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Overview

This report presents a review of global and the domestic economic developments during the fourth quarter of 2023. The domestic developments cover the real sector, price developments, monetary aggregates, banking sector credit, exchange rates, interest rates, the capital market, and balance of payments.

Global Economy

Global economic activity remained weak in Q4:2023 on the back of a slowdown in the services sector and weakness in the manufacturing sector.

The Domestic Economy

Real Sector

Domestic economic activity improved in the fourth quarter of 2023, albeit at a slower pace than the same period in the previous year. Consumer spending, manufacturing activity, industrial consumption of electricity, international tourist arrivals and port activity picked up during the review quarter, while construction sector activities and vehicle registration declined.

Inflation

Headline inflation decelerated to 23.2 percent at the end of Q4:2023, from 38.1 percent recorded at the end of Q3:2023, on account of tight monetary policy and relative exchange rate stability. On year-on-year terms, food inflation dropped to 28.7 percent from 59.7 percent at the end of Q4:2022, and non-food inflation declined to 18.7 percent from 49.9 percent over the same comparative period.

Monetary Aggregates

Growth in broad money supply (M2+) increased to 38.7 percent in Q4:2023 from 33.0 percent in Q4:2022. M2+ totalled GH¢250.02 billion during the review period, compared with GH¢219.16 billion, and GH¢180.27 billion recorded in Q3:2023, and Q4:2022, respectively. The growth in M2+ was driven by expansion in the Net Foreign Asset (NFA) of the Depository Corporations' sector. Growth in Net Domestic Assets (NDA) also increased, albeit at a lower pace. NFA recorded significant growth of 303.8 percent in Q4:2023 compared with 237.0 percent contraction recorded in Q4:2022, while NDA growth moderated to 20.1 percent in Q4:2023 from 48.9 percent in Q4:2022.

Banking Sector Credit

Annual growth in banks' outstanding credit to the public and private sectors slowed significantly to 10.0 percent in Q4:2023 from 30.2 percent in Q4:2022. This was, however, higher than the growth of 2.8 percent recorded for Q3:2023. At the end of Q4:2023, total outstanding credit stood at GH¢77.0 billion. In real terms, credit from banks contracted by 10.7 percent in Q4:2023 compared to a contraction of 15.5 percent in Q4:2022. The share of total outstanding credit to the private sector increased marginally to 91.6 percent in Q4:2023 from 91.1 percent in Q4:2022.

Exchange Rates

On the interbank market, the Ghana cedi depreciated on a quarter-on-quarter basis by 6.3 percent, 10.2 percent, and 10.3 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in Q4:2023. On the forex bureaux market, the Ghana cedi depreciated on a quarter-on-quarter basis by 4.5 percent, 4.4 percent, and 6.4 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in Q4:2023.

Interest Rates

Interest rates developments reflected mixed trends on a year-on-year basis in Q4:2023. Rates on BOG bills increased over the review period, while lending rates of DMBs, rates on GOG securities, and deposit rates decreased. The Monetary Policy Rate at the end of Q4:2023 was 30.0 percent, reflecting a 300-basis-point cumulative increase compared with the MPR at the end of Q4:2022.

The interbank weighted average interest rate increased by 468 basis points (bps), year-on-year, from 25.51 percent in Q4:2022 to 30.19 percent in Q4:2023. On the treasury market, the 91-day, 182-day, and 364-day T-bill rates decreased cumulatively by 609bps, 453bps, and 309bps, respectively, to settle at 29.39 percent, 31.70 percent, and 32.97 percent, at the end of Q4:2023.

Capital Market

The Ghana Stock Exchange Composite Index (GSE-CI) dipped by 1.33 percent (-42.12 points) on a quarter-on-quarter basis at the end of Q4:2023. The poor performance of the GSE-CI was due to share price depreciation in the distribution and information technology sectors in Q4:2023. Total market capitalisation at the end of the review period stood at GH¢73.9 billion, representing a decrease of 0.40 percent (GH¢296.18 million) on a quarter-on-quarter basis.

Balance of Payments

The value of total merchandise exports for the quarter under review was estimated at US\$4.88 billion, indicating an increase of 10.5 percent compared with US\$4.42 billion recorded in Q4:2022. The export performance was driven by higher earnings from gold exports, and other exports including non-traditional exports. Total value of merchandise imports for Q4:2023 was US\$3.87 billion, up by 22.7 percent from US\$3.15 billion recorded in Q4:2022. The increase in total imports was driven mainly by a rise in both oil and non-oil imports. The provisional trade balance was a surplus of US\$1.01 billion in Q4:2023, lower than the surplus of US\$1.26 billion recorded in Q4:2022. The reduced trade surplus was driven by higher growth of imports relative to exports. The country's Gross International Reserves (GIR) was estimated at US\$5.91 billion at the end of Q4:2023, from a stock position of US\$6.25 billion recorded at the end of Q4:2022. This was sufficient to provide 2.7 months of imports cover for goods and services, same as in Q4:2022.

1. Developments in the World Economy

Going into the fourth quarter of 2023, the near-term outlook for global growth was uncertain amid the lagging effects of past monetary policy tightening, escalation of geopolitical tensions in the Middle East, and heightened policy uncertainty. Global Manufacturing PMI remained weak, while the services

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

	Estimate	Projections	
	2023	2024	2025
World Output	3.1	3.1	3.2
Advanced Economies	1.6	1.5	1.8
United States	2.5	2.1	1.7
Euro Area	0.5	0.9	1.7
Germany	-0.3	0.5	1.6
France	0.8	1.0	1.7
Italy	0.7	0.7	1.1
Spain	2.4	1.5	2.1
Japan	1.9	0.9	0.8
United Kingdom	0.5	0.6	1.6
Canada	1.1	1.4	2.3
Other Advanced Economies	1.7	2.1	2.5
Emerging Market and Developing Economies	4.1	4.1	4.2
China	5.2	4.6	4.1
India	6.7	6.5	6.5
Russia	3.0	2.6	1.1
Brazil	3.1	1.7	1.9
Mexico	3.4	2.7	1.5
Sub-Saharan Africa	3.3	3.8	4.1
Nigeria	2.8	3.0	3.1
South Africa	0.6	1.0	1.3

momentum moderated somewhat in Q4:2023 due partly to the spillover effects of the weakness in the manufacturing sector. These developments suggested a relatively weak outlook for Q4:2023. However, growth upgrades in the U.S, China, and other large emerging market economies such as India, more than offset the effects of the headwinds on global growth in Q4:2023.

In the outlook, risks to growth remained tilted to the downside. Heightened geopolitical tensions due to the conflict between Israel and Hamas, and that between Russia and Ukraine, were key near-term risks. An escalation of the tensions could pose risks to the energy markets, with implications for inflation. The lagged effects of tighter monetary policy will continue to affect financing conditions

in both advanced and emerging markets and developing economies. This may intensify financial vulnerabilities in EMDEs, and add to debt-service pressures in lower-income countries. There is also a potential risk associated with premature monetary easing. On the upside, real disposable incomes may rise amid declining inflation and robust wage growth.

1.1 United States

Growth in the U.S. remained resilient in the fourth quarter of 2023, with an expansion of 3.3 percent against a growth outturn of 4.9 percent in Q3:2023. The stronger outturn in the fourth quarter was on the back of a rise in exports and an increase in consumer spending. Looking ahead, growth in the U.S. is projected to moderate from 2.5 percent in 2023 to 2.1 percent in 2024, due to the lagged effects of monetary policy tightening, slow labour markets, and depletion of excess savings from the COVID-19 pandemic era.

1.2 United Kingdom

The U.K. economy contracted by 0.3 percent in Q4:2023 following a 0.1 percent decline in Q3:2023. The contraction was due to a broad-based decline in both services and manufacturing output. The U.K. economy is projected to expand by 0.5 percent in 2023, and marginally increase to 0.6 percent in 2024, reflecting the lagged effects of high energy prices. In the outlook, geopolitical tensions remain a threat to the fight against inflation.

1.3 Euro Area

The Euro Area recorded no growth in Q4:2023, following the contraction of 0.1 percent recorded in Q3:2023. This reflected tighter financing conditions and subdued foreign demand. Growth was particularly weak in large economies such as Germany where rising prices and increased borrowing costs negatively impacted the economy. In the outlook, weak global activity and the lagged effects of previous monetary policy tightening will restrain growth as interest-sensitive sectors such as the manufacturing and industry remain weak. Also, the wage-price spiral and potential commodity price spikes due to geopolitical tensions remains a threat.

1.4 Japan

Economic activity in Japan grew by 0.1 percent in Q4:2023 on account of an increase in capital expenditure and export growth, which led to a positive net trade. The Japanese economy is expected to expand marginally by 0.9 percent in 2024 on the back of the fading of pent-up demand and fiscal support.

1.5 China

The Chinese economy grew by 1.0 percent in Q4:2023, driven by government stimulus packages and supportive monetary policy. The manufacturing sector improved in Q4:2023 on the back of strong domestic demand and an accompanying growth in services. However, the housing sector remains a drag on the economy as China's biggest property developers face large-scale default. Looking ahead, growth in China is projected to slow down because of the struggling property sector, and weak domestic demand. Nonetheless, it is anticipated that fiscal stimulus from the government will boost domestic demand.

1.6 Emerging Markets and Developing Economies

Economic growth in EMDEs is expected to remain strong at 4.1 percent in 2023 and 2024, improving marginally to 4.2 percent in 2025. Growth is projected to be robust in India and China but is expected to moderate sharply in Brazil from 3.1 percent in 2023 to 1.7 percent in 2024. In the outlook, an escalation of the Gaza war to other Arab states may push oil prices further up, renewing price pressures and potentially leading to a resumption of policy rate hikes, triggering portfolio outflows, and currency pressures in EMDEs. Also, financial conditions are expected to remain tight as the lagged effects of tighter monetary policy continue to keep borrowing costs high.

1.7 Sub-Saharan African Countries

Growth in the region is projected to rise from 3.3 percent in 2023 to 3.8 percent in 2024 as the negative effects of earlier weather shocks subside and supply issues gradually improve. Energy and transportation bottlenecks continued to impede economic activity in South Africa, while Nigeria faced strong inflationary pressures due to the sharp depreciation of the naira. In the outlook, there are risks to inflation amid renewed energy price increases due to geopolitical tensions. Extreme weather events and currency weakness remain a threat despite the recent weakness in the dollar. Moreover, conflicts and military coups in countries such as Sudan, Gabon, and Niger are likely to hamper growth.

2. Real Sector Developments

A review of selected real sector indicators revealed an improvement in domestic economic activity during the fourth quarter of 2023 compared with trends observed during the same period in 2022.

2.1 Indicators of Economic Activity

Consumer Spending

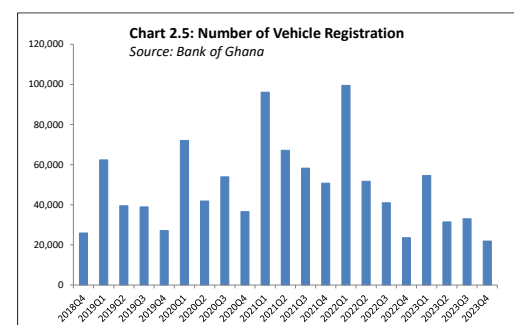
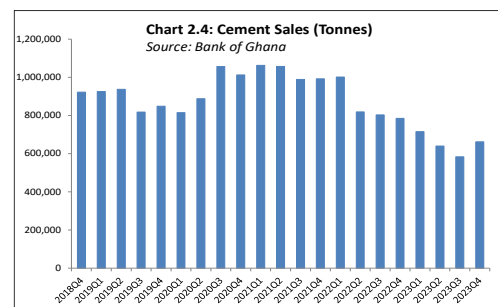
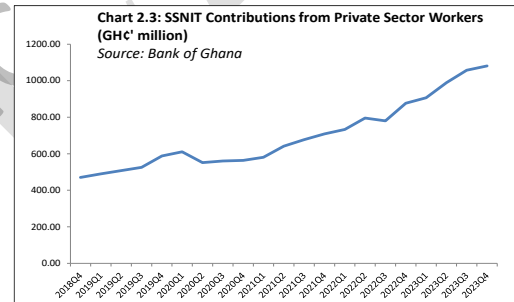
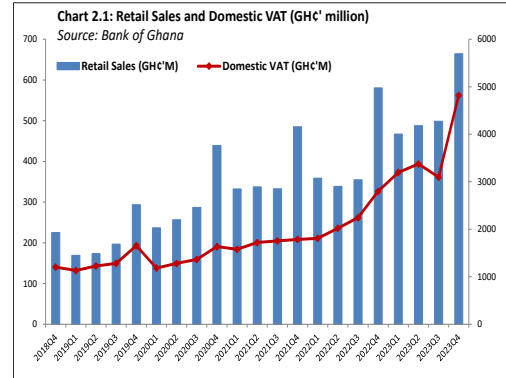
Consumer spending, proxied by domestic VAT collections and retail sales, improved in Q4:2023 compared with figures recorded in the corresponding period of 2022. Domestic VAT collections grew by 72.2 percent (year-on-year) to GH¢4.82 billion, relative to GH¢2.80 billion collected during the corresponding quarter in 2022. Similarly, domestic VAT also increased by 55.7 percent, from GH¢3.10 billion collected in Q3:2023.

