2026 Mid-Year Budget Review Digest

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Commentary

Our Point of View: Strong numbers, but H2 will test if the gains are durable

During his presentation of the 2026 Mid-Year Fiscal Policy Review[1], to Parliament on Thursday, 23 July 2026, the Minister for Finance, Hon. Dr Cassiel Ato Forson noted euphemistically that “Ghana has moved from the Intensive Care Unit (ICU) to the Wellness Centre”. The Minister asserted that the economy of Ghana has recovered—a recovery “built on good policy choices, competent economic management, disciplined execution, and courageous leadership”. He then proceeded to set out data as evidence of the recovery.

We agree with the Hon. Minister on his claim of stabilisation. We also agree that the recovery that the economy has experienced is real. But, just as acknowledged by the Minister, transformation, which is structural, is yet to be proven. We stand the risk of a slide-back, if the odds presented in the external sector are stacked very high against us. It is on this count that we would hesitate to say Ghana is in the “Wellness Centre”.

For business leaders, no doubt, now is a better environment for selective expansion, balance-sheet repair and medium-term investment. However, it is not yet an environment for abandoning caution. The right strategy for businesses is disciplined optimism: invest where lower interest rates, stronger confidence and policy support create genuine advantage, but protect margins, hedge currency risk, and plan for a second half (H2) that might have more challenges than the headline narrative suggests.

1 This review is a requirement under the Public Financial Management Act, 2016 (Act 921). Section 28 legally mandates the Minister for Finance to prepare and submit a mid-year fiscal policy review to Parliament by 31 July of each financial year.


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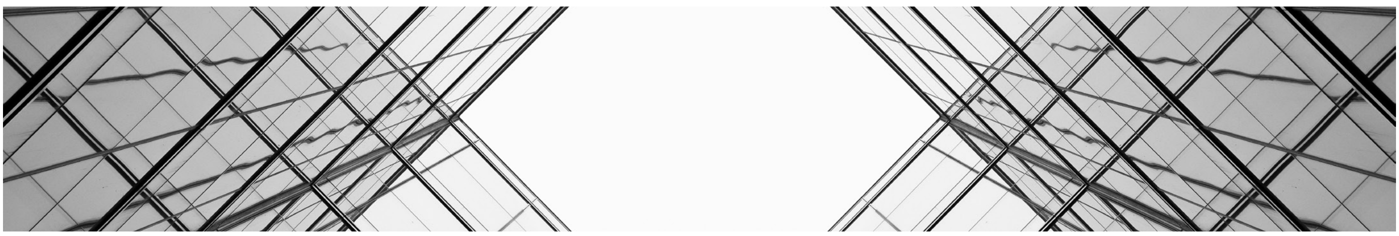
Executive summary

Ghana's 2026 Mid-Year Fiscal Policy Review (or the Mid-Year Budget Review) presents a confident message: growth is stronger than expected, inflation has fallen sharply, fiscal balances have outperformed budget targets, reserves are comfortable and debt metrics have improved materially. The Minister for Finance is right to argue that macroeconomic conditions in the first half (H1) of 2026 were significantly better than a year earlier. But the more important question for everybody, including business leaders, is whether the improvement is structural, durable and investable.

Our assessment is that the first-half performance was genuinely strong, but not all of it should be read as a permanent shift in Ghana's underlying macroeconomic risk profile. Some of the improvement reflects disciplined fiscal control and debt restructuring progress. Some are the result of favourable base effects, delayed expenditure execution, lower domestic interest rates, stronger reserves, and relatively favourable first-half financial conditions. Still, some may prove harder to sustain as capital spending is reallocated, external risks worsen, and inflation begins to rise from unusually low levels.

The Minister's year-end targets remain plausible, but not all carry the same degree of credibility. Overall real GDP growth around 4.8% looks achievable, looking at reported performance over the past two quarters. The primary surplus target of 1.5% of GDP on a commitment basis also looks within reach, provided spending discipline holds.

However, the inflation narrative deserves some caution. End-June inflation of 5.3% is undeniably strong, as it rose 160 basis points in just one month. Plus, the fact remains that inflation has risen consistently since March 2026, signifying an enduring break from the trend reported since early 2024. In our view, the inflationary shocks triggered by the Middle East conflict are partly responsible for this reversal in the disinflationary path. We think inflation will push against the 10% upper limit—if not breach it slightly—by the end of the year, if Government accelerates infrastructure and education spend in the manner suggested by the Minister. Also, we expect other factors, such as elevated import demand and shipping costs to exert upward pressure on inflation. Our position is that the disinflation story is real, but probably closer to a turning point than the Minister implies.



For business leaders and investors, our message is straightforward: Ghana's macro picture is much improved, but this is not yet a no-risk operating environment. Businesses should prepare for a second half (H2), which is defined by mild reflation, selective expenditure acceleration, a still-fragile external environment, and potentially less room for further monetary easing than markets had hoped.

How we see the big picture

In his address to Parliament, the Minister reaffirmed the 2026 macro targets:

- At least 4.9% real GDP growth
- 4.8% non-oil GDP growth
- End-year inflation of 8±2%
- A primary surplus of 1.5% of GDP
- Gross international reserves (GIR) of at least three months of imports

He argues that Ghana has "exceeded" first-half targets, citing first quarter (Q1) real GDP growth of 6.4%, non-oil growth of 6.3%, year-on-year (YoY) period end inflation of 5.3% in June, a commitment-based primary surplus of 0.9% of GDP, and a GIR equivalent to five months of imports.

That broad diagnosis or narrative is supported by the official data presented by the Minister. For instance, fiscal balances outperformed budget benchmarks materially in H1 underscoring the fiscal consolidation or strict fiscal discipline this administration is becoming known for. For example:

- The overall balance (commitment) was a deficit of 0.4% of GDP against a 2.0% target
- The overall balance (cash) was a deficit of 0.8% against a 2.9% target
- The ratio of Debt-to-GDP was reported at 45.0% in June 2026, versus 61.6% at end-2024 and 44.7% at end-2025
- Interest rates have fallen sharply, with the 91-day treasury bill declining to 5.73% by June 2026 from 11.2% in January 2026.

Still, in our view, Government's narrative is more persuasive on stabilisation than on transformation. Ghana has clearly moved away from crisis conditions. But stronger macro stability is not the same as a fully repaired growth model. We caution that structural weaknesses remain embedded in the economy, stemming from growth-critical sectors, such as energy (specifically, power), infrastructure, agriculture, manufacturing, and the banking system. Transformation is only possible if, as a country, we agree on lasting—and almost certainly painful—solutions that, realistically, would be implemented over a period that straddles more than a single term of political or government administration.

What we believe the Minister for Finance has got right

1

The fiscal consolidation is real. The commitment primary balance of 0.9% of GDP in H1 2026 and the cash primary surplus of 0.6% of GDP are stronger than budgeted. Expenditure came in well below target, including interest savings of GHS6.9bn relative to budget, of which GHS4.2bn was domestic interest savings. That is a tangible improvement in Government's financing burden.

2

Debt dynamics have improved meaningfully. The fall in debt ratios is owed partly to restructuring, exchange-rate effects and nominal GDP growth, but it still matters. The debt stock is no longer moving along, what was arguably, an explosive path. Additionally, the Minister notes remarkable progress having been made in external debt restructuring, including completion of the Saderea Notes exchange and multiple bilateral and commercial agreements. We agree that this reduces tail risk for investors.

3

Financial conditions have eased materially. From 27% in January 2025, the Bank of Ghana (BoG) progressively eased up on its monetary policy stance, gradually lowering its monetary policy rate (MPR) to 14% in March 2026, where it has maintained it since. In its wake, average commercial lending rates have, reportedly, declined to 15.6% by end-June 2026 from 30.2% at end-2024, also dragged by a sharp 560 basis-point fall in the Ghana Reference Rate (GRR), from 15.7% in January 2026 to 10.1% in June. Even allowing for rates imperfect pass-through, these developments are an important improvement for businesses with working capital needs.

4

Reserves are stronger. The Minister's assertion of five months of import cover at June 2026 is comfortably above the minimum target of three months. This suggests that Government has more room to absorb moderate external shocks.

