



2026 Budget Highlights

Budget Statement and Economic Policy of the
Government of Ghana for the 2026 Fiscal Year

November 2025

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Foreword

“Resetting for Growth, Jobs, and Economic Transformation”



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KPMG in Ghana

Ghana’s 2026 Budget comes at a time of cautious optimism. Global growth is slowing but remains resilient, with the IMF projecting 3.2% in 2025 and 3.1% in 2026 as inflation gradually declines. Risks persist, however, from trade tensions, tighter financing conditions, and geopolitical uncertainty. In the commodity markets, prices are expected to soften further in 2026. Energy prices will ease on oversupply, agricultural prices will moderate, and gold is likely to remain firm after a strong economy in 2025. Cocoa prices, which surged this year, are expected to stabilise as supply improves. Across the Sub-Saharan Africa region, the IMF anticipates an average growth of 4.1% in 2025 and 4.4% in 2026, supported by reforms and renewed efforts to mobilise domestic capital.

Against this backdrop, Ghana has moved from stabilisation to a reset. The 2026 Budget, themed “Resetting for Growth, Jobs, and Economic Transformation,” outlines a clear path: consolidate macroeconomic stability, accelerate job creation, and protect social progress. Inflation returned to single digits by October 2025, the Cedi strengthened on improved external buffers, and public debt fell to about 45% of GDP by end-October. These gains reflect disciplined fiscal management and decisive debt operations. The agenda is reinforced by policy measures that promote efficiency and transparency, including tax administration reforms and the introduction of a Value for Money Bill.

For businesses, investors and citizens, four priorities stand out:

- **Credibility and continuity:** Ghana’s policy framework aligns with the IMF-supported programme while shifting the focus from recovery to renewal. Lower inflation, falling domestic yields, and improved credit ratings

signal hard-won credibility that must be preserved through consistent execution and transparent budgeting. The commitment to fiscal sustainability is not to be negotiated but reinforced by an ambitious target of a 1.5% primary surplus of GDP for 2026 and legislative amendments to the Fiscal Responsibility Act. These measures indicate to domestic and international partners that Ghana has transitioned from crisis management to sustainable fiscal prudence, creating a reliable platform for investment and long-term growth.

- **Productivity and jobs:** The Budget emphasises programmes that convert stability into livelihood improvement. Investments in agriculture and agribusiness, energy reliability, infrastructure, and the 24-Hour Economy aim to unlock capacity and drive export-oriented growth. This approach reflects continental priorities for mobilising Africa’s own resources to finance transformation.
- **Private capital mobilisation:** The Government is earmarking GH¢30.0 billion for strategic infrastructure development in power, roads, and digital connectivity under the “Big Push Programme” to accelerate productivity across all sectors. Ghana’s infrastructure ambitions will require blended finance and strong governance to attract investment.
- **Social Protection:** The government’s commitment to gender equality and economic empowerment is reinforced by an additional allocation of GH¢401m to the Women’s Development Bank to finance women-led Micro, Small, and Medium Enterprises (MSMEs). Additionally, the budget advances specialised healthcare financing through MahamaCares, which seeks to guarantee sustainable funding for Non-Communicable Diseases (NCDs) and accelerate the construction of new regional and district hospitals.

The targets set out for 2026, including a projected GDP growth of 4.8% and maintaining inflation at 8.0% are achievable if the present year is expected to be a guide, backed by a commitment to a primary surplus of 1.5% of GDP.

At KPMG, our role remains clear: to interpret the Budget’s signals, assess its implications, and help clients prepare for what lies ahead. This edition of the Budget Highlights continues that tradition. We analyse macroeconomic trends, tax and regulatory changes, and sector priorities.

Execution will define success in 2026. The global outlook rewards predictability. Preserving fiscal discipline, strengthening institutions, and advancing structural reforms are essential to keep financing costs low and sustain investor confidence. Commodity markets point to another year of softer prices, making efficiency and value addition critical. Across Africa, progress will depend on converting commitments into investable projects and ensuring that growth translates into opportunity.

Ghana has laid the foundation: single-digit inflation, a stronger currency, and a healthier debt profile. The challenge now is to turn these gains into lasting productivity improvements and decent jobs, while maintaining social investments that broaden opportunity. This requires simplifying the tax and regulatory environment, fast-tracking digital and logistics infrastructure, deepening local content across value chains, and maintaining social investments that broaden opportunity.

It is our belief, that the 2026 budget will not remain an intent but will be executed flawlessly to build the Ghana we want. Our teams are ready to work with clients and policymakers to implement its provisions and seize the opportunities ahead.



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Executive Summary



2025 Outturn

8.0%

Inflation as at October 2025

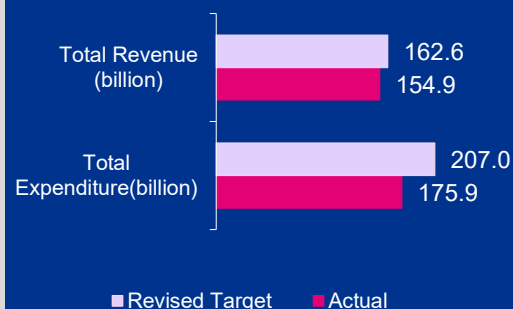
6.3%

GDP Growth Rate as at
June 2025

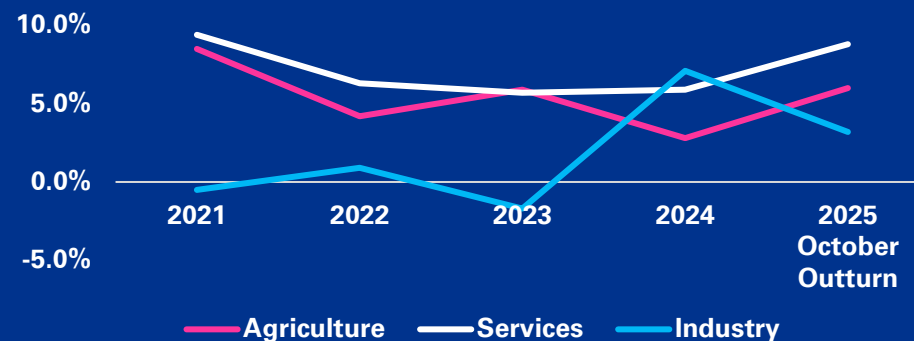
21.5%

Monetary Policy Rate as at
October 2025

Fiscal Developments (Jan – Sep 2025)



Real Sector Performance



Public Debt to GDP Ratio

45.0%

Debt to GDP, September 2025

Between end-period December 2024 and October 2025, the total public debt declined by 13.3% to GH¢630.2 billion. This decline was driven by a 0.37% rise in domestic debt and a 23.4% decrease in external debt.

Public debt as a percentage of GDP declined from 61.8% in December 2024 to 45.0% in October 2025.

4.8 months

Import cover as at September 2025

1.5%

Fiscal Deficit

(commitment) as at September 2025

Source: 2026 Budget Statement



2026 Targets

8.0%

Year-end headline
Inflation
target for 2026

4.8%

GDP Growth
target for 2026

3.0

months

Import cover target for 2026

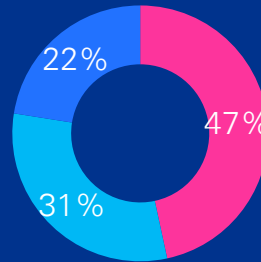
Sectorial Distribution of Nominal GDP, 2026



Agriculture
(GH¢333.5 bn)



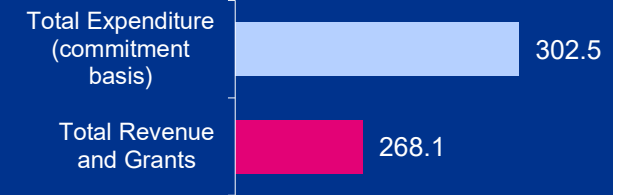
Industry (GH¢458 bn)



Services
(GH¢691 bn)

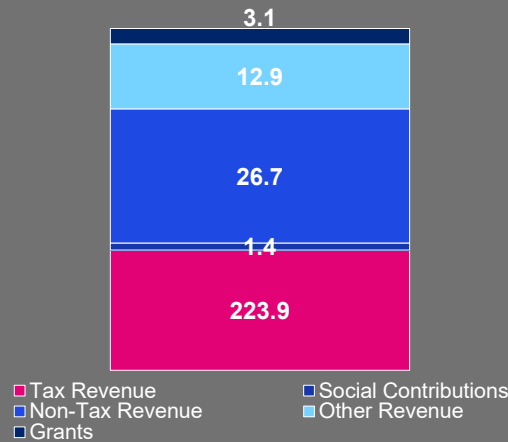
Ghana's Non-Oil nominal GDP is projected to reach GH¢1,597.5 billion in 2026. Based on value added measured at basic prices, the Services sector is expected to remain the dominant driver of economic activity, accounting for about 47% of national output, followed by the Industry and Agriculture sectors.

Fiscal Targets for 2026



Government plans to spend GH¢302.5 bn in 2026, against projected revenue of GH¢ 268.1 bn resulting in a projected overall fiscal deficit of 2.2% of GDP (on commitment basis).

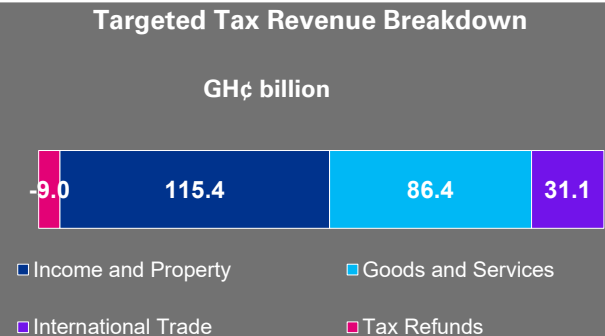
Revenue Breakdown (GH¢268.1bn)



Targeted Tax Revenue (GH¢ bn)

GH¢223.9 bn

Targeted Tax Revenue Breakdown



Source: 2026 Budget Statement



Tax Revenue Measures

Review of VAT Act



Government is proposing to introduce a comprehensive package of VAT reforms aimed at simplifying the tax system, promoting fairness, and supporting business growth. Key among the expected changes are as follows:

Review of Levies



In order to reverse the current impact of the levies on the effective VAT rate, government proposes to:

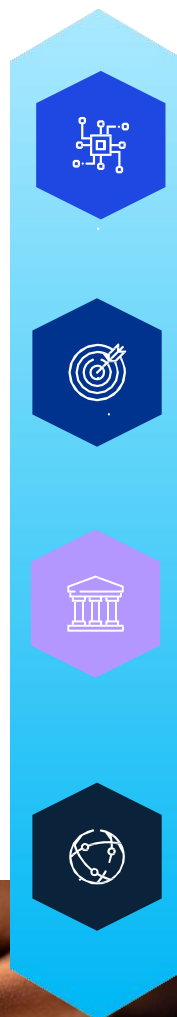
- Abolish the COVID-19 Health Recovery Levy.
- Abolish the decoupling of GETFund and NHIL levies, enabling input tax deductions.

Increase In Threshold



Government proposes to increase the VAT registration threshold from GH¢200,000 to GH¢750,000, thereby exempting SMEs lacking sufficient systems for VAT compliance.

