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Ghana's 2026 Mid-Year Budget Review

Doubling Down on Stability at the Expense of Transformation

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Mid-Year Review: The Central Message

Stability remains the organising principle

The 2026 Mid-Year Fiscal Policy Review is not a significant departure from the original Budget. Although the full Budget was presented under the theme "Resetting for Growth, Jobs, and Economic Transformation," its fiscal framework primarily sought to consolidate macroeconomic stability. The Mid-Year Review doubles down on that approach.

The government has retained the original macroeconomic targets, preserved total appropriations and declined to request a supplementary budget. This is despite stronger-than-expected growth, lower inflation, improved fiscal balances and a substantial reduction in public debt. The Review therefore represents continuity rather than a shift from stabilisation toward expansion.

6.4%

Q1 2026 Real GDP Growth

5.3%

Inflation · June 2026

0.9%

Primary Surplus · GDP

~45%

Public Debt · GDP

Growth Momentum

GDP up 6% (2025) and 6.4% (Q1 2026)

Falling Inflation

Inflation ~5.3% by Jun 2026

Fiscal Balance

Primary surplus 2.5% (2025); 0.9% Jun 2026

Debt Position

Public debt ~45% of GDP

The government's stabilization record is significant. Real GDP grew by 6 percent in 2025 and by 6.4 percent in the first quarter of 2026. Inflation fell to about 5.3 percent by June 2026. The commitment-basis primary surplus reached 2.5 percent of GDP in 2025 and 0.9 percent by June 2026, while public debt stood at approximately 45 percent of GDP. These outcomes confirm that the economic recovery is real.

However, the most important feature of the Mid-Year Review is not the unchanged headline targets. It is the policy choice made within the unchanged expenditure envelope.

Fiscal Execution

Strong fiscal balances do not necessarily imply better expenditure quality

The government's fiscal performance was stronger than programmed during the first half of 2026. By June, total expenditure on a commitment basis stood at **8%** of GDP, compared with a target of **9.9%**, while primary expenditure was **6.6%** of GDP against a target of **8.1%**. Revenue, meanwhile, was broadly in line with projections.

8%
Total expenditure on a commitment basis

9.9%
Target for total expenditure

6.6%
Primary expenditure outcome

8.1%
Primary expenditure target

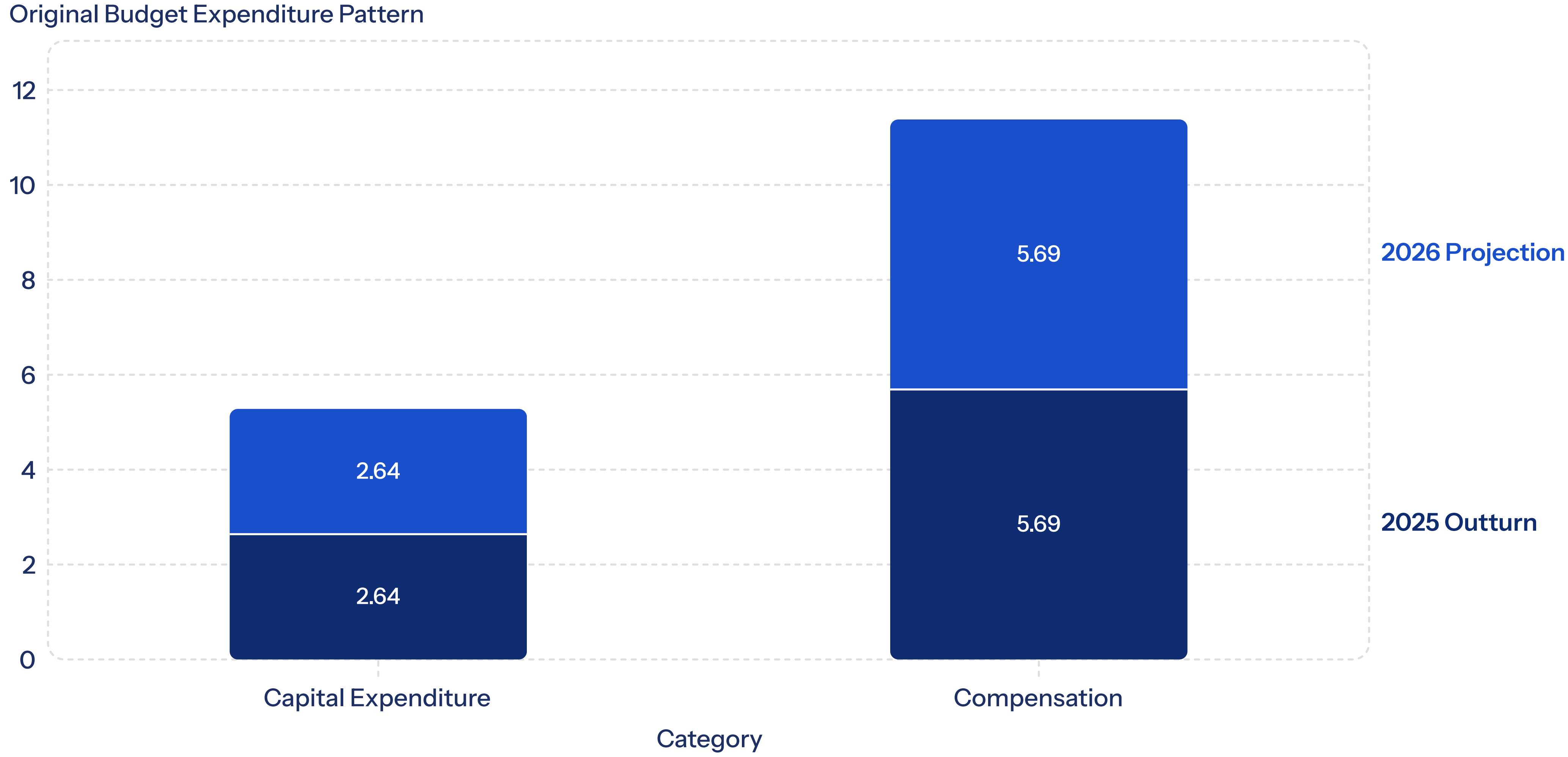
Source figures: 2026 Mid-Year Fiscal Policy Review, as presented in the article.

