

BANK OF GHANA



QUARTERLY ECONOMIC BULLETIN

FIRST QUARTER 2024

Table of Contents

Overview.....	1
1. Developments in the World Economy.....	3
2. Real Sector Developments.....	5
2.1 <i>Indicators of Economic Activity.....</i>	5
2.2 <i>Labour Market Conditions.....</i>	8
3. Price Developments	9
3.1 <i>Global Inflation.....</i>	9
3.2 <i>Domestic Inflation.....</i>	11
3.3 <i>Inflation Outlook.....</i>	11
4. Money and Financial Market Developments	12
4.1 <i>Broad Money Supply.....</i>	12
4.2 <i>Sources of Change in M2+</i>	13
4.3 <i>Developments in Banks' Credit.....</i>	13
4.4 <i>Sources and Uses of Banks Flow of Funds</i>	14
4.5 <i>Interest Rate Developments</i>	16
4.6 <i>Payments System Developments</i>	18
4.7 <i>Money Market.....</i>	18
4.8 <i>Currency Market</i>	19
4.9 <i>The Stock Market.....</i>	22
5. Balance of Payments.....	25
5.1 <i>International Trade and Finance.....</i>	25
5.2 <i>The Current Account.....</i>	25
5.3 <i>Capital and Financial Account</i>	30
5.4 <i>International Reserves</i>	31

List of Tables

Table 1.1: Overview of World Economic Outlook Projections	3
Table 3.1: Headline Inflation and Components	11
Table 4.1: Monetary Indicators	12
Table 4.2: Sectoral Distribution of Banks Outstanding Credit	13
Table 4.3: Sources and Uses of Banks' Flow of Funds	15
Table 4.4: International Market Exchange Rate Movements	19
Table 4.5: Inter-Bank Market Exchange Rate Movements	21
Table 4.6: Forex Bureaux Exchange Rate Movements	21
Table 4.7: Foreign Exchange Transactions	22
Table 4.8: Sector contribution to the Growth of GSE-CI	24
Table 4.9: Sectors' Contribution to the Growth of Market Capitalization	24
Table 5.1: Balance of Payments (US\$' million)	25
Table 5.2: The Top Ten Non-Traditional Exports: October – December 2022/2023	26
Table 5.3: Top Ten Non-Oil Imports: October - December 2022/2023	28
Table 5.6: Services, Income and Unilateral Transfers (net)	29
Table 5.7: Capital and Financial Account (net)	30

List of Charts

Chart 2.1: Retail Sales and Domestic VAT (GH¢' million)	7
Chart 2.2: Trends in Domestic Taxes (Direct)	7
Chart 2.3: SSNIT Contributions from Private Sector Workers (GH¢' million)	7
Chart 2.4: Cement Sales (Tonnes)	7
Chart 2.5: Number of Vehicle Registration	7
Chart 2.6: Industrial Consumption of Electricity (gw)	7
Chart 2.7: Trends in Tourist Arrivals	8
Chart 2.8: Port Activity (Total Container Traffic)	8
Chart 2.9: Trends in Advertised Job Vacancies and Categories	8
Chart 3.1: Inflation in Advanced Economies	9
Chart 3.2: Inflation in Emerging Market Economies	10
Chart 3.3: Inflation in Sub-Saharan Africa	10
Chart 4.1: Inflation and Liquidity	12
Chart 4.2: Allocation of Flow of Credit to the Private Sector (Year-on-Year)	14
Chart 4.3: Growth Rate of Flow of Credit to the Private Sector by Borrower (Year-on-Year)	14
Chart 4.4: Sources of Banks' Flow of Funds	16
Chart 4.5: Deployment of Banks' Flow of Funds (Year-on-Year)	16
Chart 4.6: Monetary Policy Rate	16
Chart 4.7: Yield Curve	17
Chart 4.8: Spread between Nominal Savings and Lending Rates	17
Chart 4.9: Quarterly Trends in the Settlement of Interbank Transactions (Daily Averages of Volumes and Values)	18
Chart 4.10: Quarterly Trends in Cheques Cleared (Daily Averages of Volumes and Values)	18
Chart 4.11: Money Market Rates	18

Chart 4.12: Tender Results (Q1:2024)	19
Chart 4.13: International Market Exchange Rate Movements.....	19
Chart 4.14: Inter-Bank Market Exchange Rate Movements	21
Chart 4.15: Forex Bureaux Exchange Rates Movements.....	21
Chart 4.16: GSE-CI (y/y growth)	22
Chart 5.1: Developments in Merchandise Exports (US\$' million)	26
Chart 5.2: Developments in Oil Imports (US\$ 'Million)	27
Chart 5.3: Non-oil Imports by Broad Economic Classification (US\$ 'Million)	28
Chart 5.4: Destination of Merchandise Exports	29
Chart 5.5: Sources of Merchandise Imports	29
Chart 5.6: Gross International Reserves.....	31

PUBLIC

Overview

This report presents a review of global and the domestic economic developments during the first quarter of 2024. The domestic developments cover the real sector, inflation, monetary aggregates, banking sector credit, exchange rates, interest rates, the capital market, and balance of payments.

Global Economy

Global economic activity remained resilient in Q1:2024, despite tight financing conditions and elevated prices. The global economy is projected to grow at a steady pace of 3.2 percent in both 2024 and 2025 on the back of strong household and government spending.

The Domestic Economy

Real Sector

Domestic economic activity generally improved in Q1:2024, evidenced by the selected real sector indicators. Indicators of consumer spending, manufacturing activities, international tourist arrivals and port activity significantly improved while industrial consumption of electricity, construction sector activities and vehicle registration marginally declined.

Inflation

Headline inflation inched up to 25.8 percent at the end of Q1:2024, from 23.2 percent recorded at the end of Q4:2023. In year-on-year terms, food inflation sharply declined to 29.6 percent from 50.8 percent at the end of Q3:2023, and non-food inflation dropped to 22.6 percent from 40.6 percent, over the same comparative period.

Monetary Aggregates

Annual growth in broad money supply (M2+) decreased to 26.2 percent in Q1:2024 from 45.0 percent in Q1:2023. M2+ totalled GH¢261,119.83 million during the review period compared with GH¢250,018.53 million and GH¢206,986.41 million recorded in Q4:2023 and Q1:2023 respectively.

The decline in growth of M2+ was attributed to moderation in the pace of growth in the Net Domestic Assets (NDA) of the depository corporations during the review period, on the back of contractions in net claims on Government, as well claims on public and private sectors. The Net Foreign Assets (NFA), however, expanded significantly compared to same time in 2023.

Banking Sector Credit

The annual growth in banks outstanding credit to the public and private sectors in the first quarter of 2024 both decreased significantly relative to the corresponding period of 2023. The nominal annual growth in banks' outstanding credit to the private sector decreased to 4.8 percent in Q1:2024, from 24.6 percent in Q1:2023. This was also lower than the growth of 10.1 percent recorded for Q4:2023. At the end of Q1:2024, total outstanding credit stood at GH¢77,031.28 million. In real terms, credit from the banks contracted by 16.7 percent in Q1:2024, compared to a contraction of 14.1 percent in Q1:2023.

The share of total outstanding credit to the private sector increased marginally to 92.3 percent in Q1:2024, from 91.6 percent recorded in Q4:2023.

Exchange Rates

On the interbank market, the Ghana cedi against the U.S. dollar, the pound sterling and the euro by 7.7 percent, 6.9 percent, and 5.6 percent respectively in Q1:2024.

On the forex bureaux market, the Ghana cedi depreciated against the U.S. dollar, the pound sterling and the euro by 9.1 percent, 9.2 percent, and 8.4 percent, respectively on a quarter-on-quarter basis.

Interest Rates

Interest rates generally reflected mixed trends across all spectrums of the yield curve in Q1:2024. The BOG bill rate, along with the deposit and lending rates of DMBs exhibited a decline in Q1:2023. In contrast, the rates of GOG securities recorded increases over the same comparative period.

The Monetary Policy Rate (MPR) at the end of Q1:2024 was 29.0 percent, reflecting 50 basis points decrease compared with the MPR at the end of Q1:2023.

The interbank weighted average interest rate increased by 261 basis points, to settle at 28.5 percent in Q1:2024 from 25.9 percent in Q1:2023.

On the Treasury bills market, interest rate developments in Q1:2024 showed upward trends relative to corresponding quarter of 2023. The yields on the 91-day, 182-day and 364-day T-bills increased by 602 basis points, 589 basis points, and 283 basis points respectively compared to Q1:2023.

Capital Market

The Ghana Stock Exchange Composite Index (GSE-CI) gained by 10.4 percent in Q1:2024, bringing the year-on-year growth to 25.9 percent. Consequently, market capitalization increased by 5.2 percent during the first quarter recording a year-on-year growth of 14.5 percent. The sectors that contributed to the gains recorded by the GSE-CI were mainly the Manufacturing, Food & Beverages, Finance, ETFund and IT sectors.

Balance of Payments

The trade account recorded a surplus of US\$673.42 million in Q1:2024, lower than the surplus of US\$1,273.0 million recorded for the same period in 2023. The reduction was mainly on the back of higher import bills compared to export earnings.

The value of merchandise exports for the review period was provisionally estimated at US\$4,339.97 million, which was almost flat compared to what was recorded last year.

Imports of goods for Q1:2024 was higher relative to same period in 2023. The total import bill for Q1:2024 increased by 19.5 percent to US\$3,666.55 million, supported by both petroleum imports and non-oil imports.

The country's Gross International Reserves stood at US\$5,991.34 million at the end of Q1:2024 from a stock position of US\$5,906.60 million at the end of Q4:2023. This was sufficient to provide 2.7 months of imports cover for goods and services compared to 2.4 months of imports cover as of Q4:2023.

1. Developments in the World Economy

Global economic activity remained resilient in Q1:2024 despite tight financing conditions and elevated prices. The global economy is projected to grow at a steady pace of 3.2 percent in both 2024 and 2025 on the back of strong household and government spending. Growth projections also reflects the resolutions of pandemic era supply disruptions and increase in labour supply and capital accumulation. Revisions to growth projections for advanced economies in April are on the back of stronger activity in the US in Q4:2023. However, the upward revision in the US is offset by the downward adjustment of growth in the Euro Area. Emerging markets and developing economies are projected to expand slightly in 2024, maintaining steady growth in 2025 on the back of strong commodity prices and falling price pressures. Moving into Q2:2024, economic activity is expected to remain robust with the S&P manufacturing and services PMIs continuing to expand in April supported by rising real incomes, improved trade and increasing wages.

Risks to the near-term outlook are broadly balanced. Inflation is on the downward trajectory with policy rate expected to ease in the year. However, geopolitical tensions remain a threat to energy prices if the war in the Middle East extends to other countries. The strength of the dollar is putting pressure on EM currencies. However, expected policy cuts by the US will help curb these pressures and support price stability and economic activity in the region. China's growth could falter without a comprehensive response to the property sector, and geoeconomic fragmentation could intensify. On the upward side, looser fiscal policy could raise economic activity, additionally, artificial intelligence and structural reforms could spur productivity.

Table 1.1: Overview of World Economic Outlook Projections (% change)			
	2023	Year-on-Year	
		Estimates	Projections
		2024	2025
World Output	3.2	3.2	3.2
Advanced Economies	1.6	1.7	1.8
United States	2.5	2.7	1.9
Euro Area	0.4	0.8	1.5
Germany	-0.3	0.2	1.3
France	0.9	0.7	1.4
Italy	0.9	0.7	0.7
Spain	2.5	1.9	2.1
Japan	1.9	0.9	1.0
United Kingdom	0.1	0.5	1.5
Canada	1.1	1.2	2.3
Other Advanced Economies	1.8	2.0	2.4
Emerging Market and Developing Economies	4.3	4.2	4.2
China	5.2	4.6	4.1
India	7.8	6.8	6.5
Russia	3.6	3.2	1.8
Brazil	2.9	2.2	2.1
Mexico	3.2	2.4	1.4
Sub-Saharan Africa	3.4	3.8	4.0
Nigeria	2.9	3.3	3.0
South Africa	0.6	0.9	1.2

Source: IMF World Economic Outlook, April 2024 Update

1.1 United States

The US economy grew an annualized 1.6 percent in Q1:2024 below the 3.4 percent witnessed in Q4:2023 amid lower demand due to higher policy interest rates. The IMF projects the United States economy will grow at 2.7 percent in 2024 supported by fiscal spending and rising real wages. The economy is however expected to cool to 1.9 percent in 2025 on the back of lagged effect of tighter policy, the cooling of the labour market, the dissipation of pandemic era accumulated savings and weaker government spending. In the outlook, the US economy is expected to remain resilient in the near term due to strong labour markets, consumer spending and exports growth as global economy expands.

1.2 United Kingdom

The United Kingdom economy grew by 0.6 percent in Q1:2024 ending two quarters of contraction in the second half of 2023. This growth marks the strongest in over two years coming on the back of strong performance from the services and manufacturing sectors. The IMF estimates the UK's economy to expand to 0.5 percent in 2024 from the growth of 0.1 percent in 2023 and further accelerate to 1.5 percent by the end of 2025 as lagged effects of past energy price shocks wanes and real incomes recover. In the outlook, declining inflation and expected interest rate cuts with tax breaks will support the UK's economy and end protracted era of economic stagnation.

1.3 Euro Area

The Euro Area economy expanded 0.4 percent Q1:2024 above market expectations of 0.2 percent. The upward adjustment was on the back of a surge in household consumption and the cooling effect of energy price shocks. Growth projections for Euro Area biggest economy such as Germany was reversed down by 0.3 percentage points backed by weak consumer sentiments. However, upwards revisions were made for several smaller economies like Portugal and Belgium which will support the bloc expand by 0.8 percent and 1.5 percent in 2024 and 2025 respectively.

