



The Bank regularly receives questions from the media and other stakeholders on various issues related to its work. Here, we publish questions received from the media and the Bank's responses, as part of efforts to deepen transparency.

QUESTION 1

Government has announced plans to convert about GH¢5.8 billion of legacy COCOBOD debt, including GH¢1.38 billion owed to the Bank, into equity. Could you clarify how this transaction will be treated on the Bank's balance sheet, and whether it will have any implications for monetary policy operations, the Bank's capital position, or Ghana's commitments under the IMF Programme?

Response: *As rightly noted, Government has committed to transferring GH¢1.38 billion to Bank of Ghana (BoG) to pay down legacy COCOBOD debt. These transfers will improve the Bank's capital position.*

QUESTION 2

The current IMF ECF programme will end sometime in Q2 of this year. There are concerns that beyond the programme completion, Ghana may be tempted to go down the path of fiscal slippages and bring the economy to the brink of malaise. Our economic history is replete with economic lapses following a period of stabilisation after a Fund programme. In your opinion, can the Government stay the course of fiscal rectitude, monetary measuredness and overall economic prudence or will we need a post-programme arrangement, such as the Policy Coordination Instrument (PCI) or Policy Support Instrument (PSI) of the IMF?

Response: *We are fully aware that Ghana's economic history has occasionally been characterised by policy slippages following the completion of stabilisation programmes. For this reason, both the Bank of Ghana and the Government remain strongly committed to maintaining prudent monetary policy, fiscal discipline, and sound macroeconomic management beyond the life of the programme. Our objective is to ensure that macroeconomic stability becomes embedded in our domestic policy framework, supported by the fiscal responsibility provisions, the operational independence of the Bank, and continued policy coordination between fiscal and monetary authorities.*

QUESTION 3

The BoG Amendment Act has been passed into law. Section 5A stipulates, "the minimum authorised capital of the Bank is one billion cedis." The Bank currently has a stated capital of 10 million cedis. Given the amendment, when are we going to see a recapitalisation of the BoG by the Government?

Response: *The Government of Ghana has initiated the process for the gradual recapitalisation of the BoG to restore it to a positive equity position. The Bank and the Ministry of Finance are currently in the final stages of executing a Memorandum of Understanding to this effect. The BoG Amendment Act gives the Government of Ghana till 2032 to complete this process.*

QUESTION 4

With escalating geopolitical tensions in the Middle East pushing crude oil prices upwards, analysts are warning of renewed global inflationary pressures. Ghana's 2026 budget benchmarked about US\$76 per barrel for crude oil, and oil-related FX inflows accounted for roughly 8 per cent of total export receipts at end-2025. In the event of a sustained oil price shock, how do you assess the net impact on Ghana's external position, particularly reserves and the cedi, given that higher crude oil prices simultaneously increase export receipts and raise FX cost of petroleum imports. Secondly, from a monetary policy standpoint, how would the Bank respond if such a shock feeds into domestic inflation?

Response: *Ghana is a net importer of petroleum products. Therefore, a surge in crude oil prices will increase our energy import bill and put pressure on the Balance of Payments (BOP) position. The increased demand for FX reserves for imports will put pressure on the exchange rate, with implications for inflation. As a result, the ongoing disinflation process may be paused or even reversed depending on the extent of the increase in crude oil prices.*

As a proactive central bank, we have carefully assessed the potential implications of the ongoing conflict in the Middle East on Ghana's external sector. Our analysis incorporates a range of possible oil price scenarios, including a pessimistic case where prices could rise to as high as US\$150 per barrel. The results of our sensitivity analysis indicate that across all scenarios, Ghana's reserve levels remain sufficient to meet the needs of the economy. Furthermore, under the Ghana Accelerated National Reserves Accumulation Policy (GANRAP), reserves are projected to reach 15 months of import cover over the medium-term (2026-2028). This initiative, together with strong domestic fundamentals, provides a solid cushion against the adverse effects of rising oil prices. We are confident that the Ghanaian economy is now better positioned than ever to withstand external shocks and preserve stability for households and businesses alike.

