

BANK OF GHANA



QUARTERLY ECONOMIC BULLETIN

THIRD QUARTER 2022

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Overview

This report presents a review of global and the domestic economic developments during the third quarter of 2022. The domestic developments 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 moderated further in the third quarter of 2022, with inflation at record highs for most economies, amid tighter global financing conditions. The slowdown in economic activity reflected the spill-over effects of the ongoing Russia-Ukraine war, which had exacerbated global supply chain constraints, heightened uncertainty, and elevated inflationary pressures.

The Domestic Economy

Real Sector

The domestic economy recorded some growth, albeit at a slower pace, during the third quarter of the year. Indicators of consumer spending, manufacturing activities, industrial consumption of electricity, and international tourist arrivals, picked up during the review quarter, while construction sector activities, vehicle registration, and port activity declined.

Inflation

Headline inflation pointed to continued broad-based upward pressure on prices, reflecting the pass-through effects of increases in ex-pump petroleum prices, transport costs, currency depreciation, and food prices. Headline inflation increased markedly to 37.2 percent at the end of Q3:2022, from 29.8 percent at the end of Q2:2022. In year-on-year terms, food inflation accelerated to 37.8 percent from 30.7 percent, while non-food inflation rose to 36.8 percent from 29.1 percent, over the same comparative period.

Monetary Aggregates

Growth in broad money supply (M2+) increased to 28.54 percent in Q3:2022, from 14.17 percent in Q3:2021. M2+ totalled GH¢160,157.59 million at the end of the review period, compared with GH¢124,596.60 million and GH¢145,156.93 million recorded in Q3:2021 and Q2:2022, respectively.

The increase in growth in M2+ was driven by significant expansion in Net Domestic Assets (NDA), although growth in Net Foreign Assets (NFA) contracted. Growth in NDA increased considerably from 21.78 percent recorded in Q3:2021 to 61.63 percent in Q3:2022, while NFA sharply contracted by 209.64 percent in Q3:2022 compared with a contraction of 21.27 percent in Q3:2021.

Banking Sector Credit

Annual growth in banks' outstanding credit increased to 41.68 percent in Q3:2022, from 9.00 percent in Q3:2021. This was also higher than the growth of 33.29 percent recorded for Q2:2022. At the end of Q3:2022, total outstanding credit stood at GH¢70,909.31 million.

In real terms, growth in credit from the banks increased to 3.27 percent at the end of Q3:2022, from -1.44 percent in Q3:2021.

The share of total outstanding credit to the private sector increased marginally

to 90.28 percent at the end of Q3:2022, from 89.90 percent recorded in 2021.

Exchange Rates

On the interbank market, the Ghana cedi depreciated on a quarter-on-quarter basis by 24.7 percent against the U.S. dollar, 17.7 percent against the pound sterling, and 19.5 percent against the euro, in Q3:2022.

On the forex bureaux market, the Ghana cedi depreciated on a quarter-on-quarter basis by 21.1 percent, 11.9 percent and 14.8 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in Q3:2022.

Interest Rates

Interest rates generally trended upwards on a year-on-year basis in Q3:2022. Rates on BOG bills, GOG securities and deposits of DMBs all trended upwards compared with rates recorded in Q3:2021.

The Monetary Policy Rate (MPR) at the end of Q3:2022 was 22.00 percent, reflecting an 850-basis-point cumulative increase compared with the MPR at the end of Q3:2021.

The interbank weighted average interest rate increased by 944 basis points (bps), year-on-year, from 12.61 percent recorded in Q3:2021 to 22.05 percent in Q3:2022.

On the treasury market, the 91-day, 182-day and 364-day T-bill rates increased significantly on a year-on-year basis by 1,718bps, 1,774bps and 1,413bps, to settle at 29.65 percent, 30.94 percent, and 30.24 percent, respectively, at the end of Q3:2022.

Capital Market

The Ghana Stock Exchange Composite Index (GSE-CI) decreased by 3.35 percent during Q3:2022 compared with an increase of 8.0 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 Q3:2022 stood at GH¢63,985.81 million, representing a decrease of 1.32 percent on a quarter-on-quarter basis.

Government Budgetary Operations

Government budgetary operations during Q3:2022, resulted in an overall deficit of GH¢13,493.2 million (2.3% of GDP), compared to the deficit of GH¢12,466.6 million (2.7% of GDP) recorded in Q3:2021. The deficit was higher than the programmed target of GH¢8,679.6 million (1.5% of GDP) and was financed mainly from domestic sources.

Government receipts (including grants) for the review period totalled GH¢24,536.0 million (4.2% of GDP). This was higher than the target of GH¢22,739.2 million (3.8% of GDP) by 7.9 percent and recorded a year-on-year growth of 31.6 percent. Total receipts comprised tax revenue of GH¢18,245.9 million (74.4% of total receipts), social contributions of GH¢70.00 million (0.3% of total receipts), non-tax revenue of GH¢4,670.1 million (19.0% of total receipts), other revenue of GH¢1,365.72 million (5.6% of total receipts), and

Grants of GH¢183.7 million (0.7% of total receipts).

Government expenditure and net lending in Q3:2022 totalled GH¢34,951.9 million (5.9% of GDP), above the programmed target of GH¢30,943.8 million (5.2% of GDP) by 13.0 percent.

The stock of domestic debt at the end of Q3:2022 stood at GH¢195,004.4 million, compared to GH¢178,809.6 million recorded in Q3:2021. The growth in the domestic debt stock was on account of an increase of GH¢2,417.9 million and GH¢14,203.1 million in the short and medium-term securities, respectively, while the long-term stocks and bonds decreased by GH¢426.2 million.

Balance of Payments

The value of merchandise exports for Q3:2022 was provisionally estimated at US\$4,202.88 million, indicating an increase of 24.0 percent compared to US\$3,389.79 million recorded in Q3:2021. The improved exports performance was driven by higher receipts from crude oil, gold, and non-traditional exports. Total value of merchandise imports for Q3:2022 was US\$4,080.07 million, up by 23.8 percent compared to US\$3,296.58 million recorded in Q3:2021. The rise in total imports was driven mainly by increased demand for oil imports, particularly oil products.

The provisional trade balance was a surplus of US\$122.81 million in Q3:2022, higher than the surplus of US\$93.21 million recorded for the same period in 2021. The improvement in the trade surplus was on account of a higher growth in exports than in imports.

The country's Gross International Reserves (GIR) stood at US\$6,591.77 million (2.9 months of import cover) at the end of September 2022, from a stock position of US\$9,695.22 million (4.4 months of import cover) at the end of December 2021.

External Debt

The provisional stock of outstanding government and government-guaranteed external debt at the end of Q3:2022 stood at US\$28,412.13 million, up from the stock position of US\$27,887.98 million at the end of Q3:2021, largely due to an increase in commercial debts during the review quarter.

The external debt stock at the end of Q3:2022 represented 44.15 percent of GDP compared with 35.64 percent recorded for the same period in 2021.

1. Developments in the World Economy

Global growth surprised on the upside in Q3:2022 for some major economies. The two largest economies, U.S. and China, exceeded growth expectations in the third quarter of the year. The U.S. economy rebounded after two quarters of contraction, supported largely by consumption and exports. China's economy expanded significantly from its sluggish performance in the previous quarter, reflecting fiscal support from the government and accommodative monetary stance. Nonetheless, there were strong headwinds to growth such as the persistent inflationary pressures that were limiting demand and

	Year-over-Year			
	Estimate		Projections	
	2020	2021	2022	2023
World Output	-3.1	6.0	3.2	2.7
Advanced Economies	-4.5	5.2	2.4	1.1
United States	-3.4	5.7	1.6	1.0
Euro Area	-6.3	5.2	3.1	0.5
Germany	-4.6	2.6	1.5	-0.3
France	-7.9	6.8	2.5	0.7
Italy	-9.0	6.7	3.2	-0.2
Spain	-10.8	5.1	4.3	1.2
Japan	-4.5	1.7	1.7	1.6
United Kingdom	-9.3	7.4	3.2	0.5
Canada	-5.2	4.5	3.3	1.5
Other Advanced Economies	-1.8	5.3	2.8	2.3
Emerging Market and Developing Economies	-2.0	6.6	3.7	3.7
Emerging and Developing Asia	0.8	7.2	4.4	4.9
China	2.2	8.1	3.2	4.4
India	-6.6	8.7	6.8	6.1
ASEAN	-3.4	3.4	5.3	4.9
Emerging and Developing Europe	-1.8	6.8	0.0	0.6
Russia	-2.7	4.7	-3.4	-2.3
Latin America and the Caribbean	-6.9	6.9	3.5	1.7
Brazil	-3.9	4.6	2.8	1.0
Mexico	-8.1	4.8	2.1	1.2
Middle East and Central Asia	-2.9	4.5	5.0	3.6
Saudi Arabia	-4.1	3.2	7.6	3.7
Sub-Saharan Africa	-1.6	4.7	3.6	3.7
Nigeria	-1.8	3.6	3.2	3.0
South Africa	-6.4	4.9	2.1	1.1

production, rapid tightening of global financial conditions, and low levels of business and consumer confidence. These headwinds to global growth had intensified and were expected to contribute to a moderation of global GDP from Q4:2022 onwards. Amid the headwinds and increasing uncertainty to growth, the IMF projected global growth to remain weak in the near term, slowing from 6.0 percent in 2021 to 3.2 percent in 2022 and further weakening to 2.7 percent in 2023. The downward revision in global growth for 2022 reflected slower growth in the US, China and the Euro area.

Risks to the outlook are tilted to the downside reflecting deteriorating growth conditions, amid persistent and broadening inflation. Aggressive policy

hikes, more especially in the U.S., are lending strength to the dollar adding to the price pressures in Emerging Market and Developing Economies (EMDEs) and forcing central banks to also raise policy rates, thereby dampening growth. Furthermore, a slowdown in growth momentum in China may have global ramifications, given the importance of China in the global economy, while intensification of the war in Ukraine could push Europe into a deeper recession.

1.1 United States

The U.S. economy outperformed projections by recording 0.6 percent growth in Q3:2022, compared to contractions in the previous two quarters. The return to growth for the United States, reflected a 4.0 percent increase in goods exports and a drop of 2.3 percent in goods imports. However, high frequency data pointed to economic weakness and a possible recession in Q4:2022. This was on account of the persistent inflation and interest rate hikes by the Federal Reserve. The IMF forecast the U.S. economy to grow at 1.6 percent year-on-year in 2022, and moderate further to 1.0 percent in 2023, driven by the tightness of the financial market on investment income and the impact of the strong dollar on trade. the downside risks to the global growth outlook emanates from rising borrowing costs, a strong dollar, and weak external environment, especially energy driven growth losses for Europe and COVID-containment weaknesses in China. The U.S. economy is, therefore, expected to forecast to enter a recession in the first half of 2023, and rebound in the second half year.

1.2 United Kingdom

The U.K. economy contracted by 0.2 percent in Q3:2022 from an expansion in Q2:2022, reflecting gas supply challenges due to the Russia-Ukraine war and soaring inflation. Persistent inflation and interest rate hikes impacted negatively on the business environment and exports growth, with intensification of cost of living squeeze. Private-sector activity was dampened by rising prices and weaker demand abroad, while business sentiment for the year ahead worsened. The IMF projected growth in the U.K. to slow down significantly to 3.6 percent in 2022 and 0.3 percent in 2023, on account of soaring inflation, rising cost of credit contributing to a weak business environment, and global economic shocks that have been compounded by Russia's invasion of Ukraine. However, the announcement of a fiscal package in September 2022 is expected to lift growth somewhat above the forecast in the near term, while complicating the fight against inflation.

1.3 Euro Area

The Euro area expanded by 0.2 percent in Q3:2022, down from a growth of 0.8 percent in Q2:2022. Activity in the economy was weighed down by soaring commodity prices, supply constraints and deterioration of consumer sentiments due to the war. Against the backdrop of domestic price pressures and global economic downturn, GDP in the Euro area is expected to contract further in Q4:2022. The IMF projected GDP growth in the Euro area at 3.1 percent for 2022, with a much steeper contraction expected in 2023. However, continuing fiscal support such as the next generation EU fund and the slowing of policy rate hikes will support economic activity in the region.

1.4 Japan

Economic activity in Japan unexpectedly contracted by 0.3 percent in Q3:2022, from a strong expansion of 1.14 percent in Q2:2022. This was partly driven by persistent global inflation pressures, a slump in the yen, as well as negative contributions from net exports, with exports expanding at 1.9 percent and imports rising by 5.2 percent. The IMF expected growth in Japan to remain stable at 1.7 percent in 2022, unchanged from that of 2021, however, moderating to 1.6 percent 2023, largely on account of external factors and lower domestic consumption as price inflation outpaces wage growth. In the outlook, the central bank's review of its ultra-accommodative monetary policy stance would reduce the interest rate differential between Japanese and U.S. assets, which in turn would boost the yen and support growth.

1.5 China

China's economy grew by 3.9 percent in Q3:2022, beating market expectations and reversing the contraction of 2.7 percent in the previous quarter. Despite the rebound, the Chinese economy faced some headwinds, both domestic and external, including its zero-COVID policy, moderation in exports, persistent property crisis, the risks of a global slowdown due to tightening monetary policy, the impact of geopolitical developments in terms of trade sanctions with U.S., and the impact of the ongoing war in Ukraine. The IMF had revised downwards its growth projection for China to 3.2 percent in 2022 on the back of COVID-19 outbreaks and lockdowns in multiple localities, as well as the worsening property market crisis. Growth is, however, expected to rise to 4.4 percent in 2023 with continuous strong fiscal stimulus billed to provide some support. The possibility of a rollback of U.S. tariffs will also support exports in the economy.

1.6 Emerging Markets and Developing Economies

Economic activity in emerging markets and developing economies had deteriorated on the back of tightening global financial conditions, elevated inflationary pressures and global growth slowdown, leading to capital outflows, depreciating currencies, and increased risks of debt crises. Growth performance had, however, been divergent across countries with economic momentum in most large emerging economies remaining resilient despite the headwinds supported by strong commodity prices. The IMF forecasted GDP growth at 3.7 percent for 2022 and 2023, reflecting mainly less favourable external conditions and slower growth in major trading partners such as China, the Euro area, and the U.S. In the outlook, rapid monetary policy tightening to bring inflation back to target, while restoring declining household purchasing power will support consumption and business activity in the region. However, further monetary policy hikes in the U.S. will increase the cost of credit to emerging markets and contribute to the weakening of emerging market currencies even as the dollar strengthens, thereby increasing debt default risk for the region.

1.7 Sub-Sahara African Countries

The IMF projected growth at 3.6 percent and 3.7 percent in 2022 and 2023, respectively, reflecting weaker growth by major trading partners, tighter financial conditions, and a negative shift in the commodity terms of trade. Economic activity in the region is, however, heterogeneous with diversified non-resource rich countries remaining resilient and projected to grow above 4.0 percent in 2022, while oil exporting countries and other resource-intensive countries were to grow averagely at 3.0 percent in 2022. Most SSA economies recorded double-digit inflation, leading to tighter monetary policy stance by central banks. Economic disruptions from the pandemic and geopolitical tensions are creating macroeconomic imbalance for economies with limited revenue buffers. In the outlook, risks to growth remain, amid global economic slowdown, high prices for fuel and agricultural commodities, extreme weather events, currency weakness and a frail Black Sea shipping deal that could potentially exacerbate food supply conditions in the region. Moreover, higher interest rates continue to threaten debt sustainability.

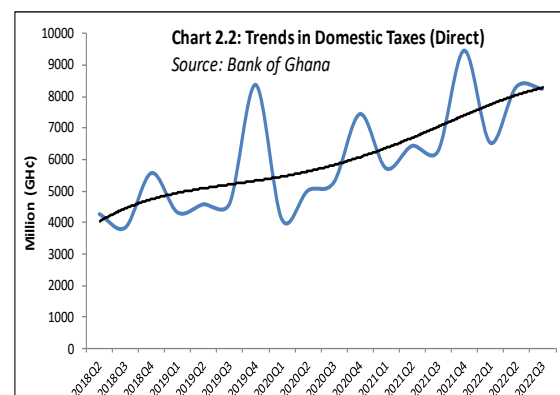
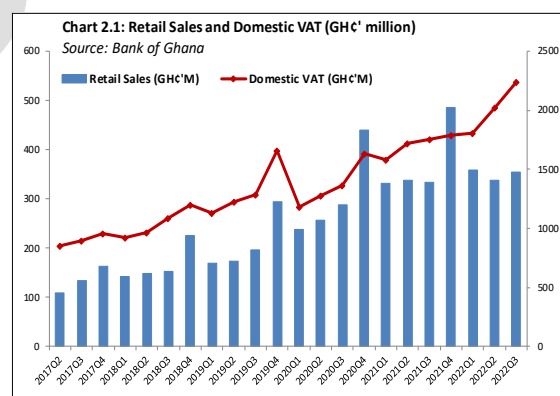
2. Real Sector Developments

A review of selected real sector indicators revealed some moderation in domestic economic activity during the third quarter of 2022 compared with trends observed during the same period in 2021.

2.1 Indicators of Economic Activity

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, improved in Q3:2022 compared with figures recorded in the corresponding period of 2021. Domestic VAT collections grew by 27.9 percent (year-on-year) to GH¢2,242.89 million, relative to GH¢1,753.36 million collected during the corresponding quarter in 2021. Domestic VAT also increased by 10.9 percent from

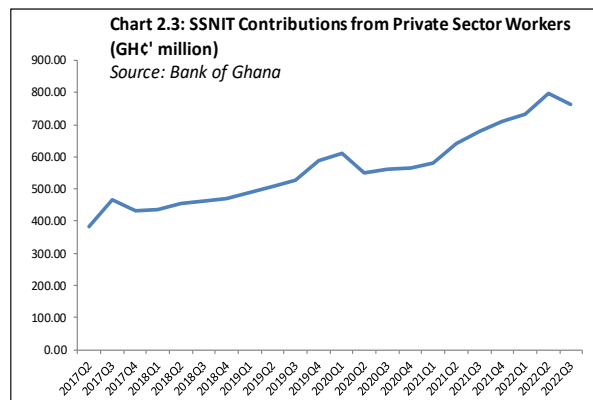


GH¢2,022.07 million collected in Q2:2022.

