

A chimpanzee dressed in a dark blue business suit with a white shirt and a gold tie is sitting at a wooden desk. The chimpanzee is looking directly at the camera with a serious expression. On the desk in front of the chimpanzee is a large pile of gold coins. To the left and right of the chimpanzee are two black oil barrels. The barrel on the left has the word "OIL" in yellow letters, and the barrel on the right also has "OIL" in yellow letters. The background is a dark, textured surface with some light spots.

Financing Petroleum Imports

Joe Jackson

The Cedi is a mess!



A chimpanzee dressed in a dark blue suit, white shirt, and yellow tie is sitting at a wooden desk. The chimpanzee is looking towards the camera with a serious expression. On the desk in front of it are several gold coins scattered across the surface. To the left of the chimpanzee is a black oil barrel with the word "OIL" written in yellow on it. The background is dark with a golden, shimmering light effect.

Reduces Pressure on Cedi

Allows greater retention of exports

Benefits of Gold for Petroleum

Reduces Speculation

Stabilizes price of petroleum products



Agenda

The cedi is a mess!



Why is it such a mess?

Mitigating the mess.

The Cedi is a mess!

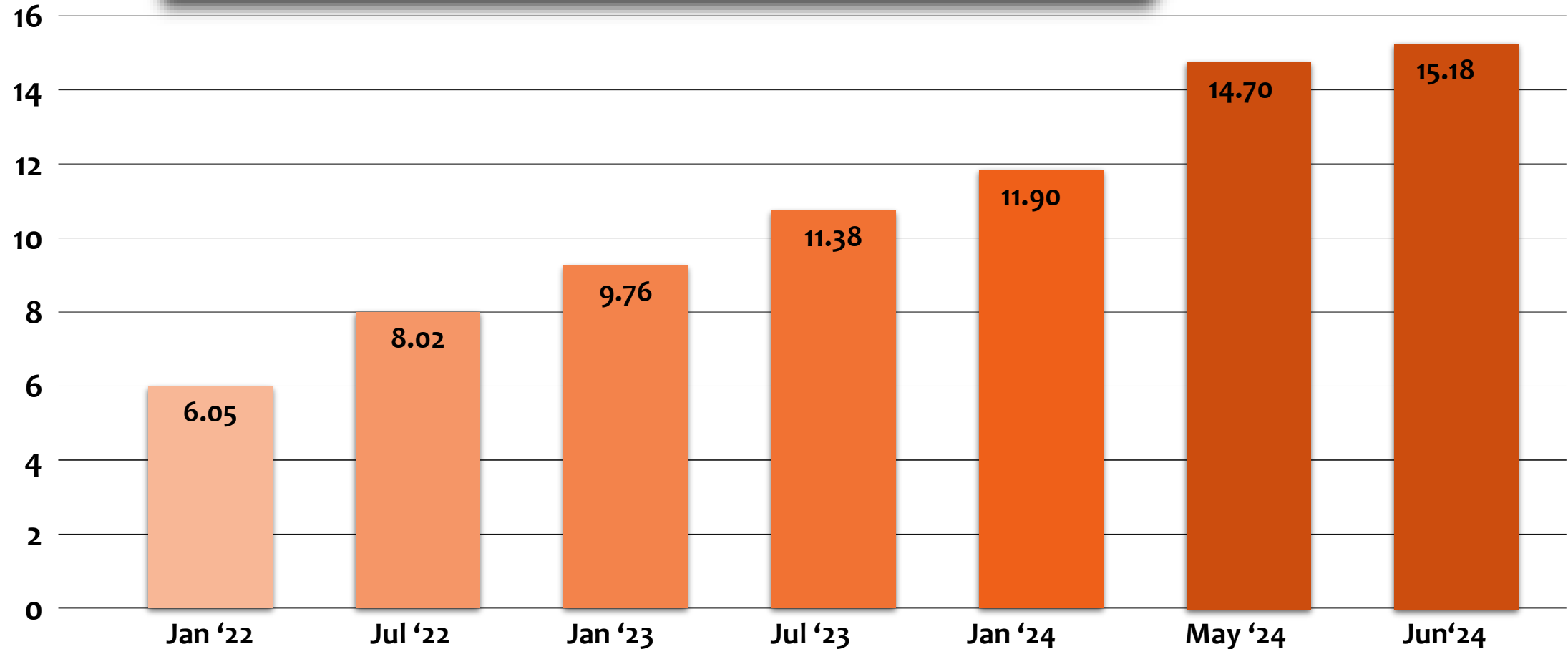


GHS – USD Depreciation



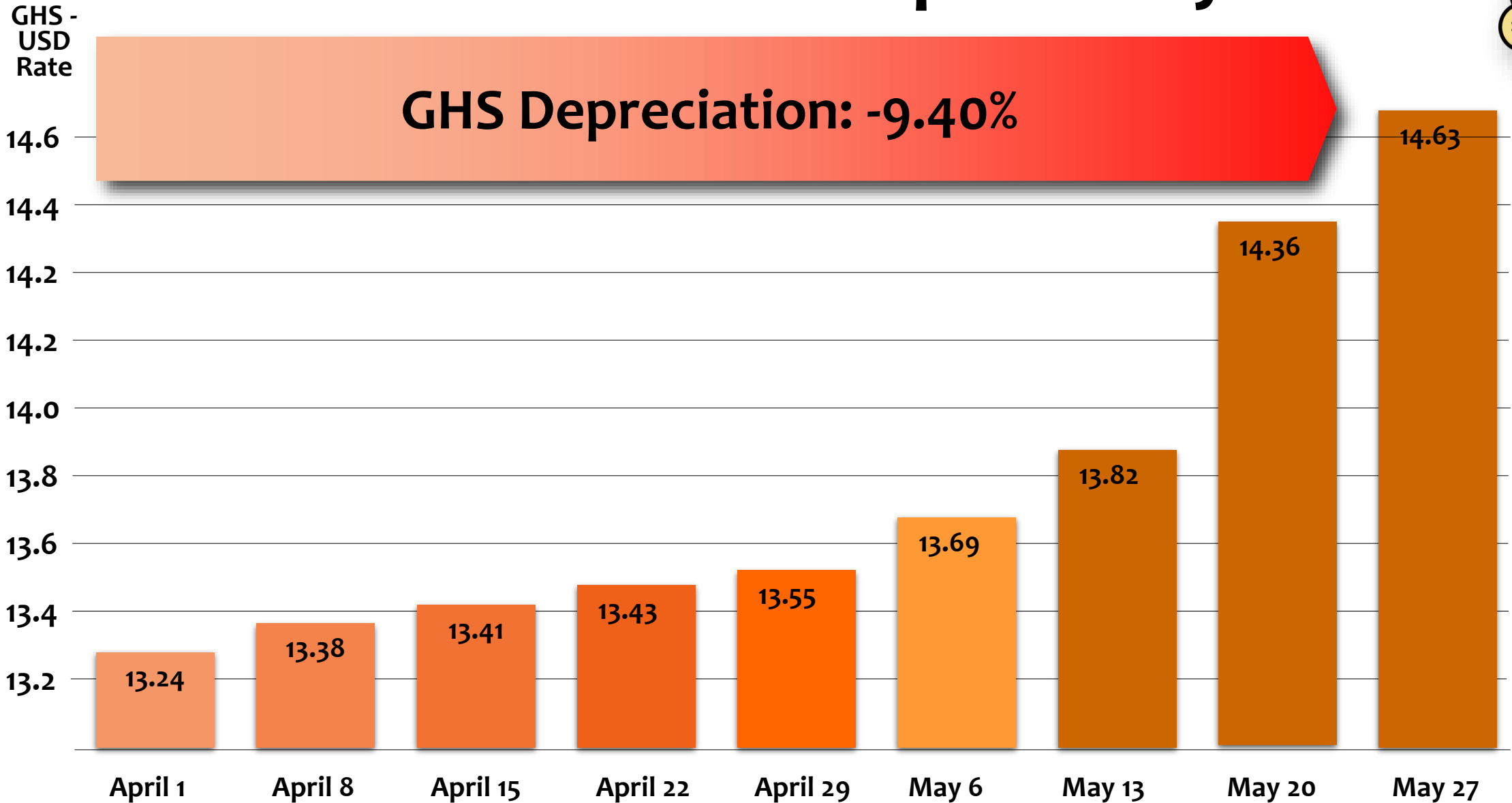
GHS -
USD
Rate

GHS Depreciation: -60.14%



Source: www.xe.com

GHS – USD Rate in April - May



Source: www.xe.com



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TRADE BALANCE is the difference between total **EXPORTS** and total **IMPORTS**.



