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Overview

This report presents a review of global and the domestic economic developments during the second 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 had shown signs of strengthening in Q2:2024, although headwinds for growth persisted. The global economy is projected to slightly decline to 3.2 percent by the end of 2024, down from the 3.3 percent growth observed in 2023. However, it is anticipated to marginally increase to 3.3 percent in 2025.

The Domestic Economy

Real Sector

Domestic economic activity improved in Q2:2024, evidenced by the selected real sector indicators. Indicators of consumer spending, manufacturing activities, construction sector activities, international tourist arrivals and port activity significantly improved while industrial consumption of electricity, and vehicle registration marginally declined.

Inflation

Headline inflation marginally declined to 22.8 percent at the end of Q2:2024, from 25.8 percent recorded at the end of Q1:2024. In year-on-year terms, food inflation sharply declined to 24.0 percent from 54.2 percent at the end of Q2:2023, and non-food inflation dropped to 21.6 percent from 33.8 percent, over the same comparative period.

Monetary Aggregates

Annual growth in broad money supply (M2+) decreased to 34.1 percent in Q2:2024 from 44.4 percent in Q:2023. M2+ totalled GH¢281,039.02 million during the review period compared with GH¢261,119.50 million and GH¢209,620.61 million recorded in Q1:2024 and Q2:2023 respectively. The decline in growth of M2+ was attributed to decrease 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 as 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 Q2:2024 increased marginally relative to the corresponding period of 2023. The nominal annual growth in banks' outstanding credit increased to 15.5 percent in Q2:2024, from 15.4 percent in Q2:2023. This was also higher than the growth of 4.8 percent recorded for Q1:2024. At the end of Q2:2024, total outstanding credit stood at GH¢84,478.71 million. In real terms, credit from the banks contracted by 5.9 percent in Q2:2024, compared to a contraction of 19.1 percent in Q2:2023. The share of total outstanding credit to the private sector increased marginally to 92.4 percent in Q2:2024, from 90.8 percent recorded in Q2:2023.

Exchange Rates

On the interbank market, the Ghana cedi depreciated against the U.S. dollar, the pound sterling and the euro by 11.7 percent, 11.8 percent, and 11.0 percent respectively in Q2:2024. On the forex bureaux market, the Ghana cedi depreciated against the U.S. dollar, the pound sterling and the euro by 14.9 percent, 14.9 percent, and 13.5 percent, respectively on a quarter-on-quarter basis.

Interest Rates

In Q2:2024, interest rates on the money market exhibited mixed trends across all spectrums of the yield curve. The Bank of Ghana (BOG) bill rate, rates on Government of Ghana (GOG) securities deposits, and rates on Deposit Money Banks (DMBs) all increased compared to the same period in 2023. Conversely, lending rates saw a decline during this comparative timeframe. At the end of Q2:2024, the Monetary Policy Rate (MPR) stood at 29.0 percent, marking a decrease of 50 basis points compared to the end of Q2: 2023. The interbank weighted average interest rate increased by 279 basis points, to 28.8 percent in Q2:2024, up from 26.0 percent in the same quarter of 2023. On the Treasury bills market, interest rate developments in Q2:2024 showed upward trends relative to corresponding quarter of 2023. The yields on the 91-day and 182-day T-bills increased by 314 basis points and 227 basis points, respectively. However, the interest rate on the 364-day bill decreased by 83 basis points when compared to Q2:2023.

Capital Market

During Q2:2024, the Ghana Stock Exchange Composite Index (GSE-CI) rose by 10.8 percent, resulting in a year-on-year growth of 36.4 percent. This increase led to a 9.5 percent rise in market capitalization for the review quarter, with a year-on-year growth of 21.2 percent. The Manufacturing and ETFund sectors were the main contributors to these gains.

Balance of Payments

The trade account recorded a surplus of US\$1,080.49 million in Q2:2024, higher than the surplus of US\$234.03 million recorded for the same period in 2023. The rise in the trade surplus was mainly on the back of higher export earnings. The estimated value of merchandise exports for the Q2:2024 was US\$4,883.32 million, indicating an increase of US\$1,083.0 million or 28.5 percent compared with US\$3,800.33 million in the same period of 2023. The increase was attributable to higher crude oil and gold exports earnings. The total value of merchandise imports for Q2:2024 amounted to US\$3,802.82 million, up by 9.6 percent compared to US\$3,471.06 million recorded in the same period of 2023. The country's Gross International Reserves reached US\$6,865.25 million, a build-up of US\$942.27 by the end of June 2024. This level of reserves was sufficient to cover 3.1 months of imports for goods and services, compared to 2.5 months in June 2023 and 2.7 months in December 2023.

1. Developments in the World Economy

The global economy exhibited signs of strengthening in Q2:2024, despite persistent growth challenges. Economic activity in China moderated during this period due to weak consumption and ongoing issues in the property sector. However, this was counterbalanced by a stronger-than-expected performance in the United States, where growth surged from 1.4 percent in Q1:2024 to 2.8 percent in Q2:2024 driven by private consumption. The J.P. Morgan Global Composite PMI for Q2:2024 averaged 50.7, an increase from 50.3 in Q1:2024, supported by improvements in both the manufacturing and services sectors. The IMF projects global economic activity to slightly moderate to 3.2 percent by the end of 2024, down from 3.3 percent in 2023, with a marginal increase to 3.3 percent in 2025.

In the outlook, slow disinflation could raise short-term inflation expectations, potentially leading central banks to maintain higher borrowing costs for a longer period, which might risk overall growth. Additionally, China faces potential economic slowdown due to property sector troubles, trade frictions with the USA, and a weakening Yuan.

Table 1.1: Overview of World Economic Outlook Projections (% change)

	2023	Year-on-Year	
		Estimates	Projections
		2024	2025
World Output	3.3	3.2	3.3
Advanced Economies	1.7	1.7	1.8
United States	2.5	2.6	1.9
Euro Area	0.5	0.9	1.5
Germany	-0.2	0.2	1.3
France	1.1	0.9	1.3
Italy	0.9	0.7	0.9
Spain	2.5	2.4	2.1
Japan	1.9	0.7	1.0
United Kingdom	0.1	0.7	1.5
Canada	1.2	1.3	2.4
Other Advanced Economies	1.8	2.0	2.2
Emerging Market and Developing Economies	4.4	4.3	4.3
China	5.2	5.0	4.5
India	8.2	7.0	6.5
Russia	3.6	3.2	1.5
Brazil	2.9	2.1	2.4
Mexico	3.2	2.2	1.6
Sub-Saharan Africa	3.4	3.7	4.1
Nigeria	2.9	3.1	3.0
South Africa	0.7	0.9	1.2

Source : IMF World Economic Outlook, July 2024 Update

1.1 United States

In the Q2:2024, GDP growth in the United States doubled, rising from 1.4 percent in Q1:2024 to 2.8 percent. This increase was primarily driven by improvements in private consumption and government expenditure. The S&P Global US Manufacturing PMI rose from 51.3 in May 2024 to 51.6 in June 2024, indicating a continuous improvement in business conditions within the goods-producing sector in Q2:2024. The services sector also witnessed high performance, with the index increasing from 54.8 in May 2024 to 55.3 in June 2024, reflecting expansions in new business and new business from abroad. The IMF projects that the US economy will expand by 2.6 percent in 2024, up from the 2.5 percent growth observed in 2023, before moderating to 1.9 percent in 2025.

In the outlook, escalating geopolitical tensions in the Middle East and the Russia-Ukraine conflict could potentially hinder the progress achieved so far. Additionally, the upcoming elections in November may impact trading.

1.2 United Kingdom

The United Kingdom's economy expanded by 0.7 percent in the first quarter of 2024, surpassing initial estimates of 0.6 percent. This marks the strongest expansion in over two years, effectively ending the recession experienced last year. The robust activity in the quarter was driven by continuous expansion in

the services sector and improvements in manufacturing. The S&P Global UK Manufacturing PMI averaged 50.4 in the second quarter of 2024, reflecting improvements in production and potential stabilization in new export order intakes. The Services PMI also averaged 53.3, supported by a rise in new orders. The IMF projects the UK economy to grow by 0.5 percent in 2024, up from 0.1 percent in 2023, and further improve to 1.5 percent in 2025.

In the outlook, headline inflation in the UK is expected to continue cooling, although price pressures will take longer to unwind. Geopolitical tensions in the Middle East and the Russia-Ukraine conflict still pose risks, as any escalation could drive up energy prices and undermine the progress made so far.

1.3 Euro Area

The Euro Area economy expanded by 0.3 percent in Q2:2024, maintaining the same growth rate as the previous quarter. Most of its largest economies maintained their previous growth rates, except for Germany, which contracted by 0.1 percent due to a decline in investment. Manufacturing activity remains weak in the Euro Area, with the Manufacturing PMI indicating contraction at 47.3 and 45.8 in May and June, respectively. However, activity was supported by the resilience of the services sector, with the Services PMI averaging 53.1 in the quarter, pointing to strong activity. The IMF estimates the Euro Area economy grew by 0.5 percent in 2023, with projections of slight expansion to 0.9 percent in 2024 and further acceleration to 1.5 percent in 2025.

In the outlook, Euro Area has seen an upturn in growth numbers due to a boost from net trade and rising household spending, prompting a rate cut by the European Central Bank. However, declining activity in China is expected to affect exports from the Euro Area.

1.4 Japan

The Japanese economy contracted by 0.5 percent in the first quarter of 2024 due to a decline in private consumption, which accounts for more than half of the economy. The Manufacturing PMI fell below the 50-point average mark for the period, indicating a decline in factory activity. Services picked up in April and May due to expansions in new orders, while employment also accelerated. However, there was a contraction in services activity in June. The IMF projects the Japanese economy grew by 1.9 percent in 2023 but will moderate to 0.7 percent in 2024 before inching slightly higher to 1.0 percent in 2025.

In the outlook, the weakening yen is increasing the cost of living, which will continue to weigh on household consumption. The Bank of Japan is expected to tighten policy to contain price pressures, which may weigh on business investment.

1.5 China

The Chinese economy grew by a seasonally adjusted 0.7 percent in the second quarter of 2024, following a marginally revised 1.5 percent increase in the first quarter. This growth is largely due to multiple domestic headwinds, such as extreme weather, weak consumption, high local government debts, and ongoing property sector weakness. The Manufacturing PMI increased from 51.7 points in May 2024 to 51.8 points in June 2024, signaling an increase in factory activity. However, the Services PMI declined from

54.0 points in May 2024 to 51.2 points in June 2024 as new orders and export order growth eased. The IMF projects the Chinese economy to grow by 5.0 percent in 2024, down from 5.2 percent in 2023, and further decline to 4.5 percent in 2025.

In the outlook, the property market continues to drag growth due to weak sales and sluggish investment, with real estate investment declining. Additionally, mounting local government and private debt are expected to further weigh on growth. However, monetary and fiscal policies remain expansionary to support the recovery.

1.6 Emerging Markets and Developing Economies

Resilient global growth, especially in the US, and loosening financial conditions have marginally improved macroeconomic conditions for Emerging Market and Developing Economies (EMDEs). EMDEs are expected to grow at a notable and faster pace compared to the advanced economies. Key drivers of this growth will be Emerging Asian countries such as China, India and Indonesia. The Indonesian economy rebounded by expanding 3.8 percent in Q2:2024 compared to a contraction of 0.8 percent in Q1:2024. The Mexican economy expanded by 0.2 percent in Q2:2024 with output rebounding for secondary activities but contracting for primary activities. The Russian economy expanded by 4.0 percent annually in Q2:2024 driven by government spending. The IMF estimates the EMDEs to grow by 4.3 percent in 2024 and 2025, a slight decline from the growth of 4.4 percent witnessed in 2023.

In the outlook, EMs still must contend with the lagged effects of high interest rates and the consequences of the United States' eventual shift to below-trend growth, which is expected in the second half of the year.

1.7 Sub-Saharan African (SSA) Countries

The SSA economy is projected to pick up from 3.4 percent growth in 2023 to 3.4 percent in 2024 and further accelerate to 4.1 percent in 2025, as estimated by the IMF. Fading inflationary pressures could allow for interest rate cuts, which will support private consumption and investment. However, SSA economies currently face challenges due to weak government balance sheets, primarily caused by low revenue collection and high debt-service costs. Additionally, SSA economies need to address the negative impact of currency depreciations.

In the outlook, multilateral funding will remain a key support across the region. However, there are threats of persistent political instability and frequent climate shocks affecting agriculture and energy production, with risks remaining tilted to the downside.

2. Real Sector Developments

A review of selected real sector indicators revealed an improvement in domestic economic activity in the second 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 Q2:2024 compared with figures recorded in the corresponding period of 2023. Domestic VAT collections grew by 17.7 percent (year-on-year) to GH¢3,970.16 million, relative to GH¢3,374.01 million collected during the corresponding quarter in 2023. Similarly, domestic VAT increased by 9.8 percent compared with GH¢3,615.59 million collected for Q1:2024.

Retail sales increased by 22.7 percent (year-on-year) to GH¢598.27 million during Q2:2024 from GH¢487.77 million recorded in the corresponding quarter of 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 second quarter of 2024, compared with what was observed in the same period of 2023. Total direct taxes collected increased by 69.5 percent (year-on-year) to GH¢20,422.72 million in the second quarter of 2024, relative to GH¢12,046.48 million recorded for the second quarter of 2023. Similarly, total direct taxes collected for the quarter under review improved by 60.9 percent from GH¢12,693.33 million collected in the first quarter of 2024. In terms of contribution of the various sub-tax categories, Corporate Tax accounted for 51.0 percent, followed by Income Tax (PAYE and self-employed) with 34.3 percent, while other tax sources contributed 14.7 percent.

Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) improved by 26.4 percent (year-on-year) to GH¢1,250.42 million in Q2:2024, from GH¢989.21 million collected during the corresponding quarter of 2023. The total contribution in the review period also increased by 11.9 percent when compared with GH¢1,117.04 million for Q1:2024. 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, increased by 5.1 percent (year-on-year) during Q2:2024 to 672,093.65 tonnes, from 639,479.81 tonnes recorded in Q2:2023. Total cement sales during the review period, however, declined by 2.6 percent when compared with 689,912.03 tonnes recorded during Q1:2024. The year-on-year improvement in total cement sales was due to an uptick 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), improved by 39.0 percent to 43,668 in Q2:2024 compared to 31,407 vehicles registered during the corresponding quarter of 2023. Conversely, the number of vehicles registered during the review period declined by 16.9 percent relative to 52,576 vehicles recorded in Q1:2024. The year-on-year improvement recorded in vehicle registration was likely due to an increase in vehicle importation during the review period.

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 8.7 percent during Q2:2024, compared with observations made in the corresponding period of 2023. Industries utilised 851.06 giga-watts of power in Q2:2024, as against 932.63 giga-watts recorded for the same period in 2023. Conversely, industrial consumption of electricity increased by 2.6 percent from 829.14 giga-watts utilised for Q1:2024. The year-on-year decline in the electricity consumed by industries reflected disruptions in the power supply experienced during the quarter.

