



# **BANK OF GHANA**

**TRANSCRIPT OF THE MPC PRESS BRIEFING HELD ON  
30 JULY 2025, AT THE BANK SQUARE**

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**TRANSCRIPT OF THE MONETARY POLICY COMMITTEE**  
**PRESS BRIEFING HELD ON WEDNESDAY, 30 JULY 2025**

On Wednesday, 30 July 2025, the Monetary Policy Committee (MPC) held a press briefing following its 125th meeting. The session was chaired by the Governor, who also serves as the Chairman of the Committee. Below is the edited transcript featuring questions from the press and the responses provided by the Governor. The full recording of the briefing is available on the Bank of Ghana's website: [www.bog.gov.gh](http://www.bog.gov.gh).

**Questioner:** *Governor, has the Government taken a policy decision to maintain the USD/GHS exchange rate above GHS10?*

**Governor:** As I've consistently explained, Ghana operates under a managed floating exchange rate regime. This means we do not maintain a fixed exchange rate, nor do we peg or defend the cedi against the US dollar at any specific level. The exchange rate is an endogenous variable, influenced by market forces, and is allowed to fluctuate freely.

It's important to view the current exchange rate dynamics in the proper context. The latest Monetary Policy Statement highlights the strength of Ghana's external sector, which has shown robust performance. In such a scenario where the external sector is strong, there is no fundamental reason for the cedi to come under pressure.

To be clear, we are not defending any rate. We expect the cedi to move in line with economic fundamentals, and we welcome its natural fluctuations within that framework.

**Questioner:** *Importers have raised concerns about difficulties in accessing US dollars through commercial banks. To verify these claims, I personally visited four banks and [can] confirm that they were indeed struggling to meet customer demand due to [the] limited dollar availability. What is driving this situation, and is there an actual shortage of foreign exchange within the banking system?*

**Governor:** We continue to provide regular support to the foreign exchange market—almost daily. This is necessary because certain inflows that previously went directly to commercial banks, particularly from small-scale mining operations, now accrue directly to the Bank of Ghana. Additionally, we purchase foreign exchange from mining firms, which naturally position us to support the market.

Therefore, we do not anticipate a shortage of US dollars at the commercial banks. While there have been isolated cases, our investigations revealed that delays were often due to importers lacking the appropriate documentation, not a systemic shortage of forex.

Banks typically finance trade through nostro accounts, which are accounts they maintain with correspondent banks abroad. Payments for imports are made through these accounts, so there's no need to physically hold US dollars in Accra to settle international transactions.

However, we've observed a decline in certain inflows, particularly remittance flows, since April [this year]. We are actively investigating this trend. Just yesterday [July 29, 2025], the Bank issued a Notice to banks, Payment and Remittance Service Providers (PRSPs), and Money Transfer Operators (MTOs), outlining new monitoring requirements. We are collecting detailed data from these entities to ensure that all foreign exchange earned abroad is properly accounted for and retained within the domestic financial system.

We are also enhancing oversight of banks' nostro balances to prevent offshoring and ensure that forex remains available to support imports and economic activity. These measures will help stabilize the exchange rate going forward.

Importantly, Ghana's external sector remains strong, and our fiscal position is sound. Given these [strong] fundamentals, there is no reason for the cedi to be under undue pressure.

**Questioner:** *Governor, you have been in office for about seven months now. Are you experiencing any pressure to restore the licences of any of the banks or financial institutions that had them revoked? We would appreciate your thoughts on this matter.*

**Governor:** No, not at all. It's important to note that the resolution framework is actively functioning. When I assumed office, I found that significant progress had already been made. Some cases are currently before the courts, while others are undergoing various forms of settlement. The process is ongoing, and we are committed to following it through.

As for the question of restoring licence, it depends on the outcomes of these processes. For instance, if a court issues a directive, the Board of the Bank of Ghana will consider it accordingly. From my current position, I can confidently say that there is no pressure on me to unilaterally reinstate any licence. I must emphasise that there is no pressure on me to act unilaterally in this regard.