Retail sales increased by 14.5 percent, year-on-year, to GH¢664.47 million in Q4:2023, from GH¢580.50 million recorded in the corresponding quarter of 2022. The improvement in retail sales could be attributed to an increase in household spending during the review period.

Manufacturing Activities

Manufacturing-related activities, 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 Q4:2023 relative to the same period of 2022. Total direct taxes collected increased by 75.0 percent to GH¢18.96 billion in Q4:2023 from GH¢10.84 billion recorded in Q4:2022. Total direct taxes collected for the quarter under review also went up by 53.5 percent from GH¢12.35 billion collected in Q3:2023. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 61.7 percent, followed by Income Tax (PAYE and Self-employed) with 27.9 percent, while other tax sources contributed 10.4 percent.

Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) rose by 23.3 percent to GH¢1.08 billion in Q4:2023, from GH¢876.49 million collected in the



same quarter of 2022. Total contribution in the review period also increased by 2.3 percent when compared with GH¢1.06 billion for Q3:2023. 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

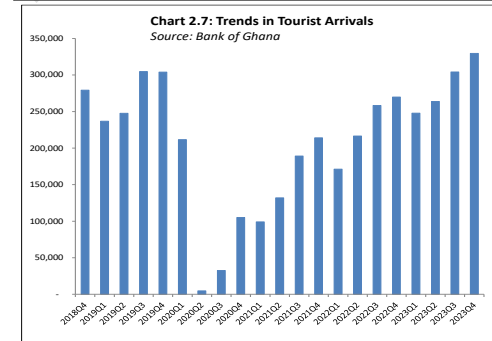
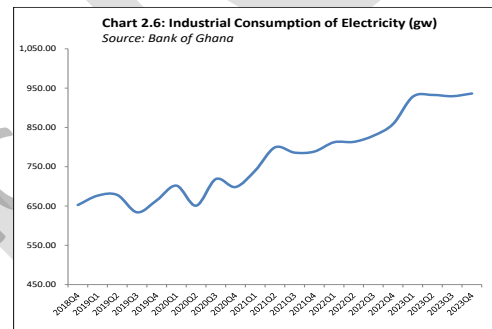
Economic activity in the construction sub-sector, as proxied by the volume of cement sales, declined by 15.7 percent (year-on-year) in Q4:2023 to 661,785.97 tonnes, from 785,170.61 tonnes recorded in Q4:2022. Total cement sales during the review period, however, increased by 13.4 percent when compared with 583,675.79 tonnes recorded in Q3:2023. 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 activities, gauged by vehicle registration by the Driver and Vehicle Licensing Authority (DVLA), declined by 7.0 percent to 21,923 in Q4:2023, from 23,579 vehicles registered during the corresponding quarter of 2022. The number of vehicles registered during the review period also decreased by 33.6 percent relative to 32,992 vehicles recorded in Q3:2023. The decline recorded in vehicle registration was due to a moderation in vehicle importation during the quarter.

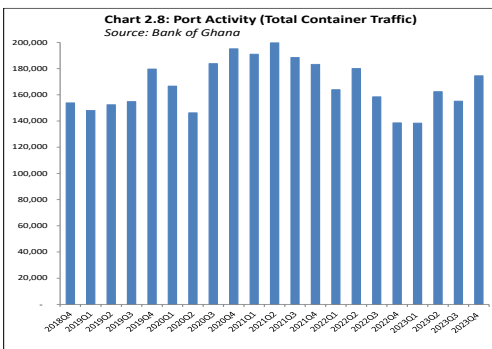
Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went up by 9.0 percent during Q4:2023, compared with observations made in Q4:2022. Industries utilised 936.27 giga-watts of power in Q4:2023, as against 858.79 giga-watts recorded in Q4:2022. 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 Q4:2023, compared with figures recorded in the same quarter of 2022. A total of 329,490 tourists entered the country during the review period, as against 269,845 visitors received in Q4:2022, representing 22.1 percent annual growth. Tourist arrivals during the period also went up by 8.3 percent on a quarter-on-quarter basis compared with 304,171 visitors received in Q3:2023. The year-on-year increase in tourist arrivals was due to a rise in tourism-related activities during the review period.



Port Activity

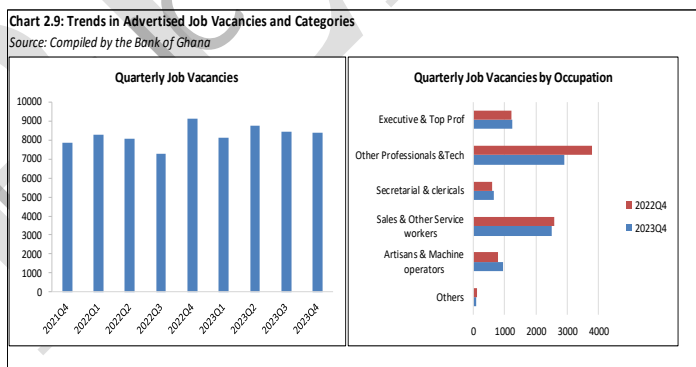
International trade at the country’s two main harbours (Tema and Takoradi), as measured by laden container traffic for inbound and outbound containers, improved in Q4:2023 compared with what was observed in Q4:2022. Total container traffic for inbound and outbound containers increased by 26.0 percent to 174,495, from 138,542 recorded in Q4:2022. The relative improvement in port activities, year-on-year, was due to an uptick in international trade activities 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, increased in Q4:2023 relative to what was observed in Q4:2022. In total, 8,371 job adverts were recorded in Q4:2023, as compared with 9,111 for Q4:2022, indicating a decline of 8.1 percent (year-on-year). The number of job vacancies advertised in the review period also declined marginally by 1.0 percent from 8,455 recorded in Q3:2023.

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 78.8 percent of total job adverts recorded in Q4:2023. This compares with its share of 81.5 percent recorded in Q4:2022. Industry followed with a share of 16.5 percent, down from 15.1 percent in Q4:2022, while the agriculture sector accounted for 4.7 percent of job adverts during the period, compared with 3.4 percent recorded for the corresponding quarter of 2022.



Further analysis revealed that the main requirements for skilled employees were tertiary education qualifications and a minimum of three years’ working experience. This category, classified as Professionals and Technicians, collectively accounted for 49.4 percent of total jobs advertised in Q4:2023, relative to 54.9 percent recorded in the corresponding quarter of 2022. This was followed by the categories classified as Sales & Other Service Workers (30.0% in Q4:2023 vs. 28.5% in Q4:2022), Artisans & Machine Operators (11.5% vs. 8.7%), Secretarial & Clerical Staff (7.9% vs. 6.6%), and Others (1.1% vs. 1.4%).

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.

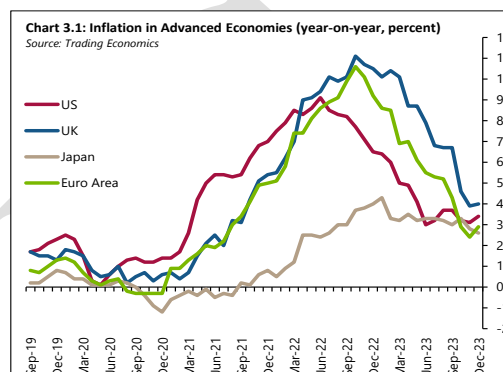
3. Price Developments

3.1 Global Inflation

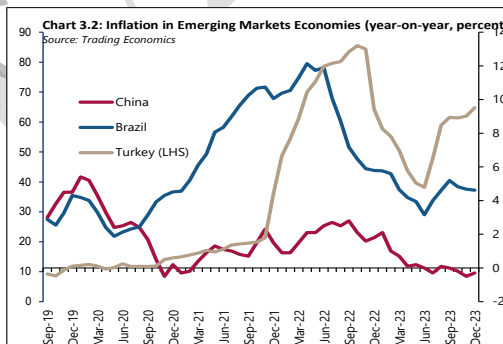
Headline inflation continued to ease significantly during the quarter under review, largely supported by softening energy and food prices amid tighter monetary policy. Consistent with the developments in headline, core inflation also declined, albeit at a slower pace, due to tight labour markets and the effects of past currency depreciations. Despite the slower pace of decline in core inflation, global surveys showed that longer-term inflation expectations remain anchored, reflecting the tight policy stance of central banks.

Advanced Economies

Inflation in the **United States** declined to 3.4 percent at the end of Q4:2023 from 3.7 percent at the end of Q3:2023. The slowdown was driven by food, shelter, new vehicles, apparel, medical care commodities, and transportation services. Core consumer price inflation, which excludes volatile items such as food and energy, softened to 3.9 percent at the end of Q4:2023, from 4.1 percent at the end of Q3:2023.



The annual inflation in the **United Kingdom** slowed to 4.0 percent in Q4:2023 from 6.7 percent in Q3:2023, on the back of a fall in the prices of energy, motor fuels, second hand cars, maintenance and repairs, and air fares. Other downward price pressures came from recreation and culture, food and non-alcoholic beverages. Similarly, core inflation in the United Kingdom declined to 5.1 percent in Q4:2023 from 6.1 percent in Q3:2023.



Headline inflation in the **Euro Area** eased to 2.9 percent, year-on-year, at the end of Q4:2023, from 4.3 percent in Q3:2023, reflecting a fall in prices of energy, services, food, alcohol and tobacco, and non-energy industrial goods. Core inflation reduced to 3.4 percent in Q4:2023, from 4.3 percent at the end of the previous quarter.

Consumer price inflation in **Japan** declined to 2.6 percent in Q4:2023, from 3.0 percent recorded in Q3:2023, driven by softening energy prices, food, healthcare, and communication. Similarly, core inflation fell to 2.3 percent in Q4:2023, from 2.8 percent at the end of Q3:2023.

Emerging Market Economies

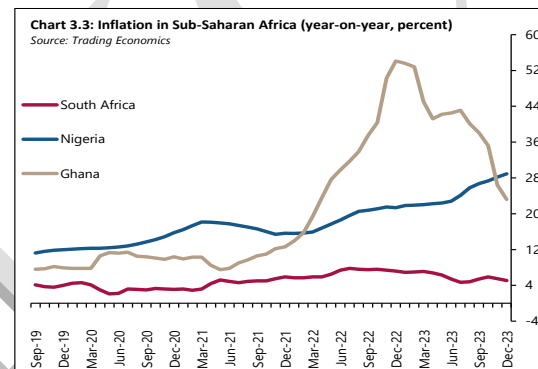
China's inflation rate declined by 0.3 percent at the end of Q4:2023, compared with zero percent at the end of Q3:2023, on account of ample supply of agriculture products, a fall in pork prices, and weak consumption. Core inflation in China slowed to 0.6 percent in Q4:2023 from 0.8 percent at the end of Q3:2023.

Headline inflation in **Brazil** moderated to 4.6 percent at the end of Q4:2023 from 5.2 percent at the end of the previous quarter, driven largely by transportation, as the decline in oil prices lowered inflation for motor fuel. Over the period, core inflation in Brazil, which excludes fuel and volatile food and beverages, eased to 5.4 percent in Q4:2023 from 6.0 percent in Q3:2023.

