# 77th Annual New Year School and Conference

## Speech

## by

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His Excellency, the President of the Republic of Ghana, John Dramani Mahama,
Chairperson, The Vice-Chancellor of the University of Ghana,
Members of the University Council, Policy Makers, Development Partners,
Members of the Academic Community,
Distinguished Guests, Ladies and Gentlemen,

It is a privilege to address this distinguished gathering at the 77th Annual New Year School and Conference of the University of Ghana. For nearly eight decades, this forum has provided a vital space for national reflection, bringing together ideas, evidence, and experience to interrogate the choices that shape Ghana's development path. I commend the University for sustaining this invaluable tradition.

This year's theme, *"Building the Ghana We Want Together for Sustainable Development,"* is both timely and instructive. It reminds us that development is the product of deliberate choices, sound institutions, and shared responsibility. Above all, it reinforces a fundamental truth: the Ghana we want cannot be built by government alone. It requires collaboration across policymakers, academia, the private sector, civil society, and citizens.

I am therefore pleased to share perspectives from the standpoint of monetary policy and financial stability, not as ends in themselves, but as enablers of the broader national objectives this Conference seeks to advance.



**THE NATIONAL CONTEXT: WHY STABILITY MATTERED**

As you would recall, we began 2025 with elevated inflation, constrained foreign exchange buffers, weakened confidence, and tighter global conditions that narrowed policy space and tested institutional resilience. Indeed, macroeconomic instability is never neutral. It erodes real incomes, discourages investment, and hits households, small businesses, and young people hardest, making stabilisation not a technocratic preference, but a national necessity.

Hence, the role of the Bank of Ghana in 2025 was to restore monetary and financial stability, protect the integrity of the financial system, and rebuild confidence through firm, but measured policy actions and stronger institutional coordination.

The results are now evident. Inflation eased from above 23 percent into single digits, levels not seen since 2019. External buffers strengthened significantly, with gross international reserves rising to US$13.8 billion, equivalent to about 5.7 months of import cover. Market confidence improved, and foreign exchange conditions stabilised. These outcomes matter not as statistics, but because they create space for planning, for investment, and for reform.

Stability, however, is not the destination. It is the foundation, which brings me to the first pillar of this Conference – Economic Resilience

**PILLAR 1: ECONOMIC RESILIENCE**

Economic resilience depends on predictable policies, credible institutions, and markets that function with clarity and confidence. In 2025, the focus was on restoring these foundations so that stability could be used deliberately, not merely defended.

From the Bank of Ghana's perspective, resilience is built when monetary policy transmits effectively, financial institutions remain sound under stress, markets allocate liquidity transparently, and payment and settlement systems continue to function even during adjustment. This view shaped the Bank's work over the past year.

Priority was given to restoring discipline and predictability in policy operations and market conduct. Liquidity management frameworks were strengthened, policy signaling clarified, and foreign exchange market discipline reinforced to reduce uncertainty and speculative behaviour.

Foreign exchange reforms were particularly critical. Foreign exchange inflows into the mining sector were redirected through commercial banks to deepen interbank liquidity while the Net Open Position limits were recalibrated to improve market liquidity and price discovery. A new foreign exchange operations framework, aligned with best practices, was introduced. The new framework clarified the Bank's objectives, supporting reserve accumulation, mitigating excessive short-term volatility, and facilitating market-neutral intermediation. Also, our enhanced market surveillance reinforced conduct and transparency. Together, these reforms are helping to restore confidence in the FX market and anchoring expectations.



Within the banking sector, resilience was reinforced through tighter prudential supervision, improved capital and liquidity oversight, and direct action to address vulnerabilities that were exposed by recent shocks. Capital buffers were also strengthened as non-performing loans declined, and governance standards tightened at board level. Supervisory engagement shifted toward forward-looking risk assessment, recognising that resilience must be rebuilt continuously, not assumed.