1.4 Japan

The Japanese economy contracted by 0.5 percent in Q1:2024 after recording no activity for Q1:2023. The tepid growth performance for the quarter reflects rising cost pressures. The S&P manufacturing PMI contracted 47.8 points in Q1:2024Q. However, the services PMI averaged 53.4 points due to increasing new orders and domestic tourism. The IMF estimates that the Japanese economy will slow to 0.9 percent in 2024, from growth of 1.9 percent in 2023, before marginally increasing to 1.0 percent by 2025 due to the fading of one-off factors such as increasing inbound tourism. In the outlook, the Japanese government is expected to stimulate domestic demand through defence spending, increase female labour force participation, and investing in digitization. However, growth is expected to stay below 1 percent due to demographic issues and elevated price pressures from a weaker currency and wage growth.

1.5 China

The Chinese economy expanded by a seasonally adjusted 1.6 percent in Q1:2024 exceeding market expectations. This growth is on the back of fiscal stimulus, expansion in fixed investment and new year spending. There were improvements in demand conditions and purchasing activity with S&P manufacturing PMI averaging 50.9 points for Q1:2024. Similarly, the services PMI witnessed an expansion averaging 52.6 points in Q1:2024 due to a surge in new business activity and improvement in confidence. The IMF estimates the Chinese economy to contract to 4.6 percent in 2024 from the expansions of 5.2 percent witnessed in 2023 and further moderate to 4.1 percent by the end of 2025. In the outlook, China's property sector downturn is affecting its economy, with domestic demand remaining weak. Public debt dynamics are also a concern, potentially leading to increased external surpluses and escalating geopolitical tensions.

1.6 Emerging Markets and Developing Economies

The Emerging Markets and Developing Economies (EMDEs) are expected to witness a stable growth of 4.2 percent in 2024 and 2025 respectively, a slight moderation in growth from 4.3 percent recorded in 2023. India and Mexico are projected to maintain strong growth in 2024 but will see a slight moderation in 2025 while China and Brazil are estimated to slow in their growth numbers in 2024 and 2025 respectively. EMDEs have seen their financial conditions loosened, stock prices skyrocketed, and capital flows strengthened. In the outlook, the geopolitical fragmentations pose a risk to both the short term and long term as it may increase impediments to the movement of people, capital, and goods as well as slowdown in supply-side. These also has consequences for policy directions.

1.7 Sub-Sahara African Countries

Sub-Saharan Africa (SSA) economy is projected to grow from 3.4 percent in 2023 to 3.8 percent in 2024 and further accelerate to 4.0 percent in 2025. Economic activity in South Africa was affected by weaker private demand, while Nigeria saw upward adjustment in oil output which offset the downward revision in Angola's growth numbers. In the outlook, SSA faces political instability, funding squeeze due to financing shortages, high borrowing costs, and debt repayments making its vulnerability to global external shocks high.

2. Real Sector Developments

A review of selected real sector indicators revealed a general improvement in domestic economic activity in the first quarter of 2024 compared with trends observed during the same period in 2023.

2.1 Indicators of Economic Activity

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, improved in Q1:2024 compared with figures recorded in the corresponding period of 2023. Domestic VAT collections grew by 13.1 percent (year-on-year) to GH¢3,615.59 million, relative to GH¢3,196.30 million collected during the corresponding quarter in 2023. Conversely, domestic VAT decreased by 25.0 percent compared with GH¢4,820.07 million collected for Q4:2023.

Retail sales increased by 18.6 percent (year-on-year) to GH¢553.70 million during Q1:2024 from GH¢467.00 million recorded in Q1:2023. The comparative improvement in retail sales could be attributed to increased 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 during the first quarter of 2024, compared with what was observed in the same period of 2023. Total direct taxes collected increased by 17.8 percent (year-on-year) to GH¢12,693.33 million in the first quarter of 2024, relative to GH¢10,773.16 million recorded for the first quarter of 2023. Total

direct taxes collected for the quarter under review however declined by 33.0 percent from GH¢18,957.88 million collected in Q4:2023. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 53.0 percent, followed by Income Tax (PAYE and self-employed) with 33.3 percent, while other tax sources contributed 13.7 percent.

Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) improved by 23.2 percent (year-on-year) to GH¢1,117.04 million in Q1:2024, from GH¢906.95 million collected during the corresponding quarter of 2023. The total contribution in the review period also increased by 3.3 percent when compared with GH¢1,080.95 million for Q4:2023. The improvement in private workers' contributions to the Tier-1 pension scheme could be attributed 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 3.5 percent (year-on-year) during Q1:2024 to 689,912.03 tonnes, from 715,070.24 tonnes recorded in Q1:2023. Total cement sales during the review period however increased by 4.3 percent when compared with 661,785.97 tonnes recorded during Q4:2023. 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 economic activities, gauged by vehicle registration by the Driver and Vehicle Licensing Authority (DVLA), declined by 3.7 percent to 52,576 in Q1:2024 compared to 54,568 vehicles registered during the corresponding quarter of 2023. Conversely, the number of vehicles registered during the review period increased significantly by 139.8 percent relative to 21,923 vehicles recorded in the Q4:2023. The year-on-year 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 down by 10.7 percent during Q1:2024, compared with observations made in the corresponding period of 2023. Industries utilised 829.14 giga-watts of power in Q1:2024, as against 928.11 giga-watts recorded for the same period in 2023. Similarly, industrial consumption of electricity decreased by 11.4 percent from 936.27 giga-watts utilised for Q4:2023. The relative decline in the electricity consumed by industries could be attributed to decreased industrial activity during the review period.

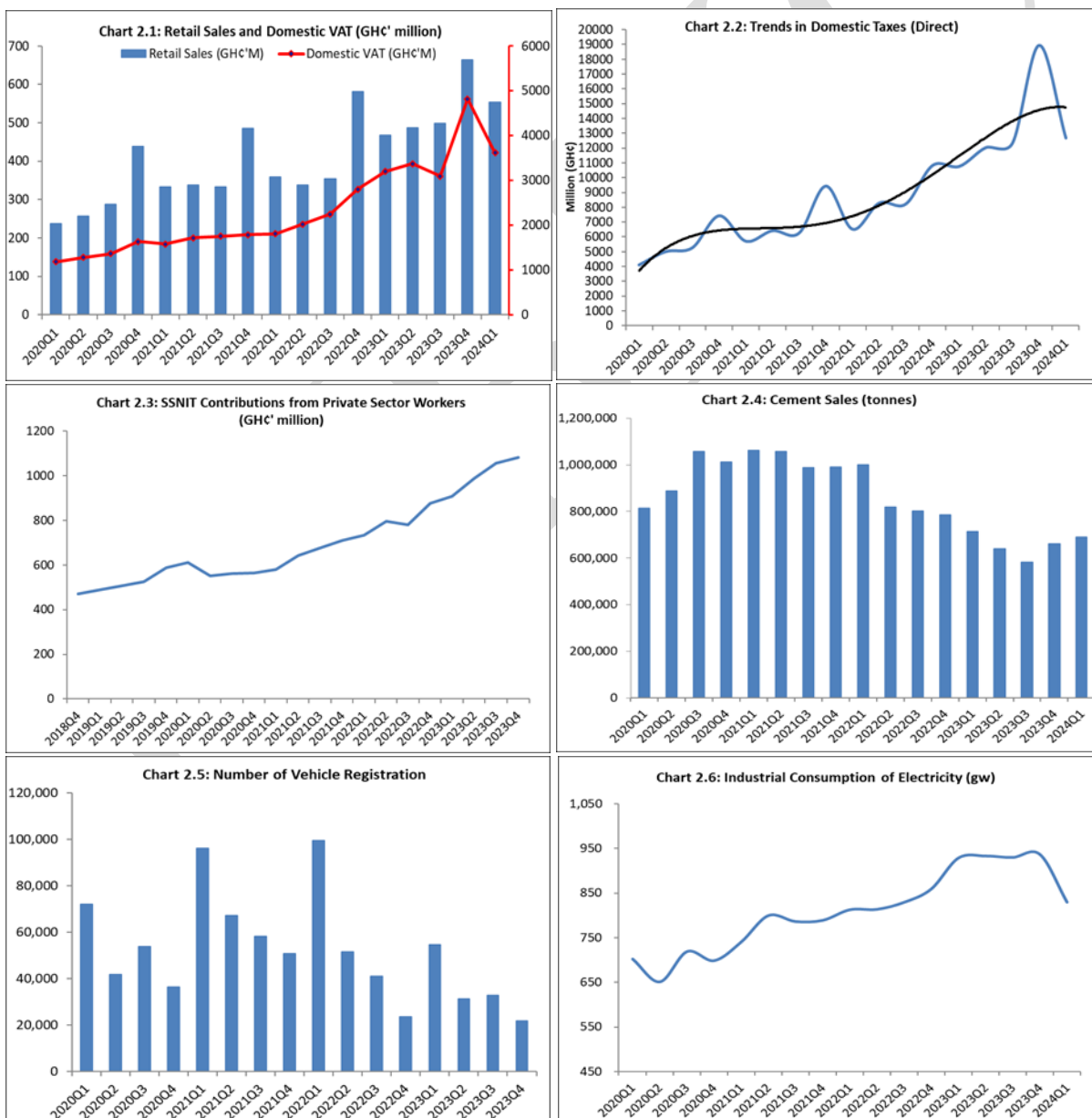
International Tourist Arrivals

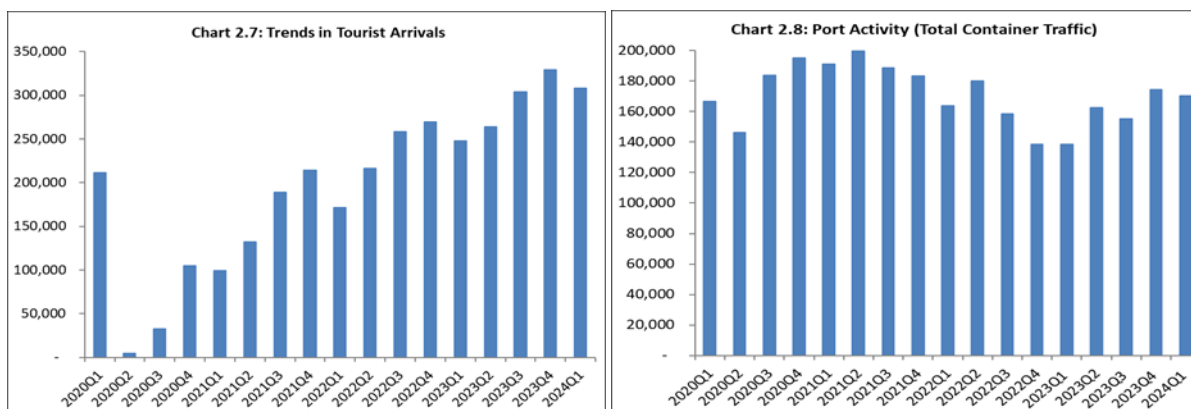
Tourist arrivals through the country's various ports of entry improved in the Q1:2024 when compared with figures recorded a year ago. A total of 308,024 tourists entered the country during the review period, as against 247,834 visitors received in Q1:2023, indicating an improvement of 24.3 percent. Tourist arrivals during the period however declined by 6.5 percent when compared with 329,490 visitors

received Q4:2023. The year-on-year pick-up in tourist arrivals was mainly due to an increase 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, recorded an improvement during the Q1:2024, compared with what was observed in the corresponding quarter of 2023. Total container traffic for inbound and outbound containers increased by 22.9 percent to 170,192 from 138,430 for the Q1:2023. Conversely, port activity went down by 2.5 percent when compared to 174,495 laden containers recorded in Q4:2023. The relative improvement in port activity, year-on-year, was due to an up-tick in international trade activities during the period.



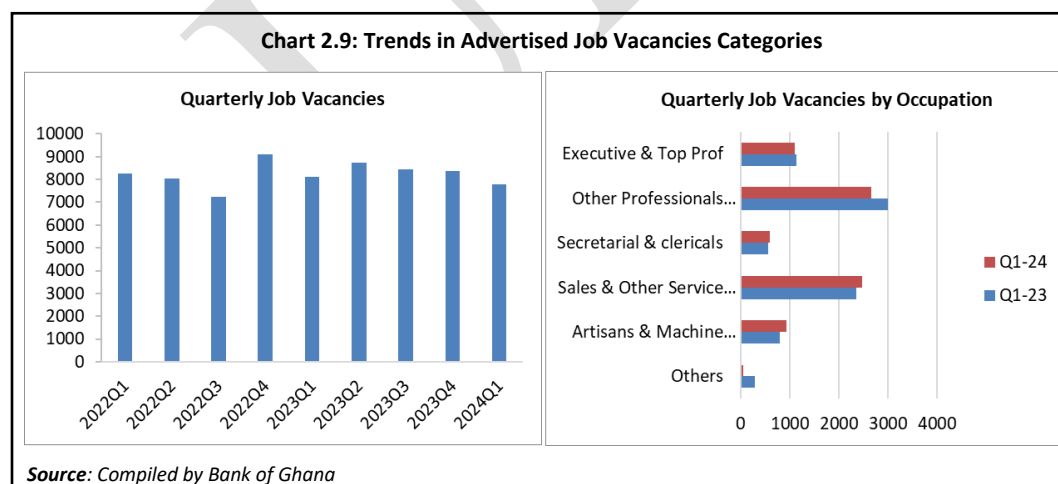


2.2 Labour Market Conditions

The number of jobs advertised in selected print¹ and online² media, which gauges labour demand in the economy, decreased in the Q1:2024 relative to what was observed in the Q1:2023. In total, 7,798 job adverts were recorded in the Q1:2024 as compared with 8,740 for the Q1:2023, indicating a decline of 4.0 percent (year-on-year). Similarly, the number of job vacancies advertised in the review period also dropped by 6.8 percent month-on-month from 8,371 recorded for the Q4:2023.

