

TESAH'S

HIGHLIGHTS OF GHANA'S 2026 BUDGET STATEMENT AND ECONOMIC POLICY

Introduction

On November 13, 2025, Hon. Dr. Cassiel Ato Forson, Minister for Finance, presented the Government's Budget Statement and Economic Policy for the 2026 financial year to Parliament.

The Budget, themed “Resetting for Growth, Jobs, and Economic Transformation,” sets out a bold agenda to consolidate macroeconomic stability, accelerate structural reforms, and create sustainable employment opportunities.

Key highlights include:

- **Macroeconomic Stability:** Real GDP growth projected at 4.8% in 2026, inflation on a firm downward trajectory, and exchange rate stability supported by strong external reserves.
- **Fiscal Consolidation & Debt Management:** Revenue target of GH¢268.1 billion (16.8% of GDP), expenditure of GH¢302.5 billion (18.9% of GDP), and a fiscal deficit capped at 4.0% of GDP, anchored on a medium-term debt strategy.

Introduction

- **Transformation & Jobs:** Investments in energy, infrastructure, agriculture, and the 24-Hour Economy initiative to drive productivity and inclusive growth.
- **Capital Markets & Investor Confidence:** Measures to deepen domestic capital markets, restore investor trust, and position Ghana as a regional hub for trade and investment.
- **Social & Governance Priorities:** Expanded social protection programmes, modernised education and healthcare systems, and strengthened anti-corruption frameworks.

This Budget marks a decisive shift from recovery to transformation—building on the gains of 2025 to deliver growth, jobs, and shared prosperity.

This report provides a detailed summary of the budget, focusing on fiscal policy, macroeconomic trends, capital market developments, and tax measures for the year 2026`



KEY ECONOMIC INDICATORS

The Economy at a glance

GDP Growth

Oil: 5.7% as at 2024
Non Oil: 6.0% as at 2024

Exchange Rate (Appreciation)

USD: 34.86%
GBP: 28.67%
EUR: 21.03%

As at end of October 2025

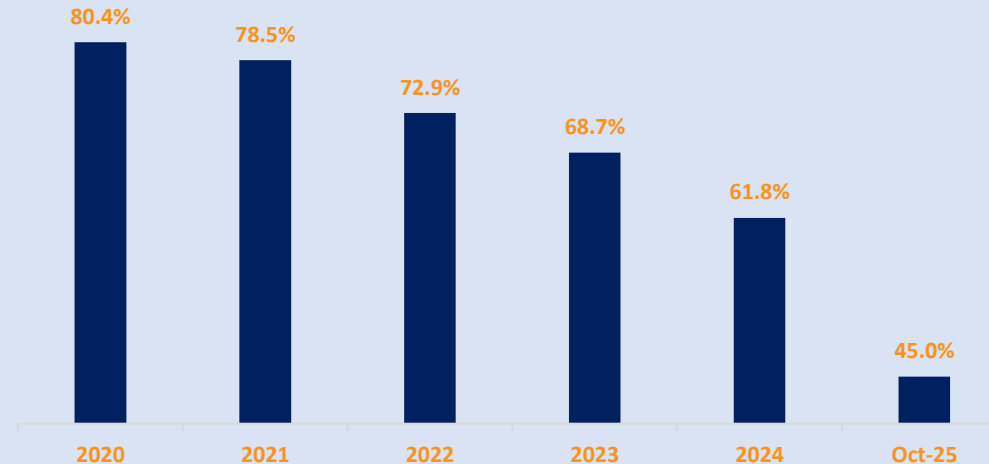
Inflation

8.0% as at end of October 2025

Monetary Policy Rate

21.5% as at end of October 2025

Debt to GDP



Primary Balance

Surplus of 1.6% of GDP as at end of September 2025

Gross International Reserves

4.8 months of import cover
As at end of September 2025

Fiscal Deficit

1.5% of GDP as at end of September 2025

Fiscal developments

Total Revenue: GHS 154.9 billion
Total Expenditure: GHS 178.4 billion
Deficit: GHS 34.99 billion

As at end of September 2025

Revenue Performance

Tax Revenue: GHS 124.7 billion
Non-Tax Revenue: GHS 22.7 billion

As at end of September 2025

Exchange Rate and Interest Rates

Exchange Rate

	USD	GBP	EUR
2024 Depreciation	19.18%	17.75%	13.70%
2025 Appreciation (end of Oct. 2025)	34.86%	28.67%	21.03%
2025 Exchange Rate (GHS)-(end of Oct. 2025)	10.90	14.30	12.57

Average Interest Rates

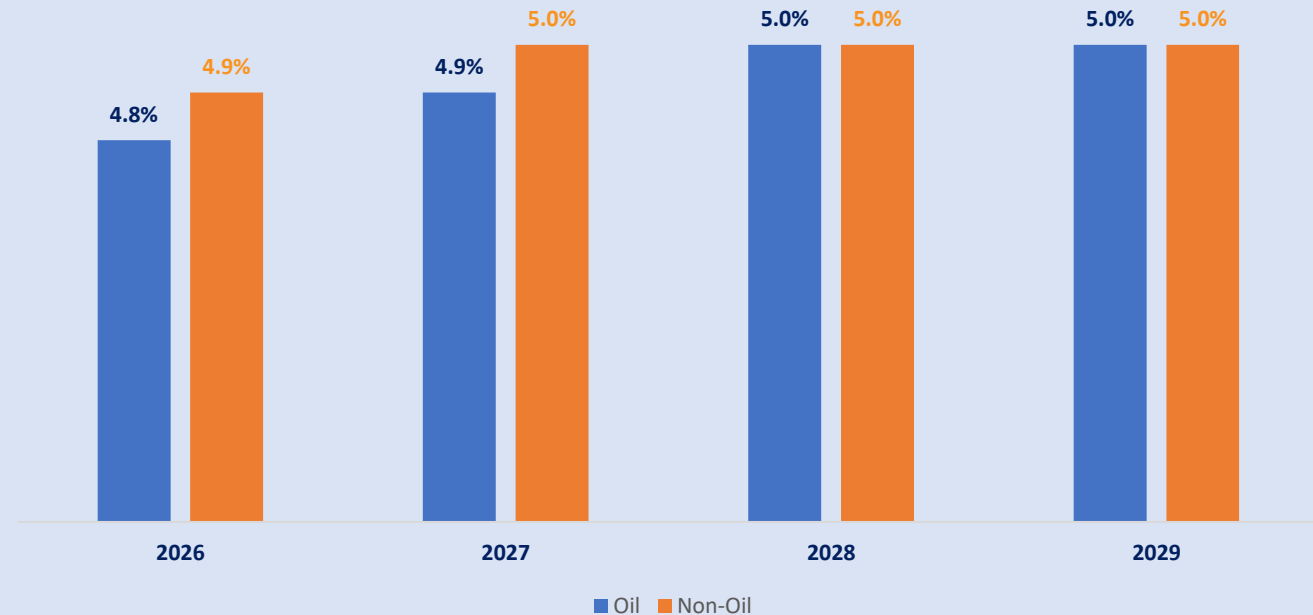
	91-Day	182-Day	364-Day	Monetary Policy
2024	26.20%	28.03%	29.07%	27.00%
2025 (end of Oct. 2025)	16.25%	28.68%	17.40%	21.50%
				5.5%
Change	-9.95%	-10.63%	-10.69%	5.5%