Economic resilience also depends on credible arrangements for managing distress when it arises. In 2025, the Bank strengthened its crisis-management and resolution framework, drawing lessons from the banking sector clean-up. The resolution function was upgraded to a full-fledged Resolution and Restructuring Department. In addition, recovery and resolution planning expectations were clarified, and work advanced to strengthen the legal and operational effectiveness of the framework under Act 930. In pushing these boundaries, our objective is clear: potential distress must be addressed early and in an orderly manner, without destabilising the wider system or eroding public confidence.

Beyond banks, resilience increasingly rests on the integrity of financial infrastructure. Reforms in payments and financial services have focused on interoperability, remittance transparency, and stronger oversight of emerging risks. New guidelines for digital credit providers strengthened responsible lending and consumer protection. Corporate governance standards were introduced for payment service providers and electronic money issuers. Reforms to the inward remittance framework improved transparency and traceability of foreign exchange inflows, supporting liquidity management and confidence in the cedi.

In parallel, the recent passage of the Virtual Asset Service Providers Act has established a clear legal framework for digital assets, with the Bank of Ghana and the Securities and Exchange Commission designated as joint regulators. These measures matter because resilience today depends not only on balance sheets, but on the uninterrupted functioning of digital and payment rails that support households, businesses, and cross-border trade.

Looking ahead to 2026, the emphasis shifts from restoration to consolidation. Monetary and market reforms will be embedded more deeply into routine practice. Supervision will become more risk-based and preventive. Resolution and financial infrastructure reforms will move from framework design to operational maturity. The objective is to ensure that stability translates into durable intermediation, credible institutions, and an economy better able to absorb shocks without repeated resets.



**PILLAR 2: HUMAN CAPITAL FOR INCLUSIVE GROWTH**

The second pillar of this Conference (nurturing human capital for inclusive growth) goes to the core of Ghana's long-term development challenge. Productivity, resilience, and inclusion are ultimately anchored in people. Education, skills development, health, and innovation are therefore not social add-ons; they are core economic investments.

Inclusive growth requires that these investments reach broadly across society, enabling individuals, regardless of background or geography, to participate meaningfully in economic activity and share its benefits. Economies that underinvest in human capital may grow episodically, but they do not transform.

While the Bank of Ghana's mandate is monetary stability, stability itself plays an enabling role. Predictable prices, functioning financial systems, and reliable payment infrastructure protect the real value of investments in education, skills, health, and create space for sustained investment across early childhood education, basic and secondary schooling, tertiary education, TVET, and youth development, etc.

As we move forward, renewed stability must be translated into deliberate, coordinated investment in people, particularly young people, supported by stronger collaboration between policymakers, educational institutions, and researchers. Inclusive growth will ultimately depend on how effectively Ghana mobilises and deploys its human capital.

**PILLAR 3: GOVERNANCE, INSTITUTIONAL CREDIBILITY, AND TRUST**

The third pillar, good governance and the fight against corruption, cut across all development objectives. Weak institutions, opaque rules, and inconsistent enforcement distort incentives, undermine trust, and weaken policy effectiveness.

For a central bank, governance is expressed through transparency, predictability, and discipline. In 2025, steps were taken to strengthen institutional credibility, including greater openness in monetary policy decision-making through the publication of individual Monetary Policy Committee votes and clearer majority outcomes. These measures were intended to reinforce accountability and public confidence in policy decisions.

Beyond monetary policy, governance expectations across the financial sector were tightened. Boards were reminded that oversight must be substantive, not symbolic. Greater emphasis was placed on internal controls, ethical conduct, and accountability, particularly in response to rising incidents of fraud and insider-related misconduct. Supervisory focus increasingly shifted from formal compliance to the effectiveness of controls in practice.

Governance reforms also extended to crisis preparedness and resolution. Strengthened recovery planning, clearer escalation frameworks, and ongoing work to enhance the resolution regime under Act 930 reflect a forward-looking approach, one that seeks to prevent crises where possible and manage them responsibly when they occur.



Going forward, effective governance will depend on continued collaboration across institutions and society, supported by credible enforcement, strong accountability mechanisms, and engaged citizens.

**PILLAR 4: INDUSTRIALISATION AND STRUCTURAL TRANSFORMATION**

Industrialisation requires more than ambition. It requires a stable macroeconomic environment, functioning financial markets, and institutions willing to support productive investment over the medium to long term.