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 77.9 percent of total job adverts recorded in Q1:2024. This compares with its share of 82.0 percent recorded in Q1:2023. Industry followed with a share of 17.7 percent, up from 14.2 percent in Q1:2023, while the Agriculture Sector accounted for 4.4 percent of the job adverts during the period, compared with 3.8 percent of total job adverts recorded for the corresponding quarter of 2023.



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 48.2 percent of total jobs advertised in

Q1:2024, relative to 50.9 percent recorded in the corresponding quarter of 2023. This was followed by the categories classified as Sales & Other Service Workers (31.6% in Q1:2024 vs. 29.0% in Q1:2023), Artisans & Machine Operators (11.8% vs. 9.8%), Secretarial & Clerical Staff (7.7% vs. 6.8%) and Others (0.7% vs. 3.7%).

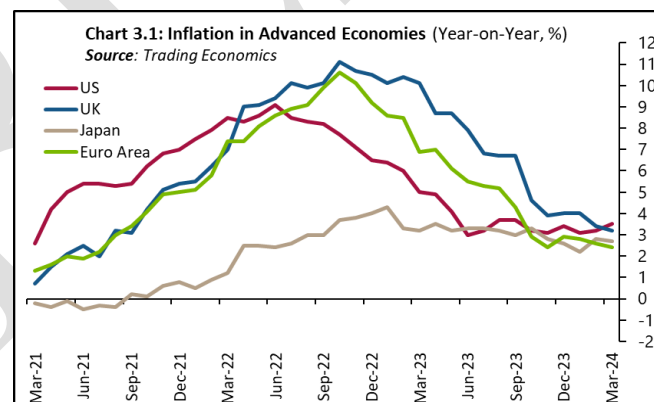
3. Price Developments

3.1 Global Inflation

Global headline inflation continues to moderate in several advanced economies, supported by tighter monetary policy stance, and reduced commodity prices especially prices for food and energy. Despite this positive price development at the global level, recent events in the Middle East, particularly the Red Sea shipping channel, have prompted anxiety regarding prolonged delivery times and increased shipping costs. These incidents, coupled with production cuts by OPEC+, have gradually driven up oil prices in recent weeks, posing a risk to the disinflationary process in both advanced, emerging market and developing economies. Heightened vigilance and proactive policy measures may be necessary to mitigate these emerging risks and ensure the stability of global economic conditions in the outlook.

Advanced Economies

The average inflation rate in the **United States** for the Q1:2024 edged up marginally to 3.3 percent relative to 3.2 percent observed in the Q4:2023. The annual inflation rate in March 2024 was 3.5 percent, up from 3.4 percent recorded in December 2023. The uptick was largely driven by rising energy and transportation cost. Core inflation however, eased to 3.8 percent in March 2024 from 3.9 percent observed in December 2023.



Inflation rate in the **United Kingdom** for Q1:2024 averaged 3.5 percent, down from 4.2 percent in Q4:2023. Headline inflation softened to 3.2 percent in March 2024 from 4.0 percent in December 2023. The moderation was driven by slowdown in price increases for food and non-alcoholic beverages, restaurants and hotels, recreation and culture, and miscellaneous goods and services. The core inflation rate, which excludes volatile items such as food and energy, also fell to 4.2 percent in March 2024, up from 5.1 percent in December 2023.

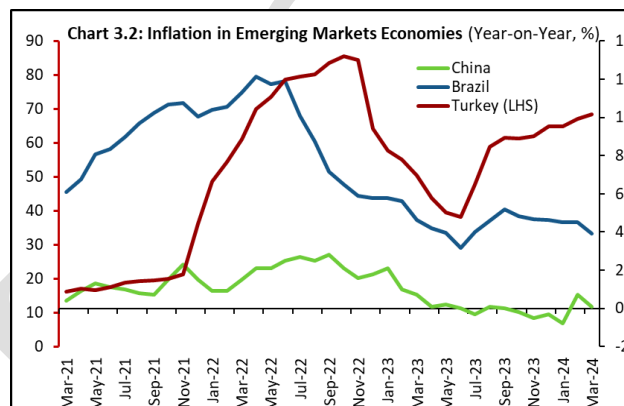
Average inflation rate in the **Euro Area** for Q1:2024 was 2.6 percent relative to 2.7 percent observed in the previous quarter. Headline inflation eased to 2.4 percent in March 2024 from 2.9 percent in December 2023. The decline was on the back moderation in the pace of price increases in both food, alcohol & tobacco and non-energy industrial goods inflation. The core inflation rate, which excludes

volatile food and energy prices, eased to 2.9 percent in March 2024 down from 3.4 percent in December 2023.

Annual inflation rate in **Japan** averaged 2.6 percent for Q1:2024 from 2.9 percent in Q1:2023. Inflation rate edged up marginally to 2.7 percent in March 2024 from 2.6 percent in December 2023. The uptick was mainly due to unfavourable base effects. Core inflation accelerated by 2.6 percent in March 2024, up from 2.3 percent in December 2023.

Emerging Market Economies

China recorded an average inflation rate of zero in quarter one of 2024 from a negative rate of 0.3 percent recorded in quarter four of 2023. Consumer prices jumped by 0.1 percent in March 2024 from negative 0.3 percent in December 2023. The uptick in prices reflected the robust spending during the Lunar New Year holiday. Core consumer inflation, which excludes the prices of food and energy, remained at 0.6 percent in March 2024 compared to December 2023.

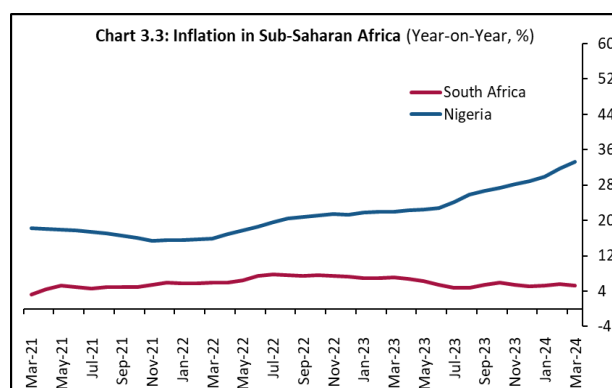


The average inflation rate in **Brazil** for the first quarter of 2024 was 4.3 percent, down from the 4.7 percent recorded in the last quarter of 2023. The annual inflation declined to 3.9 percent in March 2024 from 4.6 percent in December 2023. The moderation was driven mainly by slowdown in the prices of housing and utilities, and transportation.

Average inflation rate in **Turkey** picked up to 66.8 percent in quarter one of 2024, up from 62.7 percent in quarter four of 2023. Annual inflation rate in Turkey jumped by 68.5 percent in March 2024 from 64.8 percent in December 2023. The rising price level was driven by a broad uptick in most of the subgroups mainly transport and housing & utilities. Core inflation surged to 75.2 percent in March 2024 from 70.6 percent in December 2023.

Sub-Saharan Africa

Average inflation rate in **South Africa** was 5.4 percent in quarter one of 2024, down marginally from 5.5 percent in quarter four of 2023. Headline inflation however accelerated marginally to 5.3 percent in March 2024 from 5.1 percent in December 2023. The uptick was mainly driven by surges in the prices for restaurants & hotels, food & non-alcoholic beverages, health, and transportation. Similarly, core inflation rate rose to 4.9 percent in March 2024 from 4.5 percent in December 2023.



Average inflation rate in **Nigeria** surged to 31.6 percent in Q1:2024 from 28.2 percent in Q4:2023. Annual inflation rate jumped to 33.2 percent in March 2024, up from 28.9 percent in December 2023. The spiralling inflation was mainly driven by the sharp fall in the domestic currency alongside the removal of fuel subsidy. Annual core inflation rate, which excludes farm produce heartened to 25.9 percent in March 2024 from 23.1 percent in December 2023.

3.2 Domestic Inflation

Headline Inflation

Headline inflation continued to moderate on quarterly basis in Q1:2024 relative to Q4:2023. Average inflation was 24.2 percent in Q1:2024 from an average of 28.3 percent in Q4:2023. However, inflation picked up to 25.8 percent in March 2024, up from 23.2 percent in December 2023. The uptick reflected mainly unfavourable base drift effects. In January 2024, inflation surprised on the upside after five consecutive months of decline, and then reversed to the December 2023 level, before accelerated in March 2024.

3.3 Inflation Outlook

The slowdown in the disinflation trajectory of the quarter under review is largely due to pass-through of exchange rate depreciation, unfavourable base drift effects and seasonal variations that have impacted food items that are currently out of season. The latest inflation forecast suggests a modestly elevated inflation profile emanating from the unofficial upward revision in transport fares, expected adjustment in utility tariffs in quarter two, higher ex-pump prices and some pass-through of exchange rate depreciation. On the global front, inflation is expected to decline further, but increasing geopolitical tensions and potential supply bottlenecks associated with developments between Israel and Iran could pose some major risks to the inflation outlook. On the balance of risk, risks to the inflation outlook are slightly on the upside and will require close monitoring by the Bank to institute appropriate monetary policy response to mute its impact on domestic inflation in the remaining quarters of 2024.

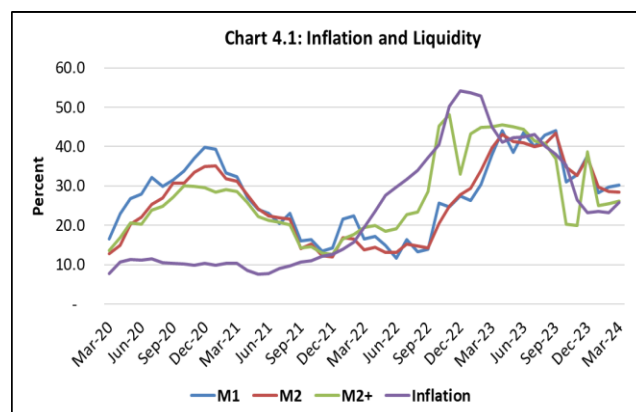
Table 3.1: Headline Inflation and Components

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
Jan-22	13.9	13.7	14.1	2.1	1.9	2.2
Feb-22	15.7	17.4	14.5	2.4	3.2	1.7
Mar-22	19.4	22.4	17.0	4.0	4.5	3.7
Jan-23	53.6	61.0	47.9	1.7	2.8	0.8
Feb-23	52.8	59.1	47.9	1.9	2.0	1.7
Mar-23	45.0	50.8	40.6	-1.2	-0.9	-1.5
Apr-23	41.2	48.7	35.4	2.4	4.3	0.7
May-23	42.2	51.8	34.6	4.8	6.2	3.5
Jun-23	42.5	54.2	33.4	3.2	3.9	2.6
Jul-23	43.1	55.0	33.8	3.6	3.8	3.4
Aug-23	40.1	51.9	30.9	-0.2	-0.3	-0.2
Sep-23	38.1	49.3	29.3	1.9	1.6	2.1
Oct-23	35.2	44.8	27.7	0.6	0.1	1.0
Nov-23	26.4	32.2	21.7	1.5	0.8	2.2
Dec-23	23.2	28.7	18.7	1.2	1.3	1.0
Jan-24	23.5	27.1	20.5	2.0	1.6	2.4
Feb-24	23.2	27.0	20.0	1.6	2.0	1.3
Mar-24	25.8	29.6	22.6	0.8	1.0	0.7

Source : Ghana Statistical Service

4. Money and Financial Markets Developments

Developments in monetary aggregates for Q1:2024 showed considerable decline in the annual growth in M2+ relative to the corresponding quarter of 2023, driven mainly by a significant moderation in the pace of growth in the Net Domestic Assets (NDA) of depository corporations' sector, partially reflecting tighter liquidity management and weaker financial intermediation and DDEP-related effects on Central Bank's balance sheet. The Net Foreign Assets (NFA) position of the depository institutions, however, improved significantly. The decrease in the growth in M2+ reflected in decreased growth in currency with the public, demand deposits, savings and time deposits and foreign currency deposits.



4.1 Broad Money Supply

Developments in the monetary aggregates showed significant decline in the growth in broad money supply (M2+) on year-on-year basis. Annual growth in broad money supply (M2+) decreased to 26.2 percent in Q1:2024 from 45.0 percent in Q1:2023. Stock of broad money supply stood at GH¢261,119.83 million during the review period compared with GH¢250,018.53 million and GH¢206,986.41 million recorded in Q4:2023 and Q1:2023 respectively. The observed decrease in the growth of M2+ reflected in decreased growth in demand deposits, savings and time deposits and foreign currency deposits.