Turkey's inflation rate surged to 64.8 percent in Q4:2023 from 61.5 percent in Q3:2023. The uptick was on the back of price pressures from food and non-alcoholic beverages, transport, housing and utilities, clothing and footwear, and communication. Core inflation, defined to exclude energy, food and non-alcoholic beverages, alcoholic beverages, tobacco, and gold, also rose to 70.6 percent at the end of Q4:2023 from 68.9 percent at the end of Q3:2023.

Sub-Saharan Africa

Headline inflation in **South Africa** decreased to 5.1 percent at the end of Q4:2023 from 5.4 percent at the end of Q3:2023, mainly due to a marked slowdown in transportation prices. In contrast, core inflation, which excludes prices of food, non-alcoholic beverages, fuel, and energy, remained at 4.5 percent at the end of Q4:2023.



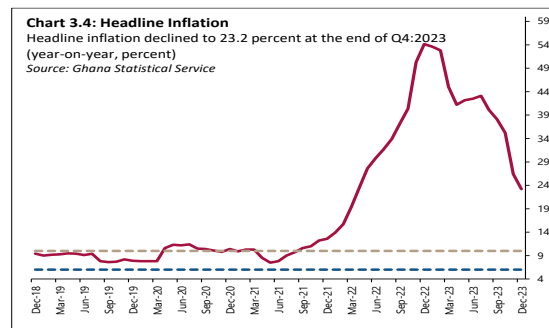
In **Nigeria**, headline inflation increased to 28.9 percent at the end of Q4:2023 from 26.8 percent in Q3:2023. The uptick reflected increases in food prices, depreciation of the naira, and the elimination of fuel subsidies. Core inflation, which strips out the prices of agricultural produce, increased to 23.1 percent in Q4:2023, from 22.1 percent in Q3 :2023.

3.2 Domestic Inflation

Headline Inflation

Headline inflation, which peaked at 54.1 percent in December 2022, declined to 45.0 percent at the end of Q1:2023. It decelerated further to 23.2 percent at the end of Q4:2023 from 38.1 percent recorded at the end Q3:2023, reflecting strong policies, relative exchange rate stability, and effective liquidity sterilization efforts. The decrease in headline inflation was broad-based,

reflecting the decline in both food and non-food inflation. Food inflation dropped to 28.7 percent at the end of Q4:2023 from 59.7 percent recorded at the end of Q4:2022, while non-food inflation declined to 18.7 percent at the end of Q4:2023 from 49.9 percent at the end of Q4:2022.



The Bank's core measure of inflation, defined to exclude energy and utility prices, declined to 24.2 percent in Q4:2023, from 53.2 percent in Q4:2022.

3.3 Inflation Outlook

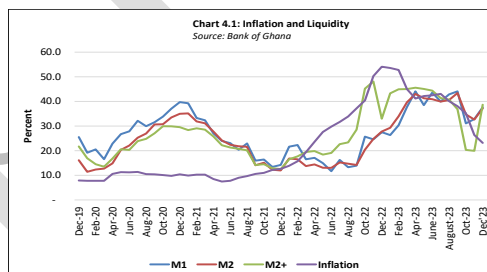
In the outlook, the disinflation process is expected to continue. However, inflation is projected to remain above the upper band of the medium-term target of 8 ± 2 percent until 2025. Improved forex inflows from the IMF-ECF disbursements, receipt of the cocoa syndicated loan, and expected funding from the World Bank's Development Policy Operations, are expected to improve foreign exchange inflows. In addition, the Gold for Reserves programme of the Bank, repatriation of foreign exchange from the mining and oil companies, and a reduction in debt service payments would further support reserve build-up and provide support for exchange rate stability.

	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
Dec-21	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
Sept	37.5	38.8	36.5	3.3	3.3	3.4
Oct	40.4	43.7	37.8	2.7	3.2	2.3
Nov	50.3	55.3	46.5	8.6	10.4	7.2
Dec	54.1	59.7	49.9	3.8	4.1	3.6
2023						
Jan	53.6	61.0	47.9	1.7	2.8	0.8
Feb	52.8	59.1	47.9	1.9	2.0	1.7
Mar	45.0	50.8	40.6	-1.2	-0.9	-1.5
Apr	41.2	48.7	35.4	2.4	4.3	0.7
May	42.2	51.8	34.6	4.8	6.2	3.5
Jun	42.5	54.2	33.4	3.2	3.9	2.6
Jul	43.1	55.0	33.8	3.6	3.8	3.4
Aug	40.1	51.9	30.9	-0.2	-0.3	-0.2
Sep	38.1	49.3	29.3	1.9	1.6	2.1
Oct	35.2	44.8	27.7	0.6	0.1	1.0
Nov	26.4	32.2	21.7	1.5	0.8	2.2
Dec	23.2	28.7	18.7	1.2	1.3	1.0

Source: Ghana Statistical Service

4. Money and Financial Market Developments

The pace of growth in broad money supply (M2+) accelerated in Q4:2023, mainly driven by significant expansion in Net Foreign Assets (NFA) of the Depository Corporations' sector. Growth in Net Domestic Assets (NDA) also increased, albeit at a relatively slower pace. The observed increase in the growth in M2+ reflected in increased growth in demand deposits, and savings and time deposits. Growth in currency with the public as well as foreign currency deposits, however, moderated over the period.



4.1 Broad Money Supply

There was an acceleration in broad money supply (M2+) growth on a year-on-year basis. The annual growth increased to 38.7 percent in Q4:2023, from 33.0 percent in Q4:2022. The stock of broad money supply stood at GH¢250.02 billion during the review period compared with GH¢219.16 billion, and GH¢180.27 billion, recorded in Q3:2023, and Q4:2022, respectively.

	Levels (GH¢ Millions)			Year-On-Year Variation					
	Dec-22	Sep-23	Dec-23	As at end-Dec 2022		As at end-Sep 2023		As at end-Dec 2023	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	68,109.84	63,496.22	87,987.66	24,858.94	57.46	9,992.32	18.68	19,888.82	29.20
Narrow Money (M1)	38,484.18	100,401.21	121,784.77	19,094.87	37.52	30,729.23	44.11	33,300.59	37.63
Broad Money (M2)	135,142.49	158,647.67	185,426.12	29,405.22	27.81	48,034.08	43.43	50,283.63	37.21
Broad Money (M2+)	180,266.84	219,162.17	250,019.53	44,711.09	32.98	59,004.58	36.84	69,752.68	38.69
Currency with the Public	31,420.65	31,834.02	37,621.03	9,646.75	44.30	8,047.93	33.83	6,200.38	19.73
Demand Deposits	57,063.53	68,567.19	84,163.74	9,448.32	19.84	22,681.31	49.43	27,100.21	47.49
Savings & Time Deposits	46,658.31	58,246.46	63,641.36	10,910.35	28.37	17,304.85	42.27	16,983.04	36.40
Foreign Currency Deposits	45,124.35	60,514.50	64,593.40	15,305.87	51.33	10,970.49	22.14	19,469.05	43.15
Sources of M2+									
Net Foreign Assets (NFA)	(10,321.15)	(1,699.17)	21,038.44	(17,852.50)	(237.04)	14,966.12	(89.80)	31,359.59	(803.84)
BOG	(17,487.62)	(16,263.13)	3,348.61	(25,734.63)	(312.05)	607.95	(3.60)	20,836.22	(119.15)
DMBs	7,166.46	14,563.96	17,689.83	7,882.13	(1,101.37)	14,358.17	6,976.98	10,523.37	146.84
Net Domestic Assets	190,587.99	220,861.34	228,981.08	62,563.59	48.87	44,038.46	24.91	38,399.09	20.14
Claims on Government (net)	127,515.37	117,900.16	115,681.46	52,201.10	69.31	8,951.24	8.22	(11,833.92)	(9.32)
BOG	78,811.20	62,372.76	54,356.08	49,481.65	168.36	(47.73)	(0.08)	(24,515.11)	(31.08)
DMBs	48,644.18	55,527.40	61,325.37	2,719.45	5.92	8,998.98	19.34	12,681.20	26.07
Claims on Public Sector	7,825.04	6,951.99	1,121.55	1,477.18	23.27	(2,100.95)	(23.21)	(6,703.50)	(85.67)
BOG	1,578.28	870.39	(5,328.80)	612.16	63.36	(1,293.15)	(59.77)	(6,907.08)	(437.63)
DMBs	6,246.77	6,081.60	6,450.35	865.02	16.07	(807.80)	(11.73)	203.58	3.26
Claims on Private Sector	71,434.32	74,757.13	71,631.56	20,931.69	41.45	9,800.31	15.09	197.24	0.28
BOG	7,880.86	7,922.06	1,072.24	5,563.82	262.81	6,985.14	745.54	(6,608.63)	(86.04)
DMBs	63,753.45	66,835.08	70,559.32	15,367.88	31.76	2,815.18	4.40	6,805.87	10.68
Other Items (Net) (OIM) 1/2	(16,186.74)	21,252.05	40,546.52	(12,046.39)	290.95	27,387.86	(446.36)	56,733.26	(350.49)
o/w BOG OMO (Sterilisation)	(7,725.48)	(36,582.70)	(24,795.37)	(2,070.89)	36.62	(29,642.27)	427.10	(17,069.89)	220.96

Source: Bank of Ghana

4.2 Sources of Change in M2+

The observed increase in the growth of M2+ was mainly attributed to considerable expansion in NFA of the Depository Corporations' sector. Growth in NDA slowed to 20.2 percent in Q4:2023 from 48.9 percent recorded in Q4:2022. This was lower than the growth of 24.9 percent

	Levels (GH¢ Millions)			Year-On-Year Variation					
	Dec-22	Sep-23	Dec-23	As at end-Dec 2022		As at end-Sep 2023		As at end-Dec 2023	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	6,246.77	6,081.60	6,450.35	865.02	16.07	(807.80)	(11.73)	203.58	3.26
Private Sector	63,753.45	66,835.08	70,559.32	15,367.88	31.76	2,815.18	4.40	6,805.87	10.68
Agric. For. & Fish.	2,664.02	2,732.10	2,884.60	1,007.38	60.81	583.34	27.15	220.58	8.28
Export Trade	386.70	272.80	546.39	186.16	92.83	(14.26)	(4.97)	159.69	41.29
Manufacturing	7,129.87	7,609.11	8,051.85	1,441.70	25.35	611.99	8.75	921.98	12.93
Trans. Stor. & Comm.	3,562.29	3,670.93	3,786.24	209.02	6.23	(68.37)	(1.83)	223.95	6.29
Mining & Quarrying	1,564.11	2,500.12	2,128.74	746.70	91.35	929.01	59.13	564.63	36.10
Import Trade	2,092.13	4,888.34	4,815.32	359.12	20.72	2,785.21	132.43	2,723.19	130.16
Construction	6,454.74	6,288.84	6,844.49	1,365.00	26.82	(895.14)	(12.46)	389.75	6.04
Commerce & Finance	11,513.42	9,890.93	11,467.06	4,014.90	53.54	(2,130.70)	(17.72)	(46.36)	(0.40)
Elect. Gas & Water	3,501.71	2,504.19	2,370.27	1,540.41	78.54	(637.07)	(20.28)	(1,131.45)	(32.31)
Services	20,855.96	22,044.86	23,084.98	3,988.74	23.65	1,309.28	6.31	2,229.03	10.69
Miscellaneous	4,028.50	4,432.85	4,579.38	508.74	14.45	341.89	8.36	550.87	13.67
Grand Total	70,000.22	72,916.68	77,009.67	16,232.90	30.19	2,007.37	2.83	7,009.45	10.01

Source: Bank of Ghana

recorded in Q3:2023. In contrast, growth in NFA increased to 303.8 percent in Q4:2023 compared with a 237.0 percent contraction recorded in Q4:2022.