QUESTION 5

Under GANRAP, the Government is targeting weekly gold purchases of about 3.02 tonnes, with transactions conducted in cedis and the accumulated gold to be added to reserves. Could you clarify how these large-scale weekly purchases will be financed and sterilised to avoid excess liquidity and inflationary pressures? Secondly, given that the policy requires Cabinet and Parliamentary approval before the Bank can dispose of accumulated gold, does this constrain the Bank's operational independence in managing reserves and responding to external shocks? Finally, is this policy replacing Gold-for-Reserves and how does this framework align with the IMF Programme's emphasis on protecting the Bank's balance sheet and limiting quasi-fiscal exposures?

Response:

Breakdown of planned weekly gold purchases (3.02 tonnes):

- i. 2.45 tonnes from Artisanal and Small-Scale Mining (ASM)
- ii. 0.57 tonnes from large-scale mines

Financing arrangements under GANRAP:

- *Per policy, Ghana Gold Board (GoldBod) will mobilise GHS 15–20 billion (equivalent to 3–4 weeks of ASM purchases) as working capital for the ASM leg.*
- *The Ministry of Finance (MoF) has allocated ~GHS 4.5 billion to GoldBod.*
- *Offtake prepayment arrangements are being pursued to supplement MoF funds; to date, GoldBod has secured ~US\$300 million (≈ GHS 3.3 billion) from off-takers.*
- *Discussions with commercial banks are ongoing to provide additional funding for a fee.*

Sterilisation and liquidity management:

- *Liquidity arising from the purchases will be sterilised through the BoG's Open Market Operations (OMO), using the full suite of existing monetary policy tools to prevent excess liquidity and inflationary pressures.*

Use and liquidity of accumulated gold:

- *Purchases from large-scale mines account for 19 per cent of the programme.*
- *While disposal of accumulated gold will be executed on need-basis, the Bank also has structured financing options that can generate liquidity with the bullion without approval from Cabinet and Parliament for an outright sale of bullion should the need arise.*

Policy framework and alignment:

- *The Government of Ghana has approved GANRAP, a deliberate, rules-based policy with a broader scope to replace the Gold-for-Reserves framework. This gold-driven policy is designed to fast-track reserve growth, with the goal of achieving 15 months of import cover by end-2028.*

GANRAP is designed to protect the Bank's balance sheet through cost-sharing, and is aligned with IMF's considerations on limiting quasi-fiscal exposures and safeguarding reserve management.

QUESTION 6

What are some of the options for Ghana should the blockade of the Strait of Hormuz begin to yield consequences of significantly higher oil prices with a cascading effect on exchange rate and other commodity prices?

Response: *The Strait of Hormuz handles about 30 per cent of shipping, including crude oil. A closure will cause oil prices to surge above the notional US\$100/barrel mark with adverse implications for Ghana's energy import bill, foreign exchange reserves, exchange rate stability, and inflation. Higher inflation can compress real incomes and dampen consumption and investment. Therefore, the prolonged conflict in the Middle East poses a significant risk of escalating crude oil prices. Should this materialise, Ghana would face a higher oil import bill alongside increased demand for foreign exchange, thereby exerting pressure on the domestic currency. Nevertheless, the country's robust international reserve buffer offers some protection against potential exchange rate volatility and its impact on domestic prices. In a more adverse scenario, remedial measures could be implemented to mitigate the economic consequences of surging oil prices.*

QUESTION 7

Ghana's recent macroeconomic stability has been attributed in part to favourable gold prices. In the event of a significant decline in gold prices, what alternative policy measures does the BoG have in place to sustain economic stability and safeguard the country's external and fiscal position?