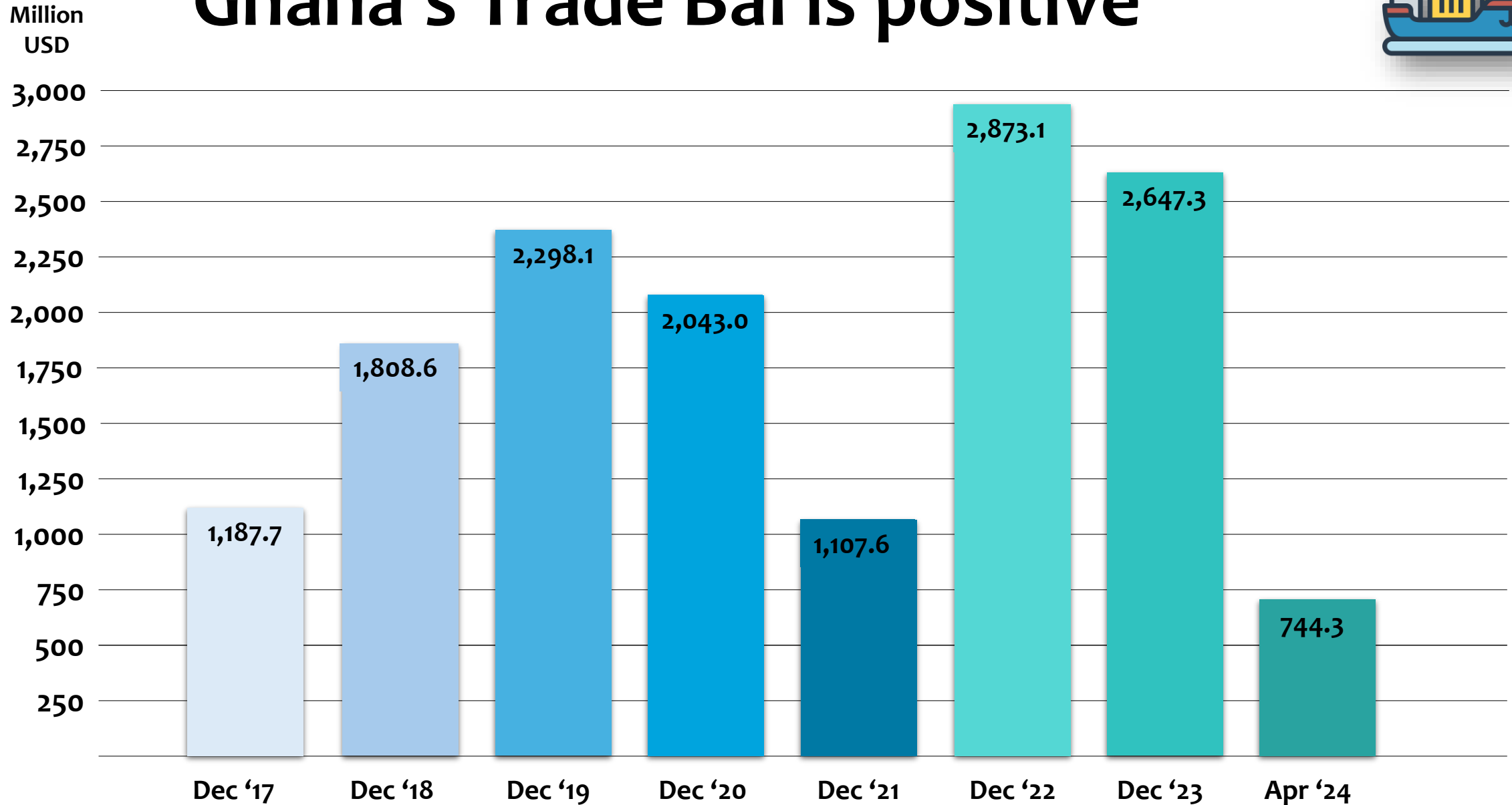
If Trade Balance is **NEGATIVE**, there is scarcity of FX and local currency **DEPRECIATES**.



If Trade Balance is **POSITIVE**, there is surplus FX and local currency **APPRECIATES**.

