CENTRE FOR POLICY SCRUTINY

Policy Discussion Paper

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- Trade Policy
- Social Protection
- Jobs & Employment

THE 2026 MID-YEAR BUDGET STATEMENT AND ECONOMIC POLICY OF THE GOVERNMENT OF GHANA: A CRITICAL REVIEW

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EXECUTIVE SUMMARY

The 2026 budget targeted fiscal expansion, following the government's consolidation budget in 2025. The mid-year budget did not revise the macro and fiscal targets, nor did it request supplementary estimates. The mid-year fiscal policy review highlighted that the consolidation achieved in 2025 was deeper than planned. There is no doubting the benefits of the consolidation. The decrease in the deficit means a decrease in borrowing (as a share of GDP), fostering debt sustainability and macroeconomic stability. That said, because the deficit fell by a greater amount than intended, largely as a result of actual expenditure being lower than planned, the consolidation left in its wake unfulfilled budgetary allocations. Hence, many MDAs could not undertake planned capital projects or make expected progress on them. The government has used an expenditure-led fiscal consolidation. There is also the need to embark on revenue-led fiscal consolidation without overburdensome the taxpayer.

The Bank of Ghana has maintained the policy rate at 14% amidst geopolitical tensions, resulting in a lower lending rate and increased real private sector credit growth. The external balance looks strong, both from current account and capital accounts, resulting in reserve accumulation. The Bank states that the disinflation process has stalled. It has also ceased pre-financing GoldBod. The Bank of Ghana has intervened in the forex market with billions of US dollars in a bid to stabilise the currency. Their ability to do so depended on the reserves accumulated in dollars and in gold. The year 2026 is expected to mark a lower sterilisation effort compared with 2025. A significant drop in capital expenditure means a lower-than-anticipated public investment. It is imperative to scale up public investment to complement private investment for infrastructure development to support growth and job creation.

After completing the IMF-ECF programme, Ghana has requested a 36-month Policy Coordination Instrument (PCI). The aim is to sustain the macroeconomic stability and fiscal consolidation which will serve as the foundation for stronger growth and economic transformation.

This review considers the half-year implementation of the 2026 budget, bearing in mind that last year's performance has sharpened the need for a stronger delivery of outlined plans. CPS aims to strengthen transparency, provide recommendations to inform sound policymaking, and promote public dialogue, especially among the youth. CPS will continue to ensure that credible plans and accountable delivery match national priorities.

SECTION I: THE FISCAL SECTOR

Introduction

The 2026 budget targeted fiscal expansion, following the government's consolidation budget in 2025. As last week's mid-year fiscal policy review highlighted, the consolidation achieved in 2025 was deeper than planned. Against an initial target of 4.1% of GDP and a revised target of 3.8% of GDP, the actual fiscal deficit on a cash basis came to 3.0% of GDP, dropping from 5.2% of GDP in 2024. On a commitment basis, the deficit came to 1.0% of GDP, dropping from 6.9% of GDP in 2024 and less than the initial and revised targets of 3.1% of GDP and 2.8% of GDP, respectively.

There is no doubting the benefits of the consolidation. The decrease in the deficit means a decrease in borrowing (as a share of GDP), fostering debt sustainability and macroeconomic stability. That said, because the deficit fell by a greater amount than intended, largely as a result of actual expenditure being lower than planned, the consolidation left in its wake unfulfilled budgetary allocations. Most significant was the failure to fulfil almost 40.0% of the GH¢32.7 billion allocated for capital expenditure. Hence, many MDAs could not undertake planned capital projects or make expected progress on them. What's more, as much as 35% of the actual capital expenditure of GH¢20.2 billion was committed in December, against plans to commit 96.0% of the capital budget before then.

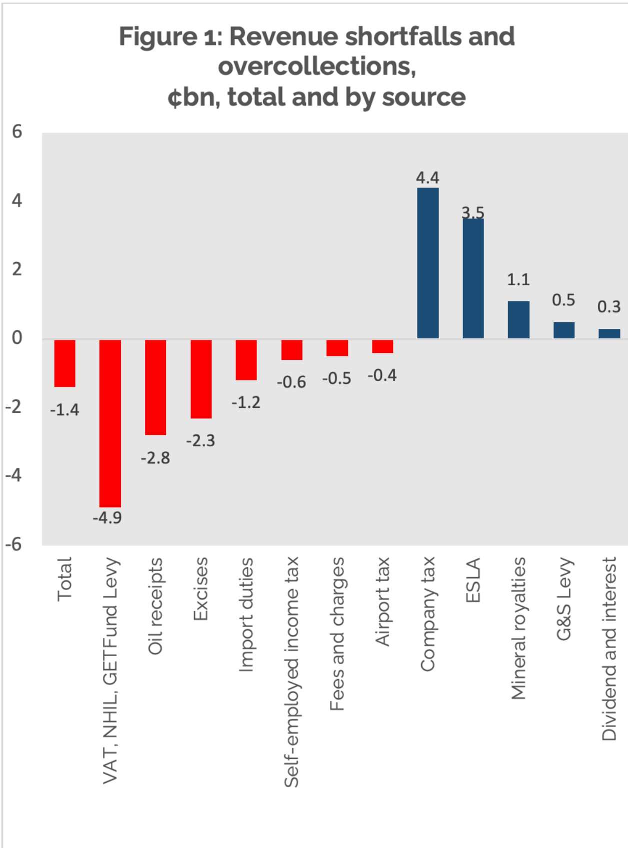
In this paper, we consider the half-year implementation of the 2026 budget, bearing in mind that last year's performance has sharpened the need for a stronger delivery of outlined plans. We will start by analysing revenue generation, before turning to expenditure and the fiscal balances.

Revenue

Revenue recorded a weaker-than-projected performance in the first half of 2026, led by VAT and its related levies (i.e., NHIL and GETFund Levy). Oil receipts, excises, import duties, and communication service tax also underperformed, as did fees and charges, self-employed income tax, and airport tax.

In total, as Figure 1 illustrates, the revenue shortfall was GH¢1.4 billion, representing 1.1% of the GH¢126.1 billion forecast. On the left side of the figure are revenue lines with notably large shortfalls. These include VAT, NHIL, and GETFund Levy, which were together GH¢4.9 billion (or 13.9%) short of the GH¢34.9 billion forecast. Oil receipts recorded a shortfall of GH¢2.8 billion (or 30.6%); excises a shortfall of GH¢2.3 billion (or 42.6%). The former reflected inflows of GH¢6.3 billion compared with the GH¢9.1 billion forecast; the latter reflected inflows of GH¢3.1 billion compared with the GH¢5.5 billion forecast. Import duties fetched GH¢13.7 billion out of the GH¢14.9 billion forecast, indicating a gap of GH¢1.2 billion (or 8.3%). Self-employed income tax was materially lower, by GH¢0.6 billion or 45.8%, than the forecast of GH¢1.3 billion, as were fees and charges, which fetched GH¢0.5 billion against the forecast of approximately GH¢1.0 billion. Airport tax was roughly GH¢0.4 billion (or 38.1%) less than the forecast of GH¢1.0 billion.

On the positive side, company tax, ESLA taxes, mineral royalties, growth and sustainability levy, and dividend and interest income all came in higher than projected. These appear on the right side of Figure 1. Nevertheless, they were outweighed on the whole by the revenue sources that underperformed



Source: 2026 Mid-Year Fiscal Policy Review

In the 2026 budget, the government reduced the total effective rate of VAT and its related levies from 21.9% to 20%, including by scrapping the Covid-19 levy. It also reduced the VAT base through an increase in the registration threshold by 275%, and offered VAT relief to firms undertaking mineral prospecting and reconnaissance. Despite the potential for these changes to reduce collections, at least in the short term, receipts from VAT, NHIL, and GETFund Levy were forecast to remain resilient, partly due to measures announced to strengthen enforcement and compliance. However, the collection gap suggests that these measures have not been effective (i.e., if they have been implemented at all), or that the government underestimated the negative revenue impact of the VAT rate and base reductions.

The shortfalls in two other taxes—import duties and self-employed income tax—raise questions about the effectiveness of recently introduced measures to improve collections. Alongside implementing an Artificial Intelligence (AI) solution to tackle under-declaration of imports, the government recently launched a programme, the Modified Taxation Scheme, to bring more self-employed (and typically informal-sector) workers into the tax system. While these measures formed the basis of optimistic revenue projections for import duties and self-employment taxes this year, the actual receipts in the first half, apart from falling short of their forecasts, did not exceed historical trends.

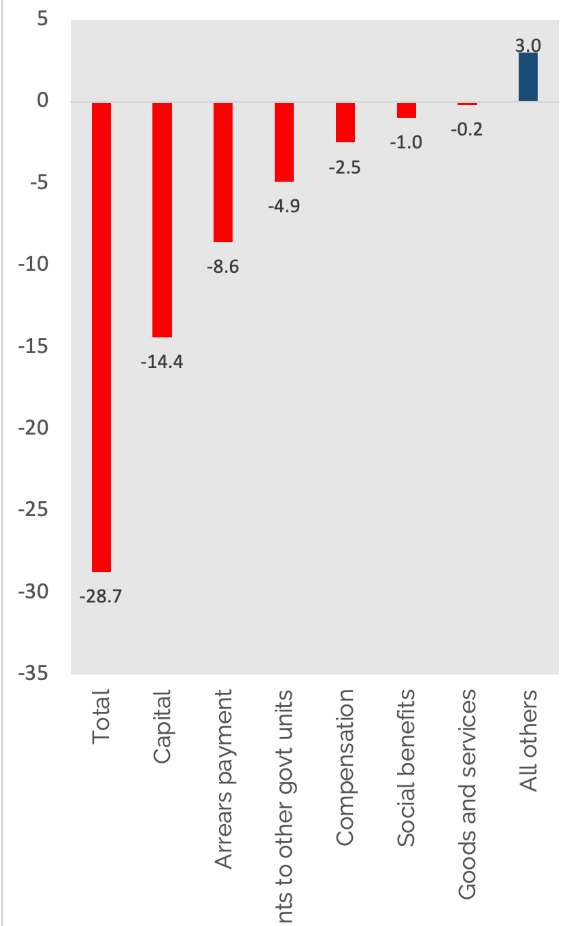
In respect of oil revenue, the lower-than-projected outturn is surprising, since both the production and price of oil have exceeded expectations from the start of the year. Compared with the budget's forecast of ~104,000 barrels per day (bpd), actual oil production averaged ~113,000 bpd from January to May, and compared with the budget's benchmark price of $76.22 per barrel, the average realised price of oil was $91.34 per barrel. Perhaps the timing of receipt of export revenue and a stronger-than-assumed cedi exchange rate are the factors behind the shortfall.

Expenditure

Expenditure in the first half of the year was severely restricted, in stark contrast to the expansionary stance of the budget. About one-fifth of expected primary expenditure did not materialise, with 50% due to unfulfilled capital expenditure. Non-primary or interest expenditure was also roughly 24% lower than expected, primarily on account of reduced domestic interest rates. While this is a favourable outcome, we focus our analysis on primary expenditure because that is what creates direct economic benefits for the government. Non-primary expenditure, although important for servicing debt obligations, does not generate direct economic benefits for the government. Furthermore, in the short term, the government has more policy control over primary than non-primary expenditure.

Figure 2 illustrates the shortfalls in major components of expenditure, which collectively drove the total shortfall in primary expenditure, amounting to GH¢28.7 billion. Compared with the budget allocation of GH¢36.6 billion, actual capital expenditure was GH¢22.2 billion; this yielded, as Figure 2 shows, a spending gap of GH¢14.4 billion (or 39.3%). Arrears payment was GH¢8.6 billion (or 61.8%) below the projected GH¢14.0 billion. Grants to other government units were GH¢4.9 billion (or 15.7%) short of the allocated GH¢31.1 billion, with compensation GH¢2.5 billion (or 5.5%) below its allocation. Also, of the roughly GH¢1.7 billion budgeted for social benefits, such as the capitation grant, school feeding grant, and LEAP transfers, almost GH¢1.0 billion (56.8%) was not spent. Expenditure on goods and services was meanwhile just GH¢0.2 billion (3.6%) short of the GH¢6.6 billion allocated.

