

BANK OF GHANA



QUARTERLY ECONOMIC BULLETIN

FIRST QUARTER 2022

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Overview

This report presents a review of trends in the global and the domestic economy during the first quarter of 2022. 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

Global economic activity slowed in the first quarter of 2022, after a strong recovery during the second half of 2021. The slowdown in activity reflected the spill-over effects of the ongoing Russia-Ukraine war, which has exacerbated global supply-chain constraints, heightened uncertainty, pushed up input costs for manufacturers and costs of living for households.

The Domestic Economy

Real Sector

The recovery in the domestic economy continued into the first quarter of the year. Indicators of consumer spending, manufacturing activities, industrial consumption of electricity, vehicle registration, and international tourist arrivals, all picked up during the review quarter, reflecting an expansion in real sector activities.

Inflation

Headline inflation accelerated to 19.4 percent at the end of the first quarter of 2022, from 12.6 percent at the end of Q4:2021. This was driven by both food and non-food price pressures due to the second-round effects of the 15 percent increase in transport fares, pass-through from the upward ex-pump price adjustments and the currency depreciation in February and March 2022. In year-on-year terms, food price inflation rose to 22.4 percent in Q1:2022 from 12.8 percent in Q4:2021, while non-food inflation also edged up to 17.0 percent from 12.5 percent over the period.

Monetary Aggregates

Growth in broad money supply (M2+) decreased to 19.49 percent in Q1:2022, from 28.57 percent in Q1:2021. M2+ totalled GH¢142,729.13 million at the end of the review period, compared with GH¢119,445.22 million and GH¢135,598.03 million recorded in Q1:2021 and Q4:2021, respectively.

The decline in growth in M2+ was driven by a significant reduction in the growth of NDA, from 57.24 percent in Q1:2021 to 33.33 percent at the end of Q1:2022. Growth in NFA contracted further to -76.13 percent in Q1:2022, from -43.13 percent in Q1:2021.

Banking Sector Credit

Nominal annual growth in banks' outstanding credit increased to 24.64 percent in Q1:2022, from 5.60 percent in Q1:2021. This was also higher than the growth of 12.56 percent recorded in Q4:2021. At the end of Q1:2022, total outstanding credit stood at GH¢58,990.96 million.

In real terms, growth in credit from the banks increased to 4.45 percent at the end of Q1:2022, from -4.31 percent in Q1:2021. This was also an improvement over the 0.06 percent real contraction recorded in Q4:2021.

The share of total outstanding credit to the private sector increased marginally to 90.19 percent in Q1:2022, from 89.07 percent recorded in Q1:2021.

Exchange Rates

On the interbank market, the Ghana cedi depreciated by 15.6 percent, 13.1 percent and 13.6 percent against the U.S. dollar, the pound sterling and the euro, respectively, in Q1:2022.

On the forex bureaux market, the Ghana cedi depreciated by 18.4 percent, 16.6 percent and 14.1 percent against the U.S. dollar, the pound sterling and the euro, respectively, in Q1:2022.

Interest Rates

Interest rates trended mixed on a year-on-year basis in Q1:2022. While rates on BOG bills increased, interest rates on GOG securities trended mixed. Deposit rates of DMBs remained broadly unchanged, while lending rates trended downward when compared with rates recorded in Q1:2021.

The Monetary Policy Rate (MPR) at the end of Q1:2022 was 17.0 percent, reflecting a 250 basis points (bps) increase compared with the MPR at the end of Q1:2021.

The interbank weighted average interest rate decreased by 25 bps, year-on-year, from 13.58 percent recorded in Q1:2021 to 13.32 percent in Q1:2022.

On the treasury market, interest rates in Q1:2022 generally trended upwards. The 91-day and 364-day T-bill rates increased by 47 bps and 31 bps, to settle at 13.49 percent and 17.01 percent, respectively. However, the interest rate on the 182-day T-bill decreased marginally by 2 bps compared to Q1:2021, ending the quarter at 13.76 percent.

Capital Market

The Ghana Stock Exchange Composite Index (GSE-CI) decreased by 1.67 percent during Q1:2022 compared with an increase of 13.99 percent in the same period in 2021. 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.

Total market capitalization at the end of Q1:2022 stood at GH¢64,029.79 million, representing a decrease of 0.72 percent on a quarter-on-quarter basis.

Government Budgetary Operations

Government budgetary operations during Q1:2022, resulted in an overall deficit of GH¢12,929.5 million (2.6% of GDP), compared to the deficit of GH¢11,963.3 million (2.6% of GDP) recorded in Q1:2021. The deficit was higher than the programmed target of GH¢11,470.4 million (2.3% of GDP) and was financed from foreign and domestic sources.

Government receipts (including grants) for the review period totalled GH¢16,708.9 million (3.3% of GDP). This was lower than the target of GH¢19,338.8 million (3.9% of GDP) but higher than the GH¢13,361.4 million (3.0% of GDP) recorded for Q1:2021. Total receipts comprised Tax Revenue of GH¢12,864.2 million (77.0% of total receipts), Non-tax Revenue of GH¢2,431.2

million (14.6% of total receipts) and Grants of GH¢84.6 million (0.5% of total receipts).

Government expenditure and net lending in Q1:2022 totalled GH¢26,953.3 million (5.4% of GDP), below the programmed target of GH¢30,524.2 million (6.1% of GDP) by 11.7 percent.

The stock of domestic debt at the end of Q1:2022 stood at GH¢189,614.2 million, compared to GH¢164,530.3 million recorded in Q1:2021. The growth in the domestic debt stock was mainly due to increases in the short-, medium- and long-term securities of GH¢2,187.4 million, GH¢21,812.7 million and GH¢1,083.9 million, respectively.

Balance of Payments

The value of merchandise exports for Q1:2022 was provisionally estimated at US\$4543.3 million, indicating a marginal increase of 14.7 percent over the value recorded in Q1:2021.

Total value of merchandise imports for Q1:2022 amounted to US\$3,542.99 million, up by 6.4 percent compared to US\$3,329.24 million recorded in Q1:2021. The rise was driven by an increase in oil imports.

The provisional trade balance was a surplus of US\$1,000.3 million in Q1:2022, higher than the surplus of US\$632.4 million recorded for the same period in 2021. The improvement in the trade surplus was on the back of higher crude exports earnings, driven by high crude oil prices and non-traditional exports.

The country's gross international reserves stood at US\$8,801.15 million (3.9 months of import cover) at the end of March 2022, from a stock position of US\$9,695.22 million (4.3 months of import cover) at end-December 2021.

External Debt

The provisional stock of outstanding government and government-guaranteed external debt at the end of Q1:2022 was US\$28,379.07 million, up from the stock position of US\$24,598.81 million at end of Q1:2021. This rise in the stock was largely due to net transactions (disbursements and amortizations) during the review quarter. The external debt stock at the end of Q1:2022 represented 40.19 percent of GDP compared with 30.71 percent recorded for the same period in 2021.

1. Developments in the World Economy

Global economic activity slowed in the first quarter of 2022, after a strong recovery during the second half of 2021. The slowdown in activity reflects the spillover effects of the ongoing Russia-Ukraine war. The war

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

	Year-over-Year			
	Estimate		Projections	
	2020	2021	2022	2023
World Output	-3.1	6.1	3.6	3.6
Advanced Economies	-4.5	5.2	3.3	2.4
United States	-3.4	5.7	3.7	2.3
Euro Area	-6.4	5.3	2.8	2.3
Germany	-4.6	2.8	2.1	2.7
France	-8.0	7.0	2.9	1.4
Italy	-9.0	6.6	2.3	1.7
Spain	-10.8	5.1	4.8	3.3
Japan	-4.5	1.6	2.4	2.3
United Kingdom	-9.3	7.4	3.7	1.2
Canada	-5.2	4.6	3.9	2.8
Other Advanced Economies	-1.8	5.0	3.1	3.0
Emerging Market and Developing Economies	-2.0	6.8	3.8	4.4
Emerging and Developing Asia	-0.8	7.3	5.4	5.6
China	2.2	8.1	4.4	5.1
India	-6.6	8.9	8.2	6.9
ASEAN	-3.4	3.4	5.3	5.9
Emerging and Developing Europe	-1.8	6.7	-2.9	1.3
Russia	-2.7	4.7	-8.5	-2.3
Latin America and the Caribbean	-7.0	6.8	2.5	2.5
Brazil	-3.9	4.6	0.8	1.4
Mexico	-8.2	4.8	2.0	2.5
Middle East and Central Asia	-2.9	5.7	4.6	3.7
Saudi Arabia	-4.1	3.2	7.6	3.6
Sub-Saharan Africa	-1.7	4.5	3.8	4.0
Nigeria	-1.8	3.6	3.4	3.1
South Africa	-6.4	4.9	1.9	1.4

has exacerbated global supply-chain constraints, heightened uncertainty, pushed up input costs for manufacturers and costs of living for households. Also, China's zero COVID policy has exacerbated supply-chain constraints globally, further pushing up price pressures. According to the IMF, global growth is projected to decline from an estimated 6.1 percent in 2021 to 3.6 percent in 2022 and 2023, respectively. This revision reflects the ongoing geopolitical tension in Europe and the expected spillover effects on global goods supply and trade. In the outlook, the ongoing war in Ukraine and ensuing sanctions on Russia are expected to reduce global growth further. However, a rapid resolution of the Russia-Ukraine war amid continuing containment of the COVID-19 pandemic will support the ongoing global recovery.

1.1 United States

Economic activity in the U.S. contracted by an annualized 1.5 percent in Q1:2022 with the biggest drag coming from trade (imports surged by 18.3 percent while exports dropped by 5.4 percent). Fixed investment, housing investment, and consumer spending contributed positively to growth. The IMF estimates suggest that U.S. real GDP growth will end 2022 at 3.7 percent before declining to 2.3 percent in 2023. In the outlook, the ongoing war in Ukraine and related events will continue to put additional upward pressure on inflation and weigh on economic activity. Additionally, COVID-related lockdowns in China will likely exacerbate supply-chain disruptions and weigh on growth in the U.S.

1.2 United Kingdom

The UK economy expanded by 0.9 percent in Q1:2022, stronger than earlier expected with unemployment rate falling to 3.8 percent in the first quarter. Survey data pointed to resilience in business activity. However, with the tapering of bond purchases and interest rate hikes, the squeeze on household incomes weighed on retail spending and consumer confidence. CPI inflation rose to 7.0 percent year-on-year in March, well above the 2.0 percent target. Price pressures reflected large increases in global energy and tradable goods prices due to the war in Ukraine. In the outlook, price pressures are expected to peak in Q4:2022 and dissipate thereafter as global commodity prices plateau with weak domestic demand and excess supply, putting a damper on inflation. The IMF is projecting a growth rate of 3.7 percent and 1.2 percent for 2022 and 2023, respectively.

1.3 Euro Area

The Euro area continued to recover as Omicron impact waned and economies reopened. Economic activity in the region expanded by 0.6 percent on a quarter-on-quarter basis in Q1:2022, significantly higher than the 0.3 percent growth recorded in the previous period. However, soaring energy prices associated with the political tension in the region and heightened uncertainty weighed on business and consumer confidence. Also, trade disruptions are escalating shortage of inputs with adverse effects on production. The IMF has reduced the Euro area growth projection by 1.1 percent to 2.8 percent for 2022 on the back of current political instability in the region and the potential escalation of supply-chain bottlenecks due to trade and production disruptions. In the outlook, risks to growth are tilted to the downside. Persistence of the Russia-Ukraine war will affect market sentiments and further worsen the supply-side constraints. Sustained pressure on energy costs and reduced confidence could weaken demand and restrain consumption and investment more than anticipated. However, the weakening of demand over the medium term would moderate the pressure on prices and reset growth to its expected growth path, though the near-term inflation risk has intensified.

1.4 Japan

Economic activity in Japan shrank 0.1 percent in Q1:2022, compared with an upwardly revised 1.0 percent growth in Q4:2021, reflecting a slowdown in public and private investment as well as negative contribution from net exports. The Japanese economy is gradually reopening and recovering from the COVID-19 pandemic. Survey data points to strong activity in March with the composite PMI expanding for the first time in three months to 50.3 even as public health restrictions are lifted. However, concerns about the spillover effects of the war on trade and production as well as the ongoing COVID-19 restrictions in China are affecting market sentiments. The IMF is projecting growth at 2.4 percent and 2.3 percent for 2022 and 2023, respectively. In the outlook, the Japanese economy is projected to grow more slowly, amid headwinds from a resurgence in COVID-19 cases, and a rise in commodity prices due to the situation in Ukraine.

1.5 China

China's economy expanded by 1.3 percent in Q1:2022 amid headwinds such as resurgence in COVID-19 cases and associated restrictions impeding port and manufacturing activity. Incoming data point to weakened momentum moving into the second quarter due to the pandemic and lockdowns in multiple Chinese cities. Restrictions to safeguard public health have also resulted in delays in trucking services and shipments with imports stalling in March even though export growth remained resilient. The government has increased fiscal stimulus to the economy with local bond issuance and the slashing of taxes for businesses. The People's Bank of China has indicated it will cut bank's reserve requirement ratio to improve on long-term liquidity to the economy. In the outlook, activity in China will be impacted by both domestic and external developments. On the domestic front, the country's zero COVID-19 policy will greatly impact on economic activity with material spillover effect on its trading partners. Also, developments around the war in Ukraine may pose a downside risk to growth.

1.6 Emerging Markets and Developing Economies

Economic activity in emerging markets and developing economies is being set back by the war in Ukraine with mounting commodity price pressures and the tightening of financial markets. Survey data point to slowing growth for commodity importers. However, the rising commodity prices are supporting economic

recovery in commodity exporters in the region. The IMF has revised down its growth projection for the region by 1.0 percent and 0.3 percent to 3.8 percent and 4.4 percent for 2022 and 2023, respectively, on the back of the twin effect of the pandemic and the war in Ukraine. In the outlook, persisting supply-chain challenges and the associated price hikes can potentially affect EMDEs growth prospects.

1.7 Sub-Sahara African Countries

The IMF revised upwards the growth projection for Sub-Sahara Africa by 0.1 percent to 3.8 percent in 2022, reflecting the waning effect of the pandemic despite lower vaccination rate and rising commodity prices. Strong oil and metal prices are supporting growth for commodity exporting countries in the sub-region, such as Nigeria and Angola. Also, high copper price is supporting the Zambian kwacha with the economy recovering steadily after contracting the previous year. However, the commodity importers are experiencing currency pressures due to high oil and food prices. In the outlook, higher food prices are expected to reduce household disposal incomes and weigh on demand.

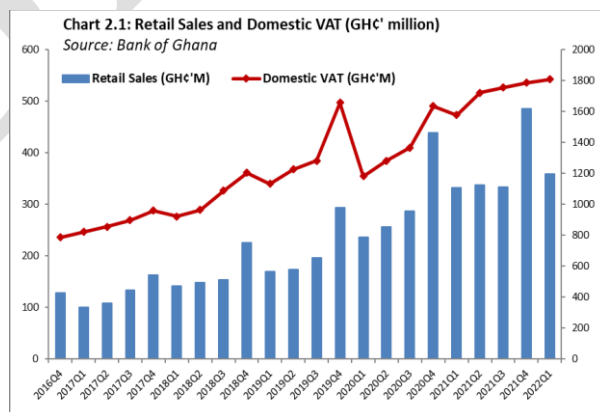
2. Real Sector Developments

A review of selected indicators of economic activity revealed an improvement in the performance of the domestic economy during the first quarter of 2022 compared with trends observed during the same period in 2021, reflecting a rebound in real sector activities.

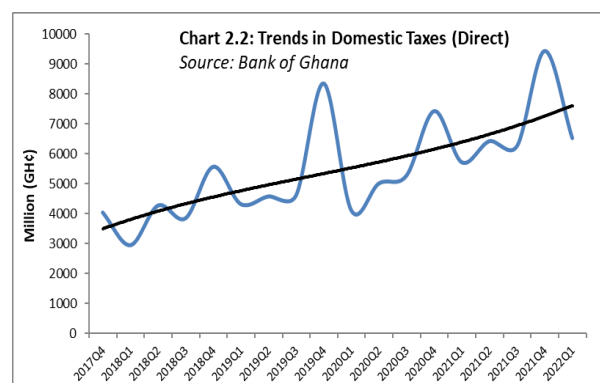
2.1 Indicators of Economic Activity

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, improved in the first quarter of 2022 compared with figures recorded in the corresponding period of 2021. Domestic VAT collections grew by 14.7 percent (year-on-year) to GH¢1,808.04 million, relative to GH¢1,576.61 million collected during the corresponding quarter in 2021. Domestic VAT also increased marginally by 1.3 percent compared with GH¢1,785.02 million collected for the fourth quarter of 2021.



Retail sales increased by 7.9 percent (year-on-year) to GH¢358.50 million during the first quarter of 2022 from GH¢332.40 million recorded in the corresponding quarter of 2021. The improvement in retail sales reflected increased household consumption during the review period.

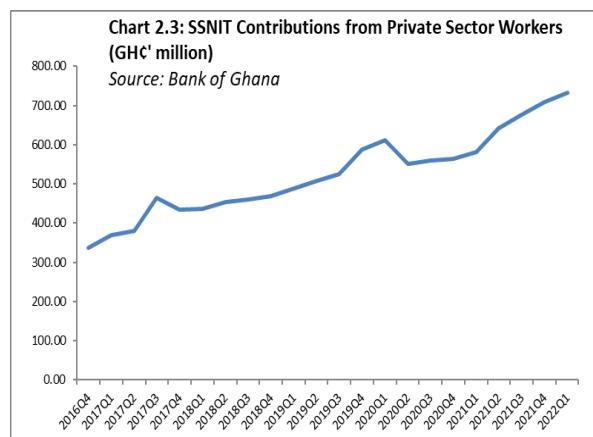


Manufacturing Activities

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 first quarter of 2022, compared with what was observed in the same period of 2021.

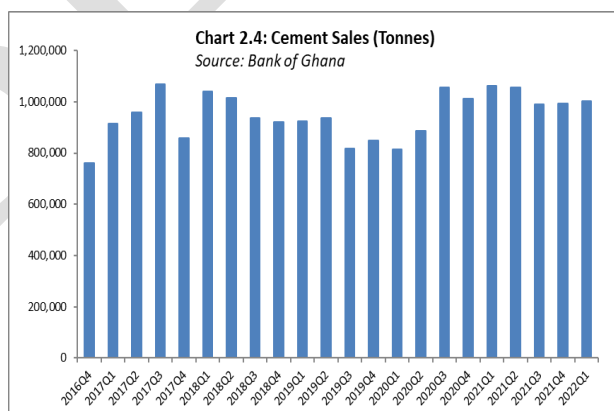
Total direct taxes collected increased by 14.1 percent (year-on-year) to GH¢6,529.91 million in the first quarter of 2022, relative to GH¢5,721.46 million recorded for the first quarter of 2021. Total direct tax collected for the quarter under review, however, declined by 30.9 percent from GH¢9,443.52 million collected in the fourth quarter of 2021. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 51.1 percent, followed by Income Tax (PAYE and self-employed) with 39.5 percent, while other tax sources contributed 9.4 percent.



Similarly, private sector workers’ contributions to the SSNIT Pension Scheme (Tier-1) rose by 26.4 percent (year-on-year) to GH¢733.45 million in the first quarter of 2022, from GH¢580.37 million collected during the corresponding quarter of 2021. Total contribution in the review period also grew by 3.5 percent when compared with GH¢708.91 million for the fourth 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.