The stronger fiscal balance therefore reflects substantial expenditure restraint. This may indicate improved discipline, but it may also reflect delays in capital projects, transfers and programme implementation. These are not the same thing. Fiscal balances show whether the government has remained within its approved expenditure envelope. They do not establish whether spending was efficiently executed or developmentally well targeted.

8.33
Total 2025 Outturn

8.33
Total 2026 Projection

Original Budget Expenditure Pattern



Average across the 2025 outturn and 2026 projection, as stated in the article.

This distinction is particularly important because the original Budget already allocated considerably more to compensation than to capital formation. Capital expenditure averaged approximately 2.64 percent of GDP across the 2025 outturn and 2026 projection, compared with about 5.69 percent for compensation. The further GH¢5 billion reduction in capital expenditure therefore reinforces, rather than reverses, the existing expenditure pattern.

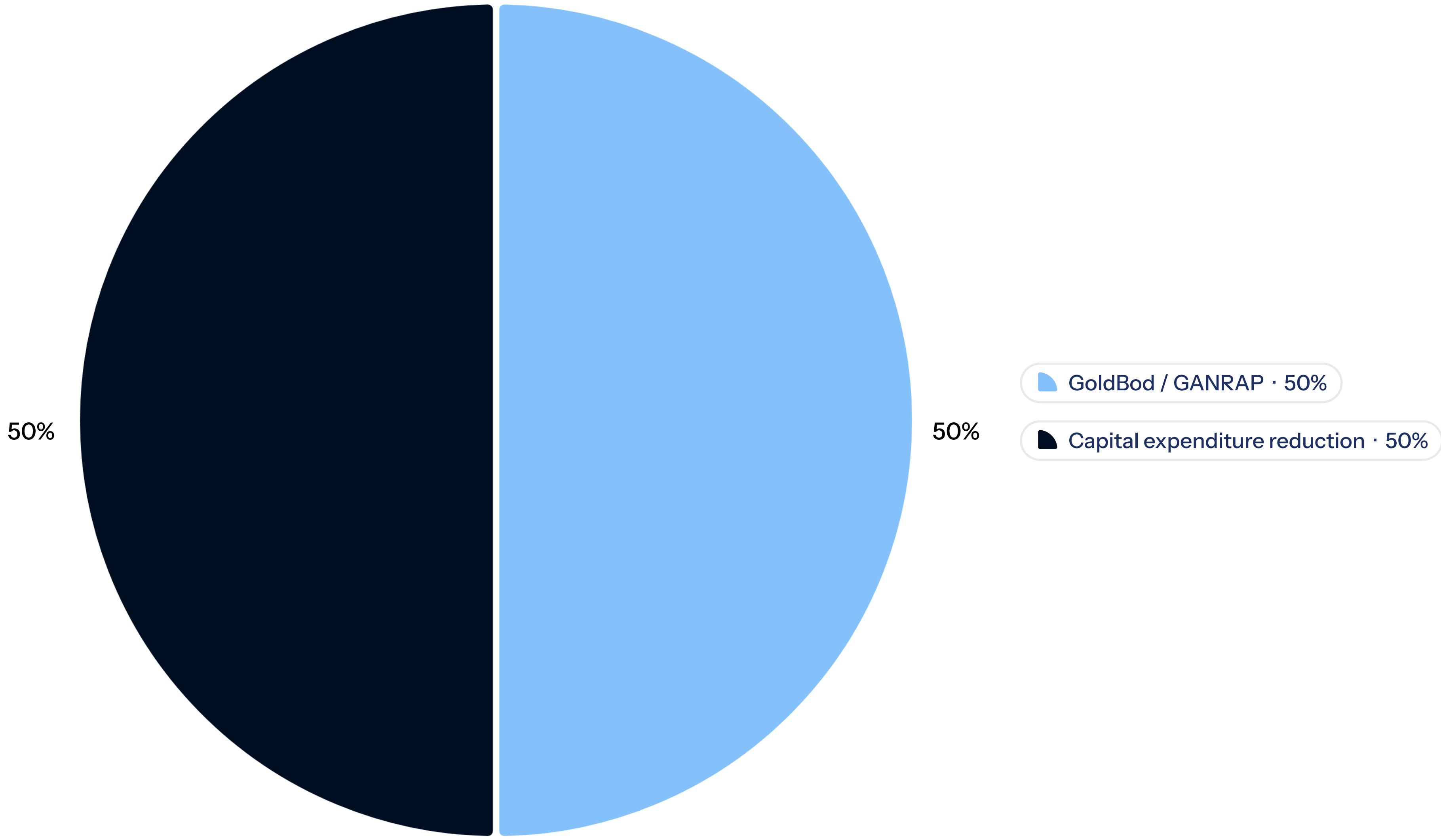
Resource Allocation

The defining policy choice

GH¢5 billion has been allocated to **GoldBod** for the implementation of **GANRAP**.

GH¢5 billion has been reduced from **capital expenditure**.

Government has allocated GH¢5 billion to GoldBod for the implementation of GANRAP, while a corresponding GH¢5 billion reduction in capital expenditure. This broader shift from capital expenditure to GoldBod, reflects the government's policy priority: strengthening international reserves rather than expanding public capital formation.



This choice is consistent with the general direction of the original Budget. Even before the revision, the expenditure structure did not represent a decisive shift toward investment-led transformation. Capital expenditure remained low relative to compensation and social-sector allocations were generally designed to preserve existing programmes rather than significantly expand them.

The Mid-Year Review therefore does not merely maintain the stabilisation strategy. It intensifies it by directing additional fiscal resources toward external buffers.