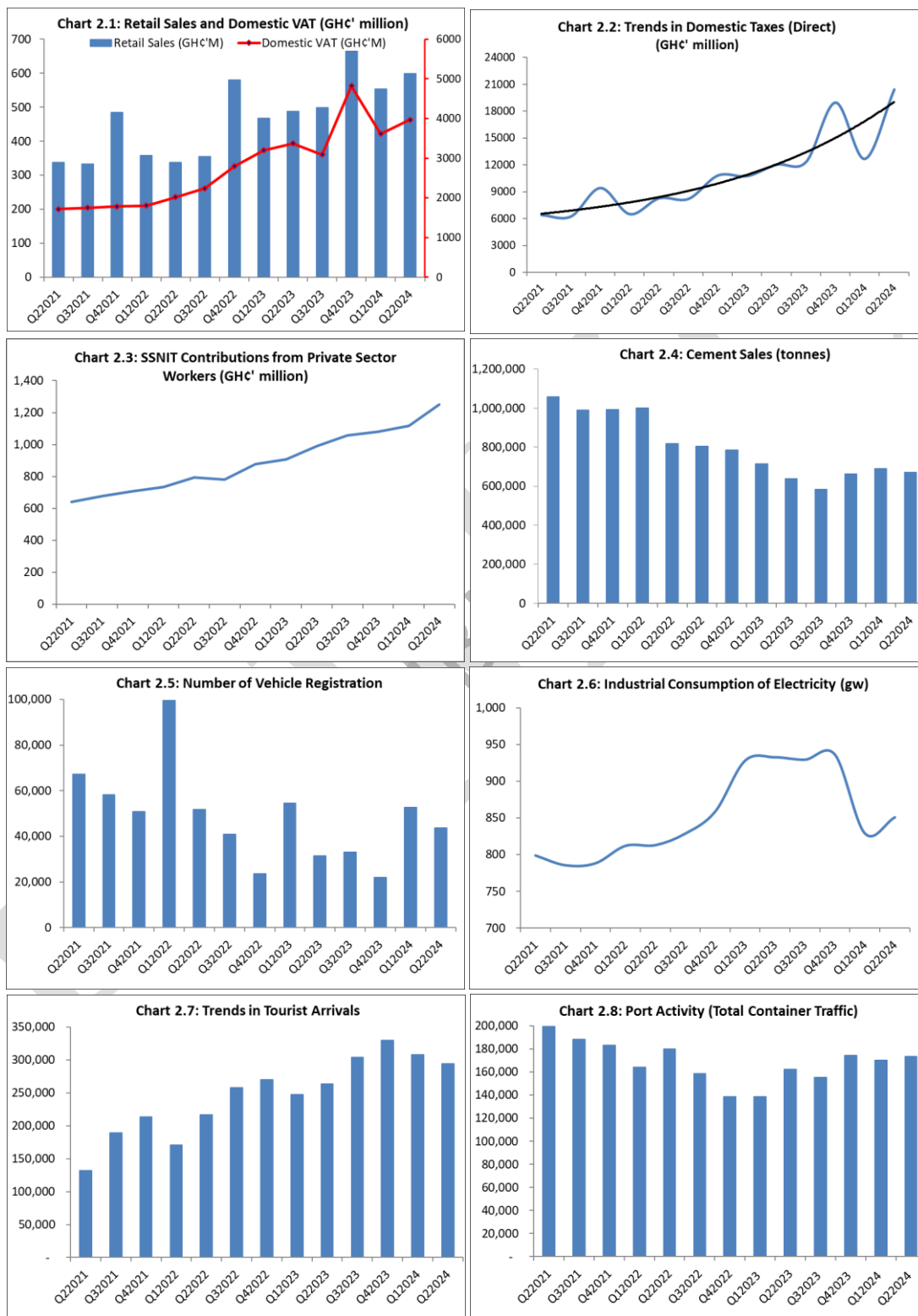
International Tourist Arrivals

Tourist arrivals through the country's various ports of entry improved in Q2:2024 when compared with figures recorded a year ago. A total of 294,393 tourists entered the country during the review period, as compared to 263,807 visitors received in Q2:2023, indicating an improvement of 11.6 percent. Tourist arrivals during the period, however, declined by 4.4 percent when compared with 308,024 visitors received in Q1:2024. 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 second quarter of 2024, compared with what was observed in the corresponding quarter of 2023. Total container traffic for inbound and outbound containers increased by 6.7 percent to 173,323 from 162,390 for Q2:2023. Port activity also went up by 1.8 percent when compared to 170,192 laden containers recorded in Q1:2024. The relative improvement in port activity, year-on-year, was due to an up-tick in international trade activities during the period.

Charts 2.1 – 2.8: Trends in Indicators of Economic Activity



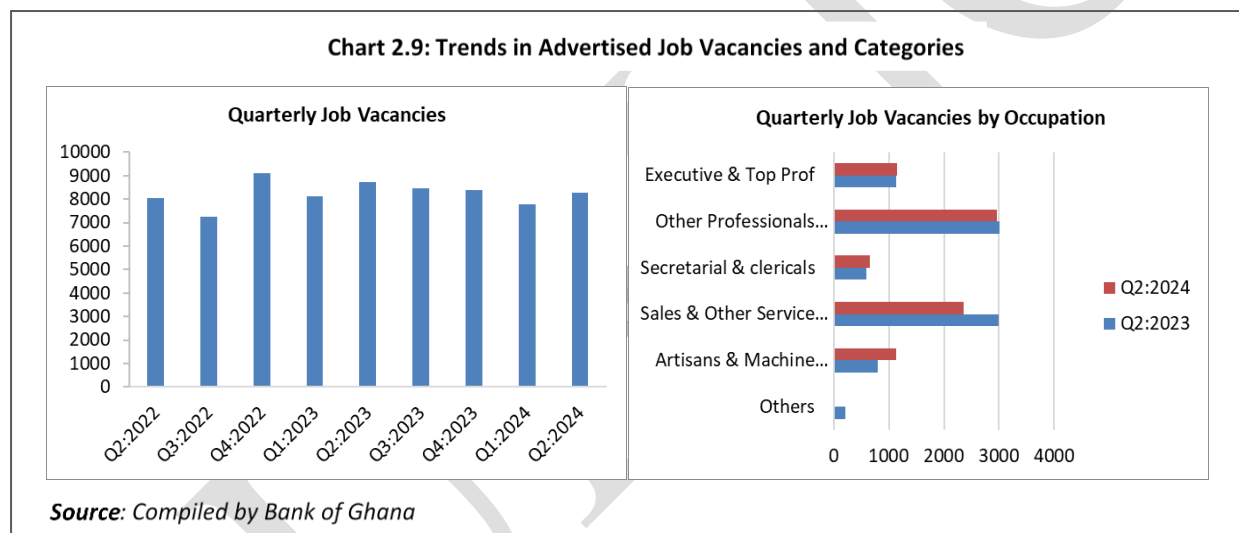
Source: Compiled by Bank of Ghana

2.2 Labour Market Conditions

The number of jobs advertised in selected print and online media, which serves as an indicator of labour demand in the economy, decreased in Q1:2024 compared to Q2:2024. A total of 8,280 job advertisements were placed in Q2:2024, compared to 8,740 during the same period in 2023, representing a year-on-year decline of 5.3 percent. Conversely, the number of job vacancies advertised during the review period increased by 6.2 percent month-on-month, rising from 7,798 in Q1:2024.

Sector Distribution and Skill Set of Job Adverts

The Services Sector retained its position as the leading provider of jobs in the economy, accounting for 75.1 percent of total job advertisements recorded during Q2:2024. This represents a decline compared to the 80.8 percent share recorded in Q2:2023. The industry sector followed with a share of 19.9 percent, up from 13.5 percent in Q2:2023, while the Agriculture Sector accounted for 5.0 percent of job advertisements during the period, compared to 5.7 percent in the corresponding quarter of 2023.



Further analysis indicated that the primary requirements for skilled employees were tertiary education qualifications and a minimum of three years of work experience. This category, classified as Professionals and Technicians, collectively accounted for 49.6 percent of total jobs advertised during Q2:2024, compared to 47.4 percent in the corresponding quarter of 2023. This was followed by the categories classified as Sales & Other Service Workers (28.5 percent in Q2:2024 versus 34.2 percent in Q2:2023), Artisans & Machine Operators (13.6 percent versus 9.2 percent), Secretarial & Clerical Staff (7.9 percent versus 6.8 percent), and Others (0.3 percent versus 2.5 percent).

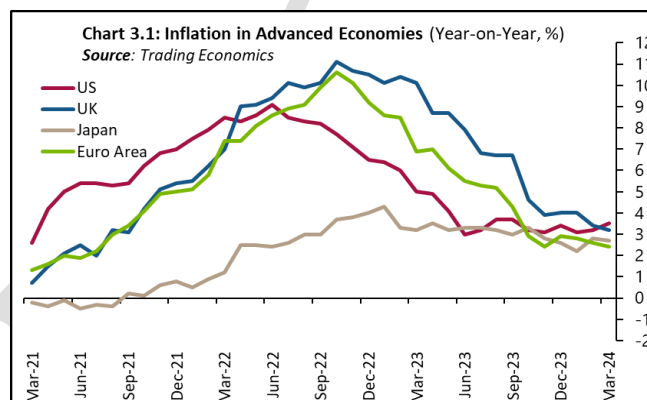
3. Price Developments

3.1 Global Inflation

Global headline inflation remains on a downward trajectory, although the disinflation process is expected to slow. The decline in headline inflation in several countries, observed in the first half of the year, was on the back of the sustained tight monetary policy stance by most central banks and broadly anchored inflation expectations. In the outlook, strong nominal wage growth, which may de-anchor inflation expectations in the short-term, is expected to pose some risks to the disinflation process.

Advanced Economies

The average inflation rate in the **United States** for the Q2:2024 edged down marginally to 3.2 percent relative to 3.3 percent observed in the Q1:2024. The annual inflation rate in June 2024 was 3.0 percent, up from 3.5 percent recorded in March 2024. The slowdown reflected easing prices of new vehicles, used cars and trucks. Core inflation however, softened to 3.3 percent in June 2024 from 3.8 percent observed in March.



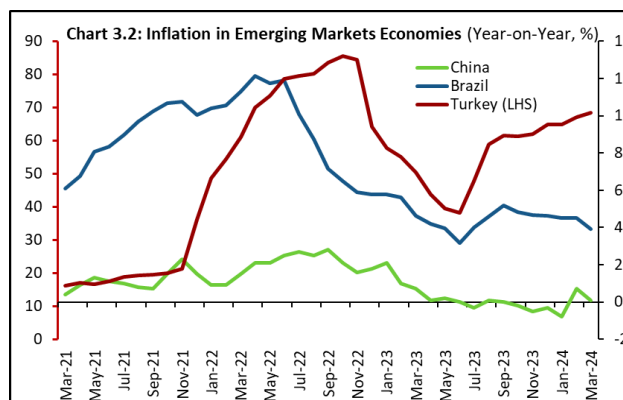
Inflation rate in the **United Kingdom** for Q2:2024 averaged 2.1 percent, down from 3.3 percent in the previous quarter. Headline inflation declined to 2.0 percent in June 2024 from 3.2 percent in March 2024. The primary downward pressure came from falling gas and electricity costs, attributed to the lowering of the Office of Gas and Electricity Markets (Ofgem) energy price cap in April. Additionally, prices slowed for energy, food, restaurants and hotel services. The core inflation rate, which excludes volatile items such as food and energy, slowed to 3.5 percent in June 2024, from 4.2 percent in March 2024.

Average inflation rate in the **Euro Area** in quarter two of 2024 was 2.5 percent relative to 2.6 percent observed in the prior quarter. Headline inflation however, edged up to 2.5 percent in June 2024 from 2.4 percent in March. The marginal uptick was on the back of an increase in services inflation and a rebound in energy costs. The core inflation rate, which excludes volatile food and energy prices, was confirmed at 2.9 percent in June 2024, unchanged from March 2024.

Annual inflation rate in **Japan** averaged 2.5 percent in quarter two of 2024 from 2.6 percent in quarter one. Inflation rate inched up marginally to 2.8 percent in June 2024 from 2.7 percent in March 2024. The uptick was primarily influenced by a steep pickup in electricity prices. Core inflation was steady at 2.6 percent in June 2024, unchanged from March.

Emerging Market Economies

China recorded an average inflation rate of 0.3 percent in quarter two of 2024 from zero in quarter two. Consumer prices increased by 0.2 percent in June 2024 from 0.1 percent in March. This increase coincided with an ongoing recovery in domestic demand despite the fragility of the economic recovery. Non-food inflation accelerated, due to rising prices for clothing, housing, health, and education. Core consumer inflation, which excludes the prices of food and energy, was stable at 0.6 percent in June 2024, the same as March.

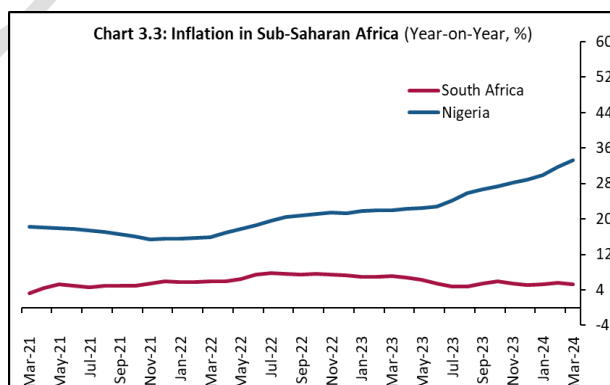


The average inflation rate in **Brazil** for the second quarter of 2024 was 4.0 percent down from the 4.3 percent recorded in the previous quarter. The annual inflation ticked up to 4.2 percent in June from 3.9 percent in March 2024. The uptick was on the back of increase in the prices of food and beverages, transport, and healthcare.

Average inflation rate in **Turkey** surged to 72.3 percent in quarter two of 2024 from 66.8 percent in quarter one. Annual inflation rate in Turkey increased by 71.6 percent in June 2024, from 68.5 percent in March. The acceleration was mainly driven by higher prices of housing & utilities, transportation, food, and non-alcoholic beverages. Core inflation however, eased to 71.4 percent in June from 75.2 percent in March 2024.

Sub-Saharan Africa

Average inflation rate in **South Africa** was 5.2 percent in quarter two of 2024, from 5.4 percent in the previous quarter. Headline inflation edged down to 5.1 percent in June 2024 from 5.3 percent in March. Prices primarily softened for food and non-alcoholic beverages, with most sub-categories recording lower annual rates. Consistent with the headline, core inflation rate declined to 4.5 percent in June 2024 from 4.9 percent in March.



Average inflation rate in **Nigeria** increased to 33.9 percent in quarter two of 2024 from 31.6 percent in quarter one. Annual inflation rate surged to 34.2 percent in June 2024, up from 33.2 percent in March. The acceleration was on account of rising fuel prices on the back of weakening domestic currency (Naira), and the removal of government subsidies. Price pressures emanated from food, housing & utilities, beverages & tobacco. Annual core inflation rate, which excludes farm produce increased to 27.4 percent in June 2024 from 24.7 percent in March.

3.2 Domestic Inflation

Headline Inflation

Headline inflation moderated on quarterly basis in quarter two of 2024 comparative to the prior quarter. Average inflation for quarter two of 2024 was 23.6 percent from an average of 24.2 percent in quarter one. Similarly, annual inflation edged down to 22.8 percent in June 2024, from 25.8 percent in March. The slowdown was driven by food and non-food sectors, on the back of favourable base effects. Food inflation decreased to 24.0 percent in June 2024 from 26.8 percent in March. Also, non-food inflation eased to 21.6 percent in June, from 22.6 percent in March.

Core Inflation

In line with the developments in headline inflation, core inflation also edged down, suggesting broad-based easing underlying inflationary pressures. The Bank's core inflation measure, which excludes energy and utility, softened to 22.1 percent in June 2024, from 26.3 percent in March.

3.3 Inflation Outlook

The latest inflation forecast shows a slightly elevated inflation profile due to recent exchange rate pressures, upward adjustments in utility tariffs, and increases in ex-pump fuel prices. Additionally, there is uncertainty regarding the inflation path for the year due to supply constraints with some food items, particularly fruits and vegetables, which may impact food prices. However, with the upcoming harvest season, there is optimism for improved food production, although uncertainties remain. Hinged on maintaining a strong monetary policy stance, stability in the exchange rate, and robust consolidation efforts, the inflation forecast indicates that inflation is expected to remain within the end-year inflation target band. Risks to the forecast are, however, tilted to the upside and reflect the notion that timely policy interventions are essential to contain risks as they emerge.