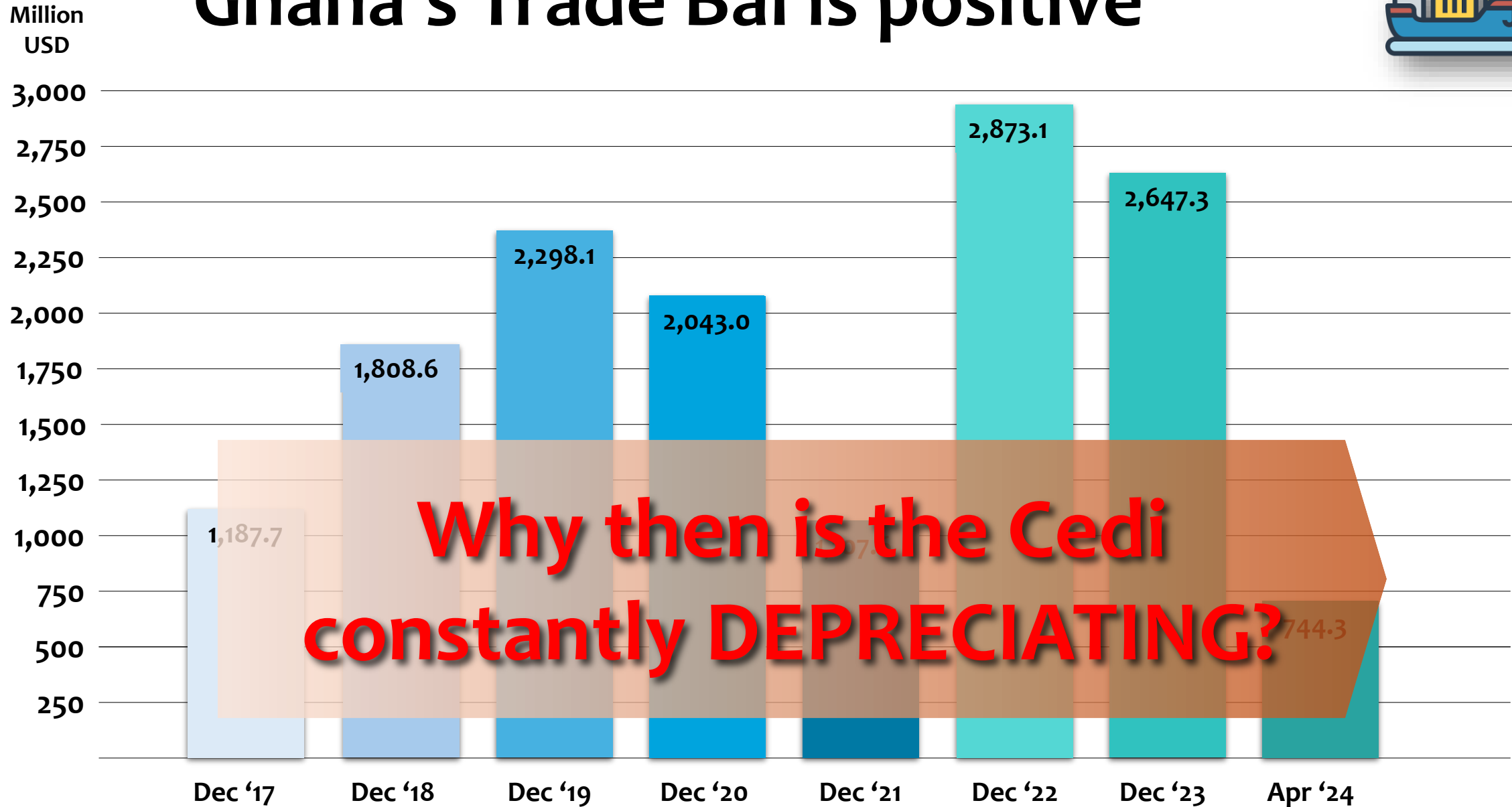


Ghana's Trade Bal is positive



Source: Bank of Ghana – Summary of Macroeconomic & Financial Data

Ghana's Trade Bal is positive



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Accounting for FX

Balance of Trade

Capital Account

Exports