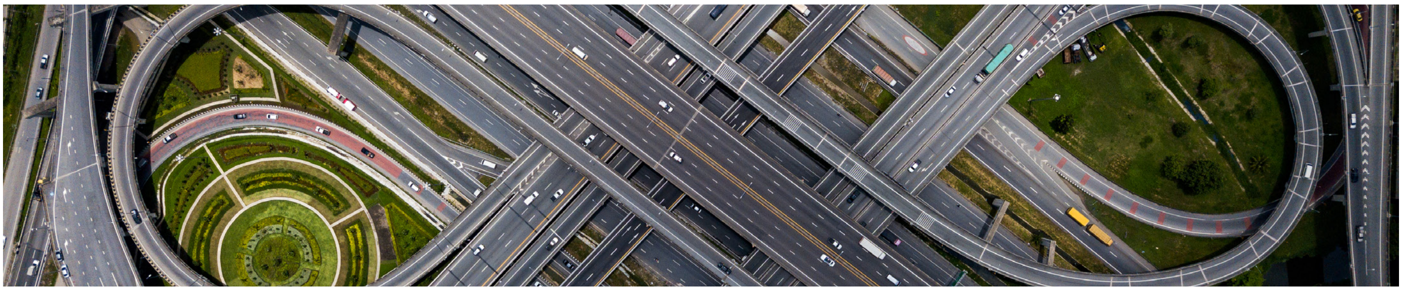
Where, in our view, the evidence suggests greater caution

Our strongest caution is on inflation. The Minister seems to evaluate the June 2026 inflation outcome of 5.3% as evidence that the year-end target of 6-10% is effectively secure. But our interpretation of the current data, including recent inflationary trends and resurging tensions in the Middle East, suggests more restraint.

Our view is inflation would most likely maintain its upward trajectory in H2 and end the year pushing against the 10% upper limit of the targeted band. The basis for our view is consistent with reasons cited by BoG's Monetary Policy Committee (MPC) when it decided at its 131st regular meeting, held 20-22 July 2026 to maintain the MPR at 14%. These reasons include the fact that external risks, especially, those associated with the Middle East conflict have resurged, prompting a halting of global disinflation and leading central banks around the world to hit the pause button on monetary easing. Domestically, in addition to actual inflation climbing, buoyed by increased petroleum product prices, BoG also acknowledges that its surveys show that inflationary expectations among consumers, businesses, and the banking sector have risen. Succinctly put, disinflation has been impressive; but inflation is not structurally transformed.

Next, we are cautious about the quality of fiscal outperformance. H1 expenditure undershot targets sharply, including capital expenditure, grants to other government units, and arrears clearance. While that supports the Minister's references to positive balances/results, it also raises the question of whether part of the fiscal strength reflects opportune timing rather than permanent efficiency. And it could also belie the strength of the revenue mobilisation machine, despite the various reforms announced at the start of the fiscal year.

Additionally, the Minister's announcements of strategic expenditure realignment, including the GHS5bn reallocation to the Ghana Accelerated National Reserve Accumulation Programme (GANRAP) and the GHS3bn reduction in foreign-financed capital expenditure suggest to us that H2 execution could look different from H1. For instance, we expect some of the savings reported in H1, which is due to delayed discretionary spend, to reduce. This is because, we envisage that Government will yield to pressure to show results for its much-vaunted flagship initiatives, including the big-budget Big Push Infrastructure Programme (BPIP).



Third, the debt ratio improvement should be interpreted carefully, as liquidity risks remain. The debt-to-GDP metric is better, but the nominal debt stock in Ghana cedi terms rose from GHS641.1bn at end-2025 to GHS719.5bn in H1 2026. This was driven in part by domestic debt rising to GHS391.1bn. Once again, while we seem to have gotten some headroom—evidenced by the joint IMF-World Bank DSA assessment of "Sustainable with room to absorb shocks"—we would caution that the country's debt vulnerabilities have not wholly disappeared. Importantly, GHS58bn of restructured domestic bonds mature in 2027 and GHS53bn in 2028. The Sinking Fund had accumulated GHS15.6bn by 22 July against a GHS30bn year-end ambition. The accumulation strategy is prudent, but the maturity concentration creates substantial rollover and liquidity risk.

Fourth, revenue performance has missed targets. Non-oil tax revenue at 6.4% of GDP and domestic revenue at 7.7% were slightly below target in H1. While the Minister is therefore right to say revenue is broadly on track, we would suggest caution on revenue overperformance by the end of the year. This is despite our recognition that H2 revenue performance typically outshines H1. We point out that a protracted period of tensions or conflicts in the Middle East, which seems more probable than unlikely now, could adversely impact revenue performance through subdued imports. We also urge that, to compensate for some of these likely shortages, Government must push through with difficult reforms in revenue administration to staunch the revenue haemorrhage at some of the key revenue collection nodes. For instance, despite the resistance by some stakeholders of the Publican AI Trade Solution at the ports, the Minister submitted that its deployment resulted in increased assessed customs collections by over USD302m. This represents 17.5% increase over the values originally declared by importers.

Finally, Q1 growth does not guarantee the annual target. The Minister states that H1 growth has exceeded the annual target, although only Q1 GDP data are available. A quarterly growth rate cannot be directly compared with a full-year projection without considering base effects, seasonality and likely performance in subsequent quarters. The 4.8% full-year target appears conservative given the strong starting point, but downside risks are increasing—oil and freight costs are rising, cocoa prices have weakened, and accelerated public investment could increase imports before productive capacity expands.

What is our assessment of Government's macroeconomic scorecard?

Economic growth

Supportive. Ahead-of-target Q1 real GDP growth of 6.4% and non-oil growth of 6.3% are strong first-half signals. The full-year target looks realistic; indeed, it appears overly conservative.

Inflation

Improved, but vulnerable. The official 8±2% target remains achievable, yet the direction of travel into H2 is likely to remain upward.

Exchange rate

Improved and more stable than in prior years, helped by reserves and confidence. But businesses should not extrapolate first-half stability indefinitely.

Fiscal deficit/ primary balance

Stronger than expected, though partly supported by expenditure compression/ fiscal restraint.

Debt sustainability

Better, but still dependent on discipline, successful restructuring completion and reserve protection.

External position

Stronger than in crisis years, but still commodity- and confidence-dependent.

What is our assessment of Government's fiscal policy?

The fiscal story is broadly credible. The original 2026 Budget Statement and Economic Policy targeted total revenue and grants of 16.8% of GDP and expenditure of 18.9% of GDP. The mid-year review keeps these topline totals unchanged while reallocating spending internally.

That is a sensible signal to markets: no supplementary budget, no overt loosening. However, the quality of consolidation matters. A durable fiscal adjustment requires stronger domestic revenue mobilisation, better governance of State-Owned Enterprises (SOEs) or Specified Entities, and containment of energy sector liabilities. The 2026 Budget itself acknowledges SOE inefficiencies, weak Cash Waterfall Mechanism (CWM) compliance and energy sector shortfalls. It outlined plans for private sector participation (PSP) at the Electricity Company of Ghana Limited (ECG) and IPP renegotiations, but while these announced reforms are directionally positive, they remain unfinished as at half-year.

Our independent judgment is that fiscal sustainability is improving, but it is not conclusively repaired. The improvement is partly structural, partly cyclical, and partly accounting-enhanced through debt restructuring and lower interest costs.

What is our suggestion to the business community? Expect fewer distortionary macro shocks than in 2022–24, but continue to stress-test for payment delays, tax enforcement intensity, and uneven public capital execution. Businesses should therefore assume a more disciplined state, but not a fiscally unconstrained one.

What is our assessment of the monetary and financial conditions?

The easing in rates is one of the clearest positives for business. MPR at 14.0%, low Treasury bill yields, and lower benchmark lending rates improve funding conditions. But private sector borrowers should be careful: market rates do not always fall one-for-one, and if inflation continues to rise in H2, BoG may return to a tightening stance and increase the MPR slightly higher to try and rein in inflation to stay within its targeted band.

Indeed, in our assessment, H2 might see geopolitical tensions—war and US-triggered tariffs—persist, which may indirectly cause certain—now or recently favourable—markets conditions to weaken and cost our economy vital export revenues. For instance, we are concerned that high and rising crude prices could hurt us more than help us. Also, elevated import demand and shipping costs, partly driven by an acceleration in Government's H2 capex to help restore confidence in its ability to execute its flagship infra programmes, threaten a weakening of the Ghana cedi, adding to inflationary pressures. These are some of the reasons we expect BoG to keep a very keen eye on its MPR to avoid the unravelling of the tight gains it has chalked with its supportive monetary policy.

What is our suggestion to the business community? Refinance opportunistically now, but do not build investment cases on the assumption of materially cheaper credit in H2. Secure committed lines before the expected acceleration in public and private credit demand.

What is our assessment of the external sector performance?

The Minister's external argument is mostly credible. A current account surplus of 8.3% of GDP in 2025 and reserves at five months of imports suggest a much stronger external buffer than Ghana had during the crisis period. Debt restructuring progress also reduces external financing stress.

The vulnerability in this story lies with the composition of its international trade—we export mainly raw, unprocessed commodities, and import processed, refined or value-added merchandise. Ghana remains highly exposed to gold, cocoa and oil, as well as imported fuel, food, machinery and freight. We identify oil, shipping and insurance as key H2 risks. If Middle East tensions intensify or shipping routes remain disrupted, imported inflation could return faster than expected. And this scenario is seeming more probable than unlikely now. Indeed, on 23 July 2026, the very day that the Minister presented the Mid-Year Budget Review to Parliament, Brent crude climbed to USD100/barrel, partly following a Houthi attack on shipping in the Bab El Mandeb Straight, a move that raises fears of the Middle East conflict spiralling beyond its current "map".