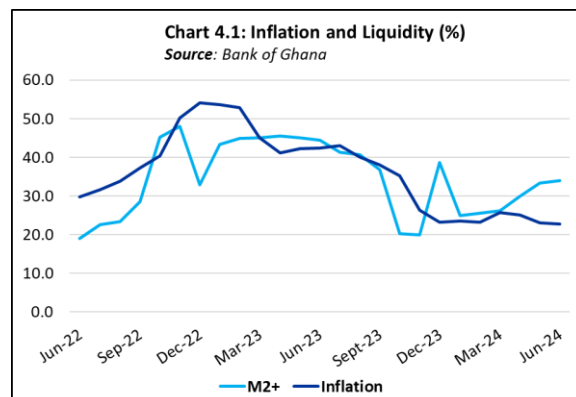
Table 3.1: Headline Inflation and Components

	Headline Inflation (%)			Monthly Changes in CPI (%)		
	Combined	Food	Non-food	Combined	Food	Non-food
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
Apr-24	25.0	26.8	23.5	1.8	2.1	1.5
May-24	23.1	22.6	23.6	3.2	2.7	3.6
Jun-24	22.8	24.0	21.6	2.9	5.1	0.9

Source : Ghana Statistical Service

4. Money and Financial Market Developments

In Q2:2024, there was a notable decline in the annual growth of M2+ compared to the same period in 2023. This decline was primarily driven by a significant slowdown in the growth of Net Domestic Assets (NDA) within the depository corporations' sector. Conversely, the Net Foreign Assets (NFA) of depository institutions saw a substantial increase. The reduced growth in M2+ was reflected in lower growth rates for demand deposits, savings and time deposits, and foreign currency deposits. However, there was a slight increase in the growth of currency held by the public during this period.



4.1 Broad Money Supply

The growth in broad money supply (M2+) showed a significant year-on-year decline. The annual growth rate of M2+ decreased to 34.1 percent in Q2:2024, down from 44.4 percent in the same quarter of 2023. The stock of broad money supply reached GH¢281,039.02 million during the review period, compared to GH¢261,119.50 million in Q1:2024 and GH¢209,620.61 million in Q2:2023. The observed decrease in M2+ growth was due to reduced growth in demand deposits, savings and time deposits, and foreign currency deposits. However, the growth in currency with the public increased over the same period.

Table 4.1: Monetary Indicators

	Levels (GH¢ Millions)			Year-On-Year Variation					
				As at end-Jun 2023		As at end-Mar 2024		As at end-Jun 2024	
	Jun-23	Mar-24	Jun-24	Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Reserve Money	62,343.44	89,011.29	110,578.33	14,105.46	29.2	31,170.52	53.9	48,234.89	77.4
Narrow Money (M1)	96,097.32	123,720.17	135,627.74	29,179.97	43.6	28,760.48	30.3	39,530.42	41.1
Broad Money (M2)	150,070.56	190,181.12	203,530.25	43,582.00	40.9	42,050.12	28.4	53,459.69	35.6
Broad Money (M2+)	209,620.61	261,119.50	281,039.02	64,463.68	44.4	54,133.09	26.2	71,418.41	34.1
Currency with the Public	31,238.50	39,677.64	44,895.56	9,136.18	41.3	8,483.08	27.2	13,657.06	43.7
Demand Deposits	64,858.82	84,042.53	90,732.19	20,043.79	44.7	20,277.40	31.8	25,873.36	39.9
Savings & Time Deposits	53,973.24	66,460.95	67,902.50	14,402.03	36.4	13,289.64	25.0	13,929.27	25.8
Foreign Currency Deposits	59,550.05	70,938.38	77,508.78	20,881.68	54.0	12,082.98	20.5	17,958.73	30.2
Sources of M2+									
Net Foreign Assets (NFA)	649.68	34,085.37	49,084.99	8,120.62	(108.7)	46,092.02	(383.9)	48,435.31	7,455.3
BOG	(13,750.27)	13,251.29	23,057.19	(7,348.33)	114.8	37,196.19	(155.3)	36,807.46	(267.7)
DMBs	14,399.95	20,834.09	26,027.80	15,468.95	(1,447.0)	8,895.84	74.5	11,627.85	80.7
Net Domestic Assets	208,970.93	227,034.13	231,954.03	56,343.06	36.9	8,041.07	3.7	22,983.10	11.0
Claims on Government (net)	137,161.10	118,345.15	117,391.93	40,719.91	42.2	(25,885.34)	(17.9)	(19,769.17)	(14.4)
BOG	82,951.81	50,086.77	55,138.36	31,513.99	61.3	(37,085.15)	(42.5)	(27,813.46)	(33.5)
DMBs	54,209.29	68,258.39	62,253.57	9,205.91	20.5	11,199.81	19.6	8,044.29	14.8
Claims on Public Sector	7,675.22	6,728.17	7,222.32	(782.10)	(9.2)	(1,902.58)	(22.0)	(452.91)	(5.9)
BOG	920.91	785.53	805.34	(1,334.59)	(59.2)	(80.84)	(9.3)	(115.58)	(12.6)
DMBs	6,754.31	5,942.64	6,416.98	552.49	8.9	(1,821.74)	(23.5)	(337.33)	(5.0)
Claims on Private Sector	74,116.51	72,028.75	78,935.11	16,259.98	28.1	(1,490.79)	(2.0)	4,818.60	6.5
BOG	7,745.55	940.11	873.38	7,049.97	1,013.5	(6,851.13)	(87.9)	(6,872.17)	(88.7)
DMBs	66,370.96	71,088.64	78,061.73	9,210.01	16.1	5,360.34	8.2	11,690.77	17.6
Other Items (Net) (OIN) \2	(9,981.90)	29,932.38	28,404.68	145.28	(1.4)	37,319.78	(505.2)	38,386.58	(384.6)
o/w BOG OMO (Sterilisation)	(27,273.48)	(22,605.87)	(16,244.51)	(22,690.35)	495.1	4,834.90	(17.6)	11,028.97	(40.4)

Source : Bank of Ghana

4.2 Sources of Change in M2+

The decline in M2+ growth was attributed to a slowdown in the growth of NDA within depository corporations, driven by contractions in net claims on the government, as well as claims on the public and private sectors. In contrast, the NFA expanded significantly compared to the same period in 2023, largely due to the receipt of the second tranche of the International Monetary Fund's extended credit facility, proceeds from the cocoa syndicated loan, forex purchases, and monetary gold accrued from the Gold for Reserve programme. NDA growth slowed significantly to 11.0 percent in Q2:2024, down from 36.9 percent at the end of the second quarter of 2023, but higher than the 3.7 percent growth recorded in Q1:2023. Conversely, NFA growth surged to 7455.3 percent in Q2:2024, compared to 108.7 percent in Q2:2023, and 383.9 percent in Q1:2024.

Components of Net Domestic Assets

Regarding NDA components, growth in net claims on the government decreased to negative 14.4 percent in Q2:2024, down from 42.2 percent in Q2:2023, largely due to the impact of the Domestic Debt Exchange Programme (DDEP). However, growth in claims on the public sector improved to negative 5.1 percent in Q2:2024, up from negative 9.3 percent in Q2:2023. Claims on the private sector decreased to 6.5 percent from 28.1 percent over the same period, largely due to balance sheet constraints faced by Deposit Money Banks (DMBs), driven by an increased portfolio of non-performing loans and capital dissipation resulting from the DDEP. Other Items (Net) changed by 384.6 percent in Q2:2024, compared to a change of 1.4 percent in Q2:2023.

4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors in Q2:2024 increased marginally relative to the corresponding period of 2023; the increase in the nominal growth in total outstanding credit reflected in increased growth in credit to the private sector. The nominal annual growth in banks' outstanding credit increased to 15.5 percent in Q2:2024 from 15.4 percent in Q2:2023. This was also higher than the growth of 4.8 percent recorded in Q1:2024. At the end of the Q2:2024, total outstanding credit stood at GH¢84,478.71 million compared with GH¢73,125.27 million and GH¢77,031.28 million recorded in Q2:2023 and Q1:2024, respectively.

	Levels (GH¢ Millions)			Year-On-Year Variation					
				As at end-Jun 2023		As at end-Mar 2024		As at end-Jun 2024	
	Jun-23	Mar-24	Jun-24	Absolute Δ	% change	Absolute Δ	% change	Absolute Δ	% change
Public Sector	6,754.31	5,942.64	6,416.98	552.49	8.9	(1,821.74)	(23.5)	(337.33)	(5.0)
Private Sector	66,370.96	71,088.64	78,061.73	9,210.01	16.1	5,360.34	8.2	11,690.77	17.6
Agriculture, Forestry & Fishing	2,619.62	2,580.09	3,047.99	575.17	28.1	(38.45)	(1.5)	428.37	16.4
Export Trade	474.92	398.52	577.22	229.50	93.5	(41.96)	(9.5)	102.30	21.5
Manufacturing	7,739.05	8,369.57	8,986.70	1,704.23	28.2	403.61	5.1	1,247.65	16.1
Transport, Storage & Communication	3,770.45	4,507.63	4,810.42	669.33	21.6	780.48	20.9	1,039.97	27.6
Mining & Quarrying	2,489.31	2,191.81	2,751.86	1,159.06	87.1	(244.83)	(10.0)	262.54	10.5
Import Trade	4,904.19	5,266.86	7,212.92	2,972.82	153.9	713.99	15.7	2,308.73	47.1
Construction	6,503.67	6,828.89	7,405.79	539.44	9.0	415.57	6.5	902.12	13.9
Commerce & Finance	9,828.76	10,522.38	11,507.33	(1,097.97)	(10.0)	915.59	9.5	1,678.57	17.1
Electricity, Gas & Water	2,606.11	2,396.93	2,275.37	(23.54)	(0.9)	(18.84)	(0.8)	(330.73)	(12.7)
Services	21,235.79	23,639.03	24,890.15	2,151.38	11.3	2,740.01	13.1	3,654.36	17.2
Miscellaneous	4,199.07	4,386.93	4,595.97	330.59	8.5	(264.84)	(5.7)	396.90	9.5
Grand Total	73,125.27	77,031.28	84,478.71	9,762.49	15.4	3,538.60	4.8	11,353.44	15.5

Source: Bank of Ghana

In real terms, growth in total outstanding credit from the banks improved to *negative* 5.9 percent at end of Q2:2024 from *negative* 19.0 percent in the same period of 2023, largely on account of increased growth in nominal credit, as well as the disinflation process. This was also higher than the *negative* 16.7 percent growth realised in Q1:2024. The share of private sector credit in total outstanding credit increased marginally to 92.4 percent at the end of the review period, from 90.8 percent recorded in Q2:2023.

Distribution of Outstanding Credit to the Private Sector

The growth in outstanding credit to the private sector increased both in nominal and real terms as at the end of Q2:2024. In nominal terms, credit to the private sector increased to 17.6 percent in the second quarter of 2024 from 16.1 percent recorded in Q2:2023. This was, also higher than the 8.2 percent recorded at the end of Q1:2024.

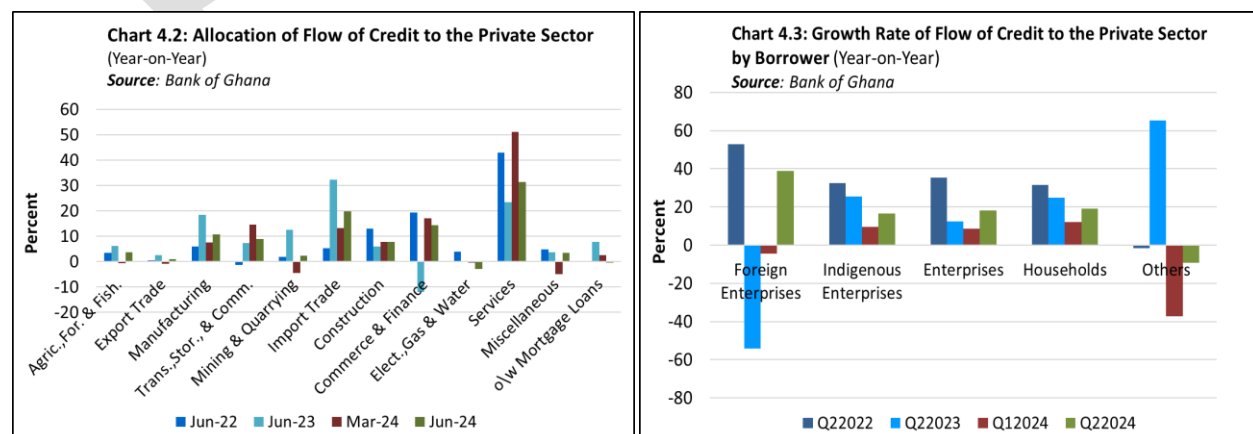
The outstanding credit to the private sector at the end of Q1:2024 was GH¢78,061.73 million, compared with GH¢66,370.96 million and GH¢71,088.64 million recorded in Q2:2023 and Q1:2024 respectively. In real terms, the growth in private sector credit improved to *negative* 4.2 percent at the end of Q2:2024, from a growth of *negative* of 18.5 percent recorded same period in 2023.

The recorded growth in credit to the private sector during Q2:2024 reflected in increased share of annual flow of credit to the following sectors, relative to same period in 2023: services; commerce and finance; transport, storage & communication; and construction sectors. The top five (5) beneficiary sectors of annual flow of private sector credit in Q2:2024 were services, import trade, commerce and finance, manufacturing, and transport, storage & communication.

In terms of annual flow of credit to private sector by borrower, at the end of Q2:2024, flows to foreign enterprises subsector increased relative to the corresponding periods of 2023 while flows to indigenous enterprises, households and the “Other” category decreased relative to the corresponding period of 2023.

4.4 Sources and Uses of Banks’ Flow of Funds

The share of commercial banks’ fund flows allocated to investment in foreign assets and balances with Bank of Ghana increased while proportion of funds flows allocated to Government securities, bank credit and other assets decreased relative to that of the corresponding quarter in 2023.



Proportion of fund flows to foreign assets and balances with Bank of Ghana increased to 14.5 percent and 40.8 percent respectively, in the second quarter of 2024 relative to 14.3 percent and 23.4 percent respectively, in Q2:2023. The significant increase in the share of balances with Bank of Ghana was on account of the implementation of the dynamic Cash Reserve Ratio which induced banks to increase their reserve balances with Bank of Ghana.

The share of bank funds allocated to Government securities decreased significantly to 12.0 percent in Q2:2024 from 17.1 percent in the corresponding period in 2023. This reflected a decrease in the share of fund flows to investments in short-term and medium-term bills. Share of fund flows to investment in short-term Government instruments decreased to 10.4 percent in Q2:2024, from 10.9 percent recorded in Q2:2023. The proportion of fund flows to investment in medium- to long-term securities decreased to 1.6 percent from 6.2 percent over the same comparative period.

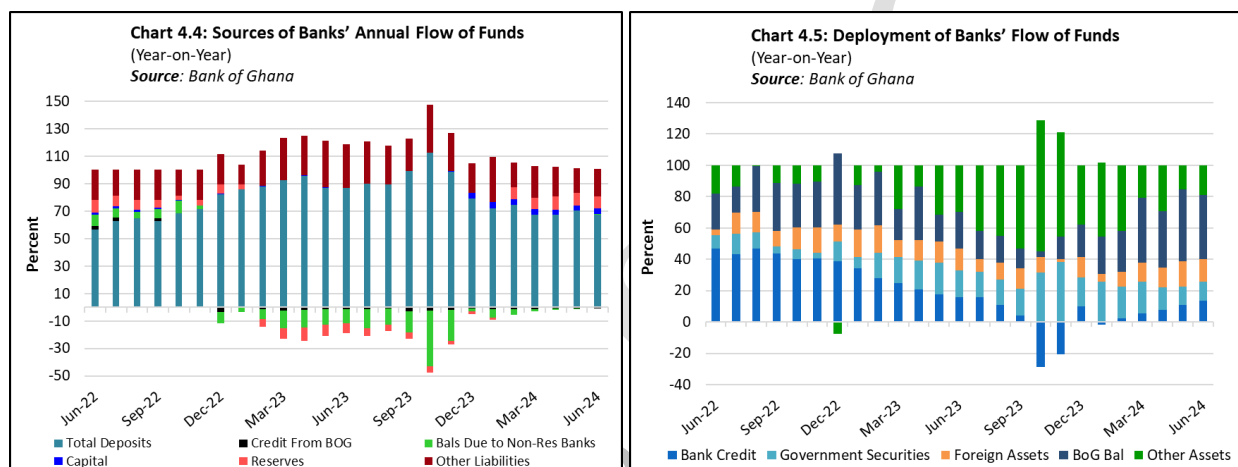
The proportion of fund flows to bank credit decreased to 13.6 percent in Q2:2024 from 15.6 percent at the end of Q2:2023. This was, however, higher than the 5.4 percent recorded in Q1:2024. The proportion of fund flows to other assets also decreased to 19.1 percent from 29.6 percent over the same comparative period.