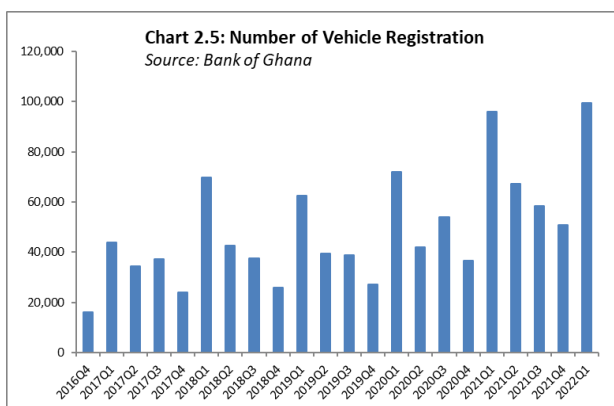
Construction Sector Activities

Economic activity in the construction sub-sector, as proxied by the volume of cement sales, declined by 5.8 percent (year-on-year) during the first quarter of 2022 to 1,001,259.90 tonnes, from 1,062,902.24 tonnes recorded in the first quarter of 2021. Conversely, total cement sales during the review period increased marginally by 0.9 percent when compared with 991,902.88 tonnes recorded during the fourth quarter of 2021. The year-on-year decline in total cement sales was due to a slowdown in construction activities during the review period.



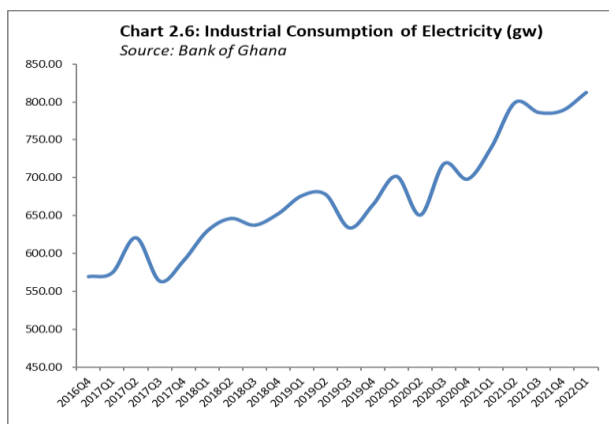
Vehicle Registration

Transport-related economic activities, gauged by vehicle registration by the Driver and Vehicle Licensing Authority (DVLA), improved by 3.6 percent to 99,508 in the first quarter of 2022 compared to 96,093 vehicles registered during the corresponding quarter of 2021. Similarly, the number of vehicles registered during the review period surged by 96.0 percent relative to 50,780 vehicles recorded in the fourth quarter of 2021. The increase in vehicle registration was due to an increase in vehicle importation during the quarter.



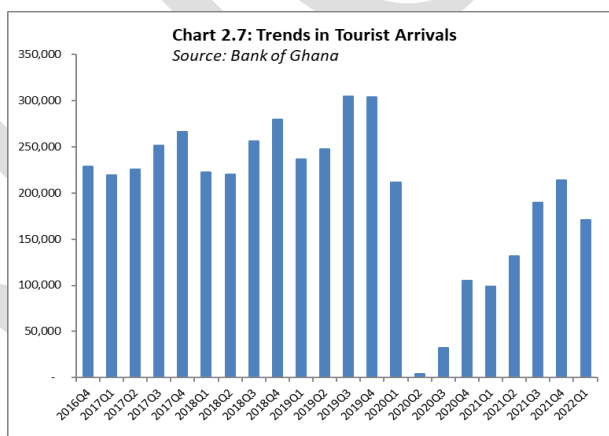
Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went up by 9.7 percent during the first quarter of 2022, compared with observations made in the corresponding period of 2021. Industries utilised 812.29 giga-watts of power in Q1:2022, as against 740.19 giga-watts recorded in Q1:2021. Industrial consumption of electricity also increased marginally by 3.0 percent from 788.52 giga-watts utilised in Q4:2021. The relative improvement in the electricity consumed by industries, year-on-year, could be attributed to increased industrial activity during the review period.



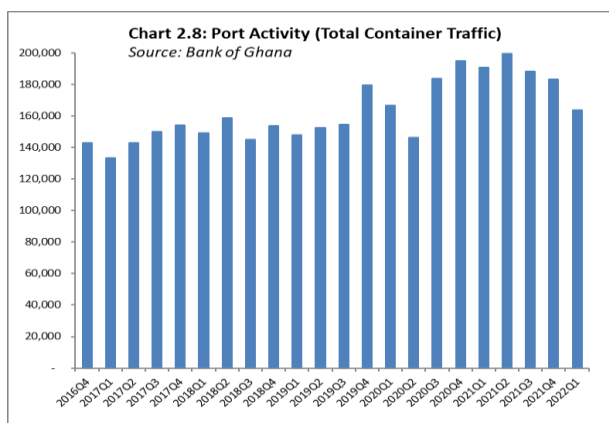
International Tourist Arrivals

Tourist arrivals through the country’s various ports of entry surged in the first quarter of 2022 when compared with figures recorded a year ago. A total of 171,145 tourists entered the country during the review period, as against 98,950 visitors received in the first quarter of 2021, indicating a significant improvement of 73.0 percent. Tourist arrivals during the period, however, went down by 20.0 percent when compared with 213,962 visitors received in the fourth 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 first quarter of 2022, compared with what was observed in the corresponding quarter of 2021. Total container traffic for inbound and outbound containers decreased by 14.2 percent to 163,939 from 191,051 for the first quarter of 2021. Similarly, port activity dipped by 10.6 percent when compared to 183,301 laden containers recorded in the fourth quarter of 2021. The relative decline in port activities, year-on-year, was due to a slowdown in international trade activities amid ongoing geopolitical tensions during the review period.



2.2 Labour Market Conditions

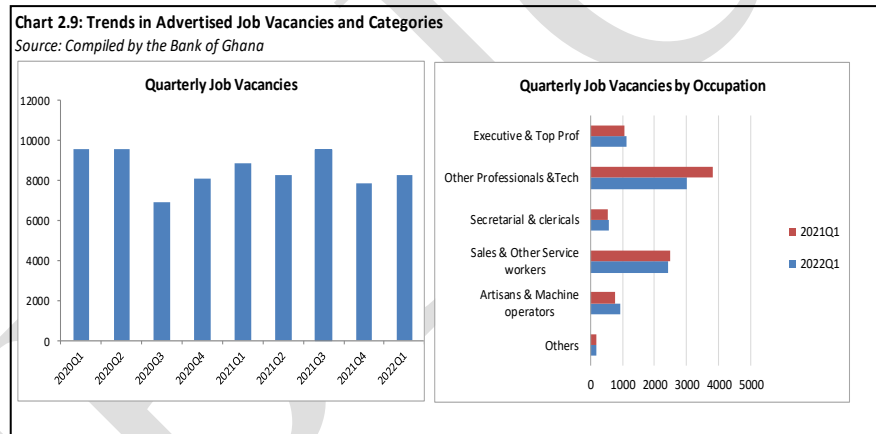
The number of jobs advertised in selected print¹ and online² media, which gauges labour demand in the economy, dipped in the first quarter of 2022 relative to what was observed in the first quarter of 2021. In total, 8,252 job adverts were recorded in the first quarter of 2022 as compared with 8,840 for the first quarter of 2021, indicating a decline of 6.7 percent (year-on-year). Conversely, the number of job vacancies advertised in the review period increased by 5.3 percent from 7,838 recorded for the fourth quarter of 2021.

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 79.7 percent of total job adverts recorded during the first quarter of 2022. This compares with a share of 83.1 percent it recorded in the first quarter of 2021. Industry followed with a share of 16.7 percent (up from 13.5% in the first quarter of 2021), while the Agriculture Sector accounted for 3.6 percent of the job adverts during the period, compared with 3.4 percent of total job adverts recorded for the corresponding quarter of 2021.

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 49.8

percent of total jobs advertised during the first quarter of 2022, relative to 55.2 percent recorded in the corresponding quarter of 2021. This was followed by the categories classified as Sales & Other Service Workers (29.3% in Q1:2022 vs. 28.1% in Q1:2021), Artisans & Machine Operators (11.4% vs. 8.6%), Secretarial & Clerical Staff (7.1% vs. 6.1%) and "Others" (2.4% vs. 2.0%).



3. Price Developments

3.1 Global Inflation

Global price pressures persisted in the first quarter of 2022, driven by sharp increases in food and crude oil prices, and supply-chain disruptions. The Russia-Ukraine war exacerbated these price pressures and pushed energy and commodity prices to record high levels. As a result, headline inflation across several advanced and emerging market economies moved above targets, prompting monetary policy responses to help prevent inflation from becoming embedded. Global inflation in 2022 is projected to average 3.0 percent in advanced economies and 2.7 percent in emerging market and developing economies (World Economic Outlook, April 2022). In the outlook, inflation is expected to stabilize as the medium-term inflation expectations remain relatively well-anchored and the COVID-19 restrictions become less binding.

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

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

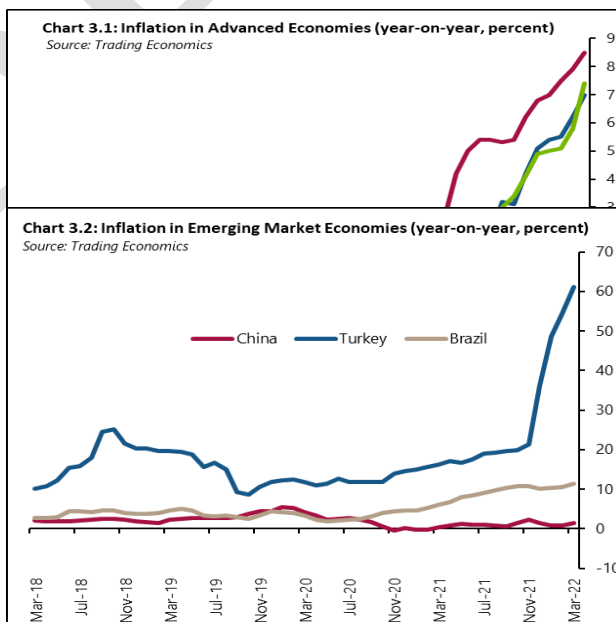
Advanced Economies

Inflation in the **United States** edged up to 8.5 percent at the end of the first quarter of 2022, the highest since December 1981, from 7.9 percent in February 2022 and 7.5 percent in January. The persistent rise was mainly due to an increase in energy prices as Russia's invasion of Ukraine pushed crude oil prices higher. Also, food prices jumped the most since May 1981. Inflation at the end of the last quarter of 2021 stood at 7.0 percent. Excluding volatile energy and food categories, prices rose 6.5 percent at the end of the first quarter of 2022, compared to a 5.5-percent pick-up at the end of Q4:2021.

The annual inflation rate in the **United Kingdom** climbed to 7.0 percent at the end of Q1:2022, the highest since March 1992, from 6.2 percent in February 2022 and 5.5 percent in January, with the largest upward driver coming from motor fuels and petrol costs. This compares with an inflation rate of 5.4 percent at the end of Q4:2021. The British government announced a fuel duty reduction of 5 pence per litre for four quarters, starting from March 2022, aiming to ease the burden on households. However, inflationary pressures are expected to persist for some time and reduce the purchasing power parity as the war in Ukraine is far from over and energy costs remain elevated, while global supply constraints persevere.

Annual inflation in the **Euro Area** accelerated to 7.4 percent in March 2022 from 5.9 percent in February and 5.1 percent in January 2022, as the war in Ukraine and sanctions on Russia continued to push prices of commodities higher. At the end of Q4:2021, inflation was 3.0 percentage points higher than the European Central Bank's target of 2.0 percent. Core consumer price in the euro area, which strips out energy, food, alcohol, and tobacco, went up by 2.9 percent at the end of Q1:2022 from 5.5 percent at the end of Q4:2021.

Consumer prices in **Japan** rose by 1.2 percent year-on-year at the end of Q1:2022, after a 0.9 percent gain a month earlier and 0.5 percent in January 2022. This reflects the seventh consecutive month of annual inflation, driven by high food prices, but remaining well below the Bank of Japan's 2.0 percent target. Additional upward pressures also came from cost of fuel, light and water charges, clothes & footwear, culture & recreation, housing and education. Core consumer prices went up by 0.8 percent year-on-year in March 2022, from 0.5 percent recorded in December 2022.



Emerging Market Economies

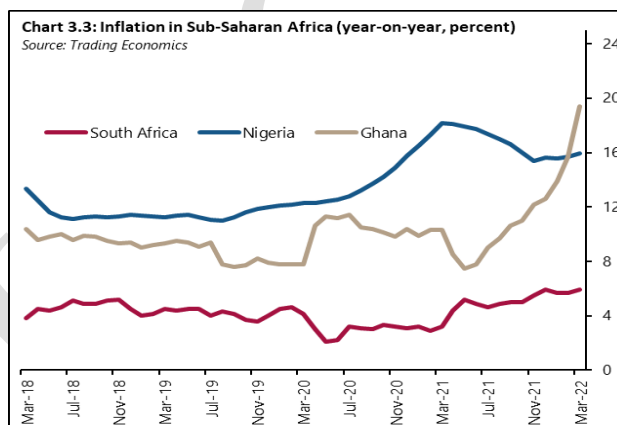
China's annual inflation rate rose to 1.5 percent at the end of Q1:2022 from 0.9 percent in the first-two months of the quarter. The main driver was non-food inflation which rose further on the back of housing, clothing, household goods and services, healthcare, transportation & communication, education and culture. The core inflation rate in China was 1.1 percent at the end of the first quarter, lower than the Q4:2021 reading of 1.2 percent.

The annual inflation rate in **Brazil** shot up to 11.3 percent at the end of Q1:2022 from 10.54 percent in February and 10.38 in January 2022, marking the seventh consecutive month of double-digit inflation. The main pressure points were reflected in transport, on the back of rising fuel prices, food & drinks, housing and healthcare. Core inflation in Brazil accelerated to 9.2 percent at the end of Q1:2022 from 7.3 percent at the end of the last quarter of 2021.

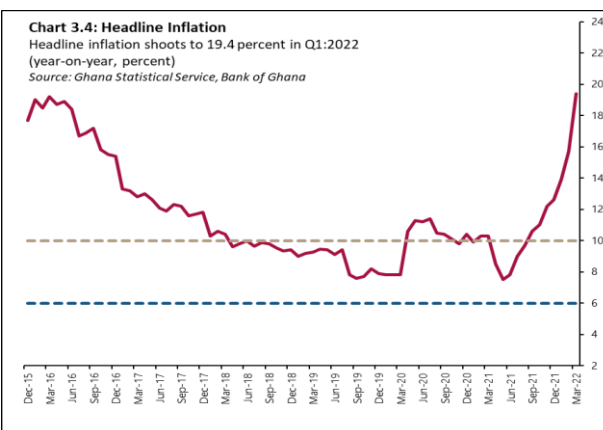
Turkey's inflation rate soared to 61.1 percent in March 2022 compared with 36.1 percent at the end of Q4:2021, as the lira remained weak and real interest rates remained largely negative. Main upward pressures came from food and non-alcoholic beverages and transportation, largely due to surging prices for energy amid the war in Ukraine. Costs were also significantly higher for housing and utilities and hotels, cafes, and restaurants. Core consumer prices similarly increased by 48.4 percent in March 2022, compared to a 31.9 percent rise in December 2021.

Sub-Saharan Africa

The annual inflation rate in **South Africa** rose to 5.9 percent in March 2022, from 5.7 percent in the two months prior (5.9 percent at the end of Q4:2021). This represents the eleventh consecutive month in which annual inflation has been higher than the midpoint of the South African Reserve Bank's inflation target range of between 3 and 6 percent. Main upward pressures came from transportation, food & non-alcoholic beverages, and housing & utilities categories. Core inflation, which excludes prices of food, non-alcoholic beverages, fuel and energy, quickened to 3.8 percent at the end of Q1:2022, from 3.4 percent at the end of Q4:2021.



In **Nigeria**, the annual inflation rate climbed from 15.6 percent in January 2022 to 15.7 percent in February and ended the first quarter at 15.9 percent (15.63 percent at the end of Q4:2021). Price of diesel, which is used to power most businesses in Nigeria, has more than doubled, while the impact of the war in Ukraine could exert additional price pressures. Moreover, a dollar shortage increased import prices, prompting the government to introduce restrictions to support the Naira. Prices rose faster for food & non-alcoholic beverages and housing & utilities categories. The core inflation rate, which excludes the prices of agricultural produce, inched up to 13.9 percent at the end of Q1:2022 from 13.87 percent at the end of Q4:2021.



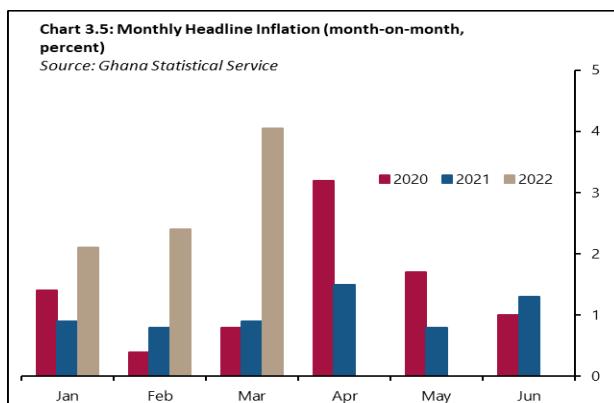
3.2 Domestic Inflation

Headline Inflation

Headline inflation rate accelerated to 19.4 percent at the end of the first quarter of 2022, from 12.6 percent at the end of Q4:2021, the highest level since September 2009. This was driven by both food and non-food

price pressures due to the second-round effects of the 15 percent increase in transport fares, a pass through from the upward ex-pump price adjustments and exchange rate pressures in February and March 2022. In year-on-year terms, food price inflation rose to 22.4 percent in Q1:2022 from 12.8 percent in Q4:2021. Non-food inflation also edged up to 17.0 percent from 12.5 percent over the period.

The Bank’s core measure of inflation, defined to exclude energy and utility, also increased to 18.5 percent in Q1:2022 from 11.8 percent in Q4:2021, indicating strong underlying inflation pressures.



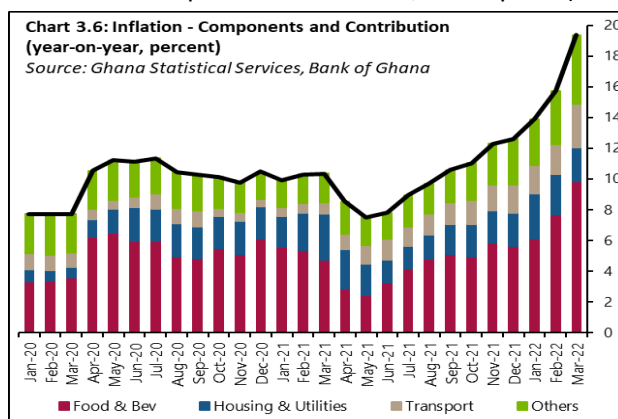
Monthly Inflation

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Dec-19	7.9	7.2	8.5	0.3	-0.6	1.0
Dec-20	10.4	14.1	7.7	0.9	1.5	0.4
2021						
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
2022						
Jan	13.9	13.7	14.1	2.1	1.9	2.2
Feb	15.7	17.4	14.5	2.4	3.2	1.7
Mar	19.4	22.4	17.0	4.0	4.5	3.7

On a month-on-month basis, headline inflation averaged 2.8 percent in the first quarter of 2022, higher than the 0.9 percent monthly average recorded a year ago. Higher monthly inflation readings recorded in Q1:2022 were on the back of snarled supply chains, upward adjustments in ex-pump prices and exchange rate pressures in February and March. Average monthly food inflation climbed to 3.2 percent in Q1:2022, from an average of 0.5 percent same time in 2020. Similarly, monthly non-food inflation averaged 2.5 percent in Q1:2022, from 1.2 percent in Q1:2021.

