BANK OF GHANA
MONETARY POLICY COMMITTEE
PRESS RELEASE
24 September 2026

The Monetary Policy Committee (MPC) held its 132nd regular meeting from 23 to 24 September 2026 to review recent economic developments and assess risks to the outlook for inflation and economic growth. This statement summarises the key discussions and the Committee's decision on the Monetary Policy Rate.

Global economic activity remained resilient during the first half of 2026, despite persistent geopolitical tensions and heightened uncertainty. The resilience was supported mainly by strong investment in artificial intelligence and the less severe impact of energy shocks than earlier anticipated. Against this backdrop, the IMF global growth projection for 2026 has remained largely unchanged at 3.0 percent. However, the tendency for geopolitical tensions to reignite or intensify could weaken global growth prospects in the medium-term.

Global inflationary pressures have heightened significantly since the last MPC meeting, driven largely by elevated energy costs with crude oil prices, currently slightly above US$100 per barrel. Global climate conditions have also added another layer of uncertainty to the inflation outlook, with expectations of a strong El Niño developing in the last quarter of the year. Together with global supply chain constraints, this could adversely impact food prices and exert additional inflationary pressures.

Based on these developments, most central banks have shifted from a cautious policy stance to modest tightening, alongside elevated long-term bond yields. So far, the US Federal Reserve, the European Central Bank, and the Bank of Japan have raised their policy rates, on account of persistent inflation while signalling possible further tightening based on the inflation trajectory. These policy actions could, in the near to medium term, increase global yields and tighten global financing conditions with adverse consequences for emerging market and frontier economies.

In the domestic economy, growth remained strong in the second quarter of 2026. Real GDP growth was 6.0 percent, driven mainly by the services and industry sectors, but slightly lower than the 6.6 percent recorded in the same quarter of 2025. Non-oil GDP growth was 5.4 percent compared with 8.5 percent in the same period of 2025.

The updated Composite Index of Economic Activity (CIEA) recorded a strong annual growth of 14.9 percent in July 2026, compared to 6.1 percent in July 2025. Key indicators such as credit to the private sector, international trade activities, and consumption of goods and services contributed to the improvement in the CIEA. Also, the confidence surveys conducted in August reflected positive consumer and business sentiments based on the relatively stable macroeconomic environment and optimism about growth prospects.

The latest reading show that headline inflation increased to 5.0 percent in August 2026 from 4.6 percent in July, driven mainly by non-food inflation. Non-food inflation rose to 6.8 percent from 6.1 percent in July, largely on the back of some pass-through effects from the upward adjustments in utility tariffs and elevated crude oil prices. In contrast, food inflation has remained low and declined marginally to 3.0 percent, from 3.1 percent on the back of improved food supply conditions. Despite the increase, headline inflation remained below the lower bound of the medium-term target range of 8 ± 2 percent. The Bank's core inflation measure, which excludes energy and utility prices, eased slightly to 4.2 percent in August, from 4.3 percent in July. In addition, survey-based inflation expectations among consumers, businesses, and the banking sector conducted in August declined, signalling continued moderation in underlying inflationary pressures.

On monetary developments, reserve money grew strongly by 29.7 percent, year-on-year, in August 2026, compared with 4.5 percent in August 2025. The expansion was underpinned by growth in net domestic assets, mainly reflecting the impact of the policy change on reserve requirements. However, net foreign assets declined, which helped moderate the overall growth in reserve money. Broad money supply grew by 20.4 percent, year-on-year, in August 2026, up from 16.6 percent in August 2025.

Interest rates on Government's short-term instruments moderated further in August 2026. The 91-day Treasury bill rate declined to 5.4 percent from 10.3 percent a year earlier. The average lending rate for the banking sector also declined to 15.9 percent from 24.2 percent over the same comparative period. The low-interest rate environment, ease in credit stance by banks, and a pick-up in credit demand contributed to higher credit growth in the banking sector. Private sector credit growth rebounded to 35.5 percent in August 2026 from 13.3 percent in August 2025. In real terms, private sector growth was 29.0 percent, relative to 1.7 percent over the same comparative period.