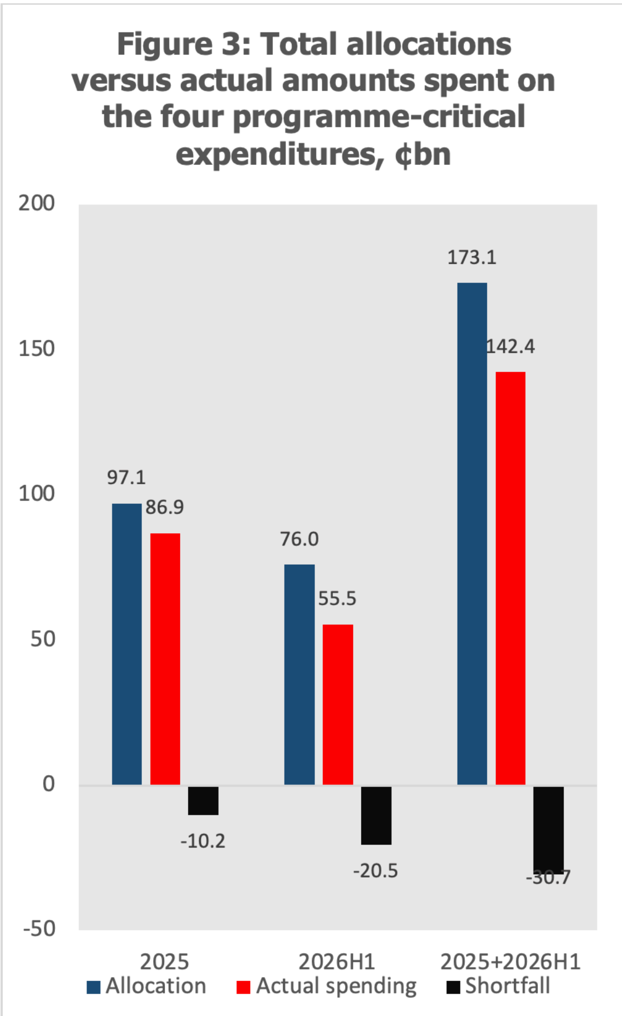
Figure 2: Primary expenditure shortfalls and excesses, ¢bn, total and by type



Source: 2026 Mid-Year Fiscal Policy Review

Among these expenditures, those that most directly drive the delivery of government programmes are goods and services, capital expenditure, grants to other government units, and social benefits. It is therefore useful to consider these separately. This is the aim of Figure 3. The figure shows that the combined budget allocation for these expenditures in the first half of 2026 was GH¢76.0 billion. However, GH¢20.5 billion, equal to 27.0%, of this amount was not fulfilled, since actual spending was GH¢55.5 billion. This parallels developments in 2025, when

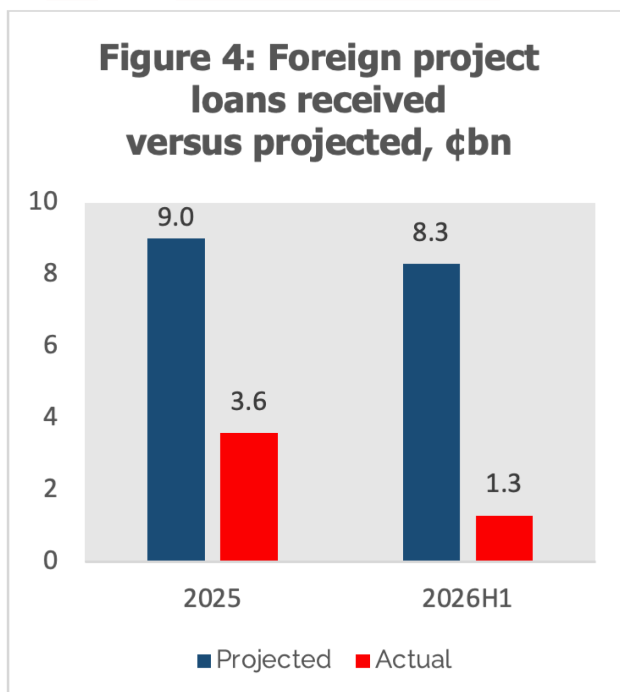
GH¢10.2 billion (10.5%) of the total budget for these expenditures was not fulfilled. Taken together, the 2025 and first half of 2026 outturns against budget allocations for these expenditures give a total fulfillment deficit over the past 1½ years of around 18%, or GH¢30.7 billion in cash terms.



Source: 2026 Mid-Year Fiscal Policy Review

This is a material difference, whose implication is that many government programmes are being under-delivered, resulting in reduced outputs and outcomes in relation to set targets. For example, 19.4% of the allocation for Big Push in 2025 was not fulfilled, and 9.0% was not in the first half of 2026. Similarly, in 2025, based on reporting by the National Development Planning Commission (NDPC), actual expenditure on the National Apprenticeship Programme was 45.0% below the GH¢0.3 billion allocated, while realised spending on the Adwumarura Programme was 20.0% short of the GH¢0.1 billion allocated. This persistent implementation gap suggests a challenge in budget execution.

One cause of this situation is missed revenue projections; another is missed financing (borrowing) projections, especially external financing. The value of foreign project loans that the government projected to raise in 2025 was approximately GH¢9.0 billion, but only GH¢3.6 billion, or approximately 40.0%, materialised. And of the GH¢8.3 billion in project loans projected for the first half of 2026, only GH¢1.3 billion, or 15.8%, was realised. The shortfall was a principal cause of the lower-than-expected capital expenditure during the year.

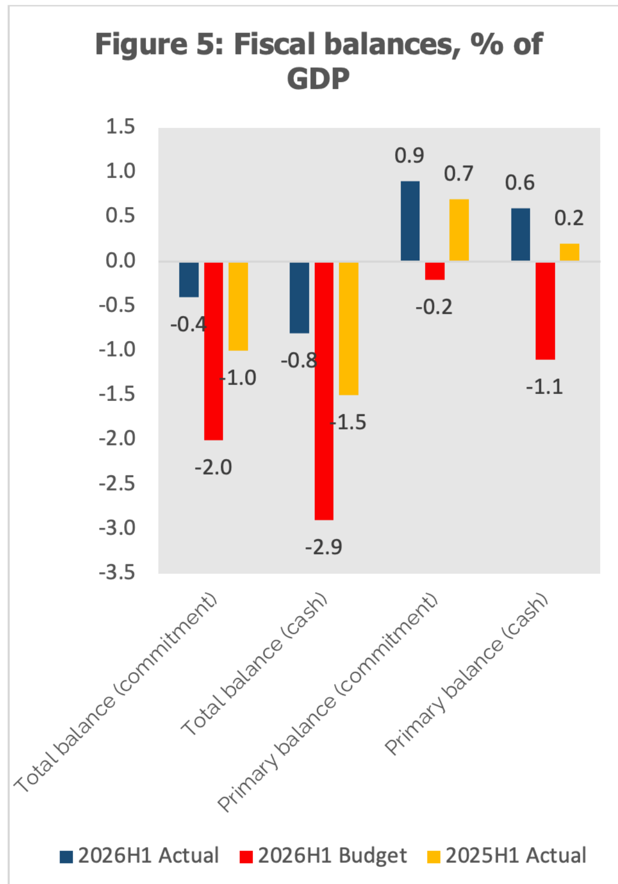


Source: 2026 Mid-Year Fiscal Policy Review

As a result of the debt default and restructuring, Ghana's access to foreign credit has tightened. This is one broad explanation for the difficulties with external borrowing. Three other causes relate to the current main source of borrowing—loans from multilateral lenders. First, these loans are programme- or project-specific and involve painstaking pre-approval procedures. Second, they are conditional, which means disbursement may not take place when one or more requirements have not been met. Third, because they are tied to particular projects and programmes, it is not easy to repurpose such funds in response to changing priorities. (It is worth noting that limitations of this kind partly incentivised Ghana to shift previously from multilateral loans towards less constrained financing from the international capital market.) A further explanation for the missed foreign borrowing projections appears to be deliberate restraint by the Ministry of Finance in drawing down loans. Whatever the justification, this has the downside of disrupting budget implementation in affected agencies.

Fiscal Balances

The severely restricted expenditure performance meant that fiscal balances were significantly stronger than expected in the first half of the year. The total balance on a commitment basis was a deficit of 0.4% of GDP, against the deficit of 2.0% of GDP that was projected, while the total balance on a cash basis was a deficit of 0.8% of GDP, against the deficit of 2.9% of GDP that was projected. Primary balances were likewise stronger than expected (i.e., 0.9% of GDP versus -0.2% of GDP on a commitment basis and 0.6% of GDP versus -1.1% of GDP on a cash basis (see Figure 5)). The fiscal balances were also stronger than the outturns in the first half of 2025. For example, the cash deficit of 0.8% of GDP in the first half of 2026 is roughly half the outturn of 1.5% of GDP in the corresponding half of 2025. This is decisive evidence that even though the 2026 budget is supposed to be expansionary, its implementation up to this point has signified a contractionary policy stance.



Source: 2026 Mid-Year Fiscal Policy Review

The implementation of the 2026 budget in the first half of the year was characterised by weaker-than-expected revenue and a substantial compression of expenditure. As a result of the expenditure compression, fiscal balances were considerably stronger than expected. However, the expenditure shortfall materially affected programme-critical expenditures. Given similar results in 2025, this means that over the past 1½ years, the government has not fulfilled approximately 18.0% (GH¢30.7 billion in cash terms) of these expenditures, leading to under-delivery of key government programmes. Consequently, the inescapable challenge for the government is to improve budget execution to accelerate programme implementation and realise expected impacts.

The mid-year budget presentation was characterised by data inconsistencies. For instance, the total expenditure as stated on page 25 indicated an amount of GH¢ 129.2 billion against a target of GH¢ 158.6 billion. Meanwhile, on page 26, the figure changes to GH¢ 136.9 billion against a target of GH¢ 172.5 billion. Similarly, the Capital expenditure estimates on page 25 stated GH¢ 21.7 billion actuals against GH¢ 36.6 billion. But on page 26, the actual H1 2026 CAPEX changes to GH¢22.2. billion

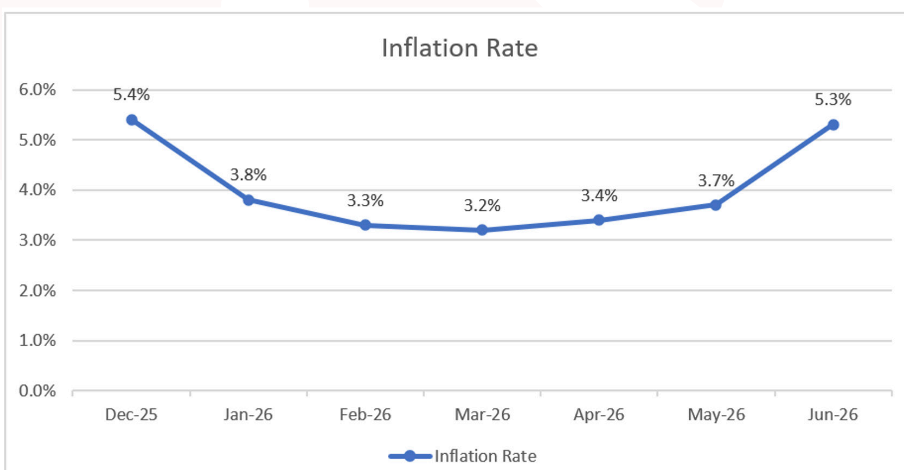
These developments raise serious concerns about the credibility of the data, and to a large extent the entire budget, since the fiscal figures are the foundation upon which government policies are formulated.

SECTION II: THE MONETARY SECTOR

Inflation

Headline inflation was 5.4% in December 2025. This declined to 3.2 in March 2026. Headline inflation inched up marginally to 3.4%, 3.7%, and 5.3% in April, May, and June 2026, respectively. This spike is driven by non-food inflation, particularly transportation and utility tariffs, and local prices. In the June 2026 inflation dynamics, the top ten drivers of inflation were bus and trotro fares, payment for rent, high school fees (though Public SHS is free), ginger, fish, cooked rice, tomatoes, yams, accommodation, and plantains. The North East region has consistently delivered the highest regional inflation. Other regions with inflation rates higher than the national average are Ashanti, Greater Accra, Central, Volta, and Eastern regions. The rise in energy cost could increase the cost of production and further compound inflation in Ghana.

Figure 6: Headline inflation rate



Source: Ghana Statistical Service (2026)

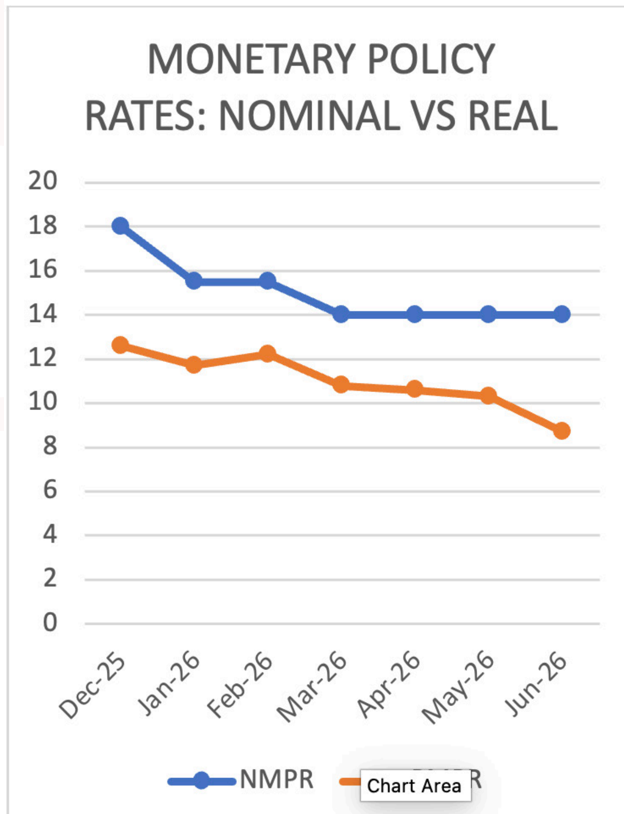
The potential for geopolitically induced commodity market shocks to upend the predicted path of inflation is not minute and stands as the main risk to bringing inflation down to tolerable levels in Ghana. However, inflation expectations among consumers, businesses, and the financial sector edged up marginally but remained broadly anchored within the medium-term inflation target band of 6-10%.

