BANK OF GHANA

TRANSCRIPT OF THE 127TH MPC PRESS BRIEFING HELD ON WEDNESDAY, 26 NOVEMBER 2025, AT THE BANK SQUARE

TRANSCRIPT OF THE MONETARY POLICY COMMITTEE PRESS BRIEFING HELD ON WEDNESDAY, 26 NOVEMBER 2025

On Wednesday, 26 November 2025, the Monetary Policy Committee (MPC) held a press briefing following its 127th meeting. The session was chaired by the Governor, who is 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 session is available on www.bog.gov.gh.

Questioner: *Governor, regarding the additional measure [return to the use of the 14-day bill as the main instrument for conducting Open Market Operations], is it to imply that the 56-day and the 276-day bills are being taken off the market? And, is this additional measure meant to reduce the Bank's OMO [Open Market Operations]?*

Governor: The reintroduction of the 14-day bill is not new. It has always been part of the Bank's operations, and as you know, the central bank operates on the very short end of the market. So, it's just going back to where we are supposed to be operating. We had the 7-day bill some time ago. So, usually, you would find us making use of the short-term bills, and that's exactly what we want to do. We want to discontinue the use of the 56-day and others. And remember, we even issued a 273-day instrument some time ago. But now, we want to reset to the short end of the market. It's not a new thing; we're just going back to where we are supposed to be.

Questioner: *When I listened to your remarks during the opening of the MPC [meetings], you gave us a very strong indication that it's not just about the present, but per your extrapolations, the outlook is also very favourable, and that you don't see any emerging shocks to destabilise the market. Do you think that the 350 basis points [reduction in the Monetary Policy Rate] is enough? Based on all the data that you have published and even the comments that gave us an indication that things are quite strong and the outlook is solid, couldn't we have gone down further as you try to deal with the challenge [auction failure] of the Treasury bills market and investor interest?*

Governor: Could we have cut further? Remember what we said at the last policy meeting—that we are following the outlook for inflation. We believe that the 350 basis points is in line with our programme, and also consistent with the disinflation path. But that said, it's about assessing the risks on the upside to inflation and the balance of risk. From where we stand, we believe that the 350 basis points is enough. Remember, we've now settled very well within the target band, and we'll be observing this going forward, and if there's a need for the Committee to take any additional policy measures, that will be done. But from where we are currently, we believe that the 350 basis points is very much in line with the disinflation programme.

Questioner: *Governor, are we in a very strong position now? Can we sleep when it comes to the Cedi's performance and the current reserve position? If the price of commodities changes direction, just like what has happened to cocoa, and gold prices begin to drop, are we in a strong enough position to manage it for the next six months?*

Governor: That's exactly why we are emphasising our reserves build-up programme. As I've indicated, we're seeing a steady rise in our reserve levels. We have already achieved what, under the Fund programme, we should have achieved by the end of December [2025]. We are ahead of the curve, and that has been our emphasis—reserve accumulation, reserve build-up, FX intermediation, stem excessive volatility—that's the approach and that will continue to be it. And that's the best way to shore up against any changes in commodity prices, as you have indicated.

Questioner: *Governor, some months back, you said that you were expecting about USD4 billion from cocoa inflows before the end of the year. Since then, the spot price of cocoa has fallen from close to USD8,000 to just over USD5,000 currently. How would that affect the inflows, which you stated we're expecting from cocoa, and to what extent can the surge in gold inflows offset the expected shortage from lower prices of cocoa?*

Governor: If you check the data pack published by the Bank, the details are there on cocoa price movements, and it suggests otherwise. Now, the inflows we have had through COCOBOD [Ghana Cocoa Board] so far show that the inflows are doing very well. Year-to-date, we have received about USD2.7 billion from cocoa. So, cocoa is surprising us. What I said earlier was in respect of the entire cocoa season, not only from now till the end of this year; I was projecting over the entire cocoa season. So, cocoa is doing well. We hope that the trend sustains. The cocoa inflows, together with remittance inflows, will help to support the stability.