The removal of the COVID-19 Recovery Levy and decoupling of the GETFund and NHIL levies will result in the reduction of the effective VAT rate from 21.9% to 20%.



Review of the Income Tax Act, 2015 (Act 896)



The Government intends to review the Income Tax Act, after a decade of implementation to address inconsistencies, simplify the law, and align with global standards.

Tax Relief for Mining and Textile Sector Development



Government is proposing the following key VAT measures to stimulate investment and support local industry growth:

- Abolish VAT on mineral exploration and reconnaissance to drive investor activity and promote growth in the mining sector.
- Extension of zero-rated VAT on locally manufactured textiles until December 2028, aimed at strengthening the textile industry and preserving jobs.



Tax Revenue Measures

Operationalisation of the Independent Tax Appeals Board (ITAB)



The ITAB is set for full implementation after the passage of the Revenue Administration Regulations, 2025, having completed its operational framework. The ITAB will provide an impartial system for tax dispute resolution.

Deepening International Tax Cooperation



Ghana is playing an instrumental role within the UN Framework on International Tax Cooperation to enhance the taxation of non-resident digital and multinational companies, curb illicit financial flows, and help recovery of revenues through evasion and avoidance. lost



Review of the Customs Act, 2015 (Act 891)

The Government proposes to review the Customs Act to align with international standards, simplify border procedures, reduce clearance times and compliance costs, and strengthen Ghana's competitiveness.

Review of the Excise Duty Act, 2014 (Act 878)



The Excise Duty Act will be reviewed to align with global trends and Ghana's priorities, expanding coverage to carbon-intensive goods, plastics, and sugary beverages. The review seeks to harmonise excise rates, broaden the tax base, and promote public health, environmental sustainability and fiscal responsibility.

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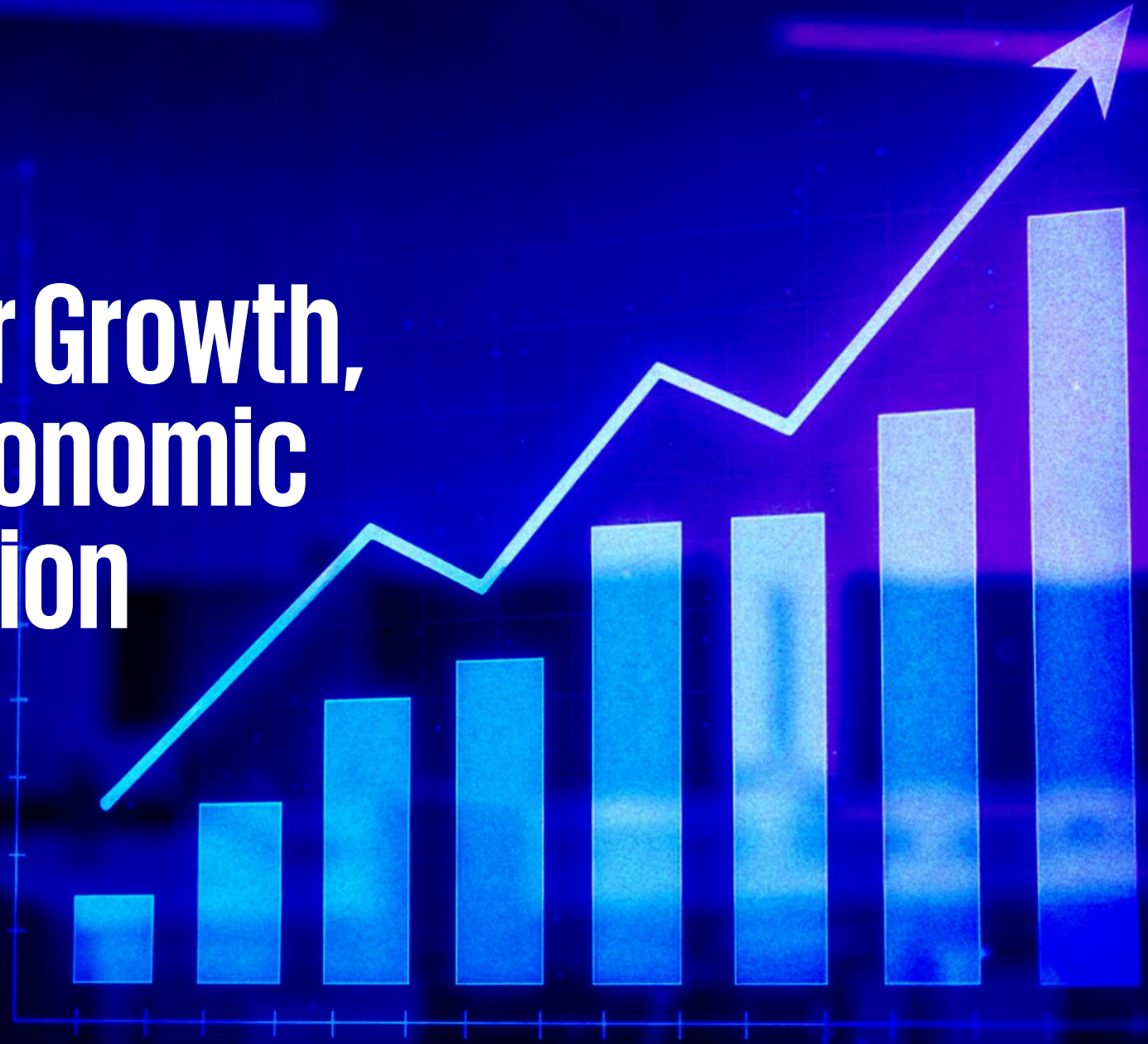
ITAB will provide an impartial system for tax dispute resolution.”



2026

Budget Theme

Resetting for Growth, Jobs, and Economic Transformation



Introduction

This year's budget sets out key fiscal policy objectives to support the economic transformation agenda of the country. The fiscal policy objectives of the Government include:

01	Rationalise government expenditure.	
02	Optimise domestic revenue mobilisation through enhanced revenue administration and compliance measures.	
03	Increase the share of domestic capital expenditure to spur economic growth and job creation.	
04	Reduce public debt to sustainable levels and adopting prudent debt management practices to support debt sustainability.	
05	Use legislative reforms including amending the Fiscal Responsibility Act to promote fiscal and debt sustainability.	
06	Restore confidence in Ghana's economy.	

03

Global Developments



Global Economic Developments & Outlook

The global GDP growth rate is expected to slow from 3.3 percent in 2024 to 3.2 percent in 2025 and to 3.1 percent in 2026. Meanwhile, global inflation is projected to decline steadily, falling from an average of 4.2% in 2025 to 3.7% in 2026.

NORTH AMERICA

- Economic activity in the region is expected to moderate, with growth slowing from 2.6% in 2024 to 1.8% in 2025, before making a mild recovery to 2.0% in 2026.
- In the United States, growth is similarly projected to soften, easing from 2.8 % in 2024 to 2.0 percent in 2025, and then edging up slightly to 2.1 % in 2026.
- These downward revisions largely reflect heightened policy uncertainty, increasing trade restrictions, and slower expansion in both the labour force and overall employment.
- The expected stabilisation in 2026 is supported by reduced effective tariff rates, a fiscal uplift from the enactment of the One Big Beautiful Bill Act (OBBBA), and gradually improving financial conditions.

EUROPE

- The Euro economy is expected to expand modestly, increasing from 0.9% in 2024 to 1.2% in 2025, before easing slightly to 1.1 % in 2026. Despite slight growth, these figures represent a downward revision from earlier forecasts, largely reflecting policy uncertainty and higher tariff levels.
- Within the bloc, Latvia is projected to record the strongest improvement, with growth rising from 1.0% in 2025 to 2.2% in 2026. In contrast, Ireland is expected to experience a sharp slowdown, with growth declining from 9.1% to 1.3% over the same period.
- In Germany, which accounts for approximately 30% of the Euro area, growth is forecast to improve from -0.5% in 2024 to 0.2% in 2025, eventually rising to 0.9% in 2026. The recovery is supported by stronger private consumption driven by rising real wages, alongside fiscal easing.
- The United Kingdom is projected to grow steadily, with output increasing from 1.1% in 2024 to 1.3% in both 2025 and 2026. This reflects a robust performance in the first half of 2025 and positive sentiment following the UK-US trade agreement announced in mid-2025.

SUB-SAHARAN AFRICA

- Economic activity in Sub-Saharan Africa (SSA) is expected to remain steady at 4.1% in 2024 and 2025, before strengthening to 4.4% in 2026. This anticipated improvement reflects ongoing macroeconomic stabilisation efforts and structural reforms across several key economies.
- Guinea is projected to record the strongest expansion, with growth rising sharply from 7.2% in 2025 to 10.5% in 2026. Conversely, Senegal is expected to face a notable contraction, with growth declining from 6.0% to 3.0% over the same period.
- In Nigeria, output is forecast to increase from 3.9% in 2025 to 4.2% in 2026, driven by higher oil production, improving investor sentiment, a supportive fiscal stance in 2026, and the country's relatively limited exposure to higher US tariffs.
- South Africa's growth is expected to remain subdued, rising only slightly from 1.1% in 2025 to 1.2% in 2026, supported primarily by resilient performance in the financial services sector.

MIDDLE EAST, EMERGING & CENTRAL ASIA

- Economic growth in emerging and developing Asia is projected to ease slightly, declining from 5.2% in 2025 to 4.7% in 2026. In contrast, the Middle East and Central Asia region is expected to experience a mild pickup in activity, with growth rising from 3.5% in 2025 to 3.8% in 2026.
- China's economy is anticipated to slow, with growth moderating from 4.8% in 2025 to 4.2% in 2026. This deceleration is largely driven by heightened trade policy uncertainty, particularly in relation to the United States.
- In Saudi Arabia, growth is set to strengthen significantly, increasing from 2.0% in 2024 to 4.0% in both 2025 and 2026. This improvement primarily reflects the reversal of earlier oil production cuts.
- India's economy is expected to remain resilient, sustaining growth of 6.5% in both 2024 and 2025, before easing slightly to 6.2% in 2026. The outlook is supported by strong carryover effects from a robust first quarter of 2025, which more than offset the impact of higher effective US tariffs.

Sources: IMF World Economic Outlook October 2025, World Bank

The global economic outlook faces geopolitical risks

Geopolitical developments around the world continue to influence global economic conditions as we move toward 2026. Ongoing conflicts, rising strategic competition among major economies, and periodic disruptions to key trade routes are shaping market sentiment and investment decisions. These factors are contributing to a more uncertain outlook, with implications for supply chains, energy security and overall economic stability across regions.

Rising Sahel Insecurity Poses Risks to West African Stability

Security challenges in Mali, Burkina Faso and Niger continue to evolve, with instability gradually extending toward parts of coastal West Africa. These developments may affect key transport routes, mining areas and commercial activity across the region.

Russia-Ukraine War

The protracted Russia-Ukraine conflict continues to shape Europe's energy landscape, heightening concerns around supply reliability and market stability. Recent escalations have further strained regional energy systems, reinforcing uncertainty across broader European energy markets.

Escalating Trade Tensions and Economic Uncertainty

The U.S. has sharply raised tariffs in 2025, lifting its average rate to the highest in nearly a century and targeting more than 90 countries. These actions heighten the risk of reciprocal measures, potential supply-chain disruptions and increased operating costs, contributing to a more uncertain global economic environment.