To contain monetary expansion, the Bank of Ghana intensified Open Market Operations (OMO) in alignment with its disinflation objectives. In the year 2025, the Bank of Ghana sterilised about GHC 93.5 billion, at a cost of GHC 16.7 billion, in a bid to reduce inflation. This process compounded the already precarious position of the central bank and resulted in a loss of GHC 15 billion, though this figure has been challenged by the minority (NPP) that the loss was GHC 44 billion. The effect is that the BoG is in a negative equity position and needs to be recapitalised. Therefore, the Bank of Ghana cannot continue to sterilize to keep inflation down. It must be noted that the fight against inflation should not be left to the BoG alone. Other real sector players, such as Agriculture, Transportation, and Industry, must also play their role to address the structural bottlenecks that cause cost-push inflation.

Monetary Policy rate

The Monetary Policy Rate (MPR) declined significantly to 18 percent in December 2025, from 27 percent in December 2024. The 900-basis point reduction reflected the cumulative policy easing undertaken in 2025 as inflation pressures abated and the macroeconomic environment stabilised. The corresponding downward adjustment in the overnight reverse repo and deposit rates reinforced the easing monetary policy stance. The Bank of Ghana has reduced the monetary policy rate by 650 basis points, from 28 percent to 21.5 percent, while maintaining a strong monetary anchor to prevent a resurgence of inflation. This has lowered the cost of credit, improved liquidity conditions, and supported business recovery and job creation. The policy rate has been maintained at 14% since March 2026.

Figure 7: Nominal Monetary Policy rate vs Real Monetary Policy rate



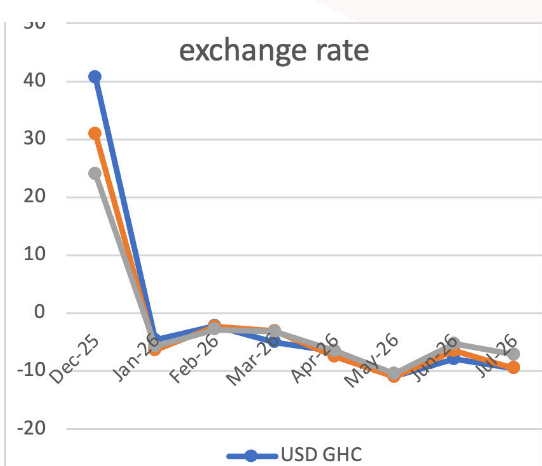
Source: Bank of Ghana (2026)

IThe real MPR is still high at about 11% (14%-5.3%). The projection is to reach below 15% by December 2026. To expand monetary growth, the Bank of Ghana is expected to do more purchases in Open Market Operations (OMO) in alignment with its growth expansion objectives.

Exchange rate

The Ghana cedi came under some marginal pressure in early 2026 after an impressive performance in 2025, due to demand pressures, largely from energy, commerce, and manufacturing. Pressures from dividend payments scheduled for February and March 2026 may pose downside risks to the Ghana cedi. For instance, the cedi remained broadly stable in the first half of 2026, depreciating by about 7.9%, 6.5 %, and 5.0% against the US Dollar, the British Pound, and the Euro, respectively, by end-June 2026. This performance compares with an appreciation of 42.6%, 30.3%, and 25.6% at end-June 2025. But these rates had been partly offset by BoG FX intermediation, mining and remittance flows, and export proceeds from other corporates. In the near term, the Ghanaian cedi is expected to remain stable, supported by continued BoG FX intermediation and strong reserve buildup. Proposed Government infrastructure bonds to be issued in 2026 could further support the cedi.

Figure 8: Exchange rate depreciation/appreciation



In the year 2026, the exchange rate is expected to stabilize, and the overall external balances and the financial sector are expected to improve. Restoring fiscal discipline through careful expenditure control, enhanced domestic revenue mobilization, and targeted social interventions is key to its sustainability. A fall in gold prices due to the strengthening of the global economy or a de-escalation of geopolitical tensions could also pose downside risks for the Ghana cedi.

The Bank of Ghana continues to intervene, though they call it intermediation and not intervention. The reason is that the Bank of Ghana calls it intermediation because it is a custodian of foreign exchange (eg, gold and cocoa inflows). But in theory and practice, financial intermediation is the role of financial intermediaries, such as commercial banks, etc.; financial intermediaries play the intermediation role for profit. Bank of Ghana is not in this business and cannot be in this business. Therefore, without condemning this act, the Bank of Ghana's role is intervention and not intermediation, although the objective of managing excessive volatility in the exchange rate is justified.

Ghana practices a managed flexible exchange rate regime, where the central bank intervenes, if necessary, to avoid large volatilities. It sets out the upper and lower bounds within which the exchange rate must float. The ECOWAS allowable upper and lower bounds are -10 and +10. Anything outside the bounds will invite the central bank to intervene.

The Bank's capacity to intervene in the forex market depends on the accumulated reserves. Through the gold purchase programme, the central bank has been accumulating reserves (both in dollars and in gold). Many critics have questioned the extent of intervention, calling it excessive. The intervention becomes excessive when it depletes reserves and results in Balance of Payments deficits. It also becomes excessive when there are multiple rates and the differences between the rates are large enough. When there is a large differential in the exchange rates, it lowers confidence in the market. This is because if market players do not believe that the exchange rates are aligned and reflect the true value, they would seek alternative channels for foreign exchange transactions. This development distorts the market exchange rates.

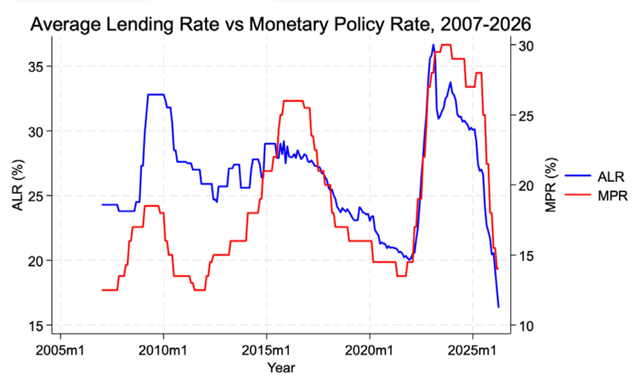
The Bank of Ghana should put in place measures that would allow it to have full custody of inflows and outflows of forex. In any case, stability is preferred to appreciation in most cases. When the appreciation is a result of economic transformation, then it is good for the economy. But not when it is a result of excessive intervention from the central bank. Stability is when buyers and sellers of forex can predict prices and quantities of forex, which is good for the economy. Again, the Bank of Ghana should state the medium-term target of upper bound an dlower bouind depreciation rates. For instance, in ECOWAS, member states are expected to allow depreciation and appreciation of -10 and +10. This way, the public will understand the rate of interventions by the central bank.

Interest rate

In the money market, interest rates on short-term instruments declined further, reflecting easing inflation expectations and the monetary policy stance. Yields on the benchmark 91-day Treasury bill fell to 4.9 percent in April 2026, from 15.5 percent a year earlier. Similarly, the Ghana Reference Rate eased to 10.06 percent in April 2026, compared to 23.99 percent a year earlier. Average bank lending rates declined to 16.3 percent from 27.4 percent. The correlation between monetary policy and lending rate are positively and significant ($r = 0.629$, $p < 0.001$). It is a moderate relationship, notably weaker than the money-market rates.

The commercial banks rely on other factors, such as non-performing loans, to determine the lending rate. Efforts must be made to strengthen the linkage between the monetary rate and the lending rate. The BoG's target of a single-digit interest rate is highly commendable.

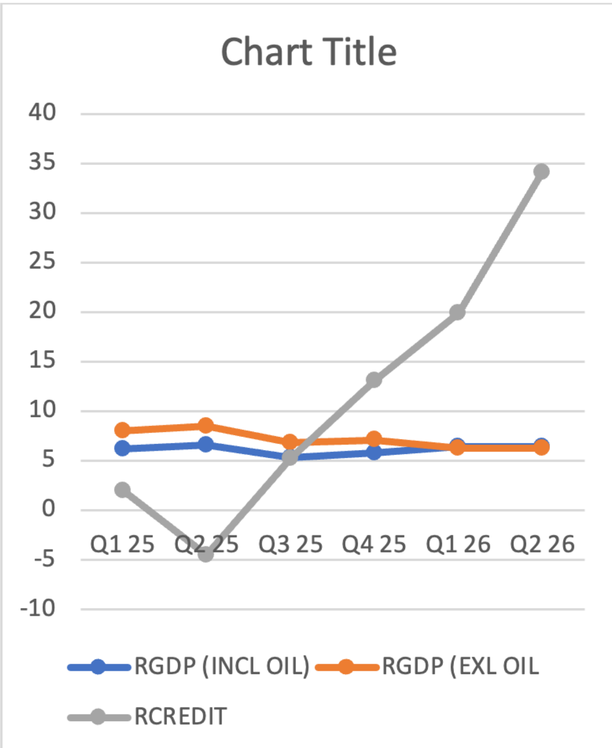
Figure 9: Correlation between the Monetary Policy Rate and the Average Lending Rate



Source: Author's based on Bank of Ghana

In line with this, private sector credit rebounded strongly in April, up by 28.7 percent in nominal terms, compared with a 19.9 percent growth in April 2025. In real terms, this represents a growth of 24.5 percent compared to a contraction of 1.1 percent over the same comparative period. The real private sector credit growth has increased from -4.5% in Q2 2025 to 34.1 in Q2 2026.

Figure 10: Growth of Real GDP (incl oil), Real GDP (exl oil), and Private sector Credit.



Source: Author's based on Bank of Ghana (2026)

The gap between the private sector credit growth rate and that of the real GDP growth rate is negative and keeps widening. It is imperative to know the allocation of credit. Who gets the credit is important so that it can be ascertained whether or not credit goes to the productive sectors.

GoldBod

The Domestic Gold Purchase programme (gold for oil and gold for reserves), which started is embarking on a domestic gold purchasing to augment our foreign reserves with a view to doubling gold holdings in our foreign exchange reserves portfolioUS$11.00 billion, but the portion of gold reserves has remained unchanged at 8.77 tonnes, with the average value of gold reserves held as a percentage of Gross International Reserves (GIR) at 6.14 percent. According to the International Monetary Fund (IMF) and the World Gold Council, major industrialized countries held the largest volume of gold reserves as at April 2021, followed by major emerging markets, with major developing countries lagging behind the curve. Dore gold (unrefined gold) purchased from a Gold Aggregator will be assayed by the Precious Minerals Marketing Company (PMMC) - the national assayer. The goal was straightforward: use Ghana's status as Africa's largest gold producer to rebuild the country's own reserves rather than watching nearly all production leave the country as exports.

The Ghana Gold Board (GoldBod) is the sole authority with exclusive right to buy, sell, weigh, grade, assay, value and export gold and other precious minerals in Ghana. The Ghana Gold Board functions under the oversight and supervision of the Ministry of Finance of the Republic of Ghana. The Bank of Ghana also admitted in the 2025 financial statement that GoldBod incurred a loss of GHC 9 billion. The Bank of Ghana has decided to cease pre-financing GoldBod's gold-purchasing programme. This will be an important change in the sources of domestic liquidity and will be central in assessing the monetary conditions. The first thing is that this will remove a financing burden on the Bank of Ghana. GoldBod is now financially independent to finance its own activities. But it will still save gold with the central bank.

In a major move to maximize the domestic benefits of natural resources, the Government of Ghana launched the Ghana Accelerated National Reserve Accumulation Program (GANRAP). In this programme, the Government of Ghana, through GoldBod, has agreed with the large-scale gold production firms to purchase 30% of all gold output. The policy was launched in July, 2026, brokered by the Board (GoldBod), which operates under the joint direction of the Ministry of Finance and the Ministry of Lands and Natural Resources. Unlike previous purchase setups, this new arrangement enforces stricter terms. Under this framework, major gold-mining companies are required to sell 30% of the gold produced locally to GoldBod in doré (raw) form. All transactions will be settled entirely in Ghana cedis (GHS), priced against the Bank of Ghana Reference Rate, and the state will secure the doré gold at a fixed 0.55% discount. As for artisanal and small-scale gold miner, GoldBod, which already purchases their total output.

The gold will be refined locally to ensure maximum value retention before it is shipped outside for melting and stamping. It will then be returned to the Bank of Ghana to directly add to reserves. The objective is to accumulate up to 157 tons of gold bullion to build up a buffer equivalent to 15 months of import cover by 2028. When successful, this move will effectively safeguard the country against external financial shocks. The government also has other plans of domestically refine gold to add value and create jobs.

The amount of gold reserves has increased from 8 tonnes in 2021 to 38 tonnes by the end of 2024. This figure has fallen to 18.6 tonnes after about 10 tonnes were sold to support the Bank of Ghana Financial position. The gold reserves as at June 2026 are 24.4 tonnes. As Africa's largest gold producer of about 6.3 million ounces (150 tonnes) of gold in 2025, the country's gold reserves are woefully below gold-producing peers like Uzbekistan, Kazakhstan, and Mexico, whose gold holdings are over 100 tonnes.