Components of Net Domestic Assets

In terms of components of NDA, growth in net claims on Government decreased to *negative* 9.3 percent in Q4:2023 from 69.3 percent in Q4:2022 due to the recognition of the 50.0 percent haircut on BOG holdings of non-marketable Government securities. Growth in claims on the public sector decreased to *negative* 85.3 percent in Q4:2023 from 23.3 percent recorded in Q4:2022, largely on account of the restructuring of the COCOBOD facility. Growth in claims on the private sector also decreased to 0.28 percent from 41.5

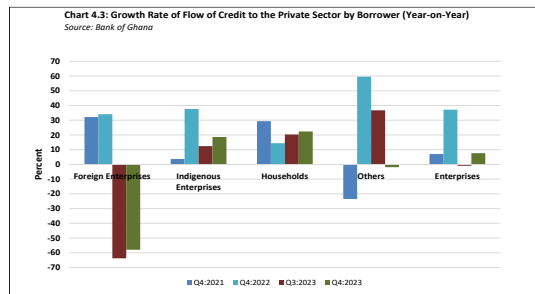
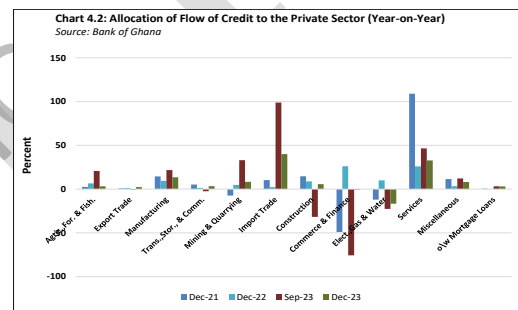
percent over the same comparative period. The Other Items (Net) changed by *negative* 350.5 percent in Q4:2023 compared to a change of 291.0 percent in Q4:2022.

4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors decreased significantly to 10.0 percent in Q4:2023 from 30.2 percent in Q4:2022. This was, however, higher than the growth of 2.8 percent recorded for Q3:2023. At the end of Q4:2023, total outstanding credit stood at GH¢77.0 billion compared with GH¢70.0 billion, and GH¢72.92 billion, recorded in Q4:2022, and Q3:2023, respectively. The decrease in the nominal growth in credit was reflected in decreased nominal growth of credit to both the public and private sectors.

In real terms, growth in credit from the banks improved to *negative* 10.7 percent at the end of Q4:2023 from *negative* 15.5 percent in Q4:2022, largely supported by the disinflation process. This was also relatively higher than the *negative* 25.5 percent growth realised in Q3:2023.

The share of total outstanding credit to the private sector increased marginally to 91.6 percent at the end of Q4:2023 from 91.1 percent recorded for the same period in 2022.



Distribution of Outstanding Credit to the Private Sector

	(Amount in GH¢ Million)			Year-On-Year Variation					
	Dec-22	Sep-23	Dec-23	As at end-Dec 2022		As at end-Sep 2023		As at end-Dec 2023	
				Absolute Δ	(A/Total)Δ%	Absolute Δ	(A/Total)Δ%	Absolute Δ	(A/Total)Δ%
Sources of Funds									
Total Deposits	143,890.85	181,717.87	199,769.98	34,356.91	82.09	49,943.91	98.99	55,879.13	79.34
Domestic	98,766.50	121,203.36	135,176.58	19,051.03	45.52	38,973.42	77.24	36,410.08	51.70
Demand Deposits	52,108.18	62,956.91	71,535.22	8,740.68	20.88	21,668.57	42.95	19,427.04	27.58
Savings Deposits	25,199.33	30,063.15	32,499.36	5,506.27	13.16	8,344.11	16.54	7,300.03	10.37
Time Deposits	21,458.98	28,183.31	31,141.99	4,804.08	11.48	8,960.74	17.76	9,683.01	13.75
Foreign Currency	45,124.35	60,514.50	64,593.40	15,305.87	36.57	10,970.49	21.74	19,469.05	27.64
Credit From BOG	1,123.72	586.25	497.06	-1,494.81	-3.57	-1,508.62	-2.99	-626.66	-0.89
Balances Due to Non-Resident Banks	7,739.86	5,560.25	6,181.06	-3,427.21	-8.19	-7,673.32	-15.21	-1,558.80	-2.21
Capital	11,289.65	11,289.59	13,896.64	189.26	0.45	46.01	0.09	2,607.00	3.70
Reserves	17,519.26	14,109.83	16,152.43	2,873.81	6.87	-2,422.32	-4.80	-1,366.83	-1.94
Other Liabilities*	42,703.53	57,760.16	58,199.01	9,356.01	22.35	12,069.02	23.92	15,495.48	22.00
Total	224,266.87	271,023.95	294,696.19	41,853.96	100.00	50,454.68	100.00	70,429.32	100.00
Uses of Funds									
Bank Credit	70,000.22	72,916.68	77,009.67	16,232.90	38.78	2,007.37	3.98	7,009.45	9.95
o/w Private Sector Credit	63,753.45	66,835.08	70,559.32	15,367.88	36.72	2,815.18	5.58	6,805.87	9.66
Investment in Government Securities	59,647.84	66,492.14	72,786.54	5,344.61	12.77	8,621.01	17.09	13,138.70	18.66
Short Term	9,133.66	13,870.61	17,021.32	2,414.24	5.77	8,390.77	16.63	7,887.66	11.20
Medium/Long Term	50,514.18	52,621.53	55,765.22	2,930.36	7.00	230.24	0.46	5,251.04	7.46
Foreign Assets	14,906.33	20,124.21	23,870.90	4,454.92	10.64	6,684.84	13.25	8,964.57	12.73
Balances with BOG	40,609.43	40,670.07	55,114.13	18,929.79	45.23	6,378.74	12.64	14,504.70	20.59
Other Assets**	39,103.05	70,820.84	65,914.95	-3,108.26	-7.43	26,762.71	53.04	26,811.90	38.07
Total	224,266.87	271,023.95	294,696.19	41,853.96	100.00	50,454.68	100.00	70,429.32	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 growth in outstanding credit to the private sector at the end of Q4:2023 was lower in nominal terms but improved in real terms, relative to the corresponding period in 2022. In nominal terms, it decreased to 10.7 percent in Q4:2023 from 31.8 percent recorded in Q4:2022. This was, however, higher than the 4.4 percent growth recorded at the end of Q3:2023.

The outstanding credit to the private sector at the end of Q4:2023 was GH¢70.56 billion compared with GH¢63.75 billion, and GH¢66.84 billion, recorded in Q4:2022 and Q3:2023, respectively. In real terms, the annual growth rate of outstanding credit to the private sector declined to *negative* 10.2 percent at the end of Q4:2023 from a growth of *negative* 14.5 percent recorded in Q4:2022.

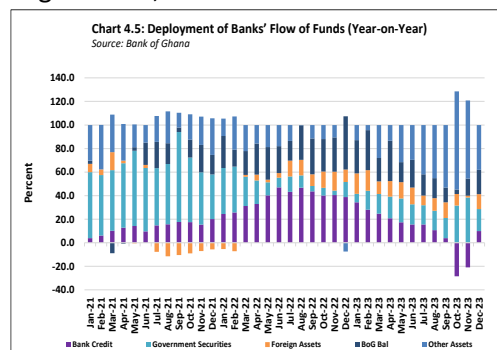
The increase in private sector credit growth in Q4:2023 relative to the corresponding period in 2022 was reflected in increases in annual flow of credit to the following sectors: transport, storage & communication; manufacturing; mining & quarrying; export trade; import trade; and services. However, agriculture, forestry & fisheries, construction; commerce and finance; and electricity, gas and water sectors recorded decreases in credit flow in Q4:2023 relative to the corresponding period in 2022. The top five (5) beneficiary sectors of annual flow of private sector credit in Q3:2023 were: import trade, services, manufacturing, mining and quarrying, and transport, storage & communication.

In terms of annual growth in private sector credit by borrower, credit flows to both indigenous and foreign enterprises subsectors and the "Other Category" decreased in Q4:2023, relative to Q4:2022. In contrast, credit flows to the household subsector increased in Q4:2023, relative to the same period in 2022.

4.4 Sources and Uses of Banks' Flow of Funds

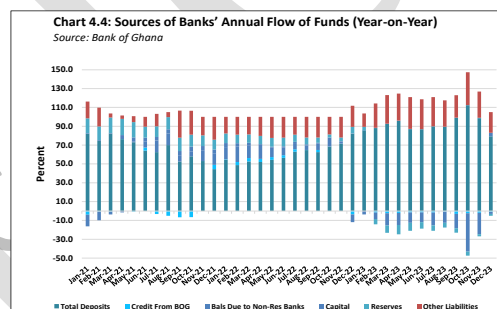
Total deposits remained the dominant source of funds for banks in Q4:2023. This was followed by other liabilities (which includes margin deposits, cheques in transit, interest in suspense accounts, and borrowings from other resident banks). Other Assets received the largest share in terms of uses of funds by banks in Q4:2023. This was followed by balances with the Bank of Ghana, and investments in Government of Ghana securities.

The proportion of commercial banks’ funds allocated to foreign assets, investment in Government securities, and other assets increased, while proportion of fund flows to bank credit and balances with Bank of Ghana decreased relative to that of the corresponding period in 2022.



The proportion of fund flows to Government securities increased to 18.7 percent in Q4:2023 from 12.8 percent in the corresponding period in 2022. This reflected in an increase in the share of fund flows to investments in both short-term, and medium-term securities to 11.2 percent, and 7.5 percent, respectively, in Q4:2023, from 5.8 percent and 7.0 percent in Q4:2022.

The proportion of bank funds allocated to bank credit decreased to 10.0 percent in Q4:2023 from 38.8 percent in Q4:2022. Similarly, the proportion of fund flows to balances with BOG decreased to 20.6 percent during the review period from 45.2 percent in Q4:2022. In contrast, the proportion of fund flows to foreign assets and other assets increased to 12.7 percent, and 38.1 percent, respectively, from 10.6 percent, and *negative* 7.4 percent, over the same comparative period.



The main source of fund flows for financing of banks’ assets was deposits. Its share in the sources of fund flows decreased to 79.3 percent in Q4:2023, from 82.1 percent in Q4:2022. This was lower than the 99.0 percent recorded in Q3:2023. The share of fund flows from foreign currency deposits decreased to 27.6 percent from 36.6 percent in Q4:2022, while that from domestic currency deposits increased to 51.7 percent in Q4:2023 from 45.5 percent in Q4:2022. The increase in fund flows from demand deposits and time deposits mainly accounted for the increase in fund flows from domestic currency deposits during the review period.

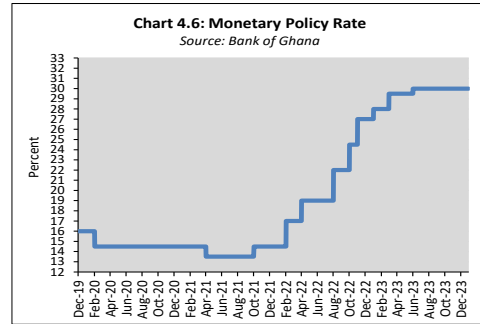
The share of fund flows attributable to credit from Bank of Ghana, balances due non-resident banks, and bank capital increased to *negative* 0.89 percent, *negative* 2.2 percent, and 3.70 percent, respectively, in Q4:2023, from *negative* 3.6 percent, *negative* 8.2 percent, and 0.45 percent in Q4:2022. In contrast, the share of fund flows from other liabilities and reserves decreased to 22.0 percent and *negative* 1.9 percent, respectively, from 22.4 percent and 6.8 percent over the same comparative period.

4.5 Interest Rate Developments

Developments in interest rates reflected mixed trends on a year-on-year basis across the spectrum of the yield curve in Q4:2023. Rates on BOG bills increased over the review period. Lending rates of DMBs, rates on GOG securities and deposit rates, however, decreased compared with rates recorded in Q4:2022.

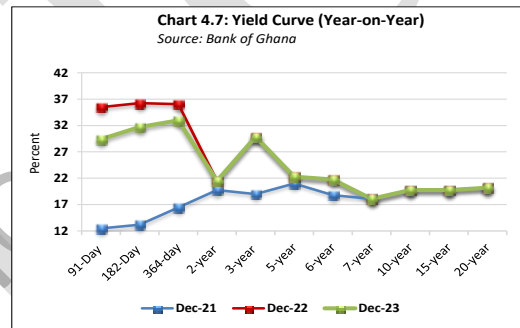
Monetary Policy Rate

The MPC held six regular meetings in 2023 and assessed global and domestic macroeconomic conditions and took decisions on positioning of the MPR. The Committee acknowledged heightened risks to the inflation outlook, arising from continued spillovers from geopolitical tensions, aggressive policy tightening in Advanced Economies, amid uncertainty from the DDEP. Consequently, the Committee increased the policy rate cumulatively by 300 basis points to 30.0 per cent.