Questioner: *Governor, the average lending rate is at 21 percent. Would you say it's a perfect reflection of the successive rate cuts you've done over the year?*

Governor: I am on record as having said that by the end of my tenure, I would want to see lending rates at 10 percent. I've said it, and I still stand by it. We're doing everything we can to make sure we achieve that by the end of our tenure. So, average lending rate at 21 percent may not be the best. It may not be exactly what we intended by this time, but so far if you look at the data, it shows that a lot of progress has been made. You are looking at a movement from around 32 percent down to 21 percent currently. The banks have what they call the Ghana Reference Rate, and some of them are even lending below that currently. Gradually, as interest on treasury bills and others continue to trend downwards, banks will have no choice but to do aggressive lending. So, that is where you will see a faster decline in terms of the lending rate, going forward. Rest assured, it is one of the things I particularly would want to be assessed by at the end of my tenure; to see lending rates as low as they can be. That will support growth, and that will also support job creation.

Questioner: *What are some of the worries you have about the economy, although everything seems to be going well? What are some of your lingering headaches as we enter a new year?*

Governor: Well, I don't have any worries. But the fact remains that we are basically another commodity-exporting country. What do we export? Three items: oil, cocoa, and gold, and most of them we export as primary products. When you are a country like that, you are always exposed to external shocks. If the U.S. dollar strengthens for any reason that will have a very significant impact on us. And so, my worry is that we tackle some of these vulnerabilities. We are doing our part by building adequate reserves. That's one of the things we can do. But I want to see more of structural programmes. I see some of that in the [2026] budget, which is very good. Can we do more and more processing, more value addition to the items that we export? Talking about oil, can we process some more of that ourselves? Talking about gold, can we process some more of that? Some gold refineries have been set up. Can we get them to be very active? And then, cocoa, can we not set up cocoa factories in Switzerland to produce the chocolates there? So, there are various ideas to process more, and for me, that is one thing I would want to see. If we can add more value, that will address our vulnerabilities and help to preserve the stability we've been able to achieve in this first year. So, that is always at the back of my mind. We work closely with the finance minister, and we discuss these things at length. I want to believe that these are going to be pursued aggressively, and things should be alright.

Questioner: *In June, the Chief Executive of Ghana Cocoa Board indicated that they were in discussions with the central bank to allow the banks to use a portion of their cash reserves to support our Licensed Buying Companies (LBCs). What is the status of that engagement? Is the central bank open to it?*

Governor: Well, nothing stops banks from lending to LBCs. So long as it's within the regulatory thresholds, the Single Obligor Limits (SOLs) and others, banks are free to do so. But I think the issue the chief executive was talking about was whether we could use part of the banks' CRR [Cash Reserve Ratio], which is held by the central bank, to support the LBCs. I think that was the kind of idea he was professing. That must be discussed because CRR is part of what we call "high-powered money". This issue was discussed by the MPC. It is one of the things we deliberated on, but so far, no such consideration is on the table. And then, the COCOBOD chief executive has also not approached us directly over that. But rest assured that banks are free to lend to LBCs in any way they want to, so long as it is within SOL. That is the position now.

Questioner: *At the last MPC, Governor, you indicated that you were in discussions with some banks regarding the proposed hedging programme. What specific quantities of the country's oil or gold are being considered for this hedging programme, and when is it likely to take off?*

Governor: Yes, we mentioned the hedging programme some time ago as one of the ways to stem the vulnerabilities. However, the approach for now is to rebalance our portfolios, and that is what we are actively doing now. And so, we're sure once we rebalance properly, there may be less of a need for hedging. We haven't completely abandoned it. We're only doing the rebalancing first, and then we will assess the scope, whether to do some bit of hedging in addition. Remember, hedging is not cheap.

Questioner: *Is the Bank of Ghana financing the GoldBod?*

Governor: The GoldBod is just the PMMC [Precious Minerals Marketing Company] as we used to have it. So, our relationship with the GoldBod is just like the relationship we had with PMMC. What we do is to ask GoldBod to purchase Doré gold for us, and that is exported. When it's exported, we receive the foreign currency. So, it's not as though we are funding them; it is a service they are providing for us, and it is a revolving system. So, we take money from the commercial banks and that is exactly what we pass on to GoldBod, which they use to acquire the Doré gold. It is exported, we take custody of the foreign currency and the same is intermediated. It is not as some people are putting it. In any case, remember, we are still under the Fund programme. We are going strictly by the zero-financing conditions and there have been no violations. If there was a violation, the IMF would have raised concerns immediately. So, we're not funding the GoldBod. It is a service they are providing for us.