Fiscal discipline

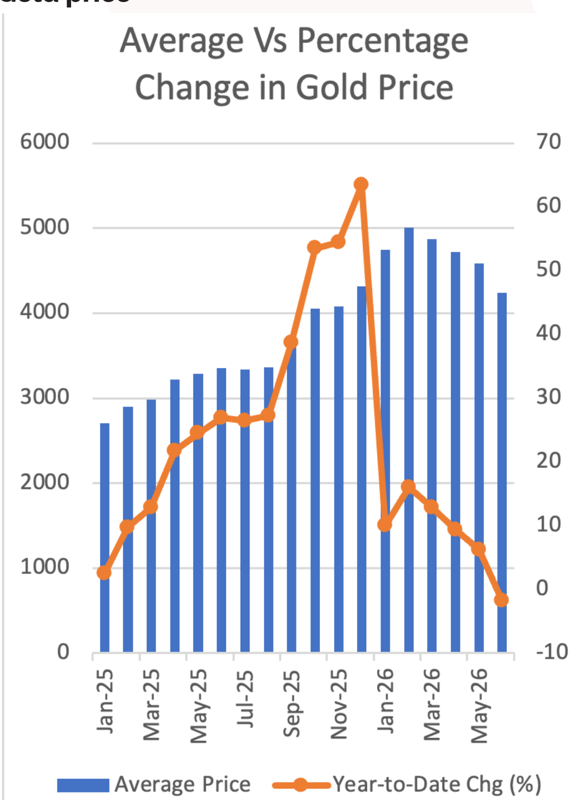
Government spending to achieve fiscal discipline. The government has decided to stay within the fiscal deficit on both a commitment basis and a cash basis, far lower than the 5% of GDP stated by the Fiscal Responsibility Act. The fiscal performance in the first half of 2026 is good. The fiscal deficit on a commitment basis is -0.4% against a target of -2.0%, and on a cash basis it is -0.8% against a target of -2.9%. The primary balance on a commitment basis is +0.9 against a target of -0.2% (or +1.5), and on a cash basis, it is 0.6% against a target of -1.1%. But the IMF-ECF programme has indicated zero percent financing from the central bank. So long as there is 0% BoG deficit financing and the Fiscal Responsibility Act limits deficits to not more than 5% of GDP, there is hope of fiscal discipline. The government is therefore encouraged to maintain fiscal discipline and not spend beyond its means. This is crucial because any time the monetary authority has to bail out fiscal policy, it adversely affects inflation, raises the exchange rate, and jeopardises macroeconomic stability.

SECTION III: THE EXTERNAL SECTOR

Commodity prices

The external sector remained resilient despite the early impact of heightened geopolitical tensions, which temporarily slowed gold export shipments in March and April 2026. Gold price reached an average price of US$4,316.29 per fine ounce in December 2025. But declined slightly to US$4,239.9 by June 2026. This development was driven by intensified safe-haven demand from heightened geopolitical and geoeconomic uncertainties during the year, increased central bank purchases, and successive cuts in the U.S. Fed rate.

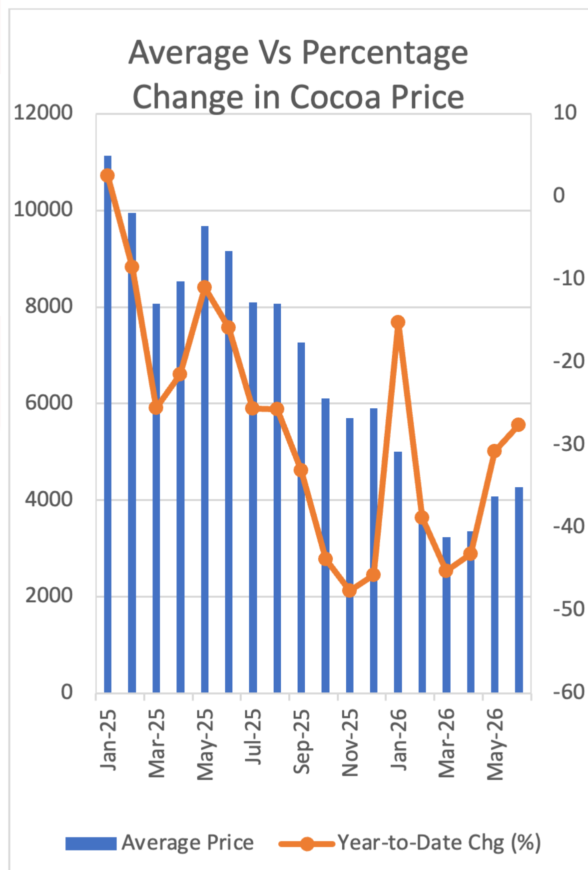
Figure 11: Average and Percentage changes in Gold price



Source: Author's based on Bank of Ghana (2026)

Cocoa futures were US$5,899.05 per tonne in December 2025, down from US$10,869.14 per tonne in December 2024, due to increased supply from improved weather conditions. Cocoa prices in 2026 are experiencing extreme volatility but remain structurally lower than their historic 2024-2025 peaks. The spot price sits at approximately US$4271.9 per metric ton in June 2026, well above the March 2026 lows, but does show a significant decline from the US$ 10,000 record high. The cocoa farmer should be given the right price to help protect their livelihood.

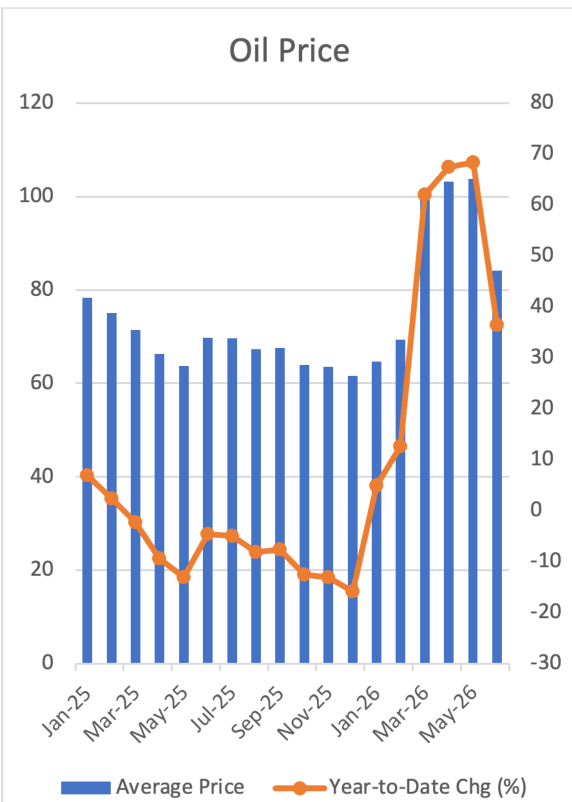
Figure 12: Average and Percentage changes in Cocoa price



Source: Author's based on Bank of Ghana (2026)

Crude oil prices reached an average of US$61.63 per barrel in December 2025. The government projected 76.2 per barrel in 2026. However, due to geopolitical tensions, crude oil prices have skyrocketed to US$84.1 per barrel in June 2026. This development has increased freight costs, insurance costs, high import bills, and the ex-pump price of refined fuel, and eventually domestic transportation costs. The overall weighted average price index of Ghana's three major export commodities (cocoa, gold, and crude oil) rose by 12.3 percent in December 2025 to 247.91, up from 220.71 in December 2024, and it is expected to increase further in 2026.

Figure 13: Average and Percentage changes in Oil price



Source: Author's based on Bank of Ghana (2026)

Local refinery of crude oil could bring some relief as ex-pump prices could be lower. Since commodity prices are volatile and uncontrollable, there is a need to structurally transform the economy, such that it will be resilient and built on a solid domestic foundation that can withstand any possible external shock.

Current account

In the first quarter of 2026, the current account surplus improved to US$3.10 billion, from US$2.43 billion in the same period in 2025. By June 2026, the current account had recorded a surplus of US$ 5,102.3, driven largely by a trade surplus of US$ 8,809.9. This was primarily driven by robust gold, cocoa, and crude oil export earnings of US$ 12499.3 and 2,289.4, US$ 1,713.9, respectively, alongside stable remittance and FDI inflows, despite the rise in payments for services and investment income. The strong current account surplus, together with higher capital inflows, helped the country to acquire more external financial assets, contributing to the significant build-up in international reserves of US$ 12,943.8 (5 months of import cover) and the paydown of some external liabilities.

Capital Account

The Capital and Financial Accounts recorded net transfers of US$156.2 million, reflecting mainly project grants. The sum of the surpluses in the current and capital accounts amounted to US$9.23 billion, putting the country in a net lending position with the rest of the world. Consequently, there was a net acquisition of financial assets in the financial account amounting to US$9.06 billion, significantly higher than the US$1.80 billion recorded in 2024.

Of this, other investments totalled US$5.89 billion, up from US$1.88 billion in 2024, largely driven by increased currency and deposits in the nostro accounts of commercial banks and a sharp decline in liabilities to non-residents. The economy attracted net direct investments of US$1.88 billion in 2025, up from US$1.76 billion in 2024, and a reduction in net liabilities of US$938.22 million in the portfolio account from US$192.25 million in 2024, due to the Eurobond payment made during the year. In 2026, remittances continued to provide a strong pillar of support to the economy, with private transfers reaching US$3.6 billion by end-June 2026.

Gross International Reserves

Gross International Reserves (GIR) increased to US$14.4 billion as of May 18, 2026, equivalent to 5.7 months of import cover for goods and services, up from US$13.8 billion in December 2025. Reserve accumulation continued to provide buffers to the foreign exchange market. In the interbank market, the cedi depreciated by 8.4 percent against the US dollar in the year to May 15, 2026, largely due to demand from the energy sector and dividend payments by some corporate entities.

The program Net International Reserves (NIR) recorded a build-up of US$4.00 billion to US$5.96 billion in December 2025, surpassing the performance target build-up under the IMF Program of US$1.45 billion. 2.6 External Sector Outlook The external sector outlook is broadly favourable amid global uncertainties. In 2025, gold prices surged as investors sought safe-haven assets amid heightened geopolitical and economic uncertainties. Other contributory factors included trade tensions, sustained central bank purchases, and a weakening U.S. dollar. These supportive factors are expected to persist into 2026, underpinning a continued positive outlook for gold. Cocoa prices began 2025 at elevated levels, which constrained demand for cocoa beans and related products and contributed to downward price pressures toward the end of the year. In 2026, cocoa prices are projected to ease further, reflecting continued weak demand alongside a recovery in supply from West Africa. Crude oil prices in 2025 were driven by excess supply, despite elevated geopolitical risks that disrupted supply expectations and, in some cases, actual production. These tensions have carried over into the current period and are expected to keep prices elevated, as markets remain highly sensitive to developments that could affect production, transportation, or global trade flows. Gross International Reserves stood at US$12.9 billion by June 2026, maintaining an import cover of 5.0 months and reinforcing Ghana's external resilience.

Table 1: External Sector Development (Half-Year Table)

Balance of Payments (million USD)	2025	2026
	Jan-Jun	Jan-Jun
Trade Exports	13793.1	18294.5
Gold Exports	8387.4	12499.3
Cocoa Exports	2167.5	2289.4
Oil Exports	1362.1	1713.9
Other Exports	1876.1	1791.9
Total Imports	8029.9	9484.6
Oil Imports	2406.7	3345.2
Non-Oil Imports	5623.2	6139.4
Trade Balance	5763.2	8809.9
percent of GDP (%)	5.0	6.6

Balance of Payments (million USD)	2025	2026
	Jan-Jun	Jan-Jun
Current Account Balance	4146.3	5102.3
percent of GDP (%)	3.6	3.8
Private Transfers (Inwards)	3928.6	3649.0
Financial Account (excl. Reserve Assets)	2053.3	6851.0
percent of GDP (%)	1.8	5.1
Direct Investments Liabilities	906.9	1068.3
Portfolio Investment Liabilities	-255.8	99.4
Gross International Reserve (GIR)	11336.2	12943.8
o/w Heritage & Stabilization Fund	1424.8	1643.7
Import Cover (months)	4.9	5.0
GIR (Program definition)	9056.3	10951.0
Import Cover (months)	3.9	4.2
Net International Reserves (NIR)	9200.4	10862.0
Value of Gold Holdings	2928.8	3652.4
Gold Holdings	33.0	24.4

Source: Author's based on Bank of Ghana (2026)

SECTION IV: THE PHYSICAL AND HUMAN CAPITAL SECTOR

Physical capital/ infrastructure

In the 2026 budget, total expenditure for the 2026 financial year is estimated at GH¢302.5 billion, an increase of 20.1% from the 2025 budget revised estimate. Of this, GH¢57.5 billion, representing 19 percent, is allocated to capital expenditure (CAPEX), an increase of 140.6% (9.5 percentage points higher) from 2025 revised estimates. The H1 2025 CAPEX outturn was GH¢ 6.9 billion, GH¢ 11.2 billion (61.9%) less than the target of GH¢ 18.1 billion. The half-year 2026 CAPEX is GH¢ 21.7 billion, about GH¢ 14.9 billion (40.7) less than the target of GH¢ 36.6 billion, representing only 16.8% against a target of 21.2% of expenditure.