Table 4.1: Monetary Indicators

	Levels (GH¢ Millions)			Year-On-Year Variation					
	Mar-23	Dec-23	Mar-24	As at end-Mar 2023		As at end-Dec 2023		As at end-Mar 2024	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	57,840.77	87,987.66	89,011.62	12,974.19	28.9	19,883.82	29.2	31,170.85	53.9
Narrow Money (M1)	94,959.69	121,784.77	123,720.50	26,041.00	37.8	33,300.59	37.6	28,760.80	30.3
Broad Money (M2)	148,131.00	185,426.12	190,181.45	42,080.11	39.7	50,283.63	37.2	42,050.44	28.4
Broad Money (M2+)	206,986.41	250,019.53	261,119.83	64,257.28	45.0	69,752.68	38.7	54,133.42	26.2
Currency with the Public	31,194.57	37,621.03	39,677.97	9,103.76	41.2	6,200.38	19.7	8,483.40	27.2
Demand Deposits	63,765.13	84,163.74	84,042.53	16,937.24	36.2	27,100.21	47.5	20,277.40	31.8
Savings & Time Deposits	53,171.31	63,641.36	66,460.95	16,039.11	43.2	16,983.04	36.4	13,289.64	25.0
Foreign Currency Deposits	58,855.41	64,593.40	70,938.38	22,177.16	60.5	19,469.05	43.1	12,082.98	20.5
Sources of M2+									
Net Foreign Assets (NFA)	(12,006.65)	21,038.44	34,085.37	(14,422.44)	(597.0)	31,359.59	(303.8)	46,092.02	(383.9)
BOG	(23,944.90)	3,348.61	13,251.29	(28,430.76)	(633.8)	20,836.22	(119.1)	37,196.19	(155.3)
DMBs	11,938.25	17,689.83	20,834.09	14,008.32	(676.7)	10,523.37	146.8	8,895.84	74.5
Net Domestic Assets	218,993.06	228,981.08	227,034.45	78,679.71	56.1	38,393.09	20.1	8,041.40	3.7
Claims on Government (net)	144,230.49	115,681.46	118,345.15	56,442.78	64.3	(11,833.92)	(9.3)	(25,885.34)	(17.9)
BOG	87,171.91	54,356.08	50,086.77	47,675.22	120.7	(24,515.11)	(31.1)	(37,085.15)	(42.5)
DMBs	57,058.57	61,325.37	68,258.39	8,767.56	18.2	12,681.20	26.1	11,199.81	19.6
Claims on Public Sector	8,630.75	1,121.55	6,728.17	723.21	9.1	(6,703.50)	(85.7)	(1,902.58)	(22.0)
BOG	866.37	(5,328.80)	785.53	(1,255.02)	(59.2)	(6,907.08)	(437.6)	(80.84)	(9.3)
DMBs	7,764.38	6,450.35	5,942.64	1,978.23	34.2	203.58	3.3	(1,821.74)	(23.5)
Claims on Private Sector	73,519.54	71,631.56	72,028.75	19,642.92	36.5	197.24	0.3	(1,490.79)	(2.0)
BOG	7,791.24	1,072.24	940.11	7,119.44	1,059.8	(6,608.63)	(86.0)	(6,851.13)	(87.9)
DMBs	65,728.30	70,559.32	71,088.64	12,523.48	23.5	6,805.87	10.7	5,360.34	8.2
Other Items (Net) (OIN) \2	(7,387.72)	40,546.52	29,932.38	1,870.79	(20.2)	56,733.26	(350.5)	37,320.11	(505.2)
o/w BOG OMO (Sterilisation)	(27,440.77)	(24,795.37)	(22,605.87)	(21,151.42)	336.3	(17,069.89)	221.0	4,834.90	(17.6)

Source : Bank of Ghana

4.2 Sources of Change in M2+

The observed decrease in the growth in M2+ was attributed to moderation in the pace of growth in the Net Domestic Assets (NDA) of the depository corporations during the review period, on the back of contractions in net claims on Government, as well claims on public and private sectors. The NFA, however, expanded significantly compared to same time in 2023, largely on account of the receipt of the second tranche of International Monetary Fund's extended credit facility, proceeds from cocoa syndicated loan, forex purchases and monetary gold accrued from the Gold for Reserve programme.

Components of Net Domestic Assets

In terms of components of NDA, growth in net claims on government decreased to negative 18.0 percent in Q1:2024 from 64.3 percent in Q1:2023, largely due to the impact of the DDEP. Similarly, growth in claims on public sector decreased to negative 22.0 percent in Q1:2024 from 9.2 percent in Q1:2023, while claims on private sector decreased to negative 2.0 percent from 36.5 percent over the same comparative period largely on account of DMBs' balance sheet constraints, triggered by increased portfolio of non-performing loans, and capital dissipation on account of the impact of the DDEP. The Other Items (Net) changed by negative 505.2 percent in Q1:2024 compared to a change of negative 20.2 percent in Q1:2023.

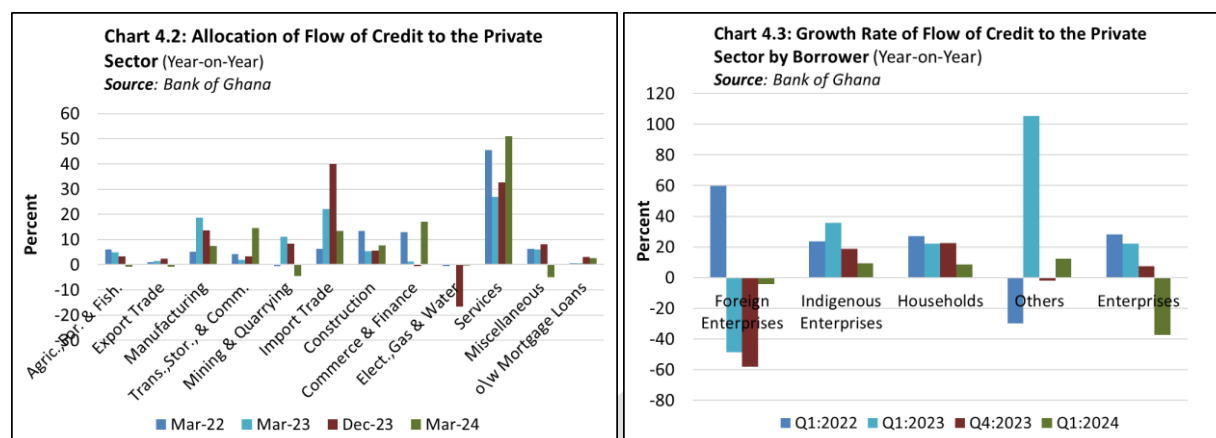
4.3 Developments in Banks' Credit

The annual growth in banks outstanding credit to the public and private sectors in Q1:2024 both decreased significantly relative to the corresponding period of 2023. The nominal annual growth rate of banks outstanding credit to the private sector decreased to 4.8 percent in Q1:2024 from 24.6 percent in the Q1:2023. This was also lower than the growth of 10.0 percent recorded in Q4:2023. At the end of Q1:2024, total outstanding credit stood at GH¢77,031.28 million compared with GH¢73,492.68 million and GH¢77,009.67million recorded in Q1:2023 and Q4:2023 respectively. The decrease in the nominal growth in total outstanding credit reflected in decreased growth in credit to both the private and public sectors.

	Levels (GH¢ Millions)			Year-On-Year Variation					
	Mar-23	Dec-23	Mar-24	As at end-Mar 2023		As at end-Dec 2023		As at end-Mar 2024	
				Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	7,764.38	6,450.35	5,942.64	1,978.23	34.19	203.58	3.26	(1,821.74)	(23.46)
Private Sector	65,728.30	70,559.32	71,088.64	12,523.48	23.54	6,805.87	10.68	5,360.34	8.16
Agric.,For. & Fish.	2,618.54	2,884.60	2,580.09	630.50	31.71	220.58	8.28	(38.45)	(1.47)
Export Trade	440.48	546.39	398.52	198.93	82.36	159.69	41.29	(41.96)	(9.53)
Manufacturing	7,965.96	8,051.85	8,369.57	2,343.91	41.69	921.98	12.93	403.61	5.07
Trans.,Stor., & Comm.	3,727.15	3,786.24	4,507.63	253.73	7.30	223.95	6.29	780.48	20.94
Mining & Quarrying	2,436.64	2,128.74	2,191.81	1,380.20	130.65	564.63	36.10	(244.83)	(10.05)
Import Trade	4,552.87	4,815.32	5,266.86	2,779.94	156.80	2,723.19	130.16	713.99	15.68
Construction	6,413.31	6,844.49	6,828.89	666.02	11.59	389.75	6.04	415.57	6.48
Commerce & Finance	9,606.79	11,467.06	10,522.38	147.56	1.56	(46.36)	(0.40)	915.59	9.53
Elect.,Gas & Water	2,415.77	2,370.27	2,396.93	(23.50)	(0.96)	(1,131.45)	(32.31)	(18.84)	(0.78)
Services	20,899.02	23,084.98	23,639.03	3,382.40	19.31	2,229.03	10.69	2,740.01	13.11
Miscellaneous	4,651.77	4,579.38	4,386.93	763.79	19.64	550.87	13.67	(264.84)	(5.69)
Grand Total	73,492.68	77,009.67	77,031.28	14,501.72	24.58	7,009.45	10.01	3,538.60	4.81

Source : Bank of Ghana

In real terms, growth in total outstanding credit from the banks declined to negative 16.7 percent at end of the Q1:2024 from negative 14.1 percent in the same period of 2023, largely on account of moderation in the growth in nominal credit, as well as price pressures. This was also lower than the negative 10.7 percent growth realised in Q4:2023. The share of private sector credit in the total outstanding credit increased marginally to 92.3 percent at the end of the review period, from 91.6 percent recorded in Q4:2023.



Distribution of Outstanding Credit to the Private Sector

The growth in outstanding credit to the private sector decreased both in nominal and real terms as at the end of Q1:2024. In nominal terms, credit to the private sector decreased to 8.2 percent in Q1:2024 from 23.6 percent recorded in Q1:2023. This was, also lower than the 10.0 percent recorded at the end of Q4:2023

The outstanding credit to the private sector at the end of Q1:2024 was GH¢71,088.64 million, compared with GH¢65,728.30 million and GH¢70,559.32 million recorded in Q1:2023 and Q4:2023 respectively. In real terms, the growth in private sector credit improved marginally to negative 14.0 percent at the end of Q1:2024, from a growth of negative of 14.83 percent recorded, same period in 2023.

4.4 Sources and Uses of Banks' Flow of Funds

The share of bank funds allocated to Government securities increased significantly to 20.2 percent in Q1:2024 from 16.7 percent in the corresponding period in 2023. This reflected an increase in the share of fund flows to investments in short-term bills, while the share of fund flows to investments in medium-term bills declined. Share of fund flows to investment in short-term Government instruments increased to 17.0 percent Q1:2024, from 11.6 percent recorded in the Q1:2023.

The proportion of fund flows to investment in medium- to long-term securities decreased to 3.2 percent from 5.1 percent over the same comparative period. Proportion of fund flows to foreign assets and balances with Bank of Ghana increased to 12.0 percent and 41.6 percent respectively, in Q1:2024 from 10.8 percent and 19.8 percent respectively, in Q1:2023.

The provisional figures for Q1:2024 showed that the share of commercial banks' funds flows allocated to investment in Government securities, foreign assets and balances with Bank of Ghana increased while proportion of funds flows allocated to bank credit and other assets decreased relative to that of the corresponding quarter in 2023.

The proportion of fund flows to bank credit decreased to 5.4 percent in Q1:2024 from 24.7 percent at the end of Q1:2023. This was also lower than the 10.0 percent recorded in Q4:2024. The proportion of fund flows to other assets also decreased to 20.8 percent from 28.0 percent over the same comparative period.

The main source of funds flows for financing of banks assets was from deposits. Its share in the sources of funds, however, decreased to 67.6 percent in Q1:2024 from 92.4 percent in Q1:2023. This was also lower than the 79.3 percent recorded in Q4:2023. Share of fund flows from foreign currency deposits decreased to 18.4 percent in Q1:2024 from 37.8 percent in Q1:2023. Similarly, proportion of fund flows from domestic deposits decreased to 49.2 percent in Q1:2024 from 54.6 percent in Q1:2023. Analysis of fund flows from the components of domestic currency deposits showed increases in share of demand deposits over the comparative period, while the share of savings and time deposits in the fund flows declined marginally.

