THE DEPRECIATING CEDI AND BANK OF GHANA MEASURES

Kwamena Essilfie Adjaye

Abstract
The new foreign exchange measures the BoG imposed on February 4, 2014 to address the sharp depreciation of the Cedi have been counter-productive largely because they have made holders of foreign exchange bank accounts and remitters lose confidence in using the formal sector, reducing supply into the formal market and driving supply into the parallel market, the black market. Consequently the Cedi is still depreciating, although at a slower rate in the formal market while the rate in the black market has become greater. It is underscored that inadequate supply of foreign exchange is the principal cause of the significant depreciation of the Cedi. In order to decrease the rate of depreciation the BoG must rescind its measures and take some suggested immediate actions to increase the supply of foreign exchange. To strengthen the Cedi sustainably, in the medium to long term, Ghana must implement an export growth strategy to earn more foreign exchange and complement that with a local production of imported goods strategy to decrease their importation.

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1. The Issue

The Bank of Ghana (BoG) revised and instituted new foreign exchange measures on February 4, 2014 as the Cedi continued to depreciate significantly. They were:

1. Additional Operating Procedures for Forex Bureaux in Ghana;
2. Revised Rules on the Operation of Foreign Exchange Accounts (FEA) and Foreign Currency Accounts (FCA); and
3. Repatriation of Export Proceeds.

These measures immediately drew critical reaction, among them from members of the Ghana Growth and Development Platform (GGDP). A week and a half later clarifications were announced. In mid-June amendments were announced, seemingly in line with the BoG’s promise in February that it would do a review after three months and announce changes.

This paper’s objective is to analyze the main factors responsible for the depreciation of the Cedi, to analyze the effects of these measures on the foreign exchange market specifically and the economy generally, and to offer recommendations regarding the measures and their effects.

The next section, Background, puts the subject matter of the Cedi and BoG measures into context briefly. Next, in the Analysis section the subject matter is analyzed concisely. This is followed with a section called Summary of Opinions wherein a summary of the notable opinions from the discussion of the subject matter is stated. Lastly, there is a section on Recommendations, which states the actions the GGDP would like the BoG and government to take in order to address the issues raised.

2. Background

2.1 Exchange Rate Regimes:

Ghana has operated a number of foreign exchange regimes since independence, spanning the range from fixed to flexible to freely floating exchange rate setting.

Under fixed exchange rate regimes from the 1960s until the 1980s although there were devaluations to align the official rate with
the market rate the country experienced long periods during which
the official rate was overvalued, in other words lower than the
market rate. From the 1970s to early 1980s Ghana operated
under foreign exchange controls. Foreign exchange was hard to
find in banks, the official market, but easier to find in the black
or parallel market, in which the exchange rate was higher. The
foreign exchange controls didn’t work in stopping the Cedi from
losing its value or making foreign exchange more available.

As part of the Economic Reform Program (ERP) from 1983 onwards
the foreign exchange market was reformed with the introduction
of an auction (flexible) system.

From the late 1980s to early 1990s under the Financial Sector
Adjustment Programs (FINSAPs) the foreign exchange market was
further reformed to the extent of market determination of the
exchange rate (freely floating), operation of forex bureaux, and
operation of foreign exchange accounts (FEA) and foreign currency
accounts (FCA) in banks.

2.2 Recent Exchange Rate Record:

The Cedi has depreciated against the US Dollar, the British Pound
Sterling, the Euro, and other foreign currencies since its redenom-
ination in July 2007, with the rate of depreciation increasing from
mid-2013 through to the first quarter of this year, 2014, as shown
in the chart below. It is clear on the chart that the rate of depre-
ciation has increased since the BoG measures came into effect in
February 2014.

2.3 Dollarization:

There has been the practice of the pricing and payment of assets,
goods and services in the US Dollar, called ‘Dollarization’, for many
years, with the practice becoming more widespread in the recent
past. This practice in Ghana is part of the age-old universal practice
of holding money (wealth) in assets that aren’t losing or don’t lose
their value as fast.