Table 2: Trends in Total Expenditure and Capital Spending (2025-2026)

Year	Total Expenditure (GH¢ Billion)	CAPEX (GH¢ Billion)	% Allocated to CAPEX
2025 budget	269.5 billion	32.9	12.2
2025 revised figures	251.7 billion	23.9 (27.4 % less)	9.5
2025 prov	233.8	20.2 (15% less)	8.6
2026	302.5 billion	57.5 (140.6 % more)	19.0
H1 2025 target	128.0	18.1	14.1
H1 2025 prov	106.6	6.9 (61.9% less)	6.5
H1 2026 (target)	172.5	36.6	21.2
H1 2026 prov	136.9	21.7 (40.7% less)	16.8

Source: MoF (2025 & 2026), Budget Statement and Economic Policy

So far it looks as if the government is banking its hopes on private sector investment. But there is a need to scale up public investment to complement private investment. This is important because certain public goods and services, like roads, railways, airport, should be provided by the government.

24- Hour Economy and Accelerated Export Development Programmes (24 H+)

The government promised a 1:3:3 shift system where one job will be done by three persons in three shifts. A scrutiny of the 24 H+ document shows that the focus is on economic growth and economic transformation rather than a 3-shift system. In fact, out of the 187-page document, a three-shift system appears only once on page 18. The government had indicated that the estimated USD 4 billion in funds would be sourced from the private sector, though the government will provide seed money. 24H+ forecasted an average annual economic growth rate of 6%, and job creation projections of 828,000 by 2026, 1.76 million by 2028, and 5.30 million by 2034. By half-year 2026, the government should have accounted to Ghanaians about the number of jobs created so far and what the challenges are. It is imperative to do this to get the buy-in of the citizenry

The budget also commits GH¢110 million to the 24-Hour Economy to support a productivity-focused shift across key sectors. Current allocations signal continued capital investment, backed by diversified financing through domestic revenue, external support, and public–private partnerships, reinforcing the government's focus on infrastructure as a catalyst for economic transformation.

The minister mentions that implementation of the 24 H+ is gathering momentum to promote round-the-clock economic activity; 268 fuel stations, 11 bulk oil depots, 2 oil refineries, 33 manufacturing companies and 12 public institutions have already adopted multi-shift operations. However, the question is – did you need a government programme to implement this? It was already happening before the 2024 elections.

The mid-year budget indicates that the Authority has mobilised a pipeline of more than US$11.5 billion in prospective investments across 18 catalytic projects, of which US$5.5 billion has already been secured through Joint Development Agreements. These investments include the Kambonwule Oil Palm Project, compressed biogas projects at Damanko and Buipe, and the 1,500-megawatt Buipe Solar and Battery Energy Storage Project. The first 100-megawatt phase of the Buipe project is expected to be commissioned by June 2027, providing reliable and competitively priced electricity to industries within the Volta Economic Corridor. To support these investments, communities within the Volta Economic Corridor have made available over 605,000 hectares of land under the Participatory Land Access Model. Consent has already been secured for approximately 139,000 hectares, with land registration and allocation currently underway.

The Big Push

The government has earmarked GH¢30 billion for the Big Push Programme, which will fund strategic road and bridge construction across the country. Out of this amount, GH¢13.8 billion is allocated in 2026, focused on roads (with the lion's share), energy, housing, and digital infrastructure. The 2026 Budget maintains the trajectory, positioning infrastructure as a key driver of recovery and transformation. An amount of GH¢6.5 billion has been paid in H1 2026.

It prioritizes the commencement of 87 projects, comprising 74 trunk roads and bridges, 10 urban roads, and 3 feeder roads. By the end of June 2026, 13 projects had reached at least 50 percent completion, including six projects that had exceeded 75 percent, while a further 15 projects had progressed beyond 25 percent completion.

Key projects include the Accra–Kumasi Expressway, designed to reduce travel time by 50% and create over 30,000 jobs, and the Adawso–Ekye Amanfrom Bridge, expected to unlock the agricultural potential of the Afram Plains. "The Big Push is not just an infrastructure drive; it is a nation-building vision. Its main objective is to connect people, markets, and opportunities to ensure growth is shared across every region. The government has confirmed that substantial progress in project preparation has been made. For instance, as of 22nd July 2026, about 122 kilometres, representing about 70 percent of the 120-metre-wide Right-of-Way, had been cleared.

The feasibility study and detailed engineering design are expected to be completed by the end of August 2026, with procurement for the main construction contract commencing in September 2026. As of 22nd July 2026, US$1.7 billion had been deposited into the dedicated Accra-Kumasi Expressway Account at the Bank of Ghana. The funds have been ring-fenced and will be used only after the main construction contract is awarded. Government is therefore confident that all the requirements for this transformational project will be in place when His Excellency President John Dramani Mahama cuts the sod for construction to begin.

Urban Intensification initiative

Ghana's 2026 Budget has placed renewed emphasis on capital expenditure, with strategic allocations aimed at revitalising infrastructure and boosting the energy sector to support industrialisation and the government's 24-hour economy initiative. In the energy sector, the government is prioritising affordable and reliable power supply through gas-to-power reforms, renewable expansion, and rural electrification. An allocation of GH¢15.2 billion has been made for energy sector shortfall payments, alongside GH¢4.8 billion for clearing legacy Independent Power Producer (IPP) debts. In addition, an amount of GH¢2 billion has been set aside for the Rural Electricity Acceleration and Urban Intensification Initiative, which aims to expand nationwide access to electricity. The Energy initiatives also include new gas supply agreements with ENI and Jubilee partners, projected to add over 150 million standard cubic feet of gas per day, while transitioning from light crude oil to natural gas to cut power generation costs by up to 75%.

The overall objective of the 2026 Budget is a deliberate shift toward productive and growth-enhancing investments, positioning infrastructure and energy as the backbone of Ghana's economic transformation agenda. It is necessary to expand access to electricity across the country, particularly across the northern regions.

Other Energy initiatives

Reviving Ghana's Upstream Oil and Gas Sector is necessary. Government has introduced investor-friendly reforms that have already secured more than US$3.5 billion in new investment commitments from the Jubilee and OCTP partners. In addition, there have been some amendments to the West Cape Three Points and Deep Water Tano Petroleum Agreements that will support the drilling of at least 10 new wells, increase gas production, reduce the Jubilee gas price by approximately 18 percent, and increase GNPC's participating interest in the two petroleum agreements by 10 percentage points from 2036.

The transition from light crude oil to cleaner and cheaper natural gas is expected to reduce electricity generation costs by at least 75 percent. Land has been acquired, while environmental assessments, engineering design, financial due diligence and project structuring are underway. Construction of a 1,200-Megawatt State-Owned Power Plant.

Following the Power Purchase Agreements negotiations, Government has secured immediate savings of US$250 million and projected lifetime savings of approximately US$7.2 billion. Government has also paid US$497.7 million, representing about 42 percent of the agreed legacy debt owed to Independent Power Producers. Under the Agenda 111 initiative, 89 hospital sites were active by the end of 2024, with key contracts for equipment and gas systems awarded. The government should not abandon these projects, but should continue and complete them.

Human capital development: education, health, and technical skills

The Free Primary Healthcare Policy was launched in April 2026 to ensure that every Ghanaian has access to quality primary healthcare, regardless of income or location. The first phase of implementation is targeting 150 underserved districts across the country, with 24, 000 pieces of equipment distributed. The programme is expected to cover the remaining districts by 2028. It is not to replace the National Health Insurance Scheme (NHIS), but to complement it.

Government is therefore taking bold steps to transform secondary education through a US$300 million World Bank financing. Under this US$300 million initiative, Government will undertake 210 major infrastructure interventions across the country.

Infrastructure financing

The financing framework remains exposed to external shocks, especially fluctuations in commodity prices that could affect oil-related revenues. To safeguard progress, the government needs to maintain fiscal buffers and diversify funding sources. Ensuring prudent expenditure controls and diversifying funding sources are, therefore, crucial to sustaining infrastructure and human capital investments. Resorting to PPP arrangements for selected projects offers a credible avenue for mobilising private capital, provided the terms are favourable and supported by measures that safeguard value for money. Improved macroeconomic stability and a reduced debt burden also create space for measured borrowing, but fiscal discipline remains essential to preserve recent gains and maintain confidence in the financing framework, while the overall macroeconomic environment supports payment stability for ongoing projects.

In the 2026 budget review, CPS indicated the 140.6% (19% of total expenditure) increase in CAPEX between 2025 and 2026 raised serious questions about its feasibility, unless the government is totally committed and /or complemented by private investment. The Big Push programme demonstrates fiscal commitment and institutional readiness. The integration of PPPs and performance monitoring will improve delivery prospects, efficiency, and financial sustainability. Feasibility is reinforced by political support, existing contractual commitments, and active donor participation, though effective coordination and fiscal stability remain crucial for full execution. The government should fulfil its promise to continue the existing projects rather than abandon them. This is because abandoned projects pose serious risks to future finances.

SECTION V: THE ECONOMIC GROWTH AND EMPLOYMENT SECTOR

Introduction

The government's employment agenda is anchored in the proposition that large-scale infrastructure, industrial production, extended operating hours and skills development can address Ghana's persistent labour-market challenges.

The 2026 Budget described itself as a job-oriented budget and announced an ambition to create up to 800,000 jobs. The 2026 Budget presented three major employment channels for this assessment:

- Construction employment under the Big Push Road programme;
- Industrial employment under the 24-Hour Economy, particularly the three garment factories, seven agro-processing plants and multiple-shift operations; and
- Skills-to-employment outcomes under TVET and the National Apprenticeship Programme.

The evidence indicates that implementation has advanced more strongly in project mobilisation, institutional arrangements, programme participation and financial releases than in the publication of verified employment outcomes.

The report thus seeks to:

a. identify the precise employment promises attached to the three priority areas;

b. establish the implementation status of each intervention;

c. measure the number and quality of jobs actually created;

d. distinguish projected employment from verified employment;

e. determine whether training programmes are converting participants into work;

f. identify data gaps, implementation constraints and double-counting risks; and

g. provide a practical monitoring roadmap for the remainder of 2026.

Economic growth

Ghana's growth recovery gained momentum in 2025 and the first half of 2026. This is supported by the latest high-frequency real sector indicators, which point to a sustained pickup in economic activities. Consumer and business confidence also continued to point to improved sentiments on macroeconomic conditions. The latest provisional data from the Ghana Statistical Service showed that overall real GDP expanded at an annual rate of 6.4 percent during the first quarter of 2026. Non-oil GDP grew by 6.3%. The growth outturn was mainly driven by industry and services, with Q1 growth rates of 6.9 and 7.1%, respectively, and the agriculture sector. It must be mentioned that the Q1 2026 growth of 6.4 is below Q1 2020, with COVID-19. The highest Q1 growth was recorded in 2012 with a growth rate of 13.3%. In terms of sub-sectoral contribution, information and communication technology (ICT), which expanded by 26.9%. Industry growth in 2025 slowed principally due to declining oil production. The recovery in Q1 2026 of 6.9% was driven by mining and quarrying (10.7%) and by the return of oil and gas production (7.0%) to positive growth.

Agriculture's growth became less balanced in early 2026. While crops and livestock continued to expand, the reversal in fishing illustrates the sector's vulnerability to production shocks, input constraints, climatic conditions and supply-chain disruptions.

Table 3: Comparison of sectoral growth rates

Sector	2024 growth	2025 growth	Q1 2026 growth	Trend and interpretation
Agriculture	2.7%	6.8%	4.0%	Strong acceleration in 2025, followed by more moderate growth in early 2026
Industry	7.2%	2.3%	6.9%	Sharp slowdown in 2025, followed by a strong Q1 2026 recovery
Services	5.1%	8.1%	7.1%	Became the principal driver of growth and remained strong in early 2026
Overall GDP	6.2%	6.0%	6.4%	Broadly stable annual growth, with acceleration in Q1 2026
Non-oil GDP	6.6%	7.6%	6.3%	Strong in 2025 but moderated in Q1 2026

The sectoral pattern shows that the economy maintained strong overall growth despite substantial changes in the performance of the three main sectors.

The Bank of Ghana's real Composite Index of Economic Activity (CIEA) recorded strong annual growth of 13.4%, driven by international trade, commercial banks' credit to the private sector, industrial production, and consumption of goods and services. The latest confidence surveys conducted in June 2026 continued to indicate improved sentiment toward macroeconomic conditions. The Consumer Confidence Index and Business Confidence Index were 112.7 and 107.7, respectively. These positive developments were driven by the attainment of company targets, a stable currency, and prospects for lower borrowing costs as reasons for their optimism. Results from the confidence surveys were aligned with the observed trend in Ghana's Purchasing

Managers' Index (PMI) of 47.7 points, which also signalled an improvement in business conditions in June 2026. This is lower than the 50 points recorded in May 2026 due to the slight increase in the producer price index and consumer price index.

Having laid the foundation for macroeconomic stability, it is time to scale up investment, both public and private, to propel strong economic growth in order to achieve the transformational and job creation agenda.