BOG Bills

The interest equivalent on the 14-day, and 56-day BOG bills increased cumulatively by 250bps, and 1,299bps, respectively, to 29.50 percent and 29.99 percent at the end of Q4:2023, from 27.00 percent and 17.00 percent in Q4:2022. When compared with Q3:2023, the rate on the 14-day BOG bill recorded no change due to non-issuance during the period, while the rate on the 56-day BOG bill increased by 22bps.



Government Securities

On the treasury market, interest rates in Q4:2023 generally trended downwards. The 91-day, 182-day, and 364-day T-bill rates decreased cumulatively by 609bps, 453bps, and 309bps, respectively, to settle at 29.39 percent, 31.70 percent, and 32.97 percent compared to rates recorded on the discount bearing securities at the end of Q4:2022. The interest earned on short-term GOG bills, however, recorded increases when compared with the third quarter of 2023.

Yields on the Domestic Debt Exchange Programme (DDEP) Bonds

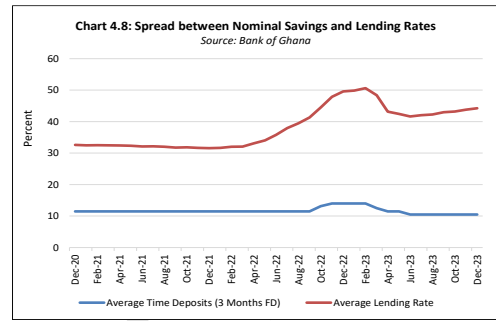
Yields on the 4-year, 5-year, 6-year, and 7-year DDEP bonds were 17.14 percent, 21.36 percent, 14.73 percent, and 14.97 percent, respectively, at the end of Q4:2023. The yields on the 8-year, 9-year, 10-year, and 11-year DDEP bonds were 16.20 percent, 29.11 percent, 14.89 percent, and 16.00 percent, respectively at the end of Q4:2023. The yields on the 12-year, 13-year, 14-year, and 15-year DDEP bonds stood at 15.95 percent, 14.80 percent, 14.96 percent, and 15.29 percent, respectively, for the period under review.

Interbank Market

The interbank weighted average interest rate increased cumulatively by 468ps to 30.19 percent in Q4:2023, from 25.51 percent recorded in Q4:2022. Compared to Q3:2023, the interbank weighted average interest rate increased by 288bps.

Time and Savings Deposit Rates

The average interest rate on the DMBs’ 3-month time deposits decreased by 350bps to settle at 10.50 percent in Q4:2023 from 11.50 percent recorded in Q4:2022. The savings deposit rate decreased by 263bps to 5.00 percent from 7.63 percent recorded in Q4:2022.



Lending Rate

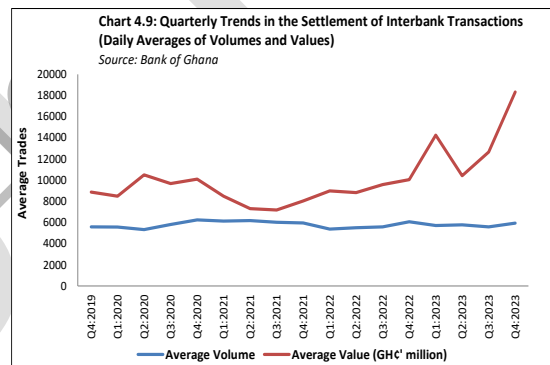
Lending rates trended downwards during the review quarter.

The average lending rate decreased by 183bps to 33.75 percent at the end of Q4:2023 from 35.58 percent in Q4:2022. Compared to Q3:2023, the average lending rate increased by 127bps. The spread between the borrowing and lending rates expanded by 167bps on a year-on-year basis to 23.25 percent in Q4:2023.

4.6 Payments System Developments

Settlement of Interbank Transactions

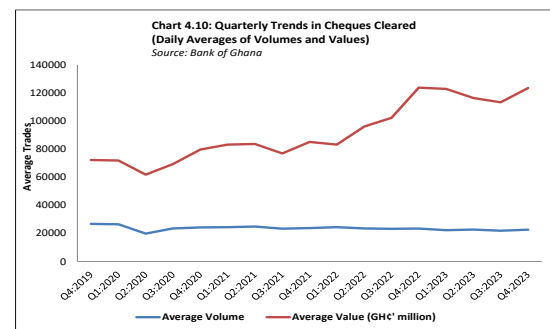
The volume of transactions settled through the Ghana Interbank System (GIS) totalled 368,149, valued at GH¢1,136.74 billion in Q4:2023. This represented a decrease in volume by 2.2 percent, and an increase in value by 82.6 percent compared to transactions in Q4:2022. When compared with transactions settled during Q3:2023, there was an increase in both volume, and value by 4.6 percent, and 42.5 percent, respectively.



On the average, 5,938 transactions were settled daily through the GIS, valued at GH¢18.33 billion during the quarter under review, compared with a total of 5,584 transactions, valued at GH¢12.66 billion, in Q3:2023. In Q4:2022, an average of 6,069 transactions were settled daily, valued at GH¢10.04 billion.

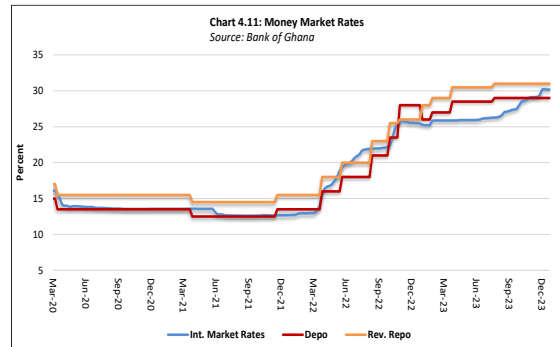
Cheques Cleared

The volume of cheques cleared during Q4:2023 totalled 1,402,462, valued at GH¢76.56 billion. This represented a decrease in both volume and value by 3.4 percent, and 0.2 percent, respectively, compared to transactions in Q4:2022. When compared with Q3:2023, the volume of transactions and the value of cheques cleared increased by 1.7 percent, and 7.3 percent, respectively. On a daily basis, an average of 22,620 cheques, valued at GH¢1.23 billion, were cleared during the period under review, compared with 23,424.19 cheques, valued at GH¢1.24 billion, in Q4:2022. In Q3:2023, an average of 21,887 cheques, valued at GH¢1.13 billion, were cleared.



4.7 Money Market

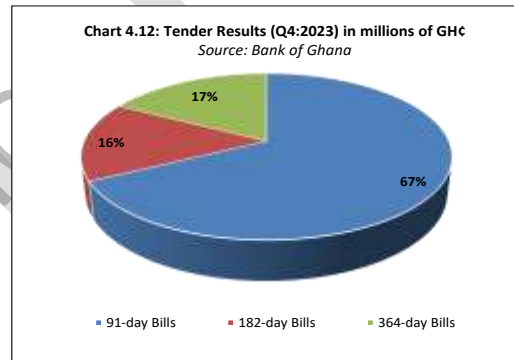
Depos amounted to GH¢267.61 billion in Q4:2023, from GH¢132.63 billion recorded in Q3:2023. Compared with same period in the previous year, depo trades increased by 1,738.63 percent from GH¢14.56 billion in Q4:2022. There were no reverse repo trades during the review period.



On the interbank market, the value of trades during Q4:2023 ranged between GH¢220.00 million and GH¢7.03 billion, at a weighted average rate ranging from 28.04 percent to 30.22 percent. In the previous quarter, the value of trades ranged from GH¢720.00 million to GH¢5.01 billion, at a weighted average rate ranging from 26.20 percent to 27.50 percent. In Q4:2022, the value of trades ranged from GH¢560.00 million to GH¢4.59 billion, at a weighted average rate ranging from 22.36 percent to 25.94 percent.

Tender Results

Total sales at the auction during Q4:2023 totalled GH¢63.03 billion, with maturities totalling GH¢55.28 billion. This resulted in a net sale of GH¢7.75 billion. The net sale, together with a drawdown on government deposits of GH¢285.91 million, was used to finance government's activities to the tune of GH¢8.03 billion.



4.8 Currency Markets

The International Currency Market

The U.S. dollar ended Q4:2023 relatively weak due to a decline of private sector employment, in line with expectations for a fourth-quarter economic slowdown, hawkish comments from the Federal Reserve Governor and weak economic data.

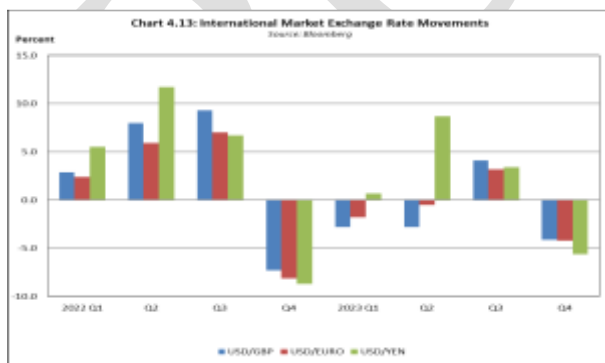


Table 4.4: International Market Exchange Rate Movements

End Period	USD/£		USD/€		USD/¥	
	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation
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
Q4	1.2024	-7.3	1.0664	-8.1	0.0076	-8.7
2023 Q1	1.2368	-2.8	1.0864	-1.8	0.0075	0.7
Q2	1.2720	-2.8	1.0919	-0.5	0.0069	8.7
Q3	1.2215	4.1	1.0583	3.2	0.0067	3.4
Q4	1.2739	-4.1	1.1049	-4.2	0.0071	-5.6
		12.5		6.6		14.8

Depreciation (-)/ Appreciation (+)

Source: Bloomberg

The pound sterling was also weak on the international market due to news of a slowdown in the U.K. economy, with economists anticipating a recession and a tepid comment from the Governor of the Bank of England (BOE). The euro, at the end of the review period, had a mixed performance. Unavailability of

economic data to settle investors' uncertainties, rising U.S. treasury yields and a dovish comment from the President of the European Central Bank (ECB) led to a weak performance of the currency. This was countered by the decision of the ECB to maintain interest rates unchanged, as well as a positive statement from ECB President. The yen experienced a strong performance at the end of Q4:2023. Positive statements from the Bank of Japan (BOJ) Governor and the growing conviction that the Fed was done raising interest rates led to the strength of the currency.

The **U.S. dollar** experienced a weak performance in Q4:2023. The currency lost on news of steady U.S. business activity in November 2023, but private sector employment declined in line with expectations for a fourth-quarter economic slowdown. The dollar retreated further in late November after Federal Reserve Governor Christopher Waller, widely seen as a hawkish voice at the central bank, flagged the possibility of a rate cut in the months ahead. The U.S. dollar also fell on the back foot for much of the period of December, as key inflation and the personal consumption expenditures price index (PCE) releases fuelled the expectation that the interest rate had peaked. At the end of Q4:2023, the U.S. dollar depreciated against the pound sterling, the euro, and the Japanese yen by 4.1 percent, 4.2 percent, and 5.6 percent, respectively.

The **pound sterling** was weak during the period under review. In October 2023, news of a slowdown in the U.K. economy, with economists anticipating a recession, led to the depreciation of the currency. Similarly, the currency fell in December 2023 due to a tepid comment from the Governor of the BOE who affirmed the challenges that the UK faced on the road to economic recovery. Consequently, the pound sterling depreciated against the euro, and the Japanese yen, by 0.1 percent, and 1.6 percent, respectively, but appreciated against the U.S. dollar by 4.3 percent

The **euro** experienced a mixed performance in Q4:2023. Beginning in October 2023, the euro depreciated as manufacturing data released for the Eurozone area indicated that the sector's deep contraction had persisted. Also, the unavailability of economic data to settle investors' uncertainties was compounded by rising U.S. Treasury yields, and this resulted in a low-risk appetite for the euro. The euro further lost momentum in November 2023 as the ECB President said the central bank had time now to assess how inflation would unfold after a record string of rate increases. However, in December 2023, the currency rebounded as the ECB voted to maintain interest rates unchanged at 4.5 percent with a statement from the ECB President suggesting current interest rate levels would be maintained until inflation declines further towards 2.0 percent. At the end of the quarter, the euro appreciated against the U.S. dollar and the pound sterling by 4.4 percent, and 0.1 percent, respectively, but depreciated against the Japanese yen by 1.5 percent.