MACROECONOMIC PROJECTIONS AND TARGETS

Projections and targets (2026)

Medium Term Growth Targets



GDP Growth

Oil: 4.8%
Non-Oil: 4.9%

Inflation

8.0%

Gross International Reserves

3months of import cover

Fiscal Deficit

2.2% of GDP

Primary Balance

Surplus of 1.5% of GDP

Fiscal Target

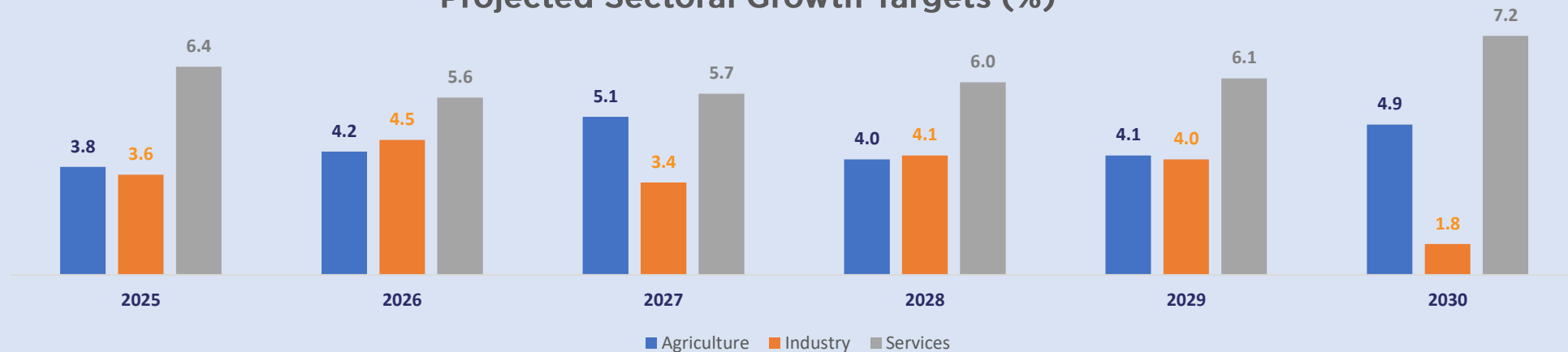
Total Revenue: GHS 268.1 billion
Total Expenditure: GHS 302.5 billion
Deficit: GHS 34.4 billion

Projections and targets (2026)

Macroeconomic Targets

	2025 Target	2025 Actual	2026 Target	Medium Term Target (2026-2028)
Real GDP (Oil)	4.0%	6.3%	4.8%	5.0%
Real GDP (Non-Oil)	4.8%	7.8%	4.9%	5.0%
Inflation	11.9%	8.0%	8.0%	8.0%
Fiscal Budget Deficit (% of GDP)	3.1%	1.5%	2.2%	Surplus of 1.5%
Gross International Reserves (months of import cover)	3	4.8	3	3

Projected Sectoral Growth Targets (%)





GOVERNMENT'S FISCAL OPERATIONS AND MEASURES

Government's Fiscal Operations and Measures

	2025 Proj. Outturn	2026 Budget
Income and Property Taxes	93,689.82	115,421.81
Taxes on Domestic Goods and Services	75,198.49	86,433.36
International Trade Taxes	25,255	31,078
Non-Tax Revenue	26,586	26,739
Other Revenue	9,569	12,933
Grants	2,675	3,066
Social contributions	1,095	1,425
Tax Refunds	(7,580)	(9,005)
TOTAL	226,488.23	268,090.93

Government's Fiscal Operations and Measures

Since 2020, the government has missed its revenue targets only twice-2021 and 2023-and provisional 2025 figures suggest another likely shortfall. This pattern highlights persistent challenges in meeting revenue expectations. The 2026 target is therefore modest, requiring nearly an 18% increase over the projected 2025 outturn.

The projected revenue growth is driven mainly by:

- Income and property taxes
- Taxes on domestic goods and services
- International trade taxes

