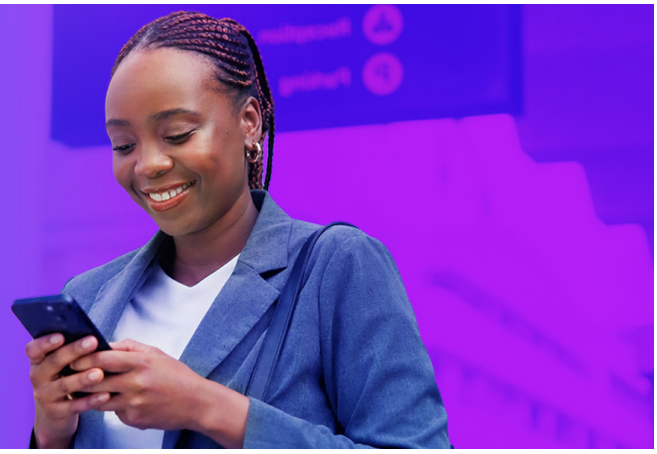
Ghana Economic Briefing: From Stability to Growth



Ghana has moved beyond stabilisation into a more demanding phase: At the Mid-Year Budget Review, we argued that macroeconomic stabilisation, while essential, would only become meaningful if translated into credible economic impact. That remains the central test. Inflation has moderated, the fiscal position has strengthened and renewed interest from development finance institutions and international investors is creating room for growth-oriented investment.

The immediate challenge is to convert this opening into productive investment, sustainable jobs and broad-based value creation, while protecting the cedi, public finances and consumers from renewed shocks in energy, commodities and global financial markets. The durability of the current gains will depend less on further policy announcements than on disciplined prioritisation, institutional credibility and effective delivery.

Taken together, recent Monetary Policy Committee (MPC) signals, the visit of the International Finance Corporation (IFC) Managing Director, targeted government measures and the evolving GoldBod model point to one strategic agenda: mobilising capital into credible, bankable and executable projects within Ghana's fiscal and external constraints.

The opportunity, therefore, is not simply to attract more capital. It is to build a pipeline of investment-ready projects, allocate risks clearly, strengthen delivery institutions and direct long-term finance towards sectors that raise productivity, expand exports, improve infrastructure and deepen industrial competitiveness. In this phase, policy consistency and execution capability will determine whether stabilisation becomes transformation.

Key insight:

Ghana's next chapter will be defined not by the availability of finance alone, but by the ability to deploy it into projects that generate measurable economic impact, create jobs, strengthen foreign-exchange earnings and improve living standards. Execution is now the decisive test of recovery and long-term competitiveness.

How the signals connect

Signal	What it tells us	What it implies for businesses
Bank of Ghana MPC	Domestic conditions have improved, but oil prices, the US dollar and reserve adequacy continue to limit the room for monetary easing.	Do not assume rapid rate cuts or a permanently stable cedi. Build resilience into financing and operating plans.
IFC Managing Director visit	Private capital is being channelled towards defined value chains through finance, technology, advisory support and risk-sharing.	Move from sector ambition to transactions and programmes that are well structured, financeable and deliverable.
Government measures	Fiscal repair is increasingly being linked to production, investment and job creation ahead of the 2027 Budget.	Businesses need to prioritise, structure, govern and execute investments within hard fiscal constraints.
VAT reform and enforcement	The simplified VAT regime is entering an active compliance phase combining education, digital tools, monitoring and enforcement.	Design systems and infrastructure for registration, invoicing, filing, payment and systems readiness, while monitoring consistency and proportionality in enforcement.
GoldBod and commodities	Gold inflows may support reserves and FX liquidity, but oil and cocoa movements can offset those gains.	Manage net FX, fiscal and inflation exposure across multiple commodity scenarios.

1 Monetary policy: more space, but not unlimited space

At the opening of the 132nd MPC meeting on 23 September, Governor Johnson Pandit Asiama questioned whether the existing 14% policy rate remained the appropriate anchor for inflation expectations. This was the start of the policy discussion, not a new rate decision; the July MPC had unanimously maintained the rate at 14%. [1, 2]

The Governor cited inflation of 5.0% in August, second-quarter GDP growth of 6.0%, stronger private-sector credit and a primary surplus above target. He also reported gross reserves of US$11.07 billion, equivalent to 4.2 months of import cover, while warning that higher oil and fertiliser costs, tighter global financing conditions and a stronger US dollar could place renewed pressure on prices and the cedi. Higher gold prices provide a partial counterweight. [1]

Our assessment is that Ghana has gained domestic policy space, but the external position will determine how safely that space can be used. Energy, freight and global borrowing costs can still transmit quickly into domestic prices, financing conditions and exchange-rate pressures, even when headline inflation appears favourable.

2 IFC: moving from sector ambition to investable transactions

During his 15–17 September visit, IFC Managing Director Makhtar Diop commended Ghana's progress on inflation and signalled continued support for private-sector-led growth. Discussions with government covered commercial agriculture and value addition in cocoa, oil palm and poultry, alongside infrastructure, digital connectivity, energy and education. The Finance Minister also identified sugar and pharmaceuticals as priorities. These discussions establish strategic direction, but they should not be interpreted as financing commitments across every sector. [3, 4]

The practical financing model is evident in two announced IFC partnerships: an unfunded risk-participation facility of up to US$50 million with Absa Bank Ghana for cocoa-buying companies; and a US$2.4 million convertible loan, supported by US$480,000 in advisory assistance, for Complete Farmer to expand input finance and organisational capacity. Together, these interventions address lender risk, traceability, access to finance, technology and routes to market. [5]

The broader lesson is clear: other priority sectors will require the same transaction discipline, including credible cash flows, transparent risk allocation, capable counterparties, effective governance and demonstrable implementation capacity.