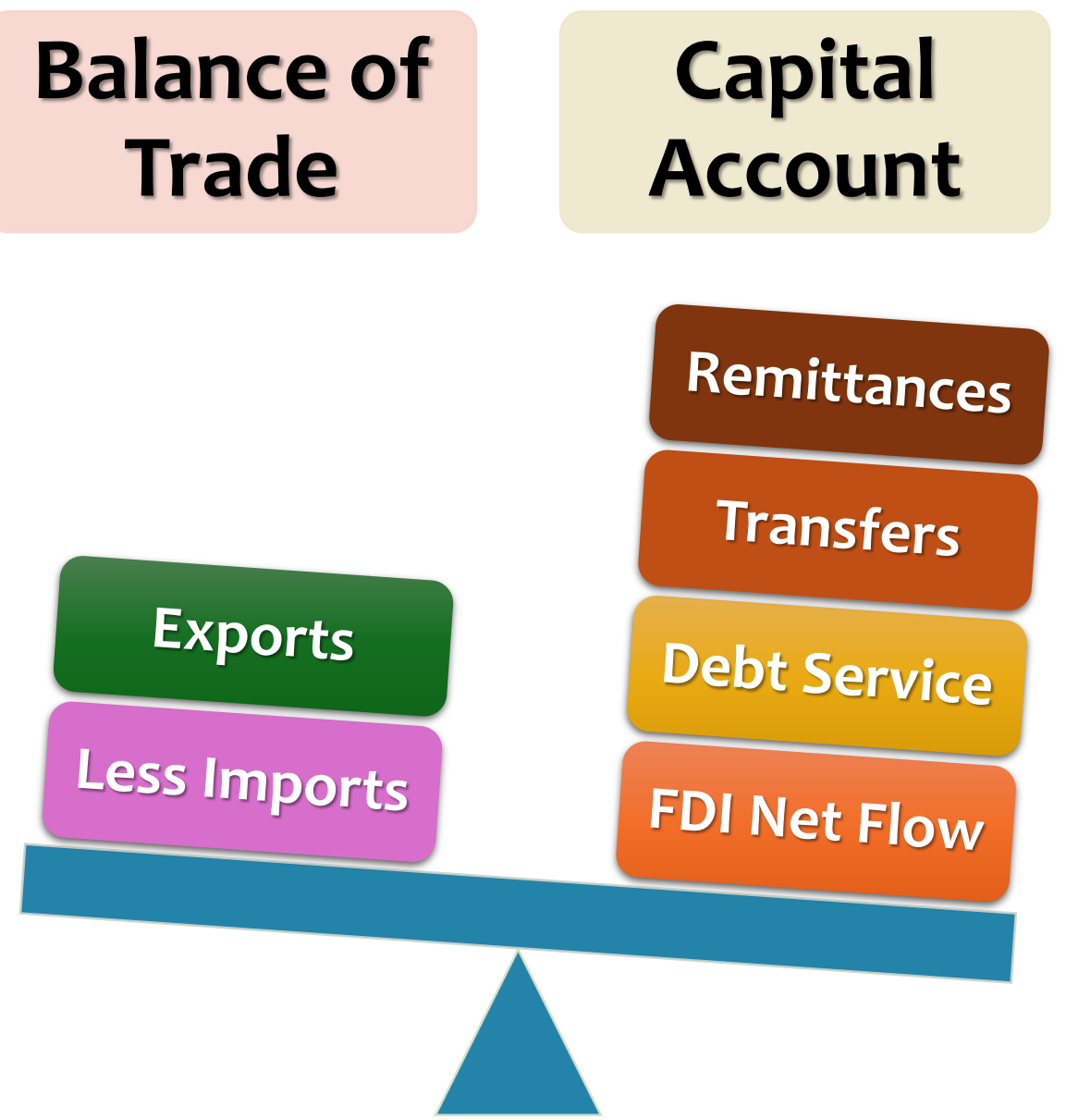
Less Imports

Remittances

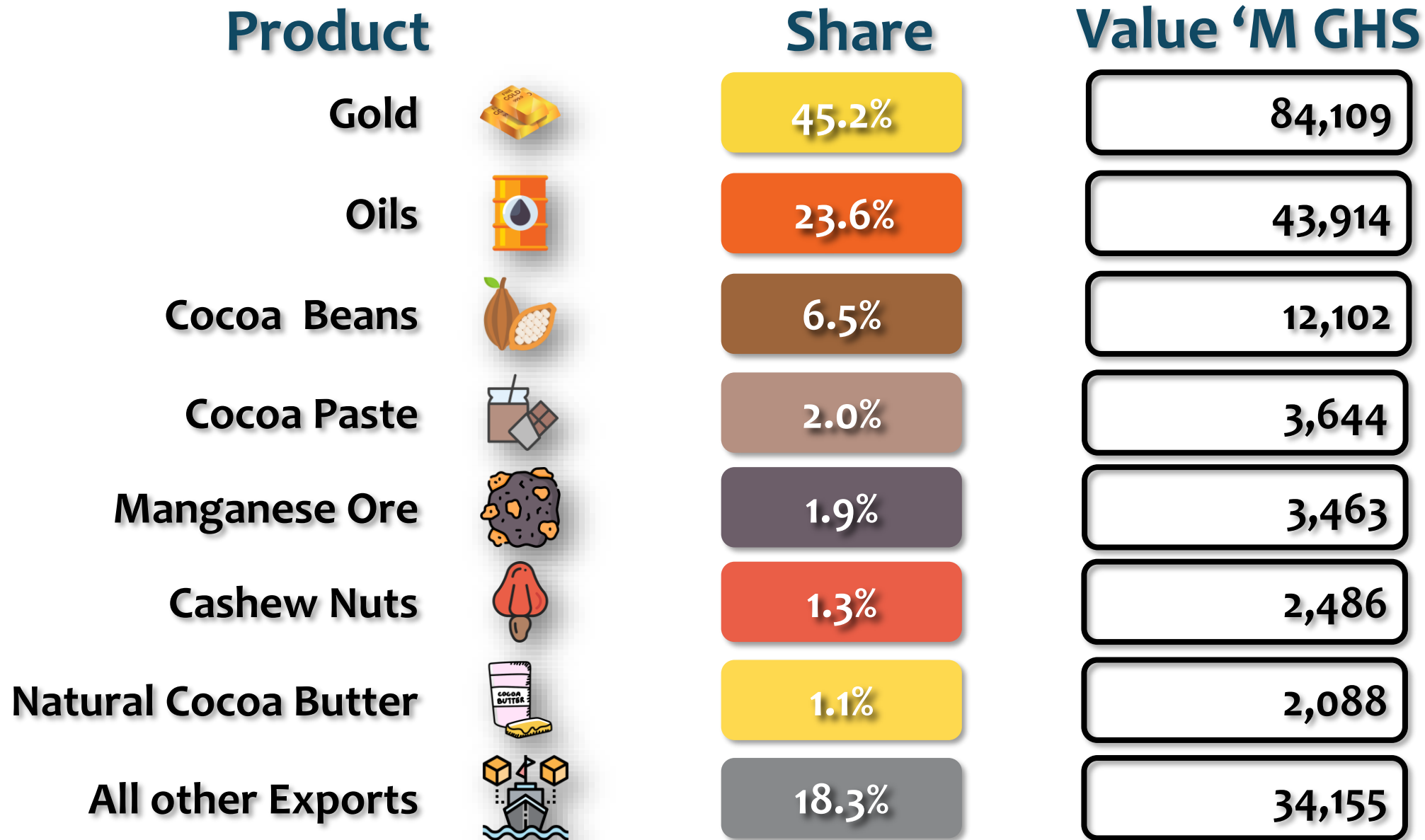
Transfers

Debt Service

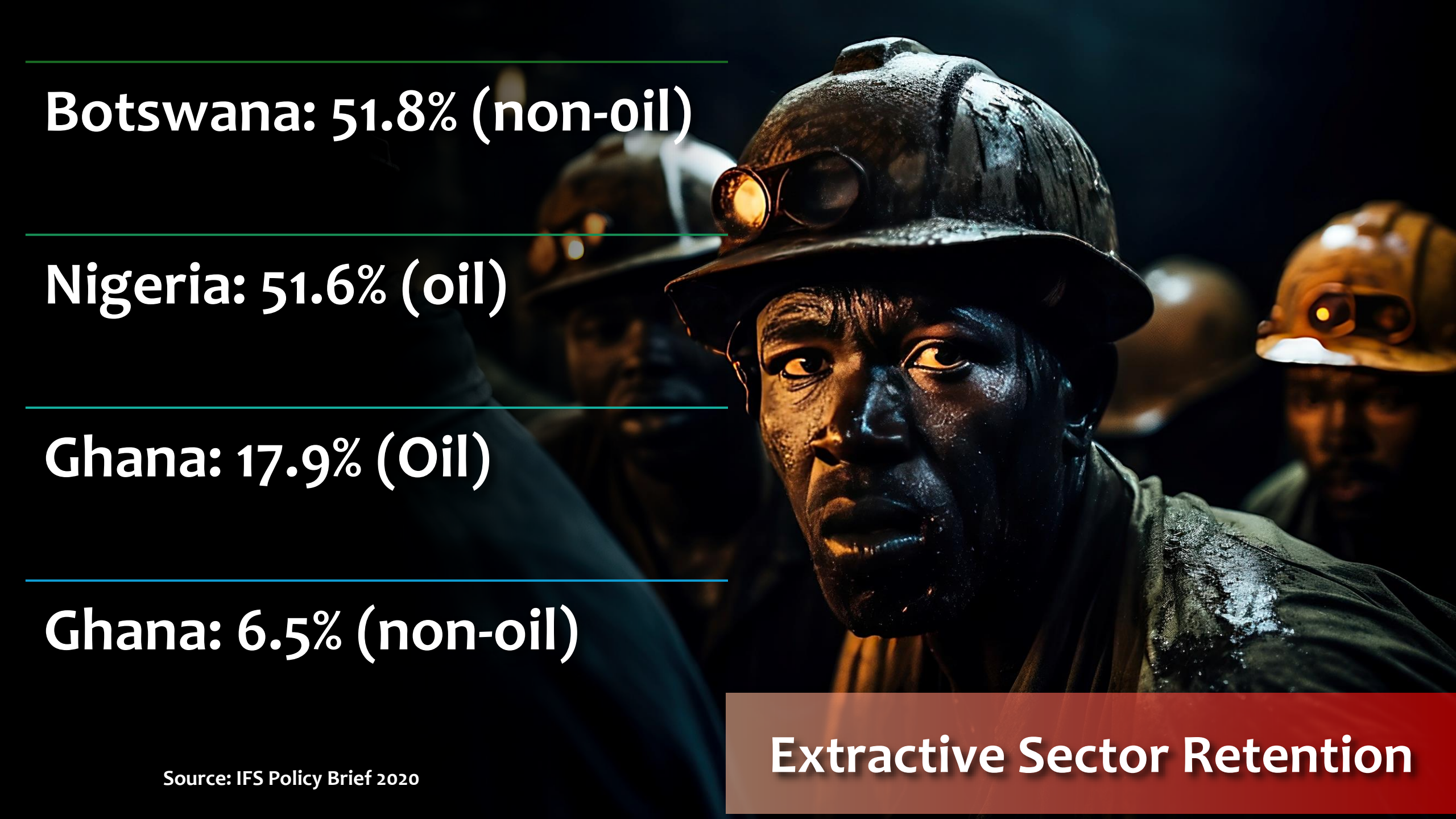
FDI Net Flow



Ghana's Top Export Commodities in 2023



Source: Ghana Trade Report 2023



Botswana: 51.8% (non-oil)

Nigeria: 51.6% (oil)

Ghana: 17.9% (Oil)

Ghana: 6.5% (non-oil)

Enforce Local content laws

Companies to pay royalties & tax in USD

Enshrine cedi purchase of gold for reserves in law

Use JV and Prod Sharing Agreements

Source: IFS Policy Brief 2020



Earning more FX Revenue



Agenda

The cedi is a mess!



