



129th Monetary Policy Committee Meetings

Opening Remarks

by

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17th Floor, Tower Block, Bank Square | 16 March 2026

Distinguished guests, colleagues, members of the financial press, and fellow Ghanaians,

Good morning.

Welcome to the 129th Meeting of the Monetary Policy Committee, our second meeting of the year. Since we last met in January, additional data has become available, providing a clearer picture of how the economy has progressed in recent months. In several important respects, the performance of the economy has been stronger than many had anticipated.

But this is not a meeting to ratify good news. It is a meeting to make a judgment on conditions that have become simultaneously more encouraging and more uncertain. When we met earlier this year, the question before us was whether stabilisation was taking hold. Today, the question is how we sustain these gains, while navigating a more uncertain global environment.

What the Data Now Tells Us

Ladies and gentlemen, let us reflect on what the data tells us. Since our last meeting, the economic picture has sharpened considerably. Headline inflation declined to 3.3 percent in February, marking the fourteenth consecutive monthly decline. We are now below the medium-term target band. These are numbers that, not long ago, would have been considered aspirational.

External buffers have strengthened further. Gross international reserves now stand at about US\$14.5 billion, equivalent to 5.8 months of import cover, up from approximately US\$13.8 billion at the time of our January meeting.

The real economy is also showing stronger momentum. The Composite Index of Economic Activity grew by 8.4 percent year-on-year at the start of 2026, supported by stronger bank credit, industrial output, trade activity, and household consumption. Consumer and business confidence rose in February 2026, supported by easing inflation.

Taken together, these indicators point to an economy stabilising more rapidly than many had expected.

But the External Environment Has Changed

Colleagues, the external environment has evolved significantly since our last meeting in January. The escalation of conflict in the Middle East has disrupted key energy and shipping corridors, increased volatility in global oil markets, and introduced new uncertainty into the trajectory of global inflation.

For Ghana, the spillover channels are clear. Sustained oil price increases raise the risk of imported inflation, which could necessitate policy tightening with implications for financial conditions. There is a partial offset – geopolitical uncertainty tends to support gold prices, which benefits our trade balance – however, the net balance of risks from this external shock is inflationary.

Considerations for This Meeting

Against this backdrop, I would like to draw members' attention to areas that will be central to our discussions.

- **First, the geopolitical risk channel and its implications for policy calibration.**
The external shock we face today is different from the conditions we confronted in January. Back then, the principal risk was complacency in the face of success. Today, there is a live external threat to the disinflation trajectory. Whatever decision the Committee takes, our communication must reflect both the progress achieved and the risks that remain.
- **Second, the Ghana Accelerated National Reserve Accumulation Programme.**
Since our last meeting, the Government has announced Ghana Accelerated National

Reserve Accumulation Programme (GANRAP), which seeks to raise international reserves to 15 months of import cover by 2028, from the current level of around 5.8 months. Strengthening external buffers is an important element of macroeconomic resilience. At the same time, initiatives of this scale raise questions regarding liquidity conditions, the Bank's balance sheet, and the interaction between reserve accumulation and monetary policy operations.

- **Third, the effectiveness of monetary policy transmission.**

The banking sector remains sound, profitable, and well-capitalised, with asset quality improving meaningfully over the past year. This matters not only for financial stability, but also for the effectiveness of monetary policy, the extent to which changes in the policy rate translate into the credit conditions experienced by households and businesses. Understanding the factors constraining credit expansion, whether on the supply or demand side, will therefore be important in assessing the real economy impact of any policy decisions taken today.

The Nature of the Judgment Required

The January decision was about restraint, but today, the judgment required is more complex. We must make our decision at the intersection of genuine domestic success and genuine external uncertainty. The question before this Committee is not whether conditions have improved. They have, significantly and across the board. However, how do we respond to that improvement when the conditions that enabled it are under pressure?

Central banking is not only about managing crises. It is equally about managing success, ensuring that progress achieved through disciplined policy is sustained. The decisions taken in this room must therefore hold up under more than one scenario for how the global environment evolves in the months ahead.

I wish members well in their discussions and look forward to the judgment that will guide our policy decision.

Thank you.