	(Amount in GH¢ 'Million)			Year-On-Year Variation					
				As at end-Jun 2023		As at end-Mar 2024		As at end-Jun 2024	
	Jun-23	Mar-24	Jun-24	Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%	Absolute Δ	(Δ/Total Δ)%
Sources of Funds									
Total Deposits	173,165.40	214,862.67	229,432.88	54,425.16	86.8	44,361.61	67.6	56,267.48	67.5
Domestic	113,615.35	143,924.29	151,924.10	33,543.48	53.5	32,278.63	49.2	38,308.75	45.9
<i>Demand Deposits</i>	<i>59,642.11</i>	<i>77,463.34</i>	<i>84,021.60</i>	<i>19,141.45</i>	<i>30.5</i>	<i>18,988.99</i>	<i>28.9</i>	<i>24,379.49</i>	<i>29.2</i>
<i>Savings Deposits</i>	<i>28,678.41</i>	<i>35,037.74</i>	<i>38,870.32</i>	<i>7,872.70</i>	<i>12.6</i>	<i>6,597.77</i>	<i>10.1</i>	<i>10,191.91</i>	<i>12.2</i>
<i>Time Deposits</i>	<i>25,294.83</i>	<i>31,423.21</i>	<i>29,032.18</i>	<i>6,529.32</i>	<i>10.4</i>	<i>6,691.87</i>	<i>10.2</i>	<i>3,737.35</i>	<i>4.5</i>
Foreign Currency	59,550.05	70,938.38	77,508.78	20,881.68	33.3	12,082.98	18.4	17,958.73	21.5
Credit From BOG	1,050.73	275.13	307.12	-910.30	-1.5	-775.84	-1.2	-743.61	-0.9
Bal. Due to Non-Resident Banks	6,546.31	5,993.67	6,982.16	-6,524.57	-10.4	-1,006.45	-1.5	435.85	0.5
Capital	11,289.59	13,890.64	14,421.25	46.01	0.1	2,601.00	4.0	3,131.67	3.8
Reserves	11,861.57	16,932.16	19,289.22	-4,252.63	-6.8	5,434.15	8.3	7,427.65	8.9
Other Liabilities*	59,229.32	69,302.13	76,091.97	19,906.34	31.8	15,029.92	22.9	16,862.64	20.2
Total	263,142.93	321,256.40	346,524.60	62,689.99	100.0	65,644.38	100.0	83,381.68	100.0
Uses of Funds									
Bank Credit	73,125.27	77,031.28	84,478.71	9,762.49	15.6	3,538.60	5.4	11,353.44	13.6
<i>a/w Private Sector Credit</i>	<i>66,370.96</i>	<i>71,088.64</i>	<i>78,061.73</i>	<i>9,210.01</i>	<i>14.7</i>	<i>5,360.34</i>	<i>8.2</i>	<i>11,690.77</i>	<i>14.0</i>
Investment in Gov't Securities	65,377.36	80,150.46	75,359.77	10,716.74	17.1	13,283.51	20.2	9,982.42	12.0
Short Term	12,368.23	24,847.28	21,018.11	6,807.58	10.9	11,172.96	17.0	8,649.87	10.4
Medium/Long Term	53,009.12	55,303.18	54,341.67	3,909.15	6.2	2,110.56	3.2	1,332.54	1.6
Foreign Assets	20,946.26	26,827.75	33,009.96	8,944.38	14.3	7,889.39	12.0	12,063.70	14.5
Balances with BOG	42,821.30	63,718.16	76,868.73	14,687.15	23.4	27,277.71	41.6	34,047.43	40.8
Other Assets**	60,872.74	73,528.76	76,807.43	18,579.23	29.6	13,655.17	20.8	15,934.70	19.1
Total	263,142.93	321,256.40	346,524.60	62,689.99	100.0	65,644.38	100.0	83,381.68	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									

Deposits remained the main source of funds for financing bank assets. However, their share in the total sources of funds decreased to 67.5 percent in Q2:2024 from 86.8 percent in Q2:2023. This was still higher than the 67.6 percent recorded in Q1:2024. The share of funds from foreign currency deposits fell to 21.5 percent in Q2:2024 from 33.3 percent in Q2:2023. Similarly, the proportion of funds from domestic deposits dropped to 45.9 percent in Q2:2024 from 53.5 percent in Q2:2023. Analysing the components of

domestic currency deposits, there were decreases in the shares of demand deposits, savings deposits, and time deposits over the comparative period.

Conversely, the share of funds from bank capital and reserves increased during the same period. The share of funds from bank capital rose to 3.8 percent from 0.1 percent, while the share from reserves increased to 8.9 percent from 6.8 percent. In contrast, the share of funds attributed to credit from the Bank of Ghana, balances due to non-resident banks, and other liabilities declined to 0.9 percent, 0.5 percent, and 20.2 percent, respectively, in Q2:2024, from 1.5 percent, 10.4 percent, and 31.6 percent, respectively, in Q2:2023.

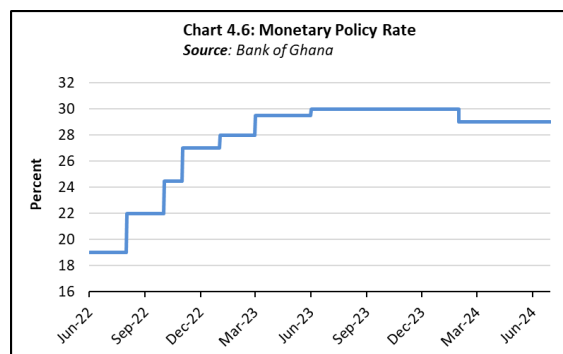


4.5 Interest Rate Developments

Developments in interest rates on the money market, for Q2:2024, generally reflected mixed trends across all spectrums of the yield curve. The BOG bill rate, rates of GOG securities deposit and rates on Deposit Money Banks (DMBs) showed an increase relative to the corresponding period in 2023. In contrast, lending rates decreased over the same comparative period.

Monetary Policy Rate

At the end of Q2:2024, the Monetary Policy Rate (MPR) was 29.0 percent, a 50 basis points decrease from Q2:2023. In January 2024, the Monetary Policy Committee (MPC) reduced the MPR by 100 basis points from 30.0 percent to 29.0 percent due to ongoing disinflation and maintained this rate through the end of Q2:2024.



BOG Bills

The interest equivalent on the 56-day BOG bill increased by 192 basis points to 29.0 percent in Q2:2024 compared to 27.1 percent in the corresponding quarter in 2023. When compared to Q1:2024, the 56-day decreased by 6 basis points. The interest equivalent on the 14-day remained unchanged compared to Q2:2023 as well as Q1:2024 due to non-issuance of the 14-day bills during the period. When compared

with Q2:2022 the rates on the 14-day increased by 1050 basis points while the 56-day bill increased by 1008 basis points.

Government Securities

In the Treasury bills market, interest rate developments in Q2:2024 exhibited upward trends compared to the corresponding quarter of 2023. The yields on the 91-day and 182-day T-bills increased by 314 basis points and 227 basis points, respectively, compared to Q2:2023. Conversely, the interest rate on the 364-day bill decreased by 83 basis points when compared to Q2:2023. Additionally, the interest rates on the 91-day, 182-day, and 364-day T-bills decreased by 149 basis points, 205 basis points, and 167 basis points, respectively, compared to Q1:2024.

In Q2:2024, the rates on the 2-year, 3-year, and 5-year notes remained unchanged at 21.5 percent, 29.9 percent, and 22.3 percent, respectively, compared to Q2:2023. Similarly, there were no changes in yields for the 6-year, 7-year, 10-year, 15-year, and 20-year Government of Ghana (GOG) bonds when compared to the corresponding quarter of 2023 due to non-issuance.

Compared to Q2:2023, the yield on the 3-year note increased by 485 basis points, while the interest rates on the 2-year, 3-year, 5-year, 6-year, 7-year, 10-year, 15-year, and 20-year notes recorded no changes.

Yields on the Domestic Debt Exchange Programme (DDEP) Bonds

On the secondary market, yields on the Domestic Debt Exchange Programme (DDEP) bonds were 22.1 percent, 23.6 percent, 15.1 percent, and 15.5 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 15.5 percent, 15.1 percent, 15.2 percent, and 19.2 percent, respectively. The yields on the 12-year, 13-year, 14-year, and 15-year DDEP bonds stood at 27.2 percent, 15.5 percent, 15.4 percent, and 26.4 percent, respectively.

Interbank Market

The interbank weighted average interest rate increased by 279 basis points, to settle at 28.8 percent in Q2:2024 from 26.0 percent in the corresponding quarter of 2023. When compared to Q1:2024, the IWAR increased by 33 basis points.

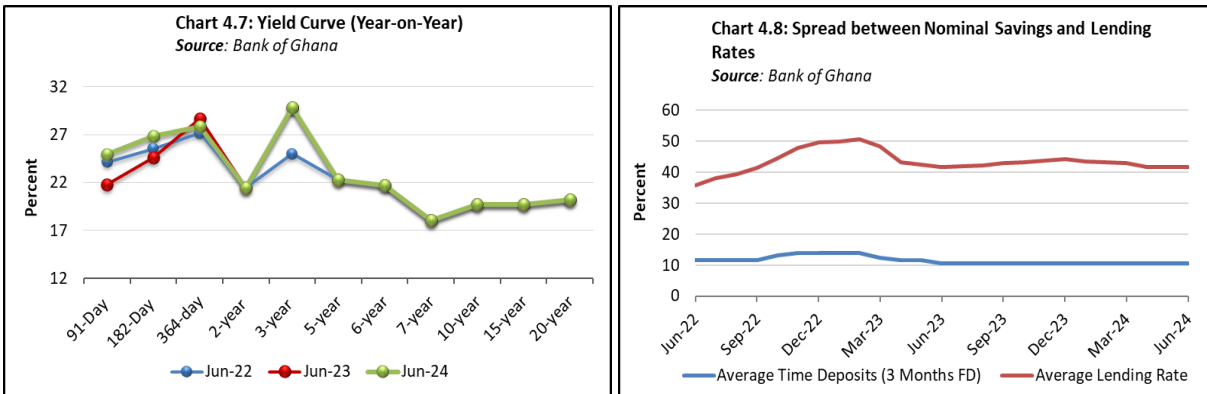
Time and Savings Deposit Rates

In Q2:2024, average interest rate on the DMBs' 3-month time deposit remained unchanged at 10.5 percent from the corresponding quarter 2023. Similarly, the savings rate remained unchanged at 5.0 percent compared to Q2:2023. When compared to Q1:2023, 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 5 basis points to 31.1 percent compared to 31.2 percent recorded at the end of Q2:2023. When compared with Q1:2024, the average lending rate decreased by 127 basis points.

The spread between the borrowing and lending rates contracted by 5 basis points compared to Q2:2023. In comparison to Q1:2024, the spread decreased by 127 basis points.



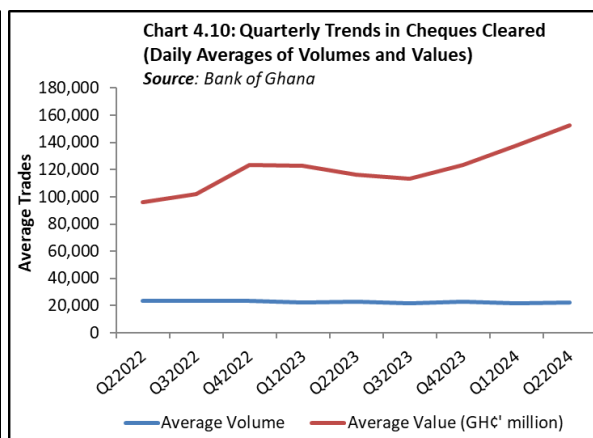
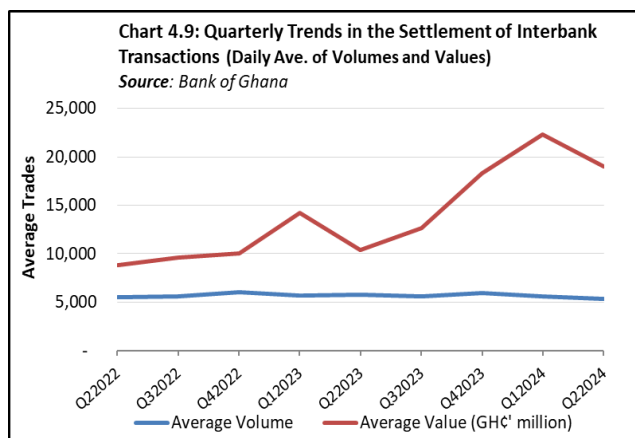
4.6 Payments System Developments

Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during Q2:2024 amounted to 327,686 with a total value of GH¢1,161,293 million. This represented a decrease in volume by 5.5 percent and an increase in value by 85.7 percent when compared to the transactions in Q2:2023. In comparison to the transactions settled during Q1:2024, there was a decrease in both volume and value by 4.2 percent and 14.7 percent, respectively. On average, a total of 5,371.90 transactions were settled daily through the GIS, with a value of GH¢19,037.59 million during the reviewed quarter, compared to a total of 5,604.79 cheques, valued at GH¢22,329.46 million during Q1:2024. In Q2:2023, an average of 5,777 transactions were settled daily, with a value of GH¢10,423.11 million.

Cheques Cleared

The volume of cheques cleared during Q2:2024 amounted to 1,375,733 with a value of GH¢93,002.72 million. This represented an increase in volume and value by 0.9 percent and 33.2 percent respectively compared to the cheques cleared in Q2:2023. When compared to Q1:2024, the volume and value of transactions increased by 4.0 percent and 10.8 percent. Daily, an average of 22,553.00 cheques, valued at GH¢1,524.63 million, were cleared during the reviewed period, compared to 22,715.98 cheques, valued at GH¢1,163.57 million, cleared during Q2:2023. In Q1:2024, an average of 21,674.97 cheques were cleared daily, with a value of GH¢1,376.16 million.

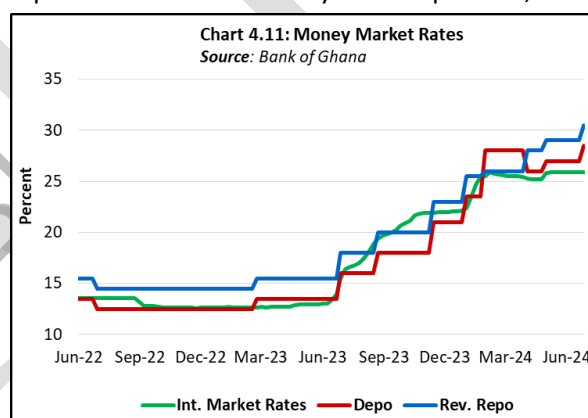


4.7 Money Market

Depos amounted to GH¢156,775.00 million in Q2:2024, compared to GH¢361,765.00 million recorded in the first quarter of the same year. In Q2:2023, depo trades increased by 321.7 percent, from GH¢37,181.50 million in Q2:2023. Furthermore, compared to Q1:2024, depo transactions decreased by 56.7 percent.

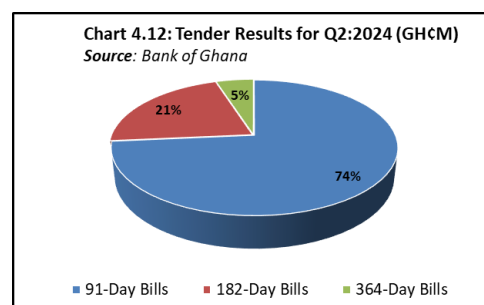
There were no Reverse Repo trades in Q2:2024 as the central bank was absent on the interbank market to allow the banks trade among themselves on the interbank market.