Emerging Markets Navigate Rising U.S. Trade Tensions

Recent U.S. tariff adjustments are affecting emerging markets in varied ways. Southeast Asian economies have seen broadly similar tariff levels, while several Latin American countries face lower rates. In response to ongoing uncertainty, many emerging markets are diversifying their trade and security partnerships, particularly through deeper engagement with China and other regional players.

US-China trade and tech rivalry

Competition between the U.S. and China increasingly centres on advanced technologies, particularly AI, which both nations view as a strategic priority. The U.S. has introduced an expansive AI Action Plan with measures designed to accelerate innovation and strengthen its global technological position. These developments are reshaping supply-chain dynamics, influencing investment decisions and creating a more complex operating environment for firms navigating the two countries' evolving technology ecosystems.

Climate Policy Rollbacks

The US shift away from decarbonisation under Trump, including withdrawal from the Paris Agreement, cuts to climate finance, and efforts to roll back emission rules is slowing global green-energy investment. This reversal complicates climate-resilience planning and increases financing uncertainty for the global energy transition.

Easing Red Sea Disruptions

The Houthis' recent indication that they may halt attacks on vessels transiting the Red Sea has created room for shipping carriers to resume using the Suez Canal. This development marks a potential turning point after months of maritime disruption that forced global shipping lines to divert around the Cape of Good Hope.

Rising Tensions Around Taiwan

China's stepped-up military, cyber and economic pressure on Taiwan in 2025 has elevated regional uncertainty. Any significant disruption would affect one of the world's busiest shipping corridors and constrain global semiconductor supplies, with broad implications for manufacturing and advanced technology sectors.

Sources: EIU, World Bank, Financial Times, BlackRock, S&P Global

05

The Economy



Summary of Economic Performance

Ghana's economic performance in 2025 has been robust, with overall GDP growth reaching 6.3% in the first half of the year, up from 5.1% during the same period in 2024. Non-oil GDP surged to 7.8%, highlighting the growing role of domestic production and consumption in sustaining Ghana's recovery.

Inflation has progressively moved in a downward trend in 2025, with a rate of 8.0% at the end of October 2025. At the end of 2024 the figure stood at 23.8%, this reflects the combined impact of improved food supply, exchange rate stability, and strong monetary and fiscal coordination.

Indicators	2024 Outturn	2025 Targets	2025 End of September Outturn	2025 Revised Targets
Overall GDP Growth Rate	5.7%	4.0%	6.3%*	4.8%
Non-Oil GDP Growth Rate	6.0%	4.8%	7.8%*	5.3%
End of Period Headline Inflation Rate	23.8%	11.9%	8.0%**	8.0%
Overall Balance deficit (% of GDP) (commitment basis)	7.9%	3.2%	1.5%	1.8%
Primary Balance (% of GDP) (commitment basis)	-3.9%	1.5%	1.6%	1.5%
Import cover	4 months	3 months	4.8 months	3 months

*Half year (Jan – June 2025)

**October 2025

Sources: 2026 Budget Statement and Economic Policy

Fiscal Developments*

Total revenue (target: GH¢ 162.6 bn) underperformed as non-oil tax revenue, oil and gas receipts, grants, and other revenues fell below targets due to lower oil prices, reduced production, cedi appreciation, and delayed donor disbursements, partly offset by stronger non-oil, non-tax revenue performance (target: GH¢ 14.0 bn).

Total expenditure (target: GH¢ 207.0bn) remained below target due to fiscal restraint, lower interest costs, efficiency-driven cuts to goods, services, and other spending, and reprofiled CAPEX (GH¢ 26.6 bn), while grants to agencies (target: GH¢ 39.3 bn) and compensation (target: GH¢57.5bn) exceeded targets with the latter being driven by in-year pay adjustments and essential recruitment.

Total Revenue & Grants - GH¢154.9 bn (11.1% of GDP)

GH¢ 122.1 bn

Tax Revenue (non-oil)

GH¢ 19.4 bn

Non-Tax Revenue (non-oil)

GH¢ 5.9 bn

Oil & Gas

GH¢ 0.9 bn

Grants

GH¢ 6.6 bn

Other Revenue

2025 Q1–Q3 Budget deficit
actual**

GH¢ 23.5 bn

2025 Q1–Q3 Budget
deficit target

GH¢ 44.4 bn

Total Expenditure - GH¢ 178.4 bn (12.6% of GDP)

GH¢ 58.1 bn

Compensation of Employees

GH¢ 3.8 bn

Use of Goods and Services

GH¢ 42.7 bn

Interest Payments

GH¢ 0.1 bn

Subsidies

GH¢ 11.0 bn

Capital Expenditure

GH¢ 42.6 bn

Grants to Gov't Agencies

GH¢ 17.8 bn

Other Expenditure

GH¢ 2.3 bn

Social benefits

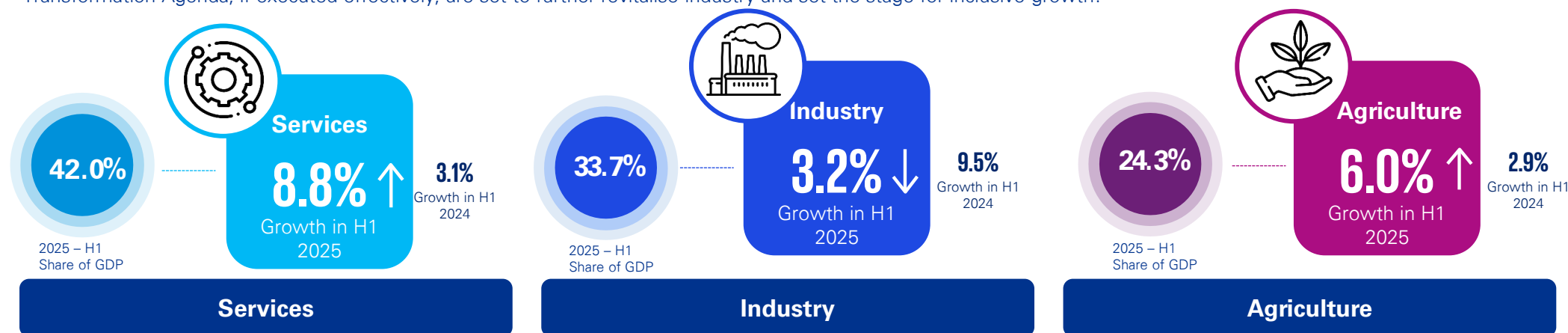
* - The figures presented are provisional for 2025 Q1–Q3

** - The budget deficit is calculated on Commitment basis

Source - MoF

Sectoral performance snapshot

The headline 6.3% GDP growth in H1 2025 is a positive signal of recovery and stabilisation. Strong service sector growth (8%) and resilient agriculture sector performance (6% growth) anchored growth over the period, signalling a broad-based recovery. Proposed initiatives under the Ghana First Strategy and Agriculture for Economic Transformation Agenda, if executed effectively, are set to further revitalise industry and set the stage for inclusive growth.



Services expanded by 8.9% in H1 2025, compared to 3.1% in 2024, driven by strong growth in information and communication, finance, education, and transport. Digital adoption and fintech innovation supported this growth, while real estate and hospitality remained subdued. Persistent challenges include infrastructure gaps, high cost of credit, and skills mismatches that constrain productivity and competitiveness.

The 2026 Budget aims to accelerate transformation through targeted investments in digital infrastructure, nationwide broadband expansion, and support for fintech and e-commerce platforms. Education and health reforms are designed to strengthen human capital, while tourism and creative arts initiatives seek to boost foreign exchange earnings and job creation. Additional measures include improving transport and logistics systems to enhance service delivery and competitiveness. If implemented effectively, these interventions will deepen service-sector resilience, create jobs, and drive inclusive growth.

Industry expanded by 3.2% in H1 2025, compared to 9.5% in the same period 2024, supported by manufacturing recovery and construction activity, despite continued declines in oil and mining output. Structural challenges persist, including high energy costs, limited access to finance, and weak linkages between industry and agriculture.

The 2026 Budget prioritises industrial revitalisation through the Ghana FIRST strategy, focusing on agro-processing, light manufacturing, and export development under AfCFTA. Key interventions include retooling GRATIS centres, supporting industrial parks, and promoting electric vehicle assembly to position Ghana as a regional hub. The Government is implementing energy sector reforms to reduce generation costs and improve reliability, as well as upstream oil and gas investor-friendly reforms to restore confidence, encourage capital inflows, and unlock untapped reserves.

Effective implementation could boost competitiveness, create jobs, and expand exports.

In the first half of 2025, agriculture grew by 6.0%, up from 2.9% in the same period of 2024, driven by strong performances in crops, livestock, and fishing, supported by favorable weather. However, challenges persist, including high post-harvest losses due to limited rural infrastructure, inadequate storage, and financing issues for smallholder farmers. Mechanisation remains confined to commercial farming, and forestry continues to face declines, highlighting the need for sustainable land-use strategies.

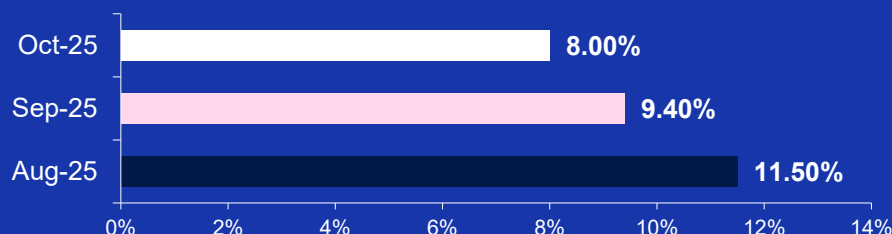
The 2026 Budget aims to modernise agriculture by scaling mechanisation through Farm Service Centres, expanding irrigation for year-round farming, and improving storage to reduce post-harvest losses. It prioritises diversification into tree crops and aquaculture to boost resilience and exports, alongside fisheries reforms such as cold storage facilities and training programmes to create jobs and modernise value chains. If implemented effectively, these measures could enhance productivity, stabilise food prices, and improve rural livelihoods.

Source: 2026 Budget Statement, Ghana Statistical Services (GSS)

Monetary Sector

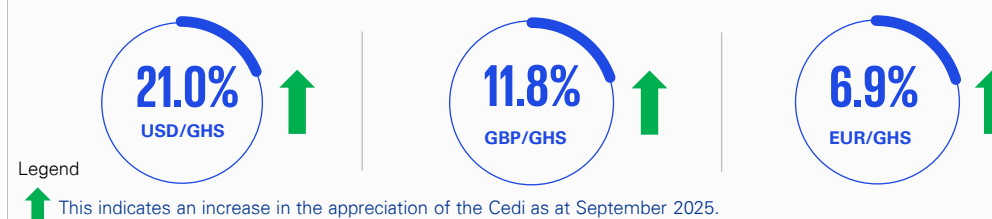
Inflation

Inflation continued to ease steadily, falling from 11.5% in August 2025 to 9.4% in September and further to 8.0% in October 2025. This progress was driven by a combination of fiscal restraint, prudent monetary policy, a stable Cedi and improved domestic food supply. The sharp decline in food inflation from 27.8% in December 2024 to 9.40% in October 2025 played a major role, supported by better harvests, lower transport and storage costs, and improved market access across regions.



