PwC 2025 Mid-Year Budget Review Digest

Resetting the economy for the Ghana we want

July 2025

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Commentary

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Our point of view

The Minister for Finance reports strong results in the first half of 2025, despite some external shocks…

The Minister said in his introduction: “We have made significant progress. The signs of recovery are obvious, evident, noticeable, visible, tangible and being felt.” And the data reported by Government appears to support this assertion. He shared the following half-year data (in some cases, provisional estimates) on economic performance to buttress his point. He noted that, at (or by) the end of June 2025:

- Overall economic growth for the first quarter (Q1) was robust relative to the same period in 2024: 5.3% vs. 4.9%. Non-oil GDP growth also outperformed the comparative period in 2024 (6.8% vs. 4.3%), as well as the agricultural sector (6.6% vs. 2.7%).
- Period-end consumer price inflation (CPI)—which concept the average Ghanaian is now familiar with—has nosedived from 23.8% (December 2024) to 13.7% (June 2025), shedding 1,000 basis points. Period-end producer price inflation (PPI) recorded an even more significant fall from 26.1% (December 2024) to 5.9% (June 2025), contracting by 2,000 basis points.
- The Ghana cedi (GHS) has appreciated and reversed nearly all losses from 2022–2024. Relative to the major trading currencies, the Ghana cedi has gained 42.6% (US dollar), 30.3% (Pound sterling), and 25.6% (Euro).
- Interest rates of Treasury bills have shed between 13% and 14%. Similarly, average commercial lending rates have shrunk by almost 3% to 27%. The Minister noted that Government has saved the country GHS4.9bn in domestic debt interest payments due to prudent debt management policies.
- Bank of Ghana’s reserves have improved both in value and import cover terms, rising to US$11.12bn (4.8 months), up from US$8.98bn (4 months) in December 2024.

- The country's debt burden lightened—on the back of currency appreciation, debt stock reduced by GHS113.7bn bringing the public debt-to-GDP ratio from 61.8% (2024) to 43.8%. Foreign debt as a proportion of total public debt has dropped from 57% (December 2024) to 49% at the end of June.
- Primary balance surplus reached 1.1% of GDP, exceeding the 0.4% target. Overall deficit also narrowed to 0.7% of GDP compared to the target of 1.8%.
- The country's sovereign credit standing has improved. In June 2025, Fitch Ratings upgraded Ghana's Long-Term Foreign-Currency Issuer Default Rating (IDR) from 'Restricted Default' (RD) to 'B-' with a stable outlook.

What makes these results worth noting is that they have been realised during the geopolitical uncertainty that followed the significant shifts in US foreign policy and trade as well as the conflicts in the Middle East involving Israel, Hamas, Hezbollah, and Iran. The shifts in trade policy marked by punitive hikes in trade tariffs triggered responses by other regions and countries that threatened to roll back the progress that was being made towards global economic recovery. Similarly, the conflict involving Israel and Iran, particularly, resulted in crude prices climbing steeply and briefly pushing past the benchmark price used by the Government of Ghana for budgeting purposes before dropping below that again.

Dr. Cassiel Ato Baah Forson attributed the results achieved so far to "**prudent fiscal management, sound monetary policy, effective structural reforms, and strategic investments.**" He asserts that the results "…**are the fruits of hard work, discipline and intentional policies.**" For the cedi's performance, in particular, Dr Forson said the "**gains are largely due to strong fiscal consolidation, tight monetary policy, improved external sector balances, renewed investor confidence, positive market sentiments, credit rating upgrades and successfully securing staff level agreement and subsequent Board approval on the 4th Review of the IMF programme**".

The Ghana Gold Board (GoldBod) is given considerable credit for some of the positive results reported by half year…

The Minister provided some details of the actions Government has taken over the six-month period till end of June 2025 that have helped to deliver the results he reported. We have summarised a few of these actions below:

- **Establishment and operationalisation of the Ghana Gold Board (GoldBod)**: Government considers this as one of their bold initiatives. Better "armed and empowered by legislation" the GoldBod, which has replaced the Precious Minerals Marketing Company, has since coming into operation—according to the Finance Minister—boosted small-scale gold exports by 100% (tonnage) and 180% (value), funnelling forex to reserves. The accumulation of gold reserves at the Central Bank has helped to restore some resilience to the economy—evidenced by the cedi's strength against major currencies despite the external environment sparked by the trade tariff shocks and conflicts.

- **Restoration of credibility with the IMF for programme implementation**: despite slippage attributed to election-related fiscal laxity in 2024, Government secured the approval of the IMF's Executive Board following a fourth review. The approval, given on 7 July 2025, triggered a disbursement of US$367m, which further goes to support Bank of Ghana's reserves. The Fund's Executive Board had praise for Government:

"Faced with a significant deterioration in program performance, the new authorities have responded decisively to secure achievement of the program targets and keep the structural reform agenda on track. Among other important steps, they enacted a strong budget and public financial management reforms; tightened monetary policy; and adjusted electricity prices."

- **Energy sector cleanup**: over the period, Government made expenditure of GHS11.4bn to cover energy sector payment shortfalls and transfers for energy sector levies. This helped to keep the energy sector functioning to shore up production and productivity levels in the real sectors. This is partly credited with the robust growth reported for the first quarter (Q1) of 2025.
- **Strong fiscal discipline through expenditure control**: year-to-date public spending has been below programmed target by 14.3%. This is despite liquidating arrears of GHS4.8bn and not accumulating new arrears. In achieving these results, the Minister kept a tight rein on both interest and non-interest expenditure. He noted that this culture of fiscal discipline would continue through strict compliance with the Public Financial Management (Amendment) Act, 2025.
- **Debt restructuring breakthroughs**: the Minister also credits these with contributing to a resurgence in investor confidence that led to the upgrade in sovereign debt ratings by international rating agencies like Fitch Ratings. On their website, Fitch Ratings had indicated that their upgrade followed and reflects their assessment that "**Ghana has normalised relations with a significant majority of external commercial creditors.**"

The Minister believes that the second half will deliver similarly positive results but favours cautious optimism…

With the positive performance reported for the first half of the year, we believe the Minister could have revised the annual targets for macroeconomic performance and made them more ambitious, but these remain unchanged. Dr. Forson told Parliament "**Although we have made significant progress, we are cautiously optimistic**".

Regardless of the Minister's stance on maintaining annual macroeconomic targets, he noted that he has revised year-end revenue and expenditure projections to reflect the expected impact of the Energy Sector Levies (Amendment) Act, 2025 (Act 1141).

In summary, total revenue and grants is forecast to rise by GHS2.9bn resulting from the amendment to the Energy Sector Levies Act (ESLA) with the extra amount ringfenced to support energy sector payments, specifically fuel purchases for power generation. Projected total expenditure on commitment basis, on the other hand, has been reduced by about GHS1.4bn. A key reason for this reduction is lowered forecasts for domestic interest attributable to expected gains from an expected continued fall in Treasury bill rates.

Notably, the Minister announced some revised targets for fiscal performance:

- Overall fiscal balance on cash basis is expected to improve from a deficit of 4.1% of GDP to 3.8%
- Overall fiscal balance on commitment basis will improve from a deficit of 3.1% to 2.8% of GDP
- Projected annual borrowing needs of Government will contract by GHS4.3bn.

