



**FINANCIAL LITERACY WORKSHOP FOR JOURNALISTS IN THE  
NORTHERN ZONE OF GHANA**

**THEME:**

**SUSTAINING THE RECOVERY: THE ROLE OF THE JOURNALIST IN  
BUILDING CONFIDENCE**

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### **Distinguished Ladies and Gentlemen of the media,**

1. It is my pleasure to join you at this media training workshop organised by the Bank of Ghana. First, let me thank the Executives of the media groups present (including JBA, PRINPAG, and IFEJ) for tirelessly working with the Bank of Ghana to organise this training programme on the theme “*Sustaining the recovery: The role of the journalist in building confidence*”. This training workshop, the second in the series, is part of the Bank’s strategic measures aimed at building the capacity of business and financial journalists to improve understanding and communication of monetary policy issues.
2. I will touch on the issue of sustaining the recovery. Following the COVID pandemic and its aftermath, there was optimism that the world economy was going to return to its trend growth. Events after 2020, when the world was beginning to recover showed that the world economy has been beset with further set-backs.
3. While the Pandemic led to a slowdown of the economic activities globally with an impact on the Ghanaian Economy’s growth prospects, the Russia-Ukraine war triggered a downgrade of global growth forecasts by the IMF. The crises, for us in Ghana has led to heightened inflationary pressures due to rising energy and food prices. This has necessitated the rollback of Covid-19 era policies and monetary policy tightening across various countries. These developments have far-reaching implications for the domestic economy and there is the need for confidence building to calm financial markets and prevent disorderly reactions during these periods of heightened uncertainty. These conditions and the impact on the Ghanaian economy, especially on inflation, the exchange rate, impact on our balance of payments has resulted in Ghana approaching the IMF for some form of cooperation to address the current imbalances and challenges facing the economy. At this stage we need to put in all our efforts to begin to restore confidence. And therefore, my remarks this morning will focus on: the current state of the Ghanaian economy and the policies being pursued; the macroeconomic outlook and policies going forward; and the role of the media to help rebuild confidence in the economy.



4. **Let me start with Growth Prospects:** Despite strong rebound from the pandemic in 2021 as evidenced by the 5.4 percent overall real GDP growth and 6.3 percent non-oil GDP growth, recent data points to some softening in the growth momentum. National accounts data released by Ghana Statistical Service (GSS) showed that the economy grew, in year-on-year terms, by 3.6 percent in the first quarter of 2022, well below the then 5.6 percent expected growth for 2022. High frequency data such as the Composite Index of Economic Activity (CIEA), Business and Consumer Confidence Indices seem to confirm softening of economic activity. This has prompted downward revision of the growth target to 3.7 percent from the initial 5.6 percent target. Significant downside risks remain in the outlook, including further headwinds from the Russia-Ukraine war and potential outbreak of new variants of the Covid-19 pandemic.
5. **Second, Let me touch on Inflation. This is a critical Issue:** Headline inflation has shifted well above the upper band of the medium-term target, driven mainly by food prices, transport costs, upward adjustments in ex-pump petroleum prices, and pass-through of exchange rate depreciation. The latest data shows that headline inflation rose sharply to 31.7 percent in July 2022 from 29.8 percent in June 2022 on the back of significant increase in both food inflation and non-food inflation. Inflation was 9 percent just a year ago in July 2021. The Bank's forecast indicates that inflation would peak later this year and begin trending back towards the medium-term horizon. There are however significant upside risks to the inflation outlook, including increased commodity prices, particularly crude oil, heightened supply chain disruptions, and the over 20 percent increase in utility tariffs set to kick in from 1<sup>st</sup> September 2022. These are all sources of noise to the economy and the conduct of Monetary Policy
6. **As we are all aware, Significant challenges remain with the execution of the 2022 budget as revenue mobilisation has not kept pace with projections thereby creating financing difficulties.** In the absence of access to the international capital market and given the constrained domestic financing, central bank overdraft has helped to close the financing gap as reflected in the mid-year budget review. The fiscal challenges have also accentuated



debt sustainability concerns. It is expected that the ongoing policy discussions with the IMF will help address the underlying macroeconomic challenges, restore fiscal and debt sustainability, and re-anchor sustainable balance of payments.