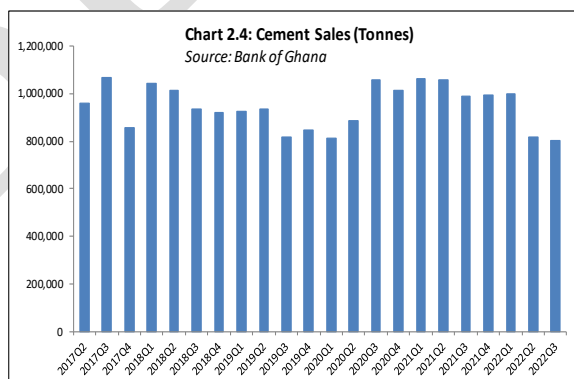
Retail sales increased by 6.6 percent (year-on-year), recording GH¢354.62 million in Q3:2022, compared with GH¢332.78 million recorded in the corresponding quarter of 2021. The improvement in retail sales could be attributed to an increase in household spending during the review period.

Manufacturing Activities

Manufacturing-related activities, as proxied by trends in the collection of direct taxes (income, corporate and others) and private sector workers' contributions to the SSNIT Pension Scheme (Tier-1), posted a positive outturn in Q3:2022, compared with what was observed in the same period of 2021. Total direct taxes collected increased by 31.4 percent (year-on-year) to GH¢8,233.97 million in Q3:2022, from GH¢6,267.79 million recorded for the second quarter of 2021. However, total direct taxes collected for the quarter under review, declined marginally by 0.7 percent from GH¢8,294.84 million collected in Q2:2022. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 47.9 percent, followed by Income Tax (PAYE and self-employed) with 39.2 percent, while other tax sources contributed 12.9 percent.



Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) rose by 12.8 percent (year-on-year) to GH¢764.23 million in Q3:2022, from GH¢677.44 million collected in the same quarter of 2021. Total contribution in the review period, however, declined by 3.9 percent when compared with GH¢795.43 million for Q2:2022. 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.

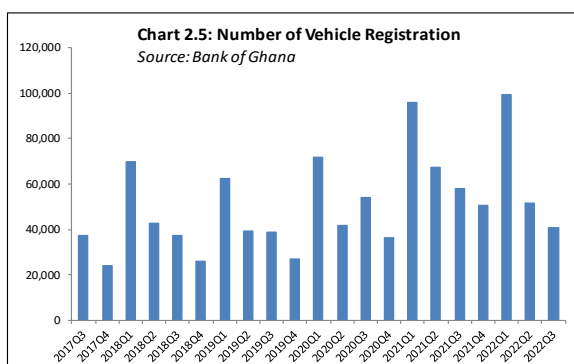


Construction Sector Activities

Economic activity in the construction sub-sector, as proxied by the volume of cement sales, declined by 18.8 percent (year-on-year) in Q3:2022 to 803,233.18 tonnes, from 988,703.79 tonnes recorded in Q3:2021. Similarly, total cement sales during the review period decreased by 1.9 percent when compared with 818,735.43 tonnes recorded in Q2:2022. The year-on-year decline in total cement sales was due to a slowdown in construction activities during the review period.

Vehicle Registration

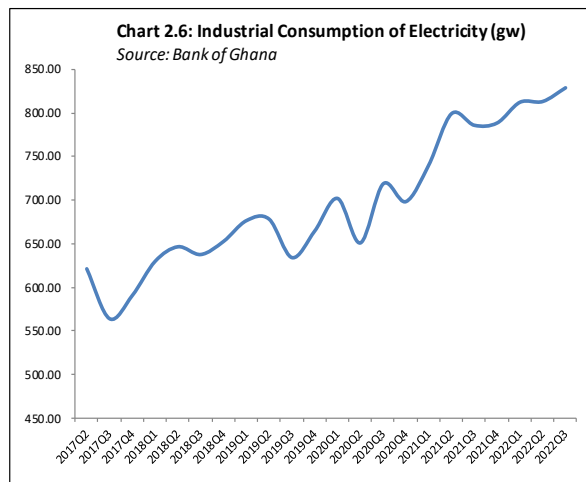
Transport-related economic activities, gauged by vehicle registration by the Driver and Vehicle Licensing



Authority (DVLA), declined by 29.7 percent to 40,987 in Q3:2022, from 58,286 vehicles registered during the corresponding quarter of 2021. Similarly, the number of vehicles registered during the review period decreased by 20.7 percent relative to 51,696 vehicles recorded in Q2:2022. The decline recorded in vehicle registration, year-on-year, was due to a moderation in vehicle importation during the quarter.

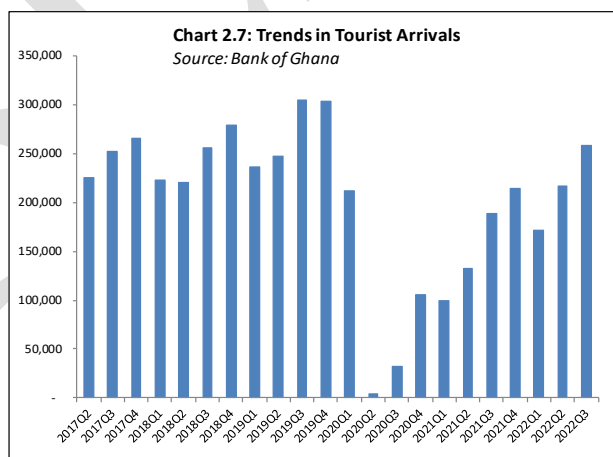
Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went up by 5.5 percent during Q3:2022, compared with observations made in Q3:2021. Industries utilised 828.87 giga-watts of power in Q3:2022, as against 785.66 giga-watts recorded in Q3:2021. Industrial consumption of electricity also increased by 1.9 percent from 813.19 giga-watts in Q2:2022. The improvement in the electricity consumed by industries, year-on-year, could be attributed to increased industrial activity during the review period.



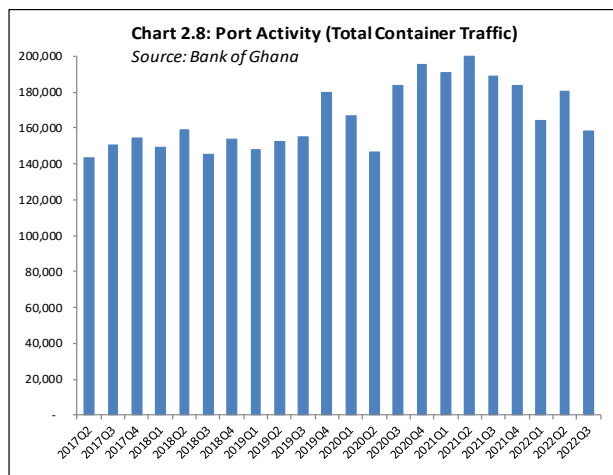
International Tourist Arrivals

Tourist arrivals through the country's various ports of entry improved in Q3:2022 when compared with figures recorded in the same quarter of 2021. A total of 258,246 tourists entered the country during the review period, as against 189,220 visitors received in Q3:2021, indicating an improvement of 36.5 percent. Tourist arrivals during the period also went up by 19.2 percent when compared with 216,589 visitors received in Q2:2022. The 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 in Q3:2022, compared with what was observed in Q3:2021. Total container traffic for inbound and outbound containers decreased by 15.9 percent to 158,514 from 188,481 recorded in Q3:2021. Port activity also dipped by 12.0 percent when compared to 180,080 laden containers recorded in Q2:2022. The decline



in port activities, year-on-year, was due to a slowdown in international trade activities amid ongoing geopolitical tensions during the review period.

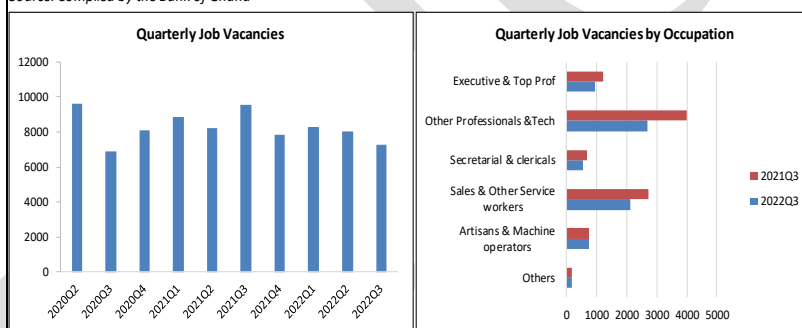
2.2 Labour Market Conditions

The number of jobs advertised in selected print¹ and online² media, which gauges labour demand in the economy, declined in Q3:2022 relative to what was observed in Q3:2021. In total, 7,250 job adverts were recorded in Q3:2022 as compared with 9,555 for Q3:2021, indicating a decline of 24.1 percent (year-on-year). Similarly, the number of job vacancies advertised in the review period decreased by 9.8 percent from 8,038 recorded for Q2:2022.

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 79.0 percent of total job adverts recorded in Q3:2022. This compares with a share of 82.8 percent it recorded in Q3:2021. Industry followed with a share of 17.1 percent, up from 14.0 percent in Q3:2021, while the Agriculture Sector accounted for 3.9 percent of the job adverts during the period, compared with 3.2 percent of total job adverts recorded for the corresponding quarter of 2021.

Chart 2.9: Trends in Advertised Job Vacancies and Categories
Source: Compiled by the Bank of Ghana



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 50.4 percent of total jobs advertised in Q3:2022, relative to 54.6 percent recorded in the corresponding quarter of 2021. This was followed by the categories classified as Sales & Other Service Workers (29.4% in Q3:2022 vs. 28.4% in Q3:2021), Artisans & Machine Operators (10.2% vs. 7.7%), Secretarial & Clerical Staff (7.6% vs. 7.2%) and Others (2.4% vs. 2.0%).

3. Price Developments

3.1 Global Inflation

The wave of inflationary pressures spreading across several economies remained elevated and broad-based across all items in the consumer basket during the review period. Inflation was at record highs in many countries, with Russia's invasion of Ukraine exerting upward pressure on energy and food prices, and squeezing household's real income. Across the world, central banks had generally responded with interest rate hikes, even though higher borrowing costs could further cripple real incomes. There were signs that global price pressures may be peaking as the major drivers of inflation ease somewhat, alongside the synchronized tightening of monetary policy across countries. However, the cut in oil production by OPEC+ could spur a recovery in oil prices, which have dropped to around US\$90 on fears of a global economic

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.

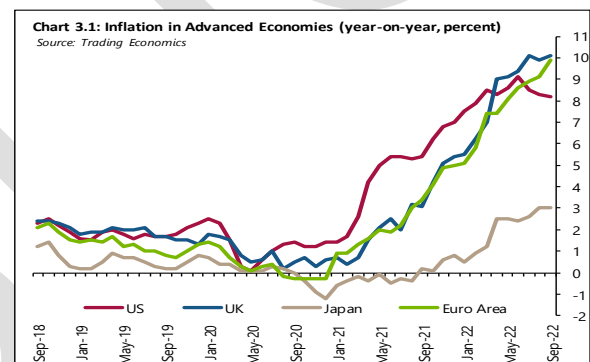
recession, rising U.S. interest rates, and a stronger dollar. This could exert further upward pressure on global inflation.

Advanced Economies

Inflation in the **United States** slowed to 8.2 percent at the end of Q3:2022, down from 9.1 percent at the end of Q2:2022. Consumer prices did not rise as quickly as they were in the previous quarter due to a slowdown in the pace of increase in gasoline prices, fuel and electricity. A decline was also recorded in prices for food, used cars and trucks. Core inflation, which excludes volatile products like energy and food, however, went up to 6.6 percent at the end of Q3:2022, from 5.9 percent recorded in the previous quarter.

The annual inflation in the **United Kingdom** jumped to 10.1 percent at the end of Q3:2022, from 9.4 percent in June 2022. The biggest contribution to the increase was from food, mainly from oils and fats and dairy products. Consumer costs also picked up sharply for housing and utilities, together with increasing prices for electricity, gas, and home fuels. Core inflation, which strips out the contribution of energy, food, alcohol, and tobacco, rose to 6.5 percent in September, from 5.8 percent in June 2022.

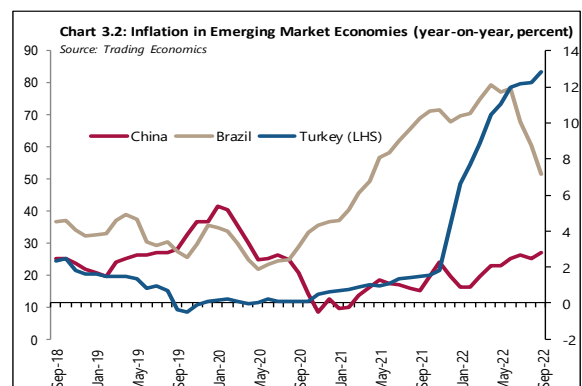
Annual inflation in the **Euro Area** soared to 9.9 percent at the end of Q3:2022, up from 8.6 at the end of Q2:2022. Core consumer prices in the Euro area, defined to exclude energy, food, alcohol, and tobacco, went up to 4.8 percent at the end of Q3:2022, from 3.7 percent at the end of Q2:2022.



Consumer prices in **Japan** increased to 3.0 percent in September 2022, from 2.4 percent recorded in June 2022 on the back of high prices of food and raw materials as well as yen weakness. This represented the second consecutive quarter with inflation above the Bank of Japan's inflation target of 2.0 percent. Core inflation, which excludes fresh food but includes fuel costs, rose to 3.0 percent at the end of Q3:2022, from 2.2 percent recorded at the end of Q2:2022.

Emerging Market Economies

China's annual inflation rate climbed further to 2.8 percent at the end of Q3:2022, from 2.5 percent recorded in Q2:2022 and 1.5 percent at the end of Q1:2022. The pickup in September came on the back of a sharp increase in the cost of food, mainly due to acceleration of pork prices. The core inflation rate in China slowed to 0.6 percent in September 2022, from 1.0 percent in June 2022.



The annual inflation rate in **Brazil** slowed significantly to 7.2 percent at the end of Q3:2022, from 11.9 percent at the end of the previous quarter. The slowdown was due to a continued fall in the price of transport, food and non-alcoholic beverages and housing. The

core inflation rate in Brazil, which excludes fuel and volatile food and beverages, eased to 8.6 percent in September 2022, from 9.7 percent in June 2022.

Turkey's inflation rate accelerated further to 83.5 percent at the end of Q3:2022, from 78.6 percent in Q2:2022 and 61.1 percent in Q1:2022 as the lira weakened further and the central bank continued to pursue accommodative monetary policy. The biggest rise in prices was recorded in housing and utilities and transportation, amid an extended rise in energy prices. Core inflation, defined to exclude energy, food and non-alcoholic beverages, alcoholic beverages, tobacco and gold, jumped to 68.1 percent at the end of Q3:2022, from 57.3 percent at the end of June 2022.

Sub-Saharan Africa

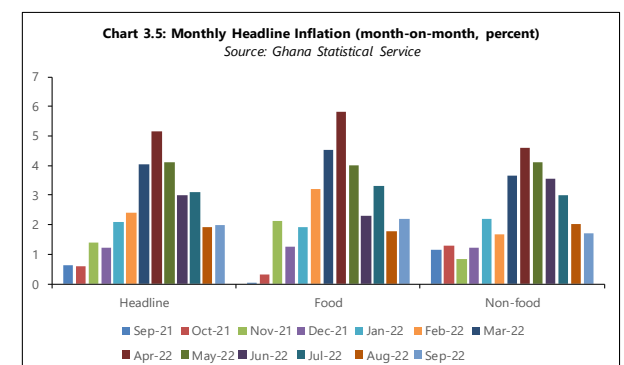
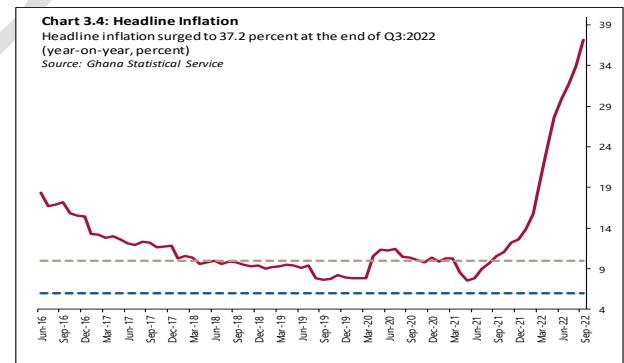
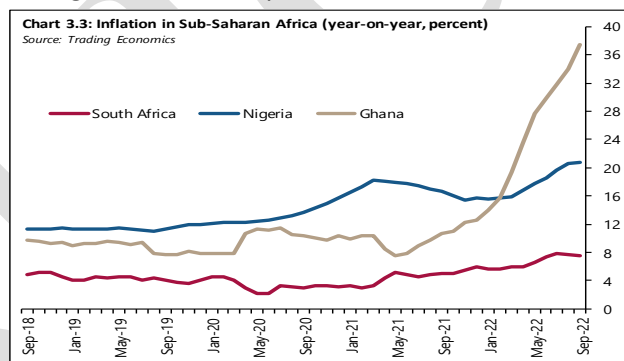
The annual inflation rate in **South Africa** saw a decline after peaking at 7.8 percent at the beginning of the third quarter to 7.5 percent at the end of Q3:2022. Despite the slowdown, inflation is still above the upper limit of the South African Reserve Bank's inflation target range of 3.0 to 6.0 percent. Core inflation, which excludes prices of food, non-alcoholic beverages, fuel and energy, rose to 4.7 percent at the end of Q3:2022, from 4.4 percent at the end Q2:2022.

In **Nigeria**, the annual inflation rate increased to 20.8 percent at the end of Q3:2022, from 18.6 percent recorded in Q2:2022 and 15.9 percent in Q1:2022. The price surge came on the back of a weaker naira that inflated the prices of imported goods in the inflation basket. Food prices also increased due to supply-chain bottlenecks caused by widespread flooding and higher import costs. Similarly, non-food prices also went up due to pressures in the transport, miscellaneous goods and services, and the housing and utilities categories. Core inflation, which excludes the prices of agricultural produce, climbed markedly to 17.6 percent in September 2022, from 15.8 percent in June 2022.

3.2 Domestic Inflation

Headline Inflation

Headline inflation quickened further for the twelfth consecutive month to 37.2 percent in September 2022, from 29.8 percent in June 2022 and 19.4 percent in March 2022. This was driven by both food and non-food price pressures emanating from the upward utility price adjustments, rising ex-pump prices, and the sharp depreciation of the Ghana cedi. In year-on-year terms, food inflation accelerated to 37.8 percent in September 2022, from 30.7 percent in June 2022. Non-food inflation also soared to 36.8 percent, from



29.1 percent over the same period.

The Bank's core measure of inflation, defined to exclude energy and utility, edged up to 36.2 percent at the end of Q3:2022, from 28.4 percent registered in June 2022, indicating strong underlying inflationary pressures.

