



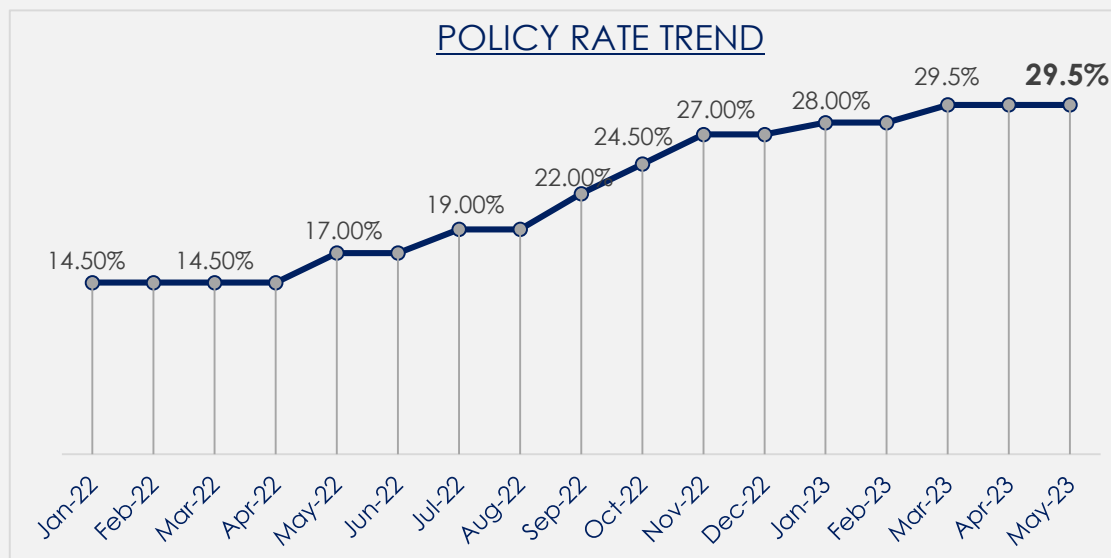
The Bank of Ghana maintains Rate in May 2023; MPR remains at 29.5%

The Monetary Policy Committee ("MPC" or "the Committee") of the Bank of Ghana (BoG) maintained the benchmark policy rate at 29.5% at the May 2023 MPC meeting.

The MPC's decision to maintain the policy rate is on the back of continued easing of inflationary pressures, with two additional consecutive declines in headline inflation largely driven monetary policy tightening, relatively stable exchange rate, and declining international crude oil prices which have allowed ex-pump petroleum prices to be adjusted downwards.

Private sector credit generally slowed to 19.8% in real terms on the back of tight monetary policy stance, banks' portfolio rebalancing after the domestic debt exchange and moderation in economic activity. The local currency recorded some gains amid positive sentiments on developments in the economy. The Ghana cedi depreciated by 0.6 percent, in April 2023 after a weakening US dollar and muted demand pressures.

The tight monetary policy, relative stability in the local currency, and easing of ex-pump petroleum prices have supported the disinflation process. The BoG's commitment to zero financing of governments budget should eliminate fiscal dominance and allow for a quicker ease in inflation.



The next MPC meeting is scheduled for July 19th – 21st, 2023. The meeting will conclude on Monday, July 24, 2023 with the announcement of the policy decision.

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