PwC Ghana 2025 Budget Digest

Resetting the economy for the Ghana we want

March 2025

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Commentary

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Commentary

Introduction

In our **2023 Mid-Year Budget Digest** that we published in August 2023, we observed "Ghana's economy urgently needs a reset—perhaps more urgently than many might have thought." We noted that "…the economy remains vulnerable and urgently needs the structural adjustment (i.e. reset) that we [PwC] have long spoken about." We further pointed out that "…businesses and households should continue to tighten their belts before things get better."

Our perspective at the time was informed by our assessment of the then Government's assumptions that formed the basis of their projected economic and fiscal performance for 2023. We felt that Government's starting assumptions for 2023 were ambitious and did not adequately model risks into their projections.

Again, when the then Finance Minister, Hon. Ken Ofori-Atta, during his 2024 budget presentation to Parliament on 15 November 2023, opined that the economy had turned the corner, we countered that view in our **2024 Budget Digest**. We explained that 2024, being an election year, presented significant risks of fiscal laxity, which could roll back whatever progress had been chalked against economic recovery, stability and growth targets.

In his presentation to Parliament on 11 March 2025, the Minister for Finance, Dr Cassiel Ato Baah Forson, reported that this perceived risk had materialised in the fourth quarter (Q4) of 2024 resulting in the country missing some key targets agreed under the IMF's US$3 billion Extended Credit Facility (ECF).

Finally, in our **2024 Mid-Year Budget Digest**, published in July 2024, we had expressed our concern about the seeming lack of progress on reforms meant to meaningfully transform the structure of the Ghanaian economy. We had identified the need for urgent reforms in the following areas in particular: fiscal consolidation and public financial management; energy sector, including power; agriculture; and tax, especially value added tax (VAT) and property tax. We acknowledged that "…the 2024 Budget contains tangible promise. But to realise that promise, Government needs to be innovative, have discipline, consult widely and sincerely, and be transparent and accountable in its dealings with its stakeholders. The PFM reforms [were to be] a critical piece in the efforts to achieve such effectiveness in budget execution" and we encouraged Government to implement these reforms 'full-spec'.

Listening to the Hon. Minister for Finance present the 2025 Budget Statement and Economic Policy ("2025 Budget Statement" or "the Budget") themed 'Resetting the economy for the Ghana we want' to Parliament on 11 March 2025, we had this sense of déjà vu. He had said: "I look forward to working with you … to reset Ghana's economy through sound policy and structural reforms that will propel our nation forward. …there comes a time … fundamental challenges must be confronted, difficult choices must be made, and a new course … set for the future." And for Ghana, the Minister said he believes "that defining moment is now!"

But what does the Finance Minister mean by economic reset?
According to the NDC's Manifesto, '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. Related policy initiatives would include restoring fiscal sustainability and discipline, and regulating financial services, including capital markets, banking, insurance and banking (ref. Introduction of the NDC's Resetting Ghana Manifesto, 2024, page xxii).

The economic reset agenda is to be supported by other policies and flagship programmes, arguably, to be implemented over the four years of the President John Dramani Mahama-led administration. Examples of these policies and programmes are the 24-hour economy policy, Ghana First[1], and the powering growth through infrastructure development, which strategically targets energy, infrastructure, communications and technology as booster sectors.

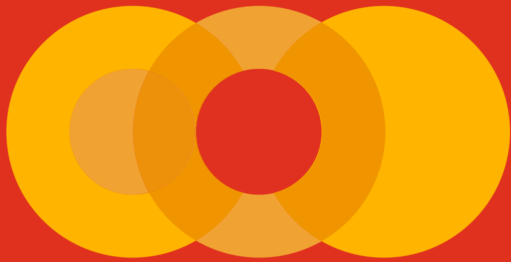
[1] Ghana Framework for Industrialisation, Revitalisation, Support, and Transformation

In our **2023 Mid-Year Budget Digest**, we noted that, as a country, we have three main levers available to us for resetting our economy. These broadly include: revenue maximisation; expenditure rationalisation and optimisation; and deep-seated structural reforms in our real economic sectors. These would have to be achieved through carefully designed and executed programmes across multiple budget cycles. And successive governments (and their backing political parties) must be rewarded or penalised based on their delivery against the medium-to-long term goals [to be] articulated in the country's long-term development plan.

A panoramic view of the policies, goals and programmes of the 2025 Budget

For the 2025 Budget, it seems to us that the economic reset agenda has been given expression in the following six-point fiscal policy objectives we have set forth below:

i. Rationalise Government expenditure and eliminate wasteful expenditure
ii. Optimise domestic revenue by broadening the tax base, collecting more non-tax revenue, enhancing tax compliance, and modernising tax administration by leveraging digital technology
iii. Increase the share of domestic capital expenditure to spur economic growth and job creation
iv. Reduce public debt to sustainable levels and adopt prudent debt management practices to support debt sustainability
v. Reduce the fiscal deficit progressively following an amended Fiscal Responsibility Act to promote fiscal and debt sustainability
vi. Restore confidence in Ghana's economy



The Minister further set out the 2025 fiscal year macroeconomic targets as follows:

- Overall real GDP growth of at least 4%
- Non-oil real GDP growth of at least 4.8%
- End-period inflation rate of 11.9%
- Primary balance on commitment basis at a surplus of 1.5% of GDP (GH¢20.3 billion)
- Primary balance on cash basis at a surplus of 0.5% of GDP (GH¢7.3 billion)
- Overall balance on commitment basis at a deficit of 3.1% of GDP (GH¢43.8 billion)
- Overall balance on cash basis at a deficit of 4.1% of GDP (GH¢56.9 billion)
- Gross international reserves (including oil funds and encumbered/ pledged assets) amounting to, at least, three months of import cover

To achieve the six-point fiscal policy objectives, the Minister also identified a three-pronged approach:

- **Recalibrate the fiscal adjustment:** prioritising public spending cuts, this sounds like a policy departure from the NPP administration's revenue-led fiscal consolidation path. Still, the goals remain largely the same as this prong is aimed at helping to reduce inflation, curb depreciation, reduce Government's borrowing needs, reduce private sector crowding out effect, and cause interest rates, including commercial lending rates, to fall.
- **Deliver a shock therapy:** this involves significant cuts to public spending to reduce Government's financing needs and frontload fiscal adjustment as a "downpayment for policy credibility and creditworthiness".
- **Restore fiscal responsibility:** entails enhancing public financial management via a stricter enforcement of existing and/or revised laws resulting in more responsible behaviour by public officials, including politicians, bureaucrats, and other persons paid by funds that belong to the State.

We recognise that this is the first year of a four-year mandate given to this Government by the electorate. We also believe that the Finance Minister is aware that the size of Ghana's economy and its openness leaves it susceptible to events beyond his control and this added complexity could make even four years seem short. We therefore believe that he knows he will need to be resolute—not least with his colleague cabinet and sector ministers—in executing his budget and move at pace to achieve credible reset results.

Ahead of the Minister's budget presentation, we administered a brief online survey to business leaders[2]. A key finding emerging from that survey is that 60%-70% of business leaders want Government to prioritise solutions that would result in a stable and stronger Ghana cedi, reduced public debt, and low interest rates. Over 50% also expect the 2025 Budget to help bring inflation down into single-digit territory.

These expectations of the business community are consistent with Government's definition of a "reset economy", which is the existence of 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. These expectations also echo the mood at the two-day National Economic Dialogue that was held on 3 and 4 March 2025, as well as the feedback the Minister received in his engagements with different constituents ahead of his budget presentation to Parliament, including the youth and traders.

In commenting on the 2025 Budget, we seek to assess how far down the path of economic reset this three-pronged approach and the key policy initiatives would most likely carry the country. We have also been asked "Is the Budget good for business?" We have been candid in our views and have proposed some thoughts for the consideration of Government.

Lowering inflation… does Government stand a chance?

In August 2024, inflation broke the fall recorded since March 2024 and rose to end the year 2024 at 23.8%. Since then, inflation is reported to have dropped in January and February 2025 to 23.1%. The Honourable Minister targets an end-period inflation of 11.9%, indicating he aims for a 1,120bps reduction over a duration of ten months.

His strategy? Target policies at items that carry large weights in the consumer price index (CPI) basket. These include transportation (10%) and utilities (10% including housing), which transmit their impact through fuel prices and tariffs, and their speed and direction of change. Additionally, Government plans to intervene in the agricultural sector to proactively manage food inflation, which spikes in part due to the citizenry's penchant for food imports and a weak domestic currency. Food and alcoholic beverages also account for 43% of total weight of the CPI basket. Furthermore, as mentioned above, Government proposes to follow a strict expenditure cut-led fiscal consolidation path to help curb inflationary pressures.

Our view? Generally, a good strategy. Will it deliver the results expected within ten months? We are hopeful, but not certain—11.9% might be a stretch; perhaps, 15% is more achievable at the end of the year. Why? As a country, we do not hold all the cards. Consider these, for instance:

- We are a very small player on world energy markets and, thus, a price taker. Currently, the sheer burden of taxes and levies applied to petroleum products coupled with a weak currency means price drops on the world markets hardly get passed on to consumers.

2 We deployed the survey via email to leaders of established businesses and other organisations, as well as via WhatsApp and other social media channels to individuals. The survey was left to run from 21 February to 10 March 2025, and was taken by 133 respondents, 53% of them describing themselves as belonging to the C-Suite.

For Government to succeed with inflation-reduction interventions via the transport sector, it would have to succeed at currency stability as well as be willing to review the current petroleum tax and levies regime. Considering that Government has already abolished some taxes, we wonder if there is the appetite to dismantle additional taxes on fuel imports. While Government seems to be exercising self-restraint in public spending, it still needs to mobilise even more revenue to be able to deliver on the campaign promises of a "better Ghana". However, if Government would remove some taxes and levies, this could help reduce inflationary pressures in the short term.

- Utility tariffs, including for electricity, have kept rising through the quarterly review mechanism presided over by the Public Utilities Regulatory Commission (PURC). The factors considered in these reviews include the generation mix, inflation, exchange rates, and the price/ cost of natural gas. But there is the suspicion that tariff hikes incorporate the burden of inefficiencies present in the operations of some of the players, in particular the Electricity Company of Ghana (ECG). We agree with the school of thought that opines that the technical, commercial and collection losses the distribution company carries are way too high and must be reduced urgently. Various stakeholders have called for private sector participation (PSP) in the operations of ECG. In the Budget, Government confirms its intention to consider a PSP model for improving collections efficiency at the debt-ridden ECG . The timeline for achieving this is, however, not clear. In our view, without directly meddling in the electricity tariff-setting process, utilities are unlikely to contribute significantly to reducing inflation in the short term.

- Food inflation is the more problematic challenge as the solution could generate some political backlash. Government may find itself locking horns with importers of food and other consumer goods, as happened under the previous administration and we wait to see how that plays out. That said, food imports place a significant strain on the Ghana cedi. However, in the short term, local producers are not in the position to fully meet domestic demand. Plus, the average Ghanaian has a palate for imported goods, and this would require a medium-to-long term intervention to effectively achieve food culture shift. The 2025 Budget allocates GH¢ 1.5 billion to Government's Agriculture for Economic Transformation Agenda (AETA), which houses a host of programmes that target various activities across different value chains, including grains, roots,horticulture, and livestock, e.g. poultry. If properly designed, implemented, and monitored, AETA could achieve some transformational results in Ghana's agricultural sector and support currency stability. Our biggest concern is, will it? Whatever the answer, we wait to see how AETA would sustain food inflation deceleration and help to meet the inflation target of 11.9%.

Stabilising the Ghana cedi… does Government stand a chance?

The Minister reports that, during 2024, the Ghana cedi depreciated by 19.2%, 17.8%, and 13.7% against the US dollar, British pound, and Euro respectively. He announced a gross international reserves target of a minimum of three months import cover by the end of 2025. The main activities that generate inflows fo Ghana's international reserves are gold, cocoa and crude oil exports. Outflows from our reserves are also attributed to imports of refined petroleum products, industrial machinery and other equipment, vehicles, and plastics.

Food imports and debt servicing also exert considerable pressure on the country's international reserves. He set this target after he had outlined the size of the debt stock (including arrears) and acknowledged the continuing presence of material risks inherent in key sectors that impinge on reserves—i.e. the energy, cocoa and financial services sectors.

So, what is the Minister's strategy for stabilising the Ghana cedi? In addition to spending cut-led fiscal consolidation, the Minister explains that the establishment of the Gold Board (GOLDBOD) will help to generate and accumulate more foreign exchange to complement Bank of Ghana's market interventions to stabilise the Ghana cedi.

Furthermore, the 24-hour Economy policy, which is expected to be the administration's hinge for pivoting the economy into an import-substitution and/or an export-oriented one, will help to abate the pressure on the Ghana cedi through demand for foreign exchange. Our view? We don't have much to go on by considering that the Budget did not contain enough details about these two policies or programmes. Still, we have commented on the principle as we understand it.

[3] Ghana Framework for Industrialisation, Revitalisation, Support, and Transformation

- Without doubt, gold is solid backing for paper currency and having a focus on its structured generation and accumulation will help create a stronger and more stable Ghana cedi. But, had that process or activity not started under the Domestic Gold Purchase Programme (DGPP) implemented by BOG since June 2021? We understand that the DGPP was implemented in two parts: Gold for Reserves (G4R) and Gold for Oil (G4O). Government has already announced its decision to scrap the G4O programme initiated by the previous government. The Minister noted that he would, in due course, lay a bill outlining the legal framework for the establishment of the GOLDBOD for Parliament's consideration.

  Our concern is, why would Government wish to set up a new institution if the BOG-executed function is acknowledged by the Minister to have contributed to stabilising the Ghana cedi in 2024 and helped to build up reserves of four months of import cover? What benefit is there in creating an institution to duplicate (or usurp) the function of an existing institution that is already legally mandated to execute that function? If Government has identified flaws with the current system or process, we propose that it engages BOG on these flaws and, together, improve the G4R for enhanced results.

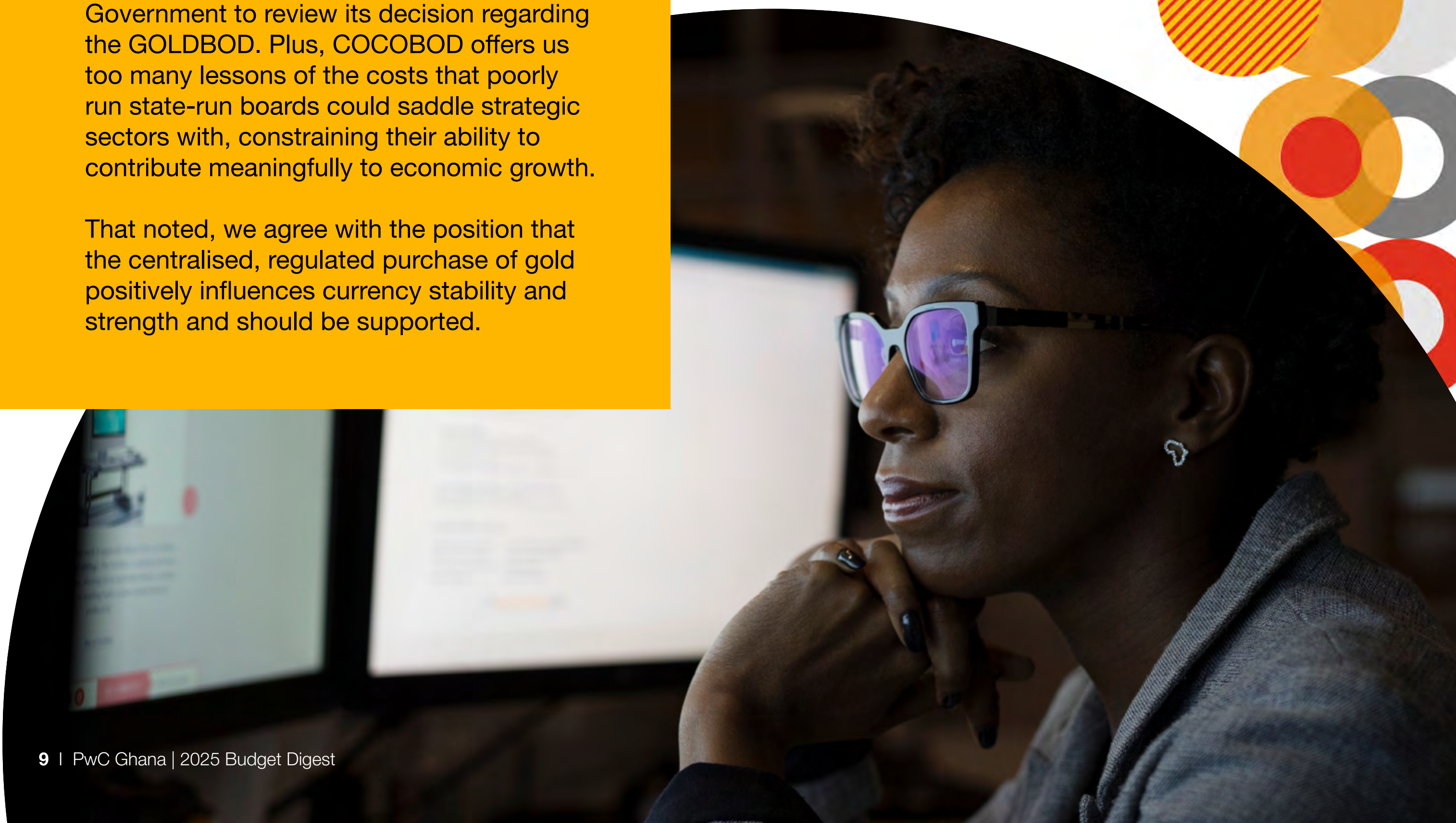
  In the spirit of avoiding waste, which has led Government to dismantle existing programmes, such as Ghana CARES, One District One Factory (1D1F) and YouStart and remove their associated expenditure lines from the Budget, we advise Government to review its decision regarding the GOLDBOD. Plus, COCOBOD offers us too many lessons of the costs that poorly run state-run boards could saddle strategic sectors with, constraining their ability to contribute meaningfully to economic growth.

  That noted, we agree with the position that the centralised, regulated purchase of gold positively influences currency stability and strength and should be supported.

- Part of its election campaign, we understand that the 24-hour Economy initiative is aimed to stimulate economic growth by enabling an environment for businesses and institutions to deploy several shifts to ensure round-the-clock operations. Government is confident that this initiative will result in a boost in production, increase productivity, and create well-paying jobs.

  In principle, if this initiative is successful, Ghana can build a bigger and less import-reliant economy that is better able to withstand external shocks in the medium-to-long term. We will wait to see what details are included in the bill that the Minister proposes to eventually lay before Parliament. Hopefully, it would outline the incentives structure that would signal to the private sector. Government should take lessons from the country's earlier experiences with the free zones and investment promotion projects, as well as during early years of resource finds (e.g., gold and oil), so that we do not end up signing away all likely benefits to the State through interminable tax holidays and waivers.

  As an intervention that could help to stabilise the Ghana cedi in 2025, we have our doubts. In the medium-to-long term, a well-implemented 24-hour economy could have a role to play in currency stabilisation, if it is successful in spawning sizeable import-substitution and export-orientation industries.



Low interest rates… can Government sustain the fall?

The Minister for Finance is confident that the 2025 Budget will help to achieve lower interest rates and reduce the crowding out of the private sector. He argues that by recalibrating the fiscal adjustment to make it more spending cuts-led and by delivering a shock therapy, savings in public expenditure will result in reduced financing needs leading to a fall in interest rates on government-backed instruments.

He reported during his budget speech that, in the first two months of the Mahama-led administration, interest rates on Treasury bills have dropped by an average of 1000bps, touting that as a testament to growing investor confidence in Ghana's economic outlook. He added that this performance has crowded in the private sector and reduced the cost of doing business.

We have not seen data confirming the claim of growth in credit to the private sector (i.e. crowding-in), but that should be great news for businesses. This is because our pre-budget reading survey respondents ranked "a low interest-rate environment to incentivise borrowing by businesses and households" fourth out of nine economic goals they were invited to prioritise for Government's focus during their term of office. But Government might be facing some near-term challenges. The Minister acknowledges that there are confirmed debts to be serviced. For example, he reported that, already, Government has paid coupons worth GH¢9.5 billion to bondholders under the DDEP in February 2025. Earlier, in January 2025, Government paid US$349.5 million as the second instalment under the restructured Eurobond notes.

In addition to these confirmed debts, the Minister reported another GH¢67.5 billion in arrears, which amounts to a significant 5.7% of GDP. These arrears exclude outstanding claims from Independent Power Producers (IPPs). He explained that Government has programmed to audit and validate these claims/payables before making payment.

In our view, the claims on Government could—sooner than later—present it with significant financing challenges in the 2025 fiscal year. Sure, the Minister expects that changes introduced in the 2025 Budget to the tax landscape would result in improved compliance and increase tax revenue, but there remain concerns around timing of cash flows. We would not be surprised if we find Government continuing to increase its reliance on the domestic money market. The risk of a reversal in interest falls thus remains.

The Minister's three-pronged approach to budget implementation… will he adhere to it?
Disciplined public financial management and responsibility is that golden thread that links the three prongs in the Minister's approach to realising the fiscal policy objectives, the macroeconomic objectives for 2025, and giving the economy a firm grounding for the launch of the economic reset agenda.

In our view, the Minister already has most of the ingredients—in law and tools—at his disposal to ensure discipline in public financial management. Previous governments also had these ingredients. What has been missing is the political will to enforce existing laws. The Minister has indicated in the 2025 Budget that "…strictly enforce sanctions under Sections 96 to 98 of PFM Act for breaches of the PFM Act, especially those that relate to arears accumulation and commitment control".

We have heard former ministers for finance say this. We urge Hon. Dr. Forson to demonstrate commitment and enforce it. The additional measures involving checks to be done by the Ministry's PFM Compliance Desk and, perhaps, the proposed PFM Commitment Control Compliance League should support his resolve.

Before the end of the year, perhaps, when he presents his review of the 2025 Budget to Parliament, the Minister will account for his stewardship and provide a self-assessment of his promised performance. It would be refreshing to note that he adhered to his three-pronged approach and has successfully curbed a practice that has hurt our economy for years.

In conclusion… is the 2025 Budget good for business?

No doubt, opinions would be divided on this, and for various reasons too.

Some businesses would be happy at the removal of taxes, others would be disaffected by the extension of sunset clauses, some might get nervous at the call for them to contribute to tax revenues, and yet others would be unhappy at Government's decision to cut back on public spend on goods and services, as well as strictly adhere to public procurement through GHANEPS[4]. We expect importers to be pleased that Government promises to review all taxes, fees and charges at the ports and remove those inimical to business. However, many more businesses are unhappy that VAT reforms are not immediate.

On VAT reforms, we have noted on different occasions that Government would need some time to assess the fiscal implications of this reform as it entails some complexity. In addition, abolishing some tax handles have cost Government revenue opportunities.
At PwC, we have opposing views on some of the initiatives or measures the Hon. Minister has included in the 2025 Budget and we would seek opportunities—including leveraging the proposed quarterly dialogue on tax issues among GRA, MOF, and the business community—to engage with him and/or his ministry to get a better understanding of the intent behind these measures.

Similarly, we will share our own thoughts on such measures. One such area relates to the removal of the emissions levy. That said, our overall view is that this budget presents the country with an opportunity to climb back to ground zero in pursuit of broad-based and sustainable socio-economic growth and development.

[4] Ghana Electronic Procurement System

The budget packs a plethora of initiatives, e.g. the GH¢1.5 billion AETA and the US$10 billion-Big Push programme that has GH¢13.8 billion allocated to it in 2025. We expect all these interventions plus existing commitments to exert significant financing pressures on Government.

