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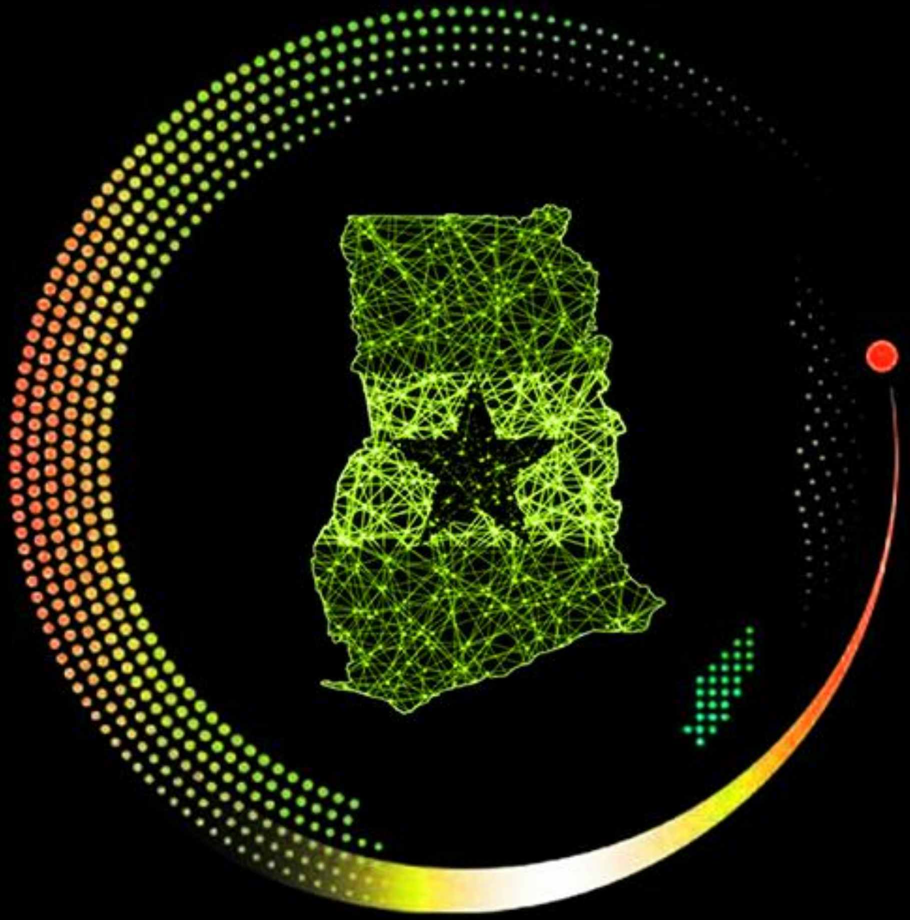

Deloitte's Analysis of the 2026 Mid-Year Budget Statement of the Government of Ghana

July 2026

Outline

Foreword

Foreword | Reasons for optimism but also grounds for caution

Reasons for Optimism but also grounds for caution

The 2026 Mid-Year Budget Review suggests that Ghana's economic recovery remains on track. The Government has maintained its focus on fiscal consolidation, debt sustainability, and macroeconomic stability, with no major departure from the policy direction set out in the 2025 and 2026 Budgets.

Reasons for optimism

The 2026 Mid-Year Budget Review provides several reasons for optimism about Ghana's economic outlook. Economic growth remains robust, with GDP expanding by 6.4% in the first quarter of 2026, exceeding the Government's full-year target of 4.9%. Importantly, growth is becoming more broad-based, driven by sectors such as ICT, mining, trade, and manufacturing, reducing the economy's dependence on traditional commodity exports. At the same time, inflation has fallen sharply from over 23% at the end of 2024 to 5.3% by June 2026, improving purchasing power, strengthening business confidence and creating conditions for lower borrowing costs.

The fiscal position has also improved significantly. Debt servicing pressures have eased, with debt service declining from 55.7% of domestic revenue in 2022 to 28.6% by mid-2026. This has created additional fiscal space for Government to invest in priority areas such as infrastructure, health, and education. Revenue performance has also been encouraging. Despite the abolition of several taxes, non-oil tax revenue increased from 12.6% of GDP in 2024 to 13.1% in 2025, reflecting improvements in tax compliance, administrative efficiency, and technology-driven revenue collection rather than increases in tax rates. Together, these developments point to an economy that is becoming more stable, resilient, and better positioned for sustainable growth.

Areas requiring caution

Energy sector liabilities — particularly at ECG — remain one of the largest fiscal risks if reforms stall. Heavy reliance on short-term domestic borrowing also raises refinancing risk and future interest costs.

Key takeaway

Ghana has made significant progress since the debt crisis, supported by strong growth, low inflation, improved debt sustainability, and better revenue performance. The challenge now is maintaining fiscal discipline beyond the IMF programme, addressing energy sector liabilities, and continuing reforms that strengthen resilience and support sustainable long-term growth.