3 Government action: from fiscal repair to productive investment

Government has begun consultations on a New Economy programme focused on jobs, domestic production and wealth creation. It has announced a US$10 billion investment ambition, with further detail expected in the November 2026 presentation of the 2027 Budget. The composition, sequencing and financing of this ambition therefore remain to be tested. The

proposed investment-promotion legislation, the 2027–2030 budget-preparation process and the public financial management compliance initiative collectively point towards a stronger framework for investment and expenditure decisions. [6–9]

The Finance Ministry reports that the GH¢10.8 billion August Domestic Debt Exchange Programme coupon was paid in full and in cash. It also states that earlier energy-sector payments restored a World Bank guarantee and addressed substantial gas and power obligations. These steps can support confidence, but sustained payment discipline, stronger sector performance and transparent fiscal management will be the more important test. [10, 11]

4 VAT reform: the compliance and enforcement test

The Value Added Tax Act, 2025 (Act 1151), which took effect on 1 January 2026 with its subsequent amendment simplified Ghana's VAT architecture by abolishing the COVID-19 Health Recovery Levy; recoupling the NHIL and GETFund levies to allow input-tax deductions; reducing the effective VAT burden to 20%, raising the registration threshold for a person who engages in a taxable supplies from GH¢200,000 to GH¢750,000; and removing the VAT Flat Rate Scheme. These changes seek to reduce distortions and improve the transparency of the system, while placing greater weight on effective administration and compliance. [14]

To help bridge the potential revenue gap arising from the new VAT architecture, the Government has introduced a series of compliance initiatives. These efforts are reflected in the Ghana Revenue Authority's National VAT Awareness and Compliance Campaign, launched on 22 September under the theme "Request Your VAT Invoice, Help Build Our Nation". The campaign combines taxpayer education with compliance visits, invoice invigilation, risk-based audits, technology and data analytics to address non-registration, failure to issue VAT invoices, non-filing, late filing and delayed payment. For leadership, the central issue is whether enforcement can close compliance gaps without imposing disproportionate disruption on compliant businesses or weakening trust in the reform. [15]

Our assessment is that VAT reform has moved from legislation to execution. Businesses should review registration status, invoicing controls, filing and payment processes, systems readiness and evidence supporting input-tax claims. Government and the GRA, in turn, will need consistent enforcement, clear guidance, accessible digital channels and sustained taxpayer education to convert the reform into sustainable revenue gains and a more level competitive environment.

5 GoldBod and the commodity balance

GoldBod sits at the operational intersection of Ghana's gold production, foreign-exchange liquidity and reserve accumulation. Under its new financing model, it reported generating US$1.315 billion in foreign exchange in August: US$668.21 million sold to commercial banks through spot and funded-forward arrangements, and US$646.59 million made available to the Bank of Ghana for reserve accumulation. Its US$1.4 billion September figure remains a projection rather than a reported outcome. Government's reserve-accumulation policy explicitly relies on gold purchases and GoldBod. [12, 13]

Channel	Potential benefit or pressure	What businesses should consider
Gold	Higher prices and formal exports can strengthen dollar inflows, reserves and support for the cedi.	Price volatility and export volume; traceability; net reserve additions; trading, financing and refining costs.
Oil	Higher crude prices can raise fuel, freight and production costs despite Ghana's domestic oil output.	Import bill; pump and diesel prices; domestic output; government revenue; pass-through to inflation.
Cocoa	Lower prices or weaker volumes can reduce FX receipts and strain farmer payments and value-chain credit.	Export proceeds; purchasing finance; producer payments; rural demand and liquidity.

Gross gold-export proceeds should not be treated as equivalent to GoldBod profit or to a net increase in usable reserves. Gold purchases, financing, trading and refining carry costs, while dollars sold to commercial banks support market liquidity but are not simultaneously retained as reserves. Leadership should therefore seek a transparent reconciliation of gold purchased, export proceeds, realised margins, FX sales and net reserve additions. This is an analytical requirement for assessing the model, not an assertion about its profitability. [12, 13]

The decisive issue is the interaction among commodities. Strong gold prices combined with stable oil could reinforce the cedi and confidence. Conversely, a sharp rise in oil prices, weaker cocoa receipts or a reversal in gold prices would narrow the available cushion. The Governor highlighted the same two-sided exposure: gold can strengthen export earnings and reserves, while energy and fertiliser costs create renewed domestic price risks. [1]

6 Strategic implications for businesses and government

- **Build bankable pipelines of projects:** Clients will need prioritised projects with robust commercial cases, credible cash flows, clear risk allocation and realistic delivery plans.
- **Enhanced execution capability as a financing condition:** Governance, procurement, programme management, controls and institutional capacity will increasingly determine whether capital is committed and retained.
- **Plan against external downside scenarios:** Financing structures and operating models should be tested against oil-price shocks, weaker cocoa receipts, tighter global liquidity and renewed pressure on the cedi.
- Protect fiscal credibility while pursuing growth. Public and public-private investments must demonstrate affordability, sequencing discipline, value for money and measurable economic returns.
- **Prepare for VAT enforcement:** Review registration, invoicing, filing, payment, data quality and systems controls, and address weaknesses before compliance visits or audits.
- Focus on the conversion of capital into outcomes. The relevant measures are productive assets delivered, jobs created, export earnings generated, private capital mobilised and service outcomes improved.

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