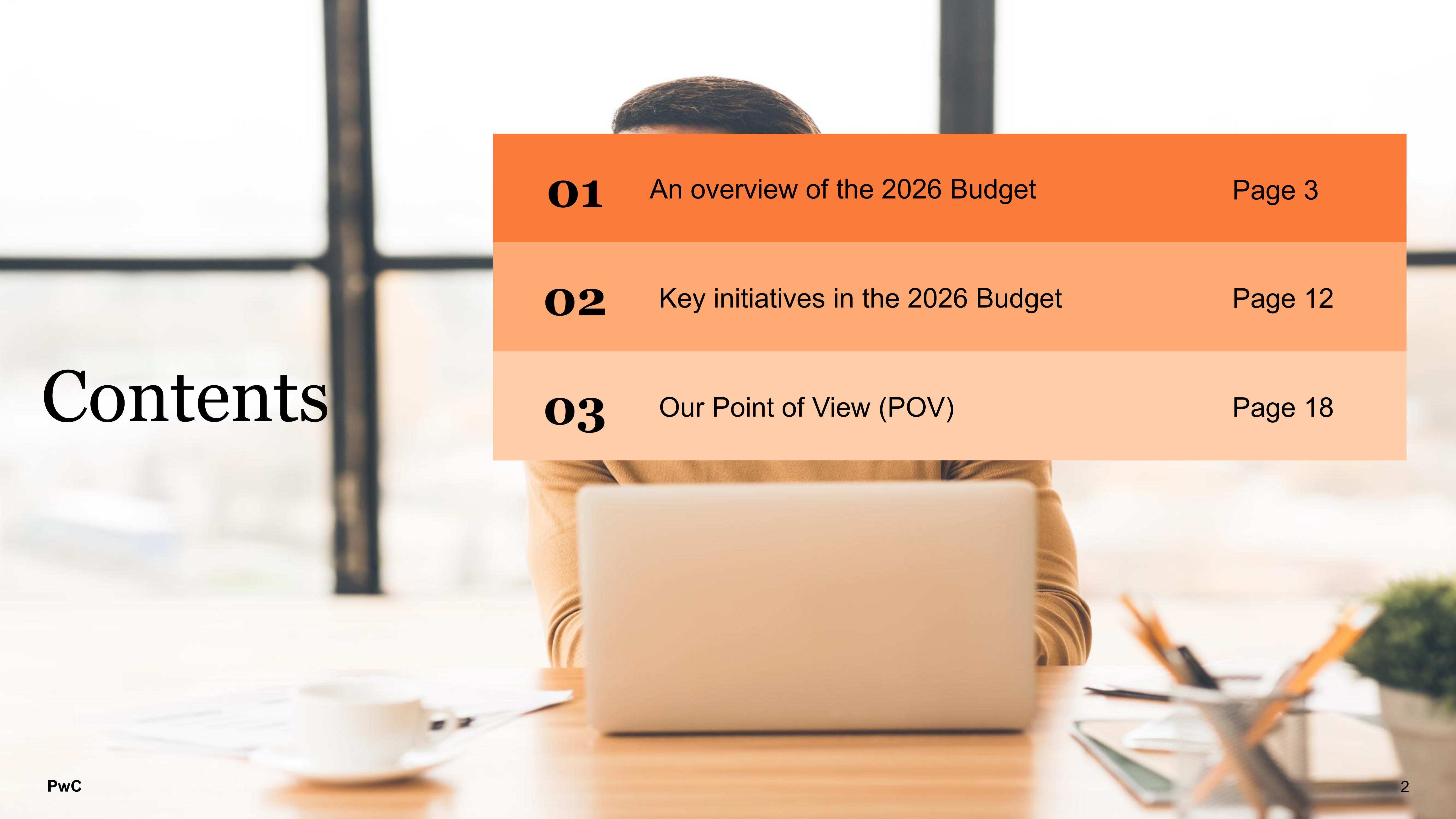
The 2026 Budget: key facts and implications for Business

A presentation to the
Ghana-Netherlands Business & Culture Council
(GNBCC)

27 November 2025

pwc



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An overview of the 2026 Budget Statement & Economic Policy

In 2024, JDM and the NDC promised an 'economic reset to Ghana'

"

Resetting the economy and creating prosperity for all entails creating an enabling environment—*low interest rates, a stable Ghana cedi and low inflation*—for businesses to create jobs and foster inclusive economic growth and development.