Policy priority: reserves over capital formation

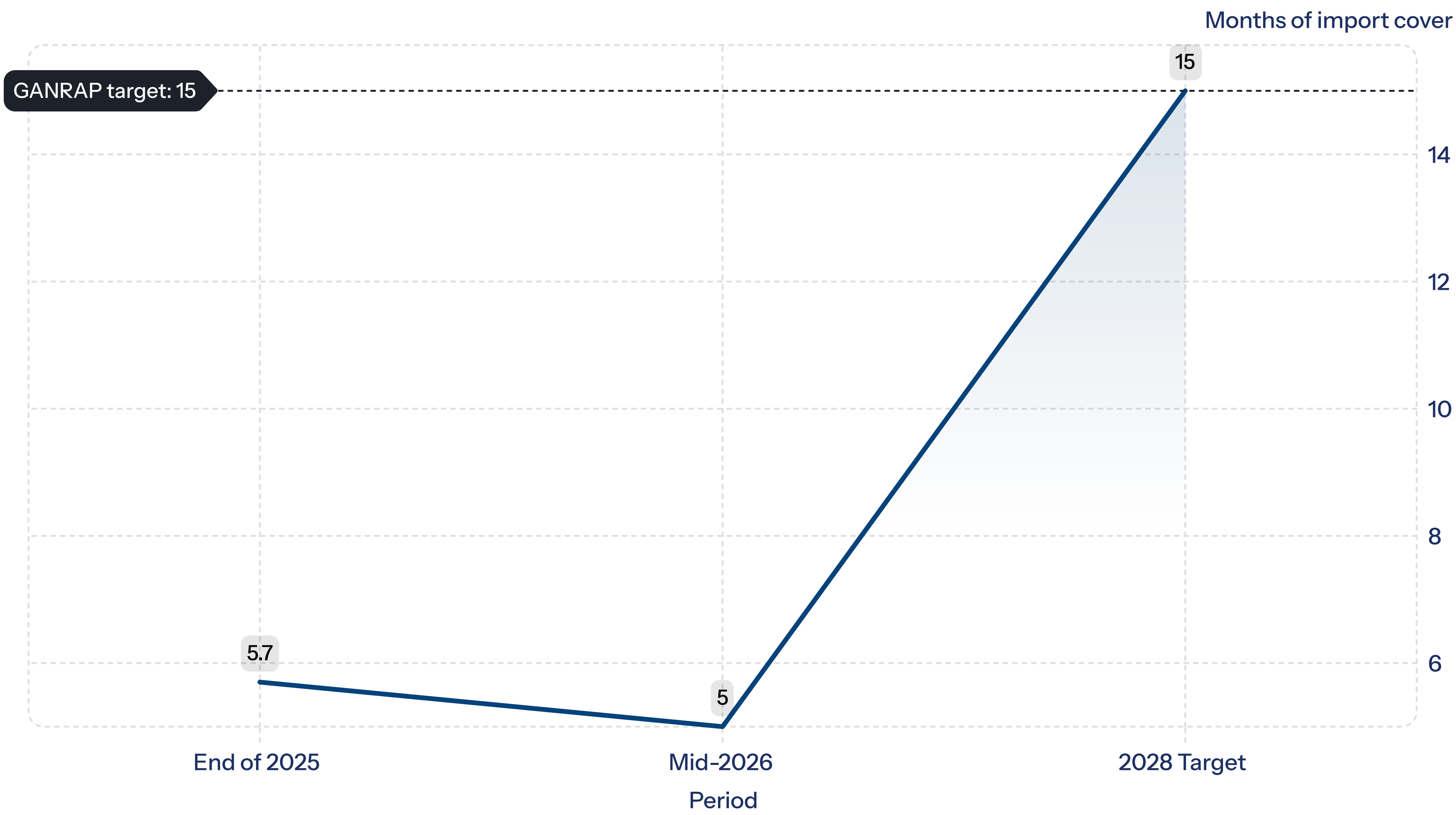
POLICY TRADE-OFF

Reserves and Opportunity Cost

GANRAP and the cost of additional reserves

GANRAP's financing model is an improvement over Ghana's previous reliance on Eurobonds, swaps and other forms of external borrowing to build reserves. Purchasing domestically produced gold and retaining the resulting foreign-exchange proceeds is potentially more sustainable.

The issue is the scale of the programme. GANRAP aims to raise Ghana's reserves to 15 months of import cover by 2028, even though reserves stood at US$13.8 billion, equivalent to 5.7 months of imports, at the end of 2025 and remained around five months in June 2026. Ghana is therefore no longer in a reserve-scarce position.



Import-cover figures and target are reproduced from the article.

The GH¢5 billion allocation makes the opportunity cost of the policy explicit. Funds used to purchase gold and accumulate reserves cannot simultaneously finance roads, irrigation, electricity, health facilities, schools or other productivity-enhancing infrastructure.

Roads | **Irrigation** | **Electricity** | **Health** | **Schools**

Reserves protect an economy against shocks, but capital investment reduces the structural sources of vulnerability. Ghana's repeated external difficulties reflect not only inadequate reserves but also limited productive capacity and insufficiently diversified exports.

Conclusion

Stability is necessary, but it must serve a larger purpose

The government's caution is understandable following the recent fiscal and debt crisis. **Stronger expenditure controls**, lower debt and larger external buffers reduce the likelihood of another immediate crisis.

However, macroeconomic stability should create space for **productive investment** rather than gradually becoming a substitute for it.

The Mid-Year Review confirms that Ghana has made substantial progress in stabilising the economy. It does not yet mark the promised transition toward growth, jobs and economic transformation. By reducing capital expenditure and allocating **GH¢5 billion** to GoldBod, the government has chosen additional reserve accumulation over additional capital formation at the margin.

That choice may strengthen Ghana's financial buffers. It also postpones the more difficult task of using restored stability to expand productive capacity, diversify exports and create employment.

The Mid-Year Review is therefore best understood as a continuation—and strengthening—of the government's macroeconomic stabilisation programme. The unresolved issue is when that stability will finally be converted into transformation.

About the Author

Dennis Nsafoah
Assistant Professor of Economics · Niagara University, NY
Member of Research Committee · Tesah Capital