2.4 Imposition of BoG Measures:

The BoG started imposing controls on the operation of FEA and
FCA in 2012. The controls imposed in February 2014 are the latest
and the most comprehensive.

3. Analysis

3.1 Foreign Exchange Market Condition:

The chart in the previous section shows clearly that the Cedi has
been depreciating against the US Dollar, the Euro, and the British
Pound Sterling, with the rate of depreciation having increased
since mid-2013. What are the major causes of this record of
depreciation?

The Cedi has been depreciating because the demand for Dollars
and other foreign currencies exceeds the supply of Dollars and
other foreign currencies. The Dollars and other foreign currencies
we demand to pay for our imports of goods, services, repatriation
of earnings on foreign investment, and servicing and repaying
foreign loans exceeds the supply of Dollars and other foreign
currencies from our exports of goods, services, particularly re-
mittances, repatriation of earnings on our investment overseas,
foreign direct and portfolio investment, and foreign loans and
grants.

The leading source of foreign currency is export revenue, but it has
been less than our import cost for years, leading to merchandise
trade deficits, as shown in the chart below.

When the Cedi depreciates against the US Dollar or any other foreign currency
it means you need more Cedis to buy the US Dollar or the other foreign currency.
When it appreciates it means you need fewer Cedis to buy the US Dollar or the
other foreign currency.

5When the Cedi depreciates against the US Dollar or any other foreign currency

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revenue in Ghana, i.e., only about 20% of mining export revenue gets added to the supply of foreign exchange in Ghana. This is a major factor in the supply of foreign exchange being inadequate in relation to the demand for foreign exchange.

The level of Imports increased significantly from 2010 to 2011 largely due to significant increase in Non-Oil Imports.

When the FCA and FEA were introduced as part of the financial and banking reforms they were to serve as vehicles for attracting remittances, transfers and deposits in order to increase the supply of foreign exchange so as to bridge the shortfall in supply from export revenue. Remittances have been a major source of foreign exchange in the recent past, as depicted in Chart 4, in which Private transfers are predominantly Remittances.

The other source of supply of foreign exchange is the Capital and Financial Accounts. The Financial Account is much bigger so that is being commented on. Foreign Direct Investment (FDI) dropped sharply, whereas Portfolio Investment dropped slightly, in 2013 (Chart 6A). Official Capital inflow also decreased in 2013, by about $100m, while Other Private Capital outflow stayed almost the same (Chart B), at about $300m.
The overall Balance of Payments was positive from 2009 to 2011 and then negative in 2012 and 2013 at about the same level of $1.2b.

Net International Reserves decreased from $3,228.06m at the end of December 2012 to $2,262.68m at the end of December 2013. Over the same period Gross International Reserves increased from $5,348.96m to $5,632.15m, representing a slight increase in import cover from 2.9 to 3.1 months.\(^6\)

Perhaps the best indicator of how much foreign exchange has been in the market is Chart 8 below. Net Foreign Assets decreased from 2011 to 2013, after increasing from 2009 to 2011. This record shows clearly that the supply of foreign exchange has decreased in the past three years.

During this period the demand for foreign exchange represented by imports increased from 2011 to 2012 and then decreased slightly in 2013, as shown in Chart 2 above.

With the supply of foreign exchange decreasing while the demand for foreign exchange increased and stayed almost at the same level the result has been an increase in the insufficiency of supply – and this is the reason why the depreciation of the Cedi has been significant.

\(^6\)Reference 6, pages 38–9.
To summarize, the Cedi has been depreciating because of inadequate supply of foreign exchange.

If government runs a budget deficit and this includes increases in the purchase of foreign goods, services and financing it results in an increase in imports and capital outflow and this in turn increases depreciating pressure on the Cedi. Moreover, this contributes to inflation which in turn further increases depreciating pressure on the Cedi.

3.2 Analysis of the Measures and Effects:

The objectives of the measures instituted by the BoG, as announced, were to slow down the increasing rate of depreciation of the Cedi and to stop Dollarization. These measures, their subsequent clarification and some amendments as well as their effects will now be stated and analyzed.

