

# 2025 Budget Insights

The 2025 Budget Statement and Economic Policy  
of Government of Ghana

March 2025



The better the question. The better the answer. The better the world works.



Shape the future  
with confidence

## A Message from the Country Managing Partner

I am pleased to present the **EY Budget Insight**, following the presentation of the 2025 Budget Statement and Economic Policy presented to Parliament by the Honorable Finance Minister. This year's budget, themed **"Resetting the Economy for the Ghana We Want"**, outlines a bold vision for economic recovery, fiscal discipline, and sustainable growth.

The global economic landscape remains complex, shaped by ongoing geopolitical tensions, including the Russian-Ukraine conflict and instability in the Middle East. While the new US administration under President Donald Trump has signaled efforts toward peace and stability, recent shifts in US foreign policy such as, trade restrictions, imposition of tariffs, and the closure of the US Agency for International Development (USAID), have introduced new uncertainties. These developments have had ripple effects across global markets, impacting trade, investments, and foreign aid flows.

Despite these headwinds, global real GDP growth is projected to stabilize at 3.3% in 2025 and 2026, albeit below the historical average of 3.7% in 2025, tapering in 2026, while the Eurozone faces a slowdown at 1.0% in 2025, with a modest recovery to 1.4% in 2026. Meanwhile, emerging economies, including China (4.6%) and India (6.5%), are expected to sustain robust growth, with Sub-Saharan Africa also projected to experience an economic uplift.

In Ghana, the economy has shown resilience amid global and domestic challenges. Real GDP growth reached 5.7% in 2024, reflecting a recovery from 3.1% in 2022 and 3.8% in 2023. However, inflationary pressures have persisted, with year-end inflation at 23.8%, keeping interest rates elevated. Since 2023, Ghana has been implementing an International Monetary Fund (IMF)-supported programme aimed at restoring macroeconomic stability and ensuring long-term debt sustainability. At this critical point, ongoing collaboration with the IMF and adherence to key performance targets will be pivotal in stabilizing the economy and fostering sustained growth.

The government, led by His Excellency President John Dramani Mahama has committed to resetting the economy as evident in its focus on fiscal discipline, macroeconomic stability and innovative policy measures.

The 2025 budget introduces several key tax measures aimed at enhancing revenue mobilisation and promoting fiscal sustainability. Additionally, the government has outlined ambitious initiatives to drive economic transformation, including the "24-Hour Economy" policy, the establishment of the Women's Development Bank (WDG), and programmes such as the National Apprenticeship Programme ("Adwumawura"), and Mahama Cares. These initiatives aim to create jobs, boost productivity, and foster inclusive growth.

Looking ahead, Ghana's GDP is projected to grow by 4% in 2025, reaching GHS1.3 trillion, with the services, industry, and agriculture sectors contributing 47.1%, 30.1%, and 22.8%, respectively. Tax revenue is expected to remain the primary source of government funding, accounting for 87.8% of total revenue, with income and property taxes expected to contribute 49.5%. Inflation is expected to decline to 11.9%, while the fiscal deficit is projected to decrease from 7.9% to 3.1% by year-end.

I hope you find these insights useful as we look forward to the implementation of the policy initiatives. We at EY are committed to shaping the future with confidence and stand ready to support the government and businesses in implementing strategic initiatives, restoring investor/consumer confidence, and unlocking the opportunities presented by this budget.

Our team is equipped to guide our clients through these changes. From tax advisory and strategy consulting to transactions & corporate finance, risk management, digital transformation, and assurance, we offer tailored solutions to help businesses navigate the evolving economic landscape and capitalize on emerging opportunities.

With confidence, we can shape a brighter future for Ghana - one that is built on stability, growth, and shared prosperity.



**Emmanuel Adekahlor**  
Country Managing Partner

“

**Resetting The  
Economy For The  
Ghana We Want**

# Contents

---

01	Snapshot	4-13
02	Global economic Performance and Outlook	14-17
03	The Economy – A Deep Dive	18-26
04	Proposed Key Sector Initiatives	27-33
05	Proposed Tax Measures	34-39
06	ESG Policy Measures and Interventions	40-45
07	Medium-Term Outlook	46-48
08	Contacts, Contributors, and Abbreviations	49-51

“

Resetting The  
Economy For  
The Ghana We  
Want

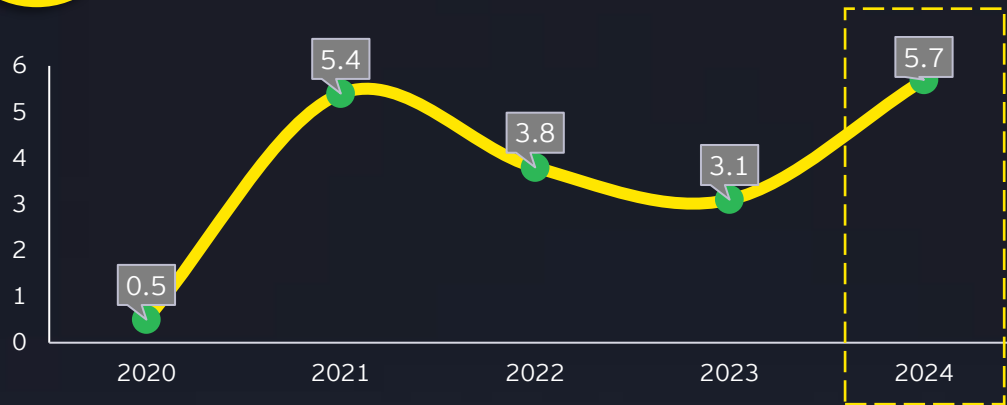
01

# Snapshot

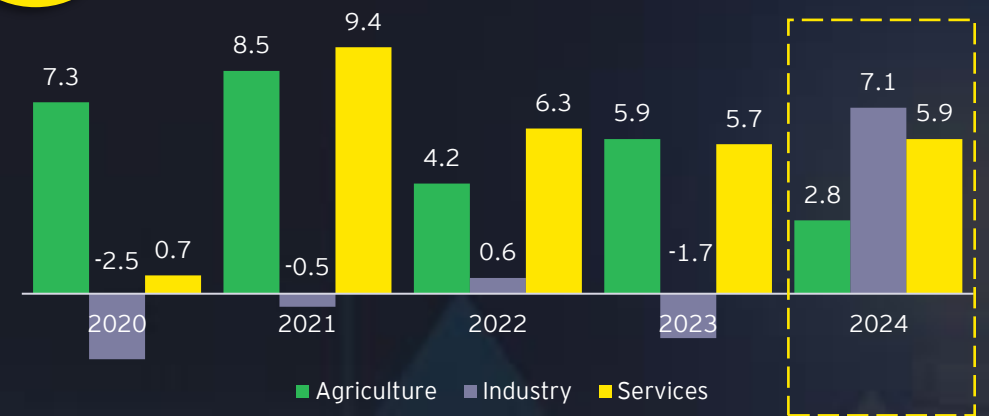
# Snapshot | Ghana Economic Performance: Historical Trend



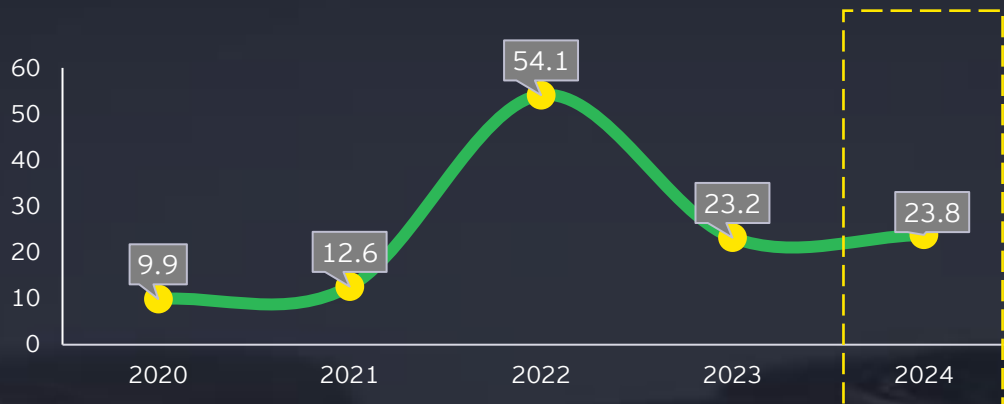
Real GDP Growth (%)



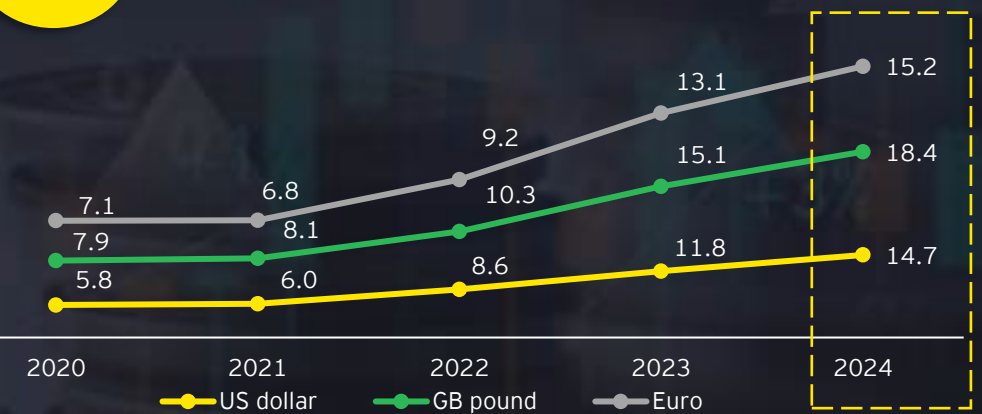
Sectoral GDP Growth Rates (%)



Inflation Rate (%)



Exchange Rate (Cedi per Major Currencies)



# Snapshot | 2024 Provisional Outturn - Commentary

Indicators	2024 Target	2024 Actual	Variance
Real GDP Growth Rate	3.1%	5.7%	2.6%
Non-Oil GDP Growth Rate	2.8%	6.0%	3.2%
Inflation (Year end)	15%	23.8%	8.8%
Primary Balance (Commitment)	0.5%	(3.9)%	(4.4)%
Fiscal Deficit	(4.2)%	(7.9)%	(3.7)%
Public Debt to GDP Ratio	68.7%	61.8%	(6.9)%
Months of Import Cover (Gross International Reserves)	3	4	1

## Public Debt Statistics

Details	2023 Actual (GHS'M)	2024 Actual (GHS'M)	Variance
External debt	352,711	416,385	63,674
Domestic debt	257,299	309,845	52,546
Total debt	610,011	726,680	116,669

Negative impact on economy Positive impact on economy

## Interest Rates



2024 Monetary Policy Rate

27.0%



2024 Ghana Reference Rate

28.84%



2024 Average Treasury Bill Rate (91 Day Bill)

28.04%



## Commentary

### Real GDP growth rate

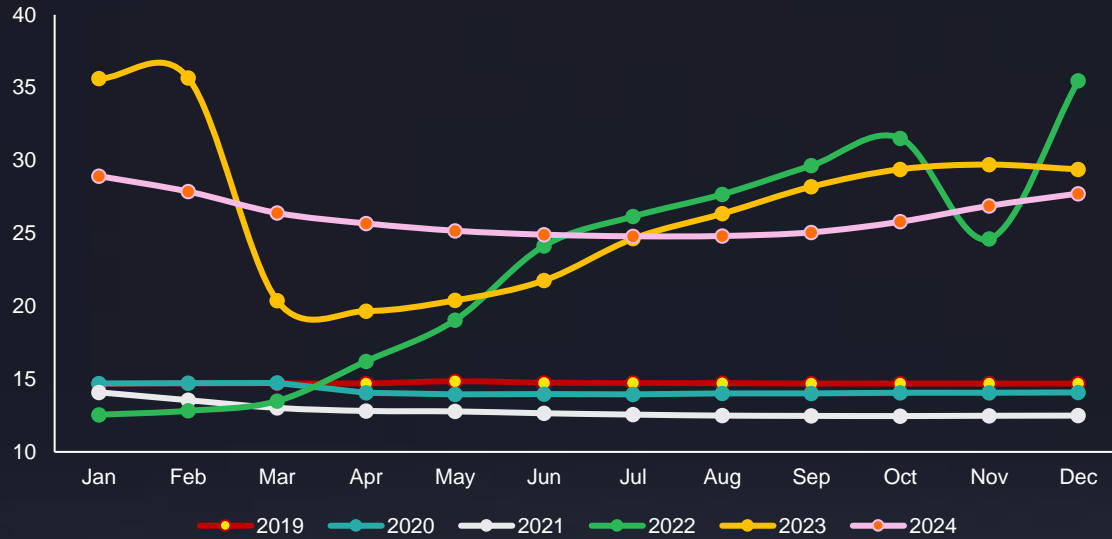
- In 2024, the overall real GDP experienced a growth of 5.7%, surpassing the target of 3.1%. This growth was primarily driven by the Information and Communication sector, Construction, and Mining and Quarrying, which achieved growth rates of 15.8%, 9.6%, and 9.4%, respectively.
- Additionally, the Non-Oil GDP grew by 6.0% in 2024, an increase from 3.6% in 2023, and exceeded the projected growth target of 2.8% for 2024.