Currency appreciation

The Ghanaian Cedi gained 21% against the USD, 11.8% against the GBP, and 6.9% against the EUR in September 2025, despite earlier pressures from import demand and supply disruptions in the gold-for-forex programme. Its stability and appreciation were supported by the Bank of Ghana's strategic forex interventions, higher export earnings, moderation in imports, prudent monetary policies, and positive investor sentiment following favourable IMF review outcomes. These factors collectively helped preserve the Cedi's value and reduce exchange-rate volatility.



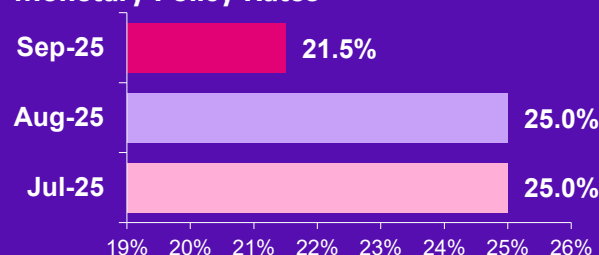
Monetary Sector Developments

- Looking ahead to 2026, Ghana's monetary policy will focus on maintaining macroeconomic stability, keeping inflation within the 6%-10% target range, strengthening the Cedi, and supporting sustainable growth.
- The Bank of Ghana will build on past policy frameworks to reinforce disinflation and preserve real positive returns, while expanding credit to the private sector to stimulate economic activity.
- Structural reforms, including the new Foreign Exchange Operations Framework, enhanced exchange rate flexibility, and greater transparency in FX operations, are intended to reduce market distortions, support reserve accumulation and stabilise investor expectations, thereby ensuring low inflation, steady growth, and resilient external balances.
- As government projects expand, requiring all public contracts to be priced in Ghana cedis, per the Foreign Exchange Act, 2006 (Act 723), is expected to strengthen the cedi, stabilize the economy, and protect monetary sovereignty.

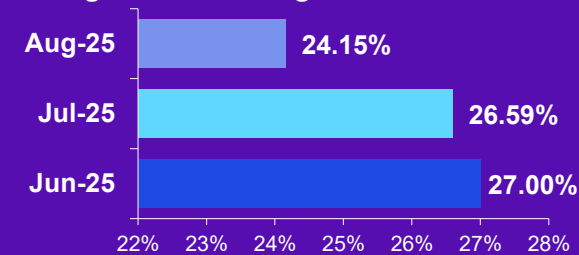
Interest Rates

The decline in the MPR from 25.0% in July 2025 to 21.50% in September 2025 reflects a shift from previously tighter liquidity management, where the Bank of Ghana had sought to control inflation through high interest rates. With inflationary pressures easing, the Central Bank now has room to reduce the policy rate in a more supportive move for economic growth. The combined effect of the reduction in the MPR and lower treasury yields resulted in the Ghana Reference Rate (GRR) dropping from 29.3% to 19.9% between August 2025 to September 2025. This, in turn, has positively impacted the Average Bank Lending Rate falling from 27.0% in June 2025 to 26.59% in July and further to 24.15% in August 2025. This improvement was supported by lower short-term interest rates and Government's strategy to reduce borrowing costs and strengthen private-sector financing conditions.

Monetary Policy Rates



Average Bank Lending Rate



Sources: Ministry of Finance 2025 Budget Statement, Bank of Ghana, Ghana Statistical Service

Ghana's debt situation

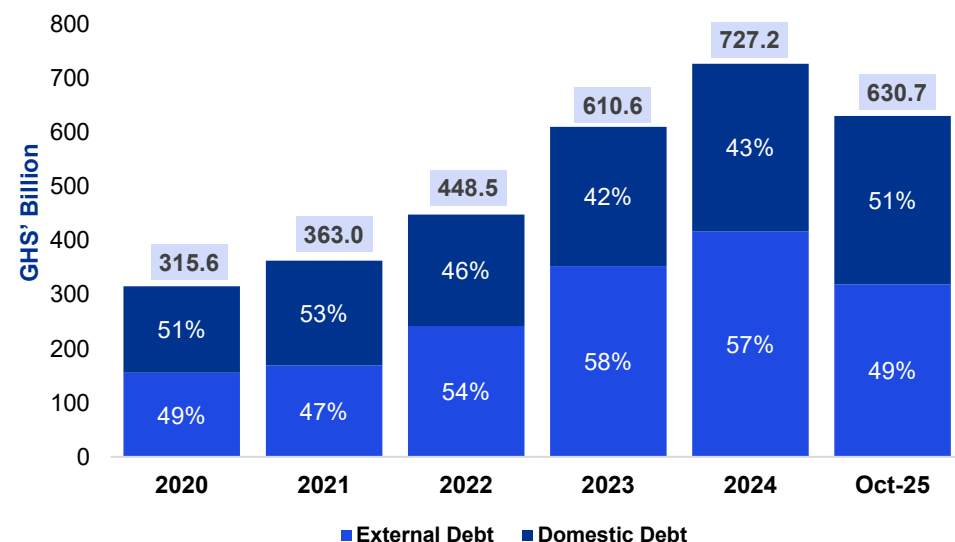
Ghana's 2026 Budget reflects a turnaround in the country's public debt position, marking one of the strongest improvements in over a decade. Total public debt fell from GH¢726.7 billion (61.8% of GDP) in December 2024 to GH¢630.2 billion (45.0% of GDP) by October 2025, a reduction of about 13 percent, reflecting a negative debt accumulation underscoring a meaningful restoration of debt sustainability.

This improvement is underpinned by a combination of fiscal consolidation, restrained borrowing, and favourable exchange rate developments. A key driver has been the significant appreciation of the Cedi which lowered Ghana's external debt share from 57.4% to 49%. Borrowing costs have also fallen sharply, with Eurobond yields dropping by more than 300 basis points and prices rising by 17%, easing government financing pressures. Domestically, treasury bill rates have declined steeply across all maturities, averaging a reduction of about 1,692 basis points. This represents a remarkable easing of domestic borrowing costs, strengthening fiscal space and lowering the Government's debt-servicing burden.

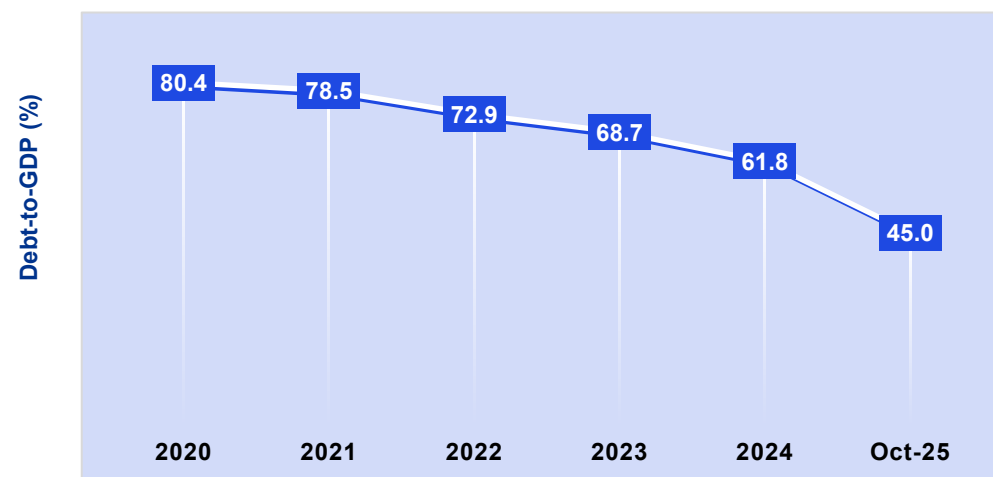
These improvements have strengthened investor confidence, reflected in recent upgrades from international rating agencies. In October 2025, Moody's raised Ghana's rating to Caa1, followed in November by S&P Global's upgrade to B-/B. Both agencies cited Ghana's fiscal consolidation, rising reserves, and consistent reform implementation.

Ghana's medium-term debt outlook is expected to improve gradually as Government strengthens its liability-management framework and rebuilds key buffers. A key development is the now operational Sinking Fund, with dedicated cedi and dollar accounts serving as a disciplined savings mechanism for future debt repayments with inflows from annual budget allocations, loan recoveries, investment income, and surpluses from the Stabilisation Fund cap. Government also plans to return to the domestic bond market in 2026. This re-entry must be carefully sequenced to avoid crowding out private-sector borrowers and to prevent excessive upward pressure on interest rates which could weaken fiscal indicators.

Trends in the public debt stock



Trends in public debt-to-GDP ratio

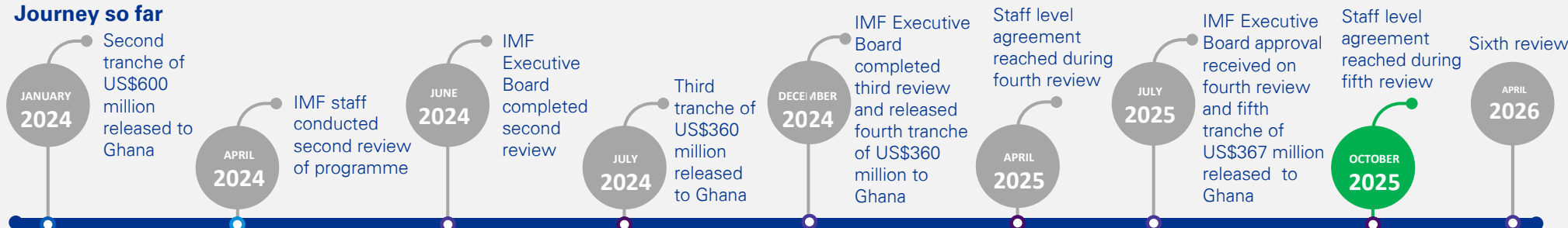


Source: 2026 Budget Statement



Programme updates on IMF

Journey so far



The IMF and the Government of Ghana have reached a staff-level agreement to complete the fifth review of the Extended Credit Facility (ECF) Programme

On 10 October 2025, the IMF staff and the Government reached a staff-level agreement to conclude the fifth review of the Extended Credit Facility programme. Once approved by the IMF Executive Board, Ghana will access US\$385 million.

This progress reflects Ghana's successful delivery on all end-June performance criteria, including keeping inflation within the consultation band. Nine of the eleven structural benchmarks due between June and September, have been fully met, with the remaining two being refined for long-term sustainability.

The Government continues to advance reforms across debt restructuring, fiscal consolidation, energy sector management, foreign exchange operations and financial sector stability, as outlined below.

- Significant improvements have been made in the energy sector through renegotiated IPP agreements, quarterly tariff adjustments, and increased payments via the Cash Waterfall Mechanism.
- Debt restructuring is also moving forward, supported by a signed MoU with official creditors and ongoing negotiations with remaining lenders to conclude the process
- The Bank of Ghana has begun a monetary policy easing cycle, cutting the policy rate by 650 basis points to 21.5%. A new structured FX operations framework is helping manage market volatility and rebuild reserves.
- Efforts to reinforce the banking sector following the impact of the DDEP, are also underway, including reforms to state-owned banks, enhancements to crisis management frameworks, and measures to tackle non-performing loans. Recapitalisation of state-owned banks is expected to conclude by end-2025.