Monthly Inflation

On a month-on-month basis, headline inflation averaged 2.3 percent in Q3:2022 relative to an average of 4.1 percent recorded in the previous quarter. Average monthly food inflation slowed to 2.4 percent in Q3:2022, from an average of 4.0 percent in Q2:2022. Also, average monthly non-food inflation fell to 2.2 percent, from 4.1 percent over the same period.

3.3 Inflation Outlook

In the outlook, inflation is expected to remain above the upper band of the medium-term target of 8 ± 2 percent, peaking close to 45.0 percent in Q1:2023. Going forward, risks are tilted to the upside, mainly characterized by potential impacts of expected upward adjustments in transport fares and exchange rate depreciation.

Global price pressures remain elevated and broadened in both advanced and emerging market economies, shaped by the Russia-Ukraine geo-political tension, alongside lingering supply-chain bottlenecks. Also, the cut in oil production by 2 million barrels a day by OPEC+ could spur a recovery in oil prices, which had dropped to around US\$90 from US\$120 three months ago on fears of a global economic recession, rising U.S. interest rates and a stronger dollar. This is expected to exert some upward pressures on the prices of imported products in the outlook.

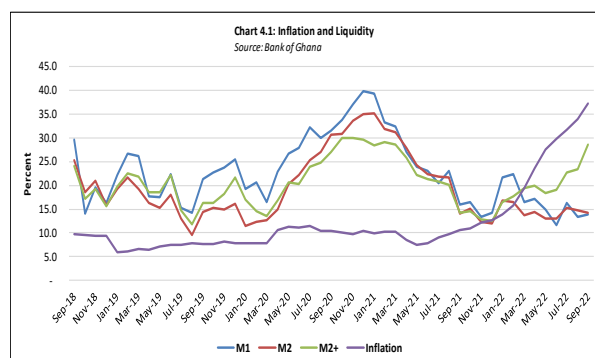
Domestically, exchange rate pressures and the likely upward adjustment in transport fares on the back of a possible recovery in crude oil prices, and the elevated global inflation could further worsen the inflation outlook.

4. Money and Financial Market Developments

The pace of growth in broad money supply (M2+) accelerated in Q3:2022, mainly driven by appreciable expansion in the Net Domestic Assets (NDA) of the depository corporations' sector. The Net Foreign Assets (NFA), however, contracted considerably during the review period to moderate the growth in M2+. The observed increase in the growth in M2+ reflected in

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
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
Apr	23.6	26.6	21.3	5.1	5.8	4.6
May	27.6	30.1	25.7	4.1	4.0	4.1
Jun	29.8	30.7	29.1	3.0	2.3	3.6
Jul	31.7	32.3	31.3	3.1	3.3	3.0
Aug	33.9	34.4	33.6	1.9	1.8	2.0
Sept	37.2	37.8	36.8	2.0	2.2	1.7

Source: Ghana Statistical Service



increased growth in currency with the public, time deposits and foreign currency deposits. However, growth in demand deposits declined during the period under review.

4.1 Broad Money Supply

Developments in the monetary aggregates showed acceleration in broad money supply (M2+) growth on a year-on-year basis. Annual growth in broad money supply (M2+) increased to 28.54 percent in Q3:2022, from 14.17 percent in Q3:2021. The stock of broad money supply stood at GH¢160,157.59 million during the review period, compared with GH¢124,596.60 million and GH¢145,156.93 million recorded in Q3:2021 and Q2:2022, respectively.

4.2 Sources of Change in M2+

The observed increase in the growth in M2+ was mainly attributed to considerable expansion in NDA of the depository corporations' sector. The NFA, however, contracted at a faster pace, relative to the previous period. Provisional data showed that NFA contracted by 209.64 percent in Q3:2022, compared with a

	Levels (GH¢ Millions)			Year-On-Year Variation							
	Sep-21	Jun-22	Sep-22	As at end-Sep 2021				As at end-Jun 2022			
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	39,156.13	48,237.98	53,503.90	8,818.08	29.07	12,174.34	33.76	14,347.77	36.64		
Narrow Money (M1)	61,153.92	66,917.35	69,671.98	8,415.48	15.96	6,996.24	11.68	8,518.05	13.93		
Broad Money (M2)	96,838.70	106,488.56	110,613.58	11,974.68	14.11	12,277.87	13.03	13,774.88	14.22		
Broad Money (M2+)	124,596.60	145,156.93	160,157.59	15,462.22	14.17	23,265.61	19.09	35,560.99	28.54		
Currency with the Public	18,812.37	22,102.32	23,786.09	2,406.17	14.67	3,545.35	19.11	4,973.72	26.44		
Demand Deposits	42,341.55	44,815.03	45,885.89	6,009.31	16.54	3,450.89	8.34	3,544.34	8.37		
Savings & Time Deposits	35,684.78	39,571.21	40,941.60	3,559.21	11.08	5,281.63	15.40	5,256.83	14.73		
Foreign Currency Deposits	27,757.90	38,668.37	49,544.01	3,487.53	14.37	10,987.74	39.69	21,786.11	78.49		
Sources of M2+											
Net Foreign Assets (NFA)	15,199.51	(7,470.94)	(16,665.29)	(4,106.77)	(21.27)	(32,855.49)	(129.43)	(31,864.80)	(209.64)		
BOG	16,504.31	(6,401.93)	(16,871.08)	(53.16)	(0.32)	(31,435.77)	(125.57)	(33,375.39)	(202.22)		
DMBs	(1,304.80)	(1,069.01)	205.79	(4,053.61)	(147.47)	(1,419.72)	(404.81)	1,510.59	(115.77)		
Net Domestic Assets	109,397.09	152,627.87	176,822.88	19,568.99	21.78	56,121.10	58.15	67,425.79	61.63		
Claims on Government (net)	77,648.30	96,441.19	108,948.92	16,560.42	27.11	33,159.35	52.40	31,300.62	40.31		
BOG	31,179.41	51,437.82	62,420.49	1,309.76	4.38	32,097.01	165.95	31,241.08	100.20		
DMBs	46,468.88	45,003.37	46,528.43	15,250.66	48.85	1,062.34	2.42	59.55	0.13		
Claims on Public Sector	6,894.55	8,392.48	8,998.57	734.50	11.92	897.25	11.97	2,104.03	30.52		
BOG	1,934.81	2,255.50	2,163.54	920.73	90.79	(584.15)	(20.57)	228.73	11.82		
DMBs	4,959.74	6,136.97	6,835.03	(186.23)	(3.62)	1,481.40	31.82	1,875.29	37.81		
Claims on Private Sector	45,710.86	57,856.53	64,956.82	4,322.98	10.45	14,469.48	33.35	19,245.96	42.10		
BOG	716.45	695.58	936.92	46.36	6.92	51.98	8.08	220.47	30.77		
DMBs	44,994.41	57,160.95	64,019.90	4,276.61	10.50	14,417.51	33.73	19,025.49	42.28		
Other Items (Net) (OIN) 1/2	(20,856.61)	(10,062.33)	(6,081.44)	(2,048.90)	10.89	7,595.01	(43.01)	14,775.17	(70.84)		
o/w BOG OMO (Sterilisation)	(6,321.65)	(4,583.33)	(6,940.43)	3,414.04	(35.07)	(47.83)	1.05	(618.78)	9.79		

Source: Bank of Ghana

contraction of 21.27 percent in Q3:2021. This was also higher than the 129.43 percent contraction recorded in Q2:2022. In contrast, growth in NDA expanded significantly to 61.63 percent in Q3:2022, from 21.78 percent recorded in Q3:2021. This was also higher than the growth of 58.15 percent recorded in Q2:2022.

Components of Net Domestic Assets

In terms of components of NDA, growth in net claims on Government increased to 40.31 percent in Q3:2022, from 27.11 percent in Q3:2021, partially reflecting the monetisation of the

uncovered Public Sector Borrowing Requirement (PSBR) auction by Bank of Ghana. Growth in claims on public sector increased to 30.52 percent in Q3:2022, from 11.92 percent recorded in Q3:2021, reflecting improved credit flows to the public sector, which was largely supported by Deposit Money Banks (DMBs). Growth in claims on private sector increased to 42.10 percent from 10.45 percent, over the same comparative period. The Other Items (Net) changed by *negative* 70.84 percent in Q3:2022 compared to a decline of 10.89 percent in Q3:2021.

4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors increased considerably to 41.68 percent in Q3:2022, from 9.00 percent in Q3:2021. This was also higher than the growth of 33.29 percent recorded for Q2:2022. At the end of Q3:2022, total outstanding credit stood at GH¢70,909.31 million compared with GH¢50,048.95 million and GH¢63,362.7 million recorded in Q3:2021 and Q2:2022, respectively. The increase in the nominal growth in credit was

	Levels (GH¢ Millions)			Year-On-Year Variation							
	Sep-21	Jun-22	Sep-22	As at end-Sep 2021				As at end-Jun 2022			
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	5,054.54	6,201.82	6,889.40	(143.16)	(2.75)	1,406.67	29.34	1,834.87	36.30		
Private Sector	44,994.41	57,160.95	64,019.90	4,276.61	10.50	14,417.51	33.73	19,025.49	42.28		
Agric. For. & Fish.	1,745.96	2,044.45	2,148.76	50.58	2.98	512.86	33.49	402.80	23.07		
Export Trade	166.20	245.42	287.06	34.29	26.00	80.85	49.12	120.86	72.72		
Manufacturing	5,405.73	6,034.83	6,997.12	576.39	11.94	849.95	16.39	1,591.39	29.44		
Trans., Stor., & Comm.	3,306.36	3,101.12	3,739.30	(23.45)	(0.70)	(186.74)	(5.68)	432.94	13.09		
Mining & Quarrying	987.25	1,330.25	1,571.11	(133.31)	(11.90)	278.97	26.54	583.86	59.14		
Import/Trade	1,389.85	1,931.37	2,103.13	31.41	2.31	753.19	63.93	713.28	51.32		
Construction	4,735.00	5,964.24	7,183.99	626.32	15.24	1,886.74	46.27	2,448.99	51.72		
Commerce & Finance	8,253.75	10,926.74	12,021.62	818.14	11.00	2,796.27	34.39	3,767.87	45.65		
Elect., Gas & Water	2,003.66	2,629.65	3,141.26	(573.22)	(22.24)	552.40	26.59	1,137.61	56.78		
Services	13,613.59	19,084.41	20,735.59	2,575.08	23.33	6,195.12	48.06	7,122.00	52.32		
Miscellaneous	3,387.07	3,868.48	4,090.96	294.37	9.52	697.89	22.01	703.89	20.78		
Grand Total	50,048.95	63,362.78	70,909.31	4,133.45	9.00	15,824.18	33.29	20,860.36	41.68		

Source: Bank of Ghana

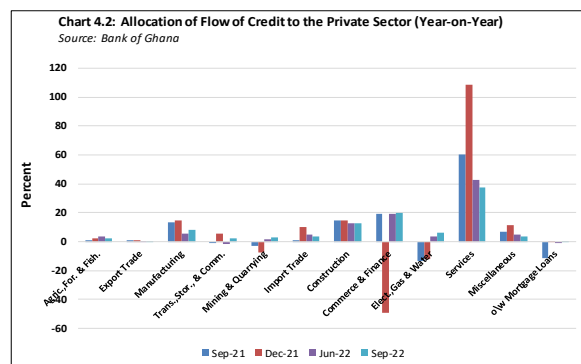
reflected in increased nominal growth of credit to the private and public sectors.

In real terms, growth in credit from the banks increased to 3.27 percent at the end of Q3:2022, from *negative* 1.44 percent in Q3:2021. This was also higher than the 2.69 percent growth realised in Q2:2022.

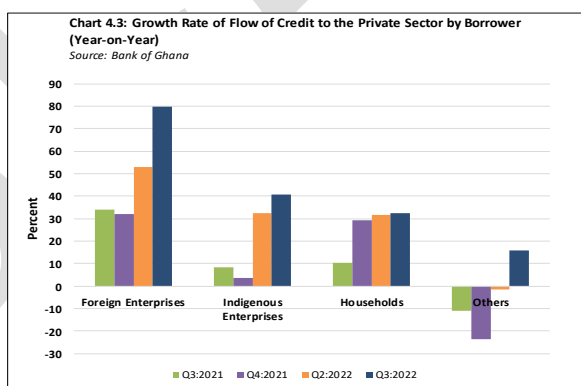
The share of total outstanding credit to the private sector increased marginally to 90.28 percent at the end of Q3:2022, from 89.90 percent recorded for the same period in 2021.

Distribution of Outstanding Credit to the Private Sector

The growth in outstanding credit to the private sector at the end of Q3:2022 was higher in nominal and real terms relative to the corresponding period in 2021. In nominal terms, it increased to 42.28 percent in Q3:2022, from 10.50 percent recorded in Q3:2021. This was also higher than the 33.73 percent growth recorded at the end of Q2:2022.



The outstanding credit to the private sector at the end of Q3:2022 was GH¢64,019.90 million, compared with GH¢44,994.41 million and GH¢57,160.95 million recorded in Q3:2021 and Q2:2022, respectively. In real terms, the annual growth rate of outstanding credit to the private sector increased to 3.71 percent at the end of Q3:2022, from *negative* 0.09 percent recorded in Q3:2021.



The increase in growth in credit to the private sector in Q3:2022 relative to the corresponding period in 2021 was reflected in increases in annual flow of credit to the following sectors: agriculture, forestry & fisheries, transport, storage & communication; mining and quarrying; import trade; commerce and finance; and electricity, gas and water. However, export trade; manufacturing; construction; and services sectors recorded decreases in credit flow in Q3:2022 relative to the corresponding period in 2021. The top five (5) beneficiary sectors of annual flow of private sector credit in Q3:2022 were services (37.4%), commerce and finance (19.8%), construction (12.9%), manufacturing (8.4%), and electricity, gas and water (6.0%). These top five sectors accounted for 84.45 percent of the overall credit flow for Q3:2022.

In terms of annual growth in credit to private sector by borrower, credit flows to both foreign enterprises and indigenous enterprises increased in Q3:2022, relative to Q3:2021. Similarly, credit flows to households and the 'Others' category improved over the same comparative period.

4.4 Sources and Uses of Banks' Flow of Funds

Total deposits remained the dominant source of funds into the banking system in Q3:2022. This was followed by other liabilities, which included 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 Q3:2022. This was followed by allocations to balances with Bank of Ghana and other assets, respectively.

The provisional figures for Q3:2022 showed that the proportion of commercial banks' fund flows allocated to investment in Government securities, foreign assets and other assets decreased, while proportion of

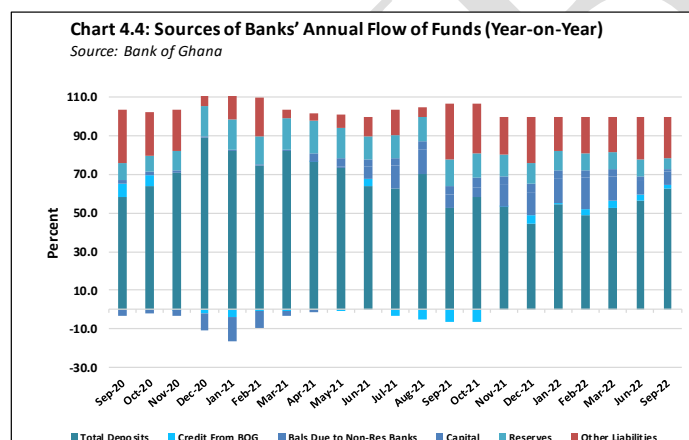
funds flows to bank credit, and balances with Bank of Ghana increased relative to that of the corresponding period in 2021.

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

	(Amount in GH¢ 'Million)			Year-On-Year Variation					
	Sep-21	Jun-22	Sep-22	As at end-Sep 2021		As at end-Jun 2022		As at end-Sep 2022	
				Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%
Sources of Funds									
Total Deposits	101,832.73	118,740.24	131,773.95	12,314.32	52.43	19,016.83	56.45	29,941.23	62.54
Domestic	74,074.83	80,071.87	82,229.94	8,826.78	37.58	8,029.09	23.83	8,155.12	17.03
Demand Deposits	38,390.05	40,500.66	41,288.34	5,267.58	22.43	2,747.46	8.16	2,898.29	6.05
Savings Deposits	18,928.85	20,805.70	21,719.03	1,498.49	6.38	2,381.01	7.07	2,790.18	5.83
Time Deposits	16,755.92	18,765.51	19,222.57	2,060.71	8.77	2,900.61	8.61	2,466.65	5.15
Foreign Currency	27,757.90	38,668.37	49,544.01	3,487.53	14.85	10,987.74	32.62	21,786.11	45.50
Credit From BOG	1,025.08	1,961.03	2,094.87	-1,556.92	-6.63	936.43	2.78	1,069.79	2.23
Balances Due to Non-Resident Banks	9,982.60	13,070.88	13,233.58	1,608.51	6.85	2,727.35	8.10	3,250.98	6.79
Capital	10,822.61	11,243.58	11,243.58	1,044.43	4.45	458.14	1.36	420.97	0.88
Reserves	13,820.34	16,114.20	16,532.15	3,336.75	14.21	3,112.77	9.24	2,711.81	5.66
Other Liabilities*	35,208.43	39,322.99	45,691.14	6,739.24	28.69	7,436.44	22.07	10,482.71	21.89
Total	172,691.79	200,452.93	220,569.26	23,486.33	100.00	33,687.95	100.00	47,877.48	100.00
Uses of Funds									
Bank Credit	50,048.95	63,362.78	70,909.31	4,133.45	17.60	15,824.18	46.97	20,860.36	43.57
a/w Private Sector Credit	44,994.41	57,160.95	64,019.90	4,276.61	18.21	14,417.51	42.80	19,025.49	39.74
Investment in Government Securities	55,650.08	54,660.62	57,871.13	17,958.98	76.47	2,810.25	8.34	2,221.06	4.64
Short Term	7,484.34	5,560.65	5,479.84	3,719.12	15.84	-970.20	-2.88	-2,004.50	-4.19
Medium/Long Term	48,165.73	49,099.97	52,391.29	14,239.86	60.63	3,780.45	11.22	4,225.56	8.83
Foreign Assets	8,677.80	12,001.88	13,439.37	-2,445.10	-10.41	1,307.64	3.88	4,761.57	9.95
Balances with BOG	19,720.96	28,134.15	34,291.32	886.70	3.78	7,703.21	22.87	14,570.36	30.43
Other Assets**	38,594.00	42,293.50	44,058.13	2,952.30	12.57	6,042.69	17.94	5,464.13	11.41
Total	172,691.79	200,452.93	220,569.26	23,486.33	100.00	33,687.95	100.00	47,877.48	100.00

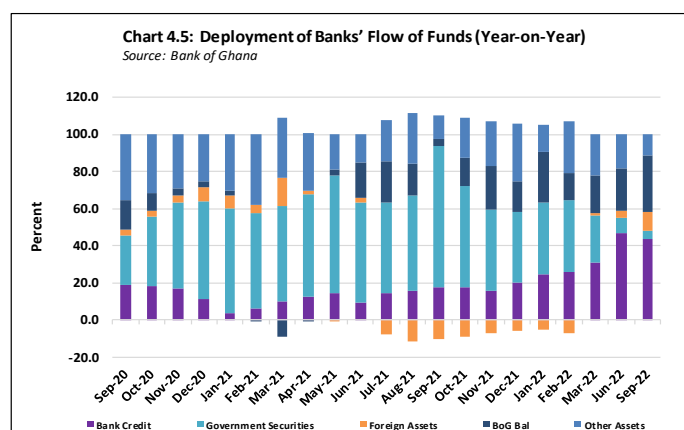
*Includes margin deposits, cheques for clearing, interest in suspense, borrowings from other resident banks and other unclassified liabilities.
 **Includes real estate and equipment and other unclassified assets
 Source: Bank of Ghana

The proportion of bank funds allocated to Government securities decreased significantly to 4.64 percent in Q3:2022, from 76.47 percent in Q3:2021. This reflected in decreases in the share of fund flows to investments in both short-term and medium- to long-term securities. The proportion of fund outflows from investment in short-term securities was 4.19 percent in the review period as against fund inflows of 15.84 percent in Q3:2021. Fund flows to medium- to long-term securities decreased to 8.83 percent in Q3:2022, from 60.63 percent recorded in Q3:2021.



