	177.80	(38.35)	(44.43)
Domestic Collection	153.65	242.64	232.44	268.56	(13.45)	(4.20)
<b>GETFund Levy</b>	<b>0.00</b>	<b>424.78</b>	<b>344.59</b>	<b>446.36</b>	<b>(22.80)</b>	<b>(18.88)</b>
Customs Collection	0.00	182.15	111.88	177.80	(37.08)	(38.58)
Domestic Collection	0.00	242.64	232.71	268.56	(13.35)	(4.09)
<b>Communication Service Tax</b>	<b>99.81</b>	<b>74.35</b>	<b>102.58</b>	<b>111.81</b>	<b>(8.25)</b>	<b>37.96</b>
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>1,423.28</b>	<b>1,442.11</b>	<b>829.71</b>	<b>1,257.26</b>	<b>(34.01)</b>	<b>(42.47)</b>
<b>Imports</b>	<b>1,423.28</b>	<b>1,442.11</b>	<b>829.71</b>	<b>1,257.26</b>	<b>(34.01)</b>	<b>(42.47)</b>
Import duty	1,423.28	1,442.11	829.71	1,257.26	(34.01)	(42.47)
o/w EXIM	0.00	0.00	43.08	0.00		
o/w AU Levy	0.00	0.00	11.30	0.00		
<b>Tax Refunds</b>	<b>(433.05)</b>	<b>(546.80)</b>	<b>(456.58)</b>	<b>(468.96)</b>	<b>(2.64)</b>	<b>(16.50)</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>114.47</b>	<b>18.30</b>	<b>45.72</b>	<b>128.23</b>	<b>(64.34)</b>	<b>149.90</b>
SSNIT Contribution to NHIL	114.47	18.30	45.72	128.23	(64.34)	149.90
<b>NON-TAX REVENUE</b>	<b>1,314.57</b>	<b>1,362.49</b>	<b>1,163.87</b>	<b>2,475.17</b>	<b>(52.98)</b>	<b>(14.58)</b>
Retention	769.86	947.20	947.56	1,225.31	(22.67)	0.04
Lodgement	544.71	415.28	216.31	1,249.86	(82.69)	(47.91)
Fees & Charges	113.90	140.53	137.85	212.18	(35.03)	(1.91)
Dividend/Interest & profits (Others)	1.76	5.58	46.21	0.00		728.36
Dividend/Interest & profits from Oil	406.40	211.06	0.00	999.96		
Surface Rentals from Oil	1.88	0.87	3.54	1.94	82.91	309.38
Luxury Vehicle Levy		30.19				
Yield from Capping Policy	0.00	0.00	28.71	35.78	(19.77)	
<b>OTHER REVENUE</b>	<b>529.85</b>	<b>489.51</b>	<b>402.73</b>	<b>724.36</b>	<b>(44.40)</b>	<b>(17.73)</b>
ESLA Proceeds	529.85	489.51	402.73	724.36	(44.40)	(17.73)
Energy Debt Recovery Levy	328.30	415.62	295.63	461.52	(35.94)	(39.61)
Public Lighting Levy	0.00	27.65	0.00	66.36		
National Electrification Scheme Levy	0.00	17.42	0.00	43.24		
Price Stabilisation & Recovery Levy	59.42	28.83	107.10	153.24	(30.11)	
<b>DOMESTIC REVENUE</b>	<b>9,007.69</b>	<b>10,581.54</b>	<b>10,033.59</b>	<b>13,541.61</b>	<b>(25.91)</b>	<b>(5.18)</b>
<b>GRANTS</b>	<b>354.33</b>	<b>112.45</b>	<b>320.57</b>	<b>407.02</b>	<b>(21.24)</b>	<b>185.07</b>
Project grants	354.33	112.45	320.57	373.89	(14.26)	185.07
Programme grants	0.00	0.00	0.00	33.13		
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>9,362.02</b>	<b>10,693.99</b>	<b>10,354.16</b>	<b>13,948.63</b>	<b>(25.77)</b>	<b>(3.18)</b>

Source: Bank of Ghana and Ministry of Finance

## 5.2 Government Expenditures

Government expenditure and net lending in the first quarter of 2020 totalled GH¢20,764.6 million (5.4% of GDP) compared with the programmed target of GH¢20,795.9 million (5.4% of GDP) as depicted in table 5.3. This was however higher than the outturn of GH¢14,879.3 million in the corresponding period of 2019 by 28.3 per cent. The total wage bill, Goods and Services, and Capital expenditures overshot their targets by 9.4 per cent, 16.2 per cent, and 9.6 per cent respectively. Expenditures on the remaining line items were less than programmed. Compensation of employees, Interest payment and Grants to Other Government Units together constituted 75.3 per cent of total expenditures for the period under review.

**Table 5.3: Government Expenditure (GH¢' million)**

	2018 Prov. Q1	2019 Prov. Q1	2020 Prov. Q1	2020 Prog Q1	Deviation Prov/Prog 2020 Q1	Yr-on-Yr
<b>Compensation of Employees</b>	<b>4,792.70</b>	<b>5,383.76</b>	<b>6,503.62</b>	<b>5,945.79</b>	<b>9.38</b>	<b>20.80</b>
Wages & Salaries	4,201.83	4,715.97	5,725.02	5,129.39	11.61	21.40
Social Contributions	590.87	667.79	778.59	816.41	(4.63)	16.59
Pensions	227.24	250.37	306.75	247.04	24.17	22.52
Gratuities	51.87	68.90	53.59	102.59	(47.76)	(22.22)
Social Security	311.77	348.52	418.26	466.77	(10.39)	20.01
<b>Use of Goods and Services</b>	<b>869.73</b>	<b>1,177.19</b>	<b>2,216.29</b>	<b>1,907.18</b>	<b>16.21</b>	
o/w ABFA	2.23	360.57	0.00	279.03		
<b>Interest Payments</b>	<b>2,706.78</b>	<b>3,767.88</b>	<b>6,409.74</b>	<b>6,420.26</b>	<b>(0.16)</b>	<b>70.12</b>
Domestic	1,947.79	3,105.51	5,255.40	5,353.17	(1.83)	69.23
External (Due)	759.00	662.37	1,154.34	1,067.09	8.18	74.28
<b>Subsidies</b>	<b>0.00</b>	<b>41.41</b>	<b>0.00</b>	<b>61.30</b>		
Subsidies on Petroleum products	0.00	0.00	0.00	61.30		
<b>Grants to Other Government Units</b>	<b>2,650.95</b>	<b>2,865.47</b>	<b>2,727.47</b>	<b>3,474.75</b>	<b>(21.51)</b>	<b>(4.82)</b>
National Health Fund (NHF)	268.00	315.60	208.78	478.76	(56.39)	(33.85)
Education Trust Fund	214.68	86.69	236.78	254.69	(7.03)	173.13
Road Fund	210.62	302.82	301.06	210.35	43.12	(0.58)
Energy Fund	5.02	2.68	62.74	5.26		
Dist. Ass. Common Fund	455.01	614.98	646.38	449.46	43.81	5.11
Retention of Internally-generated funds (IGFs)	769.86	947.20	947.56	1,225.31	(22.67)	0.04
Transfer to GNPC from Oil Revenue	194.54	84.72	0.00	347.01		
<b>Other Earmarked Funds</b>	<b>533.21</b>	<b>510.78</b>	<b>324.15</b>	<b>503.91</b>	<b>(35.67)</b>	<b>(36.54)</b>
Youth Employment Agency	133.88	73.89	0.00	44.27		
Student's Loan Trust	0.00	0.36	0.00	0.55		
Ghana EXIM Bank Ltd	0.00	74.60	0.00	56.21		
Ghana Airport Authority	25.42	117.52	117.13	163.21	(28.23)	(0.33)
Mineral Development Fund	7.75	25.70	0.00	26.67		
GRA Retention	79.85	218.72	207.02	212.36	(2.51)	(5.35)
Plastic Waste Recycling Fund	0.88	0.00	0.00	0.63		
<b>Social Benefits</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>37.52</b>		
Lifeline Consumers of Electricity	0.00	0.00	0.00	37.52		
<b>Other Expenditure</b>	<b>529.85</b>	<b>489.51</b>	<b>402.73</b>	<b>663.06</b>	<b>(39.26)</b>	<b>(17.73)</b>
ESLA Transfers	529.85	489.51	402.73	663.06	(39.26)	(17.73)
<b>TAX Refunds</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>Acquisition of Non-Financial Assets</b>	<b>890.35</b>	<b>1,154.05</b>	<b>2,504.79</b>	<b>2,286.00</b>	<b>9.57</b>	<b>117.04</b>
Domestic financed	157.73	500.68	1,023.33	751.22	36.22	104.39
Assets	0.00	27.79	0.00	0.00		
o/w Capital Expenditure share of ABFA from						
Oil (70% of ABFA)	37.07	27.79	0.00	651.06		
Foreign financed	732.62	653.38	1,481.46	1,534.78	(3.47)	126.74
<b>Other Outstanding Expenditure Claims</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>TOTAL EXP. &amp; NET LENDING</b>	<b>12,440.36</b>	<b>14,879.28</b>	<b>20,764.64</b>	<b>20,795.86</b>	<b>(0.15)</b>	<b>39.55</b>

