



Wednesday, 8th March 2023

IMF raises borrowing limits amid ‘challenging’ environment

The International Monetary Fund is temporarily raising the limits on borrowing from its main lending facility, as countries face slowing growth and high debt vulnerabilities. On March 6, its executive board approved an increase in the maximum annual borrowing from the general resources account (GRA) to 200% of a country’s IMF quota. (www.centralbanking.com 07/03/23)

Eurozone wages to continue to grow as prices remain high, says Spanish economist

Eurozone wages will keep growing as long as prices remain high, said Raul Ramos, full professor in Applied Economics at the University of Barcelona. In Feb. the influential financial services group said the wage growth in the Eurozone could be as high as 4.5% in the first quarter of 2023, the highest figure seen since the first quarter of 1993, exactly three decades ago. (www.xinhuanet.com 07/03/23)

Lane sees tentative signs of easing in underlying inflation

There are some tentative signs that underlying inflationary pressures in the Eurozone are easing, Philip Lane, chief economist of the European Central Bank, said on March 6. However, Lane cautioned that interpreting the data is a complex task and said further tightening measures will be needed. (www.centralbanking.com 07/03/23)

US consumer credit rises in January

US consumer credit increased in Jan. after a slow Dec. Total US consumer credit climbed \$14.8bn in Jan. rising from an increase of \$10.7bn in the previous month, according to data released Tuesday from the US Federal Reserve. Year on year, that's a 3.7% uptick, a gain from the previous month's year-on-year increase of 2.7%. (www.xinhuanet.com 08/03/23)

Fed now on right track to price stability

In 2021-22, as a result of a flawed monetary policy framework, the Fed got way behind the curve in tightening monetary policy. The result was a surge of inflation to levels not experienced for 40 years. Starting in March of 2022, the Fed made a dramatic turnaround and it has raised its benchmark rate by a total of 4.5 percentage points. (www.ft.com 08/03/23)

China's economic momentum injects vitality across the globe

China's 2023 economic growth target of around 5% unveiled at the ongoing "two sessions" certainly gave a fillip to the world. As the announcement was made, I couldn't help but recall the scenes I witnessed in the port city of Tianjin some time ago. China's economic engine appears to be doing the same, powering ahead after vanquishing COVID-19. (www.xinhuanet.com 07/03/23)

Andy Haldane says BOE should move cautiously on UK rate hikes

Andy Haldane, who was once the most hawkish member of the Bank of England’s rate-setting committee, said officials should move carefully in raising interest rates again and think about taking much longer to reach its inflation target. The UK central bank’s former chief economist warned policy makers now face the “hardest yards” in reducing inflation to 2%. (www.bloomberg.com 08/03/23)

German factory orders strengthen

Germany's factory orders unexpectedly expanded in Jan. on strong foreign demand for aircraft and spacecraft construction and automobile engines, figures from Destatis reveal. Factory orders grew 1.0% in Jan. from Dec. confounding expectations for a decline of 0.9%. Nonetheless, the pace of growth eased from Dec's revised 3.4% expansion. (www.rtnnews.com 07/03/23)

EXCHANGE RATES OF SELECTED CURRENCIES

CURRENCIES	BUYING		SELLING	
+USD/GBP	1.1898	(1.1976)	1.1900	(1.1978)
+USD/EUR	1.0603	(1.0600)	1.0604	(1.0601)
*GHS/USD	11.0081	(11.0083)	11.0191	(11.0193)
*GHS/GBP	13.0974	(13.1835)	13.1127	(13.1989)
*GHS/EUR	11.6733	(11.6699)	11.6838	(11.6815)

+SOURCE: BOG INTERNAL TRANSACTION RATES: 08/03/23 (Rates for 07/03/23 in brackets)

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Japan runs record current account deficit in Jan

Japan logged its largest current account deficit ever in Jan. as a combination of global slowdown and China's Lunar New Year holidays undermined the country's ability to earn from trade. The trade balance, also hit a record deficit. The current account deficit, at 1.98tr yen (\$14.43bn), was more than double a median market forecast of ¥818.4bn. (www.reuters.com 08/03/23)

Inflation to remain higher than target, yet rate hike closer to pause: RBA governor

Australia's inflation is likely to remain higher than the target for a few years, while a pause in interest rate hikes is coming closer, Reserve Bank of Australia (RBA) Governor Philip Lowe has said. He made said during the Australian Financial Review Business Summit. (www.xinhuanet.com 08/03/23)

Russia-EU trade grows 2.3% in 2022

Trade turnover between Russia and the European Union grew 2.3% in 2022, reaching its highest level since 2014, RIA Novosti reported citing data from the Eurostat. Exports of goods from Russia to the EU in 2022 increased by a quarter and reached €203.4bn, 230 million less than the historical maximum in 2012 (€203.6bn). (www.xinhuanet.com 08/03/23)

Greek economy expands 1.4% in Q4

Greece's economic growth improved in the final quarter of 2022 amid a strong rebound in household consumption, preliminary figures from the Hellenic Statistical Authority show. Gross domestic product advanced a seasonally adjusted 1.4% quarterly in the three months ended Dec. faster than the revised 0.4 % rise in the Sept quarter. (www.rttnews.com 07/03/23)

Swiss jobless rate falls to 2.1%

Switzerland's unemployment rate decreased for the first time in four months in February, though marginally, the State Secretariat for Economic Affairs, or SECO, said on Tuesday. The unadjusted unemployment rate edged down to 2.1% in Feb. from 2.2% in Jan. In the corresponding month last year, the jobless rate was 2.6%. (www.rttnews.com 07/03/23)

Oil extends declines on rate hike concerns

Oil prices fell for a second straight session on Wednesday, driven by fears that more aggressive U.S. interest rate hikes would hit demand, while the market awaited further clarity on inventories. Brent crude futures dipped 22 cents, or 0.3%, to \$83.07 per barrel by 0730 GMT. U.S. West Texas Intermediate (WTI) crude futures slid 34 cents, or 0.4%, to \$77.24 a barrel. (www.reuters.com 08/03/23)

WB president nominee pledges to partner with AfDB for transformative results

US nominee for World Bank Group President, Ajay Banga began his global tour on Monday, with his first stop in Abidjan, Cote d'Ivoire where he met the African Development Bank Group President, Dr Akinwumi Adesina, senior management and Board of Directors. (www.myjoyonline.com 07/03/23)

African countries urged to address energy shortages

African countries should address energy deficiency and promote the transition to low-carbon energy sources to grow their economies, said South African Minister of Mineral Resources and Energy Gwede Mantashe. (www.xinhuanet.com 08/03/23)

GDP shock as SA economy shrinks 1.3%

South Africa's economy shrank by 1.3% in the fourth quarter, much worse than economists expected. It is also the largest contraction since the third quarter of 2021, when deadly riots in KwaZulu-Natal and Gauteng caused massive economic disruption. Economists expected GDP to shrink by only 0.4% for the last quarter of 2022. (www.news24.com 07/03/23)

Tanzania, WB pledge to support women in accessing, using digital technologies

The government of Tanzania and the World Bank on Tuesday reaffirmed their commitment to supporting women in accessing and using digital technologies. "Together, we can break down barriers and build a more inclusive and equitable future for women in technology in Tanzania," said Nape Nnauye, the minister of Information, Communication and Information Technology. (www.xinhuanet.com 08/03/23)

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