Inflation by Sub-Groups

On a year-on-year basis, there was a broad pick-up across subcomponents of the basket. The following components recorded higher inflation at the end of Q1:2022 compared to Q4:2021; Transport (27.6 percent in March 2022 compared with 17.6 percent in December 2021); Household Equipment and Maintenance (18.5 percent compared with 9.6 percent); Personal Care and Miscellaneous Goods (17.0 percent compared with 10.6 percent); Recreation and Culture (17 percent compared with 11.4 percent); Clothing and Footwear (12.2 percent compared with 8.6 percent); Restaurants and Accommodation (12.6 percent compared with 8.9 percent); Information and Communication (13.4 percent compared with 9.0 percent); Health (8.8 percent compared with 6.0 percent); Education (2.9 percent compared with 1.0 percent); Alcoholic beverages and Tobacco (11.4 percent compared with 9.6 percent); Housing and Utilities (21.4 percent compared with 20.7 percent).



CPI Components (%)												
	Weights (%)	2020	2021							2022		
		Dec	Jan	Feb	Mar	Jun	Sept	Dec	Jan	Feb	Mar	
Overall	100.0	10.4	9.9	10.3	10.3	7.8	10.6	12.6	13.9	15.7	19.4	
Food and Beverages	43.1	14.1	12.8	12.3	10.8	7.3	11.5	12.8	13.7	17.4	22.4	
Non-food	56.9	7.7	7.7	8.8	10.0	8.2	9.9	12.5	14.1	14.5	17.0	
Alcoholic Beverages, Tobacco	3.7	6.0	7.4	7.2	7.0	6.5	8.1	9.6	8.0	9.0	11.4	
Clothing and footwear	8.1	7.9	7.2	6.2	6.0	6.0	6.8	8.6	8.3	9.5	12.2	
Housing and Utilities	10.2	20.1	19.0	23.4	29.0	14.2	18.7	20.7	28.7	25.4	21.4	
Household Equipment and Maintenance	3.2	4.7	4.5	5.0	4.7	4.7	6.3	9.6	11.0	14.4	18.5	
Health	0.7	6.0	6.9	6.9	7.1	6.0	4.6	6.0	5.4	6.9	8.8	
Transport	10.1	4.8	5.4	6.2	6.8	13.4	13.6	17.6	17.4	18.3	27.6	
Information and Communication	3.6	7.0	6.7	8.4	8.1	4.9	6.6	9.0	8.9	10.2	13.4	
Recreation & Culture	3.5	1.8	3.0	3.9	4.0	3.6	6.8	11.4	12.0	12.7	17.0	
Education	6.5	0.2	0.3	0.4	0.4	0.9	0.9	1.0	0.9	1.3	2.9	
Restaurants and Accommodation	4.6	5.4	4.8	5.4	6.1	4.8	3.2	8.9	9.1	10.6	12.6	
Insurance and Financial services	0.2	3.3	3.3	7.4	7.8	5.5	7.1	6.3	6.3	2.9	3.0	
Personal care & Miscellaneous goods	2.4	3.8	5.1	4.3	4.5	4.5	7.2	10.6	10.8	13.5	17.0	

Source: Ghana Statistical Service

affecting food prices, ex-pump price increases feeding into transport fares, and lagged effect of the recent exchange rate pressures have lifted prices of the local components of the CPI basket, further compounding the impact of the elevated global inflation on the CPI basket.

3.3 Inflation Outlook

In the outlook, inflation is expected to remain above the upper band of 8±2 percent in the medium-term. Significant risks remain in the outlook with the balance of risks tilted to the upside. Globally, price pressures remain elevated in both advanced and emerging market economies as a result of lingering supply-chain bottlenecks and the Russia-Ukraine geo-political tension. This is expected to exert pressure on imported items in the outlook. Domestically, supply disruptions

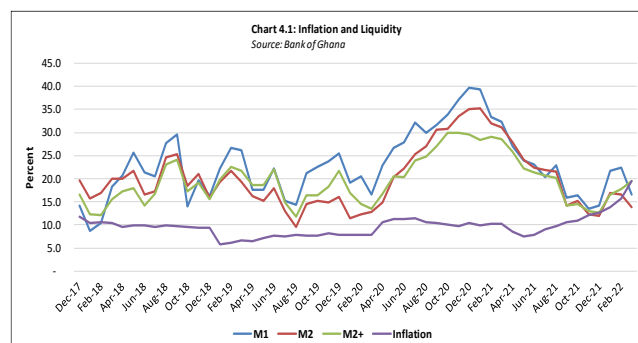
4. Money and Financial Market Developments

The pace of growth in broad money supply (M2+) moderated significantly in Q1:2022, mainly driven by contraction in the Net Foreign Assets (NFA) of the depository corporations' sector. The Net Domestic Assets (NDA), however, increased during the review period, albeit, at a slower pace. The slowdown in the growth in M2+ reflected in decreased growth in currency with the public and total deposits, during the period under review.

4.1 Broad Money Supply

Developments in the monetary aggregates showed significant moderation in the growth in broad money supply (M2+) on year-on-year basis. Annual growth in broad money supply (M2+) decreased to 19.49 percent in Q1:2022 from 28.57 percent in Q1:2021. The stock of broad money supply stood at GH¢142,729.13 million during the review period, compared with GH¢119,445.22 million and GH¢135,598.03 million recorded in the first and fourth quarters of 2021, respectively. The observed moderation in the growth of M2+ reflected in decreased growth in currency with the public and total deposits during the period under review.

Chart 4.1 shows line graphs of growth in monetary aggregates (M1, M2, and M2+) and inflation. Trends in monetary aggregates and inflation 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 moderation in the growth in M2+ was mainly attributed to considerable contraction in Net Foreign Assets (NFA) of the depository corporations sector; the NDA, however, expanded, albeit at a slower pace, relative to the previous period. Provisional data showed that growth in NDA decreased considerably from 57.24 percent recorded at the end of the first quarter of 2021, to 33.33 percent in Q1:2022. This was, however, higher than the growth of 23.13 percent recorded in Q4:2021. In contrast, growth in NFA contracted significantly to -76.13 percent in Q1:2022 compared with -43.13 percent in Q1:2021.

Components of Net Domestic Assets (NDA)

	Levels (GH¢ Millions)			Quarter-On-Quarter Variation					
	Mar-21	Dec-21	Mar-22	As at end-Mar 2021		As at end-Dec 2021		As at end-Mar 2022	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	34,904.63	43,300.02	44,866.58	6,417.99	22.53	7,217.96	20.00	9,961.96	28.54
Narrow Money (M1)	59,148.13	69,431.59	68,918.69	14,457.08	32.35	8,648.13	14.23	9,770.56	16.52
Broad Money (M2)	93,226.01	105,779.55	106,050.89	22,128.12	31.12	11,330.52	12.00	12,824.88	13.76
Broad Money (M2+)	119,445.22	135,598.03	142,729.13	26,540.15	28.57	15,118.93	12.55	23,283.91	19.49
Currency with the Public	19,324.74	21,816.17	22,090.81	5,677.21	41.60	926.54	4.44	2,766.07	14.31
Demand Deposits	39,823.39	47,615.41	46,827.89	8,779.88	28.28	7,721.59	19.36	7,004.49	17.59
Savings & Time Deposits	34,077.88	36,347.96	37,132.19	7,671.04	29.05	2,682.39	7.97	3,054.32	8.96
Foreign Currency Deposits	26,219.21	29,818.48	36,678.24	4,412.03	20.23	3,788.41	14.55	10,459.03	39.89
Sources of M2+									
Net Foreign Assets (NFA)	15,096.87	10,302.96	3,603.52	(11,447.24)	(43.13)	(8,418.11)	(44.97)	(11,493.35)	(76.13)
BOG	11,740.53	11,018.62	4,485.86	(15,945.00)	(57.59)	(3,225.87)	(22.65)	(7,254.67)	(61.79)
DMBs	3,356.35	(715.67)	(882.33)	4,977.76	(394.05)	(5,192.24)	(115.99)	(4,238.68)	(126.29)
Net Domestic Assets	104,348.34	125,295.07	139,125.61	37,987.40	57.24	23,537.04	23.13	34,777.26	33.33
Claims on Government (net)	72,637.59	75,314.27	87,787.70	30,440.92	72.14	6,348.68	9.21	15,150.12	20.86
BOG	32,502.58	29,389.54	39,496.69	19,622.92	152.36	(2,341.58)	(7.38)	6,994.11	21.52
DMBs	40,135.01	45,924.73	48,291.01	10,818.00	36.90	8,690.26	23.34	8,156.00	20.32
Claims on Public Sector	5,891.39	6,266.45	7,832.46	433.29	7.94	1,303.99	26.28	1,941.07	32.95
BOG	910.63	966.11	2,121.40	(7.16)	(0.78)	34.78	3.73	1,210.77	132.96
DMBs	4,980.77	5,300.33	5,711.06	440.45	9.70	1,269.22	31.49	730.30	14.66
Claims on Private Sector	42,890.59	49,171.40	53,876.62	2,140.88	5.25	4,907.54	11.09	10,986.02	25.61
BOG	734.79	785.82	671.80	204.27	38.50	55.15	7.55	(62.99)	(8.57)
DMBs	42,155.80	48,385.58	53,204.82	1,936.61	4.82	4,852.39	11.15	11,049.01	26.21
Other Items (Net) (OIN) \2	(17,071.23)	(5,457.05)	(10,371.18)	4,972.30	(22.56)	10,976.82	(66.79)	6,700.05	(39.25)
a/w BOG OMO (Sterilisation)	(4,990.97)	(5,654.59)	(6,289.35)	1,090.41	(17.93)	4.22	(0.07)	(1,298.38)	26.01

Source: Bank of Ghana

In terms of components of NDA, growth in net claims on Government declined to 20.83 percent in Q1:2022 from 72.14 percent in Q1:2021. Growth in claims on public sector and claims on private sector increased to 32.95 percent and 25.61 percent respectively, in Q1:2022, from 7.94 percent and 5.25 percent, respectively, in Q1:2021. The Other Items (Net) changed by *negative* 39.25 percent in Q1:2022 compared to a change of *negative* 22.56 percent in Q1:2021.

4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors in Q1:2022 increased significantly compared to the corresponding period of 2021. The nominal annual growth rate of banks' outstanding credit increased from 5.6 percent in Q1:2021 to 24.64 percent in Q1:2022. This was also higher than the growth of 12.56 percent recorded for Q4:2021. At the end of the first quarter of 2022, total outstanding credit stood at GH¢58,990.96 million compared with GH¢47,329.69 million and GH¢53,767.32 million recorded in the first and fourth quarters of 2021, respectively.

	Levels (GH¢ Millions)			Quarter-On-Quarter Variation					
	Mar-21	Dec-21	Mar-22	As at end-Mar 2021		As at end-Dec 21		As at end-Mar 2022	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	5,173.89	5,381.75	5,786.14	575.31	12.51	1,145.89	27.05	612.26	11.83
Private Sector	42,155.80	48,385.58	53,204.82	1,936.61	4.82	4,852.39	11.15	11,049.01	26.21
Agric., For. & Fish.	1,319.61	1,656.64	1,988.04	(413.76)	(23.87)	118.25	7.69	668.43	50.65
Export Trade	116.62	200.54	241.55	(29.53)	(20.21)	37.71	23.16	124.93	107.13
Manufacturing	5,050.88	5,688.17	5,622.05	670.52	15.31	702.73	14.10	571.17	11.31
Trans., Stor., & Comm.	3,009.14	3,353.27	3,473.42	497.28	19.80	256.68	8.29	464.29	15.43
Mining & Quarrying	1,128.47	817.41	1,056.44	(12.94)	(1.13)	(361.22)	(30.65)	(72.03)	(6.38)
Import Trade	1,071.18	1,733.00	1,772.93	21.41	2.04	500.79	40.64	701.75	65.51
Construction	4,275.67	5,089.74	5,747.29	717.47	20.16	712.51	16.28	1,471.63	34.42
Commerce & Finance	8,020.11	7,498.53	9,459.23	834.13	11.61	(2,376.71)	(24.07)	1,439.12	17.94
Elect., Gas & Water	2,501.09	1,961.31	2,439.27	247.05	10.96	(582.91)	(22.91)	(61.82)	(2.47)
Services	12,482.56	16,867.22	17,516.62	673.57	5.70	5,286.36	45.65	5,034.06	40.33
Miscellaneous	3,180.49	3,519.76	3,887.98	(1,268.59)	(28.51)	558.19	18.85	707.49	22.24
Grand Total	47,329.69	53,767.32	58,990.96	2,511.92	5.60	5,998.28	12.56	11,661.27	24.64

Source: Bank of Ghana

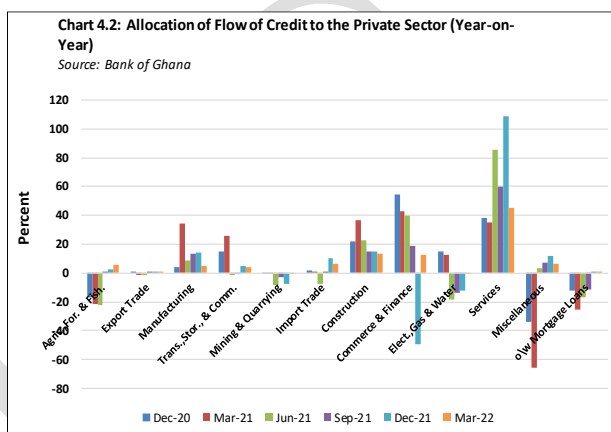
the *negative* 0.06 percent growth realised in Q4:2021, reflecting a marginal improvement in real credit growth.

The share of total outstanding credit to the private sector increased marginally to 90.19 percent at the end of the first quarter of 2022, from 89.07 percent recorded for the same period in 2021.

Distribution of Outstanding Credit to the Private Sector

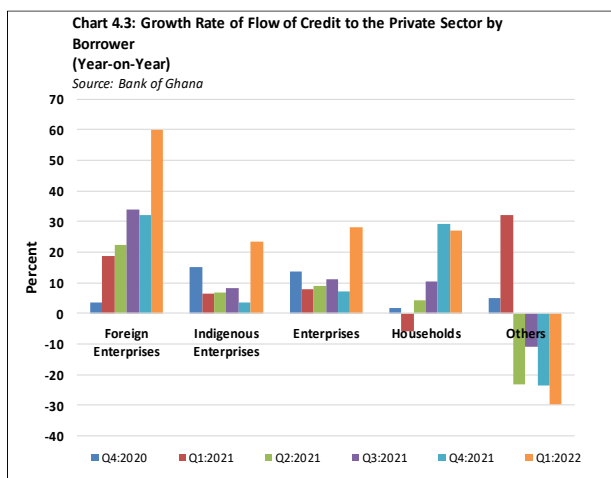
Annual growth in private sector credit in Q1:2022 increased, relative to Q1:2021. The growth in outstanding credit to the private sector at the end of the first quarter of 2022 was higher in nominal and real terms relative to the corresponding period in 2021. In nominal terms, it increased to 26.21 percent in Q1:2022, from 4.82 percent recorded in Q1:2021. This was also higher than the 11.15 percent recorded at the end of the fourth quarter of 2021.

The outstanding credit to the private sector at the end of the first quarter of 2022 was GH¢53,204.82 million, compared with GH¢42,155.80 million and GH¢48,385.58 million recorded in the first and fourth quarters of 2021, respectively. In real terms, the annual growth rate of outstanding credit to the private sector increased to 5.77 percent at the end of the first quarter of 2022, from *negative* 5.02 percent recorded in Q1:2021.



The increase in growth in credit to the private sector in Q1:2022 relative to the corresponding period in 2021 was reflected in increases in annual flow of credit to the following sectors: agriculture, forestry and fisheries; export trade; mining and quarrying; import trade; and services. However, manufacturing; transport, storage & communication; construction; commerce and finance; and electricity, gas and water sectors recorded decreases in credit flow in March 2022 relative to the corresponding period in 2021. The top five (5) beneficiary sectors of annual flow of private sector credit in Q1:2022 were services (45.6%), construction (13.3%), commerce and finance (13.0%), import trade (6.3%), and agriculture, forestry & fisheries (6.0%). These top five sectors accounted for 84.31 percent of the overall credit flow for Q1:2022.

In terms of annual growth in credit to private sector by borrower, credit flows to both indigenous and foreign enterprises, and household subsectors increased in Q1:2022, relative to Q1:2021. However, flows to the 'Others' category declined during the review period.



4.4 Sources and Uses of Banks Flow of Funds

The provisional figures for Q1:2022 showed that the proportion of commercial banks' fund flows allocated to investment in Government securities, foreign assets and other assets decreased, while the proportion of fund flows allocated to bank credit, and balances with Bank of Ghana increased relative to that of the corresponding period in 2021.

The proportion of bank funds allocated to Government securities decreased significantly to 24.89 percent in Q1:2022, from 51.43 percent in Q1:2021.