What is our suggestion to the business community? Where possible, exporters should lock in opportunities while conditions are supportive. Import-dependent firms should, on the other hand, preserve FX cover and diversify sourcing where possible.

What is our assessment of structural reforms?

Reforms are promising, but execution remains the test. The original 2026 Budget Statement and Economic Policy outlined an ambitious reform agenda: the 24-Hour Economy, Feed Ghana, agribusiness corridors, digitalisation, PPP reforms, insolvency and competition reforms, and infrastructure investment. These are commercially relevant ideas, especially for manufacturing, agro-processing, logistics, ICT and power.

But the current evidence is stronger on policy intent than on measurable delivery. The 24-Hour Economy has only GHS110m in direct budget allocation for 2026, with larger ambitions expected to be financed off-balance sheet. While this is deemed to be efficient, it also makes execution success dependent on private capital mobilisation and institutional coordination. Our experience in Ghana's context is that private capital demands considerable guarantees from Government as a safeguard for their investments. And this is mostly because there is a lack of trust in policy continuity when political administrations change. And such guarantees have proven very costly for the State.

Additionally, in our 2026 Budget Digest, dated 19 November 2025, which is our commentary on Government's 2026 Budget Statement and Economic Policy, we had raised concerns about the institutional capacity existing in public institutions for the execution of such large complex infrastructure and social investment programmes. We daresay that the slow pace of execution in H1 is partly reflective of this challenge.

What is our assessment of the global risks that could alter the H2 outlook

Ghana's H2 outlook is increasingly exposed to the global energy and geopolitical cycle. The IMF projects global growth of 3% in 2026 and global inflation of 4.7%, noting that the global disinflation process has stalled. Its baseline assumes average oil prices of approximately USD89/barrel. The World Bank also projects Brent crude at about USD86/barrel in 2026 and fertiliser prices to rise by 31%, including a 60% increase in urea prices.

A prolonged Middle East conflict would raise fuel, freight, insurance and food-production costs, worsening Ghana's trade balance and increasing domestic transport and electricity pressures.

A further complication is the tightening bias re-emerging in major economies. Renewed energy inflation is limiting the ability of the US Fed, European Central Bank (ECB) and Bank of England (BoE) to reduce rates. Higher-for-longer global rates would delay Ghana's return to affordable international capital markets and increase the cost of trade finance and external corporate borrowing.

Upside opportunities remain, however. Elevated gold prices support exports and reserves; supply-chain diversification could attract manufacturing investment; AfCFTA creates potential for regional exports; and Ghana's relative political stability, digital infrastructure and improving macroeconomic indicators may strengthen its position as a West African investment hub.

Our summary assessment of the implications for key sectors

We have outlined our thoughts on what the Mid-Year Budget Review potentially bodes for a selection of growth-critical sectors/industries of the economy for H2.

- **Manufacturing**: improving macro stability, lower interest rates, and a steadier Ghana cedi are positives. The main risk is that imported input costs could rise again in H2. Additionally, delayed spending on infrastructure, which includes roads and transport infrastructure, special economic or industrial zones, power, etc. is not sending the right signals to businesses seeking to invest anew or expand their investments.

- **Agriculture, grains, poultry, livestock**: Government support is meaningful, especially through Feed Ghana and enclave roads. Still, some of the agricultural sector projects have come under intense criticism, e.g. the Poultry Farm to Table Project, and been characterised as wasteful and lacking adequate conceptualisation, planning, and execution. Profitability in the sector still hinges on irrigation, input costs and logistics—and the conflict in the Middle East has impacted the latter two of these factors considerably.

- **Cocoa and mining**: external earnings remain supportive, but businesses must hedge against commodity volatility and policy shifts.

- **Oil and gas/energy**: reforms are under way, but legacy arrears and SOE risks remain material. Our assessment would be to treat this as a sector with upside, but which is not yet fully de-risked.

- **Banking and insurance**: macro stabilisation helps asset quality and more predictable balance-sheet planning. Yet margin compression and re-pricing risk will require careful management by banks and insurance companies. Indeed, we urge players in these sectors to give serious consideration to business model reinvention, as the major shifts being experienced beyond the immediate monetary sector boundary will endure longer than a few months. Insurance companies should reassess flood, business-interruption, marine, and commodity exposures.

- **Construction and real estate**: better interest rates are supportive, but public capex sequencing and imported material costs remain key swing factors.

- **Retail and importers**: near-term demand may improve, but FX management remains essential.

- **Technology and telecoms**: businesses in this sector of the economy are among the clearest medium-term beneficiaries of digitalisation and formalisation initiatives.

What we urge CEOs to watch in the second half of 2026

We recognise that Ghana's economy is not insulated from the rest of the world. What happens globally—in commodity and/or financial markets—eventually transmits through the domestic economy, despite time lags to various extents. With that as context, we acknowledge some fluidity in the key factors we expect to be present in the external and domestic environments in H2.

For businesses to be able to successfully navigate the second half of the 2026 fiscal year, we urge their leadership teams, including CEOs and Boards, to pay close attention to the following:

1. The direction of monthly inflation as reported by the Ghana Statistical Service (GSS), especially food and imported components.
2. The execution of Government's capex programme in H2 versus H1 underspending.
3. Changes in the Treasury bill and bank lending rates, and their pass-through effect.
4. Reserve trends (levels and import cover) and FX market liquidity.
5. The directional and extent of changes in oil prices, freight costs and geopolitical shocks
6. Revenue enforcement intensity and any tax administration tightening.
7. Energy sector payment discipline and SOE reform execution, especially as applies to ECG
8. Accumulations into and disbursements from the Sinking Fund.

In the next section of our Digest, we have shared our views on key tax policy reforms, their performance in H1, and the impact they are making in raising revenue for Government. We will also share insights gathered while providing professional services to our clients. We share these views with the hope that it will bring fresh and independent perspectives to Government as it pursues its revenue mobilisation agenda in H2.

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

Happy reading!

02

Tax matters

Overview

The 2026 Mid-Year Fiscal Policy Review did not introduce any major tax measures for the remainder of the year. Instead, Government reaffirmed its revenue strategy of broadening the tax base, improving compliance, closing leakages, and using technology to strengthen revenue mobilisation. The Mid-Year Review highlighted improvements in the macroeconomic environment during the first half of 2026, including lower inflation, relative exchange rate stability, easing debt service pressures, and stronger growth prospects.

Despite these positive developments, Government missed its half-year revenue target, albeit marginally, by GHS1.4 billion, representing a 1% shortfall. A similar percentage dip was seen in the tax revenue component, with actual collections of GHS103.8 billion compared to a projected GHS105.3 billion.

Government remains optimistic of the second half of 2026 and as such did not revise the 2026 revenue budget or its underlying fiscal policy objectives. The focus is to continue to deliver on its fiscal objectives and macroeconomic stability agenda.

The remaining part of this chapter reviews the significant tax measures announced in the 2026 National Budget, presented to Ghana's Parliament in November 2025, and assesses the current status of their implementation as at the Mid-Year Fiscal Policy Review. Each measure is evaluated and classified as implemented, partially implemented, or in progress, providing a clear basis for assessing Government's progress against its stated fiscal reform agenda.

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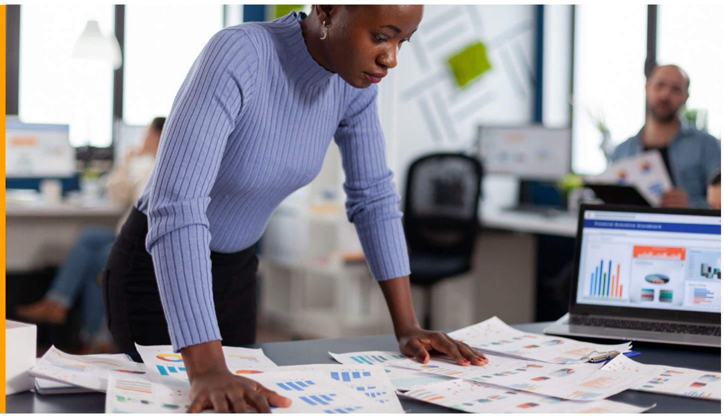
Update on proposed 2026 tax measures