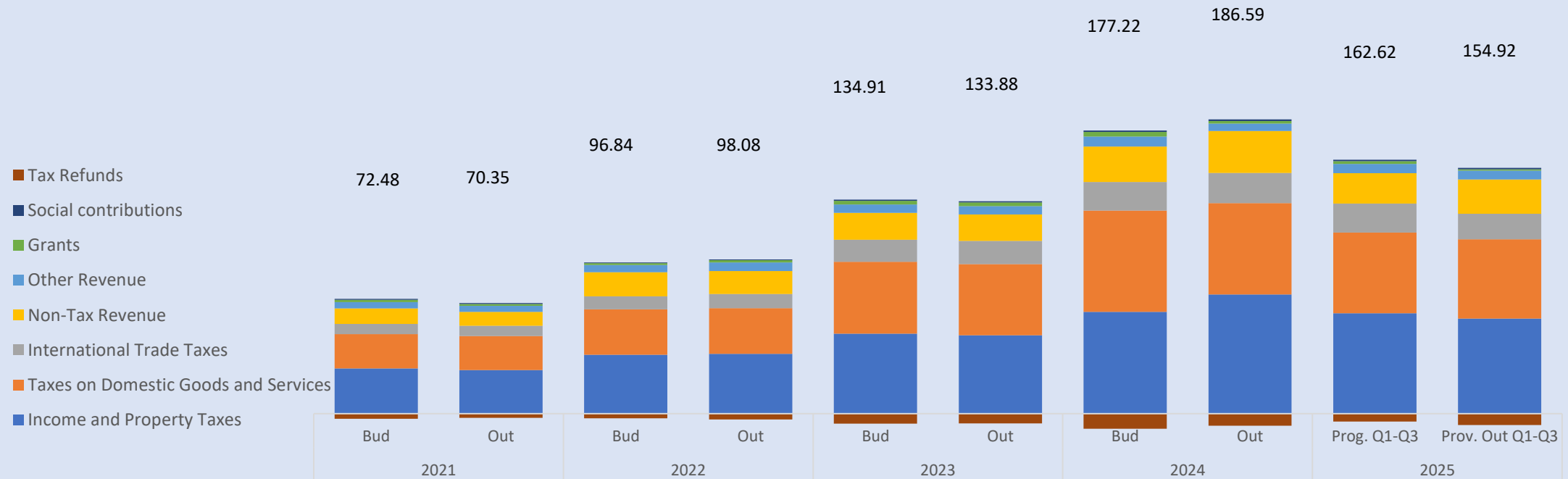
In past years, revenue overperformance was largely due to new taxes such as the E-levy, betting tax, and emission tax. With these taxes-and the COVID-19 Health Recovery Levy-now removed, the risk of underperformance in 2026 is heightened.

Without significant new revenue measures, another shortfall appears likely. Strengthening property tax collection and expanding the tax base remain critical gaps that could provide a more sustainable and reliable revenue source.

Fiscal measures

Revenues

In Billion GHS



Fiscal measures

Tesah's Opinion

Total Revenue and Grants for 2026 are projected at GHS 268.09 billion, representing a 16.6% increase over the revised 2025 budget of GHS 229.9 billion.

Tax revenue is expected to account for 83.5% of total revenue in 2026, a marginal increase from 82.6% in the 2025 budget, underscoring the government's continued reliance on tax mobilization.

The projected 26% growth in total revenue will be driven primarily by strong performance in key tax categories, particularly an 18.2% rise in taxes on property and income and a 17.2% increase in taxes on domestic goods and services. This suggests improved compliance efforts and an expanded tax base, as well as stronger domestic economic activity heading into 2026.

Fiscal measures

Revenues

VAT Reforms

- Reduction of the effective VAT rate from 21.9% to 20%
- Raising the VAT registration threshold from GH¢200,000 to GH¢750,000
- Extension of the VAT zero-rating on the supply of locally manufactured textiles to 2028.

Closing Revenue Leakages at the Ports

Government will deploy AI-driven pre-arrival inspections for all cross-border shipments to detect under-valuation, flag high-risk goods, and strengthen Customs' ability to combat smuggling, improve safety, and protect national security.

Integrating automation into port operations is expected to significantly boost customs revenue, enhance trade efficiency, and close long-standing revenue gaps.

Review and Consolidation of the Income Tax Act

Government will strengthen provisions in the current Act to enable the collection of taxes from non-resident entities with significant digital or economic presence in Ghana. This will ensure that global digital firms operating in the country contribute their fair share to national development.

Deepening International Tax Cooperation

Ghana will adopt the United Nations Framework on International Tax Cooperation, enabling the country to effectively tax non-resident digital and multinational companies, curb illicit financial flows, and recover revenues lost through tax evasion and avoidance.

Review and Consolidation of the Customs Act

This review will simplify border procedures, reduce clearance times, and lower compliance costs for businesses. It will also enhance Ghana's competitiveness in regional and global value chains while strengthening Customs' ability to combat smuggling, undervaluation, and illicit trade.

The review will consolidate all existing amendments and subsidiary legislation into a single, coherent framework, making the Act simpler, clearer, and easier to implement.

Review and Consolidation of the Excise Duty Act

The review will harmonise excise rates, broaden the tax base, and ensure that excise policies support healthy living, environmental protection, and fiscal responsibility.

Modernising the Act will improve compliance, simplify administration, and create a consistent structure for businesses, while ensuring that the excise system contributes meaningfully to revenue mobilisation and social wellbeing.

Fiscal measures

Abolished Taxes

COVID-19 Health Recovery Levy

- The government will abolish the 1% COVID - 19 Health Recovery Levy

Review and Consolidation of the Income Tax Act

Government will strengthen provisions in the current Act to enable the collection of taxes from non-resident entities with significant digital or economic presence in Ghana. This will ensure that global digital firms operating in the country contribute their fair share to national development.