He added that his Ministry is aware of risks that threaten the 2025 fiscal framework, naming these risks to include the following: a shortfall in customs revenue; the smuggling of marine gas oil; mounting wage pressures; and the denomination of contracts in foreign currency. He also gave details about a range of initiatives Government has initiated or is considering for mitigating the threats posed by these risks.

The Minister asserts that strategic policy and programme anchors to secure medium-to-long term structural transformation of the economy are on course…

The GoldBod

The Board is credited with a 100% and 180% jump in artisanal gold volume and value exports, respectively, compared with the first half of 2024. This has helped build the central bank's buffers further, strengthening the footing of the economy.

We urge Government that, alongside the Board's task force's mandate to tackle illegal gold trade and smuggling, the Board should ensure that artisanal gold bought to shore up the central bank's forex and gold reserves is "clean" and not contaminated by illegal and/or irresponsible mining activities. We reiterate the recommendation we made in our Budget Digest (page 21) published in March on the 2025 Budget Statement and Economic Policy, that Government must establish traceability mechanisms to ensure that the credibility of the Goldbod does not get compromised.

The 24-Hour Economy and Accelerated Export Development Programme (24HE & AEDP)

This flagship initiative represents a major strategic pivot and is meant to be a key cog in Government's wheel of economic structural transformation. Dr. Ato Forson noted that key outcomes expected from this initiative include a dynamic domestic economy characterised by an expanded domestic production, improved market access, reduced import dependence, and a skilful and thriving workforce.

He described the Volta Economic Corridor as a "**transformational project to unlock the vast economic and environmental potential of the Volta Lake and its surrounding lands.**" He added that incentives to attract private capital and foster enterprise growth to realise the objectives of the Volta Economic Corridor project across four of the pillars of the 24HE & AEDP—Grow24, Make24, Show24, and Connect24—would be outlined in the 2026 Budget Statement and Economic Policy to be presented to Parliament later this year.

The Big Push Programme

The Minister announced that all the GHS13.8bn included in the 2025 Budget Statement and Economic Policy would be spent on road projects. He explained that this is in accordance with a directive by the President, H.E. John Dramani Mahama, to devote all Big Push budgetary allocations over the next two years to improve road infrastructure. The Minister listed 49 road and other civil works projects to be constructed under the Big Push Programme.

There is no doubt that road projects have an immense value for the development potential of any country or region. Their development opens spaces for easier socio-economic activities. It enables movement of people and materials, including inputs for production as well as products for consumption. We encourage Government to stick with these plans, ensuring that they are aligned with the country's overall medium-to-long term national development plan. We also caution that procurement activities involved in these roads and other civil works projects should focus on realising good value for money.

Additionally, even as these road projects get underway, Government should continue its studies to identify what new socio-economic activities could be promoted to ensure that decent medium-to-long term jobs are created through enterprise establishment and nurturing.

Reorganisation of the Road Fund

The Minister shared Government's decision to remodel the Ghana Road Fund and direct its attention towards road maintenance. To be backed by legislation, the Minister outlined the benefits associated with the Road Maintenance Trust Fund. These include a fairer formula for the allocation of resources. Already, Government has identified 166 constituents in dire need of road infrastructure. With an annual plan to reconstruct or rehabilitate 10km of roads in each of the 166 constituents over the next three years, the Minister plans to ringfence funds for a total of 5,000km of roads.

Again, we commend Government for this move. Maintaining a dedicated fund for road maintenance will help to ensure that repairs are planned and executed in a timely manner to avoid extensive damage to costly infrastructure. This practice would help to optimise the life spans of roads. This proactive approach to roads maintenance would also help to reduce the risk posed to financial discipline, which results from governments coming under pressure to fund road projects in the lead-up to general elections. We caution that, in reviewing the Road Fund's model for allocating resources, the criteria to guide the identification and selection of roads for maintenance be informed by factors that are apolitical.

Our overall view: so far, so good. Sustained improvement, however, depends on discipline, vision, and a true commitment to principles of public accountability...

We concur with the Minister that the data reveals a significant short-term recovery. The fiscal and monetary discipline exhibited in the first six months of 2025—particularly the primary surplus achievement, debt reduction, and currency stabilisation—is commendable. There is a general view that businesses and households are already feeling relief from lower inflation—indeed, some retail stores announced price reductions in the wake of lower inflation, but many traders in the informal markets remain adamant about dropping prices. The Minister also reported that private sector lending by banks increased by 31.3% in June 2025 reflecting an easing in the credit market.

We summarise the strategy used to achieve these results as follows: fiscal restraint and strong coordination with monetary authorities. Still, it is our view that sustaining the progress posted so far would require careful sequencing of reforms, effective stakeholder coordination, and efficient programme delivery. Plus, clear communication, strong independent oversight, and timely execution of the conceived initiatives will be essential.

Discipline and timely execution are particularly important because risks remain—particularly from persistent global economic uncertainties, trade and geopolitical tensions, as well as volatile commodity markets. These external factors, coupled with the need to sustain domestic reforms and manage substantial debt repayment humps in the coming years, necessitate continuous vigilance on the part of Government.

From a private sector standpoint, the improved macroeconomic conditions begin to create an enabling environment for renewed investment. However, clarity around policy interventions—particularly in tax policy, digitalisation, and industrial incentives—are key to unlocking and sustaining business confidence.

For policymakers—particularly the Minister for Finance—we advise that continued adherence to fiscal discipline and the rigorous implementation of Act 921 are paramount.

We also recommend a sharp focus on what we consider foundational real sectors to which resource allocation should be prioritised. Key examples for us are the agricultural and agribusiness sectors. Ahead of the mid-year review of the 2025 Budget Statement and Economic Policy, in an interview with the press, the Minister for Trade, Agribusiness and Industry noted plans to hold a national dialogue on agribusiness with the expectation that outputs would be considered for the development of policy that, among other things, outlines the incentives landscape to attract private businesses into the sector. We agree that the agribusiness sector, when properly aligned to a well-functioning agricultural sector as well as to offtaker and consumer markets could unlock significant value for the country.

We recommend that businesses should capitalise on the renewed confidence and declining interest rates to expand operations and explore opportunities in selected growth sectors. We also urge the citizenry to support Government's efforts by embracing reforms, paying taxes, and contributing to the collective economic reset. We acknowledge that a blind spot in this picture could be the potential for social pressures to derail fiscal prudence if the gains from economic recovery are perceived as not having translated into tangible improvements in the living standards of broad segments of society.

In wrapping up our commentary, we would like to make one last point: delayed expenditure is not the same as decreased expenditure; the latter would only serve to postpone inflation from the current into the future. And considering the large expenditure expected under the Big Push Programme, this poses a real risk. But the Hon. Minister for Finance debunks the suggestion that inflation has fallen so dramatically because Government is not spending. He asserts "…**contrary to the perception that we are not spending, we are indeed spending and spending at the right places. We are making the right investments.**"

In this light, we recommend that the Minister invests in a Computable Generated Equilibrium (CGE) model that would allow him to simulate the impacts of economic policies or shocks in one sector on the entire economy of the country. This is particularly important considering that the country is still considering alternative routes for socio-economic development and does not have limitless financial resources to fund programmes or projects.