Source: Bank of Ghana and Ministry of Finance

### Compensation of Employees

Compensation of Employees, which comprises of wages and salaries, and social security contributions summed up to GH¢6,503.6 million. This was 8.6 per cent higher than the programmed target of GH¢5,945.8 million, and higher than a payment of GH¢5,383.8 million made in a similar period of 2019 by 20.8 per cent.

### Interest Payments

Interest payments for the review quarter totalled GH¢6,409.7 million, and was 0.2 per cent below the programmed target. Domestic interest payment accounted for 82.0 per cent of the total Interest payment, and registered a year on year growth of 69.2 per cent. External Interest payment accounted for the remaining 18.0 per cent and recorded a year on year growth of 74.3 per cent.

### Grants to Other Government Units

Grants to Other Government Units was GH¢2,727.5 million and recorded a negative deviation to target by 21.5 per cent. Payments of GH¢208.8 million to National Health Fund and GH¢236.8 million to Ghana Education Trust Fund for the period were less than programmed. District Assembly Common Fund of

GH¢646.4 million and Road Fund of GH¢301.1 million on the other hand exceeded their targets by 43.8 per cent and 43.1 per cent respectively. The use of Internally Generated Funds by MDAs was GH¢947.6 million. Other Earmarked Funds totalled GH¢324.2 million while ESLA transfers was GH¢402.7 million. They all fell short of the budget target by 35.7 per cent and 39.3 per cent respectively

## Capital Expenditure

Government Acquisition of Non-Financial Assets during the first quarter of 2020 was GH¢2,504.8 million, above the budgeted target of GH¢2,286.0 million by 9.6 per cent. Total domestic financed capital expenditure for the period was GH¢1,023.3 million representing 40.9 per cent of total capital expenditure, while foreign- financed capital expenditure was GH¢1,481.5million and made up 59.1 per cent of the total.

**Table 5.4: Government Financing (GH¢' million)**

	2018 Prov. Q1	2019 Prov. Q1	2020 Prov. Q1	2020 Prog Q1	Deviation Prov/Prog 2020 Q1	Yr-on-Yr
<b>Overall balance (commitment)</b>	<b>(3,078.34)</b>	<b>(4,185.28)</b>	<b>(10,410.48)</b>	<b>(6,847.23)</b>	<b>52.04</b>	<b>148.74</b>
<i>(percent of GDP)</i>	<i>(1.02)</i>	<i>(1.20)</i>	<i>(2.70)</i>	<i>(1.78)</i>		
Road Arrears (net change)	0.00	(224.96)	0.00	0.00		
Arrears clearance (net change)	(690.16)	0.00	0.00	(360.81)		
Clearance of outstanding commitments	0.00	(224.96)	0.00	(360.81)		
o/w other outstanding payments/deferred payments	(690.16)	(224.96)	0.00	(360.81)		
o/w other outstanding claims	(643.00)	0.00	0.00	0.00		
o/w wage arrears	(47.16)	0.00	0.00	0.00		
<b>Overall balance (cash)</b>	<b>(3,768.50)</b>	<b>(4,410.24)</b>	<b>(10,410.48)</b>	<b>(7,208.04)</b>	<b>44.43</b>	<b>136.05</b>
<i>(percent of GDP)</i>	<i>(1.25)</i>	<i>(1.26)</i>	<i>(2.70)</i>	<i>(1.87)</i>		
Divestiture receipts	0.00	0.00	0.00	0.00		
Divestiture liabilities	0.00	0.00	0.00	0.00		
Discrepancy	1,150.67	761.97	(2,694.53)	0.00		(453.62)
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>(2,617.83)</b>	<b>(3,648.26)</b>	<b>(13,105.01)</b>	<b>(7,208.04)</b>	<b>81.81</b>	<b>259.21</b>
<i>(percent of GDP)</i>	<i>(0.87)</i>	<i>(1.04)</i>	<i>(3.40)</i>	<i>(1.87)</i>		
<b>Financing</b>	<b>2,617.83</b>	<b>3,648.26</b>	<b>13,105.01</b>	<b>7,208.04</b>	<b>81.81</b>	<b>259.21</b>
<b>Foreign (net)</b>	<b>(336.46)</b>	<b>12,051.68</b>	<b>3,773.87</b>	<b>16,176.94</b>	<b>(76.67)</b>	<b>(68.69)</b>
Borrowing	378.29	14,187.48	8,817.32	18,316.84	(51.86)	(37.85)
Project loans	378.29	540.92	1,160.89	1,160.89	0.00	114.61
Sovereign Bond	0.00	13,646.56	7,656.44	17,155.95	(55.37)	(43.89)
Amortisation (due)	(714.75)	(2,135.80)	(5,043.45)	(2,139.91)	135.69	136.14
<b>Domestic (net)</b>	<b>3,115.62</b>	<b>(8,290.50)</b>	<b>9,435.57</b>	<b>(2,849.06)</b>	<b>(431.18)</b>	<b>(213.81)</b>
Banking	1,121.06	(11,938.22)	3,982.12	2,306.98	72.61	(133.36)
Bank of Ghana	450.82	(14,775.10)	4,410.91	0.00		(129.85)
Comm. Banks	670.24	2,836.88	(428.79)	2,306.98	(118.59)	(115.11)
Non-banks	1,994.56	3,647.72	3,177.99	(5,435.06)	(158.47)	(12.88)
o/w Non-residents	0.00	263.22	828.60	0.00		214.80
Other Domestic	0.00	0.00	2,275.46	279.03	715.50	
o/w Debt Repayment from Ghana Stabilisation Fund	0.00	0.00	488.91	279.03	75.22	
<b>Other Financing</b>	<b>(14.55)</b>	<b>(2.47)</b>	<b>(5.14)</b>	<b>(2.58)</b>	<b>99.31</b>	<b>108.47</b>
Other domestic financing	(14.55)	(2.47)	(5.14)	(2.58)	99.31	108.47
Divestiture Receipts	0.00	0.00	0.00	0.00		
<b>Ghana Petroleum Funds</b>	<b>(146.79)</b>	<b>(110.44)</b>	<b>(99.29)</b>	<b>(119.58)</b>	<b>(16.97)</b>	<b>(10.10)</b>
Transfer to Ghana Petroleum Funds	(146.79)	(110.44)	(99.29)	(398.61)	(75.09)	(10.10)
o/w Stabilisation Fund	(102.75)	(77.31)	(69.50)	(279.03)	(75.09)	(10.10)
o/w Heritage Fund	(44.04)	(33.13)	(29.79)	(119.58)	(75.09)	(10.10)
Transfer from Stabilisation Fund	0.00	0.00	0.00	279.03		
Sinking Fund	0.00	0.00	0.00	(5,997.68)		
Contingency Fund	0.00	0.00	0.00	0.00		
<b>Nominal GDP (Including Oil)</b>	<b>300,596.10</b>	<b>349,480.41</b>	<b>385,679.77</b>	<b>385,679.77</b>		
<b>Nominal GDP (Excluding oil)</b>	<b>285,921.01</b>	<b>332,228.56</b>	<b>377,320.15</b>	<b>377,320.15</b>		