Job creation

Often, critics say that certain economic growth is jobless. That is, the relationship between economic growth and employment growth is weak. The employment elasticity of GDP in Ghana is between 0.4 and 0.6. In other words, a 1% increase in the GDP growth rate can raise the employment rate by 0.4-0.6%. There are two main ways to increase employment or reduce unemployment. The first is to grow the economy from sectors that have high-employment potential, such as agriculture, manufacturing, and Services. The second way is to improve education and skill development . In the former scenario, the challenge is that the Services sector requires specialized professional skills, such as law, finance, ICT, etc., for people with lower skills; their employment opportunities lie in Agriculture and Manufacturing, which require low to medium skills. To assess whether or not the growth will create jobs, there is a need to ascertain where the growth is coming from.

According to the Ghana Statistical Service, about 410, 000 people entered the labour force between Q1 and Q3. Out of this figure, 330,000 were employed, giving the total employed figure at 13.42 million, while 80,000 people were added to the unemployed figure, leaving it at 2 million people. On average, only 20% of the workforce are in the formal sector, whereas 80% are found in the informal sector. Of the total 13.42 million employed, government workers are less than 2 million. There is therefore the need to be intentional about sustainable public sector job creation to complement that of the private sector.

According to the Ghana Statistical Service, about 150 factories were operational, and others were in various stages of completion. By December 2024, the industrial policy was called the One-District-One-Factory (1D1F). The new government abandoned this policy without providing an alternative industrial policy and programme. This move jeopardised any hope of providing a sustainable job in the public sector in the manufacturing sub-sector.

The hope was in the 24-hour economy and Accelerated Export Development Programme (24H+). The 24-Hour Economy and Accelerated Export Development Programme (24H+), described by President John Dramani Mahama as a "reset programme," is designed to shift Ghana's economy from dependence on raw material exports to a more diversified, value-added export model through continuous, multi-shift production, aiming to boost productivity, competitiveness, and inclusive growth.

The 24H+ programme encompasses eight integrated sub-programmes, GROW24, MAKE24, BUILD24, SHOW24, CONNECT24, FUND24, ASPIRE24, and GO24, anchored on the three pillars of production transformation, supply chain efficiency, and human capital development. It proposes extensive interventions across agro-processing, manufacturing, logistics, tourism, financing, education, and public mobilisation. Key targets include the creation of over 5 million jobs by 2034 and an annual GDP growth rate of 6%. Contrary to what was promised, ***the 24H+ is not a blueprint for creating three-shift jobs. The promotion of shift work is, if anything, a marginal aspect of the programme.***

The 24H+ document identifies the Volta Basin as a high-potential zone for agro-industrial and trade development. By integrating transportation networks such as rail, road, and inland water transport with agro-processing zones and trade hubs, the 24H+ has the potential to unlock significant economic value from a region that has historically been underutilised. Its spatial impact is considerable, promising to redistribute economic activity away from the southern belt and stimulate growth in the middle and northern belts. Furthermore, the project aligns with broader goals of regional integration and industrialisation, potentially positioning Ghana as a logistical and agricultural powerhouse within West Africa. If implemented effectively, this could catalyze inclusive development, job creation, and sustained economic modernisation. If this programme alone had been established, many jobs would have been created. But still no action. The 24H+ is expected to be funded by the private sector. However, the government of Ghana has allocated GHC 650 billion since 2025, but has nothing to show in terms of economic transformation and job creation.

The Minister for Food and Agriculture had admitted that the government's poultry programme called "Nkoko nketenkete" is under threat since the majority of the farmers embarked on subsistence farming where they produced to consume, instead of producing for the market.

Table 4: Employment Categories

Category	Interpretation
Promised jobs	Political or manifesto commitment
Projected jobs	Estimate based on project value or multiplier
Enrolled beneficiaries	Persons registered for a programme
Trained beneficiaries	Persons who received training
Temporary jobs	Employment tied to a construction or programme period
Verified jobs	Workers confirmed through payroll, contracts or enterprise records
Sustained jobs	Employment continuing for at least 6–12 months
Indirect jobs	Employment in suppliers and linked value chains

Table 5: Employment and Real GDP Growth

Quarter	Real GDP growth, year-on-year (%)	Employment (million persons)
2024 Q3	7.2	12.32
2024 Q4	3.6	12.73
2025 Q1	5.3	13.09
2025 Q2	6.3	13.39*
2025 Q3	5.5	13.42

Source: Ministry of Finance (2026)

Real GDP growth fluctuated considerably between 2024 Q3 and 2025 Q3, while total employment maintained a gradual upward trend. Employment continued to increase even when GDP growth slowed sharply in 2024 Q4. However, the modest increase in employment relative to the pace of output growth suggests that Ghana's recent growth may not have been uniformly employment intensive. A more conclusive assessment would require sector-level GDP and employment data, especially for construction, manufacturing, agriculture and services.

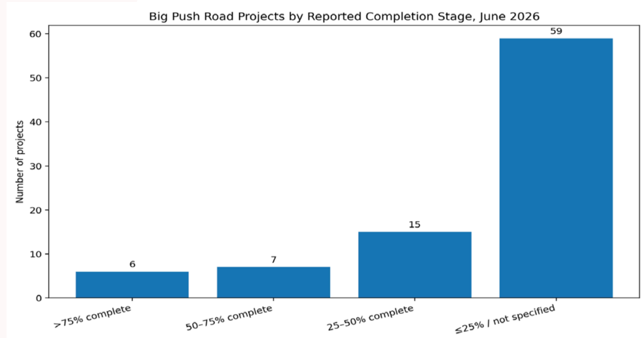
BigPush

The 2026 Budget allocated GH¢30 billion to the Big Push and stated that GH¢63 billion in road contracts would generate approximately 490,000 jobs. The estimate was described as being consistent with employment metrics for road investment, both direct and indirect jobs such as direct construction workers, subcontractor workers, indirect supply-chain employment, and induced employment arising from construction expenditure. The Budget did not provide the underlying multiplier, average project duration, worker-month assumptions or direct-versus-indirect breakdown.

By the end of June 2026:

- work had commenced on 87 projects;
- 74 were trunk-road and bridge projects;
- 10 were urban-road projects;
- three were feeder-road projects;
- 13 projects had reached at least 50% completion;
- six of the 13 had exceeded 75% completion; and
- a further 15 projects had progressed beyond 25%.

Figure 14: Big Push Completion Target



Source: Based on Mid-Year Budget (2026)

In terms of financing, the Mid-Year Review reports that GH¢6.5 billion had been paid to the Big Push programme by mid-year. Against the GH¢30 billion allocation, this represents approximately 21.7%. A payment rate of 21.7% by mid-year is not necessarily evidence of poor implementation because payment may follow completed and certified work. However, it raises the need to compare:

- work completed;
- certificates issued;
- payments made;
- unpaid certificates; and
- project arrears.

The Budget estimated that the Accra–Kumasi Expressway could create more than 30,000 direct and indirect jobs during construction. By 22 July 2026, 122 kilometres of the right-of-way had reportedly been cleared. However, the feasibility study and detailed engineering design were still expected to be completed by the end of August 2026. Procurement for the main construction contract was expected to begin in September. The US$1.7 billion deposited in the dedicated account was to be used only after the main contract was awarded. The 30,000-job estimate should therefore remain classified as a future construction-employment potential. Any workers involved in right-of-way clearance should be reported separately from workers employed under the main construction contract.

Agriculture enclave

The Mid-Year Review reports a US$523 million programme to rehabilitate 1,050 kilometres of feeder roads across four agricultural corridors. The programme is expected to create approximately 25,000 direct and indirect jobs, including at least 7,500 jobs for women. Given that these are projected jobs, the verification will require contractor payrolls, workers by project and month, women employed, subcontractor staff, project duration, and wage payments.

The Big Push has made material progress in contract mobilisation and physical implementation. Work has commenced on 87 projects, and 28 have progressed beyond 25% completion. However, the Budget's estimate of 490,000 jobs remains unverified because the Mid-Year Review does not disclose payroll employment, worker-months or project-level employment records. The programme should therefore be described as generating substantial construction activity rather than as having conclusively created 490,000 jobs.

24 Hour Economy and Accelerated Export Development Programme

The 24-Hour Economy Authority Act, 2026 came into force on 19 February 2026, establishing the institutional framework for implementing the programme.

Table 6: Shift adoption numbers

Entity type	Number
Fuel stations	268
Bulk oil depots	11
Oil refineries	2
Manufacturing companies	33
Public institutions	12
Total	**326**

Source: Mid-Year Budget (2026)

The largest numerical adoption is among fuel stations, accounting for about 82% of participating entities. A business can expand operating hours through overtime by existing workers, rotating existing staff, casual or temporary workers, outsourcing, or recruitment of additional employees. The Mid-Year Review does not provide baseline or post-shift employment for the 326 participating entities. It therefore establishes programme adoption, but not the number of jobs created. Budget committed to supporting three garment factories in Bono East, Central Region, and Eastern Region. They were intended to operate three shifts and generate approximately 27,000 direct jobs. The Mid-Year Review states that the government had engaged a transaction adviser to support the establishment of the three factories. The adviser is expected to assist in securing strategic investors. However, the mid-year review does not report on construction commencement, factory completion, machinery installation, commissioning, workers recruited, workers trained, shift operations, production, payroll, or export orders.

Table 7: Employment status

Indicator	Budget expectation	Mid-year result
Factories	3	Transaction adviser engaged
Shift system	Three shifts per factory	Not operationally reported
Direct jobs	About 27,000	No verified jobs reported
Factory commissioning	Expected implementation	Not reported
Production	Expected	Not reported

Source: Author's computation

The job-realisation rate cannot be meaningfully calculated. Treating the absence of disclosed jobs as zero would be too strong because employment may exist but remain unpublished. It can therefore be concluded that verified employment may be unreported. The garment initiative remains at a transaction-preparation and investor-mobilisation stage. The estimated 27,000 direct jobs should therefore remain classified as prospective. There is no evidence in the Mid-Year Review that any of the three factories had reached commissioning or active payroll employment by June 2026.

The Budget committed to fully operationalising seven agro-processing plants in the Northern Region, Central Region, Ahafo Region, Bono Region, North East Region, Bono East Region, and Western North Region. The plants were expected to process yam, fish, poultry, cashew, rice, shea butter, and palm-kernel oil. The Budget estimated approximately 700 direct jobs, together with wider opportunities for out-growers and suppliers. The Mid-Year Review does not provide a specific consolidated update on implementation status, employment generation, etc. This omission is analytically important. It means the 700-job promise cannot be compared with an actual mid-year job figure. The Mid-Year Review does not provide plant-level implementation or employment figures. The commitment should therefore be classified as unverified pending factory-level operational and payroll data.

TVET and National Apprenticeship Programmes

The 2026 Budget allocated GH¢170 million to the National Apprenticeship Programme. It also reported that 10,739 master craft persons, apprentices and workers had received training vouchers under the Ghana TVET Voucher Project, with an additional 10,000 beneficiaries. The National Apprenticeship Programme and the TVET Voucher Project must be tracked separately because they are not necessarily the same intervention.

By June 2026, 4,350 young people had been enrolled in the National Apprenticeship Programme. Training covered apparel production, agriculture, agro-processing, hospitality, tourism, fashion and cosmetology; and GH¢45 million had been paid to the programme. The 2026 State of the Nation Address indicated an ambition to expand the programme to 100,000 participants in 2026. Against that target, 4,350 mid-year enrolments had been made so far. This should be treated cautiously because the100,000 figure is an annual programme ambition; enrolment may accelerate in the second half of the year, and programme quality could deteriorate if expansion is too rapid.

A further 5,524 young people in 11 regions received employable-skills training under the District Skills and Entrepreneurship Roadshow. These participants should not be added to the National Apprenticeship Programme enrolment unless official records confirm that they are part of the same programme. The combined number reached by the two initiatives is 9,874, but this is a programme-reach figure, not an apprenticeship completion or employment figure. The Mid-Year Review does not report the 2026 progress of the Ghana TVET Voucher target of 10,000 additional beneficiaries. It also does not provide enrolment by formal TVET institution, programme completion, competency-test pass rates, certification, industrial placement, wage employment, self-employment, earnings, employer satisfaction, or enterprise survival.

The National Apprenticeship Programme has moved into implementation, with 4,350 participants enrolled and GH¢45 million paid by mid-year. However, enrolment represents programme participation rather than labour-market success. Neither the Budget nor the Mid-Year Review provides completion, certification, placement, earnings or enterprise-survival data. The programme should therefore be assessed as making limited-to-moderate progress in enrolment, with employment outcomes yet to be established.

Table 8: Consolidated Assessment

Programme	Employment promise	Mid-year implementation	Verified jobs disclosed	Assessment
Big Push roads	490,000 projected	87 projects commenced; 28 above 25% completion	Not reported	Strong implementation, weak job verification
Accra–Kumasi Expressway	30,000 projected	Right-of-way clearing and design stage	Not reported	Construction jobs largely prospective
Agricultural enclave roads	25,000 projected	Implementation commenced	Not reported	Job target prospective
Three garment factories	27,000 direct	Transaction adviser engaged	Not reported	Preparatory stage
Seven agro-processing plants	700 direct	No consolidated update	Not reported	Insufficient evidence
Multiple-shift system	No specific mid-year job target	326 entities reported participating	Not reported	Adoption verified; job gain unverified
National Apprenticeship	100,000 annual ambition	4,350 enrolled	Not reported	Enrolment progress only
TVET Voucher	10,000 planned for 2026	No mid-year result reported	Not reported	Cannot assess

Key issues

Implementation is ahead of employment reporting: Government reports contracts; physical project progress; entities adopting shifts; transaction advisers; programme enrolment; and payments. However, it rarely reports workers on payroll; employment duration; wage payments; jobs by sex and age; social-security contributions; business survival; and employment after training.