In conclusion, we at PwC are still available and eager to share our thoughts and expertise with Government as it continues to navigate its way through global uncertainty and domestic expectations to guide the economy of Ghana "out of the woods" and towards the country's medium-to-long term ambitions.

02

At a glance

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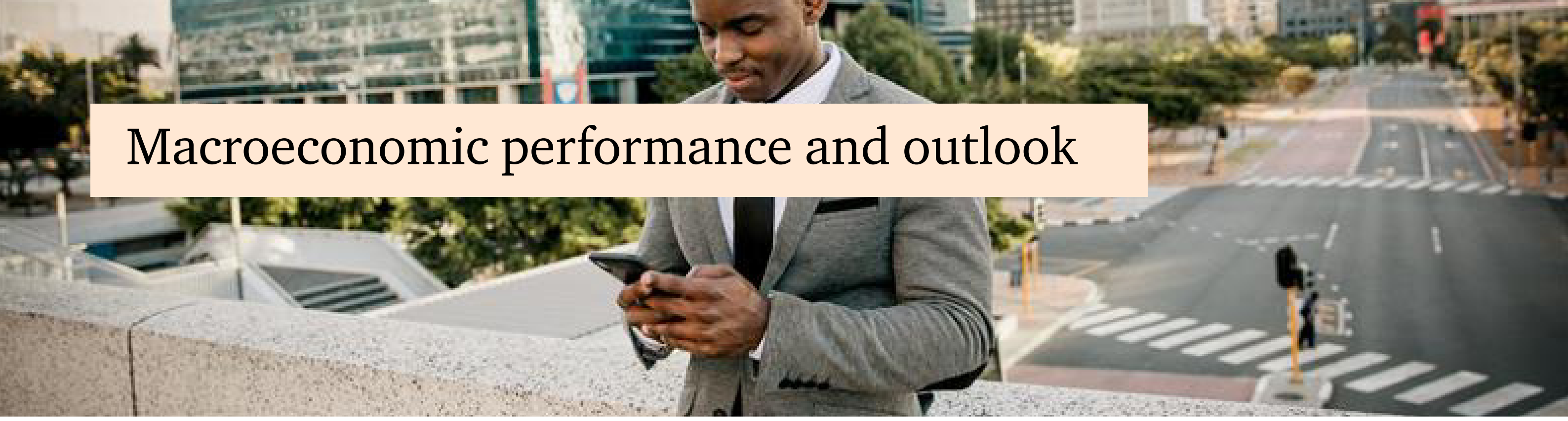
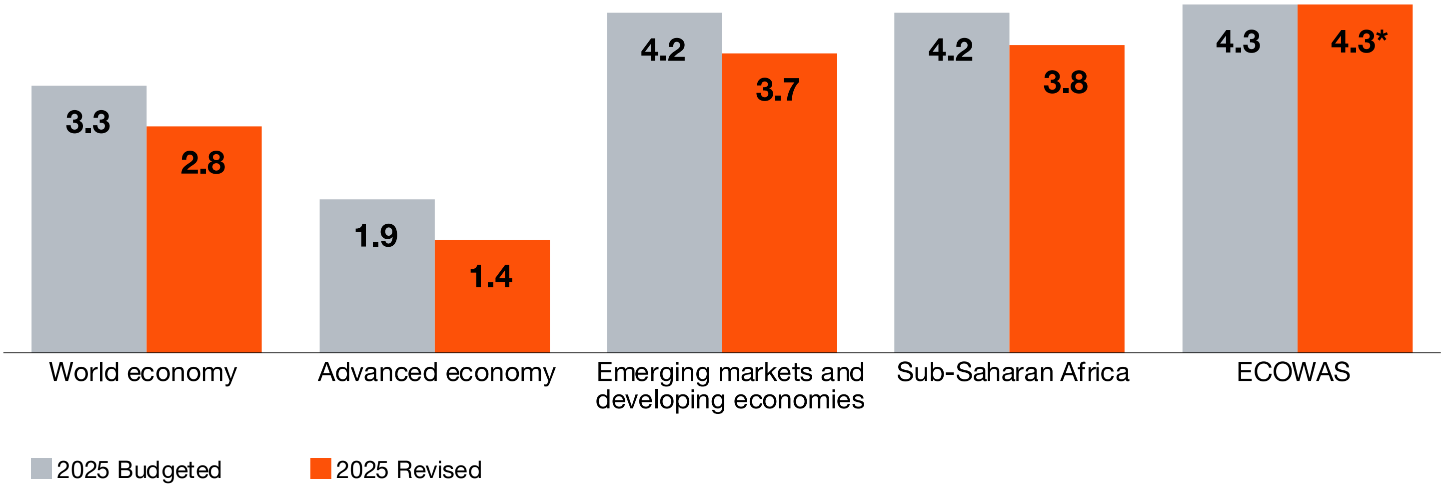
This section presents, using simple tables and graphs, a snapshot of the country's macroeconomic performance in the first half of 2025, as reported by the Finance Minister. For context, where available, we have also presented data/ information on the performance of various economic variables and how these contrasted to budgets.

The key indicators covered include real GDP growth, sectoral trends, inflation, exchange rates, interest rates, fiscal and monetary performance and balances, and external sector dynamics.



Macroeconomic performance and outlook

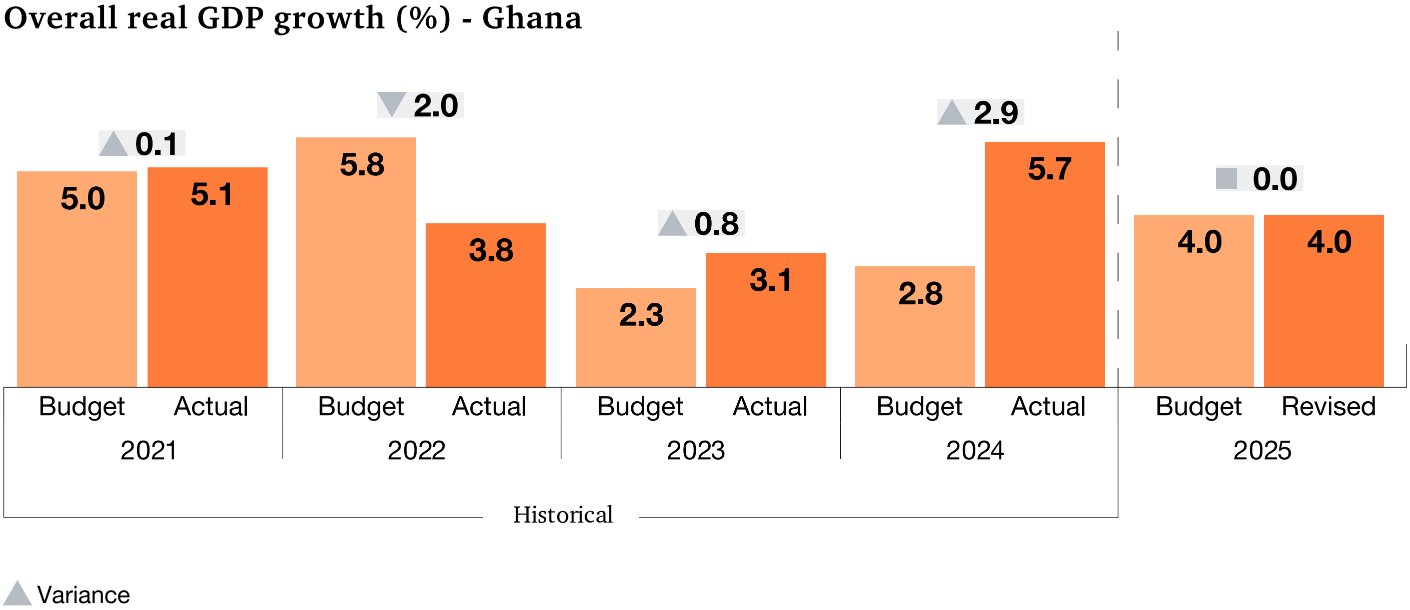
GDP growth (%) - Global



*ECOWAS revised figure remains consistent in their latest reports and updates from African Economic Outlook

