BANK OF GHANA
MONETARY POLICY COMMITTEE
PRESS RELEASE
18 November 2026

The Monetary Policy Committee (MPC) held its 133rd regular meeting from 16 to 18 November 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 decisions.

Global economic activity has remained broadly resilient, supported by strong investment in artificial intelligence and technological innovation, despite heightened geopolitical tensions and trade uncertainties. In view of these developments, the IMF revised its global growth forecast moderately upwards to 3.1 percent in October, from an earlier estimate of 3.0 percent. Headline inflation remains elevated across most advanced economies, driven mainly by higher energy prices and trade disruptions. However, the recent decline in crude oil prices below US$100 per barrel may help moderate price pressures in the near term.

Global financial conditions remained broadly accommodative, supported by expectations of less monetary policy tightening by central banks in advanced economies and strong equity market performance, particularly among technology-related stocks. However, elevated geopolitical tensions, inflationary pressures, and uncertainty around global trade could trigger financial market volatility and tighter financing conditions in the outlook.

On the domestic front, economic growth remained strong in the year through September. The Bank’s updated high frequency real sector indicators point to a pickup in activity, with the Composite Index of Economic Activity (CIEA) growing 17.7 percent year-on-year in September 2026, up from 9.6 percent in September 2025. Growth in the CIEA was largely supported by private sector credit, exports, tourist arrivals, and construction activity.

The October 2026 confidence surveys showed mixed sentiments. Consumer confidence weakened, reflecting higher ex-pump petroleum prices and transport fares, while business confidence remained broadly unchanged. Businesses’ concerns about rising input costs were offset by optimism about positive company and industry prospects, given the stable macroeconomic conditions.

Headline inflation rose to 5.5 percent in October 2026 from 5.2 percent in September but remained below the lower bound of the medium-term target. The increase was driven mainly by non-food inflation, which rose to 7.9 percent from 6.2 percent, largely reflecting higher utility tariffs and elevated crude oil prices. In contrast, food inflation fell to 2.8 percent from 4.0 percent, on the back of improved food supply conditions. Underlying inflationary pressures have also increased slightly. The Bank’s core inflation measure, which excludes energy and utility prices, rose to 5.2 percent in October from 5.0 percent in September. Inflation expectations among consumers, businesses, and the banking sector picked up, but remained anchored within the medium-term target band.

Broad money supply recorded a year-on-year growth of 20.5 percent in October 2026, relative to 8.2 percent in October 2025. Reserve money also increased by 22.6 percent compared to 0.1 percent over the same comparative period. The expansion in reserve money was driven by net domestic assets, partly reflecting the impact of the change in reserve requirements and portfolio rebalancing by banks. Net foreign assets also expanded, reflecting a reduction in foreign liabilities during the period under review.

Interest rates on short-term instruments moderated, with yields on the 91-day Treasury bill rate declining to 4.6 percent in October 2026, from 10.6 percent in October 2025. Banks' average lending rate also eased to 15.8 percent from 22.2 percent over the same comparative period. The low interest rate environment improved credit conditions and increased demand for credit, contributing to a significant expansion in bank lending. Accordingly, growth in credit to the private sector increased to 37.2 percent from 13.9 percent. In real terms, private sector credit grew by 30.0 percent, compared with 5.4 percent over the same period.

Provisional data on the government budget execution for the first ten months of 2026 showed an overall fiscal deficit, on commitment basis, of 1.0 percent of GDP, against the target of 3.0 percent 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 and on track to achieve the full year target of 1.5 percent of GDP due to the combined effects of fiscal prudence and effective public debt management. As of end-October 2026, the provisional public debt stock was GH₵759.3 billion, equivalent to 47.5 percent of GDP, up from GH₵641.1 billion, equivalent to 44.7 percent of GDP, at end-December 2025.

The banking sector remains solvent, profitable, and liquid. As at end-October 2026, banks' total assets rose by 21.2 percent year-on-year to GH₵512.9 billion, driven mainly by strong deposit growth. The financial soundness indicators also improved broadly. Capital Adequacy Ratio rose to 18.5 percent in October 2026, from 17.9 percent a year earlier. Asset quality also improved markedly, with the Non-Performing Loan (NPL) ratio declining to 13.1 percent from 19.5 percent over the same period the previous year, supported by the strong rebound in credit and a contraction in the stock of NPLs.

The external sector was resilient during the first ten months of 2026, despite heightened global uncertainty and geopolitical tensions. The trade surplus improved substantially to US$13.0 billion between January and October, up from US$8.7 billion over the same period in 2025. Gold was the main driver of export growth, accounting for approximately 67.0 percent of total export earnings during the period.

Higher external payment obligations, driven largely by geopolitical tensions and foreign exchange demand pressures, weighed on the central bank's reserves. As at 17 November 2026, Gross International Reserves (GIR) stood at US$12.1 billion, approximately 4.4 months of import cover, down from US$13.8 billion, equivalent to 5.7 months of import cover at end-December 2025. The external sector is expected to remain firm, supported by strong export receipts despite the likely volatility in global markets.

Taken together, the Committee noted significant improvements in domestic macroeconomic conditions. Domestic growth has remained firm, supported by easing credit conditions and expansion of private sector credit, and is expected to continue for the remainder of the year. The external sector remains sufficiently strong to provide buffers against external shocks. Fiscal consolidation was vigorously pursued in 2026, leading to better-than-target fiscal

balances. On inflation, the latest forecast showed that it will gradually move back into the target range over the medium term, barring unexpected shocks from crude oil prices, El Niño risks to food production, and quarterly adjustments in utility tariffs. These risks will be carefully monitored and an appropriate monetary policy stance maintained.

Recent reforms to the Bank's monetary operations framework have strengthened liquidity management and improved the transmission of monetary policy signals to money market rates. As a result, prevailing market rates have evolved at levels below the current monetary policy rate, indicating that the effective policy stance is lower than the announced rate. Accordingly, the Committee has decided to introduce the following additional reform measures:

1. Replace the 14-day Open Market Operations instrument with a 7-day instrument;
2. Narrow the policy corridor from MPR ±400 basis points to MPR±100 basis points; and
3. Align the Monetary Policy Rate (MPR) from 14 percent to 11 percent.

Informational Note

The next Monetary Policy Committee (MPC) meeting is scheduled for 18 to 20 January 2027. The meeting will conclude on 20 January 2027, with the announcement of the policy decision.