Table 7: Bank of Ghana Prime Rates, Average Interbank Base Rates

	3		
Year/Month	BoG Prime Rate	Ave. interbank rates	Ave. DMB Base rates
Dec-02	24.50	20.023	29.25
Dec-03	21.50	17.67	29.00
Dec-04	18.50	16.19	25.00
Dec-05	15.50	10.23	21.45
Dec-06	12.50	12.56	20.85
Dec-07	13.50	11.98	18.77
Dec-08	17.00	19.03	27.25
June-09	18.50	22.47	30.52
Dec-08	18.00	16.53	31.40
	2	010	
January	18.00	16.07	31.29
February	16.00	16.11	30.92
March	16.00	15.11	29.90
April	15.00	14.74	29.25
May	15.00	14.06	28.71
June	13.50	13.36	28.63
July	13.50	13.06	28.50
August	13.50	12.64	27.10
September	13.50	X	X
October	13.50	X	X
November	13.50	X	X
December	13.50	X	Χ

Source: Bank of Ghana Statistical Bulletins, 2009/2010 **Note:** X-Data not Available

Balance of Payment

The Balance of Payment (BOP) is a record of a country's transactions with the rest of the world in a specific time period, usually a year. It reflects all payments and liabilities to foreigners (debits) and all payments and obligations received from foreigners (credits). According to the International Monetary Fund (IMF) "Balance of Payments" is a statistical statement that summarises transactions between residents and non-residents during a period. The BOP is determined by the country's exports and imports of goods, services, and financial capital, as well as financial transfers.

The BOP comprises the current account, the capital account, and the financial account. Together, these accounts balance in the sense that the sum of the entries is conceptually zero.

The Current Account

The current account is one of the two major components of the balance of payments, the other being the capital account. It is the sum of the balance of trade (export minus imports of goods and services), net factor income (such as interest and dividends) and net transfer payments (such as foreign aid). Mathematically, the current account is expressed as follows:

Current Account =

- Balance of Trade
- + Net Factor Income from abroad + Net Unilateral Transfers from abroad

A current account surplus (or deficit) is the amount by which exports of goods and services plus inward transfers exceeds, or falls short of, imports of goods and services. A current account surplus increases a country's net foreign assets by the corresponding amount, and a current account deficit reduces the net foreign assets. It is called the current account because goods and services are generally consumed in the current period.

Capital Accounts

The capital account is a record of a country's inflows and outflows of payments and transfer of ownership of fixed assets (capital goods). The capital account records all transactions between a domestic and foreign resident that involves change of ownership of an asset. It is the net result of public and private international investment flowing in and out of a country. This includes foreign direct investment, portfolio investment (such as changes in holdings of stocks and bonds) and other investments (such as changes in holdings of loans, bank accounts, and currencies).

Overall Balance of Payment Account

This is the sum of the current account and the capital account. As stated above, the overall balance of payment is expected to balance out. In other words, the sum of the entries conceptually equals zero. Table 8 gives the summary of the balance of payments from 2008 to projected values for 2011.

Table 8: Balance of Payments (in millions of US Dollars)