The proportion of fund flows to foreign assets was 9.95 percent during the review period as against fund outflows of 10.41 percent in Q3:2021. The proportion of fund flows to other assets decreased marginally to 11.41 percent, from 12.57 percent at the end of Q3:2021. In contrast, the proportion of fund flows to bank credit increased to 43.57 percent, from 17.60 percent over the same comparative period. This was, however, marginally lower than the 46.97 percent recorded in Q2:2022.

The main source of fund flows for financing of banks' assets was deposits. Its share in the sources of fund flows, increased to 62.54 percent in Q3:2022 from 52.43 percent in Q3:2021. This was higher than the 56.45 percent recorded in Q2:2022. The increase in flows from total deposits, for the period under review, reflected an increase in the share of fund flows from foreign currency deposits to 45.50 percent, from 14.85 percent in Q3:2021, partly reflecting exchange rate effects. In contrast, the share of fund flows from domestic currency deposits decreased to 17.03 percent in Q3:2022, from 37.58 percent in Q3:2021. Reduction in fund flows from demand deposits mainly accounted for the decrease in fund flows from domestic currency deposits during the review period.



Further, aside credit from Bank of Ghana, the proportion of fund flows from balances due to non-resident banks, bank capital, bank reserves and other liabilities decreased during the period under review. The share of fund flows attributable to credit from Bank of Ghana was 2.23 percent, as against a share of 6.63 percent lodgement with Bank of Ghana in Q3:2021. The share of bank capital and bank reserves decreased to 2.23 percent, 0.88 percent, and 5.66 percent, respectively, in Q3:2022, from

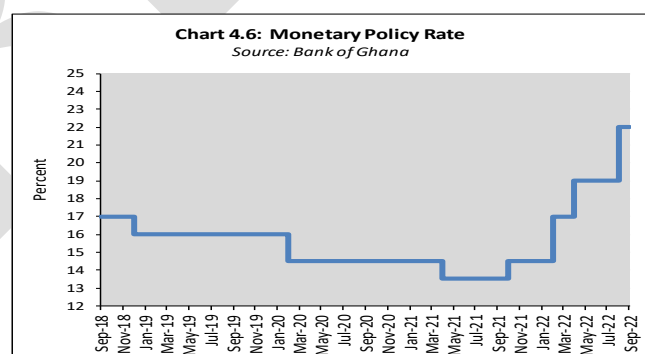
6.63 percent, 4.45 percent, and 14.21 percent, respectively, in Q3:2021. Similarly, the share of fund flows from balances due non-resident banks, and other liabilities decreased to 6.79 percent and 21.89 percent, respectively, from 6.85 percent and 28.69 percent, respectively, over the same comparative period.

4.5 Interest Rate Developments

Interest rates continued to trend upward on a year-on-year basis across the spectrum of the yield curve in Q3:2022. Rates on Government of Ghana (GOG) securities and BOG bills increased. At the retail end, lending rates trended upwards compared with rates recorded in Q3:2021, reflecting the transmission of the policy rate at the wholesale end of the market. Compared with Q2:2022 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 Q3:2022 was 22.00 percent, reflecting a cumulative 850bps increase compared with the MPR at the end of Q3:2021. The upward review in the MPR was due to inflationary pressures.



BOG Bills

The interest equivalent on the 14-day and 56-day BOG bills increased cumulatively by 850bps and 350bps to 22.00 percent and 17.00 percent, respectively, at the end of Q3:2022, from 13.50 percent each in Q3:2021. Similarly, when compared with Q2:2022, the rate on the 14-day BOG bill increased cumulatively by 300bps, while the rate on the 56-day BOG bill remained unchanged.

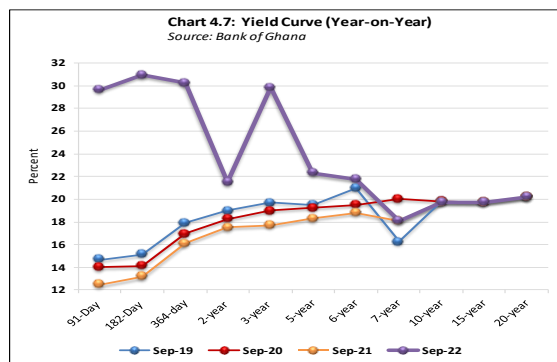
The 7-day, 28-day and 270-day BOG bills registered no changes in interest rates and remained at 11.74 percent, 24.27 percent, and 26.82 percent, respectively, at the end of Q3:2022. This was on account of inactivity and non-issuance.

Government Securities

On the treasury market, interest rates in Q3:2022 generally trended upwards. The 91-day, 182-day and 364-day T-bill rates increased cumulatively by 1,718bps, 1,774bps and 1,413bps, to settle at 29.65 percent, 30.94 percent, and 30.24 percent, respectively, compared to interest rates recorded on the discount

bearing securities at the end of Q3:2021. The interest earned on short-term GOG bills also recorded increases in rates when compared with the second quarter of 2022.

Interest rates on the 2-year note, 3-year, 5-year and 6-year GOG bonds increased cumulatively by 400bps, 1,215bps, 400bps, and 295bps, year-on-year, to settle at 21.50 percent, 29.85 percent, 22.30 percent and 21.75 percent, respectively, at the end of Q3:2022. When compared to the second quarter of 2022, the 3-year GOG bond increased by 485bps, while interest rates on the 2-year note, 5-year and 6-year, 7-year, 10-year, 15-year and 20-year GOG bonds remained unchanged.

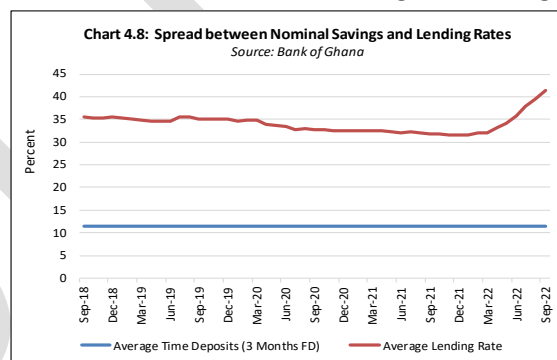


Interbank Market

The interbank weighted average interest rate increased cumulatively by 944bps to 22.05 percent in Q3:2022, from 12.61 percent recorded in Q3:2021. Compared to Q2:2022, the interbank weighted average interest rate increased by 213 bps.

Time and Savings Deposit Rates

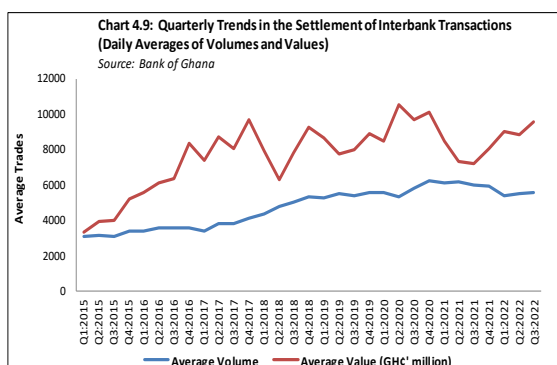
The average interest rate on the DMBs' 3-month time and savings deposits remained unchanged at 11.50 percent and 7.63 percent, respectively, at the end of Q3:2022 compared to Q3:2021.



Lending Rate

Lending rates trended upwards during the review quarter. The average lending rate increased by 958bps to 29.81 percent at the end of Q3:2022, from 20.23 percent in Q3:2021. Compared to Q2:2022, the average lending rate increased by 554bps.

The spread between the borrowing and lending rates expanded by 958bps on a year-on-year basis to 18.31 percent in Q3:2022. For the corresponding quarter in 2021, the spread narrowed by 107bps.



4.6 Payments System Developments

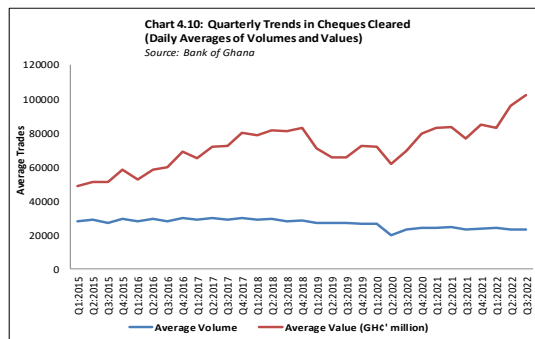
Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during Q3:2022 totalled 351,982 valued at GH¢603,211.41 million. This represented a decrease in volume by 7.19 percent and an increase in value by 33.40 percent, compared to transactions in Q3:2021. When compared with transactions settled during Q2:2022, there was an increase in the volume and value of transaction by 4.94 percent and 12.07 percent, respectively. On the average, 5,587 transactions were settled daily through the GIS, valued at GH¢9,574.78 million during the quarter under review, compared with a total of 5,499

cheques, valued at GH¢8,823.99 million during Q2:2022. In Q3:2021, an average of 6,019.54 transactions were settled daily, valued at GH¢7,177.53 million.

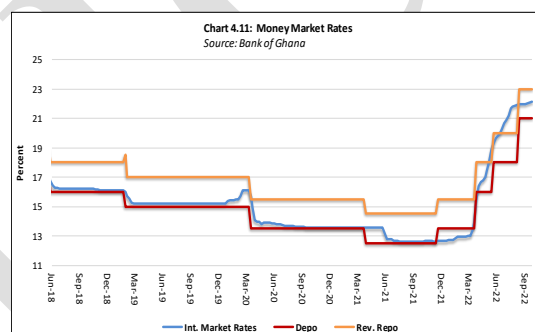
Cheques Cleared

The volume of cheques cleared during Q3:2022 totalled 1,464,818 valued at GH¢64,440.1 million. This represented a decrease in volume by 0.43 percent and an increase in value by 33.05 percent compared to transactions in Q3:2021. When compared with Q2:2022, the volume of transactions and value of cheques cleared increased by 2.20 percent and 10.02 percent, respectively. On a daily basis, an average of 23,251.08 cheques valued at GH¢1,022.86 million were cleared during the period under review, compared with 23,351.25 cheques valued at GH¢768.76 million in Q3:2021. In Q2:2022, an average of 23,496.62 cheques valued at GH¢960.17 million were cleared.



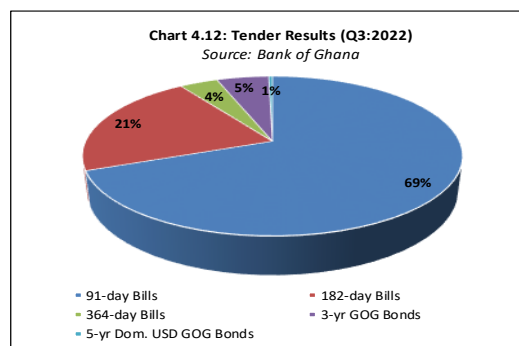
4.7 Money Market

Depos increased to GH¢25,445.00 million in Q3:2022 from GH¢4,145.00 million recorded in Q2:2022. Compared with same period in the previous year, depo trades increased by 2022.42 percent from GH¢1,200.00 million in Q3:2021 to GH¢25,445.00 million in the review period.



Reverse Repo trades totalled GH¢6,808.11 million in Q3:2022, a decrease of 62.35 percent from the Q2:2022 position. There were no reverse repo trades in the previous year as the central bank was absent on the interbank market to allow the banks trade amongst themselves.

On the interbank market, the value of trades during Q3:2022 ranged between GH¢2,759.00 million and GH¢5,368.00 million at a weighted average rate, ranging from 20.92 percent to 22.16 percent. In the previous quarter, values of trades ranged from GH¢940.00 million to GH¢6,308.00 million at a weighted average rate, ranging from 16.38 percent to 20.66 percent.



Tender Results

Total sales at the auction during Q3:2022 totalled GH¢38,606.48 million with maturities totalling GH¢32,850.80 million. This resulted in a net sale of GH¢5,755.68 million out of which an amount of GH¢3,427.70 million was used to finance government's activities and an injection through Bank of Ghana's OMO activities to the tune of GH¢2,327.97 million.

4.8 Currency Markets

The International Currency Market

The U.S. dollar ended Q3:2022 on a strong note as a result of benefits accruing from the Russia-Ukraine war which drove rate hikes by the Federal Reserve. The pound sterling, however, was very weak on the international market for the third quarter of 2022. This was due to several factors including lack of domestic data, recession fears, the Chancellor's mini-budget as well as worsening cost of living. The euro at the end of the review period had a weak performance. Russia shut a key gas pipeline to the Euro zone. This was coupled with a hike in interest rates by the European Central Bank (ECB) in late September. The yen experienced a mixed performance at the end of Q3:2022. This was due to the Bank of Japan's stance on maintaining an accommodative monetary policy. The yen's performance was worsened by soaring U.S. treasury yields which widened further, the gap between the yields of their respective sovereign bonds.

The **U.S. dollar** was strong against the pound sterling, the euro and the Japanese yen in Q3:2022. In September, the appreciation against other major currencies stemmed from the increase in interest rates by the Federal Reserve and also increased demand arising from its safe haven status. In a bid to curb inflation, there was aggressive monetary tightening by Federal Officials and this supported the upward trajectory of the U.S. dollar. The currency was also buoyed by data showing a pickup in U.S. services industry and a strong U.S. payrolls report. At the end of Q3:2022, the U.S. dollar appreciated by 9.28 percent against the pound sterling, 6.95 percent against the euro and 6.7 percent against the Japanese yen.

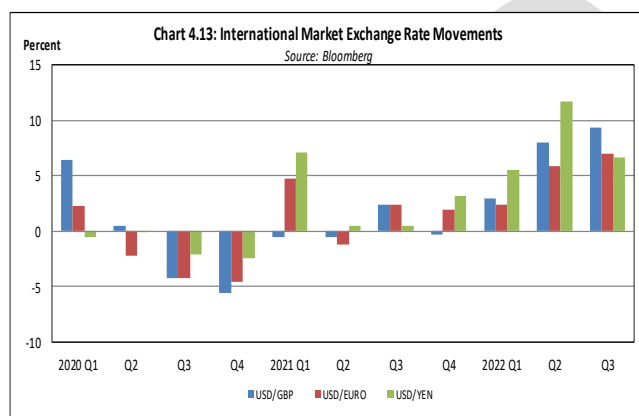


Table 4.4: International Market Exchange Rate Movements

End Period	Quarterly		Annual		Quarterly		Annual		Quarterly		Annual	
	USD/£	depreciation/ appreciation	USD/€	depreciation/ appreciation	USD/¥	depreciation/ appreciation	USD/£	depreciation/ appreciation	USD/€	depreciation/ appreciation	USD/¥	depreciation/ appreciation
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						
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						
2022 Q1	1.3149	2.9	1.1107	2.4	0.0082	5.5						
Q2	1.2177	8.0	1.0484	5.9	0.0074	11.7						
Q3	1.1142	9.3	0.9803	7.0	0.0069	6.7						

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

The **pound sterling** was weak during the period under review. Reasons for this outcome include the lack of significant domestic data and the Bank of England predicting that the U.K. economy will enter a prolonged recession at the end of 2022. Again, the announcement of the Chancellor's mini-budget, in which a proposal was made for extreme government borrowing combined with tax cuts contributed to further freefall of the currency in late September. Although the pound sterling was bolstered during the period by bets of rate hikes by the Bank of England, these gains were limited by successive pricing in of the rate hikes. Other reasons contributing to the performance of the pound sterling include a fall in factory orders as well as inflation. Britain also experienced a fall in house prices for the month of August 2022. Consequently, the pound sterling depreciated by 8.5 percent, 2.1 percent and 2.4 percent against the U.S. dollar, the euro and the Japanese yen, respectively.

The **euro** was weak in Q3:2022. In September, it weakened after Russia shut a major gas pipeline to Europe. The ECB raised interest rates by a record 75 basis points to fight inflation and also promised further hikes. During the period, the euro was weighed down by poor retail and manufacturing sector growth in the Euro zone, particularly, in Germany which had sales contracting by 1.6% and fears of a recession. These challenges were mitigated by recovery in German bond yields, a risk-off mood in the markets and a moderated demand for the U.S. dollar in August 2022. At the end of the quarter, the euro appreciated by 2.19 percent against the pound sterling, but depreciated by 6.5 percent and 0.3 percent against the U.S. dollar and the Japanese yen, respectively.

The **Japanese yen** experienced a mixed performance in Q3:2022. This was primarily due to the monetary authorities' accommodative policies on the one hand, and rising U.S. treasury yields on the other. Rate hikes by the U.S. Federal Reserve impacted negatively on the Japanese yen's strength as such hikes further widened the interest rate differential between the two currencies. Additionally, the eroding of the yen's safe-haven status, inflation and strong U.S. payroll and services industry data for July 2022 affected the performance of the currency. As a result, the Japanese yen depreciated against the U.S. dollar by 6.3 percent, but appreciated against the pound sterling and the euro by 2.4 percent and 0.3 percent, respectively.