Introduction of the NDC's Resetting Ghana Manifesto, 2024
(ref. page xxii)

In the 2026 Budget Statement & Economic Policy, the Minister stated…

“

We have restored **fiscal discipline**, **brought inflation under control**, **stabilised the cedi**, and **rekindled investor confidence.**

Hon. Dr Cassiel Ato Baah Forson
Minister for Finance

2025 macro-indicator targets and outturns suggest good performance

2025 was marked by significant restraint in public spending. As at the end of Q3, total expenditure trailed budgeted expenditure by 15%. Still, the economy showed resilience and posted good growth powered by non-extractive sectors

Description	2025 Original targets	2025 Revised targets	2025 H1 outturn
Growth in real GDP (incl. oil)	4.0%	4.8%	6.3%
Growth in real GDP (non-oil)	4.8%	5.3%	7.8%
End of period inflation	11.9%	8.0%	8.0%*
Primary balance (% of GDP) (on commitment basis)	1.5%	1.5%	1.6%**
Overall fiscal balance (% of GDP) (on commitment basis)	-3.1%	-2.8%	-1.8%
Gross International Reserves (months of import cover)	≥3.0	≥3.0	≥4.8**

Source: 2026 Budget Statement and Economic Policy

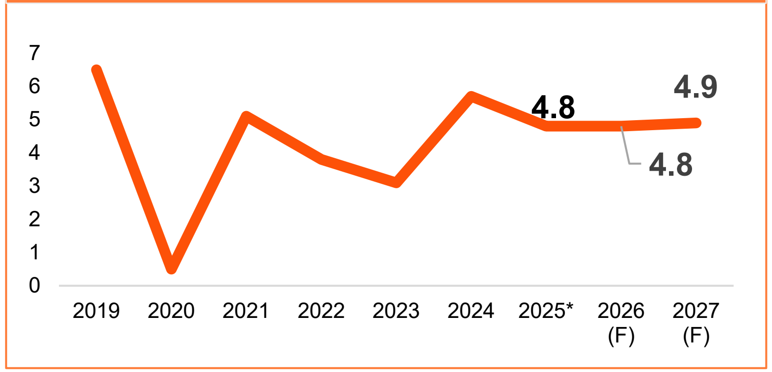
*Data as at October 2025

**Data as at September 2025

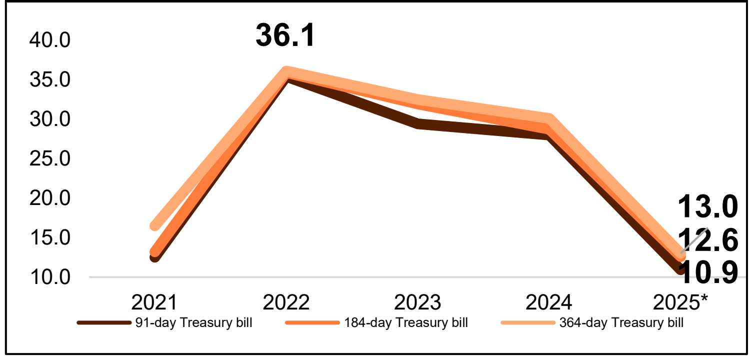
How key fiscal and monetary health markers have trended over time…

All key economic performance indicators are trending in directions suggestive of a healthier economy. International rating agencies, e.g. Fitch Ratings have upgraded Ghana’s sovereign credit ratings depicting improved investor confidence in the economic outlook