Table 6. Balance of Payments (In millions of 03 Dollars)									
	2	008	20	2009		2010			
	Q1	Annual	Q1	Annual	Q1*	Annual (Projected)	Projected		
Current Account	-1,449.0	-3,543.1	-954.5	-1,598.5	-1,290.0	-2,910.7	-2,341.4		
Merchandise Exports	2,845.8	5,269.7	3,029.0	5,839.7	3,907.4	6,764.0	9,909.0		
Cocoa	910.0	1,487.0	1,064.8	1,866.0	1,300.5	2,157.0	2,108.0		
Gold	1,199.2	2,246.3	1,263.4	2,551.4	1,744.8	3,177.0	3,310.0		
Timber	149.2	316.8	84.0	179.8	90.3	159.8	175.5		
Petroleum							2,993.0		
Others	587.5	1,219.7	616.8	1,242.5	771.8	1,270.2	1,322.5		
		10,268.							
Merchandise Imports	-5,000.9	5	4,016.2	-8,046.3	-5,233.7	-10,485.0	-12,503.0		
Non -oil	-3,674.4	-7,911.8	-3,434.7	-6,557.3	-4,140.3	-8,398.0	-10,209.0		
Oil	-1,326.5	-2,356.8	-581.6	-1,489.0	-1,093.4	-2,087.0	-2,294.0		
Trade Balance	-2,155.1	-4,998.8	-987.2	-2,206.6	-1,326.3	-3,721.0	-2,594.0		
Services (Net)	-389.0	-497.2	-837.1	-1,173.4	-851.2	-905.7	-1,056.0		
Income(Net)	-122.9	-258.7	-136.6	-296.5	-205.7	-278.1	-1,238.0		
Transfers(Net)	1,218.0	2,211.5	1,006.4	2,078.0	1,093.2	1,994.1	2,546.6		
Capital & Financial Account	845.1	2,943.3	560.2	3,067.1	1,803.8	3,539.8	3,156.4		
Direct Investment	334.8	1,211.6	903.5	1,677.8	1,415.1	1,978.7	1,983.0		
Portfolio Investment	0.0	-4 9.0	-84.9	-43.6	353.7	503.7	300.0		
Other Investment	510.3	1,780.7	-258.3	1,432.9	35.0	1,057.4	873.4		
Net Errors and Omissions	-178.8	-340.9	-231.7	-309.8	-314.1	-314.1	0.0		
Overall Balance	-782.7	-940.8	-626.0	1,158.8	199.7	315.0	815.0		

Source: Bank of Ghana Monetary Policy Report Vol.4 No.4/2010 Pg 15

Government Spending or the Fiscal Balance

Governments generate revenue through taxation and grants. Governments also obtain some amount of revenue from non-tax sources such as fees and fines imposed at the courts. The revenues raised in a particular year are used in financing government expenditures programmed for the year. In other words, in implementing its budget, government is primarily involved in raising revenue and using the revenue to finance expenditures.

If in a particular year, the revenue raised is exactly the same as the expenditure incurred, we say the government budget is balanced. If on the other hand, government revenue exceeds its expenditure in a particular year, the budget is said to have recorded a surplus. A budget deficit occurs if government revenue is less than its expenditure. Either way there is fiscal imbalance. Fiscal surplus is when revenue exceeds expenditure. Fiscal deficit occurs when revenue is less than expenditure.

Table 9: Government Revenue & Expenditure from January to November 2009 & 2010

2009 2010 2010

Jan-Nov	Jan-Nov	Jan-Nov
	July 1101	Jan-Nov
Outturn	Outturn	Target
4,045.99	5,302.13	5,143.70
18.605	20.269	19.663
152.38	232.54	529.02
0.701	0.889	2.022
417.65	349.64	0.00
526.37	562.81	482.46
2.420	2.151	1.844
4,616.02	5,884.32	5,672.72
21.226	22.494	21.686
5,142.39	6,447.12	6,155.18
23.647	24.646	23.530
5,900.99	7,833.31	7,365.43
27.135	29.945	28.156
(-758.60)	(-1386.19)	(-1210.25)
(3.488)	(5.299)	(4.627)
(-924.00)	(-1753.45)	(-1458.27)
(4.249)	(6.703)	(5.575)
9,202.94	11,303.27	
60.7%	61.8%	
4,195.06	5,304.96	
5,007.88	5,998.31	
	4,045.99 18.605 152.38 0.701 417.65 526.37 2.420 4,616.02 21.226 5,142.39 23.647 5,900.99 27.135 (-758.60) (3.488) (-924.00) (4.249) 9,202.94 60.7% 4,195.06	4,045.99 5,302.13 18.605 20.269 152.38 232.54 0,701 0.889 417.65 349.64 526.37 562.81 2,420 2.151 4,616.02 5,884.32 21.226 22.494 5,142.39 6,447.12 23.647 24.646 5,900.99 7,833.31 27.135 29.945 (-758.60) (-1386.19) (3.488) (5.299) (-924.00) (-1753.45) (4.249) (6.703) 9,202.94 11,303.27 60.7% 61.8% 4,195.06 5,304.96 5,007.88 5,998.31