Source: Bank of Ghana and Ministry of Finance

## 5.3 Financing

The overall budget balance on cash basis, including divestiture and discrepancy, resulted in a deficit of GH¢13,105.0 million (3.4% of GDP) in the review period. The deficit was financed with net foreign inflow of GH¢3,773.9 million whilst an amount of GH¢9,435.6 million was used to reduce Government indebtedness to the Domestic Economy. Out of the remaining GH¢104.4 million, government built up savings with the Petroleum Fund to the tune of GH¢99.2 million while an amount of GH¢ 5.1 million was a repayment of

standard loans. Out of net domestic repayments of GH¢9,435.6 million, Government drew down on its cash balances with Bank of Ghana by GH¢4,410.9 million while borrowing GH¢3,178.0 million from DMBs and Non-Bank public. (Table 5.4)

## 5.4 Domestic Debt

### Composition of Domestic Debt

The stock of domestic debt at the end of Q1-2020 stood at GH¢111,148.6 million, indicating an increase of GH¢5,791.8 million over the stock at the end of the fourth quarter of 2019. The growth in the domestic debt stock reflected in the short and medium term bonds and stocks. Short-term and Medium-term securities increased by GH¢244.3 million and GH¢5,871.0 million respectively, while the Long-term securities decreased by GH¢323.6 million (table 5.5). The short-term securities grew slightly by 1.5 per cent, reflecting an increase of GH¢511.9 million in the 91-day Treasury bill. There were declines in both the 182-day and 364-day Treasury bills.

The 9.0 per cent growth in the medium-term securities was on account of increases in the 3-year fixed Treasury note of GH¢1,836.8 million, 5-year GOG bond of GH¢4,701.1 million, 6-year GOG Bond of GH¢54.8 million, 7-year GOG Bond of GH¢739.1 million, and GH¢150.0 million in the 10-year GOG bond. These increases were moderated by declines in the 2-year Fixed Treasury Note, 3-year US\$ domestic Bond, and 3-year Stock (SSNIT) of GH¢1,528.1 million, GH¢34.0 million and GH¢48.7 million respectively.

The decrease in the Long-Term Securities was due to a significant reduction of GH¢8,937.1 million in the Long-Term Government stocks and a marginal decline of GH¢57.2 million in the TOR bonds. This was however, offset by a significant increase of GH¢8,670.7 million in the 15-year GOG Bond.

### Holdings of Domestic Debt

Bank of Ghana's holding of domestic debt at the end of the first quarter of 2020 was GH¢13,490.4 million, representing 12.1 per cent of the total. The Deposit Money Banks (DMBs) held GH¢35,652.1 million (32.1%). SSNIT held GH¢199.1 million (0.2%), Insurance companies GH¢624.1 million (0.6%) whilst "Other holders" made up of Rural Banks, Firms and Institutions, and Individuals held GH¢34,062.0 million (30.7%).

Non-Resident Investors held GH¢27,120.9 million (24.4%), indicating a slight reduction in holdings compared to first Quarter of 2019.

At the end of the fourth Quarter of 2019 Bank of Ghana held 15.0% of Comparative holdings, while Deposit Money Banks held 29.5%, SSNIT 0.3%, and Insurance Companies 0.6%. Other holders and Non-Resident investors held 29.8 and 25.0 per cent respectively as depicted in Table 5.7.

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

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	YEAR TO DATE (Q1 2020) - (Q4 2019)
91-Day Treasury Bill	6,010.14	6,990.58	6,516.54	7,153.43	7,665.36	511.94
182-Day Treasury Bill	3,095.52	3,540.26	3,387.47	2,842.66	2,833.27	(9.39)
364-Day Treasury Bill	1,651.02	3,793.71	5,402.90	6,344.89	6,086.65	(258.24)
1-Year Treasury Note	2,075.72	1,388.69	898.42	0.00	0.00	-
<b>A. Short-Term Instruments</b>	<b>12,832.39</b>	<b>15,713.24</b>	<b>16,205.34</b>	<b>16,340.98</b>	<b>16,585.28</b>	<b>244.31</b>
2-Year Fixed Treasury Note	13,996.60	12,610.72	12,939.10	13,526.06	11,998.01	(1,528.06)
3-Year Fixed Treasury Note	11,579.50	11,405.56	11,444.42	12,929.59	14,766.36	1,836.77
3-year USD Domestic Bond	1,126.02	1,164.92	1,975.40	2,056.26	2,022.27	(33.98)
3-Year Stock(SSNIT)	388.56	313.36	199.07	172.52	123.86	(48.66)
5-Year GOG Bond	12,661.66	13,522.74	14,909.30	15,807.95	20,509.07	4,701.12
6-Year GOG Bond	370.31	1,248.73	1,780.73	1,780.73	1,835.48	54.75
7-Year GOG Bond	3,258.13	3,258.13	4,143.43	4,580.80	5,319.90	739.10
10-Year GOG Bond	7,861.17	8,365.12	8,665.12	8,665.12	8,815.12	150.00
<b>B. Medium-Term Instruments</b>	<b>51,241.94</b>	<b>51,889.28</b>	<b>56,056.58</b>	<b>59,519.03</b>	<b>65,390.07</b>	<b>5,871.04</b>
15-Year GOG Bond	4,793.78	4,793.78	5,314.65	5,812.65	14,483.32	8,670.67
20-Year GOG Bond	0.00	0.00	162.13	162.13	162.13	-
Long Term Government Stocks	22,951.88	22,841.82	22,685.50	22,685.50	13,748.44	(8,937.06)
GOG Petroleum Finance Bond	80.02	80.02	80.02	80.02	80.02	-
TOR Bonds	343.20	343.20	286.00	286.00	228.80	(57.20)
NPRA Stocks	0.00	0.00	0.00	0.00	0.00	-
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	-
Revaluation Stock	361.06	361.06	361.06	361.06	361.06	-
Others Government Stocks	(0.00)	(0.00)	0.00	0.00	0.00	(0.00)
<b>C. Long-Term Instruments</b>	<b>28,639.40</b>	<b>28,529.34</b>	<b>28,998.82</b>	<b>29,496.82</b>	<b>29,173.23</b>	<b>(323.60)</b>
<b>TOTAL(A+B+C)</b>	<b>92,713.74</b>	<b>96,131.85</b>	<b>101,260.74</b>	<b>105,356.82</b>	<b>111,148.58</b>	<b>5,791.75</b>

Source: Bank of Ghana

Table 5.6: Holdings of Domestic Debt (GH¢' million)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020	% of holdings 2019	% of holdings 2020
<b>A. Banking sector</b>	<b>40,744.75</b>	<b>41,960.32</b>	<b>45,849.40</b>	<b>46,815.67</b>	<b>49,142.53</b>	<b>44.44</b>	<b>44.21</b>
Bank of Ghana	14,578.20	15,920.02	15,662.63	15,782.68	13,490.40	14.98	12.14
Deposit Money Banks	26,166.56	26,040.31	30,186.76	31,032.99	35,652.12	29.46	32.08
<b>B. Nonbank sector</b>	<b>25,629.59</b>	<b>28,987.13</b>	<b>29,751.15</b>	<b>32,248.90</b>	<b>34,885.19</b>	<b>30.61</b>	<b>31.39</b>
SSNIT	512.03	467.26	403.41	313.96	199.09	0.30	0.18
Insurance Companies	477.47	510.78	538.60	581.89	624.10	0.55	0.56
<b>Others Holders</b>	<b>24,640.08</b>	<b>28,009.09</b>	<b>28,809.15</b>	<b>31,353.05</b>	<b>34,062.00</b>	<b>29.76</b>	<b>30.65</b>
Rural Banks	480.93	488.82	482.17	697.50	817.34	0.66	0.74
Firms & Institutions	17,598.94	19,941.83	20,184.34	21,976.59	23,707.29	20.86	21.33
Individuals	6,560.21	7,578.44	8,142.64	8,678.95	9,537.37	8.24	8.58
<b>C. Foreign sector(Non-Residents)</b>	<b>26,339.40</b>	<b>25,184.41</b>	<b>25,660.19</b>	<b>26,292.26</b>	<b>27,120.86</b>	<b>24.96</b>	<b>24.40</b>
<b>TOTAL(A+B+C)</b>	<b>92,713.74</b>	<b>96,131.85</b>	<b>101,260.74</b>	<b>105,356.82</b>	<b>111,148.58</b>		

Source: Bank of Ghana

Table 5.7: Holdings of Total Domestic Debt (Percentages)

