BANK OF GHANA

QUARTERLY ECONOMIC BULLETIN

THIRD QUARTER 2024

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Overview

This report presents a review of global and domestic economic developments during the third quarter of 2024. The domestic developments cover the real sector, price developments, monetary aggregates, banking sector credit, exchange rates, interest rates, the capital market, and balance of payments.

Global Economy

Global economic activity remained broadly steady but uneven across regions, supported by a recovery in real incomes and household spending, while restrictive financial conditions and geopolitical tensions continued to pose risks.

The Domestic Economy

Real Sector

Domestic real sector activity improved relative to the same period in 2023. Consumer spending, manufacturing activity, international tourist arrivals, construction, transportation and port activity all picked up during the review quarter, while industrial consumption of electricity declined.

Inflation

Headline inflation declined to 21.5 percent at the end of 2024Q3, from 22.8 percent recorded at the end of 2024Q2. On year-on-year terms, food inflation increased to 22.1 percent from 19.1 percent, while non-food inflation eased to 20.9 percent from 21.5 percent over the same comparative period.

Monetary Aggregates

Growth in broad money supply (M2+) increased to 41.99 percent at the end of 2024Q3, from 36.84 percent at the end of2023Q3. M2+ totalled GH¢311,180.28 million during the review period, compared with GH¢281,039.02 million and GH¢219,162.17 million at the end of 2024Q2 and 2023Q3, respectively. NFA growth rose sharply to 3,972.59 percent in 2024Q3, from 89.80 percent in 2023Q3, while NDA growth slowed to 11.10 percent in 2024Q3, from 24.91 percent in 2023Q3. Growth in M2+ was driven primarily by a significant expansion in Net Foreign Assets, with Net Domestic Assets contributing at a more moderate pace.

Banking Sector Credit

Annual growth in banks' outstanding credit to the public and private sectors increased to 25.53 percent in 2024Q3, from 2.83 percent in 2023Q3. This was also higher than the growth of 15.53 percent recorded in 2024Q2. At the end of 2024Q3, total outstanding credit stood at GH¢91,533.85 million. In real terms, credit from banks grew by 3.36 percent in 2024Q3, compared to a contraction of 25.53 percent in 2023Q3. The share of total outstanding credit to the private sector increased marginally to 91.74 percent in 2024Q3, from 91.66 percent in 2023Q3.

Exchange Rates

On the interbank market, the Ghana cedi depreciated on a quarter-on-quarter basis by 7.7 percent, 13.0 percent, and 11.3 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in 2024Q3. On the forex bureaux market, the Ghana cedi depreciated on a quarter-on-quarter basis by 3.1 percent, 7.6 percent, and 7.5 percent against the U.S. dollar, the pound sterling, and the euro, respectively, in 2024Q3.

Interest Rates

Interest rate developments reflected broad declines on a year-on-year basis in 2024Q3. Rates on BOG bills fell over the review period, while lending rates of DMBs, rates on GOG securities, and deposit rates also decreased. The Monetary Policy Rate at the end of 2024Q3 was 27.0 percent, reflecting a 300-basis-point decrease compared with the MPR at the end of 2023Q3.

The interbank weighted average interest rate increased by 152 basis points, year-on-year, from 27.31 percent in 2023Q3 to 28.84 percent in 2024Q3. On the treasury market, the 91-day, 182-day, and 364-day T-bill rates decreased by 313bps, 302bps, and 416bps, respectively, settling at 29.39 percent, 31.70 percent, and 32.97 percent at the end of 2024Q3.

Capital Market

The Ghana Stock Exchange Composite Index (GSE-CI) increased by 14.10 percent (539.83 points) on a quarter-on-quarter basis at the end of 2024Q3. The strong performance of the GSE-CI reflected share price appreciation in the IT, ET Fund, agriculture, distribution, and finance sectors. Total market capitalisation at the end of the review period stood at GH¢99,101.87 million, representing an increase of 16.46 percent (GH¢14,005.29 million) on a quarter-on-quarter basis.

Balance of Payments

The value of total merchandise exports for the quarter under review was estimated at US$5,416.08 million, indicating an increase of 49.0 percent compared with US$3,635.48 million recorded in 2023Q3. The export performance was driven by higher earnings from gold, cocoa, and other exports including non-traditional exports. Total value of merchandise imports for 2024Q3 was US$4,012.31 million, up by 11.5 percent from US$3,599.59 million recorded in 2023Q3. The increase in total imports was driven by both oil and non-oil imports. The provisional trade balance was a surplus of US$1,428.70 million in 2024Q3, higher than the surplus of US$36.03 million recorded in 2023Q3. The larger trade surplus reflected stronger export growth relative to imports. The country's Gross International Reserves (GIR) were estimated at US$7,829.11 million at the end of 2024Q3, compared with US$5,922.99 million at the end of 2023. This was sufficient to provide 3.5 months of import cover for goods and services, compared with 2.7 months at the end of 2023.

1. Developments in the World Economy

Global economic activity remained steady but uneven across regions, supported by the recovery of real incomes and household spending, offsetting the negative impact of restrictive financial conditions and heightened uncertainty arising from geopolitical risks. The IMF projects global growth to remain at 3.2 percent for 2024 and 2025, with both advanced and emerging market economies remaining the main drivers of growth. However, risks to the growth outlook remain tilted to the downside. Monetary policy remains restrictive despite the ongoing policy rate cuts across advanced economies and EMDEs. In particular, the lagged effects of past policy tightening could lead to a faster-than-anticipated deceleration in near-term growth and rising unemployment. In addition, persistent geopolitical tensions could further disrupt trade, leading to sustained increases in prices of energy, food and other commodities. The global disinflation process continued in November 2024, supported by falling commodity prices and lagged effects of restrictive monetary policy.

Table 1.1: Overview of World Economic Outlook Projections (% change)

Overview of the World Economic Outlook Projections (Percent change)		Year over Year	
	Estimates	Projections	
	2023	2024	2025
World	**3.3**	**3.2**	**3.2**
Advanced Economies	**1.7**	**1.8**	**1.8**
United States	2.9	2.8	2.2
Euro Area	0.4	0.8	1.2
Germany	–0.3	0.0	0.8
France	1.1	1.1	1.1
Italy	0.7	0.7	0.8
Spain	2.7	2.9	2.1
Japan	1.7	0.3	1.1
United Kingdom	0.3	1.1	1.5
Canada	1.2	1.3	2.4
Other Advanced Economies	1.8	2.1	2.2
Emerging Market and Developing Economies	**4.4**	**4.2**	**4.2**
China	5.2	4.8	4.5
India	8.2	7.0	6.5
Russia	3.6	3.6	1.3
Brazil	2.9	3.0	2.2
Mexico	3.2	1.5	1.3
Sub-Saharan Africa	**3.6**	**3.6**	**4.2**
Nigeria	2.9	2.9	3.2
South Africa	0.7	1.1	1.5

Source: IMF, WEO October, 2024, Update

United States

The U.S. economy expanded an annualized 3.1 percent in 2024Q3 from an expansion of 3.0 percent in 2024Q2. This is largely due to a surge in consumption, investment, government expenditure and net trade. Prices in the month under review declined for energy but accelerated for food. The IMF estimates the U.S. economy will marginally decline to 2.8 percent in 2024 from the growth of 2.9 percent in 2023 before slowing further to 2.2 percent in 2025. In the outlook, the U.S. economy remains strong with robust consumer spending and high business investment, but its future trajectory largely depends on the policies of the incoming administration. In addition, geopolitical fragmentations and persistent high inflation remain risks to growth.

United Kingdom

The United Kingdom economy stalled in 2024Q3, from the expansion of 0.4 percent witnessed in 2024Q2. The downturn in growth was driven by a moderation in investment and consumption. Energy costs fell while food prices rose in November 2024. The IMF projects the U.K. economy to grow by 1.3 percent in 2024, a marginal increase from 1.2 percent in 2023, before accelerating to 2.4 percent in 2025. In the outlook, growth could be hampered by an escalation in the geopolitical tension between Russia and Ukraine and also the war in the Middle East.

Euro Area

The Euro Area economy expanded 0.4 percent in 2024Q3, twice the growth rate witnessed in 2024Q2. This is coming on the back of an acceleration in growth in the largest economies in the region. Germany rebounded from the contraction of 0.3 percent in 2024Q2 to an expansion of 0.1 percent in 2024Q3 due to boosts in consumption and net trade. France expanded by 0.4 percent 2024Q3, up from 0.2 percent growth in 2024Q2, driven by consumption and government expenditure. The IMF estimates the Euro Area economy grew by 0.4 percent in 2023, and is expected to expand by 0.8 percent by the end of 2024, before accelerating to 1.2 percent in 2025. In the outlook, the Russia-Ukraine war and the conflict in the Middle East, if escalated, could impede growth as it has the propensity to disrupt energy supplies and global trade. Moreover, growth could also be revised downwards if the lagged effects of monetary policy tightening last longer than expected.

Japan

The Japanese economy expanded by 0.3 percent quarter on quarter in 2024Q3 on the back of a decline in investment and net trade, while government spending was muted. Food and energy costs rose sharply within the month under review. The IMF estimates the Japanese economy will grow by 0.3 percent in 2024, a sharp decline from 1.7 percent witnessed in 2023, before accelerating to 1.1 percent by the end of 2025. Looking ahead, geopolitical risks remain. Also, the proposal of the incoming U.S. administration to impose tariffs on vehicles, if carried through, will have an adverse effect on the Japanese automobile industry and impede growth.

China

The Chinese economy grew by a seasonally adjusted 0.9 percent in 2024Q3 from 0.7 percent witnessed in 2024Q2. This growth was on the back of government initiatives aimed at stimulating consumption, mitigating deflation risks, and reversing the downturn in the real estate sector. Energy costs declined while food prices contributed to reduction in inflation in November 2024. The IMF projects the Chinese economy will grow by 4.8 percent in 2024 but will moderate to 4.5 percent in 2025 from the 5.2 percent growth witnessed in 2023. In the outlook, the property sector is yet to truly recover amid ongoing challenges. Policymakers are expected to implement targeted fiscal and monetary measures to boost domestic demand and address deflationary pressures.

Emerging Markets and Developing Economies

Emerging Markets and Developing economies witnessed uneven growth across board. Mexico expanded by 1.1 percent in 2024Q3, up from 0.2 percent in 2024Q2, due to a sharp rebound in primary activities. However, growth in Brazil declined from 1.4 percent in 2023Q2 to 0.9 percent in 2024Q3, largely on the back of downturn in exports. Meanwhile, the Indian economy stalled at 1.1 percent in 2024Q3, the same growth recorded for 2024Q2. For the month under review, food prices increased while energy costs came down in Brazil. The IMF estimates that growth in the EMDEs will remain steady at 4.2 percent for 2024 and 2025, a slight decline from the expansions of 4.4 percent in 2023. In the outlook, the geopolitical tension in the

Middle East and the Russia-Ukraine war, if escalated, could ramp up prices of commodities and affect supply chain. This could impede growth for EMDEs.

Sub-Saharan Africa

The South African economy contracted 0.3 percent 2024Q3 largely on the back of a reduction in government spending. However, Nigeria rebounded strongly in 2024Q3, recording a growth of 10 percent on the back of improvements in consumption and investment. The IMF projects SSA will grow by 3.6 percent in 2024, same as the previous year, but growth is expected to accelerate to 4.2 percent in 2025. Looking ahead, the rising uncertainty due to persistent geopolitical tensions may slow the global economy and dampen demand for exports from SSA countries.

2. Real Sector Developments

A review of selected real sector indicators revealed an improvement in domestic economic activity in the third quarter of 2024 compared with trends observed during the same period in 2023.

2.1 Indicators of Economic Activity

Consumer Spending

Consumer spending, proxied by domestic VAT collections and retail sales, improved in the third quarter of 2024 compared with figures recorded in the corresponding period of 2023. Domestic VAT collections grew by 53.1 percent (year-on-year) to GH¢4,739.36 million, relative to GH¢3,095.14 million collected during the corresponding quarter in 2023. Similarly, domestic VAT increased by 19.4 percent compared with GH¢3,970.16 million collected for the second quarter of 2024.

Retail sales increased by 35.3 percent (year-on-year) to GH¢674.44 million during the third quarter of 2024 from GH¢498.57 million recorded in the corresponding quarter of 2023. The comparative improvement in retail sales could be attributed to increased household spending during the review period.

Manufacturing Activities

Manufacturing-related activities, as proxied by trends in the collection of direct taxes (income, corporate and others) and private sector workers' contributions to the SSNIT Pension Scheme (Tier-1), posted a positive outturn during the third quarter of 2024, compared with what was observed in the same period of 2023. Total direct taxes collected increased by 37.6 percent (year-on-year) to GH¢16,991.85 million in the third quarter of 2024, relative to GH¢12,352.02 million recorded for the third quarter of 2023. Conversely, total direct taxes collected for the quarter under review declined by 16.8 percent from GH¢20,422.72 million collected in the second quarter of 2024. In terms of contribution of the various sub-tax categories, corporate tax accounted for 49.6 percent, followed by income tax (PAYE and self-employed) with 35.7 percent, while "other tax sources" contributed 14.7 percent.

Similarly, private sector workers' contributions to the SSNIT Pension Scheme (Tier-1) improved by 28.8 percent (year-on-year) to GH¢1,361.21 million in the third quarter of 2024, from GH¢1,057.00 million collected during the corresponding quarter of 2023. The total contribution in the review period also increased by 8.9 percent when compared with GH¢1,250.42 million for the second quarter of 2024. The improvement in private workers' contributions to the Tier-1 Pension Scheme could be attributed to the registration of new employees as well as improved compliance by private sector employers.

Construction Sector Activities

Economic activity in the construction sub-sector, as proxied by the volume of cement sales, increased by 19.9 percent (year-on-year) during the third quarter of 2024 to 699,657.53 tonnes, from 583,675.79 tonnes recorded in the third quarter of 2023. Total cement sales during the review period also went up by 4.1 percent when compared with 672,093.65 tonnes recorded during the second quarter of 2024. The year-on-year improvement in total cement sales was due to an uptick in construction activities during the review period.

Vehicle Registration

Transport-related economic activities, gauged by vehicle registration by the Driver and Vehicle Licensing Authority (DVLA), improved by 20.8 percent to 39,868 in the third quarter of 2024 compared to 32,992 vehicles registered during the corresponding quarter of 2023. Conversely, the number of vehicles registered during the review period declined by 8.7 percent relative to 43,668 vehicles recorded in the second quarter of 2024. The year-on-year improvement recorded in vehicle registration was likely due to an increase in vehicle importation during the review period.

Industrial Consumption of Electricity

The consumption of electricity by industries, which is a proxy for activities within the productive sectors of the economy, went down by 10.0 percent during the third quarter of 2024, compared with observations made in the corresponding period of 2023. Industries utilised 836.59 gigawatts of power in the third quarter of 2024, as against 929.40 gigawatts recorded for the same period in 2023. Industrial consumption of electricity also marginally decreased by 1.7 percent from 851.06 gigawatts utilised for the second quarter of 2024.

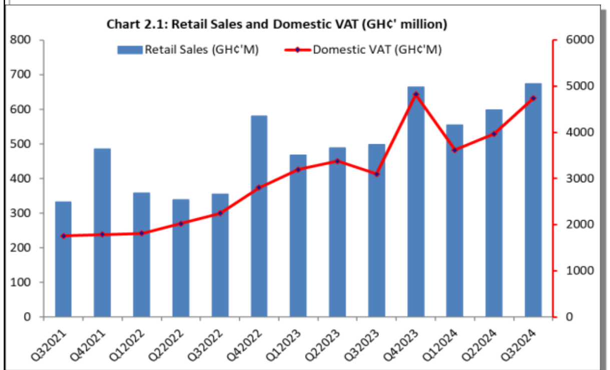
International Tourist Arrivals

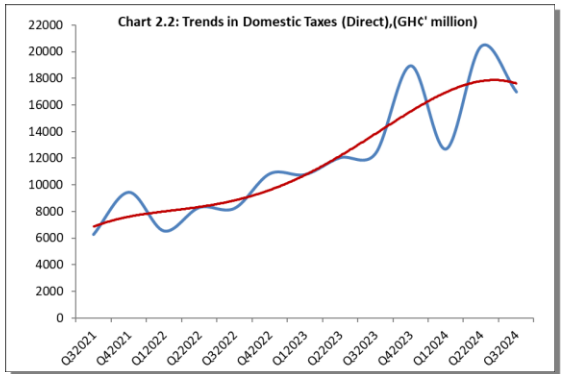
Tourist arrivals through the country's various ports of entry improved in the third quarter of 2024 when compared with figures recorded a year ago. A total of 339,275 tourists entered the country during the review period, as against 304,171 visitors received in the third quarter of 2023, indicating an improvement of 11.5 percent. Similarly, tourist arrivals during the period went up by 15.2 percent when compared with 294,393 visitors received in the second quarter of 2024. The year-on-year pick-up in tourist arrivals was mainly due to an increase in tourism-related activities during the review period.