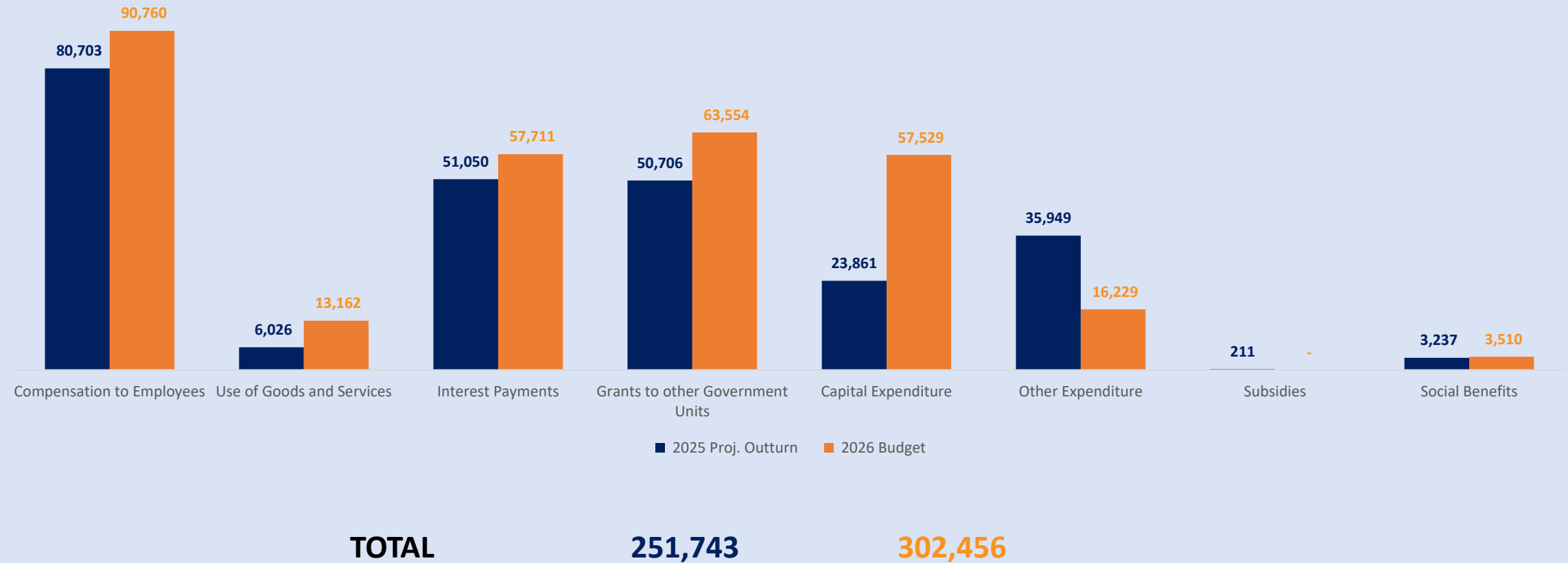
Abolish the current decoupling of the GETFund and NHIL levies from the VAT tax base, thereby reintegrating both levies into the standard VAT structure and allowing them to qualify for input tax deductions.

Review and Consolidation of the Customs Act

Abolish VAT on reconnaissance and prospecting of minerals

Fiscal measures

Expenditure Data (GHS' Million)

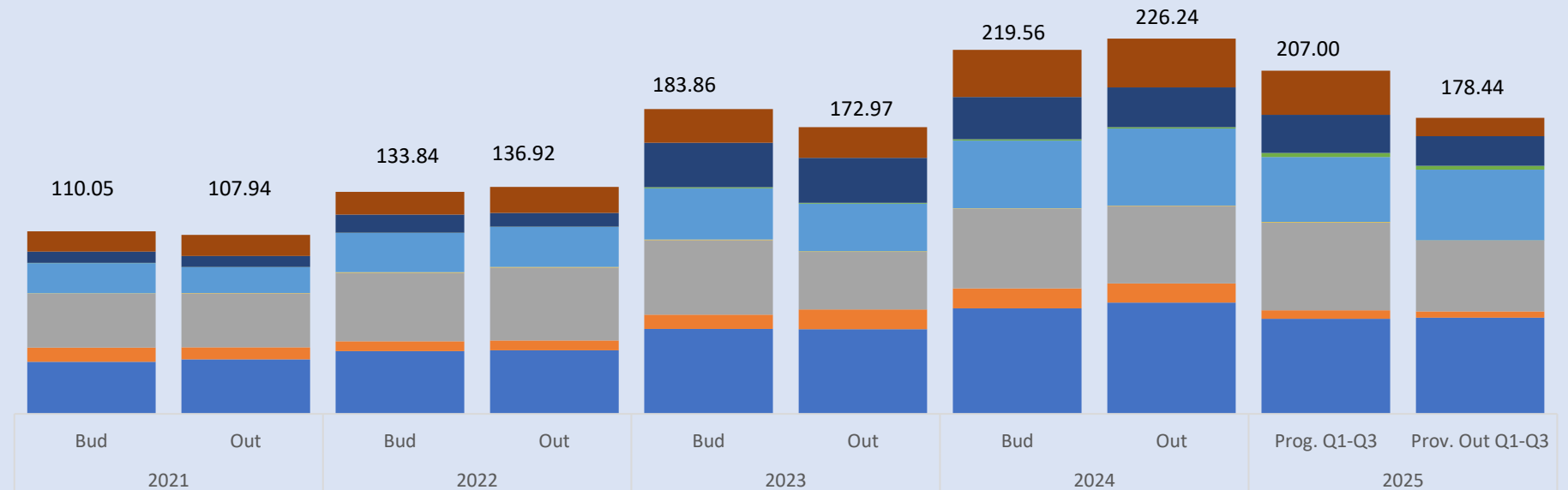


Fiscal measures

Expenditure

In Billion GHS

- Capital Expenditure
- Other Expenditure
- Social Benefits
- Grants to Other Government Units
- Subsidies
- Interest Payment
- Use of Goods and Services
- Compensation of Employees



Total Expenditure for 2026: GHS 302.46 billion (12.2% increase from the 2025 revised budgeted expenditure of GHS 269.5 billion).

Compensation of employees: 19.1% of the 2025 revised budgeted revenue.

Expenditure Control Measures

Review of Procurement Thresholds

The proposed amendment to procurement thresholds aims to restore purchasing power, reflect current market conditions, and improve efficiency across all levels of government. It will enable approving authorities to respond more quickly to community needs, accelerate project execution, and ensure value for money.

The reform seeks to build a procurement system that is responsive, efficient, and fit for purpose-one that speeds up delivery without compromising transparency or accountability.

Integration of GHANEPS and GIFMIS

Full roll-out of the Ghana Electronic Procurement System (GHANEPS) integration with the Ghana Integrated Financial Management Information System (GIFMIS)

Establishing the Value for Money Office (VfMO)

Government to establish an independent statutory VfMO with legal authority to review, certify, and sanction major projects.