In our view, it is important that Government shows agility in reviewing its financial position regularly and being equally agile to resizing its budget to fit its available resources. We know the pressure that comes in the first budget year after winning an election, the lead-up to which saw key political actors make a lot of campaign promises to the electorate.

However, there would be the need to train an eye on the primary balance on commitment basis, which is also the fiscal anchor under the existing IMF programme to ensure that it is kept on a tight rein to avoid the economy spiralling out of hand and moving further away from the dream of a reset economy.

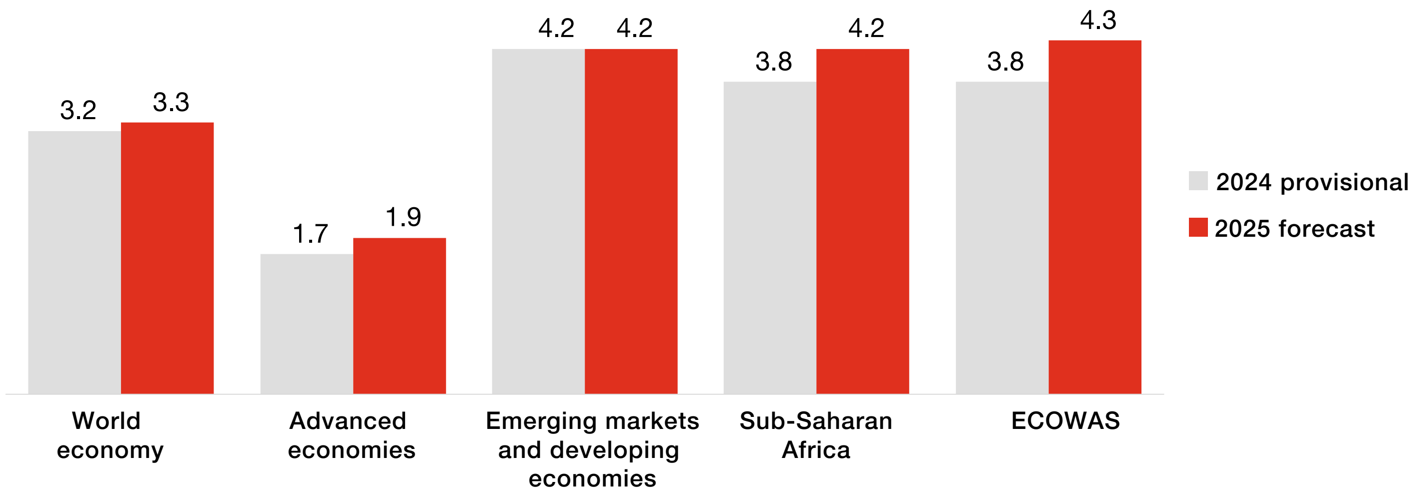
In the rest of the Digest, we share our views on several of the sectoral initiatives proposed as part of the 2025 Budget. We invite you to look at them and, if you think they could help you to better navigate the economy and markets in 2025 and beyond, kindly reach out to us using our contacts provided at the end of the Digest.

As always, at PwC, we remain available to share our thoughts and expertise with Government and the Honourable Minister and his team as they seek to guide our country towards its short, medium, and long-term development aspirations.

At a glance

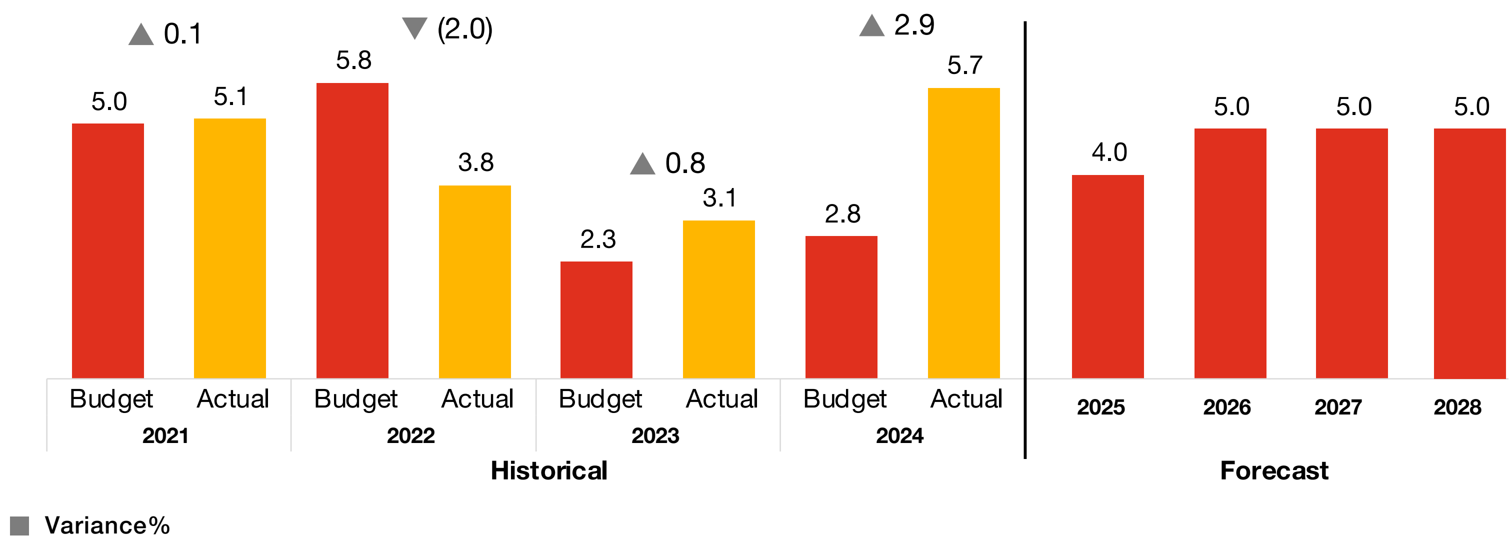
Macroeconomic performance and outlook

Global GDP growth (%)



Source: 2025 Budget Statement and Economic Policy and World Economic Outlook (WEO)

Domestic real GDP growth (%)



Source: 2025 Budget Statement and Economic Policy

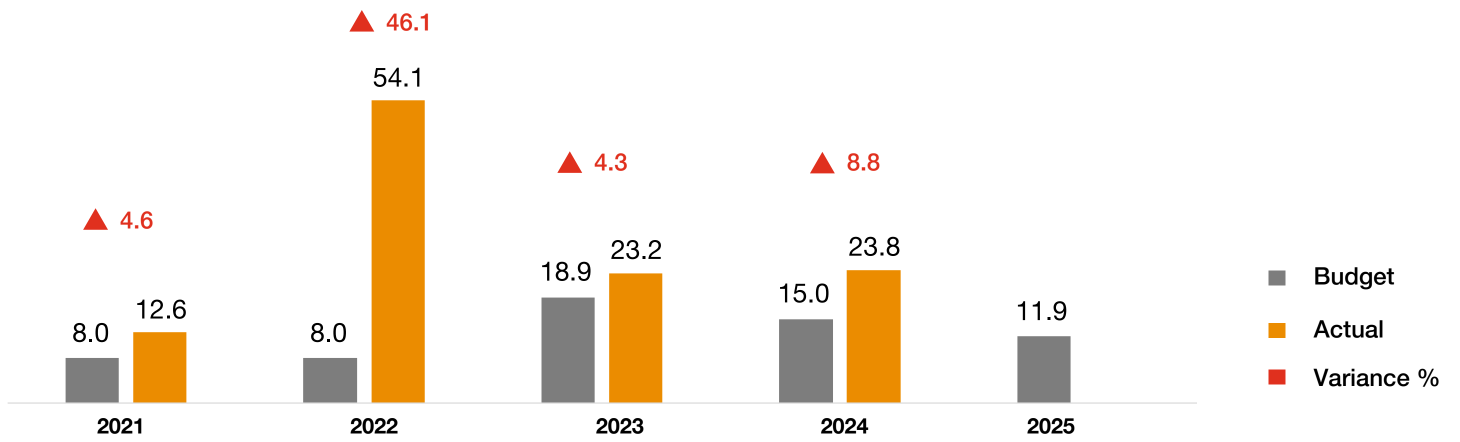
Macroeconomic performance and outlook

Sectoral growth rates (%)

	2021			2022			2023			2024			2025
	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget
Agriculture	4.0	8.5	4.5	5.3	4.2	(1.1)	3.2	5.9	2.7	3.0	2.8	(0.2)	4.8
Industry	4.8	(0.5)	(5.3)	6.3	0.6	(5.7)	(1.2)	(1.7)	(0.5)	3.7	7.1	3.4	3.8
Services	5.6	9.4	3.8	5.6	6.3	(0.7)	4.6	5.7	1.1	1.9	5.9	4.0	3.8
Real GDP	5.0	5.1	0.1	5.8	3.8	(2.0)	2.3	3.1	0.8	2.8	5.7	2.9	4.0

Source: 2025 Budget Statement and Economic Policy, PwC analysis

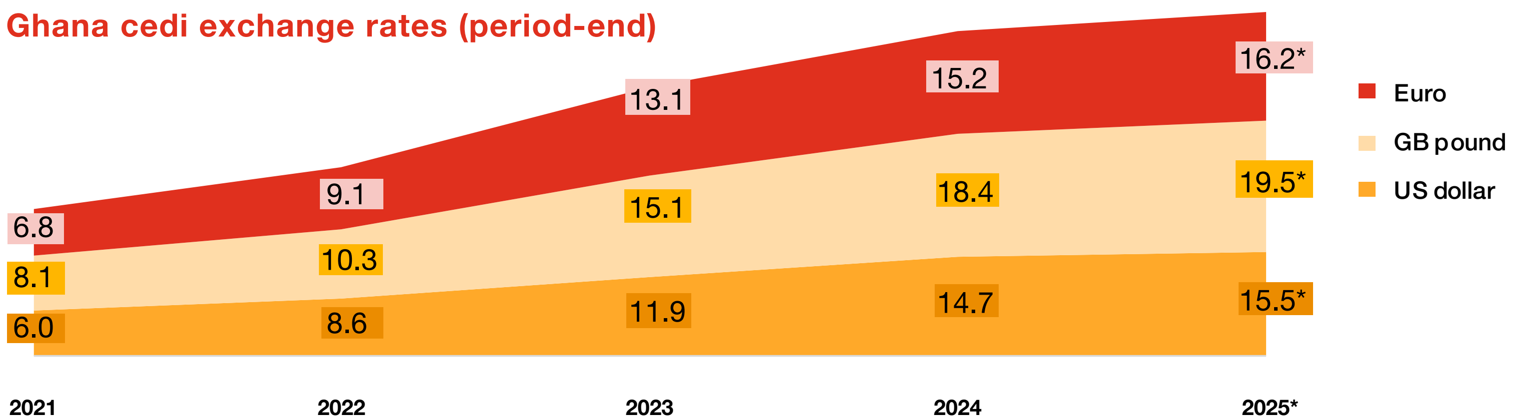
Period-end inflation (%)



Source: Ghana Statistical Services and 2025 Budget Statement and Economic Policy

NB: Inflation was 23.1% as at February 2025

Ghana cedi exchange rates (period-end)

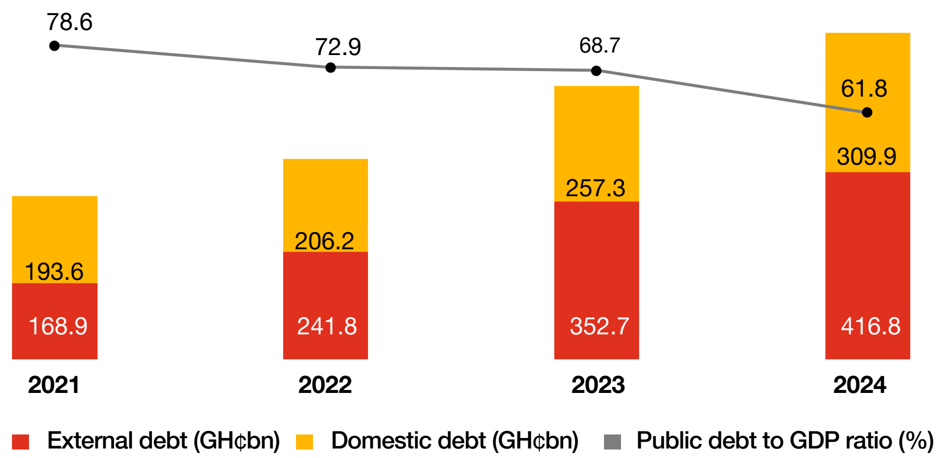


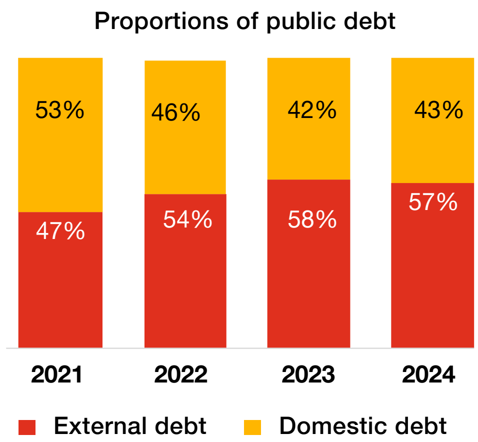
Source: Bank of Ghana monthly exchange rate indicators

*Data as at February 2025

Fiscal and monetary performance

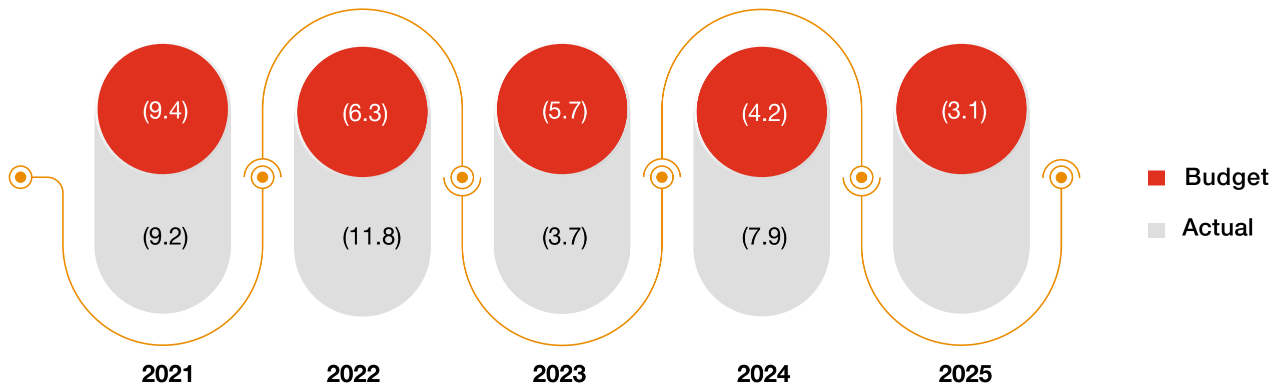
Public debt





Source: 2025 Budget Statement and Economic Policy, PwC analysis

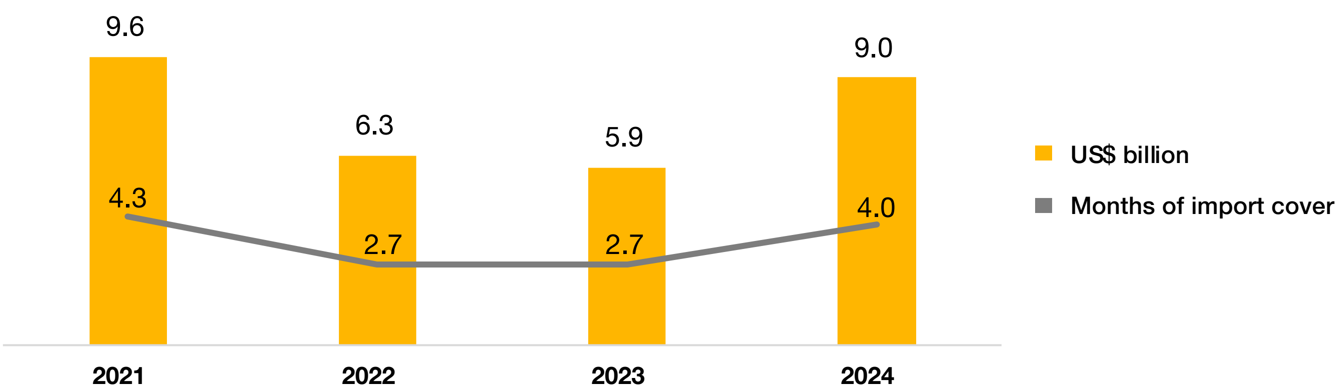
Fiscal deficit (% of GDP)



Source: 2025 Budget Statement and Economic Policy

Fiscal performance data computed on a commitment basis
NB: This includes payment to IPPs and financial sector clean-up

Gross international reserves



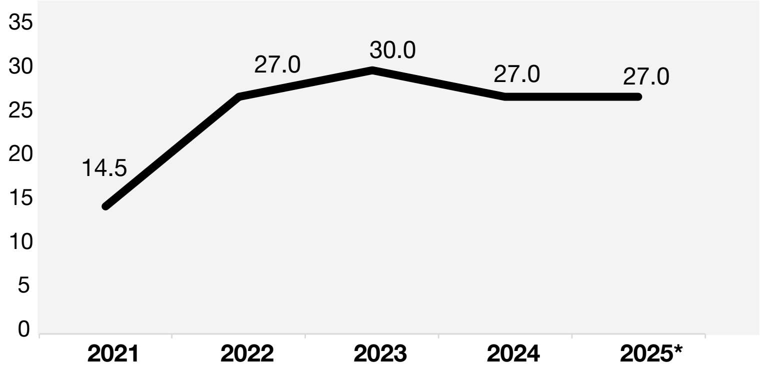
Source: 2025 Budget Statement and Economic Policy

NB: Gross international reserves to cover not less than three months of import for 2025

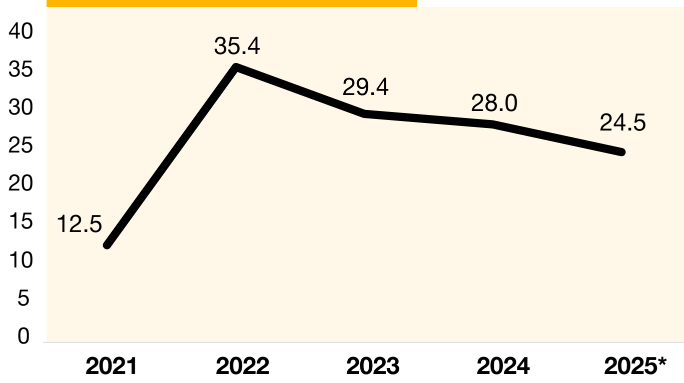
Fiscal and monetary performance

Interest rates

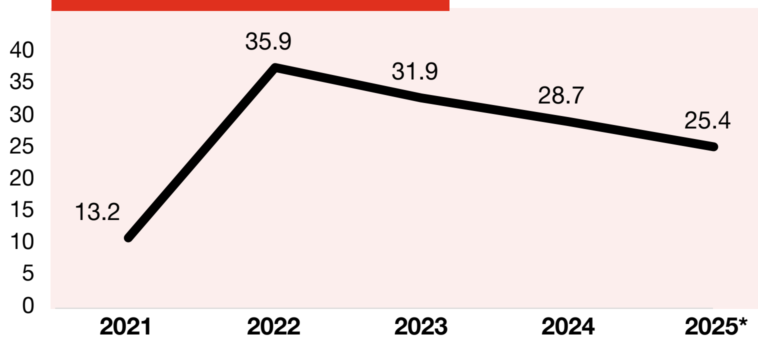
BOG policy rate (%)



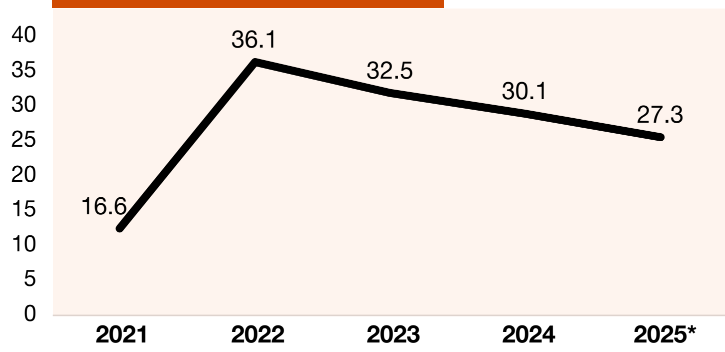
91-day Treasury bill (%)



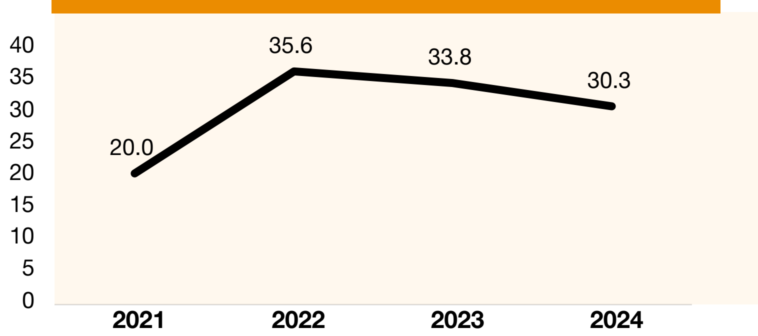
182-day Treasury bill (%)



364-day Treasury bill (%)



Commercial banks' average lending rate (%)



Source: Bank of Ghana monthly interest rates

*Data as at February 2025

Where is the money coming from?