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

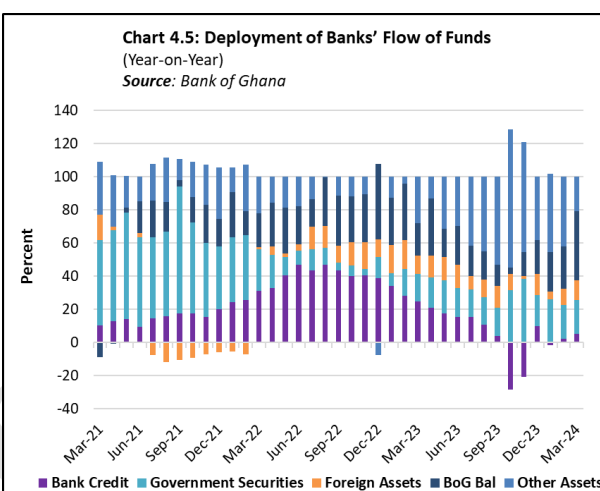
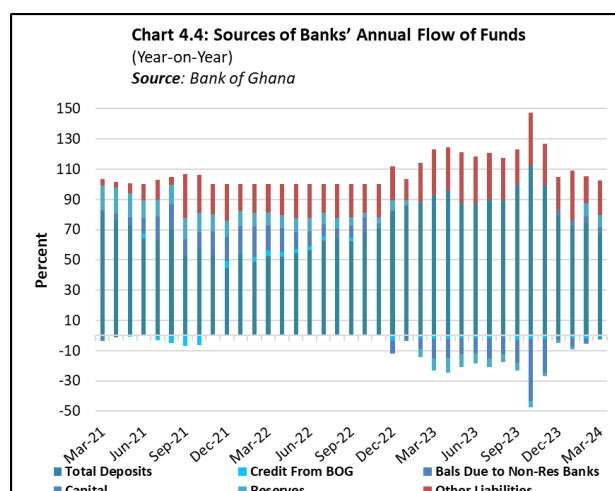
	(Amount in GH¢ 'Million)			Year-On-Year Variation					
				As at end-Mar 2023		As at end-Dec 2023		As at end-Mar 2024	
	Mar-23	Dec-23	Mar-24	Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%
Sources of Funds									
Total Deposits	170,501.06	170,501.06	214,862.67	54,186.64	92.3	55,879.13	79.3	44,361.61	67.6
Domestic	111,645.66	111,645.66	143,924.29	32,009.48	54.6	36,410.08	51.7	32,278.63	49.2
Demand Deposits	58,474.35	58,474.35	77,463.34	15,970.37	27.2	19,427.04	27.6	18,988.99	28.9
Savings Deposits	28,439.97	28,439.97	35,037.74	8,700.26	14.8	7,300.03	10.4	6,597.77	10.1
Time Deposits	24,731.34	24,731.34	31,423.21	7,338.86	12.5	9,683.01	13.7	6,691.87	10.2
Foreign Currency	58,855.41	58,855.41	70,938.38	22,177.16	37.8	19,469.05	27.6	12,082.98	18.4
Credit From BOG	1,050.98	1,050.98	275.13	-1,334.59	-2.3	-626.66	-0.9	-775.84	-1.2
Bal. Due to Non-Resident Banks	7,000.11	7,000.11	5,993.67	-7,667.03	-13.1	-1,558.80	-2.2	-1,006.45	-1.5
Capital	11,289.65	11,289.65	13,890.64	165.99	0.3	2,607.00	3.7	2,601.00	4.0
Reserves	11,498.01	11,498.01	16,932.16	-4,565.96	-7.8	-1,366.83	-1.9	5,434.15	8.3
Other Liabilities*	54,272.22	54,272.22	69,302.13	17,893.16	30.5	15,495.48	22.0	15,029.92	22.9
Total	255,612.03	255,612.03	321,256.40	58,678.21	100.0	70,429.32	100.0	65,644.38	100.0
Uses of Funds									
Bank Credit	73,492.68	73,492.68	77,031.28	14,501.72	24.7	7,009.45	10.0	3,538.60	5.4
o/w Private Sector Credit	65,728.30	65,728.30	71,088.64	12,523.48	21.3	6,805.87	9.7	5,360.34	8.2
Investment in Gov't Securities	66,866.94	66,866.94	80,150.46	9,776.26	16.7	13,138.70	18.7	13,283.51	20.2
Short Term	13,674.32	13,674.32	24,847.28	6,807.90	11.6	7,887.66	11.2	11,172.96	17.0
Medium/Long Term	53,192.62	53,192.62	55,303.18	2,968.35	5.1	5,251.04	7.5	2,110.56	3.2
Foreign Assets	18,938.36	18,938.36	26,827.75	6,341.29	10.8	8,964.57	12.7	7,889.39	12.0
Balances with BOG	36,440.46	36,440.46	63,718.16	11,603.53	19.8	14,504.70	20.6	27,277.71	41.6
Other Assets**	59,873.59	59,873.59	73,528.76	16,455.42	28.0	26,811.90	38.1	13,655.17	20.8
Total	255,612.03	255,612.03	321,256.40	58,678.21	100.0	70,429.32	100.0	65,644.38	100.0

*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

Share of fund flows from bank capital and reserves, increased over the same comparative period. Share of fund flows from bank capital increased to 4.0 percent from 0.3 percent, while share of fund flows from reserves increased to 8.3 percent from 7.8 percent. In contrast, the share of funds flows attributed to credit from Bank of Ghana, balances due non-resident banks and other liabilities decreased to 1.2 percent, 1.5 percent and 22.9 respectively, in Q1:2024, from 2.3 percent, 13.1 percent and 30.5 percent respectively, in Q1:2023.

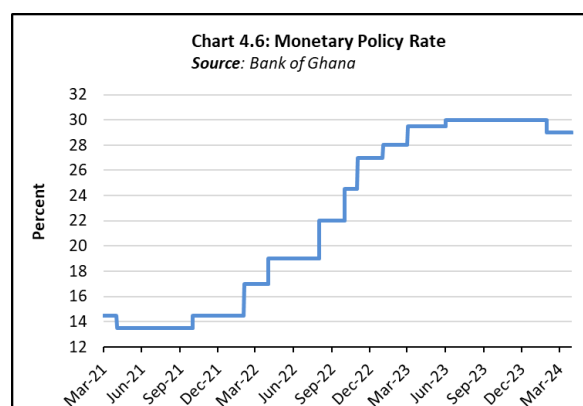


4.5 Interest Rate Developments

Developments in interest rates on the money market, for Q1:2024, generally reflected mixed trends across all spectrums of the yield curve. The BOG bill rate, along with the deposit and lending rates of Deposit Money Banks (DMBs) exhibited a decline relative to the corresponding period in 2023. In contrast, the rates of GOG securities recorded increases over the same comparative period.

Monetary Policy Rate

The Monetary Policy Rate (MPR) at the end of Q1:2024 stood at 29.0 percent, reflecting 50 basis points decrease compared with the MPR at the end of the first Q1:2023. In the January 2024 MPC meeting, the Monetary Policy Committee (MPC) announced a 100-basis point decrease in the MPR from 30.0 percent to 29.0 percent in response to the sustained disinflation process.



BOG Bills

The interest equivalent on the 14-day increased by 120 basis points from 28.3 percent in Q1:2023 to 29.5 percent at the end of Q1:2024. The interest equivalent on the 56-day BOG bill decreased by 132 basis points to 28.9 percent in Q1:2024 compared to 30.3 percent in the corresponding quarter in 2023. When compared to Q4:2023, the 14-day recorded no change in basis points due to the non-issuance of the 14-day bills during the period, while the 56-day decreased by 106 basis points.

Government Securities

On the Treasury bills market, interest rate developments in Q1:2024 showed upward trends relative to corresponding quarter of 2023. The yields on the 91-day, 182-day and 364-day T-bills increased by 602 basis points, 589 basis points, and 283 basis points respectively compared to Q1:2023. The interest rate on the 91-day, 182-day and 364-day T-bills decreased by 299 basis points, 281 basis points, and 347 basis points, respectively when compared with Q4:2023.

Yields on the Domestic Debt Exchange Programme (DDEP) Bonds

On the secondary market, yields on the DDEP bonds were 18.1 percent, 22.6 percent, 20.9 percent, and 24.0 percent for the 4-year, 5-year, 6-year, and 7-year bonds, respectively. The yields on the 8-year, 9-year, 10-year, and 11-year DDEP bonds, were 12.5 percent, 25.4 percent, 29.4 percent, and 29.7 percent, respectively. The yields on the 12-year, 13-year, 14-year, and 15-year DDEP bonds stood at 42.0 percent, 13.8 percent, 13.7 percent, and 13.1 percent, respectively.

Interbank Market

The interbank weighted average interest rate increased by 261 basis points, to settle at 28.5 percent in the Q1:2024 from 25.9 percent in Q1:2023. When compared to Q4:2023, the IWAR decreased by 172 basis points.

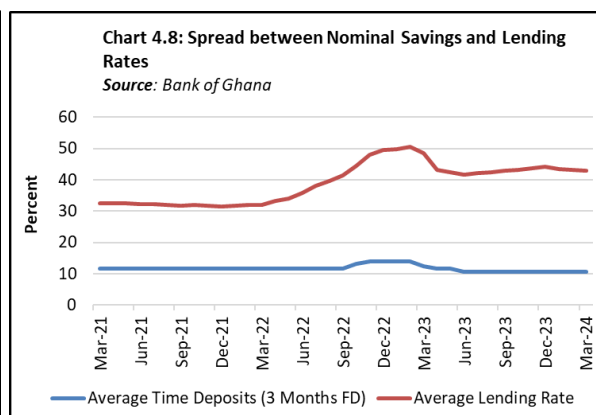
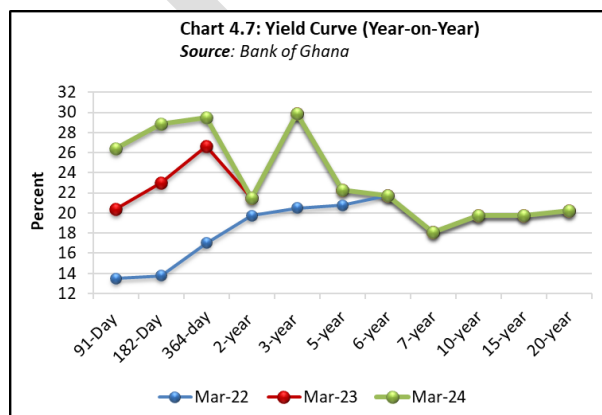
Time and Savings Deposit Rates

In Q1:2024, average interest rate on the DMBs' 3-month time deposit decreased by 200 basis points to settle at 10.5 percent from 12.5 percent recorded in the corresponding quarter of 2023. Similarly, the savings rate decreased by 125 basis points to 5.0 percent from 6.3 percent recorded in Q1:2023. When compared to Q4:2023, the DMBs' 3-month time deposit and the savings rate remained unchanged.

Lending Rate

The average lending rate trended downwards during the review quarter, decreasing by 350 basis points to 32.4 percent compared to 35.9 percent recorded at the end of first quarter of 2023. When compared with Q4:2023, the average lending rate decreased by 139 basis points.

The spread between the borrowing and lending rates contracted by 150 basis points compared to Q1:2023. In comparison to Q4:2023, the spread decreased by 139 basis points.



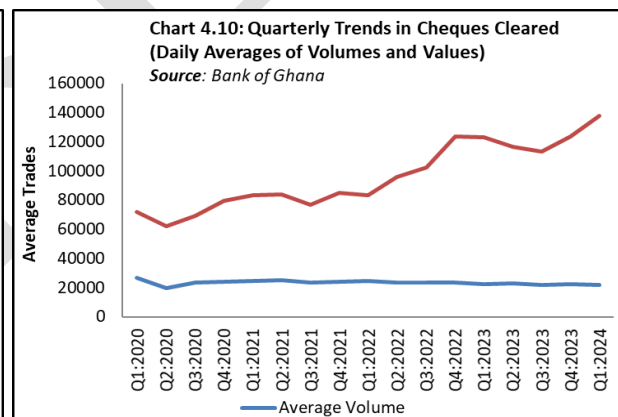
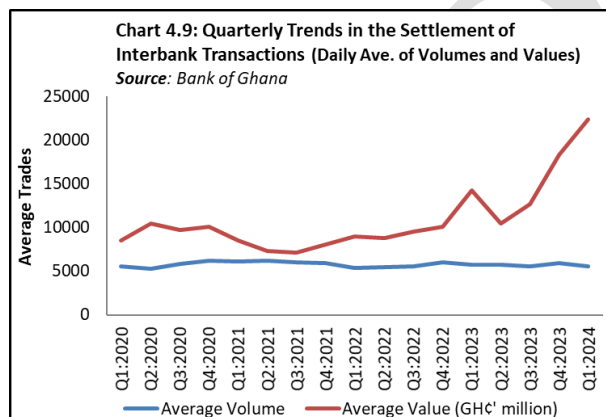
4.6 Payments System Developments

Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during Q1:2024 amounted to 341,892, with a total value of GH¢1,362,097.00 million. This represented a decrease in volume by 3.5 percent and an increase in value by 54.1 percent compared to the transactions in Q1:2023. In comparison to the transactions settled during Q4:2023, there was an increase in volume by 7.1 percent and an increase in value by 19.8 percent. On average, a total of 5,605 transactions were settled daily through the GIS, with a value of GH¢22,329.46 million during Q1:2024, compared to a total of 5,938 cheques, valued at GH¢18,334.55 million during the Q4:2023. In Q1:2023, an average of 5,711 transactions were settled daily, with a value of GH¢14,260.47 million.

Cheques Cleared

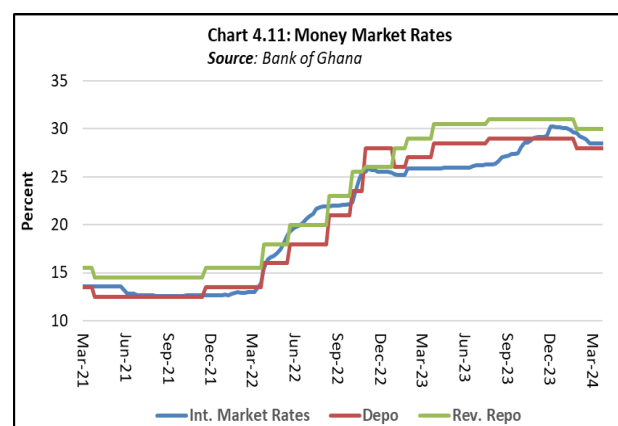
A total of 1,322,173 cheques with a value of GH¢83,945.87 million were cleared in Q1:2024. This represented a decrease in volume by 4.3 percent and an increase in value by 10.2 percent compared to the cheques cleared in Q1:2023. When compared to Q4:2023, the volume of transactions decreased by 5.7 percent and the value increased by 9.7 percent. On a daily basis, an average of 21,675 cheques valued at GH¢1,376.16 million, were cleared during the reviewed period, compared to 22,279 cheques valued at GH¢1,228.75 million during the Q1:2023. In Q4:2023, an average of 22,620 cheques were cleared daily, with a value of GH¢1,234.78 million.



4.7 Money Market

Depos amounted to GH¢361,765.0 million in Q1:2024, compared to GH¢267,613.0 million recorded in Q4:2023. In comparison to Q1:2023, depo trades increased by 178.4 percent, from GH¢129,945.00 million.

Reverse repo trades totalled GH¢240.00 million in Q1:2024. There were no reverse repo trades in the previous year as the central bank was absent on the interbank market to allow the banks to

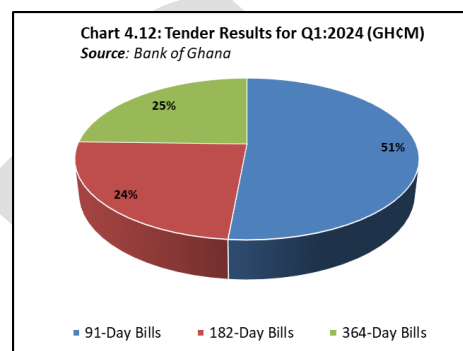


trade among themselves.