	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Q1 2020
<b>A. Banking sector</b>	<b>43.95</b>	<b>43.65</b>	<b>45.28</b>	<b>44.44</b>	<b>44.21</b>
Bank of Ghana	15.72	16.56	15.47	14.98	12.14
Deposit Money Banks	28.22	27.09	29.81	29.46	32.08
<b>B. Nonbank sector</b>	<b>27.64</b>	<b>30.15</b>	<b>29.38</b>	<b>30.61</b>	<b>31.39</b>
SSNIT	0.55	0.49	0.40	0.30	0.18
Insurance Companies	0.51	0.53	0.53	0.55	0.56
<b>Others Holders</b>	<b>26.58</b>	<b>29.14</b>	<b>28.45</b>	<b>29.76</b>	<b>30.65</b>
Rural Banks	0.52	0.51	0.48	0.66	0.74
Firms & Institutions	18.98	20.74	19.93	20.86	21.33
Individuals	7.08	7.88	8.04	8.24	8.58
<b>C. Foreign sector(Non-Residents)</b>	<b>28.41</b>	<b>26.20</b>	<b>25.34</b>	<b>24.96</b>	<b>24.40</b>
<b>TOTAL(A+B+C)</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

## 6. Balance of Payments Developments

### 6.1 International Trade and Finance

Preliminary estimates of Ghana's Balance of Payments for the first quarter of 2020 registered a surplus of US\$1,476.5 million compared to a deficit of US\$2,997.3 million recorded in the first quarter of 2019.

**Table 6.1: Balance of Payments, Q1'2018 - Q1'2020 (US\$' million)**

	2018	2019	2020	Q1'2019/20	
	Q1	Q1	Q1	Absolute	% Change
<b>CURRENT ACCOUNT</b>	<b>226.8</b>	<b>232.2</b>	<b>199.9</b>	<b>-32.3</b>	<b>-13.9</b>
<b>Merchandise Exports (f.o.b.)</b>	<b>4,060.6</b>	<b>4,017.3</b>	<b>3,936.0</b>	<b>-81.3</b>	<b>-2.0</b>
Cocoa beans and products	858.6	832.4	959.5	127.1	15.3
Gold	1,431.0	1,435.7	1,473.4	37.7	2.6
Timber products	63.3	47.5	34.5	-12.9	-27.2
Oil	1,052.8	1,054.1	874.1	-180.0	-17.1
Others (including non-traditionals)	655.0	647.6	594.6	-53.0	-8.2
<b>Merchandise Imports (f.o.b.)</b>	<b>-3,334.5</b>	<b>-3,332.3</b>	<b>-2,999.8</b>	<b>332.5</b>	<b>-10.0</b>
Non-oil	-2,674.0	-2,699.2	-2,488.9	210.3	-7.8
Oil	-660.4	-633.1	-511.0	122.2	-19.3
<b>Trade Balance</b>	<b>726.1</b>	<b>684.9</b>	<b>936.1</b>	<b>251.2</b>	<b>36.7</b>
<b>Services (net)</b>	<b>-370.6</b>	<b>-621.8</b>	<b>-1,025.6</b>	<b>-403.8</b>	<b>64.9</b>
Receipts	2,004.6	2,087.0	1,861.9	-225.2	-10.8
Payments	-2,375.2	-2,708.9	-2,887.5	-178.7	6.6
<b>Income (net)</b>	<b>-685.4</b>	<b>-634.9</b>	<b>-484.0</b>	<b>150.8</b>	<b>-23.8</b>
Receipts	118.1	81.8	153.8	72.0	88.0
Payments	-803.5	-716.6	-637.8	78.8	-11.0
<b>Current Transfers (net)</b>	<b>556.6</b>	<b>803.9</b>	<b>773.4</b>	<b>-30.5</b>	<b>-3.8</b>
Official	0.0	0.0	0.0		
Private	556.6	803.9	773.4	-30.5	-3.8
<b>Services, Income and Current Transfers (net)</b>	<b>-499.3</b>	<b>-452.8</b>	<b>-736.3</b>	<b>-283.5</b>	<b>62.6</b>
<b>CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>-580.0</b>	<b>2,703.5</b>	<b>1,375.7</b>	<b>-1,327.9</b>	<b>-49.1</b>
<b>Capital Account (net)</b>	<b>83.3</b>	<b>37.4</b>	<b>21.5</b>	<b>-15.8</b>	<b>-42.3</b>
Capital transfers	83.3	37.4	21.5	-15.8	-42.3
<b>Financial Account (net)</b>	<b>-663.2</b>	<b>2,666.2</b>	<b>1,354.1</b>	<b>-1,312.0</b>	<b>-49.2</b>
Direct Investments	361.2	725.0	226.1	-499.0	-68.8
Portfolio Investments	109.8	2,610.4	2,209.3	-401.1	-15.4
Other Investments	-1,134.3	-669.3	-1,081.3	-412.0	61.6
Of Which					
Official Capital (net)	-57.8	60.2	123.3	63.1	104.7
Sovereign bond					
Other Private Capital (net)	-1,022.3	-679.3	-1,307.6	-628.3	92.5
Short-term capital (net)	-20.7	-29.9	-1.9	28.1	-93.8
Government Oil Investments (net)	-33.5	-20.3	63.1	83.4	-410.7
<b>ERRORS AND OMISSIONS</b>	<b>-260.3</b>	<b>61.6</b>	<b>-99.1</b>	<b>-160.7</b>	<b>-260.8</b>
<b>OVERALL BALANCE</b>	<b>-613.5</b>	<b>2,997.3</b>	<b>1,476.5</b>	<b>-1,520.9</b>	<b>-50.7</b>
<b>FINANCING</b>	<b>613.5</b>	<b>-2,997.3</b>	<b>-1,476.5</b>	<b>1,520.9</b>	<b>-50.7</b>
Changes in international reserves	613.5	-2,997.3	-1,476.5	1,520.9	-50.7

+ Revised \* Provisional

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

## 6.2 The Current Account

### 6.2.1 Merchandise Trade

The Current Account surplus in Q1-2020 decreased from US\$232.17 million in the first quarter of 2019 to US\$199.88 million, a year-on-year reduction of 13.9 per cent. The decrease in the Current Account surplus was influenced largely by increases in outflows from the services account. The provisional trade balance for Q1-2020 showed a surplus of US\$936.15 million compared to a surplus of US\$684.94 million recorded for the same period in 2019. The gains made in the trade balance were attributable to the negative effects of the COVID-19 pandemic. While the resultant economic uncertainties caused a reduction in imports, this decline however exceeded the fall in exports and improved the trade balance.

#### Merchandise Exports

The value of merchandise exports for Q1-2020 was provisionally estimated at US\$3,936 million, indicating a decrease of US\$81.30 million or 2.0 per cent, compared with US\$4,017.3 million recorded in the same period in 2019. The decrease was attributable to a fall in receipts from some export commodities notably timber, oil, and other exports (non-traditional exports and other minerals).

#### Gold Exports

Gold exports during the review quarter amounted to US\$1,473.37 million compared to US\$1,435.70 million recorded during the corresponding quarter in 2019. The increase in receipts was mainly as a result of a price effect. While the volume of gold exports decreased by 15.3 per cent to 933,713 fine ounces, the average realized price increased by 21.1 per cent to settle at US\$1,577.96 per fine ounce.

#### Crude Oil Exports

The value of crude oil exported was US\$874.07 million compared to US\$1,054.10 million recorded in Q1-2019. The decrease in value was due to a 20.6 per cent fall in price from US\$64.21 per barrel which was recorded in Q1-2019 to US\$51.0 per barrel in the corresponding period this year. Volumes exported however increased by 4.4 per cent to 17,140,215 barrels compared to 16,417,037 barrels exported in Q1-2019.

#### Cocoa Beans and Products Exports

Earnings from cocoa beans and products exports totalled US\$959.46 million compared to US\$832.40 million for the same period in 2019, an increase of 15.3 per cent. Earnings from cocoa beans amounted to US\$723.01 million, an increase of 15.1 per cent over the level recorded in 2019. The price of cocoa beans increased by 12.2 per cent to settle at US\$2,561.81 per tonne, whilst the volume exported increased by 2.6 per cent to 282,227 tonnes. Earnings from the export of cocoa products also increased by 15.6 per cent to US\$236.44 million on account of a 5.9 per



cent jump in volume to 74,342 metric tonnes, and a 9.2 per cent increase in price to US\$ 3,180.52 per tonne.