Implemented

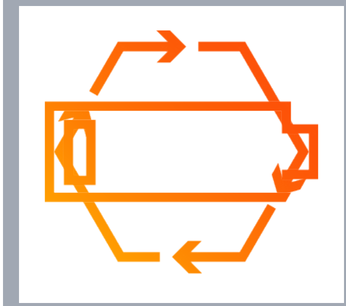
Tax measure	Status	Comments
Abolition of COVID-19 Health Recovery Levy	The Levy was repealed through the COVID-19 Health Recovery Levy (Repeal) Act, 2025 (Act 1150).	With over six months since the COVID-19 levy's repeal, it's time for businesses to reassess. Higher profits from the repeal usually mean higher taxable income, which may require revising the tax estimate filed with the GRA. Missing this risks interest at 125% of the Bank of Ghana's monetary policy rate, currently 14%, roughly 17.5% a year on the shortfall. The same applies to any other budget measure lifting profitability.
Comprehensive VAT reforms	Reforms were introduced through the enactment of the VAT Act, 2025 (Act 1151).	One notable weakness in Act 1151 was the absence of a compulsory VAT registration threshold for taxable service providers. It is therefore welcome that Government has laid the VAT (Amendment) Bill, 2026 before Parliament to address this gap. The Amendment is expected to also introduce zero-rating for local purchases of gold under the Ghana Accelerated National Reserve Accumulation Programme (GANRAP). These indicate that the VAT reform framework remains under active review. Regulations for Act 1151 are expected in 2027.
Extension of VAT zero-rating on locally manufactured textiles to 2028	This was implemented in the Second Schedule of Act 1151.	Government should consider a long-term plan for the industry including making the concession permanent, if beneficial.
AI-driven pre-arrival inspection/closing port revenue leakages	Government reports that the Publican AI Trade Solution was fully deployed in March 2026.	Government reports that the system generated over USD302 million in additional assessed customs collections by 17 July 2026, boosted monthly customs revenue, and improved undervaluation detection and importer risk profiling.
Independent Tax Appeals Board (ITAB) full activation	ITAB is now fully operational following the approval of the Revenue Administration Regulations, 2025 (L.I. 2513).	ITAB will require continued stakeholder engagement and public education to improve awareness of its procedures and dispute resolution processes.

Partially implemented



Tax measure	Status	Comments
Digital/technology solution to collect VAT from non-resident cross-border digital platforms	The Mid-Year Review reports that a pilot was completed successfully in April 2026. Nationwide rollout remains subject to regulatory approvals.	The technology solution (Sentinal) integrates with banks, payment service providers and electronic money issuers to improve visibility over cross-border digital transactions and reduce reliance on foreign suppliers' self-declaration. Consumers may see more consistent VAT charges, while financial institutions may face additional compliance and reporting obligations. Although Government presents the system as ensuring non-resident digital platforms pay their fair share, VAT will ultimately be borne by consumers. If Government intends to tax the non-resident entities themselves, it should consider an income tax measure.
Operationalisation of Fiscal Electronic Devices (FED) to improve VAT administration	The Mid-Year Review indicates that the pilot phase is at an advanced stage.	Introduced by the Taxation (Use of Fiscal Electronic Device) Act, 2018 (Act 966), the policy has been dormant for several years. Successful implementation could significantly improve VAT compliance and reduce revenue leakages. The VAT Reward Scheme gives shoppers a reason to ask for receipts, which naturally boosts use of the new FED devices. As more customers demand invoices, VAT traders face pressure to use the devices properly, so compliance improves from both ends.
Review/consolidation of the Customs Act, 2015 (Act 891)	The Mid-Year Review indicates that the review has been completed and that the Customs Bill, 2026 has been laid before Parliament.	The forthcoming Customs Bill is expected to repeal the existing Customs Act, 2015 (Act 891) outright. We also expect stiffer sanctions for abuse of suspension regimes such as temporary admission and inward processing. The law may also create Ghana's first cross-border e-commerce regime and tighten free zone regimes. Businesses should prepare now by reviewing compliance processes, agent arrangements, and free zone or duty-suspension positions against these likely changes. They should also engage early, submitting inputs to Parliament to help shape a law that supports than impede economic growth. While the Minister has urged Parliament to consider the Bill expeditiously, we hope Parliament will allow businesses about three months to plan for successful implementation. We recommend an entry into force date of 1 January 2027 which is a clear day after the target date as provided by the Policy Coordination Instrument (Reform Targets) table.

Tax measure	Status	Comments
Review/consolidation of the Excise Duty Act, 2014 (Act 878)	The Mid-Year Review indicates that the review has been completed and that the Excise Duty Bill, 2026 has been laid before Parliament. The Mid-Year Review further indicates specific reforms.	The Bill introduces a hybrid excise system for wines and spirits, revised beer and stout rates, and abolishes the 20% excise duty on local fruit juices. Businesses should expect higher compliance costs and should reassess beer/stout pricing, while the juice repeal supports agro-processing investment. Separately, the promised edible oil tax stamps mentioned in the 2026 Budget were absent here; we expect them via an amendment to the Excise regime. Businesses should submit comments to Parliament, and Parliament should allow about a three-month transition, targeting 1 January 2027 for implementation.
IDF abuse crackdown/ special GRA recovery unit	Government created a special recovery unit and inter-agency referral arrangements with the Attorney-General, EOCO, FIC and CID to address import undervaluation and customs abuse.	Although not prominently discussed in the Mid-Year Review, the initiative's objectives appear to have been absorbed into the broader customs enforcement framework, particularly through Publican AI and enhanced inter-agency cooperation.



In progress

Tax measure	Status	Comments
Review/consolidation of the Income Tax Act, 2015 (Act 896)	The Mid-Year Review indicates that this will be concluded at the end of June 2027.	The 2026 Budget targeted a draft income tax bill for Parliament by the 2027 Budget, due to be presented in November 2026, but the Mid-Year Review pushes the comprehensive review deadline to end-June 2027, extending the original timeline. This is understandable given the scale of the task: consolidating Act 896 to address e-commerce, BEPS, and the OECD/G20 global minimum tax framework requires careful, deliberate consultation. That said, media reports indicate that Government has already laid an Income Tax (Amendment) Bill, 2026 before Parliament. The Bill reportedly revises individual income tax rates and the presumptive tax turnover threshold, showing targeted reforms are moving ahead of the broader overhaul. With more time available, we encourage the Ministry of Finance and Parliament to use it well, sharing the draft bill early and formally inviting comments from businesses and practitioners. Broader participation now will help produce a law that is practical and genuinely fit for Ghana's economy, so stakeholders should begin preparing their input ahead of any formal call for comments.

Additional proposed tax measures

Tax measure	PwC commentary
Tightening of Free Zones administration to curb abuse	To curb the apparent abuse of the Free Zones regime, licences will be restricted to genuine manufacturing enterprises, with tighter controls over raw material use and movement of goods into the domestic market. With this, both existing and prospective licence holders must reassess their business models to comply with the requirements, while service-only providers may no longer qualify. Although these controls will limit scope of imports and drive up compliance costs—requiring more rigorous documentation, inventory tracking, and reporting—they will ensure duties are applied consistently and revenue collection gaps closed. Government must therefore strike a careful balance, addressing abuse without eroding investor confidence in the predictability and stability of the regulatory framework. A regime perceived as arbitrary or punitive will deter the capital inflows it seeks to attract.
Petroleum sector compliance controls and customs integration	Government intends to remove the tax exemption on bunkering services, enforce bank guarantees for lifting refined petroleum products, and mandate product movement through approved pipelines and electronically tracked systems. These measures could improve discipline and traceability to help Government meet its ultimate goal of curbing the exemption abuse and reducing smuggling and diversion. For businesses, this may mean increasing costs and greater operational pressure, especially for smaller operators. To effectively implement these measures, Government should clearly define the risks each measure is targeting and support implementation with strong monitoring, workable rules and adequate infrastructure. Care should be taken to improve compliance without creating avoidable bottlenecks.
Revision of Medium-Term Revenue Strategy (MTRS 2027–2030)	The MTRS outlines comprehensive revenue measures necessary to meet Government's medium-term revenue objectives. In 2023, Government rolled out the MTRS 2024-2027 to address the then volatile economic conditions and support the commitments under the IMF Extended Credit Facility accessed. The Ministry now intends to renew the MTRS by end of June 2027. For taxpayers, the benefit lies in continuous predictability of the fiscal regime. A credible strategy can improve planning if it sets out a sequenced reform path and reduces abrupt policy shifts. Its actual value will however depend on whether it is specific, implemented and monitored, rather than simply launched as a policy document.

Tax measure	PwC commentary
Taxpayer identification and import control reforms: Ghana Card as sole TIN for individuals and controls on unretired Import Declaration Forms (IDFs)	The Mid-Year Review notes that Publican AI exposed two key risks: importers generating new IDFs following forex remittance and the use of personal TINs for commercial imports. In response, Government will block importers with unretired IDFs from generating new ones and enforce the Ghana Card Number as the sole TIN for individuals for all tax transactions. The reform is reasonable, but it should be supported by transparent valuation methods, clear guidance and robust review mechanisms. Without these safeguards, it may strengthen official control in form while causing bottlenecks at the ports and increasing disputes in practice.
Introduction of warehousing restrictions and the “First Port Duty Rule”	Government intends to reduce the cap for warehousing non-perishable goods to six to 12 months, with re-warehousing limited to six months. This will likely reduce flexibility and increase compliance costs while improving customs discipline. Bonded warehouses must use Customs-linked electronic inventory systems for real-time monitoring and audit control. Under the First Port Duty Rule, destination-country customs officials would be stationed at Ghana’s ports to verify and collect duties on transit goods before release, preventing goods declared as merely passing through from being diverted into Ghana’s local market untaxed. This shifts revenue collection earlier in the supply chain, though it would require coordination between Ghana and destination countries, and verification that taxed goods actually reach their declared destination. We recommend that Government allow a transitional grace period and coordinate regionally to prevent multiple taxation or trade diversion. The legislation should also include a sunset clause, requiring periodic review of its impact on trade, competitiveness and compliance costs.