The Domestic Currency Market

The Ghana cedi depreciated against the three major currencies in Q3:2022. The poor performance of the currency during the period was due to a combination of factors, including tight forex liquidity on both the interbank and the forex bureaux markets, developments in the international forex markets and reported demand pressures on the back of speculative trading. There were also requests from bond maturities and energy-related demand which contributed to the cedi's fall. Furthermore, the downgrade of Ghana's foreign and local currency credit ratings by S&P in August had an adverse effect on the Ghana cedi. There were also cases of rate adjustments by dealers to the detriment of the cedi.

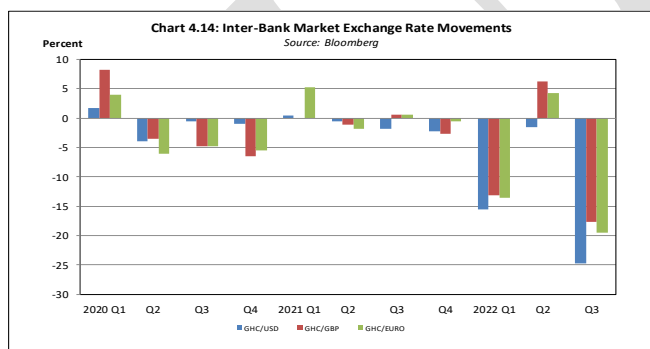


Table 4.5: Inter-Bank Market Exchange Rate Movements

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
Q2	7.2305	-1.6	8.8043	6.2	7.5797	4.2
Q3	9.6048	-24.7	10.702	-17.7	9.4147	-19.5

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

On the **Interbank market**, the Ghana cedi depreciated on a quarter-on-quarter basis by 24.7 percent against the U.S. dollar, 17.7 percent against the pound sterling, and 19.5 percent against the euro, in Q3:2022. In the third quarter of 2021, the cedi depreciated by 1.8 percent against the U.S. dollar, but appreciated by 0.6 percent each against the pound sterling and the euro.

On the **Forex Bureaux market**, the Ghana cedi depreciated on a quarter-on-quarter basis by 21.1 percent, 11.9 percent and 14.8 percent against the U.S. dollar, the pound sterling and the euro, respectively, in Q3:2022. The cedi performed abysmally in Q2:2022 compared to the corresponding period of 2021 when it depreciated by 2.7 percent, 0.4 percent and 0.5 percent against the U.S. dollar, the pound sterling and the euro, respectively.

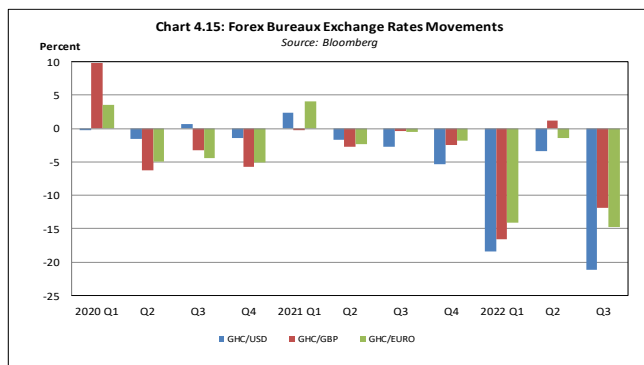


Table 4.6: Forex Bureaux Exchange Rate Movements

End Period	Quarterly depreciation/ appreciation		Annual depreciation/ appreciation		Quarterly depreciation/ appreciation		Annual depreciation/ appreciation		Quarterly depreciation/ appreciation		Annual depreciation/ appreciation	
	c/US\$		c/GBP		c/Euro							
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	7.8655	-5.7	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	8.3440	-2.4	7.1405	-1.8	-0.6					
2022 Q1	7.8175	-18.4	9.9990	-16.6	8.3100	-14.1						
Q2	8.0900	-3.4	9.8850	1.2	8.4250	-1.4						
Q3	10.2525	-21.1	11.2200	-11.9	9.8845	-14.8						

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

Foreign Exchange Transaction Market

At the end of Q3:2022, the total volume of forex purchases recorded was US\$4,707.39 million. Commercial banks' purchases contributed 83.5 percent of the total purchases (US\$3,931.07 million). The Central Bank's support to the market accounted for 14.8 percent (US\$698.65 million) and purchases from forex bureaux contributed the remaining 1.7 percent (US\$77.7 million).

Compared to Q2:2022, the volume of total purchases decreased by 18.3 percent. Commercial banks' purchases and Bank of Ghana's support decreased by 16.3 percent and 29.4 percent, respectively. However, forex bureaux purchases grew by 5.4 percent.

On sales, total volume recorded was US\$4,515.99 million. Commercial bank sales amounted to US\$4,438.12 million (98.3% of the total amount). Forex bureaux contributed the remaining amount. The total volume of sales decreased by 21.04 percent on a quarterly basis. Also, compared to Q3:2021, total sales decreased by 14.93 percent.

Table 4.7: Foreign Exchange Transaction Market

		Purchases (million \$)				Sales (million \$)			
		Commercial Bank	Forex Bureaux	Total		Commercial Bank	Forex Bureaux	Total	
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	1,653.29	
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	
Apr		357.66	1,887.43	22.90	2,267.99	2,219.09	22.88	2,241.97	
May		344.37	1,310.84	23.54	1,678.75	1,683.13	24.23	1,707.36	
Jun		288.06	1,498.80	27.27	1,814.13	1,743.41	26.62	1,770.03	
Q2		990.09	4,697.07	73.71	5,760.87	5,645.63	73.73	5,719.36	
Jul		207.88	1,385.37	24.72	1,617.97	1,546.95	24.92	1,571.87	
Aug		214.89	1,205.92	25.94	1,446.75	1,395.35	26.15	1,421.50	
Sep		275.88	1,339.78	27.01	1,642.67	1,495.82	26.80	1,522.62	
Q3		698.65	3,931.07	77.67	4,707.39	4,438.12	77.87	4,515.99	

Source: Bank of Ghana

4.9 The Stock Market

The GSE-CI continued the downward trend in Q3:2022, recording a loss of 3.35 percent. Consequently, market capitalization decreased, recording a growth of -1.32 percent. With strong indications of government signing up onto an IMF-supported programme, demand for equities are expected to dampen and the GSE-CI might continue the downward trend in the ensuing quarter.

The GSE-CI

The GSE-CI decreased by 3.35 percent (-85.36 points) on a quarter-on-quarter basis at the end of Q3:2022 as against an increase of 8.00 percent (211.62 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. In year-on-year terms, the GSE-CI declined by 13.84 percent (-395.17 points) as at the end of Q3:2022 compared with an impressive growth of 53.63 percent (998.73 points) in Q3:2021.

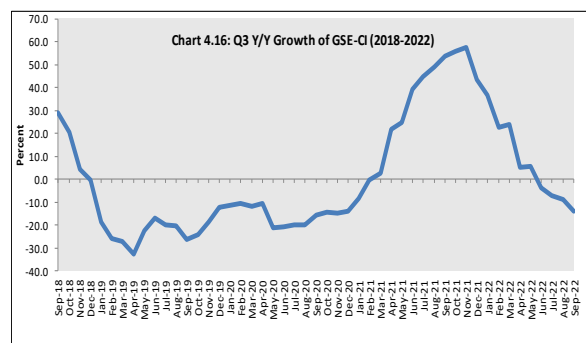
Sector Performance

The poor performance in the GSE-CI in Q3:2022 was driven mainly by share price depreciation of stocks in the Distribution (-0.24%; -6.53 points), IT (-2.22%; -0.72 points), Finance (-4.91%; -106.87 points), Food & Beverage (-5.61%; -71.63 points) and Manufacturing (-8.29%; -50.57 points) sectors. However, Oil, Mining, Agriculture and ETFund sector stocks gained, while the Education and Advertising & Production sector stocks recorded no change in prices to moderate the decline in the GSE-CI.

Market Performance

The total volume of trades on the GSE in Q3:2022 amounted to 189 million shares, valued at GH¢227.66 million, compared with a volume of 74 million shares, valued at GH¢103.55 million in Q3:2021. 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 mainly on account of sell-off of securities, consequently decreasing the GSE-CI.

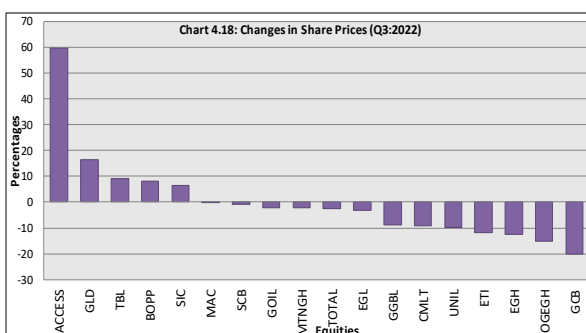
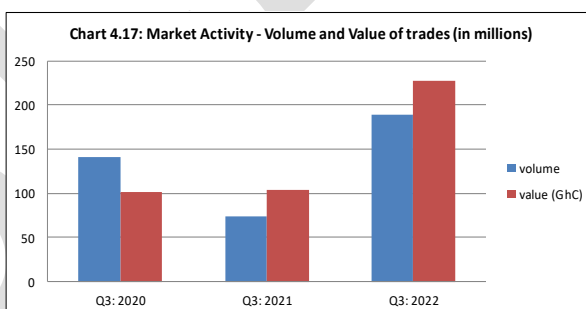
In Q3:2022, thirteen (13) stocks lost, while five (5) gained to moderate the losses in the GSE-CI. The rest remained unchanged at the end of the review period. ACCESS and GLD (NewGold Issuer Limited) were the best performers and led the list of advancers with a share price appreciation of 59.76 percent and 16.43 percent, respectively. TBL and BOPP also recorded gains of 9.09 percent and 8.00 percent, respectively. However, GCB, SOGEGH and EGH shed 20.00 percent, 15.25 percent and 12.63 percent, respectively, to top the losers.



Month	SECTOR											GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Sep-21	1091.25	614.23	2055.20	2794.56	135.21	44.95	572.00	40.02	4.08	100.00	100.00	2855.29
Jun-22	1276.36	609.76	2176.97	2749.66	155.03	32.63	1200.00	40.20	62.62	100.01	100.00	2545.48
Sep-22	1204.74	559.18	2070.10	2743.13	158.10	31.90	1296.00	40.26	530.25	100.01	100.00	2460.12
2022 (Q-on-Q)												
Absolute Δ	-71.63	-50.57	-106.87	-6.53	3.08	-0.72	96.00	0.06	467.64	0.00	0.00	-85.36
% Δ	-5.61	-8.29	-4.91	-0.24	1.98	-2.22	8.00	0.14	746.79	0.00	0.00	-3.35
2022 (Y-on-Y)												
Absolute Δ	113.49	-55.05	14.90	-51.43	22.90	-13.05	724.00	0.24	526.17	0.01	0.00	-395.17
% Δ	10.40	-8.96	0.72	-1.84	16.93	-29.03	126.57	0.60	12895.12	0.01	0.00	-13.84

Source: Ghana Stock Exchange

Source: Ghana Stock Exchange



Market Capitalization

Total market capitalization at the end of Q3:2022 stood at GH¢63,985.81 million, representing a decrease of 1.32 percent (GH¢855.40 million). Comparatively, market capitalization increased by 4.63 percent (GH¢2,839.43 million) in the same period in 2021. The main sectors that accounted for the decrease in market capitalization in Q3:2022 were the Distribution (-2.28%; GH¢26.86 million), Food & Beverage (-5.61%; GH¢61.52 million), Finance (-6.14%; GH¢946.87 million), IT (-2.22%; GH¢245.81 million), and Manufacturing (-8.29%; GH¢36.32 million) sectors. The decrease in market capitalization was moderated by increases in the Agriculture (8.00%; GH¢16.70 million), ETFund (746.79%; GH¢58.74 million), Mining (1.98%; GH¢362.74 million) and Oil (0.14%; GH¢23.82 million) sectors.

The Bond Market

The total value of Government of Ghana Notes and Bonds listed on the Ghana Fixed Income Market (GFIM) at end-September 2022 stood at GH¢161,291.50 million

compared to GH¢148,535.00 million at end-September 2021. Total value of corporate bonds stood at GH¢12,340.84 million at end-September 2022 compared with GH¢10,380.76 million at end-September 2021. The cumulative value of trades on the GFIM from the beginning of the year to the end of September 2022 stood at GH¢168,931.45 million, and the number of trades was 389,778.

5. Fiscal Developments

Fiscal developments in Q3:2022 resulted in a provisional deficit of GH¢13,493.2 million (2.3% of GDP), higher than the programmed target of GH¢8,679.6 million (1.5% of GDP), and higher than the deficit of GH¢12,466.6 million (2.7% of GDP) recorded in Q3:2021. The third quarter of 2022 also recorded a primary deficit of GH¢1,864.8 million (0.3% of GDP) against the programmed surplus of GH¢2,401.7 million (0.4% of GDP) and a primary deficit of GH¢2,122.5 million (0.5% of GDP) in Q3:2021.

5.1. Government Revenue

Government receipts (including grants) for the review period totalled GH¢24,536.0 million (4.2% of GDP). This was higher than the target of GH¢22,739.2

Month	SECTOR (GH¢ mill)											MKT. CAP.
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Sep-21	937.27	441.11	13244.39	1200.77	15939.16	15241.21	99.53	17045.73	0.51	10.57	10.70	64170.89
Jun-22	1096.26	437.90	15430.29	1177.56	18275.43	11062.45	208.80	17123.40	7.87	10.57	10.70	64841.21
Sep-22	1034.74	401.58	14483.42	1150.70	18638.17	10816.64	225.50	17147.21	66.60	10.57	10.70	63985.81
2022 (Q-on-Q)												
Absolute Δ	-61.52	-36.32	-946.87	-26.86	362.74	-245.81	16.70	23.82	58.74	0.00	0.00	-855.40
% Δ	-5.61	-8.29	-6.14	-2.28	1.98	-2.22	8.00	0.14	746.79	0.00	0.00	-1.32
2022 (Y-on-Y)												
Absolute Δ	97.47	-39.53	1239.03	-50.07	2699.01	-4424.57	125.98	101.48	66.09	0.00	0.00	-185.02
% Δ	10.40	-8.96	9.36	-4.17	16.93	-29.03	126.57	0.60	12895.12	0.01	0.00	-0.29

Source: Ghana Stock Exchange

	2021		2022*		Deviation (Prov.-Prog.) Under (-)/ Over (+)	% change Q3:2022 Q3:2021
	Prov. Q3	Prog. Q3	Prov. Q3	Prog. Q3		
Taxes on income and property	6,603.09	9,665.91	9,408.12	8,099.37	16.16	42.48
percent of GDP	1.44	1.92	1.59	1.37		
Taxes on goods and services	6,232.66	7,225.63	7,837.46	7,890.99	-0.68	25.35
percent of GDP	1.36	1.44	1.32	1.33		
Taxes on international trade	1,795.24	2,294.35	2,063.89	2,108.97	-2.14	14.96
percent of GDP	0.39	0.46	0.35	0.36		
Tax revenue including oil	13,865.55	18,148.08	18,245.87	17,333.15	5.27	31.59
percent of GDP	3.02	3.61	3.08	2.93		
Tax revenue excluding oil	12,789.97	15,785.77	16,399.54	16,722.39	-1.93	28.22
percent of GDP	2.97	3.23	2.98	3.04		
Nontax revenue	2,938.05	3,031.75	4,670.71	3,531.85	32.25	58.97
percent of GDP	0.64	0.60	0.79	0.60		
Domestic revenue including oil	18,449.12	22,106.87	24,352.30	22,364.51	8.89	32.00
percent of GDP	4.02	4.40	4.11	3.78		
Domestic revenue excluding oil	17,373.34	19,744.56	22,505.97	21,753.74	3.46	29.54
percent of GDP	4.03	4.05	4.09	3.95		
Grants	198.057204	164.92985	183.735368	374.709324	-50.97	-7.23
percent of GDP	0.04	0.03	0.06	0.06		
Total revenue and grants	18,647.18	22,271.80	24,536.04	22,739.22	7.90	31.58
percent of GDP	4.06	4.43	4.15	3.84		
Compensation of employees	8,654.13	8,998.70	10,026.53	10,001.95	0.25	15.86
percent of GDP	1.88	1.79	2.00	1.99		
Goods and services	2,533.47	2,132.32	1,888.66	383.74	392.18	-25.45
percent of GDP	0.55	0.42	0.32	0.06		
Interest payments	10,344.13	9,549.93	11,628.42	11,081.24	4.94	12.42
percent of GDP	2.25	1.90	1.96	1.87		
Subsidies	0.00	167.03	0.00	107.74	-107.74	-100.00
percent of GDP	0.00	0.03	0.00	0.02		
Non-Financial Assets (Capital Expenditure)	3,098.04	4,215.21	2,900.73	1,424.94	103.71	-6.37
percent of GDP	0.67	0.84	0.40	0.24		
Total expenditure & net lending	29,697.45	33,006.31	34,951.88	30,943.78	12.95	17.69
percent of GDP	6.47	6.57	5.91	5.23		
Overall Budget Balance	-12,466.56	-12,189.56	-13,493.19	-8,679.56	55.46	8.23
percent of GDP	-2.72	-2.49	-2.28	-1.47		
Domestic Expenditure	17,961.90	20,901.54	23,699.16	18,998.21	24.74	31.94
percent of GDP	3.91	4.16	4.00	3.21		
Domestic Primary Balance	487,220701	1,205.33	653.14	3,366.30	-80.60	34.05
percent of GDP	0.11	0.24	0.11	0.57		
Primary Balance	-2,122.46	-2,639.83	-1,864.77	2401.881	-177.64	-12.14
percent of GDP	-0.46	-0.53	-0.32	0.41		
Stock of Domestic Debt	173,833.19	189,614.19	189,488.81			
percent of GDP	37.86	32.04	32.01			
Nominal GDP (including oil)	459,130.52	591,883.32	591,883.32	591,883.32		
Nominal GDP (Excluding oil)	431,144.34	550,324.49	550,324.49	550,324.49		

