

# **BANK OF GHANA**



## **QUARTERLY ECONOMIC BULLETIN**

**FOURTH QUARTER 2021**

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## Overview

This report presents a review of trends in the global and the domestic economy during the fourth quarter of 2021. The developments in the domestic economy cover the real sector, inflation, monetary aggregates, banking sector credit, exchange rates, interest rates, the capital market, debt stock, and balance of payments.

### **Global Economy**

Developments in the global economy during the fourth quarter of 2021 indicated a moderated pace of growth on account of broad-based price pressures, emanating from higher commodity prices and supply chain bottlenecks.

### **The Domestic Economy**

#### **Real Sector**

The recovery in the domestic economy continued into the fourth quarter of the year. Indicators of consumer spending, retail sales, international passenger arrivals, and port activity all picked up during the review quarter, signalling a gradual recovery from the negative impact of the COVID-19 pandemic.

#### **Inflation**

Headline inflation rose to 12.6 percent at the end of Q4:2021, from 10.6 percent at the end of Q3:2021. The surge in inflation was largely driven by non-food price pressures, mainly in the transport sub-sector, on the back of upward adjustments in fares due to recent hikes in ex-pump prices. In year-on-year terms, food price inflation jumped to 12.8 percent in December 2021, from 11.5 percent in September 2021, while non-food inflation also rose by 2.6 percentage points to 12.5 percent in December 2021.

#### **Monetary Aggregates**

Growth in broad money supply (M2+) decreased significantly to 12.55 percent in Q4:2021, from 29.58 percent in Q4:2020. M2+ totalled GH¢135,598.0 million at the end of the review period compared with GH¢120,479.1 million and GH¢124,596.0 million recorded in Q4:2020 and Q3:2021, respectively. The decline in growth in M2+ was driven by a significant reduction in the growth of NDA, from 41.96 percent in Q4:2020 to 23.13 percent at the end of Q4:2021. Growth in NFA further declined to -44.97 percent in Q4:2021, from -12.08 percent in Q4:2020.

#### **Banking Sector Credit**

Nominal annual growth in banks' outstanding credit increased to 12.56 percent in Q4:2021, from 5.75 percent in Q4:2020. This was, however, higher than the growth of 9.0 percent recorded in Q3:2021. At the end of Q4:2021, total outstanding credit stood at GH¢53,767.32 million. In real terms, credit from banks contracted by 0.1 percent in Q4:2021, slower than the 4.3 percent contraction in Q4:2020. This was also an improvement over the 1.4 percent and 1.0 percent contraction recorded for the second and third quarters of 2021. The share of total outstanding credit to the private sector decreased marginally to 90.0 percent at the end of the review period, from 91.1 percent recorded in Q4:2020.

### **Exchange Rates**

On the Interbank Market, the Ghana Cedi depreciated by 2.3 percent, 2.6 percent and 0.5 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively, in Q4:2021. The Cedi, however, performed better against the major international currencies in the fourth quarter of 2021 compared to the same period in 2020.

On the Forex Bureau Market, the Cedi depreciated by 5.3 percent, 2.4 percent and 1.8 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively, in Q4:2021.

### **Interest Rates**

Interest rates generally trended downwards on a year-on-year basis in Q4:2021. Rates on GOG securities and the lending rates of Deposit Money Banks (DMBs) decreased when compared to corresponding period in 2020, whereas rates on BOG bills and deposit rates of DMBs remained unchanged over the period.

The Monetary Policy Rate (MPR) was increased by 100 bps to 14.5 percent during the fourth quarter of 2021 and remained unchanged till the end of 2021. The interbank weighted average interest rate decreased by 87 basis points, year-on-year, to 12.68 percent at the end of Q4:2021, from 13.56 percent recorded in Q4:2020.

On the money market, interest rates continued to trend downwards. The 91-day, 182-day and 364-day T-bill rates decreased by 159 bps, 94 bps and 52 bps, to settle at 12.49 percent, 13.19 percent and 16.46 percent, respectively, at the end of Q4:2021.

### **Capital Market**

The Ghana Stock Exchange Composite Index (GSE-CI) decreased by 2.31 percent during the fourth quarter of 2021 compared with an increase of 4.58 percent in the same period in 2020. The poor performance of the GSE-CI in Q4:2021 was mainly as a result of depreciation in the value of stocks in the IT and Manufacturing sectors.

Total market capitalization as at the end of Q4:2021 stood at GH¢64,495.20 million, representing an increase of 0.51 percent on quarter-on-quarter basis, and 18.6 percent, year-on-year.

### **Government Budgetary Operations**

Government budgetary operations during Q4:2021, resulted in an overall deficit of GH¢9,677.3 million (2.1% of GDP), compared to the deficit of GH¢12,027.4 million (3.1% of GDP) recorded in Q4:2020. The deficit was higher than the programmed target of GH¢8,697.4 million (1.9% of GDP) and was financed with a net foreign borrowing of GH¢5,962.4 million, exceptional financing from IMF SDR of GH¢1,779.5 and net domestic financing of GH¢1,935.4.

Government receipts (including grants) for the review period totalled GH¢20,988.5 million (4.57% of GDP). This was lower than the target of GH¢21,162.9 million (4.61% of GDP) but higher than the GH¢17,690.2 million (4.61% of GDP) recorded for Q4:2020. Total receipts comprised Tax Revenue of

GH¢18,178.82 million (86.6% of total receipts), Non-tax Revenue of GH¢1,493.6 million (7.1% of total receipts), Other Revenue of GH¢1,049.8 million (5.0% of total receipts) and Grants of GH¢266.3 million (1.3% of total receipts).

Government expenditure and net lending in Q4:2021 totalled GH¢31,691.6 million (6.9% of GDP), above the programmed target of GH¢29,190.3 million (6.4% of GDP) by 8.6 percent and compared to GH¢25,216.7 million (6.6% of GDP) recorded for Q4:2020.

The stock of domestic debt at the end of Q4:2021 stood at GH¢182,491.3 million, compared to GH¢150,877.1 million recorded in Q4:2020. The growth in the domestic debt stock was mainly due to increases in the short-, medium- and long-term securities of GH¢5,755.9 million, GH¢24,688.6 million and GH¢1,169.7 million, respectively.

### ***Balance of Payments***

The value of merchandise exports for Q4:2021 was provisionally estimated at US\$3,697.2 million, indicating a marginal increase of US\$24.4 million or 0.7 percent, compared with US\$3,672.8 million recorded in Q4:2020.

Total value of merchandise imports for Q4:2021 amounted to US\$3,569.69 million, up by 12.0 percent compared to US\$3,186.26 million recorded in Q4:2020. The rise was driven by increased demand for both oil and non-oil imports.

The provisional trade balance for Q4:2021 showed a narrowed surplus of US\$127.48 million compared to a surplus of US\$486.56 million recorded for the same period in 2020. The decline in the trade surplus was attributable to a relatively higher imports outturn, consistent with a pick-up in economic activity.

The country's gross international reserves stood at US\$9,695.22 million (4.4 months of import cover) at the end of December 2021, from a stock position of US\$8,624.38 million (4.0 months of import cover) at end-December 2020.

### ***External Debt***

The provisional stock of outstanding public and publicly-guaranteed external debt at the end of Q4:2021 was US\$28,339.22 million, up from the stock position of US\$24,715.77 million at end of Q4:2020. This rise in the stock was largely due to the US\$3.0 billion Eurobond proceeds in April 2021. The external debt stock at the end of the fourth quarter of 2021 represented 37.03 percent of GDP compared with 36.18 percent recorded for the same period in 2020.

## 1. Developments in the World Economy

Global growth recovery moderated in Q3:2021 from a strong recovery in Q2, driven largely by supply bottlenecks, rising inflationary pressures and sporadic pick-up in COVID cases in some economies. The gradual withdrawal of COVID-related fiscal policies and the tightening of financial markets, more especially for emerging markets and developing economies, weakened growth momentum in Q4. This was further supported by the emergence of the Omicron variant in the fourth quarter which drove a renewed uptick in COVID infections with renewed mobility restriction in some countries. Growth slowdown in Q4:2021 was again driven by broad-based price pressures coming out of rising commodity prices and the persistence of supply-chain disruptions. Global growth for Q1:2022 is expected to continue to expand but at a slower pace owing to existing supply-side bottlenecks and rising input costs. Also, the political disturbance between

Ukraine and Russia, which has the potential to reduce global trade and further heighten current supply challenges, will hamper the global recovery.

**Table 1.1: Overview of the World Economic Outlook Projections (% change, otherwise stated)**  
Source: IMF World Economic Outlook

	Year over Year					
	Estimate		Projections		Difference from October 2021 WEO Projections 1/	
	2020	2021	2022	2023	2022	2023
<b>World Output</b>	-3.1	5.9	4.4	3.8	-0.5	0.2
<b>Advanced Economies</b>	-4.5	5.0	3.9	2.6	-0.6	0.4
United States	-3.4	5.6	4.0	2.6	-1.2	0.4
Euro Area	-6.4	5.2	3.9	2.5	-0.4	0.5
Germany	-4.6	2.7	3.8	2.5	-0.8	0.9
France	-8.0	6.7	3.5	1.8	-0.4	0.0
Italy	-8.9	6.2	3.8	2.2	-0.4	0.6
Spain	-10.8	4.9	5.8	3.8	-0.6	1.2
Japan	-4.5	1.6	3.3	1.8	0.1	0.4
United Kingdom	-9.4	7.2	4.7	2.3	-0.3	0.4
Canada	-5.2	4.7	4.1	2.8	-0.8	0.2
Other Advanced Economies 3/	-1.9	4.7	3.6	2.9	-0.1	0.0
<b>Emerging Market and Developing Economies</b>	-2.0	6.5	4.8	4.7	-0.3	0.1
Emerging and Developing Asia	-0.9	7.2	5.9	5.8	-0.4	0.1
China	2.3	8.1	4.8	5.2	-0.8	-0.1
India 4/	-7.3	9.0	9.0	7.1	0.5	0.5
ASEAN-5 5/	-3.4	3.1	5.6	6.0	-0.2	0.0
Emerging and Developing Europe	-1.8	6.5	3.5	2.9	-0.1	0.0
Russia	-2.7	4.5	2.8	2.1	-0.1	0.1
Latin America and the Caribbean	-6.9	6.8	2.4	2.6	-0.6	0.1
Brazil	-3.9	4.7	0.3	1.6	-1.2	-0.4
Mexico	-8.2	5.3	2.8	2.7	-1.2	0.5
Middle East and Central Asia	-2.8	4.2	4.3	3.6	0.2	-0.2
Saudi Arabia	-4.1	2.9	4.8	2.8	0.0	0.0
Sub-Saharan Africa	-1.7	4.0	3.7	4.0	-0.1	-0.1
Nigeria	-1.8	3.0	2.7	2.7	0.0	0.1
South Africa	-6.4	4.6	1.9	1.4	-0.3	0.0

The IMF projects a moderation of global growth from 5.9 percent in 2021 to 4.4 percent in 2022, 0.5 percentage points lower for 2022 than in the October World Economic Outlook (WEO) update (see Table 1). This revision largely reflected a forecast markdown for the United States and China. The markdown in USA by 0.2 percentage points was premised on an earlier withdrawal of

monetary accommodation due to price pressures, continued supply shortages and the removal of the “Build Back Better” fiscal policy package from the baseline. In China, pandemic-induced disruptions related to the country’s zero-tolerance COVID-19 policy and protracted financial stress among property developers have induced a 0.8 percentage-point downgrade.

### 1.1 United States

The United States economy posted strong growth in the closing three months of the year, with GDP expanding to 1.7 percent growth in Q4:2021, a marked acceleration from the 0.6 percent growth in Q3:2021. Growth expansion was supported by sustained private consumption and a build-up of inventories. Economic activity continues to be resilient at the start of the year with retail sales and industrial production increasing in January.

### 1.2 United Kingdom

Growth expanded by 1.0 percent in Q4:2021 for the UK economy, remaining the same as the previous quarter and below market expectation of 1.1 percent. IMF projects growth will moderate in 2022 to 4.7 percent, even as monetary accommodation wanes. The central bank lifted the policy rate by 0.25 percentage points to 0.5 percent, while also signalling the start of quantitative tightening.



### **1.3 Euro Area**

Activity in the Euro area slowed as Omicron spread across the continent, with COVID-19 restrictions weighing on the services sector with mounting labour shortages due to illness and quarantines. GDP, after expanding to 2.3 percent in Q3:2021, dropped to 0.3 percent in Q4 amid surging inflation. The pandemic is expected to continue to curb recovery in the services sector at the start of 2022. The IMF estimates growth slowdown in 2022 to 3.9 percent, further moderating to 2.5 percent in 2023. Output is expected to return to pre-pandemic level by 2023.

### **1.4 Japan**

The Japanese economy rebounded strongly to 1.1 percent growth in Q4:2021 from a contraction of 0.7 percent in Q3, driven by household consumption and rising business investment as COVID-19 infections were brought under control in the country. Economic activity is projected to expand to 3.3 percent in 2022, a 0.3 percentage point mark-up above previous projections. This is on account of the release of pent-up demand and additional fiscal stimulus legislated in December. The central bank has indicated it will maintain an accommodative monetary policy despite policy hikes by other major central banks to support the recovery.

### **1.5 China**

China's economy rebounded strongly in Q4:2021 to 1.6 percent growth, supported by a strong pickup in activity ahead of the Beijing Winter Games and celebrations of the Lunar New Year. China grew by 8.1 percent in 2021, but growth is expected to moderate to 4.8 percent in 2022 with persisting power supply constraints and a weak housing market. The People's Bank of China is maintaining an accommodative monetary policy stance, including cuts in some lending rates and relaxed regulations on bank loans for low-cost rental housing, to support the recovery.

### **1.6 Emerging Markets and Developing Economies**

Growth in emerging market and developing economies expanded strongly at the rate of 6.5 percent 2021, reversing the 2.0 percent contraction recorded in 2020. Growth momentum slowed in several EMDEs, driven by the resurgence in COVID-19 cases due to Omicron and tighter global financial conditions. The IMF projects economic activity to moderate to 4.8 percent in 2022 as the region continues to experience delayed recovery in the face of tightening financial conditions and limited fiscal policy support. In the outlook, EMDEs will face heightened debt risk due to weaker growth, depleted fiscal buffers and further tightening of the financial conditions, according to the IMF.

### **1.7 Sub-Sahara African Countries**

The IMF projected an expansion in growth for SSA countries at 4.0 percent in 2021 on the back of firming external demand and elevated commodity prices. Growth in the region is expected to moderate to 3.7 percent in 2022 amid weaker recovery as a result of low vaccinations, pandemic-related scaring and limited policy support. Domestic demand is expected to strengthen as vaccination campaigns pick up pace and restrictions are eased. In the outlook, pandemic-related uncertainty, regional tensions and debt repayments will weigh on activity from the region.

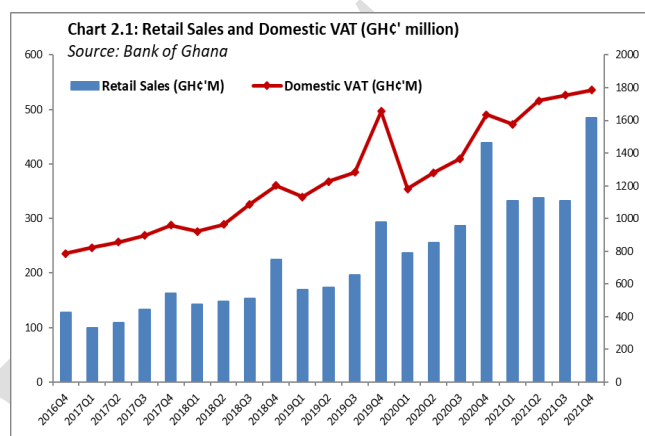
## 2. Real Sector Developments

A review of selected indicators of economic activity revealed an improvement in the performance of the domestic economy during the fourth quarter of 2021 compared with trends observed during the same period in 2020. The relative pick-up in real sector activities was mainly due to the continued recovery from the adverse effects of the coronavirus pandemic.

### 2.1 Indicators of Economic Activity

#### Consumer Spending

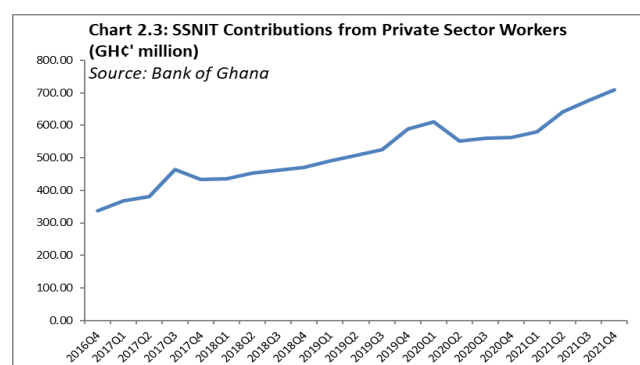
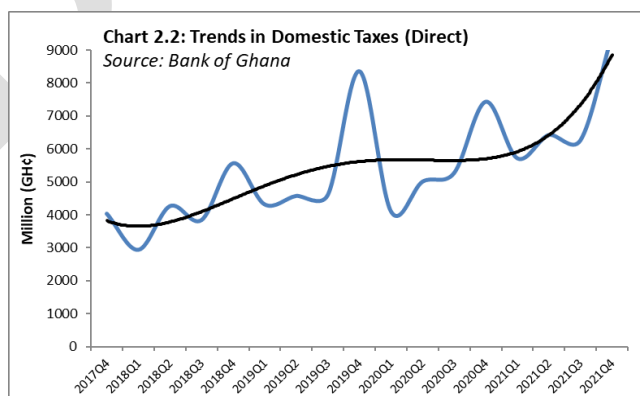
Consumer spending, proxied by domestic VAT collections and retail sales, improved in the fourth quarter of 2021 compared with figures recorded in the corresponding period of 2020. Domestic VAT collections grew by 9.2 percent (year-on-year) to GH¢1,785.02 million, relative to GH¢1,634.36 million collected during the corresponding quarter in 2020. Domestic VAT also increased marginally by 1.8 percent compared with GH¢1,753.36 million collected for the third quarter of 2021.



Retail sales increased by 10.4 percent (year-on-year) to GH¢484.78 million during the fourth quarter of 2021 from GH¢439.18 million recorded in the corresponding quarter of 2020. The comparative improvement in retail sales reflected improvement in household spending during the review period.

#### Manufacturing Activities

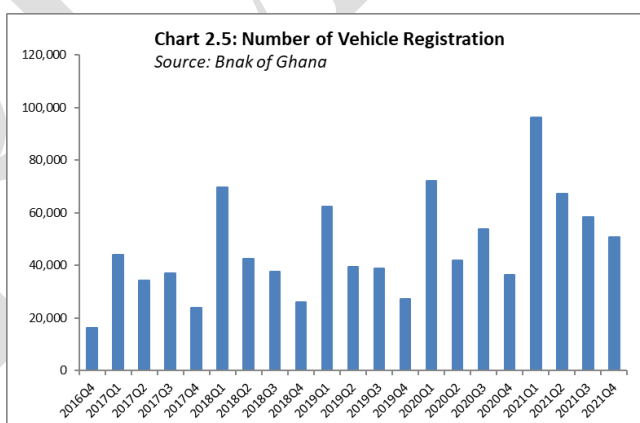
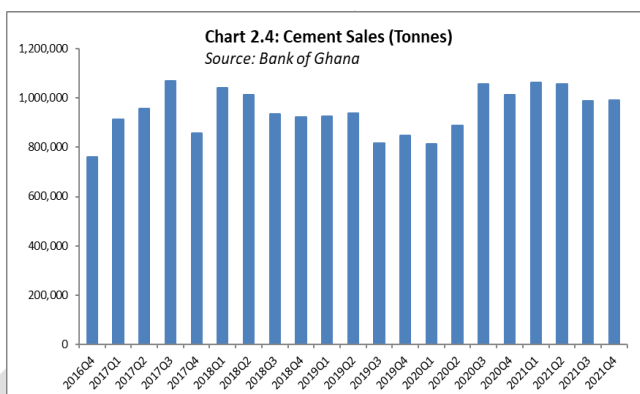
Manufacturing-related activities, as proxied by trends in the collection of direct taxes (income, corporate and others) and private sector workers' contributions to the SSNIT Pension Scheme (Tier-1), posted a positive outturn during the fourth quarter of 2021, compared with what was observed in the same period of 2020. Total direct taxes collected increased by 27.0 percent (year-on-year) to GH¢9,443.52 million in the fourth quarter of 2021, relative to GH¢7,435.16 million recorded for the fourth quarter of 2020. Similarly, total direct tax collected for the quarter under review improved by 50.7 percent from GH¢6,267.79 million collected in the third quarter of 2021. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 57.8 percent, followed by Income Tax (PAYE and self-employed) with 31.5 percent, while other tax sources contributed 10.7 percent.



Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) rose by 25.8 percent (year-on-year) to GH¢708.91 million in the fourth quarter of 2021, from GH¢563.54 million collected during the corresponding quarter of 2020. Total contribution in the review period also grew by 4.6 percent when compared with GH¢677.44 million for the third quarter of 2021. The improvement in private workers' contributions to the Tier-1 pension scheme was due to the registration of new employees as well as improved compliance by private sector employers.

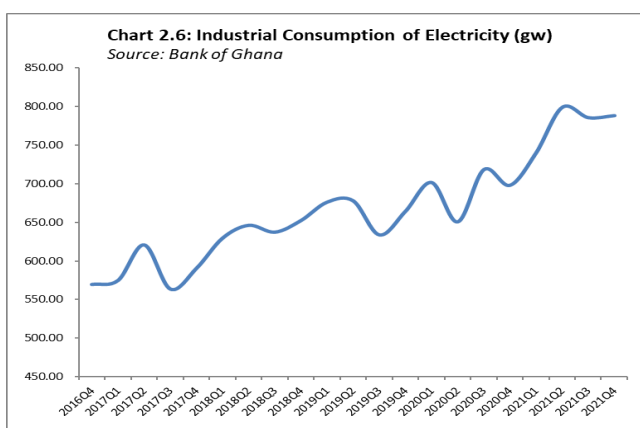
### Construction Sector Activities

Economic activity in the construction sub-sector, as proxied by the volume of cement sales, declined marginally by 2.0 percent (year-on-year) during the fourth quarter of 2021 to 991,902.88 tonnes, from 1,012,441.80 tonnes recorded in the fourth quarter of 2020. Total cement sales during the review period however improved marginally by 0.3 percent when compared with 988,703.79 tonnes recorded during the third quarter of 2021. The year-on-year decline in total cement sales was due to a slowdown in construction activities during the review period.