Source: World Economic Outlook (WEO) and African Economic Outlook

Overall real GDP growth (%) - Ghana



Source: 2025 Budget Statement and Economic Policy; 2025 Mid-Year Fiscal Policy Review and PwC analysis

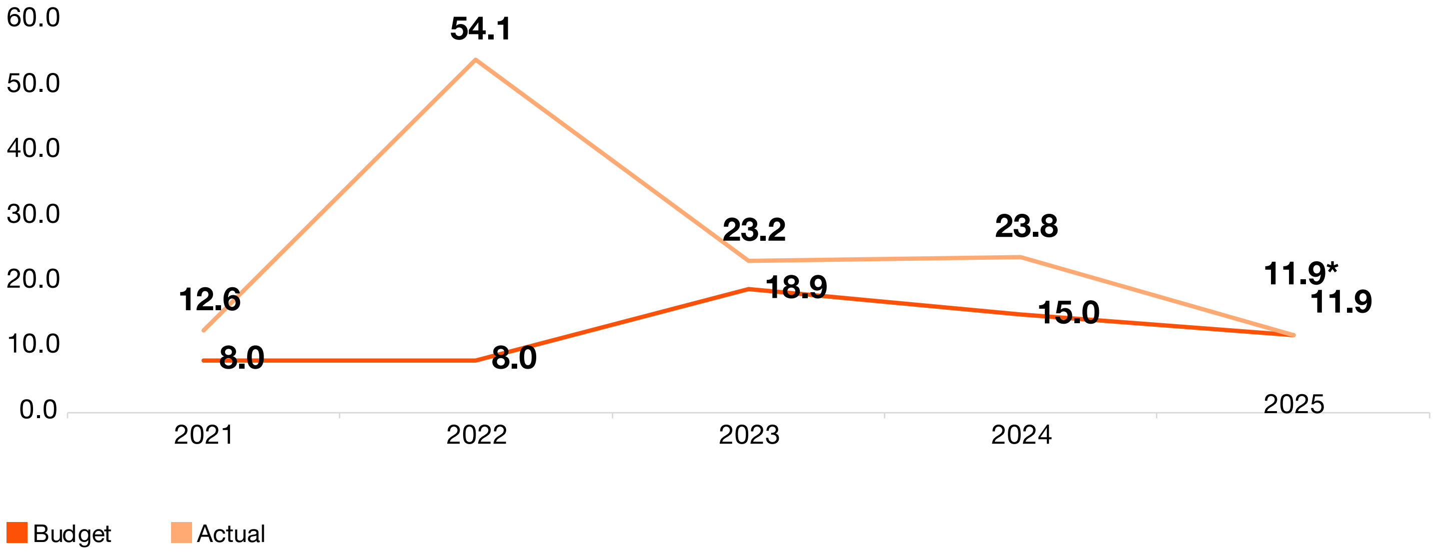
Sectoral growth rates (%)

	2022			2023			2024			2025		
	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual	Var	Budget	Actual*	Var
Agriculture	5.3	4.2	(1.1)	3.2	5.9	2.7	3.0	2.8	(0.2)	4.8	6.6	1.8
Industry	6.3	0.6	(5.7)	(1.2)	(1.7)	(0.5)	3.7	7.1	3.4	3.8	3.4	(0.4)
Services	5.6	6.3	(0.7)	4.6	5.7	1.1	1.9	5.9	4.0	3.8	5.9	2.1
Real GDP	5.8	3.8	(2.0)	2.3	3.1	0.8	2.8	5.7	2.9	4.0	4.0	0.0

*Real sector performance for Q1 2025

Source: 2025 Budget Statement and Economic Policy; 2025 Mid-Year Fiscal Policy Review and PwC analysis

Period-end inflation (%)

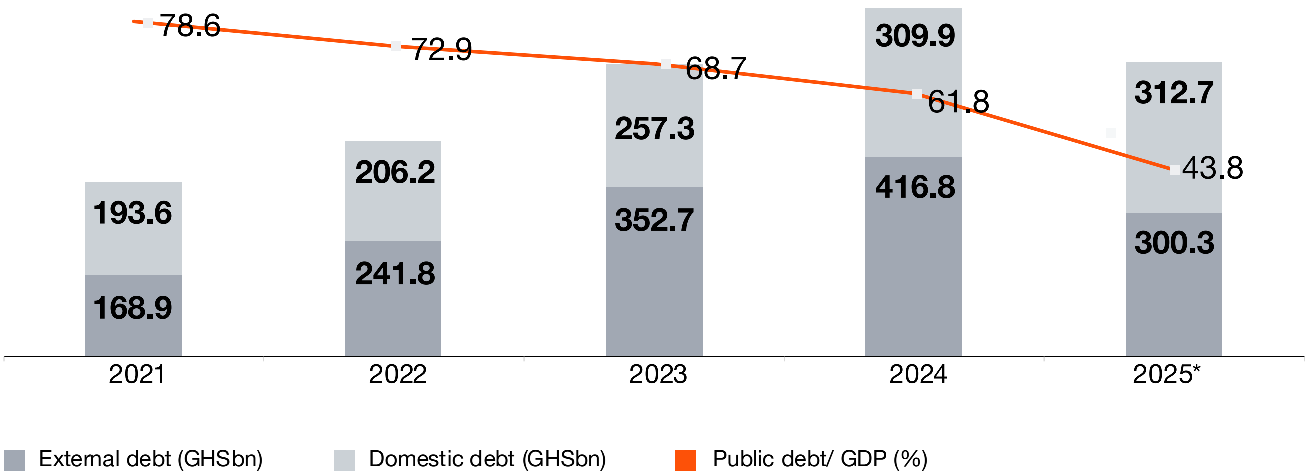


* Revised inflation target for end of year
NB: Inflation was 13.7% as at June 2025