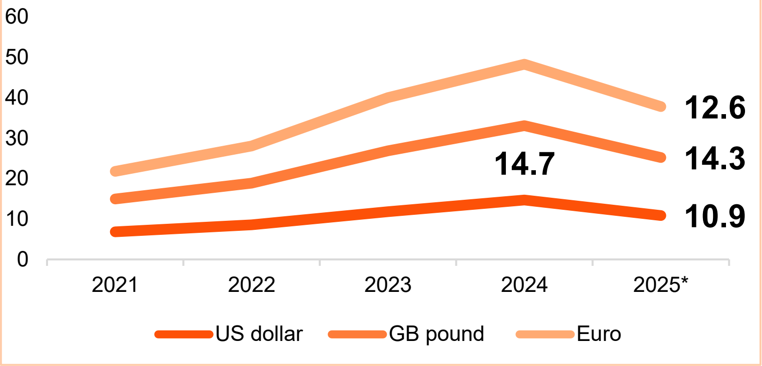
Domestic real GDP growth (%)



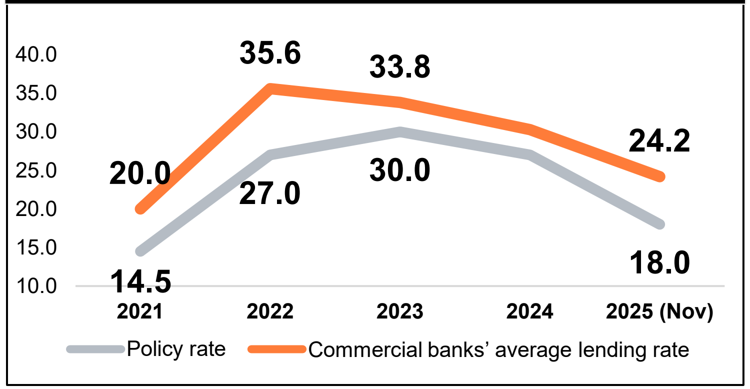
Treasury bill rates (%)



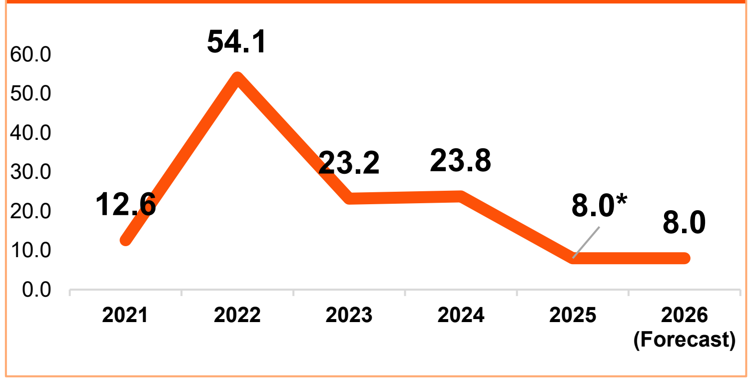
Ghana cedi (GHS) exchange rates (period-end)



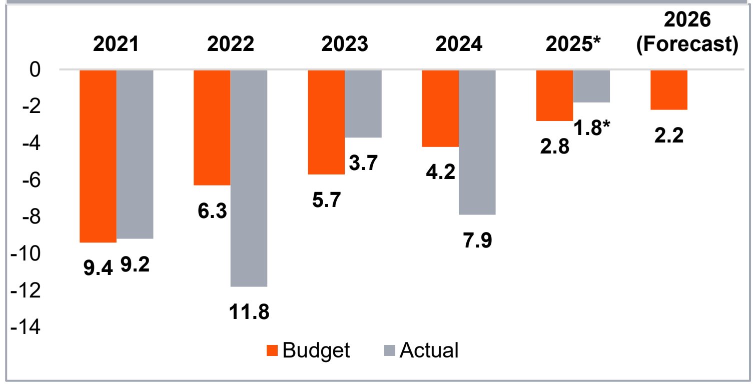
BOG’s Policy rate (%)