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Economic analysis

Economic analysis | Macroeconomic indicators

Overall GDP growth — 6.4%

2024A	2025A	2026A*	2026B
5.7%	6.0%	6.4%	4.9%

Non-oil GDP growth — 6.3%

2024A	2025A	2026A*	2026B
6.0%	5.3%	6.3%	4.8%

Budget deficit (Commitment) — 0.4%

2024A	2025A	2026A**	2026B
7.4%	2.8%	0.4%	2.0%

Primary surplus/(deficit) -Commitment — 0.9%

2024A	2025A	2026A**	2026B
(3.2%)	2.5%	**0.9%**	1.5%

Inflation — 5.3%

2024A	2025A	2026A**	2026B
23.8%	5.4%	5.3%	8.0%

MPC rate — 14.0%

2024A	2025A	2026A**	2026B
27.0%	18.0%	14.0%	N/A

Debt to GDP — 45.0%

2024A	2025A	2026A**	2026M
61.6%	44.7%	45.0%	45.0%

Exchange rate (GHS/USD) — 11.4

2024A	2025A	2026A**	2026B*
14.7	10.5	11.4	12.8

Gross int'l reserves (Months of import) — 5.0

2024A	2025A	2026A**	2026B
4.1	5.7	5.0	3.0

Source: 2026 Full Year and Mid Year Budget Statement and Economic Policy and Deloitte Analysis | A: Jan–Mar, Ghana Statistical Service | A**: Jan–Jun, Ghana Statistical Service | B*: EIU Forecast Report on Ghana, June 2026 | A: Actual B: Budget | 2026M - Medium Term Target 2034, Public Financial Management Act, 2025 (Act 1136)*

Economic analysis | Macroeconomic indicators

Deloitte's view

Macroeconomic growth trajectory

The Government of Ghana has maintained strong fiscal discipline under the IMF-supported Extended Credit Facility programme, helping to restore macroeconomic stability while sustaining economic growth. Real GDP grew by 6.0% in 2025 and accelerated to 6.4% in the first quarter of 2026, demonstrating that fiscal consolidation has not come at the expense of growth.

However, sustaining this momentum will require structural reforms beyond expenditure control. Economic growth remains heavily dependent on commodities such as gold and cocoa, exposing the economy to external price shocks. Greater focus on value addition, industrialization, and export diversification is needed to create jobs, strengthen foreign exchange earnings, and build resilience.

The Government's 24-hour economy agenda presents an opportunity to support this transformation, particularly if accompanied by investments in infrastructure, logistics, reliable energy, processing facilities, and human capital development. Strategic public investment can help catalyse private sector participation, expand agribusiness and manufacturing value chains, and support Ghana's long-term economic transformation.

6.4%
Q1 2026 GDP growth

US$12.9bn
International reserves (June 2026)

5 Months
Import cover

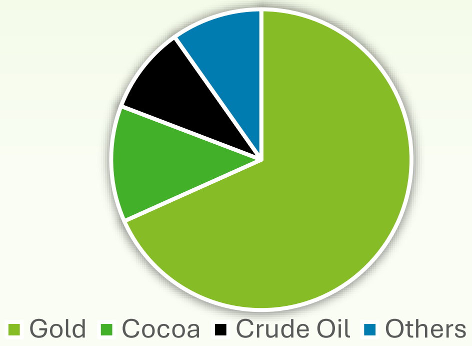
External sector performance and commodity vulnerabilities

Ghana's external position has improved significantly, with gross international reserves reaching US$12.9 billion by June 2026, equivalent to five months of import cover and above the government's target. The improvement was driven by a strong current account surplus, supported largely by gold exports, which accounted for 68% of total exports in the first half of 2026.

Government policies such as the formalisation of small-scale gold exports through the Ghana Gold Board, local refining arrangements with large-scale miners, and the Ghana Accelerated National Reserve Accumulation Policy (GANRAP) have strengthened foreign exchange inflows and reserve accumulation.

Despite these gains, Ghana remains vulnerable to commodity price shocks, as export earnings continue to depend heavily on gold, cocoa and crude oil. Sustaining external stability will therefore require accelerated export diversification, particularly through support for agro-processing, light manufacturing and export-oriented industries.

H1 2026 export composition



Government should also continue refining the GANRAP framework to build reserves efficiently while expanding local refining and processing capacity for gold and crude oil. Increasing value addition within Ghana would strengthen foreign exchange earnings, reduce vulnerability to external shocks, and improve long-term economic resilience.