### Public debt statistics

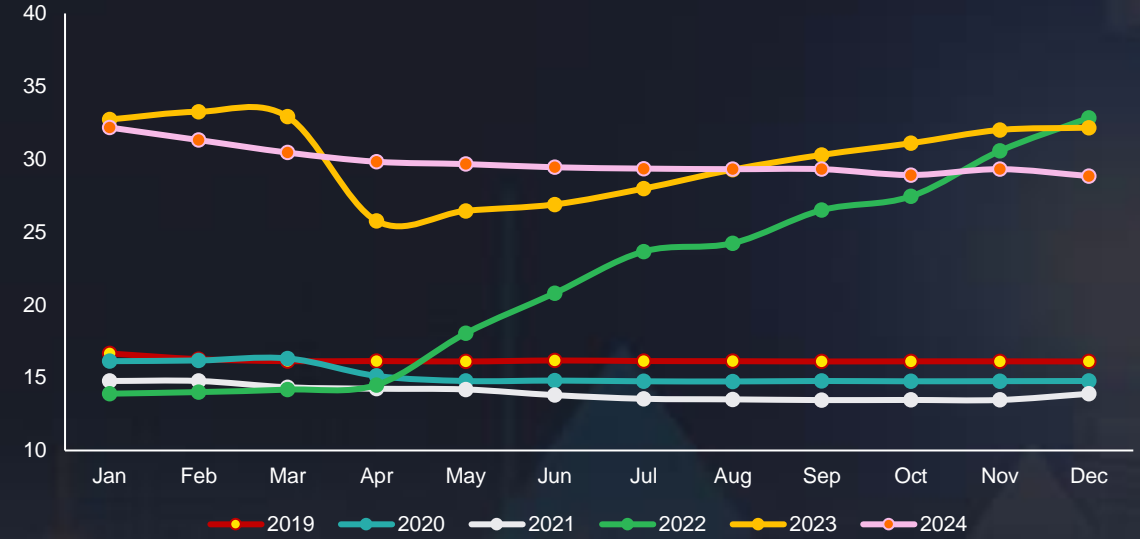
- As of the end of December 2024, preliminary data show that the gross central government and guaranteed debt reached GH¢726.7 billion (US\$49.4 billion), up from GH¢610 billion (US\$52.4 billion) in 2023.
- This equates to 61.8% of GDP in 2024, a decrease from 68.7% of GDP in 2023. The decline in the debt-to-GDP ratio and the dollar portion of our debt stock is attributed to the results of the Eurobond debt restructuring.

# Snapshot | 2024 Economic Performance: Interest Rates & Ratings

### 91- Day Treasury Bill Rates (%)



### Ghana Reference Rates (%)



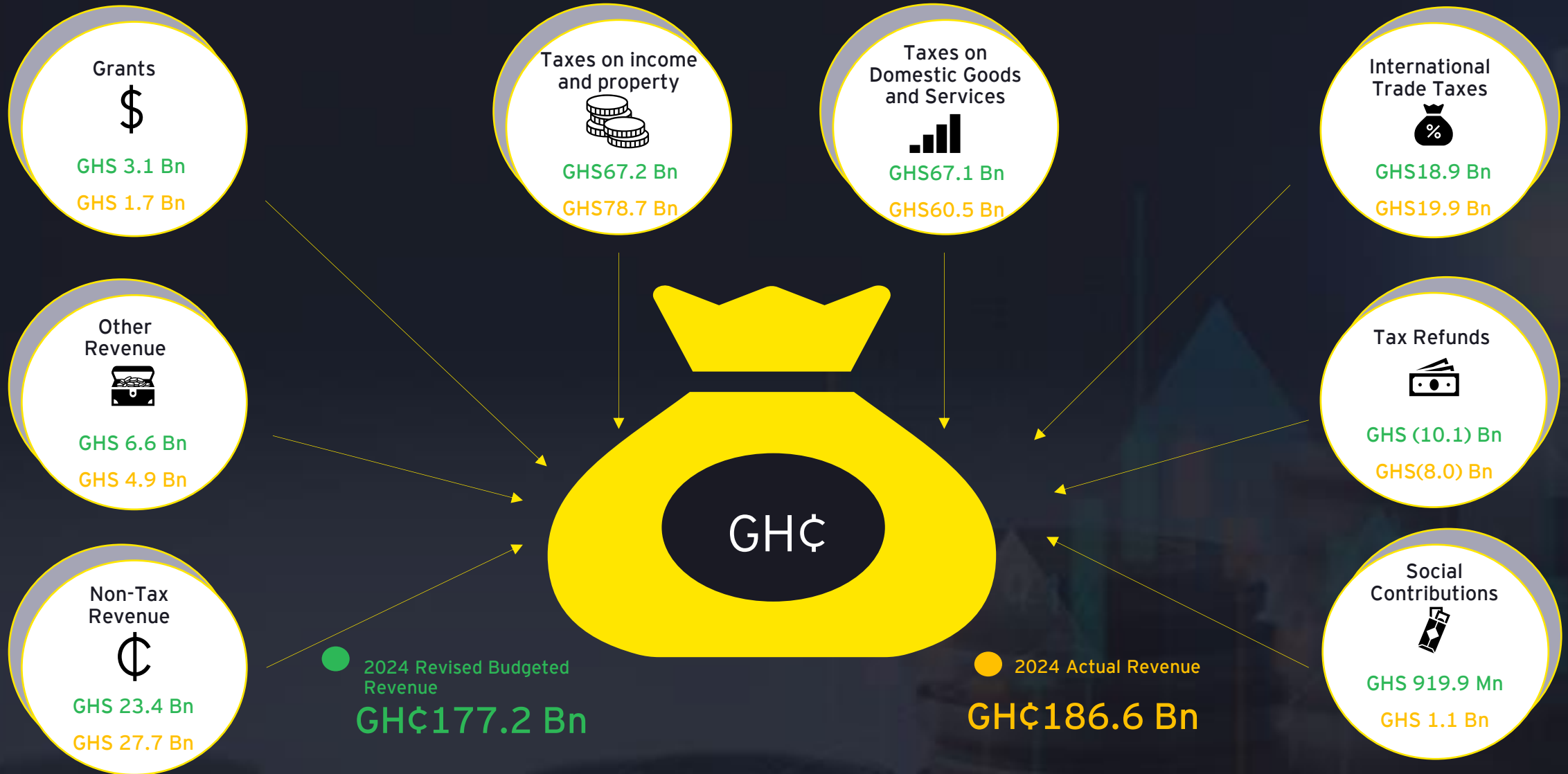
### Latest Sovereign Credit Rating: Ghana

Rating Agency	Publication Date	Local Currency Rating	Foreign Currency Rating	Prior Local Currency Rating	Prior Foreign Rating
S&P Global Ratings	14 October 2024	CCC+	SD	CCC+	SD
Moody's Investor Service	11 October 2024	Caa2	Caa2	Caa3	Ca
Fitch Ratings	10 October 2024	CCC+	RD	CCC	RD

### Progress on the Domestic Debt Exchange Programme (DDEP)

- Ghana's Domestic Debt Exchange Programme (DDEP), initiated in December 2022, has significantly influenced the country's fiscal and economic landscape.
- The DDEP has adversely affected the government's ability to tap into the bond market, leading to an increased reliance on Treasury bill issuances for budget financing.
- The government has mainly depended on short-term securities for this purpose, achieving net proceeds of GH¢45.4 billion from a total issuance of GH¢243.0 billion, while facing maturities of GH¢197.6 billion.
- In 2024, the government met its DDEP bond coupon obligations, totalling GH¢19.0 billion, which comprised cash payments of GH¢12.1 billion and payment-in-kind (PIK) of GH¢6.9 billion to bondholders.
- Furthermore, in February 2025, the government successfully completed its fourth coupon payment of GH¢9.5 billion, which included PIK payments of GH¢3.5 billion.

# Snapshot | 2024: Revenue sources



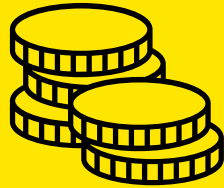


# Snapshot | 2024: Expenditure sources



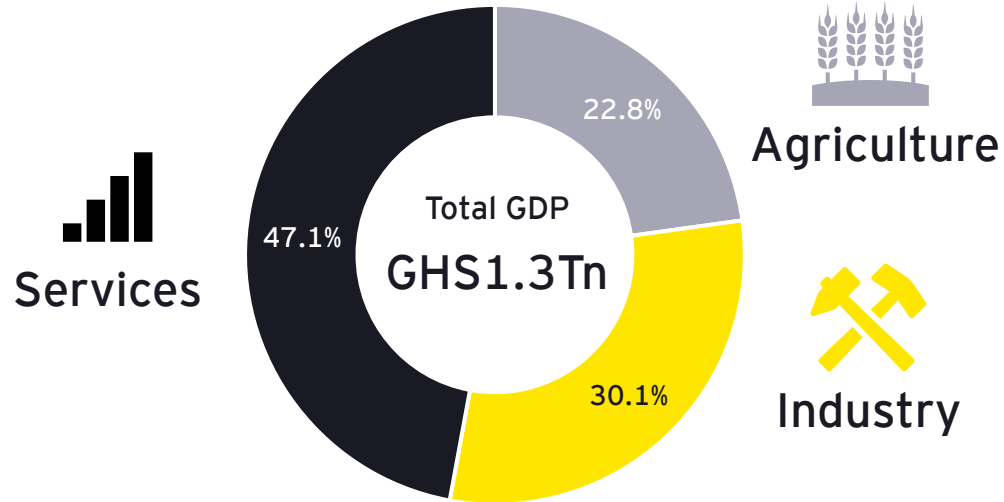
# Snapshot | 2025 Provisional Budget: Highlights

GDP Growth Target for 2025:



4.0%

## Sectoral Distribution of GDP 2025 (GHS Million)

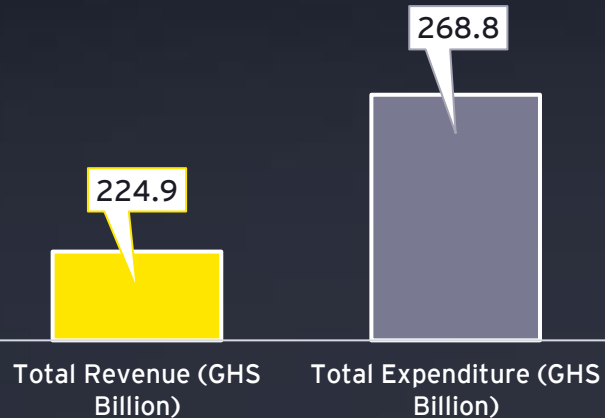


Inflation Target for 2025

11.9%



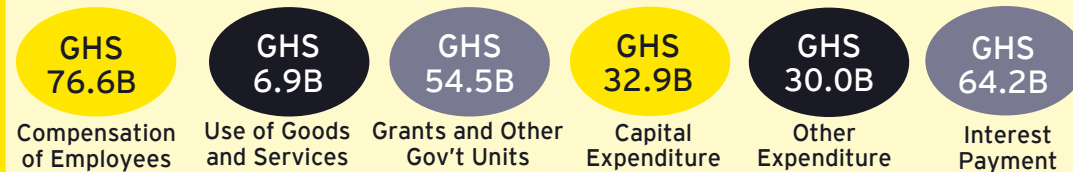
## Fiscal Targets for 2025



## Tax Revenue Breakdown for 2025



## Expenditure Breakdown for 2025



Import Cover Target for 2025

3 Months

Expected Exchange Rate (Cedi/US\$)

GHS 15.7

## Overall Fiscal Deficit

3.1%



Sources: 2025 Budget Statement, Oxford Economics, EY Analysis

# Snapshot | Proposed Fiscal Measures - Taxes



Key tax aspects of the 2025 Budget, which are set to be addressed in the second quarter of 2025, include abolishing several taxes, such as the withholding tax on betting winnings and the electronic transfer levy, adjusting the personal income tax brackets to exempt the current minimum wage from income tax and extension of sunset clauses for growth and sustainability levy (GSL) and special import levy (SIL).