Source: Ghana Statistical Services and 2025 Mid-year Fiscal Policy Review

Fiscal, monetary and external setor performance

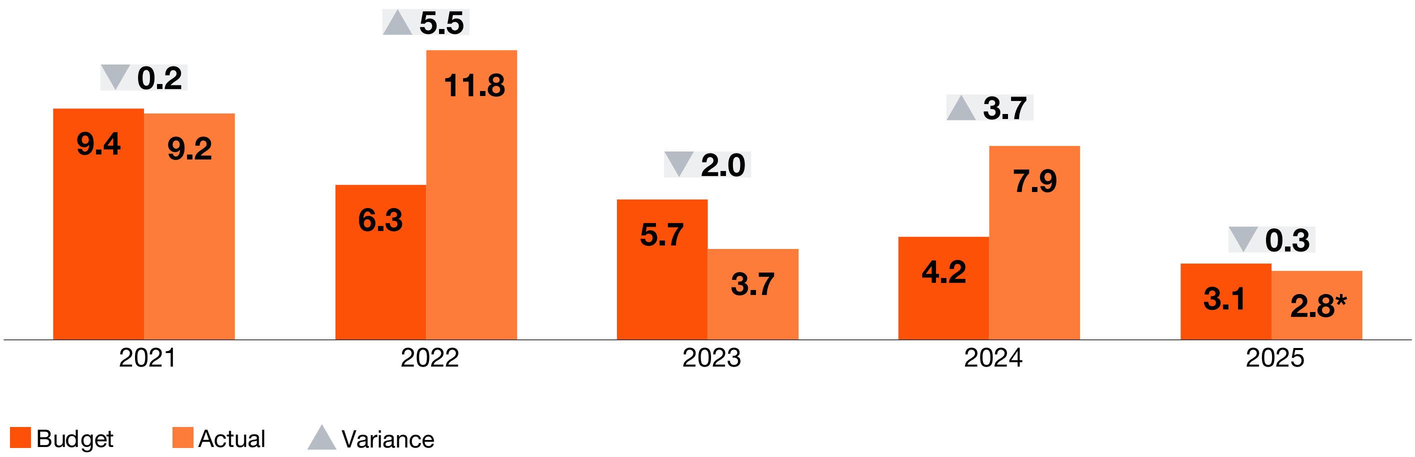
Public debt



* Data as at June 2025

Source: 2025 Budget Statement and Economic Policy; 2025 Mid-Year Fiscal Policy Review

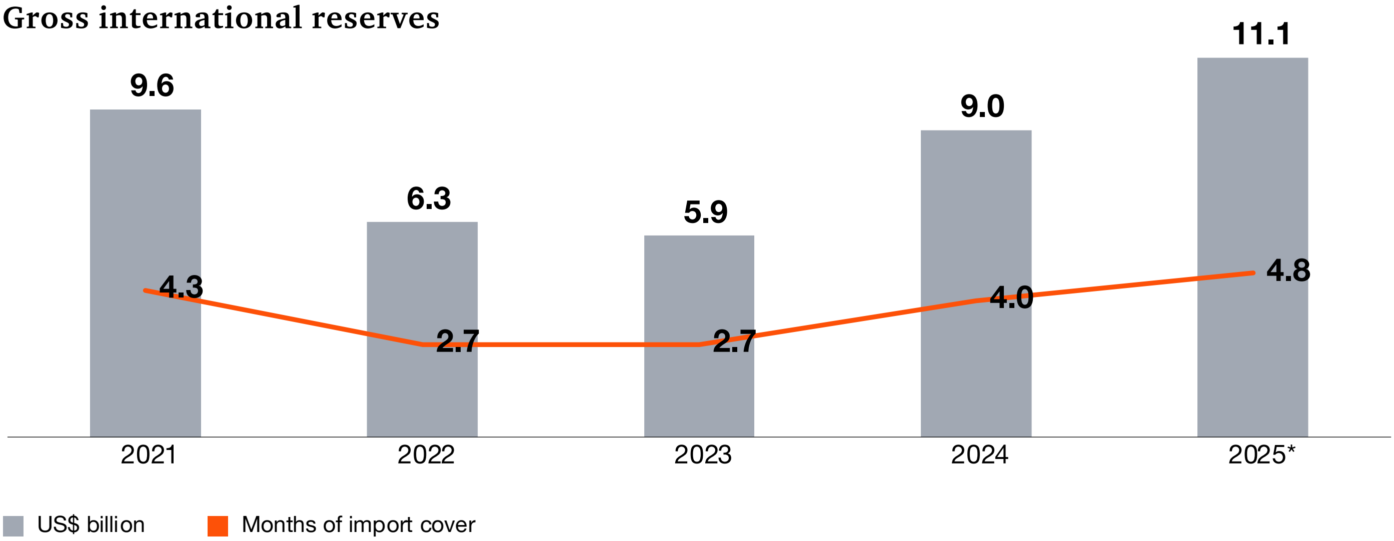
Fiscal deficit (% of GDP)



* Revised overall fiscal balance
Fiscal performance data computed on a commitment basis

Source: 2025 Budget Statement and Economic Policy; 2025 Mid-Year Fiscal Policy Review and PwC analysis