#### **Timber Products**

Earnings from the export of timber products reduced to US\$34.54 million from US\$47.46 million in 2019.

#### **Other Exports**

The value of “Other” exports which is made up of non-traditional exports and other minerals (bauxite, diamond, aluminum and manganese) was estimated at US\$594.57 million; which is 53.0 per cent lower than the outturn in the first quarter of 2019.

#### **Top Ten Exported Non Traditional Items**

The value of the top ten non-traditional commodities exported during the period under review amounted to US\$292.36 million compared to US\$248.84 million recorded for the same period in 2019. Among the ten top non-traditional items exported included; cashew nuts, prepared or preserved tuna, palm oil and its fractions, aluminium, etc.

#### **Imports**

Total value of merchandise imports amounted to US\$2,999.8 million in Q1-2020, down by 10.0 per cent compared to US\$3,332.3 million recorded for 2019. The decline in imports was reflected in both oil and non-oil imports.

#### **Oil and Gas Imports**

During the period under review, oil imports (made up of crude, gas and refined products) decreased by 19.3 per cent to US\$511.0 million from US\$633.1 million in 2019. Total Crude oil imports amounted to 648,096 barrels, and were valued at US\$32.87 million at an average realized price of US\$50.73 per barrel, compared to imports of 1,021,369 barrels valued at US\$68.29 million at an average realized price of US\$66.86 per barrel as recorded in 2019.

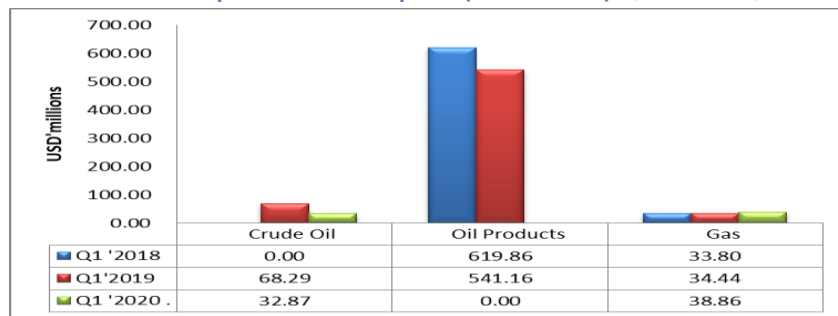
In addition, the VRA imported 5,448,053 MMBTu (Million Metric British Thermal units) of gas worth US\$38.86 million from the West African Gas Company (WAGP) at an average price of US\$7.1 per MMBTu for its operations. For the same period last year 4,744,008 MMBTu of gas worth US\$34.44 million at an average price of US\$7.3 was imported. The value of finished oil products imported in the first quarter of 2020 amounted to US\$439.25 million compared to US\$541.16 million in the same period in 2019.

#### **Volta River Authority (VRA)**

During the period, 13,709,813 kWh of electricity valued at US\$0.14 million was imported by VRA compared to 34,187,450 kWh valued at US\$4.10 million, imported during the same period in 2019.



Chart 6.1: Developments in Oil Imports (US\$ 'million) Q1-2018 – Q1-2020

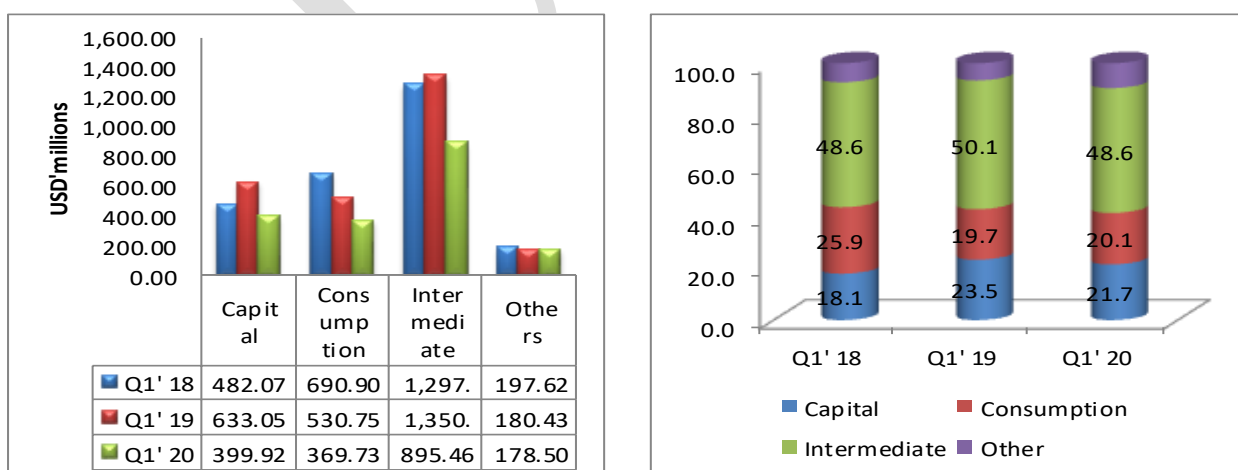


### Merchandised Non–Oil Imports

The total merchandised non-oil imports was provisionally estimated at US\$2,488.9 million for the first quarter of 2020 compared to an outturn of US\$2,699.2 million recorded in 2019, representing a 7.1 per cent decline. This was the result of decreases in all the major categories. The value of **capital goods** during the period was US\$399.92 million, down by 36.8 per cent or US\$233.12 million from the corresponding period in 2019. This was on account of a 41.1 per cent and 24.3 per cent increases in the imports of Capital goods (except transport) and Industrial transport respectively.

**Consumption goods** imported, also decreased by 30.3 per cent to US\$369.7 million, compared to US\$530.8 million a year ago. This was due to a fall in imports of all the sub categories. The value of **intermediate goods** imported decreased by 33.7 per cent to US\$895.5 million compared to US\$1,350.8 million recorded a year ago. This was due to a fall in imports of all the sub categories. The value of **other goods** imported was US\$178.50 million, which was 1.1 per cent less than the previous year's level.

Chart 6.2: Developments in Non-oil Imports (US\$ 'million) Q1-2018 – Q1-2020



## Top Ten Major Non-Oil Imports

The total value of the top ten non-oil merchandise imports for the first quarter of 2020 amounted to US\$654.10 million compared to US\$742.61 million recorded a year ago. Key items included motor vehicles for the transport of persons, generating sets, cement clinkers etc.

**Table 6.2: Top Ten Non-Oil Imports**

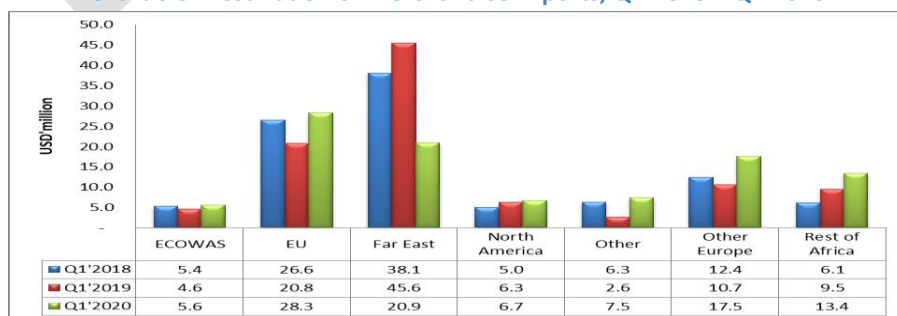
Jan - Mar 2019			Jan - Mar 2020		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
<b>Capital</b>	<b>234.65</b>	<b>31.6</b>	<b>Capital</b>	<b>168.18</b>	<b>25.71</b>
Other generating sets	101.21	13.6	Motor vehicles for the transport of goods, n.e.s.	102.46	15.7
Motor vehicles for the transport of goods, n.e.s.	91.25	12.3	Floating structures (eg tanks, coffer-dams and beacons)	34.50	5.27
Transporter cranes/bridge cranes, overhead cranes	42.19	5.68	Other generating sets	31.22	4.77
<b>Consumption</b>	<b>66.60</b>	<b>9.0</b>	<b>Consumption</b>	<b>131.19</b>	<b>20.06</b>
Frozen fish	66.60	9.0	Cereal grains	60.76	9.29
<b>Intermediate</b>	<b>268.54</b>	<b>36.2</b>	Weed killers (herbicides) and Insecticides	35.60	5.44
Cement and clinkers	82.76	11.1	Rice	34.83	5.32
Oil-seeds and oleaginous fruits, n.e.s.	60.29	8.1	<b>Intermediate</b>	<b>128.87</b>	<b>19.70</b>
Wheat and meslin	45.35	6.1	Cement clinkers	55.41	8.47
Polyethylene having a specific gravity	41.12	5.5	Palm oil and its fractions	42.10	6.44
Palm oil and its fractions	39.01	5.3	Polyethylene	31.36	4.79
<b>Other</b>	<b>172.82</b>	<b>23.3</b>	<b>Other</b>	<b>225.86</b>	<b>34.5</b>
Motor vehicles for the transport of persons	172.82	23.3	Motor vehicles for the transport of persons	225.86	34.53
<b>Total</b>	<b>742.61</b>	<b>100.00</b>	<b>Total</b>	<b>654.10</b>	<b>100.00</b>