## Key areas of reform include:

- 01** Proposed VAT reforms to reverse the decoupling of the VAT from the levies and abolition of the covid-19 levy
- 02** Restructuring and consolidation of existing energy sector levies
- 03** Increase in rate of GSL for mining companies from 1% to 3%
- 04** Extension of sunset clauses to 2028 for GSL and SIL which impacts all qualifying companies
- 05** Reduction of the tax refund limit from 6% to 4% of total revenue



## What does this mean for taxpayers?

Generally, the reform measures will see an ease of the tax burden on businesses and individuals. However, the tax increases and extensions will adversely affect businesses

# Snapshot | Proposed Fiscal Measures - Expenditure

01

**Comprehensive Audit:** Conduct a comprehensive audit to validate the quantum of outstanding claims and commitments as at 31 December 2024

02

**Review of Business Processes:** Audit business process for budget preparation and implementation to simplify process, improve value for money and control commitments

03

**Mandatory Blanket Purchase Orders:** Enforce the use of Blanket Purchase Orders for managing multi-year commitments in line with Medium-Term Expenditure Framework (MTEF) ceilings.

04

**Procurement Prerequisites:** Require commencement certificates and budgetary provisions for all central government procurements.

05

**Integration of Procurement Systems:** Fully integrate GHANEPS with GIFMIS to ensure procurement approvals align with approved budgets.

06

**Compliance Monitoring:** Operationalise a Compliance Desk at the Ministry of Finance to monitor commitments and arrears and publish compliance reports.

07

**Cutting of Expenditures:** Eliminate duplicative programs, such as GhanaCARES, YouStart and One District-One-Factory.

08

**Reassign Development Authority Functions:** Transfer the functions of Development Authorities to District Assemblies.

09

**Petroleum Revenue Allocation:** Amend the Petroleum Revenue Management Act to allocate all Annual Budget Funding Amount (ABFA) for infrastructure projects, with 5% for the District Assemblies Common Fund (DAFC).

10

**Full Allocation for Health Insurance:** Ensure full allocation of the National Health Insurance Levy (NHIL) to support healthcare initiatives.

11

**Road Fund Allocation:** Provide full allocation to the Road Fund for road maintenance.

12

**Reduction of GNPC's Share:** Decrease the Ghana National Petroleum Corporation's share of net CAPI from 30% to 15%.


13

**Mineral Royalties Allocation:** Amend the Mineral Income and Investment Fund Act to transfer 80% of Mineral Royalties to the Consolidated Fund for infrastructure development.

14

**Strengthening Social Protection:** Implement additional social programs, including free education for first-year public tertiary students and free healthcare for persons with disabilities.

# Snapshot | Summary of key initiatives to drive the resetting of Ghana's economy (1/2)



01	Big Push	Agriculture for Jobs	09
02	24-Hour Economy	Rapid Industrialization	10
03	Ghana Gold Board	National Employment Trust	11
04	Women's Development Bank	Enhanced public sector employment	12
05	National Apprenticeship Programme	Free Primary Healthcare	13
06	'Adwumawura' Programme	Ghana Medical Care Trust (MahamaCares)	14
07	Digital Jobs Initiative	No-Academic-Fee Policy	15
08	Free Tertiary Education for Persons with Disability (PWDs)		

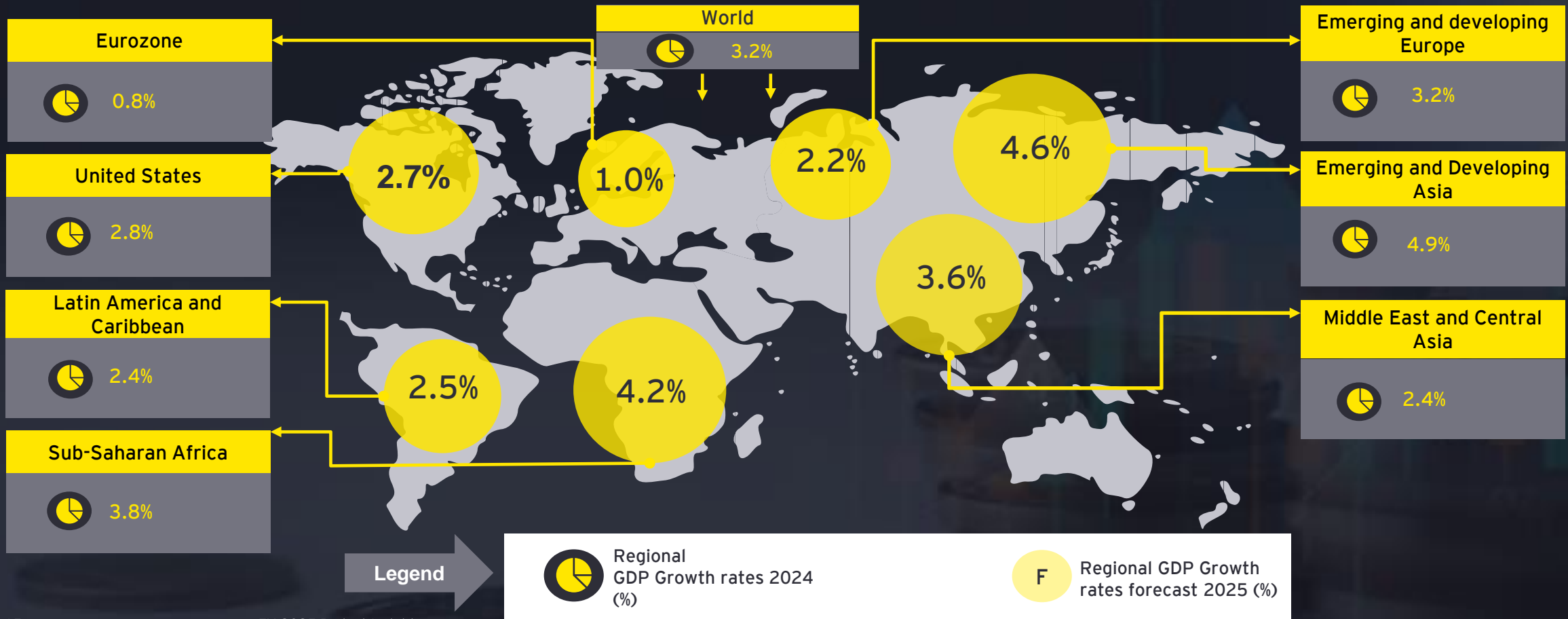
# Global Economic Performance & Outlook

# Global Economy | Performance & Outlook (1/2)

## Global Economic performance

Global growth is expected to stabilize at 3.3% in 2025 and 2026, below the historical average of 3.7%. The United States is projected to grow at 2.7% in 2025, driven by strong demand and investment, tapering in 2026.

The Eurozone's growth is revised down to 1.0% in 2025 due to geopolitical tensions, with a gradual rise to 1.4% in 2026. Emerging markets, including China and India, are expected to maintain growth levels, with China at 4.6% and India at 6.5%. Growth in the Middle East and Central Asia is revised down for Saudi Arabia, while Latin America is set to accelerate slightly to 2.5%, and sub-Saharan Africa is expected to see a growth pickup.



## Commentary on global performance



- World headline inflation decreased to 5.8% in 2024, with further decline to 4.2% expected in 2025.
- Advanced economies' inflation fell to 2.6% in 2024, projected to reach 2.0% in 2025, while emerging market and developing economies decreased to 7.9% in 2024, with a forecast of 5.9% in 2025.
- Sub-Saharan Africa's inflation dropped to 13.1% in 2024 and expected to decline to 12.3% in 2025.



- Cocoa prices surged to \$7,330 per metric ton in 2024 from \$3,200 in 2023 but are anticipated to fall to around \$6,000 in 2025.
- In 2024, Brent crude oil averaged \$80.70 per barrel, expected to drop to \$73 in 2025. Gold prices averaged \$2,388 per troy ounce in 2024, projected to stabilize at \$2,325 in 2025.



- Policy rates in Advanced economies is expected to decline to 3.4% in 2025, this reflects ongoing monetary policy adjustments in response to economic conditions.
- In Latin America and the Caribbean, central banks are maintaining elevated real policy interest rates due to persistent inflation.



- Global goods trade is projected to grow by 3.1% for 2025-26, below pre-pandemic levels due to trade restrictions.
- EMDEs and the U.S. are experiencing steady expansion, while advanced economies are lagging.
- Two-thirds of countries are expected to have lower trade growth than their 2010-19 averages, reflecting ongoing trade challenges.



# Global Economy | Geopolitical Risk & Other Global Disruptions



## US Foreign Policy

- The Trump administration has signed an executive order to implement tariffs on imports from Mexico, Canada, and China; imposing a 10% tariff on all imports from China, a 25% tariff on imports from Mexico, as well as a 25% tariff on steel and aluminium imports from Canada, effective March 12, 2025.
- The decision by the USA to cut almost all foreign aid funding from USAID has led to the termination of approximately 5,800 projects, including essential programs for HIV treatment, tuberculosis, malaria, Ebola, and nutritional support.
- In an executive order, Trump stated that his administration will use precise language to affirm that women are biologically female, and men are biologically male, declaring the recognition of only two unchangeable sexes. He also signed another executive order eliminating federal programs designed to enhance diversity, equity, and inclusion in the workforce, labelling them as "wasteful," "illegal," and "immoral."



## Russian Ukraine War

- The escalation of the Russia-Ukraine conflict in 2022, marked by Russia's full-scale invasion, has prompted countries to re-evaluate their trade partnerships based on economic and national security factors.
- This conflict has caused major disruptions in energy supplies, leading to rising global prices, especially impacting Europe, which is now turning to alternative energy sources. Furthermore, Ukraine's position as a key grain exporter has been undermined, resulting in food shortages and increased food insecurity in areas such as Africa and the Middle East.
- As of March 2025, the conflict persists with considerable military activity and civilian casualties. Ukraine has accepted a U.S. proposal for a 30-day ceasefire, which is currently under review by Russia.



## Artificial Intelligence (AI)

- The USA Vice President J.D. Vance, together with several World Leaders, attended the Artificial Intelligence Action Summit in Paris from February 6 to 11, 2025. This summit aimed to enhance global efforts for AI that benefits the public good. He highlighted the need for pro-growth AI policies and ensuring that AI remains free from ideological bias.
- DeepSeek, a new Chinese AI model, has quickly gained global popularity by reaching the top of Apple's App Store, impressing investors and tech analysts. The main advantage of DeepSeek is its efficiency. While OpenAI's top performers cost more than \$100 million to develop, DeepSeek reportedly took less than two months and less than \$6 million.
- DeepSeek has led to significant financial losses, with Nvidia's market value dropping by \$600 billion as the main supplier of AI chips. The emergence of new AI models suggests a reduced need for high-performance chips, decreasing demand for costly AI hardware. As a result, U.S. businesses and international organizations are reevaluating their funding strategies for AI development projects.

# The Economy - a Deep Dive

# Macroeconomic Performance | Highlights

Real GDP Growth Rate (%)	2024 Target	3.1
	2024 Outturn	5.7
	2025 Target	4.0

Non-Oil GDP Growth Rate (%)	2024 Target	2.8
	2024 Outturn	6.0
	2025 Target	4.8

Inflation	2024 Target	15.0
	2024 Outturn	23.8
	2025 Target	11.9

Fiscal Deficit (% of GDP)	2024 Target	5.3
	2024 Outturn	5.2
	2025 Target	4.1

Primary Balance (% of GDP)	2024 Target	0.5
	2024 Outturn	3.9
	2025 Target	1.5

Port Cover (number of months cover)	2024 Target	3
	2024 Outturn	4
	2025 Target	3

Ghana's macroeconomy reflects a mix of resilience and challenges. In 2024, GDP growth exceeded expectations, signaling the economy's capacity to rebound despite global headwinds.

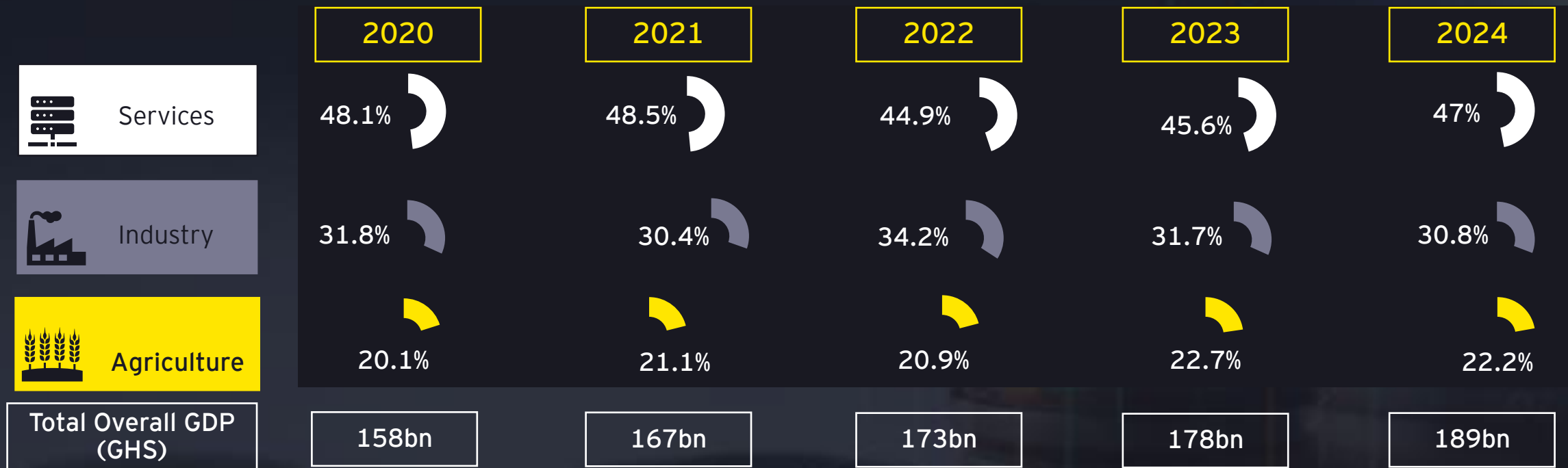
However, inflation remained elevated, straining household budgets and business operations. The 2025 budget outlines a deliberate shift towards fiscal consolidation with a focus on narrowing the deficit, achieving a primary surplus and stabilizing inflation.