* Provisional
Source: Bank of Ghana and Ministry of Finance

	2021		2022*		Deviation (Prov.-Prog.) Under (-)/ Over (+)	% change Q3:2022 Q3:2021
	Prov. Q3	Prog. Q3	Prov. Q3	Prog. Q3		
TAX REVENUE	13,865.55	18,148.08	18,245.87	17,333.15	5.27	31.59
(percent of GDP)	3.02	3.61	3.08	2.93		
TAXES ON INCOME & PROPERTY	6,603.09	9,665.91	9,408.12	8,099.37	16.16	42.48
Personal	2,500.64	2,874.99	3,168.32	3,055.87	3.69	26.70
Companies	2,434.33	3,351.72	3,436.49	3,501.29	-1.85	41.17
Company taxes on oil	37.82	1,339.34	1,032.88	341.24	202.68	176.30
Others	1,294.30	2099.86201	1,770.43	1,201.16	47.39	36.79
Other direct taxes /1	1,018.90	1747.61622	1,371.13	956.52	43.35	34.57
National Fiscal Stabilisation Levy	82.62	97.61	93.81	110.69	-15.24	13.55
Fimsec Clean-up Levy	78.09	91.56	81.08	14.67	133.84	3.83
Airport Tax	114.70	163.08	224.41	99.28	126.03	95.65
TAXES ON DOMESTIC GOODS AND SERVICES	6,252.66	7,225.63	7,837.46	7,890.99	-0.68	25.35
Excises	1,256.36	1,359.46	1,215.67	1,784.75	-31.89	-3.24
Excise Duty	135.97	133.24	124.68	158.08	-21.13	-8.30
Petroleum tax	1,120.39	1,226.22	1,090.98	1,626.68	-32.93	-2.62
VAT	3,223.14	3,579.26	3,861.29	3,866.20	-0.13	19.80
Domestic	1,916.45	1,957.13	2,045.53	2,276.53	-10.15	6.74
External	1,306.70	1,622.13	1,815.76	1,589.66	14.22	38.96
National Health Insurance Levy (NHIL)	1,062.07	830.21	923.84	779.24	18.56	37.60
GETFund Levy	671.54	830.51	924.07	741.98	24.54	37.60
Communication Service Tax	130.52	172.22	176.27	141.18	24.86	35.05
E-Transaction Levy	0.00	93.73	225.41	207.74	8.51	0.00
Covid-19 Health Levy	300.08	360.24	510.92	369.91	38.12	70.26
TAXES ON INTERNATIONAL TRADE	1,795.24	2,294.35	2,063.89	2,108.97	-2.14	14.96
Imports	1,795.24	2,294.35	2,063.89	2,108.97	-2.14	14.96
Import duty	1,795.24	2,294.35	2,063.89	2,108.97	-2.14	14.96
Tax Refunds	-785.44	-1,037.81	-1,063.60	-766.17	38.82	35.41
SOCIAL CONTRIBUTIONS	448.40	70.00	70.00	127.81	-45.23	-84.39
SSNIT Contribution to NHIL	448.40	70.00	70.00	127.81	-45.23	-84.39
NON-TAX REVENUE	2,938.05	3,031.75	4,670.71	3,531.85	32.25	58.97
Retention	1,490.86	989.99	2,067.91	2,502.52	-17.37	38.71
Lodgement	1,447.19	2,041.76	2,602.79	1,029.33	152.86	79.85
OTHER REVENUE	1,197.12	857.03	1,365.72	1,371.70	-0.44	14.08
ESLA Proceeds	1,197.12	857.03	1,365.72	1,371.70	-0.44	14.08
DOMESTIC REVENUE	18,449.12	22,106.87	24,352.30	22,364.51	8.89	32.00
GRANTS	198.06	164.93	183.74	374.71	-50.97	-7.23
Project grants	198.06	164.93	183.74	374.71	-50.97	-7.23
TOTAL REVENUE & GRANTS	18,647.18	22,271.80	24,536.04	22,739.22	7.90	31.58

* Provisional
Source: Bank of Ghana and Ministry of Finance

million (3.8% of GDP) by 7.9 percent and recorded year-on-year growth of 31.6 percent. Total receipts comprised tax revenue of GH¢18,245.9 million (74.4% of total receipts), social contributions of GH¢70.00 million (0.3%), non-tax revenue of GH¢4,670.1 million (19%), other revenue of GH¢1,365.72 million (5.6%), and Grants of GH¢183.7 million (0.7%).

Income and Property Tax

Taxes from income and property during Q3:2022 was GH¢9408.1 million. This was above the budgeted target of GH¢8,099.4 million by 16.2 percent and recorded a year-on-year growth of 42.5 percent. Personal income taxes raked in GH¢3,168.3 million, recording year-on-year growth of 26.7 percent, and was above the programmed target by 3.7 percent. Corporate taxes totalled GH¢3,436.5 million, while “Others” summed up to GH¢1,371.1 million. Inflows from National Fiscal Stabilization Levy (NFSL) for the period was GH¢93.8 million compared to GH¢82.6 million recorded in Q3:2021. Inflows from Airport tax totalled GH¢224.4 million compared to GH¢114.7 million recorded in Q3:2021.

Taxes on Domestic Goods and Services

Taxes on domestic goods and services of GH¢7,837.5 million was lower than the programmed target of GH¢7,890.99 million by 0.7 percent. This tax component comprised excise duty and petroleum tax of GH¢1,215.7 million, VAT collections of GH¢3,861.3 million, National Health Insurance Levy of GH¢923.8 million, GET fund levy of GH¢924.1 million, Communication Service tax of GH¢176.3 million, E-levy of GH¢225.4 million, and COVID-19 health levy of GH¢510.9 million. All these tax components over-performed compared to their respective programmed targets, except excise duty and petroleum tax.

Taxes on International Trade

International trade taxes totalled GH¢2,063.9 million, lower than the budget target of GH¢2,108.9 million by 2.1 percent. However, it was higher than the GH¢1,795.2 million recorded in Q3:2021, indicating year-on-year growth of 15.0 percent.

	2021		2022*		Deviation (Prov.-Prog.) Under (-) / Over (+)	% change Q3:2022 Q3:2021
	Prov. Q3	Prog. Q3	Prov. Q3	Prog. Q3		
Compensation of Employees	8,654.13	8,998.70	10,026.55	10,001.95	0.25	15.86
Wages & Salaries	8,035.44	8,041.59	9,625.34	8,753.64	9.96	19.79
Social Contributions	618.68	957.11	401.21	1,248.31	-67.86	-35.15
Pensions	333.30	350.66	350.19	370.89	-5.59	5.07
Gratuities	285.39	43.09	51.02	89.16	-42.78	-82.12
Social Security	0.00	563.35	0.00	788.26	392.18	-25.45
Use of Goods and Services	2,533.47	2,132.32	1,888.66	383.74	392.18	-25.45
o/w Recurrent Expenditure share of ABFA from Oil (30% of ABFA)	0.00	710.73	0.00	0.00		
Interest Payments	10,344.13	9,549.93	11,628.42	11,081.24	4.94	12.42
Domestic	8,688.68	6,732.05	9,192.05	9,056.31	1.50	5.79
External (Due)	1,655.45	2,817.88	2,436.37	2,024.94	20.32	47.17
Subsidies	0.00	167.03	0.00	107.74		
Subsidies to Utility Companies	0.00	0.00	0.00	0.00		
Subsidies on Petroleum products	0.00	167.03	0.00	107.74		
Grants to Other Government Units	3,775.43	5,842.36	6,570.39	5,961.81	10.21	74.03
National Health Fund (NHF)	390.49	587.48	449.34	437.05	2.81	15.07
Education Trust Fund	234.32	588.76	438.39	416.46	5.27	87.09
Road Fund	180.00	440.93	347.71	330.31	5.27	93.17
Energy Fund	0.00	0.00	0.00	0.00		
Petroleum Related Fund	9.13	9.00	7.10	6.74	5.27	
Dist. Ass. Common Fund	50.00	723.63	740.00	689.50	7.32	1,260.00
o/w ABFA	62.48	49.15	100.00	19.09	423.71	60.06
Ghana Infrastructure Fund	174.93	331.68	242.51	76.38	217.51	38.63
o/w ABFA	0.00	82.92	0.00	0.00		
Retention of Internally-generated funds (IGFs)	1,490.86	989.99	2,067.93	2,502.12	-17.37	38.71
Transfer to GNPC from Oil Revenue	394.09	794.74	1,035.32	431.12	140.15	162.71
Other Earmarked Funds	851.60	1,377.15	1,242.12	1,071.73	15.80	45.86
Youth Employment Agency	80.80	104.70	84.64	75.15	12.63	4.75
Student's Loan Trust	0.91	1.17	0.82	0.78	5.27	-9.71
Ghana EXIM Bank Ltd.	0.00	1.00	0.00	0.00		
Export Development Levy	47.73	71.69	56.53	53.70	5.27	18.45
Ghana Airport Authority	114.70	163.08	224.41	99.28	126.03	95.65
Mineral Development Fund	21.65	60.25	72.94	69.29	5.27	236.93
Mineral Income Investment Fund	182.20	440.02	291.74	277.15	5.27	51.79
GRA Retention	392.72	535.13	510.20	495.57	2.85	29.91
Plastic Waste Recycling Fund	0.90	1.08	0.85	0.81	5.27	-5.55
Social Benefits	0.00	0.00	374.19	20.30	1,743.12	
Upliftment Consumers of Electricity	0.00	0.00	374.19	20.30	1,743.12	
Other Expenditure	1,292.25	2,100.76	1,562.94	1,963.06	-20.38	20.95
ESIA Transfers	760.64	713.05	1,236.04	1,263.96	-2.21	62.50
COVID-Related Expenditure	531.61	0.00	0.00	0.00		
Financial Sector Cost (Cash) / Other Critical spending	0.00	1,387.71	326.90	699.10	-53.24	
Acquisition of Non-Financial Assets	3,098.04	4,215.21	2,900.73	1,423.94	103.71	-6.37
Domestic financed	1,256.90	710.90	894.27	562.61	58.95	-28.85
Foreign financed	1,841.14	3,504.32	2,006.46	861.33	132.95	8.98
TOTAL EXP. & NET LENDING	29,697.45	33,006.31	34,951.88	30,943.78	12.95	17.69

* Provisional
Source: Bank of Ghana and Ministry of Finance

Non-Tax Receipts

Non-Tax receipts were made up of Non-Tax Revenue of GH¢4,670.7 million, above the programmed target by 32.3 percent, and other revenue of GH¢1,365.7 million, below its target by 14.1 percent. Non-Tax Revenue comprised Retention of Internally Generated Funds (IGF) of GH¢2,067.9 million and Lodgement of GH¢2,602.8 million.

5.2 Government Expenditure

Government expenditure and net lending for Q3:2022 was GH¢34,951.9 million (5.9% of GDP), above the budgeted target of GH¢30,943.8 million (5.2% of GDP) by 13.0

percent. This was also higher than the payments of GH¢29,697.5 million (6.5% of GDP) in Q3:2021 by 17.7 percent. Compensation of employees, goods and services and interest payments were the main drivers of expenditures as they constituted about 67.4 percent of total payments made in the period under review.

Compensation of Employees

Compensation of employees, comprising wages and salaries, and social security contributions for Q3:2022 totalled GH¢10,026.6 million. This was 0.3 percent above the programmed target of GH¢10,002.0 million and higher than the payment of GH¢8,654.1 million made in a similar period of 2021 by 15.9 percent.

Interest Payments

Interest payments for the review quarter totalled GH¢11,628.4 million and was 4.9 percent above the programmed target. Domestic interest payments accounted for 79.0 percent of the total interest payments and registered year-on-year growth of 5.8 percent, while external interest payments accounted for the remaining 21.0 percent and recorded year-on-year growth of 47.2 percent.

Grants to Other Government Units

Grants to other government units for the review period totalled GH¢6,570.4 million, which was above the budgeted target of GH¢5,961.8 million by 10.2 percent. Payments of GH¢449.3 million to National Health Fund, GH¢740.0 million to District Assembly Common Fund and GH¢347.7 million to the Road Fund were above their respective programmed targets. The use of Internally Generated Funds by MDAs was GH¢2,067.9 million, missing the programmed target by 17.4 percent.

Other Expenditure

Other Earmarked Funds totalled GH¢1,242.1 million, while ESLA transfers was GH¢1,236.0 million. Other earmarked funds were above the budget target by 15.9 percent, while ESLA transfers fell short of the budgetary target by 2.2 percent.

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

Government acquisition of non-financial assets in Q3:2022 was GH¢2,900.7 million, above the budgeted target of GH¢1,423.9 million by 103.7 percent. Total domestic financed capital expenditure for the period was GH¢894.3 million (30.8 percent of capital expenditure), while foreign financed capital expenditure was GH¢2,006.5 million (69.2 percent of capital expenditure).

Table 5.4: Government Financing (GH¢ million)

	2021		2022*		Deviation		% change
	Prov. Q3	Prov. Q2	Prov. Q3	Prog. Q3	Under (-)/ Over (+)	Q3:2022 - Q3:2021	
Overall balance (commitment)	-11,050.27	-10,734.52	-10,415.84	-8,204.56	26.95	-5.74	
(percent of GDP)	-19.86	-2.14	-1.76	-1.39			
Road Arrears (net change)	-966.59	-505.57	-693.19	-475.00	45.93	-28.29	
Clearance of outstanding commitments	0.00	0.00	0.00	0.00			
Overall balance (cash)	-12,016.86	-11,240.08	-11,109.03	-8,679.56	27.99	-7.55	
(percent of GDP)	-2.62	-2.24	-1.88	-1.47			
Discrepancy	-449.73	-949.47	-2,384.16	0.00		430.14	
Overall balance (incl. Divestiture and Discrepancy)	-12,466.58	-12,189.56	-13,493.19	-8,679.56	55.46	8.23	
(percent of GDP)	-19.26	-2.43	-2.28	-1.47			
Financing	12,466.58	12,189.56	13,493.19	8,679.56	55.46	8.23	
Foreign (net)	-1,458.76	834.27	4,728.95	8,914.80	-46.95	-424.18	
Borrowing	1,662.88	3,879.45	7,713.56	11,200.83	-31.13	363.87	
Project loans	1,643.09	3,339.39	1,822.73	486.62	274.57	10.93	
Programme loans	19.79	540.06	29.81	783.83	-96.20	50.62	
Sovereign Bond	0.00	0.00	5,861.02	9,930.37	-40.98	-39.88	
Amortisation (due)	-3,121.64	-3,045.18	-2,984.61	-2,286.03	30.56	-4.39	
Domestic (net)	14,432.47	11,665.24	8,677.02	-1.42	-610,266.99	-39.88	
Banking	13,329.33	8,653.49	12,507.73	4,810.31	160.02	-6.16	
Bank of Ghana	11,838.61	11,941.13	10,982.67	1,390.25	689.98	-7.23	
Comm. Banks	1,490.72	-3,287.64	1,525.06	3,420.06	-55.41	2.30	
Non-banks	1,103.14	3,011.75	-3,830.70	-4,811.74	-20.39	-447.26	
Other Domestic	0.00	0.00	0.00	264.70			
Other Financing	0.00	0.00	0.00	0.00			
Ghana Petroleum Funds	-507.12	-304.60	-269.68	-5.62	4,702.79	-46.82	
Transfer to Ghana Petroleum Funds	-507.12	-1,015.33	-898.94	-233.81	284.47	77.26	
o/w Stabilisation Fund	-346.47	-710.73	-629.26	-163.67	284.47	81.62	
o/w Heritage Fund	-160.65	-304.60	-269.68	-70.14	284.47	67.87	
Transfer from Stabilisation Fund	0.00	710.73	629.26	228.20	175.75		
Sinking Fund	0.00	-5.35	356.90	-228.20	-256.40		
Contingency Fund	0.00	0.00	0.00	0.00			
Nominal GDP (including oil)	459,130.92	591,883.32	591,883.32	591,883.32			
Nominal GDP (Excluding oil)	431,144.34	550,324.49	550,324.49	550,324.49			

* Provisional

Source: Bank of Ghana and Ministry of Finance

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

STRUCTURE OF DOMESTIC DEBT	2021		2022			Absolute Δ Q3:2022 - Q3:2021
	Q3	Q4	Q1	Q2	Q3	
A. Short-Term Instruments	23,778.74	22,616.96	22,854.22	20,885.43	26,196.70	2,417.96
91-Day Treasury Bill	10,371.93	9,634.10	10,812.58	10,516.74	14,650.82	4,278.89
182-Day Treasury Bill	4,758.92	4,653.12	4,074.29	4,171.19	6,342.02	1,583.10
364-Day Treasury Bill	8,647.89	8,329.74	7,967.35	6,197.50	5,203.86	(3,444.03)
B. Medium-Term Instruments	110,248.68	115,074.26	122,116.24	124,091.11	124,451.75	14,203.07
2-Year Fixed Treasury Note	19,435.91	20,145.37	21,858.25	21,568.17	19,457.50	21.59
3-Year Fixed Treasury Note	27,782.69	27,174.32	28,791.42	28,118.02	30,868.42	3,085.73
3-year USD Domestic Bond	2,716.88	2,781.64	3,293.94	3,348.70	4,448.33	1,731.45
4-Year GOG Bond	541.36	541.36	541.36	541.36	541.36	0.00
5-Year GOG Bond	27,729.37	30,019.85	30,538.51	32,165.99	28,389.13	659.76
5-Year USD Domestic Bond	0.00	1,015.44	1,884.58	1,915.91	3,181.59	3,181.59
6-Year GOG Bond	7,641.44	8,671.36	10,228.52	10,521.49	11,231.18	3,589.74
7-Year GOG Bond	8,574.97	8,826.55	8,924.79	9,387.15	9,768.67	1,193.70
10-Year GOG Bond	15,826.06	15,898.36	16,054.86	16,524.32	16,565.58	739.52
C. Long-Term Instruments	44,782.17	44,800.06	44,643.73	44,512.26	44,355.93	(426.24)
15-Year GOG Bond	15,677.71	15,805.66	15,649.33	15,739.52	15,583.18	(94.53)
20-Year GOG Bond	1,546.76	1,546.76	1,546.76	1,546.76	1,546.76	(0.00)
Long Term Government Stocks	26,949.97	26,839.90	26,839.90	26,675.45	26,675.45	(274.52)
GOG Petroleum Finance Bond	80.02	80.02	80.02	80.02	80.02	0.00
TOR Bonds	57.20	57.20	57.20	0.00	0.00	(57.20)
Telekom Malaysia Stocks	109.46	109.46	109.46	109.46	109.46	(0.00)
Revaluation Stock	361.06	361.06	361.06	361.06	361.06	(0.00)
TOTAL	178,809.59	182,491.28	189,614.19	189,488.81	195,004.38	16,194.79

Source: Bank of Ghana and Ministry of Finance

5.3 Financing

The overall budget balance, including divestiture and discrepancy, in the third quarter of 2022 was GH¢13,493.2 million (2.3% of GDP) against a target of GH¢8,679.6 million (1.5% of GDP). The deficit together with transfers of GH¢269.7 million and GH¢356.9 million to the Ghana Petroleum Funds and the Sinking Fund, respectively, created a resource gap of GH¢13,405.9 million which was financed from the domestic economy (GH¢8,677.0 million) and foreign sources (GH¢4,729.0 million).