The remaining US\$720 million will be released in tranches upon successful fifth and sixth reviews.

What next?

Ghana is expected to receive an additional US\$385 million following IMF Executive Board approval of the Fifth Review, bringing total disbursements under the ECF to US\$2.825 billion.

This next tranche, together with upcoming World Bank DPO support and other multilateral financing, will provide critical external resources to meet budgetary needs, finance priority infrastructure, and rebuild international reserves.

Over the coming months, continued progress on programme reforms will remain essential to sustaining international confidence, improving market access, and consolidating gains in macroeconomic stability.

The upcoming Sixth Review in April 2026, upon successful completion and approval, is expected to unlock a further US\$335 million, maintaining momentum in Ghana's reform programme and strengthening confidence in the country's economic recovery path.

As the ECF arrangement is set to conclude in mid-2026, Ghana's readiness to successfully exit the programme will hinge on disciplined fiscal management, durable debt sustainability, and continued structural reforms.

Sources: Ministry of Finance 2025 Budget Statement, IMF Website

06

Tax & Non-Tax Revenue Initiatives



Proposed Tax Initiatives & Revenue Measures

01 Proposed VAT Reforms

Amendments to the VAT Law

The Government has introduced a comprehensive package of VAT reforms aimed at simplifying the tax system, promoting fairness, and supporting business growth. The measures include the following:

- Abolish the COVID-19 Health Recovery Levy.
- Abolish the decoupling of GETFund and NHIL levies, allowing for input tax deductions.
- Increase the VAT registration threshold from GH¢200,000 to GH¢750,000.

Removal of VAT on mineral exploration and reconnaissance activities

Government is proposing to remove VAT on these activities with the expectation of restoring investor confidence, encouraging new exploration projects and supporting the long-term sustainability of Ghana's mining industry.

Extension of zero-rate VAT on locally manufactured textiles to 2028

Government has extended the zero-rated VAT on locally manufactured textiles from December 2025 to December 2028. This move aligns with the Ghana Textile and Garment Policy to promote industry growth. The extension is expected to protect over 2,000 direct jobs in the sector.

Introduction of Digital Solutions for VAT collection

Government will deploy digital systems to monitor and collect VAT, mainly targeted at cross-border transactions conducted on digital platforms.

Introduction of Fiscal Electronic Devices (FED)

Government proposes to introduce and operationalise the use of FED. The FED Act 2018, (Act 966) has been in existence since 2018. This is aimed at improving compliance and enabling more effective monitoring of taxable transactions among VAT-registered taxpayers.

Introduction of VAT Reward Scheme

The VAT Reward Scheme encourages the public to collect and submit VAT receipts to promote compliance monitoring. Taxpayers can join promotional activities and earn rewards for their submissions. This initiative aims to strengthen VAT enforcement and public participation.

Our Point of View

The Government of Ghana's proposed amendments to the VAT law mark a major step toward modernising the country's tax system, with broad implications for businesses, government revenue, investors, and households.

The reforms aim to lower costs and simplify compliance for businesses, while expanding VAT exemptions to support more SMEs and improve their cash flow. Although businesses will need to adjust to new digital tax systems, these changes are expected to enhance overall compliance, efficiency, and transparency in the long term.

Consideration should be given to the implementation of structured public engagement and training programmes for tax payers and businesses to help build trust and adoption readiness for the proposed digital tax systems to facilitate a smooth transition and minimise resistance.

Although reductions in VAT rates and expanded exemptions could initially reduce government revenue, these effects are likely to be offset by improved compliance gains resulting from digital monitoring and increased public participation through the reward scheme. This approach reflects a strategy to balance short-term revenue risks with long-term gains in tax collection efficiency.

Overall, the proposed VAT reforms align with global best practices, balance business growth, enhance revenue mobilisation, and investor confidence. The emphasis on digitalisation and public participation is forward-looking, but successful implementation and stakeholder engagement will be critical to achieve equitable benefits across the economy.

Proposed Tax Initiatives & Revenue Measures

02 Tax Administrative Measures

Review of the Income Tax Act, 2015 (Act 896)

Government plans a comprehensive overhaul of the Income Tax Act, 2015 (Act 896) to address inconsistencies, simplify the law, and align with global tax standards amid digital and economic changes. The review will consolidate amendments and ensure Ghana's tax regime is fair, transparent, and investor-friendly.

Review of the Customs Act, 2015 (Act 891)

The Customs Act, 2015 (Act 891) will be reviewed to align with international standards in trade facilitation, digitalisation, and border efficiency. The proposed reforms will simplify border procedures, reduce clearance times, lower business compliance costs and strengthen Ghana's competitiveness and customs enforcement. All amendments and subsidiary legislations will be consolidated into a single, coherent legal framework for clarity and ease of implementation.

Review of the Excise Duty Act, 2014 (Act 878)

The Excise Duty Act, 2014 (Act 878) will undergo a comprehensive review to align with global trends and Ghana's priorities, expanding coverage to products like carbon-intensive goods, plastics, and sugary beverages. The review aims to harmonise excise rates, broaden the tax base, and promote public health, environmental sustainability, and fiscal responsibility. Modernising the Act will simplify administration, improve compliance, and ensure the excise system supports both revenue mobilisation and social wellbeing.

Operationalisation of the Independent Tax Appeals Board (ITAB)

The Independent Tax Appeals Board (ITAB) has finalised its operational framework and will be fully activated subject to the passage of the Revenue Administration Regulations, 2025. Once operational, ITAB will serve as an impartial mechanism for resolving tax-related disputes.

Our Point of View

Government's proposed review of these key tax laws represents a significant step toward modernising the country's tax framework. The comprehensive overhaul and simplification of existing tax Acts coupled with the consolidation of amendments into coherent legal frameworks will enhance clarity and reduce legal uncertainties for businesses. However, businesses particularly those in digital and excisable sectors should anticipate stricter enforcement and possible changes in tax liabilities as the government expands the tax base and aligns with international standards.

While these reforms mainly target businesses and government revenue, households may benefit indirectly through improved public services, job creation, and long-term health and environmental gains resulting from efficient revenue mobilisation. Nonetheless price adjustments are likely as businesses adapt to the new tax system.

Aligning tax laws with global standards and emphasising digital taxation and trade facilitation underscores Ghana's commitment to active participation in the global economy. These proposals, reflects a progressive approach to tax policy, seeking to balance revenue generation, administrative efficiency, and investor confidence. Government's ability to achieve the desired outcomes for these significant policy reviews will depend on effective implementation and robust stakeholder engagement across all sectors of the economy. The government should strive to adhere to its proposed timeline for presenting the bills for these Acts to Parliament for consideration during the 2027 budget presentation.

Finally, the operationalisation of the ITAB will further strengthen trust by ensuring fair and transparent dispute resolution, reinforcing Ghana's reputation as a predictable and investor-friendly jurisdiction.

07

Sector Initiatives



Sector Initiatives

01 Energy and Natural Resources

❑ Gas-to-Power Transformation

The government is transitioning from using expensive light crude oil for electricity generation to using cleaner, locally produced natural gas. This change will cut power generation costs by about 75%, reduce financial pressure on the energy sector and the national budget, improve energy security and support climate goals. In a bid to achieve this, government has taken the following steps:

- Gas processing capacity at the Offshore Cape Three Points (OCTP) site was upgraded in July 2025, increasing capacity from 240 to 270 million cubic feet per day.
- Gas production from the Jubilee and TEN fields rose from 110 to about 130 million cubic feet per day.
- The government has secured an agreement with OCTP partners for an extra 80 million cubic feet per day.
- Another agreement with Jubilee partners will add 70 million cubic feet per day.

These increases mean there is the need for more infrastructure to process the gas. A committee has been set up to fast-track the building of a second gas processing plant (GPP 2) to handle the extra supply.

❑ Construction of a 1,200 megawatts State-Owned Power Plant and feasibility studies for mini-hydro generation

In the medium term, Ghana will produce an extra 150 million cubic feet of gas per day from OCTP and Jubilee partners. This would be enough to generate about 1,200 megawatts of electricity.

Starting in 2026, the Government will build a 1,200-megawatt state-owned thermal power plant to use this gas. This plant will help provide reliable, affordable power and secure Ghana's energy future.

Additionally, Government intends to study the potential for hydroelectric power plants on the Red Volta River and other southern rivers to explore new renewable energy sources.

Our Point of View

Government's transition from light crude oil to locally produced natural gas for electricity generation represents a strategic shift toward cost efficiency, energy security, and environmental sustainability. While the outlined initiatives are pivotal, some critical considerations must be addressed to ensure their success and maximisation of their benefits.

To fully realise the benefits of this transition, government must make simultaneous investment in transmission and distribution networks to prevent bottlenecks and ensure reliable power delivery, particularly in underserved areas. Upgrading the grid, reducing technical losses, and adopting smart technologies are essential in this regard.

While the transition to natural gas is expected to lower generation costs, the impact on end-user tariffs will depend on the efficiency of the entire value chain, including transmission, distribution and regulatory frameworks. Transparent tariff-setting mechanisms and cost-reflective pricing will be essential to ensure the financial viability of sector players.

Although natural gas is cleaner than oil, it is still a fossil fuel. In view of this, environmental assessments and mitigation measures will be necessary to address potential impacts, including emissions and community concerns. Government must be deliberate about engaging key stakeholders and ensure compliance with environmental regulations to support sustainable development.

Finally, government's decision to assess the hydroelectric potential of the Red Volta River and other southern rivers demonstrates a strong commitment to diversifying Ghana's energy mix with renewable sources. This initiative aligns with the goal of achieving a 10% renewable share in the electricity mix by 2030 and aims to harness untapped hydro resources to complement thermal generation, reduce dependence on fossil fuels, and strengthen energy security.

Sector Initiatives

01 Energy and Natural Resources

❑ Reviving Ghana's Oil and Gas Sector

Ghana's oil production has dropped by almost half since 2019, from 71.4 million barrels to about 36 million in 2025. The Government has extended current agreements to sustain production and attract new investments. Strategic partnerships with operators is expected to inject \$3.5 billion into the upstream sector and boost production.

This includes \$2 billion for drilling 20 new wells in Jubilee and TEN fields and \$1.5 billion to expand operations at Offshore Cape Three Points.

Major companies such as Shell are expressing interest, which is expected to attract additional capital investment and advanced technology. GNPC will start drilling in the Volta Basin in October 2026.

The Government is also reviewing rules to make the oil sector more competitive and transparent.

❑ Rural Electricity Acceleration and Urban Intensification Initiative

Starting in 2026, the government will launch two major programmes to achieve universal access to electricity:

- Rural Electricity Acceleration and Urban Intensification Initiative – to connect all unserved and under-served communities using a fast, coordinated approach.
- Electricity Intensification Programme – to connect homes, schools, and businesses in areas that already have electricity but are not fully connected.

These programmes will expand the grid, add transformers and poles and create jobs. They aim to make access to electricity universal, affordable, and transformative. The rollout will cover all 16 regions from 2026 to 2029, starting with Volta, Oti, Savannah, and Central regions.

Off-grid solar will also be extended to remote communities like island towns.