**Questioner:** *During the opening of the 125th MPC Meetings, you mentioned that the non-performing loans ratio remains elevated at 23.1 percent, requiring continuous supervisory attention. Governor, what accounted for the 23.1 per cent and what is the Bank of Ghana doing to address this?*

**Governor:** We have been actively working to address the issue of high Non-Performing Loans (NPLs), and as I mentioned in my opening remarks, the current level of NPLs remains a concern. In response, we have recently issued new regulatory Notices to banks aimed at tackling this challenge.

For those interested in the specifics of these Notices, the Head of the Banking Supervision Department at the Bank of Ghana will provide a detailed briefing following this session.

Our goal is not only to reduce NPLs but also to strengthen the credit administration frameworks within banks. This is crucial, especially as we transition away from a regime of persistently high interest rates. At present, Bank of Ghana bills offer attractive returns, allowing banks to invest and report strong bottom lines. However, this phase is nearing its end.

Soon, banks will need to rely more heavily on the performance of their loan portfolios to generate returns. This makes it imperative for them to enhance credit administration and reduce NPLs to sustain profitability in the evolving financial landscape.

**Questioner:** *Governor, some economic analysts have suggested that relying solely on the debt-to-GDP ratio may not provide a comprehensive picture of the country's fiscal health. After all, debt is serviced through revenue, not GDP. Wouldn't it be more transparent and informative to incorporate other indicators, such as present value of debt to GDP, revenue-to-GDP, or export-to-GDP ratios when assessing the economy's fiscal position? What are your thoughts on broadening the framework for evaluating fiscal sustainability?*

**Governor:** Yes, you are right. While the debt-to-GDP ratio is a commonly used metric, there are other indicators that provide a more comprehensive understanding of fiscal health. For example, ratios such as revenue-to-debt service, export-to-debt service, and net present value of debt-to-GDP offer deeper insights. These alternative measures help paint a more accurate picture of the economy's sustainability. I believe that if you examine these indicators, you'll find that they reflect the progress we have made so far.

**Questioner:** *We have observed a consistent decline in real private sector credit since the beginning of the year. What accounts for this trend?*

**Governor:** Indeed, this trend is not entirely new. In fact, when you examine private sector credit as a percentage of GDP and compare Ghana to its peers within the sub-region, we appear to be lagging. This reality is behind the initiatives we have undertaken since I assumed office.

Our objective is to transition into a regime where credit becomes a central focus for banks. As financial intermediaries, their core function is to mobilise funds from savers and channel them to productive users. Based on the data available to me, we are making steady progress toward that goal.

We are optimistic that private sector credit will begin to rise. As that happens, we expect further declines in inflation. Treasury bill rates have already started to fall,

and as inflation continues a downward trajectory, the Monetary Policy Committee has indicated its readiness to adjust the policy rate accordingly.

**Questioner:** *Governor, you mentioned that the Bank of Ghana purchases gold from mining firms. Could you clarify whether the pricing mechanism used by the Bank of Ghana is the same as that employed by the Ghana Gold Board (GoldBod)? There have been concerns from some gold dealers who feel that the prices offered by GoldBod are not sufficiently competitive, particularly given their current role as the sole authorised buyer of gold. Additionally, could you explain the rationale behind the Bank of Ghana's decision to continue purchasing gold from the open market, despite GoldBod's central role in the sector?*

**Governor:** GoldBod currently serves as the sole authorised purchaser of gold. Their pricing methodology incorporates several variables, including the exchange rate. Notably, GoldBod applies the official interbank rate in its transactions. In contrast, private sector entities previously involved in gold trading often used a variety of exchange rates, including informal market rates.

These private traders, due to their active engagement in gold trading, were able to purchase gold at prices even above the prevailing world market rate. Their business model allowed them to stockpile gold and strategically time their sales to maximise returns.

GoldBod, however, operates primarily within the spot market framework. As a result, its pricing is based on the interbank rate and tends to be lower than what private traders might offer. This explains the divergence in pricing and the concerns raised by some dealers.

Additionally, I would like to clarify that when I referred to gold purchases, I was not speaking about direct acquisitions from mining firms for reserve purposes. While the Bank of Ghana does purchase gold for its reserves, my earlier reference was specifically to foreign exchange transactions. Mining firms sell foreign exchange to the Bank, which we utilise to support our reserves and intervene in the market when necessary.