Taxes on income and property
GH¢78.7bn (42.2%)
GH¢97.8bn (43.5%)
▲ 24.2%

Non-tax revenue
GH¢27.7bn (14.9%)
GH¢24.4bn (10.8%)
▼ (12.0%)

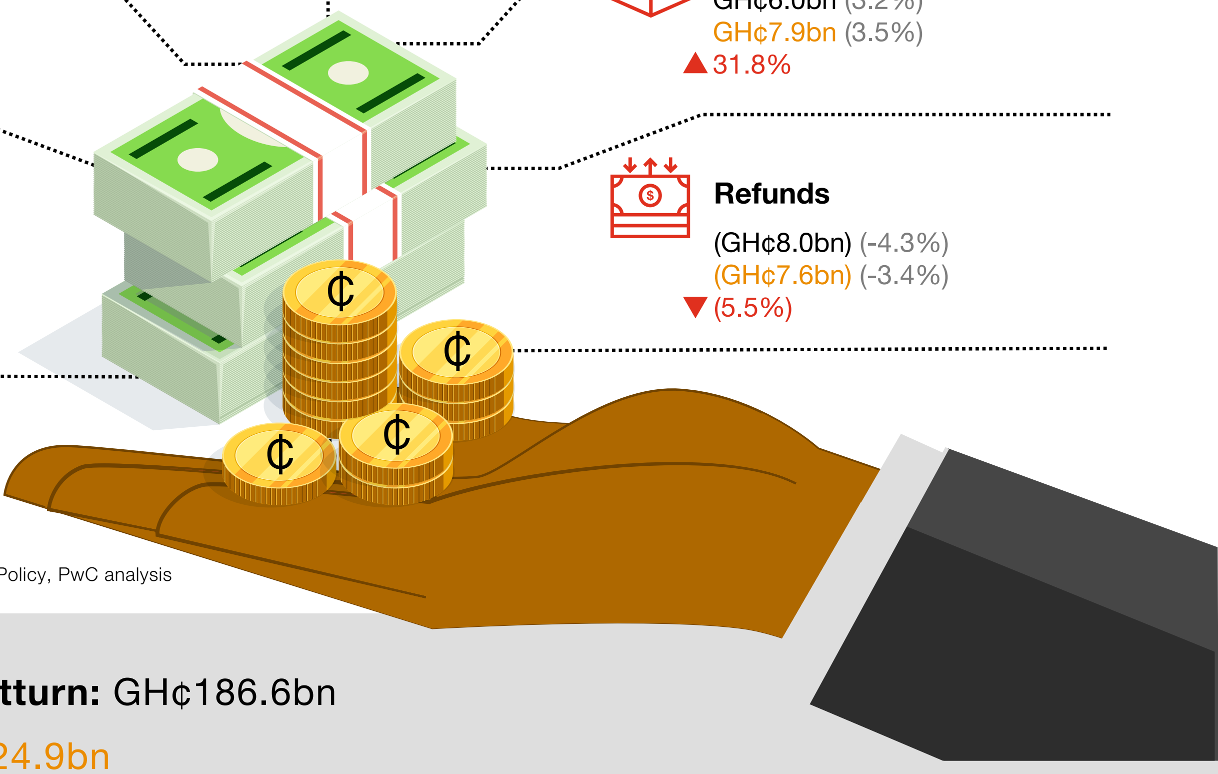
Grants
GH¢1.7bn (0.9%)
GH¢2.7bn (1.2%)
▲ 55.9%

Taxes on domestic goods and services
GH¢60.5bn (32.4%)
GH¢73.8bn (32.8%)
▲ 21.9%

Others
GH¢6.0bn (3.2%)
GH¢7.9bn (3.5%)
▲ 31.8%

International trade taxes (import duties)
GH¢19.9bn (10.7%)
GH¢26.0bn (11.6%)
▲ 30.6%

Refunds
(GH¢8.0bn) (-4.3%)
(GH¢7.6bn) (-3.4%)
▼ (5.5%)



Source: 2025 Budget Statement and Economic Policy, PwC analysis

- **2024 provisional outturn:** GH¢186.6bn
- **2025 budget:** GH¢224.9bn
- **Annual change:** 21%
- **Percentage of total for the year**

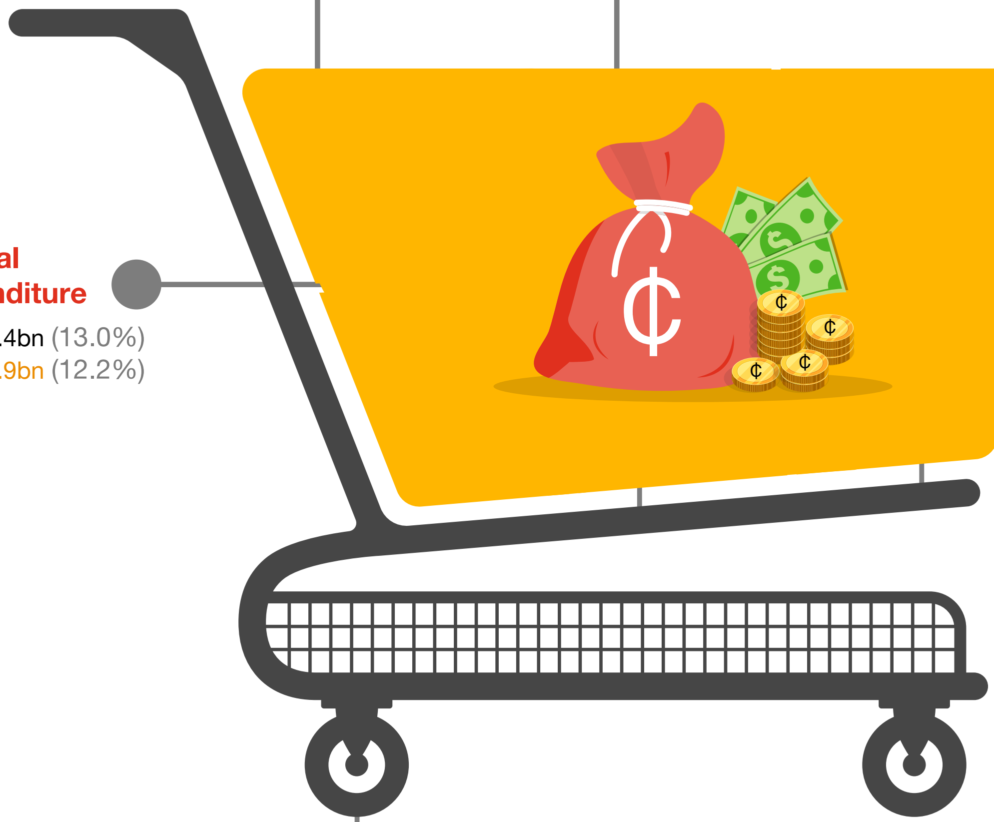
Where is the money going?

Compensation of employees
GH¢67.2bn (29.7%)
GH¢76.6bn (28.5%)
▲14.1%

Goods and services
GH¢11.5bn (5.1%)
GH¢7.0bn (2.6%)
▼(39.4%)

Interest payments
GH¢46.8bn (20.7%)
GH¢64.2bn (23.9%)
▲37.1%

Capital expenditure
GH¢29.4bn (13.0%)
GH¢32.9bn (12.2%)
▲12.0%



Subsidies
GH¢0.2bn (0.1%)
GH¢0.3bn (0.1%)
▲63.7%

Other expenditure
GH¢24.0bn (10.6%)
GH¢30.0bn (11.2%)
▲25.2%

Social benefits
GH¢0.7bn (0.3%)
GH¢3.2bn (1.2%)
▲339.3%

Grants to other Gov't units
GH¢46.4bn (20.5%)
GH¢54.5bn (20.3%)
▲17.3%

Source: 2025 Budget Statement and Economic Policy, PwC analysis

- **2024 provisional outturn:** GH¢226.2bn
- **2025 budget:** GH¢268.8bn
- **Annual change:** 19%
- **Percentage of total for the year**

Proposed tax measures

1. Direct tax measures

1

Increase the monthly equivalent tax-free chargeable income level for resident individuals from GH₵490 to an estimated GH₵540.

2

Extend the Growth and Sustainability Levy (GSL) to 2028 for all eligible entities and raise the GSL for mining companies from 1% to 3% of their gross production.

3

Remove the 1.5% withholding tax on unprocessed gold purchases from small-scale miners and eliminate the 10% tax on lottery winnings, including betting, gaming, and games of chance.

2. Indirect tax measures

Remove VAT on motor vehicle insurance premiums and exempt more pharmaceutical raw materials and essential imported medicines from VAT.

Reform the VAT system this year by removing the COVID-19 Health Recovery Levy, treating health and education levies as VAT, and reducing eligible VAT-registerable traders.

Expand duty concessions to include the local production of two- and three-wheeled electric vehicles.

Keep the 2% Special Import Levy on imported goods until 2028, and review and eliminate some taxes, fees, and charges on imported goods.

Remove the 1% Electronic Transfer Levy (E-Levy) on electronic transfers.

Abolish the Emissions Levy.

3. General (administrative) measures

1. Modify the main tax exemptions law and introduce regulations to make exemptions work better.
2. Make it easier to resolve tax disputes between taxpayers and the Ghana Revenue Authority.
3. Extend the waiver of penalties and interest under the Voluntary Disclosure Programme to promote tax compliance.
4. Reduce the tax refund account limit from 6% to 4% of total tax revenues to curb abuses of the account.
5. Introduce digital solutions for the Modified Taxation System for small sole-traders and boost revenue collection using digital tools for road tolls and property rates.
6. Hold quarterly meetings with key stakeholders to quickly address tax issues.

Sector reviews

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Mining and energy

Mining

Ghana Gold Board (GOLDBOD)
The 2025 Budget proposes the establishment of the Ghana Gold Board (GOLDBOD) to enhance foreign exchange inflows and bolster gold reserve accumulation. The GOLDBOD will regulate, oversee, monitor and engage in activities related to the purchasing, assaying, refining, exporting and selling of gold resources. Funded by a revolving fund of US$279 million, the GOLDBOD aims to purchase and export at least 3 tonnes of gold per week from small-scale miners.

Commentary

The centralisation would streamline gold trading activities thereby potentially increasing efficiency and reducing duplication. The establishment of the GOLDBOD will help address the fragmented and uncoordinated nature of buying and selling gold in the country and reduce smuggling. This initiative will also enhance foreign exchange inflows and strengthen gold reserve accumulation, thereby contributing to economic stability.

On the other hand, this raises questions about the future role of Precious Minerals Marketing Company (PMMC) and other stakeholders, requiring clear definitions and mandates.

Additionally, mechanisms for gold traceability should be established to ensure purchases are from sustainable mining companies in line with international standards. Government should establish an effective governance structure to provide clear oversight and accountability mechanisms to monitor performance and compliance. The implementation of the GOLDBOD policy must be carefully managed to prevent it from being exploited for illegal activities such as galamsey, fraud and money laundering, ensuring robust regulation, transparency and stakeholder engagement.

Taxes - Growth and Sustainability Levy
In response to rising gold prices, Government aims to take advantage by raising the Growth and Sustainability Levy on the gross output of the extractive sector from 1% to 3%, while extending the sunset clause to 2028. This measure ensures that the nation benefits from the windfall in gold prices and secures its fair share of our mineral resources.

Commentary

This non-deductible levy will raise operating costs and reduce profit margins, potentially discouraging expansion in the extractive sector. Consideration should be given to companies with stability clauses, exempting them from the levy.

Government should review these agreements to increase its fiscal take, aligning with its revenue mobilisation goals. Engaging the Chamber of Mines is crucial to finding a win-win solution. Offering incentives to attract investment in exploration and production could enhance gold production which ultimately will pay more royalties and dividends to Government.

Government should consider having a framework around windfall taxes to help mining companies plan and forecast. This system will also ensure that Government receives a fair share of profits during periods of high commodity prices.

Small-scale miners

Government plans to abolish the 1.5% withholding tax on unprocessed gold by small-scale miners, increasing their net receipts and potentially boosting operational activities. This initiative could formalise and regularise small-scale mining operations, increasing Government tax revenue and reducing illicit exports.

Commentary

The current “galamsey” menace could lead to greater environmental degradation, if not effectively managed. Government intends to address illegal mining by re-categorising mining into small-scale, medium-scale, and large-scale, with tailored regulatory, operational, environmental and safety requirements.

In this vein, robust systems are needed to place all mining companies, including those engaged in ‘galamsey’ activities, into the appropriate categories for effective monitoring.

Mineral Income and Investment Fund Act, 2018 (Act 978) (MIIF Act) Amendment

Government plans to amend the MIIF Act to transfer 80% of mineral royalties to the Consolidated Fund for infrastructure development, which is expected to boost revenue.

Commentary

This amendment aims to boost funding for infrastructural projects, which will indirectly benefit mining companies. However, it may decrease the funds available to MIIF for strategic investments, potentially impacting its operations.

It is crucial to ensure accountability and clear guidelines for the use of transferred funds. Proposed investments should prioritise value for money and the potential to generate sustainable returns.

Energy and petroleum

Ghana National Petroleum Corporation (GNPC)
A reduction of GNPC's net Carried and Participating Interest (CAPI) from 30% to 15% is proposed to redirect funds to the Consolidated Fund, managing fiscal pressures and supporting infrastructure development.

Commentary

This reduction will impact GNPC's income and cash flows, potentially affecting its ability to invest in new projects and maintain existing operations. GNPC may need to streamline operations and seek alternative funding sources.

Energy sector legacy debts
The minister highlighted the legacy arrears owed to Independent Power Producers (IPPs), amounting to US$1.73 billion. The sector remains a significant fiscal burden due to inefficiencies and escalating debt levels.

Commentary

Government is encouraged to renegotiate Power Purchase Agreements (PPAs) to reduce fixed capacity and operational charges, alleviating financial pressures and ensuring long-term sustainability. The renegotiation should adhere to applicable PPAs, and if none exist, the Government should approach the renegotiation cooperatively.

Moreover, addressing the operational challenges faced by the country's power distributors: Electricity Company of Ghana (ECG) and Northern Electricity Distribution Company (NEDCo) is crucial. Enhancing efficiency and transparency in their revenue collection processes will help generate the necessary funds to reduce the debt owed to the IPPs and other stakeholders.

The proposed construction of a new gas processing plant is commendable. Efficient project management will be crucial to prevent delays, cost overruns and operational challenges.

Petroleum Revenue Management Act Amendment
Government plans to amend the Petroleum Revenue Management Act to allocate all Annual Budget Funding Amount (ABFA) to infrastructure projects, boosting infrastructural development, including the power sector.

Commentary

This move should be accompanied by sustainable debt management policies to ensure these goals are realised. The amendment has the potential to significantly boost Ghana's infrastructure development and economic growth, but it must be managed carefully to avoid potential pitfalls and ensure that the benefits are maximised.

Environmental, Social, and Governance (ESG)
Government plans to abolish the emissions levy on industries and vehicles, reducing the tax burden on citizens.

Commentary

The removal of the levy could potentially undermine climate sustainability commitments. Nonetheless, the allocation of GH¢242.5 million for victims of the Akosombo dam spillage and GH¢200 million for tidal wave disaster victims in Ketu South to support resettlement, infrastructure repairs, and economic recovery, reflects the administration's commitment to social sustainability.

The Government can continue to show its commitment to managing the effects of climate change by intensifying educational efforts towards reducing carbon emissions as part of this drive. This will portray the country globally in a favourable light with respect to sustainability and climate change related issues.

ESG and sustainability policies

The 2025 budget of Ghana, themed "Resetting the Economy for the Ghana We Want," outlines several Environmental, Social, and Governance (ESG) policies aimed at fostering sustainable development.

Key policies and targets

Environmental policies:

1. **Renewable energy expansion:** The Ministry of Energy and Green Transition to develop a five-year strategic document to implement the Ghana Energy Transition Framework, which targets a future electricity demand of 380,000 GWh supported by 83 GW of installed generation capacity, including 21 GW from renewables. This is part of efforts to transition Ghana to a net-zero energy economy by 2070.

2. **Afforestation and reforestation:** The Forestry Commission to roll out the 'Tree for Life Reforestation Initiative', focusing on the establishment and maintenance of:

- 12,000 hectares of forest plantations
- 4,000 hectares of enrichment planting
- Reclamation of 500 hectares of degraded mined-out sites in forest reserves
- One Child, One Tree' Initiative encouraging every schoolchild to plant and nurture a tree.
- Blue Water Initiative to restore polluted rivers and lakes, ensuring they return to their natural, unpolluted states.

3. **Waste management:** Establishing the Circular Economy Framework for the Plastics Sector (CEF-PS)" Project to focus on producing biodegradable plastics, food-grade recycling, and construction material-grade recycling. The project also seeks to provide technical and financial support to 11 SMEs.

4. **Combatting galamsey:** Address environmental degradation caused by illegal mining through stricter enforcement of regulations, revocation of L.I. 2462 to prevent mining in forest reserves and protected areas and re-categorisation of the mining entities for tailored regulatory, operational, environmental and safety requirements.

5. **Renewable energy and green transition fund:** Establish a fund to support solar and electric initiatives, enhancing Ghana's green credentials and reducing electricity tariffs on state institutions.

Commentary

- **Diversifying the energy mix:** The government's pledge to expand the country's renewable energy capacity to 21 GW, though modest, marks a good step toward diversifying Ghana's energy mix. Beyond mitigating carbon emissions linked to fossil fuel dependence in the power generation value chain, scaling up renewables presents a viable pathway to reducing long-term electricity costs for consumers. Renewable energy systems, notably solar and wind, offer comparatively lower generation costs than fossil fuel-based power, which remains vulnerable to volatile global fuel and gas prices. By prioritising this transition, Ghana can simultaneously advance climate resilience and alleviate financial pressures on households and industries. However, achieving the set renewable energy generation target requires appropriate incentives to attract private sector investments, improving the financial health of power distribution entities within the value chain, particularly ECG, and enhancing the grid infrastructure to effectively integrate renewable power sources like solar and wind. Promoting the use of net metering systems, backed by clear guidelines for feeding surplus electricity generated by consumers into the national electricity grid, in addition to rebates for businesses and households that install and use renewable energy systems, will go a long way in complementing the government's green transition efforts. The government should also lead by example by adopting sustainable practices in its operations, such as using renewable energy in public buildings and promoting green procurement.

Commentary

- **Tree planting program:** The Tree for Life Reforestation Initiative' aims to restore the nation's forest cover. To ensure the survival of the trees, community ownership and responsibility at the local level are crucial. Flexible planting strategies that account for varied rainfall patterns and soil conditions will enhance the program's success. Additionally, farmers should be encouraged to integrate sustainable agroforestry practices into their farming routines.

- **Waste management:** The CEF-PS is a significant move towards recycling and promoting sustainable activities. However, this needs to be complemented with effective enforcement of waste management policies and regulations. The Circular Economy has the potential to create new opportunities for value capture, value creation, and decent work through innovative business models based on circular sourcing, design, refurbishing, remanufacturing, maintenance, and sharing. Circular economy policies can incentivise companies to manufacture high-quality, durable, and modular equipment that circulates for much longer, thereby conserving resources and reducing production costs. Public education on the benefits of a circular economy will play a key role in waste reduction across the country. This should be supported by clear regulations and policies that incentivise circular economy practices among businesses. Government institutions and state-owned enterprises (SOEs) should set measurable waste reduction targets and leverage their purchasing power to drive circular economy practices within their value chains.

- **Combatting galamsey:** The menace of illegal mining continues to plague the country, causing devastating environmental damage. The government's efforts to combat this crime need to be intensified and supported with modern technology such as drones and satellite imagery. Establishing a dedicated unit for citizens in affected areas to anonymously report illegal mining activities should be considered. These reports can then be validated using technology, ensuring appropriate and timely action is taken. Continuous engagement with communities vulnerable to such acts will be key is eradicating the practice.

- **Renewable energy and green transition fund:** The objective of the fund is laudable, however measure should be put in place to operationalise it so it doesn't suffer similar fate like its predecessor fund "The Renewable Energy Fund" that only exist in the statute.

- The **increasing frequency of extreme weather events**, causing significant infrastructure damage and displacement, will put additional pressure on government spending. To address these challenges, the government must help districts and municipalities enhance their resilience to severe weather by assessing current vulnerabilities and identifying funding gaps to ensure they are prepared and can respond effectively.

Social policies:

1. **Education:** Allocate GH₵3.5 billion to the Free Senior High School (Free SHS) programme and GH₵499.8 million for the No-Academic-Fee policy for first-year students in public tertiary institutions

2. **Healthcare:** Increase healthcare spending to improve access to quality essential services, particularly in rural areas.

3. **Social protection:** Expand programs through increased budgetary allocations and enhanced implementation of the following: the National Health Insurance Scheme (NHIS), Livelihood Empowerment Against Poverty (LEAP), School Feeding Programme, and Capitation Grant.

Commentary

- **Education:** The Free SHS programme has contributed to increased enrolment in senior high schools, removing fees as a barrier to accessing secondary education in Ghana. Having a dedicated funding source is laudable as it removes uncertainties around the continuation of the programme. However, timely release of funding, infrastructure development, effective monitoring, and continuous evaluation are essential to its success.

- **Healthcare:** Increasing healthcare spending is crucial for improving access to quality services. Timely disbursement of funds allocated to the sector, completion of ongoing healthcare projects, and incentives to attract and retain healthcare workers, particularly in rural areas, will be essential to ensuring the effectiveness of the policy. The government can consider public-private partnerships, asset recycling, and the issuance of health-related bonds to raise the needed funds to complete ongoing health facilities.

- **Social protection:** Initiatives such as the NHIS, LEAP, School Feeding Programme, and Capitation Grant have improved healthcare access, reduced poverty, and boosted basic school enrollment in rural areas over the period. To maximise their impact, it is essential to ensure prompt disbursement of allocated funds and to implement robust monitoring systems that enhance transparency and accountability. Additionally, integrating the LEAP program with targeted skill development initiatives can further empower beneficiaries for self-reliance. Complementing these efforts with community partnerships and data analytics to continuously evaluate and refine delivery of the programme can drive sustainable, long-term outcomes.

Governance policies:

1. **Public Financial Management:** Strengthen the system to enhance transparency and accountability in government spending including the operationalisation of the Compliance Desk to monitor reports on commitments and arrears accumulation and to publish a PFM league table for compliance and non-compliance of the PFM provisions.

Commentary

- **Public Financial Management:** Strengthening the Public Financial Management system is essential for enhancing transparency and accountability in government spending.

PwC's conclusion

The 2025 budget's focus on sustainability policies is a good step towards achieving Ghana's sustainable development goals. However, the success of the initiatives will depend on effective implementation, community involvement, and continuous monitoring and evaluation and support from the private sector.

The private sector plays a crucial role in advancing sustainability, and some CEOs are already seeing the benefits of their actions. According to PwC's 28th Global CEO survey, which covered 4,701 CEOs in 109 countries and territories including Ghana, one in three CEOs reported that climate-friendly investments made by their organisation over the last five years have led to increased revenue.. Additionally, two-thirds of CEOs stated that these investments have either reduced costs or had no significant cost impact.

The survey also highlighted barriers to climate friendly investments in sub-Saharan Africa. CEOs in sub-Saharan Africa face several barriers to initiating such investments:

- **Lack of demand from external stakeholders:** 27% of CEOs identified this as a barrier, slightly higher than the global average of 24%.
- **Financial constraints:** 23% of CEOs reported a lack of available finance as a significant barrier, similar to the global average of 20%.
- **Regulatory and policy challenges:** 26% of CEOs cited regulatory and policy challenges as major obstacles, compared to 27% globally.

Over the past 13 months, Ghana has made good progress in advancing sustainability regulations. In January 2025, the Environmental Protection Act, 2025 (Act 1124) replaced the outdated 1994 Act (Act 490), establishing an Environmental Protection Authority with an expanded mandate to regulate, protect, coordinate, and oversee climate change and environmental matters. The Act also established the Ghana Carbon Registry, to facilitate the registration and listing of greenhouse gas mitigation activities in the country.

In addition, several regulatory initiatives have bolstered the country's commitment to sustainability. In November 2024, the Bank of Ghana issued the Climate-Related Risk Directive, mandating financial institutions to disclose climate-related risks. Earlier in March 2024, the Institute of Chartered Accountants, Ghana (ICAG) released a roadmap for implementing IFRS sustainability standards (IFRS S1 and IFRS S2), while the Securities and Exchange Commission (SEC) Ghana published Green Bond Guidelines to support financing sustainable projects. Also, the National Insurance Commission (NIC) introduced Sustainability Guidelines for insurers in December 2024, and Ghana's Green Finance Taxonomy was launched by the Ministry of Finance in October 2024 to steer investments toward sustainable projects.

Despite these advancements, it is imperative for companies in Ghana to go beyond mere regulatory compliance. By integrating sustainability into their core business strategies, companies can proactively address environmental and social impacts. Fostering innovation through the development of eco-friendly products, reducing carbon footprints, and engaging in initiatives that resonate with stakeholders will not only enhance corporate responsibility but also unlock significant value for shareholders.

With the right support and commitment from both the private and public sectors, Ghana can pave the way for a greener, more equitable future.