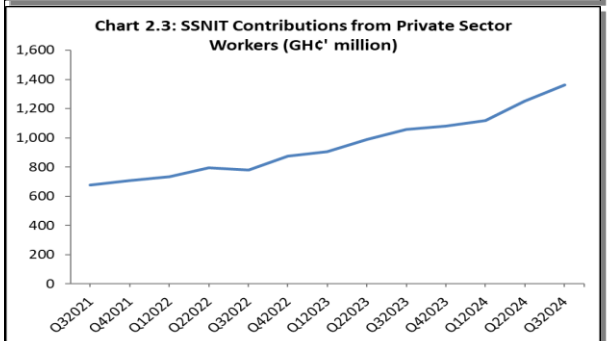
Port Activity

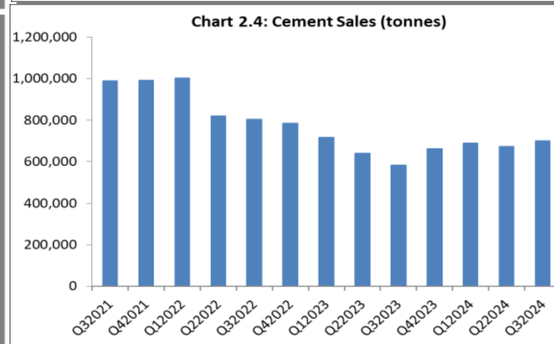
International trade at the country's two main harbours (Tema and Takoradi), as measured by laden container traffic for inbound and outbound containers, recorded an improvement during the third quarter of 2024, compared with what was observed in the corresponding quarter of 2023. Total container traffic for inbound and outbound containers increased by 17.4 percent to 182,108 from 155,146 for the third quarter of 2023. Port activity also went up by 5.1 percent when compared to 173,323 laden containers recorded in the second quarter of 2024. The relative improvement in port activity, year-on-year, was due to an up-tick in international trade activities during the period.

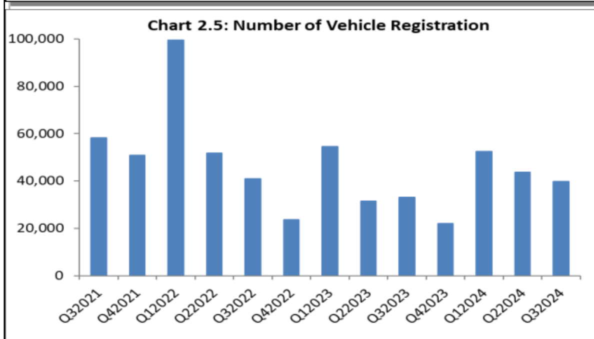
Charts 2.1 – 2.8: Trends in Real Sector Indicators

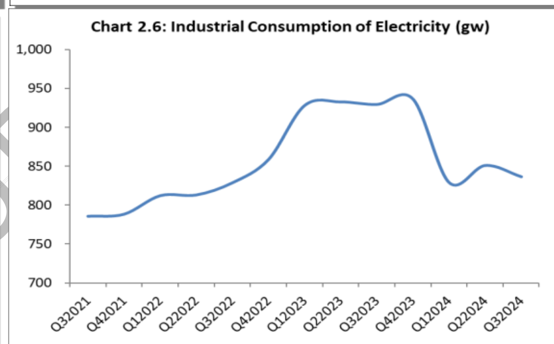


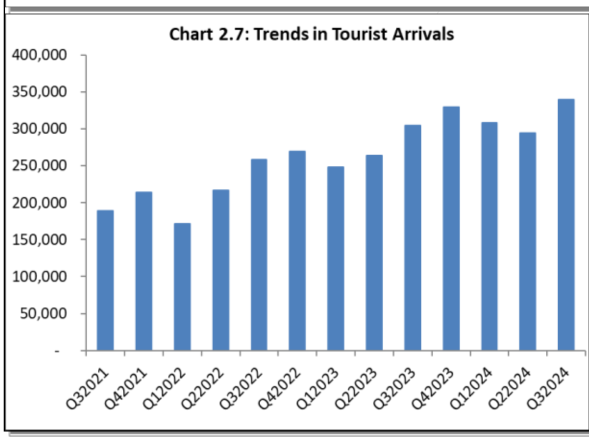


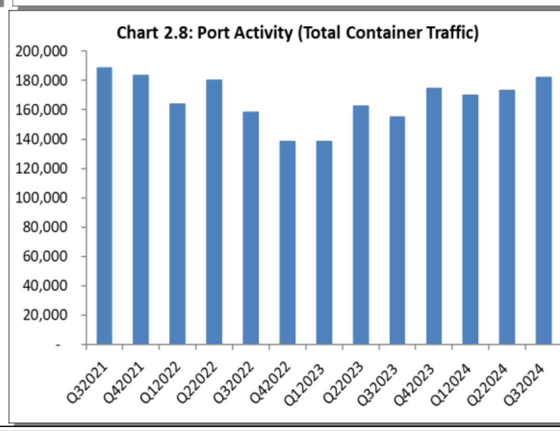












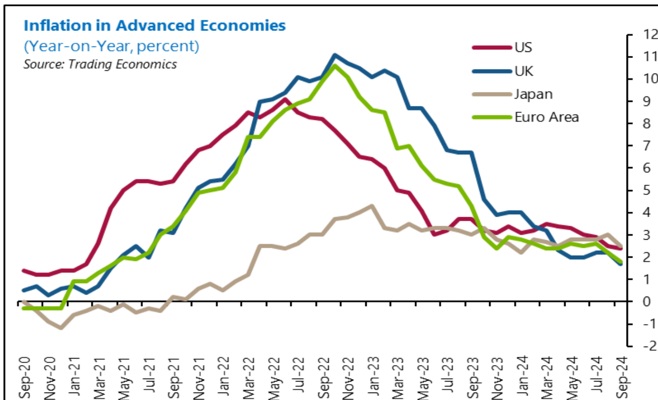
3. Price Developments

3.1 Global Inflation

Global inflation continued to steadily approach the targets set by several central banks, indicating a reduction in inflationary pressures stemming from the lingering effects of pandemic-related supply chain disruptions and commodity price hikes due to the conflict in Ukraine. In the outlook, the IMF projects that global headline inflation will decline from an average of 6.7 percent in 2023 to 5.9 percent in 2024, and further to 4.4 percent in 2025. Additionally, advanced economies are expected to reach their inflation targets more quickly than emerging markets and developing economies.

Advanced Economies

Chart 3.1: Inflation in Advanced Economies (Y/Y, %)



The annual inflation rate in the United States eased for the sixth consecutive month, declining to 2.4 percent at the end of the third quarter of 2024 from 3.0 percent in June 2024. The decline was primarily driven by a slowdown in price increases for shelter and energy, alongside reduced prices for new vehicles, used cars and trucks. Core inflation rate in the United States was unchanged at 3.3 percent in June and September 2024.

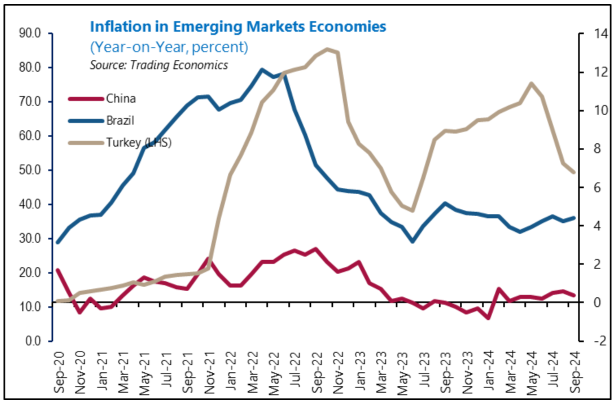
Headline inflation in the United Kingdom declined to 1.7 percent at the end of the third quarter of 2024, from 2.0 percent at the end of the second quarter. Core inflation also edged down to 3.2 percent in September, from 3.5 percent in June 2024.

Annual inflation in the Euro Area fell sharply to 1.7 percent in September 2024 from 2.5 percent at the end of the second quarter of 2024, the lowest since April 2021. The decline was largely attributable to reduced inflation rates for energy and services. Consistent with the drop in headline, core inflation rate, which excludes energy, food, alcohol, and tobacco, eased to 2.7 percent in September, from 2.9 percent in June 2024.

The annual inflation rate in Japan eased to 2.5 percent at the end of the third quarter of 2024 from 2.8 percent at the end of the previous quarter. The decline in September was mainly due to a moderation in the price of electricity, gas, food, furniture & household utensils, communication & education. Similarly, the core inflation rate softened to 2.4 percent in September from 2.6 percent in June 2024.

Emerging Market Economies

Chart 3.2: Inflation in Emerging Market Economies (Y/Y, %)



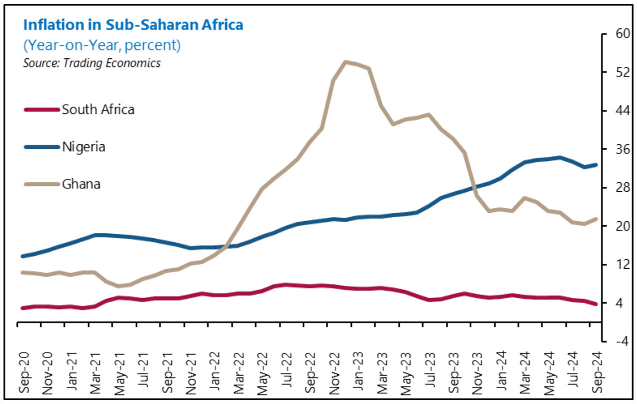
China's annual inflation rate decreased to 0.4 percent in September 2024 from 0.6 percent in August and China's annual inflation rate decreased to 0.4 percent in September 2024 from 0.6 percent in August, and 0.5 percent in July 2024. The decline in September was primarily driven by lower inflation rates in the health and education sectors, as well as a continued fall in the cost of transport due to lower crude oil prices. The decline in September edged headline inflation closer to the June outturn of 0.2 percent. Core inflation, which excludes food and energy, eased to 0.1 percent at the end of the third quarter of 2024 from 0.6 percent in June 2024, the lowest since January 2024.0.5 percent in July 2024. The decline in September was primarily driven by lower inflation rates in the health and education sectors, as well as a continued fall in the cost of transport due to lower crude oil prices. The decline in September edged headline inflation closer to the June outturn of 0.2 percent. Core inflation, which excludes food and energy, eased to 0.1 percent at the end of the third quarter of 2024 from 0.6 percent in June 2024, the lowest level since January 2024.

Brazil's annual inflation rate picked up marginally to 4.4 percent in September 2024 from 4.2 percent in June 2024. The uptick was driven primarily by an increase in the prices of food and beverages, housing & utilities, and health care.

Turkey's annual inflation rate declined to 49.4 percent in Quarter 3 of 2024 from 71.6 percent in Quarter 2. The deceleration was partly due to base effects and a broad easing of inflation across several sub-indexes. Consistent with headline inflation, core inflation eased to 49.1 percent from 71.4 percent over the same comparative period.

Sub-Saharan Africa

Chart 3.3: Inflation in Sub-Saharan Africa (Y/Y, %)



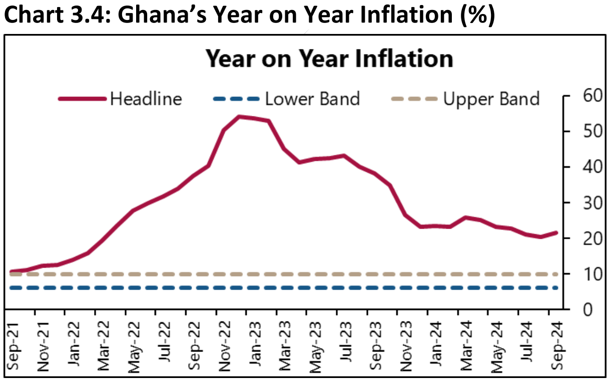
South Africa's annual inflation rate edged down to 3.8 percent in September 2024 from 5.1 percent in June 2024, the lowest since March 2021. This decline was primarily driven by a fall in inflation rates for transport and vehicles. The core inflation rate, which excludes volatile items such as food & non-alcoholic beverages, fuel, and energy, slowed to 4.1 percent in Quarter 3 of 2024 from 4.5 percent in Quarter 2.

Nigeria's headline inflation rate rose to 32.7 percent in September 2024 from 32.2 percent in August, but lower than the 33.4 percent recorded in July 2024 and 34.2 percent in June 2024. The recent uptick at the end of the third quarter was mainly driven by increases in transportation cost attributable to the depreciation of the Naira. Additionally, food inflation increased due to the impact of severe floods in food-producing areas. Core inflation, which excludes farm produce and energy, was 27.4 percent in September 2024, unchanged from the level recorded in June 2024.

3.2 Domestic Inflation

Headline Inflation

Chart 3.4: Ghana's Year on Year Inflation (%)



Source: Ghana Statistical Service

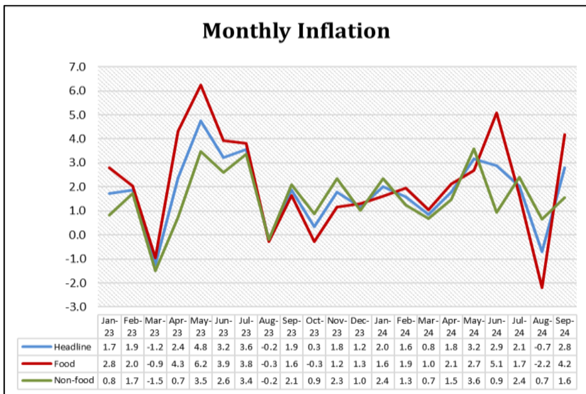
Headline inflation declined to 21.5 percent at the end of the third quarter of 2024 from the 22.8 percent recorded at the end of the second quarter. Despite this easing, recent trends point to emerging inflationary pressures. After five consecutive months of declining inflation, headline inflation rose to 21.5 percent in

September 2024, up from 20.4 percent in August and 20.9 percent in July. This increase was mainly due to a surge in food inflation, which jumped to 22.1 percent in September from 19.1 percent in August due to a dry spell in key food-producing areas. In contrast, non-food inflation eased to 20.9 percent in September, down from 21.5 percent in August.

In line with the headline inflation, the Bank's core measure of inflation, which isolates prices of energy and utility items from the consumer basket, increased to 20.8 percent in September from 19.4 percent in the prior month.

Monthly Inflation

Chart 3.5: Ghana's Monthly Inflation (%)



Source: Ghana Statistical Service

On a month-on-month basis, headline inflation increased to 2.8 percent in September 2024 from -0.7 percent in the previous month. The increase was driven by both food and non-food inflation. Specifically, food inflation increased to 4.2 percent in September from -2.2 percent in August, while monthly non-food inflation edged up to 1.6 percent from 0.7 percent in the previous month. Monthly headline inflation averaged 1.4 percent in the third quarter of 2024 as compared to 2.6 percent in the second quarter of 2024.

3.3 Inflation Outlook

Recent price developments indicate that the disinflation process remains sluggish, primarily due to food supply bottlenecks caused by the recent dry spell. Updated forecasts show that the inflationary path is elevated in the near-term but would steadily decline towards the medium-term target of 8±2 percent by the end of 2025, barring unanticipated shocks. Risks such as shocks to crude oil prices from rising geopolitical tensions, upward utility tariff adjustments and food supply bottlenecks due to the dry spell, particularly in the northern parts of the country, will need to be monitored closely. These risks are expected to be moderated by tight monetary conditions, improved reserve buffers and efficient liquidity management strategies.

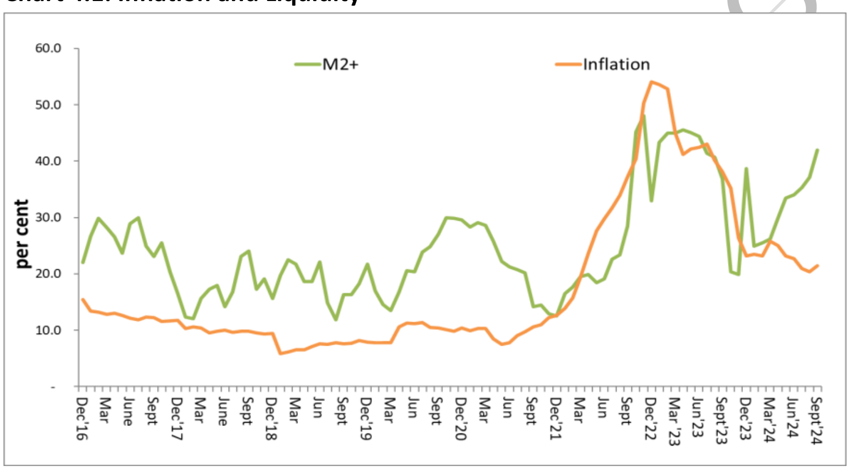
4. Money and Financial Market Developments

Developments in monetary aggregates for the third quarter in 2024 showed considerable increase in the annual growth in M2+ relative to the corresponding quarter of 2023, driven mainly by a significant acceleration in the pace of growth in the Net Foreign Assets (NFA) of depository institutions, reflecting a net build-up in foreign assets. The Net Domestic Assets (NDA) of the depository institutions also increased, albeit at a relatively slower pace relative to the corresponding quarter of 2023. The increase in the growth in M2+ reflected in increased growth in currency with the public and foreign currency deposits. Growth in demand deposits, and savings and time deposits, however, decreased marginally over the same comparative period.