The **Japanese yen** was weak in Q4:2023. The outlook for the yen remained strong in December 2023, after the Governor of the BOJ highlighted the challenges, the bank faced and spoke about the options it had when considering a move away from negative interest rates. The comments reinforced market expectations of potential slowdown of its ultra-dovish, stimulus-heavy policies. Additionally, the currency was one of the biggest beneficiaries of the growing conviction that the Fed was done raising interest rates.

As a result, the Japanese yen appreciated against the U.S. dollar, the pound sterling, and the euro by 6.0 percent, 1.6 percent, and 1.5 percent, respectively.

The Domestic Currency Market

The domestic currency depreciated on both the interbank and forex bureaux markets. On the interbank market, the cedi was severely hit because of the high demand for forex. This, coupled with tight forex liquidity, weakened the cedi further. Also, the strengthening of the U.S. dollar due to signals by the Federal Reserve to keep policy rates high for a longer period contributed to the depreciation of the cedi. Delays in the cocoa syndicated loan and the negotiations for the second tranche of disbursement of the IMF loan which appeared to dent risk sentiments also contributed to the cedi's depreciation. At the retail end of the market, high demand for forex and rate adjustments by some dealers led to the depreciation of the currency.

On the **Interbank market**, the Ghana cedi depreciated on a quarter-on-quarter basis by 6.3 percent, 10.2 percent, and 10.3 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in Q4:2023. In Q4:2022, the cedi had appreciated against the U.S. dollar, the pound sterling, and the euro by 12.0 percent, 3.8 percent, and 2.9 percent, respectively.

On the **Forex Bureaux market**, the Ghana cedi depreciated on a quarter-on-quarter basis by 4.5 percent, 4.4 percent, and 6.4 percent against the U.S. dollar, the pound sterling, and the euro, respectively. Comparatively, the Ghana cedi depreciated by 9.1 percent, 15.8 percent and 16.1 percent against the U.S. dollar, the pound sterling and the euro, respectively in Q4:2022.

Table 4.5: Interbank 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
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	10.7017	-17.7	9.4147	-19.5
Q4	8.5760	12.0	10.3118	3.8	9.1457	2.9
2023 Q1	11.0137	-22.1	13.6218	-24.3	11.9657	-23.6
Q2	10.9972	0.2	13.9879	-2.6	12.0073	-0.3
Q3	11.1285	-1.2	13.5935	2.9	11.7774	2.0
Q4	11.8800	-6.3	15.1334	-10.2	13.1264	-10.3

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

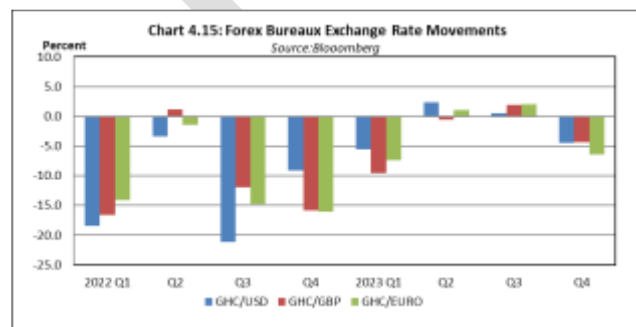
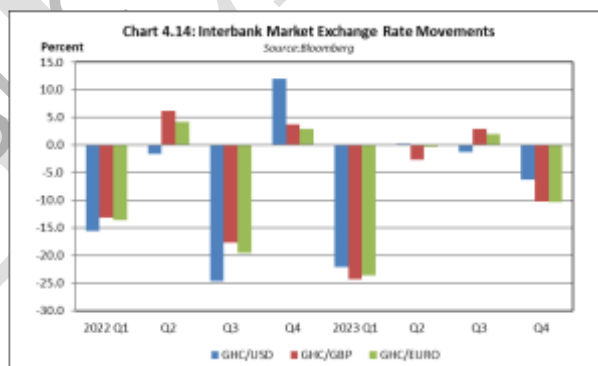


Table 4.6: Forex Bureaux Exchange Rate Movements

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
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
Q4	11.2800	-9.1	13.3250	-15.8	11.7750	-16.1
2023 Q1	11.9362	-5.5	14.7334	-9.6	12.7111	-7.4
Q2	11.6517	2.4	14.8239	-0.6	12.5778	1.1
Q3	11.5895	0.5	14.5473	1.9	12.3362	2.0
Q4	12.1322	-4.5	15.2139	-4.4	13.1833	-6.4

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

Foreign Exchange Transaction Market

At the end of Q4:2023, the total volume of forex purchases recorded was US\$3.44 billion. Commercial banks' purchases contributed 93.1 percent of the total purchases (US\$3.20 billion). The central bank's support to the market accounted for 5.0 percent (US\$172.37 million) and purchases from forex bureaux contributed the remaining 1.9 percent.

Table 4.7: Foreign Exchange Transaction Market

2022	Jan	Purchases (million \$)			Sales (million \$)			
		Commercial		Forex Bureaux	Commercial		Forex Bureaux	
		Bank	Total		Bank	Total		
	BOG Sales							
	Jan	277.43	1,186.41	22.09	1,465.93	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	2,338.54	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	1,210.84	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	1,516.95	24.92	1,541.87
	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
	Oct	249.52	1,123.53	21.41	1,394.46	1,333.39	22.16	1,355.55
	Nov	313.56	1,265.61	22.6	1,601.77	1,570.14	22.01	1,592.15
	Dec	252.75	1,399.85	22.7	1,675.30	1,695.21	24.70	1,719.91
	Q4	815.83	3,788.99	66.71	4,671.53	4,598.74	68.87	4,667.61
2023	Jan	163.60	1,210.17	22.24	1,396.01	1,416.18	21.97	1,438.15
	Feb	71.02	1,095.73	17.42	1,184.17	1,174.71	17.23	1,191.94
	Mar	132.98	1,251.31	18.50	1,402.79	1,394.25	18.64	1,412.89
	Q1	367.60	3,557.21	58.16	3,982.97	3,985.14	57.84	4,042.98
	Apr	132.98	1,176.48	18.27	1,327.73	1,279.97	18.21	1,298.18
	May	94.23	1,275.74	20.59	1,390.56	1,335.07	20.90	1,355.97
	Jun	84.32	1,181.79	19.53	1,285.64	1,347.75	19.57	1,367.32
	Q2	311.53	3,634.01	58.39	4,003.93	3,962.79	58.68	4,021.47
	Jul	64.65	1,227.91	13.88	1,406.44	1,430.74	13.71	1,444.45
	Aug	115.16	1,124.77	21.30	1,261.23	1,269.90	21.10	1,291.00
	Sep	71.80	756.56	20.15	848.51	827.05	20.08	847.13
	Q3	251.61	3,209.24	55.33	3,516.18	3,527.69	54.89	3,582.58
	Oct	68.45	950.86	20.37	1,039.68	1,019.68	20.39	1,040.07
	Nov	45.27	1,099.96	24.33	1,169.56	1,158.58	23.88	1,182.46
	Dec	58.65	1,149.53	21.89	1,230.07	1,175.36	21.84	1,197.20
	Q4	172.37	3,200.35	66.59	3,439.31	3,353.62	66.11	3,419.73

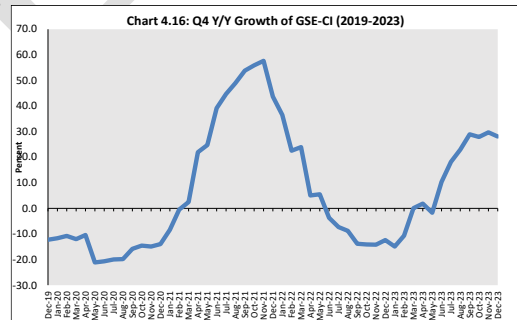
Source: Bank of Ghana

Compared to Q3:2023, the volume of total purchases decreased by 2.2 percent. Commercial banks' purchases and Bank of Ghana's support decreased by 0.3 percent and 31.5 percent, respectively. In contrast, forex bureaux purchases increased by 20.4 percent.

On sales, total volume recorded was US\$3.42 billion. Commercial bank sales represented 98.1 percent of the total amount, while forex bureaux sales contributed the remaining amount. The total volume of sales decreased by 4.5 percent on a quarterly basis. Also, compared to Q4:2022, total sales decreased by 26.7 percent.

4.9 The Stock Market

The GSE-CI trended downward in Q4:2023, declining by 1.33 percent. Despite the relatively stable domestic currency and significant decrease in inflation in Q4:2023, uncertainties regarding the performance of the economy still lingered, inducing investors to sell-off their shares especially in December 2023. This exerted downward pressure on prices and consequently pushed the GSE-CI downward. The sectors that contributed to the loss recorded by the GSE-CI were mainly Distribution and IT.



The GSE-CI

The GSE-CI dipped by 1.3 percent (-42.12 points) on a quarter-on-quarter basis at the end of Q4:2023, against a gain of 28.1 percent (686.32 points) in the same period in 2022. The performance of the GSE-CI could be attributed to the sell-off of shares by investors in Q4:2023.

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

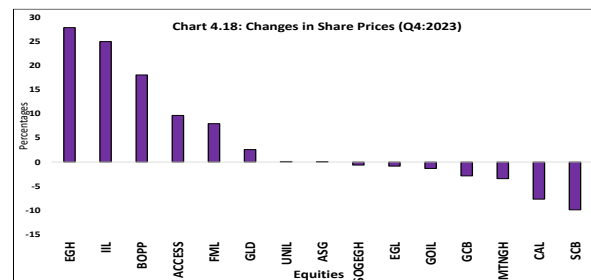
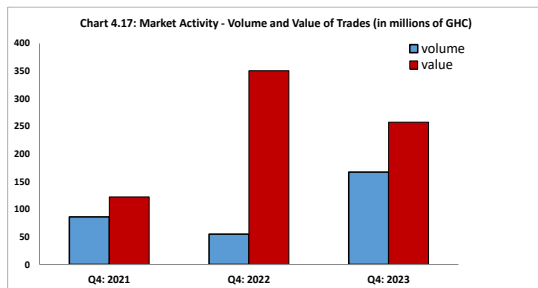
Month	SECTOR										GSE-CI	
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC		AD & PRD
Dec-22	1204.74	434.73	2052.59	2650.66	159.17	31.90	1530.00	40.26	5028.82	100.01	100.00	2443.91
Sep-23	1689.56	800.48	1890.13	3797.45	164.52	56.61	3726.00	40.45	4910.22	100.01	100.00	3172.35
Dec-23	1722.04	804.95	1901.57	3688.01	165.30	54.66	4400.00	40.58	5044.98	100.01	100.00	3130.23
2023 (Q-on-Q)												
Absolute Δ	32.47	4.47	11.44	-109.44	0.78	-1.95	674.00	0.13	126.76	0.00	0.00	-42.12
% Δ	1.92	0.56	0.61	-2.88	0.47	-3.45	18.09	0.32	2.58	0.00	0.00	-1.33
2023 (Y-on-Y)												
Absolute Δ	517.30	370.22	-151.02	1037.35	6.13	22.75	2870.00	0.32	16.16	0.00	0.00	686.32
% Δ	42.94	85.16	-7.36	39.14	3.85	71.33	187.58	0.80	0.32	0.00	0.00	28.08

Source: Ghana Stock Exchange

Sector Performance

The performance in the GSE-CI in Q4:2023 was driven mainly by share price depreciation of stocks in the Distribution (-2.9 percent; -109.44 points) and IT (-3.5 percent; -1.95 points) sectors. The Finance sector, which usually influences the performance of the GSE-CI, however, gained 0.6 percent (11.44 points), but

this was not enough to moderate the decline in the GSE-CI. Other sectors that recorded gains were Agriculture (18.1 percent, 674.00 points), ETFund (2.6 percent, 126.76 points), and Food & Beverages (1.9 percent, 32.47 points).



