



AACB CONTINENTAL SEMINAR



THEME

Credible Communication Strategies of Central Banks
in the Framework of **Monetary Policy and Financial
Stability:**

The **Bank of Ghana** Experience

Presented by Bank of Ghana





In Context.....



Central Bank Communication can be defined as the provision of information by the central bank to the public regarding such matters as the objectives of **monetary policy**, the **monetary policy strategy**, the **economic outlook**, and the outlook for **future policy decisions** (Blinder et al, 2008:6)



CENTRAL BANK COMMUNICATION



What **central banks** communicate:

- The Bank's objectives and strategies
- The motives behind a particular policy decision
- Overall economic outlook
- Assessment of future indicators
- Economic activity
- Projections regarding future monetary policy decisions



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Bank of Ghana Act 612, 2002 (as amended, 2016)
gives clear mandate

- Price stability
- Maintaining efficient credit,
banking and financial system
- Promoting economic growth



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Financial stability key, dealing with:

- Robust financial markets and financial institutions
- Effective financial intermediation
- Management of risks
- Effective payment system



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Financial stability Reports

1. Survey of credit conditions
2. Developments in banks' balance sheets
3. Asset and liability structure of banks
4. Share of bank investments
5. Credit risk portfolio analysis
6. Banking sector indicators
7. Banking Sector outlook



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Policy Communications

- Strongly underpinned by **Transparency** and speaking **Clearly** and **Concisely**
- Communications Department barely a year old
- Vision is to contribute immensely to the attainment of the goals of the Bank



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Policy Communications

Supporting communication messages for the near-term, based on the current situation and outlook, are the following:

The near-term inflation outlook requires tight monetary policy in order to reduce inflation from current levels around 13.2 per cent (February 2017) to the 8 per cent target level by end-2018, as currently envisaged by the BoG.

The target inflation has a tolerance band of plus/minus 2 per cent



COMMUNICATION STRATEGY



Key Assumptions....

- BoG wants to engage in the public arena in relation to its role in society, and wants to use strategic communication to influence and win support of the various publics (constituencies) that its work affects.
- The strategy is to send the right message, use the right medium, to the right audience at the right time and at the right place.
- The role of strategic communication is to strengthen the strategic objectives of the BoG by developing mutual understanding between it and its key constituencies.



COMMUNICATION STRATEGY



Key Assumptions....

- Through understanding, the BoG will be trusted, supported and receive cooperation from those who might doubt its independence, objectivity, etc.
- Timing of the release of information is of utmost importance because this will be related to the various vested interests and responding to these divergent information needs will require a comprehensive strategic effort because the communication goals of each public will be different.



COMMUNICATION STRATEGY



Strategic Goals

- a. Monetary Policy Communication Strategy

- b. Economic Development Communication Strategy



COMMUNICATION STRATEGY



Target Groups

1. General Public
2. Financial markets
3. Opinion leaders in academia, think tanks
4. Members of the media
5. Parliament
6. BoG staff



BANK OF GHANA COMMUNICATIONS CYCLE



Regular Cycle

News Conference

Monetary Policy Report

Adhoc meetings by analysts (Communicators)

Decision Announcement



BANK OF GHANA COMMUNICATIONS CYCLE



Policy Press Conference held by the **Governor** after each **Monetary Policy** meetings

Decision announcement- Press Release following each MPC meeting

Monetary Policy Report- Published twice a year after MPC Meetings



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COMMUNICATION TOOLS AND

TACTICS



Press Release and web publishing of reports

Contact Centre

Media Relations

Public Outreach- Speeches, lectures, meeting with the business community and parliamentary appearances

Regular Publications- Inflation Report (Monetary Policy Report), Financial Stability Report





Sample Editorial Schedule for Publication of Policy Reports



Timeline	Date after Jan MPC	Source material	Deliverables	Content for Policy Reports	Responsible officials
Week 0	Jan 12	Forecast presentation for staff-level meeting	Main forecast messages, risks and uncertainties formulated	Macroeconomic assessment, main forecast messages	Director of Research
Week 1 - Monday - Pre-MPC meeting	Jan 16	Inflation Analysis & Outlook presentation	Baseline projection and alternative scenarios presented	Main story of the new macroeconomic forecast	Director of Research
Week 1 - Friday - MPC meeting	Jan 20	MPC forecast presentation	MPC policy decision taken	Policy decision and rationale for an action taken	MPC
Week 2 - Monday	Jan 23	Decision, forecast presentation	MPC Policy Statement presented at Press Conference	-	MPC
Week 2 - Friday	Jan 27	Data, research material	Draft chapter text submitted from sector offices	Draft sector chapters, plus draft articles for Boxes	Office representatives
Week 3 - Wednesday	Feb 1	Zero draft Monetary Policy Report	Readability, consistency, depth of forecast and policy messages checked	-	Editor, Director of Communications



Sample of Schedule of Policy Reports



Data Availability	MPC Meeting Date	Report	Publication Date	Note
All up to MPC meeting date	20-Jan-2017	Monetary Policy Summary	6-Feb-2017	Presented as a macro update to Parliament
FY 2016, early 2017	24-Mar-2017	Monetary Policy Report	10-Apr-2017	
All up to MPC meeting date	19-May-2017	Monetary Policy Summary	5-Jun-2017	
All up to MPC meeting date	21-Jul-2017	Monetary Policy Summary	7-Aug-2017	Presented as a macro update to Parliament
H1 2017	22-Sep-2017	Monetary Policy Report	9-Oct-2017	
All up to MPC meeting date	24-Nov-2017	Monetary Policy Summary	11-Dec-2017	



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Recommendation

1. Adapt strategies and practices based on feedback and experience as there is no consensus on what constitutes “best practice”.
2. Improve on Financial literacy programmes.
3. Leverage on digital communication channels and social media.
4. At all times, the Communications Department should be in the position to develop additional messages depending on the need of the individual target audiences.



And Finally.....



THANK YOU
FOR YOUR ATTENTION