Response: *At the BoG, our policy framework is specifically designed to build resilience to external shocks, including fluctuations in global commodity prices. In that regard, we continue to focus on maintaining price stability through prudent monetary policy, strengthening the foreign exchange market framework, and rebuilding of external buffers through the accumulation of reserves to mitigate the effects of external shocks similar to those that may arise from commodity price fluctuations. It is also important to note that the Government's ongoing fiscal consolidation efforts and reforms aimed at enhancing domestic revenue mobilisation, strengthening public financial management, and supporting export diversification will help broaden the economy's sources of foreign exchange earnings, which would reduce vulnerability to commodity price cycles.*

The Domestic Gold Purchase Programme is intended to build reserves from a domestic asset, rather than rely on gold price movements. Recognising that large gold holdings expose reserves to price volatility, the Bank mitigates this risk through active reserve management, including portfolio rebalancing, selective divestment of bullion and the use of hedging strategies when needed, to protect the external position and maintain long-term financial stability.

QUESTION 8

There have been persistent reports that some traders refuse to accept lower-denomination coins, such as the one pesewa, five pesewas and 20 pesewas in everyday transactions. What measures is the Bank implementing to address this practice and ensure the continued acceptance and circulation of these coins, so it does not fuel inflation?

Response: *All banknotes and coins issued by the BoG, as the legal authority for currency issuance in Ghana, are legal tender and cannot be rejected in the settlement of transactions. Under the Currency Act, 1964 (Act 242), the refusal to accept such legal tender in everyday transactions is not permitted. The rejection of lower-denomination coins, such as the one pesewa, five pesewas, and twenty pesewas, can result in the rounding up of prices and the imposition of higher minimum prices, which may undermine price stability. At the same time, it is recognised that the practical use of very small denominations tends to decline over time as inflation reduces their purchasing power, leading to a gradual shift in demand towards higher denominations. While it is important to ensure that coins remain available in the system, the key issue is public acceptance and compliance with legal tender requirements. The Bank will therefore continue to intensify public education and stakeholder engagement, particularly with traders, transport operators, and market associations, to reinforce the obligation to accept all legal tender. In addition, the Bank will work closely with financial institutions to support the effective distribution and recirculation of coins within the economy, while encouraging pricing practices that allow the use of appropriate denominations in everyday transactions. Through these measures, the Bank aims to maintain the efficient circulation of coins, prevent unnecessary price rounding, and safeguard transaction efficiency and price stability.*

The BoG has introduced several proactive measures to ensure the continued acceptance and circulation of these coins. These include:

- Public warnings declaring rejection of coins illegal.
- Mass education campaigns targeting traders and the public.
- Direct communication on how coin rejection contributes to inflation through price rounding.
- Promotion of the durability and cost-saving benefits of coins.

QUESTION 9

What measures is the BoG taking to maintain the stability of the Ghana cedi and manage exchange rate pressures in 2026?

Response: *The BoG is taking a multi-pronged approach to maintain the stability of the Ghana cedi and manage exchange-rate pressures in 2026:*

1. **Foreign exchange operations:** Providing liquidity to the market through sustained FX intermediation.
2. **Vostro account guidelines:** Streamlining cedi-related offshore transactions to improve FX inflows into the interbank market.
3. **Market monitoring and supervision:** Ensuring compliance and appropriate routing of remittances to support currency stability.
4. **Monetary policy and liquidity management:** Maintaining a prudent stance to reinforce overall FX market stability.

These measures, and the implementation of GANRAP, which has been approved by Parliament, are expected to work together to smooth volatility, support investor confidence, and maintain orderly exchange rate conditions.

QUESTION 10

The end of March 2026 is the deadline for the two remaining banks to meet their capital requirements. Are these banks on track, or should the market expect further regulatory action or forced mergers?

Response: *Procedures for the two banks to meet the capital requirements are ongoing but may go beyond the timelines given. For one, there is a strategic investor and the other has notified the BoG and the Ghana Stock Exchange of its intention to list on the stock exchange.*

QUESTION 11

Despite the rate cuts, Non-Performing Loans (NPLs) remain a concern. How is BoG monitoring the asset quality of banks as they shift from holding Government paper to more private sector lending?