In the interbank market, the value of trades during the review quarter ranged between GH¢5,801.00 million and GH¢12,103.00 million, at a weighted average rate ranging from 28.5 percent to 28.8 percent. In Q1:2024, the values of trades ranged from GH¢450.00 million and GH¢4,405.00 million, at a weighted average rate ranging from 28.5 percent to 30.1 percent. In Q2:2023, trades ranged from GH¢1,365.00 million and GH¢4,700.00 million, at a weighted average rate ranging from 25.2 percent to 26.2 percent.



Tender Results

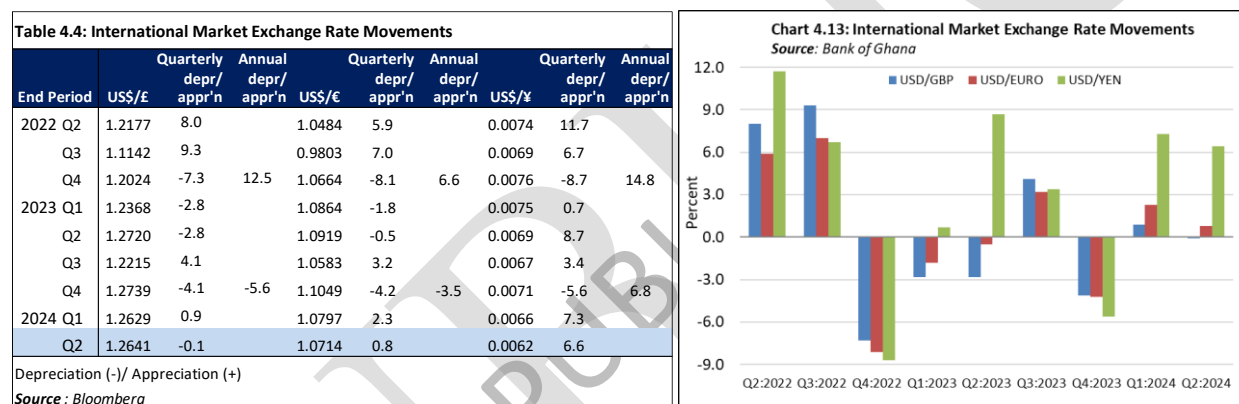
Total sales at the auction during Q2:2024 amounted to GH¢79,784.3 million, with maturities totalling GH¢80,379.77 million. This resulted in a net repayment of GH¢595.42 million, out of which an amount of GH¢6,049.72 million was used to finance the government's activities. Additionally, a withdrawal through the Bank of Ghana's Open Market Operations (OMO) activities was made to the tune of GH¢6,645,14 million.



4.8 Currency Markets

The International Currency Market

The U.S. dollar exhibited a mixed performance in Q2:2024. Initial gains were driven by robust economic data and favorable remarks from the Federal Reserve Chair and other officials. However, these gains were subsequently offset by weak U.S. manufacturing data, subdued inflation figures, and negative market expectations regarding early rate cuts. The Pound Sterling demonstrated a strong performance during the review period. This was attributed to solid economic data and a favorable decision by the Bank of England, accurately reflecting the currency's performance. The Euro experienced a weak performance in Q2:2024. This was due to weak economic data from the Eurozone, comments from European Central Bank policymakers, concerns about the widening interest rate gap between Europe and the U.S., and political uncertainties in France. The Japanese yen had a notably weak performance in Q2:2024. Factors contributing to this included threat of currency intervention by the Japanese government, a dovish stance from the Bank of Japan, an unfavorable interest rate gap between Japan, the U.S., and Britain, and weak economic data.



In April 2024, the **U.S. dollar's** gains were bolstered by strong economic data indicating a resilient economy, as evidenced by manufacturing sector growth in March 2024, which reduced the likelihood of near-term interest rate cuts by the Federal Reserve. Additionally, comments from Federal Reserve Chair and other officials suggested a delay in interest rate cuts, with some cautioning against early cuts due to persistent inflation. However, subsequent data showing a contraction in U.S. manufacturing in April negatively impacted the USD. The currency continued to decline as market expectations for early rate cuts increased, further supported by core inflation data indicating a decline in mid-May. In June, data showing a rebound in the U.S. services sector and a strong job market in the previous month, exceeding projections, scaled back market expectations of interest rate cuts by the Federal Reserve, thereby supporting the greenback. The gains were sustained by the Federal Reserve's announcement to maintain the interest rate between 5.25 percent and 5.5 percent. By the end of Q2:2024, the U.S. dollar appreciated against the euro and the Japanese yen by 0.8 percent and 6.4 percent, respectively, but depreciated against the pound sterling by 0.1 percent.

The **pound sterling** exhibited a strong performance during the review period. In early April, it made significant gains following the release of the Manufacturing Purchasing Managers' Index, which indicated a rise and suggested that the recovery pathway was on course. The pound sterling's boost in May 2024

was reinforced by the Bank of England's decision to leave the policy rate unchanged and new data showing that the British economy had grown by 0.6 percent in Q1:2024, the strongest growth since Q4:2021. It further strengthened in June following the release of an improved composite PMI and data indicating that the British economy grew by 0.7 percent, exceeding the anticipated estimate of 0.2 percent. Consequently, the pound sterling appreciated by 0.1 percent, 0.9 percent, and 6.5 percent against the U.S. dollar, euro, and Japanese yen, respectively.

The **euro's** performance in Q2:2024 was weak. At the beginning of the quarter, the Eurozone's Manufacturing Purchasing Index dropped in March. Concerns over the U.S.-Eurozone interest rate gap, which was expected to widen given the Federal Reserve's stance, weakened the currency. In May, inflation data indicating that long-term inflation was back on track increased the likelihood of an interest rate hike by the European Central Bank, leading to a decline in the currency, along with confirmation by ECB policymakers of an interest rate cut. In June, the currency was undermined by an interest rate cut by the European Central Bank and a rise in unemployment in Germany. Furthermore, an unexpected contraction in Eurozone industrial production and growing political uncertainties in France, which heightened concerns about fiscal discipline in the zone's second-largest economy, also weakened the currency. By the end of Q2:2024, the euro depreciated against the U.S. dollar and the pound sterling by 0.8 percent and 0.9 percent, respectively, but appreciated by 5.6 percent against the Japanese yen.

The **Japanese Yen** had a very weak performance in Q2:2024. The outlook for the yen was weak in April 2024, following threats of currency intervention by the Japanese government through Finance Minister in response to historic losses in March, which did not have the desired impact as it was seen as lacking decisive action. Additionally, the Bank of Japan's decision to maintain the interest rate at around 0.1 percent caused the yen to continue to fall against the U.S. dollar and pound sterling, as the interest rate gap between Japan, the U.S., and Britain was not in Japan's favour. A suspected forex intervention by Japanese authorities in early May saw the yen making some gains, but these were reversed following a lack of signals from the Governor of the Bank of Japan regarding a possible interest rate increase and what was perceived as a weak stance. By the end of Q2:2024, data showing that Japan's economy contracted slightly in Q1:2024 reduced expectations of tightening monetary policy by the Bank of Japan, and the rollback of bond purchases further weakened the yen. Consequently, the Japanese yen depreciated against the U.S. dollar, the pound sterling, and the euro by 6.0 percent, 6.1 percent, and 5.3 percent, respectively.

The Domestic Currency Market

In Q2:2024, the Ghana cedi had a notably 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. In April 2024, the cedi's performance was further impacted by international developments concerning the euro and pound sterling, which influenced local quotes. On the forex bureaux market, high demand for forex, rate adjustments by some dealers, and speculative trading activities, in alignment with interbank quotes, led to the cedi's depreciation at the cash end of the market.

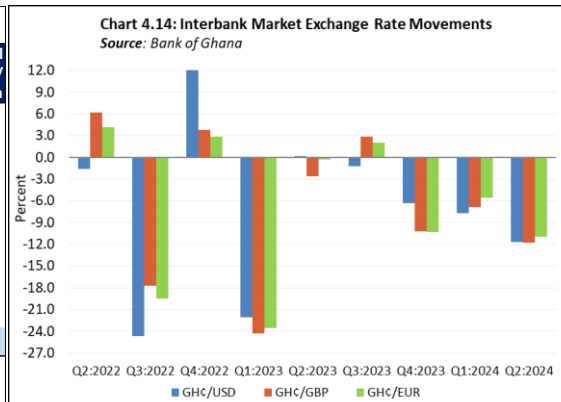
On the **Interbank market**, the Ghana cedi depreciated against the U.S. dollar, the pound sterling and the euro by 11.7 percent, 11.8 percent, and 11.0 percent respectively in Q2:2024. However, during the comparative period in 2023, the Ghana cedi appreciated by 0.2 percent against the U.S. dollar but depreciated against both the pound sterling and the euro by 2.6 percent and 0.3 percent, respectively.

Table 4.5: Interbank Market Exchange Rate Movements

End Period	c/US\$	Quarterly depr/ appr'n	Annual depr/ appr'n	c/GBP	Quarterly depr/ appr'n	Annual depr/ appr'n	c/Eur	Quarterly depr/ appr'n	Annual depr/ appr'n
2022 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	-30.0	10.3118	3.8	-21.2	9.1457	2.9	-25.3
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	-27.8	15.1334	-10.2	-31.9	13.1264	-10.3	-30.3
2024 Q1	12.8770	-7.7		16.2617	-6.9		13.9031	-5.6	
Q2	14.5860	-11.7		18.4375	-11.8		15.6270	-11.0	

Depreciation (-)/ Appreciation (+)

Source : Bank of Ghana



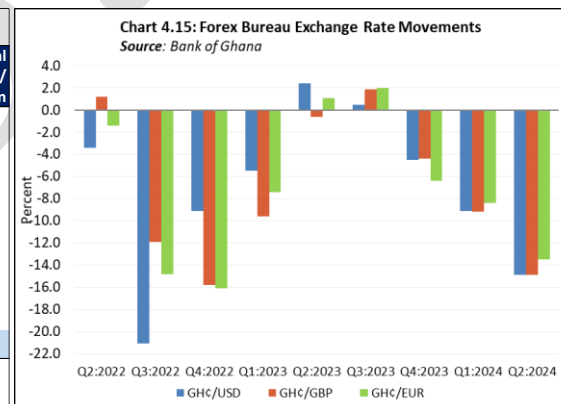
On the **Forex bureau market**, the cedi depreciated against the U.S. dollar, the pound sterling and the euro by 14.9 percent, 14.9 percent, and 13.5 percent, respectively. The cedi's performance worsened against the U.S. dollar, the pound sterling, and the euro in Q2:2024 compared to its corresponding period in 2023, when it depreciated by 0.6 percent against the pound sterling but appreciated against the U.S. dollar and the euro by 2.4 percent and 1.1 percent, respectively.

Table 4.6: Forex Bureau Exchange Rate Movements

End Period	c/US\$	Quarterly depr/ appr'n	Annual depr/ appr'n	c/GBP	Quarterly depr/ appr'n	Annual depr/ appr'n	c/Eur	Quarterly depr/ appr'n	Annual depr/ appr'n
2022 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	-43.5	13.3250	-15.8	-37.4	11.7750	-16.1	-39.4
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	-7.0	15.2139	-4.4	-12.4	13.1833	-6.4	-10.7
2024 Q1	13.3489	-9.1		16.7528	-9.2		14.3972	-8.4	
Q2	15.6833	-14.9		19.6917	-14.9		16.6417	-13.5	

Depreciation (-)/ Appreciation (+)

Source : Bank of Ghana



Foreign Exchange Transaction Market

At the end of Q2:2024, the total volume of foreign exchange purchases recorded amounted to US\$4,038.20 million. Purchases by commercial banks constituted 88.8 percent of the total purchases (US\$3,587.62 million). The Central Bank's support to the market accounted for 9.6 percent (US\$388.52 million), while purchases from forex bureaux contributed 1.5 percent (US\$62.06 million).

In comparison to Q1:2024, the total volume of purchases increased by 4.3 percent. Purchases by commercial banks also increased by 1.4 percent, and the Bank of Ghana's support rose by 52.4 percent. Conversely, purchases from forex bureaux decreased by 21.4 percent.

Similarly, when compared to the corresponding quarter of 2023, the total volume of purchases increased by 0.7 percent. Purchases by commercial banks decreased by 1.3 percent, whereas the Bank of Ghana's support increased by 24.7 percent and 30.6 percent, respectively. Purchases from forex bureaux increased by 6.3 percent.

Regarding sales, the total volume recorded was US\$3,892.75 million. Sales by commercial banks amounted to US\$3,830.97 million (98.4 percent of the total amount), with forex bureaux contributing the remaining US\$61.78 million (1.6 percent of the total amount). The total volume of sales increased by 3.9 percent on a quarterly basis but decreased by 3.2 percent on a year-on-year basis. Sales by forex bureaux decreased by 16.4 percent on a quarterly basis but increased by 5.3 percent on a year-on-year basis. Sales by commercial banks increased by 4.3 percent on a quarterly basis but decreased by 3.3 percent on a year-on-year basis.

Table 4.7: Foreign Exchange Transaction Market

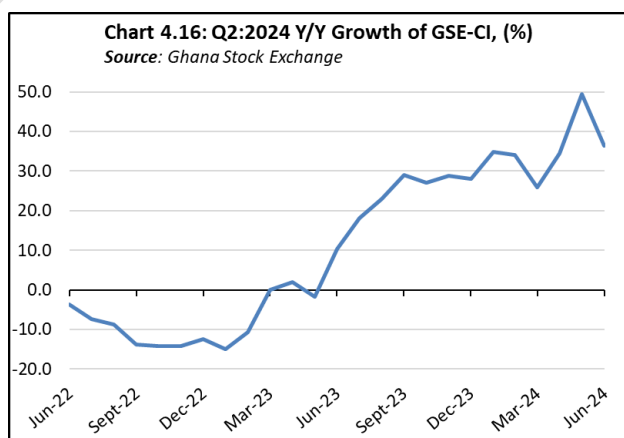
		Purchases (US\$'million)				Sales (US\$'million)		
		BOG Sales	Commercial Bank	Forex Bureau	Total Purchase	Commercial Bank	Forex Bureau	Total Sales
2022	Apr	357.66	1,887.43	22.90	2,267.99	2,219.09	22.88	2,241.97
	May	344.37	1,310.84	23.54	1,678.75	1,683.13	24.23	1,707.36
	Jun	288.06	1,498.80	27.27	1,814.13	1,743.41	26.62	1,770.03
	Q2	990.09	4,697.07	73.71	5,760.87	5,645.63	73.73	5,719.36
2023	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
2024	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
	Apr	123.23	1,335.74	20.71	1,479.68	1,404.57	20.74	1,425.31
	May	188.51	1,175.73	22.75	1,386.99	1,305.27	22.54	1,327.81
	Jun	76.78	1,076.15	18.60	1,171.53	1,121.13	18.50	1,139.63
	Q2	388.52	3,587.62	62.06	4,038.20	3,830.97	61.78	3,892.75

Source : Bank of Ghana

4.9 The Stock Market

In Q2:2024, the Ghana Stock Exchange Composite Index (GSE-CI) increased by 10.8 percent, resulting in a year-on-year growth of 36.4 percent. Consequently, market capitalization also rose by 9.5 percent during the same period, recording a year-on-year growth of 21.2 percent. The Manufacturing and ETFund sectors were the main contributors to these gains.

The performance of the GSE-CI reflects increased investor confidence in the domestic market and economic activities. In the ensuing quarter, investor decisions may be significantly influenced by the outcomes of negotiations with external debt creditors and the second IMF review regarding the disbursement of the third tranche.