# Macroeconomic Performance | Sectoral Performance Analysis

## Sectoral Growth (%)

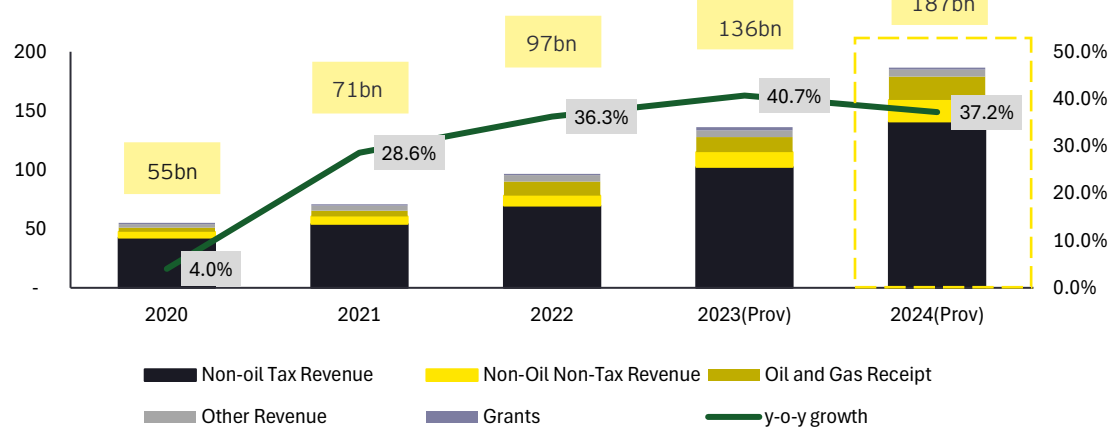
Sector	2020			2021			2022			2023			2024		
	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var
Agriculture	5.1	7.3	2.2	4.0	8.5	4.5	5.3	4.2	(1.1)	3.2	5.9	2.7	3.0	2.8	(0.2)
Industry	8.6	(2.5)	(11.1)	4.8	(0.5)	(5.3)	6.3	0.6	(5.7)	(1.2)	(1.7)	(0.5)	3.7	7.1	3.4
Services	5.8	0.7	(5.1)	5.6	9.4	3.8	5.6	6.3	0.7	4.6	5.7	1.1	1.9	5.9	4.0

## Sectoral Contributions to GDP



# Fiscal and Monetary Development | Revenue Analysis

Revenue Breakdown



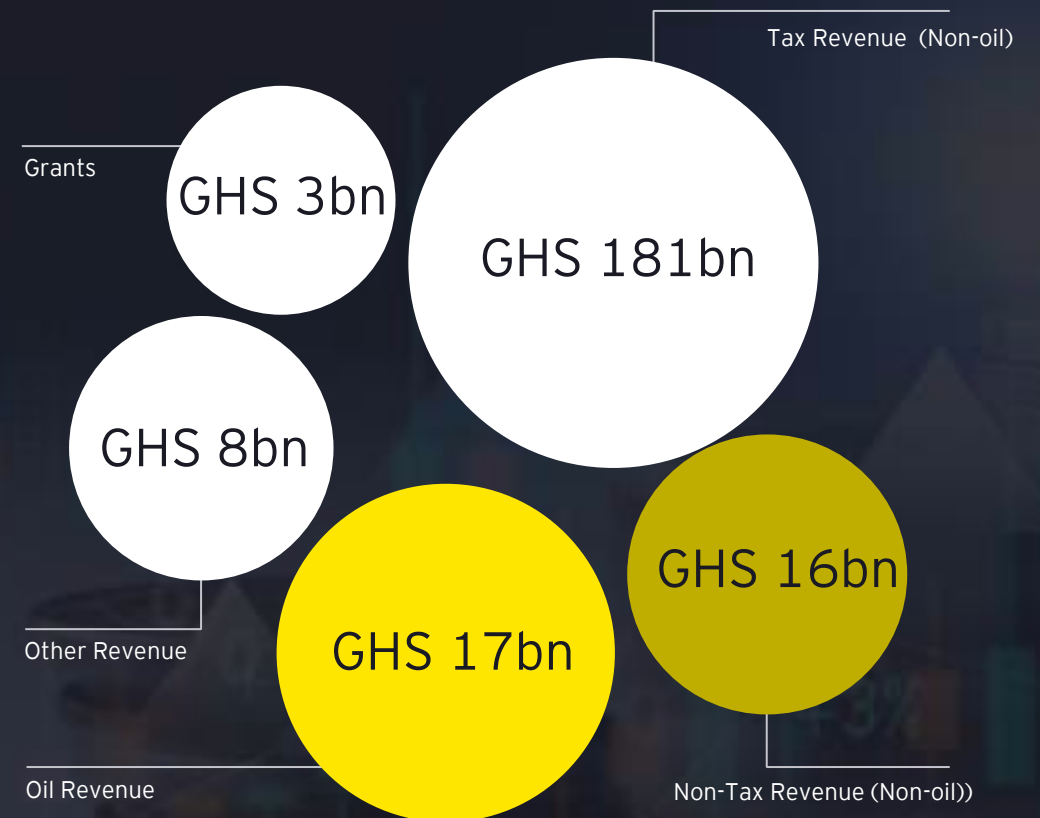
## Key Insights

- In 2024, total revenue and grants amounted to GHS 186.6 billion, which is 15.9% of GDP. This figure is 5.3% above the revised budget of GHS 177.2 billion for 2024.
- Non-oil tax revenue remains the backbone of the country's fiscal capacity accounting for ~ 80% of total domestic revenue. The high non-oil tax revenue was largely due to improved income and property taxes, and international trade taxes.
- Tax on Income and property exceeded projections by 17 % largely driven by corporate income tax. Taxes on Domestic Goods and Services on the other hand fell below expectations, reflecting subdued consumption and the lingering effects of inflation on purchasing power.

## Outlook

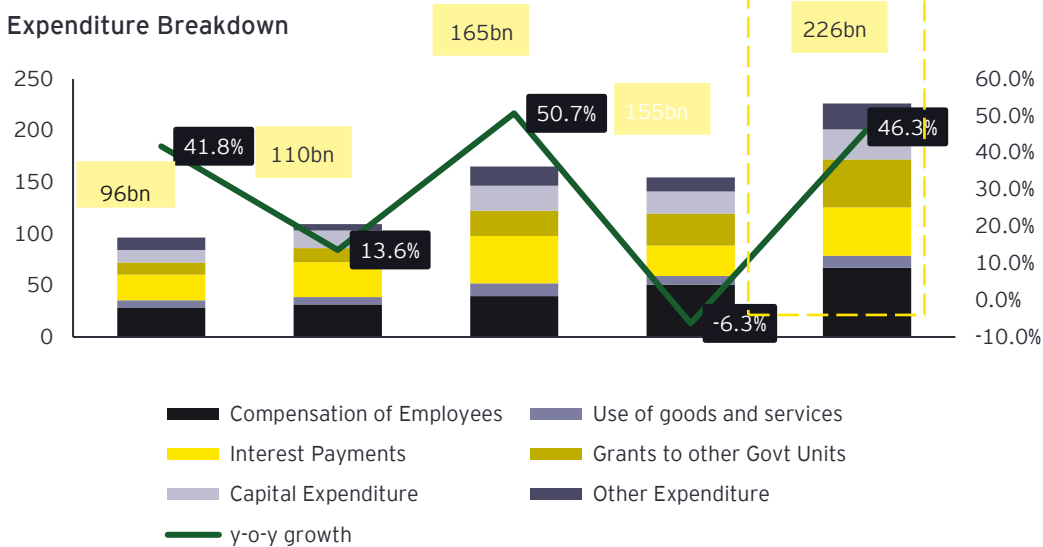
- Looking to 2025, revenue projections are cautiously optimistic, with total collections forecast to rise to GHS 224 billion. This will require sustained efforts to enhance tax compliance , diversify revenue streams and strengthen collection systems.

## 2025 Revenue Projection (GHSbn)



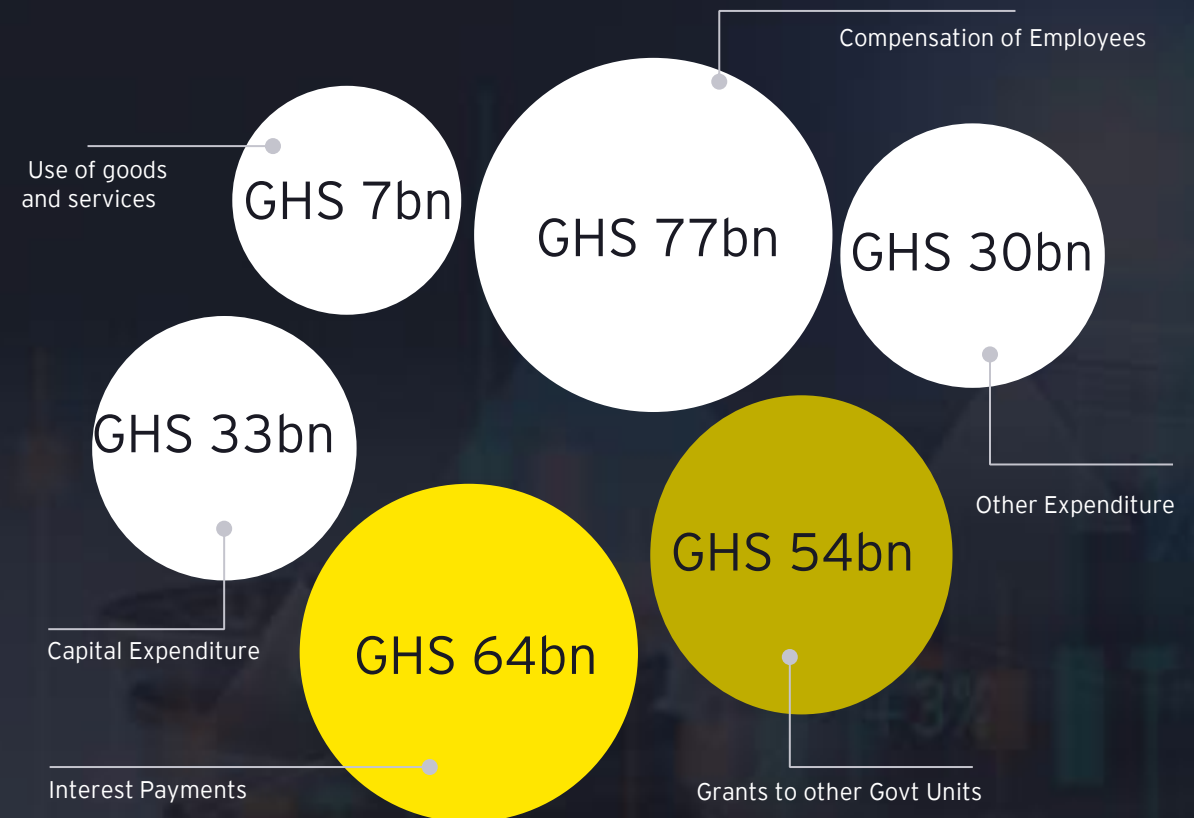
# Fiscal and Monetary Development | Expenditure Analysis

