

Abdul-Nashiru Issahaku: Effectively communicating economic and financial developments in Ghana during 2016

Remarks by Dr Abdul-Nashiru Issahaku, Governor of the Bank of Ghana, at a press soiree, held at the Bank of Ghana to commemorate the end of the year, Accra, 28 December 2016.

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Good afternoon.

1. On behalf of the Board of Directors and Management, I would like to express our profound gratitude to you members of the Press for the collaboration we have had during the year. As effective communication is necessary to ensure that the monetary policy transmission is not unduly impaired, we are very grateful for your support.

2. As you are aware, the inflation targeting framework involves expectation management to ensure that inflation is anchored. Hence, the effectiveness of monetary policy has become more and more dependent on steering expectations of future interest rate policy. And no other policy tool plays this role better than effectively communicating the policy decision and the considerable efforts made in arriving at that decision. It is for this reason that we try to be clear and open about our actions and operations.

3. On the policy front, our efforts at sustaining macroeconomic stability continue to yield dividends. Thanks to continued fiscal restraint and the tight monetary policy stance, we have been largely able to anchor 2 inflation expectations while the economy is becoming more resilient to external shocks.

4. As you are aware, the Ghana Cedi has remained broadly stable during the year and we are optimistic that the cumulative depreciation for the year will remain in the single digits. This stability in the Ghana Cedi has reduced the pass-through to domestic inflation, although inflation is still above target. We therefore need to sustain the macroeconomic stability to anchor expectations and to build shock absorbers in the face of continued volatility in the global economic and financial environments.

5. Let me mention the establishment of our new Communications Department, which has assumed such a strategic role in our communication functions. As a department within the Bank, the goal is to proactively support the mandate of the Bank in ensuring price stability and ultimately contributing to economic growth. Therefore, the work of the department is to promote monetary policy communication as well as economic development communication. I want to urge you to continue to work with them in seeking feedbacks on the various aspects of our operations.

6. In an effort to further promote effective public accountability, we have just introduced a 24-hour Contact Centre. This offers the general public the opportunity to have complaints, questions and requests for information dealt with promptly. We have the technical team that provides the backstopping function at all times. Over time, this platform would introduce an interactive voice response system that would also have built-in financial education section for the public.

7. Also, as communication is as much about educating as it is about informing, in the coming year, there would be a step-up in financial literacy and financial education programmes. We believe that the Bank has a significant stake in financial education and in all this we will be counting on your support. I am very confident that we will continue to work together as effectively as we have done in the past.

8. Thank you for your support over the years and on behalf of the Board of Directors and the entire Management of Bank of Ghana, I wish you a very happy and prosperous New Year.

Thank you.