Economic analysis | Macroeconomic indicators

Deloitte's view

Progress has been made in restoring Ghana's debt position back to sustainable levels since the debt distress in 2022. Gross nominal debt fell from 61.8% of GDP at end-2024 to 45.0% by mid-2026, allowing joint World Bank-IMF assessments to reclassify the debt as sustainable and prompting sovereign rating upgrades and positive outlooks from S&P, Moody's, and Fitch.

This recovery was driven primarily by the successful external commercial debt restructuring, proactive pre-funding of future debt service through the Sinking Fund Cedi Account, and a marked decline in domestic money-market rates. The 91-day T-bill rate fell to 5.73% as of June 2026, lowering domestic interest costs and reducing debt service expense.

There are still some debt repayment risks ahead as more than GHS111 billion of Domestic Debt Exchange Programme (DDEP) bonds will fall due across 2027 (GHS58 billion) and 2028 (GHS53 billion). If these maturities are left unmanaged, they could create refinancing and liquidity pressures that could heighten debt sustainability risk.

Going forward, the Government must pursue aggressive liability management operations including targeted buybacks, debt swaps, concessionary borrowing for targeted self-paying projects and phased refinancing to smoothen the 2027–2028 maturity profile. In addition, the Sinking Fund must be fully funded to the projected GHS30 billion target by end-2026 to ensure sufficient cash reserves for maturing obligations without disturbing primary markets.

Finally, Government can deepen domestic capital markets by extending the yield curve with longer tenor cedi-denominated bonds and reducing reliance on short-term treasury bills, thereby lengthening the debt maturity profile and enhancing resilience.

Ghana's sustained disinflation over the past two years is a key policy success. It has prompted the Bank of Ghana to reduce the Monetary Policy Rate, and average commercial lending rates have followed suit.

Despite these gains, pass-through to lending rates remains incomplete owing to structural rigidities. If lending spreads remain wide, the real economy will not fully capture the benefits of a more stable macroeconomic environment.

To address this, the Government should consider expanding targeted de-risking and blended-finance instruments, such as partial credit-guarantee schemes delivered through institutions like Development Bank Ghana, to lower banks' required risk premia and reduce final lending rates for SMEs and labour-intensive sectors.

At the same time, strict limits on domestic borrowing and disciplined Treasury-bill issuance are essential to avoid crowding out private credit and to prevent upward pressure on short-term yields that would disincentivise banks from lending to the productive economy.

Key tax and regulatory measures

Key tax and regulatory measures | Income tax and revenue administration

Income tax

Comprehensive review of income tax legislation

Government has announced a comprehensive review of the income tax framework to strengthen domestic revenue mobilisation, improve efficiency, and enhance fairness in the tax system.

The review is expected to focus on simplifying compliance, broadening the tax base, aligning the law with evolving business models and international tax developments, and strengthening anti-avoidance and enforcement provisions.

What this means for taxpayers

Businesses should prepare for increased tax transparency and tighter compliance requirements with the integration of tax administration systems. It is important to review existing tax governance frameworks and ensure that Ghana card information of employees are accurate and consistent across systems.

Revenue administration

Enforcement of Ghana card as sole tax identification number

Government will enforce the use of the Ghana card number as the sole tax identification number for all tax transactions. This measure is intended to strengthen the integration of tax, customs and national identity systems, improve taxpayer identification and enhance compliance monitoring.

Completion of ITAS rollout and customs integration

The Ghana Revenue Authority is expected to complete the rollout of the Integrated Tax Administration System (ITAS) by operationalising its enforcement and analytical functions and integrating it with the Integrated Customs Management System (ICUMS) by December 2026. This should support better compliance, data-driven enforcement, and more efficient revenue collection.

Medium-term revenue strategy (2027–2030)

Government expects to publish a new Medium-Term Revenue Strategy (MTRS) for 2027–2030 by June 2027. The strategy is expected to build on the current MTRS and focus on stronger domestic revenue mobilisation, digitalisation, improved compliance, VAT reform, taxation of the digital economy, property taxation, and more efficient revenue administration.

Key tax and regulatory measures | VAT reforms

VAT reforms

Amendment to VAT regime

The review signals continued implementation of the VAT reforms introduced under the Value Added Tax Act, 2025 (Act 1151), with emphasis on regulations, digital services, registration thresholds and targeted zero-rating.

Key proposals include:

- Developing VAT regulations in 2027 to operationalise the VAT reforms introduced under the VAT Act 1151.
- Introducing VAT collection mechanisms for non-resident digital service suppliers.
- Adjusting the VAT registration threshold for supply of services.
- Zero-rating local purchases of gold under the Ghana Accelerated National Reserve Accumulation Programme (GANRAP).

What this means for taxpayers

Based on the VAT Amendment Bill submitted to Parliament, the Government intends to align the VAT registration threshold for the supply of services with that of goods at GHS750k. This alignment removes distortions in the tax system and exempts micro and small businesses from compliance burden.