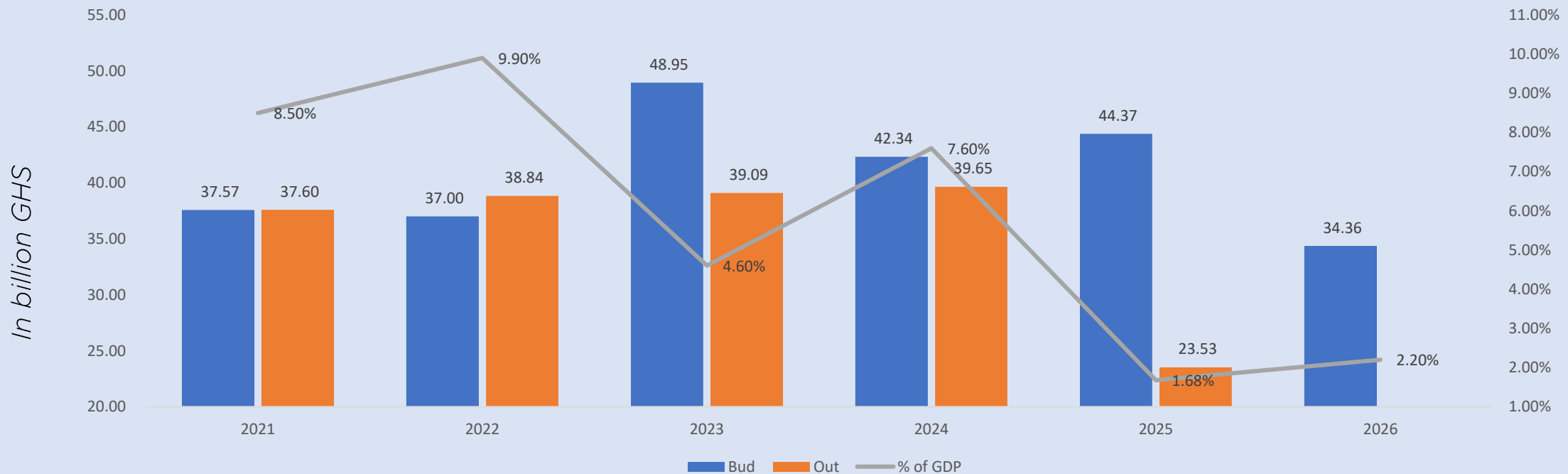
The key objectives of the VfMO include:

- Verifying that major projects are economically justified and technically sound
- Ensuring project costs align with national benchmarks
- Require measurable results from MDAs and MMDAs;
- Publishing transparent performance reports for citizens and Parliament.

Enforcement of sanctions of the Public Financial Management Act

Government to enforce sanctions under Sections 96 to 98 of the Public Financial Management (PFM) Act, particularly for breaches relating to arrears accumulation and non-compliance with commitment controls

Fiscal Deficit



Deficit Financing

Foreign Financing

GHS 6.56 billion
(0.41% of GDP)

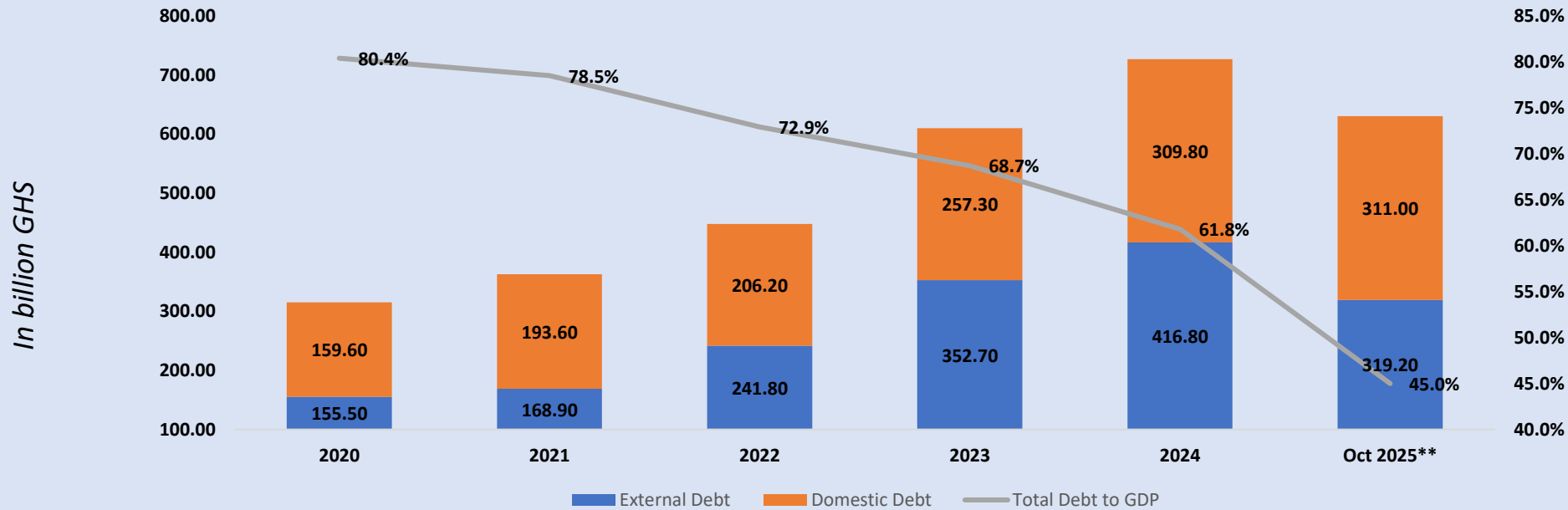
- Borrowing
- IMF Extended Credit Facility
- World Bank
- Program and project loans

Domestic Financing

GHS 71.97 billion
(4.51% of GDP)

- Through issuances of Treasury Bill and reopening of the domestic bond market

Public Debt



* **Provisional

- **Public Debt Sag:** Ghana's total public debt reached GHS 630.20 billion in October 2025, a 13% decrease from the 2024 figure of GHS 726.60 billion.
- **Debt Composition:** 50.7% of the debt is external, while 49.3% is domestic.
- **Currency Depreciation Impact:** The decrease in external debt is improved by the appreciation of the Ghanaian Cedi against the US Dollar.
- **Debt-to-GDP Ratio:** External debt-to-GDP declined from 35.4% in 2024 to 22.8% in 2025, driven by the recent appreciation of the Ghanaian Cedi, fiscal discipline and reduced external borrowing.