### Vehicle Registration

Transport-related economic activities, gauged by vehicle registration by the Driver and Vehicle Licensing Authority (DVLA), improved by 39.0 percent to 50,780 in the fourth quarter of 2021 compared to 36,539 vehicles registered during the corresponding quarter of 2020. Conversely, the number of vehicles registered during the review period decreased by 12.9 percent relative to 58,286 vehicles recorded in the third quarter of 2021. The comparative improvement recorded in vehicle registration, year-on-year, was due to an increase in vehicle importation during the quarter.



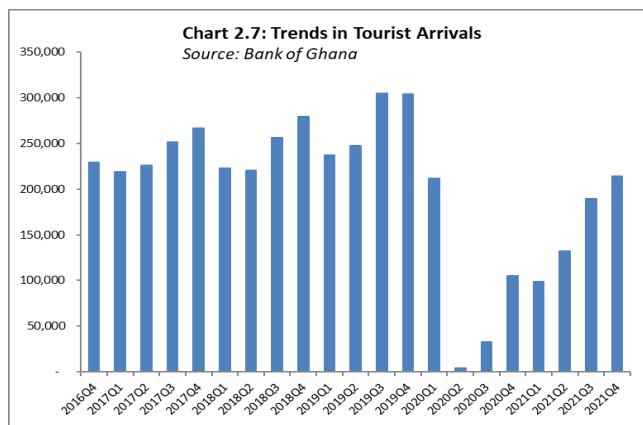
### Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went up by 12.9 percent during the fourth quarter of 2021, compared with observations made in the corresponding period of 2020. Industries utilised 788.52 giga-watts of power in the fourth quarter of 2021, as against 698.28 giga-watts recorded for the same period in 2020. Industrial consumption of electricity also increased marginally by 0.3 percent from 785.86 giga-watts

utilised for the third quarter of 2021. The relative improvement in the electricity consumed by industries, year-on-year, could be attributed to increased industrial activity during the review period.

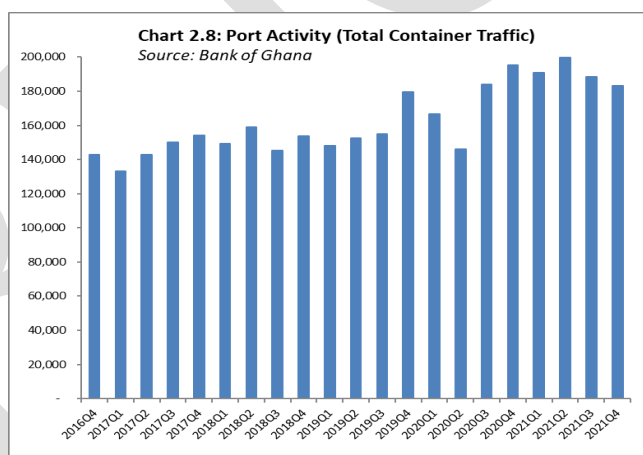
### International Tourist Arrivals

Tourist arrivals through the country's various ports of entry surged in the fourth quarter of 2021 when compared with figures recorded a year ago. A total of 213,962 tourists entered the country during the review period, as against 105,135 visitors received in the fourth quarter of 2020, indicating a significant improvement of 103.5 percent. Tourist arrivals during the period also went up by 13.1 percent when compared with 189,220 visitors received in the third quarter of 2021. The sharp year-on-year increase in tourist arrivals was due to the easing of travel restrictions over the review period.



### Port Activity

International trade at the country's two main harbours (Tema and Takoradi), as measured by laden container traffic for inbound and outbound containers, recorded a decline during the fourth quarter of 2021, compared with what was observed in the corresponding quarter of 2020. Total container traffic for inbound and outbound containers decreased by 6.4 percent to 182,550 from 195,135 for the fourth quarter of 2020. Similarly, port activity dipped by 3.1 percent when compared to 188,481 laden containers recorded in the third quarter of 2021. The relative decline in port activities, year-on-year, was due to a slowdown in international trade activities during the review period.



## 2.2 Labour Market Conditions

The number of jobs advertised in selected print<sup>1</sup> and online<sup>2</sup> media, which gauges labour demand in the economy, dipped in the fourth quarter of 2021 relative to what was observed in the fourth quarter of 2020. In total, 7,838 job adverts were recorded in the fourth quarter of 2021 as compared with 8,067 for the fourth quarter of 2020, indicating a decline of 2.8 percent (year-on-year). Similarly, the number of job vacancies advertised in the review period decreased by 18.0 percent from 9,555 recorded for the third quarter of 2021. The decline in the number of jobs advertised (year-on-year) reflected the adverse effects of the COVID-19 pandemic on businesses.

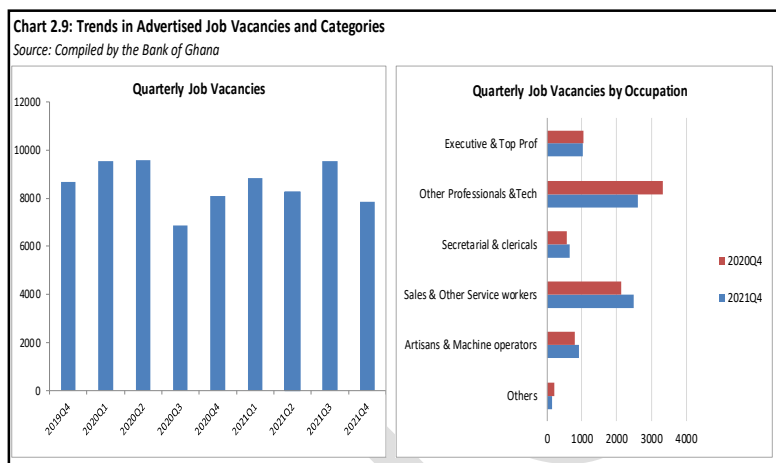
<sup>1</sup> The Daily Graphic newspaper was used to represent print media because it is the most widely circulated daily in Ghana.

<sup>2</sup> These are job adverts posted on the websites of the 10 main online job advertising/employment companies in Ghana.

## 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 80.2 percent of total job adverts recorded during the fourth quarter of 2021. This compares with a share of 81.0 percent it recorded in the fourth quarter of 2020. Industry followed with a share of 16.1 percent (up from 15.5% in the fourth quarter of 2020), while the Agriculture Sector accounted for 3.7 percent of the job adverts during the period, compared with 3.5 percent of total job adverts recorded for the corresponding quarter of 2020.

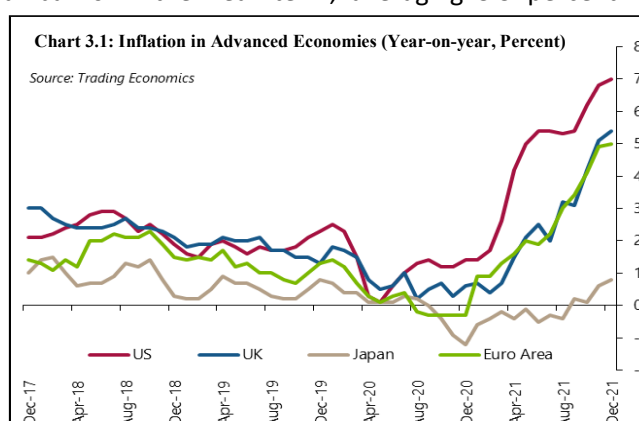
Further analysis revealed that the main requirements for skilled employees were tertiary education qualification(s) and a minimum of three years' working experience. This category, classified as Professionals and Technicians, collectively accounted for 46.3 percent of total jobs advertised during the fourth quarter of 2021, relative to 54.3 percent recorded in the corresponding quarter of 2020. This was followed by the categories classified as Sales & Other Service Workers (31.7% in Q4:2021 vs. 26.4% in Q4:2020), Artisans & Machine Operators (11.8% vs. 9.7%), Secretarial & Clerical Staff (8.3% vs. 6.9%) and "Others" (1.8% vs. 2.7%).



## 3. Price Developments

### 3.1 Global Inflation

Inflation has increased markedly in advanced economies and some emerging market economies and is currently above target in several countries. The rising inflation figures reflected rising aggregate demand pressures, higher commodity prices and supply-chain bottlenecks. In the outlook, inflation is projected to remain elevated above the target of most central banks in the near term, averaging 3.9 percent in advanced economies and 5.9 percent in emerging market and developing economies in 2022, before easing in 2023. Assuming medium-term inflation expectations remain well-anchored and the pandemic restrictions ease, higher inflation should fade as supply-chain disruptions ease and monetary policy tightens. The rapid increase in fuel prices is also expected to moderate during 2022–23, which will help contain headline inflation (World Economic Outlook, January 2022 Update).



### Advanced Economies

Inflation in the **United States** edged up to 7.0 percent at the end of the fourth quarter of 2021 from 5.4 percent at end of the third quarter of 2021. The key drivers of inflation at the end of Q4 came from rising

energy, food and used vehicles costs. The core inflation index, which excludes food and energy, rose sharply to 6.0 percent at the end of Q4 compared to a 4.0 percent rise at the end of Q3.

The annual inflation rate in the **United Kingdom** firmed up to 5.4 percent at the end of the Q4:2021 from 3.1 percent in the prior quarter, on the back of rising energy prices, supply chain disruptions and low base drift effects. Core consumer prices in the United Kingdom rose by 4.0 percent in the review quarter from 2.9 percent in Q3:2021.

Annual inflation in the **Euro Area** accelerated to 5.0 percent at the end of Q4 from 3.4 percent at the end of Q3:2021. The sharp rise in energy cost accounted for a significant portion of the increase, with the services and food sub-components further contributing to the elevated price pressures. The rise in core inflation rate, which excludes volatile prices of energy, food, alcohol & tobacco was, however, muted, climbing to 2.3 percent at end of Q4:2021 from 1.9 percent in Q3:2021.

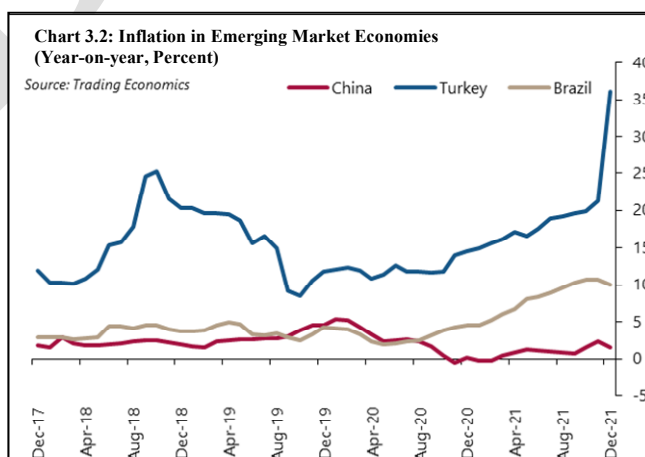
**Japan's** consumer prices rose by 0.8 percent at the end of Q4:2021, up from 0.2 percent in Q3:2021. The uptick in inflation between the quarters reflected increases in cost of food and housing. Core consumer prices, which strips out fresh food, edged up by 0.5 percent in the quarter under review from 0.1 percent in the previous month, driven by rising fuel prices.

### Emerging Market Economies

**China's** annual inflation rate rose to 1.5 percent at the end of the fourth quarter of 2021 from 0.7 percent recorded at the end of the third quarter of 2021, mainly due to higher food costs as well as supply chain disruptions following the Omicron variant. Core inflation, however, surprised on the downside, declining to 0.8 percent at the end of Q4 from 1.2 percent at the end of Q3:2021.

The annual inflation rate in **Brazil** was 10.4 percent at the end of the fourth quarter of 2021, marginally above the 10.3 percent recorded at the end of the third quarter as lower transportation costs helped to partially moderate upward pressures from the food and non-alcoholic beverages. Core consumer prices in Brazil increased to 7.3 percent at end-Q4:2021 above the 6.9 percent recorded at end-Q3:2021.

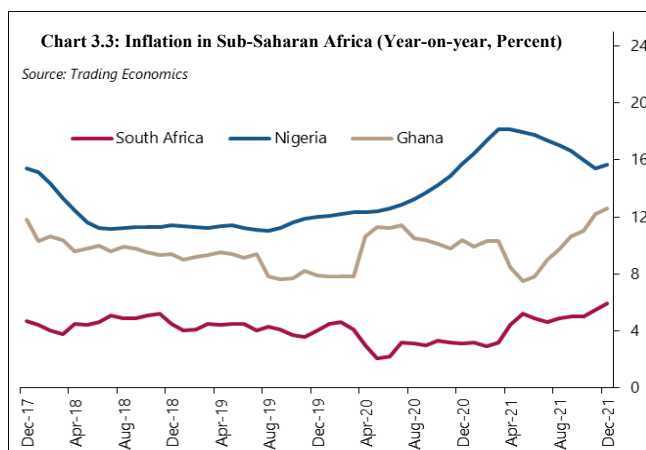
**Turkey's** consumer price inflation accelerated sharply to 48.7 percent at the end of the fourth quarter of 2021, far above the 19.6 percent recorded at the end of the third quarter, due to persistent currency weaknesses. The main upward pressures were recorded in food and non-alcoholic beverages and transportation sub-sectors. The annual core inflation, which excludes volatile items such as energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold, also rose sharply to 39.5 percent at the end of Q4 from 16.98 percent at the end of Q3:2021.





## Sub-Saharan Africa

The annual inflation rate in **South Africa** firmed up to 5.9 percent at end-Q4:2021 up from 5.0 percent at the end of Q3:2021. The pressures at the end of the fourth quarter reflected upward pressures from prices of fuels and high cost of food and non-alcoholic beverages. South Africa's core inflation, which excludes prices of food, non-alcoholic beverages, fuel and energy, increased slightly to 3.4 percent at the end of the fourth quarter, up from 3.2 percent (year-on-year) in the previous quarter.

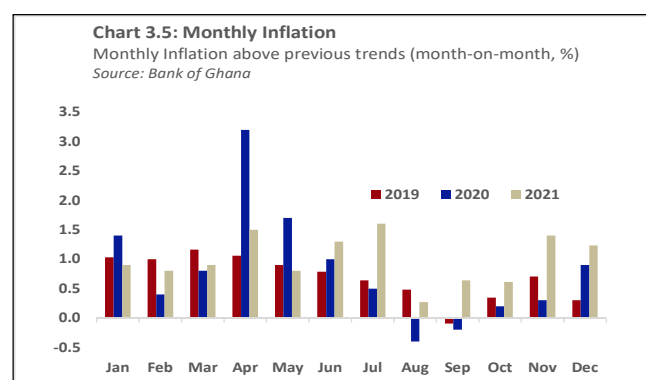
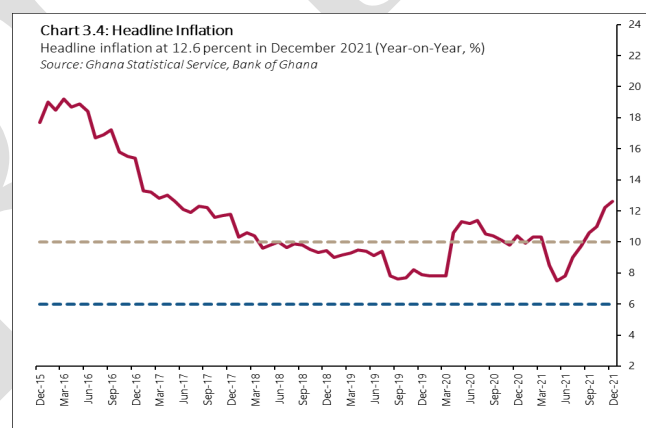


In **Nigeria**, the annual inflation rate eased for the third consecutive quarter to 15.63 percent at the end of Q4 from 16.6 percent at the end of Q3:2021, reflecting the sustained moderation in food inflation between the quarters. The annual core inflation rate, which excludes the prices of agricultural produce, however, rose marginally to 13.9 percent at end-Q4:2021 from 13.7 percent at end-Q3, reflecting higher energy costs.

## 3.2 Domestic Inflation

### Headline Inflation

Headline inflation accelerated to 12.6 percent at the end of the last quarter of 2021. This represented the highest rate of annual inflation since the rebasing of the CPI basket in 2019, surpassing the levels recorded at the height of the COVID-19 pandemic. Within the year, headline inflation eased marginally to 10.3 percent at the end of the first quarter of 2021 from 10.4 percent at the end of the last quarter of 2020 and further down to 7.8 percent at the end of Q2:2021. However, consumer price inflation increased to 10.6 percent in Q3:2021, and further climbed to 12.6 percent at the end of the year.



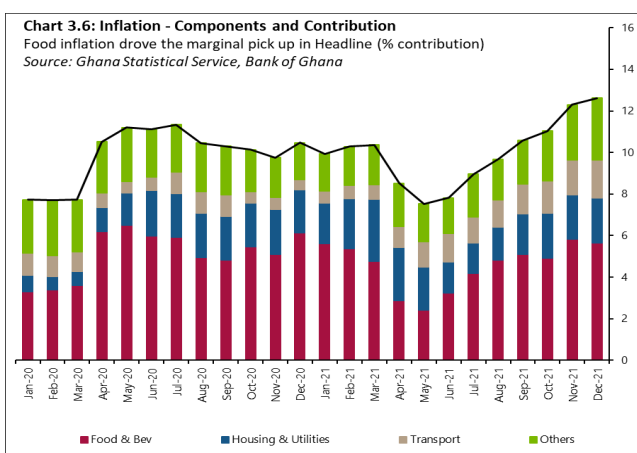
### Monthly Inflation

On a month-on-month basis, headline inflation averaged 1.1 percent in the fourth quarter of 2021, higher than the 0.9 percent monthly average recorded same time last year. Supply-chain disruptions and delayed harvest due to adverse climatic conditions kept monthly food inflation at elevated levels in Q4:2021 compared to historical trends. Average monthly food inflation doubled to 1.2 percent in Q4:2021, from 0.6 percent same time in 2020. Similarly, exchange rate depreciation, rising crude oil prices and upward

adjustments in fuel prices and transport fares put pressure on non-food prices in the last quarter of 2021. Monthly non-food inflation averaged 1.1 percent in Q4:2021, from 0.2 percent in Q4:2020.

### Inflation by Sub-Groups

In terms of contribution, food price pressures accounted for about 45 percent of the total inflation in the fourth quarter. The remaining 55 percent came from non-food price pressures, mainly from the transport sub-sector on the back



	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Dec-18	9.4	8.7	9.8	1.1	1.3	1.0
Dec-19	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
Apr	10.6	14.4	7.7	3.2	6.4	0.8
May	11.3	15.1	8.4	1.7	2.3	1.3
Jun	11.2	13.8	9.2	1.0	0.1	1.8
Jul	11.4	13.7	9.7	0.5	0.0	0.9
Aug	10.5	11.4	9.9	-0.4	-1.1	0.2
Sept	10.4	11.2	9.8	-0.2	-0.5	0.1
Oct	10.1	12.6	8.3	0.2	0.1	0.3
Nov	9.8	11.7	8.3	0.3	0.3	0.3
Dec	10.4	14.1	7.7	0.9	1.5	0.4
<b>2021</b>						
Jan	9.9	12.8	7.7	0.9	1.2	0.7
Feb	10.3	12.3	8.8	0.8	0.0	1.4
Mar	10.3	10.8	10.0	0.9	0.2	1.4
Apr	8.5	6.5	10.2	1.5	2.3	1.0
May	7.5	5.4	9.2	0.8	1.3	0.4
Jun	7.8	7.3	8.2	1.3	1.8	0.8
Jul	9.0	9.5	8.6	1.6	2.0	1.3
Aug	9.7	10.6	8.7	0.3	0.2	0.3
Sept	10.6	11.5	9.9	0.6	0.0	1.2
Oct	11.0	11.0	11.0	0.6	0.3	1.3
Nov	12.2	13.1	11.6	1.4	2.1	0.9
Dec	12.6	12.8	12.5	1.2	1.2	1.2

Source: Ghana Statistical Service

and Accommodation (8.9 percent compared with 5.4 percent).

of upward adjustments in fares due to recent hikes in ex-pump prices.

On a year-on-year basis, there was a broad pick-up across sub-components of the basket. Upward pressures over the past year were mainly within the non-food sector: Transport (17.6 percent in December 2021 compared with 4.8 percent in December 2020); Recreation and Culture (11.4 percent compared with 1.8 percent); Personal Care and Miscellaneous Goods (10.6 percent compared with 3.8 percent); Household Equipment and maintenance (9.6 percent compared with 4.7 percent); Alcoholic beverages and Tobacco (9.6 percent compared with 6.0 percent); Restaurants

CPI Components (%)	Weights (%)	2020	2021											
		Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Overall	100.0	10.4	9.9	10.3	10.3	8.5	7.5	7.8	9.0	9.7	10.6	11.0	12.2	12.6
Food and Beverages	43.1	14.1	12.8	12.3	10.8	6.5	5.4	7.3	9.5	10.6	11.5	11.0	13.1	12.8
Non-food	56.9	7.7	7.7	8.8	10.0	10.2	9.2	8.2	8.6	8.7	9.9	11.0	11.6	12.5
Alcoholic Beverages, Tobacco	3.7	6.0	7.4	7.2	7.0	8.0	7.3	6.5	7.9	6.4	8.1	10.0	9.2	9.6
Clothing and footwear	8.1	7.9	7.2	6.2	6.0	7.1	6.5	6.0	7.0	6.5	6.8	7.7	8.4	8.6
Housing and Utilities	10.2	20.1	19.0	23.4	29.0	25.0	19.9	14.2	14.1	15.2	18.7	20.6	20.5	20.7
Household Equipment and Maintenance	3.2	4.7	4.5	5.0	4.7	4.9	4.6	4.7	5.7	6.0	6.3	7.3	8.4	9.6
Health	0.7	6.0	6.9	6.9	7.1	7.4	8.4	6.0	6.3	6.3	4.6	5.2	7.5	6.0
Transport	10.1	4.8	5.4	6.2	6.8	9.6	11.7	13.4	12.1	12.8	13.6	14.9	16.0	17.6
Information and Communication	3.6	7.0	6.7	8.4	8.1	7.4	5.1	4.9	6.2	7.1	6.6	7.8	8.0	9.0
Recreation & Culture	3.5	1.8	3.0	3.9	4.0	5.1	3.6	3.6	4.7	6.3	6.8	7.2	10.6	11.4
Education	6.5	0.2	0.3	0.4	0.4	0.6	0.8	0.9	1.8	0.3	0.9	0.9	1.0	1.0
Restaurants and Accommodation	4.6	5.4	4.8	5.4	6.1	6.7	6.0	4.8	5.7	4.0	3.2	4.0	4.4	8.9
Insurance and Financial services	0.2	3.3	3.3	7.4	7.8	9.0	9.0	5.5	7.2	7.1	7.1	7.1	7.1	6.3
Personal care & Miscellaneous goods	2.4	3.8	5.1	4.3	4.5	5.2	4.4	4.5	5.5	6.0	7.2	8.5	9.1	10.6

Source: Ghana Statistical Service

### 3.3 Inflation Outlook

In the outlook, inflation is expected to remain above the upper band of  $8 \pm 2$  percent until the fourth quarter of 2022, reflecting the mounting upside risks in the outlook. Global price pressures remain elevated in both advanced and emerging market economies in the near term and would exert upward pressures on imported items in the outlook. Domestic supply disruptions, especially within the food sector, have also lifted price pressures on the local components of the consumer basket. High energy prices would likely lift ex-pump prices and further lead to upward adjustment in prices of



items in the CPI basket. On the other hand, a relatively stable exchange rate and a tight monetary policy stance would anchor inflation expectations and contain inflationary pressures in the outlook.