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

	(Amount in GHe *Million)			Quarter-On-Quarter Variation					
	Mar-21	Dec-21	Mar-22	As at end-Mar 2021		As at end-Dec 2021		As at end-Mar 2022	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Sources of Funds									
Total Deposits	96,631.14	109,533.94	116,314.42	20,287.28	82.17	13,276.06	44.46	19,683.28	52.62
Domestic	70,411.93	79,715.46	79,636.18	15,875.25	64.30	9,487.65	31.77	9,224.25	24.66
Demand Deposits	36,334.05	43,367.50	42,503.98	8,204.21	33.23	6,805.26	22.79	6,169.93	16.49
Savings Deposits	18,492.06	19,693.06	19,739.71	4,987.26	20.20	1,758.23	5.89	1,247.65	3.34
Time Deposits	15,585.82	16,654.90	17,392.48	2,683.78	10.87	924.16	3.09	1,806.66	4.83
Foreign Currency	26,219.21	29,818.48	36,678.24	4,412.03	17.87	3,788.41	12.69	10,459.03	27.96
Credit From BOG	1,012.15	2,618.53	2,385.57	-165.08	-0.67	1,391.08	4.66	1,373.42	3.67
Balances Due to Non-Resident Banks	8,641.08	11,167.07	13,479.40	-715.78	-2.90	3,506.98	11.74	4,838.32	12.93
Capital	9,922.29	11,100.39	11,123.66	138.98	0.56	1,303.10	4.36	1,201.36	3.21
Reserves	12,745.87	14,645.46	16,063.98	4,094.24	16.58	3,153.63	10.56	3,318.11	8.87
Other Liabilities*	30,573.28	33,347.52	37,566.79	1,049.67	4.25	7,233.13	24.22	6,993.51	18.70
Total	159,525.80	182,412.91	196,933.81	24,689.31	100.00	29,863.97	100.00	37,408.01	100.00
Uses of Funds									
Bank Credit	47,329.69	53,767.32	58,990.96	2,511.92	10.17	5,998.28	20.09	11,661.27	31.17
o/w Private Sector Credit	42,155.80	48,385.58	53,204.82	1,936.61	7.84	4,852.39	16.25	11,049.01	29.54
Investment in Government Securities	47,778.84	54,303.23	57,090.69	12,697.47	51.43	11,334.79	37.95	9,311.85	24.89
Short Term	5,074.35	6,719.41	6,866.42	509.81	2.06	3,256.73	10.91	1,792.07	4.79
Medium/Long Term	42,704.49	47,583.82	50,224.27	12,187.66	49.36	8,078.06	27.05	7,519.77	20.10
Foreign Assets	11,997.43	10,451.40	12,597.07	3,781.97	15.32	-1,685.26	-5.64	599.64	1.60
Balances with BOG	17,300.64	21,679.64	24,836.92	-2,183.36	-8.84	4,931.94	16.51	7,536.29	20.15
Other Assets**	35,119.20	42,211.31	43,418.17	7,881.30	31.92	9,284.23	31.09	8,298.97	22.19
Total	159,525.80	182,412.91	196,933.81	24,689.31	100.00	29,863.97	100.00	37,408.01	100.00

*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

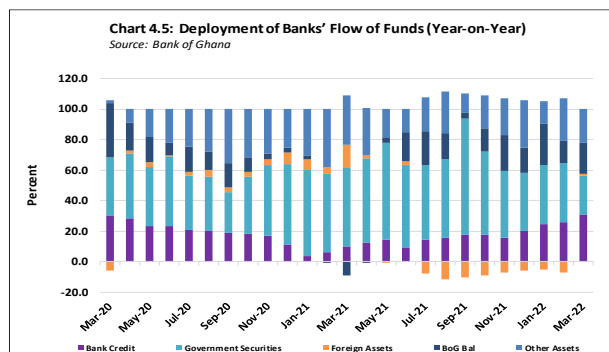
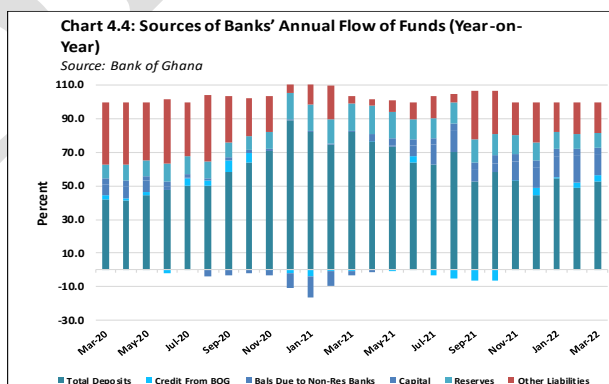
Source: Bank of Ghana

This reflected in decreases in the share of fund flows to investments in medium- to long-term securities. However, fund flows to short-term bills increased; its share in the total fund allocation also increased. The proportion of fund flows to investment in medium- to long-term securities decreased to 20.1 percent in the Q1:2022 from 49.36 percent recorded in Q1:2021, while the proportion of fund flows to investment in short-term Government instruments increased to 4.79 percent from 2.06 percent over the same comparative period. The proportion of fund flows to foreign assets and other assets decreased to 1.60 percent

and 22.19 percent in Q1:2022, from 15.32 percent and 31.92 percent, respectively, in Q1:2021.

The proportion of fund flows to bank credit increased to 31.17 percent in Q1:2022 from 10.17 percent at the end of Q1:2021. This was also higher than the 20.09 percent recorded in Q4:2021. Similarly, the proportion of fund flows to balances with Bank of Ghana increased to 20.15 percent from 8.84 percent over the same comparative period.

The main source of fund flows for financing of banks' assets was deposits. Its share in the sources of fund flows, however, decreased to 52.62 percent in Q1:2022 from 82.17 percent in Q1:2021. This was higher than the 44.46 percent recorded in Q4:2021. The decrease in flows from total deposits, for the period under review, was mainly due to a decline in fund flows from domestic currency deposits; fund flows from foreign currency deposits, however, increased. The proportion of fund flows from domestic deposits decreased to 24.66 percent in Q1:2022 from 64.30 percent in Q1:2021. Fund flows from components of domestic currency deposits showed that demand deposits and savings deposits mainly accounted for the decrease in fund flows from domestic currency deposits over the comparative period. In contrast, the share of fund flows from foreign currency deposits increased to 27.96 percent in Q1:2022 from 17.87 percent in Q1:2021.



The proportion of fund flows from credit from Bank of Ghana, balances due non-resident banks, bank capital, and other liabilities increased to 3.67 percent, 12.93 percent, 3.21 percent and 18.70 percent, respectively, in Q1:2022, from 0.67 percent, 2.90 percent, 0.56 percent and 4.25 percent, respectively, in Q1:2021. The proportion of fund flows from reserves, however, decreased over the same comparative periods to 8.87 percent from 16.58 percent.

Total deposits remained the dominant source of funds into the banking system in Q1:2022. This was followed by other liabilities, which include margin deposits, cheques in transit, interest in suspense accounts, and borrowings from other resident banks.

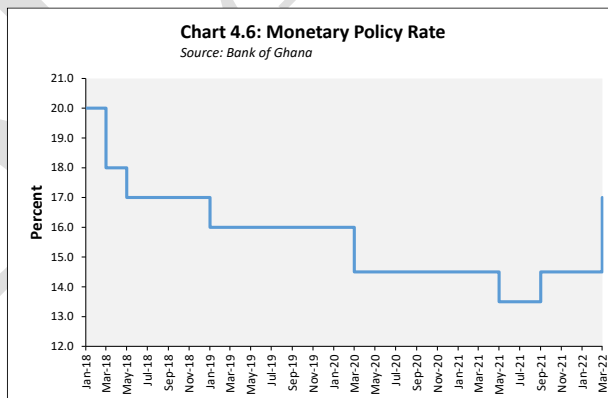
Bank credit received the largest share in terms of uses of funds by the banking system in Q1:2022. This was followed by investments in Government securities and other assets, respectively.

4.5 Interest Rate Developments

Interest rate developments in the money market for Q1:2022 showed a downward trend on a year-on-year basis. Rates on BOG bills increased, while interest rates on Government of Ghana (GOG) securities trended mixed. On the DMBs' front, deposit rates reflected mixed trends, while lending rates trended downward when compared with rates recorded in Q1:2021. Compared with the fourth quarter in 2021, interest rates on BOG bills, GOG securities and the lending rate of DMBs increased, whereas the deposit rates of DMBs recorded no change.

Monetary Policy Rate

The Monetary Policy Rate (MPR) at the end of the first quarter of 2022 was 17.00 percent, reflecting a 250 basis points increase compared with the MPR at the end of the first quarter in 2021. The upward review in the MPR was due to upside risks in the inflation outlook.



BOG Bills

The interest equivalent on the 14-day and 56-day BOG bills increased by 100bps to 15.50 percent at the end of Q1:2022 from 14.50 percent in Q1:2021.

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, at the end of Q1:2022. This was on account of inactivity and non-issuance. The last issuance for the 7-day, 28-day and 270-day BOG bills were done in February 2011, February 2015 and October 2014, respectively.

Government Securities

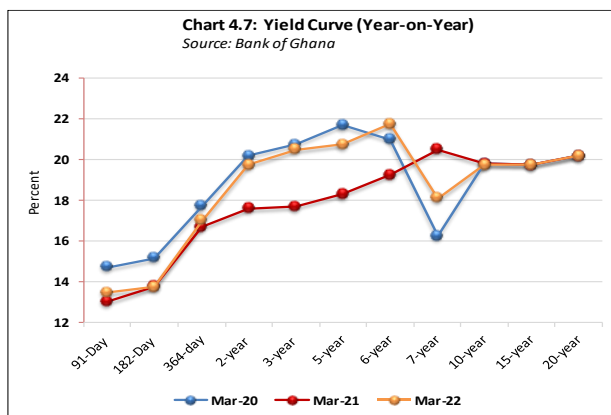
On the treasury market, interest rates in Q1:2022 generally trended upwards. The 91-day and 364-day T-bills' rates increased by 47 basis points and 31 basis points, to settle at 13.49 percent and 17.01 percent, respectively, compared to interest rates recorded on the discount bearing securities at the end of Q1:2021. However, the interest rate on the 182-day bill decreased marginally by 2 basis points compared to Q1:2021,

ending the quarter at 13.76 percent. The interest earned on short-term GOG bills, however, recorded increases in rates when compared with the fourth quarter of 2021.

Interest rates on the 2-year note, 3-year, 5-year and 6-year GOG bonds increased by 215bps, 280bps, 245bps, and 250bps, year-on-year, to settle at 19.75 percent, 20.50 percent, 20.75 percent and 21.75 percent, respectively, at the end of Q1:2022. The interest rate on the 7-year bond decreased by 240bps, while that of the 10-year, 15-year and 20-year bonds remained unchanged at the end of Q1:2022.

Interbank Market

The interbank weighted average interest rate decreased by 25bps to 13.32 percent in Q1:2022, from 13.58 percent recorded in Q1:2021. Compared to the fourth quarter of 2021, the interbank weighted average interest rate increased by 64bps.

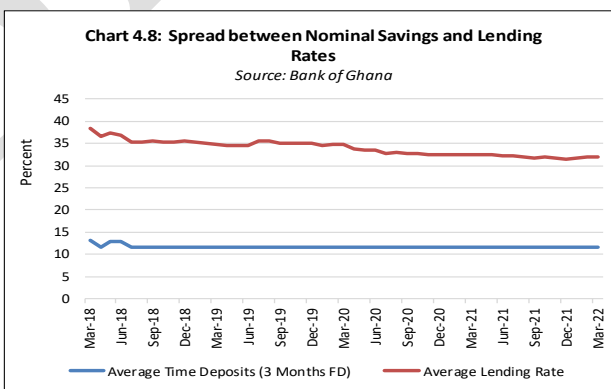


Time and Savings Deposit Rates

The average interest rate on the DMBs’ 3-month time and savings deposits remained unchanged at 11.50 percent and 7.63 percent, respectively, at the end of the Q1:2022 compared to Q1:2021. Compared with the fourth quarter of 2021, the average interest rates on DMBs’ 3-month time and savings deposits also remained unchanged.

Lending Rate

Lending rates trended downwards during the review quarter. The average lending rate decreased by 39bps to 20.57 percent at the end of Q1:2022, from 20.96 percent in Q1:2021. Compared to Q4:2021, the average lending rate increased by 52bps.

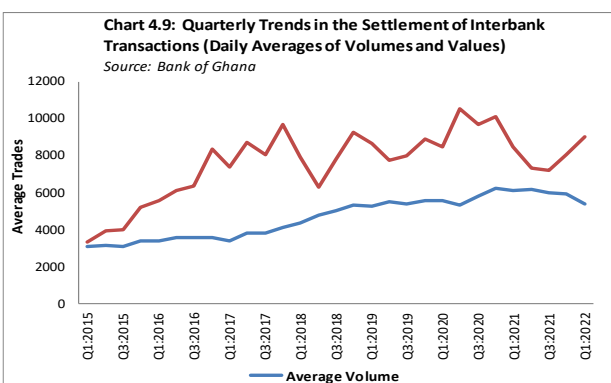


The spread between the borrowing and lending rates narrowed by 39bps on a year-on-year basis to 9.07 percent in Q1:2022. For the corresponding quarter in 2021, the spread narrowed by 244bps.

4.6 Payments System Developments

Settlement of Interbank Transactions

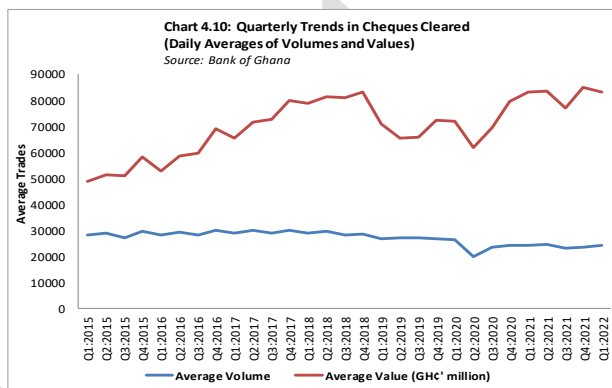
The volume of transactions settled through the Ghana Interbank System (GIS) during Q1:2022 totalled 327,888 valued at GH¢547,942.22 million. This represented a decrease in volume by 12.44 percent and an increase in value by 5.77 percent, compared to transactions in Q1:2021. When compared with transactions settled during Q4:2021, there was a decrease in the volume of transaction by 12.56



percent and an increase in value by 8.19 percent. On the average, 5,375 transactions were settled daily through the GIS, valued at GH¢8,982.66 million during the quarter under review, compared with a total of 5,952.41 cheques, valued at GH¢8,038.77 million during Q4:2021. In Q1:2021, an average of 6,138.97 transactions were settled daily, valued at GH¢8,492.87 million.

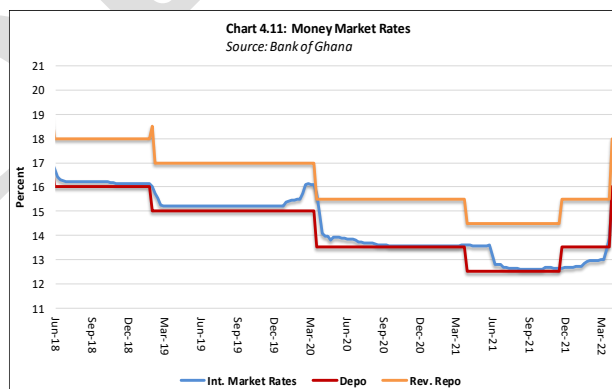
Cheques Cleared

The volume of cheques cleared during Q1:2022 totalled 1,420,181 valued at GH¢54,708.85 million. This represents a decrease in volume by 4.68 percent and an increase in value by 7.78 percent compared to first quarter transactions in 2021. When compared with Q4:2021, the volume of transactions decreased by 5.20 percent, while the value of cheques cleared increased by 2.03 percent. On a daily basis, an average of 23,282.0 cheques valued at GH¢896.87 million were cleared during the period under review, compared with 24,424.0 cheques valued at GH¢832.15 million cleared during Q1:2021. In Q4:2021, an average of 23,779.30 cheques were cleared daily with a value of GH¢851.12 million.



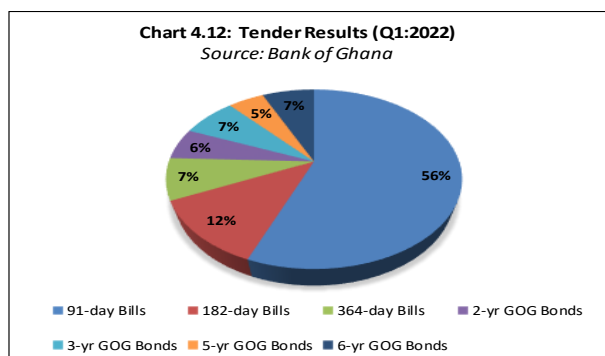
4.7 Money Market

Depos increased to GH¢4,797.00 million in Q1:2022 from GH¢2,215.00 million recorded in Q4:2021. Compared with same period in the previous year, depo trades decreased by 85.18 percent from GH¢32,365.00 million in Q1:2021 to GH¢4,797.00 million in the review period. Reverse Repo activities by the commercial banks increased significantly during Q1:2022 when compared to the previous quarter.



Reverse Repo trades totalled GH¢6,684.50 million, an increase of 179.45 percent from the Q1:2021 position and 19.0 percent when compared to Q4:2021.

On the interbank market, the value of trades during Q1:2022 ranged between GH¢1,625.00 million and GH¢7,155.00 million at a weighted average rate ranging from 12.70 percent to 15.47 percent. In the previous quarter, values of trades ranged from 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 year, trades during the first quarter ranged from GH¢2,555.00 million to GH¢5,836.00 million at a weighted average rate ranging from 13.56 percent to 13.58 percent.



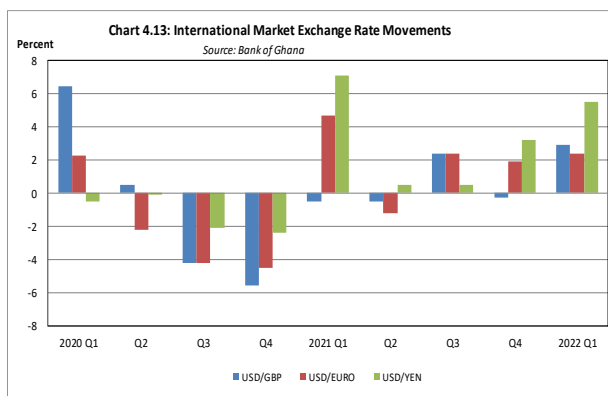
Tender Results

Total sales at the auction during Q1:2022 totalled GH¢49,138.65 million with maturities totalling GH¢42,767.78 million. This resulted in a net sale of GH¢6,370.87 million out of which an amount of GH¢5,741.48 million was used to finance government’s activities and a withdrawal through Bank of Ghana’s OMO activities to the tune of GH¢629.39 million.

4.8 Currency Markets

The International Currency Market

The U.S. dollar ended the first quarter of 2022 on a strong note on the back of lingering uncertainties surrounding the discussion between Russia and Ukraine and the impact of the U.S. Federal Reserve’s latest policy decisions. The performance of the pound sterling was weak as domestic political developments in the UK and a series of dovish comments from Bank of England limited the currency’s performance. The euro on the other hand had a mixed performance amid expectations of a hawkish policy stance by the European Central Bank and expected interest rate decision from the European Central Bank (ECB). The safe-haven Japanese yen was very weak in quarter one 2022 due to widening of Japan’s trade deficits and dovish comments made by Bank of Japan’s Governor.



The **U.S. dollar** had a strong performance in Q1:2022 over expectations that the Fed would start hiking interest rates several times in 2022, beginning in March, which drove a bond market selloff and a rise in yields. Federal Reserve Chair’s hawkish speech signalled that the central bank could hike interest rates by more than 25bps at upcoming policy meetings if the policymakers deem it necessary to tame inflation. Intensifying conflict in Ukraine and demand for the world’s reserve currency also strengthened the greenback currency. At the end of the quarter, the U.S. dollar appreciated by 2.9 percent against the pound sterling, 2.4 percent against the euro and 5.5 percent against the Japanese yen, respectively.

Table 4.4: International Market Exchange Rate Movements

End Period	Quarterly depreciation/ appreciation		Annual depreciation/ appreciation		Quarterly depreciation/ appreciation		Annual depreciation/ appreciation		Quarterly depreciation/ appreciation		Annual depreciation/ appreciation	
	US\$/£	US\$/€	US\$/£	US\$/€	US\$/£	US\$/€	US\$/¥	US\$/¥	US\$/£	US\$/€	US\$/¥	US\$/¥
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	-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	11.7					
2022 Q1	1.3149	2.9	1.1107	2.4	0.0082	5.5						

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

The **pound sterling** was weak against the U.S. dollar and euro but was strong against the Japanese yen in the first quarter of 2022. UK Prime Minister came under scrutiny in January for attending a garden party during the first lockdown in 2020 when outdoor gatherings were banned in England, weighing on the pound sterling’s appeal as it casts uncertainty over the PM’s future. The Bank of England (BOE) hiked interest rates to 0.75 percent, up from 0.5 percent, but BOE’s forward guidance proved more dovish than expected in March. Consequently, the pound sterling recorded depreciations of 2.8 percent and 0.5 percent against the U.S. dollar and the euro, respectively, but appreciated against the Japanese yen by 2.5 percent.