3.2.1 Additional Operating Procedures for Forex Bureaux in Ghana

The introduction of computerized (electronic) record keeping of transactions and of reporting to the BoG is a good development, as it would improve record keeping and reporting. But the institution of a limit of $10,000 per buy or sell transaction is giving buyers and sellers the incentive to break down their transactions into lots of a maximum of $10,000, or driving transactions greater than $10,000 into the informal (parallel) sector, the black market, consequently increasing supply in that market. This limit also has the effect of increasing demand in the black market as it drives holders of foreign currencies reluctant to trade them in the formal market, the banks and forex bureaux, so they are instead trading them in the black market.

By increasing black market activity these measures have resulted in higher rates of depreciation in the black market segment of the foreign exchange market, which in turn has resulted in higher rates of depreciation in all segments of the foreign exchange market. This is depicted in the Chart 1 above.

3.2.2 Revised Rules on the Operation of Foreign Exchange Accounts (FEA) and Foreign Currency Accounts (FCA)

The measure limiting cash withdrawals to a maximum $10,000 per transaction and only for travel purposes controls and limits the use of FEA and FCA. Other controls are the non-use of checks (cheques) for FEA and FCA, prohibition of transfers between FEA and FCA, the need for documentation for all outward transfers from FEA and FCA, restriction of sale of foreign exchange by the bank to account holders only, the conversion into Cedis of all undrawn balances of foreign exchange facilities, the restriction of the granting of foreign exchange facilities only to customers who earn foreign exchange, and the keeping of margin accounts for the settlement of import bills for not more than 30 days.

Controlling and limiting the use of FEA and FCA has decreased supply into those accounts in banks and driven supply into forex bureaux and the black market, and worsened the supply and depreciating condition. Also, since holders of accounts face controls in the use of their accounts they have decreased their demand for foreign exchange in banks and shifted this demand into forex bureaux and the black market. These measures have also made holders of foreign currencies reluctant to trade them in the formal market, the banks and forex bureaux, so they are instead trading them in the black market.

A higher rate of depreciation in the entire foreign exchange market has contributed to a higher rate of increase in the prices of imported goods and services, which in turn has driven up the prices of other goods and services, and these developments together have exerted increasing pressure on the rate of inflation. All told, the BoG measures have had negative economic impact.

The controls and limits have resulted in loss of confidence in the use of FEA and FCA:

1. Ghanaian professionals and business men and women who have FEA and FCA have lost confidence in using the accounts and aren’t transferring or transferring as much into the accounts.
2. Non-resident Ghanaians who have FEA and FCA aren’t remitting or remitting as much into these accounts.
3. Foreign Direct Investment is being squeezed as new, potential foreign investors have been spooked by the new regulatory regime, and are adopting a wait-and-see attitude. In addition, existing foreign investors are holding on to already committed funds for similar reasons.

It is expected that FEA, FCA and Remittances statistics since February will show decreases.

Some banks are now having to take about 2-3 weeks to find enough foreign exchange for transfers as small as US$10-15,000. They now have a weekly quota, and a backlog of transfer requests, incurring the ire of customers, especially those with substantial funds in their FEA and FCA.

In other words, the FEA and FCA measures as well as the other measures instituted by the BoG are taking us back to the era of foreign exchange controls, the era before foreign exchange market reforms. The foreign exchange controls didn’t work then and they won’t work now. They have disrupted the foreign exchange market, banking, international finance and trade.

3.2.3 Repatriation of Export Proceeds

Reminding and enforcing the full repatriation of all export proceeds, except for those with retention agreements, is very good as it will increase the supply of foreign exchange. However, the enforcement of the 60 day limit is arbitrary, as many export contracts have different durations such as 90, 120 and 180 days. But enforcing the conversion into Cedis of retention proceeds and of export proceeds within 5 working days using the prevailing interbank exchange rate “with a spread not exceeding 200 pips,” is restrictive, depriving exporters of using forex bureaux and the forex bureau exchange rate. The prohibition of offshore foreign exchange deals by exporters and other resident companies is too restrictive, as it can prevent a company from making a deal that is needed for its operation.