Big Push has the strongest tangible implementation evidence: Among the three areas, the Big Push has the clearest physical evidence:87 active projects; measurable completion stages; named corridors; and GH¢6.5 billion paid. Yet it still lacks a national workforce total.

Industrial job promises remain largely prospective: The garment factories remain at advisory and investor-mobilisation stage. The agro-processing plants lack plant-level mid-year reporting. Their combined projected 27,700 direct jobs are therefore not yet validated.

Multi-shift participation is concentrated in petroleum retail: Of the 326 entities reported as operating multiple shifts, 268 are fuel stations. Manufacturing companies account for only 33. This indicates that the early expansion of the programme is more visible in retail fuel distribution than in large-scale industrial production.

Skills programmes are measuring reach rather than outcomes: The apprenticeship programme reports enrolment, while the District Roadshow reports persons trained. Neither establishes programme completion, competency, job placement, self-employment, earnings, or job retention.

In conclusion, as at June 2026, the flagship programmes showed credible employment potential but limited verified job delivery. The strongest short-term prospects lie in road construction, apprenticeships and enterprise support, while garment factories, agro-processing, oil palm and the wider 24-Hour Economy are more dependent on investment completion and operational rollout. The main task for the second half of the year is therefore to move from allocations, enrolments and project commencement to measurable employment outcomes. Government should publish a consolidated employment dashboard to determine whether the flagship programmes are on track to achieve their stated employment ambitions.

SECTION VI: PROSPECTS AND RISKS

There is macroeconomic stability and fiscal discipline. The Finance Ministry's stance on commitment Authorisation before MDAs can procure and the attempt to minimise State-Owned Enterprises (SOEs) are laudable. This sets the tone for efficient allocation of resources, sustainable economic growth, economic transformation, and sustainable job creation. The central bank has accumulated reserves both in dollars and in gold to shore up the value of the currency. The Government of Ghana launched the Ghana Accelerated National Reserve Accumulation Program (GANRAP). In this programme, the Government of Ghana, through GoldBod, has agreed with the large-scale gold production firms to purchase 30% of all gold output, as well as almost all output by small-scale miners. The risk is overreliance on commodity prices, which are volatile and uncontrollable. The geopolitical tension, specifically the war between the USA, Israel, and Iran, poses a serious risk to supply chains, import bills, and the cost of energy and food. Overlying the weather and insufficient irrigation is likely to dampen agricultural production. The lack of an industrial policy raises questions about the government's growth and job creation agenda as stated in the main budget. This is why the 24-hour economy and accelerated export development are important.

SECTION VII: CONCLUSION AND RECOMMENDATIONS

Conclusion

The 2026 budget promises to loosen fiscal and monetary policies after three years of tightening fiscal and monetary policies. It seeks to pursue growth, infrastructure development, and job creation. The success of the budget depends on aggressive revenue mobilization with some complementary domestic borrowing. These fiscal and monetary measures must be implemented with prudence and efficiency to ensure proper economic transformation, which will increase incomes and change lives. The budget projects to rely on private investment and augment public investment. It also relies heavily on the private sector for the creation of sustainable jobs. Human capital development is at the centre of these economic transformation agendas.

Recommendations

- Pursue a revenue-led fiscal consolidation through aggressive domestic revenue mobilisation in the areas of TIN as a requirement for accessing public goods and services, VAT reforms, taxing e-commerce, direct income tax from the informal sector, property tax, and natural resource ownership.

- To enhance revenue generation, the government should redouble its efforts to implement the compliance measures included in its VAT reforms, and to implement the Modified Taxation Scheme as well as the AI solution for customs revenue mobilisation.

- The Ministry of Finance should improve budget execution. In particular, it should close the gaps in programme-critical expenditures to improve public investment and agencies' service delivery and performance.

- To improve fiscal transparency and accountability, the Ministry of Finance should begin publishing information on budget execution across Ministries, Departments and Agencies (MDAs), including at programme level, over the course of the fiscal year. For example, each budget statement and mid-year budget review should include information comparing MDAs' approved budgets with actual execution up to the relevant period in the fiscal year. This would allow a more critical assessment and scrutiny of the expenditure management decisions of the Ministry of Finance.

- To address the persistent shortfalls in foreign project loans, the government should strengthen engagement with development partners to improve loan processing and disbursement. At the same time, MDAs should enhance the efficiency of their project preparation processes to reduce delays that may be attributable to this factor.

- The fight against inflation should be a shared responsibility between the monetary, fiscal, and real sector authorities. The fiscal and monetary policies should be well coordinated. Supply bottlenecks such as storage, irrigation, transport, and market logistics should be addressed. Use regional dashboards to move support quickly to inflation hot spots and report progress.

- In addition to macroeconomic stability, increase public investment to complement private investment for economic growth, transformation and job creation.

- Several jobs have been promised in the 2026 budget. However, most of them may be temporary, raising the issue of sustainability. Efforts must be made to create more sustainable jobs for better livelihoods.

- Government should prioritise rapid execution of labour-intensive investments, strengthen private-sector participation, institutionalise results-based employment monitoring, and ensure that every flagship programme is evaluated against clearly defined job creation, job quality and job retention indicators rather than solely against financial disbursements or implementation milestones.

- Internalise the framework of Policy Coordination Instruments (PCI) to sustain fiscal consolidation and macroeconomic stability even after the IMF has exited.

- Address data inconsistencies in the budget.

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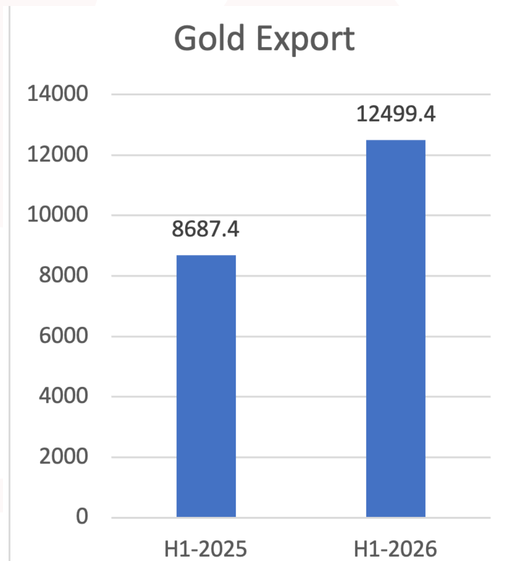
APPENDICES

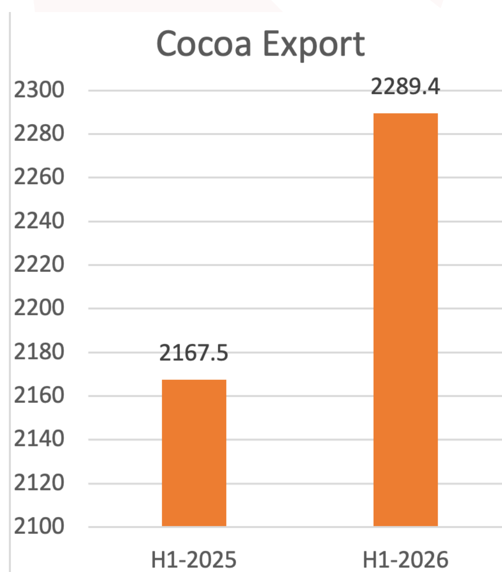
Appendix 1A: Value of Exports

Commodity (million USD)	2025	2026
	Jan-Jun	Jan-Jun
Gold	8687.4	12499.4
Cocoa	2167.5	2289.4
Crude Oil	1362.1	1713.9
Other Exports	1876.1	1791.9