Period-end inflation (%)



Overall fiscal balance (commitment) % of GDP



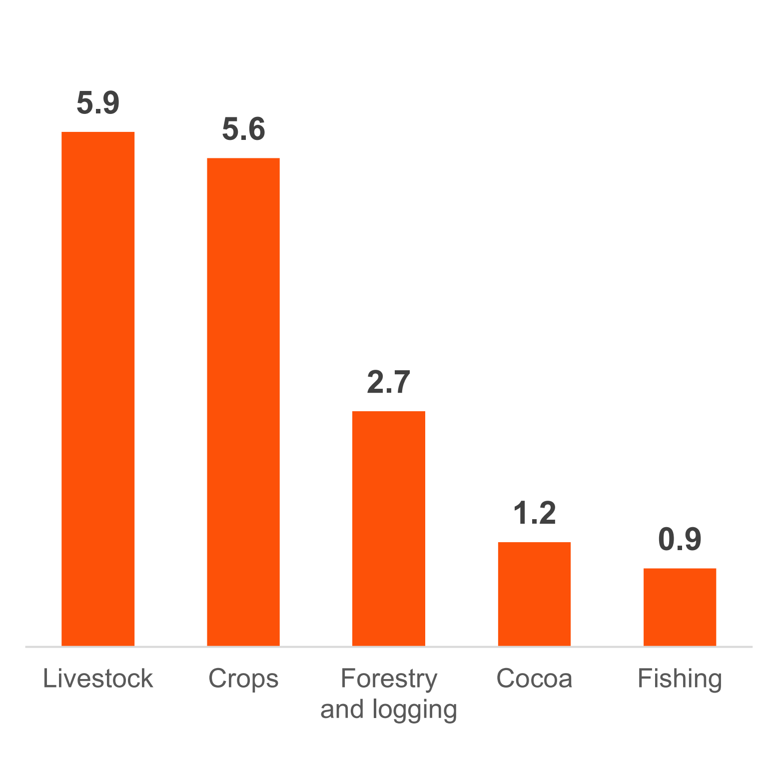
2025* shows current projections for EOY from the budget and current indicators

Source: Bank of Ghana database | Budget Statements and Economic Policy

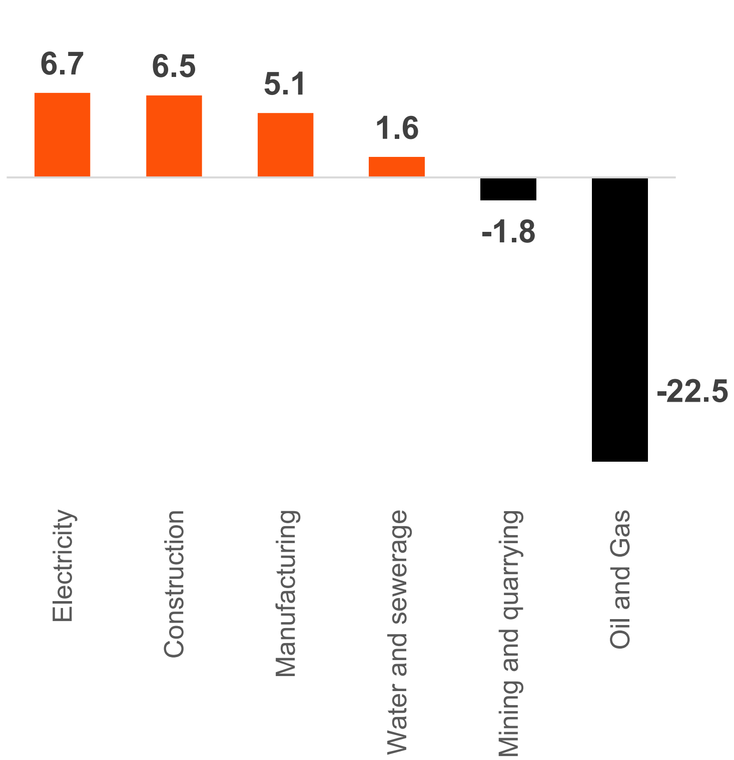
The fastest growth subsectors all sat in Services—not very broad-based