The GSE-CI

The GSE-CI gained 10.8 percent (373.41 points) in Q2:2024 with a year-on-year gain of 36.4 percent (1021.58 points) at the end of the second quarter. Similarly, the GSE-CI gained 2.28 percent (62.70 points) in value in Q2:2023 as well as a year-on-year marginal gain of 10.3 percent (262.55 points). The GSE-CI

gained in Q2:2024 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 Q2:2024 was mainly because of share price appreciation of stocks in the Manufacturing (22.5 percent; 254.22 points), ETFund (16.2 percent; 1112.44 points) and Mining (16.1 percent; 26.64 points) sectors. The Finance sector which usually influences the performance of the GSE-CI, also gained 5.7 percent (113.57 points) to push the GSE-CI upward.

Market Performance

Total volume of trades on the GSE in Q2:2024 amounted to 330.4 million shares, with a value of GH¢484.13 million which compares with a volume of 45.5 million shares with a value of GH¢131.98 million in the corresponding quarter in 2023. During the period, MTNGH recorded the highest volume and value of trades.

In Q2:2024, thirteen (13) stocks gained value while two (2) lost to moderate the gains recorded by the GSE-CI. The rest remained unchanged at the end of the review period. IIL, GCB and UNIL were the best performers and led the list of gainers with share price increases of 80.0 percent, 60.4 percent, and 24.6 percent, respectively. However, Cal and SOGEGH lost 1.3 percent and 16.7 percent, respectively, to top the losers.

Market Capitalization

Total market capitalization as at the end of Q2:2024 stood at GH¢85,096.58 million, representing an increase of 9.5 percent (GH¢7,395.41 million). Comparatively, market capitalization increased by 1.3 percent (GH¢811.42 million) in the same period in 2023.

The main sectors that accounted for the increase in market capitalization in Q2:2024 were the Manufacturing (22.5 percent; GH¢182.57), ETFund (16.2 percent; GH¢139.72) and Mining (16.1 percent; GH¢3,140.68). Market capitalization increased 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 Q2:2024 stood at GH¢221,858.61 million, representing 68.7 percent of tradable fixed income securities on the GFIM. Comparatively, it was GH¢193,523.53 million in the corresponding period in 2023. The total value of corporate bonds stood at GH¢9,904.00 million at the end of Q2:2024, accounting for only 3.1 percent of tradable fixed income securities on the GFIM.

The cumulative volume of trades on the GFIM from the beginning of the year to the end of Q2:2024 stood at GH¢71,450.63 million and the number of trades was 203,540. This compares to GH¢40,886.05 million and 205,128 in terms of volume and number of trades, respectively, in 2023.

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		
Jun-23	1002.50	638.60	1691.91	3206.48	164.41	51.53	2822.00	40.45	5107.32	100.01	100.00	2,808.03
Mar-24	2087.73	1128.08	2001.47	3863.79	165.34	61.69	4306.00	40.66	6857.71	90.92	100.00	3,456.20
Jun-24	2245.79	1382.30	2115.04	3908.06	191.98	70.66	4442.00	40.79	7970.15	90.92	100.00	3,829.61
2024 (Q-on-Q)												
Absolute Δ	158.06	254.22	113.57	44.26	26.64	8.98	136.00	0.13	1112.44	0.00	0.00	373.41
% Δ	7.57	22.54	5.67	1.15	16.11	14.56	3.16	0.32	16.22	0.00	0.00	10.80
2024 (Y-on-Y)												
Absolute Δ	1243.28	743.70	423.13	701.57	27.57	19.13	1620.00	0.34	2862.83	-9.09	0.00	1,021.58
% Δ	124.02	116.46	25.01	21.88	16.77	37.12	57.41	0.83	56.05	-9.09	0.00	36.38

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		
Jun-23	861.04	458.61	12304.18	1377.76	19380.91	17472.77	491.03	17229.79	641.48	10.57	10.70	70,238.82
Mar-24	1793.13	810.13	14084.54	1660.20	19490.57	20914.17	749.24	17317.57	861.33	9.61	10.70	77,701.17
Jun-24	1928.89	992.70	14738.95	1679.22	22631.24	23958.49	772.91	17372.85	1001.05	9.61	10.70	85,096.58
2024 (Q-on-Q)												
Absolute Δ	135.75	182.57	654.41	19.02	3140.68	3044.32	23.66	55.28	139.72	0.00	0.00	7,395.41
% Δ	7.57	22.54	4.65	1.15	16.11	14.56	3.16	0.32	16.22	0.00	0.00	9.52
2024 (Y-on-Y)												
Absolute Δ	1067.85	534.09	2434.77	301.45	3250.33	6485.72	281.88	143.06	359.57	-0.96	0.00	14,857.76
% Δ	124.02	116.46	19.79	21.88	16.77	37.12	57.41	0.83	56.05	-9.09	0.00	21.15

Source : Ghana Stock Exchange

5. Balance of Payments

5.1 International Trade and Finance

In the second quarter of 2024, Ghana's balance of payments account recorded an overall surplus of US\$873.91 million, a significant increase from the US\$246.0 million surplus observed in the same period of 2023. This was attributed to a higher current account surplus, despite increased outflows from the capital and financial account.

	Q2:2022	Q2:2023	Q2:2024	Q2:2024/2023	
				Abs change	% change
CURRENT ACCOUNT	-557.47	234.0	998.5	764.44	326.6
Merchandise Exports (f.o.b.)	4,459.31	3,800.32	4,883.32	1,082.99	28.5
Cocoa beans and products	525.27	445.46	264.54	-180.92	-40.6
Gold	1,651.77	1,740.35	2,935.96	1,195.61	68.7
Timber products	44.29	40.33	29.92	-10.42	-25.8
Oil	1,493.05	807.01	960.80	153.79	19.1
Others (including non-traditionals)	744.94	767.16	692.09	-75.07	-9.8
Merchandise Imports (f.o.b.)	-3,857.81	-3,471.06	-3,802.82	-331.76	9.6
Non-oil	-2,618.06	-2,351.64	-2,568.54	-216.90	9.2
Oil	-1,239.75	-1,119.42	-1,234.29	-114.86	10.3
Trade Balance	601.50	329.26	1,080.49	751.23	228.2
Services (net)	-748.21	-630.86	-975.74	-344.88	54.7
Receipts	2,062.27	2,229.14	2,094.30	-134.84	-6.0
Payments	-2,810.48	-2,860.01	-3,070.04	-210.04	7.3
Income (net)	-1,102.36	-517.91	-503.99	13.91	-2.7
Receipts	205.72	142.84	107.72	-35.11	-24.6
Payments	-1,308.08	-660.74	-611.71	49.03	-7.4
Current Transfers (net)	691.60	1,053.54	1,397.71	344.17	32.7
Official	0.00	6.66	0.00	-6.66	0.0
Private	691.60	1,046.88	1,397.71	350.82	33.5
Services, Income and Current Transfers (net)	-1,158.97	-95.23	-82.03	13.20	-13.9
CAPITAL & FINANCIAL ACCOUNT	-889.82	-45.79	-245.03	-199.24	435.1
Capital Account (net)	60.02	25.89	20.59	-5.29	-20.5
Capital transfers (net)	60.02	25.89	20.59	-5.29	-20.5
Financial Account (net)	-949.84	-71.68	-265.63	-193.95	270.6
Direct Investments (net)	354.07	315.32	436.32	121.00	38.4
Portfolio Investments (net)	-274.61	25.92	-13.37	-39.28	-151.6
Financial Derivatives (net)	39.46	-35.28	141.99	177.27	-502.5
Other Investments (net)	-1,068.77	-377.63	-830.57	-452.93	119.9
Official Capital (net)	-91.81	677.84	133.37	-544.47	-80.3
Other Private Capital (net)	-520.86	-442.17	-633.05	-190.89	43.2
Short-term capital (net)	-456.11	-613.30	-330.88	282.42	-46.0
ERRORS AND OMISSIONS	-115.32	57.79	120.48	62.69	108.5
OVERALL BALANCE	-1,562.61	246.03	873.91	627.89	255.2
FINANCING	1,562.61	-246.03	-873.91	-627.89	255.2
Changes in international reserves	1,562.61	-246.03	-873.91	-627.89	255.2

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

5.2 The Current Account

The current account recorded a larger surplus of US\$998.47 million in the second quarter of 2024, compared to a surplus of US\$234.0 million in the corresponding period of 2023. The enhanced surplus in the current account was primarily driven by higher trade surplus and increase in private transfers.

	Q2:2022	Q2:2023	Q2:2024	% Change Q2:24/23
Current Account Balance	-557.47	234.03	998.47	326.6
Trade Balance	601.50	329.26	1,080.49	228.2
Services Balance	-748.21	-630.86	-975.74	54.7
Investment income Balance	-1,102.36	-517.91	-503.99	-2.7
Net Unilateral Transfers	691.60	1,053.54	1,397.71	32.7

Source : Bank of Ghana

Merchandise Trade

The trade account recorded a surplus of US\$1,080.49 million in the second quarter of 2024, higher than the surplus of US\$234.03 million recorded for the same period in 2023. The rise in the trade surplus was mainly on the back of higher export earnings.

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

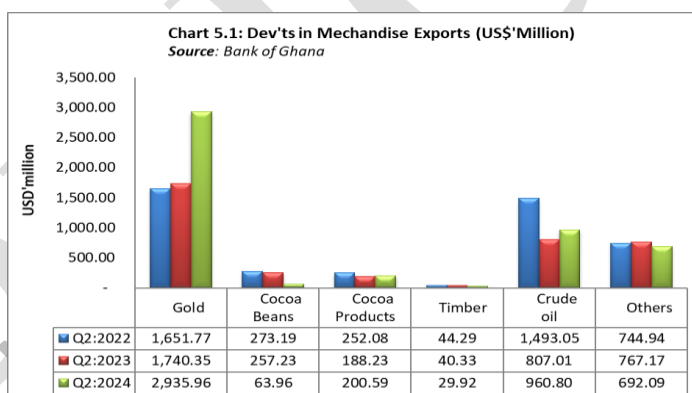
	Q2:2022	Q2:2023	Q2:2024	Q2:2024/2023	
				Abs change	% change
Total Exports	4,459.31	3,800.33	4,883.32	1082.99	28.5
Gold	1,651.77	1,740.35	2,935.96	1195.61	68.7
Cocoa Beans	273.19	257.23	63.96	-193.28	-75.1
Cocoa Products	252.08	188.23	200.59	12.35	6.6
Timber	44.29	40.33	29.92	-10.42	-25.8
Crude oil	1,493.05	807.01	960.80	153.79	19.1
Others	744.94	767.17	692.09	-75.07	-9.8

Source : Bank of Ghana

Exports

The estimated value of merchandise exports for the second quarter of 2024 was US\$4,883.32 million, indicating an increase of US\$1,083.0 million or 28.5 percent compared with US\$3,800.33 million recorded in the same period of 2023. The increase was attributable to higher crude oil and gold exports earnings.

During the review period, gold exports amounted to US\$2,935.96 million, a significant increase from the US\$1,740.35 million recorded in the same period of 2023. This rise in receipts was attributed to both volume and price effects. The volume of gold exported increased by 41.9 percent to 1,323,320 fine ounces, while the average realized price rose by 18.9 percent, reaching US\$2,218.63 per fine ounce.



Earnings from cocoa beans and products exports totaled US\$264.54 million in the second quarter of 2024, a decrease of 40.6 percent compared to US\$445.46 million in the same period of 2023. Specifically, cocoa beans exports amounted to US\$63.96 million, reflecting a 75.1 percent decline from the previous year. The volume of cocoa beans exported decreased by 79.0 percent to 22,828 tonnes, while the average price per tonne increased by 18.5 percent to US\$2,801.68. Conversely, earnings from cocoa products exports increased by 6.6 percent to US\$200.59 million, driven by a 38.5 percent rise in the average price to US\$4,436.99 per tonne, despite a 23.1 percent decrease in the volume exported to 45,208 metric tonnes.

Timber exports were valued at US\$29.92 million, down from US\$40.33 million in the same period of 2023. Additionally, the value of “other” exports, which includes non-traditional exports, electricity, and other minerals (such as bauxite, diamond, aluminium and manganese), was estimated at US\$692.09 million, representing a 9.8 percent decrease from the second quarter of 2023.

Top Ten Exported Non-Traditional Items

The value of the top ten non-traditional exports amounted to US\$306.44 million compared to US\$266.25 million recorded for the same period in 2023. Among the ten top non-traditional exports were cashew nuts, palm oil and its fractions, aluminium, among others.

Table 5.4: Top-Ten Non-Traditional Exports, April-June 2023/2024

April-June 2023			April-June 2024		
Description	US\$'M	% Distr.	Description	US\$'M	% Distr.
Cashew nuts	72.43	27.20	Cashew nuts	93.54	30.53
Aluminium	31.29	11.75	Tunas, skipjack and Atlantic bonito (Sarda spp.), whole or in pieces, but not minced	41.63	13.59
Prepared or preserved tuna	28.93	10.87	Non-refractory ceramic bricks, tiles and similar products	29.66	9.68
Technically specified natural rubber (TSNR)	27.55	10.35	Shea (karite) oil and fractions	29.55	9.64
Palm oil and its fractions	21.43	8.05	Aluminium	26.65	8.70
Bars and rods of iron or non-alloy steel	20.71	7.78	Iron/Steel	23.82	7.77
Shea (karite) oil and fractions	17.53	6.59	Technically specified natural rubber (TSNR)	18.61	6.07
Non-refractory ceramic bricks, tiles and similar products	17.09	6.42	Articles for the conveyance or packing of goods, n.e.s.; stoppers, lids, caps and other closures	16.45	5.37
Avocados, guavas, mangoes and mangosteens, fresh or dried	15.58	5.85	Palm oil and its fractions	13.74	4.49
Napkins and napkin liners for babies	13.71	5.15	Bananas (including plantains), fresh or dried	12.78	4.17
Total	266.25	100.0	Total	306.44	100.0

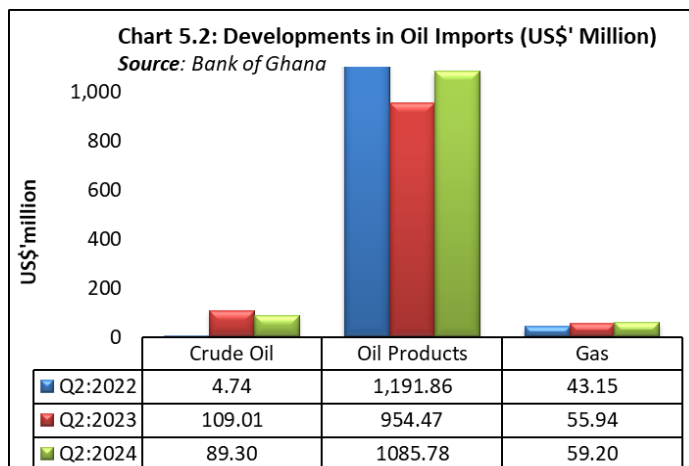
Source : Bank of Ghana

Imports

The total value of merchandise imports for the second quarter of 2024 amounted to US\$3,802.82 million, up by 9.6 percent compared to US\$3,471.06 million recorded in the same period in 2023. The increase was driven by both oil and non-oil imports.

Oil and Gas Imports

During Q2:2024, oil imports (made up of crude, gas and refined products) increased by 10.3 percent to US\$1,234.29 million from US\$1,119.42 million in 2023. The value of crude oil imports was US\$89.3 million resulting from 1,075,798 barrels of imports at an average realized price of US\$83.01 per barrel. This compares with US\$109.01 million worth of crude oil imports from a volume of 1,453,862 barrels and an average realized prices of US\$74.98 per barrel. In addition, the VRA imported 6,880,600 MMBTu of gas worth US\$59.20 million from the West African Gas Company (WAGP) at an average price of US\$8.6 per MMBTu (Million Metric British Thermal units) for its operations. For the same period last year 6,459,452 MMBTu of gas worth US\$55.94 million at an average price of US\$8.7 was imported.



The value of finished oil products imported in the second quarter of 2024 was higher at US\$1,085.78 million, compared to US\$954.47 million imported during the same period in 2023. The increased value of imports was due to higher volumes and prices.

Merchandise Non – Oil Imports

In Q2:2024, total non-oil imports (excluding electricity imports) were up by 9.3 percent to US\$2,566.06 million, driven by all categories of imports except intermediate goods.