## 6.2.2 Direction of Trade

### Destination of Exports

During the review period, the European Union received the largest share of Ghana's total exports. (28.3 per cent). The other recipients were the Far East (20.9%), Other European countries (17.5%), the Rest of Africa (13.4%), Other Economies (7.5%), North America (6.7%) and ECOWAS (5.6%).

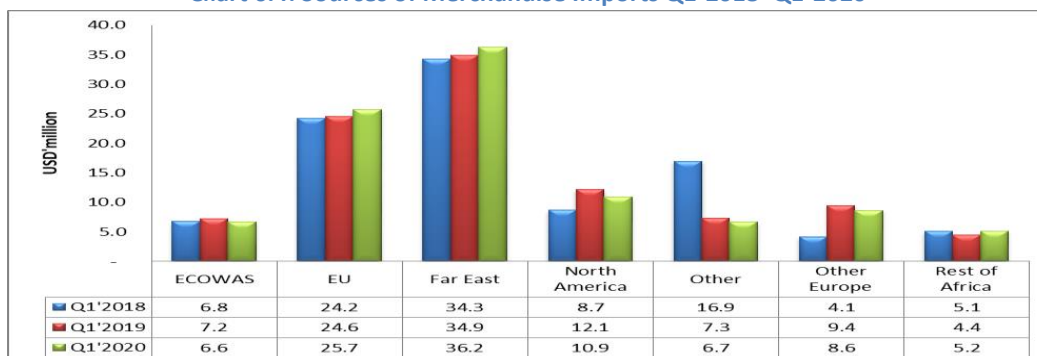
**Chart 6.3: Destination of Merchandise Exports, Q1-2018 – Q1-2020**



## Sources of Merchandise Imports

In terms of geographical distribution, the Far East emerged as the leading source of imports accounting for 36.2 per cent of total imports. The European Union followed with a share of 25.7 per cent, North America (10.9%), Other Europe (8.6%), Other Economies (6.7%), ECOWAS (6.6%), and Rest of Africa (5.2%).

Chart 6.4: Sources of Merchandise Imports Q1-2018–Q1-2020



## 6.3 Services, Income and Transfers Account

During the period under review, the Services, Income, and Unilateral transfers' account recorded a deficit of US\$736.3 million compared to a deficit of US\$452.8 million in 2019. This was on account of an increase in net service payments a fall in current transfers during the period, which were counterbalanced by private inward remittance inflows as well as an increase in receipts from the income account. The balance on the Services account worsened to a deficit of US\$1,025.6 million from a deficit of US\$621.8 million in Q1-2019 as a result of an increase in net payments related to other services. The income account also recorded decreased outflows in respect of interest payments, dividend payments, and distribution of profits. The balance on the income account improved from a deficit of US\$634.9 million to a deficit of US\$484 million. Current transfers which are mostly private remittances, however, decreased from US\$803.9 million in Q1-2019 to US\$773.4 million in Q1-2020.

Table 6.3: Services, Income, and Unilateral Transfers (net) in US\$ millions

	Q1'2018	Q1'2019	Q1'2020	Q1'2019/20	
			prov.	Abs.	% change
<i>Amounts in millions of U.S. dollars</i>					
<b>Services (net)</b>	<b>-370.5</b>	<b>-621.8</b>	<b>-1,025.6</b>	<b>-403.8</b>	<b>64.9</b>
Freight and Insurance	-159.1	-161.7	-141.8	19.9	-12.3
Other Services	-211.5	-460.1	-883.8	-423.7	92.1
<b>Income (net)</b>	<b>-685.4</b>	<b>-634.9</b>	<b>-484.0</b>	<b>150.8</b>	<b>-23.8</b>
<b>Current Transfers (net)</b>	<b>556.6</b>	<b>803.9</b>	<b>773.4</b>	<b>-30.5</b>	<b>-3.8</b>
Official	0.0	0.0	0.0	0.0	0.0
Private	556.6	803.9	773.4	-30.5	-3.8
<b>Services, Income and Current Transfers (net)</b>	<b>-499.3</b>	<b>-452.8</b>	<b>-736.3</b>	<b>-283.5</b>	<b>62.6</b>

## 6.4 Capital and Financial Account

### Capital and Financial Account

The capital and financial account decreased from a surplus of US\$3,282.91 million in Q1-2019 to a surplus of US\$2,017.16 million in the first quarter of 2020. This was attributable to reductions in the financial account during the review period.

### Capital Account

The capital account received transfers totalling US\$21.55 million during the review period, compared to US\$37.35 million received in the same period in 2019.

### Financial Account

Transactions in the financial account worsened from a surplus of US\$3,245.56 million to a surplus of US\$1,995.61 million. This development was the result of lower inflows of net foreign capital largely in the form of foreign direct and portfolio investments coupled with higher outflows in Other Investments (net).

During the first quarter of 2020, Foreign Direct Investments into Ghana by non-residents totalled US\$226.05 million compared to US\$725.02 million recorded for the same quarter in 2019. Portfolio Investments during the review period totaled US\$2,209.35 million compared to US\$2,610.44 million in Q1-2019.

Table 6.4: Capital and Financial Account (US\$' million)

	Q1'2018	Q1'2019	Q1'2020 (prov.)	Q1 '2019/20	
				Absolute	% change
<i>Amounts in millions of U.S. dollars</i>					
<b>Capital and Financial Accounts</b>	<b>-579.99</b>	<b>3,282.91</b>	<b>2,017.16</b>	<b>-1,265.8</b>	<b>-38.6</b>
<b>Capital transfers</b>	<b>83.25</b>	<b>37.35</b>	<b>21.55</b>	<b>-15.8</b>	<b>-42.3</b>
<b>Financial Account</b>	<b>-663.24</b>	<b>3,245.56</b>	<b>1,995.61</b>	<b>-1,249.9</b>	<b>-38.5</b>
<i>Foreign Direct Investments</i>	361.24	725.02	226.05	-499.0	-68.8
<i>Portfolio Investments</i>	109.82	2,610.44	2,209.35	-401.1	-15.4
<i>Other Investments</i>	<b>-1,134.30</b>	<b>-89.90</b>	<b>-439.79</b>	<b>-349.9</b>	<b>389.2</b>
<b>Official</b>	<b>-57.81</b>	<b>60.22</b>	<b>60.18</b>	<b>0.0</b>	<b>-0.1</b>
Disbursements	85.60	292.54	270.98	-21.6	-7.4
Amortisation	-143.41	-232.32	-210.81	21.5	-9.3
<b>Private</b>	<b>-1,022.26</b>	<b>-99.90</b>	<b>-612.17</b>	<b>-512.3</b>	<b>512.8</b>
Disbursements	5,386.23	1,003.21	265.60	-737.6	-73.5
Amortisation	-6,408.48	-1,103.11	-877.77	225.3	-20.4
<b>Short-term</b>	<b>-20.74</b>	<b>-29.91</b>	<b>-1.85</b>	<b>28.1</b>	<b>-93.8</b>
Non-Monetary	-288.15	59.21	-326.69	-385.9	-651.7
Monetary	267.41	-89.12	324.84	414.0	-464.5
<b>Government Oil Investments</b>	<b>-33.50</b>	<b>-20.31</b>	<b>114.06</b>	<b>134.4</b>	<b>-661.5</b>
Inflow	0.00	0.00	88.59	88.6	0.0
Outflow	-33.50	-20.31	25.47	45.8	-225.4