GSS highlights the Information and Communication, Education, Manufacturing, and Financial and Insurance Activities sub-sectors as the main drivers of real GDP growth in Q2, 2025. They marked Mining and Quarrying and Real Estate as contracting sub-sectors. We also noticed considerable contraction in the O&G sub-sector while the health sub-sector grew. There were relatively softer growths in the power, construction, livestock, and crops sub-sectors.

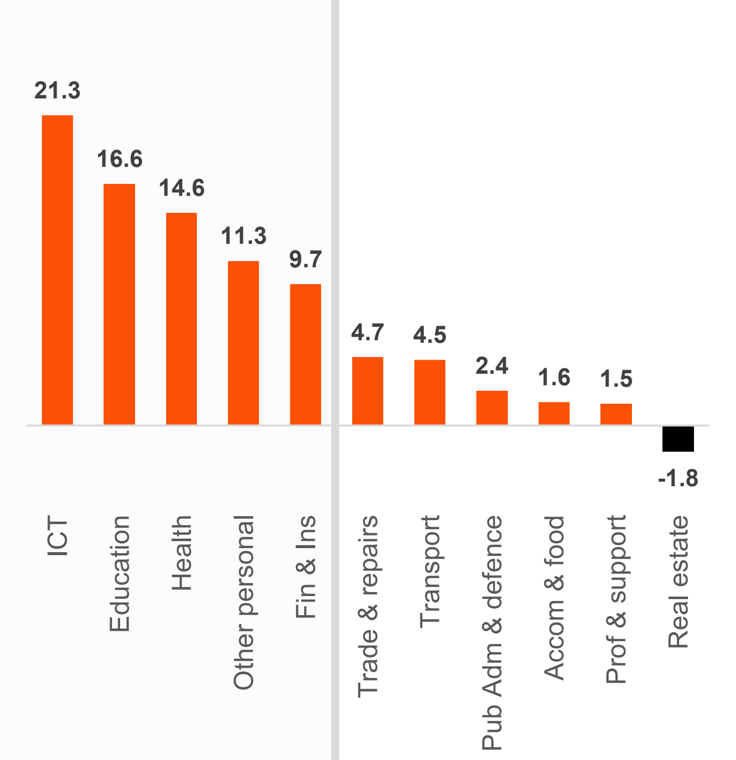
Agriculture | (Q2) 5.2% *vs.* (Q1) 6.6%



Industry | (Q2) 2.3% *vs.* (Q1) 3.4%



Services | (Q2) 9.9% *vs.* (Q1) 5.9%

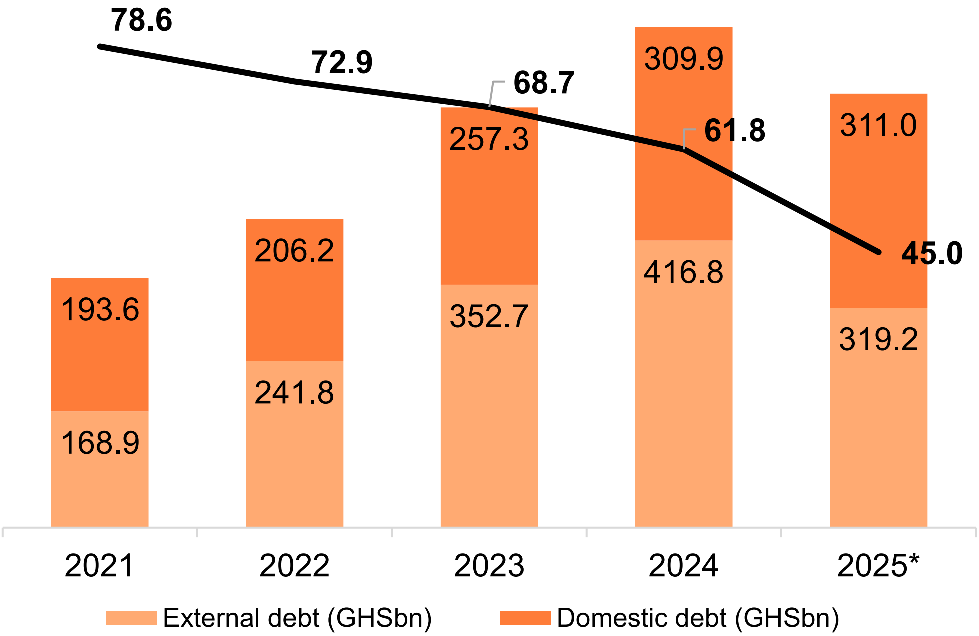


Source: Budget Statements and Economic Policy | Ghana Statistical Services (GSS)

Ghana's debt growth has been outpaced by economic expansion