On the interbank market, the value of trades during Q1:2024 ranged between GH¢450.00 million and GH¢4,405.00 million, at weighted average rates ranging from 28.5 percent to 30.1 percent. In Q1:2023 the value of trades ranged from GH¢495.00 million and GH¢2,880.00 million, at weighted average rates ranging from 25.2 percent to 25.9 percent. In Q4:2023, trades ranged between GH¢220.00 million and GH¢7,030.00 million, at weighted average rate ranging from 28.0 percent to 30.2 percent.

Tender Results

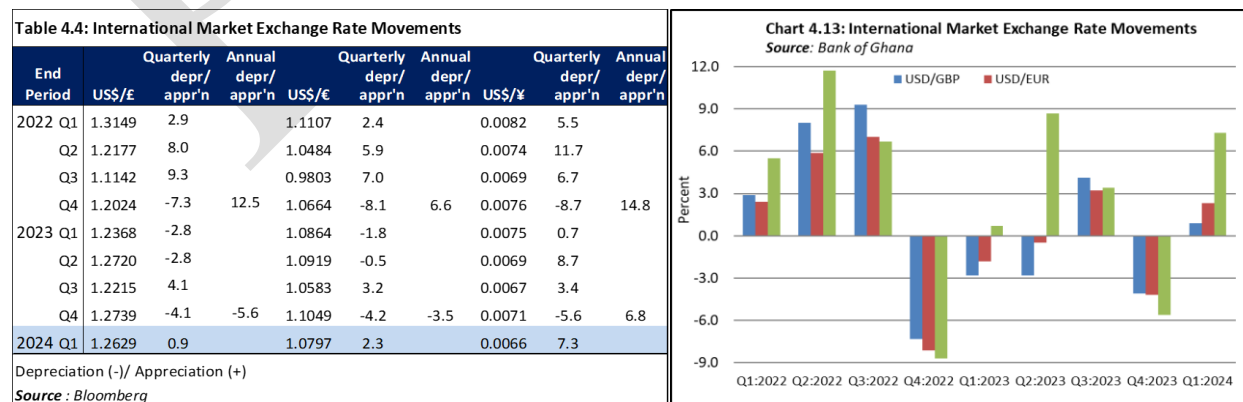
Total sales at the auction during Q1:2024 amounted to GH¢110,617.16 million, with maturities totalling GH¢91,352.85 million. This resulted in a net sale of GH¢19,264.31 million, out of which an amount of GH¢21,458.02 million was used to finance government's activities. Additionally, a withdrawal through the Bank of Ghana's Open Market Operations (OMO) activities was made to the tune of GH¢2,193.71 million.



4.8 Currency Markets

The International Currency Market

The U.S. Dollar had a strong performance in Q1:2024. In the early part of the first quarter, the currency gained on the back of high treasury yields and strong economic data. The dollar also strengthened due to the decision of the federal reserve to hold interest rates cut and advocate for a push in continually restrictive monetary policy from the federal reserve. With regards to the pound sterling, it had a mixed performance during the review period. A strong economic data, a refusal to comment on potential interest rate cut by the governor of Bank of England together with continuous geopolitical tensions in the Middle East contributed to the strength of the currency. The euro had a weak performance during Q1:2024, due to weak economic data from Germany, perceived dovish commentaries from ECB officials and European Central Bank president. Also, concerns about the widening interest gap between Europe and US led to the poor performance of the euro. The Japanese yen weakened in Q1:2024 due to weak economic data, a devastating earthquake in central Japan, and a dovish outlook by monetary officials of the Bank of Japan.



The **U.S. dollar** had a strong performance in the Q1:2024. It gained on the back of high treasury yields and comments made by Christopher Waller, the board governor of the Federal Reserve that the central bank was not considering an interest rate cut in the near-term, citing continued resilience in the economy, boosted the currency in January 2024 which eventually did held interest rates steady in February 2024 and played down expectations for rates cut in March 2024. The currency further strengthened in late March 2024, as the Federal Reserve governor advocated for continually restrictive monetary policy as sticky U.S. inflation persisted. At the end of Q1:2024, the U.S. dollar appreciated by 0.9 percent, 2.3 percent and 7.3 percent against the pound sterling, the euro and the Japanese yen respectively.

The **pound sterling** had a mixed performance during the period under review. In the early part of Q1:2024, the pound sterling gained momentum following a better-than-expected revised final UK service sector index which showed an impressive month-on-month recovery. The currency was further boosted by the refusal of the governor of the Bank of England to comment on potential interest rate cut. In February 2024. The pound sterling slipped against a basket of currencies on the back of continuous geopolitical tensions in the Middle East, pushing investors towards safer assets leading to the currency's inability to find its footing. Again, the downward trend of the pound sterling was also exacerbated by the fact that the Bank of England had an unusual first three-way voting split since 2016 with two MPC members wanting rates rise, five members wanting rates unchanged and one member wanting rates cut. However, in March 2024, it rose again after signs that the European Central Bank (ECB) and the U.S. Federal Reserve might be closer to cutting rates than the Bank of England (BOE). Consequently, the pound sterling appreciated by 1.5 percent and 6.3 percent against the euro and the Japanese yen respectively but depreciated against the U.S. dollar by 0.9 percent

The performance of the **euro** in Q1:2024 was weak. The euro depreciated in January 2024 partly due to a decline in German industrial production data, rising unemployment and weak retail sales which impacted negatively on the euro's performance. In addition, the weakening of the currency was due to perceived dovish commentaries from ECB officials (including comments from European Central Bank President Christine Lagarde) that it was premature to consider an interest rate cut for the euro zone despite acknowledging potential risks to economic growth. Furthermore, a continuous less restrictive stance expressed by ECB's President and other officials and concerns about the widening interest gap between Europe and US- the latter's rate expected to remain high for a longer period made the Euro suffer greater losses in March 2024. At the end of Q1:2024, the euro depreciated against the U.S. Dollar and the pound sterling by 2.3 percent and 1.4 percent respectively but appreciated by 4.8 percent against the Japanese yen.

The **Japanese Yen** had a very weak performance in Q1:2024. The outlook for the yen was weak in January 2024, after data showed inflation in Tokyo fell closer to the bank's 2.0 percent annual target leading to the dovish stance of the Bank of Japan. Additionally, weak PMI data and rebuilding stimulus measures adopted in the wake of the devastating earth quake in central Japan extended pressure on the currency. A relatively loose stance hinted by Bank of Japan's governor, Kazuo Ueda who remarked that consumption is weakening even though the Japanese yen is recovering affected the currency in early

March. Also, the historical policy rate hike by 20 basis points by the Bank of Japan for the first time in more than a decade in mid-March and dovish outlook by monetary officials in late March which was considered as accommodative by the market, continuously caused a substantial decline in the safe-haven currency. As a result of these, the Japanese yen depreciated against the U.S. Dollar, the Pound Sterling and the Euro by 6.8 percent, 5.9 percent and 4.6 percent respectively.

The Domestic Currency Market

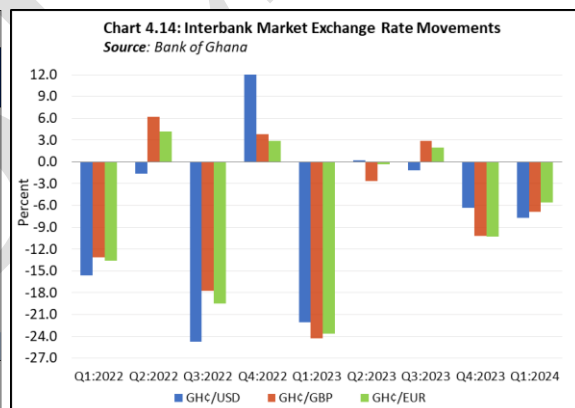
In Q1:2024, the Ghana cedi had a very weak performance. The domestic currency depreciated both on the inter-bank and forex bureaux market. On the inter-bank market, the Ghana cedi depreciated largely due to tight forex liquidity and increased demand pressures from the manufacturing, energy, agriculture, and commerce sectors. On the Forex bureau market, reported high demand for forex, rate adjustments by some dealers and reported adjusted rates in line with interbank quotes led to the cedi's depreciation at the cash end of the forex bureau market.

On the **Interbank market**, the Ghana cedi depreciated against the U.S. Dollar, the Pound Sterling and the Euro by 7.7 percent, 6.9 percent, and 5.6 percent respectively in Q1:2024. However, during the same period in 2023, the Ghana cedi had a very weak performance, depreciating by 22.1 percent, 24.3 percent, and 23.6 percent against the U.S. Dollar, the pound sterling, and the Euro, respectively.

Table 4.5: Interbank Market Exchange Rate Movements

End Period	Quarterly depr/ appr'n c/US\$	Annual depr/ appr'n	Quarterly depr/ appr'n c/GBP	Annual depr/ appr'n	Quarterly depr/ appr'n c/Eur	Annual depr/ appr'n
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
2024 Q1	12.8770	-7.7	16.2617	-6.9	13.9031	-5.6

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

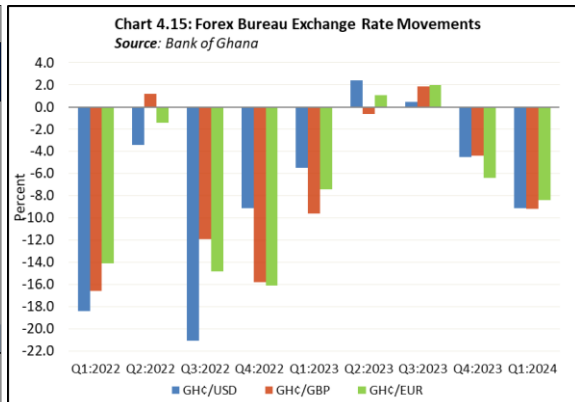


On the **Forex bureau market**, the cedi depreciated against the U.S. dollar, the pound sterling and the euro by 9.1 percent, 9.2 percent, and 8.4 percent, respectively. The cedi's performance worsened

Table 4.6: Forex Bureau Exchange Rate Movements

End Period	Quarterly depr/ appr'n c/US\$	Annual depr/ appr'n	Quarterly depr/ appr'n c/GBP	Annual depr/ appr'n	Quarterly depr/ appr'n c/Eur	Annual depr/ appr'n
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
2024 Q1	13.3489	-9.1	16.7528	-9.2	14.3972	-8.4

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



slightly against the U.S. dollar and the euro but improved slightly against the pound sterling in Q1:2024 compared to the corresponding period of 2023 when it depreciated by 5.5 percent, 9.6 percent and 7.4 percent against the U.S. dollar, the pound sterling and the euro, respectively.

Foreign Exchange Transaction Market

At the end of Q1:2024, the total volume of foreign currencies purchased was US\$3,873.55 million. Out of that, commercial banks' purchases contributed 91.4 percent of the total purchases (US\$3,539.58 million). The central bank's support to the market accounted for 6.6 percent (US\$255.01 million) and purchases from forex bureaus contributed 2.0 percent (US\$78.96 million). Compared to the previous quarter in 2023, the total volume purchases increased by 12.6 percent. Commercial bank purchases also increased by 10.6 percent and the Bank of Ghana's support also increased by 47.9 percent. Likewise, forex bureau purchases increased by 18.6 percent.

However, compared to the corresponding quarter of 2023, the volume of total purchases decreased by 2.7 percent. Also, commercial bank purchases and the Bank of Ghana's support decreased by 0.5 percent, and 30.6 percent, respectively. In contrast, forex bureau purchases increased by 35.8 percent.

With regards to foreign currencies sold during the first quarter, the total volume recorded was US\$3,745.54 million. Of this, sales from commercial bank constituted 98.0 percent, and forex bureau sales accounted for 2.0 percent. On a quarterly basis, total sales increased by 9.5 percent, sales from the commercial banks increased by 9.5 percent, and sales from the forex bureau increased by 11.7 percent. On-year-on-year basis, both the total sales and sales from the forex bureau increased by 7.4 percent, and 27.7 percent, respectively. However, sales from the commercial banks decreased by 7.9 percent on-year-on-year basis.

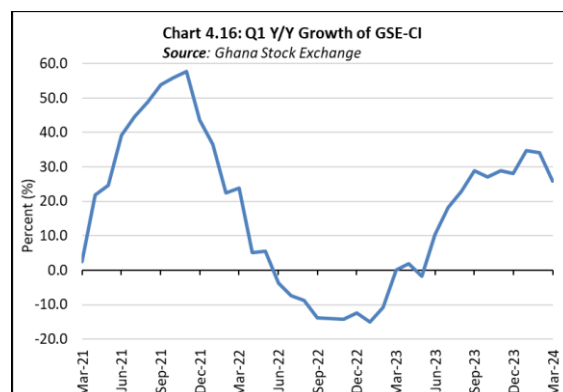
Table 4.7: Foreign Exchange Transaction Market

	Purchases (US\$'million)				Sales (US\$'million)			
	BOG Sales	Commercial Bank	Forex Bureau	Total Purchase	Commercial Bank	Forex Bureau	Total Sales	
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	1,327.91	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
2024	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
	Jan	69.62	1,215.91	25.21	1,310.74	1,302.90	25.37	1,328.27
	Feb	103.32	1,081.69	30.01	1,215.02	1,100.94	24.89	1,125.83
	Mar	82.07	1,241.98	23.74	1,347.79	1,267.84	23.60	1,291.44
	Q1	255.01	3,539.58	78.96	3,873.55	3,671.68	73.86	3,745.54

Source: Bank of Ghana

4.9 The Stock Market

The Ghana Stock Exchange Composite Index (GSE-CI) gained by 10.4 percent in Q1:2024, bringing the year-on-year growth to 25.9 percent. Consequently, market capitalization increased by 5.2 percent during the first quarter recording a year-on-year growth of 14.5 percent. The sectors that contributed to gains recorded by the GSE-CI were mainly the Manufacturing, Food & Beverages, Finance, ETFund and IT sectors.