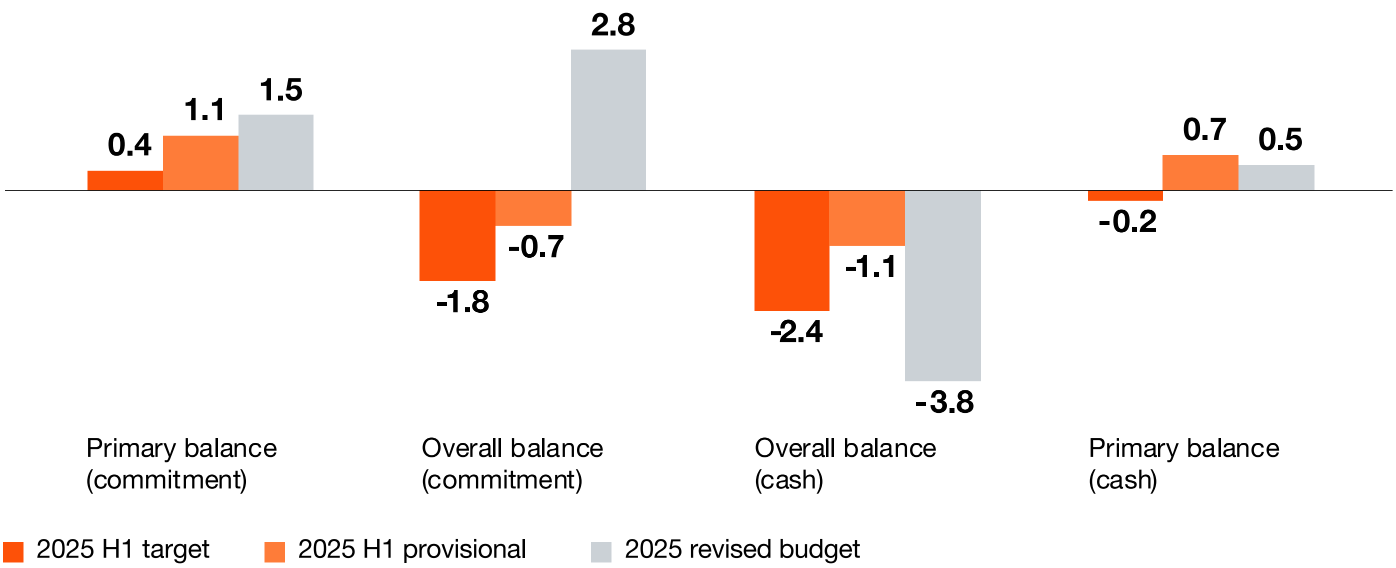
Gross international reserves



*Data as at June 2025

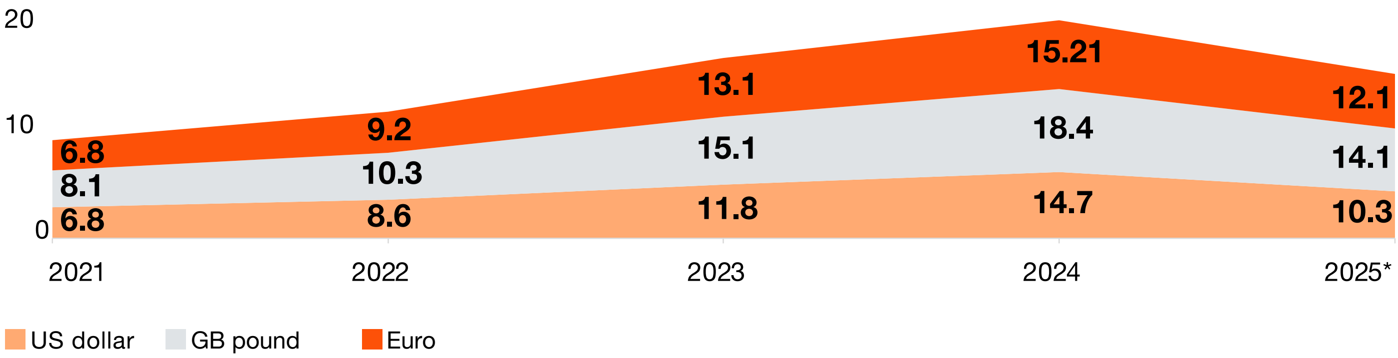
Source: 2025 Budget Statement and Economic Policy; 2025 Mid-Year Fiscal Policy Review

Summary of Jan–Jun 2025 fiscal performance



Source: 2025 Mid-Year Fiscal Policy Review

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

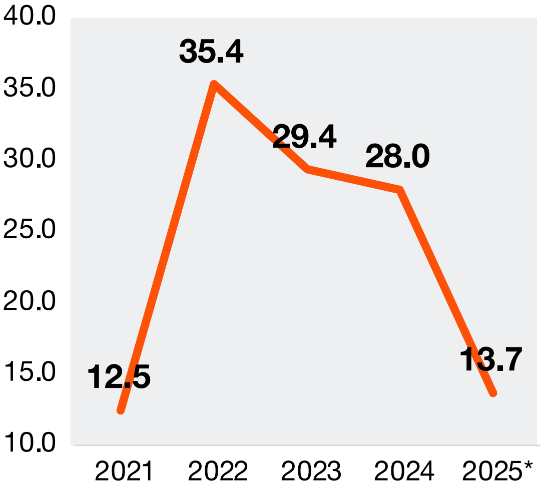


*Data as at June 2025

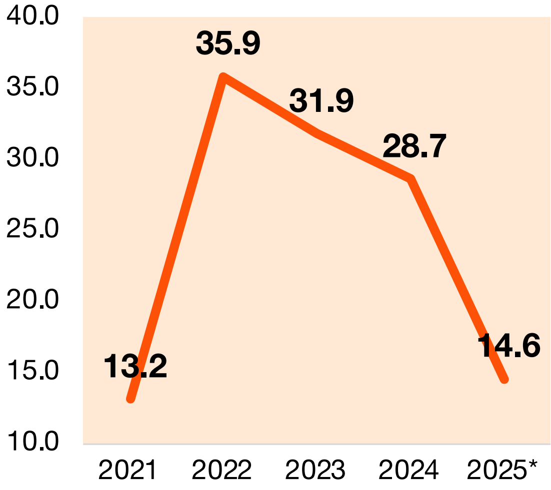
Source: Bank of Ghana monthly interest rates

Interest rates (%)