4.1 Broad Money Supply

Developments in monetary aggregates for the third quarter of 2024 showed sustained growth in broad money supply (M2+) relative to the corresponding period of 2023. Annual growth in broad money supply (M2+) increased to 41.99 percent in the third quarter of 2024 from 36.84 percent in the third quarter of 2023. Stock of broad money supply stood at GH¢311,180.28 million at the end of the review period compared with GH¢281,039.02 million and GH¢219,162.17 million recorded in the second quarter of 2024 and the third quarter of 2023 respectively. The observed increase in the growth of M2+ reflected in increased growth in currency with the public and foreign currency deposits. Growth in demand deposits, and savings and time deposits, however, decreased over the same comparative period.

Chart 4.1: Inflation and Liquidity



Source: Bank of Ghana

4.2 Sources of Change in M2+

The observed increase in the growth in M2+ was attributed to an increase in the pace of growth in the Net Foreign Assets (NFA) during the review period mainly due to increased expansion in the foreign assets of the Central Bank and Other Depository Corporations. Similarly, the Net Domestic Assets (NDA) increased, albeit at a slower pace, compared with same time in 2023, on the back of expansions in net claims on Government, as well as claims on public and private sectors. Growth in NFA increased significantly to 3,972.59 percent in third quarter of 2024 compared with 89.80 percent growth in the third quarter of 2023. The considerable growth in the NFA recorded in the third quarter of 2024 was, however, lower than the growth of 7,455.25 percent recorded in the second quarter of 2024. In contrast, growth in NDA slowed significantly to 11.10 percent in the third quarter of 2024, from 24.91 percent recorded at the end of the third quarter of 2023.

This was, however, marginally higher than the growth of 11.00 percent recorded in the second quarter of 2024.

Components of Net Domestic Assets

In terms of components of NDA, growth in net claims on Government increased to 10.39 percent in the third quarter of 2024 from 8.22 percent in the third quarter of 2023. Growth in claims on public sector also increased to 19.09 percent in the third quarter of 2024 from negative 23.21 percent in the third quarter of 2023, while claims on private sector decreased to 13.90 percent from 15.09 percent over the same comparative. The Other Items (Net) changed by 2.61 percent in the third quarter of 2024 compared to a change of 446.36 percent in the third quarter of 2023.

Table 4.1: Monetary Indicators (GH¢ million)

						As at end-Sept. 22		As at end-Sept. 23		As at end-Jun. 24		As at end-Sept. 24	
	Sep-21	Sep-22	Sep-23	Jun-24	Sep-24	abs	per cent	abs	per cent	abs	per cent	abs	per cent
Reserve Money	39,156.13	53,503.90	63,496.22	110,578.33	120,771.47	14,347.77	36.64	9,992.32	18.68	48,234.89	77.37	57,275.24	90.20
Narrow Money (M1)	61,153.92	69,671.98	100,401.21	135,627.74	154,345.49	8,518.05	13.93	30,729.23	44.11	39,530.42	41.14	53,944.28	53.73
Broad Money (M2)	96,838.70	110,613.58	158,647.67	203,530.25	229,253.49	13,774.88	14.22	48,034.08	43.43	53,459.69	35.62	70,605.83	44.50
Broad Money (M2+)	124,596.60	160,157.59	219,162.17	281,039.02	311,180.28	35,560.99	28.54	59,004.58	36.84	71,418.41	34.07	92,018.11	41.99
Currency with the Public	18,812.37	23,786.09	31,834.02	44,895.56	52,752.78	4,973.72	26.44	8,047.93	33.83	13,657.06	43.72	20,918.76	65.71
Demand Deposits	42,341.55	45,885.89	68,567.19	90,732.19	101,592.71	3,544.34	8.37	22,681.31	49.43	25,873.36	39.89	33,025.52	48.17
Savings & Time Deposits	35,684.78	40,941.60	58,246.46	67,902.50	74,908.00	5,256.83	14.73	17,304.85	42.27	13,929.27	25.81	16,661.54	28.61
Foreign Currency Deposits	27,757.90	49,544.01	60,514.50	77,508.78	81,926.79	21,786.11	78.49	10,970.49	22.14	17,958.73	30.16	21,412.28	35.38
Sources of M2+													
Net Foreign Assets (NFA)	15,199.51	(16,665.29)	(1,699.17)	49,084.99	65,801.73	(31,864.80)	-209.64	14,966.12	-89.80	48,435.31	7455.25	67,500.90	-3972.59
BOG	16,504.31	(16,871.08)	(16,263.13)	23,057.19	34,489.38	(33,375.39)	-202.22	607.95	-3.60	36,807.46	-267.69	50,752.51	-312.07
DMBs	(1,304.80)	205.79	14,563.96	26,027.80	31,312.35	1,510.59	-115.77	14,358.17	6976.98	11,627.85	80.75	16,748.39	115.00
Net Domestic Assets	109,397.09	176,822.88	220,861.34	231,954.03	245,378.55	67,425.79	61.63	44,038.46	24.91	22,983.10	11.00	24,517.21	11.10
Claims on Government (net)	77,648.30	108,948.92	117,900.16	117,391.93	130,147.19	31,300.62	40.31	8,951.24	8.22	(19,769.17)	-14.41	12,247.02	10.39
BOG	31,179.41	62,420.49	62,372.76	55,138.36	69,537.62	31,241.08	100.20	(47.73)	-0.08	(27,813.46)	-33.53	7,164.86	11.49
DMBs	46,468.88	46,528.43	55,527.40	62,253.57	60,609.57	59.55	0.13	8,998.98	19.34	8,044.29	14.84	5,082.16	9.15
Claims on Public Sector	6,989.35	9,052.95	6,951.99	7,222.32	8,279.35	2,063.60	29.52	(2,100.95)	-23.21	(452.91)	-5.90	1,327.36	19.09
BOG	1,934.81	2,163.54	870.39	805.34	719.63	228.73	11.82	(1,293.15)	-59.77	(115.58)	-12.55	(150.76)	-17.32
DMBs	5,054.54	6,889.40	6,081.60	6,416.98	7,559.72	1,834.87	36.30	(807.80)	-11.73	(337.33)	-4.99	1,478.11	24.30
Claims on Private Sector	45,710.86	64,956.82	74,757.13	78,935.11	85,145.66	19,245.96	42.10	9,800.31	15.09	4,818.60	6.50	10,388.53	13.90
BOG	716.45	936.92	7,922.06	873.38	1,171.53	220.47	30.77	6,985.14	745.54	(6,872.17)	-88.72	(6,750.53)	-85.21
DMBs	44,994.41	64,019.90	66,835.08	78,061.73	83,974.14	19,025.49	42.28	2,815.18	4.40	11,690.77	17.61	17,139.06	25.64
Other Items (Net) (OIN) \2	(20,951.41)	(6,135.81)	21,252.05	28,404.68	21,806.35	14,815.60	-70.71	27,387.86	-446.36	38,386.58	-384.56	554.30	2.61
o/w BOG OMO (Sterilisation)	(6,321.65)	(6,940.43)	(36,582.70)	(16,244.51)	(21,138.18)	(618.78)	9.79	(29,642.27)	427.10	11,028.97	-40.44	15,444.52	-42.22

Source: Bank of Ghana

4.3 Developments in Banks' Credit

The annual growth in banks' outstanding credit to the public and private sectors in the third quarter of 2024 increased significantly relative to the corresponding period of 2023; the increase in the nominal growth in total outstanding credit reflected in increased growth in credit to the private sector. The nominal annual growth in banks' outstanding credit increased to 25.53 percent in the third quarter of 2024 from 2.83 percent in the third quarter of 2023. This was also higher than the growth of 15.53 percent recorded in the second quarter of 2024. At the end of the third quarter of 2024, total outstanding credit stood at GH¢91,533.85 million compared with GH¢72,916.68 million and GH¢84,478.71 million recorded in the third quarter of 2023 and second quarter of 2024 respectively.

In real terms, growth in total outstanding credit from the banks improved to 3.36 percent at end of the third quarter of 2024 from negative 25.53 percent in the same period of 2023, largely on account of increased growth in nominal credit, as well as the disinflation process. This was also higher than the negative 5.89 percent growth realised in the second quarter of 2024.

The share of private sector credit in total outstanding credit increased marginally to 91.74 percent at the end of the review period, from 91.66 percent recorded in the third quarter of 2023.

Table 4.2: Sectoral Distribution of Banks Outstanding Credit

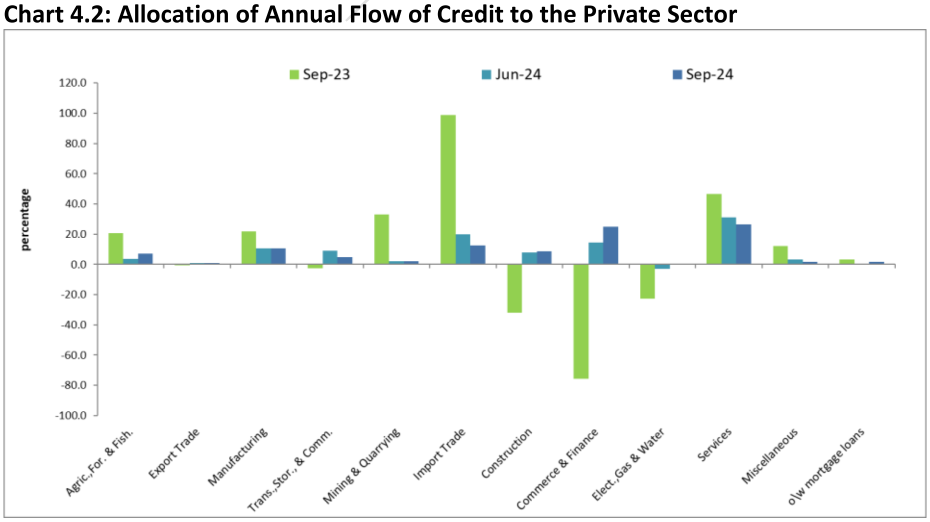
	Levels (GH¢ Millions)					Quarter-On-Quarter Variation							
						As at end-Sept. 2022		As at end-Sept. 2023		As at end-Jun. 2024		As at end-Sept. 2024	
	Sep-21	Sep-22	Sep-23	Jun-24	Sep-24	Abs	Percent	Abs	Percent	Abs	Percent	Abs	Percent
a Public Sector	5,054.54	6,889.40	6,081.60	6,416.98	7,559.72	1,834.87	36.30	(807.80)	(11.73)	(337.33)	(4.99)	1,478.11	24.30
b Private Sector	44,994.41	64,019.90	66,835.08	78,061.73	83,974.14	19,025.49	42.28	2,815.18	4.40	11,690.77	17.61	17,139.06	25.64
Agric.,For. & Fish.	1,745.96	2,148.76	2,732.10	3,047.99	3,931.07	402.80	23.07	583.34	27.15	428.37	16.35	1,198.97	43.88
Export Trade	166.20	287.06	272.80	577.22	428.35	120.86	72.72	(14.26)	(4.97)	102.30	21.54	155.55	57.02
Manufacturing	5,405.73	6,997.12	7,609.11	8,986.70	9,420.80	1,591.39	29.44	611.99	8.75	1,247.65	16.12	1,811.69	23.81
Trans.,Stor., & Comm.	3,306.36	3,739.30	3,670.93	4,810.42	4,487.40	432.94	13.09	(68.37)	(1.83)	1,039.97	27.58	816.47	22.24
Mining & Quarrying	987.25	1,571.11	2,500.12	2,751.86	2,876.29	583.86	59.14	929.01	59.13	262.54	10.55	376.17	15.05
Import Trade	1,389.85	2,103.13	4,888.34	7,212.92	7,038.52	713.28	51.32	2,785.21	132.43	2,308.73	47.08	2,150.19	43.99
Construction	4,735.00	7,183.99	6,288.84	7,405.79	7,803.98	2,448.99	51.72	(895.14)	(12.46)	902.12	13.87	1,515.14	24.09
Commerce & Finance	8,253.75	12,021.62	9,890.93	11,507.33	14,129.73	3,767.87	45.65	(2,130.70)	(17.72)	1,678.57	17.08	4,238.80	42.86
Elect.,Gas & Water	2,003.66	3,141.26	2,504.19	2,275.37	2,545.15	1,137.61	56.78	(637.07)	(20.28)	(330.73)	(12.69)	40.96	1.64
Services	13,613.59	20,735.59	22,044.86	24,890.15	26,602.24	7,122.00	52.32	1,309.28	6.31	3,654.36	17.21	4,557.37	20.67
Miscellaneous	3,387.07	4,090.96	4,432.85	4,595.97	4,710.60	703.89	20.78	341.89	8.36	396.90	9.45	277.75	6.27
c Grand Total	50,048.95	70,909.31	72,916.68	84,478.71	91,533.85	20,860.36	41.68	2,007.37	2.83	11,353.44	15.53	18,617.17	25.53

Source: Bank of Ghana

Distribution of Outstanding Credit to the Private Sector

The growth in outstanding credit to the private sector increased both in nominal and real terms as at the end of the third quarter of 2024. In nominal terms, growth in credit to the private sector increased to 25.64 percent in the third quarter of 2024 from 4.40 percent recorded in the third quarter of 2023. This was, also higher than the 17.61 percent recorded at the end of the second quarter of 2024. The outstanding credit to the private sector at the end of the third quarter of 2024 was GH¢83,974.14 million, compared with GH¢ 66,835.08 million and GH¢78,061.73 million recorded in the third quarter of 2023 and the second quarter of 2024, respectively. In real terms, the growth in private sector credit improved to 3.45 percent at the end of the third quarter of 2024, from a growth of negative 24.40 percent recorded, same period in 2023.

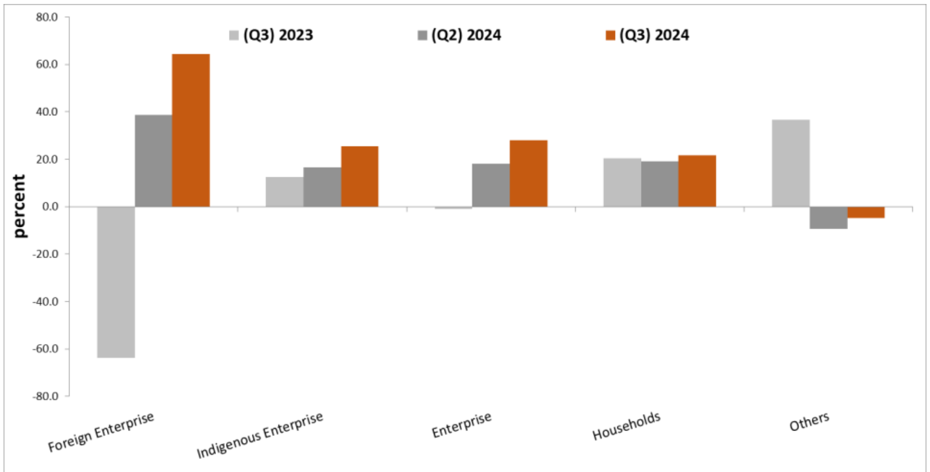
Chart 4.2: Allocation of Annual Flow of Credit to the Private Sector



Source: Bank of Ghana

The recorded growth in credit to the private sector during the third quarter of 2024 reflected in increased share of annual flow of credit to the following sectors, relative to same period in 2023: commerce and finance; transport, storage & communication; construction sectors and export trade. The top five (5) sectors with significant share of annual private sector credit flows in the third quarter of 2024 were: services (26.59%); commerce and finance (24.73%), import trade (12.55%), manufacturing (10.57%), and construction (8.84%).

Chart 4.3: Growth Rate of Annual Flow of Credit to the Private Sector by Borrower



Source: Bank of Ghana

In terms of annual flow of credit to private sector by borrower, at the end of the third quarter of 2024, flows to foreign enterprises, indigenous enterprises, and households' subsectors increased relative to the corresponding periods of 2023, while flows to the "Other" category decreased relative to the corresponding period of 2023.

4.4 Sources and Uses of Banks' Flow of Funds

The provisional figures for the third quarter of 2024 showed that the share of commercial banks' fund flows allocated to bank credit, foreign assets and balances with Bank of Ghana increased, while the proportion of funds flows allocated to investment in Government securities and other assets decreased relative to that of the corresponding quarter in 2023.

Proportion of fund flows to foreign assets and balances with Bank of Ghana increased to 16.43 percent and 43.02 percent respectively, in the third quarter of 2024, relative to 13.25 percent and 12.64 percent respectively, in the third quarter of 2023. The significant increase in the share of balances with Bank of Ghana was on account of the implementation of the dynamic Cash Reserve Requirement, which induced banks to increase their reserve balances with Bank of Ghana. The proportion of fund flows to bank credit increased to 17.80 percent in the third quarter of 2024 from 3.98 percent at the end of the third quarter in 2023. This was, also, higher than the 13.62 percent recorded in the second quarter of 2024.