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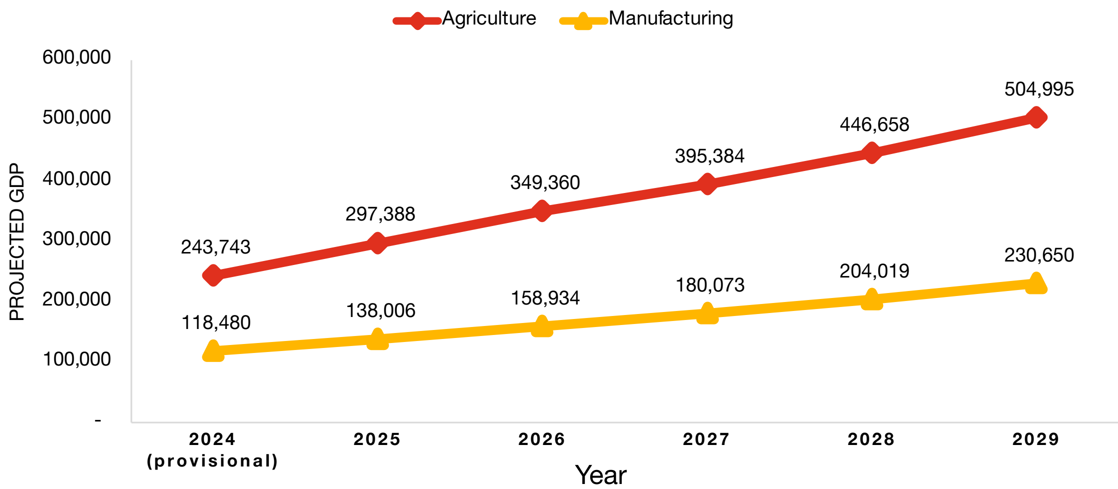
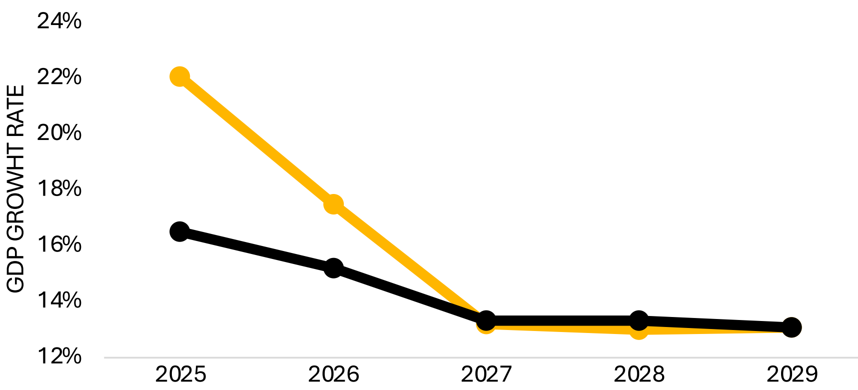
Agriculture and manufacturing

Ghana's manufacturing and agricultural sectors remain pivotal to the economic reset agenda of the Government. This is evident firstly in the President's action through the Civil Service (Ministries) Instrument, 2025 (E.I.1), signed on January 9, 2025, revoking the previous 2021 structure. The new list of ministries reflects Government's priorities in these key areas including agribusiness which currently has three ministries with direct mandates targeting agriculture and agribusiness development. Secondly, boosting production, manufacturing, agriculture and agribusiness are important to stimulate industrial transformation and job creation in what is described in the 2025 Budget as Agriculture for Jobs and the Rapid Industrialisation for Jobs. These are underpinned by the prospects of Government's flagship 24-hour Economy policy.

Projected GDP at current market prices by economic activity (GH¢ million)





	2025	2026	2027	2028	2029
Agriculture	22.01%	17.48%	13.17%	12.97%	13.06%
Manufacturing	16.48%	15.16%	13.30%	13.30%	13.05%

Agricultural sector growth rate within the past few years has not been at an increasing pace (a modest 2.8% in 2024). The World Bank has predicted improvements in agriculture to partially drive GDP up to about 5% by 2026 on the back of implementation successes. While the agriculture and manufacturing sectors are expected to grow by value between 2025 and 2029, the pace of growth is however predicted to dip over the same period. The allocation of GH¢13.25 billion to the Ministry of Food and Agriculture (MoFA) suggests a strong focus on enhancing agricultural productivity and food security. Similarly, the GH¢1.72 billion for the Ministry of Fisheries and Aquaculture could help boost the fishing industry and support sustainable practices. The GH¢4.39 billion for the Ministry of Trade and Industry indicates efforts to stimulate industrial growth and trade. This is expected to be financed through tax revenue, internally generated funds, loans and grants. However, a heavy reliance on debt, roll-over contracts, low output, and quasi-fiscal expenditures can pose financial challenges, and therefore, further caution is advised.

Agricultural initiatives

Under the Agriculture for Economic Transformation Agenda (AETA):

The 2025 budget seeks to deliver its objective of economic transformation and job creation in the agriculture, aquaculture and manufacturing sectors through the following initiatives:

- **Feed Ghana Programme (FGP)**: to boost institutional, public and household production of crops and livestock, ensure participation of institutions such as (schools, Faith Based Organisations (FBOs), security agencies, public institutions etc.).
- **Transformational Grains Development (TGD)**: project to prioritise the production of maize, rice, soya and sorghum.
- **Roots and Tubers Development Project (RTDP):** to promote the production of cassava, plantain and yam.
- **Vegetable Development Project (Y3REDUA):** to support vegetable production.
- **Livestock Development Project (LDP):** to boost the production of ruminants and the "Poultry Farm to Table" and "Nkoko Nketenkete' Projects.
- **Feed Industry Programme:** to provide a consistent supply of raw materials to support the 24-hour economy.
- **AgriNext Programme:** to make farmlands and agricultural opportunities easily accessible to the youth.
- **Ghana Tree Crops Diversification Project (GTCDP):** to promote the commercialisation of cashew, rubber, coconut, shea and mango.
- **National Palm Oil Industry Policy:** to optimise the production of palm oil across the value chain.
- **Irrigation for Wealth Creation Project:** to ensure an all-year-round agricultural production to feed agro-processing industries.

Aquaculture

- Establish a Blue Economy Commission to regulate marine and freshwater resources
- Establish a One-Stop-Shop Aquaculture Licensing System to create easy access to the required fishing permits through an integrated platform
- A modified Closed Season Programme to continue the ban of fishing for a two-month period for industrial trawl vessels and suspend the one month closed fishing season for small scale fishers

Manufacturing

- Rapid industrialisation for job creation
- To enable and facilitate set-up of strategic industries while reviving existing factories such as Komenda Sugar Factory and Volta Star Textiles
- To set up agro-industrial zones in all regions and processing factories in selected regions
- Women in Trade, Agribusiness and Industry Programme to empower women entrepreneurs and provide support for women in cross-border trade

Commentary

Agriculture and Aquaculture:

Modernisation as a foundation for a 24-hour economy

The Government of Ghana's agricultural initiatives are designed to transform the sector and support the vision of a 24-hour economy. These projects are feasible due to Government's commitment and significant investments, such as the GH¢1.5 billion allocated to the Feed Ghana Programme. Targeted initiatives like the Agriculture for Jobs and Agriculture for Economic Transformation Agenda aim to shift from subsistence farming to commercial, tech-driven agribusiness. However, the land tenure system in Ghana poses potential limitations to these initiatives. The customary land tenure system often leads to smallholder farming, which can hinder large-scale agricultural investments and efficiency. To mitigate these challenges, Government should consider reinvigorating the state farmlands system, ensuring that it is implemented cautiously to avoid exacerbating existing issues. Initiatives to streamline land administration, strengthen land rights, and provide more secure tenure could help reduce the threats posed by the current land tenure system.

The Agriculture for Economic Transformation Agenda (AETA) has been presented as the umbrella programme targeting agriculture with focus on modernising agriculture and promoting agri-business to reduce food inflation, ensure food security, boost exports and create sustainable jobs. The AETA objectives as presented in the budget, would be met through the introduction of several initiatives. Focusing on agro-industrial zones and processing plants aligns with the 24-hour economy vision by, enabling continuous production cycles, reducing post-harvest losses, and integrating farmers into global supply chains.

Plans under the aquaculture segment include the continuation of rollout of existing policies including the operationalisation of the Anomabo Fisheries College, as well as the introduction of new programmes. The establishment of the Blue Economy Commission is an indication of Government's commitment towards the implementation of the Blue Economy agenda. The decision to maintain the two-month ban on industrial trawl vessels is a positive step towards replenishing fish stocks. Considering the large quantities of aquatic life that were washed away during the Akosombo Dam spillage, the Aqua/Cage-Culture Project (ACP) is earmarked to support aquaculture production by 38,604.32mt if achieved, is laudable.

Commentary

Manufacturing Sector:

Catalysing value addition

Ghana's modest manufacturing growth rate of 3.9% highlights the need for structural reforms to unlock the sector's full potential. Government has reiterated its commitment to pursue the 24-hour economy which it has indicated as a key integrated multi-sectoral, import substitution, export-led and industrialisation framework, designed to create an enabling environment for businesses to operate around the clock. The push for Rapid Industrialisation; via agro-processing, textiles, and cashew factories, aims to reduce import dependency and create jobs. The priority should be to establish an enabling environment for investors, (especially local ones), to engage in manufacturing activities where Ghana has a competitive advantage in terms of agricultural raw materials Implementing measures like increased import tariffs, tax incentives, and more affordable power supply can incentivise investors and enhance the competitiveness of local production. Facilitating the acquisition of Industry 4.0 technologies, along with the establishment of a modern foundry in Ghana, will further support this goal.

Having specified manufacturing, agro-processing and pharmaceuticals among others, as primary focus areas of the initiative (in alignment with recommendations at the National Economic Dialogue), industry stakeholders await the 24-hour Economy Policy which is yet to be presented to Parliament to fully appreciate Government's plans and roadmap. Government should consider strategies for private sector buy-in by creating enabling business environments through tax incentives and the provision of market linkages (export hubs) for factories adopting automation and the 24-hour initiative. Also, the challenges of erratic water supply and energy costs should be tackled through its proposed "Big Push" to sustain 24-hour operations.

Strategic Alignment with 24-hour Economy

- **Agro-processing:** This is a commendable strategy for boosting exports potential and profitability. By transforming raw commodities such as cashew, coconut, mango and cocoa into higher-value products, Ghana can tap into new markets and increase the appeal of its exports. This approach has been successful in countries like Malaysia and India, leading to enhanced agricultural exports, job creation, and economic growth. There is no doubt that a vigorous 24-hour economy regime will positively impact agro-processing.

- **Job creation:** Implementing a 24-hour economy can boost job creation and employment in Ghana. Economic actors in agriculture, production, manufacturing and agribusiness will need more employees to sustain round-the-clock operations. Normalising the three-shift system could potentially triple employment in the short to medium term, assuming other factors remain constant. Continuous operations in agro-processing will maximise the processing of raw commodities, requiring more workers. Enhanced productivity through 24-hour farming can optimise land use and increase crop yields, creating more jobs. Continuous market access ensures a steady supply of goods and food security.

- **Energy & logistics:** Continuous manufacturing operations need a stable energy supply. Time-of-use electricity tariffs can lower costs during off-peak hours. Investments in renewable energy and efficient management systems are crucial for 24-hour manufacturing. Efficient logistics, including improved transportation, warehousing and distribution, are indispensable. Continuous logistics operations would further reduce bottlenecks, enhance supply chain efficiency and ensure timely product delivery.

- **Digital integration:** Embracing smart manufacturing technologies, commonly referred to as Industry 4.0, for example, scaling up climate-smart practices like solar-powered irrigation/targeted dams to support all-year-round production, partnering with tech firms for farmer data platforms, continues youth training in agri-tech and advanced manufacturing skills will transform the efficacy of the 24-hour economy.

- **Security facilities:** Implementing a 24-hour economy in the manufacturing sector requires enhancing security and digital integration. Thus 24/7 surveillance, security personnel, advanced access control and efficient emergency response protocols to ensure safety may be needed. Automation and AI systems minimise downtime, while smart grids and IoT devices manage energy consumption. Digital logistics, including real-time tracking and automated warehousing, ensure smooth goods movement. Streetlights and enhanced security measures would further reduce criminal activities, creating a safer environment. Overall, a 24-hour economy boosts productivity, competitiveness and economic growth in manufacturing.

PwC’s conclusion

Given the ambition Government has to invigorate the production, manufacturing, agriculture and agribusiness sectors according to the 2025 budget statement, we recommend the following structural changes:

1. **Energy infrastructure:** Invest in smart grids and renewable energy sources to support continuous operations and reduce costs.
2. **Security enhancements:** Implement 24/7 surveillance, advanced access control and streetlights to reduce criminal activities and ensure safety.
3. **Digital integration:** Adopt automation, Artificial Intelligence (AI) systems and Internet of Things (IoT) devices to minimise downtime and optimise energy consumption.
4. **Logistics improvements:** Develop real-time tracking and automated warehousing systems to ensure smooth movement of goods and timely delivery.
5. **Emergency response:** Establish efficient protocols to handle incidents at any time, ensuring the safety of employees and facilities.

While implementing new initiatives, it is crucial to learn from past experiences to ensure the efficient use of allocated funds. It is also important to consider the integration on some initiatives to leverage possible synergies and avoid the duplication of efforts. Also, regular monitoring and evaluation of these initiatives will help identify challenges in a timely manner and make necessary adjustments. This will ensure that these initiatives in the agricultural and manufacturing sectors contribute to food security, boost local production, create jobs and drive sustainable economic growth.

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Financial Services

Introduction

The 2025 Budget Statement and Economic Policy indicates Government's plan to initiate policies to bolster economic stability and promote inclusive growth. The Services sector grew by 5.9% in 2024, compared to 5.7% growth in 2023 with the financial and insurance subsectors growing at 7.8%. The Budget highlights that the financial services sector remains fragile, despite the GH¢30.3 billion spent on the financial sector clean up (resolutions and interventions). The Budget aims to address the ongoing challenges within the sector. The key policy initiatives that would have a direct impact on the financial sector include:

- Establishment of the Ghana Gold Board and
- Review of the Public Financial Management Act, the Revenue Administration Act, 2016 (Act 915) and the Fiscal Responsibility Act, 2018 (Act 982).

Banking

The banking sector continues to play a pivotal role in supporting the growth of the Ghanaian economy in the near term. Initiatives targeted at banks, include a capital injection of GH¢2.2 billion into state-owned banks like the Agricultural Development Bank (ADB) and the National Investment Bank (NIB), a GH¢53 billion bailout to recapitalise the Bank of Ghana, and GH¢10.5 billion to tackle legacy issues in the financial sector.

The Budget reaffirms the banking sector's pivotal role in sustaining Ghana's economic momentum and building on the progress achieved in 2024. However, the Budget notes that elevated credit risk remains a significant concern for the banking sector, with the Non-Performing Loans (NPL) ratio increasing to **21.8%** in December 2024, from 20.6% in 2023.

The Budget also highlights that the cash deficit of **GH¢56.9 billion** is expected to be financed from both foreign and domestic sources. This includes provisions for financing from IMF-ECF programme disbursements worth **US$720 million** and World Bank Development Policy Operation funding of **US$600 million**. Securing these funds will be vital for maintaining liquidity in the banking sector and supporting economic recovery.

Key initiatives noted from the Budget aimed at stimulating the banking industry, paving the way for a stronger and more resilient financial landscape include:

- **Establishment of the Women's Development Bank:** The Budget allocates GH¢51.3 million as seed funding for the establishment of the Women's Development Bank. This bank aims to provide low-interest loans and tailored financial services to support businesses owned and led by women on flexible terms.

- **Restructuring the Bank of Ghana:** Per the Budget, the Bank of Ghana is requesting a bailout of about GH¢53 billion to address its negative equity position. This bailout is necessary to stabilise the central bank and ensure it can continue to support the broader financial sector effectively. The financial support is a critical component of Government's stated plans to restructure the Bank of Ghana. This restructuring will strengthen the independence and operational efficiency of Bank of Ghana to fulfil its mandate of maintaining price stability, financial stability and promoting development.

Commentary

The establishment of the Women's Development Bank is a laudable initiative aimed at promoting women's economic empowerment and participation in the workforce. Government can consider the introduction of gender bonds. Gender bonds finance projects that reduce gender inequalities and promote women empowerment. In 2021, UN Women, together with the International Finance Corporation (IFC), and the International Capital Market Association (ICMA), published guidelines for sustainable bonds to include a focus on gender equality. Several African countries including Morocco, Rwanda, South Africa and Tanzania have successfully rolled out gender bonds in the last five years. These can be used as case studies for Ghana, as we roll out Ghana's Women's Development Bank agenda. While access to financing will undoubtedly provide a significant boost to women-owned and women-led businesses, it is essential to complement this strategy with additional initiatives. These may include capacity-building programmes focused on enhancing business strategies. This will ensure that recipients of funding are equipped to utilise these resources effectively and achieve long-term business success.

Addressing NPL levels involves not only managing the existing stock of NPLs but also preventing future occurrences. Banks need to establish robust procedures to better manage their loan portfolios. This includes developing early warning systems to monitor credit facilities and future NPL flows. These systems will identify individual exposures and risk segments within the portfolios for immediate attention and remediation, aiming to prevent loans from becoming non-performing. It is worth noting that the broader macroeconomic challenges (including the problems created by the DDEP) also contribute to the increase in NPL. Hence stabilisation of the economy and resolution of some of these challenges should reflect positively on NPL. Given the rising NPLs in Ghana, banks are likely to increase their investments in government instruments, despite the lowering interest rates. The government's announcement to reopen the domestic bond market is expected to be successful in the face of prevailing market conditions even though the market players are still grappling with the effect of the DDEP.

The restructuring of the Bank of Ghana is a substantial financial obligation for Government. Addressing the Bank of Ghana's request for a GH¢53 billion bailout to resolve its negative equity position requires alternative funding sources. This may include potentially restructuring its internal operations and processes to reduce significant cash outflows and implementing stricter financial oversight and auditing processes of the various institutions under its purview.

Ghana's banking sector is bracing for impact as Government tackles its cash deficit of GH¢56.9 billion, with GH¢21.4 billion coming from foreign sources. This inflow of foreign capital may bring short-term stability. This may have mixed impact, including potential appreciation of the cedi which has the effect of potentially making exports pricier and less competitive globally. This could have a negative impact on the banking sector's loan portfolios, particularly those with exposure to the export sector. It may also imply reducing inflationary pressure and increasing investor confidence. If Government tightens and controls its spending, interest rates would potentially come down making credit cheaper and available for private sector lending. However, considering government spending is the main driver of economic activity, cuts in spending may lead to a decline in economic activity, which to the banking sector would imply potentially an increase in non-performing loans. To mitigate this, the Bank of Ghana must manage liquidity and foreign exchange inflows carefully, preventing excessive credit growth and maintaining a stable exchange rate. On a positive note, IMF and World Bank funding amounting to US$1.32 billion may provide a boost to key sectors like agriculture, manufacturing, and infrastructure development, driving economic growth and creating new opportunities for the banking sector. Should the IMF decline the ongoing negotiations, Government must find innovative ways to stabilise the economy by maintaining fiscal discipline and cutting down public expenditures.

Insurance

Following the Domestic Debt Exchange Programme (DDEP) in 2022, and its impact on the balance sheet of the financial sector, Government established the Ghana Financial Stability Fund (GFSF) to help mitigate the impact of the debt operation on the financial sector through the provision of solvency and liquidity support for the sector. The estimated Fund size was about GH¢22.8 billion (US$1.5 billion) under the IMF-supported programme. The Budget emphasises Government's determination to use the Ghana Financial Stability Fund (GFSF) to lessen the effects of the DDEP on the financial industry. The Budget states that GH¢250 million was allocated in 2024 to the insurance industry as part of the GFSF programme. However, actual spending amounted to GH¢320 million surpassing the original budget. This suggests that more funding was needed than originally anticipated to stabilise the industry.

From the Budget, Government intends to continue to engage actively with investors and market participants, including pension fund managers and insurance companies, through quarterly town hall meetings as well as conference calls and investor presentations.

The Budget introduces a significant tax relief for vehicle owners and businesses with the abolition of Value Added Tax (VAT) on motor vehicle insurance policies. This policy change is expected to make insurance coverage more affordable, thereby encouraging more vehicle owners to comply with mandatory insurance regulations.

The Budget seeks to ensure that the National Health Insurance Levy (NHIL) receives full allocation under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). This policy shift aims to enhance the financial sustainability of Ghana's National Health Insurance Scheme (NHIS) and strengthen healthcare delivery. From the Budget, an amount of GH¢9.93 billion has been programmed for the National Health Insurance Scheme (NHIS).

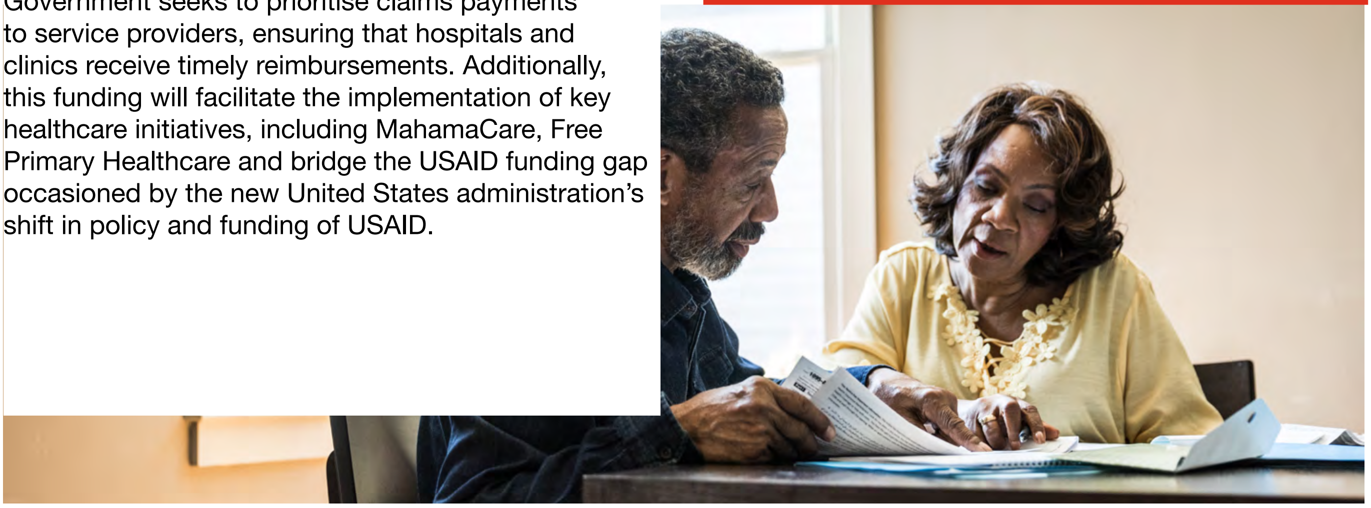
By guaranteeing full allocation of NHIL funds, Government seeks to prioritise claims payments to service providers, ensuring that hospitals and clinics receive timely reimbursements. Additionally, this funding will facilitate the implementation of key healthcare initiatives, including MahamaCare, Free Primary Healthcare and bridge the USAID funding gap occasioned by the new United States administration's shift in policy and funding of USAID.

Commentary

Government's acknowledgement of the insurance industry's financial risks and its deliberate action to improve stability are indicated by the increased spending in this sector. By strengthening the insurance companies impacted by the economic crisis and debt restructuring, the continued use of the GFSF goes a long way in supporting these companies to fulfil their commitments to policyholders.

The elimination of VAT on motor vehicles insurance policy is expected to reduce the financial burden on drivers, logistics companies, and the transport sector. This measure is particularly relevant for Ghana's public transport operators and commercial vehicle owners, who often face high operational costs. The removal of this tax is also likely to have a positive impact on the insurance penetration rate in Ghana which is currently about 1%. By lowering costs, more individuals and businesses may be encouraged to secure proper insurance coverage, improving financial protection in the event of accidents or damages. Overall, this policy aligns with Government's efforts to support the transport sector, promote road safety, and enhance financial security for vehicle owners.

The full allocation of NHIL under the Earmarked Funds Capping and Realignment Act reflects Government's commitment to strengthening the NHIS and improving healthcare accessibility in Ghana. However, successful implementation will depend on efficient fund management, transparency, and accountability, to ensure that resources are directed toward improving healthcare outcomes for all citizens.