The **euro** was strong against the pound sterling and the Japanese yen but was weak against U.S. dollar during the first quarter of 2022 as European Central Bank revisited its hawkish stance on monetary policy coupled with EU plans of imposing a series of harsh sanctions against Russia. European Central Bank (ECB) also left interest rates on hold again in March, whilst also signalling plans to accelerate the winding down of its asset purchase programme in the third quarter. However, the euro edged up in late March as the peace talks between Ukraine and Russia in Istanbul raised hopes of a breakthrough. At the end of the quarter, the euro appreciated by 0.5 percent and 2.9 percent against the pound sterling and the Japanese yen, respectively, but depreciated by 2.3 percent against the U.S. dollar.

The **Japanese yen** was very weak in the first quarter of 2022. The Japanese currency came under pressure after Bank of Japan Governor said the bank had not discussed the possibility of raising interest rates, as had been reported by newswires in early January. Higher commodity prices and energy prices in particular, together with widening of the country's trade deficit also weighed on the Japanese yen. Therefore, the

safe-haven currency ended the quarter with losses of 5.2 percent, 2.5 percent and 2.8 percent against the U.S. dollar, the pound sterling and the euro, respectively.

Table 4.5: Inter-Bank Market Exchange Rate Movements

End Period	c/US\$		c/GBP		c/Euro	
	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation
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	7.8742	-6.5	7.0643	-5.5
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	8.1272	-2.6	6.8281	-0.5
2022 Q1	7.1122	-15.6	9.3515	-13.1	7.8986	-13.6

Depreciation (-)/Appreciation (+)

Source: Reuters

The Domestic Currency Market

The Ghana cedi depreciated against the three major currencies in the first quarter of 2022. The domestic currency weakened mainly due to increased demand for forex from energy, manufacturing, and corporate sectors as well as offshore investors' activities, including repatriation of investment proceeds.

The Ghana cedi's performance in the quarter under review was also affected by reported rate adjustments by some dealers/traders in the forex bureaux market. Reported FX liquidity squeeze and speculations also led to the cedi's depreciation at the cash end of the forex bureaux market.

On the **Interbank market**, the Ghana cedi depreciated by 15.6 percent, 13.1 percent and 13.6 percent against the U.S. dollar, the pound sterling and the euro, respectively, during the first quarter of the year. The cedi, however, performed worse against the major international currencies in the first quarter of 2022 than in the same period of 2021 when it appreciated by 0.5 percent and 5.2 percent against the U.S. dollar and the euro, respectively, but was stable against the pound sterling.

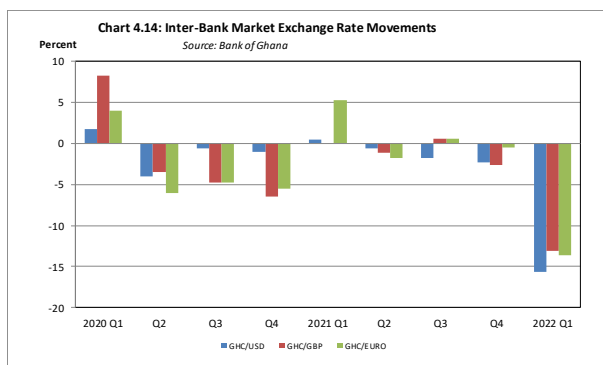


Table 4.6: Forex Bureaux Exchange Rate Movements

End Period	Quarterly		Annual		Quarterly		Annual		Quarterly		Annual	
	c/US\$	depreciation/ appreciation	depreciation/ appreciation	c/GBP	depreciation/ appreciation	depreciation/ appreciation	c/Euro	depreciation/ appreciation	depreciation/ appreciation	depreciation/ appreciation	depreciation/ appreciation	
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			
2022 Q1	7.8175	-18.4		9.9990	-16.6		8.31	-14.1				

Depreciation (-)/ Appreciation (+)

Source: Reuters

At the end of the first quarter of 2022, the total volume of forex purchases recorded was US\$5,585.61 million. Commercial banks' purchases contributed 75.2 percent of the total purchases (US\$4,198.98 million). The Central Bank's support to the market accounted for 23.6 percent (US\$1,319.67 million) and purchases from forex bureaux contributed the remaining 1.2 percent.

Compared to Q4: 2021, the volume of total purchases increased by 10.1 percent. Similarly, compared to Q1:2021, the volume of total purchases increased by 16.2 percent. Commercial banks' purchases decreased by 3.1 percent, while Bank of Ghana's support increased significantly by 208.9

Table 4.7: Foreign Exchange Transaction Market

		Purchases (million \$)				Sales (million \$)		
		Commercial		Forex	Total	Commercial	Forex	Total
		BOG Sales	Bank	Bureau	Purchases	Bank	Bureau	Sales
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	21.70	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	
2022	Jan	277.43	1,186.41	22.09	1,485.93	1,469.47	21.98	1,491.95
	Feb	480.42	1,259.63	20.69	1,760.74	1,722.60	20.63	1,743.23
	Mar	561.82	1,752.54	24.18	2,338.94	2,246.96	23.82	2,270.78
	Q1	1,319.67	4,198.14	66.96	5,581.65	5,439.03	66.43	5,505.46

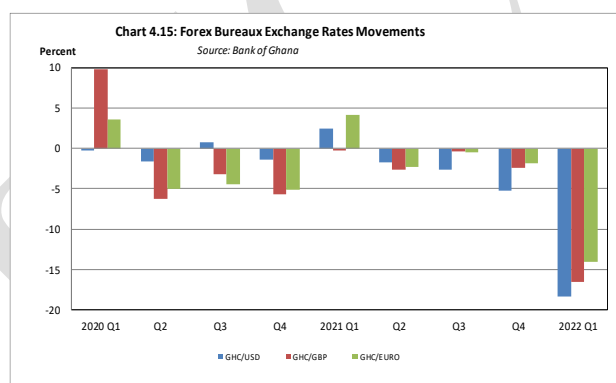
the first quarter of 2021, total sales increased by 0.6 percent.

4.9 The Stock Market

The GSE-CI dipped in Q1:2022, recording a loss of 1.67 percent. The poor performance of the GSE-CI could partly be attributed to the poor performance of the domestic currency and rising inflation. Consequently, market capitalization decreased. The performance of the GSE-CI in the ensuing quarter might be influenced by monetary and fiscal policy decisions within that period such as the implementation of e-levy by Government and a change in the monetary policy rate.

On the **Forex Bureaux market**, the Ghana cedi depreciated by 18.4 percent, 16.6 percent and 14.1 percent against the U.S. dollar, the pound sterling and the euro, respectively. The cedi performed worse in the first quarter of 2022 compared to the corresponding period of 2021 when it appreciated by 2.4 percent and 4.1 percent against the U.S. dollar and the euro, respectively, but depreciated against the pound sterling by 0.3 percent.

Foreign Exchange Transaction Market

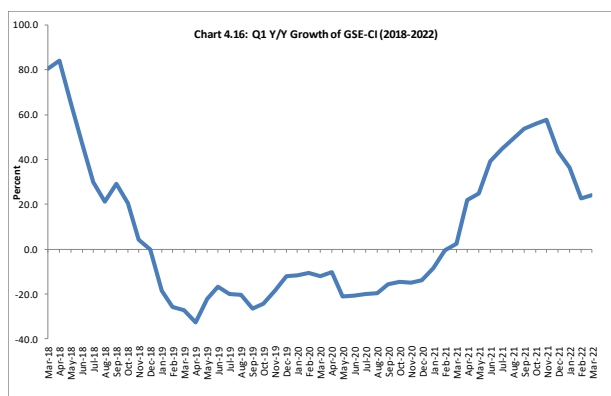


percent. Forex bureaux purchases also grew by 43.8 percent.

With regard to sales, total volume of sales recorded was US\$5,505.46 million. Commercial bank sales amounted to US\$4,439.03 million (98.8% of the total amount). Forex bureaux contributed the remaining amount. The total volume of sales increased by 13.3 percent on a quarterly basis. However, compared to

The GSE-CI

The GSE-CI decreased by 1.67 percent (-46.49 points) on quarter-on-quarter basis at the end of Q1:2022 which compares with an increase of 13.99 percent (85.03 points) in the same period in 2021. 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 23.93 percent (592.56 points) as at the end of Q1:2022.



Sector Performance

The performance in the GSE-CI in Q1:2022 was mainly as a result of share price depreciation of stocks in the

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

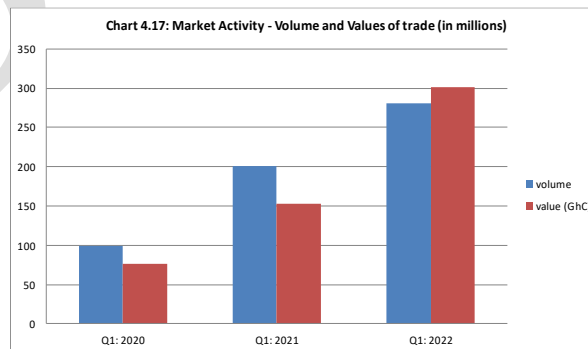
Month	SECTOR											GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Mar-21	558.19	628.16	1845.92	2241.24	135.37	30.82	400.00	39.68	4.00	100.00	100.00	2213.29
Dec-21	1250.50	613.36	2151.85	3000.37	135.22	40.24	1330.00	40.07	4.32	100.00	100.00	2789.34
Mar-22	1276.36	613.36	2174.96	2989.20	131.07	38.43	1200.00	40.10	6.31	100.01	100.00	2742.85
2022 (Q-on-Q)												
Absolute Δ	25.86	0.00	23.11	-11.17	-4.15	-1.81	-130.00	0.03	1.99	0.01	0.00	-46.49
% Δ	2.07	0.00	1.07	-0.37	-3.07	-4.50	-9.77	0.07	46.06	0.01	0.00	-1.67
2022 (Y-on-Y)												
Absolute Δ	718.17	-14.80	329.04	747.96	-4.30	7.61	800.00	0.42	2.31	0.01	0.00	529.56
% Δ	128.66	-2.36	17.83	33.37	-3.18	24.69	200.00	1.06	57.75	0.01	0.00	23.93

Source: Ghana Stock Exchange

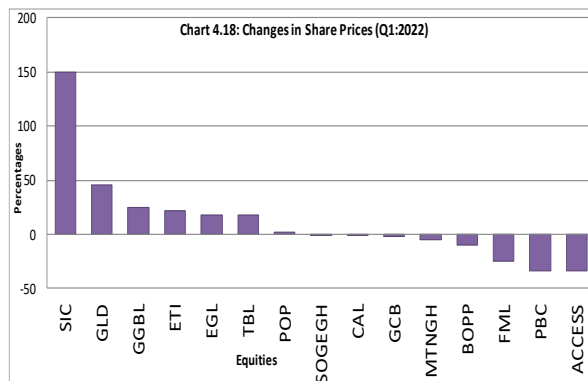
Agriculture (-9.77%; -130.00 points), IT (-4.50%; -1.81 points), and Mining (-3.07%; -4.15 points) sectors. However, the Food and Beverage, Petroleum and ETFund sector stocks gained, while the Manufacturing and Advertising & Production sector stocks recorded no change in prices.

Market Performance

The total volume of trades on the GSE in Q1:2022 amounted to 280.66 million shares, valued at GH¢301.85 million which compares with a volume of 200.93 million shares, valued at GH¢153.40 million in Q1:2021. During the period, MTNGH in the IT sector recorded the highest volume and value of trades. The increase in the volume and value of trades was an indication of a deepening financial market.



In Q1:2022, eight (8) stocks lost, while six (6) gained to moderate the losses in the GSE-CI. The rest remained unchanged at the end of the review period. SIC and GLD were the best performers and led the list of advancers with a share price appreciation of 150.0 percent and 46.04 percent, respectively. GGBL, ETI and EGL also recorded gains of 25.00 percent, 21.43 percent and 18.28 percent, respectively. However, ACCESS, PBC and FML shed 33.65 percent, 33.33 percent and 25.00 percent, respectively, to top the losers.



Market Capitalization

Total market capitalization at the end of Q1:2022 stood at GH¢64,029.79 million, representing a decrease of 0.72 percent (GH¢465.4 million). Comparatively, market capitalization increased by 5.13 percent (GH¢2,787.3 million) in the same period in 2021.

Month	SECTOR (GH¢ mill)											
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	MKT. CAP.
Mar-21	479.43	451.11	11872.73	963.02	15957.88	10447.92	69.60	16898.72	0.50	10.57	10.70	57162.18
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
Mar-22	1096.26	440.48	15418.60	1284.40	15451.47	13028.92	208.80	17078.80	0.79	10.57	10.70	64029.79
2022 (Q-on-Q)												
Absolute Δ	22.21	0.00	629.69	-4.80	-488.75	-614.53	-22.62	13.14	0.25	0.00	0.00	-465.41
% Δ	2.07	0.00	4.26	-0.37	-3.07	-4.50	-9.77	0.08	46.30	0.00	0.00	-0.72
2022 (Y-on-Y)												
Absolute Δ	616.83	-10.63	3545.87	321.38	-506.41	2581.00	139.20	180.08	0.29	0.00	0.00	6867.61
% Δ	128.66	-2.36	29.87	33.37	-3.17	24.70	200.00	1.07	58.00	0.01	0.00	12.01

Source: Ghana Stock Exchange

The main sectors that accounted for the decrease in market capitalization in Q1:2022 were the Agriculture (-9.77%; -GH¢22.62 million), IT (-4.50%; -GH¢614.53 million), Mining (-3.07%; -GH¢488.75 million), and Distribution (-0.37%; -GH¢4.80

million) sectors. The decrease in market capitalization was moderated by increases in the ETFund (46.30%; GH¢0.25 million), Finance (4.26%; GH¢629.69 million), Food and Beverage (2.07%; GH¢22.21 million) and Oil (0.08%; GH¢13.14 million) sectors.

The Bond Market

The total value of Government of Ghana Notes and Bonds listed on the GFIM at end-March 2022 stood at GH¢157,083.74 million compared to GH¢134,633.37 million at end-March 2021. Total value of corporate bonds stood at GH¢30,121.10 million at the end of March 2022 compared with GH¢30,156.25 million at the end of March 2021. The cumulative volume of trades on the GFIM from the beginning of the year to the end of March 2022 stood at 64,138.28 million valued at GH¢60,003.14 million. This represents an increase of 6.98 percent from the previous quarter.

5. Fiscal Developments

Fiscal developments in Q1:2022 resulted in a provisional deficit of GH¢12,929.5 million (2.6% of GDP), higher than the programmed target of GH¢11,470.4 million (2.3% of GDP), and higher than the deficit of GH¢11,963.3 million (2.6% of GDP) recorded in Q1:2021. The first quarter of 2022 also recorded a primary deficit of GH¢2,321.1 million (0.5% of GDP) against the programmed deficit of GH¢1,433.1 million (0.3% of GDP) and a primary deficit of GH¢3,696.8 million (0.8% of GDP) in the corresponding period of 2021.

5.1. Government Revenue

Government receipts (including grants) for the review period totalled GH¢16,708.9 million (3.3% of GDP). This was lower than the target of GH¢19,338.8 million (3.9% of GDP) but higher than GH¢14,713.1 million recorded for the corresponding quarter in 2021, as shown in Table 5.2. Total receipts comprised tax revenue of GH¢12,864.2 million (77% of total receipts), Non-tax revenue of GH¢2,431.2 million (14.6% of total receipts), and Grants of GH¢84.6 million (0.5% of total receipts).

Table 5.1: Fiscal Indicators (GH¢million)

Million Ghana Cedis	2020		2021		2022		Deviation (Prov.-Prog.) Under (-)/ Over (+)	% change Q1:2022 - Q1:2021
	Prov. Q1	Prog. Q1	Prov. Q1	Prog. Q1	Prov. Q1	Prog. Q1		
Taxes on income and property	4,781.03	5,168.56	5,916.15	7,066.71			-16.28	14.46
percent of GDP	2.47	1.13	1.18	1.41				
Taxes on goods and services	3,977.91	4,325.50	5,825.77	6,211.20			-6.21	34.68
percent of GDP	1.04	0.94	1.16	1.24				
Taxes on international trade	1,189.43	1,472.71	1,863.35	2,047.53			-9.00	26.53
percent of GDP	0.40	0.32	0.37	0.41				
Tax revenue including oil	9,481.39	10,409.81	12,864.21	14,680.61			-12.37	23.58
percent of GDP	2.77	2.77	2.56	2.92				
Tax revenue excluding oil	8,796.22	10,096.42	12,533.18	14,074.05			-10.95	24.13
percent of GDP	2.47	2.31	2.57	2.88				
Nontax revenue	1,483.21	1,646.89	2,431.20	3,225.16			-24.62	47.62
percent of GDP	0.39	0.36	0.48	0.64				
Domestic revenue including oil	11,630.67	12,802.02	16,624.27	19,183.61			-13.34	29.86
percent of GDP	3.03	2.79	3.31	3.82				
Domestic revenue excluding oil	10,945.50	12,488.63	16,293.25	18,577.06			-12.29	30.46
percent of GDP	2.96	2.85	3.34	3.81				
Grants	356.76	559.33	84.61	155.23			-45.49	-84.87
percent of GDP	0.09	0.12	0.02	0.03				
Total revenue and grants	11,987.43	13,361.35	16,708.88	19,338.84			-13.60	25.05
percent of GDP	3.13	2.91	3.33	3.85				
Compensation of Employees	6,499.81	6,934.38	7,555.90	8,960.31			-15.67	8.96
percent of GDP	1.69	1.58	1.50	1.50				
Goods and services	1,677.33	21.06	163.51	1,842.36			-91.12	676.40
percent of GDP	0.44	0.00	0.03	0.37				
Interest payments	6,409.14	10,372.62	10,608.39	10,037.31			5.69	2.27
percent of GDP	1.67	2.36	2.11	2.00				
Subsidies	48.67	-	0.00	52.24			-29.47	-46.16
percent of GDP	0.01	-	0.00	0.01				
Non-Financial Assets (Capital Expenditure)	3,257.44	3,604.18	1,940.58	2,751.37			-29.47	-46.16
percent of GDP	0.85	0.79	0.39	0.55				
Total expenditure & net lending	22,977.92	23,217.20	26,953.30	30,524.20			-11.70	16.09
percent of GDP	5.99	5.06	5.36	6.08				
Overall Budget Balance	-14,216.32	-11,963.25	-12,929.51	-11,470.36			12.72	8.08
per cent of GDP	-3.71	-2.61	-2.57	-2.28				
Domestic Expenditure	16,409.45	13,590.20	17,127.53	19,110.80			-10.38	26.03
percent of GDP	4.28	2.96	3.41	3.80				
Domestic Primary Balance	-4,778.78	-788.18	-503.26	72.81			-791.20	-36.15
percent of GDP	-1.25	-0.17	-0.10	0.01				
Primary Balance	-7,807.18	-3,696.77	-2,321.12	-1,433.06			61.97	-37.21
percent of GDP	-2.04	-0.81	-0.46	-0.29				
Stock of Domestic Debt	135,145.78	-	-	-				
percent of GDP	35.24	-	-	-				
Nominal GDP (Including oil)	383,486.09	459,130.92	502,429.68	502,429.68				
Nominal GDP (Excluding oil)	353,705.15	437,975.17	488,054.81	488,054.81				

Source: Bank of Ghana and Ministry of Finance

Income and Property Tax

Taxes from income and property during the first quarter of 2022 was GH¢5,916.2 million. This was lower than the budgeted target of GH¢7,066.7 million by 16.3 percent but recorded a year-on-year growth of 14.5 percent. Personal income taxes raked in GH¢1,902.5 million, lower than its budgeted target of GH¢2,423.7 million. This recorded a year-on-year decline of 0.6 percent. Corporate taxes totalled GH¢2,916.3 million, while “Others” summed up to GH¢904.3 million. Inflows from Airport tax totalled GH¢45.5 million compared to GH¢37.9 million recorded in the same period in 2021.