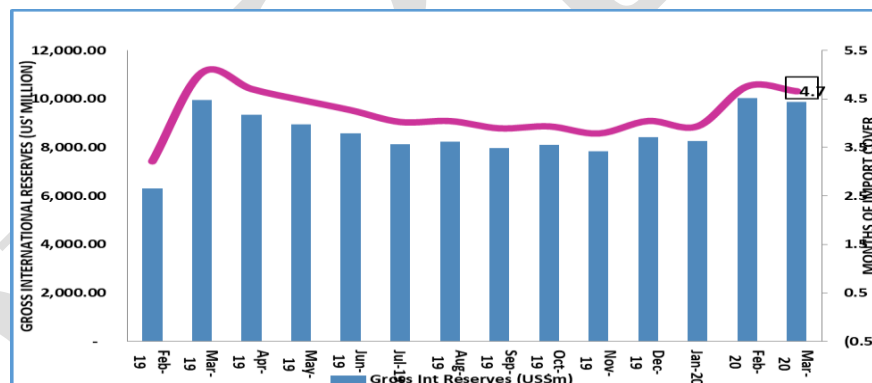
‘Other Investments’ recorded a net outflow of US\$439.79 million in Q1-2020 from US\$89.9 million in Q1-2019 on the back of outflows/payments from private capital. Net receipts in the Official Capital amounted to US\$60.18 million, which was 0.1 per cent less than the net payment of US\$60.22 million in 2019. Net Private Capital outflow increased from US\$99.90 million to US\$612.17 million as a result of decreased disbursements of private debt. Short Term Capital outflows (net) however decreased from US\$29.91 million in Q1-2019 to US\$1.85 million in Q1-2020, influenced by net inflows of monetary capital during the review period. Government Oil Investments during the period improved to US\$114.06 million from a deficit of US\$20.31 million in Q1-2019.

## 6.5 International Reserves

The stock of net international reserves (NIR) at the end of March 2020 was estimated at US\$6,668.41 million; indicating a buildup of US\$1,103.52 million from a stock position of US\$5,191.95 million at end December 2019.

The country’s gross international reserves increased by US\$1,868.25 million to US\$9,883.04 million from a stock position of US\$8,418.08 million at the end of December 2019. This was sufficient to provide cover for 4.7 months of imports from 4.0 months as at December 2019.

Chart 6.5: Gross International Reserves



## 7. External Debt

### 7.1 Debt Stock

The provisional stock of disbursed and outstanding public and publicly guaranteed external debt at the end of Q1-2020 stood at US\$22,939.60 million. This was US\$2,633.24 million (12.97%) more than the stock position of US\$20,306.36 million registered at the end of the previous quarter, and US\$2,260.91 million (10.93%) more than the level of US\$20,678.69 million recorded in the corresponding quarter of 2019. The rise in the stock of external debt is attributed to net transactions (disbursements and amortizations) during the review quarter and the Eurobond issued in February 2020.

The external debt stock at the end of the first quarter of 2020 represented 31.4 per cent of total forecasted GDP at current prices compared with 30.1 per cent recorded for the same period in 2019.

**Chart 7.1: External Debt Stock by Creditor Category (in millions of US\$)**



#### Debt stock by Creditor group

The analysis of external debt by creditor category at the review period indicated that, debt liabilities to multilateral creditors increased by US\$117.34 million (1.8%), from US\$6,512.46 million recorded at the end of the fourth quarter of 2019. Compared to the corresponding period of 2019, multilateral debts increased by US\$49.67 million (0.8%). Multilateral debt accounted for 28.90 per cent of the total debt stock at the end of Q1 2020 less than 31.82 per cent in the corresponding period of 2019.

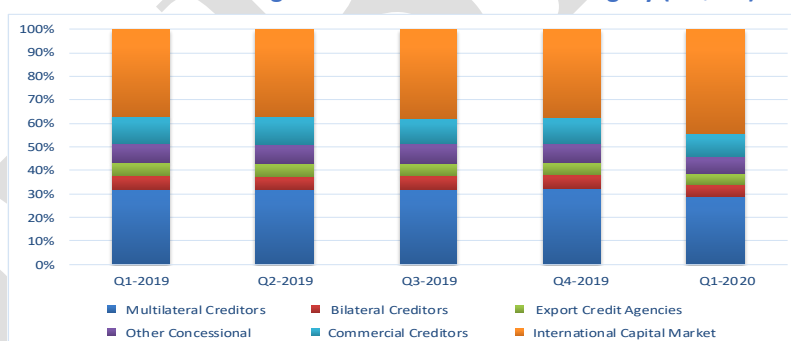
The Bilateral component of the total external debt totalled US\$1,200.00 million, representing a share of 5.2 per cent of the total external debt stock at the end of March 2020 compared with 5.8 per cent for the same period in 2019. Bilateral debts were US\$27.17 million, 2.2 per cent less than the stock position of US\$1,227.90 million recorded at the end of the previous quarter and US\$11.98 million, and one per cent above the level of US\$1,188.75 million registered in the corresponding period of 2019.

The total debt owed to commercial creditors at the end of the first quarter of 2020 stood at US\$2,194.18 million, and represented 9.6 per cent of the total external debt stock. This showed an increase of US\$28.93 million (1.3%) from a stock position of US\$2,165.25 million recorded at the end of Q4-2019, and a decrease of US\$152.19 million (6.5%) below the level of US\$2,346.38 million at the end of Q1-2019.

Debts owed to the International Capital Market stood at US\$10,231.08 million, constituting the highest percentage share (44.6%) of the total external debt stock at the end of March 2020 compared to 37.2 per cent for the same period in 2019. This component of debt was US\$2,536.35 million above the level of US\$7,694.73 million for the previous quarter and corresponding period in 2019.

Other Concessional loans and debts from Export Credit Agencies decreased by US\$14.54 million (0.9%) and US\$152.19 million (6.5%) from a level of US\$1,688.45 million and US\$1,180.25 million respectively year-on-year basis. Other Concessional loans and debts from Export Credit Agencies constitute 7.30 per cent and 4.4 per cent of the total external debt stock at the end of March 2020, compared to 8.2 per cent and 5.7 per cent for the same period in 2019 respectively.

**Chart 7.2: Percentage Share of External Debt Category (US\$' m)**



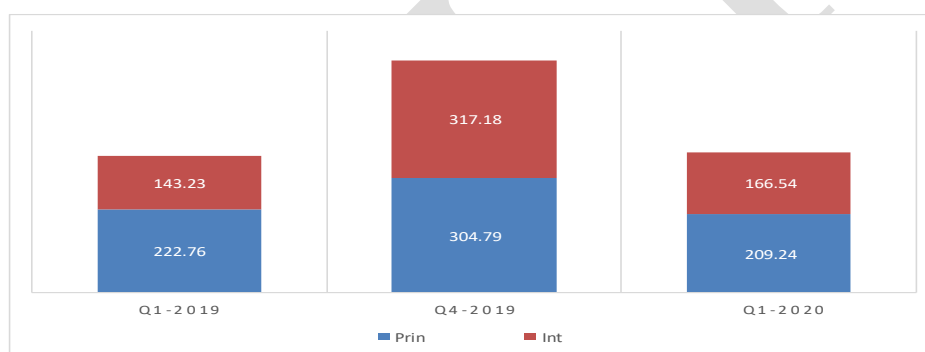
## 7.2 Debt Service Payments

Debt service payments in Q1-2020 on government and government guaranteed external debt made through the Bank of Ghana amounted to US\$375.78 million, compared with an amount of US\$366 million recorded for the corresponding quarter of 2019. This was US\$9.78 million (2.7%) more than the payment made in Q1 2019, and US\$246.19 million (39.6%) less than the payment of US\$621.97 million made in the previous quarter. Payments in the review quarter were made up of principal repayment of US\$209.24 million and interest expense of US\$166.54 million.

Payments were made to the various creditor groups as follows: The Multilateral group of creditors were paid US\$22.22 million in principal repayments and interest payments of US\$13.45 million, compared with principal repayments of US\$13.58 million and interest payments of US\$12.42 million made in Q1 2019.