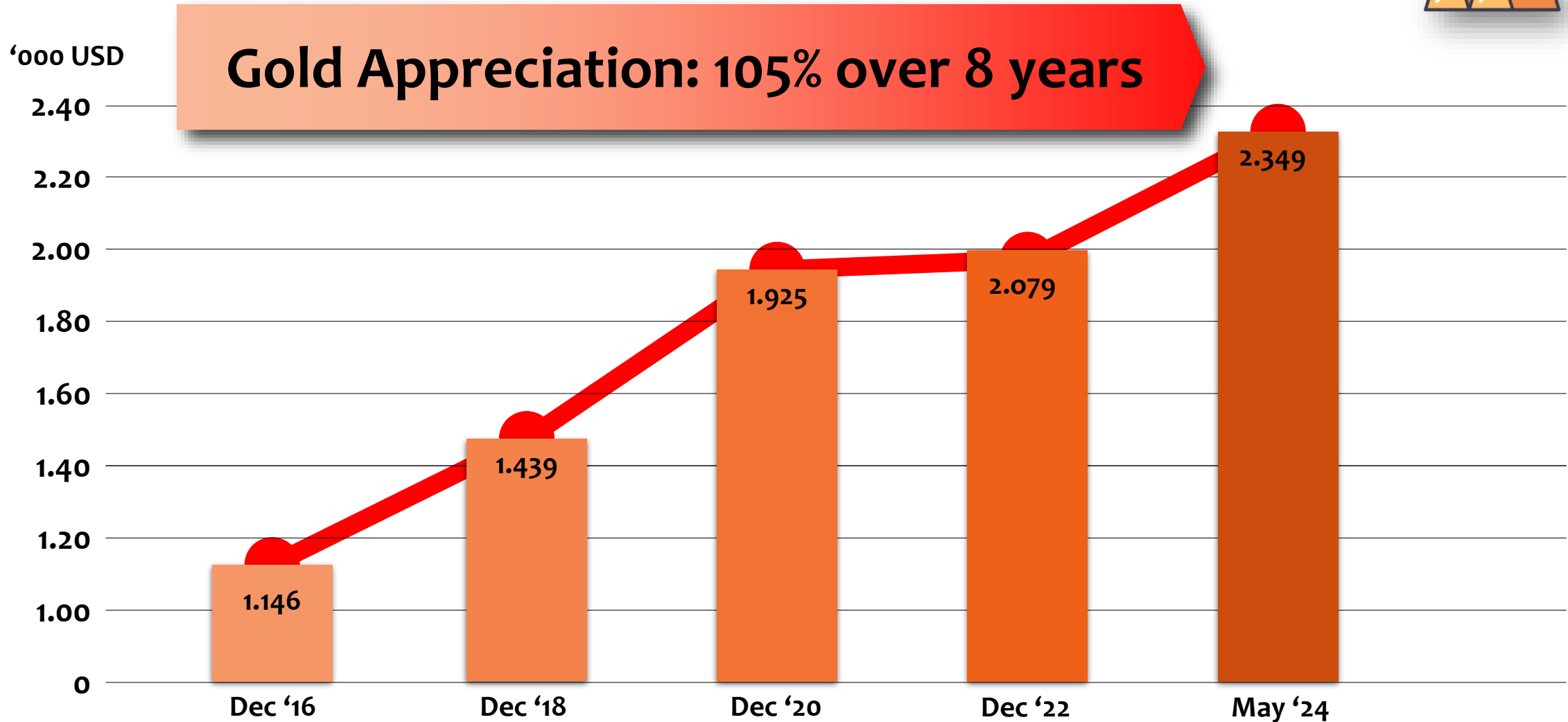
Why is it such a mess?



Mitigating the mess.



USD to Gold (1 Troy Ounce)



Source: www.macrotrends.net

A chimpanzee is shown from the chest up, holding a large pile of gold bars. The chimpanzee has a thoughtful expression, with its hands resting on the gold. The background is a dimly lit cave with wooden beams and hanging gold pieces. The text "10 Trillion USD in Gold Reserves?" is overlaid in white on a dark horizontal band across the middle of the image.