Our Point of View

Ghana's oil production decline poses risks to fiscal stability and energy sector revenues. The Government is pursuing a multi pronged strategy to reverse the decline in oil output and sustain gas supply reliability. The \$3.5 billion investment commitment is a strong signal of investor confidence. However, continued macroeconomic stability, transparency and predictability of regulations and sustained fiscal discipline will be essential to maintain investor confidence.

To achieve this, the government should expedite its regulatory reform agenda by establishing competitive and transparent frameworks. This includes ensuring an open licensing and bidding process for oil blocks and strengthening regulatory bodies to monitor compliance and enforce standards effectively.

Local content and skills development should be strengthened to ensure that new investments build domestic capacity in drilling, engineering, and technology transfer.

Government should also align new projects with global ESG standards to maintain investor confidence and meet climate commitments.

On the Rural Electricity Acceleration and Urban Intensification Initiative, government should mobilise and secure sustainable financing and strengthen institutional capacity such as ECG, NEDCo, and other agencies. This can be achieved by equipping them with technical and operational resources to manage accelerated connections.

Government should also enhance community engagement by involving local stakeholders in planning and execution. Special emphasis should be placed on promoting productive uses of energy to support livelihoods, facilitate adoption and minimise resistance.

Sector Initiatives

02 Agriculture

□ National Policy on Integrated Oil Palm Development

The Government has introduced the National Policy on Integrated Oil Palm Development, scheduled to run from 2026 to 2032. This strategic initiative aims to support a self-sufficient, industrially robust, and export-ready agricultural economy.

This initiative aims to significantly reduce the annual importation of approximately 200,000 metric tonnes of crude palm oil, which currently results in an outflow of US\$200 million in foreign exchange. This is particularly noteworthy given that the country is one of the leading producers of oil palm on the continent.

The Government foresees that the policy will facilitate the cultivation of 100,000 hectares of new oil palm plantations and is expected to generate over 250,000 direct and indirect jobs across the value chain. It aims to achieve self-sufficiency in palm oil production, enhance export competitiveness and promote sustainability. Additionally, the policy prioritises gender inclusion and ensures equitable participation for women and youth.

□ Oil Palm Development Financing

Government, in collaboration with the World Bank, other development finance institutions and the Development Bank Ghana, will establish a dedicated US\$500 million Oil Palm Development Finance Window to support nurseries, out growers, land bank acquisition, long term crop financing, small holder inclusion and local processing for value addition. The facility will provide:

- Long-tenor loans aligned with the crop's growth cycle
- Five-year moratorium on principal and interest payments
- Concessional interest rates to attract private investors
- Financing for up to 70% of project costs, with investors and cooperatives providing the remainder

Our Point of View

- The policy signals a strong commitment to industrialisation and export competitiveness, making Ghana an attractive destination for investment in oil palm cultivation and processing.
- Additionally, the expansion of local oil palm production will generate substantial opportunities for businesses across the agribusiness value chain and other local producers. This increased demand for goods and services will enable these businesses to capture greater market share and expand their operations.
- The US\$500 million Oil Palm Finance Window is a critical success factor, as it addresses long-term financing gaps for nurseries, out-growers, and processing facilities.
- Land-bank acquisition and secure tenure arrangements will mitigate fragmentation risks, while sustainability, gender and youth inclusion considerations strengthen social impact.
- However, success will hinge on timely mobilisation of private investment, effective coordination among stakeholders, and robust enforcement of environmental standards to ensure that expansion aligns with climate resilience and global market competitiveness.

Sector Initiatives

02 Agriculture

❑ Outgrower Partnership Scheme

The Government, in collaboration with smallholder farmers, will implement a new Outgrower Partnership Scheme designed to directly link farmers with nucleus estates and processing facilities. Through this scheme, participating farmers will benefit from access to improved seedlings, mechanisation services, subsidised fertilisers and guaranteed off-take agreements at fair and competitive prices.

To support the effective implementation of this initiative, the Government, through the Tree Crops Development Authority (TCDA), Oil Palm Research Institute (OPRI), and Ghana EXIM Bank, will provide financing, research, and technical assistance to organised cooperatives.

Additionally, a dedicated Smallholder Support Fund will be established to ensure that women and youth have access to affordable credit and skills training. By leveraging the scale of large estates alongside the dynamism of smallholder farmers, the Government aims to develop a value chain that is both competitive and inclusive.

❑ Farmer Service Centres

Under the Farmer Service Centres initiative, the Government will provide more than 4,000 units of various agricultural machinery, including tractors, mini-tractors, disc ploughs, disc harrows, mineral fertiliser spreaders, and combine harvesters, to support 50 agricultural districts.

❑ Feeding Students with Local Produce

All basic and secondary schools are required to source rice, maize, poultry and eggs exclusively from local producers. Furthermore, the Ministry of Education, the Ghana Education Trust Fund (GETFund), the School Feeding Programme, the Free Secondary Education Secretariat, and the National Food Buffer Stock Company have been directed to ensure strict and comprehensive compliance with this mandate.

Our Point of View

- The Government's initiatives to support small holder farmers aims to boost productivity and enhance rural household incomes through integrated value chain support.
- The linking of small holder farmers to outgrower schemes, provision of mechanisation services and improved access to finance and markets aims to address structural constraints to scale and productivity.
- Planned investments in agricultural roads and expanded sourcing of local produce will help to reduce post harvest losses and enhance access to market.
- The effectiveness of the programme will depend on timely delivery of inputs, effective coordination among agencies, and sustained financing, from both private and public sector sources, to ensure smallholders can transition from subsistence to commercial farming, thereby driving inclusive growth and food security.

Sector Initiatives

03 Financial services

□ National Microfinance Policy

The Government will finalise and implement a National Microfinance Policy to strengthen regulation and expand financial inclusion for underserved communities.

□ Ghana Deposit Protection (Amendment) Bill

Amendments to the Ghana Deposit Protection Act will be introduced in 2026 to modernize depositor protection schemes and align them with global best practices

□ New Securities Industry Bill

The Government intends to introduce a new Securities Industry Bill to Parliament to replace the existing law. This is intended to close regulatory gaps and improve governance in capital markets.

□ 10-Year Insurance Master Plan (IMP)

The Ministry of Finance, in collaboration with industry stakeholders, will develop a 10-Year Insurance Master Plan (IMP) to transform the insurance industry into a growth catalyst and enhance resilience against systemic shocks.

□ State-Owned Bank Recapitalisation & SOE Banking Reform

In May 2025, Government recapitalised NIB with GH¢1.9 billion, completing prior actions for the fifth IMF tranche (US\$367 million). The Government disclosed, in the budget, a system-wide strategy in 2026 to recapitalise and strengthen other state-owned banks, with potential listings thereafter.

Our Point of View

The National Microfinance Policy should be designed with proportional requirements that reflect the size and capacity of microfinance institutions.

Consumer protection must be central, with clear rules on interest rate disclosure, grievance redress timelines, and penalties for predatory lending.

Stakeholder consultations with MFIs, fintechs, and consumer groups are essential to ensure the policy is practical and inclusive.

The IMP should set a strategic roadmap for insurance penetration growth, focusing on microinsurance, climate risk products, and digital distribution. It must align with IFRS 17 compliance, risk-based capital standards, and actuarial modernization. Consumer education and trust-building will be critical to reverse low uptake. The plan should also integrate insurance for agriculture and flood risks, leveraging Ghana's climate finance agenda.

The recapitalisation strategy should go beyond capital injection to address governance, risk management, and operational efficiency. State-owned banks must adopt clear KPIs for profitability, NPL reduction, and cost-to-income ratios, with timelines for compliance. KPMG recommends restructuring of non-core portfolios, and digital transformation plans to improve competitiveness. Without these reforms, recapitalisation risks becoming a temporary fix rather than a sustainable solution.

Sector Initiatives

04 Transportation

❑ Planned Projects in Aviation

The Government through the Ghana Airport Company Limited will introduce an airport development fee to fund major aviation projects which includes the rehabilitation of the Sunyani Airport, construction of a new airport in Bolgatanga, development of a multi-national car park and a connecting concourse between Terminals 2 and 3 at the Kotoka International Airport.

❑ Railway Infrastructure Development

The Government has secured financing to facilitate the construction of a 300-km Eastern line from Accra to Kumasi scheduled to begin in 2026. Additionally, feasibility studies are underway for the Trans-ECOWAS Railway linking Ghana, Togo and Cote d'Ivoire with the aim of positioning Ghana as a logistics hub for West Africa.

❑ Road Expansion and Public Transport Modernisation

- Government has begun preparatory works for the Pokuase - Amasaman - Nsawam urban highway expansion and the Accra-Tema Motorway transformation, with construction set to start in 2026 under a public-private partnership (PPP) arrangement. These projects aim to reduce congestion in Accra and improve overall traffic flow.
- As part of efforts to enhance urban mobility and improve commuter experience, Government plans to expand the Bus Rapid Transit Network (BRT), integrate e-ticketing systems and modernise the major transport terminals in Kumasi, Takoradi and Tamale.

❑ Port and Trade Corridor Enhancement

Feasibility activities for the Boankra Inland Port have commenced, with full-scale construction expected to begin in 2026. This project aims to ease congestion at coastal ports, strengthen the northern corridors and improve cargo distribution and efficiency.

Our Point of View

- The rehabilitation of Sunyani Airport, construction of a new airport in Bolgatanga, and upgrades at Kotoka International Airport will enhance passenger experience and regional connectivity. Although the airport development fee may face public resistance, its effective implementation can strengthen Ghana's position as a regional aviation hub and stimulate economic growth.
- The railway initiative represents a strategic investment in regional connectivity and logistics infrastructure, expected to reduce transport costs, enhance trade efficiency, and attract foreign investment. It will increase cargo throughput, create jobs and stimulate industrial growth along the railway corridors. There will be the need to ensure timely execution and maintenance of railway infrastructure to realise the projected economic benefits.
- The implementation of the Pokuase-Amsaman-Nsawam highway expansion and the Tema Motorway expansion through a public-private partnership (PPP) model will leverage private sector efficiency and financing, which will potentially accelerate the timely delivery of this project and ensuring high-quality infrastructure.
- Complimenting the road expansions, the planned Bus Rapid Transit (BRT) network expansion, e-ticketing integration and modernisation of key transport terminals in Kumasi, Takoradi, and Tamale reflects a holistic approach to urban mobility, prioritising both infrastructure and commuter convenience.
- Strengthening the northern trade corridors will enhance regional economic integration, giving farmers, manufacturers, and traders in northern Ghana improved access to domestic and international markets. However, careful planning to manage land acquisition and integrate with existing transport networks is essential for the initiative's success.

Sector Initiatives

05 Health

□ Healthcare Access and Infrastructure

The Government will implement measures to construct six new regional hospitals in the recently established regions, as well as three additional hospitals and two district hospitals in Bole and Shama in 2026. These efforts are aimed at modernising and expanding Ghana's health infrastructure.

Furthermore, the Government will in 2026, complete ten hospital projects under the Agenda 111 initiative. In addition, work will continue the La General Hospital, Effia Nkwanta Hospital, Komfo Anokye Maternity Block, and the Ashanti Regional Hospital. A National Cleft Centre and forensic laboratories will be established for advanced care and diagnostics.

The National Cleft Centre was established at KATH, and forensic laboratories are being developed for DNA and toxicology analysis.

The Government also plans to invest in digital transformation of health systems, including automation of claims processing and fraud detection for efficiency and accountability.