Provisional data on the Government budget execution for the first seven months of 2026 reflected improvement in revenue mobilisation with marginal shortfalls below target, alongside constrained total spending. These developments resulted in an overall fiscal deficit (on commitment basis) of GH¢3.5 billion (0.2% of GDP), as against the budget target of GH¢31.0 billion (1.9% of GDP). The deficit was financed largely from domestic sources. The primary balance (on commitment basis) recorded a surplus of 1.4 percent of GDP, as against a surplus target of 0.2 percent of GDP. At end-July 2026, the provisional public debt stock stood at 45.9 percent of GDP, compared with 44.7 percent of GDP at end-December 2025.

The banking sector remains solvent, profitable, and liquid, alongside improving asset quality. In August 2026, total assets of the sector increased by 20.5 percent, year-on-year, to GH¢500.2 billion, supported by robust deposit mobilisation and growth in other funding sources. Capital Adequacy Ratio of the banking system improved further to 19.1 percent in August 2026 from 18.3 percent in August 2025. Asset quality also improved, with the Non-Performing Loan (NPL) ratio declining to 15.7 percent from 20.8 percent over the same period, supported by the strong rebound in credit growth. Despite the improvement in the industry's asset quality, credit risk remained elevated. Banks are, therefore, expected to adhere to the NPL guidelines to bolster confidence in the financial system.

The external sector maintained a robust performance in the first eight months of the year, despite lingering global uncertainty driven by geopolitical tensions. The trade surplus improved to US$8.85 billion in the year to August 2026 from US$6.69 billion in the same period last year, supported by high export proceeds, notwithstanding a sharp rise in the import bill. In the first eight months of 2026, total exports rose to US$22.4 billion, from US$17.9 billion in the same period of 2025, driven by strong gold, cocoa, and crude oil export receipts. Imports totalled US$13.58 billion, up by 20.8 percent from US$11.24 billion last year. This was driven by higher oil and gas import values, on account of increased crude oil purchases for domestic refining activities.

Gross International Reserves stood at US$12.0 billion, equivalent to 4.5 months of import cover, as at 22 September 2026, supported by improved gold export receipts despite the elevated external sector payments over the period.

In taking the monetary policy decision, the Committee noted that heightened geopolitical tensions have constricted global supply chains and elevated crude oil prices, with adverse effects on global energy and food prices. In response to rising inflationary pressures, several central banks have begun raising policy rates with likely tightening impact on global financing conditions in the near term.

On domestic growth conditions, the Committee observed continued resilience in economic activity over the first half-year, supported by easing credit conditions, increased private sector credit allocation, and positive business and consumer sentiments. Barring any spillovers from global supply chain disruptions and weather-related shocks on agricultural output, growth prospects remain broadly positive.

On price developments, the Committee noted the uptick in headline inflation in August driven by the pass-through of utility tariff adjustments and high crude oil prices. Despite this, all the inflation expectations and core inflation measures eased, indicating a moderation in underlying inflation. Presently, headline inflation remains below the lower bound of the medium-term target band and is projected to move up into the band over the next few quarters. Upside risks to the inflation outlook include the upward revisions to utility tariffs, rising ex-pump petroleum prices and the linkage to transport fares, strengthening of the US dollar due to the US interest rate hike, as well as possible spillovers from global supply chain constraints. On the other hand, continued fiscal consolidation, improved food supply conditions, and exchange rate stability present offsetting downside risks.

Based on these considerations, the Monetary Policy Committee viewed the balance of risks to inflation and growth as broadly balanced and voted by a unanimous decision to maintain the Monetary Policy Rate at 14.0 percent.

Informational Note

The next Monetary Policy Committee (MPC) meeting is scheduled for 16 to 18 November 2026. The meeting will conclude on 18 November 2026, with the announcement of the policy decision.