Ghana's debt position improved markedly in 2025. This is attributed to prudent debt management by Government. The improvement in the public debt/GDP ratio—partly due to a stable (even appreciating) Ghana cedi—helped to drag interest rates down, saving the Government ~GHS8.8bn in domestic debt servicing.

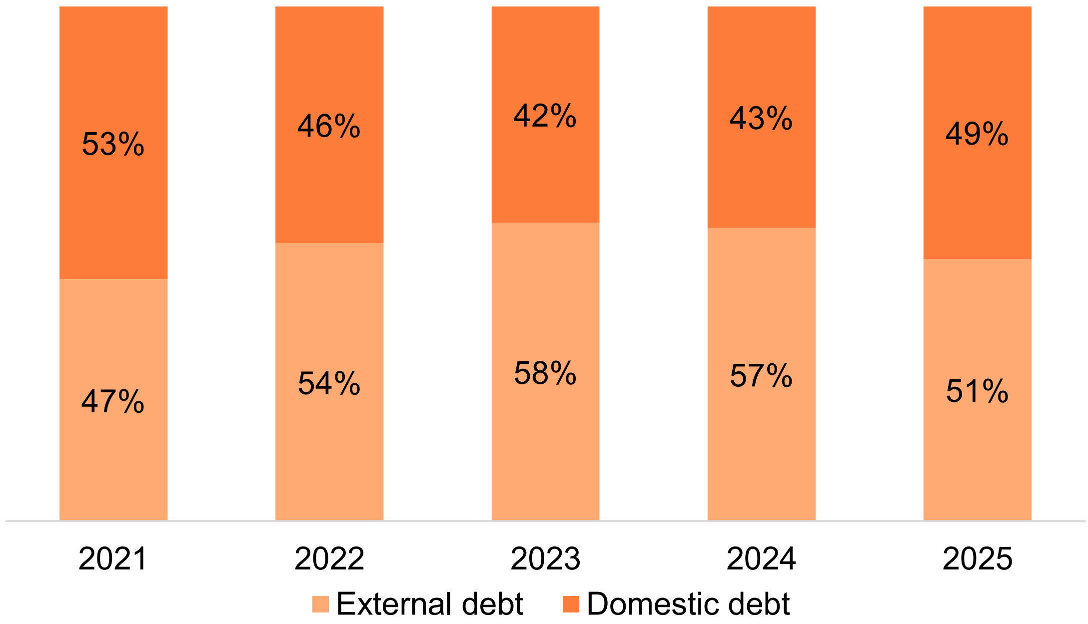
Public debt stock and debt-to-GDP ratio



* Data as at October 2025

Source: 2026 Budget Statement and Economic Policy

Composition of public debt



Given 2025's outturn, the 2026 performance targets look like safe bets

2026's macroeconomic policy objectives are as follows: preserve macroeconomic stability; maintain debt sustainability; sustain economic growth; and deliver tangible prosperity to the average Ghanaian