Source: Bank of Ghana Monetary Policy Report Vol.2 No 3/ 2010 Note: Public Debt Figures For 2010 are Last Quarter & 2009 are Annua

International Reserves

These are assets of the central bank held in different reserve currencies, mostly the Dollar and to a lesser extent the Euro, pound and the yen. In a flexible exchange rate system, official international reserve assets allow a central bank to purchase the domestic currency, which is considered a liability for the central bank (since it prints the money itself as IOUs). This action can stabilise the value of the domestic currency. In essence, buying and selling official international reserves in one way the central influences the exchange rate.

In Ghana, international reserves are mostly held in the US Dollar. The international reserves position of the country is often expressed in terms of months of import cover. That is, the number of months of imports reserves can cover.

The gross international reserves as of the end of October 2010 was US\$ 3,973.0 million which exceeded three months of import cover compared with reserves of US\$ 2,317.1 million which represents 2.4 months cover of import cover as of the last quarter (end of September) of 2009 and US\$2,036.2 million as of end December 2008 which could barely cover 2 months of import.

Conclusion

In this newsletter, we have explained in the simplest language possible some of the technical jargons often used to describe the economy and its performance. We have also provided data on inflation, the exchange rates, and the interest rates, the balance of payments, and government revenue and spending as well as the international reserve position of the country. We encourage users to provide feedback in case any issue is not so clear to them.

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ECONOMY Watch







Introduction

The Economy Watch is designed to provide unions with user- and union-friendly information on the national economy. This is to help the unions in their collective bargaining negotiations. Information is provided on inflation, exchange rates, interest rates, the balance of payment, and government revenue and spending.

Analysis of inflation

Inflation is a measure of aggregate price movements in an economy. It measures changes in the prices/costs of a fixed basket of goods and services patronised by the typical or average Ghanaian household. It therefore, gives an indication of the cost of living in the country.

Consumer Price Index

Inflation is measured as a percentage change in the Consumer Price Index (CPI). The CPI is the ratio of the total current expenditure on a fixed basket of goods and services to total expenditure on a similar basket of goods and services in a selected base period or year.¹

Price Index is a statistical indicator that expresses the percentage value change of prices for a particular bundle (basket) of goods and services in different periods. CPI measures the rate of change in the prices of goods and services bought by the average consumer. The CPI is one of several price indices calculated by national statistical agencies. The goods and services included within the scope of the index can be figuratively thought of as a 'shopping basket.' Since the quality and quantity of the goods and services in the 'shopping basket' do not change over the life of the basket it is also referred to as a 'fixed' basket of goods and services.

In Ghana, the consumption or shopping basket (CPI) consists of the following major commodity groups: food and non alcoholic beverages, alcohol and tobacco, clothing and footwear, fuel & light, housing and utilities, household goods, operations and services, medical care and health expenses, transport and communications, recreation, entertainment, education and cultural services, and miscellaneous goods and services. Every item in the basket is given a weight based on the proportion of income the average household spends on the items (consumption expenditure).

There are two broad measures of inflation. These are the inflation over twelve (12) months also referred to as the year-on-year inflation and the average annual inflation. These are explained

Inflation Over 12 Months

Base year 2002=100

Inflation over 12 months also referred to as year-on-year inflation or point-to-point inflation, measures the percentage change in the CPI in the same months in consecutive years. For example, the percentage change in the CPI between December 2009 and December 2010 is a year-on-year inflation. As shown in Tables 2 and 3, the CPI for December 2009 is 314.83 and the CPI for December 2010 is 341.83. The rate of inflation over these 12 months (i.e. from December 2009 to December 2010) is calculated as follows:

Year -on- Year Inflation =

CPI for December 2010 - CPI for December 2009 X 100

$$= \frac{341.83 - 314.83}{314.83} \times 100$$
$$= \frac{27}{314.83} \times 100$$

$$=$$
 $\frac{2700}{314.83}$

= 8.576

Therefore, the year-on-year inflation for December 2010 is 8.58% as shown in Table 3.