The value of **capital goods** imported during the period was US\$565.33 million, reflecting an increase of 36.9 percent. This rise was due to higher imports in both the capital goods and industrial transport sub-categories.

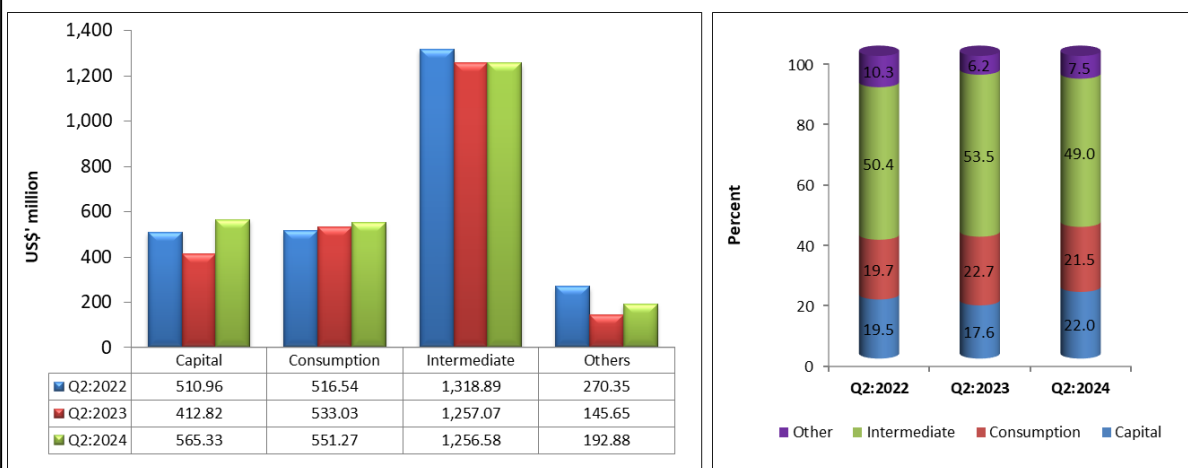
Imports of **consumption goods** also rose by 3.4 percent, reaching US\$551.27 million, up from US\$533.03 million recorded a year ago. This increase was driven by growth in all sub-categories except for processed food and beverages, primarily for household consumption, and semi-durable consumer goods.

However, the value of **intermediate goods** imported slightly decreased by 0.04 percent, amounting to US\$1,256.58 million compared to US\$1,257.07 million in the comparative period.

The value of **other goods** imported amounted to US\$192.88 million, representing a 32.4 percent increase from the US\$145.65 million recorded during the same period last year. This rise was primarily driven by an increase in passenger car imports.

Chart 5.3: Non-Oil Imports by Broad Economic Classification (US\$' Million)

Source: Bank of Ghana



Top Ten Non-Oil Imports

The total value of the top ten non-oil merchandise imports for Q2:2024 amounted to US\$740.10 million compared to US\$637.53 million recorded a year ago. Key items included motor vehicles for the transport of goods, self-propelled bulldozers, sugar among others.

Table 5.5: Top-Ten Non-Oil Imports, April-June 2023/2024

April-June 2023			April-June 2024		
Description	US\$'M (fob)	% Distr.	Description	US\$'M (fob)	% Distr.
Capital	127.13	19.9	Capital	231.61	31.3
Motor vehicles for the transport of goods, n.e.s.	79.62	12.5	Motor vehicles for the transport of goods	127.05	17.2
Self-propelled bulldozers, excavators n.e.s.	47.50	7.45	Self-propelled bulldozers, excavators n.e.s.	104.56	14.13
Consumption	163.85	25.70	Consumption	156.68	21.17
Weed killers (herbicides) and Insecticides	70.34	11.0	Weed killers (herbicides) and Insecticides	68.05	9.2
Cereal grains, worked but not rolled	48.33	7.6	Sugar	49.86	6.7
Sugar	45.19	7.1	Rice	38.77	5.2
Intermediate	221.19	34.69	Intermediate	173.75	23.5
Cement clinkers	72.94	11.44	Iron and steel bars and rods	45.43	6.14
Palm oil and its fractions	55.53	8.71	Cocoa beans, whole or broken, raw or roasted	45.04	6.09
Articles of Iron or Steel	49.20	7.72	Cement clinkers	43.34	5.86
Flexible tubing of base metal, with or without fittings	43.52	6.8	Wadding, gauze, bandages and similar articles	39.94	5.4
Other	125.37	19.7	Other	178.06	24.1
Motor vehicles for the transport of persons, n.e.s.	125.37	19.7	Motor vehicles for the transport of persons, n.e.s.	178.06	24.1
Total	637.53	100.00	Total	740.10	100.00

Source: Bank of Ghana

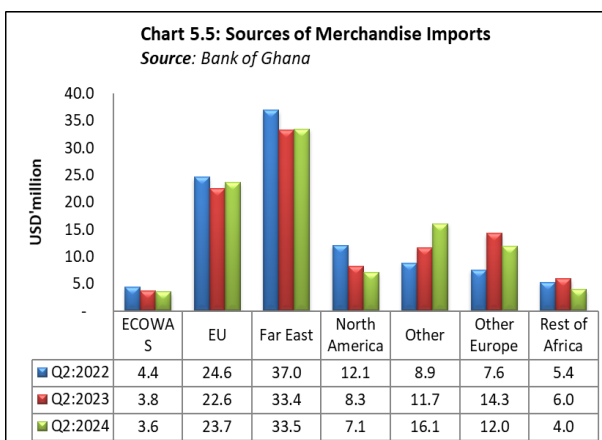
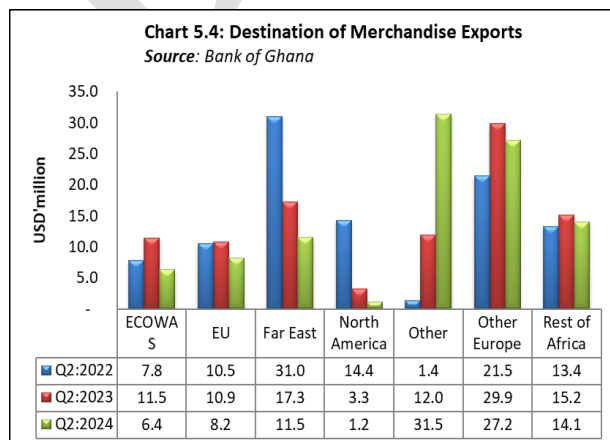
Direction of Trade

Destination of Exports

During the review period, Other economies received the largest share (31.5%) of Ghana's total exports while countries from North America received the least share (1.2%). The share of total exports to Africa decreased to 20.5 percent from 26.7 percent in the same period last year.

Sources of Merchandise Imports

The largest share (33.5%) of Ghana's imports during the review period originated from the Far East whilst countries from the ECOWAS subregion provided the least share (3.6%).



Services, Income and Transfers Account

During the review period, the Services, Income, and Unilateral Transfers account showed a lower deficit of US\$82.03 million, compared with a deficit of US\$95.23 million in Q2:2023. This improvement was primarily due to reduced investment income outflows and an increase in private transfers.

The balance on the Services account contracted, increasing from a deficit of US\$630.86 million in Q2:2023 to a deficit of US\$975.74 million in the Q2:2024.

Conversely, the deficit on the Income account decreased by 2.7 percent to US\$503.99 million, down from US\$517.91 million in the same period of 2023. This reduction in net income outflow was attributed to the suspension of interest payments on certain external debts.

	Q2:2022	Q2:2023	Q2:2024	Q2:2024/2023	
				Abs change	% change
Services (net)	-748.21	-630.86	-975.74	-344.88	54.7
Freight and Insurance	-410.88	-262.84	-208.26	54.58	-20.8
Other Services	-337.33	-368.02	-767.48	-399.46	108.5
Income (net)	-1,102.36	-517.91	-503.99	13.91	-2.7
Current Transfers (net)	691.60	1,053.54	1,397.71	344.17	32.7
Official	0.00	6.66	0.00	-6.66	0.0
Private	691.60	1,046.88	1,397.71	350.82	33.5
Services, Income and Current Transfers (net)	-1,158.97	-95.23	-82.03	13.20	-13.9

Source : Bank of Ghana

Current transfers, predominantly private remittances, increased by 32.7 percent from US\$1,053.54 million in Q2:2023 to US\$1,397.71 million in Q2:2024.

5.3 Capital and Financial Account

Net outflows in the capital and financial account totalled US\$245.03 million in Q2:2024, a significant increase from the net outflows of US\$45.79 million recorded in the same period of 2023.

Capital Account

The capital account received transfers totalling US\$20.59 million during the review period, a decrease from the US\$25.89 million received in the same period of 2023.

Financial Account

In the financial account, outflows amounted to US\$265.63 million compared to an outflow of US\$71.68 million recorded in the same period last year. The higher outflows in the financial account were primarily driven by increased portfolio and other investments outflows.

In Q2:2024, net foreign direct investments increased to US\$436.32 million from US\$315.32 million recorded for the same quarter last year.

During the period, net portfolio investment recorded an outflow of US\$13.37 million, contrasting with a net inflow of US\$25.92 million in Q2:2023.

Additionally, net other investment outflows increased from \$412.91 million in Q2:2023 to \$688.58 million in Q2:2024.

These developments in the current account and the capital and financial accounts led to an overall balance of payments surplus of \$873.91 million for Q2:2024, compared to a surplus of \$246.0 million in the same period of 2023.

Table 5.7: Capital and Financial Account (US\$' Million)

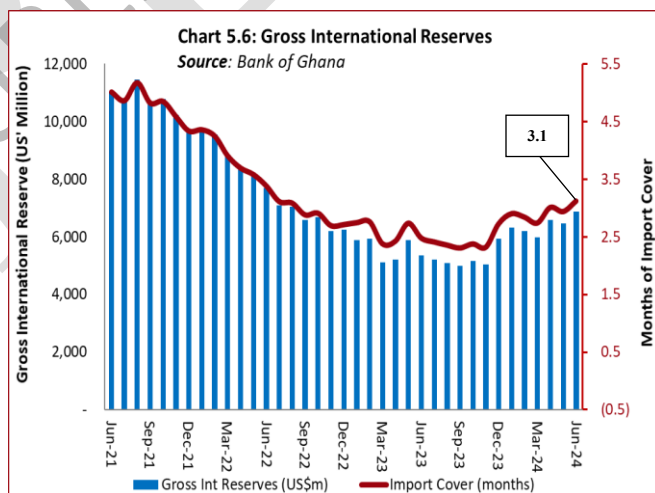
	Q2:2022	Q2:2023	Q2:2024	Q2:2024/2023	
				Abs change	% change
Capital and Financial Accounts	-889.82	-45.79	-245.03	-199.24	435.1
Capital transfers	60.02	25.89	20.59	-5.29	-20.5
Financial Account	-949.84	-71.68	-265.63	-193.95	270.6
Foreign Direct Investments	354.07	315.32	436.32	121.00	38.4
Portfolio Investments	-274.61	25.92	-13.37	-39.28	-151.6
Other Investments	-1,029.31	-412.91	-688.58	-275.66	66.8
Official Capital	270.72	685.67	237.15	-448.52	-65.4
Disbursements	608.34	840.77	293.38	-547.38	-65.1
Amortisation	-337.62	-155.09	-56.23	98.86	-63.7
Private Capital (other)	-481.39	-477.45	-491.07	-13.62	2.9
Disbursements	3,054.03	3,087.95	2,980.66	-107.29	-3.5
Amortisation	-3,535.43	-3,565.39	-3,471.73	93.67	-2.6
Short-term Capital	-456.11	-613.30	-330.88	282.42	-46.0
Non-Monetary	-312.89	-386.18	49.20	435.38	-112.7
Monetary	-143.21	-227.12	-380.08	-152.95	67.3
Government Oil Investments	-362.53	-7.84	-103.78	-95.94	1,224.1
Inflow	0.00	39.35	0.00	-39.35	-100.0
Outflow	-362.53	-47.19	-103.78	-56.59	119.9

Source : Bank of Ghana

5.4 International Reserves

At the end of June 2024, the stock of Net International Reserves (NIR) was US\$4,500.59 million, reflecting an increase of US\$1,309.03 million from US\$3,191.56 million at the end of December 2023.

The country's Gross International Reserves reached US\$6,865.25 million, a build-up of US\$942.27 by the end of June 2024. This level of reserves was sufficient to cover 3.1 months of imports for goods and services, compared to 2.5 months in June 2023 and 2.7 months in December 2023.



6. Fiscal Developments

Overall government budgetary operations for the first half of 2024 resulted in a cash deficit of GH¢33,106.1 million (3.2% of GDP), compared with a deficit of GH¢4,871.1 million (0.8% of GDP) recorded in the corresponding period of 2023. The deficit was above the programmed target of GH¢25,835.6 million (2.5% of GDP). Total revenue and grants over the period were GH¢62,952.6 million (6.0% of GDP), a shortfall from the programmed target of GH¢66,880.2 million (6.4% of GDP) by 5.9 percent. On the other hand, total expenditure was GH¢96,058.7 million (9.1% of GDP), exceeding its programmed target of GH¢92,715.8 million (8.8% of GDP) by 3.6 percent.

Table 6.1: Fiscal Indicators, Q2:2024 (GH¢ Million)

	2023 Jan-Jun Outturn	2024 Jun Outturn	2024 Jan-Jun Outturn	2024 Jan-Jun Budget
Domestic Primary Balance	5,664.89	3,616.56	(16,058.69)	(900.56)
% of GDP	0.9	0.3	(1.5)	(0.1)
Overall Balance	(4,871.08)	2,033.02	(33,106.08)	(25,835.56)
% of GDP	(0.8)	0.2	(3.2)	(2.5)
Total Revenue & Grants	55,126.71	14,433.34	62,952.62	66,880.23
% of GDP	9.0	1.4	6.0	6.4
Total Revenue	55,126.71	14,433.34	62,952.62	66,880.23
% of GDP	9.0	1.4	6.0	6.4
Tax Revenue	47,174.11	11,336.30	57,280.65	65,727.94
% of GDP	7.7	1.1	5.5	6.3
Total Expenditure	59,997.79	12,400.32	96,058.70	92,715.79
% of GDP	9.8	1.2	9.1	8.8
Net Domestic Financing	5,570.84	(1,983.55)	21,603.29	33,026.44
% of GDP	0.9	(0.2)	2.1	3.1
Gross Domestic Product (GDP)	854,834.49	1,050,978.26	1,050,978.26	1,050,978.26

Source: Bank of Ghana and Ministry of Finance, Ghana

6.1 Government Revenue

Government receipts of GH¢62,952.6 million (6.0% of GDP) in the review period fell short of the programmed target by 5.9 percent and recorded a year-on-year growth of 14.2 percent.

Out of the total revenue, tax revenue accounted for GH¢57,280.6 million (4.4% of GDP), missing its target by 12.9 percent, while non-tax revenue contributed GH¢1,202 million (0.1% of GDP), exceeding its target by 4.3 percent. However, both handles recorded year-on-year growths of 21.4 and 85.2 percent, respectively.