Public Debt

Public Debt Management Measures

Benchmark Indicators for sustainable debt

- Debt maturing within one year not to exceed 15 ± 5 percent of total debt
- Average time to maturity to remain at eight years or more
- The share of Treasury bills to be capped at 20 ± 5 percent of domestic debt
- USD-denominated debt not to exceed 70 percent of external debt

Public Debt Management Initiatives and Reforms

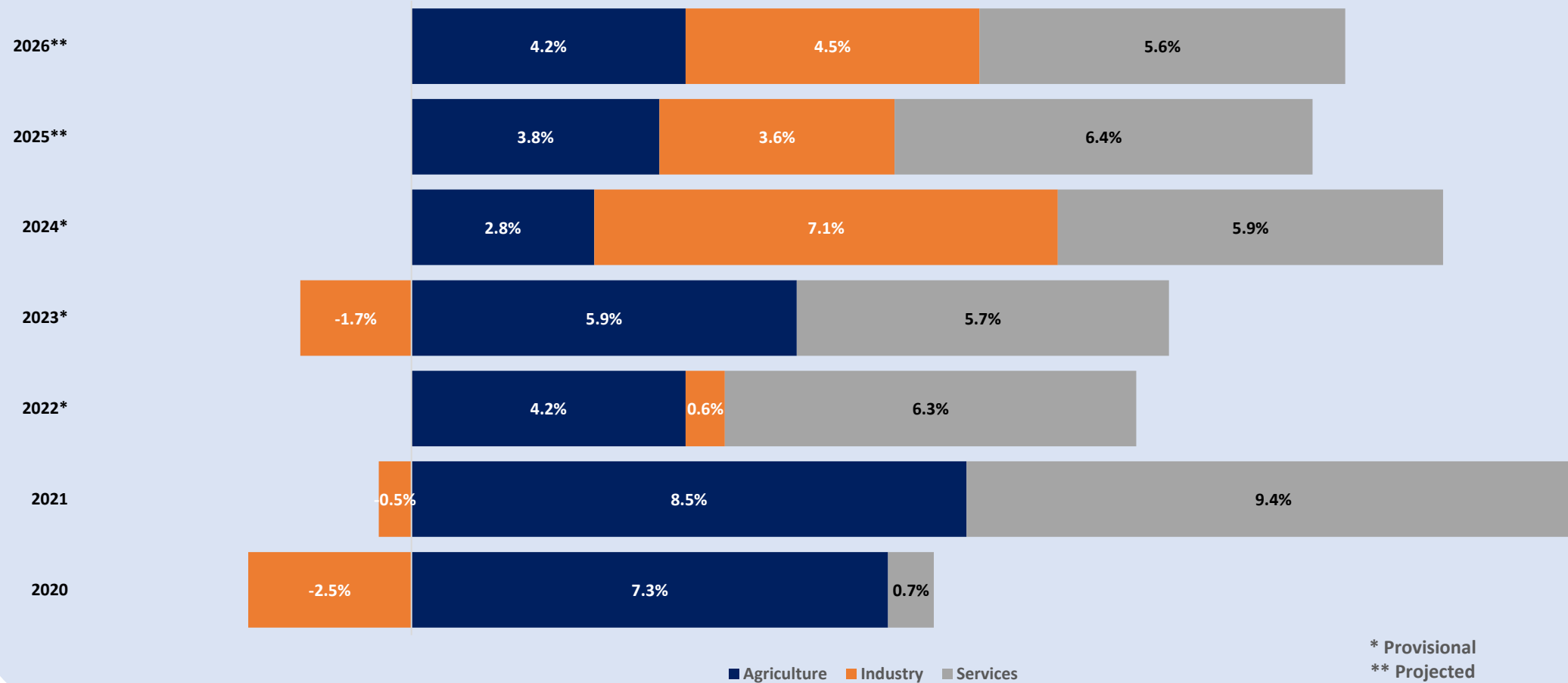
- Liability management within the domestic market through a strategic re-entry into the domestic capital market to restructure and lengthen maturities, reduce rollover risks, and create fiscal space for investment in productive sectors.
- Government intends to smoothen the maturity profile of domestic debt, lower interest costs, and support market stability through buybacks, bond exchanges, and targeted cash operations
- Fully Operationalizing the Ghana Sinking Fund with dedicated cedi and dollar accounts. This Fund will be used to meet future debt repayments and prevent the buildup of repayment pressures.