Pensions

The Budget highlights that the National Pensions Regulatory Authority (NPRA) successfully enrolled approximately 11% of workers in the informal sector onto the 3rd Tier Pension Scheme in 2024. Looking ahead, the NPRA aims to expand pension coverage by an additional 18% of the total workforce in the informal sector. Further, the NPRA will continue the digitisation process aimed at enhancing operational efficiencies and regulatory oversight.

Government plans to revisit the full implementation of the law on the Unification of Pensions. These laws would be a significant step towards harmonising the pensions in the public sector and reduce the inequalities that currently exists.

Commentary

While the expected informal sector enrolment onto tier 3 pension scheme is plausible, the Budget does not indicate how NPRA plans to achieve the target. Government may consider introducing targeted awareness campaigns on the importance of pensions for those operating in the informal sector. The expansion of pension coverage in the informal sector is a crucial step towards improving the overall economic stability of Ghana. By increasing the number of workers enrolled in the pension scheme, Government is not only ensuring better financial security for individuals but also fostering a culture of savings and long-term financial planning.

The public sector has different pensions schemes which leads to duplication of management and administrative costs, as well as disparity in pension benefits across different public sector retirees. The unification of pensions will help to streamline administration of the public sector pensions, reduce costs, and ensure equitable benefits for all pensioners, regardless of the original scheme they subscribe to. These benefits can be achieved by collaborating with stakeholders, including labour unions, pension fund managers and beneficiaries, to ensure a smooth transition. Additionally, Government should ensure the unified system is financially sustainable through the proper investment of pension funds and periodic payroll validation and audits, to enhance the efficiency and maintain transparency and trust of the pension system. By ensuring that retirees receive adequate pensions, Government can reduce the fiscal pressure associated with supporting elderly citizens, allowing for more sustainable economic planning and development.

Capital markets

The Budget indicates that Government is poised to continue reducing the cost of borrowing from the money market. After successfully overseeing a significant decline in treasury bill rates, the Government seeks to channel capital to the private sector by sustaining the reduced interest rates. Additionally, the Budget highlights Government's effort to reopen the bond markets as part of efforts to extend the maturity profile of bonds maturing from the debt exchange programme.

The Green Bond Guidelines launched in 2024 by the Securities and Exchange Commission (SEC) is expected to foster integrity in the green bond market, promote transparency, and ensure adequate reporting. The initiative will support the sustainable infrastructure development of the country, including renewable energy projects.

The Ghana Stock Exchange also launched its new Over-the-Counter Market (GSE OTC) for listing and trading securities issued by public companies not listed on any of the Exchange's markets. The platform is expected to trade a variety of financial instruments including ordinary shares, preference shares, derivatives, depositary receipts, and securities issued by collective investment schemes such as unit trusts, mutual funds, hedge funds, and Real Estate Investment Trusts (REITs). The objective of this initiative is to expand the pool of investment opportunities available in the capital market.
As part of efforts to implement the Capital Market Master Plan, the SEC, is developing rules for Market Making, Underwriting and Issuing Houses, Securities Lending and Borrowing, Asset-Backed Securities, and Margin Trading.

Government is taking the necessary steps to operationalise the domestic Credit Rating Agency Ghana (CRAG) to foster a mandatory basic rating framework for financial institutions, promote a credit culture, encourage risk-based lending, and ensure equitable debt pricing.

Commentary

The combination of reducing the cost of borrowing and extending the maturity profile of maturing bonds will lower the debt servicing burden on Government. Beyond this fiscal gain, the Ghana Fixed Income Market (GFIM) will be a key beneficiary. With a sustained low cost of borrowing, the private sector will be empowered to raise capital by issuing bonds. This will provide alternatives to Government of Ghana (GoG) instruments and increase trading activities on the GFIM. Also, the return of fresh GoG bonds will inject more vibrancy into the market.

However, if Government's appetite to issue bonds extends beyond the need to restructure existing bonds, efforts to crowd-in the private sector will end up in a zero-sum game. This is because investors will simply channel funds from treasury bills to GoG bonds, especially if they offer lucrative rates.

The establishment of the OTC market will provide more investment options, allowing individuals to diversify their portfolios, given the current limited investment options available to private individuals and potentially increase their returns. Additionally, companies that do not meet the requirements for traditional exchange listings can still raise capital through the OTC market thus increasing access to financing. To achieve this objective, there is a need to strengthen regulatory frameworks to oversee OTC transactions and protect investors. The investing community also need to be educated about the risks and benefits of OTC securities, to create awareness and to ensure investors are not exploited.

The development of rules for market making, underwriting, and other activities can create a more supportive regulatory environment for businesses; which can help build trust in the investor community and attract funding from both domestic and international investors, providing companies with more funding options. However, involving relevant parties in the planning and implementation process is necessary to ensure buy-in and cooperation. The operationalisation of a mandatory rating framework will further enhance trust and confidence in the capital market, as companies received fair pricing on their debt, and investors have first-hand insight on the financial health of companies they intend to invest in. To avoid biases and inaccuracies, the establishment of an independent oversight body will be critical to ensure credibility and accuracy of ratings.

National Employment Trust

The Budget aims to create a National Employment Trust to manage an investment fund that reduces risks in high-growth sectors that traditional banks avoid. The Fund aims to provide catalytic investment to about 1,500 enterprises over four years, focusing on sectors with high growth and job creation potential.

Commentary

The National Employment Trust (NET) initiative is a commendable effort to tackle Ghana's unemployment crisis. By creating a professionally managed investment fund (the Fund), this initiative would bolster entrepreneurship and support Small and Medium Enterprises (SMEs) development in high-growth and job-potential areas such as agribusiness.

However, effective implementation and governance are crucial to the success of this initiative. It would be imperative to have structures that ensure that the Fund and its investments will be sustained in the long-term. Regular monitoring and evaluation will be necessary to assess the fund's impact, identify areas for improvement, and make necessary adjustments to stay on track with its goals.

If properly set up and implemented, the Fund would not only contribute to the long-term resilience and diversification of Ghana's economy but also assist in addressing the immediate unemployment challenge in the country. We note however that Government made no budgetary allocation to NET and that casts doubts on Government's commitment to implement the Fund in 2025.

National Home Ownership and Investment Scheme

Government continues to prioritise affordable housing initiatives to address the national housing deficit estimated at GH¢1.8million. The previous Government, through the National Homeownership Fund (''NHF") and TDC Company Limited, completed 204 housing units at Community 22 under the Phase II of the Community 22 Phase II housing programme, and 1,072 housing units under the Kpone Affordable Housing project. The previous Government also started 800 housing units at Tema Community 26.

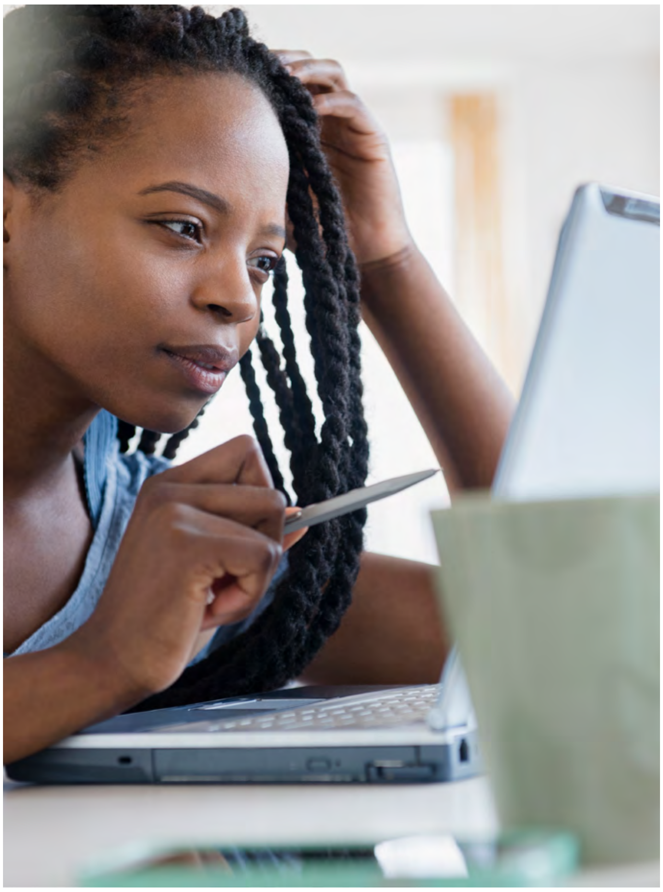
The new Government, per the Budget, is committed to completing ongoing projects like the Surge Homes and SHC Garden Projects in partnership with the State Housing Company. Additionally, Government intends to resume stalled projects, starting with the Saglemi Housing project, mainly through Public-Private Partnerships (PPP).

Furthermore, the 2025 Budget Statement notes that Government intends to review the Rent Act, 1963, (Act 220) and rent control laws, to stimulate private sector investment in rental housing, protect tenants, and regulate hostel accommodations.

Commentary

Government's intention to leverage PPP arrangements to finance completion of stalled housing projects is plausible, as it will ease the fiscal pressure on the economy. However, it is important that Government pays attention to the mechanics of such arrangements to ensure that risk allocations and responsibilities between Government and private sector operators are equitable. Additionally, to minimise the risk of time and resource overruns, Government must commit to deliver on its responsibilities while holding the private sector operators to their responsibilities as well.

Additionally, Government could offer further incentives like property tax reliefs and interest tax waivers to private sector entities involved in providing affordable housing. These would complement the existing tax benefits, such as reduced corporate income tax rates and potential tax holidays for companies developing low-cost housing.



Debt Service Obligations

From the Budget, Government's options for financing the budget are limited to the treasury bill market following the debt restructuring programme. The forthcoming debt service of both Domestic and Eurobond debt obligations will have profound implications for fiscal sustainability and balance of payments.

The Domestic Debt Exchange Programme (DDEP) has resulted in significant debt service payments with no buffers built to cushion upcoming payments within this fiscal year and over the next four years.

Due to the bilateral creditor debt restructuring undertaken by the previous administration, a staggering number of 55 projects have come to a halt, leaving about US$3 billion in undisbursed loans and about US$300 million in outstanding interim payment certificates (IPCs). Delayed payments and demobilisation from sites could result in cost overruns of about US$1.1 billion. The Budget highlights that the IMF-supported programme imposes an annual disbursement ceiling of US$250 million for official bilateral loans. This constraint means that it will take a minimum of 12 years from the recommencement of disbursements to complete these 55 stalled projects. Efforts will be made in the coming days to resolve this situation.

Commentary

- The Budget outlines several critical fiscal challenges and their implications for the country's macroeconomic indicators. Ghana faces significant domestic and external debt service obligations over the next four years, totalling GH¢150.3 billion for domestic debt and US$8.7 billion for external debt. This represents a substantial portion of the GDP (11.6% for domestic debt alone), with a heavy concentration in 2027 and 2028. The debt service obligations create major fiscal "humps," posing significant risks to economic stability and sustainability. However, with 2027 and 2028 projected outflows two years away, the Government has some lead time to consider measures to deal with the large payments. With limited financing options available to the Government, amidst efforts to steer interest rate downwards by strategically reducing reliance on borrowings on the treasury bill market, Government needs to exploringe alternative financing options to re-building the sinking fund, in order toto accrue sufficient funds to offset some of the payments. Government needs to engage stakeholders and negotiate with debt holders to restructure repayments or find sustainable solutions to minimise the impact that the huge outflows may pose on the economy in the short to medium term. Government's efforts to steer interest rates downward and create a more favourable borrowing environment are steps in the right direction; but they must be complemented by broader fiscal reforms to ensure long-term economic stability.

- The delay in infrastructure development caused by the bilateral creditor debt restructuring can hinder economic growth and development as well as cost overruns. The specific impacts of these delays and additional costs include stalled economic growth, increased unemployment, higher future costs, and reduced investor confidence. To mitigate these risks, Government could negotiate with contractors to complete critical projects without incurring significant penalties, utilise the Ghana Infrastructure Investment Fund (GIIF) to leverage private sector funds, and implement blended finance models to attract additional funding and support sustainable economic growth.

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Technology

Overview of Technology Initiatives

The 2025 Budget Statement and Economic Policy of Government highlights several technology-related initiatives aimed at enhancing the nation's digital and technological capabilities.

The initiatives span various sectors, including financial management, human resources, revenue collection, social welfare, and public safety, each tailored to address specific challenges and to leverage opportunities within the Ghanaian context. From integrating advanced digital solutions in the Ghana Revenue Authority (GRA) to expanding digital literacy through the Ministry of Communications, these projects collectively aim to establish a robust digital infrastructure, streamline government operations, and improve service delivery to the citizenry.

Key technology initiatives:

1. **Ghana Integrated Financial Management Information System (GIFMIS):** The plan to integrate the Ghana Electronic Procurement System (GHANEPS) and GIFMIS is aimed at streamlining government procurement and enhancing financial accountability by ensuring that only projects with approved budgets get procurement approval. Scheduled for 2025, this integration is intended to use technology to enforce fiscal discipline and enhance transparency in government procurements. The GIFMIS Blanket Purchase Order Module will also enable compliance with the Public Financial Management Act, 2016 (PFMA) Act 921 through multi-year project tracking. The module which was recently completed mandates usage across all MDAs for enhanced financial management and long-term project planning.

Commentary

Develop robust training programmes for all Ministry, Department, and Agency (MDA) personnel to guarantee smooth adoption and utilisation of the GIFMIS system. Emphasise training on the importance of budget adherence and fiscal responsibility to increase transparency and accountability in procurement processes.

2. **Integration of National Identification Authority (NIA) Numbers in Integrated Personnel and Payroll Database 2 (IPPD2):** The integration is aimed at preventing payroll fraud by linking employee identification with payroll data. Additionally, by integrating NIA numbers, Government aims to eliminate ghost workers, saving costs and ensuring payroll accuracy. This initiative involves integrating over 679,821 government employee records with the NIA to streamline payroll processes.

Commentary

Implement regular audits and cross-checks within the payroll system to verify the accuracy of the integration of NIA numbers and continuously monitor for discrepancies or anomalies to prevent and detect fraud more effectively.

3. **Ministry of Communications initiatives:** Government aims to implement initiatives to focus on expanding digital literacy and reviewing outdated policies to drive innovation. These initiatives include the completion of the Digital Youth Village, currently 70% complete, and commencing the One Million Coders Project, which aims to train 100,000 Ghanaians as part of a broader goal to train 1 million citizens. The Digital Village Youth project is earmarked to receive GH¢80 million in 2025, increasing to GH¢300.144 million by 2028. The One Million Coders Project has a 2025 budget of GH¢100 million for services and development, increasing to GH¢267.584 million by 2028. These investments underscore a strategic focus on cultivating a technologically proficient youth workforce prepared for the demands of the digital economy, and it reflects Government's proactive approach to nurture innovation and create tech-driven employment opportunities.

Commentary

Establish a cross-sectoral committee to oversee the implementation of digital literacy programmes and policy reviews, ensuring these initiatives align with emerging global ICT trends, the overall government strategy and local industry needs. Besides the above one key consideration would be forming strategic partnerships with tech companies and educational institutions both locally and internationally to provide mentorship, internships, and job placement opportunities for participants.

4. **Lands Commission modernisation:** The Commission has commenced implementation of transformative initiatives to modernise land records management, improving transparency and accessibility. Ongoing efforts include scanning and digitising of records to create a more reliable and accessible land management system.

Commentary

Implement a phased approach to the digitisation of land records and integrate technologies to ensure the security and immutability of land records, which will reduce fraud and improve trust in land transactions.

5. **Ghana Immigration Service (GIS) surveillance technology:** Deployment of advanced surveillance technology at entry and exit points by the GIS will enhance border security and streamline visa and permit processes. Set for deployment in 2025, this technology will modernise the management of Ghana's borders.

Commentary

Develop strict protocols and training for the ethical use of surveillance technology, ensuring that the deployment respects privacy rights and complies with international human rights standards.

6. **Social Welfare Information Management System (SWIMS):** The system continues to facilitate efficient case management in social protection services. Already operational, SWIMS addresses cases efficiently with plans for continuous updates and integrations. This initiative has significantly boosted the management of social welfare cases across Ghana. The budget statement indicates that, SWIMS successfully processed and addressed a total of 15,834 cases, of which 6,610 involved male clients and 9,224 involved female clients. Additionally, the system has played a crucial role in the regulatory oversight of childcare facilities; it registered 679 new day care centres and renewed 1,520 day care licenses nationwide. This demonstrates SWIMS's pivotal role in streamlining case management and regulatory processes, thereby improving the delivery of social welfare services across the country.

Commentary

Expand SWIMS functionalities to include mobile accessibility options, allowing social workers to update and access case information remotely, improving the efficiency and reach of social services.

Strategic alignment:

The initiatives align with Ghana's broader goals of digital transformation, improved public service delivery, and enhanced transparency. It reflects a proactive approach to integrating advanced technological solutions across various government sectors, emphasising the role of digital technology as a fundamental driver for national development and governance improvement. The focus on digital solutions across different sectors showcases a commitment to using technology as a cornerstone for development and governance.

Potential impact:

Operational efficiency: The implementation of digital platforms such as GHANEPS and GIFMIS will enhance operational efficiency across government operations by automating processes, reducing administrative overhead, and minimising errors. This streamlining not only speeds up the procurement process but also frees up resources, allowing employees to focus on more strategic tasks.

Service delivery: Technology initiatives are significantly improving service delivery by making government services more responsive and tailored to public needs. Systems like SWIMS strengthen social welfare management by enabling more efficient case handling, thereby improving support for vulnerable populations.

Innovation and technological advancement: Initiatives like the Ministry of Communications' programmes are pivotal in fostering innovation and building a knowledge-based economy. Programmes such as the Digital Youth Village and the One Million Coders Project, will equip young Ghanaians with essential digital skills, promoting technological advancement and entrepreneurship.

Cost savings and economic benefits: The technology initiatives will potentially contribute to significant cost savings and economic benefits by promoting efficiency and reducing fraud. For example, integrating NIA numbers with the IPPD2 system, curtails payroll fraud, saving millions. These savings contribute directly to the economic stability of the country and allow for the reallocation of resources to other critical areas of development.

Broader societal impacts: Beyond improving efficiency and innovation, these initiatives also have wide-reaching societal benefits. By providing equitable access to digital tools and resources, these projects promote social equity and contribute to comprehensive national development. They ensure that all segments of the population can participate in and benefit from the growing digital economy, thus fostering a more inclusive society.

Challenges and considerations:

Implementation delays: Ghana's technology initiatives may face delays due to bureaucratic hurdles and technical challenges related to system integration and unforeseen technical issues. These delays can escalate costs and reduce the effectiveness of the projects.

Funding and budget constraints: Adequate funding is critical, yet budget constraints could pose a significant challenge, potentially limiting the scope of projects or compromising the quality of technological solutions. Fluctuating economic conditions and shifting fiscal priorities further impact the sustainability of funding.

Policy and regulatory implications: Ensuring that new technologies comply with existing laws and regulations is crucial. The regulatory framework must adapt to accommodate new technologies without hindering innovation, by balancing technological advancement with robust oversight.

Technological compatibility and adaptability: Compatibility with existing systems and the adaptability of new technologies to future changes are vital to prevent data silos and ensure long-term utility and scalability of the implemented solutions.

Human resource readiness: The effectiveness of new systems heavily relies on the readiness of government employees to adopt and utilise these technologies. Thorough upskilling and reskilling training programmes as well as requisite technical support are essential to facilitate this transition

Outlook:

The initiatives presented are poised to influence Ghana's technological landscape over the coming years, with potential expansion and initiation of new projects along the way being likely as the digital economy grows.

The outlined technology initiatives and policies reflect a strong commitment by Government to leverage technology for national development. While challenges remain, the strategic direction and potential impacts promise significant benefits for governance and public services in Ghana.

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Infrastructure

Introduction

Infrastructure remains a critical cornerstone to every country's development especially when significant transformation is required to drive impactful growth. Ghana's recent economic challenges and fiscal consolidation measures (including the IMF programme that it is currently under) has generally limited its ability to spend. However, Government's strategic infrastructure investment measures targeted at creating economic opportunities such as trade facilitation, economic reform policies, job creation and sustainable development; could transform the economy and drive impactful growth.

Additionally, Government's strategic objectives for the 24-hour economy will be driven by planned infrastructure focused policies and strategies such as the 'Big Push" Programme; which is expected to help accelerate the development of infrastructure projects in the country.

Key Considerations for strengthening infrastructure development

The following are some key measures that Government should consider to shape its "Big Push" programme, 24-hour economy policy and general investment into Ghana's infrastructure:

The critical role of Public Private Partnerships and infrastructure portfolio prioritisation

In 2025, the Public Private Partnership (PPP) Plan will be updated and aligned with the National Development Goals, operationalise the Viability Gap Facility, as well as facilitate the development activities of the Integrated Bank of Projects (IBP) with key stakeholders.

The Ministry will facilitate the development of the Integrated Bank of Projects (IBP) and develop the 2025 Public Investment Plan for the 2025 Budget. The Ministry will also prepare the PPP Plan in line with National Development Goals for publication and submit the 2024 Annual PPP Report to Parliament. Furthermore, the National Asset Management Framework will be finalised for Cabinet approval and carry out sensitisation on the National Asset Management Policy.

Commentary

The importance of Ghana's use of PPPs is increasingly becoming crucial to its ability to derive value from critical infrastructure that supports economic growth and creates social impact. We have noted that Government recognises this and seeks to have a structured approach to the implementation and investment through its updated PPP Plan.

With the fiscal limitations for Government, traditional infrastructure investment is limited, and PPPs provide a suitable framework to achieve the outcomes through private sector investment and management efficiencies. Government needs to identify priority projects that it can integrate with the plan around the "Big Push "programme for targeted critical sectors including railway, water, road, power, housing etc.

We suggest that the proposed PPP plan including key projects should be prioritised and implemented to drive economic growth. We also suggest that with the project prioritisation, Government engages key stakeholders such as potential investors and development partners and the relevant government agencies to review how these projects can be implemented under the planned PPP arrangement so as to align market expectations with their strategic objectives for the Projects.

We are aware that Government has been working on operationalising the PPP Act to help drive strengthen the implementation of PPPs. We suggest that the regulations are brought on board in good time to limit any misalignment with the implementation of the PPP Plan.
We suggest that Government uses the PPP Plan to develop a prioritisation scheme that will target key infrastructure projects with strong commercial prospects to be developed in partnership with the private sector. This will give Government the opportunity to also support other priority projects that are socially focused and less commercial in its portfolio, using potential revenue from the PPPs and strategically allocated Government expenditure budget.

Considerations for resource mobilisation for infrastructure development

In July 2024, the Securities and Exchange Commission (SEC), in partnership with various stakeholders, launched the Green Bond Guidelines, following the GFIM's introduction of Green and Sustainable Bonds rules in 2022. These guidelines aim to foster integrity in the green bond market, promote transparency, and ensure adequate reporting. The initiative will support the sustainable infrastructure development of the country, including renewable energy projects.

Commentary

Financing is one of Ghana's key challenges for developing infrastructure projects. This is often present through limitations to Government's resources or structuring the appropriate form of private sector participation. With the constraints around debt financing under the IMF programme further exacerbates the limitations. This reiterates why it is so important for Government to focus on projects that are commercially attractive and will help grow its revenue to support other infrastructure with a more social orientation. Sustainable or green infrastructure also provides an avenue for Government to strengthen its focus on delivering sustainable, climate resilient and socially impactful project.

Sustainable or climate finance could become a strategic focus area to mobilise financing for Ghana's infrastructure development through blended financing, concessionary financing and grants. We believe that it will be useful for the Government to adopt a strategy around infrastructure investment that explores the requirements, suitability and value of alternative resource mobilisation to develop the country's critical sustainable infrastructure. It will be important for Government to engage development partners, green finance institutions and funds to identify strategic partnerships that will help scale up climate finance flows into the country to support its infrastructure development.