**Questioner:** *In your recent commentary at one of your public engagements, you emphasised the point about data being the guide to whatever decisions are taken by the Monetary Policy Committee. With respect to your 300-basis points cut, how did the data on the ground [in terms of liquidity projections, inflation], guide this action? Some argue that the OMO bills, T- bill rates and other instruments on the market have declined, but the committee decided to reduce the policy rate to 25 per cent. Is the committee aware of some developments that some stakeholders in the business space don't see, especially when Government and other players think that the rate should have gone down further by what we are seeing?*

**Governor:** As you are aware, the Monetary Policy Committee has spent the past several days thoroughly reviewing a wide range of data. This includes presentations covering the real sector, external sector, inflation outlook, monetary developments, and confidence surveys, essentially all the critical indicators required to inform sound policy decisions.

The Committee has carefully assessed both the upside and downside risks, as outlined in its official communiqué. On balance, the MPC determined that a 300-basis points reduction in the policy rate was appropriate at this time, while remaining vigilant and data-dependent moving forward.

The Committee has also made it clear in its statement that it remains committed to further easing the policy rate should incoming data support such a move. So, there is no cause for concern. As macroeconomic indicators continue to align with expectations, the MPC will respond accordingly.

**Questioner:** *Could you provide an update on developments regarding gold prices and the Bank of Ghana's hedging strategy? Current forecasts suggest a potential decline in global gold prices, and it would be helpful to understand how such a trend might affect our reserve accumulation efforts. Additionally, what is the latest status of Ghana's foreign reserves? We have also observed some fluctuations in cocoa prices recently; could you shed light on how these dynamics are influencing reserve management and broader economic planning?*

**Governor:** Yes, as indicated during the last Monetary Policy Committee meeting, the hedging initiative is progressing steadily. We are currently in discussions with several banks to finalise the arrangements. Our objective is to hedge a portion of our gold holdings, and we anticipate that within the next month, we should be able to implement this strategy. Once the process is concluded, we will be pleased to share the details publicly.

**Questioner:** *Could you share the range of policy rate reductions that were initially proposed by members of the Monetary Policy Committee before the final decision to implement a 300-basis point cut was reached?*

**Governor:** As you are aware, the Monetary Policy Committee operates based on majority decision-making. In line with our transparency practices, the individual submissions and voting positions of each MPC member will be published in the national newspapers on Monday [August 4, 2025]. This will allow stakeholders to review the reasoning behind each member's decision and better understand the considerations that shaped the outcome.



**Questioner:** *Governor, the persistence of black-market foreign exchange activity remains a concern. Is this practice considered illegal, or has it simply become normalised due to a lack of enforcement? A common example often cited is the scene at the Kotoka International Airport, particularly near the airport police station, where individuals, often foreign nationals, are seen openly trading in U.S. dollars. This raises questions about how they access such volumes of foreign currency and whether their activities have a tangible impact on the broader foreign exchange market. What measures can the Bank of Ghana take to address this issue and restore greater transparency and control in the foreign exchange space?*

**Governor:** The black market is a marginal segment of the foreign exchange market, typically handling small transactions and minor currency exchanges. It has existed for quite some time and is not unique to Ghana but prevalent across the sub-region.

In addition to the black market, we have licensed Forex bureaux and the interbank market. Of these, the interbank market represents the core of foreign exchange activity in terms of volume and scale. The forex bureaux and black market serve peripheral needs.

However, what we observe is that during periods of macroeconomic instability, black market activity tends to intensify. At present, we are receiving reports of increased activity, and we are actively monitoring the situation. In response, we have already issued a Notice aimed at improving foreign exchange supply and inflows. Additional measures are being implemented, and we expect these to contribute to greater market stability.

It is important to note that while we may not be able to eliminate black market operations entirely, especially those conducted informally or in private settings, they should remain at the margins of economic activity. With the right interventions, we believe their influence can be significantly reduced.

Let me emphasise that black market operations are illegal. These operators are not licensed to trade in foreign currency. Only authorised Forex bureaux are permitted to engage in such transactions. While the black market may persist informally, it remains outside the bounds of legal and regulated financial activity.