The share of bank funds allocated to investments in Government securities decreased significantly to 7.79 percent in the third quarter of 2024 from 17.09 percent in the corresponding period in 2023. This reflected a decrease in the share of fund flows to investments in short-term bills and medium- to long-term securities. Share of fund flows to investment in short-term Government instruments decreased to 7.59 percent in the third quarter of 2024, from 16.63 percent recorded in the third quarter of 2023. The proportion of fund flows to investment in medium- to long-term securities decreased to 0.20 percent from 0.46 percent over the same comparative period. Similarly, the proportion of fund flows to other assets decreased to 14.95 percent from 53.04 percent over the same comparative period.

Table 4.3: Sources and Uses of Banks' Funds

						Percentage of Annual Flows (Quarter-on-Quarter)							
						As at end-Sept. 2022		As at end-Sept. 2023		As at end-Jun 2024		As at end-Sept. 2024	
	Sep-21	Sep-22	Sep-23	Jun-24	Sep-24	Abs	% of Change	Abs	% of Change	Abs	% of Change	Abs	% of Change
Sources of Funds													
Total Deposits	101,832.7	131,774.0	181,717.9	229,432.9	251,169.2	29,941.2	62.5	49,943.9	99.0	56,267.5	67.5	69,451.4	66.4
Domestic	74,074.8	82,229.9	121,203.4	151,924.1	169,242.4	8,155.1	17.0	38,973.4	77.2	38,308.8	45.9	48,039.1	45.9
Demand Deposits	38,390.1	41,288.3	62,956.9	84,021.6	94,334.4	2,898.3	6.1	21,668.6	42.9	24,379.5	29.2	31,377.5	30.0
Savings Deposits	18,928.9	21,719.0	30,063.1	38,870.3	43,149.7	2,790.2	5.8	8,344.1	16.5	10,191.9	12.2	13,086.6	12.5
Time Deposits	16,755.9	19,222.6	28,183.3	29,032.2	31,758.3	2,466.6	5.2	8,960.7	17.8	3,737.4	4.5	3,574.9	3.4
Foreign Currency	27,757.9	49,544.0	60,514.5	77,508.8	81,926.8	21,786.1	45.5	10,970.5	21.7	17,958.7	21.5	21,412.3	20.5
Credit From BOG	1,025.1	2,094.9	586.3	307.1	271.4	1,069.8	2.2	- 1,508.6	- 3.0	- 743.6	- 0.9	- 314.8	- 0.3
Balances Due to Non-Resident Banks	9,982.6	13,233.6	5,560.3	6,982.2	5,997.8	3,251.0	6.8	- 7,673.3	- 15.2	435.8	0.5	437.6	0.4
Capital	10,822.6	11,243.6	11,289.6	14,421.3	16,698.5	421.0	0.9	46.0	0.1	3,131.7	3.8	5,408.9	5.2
Reserves	13,820.3	16,532.1	14,109.8	19,289.2	20,316.8	2,711.8	5.7	- 2,422.3	- 4.8	7,427.7	8.9	6,207.0	5.9
Other Liabilities*	35,208.4	45,691.1	57,760.2	76,092.0	81,143.8	10,482.7	21.9	12,069.0	23.9	16,862.6	20.2	23,383.7	22.4
Total	172,691.8	220,569.3	271,023.9	346,524.6	375,597.7	47,877.5	100.0	50,454.7	100.0	83,381.7	100.0	104,573.7	100.0
Uses of Funds													
Bank Credit	50,048.9	70,909.3	72,916.7	84,478.7	91,533.9	20,860.4	43.6	2,007.4	3.98	11,353.4	13.62	18,617.2	17.80
o/w Private Sector Credit	44,994.4	64,019.9	66,835.1	78,061.7	83,974.1	19,025.5	39.7	2,815.2	5.6	11,690.8	14.0	17,139.1	16.4
Investment in Government Securities	55,650.1	57,871.1	66,492.1	75,359.8	74,638.2	2,221.1	4.6	8,621.0	17.09	9,982.4	11.97	8,146.1	7.79
Short Term	7,484.3	5,479.8	13,870.6	21,018.1	21,807.5	- 2,004.5	- 4.2	8,390.8	16.63	8,649.9	10.4	7,936.9	7.59
Medium/Long Term	48,165.7	52,391.3	52,621.5	54,341.7	52,830.7	4,225.6	8.8	230.2	0.46	1,332.5	1.6	209.1	0.20
Foreign Assets	8,677.8	13,439.4	20,124.2	33,010.0	37,310.2	4,761.6	9.9	6,684.8	13.2	12,063.7	14.47	17,186.0	16.43
Balances with BOG	19,721.0	34,291.3	40,670.1	76,868.7	85,662.4	14,570.4	30.4	6,378.7	12.6	34,047.4	40.83	44,992.3	43.02
Other Assets**	38,594.0	44,058.1	70,820.8	76,807.4	86,453.0	5,464.1	11.4	26,762.7	53.04	15,934.7	19.1	15,632.2	14.95
Total	172,691.8	220,569.3	271,023.9	346,524.6	375,597.7	47,877.5	100.0	50,454.7	100.0	83,381.7	100.0	104,573.7	100.0

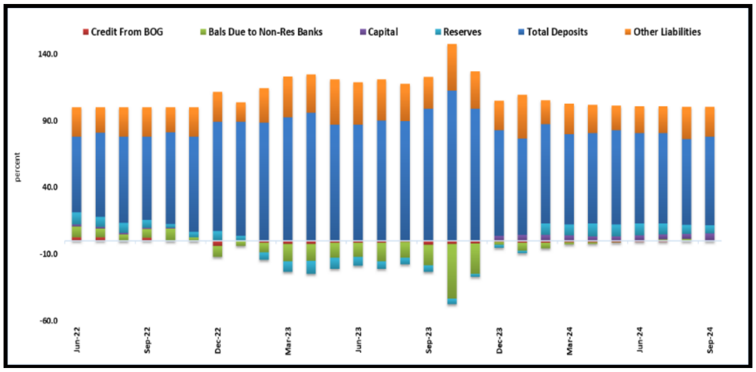
*Includes margin deposits, cheques for clearing, interest in suspense, borrowings from other resident banks and other unclassified liabilities.
**Includes real estate and equipment and other unclassified assets

Source: Bank of Ghana

The main source of funds flows for financing of banks assets was deposits. Its share in the sources of funds, however, decreased to 66.41 percent in the third quarter of 2024 from 98.99 percent in the third quarter of 2023. This was also lower than the 67.48 percent recorded in the second quarter of 2024. The proportion of fund flows from domestic deposits decreased to 45.94 percent in the third quarter of 2024 from 77.24 percent in third quarter of 2023. This reflected in decreases in the shares of its components - demand deposits, savings deposits, and time deposits. Similarly, share of fund flows from foreign currency deposits decreased to 20.48 percent in the third quarter of 2024 from 21.74 percent in the third quarter of 2023.

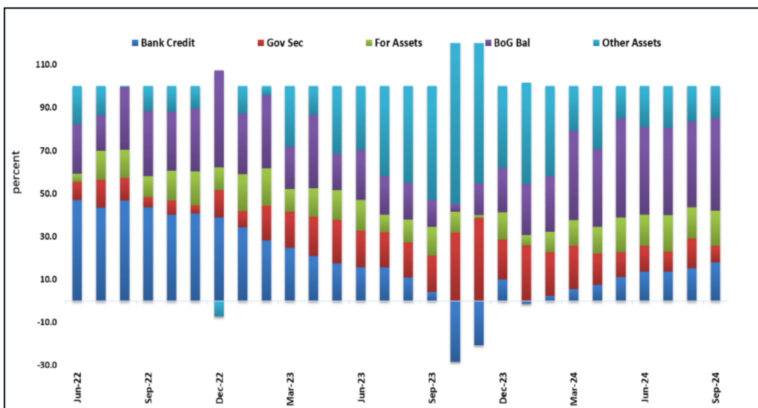
Share of fund flows from bank capital and reserves increased over the same comparative period. Share of fund flows from bank capital increased to 5.17 percent from 0.09 percent, while share of fund flows from reserves increased to 5.94 percent from negative 4.80 percent. The share of funds flows attributed to credit from Bank of Ghana and balances due to non-resident banks declined to negative 0.30 percent and 0.42 percent respectively, in the third quarter of 2024 from negative 2.99 percent and negative 15.21 percent respectively, in the third quarter of 2023. Similarly, the share of funds flows attributed to other liabilities declined to 22.36 in the third quarter of 2024, from 23.92 percent in the third quarter of 2023.

Chart 4.4: Sources of Banks' Annual Flow of Funds



Source: Bank of Ghana

Chart 4.5: Uses of Banks' Annual Flow of Funds



Source: Bank of Ghana

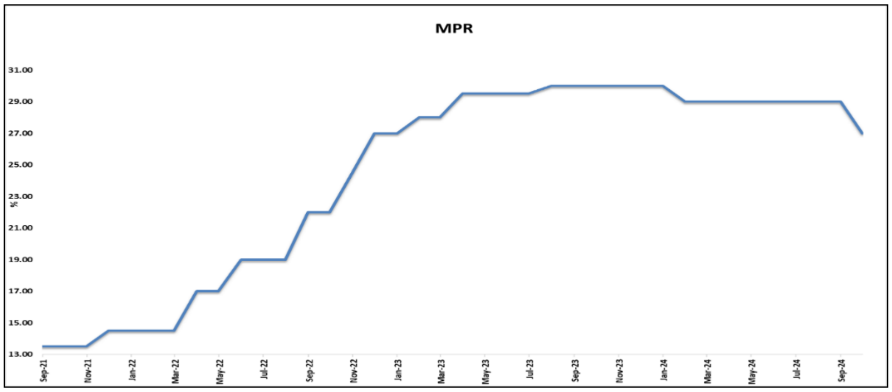
4.5 Interest Rate Developments

Developments in interest rates on the money market, for the third quarter of 2024, generally reflected a downward trend across the full spectrum of the yield curve. The BOG bill rate, rates on GOG securities, rates on Deposit Money Banks (DMBs) and the average lending rates decreased relative to the corresponding period in 2023.

Monetary Policy Rate

The Monetary Policy Rate (MPR) at the end of the third quarter of 2024 stood at 27.00 percent, reflecting a 300 basis points decrease compared with the MPR at the end of the third quarter in 2023. In the September 2024 MPC meeting, the Monetary Policy Committee (MPC) announced a 200-basis point cut in the MPR from 29 percent to 27 percent. The reduction in the MPR was on the back of improvement in the macroeconomic fundamentals and significant stability in the economy, broadly observed from the beginning of the year to date.

Chart 4.6: Trends in Monetary Policy Rate



Source: Bank of Ghana

BOG Bills

The interest equivalent on the 56-day BOG bill decreased by 95 basis points to 29.00 percent in the third quarter of 2024, compared to 29.95 percent in the corresponding quarter in 2023. When compared to the second quarter of 2024, the 56-day rate remained unchanged at 29.00 percent. The interest equivalent on the 14-day BOG bills remained unchanged compared to the third quarter in 2023 and the second quarter of 2024 due to non-issuance of the 14-day bills during the period.

Government Securities

On the Treasury bills market, interest rate developments in third quarter of 2024 showed downward trends relative to corresponding quarter of 2023. The yields on the 91-day, 182-day and 364-day T-bills decreased by 313 basis points, 302 basis points and 416 basis points, respectively compared to the third quarter in 2023. The interest rate on the 91-day and 364-day T-bills increased by 16 basis points and 30 basis points, respectively compared with the second quarter of 2024. The interest rate on the 182-day decreased marginally by 2 basis points compared to the second quarter of 2024.

In the third quarter, rates on the 2-year, 3-year, and 5-year notes remained unchanged at 21.50 percent, 29.85 percent, and 22.30 percent, respectively compared to the third quarter in 2023. Similarly, yields for the 6-year, 7-year, 10-year, 15-year, and 20-year GOG bonds remained stable when compared to the corresponding quarter in 2023 due to non-issuance.

Yields on the Domestic Debt Exchange Programme (DDEP) bonds

On the secondary market, yields on the Domestic Debt Exchange Programme (DDEP) bonds were 35.61 percent, 26.35 percent, 25.36 percent, and 24.67 percent for the 4-year, 5-year, 6-year, and 7-year bonds, respectively. The yields on the 8-year, 9-year, 10-year, and 11-year DDEP bonds, were 24.04 percent, 25.72 percent, 19.69 percent, and 20.57 percent, respectively. The yields on the 12-year, 13-year, 14-year, and 15-year DDEP bonds stood at 17.48 percent, 26.94 percent, 28.08 percent, and 29.39 percent, respectively.

Interbank Market

The interbank weighted average interest rate increased by 152 basis points, to settle at 28.84 percent in the third quarter of 2024 from 27.31 percent in the corresponding quarter of 2023. When compared to the second quarter of 2024, the IWAR increased by 4 basis points.

Time and Savings Deposit Rates

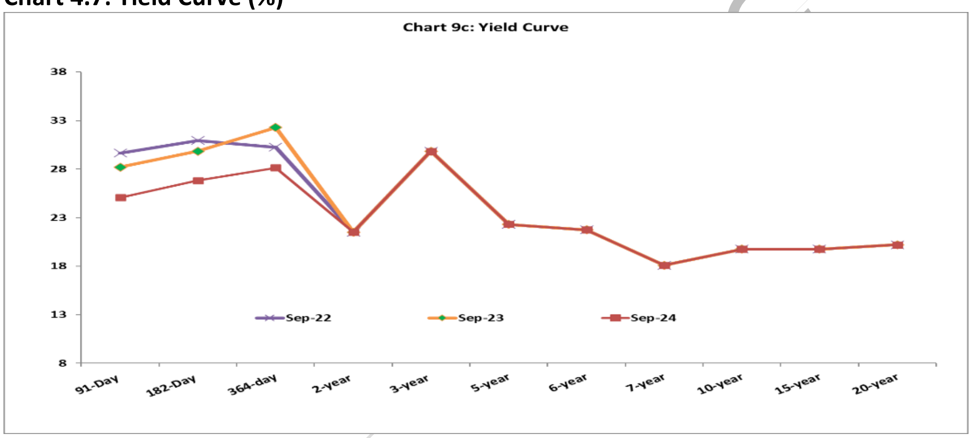
In the third quarter of 2024, average interest rate on the DMBs' 3-month time deposits remained unchanged at the end of the third quarter of 2024 at 10.50 percent from the corresponding quarter of 2023. Similarly, the rate on the savings deposits remained unchanged at 5.00 percent compared to the third quarter of 2023. When compared to second quarter of 2023, the rates on the 3-month time deposits and the savings deposits remained unchanged.

Lending Rates

The average lending rate trended downwards during the review quarter, decreasing by 187 basis points to 30.62 percent compared to 32.48 percent recorded at the end of third quarter of 2023. When compared with the second quarter of 2024, the average lending rate decreased by 49 basis points.

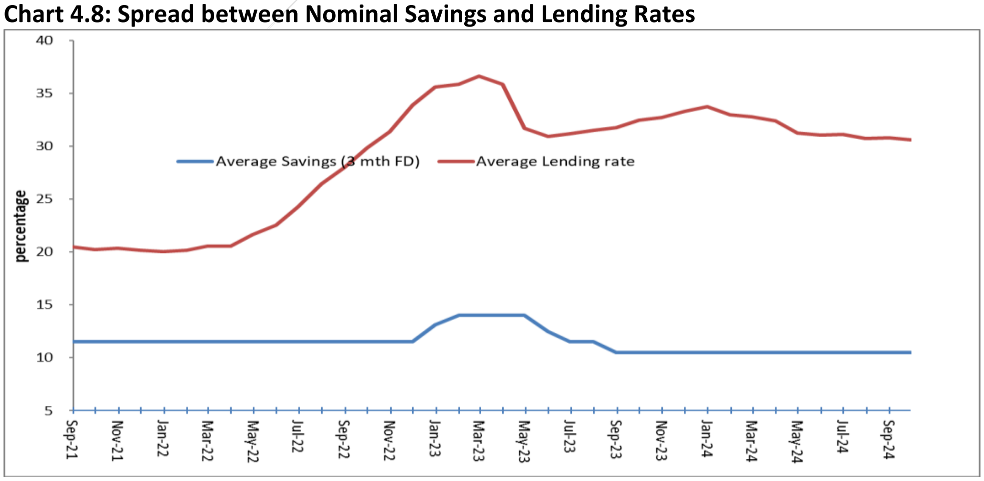
The spread between the borrowing and lending rates contracted by 187 basis points compared to the third quarter in 2023. When compared to the second quarter in 2024, the spread between the borrowing and lending rates decreased by 49 basis points.
The yield curves and spreads between the lending and borrowing rates for the review period are indicated in the graphs below.

