



BANK OF GHANA

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July 7, 2025

**The Head
Institute for Energy Policies and Research
Accra**

Attention: Mr. Kwadwo Poku

Dear Sir,

**RE: REQUEST FOR INFORMATION UNDER ARTICLE 21 (1) (F) OF THE 1992
CONSTITUTION OF GHANA AND SECTION 18 OF THE RIGHT TO INFORMATION
ACT, 2019, (ACT 989)**

We refer to your letter dated June 9, 2025, on the above subject.

Kindly find below the Bank's response to your queries on the Gold for Oil Programme (G4O) loss position.

Response to query 1:

At the close of the financial year 2024, a cumulative loss of GHS2.14 billion was incurred on the G4O programme. GHS0.32 billion and GHS1.82 billion losses were incurred for the financial year 2023 and 2024 respectively.

Response to query 2:

The losses incurred were primarily on gold and petroleum transactions. Details provided below:

1. Loss on Gold transactions amounted to about GHS1.80 billion which were mainly due to exchange rate differentials; the exchange rate used in the local gold market for gold purchases and the Bank's internal rate.
2. Loss on Petroleum trading amounted to about GHS0.34 billion which were mainly due to large stockpile prior to sharp decline in world market fuel price.

Response to query 3

- The G4O initiative had a positive impact on the foreign exchange market and export fuel price in the first year (2023) of its implementation.
- The program helped reduce demand for US dollars from the Bulk Oil Distributors (BDCs). A total FX demand of \$1.66 billion would have otherwise increased demand on the interbank FX market and put pressure on the exchange rate to cover the delivery of 56 cargoes totalling over 1,847,000 metric tons of petroleum product as at the close of December 2024.



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- Prior to the G4O Initiative, petroleum suppliers were charging petroleum premiums between \$150-\$170 per metric ton. Petroleum premium declined
- significantly and ranged between \$50-\$80 per metric ton due to competition from the G4O Initiative. This competition among market players led to lower ex-pump prices.
- The G4O initiative, eliminated the use of the forward exchange rate in pricing petroleum products, which contributed to moderating price increases at the pump.

Response to query 4:

- The Board and Management of the Bank have decided to exit the programme which was introduced as a short-term measure to mitigate the rising prices of petroleum products which would have otherwise impacted the economy negatively. This is in line with the IMF's position.
- The Bank would focus on its core mandate and concentrate on its Domestic Gold Purchase Programme to build reserves organically to serve the various sectors of the economy.
- As a consequence of the Bank's decision to exit the G4O programme, a new framework will be put in place to shorten the cash cycle and cede the business of trading and financing of fuel to BOST and its bankers.

Thank you for your inquiry.

Yours faithfully,

NAA ANYELEY AKOFIO-SOWAH (DR.)
FOR: OFFICER-IN-CHARGE
FINANCIAL MARKETS DEPARTMENT