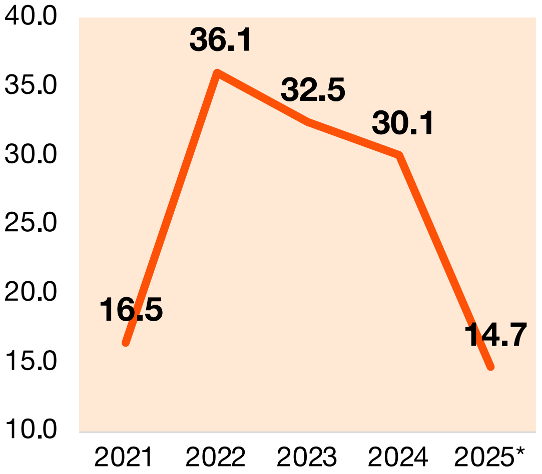
91-day Treasury bill



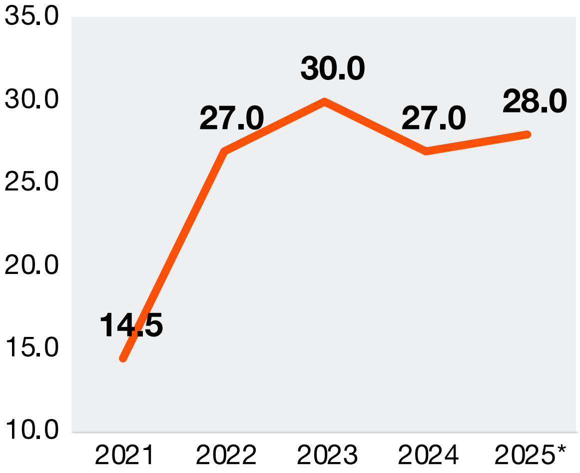
182-day Treasury bill



364-day Treasury bill

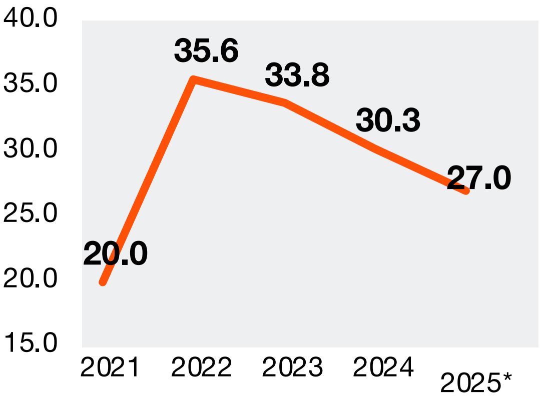


BoG policy rate



*Data as at 21 July 2025

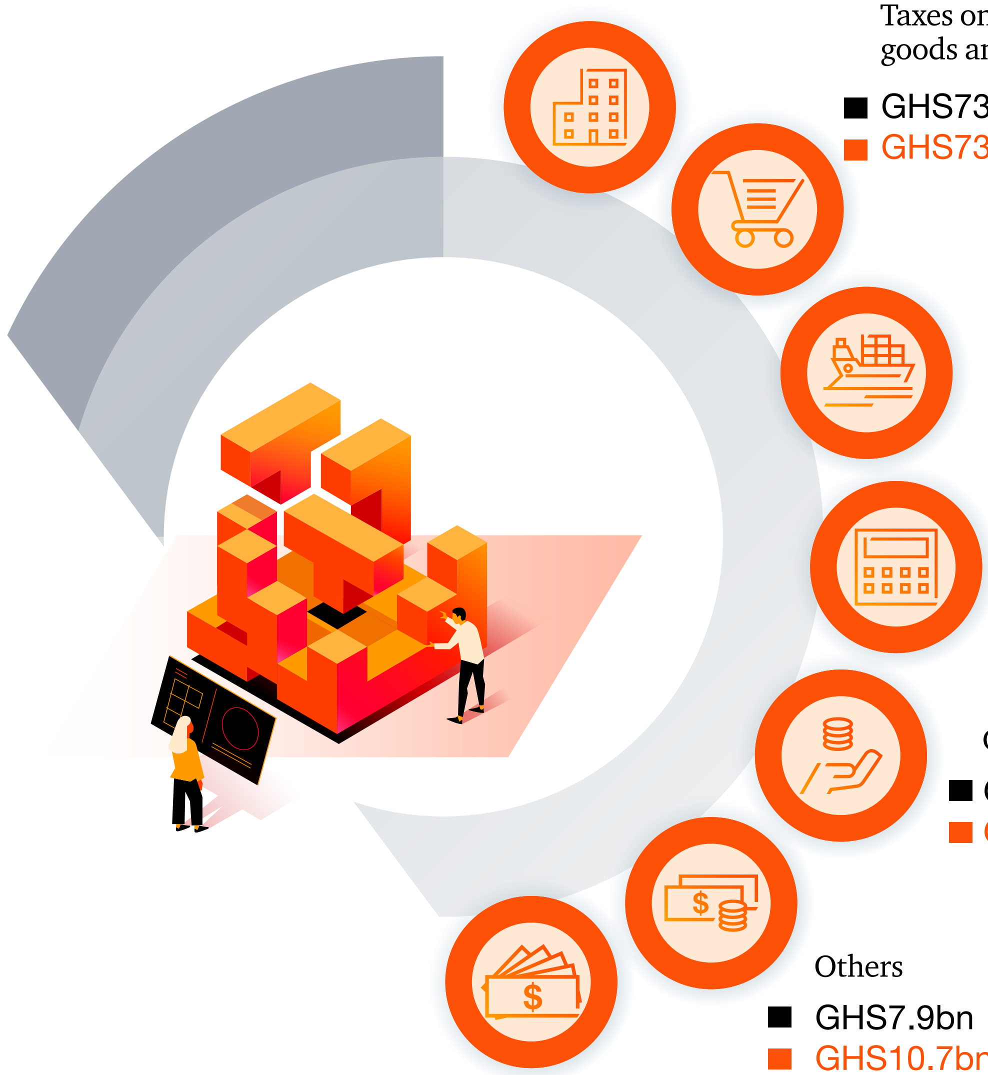
Commercial banks' average lending rate



*Data as at June 2025

Source: Bank of Ghana monthly interest rates

Where is the money coming from?



Taxes on income and property
- ■ GHS97.8bn
- ■ GHS97.8bn

Taxes on domestic goods and services
- ■ GHS73.8bn
- ■ GHS73.8bn

International trade taxes (Import duties)
- ■ GHS26.0bn
- ■ GHS26.0bn

Non-tax revenue
- ■ GHS26.5bn
- ■ GHS26.5bn

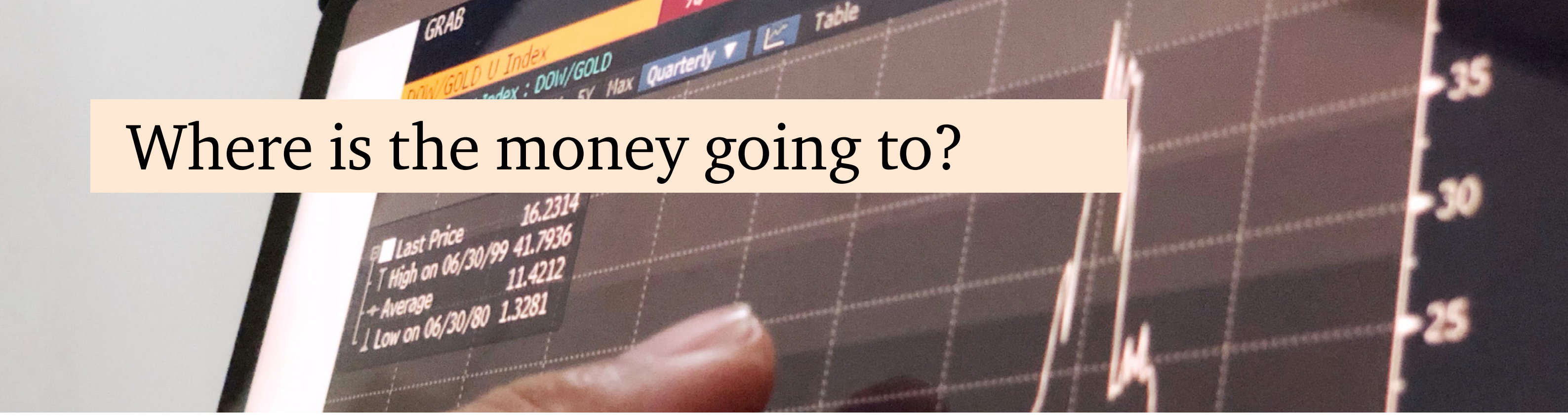
Grants
- ■ GHS2.7bn
- ■ GHS2.7bn

Others
- ■ GHS7.9bn
- ■ GHS10.7bn
- ▲ 35.4%

Refunds
- ■ (GHS7.6bn)
- ■ (GHS7.6bn)

- ■ **2025 initial budget:** GHS227.1bn
- ■ **2025 revised budget:** GHS229.9bn
- ■ **Annual change:** 1.2%

Where is the money going to?



	2025 initial budget	2025 revised budget	Annual change
Compensation of employees	GHS76.2bn	GHS76.2bn	
Goods and services	GHS6.7bn	GHS6.7bn	
Interest payments	GHS64.2bn	GHS59.9bn	▼ (6 .7%)
Subsidies	GHS0.3bn	GHS0.3bn	
Grants to other Govt. units	GHS54.6bn	GHS54.6bn	
Social benefits	GHS3.2bn	GHS3.2bn	
Other expenditure	GHS33.0bn	GHS35.9bn	▲ 8.8%
Capital expenditure	GHS32.7bn	GHS32.7bn	

2025 initial budget: GHS270.9bn

2025 revised budget: GHS269.5bn

Annual change: (0.5%)

Source: 2025 Mid-Year Fiscal Policy Review; PwC analysis

03

Tax matters

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Overview

Aside the proposal to remove the marine gas oil tax exemption, Government did not introduce any additional taxes for the remainder of 2025.

Instead, Government is working to build on the progress made earlier in the year. In the first half, key indicators improved, the Ghana cedi strengthened against major currencies, and inflation dropped sharply. However, Government did not meet its mid-year revenue target. It raised GHS99.3bn, falling short of the GHS102.6bn target by GHS3.2bn. The shortfall came mainly from lower oil revenues, import duties, excise duties and non-tax revenue receipts.

Despite the shortfall reported for the first half of the year, Government revised upwards its 2025 revenue target and expects to rope in GHS130.6bn in the second half of the year by introducing measures to improve general tax compliance and collection, and roll out major reforms in Value Added Tax (VAT), energy levies, and customs administration.