Chart 4.7: Yield Curve (%)



Source: Bank of Ghana

Chart 4.8: Spread between Nominal Savings and Lending Rates



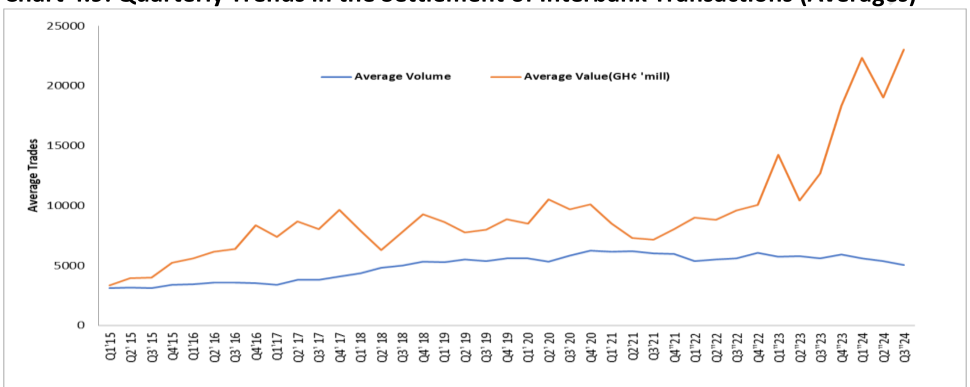
Source: Bank of Ghana

4.6 Payment Systems Developments

Settlement of Interbank Transactions

The volume of transactions settled through the Ghana Interbank System (GIS) during the third quarter of 2024 amounted to 323,243, with a total value of GH¢1,473,821 million. This represented a decrease in volume by 8.12 percent and an increase in value by 84.76 percent when compared to the transactions in the third quarter of 2023. In comparison with the transactions settled during the second quarter of 2024, there was a decrease in volume of transactions by 1.36 percent and an increase in value by 26.91 percent. On average, a total of 5,050.67 transactions were settled daily through the GIS, with a value of GH¢23,028.46 million during the reviewed quarter, compared to a total of 5,584 transactions, valued at GH¢12,661.87 million during the third quarter of 2023. In the second quarter of 2024, an average of 5,371.90 transactions were settled daily, with a value of GH¢19,037.59 million.

Chart 4.9: Quarterly Trends in the Settlement of Interbank Transactions (Averages)

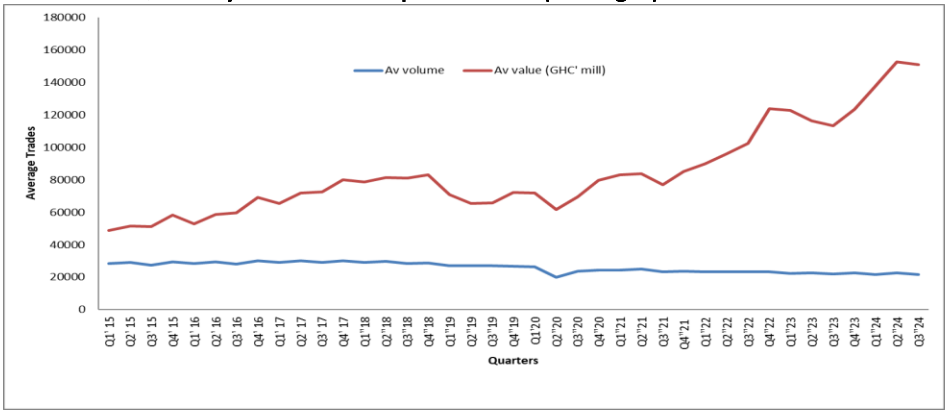


Source: Bank of Ghana

Cheques Cleared

The volume of cheques cleared during the third quarter of 2024 amounted to 1,383,531.0 with a value of GH¢96,665.18 million. This represented an increase in volume and value by 0.34 percent and 35.44 percent respectively compared to the cheques cleared in the third quarter of 2023. When compared to the second quarter of 2024, the volume and value of transactions increased by 0.57 percent and 3.94 percent, respectively. Daily, an average of 21,617.67 cheques, valued at GH¢1,510.39 million, were cleared during the reviewed period, compared to 21,886.89 cheques, valued at GH¢1,132.88 million, cleared during the third quarter of 2023. In the second quarter of 2024, an average of 22,553.0 cheques were cleared daily, with a value of GH¢1,524.63 million.

Chart 4.10: Quarterly Trends in Cheques Cleared (Averages)



Source: Bank of Ghana

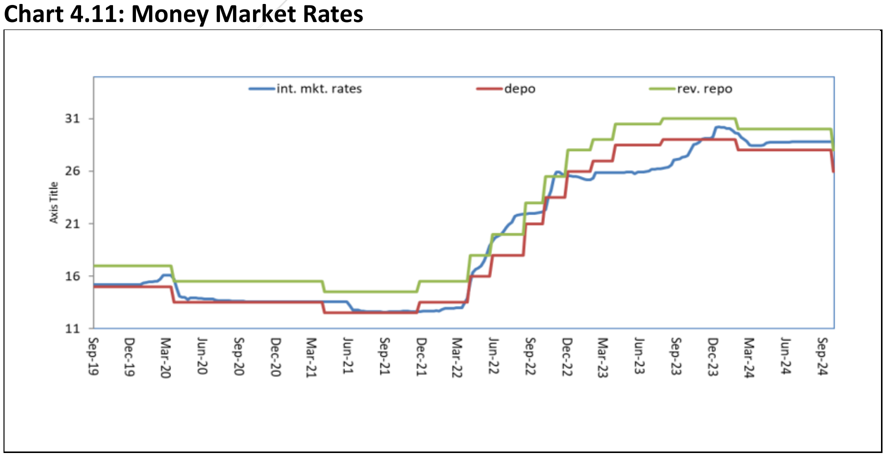
4.7 Money Market

Depos amounted to GH¢313,970.00 million in the third quarter of 2024, compared to GH¢156,775.00 million recorded in the second quarter of 2024. In comparison to the third quarter in the previous year, depo trades increased by 136.74 percent, from GH¢132,625.0 million in the third quarter of 2023. Compared to the second quarter of 2024, depo transactions increased by 100.27 percent.

Reverse repo trades for the third quarter of 2024 amounted to GH¢1,150.00 million. In the previous quarter, there were no reverse repo trades, and this is to allow the banks trade amongst themselves on the interbank market.

On the interbank market, the value of trades during the third quarter ranged between GH¢2,059.00 million and GH¢11,536.00 million, at a weighted average rate ranging from 28.82 percent to 28.84 percent. In the previous quarter, the values of trades ranged between GH¢5,801.0 million and GH¢12,103.0 million, at a weighted average rate ranging between 28.50 percent to 28.83 percent. In the previous year, trades during the third quarter ranged between GH¢720.00 million and GH¢5,014.00 million, at a weighted average rate ranging between 26.2 percent to 27.5 percent.

Chart 4.11: Money Market Rates

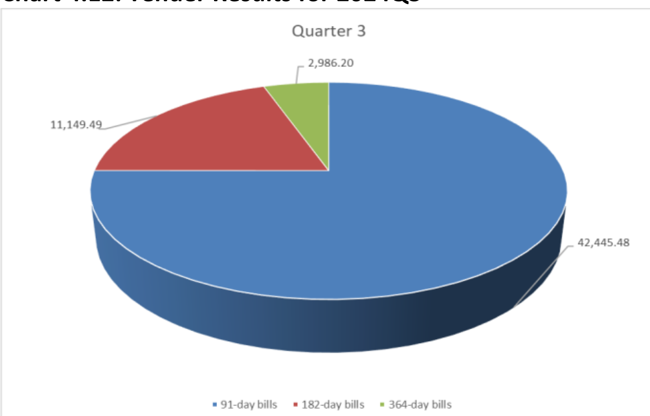


Source: Bank of Ghana

Tender Results

Total sales at the auction during the third quarter of 2024 amounted to GH¢101,086.48 million, with maturities totalling GH¢89,149.53 million. This resulted in a net sale of GH¢11,936.88 million; out of which GH¢5,690.53 million represented a net sale from the Government auctions, while the remaining GH¢6,246.35 million represented net sale from the Open Market Operations (OMO).

Chart 4.12: Tender Results for 2024Q3



Source: Bank of Ghana

4.8 Currency Markets

The International Currency Market

The U.S. dollar had a very weak performance in the third quarter of 2024. The dollar mainly fell due to softer-than-expected inflation data and data indicating waning U.S. consumer confidence. On the other hand, the pound sterling had a mixed performance during the review period due to conflicting developments. The results of the French parliamentary elections, weak economic data and political uncertainty in Germany led to the poor performance of the euro. Concerning the Japanese yen, it experienced a very strong performance in the third quarter of 2024. This was due to potential forex market intervention, comments by Bank of Japan Governor Kazuo Ueda, further bullish comments from BOJ officials and expectations concerning the interest rate gap.

The **U.S. dollar** had a very weak performance in the third quarter of 2024. The dollar's decline began in early July following the release of softer-than-expected inflation data, which increased the likelihood of an interest rate cut by the Federal Reserve in September. Dovish comments by Fed Chair Jerome Powell, suggesting the possibility of an early rate cut, along with data indicating a contraction in the services sector in July, the first in over a year, added further pressure on the dollar. At the start of August, it was undermined by dovish remarks by the Fed Chair, which hinted of an interest rate cut in September on the back of inflation being contained and weak employment data. Contraction in manufacturing activity as reflected in the Purchasing Managers' Index heightened recessionary concerns increasing the odds of a rate cut in September. In September, the dollar weakened further following bearish remarks from Federal Reserve officials and data indicating waning U.S. consumer confidence. Positive jobless claims data and a rise in orders for U.S.-

manufactured capital goods provided limited support, as increasing expectations of further rate cuts before the end of 2024 continued to apply downward pressure on the dollar. At the end of the third quarter, the U.S. dollar depreciated against the pound sterling, euro and the Japanese yen by 3.9 percent, 5.7 percent and 11.0 percent, respectively.

The **pound sterling** had a mixed performance during the period under review. In early July, the pound surged, extending gains following the Labour Party's landslide victory in the polls, which provided investors with greater certainty about political stability in the coming years. Additionally, a hawkish comment by a Bank of England official, emphasising the need to maintain interest rates to curb inflationary pressures, further supported the pound. The fall of the pound in August 2024 was reinforced by market sentiments which was overshadowed by British consumer prices increasing less than expected in July, which heightened the possibility of a September rate cut by the BOE. By mid-August, the pound faced further pressure as the odds of rate cuts remained high, and data showed U.K. government borrowings in July exceeding expectations by £1.5 billion. It however strengthened again in September following the BOE’s decision to leave interest rates unchanged at 5 percent and stronger-than-expected retail sales data. Consequently, the pound sterling appreciated against the U.S. dollar and euro by 6.1 percent and 1.9 percent, respectively, but depreciated against the Japanese yen by 5.6 percent.

The performance of the **euro** in the third quarter of 2024 was weak. At the beginning of the third quarter, the results of the French parliamentary elections, which pointed to a hung parliament and created uncertainty over fiscal consolidation and future policy direction, weighed on the euro. In early August, released data indicated a contraction in manufacturing activity in the Eurozone and an unexpected increase in unemployment, which undermined the euro. Later in August, the euro faced downward pressure after data showed a 0.5 percent decline in Spanish consumer inflation in July, suggesting subdued inflation in the Eurozone. In early September, political uncertainty in Germany, spurred by the rise of extremist parties, pressured the euro. In late September, data showed Eurozone business activity shrinking, with manufacturing decelerating significantly and inflation rising less than expected in France, Germany, and Spain, all of which continued to challenge the euro. At the end of the quarter, the euro depreciated against the U.S. dollar, the pound sterling and the Japanese yen by 4.0 percent, 1.9 percent and 7.4 percent, respectively.

The **Japanese yen** had a strong performance in the third quarter of 2024. The outlook for the yen was strong in July 2024, with the Japanese authorities closely monitoring the yen for potential forex market intervention, the weakness of the dollar and speculation that the government would take advantage of the U.S. holiday on July 4 to intervene, all helped strengthen the yen in the early part of the month. The yen’s gains were sustained in early August following comments by Bank of Japan Governor Kazuo Ueda on the need to hike rates to suppress inflationary pressures and manage improving economic conditions. Data showing that Japan’s monetary base had more yen in circulation than expected, along with a rebound in the services sector and a pick-up in earnings, cemented the possibility of another rate hike before the end of 2024, pushing the yen higher. In September 2024, the yen gained more strength following further bullish comments from BOJ officials and expectations that the interest rate gap between the U.S. and Japan would continue to narrow. As a result of these, the Japanese yen appreciated against the U.S. dollar, the pound sterling and the euro by 12.4 percent, 6.0 percent and 8.4 percent, respectively.

Table 4.4: International Market Exchange Rate Movements

End Period	US$/£	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	US$/€	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	US$/¥	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation
2022 Q1	1.3149	2.9		1.1107	2.4		0.0082	5.5	
Q2	1.2177	8.0		1.0484	5.9		0.0074	11.7	
Q3	**1.1142**	**9.3**		**0.9803**	**7.0**		**0.0069**	**6.7**	
Q4	1.2024	-7.3	12.5	1.0664	-8.1	6.6	0.0076	-8.7	14.8
2023 Q1	1.2368	-2.8		1.0864	-1.8		0.0075	0.7	
Q2	1.2720	-2.8		1.0919	-0.5		0.0069	8.7	
Q3	**1.2215**	**4.1**		**1.0583**	**3.2**		**0.0067**	**3.4**	
Q4	1.2739	-4.1	-5.6	1.1049	-4.2	-3.5	0.0071	-5.6	6.8
2024 Q1	1.2629	0.9		1.0797	2.3		0.0066	7.3	
Q2	1.2641	-0.1		1.0714	0.8		0.0062	6.4	
Q3	**1.3407**	**-5.7**		**1.1147**	**-3.9**		**0.0070**	**-11.0**	

Depreciation (-)/ Appreciation (+)
Source: Bloomberg

Chart 4.13: International Market Exchange Rate Movements

Source: Bank of Ghana

The Domestic Currency Market

In the third quarter of 2024, the Ghana cedi had a very weak performance. The domestic currency depreciated both on the interbank and forex bureaux markets. On the interbank market, the Ghana cedi largely depreciated due to tight forex liquidity and increased demand pressures from the manufacturing, energy, agriculture and commerce sectors. On the forex bureau market, reported high demand for forex, rate adjustments by some dealers and reported adjusted rates in line with interbank quotes and speculative trading activities led to the cedi's depreciation at the cash end of the forex bureau market.

On the **interbank market**, the Ghana cedi depreciated against the U.S. dollar, the pound sterling and the euro by 7.7 percent, 13.0 percent and 11.3 percent, respectively, in the third quarter of 2024. However, during the same period in 2023, the Ghana cedi also had a weak performance. In the second quarter of 2023, the Ghana cedi depreciated by 1.2 percent against the U.S. dollar but appreciated against both the pound sterling and the euro by 2.9 percent and 2.0 percent, respectively.

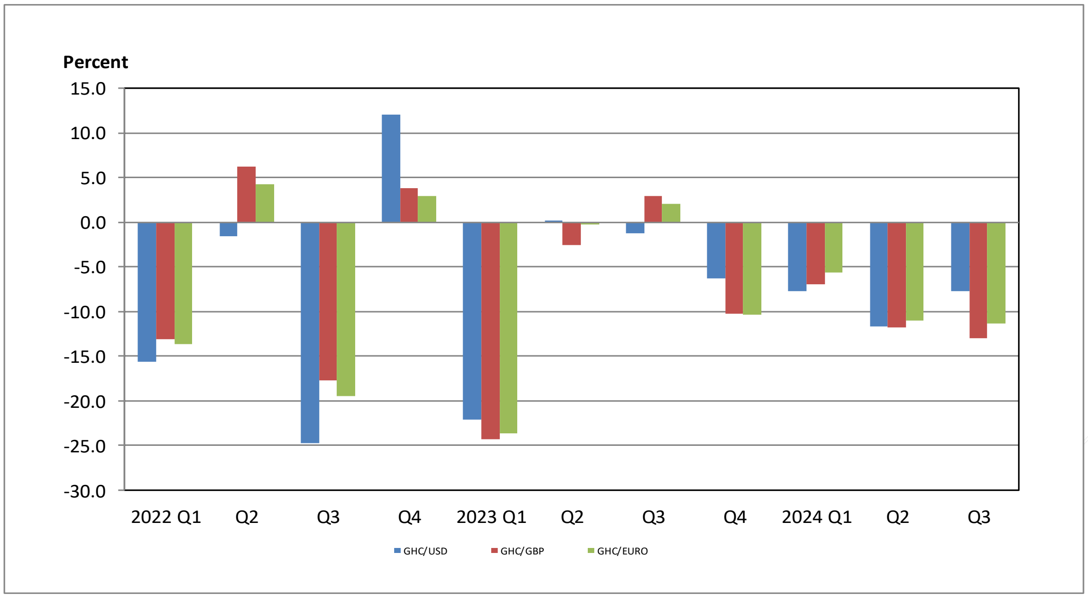
On the **forex bureau market**, the cedi depreciated against the U.S. dollar, the pound sterling and the euro by 3.1 percent, 7.6 percent and 7.5 percent, respectively. The cedi's performance worsened against the U.S. dollar, the pound sterling and the euro in the third quarter of 2024 compared to what occurred in the corresponding period of 2023, when it appreciated against the U.S. dollar, the euro and the pound sterling by 0.5 percent, 1.9 percent and 2.0 percent, respectively.