Response: BoG’s monitoring strategy encompasses regulatory hard caps (including a prudential requirement for banks to reduce NPL ratios to 10 per cent by December 2026), strict write-off rules (such as mandatory write-offs of fully provisioned loans with no realistic prospect of recovery—excluding related party exposures—and compulsory monthly NPL disclosures and publication of wilful defaulters in audited financial statements), enhanced supervision, governance reforms (to ensure that key credit risk decisions are made locally rather than outsourced offshore, with offshore decisions requiring prior BoG approval), and continuous data-driven monitoring. Taken together, these measures aim to:

- Prevent a deterioration in asset quality as banks shift away from the safety of Government securities.
- Encourage prudent credit expansion to the private sector without compromising stability.
- Force a long-delayed cleanup of problematic legacy loans.

Also, the BoG will undertake a thematic review of asset quality to have an idea of the baseline NPL post implementation of the directive on NPLs.

QUESTION 12

How much has the Domestic Gold Purchase Programme contributed to the current “multi-year-high” in foreign reserves, and will this strategy remain the primary pillar for building reserves in 2026?

Response: The Domestic Gold Purchase Programme (DGPP) has contributed over US\$19 billion to Ghana’s reserves - comprising both foreign exchange and physical gold - since its inception. Gold will continue to serve as a central pillar in the Bank’s strategy for strengthening national reserves in 2026.

QUESTION 13

While the policy rate is 15.5 per cent [as at 10 March 2026], average commercial bank lending rate remains around 20 per cent. What specific measures is BoG taking to ensure that these massive policy rate cuts reach small businesses and households?

Response: It is important to emphasise that banks use the Ghana Reference Rate (GRR) as the baseline rate for all lending. The GRR is determined by three main components: the monetary policy rate, the interbank market rate, and the 91-day Treasury bill rate. All these inputs have been declining significantly on the back of sustained disinflation and successive policy rate cuts. As a result, the GRR has already fallen sharply to 11.71 per cent for March 2026, and we expect it to decline even further as inflation, T-bill yields, and funding costs continue to moderate. This steady reduction in the GRR is creating the conditions for commercial banks to reprice their lending rates downward, ensuring that lower policy rates are transmitted more fully to households and small businesses. The BoG also continues to implement measures to address high NPLs, which is a major factor keeping lending rates high. Lower NPLs reduce credit risk, improve balance sheet health, and create room for banks to price loans more competitively. Also, reducing liquidity distortions that keep lending rates artificially high and aligning Treasury yields with the policy rate to encourage banks to shift from Government paper to private sector lending. These measures will help ensure that monetary policy is fully transmitted and that the benefits of lower rates reach the small businesses, traders, and households that need affordable credit the most. This remains a key priority for the BoG.

QUESTION 14

Ghana currently relies heavily on gold export proceeds, particularly from the small-scale sector, as a major source of foreign exchange supply to the domestic market. With more than 70 per cent of those exports going to or through Dubai, disruptions to air traffic in the Middle East due to the ongoing conflict have reportedly slowed shipments and delayed inflows. How significant is this disruption for Ghana's FX liquidity and cedi stability, and does the Bank have contingency measures in place should the inflow of gold-related dollars remain constrained for an extended period?

Response: *While recent disruptions to air traffic in the Middle East have caused minor delays in gold shipments, these developments are not currently viewed as a major risk to foreign exchange liquidity or the stability of the cedi. Although Dubai handles a notable share of Ghana's gold flows (about 20 per cent according to the World Gold Council), it largely functions as a transit hub to major consuming markets such as China and India. In response to the temporary disruptions, GoldBod, in collaboration with the Bank, is adjusting logistics, closely monitoring export flows, and exploring alternative routes where necessary. These measures are intended to ensure the timely movement of gold exports and safeguard stability in Ghana's foreign exchange market should the disruptions persist.*

QUESTION 15

The new reserve accumulation strategy relies heavily on gold purchases, targeting more than three tonnes weekly. Given that the Bank previously expressed concerns about holding over 40 per cent of reserves in gold, how will the MPC manage the concentration risk if gold holdings increase further?