7. **We cannot talk about all of these without assessing the strength of the Banking Sector: Banking sector is key for Growth and the stability of that sector should not be taken for Granted.** The remarkable resilience exhibited by the banking sector over the two-year period could be attributed to the comprehensive financial sector reforms that took place before the Covid-19 pandemic struck in 2020. The sector has since remained liquid, profitable, and well-capitalised. The industry's measure of solvency, the Capital Adequacy Ratio, has remained well above the revised regulatory 13 percent prudential limit. Asset quality has also improved albeit marginally.
8. Let me now turn to the role the financial and business journalist can play in sustaining the economic recovery through confidence building. It is generally acknowledged that the behaviour of economic agents is influenced by the economic and financial environment, which is largely shaped by the media. The media's role in influencing the economic narrative is even more important during periods of heightened uncertainty when all kinds of news including fake news are rife on social media, even at times within mainstream media. The spread of such misinformation has the potential to jolt financial markets and create panic among the general public with dire implications for financial stability. Under such instances, business and financial journalists have additional responsibilities to help financial market participants and the general public to draw a clear distinction between facts and fiction and decide the newsworthiness of the information at hand for accurate reportage, a crucial ingredient for confidence building. Beyond dealing with personal biases, business and financial journalists need to develop analytical skills necessary to understand the complex relationships between financial and economic variables. It is my firm believe that workshops like this can help equip journalists like yourselves with the relevant knowledge of the financial sector and the nature of risks and incentives facing the sector.



9. Ladies and Gentlemen, as central bank with priority for controlling inflation, the Bank of Ghana views transparency as key in promoting credibility of the Bank's policies. Transparency is possible when the media accurately and in the right language informs and educate the public of the exact nature of developments in the economy as well as the real implications of actions taken by policymakers. Hence, such training workshops, which seek to equip financial journalists to play key roles in the dissemination of economic and financial information to the public, should be taken seriously. Engagements with stakeholders also foster the creation of an informed public, whose accurate grasp of economic and financial issues are important in ensuring calm financial markets and seamless functioning of the economy.
10. I am aware you will be taken through topics such as monetary policy practice in Ghana; understanding inflation dynamics; balance of payments dynamics; understanding foreign exchange rate markets; central bank digital currency (e-cedi); and introduction to the summary of economic and financial data as well as hands-on exercises. We have put together some of the finest brains in the central bank to take you through the discussions. It is my hope that by the time you leave here, a firm foundation in central bank reporting will have been laid here in the northern zone of the country.
11. Before I conclude, let me indicate that the coming months will be challenging for media reporting and the country will need your support in navigating the interactions between the Government of Ghana and the IMF. As you are all aware on 1<sup>st</sup> July 2022, the Government of Ghana announced its intention to seek support on an IMF Funded Program. This process is not going to be a smooth sailing and I can assure you that there are going to be news worthy issues arising out of the engagement. Your role is to begin to have authentic sources of obtaining information on the process and report these to the public in a manner that will seek to bring about confidence in the process. We need to remember that Ghana is a Market Access Country and economic news affect sentiments. We need at all times to have the interest of the country above all what we do. As journalists, you must also demand a mechanism for having an update on the process and overtures can be made to Government to have a structure to brief journalists on the process.



12. Before taking my seat, permit me to conclude by reiterating that the Bank's sponsorship of this training workshop speaks to its commitment to improving the quality of financial and business journalism in Ghana. This centres on our believe that a critical mass of financial and business journalists are capable of dissecting complex financial and economic data and in an accurate manner on Ghana's macroeconomic and financial situation to help sustain the economic recovery in this period of heightened uncertainties.
13. Thank you and I wish you fruitful deliberations.

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