**Questioner:** *We are currently witnessing a situation where the U.S. dollar has become relatively cheaper to purchase, largely due to improvements in the exchange rate. Coupled with the recent 300-basis points reduction in the monetary policy rate, credit is expected to become more affordable. Given these developments, what measures is the Bank of Ghana implementing to ensure that its foreign exchange interventions are not inadvertently used to finance imports that do not contribute meaningfully to the structural transformation of the economy, particularly consumer goods that can be produced locally? Historically, gains in the exchange rate have often been eroded by a surge in demand for foreign currency, which tends to fuel imports of non-essential goods. This, in turn, places renewed pressure on the exchange rate, reversing earlier*

*gains. How is the Bank addressing this recurring challenge to safeguard macroeconomic stability?*

**Governor:** We provide support to banks on a near-daily basis, primarily by crediting their nostro accounts, which enables them to settle payments for imports. This is a routine operation. Beyond that, we also intervene in the market through other channels to ensure liquidity and stability.

Importantly, we closely monitor the use of the foreign exchange support extended to banks to ensure it aligns with the specific purposes outlined in their requests. This oversight helps us maintain discipline in the market.

I do acknowledge that there is always room for improvement, and we are actively working on that. Throughout this week, we have held several staff-level meetings to identify and implement measures aimed at tightening the foreign exchange market.

Let me emphasise that our intention is not to impose rigid controls, but rather to minimise leakages and inefficiencies. By doing so, we aim to foster greater stability and ensure that foreign exchange resources are used in ways that support the broader economic restructuring agenda.

**Questioner:** *Governor, as we mark the 60th anniversary of the cedi, I would like to raise a concern that resonates with many at the grassroots level. There have been increasing reports of rejection of the smaller denominations in everyday transactions, which is quite troubling. Could you clarify whether these denominations have been officially withdrawn from circulation, or are they still considered legal tender? What is your message to the public regarding their use and acceptance?*

**Governor:** That concern has been raised previously, and I want to assure you that we are actively looking into it. Rest assured, a solution will be found. It is important to emphasise that all banknotes and coins issued by the Bank of Ghana remain valid for the settlement of debts and the payment of goods and services. We strongly encourage the public to accept and use them. This is our national currency, and it should be respected and utilised in all transactions.

As we prepare to celebrate the cedi's 60th anniversary next Friday [August 8], we are inviting the media to join us for the official launch, which will be graced by His Excellency the President. This event will serve as a bold reaffirmation that the cedi is the sole legal tender for economic transactions in Ghana.

When we all choose to operate within the cedi zone, it strengthens the effectiveness of our monetary policy and supports broader economic stability. We are counting on the media to help drive this campaign. I often cite examples from countries like South Africa and Kenya, where the use of the national currency is deeply embedded. We aspire to foster the same level of commitment to the cedi here in Ghana.



**Questioner:** Governor, some economists have suggested that to fully realise the benefits of key national initiatives, such as One District, One Factory (1D1F), the 24-hour economy, and Ghanaian SMEs' participation in the African Continental Free Trade Area (AfCFTA), there may be a need to introduce a tiered banking framework within the commercial banking sector. Others argue that Ghana already operates a form of tiered banking through the presence of Non-Bank Financial Institutions (NBFIs), which provide credit and financial services to underserved segments. What is the Bank of Ghana's position on this matter? Is there any consideration being given to formally implementing a tiered banking structure among commercial banks to better support these economic transformation initiatives?

**Governor:** As you rightly noted, the financial system in Ghana is already tiered. We have Specialised Deposit-Taking Institutions (SDIs) and varying levels of capitalisation across institutions, which reflect a tiered structure in practice. Regarding the suggestion to introduce a formal tiered framework within the commercial banking sector, I can confirm that the Bank of Ghana currently has no plans to pursue such a model. Our immediate focus is on ensuring that all banks are adequately capitalised by the end of the year. That remains our priority currently.

**Questioner:** Governor, has the Bank of Ghana's data revealed any noticeable impact from the recent tariff imposition by the United States on Ghana's traditional and non-traditional exports?

**Governor:** The positive aspect is that Ghana's exports to the United States represent a relatively small share of our total exports, approximately 3.5 percent. As such, the direct impact of the recent U.S. tariff measures is expected to be minimal in the short term.