10 Trillion USD in Gold Reserves?

A chimpanzee dressed in a dark blue business suit and a yellow tie is sitting at a wooden desk. In front of him is a large pile of gold coins. To his left is a black oil barrel with the word "OIL" in yellow letters. The background is dark with a golden glow. The text is overlaid on the right side of the image, separated by horizontal lines.

Reduces Pressure on Cedi

Allows greater retention of exports

Benefits of Gold for Petroleum

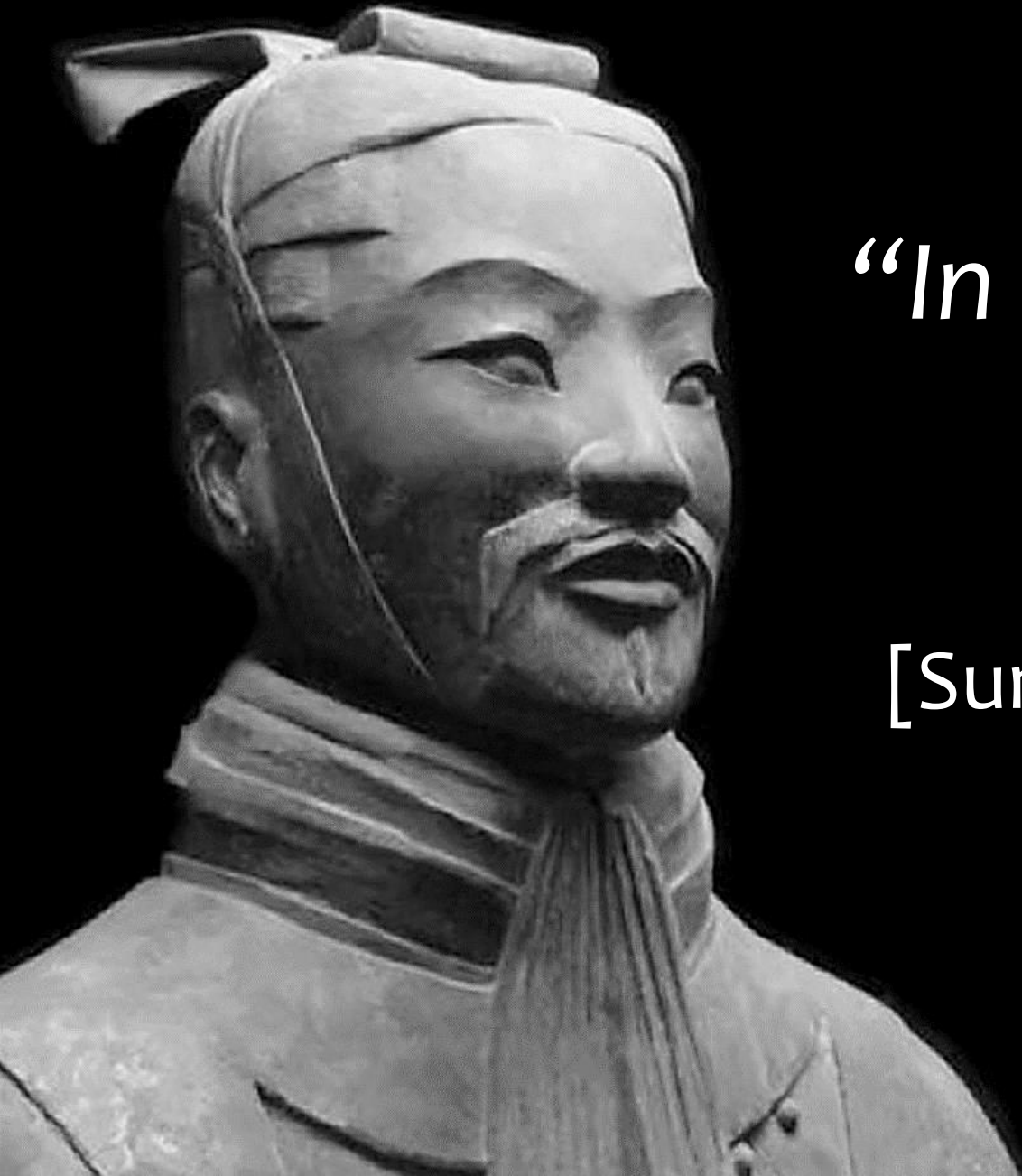
Reduces Speculation

Stabilizes price of petroleum products

Source of FX for Petroleum Imports



Demand USD m	400.0	400.0	400
BOG USD m	40.0	40.0	40.0
Gold (MIIF) USD m	29.0	108.0	88.0
Open Market USD m	331.0	252.0	272.0
	Apr '24	May '24	Jun '24



*“In the midst of chaos, there
is also opportunity”*

[Sun Tzu - Chinese Military General,
Strategist and Philosopher]

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