Governor's Statement – Joint IMF MoF BoG Press Conference on the Second Review of the Extended Credit Facility (ECF) Programme

13th April 2024

1. Thank you Stephane for those opening remarks.

2. Let me also thank you and your team from the IMF, who have spent the last two weeks with us pouring over numbers and discussing matters to move our economy forward. We are happy that this effort has not been in vain and we are ending the Mission with a Staff-Level Agreement, which we hope will translate into a Management and Executive Board approval for the release of another tranche of IMF support.

3. We have shown steadfast commitment to a set of policies right from the beginning under very difficult circumstances and we have reached a stage where programme implementation is progressing well. We completed the first review of the ECF programme in the latter part of last year and today we are at the verge of completing the second review with steadfast implementation of our policy measures.

4. With substantial progress in these measures, we are beginning to reap substantial macroeconomic dividends. Inflation has dropped significantly from a peak of 54 percent at end of 2022 to 23 percent in 2023. The exchange rate remained relatively stable throughout last year, supported by tighter monetary policy and stronger foreign exchange reserves. Economic growth surprised on the upside.

5. During the first quarter of this year, this progress has continued although we have witnessed some slowdown in the pace of disinflation primarily due to a variety of factors including adverse base drift effects. The expectation however is for the disinflation process to resume in the second quarter of 2024 and beyond driven by

continued maintenance of a tight monetary policy stance. Our expectation for end year inflation of 15+/- 2% remains unchanged.

6. We have also continued to strengthen our foreign exchange reserve buffers and our current account balance has improved. Despite the delays in disbursement of some donor support, our foreign exchange reserves have remained steady and is reported at $6.2 billion as of 5th April 2024. We will continue to implement the policies that have helped sustain that progress including the innovative Gold for Reserves programme, which has acted as a game changer in our foreign exchange management strategies.

7. During the period while the mission was here, we have also addressed some burning issues including the impact of the DDEP on the balance sheet of the Bank of Ghana and we have reached broad understanding on early recapitalization of the Bank of Ghana and a Memorandum of Understanding between the Bank of Ghana and the Ministry of Finance will be signed to this effect.

8. We have also discussed progress in the External Debt restructuring programme of the Government and the ongoing discussions with Commercial Creditors, Bondholders and bilateral creditors.

9. Overall on all sides, we have reached the conclusion that we must continue with steadfast programme implementation of policies, continue with the fiscal rectitude, continue with the tight monetary policy stance, and pursue the necessary structural reforms to underpin the sustainability of the progress we are making. On the Fund's side, we expect some degree of flexibility to reflect changing dynamics in the Ghanaian economy.

10. To conclude, in Ghana's recent history, we have not been able to successfully implement an IMF-supported programme in an election year without derailment. The Government and the Central Bank are committed to changing that narrative. We recognize the importance of continued macroeconomic stability and an early return to the capital markets, and we will remain committed to ensure that programme implementation stays firm.

Thank you very much.

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