



ICCOS CURRENCY CONFERENCE

OPENING REMARKS

BY

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**Delegation from Currency Research International (ICCOS),
Fellow Central Bankers from the Middle East and Africa,
Distinguished Participants,
Ladies and Gentlemen.**

1. Good morning and let me say ‘Akwaaba’, which means a warm welcome in our local language, to all delegates especially those who are in Accra for the very first time. Let me also extend our appreciation to the Currency Research International (ICCOS) for selecting Accra as the host city for this year’s Middle East & Africa (MEA) Cash Cycle Seminar. This unique event brings together central bankers, commercial bankers and other industry experts to deliberate and share experiences on different aspects of currency cash management, distribution and circulation within the broader payments systems framework.
2. Ladies and Gentlemen, this Conference is taking place at a time that the Bank of Ghana is embarking on some crucial reforms aimed at ensuring financial stability and promoting efficiency in Ghana’s payments system. As we all know, efficient and functional currency and payment systems are fundamental to the effective functioning of any financial system. And this is broadly in line with the Bank of Ghana’s core mandate to achieve price stability, contribute to the promotion and maintenance of financial stability, and ensure a sound payments system.
3. Ladies and Gentlemen, Good business thrives in an environment of macroeconomic stability. This is why we must nurture a culture that puts a premium on keeping inflation low. The macroeconomic framework put



together by the Government focuses on stability. Fiscal Monetary Policy mix was crafted to bring inflation down and anchor inflation expectation. The results of the decisive policy implementation are clear. Inflation has been on a downward trend from 15.4 percent in December 2016 to 9.4 percent in December 2018, remaining broadly anchored within the medium-term target band of 8 ± 2 percent. The disinflation process has been supported by the relatively tight monetary policy stance throughout the period. In addition, other macro indicators are pointing in the right direction. Growth momentum has picked up, the trade account remains in surplus, and there is also relative stability in the exchange rate, despite recent volatilities driven by external developments.

4. Banks are the epicentre of industry and critical for the effective transmission of policy to the real economy. The Bank of Ghana therefore undertook widespread regulatory reforms to build a strong, safe and sound banking sector to ensure effective financial intermediation for economic growth. Key among the reforms was the increase in the minimum capital requirement of banks to GH¢400 million from GH¢120 million. The recapitalization ended on a solid note with a more consolidated banking sector as weaker and under-capitalised banks that posed risks to financial stability were removed. This has enhanced the efficiency and profitability of the remaining banks and helped restore confidence and resilience in the banking sector, with the banks now better positioned to support private sector-led growth in the Ghanaian economy.
5. For the past two decades, the Bank of Ghana has taken steps to improve the payment systems infrastructure, alongside strengthening the regulatory



frameworks to support the expanding financial technology space. The overall objective is to broaden the scope of financial services access and deepen financial inclusion, while taking advantage of the increasing digital revolution in the financial sector.

6. In 2018, the Bank of Ghana, working with other stakeholders, successfully completed the Mobile Money Interoperability (MMI) project which established an integrated and interoperable payments ecosystem. In this regard, all the three (3) key national payment pillars in Ghana, namely; mobile money, e-zwich and gh-Link are now interoperable to facilitate seamless movement of funds across these systems.
7. Globally, the rapid growth in technological advancement has transformed the payment landscape with far reaching impacts. With this global drive, the Bank of Ghana has taken full advantage of recent technological advances to promote a cash-lite economy within the context of the current existing digitization policy. These tie in with the Government's agenda to promote social inclusion drive for a more formalized economy through digitization and automation of business processes. The core part of the strategy is to first develop a National Identification System that will facilitate efficient delivery of public and private services, including financial services, mobile banking, social safety nets, health insurance, and revenue collection, among others.
8. In collaboration with other stakeholders, the Bank of Ghana is working to change financial services delivery to support the emerging digital society. Accordingly, the Bank has revised the Payment System Act 2003 (Act 662) and the Electronic Money Issuers and Agents Guidelines (2015) and



consolidated these into a draft Payment Systems and Services Bill, which will soon be passed by Parliament. The purpose of consolidating the several pieces of legislature is to take advantage of technological changes, innovations and provide a broader regulatory environment for competitive delivery of innovative payment solutions in the country.

9. The improvement in Ghana's digital payment systems are also supportive of online transactions aimed at financial inclusion. Available data show significant progress in the deployment of electronic payments such as mobile money, payment cards, payment apps, direct debit and credit funds transfer, instant retail payments and virtual cards as alternatives to cash. In particular, mobile money transactions have grown by leaps and bounds. Active mobile money accounts has jumped from in 345,434 in 2010 to over 13 million subscribers with value of transactions of about GH¢223.2 billion in 2018.
10. Distinguished Ladies and Gentlemen, in spite of the digital revolution and rising use of electronic payments and digital currencies, we continue to see cash dominating transactions across several of our countries within the Sub-Saharan African region. Undeniably, cash still remains the preferred medium of payment by the large informal sector, although trends are gradually shifting towards mobile money in Ghana. Thus, while making progress in financial inclusion by accelerating the migration to e-payment platforms, we are also mindful of the relevance of cash in our day-to-day dealings. This is why we must commit to the on-going currency feature enhancements and management of cash in circulation.



11.In this regard, the Bank of Ghana will continue to monitor the quality of substrates and features of the Ghana Cedi and take appropriate actions to make the Cedi an all-time secured currency. Special attention is being devoted to improve the features to make it more resilient to counterfeiting threats and facilitate data collection for cash life cycle analysis of the Banknotes. The central bank will also conduct sustained currency awareness campaigns to educate the public on the proper handling of banknotes.

12.Distinguished Ladies and Gentlemen, this Seminar provides opportunities for participants to deliberate on currency management and operational issues. A cursory glance at the Conference Agenda indicates a very tight programme starting off with a closed door Central Bank workshop on substrate for Banknote manufacturing. This would be followed by the plenary sessions on topics such as,

- Ethical principles in Central Banks,
- Crypto Currencies – The Real Threats, Challenges and Future Technologies,
- Big data and the life cycle of the Banknotes,
- The changing role of CITS,
- Cash handling and circulation models, and
- Efficient co-existence of Cash and Digital Payments

13.I can also see Technology Exhibition Areas set up for leading currency industry suppliers to demonstrate their products and innovations in currency production, counting, sorting, authentication, recycling, branch automation, tracking & tracing, packaging, etc. The programme is expected to end with a



tour of the Bank of Ghana's new Cash Centre, which was commissioned in 2015.

14.To conclude, let me once again express my immense gratitude to the organizers and the Secretariat for the hard work and diligence in putting this seminar together, not forgetting the various sponsors for their kind generosity. I hope that the outcome of the seminar series will provide cutting-edge policy strategies to strengthen currency management across the region. Enjoy your stay in Accra and please indulge in some shopping – most of our shops accept cash payments!

15.On this note, I declare the 2019 ICCOS Currency Conference dully opened. Thank You.

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