

Millison Narh: Macroeconomic management and regional integration

Keynote address by Mr Millison Narh, Deputy Governor of the Bank of Ghana, at the West African Institute for Financial and Economic Management (WAIFEM) Regional Course on Macroeconomic Management and Regional Integration, Accra, 8–19 March 2010.

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Director General of WAIFEM, Prof. Akpan H. Ekpo,
Course Facilitators and Participants,
Distinguished Invited Guests,
Ladies and Gentlemen,

On behalf of the Governor, Mr. Kwesi Amissah-Arthur, let me welcome you all to this opening ceremony of the Regional Course on Macroeconomic Management and Regional Integration. I am pleased to welcome you all to Accra, especially those visiting us for the first time; please feel at home and do take some time off your otherwise busy work schedule to visit some of our historical landmarks as well as tourist attractions, and to get a taste of the well-known Ghanaian hospitality. I also wish to thank WAIFEM for organizing this course, and indeed for generally sustaining such efforts in line with its principal objective of building capacity for debt, macroeconomic and financial sector management in its constituent countries. I thank you for inviting me to deliver the keynote address and to chair the opening ceremony.

From a cursory glance at your work program, it is clear to me that the course is rather integrated, as it covers topics ranging from research methods to the basics of macroeconomics, advanced macroeconomics, econometrics and regional integration issues. I am certain that an excellent faculty has been put at your disposal to facilitate the respective topics, and I am sure that your participation in the course shall indeed be beneficial.

Ladies and Gentlemen, the theme for this course, “Macroeconomic Management and Economic Integration”, could not have been better chosen. The recent global financial crisis has re-emphasised the need for more efficient macroeconomic management and the promotion of economic integration among our economies. As you will recall, the impacts of the recent global financial crisis on fragile economies such as ours, have ranged from falling exports, a drop in remittances, reduced access to trade finance, lower levels of foreign direct investment, and potential reductions in further foreign aid flows. Among the coping strategies that have been suggested at different fora is to boost domestic resources as foreign financing from export revenues to development assistance continues to dry up. Another recommendation is to accelerate economic integration among our economies so as to limit the impact of asymmetric shocks, and also to discover new regional markets for our exports.

As you are aware, we are currently implementing the two track approach to the ECOWAS single monetary zone concept. The Gambia, Ghana, Guinea, Nigeria, Sierra Leone, and recently Liberia have been working for the formation of a second monetary zone that will ultimately merge with WAEMU for the formation of the ECOWAS-wide single monetary zone. The second monetary zone project, like the single monetary zone programme was postponed a number of times due to the inability of its members to meet the macro economic convergence criteria and the structural benchmarks. At the 24th Meeting of the Convergence Council of Ministers and Governors of Central Banks of the West African Monetary Zone (WAMZ), it was yet again agreed that the dateline for the single currency and monetary union in the WAMZ should be postponed to January 1st 2015.

Indeed, our economic and regional integration efforts continue to face challenges as countries struggle to meet and sustain the convergence criteria. But in spite of the adverse impacts of the global financial crisis on our economies, it is gratifying to note that member countries of the zone are making progress in containing the adverse impacts of the global crisis and stabilizing their economies to restore it to a path of stronger growth and poverty

reduction. Clearly, we must continue to implement sound macroeconomic policies so as to sustain progress toward convergence. We must all commit to work on the roadmap towards the introduction of the single currency, be it in the areas of harmonization of convergence criteria, or harmonization of the regulatory and supervisory framework for banking and other financial institutions, or harmonization of monetary policy frameworks, payments system infrastructure, trade liberalisation, exchange rate stabilisation, capital account liberalisation, or integration of financial markets in the zone, etc.

Ladies and gentlemen, I know that we can continue to count on Management of WAIFEM for building the capacity of technical staff of Central Banks and Ministries of Finance, as well as other public servants in member countries in the various areas connected to the successful implementation of the single currency framework both within the Zone and indeed in ECOWAS.

In conclusion, let me again thank the Management of WAIFEM for bringing this important course to our doorstep, and I urge you all to take time off to explore some of the tourist facilities and other landmarks that we have available. I know that you have an intensive training programme ahead of you and your desire to commence the technical sessions right away.

On that note, Ladies and Gentlemen, it is my privilege to declare open the Regional Course on Macroeconomic Management and Regional Integration.

I wish you all a rewarding time here in Accra and I thank you for your attention.

Thank you.