Table 4.5: Interbank Market Exchange Rate Movements

End Period	¢/US$	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	¢/GBP	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	¢/Euro	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation
2022 Q1	7.1122	-15.6		9.3515	-13.1		7.8986	-13.6	
Q2	7.2305	-1.6		8.8043	6.2		7.5797	4.2	
Q3	**9.6048**	**-24.7**		**10.7017**	**-17.7**		**9.4147**	**-19.5**	
Q4	8.5760	12.0	-30.0	10.3118	3.8	-21.2	9.1457	2.9	-25.3
2023 Q1	11.0137	-22.1		13.6218	-24.3		11.9657	-23.6	
Q2	10.9972	0.2		13.9879	-2.6		12.0073	-0.3	
Q3	**11.1285**	**-1.2**		**13.5935**	**2.9**		**11.7774**	**2.0**	
Q4	11.8800	-6.3	-27.8	15.1334	-10.2	-31.9	13.1264	-10.3	-30.3
2024 Q1	12.8770	-7.7		16.2617	-6.9		13.9031	-5.6	
Q2	14.5860	-11.7		18.4375	-11.8		15.6270	-11.0	
Q3	**15.8000**	**-7.7**		**21.1823**	**-13.0**		**17.6108**	**-11.3**	

Depreciation (-)/ Appreciation (+)
Source: Bank of Ghana

Chart 4.14: Interbank Market Exchange Rate Movements



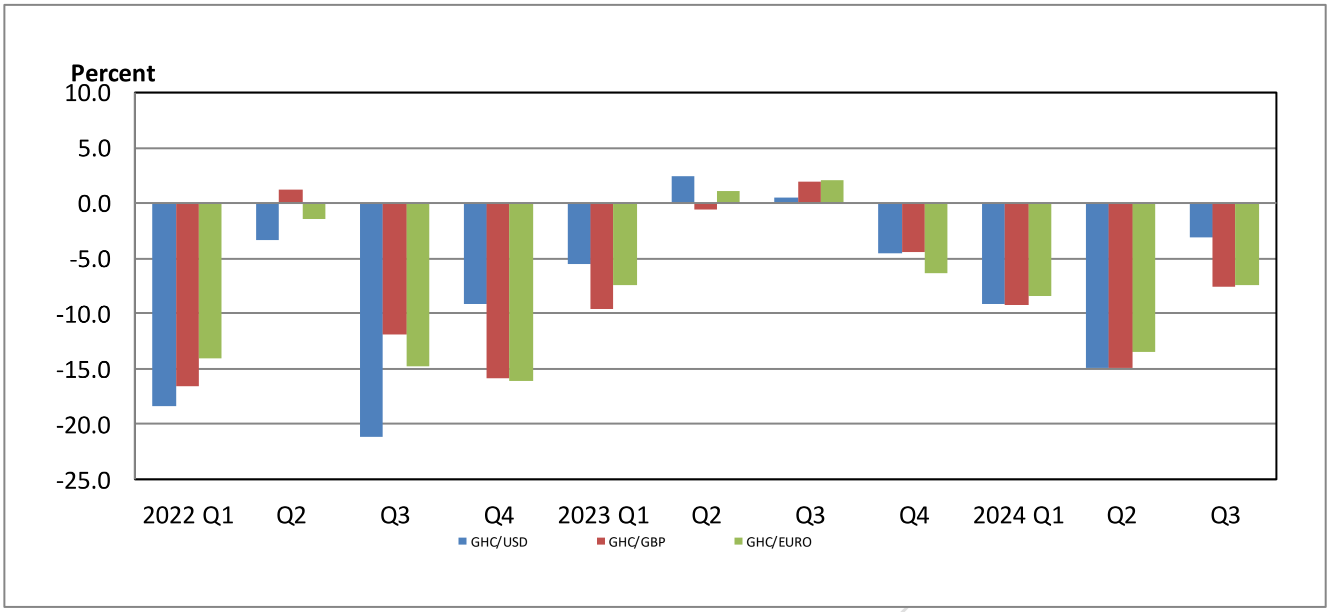
Source: Bank of Ghana

Table 4.6: Forex Market Exchange Rate Movements

End Period	¢/US$	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	¢/GBP	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation	¢/Euro	Quarterly depreciation/ appreciation	Annual depreciation/ appreciation
2022 Q1	7.8175	-18.4		9.9990	-16.6		8.3100	-14.1	
Q2	8.0900	-3.4		9.8850	1.2		8.4250	-1.4	
Q3	**10.2525**	**-21.1**		**11.2200**	**-11.9**		**9.8845**	**-14.8**	
Q4	11.2800	-9.1	-43.5	13.3250	-15.8	-37.4	11.7750	-16.1	-39.4
2023 Q1	11.9362	-5.5		14.7334	-9.6		12.7111	-7.4	
Q2	11.6517	2.4		14.8239	-0.6		12.5778	1.1	
Q3	**11.5895**	**0.5**		**14.5473**	**1.9**		**12.3362**	**2.0**	
Q4	12.1322	-4.5	-7.0	15.2139	-4.4		13.1833	-6.4	-10.7
2024 Q1	13.3489	-9.1		16.7528	-9.2		14.3972	-8.4	
Q2	15.6833	-14.9		19.6917	-14.9		16.6417	-13.5	
Q3	**16.1844**	**-3.1**		**21.3111**	**-7.6**		**17.9861**	**-7.5**	

Depreciation (-)/ Appreciation (+)
Source: Bank of Ghana

Chart 4.15: Forex Bureau Exchange Rate Movements



Source: Bank of Ghana

Foreign Exchange Transaction Market

At the end of the third quarter of 2024, the total volume of forex purchases recorded was US$4,426.30 million. Commercial bank purchases contributed 89.5 percent of the total purchases (US$3,963.52 million). The Central Bank's support to the market accounted for 9.4 percent (US$416.81 million) and purchases from forex bureaus contributed 1.0 percent (US$45.93 million).

Compared to the second quarter of 2024, the total volume purchases increased by 9.6 percent. Commercial Bank purchases also increased by 10.5 percent and the Bank of Ghana's support also increased by 7.3 percent. In contrast, forex bureau purchases decreased by 26.0 percent. Similarly, compared to the corresponding quarter of 2023, the volume of total purchases increased by 25.9 percent. Commercial bank purchases increased by 23.5 percent and the Bank of Ghana's support also increased by 65.7 percent. Forex bureau purchases decreased by 17.0 percent.

Regarding sales, the total volume recorded was US$4,167.64 million. Commercial bank sales amounted to US$4,213.19 million (98.9% of the total amount). Forex bureaus contributed the difference of US$44.45 million (1.1% of the total amount). The total volume of sales increased by 7.1 percent on a quarterly basis and increased by 16.3 percent on a year-on-year basis. Forex bureau sales decreased by 21.1 percent on a quarterly basis. On a year-on-year basis, it also decreased by 19.1 percent. Commercial bank Sales increased by 7.6 percent on a quarterly basis and also increased by 16.9 percent on a year-on-year basis.

Table 4.7: Foreign Exchange Transactions

		Purchases (million $)				Sales (million $)		
		BOG Sales	Commercial Bank	Forex Bureau	Total Purchases	Commercial Bank	Forex Bureau	Total Sales
2023	Jan	163.60	1,210.17	22.24	1,396.01	1,416.18	21.97	1,438.15
	Feb	71.02	1,095.73	17.42	1,184.17	1,174.71	17.23	1,191.94
	Mar	132.98	1,251.31	18.50	1,402.79	1,394.25	18.64	1,412.89
	Q1	**367.60**	**3,557.21**	**58.16**	**3,982.97**	**3,985.14**	**57.84**	**4,042.98**
	Apr	132.98	1,176.48	18.27	1,327.73	1,279.97	18.21	1,298.18
	May	94.23	1,275.74	20.59	1,390.56	1,335.07	20.90	1,355.97
	Jun	84.32	1,181.79	19.53	1,285.64	1,347.75	19.57	1,367.32
	Q2	**311.53**	**3,634.01**	**58.39**	**4,003.93**	**3,962.79**	**58.68**	**4,021.47**
	Jul	64.65	1,327.91	13.88	1,406.44	1,430.74	13.71	1,444.45
	Aug	115.16	1,124.77	21.30	1,261.23	1,269.90	21.10	1,291.00
	Sep	71.80	756.56	20.15	848.51	827.05	20.08	847.13
	Q3	**251.61**	**3,209.24**	**55.33**	**3,516.18**	**3,527.69**	**54.89**	**3,582.58**
	Oct	68.45	950.86	20.37	1,039.68	1,019.68	20.39	1,040.07
	Nov	45.27	1,099.96	24.33	1,169.56	1,158.58	23.88	1,182.46
	Dec	58.65	1,149.53	21.89	1,230.07	1,175.36	21.84	1,197.20
	Q4	**172.37**	**3,200.35**	**66.59**	**3,439.31**	**3,353.62**	**66.11**	**3,419.73**
2024	Jan	69.62	1,215.91	25.21	1,310.74	1,302.90	25.37	1,328.27
	Feb	103.32	1,081.69	30.01	1,215.02	1,100.94	24.89	1,125.83
	Mar	82.07	1,241.98	23.74	1,347.79	1,267.84	23.60	1,291.44
	Q1	**255.01**	**3,539.58**	**78.96**	**3,873.55**	**3,671.68**	**73.86**	**3,745.54**
	Apr	123.23	1,335.74	20.71	1,479.68	1,404.57	20.74	1,425.31
	May	188.51	1,175.73	22.75	1,386.99	1,305.27	22.54	1,327.81
	Jun	76.78	1,076.15	18.60	1,171.53	1,121.13	18.50	1,139.63
	Q2	**388.52**	**3,587.62**	**62.06**	**4,038.20**	**3,830.97**	**61.78**	**3,892.75**
	Jul	81.10	1,404.21	15.20	1,500.51	1,352.76	15.00	1,367.76
	Aug	152.23	1,384.66	15.01	1,551.90	1,518.46	14.27	1,532.73
	Sep	183.48	1,174.69	15.72	1,373.89	1,251.97	15.18	1,267.15
	Q3	**416.81**	**3,963.56**	**45.93**	**4,426.30**	**4,123.19**	**44.45**	**4,167.64**

Source: Bank of Ghana

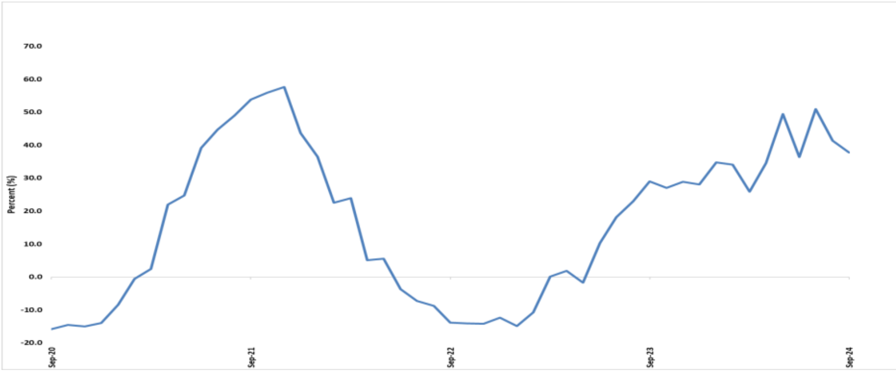
4.9 The Stock Market

The GSE-CI increased by 14.10 percent in the third quarter of 2024 (2024Q3), bringing the year-on-year growth to 37.74 percent. Consequently, market capitalisation increased by 16.46 percent during the third quarter, recording a year-on-year growth of 33.58 percent. The sectors that contributed to gains recorded by the GSE-CI were mainly the IT, ET Fund and Agriculture sectors. The performance of the GSE-CI reflects an increase in investor confidence in the domestic market as well as improvements in real sector activities. In the ensuing quarter, investor decisions may largely be influenced by the political climate as the country's general elections approach, as well as exchange rate developments.

The GSE-CI

The GSE-CI gained 14.10 percent (539.83 points) in 2024Q3 with a year-on-year gain of 37.74 percent (1197.09 points) at the end of the third quarter. In the third quarter of 2023, the GSE-CI gained 12.97 percent (364.32 points) in value, recording a year-on-year gain of 28.95 percent (712.23 points). The performance of GSE-CI in 2024Q3 could be attributed to renewed investor confidence in the equity market, particularly in key sectors such as ICT and Finance. In addition, with limited attractive options in bonds and treasury bills, the stock market offers a promising alternative.

Chart 4.16: Y/Y Growth of the GSE-CI



Source: Ghana Stock Exchange

Sectoral Performance

The performance of the GSE-CI in2024Q3 was mainly due to the appreciation of prices of stocks in the IT (20.44 percent; 14.44 points), Distribution (19.59 percent; 765.47 points) and ET Fund (17.59 percent; 1401.74 points) sectors. The Finance sector, which usually influences the performance of the GSE-CI, gained only marginally by 3.56 percent (75.33 points).

Table 4.8: Sectors' Contribution to the Growth of GSE-CI

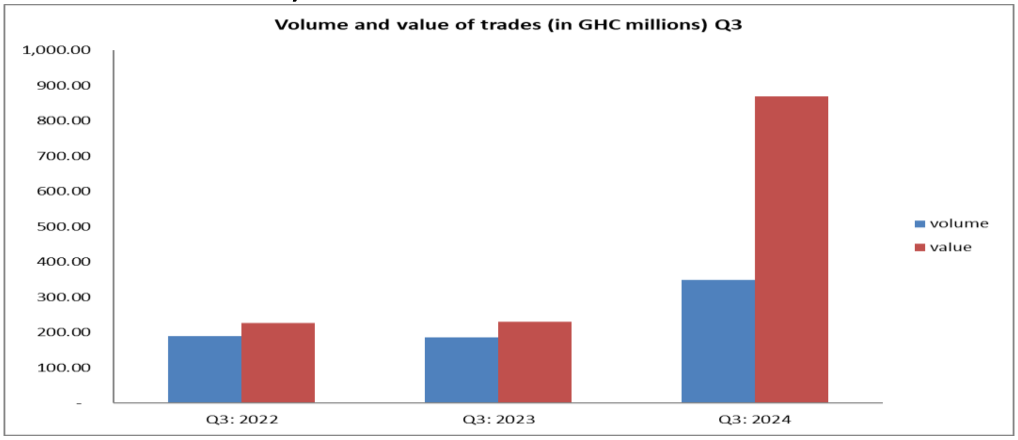
	SECTOR											
Month	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	GSE-CI
Sep-23	1689.56	800.48	1890.13	3751.85	164.52	56.61	3726.00	40.45	4918.22	100.01	100	3172.35
Jun-24	2245.79	1382.30	2115.04	3908.06	191.98	70.66	4442.00	40.79	7970.15	90.92	100	3829.61
Sep-24	2221.38	1534.04	2190.37	4673.53	199.47	85.11	5042.00	40.81	9371.89	90.92	100	4369.44
QTR CHG												
ABS	-24.41	151.74	75.33	765.47	7.50	14.44	600.00	0.02	1401.74	0.00	0.00	539.83
(%)	*-1.09*	*10.98*	*3.56*	*19.59*	*3.90*	*20.44*	*13.51*	*0.05*	*17.59*	*0.00*	*0.00*	*14.10*
Yoy												
ABS	531.81	733.56	300.24	921.68	34.95	28.50	1316.00	0.36	4453.67	-9.09	0.00	1197.09
(%)	*31.48*	*91.64*	*15.88*	*24.57*	*21.25*	*50.34*	*35.32*	*0.88*	*90.55*	*-9.09*	*0.00*	*37.74*

Source: Ghana Stock Exchange

Market Performance

Total volume of trades on the GSE in 2024Q3 amounted to 348.6 million shares with value, GH¢868.2 million. This compares with a trade volume of 185.7 million shares with value, GH¢229.8 million, recorded in the corresponding quarter in 2023. MTNGH recorded the highest volume and value of trade during the period.

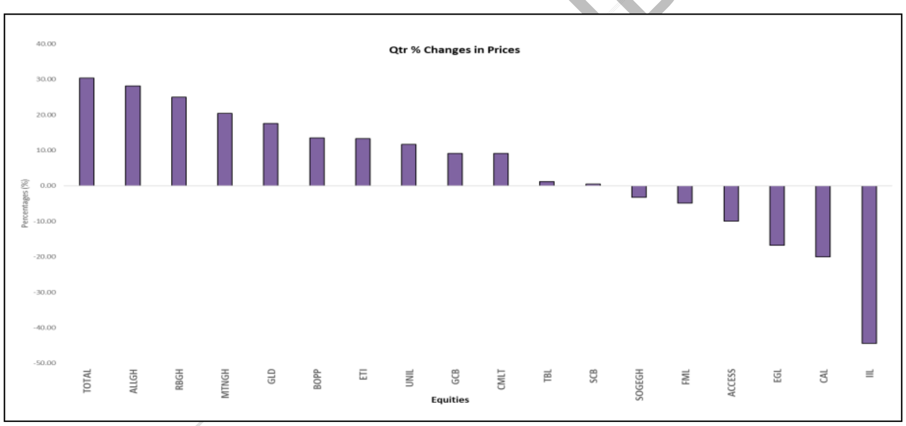
Chart 4.17: Market Activity-Volumes & Values of Trade



Source: Ghana Stock Exchange

In 2024Q3, twelve (12) stocks gained in value, while six (6) recorded losses to moderate the overall performance of the GSE-CI. The rest remained unchanged at the end of the review period. TOTAL, ALLGH and RBGH were the top performers and led the list of gainers with share price increases of 30.40 percent, 28.13 percent and 25.00 percent, respectively. However, IIL and CAL lost 44.44 percent and 20.00 percent, respectively, to top the losers.