Market Performance

The total volume of trades on the GSE in Q4:2023 amounted to 167 million shares, valued at GH¢257.43 million, compared with a volume of 54.89 million shares, valued at GH¢350.54 million in Q4:2022. During the period, MTNGH in the IT sector, and GCB, recorded the highest volume and value of trades.

Month	SECTOR (GH¢ mill)											MKT. CAP.
	FB&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Dec-22	1034.74	312.20	14382.51	1131.10	18763.84	10816.64	266.22	17147.21	631.62	10.57	10.70	64507.32
Sep-23	1451.15	574.86	13446.37	1612.10	19394.31	19193.47	648.32	17229.79	617.73	10.57	10.70	74189.35
Dec-23	1479.04	578.07	13508.94	1604.26	19486.21	18531.66	765.60	17284.49	633.65	10.57	10.70	73893.17
2023 (Q-on-Q)												
Absolute Δ	27.89	3.21	62.57	-7.84	91.90	-661.81	117.28	54.69	15.92	0.00	0.00	-296.18
% Δ	1.92	0.56	0.47	-0.49	0.47	-3.45	18.09	0.32	2.58	0.00	0.00	-0.40
2023 (Y-on-Y)												
Absolute Δ	444.31	265.87	-873.57	473.16	722.38	7715.02	499.38	137.27	2.03	0.00	0.00	9385.85
% Δ	42.94	85.16	-6.07	41.83	3.85	71.33	187.58	0.80	0.32	0.00	0.00	14.55

Source: Ghana Stock Exchange

In Q4:2023, eight stocks lost value, while the same number gained value to moderate the losses in the GSE-CI. The rest remained unchanged at the end of the review period. RBGH, SCB and CAL were the worst performers and led the list of losers with share price depreciations of 11.1 percent, 9.9 percent and 7.7 percent, respectively. However, EGH, ILL, BOPP and ACCESS gained 27.9 percent, 25.0 percent, 18.1 percent, and 9.7 percent, respectively, to top the gainers.

Market Capitalization

Total market capitalisation at the end of Q4:2023 stood at GH¢73.89 billion, representing a quarter-on-quarter decrease of 0.4 percent (GH¢296.18 million). On a year-on-year basis, market capitalisation increased by 0.8 percent (GH¢521.5 million) at the end of Q4:2023. The main sectors that accounted for the decrease in market capitalisation in Q4:2023 were the Distribution (-0.5 percent; GH¢7.84 million) and IT (-3.5 percent; GH¢661.81 million). However, the Agriculture (18.1 percent; GH¢674.00 million), ETFund (2.6 percent; GH¢15.92 million) and Food & Beverages (1.9 percent; GH¢27.89 million) sectors recorded gains to moderate the decrease in market capitalization in Q4:2023. Market capitalization decreased mainly on account of share price depreciation.

The Bond Market

The total value of Government of Ghana Notes and Bonds listed on the Ghana Fixed Income Market (GFIM) at end-December 2023 stood at GH¢224.22 billion, compared to GH¢126.10 billion at end-December 2022. The total value of corporate bonds stood at GH¢9.67 billion at end-December 2023,

compared with GH¢12.34 billion at end-December 2022. The cumulative volume of trades on the GFIM from the beginning of the year to the end of December 2023 was 399,522, valued at GH¢98.44 billion.

5. Balance of Payments

5.1 International Trade and Finance

Preliminary estimates of Ghana's balance of payments for Q4:2023 show a surplus of US\$1.08 billion compared to a surplus of US\$3.37 million recorded in Q4:2022. The overall BOP surplus was driven mainly by inflows in the financial account, and the current account surplus.

5.2 The Current Account

The current account recorded a lower surplus of US\$217.78 million in Q4:2023 compared to a surplus of US\$318.21 million observed in Q4:2022. This was because of a reduction in the trade surplus along with lower remittance inflows, and slightly higher payments for services.

Merchandise Trade

The trade account recorded a surplus of US\$1.01 billion in Q4:2023, lower than the surplus of US\$1.26 billion recorded for the same period in 2022. The reduced trade surplus was driven by higher growth in imports relative to exports.

Exports

The value of merchandise exports for the review period was provisionally estimated at US\$4.88 billion, indicating an increase of 10.5 percent compared with US\$4.42 billion recorded in the same period in 2022. The export performance was driven by higher earnings from gold exports, and other exports including non-traditional exports.

Gold exports amounted to US\$2.56 billion, compared to US\$1.81 billion recorded during the same period in 2022. The increase in gold export earnings was due to higher volumes of gold production largely from small scale gold mining companies as well as an increase in the average price. The volume of gold exports increased by 26.8 percent to 1,363,124 fine ounces. The average realised price of gold also increased by 11.8 percent to settle at US\$1,877.52 per fine ounce.

Table 5.1: Balance of Payments (US\$' Million)

	Q4:2022	Q4:2023*	Q4:2023/Q4:2022	
			Abs change	% change
CURRENT ACCOUNT	318.2	217.8	-100.43	-31.6
Merchandise Exports (f.o.b.)	4,416.16	4,881.21	465.05	10.5
Cocoa beans and products	606.26	468.30	-137.96	-22.8
Gold	1,806.66	2,559.30	752.64	41.7
Timber products	37.49	31.75	-5.74	-15.3
Oil	1,258.26	1,108.24	-150.02	-11.9
Others (including non-traditional)	707.49	713.62	6.13	0.9
Merchandise Imports (f.o.b.)	-3,154.20	-3,871.63	-717.43	22.7
Non-oil	-2,217.68	-2,754.45	-536.77	24.2
Oil	-936.52	-1,117.17	-180.66	19.3
Trade Balance	1,261.95	1,009.58	-252.37	-20.0
Services (net)	-906.86	-919.37	-12.51	1.4
Receipts	2,034.87	2,223.51	188.64	9.3
Payments	-2,941.73	-3,142.88	-201.15	6.8
Income (net)	-1,126.71	-593.46	533.24	-47.3
Receipts	260.05	227.81	-32.24	-12.4
Payments	-1,386.76	-821.27	565.49	-40.8
Current Transfers (net)	1,089.82	721.03	-368.79	-33.8
Official	0.06	0.00	-0.06	0.0
Private	1,089.76	721.03	-368.73	-33.8
Services, Income and Current Transfers (net)	-943.75	-791.81	151.94	-16.1
CAPITAL & FINANCIAL ACCOUNT	-547.64	595.45	1,143.09	-208.7
Capital Account (net)	26.06	37.08	11.02	42.3
Capital transfers (net)	26.06	37.08	11.02	42.3
Financial Account (net)	-573.70	558.36	1,132.06	-197.3
Direct Investments (net)	322.12	388.98	66.87	20.8
Portfolio Investments (net)	-189.02	-79.93	109.09	-57.7
Financial Derivatives (net)	330.43	36.96	-293.47	-88.8
Other Investments (net)	-1,037.23	212.34	1,249.57	-120.5
<i>Of Which:</i>				
Official Capital (net)	1.70	97.44	95.74	5,631.0
Other Private Capital (net)	-875.59	-83.00	792.59	-90.5
Short-term capital (net)	-163.34	197.91	361.25	-221.2
ERRORS AND OMISSIONS	232.81	265.41	32.60	14.0
OVERALL BALANCE	3.37	1,078.63	1,075.26	31,862.6
FINANCING	-3.37	-1,078.63	-1,075.26	31,862.6
Changes in international reserves	-3.37	-1,078.63	-1,075.26	31,862.6

* Provisional

Source: Bank of Ghana

Table 5.2: Current Account Balance (US\$' Million)

	Q4:2021	Q4:2022	Q4:2023	% Change
				Q4:2023/Q4:2022
Current Account Balance	-681.12	318.21	217.78	-31.6
Trade Balance	118.74	1,261.95	1,009.58	-20.0
Services Balance	-689.65	-906.86	-919.37	1.4
Investment income Balance	-903.40	-1,126.71	-593.46	-47.3
Net Unilateral Transfers	793.20	1,089.82	721.03	-33.8

Source: Bank of Ghana

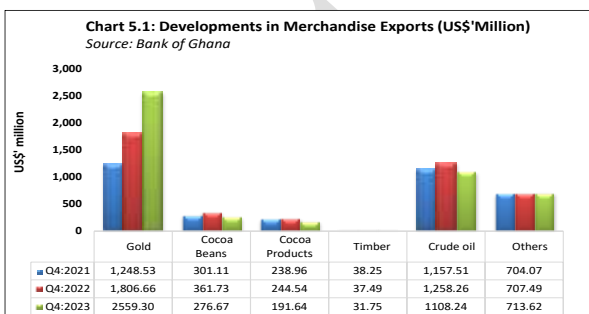
The value of crude oil exported was US\$1.11 billion, compared to US\$1.26 billion recorded in Q4:2022. The decrease in value was due to a reduction in the average realised price by 8.4 percent to settle at US\$81.61 per barrel, and a decrease in volume by 3.8 percent to 13,580,365 barrels.

Table 5.3: Merchandise Exports (US\$' Million)

	Q4:2021	Q4:2022	Q4:2023	Q4:2023/Q4:2022	
				Abs change	% change
Total Exports	3,688.42	4,416.16	4,881.21	465.05	10.5
Gold	1,248.53	1,806.66	2,559.30	752.64	41.7
Cocoa Beans	301.11	361.73	276.67	-85.06	-23.5
Cocoa Products	238.96	244.54	191.64	-52.90	-21.6
Timber	38.25	37.49	31.75	-5.74	-15.3
Crude oil	1,157.51	1,258.26	1,108.24	-150.02	-11.9
Others	704.07	707.49	713.62	6.13	0.9

Source: Bank of Ghana

Earnings from cocoa beans and cocoa products totalled US\$768.30 million in Q4:2023 compared to US\$606.26 million for the same period in 2022, representing a decrease of 22.8 percent. Earnings from cocoa beans amounted to US\$276.67 million, a 23.5 percent decrease from the level recorded in Q4:2022. The volume exported decreased to 109,111 tonnes, while prices increased by 2.6 percent to settle at US\$2,535.64 per tonne. Earnings from the export of cocoa products, also decreased by 21.6 percent to US\$191.64 million on account of a 27.6-percent decline in volume to 56,929 metric tonnes. The average price, on the other hand, increased by 8.3 percent to US\$3,366.27 per tonne.



Timber product exports amounted to US\$31.75 million from US\$37.49 million in Q4:2022. 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\$713.62 million, and was 0.9 percent higher than the outturn in Q4:2022.

Top-Ten Exported Non-Traditional Items

The value of the top-ten non-traditional commodities exported during the period under review was US\$246.29 million, compared to US\$221.10 million recorded for the same period in 2022. Tuna accounted for the largest share of the top-ten NTEs, with a share of 15.83 percent, followed by iron/steel (12%), and non-refractory ceramic bricks, tiles, pipes and similar products (11.3%), among others.

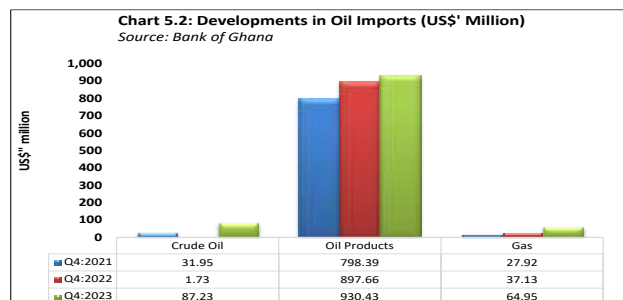
Table 5.4: Top-Ten Non-Traditional Exports, October-December 2022/2023

Description	October-December 2022		October-December 2023	
	US\$'M	% Distr.	US\$'M	% Distr.
Iron/Steel	36.54	16.52	38.99	15.83
Prepared or preserved tuna	34.95	15.81	29.52	11.98
Technically specified natural rubber (TSNR)	26.52	11.99	27.79	11.29
Aluminium, not alloyed	26.22	11.86	27.72	11.25
Shea (karite) oil and fractions	24.68	11.16	27.47	11.15
Palm oil and its fractions	18.25	8.25	25.57	10.38
Non-refractory ceramic bricks, tiles, pipes and similar products	16.97	7.68	20.21	8.21
Napkins and napkin liners for babies	12.84	5.81	17.86	7.25
Tableware, kitchenware, other household articles	12.42	5.62	16.38	6.65
Frozen yellowfin tunas	11.72	5.30	14.77	6.00
Total	221.10	100.0	246.29	100.0

Source: Bank of Ghana

Imports

Total value of merchandise imports for Q4:2023 was US\$3.87 billion, up by 22.7 percent from US\$3.15 billion recorded in Q4:2022. The increase in total imports was driven mainly by a rise in both oil and non-oil imports.