Expenditure Breakdown

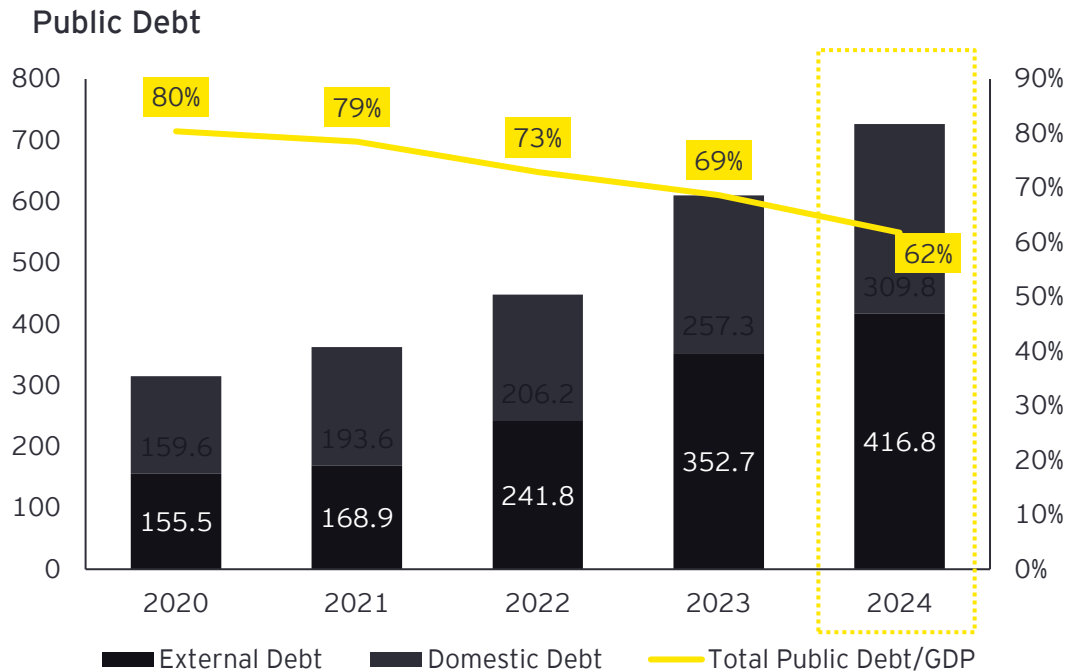


- All expenditure lines exceeded their respective budgets in 2024 except for Interest Payment, Goods and Services and Other Expenditure.
- The country's total expenditure (excluding discrepancy and arrears) stood at GHS 226 billion. The total expenditure (excluding discrepancy and arrears) for the year 2022 was GHS165 billion with 2023 being GHS155 billion.
- The fall in expenditure in 2023 can be attributed to decrease in
  - Use of goods and services
  - Interest Payments
  - Capital Expenditure
  - Other Expenditure

2025 Expenditure Projection(GHSbn)



# Fiscal and Monetary Development | Public Debt & Debt Markets (1/2)



- As 42.6%, December 2024, the country's public debt stock stood at GHS 726.7 billion (~ 61.8% of GDP) , marking an improvement from 68.7% in 2023, thanks to ongoing debt restructuring efforts.
- In 2024, external debt and domestic debt constituted 57.4% and 42.6%, respectively.

## Actions taken by Government

Government has made meaningful strides to address unsustainable debt levels, signaling a commitment to stabilization:

1

Reduced outstanding Eurobonds by 37%, unlocking USD 4.3 billion debt service relief through 2026

2

Restructure USD 5.1 billion in official bilateral debt, with USD 2.8 billion in relief secured

3

DDEP raised GHS 45.4 billion, offering temporary liquidity relief but heightening short-term rollover risks

## Outlook

Ghana's public debt narrative is complex but also one of resilience. Looking to 2025 and beyond, Ghana's Medium - Term Debt Management Strategy (MTDS) will be pivotal as the strategy aims to

- Cap Non-Concessional Borrowing - limited to USD 50 million annually to avoid unsustainable external debt accumulation.
- Strengthen Liability Management - through bond reopenings, liability management operations and cash buffer creation to smooth out future debt service
- Deepen the Domestic Market by enhancing market infrastructure, fostering secondary market activity and improving education.

Success will hinge not only on sound financial engineering but also on fostering public trust, maintaining social protections and ensuring relief translates into tangible development gains.

# Fiscal and Monetary Development | Public Debt & Debt Markets (2/2)

## Progress on DDEP



In 2024, the government fulfilled DDEP bond coupon payments amounting to GHS19 billion, which included GHS12.1 billion in cash and GHS6.9 billion in payment-in-kind (PIK). By February 2025, the government made its fourth coupon payment of GHS9.5 billion



Despite this progress, the government faces future obligations, with GHS150.3 billion in domestic debt service expected over the next four years – a burden concentrated in 2027 and 2028, when 73.3% of the total payments come due

Launched in **December 2022**, DDEP was a key initiative aimed at restoring macroeconomic stability and ensuring debt sustainability in Ghana.



The restructuring process is ~ 93% complete, encompassing domestic debt, US\$13.1 billion in Eurobonds, and US\$5.1 billion in official bilateral debt. The remaining 7%, amounting to US\$2.7 billion, is owed to commercial creditors



## Ghana's debt restructuring progress

### Eurobond Exchange Programme

In June 2024, Ghana reached an Agreement-in-Principle (AIP) with Eurobond holders. By September 2024, the government launched a Eurobond Exchange Offer, resulting in:

- 37% reduction in bond value(US\$5 billion)
- US\$4.3 billion in debt service relief (2023-2026 IMF period)
- Coupon rate reduction from 8% to 4%

The first repayment of US\$501 million was made in October 2024, and another US\$349.52 million in January 2025.

### Bilateral Debt Restructuring

In January 2025, Ghana signed an MoU with the Official Creditor Committee (OCC) to restructure US\$5.1 billion in bilateral debt. The deal extends repayments, provides US\$2.8 billion in relief, and limits new disbursements during the 2023-2026 IMF programme

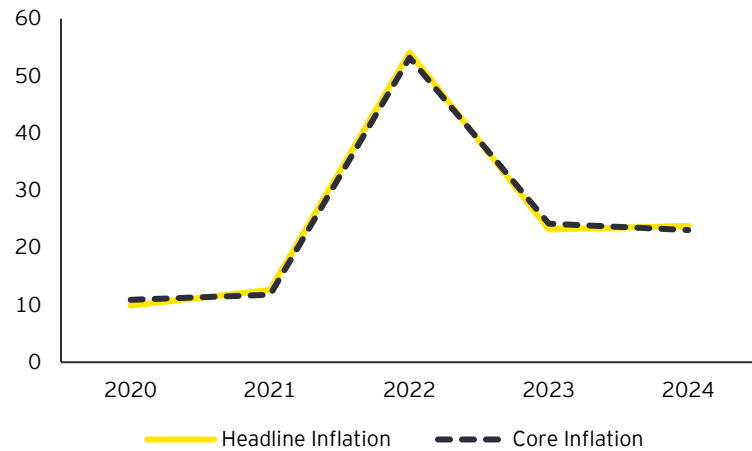
### Commercial Debt

There are ongoing discussions to restructure US\$2.7 billion in commercial debt owed to lenders, including Chinese financial institutions and private banks. Negotiations include drafting Non-Disclosure Agreements (NDAs) and presenting a financial restructuring proposal.

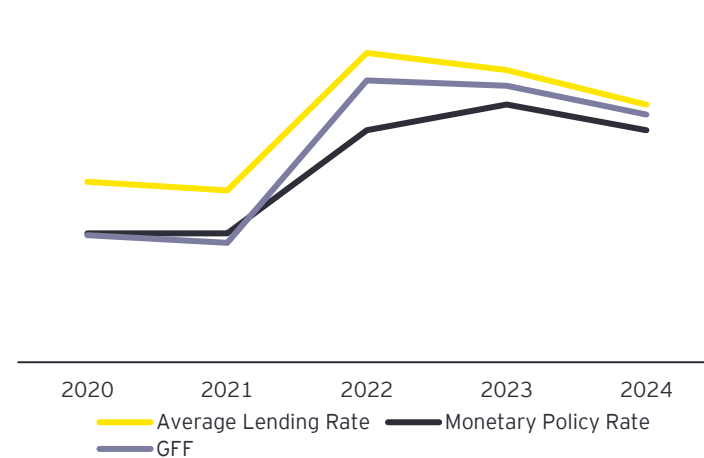


# Fiscal and Monetary Development | Monetary Policy and Currency Performance

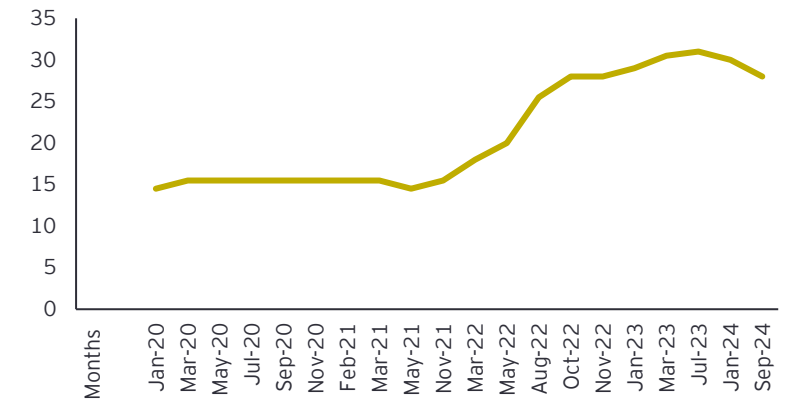
## Inflation Rates (%)



## Interest Rates (%)



## Repo(%)



- In 2023, headline inflation fell to 23.2% from a peak of 54.1% in 2022, largely due to tight monetary policy by BoG, US\$ 3 billion Extended Credit Facility (ECF) programme with the International Monetary Fund (IMF), and improved exchange rate thereby reducing inflationary pressures. As of December 2024, the headline inflation rate stood at 23.8%
- In 2023, the average lending rate in Ghana was 34%, but declined marginally to 30.35% as of December 2024 reflecting the pass-through effect of declines in the rates on the wholesale funds market.
- The Bank of Ghana lowered the monetary policy rate to 27% in 2024, driven by the easing inflation pressures.



**Johnson Pandit Asiana (Ph.D)**  
Governor, Bank of Ghana



*" The reset path we have embarked on is more than mere sloganeering . It is about restoring public trust, rebuilding confidence, and ensuring that Ghana's economy is stable, innovative and ready for future use."*

# IMF Program Updates

Since 2023, the country has been navigating a complex economic landscape under the guidance of an International Monetary Fund (IMF) program. The initiative is to restore macroeconomic stability, manage public debt and lay the ground for sustainable growth. The IMF-supported Programme is at a critical juncture, facing challenges that require immediate attention. Continued collaboration with the IMF and a focus on achieving key performance targets are essential for stabilizing the economy and ensuring sustainable growth in the future.

## Journey So Far



## Targets to be Assessed



Primary Balance (Commitment) as at the year ended 2024.



Inflation as at the year ended 2024.



Social Protection Spending as at the year ended 2024.

## Key Insights

- There was no improvement in inflation as inflation ended the year at 23.8% which is 0.6% higher than inflation recorded prior year. Also, inflation exceeded the budget target and IMF target of 15% and 18%, respectively.
- The primary balance (commitment) deteriorated from a deficit of 0.2% of GDP in 2023 to a deficit of 3.9% in 2024. This is 4.4 percentage points worse than the target surplus of 0.5% for 2024.

# Proposed Key Sector Initiatives

# Key Sector Initiatives (1/6)

Highlights of the budget with emphasis on the implications for key sectors has been provided below as follows:



The Medium-Term National Development Policy Framework (MTNDPF 2022-2025) is being implemented through the plans of sector Ministries, Departments and Agencies (MDAs) as well as District Assemblies. The 2025 budget is set to introduce transformative sectoral programs and projects designed to stimulate economic growth and development.

# Key Sector Initiatives (2/6)

## Social Sector

¢53.7bn

The main focus of the Social Sector is as follows: Education, Labour, Jobs and Employment, Sports and Recreation, Health, Gender, Children and Social Protection, Youth Development and Empowerment



Distribute free sanitary pads to 1.3 million female students in basic and secondary schools



Construction of six regional TVET Centres of Excellence.



Teacher Dabrè Initiative - Construct 100 teacher accommodation units for basic school teachers



Expand the LEAP Programme to 400,000 households



Deployment of solar systems to schools, especially in deprived districts, to enable ICT facilities and support digital literacy.



Engage 113,200 youth under various job creation modules through the Youth Employment Agency (YEA)



Waiver of academic fees for first-year students in public tertiary institutions



Train and support 10,000 youth entrepreneurs with working capital through the National Entrepreneurship and Innovations Programme (NEIP)



Continued implementation of the Free SHS to expand access to secondary education



Implement free Primary Healthcare at the lower levels of care

# Key Sector Initiatives (3/6)

## Administration Sectors

¢15.6bn

The main focus of the Administration Sector is to ensure effective democratic governance, public financial management, local governance administration, public accountability, public policy management, as well as good international relations, development communications, and civil society engagement.