The Bank of Ghana’s role is not to direct credit, but to create the conditions under which credit can flow sustainably to the real economy.

In 2025, progress in restoring financial sector soundness, strengthening governance, and rebuilding confidence helped restore the system’s capacity to support productive activity.

As stability returned, banks began to re-engage more actively with Ghana’s trade and export agenda. Export finance desks were set up, support for agro-processing and non-traditional exports expanded, and firms were better positioned to manage trade and foreign exchange risks. These developments matter because industrialisation is inseparable from access to finance, predictable markets, and the ability to connect to regional and continental opportunities, including under the AfCFTA framework.

Looking ahead to 2026, the emphasis will be on the quality of intermediation, ensuring that capital supports SMEs, manufacturing, agro-processing, and export-oriented enterprises that drive structural transformation. Stability creates the conditions for this shift; effective intermediation determines whether it delivers results.

**A NATIONAL PRIORITY: GOLDBOD AND THE DOMESTIC GOLD PURCHASE PROGRAMME (DGPP)**

Before I conclude, let me address an issue that has featured prominently in recent national discourse: GoldBod and the Domestic Gold Purchase Programme (DGPP).

This conversation matters not because it is controversial, but because it speaks directly to how Ghana manages strategic national priorities at moments of stress and transition. GoldBod is no longer a concept; it is operational. It is embedded within our macroeconomic framework and has reshaped how Ghana captures value from its gold resources while strengthening external buffers. The relevant question is therefore not whether GoldBod should exist, but how it should be governed, refined, and sustained in the national interest.

The Domestic Gold Purchase Programme was introduced at a moment of acute vulnerability, when foreign exchange buffers became thin and confidence was fragile. Its purpose was clear: to strengthen reserves, stabilise the currency, and create space for macroeconomic recovery by leveraging Ghana's own natural endowment. Judged against this stabilisation objective, the programme played a vital role.

It is also important to be candid: this stability came at a cost. Since the setup of the DGPP (G40, G4Forex, or G4R) , the Bank of Ghana has had to carry the financial burden of a national strategic policy; one that sought to restore confidence and protect the wider economy. Indeed, that was a deliberate choice, taken in the national interest.

However, national priorities do not stand still, and neither should the policies that support them. Hence, several measures were taken in 2025 to refine the DGPP – for example the G4O was cancelled while aspects of the G4R was refined. Governance, transparency, and risk management were strengthened, particularly within the artisanal and small-scale gold trading segment. Settlement risks were reduced through payment-before-release requirements and ring-fencing of offtake proceeds. Pricing structures were improved through reductions in discounts, agent fees, and assay charges. Arguably, the institutional role of GoldBod has strengthened coordination across the value chain, while the introduction of a Gold FX Auction mechanism has enabled more structured and transparent intermediation of gold-related foreign exchange flows.

Looking ahead to 2026, the G4R programme must be anchored more firmly within the broader Government of Ghana framework as a national priority, and responsibility will be shared in such a way that sustainability does not rest on any single institution.

We encourage informed debate, evidence-based analysis, and diverse perspectives on such critical programmes such as the DGPP. In that spirit, the Bank of Ghana, working with the GoldBod and the Ministry of Finance, intends to convene a focused policy workshop with experts, market practitioners, and policymakers to examine how this national priority can be refined further in line with best practices elsewhere.

To conclude, let me thank you again for this invitation. Indeed, the history of the New Year School reminds us that development is achieved through sustained effort, sound institutions, and collective responsibility. If the past year was about restoring confidence, then the year ahead must be about putting that confidence to work, carefully, productively, and with judgment, in service of a more resilient, inclusive, and competitive Ghanaian economy.

I look forward to the insights that will emerge from this Conference and to continued engagement as we collectively build the Ghana we want.

Thank you, and I wish you fruitful deliberations.



*On Tuesday, 6 January 2026, Dr. Johnson P. Asiama, Governor of the Bank of Ghana, delivered an abridged version of his remarks at the 77th Annual New Year School and Conference hosted by the University of Ghana. The full text of his prepared speech is published above for reference.*