Total customs collections, comprising Import Duty, Import VAT, and Petroleum Tax, were GH¢16,973.6 million, below the program target of GH¢20,026.4 million by 15.2 percent, but recorded a year-on-year increase of 35.7 percent. The Division's collections failed to meet its target due to lower-than-expected imports (volume), reduced port activity, ex-warehousing issues, and low

Table 6.2: Government Revenue and Grants, Q2:2024 (GH¢ Million)

	2023 Jan-Jun Outturn	2024 Jun Outturn	2024 Jan-Jun Outturn	2024 Jan-Jun Budget	Deviation Over(+) Below(-)	% Change Yr-on-Yr Q2:24-23
TOTAL REVENUE AND GRANTS	55,126.7	14,433.3	62,952.6	66,880.2	(5.9)	14.2
% of GDP	6.4	1.4	6.0	6.4		
Tax Revenue	47,174.1	11,336.3	57,280.6	65,727.9	(12.9)	21.4
% of GDP	4.2	1.0	4.4	5.0		
Import Duty, Import VAT, Petroleum Tax	12,503.7	2,989.8	16,973.6	20,026.4	(15.2)	35.7
Income and Property Taxes	18,916.9	5,051.1	22,596.2	22,401.6	0.9	19.4
Domestic VAT and Excise Duty	11,367.1	2,594.0	12,101.3	15,005.6	(19.4)	6.5
GRA E-LEVY LODGEMENT	455.6	153.9	759.2	898.4	(15.5)	
Oil Revenue (ABFA)	2,620.3	169.1	2,668.0	4,903.9	(45.6)	
Others Revenue Measures (ESLA-DRL)	1,310.5	378.4	2,182.4	2,492.1	(12.4)	66.5
Non-Tax Revenue	649.1	353.3	1,202.0	1,152.3	4.3	85.2
Others	7,303.5	2,743.7	4,470.0	0.0		(38.8)

Source: Bank of Ghana and Ministry of Finance, Ghana

petroleum collections. Additionally, sustained increases in exemptions, zero-rated, and 5% categories continued to dominate imports and reduced taxable CIF, which impacted revenue collection negatively.

Domestic direct tax, made up of income and property taxes, totalled GH¢22,596.2 million, which was above the target of GH¢22,401.6 million by 0.9 percent. This tax handle exceeded its target because of an increase in withholding tax payments by some companies during the period under review.

Domestic indirect tax (Domestic VAT and Excise Duty) was GH¢12,101.3 million, below its target of GH¢15,005.6 million by 19.4 percent. This revenue handle registered a year-on-year growth of 6.5 percent. The underperformance was attributed to a marginal decline in the consumption of general goods and services.

Receipts from the Annual Budget Funding Amount (ABFA) and Energy Sector Levy Act (ESLA) lodgements summed up to GH¢4,850.4 million, compared to a target of GH¢7,396 million. ABFA underperformance was due to lower-than-expected production volumes over the period under review. Collections of ESLA also failed to meet their target mainly due to declines in the consumption of petroleum products.

Non-tax revenue summed to GH¢1,202 million, above the target of GH¢1,152.3 million by 2.8 percent. The rise was due mainly to accrued interest in the ESLA accounts.

6.2 Government Expenditure

Total Government Expenditure for the first half of 2024 was GH¢96,058.7 million (9.1% of GDP). This was above the target of GH¢92,715.8 million (8.8% of GDP) and recorded a year-on-year growth of 60.1 percent.

Total Expenditure was made up of interest payments of GH¢17,047.4 million and non-interest payments of GH¢79,011.3 million constituting 17.7 percent and 82.3 percent of total expenditure respectively.

Domestic interest payments recorded 68.2 percent year-on-year growth, largely due to the on-going debt restructuring program, being pursued by the Government. However, External interest payments recorded a year-on-year decline of 22.2 percent.

Table 6.3: Government Expenditure, Q2:2024 (GH¢'Million)

	2023 Jan-Jun Outturn	2024 Jun Outturn	2024 Jan-Jun Outturn	2024 Jan-Jun Budget	Deviation Over(+) Below(-)	% Change Yr-on-Yr Q2:24-23
TOTAL EXPENDITURE	59,997.8	12,400.3	96,058.7	92,715.8	3.6	60.1
% of GDP	7.0	1.2	9.1	8.8		
Interest Expenditure	10,536.0	1,583.5	17,047.4	24,935.0	(31.6)	61.8
Interest domestic	9,793.5	1,467.8	16,469.8	16,351.7	0.7	68.2
Interest external	742.5	115.7	577.6	8,583.3	(93.3)	(22.2)
Non-Interest Expenditure	49,461.8	10,816.8	79,011.3	67,780.8	16.6	59.7
DACF	981.0	108.5	1,063.4	2,380.7	(55.3)	8.4
GET Fund	1,440.1	206.8	1,168.4	1,347.7	(13.3)	(18.9)
Compensation of Employees	24,607.5	4,408.3	31,172.1	29,962.0	4.0	26.7
Good and Services	6,620.1	3,594.3	20,613.7	4,562.1	351.8	211.4
Capital Expenditure	4,449.6	1,757.8	16,056.4	10,296.8	55.9	260.9
Petroleum Expenditure	382.5	70.2	374.0	482.1	(22.4)	(2.2)
National Health Fund	1,178.2	400.0	1,630.0	2,805.9	(41.9)	38.3
Other Payment	9,802.7	271.0	6,933.3	15,943.4	(56.5)	(29.3)

Source: Bank of Ghana and Ministry of Finance, Ghana

Non-Interest payments of GH¢79,011.3 million was above its target of GH¢67,780.8 million and recorded year-on-year increase of 59.7 percent.

Compensation of employees of GH¢31,172.1 million was above target of GH¢29,962.0 million and showed a year-on-year increase of 4.0 percent, compared with GH¢24,607.5 million recorded in comparable period in 2023.

Expenditure on goods and services totalled GH¢20,613.7 million, exceeding programme target of GH¢4,562.1 million by 351.8 percent. This outturn was above GH¢6,620.1 million recorded in corresponding period of 2023. Capital Expenditure of GH¢16,056.4 million was also above its target of GH¢10,296.8 million by 55.9 percent. These significant increases in Goods and services and Capital Expenditure were partly due to arrears clearance relating to previous years.

Statutory payments made in respect of DACF and NHI Fund were GH¢1,063.4 million and GH¢1,630.0 million respectively and recorded a target deviation of 55.3 percent and 41.9 percent respectively. GET Fund recorded GH¢1,168.4 million falling short of its target by 13.3 percent.

6.3 Overall, Balance and Financing

Fiscal operations for the review period resulted in an overall cash deficit of GH¢33,106.1 million (3.2% of GDP). The deficit together with net foreign loan repayments of GH¢1,078.4 million, resulted in a resource gap of GH¢34,184.5 million which was financed from domestic and foreign sources.

Government borrowing of GH¢24,750.1 million from the non-bank public and GH¢928.2 million from the DMBs together with the use of GH¢1,082 million was used to settle Government obligations of GH¢26,760.3 million and the remainder used to improve Government position with Bank of Ghana to the tune of GH¢4,075 million.

	2023 Jan-Jun Outturn	2024 Jun Outturn	2024 Jan-Jun Outturn	2024 Jan-Jun Budget	Deviation Over(+) / Below(-)	% Change Yr-on-Yr Q2:24-23
REVENUE AND GRANTS	55,126.7	14,433.3	62,952.6	66,880.2	(5.9)	14.2
EXPENDITURE	59,997.8	12,400.3	96,058.7	92,715.8	3.6	60.1
OVERALL BALANCE(Commitment)	(4,871.1)	2,033.0	(33,106.1)	(25,835.6)	28.1	579.6
% of GDP	(0.6)	0.2	(3.2)	(2.5)		
OVERALL BALANCE(Cash)	(4,871.1)	2,033.0	(33,106.1)	(25,835.6)	28.1	579.6
% of GDP	(0.6)	0.2	(3.2)	(2.5)		
OVERALL BALANCE(Cash Incl. Divestiture)	(4,871.1)	2,033.0	(33,106.1)	(25,835.6)	28.1	579.6
% of GDP	(0.6)	0.2	(3.2)	(2.5)		
FINANCING	4,871.1	(2,033.0)	33,106.1	25,835.6	28.1	579.6
DOMESTIC (NET)	5,570.8	(1,983.6)	21,603.3	33,026.4	(34.6)	287.8
% of GDP	0.65%	-0.19%	2.06%	3.14%	(34.6)	215.4
Banking	4,790.2	(6,171.3)	(3,146.8)	30,098.6	(110.5)	(165.7)
Bank of Ghana	(774.9)	(2,686.9)	(4,075.0)	0.0		425.9
Deposit Money Banks	5,565.1	(3,484.3)	928.2	30,098.6	(96.9)	(83.3)
Non-Bank	780.6	4,187.7	24,750.1	18,804.4	31.6	3,070.6
Non-Residents	(1,315.0)	8.0	146.1	0.0		(111.1)
Residents	2,095.6	4,179.7	24,604.0	0.0		
Other Domestic	0.0	0.0	0.0	(15,876.6)		
FOREIGN (NET)	(699.8)	(49.5)	10,420.8	(6,413.3)	(262.5)	(1,589.2)
Total Inflows	1,500.0	0.0	11,499.3	4,190.3		
Loan Disbursement	1,500.0	0.0	11,499.3	4,190.3		
Inflows (EUROBONDS)	0.0	0.0	0.0	0.0		
Exceptional Financing	0.0	0.0	0.0	0.0		
Loan Repayment	(2,199.8)	(49.5)	(1,078.4)	(10,603.6)	(89.8)	(51.0)
Other Financing (SDR Allocation)	0.0	0.0	0.0	0.0		
Other Financing (Domestic)	0.0	0.0	0.0	0.0		
Other Financing (Sinking Fund)	0.0	0.0	1,082.0	(777.6)	(239.1)	
GDP AT CURRENT PRICES	854,834.5	1,050,978.3	1,050,978.3	1,050,978.3		

Source : Bank of Ghana and Ministry of Finance, Ghana

6.4 Domestic Debt

Composition of Domestic Debt

The stock of domestic debt at the end of June 2024 stood at GH¢287,047.6 million (27.3 % of GDP), showing an increase of GH¢32,780.9 million over the End-December 2023 stock as presented in Table 5. The year-to-date growth in the debt stock was mainly due to increases of GH¢26,473.4 million in the short term, GH¢4,924 million in the medium term and GH¢1,383.5 million in the long-term securities.

The increase in the long-term component was solely driven by an increase in the 15-year GOG Bond. This was however larger than the additional non-marketable instruments offered to pension funds as an alternative to their holdings in marketable instruments.

The growth in the medium-term component, which constitutes 52.3 percent of total debt stock, was due to a net increase of GH¢4,924 million. This increase was largely due to the restructuring of non-marketable debt instruments to marketable ones. This positive increase in the medium-term component was because of collective increase in all the medium-term instruments except for the 2-Year Fixed Treasury Note, 3-Year Fixed Treasury Note and the 7-Year GOG Bond. These three instruments experienced declines of GH¢224.7 million, GH¢136.9 million, and GH¢22.4 million respectively.

The growth in the short-term securities of GH¢26,473.4 million reflected in the 91-day, 182-day, and 364-day instruments by GH¢5,122.1 million, GH¢10,387 million, and GH¢10,964.3 million respectively.

Table 6.5: Stock of Domestic Debt, Q2:2024 (GH¢'Million)

	Q4:2023	Q1:2024	Q2:2024	Abs Δ Q2:2024 - Q4:2023	Instrument as % of Total Debt Stock
A. Short-Term Instruments	67,069.03	89,076.16	93,542.46	26,473.43	32.6
91-Day Treasury Bill	30,774.53	35,271.61	35,896.66	5,122.13	12.5
182-Day Treasury Bill	16,911.06	24,447.76	27,298.07	10,387.01	9.5
364-Day Treasury Bill	19,383.44	29,356.80	30,347.73	10,964.29	10.6
B. Medium-Term Instruments	145,066.45	147,422.26	149,990.43	4,923.98	52.3
2-Year Fixed Treasury Note	224.74	94.88	0.00	(224.74)	0.0
3-Year Fixed Treasury Note	817.90	683.63	681.00	(136.90)	0.2
3-year USD Domestic Bond	0.00	0.00	0.00	0.00	0.0
4-Year GOG Bond	27,945.46	28,385.05	28,390.79	445.33	9.9
4-year USD Domestic Bond	4,592.86	4,978.31	5,639.04	1,046.17	2.0
4.5-year GOG Bond (DDEP)	3,265.42	3,265.42	3,265.42	0.00	1.1
5-Year GOG Bond	29,247.88	29,702.99	29,492.39	244.51	10.3
5.5-year GOG Bond (DDEP)	3,265.42	3,265.42	3,265.42	0.00	1.1
5-year USD Domestic Bond	4,818.08	5,222.43	5,915.55	1,097.47	2.1
5-year Golden Jubilee Bond	0.00	0.00	0.00	0.00	0.0
6-Year GOG Bond	10,443.95	10,587.77	10,592.54	148.59	3.7
7-Year GOG Bond	9,990.57	9,965.87	9,968.18	(22.39)	3.5
8-year GOG Bond (DDEP)	8,874.94	9,023.25	9,030.27	155.33	3.1
9-year GOG Bond (DDEP)	8,581.24	8,736.08	8,736.12	154.87	3.0
10-Year GOG Bond	10,590.87	10,752.25	11,467.20	876.33	4.0
11-year GOG Bond (DDEP)	5,686.84	5,773.47	5,792.18	105.34	2.0
12-year GOG Bond (DDEP)	5,405.80	5,493.05	5,509.02	103.22	1.9
13-year GOG Bond (DDEP)	5,255.46	5,342.68	6,059.18	803.72	2.1
14-year GOG Bond (DDEP)	6,059.01	6,149.70	6,186.11	127.10	2.2
C. Long-Term Instruments	42,131.23	43,134.79	43,514.72	1,383.49	15.2
15-Year GOG Bond	41,076.75	42,080.32	42,680.37	1,603.62	14.9
20-Year GOG Bond	63.90	63.90	63.90	0.00	0.0
Long Term Govt. Stocks	0.00	0.00	0.00	0.00	0.0
GOG Petroleum Finance Bonds	0.00	0.00	0.00	0.00	0.0
TOR Bonds	(0.00)	(0.00)	(0.00)	0.00	(0.0)
Telekom Malaysia Stocks	0.00	0.00	0.00	0.00	0.0
Revaluation Stock	0.00	0.00	0.00	0.00	0.0
Other Government Stocks	990.58	990.58	770.45	(220.13)	0.3
TOTAL (A+B+C)	254,266.71	279,633.21	287,047.61	32,780.90	100.0

Source : Bank of Ghana and Ministry of Finance, Ghana

Holdings of Domestic Debt

Bank of Ghana's holdings of domestic debt as of June 2024 stood at GH¢55,914.7 million, 19.5 percent of the total domestic debt against End-December 2023 holdings of GH¢54,530.7 million, representing 21.4 percent. The Deposit Money Banks' (DMBs) holding was GH¢80,263.6 million (28.0%), compared to GH¢76,234.2 million (30%) at the end of December 2023. SSNIT holdings was GH¢4,366.9 million (1.5%) and Insurance companies held GH¢2,160.9 million (0.8%). Other holders made up of rural banks, firms and institutions as well as individuals held GH¢131,136.3 million (45.7%). Non-Residents

Table 6.6: Holdings of Domestic Debt, Q2:2024 (GH¢'Million)

	Q4:2023	as % of Total	Q1:2024	as % of Total	Q2:2024	as % of Total
A. Banking system	130,764.88	51.4	141,532.80	62.8	136,178.26	47.4
Bank of Ghana	54,530.68	21.4	55,895.17	33.6	55,914.68	19.5
Deposit Money Banks	76,234.19	30.0	85,637.63	29.2	80,263.58	28.0
B. Nonbank sector	110,446.22	43.4	124,881.80	32.2	137,664.08	48.0
SSNIT	1,638.07	0.6	1,750.47	0.3	4,366.87	1.5
Insurance Companies	1,864.43	0.7	2,080.86	0.7	2,160.94	0.8
Others Holders	106,943.72	42.1	121,050.47	31.2	131,136.26	45.7
Rural Banks	4,690.94	1.8	5,296.01	1.4	6,134.87	2.1
Firms & Institutions	73,192.16	28.8	82,155.71	21.2	87,235.22	30.4
Individuals	29,060.61	11.4	33,598.75	8.6	37,766.16	13.2
C. Foreign sector(Non-Residents)	13,055.61	5.1	13,218.62	5.0	13,205.27	4.6
TOTAL (A+B+C)	254,266.71	100.0	279,633.21	100.0	287,047.61	100.0

Source: Bank of Ghana and Ministry of Finance, Ghana

holdings of domestic debt stock at the end of June 2024 stood at GH¢13,205.3 million (4.6%), indicating an increase of 1.1 percent compared with their holdings of GH¢13,055.6 million (5.1%) in December 2023.

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