3.2.4 Clarification

The major clarifications made were to broaden the scope of transfers for permissible external payment obligations to more than just for travel, to stop the conversion of balances in FEA and FCA into Cedis, to permit transfers of up to $10,000 a year without documentation, to allow transfers from FEA and FCA to Cedi accounts, to allow forex bureaux to deposit and withdraw from their FEA accounts, to allow imports from FEA without documentation for up to $25,000, to allow renewal beyond the initial 30 days of balances in margin accounts, to continue the prohibition of transfers from FEA to FCA, and to continue the prohibition of offshore foreign exchange deals by resident (and non-resident) companies. Clearly, the majority of these changes made the measures less restrictive and controlling, in response to complaints and difficulties experienced by FEA and FCA account holders, exporters, importers, forex bureau operators, foreign exchange buyers and sellers, and others.

Reports from the banking sector indicate that the broadening of the scope of permissible transfers, specifically “c. other outward payments for goods and services,” has led to an increase in requests for transfers for “goods and services,” to the extent that it has reduced the supply of foreign exchange particularly Dollars. This is a major factor in why it’s taking some banks 2-3 weeks to find even small amounts of foreign exchange, as stated above.

3.2.5 Amendments

Having announced in February that it would do a review in three months the BoG came out with amendments in mid-June. The elements included removing the 60-day period for repatriating export proceeds and replacing that with the terms of the agreement between the parties; removing the 5-day limit for converting export proceeds into Cedis and allowing retention of 60 percent in foreign currency in FEA and with conversion within 15 days “at market rates” of the balance of 40 percent; allowing service hotels, educational institutions and others to take payment from non-residents in foreign currency, with 60 percent in foreign currency in FEA and with conversion within 15 days “at market rates” of the balance of 40 percent; allowing cash withdrawals of up to $1,000 from FEA and FCA without documentation; increasing from $25,000 to $50,000 transfers that importers can make without initial documentation; increasing the limit on electronic cards from $10,000 to $50,000 for importers; not restricting foreign currency loans to those who earn foreign exchange only; allowing drawing in foreign currency the undrawn balances on foreign currency facilities; and allowing remittances and other unrequited transfers to be kept in foreign exchange without mandated conversion and retention percentages. These amendments, like the clarifications, clearly made the measures less restrictive and controlling, in response to continuing complaints and difficulties.

3.2.6 Dollarization

The ongoing attempts by the BoG supported by the Economic Crimes Office (EOCO) to stop Dollarization – the practice of the pricing of assets, goods and services such as land and real estate, sale and rental prices, hotel rates, school fees, prices of goods in stores, and professional fees in the US Dollar – will not work as long as the Cedi remains weak against the US Dollar, just as earlier attempts from the 1970s to 1990s didn’t work.

For a while after the Cedi was redenominated to €0.92 = $1.00 in July 2007 and it remained close in exchange rate to the Dollar it was observed that the practice of Dollarization lessened. Dollarization picked up as the exchange rate of the Cedi continued to depreciate against the Dollar.

The exercise by the BoG and EOCO to stop Dollarization is just stopping or driving the practice underground temporarily while policing/checking is ongoing. To stop it sustainably the Cedi will have to be strong against the US Dollar, i.e., it will have to stop appreciating sharply and remain stable for a long period of time. As the Cedi becomes stronger the practice will weaken.

The Cedi is the legal tender of Ghana so there must be efforts to stop Dollarization. But given our own experience and experience
elsewhere in the world it must be appreciated that these efforts cannot be sustained as long as the Cedi is losing its value sharply against the US Dollar.

To summarize, the continuing depreciation of the Cedi means that the market is giving its verdict on the BoG measures: they have been counter-productive, as predicted.7 The objective of slowing down the rate of depreciation hasn't been achieved as depreciation has increased in the entire foreign exchange market, slower in the interbank but greater in the forex bureau and black market segments. The objective of stopping Dollarization too hasn't been achieved.