03

Appendix: key data

Key data from the Mid-Year Fiscal Policy Review

The appendix provides a snapshot of Ghana's macroeconomic performance during the first half of 2026, based on data reported by the Finance Minister. Using simple tables and graphs, it highlights key economic developments over the period. Where data is available, we also provide context by comparing the performance of selected economic indicators against budget targets and expectations.

The key indicators covered include real GDP growth, sectoral performance trends, inflation, exchange rates, interest rates, fiscal and monetary outcomes and developments in the external sector.

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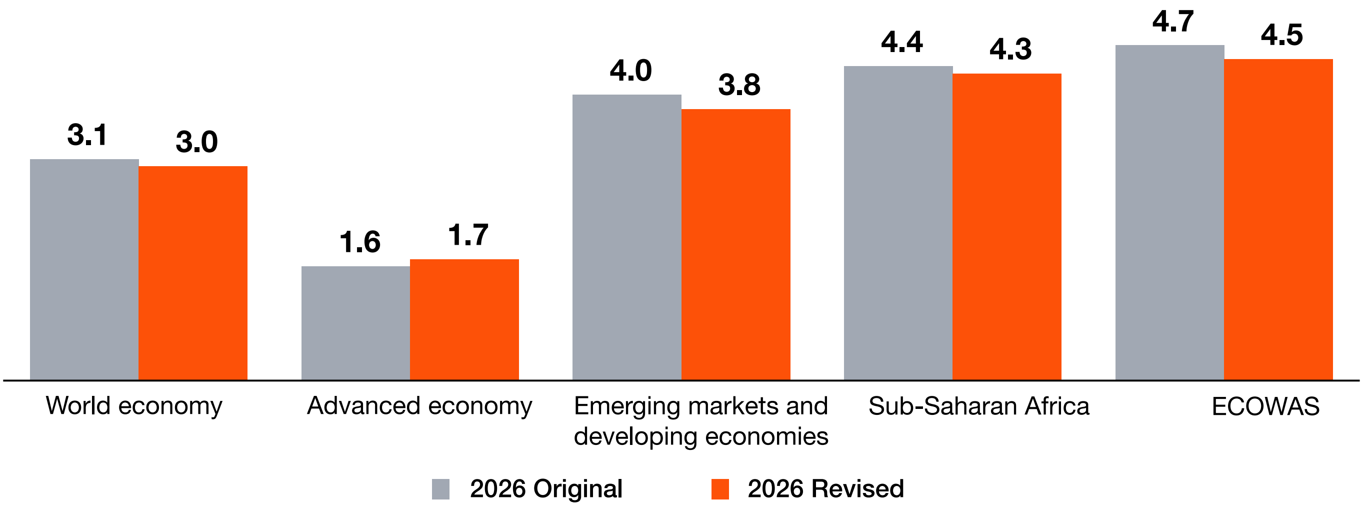
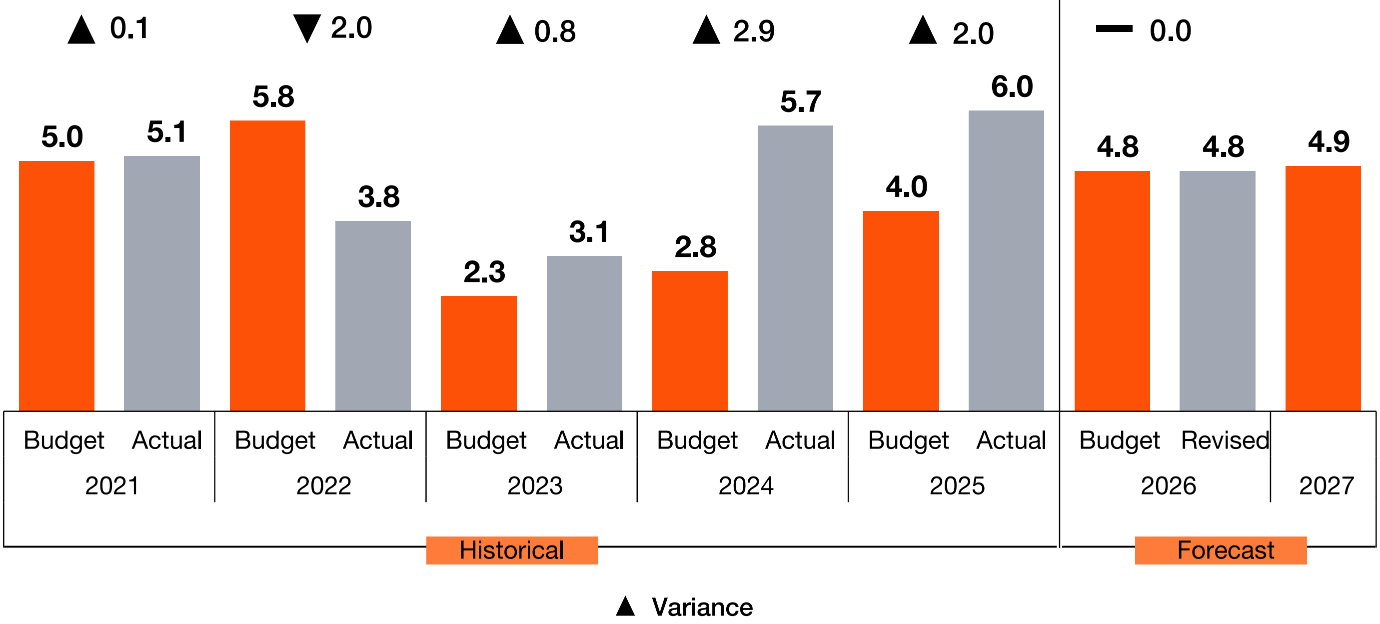
Macroeconomic performance and outlook

Global and regional GDP growths (%)



Source: IMF, World Economic Outlook Update, July 2026 | IMF Regional Outlook for Sub-Saharan Africa, April 2026

Domestic real GDP growth (%)



Source: Budget Statement and Economic Policy (2021-2025) | 2026 Mid-Year Fiscal Policy Review | PwC analysis

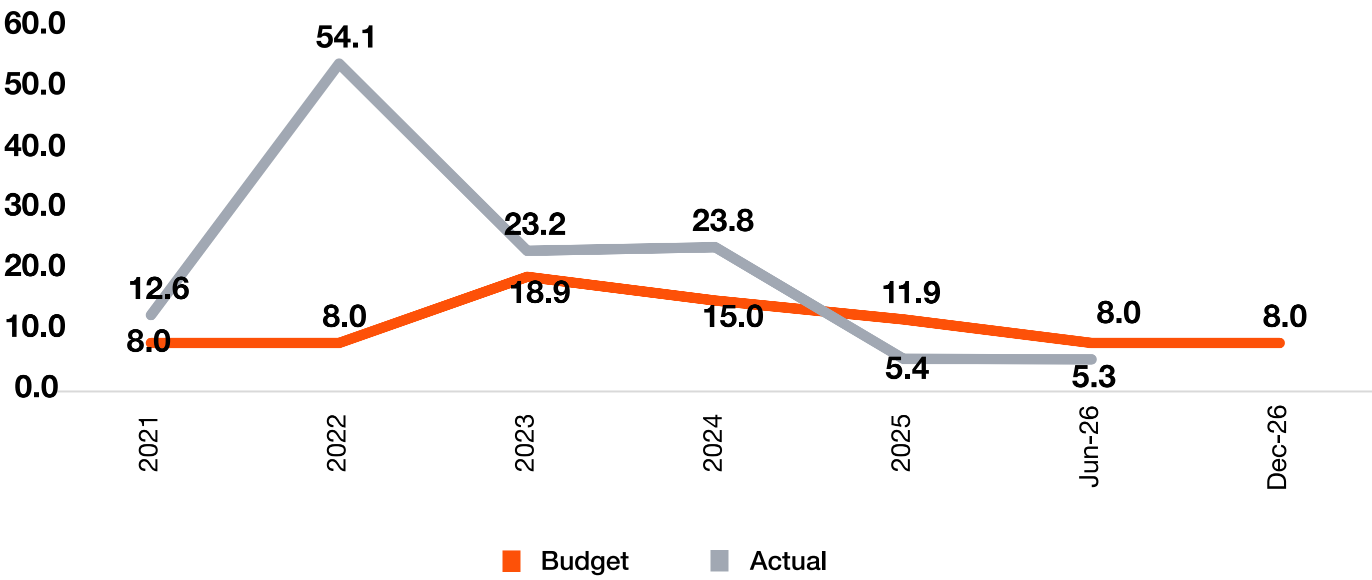
Sectoral growth rates (%)