Institutional reforms to promote sustainable infrastructure development

The Ministry will in 2025, embark on an intensive programme of road maintenance to tackle the backlog of roads that need to be maintained to improve condition of roads all year round. The Ministry will also ensure that the road fund is used exclusively for road maintenance and operational improvements.

…similarly, the Road Fund will receive full allocation under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). This will provide additional resources for road maintenance to curtail the deterioration of our road infrastructure.

Government will also be seeking a review of the following Acts to support the policies of government aimed at stabilising the economy and promoting inclusive growth: Ghana Infrastructure Investment Fund Act, 2018 (Act 877).

Commentary

Institutions play an important role in helping drive infrastructure development. GIIF could be a key stakeholder in supporting the national transformation agenda through the Big Push programme. We have noted Government's interest in reforming their enabling Acts to strengthen their role in promoting infrastructure investment. We suggest that Government looks to take steps to place GIIF in a position that will help it strengthen its project pipeline for investment, provide resources to support high quality project preparation, expand its capacity to partner and raise funds with international partners and institutions. Additionally, GIIF can be empowered to help drive investment in climate resilient and green focused projects that will promote positive sustainable environmental and social impact in Ghana.

Maintaining infrastructure is key pillar to helping promote its sustainability. Government has taken the right step to help resource and seek to strengthen the Road Fund and embark on an intensive programme focused on maintaining the country's road infrastructure. Going forward it will be useful to explore similar initiatives that could be built into the transaction structure for other infrastructure projects to enforce adequate maintenance and long-term sustainability of the benefits of these projects.

The role of infrastructure in the 24-hour economy policy

The following key initiatives will be implemented, from 2025 and the medium-term, to support the transformation and job creation agenda:

The 'Big Push' agenda involving the roll out a US$10 billion for rapid infrastructure development to continue our legacy of massive infrastructure development for job creation. 24-Hour Economy aimed to stimulate economic growth by enabling an environment for businesses and institutions to operate 24/7 in three shifts of eight hours each to boost production, promote productivity, and generate well-paying jobs. We will be presenting the policy to Parliament in due course for consideration.

...**Rapid industrialisation** for jobs through the implementation of an accelerated plan to promote value addition for domestic consumption and export. Strategic industries that will support this initiative include the set-up of Agro-Industrial Zones ....

.... we remain committed to the pursuit of our 24-Hour Economy policy aimed at stimulating economic growth and job creation. This policy will contribute to addressing Ghana's structural economic challenges by creating an integrated, efficient and increasingly export-driven industrial economy that fully utilises our national resources, capital and labour power.

Commentary

Infrastructure will be at the heart of creating the impact that the 24-hour economy envisages. We note the intention of Government to create strategic agro-industrial zones to help support production capacity, value addition and exports.

We believe that Special Economic Zones (SEZs) such as these can help drive focused investment in developing industries under the 24-hour economy policy through a phased approach. The SEZs could be used as a tool structure access to infrastructure such as factories, utilities, facilities, digital infrastructure, transport routes and ports etc. that will help drive the industrial transformation objective of the policy. It will also allow the policy to be strategically focused on specific industries in the policy's formative years of implementation and subsequently expand beyond the SEZs to other strategic locations within the country.

Within the SEZs, the complementing facilities will support the running of the shift system envisioned to facilitate round the clock production and serve a test case to extend the principles of the policy beyond the SEZs. We believe that the initial focus on the SEZs will help localise and limit the investment requirements compared to starting out on a full blow national infrastructure investment to provide the necessary infrastructure access and resources to multiple industries across multiple sectors.

Infrastructure sub-sector review

Power sector

In line with Government's plan to involve Private Sector Participation (PSP) in the electricity distribution sector, a committee has been constituted to explore and evaluate potential private sector participation options to facilitate the revitalisation of the Electricity Company of Ghana (ECG). The Ministry will also assist the Company to undertake revenue improvement and expansion of distribution networks in selected districts across the country.

Commentary

As we have indicated in our pillars for Ghana's infrastructure development in the medium to long term, partnering with the private sector to help drive the required investment and efficient management is a critical consideration for Government. In the case of the distribution sector, over the past years there have been challenges around revenue collection, metering, operational efficiency, management and regulatory compliance. This has led to constraints and debt distress in the energy value chain with further implications on the national front.

We believe that the steps taken by Government to set up a committee to look into how best to strengthen and reorganise Ghana's distribution sector is crucial. The road to an effective PSP and the achievement of long-term value for Ghanaians warrants the need to conduct a deeper evaluation of the critical areas that need to be improved. We suggest that the engagements around this assesses

- tackling the wider value chain challenges and the potential investment requirements (from generation to transmission and then distribution),
- engaging private investor market to understand their expectations and requirements
- conducting a detailed technical and operational review of the distribution entities to establish a current state baseline
- aking steps to enhance the transparency and accountability around tariff determination through a regulatory review.

We suggest that these matters should be looked at in detail prior to assessing which PSP options will be suitable. In our view the matters highlighted are critical success factors in helping recognise value from the PSP arrangement for the sector and helping ensure its sustainability in the long term.

Road sector

The Ministry's Public Private Partnerships (PPP) programme for the financing, construction and management of road infrastructure saw the commencement of the Accra – Tema Motorway and Extension Project in 2024.

The Ministry will in 2025, embark on an intensive programme of road maintenance to tackle the backlog of roads that need to be maintained to improve condition of roads all year round. The Ministry will also ensure that the road fund is used exclusively for road maintenance and operational improvements.

Commentary

Road infrastructure development is often constrained by Government's ability to commit significant fiscal spending. The use of PPPs in the sector creates an avenue to help create an innovative approach to support the funding and development of critical road infrastructure.

Government is taking the step in the right direction through the PPP programme for road infrastructure. We have indicated in our previous reviews the important role that tolls play in helping pay for the infrastructure and the opportunity to use technology to help improve toll collection.

Government should identify the critical highways that could be structured as toll roads to enable them to establish a robust payment mechanism under the PPP arrangement. With the planned reforms to the road fund, it will be important for Government to put in place structures that ensure that funds are used to prioritise the critical road infrastructure that need maintenance and there is transparency in the process. We believe that once the necessary tolling reforms are implemented effectively, they could support the development of other complementary road projects and reduce the fiscal burden on Government in developing road infrastructure in the medium to long term.

Railways

Government completed the construction of a 97km standard gauge railway line from the Port of Tema to Mpakadan in the Asuogyaman District of the Eastern Region. The Ministry will initiate operation of passenger services between Tema and Adome and begin the preparation of the requisite studies for the development of the needed infrastructure on the Volta Lake to facilitate freight services between the Tema Port and Buipe as part of the Eastern corridor multi-modal transport system.

In 2025, the modernisation of the Western Railway Line will continue in partnership with the private sector to support the haulage of bulk cargo and minerals from the mines in Nsuta, Awaso and Nyinahin to the Takoradi Port, as well as for the mass transportation of passengers along the western corridor. A market sounding event will be held to engage potential investors to contribute to the structuring of the project prior to the procurement of a private partner.

Commentary

Ghana's railway sector has the capacity to improve the country's transport integration (air, road, rail, inland water etc), supply chain management and positioning the country as a trade facilitation hub in West Africa. This becomes even more important in the context of the 24-hour economy to drive economic growth through industrialisation and trade enhancement. The Western railway line could play a critical role in enhancing the activities of the extractives value chain along Ghana's western corridor and potentially presents a strong demand and case for viability in the long term.

Government is taking the right step to engage potential investors and stakeholders on the key considerations for putting in place a suitable structure for the Project. It will be important for Government to put in place measures that encourage a sustainable payment mechanism for the private investors and easing any significant burden on its fiscal capacity.

Link to that, Government will need to review a strategic approach to developing Ghana's rail network and prioritising the strongest cases with the ability to attract significant private investment and helping realise critical economic benefits including supporting trade in West Africa, enhancing Ghana's supply chain and transport options.

Water sector

Lack of access to regular and uninterrupted supply of water is a major challenge faced by many industries in Ghana. Part of this is as a result of ageing equipment and inadequate investments in the water sector. To address this, Government will provide the enabling framework and support for the private sector to fund and operate utility-scale water treatment plants.

Commentary

It is good to see the progress that Government is making to improve water access to urban and rural communities. Even though, we believe a lot remains to be done. The problems of ageing water infrastructure does not impact only industries but several residential communities. We believe it is critical for Government to review commercial model options for water supply in Ghana that will attract strategic private sector investment in the value chain. Considerations around the allocation of demand risk, ability to pay, transaction structuring, fiscal commitment, enforcement of performance indicators, contract and investment phasing will be very important in developing a potential PPP framework. This framework will support the much-needed investment for the infrastructure and their operations and maintenance. Some of the potential water supply value chains that could be considered for structured strategic private sector investment include bulk water transmission, reservoir systems, water treatment, distribution networks and metering, etc.

There may be the need for Government to support the development of regulatory and policy structures that will enable PPPs to work in the sector through the enhancement of transparency and accountability, mutually beneficially contracts and strong contract management to enforce optimal performance. Creating an enabling environment that will allow private sector participation in the sector to become attractive and speed up the necessary investment without the significant reliance on Government funding will be critical.

Underpinning the matters to help improve the water supply infrastructure and access is the importance of Government's commitment to address the challenges facing the quality of Ghana's water supply. We note the efforts being made in the Budget to help restore water quality. But it will be important for Government to put significant effort in addressing the root cause of the "galamsey" menace that is ravaging Ghana's water bodies.

Investment in climate resilient infrastructure

Government pursued drainage improvement works under the 2020, 2023 and 2024 National Flood Control Programme to mitigate the disaster risks associated with flooding in various parts of the country, while minimising the economic losses that are associated with the floods.

Government continued with the coastal protection works to protect the coastal settlements against beach erosion and flooding while protecting lives, livelihood and properties from tidal wave erosion.

Commentary

Government continues to show dedication to helping create climate resilient infrastructure to protect lives, property and limit the destruction of other infrastructure such as road, power infrastructure, buildings etc. This also speaks to the urgent need to prioritise these critical projects to limit the economic impact of losses because of floods and other related climate change factors.

There is increasing interest and financial support towards climate mitigation and adaptation projects from multiple climate focused funds and development institutions around the world. As highlighted earlier, Government needs to develop a clear strategy on how it can mobilise these funds which are often more concessionary with potential grant options to support the development of these critical projects.

Paying adequate attention to climate resilient projects will also enhance and enable other infrastructure projects to be developed in a resilient ecosystem and strengthen the sustainable impact of the country's infrastructure project portfolio.

Legal and public financial management

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The legal and regulatory landscape

Review of enactments

Government proposes to review the following existing enactments:

- Petroleum Revenue Management Act, 2011 (Act 815)
- Ghana Infrastructure Investment Fund Act, 2014 (Act 877)
- Minerals Income Investment Fund Act, 2018 (Act 978)
- Energy Sector Levies Act, 2015, (Act 899)
- Ghana Cocoa Board Act, 1984, (PNDCL 81)
- Earmark Funds Capping and Realignment Act, 2017 (Act 947)
- Public Procurement Authority Act, 2003 (Act 663)
- Ghana Education Trust Fund (GET Fund) Act, 2000 (Act 581)
- Fiscal Responsibility Act, 2018 (Act 982) and incorporate it into a comprehensive Public Financial Management Act
- Revenue Administration Act, 2016 (Act 915)

Commentary

The review is to support policies aimed at stabilising the economy and promoting inclusive growth.

It is expected that the review will instil financial discipline and accountability and ensure that funds allocated for activities prescribed by these statutes are channelled into the right sectors to pursue Government's growth agenda.

Commentary

The review is further expected to restore good governance and the independence of Government office holders. The plan to review the above-listed statutes is one of Government's promises of resetting Ghana. Financial discipline is very key to a nation's economic stability, and it is hoped that this policy is not short-lived.

The 24-hour economic policy

As part of stimulating economic growth, Government plans to create an enabling environment for businesses and institutions to operate 24/7; in three shifts of eight hours each aimed at boosting production, promoting productivity, and generating well-paying jobs. Government will present a 24-hour economic policy to Parliament at the right time for consideration. In line with this, the Labour Act, 2003 (Act 651), the Ghana Investment Promotion Centre Act, 2013 (Act 865), and other enabling legislations will also be reviewed to provide regulatory backing for the 24-hour economic policy.

Commentary

The 24-hour economic policy is one of the key policy interventions of the current Government, to support economic transformation and job creation of the country. In line with this intervention, Government seeks to review the existing labour law and the law regulating foreign direct investments into Ghana.

Hopefully, the review would incorporate new incentives for the business community and investors in general to create a mutually beneficial programme. We expect to see the removal or reduction of the foreign equity capital requirement barriers, which for some time now has posed significant challenges to foreign investors.

It is also hoped that the challenges in the implementation of the Labour Act will be considered, as well as provisions to be included, that will adequately cater for labour in the 24-hour economy.

Foreign exchange and gold reserve accumulation

Government is to stabilise the cedi through foreign exchange and gold reserve accumulation, by submitting for Parliamentary approval a Bill to provide for a legal framework for the establishment of the Ghana Gold Board (GOLDBOD).

Commentary

Foreign exchange gold reserves, which are usually holdings of monetary gold, special drawing rights, reserves of IMF members held by the IMF, and foreign exchange under the control of monetary authorities, serve as a nation's financial safety net and influence its economic stability.

Whilst the previous Government used gold for oil to stabilise foreign exchange reserve and exchange rate, the current administration seeks to use gold reserves to manage its balance of payments and to achieve economic stability through exchange rate. The policy will need to be monitored to ensure that the purpose of setting up the framework to manage the gold reserve accumulation is achieved as stated by the Minister of Finance below:

- the establishment of the GOLDBOD to enhance the generation and accumulation of foreign exchange to support the stability of the cedi;
- the Bank of Ghana (BoG) will continue to implement its forex forward auctions to support the stability of the cedi;
- Government's strong fiscal consolidation through the reduction in public sector spending and the fiscal deficit will reduce pressures on the exchange rate; and
- import substitution drive under the 24- hour economy, involving the domestic production of key products originally imported, will reduce imports and related foreign exchange requirements, boding well for foreign exchange stability.

Weak Public Financial Management System

Government commits to the full implementation of critical legislations governing the financial management system. Accordingly, it will enforce the sanctions regime, link contracting and public procurement to budgetary provisions in the Medium-Term Expenditure Framework and seek parliamentary approval for all multi-year commitments as required by law.

Commentary

The poor implementation has rendered our Public Financial Management system weak, allowing for abuse and costly infractions. The Government's commitment to finding solution to abuse is laudable. However, to achieve the full effect of Government's efforts, the Auditor-General will need to be adequately empowered to enforce the law against such infractions and to also recover all funds misappropriated. The Auditor-General's department must also be able to collaborate with the Office of the Special Prosecutor to assist with investigations into all financial improprieties that require investigation and necessary action.

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Public Financial Management

Overview

The 2025 Budget Statement includes relevant Public Financial Management (PFM) reforms which, conclusively, are very much aligned to the structural reforms in the IMF bail-out programme and recommendations from the National Economic Dialogue (NED) held in March 2025.

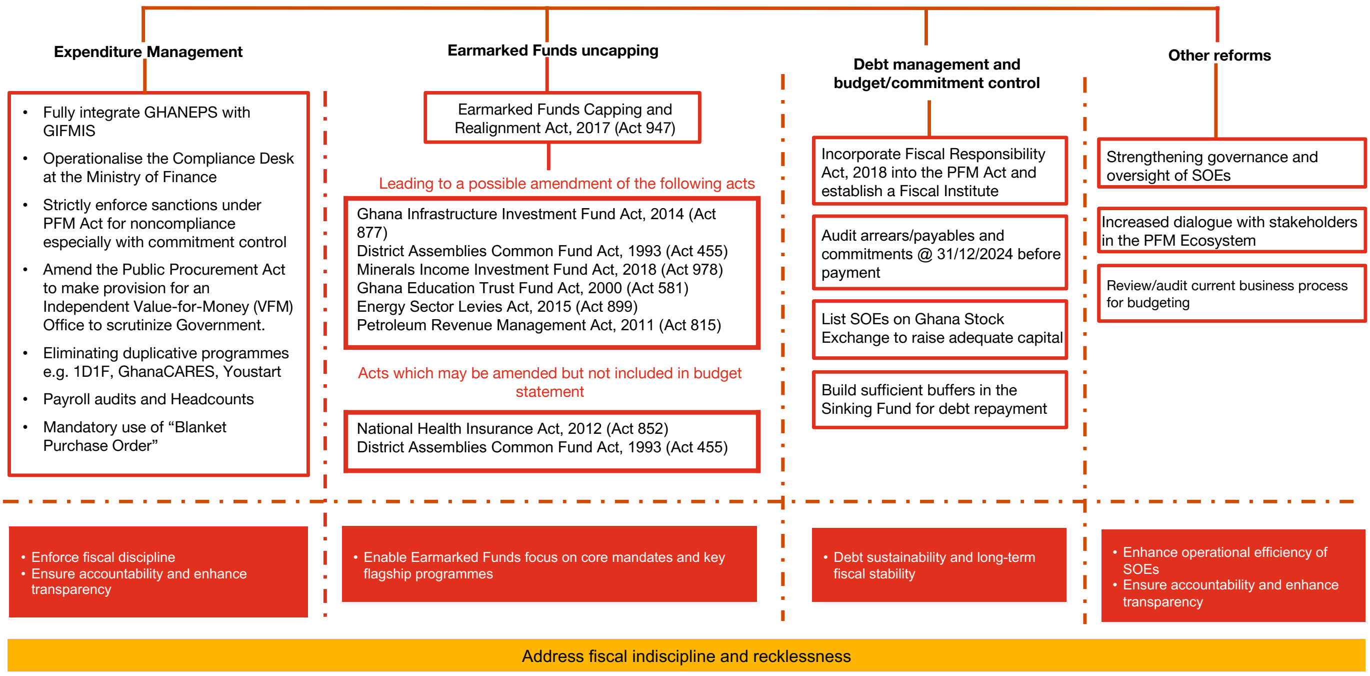
Total expenditure, for the 2025 fiscal year, on a cash basis is estimated at GH¢268.8 billion (and GH¢291 billion on commitment basis). The top three key expenditure areas include:

i. Compensation of employees – GH¢76.64 billion (29% of total projected expenditure)
ii. Interest payments – GH¢64.16 billion (24% of total projected expenditure)
iii. Grants to other government agencies – GH¢54.47 billion (20% of total projected expenditure)

These expenditures together account for 73% of the total projected spending and 86.6% of the total projected revenue for 2025.

The suggested public financial management reforms were generally around the key expenditure areas shown in the diagram below.

PFM reforms proposed in the 2025 Budget Statement



[1] Ghana Framework for Industrialisation, Revitalisation, Support, and Transformation

Expenditure management

The Government intends to implement measures in the 2025 Budget and beyond to support fiscal consolidation. The measures include full integration of Ghana Electronic Procurement System (GHANEPS) with Government Integrated Financial Management System (GIFMIS), operationalisation of the PFM Compliance Desk at Ministry of Finance (MoF), strict enforcement of relevant sanctions for breaches of the PFM Act and amendment of the Public Procurement Act to make provision for an Independent Value-for-Money (VFM) Office to scrutinise Government procurements above a threshold to be determined by Parliament.

Commentary

One of the cornerstone reforms highlighted in the budget is the integration of GHANEPS with GIFMIS. This initiative marks a pivotal step in strengthening public financial management and procurement processes. By linking procurement approvals to approved budgets and allotments, the Government is creating a robust mechanism to prevent fiscal irregularities and ensure that expenditures align with national priorities. Enforcing the use of approved budgets and allotments ensures that procurement activities are not only aligned with available resources but also contribute to Government's strategic objectives. This would be an immediate improvement on the enrolment and training of 861 institutions on GHANEPS in 2024. This is critical in fostering a culture of financial discipline across public entities and reducing opportunities for misapplication of funds and corruption. It is however clear that the pace of integration is slow and Government may risk missing one of the structural benchmark of the IMF bail-out programme due in December 2024 as indicated by the Minister.

In addition, the operationalisation of the PFM Compliance Desk at the Ministry of Finance, alongside the application of a strict sanction's regime, represents a significant move towards holding public entities accountable for their financial decisions. These measures aim to address the systemic challenges of fiscal indiscipline and weak enforcement mechanisms that have plagued public financial management for years. Furthermore, the creation of a Value for Money (VFM) Office is a strategic response to the increasing demand for efficiency in public expenditure. By scrutinising the cost-effectiveness of projects and programmes, the VFM Office will ensure that Government spending delivers maximum impact with minimal wastage. This approach is particularly important in the current economic context, where fiscal consolidation efforts are paramount to achieving macroeconomic stability. While we commend the Government for setting up these offices and desks, they should complement existing structures within the PFM ecosystem. The structure, roles and responsibilities should be clearly defined to avoid duplication. If effectively implemented, these reforms could lead to a significant reduction in the misapplication of public funds. By improving procurement efficiency and fiscal discipline, the Government will free up resources to support critical sectors such as education, healthcare, and infrastructure. Additionally, the enhanced oversight mechanisms will bolster public trust and confidence in the Government's ability to manage resources responsibly.

Moving forward, it is imperative for the Government to prioritise strict adherence to the implementation of these measures. The Ministry of Finance should transparently communicate progress, challenges, and lessons learned, fostering a culture of accountability and continuous improvement. Stakeholders, including civil society organisations and development partners, must actively participate in tracking progress and providing constructive feedback to ensure accountability.

To conclude, while the outlined measures are commendable, their success hinges on effective execution and sustained political will. The current administration has an opportunity to set a benchmark in public financial management reforms, and it is incumbent upon the Government to provide the needed leadership to ensure that this potential is fully realised.

Uncapping of Earmarked Funds

The Minister for Finance announced the uncapping of selected Earmarked Funds (EFs), including Ghana Education Trust Fund (GETFund), National Health Insurance Levy (NHIL) and the Road Fund. The Minister indicated that these EFs will receive full allocation under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947). Consequently, the Capping and Realignment Act, the GETFUND Act, NHIL Act and Road Fund Act will be amended to reflect these changes.

Commentary

The Government's quest to review and/or implement the strategy is commendable. It is in line with the structural benchmark in the current IMF bail-out programme due in June 2025. It is also a requirement of the Earmarked Funds Capping and Realignment Act, 2017 (Act 947).

The uncapping of the EFs is expected to provide additional funding for critical sectors, such as education, healthcare, and road infrastructure. However, it also increases the risk and the need for robust governance and financial management practices.

EFs, by design, constrain discretionary fiscal policy by ringfencing revenues for specific purposes (for e.g., health, education and road maintenance). Uncapping these funds frees up liquidity for high-impact initiatives such as Free Senior High School education and Free Primary Health Care, aligning with pro-poor agenda commitments.

Governance and Financial Management Practices
To ensure that the uncapped funds are used effectively, the Government should prioritise robust governance and financial management practices. It is crucial that the Government strengthens oversight and accountability mechanisms for the EFs. Additionally, the Government should ensure improving budgeting and financial reporting to ensure that EFs are allocated and utilised transparently and efficiently.

Government should automate EF tracking within GIFMIS to flag deviations from approved budgets and block off-system transactions. This is very critical following the review of the EFs in 2023 which identified several governance and financial management issues. These issues include high levels of debts (i.e. about GH¢25.6 billion at the end of 2022) and the securitisation of future receivables to secure these debts, high incidence of non-core expenditure, no or low GIFMIS usage, non-compliance with Treasury Single Account (TSA) requirements, and transfer dependencies between EFs. The strategy to streamline EFs also categorised EFs intended to be maintained "as-is" and the remaining EFs intended to be merged with existing Government entities or subsumed by their respective line ministry.