When supply is inadequate you do not institute measures that limit or frustrate supply. You do not do anything that constrains the supply of foreign exchange.

4. Summary of Opinions

There was unanimous support by members of GGDP for the major arguments that the BoG measures have been counter-productive and are not working.

Two specific contributions that were noteworthy are the following:

Market sources indicate that the prediction that the measures will lead to a supply crunch as account holders take their forex elsewhere, especially to the 'black market', is being borne out.

Ghana will never have a credible and stable Cedi until the Bank of Ghana is truly independent and there exists legislation limiting the permitted government deficit. Throughout our history as an independent nation there has been no government that has performed creditably as far as monetary policy is concerned. It is interesting to note though that when Ghana (then the Gold Coast) was part of the West African Pound monetary zone our inflation rates were the lowest in our history. The main feature of the WAP was that it operated in the form of a currency board so the money supply was quite fixed making government deficits limited.

5. Recommendations

5.1 Short-term measures:

The BoG should revise and rescind the measures it imposed in February in the following additional respects, as the clarifications it issued a week after and the amendments it announced in June have not been enough to reverse the distortions the measures have caused in the foreign exchange market, international trade and finance, banking and the economy generally:

1. Remove the limit of $10,000 on transactions in forex bureaux.

2. Remove the limit of $1,000 on withdrawals from FEA and FCA.

3. Remove the limit of $50,000 on the electronic cards of importers, with accounting to the bank that issues the card any and all amounts used.

4. Allow the use of checks (cheques) on FEA and FCA.

5. Allow transfers from FEA to FCA if it's the same account holder.

6. Allow offshore foreign exchange deals by resident companies and banks, as long as export proceeds are lodged in Ghanaian banks (see e below).

7. Allow exporters to decide when and what percentage of their export proceeds in FEA should be converted into Cedis.

8. Allow service providers to decide when and what percentage of foreign currency payments in FEA should be converted into Cedis.

In other words, the Foreign Exchange Act 2006 (Act 723) should be reverted to with new, current figures and other amendments where necessary.

The measures have led to considerable loss of confidence in using the banking sector, similar to what happened in 1982 when bank account balances exceeding C50 were confiscated. People have become uncomfortable about depositing their foreign exchange into their FEA and FCA; they have also become uncomfortable about depositing their Cedis.

Therefore, to restore lost confidence in the banking system and to address the depreciation of the Cedi effectively and slow down the practice of Dollarization the BoG should take the following immediate steps to increase the supply of foreign exchange and encourage use of the banking system:

a. Actively encourage and support banks to promote the inflow of remittances for deposit into FEA and FCA. Non-resident Ghanaians who don’t as yet have these accounts should be encouraged to open, remit through and operate them.

b. Actively encourage and support banks to encourage resident Ghanaians who have FEA and FCA to continue operating them.

c. Actively encourage official capital inflow.

d. Float special foreign exchange bonds targeted at resident and non-resident Ghanaians who have foreign exchange. It should woo the diasporan community seriously to invest back home by investing in these bonds, instead of the usual Moneygram and Western Union remittances, which declined last year. Competitive coupon redemption rates ex market inflation and net transfer costs should be offered for these bonds. And, like done for the Eurobond, these bonds must be exclusively utilized for clearly scoped out infrastructure projects which can generate enough returns to pay off the maturing debt obligations.

7See Reference 7.
e. Require that all export foreign exchange earnings must first be deposited into Ghanaian banks. The retention agreements with mining companies must be reviewed accordingly.

f. Encourage the development of a forward foreign exchange market as recommended by the 1996 study. SCB and other banks started trading forward after the study. The issues and problems that subsequently made the banks suspend forward trading should be addressed so that forward trading can recommence, as it could become one of the major ways of minimizing Cedi depreciation. Forward trading allows major sellers (exporters) and buyers (importers) of foreign exchange to plan their sale and purchases forward, consequently reducing spot demand, the major cause of depreciation (and appreciation).