Mid-year proposed measures	PwC Commentary
VAT reform programme	**Reform the VAT regime** In this mid-year review, Government has reiterated its commitment to undertake the comprehensive VAT reforms it promised in the 2025 Budget Statement. Accordingly, Government expects to finalise and submit to Parliament a new draft VAT bill by October 2025 which will cover, among others, scrapping the COVID-19 levy and the VAT flat rate mechanism, reversing the cascading effect of the levies and increasing the VAT registration threshold. These reforms are expected to standardise the VAT regime, improve efficiency, promote compliance and provide the needed relief to taxpayers with an effective total standard rate not exceeding 20%. However, a reduced effective rate and an uplift of the threshold is expected to reduce revenues from transaction taxes if it is not offset by a widening of the tax base and an increase in compliance following the simplification of the VAT regime. Government will therefore need to follow through on its commitment to the improved public education and awareness creation to get more businesses involved in discharging their tax obligations. The electronic invoicing system (e-VAT) regime will also need to be smoothly and quickly expanded to plug any holes that may exist. As the VAT reform is key to the taxpaying community, we hope the Government keeps to its timelines of the roll out to ease the tax burden and help in business planning.
Energy sector levies reform	**Roll out energy sector levies reforms** In April 2025, the Government enacted the Energy Sector Levies (Amendment) Act, 2025 (Act 11, consolidating multiple petroleum-related levies into a single unified charge known as the Energy Sector Shortfall and Debt Repayment Levy (ESSDRL). This reform merged the Energy Debt Recovery Levy, Energy Sector Recovery Levy, Sanitation and Pollution Levy, and the Price Stabilisation and Recovery Levy into one levy, and broadened the base of the tax to include naphtha. To bolster revenue, Parliament also approved an additional GHS1 per litre on selected petroleum products under the ESSDRL in June 2025. This adjustment led to a significant jump in the revised ESLA budget—from GHS6.7bn to GHS9.6bn—with the ESSDRL component rising from GHS5.7bn to GHS8.6bn. While this move is expected to enhance the Government's capacity to stabilise power supply and reduce the power sector debt, it also places added pressure on consumers through higher fuel prices, potentially affecting transport costs and inflation. As of mid-year, provisional collections from the ESSDRL and related levies amounted to approximately GHS2.9bn, indicating a strong start toward the revised revenue target, and noting the expected full impact of the newly introduced GHS1 per litre tax for the second half. To ensure the effectiveness of the ESSDRL while minimising its adverse effects, it is recommended that the Government closely monitors inflationary impacts, particularly on transport and vulnerable households. Additionally, exploring alternative funding mechanisms could reduce over-reliance on petroleum-based levies in the long term.

Mid-year proposed measures	PwC commentary
Customs reform	**Plug customs leakages and implement anti-smuggling measures** The revised budgeted import duties revenue for 2024 was set at GHS18.9bn, with the target for the first half of the year at GHS7.6bn. The Government surpassed both targets, collecting GHS20.3bn for the full year and GHS8.4bn for the first half, demonstrating the robustness of import duties as a source of revenue. However, the first half of 2025 presented unexpected outcomes, as import duties revenue fell short by GHS1.6bn, potentially also due to the significant appreciation of the Ghana cedi. This revenue shortfall represents a 12.7% miss on the programmed half-year revenue of GHS12.5bn and indicates a slow pace in revenue collection from import duties. The Minister attributed the shortfall to systemic revenue leakages and persistent smuggling activities. To address this, the Government intends to use AI, Advanced Cargo Information (ACI) system and anti-smuggling surveillance programme as well as restructuring of the Customs Division of the GRA to neutralise the risks. By automating and streamlining processes, the Government can expect a more consistent and predictable revenue stream by plugging existing leakages and reducing opportunities for fraud and human error. Improved accuracy, timeliness of duty assessments and predictable customs process would offer additional benefits to taxpayers leading to seamless customs administration and increased compliance. However, the success of these reforms will rely on effective implementation, strong stakeholder engagement, and the creation of fair and efficient redress mechanisms for importers. With careful planning and phased rollout, these reforms can deliver substantial benefits to both the Government and the trading community.
General tax administration reforms	**Enhancing tax administration** The mid-year Budget focusses on strengthening tax administration to boost revenue collections, especially as no major tax was introduced. With this, the Government intends to: • Aggressively mobilise revenues • Digitalise the modified taxation system • Enhance data analytics and collaboration for tax audits • Expand taxpayer education initiatives These measures will potentially increase overall tax revenue, create a more level playing field for businesses, improve audit accuracy and discourage tax evasion. If not managed carefully however, aggressive measures risk overburdening taxpayers. Government should keep new tax measures simple and transparent to minimise compliance costs and monitor effects on taxpayers to avoid stifling their growth. To improve compliance and convenience, especially for small businesses and the informal sector, the Government should invest in user education and technical support for digital platforms and manage changes to its tax administration models in ways that take into account different business sizes and make transitioning smooth.

Status update: Tax measures introduced in the 2025 budget

In our review of the 2025 Budget Statement and Economic Policy in March, we outlined a range of key tax policy initiatives proposed by Government. Below is a review of those measures, tracking their current implementation status.

1 Direct taxes

Implemented

- Extending the Growth and Sustainability Levy (GSL) to 2028 for all eligible entities and raising the GSL for mining companies from 1% to 3% of their gross production.
- Removing the 1.5% withholding tax on unprocessed gold purchases from small-scale miners and eliminating the 10% tax on lottery winnings, including betting, gaming, and games of chance.

Outstanding

- Increasing the monthly equivalent tax-free chargeable income level for resident individuals from GHS490 to an estimated GHS540.

2 Indirect taxes

Implemented

- Removing VAT on motor vehicle insurance premiums.
- Keeping the 2% Special Import Levy on imported goods until 2028.
- Removing the 1% Electronic Transfer Levy (E-Levy) on electronic transfers.
- Abolishing the Emissions Levy.

Outstanding

- Exempting more pharmaceutical raw materials and essential imported medicines from VAT.
- Reforming the VAT system this year by removing the COVID-19 Health Recovery Levy, treating health and education levies as VAT, and reducing eligible VAT-registerable traders.
- Expanding duty concessions to include the local production of two- and three-wheeled electric vehicles.
- Reviewing and eliminating some taxes, fees, and charges on imported goods.

3 General (administrative) measures

Implemented

- Extending the waiver of penalties and interest under the Voluntary Disclosure Programme to promote tax compliance.
- Reducing the tax refund account limit from 6% to 4% of total tax revenues to curb abuses of the account.

Outstanding

- Modifying the main tax exemptions law and introducing regulations to make exemptions work better.
- Introducing digital solutions for the Modified Taxation System for small sole-traders.
- Boosting revenue collection using digital tools for road tolls and property rates.
- Making it easier to resolve tax disputes between taxpayers and the Ghana Revenue Authority.
- Holding quarterly meetings with key stakeholders to quickly address issues.

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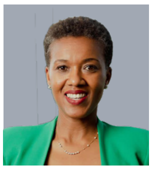

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This report includes insights and analysis supported by AI tools. These tools were used to enhance data processing, identify patterns, and support the drafting process. All findings and conclusions have been reviewed and validated by human experts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