The Banking sector financed GH¢12,507.7 million of the resource gap, while the Non-Bank sector financed the remaining GH¢3,830.7 million.

5.4 Domestic Debt

Composition of Domestic Debt

The stock of domestic debt at the end of Q3:2022 stood at GH¢195,004.4 million compared to GH¢178,809.6 million recorded in a similar period in 2021. The growth in the domestic debt stock was on account of an increase of GH¢2,417.9 million and GH¢14,203.1 million in the short and medium-term securities, respectively, while the long-term stocks and bonds decreased by GH¢426.2 million.

The growth in the short-term securities, reflected increases of GH¢4,278.9 million and GH¢1,583.1 million, in the 91-day and 182-day Treasury bills, respectively, and a decline of GH¢3,444.0 million in the 364-day Treasury bills. The growth in the medium-term securities at the end of Q3:2022 was on account of increases in all securities.

However, the decline in the long-term instruments was due to a decrease of GH¢274.5 million in long-term Government stocks. There were also decreases of GH¢94.5 million and GH¢57.2 million in the 15-year GOG bond and TOR bonds, respectively.

Holdings of Domestic Debt

Bank of Ghana's holding of domestic debt at the end of Q3:2022 stood at GH¢42,107.2 million, representing 21.6 percent of the total domestic debt. The Deposit Money Banks' (DMBs) holdings of domestic debt was GH¢58,277.5 million (30%) in Q3:2022. SSNIT held GH¢660.3 million (0.3%), Insurance companies GH¢1,477.4 million (0.8%), while 'Other holders' comprising rural banks, firms, and institutions as well as individuals held a total of GH¢75,219.5 million (38.6%). Non-Resident investors held GH¢17,262.5 million (8.9%) compared to their holding of GH¢32,364.8 million (18.1%) recorded in Q3:2021.

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

Holdings of Domestic Debt	2021		2022		
	Q3	Q4	Q1	Q2	Q3
A. Banking sector	91,079.52	92,125.33	95,335.15	91,831.54	100,384.74
Bank of Ghana	34,532.02	36,998.23	37,437.91	36,468.35	42,107.20
Deposit Money Banks	56,547.50	55,127.10	57,897.24	55,363.19	58,277.53
B. Nonbank sector	55,365.29	61,170.44	65,160.08	70,116.69	77,357.18
SSNIT	591.78	537.91	502.24	614.36	660.266
Insurance Co.s	1,039.04	1,094.62	1,259.76	1,354.01	1,477.41
Others Holders	53,734.47	59,537.91	63,398.08	68,148.32	75,219.50
Rural Banks	1,847.77	2,006.72	2,133.27	2,237.86	2,282.39
Firms & Institutions	35,995.47	41,013.77	44,245.18	47,492.69	51,296.36
Individuals	15,891.24	16,517.42	17,019.63	18,417.77	21,640.75
C. Foreign sector (Non-Residents)	32,364.78	29,195.51	29,118.96	27,540.58	17,262.47
TOTAL	178,809.59	182,491.28	189,614.19	189,488.81	195,004.38

Source: Bank of Ghana and Ministry of Finance

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

Holdings of Domestic Debt	2021		2022		
	Q3	Q4	Q1	Q2	Q3
A. Banking sector	50.94	50.48	50.28	48.46	51.48
Bank of Ghana	19.31	20.27	19.74	19.25	21.59
Deposit Money Banks	31.62	30.21	30.53	29.22	29.89
B. Nonbank sector	30.96	33.52	34.36	37.00	39.67
SSNIT	0.33	0.29	0.26	0.32	0.34
Insurance Co.s	0.58	0.60	0.66	0.71	0.76
Others Holders	30.05	32.63	33.44	35.96	38.57
Rural Banks	1.03	1.10	1.13	1.18	1.17
Firms & Institutions	20.13	22.47	23.33	25.06	26.31
Individuals	8.89	9.05	8.98	9.72	11.10
C. Foreign sector (Non-Residents)	18.10	16.00	15.36	14.53	8.85
TOTAL	100.00	100.00	100.00	100.00	100.00

Source: Bank of Ghana and Ministry of Finance

6. Balance of Payments

6.1 International Trade and Finance

Preliminary estimates of Ghana's balance of payments for Q3:2022 show a deficit of US\$912.68 million compared to a deficit of US\$685.05 million recorded in Q3:2021. The overall BOP deficit was due to the combined effect of the current account deficit and higher net outflows from the capital and financial account.

6.2 The Current Account

The current account deficit decreased by 32.7 percent from US\$1,098.51 million in Q3:2021 to US\$739.05 million in Q3:2022. This was as a result of an improved trade balance, private transfers, and a reduction in investment income outflows.

Merchandise Trade

The trade account recorded a surplus of US\$122.81 million in Q3:2022, higher than the surplus of US\$93.21 million recorded for the same period in 2021. The improvement in the trade surplus was on account of a higher growth in exports than in imports.

Exports

The value of merchandise exports for the review period was provisionally estimated at US\$4,202.88 million, indicating an increase of 24.0 percent compared with US\$3,389.79 million recorded in the same period in 2021. The improved exports performance was driven by higher crude oil receipts, non-traditional exports, and gold exports.

Gold exports amounted to US\$1,776.38 million, compared to US\$1,167.94 million recorded during the same period in 2021. The increase in gold export earnings was due to a rise in the volume of gold exports by 62.7 percent to 1,060,301 fine ounces. On the other hand, the average price of gold decreased by 6.5 percent to settle at US\$1,675.36 per fine ounce.

The value of crude oil exported was US\$1,336.88 million, compared to US\$1,033.14 million recorded in Q3:2021. The increase in value was due to an increase in the average realized price by 35.9 percent to settle at

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

	Q3:2021*	Q3:2022*	Q3:2022/2021	
			Abs change	% change
CURRENT ACCOUNT	-1,098.51	-739.05	359.45	-32.7
Merchandise Exports (f.o.b.)	3,389.79	4,202.88	813.09	24.0
Cocoa beans and products	511.18	277.64	-233.54	-45.7
Gold	1,167.94	1,776.38	608.45	52.1
Timber products	38.60	45.94	7.34	19.0
Oil	1,033.14	1,336.88	303.74	29.4
Others (including non-traditionals)	638.94	766.03	127.09	19.9
Merchandise Imports (f.o.b.)	-3,296.58	-4,080.07	-783.49	-23.8
Non-oil	-2,653.22	-2,592.16	61.06	-2.3
Oil	-643.36	-1,487.91	-844.55	-131.3
Trade Balance	93.21	122.81	29.59	31.7
Services (net)	-742.31	-732.85	9.46	-1.3
Receipts	2,459.85	2,036.95	-422.90	-17.2
Payments	-3,202.16	-2,769.80	432.36	-13.5
Income (net)	-1,296.30	-1,039.95	256.35	-19.8
Receipts	187.03	268.13	81.10	43.4
Payments	-1,483.34	-1,308.08	175.25	-11.8
Current Transfers (net)	846.89	910.94	64.05	7.6
Official	0.00	0.00	0.00	0.0
Private	846.89	910.94	64.05	7.6
Services, Income and Current Transfers (net)	-1,191.72	-861.86	329.86	-27.7
CAPITAL & FINANCIAL ACCOUNT	477.15	-260.69	-737.84	-154.6
Capital Account (net)	34.01	22.79	-11.22	-33.0
Capital transfers (net)	34.01	22.79	-11.22	-33.0
Financial Account (net)	443.14	-283.49	-726.62	-164.0
Direct Investments (net)	942.55	363.08	-579.47	-61.5
Portfolio Investments (net)	-380.69	-1,522.44	-1,141.75	-299.9
Financial Derivatives (net)	104.46	135.21	30.75	29.4
Other Investments (net)	-223.18	740.67	963.85	-431.9
Of Which:				
Official Capital (net)	46.53	880.61	834.08	1,792.7
Other Private Capital (net)	-130.85	232.70	363.54	-277.8
Short-term capital (net)	-138.86	-372.64	-233.78	168.4
Errors and Omissions	-63.70	87.07	150.77	-236.7
OVERALL BALANCE	-685.05	-912.68	-227.62	33.2
FINANCING	685.05	912.68	227.62	33.2
Changes in international reserves	685.05	912.68	227.62	33.2

* Revised * Provisional

Source: Bank of Ghana

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

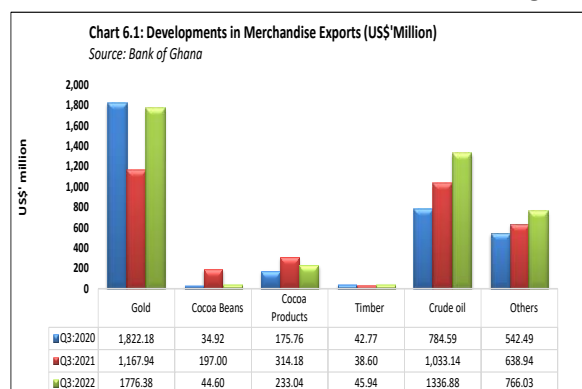
	Q3:2020	Q3:2021	Q3:2022	Q3:2022/2021
				% Change
Current Account Balance	-689.43	-1,098.51	-739.05	-32.7
Trade Balance	550.96	93.21	122.81	31.7
Services Balance	-1,101.60	-742.31	-732.85	-1.3
Investment income Balance	-1,072.33	-1,296.30	-1,039.95	-19.8
Net Unilateral Transfers	933.54	846.89	910.94	7.6

Source: Bank of Ghana

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

	Q3:2020	Q3:2021	Q3:2022	Q3:2022/2021	
				Abs change	% change
Total Exports	3,402.72	3,389.79	4,202.88	813.09	24.0
Gold	1,822.18	1,167.94	1,776.38	608.45	52.1
Cocoa Beans	34.92	197.00	44.60	-152.40	-77.4
Cocoa Products	175.76	314.18	233.04	-81.14	-25.8
Timber	42.77	38.60	45.94	7.34	19.0
Crude oil	784.59	1,033.14	1,336.88	303.74	29.4
Others	542.49	638.94	766.03	127.09	19.9

Source: Bank of Ghana



US\$99.75 per barrel compared to US\$73.39 per barrel recorded for Q3:2021. The volume of crude oil exported, however, decreased by 4.8 percent to 13,402,806 barrels compared to 14,078,245 barrels in Q3:2021.

Earnings from cocoa beans and cocoa products totalled US\$277.64 million in Q3:2022, compared to US\$511.18 million for the same period in 2021, representing a decrease of 45.7 percent. Earnings from cocoa beans amounted to US\$44.60 million, a 77.4-percent decrease from the level recorded in Q3:2021. Prices increased by 2.2 percent to settle at US\$2,478.91 per tonne, while the volume exported decreased by 77.8 percent to 17,990.63 tonnes. Earnings from the export of cocoa products also decreased by 25.8 percent to US\$233.04million on account of a 16.8-percent fall in volume to 78,007 metric tonnes as well as a 10.9-percent decline in price to US\$2,987.45 per tonne.

Timber product exports amounted to US\$45.94 million, lower than the US\$38.60 million recorded same period last year. The value of “other” exports which was made up of non-traditional exports, electricity and other minerals (bauxite, diamond, aluminium and manganese) was estimated at US\$766.03 million, some 19.9 percent higher than the outturn in Q3:2021.

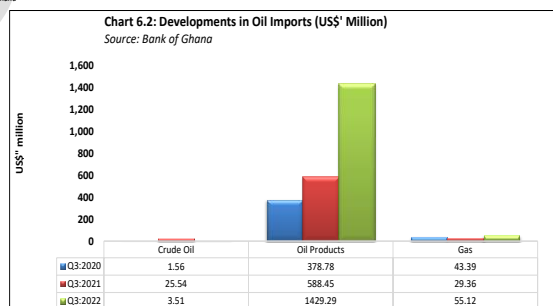
Top Ten Exported Non-Traditional Items

The value of the top ten non-traditional commodities exported during the period under review was US\$317.45 million, compared to US\$268.28 million recorded for the same period in 2021. Bars and rods of iron accounted for the largest share of the top ten NTEs with a share of 21.59 percent, followed by aluminium (17.09%), and tunas (14.44%), among others.

Table 6.4: Top-Ten Non-Traditional Exports, July - September 2021/2022

July - September 2021			July - September 2022		
Description	US\$'M	% Distr.	Description	US\$'M	% Distr.
Tunas, skipjack and Atlantic bonito (Sarda spp.), whole or in pieces, but not minced	45.08	16.80	Bars and rods of iron or non-alloy steel	68.54	21.59
Palm oil and its fractions	44.60	16.62	Aluminium	54.25	17.09
Technically specified natural rubber (TSNR)	36.97	13.78	Tunas, skipjack and Atlantic bonito (Sarda spp.), whole or in pieces, but not minced	45.85	14.44
Iron/Steel	31.65	11.80	Technically specified natural rubber (TSNR)	36.98	11.65
Cashew nuts	27.54	10.27	Refined oil and its fractions	23.73	7.48
Shea (karite) oil and fractions	25.46	9.49	Shea (karite) oil and fractions	21.11	6.65
Aluminium	19.32	7.20	Non-refractory ceramic bricks, tiles, pipes and similar products	17.77	5.60
Avocados, guavas, mangoes and mangosteens, fresh or dried	18.51	6.90	Iron/Steel	17.59	5.54
Non-refractory ceramic bricks, tiles, pipes and similar products	9.99	3.72	Avocados, guavas, mangoes and mangosteens, fresh or dried	16.99	5.35
Other, welded, of non-circular cross-section	9.16	3.41	Cashew nuts	14.65	4.61
Total	268.28	100.0	Total	317.45	100.0

Source: Bank of Ghana



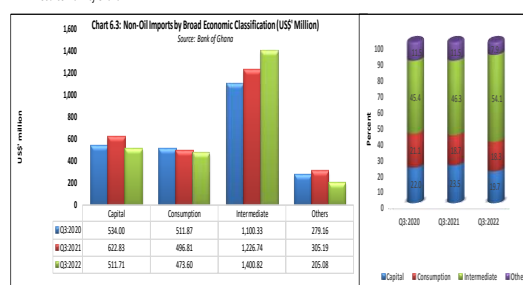
Imports

Total value of merchandise imports for Q3:2022 was US\$4,080.07 million, up by 23.8 percent, from US\$3,296.58 million recorded in Q3:2021. The rise in total imports was driven mainly by increased demand for oil imports, particularly oil products.

Oil and Gas Imports

During the period under review, oil imports (made up of crude, gas and refined products) increased by 131.3 percent to US\$1,487.91 million, from US\$643.36 million in 2021. Crude oil imports declined to US\$3.51 million in 2022, from US\$25.54 million in the corresponding period of 2021. The value of oil products imported was US\$1,429.29 million in 2022, compared to US\$588.45 million in the previous year. Gas imports increased to US\$55.12 million, from US\$29.36 million in Q3:2021.

Chart 6.3: Non-Oil Imports by Broad Economic Classification (US\$' Million)
Source: Bank of Ghana



Merchandise Non – Oil Imports

The total merchandise non-oil imports (including electricity imports) for Q3:2022 was provisionally estimated at US\$2,592.16million, down by 2.3 percent, compared to an outturn of US\$2,653.22 million recorded for the same period in 2021. The drop in non-oil imports was the result of decreases in demand for all the sub-categories except for intermediate goods.

The value of **capital goods** imported during the review period was US\$511.71 million, down by 17.8 percent from US\$622.83 million recorded for the same period in 2021. This was on account of a 49.3-percent decrease in the import industrial transport goods.

Consumption goods imported decreased by 4.7 percent to US\$473.60 million, from US\$496.81 million recorded a year ago. Sub categories in this classification that accounted for the decrease included durable consumer goods, non-industrial transport, processed food and beverages, mainly for household consumption and semi durable consumer goods.

The value of **intermediate goods** imported increased by 14.19 percent to US\$1,400.82 million, compared to US\$1,226.74 million recorded a year ago. This was due to an increase in imports in all the sub categories except for primary industrial supplies n.e.s. The value of **other goods** imported was US\$205.08 million, which was 32.8 percent less than the previous year's level of US\$305.19 million as a result of a decrease in demand for passenger cars.

Table 6.5: Top-Ten Non-Oil Imports, July - September 2021/2022

July - September 2021			July - September 2022		
Description	US\$M (Job)	% Distr.	Description	US\$M (Job)	% Distr.
Capital	301.03	35.0	Capital	174.03	26.0
Motor vehicles for the transport of goods, n.e.s.	208.20	24.2	Motor vehicles for the transport of goods, n.e.s.	104.86	15.6
Self-propelled bulldozers, excavators nes	61.33	7.12	Self-propelled bulldozers, excavators nes	69.17	10.32
Road tractors for semi-trailers	31.49	3.66	Consumption	88.68	13.23
Consumption	134.42	15.6	Cereal grains, worked but not rolled or of other cereal, nes	47.13	7.0
Weed killers (herbicides) and insecticides	52.89	6.1	Weed killers (herbicides) and insecticides	41.55	6.2
Rice	47.01	5.5	Intermediate	214.53	32.0
Cereal grains, worked but not rolled or of other cereal, nes	34.52	4.01	Iron and steel bars and rods	69.76	10.41
Intermediate	132.03	15.33	Ammonium nitrate	42.58	6.35
Iron and steel bars and rods	49.84	5.79	Polyethylene	38.40	5.73
Polyethylene	41.49	4.8	Fertilizers	32.41	4.8
Guts, bladders and stomachs of animals	40.70	4.7	Wadding, gauze, bandages and similar articles	31.39	4.7
Other	293.62	34.1	Other	193.10	28.8
Motor vehicles for the transport of persons, n.e.s.	293.62	34.1	Motor vehicles for the transport of persons, n.e.s.	193.10	28.8
Total	861.10	100.00	Total	670.35	100.00

Source: Bank of Ghana

Top Ten Major Non-Oil Imports

The top ten non-oil merchandise imports for the third quarter of 2022 amounted to US\$670.35 million, compared to US\$861.10 million recorded a year ago. Key items included motor vehicles for the transport of persons and goods, self-propelled bulldozers, cereal grains, polyethylene, among others.