1

Real GDP growth

≥4.8%

2

Non-oil real GDP growth

≥4.9%

3

Inflationary control

Period-end target: 8.0%

4

Primary balance (commitment)

Surplus: 1.5% of GDP

5

GIR (incl. oil funds & pledged assets)

≥3 months of imports

Source: 2026 Budget Statement and Economic Policy

The 2026 Budget aims to sharpen focus on three strategic priorities

These strategic priorities are at the core of Government's reset agenda to create economic growth, meaningful jobs, and economy-wide transformation. Medium-term vision success will be measured by the country's food security, trade balance, raw material-to-processed goods exports ratio, unemployment rate, and GDP per capita

1 Consolidate macroeconomic stability

- Inflation: single digit
- GIR: ≥3 months import cover
- Primary balance: surplus

2 Accelerate economic transformation and job creation

Targeted transformative projects:

- Energy: G2P project
- Transport: The Spine & Bridge
- Agric: Oil Palm; FSC; irrigation
- Export industry: textiles

3 Strengthen security and social sectors for inclusive growth

- 8% expansion in social spending
- Education sector
- Health sector
- GAF: strategic & operational equipment

Source: 2026 Budget Statement and Economic Policy

02

Key initiatives in the 2026 Budget Statement & Economic Policy

2026 Budget includes some major tax initiatives/ revenue measures…

Overall, Government aims to deepen domestic resource mobilisation through the implementation of the 2024 MTRS. Specifically, Government intends to improve compliance, expand the tax (payer) base, and deploy effective digital tools to track and fairly tax e-commerce, cross-border transactions, and the extractive sector

- Government will deepen domestic resource mobilisation through the implementation of the Medium-Term revenue Strategy (MTRS); targets a revenue/GDP ratio of 18.7% by 2027
- Abolish the 1% Covid-19 Health Recovery Levy—represents a GHS3.7bn give-back to households and businesses
- Abolish the decoupling of the GETFund and NHIL levies from the VAT tax base, allowing both levies to be subject to input tax deductions
- Abolish VAT on reconnaissance and prospecting of minerals
- Reduce the effective VAT rate from 21.9% to 20%. Also, raise the VAT registration threshold from GHS200,000 to GHS750,000
- Extend the VAT zero-rating on the supply of locally manufactured textiles to 2028
- Deploy electronic and digital solutions to improve VAT administration
- Reform of key tax laws—income tax, customs, and excise to align them with global practices, promote competitiveness and equity, simplify compliance, and enhance revenue generation

Source: 2026 Budget Statement and Economic Policy

The 2026 Budget also includes some major expenditure measures…

Overall objective is to fiscal space for critical priorities like roads, energy, and education. To achieve this, Government will continue to rationalise spending by eliminating low-value programmes and streamline earmarked funds

Cut non-essential costs like travelling and low-impact programmes to curb spending

Redirect earmarked funds to high-impact, job-creating projects in roads, agriculture etc

Enforce approval processes to stop unfunded projects and arrears accumulation across MDAs

Protect funding for social programmes (e.g. LEAP, NHIS, School Feeding, and Free SHS) to sustain inclusive growth.

Government will **enforce PFM Act sanctions** to curb arrears and strengthen discipline.

Continue payroll validation to **remove ghost workers** from public payroll.

Review budget processes to improve efficiency, transparency, and value.

Quarterly expenditure reviews, real-time audit, and monitoring to prevent overspending and improve efficiency

Source: 2025 Budget Statement and Economic Policy

Some sectoral initiatives included in the budget

The 2026 budget also included some programmes and projects to pivot from stabilisation to accelerated growth and jobs.

Energy initiatives

- State-owned gas-to-power (power generation) project;
- PPA renegotiations

- Ensure stable and reliable power supply
- Achieve financial stability in the energy sector
- Promote a green transition for sustainability
- Support national economic growth and the "24-hour economy" objective

Infrastructure initiatives

- The Accra-Kumasi Expressway
- the Ekye–Amanfrom Adawso Bridge
- The construction of 1,000km of agriculture enclave roads

Purpose: Fast-track job creation, economic diversification, and inclusive growth.