Questioner: *Despite the fall in lending rate, private sector credit growth is still moderate. What more can be done to accelerate credit expansion?*

Governor: That's exactly what the Committee has done by assessing the risks in the outlook and adjusting the policy rate. That goes to support credit expansion. As I explained, banks will have no choice but to rebalance their portfolios, and we see that trend creeping in. The data suggests that private sector credit growth is beginning to pick up, and we expect that to go up. My only concern is that banks need to also work on their risk management frameworks. Otherwise, the problems that we had in the banking sector recently that led to the sector cleanup could re-emerge when there's a credit expansion. This, we don't want. So, we've been cautioning banks that even as they rebuild their credit portfolios, they should look at their risk management system and make sure it is fit for purpose. That's the only way we can sustain the growth in private sector credit.

Questioner: *Recently, we received a statement from the central bank that it was going to be more proactive in the way it addresses volatilities on the market. Can we know, for instance, how much you've spent to support the FX market between January and October, and how does that compare to a year ago?*

Governor: As I've explained, our objective is not to intervene per se. The first preference is to accumulate reserves. The second preference is to intermediate the FX as it comes in. We intermediate the FX that comes in from the Doré gold export. What the market doesn't take up goes back into our reserves. In exceptional circumstances when we need to come in due to some lumpy payments for example, there's limited use of our reserves [because of the framework we have in place]. That data, I believe, is in the data pack, so you can take any period and calculate it for yourself. Just look at the net international reserves figure at the end of March, and then at the end of last month, deduct it and it will give you a fair idea as to what has gone on. And then you can do same for last year so that you get a sense of what has gone on. My answer is that we don't just intervene; there is a deliberate programme, and we have put out recently an announcement explaining the framework for our FX activity. That notice is on our website. You can go and download it, read for yourself and you will get a very good understanding of the framework that we have in place.

Questioner: *I foresee another round of industry-wide recapitalisation, given the anticipated expansion in the economy, coupled with a rebasing that would even make the economy bigger. On the back of the fact that the GHS400 million capitalisation is just about USD35 million, do you think that is feasible moving forward?*

Governor: There are ways to ensure that banks are carrying the right amount of capital at any time. So, it's not just minimum capital levels. There's what we call the Internal Capital Adequacy Assessment Process. There are various ways the Banking Supervision Department can assess that, and we will ensure that every bank carries, at any time, adequate capital that is consistent with their risk profiles. And let me also add that the banks under PCA [Prompt Corrective Action] that were given up to the end of December [2025] on their recapitalisation, we are working with them. Government has been working very actively to make sure that the deadline is met. We are optimistic that quite a good number of those banks will make the recapitalisation by the end of December. After that, we'll do an assessment, and if there are any banks that do not meet it, we will look at what we can do for them to come up. But rest assured, whatever it is, at any time, we will make sure that banks carry enough capital that is in line with their risk profiles.

Questioner: *Governor, having achieved your mid-term inflation target ahead of time, do you see an opportunity to review your mid-term target to maybe 6 ± 2%?*

Governor: It is too early in the view of the Committee. The Committee discussed this, and we think that inflation has just settled comfortably around the central target. We need to monitor the disinflation process a little bit for a couple more MPC rounds. When we are convinced that we really have reset, that we're now settling, and the economy is settling into a low inflation regime, and there's a need, it can be looked at. Remember, from the beginning, somewhere in 2002, when we started the inflation targeting regime, we first had to estimate the optimal level of inflation, and that's how the target was derived. So, we will do that exercise again, and if the empirical evidence suggests that we lower it to a new band, that will be done. But for now, the Committee thinks that it's too early and that we should hold on a little bit and observe.

Questioner: *With regards to the Gold Purchase Programme, what is the target you are looking at purchasing by the end of the year? And looking at the market, do you anticipate gold price falling anytime soon, or should we still expect a surge in gold price?*

Governor: No, we don't have a target. Remember, we use that for our reserves build-up, and so we will embark on that. And as I explained, we use that also to intermediate in the FX market and to manage the entire framework, so that will continue.

Questioner: *Governor, you indicated that many of the Committee members decided to cut [the policy rate] by 350 basis points. What was the decision of the rest of the members?*

Governor: We will publish the submissions by members on Monday [December 1, 2025]. The details will be published so that you will understand what went into the decision. There were a lot of arguments. You have no idea how many deliberations it took us to arrive at this majority decision. The Committee is convinced that this is appropriate for the policy stance currently.

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