Direction of Trade

Destination of Exports

During the review period, Other Europe received the largest share of Ghana's exports, 27.5 percent of total exports. The other recipients were the Far East (23.1%), the Rest of Africa (16.9%), ECOWAS (12.3%), the EU (12.2%), North America (5.2%), and Other Economies (2.9%).

Chart 6.4: Destination of Merchandise Exports

Source: Bank of Ghana

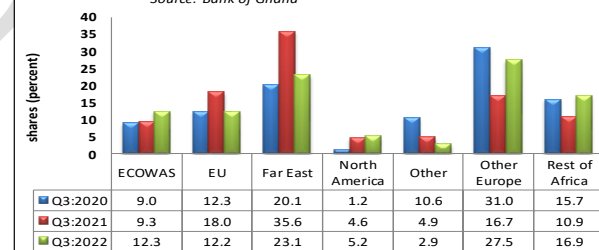
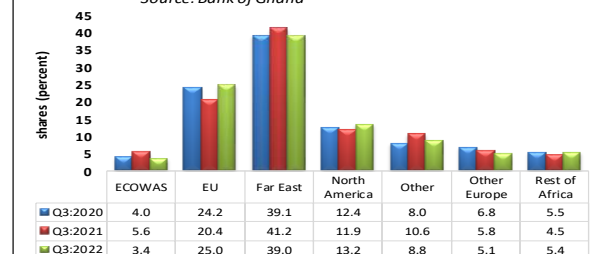


Chart 6.5: Sources of Merchandise Imports

Source: Bank of Ghana



Sources of Merchandise Imports

The Far East emerged as the leading source of imports, accounting for 39.0 percent of the total imports. The European Union followed with a share of 25.0 percent, North America (13.2%), Other Economies (8.8%), Rest of Africa (5.4%), Other Europe (5.1%), and ECOWAS (3.4%).

Services, Income and Transfers Account

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

	Q3:2022		Q3:2022/2021	
	Q3:2021	prov.	Abs change	% change
		Amounts in millions of U.S. dollars		
Services (net)	-742.31	-732.85	9.46	-1.3
Freight and Insurance	-172.88	-406.77	-233.89	135.3
Other Services	-569.44	-326.08	243.35	-42.7
Income (net)	-1,296.30	-1,039.95	256.35	-19.8
Current Transfers (net)	846.89	910.94	64.05	7.6
Official	0.00	0.00	0.00	0.0
Private	846.89	910.94	64.05	7.6
Services, Income and Current Transfers (net)	-1,191.72	-861.86	329.86	-27.7

Source: Bank of Ghana

During the period under review, the Services, Income and Current Transfers Account recorded a deficit of US\$861.86 million compared to a deficit of US\$1,191.72 million in Q3:2021. This was mainly on account of higher services outflows, although private transfers increased marginally and net income payments were lower year-on-year. The balance on the Services account improved from a deficit of US\$742.31 million to a deficit of US\$732.85 million as a result of an increase in freight and insurance payments and other services payments. The deficit on the income account narrowed by 19.8 percent to US\$1,039.95 million, from US\$1,296.30 million in Q3:2021. The lower net income outflow was in respect of interest payments, dividend payments, and distribution of profits. Current transfers, which are mostly private remittances, increased by 7.6 percent, from US\$846.89 million in Q3:2021 to US\$910.94 million in Q3:2022.

6.3 Capital and Financial Account

The capital and financial account recorded a deficit of US\$260.69 million in Q3:2022, compared to a surplus of US\$477.15 million in Q3:2021. 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\$22.79 million during the review period, compared to US\$34.01 million received in the same period in 2021.

Financial Account

Transactions in the financial account worsened significantly from a net inflow of US\$443.14 million in Q3:2021 to a net outflow of US\$283.49 million in Q3:2022. The higher outflows in the financial account were driven by net portfolio reversals, as well as lower net foreign direct investments inflows.

6.4 International Reserves

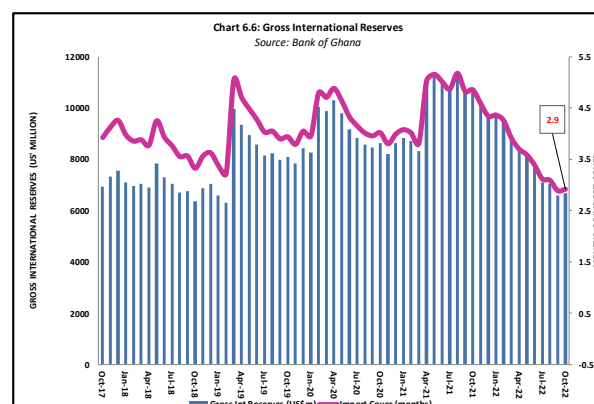
The stock of Net International Reserves (NIR) at the end

During the period under review, the Services, Income and Current Transfers Account recorded a deficit of US\$861.86 million compared to a deficit of US\$1,191.72 million in Q3:2021. This was mainly on account of higher services outflows, although private transfers increased marginally and net income payments were lower year-on-year. The balance on the Services account improved from a deficit of US\$742.31 million to a

Table 6.7: Capital and Financial Account (net)

	Q3:2021	Q3:2022	Q3:2022/2021	
		prov.	Abs change	% change
	Amounts in millions of U.S. dollars			
Capital and Financial Accounts	477.15	-260.69	-737.84	-154.6
Capital transfers	34.01	22.79	-11.22	-33.0
Financial Account	443.14	-283.49	-726.62	-164.0
Foreign Direct Investments	942.55	363.08	-579.47	-61.5
Portfolio Investments	-380.69	-1,522.44	-1,141.75	299.9
Financial Derivatives	104.46	135.21	30.75	29.4
Other Investments	-223.18	740.67	963.85	-431.9
Official Capital (Net)	46.53	880.61	834.08	1,792.7
Official	86.02	735.34	649.32	754.8
Disbursements	335.82	973.67	637.85	189.9
Amortisation	-249.80	-238.33	11.47	-4.6
Government Oil Investments	-39.49	145.27	184.76	-467.8
Inflow	0.00	273.51	273.51	0.0
Outflow	-39.49	-128.25	-88.75	224.7
Other Private Capital (Net)	-130.85	232.70	363.54	-277.8
Disbursements	3,106.30	3,563.10	456.80	14.7
Amortisation	-3,237.15	-3,330.40	-93.25	2.9
Short-term	-138.86	-372.64	-233.78	168.4
Non-Monetary	-423.15	-203.37	219.78	-51.9
Monetary	284.28	-169.27	-453.56	-159.5

Source: Bank of Ghana



of September 2022 was estimated at US\$2,669.80 million, indicating a drawdown of US\$3,409.74 million from a stock position of US\$6,079.54 million at the end of December 2021.

The country's Gross International Reserves (GIR) declined by US\$3,103.45 million to US\$6,591.77 million at the end of September 2022 from a stock position of US\$9,695.22 million at the end of December 2021. This was sufficient to provide 2.9 months of imports cover for goods and services compared to 4.8 and 4.3 months of imports cover as at September 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-September 2022 stood at US\$28,412.13 million, above the stock position of US\$28,135.88 million at end-June 2022. Compared with the stock level of US\$27,887.98 million recorded at end-September 2021, the external debt stock registered a year-on-year increase of 1.88 percent at end-September 2022, largely due to an increase in commercial debts. As a percentage of GDP, the external debt stock rose to 44.15 percent at end-September 2022, from 35.64 percent at end-September 2021.

Debt Stock by Creditor Group

In terms of creditor category, multilateral debt decreased by 3.92 percent to US\$7,757.44 million at end-September 2022, from the stock of US\$8,073.63 million recorded at the end of the previous quarter. Multilateral debts accounted for 27.30 percent of the total external debt stock at end-September 2022, compared to 29.34 percent at end-September 2021. The bilateral debt owed at the end of Q3:2022 was US\$1,190.12 million, representing 4.19 percent of the total external debt stock, compared to 4.50 percent at end-September 2021. The bilateral debt was 6.77 percent less than the US\$1,276.60 million recorded at the end of June 2022 and 5.19 percent below the stock of US\$1,255.28 million registered in September 2021.

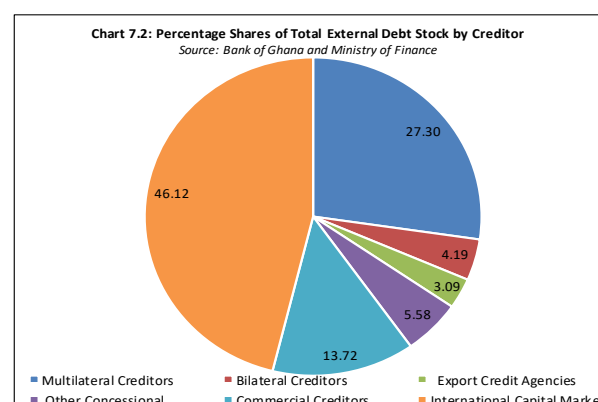
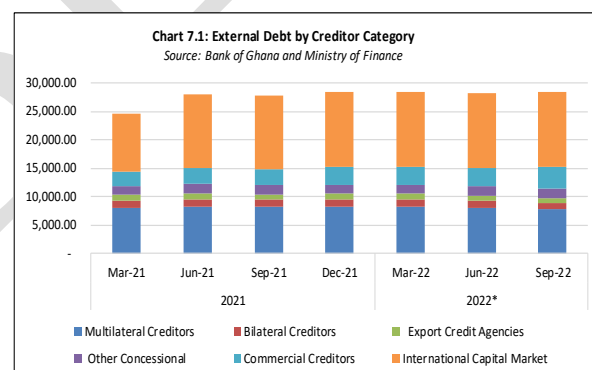
Commercial debts at end-September 2022 totalled US\$3,897.00 million and accounted for 13.72 percent of the total external debt stock, compared to 9.80 percent at end-September 2021. Commercial debts increased by 21.70 percent from US\$3,202.26 million recorded at end-June 2022. Similarly, commercial

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

	2021				2022*		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3
Total External Debt	24,598.81	28,072.15	27,887.98	28,339.22	28,379.07	28,135.88	28,412.13
Multilateral Creditors	8,122.88	8,302.36	8,182.68	8,192.45	8,150.01	8,073.63	7,757.44
Bilateral Creditors	1,245.70	1,248.23	1,255.28	1,336.02	1,378.56	1,276.60	1,190.12
Export Credit Agencies	914.05	1,013.03	990.45	981.11	946.66	911.13	877.37
Other Concessional	1,512.17	1,650.60	1,606.51	1,594.91	1,574.76	1,552.40	1,586.33
Commercial Creditors	2,588.57	2,722.08	2,733.20	3,114.87	3,209.22	3,202.26	3,897.00
International Capital Market	10,215.45	13,135.85	13,119.86	13,119.86	13,119.86	13,119.86	13,103.87

*Provisional

Source: Bank of Ghana



debts increased by 42.58 percent above the level of US\$2,733.20 million recorded for the same period in 2021.

Debts owed to the International Capital Market stood at US\$13,103.87 million at end-September 2022, constituting the highest share of 46.12 percent of the total external debt stock. Compared with the stock level recorded at the end of the previous quarter, there was a reduction of US\$15.99 million (0.12%) at the end of Q3:2022, and a decrease of US\$15.99 million (0.12%) from the position of US\$13,119.86 million recorded in the corresponding period in 2021.

Debts owed to Export Credit Agencies totalled US\$877.37 million at end-September 2022 and constituted 3.09 percent of the total external debt, compared with 3.55 percent at end-September 2021. This showed a decline of 3.71 percent from the level of US\$911.13 million recorded at end-June 2022, and 11.42 percent from the level of US\$990.45 million registered at end-September 2021.

Other Concessional loans at end-September 2022 amounted to US\$1,586.33 million and accounted for 5.58 percent of the total external debt, compared to 5.76 percent at end-September 2021. This showed an increase of 2.19 percent above the level of US\$1,552.40 million registered at end-June 2022, and a decrease of 1.26 percent from the position of US\$1,606.51 million recorded at end-September 2021.

7.2 Debt Service Payments

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

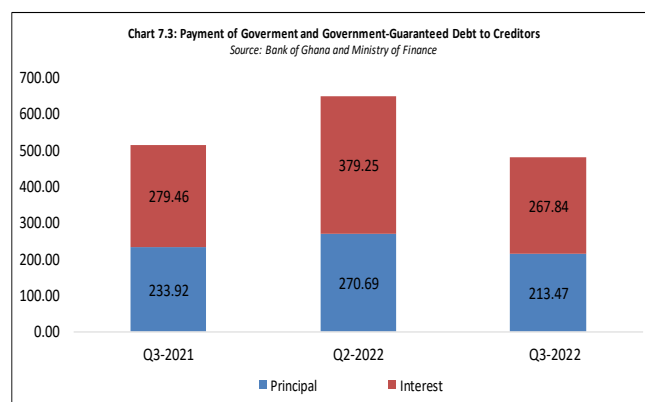
Creditor Category	Q3-2021			Q2-2022			Q3-2022		
	Principal	Interest	Total	Principal	Interest	Total	Principal	Interest	Total
Total	233.9	279.5	513.4	270.7	379.3	649.9	213.5	267.8	481.3
Multilateral Creditors	43.4	18.1	61.5	28.8	17.8	46.6	41.6	16.9	58.6
IDA	33.2	13.3	46.4	17.5	14.1	31.7	33.3	12.7	46.1
ADB/ ADF	5.3	3.7	9.0	3.8	2.5	6.3	6.3	3.7	10.0
Others	4.9	1.1	6.0	7.4	1.1	8.6	2.0	0.5	2.5
Bilateral Creditors	42.3	10.2	52.5	72.6	4.9	77.5	18.0	7.1	25.1
Paris Club	16.4	3.4	19.8	17.3	1.9	19.3	17.9	3.0	20.9
Non-Paris Club	25.8	6.8	32.6	55.2	3.0	58.2	0.1	4.1	4.2
Commercial Creditors	148.3	53.8	202.0	169.3	40.9	210.2	137.8	39.9	177.7
Sovereign Bond	0.0	197.4	197.4	0.0	315.6	315.6	16.0	204.0	220.0

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-September 2022 was US\$481.31 million. This was 25.95 percent less than the payment of US\$649.94 million made in Q2:2022 and was 6.25 percent lower than the payment of US\$513.38 million made in Q3:2021. Of the amount paid in Q3:2022, US\$213.47 million was in respect of principal payments and US\$267.84 million was for interest expense.

During the third quarter of 2022, multilateral creditors were paid a total of US\$58.55 million. Of the amount paid, US\$41.64 million was in respect of principal payments and US\$16.91 million was for interest payments, compared with principal repayments of US\$43.40 million, and interest payments of US\$18.06 million made in the corresponding quarter of 2021.

Total payments made to bilateral creditors at end-September 2022 amounted to US\$25.12 million. Out of the total amount paid, US\$18.03 million was in respect of principal repayment and US\$7.09 million in interest payments, compared



with US\$42.26 and US\$10.24 million paid as principal and interest, respectively, in the third quarter of 2021.

Commercial creditors were paid a total of US\$177.67 million during the quarter under review. Of the amount paid, US\$137.80 million was in respect of principal payments and US\$39.86 million was for interest payments, as against principal repayments of US\$148.27 million and interest payments of US\$53.76 million made in the same period in 2021.

In the International Capital Market, a coupon payment of US\$219.97 million was made on the outstanding Eurobond for the third quarter of 2022, as against a coupon payment of US\$197.41 million for the corresponding period in 2021.

8. The Rural Banking Sector

Provisional data from the Rural/Community Banks (RCBs) during Q3:2022 indicated an improvement in the sector's performance compared with developments in Q3:2021.

Table 8.1: Consolidated Assets and Liabilities of Rural/Community Banks (GHC' million)

	2021		2022		Variations	
					Q-on-Q	Y-on-Y
	Q3	Q4	Q1	Q2	Q3 (Q3:22-Q2:22)	Q3:22-Q3:21
Assets						
Cash Holdings & Balances with Banks	945.2	869.4	943.3	1,037.4	1,172.1	24.0
Bills and Bonds	3,039.9	3,128.2	3,280.6	3,372.5	3,436.0	13.0
Loans and Advances	2,003.6	2,050.3	2,181.1	2,242.0	2,333.5	16.5
Other Assets	715.1	710.9	739.4	737.6	748.2	4.6
Total Assets	6,703.8	6,758.8	7,144.3	7,389.5	7,689.7	14.7
Liabilities						
Total Deposits	5,843.8	5,977.2	6,295.4	6,529.6	6,765.9	15.8
Shareholders' Funds	428.1	389.0	427.4	410.9	456.1	6.5
Other Liabilities	431.8	392.6	421.5	449.0	467.7	8.3
Total Liabilities	6,703.8	6,758.8	7,144.3	7,389.5	7,689.7	14.7
No. of Reporting Banks	145	145	145	146		

Source: Bank of Ghana

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

	2021		2022			
	Q3	Q4	Q1	Q2	Q3	
	GHC	% Share	GHC	% Share	GHC	% Share
Commercial Banks	172,691.8	96.3	182,412.9	96.4	196,933.8	96.5
Rural Banks	6,703.8	3.7	6,758.8	3.6	7,144.3	3.5
Total	179,395.5	100.0	189,171.7	100.0	204,078.1	100.0

Source: Bank of Ghana

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

	2021		2022			
	Q3	Q4	Q1	Q2	Q3	
	GHC	% Share	GHC	% Share	GHC	% Share
Commercial Banks	101,832.7	94.6	109,533.9	94.8	116,314.4	94.9
Rural Banks	5,843.8	5.4	5,977.2	5.2	6,295.4	5.1
Total	107,676.6	100.0	115,511.2	100.0	122,609.8	100.0

Source: Bank of Ghana

percent in the previous quarter, and 5.4 percent at the end of Q3:2021.

Loans and Advances

Loans and advances made by RCBs stood at GHC2,333.5 million in the Q3:2022, indicating a growth of 16.5 percent, from GHC2,003.6 million recorded at the end of Q3:2021.

Assets

Total assets of RCBs amounted to GHC7,689.7 million in Q3:2022, representing a growth of 4.1 percent over GHC7,389.5 million recorded in Q2:2022. On a year-on-year basis, total assets grew by 14.7 percent at the end of Q3:2022. Total assets of RCBs constituted 3.4 percent of the banking system assets at the end of Q3:2022.

Deposits

Provisional data indicated that deposit mobilisation by the RCBs further improved in Q3:2022. Total deposits of RCBs increased by 15.8 percent, year-on-year, to GHC6,765.9 million at the end of Q3:2022, from GHC5,843.8 million recorded for Q3:2021. The level of RCBs deposits at the end of the review quarter constituted 4.9 percent of total deposits of the banking system, decreasing from its share of 5.2