Non-resident digital service providers should anticipate changes to VAT collection requirements and monitor for further guidance from the Ghana Revenue Authority.

Key tax and regulatory measures | Excise reforms

Excise reforms

Wines and spirits

Government proposes a hybrid excise regime for imported wines and spirits, combining value-based and quantity-based taxation to ensure a minimum excise yield and reduce revenue leakages from undervaluation or misclassification.

Beer and stout

The existing sliding-scale excise regime for beer and stout, which provides lower rates for higher local raw material content, is to be reviewed to balance revenue objectives with incentives for local production.

Locally manufactured fruit juices

Government proposes to abolish the 20% excise duty on locally manufactured fruit juices to improve the competitiveness of domestic producers, promote value addition and support agro-processing.

Warehouse controls and monitoring

Government also proposes the following warehouse controls and monitoring measures to safeguard excise revenue and improve compliance.

Key policy proposals include:

- *Bank guarantees and security requirements:* Manufacturers will face stronger enforcement of bond and security requirements, including penalties of up to three times the excise duty where the required guarantees are not maintained.
- *Electronic registration of stockists and track-and-trace system:* Government also proposes mandatory electronic registration of stockists and a nationwide track-and-trace system for excisable goods to improve oversight and curb revenue leakages.

What this means for taxpayers

The proposed excise reforms are intended to strengthen revenue mobilisation, reduce compliance gaps, and support selected local industries. Importers and distributors of alcoholic beverages should prepare for possible increases in excise costs and enhanced scrutiny, whereas local manufacturers in the fruit juice and agro-processing sectors may benefit from reduced tax burdens and improved competitiveness.

Key tax and regulatory measures | Regulatory reforms

Regulatory reforms

National Petroleum Authority Bill

The proposed National Petroleum Authority Bill is intended to modernise the regulatory and governance framework for Ghana's downstream petroleum sector.

The Bill is expected to strengthen regulatory oversight, improve licensing and compliance monitoring, promote fair competition, address revenue leakages and align the sector with evolving energy transition and sustainability considerations.

Amendment to upstream petroleum agreements and laws

Government also intends to amend key upstream petroleum laws and agreements to support new drilling activity and attract further investment. Amendments to the West Cape Three Points and Deep Water Tano Petroleum Agreements are expected to increase GNPC's participating interest by 10 percentage points from 2036.

What this means for businesses

Businesses in the sector should monitor the proposed legislative reforms, as changes to the regulatory frameworks, licensing requirements, and petroleum agreements may create new compliance obligations and investment opportunities.

Companies operating in the upstream sector should assess the potential commercial implications of amendments to existing petroleum agreements, considering any stability clauses that may be present, and the evolving Government participation arrangements.

Energy sector analysis

Energy sector analysis

Powering fiscal stability: What Ghana's energy reforms mean for businesses and households

Ghana's 2026 Mid-Year Budget Review makes one thing clear: energy sector reform is now central to economic stability.

For years, under-recovery of electricity costs, weak bill collection and growing arrears have created financial pressures that ultimately became a burden on government finances.

The result has been higher borrowing, pressure on the cedi and reduced fiscal space for national development.

The broader objective is to reduce the sector's financing gap and prevent the accumulation of new debts. The IMF estimates that Ghana's annual energy sector financing shortfall could reach approximately US$2.2 billion in the absence of reforms. This highlights why energy sector losses can pose significant fiscal and macroeconomic risk.

Government has therefore committed to stronger oversight through measures such as publishing quarterly audits of ECG's revenue and collection accounts, implementing the Cash Waterfall Mechanism, and advancing private sector participation in electricity distribution. Success, however, will depend on execution. Improvements in metering, bill collection and operational efficiency will be just as important as investments in new infrastructure.

Energy sector analysis

Powering fiscal stability: What Ghana's energy reforms mean for businesses and households

What this means for businesses

For businesses, successful energy reforms could support a more stable macroeconomic environment. Lower fiscal pressures could reduce pressure on the cedi, improve investor confidence and contribute to lower inflation and interest rates over time.

However, businesses should remain cautious. Electricity tariffs, fuel prices and exchange rate movements will continue to influence operating costs. Manufacturers, importers, contractors and energy-intensive businesses should continue to plan for potential cost increases while investing in energy efficiency and operational resilience.

What this means for households

For households, the most important outcome will be improved reliability of electricity supply and greater economic stability. Consumers are generally willing to accept tariff adjustments when they are accompanied by visible improvements in service delivery.

If reforms improve reliability while helping to stabilise inflation and the currency, household purchasing power should benefit over time.

Government's priorities

The Government's response is focused on three priorities:

- Improving energy supply and reliability
- Strengthening governance and revenue collection
- Reducing the sector's financial losses

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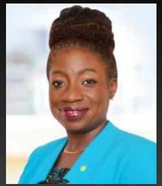

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