The year-on-year inflation is also referred to as the Headline Inflation² because it is placed in the public domain and is quoted in the media as the level of inflation for a particular period. That is why inflation over 12 months in December 2010 was quoted as 8.58% (Table 3).

Average Annual Inflation

Average annual inflation is the percentage change of the average CPI (ACPI) of two consecutive years. It is the difference between the average CPI of the 12 months of the previous year and the average CPI of the 12 months of the current year, expressed as a percentage. For example, the average CPI for 2009 is calculated as the sum of the CPI from January to December divided by 12. Similarly, the average CPI for 2010 is the sum of the CPI from January to December divided by 12. The average annual inflation is therefore calculated as follows:

Average Annual Inflation =

ACPI (December 2009 to November 2010) – ACPI (December 2008 to November 2009)

ACPI (December 2008 to November 2009) X 100

$$= \frac{334.22 - 300.314}{300.314} \times 100$$
$$= \frac{33.911}{300.314} \times 100$$

= 3391.166 300.314

= 11.292

Therefore, the average annual inflation for November 2010 is 11.29 as shown Table 3.

Monthly Inflation/Change

Monthly inflation measures the percentage change in the CPI from one month to another in the same year. In other words, it is the percentage difference between the CPI for one month and the CPI for another month. For example, the CPI for May 2010 is 339.21 and the CPI for June 2010 is 344.52. The percentage change between these 2 months is calculated as follows;

Monthly Charge =

CPI for December 2010 – CPI for November 2010_ X 100

CPI for November 2010

$$= \frac{341.83 - 338.01}{338.01} \times 100$$
$$= \frac{3.82}{338.01} \times 100$$

382 338.01

= 1.130

Therefore, the monthly change in the CPI from November 2010 to December 2010 is 1.13 as shown in Table 3

> Table 1: Inflation Rates from Jan. 2008- Dec. 2008 (Average Prices of 2002=100 i.e. Base Year)

MONTH	CONSUMER PRICE INDEX	MONTHLY CHANGE (%)	INFLATION OVER 12 MONTHS (%)	AVERAGE ANNUAL INFLATION (%)
January	232.48	1.17	12.81	11.27
February	236.18	1.59	13.21	11.49
March	240.41	1.79	13.79	11.80
April	247.36	2.89	15.29	12.27
May	255.28	3.20	16.88	12.87
June	260.53	2.06	18.41	13.45
July	263.35	1.08	18.31	12.99
August	263.38	0.01	18.10	14.66
September	262.33	-0.40	17.89	15.14
October	260.57	-0.67	17.30	15.58
November	265.05	1.72	17.44	16.08
December	271.46	2.42	18.13	16.52

Source: Ghana Statistical Service

Table 2: Inflation Rates from Jan. 2009- Dec. 2009 (Average Prices of 2002=100 i.e. Base Year)

MONTH	CONSUMER PRICE INDEX	MONTHLY CHANGE (%)	INFLATION OVER 12 MONTHS (%)	AVERAGE ANNUAL INFLATION (%)
January	278.64	2.64	19.86	17.36
February	284.20	2.00	20.34	17.69
March	289.76	1.95	20.53	18.25
April	298.22	2.92	20.56	18.69
May	306.48	2.77	20.06	18.96
June	314.57	2.64	20.74	19.16
July	317.33	0.88	20.50	19.35
August	315.13	-0.69	19.65	19.48
September	310.52	-1.46	18.37	19.50
October	307.57	-0.95	18.04	19.53
November	309.89	0.75	16.92	19.46
December	314.83	1.59	15.97	19.25

Source: Ghana Statistical Service

Table 3: Inflation Rates from Jan. 2010-December, 2010 (Average Prices of 2002=100 i.e. Base Year)

