

# News Flash



## Economic News

### 'Bank of Ghana drops policy rate to 16%

The Monetary Policy Committee (MPC) of the Bank of Ghana has reduced its key lending rate to commercial banks in the country. The Committee reduced the policy rate by 100 basis points to 16%. This is the first time since March 2018 that the Bank of Ghana has reduced its policy rate for universal banks. In March 2018, the Bank of Ghana reduced its rate by 200 basis points from 20% to 18%. The development is likely to influence the cost of credit in the country. According to the Central Bank, the move was influenced by a fairly stable outlook for the economy. Speaking at a news conference, Bank of Ghana Governor, Dr Ernest Addison said they are also convinced about measures government is taking to stabilize the economy and check its rising expenditure. [Source: Myjoyonline.com](#)

### 'BoG rules out fixed exchange rate regime to check cedi fall'

The Governor of Bank of Ghana (BoG), Dr Ernest Addison, has ruled out a possible fixed cedi-dollar exchange rate despite the local currency's perennial depreciation. Dr Addison made the remark following a push by some importers for the fixed exchange regime to help deal the blips in the cedi's value to the major trading currencies. The Governor said in an interview, that because of the structure of the economy, setting a fixed exchange rate will not be a good idea. "We have admitted that a flexible exchange rate better serve the need of the country," he said.

[Source: Myjoyonline.com](#)

### 'Recoveries from liquidated banks unlikely'

Following the revocation of the licenses of the five banks, government issued a bond with a face value of GHS 7.6bn to cover the gap, between the deposit liabilities and the remaining good assets of the failed banks. Government hopes to recover much of this from the value of the substandard assets that had been on the failed banks books as at the time of their liquidation. However according to the receiver's latest update on the affected assets and property inventory of these banks, which were released by the Bank of Ghana last week, the liabilities are much more than anticipated above the reclassified and adjusted assets of the banks indicating a less than originally expected likelihood for government to recover most of the value of the bond issued to finance the establishment of a viable balance sheet for CBG.

[Source: Myjoyonline.com](#)

### 'Ghana's 2018 export improve significantly-BoG data'

Figures from the Bank of Ghana (BoG) have shown that Ghana's exports increased significantly between 2017 and 2018. Substantial improvement in Ghana's export receipts from oil, helped in adding more than USD 1bn to Ghana's export figures for 2018. The country in 2017 saw total exports reach USD 13.835bn, whereas in 2018 the country exported goods worth USD 14.868bn. This represents an increase of 7.5% in exports over the period. Total imports also witnessed an increase in 2018 as compared to imports in 2017. From USD 12.647bn recorded in 2017 total imports increased by 3.5% to USD 13.089bn. [Source: Bftonline.com](#)

## Corporate News

### 'CDH Savings and Loans worried over locked up funds with CBG'

CDH Savings and Loans has expressed worry over locked up funds with Consolidated Bank of Ghana (CBG). These locked-up funds are said to be the main reason why there have been delayed payment of customers' funds by most savings and loans companies. The banking sector clean-up saw licenses of seven banks revoked by the Bank of Ghana and the Consolidated Bank of Ghana (CBG) was formed. Executive Director of CDH Savings and Loans, Martin Asamoah said, "There's has been a liquidity challenge in the financial sector. Following the takeover of Capital and UT banks in 2017, there were panic withdrawals which had a little effect on us. With some of our funds locked up at the Consolidated Bank, there have been steps to retrieve them and we are hopeful this will be sorted out very soon."

[Source: Myjoyonline.com](#)

### 'IFEJ lauds GCB for consistent media support'

The Institute of Financial and Economic Journalists (IFEJ) has lauded GCB Bank for consistent support of the media especially financial journalism in Ghana. It said the continuous financial and technical support extended to financial reporting and the development of the media in general positively impacts the profession. IFEJ in a letter of appreciation to the Management of the Bank signed by its President, Rayborn Bulley recognized the gesture of the Bank. It states, "the leadership of the Institute of Financial and Economic Journalists wishes to express their heartfelt appreciation for the support and collaboration in the past years especially your unparalleled support."

[Source: Myjoyonline.com](#)

Currency - Interbank	Rate 25 Jan	Rate 28 Jan	%Change
USD/GHS	4.9405	4.9430	-0.05
GBP/GHS	6.4846	6.5146	-0.46
EUR/GHS	5.6193	5.6511	-0.56
CHF/GHS	4.9654	4.9872	-0.44
CNY/GHS	0.7319	0.7331	-0.16
ZAR/GHS	0.3621	0.3608	0.36

The cedi depreciated against all the major trading currencies.