Year in year out there are export orders with exporters that cannot be filled largely because of lack of pre-export finance. A considerable amount of export revenue can be earned if these exports could be made. To address this problem, the BoG and Government should encourage and support banks, the Export Development and Agricultural Investment Fund, the Ghana Export Promotion Authority, and Export Finance Company to provide pre-export finance, and to do so on time, in line with the export schedule in the export contracts.

5.2 Medium to long term measures:

Additionally, in order to ensure that the Cedi becomes a strong currency in the medium to long term, the government must immediately do the following:

1. Implement vigorously an export-led growth strategy to increase exports and export revenue.\(^8\)

2. Implement seriously an import-substitution strategy to produce locally goods that are currently imported, decrease the demand for their importation and decrease their importation.

About the Author

*Economic, Financial and Business Consultant. Most notably, Mr. Adjaye was Consultant-Director of a World Bank study of the foreign exchange market for the Bank of Ghana in 1996 that studied the demand for and supply of foreign exchange by banks, forex bureaux, exporters, importers and others to determine the feasibility of establishing a forward foreign exchange market in Ghana.

Also, he was Consultant to the Ghana Export Promotion Council (GEPC) (now Ghana Export Promotion Authority, GEPA) and the Ministry for Trade and Industry (MoTI) from 1998 to 2000 on the development of the supply base for non-traditional exports, on the design of the Export Development and Investment Fund (EDIF) (now Export Development and Agricultural Investment Fund, EDAIF) and lobbying Parliament to pass the Act, and on how to finance the export sector with funds such as the EDIF (EDAF).

Mr. Adjaye was a Visiting Scholar at the Department of Economics of the George Washington University, Washington, DC, USA, from September 1991 to December 1992. He also was an Honorary Fellow at the Graduate School of Business, the University of Wisconsin-Madison, USA, from September 1984 to December 1985.

Mr. Adjaye earned an MA in Economics in 1980 and a BS in Business Administration and Economics in 1976, both from the State University of New York at Albany, USA.

Acknowledgement

The interest that members of GGDP have shown in this subject matter is appreciated. All members of GGDP who have contributed to this paper, particularly Theo Acheampong, Evron Hughes and Jonas Atingdui, are acknowledged. Theo Acheampong did the charts, and Nana Baah Gyan and Francis Kwashie did the layout of this paper. All comments and suggestions on the paper from members of GGDP, in particular by Kweku Ortsin, are appreciated.

References


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\(^8\)He author has been advocating such a strategy for years, including when he served as a Consultant to GEPC (now GEPA) and MoTI. Although not in favour of all provisions of the Act and revised Act, it’s still a good fund.


Appendix
Table A1. Balance of Payments (US$ Million)