The government through the National Identification Authority will continue to provide identity verification services to NIA user agencies and add services including the registration of about 10,000 refugees and asylum seekers, as well as the registration of Ghanaians in places of detention (prisons, mental hospitals/asylums)



The government will continue to coordinate the implementation of the IMF-supported programme and ensure a successful 4th and 5th Review to trigger the release of an estimated US\$720m and bolster investor confidence



The government's aim is to achieve HIV epidemic control by reducing new infections and AIDS-related deaths through increased access to Anti-Retroviral Treatment (ART) and continued interventions for prevention and support for people living with HIV (PLHIV)



The government aims to empower women entrepreneurs by establishing the Women's Development Bank, providing low-interest loans and tailored financial services to support women-led businesses



The government aims to enhance efficiency and transparency in procurement and supply chain management by monitoring activities, ensuring value for money, organizing a summit, and training managers on new industry trends



The government aims to enhance social cohesion and economic development in northern regions through the SOCO Project by disbursing GH¢315 million to local governments, completing 618 infrastructure projects and 60 markets, providing financial and technical support to 45,000 individuals in 1,500 producer groups, and executing 96 youth engagement programs



The government aims to promote gender inclusion, enhance performance evaluation, and improve civil service data management by rolling out the Gender Action Plan, expanding the E-SPAR system, and updating the Civil Service Database



The government aims to support livelihoods and infrastructure development through the GPSNP2 by providing training and grants to 60,000 beneficiaries for productive enterprises and engaging 95,000 people in labour-intensive public works, including small earth dams, climate mitigation plantations, and feeder roads

# Key Sector Initiatives (4/6)

## Economic Sectors

₵8bn

The focus of the Economic Sector is to ensure: a strong and resilient economy; sustainable and reliable energy supply, green transition; industrial transformation and agribusiness; improved science and technology; private sector development, agriculture and rural development; fisheries and aquaculture; and tourism, culture and creative arts.

Government seeks to spend GHS 1.5bn on Agriculture for Economic Transformation Agenda (AETA) to modernize agriculture, promote agribusiness, ensure food security, reduce food inflation, boost exports, and create jobs on this agenda. Below are the key programmes to achieve this agenda:



The Feed Ghana Programme (FGP) aims to boost agricultural production by mobilizing resources for strategic crops and livestock. It encourages participation from institutions like schools, faith-based organizations, and security agencies while promoting home gardening to enhance food security



The "Poultry Farm to Table" and "Nkoko Nketenkete" Projects aim to reduce chicken imports, boost farmers' income, and improve household nutrition. The government will support poultry farmers with chicks, feed, and vaccines while distributing Kuroiler chickens to households to enhance local poultry production



The Transformational Grains Development (TGD) Project aims to boost grain production by supplying improved maize, rice, soya, and sorghum seeds. This is expected to increase maize output by 30%, rice by 19%, soya by 40%, and sorghum by 9% in the short term



The Livestock Development Project aims to boost livestock production by rehabilitating breeding stations, increasing small ruminant stock levels, and revamping the Amrahia Dairy Farm to enhance dairy production



The AgriNext Programme aims to boost youth participation in agriculture by providing access to land, linking graduates to agribusiness opportunities, and operationalizing commercial farms. It also seeks to enhance local food processing through mini processing plants, making agriculture more profitable and reducing food imports



The Feed Industry Programme aims to increase local raw material production for industry, reducing reliance on imports and creating jobs for the youth.



The Vegetable Development Project (Y&REDUA) aims to cut vegetable imports by supplying seeds, fertilizers, and technical support to farmers. It also promotes greenhouse and controlled-environment farming to enhance vegetable production nationwide



The Ghana Tree Crops Diversification Project (GTCDP) aims to boost foreign exchange earnings and farmer income by promoting the commercialization of cashew, coconut, and rubber. The Root and Tuber Development Project (RTDP) aims to boost cassava, plantain, and yam production. The National Palm Oil Industry Policy aims to boost palm oil production

# Key Sector Initiatives (5/6)

## Infrastructure Sector

¢6bn

The focus of the Infrastructure Sector is to improve the country's infrastructure to support economic growth, enhance livelihoods, and increase access to basic services. It cuts across works and housing; roads and highways; Communications, Digital Technology and Innovations; and transportation



Partnership with private sector to commence coastal protection works at Shama, Ningo-Prampram (Section B), La, and Teshie Nungua, Aboadze (Phs III), Maritime University, Ezinlibo, Kokrobite, Apam, Bortianor, Saltpond, Ada, Anloga, Anyanui Fuveme, and Tema Newtown



Completion of housing units for the Ghana Immigration Service and ongoing work on the Surge Homes Housing Project and SHC Gardens Project



Construction of 1,010 housing units for flood victims at Central, North, and South Tongu Districts in the Volta Region



Completion of 74 housing units on the Legacy Court Housing Project



Construction of 625 housing units for public servants, with 135 units delivered and 490 units ongoing



National Homeownership Fund (NHF) Partnership - Completion of 204 housing units at Community 22 and commencement of additional 129 housing units



Completion of 1,072 units and commencement of additional 800 units at Tema Community 26



Commence the Coding for Employment Programme to train 100,000 of the targeted 1,000,000 Ghanaians to be trained within the medium-term in digital skills and empower them to thrive in the digital space



Ho Airport Revitalization. Establishing a pilot training academy and MRO Facility



Second Phase of the Blekusu Coastal Protection Project



# Key Sector Initiatives (6/6)

## Public Safety Sector

¢1.5bn

The focus is on ensuring security, law and order, and disaster preparedness



Establishment of 15 forward operating bases along northern borders to protect Ghana's oil and gas resources. Ezinlibo in the Western Region will be part of the national strategic programme to protect Ghana's oil and gas resources



Enhance border security through advanced surveillance systems, infrastructure upgrades, specialized training, and strengthened counterterrorism efforts. Also, digitalize visa and permit processing and enforce migration laws to improve compliance and operational efficiency



Expansion of community and highway patrols to enhance police visibility and public accessibility. Additionally, horse and dogs patrol will be deployed in selected regions



Strengthen intelligence gathering on emerging psychoactive substances and enhance border controls



Intensify public education in communities for disaster risk reduction, resilience and continuous engagement with key stakeholders to enhance information sharing and transmit early warning signals for disaster preparedness and response



Establish standardized procedures and eligibility criteria for granting parole, aimed at promoting inmate rehabilitation, reducing recidivism rates, and addressing prison overcrowding

# Proposed Tax Measures

# Proposed Tax Measures (1/5)

## Taxes to be Abolished

## Taxes to be reduced



10% withholding tax on betting winnings



Emission levy on industries and vehicles



1% Electronic Transfer Levy (i.e., E-Levy)



1.5% Withholding tax on small-scale miners' unprocessed gold winning



Valued-Added Tax (VAT) on motor vehicle insurance policies



The 2025 minimum wage rate will be taxed at zero percent.

The Government of Ghana intends to abolish these taxes to ease the burden on households and businesses thereby improving the disposal income of individuals and supporting business growth.

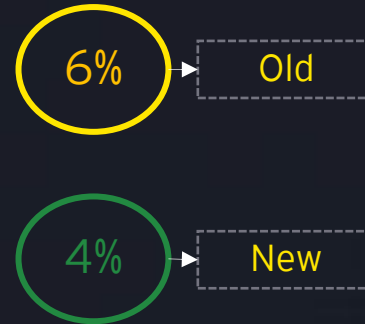
The zero-rating of the 2025 minimum wage means resident individuals will not be subject to income tax on income up to the 2025 minimum wage thereby increasing their disposable income. This proposal is likely to be realized through an amendment of the graduated tax rates applicable to resident individuals.

# Proposed Tax Measures (2/5)

## Revision of administrative provisions

- The GoG aims, through an amendment of the Revenue Administration Act, 2016, Act 915 (as amended), to reduce the tax refund ceiling from 6% to 4% of total revenue in order to address the revenue gap created by removing certain taxes, including E-Levy and betting taxes.
- According to the Minister, a study revealed that 57% of the tax refund account was misapplied, and therefore a reduced allocation of 4% is enough to close the revenue shortfall that would result from removing the taxes.

## Tax refund ceiling



## EY's Point of View

Businesses may need to engage with the GoG more extensively during the implementation stage of the law due to issues in the current tax administrative processes. These issues which adversely affect opportunities for tax refunds include, reaudits and delays in tax audits and they may not have been considered in the Minister's determination of zero tax refund arrears. Where such is the case, the refund dispensation may not be robust to meet future tax refund obligations.

## Energy sector levies and consolidation

There is a plan to restructure and consolidate existing levies under the Energy Sector Levies Act, 2015, Act 899 (as amended) (ESLA). Three of the ESLA levies will be consolidated into one.

The following levies would be maintained for their original purposes:

- Road Fund Levy for road maintenance and infrastructure
- Public Lighting Levy to support electricity supply for public spaces
- National Electrification Levy to fund rural electrification programs

## Consolidated Levies

- Energy Debt Recovery Levy
- Energy Sector Recovery Levy (Delta Fund)
- Sanitation and Pollution Levy

The proposed consolidation of the energy sector levies aims to assist the GoG in addressing energy sector debts and servicing inherited debt obligations.

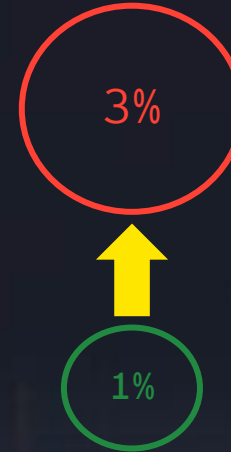
This consolidation may, however, create a funding gap for sanitation and pollution activities, which previously received earmarked funds under the law as the sanitation and pollution funds would be redirected towards servicing energy sector debt.

# Proposed Tax Measures (3/5)

## Extractive Sector Allocation

- The Growth and Sustainability Levy (GSL) rate currently applicable to the gross production of mining companies will be revised upwards from 1% to 3%.

## Upwards Revision in GSL



## EY's Point of View

Mining companies that do not have beneficial fiscal stability terms with the GoG will be faced with increased tax cost. According to the Minister, the increase in the rate is a tax measure to ensure that Ghana benefits from the recent surge in gold prices from the global market. It is unclear whether in the determination of the additional 2% the GoG considered the cost mix of the mining companies and the impact of the increase on their operations.

## Taxation affecting all Sectors unless otherwise indicated

GoG proposes an extension of the sunset clause for the Growth & Sustainability Levy from 2025 to 2028 which impacts all companies.

The sunset clause for the Special Import Levy will be extended from 2024 to 2028. Importers of qualifying goods will continue to pay the levy until the 2028 calendar year.



Extending the duration of the levies will further raise the tax burden on businesses operating in Ghana. The GoG must prevent the situation where sunset clauses transform into indefinite clauses, as this tax negatively affects the effective tax rate for companies in Ghana.

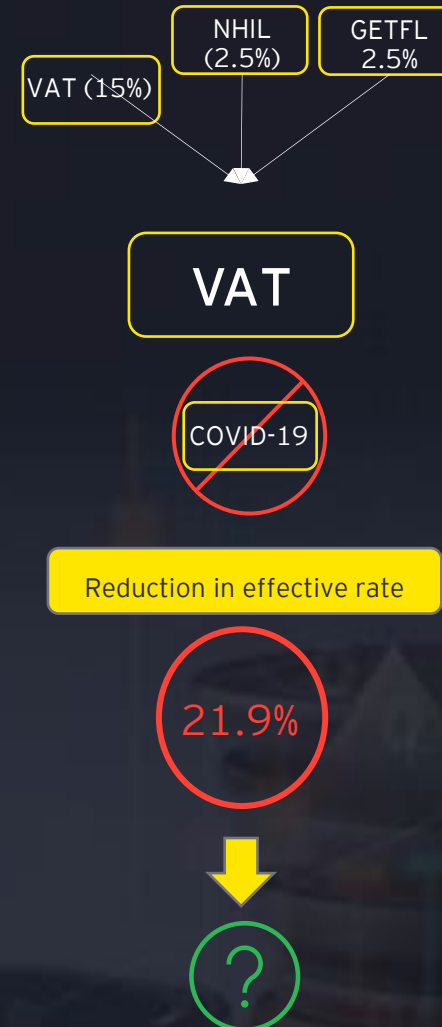
# Proposed Tax Measures (4/5)

## VAT Reforms

According to the Minister, the current VAT regime needs reform as the structure of taxation has a cascading effect which impacts the cost of doing business in Ghana. Businesses will, however, have to wait for the outcome of the work of a joint team made up of the Fiscal Affairs Department of the International Monetary Fund and a local VAT Reform Task Force to be set up by the Minister. The mandate of the team is to determine the parameters for the implementation of the reforms.

The parameters of the VAT reforms to be determined include the following:

- Abolishing the Covid-19 levy
- Reversing the decoupling of the Ghana Education Trust Fund Levy (GETFL) and National Health Insurance Levy (NHIL) from VAT, ensuring these levies are properly structured.
- Reducing the effective VAT rate for businesses and households.
- Reversing the VAT flat rate regime.
- Increasing the VAT registration threshold to exempt micro and small businesses from VAT obligations.
- Enhancing public education and awareness to improve compliance.