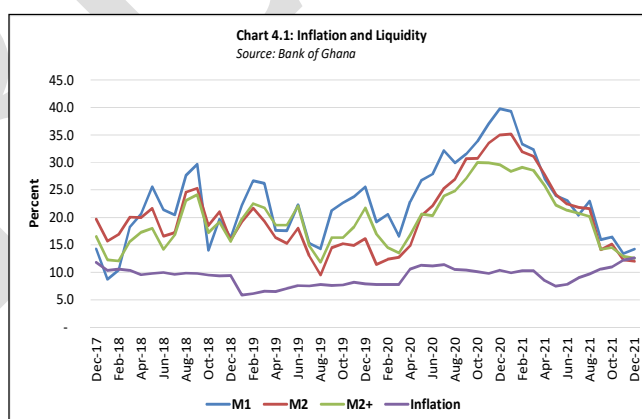
#### 4. Money and Financial Market Developments

Developments in the monetary aggregates for the fourth quarter of 2021 showed a slower pace of growth in broad money supply (M2+), relative to third quarter of 2020. The observed growth in M2+ was mainly due to growth in Net Domestic Assets (NDA) of the depository corporations' sector; the Net Foreign Assets (NFA), however, contracted to moderate growth in M2+. Analysis of the components of M2+ over the same comparative period showed that the growth in M2+ reflected in moderation in growth rates of currency with the public, demand deposits, savings and time deposits. Growth in foreign currency deposits, however, increased marginally over the period.

##### 4.1 Broad Money Supply

The developments in monetary aggregates for the fourth quarter of 2021 showed a slowdown in the pace of growth in M2+, relative to the corresponding period of last year. Annual growth in broad money supply (M2+) decreased significantly to 12.55 percent in the fourth quarter of 2021 from 29.58 percent in the fourth quarter of 2020. The stock of broad money supply stood at GH¢135,598.0 million during the review period, compared with GH¢120,479.1 million and GH¢124,596.0 million recorded in the fourth quarter of 2020 and third quarter of 2021, respectively. The decline in the year-on-year growth in M2+ in the fourth quarter of 2021 reflected in a slowdown in the pace of growth of currency with the public, demand deposits, savings and time deposits. Growth in foreign currency deposits, however, increased marginally over the period.

Chart 4.1 shows line graphs of growth in monetary aggregates (M1, M2, and M2+) and inflation. Growths in monetary aggregates were broadly converging with inflation although the series do not exhibit any perceptible co-movements. This might imply a weak link between money and inflation in the short run.



##### 4.2 Sources of Change in M2+

The observed decrease in the growth in M2+ was mainly attributed to a moderation in the growth in Net Domestic Assets (NDA) in the fourth quarter of 2021 relative to the growth recorded in the fourth quarter 2020. The Net Foreign Assets (NFA) also contracted relative to the corresponding period of last year. Provisional data showed that growth in NDA decreased considerably from a 41.96 percent in the fourth quarter of 2020 to 23.13 percent at the end of the fourth quarter of 2021. This was, however, lower than the 57.14 percent recorded in first quarter of 2021, but higher than a growth of 22.8 percent and 21.78 percent recorded in the second and third quarters of 2021, respectively. Growth in NFA, on the other hand, further declined to *negative* 44.97 percent in the fourth quarter of 2021 from *negative* 12.08 percent for the same period last year.

## Components of Net Domestic Assets (NDA)

In terms of components of NDA, growth in net claims on Government and Other Items (Net) decreased

	Levels (GH¢ Millions)			Quarter-On-Quarter Variation					
	Dec-20	Sep-21	Dec-21	As at end-Dec 2020		As at end-Sep 2021		As at end-Dec 2021	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	36,082.06	39,156.13	43,300.02	7,186.03	24.87	8,818.08	29.07	7,217.96	20.00
Narrow Money (M1)	60,783.45	61,153.92	69,431.59	17,287.74	39.75	8,415.48	15.96	8,648.13	14.23
Broad Money (M2)	94,449.03	96,838.70	105,779.55	24,475.93	34.98	11,974.68	14.11	11,330.52	12.00
Broad Money (M2+)	120,479.09	124,596.60	135,598.03	27,503.62	29.58	15,462.22	14.17	15,118.93	12.55
Currency with the Public	20,889.63	18,812.37	21,816.17	6,531.57	45.49	2,406.17	14.67	926.54	4.44
Demand Deposits	39,893.82	42,341.55	47,615.41	10,756.17	36.92	6,009.31	16.54	7,721.59	19.36
Savings & Time Deposits	33,665.58	35,684.78	36,347.96	7,188.19	27.15	3,559.21	11.08	2,682.39	7.97
Foreign Currency Deposits	26,030.07	27,757.90	29,818.48	3,027.69	13.16	3,487.53	14.37	3,788.41	14.55
Sources of M2+									
Net Foreign Assets (NFA)	18,721.06	15,199.51	10,302.96	(2,571.94)	(12.08)	(4,106.77)	(21.27)	(8,418.11)	(44.97)
BOG	14,244.49	16,504.31	11,018.62	(6,378.06)	(30.93)	(53.16)	(0.32)	(3,225.87)	(22.65)
DMBs	4,476.57	(1,304.80)	(715.67)	3,806.12	567.69	(4,053.61)	(147.47)	(5,192.24)	(115.99)
Net Domestic Assets	101,758.03	109,397.09	125,295.07	30,075.56	41.96	19,568.99	21.78	23,537.04	23.13
Claims on Government (net)	68,965.59	77,648.30	75,314.27	34,751.06	101.57	16,560.42	27.11	6,348.68	9.21
BOG	31,731.12	31,179.41	29,389.54	23,262.38	274.69	1,309.76	4.38	(2,341.58)	(7.38)
DMBs	37,234.47	46,468.88	45,924.73	11,488.67	44.62	15,250.66	48.85	8,690.26	23.34
Claims on Public Sector	4,962.45	6,894.55	6,266.45	(1,698.89)	(25.50)	734.50	11.92	1,303.99	26.28
BOG	931.34	1,934.81	966.11	(43.48)	(4.46)	920.73	90.79	34.78	3.73
DMBs	4,031.12	4,959.74	5,300.33	(1,655.41)	(29.11)	(186.23)	(3.62)	1,269.22	31.49
Claims on Private Sector	44,263.86	45,710.86	49,171.40	4,194.16	10.47	4,322.98	10.45	4,907.54	11.09
BOG	730.67	716.45	785.82	25.89	3.67	46.36	6.92	55.15	7.55
DMBs	43,533.19	44,994.41	48,385.58	4,168.27	10.59	4,276.61	10.50	4,852.39	11.15
Other Items (Net) (OIN) \2	(16,433.87)	(20,856.61)	(5,457.05)	(7,170.77)	77.41	(2,048.90)	10.89	10,976.82	(66.79)
o/w BOG OMO (Sterilisation)	(5,658.81)	(5,159.90)	(5,654.59)	(865.31)	18.05	4,575.79	(47.00)	4.22	(0.07)

Source: Bank of Ghana

from 101.57 percent and 77.41 percent respectively, in the fourth quarter of 2020 to 9.21 percent and *negative* 66.79 percent in the fourth quarter of 2021. The growth in Claims on Public Sector and Claims on the Private Sector, however, increased to 26.28 percent and 11.09 percent in the fourth quarter of 2021 compared to a change of *negative* 25.50 percent and 10.47 percent in the fourth quarter of 2020.

## 4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors in the fourth quarter of 2021 increased compared to the corresponding period of 2020. The nominal annual growth rate of banks' outstanding credit increased from 5.75 percent in the fourth quarter of 2020 to 12.56 percent in the fourth quarter of 2021; this was, however, higher than the growth of 5.71 percent recorded for the second quarter of 2021. At the end of the fourth quarter of 2021, total outstanding credit stood at GH¢53,767.32 million compared with GH¢47,769.04 million, same time last year. This may be compared with the GH¢47,538.60 million and GH¢50,048.95 million recorded in the second and third quarters of 2021, respectively. The increase in the nominal growth in credit was reflected in increases in growth of credit to both the private sector and the public sector.

	Levels (GH¢ Millions)			Year-On-Year Variation					
	Dec-20	Sep-21	Dec-21	As at end-Dec 2020		As at end-Sep 21		As at end-Dec 2021	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	4,235.86	5,054.54	5,381.75	(1,569.25)	(27.03)	(143.16)	(2.75)	1,145.89	27.05
Private Sector	43,533.19	44,994.41	48,385.58	4,168.27	10.59	4,276.61	10.50	4,852.39	11.15
Agric., For. & Fish.	1,538.39	1,745.96	1,656.64	(686.28)	(30.85)	50.58	2.98	118.25	7.69
Export Trade	162.83	166.20	200.54	5.30	3.37	34.29	26.00	37.71	23.16
Manufacturing	4,985.44	5,405.73	5,688.17	168.62	3.50	576.39	11.94	702.73	14.10
Trans., Stor., & Comm.	3,096.58	3,306.36	3,353.27	615.29	24.80	(23.45)	(0.70)	256.68	8.29
Mining & Quarrying	1,178.63	987.25	817.41	(13.56)	(1.14)	(133.31)	(11.90)	(361.22)	(30.65)
Import Trade	1,232.21	1,389.85	1,733.00	90.84	7.96	31.41	2.31	500.79	40.64
Construction	4,377.23	4,735.00	5,089.74	901.05	25.92	626.32	15.24	712.51	16.28
Commerce & Finance	9,875.24	8,253.75	7,498.53	2,279.75	30.01	818.14	11.00	(2,376.71)	(24.07)
Elect., Gas & Water	2,544.21	2,003.66	1,961.31	620.54	32.26	(573.22)	(22.24)	(582.91)	(22.91)
Services	11,580.86	13,613.59	16,867.22	1,608.67	16.13	2,575.08	23.33	5,286.36	45.65
Miscellaneous	2,961.57	3,387.07	3,519.76	(1,421.94)	(32.44)	294.37	9.52	558.19	18.85
Grand Total	47,769.04	50,048.95	53,767.32	2,599.02	5.75	4,133.45	9.00	5,998.28	12.56

Source: Bank of Ghana

and *negative* 1.0 percent growth realised in the second quarter and third quarter of 2021, reflecting a marginal improvement in real credit growth.

The share of total outstanding credit to the private sector decreased marginally to 90.0 percent at the end of the fourth quarter of 2021, from 91.1 percent recorded for the same period in 2020.

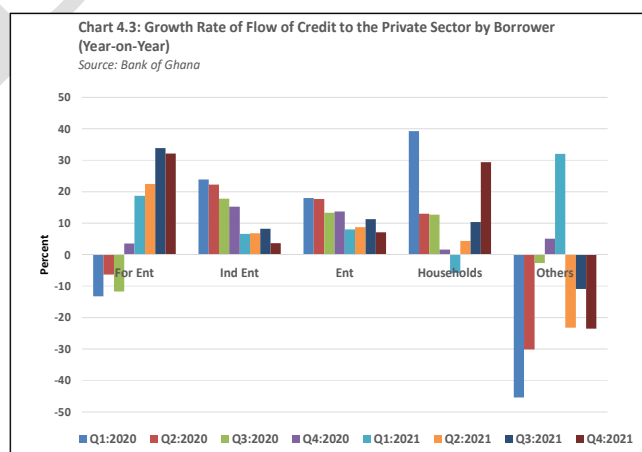
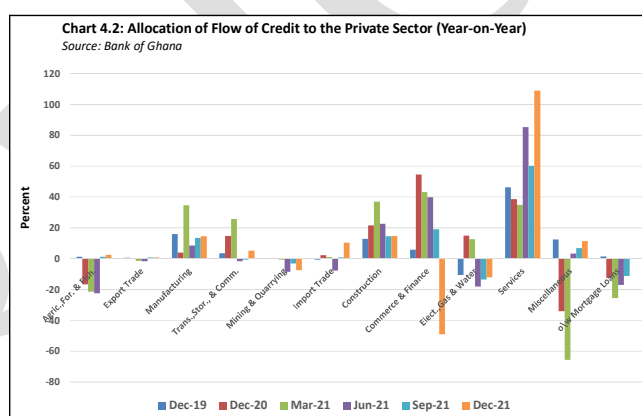
## Distribution of Outstanding Credit to the Private Sector

Annual growth in private sector credit in the fourth quarter of 2021 marginally increased relative to fourth quarter of 2020, reflecting a pickup in economic activity. The growth in outstanding credit to the private sector at the end of the fourth quarter of 2021 was higher in nominal and real terms relative to the corresponding period in 2020. In nominal terms, growth increased to 11.15 percent in the fourth quarter of 2021 from 10.59 percent recorded in the fourth quarter of 2020. This was also marginally higher than the 10.50 percent registered at the end of the third quarter of 2021.

The outstanding credit to the private sector at the end of the fourth quarter of 2021 was GH¢48,385.58 million, compared with GH¢43,533.19 million recorded in the fourth quarter of 2020. This can be compared with the GH¢42,743.45 million recorded in the second quarter of 2021 and GH¢44,994.41 million achieved in the third quarter of 2021. In real terms, the annual growth rate of outstanding credit to the private sector decreased to *negative* 1.3 percent at the end of the fourth quarter of 2021, from a growth of 0.1 percent recorded, same period in 2020. This was however lower relative to *negative* 0.3 percent recorded in the third quarter of 2021.

The increase in growth in credit to the private sector during the fourth quarter of 2021 relative to the corresponding period in 2020 was reflected in increases in annual flow of credit to the following sectors: agriculture, forestry and fisheries; export trade; transport, storage and communication; import trade; construction; and manufacturing. All other sectors received decreased flows of credit, when expressed as percentage of total credit flows, over the comparative period. The Services subsector recorded the highest annual flow of credit (45.65%), followed by Import trade (40.64%), and export trade (23.16%), respectively. These three sectors accounted for about 109.45 percent of the overall credit flow for the third quarter of 2021.

In terms of annual growth in credit to private sector by borrower, credit flows to foreign enterprises increased significantly in the fourth quarter of 2021 while indigenous enterprises declined in the fourth quarter of 2021 relative to the corresponding period of 2020. Flows to households increased in the fourth quarter of 2021 while the 'others' sub-sector declined significantly over the same comparative period.



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

The provisional figures for the fourth quarter of 2021 showed that the proportion of commercial banks' funds flows allocated to foreign assets decreased, while proportion of funds flows allocated to bank credit, investment in government securities, balances with Bank of Ghana, and other assets increased relative to that of the corresponding quarter in 2020.

The proportion of bank funds allocated to Government securities decreased from 52.71 percent in the fourth quarter of 2020 to 37.95 percent in the corresponding quarter in 2021. The proportion of fund flows allocated to investment in short-term bills increased from *negative* 7.39 percent in fourth quarter of 2020 to 10.91 percent in the fourth quarter of 2021, while the proportion of fund flows to investment in medium-to-long term Government instruments decreased from 60.10 percent to 27.05 percent over the same comparative period.

Table 4.3: Sources and Uses of Bank's Flow of Funds

	(Amount in GH¢ 'Million)			Variations (Year-on-Year)					
	Dec-20	Sep-21	Dec-21	As at end-Dec 2020		As at end-Sep 2021		As at end-Dec 2021	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
<b>Sources of Funds</b>									
Total Deposits	96,257.88	101,832.73	109,533.94	20,327.87	26.77	12,314.32	13.76	13,276.06	13.79
Domestic	70,227.82	74,074.83	79,715.46	17,300.18	32.69	8,826.78	13.53	9,487.65	13.51
Demand Deposits	36,562.24	38,390.05	43,367.50	10,111.98	38.23	5,267.58	15.90	6,805.26	18.61
Savings Deposits	17,934.83	18,928.85	19,693.06	4,761.66	36.15	1,498.49	8.60	1,758.23	9.80
Time Deposits	15,730.74	16,755.92	16,654.90	2,426.53	18.24	2,060.71	14.02	924.16	5.87
Foreign Currency	26,030.07	27,757.90	29,818.48	3,027.69	13.16	3,487.53	14.37	3,788.41	14.55
Credit from BOG	1,227.44	1,025.08	2,618.53	-475.96	-27.94	-1,556.92	-60.30	1,391.08	113.33
Balances Due to Non-Resident Banks	7,660.09	9,982.60	11,167.07	-2,046.52	-21.08	1,608.51	19.21	3,506.98	45.78
Capital	9,797.29	10,822.61	11,100.39	163.98	1.70	1,044.43	10.68	1,303.10	13.30
Reserves	11,491.83	13,820.34	14,645.46	3,544.93	44.61	3,336.75	31.83	3,153.63	27.44
Other Liabilities*	26,114.40	35,208.43	33,347.52	1,336.74	5.39	6,739.24	23.67	7,233.13	27.70
<b>Total</b>	<b>152,548.94</b>	<b>172,691.79</b>	<b>182,412.91</b>	<b>22,851.03</b>	<b>17.62</b>	<b>23,486.33</b>	<b>15.74</b>	<b>29,863.97</b>	<b>19.58</b>
<b>Uses of Funds</b>									
Bank Credit	47,769.04	50,048.95	53,767.32	2,599.02	5.75	4,133.45	9.00	5,998.28	12.56
o/w Private Sector Credit	43,533.19	44,994.41	48,385.58	4,168.27	10.59	4,276.61	10.50	4,852.39	11.15
Investment in Government Securities	42,968.45	55,650.08	54,303.23	12,044.52	38.95	17,958.98	47.65	11,334.79	26.38
Short Term	3,462.68	7,484.34	6,719.41	-1,689.66	-32.79	3,719.12	98.78	3,256.73	94.05
Medium/Long Term	39,505.76	48,165.73	47,583.82	13,734.17	53.29	14,239.86	41.97	8,078.06	20.45
Foreign Assets	12,136.66	8,677.80	10,451.40	1,759.60	16.96	-2,445.10	-21.98	-1,685.26	-13.89
Balances with BOG	16,747.70	19,720.96	21,679.64	758.62	4.74	886.70	4.71	4,931.94	29.45
Other Assets**	32,927.08	38,594.00	42,211.31	5,689.27	20.89	2,952.30	8.28	9,284.23	28.20
<b>Total</b>	<b>152,548.94</b>	<b>172,691.79</b>	<b>182,412.91</b>	<b>22,851.03</b>	<b>17.62</b>	<b>23,486.33</b>	<b>15.74</b>	<b>29,863.97</b>	<b>19.58</b>

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

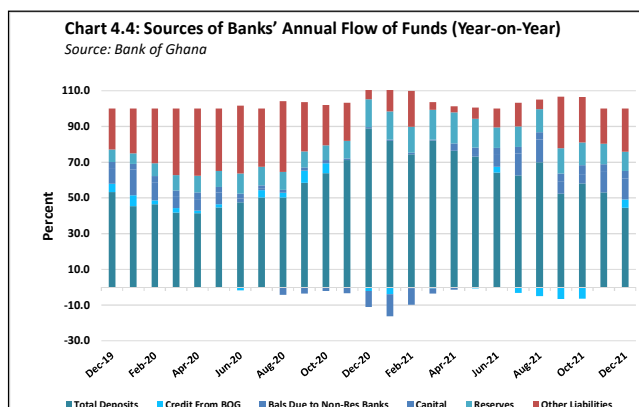
\*\*Includes real estate and equipment and other unclassified assets

Source: Bank of Ghana

The proportion of fund flows to bank credit, balances with Bank of Ghana, and other assets increased from 11.37 percent, 3.32 percent, and 24.90 percent, respectively, in the fourth quarter of 2020, to 20.09 percent, 16.51 percent, and 31.90 percent in the fourth quarter of 2021. In contrast, the proportion of fund flows to foreign assets decreased from 7.70 percent in the fourth quarter of 2020 to *negative* 5.64 percent in the fourth quarter of 2021.

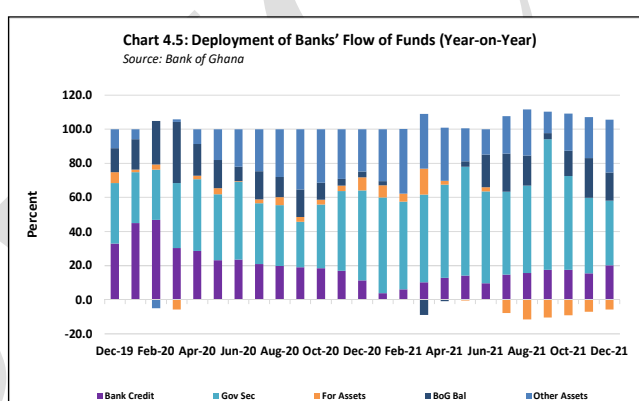
The main source of funds flows for financing of banks assets was deposits. Its share in the sources of funds flows, however, decreased significantly from 89.0 percent in the fourth quarter of 2020 to 44.5 percent in the fourth quarter of 2021. This can be compared with 64.2 percent and 52.4 percent recorded in the second and third quarter of 2021, respectively. The significant decrease in flows from total deposits, for the period under review, was mainly due to a decline in the fund flows from both domestic and foreign currency deposits, on a year-on-year basis. The proportion of fund flows from domestic and foreign deposits decreased from 75.7 percent and 13.2 percent in the fourth quarter of 2020 to 31.8 percent and 12.7 percent in fourth quarter of 2021, respectively. Fund flows from the components of domestic currency deposits showed that demand, savings and time deposits accounted for the decrease in fund flows from domestic currency deposits over the comparative period. With respect to developments in foreign currency deposits, the share of fund flows from foreign deposits decreased marginally from 13.25 percent in the fourth quarter of 2020 to 12.69 percent in the fourth quarter of 2021.