In conclusion, the uncapping of EFs presents both opportunities and challenges for the Government. To ensure that the increased funding to the EFs is used effectively, the Government should implement the strategy to streamline the EFs, prioritise robust governance and financial management practices, enforce the use of GIFMIS, and promote transparency and accountability in the operations of the EFs.

Arrears and Payables Management Reforms

The Minister for Finance indicated that total central Government arrears/payable at the end of December 2024 amounted to GH¢67.5 billion (5.7% of GDP), consisting of GH¢49.2 billion in MDA outstanding Interim Payment Certificates (IPCs) and invoices and GH¢18.3 billion in outstanding Bank Transfer Advices (BTAs), with the road sector alone accounting for GH¢21 billion, underscoring the heavy burden of infrastructure-related debts.

Further to these arrears, the preliminary data as highlighted by the Minister for Finance shows that MDAs have committed Government through contracts awarded to the tune of over GH¢194.3 billion (16.5% of GDP), most of which were without commencement certificates.

As part of the measures to address the mounting accumulated arrears/payables, the Government plans to, in the short term, conduct an audit of these claims to validate their true quantum and eligibility. Other measures include the establishment of the VFM Office, mandatory use of “Blanket Purchase Order”, the full integration of GHANEPS and GIFMIS, and enforcement of sanctions under the Public Financial Management Act.

Commentary

The accumulation of arrears, as indicated by the Ministry, is mainly resulting from instances of fiscal indiscipline and recklessness and a lack of commitment control. The proposed measures therefore demonstrate the Government’s commitment to curb fiscal indiscipline. The arrears outlined in the 2025 Budget Statement however exclude arrears of some relevant state institutions such as the State-Owned Entities (SOEs).

Based on the 2023 audited Whole Government Accounts, 74 SOEs accounted for 37.9% (GH¢381 billion) of the total Government liabilities of GH¢1,006 billion. The limited scope of the 2023 consolidated national accounts, implies that the overall total liabilities of the Government (i.e. including all SOEs) might even be higher.

It is commendable to see Government’s efforts in promoting equity financing through the Ghana Stock Exchange (GSE)-State Interest and Governance Authority (SIGA) initiative. This approach can provide SOEs with a valuable alternative to debt financing, allowing them to raise capital by listing on the stock market. By doing so, SOEs can potentially improve their financial health and operational efficiency without accumulating excessive debt.

Audit of arrears

Government’s intention to audit these arrears only focused on central Government arrears excluding non-central Government arrears such as:

- The US$1.73 billion owed to Independent Power Producers (IPPs)
- The GH¢68 billion owed by the Electricity Company of Ghana (ECG)
- The GH¢32 billion owed by the Ghana Cocoa Board (COCOBOD);
- The GH¢5.75 billion owed by Road Fund, and
- Arrears accumulated by the SOEs.

We believe the scope of the audit should be extended to include all these non-central Government debts/arrears/payables to provide a complete picture of valid arrears as well as assist Government in renegotiating payments.

Tax matters

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Direct taxes

Aligning with Ghana's medium-term strategy on direct taxes, Government aims to improve tax collections by broadening the tax base and enforcing compliance. The 2025 Budget includes only a few new direct tax measures, as Government exceeded its 2024 revenue target by more than 17%, collecting GH¢78.74 billion.

In 2025, Government aims to collect GH¢97.76 billion in direct taxes, a 24% increase over 2024's GH¢78.74 billion. This will be achieved by cutting some taxes, extending others, and increasing revenue from large-scale mining as explained below:

Match the tax-free chargeable income level for resident individuals to the minimum wage.	**PwC Commentary**
	Adjust the tax-free portion of the personal income tax bands to the minimum wage. Effective 1 March 2025, the national daily minimum wage has increased by 10% to GH¢19.97, translating to a monthly minimum wage of GH¢540. This reflects Government's efforts to improve living standards for workers, particularly low-income earners. Rather than amending the tax table just to reflect the new minimum wage, we recommend that the minimum wage be fully exempt from income tax to simplify the legislative and administrative process for Government while providing certainty for employers and employees.

Remove the 1.5% Withholding tax (WHT) on the purchase of unprocessed gold from small-scale miners.	**PwC Commentary**
	Abolish the 1.5% WHT on unprocessed gold winnings by small-scale miners. Since 2016, withholding tax on unprocessed gold sales by small-scale miners has been reduced from 10% to 3%, and finally to 1.5% in 2022 to make formal sales more appealing and discourage the use of unofficial markets. Government plans to abolish the withholding tax on unprocessed gold sales, a move likely to be welcomed by small-scale miners. This measure is expected to encourage formal sales, reduce smuggling, and boost long-term revenue. Removing the tax might lead to short-term revenue losses, but it offers a significant opportunity for Ghana through increased gold exports, better regulation, improved foreign exchange reserves, and higher revenues from the margin between producer and world market prices. To achieve this, Government must enhance oversight with the Minerals Commission, close unapproved export channels, and ensure small-scale miners operate legally, creating a more sustainable revenue stream.

Measure	PwC Commentary
Eliminate the 10% tax on lottery winnings, including betting, gaming, and other games of chance.	**Abolish the 10% withholding tax on lottery winnings.** In 2023, Government reintroduced a 10% WHT on lottery which includes betting, gaming, and games of chance. This rate was an upward increase from the previous 5% that was abolished in 2017. Despite resistance, this initiative expanded the tax net, generating GH¢208 million by 2024. The new proposal to abolish this tax aims to address concerns about discouraging participation and favouring informal channels. Removing the WHT means participants will receive their full winnings without tax deductions which could increase interest in such activities. Additionally, businesses using games of chance to promote their products will not have to worry about WHT on their customers' winnings. This raises questions about the policy's intent to "potentially" exempt this income category from taxes, suggesting Government should revisit the tax design, address implementation challenges, and establish a more equitable system.
Extend the Growth and Sustainability Levy (GSL) to 2028.	**Extend the GSL to 2028 for all eligible entities.** Government intends to extend the GSL regime introduced in 2023, until 2028, underscoring its dedication to increase domestic revenue mobilisation. While initially set to end in 2025, this extension shows that temporary levies often become long-term measures, as seen with the national reconstruction and national fiscal stabilisation levies. We encourage eligible businesses to plan for the GSL, or its future version, as a key part of a broader, long-term fiscal strategy.
Raise the GSL for mining companies from 1% to 3% of their gross production.	**Increase the GSL rate for mining companies from 1% to 3% of their gross production.** Government plans to raise the GSL rate for mining companies from 1% to 3% to capture more revenue from the sector's strong performance amid rising gold prices. The 2025 GSL revenue target is GH¢4.57 billion, which is over five times the 2024 projection of GH¢0.82 billion, highlighting the ambitious nature of this goal while aiming to retain a fair share of the industry's value. While the 1% GSL rate applies broadly across the extractive sector, the higher 3% rate targets mining companies due to fewer fiscal protections as compared to upstream petroleum producing companies and the presence of windfall profit taxes in the petroleum sector. Mining remains a primary focus for increased GSL collections, especially as their output continues to exceed expectations. Government should monitor mineral price trends and the policy's impact on the mining industry to balance revenue collection and business sustainability.

Indirect taxes

Despite a 6.50% shortfall in 2024, the 2025 Budget seeks a 24% increase in indirect tax revenue from GH¢80.42 billion to GH¢99.77 billion. Achieving this target, along with VAT and import tax reforms and the removal of certain levies, will require substantial enforcement measures to generate the necessary revenue and address economic challenges. Proposed measures for indirect taxes include:

Remove Value Added Tax (VAT) on motor insurance premiums, additional pharmaceutical raw materials and essential imported medicines.	**PwC Commentary** **Remove the VAT on motor vehicle insurance premiums and exempt more pharmaceutical raw materials and essential imported medicines from VAT.** Motor vehicle insurance in Ghana was exempted from VAT in 2017 to eliminate nuisance taxes, but in 2024, Government reintroduced VAT on non-life insurance policies, including motor vehicle insurance. Expanding the list of exempted raw materials and imported essential medicines is likely to be well received by pharmaceutical industry consumers and suppliers, as it could enhance access to vital drugs at more affordable prices. Exempting raw materials and essential medicines from VAT is justified as it improves access to essential services and aligns with the United Nations Sustainable Development Goal (SDG) 3. However, a blanket exemption for motor vehicle insurance is less convincing due to the complexities of handling both exempt and taxable supplies by the same VAT-registered trader and concerns about tax fairness. Nonetheless, exempting motor vehicle policies from VAT aligns with stakeholders' calls to repeal unenforced tax laws that remain on the statute books.
Reform the VAT system.	**PwC Commentary** **Reform the VAT system this year by removing the COVID-19 Health Recovery Levy (CHRL), treating health and education levies as VAT, and reducing eligible VAT-registerable traders. These reforms aim to address inefficiencies and reduce the tax burden on businesses and households.** Before 2018, businesses could recover National Health Insurance Levy (NHIL) and Ghana Education Trust Fund Levy (GETFL) through the input-output mechanism, like VAT. However, amendments in 2018 decoupled these levies from VAT, creating a complex system with non-recoverable levies and increasing operational costs. The introduction of the CHRL in 2021 further complicated the system, raising the effective total rate to 21.9%, according to the Ghana Revenue Authority (GRA). Government, with IMF assistance, plans to review the VAT system this year, aiming to scrap the CHRL, reverse the decoupling of GETL and NHIL from VAT, reduce the effective VAT rate, reverse the VAT flat rate regime, adjust the VAT registration threshold, and improve compliance through public education. These reforms are expected to be positively received by businesses affected by the current VAT structure. However, questions remain about the specifics of reversing the VAT flat rate regime and whether simplifying it for micro and small businesses is more beneficial than exempting them from VAT registration.

Measure	PwC Commentary
Expand duty concessions to include the local production of two and three-wheeled electric vehicles.	**Institute duty concessions two and three-wheeled electric vehicles manufactured locally.** This measure shows Government's commitment to clean energy and reducing greenhouse emissions by expanding duty exemptions for locally produced electric motorcycles and tricycles. However, the high cost and maintenance challenges of electric vehicles are still major concerns for potential users. The policy's success will be greatly influenced by effective implementation and the readiness of local automotive businesses, with strong Government support through financial incentives, favourable regulations, and skill-building initiatives for workers, possibly through the 24-hour economy policy.
Keep the 2% Special Import Levy (SIL) on imported goods until 2028.	**PwC Commentary** **Keep the 2% SIL on imported goods until 2028.** Introduced in 2013, the SIL is imposed on the Cost, Insurance, and Freight (CIF) value of imported goods. Initially set to expire in 2017, it was extended to 2019 and then to 2024. The SIL, originally at 1% and 2%, now stands at 2% on all imports except a few exempted products. The 2% SIL, initially intended to be temporary, has become a significant revenue source. With no clear end in sight after 12 years, Government may consider making the SIL permanent to support revenue objectives and provide greater certainty for business planning, with the option to repeal it when no longer necessary.
Abolish electronic transfer levy (E-Levy).	**PwC Commentary** **Abolish the levy on electronic transfers.** Government plans to remove the controversial E-Levy introduced in 2022, which faced criticism from various stakeholders. Initially proposed at 1.75%, the levy was set to 1.5% and later to 1% on electronic transfers above GH¢100 per day and with certain exemptions, increasing transaction costs. The removal aims to ease the financial burden on users of electronic transfer modes and promote the growth of financial services, especially in the digital economy, which accounts for a significant portion of Ghana's GDP. While this measure is expected to bring relief, there are concerns about whether alternative measures such as VAT on charges could not have reduced the cost impact on digital transactions while still generating revenue for Government. It will be interesting to see how this removal impacts the financial services sector, including fintech and mobile money.
Abolish the Emissions Levy on vehicles and specific industries.	**PwC Commentary** **Remove the Emissions Levy currently imposed on motor vehicles and some industries.** In 2023, Government introduced a tax on carbon emissions from certain sectors and motor vehicles, based on the "polluter pays" principle. However, stakeholders raised concerns about its impact, and unclear guidelines made enforcement difficult. While Ghana faced challenges with the emissions levy, other countries have successfully implemented similar taxes. With proper engagement and clear frameworks that prioritise ease of collection, such a levy can help fight climate change. For instance, it was surprising that the Driver and Vehicle Licensing Authority (DVLA) was not used to collect the emissions levy instead of requiring everyone to pay it online.

Tax administration and other revenue measures

Government plans to reform the tax system to generate necessary revenue without overburdening taxpayers. Despite a projected 26% increase in tax revenues from GH¢151.16 billion to GH¢189.96 billion, certain taxes will be abolished, and the tax refund account threshold will be reduced from 6% to 4% to address abuses.

The 2025 Budget proposes measures to rationalise the tax system and enhance collections through digitalisation, public education, and the prevention of leakages. These measures are explained below:

Change the main tax exemptions law and introduce regulations to make exemptions work better.	**PwC Commentary** **Amend the Exemptions Act to introduce new exemptions that aligns with Government's commitments.** The principal law regulating tax exemptions was introduced in September 2022. It aimed to streamline the exemption regime with clear criteria and administration. Government plans to amend the law to meet strategic commitments like promoting transparency, economic growth, technology transfer, job creation, and exempting individuals from dividend tax as indicated in the 2024 NDC manifesto. Although the Act empowered the Minister of Finance to make detailed regulations, this has not yet been done. Rather, Administrative Guidelines were issued in August 2023; we await regulations to better operationalise and streamline the exemption regime.
Reduce contributions to the tax refund account.	**PwC Commentary** **Lower the tax refund account limit from 6% to 4% of total tax revenues.** Government plans to reduce contributions to the GRA General Refund Account from a maximum of 6% to 4% because of funds mismanagement in that account. This change will promptly free up resources for important expenses and help offset revenue losses from the abolished E-Levy and "betting tax". The current law allows up to 6% of total revenues to be allocated flexibly, so no amendments are needed. The 4% projected as enough for refunds fits within the maximum allowed by law. This approach supports tax reforms and saves time on legal amendments and subsequent administration of laws. However, setting the cap at 4% will increase the likelihood of GRA denying valid refund claims, which could negatively impact taxpayer cash flows and discourage tax compliance. The focus should be on fixing funds mismanagement, not changing the law.
Make it easier to help resolve tax disputes between taxpayers and the Ghana Revenue Authority.	**PwC Commentary** **Introduce regulations to govern the operation of Independent Tax Appeals Board (ITAB) and other tax administration procedures.** The ITAB was set up in 2020 to handle tax disputes, and in January 2023, 11 Board members were appointed to help it operate. However, there is a perception that ITAB is not functioning effectively because it has not begun hearing tax appeals. ITAB says it requires additional legislature to start hearing appeals, but it should be able to operate without these laws in our view. Government plans to introduce new laws to help ITAB start hearing cases. This will help taxpayers resolve tax disputes quickly and unlock disputed Government revenue, while also building trust in the tax system and reducing the load on courts. Additionally, ITAB cases can be used anonymously for tax education, improving tax administration and compliance.

Introduce digital solutions for the Modified Taxation System (MTS) for small sole-traders.	**PwC Commentary** **Digitalise the Modified Taxation System (MTS) to capture eligible taxpayers.** Ghana's main income tax law aims to simplify taxes for sole traders (especially those in the informal sector) by using presumptive tax based on instalments for annual turnover up to GH¢20,000 or 3% for turnover up to GH¢500,000. In 2024, Government planned to introduce a simplified tax return for individuals in the informal sector. This was because self-employed individuals and businesses found tax laws too complex to voluntarily comply with. However, there is no public evidence regarding the success of this measure. Government plans to use technology to increase compliance amongst taxpayers who qualify for MTS. They will introduce digital systems to record details of eligible taxpayers, digitalise tax return filing, and create a special unstructured supplementary service data (USSD) code for tax payments. It is important to build on existing work to avoid duplicating efforts.
Boost revenue collection using digital tools for road tolls and property rates.	**PwC Commentary** **Boost revenue collection using digital tools for road tolls and property rates.** Digitalisation is a key part of the Medium-Term Revenue Strategy (MTRS), aiming to use technology to improve revenue collection. While Government plans to review the MTRS, we expect digitalisation to remain a primary focus, even though the details on implementing tolls and property rates collection are unclear. Digitalising road tolls will likely eliminate cash transactions and reduce revenue leaks and corruption. Using prepaid cards, mobile payments, or automated toll points can make the process smoother, reduce toll booth congestion, and improve accountability. Digital tools can help Government create an accurate property database, ensure proper valuation, and simplify payments. This system could integrate with land records, automate assessments, and offer online payment options, boosting revenue and making payments easier and more transparent for Ghanaians.
Extend the Special Voluntary Disclosure Programme (SVDP).	**PwC Commentary** **Extend the waiver of penalties and interest under the Special Voluntary Disclosure Programme (SVDP) to promote tax compliance.** In 2024, Government introduced the SVDP to boost revenue collection. The SVDP waived interest and penalties for taxpayers who voluntarily disclosed their offshore incomes and assets and paid the required taxes. Without this program, the GRA could have exchanged financial information with other countries, exposing taxpayers with offshore accounts to penalties and legal consequences for non-compliance. As part of the Budget proposals, Government plans to extend the SVDP to keep its success going. We believe this proposal, along with the intensive tax campaign, could improve reporting and increase voluntary tax compliance.
Hold quarterly engagement with stakeholders.	**PwC Commentary** **Hold quarterly meetings with key stakeholders to quickly address tax issues.** Government has promised to hold quarterly meetings on tax issues with the GRA, MoF, and the business community to address business concerns quickly. We believe this is part of Government's effort to promote communication and transparency, which are key themes in the Budget. Regular meetings between Government, businesses, and tax professionals will help identify challenges and clarify tax policies. These meetings will also provide feedback to improve tax laws and compliance strategies. This will build trust, encourage voluntary compliance, and make the tax system more efficient and predictable. For these meetings to be effective, they must lead to actionable solutions, with issues thoroughly documented, tracked, and addressed promptly. Government should involve diverse stakeholders, including SMEs, large corporations, and tax experts, to ensure a balanced approach to tax policy reforms.

Appendix

Appendix 1

Summary of Central Government revenue 2023-2024

Government revenue millions of ghana cedis	2024 Revised budget (a)	2024 Proj. Outturn (b)	2025 Budget (c)	Variance (e=c-a)	E%	Variance (f=b-a)	F%	Variance (g=c-b)	G%
Tax revenue	**143,175,494,093.00**	**151,155,011,888.00**	**189,964,641,374.00**	**46,789,147,281.00**	**32.68%**	**7,979,517,795.00**	**5.57%**	**38,809,629,486.00**	**25.68%**
Taxes on income and property	**67,237,519,601.00**	**78,742,005,811.00**	**97,761,915,182.00**	**30,524,395,581.00**	**45.40%**	**11,504,486,210.00**	**17.11%**	**19,019,909,371.00**	**24.15%**
Personal	22,686,447,637.00	23,604,502,170.00	29,051,108,792.00	6,364,661,155.00	28.05%	918,054,533.00	4.05%	5,446,606,622.00	23.07%
Paye	*21,113,599,022.00*	*22,147,410,759.00*	*27,486,458,292.00*	*6,372,859,270.00*	*30.18%*	1,033,811,737.00	*4.90%*	*5,339,047,533.00*	*24.11%*
Self employed	*1,572,848,615.00*	*1,457,091,410.00*	*1,564,650,500.00*	*-8,198,115.00*	*-0.52%*	-115,757,205.00	*-7.36%*	*107,559,090.00*	*7.38%*
Companies	*30,003,888,865.00*	*33,919,446,366.00*	*45,870,846,143.00*	*15,866,957,278.00*	*52.88%*	3,915,557,501.00	*13.05%*	*11,951,399,777.00*	*35.23%*
Company taxes on oil	*4,274,664,109.00*	*7,356,787,744.00*	*5,220,300,253.00*	*945,636,144.00*	*22.12%*	3,082,123,635.00	*72.10%*	*-2,136,487,491.00*	*-29.04%*
Others	*10,272,518,990.00*	*13,861,269,532.00*	*17,619,659,994.00*	*7,347,141,004.00*	*71.52%*	3,588,750,542.00	*34.94%*	*3,758,390,462.00*	*27.11%*
Other direct taxes	6,072,585,466.00	10,568,026,882.00	10,086,970,017.00	4,014,384,551.00	66.11%	4,495,441,416.00	74.03%	-481,056,865.00	-4.55%
O/w royalties from oil	*2,976,257,805.00*	*2,814,876,359.00*	*3,127,338,690.00*	*151,080,885.00*	*5.08%*	-161,381,446.00	*-5.42%*	*312,462,331.00*	*11.10%*
O/w mineral royalties	*3,096,265,481.00*	*5,215,412,332.00*	*6,243,321,326.00*	*3,147,055,845.00*	*101.64%*	2,119,146,851.00	*68.44%*	*1,027,908,994.00*	*19.71%*
Growth and sustainability levy	2,126,298,114.00	821,442,721.00	4,573,721,399.00	2,447,423,285.00	115.10%	-1,304,855,393.00	*-61.37%*	3,752,278,678.00	456.79%
Finsec clean-up levy	724,115,872.00	862,204,976.00	1,032,137,513.00	308,021,641.00	42.54%	138,089,104.00	*19.07%*	169,932,537.00	19.71%
Airport tax	1,349,519,538.00	1,609,594,954.00	1,926,831,066.00	577,311,528.00	42.78%	260,075,416.00	19.27%	317,236,112.00	19.71%
Taxes on domestic goods and services	**67,098,858,552.00**	**60,499,188,999.00**	**73,757,074,099.00**	**6,658,215,547.00**	**9.92%**	**-6,599,669,553.00**	**-9.84%**	**13,257,885,100.00**	**21.91%**
Excises	**9,277,867,648.00**	**6,799,913,192.00**	**8,140,112,488.00**	**-1,137,755,160.00**	**-12.26%**	**-2,477,954,456.00**	**-26.71%**	**1,340,199,296.00**	**19.71%**
Excise duty	2,474,833,512.00	1,292,224,968.00	1,546,910,424.00	-927,923,088.00	-37.49%	-1,182,608,544.00	-47.79%	254,685,456.00	19.71%
Petroleum tax	6,803,034,136.00	5,507,688,224.00	6,593,202,064.00	-209,832,072.00	-3.08%	-1,295,345,912.00	-19.04%	1,085,513,840.00	19.71%
O/w energy fund levy	53,798,338.00	55,906,792.00	59,306,803.00	5,508,465.00	10.24%	2,108,454.00	3.92%	3,400,011.00	6.08%
O/w road fund levy	2,535,083,087.00	2,646,750,430.00	2,814,916,075.00	279,832,988.00	11.04%	111,667,343.00	4.40%	168,165,645.00	6.35%
Vat	**35,478,608,901.00**	**33,683,757,719.00**	**42,984,850,035.00**	**7,506,241,134.00**	**21.16%**	**-1,794,851,182.00**	**-5.06%**	**9,301,092,316.00**	**27.61%**
Domestic	22,650,706,444.00	16,745,334,111.00	22,708,021,547.00	57,315,103.00	0.25%	-5,905,372,333.00	-26.07%	5,962,687,436.00	35.61%
External	12,827,902,457.00	16,938,423,608.00	20,276,828,488.00	7,448,926,031.00	58.07%	4,110,521,151.00	32.04%	3,338,404,880.00	19.71%
National health insurance levy (NHIL)	**7,631,552,097.00**	**7,160,292,923.00**	**8,571,519,693.00**	**939,967,596.00**	**12.32%**	**-471,259,174.00**	**-6.18%**	**1,411,226,770.00**	**19.71%**
Customs collection	2,924,978,945.00	2,528,250,052.00	3,026,544,492.00	101,565,547.00	3.47%	-396,728,893.00	-13.56%	498,294,440.00	19.71%
Domestic collection	4,706,573,152.00	4,632,042,871.00	5,544,975,201.00	838,402,049.00	17.81%	-74,530,281.00	-1.58%	912,932,330.00	19.71%
Getfund levy	**7,631,993,586.00**	**7,160,618,236.00**	**8,571,909,122.00**	**939,915,536.00**	**12.32%**	**-471,375,350.00**	**-6.18%**	**1,411,290,886.00**	**19.71%**
Customs collection	2,926,678,300.00	2,528,575,365.00	3,026,933,921.00	100,255,621.00	3.43%	-398,102,935.00	-13.60%	498,358,556.00	19.71%
Domestic collection	4,705,315,286.00	4,632,042,871.00	5,544,975,201.00	839,659,915.00	17.84%	-73,272,415.00	-1.56%	912,932,330.00	19.71%
Communication service tax	**1,571,910,944.00**	**931,051,264.00**	**1,114,552,761.00**	**-457,358,183.00**	**-29.10%**	**-640,859,680.00**	**-40.77%**	**183,501,497.00**	**19.71%**
E-transaction levy	**2,134,293,182.00**	**2,024,143,128.00**	**517,700,000.00**	**-1,616,593,182.00**	**-75.74%**	**-110,150,054.00**	**-5.16%**	**-1,506,443,128.00**	**-74.42%**
Covid-19 health levy	**3,372,632,194.00**	**2,739,412,537.00**	**3,856,430,000.00**	**483,797,806.00**	**14.34%**	**-633,219,657.00**	**-18.78%**	**1,117,017,463.00**	**40.78%**
Taxes on international trade	**18,913,010,119.00**	**19,917,470,582.00**	**26,013,027,194.00**	**7,100,017,075.00**	**37.54%**	**1,004,460,463.00**	**5.31%**	**6,095,556,612.00**	**30.60%**
Imports	**18,913,010,119.00**	**19,917,470,582.00**	**26,013,027,194.00**	**7,100,017,075.00**	**37.54%**	**1,004,460,463.00**	**5.31%**	**6,095,556,612.00**	**30.60%**
Import duty	18,913,010,119.00	19,917,470,582.00	26,013,027,194.00	7,100,017,075.00	37.54%	1,004,460,463.00	5.31%	6,095,556,612.00	30.60%
Tax refund	**-10,073,894,179.00**	**-8,003,653,504.00**	**-7,567,375,101.00**	**2,506,519,078.00**	**-24.88%**	**2,070,240,675.00**	**-20.55%**	**436,278,403.00**	**-5.45%**
Social contributions	**919,980,826.00**	**1,060,494,223.00**	**1,193,452,595.00**	**273,471,769.00**	**29.73%**	**140,513,397.00**	**15.27%**	**132,958,372.00**	**12.54%**
Ssnit contributions to NHIL	919,980,826.00	1,060,494,223.00	1,193,452,595.00	273,471,769.00	29.73%	140,513,397.00	15.27%	132,958,372.00	12.54%
Non-tax revenue	**23,365,158,546.00**	**27,733,642,353.00**	**24,401,218,494.00**	**1,036,059,948.00**	**4.43%**	**4,368,483,807.00**	**18.70%**	**-3,332,423,859.00**	**-12.02%**
Retention	12,339,429,874.00	15,342,029,731.00	13,572,771,499.00	1,233,341,625.00	10.00%	3,002,599,857.00	24.33%	-1,769,258,232.00	-11.53%
Lodgement	11,025,728,672.00	12,391,612,622.00	10,828,446,995.00	-197,281,677.00	-1.79%	1,365,883,950.00	12.39%	-1,563,165,627.00	-12.61%
Fees & charges	*1,625,489,890.00*	*1,301,220,222.00*	*1,455,090,994.00*	*-170,398,896.00*	*-10.48%*	*-324,269,668.00*	*-19.95%*	*153,870,772.00*	*11.83%*
Dividend/interest & profits (others)	*1,444,059,508.00*	*1,156,292,766.00*	*932,071,412.00*	*-511,988,096.00*	*-35.45%*	*-287,766,742.00*	*-19.93%*	*-224,221,354.00*	*-19.39%*
Dividend/interest & profits from oil	*7,716,715,854.00*	*9,483,040,592.00*	*8,097,780,541.00*	*381,064,687.00*	*4.94%*	*1,766,324,738.00*	*22.89%*	*-1,385,260,051.00*	*-14.61%*