The GSE-CI

The GSE-CI gained 10.4 percent (326.0 points) in Q1:2024 with a year-on-year gain of 25.9 percent (710.9 points) at the end of Q1:2024. Similarly, the GSE-CI gained 12.3 percent (301.4 points) in value in Q1:2023 but in a year-on-year terms it recorded a marginal gain of 0.1 percent (2.5 points). The GSE-CI gained in Q1:2024 due to return of investor confidence in the performance of the economy given some relative stability in the performance of the domestic currency as well as decline in interest rates on money market instruments.

Sector Performance

The performance of the GSE-CI in Q1:2024 was mainly as a result of share price appreciation of stocks in the Manufacturing (40.1 percent; 323.1 points), ETFund (35.9 percent; 1,812.7 points) and Food & Beverages (21.2 percent; 365.7 points) sectors. The Finance sector which usually influences the performance of the GSE-CI, also gained 5.3 percent (99.9 points) to push the GSE-CI upward. The Agriculture (-2.1 percent; -94.0 points) and Education (-9.1 percent; -9.1 points) sector lost value to moderate the gains recorded by the GSE-CI

Market Performance

Total volume of trades on the GSE in Q1:2024 amounted to 86 million shares, with a value of GH¢122.17 million which compares with a volume of 55 million shares with a value of GH¢350.54 million in the corresponding quarter in 2023. During the period, IT sector stock, MTNGH and CAL recorded the highest volume and value of trades.

Market Capitalization

Total market capitalization as at the end of Q1:2024 stood at GH¢77,701.17 million, representing a decrease of 5.2 percent (GH¢3,808.00 million). Comparatively, market capitalization increased by 5.2 percent (GH¢3,339.57 million) in the same period in 2023.

The main sectors that accounted for the increase in market capitalization in Q1:2024 were the Food & Beverages (21.2 percent; GH¢314.09), ETFund (35.9 percent; GH¢227.68) and Manufacturing (40.1 percent; GH¢232.05). However, Agriculture (-2.1 percent; GH¢16.36) and Education (-9.1 percent; GH¢0.96 million) sectors recorded decreases to moderate the increase in market capitalization in Q1:2024. Market capitalization increase mainly on account of share price appreciation.

The Bond Market

Total value of Government of Ghana Notes and Bonds listed on the GFIM as at the end of Q1:2024 stood at GH¢220,169.07 million, representing 68.5 percent of tradable fixed income securities on the GFIM. Comparatively, it was GH¢138,047.09 million in the corresponding period in 2023. The total value of corporate bonds stood at GH¢9,904.00 million at the end of Q1:2023, accounting for only 3.1 percent of tradable fixed income securities on the GFIM, compared with GH¢11,595.31 million at the end of March 2023.

The cumulative volume of trades on the GFIM from the beginning of the year to end of Q1:2024 stood at GH¢40,694.92 million and the number of trades was 106,225. This compares to GH¢24,756.08 million

and 117,834 in terms of volume and number of trades, respectively, in 2023. In terms of value, trades increased from GH¢20,626.49 million in Q1:2023 to GH¢32,601.09 million at the end of March 2024.

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

Quarter	SECTOR											GSE-CI
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Mar-23	776.40	445.18	1806.67	3181.74	159.84	45.32	2334.00	40.45	5287.42	100.01	100.00	2745.33
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
Mar-24	2087.73	1128.08	2001.47	3863.79	165.34	61.69	4306.00	40.66	6857.71	90.92	100.00	3456.20
2024 (Q-on-Q)												
Absolute Δ	365.69	323.13	99.90	175.78	0.04	7.03	-94.00	0.08	1812.73	-9.09	0.00	325.97
% Δ	21.24	40.14	5.25	4.77	0.02	12.87	-2.14	0.19	35.93	-9.09	0.00	10.41
2024 (Y-on-Y)												
Absolute Δ	1311.33	682.90	194.80	682.05	5.50	16.37	1972.00	0.21	1570.29	-9.09	0.00	710.87
% Δ	168.90	153.40	10.78	21.44	3.44	36.12	84.49	0.52	29.70	-9.09	0.00	25.89

Source : Ghana Stock Exchange

Table 4.9: Sectors' Contribution to the Growth of Market Capitalization

Quarter	SECTOR (GH¢ Million)											MKT. CAP.
	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD & PROD	
Mar-23	666.85	319.70	12965.45	1367.13	18842.38	15364.11	406.12	17229.79	664.10	10.57	10.70	67846.89
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
Mar-24	1793.13	810.13	14084.54	1660.20	19490.57	20914.17	749.24	17317.57	861.33	9.61	10.70	77701.17
2024 (Q-on-Q)												
Absolute Δ	314.09	232.06	575.60	55.94	4.36	2382.51	-16.36	33.08	227.68	-0.96	0.00	3808.00
% Δ	21.24	40.14	4.26	3.49	0.02	12.86	-2.14	0.19	35.93	-9.08	0.00	5.15
2024 (Y-on-Y)												
Absolute Δ	1126.28	490.43	1119.09	293.07	648.19	5550.06	343.12	87.78	197.23	-0.96	0.00	9854.28
% Δ	168.90	153.40	8.63	21.44	3.44	36.12	84.49	0.51	29.70	-9.08	0.00	14.52

Source : Ghana Stock Exchange

5. Balance of Payments

5.1 International Trade and Finance

Ghana's external transactions with the rest of the world for the first quarter of 2024 resulted in an overall balance of payment surplus of US\$84.74 million, from a deficit of US\$587.0 million in the first quarter of 2023. This was driven by a surplus in the current account as well as inflows in the financial account.

5.2 The Current Account

The current account recorded a surplus of US\$368.83 million in the first quarter of 2024, about 41.4 percent lower than the surplus of US\$629.01 million recorded in the first quarter of 2023. This was mainly on account of a decline in the trade surplus balance and an increase in private income payments. This was however moderated by growth in remittances.

Merchandise Trade

The trade account recorded a surplus of US\$673.42 million in the first quarter of 2024, lower than the surplus of US\$1,273.0 million recorded for the same period in 2023. The reduction was mainly on the back of higher import bills compared to export earnings.

Exports

The value of merchandise exports for the review period was provisionally estimated at US\$4,339.97 million, which was almost flat compared to what was recorded last year.

Gold exports amounted to US\$2,105.75 million, 23.5 percent more than the receipt of US\$1,704.50 million recorded during the same period in 2023. The increase in gold earnings was driven by both volumes and prices. The volume of exports increased by 15.9 percent to 1,083,797 fine ounces and the average price also increased by 6.6 per cent to settle at US\$1,942.94 per fine ounce.

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

	Q1:2022	Q1:2023	Q1:2024	Q1:2024/2023	
				Abs change	% change
CURRENT ACCOUNT	-554.39	629.0	368.8	-260.18	-41.4
Merchandise Exports (f.o.b.)	4,417.75	4,340.32	4,339.97	-0.35	0.0
Cocoa beans and products	890.52	1,008.06	495.45	-512.61	-50.9
Gold	1,373.62	1,704.50	2,105.75	401.26	23.5
Timber products	33.69	36.09	28.19	-7.91	-21.9
Oil	1,340.43	852.52	1,020.37	167.85	19.7
Others (including non-traditionals)	779.49	739.14	690.20	-48.94	-6.6
Merchandise Imports (f.o.b.)	-3,544.92	-3,067.36	-3,666.55	-599.19	19.5
Non-oil	-2,566.17	-2,018.21	-2,568.63	-550.42	27.3
Oil	-978.74	-1,049.15	-1,097.92	-48.77	4.6
Trade Balance	872.84	1,272.96	673.42	-599.54	-47.1
Services (net)	-1,071.70	-1,115.97	-1,017.50	98.47	-8.8
Receipts	2,115.62	2,099.75	2,186.64	86.89	4.1
Payments	-3,187.33	-3,215.72	-3,204.14	11.58	-0.4
Income (net)	-1,236.11	-507.52	-727.09	-219.57	43.3
Receipts	198.69	161.00	118.27	-42.73	-26.5
Payments	-1,434.80	-668.52	-845.36	-176.84	26.5
Current Transfers (net)	880.58	979.54	1,440.00	460.46	47.0
Official	0.14	8.66	0.00	-8.66	0.0
Private	880.44	970.88	1,440.00	469.12	48.3
Services, Income and Current Transfers (net)	-1,427.23	-643.95	-304.59	339.36	-52.7
CAPITAL & FINANCIAL ACCOUNT	-451.40	-998.40	-112.79	885.61	-88.7
Capital Account (net)	30.93	40.09	2.84	-37.25	-92.9
Capital transfers (net)	30.93	40.09	2.84	-37.25	-92.9
Financial Account (net)	-482.33	-1,038.49	-115.62	922.88	-88.9
Direct Investments (net)	433.30	285.54	385.07	99.54	34.9
Portfolio Investments (net)	-71.05	-273.58	6.36	279.94	-102.3
Financial Derivatives (net)	-219.87	153.18	-26.80	-179.98	-117.5
Other Investments (net)	-624.72	-1,203.63	-480.26	723.37	-60.1
Official Capital (net)	257.33	158.73	1,086.24	927.51	584.3
Other Private Capital (net)	-1,058.58	-692.14	-978.76	-286.61	41.4
Short-term capital (net)	176.54	-670.22	-587.74	82.48	-12.3
ERRORS AND OMISSIONS	71.34	-217.60	-171.31	46.29	-21.3
OVERALL BALANCE	-934.46	-586.99	84.74	671.73	-114.4
FINANCING	934.46	586.99	-84.74	-671.73	-114.4
Changes in international reserves	934.46	586.99	-84.74	-671.73	-114.4

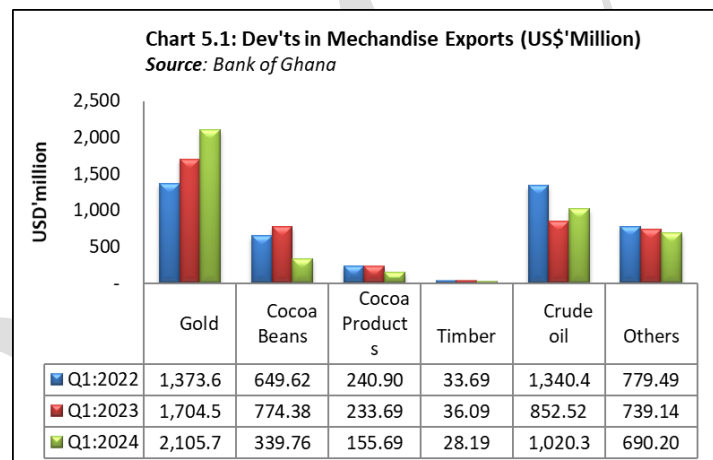
Note: Classification is according to Balance of Payments Manual 5 (BPM5) format

Source: Bank of Ghana

Crude oil exports earned the country US\$1,020.37 million during the review period, 19.7 percent more than the US\$852.52 million recorded in the same period of 2023. The higher earning was on the back of higher volumes of exports and increase in prices. The average price increased by 0.9 per cent to settle at US\$82.32 per barrel and the volume also increased by 18.6 per cent to 12,395,408 barrels.

Earnings from cocoa beans and products exports were lower during the period under review, decreasing from US\$1,008.06 in Q1:2023 to US\$495.45 million in Q1:2024. The value of cocoa beans exports amounted to US\$339.76 million, a decrease of 56.1 percent over the level recorded in 2023. The fall in cocoa beans exports was due to a decrease in the volume exported by 65.0 percent to 109,256 tonnes. Prices however, increased by 7.8 percent to settle at US\$2,674.88 per tonne. Earnings from the export of cocoa products, also decreased by 33.4 percent to US\$155.69 million on account of 36.2 percent fall in the volume exported to 45,038 metric tonnes.

Timber products exports fetched the country US\$28.19 million, 21.9 percent lower than the US\$36.09 million received same period last year. The value of other exports which is made up of non-traditional exports and other minerals (bauxite, diamond, aluminium and manganese) was estimated at US\$690.20 million, some 6.6 percent lower than the outturn in Q1:2023.



Top Ten Exported Non-Traditional Items

The value of the top ten non-traditional exports amounted to US\$288.84 million compared to US\$263.09 million recorded for the same period in 2023. Cashew nuts continued to account for the largest share of the top ten NTEs with a share of 30.9 percent. This was followed by Shea (karite) oil and

Table 5.2: Top-Ten Non-Traditional Exports, January-March 2023/2024

January-March 2023			January-March 2024		
Description	US\$'M	% Distr.	Description	US\$'M	% Distr.
Cashew nuts	68.42	26.00	Cashew nuts	89.23	30.89
Prepared or preserved tuna	38.23	14.53	Shea (karite) oil and fractions	38.03	13.17
Bars and rods of iron or non-alloy steel	32.42	12.32	Non-refractory ceramic bricks, tiles and similar products	30.20	10.45
Technically specified natural rubber (TSNR)	27.01	10.27	Prepared or preserved tuna	29.53	10.22
Aluminium	23.77	9.04	Technically specified natural rubber (TSNR)	22.10	7.65
Shea (karite) oil and fractions	18.70	7.11	Aluminium	17.33	6.00
Palm oil and its fractions	15.51	5.89	Soya beans	16.23	5.62
Non-refractory ceramic bricks, tiles and similar products	13.51	5.13	Bananas (including plantains), fresh or dried	15.70	5.43
Washing and cleaning preparations	13.49	5.13	Sacks and bags (Articles for the conveyance or packing of goods)	15.27	5.28
Flat-rolled products of iron or non-alloy steel	12.04	4.58	Sanitary towels, tampons, diapers and napkin liners for babies and similar sanitary art	15.23	5.27
Total	263.09	100.0	Total	288.84	100.0

Source : Bank of Ghana

fractions (13.2%), non-refractory ceramic bricks, tiles and similar products (10.5%).