## EY's Point of View

It is expected that qualifying VAT-registered persons will be entitled to claim the levies incurred under the input-output standard rate mechanism, thus eliminating the compounding burden of the levies on households.

Increasing the VAT registration threshold to exempt micro and small businesses from VAT will not only reduce their administrative and compliance costs but also, it will reduce the costs incurred by consumers of their goods and services.

The effective date for the repeal or amendment of applicable laws for implementation of the VAT Reform is anticipated to be within 2025 but the specific timing is unclear.

# Proposed Tax Measures (5/5)

## Reintroduction of Road Tolls

The Minister proposed the reintroduction of road tolls in 2025 as part of the “Big Push Programme.”

Key aspects of this initiative include:

- A technology-driven solution which will be used to ensure efficient toll collection and minimisation of leakages.
- The policy will be designed to minimise the burden on road users while generating sustainable revenue for road construction and maintenance.

## Property Rate & Non-Tax Revenue (NTR) Collection

To strengthen revenue generation beyond taxation, the GoG is introducing a new legal framework for NTR. The reforms will include:

- Developing a national strategy for NTR collection, ensuring that fees and levies from GoG services are properly managed.
- Enhancing property rate collection through a standardized system, ensuring local governments receive adequate funding for development projects.

## Compliance & Taxpayer Engagement

The Minister indicated that tax compliance, particularly among SMEs and individuals, remains low, adversely affecting revenue collection.

To improve tax compliance, the GoG will implement the following measures:

- A nationwide tax education campaign over the next 2-3 years to increase awareness and encourage voluntary compliance.
- Quarterly dialogue sessions to be held among the Ghana Revenue Authority (GRA), Ministry of Finance, and the business community to address tax-related concerns and streamline tax administration.



# ESG Policy Measures and Interventions



# ESG Policy Measures and Interventions | ESG Policy Measures (1/2)

Policy, Law, or Regulation	ESG Category	Summary	Commentary
1. Revocation of L.I. 2462 (Mining in Forest Reserves)	Governance	MEST initiated processes to revoke the law permitting mining in protected areas.	It is expected to strengthen environmental protection, supporting SDG 15 (Life on Land).
2. Strengthening SIGA for corporate governance	Governance	The State Interests and Governance Authority (SIGA) will enhance governance standards across State-Owned Enterprises (SOEs).	It has the potential to promote transparency and accountability, aligning with SDG 16 (Peace, Justice, and Strong Institutions).
3. Integration of climate change in national planning	Governance	NDPC will mainstream climate change and biodiversity using the Natural Capital Accounting Framework in planning guidelines for 2026-2029.	This is a step towards climate action integration into governance, aligning with SDG 13 (Climate Action).
4. Establishment of Renewable Energy Investment and Green Transition (REIGT) Fund	Environment	A fund will be created under the Renewable Energy Act to attract investments in renewable energy.	This fund could aid the acceleration of Ghana's transition to a green economy, supporting SDG 7 (Affordable and Clean Energy).
5. Environmental Protection Authority Act, 2025 (Act 1124)	Environment	Replaces the Environmental Protection Agency Act, 1994 (Act 490) to enhance environmental governance.	The expectation is to strengthen environmental regulatory frameworks, supporting SDG 13 (Climate Action).
6. Review of Made-in-Ghana Products Policy	Social	A comprehensive review will be undertaken to promote local industries.	This policy could support economic sustainability and local job creation, aligning with SDG 8 (Decent Work and Economic Growth).

# ESG Policy Measures and Interventions | ESG Policy Measures (2/2)

Policy, Law, or Regulation	ESG Category	Summary	Commentary
7. Parliamentary approval of Occupational Safety and Health Bill, Co-operatives Bill, and Ratification of ILO Violence and Harassment Convention	Social	Legal reforms will enhance labor rights, workplace safety, and protection against harassment.	It is believed these Bills will promote fair labour practices, aligning with SDG 8 (Decent Work and Economic Growth).
8. Development of National Health Security Policy	Social	Policy to enhance health service delivery nationwide.	This policy may strengthen health infrastructure resilience, supporting SDG 3 (Good Health and Well-being).
9. Legislative Instrument for Affirmative Action Act	Social	Regulations to ensure the effective implementation of the Affirmative Action Act.	This Act is likely to advance gender equality and women's empowerment, supporting SDG 5 (Gender Equality).
10. Implementation of National Adolescent Pregnancy Strategy (2024-2029)	Social	Strategy to raise awareness and protect adolescent girls' rights.	It is expected to support reproductive health rights and education, aligning with SDG 3 (Good Health and Well-being) and SDG 5 (Gender Equality).
11. Amendments to Domestic Violence Policy, Early Childhood Care Policy, and Social Protection Bill	Social	Revisions to improve policies protecting vulnerable groups.	The amendment is anticipated to provide social safety nets, aligning with SDG 10 (Reduced Inequalities).
12. Re-categorisation of mining into small-scale mining (SSM), medium scale mining (MSM), and large-scale mining (LSM)	Environment	GoG intervention to aggressively deal with illegal mining by introducing tailored regulatory, operational, environmental, and safety requirements.	It is estimated that these re-categorization will assist in curtailing illegal mining, aligning with SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action).

# ESG Policy Measures and Interventions | ESG Interventions (1/3)

Initiative	ESG Category	Summary	Commentary
1. Accelerating Solar Action Programme (ASAP)	Environment	The Ministry of Finance (MoF) facilitated approval of USD 31.6 million for scaling up solar energy adoption.	The programme could aid Ghana's NDCs by increasing renewable energy penetration, aligning with SDG 7 (Affordable and Clean Energy) and SDG 13 (Climate Action).
2. Modified Closed Season Programme	Environment	GoG will propose a two-month ban on industrial trawl vessel fishing will continue, while the one-month ban for artisanal fishers is suspended.	This is intended to help conserve fish stocks and support sustainable fisheries management, aligning with SDG 14 (Life Below Water).
3. Rigorous enforcement of environmental and safety standards in mining	Environment & Governance	The Ministry of Environment, Science, Technology, and Innovation (MEST) and the Ministry of Lands and Natural Resources (MLNR) will enforce stricter environmental and safety regulations in the mining sector.	It has the potential to strengthen governance in the extractives sector, reducing environmental degradation and contributing to SDG 15 (Life on Land) and SDG 16 (Peace, Justice, and Strong Institutions).
4. Deployment of 12,000 net metered solar PV systems	Environment	Scaling-up of renewable energy through the installation of solar PV systems across homes, businesses, and public facilities.	The project can potentially aid Ghana's NDCs and the Paris Agreement by promoting energy efficiency and reducing carbon emissions.
5. Construction of 35 mini-grids and 1,450 solar home systems	Environment	Expansion of electricity access through decentralised solar mini-grids for remote off-grid households and public facilities.	This initiative is expected to improve energy access, aligning with Sustainable Development Goals (SDGs) 7 (Affordable and Clean Energy) and 9 (Industry, Innovation, and Infrastructure).
6. Coastal protection projects completion	Environment	Various coastal protection projects, including those in Dansoman, Komenda, and Elmina, are completed or near completion.	By bolstering climate adaptation measures, this project aims to protect communities from coastal erosion and sea-level rise, contributing to SDGs 11 (Sustainable Cities), 7 (Clean Energy), and 9 (Industry & Infrastructure).
7. School feeding programme budget increase	Social	The budget for the school feeding programme will be increased by 33% from GHS 1.344 billion to GHS 1.788 billion.	This effort is anticipated to improve child nutrition, decrease hunger, and advance Sustainable Development Goals 2 (Zero Hunger) and 4 (Quality Education)
8. Resettlement housing for Akosombo Dam spillage victims	Social	Construction of 1,010 housing units for displaced persons affected by flooding from the Akosombo Dam spillage.	It is projected to enhance social protection and resilience, contributing to the achievement of SDG 11 (Sustainable Cities and Communities).
9. 'No-Academic Fee' policy funding	Social	Allocation of GHS 499.8 million to cover first-year students' fees in public tertiary and secondary institutions.	There is potential for it to enhance educational access, supporting the goals of SDG 4 (Quality Education).

# ESG Policy Measures and Interventions | ESG Interventions (2/3)

Initiative	ESG Category	Summary	Commentary
10. Free sanitary pad distribution	Social	Allocation of GHS 292.4 million to provide free sanitary pads to female students.	This initiative could potentially boost school attendance for girls, particular girls who miss school as a result of period poverty.
11. Climate vulnerability assessment in health sector	Social	Assessment conducted to inform Ghana's Health Sector Climate Change Policy and Adaptation Plan.	There is a possibility that this initiative will improve climate resilience in healthcare, in support of SDG 3 (Good Health and Well-being) and SDG 13 (Climate Action)
12. Dredging of the White Volta	Environment	GoG will continue with the implementation of the Programme, in preparation for the spillage of the Bagri Dam	This initiative can play a significant role in promoting sustainable development and improving the quality of life for communities along the river, alighing with SDG 11 (Sustainable Cities and Communities) and SDG 13 (Climate Action)
13. Establishing Circular Economy Framework for the Plastics Sector (CEF PS) Project	Environment	11 SMEs in the plastics value chain have been selected to receive technical and financial support on pilot basis.	This project has the potential to reduce unemployment and help in plastic waste management inline with SDG 8 (Decent Work and Economic Growth) and SDG 13 (Climate Action).
14. The 'Big Push' infrastructure development agenda	Environment	GoG to roll \$10 billion infrastructure development and job creation	This intervention could serve as a catalyst for achieving multiple SDGs, fostering sustainable development and improving the quality of life for citizens.
15. Establishment of the Women Development Bank	Social	A specialized bank designed to provide low-interest loans and customized financial services for women-owned and women-led businesses, offering flexible terms.	This initiative could support gender equality by empowering women entrepreneurs and foster job creation.

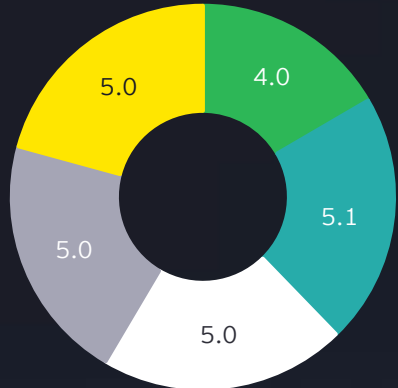
# ESG Policy Measures and Interventions | ESG Interventions (3/3)

Initiative	ESG Category	Summary	Commentary
16. National Apprenticeship Programme	Social	Generating self-employment by providing free technical and vocational training for young people in various crafts.	This programme could play a crucial role in enhancing skills development, promoting economic growth, and contributing to social equity, thereby supporting multiple SDGs in Ghana.
17. Provision Free Textbooks	Social	An allocated amount of GH¢564.6 million for comprehensive provision of curricula-based textbooks to KG and JHS pupils	The allocation of funds for textbooks could potentially enhance educational access and reduce education inequality.
18. Increase in beneficiary households under LEAP Programme	Social	The allocation for LEAP benefits has been increased by 30.8% from GH¢728.8 million to GH¢953.5 million	The allocation and increase in beneficiaries has the potential to address poverty, improve living standards, and promoting social equity, aligning with SDG 1 (No Poverty) and SDG 2 (Zero Hunger).
19. Establishment of the Ghana Medical Care Trust Fund (Mahama Cares)	Social	Support the treatment of cervical, breast, prostate, and childhood cancers (Burkitt's lymphoma), hypertension, heart diseases, and diabetes.	This fund could significantly contribute to efforts in addressing critical areas of health, education, and social equity.
20. Free Primary Health Care	Social	Covers essential health services at CHPS compounds, Health Centres, and Polyclinics.	This initiative has the potential to secure equitable access to essential health services, particularly for maternal and newborn care, child health, and nutrition, thereby supporting SDG 3 (Good Health and Well-being).
21. Free Tertiary Education for Persons with Disability (PWDs)	Social	Uncapping of the GETFund to free resources to provide funding for PWDs in tertiary education	It has the capacity to improve access to education, in alignment with SDG 4 (Quality Education). Although its success depends on the resources available to aid learning for PWDs, how accessible lecture halls, libraries etc are to PWDs
22. Agriculture for Economic Transformation Agenda (AETA)	Social	An allocated amount of GH¢1.5 billion for key components which include: Feed Ghana Programme, Ghana Grains Development Project, Vegetable Development Project and Nkokor Nketenke.	The allocation enhances food security, promotes sustainable agriculture, and boosts economic growth aligning with SDG 2 (Zero Hunger) and SDG 13 (Climate Action).