Appendix 1

Summary of Central Government revenue 2023-2024

Government revenue millions of ghana cedis	2024 Revised budget (a)	2024 Proj. Outturn (b)	2025 Budget (c)	Variance (e=c-a)	E%	Variance (f=b-a)	F%	Variance (g=c-b)	G%
Surface rentals from oil/PHF interest	*10,598,742.00*	*179,120,899.00*	*68,866,435.00*	*58,267,693.00*	*549.76%*	*168,522,157.00*	*1590.02%*	*-110,254,464.00*	*-61.55%*
Yield from capping policy	*228,864,678.00*	*271,938,144.00*	*274,637,614.00*	*45,772,936.00*	*20.00%*	*43,073,466.00*	*18.82%*	*2,699,470.00*	*0.99%*
Other revenue	**6,526,272,788.00**	**4,928,477,681.00**	**6,699,683,185.00**	***173,410,397.00***	**2.66%**	**-1,597,795,107.00**	**-24.48%**	**1,771,205,504.00**	**35.94%**
ESLA proceeds	6,526,272,788.00	4,928,477,681.00	6,699,683,185.00	*173,410,397.00*	2.66%	-1,597,795,107.00	-24.48%	1,771,205,504.00	35.94%
Energy debt recovery levy	*3,632,365,353.00*	*1,357,579,271.00*	*3,132,444,142.00*	*-499,921,211.00*	*-13.76%*	*-2,274,786,082.00*	*-62.63%*	*1,774,864,871.00*	*130.74%*
Public lighting levy	*488,444,859.00*	*103,006,412.00*	*575,303,763.00*	*86,858,904.00*	*17.78%*	*-385,438,447.00*	*-78.91%*	*472,297,351.00*	*458.51%*
National electrification scheme levy	*328,248,752.00*	*68,670,941.00*	*377,541,931.00*	*49,293,179.00*	*15.02%*	*-259,577,811.00*	*-79.08%*	*308,870,990.00*	*449.78%*
Price stabilisation & recovery levy	*770,233,132.00*	*1,683,999,780.00*	*855,070,803.00*	*84,837,671.00*	*11.01%*	*913,766,648.00*	*118.64%*	*-828,928,977.00*	*-49.22%*
Delta fund	*858,711,327.00*	*1,163,805,279.00*	*1,172,881,698.00*	*314,170,371.00*	*36.59%*	*305,093,952.00*	*35.53%*	*9,076,419.00*	*0.78%*
Pollution and sanitation levy	*566,308,334.00*	*551,415,997.00*	*586,440,849.00*	*20,132,515.00*	*3.56%*	*-14,892,337.00*	*-2.63%*	*35,024,852.00*	*6.35%*
Domestic revenue	**173,986,906,253.00**	**184,877,626,145.00**	**222,258,995,648.00**	**48,272,089,395.00**	**27.74%**	**10,890,719,892.00**	**6.26%**	**37,381,369,503.00**	**20.22%**
Grants	**3,114,872,696.00**	**1,715,677,339.00**	**2,674,631,499.00**	**-440,241,197.00**	**-14.13%**	**-1,399,195,357.00**	**-44.92%**	**958,954,160.00**	**55.89%**
Project grants	2,388,553,791.00	1,715,677,339.00	2,674,631,499.00	286,077,708.00	11.98%	-672,876,452.00	-28.17%	958,954,160.00	55.89%
Programme grants	726,318,905.00	0.00	0.00	-726,318,905.00	-100.00%	-726,318,905.00	-100.00%	0.00	#Div/0!
Total revenue & grants	**177,101,778,949.00**	**186,593,303,484.00**	**224,933,627,147.00**	**47,831,848,198.00**	**27.01%**	**9,491,524,535.00**	**5.36%**	**38,340,323,663.00**	**20.55%**

Appendix 2

Summary of Central Government expenditure 2022-202

Expenditure	2024 Revised Budget (A)	2024 Proj. Outturn (B)	2025 Budget (C)	Variance (E=C-A)	E%	Variance (F=B-A)	F%	Variance (G=C-B)	G%
Compensation of Employees	**63,683,181,156**	**67,188,967,686**	**76,640,115,760**	**12,956,934,604.00**	**20%**	**3,505,786,530.00**	**6%**	**9,451,148,074.00**	**14%**
Wages and Salaries	57,005,407,565	60,351,585,061	68,197,291,119	11,191,883,554.00	20%	3,346,177,496.00	6%	7,845,706,058.00	13%
Social Contributions	6,677,773,591	6,837,382,625	8,442,824,641	1,765,051,050.00	26%	159,609,034.00	2%	1,605,442,016.00	23%
Pensions	2,563,967,644	2,318,782,534	3,055,238,642	491,270,998.00	19%	-245,185,110.00	-10%	736,456,108.00	32%
Gratuities	384,595,147	851,960,497	954,762,076	570,166,929.00	148%	467,365,350.00	122%	102,801,579.00	12%
Social Security	3,729,210,800	3,666,639,594	4,432,823,923	703,613,123.00	19%	-62,571,206.00	-2%	766,184,329.00	21%
Use of Goods and Services	**12,081,580,298**	**11,509,023,088**	**6,971,071,606**	**-5,110,508,692.00**	**-42%**	**-572,557,210.00**	**-5%**	**-4,537,951,482.00**	**-39%**
o/w ABFA	9,670,660,711	9,101,431,613	6,971,071,606	-2,699,589,105.00	-28%	-569,229,098.00	-6%	-2,130,360,007.00	-23%
o/w Non-ABFA	2,410,919,587	2,407,591,475	0	-2,410,919,587.00	-100%	-3,328,112.00	0%	-2,407,591,475.00	-100%
Interest Payments	**47,998,853,338**	**46,792,261,565**	**64,163,490,789**	**16,164,637,451.00**	**34%**	**-1,206,591,773.00**	**-3%**	**17,371,229,224.00**	**37%**
Domestic	41,532,561,026	40,058,363,257	56,247,463,165	14,714,902,139.00	35%	-1,474,197,769.00	-4%	16,189,099,908.00	40%
External (Due)	6,466,292,312	6,733,898,308	7,916,027,624	1,449,735,312.00	22%	267,605,996.00	4%	1,182,129,316.00	18%
Subsidies	**308,093,253**	**208,895,550**	**342,028,321**	**33,935,068.00**	**11%**	**-99,197,703.00**	**-32%**	**133,132,771.00**	**64%**
Subsidies on Petroleum Products	308,093,253	208,895,550	342,028,321	33,935,068.00	11%	-99,197,703.00	-32%	133,132,771.00	64%
Grants to Other Government Units	**40,919,819,723**	**46,425,528,893**	**54,467,468,562**	**13,547,648,839.00**	**33%**	**5,505,709,170.00**	**0.13**	**8,041,939,669.00**	**17%**
National Health Fund (NHF)	6,523,029,740	5,931,844,849	9,764,972,288	3,241,942,548.00	50%	-591,184,891.00	-9%	3,833,127,439.00	65%
Education trust Fund	4,299,905,766	4,667,099,157	8,571,909,122	4,272,003,356.00	99%	367,193,391.00	9%	3,904,809,965.00	84%
Road Fund	1,059,344,691	1,174,637,639	2,814,916,075	1,755,571,384.00	166%	115,292,948.00	11%	1,640,278,436.00	140%
Energy fund	22,480,913	25,550,837	32,142,088	9,661,175.00	43%	3,069,924.00	14%	6,591,251.00	26%
Dist. Ass. Common Fund	5,756,009,298	5,864,055,702	7,576,230,255	1,820,220,957.00	32%	108,046,404.00	2%	1,712,174,553.00	29%
o/w ABFA	401,819,931	289,702,542	467,889,615	66,069,684.00	16%	-112,117,389.00	-28%	178,187,073.00	62%
Ghana Infrastructure Fund (ABFA Capex)	1,406,369,759	1,163,930,462	0	-1,406,369,759.00	-100%	-242,439,297.00	-17%	-1,163,930,462.00	-100%
Retention of Internally Generated Funds (IGFs)	12,339,429,874	15,342,029,731	13,572,771,499	1,233,341,625.00	10%	3,002,599,857.00	24%	-1,769,258,232.00	-12%
Transfer to GNPC from Oil revenue	1,461,583,267	4,064,276,262	3,146,011,215	1,684,427,948.00	115%	2,602,692,995.00	178%	-918,265,047.00	-23%
Other Earmarked Funds	**8,051,666,415**	**8,192,104,254**	**8,988,516,019**	**936,849,604.00**	**12%**	**140,437,839.00**	**2%**	**796,411,765.00**	**10%**
Youth Employment Agency	708,498,387	594,874,979	585,338,310	-123,160,077.00	-17%	-113,623,408.00	-16%	-9,536,669.00	-2%
Student's Loan Trust	6,568,603	6,811,079	6,040,463	-528,140.00	-8%	242,476.00	4%	-770,616.00	-11%
Export Development Levy	615,494,635	576,255,267	526,955,379	-88,539,256.00	-14%	-39,239,368.00	-6%	-49,299,888.00	-9%
Ghana Airport Authority	1,349,519,538	1,609,594,954	1,926,831,066	577,311,528.00	43%	260,075,416.00	19%	317,236,112.00	20%
Mineral Development Fund	258,769,617	270,721,462	676,729,724	417,960,107.00	162%	11,951,845.00	5%	406,008,262.00	150%
Mineral Income Investment Fund	1,035,078,469	1,082,885,849	67,672,972	-967,405,497.00	-93%	47,807,380.00	5%	-1,015,212,877.00	-94%
GRA Retention	4,077,737,165	4,050,960,664	5,198,948,106	1,121,210,941.00	27%	-26,776,501.00	-1%	1,147,987,442.00	28%
Social Benefits	**870,000,000**	**736,835,000**	**3,236,991,550**	**2,366,991,550.00**	**272%**	**-133,165,000.00**	**-15%**	**2,500,156,550.00**	**339%**
Lifeline Consumers of Electricity	150,000,000	16,835,000	50,000,000	-100,000,000.00	-67%	-133,165,000.00	-89%	33,165,000.00	197%
Transfers for Social Protection	720,000,000	720,000,000	3,186,991,550	2,466,991,550.00	343%	0.00	0%	2,466,991,550.00	343%
Other Expenditure	**25,378,834,693**	**23,993,349,837**	**30,044,568,789**	**4,665,734,096.00**	**18%**	**-1,385,484,856.00**	**-5%**	**6,051,218,952.00**	**25%**
ESLA Transfers	3,395,015,210	3,416,050,072	1,465,888,175	-1,929,127,035.00	-57%	21,034,862.00	1%	-1,950,161,897.00	-57%
Energy Sector Payment Shortfalls	18,483,819,483	18,477,299,765	28,128,680,614	9,644,861,131.00	52%	-6,519,718.00	0%	9,651,380,849.00	52%
Finsec Bailout Cost & Others	3,500,000,000	2,100,000,000	450,000,000	-3,050,000,000.00	-87%	-1,400,000,000.00	-40%	-1,650,000,000.00	-79%
Capital expenditure	**28,508,887,621**	**29,388,681,369**	**32,911,598,174**	**4,402,710,553.00**	**15%**	**879,793,748.00**	**3%**	**3,522,916,805.00**	**12%**
Domestic Financed	**18,027,862,977**	**14,732,560,984**	**21,256,120,940**	**3,228,257,963.00**	**18%**	**-3,295,301,993.00**	**-18%**	**6,523,559,956.00**	**44%**
o/w MDAs Normal CAPEX	14,210,573,631	10,673,036,210	7,496,427,627	-6,714,146,004.00	-47%	-3,537,537,421.00	-25%	-3,176,608,583.00	-30%
o/w MDAs ABFA CAPEX	3,817,289,345	4,059,524,774		-3,817,289,345.00	-100%	242,235,429.00	6%	-4,059,524,774.00	-100%
o/w ABFA-GIIF	1,669,136,715			-1,669,136,715.00	-100%	-1,669,136,715.00	-100%	0.00	
o/w Big Push Capex			13,759,693,313	13,759,693,313.00		0.00		13,759,693,313.00	
o/w ABFA			8,889,902,678	8,889,902,678.00		0.00		8,889,902,678.00	
o/w Mineral Royalties			4,869,790,634	4,869,790,634.00		0.00		4,869,790,634.00	
Foreign financed	**10,481,024,644**	**14,656,120,386**	**11,655,477,234**	**1,174,452,590.00**	**11%**	**4,175,095,742.00**	**40%**	**-3,000,643,152.00**	**-20%**
Total expenditure	**219,749,250,082**	**226,243,542,988**	**268,777,333,551**	**49,028,083,469.00**	**22%**	**6,494,292,906.00**	**3%**	**42,533,790,563.00**	**19%**
Appropriation	**237,362,141,676**	**250,335,850,704**	**290,971,212,435**	**53,609,070,756.00**	**23%**	**12,973,709,028.00**	**5%**	**40,635,361,731.00**	**16%**
Total Expenditure	219,749,250,082	226,243,542,988.00	268,777,333,551.00	49,028,083,469.00	22%	6,494,292,906.00	3%	42,533,790,563.00	19%
Clearance of Arrears	15,777,030,000	31,236,590,848	13,067,587,487	1,454,587,487.00	13%	19,623,590,848.00	169%	-18,169,003,361.00	-58%
Amortisation	5,999,891,596	8,315,277,715	9,126,291,396	3,126,399,800.00	52%	2,315,386,119.00	39%	811,013,681.00	10%

Appendix 3

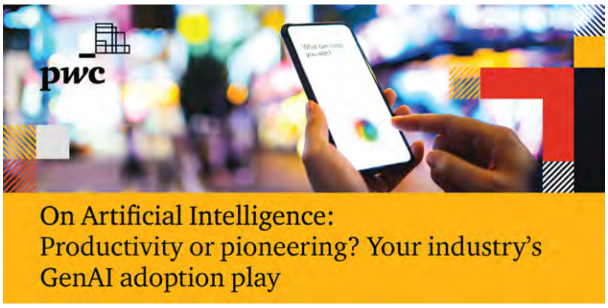
Fiscal Performance Statement

	2024 Proj. Outturn	2025 Budget	% of GDP (2025)	% of Expenditure (2025)
Revenue				
Domestic revenue	**184,877,626,145.00**	**222,258,995,648.00**	**15.88%**	**82.69%**
Tax revenue	151,155,011,888.00	189,964,641,374.00	13.57%	70.68%
Taxes on income & property	78,742,005,811.00	97,761,915,182.00	6.98%	36.37%
Taxes on domestic goods and services	60,499,188,999.00	73,757,074,099.00	5.27%	27.44%
Taxes on international trade	19,917,470,582.00	26,013,027,194.00	1.86%	9.68%
Tax refund	-8,003,653,504.00	-7,567,375,101.00	-0.54%	-2.82%
Non - tax revenue	27,733,642,353.00	24,401,218,494.00	1.74%	9.08%
Social contributions	1,060,494,223.00	1,193,452,595.00	0.09%	0.44%
Other revenue	4,928,477,681.00	6,699,683,185.00	0.48%	2.49%
GRANTS	**1,715,677,339.00**	**2,674,631,499.00**	0.19%	1.00%
Total revenue	**186,593,303,484.00**	**224,933,627,147.00**	**16.07%**	**83.69%**
Expenditure				
Compensation of employees	67,188,967,686.00	76,640,115,760.00	5.47%	28.51%
Use of goods and services	11,509,023,088.00	6,971,071,606.00	0.50%	2.59%
Interest payments	46,792,261,565.00	64,163,490,789.00	4.58%	23.87%
Subsidies	208,895,550.00	342,028,321.00	0.02%	0.13%
Grants to other government units	46,425,528,893.00	54,467,468,562.00	3.89%	20.26%
Social benefits	736,835,000.00	3,236,991,550.00	0.23%	1.20%
Other Expenditure	23,993,349,837.00	30,044,568,789.00	2.15%	11.18%
Capital Expenditure	29,388,681,369.00	32,911,598,174.00	2.35%	12.24%
Total expenditure	**226,243,542,988.00**	**268,777,333,551.00**	**19.20%**	100.00%
Overall Balance	**-39,650,239,504.00**	**-43,843,706,404.00**	-3.13%	-16.31%
Arrears clearance	-15,777,030,000	-13,067,587,487.00	-0.93%	-4.86%
Discrepancy	-5,983,377,894.00	0.00	0.00%	0.00%
(Fiscal deficit)/ balance	**-61,410,647,398.00**	**-56,911,293,891.00**	-4.07%	-21.17%
Financed by:				
Foreign borrowings	21,817,117,395.00	21,408,584,102.00	1.53%	7.97%
Domestic borrowings	41,536,738,959.00	36,986,588,280.00	2.64%	13.76%
Other financing		0.00	0.00%	0.00%
Ghana petroleum funds	-1,805,640,707.00	-1,203,144,723.00	-0.09%	-0.45%
Sinking fund	-137,568,249.00	-280,733,769.00	-0.02%	-0.10%
Contingency fund			0.00%	0.00%

Research and insights

Research and insights from PwC

Kindly fill a short 2 minute form to give us feedback about this report. Click here to access the link.



Reinvention has been the lifeblood of organisations' fortitude for decades. History presents us with numerous examples in which transformed work methods or new sources of value served as the factor that decides between an organisation that thrives or falters.

When the Minister for Finance, Honourable Ken Ofori-Atta presented a summary of the 2024 Budget Statement and Economic Policy to Parliament on 15 November 2023, he repeatedly made the assertion that "we [have] turned the corner".

In our view, this broadly describes the posture of the Minister for Finance, when he appeared before Parliament on 23 July 2024 to present the mid-year review of the 2024 Fiscal Policy.

The 2024 edition of our Tax Facts and Figures publication provides an overview of the direct and indirect tax regime of Ghana as at the date of this publication.

Customer experience (CX) remains front of mind for most business leaders in the banking industry here in Ghana and a top-of-agenda item in boardrooms.

Ghana is known for its diverse economy, rich cultural heritage and natural resources.

Make informed decisions, stay ahead of policies

Government policies hold the key to driving economic growth and we understand the importance of staying informed and prepared for the changes brought about by the national Budget and Government policies. With PwC, you'll have a trusted adviser to guide you through the complexities of the Budget, offering tailored solutions for your business. Our range of services have been designed to provide you with the knowledge, strategies, and support needed to navigate the complexities of the Budget and Government policies whilst leveraging opportunities. We can assist with:

- A customised Budget analysis and training workshop: This workshop is designed to break down the national Budget's key aspects and how it relates specifically to your business while empowering your team with the knowledge and skills needed to implement Budget-related strategies effectively.
- Policy impact assessment: Our experts will assess the impact of Government policies on your business operations, taxation, and compliance requirements. We'll provide recommendations on how to adapt and optimise your strategies accordingly.
- Customised strategy with recommendations for optimising tax planning, investments, and risk management based on the Budget provisions.
- Regulatory Compliance: We will guide you through the latest tax laws, financial regulations, and reporting requirements, ensuring you remain compliant while minimising risks.
- Proactive advisory and consultation to take advantage of available incentives and deductions.
- Expert insights into the potential opportunities and challenges for your business as well as in-depth analysis of how budget allocations and policies may impact your business and industry.
- Exclusive Post-Budget insights including post-forum resources such as presentation materials, recordings, key takeaways and action points and Q&A sessions.
- Ongoing Support: Our team is available throughout the year to provide ongoing support and keep you informed about any Budget amendments and their impact on your organisation.

To learn more or find out how we can tailor our services to meet your organisation's unique needs, send us an email at gh_pwc_budget_digest@pwc.com

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Please note that the Budget measures may be subject to amendments during debates in Parliament.
We therefore recommend that you seek professional advice before taking decisions based on these measures.