Targeted capital spending in:

- Roads
- Energy
- Housing
- Water systems
- Digital infrastructure

Source: 2026 Budget Statement and Economic Policy

Some sectoral initiatives included in the budget

The 2026 budget also included some programmes and projects to pivot from stabilisation to accelerated growth and jobs.

Agribusiness, and industry

- National Policy on Integrated Oil Palm Development (2026 – 2032);
- Farmer service centres; irrigation projects; warehouses

- Secure food
- Tame food inflation and help keep inflation in single-digit range
- Cut import bill
- Improve exports

keeping currency stable, increase reserves and creating shock absorbers against external disruption.

Export-oriented industry

- Textiles and garments manufacturing under the 24-Hour Economy and Accelerated Export Development Programme (24H+) Gold refinement

- Accelerate industrialisation and boost exports
- Drive inclusive growth through integrated value chains
- Reduce import dependency and strengthen self-reliance
- Impact agriculture, manufacturing, logistics, and services sectors

Source: 2026 Budget Statement and Economic Policy

Impact of VAT changes on a typical trading entity with a margin of 20%

Impact of Old VAT Regime (GHS)			
Sales	10,000.00	Output VAT (21.9%)	2,190.00
COS (Tax Excl.)	(8,000.00)	Deductible Input VAT (15.9%)	(1,272.00)
Non-Deductible Levies	(480.00)	Effective VAT Payable	918.00
Gross Profit	**1,520.00**		
Impact of New VAT Regime (GHS)			
Sales	10,000.00	Output VAT (20%)	2,000.00
COS (Tax Excl.)	(8,000.00)	Deductible Input VAT (20%)	(1,600.00)
Non-Deductible Levies	nil	Effective VAT Payable	400.00
Gross Profit	**2,000.00**		
Net Impact After Changes			
Increase in Gross Profit	**480.00**	**Decrease in Effective VAT Payable**	**(518.00)**

03

Our Point of View (POV)

How we see the overall picture at PwC

Key risks to the 2026 Budget include commodity volatility, insufficient and/or unreliable power supply, persistent weaknesses in our public financial management system, revenue leakages, domestic financial market dynamics, and institutional execution capacity

Commodity volatility

- Gold revenue fluctuations threaten infrastructure funding under the Big Push Programme
- Cocoa remains vulnerable to climate and environmental pressures

Energy sector credibility

- New arrears to IPPs
- Weak adherence to cash waterfall rules
- Billing inefficiencies
- Irregular fuel supply undermine reliability

PFM weaknesses and revenue leakages

- Persistent arrears accumulation
- Inflated claims
- Large-scale import-related tax evasion

Institutional execution capacity

- Procurement delays
- Cost overruns
- Slow project delivery

How we see the overall picture at PwC

in our view, the 2026 Budget seems to demonstrate awareness of these risks we have identified and makes provision for their mitigation

Digitalisation and enforcement of revenue collection

- Inter-agency audits will verify import-related transfers to close revenue leakage gaps.
- Bank of Ghana will match foreign exchange transfers against verified import documentation to ensure tax compliance.
- AI-driven customs inspections before goods arrive will enhance revenue collection efficiency.
- A dedicated GRA recovery unit will pursue and recover outstanding tax obligations

Strong PFM enforcement and a new Value for Money (VFM) Office

- Implementing arrears audit recommendations and enforcing PFM Act sanctions to strengthen fiscal discipline.
- Tighter commitment authorisation and quarterly expenditure reviews will improve spending controls
- Real-time audit monitoring and regular payroll validation will eliminate ghost workers and unauthorised payments.
- These initiatives could generate annual savings of up to GHS3bn if consistently enforced with adequate institutional capacity

Questions