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<td><strong>CURRENT ACCOUNT</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Merchandise Exports (fob)</td>
<td>5,840</td>
<td>7,960</td>
<td>12,785</td>
<td>13,543</td>
<td>13,752</td>
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<td>Gold</td>
<td>2,551</td>
<td>3,804</td>
<td>4,920</td>
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<tr>
<td>Oil</td>
<td>180</td>
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<td>2,779</td>
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<tr>
<td>Others</td>
<td>3,108</td>
<td>4,157</td>
<td>5,087</td>
<td>4,923</td>
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<tr>
<td>Merchandise Imports (fob)</td>
<td>8,046</td>
<td>10,922</td>
<td>15,838</td>
<td>17,763</td>
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<td>Non-Oil</td>
<td>6,557</td>
<td>8,686</td>
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<td>4,220</td>
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<td>1,173</td>
<td>1,595</td>
<td>264</td>
<td>349</td>
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<td>Income (net)</td>
<td>386</td>
<td>535</td>
<td>338</td>
<td>358</td>
<td>20</td>
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<td>Current Transfers (net)</td>
<td>2,078</td>
<td>2,322</td>
<td>2,597</td>
<td>2,405</td>
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<td>Official</td>
<td>290</td>
<td>200</td>
<td>229</td>
<td>258</td>
<td>80</td>
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<tr>
<td>Private</td>
<td>1,788</td>
<td>2,123</td>
<td>2,369</td>
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<tr>
<td><strong>Services, Income &amp; Current Transfers Balance</strong></td>
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<td>192</td>
<td>489</td>
<td>700</td>
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<td><strong>CAPITAL AND FINANCIAL ACCOUNT</strong></td>
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<td>Capital Account (net)</td>
<td>564</td>
<td>338</td>
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<td>44</td>
<td>620</td>
<td>118</td>
<td>1,122</td>
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<td>Other Investment</td>
<td>917</td>
<td>804</td>
<td>694</td>
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<td>Official Capital (net)</td>
<td>1,086</td>
<td>880</td>
<td>650</td>
<td>982</td>
<td>888</td>
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<td>Other Private Capital (net)</td>
<td>135</td>
<td>493</td>
<td>359</td>
<td>310</td>
<td>307</td>
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<td>Short-Term Capital (net)</td>
<td>34</td>
<td>418</td>
<td>404</td>
<td>1,695</td>
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<td>Government Oil Investment (net)</td>
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<td>0</td>
<td>24</td>
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<td><strong>ERRORS AND OMISSIONS</strong></td>
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<td><strong>OVERALL BALANCE</strong></td>
<td>1,159</td>
<td>1,463</td>
<td>547</td>
<td>1,211</td>
<td>1,166</td>
</tr>
<tr>
<td><strong>CHANGES IN NET INTERNATIONAL RESERVES</strong></td>
<td>1,159</td>
<td>1,463</td>
<td>547</td>
<td>1,211</td>
<td>1,166</td>
</tr>
</tbody>
</table>

**NOTE:**
Figures (Cells) in red are negative.

**SOURCES:**
Bank of Ghana, Quarterly Bulletin, October - December 2013, Table 6.1, page 34
Bank of Ghana, Quarterly Bulletin, October - December 2011, Table 6.1, page 39
### Table A2. Monetary Indicators (GH Million)

<table>
<thead>
<tr>
<th></th>
<th></th>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Broad Money (M2+)</td>
<td>10,211.3</td>
<td>13,663.0</td>
<td>18,195.2</td>
<td>22,620.6</td>
<td>26,937.0</td>
</tr>
<tr>
<td>Foreign Currency Deposits</td>
<td>2,661.3</td>
<td>2,727.9</td>
<td>3,954.2</td>
<td>5,116.8</td>
<td>6,245.0</td>
</tr>
<tr>
<td>Others</td>
<td>7,550.0</td>
<td>10,935.1</td>
<td>14,241.0</td>
<td>17,503.8</td>
<td>20,692.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Sources of M2+</th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Net Foreign Assets (NFA)</td>
<td>3,935.1</td>
<td>5,754.0</td>
<td>7,880.0</td>
<td>7,082.8</td>
</tr>
<tr>
<td>BoG</td>
<td>3,271.0</td>
<td>5,240.9</td>
<td>6,669.6</td>
<td>5,910.5</td>
</tr>
<tr>
<td>DMBs</td>
<td>664.1</td>
<td>513.1</td>
<td>1,210.4</td>
<td>1,172.3</td>
</tr>
<tr>
<td>Net Domestic Assets (NDA)</td>
<td>6,276.2</td>
<td>7,909.0</td>
<td>10,315.3</td>
<td>15,537.8</td>
</tr>
<tr>
<td>Total</td>
<td>10,211.3</td>
<td>13,663.0</td>
<td>18,195.3</td>
<td>22,620.6</td>
</tr>
</tbody>
</table>

**NOTE:**
Figures (Cells) in red are negative.

**SOURCES:**
Bank of Ghana, Quarterly Bulletin, October - December 2013, Table 4.1, page 14
Bank of Ghana, Quarterly Bulletin, October - December 2011, Table 4.1, page 19

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