MONTH	CONSUMER PRICE INDEX	MONTHLY CHANGE (%)	INFLATION OVER 12 MONTHS (%) Y-O-Y	AVERAGE ANNUAL INFLATION (%)
January	319.83	1.59	14.78	18.80
February	324.66	1.51	14.23	18.28
March	328.35	1.14	13.32	17.66
April	332.99	1.41	11.66	16.89
May	339.21	1.87	10.68	16.07
June	344.52	1.57	9.52	15.09
July	347.35	0.82	9.46	14.90
August	344.87	-0.71	9.44	14.64
September	339.66	-1.51	9.38	13 47

October 336.43 0.96 9.38 12.46 November 338.01 0.47 9.08 11.29 December 341.83 1.13 8.58 10.5***

Source: Ghana Statistical Service & BOG, ***Projection in Budget 2011

Exchange Rates

The term exchange rate refers to the monetary value of one currency in terms of another currency. In other words, the exchange rate, also referred to as the foreign exchange rate, between two currencies describes how one currency is worth in terms of the other. For example, an exchange rate of GH¢1.45 to the United States Dollar (US\$) means that GH¢1.45 is worth the same as US\$1. The medium or avenue where currency trading takes place is called the foreign exchange (forex) market. Any currency that can easily be traded or exchanged for other currencies, without special authorisation from the appropriate central bank, is referred to as a convertible currency. Transactions typically involve banks, corporations, governments, currency speculators (retail brokers), and other institutions. However, individuals can also deal in currencies.

In the past, the exchange rates of the Cedi to other currencies such as the Dollar were fixed by law. For example in 1973, the exchange rate between the Cedi and the Dollar was fixed at 1.15. This means that to buy US\$1, one needed to pay ₡1.15. In that sense, the exchange rate is said to be fixed. In a fixed exchange rate system or regime, the currency such as the Cedi is tied to another currency, mostly a more widely used currency such as the United States Dollar.

However, since about 1983 Ghana adopted what is called the floating exchange rates system. By this system the exchange rates of the Cedi to the other currencies is allowed to vary and is determined by the market forces of demand and supply. In a floating system the exchange rates of a currency is likely to change almost constantly. Floating rates are the most common exchange rate regime in most parts of the world today. However, since central banks frequently intervene to avoid excessive appreciation/depreciation of the currency, the floating system is often called managed float or a dirty float. The change over from the fixed or pegged exchange system to the free-floating system saw the introduction of

As indicated earlier, even though in the end currency prices are a result of supply and demand forces, they are nonetheless affected by economic conditions (government economic policy, budget deficits or surpluses, trade deficits or surpluses, inflation levels etc.); political factors (Internal, regional; and international events-stability or instability) and market psychology (traders' perceptions). Below is a summary data on exchange rates of the Cedi for three major currencies on the local foreign exchange market.

In a review of the economy for the last quarter of 2010, the Bank of Ghana estimated that the Cedi appreciated by 0.1 percent, 2.2 percent and 5.4 percent against the US Dollar, Pound Sterling and Euro respectively as of the end of September, 2010. This compares to an appreciation of 3.3, 13.3 and 18.4 percent against the three currencies as of the first half of 2010. This trend gives an indication of relative stability of the Ghana Cedi.

Table 4: Interbank Foreign Exchange Rates for 3 most convertible currencies from 2000 – 2010

2000	US Dollar (\$)	Pound Sterling (£)	EURO (€)
Dec-2000	0.7048	1.0190	0.6343
Dec-2001	0.7322	1.0597	0.6500
Dec-2002	0.8439	1.3305	0.8512
Dec-2003	0.8852	1.5296	1.0986
Dec-2004	0.9051	1.7412	1.2309
Dec-2005	0.9131	1.5673	1.0815
Dec-2006	0.9236	1.8103	1.2145
Dec-2007	0.9376	1.8872	1.2944
Dec-2008	1.20	1.81	1.69
Jun-2009	1.4725	2.4141	2.0658
Dec-2009	1.4340	2.3115	2.0687
		0010	

2010								
January	1.4245	2.3063	2.0385					
February	1.4264	2.2440	1.9577					
March	1.4190	2.1427	1.9311					
April	1.4173	2.1678	1.8998					
May	1.4186	2.1342	1.8293					
June	1.4233	2.0572	1.7214					
July	1.4355	2.2442	1.8719					
August	1.4332	2.2458	1.8143					
September	1.4326	2.2719	1.9146					
October	1.4335	2.2699	1.9911					
November	1.4421	2.2574	1.9151					
December	1.4833	2.2687	1.9453					