	2021			2022			2023			2024			2025			2026(Q1)
	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Actual
Agriculture	4.0	8.5	4.5	5.3	4.2	(1.1)	3.2	5.9	2.7	3.0	2.8	(0.2)	4.8	6.8	2.0	4.0
Industry	4.8	(0.5)	(5.3)	6.3	0.6	(5.7)	(1.2)	(1.7)	(0.5)	3.7	7.2	3.5	3.8	2.3	(1.5)	6.9
Services	5.6	9.4	3.8	5.6	6.3	0.7	4.6	5.7	1.1	1.9	5.9	4.0	3.8	8.1	4.3	7.1
Real GDP	5.8	3.8	(2.0)	5.8	3.8	(2.0)	2.3	3.1	0.8	2.8	5.7	2.9	4.0	6.0	2.0	6.4

Source: Budget Statement and Economic Policy (2021-2025) | 2026 Mid-Year Fiscal Policy Review | PwC analysis

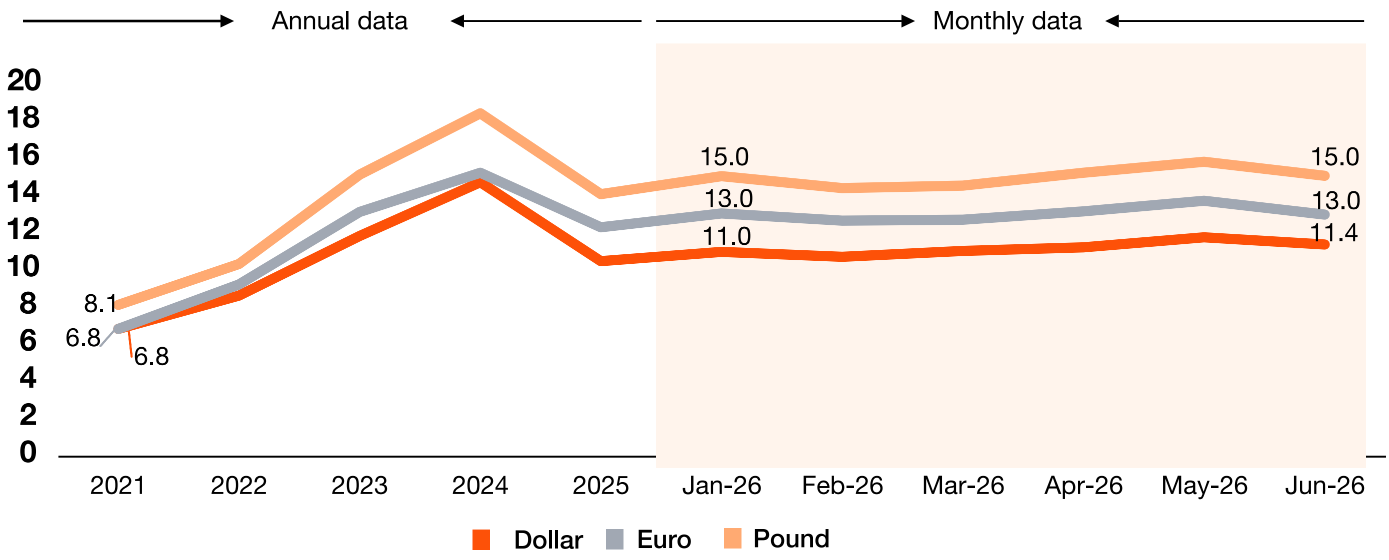
Fiscal, monetary and external sector performance

Period-end inflation (%)



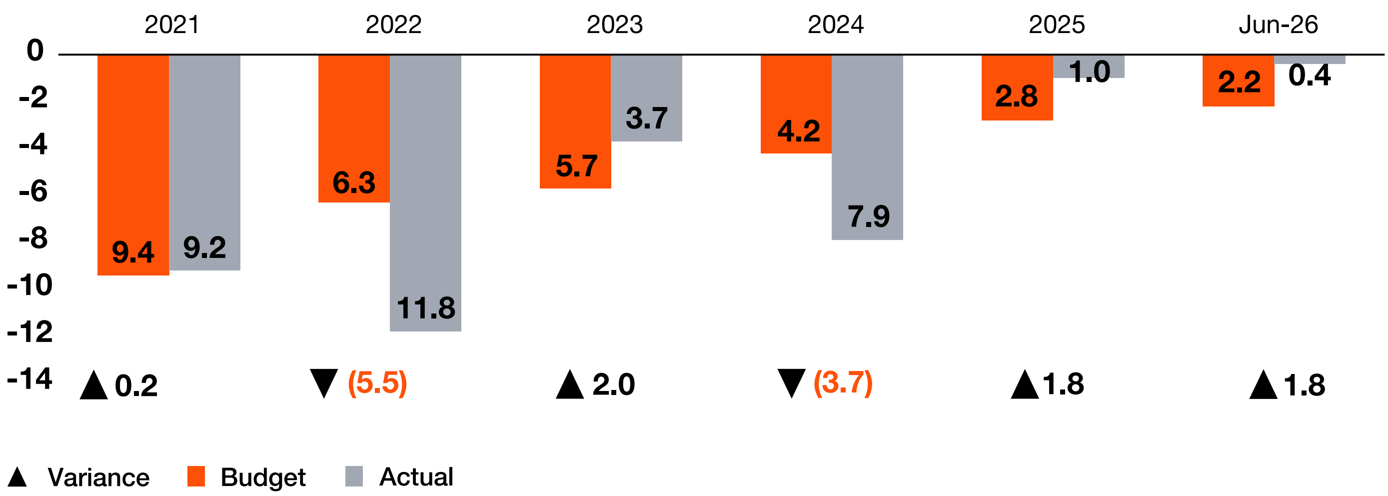
Source: Ghana Statistical Services | 2026 Mid-year Fiscal Policy Review

Ghana cedi (GHS) exchange rates (period-end)



Source: Bank of Ghana monthly interest rates

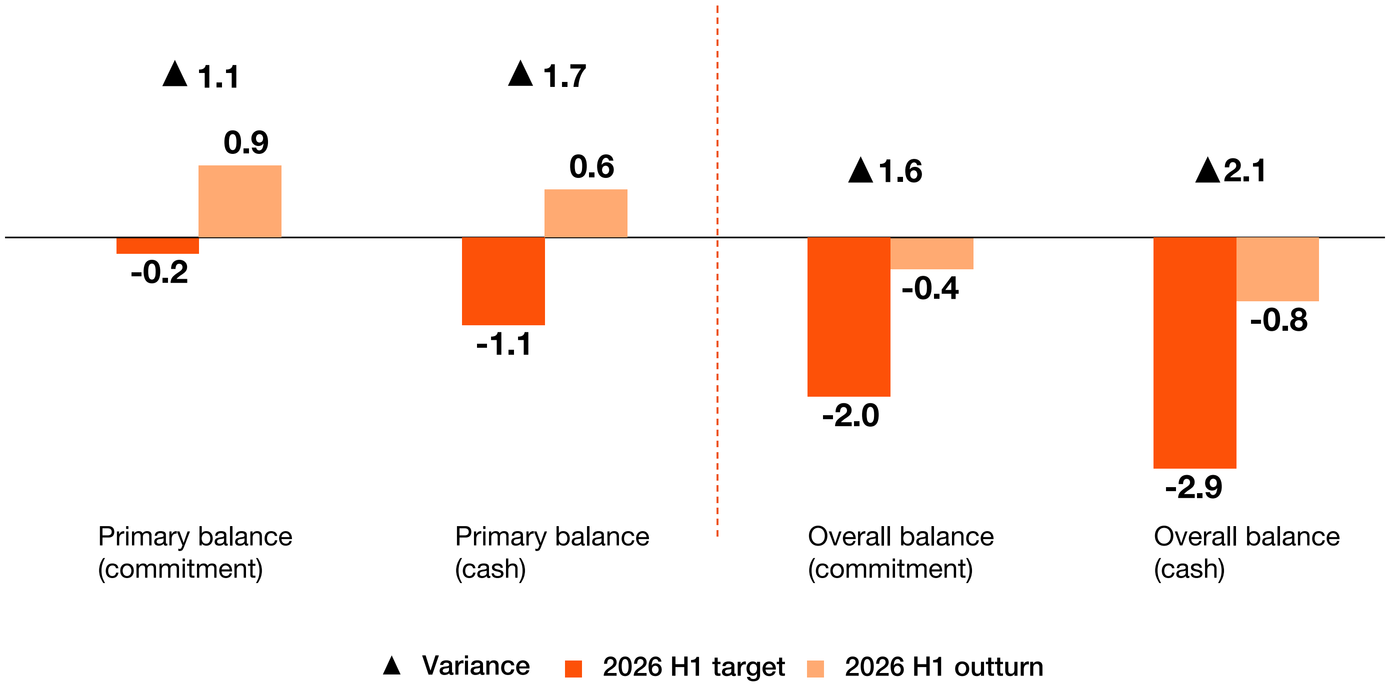
Overall fiscal balance (commitment) as % of GDP



