

# \$360m IMF Cash Hits BoG Account

BY Ernest Kofi Adu

**THE EXECUTIVE Board of the International Monetary Fund (IMF) has approved the second review of Ghana's \$3 billion loan programme, enabling for the immediate disbursement of \$360 million to the country.**

Finance Minister, Dr. Mohammed Amin Adam, who disclosed this, said \$360 million was expected to hit the Bank of Ghana's (BoG) account by the close of work on Monday, July 1, 2024.

Speaking at a joint IMF, Finance Ministry and BoG press briefing in Accra yesterday, the minister asserted that the new tranche is one of the anticipated forex inflows from disbursements from Ghana's multilateral and bilateral institutions as well as private sector financial institutions.

"The IMF 4th tranche of US\$360 million expected in Q4 of 2024 after IMF Executive Board approves the 3rd Review," Dr. Adam indicated and added that the World Bank DP02 tranche of US\$300 million is expected in Q3 of 2024.

He also said financial institutions such as the World Bank Greater Accra Resilient and Integrated Development (GARID) Project (US\$150 million), The ECOWAS Bank for Investment and Development (EBID) facility of US\$200 million for Small and Medium-sized Enterprises (SME) support, and anti-

pated proceeds from 2024/2025 COCOBOD syndication of up to US\$1.5 billion in Q4 of 2024 are all expected to come in to shore up the cedi.

According to him, the cedi has been under pressure in recent times, however, the exchange rate has largely stabilised since 2023.

"Year-to-date depreciation of the cedi against the US dollar is 18.4% compared to 22.0% recorded in the same period in 2023.

"The key measures we are implementing to deal with the recent depreciation include tight monetary policy by the BoG, deepening the ongoing fiscal consolidation programme, intensifying the gold-for-ore programme and the BoG's gold-for-reserves programme as well as the anticipated forex inflows," he stated.

The minister stated that the country's Gross International Reserves (GIR) are improving, as are the external balances.

"The GIR improved to cover three months of imports in April 2024, up from 2.7 months in December 2023. The trade and current balances remain positive; interest rates are falling with the 91-Day Treasury Bill rate presently at 25.7% down from 29.4% at the end of 2023," he pointed out.

He continued that the fiscal consolidation programme was progressing smoothly as Ghana's primary fiscal balance improved by

over four percentage points of GDP in 2023.

## Revised Growth Projection

Meanwhile, Ghana's growth projection for the fiscal year 2024 has been revised upward from 2.8% to 3.1% by the International Monetary Fund (IMF).

The Fund's Mission Chief, Stephane Roudette, explained that the revision was based on indicators of the country's economic recovery and stabilisation.

Mr. Roudette stated at the press conference in Accra yesterday that Ghana's current growth rate has proven to be more resilient than previously anticipated.

"Signs of economic stabilisation are emerging. For example, economic growth has proven more resilient than initially envisaged. Therefore, we are revising our growth projection up from 2.8% to 3.1% for 2024," Roudette emphasised.

According to him, inflation is also rapidly declining, falling from 54% in December 2022 to 23% in May 2024, while Ghana's international reserves have increased.

The revision comes after the IMF's executive board approved a second review of Ghana's \$3 billion loan package on Friday, allowing for the immediate payout of \$360 million.

This follows after the country reached an agreement with its official creditor commit-

tee, which was required before the second tranche could be unlocked.

The IMF boss commended Ghana for its stellar economic performance amidst global challenges, especially, the country's significant strides under the IMF-supported Post COVID-19 Programme for Economic Growth (PC-PEG).

"Ghana's performance under the PC-PEG has been commendable," Roudette stated and added that the country has surpassed expectations with a strong GDP growth of 4.7% in the first quarter of 2024.

For him, this demonstrates resilience and effective implementation of fiscal policies.

Stephane Roudette said Ghana's performance under the programme had been generally strong with all quantitative performance criteria for the second review and all indicative targets met.

Finance Minister, Dr. Mohammed Amin Adam, highlighted the robust measures that accounted for this progress.

According to him, the economy continues to show strong signs of recovery in the first quarter of 2024.

"Overall Real GDP growth for Q1 2024 was 4.7%, the highest since Q1 of 2022. This growth performance is better than the 3.1% growth recorded in the same period in 2023," he stressed.