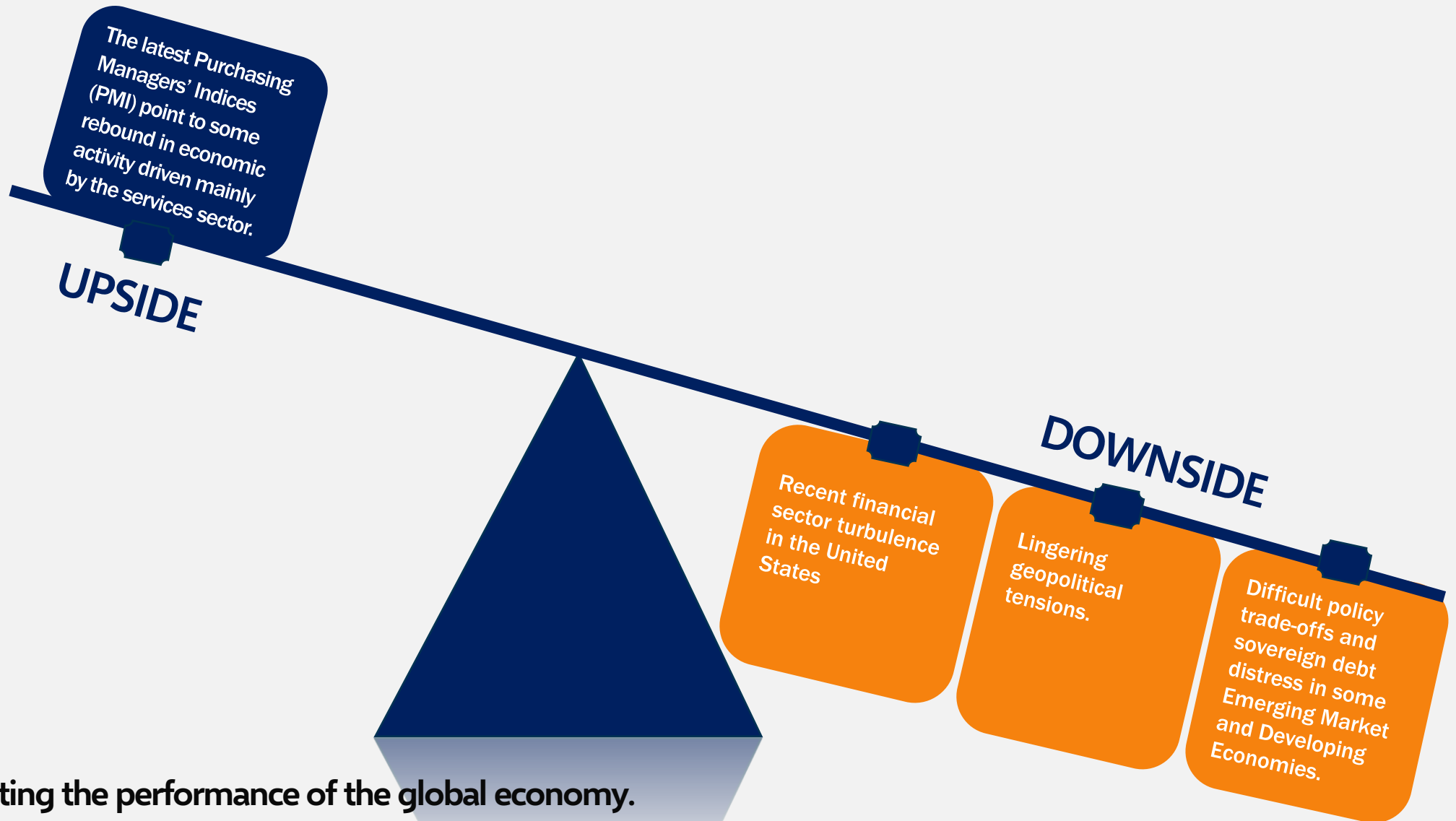




POLICY RATE MAINTAINED AT 29.5%

Global economic growth revised downwards by 0.1% to 2.8% in 2023, compared to 3.4% in 2022



Factors affecting the performance of the global economy.

Sources BOG

Reasons for maintaining policy rate at 29.5%



- The Bank's core measure of inflation declined for the fourth consecutive month. Core inflation declined from 44.6% to 41.7% in April 2023.
- Contraction of real Composite Index of Economic Activity (CIEA) in March by 6.4% compared to a contraction of 7.2% in February. Due to contractions from imports, cement sales, credit to the private sector and port activity
- Business confidence survey in April showed improvements as inflationary pressures eased.
- Pull back in private sector credit due to banks' portfolio rebalancing after the domestic debt exchange and moderation in economic activity. It contracted from 19.8% in 2023 compared to 26.5% in April 2022 in nominal terms.
- Increase in interbank weighted average rate from 16.46% in April 2022 to 25.89% in April 2023.
- Significant losses reported by most banks due to higher impairments on loans, rising operating costs and mark-to-market valuation on Government of Ghana bonds after implementation of DDEP. Before tax losses posted amounted to GH¢8.0 billion in 2022 compared a profit of GH¢7.4 billion recorded in 2021.
- Key financial soundness indicators remained strong due to regulatory relief from the DDEP. The regulatory adjusted Capital Adequacy Ratio was 14.8% in April 2023 lower than the 21.3% recorded in April of 2022 but higher than the minimum levels of 10%.



....Grow your wealth