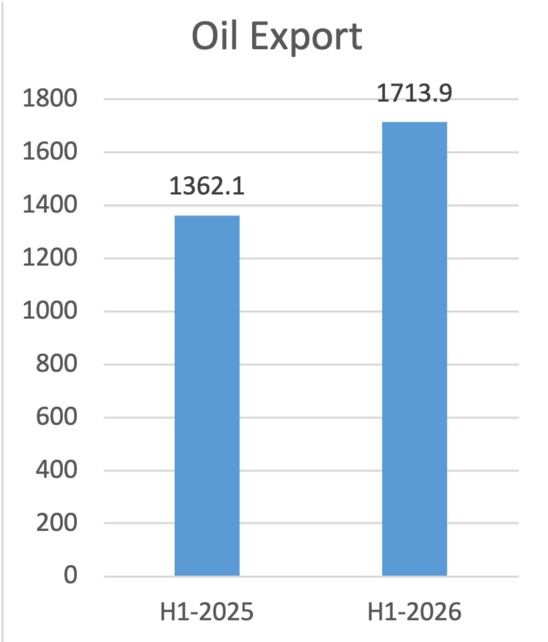
Appendix 1B: Gold Exports



Appendix 1C: Cocoa Exports

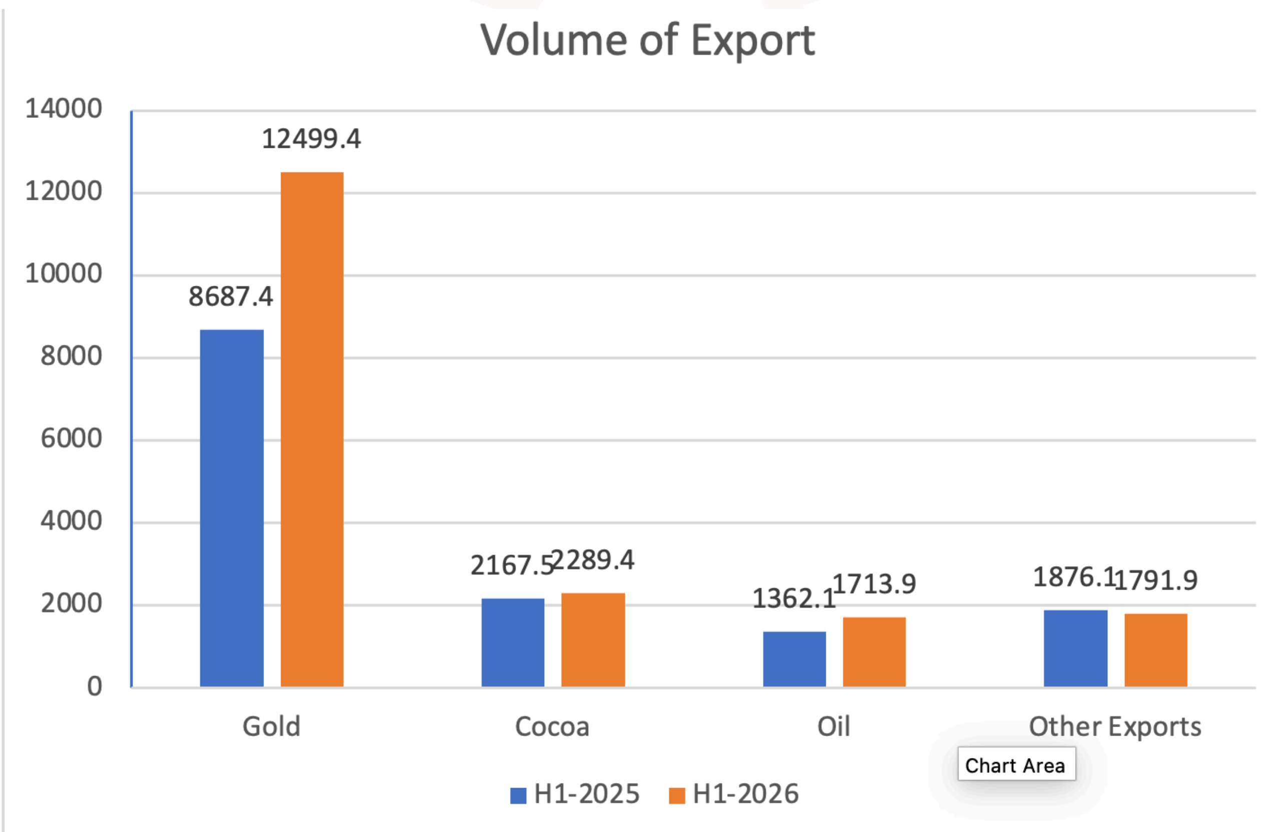


Appendix 1D: Oil Exports

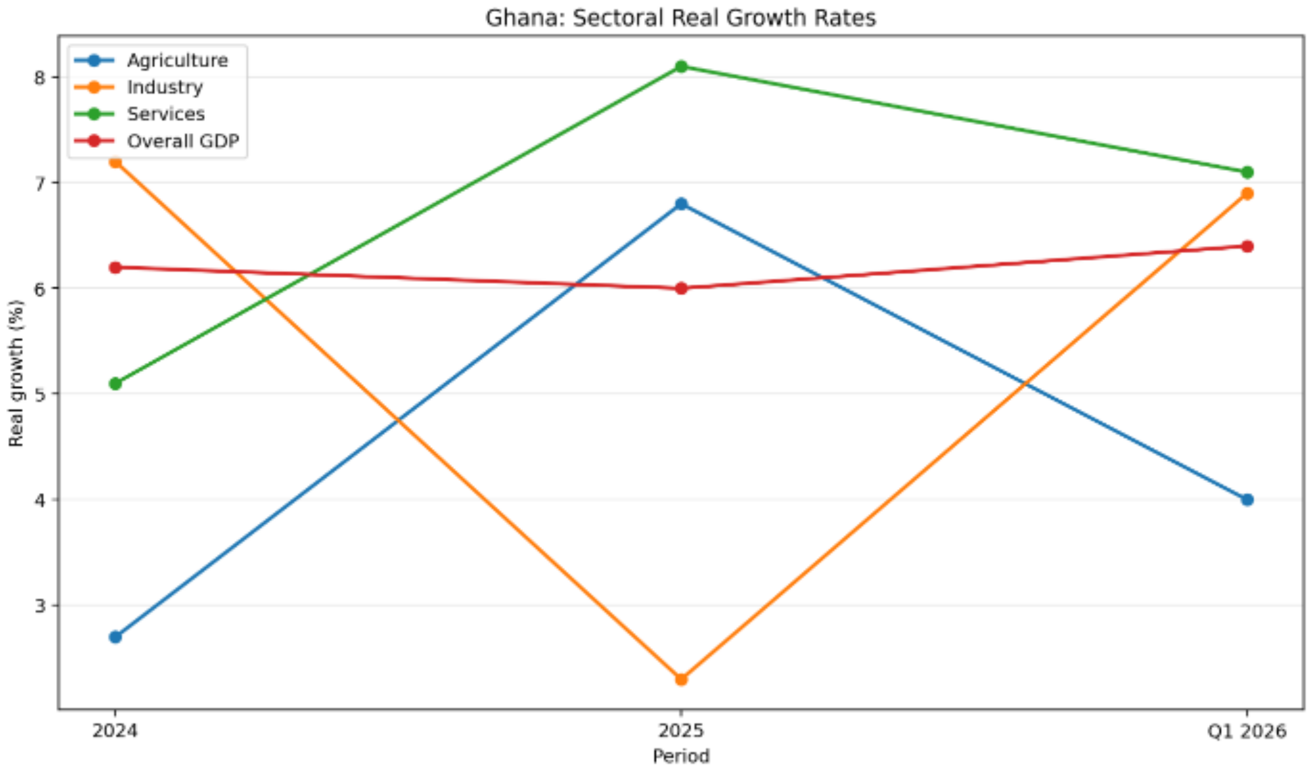


Appendix 1E: Other Exports

Appendix 1F: Combined Graph on Export of All Commodities



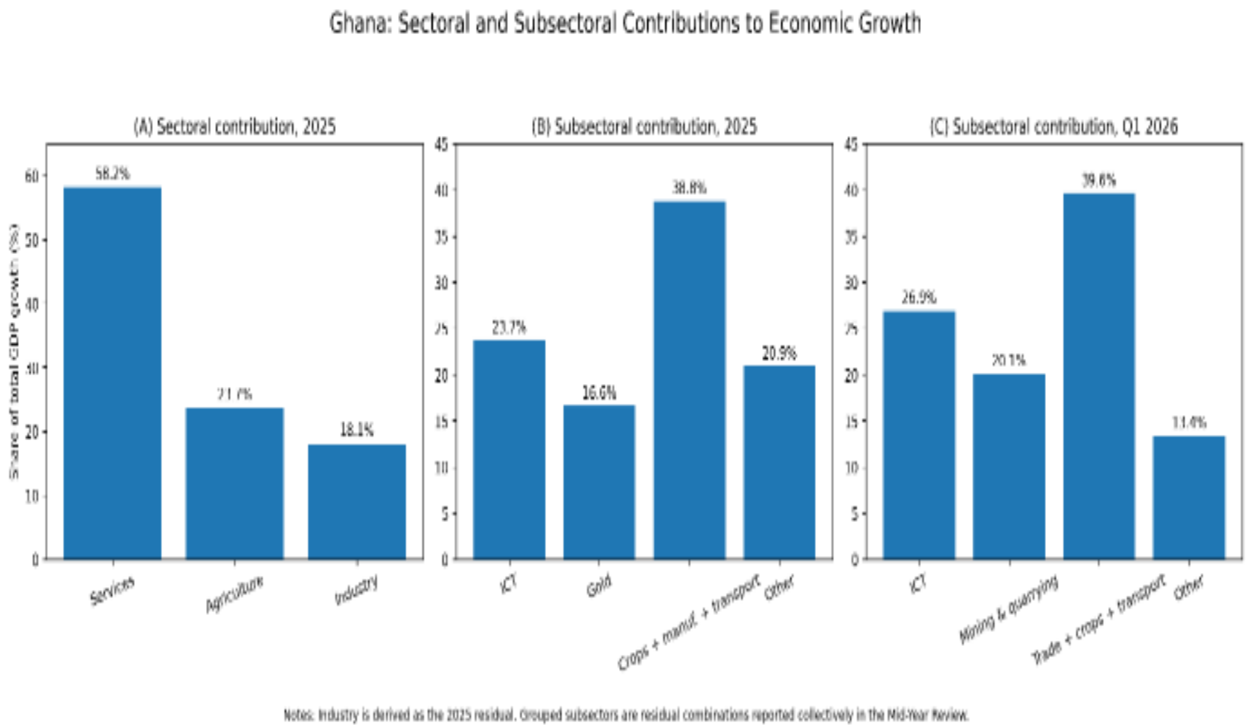
Appendix 2A: Sectoral Real Growth Rates



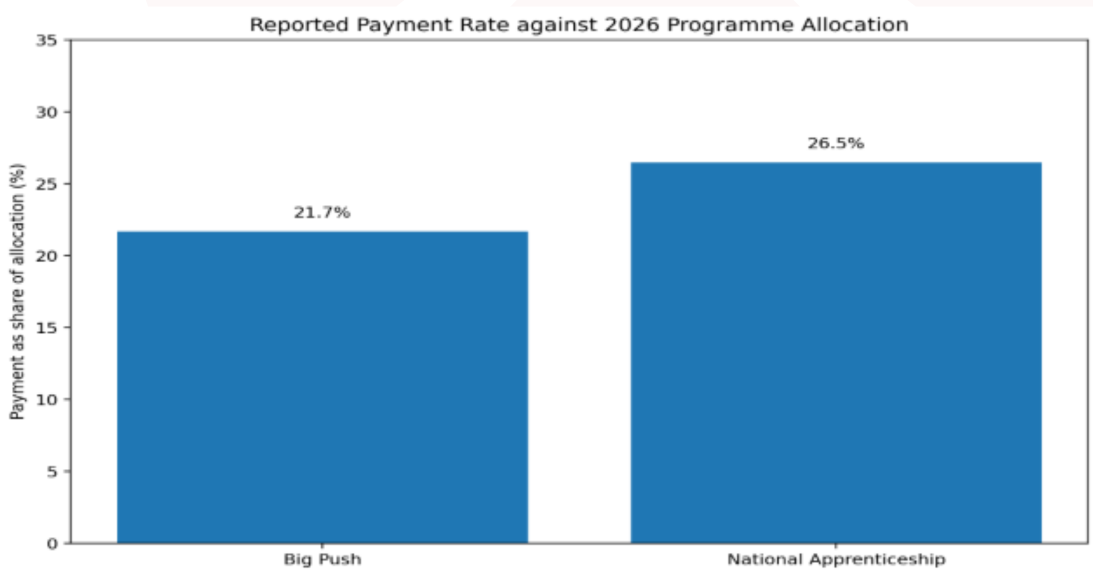
Appendix 2B: Sectoral growth rates

Services indicator	2025	Q1 2026
Sector growth	8.1%	7.1%
Contribution to overall GDP growth	58.2%	48.3%
Principal driver	Information and communication	Information and communication
Other Exports	1876.1	1791.9

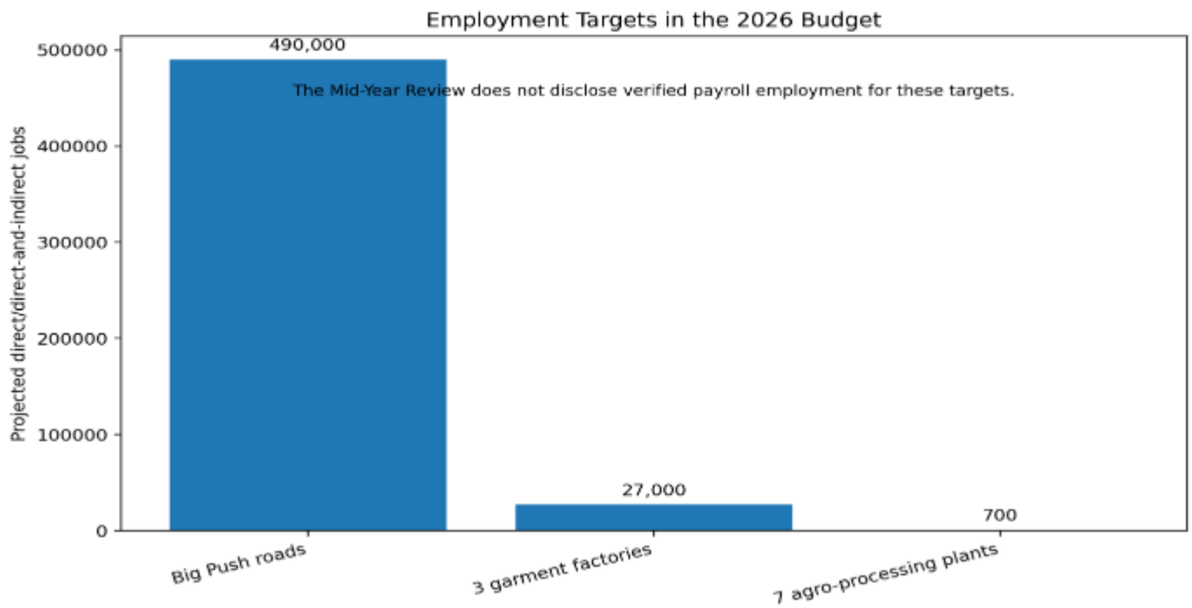
Appendix 2C: Sectoral contribution to GDP



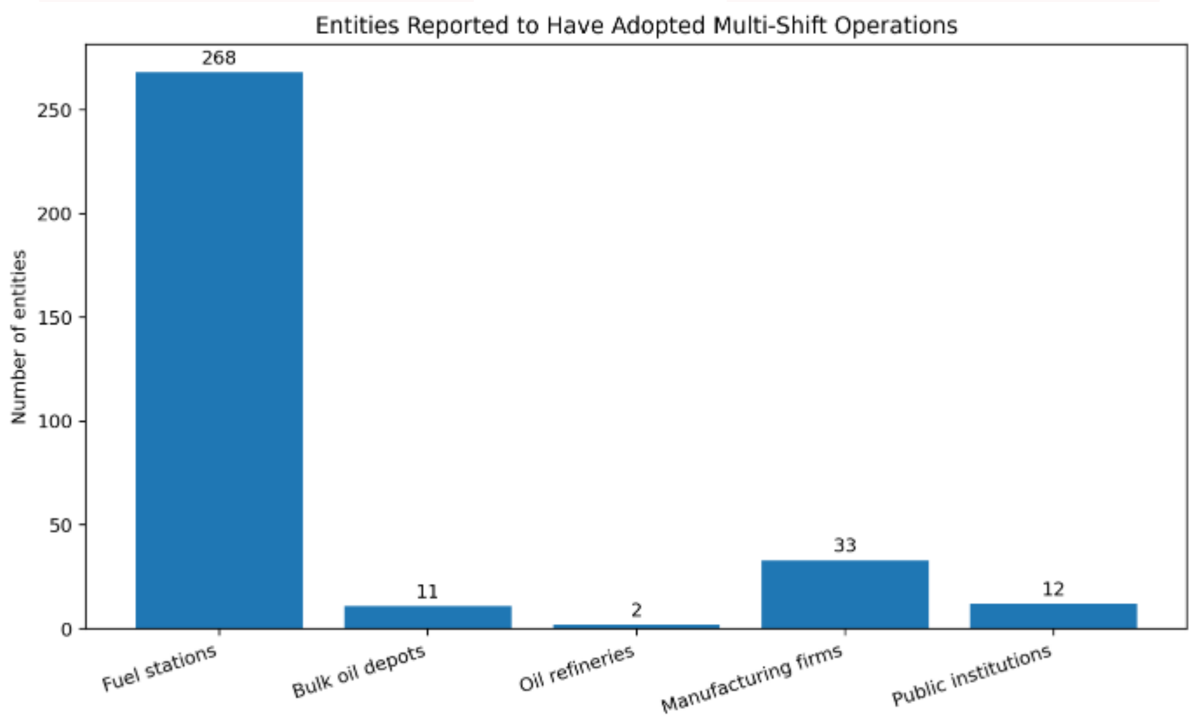
Appendix 3A: Programme Payment Rate



Appendix 3B: Employment Target and Verification Gap



Appendix 3C: Multi-Shift Adoption



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