Source: 2026 Mid-Year Fiscal Policy Review | PwC analysis

H1, 2026 fiscal balances as % of GDP

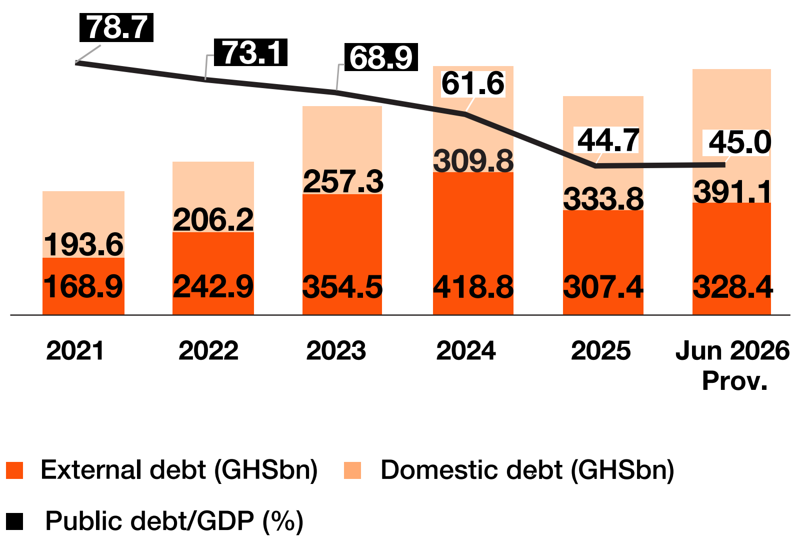
Commitment vs. Cash



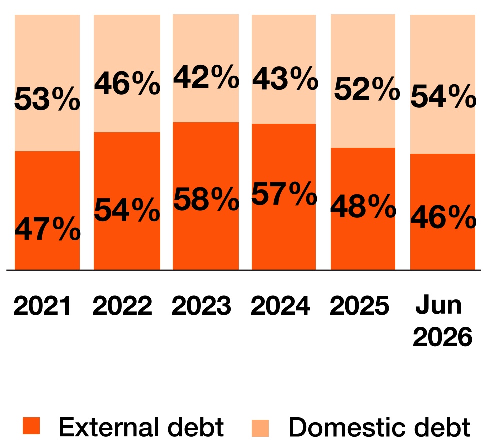
Source: 2026 Mid-Year Fiscal Policy Review | PwC analysis

Public debt

Public debt

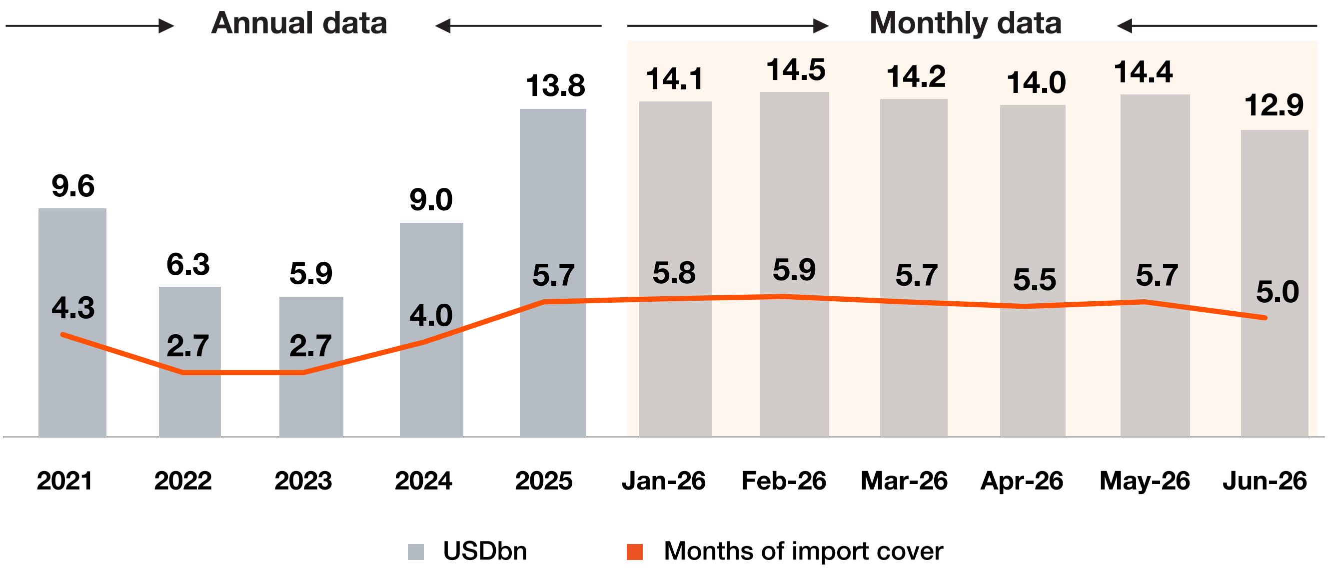


Proportions of public debt



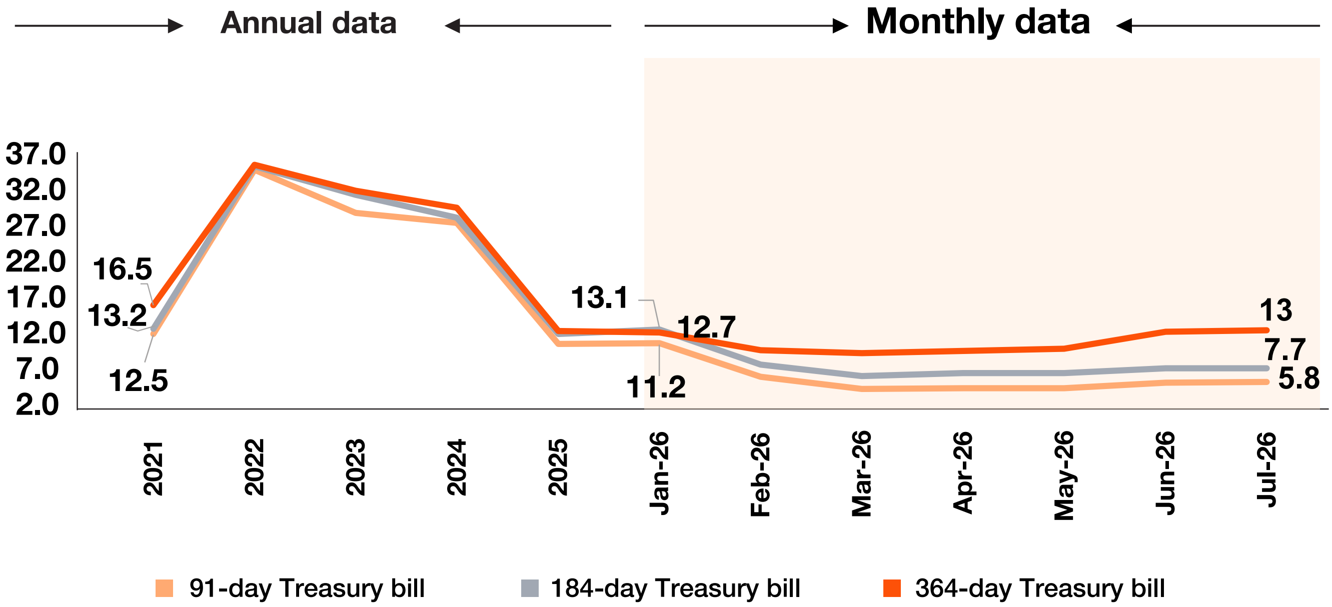
Source: 2026 Mid-Year Fiscal Policy Review | PwC analysis

Gross international reserves (GIR)