Response: *The BoG manages concentration risk in gold through its Strategic Asset Allocation (SAA) framework, which sets defined portfolio limits for reserve assets approved by the Board. While gold holdings may occasionally exceed these limits for strategic reasons, the Bank continuously monitors portfolio exposures. Where allocations move outside approved thresholds, rebalancing measures are undertaken to bring the Bank's reserve portfolio back within acceptable risk parameters.*

QUESTION 16

The goal under GANRAP is to achieve 15 months of import cover by end-2028. Accumulating reserves of that magnitude implies sterilisation costs and potential liquidity impacts. How does the Bank evaluate the opportunity cost of holding such a large reserve buffer relative to domestic investment needs?

Response: *The BoG views reserve accumulation primarily as a macroeconomic stability tool rather than a profit-driven investment decision. Adequate reserves are essential for mitigating external shocks, stabilising the exchange rate, and maintaining investor confidence in Ghana's open economy. While building reserves can involve sterilisation costs, the Bank considers these costs a necessary part of monetary policy operations. They are justified by the broader benefits of maintaining a strong external reserve buffer, which supports currency stability, financial stability, and the Bank's core mandate of price stability.*

QUESTION 17

The BoG carried the financial burden of the Domestic Gold Purchase Programme. Under the new framework, how will risks be shared between the Bank, the Ministry of Finance, and GoldBod?

Response: *The Bank is currently in discussion with the Ministry of Finance and GoldBod to conclude the details of a cost-sharing framework. The Bank shall make this information available once concluded.*

QUESTION 18

Global oil prices have surged above US\$100 per barrel due to geopolitical tensions. How does the MPC assess the risk that higher fuel costs could reverse the disinflation trend, and would this affect the pace of monetary easing?

Response: *The MPC is carefully monitoring developments in global oil markets, particularly considering recent geopolitical tensions that pushed oil prices above US\$100 per barrel. As a net oil-importing economy, higher global oil prices could exert pressure on domestic inflation through fuel prices, transport costs, production costs, and broader inflation expectations. In terms of policy direction, the Committee's approach remains data-dependent and forward-looking. Our current risk assessment suggests that although fuel prices may increase in the near term, inflation remains well below the lower bound of the Bank's medium-term target band, which provides some policy space. This implies that even if inflation rises in the near term, it is unlikely to move outside the Bank's medium-term target range. However, should global oil prices begin to materially threaten the disinflation path, the MPC would adjust the pace of monetary policy normalisation accordingly to ensure that inflation expectations remain firmly anchored to preserve macroeconomic stability.*

QUESTION 19

With T-bill yields falling, banks' overconcentration on OMO [Open Market Operation] instruments, elevated global risks and NPLs still high, is the MPC concerned about a meaningful squeeze on bank profitability, and what spillover risks does this pose to the BoG's own balance sheet?

Response: *Historically, banks have relied heavily on interest income from investments to shore up their profits. However, it is expected that given the decline in T-bill yields, banks will begin to rebalance their portfolios towards credit. The increase in credit will be supported by the sustained improvement in the macro economy, which will prop up demand for credit. On the supply side, credit is expected to increase as banks address issues relating to asset quality in line with the NPL directive that was issued in 2025. NPLs for the banking sector are expected to trend downwards by end of year as banks make efforts to reduce NPL ratios to the 10 per cent benchmark by end-2026. Together, these developments will support the shift towards credit and make up for the loss in profitability from the decline in yields. The decline in the monetary policy rate, in line with the current monetary policy easing cycle, will translate into lower OMO costs and contribute to improvements in the Bank's balance sheet performance in 2026.*