

## **ECOWAS MONETARY COOPERATION KICKS OFF TWO WEEKS INTENSIVE DELIBERATIONS ON A ROAD MAP TO MONETARY UNION IN FREETOWN, SIERRA LEONE**

**6<sup>th</sup> February, 2020**

The ECOWAS Monetary Cooperation Meetings comprising the West African Monetary Agency (WAMA), the West African Monetary Institute (WAMI) and the West African Institute for Financial and Economic Management (WAIFEM), have kicked off two weeks intensive deliberations, on a road map to monetary Union, on Thursday 6<sup>th</sup> February, 2020, in Freetown, Sierra Leone.

Speaking at the opening ceremony of the WAMA meetings, the Director General Mr. Momodu Bamba Saho, said economic activities in ECOWAS Member States generally continued to improve in 2019, in spite of global economic slowdown. He maintained that the meetings are being held against the backdrop of continued economic recovery in the region.

*“The region is home to some of the fastest growing economies in the world. Three Member States, Benin (7.6%), Cote d’Ivoire (7.5%) and Ghana (7.1%) grew by over 7.0 percent in 2019. Twelve Member States are expected to grow by 5.0 percent or more in 2019.” he said.*

According to him, in the area of compliance with the macroeconomic convergence criteria, Member States made some progress in the first half of 2019 as six (06) met all the four primary criteria compared to five (05) in the first half of 2018, adding that performance is expected to improve in the second half of the year as eight (08) Member States are projected to meet all the primary criteria at end-2019 compared to only two (02) at end-2018. He however noted that sustained achievement of all four primary convergence criteria has remained elusive, for Member States over several years.

*“Although compliance with the convergence criteria has improved, Member States need to continue to strengthen policy implementation in order to comply with the convergence criteria and lay a strong basis for the establishment of monetary union.” he said.*

In this regard, the Director General urged Member States to strengthen their resolve to maintain macroeconomic stability and put emphasis on economic diversification as well as structural reforms aimed at fostering private sector growth in order to realize the tremendous potential of the region and achieve the objective of the monetary cooperation programme.

In delivering the keynote address to open the meetings, the Governor of the Bank of Sierra Leone, Prof. Kelfala Kallon said, stock will be taken at the meetings of the status of implementation of the revised Roadmap, bearing in mind the commitments made by state authorities to establish a monetary union by 2020. He noted that the decision regarding the selection of countries that would qualify for accession to monetary union would be undertaken after an evaluation of the state of readiness of Member States.

*“As we get closer to decision point, I concede that this meeting is taking place at a period characterized by socio-political and economic developments and uncertainties, both global and domestic”.*

The Governor of the Bank of Sierra Leone recounted the challenges Sierra Leone was grappling with which were highlighted at the recent statutory meetings held in August 2019, in Conakry, including a subdued real sector, price instability and excesses in fiscal policy.

Prior to the review of Member States, the Bank Governor said that the macroeconomic fundamentals of Sierra Leone has improved modestly since then as a result of implementation of prudent policy measures that focused on promoting all-inclusive growth, restoring macroeconomic stability and debt sustainability through structural reforms, fiscal consolidation and a viable external sector.

*“Consequently, real GDP growth accelerated to 5.1 percent in 2019, from 3.5 percent in 2018. Inflationary pressures also continued to trend downwards in the right direction to 13.9 percent at December 2019, after having peaked at 16.6 percent in April 2019,” he said.*

In the next few days several institutions within the ECOWAS Monetary Cooperation Programme will hold technical meetings that will lead to the 40th Meeting of the Committee of Central Bank Governors of the WAMZ and climax with the 43rd Meeting of the Convergence Council of Ministers and Governors which will be opened by the President of the Republic of Sierra Leone, Rtd. Brig. Julius Maada Bio.

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