Chart 4.18: Change in Share Prices (2024Q3)



Source: Ghana Stock Exchange

Market Capitalization

Total market capitalisation as at the end of 2024Q3 stood at GH¢99,101.87 million, representing an increase of 16.46 percent (GH¢14,005.29 million). Comparatively, market capitalisation increased by 5.62 percent (GH¢3,950.53 million) in the corresponding period in 2023. The main sectors that accounted for the increase in market capitalisation in 2024Q3 were the Finance (51.01 percent; GH¢7,518.19), IT (20.44 percent; GH¢4897.38) and Distribution (19.59 percent; GH¢328.91). Market capitalisation increased mainly on account of share price appreciation.

Table 4.9: Sectors' Contribution to the Growth of Market Capitalisation

	SECTOR(GH¢' mill)											
Month	F&B	MAN	FINANCE	DISTR	MINING	IT	AGRIC	OIL	ETFund	EDUC	AD. & PROD.	MKT. CAP.
Sep-23	1451.15	574.86	13446.37	1612.10	19394.31	19193.47	648.32	17229.79	617.73	10.57	10.70	**74189.35**
Jun-24	1928.89	992.70	14738.95	1679.22	22631.24	23958.49	772.91	17372.85	1001.05	9.61	10.70	**85096.58**
Sep-24	1907.93	1101.66	22257.14	2008.13	23514.84	28855.87	877.31	17381.54	1177.11	9.61	10.70	**99101.87**
QTR CHG												
ABS	**-20.96**	**108.97**	**7518.19**	**328.91**	**883.60**	**4897.38**	**104.40**	**8.69**	**176.06**	**0.00**	**0.00**	**14005.29**
(%)	***-1.09***	***10.98***	***51.01***	***19.59***	***3.90***	***20.44***	***13.51***	***0.05***	***17.59***	***0.00***	***0.00***	***16.46***
Yoy												
ABS	**456.77**	**526.80**	**8810.77**	**396.03**	**4120.53**	**9662.41**	**228.98**	**151.75**	**559.38**	**-0.96**	**0.00**	**24912.52**
(%)	***31.48***	***91.64***	***65.53***	***24.57***	***21.25***	***50.34***	***35.32***	***0.88***	***90.55***	***-9.09***	***0.00***	***33.58***

Source: Ghana Stock Exchange

The Bond Market

Total value of Government of Ghana Notes and Bonds listed on the Ghana Fixed Income Market (GFIM) as at the end of 2024Q3 stood at GH¢22,159.19 million, representing 62.02 percent of tradable fixed income securities on the GFIM. Comparatively, it was GH¢21,633.55 million in the corresponding period in 2023. The total value of corporate bonds stood at GH¢13,635.86 million at the end of 2024Q3, accounting for only 3.76 percent of tradable fixed income securities on the GFIM. Treasury bills and BoG bills accounted for 27.87 percent and 6.35 percent, respectively.

The cumulative volume of trades on the GFIM from the beginning of the year to the end of 2024Q3 stood at GH¢118,759.23 million and the number of trades was 326,633. This compares with GH¢59,217.68 million and 296,650 in terms of volume and number of trades, respectively, for the same period in 2023. In terms of value, trades increased from GH¢50,155.63 million in 2023Q3 to GH¢97,352.14 million at the end of 2024Q3.

5. Balance of Payments

Ghana's economic transactions with the rest of the world in the third quarter of 2024 resulted in an overall balance of payments surplus of US$963.86 million. This compares to an overall BOP deficit of US$276.07 million in the same quarter of 2023. The surplus was driven by large current account surplus and lower outflows in the capital and financial account.

Table 5.1: Balance of Payments (US$' million)

	2022	2023	2024*	Q3'2023/24	
	Q3	Q3	Q3	Absolute	% Change
CURRENT ACCOUNT	**-723.3**	**48.6**	**909.56**	**860.9**	**1,770.6**
Merchandise Exports (f.o.b.)	**4,201.1**	**3,635.6**	**5,416.08**	**1,780.5**	**49.0**
Cocoa beans and products	277.64	199.21	226.69	27.5	13.8
Gold	1,776.38	1,596.68	3,402.78	1,806.1	113.1
Timber products	45.94	35.05	32.97	-2.1	-5.9
Oil	1,336.88	1,069.57	1,066.33	-3.2	-0.3
Others (including non-traditionals)	764.30	735.11	687.30	-47.8	-6.5
Merchandise Imports (f.o.b.)	**-4,064.3**	**-3,599.6**	**-3,987.37**	**-387.8**	**10.8**
Non-oil	-2,592.70	-2,410.07	-2,940.53	-530.5	22.0
Oil	-1,471.60	-1,189.52	-1,046.85	142.7	-12.0
Trade Balance	**136.8**	**36.0**	**1,428.70**	**1,392.7**	**3,865.2**
Services (net)	**-731.1**	**-731.0**	**-1,059.74**	**-328.8**	**45.0**
Receipts	2,036.91	2,120.13	2,168.26	48.1	2.3
Payments	-2,768.03	-2,851.11	-3,228.00	-376.9	13.2
Income (net)	**-1,039.9**	**-460.2**	**-778.07**	**-317.8**	**69.1**
Receipts	185.04	229.59	158.41	-71.2	-31.0
Payments	-1,224.99	-689.84	-936.48	-246.6	35.8
Current Transfers (net)	**910.9**	**1,203.8**	**1,318.67**	**114.8**	**9.5**
Official	0.00	8.51	0.00	-8.5	-100.0
Private	910.94	1,195.32	1,318.67	123.4	10.3
Services, Income and Current Transfers (net)	**-860.1**	**12.6**	**-519.14**	**-531.7**	**-4,222.2**
CAPITAL & FINANCIAL ACCOUNT	**-252.4**	**-323.6**	**-96.11**	**227.4**	**-70.3**
Capital Account(net)	**25.1**	**21.7**	**20.93**	**-0.8**	**-3.6**
Capital transfers (net)	25.10	21.72	20.93	-0.8	-3.6
Financial Account(net)	**-277.5**	**-345.3**	**-117.04**	**228.2**	**-66.1**
Direct Investments (net)	363.08	308.80	436.43	127.6	41.3
Portfolio Investments (net)	-1,522.44	53.04	6.09	-47.0	-88.5
Financial Derivatives (net)	135.21	-7.01	-47.39	-40.4	575.9
Other Investments (net)	746.6	-700.1	-512.2	187.9	-26.8
Of Which:					
Official Capital (net)	902.90	-202.14	253.82	456.0	-225.6
Other Private Capital (net)	232.70	-564.70	-130.15	434.5	-77.0
Short-term capital (net)	-388.96	66.72	-635.84	-702.6	-1,053.0
ERRORS AND OMISSIONS	**63.0**	**-1.1**	**150.41**	**151.5**	**-13,366.6**
OVERALL BALANCE	**-912.68**	**-276.07**	**963.86**	**1,239.9**	**-449.1**
FINANCING	**912.7**	**276.1**	**-963.86**	**-1,239.9**	**-449.1**
Changes in international reserves	912.68	276.07	-963.86	-1,239.9	-449.1

Source: Bank of Ghana

5.1 The Current Account

The current account recorded a surplus of US$909.56 million in the third quarter of 2024, as against a surplus of US$48.62 million recorded in the same period in 2023. The surplus was driven mainly by an improvement in the trade surplus and higher inward remittances.

Table 5.2: Current Account Balance (US$' million)

	Q3'2022	Q3'2023	Q3'2024	% Change Q3'2023/24
Current Account Balance	**-723.28**	**48.62**	**909.56**	**1,770.6**
Trade Balance	136.84	36.03	1,428.70	3,865.2
Services Balance	-731.11	-730.98	-1,059.74	45.0
Investment income Balance	-1,039.95	-460.25	-778.07	69.1
Net Unilateral Transfers	910.94	1,203.82	1,318.67	9.5

Source: Bank of Ghana

Merchandise Trade

The trade balance for the third quarter of 2024 was a surplus of US$1,428.70 million, higher than the trade surplus of US$36.03 million for the same period in 2023, driven by higher exports relative to imports.

Table 5.3: Merchandise Exports (US$' million)

	Q3 '2022	Q3'2023	Q3 '2024	Q3'2023/24 Abs.	% change
Exports					
Gold	1,776.38	1,596.68	3,402.78	1,806.11	113.1
Cocoa Beans	44.60	20.36	21.83	1.47	7.2
Cocoa Products	233.04	178.85	206.88	28.03	15.7
Timber	45.94	35.05	32.97	-2.08	-5.9
Crude oil	1,336.88	1,069.57	1,066.33	-3.24	-0.3
Others	764.30	735.11	689.01	-46.10	-6.3
Total	**4,201.14**	**3,635.63**	**5,419.80**	**1,784.17**	**49.1**

Source: Bank of Ghana

Exports

The value of merchandise exports for the quarter under review was estimated at US$5,416.08 million, an increase of 49.0 percent, driven mainly by cocoa and gold exports.

Gold exports during the review period amounted to US$3,402.78 million, compared to US$1,596.68 million recorded during the same period in 2023. The increase in receipts was due to higher volumes of exports as well as prices. The volume of gold exported increased by 61.7 percent to 1,444,036 fine ounces and the average realized price increased by 31.8 percent to settle at US$2,356.44 per fine ounce.

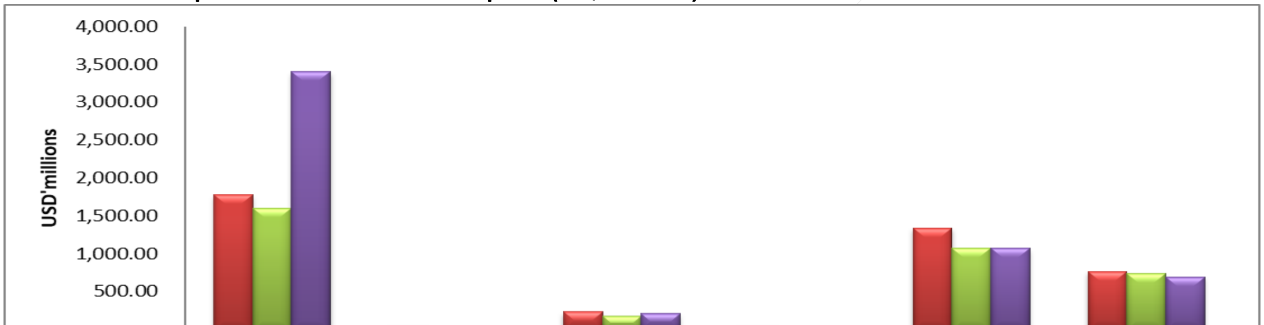
Earnings from crude oil exports were lower at US$1,066.33 million compared to US$1,069.57 million recorded in the same period 2023. The fall in value was on the back decline in the average price by 8.5 percent to settle at US$79.04 per barrel compared to US$86.39 per barrel recorded for the same period a year ago.

The volume exported, however, increased by 9.0 percent to 13,491,767 barrels compared to 12,381,270 barrels in the same reporting period of 2023.

Earnings from cocoa beans and products exports totalled US$228.71 million, as compared to US$199.21 million for the same period in 2023, representing an increase of US$29.50 million. Earnings from cocoa beans amounted to US$21.83 million, an increase of US$1.47 million compared to the level recorded in 2023. The price increased by 26.4 percent to settle at US$2,839.30 per tonne but the volume of cocoa beans exported decreased by 15.2 percent to 7,687 tonnes. Earnings from the export of cocoa products also increased by 15.7 percent to US$206.88 million on account of a 37.2 percent rise in the average price to US$4,489.12 per tonne. The volume exported, however, decreased by 15.7 percent to 46,085 metric tonnes.

The value of timber products exports fell to US$32.97 million, from US$35.05 million in 2023. The value of "other exports" made up of non-traditional exports, electricity and other minerals (bauxite, diamond, aluminium and manganese) was estimated at US$689.01 million, 6.3 percent less than the outturn in the third quarter of 2023.

Chart 5.1: Developments in Merchandise Exports (US$' million)



	Gold	Cocoa Beans	Cocoa Products	Timber	Crude oil	Others
Q3 '2022	1,776.38	44.60	233.04	45.94	1,336.88	764.30
Q3'2023	1,596.68	20.36	178.85	35.05	1,069.57	735.11
Q3 '2024	3,402.78	21.83	206.88	32.97	1,066.33	689.01

Source: Bank of Ghana

Top Ten Exported Non-Traditional Items

The value of the top ten non-traditional commodities exported during the period under review amounted to US$292.75 million, compared to US$241.81 million recorded for the same period in 2023. Among the ten top non-traditional items exported were aluminium and shea oil and its fractions.

Table 5.4: Top Ten Non-Traditional Exports: July – September 2023/2024

July - Sept 2023			July - Sept 2024		
Description	**US$'M**	**% Distr.**	**Description**	**US$'M**	**% Distr.**
Tunas, skipjack and Atlantic bonito (Sarda spp.), whole or in pieces, but not minced	37.34	15.44	Iron/Steel	45.43	15.52
Iron/Steel	36.15	14.95	Tuna, skipjack and atlantic bonito, prepared or not minced	39.92	13.64
Aluminium	26.85	11.11	Technically specified natural rubber, in primary forms in plates, etc	37.87	12.94
Shea (karite) oil and fractions	23.59	9.76	Shea (karite) oil and fractions	39.41	13.46
Technically specified natural rubber (TSNR)	23.24	9.61	Aluminium	25.98	8.88
Non-refractory ceramic bricks, tiles, pipes and similar products	23.22	9.60	Cashew nuts	26.78	9.15
Flat-rolled products of iron or non-alloy steel; plated with zinc	21.34	8.83	Napkins and napkin liners for babies	19.49	6.66
Avocados, guavas, mangoes and mangosteens, fresh or dried	17.04	7.04	absorption coefficient by weight exceeding 10 %	28.36	9.69
Napkins and napkin liners for babies	16.78	6.94	Sacks and bags (incl. cones) of polymers ethylene	15.46	5.28
Palm oil and its fractions	16.27	6.73	Palm oil and its fractions	14.05	4.80
Total	**241.81**	**100.0**	**Total**	**292.75**	**100.0**

Source: Bank of Ghana

Imports

Total value of merchandise imports for the third quarter of 2024 amounted to US$4,012.31 million, up by 11.5 percent compared to US$3,599.59 million recorded in 2023. The rise in imports was driven by both oil and non-oil imports.

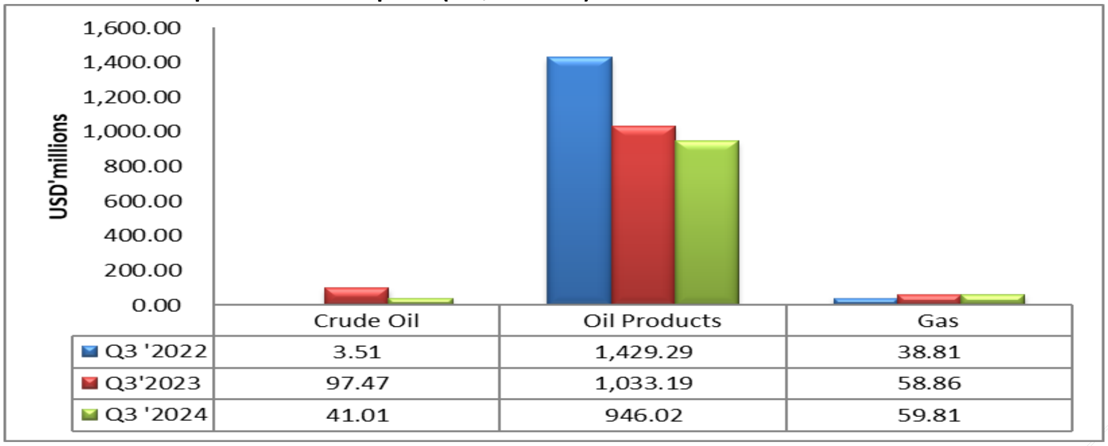
Oil and Gas Imports

During the period under review, oil imports (made up of crude, gas and refined products) decreased by 12.0 percent to US$1,046.85 million from US$1,189.52 million in 2023. Crude oil imports were 552,770 barrels valued at US$41.01 million at an average realized price of US$74.20 per barrel. For the same period last year, crude oil imports were 1,058,127 barrels valued at US$97.47 million at an average price of US$92.11 per barrel.

In addition, the VRA imported 7,129,907 MMBTu (Million Metric British Thermal units) of gas worth US$59.81 million from the West African Gas Company (WAGP) at an average price of US$8.4 per MMBTu for its operations. For the same period last year 6,799,025 MMBTu of gas worth US$58.86 million was imported.

The value of refined petroleum products imports reduced to US$946.02 million compared to US$1,033.19 million in the same period of 2023.