Oil and Gas Imports

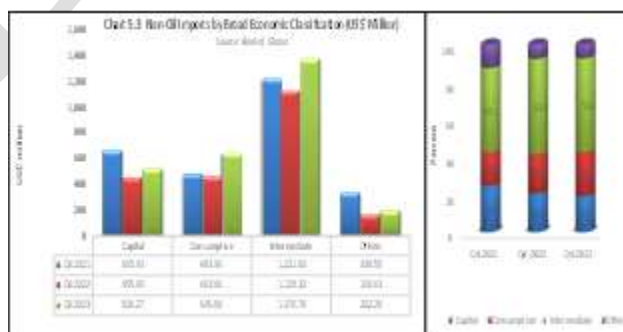
During the period under review, oil imports (made up of crude, gas and refined products) increased by 19.3 percent to US\$1.12 billion, from US\$936.52 million in 2022. Crude oil import was US\$87.23 million in Q4:2023, down from US\$1.73 million in the corresponding period of 2022. The Volta River Authority (VRA) imported 7,501,874 MMBTu (Million Metric British Thermal units) of gas worth US\$64.95 million from the West African Gas Company (WAGP) at an average price of US\$8.7 per MMBTu for its operations. A total of 4,558,810 MMBTu of gas worth US\$37.13 million was imported in Q4:2022.

The value of oil products imported increased to US\$930.43 million in Q4:2023, compared to US\$897.66 million in the same period in 2022.

Merchandise Non-Oil Imports

Total merchandise non-oil imports (including electricity imports) for Q4:2023 was provisionally estimated at US\$2.75 billion, up by 24.2 percent compared to the outturn recorded for the same period in 2022. The surge in non-oil imports was the result of increases in demand for capital, consumption, and intermediate goods, as well as other goods imports.

The value of **capital goods** imported during the review period was US\$526.27 million, up by 15.44 percent from the value recorded for the same period in 2022. This was on account of an increase in the imports of both capital goods and industrial transport goods.



Consumption goods imported also increased by 39.2 percent to US\$645.80 million, from US\$463.86 million recorded a year ago. This was due to a rise in imports of all the sub-categories.

The value of **intermediate goods** imported increased by 22.0 percent to US\$1.38 billion, compared to US\$1.13 billion recorded a year ago.

Table 5.5: Top-Ten Non-Oil Imports, October-December 2022/2023

October-December 2022			October-December 2023		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
Capital	137.29	24.3	Capital	209.07	27.9
Motor vehicles for the transport of goods, n.e.s.	95.84	17.0	Dumpers designed for off-highway use	126.30	16.8
Self-propelled bulldozers, excavators nes	41.45	7.34	Self-propelled bulldozers	82.77	11.03
Consumption	145.92	25.84	Consumption	197.80	26.37
Cereal grains, worked but not rolled or of other cereal, nes	66.24	11.7	Fungicides put up in forms or packings for retail sale	84.87	11.3
Rice	53.77	9.5	Rice	65.20	8.7
Poultry cuts and offal (other than liver), frozen	25.91	4.6	Cereal grains, worked but not rolled or of other cereals	47.73	6.4
Intermediate	126.59	22.42	Intermediate	157.51	21.00
Refined oil and its fractions	35.50	6.29	Parts of machinery	41.66	5.55
Wadding, gauze, bandages and similar articles	34.34	6.08	Iron and steel bars and rods	39.71	5.29
Cement clinkers	29.24	5.2	Cement clinkers	38.27	5.1
Polyethylene	27.50	4.9	Polyethylene	37.87	5.0
Other	154.82	27.4	Other	185.83	24.8
Motor vehicles for the transport of persons, n.e.s.	154.82	27.4	Motor vehicles for the transport of persons, n.e.s.	185.83	24.8
Total	564.62	100.00	Total	750.21	100.00

Source: Bank of Ghana

The value of **other goods** imported was US\$202.28 million, compared to US\$168.63 million recorded in Q4:2022.

During the period, 32,615,069 kWh of electricity valued at US\$3.41 million was imported by VRA compared to 8,208,075 kWh worth US\$0.98 million imported during the same period in 2022.

Top-Ten Major Non-Oil Imports

The top-ten non-oil merchandise imports for Q4:2023 amounted to US\$750.21 million, compared to US\$564.62 million recorded a year ago. Key items included self-propelled bulldozers, rice, and cereal grains, among others.

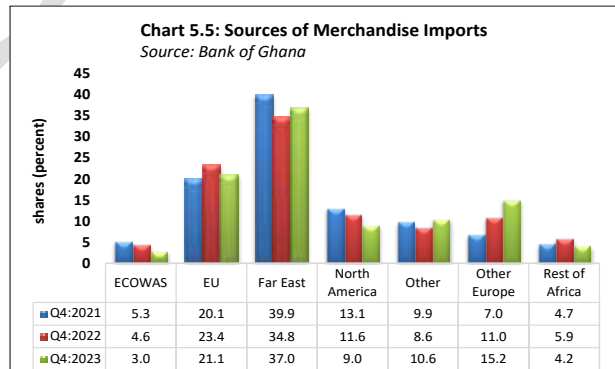
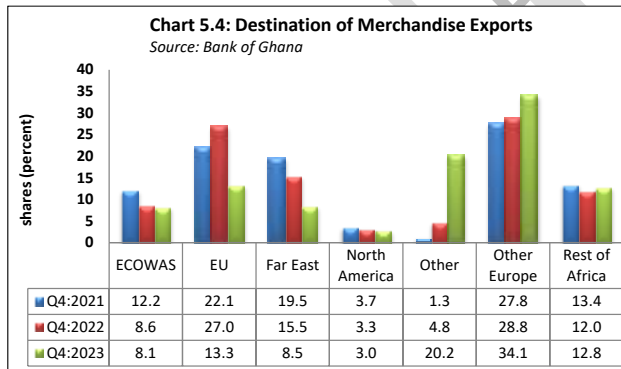
Direction of Trade

Destination of Exports

During the review period, Other Europe received the largest share (34.1%) of Ghana’s exports. The other recipients were Other Economies (20.2%), the European Union (13.3%), the Rest of Africa (12.8%), the Far East (8.5%), ECOWAS (8.1%) and North America (2.5%).

Sources of Merchandise Imports

The Far East emerged as the leading source of imports, accounting for 37.0 percent of the total imports. It was followed by the European Union (21.1%), Other Europe (15.2%), Other Economies (10.6%), North America (9.0%), Rest of Africa (4.2%), and ECOWAS (3.0%).



Services, Income and Transfers Account

During the period under review, the Services, Income, and Current Transfers Account recorded a deficit of US\$791.81 million, compared to a deficit of US\$943.75 million in Q4:2022. This was mainly on account of a decrease in income payments. The deficit on the income account narrowed to US\$593.46 million in Q4:2023 from US\$1.13 billion in Q4:2022. The balance on the Services account, however, widened from a deficit of US\$906.86 million to a deficit of US\$919.37 million, mainly due to an increase in net payments related to other services. Current transfers, which are mostly private remittances, decreased to US\$721.03 million in Q4:2023, from US\$1.09 billion in Q4:2022.

Table 5.6: Services, Income and Unilateral Transfers (net)

	Q4:2022	Q4:2023 prov.	Q4:2023/Q4:2022	
			Abs change	% change
Amounts in millions of U.S. dollars				
Services (net)	-906.86	-919.37	-12.51	1.4
Freight and Insurance	-317.29	-261.08	56.20	-17.7
Other Services	-589.57	-658.28	-68.71	11.7
Income (net)	-1,126.71	-593.46	533.24	-47.3
Current Transfers (net)	1,089.82	721.03	-368.79	-33.8
Official	0.06	0.00	-0.06	0.0
Private	1,089.76	721.03	-368.73	-33.8
Services, Income and Current Transfers (net)	-943.75	-791.81	151.94	-16.1

Source: Bank of Ghana

5.3 Capital and Financial Account

During the review period, inflows into the capital and financial account amounted to US\$595.45 million, compared to outflows of US\$547.64 million recorded for the same period in 2022.

Capital Account

The capital account received transfers totalling US\$37.08 million during the review period, compared to US\$26.06 million received in the same period in 2022.

Financial Account

Transactions in the financial account resulted in a net inflow of US\$558.36 million in Q4:2023, compared to a net outflow of US\$573.70 million in Q4:2022. The higher inflows in the financial account were driven by higher net foreign direct investment inflows and other investments.

Table 5.7: Capital and Financial Account (net)

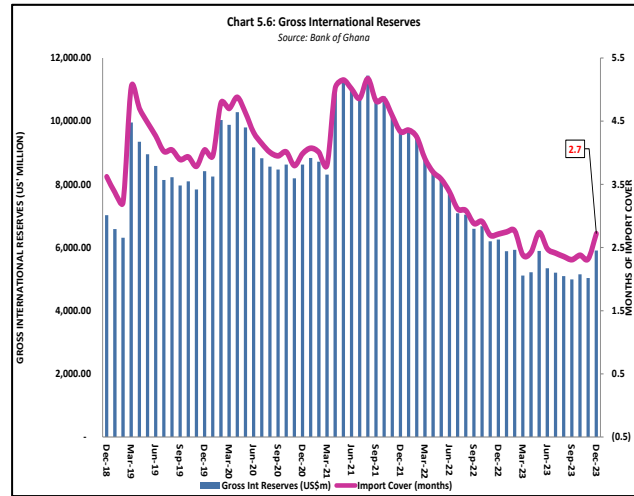
	Q4:2022	Q4:2023 prov.	Q4:2023/Q4:2022	
			Abs change	% change
Amounts in millions of U.S. dollars				
Capital and Financial Accounts	-547.64	635.18	1,182.82	-216.0
Capital transfers	26.06	41.16	15.10	57.9
Financial Account	-573.70	594.02	1,167.72	-203.5
Foreign Direct Investments	322.12	398.66	76.54	23.8
Portfolio Investments	-189.02	-66.76	122.26	-64.7
Financial Derivatives	330.43	36.96	-293.47	-88.8
Other Investments	-1,037.23	225.16	1,262.39	-121.7
Official Capital (Net)	1.70	104.12	102.42	6,024.2
Official	-25.31	158.66	183.97	-726.9
Disbursements	163.13	250.98	87.85	53.9
Amortisation	-188.44	-92.31	96.13	-51.0
Government Oil Investments	27.01	-54.54	-81.55	-301.9
Inflow	90.25	72.12	-18.13	0.0
Outflow	-63.24	-126.66	-63.42	100.3
Other Private Capital (Net)	-875.59	-76.87	798.72	-91.2
Disbursements	-565.96	-691.36	-125.41	22.2
Amortisation	-309.63	614.49	924.13	-298.5
Short-term	-163.34	197.91	361.25	-221.2
Non-Monetary	650.88	399.74	-251.14	-38.6
Monetary	-814.22	-201.83	612.39	-75.2

Source: Bank of Ghana

5.4 International Reserves

The stock of Net International Reserves (NIR) at the end of December 2023 was estimated at US\$3.13 billion, indicating a build-up of US\$461.60 million from a stock position of US\$2.67 billion at the end of December 2022.

The country’s Gross International Reserves (GIR) at the end of December 2023 was estimated at US\$5.91 billion, a decrease of US\$346.12 million from a stock position of US\$6.25 billion as at end-December 2022. This was sufficient to provide 2.7 months of imports cover for goods and services, same as in Q4:2022.



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