SECTORAL OUTLOOK

Sectoral Growth

SECTOR GROWTH



Sectoral Growth

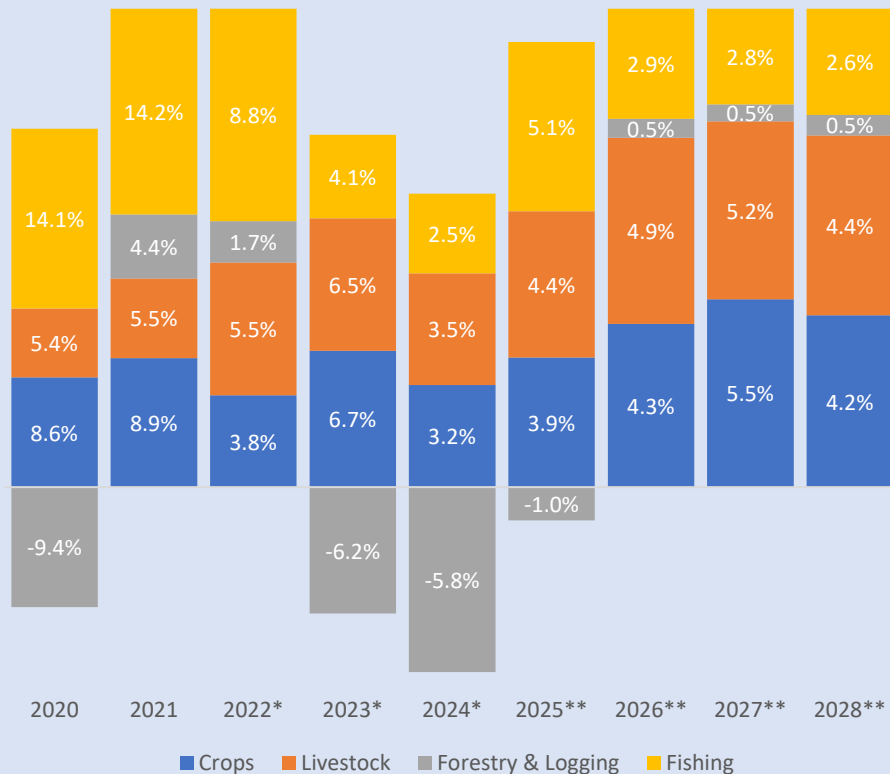
AGRICULTURE

Proj Gr. 2025 = 3.8%

Proj Gr. 2026 = 4.2%

* Provisional

** Projected



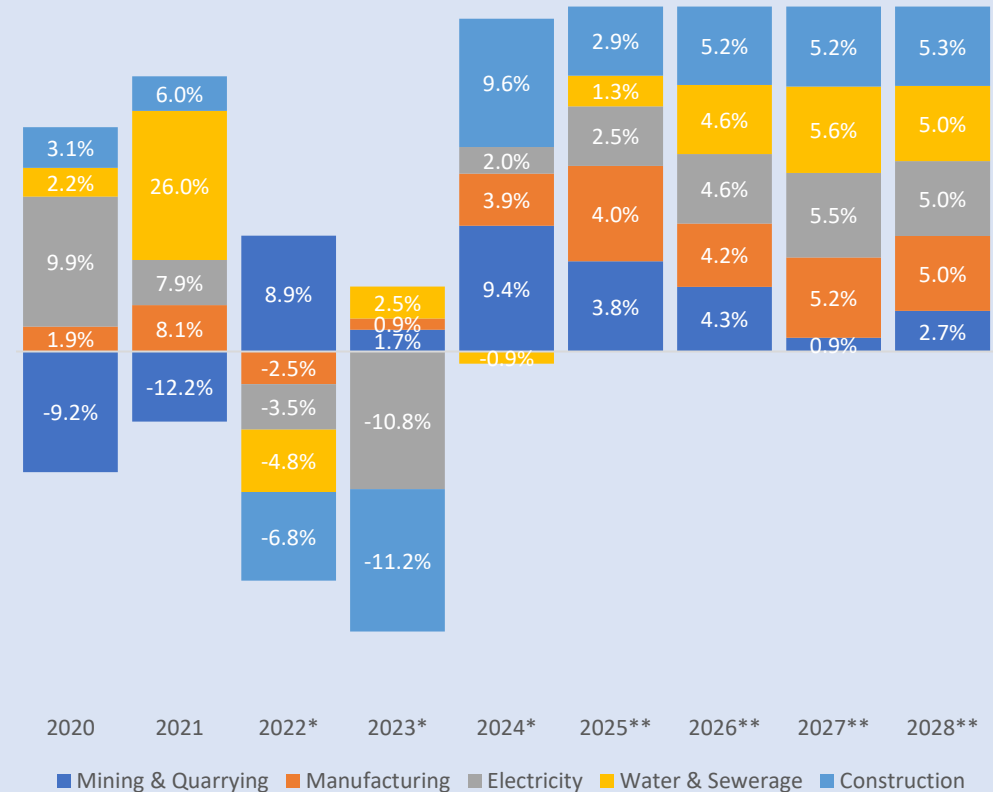
INDUSTRY

Proj Gr. 2025 = 3.6%

Proj Gr. 2026 = 4.5%

* Provisional

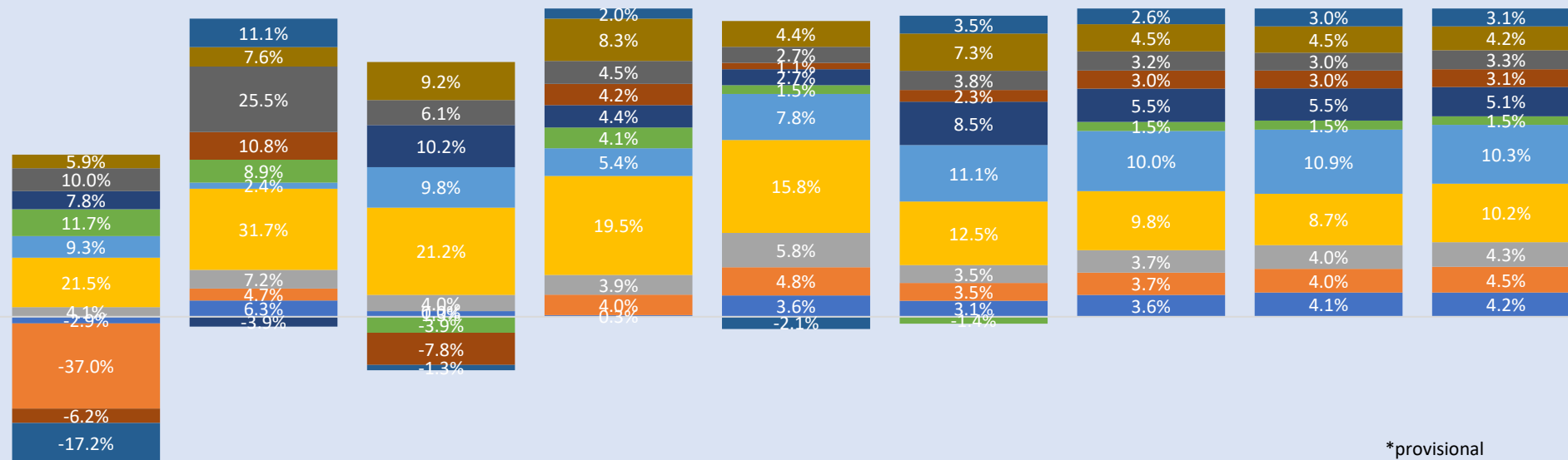
** Projected



Services

Proj Gr. 2025 = 6.4%

Proj Gr. 2026 = 5.6%



*provisional
**projected

- Trade; Repair of Vehicles, Household goods
- Information and communication
- Education
- Health and Social Work
- Hotels and Restaurants
- Financial and Insurance activities
- Professional, Administrative & Support Services
- Other Service Activities
- Transport and Storage
- Real Estate
- Public Administration & Defence; Social Security

Initiatives / Outlook

National Policy on Integrated Oil Palm Development

The policy aims to cultivate 100,000 hectares of new oil palm plantations, create over 250,000 direct and indirect jobs, achieve self-sufficiency and export competitiveness in palm oil production, and promote sustainability, gender inclusion, and equitable participation for women and youth.