Chart 5.2: Developments in Oil Imports (US$ 'Million)



	Crude Oil	Oil Products	Gas
Q3 '2022	3.51	1,429.29	38.81
Q3'2023	97.47	1,033.19	58.86
Q3 '2024	41.01	946.02	59.81

Source: Bank of Ghana

Merchandise Non-Oil Imports

The total merchandise non-oil imports for the third quarter of 2024 increased by 23.0 percent to US$2,965.47 million. This was driven by all categories of imports. The value of capital goods during the period was US$627.27 million, up by 42.01 percent or US$185.57million from the corresponding period in 2023, on the back of both "industrial transport" and "capital goods (except industrial transport)."

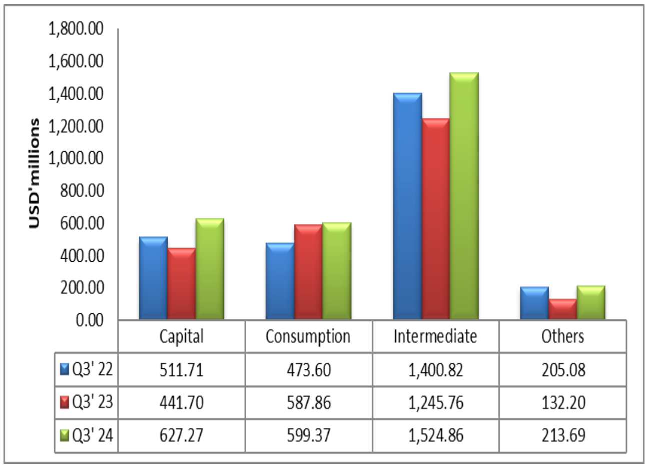
Consumption goods imported also increased by 1.96 percent to US$599.37 million, compared to US$587.86 million a year ago. All the subcategories in this classification recorded increases except for "non-durable consumer goods and processed food and beverages, mainly for household consumption."

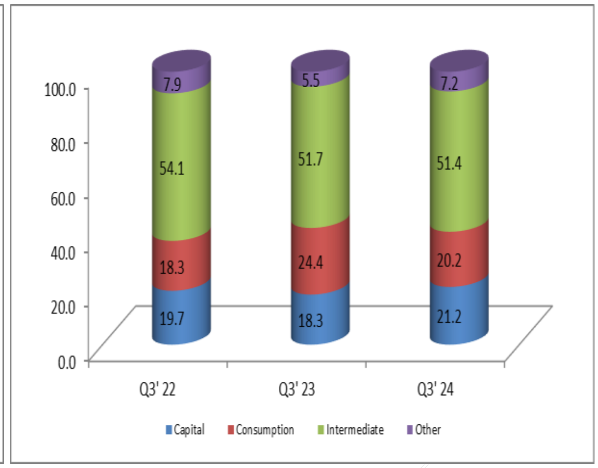
The value of intermediate goods imported increased by 22.40 percent to US$1,524.86 million compared to US$1,245.76 million recorded a year ago. All subcategories of intermediate imports increased.

The value of other goods imported was US$213.69 million, 61.64 percent more than the previous year's level on account of an increase in the imports of "passenger cars and goods n.e.s."

During the period, 21,366,703 kWh of electricity valued at US$2.23 million was imported by VRA compared to 24,430,100.00 kWh worth US$2.55 million, imported during the same period in 2023.

Chart 5.3: Non-Oil Imports by Broad Economic Classification (US$' Million)





Source: Bank of Ghana

Top Ten Major Non-Oil Imports

The total value of the top ten non-oil merchandise imports for the third quarter of 2024 amounted to US$732.32 million, compared to US$591.67 million recorded a year ago. Key items included motor vehicles for the transport of persons and goods, self-propelled bulldozers, and cereal grains.

Table 5.5: Top Ten Non-Oil Imports, July - September 2023/2024

July - Sept 2023			July - Sept 2024		
Description	US$'M (fob)	% Distr.	**Description**	US$'M (fob)	% Distr.
Capital	**147.05**	**24.85**	**Capital**	**252.47**	**34.48**
Self-propelled bulldozers, excavators nes	74.74	12.63	Self-propelled bulldozers, excavators nes	109.49	14.95
Motor vehicles for the transport of goods, n.e.s.	72.32	12.22	Motor vehicles for the transport of goods, n.e.	142.98	19.52
Consumption	**240.25**	**40.61**	**Consumption**	**113.61**	**15.51**
Cereal grains, worked but not rolled or of	63.84	10.8	Cereal grains, worked but not rolled or of	46.83	6.4
Broken rice	56.59	9.56	Frozen cuts and offal of fowl (Gallus - eg chick	33.82	4.62
Weed killers (herbicides) and Insecticides	54.00	9.13	internal combustion piston engine of a cylind	32.96	4.50
Sugar	33.97	5.74	**Intermediate**	**188.70**	**25.77**
Frozen cuts and offal of fowl (Gallus - eg chicke	31.85	5.4	Wadding, gauze, bandages and similar article	47.97	6.5
Intermediate	**79.75**	**13.48**	Guts, bladders and stomachs of animals (othe	40.08	5.5
Iron and steel bars and rods	44.18	7.47	Polyethylene	46.91	6.41
Polyethylene	35.57	6.01	Articles of Iron or Steel	53.74	7.34
Other	**124.62**	**21.06**	**Other**	**177.53**	**24.24**
Motor vehicles for the transport of persons,	124.62	21.1	Motor vehicles for the transport of persons,	177.53	24.2
Total	**591.67**	**100.00**	**Total**	**732.32**	**100.00**

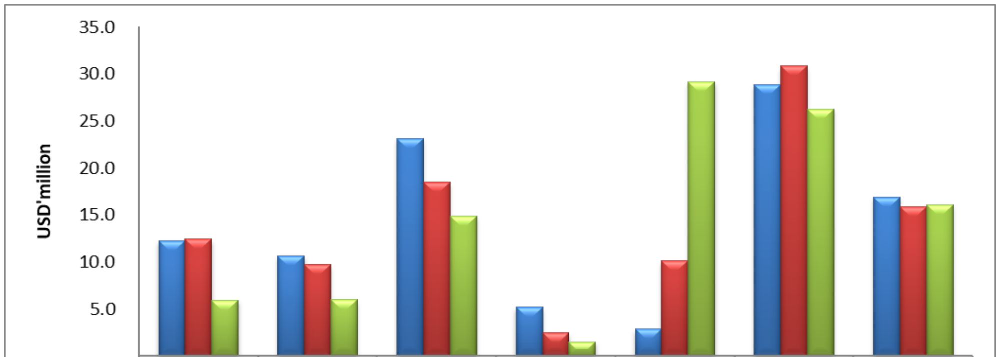
Source: Bank of Ghana

Direction of Trade

Destination of Exports

During the review period, the Other Europe received the largest share (29.2%) of Ghana's total exports while North America received the least share (1.5%). The share of total exports to Africa decreased to 22.1 percent from 28.3 percent in the same period last year. The chart below gives a detailed breakdown of other destinations of exports.

Chart 5.4: Destination of Merchandise Exports



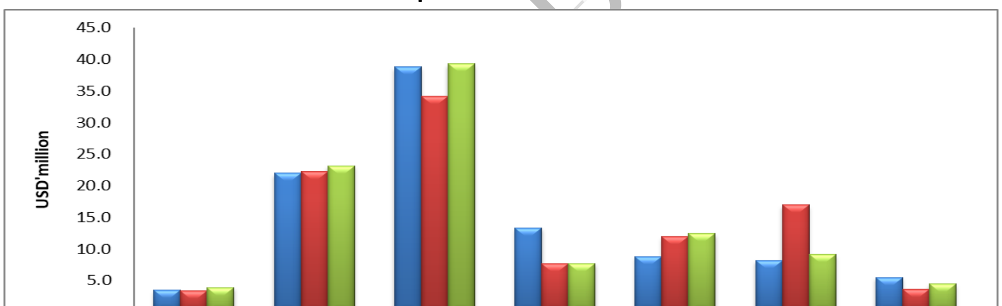
	ECOWAS	EU	Far East	North America	Other	Other Europe	Rest of Africa
Q3'2022	12.3	10.7	23.2	5.2	2.9	28.9	16.9
Q3'2023	12.4	9.7	18.4	2.5	10.1	30.9	15.9
Q3'2024	6.0	6.0	14.9	1.5	29.2	26.3	16.1

Source: Bank of Ghana

Sources of Merchandise Imports

The largest share (34.3%) of Ghana's imports during the review period originated from the European Union whilst countries from the ECOWAS subregion provided the lowest share (3.9%). The share of total imports from countries in Africa was 8.3 percent, compared to the previous year's value of 7.0 percent.

Chart 5.5: Sources of Merchandise Imports



	ECOWAS	EU	Far East	North America	Other	Other Europe	Rest of Africa
Q3'2022	3.5	22.0	38.8	13.3	8.8	8.2	5.5
Q3'2023	3.4	22.2	34.1	7.7	11.9	17.0	3.6
Q3'2024	3.9	23.2	39.3	7.7	12.4	9.1	4.4

Source: Bank of Ghana

Services, Income and Transfers Account

During the period under review, the Services, Income and current transfers' account recorded a deficit of US$519.14 million, compared to a surplus of US$12.59 million in 2023. This was mainly on account of an increase in income payments and services outflows.

The balance on the Services account increased from a deficit of US$730.98 million in 2023Q3 to a deficit of US$1,059.74 million 2024Q3 as a result of increased energy related service payments. The deficit on the income account also increased by 45.0 percent to US$778.07 million, compared to US$460.25 million during the same period in 2023. The larger deficit was on account of higher outflows in respect of increased dividends and compensation payments. Current transfers, which are mostly private remittances, increased by 9.5 percent from US$1,203.82 million in the third quarter of 2023 to US$1,318.67 million in the third quarter of 2024.

Table 5.6: Services, Income and Unilateral Transfers (net) in US$ millions

	Q3'2022	Q3'2023	Q3'2024	Q3'2023/24	
			prov.	Abs.	% change
	Amounts in millions of U.S. dollars				
Services (net)	**-731.11**	**-730.98**	**-1,059.74**	**-328.75**	**45.0**
Freight and Insurance	-406.42	-255.95	-254.93	1.03	-0.4
Other Services	-324.70	-475.03	-804.81	-329.78	69.4
Income (net)	**-1,039.95**	**-460.25**	**-778.07**	**-317.82**	**69.1**
Current Transfers (net)	**910.94**	**1,203.82**	**1,318.67**	**114.84**	**9.5**
Official	0.00	8.51	0.00	-8.51	0.0
Private	910.94	1,195.32	1,318.67	123.35	10.3
Services, Income and Current Transfers (net)	**-860.12**	**12.59**	**-519.14**	**-531.73**	**-4,222.2**

Source: Bank of Ghana

5.2 Capital and Financial Account

The balance on the Capital and Financial account recorded a net outflow of US$96.11 million in 2024Q3, compared to net outflows of US$323.56 million recorded during the same period in 2023.

Capital Account

The capital account received transfers totalling US$20.93 million during the review period, compared to US$21.72 million received in the same period in 2023.

Financial Account

Transactions in the financial account recorded a lower net outflow of US$117.04 million during the review period, compared to a net outflow of US$345.3 million during the corresponding period of 2023. The lower net outflows were due to higher net foreign direct investment inflows and lower other investment outflows.

During the third quarter of 2024, net foreign direct investment flows increased to US$436.43 million, from US$308.80 million recorded for the same quarter of 2023. Portfolio investment however, recorded a lower inflow during the review period of US$6.09 million compared to inflows of US$53.04 million in the third quarter of 2023. The ‘Other Investment’ account recorded lower net outflows mainly on account of higher official disbursements and higher private sector loan inflows.

Table 5.7: Capital and Financial Account (US$' million)

	Q3'2022	Q3'2023	Q3'2024	Q3 '2023/24	
			(prov.)	Absolute	% change
	Amounts in millions of U.S. dollars				
Capital and Financial Accounts	**-252.40**	**-323.56**	**-96.11**	**227.4**	**-70.3**
Capital transfers	**25.10**	**21.72**	**20.93**	**-0.8**	**-3.6**
Financial Account	**-277.51**	**-345.28**	**-117.04**	**228.2**	**-66.1**
Foreign Direct Investments	363.08	308.80	436.43	127.6	41.3
Portfolio Investments	-1,522.44	53.04	6.09	-47.0	-88.5
Other Investments	**881.85**	**-707.12**	**-559.56**	**147.6**	**-20.9**
Official	**757.63**	**-134.96**	**478.29**	**613.3**	**-454.4**
Disbursements	995.96	91.54	544.55	453.0	494.9
Amortisation	-238.33	-226.50	-66.26	160.2	-70.7
Private	**367.91**	**-571.71**	**-177.55**	**394.2**	**-68.9**
Disbursements	3,698.31	2,884.99	3,447.92	562.9	19.5
Amortisation	-3,330.40	-3,456.70	-3,625.47	-168.8	4.9
Short-term	**-388.96**	**66.72**	**-635.84**	**-702.6**	**-1,053.0**
Non-Monetary	-219.68	72.15	-295.71	-367.9	-509.9
Monetary	-169.27	-5.43	-340.13	-334.7	6,166.3
Government Oil Investments	**145.27**	**-67.18**	**-224.47**	**-157.3**	**234.2**
Inflow	273.51	34.33	94.85	60.5	0.0
Outflow	-128.25	-101.51	-319.32	-217.8	214.6

Source: Bank of Ghana

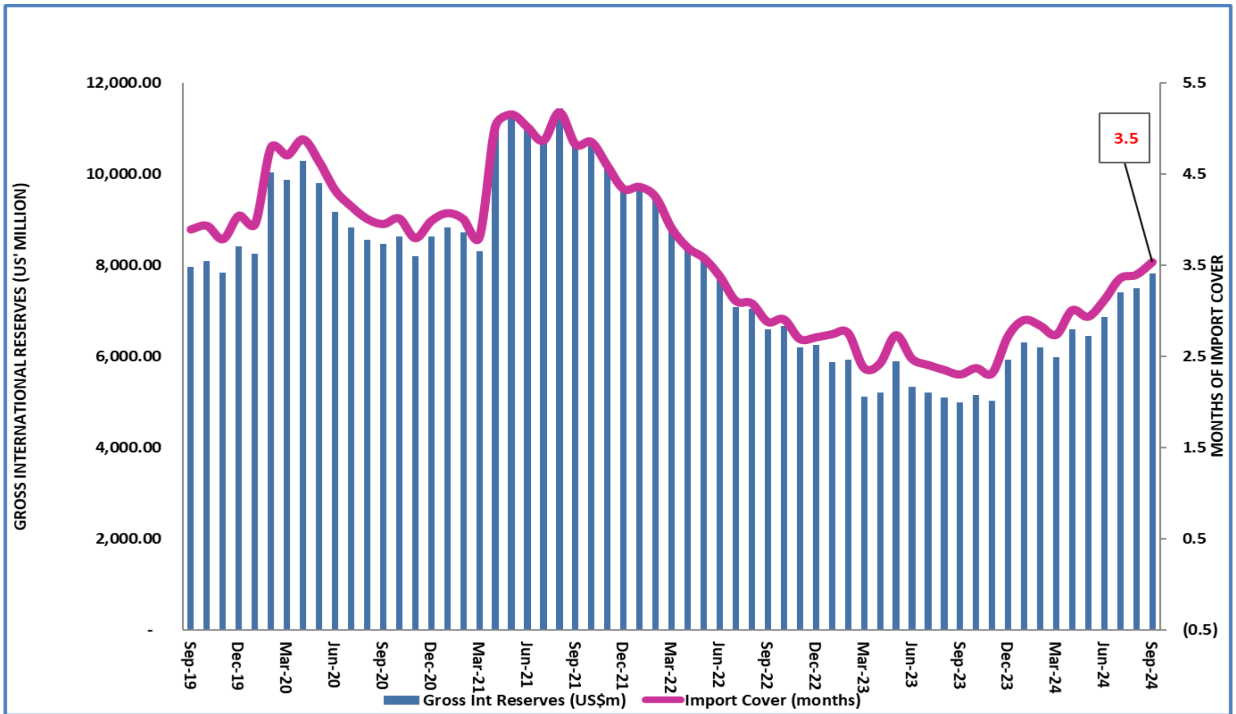
The combined effect of the current account surplus and lower net outflows in the financial account resulted in an overall balance of payments surplus of US$963.86 million for the third quarter of 2024, compared with the deficit of US$276.07 million for the same period in 2023.

5.3 International Reserves

The level of Gross International Reserves (GIR) at the end of September 2024 was US$7,829.11 million, a buildup of US$1,906.12 million from a stock position of US$5,922.99 million at the end of December 2023. This could provide for 3.5 months of imports of goods and services compared with 2.3 and 2.7 months of import cover for September 2023 and December 2023, respectively.).

The stock of Net International Reserves (NIR) at the end of September 2024 was estimated at US$5,196.21 million, indicating a buildup of US$2,004.65 million from a stock position of US$3,191.56 million at the end of December 2023.

Chart 5.6: Gross International Reserves (US$' million)



Source: Bank of Ghana