The proportion of fund flows from credit from Bank of Ghana, balances due non-resident banks, bank capital, and other liabilities increased from *negative* 2.1 percent, *negative* 9.0 percent, 0.7 percent and 5.8 percent respectively, in fourth quarter of 2020 to 4.7 percent, 11.7 percent, 4.4 percent and 24.2 percent, respectively, in the fourth quarter of 2021. The proportion of fund flows from reserves, however, decreased over the same comparative periods from 15.5 percent to 10.6 percent.



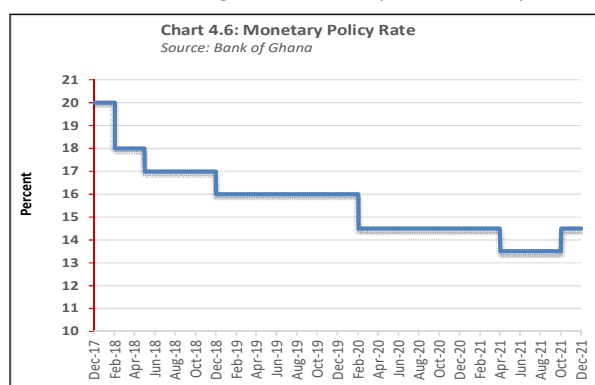
Total deposits remained the dominant source of funds into the banking system in the fourth quarter of 2021. This was followed by other liabilities, borrowings from other resident banks and bank reserves, respectively.

Investment in Government securities received the largest share in terms of uses of funds by the banking system in fourth quarter of 2021. This was followed by other assets and bank credit, respectively.



#### 4.5 Interest Rate Developments

Interest rate developments in the money market, for the fourth quarter of 2021, showed a downward trend on a year-on-year basis. Rates on GOG securities and the lending rates of Deposit Money Banks (DMBs) decreased when compared to corresponding period in 2020 whereas rates on BOG bills and deposit rates of DMBs remained unchanged over the period. Quarter-on-quarter, except for the 182-day bills, rates on GOG securities generally increased. Borrowing rates of DMBs also increased from rates recorded in the third quarter of 2021. The lending rates of DMBs, however, decreased over the same comparative periods.



#### Monetary Policy Rate

The Monetary Policy Committee eased its policy stance in the second quarter of 2021 by a 100 basis points from 14.50 percent to 13.50 percent to provide additional stimulus to the financial sector. The MPR was however increased by 100 basis points from 13.50 to 14.50 in the fourth quarter 2021 due to inflationary pressures.

### **BOG Bills**

The interest equivalent on the 14-day BOG bill, which is linked to the MPR, year on year, remained unchanged at 14.50 percent in the fourth quarter of 2021. The interest equivalent on the 56-day BOG bill, which was reintroduced in January 2018, also remained unchanged at 14.50 percent in the review quarter.

The 7-day, 28-day and 270-day BOG bills registered no changes in interest rates and remained at 11.74 percent, 24.27 percent and 26.82 percent, respectively. This was on account of inactivity and non-issuance.

### **Government Securities**

On the treasury market, interest rates continued to trend downwards. The 91-day, 182-day and 364-day T-bills' rates decreased by 159 basis points, 94 basis points and 52 basis points on year-on-year terms to settle at 12.49 percent, 13.19 percent and 16.46 percent, respectively. However, for the corresponding quarter in 2020, the 91-day, 182-day and 364-day T-bills' had decreased by 61 basis points, 102 basis points and 89 basis points, respectively.

Interest rates on the 2-year and 5-year fixed notes increased by 125 basis points and 115 basis points, year-on-year, to settle at 19.75 percent and 21.00 percent, respectively, at the end of the fourth quarter of 2021.

The rates on the 3-year, 6-year and 7-year Government of Ghana (GOG) bonds recorded year-on-year decreases of 25 basis points, 70 basis and 240 basis points, respectively, to settle at 19.00 percent, 18.80 percent and 18.10 percent at the end of the fourth quarter of 2021. For the corresponding quarter in 2020, the 2 year, 3-year, and 6-year GOG bonds decreased by 245 basis points, 45 basis points and 150 basis points, respectively. However, the 5-year and 7-year instruments recorded increases of 35 basis points and 425 basis points, respectively, in the fourth quarter 2020. The 10-year GOG bond decreased by 5 basis points whereas the 15-year and 20-year GOG bonds recorded no change in rates in the fourth quarter 2021.

### **Interbank Market**

The interbank weighted average interest rate decreased by 87 basis points, year-on-year, from 13.56 percent recorded in the fourth quarter of 2020 to 12.68 percent at the end of the fourth quarter of 2021. This may be compared with the 164 basis points year-on-year decrease in the interbank weighted average interest rate recorded in the fourth quarter of 2020. Compared to the third quarter in 2021, the interbank weighted average rate increased marginally by 8 basis points from 12.61 percent.

### **Time and Savings Deposit Rates**

The average interest rate on the DMBs' 3-month time and savings rate remained unchanged at 11.50 percent and 7.63 percent, respectively, at the end of the fourth quarter of 2021. The Demand deposits on a year-on-year basis also remained unchanged at 2.63 percent. For the corresponding quarter in 2020, the interest earned on savings and 3-month time deposits recorded no change.

## Lending Rate

Lending rates trended downwards during the review quarter. The average lending rate decreased by 106 basis points on a year-on-year basis to 20.04 percent in Q4:2021, from 21.10 percent recorded in Q4:2020. Compared to Q3:2021, the average lending rate decreased by 19 basis points.

The spread between the borrowing and lending rates narrowed by 106 basis points on a year-on-year basis to 8.54 percent in the fourth quarter of 2021, from 9.60 percent in the same period of 2020. Compared with the corresponding period in 2020, the spread narrowed by 249 basis points. Compared to the third quarter of 2021, the spread decreased by 19 basis points from 8.73 percent to 8.54 percent. The yield curves for the review period are indicated Chart 4.7, while the spread between the borrowing and lending rates is illustrated in Chart 4.8.

## 4.6 Payments System Developments

### Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during the fourth quarter of 2021 totalled 375,002, valued at GH¢506,442.32 million. This represented an increase in value by 12.0 percent and a decrease in volume by 1.1 percent compared to third quarter transactions in 2021. When compared with transactions settled during the fourth quarter in 2020, there was a decrease in both the volume and value of transaction by 6.16 percent and 21.69 percent, respectively. On the average, a total of 5,952.41 transactions were settled daily through the GIS, valued at GH¢8,038.77 million during the quarter under review, compared with a total of 6,019.54 cheques valued at GH¢7,177.53 million during the third quarter of 2021. In the fourth quarter of 2020, an average of 6,244.19 transactions were settled daily, valued at GH¢10,104.61 million.

Chart 4.7: Yield Curve (Year-on-Year)  
Source: Bank of Ghana

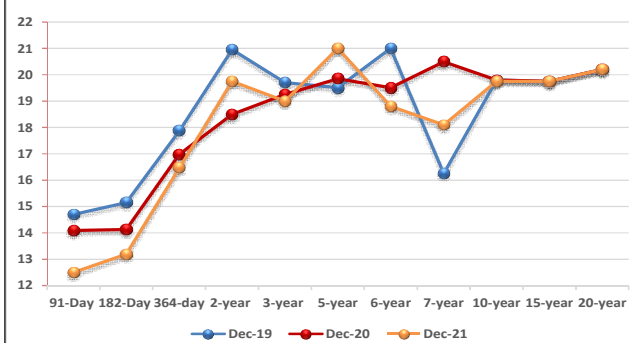


Chart 4.8: Spread between Nominal Savings and Lending Rates  
Source: Bank of Ghana

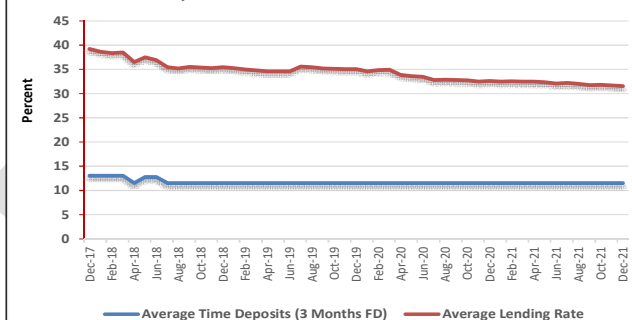


Chart 4.9: Quarterly Trends in the Settlement of Interbank Transactions (Daily Averages of Volumes and Values)  
Source: Bank of Ghana

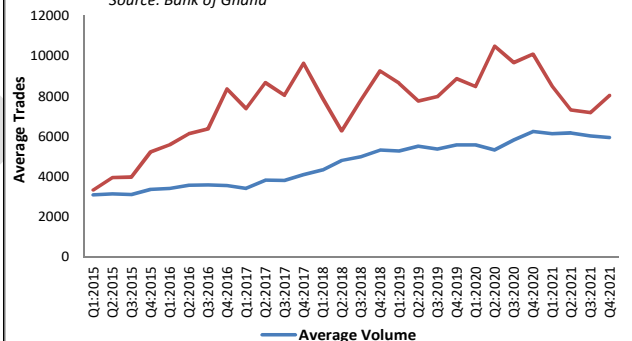
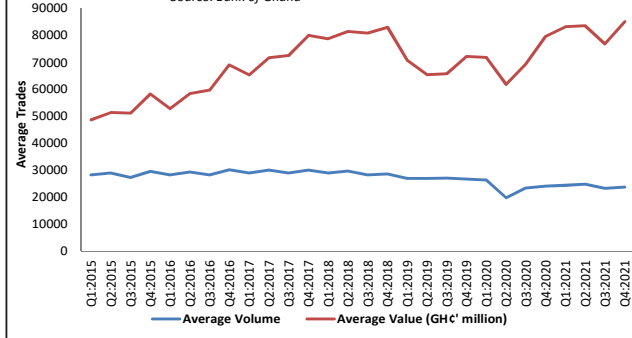


Chart 4.10: Quarterly Trends in Cheques Cleared (Daily Averages of Volumes and Values)  
Source: Bank of Ghana





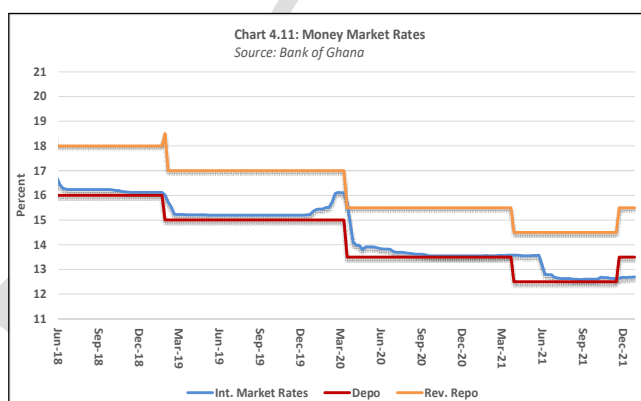
## Cheques Cleared

The volume of cheques cleared during the fourth quarter of 2021 totaled 1,498,096, valued at GH¢53,620.59 million. This represents an increase in both value and volume by 1.83 percent and 10.7 percent, respectively, compared to the third quarter transactions in 2021. When compared with the fourth quarter of 2020, the volume of transactions decreased by 3.36 percent, while the value of cheques cleared increased by 5.16 percent. On a daily basis, an average of 23,779.30 cheques valued at GH¢851.12 million were cleared during the period under review, compared with 23,351.25 cheques valued at GH¢768.76 million cleared during the third quarter of 2021. In the fourth quarter in 2020, an average of 24,221.56 cheques were cleared daily with a value of GH¢796.68 million.

## 4.7 Money Market

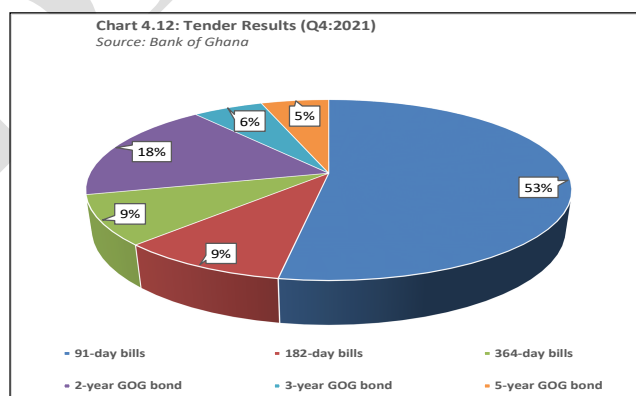
Depos increased to GH¢2,215.00 million in the fourth quarter of 2021 from GH¢1,200.00 million recorded in the third quarter of 2021. Compared with the same period in the previous year, depo trades decreased by 97.78 percent from GH¢99,924.00 million.

On the interbank market, value of trades during the fourth quarter ranged between GH¢875.00 million and GH¢4,741.00 million at a weighted average rate ranging from 12.61 percent to 12.70 percent. In the previous quarter, values of trades ranged from GH¢1,244.00 million and GH¢4,374.00 million at a weighted average rate ranging from 12.59 percent to 12.68 percent. In the previous year, trades during the fourth quarter ranged from GH¢667.00 million and GH¢3,912.00 million at a weighted average rate ranging from 13.55 percent to 13.56 percent.



## Tender Results

Total sales at the auction during the fourth quarter of 2021 totalled GH¢48,464.75 million with maturities totalling GH¢46,434.83 million. This resulted in a net sale of GH¢2,029.92 million out of which an amount of GH¢2,711.55 million was used to finance government's activities and a withdrawal through Bank of Ghana's OMO activities to the tune of GH¢681.63 million.



## 4.8 Currency Markets

### The International Currency Market

The U.S. Dollar ended the fourth quarter of 2021 on a mixed note as investors anticipated that the Federal Reserve would commence tapering its asset purchases in the midst of inflationary pressures. The performance of the Pound Sterling was strong as the Bank of England raised interest rates for the first time since the pandemic struck. The Euro, on the other hand, was weak due to concerns about EU inflationary



pressures as well as the spread of the COVID-19 Omicron variant across Europe. Demand for the safe-haven Japanese Yen declined as investors' risk appetite improved in the last quarter of the year.

The **U.S. Dollar** had a mixed performance in the fourth quarter of 2021 as investors started positioning for the Federal Reserve to begin tapering its asset purchases before the end of the year, and for interest rate hikes starting in the second half of 2022. The greenback strengthened in early December after Federal Reserve Chair, Jerome Powell, stated that inflation was going to stay high for longer than originally anticipated.

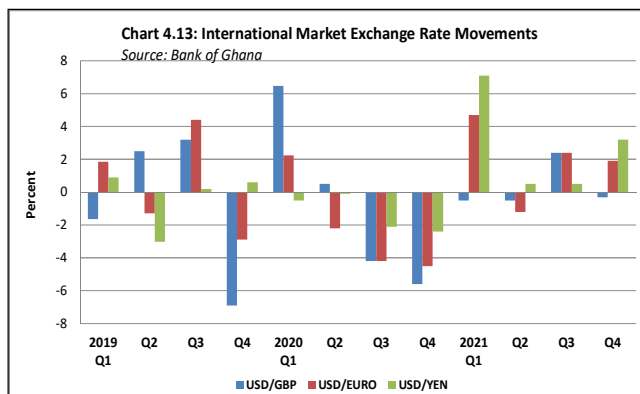


Table 4.4: International Market Exchange Rate Movements

End Period	Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a	
	US\$/£	ppreciation	US\$/€	ppreciation	US\$/¥	ppreciation	US\$/£	ppreciation	US\$/€	ppreciation	US\$/¥	ppreciation
2019 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	1.1224	-2.9	0.0092	0.4	1.9					-1.2
2020 Q1	1.2418	6.5	1.0978	2.2	0.0093	-0.5						
Q2	1.2358	0.5	1.1225	-2.2	0.0093	-0.1						
Q3	1.2904	-4.2	1.1712	-4.2	0.0095	-2.1						
Q4	1.3670	-5.6	1.2265	-4.5	0.0097	-2.4	-8.5					-5.1
2021 Q1	1.3741	-0.5	1.1717	4.7	0.0091	7.1						
Q2	1.3812	-0.5	1.1858	-1.2	0.0090	0.5						
Q3	1.3491	2.4	1.1583	2.4	0.0090	0.5						
Q4	1.3532	-0.3	1.1369	1.9	0.0087	3.2	7.9					11.7

Source: Reuters Depreciation (-)/Appreciation (+)

Sterling by 0.3 percent.

The Federal Reserve, therefore, tightened its monetary policy stance in a hawkish pivot and agreed to accelerate the tapering of its bond-buying program at its December meeting. However, the U.S. Dollar later weakened due to concerns about the COVID-19 Omicron variant. At the end of the quarter, the U.S. Dollar appreciated by 1.9 percent against the Euro and 3.2 percent against the Japanese Yen, but depreciated against the Pound

The **Pound Sterling** was strong against its major trading currencies in the last quarter of 2021. The performance of the British currency followed comments from the Bank of England governor, Andrew Bailey, which signalled very clearly that the Bank was looking to raise interest rates in the near term as it was concerned about above-target inflation. Consequently, the central bank raised the Bank Rate in December and committed itself to more hikes in the coming months in an attempt to bring surging retail inflation back to its target of 2 percent. The Pound Sterling further strengthened after the government announced a £1 billion financial support package for businesses most affected by the Omicron variant. Therefore, the Pound Sterling recorded appreciations of 0.3 percent, 2.2 percent and 3.5 percent against the U.S. Dollar, the Euro and the Japanese Yen, respectively.

The **Euro** was weak against the U.S. Dollar and Pound Sterling but was strong against the Japanese Yen during the last quarter of 2021 as the European Central Bank committed to uphold its ultra-accommodative policy stance, risking further inflation spikes. The Euro also faced headwinds as EU inflationary pressures were enhanced by the prospect of soaring energy prices at the beginning of the quarter. The European Central Bank, however, remained reluctant to tighten its monetary policy stance, warning that a hawkish pivot to rein in inflation could choke off the Eurozone's recovery. Furthermore, tightening COVID-19 rules in countries across Europe also weakened the common currency after Germany and Portugal joined other countries in the bloc in re-introducing restrictions as many European countries witnessed significant increases in coronavirus case numbers in December. At the end of the quarter, the Euro appreciated by 1.5

percent against the Japanese Yen, but depreciated by 1.8 percent and 2.2 percent against the U.S. Dollar and the Pound Sterling, respectively.

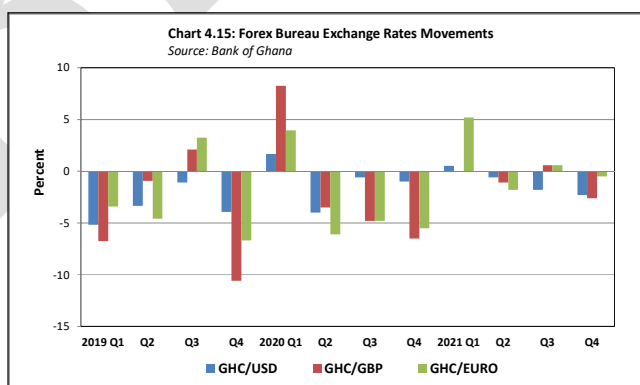
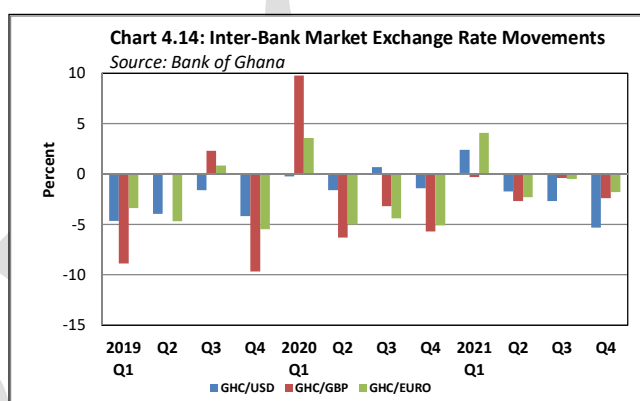
The **Japanese Yen** was very weak in the fourth quarter of 2021. The Japanese currency came under pressure from a global shares rally that decreased demand for safe-haven assets. The Yen continued to fall sharply due to anticipation that surging energy prices would drive Japan's demand for U.S. dollars. Bank of Japan reiterated a dovish stance as it handed down its policy decision early in December with inflation remaining well below target. Uncertainty about the COVID-19 Omicron variant was also largely consigned to the background as investors' risk appetite improved, leading to the Yen trading low in December. Therefore, the safe-haven currency ended the quarter with losses of 3.1 percent, 3.4 percent and 1.5 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively.

### The Domestic Currency Market

The Ghana Cedi depreciated against the three major currencies in the last quarter of 2021. The domestic currency weakened mainly due to offshore secondary market activities in relation to bond sales and coupon repatriations. There were also demand pressures from the manufacturing, energy and corporate sectors. The Cedi's performance in the quarter under review was also affected by reported rate adjustments by some dealers/traders in the forex bureau market.

On the **Interbank market**, the Ghana Cedi depreciated by 2.3 percent, 2.6 percent and 0.5 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively, during the fourth quarter of the year. The Cedi, however, performed better against the major international currencies in the fourth quarter of 2021 compared to the same period in 2020 when it had depreciated by 1.0 percent, 6.5 percent and 5.5 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively.

On the **Forex Bureau market**, the Cedi depreciated by 5.3 percent, 2.4 percent and 1.8 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively. The Cedi performed better in the fourth quarter of 2021 compared to the corresponding period of 2020 when it depreciated by 1.4 percent, 5.7 percent and 5.1 percent against the U.S. Dollar, the Pound Sterling and the Euro, respectively.