Taxes on Domestic Goods and Services

Taxes on domestic goods and services of GH¢5,825.8 million was lower than the programmed target of GH¢6,211.2 million by

6.2 percent. This tax component comprised excise duty and petroleum tax of GH¢1,292.8 million, VAT collections of GH¢2,918.7 million, National Health Insurance Levy of GH¢609.7 million, GET fund levy of GH¢610.0 million, communication service tax of GH¢109.9 million and Covid-19 Health Levy of GH¢284.7 million. All these tax components recorded a mixed performance compared to their respective programmed targets.

Petroleum taxes, which constituted 88.6 percent of excises, totalled GH¢1,145.1 million and was below the programmed target of GH¢1,228.4 million by 6.8 percent. Total VAT collections was below its budgeted target of GH¢3,191.1 million by 8.6 percent. This was occasioned by lower-than-expected domestic and external VAT collections of GH¢1,585.8 million and GH¢1,332.9 million against targets of GH¢1,783.9 million and GH¢1,407.2 million, respectively. National Health Insurance Levy and communication service tax also missed their respective targets by 14.6 and 23.4 percent with the exception of GET fund levy, which exceeded its estimates by 3.1 percent.

Taxes on International Trade

International trade taxes totalled GH¢1,863.4 million, lower than the budget target of GH¢2,047.5 million by 9.0 percent, but higher than GH¢1,515.13 million recorded in the corresponding period of 2021 by 26.5 percent.

Non-Tax Revenue

Non-tax revenue of GH¢2,431.2 million for the review period, missed the programmed target of GH¢3,225.2 million by 24.6 percent, and recorded a year-on-year growth of 47.6 percent. Non-tax revenue

comprised Retention of GH¢1,455.7 million and Lodgement of GH¢975.5 million.

Table 5.2: Government Revenue (GH¢ million)

Million Ghana Cedis	2020	2021	2022		Deviation Prov/Prog 2022 Q1	Change Yr-on-Yr Growth
	Prov. Q1	Prov. Q1	Prov. Q1	Prog. Q1		
TAX REVENUE	9,481.39	11,618.71	12,864.21	14,680.61	-12.37	23.58
(percent of GDP)	2.47	2.27	2.56	2.92		
TAXES ON INCOME & PROPERTY	4,781.03	5,168.56	5,916.15	7,066.71	-16.28	14.46
Personal	1,700.90	1,982.24	1,902.54	2,423.72	-21.50	-0.57
Self employed	80.26	98.56	101.97	274.46	-62.85	35.24
Companies	1,929.95	2,337.81	2,916.31	3,093.48	-5.73	20.57
Company taxes on oil	278.04	237.01	91.08	338.72		
Others	791.87	512.94	904.25	936.33	-3.43	72.62
Other direct taxes /1	633.95	415.20	662.65	655.20	7.00	-8.46
National Fiscal Stabilisation Levy	40.79	59.87	110.53	96.57	-61.69	-24.67
Finsec clean-up Levy	0.00	0.00	85.61	63.20	19.33	14.38
Airport Tax	117.13	37.88	45.47	121.35	-62.53	61.22
TAXES ON DOMESTIC GOODS AND SERVICES	3,977.91	5,491.99	5,825.77	6,211.20	-6.21	34.68
EXCISES	1,067.40	2,003.77	1,292.78	1,388.82	-6.92	24.99
Excise Duty	114.99	93.57	147.69	160.47	-7.96	57.84
Petroleum tax	952.40	1,910.20	1,145.08	1,228.35	-6.78	21.72
VAT	2,026.70	2,481.92	2,918.68	3,191.10	-8.54	27.73
Domestic	1,210.85	1,173.19	1,585.77	1,783.92	-11.11	35.17
External	815.85	1,308.72	1,332.91	1,407.18	-5.28	19.89
National Health Insurance Levy (NHIL)	388.17	443.60	609.72	713.71	-14.57	37.45
Getfund Levy	393.07	444.21	609.98	591.51	3.12	37.34
Communication Service Tax	102.58	118.49	109.91	143.41	-23.36	-7.24
Covid-19 Health Levy	0.00	0.00	284.70	182.65	55.87	
TAXES ON INTERNATIONAL TRADE	1,189.43	1,515.13	1,863.35	2,047.53	-9.00	26.52
Imports	1,189.43	1,515.13	1,863.35	2,047.53	-9.00	26.52
Import duty	1,189.43	1,515.13	1,863.35	2,047.53	-9.00	26.52
Tax Refunds	-466.97	-556.97	-741.06	-644.83	14.92	33.05
SOCIAL CONTRIBUTIONS	45.72	0.00	0.00	193.11		
SSNIT Contribution to NHIL	45.72	0.00	0.00	193.11		
NON-TAX REVENUE	1,483.21	1,722.43	2,431.20	3,225.16	-24.62	47.62
Retention	1,067.12	1,203.84	1,455.69	2,076.33	-29.89	29.02
Lodgement	416.10	518.59	975.51	1,148.83	-15.09	88.11
OTHER REVENUE	620.34	809.47	1,328.86	1,084.74	22.51	78.29
ESLA Proceeds	620.34	809.47	1,328.86	1,084.74	-11.31	29.08
DOMESTIC REVENUE	11,630.67	14,150.60	16,624.27	19,183.61	-13.34	29.86
GRANTS	356.76	562.49	84.61	155.23	-45.50	-84.87
Project grants	356.76	562.49	84.61	155.23	-45.50	-84.87
TOTAL REVENUE & GRANTS	11,987.43	14,713.09	16,708.88	19,338.84	-13.60	25.05

Source: Bank of Ghana and Ministry of Finance

Table 5.3: Government Expenditure (GH¢ Million)

Million Ghana Cedis	2020	2021	2022	2022	Deviation Prov/Prog 2022 Q1	Change Yr-on-Yr Growth
	Prov. Q1	Prov. Q1	Prov. Q1	Prog. Q1		
Compensation of Employees	6,499.81	6,934.38	7,555.90	8,960.31	-15.67	8.96
Wages & Salaries	5,721.21	6,551.47	7,127.04	7,724.24	-7.73	8.79
Social Contributions	778.59	382.92	433.31	1,236.07	-64.94	13.16
Pensions	306.75	309.78	346.65	463.45	-25.20	11.90
Gratuities	53.59	73.13	86.67	76.34	13.53	18.51
Social Security	418.26	0.00	0.00	696.28		
Use of Goods and Services	1,677.33	263.33	163.51	1,842.36	-91.13	-37.91
o/w Recurrent Expenditure share of ABFA from Oil (30% of ABFA)	464.33	0.71	0.00	178.10		
Interest Payments	6,409.14	8,266.48	10,608.39	10,037.31	5.69	28.33
Domestic	5,259.55	6,705.43	8,771.95	8,327.19	5.34	30.82
External (Due)	1,149.59	1,561.04	1,836.44	1,710.11	7.39	17.64
Subsidies	48.67	49.68	0.00	52.24		
Subsidies to Utility Companies	0.00	0.00	0.00	0.00		
Subsidies on Petroleum products	48.67	49.68	0.00	52.24		
Grants to Other Government Units	3,427.83	3,047.74	4,459.58	5,596.13	-20.31	46.32
National Health Fund (NHF)	508.78	210.00	416.44	668.34	-37.69	98.30
Education Trust Fund	386.78	196.50	446.58	476.26	-6.23	127.27
Road Fund	300.00	264.73	312.55	356.69	-12.37	18.07
Energy Fund	0.00	0.00	0.00	0.00		
Petroleum Related Fund	4.74	3.63	6.38	7.28	-12.38	
Dist. Ass. Common Fund	646.38	316.04	514.33	607.82	-15.38	62.74
o/w ABFA	0.00	14.32	0.00	0.00		
Ghana Infrastructure Fund	0.00	40.10	55.99	83.11	-32.63	39.65
o/w ABFA	0.00	0.00	20.00	29.68	-32.62	
Retention of Internally-generated funds (IGFs)	1,067.12	1,203.84	1,455.69	2,076.33	-29.89	20.92
Transfer to GNPC from Oil Revenue	141.04	103.53	413.04	308.20	34.02	298.97
Other Earmarked Funds	372.98	709.38	838.58	1,012.08	-17.14	18.21
Youth Employment Agency	48.82	69.53	71.78	85.51	-16.06	3.24
Student's Loan Trust	0.00	0.76	0.83	0.95	-12.37	8.66
Ghana EXIM Bank Ltd	0.00	0.00	0.00	0.00		
Export Development Levy	0.00	39.99	50.81	57.99	-12.37	27.06
Ghana Airport Authority	117.13	37.88	45.47	121.35	-62.53	20.05
Mineral Development Fund	0.00	35.30	42.74	48.77	-12.37	21.07
Mineral Income Investment Fund	0.00	240.51	250.27	240.95	3.87	4.06
GRA Retention	207.02	284.66	375.91	455.69	-17.51	32.05
Plastic Waste Recycling Fund	0.00	0.75	0.76	0.87	-12.37	1.32
Social Benefits	37.37	0.00	0.00	50.77		
Lifeline Consumers of Electricity	37.37	0.00	0.00	50.77		
Other Expenditure	1,620.34	915.09	2,225.34	1,233.72	80.38	143.18
ESLA Transfers	620.34	756.20	786.79	1,032.50	-23.80	4.05
Covid-Related Expenditure	0.00	181.38	0.00	0.00		
Financial Sector Cost (Cash) / Other Critical spending	1,000.00	0.00	1,438.55	201.21	614.95	
Acquisition of Non-Financial Assets	3,257.44	3,551.07	1,940.58	2,751.37	-29.47	-45.35
Domestic financed	667.88	525.11	38.11	1,375.27	-97.23	-92.74
Foreign financed	2,589.56	3,025.95	1,902.47	1,376.10	38.25	-37.13
TOTAL EXP. & NET LENDING	22,977.92	23,027.77	26,953.30	30,524.20	-11.70	17.05

Source: Bank of Ghana and Ministry of Finance

Other Revenue

Other revenue, made up of ESLA proceeds, was GH¢1,328.9 million against the target of GH¢1,084.7 million, recording a negative deviation of 11.3 percent. This was mainly on account of lower-than-anticipated demand in petroleum products resulting from the impact of the Russia-Ukraine war on the prices of petroleum products.

5.2 Government Expenditure

Government expenditure and net lending for the first quarter of 2022 was GH¢26,953.3 million (5.4% of GDP), below the budgeted target of GH¢30,524.2 million (6.1% of GDP) by 11.7 percent. All expenditure lines were below their respective targets with the exception of Interest Payments and Other Expenditure, which were above their budget targets by 5.7 percent and 80.4 percent, respectively.

Compensation of Employees

Compensation of employees comprising wages and salaries, and social security contributions for the first quarter of 2022, totalled GH¢7,555.9 million, constituting 28.0 percent of total government expenditure and net lending. This was 15.7 percent lower than the programmed target of GH¢8,960.3 million and recorded a year-on-year growth of 9.0 percent.

Interest Payments

Interest payments of GH¢10,608.4 million was 5.7 percent above the programmed target of GH¢10,037.3 million. Domestic interest payments which accounted for 82.7 percent of the total interest payments overshoot its target by 7.4 percent, while external interest payments

with a share of 17.3 percent, exceeded its target by 5.3 percent.

Grants to Other Government Units

Grants to other government units for the review period totalled GH¢4,459.6 million and was below the budgeted target of GH¢5,596.1 million by 20.3 percent. National Health Fund and GET Fund payments were GH¢416.4 million and GH¢446.6 million, respectively. Payments made in respect of District Assemblies' Common Fund was GH¢514.3 million. Retention of internally generated funds totalled GH¢1,455.7 million, 29.9 percent lower than the targeted amount of GH¢2,076.3 million.

Other Expenditure

Other expenditure, made up of ESLA Transfers, COVID-Related Expenditure, and Financial Sector Cost was GH¢2,225.3 million for the review period, higher than the budgeted target of GH¢1,233.7 million by 80.4 percent.

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

Government acquisition of non-financial assets during the first quarter of 2022 was GH¢1,940.6 million. This was below the budgeted target of GH¢2,751.4 million by 29.5 percent. Total domestic financed capital expenditure for the period was GH¢38.1 million (2.0 percent of capital expenditure), while foreign financed capital expenditure was GH¢1,902.5 million (98.0 percent capital expenditure).

5.3 Financing

Table 5.4: Government Financing (GH¢ million)

Million Ghana Cedis	2020		2021		2022		Deviation (Prov.-Prog.) Under (-)/ Over (+)	% change Q1:2022 - Q1:2021
	Prov. Q1	Prov. Q1	Prov. Q1	Prog. Q1	Prov. Q1	Prog. Q1		
Overall balance (commitment)	-10,990.49	-9,855.85	-10,244.42	-11,185.36			-8.41	3.94
(percent of GDP)	-2.87	-2.15	-2.04	-2.23				
Road Arrears (net change)	-795.59	-326.34	0.00	285.00				
Clearance of outstanding commitments	-795.59	0.00	0.00	0.00				
Overall balance (cash)	-11,786.09	-10,182.18	-10,244.42	-11,470.36			-10.69	0.61
(percent of GDP)	-3.07	-2.22	-2.04	-2.28			-10.69	-8.06
Discrepancy	-2,430.23	-1,781.07	-2,685.09	0.00				50.76
Overall balance (incl. Divestiture and Discrepancy)	-14,216.32	-11,963.25	-12,929.51	-11,470.36			12.72	8.08
(percent of GDP)	-3.71	-2.61	-2.57	-2.28				
Financing	14,216.32	11,963.25	12,929.51	11,470.36			12.72	8.08
Foreign (net)	5,034.50	578.38	-1,513.59	-464.59			225.79	-361.70
Borrowing	9,889.24	3,002.57	1,818.00	1,220.87			48.91	-39.45
Project loans	2,232.80	2,582.26	1,817.86	1,220.87			48.90	-29.60
Sovereign Bond	7,656.44	0.00	0.00	0.00				
Amortisation (due)	-4,854.73	-2,424.19	-3,331.59	-1,685.46			97.67	37.43
Domestic (net)	9,435.57	11,519.26	14,614.51	12,100.33			20.78	26.87
Banking	3,982.12	3,671.99	13,340.16	3,283.45			306.29	263.29
Bank of Ghana	4,410.91	771.45	10,107.15	0.00				1210.14
Comm. Banks	-428.79	2,900.54	3,233.01	3,283.45			-1.54	11.46
Non-banks	3,177.99	7,847.26	1,274.36	8,727.84			-85.40	-83.76
o/w Non-residents	828.60	4,082.71	0.00	0.00				
Other Domestic	2,275.46	0.00	0.00	89.05				
Other Financing	-16.03	0.00	0.00	0.00				
Other domestic financing	-16.03	0.00	0.00	0.00				
Ghana Petroleum Funds	251.19	-134.39	-171.41	-76.33				
Transfer to Ghana Petroleum Funds	-237.73	-134.39	-171.41	-254.43				
o/w Stabilisation Fund	-166.41	-94.07	-119.99	-178.10				
o/w Heritage Fund	-71.32	-40.32	-51.42	-76.33				
Transfer from Stabilisation Fund	488.91	0.00	0.00	178.10				
Sinking Fund	-488.91	0.00	0.00	-				
Contingency Fund	0.00	0.00	0.00	-89.05				
Nominal GDP (Including oil)	383,486.09	459,130.92	502,429.68	502,429.68				
Nominal GDP (Excluding oil)	353,705.15	437,975.17	488,054.81	488,054.81				

Source: Bank of Ghana and Ministry of Finance

The overall budget balance, including divestiture and discrepancy, in the first quarter of 2022 was GH¢12,929.5 million (2.6% of GDP) against a target of GH¢11,470.4 million (2.3% of GDP). The deficit was financed with a net domestic financing of GH¢14,614.5 million and a net foreign repayment of GH¢1,513.6 million as presented in Table 5.4

Out of the Net Domestic Financing, the banking sector financed GH¢13,340.2 million of the resource gap, while the Non-Bank sector financed the remaining GH¢1,274.4 million. Out of the banking sector financing, GH¢10,107.2 million was sourced from Bank of Ghana and GH¢3,233.0 million from the DMBs.

5.4 Domestic Debt

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

STRUCTURE OF DOMESTIC DEBT	2020	2021				2022	Year to Date
	Q1	Q1	Q2	Q3	Q4	Q1	Q1:2022- Q4:2021
A. Short-Term Instruments	16,585.28	20,666.88	23,086.46	23,778.74	22,616.96	22,854.22	237.26
91-Day Treasury Bill	7,665.36	10,877.48	10,959.36	10,371.93	9,634.10	10,812.58	1,178.48
182-Day Treasury Bill	2,833.27	4,212.42	4,606.38	4,758.92	4,653.12	4,074.29	(578.83)
364-Day Treasury Bill	6,086.65	5,576.98	7,520.72	8,647.89	8,329.74	7,967.35	(362.39)
B. Medium-Term Instruments	65,390.07	100,303.55	105,781.96	110,248.68	115,074.26	122,116.24	7,041.98
2-Year Fixed Treasury Note	11,998.01	19,063.32	19,226.88	19,435.91	20,145.37	21,858.25	1,712.88
3-Year Fixed Treasury Note	14,766.36	30,238.43	29,050.62	27,782.69	27,174.32	28,791.42	1,617.10
3-year USD Domestic Bond	2,022.27	2,229.09	2,242.23	2,716.88	2,781.64	3,293.94	512.30
3-Year Stock(SSNIT)	123.86	0.00	0.00	0.00	0.00	0.00	0.00
4-Year GOG Bond	-	-	-	541.36	541.36	541.36	0.00
5-Year GOG Bond	20,509.07	23,820.95	27,404.35	27,729.37	30,019.85	30,538.51	518.66
5-Year USD Domestic Bond	-	0.00	0.00	0.00	1,015.44	1,884.58	869.14
6-Year GOG Bond	1,835.48	5,929.31	6,037.96	7,641.44	8,671.36	10,228.52	1,557.16
7-Year GOG Bond	5,319.90	5,623.69	7,744.65	8,574.97	8,826.55	8,924.79	98.24
10-Year GOG Bond	8,815.12	13,401.77	14,075.27	15,826.06	15,898.36	16,054.86	156.50
C. Long-Term Instruments	29,173.23	43,559.84	44,967.32	44,782.17	44,800.06	44,643.73	(156.33)
15-Year GOG Bond	14,483.32	15,239.07	15,805.66	15,677.71	15,805.66	15,649.33	(156.33)
20-Year GOG Bond	162.13	538.60	1,546.76	1,546.76	1,546.76	1,546.76	0.00
Long Term Government Stocks	13,748.44	27,060.03	26,949.97	26,949.97	26,839.90	26,839.90	0.00
GOG Petroleum Finance Bond	80.02	80.02	80.02	80.02	80.02	80.02	0.00
TOR Bonds	228.80	171.60	114.40	57.20	57.20	57.20	0.00
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	109.46	0.00
Revaluation Stock	361.06	361.06	361.06	361.06	361.06	361.06	0.00
TOTAL	111,148.58	164,530.26	173,835.75	178,809.59	182,491.28	189,614.19	

Source: Bank of Ghana and Ministry of Finance

Composition of Domestic Debt

The stock of domestic debt at the end of the first quarter of 2022 increased by GH¢25,083.9 million from GH¢164,530.3 million at the end of the first quarter in 2021 to GH¢189,614.2 million. The year-on-year growth in the debt stock was mainly due to increases in the short-term, medium-term, and long-term securities of GH¢2,187.4 million, GH¢21,812.7 million and GH¢1,083.9 million, respectively.