That said, it is important that we do not lose sight of the broader implications. Initiatives, such as the African Growth and Opportunity Act (AGOA) and other U.S. trade frameworks have historically provided valuable opportunities for Ghanaian exporters. Therefore, it remains in our interest to continue developing and expanding our export relationship with the U.S. market.

**Questioner:** Governor, BMI, a unit under Fitch, has recently cautioned that central banks in Africa, including Ghana, that have significantly increased their gold reserves, could face liquidity and price risks if global gold prices begin to decline. Has this risk come to the attention of the Bank of Ghana, and how is it being addressed? In the medium term, does the Bank intend to adjust its reserve strategy in response to these concerns, or will it continue with its current approach to gold accumulation?

**Governor:** Ghana remains significantly exposed to fluctuations in global commodity prices, and as you rightly pointed out, any sharp decline in gold prices could have implications for our international reserves. This is precisely why we are initiating a hedging programme to safeguard against such destabilising shocks. Beyond hedging, it is equally important to focus on structural measures, such as increasing the level of value addition to our exports and diversifying our export base. These are

critical steps we must take as a country to reduce our vulnerability to external price movements and enhance the resilience of our economy.

**Questioner:** *Governor, I would like to ascertain whether the 300 basis points reduction represents the largest single policy rate cut in the history of the Bank of Ghana.*

**Governor:** Yes, this is indeed the largest policy rate cut we have implemented. However, it is important to also note that the disinflation observed over the past five months is likely the most rapid in the Bank of Ghana's history, which makes such a significant cut entirely justifiable.

**Questioner:** *How is the Gold Coin fairing?*

**Governor:** While there has been considerable interest in the Gold Coin initiative, we believe a relaunch is necessary. As part of the Cedi@60 programme, we will be reintroducing the Gold Coin to the public. We continue to receive numerous enquiries and expressions of interest, and we want to assure everyone that the programme will return with renewed strength and broader accessibility. Our objective remains clear: to ensure that every Ghanaian, regardless of the size of their savings, could invest in gold. That is precisely what the Gold Coin initiative is designed to facilitate.

**Questioner:** *In recent times, it appears that the Monetary Policy Committee has adopted a more open and transparent communication strategy. I would like to understand the impact of this approach on inflation expectations, and how it has influenced the broader inflation dynamics.*

**Governor:** The key word here is credibility. Transparency and openness foster trust, and that has been a central focus of our approach. As part of this commitment, we have welcomed various stakeholder groups to observe selected aspects of the Monetary Policy Committee's proceedings.

While not all sessions are open, some discussions remain confidential and require observers to step out. The intention is to provide insight into the depth and rigour of our analytical processes. These sessions involve extensive presentations, thorough questioning, and detailed deliberations before any policy decision is reached.

Feedback from participants has been overwhelmingly positive, with many saying that they now feel better informed. We also welcome constructive suggestions from these engagements, as they help strengthen our policy framework. Going forward, we plan to continue inviting diverse groups, including students, to witness the process firsthand. We believe this exposure is valuable, especially for those preparing to enter the corporate world, and we remain committed to enhancing public understanding of our work.

**Questioner:** *Recently, the Bank of Ghana issued a public statement cautioning against the pricing of goods and services in foreign currency, particularly the U.S dollar, which has sparked widespread concern over the dollarisation of the economy. While public discourse on the matter continues, many believe that the central bank should move beyond commentary and take decisive action. In light of this, could you elaborate on the specific steps the Bank of Ghana is taking, particularly in collaboration with national security and law enforcement agencies, to enforce the Foreign Exchange Act, 2006 (Act 723), and address violations related to dollar pricing in Ghana?*

**Governor:** I have consistently encouraged Ghanaians to conduct pricing in the local currency, and I would like to take this opportunity to reiterate that message. Unless you have received explicit written authorisation from the Bank of Ghana to price or issue invoices in U.S. dollars, all transactions should be denominated in Ghana cedis.

Regarding enforcement, the Bank of Ghana has historically taken active steps to uphold the provisions of the Foreign Exchange Act, and we reserve the right to engage the appropriate security and regulatory agencies to ensure compliance. Let me emphasise that any individual or entity found to be in violation of these foreign exchange regulations will face decisive action. We remain fully committed to enforcing the law and safeguarding the integrity of our monetary system.

**END**