

Govt Pays GH¢200m To Institutional Investors

BY Samuel Boadi

GOVERNMENT HAS paid about GH¢200 million to institutional investors in the last two weeks.

It has also paid all individuals who opted out of the Domestic Debt Exchange Programme (DDEP) exercise while it has also started paying institutional holders who did not participate in the DDEP.

On various due dates, the government has paid all cash coupons and Payment-in-Kind (PIK) coupons on the DDEP Bonds.

Governor of the Central Bank, Dr. Ernest Addison, who made these known, said the economic headwinds that weighed on the recovery process were gradually easing, and has provided a conducive environment.

He was speaking at the launch of the Commercial Paper Market in Accra recently.

"So far, the market has been calm, backed by some recent debt servicing by the government...Economic activities are picking up. The Bank's high-frequency real sector indicators point to a continued pickup in economic activity in 2024. The Bank's latest confidence surveys reflected sustained improvements in business sentiments. Headline inflation has remained broadly stable since December 2023.

"Fiscal performance points to some consolidation, as the 2023 targets were broadly met. The exchange rate has been generally stable until recent weeks when some headwinds have been observed in segments of the market, but this is given much attention as the Bank has built-up enough reserves to tackle the pressure on the market," he noted.

Indicating that the banking sector's performance had also rebounded after the DDEP, he said that notwithstanding, credit to the private sector by banks had remained weak.

It was in response to this and to anchor inflation expectations that the Bank of Ghana introduced the

dynamic Cash Reserve Ratio (CRR), which is dependent on bank's loan-to-deposit ratio.

"This strategy by the bank is to create incentive for the banks to undertake effective intermediation of their resources in support of the economy, while at the same time mopping up excess liquidity in the system to support the disinflation process. The introduction of the Commercial Paper Market is, therefore, a step in the right direction to augment the efforts of the Bank of Ghana towards addressing the financing gap within the private sector," he stressed.

He continued that the Bank of Ghana stood ready to collaborate on policy and operational matters needed to drive innovation in the commercial paper market space.

"Additionally, we remain steadfast in our commitment to enforcing regulations to uphold the integrity of our banking system," he said.

Commenting further, Dr. Addison said the recent sanctions imposed on certain banks for violating foreign exchange (FX) laws underscored the importance of vigilance and dedication from all participants in the financial sec-

tor.

"Without a collective commitment to a rule-based operating financial environment, we risk undermining the trust and credibility essential for a world-class financial system. Therefore, I urge the Ghana Stock Exchange to strictly enforce the regulations pertaining to commercial paper issuance," he said.

"With this launch, Pillar 1 of the CMMP, which is to improve the diversity of investment products and liquidity of the securities market has been achieved and I am optimistic that this will lay the foundation for achieving the remaining three pillars of the 10-year strategic Capital Market Master Plan," he said.

He, furthermore, noted that with the introduction of the Commercial Paper Market in Ghana, the plan to diversify the investment space and investor base was now fully on course.

"My understanding is that, in line with pillar four (4) of the CMMP, the Securities and Exchange Commission has also approved the Commercial Paper Issuance and Admission Rules to help regulate the Commercial Paper Market.

This is good progress, which should spur the achievement of the overall objectives of the 10-year strategic plan," he said.

"Therefore, the launch of a formal Commercial Paper Market has come at the opportune time to create new investment opportunities for institutional investors, such as pension funds, insurance companies, and asset management firms. This will also instill market confidence in the product and give protection to investors," he added.

Amplifying Artistic I At The First Nationa

FIRST NATIONAL Bank has announced it will be hosting Ghana's biggest immersive art exhibition in partnership with the EMY Africa and the Ghana Artist Alliance.

It will form part of a premium all-weekend event where the EMY Africa EXPO will showcase businesses, products and services in the art and entertainment industry.

The Head of Marketing and Corporate Affairs at First National Bank, Delali Dzidzienyo explained that the bank is hosting the art exhibition to demonstrate its belief in Africa's vibrant and abundant artistic talent.

"Through this EXPO, our clients and every invited Ghanaian or African



who is passionate about engaging with the rich and diverse artistic expression of Africa can enjoy a curated celebration of the continent's art," Mr. Dzidzienyo says.