## Foreign Exchange Transaction Market

At the end of the fourth quarter of 2021, the total volume of forex purchases recorded was US\$5,072.87 million. Commercial bank purchases contributed 63.8 percent of the total purchases (US\$3,417.19 million).

Table 4.5: Inter-Bank Market Exchange Rate Movements

End Period	Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a	
	€/US\$	ppreciation	€/US\$	ppreciation	€/GBP	ppreciation	€/GBP	ppreciation	€/Euro	ppreciation	€/Euro	ppreciation
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	-12.9		7.3164	-10.6	-15.7		6.2114	-6.7	-11.2	
2020 Q1	5.4423	1.7			6.7583	8.3			5.9752	4.0		
Q2	5.6674	-4.0			7.0038	-3.5			6.3613	-6.1		
Q3	5.7027	-0.6			7.3585	-4.8			6.6786	-4.8		
Q4	5.7602	-1.0	-3.9		7.8742	-6.5	-7.1		7.0643	-5.5	-12.1	
2021 Q1	5.7288	0.5			7.8717	0.0			6.7122	5.2		
Q2	5.7626	-0.6			7.9590	-1.1			6.8333	-1.8		
Q3	5.8663	-1.8			7.9140	0.6			6.7952	0.6		
Q4	6.0061	-2.3	-4.1		8.1272	-2.6	-3.1		6.8281	-0.5	3.5	

Source: Bank of Ghana Depreciation (-)/Appreciation (+)

Table 4.6: Forex Bureau Exchange Rate Movements

End Period	Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a		Quarterly depreciation/a		Annual depreciation/a	
	€/US\$	ppreciation	€/US\$	ppreciation	€/GBP	ppreciation	€/GBP	ppreciation	€/Euro	ppreciation	€/Euro	ppreciation
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	-13.6		7.3873	-9.7	-15.7		6.3359	-5.5	-12.2	
2020 Q1	5.7709	-0.2			6.7300	9.8			6.1164	3.6		
Q2	5.8664	-1.6			7.1836	-6.3			6.4400	-5.0		
Q3	5.8264	0.7			7.4205	-3.2			6.7332	-4.4		
Q4	5.9086	-1.4	-2.5		7.8655	-5.7	-6.1		7.0982	-5.1	-10.7	
2021 Q1	5.7700	2.4			7.8882	-0.3			6.8164	4.1		
Q2	5.8705	-1.7			8.1091	-2.7			6.9800	-2.3		
Q3	6.0345	-2.7			8.1409	-0.4			7.0136	-0.5		
Q4	6.3752	-5.3	-7.3		8.3440	-2.4	-5.7		7.1405	-1.8	-0.6	

Source: Bank of Ghana Depreciation (-)/Appreciation (+)

Table 4.7: Foreign Exchange Transaction Market

	Purchases (million \$)				Sales (million \$)			
	BOG Sales	Commercial Bank	Forex Bureau	Total Purchases	Commercial Bank	Forex Bureau	Total Sales	
2020 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	
Q1	917.60	3,742.42	57.09	4,717.11	4,628.36	56.84	4,685.20	
Apr	439.59	1,141.99	4.21	1,585.79	1,615.21	4.32	1,619.53	
May	347.52	1,060.23	8.38	1,416.13	1,346.97	8.25	1,355.22	
Jun	243.75	1,447.94	8.78	1,700.47	1,696.35	8.92	1,705.27	
Q2	1,030.86	3,650.16	21.36	4,702.38	4,658.53	21.49	4,680.02	
Jul	152.55	1,265.65	8.91	1,427.11	1,359.39	8.75	1,368.14	
Aug	171.49	1,147.46	10.04	1,328.99	1,247.66	9.94	1,257.60	
Sep	300.58	1,216.49	11.35	1,528.42	1,428.76	11.19	1,439.95	
Q3	624.62	3,629.60	30.30	4,284.52	4,035.81	29.88	4,065.69	
Oct	304.06	1,173.57	17.29	1,494.92	1,493.55	17.40	1,510.95	
Nov	298.06	1,148.66	15.66	1,462.38	1,490.55	15.60	1,506.10	
Dec	225.03	1,282.98	16.32	1,524.33	1,513.97	16.40	1,530.37	
Q4	827.15	3,605.21	49.27	4,481.63	4,498.02	49.40	4,547.42	
2021 Jan	95.00	1,507.91	15.99	1,618.90	1,825.67	15.85	1,841.52	
Feb	140.28	1,305.31	14.07	1,459.66	1,495.54	14.06	1,509.60	
Mar	191.97	1,521.90	16.52	1,730.39	2,104.66	16.56	2,121.22	
Q1	427.25	4,335.12	46.58	4,808.95	5,425.87	46.47	5,472.34	
Apr	218.41	1,397.08	15.71	1,631.20	1,716.89	14.67	1,731.56	
May	174.82	1,265.45	16.82	1,457.09	1,468.31	16.52	1,485.13	
Jun	203.97	1,505.27	20.59	1,729.83	1,663.12	20.17	1,683.29	
Q2	597.20	4,167.80	53.12	4,818.12	4,818.32	51.66	4,869.98	
Jul	391.32	1,229.95	21.71	1,642.98	1,703.04	21.94	1,724.98	
Aug	560.94	1,410.32	21.36	1,992.62	2,063.17	21.50	2,084.67	
Sep	353.43	1,045.80	20.48	1,419.71	1,478.71	20.33	1,499.04	
Q3	1,305.69	3,686.07	63.55	5,055.31	5,244.92	63.77	5,308.69	
Oct	564.52	1,220.02	21.7	1,806.24	1,772.13	21.61	1,793.74	
Nov	387.18	1,030.18	20.25	1,437.61	1,376.84	20.34	1,397.18	
Dec	637.66	1,166.99	24.37	1,829.02	1,642.45	24.18	1,666.63	
Q4	1,589.36	3,417.19	66.32	5,072.87	4,791.42	66.13	4,857.55	

Source: Bank of Ghana

The Central Bank's support to the market accounted for 34.9 percent (US\$1,589.36 million) and purchases from forex bureaus contributed the remaining 1.3 percent.

Compared to the third quarter of 2021, the volume of total purchases increased by 0.3 percent. Similarly, compared to the corresponding quarter of 2020, the volume of total purchases increased by 13.2 percent. Commercial bank purchases decreased by 5.2 percent, while Bank of Ghana's support increased significantly by 92.1 percent. Forex bureau purchases also grew by 34.6 percent.

With regards to sales, total volume of sales recorded was US\$4,857.55 million. Commercial bank sales amounted to US\$4,791.42 million (98.6% of the total amount). Forex bureaus contributed the remaining amount. The total volume of sales decreased by 8.5 percent on a quarterly basis. However, compared to the fourth quarter of 2020, total sales increased by 6.8 percent.

## 4.9 The Stock Market

The GSE-CI dipped in the fourth quarter of 2021, recording a loss of 2.31 percent. The poor performance of the GSE-CI could be attributed the negative impact of new variants of COVID-19 on the domestic market and exchange rate pressures on the domestic currency. However, market capitalization increased by 0.05 percent in the period under review as a result of new shares issued by TLW.

## The GSE-CI

The GSE-CI decreased by 2.31 percent (-65.95 points) at the end of Q4:2021 which compares with an increase of 4.58 percent (85.03 points) in the same period in 2020. The poor performance of the GSE-CI could be attributed to exchange rate pressures on the domestic currency and sell-off of equities by foreign investors. However, the GSE-CI recorded an impressive year-on-year growth of 43.66 percent (847.75 points) as at the end of Q4:2021.

Table 4.8: Sector's Contribution to the Growth of GSE-CI

Month	SECTOR											GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Dec-20	556.84	825.53	1782.76	2148.80	135.06	23.20	400.00	39.51	4.20	100.00	100.00	1941.59
Sep-21	1091.25	614.23	1929.19	2794.56	135.21	44.95	572.00	40.02	4.08	100.00	100.00	2855.29
Dec-21	1250.50	613.36	2151.85	3000.37	135.22	40.24	1330.00	40.07	4.32	100.00	100.00	2789.34
2021 (Q-on-Q)												
ABS	159.25	-0.87	222.66	205.81	0.01	-4.71	758.00	0.05	0.24	0.00	0.00	-65.95
(%)	14.59	-0.14	11.54	7.36	0.01	-10.48	132.52	0.12	5.95	0.00	0.00	-2.31
2021 (Y-on-Y)												
ABS	693.66	-212.17	369.09	851.58	0.16	17.04	930.00	0.56	0.12	0.00	0.00	847.75
(%)	124.57	-25.70	20.70	39.63	0.12	73.43	232.50	1.40	2.86	0.00	0.00	43.66

Source: Ghana Stock Exchange

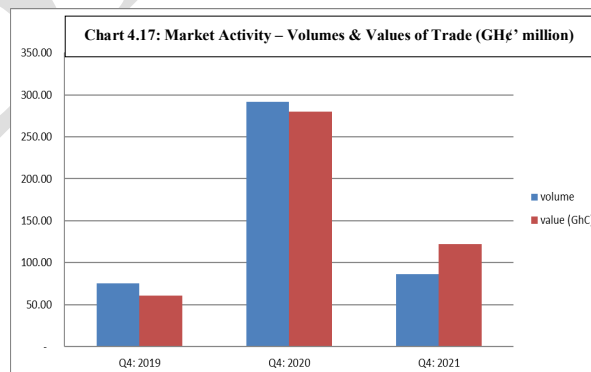


## Sector Performance

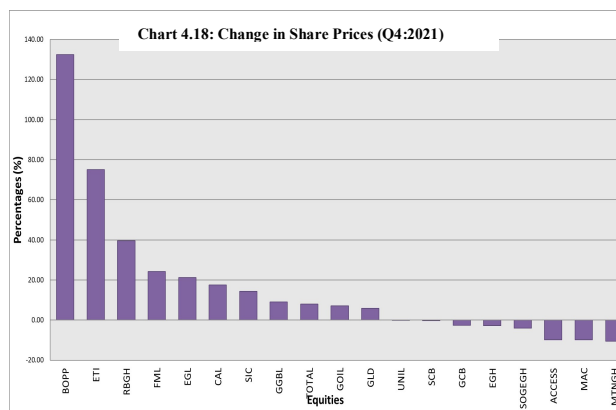
The performance in the GSE-CI in Q4:2021 was mainly as a result of share price depreciation of stocks in the IT (-10.48 percent; -4.71 points) and Manufacturing (-0.14 percent; -0.87 points) sectors. However, the Food and Beverage, Finance, Distribution, Agriculture, Petroleum and ET Fund sector stocks gained while the Education, Advertising and Production and the Mining sector stocks recorded no change in prices.

## Market Performance

The total volume of trades on the GSE in the fourth quarter of 2021 amounted to 85.98 million shares, valued at GH¢122.17 million which compares with a volume of 291.48 million shares, valued at GH¢280.07 million in the corresponding quarter in 2020. During the period, an IT sectors stock, MTNGH, recorded the highest volume and value of trades. The decrease in the value of trades reflected in the decline in the GSE-CI during the period under review.



In Q4:2021, eight (8) stocks lost while eleven (11) gained to moderate the losses in the GSE-CI. The rest remained unchanged at the end of the review period. BOPP and ETI were the best performers and led the list of advancers with a share price appreciation of 132.52 percent and 75.00 percent, respectively. RBGH, FML and EGL also recorded gains of 39.53 percent, 24.22 percent and 21.30 percent, respectively. However, MTNGH, MAC and ACCESS shed 10.48 percent, 9.87 percent and 9.74 percent, respectively, to top the losers.



## Market Capitalization

Total market capitalization at the end of Q4:2021 was GH¢64,495.20 million, representing an increase of 0.51 percent (GH¢324.37 million). Comparatively, market capitalization increased by 2.29 percent (GH¢1,215.12 million) in the same period in 2020.

Table 4.9: Sector's 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	
Dec-20	478.27	592.85	11671.26	923.30	15921.65	7866.92	69.60	16829.22	0.53	10.57	10.70	54374.88
Sep-21	937.27	441.11	13244.39	1200.77	15939.16	15241.21	99.53	17045.73	0.51	10.57	10.70	64170.83
Dec-21	1074.05	440.48	14788.91	1289.20	15940.22	13643.45	231.42	17065.66	0.54	10.57	10.70	64495.20
2021 (Q-on-Q)												
ABS	136.78	-0.63	1544.53	88.43	1.06	-1597.76	131.89	19.92	0.03	0.00	0.00	324.37
(%)	14.59	-0.14	11.66	7.36	0.01	-10.48	132.52	0.12	5.95	0.00	0.00	0.51
2021 (Y-on-Y)												
ABS	595.78	-152.37	3117.65	365.90	18.57	5776.53	161.82	236.44	0.01	0.00	0.00	10120.32
(%)	124.57	-25.70	26.71	39.63	0.12	73.43	232.50	1.40	2.37	0.01	0.00	18.61

Source: Ghana Stock Exchange

capitalization was moderated by decreases in the IT (-10.48 percent; -GH¢1,597.76 million) and Manufacturing (-0.14 percent; -GH¢0.63 million).

## The Bond Market

Total value of Government of Ghana Notes and Bonds listed on the GFIM as at the end of December 2021 stood at GH¢152,722.58 million. Comparatively, it was GH¢120,686.64 million in the corresponding period in 2020. The total value of corporate bonds stood at GH¢11,928.36 million at the end of December 2021 compared with GH¢9,849.16 million at the end of December 2020.

The cumulative volume of trades on the GFIM from the beginning of the year to the end of November 2021 stood at GH¢208,807.92 million and the number of trades was 347,143.

## 5. Fiscal Developments

Fiscal developments in the fourth quarter of 2021 resulted in a provisional deficit of GH¢9,677.3 million (2.1% of GDP), higher than the programmed target of GH¢8,697.4 million (1.9% of GDP). This was, however, lower than the deficit of GH¢12,027.4 million (3.1% of GDP) recorded in the corresponding quarter in 2020. The fourth quarter of 2021 also recorded a primary deficit of GH¢1,519.9 million (0.33% of GDP) compared to the programmed primary deficit of GH¢1,327.4 million (0.30% of GDP) and a primary deficit of GH¢6,253.7 million (1.6% of GDP) recorded in the corresponding period of 2020.

### 5.1. Government Revenue

Government receipts (including grants) for the review period totalled GH¢20,988.5 million (4.57% of GDP). This was lower than the target of GH¢21,162.9 million (4.61% of GDP) but higher than GH¢17,690.2 million (4.61% of GDP) recorded for Q4:2020. Total receipts comprised tax revenue of GH¢18,178.82 million (86.6% of total receipts), Non-tax revenue of GH¢1,493.6 million (7.1% of total receipts), Other Revenue of GH¢1,049.8 million (5.0% of total receipts) and Grants of GH¢266.3 million (1.3% of total receipts).

Table 5.1: Fiscal Indicators (GH¢ million)

Indicator	2020		2021			DEVIATION	CHANGE
	Prov Q3	Prov Q4	Prov Q3	Prov. Q4	Prog Q4	Prov/Prog 2021 Q4	Yr-on-Yr Growth
<b>Taxes on income and property</b>	4,915.45	8,721.00	6,603.10	9,736.20	9,397.40	3.61	11.64
per cent of GDP	1.28	2.27	1.50	2.12	2.05		
<b>Taxes on goods and services</b>	4,857.89	5,111.24	6,252.66	7,521.74	6,339.80	18.64	47.16
per cent of GDP	1.27	1.33	1.42	1.64	1.38		
<b>Taxes on international trade</b>	1,546.05	1,666.57	1,795.24	1,994.18	1,780.27	12.02	19.66
per cent of GDP	0.40	0.43	0.41	0.43	0.39		
<b>Tax revenue including oil</b>	10,610.10	14,655.16	13,865.56	18,178.82	16,510.48	10.10	24.04
per cent of GDP	2.77	3.82	3.16	3.96	3.60		
<b>Tax revenue excluding oil</b>	10,472.96	13,810.07	12,789.98	18,178.82	13,521.64	34.44	31.63
per cent of GDP	2.83	3.74	3.00	4.15	2.95		
<b>Nontax revenue</b>	1,948.43	1,881.40	2,754.61	1,493.61	2,953.32	-49.43	-20.61
per cent of GDP	0.51	0.49	0.63	0.33	0.64		
<b>Domestic revenue including oil</b>	13,325.27	17,318.24	18,115.18	20,722.21	18,809.14	10.17	19.66
per cent of GDP	3.47	4.52	4.12	4.51	4.10		
<b>Domestic revenue excluding oil</b>	13,188.13	16,473.15	17,039.60	20,722.21	18,074.94	14.65	25.79
per cent of GDP	3.57	4.46	3.99	4.73	3.94		
<b>Grants</b>	173.96	371.99	160.67	266.29	271.49	-1.92	-28.41
per cent of GDP	0.05	0.10	0.04	0.06	0.06		
<b>Total revenue and grants</b>	13,499.23	17,690.23	18,275.84	20,988.50	21,162.95	-0.82	18.64
per cent of GDP	3.52	4.61	4.16	4.57	4.61		
<b>Compensation of Employees</b>	6,980.15	7,820.95	8,654.13	8,269.64	8,167.01	1.26	5.74
per cent of GDP	1.82	2.04	1.97	1.80	1.78		
<b>Goods and services</b>	2,309.92	1,846.58	2,549.37	3,646.39	3,019.38	20.77	97.47
per cent of GDP	0.60	0.48	0.58	0.79	0.66		
<b>Interest payments</b>	6,769.95	5,773.62	10,372.62	8,157.40	7,369.91	10.69	41.29
per cent of GDP	1.77	1.51	2.36	1.78	1.61		
<b>Subsidies</b>	26.68	-	-	0.00	70.83		
per cent of GDP	0.01	-	-	0.00	0.02		
<b>Non-Financial Assets (Capital Expenditure)</b>	2,878.94	3,104.51	2,418.32	6,528.32	3,689.66	76.94	110.28
per cent of GDP	0.75	0.81	0.55	1.42	0.80		
<b>Total expenditure &amp; net lending</b>	24,650.01	25,216.66	29,250.70	31,691.59	29,190.30	8.57	25.68
per cent of GDP	6.43	6.58	6.66	6.90	6.36		
<b>Overall Budget Balance</b>	-8,257.89	-12,027.36	-11,257.38	-9,677.34	-8,697.35	11.27	-19.54
per cent of GDP	-2.15	-3.14	-2.56	-2.11	-1.89		
<b>Domestic Expenditure</b>	13,601.76	21,992.21	16,970.36	17,230.49	19,599.32	-12.09	-21.65
per cent of GDP	3.55	5.73	3.86	3.75	4.27		
<b>Domestic Primary Balance</b>	-276.49	-4,673.97	1,144.82	3,491.71	1,292.14	170.23	-174.71
per cent of GDP	-0.07	-1.22	0.26	0.76	0.28		
<b>Primary Balance</b>	-1,487.95	-6,253.74	-884.76	-1,519.95	-1,327.44	14.50	-75.70
per cent of GDP	-0.39	-1.63	-0.20	-0.33	-0.29		
<b>Stock of Domestic Debt</b>	135,145.78	-	-	-	-		
per cent of GDP	35.24	-	-	-	-		
<b>Nominal GDP (Including Oil)</b>	383,486.09	383,486.09	459,130.92	459,130.92	459,130.92		
<b>Nominal GDP (Excluding oil)</b>	353,705.15	353,705.15	437,975.17	437,975.17	437,975.17		

Source: Bank of Ghana and Ministry of Finance

## Income and Property Tax

Taxes from income and property during the fourth quarter of 2021 was GH¢9,736.2 million. This was higher than the budgeted target of GH¢9,397.4 million by 3.6 percent and represented a year-on-year growth of 11.6 percent. Personal income taxes raked in GH¢2,733.4 million, equalling its budgeted target for the fourth quarter of 2021. This tax type recorded a year-on-year growth of 26.2 percent. Companies' taxes totalled GH¢5,754.3 million, while 'Others' taxes summed up to GH¢1,107.5 million. Inflows from Airport tax totalled GH¢114.3 million compared to GH¢47.2 million recorded in a similar period in 2020.

## Taxes on Domestic Goods and Services

Taxes on domestic goods and services of GH¢7,521.7 million was higher than the programmed target of GH¢6,339.8 million by 18.6 percent. This tax component comprised excise duty and petroleum tax of GH¢1,366.4 million, VAT collections of GH¢3,915.2 million, National Health Insurance Levy of GH¢821.3 million, GET fund levy of GH¢821.6 million as well as communication service tax of GH¢184.1 million and Covid-19 Healthy Levy of GH¢413.1 million. All these tax

components had mixed performances based on programmed targets and year-on-year comparisons.

Petroleum taxes which constituted 86.7 percent of excises totalled GH¢1,184.9 million and was below the programmed target of GH¢1,300.6 million by 8.9 percent. VAT collections were above their budgeted target of GH¢2,848.3 million by 37.5 percent. This was occasioned by higher-than-expected domestic and external VAT collections of GH¢2,442.8 million and GH¢1,472.4 million against targets of GH¢1,816.8 million and GH¢1,031.4 million, respectively.