Source: Bank of Ghana Statistical Bulletins, 2009, 2010

Note: Figures for September-December are end of month rates from BoG Website

Interest Rates

Interest is a fee paid on borrowed money or capital. Interest is the yearly price charged by a lender to a borrower in order for the borrower to obtain a loan. It is the price a borrower pays or has to pay to enjoy the use of money or cash he does not own, and the return or reward a lender enjoys for differing or postponing his consumption or parting with money.

The amount lent, or the value of the assets lent, is called the principal. This principal value is held by the borrower on credit. he percentage of the principal that is paid as a fee (the interest) over a certain period of time, is called the interest rate. This is usually expressed as a percentage of the total amount loaned -

Interest rate can be calculated as simple interest rate or compound interest rate. Simple interest rate is calculated only or the principal or on the portion of the principal that remains unpaid. In compound interest rate, unpaid interest is added to the balance due. It is the concept of adding accumulated interest back to the principal, so that interest is earned on interest from that moment on. The borrower is charged interest on previous interest charges. The act of declaring interest to be principal is called compounding. A loan, for example, may have its interest compounded every month: in this case, a loan with GH¢1000 principal and 1% interest per month would have a balance of GH¢1010 at the end of the first month.

Interest rate on a loan can be fixed or floating. In a fixed rate regime, interest rate on a loan does not change over the entire life of the loan. In a floating rate, however, the interest rate on a loan changes over the life of the loan. An example would be a loan that uses specific periods of time to dictate specific changes in the rate, such as a rate of 5% in the first year, 6% in the second, and 7% in the third.

Like the exchange rates, the interest rates in Ghana used to be fixed³ by the Bank of Ghana (BoG). The BoG fixed low interest rates as a way of inducing investment, which was expected to increase output and employment, and ultimately lead to highe saving. The practice was for the BoG to set minimum rates for deposits and to place ceilings on lending rates.

Today, the interest rates have been liberalised. It is determined by demand for money by those who do not have it, and supply from those who do have it and are willing to surrender it for a price or a fee. The interest rate is expected to be high if demand for money exceeds supply. The reverse is true.

The major interest rates are deposit rates, lending rates and the Bank of Ghana prime rates. Lending rates refer to the interest rates banks and non-bank financial institutions charge the public on loans and advances. It reflects the cost of borrowings and includes the charges and commissions levied by banks. The deposit rate is the interest paid by banks on deposits. The Bank of Ghana prime rate is the interest rate charged by the Bank of Ghana for credit or loans to the commercial banks.

Table 5: Summary of Annual Percentage Rates (APR) & Average Interest Rates (AIR) Paid by Enterprises, 30th November 2010

	ENTERPRISES					
	Deposits	Base Rate	Agriculture	Manufacturing	Commerce	Construction
BANKS	AIR	%	APR	APR	APR	APR
Access Bank	8.55	23.50	28.50	28.41	29.11	28.50
ADB	8.12	21.95	25.15	28.22	28.22	28.88
Amalgamated Bank	11.10	25.95	34.63	34.63	34.63	34.63
Bank of Baroda	11.33	23.00	26.00	26.00	28.00	27.50
Barclays Bank	4.61	22.00	27.05	27.05	27.05	27.05
Cal Bank	7.72	26.00	32.79	32.79	32.79	32.79
ECOBANK	6.46	24.25	24.52	24.52	26.80	24.52
First Atlantic Merchant B	9.67	25.95	29.00	29.00	29.00	29.00
Fidelity Bank	9.78	25.90	29.54	29.54	29.54	29.54
GCB	9.32	21.50	28.36	28.36	28.36	28.36
Guaranty Trust Bank	9.47	25.50	27.50	26.80	25.80	26.67
HFC Bank	5.36	26.90	33.48	32.00	32.00	33.48
Intercontinental Bank	6.66	24.50	27.65	27.24	29.82	27.89
ICB	9.14	25.25	34.52	34.52	34.52	34.52
Merchant Bank	6.59	25.50	29.14	29.14	29.14	29.14
NIB	11.9 7	24.00	35.00	35.00	35.00	35.00
Prudential Bank	7.68	26.00	29.90	31.59	31.59	31.59
Sahel-Sahara B. (BSIC)	7.99	27.50	33.95	33.95	33.95	33.95
Standard Chartered B	6.22	22.00	25.00	25.00	25.00	25.00
SG-SSB	7.16	24.50	32.10	32.10	32.10	32.10
Stanbic Bank	7.87	23.95	31.70	31.70	31.70	31.70
The Trust Bank	8.42	25.00	28.09	28.96	28.59	29.45
UniBANK	8.41	25.95	35.70	35.70	36.45	37.25
UBA (Ghana) Ltd	8.39	23.00	29.50	27.02	29.21	28.30
UT Bank	9.48	26.90	35.90	35.90	35.90	35.90
Zenith Bank	8.15	25.50	31.64	31.64	31.64	31.64