The short-term securities registered some growth on the back of an increase in the 364-day Treasury bill of GH¢2,390.4 million, while the 91-day and 182-day Treasury bills decreased by GH¢64.9 million and GH¢138.1

million, respectively.

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

Holdings of Domestic Debt	2020	2021				2022
	Q1	Q1	Q2	Q3	Q4	Q1
A. Banking sector	50,969.90	83,137.27	87,290.76	91,079.52	92,125.33	95,335.15
Bank of Ghana	15,317.78	34,820.58	34,671.67	34,532.02	36,998.23	37,437.91
Deposit Money Banks	35,652.12	48,316.70	52,619.09	56,547.50	55,127.10	57,897.24
B. Nonbank sector	33,057.82	49,422.92	52,721.92	55,365.29	61,170.44	65,160.08
SSNIT	199.09	474.51	574.06	591.78	537.91	502.24
Insurance Co.s	624.10	913.95	949.09	1,039.04	1,094.62	1,259.76
Others Holders	32,234.63	48,034.45	51,198.78	53,734.47	59,537.91	63,398.08
Rural Banks	817.34	1,831.27	1,913.64	1,847.77	2,006.72	2,133.27
Firms & Institutions	21,879.92	32,751.05	34,544.89	35,995.47	41,013.77	44,245.18
Individuals	9,537.37	13,452.13	14,740.25	15,891.24	16,517.42	17,019.63
C. Foreign sector(Non-Residents)	27,120.86	31,970.07	33,822.51	32,364.78	29,195.51	29,118.96
TOTAL	116,180.17	128,716.66	150,877.11	164,897.19	173,835.19	178,809.59

Source: Bank of Ghana and Ministry of Finance

All the medium-term debt instruments increased with the exception of the 3-year Fixed Treasury Note, which dropped by GH¢1,447.0 million, resulting in a net increase of GH¢21,812.7 million.

The increase in the long-term securities was due to moderate increases of GH¢410.3 million and GH¢1,008.2 million in the 15-year and 20-year GoG bonds, respectively. Decreases of GH¢220.1 million and GH¢280.4 million were recorded in the TOR bond and long-term Government stocks,

respectively.

Holdings of Domestic Debt

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

Holdings of Domestic Debt	2020 Q1	2021 Q1	2021 Q2	2021 Q3	2021 Q4	2022 Q1
A. Banking sector	45.86	50.53	50.21	50.94	50.48	50.28
Bank of Ghana	13.78	21.16	19.95	19.31	20.27	19.74
Deposit Money Banks	32.08	29.37	30.27	31.62	30.21	30.53
B. Nonbank sector	29.74	30.04	30.33	30.96	33.52	34.36
SSNIT	0.18	0.29	0.33	0.33	0.29	0.26
Insurance Co.s	0.56	0.56	0.55	0.58	0.60	0.66
Others Holders	29.00	29.19	29.45	30.05	32.63	33.44
Rural Banks	0.74	1.11	1.10	1.03	1.10	1.13
Firms & Institutions	19.69	19.91	19.87	20.13	22.47	23.33
Individuals	8.58	8.18	8.48	8.89	9.05	8.98
C. Foreign sector(Non-Residents)	24.40	19.43	19.46	18.10	16.00	15.36
TOTAL	100.00	100.00	100.00	100.00	100.00	100.00

Source: Bank of Ghana and Ministry of Finance

Bank of Ghana's holding of domestic debt at the end of the first quarter of 2022 stood at GH¢37,437.9 million, representing 19.7 percent of the total domestic debt as captured in Tables 5.6 and 5.7. The Deposit Money Banks' (DMBs) holdings of domestic debt was GH¢57,897.2 (30.5%), compared to GH¢48,316.7 million (29.4%) of their holdings recorded in Q1:2021.

SSNIT held GH¢502.2 million (0.3%), Insurance companies GH¢1,259.8 million (0.7%), while 'Other holders' comprising rural banks, firms and institutions as well as individuals held a total of GH¢63,398.1 million (33.4%). Non-Resident investors held GH¢29,119.0 million (15.4%) compared to their holding of GH¢31,970.1 million (19.4%) recorded in Q1:2021.

6. Balance of Payments

6.1 International Trade and Finance

Preliminary estimates of Ghana's balance of payments for the first quarter of 2022 show a deficit of US\$934.5 million compared to a deficit of US\$429.9 million recorded in the first quarter of 2021. The overall BOP deficit was due to the combined effect of the current account deficit and outflows from the capital and financial account.

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

	Q1:2021*	Q1:2022*	Q1:2021/2022	
			Abs change	% change
CURRENT ACCOUNT	-197.0	-128.2	68.8	-34.9
Merchandise Exports (f.o.b.)	3,961.6	4,543.3	581.7	14.7
Cocoa beans and products	1,021.7	895.0	-126.7	-12.4
Gold	1,377.9	1,372.8	-5.1	-0.4
Timber products	43.9	30.7	-13.2	-30.1
Oil	836.2	1,340.4	504.2	60.3
Others (including non-traditionals)	681.9	904.4	222.5	32.6
Merchandise Imports (f.o.b.)	-3,329.2	-3,543.0	-213.8	6.4
Non-oil	-2,793.3	-2,624.4	168.9	-6.0
Oil	-535.9	-918.6	-382.7	71.4
Trade Balance	632.4	1,000.3	367.9	58.2
Services (net)	-842.7	-861.2	-18.6	2.2
Receipts	2,071.6	2,163.6	91.9	4.4
Payments	-2,914.3	-3,024.8	-110.5	3.8
Income (net)	-893.8	-1,147.7	-253.9	28.4
Receipts	124.1	198.7	74.6	60.1
Payments	-1,017.8	-1,346.4	-328.5	32.3
Current Transfers (net)	907.1	880.4	-26.6	-2.9
Official	0.0	0.0	0.0	0.0
Private	907.1	880.4	-26.6	-2.9
Services, Income and Current Transfers (net)	-829.4	-1,128.5	-299.1	36.1
CAPITAL & FINANCIAL ACCOUNT	-293.2	-689.6	-396.4	135.2
Capital Account (net)	97.8	51.0	-46.9	-47.9
Capital transfers (net)	97.8	51.0	-46.9	-47.9
Financial Account (net)	-391.1	-740.6	-349.5	89.4
Direct Investments (net)	411.2	445.9	34.6	8.4
Portfolio Investments (net)	-33.2	-320.2	-287.0	863.2
Financial Derivatives (net)	-111.6	-472.7	-361.2	323.8
Other Investments (net)	-657.5	-393.5	264.0	-40.2
<i>Of Which:</i>				
Official Capital (net)	267.8	144.5	-123.3	-46.0
Other Private Capital (net)	-736.0	-901.9	-166.0	22.6
Short-term capital (net)	-189.3	363.9	553.2	-292.2
ERRORS AND OMISSIONS	60.2	-116.7	-176.9	-293.7
OVERALL BALANCE	-429.9	-934.5	-504.5	117.4
FINANCING	429.9	934.5	504.5	117.4
Changes in international reserves	429.9	934.5	504.5	117.4

* Provisional

Source: Bank of Ghana

6.2 The Current Account

The current account recorded a lower deficit of US\$128.15 million in the first quarter of 2022 compared with a deficit of US\$196.95 million in the first quarter of 2021. The narrowed current account deficit benefited from higher crude oil prices that helped improve the trade surplus.

Merchandise Trade

The trade account recorded a surplus of US\$1,000.3 million in the first quarter of 2022, higher than the surplus of US\$632.4 million recorded for the same period in 2021. The improvement in the trade surplus was on the back of higher crude exports earnings driven by high crude oil prices and non-traditional exports.

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

	Q1:2020	Q1:2021	Q1:2022	% Change Q1:2021/2022
Current Account Balance	105.93	-196.95	-128.15	-34.9
Trade Balance	849.05	632.40	1,000.32	58.2
Services Balance	-1,028.63	-842.68	-861.24	2.2
Investment income Balance	-483.49	-893.76	-1,147.67	28.4
Net Unilateral Transfers	768.99	907.08	880.44	-2.9

Source: Bank of Ghana

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

	Q1:2020	Q1:2021	Q1:2022	Q1:2021/2022	
				Abs change	% change
Total Exports	3,890.03	3,961.64	4,543.31	581.67	14.7
Gold	1,473.90	1,377.91	1,372.81	-5.10	-0.4
Cocoa Beans	739.76	768.70	649.62	-119.08	-15.5
Cocoa Products	236.44	253.01	245.35	-7.66	-3.0
Timber	29.51	43.95	30.71	-13.24	-30.1
Crude oil	789.96	836.20	1,340.43	504.23	60.3
Others	620.46	681.87	904.39	222.52	32.6

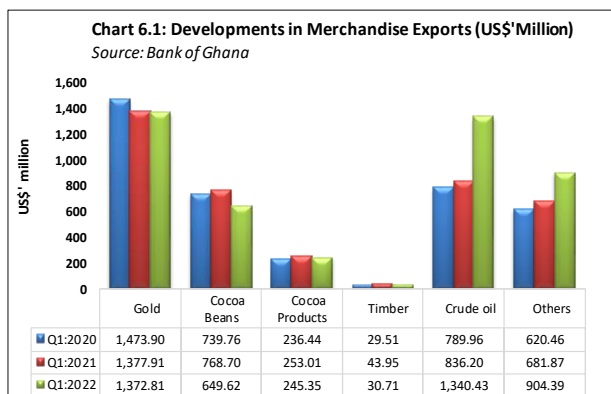
Source: Bank of Ghana

Exports

The value of merchandise exports for the review period was provisionally estimated at US\$4,543.3 million, indicating an increase of 14.7 percent. The improved exports performance was driven by higher crude oil exports earnings and non-traditional exports.

Gold exports amounted to US\$1,372.81 million, slightly lower than the receipts of US\$1,377.91 million recorded during the same period in 2021. The marginal reduction in gold export earnings was due a decline in volume of gold exports by 4.6 percent to 731,532 fine ounces. Gold prices on the other hand increased by 4.4 percent to settle at US\$1,876.62 per fine ounce.

The value of crude oil exported was US\$1,340.43 million, compared to US\$836.20 million recorded in the same period of 2021. The increase in value was due to an increase in the average realized price by 63.0 percent to settle at US\$100.73 per barrel. The volume of crude oil exported, however, decreased by 1.7 percent to 13,307,243 barrels.



Earnings from cocoa beans and cocoa products totalled US\$894.97 million in Q1:2022, compared to US\$1,021.71 million for the same period in 2021. Earnings from cocoa beans amounted to US\$649.62 million, a 15.5-percent decrease from the level recorded in Q1:2021. The decrease in cocoa beans exports was due to both price and volume reductions. Prices decreased by 8.2 percent to settle at US\$2,467.06 per tonne, while the volume exported decreased by 7.9 percent to 263,318 tonnes. Earnings from export of cocoa products also decreased by 3.0 percent to US\$245.35 million on account of an 11.6 percent decrease in price, which outweighed a 9.7 percent increase in volume to 80,748 metric tonnes.

Timber products exports earnings amounted to US\$30.71 million, lower than the US\$43.95 million received same period last year. 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\$904.39 million, some 32.6 percent higher than the outturn in Q1:2021.

Top Ten Exported Non-Traditional Items

Table 6.4: Top-Ten Non-Traditional Exports, January-March 2021/2022

Jan - Mar 2021			Jan - Mar 2022		
Description	US\$'M	% Distr.	Description	US\$'M	% Distr.
Cashew nuts	128.70	37.61	Cashew nuts	111.64	26.14
Palm oil and its fractions	48.07	14.04	Palm oil and its fractions	79.30	18.57
Prepared or preserved tuna	40.65	11.88	Aluminium	60.04	14.06
Technically specified natural rubber (TSNR)	29.43	8.60	Technically specified natural rubber (TSNR)	35.09	8.22
Shea (karite) oil and fractions	22.53	6.58	Prepared or preserved tuna	30.71	7.19
Aluminium	19.93	5.82	Bars and rods of iron or non-alloy steel	28.37	6.64
Avocados, guavas, mangoes and mangosteens, fresh or dried	17.66	5.16	Shea (karite) oil and fractions	27.82	6.51
Articles for the conveyance or packing of goods, n.e.s.; stoppers, lids, caps and other closures	13.49	3.94	Flat-rolled products of iron or non-alloy steel; plated with zinc	20.14	4.71
Wheat or meslin flour	11.79	3.44	Non-refractory ceramic bricks, tiles and similar products	17.76	4.16
Tableware, kitchenware, other household articles	9.99	2.92	Oil-seeds and oleaginous fruits, (Shea nuts)	16.18	3.79
Total	342.24	100.0	Total	427.05	100.0

Source: Bank of Ghana

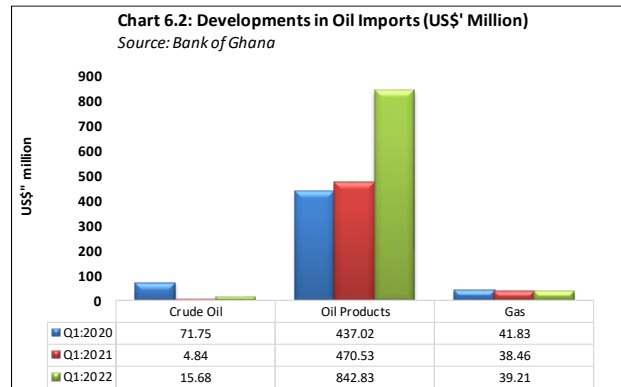
The value of the top ten non-traditional commodities exported during the period under review was US\$427.05 million, compared to US\$342.24 million recorded for the same period in 2021. Cashew nuts continued to account for the largest share of the top ten NTEs with a share of 26.14 percent. This was followed by palm oil and its fractions (18.57%), aluminium (14.06%).

Imports

Total value of merchandise imports for Q1:2022 amounted to US\$3,542.99 million, up by 6.4 percent compared to US\$3,329.24 million recorded in Q1:2021. The rise in total imports was driven mainly by an increase in oil imports.

Oil and Gas Imports

Consistent with the general pick-up in economic activities, oil imports (made up of crude, gas and refined products) increased by 71.4 percent to US\$918.63 million, during the period under review. Crude oil imports of 152,565 barrels valued at US\$15.68 million with an average realized price of US\$102.76 per barrel were recorded during Q1:2022, compared to the import of 78,341 barrels valued at US\$4.84 million at an average realized price of US\$61.81 per barrel recorded during the same period in 2021.



In addition, the VRA imported 5,067,160 MMBTu (Million Metric British Thermal units) of gas worth US\$39.21 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 5,207,082 MMBTu of gas worth US\$38.46 million at an average realized price of US\$7.4 was imported.

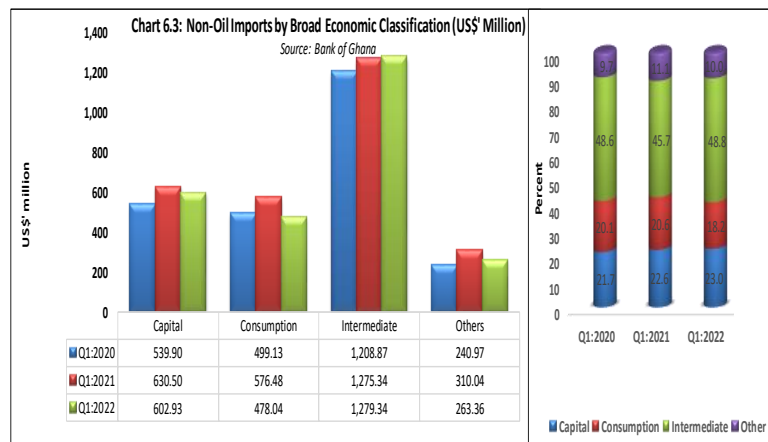
The value of refined petroleum products imported in Q1:2022 amounted to US\$842.83 million, 79.1 percent higher than the value imported (US\$470.53 million) in the same period in 2021.

Merchandise Non – Oil Imports

The total merchandise non-oil imports for Q1:2022 amounted to US\$2,623.68 million, down by 6.04 percent, compared to an outturn of US\$2,792.36 million recorded for the same period in 2021. The lower imports reflected in all the broad economic categories of imports except intermediate goods.

The value of **capital goods** imported during the period was US\$602.93 million, down by 4.37 percent from US\$630.50 million recorded for the same period in 2021. This was on account of a 13.32 percent decrease in industrial transport goods.

Consumption goods imported decreased by 17.08 percent to US\$478.04 million, compared to US\$576.48 million recorded a year ago. This was due to decreased demand for all the sub-categories except non-durable consumer goods. The value of **intermediate goods**



imported increased marginally by 0.31 percent to US\$1,279.34 million, largely on account of a 62.14-percent increase in the demand for processed food and beverages, mainly for industry. The value of **other goods** imported was US\$263.36 million, which was 15.06 percent less than the previous year's level as a result of a decrease in demand for passenger cars. The share of capital and intermediate goods in non-oil imports increased to 71.8 percent from 68.3 percent in Q1:2021.

Top Ten Major Non-oil Imports

Table 6.5: Top-Ten Non-Oil Imports, January-March 2021/2022

Jan - Mar 2021			Jan - Mar 2022		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
Capital	228.36	25.3	Capital	203.83	27.2
Motor vehicles for the transport of goods	185.21	20.5	Motor vehicles for the transport of goods	154.01	20.6
Self-propelled bulldozers, excavators nes	43.15	4.78	Self-propelled bulldozers, excavators nes	49.82	6.65
Consumption	199.29	22.09	Consumption	132.35	17.67
Weed killers (herbicides) and Insecticides	55.15	6.1	Weed killers (herbicides) and Insecticides	68.31	9.1
Motorcycles (including Mopeds)	51.64	5.7	Sugar	34.63	4.6
Cereal grains, worked but not rolled	50.15	5.6	Cereal grains, worked but not rolled	29.40	3.9
Frozen Fish	42.35	4.70	Intermediate	159.22	21.25
Intermediate	171.23	18.98	Articles of Iron or Steel	58.58	7.82
Cement clinkers	77.20	8.56	Palm oil and its fractions	40.57	5.42
Polyethylene	48.59	5.4	Medicaments	31.09	4.2
Guts, bladders and stomachs of animals	45.44	5.0	Polyethylene	28.98	3.9
Other	303.23	33.6	Other	253.79	33.9
Motor vehicles for the transport of persons	303.23	33.6	Motor vehicles for the transport of persons	253.79	33.9
Total	902.11	100.00	Total	648.55	100.00

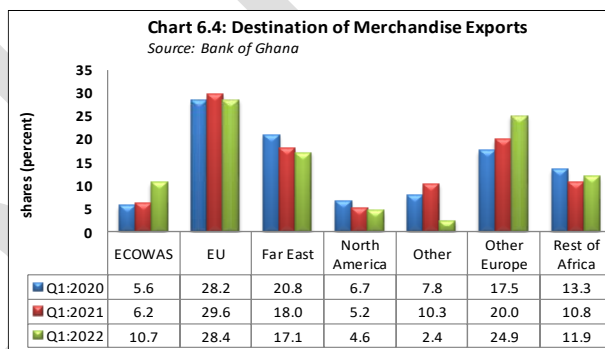
Source: Bank of Ghana

The total value of the top ten non-oil merchandise imports for the first quarter of 2022 amounted to US\$648.55 million, compared to US\$902.11 million recorded a year ago. Key items included motor vehicles for the transport of persons, self-propelled bulldozers, cereal grains, polyethylene, among others.