The Government will scale up local pharmaceutical and vaccine manufacturing to strengthen supply chain resilience.

06 Trade and Industry

□ Automotive and Electric Mobility Development

- Government has signed a Memorandum of Understanding (MoU) with Shenzhen New Gecko to facilitate the establishment of an Electric Vehicle (EV) assembly plant.
- In addition to Electric Mobility Development, Government is in ongoing discussions with Cherry International to establish another EV assembly and component manufacturing facility. These efforts are aimed at positioning Ghana as a West African hub for electric mobility, create jobs and promote technology transfer.

□ Strategic Anchor Industries Initiatives

- As part of efforts to generate export revenue and mass job creation, the Government has identified the textiles and garment manufacturing industry and plans to establish three new garment factories in the Bono East Region, Central Region and Eastern region, with these factories operating three shifts.
- Government as part of its measures to support the local industries through its Feed the Industry programme will restrict the exportation of non-ferrous scrap metals, and raw rubber to support the local metals industry, strengthen automotive and machinery component value chains and to ensure sustainable supply of raw materials for domestic rubber processing.
- Government is committed to fully operationalising seven new agro-processing plants to process yam, fish, poultry, cashew, rice, shea butter and palm kernel oil across the Northern, Central, Ahafo, Bono, Northeast, Bono East, and Western North Regions to reduce post-harvest losses and enhance job-creation.
- As part of measures to promote sustainable growth and value addition in the agricultural sector, Government plans to introduce tax incentives and rebates for agribusinesses involved in mechanisation, irrigation, food processing, storage and infrastructure.



07

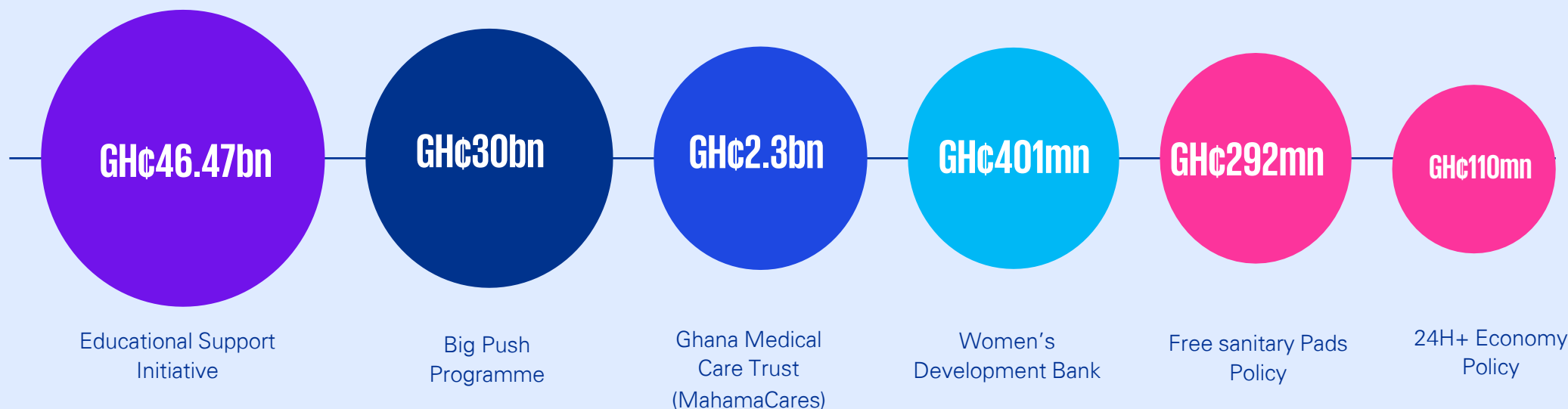
Other Key Initiatives



Allocations to Key Initiatives

The Finance Minister outlined the Government's plan to fund key initiatives for 2026, as the country prepares to move from stabilisation to acceleration.

Allocations to some key Government initiatives in the 2026 budget



Source: 2025 Budget Statement



Proposed Labour-related Initiatives & Measures

The Government of Ghana continues to prioritise labour market reforms and employment generation as part of its broader economic transformation agenda. Key interventions in the 2026 Budget include the operationalisation of the 24H+ Economy Policy and the expansion of Ghana's labour migration strategy through the Work Abroad Programme. These initiatives aim to address persistent unemployment challenges and align Ghana's labour systems with evolving global trends. The focus on skills development and institutional coordination reflects a deliberate shift towards a more responsive and inclusive labour ecosystem.



24H+ Economy Policy

- The Government has allocated GH¢110 million in 2026 to implement the 24H+ Economy initiative and has reaffirmed its intention to operationalise the policy, positioning it as a core economic transformation lever. The policy is expected to stimulate job creation by promoting the conversion of idle hours into productive time to spur export driven, industrial led economic growth.
- In the 2026 fiscal year, the finalisation and implementation of the revised Labour Act by the Ministry of Employment and Labour Relations is expected. The updated Bill is anticipated to define key provisions relating to shift work, night schedules and rest entitlements in alignment with the 24H+ Economy Policy.
- Additionally, the Government announced plans to provide incentives to businesses operating in night and shift-based sectors.

Our Point of View

- The 24H+ economy policy has the potential to unlock significant employment opportunities and optimise asset utilisation across sectors. However, its success depends on robust legal and institutional alignment. Key enablers such as improved transport infrastructure, reliable, competitively priced energy, reliable connectivity and security will be essential for round the clock operations.
- It is also important that the complementary investments in key sectors, including energy, agriculture and agribusiness and transport, are coordinated to anchor export competitiveness and industrial growth. Strong private sector will be necessary for job creation and sustained economic growth.



Work Abroad Programme

- The Work Abroad Programme, Ghana's flagship labour migration initiative, continues to gain traction as a response to domestic unemployment and underemployment.
- 13,449 applications were received in 2025 for placements in the United Arab Emirates (UAE) and 20 workers have already secured confirmed employment offers. Training, screening, and visa processing are currently underway.
- Government plans to scale up the programme in 2026, expanding access to overseas job opportunities, particularly in skill-based roles.

Our Point of View

- The Work Abroad Programme is a promising step toward reducing domestic unemployment and offering Ghanaians structured access to overseas jobs. If implemented effectively, the initiative could become a practical tool for addressing unemployment while building Ghana's global workforce presence.
- However, its success will depend on:
 - 1.Stronger protections for workers through ethical recruitment standards and bilateral safeguards.
 - 2.Alignment with TVET programmes to ensure Ghanaian workers possess skills in demand abroad.
 - 3.Sustainability measures to guard against brain drain, especially in technical and health sectors and reintegration support for returnees.



Other proposed Initiatives & Measures

The Government of Ghana, intends to sustain economic revitalisation through strategic investments in human capital. This commitment is reflected in initiatives such as the free sanitary pad policy and the Ghana Secondary Learning Improvement Programme (GSLIP), alongside other educational support measures. By addressing barriers to education and enhancing learning infrastructure, these programs aim to unlock the potential of Ghana's youth, promote gender equity, and accelerate inclusive economic transformation.



Free Sanitary pads

- Government has allocated GH¢292 million to provide free sanitary pads to female students in primary and secondary schools, with the objective of improving menstrual hygiene and reducing school absenteeism.
- This initiative specifically targets female students in public schools, particularly those in underserved and rural areas.
- Building on the distribution of 6.6 million packs of sanitary pads to public basic schools in 2025, the programme will be expanded in 2026 to include Senior High Schools across the country, further promoting gender equality in education.

Our Point of View

- By providing free sanitary pads to schoolgirls, the policy is expected to promote girls' education, boost self-confidence, and significantly reduce absenteeism and dropout rates, thereby advancing gender equity in education.
- Additionally, the initiative addresses "period poverty," a significant barrier to consistent school attendance, and helps to ensure equal educational opportunities for girls across the country.



Educational Support Initiatives

- Government has announced the rollout of the Ghana Secondary Learning Improvement Programme (GSLIP), a two-year national initiative (2026–2027) aimed at eliminating the double-track system in secondary schools, with a proposed allocation of GH¢1.1 billion.
- Alongside this, the government has allocated approximately GH¢45.37 million to support other critical educational needs, including the "No Fee Stress" policy, provision of free textbooks, capitation grants, school feeding, BECE registration, and related interventions.
- The Government plans to increase enrolment capacity in selected Category A schools by constructing new classroom blocks and dormitories, and by implementing quality improvements. Additionally, ten Category B schools will be upgraded to Category A status and equipped with modern classrooms, dormitories, libraries, and science and ICT laboratories.
- Furthermore, the Government has committed to completing thirty of the abandoned E-Blocks (Community Day Senior High Schools) in urban and peri-urban areas to expand access for students in high-demand regions.

Our Point of View

- The GSLIP aims to address the inefficiencies associated with the double-track system, which, despite expanding access to senior high schools, faced congestion challenges with attendant effects on educational quality.
- This initiative is intended to elevate the standard of education from primary through secondary levels across the country.
- To ensure the successful implementation of GSLIP, the Government must focus on the timely completion of infrastructure projects, efficient allocation of resources, and comprehensive teacher training and recruitment to support effective delivery of the new curriculum.



Other proposed Initiatives & Measures

As stated by the Government of Ghana, “the Big Push embodies the spirit of our 2026 Budget theme, **“Resetting for Growth, Jobs and Economic Transformation”** by ensuring that infrastructure becomes not just an expenditure line, but a national growth engine for transformation”. The Big Push aims to redefine Ghana’s development path. It embodies the Government’s theme of transformation by turning fiscal stability into visible progress (roads, schools, hospitals), creating jobs that empower citizens and finally, building a competitive economy.

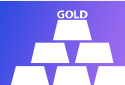


Big Push Programme

- The Government has allocated GH¢30 billion in 2026 for the Big Push Infrastructure Programme, targeting the development of strategic roads and bridges to enhance national connectivity by linking regional and national capitals.
- As part of this initiative, two major projects have been introduced: the Accra-Kumasi Expressway and the Ekye Amanfrom-Adawso Bridge. The Accra-Kumasi Expressway will be Ghana’s first modern six-lane, bi-directional Class A expressway, connecting the capital to the Ashanti Region via the Greater Accra and Eastern Regions, and will include eight major interchanges and three significant bridges over the Birim and Pra Rivers.
- The Adawso-Ekye Amanfrom Bridge and its associated road networks are expected to open up the Afram Plains for large-scale commercial agriculture, thereby unlocking the region’s agricultural and economic potential.

Our Point of View

- Enhanced road connectivity will lower transportation costs, improve logistics efficiency, and create new market opportunities for agribusiness and trade. This project allocation will also generate substantial opportunities for construction firms, and related companies in the value chain.
- Additionally, improved road networks will benefit citizens by reducing travel hours and increasing access to essential services and markets, particularly in rural areas.
- These projects will also promote national integration, drive economic growth, and unlock the agricultural potential of regions such as the Afram Plains, while supporting the broader objectives of infrastructure modernisation and increased productivity.



