

Business

DOLLAR—GH¢8.00 ▼ 4.6 | EURO—GH¢8.49 ▼ 4.74 | POUNDS—GH¢9.73 ▼ 5.66 | GOLD \$1,789.20 ▼ 6 | OIL \$80.11 ▲ 4.54 | COCOA \$2,500 ▲ 10

Debt payment suspension It's wrong signal to investors

— Prof. John Gatsi

By **Charles Benoni Okine**

THE government's decision to suspend the payment some of its debts will send wrong signal to the investor community, the Dean of the School of Business, University of Cape Coast, Professor John Gatsi, has warned.

He also noted that the move by the government did not make the country trustworthy, a development that could also negatively impact what could have been a positive omen after the country had secured an International Monetary Fund (IMF) bailout.

"Note that after the IMF deal, there are other positive avenues that the government could explore to raise

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Christmas break

The *Graphic Business* will be off the newsstands from Tuesday, December 20, 2022, and will be back on Tuesday, January 10, 2023.

Your authoritative newspaper will, however, feature all the latest and up-to-date business and financial news on its online portal, www.graphic.com.gh, on daily basis.

We wish our cherished readers a Merry Christmas and Prosperous New Year.

> **Ken Ofori-Atta**
— Finance Minister



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Inflation

> February '22	15.7	> March '21	10.3
> March '22	19.4	> April '21	9.5
> April '22	23.6	> May '21	7.5
> May '22	27.6	> June '21	7.8
> June '22	29.8	> July '21	9.0
> July '22	31.7	> August '21	9.7
> August '22	33.9	> Sept '21	10.6
> September '22	37.2	> October '21	11.0
> October '22	40.4	> November '21	12.2
> November '22	50.3	> December '21	12.6

Macro Economic targets for 2022

Total Revenue	GH¢96.8bn
Total Expenditure	GH ¢135.7bn
Deficit	6.6% of GDP
Growth Target	5.7% of GDP
End of Year Inflation	28.5%
Primary Balance	0.4%
Gross Foreign Assets	4 months of import cover

TREASURY / INTEREST RATES

BoG Policy Rate	- 27.0%
91-Day T-Bill	- 35.57%
182-Day T-Bill	- 36.53%
364-Day T-Bill	- 36.19%

Source: BoG

Inflation peaks at 50.3%

Cedi appreciation, reduced fuel prices, transport fares to force decline

By **Charles Benoni Okine**

THE sharp rise in the prices of housing, water, electricity, gas and other fuels division contributed to the drastic rise in inflation for the month of November.

Collectively, these recorded an inflation rate of 79.1 per cent higher than the national average.

Inflation rate surged to 50.3 per cent in the month of November.

This is compared with the 40.4 per cent rate recorded in the country for the month of October.

It is the first in 27 years since inflation rate had gone beyond the 50 per cent mark.

The increase is also the 18th consecutive time that the rate had increased, a development which is expected to further worsen the disposal income of workers and impact the already high lending rates, among other things.

This comes at a time when the Ghana cedi is performing strongly against the major foreign trading currencies, particularly the United States dollar.

The Ghana Cedi as at the end of last week, regained about 63 per cent of its value against the US dollar.

per and 10.2 per cent respectively.

Food inflation

Food inflation increased from 43.7 per cent to 55.3 per cent in the month under review while non-food inflation also rose to 46.5 per cent.

Inflation for locally produced items was 48.3 per cent while that for imported items increased to 55.1 per cent.

The food inflation of 43.7 per cent was largely driven by water, which recorded an inflation rate of 93.2 per cent.

This was followed by milk, dairy products and eggs (75.4 per cent); fruit and vegetable juices (73.1 per cent); sugar and desserts (70 per cent); tea and other plant products (68.1 per cent); cereal and cereal products (66.1 per cent); fish and other seafood (61.9 per cent); fruits and nuts (58.6 per cent).

The rest are ready-made foods (54.2 per cent); live animals and meat (52.7 per cent); oils and fats (46.9 per cent); and soft drinks (45.4 per cent).

Cedi appreciates

The Ghana cedi is performing strongly against the major foreign trading currencies, particularly the United States dollar.

The Ghana Cedi as at the end of last week, regained about 63 per cent of its value against the US dollar.

The average interbank rate used by the commercial banks for transactions as published by

the Bank of Ghana saw a dollar being bought for GH¢7.99 and sold at GH¢8.0.

The price of petroleum products, another major influencer of inflation, has dropped by an average of 10 per cent in the second window of the month while transport fares have also dropped by 15.3 per cent effective yesterday.

All these developments, among other indicators, support the fact that inflation, which stood at 50.3 per cent as at the end of November, has reached its peak and was, therefore, bound to decline.

Since the market is beginning to respond slowly, the Graphic Business can anticipate the rate of inflation decreasing at a decreasing rate for this month and at a much faster rate, all things being equal, in the first month of next year and beyond.

Regional inflation

The Eastern Region (63.3 per cent) maintained its lead as the region with the highest inflation.

This was followed by the Greater Accra (61.6 per cent); the Central Region (56.8 per



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Highlights (2/2)