US\$500 Million Oil Palm Development Finance

Government to establish a dedicated US\$500 million Oil Palm Development Finance Window, in partnership with the World Bank, DFIs, and the Development Bank Ghana (DBG).

This will provide long-tenor loans aligned with the crop's growth cycle, offer a five-year moratorium on principal and interest, apply concessional interest rates to attract private investment, and finance up to 70% of project costs, with the balance contributed by investors and cooperatives.

Feeding our students with what we grow

The President has directed all basic and secondary schools to purchase only locally produced rice, maize, chicken, and eggs. The Ministry of Education, GETFund, the School Feeding Programme, the Free Secondary Education Secretariat, and the National Food Buffer Stock Company have been instructed to ensure strict compliance with this directive.

Farmer Service Centers

Under the Farmer Service Centres initiative, the government will provide agriculture machinery for 50 agriculture districts with over 4000 different machinery.

Finance

Initiatives / Outlook

- 1** An additional GH¢401 million will be provided to the Women's Development Bank to boost financing for women-owned MSMEs
- 2** The government will reopen the domestic bond market for benchmark bond issuance
- 3** The GSE, working with the Securities and Exchange Commission (SEC), will in 2026 introduce a new regulatory framework for emerging financial instruments, further deepening Ghana's capital market and widening access to long-term financing.

TRADE AND INDUSTRY

Initiatives / Outlook

- 1** Government will support the establishment of three garment factories in the Bono East, Central, and Eastern Regions, operating on a three-shift system and expected to create about 27,000 direct jobs while improving local livelihoods.
- 2** As part of the Feed the Industry Programme and to support the local metals sector, government will restrict the export of non-ferrous scrap metals. This measure is expected to strengthen the value chain for manufacturing automotive and machine components.
- 3** The country's rubber processing capacity is 178,420 tons per year, well above the annual production of around 100,000 tons. To ensure a sustainable domestic supply and support local value chains, the government will restrict raw rubber exports.
- 4** Under the Accelerated Export Development initiative, two new cashew processing plants, financed by the Ghana Exim Bank, will be built at Sampa (Jaman North, Bono) and Aboabo, Techiman (Bono East) to boost value addition.

HEALTH

Initiatives / Outlook

- 1 Government will begin constructing six new regional hospitals for the newly created regions, starting with three in 2026, along with two district hospitals at Bole and Shama.
- 2 Government will complete 10 of the previously abandoned Agenda 111 hospital projects.
- 3 MahamaCares will launch a comprehensive NCD financing policy outlining eligible conditions, approved services, tariffs, and essential medicines.

Initiatives / Outlook

- 1 Government is rolling out the Ghana Secondary Learning Improvement Programme (GSLIP), a two-year national initiative (2026-2027) to end the double-track system in secondary schools.
- 2 Upgrade of 30 Category C schools to Category B level, with new classrooms, dormitories, modern science resource centers, digital learning centers and water and sanitation systems
- 3 The government will complete 30 of the abandoned E-Blocks (Community Day Senior High Schools) in urban and peri-urban areas and expand access for students in high-demand regions.
- 4 Government to improve basic education infrastructure and textbook provision by constructing :200 new junior high schools, 200 new primary schools, 200 kindergartens, 400 4-unit teachers' bungalows, 400 sanitation facilities in underserved communities
- 5 For secondary schools and selected district education directorates, government will provide: 2 million metal mono-desks and chairs, 200 66-seater buses, 200 double-cabin pick-ups, 50 salon cars

Initiatives / Outlook

- 1 Government is advancing its Gas-to-Power Strategy by replacing costly crude oil with expanded domestic natural gas supply-supported by major capacity upgrades, new production agreements, and plans for a second gas processing plant
- 2 Construction of a 1,200 megawatts State-Owned Power Plant to offtake the additional 150 million standard cubic feet of gas per day from the OCTP partners and GPP 2.
- 3 A US\$2 billion framework agreement has been secured for drilling 20 new wells in the Jubilee and TEN fields, alongside a US\$1.5 billion Memorandum of Intent with the Offshore Cape Three Points partners to expand operations.
- 4 Government will launch an Electricity Intensification Programme to expand network connections in communities with limited access, extending service lines, transformers, and distribution poles to unserved and under-served households and businesses to ensure universal access to electrification.

Initiatives / Outlook

- 1** Ghana Airport Company Limited to introduce an airport development fee to fund the rehabilitation of the Sunyani Airport, the construction of a new airport in Bolgatanga, and the development of a multi-purpose car park and connecting concourse between Terminals 2 and 3 at Kotoka International Airport.
- 2** World Bank Funded 1,000 kilometers Agricultural Enclave Roads Programme- Government has announced a three-year programme to construct 1,000 kilometres of agricultural enclave roads, to be implemented by the Department of Feeder Roads under the Ministry of Roads and Highways.

Key takeaways from the budget

MACROECONOMIC INDICATORS

GDP

The economy is projected to grow by 4.8% in 2026, reflecting a 0.8 percentage point rise from the projected 2025 year-end figure of 4.0%

INFLATION

The Monetary Policy Committee's initiatives aimed at reducing inflation are projected to moderate inflation to 8.0% in 2026, down from the projected 11.9% in 2025.

PUBLIC DEBT

The country's total public debt is expected to increase as the government opens the domestic bond market to raise funds to support its projects

Key takeaways from the budget

CAPITAL MARKETS

FIXED INCOME

- 92% of the government's 2026 budget financing is expected to come from the domestic market.
- The issuance of debt at the short end of the domestic market is expected to continue through 2026.
- Debt issuances are expected at the mid to long end of the maturity curve through the reopening of the domestic bond market.
- Anticipated reduction in yields due to the expectation of inflation moderating.

EQUITY

- The Ghana Stock Exchange (GSE) and the State Interests and Governance Authority (SIGA) will continue collaborating to prepare State-Owned Enterprises (SOEs) for listing on the stock market.
- Investor participation in the stock market is expected to increase, driven by the decline in treasury bill rates.

GROW YOUR WEALTH