Direction of Trade

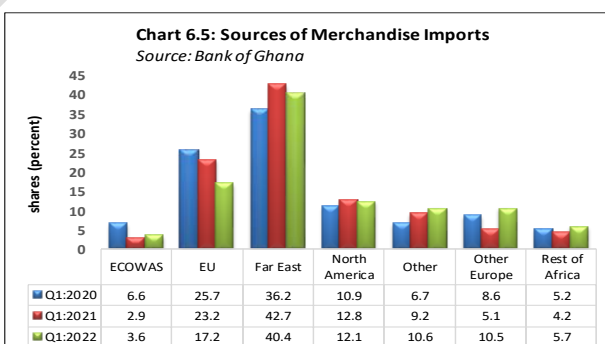
Destination of Exports

During the review period, the European Union received the largest share of Ghana's exports, 28.4 percent of total exports. The other recipients were Other European countries (24.9%), the Far East (17.1%), the Rest of Africa (11.9%), ECOWAS (10.7%), North America (4.6%), and Other Economies (2.4%).



Sources of Merchandise Imports

The Far East emerged as the leading source of imports, accounting for 40.4 percent of the total imports. The European Union followed with a share of 17.2 percent, North America (12.1%), Other Economies (10.6%), Other Europe (10.5%), Rest of Africa (5.7%), and ECOWAS (3.6%).



Services, Income and Transfers Account

During the period under review, the Services, Income and Current transfers account recorded a deficit of US\$1,128.47 million compared to a deficit of US\$829.36 million in Q1:2021. This was on account of an increase in net service and income payments, coupled with a reduction in net private remittances inflows into the current transfers account. The

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

	Q1:2020	Q1:2021	Q1:2022	Q1:2021/2022	
			prov.	Abs change	% change
<i>Amounts in millions of U.S. dollars</i>					
Services (net)	-822.59	-842.68	-861.24	-18.56	2.2
Freight and Insurance	-143.99	-215.62	-259.74	-44.12	20.5
Other Services	-884.64	-627.06	-601.50	25.56	-4.1
Income (net)	-483.49	-893.76	-1,147.67	-253.91	28.4
Current Transfers (net)	768.99	907.08	880.44	-26.64	-2.9
Official	0.00	0.00	0.00	0.00	0.0
Private	768.99	907.08	880.44	-26.64	-2.9
Services, Income and Current Transfers (net)	-743.13	-829.36	-1,128.47	-299.12	36.1

Source: Bank of Ghana

balance on the Services account worsened slightly from a deficit of US\$842.68 million to a deficit of US\$861.24 million as a result of an increase in freight and insurance payments. The income account also recorded increased outflows in respect of interest payments, dividend payments and distribution of profits. The balance on the income account worsened from a deficit of US\$893.76 million to US\$1,147.67 million. Current transfers which are mostly private remittances, on the other hand, decreased from US\$907.08 million in Q1:2021 to US\$880.44 million in Q1:2022.

6.3 Capital and Financial Account

Table 6.7: Capital and Financial Account (net)

	Q1:2020	Q1:2021	Q1:2022	Q1:2021/2022	
	Amounts in millions of U.S. dollars			Abs change	% change
Capital and Financial Accounts	1532.59	-293.21	-689.60	-396.4	135.2
Capital transfers	77.31	97.85	50.99	-46.9	-47.9
Financial Account	1455.28	-391.06	-740.60	-349.5	89.4
Foreign Direct Investments	226.05	411.25	445.88	34.6	8.4
Portfolio Investments	2209.35	-33.25	-320.21	-287.0	863.2
Other Investments	-980.12	-769.06	-866.26	-97.2	12.6
Official	217.19	289.07	27.10	-262.0	-90.6
Disbursements	427.99	504.86	348.55	-156.3	-31.0
Amortisation	-210.81	-215.79	-321.44	-105.7	49.0
Private	-1251.78	-847.52	-1,374.67	-527.2	62.2
Disbursements	2074.18	2,651.40	3,260.15	608.8	23.0
Amortisation	-3325.97	-3,498.92	-4,634.82	-1,135.9	32.5
Short-term	-8.64	-189.32	363.92	553.2	-292.2
Non-Monetary	-346.89	-384.18	190.49	574.7	-149.6
Monetary	338.25	194.87	173.43	-21.4	-11.0
Government Oil Investments	63.12	-21.30	117.39	138.7	-651.2
Inflow	88.59	0.00	144.89	144.9	0.0
Outflow	-25.47	-21.30	-27.50	-6.2	29.1

Source: Bank of Ghana

The deficit recorded in capital and financial account increased to US\$689.60 million in Q1:2022, from US\$293.21 million in Q1:2021. This was attributed to an increase in outflows from the capital and financial account during the review period.

Capital Account

The capital account received transfers totalling US\$50.99 million during the review period, compared to US\$97.85 million received in the same period in 2021.

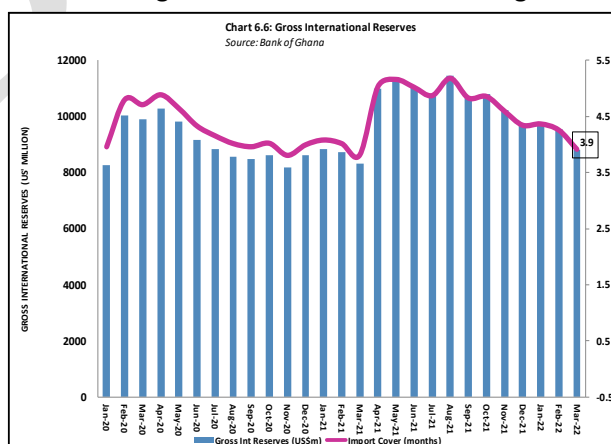
Financial Account

Outflows amounted to US\$740.60 million in Q1:2022 compared to an outflow of US\$391.06 million recorded in the same period last year. The higher outflows in the financial account were driven by net portfolio reversals and net private capital outflows, notwithstanding an increase in the net foreign direct investment.

6.4 International Reserves

The stock of Net International Reserves (NIR) at the end of March 2022 was estimated at US\$5,133.99 million, indicating a drawdown of US\$945.55 million from a stock position of US\$6,079.54 million at the end of December 2021.

The country's Gross International Reserves (GIR) stood at US\$8,801.15 million at the end of March 2022 from a stock position of US\$9,695.22 million at the end of December 2021. This was sufficient to provide 3.9 months of imports cover for goods and services compared to 3.8 and 4.3 months of imports cover as at March 2021 and December 2021, respectively.



7. External Debt

7.1 Debt Stock

The provisional stock of outstanding government and government-guaranteed external debt at end-March 2022 stood at US\$28,379.07 million, up from the stock of US\$28,339.22 million at end-December 2021.

The rise in the stock position (0.14%) during the first quarter of 2022 reflected in bilateral and commercial debts over the period. Compared with the stock level of US\$24,598.81 million at end-March 2021, the

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

	2020		2021				2022
	Q1	Q4	Q1	Q2	Q3	Q4	Q1
Total External Debt	23,061.93	24,715.77	24,598.81	28,072.15	27,887.98	28,339.22	28,379.07
Multilateral Creditors	6,670.06	8,280.17	8,122.88	8,302.36	8,182.68	8,192.45	8,150.01
Bilateral Creditors	1,203.47	1,297.36	1,245.70	1,248.23	1,255.28	1,336.02	1,378.56
Export Credit Agencies	1,009.89	966.12	914.05	1,013.03	990.45	981.11	946.66
Other Concessional	1,673.91	1,541.66	1,512.17	1,650.60	1,606.51	1,594.91	1,574.76
Commercial Creditors	2,273.52	2,415.37	2,588.57	2,722.08	2,733.20	3,114.87	3,209.22
International Capital Market	10,231.08	10,215.09	10,215.45	13,135.85	13,119.86	13,119.86	13,119.86

*Provisional

Source: Bank of Ghana

external debt stock registered a year-on-year increase of US\$3,780.26 million (15.37%) at end-March 2022 largely due to net transactions (disbursements and amortizations) during the review quarter. As a percentage of GDP, the external debt stock rose to 40.19 percent at end-March 2022, from 30.71 percent at end-March 2021.

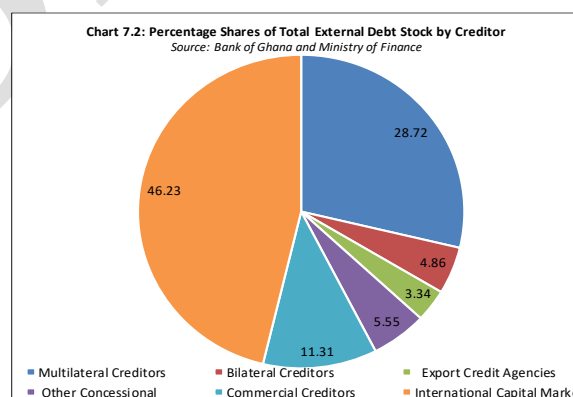
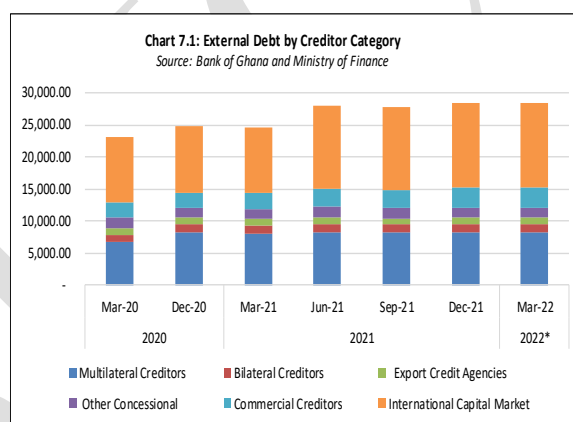
Debt Stock by Creditor Group

In terms of creditor category, multilateral debt declined by US\$42.44 million (0.52%) to US\$8,150.01 million at end-March 2022, from the stock of US\$8,192.45 million recorded at the end of the previous quarter. Multilateral debts accounted for 28.72 percent of the total external debt stock at end-March 2022, compared to 33.03 percent at end-March 2021.

The bilateral debt owed at the end of Q1:2022 was US\$1,378.56 million, representing 4.86 percent of the total external debt stock. This was US\$42.54 million (3.18%) more than the US\$1,336.02 million recorded at the end of December 2021 and US\$132.86 million (10.67%) above the stock of US\$1,245.70 million registered in March 2021.

Commercial debts at end-March 2022 totalled US\$3,209.22 million and accounted for 11.31 percent of the total external debt stock. Commercial debts increased by US\$94.35 million (3.03%) from US\$3,114.87 million recorded at end-December 2021 and a rise of US\$620.65 million (23.98%) above the level of US\$2,588.57 million recorded for the same period in 2021.

Debts owed to the International Capital Market stood at US\$13,119.86 million at end-March 2022, constituting the highest share of 46.30 percent of the total external debt stock. This was the same as the level registered in December 2021. However, this was US\$2,904.41 million above the position of US\$10,215.45 million recorded in the corresponding period of 2021. 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\$946.66 million at end-March 2022 and constituted 3.34 percent of the total external debt. This showed a decline of US\$34.45 million (3.51%) from the level of US\$981.11 million recorded at the end of December 2021, but showed a rise of US\$32.61 million (3.57%) from the level of US\$914.05 million registered at the end of March 2021.

Other Concessional loans at end-March 2022 amounted to US\$1,574.76 million and accounted for 5.55 percent of the total external debt. This showed a decrease of US\$20.15 million (1.26%) below the level of US\$1,594.91 million registered at end-December 2021. However, on a year-on-year basis, it increased by US\$62.59 million (4.14%) from the position of US\$1,512.17 million.

7.2 Debt Service Payments

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

Creditor Category	Q1-2021			Q4-2021			Q1-2022		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Total	163.7	266.4	430.1	224.1	380.7	604.8	282.3	267.5	549.7
Multilateral Creditors	29.8	16.0	45.8	27.9	17.5	45.5	43.9	17.8	61.8
IDA	20.5	11.2	31.7	17.9	13.8	31.7	33.0	13.1	46.1
ADB/ ADF	5.0	3.8	8.8	2.4	2.5	4.8	6.5	3.7	10.2
Others	4.3	1.0	5.3	7.6	1.3	8.9	4.4	1.0	5.4
Bilateral Creditors	20.0	8.2	28.3	41.4	7.2	48.7	42.7	7.9	50.6
Paris Club	5.2	1.1	6.3	17.2	3.4	20.6	28.0	4.3	32.3
Non-Paris Club	14.8	7.1	21.9	24.2	3.8	28.0	14.8	3.6	18.3
Commercial Creditors	113.8	44.8	158.6	154.8	36.6	191.3	195.6	44.3	240.0
Sovereign Bond	0.0	197.4	197.4	0.0	319.3	319.3	0.0	197.4	197.4

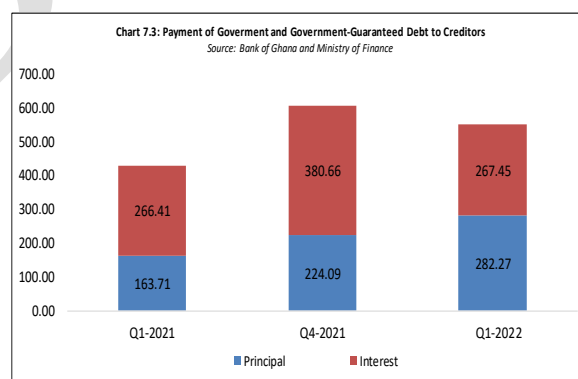
Source: Bank of Ghana

The total amount of debt service made through the Bank of Ghana on government and government-guaranteed external debt at end-March 2022 was US\$549.72 million. This was US\$55.03 million (9.10%) less than the payment of US\$604.75 million made in Q4:2021. However, it was US\$119.61 million (27.81%) more than the payment of US\$430.12 million made in Q1:2021. Of the amount paid, US\$282.27 million was in respect of principal payments and US\$267.45 million was for interest expense.

During the first quarter of 2022, multilateral creditors were paid a total of US\$61.76 million. Of the amount paid, US\$43.92 million was in respect of principal payments and US\$17.85 million was for interest payments, compared with principal repayments of US\$29.84 million, and interest payments of US\$15.98 million made in the corresponding quarter of 2021.

Total payments made to bilateral creditors at end-March 2022 amounted to US\$50.60 million. Out of the total amount paid, US\$42.73 million was in respect of principal repayment and US\$7.87 million in interest payments, compared with US\$20.04 and US\$8.21 million paid as principal and interest, respectively, in the first quarter of 2021.

Commercial creditors were paid US\$239.95 million during the quarter under review. Of the amount paid, US\$195.62 million was in respect of principal payments and US\$44.33 million was for interest payments, as against principal repayments of US\$113.83 million and interest payments of US\$44.80 million made in the same period in 2021.



In the International Capital Market, a coupon payment of US\$197.41 million was made on the outstanding Eurobond for the first quarter of 2022, as against a coupon payment of US\$197.42 million for the corresponding period in 2021.

8. The Rural Banking Sector

Provisional data from the Rural/Community Banks (RCBs) during Q1:2022 indicated an improvement in the sector's performance compared with developments in Q1:2021.

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

	2021				2022	Variations	
	Q1	Q2	Q3	Q4		Q-on-Q	Y-on-Y
						(Q1:22-Q4:21)	(Q1:22-Q1:21)
Assets							
Cash Holdings & Balances with Banks	886.4	883.6	945.2	869.4	943.3	8.5	6.4
Bills and Bonds	2,989.8	3,042.0	3,039.9	3,128.2	3,280.6	4.9	9.7
Loans and Advances	1,805.0	1,910.1	2,003.6	2,050.3	2,181.1	6.4	20.8
Other Assets	727.3	696.1	715.1	710.9	739.4	4.0	1.7
Total Assets	6,408.5	6,531.9	6,703.8	6,758.8	7,144.3	5.7	11.5
Liabilities							
Total Deposits	5,594.3	5,717.1	5,843.8	5,977.2	6,295.4	5.3	12.5
Shareholders' Funds	390.8	375.7	428.1	389.0	427.4	9.9	9.4
Other Liabilities	423.3	439.1	431.8	392.6	421.5	7.4	-0.4
Total Liabilities	6,408.5	6,531.9	6,703.8	6,758.8	7,144.3	5.7	11.5
No. of Reporting Banks	144	144	145	145	145		

Source: Bank of Ghana

Assets

Total assets of RCBs amounted to GH¢7,144.3 million in Q1:2022, representing a growth of 5.7 percent over GH¢ 6,758.8 million recorded in Q4:2021. On a year-on-year basis, total assets grew by 11.5 percent at the end of Q1:2022. Total assets of RCBs constituted 3.5 percent of the banking system assets at the end of Q1:2022.

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

	2021				2022					
	Q1		Q2		Q1					
	GH¢	% Share	GH¢	% Share	GH¢	% Share				
Commercial Banks	159,525.8	96.1	166,765.0	96.2	172,691.8	96.3	182,412.9	96.4	196,933.8	96.5
Rural Banks	6,408.5	3.9	6,531.9	3.8	6,703.8	3.7	6,758.8	3.6	7,144.3	3.5
Total	165,934.3	100.0	173,296.8	100.0	179,395.5	100.0	189,171.7	100.0	204,078.1	100.0

Source: Bank of Ghana

Deposits

Provisional data indicated that deposit mobilisation by the RCBs further improved in Q1:2022. Total deposits of RCBs increased by 12.5 percent, year-on-year, to GH¢ 6,295.4 million at the end of Q1:2022, from GH¢5,594.3 million recorded for Q1:2021. The level of RCBs deposits at the end of the review quarter constituted 5.1 percent of total deposits of the banking system, falling from its share in the previous quarter, and 5.5 percent at the end of Q1:2021.

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

	2021				2022					
	Q1		Q2		Q1					
	GH¢	% Share	GH¢	% Share	GH¢	% Share				
Commercial Banks	96,631.1	94.5	99,723.4	94.6	101,832.7	94.6	109,533.9	94.8	116,314.4	94.9
Rural Banks	5,594.3	5.5	5,717.1	5.4	5,843.8	5.4	5,977.2	5.2	6,295.4	5.1
Total	102,225.5	100.0	105,440.5	100.0	107,676.6	100.0	115,511.2	100.0	122,609.8	100.0

Source: Bank of Ghana

Loans and Advances

Loans and advances made by RCBs stood at GH¢2,181.1 million in the first quarter of 2022, indicating a growth of 20.8 percent, from GH¢1,805.0 million recorded at the end of Q1:2021.