Table 5.2: Government Revenue (GHC' million)

Indicator	2020		2021			DEVIATION	CHANGE
	Prov Q3	Prov Q4	Prov Q3	Prov. Q4	Prog Q4	Prov/Prog 2021 Q4	Yr-on-Yr Growth
<b>TAX REVENUE</b>	<b>10,610.10</b>	<b>14,655.16</b>	<b>13,865.56</b>	<b>18,178.82</b>	<b>16,510.48</b>	<b>10.1</b>	<b>24.04</b>
(percent of GDP)	2.77	3.82	3.02	3.96	3.24	22.03	3.61
<b>TAXES ON INCOME &amp; PROPERTY</b>	<b>4,915.45</b>	<b>8,721.00</b>	<b>6,603.10</b>	<b>9,736.20</b>	<b>9,397.40</b>	<b>3.61</b>	<b>11.64</b>
Personal	1,683.31	2,166.02	2,380.80	2,733.40	2,733.40		26.19
Self employed	103.85	124.54	117.86	141	202.09	-30.23	13.22
Companies	2,508.94	4,788.75	2,437.41	5,754.32	5,041.08	14.15	20.16
Company taxes on oil	18.1	454.78	373.82	0	323.67	0	0
Others	601.25	1,186.91	1,293.20	1,107.48	1,512.70	-26.79	-6.69
Airport Tax	16.72	47.18	114.7	114.33	33.84	237.88	142.33
<b>TAXES ON DOMESTIC GOODS AND SERVICES</b>	<b>4,857.89</b>	<b>5,111.24</b>	<b>6,252.66</b>	<b>7,521.74</b>	<b>6,339.80</b>	<b>18.64</b>	<b>47.16</b>
Excises	1,243.76	1,256.40	1,256.40	1,366.43	1,526.60	-10.49	8.76
Excise Duty	104.04	110.25	136.01	181.55	226.01	-19.67	64.67
Petroleum tax	1,139.72	1,119.75	1,120.39	1,184.88	1,300.59	-8.9	5.82
<b>VAT</b>	<b>2,453.22</b>	<b>2,708.01</b>	<b>3,222.90</b>	<b>3,915.18</b>	<b>2,848.25</b>	<b>37.46</b>	<b>44.58</b>
Domestic	1,331.21	1,504.28	1,916.20	2,442.76	1,816.81	34.45	62.39
External	1,122.01	1,203.73	1,306.70	1,472.42	1,031.44	42.75	22.32
<b>National Health Insurance Levy (NHIL)</b>	<b>497.76</b>	<b>525.25</b>	<b>671.4</b>	<b>821.32</b>	<b>649.95</b>	<b>26.37</b>	<b>56.37</b>
Customs Collection	213.74	229.29	235.42	264.24	272.04	-2.87	15.24
Domestic Collection	284.02	295.96	435.98	557.08	377.91	47.41	88.23
<b>GETFund Levy</b>	<b>499.96</b>	<b>525.68</b>	<b>559</b>	<b>821.6</b>	<b>655.41</b>	<b>25.36</b>	<b>56.29</b>
Customs Collection	215.94	229.72	235.94	264.52	277.5	-4.68	15.15
Domestic Collection	284.02	295.96	435.98	557.08	377.91	47.41	88.23
<b>Communication Service Tax</b>	<b>163.19</b>	<b>122.3</b>	<b>130.52</b>	<b>184.12</b>	<b>201.73</b>	<b>-8.73</b>	<b>50.55</b>
Covid-19 Health Levy	0	0	299.52	413.09	457.87	-9.78	
<b>TAXES ON INTERNATIONAL TRADE</b>	<b>1,546.05</b>	<b>1,666.57</b>	<b>1,795.24</b>	<b>1,994.18</b>	<b>1,780.27</b>	<b>12.02</b>	<b>19.66</b>
<b>Imports</b>	<b>1,546.05</b>	<b>1,666.57</b>	<b>1,795.24</b>	<b>1,994.18</b>	<b>1,780.27</b>	<b>12.02</b>	<b>19.66</b>
Import duty	1,546.05	1,666.57	1,795.24	1,994.18	1,780.27	12.02	19.66
<b>Tax Refunds</b>	<b>-709.28</b>	<b>-843.64</b>	<b>-785.44</b>	<b>-1,073.30</b>	<b>-1,007.00</b>	<b>6.58</b>	<b>27.22</b>
<b>SOCIAL CONTRIBUTIONS</b>	<b>0</b>	<b>0</b>	<b>448.4</b>	<b>448.4</b>	<b>173.77</b>	<b>158.05</b>	<b></b>
SSNIT Contribution to NHIL	0	0	448.4	448.4	173.77	158.05	
<b>NON-TAX REVENUE</b>	<b>1,948.43</b>	<b>1,881.40</b>	<b>2,938.05</b>	<b>1,493.61</b>	<b>2,953.32</b>	<b>-49.43</b>	<b>-20.61</b>
<b>Retention</b>	<b>1,204.29</b>	<b>1,082.48</b>	<b>1,490.86</b>	<b>1,170.12</b>	<b>1,593.70</b>	<b>-26.58</b>	<b>8.1</b>
<b>Lodgement</b>	<b>744.14</b>	<b>798.92</b>	<b>1,447.19</b>	<b>323.49</b>	<b>1,359.62</b>	<b>-76.21</b>	<b>-59.51</b>
Fees & Charges	152.43	170.45	117.48	172.99	180.58	-4.2	1.49
Dividend/Interest & profits (Others)	64.73	107.15	191.01	112.73	42.43	165.72	5.21
Dividend/Interest & profits from Oil	495.85	483.08	1,103.31	0	1,072.10	-100	-100
Surface Rentals from Oil	0.27	0.71	0.24	0	2.04	-100	-100
Yield from Capping Policy	30.85	37.53	35.16	37.77	62.47	-39.54	0.63
<b>OTHER REVENUE</b>	<b>766.74</b>	<b>781.68</b>	<b>1,046.61</b>	<b>1,049.78</b>	<b>1,253.90</b>	<b>-16.28</b>	<b>34.3</b>
ESLA Proceeds	766.74	781.68	689.31	682.09	783.34	-12.92	-12.74
Energy Debt Recovery Levy	578.18	575.19	587.93	555.27	489.25	13.49	-3.46
Public Lighting Levy	28.55	39.11	37.21	34.07	69.11	-50.71	-12.89
National Electrification Scheme Levy	19.85	26.66	24.99	22.85	47.9	-52.3	-14.31
Price Stabilisation & Recovery Levy	140.16	140.71	39.19	69.91	177.08	-60.52	-50.32
Delta Fund	0	0	199.69	250.41	320.57	-21.88	
Pollution and Sanitation Levy	0	0	157.61	117.27	149.99	-21.82	
<b>DOMESTIC REVENUE</b>	<b>13,325.27</b>	<b>17,318.24</b>	<b>18,298.62</b>	<b>20,722.21</b>	<b>20,891.46</b>	<b>-0.81</b>	<b>19.66</b>
<b>GRANTS</b>	<b>173.96</b>	<b>371.99</b>	<b>160.67</b>	<b>266.29</b>	<b>271.49</b>	<b>-1.92</b>	<b>-28.41</b>
Project grants	173.96	371.99	160.67	266.29	271.49	-1.92	-28.41
<b>TOTAL REVENUE &amp; GRANTS</b>	<b>13,499.23</b>	<b>17,690.23</b>	<b>18,459.28</b>	<b>20,988.50</b>	<b>21,162.95</b>	<b>-0.82</b>	<b>18.64</b>

Source: Bank of Ghana and Ministry of Finance

## Taxes on International Trade

International trade taxes totalled GH¢1,994.18 million, exceeding the budgeted target of GH¢1,780.3 million by 12 percent and higher than GH¢1,666.6 million recorded in the corresponding period of 2020 by 19.7 percent. This was largely on account of the use of ICUMS (Integrated Customs Management System) at the ports, which improved efficiency.

## Non-Tax Revenue

Non-tax revenue for the review period was GH¢1,493.6 million. This was lower than the programmed target of GH¢2,953.3 million by 49.4 percent, and lower than GH¢1,881.4 million recorded for the similar period of 2020 by 20.6 percent. Non-tax revenue comprised Retention of GH¢1,170.12 million and Lodgement of GH¢323.5 million.

## Other Revenue

Other revenue, made up of ESLA proceeds, was GH¢1,049.8 million for the review period against the target of GH¢1,253.9 million. This was mainly on account of lower-than-anticipated demand in petroleum products due to the impact of the COVID-19 pandemic.

## 5.2 Government Expenditure

Government expenditure and net lending for the fourth quarter of 2021 was GH¢31,691.6 million (6.9% of GDP), above the budgeted target of GH¢29,190.3 million (6.4% of GDP) by 8.6 percent. All expenditure lines were above their respective targets with the exception of Grants to Other Government units which fell below its budget target by 34.7 percent.

Table 5.3: Government Expenditure (GH¢ million)

Indicator	2020		2021			DEVIATION	CHANGE
	Prov Q3	Prov Q4	Prov Q3	Prov. Q4	Prog Q4	Prov/Prog 2021 Q4	Yr-on-Yr Growth
<b>Compensation of Employees</b>	<b>6,980.15</b>	<b>7,820.95</b>	<b>8,654.13</b>	<b>8,269.64</b>	<b>8,167.01</b>	<b>1.26</b>	<b>5.74</b>
Wages & Salaries	6,189.15	6,966.57	8,035.44	7,786.06	6,950.65	12.02	11.76
Social Contributions	791.00	854.38	618.68	483.58	1,216.36	-60.24	-43.40
Pensions	295.42	323.31	333.30	362.39	444.84	-18.54	12.09
Gratuities	63.62	83.62	285.39	102.40	139.01	-26.33	22.46
Social Security	431.96	447.44	0.00	18.79	632.51		
<b>Use of Goods and Services</b>	<b>2,309.92</b>	<b>1,846.58</b>	<b>2,549.37</b>	<b>3,646.39</b>	<b>3,019.38</b>	<b>20.77</b>	<b>97.47</b>
o/w Recurrent Expenditure share of ABFA from Oil (30% of ABFA)	0.00	0.00	404.77	0.00	271.83		
<b>Interest Payments</b>	<b>6,769.95</b>	<b>5,773.62</b>	<b>10,372.62</b>	<b>8,157.40</b>	<b>7,369.91</b>	<b>10.69</b>	<b>41.29</b>
Domestic	5,140.63	4,075.81	8,688.68	5,846.09	5,424.12	7.78	43.43
External (Due)	1,629.32	1,697.81	1,683.95	2,311.30	1,945.79	18.78	36.13
<b>Subsidies</b>	<b>26.68</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>70.83</b>		
Subsidies to Utility Companies	0.00	0.00	0.00	0.00	0.00		
Subsidies on Petroleum products	26.68	0.00	0.00	0.00	70.83		
<b>Grants to Other Government Units</b>	<b>3,112.17</b>	<b>2,624.25</b>	<b>4,244.42</b>	<b>3,385.87</b>	<b>5,187.86</b>	<b>-34.73</b>	<b>29.02</b>
National Health Fund (NHF)	325.80	180.00	507.44	310.00	536.98	-42.27	72.22
Education Trust Fund	162.85	156.57	291.36	279.96	426.64	-34.38	78.80
Road Fund	62.00	2.00	295.70	180.00	352.42	-48.92	8,900.00
Energy Fund	0.00	0.00	4.67	0.00	0.00		
Petroleum Related Fund	122.00	60.09	0.00	6.11	8.81		
Dist. Ass. Common Fund	442.65	370.46	416.97	266.97	716.65	-62.75	-27.94
o/w ABFA	0.00	0.00	65.22	0.00	0.00		
Ghana Infrastructure Fund	0.00	0.00	182.61	0.00	126.85		
o/w ABFA	0.00	0.00	0.00	0.00	126.85		
Retention of Internally-generated funds (IGFs)	1,204.29	1,082.48	1,307.42	1,170.12	1,593.70	-26.58	8.10
Transfer to GNPC from Oil Revenue	370.06	303.65	315.73	0.00	309.73		
<b>Other Earmarked Funds</b>	<b>422.51</b>	<b>469.00</b>	<b>922.53</b>	<b>1,172.71</b>	<b>1,116.07</b>	<b>5.08</b>	<b>150.05</b>
<b>Social Benefits</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>37.88</b>		
Lifeline Consumers of Electricity	0.00	0.00	0.00	0.00	37.88		
<b>Other Expenditure</b>	<b>2,572.20</b>	<b>4,046.75</b>	<b>1,011.84</b>	<b>1,703.97</b>	<b>1,647.77</b>	<b>3.41</b>	<b>-57.89</b>
ESLA Transfers	766.74	781.68	673.64	654.13	712.51	-8.19	-16.32
Covid-Related Expenditure	1,805.46	3,265.07	338.21	1,049.85	935.26	12.25	-67.85
<b>Acquisition of Non-Financial Assets</b>	<b>2,878.94</b>	<b>3,104.51</b>	<b>2,418.32</b>	<b>6,528.32</b>	<b>3,689.66</b>	<b>76.94</b>	<b>110.28</b>
Domestic financed	1,592.81	1,157.08	1,194.66	2,408.04	1,468.59	63.97	108.11
Foreign financed	1,286.13	1,947.43	1,223.66	4,120.28	2,221.08	85.51	111.58
<b>TOTAL EXP. &amp; NET LENDING</b>	<b>24,650.01</b>	<b>25,216.66</b>	<b>29,250.70</b>	<b>31,691.59</b>	<b>29,190.30</b>	<b>8.57</b>	<b>25.68</b>

Source: Bank of Ghana and Ministry of Finance

## Compensation of Employees

Compensation of employees comprising wages and salaries, and social security contributions for the fourth quarter of 2021 totalled GH¢8,269.6 million, constituting 26.1 percent of total government expenditure and net lending for the period under review. This was 1.3 percent higher than the programmed target of GH¢8,167.0 million and recorded a year-on-year growth of 5.7 percent.

## Interest Payments

Interest payments of GH¢8,157.4 million was 10.7 percent above the programmed target of GH¢7,369.9 million. Domestic interest payments, which accounted for 71.7 percent of the total interest payments, overshot its target by 7.8 percent, while external interest payments, with a share of 28.3 percent, exceeded its target by 18.8 percent.

## Grants to Other Government Units

Grants to other government units for the review period was GH¢3,385.9 million and was below the budgeted target of GH¢5,187.9 million by 34.7 percent. National Health Fund payment and GET Fund for the period were GH¢310 million and GH¢279.9 million, respectively. Payments made in respect of District Assemblies Common Fund was GH¢266.9 million. Retention of internally generated funds totalled GH¢1,170.1 million, 26.6 percent lower than the targeted amount of GH¢1,593.

## Other Expenditure

Other expenditure, made up of ESLA Transfers and COVID-Related Expenditure, was GH¢1,703.9 for the review period, higher than the budgeted target of GH¢1,647.8 by 3.4 percent.

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

Government acquisition of non-financial assets during the fourth quarter of 2021 totalled GH¢6,528.3 million. This exceeded the budgeted target of GH¢3,689.7 million by 76.9 percent. Total domestic financed capital expenditure for the period was GH¢2,408 million (36.9 percent of Capital Expenditure), while foreign



financed capital expenditure for the period amounted to GH¢4,120.3 million (63.1 percent of Capital Expenditure).

### 5.3 Financing

The overall budget balance, including divestiture and discrepancy, in the fourth quarter of 2021 was GH¢9,677.3 million (2.1% of GDP) against a target of GH¢8,697.4 million (2.0% of GDP). The deficit was financed with a net foreign borrowing of GH¢5,962.4 million, exceptional financing from IMF SDR of GH¢1,779.5 million and net domestic financing of GH¢1,935.4 million.

Table 5.4: Government Financing (GH¢ million)

Indicator	2020		2021			DEVIATION 2021 Q4	CHANGE Yr-on-Yr Growth
	Prov Q3	Prov Q4	Prov Q3	Prov. Q4	Prog Q4		
<b>Overall balance (commitment)</b>	<b>-11,150.78</b>	<b>-7,526.43</b>	<b>-10,791.42</b>	<b>-10,703.09</b>	<b>-8,027.35</b>	<b>33.33</b>	<b>42.21</b>
(percent of GDP)	-2.91	-1.96	-2.46	-2.33	-1.83		
Road Arrears (net change)	-99.28	-4.33	-966.59	-1,157.68	-670.00	72.79	26,658.39
Clearance of outstanding commitments	-99.28	0.00	0.00	0.00	0.00		
<b>Overall balance (cash)</b>	<b>-11,250.06</b>	<b>-7,530.76</b>	<b>-11,758.01</b>	<b>-11,860.76</b>	<b>-8,697.35</b>	<b>36.37</b>	<b>57.50</b>
(percent of GDP)	-2.93	-1.96	-2.68	-2.58	-1.98	30.51	31.55
Discrepancy	2,992.16	-4,496.60	684.06	2,183.42	0.00		
<b>Overall balance (incl. Divestiture and Discrepancy)</b>	<b>-8,257.89</b>	<b>-12,027.36</b>	<b>-11,073.94</b>	<b>-9,677.34</b>	<b>-8,697.35</b>	<b>11.27</b>	<b>-19.54</b>
(percent of GDP)	-2.15	-3.14	-2.52	-2.11	-1.89	11.27	-32.80
<b>Financing</b>	<b>8,257.89</b>	<b>12,027.36</b>	<b>11,257.38</b>	<b>9,677.34</b>	<b>8,697.35</b>	<b>11.27</b>	<b>-19.54</b>
<b>Foreign (net)</b>	<b>-1,383.12</b>	<b>-1,785.12</b>	<b>-2,115.44</b>	<b>5,962.43</b>	<b>-2,639.75</b>	<b>-325.87</b>	<b>-434.01</b>
Borrowing	1,112.17	1,974.19	1,120.90	10,090.89	1,949.59	417.59	411.14
Project loans	1,112.17	1,575.44	1,062.99	3,853.98	1,949.59	97.68	144.63
Sovereign Bond	0.00	0.00	15,795.99	5,938.08	0.00		
Amortisation (due)	-2,495.30	-3,759.31	-3,236.35	-4,128.46	-4,589.33	-10.04	9.82
<b>Exceptional financing</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>1,779.48</b>	<b>0.00</b>		
IMF SDR	0.00	0.00	0.00	1,779.48	0.00		
<b>Domestic (net)</b>	<b>9,719.44</b>	<b>14,067.88</b>	<b>13,891.11</b>	<b>1,935.44</b>	<b>11,725.42</b>	<b>-83.49</b>	<b>-86.24</b>
Banking	4,968.76	6,901.11	12,787.98	-703.31	8,669.70	-108.11	-110.19
Bank of Ghana	7,455.53	1,861.47	11,838.61	-1,789.87	0.00		-196.15
Comm. Banks	-2,486.77	5,039.65	949.37	1,086.56	8,669.70	-87.47	-78.44
Non-banks	4,750.68	7,166.77	1,103.14	2,638.75	2,783.89	-5.21	-63.18
o/w Non-residents	796.61	2,122.57	-1,457.52	0.00	0.00		
Other Domestic	0.00	0.00	0.00	0.00	271.83		
<b>Other Financing</b>	<b>-30.25</b>	<b>-32.31</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
Other domestic financing	-30.25	-32.31	0.00	0.00	0.00		
<b>Ghana Petroleum Funds</b>	<b>-48.16</b>	<b>-139.13</b>	<b>-518.29</b>	<b>0.00</b>	<b>-116.50</b>		
Transfer to Ghana Petroleum Funds	-48.16	-146.10	-518.29	0.00	-388.33		
o/w Stabilisation Fund	-24.48	-53.82	-350.58	0.00	-271.83		
o/w Heritage Fund	-23.69	-92.27	-167.71	0.00	-116.50		
Transfer from Stabilisation Fund	0.00	6.97	0.00	0.00	271.83		
<b>Sinking Fund</b>	<b>0.00</b>	<b>-83.97</b>	<b>0.00</b>	<b>0.00</b>	<b>-271.83</b>		
<b>Contingency Fund</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>		
<b>Nominal GDP (Including Oil)</b>	<b>383,486.09</b>	<b>383,486.09</b>	<b>459,130.92</b>	<b>459,130.92</b>	<b>459,130.92</b>	<b>459,130.92</b>	<b>459,130.92</b>
<b>Nominal GDP (Excluding oil)</b>	<b>353,705.15</b>	<b>353,705.15</b>	<b>437,975.17</b>	<b>437,975.17</b>	<b>437,975.17</b>	<b>437,975.17</b>	<b>437,975.17</b>

Source: Bank of Ghana and Ministry of Finance

Out of the Net Domestic Financing, Government borrowed GH¢1,086.6 million and GH¢2,638.7 million from DMBs and Non-Bank sector, while making repayments of GH¢1,789.9 million to the central bank.

### 5.4 Domestic Debt

#### Composition of Domestic Debt

The stock of domestic debt at the end of fourth quarter of 2021 increased by GH¢24,688.6 million from GH¢150,877.1 million at the end of fourth quarter in 2020 to GH¢182,491.3 million. The growth in the debt stock was mainly due to increases in the short-term, medium-term, and long-term securities of GH¢5,755.9 million, GH¢24,688.6 million and GH¢1,169.7 million, respectively.

The short-term securities experienced some growth on the back of increases in the 182-day Treasury bill of GH¢1,796.6 million, 364-day Treasury bill of

GH¢4,355.9 million, while the 91-day Treasury bill decreased by GH¢396.6 million.

All the instruments under the medium term increased with the exception of 3-year Fixed Treasury Note, which dropped by GH¢168.4 million.

The increase in the long-term securities was due to moderate increases of GH¢463 million and GH¢1,208.2 million in the 15-year GoG bond and 20-year GoG bond, respectively. A marginal decrease of GH¢220.1 million and GH¢280.4 million was recorded in the TOR bond and Long-term Government stocks, respectively.