Source: Bank of Ghana (http://www.bog.gov.gh/index1.php?linkid=314&day=20&month=12&year=2010)

Table 6: Summary of Annual Percentage Rates (APR) & Average Interest Rates (AIR) Paid by Households, 30th November 2010

	Households							
	Deposits	Base Rate	Agriculture	Manufacturing	Commerce			
BANKS	AIR	%	APR	APR	APR			
Access Bank	8.55	23.50	25.55	28.50	29.11			
ADB	8.12	21.95	31.76	30.22	28.22			
Amalgamated Bank	11.10	25.95	32.02	32.02	32.02			
Bank of Baroda	11.33	23.00	27.50	27.50	27.50			
Barclays Bank	4.61	22.00	27.05	27.05	27.05			
Cal Bank	7.72	26.00	32.79	32.79	32.79			
ECOBANK	6.46	24.25	32.17	32.17	32.17			
First Atlantic Merchant B	9.67	25.95	32.83	32.83	32.83			
Fidelity Bank	9.78	25.90	29.54	29.54	29.54			
GCB	9.32	21.50	28.36	28.36	28.36			
Guaranty Trust Bank	9.47	25.50	26.20	26.20	26.00			
HFC Bank	5.36	26.90	32.49	34.08	35.07			
Intercontinental Bank	6.66	24.50	28.92	27.07	28.62			
ICB	9.14	25.25	31.05	31.05	31.05			
Merchant Bank	6.59	25.50	29.14	29.14	29.14			
NIB	11.97	24.00	35.00	35.00	35.00			
Prudential Bank	7.68	26.00	31.59	31.59	30.60			
Sahel-Sahara B (BSIC)	7.99	27.50	33.95	33.95	33.95			
Standard Chartered B	6.22	22.00	26.22	26.22	26.22			
SG-SSB	7.16	24.50	28.28	28.28	28.28			
Stanbic Bank	7.87	23.95	31.70	31.70	31.70			
The Trust Bank	8.42	25.00	35.04	35.04	35.04			
UniBANK	8.41	25.95	35.25	35.25	36.25			
UBA (Ghana) Ltd	8.39	23.00	28.63	24.63	27.63			
UT Bank	9.48	26.90	35.90	35.90	35.90			
Zenith Bank	8.15	25.50	31.64	31.64	31.64			
Course: Bank of Ghana (http://www.bog.gov.gh/index1.php?linkid=31/4&day=20&month=12&vear=20								

Source: Bank of Ghana (http://www.bog.gov.gh/index1.php?linkid=314&day=20&month=12&year=2010)

In addition to the Headline Inflation is the Core Inflation. The Core Inflation is obtained by stripping out price changes of energy and utility items from the consumer basket (i.e. excluding energy & utility items) because of their volatility.

³ Interest rate fixation is one of the tools used by the Bank of Ghana in its attempt to shape the economic landscape. Whether it is effective or not, so far as it reflects the cost of capital, it conveys important information to investors & dealers on the financial market.