The Bilateral group received US\$46.39 million in principal repayment and US\$20.40 million in interest payments, compared with US\$29.44 million and US\$9.56 million paid as principal and interest respectively in Q1-2019. Commercial creditors were paid US\$159.72 million, made up of principal repayments of US\$140.63 million and interest payments of US\$19.10 million. These compared with principal repayments of US\$179.74 million and interest payments of US\$41.25 million to the same group in 2019. In addition, a coupon payment of US\$113.60 million was also made on outstanding Eurobond debt within the quarter under review compared with US\$80.01 million for the same period in 2019.

**Chart 7.3: Payment of Government and Government-Guaranteed Debt to Creditors (US\$' m)**



**Table 7.1: Total External Debt Stock (US\$' million)**

	Q1-2019	Q2-2019	Q3-2019	Q4-2019	Q1-2020
<b>Total External Debt</b>	<b>20,678.69</b>	<b>20,582.41</b>	<b>20,257.71</b>	<b>20,306.36</b>	<b>22,939.60</b>
Multilateral Creditors	6,580.13	6,503.52	6,434.70	6,512.46	6,629.80
Bilateral Creditors	1,188.75	1,190.47	1,212.93	1,227.90	1,200.73
Export Credit Agencies	1,180.25	1,142.41	1,089.07	1,048.99	1,009.89
Other Concessional	1,688.45	1,680.71	1,652.72	1,657.03	1,673.91
Commercial Creditors	2,346.38	2,370.57	2,173.55	2,165.25	2,194.18
International Capital Market	7,694.73	7,694.73	7,694.73	7,694.73	10,231.08



**Table 7.2: Payment of Government and Government-Guaranteed Debt to Creditors (US\$' m)**

Ghana: Comparative Debt Service Payments for 2019 and 2020 (In millions of U.S. dollars)									
Creditor Category	Q1-2019			Q4-2019			Q1-2020		
	Prin	Int	Total	Prin	Int	Total	Prin	Int	Total
<b>Total</b>	<b>222.76</b>	<b>143.23</b>	<b>366.00</b>	<b>304.79</b>	<b>317.18</b>	<b>621.97</b>	<b>209.24</b>	<b>166.54</b>	<b>375.78</b>
<b>Multilateral Creditors</b>	<b>13.58</b>	<b>12.42</b>	<b>26.00</b>	<b>23.89</b>	<b>13.61</b>	<b>37.49</b>	<b>22.22</b>	<b>13.45</b>	<b>35.67</b>
IDA	6.89	8.18	15.07	14.69	10.20	24.89	15.05	9.00	24.06
ADB/ ADF	3.15	3.28	6.43	2.09	2.00	4.09	3.14	3.35	6.50
Others	3.54	0.96	4.49	7.11	1.40	8.52	4.03	1.09	5.12
<b>Bilateral Creditors</b>	<b>29.44</b>	<b>9.56</b>	<b>39.00</b>	<b>67.18</b>	<b>18.94</b>	<b>86.12</b>	<b>46.39</b>	<b>20.40</b>	<b>66.79</b>
Paris Club	3.60	1.74	5.33	23.28	4.09	27.38	4.84	3.80	8.63
Non-Paris Club	25.85	7.82	33.67	43.89	14.85	58.74	41.55	16.60	58.15
<b>Commercial Creditors</b>	<b>179.74</b>	<b>41.25</b>	<b>220.99</b>	<b>213.72</b>	<b>54.75</b>	<b>268.47</b>	<b>140.63</b>	<b>19.10</b>	<b>159.72</b>
<b>Sovereign Bond</b>	<b>0.00</b>	<b>80.01</b>	<b>80.01</b>	<b>0.00</b>	<b>229.88</b>	<b>229.88</b>	<b>0.00</b>	<b>113.60</b>	<b>113.60</b>

## 8. The Rural Banking Sector

### 8.1 Performance of RCBs

Provisional data from the rural/community banks (RCBs) during the first quarter of 2020 indicate an overall improvement in indicators compared with data from the fourth quarter of 2019.

#### Assets

Total assets of RCBs during the first quarter of 2020 stood at GH¢4,865.8 million, a growth of 3.8 per cent from GH¢4,688.3 million recorded in the preceding quarter. On year-on-year basis, total assets grew by 14.4 per cent at the end of the first quarter of 2020. Total assets of RCBs in the banking system constituted 3.5 per cent at the end of the first quarter of 2020, approximately a similar composition as at the end of the third and fourth quarters of 2019.

#### Deposits

Provisional data indicates that deposit mobilisation by RCBs further improved in the first quarter of 2020 compared with the first quarter of 2019. The total deposits of RCBs increased by 17.3 per cent year-on-year to GH¢4,075.0 million at Q1-2020 from GH¢3,474.5 million recorded at the end of the corresponding quarter of 2019. On quarter-on-quarter basis, the total deposits of RCBs improved by 4.2 per cent, from GH¢3,909.0 million at the end of the fourth quarter of 2019 to GH¢4,075.0 million by the end of the first quarter of 2020. The level of RCBs deposits at the end of the review quarter constituted 5.1 per cent of total deposits of the banking system, compared with the share of 4.9 per cent in the previous quarter and 4.7 per cent at the end of the third quarter of 2019.

#### Loans and Advances

Loans and advances made by RCBs stood at GH¢1,499.2 million in the first quarter of 2020, remaining unchanged compared to the amount recorded at the end of the previous quarter, but 11.1 per cent higher than the GH¢1,349.0 million recorded at the end of the corresponding quarter of 2019.

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

	2019				2020	Variations (2019-2020)	
	Q1	Q2	Q3	Q4	Q1	Q-on-Q	Y-on-Y
<b>Assets</b>							
Cash Holdings & Balances with Banks	588.6	617.9	588.1	683.2	681.9	-0.2	15.9
Bills and Bonds	1,615.0	1,581.4	1,539.5	1,829.6	1,956.3	6.9	21.1
Loans and Advances	1,349.0	1,444.0	1,488.2	1,499.2	1,499.2	0.0	11.1
Other Assets	702.4	684.4	671.2	676.3	728.4	7.7	3.7
<b>Total Assets</b>	<b>4,255.1</b>	<b>4,327.7</b>	<b>4,287.0</b>	<b>4,688.3</b>	<b>4,865.8</b>	3.8	14.4
<b>Liabilities</b>							
Total Deposits	3,474.5	3,549.7	3,504.3	3,909.0	4,075.0	4.2	17.3
Shareholders' Funds	498.5	465.1	445.3	431.0	444.5	3.1	-10.8
Other Liabilities	282.1	312.9	337.4	348.3	346.2	-0.6	22.7
<b>Total Liabilities</b>	<b>4,255.1</b>	<b>4,327.7</b>	<b>4,287.0</b>	<b>4,688.3</b>	<b>4,865.8</b>	3.8	14.4
<b>No. of Reporting Banks</b>	144	144	144	144	144		

\*Provisional

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

	2019								2020	
	Q1		Q2		Q3		Q4		Q1	
	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share
Commercial Banks	110,641.2	96.3	113,492.2	96.3	118,912.9	96.5	129,697.9	96.5	134,836.5	96.5
Rural Banks	4,255.1	3.7	4,327.7	3.7	4,287.0	3.5	4,688.3	3.5	4,865.8	3.5
<b>Total</b>	<b>114,896.3</b>	<b>100.0</b>	<b>117,819.9</b>	<b>100.0</b>	<b>123,199.9</b>	<b>100.0</b>	<b>134,386.2</b>	<b>100.0</b>	<b>139,702.3</b>	<b>100.0</b>

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

	2019								2020	
	Q1		Q2		Q3		Q4		Q1	
	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share
Commercial Banks	66,224.4	95.0	69,983.1	95.2	71,786.1	95.3	75,930.0	95.1	76,343.9	94.9
Rural Banks	3,474.5	5.0	3,549.7	4.8	3,504.3	4.7	3,909.0	4.9	4,075.0	5.1
<b>Total</b>	<b>69,698.8</b>	<b>100.0</b>	<b>73,532.7</b>	<b>100.0</b>	<b>75,290.4</b>	<b>100.0</b>	<b>79,839.0</b>	<b>100.0</b>	<b>80,418.8</b>	<b>100.0</b>