# Medium-Term Outlook

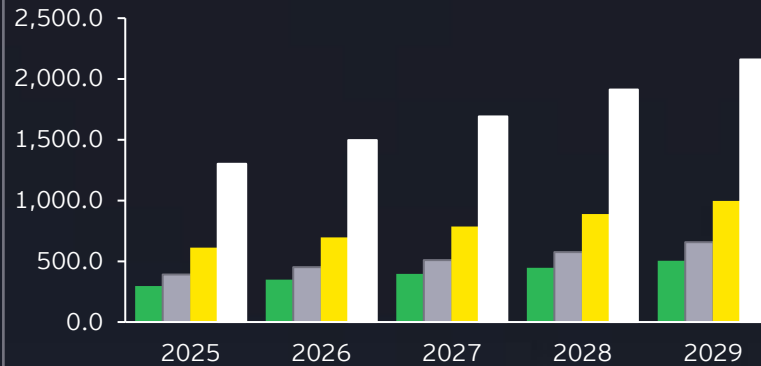
# Medium-Term Outlook | Ghanaian Economy (1/2)

### Real GDP Growth Rates (%)



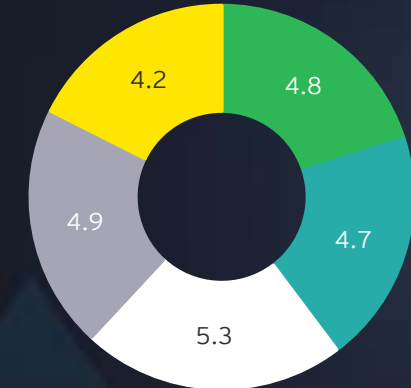
■ 2025 ■ 2026 ■ 2027 ■ 2028 ■ 2029

### Sectoral Contribution to GDP (GHS'M)



■ Agriculture ■ Industry ■ Services ■ Total GDP

### Non-Oil Growth Rates (%)

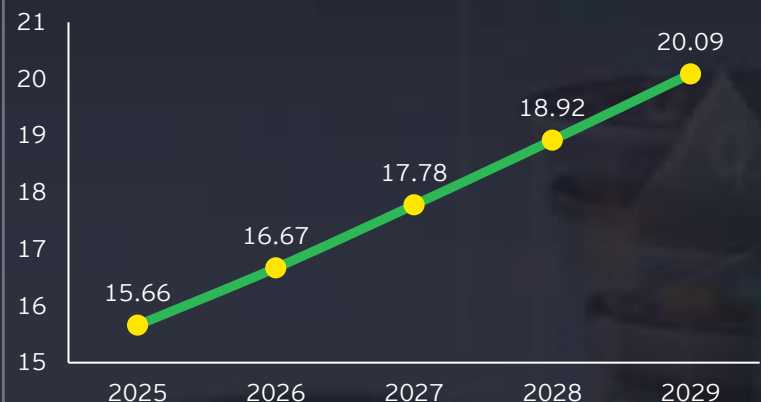


■ 2025 ■ 2026 ■ 2027 ■ 2028 ■ 2029

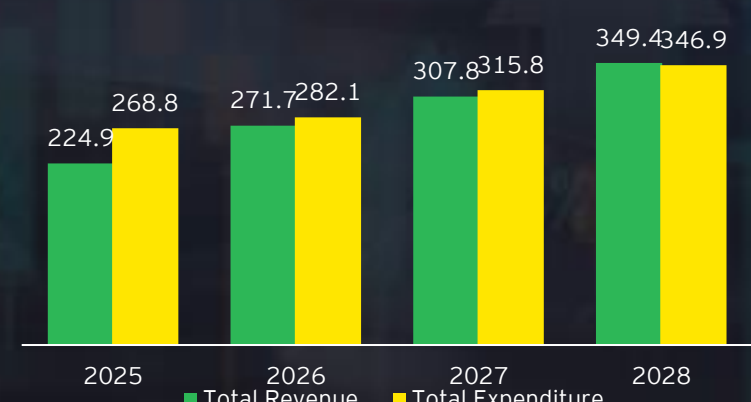
### Average Inflation Rates (%)



### Exchange Rates (Cedi/US\$)



### Total Revenue vs Expenditure (GHS'M)

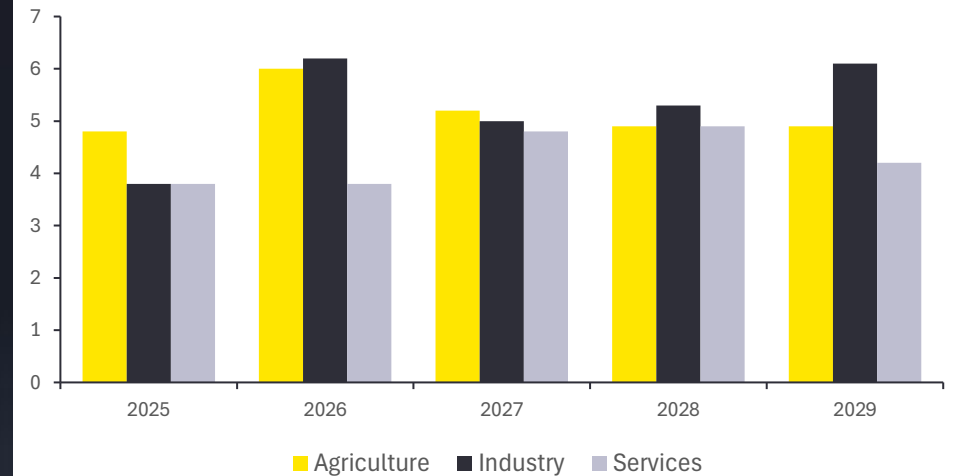


# Medium-Term Outlook | Ghanaian Economy (2/2)

## Outlook

- The medium-term economic outlook presents both challenges and opportunities, with the economy expected to experience moderate growth. Real GDP growth is projected to decline from 5.7% in 2024 to 4.0% in 2025, before stabilizing at ~5.0% from 2026 to 2028. The non-oil GDP growth rate is expected to follow a similar pattern, projected at 4.8% in 2025, slightly decreasing to 4.7% in 2026, rebounding to 5.3% in 2027, and easing to 4.9% in 2028.
- Inflation is forecasted to decline significantly, from 23.8% in 2024 to 11.9% in 2025 and further to 8 percent from 2026 onwards (Oxford Economics predicts inflation to reach 9.6% in 2026 and average around 9% between 2027 -2029). Exchange rate stability is expected to improve due to increased foreign reserves, remittances, and export earnings, particularly from gold. Gross international reserves are also projected to strengthen, further supporting economic stability.
- Revenue growth is projected to increase through enhanced tax reforms and improved compliance, rising to 16.9% of GDP by 2028. The government is committed to reducing primary expenditure, with spending expected to decline from 19.8% of GDP in 2024 to 14.6% in 2025. Debt sustainability remains a priority, with a shift towards medium-term bonds and fiscal consolidation efforts aimed at boosting market confidence.

## Sector Growth Rate



- Agricultural growth is expected to average 5.2% annually, driven by improved cocoa production, increased investments in agribusiness, and policies aimed at enhancing productivity and value addition.
- The industrial sector is projected to grow at an average rate of 5.3%, with drivers including increased manufacturing activities and infrastructure development
- The services sector is expected to grow at an average of 4.3% .



# Contacts

---



**Emmanuel Adekahlor**  
Country Managing Partner (CMP)

+233 202 220429  
emmanuel.adekahlor@gh.ey.com



**Dr. Pamela Des Bordes**  
Partner, Assurance

+233 202 220397  
pamela.des-bordes@gh.ey.com



**Isaac Nketiah Sarpong**  
Partner and Tax Lead

+233 577 653377  
isaac.sarpong@gh.ey.com



**Michael Sackey**  
Partner and Consulting Lead

+233 202 220394  
michael.sackey@gh.ey.com



**Priscilla Koranteng-Gyasi**  
Partner, Assurance

+233 548 770 029  
priscilla.koranteng-gyasi@gh.ey.com



**Kwadjo Yeboah**  
Partner, Assurance

+233 202 220393  
kwadjo.yeboah@gh.ey.com



**Alice Osei Okrah**  
Partner, Strategy and Transactions (SaT)

+233 246 528062  
alice.osei.okrah@gh.ey.com



**Yvette-Marie Ntrakwah**  
Associate Partner, Consulting

+233 531 007100  
yvette-marie.ntrakwah@gh.ey.com



**Kwasi Nyantakyi Owiredu**  
Associate Partner, Tax

+233 577682274  
kwasi.owiredu@gh.ey.com



**Martin Bortey**  
Associate Partner, Consulting

+233 577 708112  
martin.bortey@gh.ey.com



**Samuel Okine**  
Associate Partner, Assurance

+233 202 220426  
samuel.okine@gh.ey.com



**James Vanderpuye**  
Associate Partner, Assurance

+233 577 708101  
james.vanderpuye@gh.ey.com

# Contributors

---

01 Benjamin Kuuku Arthur

---

02 Godwin Kofi Matachor

---

03 Amy Thompson

---

04 Kofi Akuoko

---

05 Julius Akpeh

---

06 Yaa Darpaah

---

07 Naa Atswei Koney

---

08 Cappy Opuni

---

09 Daniel Quoffie

---

10 Ken Amoah

---

# Abbreviations

AI	Artificial Intelligent
AIP	Agreement in principle
ART	Anti-retroviral treatment
ASAP	Accelerating Solar Action Programme
Bn/B	Billion
BoG	Bank of Ghana
CAPI	Capital
CHPS	Community Health Planning and Service
DACF	District Assembly Common Fund
DDEP	Domestic Debt Exchange Programme
ECF	Extended Credit Facility
E-levy	Electronic Levy
EMDE	Emerging market and developing economies
ESG	Environmental Social Governance
ESLA	Energy Sector Levy Act
E-SPAR	Electronic Self Assessment Annual Report
EY	Ernst and Young
FGP	Feed Ghana Programme
GB	Great Britain
GDP	Gross Domestic Products
GETFL	Ghana Education Trust Fund Levy
GHANEPS	Ghana Electronic Procurement System
GHS	Ghana Cedis
GIFMIS	Ghana Integrated Financial Management Information System
GNPC	Ghana National Petroleum Corporation
GoG	Government of Ghana
Govt	Government
GPSNP	Ghana Productive Safety Net Project
GRA	Ghana Revenue Authority
GSL	Growth and Sustainability Levy
GTCDP	Ghana Tree Crops Diversification Project
HIV	Human immunodeficiency virus
ICT	Information Communication Technology
ILO	International Labour Organization
IMF	International Monetary Fund
LEAP	Livelihood Empowerment Against Poverty
LSM	Large Scale mining
MDAs	Ministries, Departments and Agencies
Mn	Million
MOF	Ministry of Finance
MRO	Maintenance, repair and operation
MSM	Medium scale mining
MTEF	Medium-Term Expenditure Framework
MTNDPF	Medium-Term National Development Policy Framework
NDA	Non-disclosure agreement
NEIP	National Entrepreneurship and Innovations Programme
NHF	National Homeownership Fund
NHIL	National Health Insurance Levy
NIA	National Identification Authority
NTR	Non-Tax Revenue
OCC	Official Creditor Committee
PIK	Payment in kind
PLHIV	People living with HIV
PPP	Public Private Partnership
Prov	Provision
PWD	Person with Disability
REIGT	Renewable Energy Investment and Green Transition
RTDP	Root and Tuber Development Project
SDG	Sustainable Development Goal
SHS	Senior high school
SIGA	State Interest and Governance Authority
SIL	Special import levy
SME	Small Medium Enterprise
SOCO	Social Cohesion Project
SOEs	State Owned Enterprises
SSM	Small Scale Mining
Tn	Trillion
TVET	Technical and Vocational Educational Training
USAIDS	United states of America
US\$	United state dollars
USAIDS	US Agency for International Development
Var	Variance
VAT	Value Added Tax
WDG	Women's Development Bank
YEA	Youth Employment Agency
y--o-y	year on year

## **EY | Assurance | Consulting | Strategy & Transactions | Tax**

EY is building a better working world by creating new value for clients, people, society and the planet, while building trust in capital markets.

Enabled by data, AI and advanced technology, EY teams help clients shape the future with confidence and develop answers for the most pressing issues of today and tomorrow.

EY teams work across a full spectrum of services in assurance, consulting, tax, strategy and transactions. Fueled by sector insights, a globally connected, multi-disciplinary network and diverse ecosystem partners, EY teams can provide services in more than 150 countries and territories.

**All in to shape the future with confidence.**

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. Information about how EY collects and uses personal data and a description of the rights individuals have under data protection legislation is available via [ey.com/privacy](https://ey.com/privacy). For more information about our organization, please visit [ey.com](https://ey.com).

© 2025 Ernst & Young, Africa.  
All Rights Reserved.

ED None

Information in this publication is intended to provide only a general outline of the subjects covered. It should neither be regarded as comprehensive nor sufficient for making decisions, nor should it be used in place of professional advice. Ernst & Young LLP accepts no responsibility for any loss arising from any action taken or not taken by anyone using this material.

**ey.com**