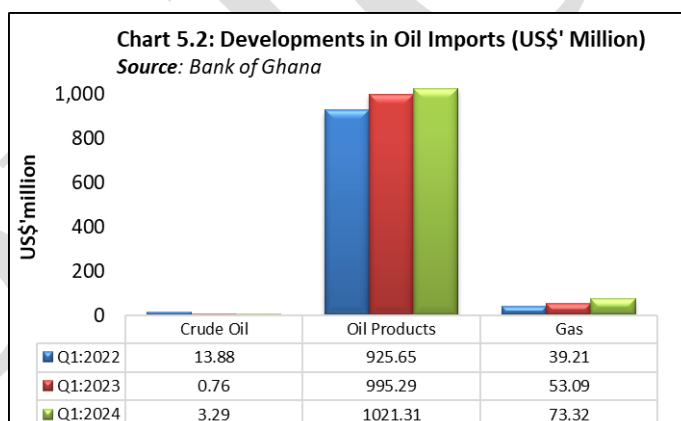
Imports

Imports of goods for Q1:2024 was higher relative to same period in 2023. The total import bill for Q1:2024 increased by 19.5 percent to US\$3,666.55 million, supported by both petroleum imports and non-oil imports.

Oil and Gas Imports

During Q1:2024, oil imports (made up of crude, gas, and refined products) increased by 4.6 percent to US\$1,097.92 million from US\$1,049.15 million in Q4:2023. Crude oil imports were 40,011 barrels valued at US\$3.29 million at an average realized price of US\$82.25 per barrel. For the same period last year, imports were 9,105 barrels valued at US\$0.76 million at an average price of US\$83.92 per barrel.

The VRA imported 8,468,930 MMBTu (Million British thermal Unit) of gas worth US\$73.32 million from the West African Gas Company (WAGP) at an average price of US\$8.7 per MMBTu. For the same period last year 6,130,544 MMBTu of gas worth US\$53.09 million at an average price of US\$8.7 was imported. The value of finished oil products imported in Q1:2024 amounted to US\$1,021.31 million compared to US\$995.29 million in the same period 2023.



Merchandise Non – Oil Imports

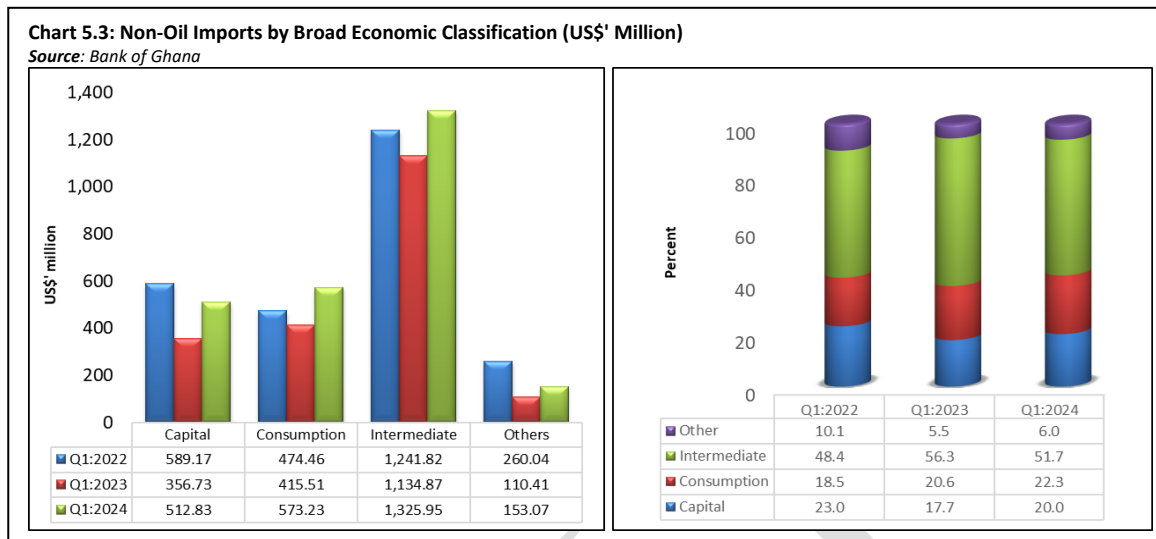
Total non-oil imports in Q1:2024 increased by 27.3 percent to US\$2,568.63 million, driven by all the broad economic classifications.

The value of **capital goods** imported during the period was US\$512.83 million, up by 43.8 percent from US\$356.73 million recorded for the same period in 2023. This was on account of an increase in the imports of both Capital goods and Industrial Transport sub-categories.

Demand for **consumption goods** also increased by 38.0 percent to US\$573.23 million from US\$415.51 million worth of consumption goods imported during the same period a year ago. All the subcategories in this classification recorded increases.

The value of **intermediate goods** imports went up by 16.8 percent to US\$1,325.95 million largely on account of an increase in the demand for all subcategories except processed food and beverages, mainly for industry.

The value of **other goods** imports was estimated at US\$153.07 million, a 38.6 percent increase from the US\$110.41 million imported during the same period last year.



During the period, 33,602,532 kWh of electricity valued at US\$3.55 million was imported by VRA compared to 5,781,100 kWh worth US\$0.69 million imported during the same period 2023.

Top Ten Non-Oil Imports

The total value of the top ten non-oil merchandise imports for Q1:2024 amounted to US\$694.09 million compared to US\$456.10 million recorded a year ago. Key items included motor vehicles for the transport of goods, self-propelled bulldozers, sugar among others.

January-March 2023			January-March 2024		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
Capital	108.95	23.9	Capital	207.21	29.9
Motor vehicles for the transport of goods, n.e.s.	69.27	15.2	Motor vehicles for the transport of goods	135.26	19.5
Self-propelled bulldozers, excavators n.e.s.	39.68	8.70	Self-propelled bulldozers, excavators nes	71.95	10.37
Consumption	157.63	34.56	Consumption	144.58	20.83
Cereal grains, worked but not rolled	45.89	10.1	Weed killers (herbicides) and Insecticides	88.46	12.7
Sugar	43.32	9.5	Sugar	56.12	8.1
Weed killers (herbicides) and Insecticides	37.25	8.2	Intermediate	196.54	28.3
Frozen cuts and offal of fowl (Gallus - eg chicken)	31.17	6.8	Polyethylene	47.29	6.8
Intermediate	85.30	18.70	Cement clinkers	41.45	5.97
Fertilizers	30.36	6.66	Oil-cake and other solid residues, of soya-bean	37.82	5.45
Cement clinkers	28.44	6.24	Medicaments	35.42	5.10
Articles of Iron or Steel	26.50	5.8	Articles of Iron or Steel	34.55	5.0
Other	104.22	22.8	Other	145.76	21.0
Motor vehicles for the transport of persons	104.22	22.8	Motor vehicles for the transport of persons	145.76	21.0
Total	456.10	100.00	Total	694.09	100.00

Source: Bank of Ghana

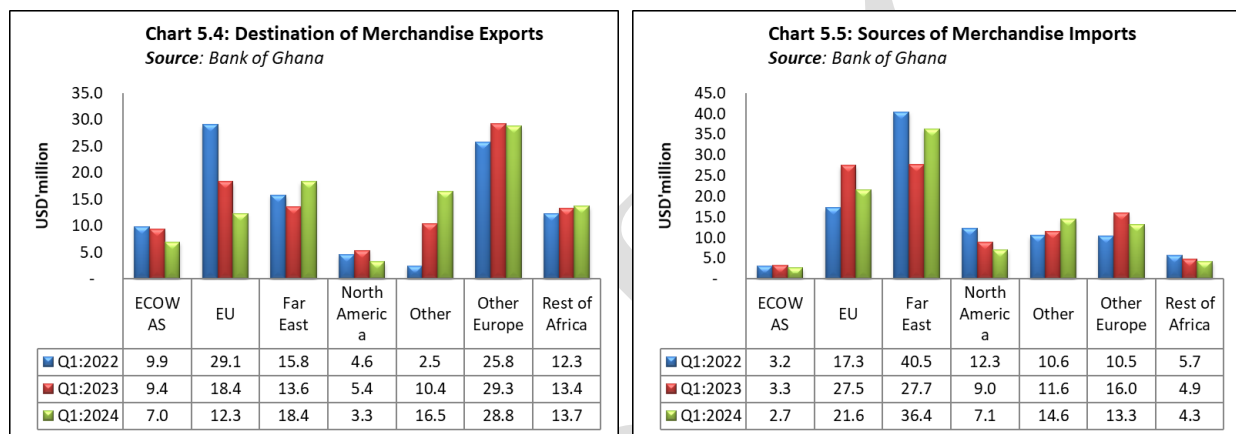
Direction of Trade

Destination of Exports

During the review period, Other European countries received the largest share of Ghana's total exports (28.8%). The other recipients were the Far East (18.4%), Other Economies (16.5%), the Rest of Africa (13.7%), the European Union (12.3%), ECOWAS (7.0%), and North America (3.3%).

Sources of Merchandise Imports

In terms of geographical distribution, the Far East was the leading source of imports, comprising 36.4% of the total. The European Union accounted for 21.6%, followed by Other Economies (14.6%), Other Europe (13.3%), North America (7.1%), the Rest of Africa (4.3%), and ECOWAS (2.7%).



Services, Income and Transfers Account

During the review period, the Services, Income, and Current Transfers account showed a deficit of US\$304.59 million, an improvement from the US\$643.95 million deficit in Q1:2023. This reduction was due to increased net private remittance inflows into the current transfers account. The Services account deficit decreased from US\$1,115.97 million to US\$1,017.50 million. However, the Income account recorded higher outflows, primarily due to increased Independent Power Producers (IPP) payments. Government interest payments remained low, largely because of the suspension of interest payments on certain external debts this year.

Consequently, the Income account deficit increased from US\$507.52 million in Q1:2023 to US\$727.09 million in Q1:2024. Meanwhile, current transfers, mainly private remittances, increased

from US\$979.54 million in Q1:2023 to US\$1,440.00 million in Q1:2024.

	Q1:2022	Q1:2023	Q1:2024	Q1:2024/2023	
				Abs change	% change
Services (net)	-1,071.70	-1,115.97	-1,017.50	98.47	-8.8
Freight and Insurance	-411.11	-194.13	-229.98	-35.85	18.5
Other Services	-660.60	-921.84	-787.53	134.31	-14.6
Income (net)	-1,236.11	-507.52	-727.09	-219.57	43.3
Current Transfers (net)	880.58	979.54	1,440.00	460.46	47.0
Official	0.14	8.66	0.00	-8.66	0.0
Private	880.44	970.88	1,440.00	469.12	48.3
Services, Income and Current Transfers (net)	-1,427.23	-643.95	-304.59	339.36	-52.7

Source: Bank of Ghana

5.3 Capital and Financial Account

The capital and financial account decreased from a deficit of US\$998.4 million in Q1:2023 to a deficit of US\$112.79 million in Q1:2024.

Capital Account

The capital account received transfers totalling US\$2.84 million during the review period, compared to US\$40.09 million received in the same period in 2023.

Financial Account

In the financial account, outflows amounted to US\$115.62 million compared to an outflow of US\$1,038.5 million recorded in the same period last year. The lower outflows in the financial account were as a result of increased FDI inflows, as well as IMF and world bank disbursements. During the Q1:2024, net foreign direct investments inflows were estimated at US\$385.07 million compared to US\$285.54 million recorded for the same quarter last year. Portfolio investment inflows were valued at US\$6.36 million,

compared to the outflows of US\$273.58 million in Q1:2023. Other investments recorded a net outflow of US\$454.14 million in Q1:2024 from a net outflow of US\$940.14 million recorded in Q1:2023, mainly on the back of higher government loan disbursements during the review period due to the IMF and world bank inflows and the suspension of debt service payments on some selected external debts.

	Q1:2022	Q1:2023	Q1:2024	Q1:2024/2023	
				Abs change	% change
Capital and Financial Accounts	-451.40	-888.09	-59.87	828.21	-93.3
Capital transfers	30.93	40.09	2.84	-37.26	-92.9
Financial Account	-482.33	-928.18	-62.71	865.47	-93.2
Foreign Direct Investments	433.30	285.54	385.07	99.53	34.9
Portfolio Investments	-71.05	-273.58	6.36	279.94	-102.3
Other Investments	-844.58	-940.14	-454.14	486.00	-51.7
Official Capital	139.94	170.23	1,022.32	852.09	500.6
Disbursements	461.38	271.21	1,066.66	795.45	293.3
Amortisation	-321.44	-100.99	-44.35	56.64	-56.1
Private Capital (other)	-1,278.45	-538.97	-1,005.55	-466.59	86.6
Disbursements	2,834.03	3,532.51	4,341.49	808.98	22.9
Amortisation	-4,112.48	-4,071.48	-5,347.05	-1,275.57	31.3
Short-term Capital	176.54	-670.22	-587.74	82.48	-12.3
Non-Monetary	4.64	-300.47	-338.72	-38.25	12.7
Monetary	171.90	-369.75	-249.02	120.73	-32.7
Government Oil Investments	117.39	98.82	116.84	18.02	18.2
Inflow	144.89	43.66	90.38	46.72	107.0
Outflow	-27.50	55.16	26.46	-28.70	-52.0

Source: Bank of Ghana

5.4 International Reserves

At the end of March 2024, the stock of Net International Reserves (NIR) was US\$3,855.02 million, reflecting an increase of US\$720.25 million from US\$3,134.77 million at the end of December 2023.

The country's Gross International Reserves reached US\$5,991.34 million by the end of March 2024, up from US\$5,906.60 million at the end of December 2023. This level of reserves was sufficient to cover 2.7 months of imports for goods and services, compared to 2.4 months in March 2023 and 2.7 months in December 2023.