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

Indicator	2020			2021			Q4 2021 -
	Q2	Q3	Q4	Q2	Q3	Q4	Q4 2020
91-Day Treasury Bill	8,760.19	8,877.52	10,030.72	10,959.36	10,371.93	9,634.10	-396.63
182-Day Treasury Bill	2,935.30	2,892.18	2,856.51	4,606.38	4,758.92	4,653.12	1,796.61
364-Day Treasury Bill	4,964.18	4,517.25	3,973.79	7,520.72	8,647.89	8,329.74	4,355.95
<b>A. Short-Term Instruments</b>	<b>16,659.67</b>	<b>16,286.95</b>	<b>16,861.02</b>	<b>23,086.46</b>	<b>23,778.74</b>	<b>22,616.96</b>	<b>5,755.94</b>
2-Year Fixed Treasury Note	12,160.66	15,752.76	17,441.50	19,226.88	19,435.91	20,145.37	2,703.87
3-Year Fixed Treasury Note	15,725.86	20,725.62	27,342.73	29,050.62	27,782.69	27,174.32	-168.40
3-year USD Domestic Bond	2,105.91	2,119.13	2,241.30	2,242.23	2,716.88	2,781.64	540.34
3-Year Stock(SSNIT)	48.66	48.66	0.00	0.00	0.00	0.00	-
4-Year GOG Bond	-	-	-	-	541.36	541.36	541.36
5-Year GOG Bond	23,478.25	20,693.94	22,499.62	27,404.35	27,729.37	30,019.85	7,520.23
5-year USD Domestic Bond	-	-	-	-	-	1,015.44	1,015.44
6-Year GOG Bond	2,286.81	2,853.32	2,870.62	6,037.96	7,641.44	8,671.36	5,800.74
7-Year GOG Bond	5,319.90	4,887.92	5,388.15	7,744.65	8,574.97	8,826.55	3,438.41
10-Year GOG Bond	3,497.96	5,892.55	12,601.77	14,075.27	15,826.06	15,898.36	3,296.59
<b>B. Medium-Term Instruments</b>	<b>64,624.00</b>	<b>72,973.91</b>	<b>90,385.69</b>	<b>105,781.96</b>	<b>110,248.68</b>	<b>115,074.26</b>	<b>24,688.58</b>
15-Year GOG Bond	14,883.32	14,942.64	15,342.64	15,805.11	15,677.71	15,805.66	463.03
20-Year GOG Bond	162.13	162.13	338.60	1,546.76	1,546.76	1,546.76	1,208.16
Long Term Government Stocks	19,138.37	23,638.37	27,060.03	26,949.97	26,949.97	26,839.90	-220.13
GOG Petroleum Finance Bond	80.02	80.02	80.02	80.02	80.02	80.02	-
TOR Bonds	162.13	162.13	338.60	114.40	57.20	57.20	-281.40
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	109.46	-
Revaluation Stock	361.06	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>34,896.49</b>	<b>39,455.81</b>	<b>43,630.40</b>	<b>44,966.77</b>	<b>44,782.17</b>	<b>44,800.06</b>	<b>1,169.66</b>
<b>TOTAL (A+B+C)</b>	<b>116,180.17</b>	<b>128,716.66</b>	<b>150,877.11</b>	<b>173,835.19</b>	<b>178,809.59</b>	<b>182,491.28</b>	<b>31,614.17</b>

Source: Bank of Ghana and Ministry of Finance

## Holdings of Domestic Debt

Bank of Ghana's holding of domestic debt at the end of the fourth quarter of 2021 stood at GH¢36,998.2 million, representing 20.3 percent of the total domestic debt for the review period. The Deposit Money Banks' (DMBs') holdings of domestic debt for the period was GH¢55,127.1 million (30.2%), compared to GH¢43,024.5 million (28.5%) of their holdings recorded in a similar period of 2020. SSNIT held GH¢537.9 million (0.3%), Insurance companies GH¢1,094.6 million (0.6%), while 'Other holders', comprising rural banks, firms and institutions as well as individuals, held a total of GH¢59,537.9 million (32.6%). Non-Resident investors held GH¢29,195.5 million (16%) compared to their holding

of GH¢27,714.2 million (18.4%) recorded in the corresponding period of 2020.

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

Indicator	2020			2021		
	Q2	Q3	Q4	Q2	Q3	Q4
<b>A. Banking sector</b>	<b>60,446.89</b>	<b>69,237.54</b>	<b>77,782.95</b>	<b>87,290.76</b>	<b>91,079.52</b>	<b>92,125.33</b>
Bank of Ghana	22,798.19	31,225.70	34,758.49	34,671.67	34,532.02	36,998.23
Deposit Money Banks	37,648.70	38,011.83	43,024.46	52,619.09	56,547.50	55,127.10
<b>B. Nonbank sector</b>	<b>34,405.00</b>	<b>37,209.94</b>	<b>45,379.98</b>	<b>52,721.92</b>	<b>55,365.29</b>	<b>61,170.44</b>
SSNIT	574.80	374.17	662.22	574.06	591.78	537.91
Insurance Cos.	624.88	672.08	877.51	949.09	1,039.04	1,094.62
Others Holders	<b>33,205.31</b>	<b>36,163.69</b>	<b>43,840.25</b>	<b>51,198.78</b>	<b>53,734.47</b>	<b>59,537.91</b>
Rural Banks	941.54	1,090.33	1,696.03	1,913.64	1,847.77	2,006.72
Firms & Institutions	21,620.82	23,198.16	29,957.84	34,544.89	35,995.47	41,013.77
Individuals	10,642.95	11,875.20	12,186.38	14,740.25	15,891.24	16,517.42
<b>C. Foreign sector(Non-Residents)</b>	<b>21,328.28</b>	<b>22,269.18</b>	<b>27,714.18</b>	<b>33,822.51</b>	<b>32,364.78</b>	<b>29,195.51</b>
<b>TOTAL (A+B+C)</b>	<b>116,180.17</b>	<b>128,716.66</b>	<b>150,877.11</b>	<b>173,835.19</b>	<b>178,809.59</b>	<b>182,491.28</b>

Source: Bank of Ghana and Ministry of Finance

Table 5.7: Holdings of Domestic Debt (Percent of Total Domestic Debt)

Indicator	2020			2021		
	Q2	Q3	Q4	Q2	Q3	Q4
<b>A. Banking sector</b>	<b>52.03</b>	<b>53.79</b>	<b>51.55</b>	<b>50.21</b>	<b>50.94</b>	<b>50.48</b>
Bank of Ghana	19.62	24.26	23.04	19.95	19.31	20.27
Deposit Money Banks	32.41	29.53	28.52	30.27	31.62	30.21
<b>B. Nonbank sector</b>	<b>29.61</b>	<b>28.91</b>	<b>30.08</b>	<b>30.33</b>	<b>30.96</b>	<b>33.52</b>
SSNIT	0.49	0.29	0.44	0.33	0.33	0.29
Insurance Cos.	0.54	0.52	0.58	0.55	0.58	0.60
Others Holders	<b>28.58</b>	<b>28.10</b>	<b>29.06</b>	<b>29.45</b>	<b>30.05</b>	<b>32.63</b>
Rural Banks	0.81	0.85	1.12	1.10	1.03	1.10
Firms & Institutions	18.61	18.02	19.86	19.87	20.13	22.47
Individuals	9.16	9.23	8.08	8.48	8.89	9.05
<b>C. Foreign sector(Non-Residents)</b>	<b>18.36</b>	<b>17.30</b>	<b>18.37</b>	<b>19.46</b>	<b>18.10</b>	<b>16.00</b>
<b>TOTAL (A+B+C)</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>

Source: Bank of Ghana and Ministry of Finance

## 6. Balance of Payments

### 6.1 International Trade and Finance

Preliminary estimates of Ghana's balance of payments for the fourth quarter of 2021 registered a deficit of US\$1,174.6 million as against a surplus of US\$43.3 million recorded in the fourth quarter of 2020.

### 6.2 The Current Account

The narrowing trade surplus, together with a decrease in net investment income and services outflow coupled with a decline in net transfers resulted in a current account deficit of US\$672.16 million in Q4:2021, compared with a deficit of US\$896.37 million recorded in the same period last year.

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

	Q4:2020+	Q4:2021*	Q4:2020/2021	
			Abs change	% change
<b>CURRENT ACCOUNT</b>	-896.4	-672.2	224.2	-25.0
<b>Merchandise Exports (f.o.b.)</b>	<b>3,672.8</b>	<b>3,697.2</b>	<b>24.4</b>	<b>0.7</b>
Cocoa beans and products	574.9	552.64	-22.3	-3.9
Gold	1,794.2	1,248.53	-545.7	-30.4
Timber products	41.5	35.42	-6.1	-14.8
Oil	704.8	1,157.51	452.8	64.2
Others (including non-traditionals)	557.4	703.07	145.7	26.1
<b>Merchandise Imports (f.o.b.)</b>	<b>-3,186.3</b>	<b>-3,569.7</b>	<b>-383.4</b>	<b>12.0</b>
Non-oil	-2,636.2	-2,711.42	-75.2	2.9
Oil	-550.1	-858.26	-308.2	56.0
<b>Trade Balance</b>	<b>486.6</b>	<b>127.5</b>	<b>-359.1</b>	<b>-73.8</b>
<b>Services (net)</b>	<b>-1,294.1</b>	<b>-689.4</b>	<b>604.7</b>	<b>-46.7</b>
Receipts	2,038.3	2,343.30	305.0	15.0
Payments	-3,332.4	-3,032.74	299.6	-9.0
<b>Income (net)</b>	<b>-1,162.8</b>	<b>-903.4</b>	<b>259.4</b>	<b>-22.3</b>
Receipts	143.3	205.91	62.6	43.7
Payments	-1,306.1	-1,109.32	196.8	-15.1
<b>Current Transfers (net)</b>	<b>1,074.0</b>	<b>793.2</b>	<b>-280.8</b>	<b>-26.1</b>
Official	99.7	0.00	-99.7	-100.0
Private	974.3	793.20	-181.1	-18.6
<b>Services, Income and Current Transfers (net)</b>	<b>-1,382.9</b>	<b>-799.6</b>	<b>583.3</b>	<b>-42.2</b>
<b>CAPITAL &amp; FINANCIAL ACCOUNT</b>	<b>1,274.7</b>	<b>-187.5</b>	<b>-1,462.1</b>	<b>-114.7</b>
<b>Capital Account (net)</b>	<b>72.6</b>	<b>45.0</b>	<b>-27.5</b>	<b>-37.9</b>
Capital transfers (net)	72.6	45.04	-27.5	-37.9
<b>Financial Account (net)</b>	<b>1,202.1</b>	<b>-232.5</b>	<b>-1,434.6</b>	<b>-119.3</b>
Direct investments (net)	346.9	517.18	170.3	49.1
Portfolio Investments (net)	-69.8	-308.06	-238.2	341.2
Financial Derivatives (net)	-41.9	76.32	118.2	-282.1
Other Investments (net)	966.9	-518.0	-1,484.9	-153.6
Of Which:				
Official Capital (net)	-102.1	-517.08	-415.0	406.4
Other Private Capital (net)	-606.1	-963.43	-357.3	59.0
Short-term capital (net)	1,675.1	962.55	-712.5	-42.5
<b>ERRORS AND OMISSIONS</b>	<b>-335.0</b>	<b>-314.9</b>	<b>20.1</b>	<b>-6.0</b>
<b>OVERALL BALANCE</b>	<b>43.3</b>	<b>-1,174.6</b>	<b>-1,217.8</b>	<b>-2,815.0</b>
<b>FINANCING</b>	<b>-43.3</b>	<b>1,174.6</b>	<b>1,217.8</b>	<b>-2,815.0</b>
Changes in international reserves	-43.3	1,174.57	1,217.8	-2,815.0

Source: Bank of Ghana

+ Revised

\* Provisional

**Table 6.2: Current Account Balance (US\$' Million)**

	Q4:2019	Q4:2020	Q4:2021	% Change Q4:2020/2021
<b>Current Account Balance</b>	<b>-366.64</b>	<b>-896.37</b>	<b>-672.16</b>	<b>-25.0</b>
Trade Balance	726.88	486.56	127.48	-73.8
Services Balance	-869.78	-1,294.10	-689.44	-46.7
Investment Income Balance	-1,136.25	-1,162.83	-903.40	-22.3
Net Unilateral Transfers		1,074.01	793.20	-26.1

Source: Bank of Ghana

**Table 6.3: Merchandise Exports (US\$' Million)**

	Q4:2019	Q4:2020	Q4:2021	Q4:2020/2021	
				Abs change	% change
<b>Total Exports</b>	<b>3,954.48</b>	<b>3,672.81</b>	<b>3,697.17</b>	<b>24.35</b>	<b>0.7</b>
Gold	1,595.91	1,794.22	1,248.53	-545.69	-30.4
Cocoa Beans	492.44	409.25	313.68	-95.57	-23.4
Cocoa Products	215.94	165.68	238.96	73.27	44.2
Timber	38.23	30.71	35.42	4.71	15.3
Crude oil	1,067.61	704.76	1,157.51	452.75	64.2
Others	544.35	568.19	703.07	134.88	23.7

Source: Bank of Ghana

## Merchandise Trade

Provisional data indicated that the trade balance continue to remain in a surplus but narrowed to US\$ 127.48 million in Q4:2021 from a surplus of US\$486.56 million recorded for the same period in 2020. The lower trade surplus was due to a higher imports outturn driven largely by a 12 percent increase in total imports demand consistent with a pick-up in economic activity.

## Exports

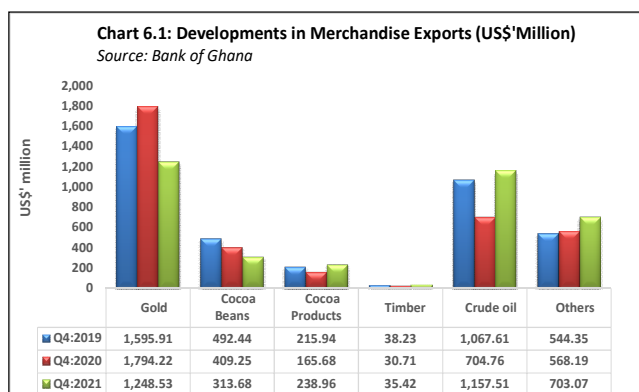
The value of merchandise exports for the fourth quarter of 2021 was estimated at US\$3,697.2 million, indicating a marginal increase of US\$24.4 million (0.7 percent) compared with US\$3,672.8 million recorded in the same period of 2020. The change was mainly accounted for by a rise in the receipts of oil and other exports.

Gold exports during the review period amounted to US\$1,248.53 million, compared to US\$1,794.22 million recorded during the same period in 2020. The decrease in receipts was due to both a price and volume effect where the average realized price decreased by 4 percent to settle at US\$1,799.64 per fine ounce, and the volume of gold exported also decreased by 27.5 percent to 693,766 fine ounces.

The value of crude oil exported was US\$1,157.51 million, compared to US\$704.76 million recorded in the same period of 2020. The increase in value was mainly a price effect, where the average realized price increased by 76.1 percent to settle at US\$80.42 per barrel. The volume of crude oil exported, however, decreased by 6.7 percent to 14,393,606 barrels.

Earnings from cocoa beans and products exports totalled US\$552.64 million, as compared to US\$574.93 million for the same period in 2020, representing a decrease of 3.9 percent. Earnings from cocoa beans amounted to US\$313.68 million, a 23.4 percent decrease from the level recorded in 2020. Though the average price of cocoa beans increased by 8.6 percent to settle at US\$2,408.25 per tonne, the volume exported (130,253 tonnes) decreased by 29.4 percent.

Earnings from the export of cocoa products increased by 44.2 percent (year-on-year) to US\$238.96 million



on account of a 27.4 percent rise in the volume exported to 75,935 tonnes as well as a 13.2 percent increase in prices to US\$3,146.84 per tonne.

Timber products exports earnings increased to US\$35.42 million from a 2020 value of US\$30.71 million. The value of “other” exports, which is made up of non-traditional exports and other minerals (bauxite, diamond, aluminium and manganese), was estimated at US\$703.07 million, 23.7 percent more than the outturn in the fourth quarter of 2020.

### Top Ten Exported Non-Traditional Items

The value of the top ten non-traditional commodities exported during the period under review amounted

**Table 6.4: Top-Ten Non-Traditional Exports, October - December 2020/2021**

October - December 2020			October - December 2021		
Description	US\$'M	% Distr.	Description	US\$'M	% Distr.
Palm oil and its fractions	33.70	18.19	Tunas, skipjack and Atlantic bonito (Sarda spp.), whole or in pieces, but not minced	48.55	18.48
Prepared or preserved tuna	33.15	17.89	Palm oil and its fractions	44.37	16.89
Shea (karite) oil and fractions	27.58	14.89	Technically specified natural rubber (TSNR)	39.12	14.89
Cashew nuts	25.95	14.01	Iron/Steel	30.43	11.58
Avocados, guavas, mangoes and mangosteens, fresh or dried	14.38	7.76	Cashew nuts	29.63	11.28
Aluminium, not alloyed	11.27	6.09	Shea (karite) oil and fractions	24.43	9.30
Technically specified natural rubber (TSNR)	11.04	5.96	Aluminium	15.27	5.81
Wheat or meslin flour	10.00	5.40	Avocados, guavas, mangoes and mangosteens, fresh or dried	11.56	4.40
Iron/Steel	9.91	5.35	Non-refractory ceramic bricks, tiles, pipes and similar products	10.05	3.83
Bananas (including plantains), fresh or dried	8.26	4.46	Other, welded, of non-circular cross-section	9.28	3.53
<b>Total</b>	<b>185.24</b>	<b>100.0</b>	<b>Total</b>	<b>262.69</b>	<b>100.0</b>

Source: Bank of Ghana

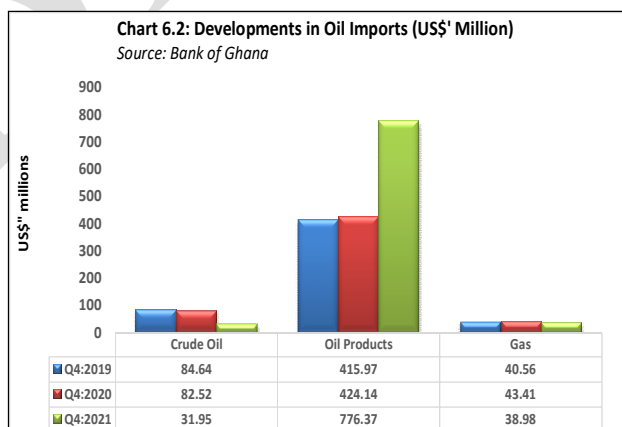
to US\$262.69 million compared to US\$185.24 million recorded for the same period in 2020. Among the ten top non-traditional items exported were palm oil and its fractions, prepared or preserved tuna, shea oil, technically specified natural rubber, and aluminium.

### Imports

Total value of merchandise imports for the fourth quarter of 2021 amounted to US\$3,569.69 million, up by 12 percent compared to US\$3,186.26 million recorded in 2020. The increase occurred 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) increased by 56 percent to US\$858.26 million, from US\$550.06 million in 2020. Crude oil imports of 397,713 barrels valued at US\$31.95 million with an average realized price of US\$80.34 per barrel were recorded during the last quarter of 2021, compared to the import of 1,968,770 barrels valued at US\$82.52 million at an average realized price of US\$41.92 per barrel recorded during the same period in 2020.



In addition, the VRA imported 3,628,960 MMBTu (Million Metric British Thermal units) of gas worth US\$27.92 million from the West African Gas Company (WAGP) at an average price of US\$7.7 per MMBTu for its operations. For the same period last year 6,047,999 MMBTu of gas worth US\$43.41 million was imported.

The value of finished oil products imported in the fourth quarter of 2021 amounted to US\$776.37 million, compared to US\$424.14 million in the same period in 2020.

## Merchandise Non – Oil Imports

The total merchandise non-oil imports for the fourth quarter of 2021 was up by 2.84 percent and provisionally estimated at US\$2,710.24 million, compared to an outturn of US\$2,635.44 million recorded for the same period in 2020. This was the result of increases in all the categories except for consumption goods.

The value of **capital goods** imported during the period was US\$665.93 million, up by 18.79 percent or US\$105.33 million from the corresponding period in 2020. This was on account of an increase in the imports of both Capital goods and Industrial Transport sub-categories.

**Consumption goods** imported decreased by 13.12 percent to US\$483.96 million, compared to US\$557.05 million recorded a year ago. This was due to a fall in imports of all the sub categories apart from Non-durable consumer goods. The value of **intermediate goods** imported increased by 3.19 percent to US\$1,221.80 million compared to US\$1,184.08 million recorded a year ago. The

increase was accounted for by all the sub-categories except Primary food and beverages, mainly for industry, and Primary Industrial supplies n.e.s. The value of **other goods** imported was US\$338.55 million, which was 1.45 percent more than the previous year's level as a result of an increase in the importation of passenger cars and goods n.e.s. During the period, 9,900,054 kWh of electricity valued at US\$1.19 million was imported by VRA, compared to 6,315,325 kWh worth US\$0.76 million imported during the same period in 2020.

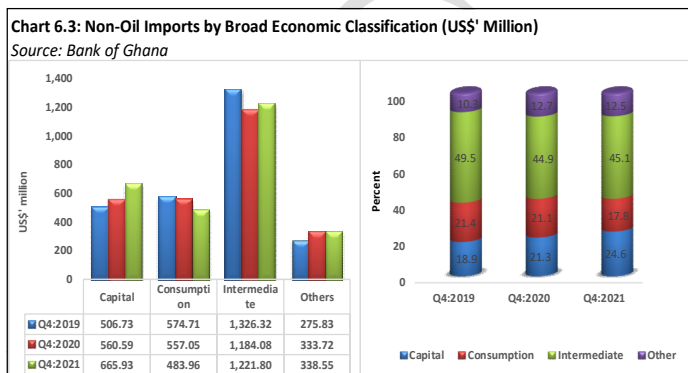


Table 6.5: Top-Ten Non-Oil Imports, October - December 2020/2021

October - December 2020			October - December 2021		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
<b>Capital</b>	<b>246.50</b>	<b>26.8</b>	<b>Capital</b>	<b>247.96</b>	<b>28.8</b>
Motor vehicles for the transport of goods, n.e.s.	188.96	20.5	Motor vehicles for the transport of goods, n.e.s.	204.97	23.8
Self-propelled bulldozers	57.54	6.3	Self-propelled bulldozers, excavators nes	42.99	5.0
<b>Consumption</b>	<b>153.09</b>	<b>16.6</b>	<b>Consumption</b>	<b>86.08</b>	<b>10.0</b>
Frozen fish	60.74	6.6	Weed killers (herbicides) and insecticides	37.49	4.4
Weed killers (herbicides) and insecticides	50.03	5.4	Rice	200.51	23.3
Rice	42.33	4.6	Cereal grains, worked but not rolled or of other cereal, nes	48.16	5.6
Sugar	168.43	18.3	<b>Intermediate</b>	<b>40.15</b>	<b>4.7</b>
<b>Cereal grains, worked but not rolled or of other cereal, nes</b>	<b>46.45</b>	<b>5.0</b>	Iron and steel bars and rods	39.83	4.6
Intermediate	44.04	4.8	Polyethylene	36.99	4.3
Cement clinkers	41.49	4.5	Guts, bladders and stomachs of animals	35.38	4.1
Polyethylene	36.44	4.0	<b>Other</b>	<b>326.00</b>	<b>37.9</b>
<b>Other</b>	<b>352.19</b>	<b>38.3</b>	Motor vehicles for the transport of persons, n.e.s.	326.00	37.9
Motor vehicles for the transport of persons, n.e.s.	352.19	38.3	<b>Total</b>	<b>860.55</b>	<b>100.0</b>
<b>Total</b>	<b>920.21</b>	<b>100.0</b>	<b>Total</b>	<b>860.55</b>	<b>100.0</b>

Source: Bank of Ghana

cereal grains.