Ghana Gold Board (GOLDBOD)

- The Government has reaffirmed its commitment to the Ghana Gold Board (GOLDBOD) which was established in 2025 as a central mechanism for gold purchasing, exports and regulation of the small-scale gold mining subsector.
- Beginning 2026, the GOLDBOD will roll out a comprehensive Gold Traceability System, ensuring every gram of gold purchased can be traced to its verified, licensed, and environmentally compliant origin.
- The Government plans to establish a “Gold Village”, a continental hub for gold jewellery design, manufacturing, and export, to position Ghana as Africa’s centre for high-value gold craftsmanship.

Our Point of View

- The Gold Village project has the potential to transform Ghana’s gold industry from a raw commodity exporter into a value adding hub for jewellery design and production.
- This initiative can also attract international buyers and generate higher export revenues as well as redefine Ghana’s position in the global gold market.
- However, its success and durability will hinge on the effective enforcement of compliance standards, targeted capacity building for SMEs and sustained investor confidence to transform Ghana from a raw gold exporter into a hub for refined products and high-value craftsmanship.



Other proposed Initiatives & Measures

The government's proposal for the Women's Development Bank and MahamaCares are key welfare schemes that advance the theme **"Resetting for Growth, Jobs and Economic Transformation"** by moving from stabilisation to acceleration through citizen empowering and livelihood protection. These initiatives serve as welfare schemes designed to strengthen social protection and promote inclusive growth.



Women's Development Bank Initiative

- In 2025, the Government proposed to establish a Women's Development bank which seeks to support women-owned and women-led business, and allocated a seed fund of GH¢51.3mn.
- In 2026, the Government has proposed an additional allocation of GH¢401 million to the Women's Development Bank to crowd-in finance for women-owned MSMEs.

Our Point of View

- The Women's Development Bank's impact would extend far beyond the provision of loans but also, serve as a catalyst for unlocking the full potential of women entrepreneurs while advancing gender equality.
- Women who have consistently faced systemic barriers in accessing credit, would now have dedicated access to affordable finance.
- However, we would have to look out for financial stability, while the initial allocations (GH¢51.3 million in 2025 and GH¢401 million in 2026) are significant, long-term sustainability depends on an effective governance and risk management framework to strengthen credit policy and partnerships with ecosystem players to support the bank's sustainability.



MahamaCares

- The Ghana Medical Trust Fund will finance free primary healthcare and seek to eliminate high out of pocket expenses for non communicable diseases such as cancer, diabetes, and kidney conditions.
- Government has proposed an allocation of GH¢2.3bn to MahamaCares to cover eligible conditions and essential medicines to improve access to care.
- Diagnostic and treatment centers to be established through public-private partnerships, harmonised with NHIS, to strengthen specialised care and advance equitable health access nationwide.
- A comprehensive NCD financing policy will define eligible conditions, approved service lists, tariffs, and essential medicines, ensuring uninterrupted care

Our Point of View

- The measures proposed under the MahamaCares initiative are supportive of Ghana's progress towards universal health coverage and promote the development of a resilient health delivery system.
- Its sustainability, among other factors, will depend on effective governance and transparency to boost confidence among stakeholders and strong coordination between the implementing agencies and health service providers. .

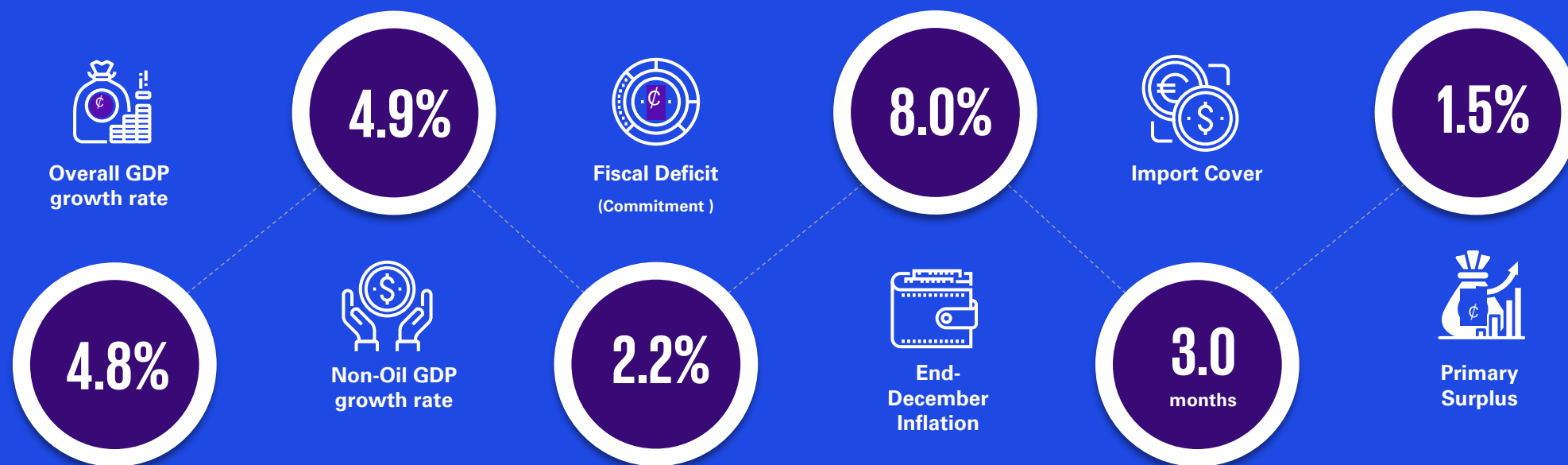


08

Outlook



Targets for 2026



Sources: 2026 Budget Statement and Economic Policy

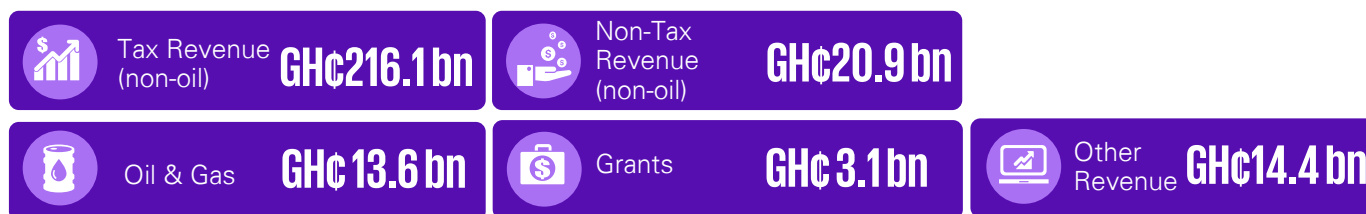


Projected Fiscal Outlook for 2026

Non Oil Tax Revenue is the dominant source of inflows, contributing about 80.6% of total revenue and expanding by about 18.8% year on year. This strong growth makes it the principal driver of the fiscal outlook. Grants account for about 1.1% of total revenue and grants, with all disbursements directed toward priority development projects.

Primary Expenditure (expenditure excluding interest payments) is projected at GH¢244.7 billion, about 15.3% of GDP, reflecting a focus on essential government operations. Compensation of Employees amounts to GH¢90.8 billion, representing about 30% of total expenditure and influenced by the 9% increase in public sector base pay. Capital Expenditure represents about 19% of total spending and 3.6% of GDP, signalling continued commitment to growth focused investment. Domestically financed capital spending totals GH¢45.5 billion, including GH¢30.0 billion for the Big Push Infrastructure Programme, while foreign financed capital projects amount to GH¢12.0 billion.

Total Revenue & Grants - GH¢268.1bn (16.8% of GDP)



Total Expenditure - GH¢302.5 bn (18.9% of GDP)



Sources: 2026 Budget Statement and Economic Policy

Medium Term Macro-Fiscal Targets

Economic Growth Outlook

To achieve 4.8% GDP growth in 2026, the Government plans to shift to investment-led expansion by:

- Supporting industry and services through infrastructure investment and reforms under the PPP and Corporate Insolvency and Restructuring Acts to make it simpler and faster to start and grow a business in Ghana.
- Boosting agriculture via the AETA, Feed Ghana Programme, Farmers' Service Centres, and Farm Banks.
- Expanding trade and exports through the 24H+ Economy Programme, trade reforms, and the AfCFTA.
- Developing human capital via education, apprenticeships, digital skills, and FinTech initiatives.
- Upgrading infrastructure such as roads, energy, irrigation, and digital network, under the Big Push Programme.

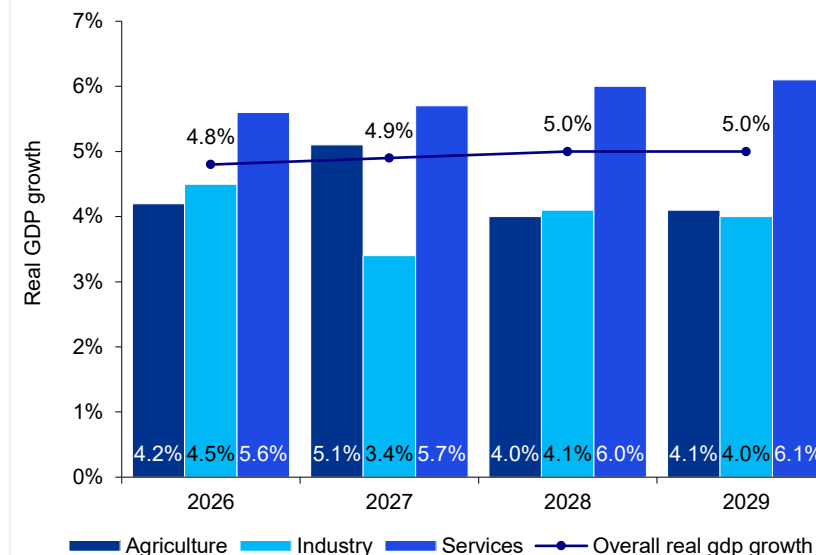
Price Stability

- Inflation is projected at 8% in 2026, within the Bank of Ghana's 6–10% target band, supported by fiscal consolidation, tight monetary policy, exchange rate stability, and improved food supply from higher agricultural output.
- The Bank of Ghana plans to manage liquidity carefully, balancing reserve growth from gold and forex inflows with measures to preserve downward inflation momentum. Private sector credit is expected to expand as banks lend more to productive sectors, stimulating investment and job creation.
- On the external front, strong gold and cocoa exports, remittances, and FDI inflows are expected to sustain a stable Cedi and healthy reserves covering at least three months of imports. These measures will anchor inflation expectations, strengthen macroeconomic stability, and support investor confidence.

Fiscal Sustainability

- The 2026 Budget targets a primary surplus of 1.5% of GDP, ensuring revenues exceed non-interest spending and supporting debt sustainability. On a cash basis, the deficit is 4.0% of GDP, reflecting timing differences in revenue and capital spending.
- Revenue is expected to rise to 16.8% of GDP through improved tax administration, digitalisation, and the Unified Taxpayer Identification System. Expenditure will focus on priority programmes like the Big Push, infrastructure, education, health, and digital transformation, while keeping recurrent costs, including employee compensation, under control.

Medium-term: Overall real GDP growth vs. Sectoral real GDP growth (2026 – 2029)



Macroeconomic targets for the medium term (2026 – 2029)

Indicator	Target
Overall GDP growth (%)	4.9% (average)
Non-Oil GDP growth (%)	5.0% (average)
Inflation (%)	8±2% from 2026 onwards
Primary balance	To be in surplus of 1.5% of GDP
Gross International Reserves	At least 3 months of import cover

Sources: 2026 Budget Statement and Economic Policy

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