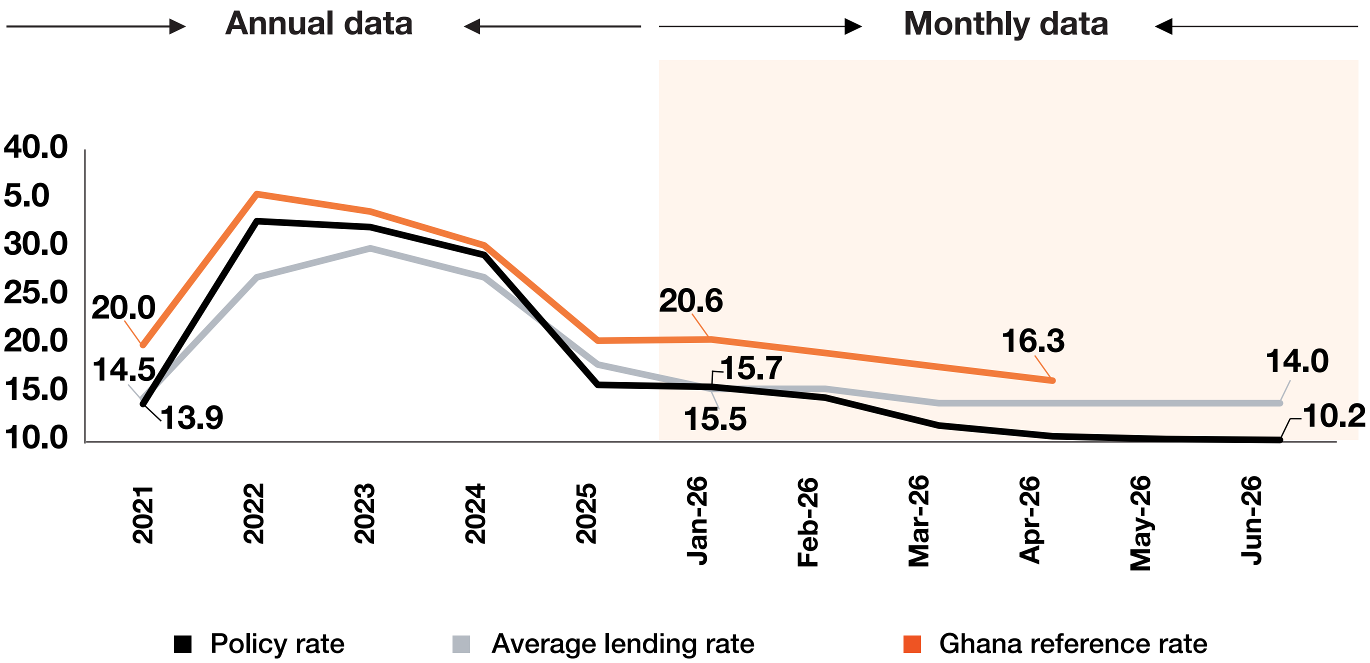
Source: Ghana Statistical Services | 2026 Mid-year Fiscal Policy Review

Treasury Bill Rates (%)



Source: Bank of Ghana monthly interest rates

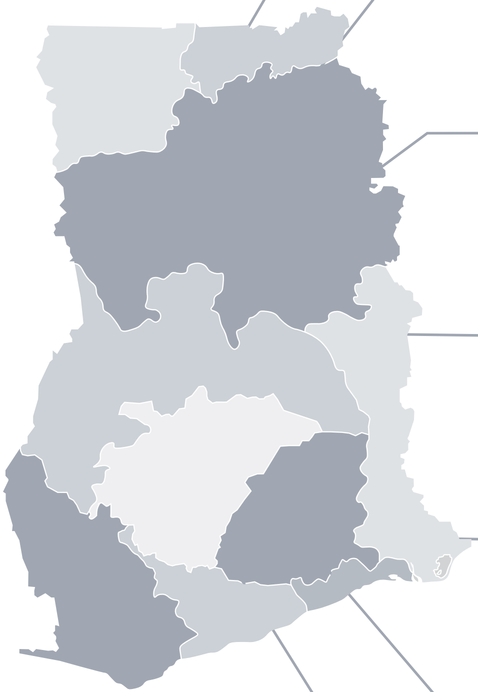
Interest rates - MPR, GRR and Commercial lending rate (%)



*Policy rate is 14% as at 22 July 2026

Source: Bank of Ghana monthly interest rates | Ghana Association of Bankers (GAB)

Where the money came from



Taxes on income and property
- GHS53.2bn
- GHS57.5bn
- 8.1%

Taxes on domestic goods and services
- GHS41.3bn
- GHS34.2bn
- (17.2%)

International trade taxes (Import duties)
- GHS14.9bn
- GHS13.7bn
- (8.1%)

Non-tax revenue
- GHS14.9bn
- GHS12.3bn
- (17.4%)

Others
- GHS4.9bn
- GHS7.7bn
- 57.1%

Refunds
- (GHS4.2bn)
- (GHS1.6bn)
- (61.9%)

Grants
- GHS1.1bn
- GHS1.0bn
- (9.1%)

2026 H1 Target: GH₵126.1bn

2026 H1 Provisional: GH₵124.8bn

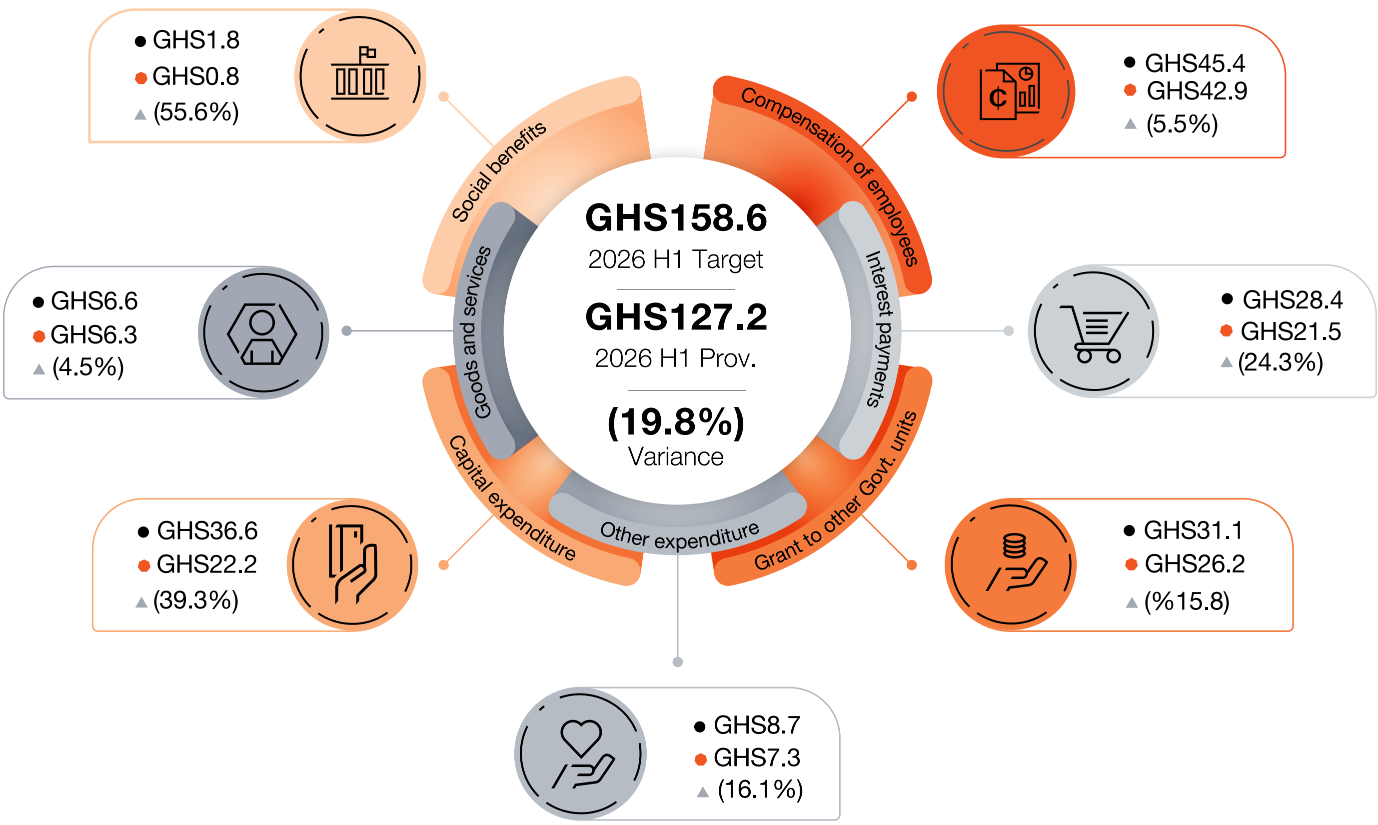
Variance: 1.0%

2026 Budgeted revenue

GHS268.1bn

Source: 2026 Mid-Year Fiscal Policy Review | PwC analysis

How the money was spent



- 2026 Half-Year Target (GHSbn)
- 2026 Half-Year Prov (GHSbn)
- Variance

2026 Budgeted expenditure

GHS302.5bn

Source: 2026 Mid-Year Fiscal Policy Review | PwC analysis

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This report includes insights and analysis supported by AI tools. These tools were used to enhance data processing, identify patterns, and support the drafting process. All findings and conclusions have been reviewed and validated by human experts to ensure accuracy and accountability.