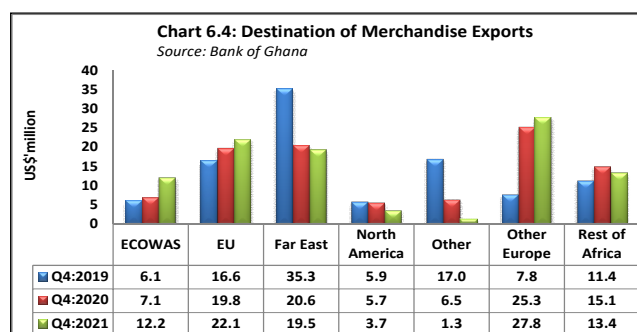
## Direction of Trade

### Destination of Exports

During the review period, the Other European Countries region received the largest share of Ghana's exports, 27.8 percent of total exports. The other recipients were the European Union (22.1%), Far East (19.5%), the Rest of Africa

## Top Ten Major Non-oil Imports

The total value of the top ten non-oil merchandise imports for the fourth quarter of 2021 amounted to US\$860.55 million, compared to US\$920.21 million recorded a year ago. Some of the top-ranked items included motor vehicles for the transport of persons, rice, and

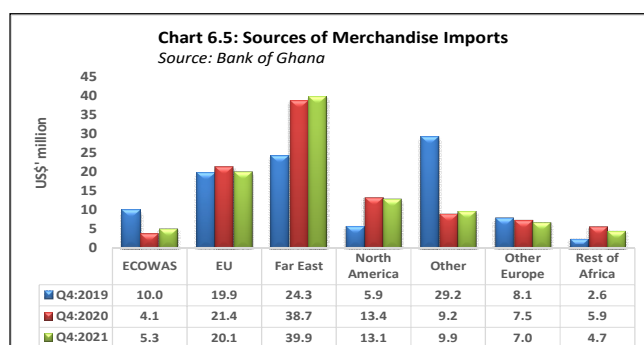




(13.4%), ECOWAS (12.2%), North America (3.7%) and Other Economies (1.3%).

### Sources of Merchandise Imports

The Far East emerged as the leading source of imports, accounting for 39.9 percent of the total imports. Then followed the European Union (20.1%), North America (13.1%), Other Economies (9.9%), Other Europe (7.0%), ECOWAS (5.3%) and Rest of Africa (4.7%).



### Services, Income and Transfers Account

During the period under review, the Services, Income and Unilateral transfers' account recorded a narrowed deficit of US\$799.64 million compared to a deficit of US\$1,382.92 million in 2020. This was on account of a decrease in net service payments during the period. The balance on the Services account narrowed from a deficit of US\$1,294.10 million to a deficit of US\$689.44 million, mainly as a result of a decrease in net payments related to other services. The income account deficit also decreased from US\$1,162.83 million to US\$903.40 million. Current transfers, which are mostly private remittances, decreased from US\$1,074.01 million in Q4:2020 to US\$793.20 million in Q4:2021.

Table 6.6: Services, Income and Unilateral Transfers (net)

	Q4:2020	Q4:2021	Q4:2020/2021	
		prov.	Abs change	% change
	Amounts in millions of U.S. dollars			
Services (net)	-1,294.10	-689.44	604.66	-46.7%
Freight and Insurance	-162.31	-175.89	-13.58	8.4%
Other Services	-1,131.79	-513.55	618.25	-54.6%
Income (net)	-1,162.83	-903.40	259.42	-22.3%
Current Transfers (net)	1,074.01	793.20	-280.80	-26.1%
Official	99.72	0.00	-99.72	0.0%
Private	974.28	793.20	-181.08	-18.6%
Services, Income and Current Transfers (net)	-1,382.92	-799.64	583.28	-42.2%

Source: Bank of Ghana

### 6.3 Capital and Financial Account

The capital and financial account worsened from a surplus of US\$1,274.66 million in Q4:2020 to a deficit of US\$187.47million in the fourth quarter of 2021. This was attributed to developments mainly in the financial account during the review period.

Table 6.7: Capital and Financial Account (net)

	Q4:2020	Q4:2021	Q4:2020/2021	
		prov.	Abs change	% change
	Amounts in millions of U.S. dollars			
Capital and Financial Accounts	1,274.66	-187.47	-1,462.1	-114.7
Capital transfers	72.57	45.04	-27.5	-37.9
Financial Account	1,202.09	-232.51	-1,434.6	-119.3
Foreign Direct Investments	346.93	517.18	170.3	49.1
Portfolio Investments	-69.82	-308.06	-238.2	341.2
Other Investments	924.98	-441.64	-1,366.6	-147.7
Official	-21.99	-405.83	-383.8	1,745.4
Disbursements	325.30	237.90	-87.4	-26.9
Amortisation	-347.29	-643.73	-296.4	85.4
Private	-648.04	-887.11	-239.1	36.9
Disbursements	2,773.97	2,841.19	67.2	2.4
Amortisation	-3,422.01	-3,728.30	-306.3	9.0
Short-term	1,675.08	962.55	-712.5	-42.5
Non-Monetary	1,373.07	1,065.81	-307.3	-22.4
Monetary	302.01	-103.27	-405.3	-134.2
Government Oil Investments	-80.07	-111.25	-31.2	38.9
Inflow	0.00	0.00	0.0	0.0
Outflow	-80.07	-111.25	-31.2	38.9

Source: Bank of Ghana

#### Capital Account

The capital account received transfers totalling US\$45.04 million during the review period, compared to US\$72.57 million received in the same period in 2020.

#### Financial Account

Transactions in the financial account worsened from a surplus of US\$1,202.09 million to a deficit of US\$232.51 million. This was particularly as a result of higher Portfolio investment and 'Other' investment accounts outflows.

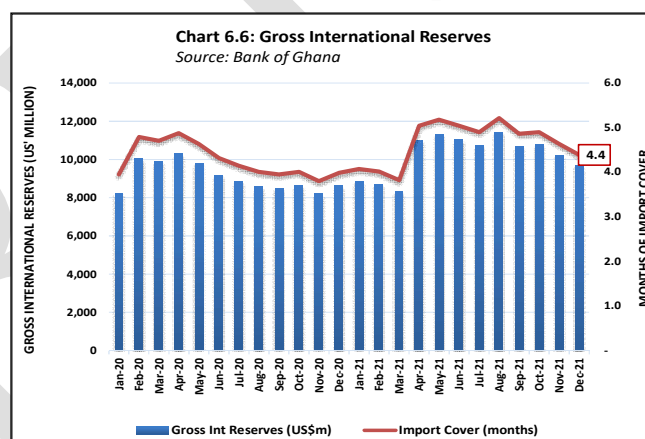
During the fourth quarter of 2021, **foreign direct investments** into Ghana by non-residents were US\$517.18 million, compared to US\$346.93 million recorded for the same quarter last year, largely resulting from a recovery from the COVID-19 pandemic. Net **Portfolio investment outflows** during the review period were US\$308.06 million as compared to net outflows of US\$69.82 million in Q4:2020.

**‘Other investments’** recorded a net outflow position of US\$441.64 million in Q4:2021 from a net inflow position of US\$924.98 million in Q4:2020 on the back of a reduction in inflows/receipts from short-term capital and increased net outflows in private capital. Net payments in the **Official capital** amounted to outflows of US\$405.83 million, a worsened position compared with a net outflow of US\$21.99 million in the previous year, on account of increased amortization as well as a decrease in disbursement. **Net Private Capital** outflow was US\$887.11 million compared to US\$648.04 million recorded in 2020 as a result of increased amortisation. **Short-term capital** inflows (net) decreased from US\$1,675.08 million in Q4:2020 to US\$962.55 million in Q4:2021, influenced by decreased net inflows in non-monetary capital and increased net outflows in monetary capital during the review period. Government Oil Investments during the period was US\$111.25 million compared to US\$80.07 million in Q4:2020.

#### 6.4 International Reserves

The stock of Net International Reserves (NIR) at the end of December 2021 was estimated at US\$6,079.54 million; a build-up of US\$510.13 million from a stock position of US\$5,569.41 million at the end of December 2020.

The country’s Gross International Reserves (GIR) at the end of December 2021 increased by US\$1,070.84 million to US\$9,695.22 million from a stock position of US\$8,624.38 million as at the end of December 2020. This was sufficient to provide for 4.4 months of imports cover compared to 4.0 months of imports cover as at December 2020.



### 7. External Debt

#### 7.1 Debt Stock

The provisional stock of outstanding government and government-guaranteed external debt at end-December 2021 stood at US\$28,339.22 million, above the position of US\$27,887.98 million at end-September 2021. The rise in the stock position (1.62%) during the last quarter of 2021 was on the back of

Table 7.1: Total External Debt Stock (US\$ Million)

	2020			2021*			
	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Total External Debt	24,109.05	24,330.99	24,715.77	24,598.82	28,072.15	27,887.98	28,339.22
Multilateral Creditors	7,810.76	7,932.83	8,280.17	8,122.88	8,302.36	8,182.68	8,192.45
Bilateral Creditors	1,204.32	1,263.35	1,297.36	1,245.70	1,248.23	1,255.28	1,336.02
Export Credit Agencies	978.55	1,002.00	966.12	914.05	1,013.03	990.45	981.11
Other Concessional	1,654.58	1,549.33	1,541.66	1,512.17	1,650.60	1,606.51	1,594.91
Commercial Creditors	2,229.76	2,368.39	2,415.37	2,588.57	2,722.08	2,733.20	3,114.87
International Capital Market	10,231.08	10,215.09	10,215.09	10,215.45	13,135.85	13,119.86	13,119.86

Source: Bank of Ghana

\*Provisional

net transactions over the period. Compared with the stock level of US\$24,715.77 million at end-December 2020, the external debt stock registered a year-on-year increase of 14.66 percent at end-December 2021 largely due to the US\$3.00 billion Eurobond floated in the International Capital Market in April 2021 and net transactions. As a percentage of GDP, the external debt stock rose to 37.03 percent at end-December 2021, from 36.18 percent at end-December 2020.



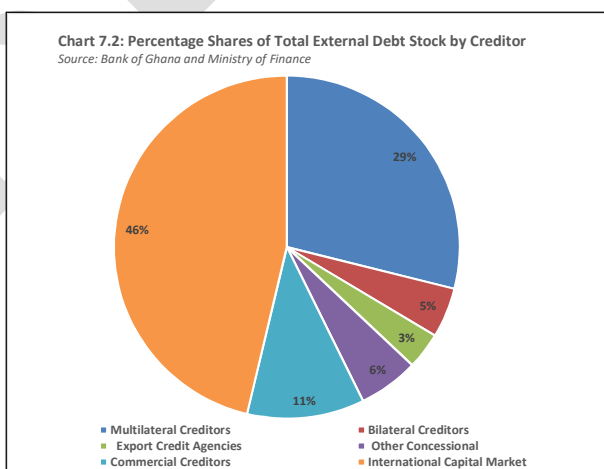
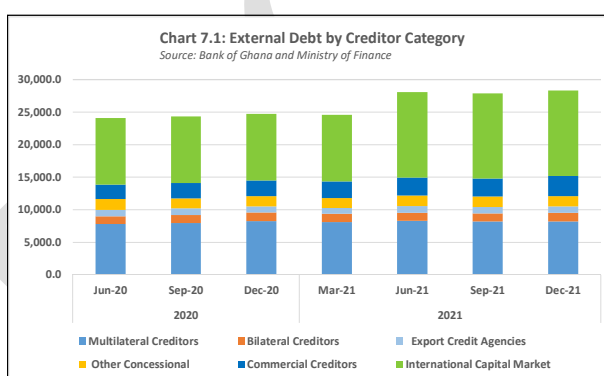
### Debt Stock by Creditor Group

In terms of creditor category, multilateral debt rose marginally by US\$9.77 million (0.12%) to US\$8,192.45 million from the level of US\$8,182.68 million recorded at the end of the previous quarter. Multilateral debts accounted for 28.91 percent share of the total external debt stock at end-December 2021, compared to 33.50 percent at end-December 2020.

The bilateral debt owed at the end of the fourth quarter of 2021 was US\$1,336.02, representing 4.71 percent of the total external debt stock. This was US\$80.74 million (6.43%) more than the US\$1,255.28 million recorded at the end of September 2021 and US\$38.67 (2.98%) above the level of US\$1,297.36 million registered in December 2020.

Commercial debts at end-December 2021 totalled US\$3,114.87 million and accounted for 10.99 percent of the total external debt stock. Commercial debts increased significantly by US\$381.67 million (13.96%) from US\$2,733.20 million recorded at end-2021:Q3 and a rise of US\$699.50 million (28.96%) above the level of US\$2,415.37 million recorded for the same period in 2020.

Debts owed to the International Capital Market stood at US\$13,119.86 million, constituting the highest share of 46.30 percent of the total external debt stock. This was the same as the level registered in September 2021. However, this was US\$2,904.77 million above the position of US\$10,215.09 million recorded in the corresponding period of 2020. The significant rise in the debts owed to the International Capital Market was mainly due to the US\$3.00 billion Eurobond floated in April 2021.



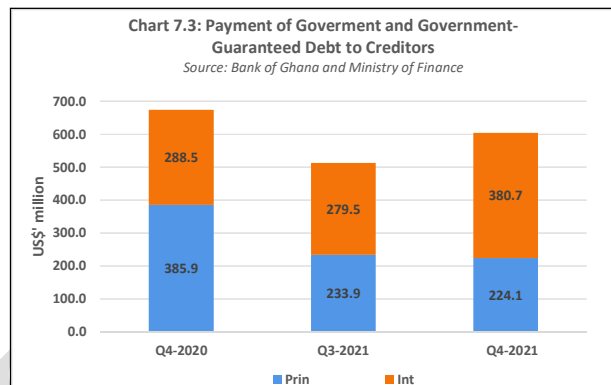
Debts owed to Export Credit Agencies totalled US\$981.11 million at end-December 2021 and constituted 3.46 percent of the total external debt. This showed a decline of US\$9.34 million (0.94%) from the level of US\$990.45 million recorded at the end of the third quarter but showed a rise of US\$14.99 million (1.55%) from the level of US\$966.12 million registered at the end of December 2020.

Other Concessional loans at end-December 2021 was US\$1,594.91 million and accounted for 5.63 percent of the total external debt. This showed a decrease of US\$11.60 million (0.72%) below the level of US\$1,606.51 million registered at end-Q3:2021. However, on a year-on-year basis, it increased by US\$53.24 million (3.45%) from the position of US\$1,541.66 million.

## 7.2 Debt Service Payments

The total amount of debt service made through Bank of Ghana on government and government-guaranteed external debt at end-Q4:2021 was US\$604.75 million. This was US\$91.37 million (17.80%) more than the payment of US\$513.38 million made in the third quarter of 2021. However, it was US\$69.67 million (10.33%) less than the payment of US\$674.43 million made in the corresponding quarter of 2020. Of the amount paid, US\$224.09 million was in respect of principal payments and US\$380.66 million was for interest expense.

During the fourth quarter of 2021, multilateral creditors were paid a total of US\$45.45 million. Of the amount paid, US\$27.91 million was in respect of principal payments and US\$17.55 million was for interest payments compared with principal repayments of US\$30.14 million, and interest payments of US\$16.67 million made in the corresponding quarter of 2020.



Total payments made to bilateral creditors at end-Q4:2021 amounted to US\$48.65 million. Out of the total amount paid, US\$41.41 million was in respect of principal repayment and US\$7.24 million in interest payments, compared with US\$38.81 and US\$8.62 million paid as principal and interest, respectively, in the fourth quarter of 2020.

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

Creditor Category	Q4-2020			Q3-2021			Q4-2021		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
<b>Total</b>	<b>385.9</b>	<b>288.5</b>	<b>674.4</b>	<b>233.9</b>	<b>279.5</b>	<b>513.4</b>	<b>224.1</b>	<b>380.7</b>	<b>604.8</b>
<b>Multilateral Creditors</b>	<b>30.1</b>	<b>16.7</b>	<b>46.8</b>	<b>43.4</b>	<b>18.1</b>	<b>61.5</b>	<b>27.9</b>	<b>17.5</b>	<b>45.5</b>
IDA	20.9	13.1	34.0	33.2	13.3	46.4	17.9	13.8	31.7
ADB/ ADF	2.1	2.3	4.4	5.3	3.7	9.0	2.4	2.5	4.8
Others	7.1	1.3	8.4	4.9	1.1	6.0	7.6	1.3	8.9
<b>Bilateral Creditors</b>	<b>38.8</b>	<b>8.6</b>	<b>47.4</b>	<b>42.3</b>	<b>10.2</b>	<b>52.5</b>	<b>41.4</b>	<b>7.2</b>	<b>48.7</b>
Paris Club	17.9	2.5	20.4	16.4	3.4	19.8	17.2	3.4	20.6
Non-Paris Club	20.9	6.2	27.1	25.8	6.8	32.6	24.2	3.8	28.0
<b>Commercial Creditors</b>	<b>316.9</b>	<b>51.7</b>	<b>368.6</b>	<b>148.3</b>	<b>53.8</b>	<b>202.0</b>	<b>154.8</b>	<b>36.6</b>	<b>191.3</b>
<b>Sovereign Bond</b>	<b>0.0</b>	<b>211.6</b>	<b>211.6</b>	<b>0.0</b>	<b>197.4</b>	<b>197.4</b>	<b>0.0</b>	<b>319.3</b>	<b>319.3</b>

Source: Bank of Ghana

Commercial creditors were paid US\$191.32 million during the quarter under review. Of the amount paid, US\$154.77 million was in respect of principal payments and US\$36.55 million was for interest payments, as against principal repayments of US\$316.95 million and interest payments of US\$51.66 million made in the same period in 2020.

In the International Capital Market, a coupon payment of US\$319.33 million was made on the outstanding Eurobond for the fourth quarter. This was US\$107.75 million (50.93%) greater than the coupon of US\$211.58 million paid in the corresponding period in 2020.

## 8. The Rural Banking Sector

Provisional data from the Rural/Community Banks (RCBs) during Q4:2021 indicated an improvement in the sector's performance compared with developments in Q4: 2020.

### Assets

Total assets of RCBs amounted to GH¢6,758.8 million in Q4:2021, representing a growth of 0.8 percent over GH¢6,703.8 million recorded in Q3:2021. On a year-on-year basis, total assets grew by 9.5 percent at

the end of Q4:2021. Total assets of RCBs constituted 3.6 percent of the banking system assets at the end of Q4:2021.

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

	2020	2021				Variations	
						Q-on-Q	Y-on-Y
	Q4	Q1	Q2	Q3	Q4	(Q4:21-Q3:21)	(Q4:21-Q4:20)
<b>Assets</b>							
Cash Holdings & Balances with Banks	870.5	886.4	883.6	945.2	869.4	-8.0	-0.1
Bills and Bonds	2,894.5	2,989.8	3,042.0	3,039.9	3,128.2	2.9	8.1
Loans and Advances	1,688.8	1,805.0	1,910.1	2,003.6	2,050.3	2.3	21.4
Other Assets	717.2	727.3	696.1	715.1	710.9	-0.6	-0.9
<b>Total Assets</b>	<b>6,170.9</b>	<b>6,408.5</b>	<b>6,531.9</b>	<b>6,703.8</b>	<b>6,758.8</b>	<b>0.8</b>	<b>9.5</b>
<b>Liabilities</b>							
Total Deposits	5,353.1	5,594.3	5,717.1	5,843.8	5,977.2	2.3	11.7
Shareholders' Funds	377.2	390.8	375.7	428.1	389.0	-9.1	3.1
Other Liabilities	440.6	423.3	439.1	431.8	392.6	-9.1	-10.9
<b>Total Liabilities</b>	<b>6,170.9</b>	<b>6,408.5</b>	<b>6,531.9</b>	<b>6,703.8</b>	<b>6,758.8</b>	<b>0.8</b>	<b>9.5</b>
<b>No. of Reporting Banks</b>	<b>145</b>	<b>144</b>	<b>144</b>	<b>145</b>	<b>145</b>		

Source: Bank of Ghana

8.2: Proportion of RCB's Total Assets of the Banking System (GH¢' million)

			2021							
	Q4		Q1		Q2		Q3		Q4	
	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share
Commercial Banks	152,548.9	96.1	159,525.8	96.1	166,765.0	96.2	172,691.8	96.3	182,412.9	96.4
Rural Banks	6,170.9	3.9	6,408.5	3.9	6,531.9	3.8	6,703.8	3.7	6,758.8	3.6
<b>Total</b>	<b>158,719.8</b>	<b>100.0</b>	<b>165,934.3</b>	<b>100.0</b>	<b>173,296.8</b>	<b>100.0</b>	<b>179,395.5</b>	<b>100.0</b>	<b>189,171.7</b>	<b>100.0</b>

Source: Bank of Ghana

8.3: Proportion of RCB's Deposits of the Banking System (GH¢' million)

	2020		2021							
	Q4		Q1		Q2		Q3		Q4	
	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share	GH¢	% Share
Commercial Banks	96,257.9	94.7	96,631.1	94.5	99,723.4	94.6	101,832.7	94.6	109,533.9	94.8
Rural Banks	5,353.1	5.3	5,594.3	5.5	5,717.1	5.4	5,843.8	5.4	5,977.2	5.2
<b>Total</b>	<b>101,611.0</b>	<b>100.0</b>	<b>102,225.5</b>	<b>100.0</b>	<b>105,440.5</b>	<b>100.0</b>	<b>107,676.6</b>	<b>100.0</b>	<b>115,511.2</b>	<b>100.0</b>

Source: Bank of Ghana

## Deposits

Provisional data indicated that deposit mobilisation by the RCBs further improved in Q4:2021. Total deposits of RCBs increased by 11.7 percent, year-on-year, to GH¢5,977.2 million at the end of Q4:2021, from GH¢5,353.1 million recorded for Q4:2020. The level of RCBs deposits at the end of the review quarter constituted 5.2 percent of total deposits of the banking system, falling from its share in the previous quarter and 5.3 percent at the end of Q4:2020.

## Loans and Advances

Loans and advances made by RCBs stood at GH¢2,050.3 million in the fourth quarter of 2021, indicating a growth of 21.4 percent, from GH¢1,688.8 million recorded at the end of Q4:2020.