2026 West Africa Economic Outlook

Translating macroeconomic stability
to sustainable economic growth

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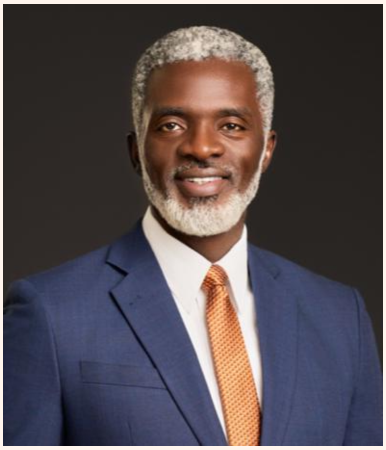
What's inside

01 West Africa Macroeconomic Context 04

02 Issues and Considerations 11
- Nigeria
- Ghana

03 Outlook 38
- Nigeria
- Ghana

04 Strategic Imperatives for Business Leaders 41



Sam Abu
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Foreword

The 2026 West Africa Economic Outlook arrives at a time of stabilising macroeconomic conditions. Following a period of reform, inflationary pressures across the region are projected to ease from 15.7% in 2025 to 11.1% in 2026, while currency conditions in our major hubs are finding a new equilibrium. Growth is also expected to remain resilient at 4.2% in 2026, anchored by sustained domestic demand and a surge in energy projects, particularly rising oil and gas output in Senegal and Niger.

Within this regional picture, Nigeria is projected to see GDP growth of 4.3%, driven by a robust services sector (ICT, finance, and real estate) and improved policy transparency. Ghana continues its recovery, with growth supported by agriculture and services; notably, we anticipate significant monetary easing, with policy rates forecast to fall to 15% or lower as inflation moves closer to target.

For organisations, the focus is also shifting. Improved stability is changing the nature of executive decisions from managing volatility to optimising capital allocation and advancing digital transformation. At the same time, we must remain mindful of the “consumer dilemma”: real incomes remain under pressure despite nominal growth, and poverty levels in Nigeria could reach 62% of the population in 2026.

The role of digitalisation and AI will be a defining theme for 2026, offering a path to productivity gains and economic diversification, provided infrastructure gaps and regulatory frictions are addressed.

This Outlook takes a deep dive into four critical dimensions that will shape your business environment in 2026 with detailed deep dive into Nigeria and Ghana. It begins with the West Africa Macroeconomic Context, offering a regional analysis of output, fiscal trends, and price dynamics. It then distills Seven Key Issues and Considerations that executives must keep in view as conditions evolve. Building on this, the Outlook section provides a forward-looking synthesis of the region’s trajectory as economic conditions normalise. Finally, Strategic Imperatives for Business Leaders lays out a practical roadmap of eight specific actions to drive resilience and growth in a stabilising but still constrained environment.

In this recovering environment, agility will be the ultimate competitive advantage. Strategies must be resilient enough to withstand potential global trade slowdowns, yet flexible enough to capture emerging domestic opportunities.

We trust this Outlook will provide you with the data-driven clarity required to lead with confidence in 2026.

01

West Africa Macroeconomic Context

Setting the context (1/4)

Output dynamics

- **West Africa GDP growth was estimated to reach 4.4% in 2025 driven by new oil and gas production from Senegal and Niger.** Larger economies such as Nigeria and Ghana both recorded growth in Q3 2025 with Nigeria's GDP growth at 3.98% driven by improvements in domestic reforms and growth in the services sector (finance and insurance, mining and quarrying and ICT), while Ghana recorded a 5.5% growth within the same period, driven by strong performances in agriculture and services, as it continues its recovery from previous downturns.
- **Looking ahead, economic growth across West Africa is expected to reach 4.2% in 2026 supported by continued domestic demand, expanding infrastructure and energy projects, and rising oil and gas output** in countries such as Senegal and Niger, as well as sustained policy reforms that continue to boost investment and macroeconomic stability in key economies, including Nigeria, Ghana, and Cote d' Ivoire.

Fiscal dynamics

- Despite overall improvements and a decline in public debt in parts of the region, **West Africa still faced high debt levels in 2025. Nigeria's public debt stood at over ₦152 trillion (around USD100 billion) in Q2 2025, while Ghana recorded GHS630.2 billion in October 2025,** supported by restructuring with bilateral and commercial creditors, lower near-term amortisation, and improved domestic currency strength.
- Debt pressures are expected to **stabilise or rise slightly in 2026 across West Africa**. Ghana's debt dynamics may improve further as **ongoing restructuring and fiscal discipline rebuild confidence, easing refinancing and interest costs**. Additionally, reforms in the domestic gold sector are expected to **improve and sustain support for the domestic currency, preventing a burgeoning of the public debt denominated in foreign currency**. In contrast, Nigeria remains fiscally vulnerable, with **debt service projected at ₦15.52 trillion against revenue of ₦34.33 trillion, implying a high debt service-to-revenue ratio of 45%.**

Source: Reuters, World Bank, Afrexim, Strategy& Analysis

Setting the context (2/4)

Monetary Dynamics

- **West Africa's monetary policy stance softened gradually in 2025 as central banks responded to declining inflation and sought to support economic activity through lower policy rates.**
- In Nigeria, the **Central Bank's Monetary Policy Committee eased MPR to 27% from 27.5% in September 2025**, signaling a shift toward more accommodative policy amid sustained disinflation and a more stable exchange rate environment.
- In 2025, Ghana's monetary policy also shifted from tightening to easing as inflation moderated. After raising the **policy rate to 28% early in the year, the Bank of Ghana cut rates to 25% in July, 21.5% in September, and 18% by year-end**, reflecting sustained disinflation and improving macroeconomic stability.
- Looking ahead to 2026, monetary policy in West Africa is expected to **continue easing gradually as inflationary pressures subside and economic growth strengthens**. In Nigeria, the **MPR is expected to ease gradually** as the CBN seeks to support credit expansion and maintain price stability, amid moderating inflation and firmer FX conditions. In Ghana, the **policy rate is forecast to fall to 15% or lower** as disinflation advances and confidence in price stability grows, contingent on sustained fiscal discipline and effective monetary coordination.

Market Dynamics

- **Financial markets in West Africa showed signs of renewed investor interest in 2025,** with flows into major economies rising significantly and equities markets recording stronger turnover.
- In Nigeria**, importation surged in H1 2025, with total inflows reaching US$5.64 billion, a 67% increase** compared with the same period in 2024, driven by **portfolio investment into banking and financial sectors**. Portfolio flows accounted for **92% of this importation**, reflecting strong short-term investor appetite for financial assets in the country which raises concerns about medium to long term stability.

Source: CBN, BoG, NBS, NGX, GSE, Strategy& Analysis

Setting the context (3/4)

Market Dynamics

- On the stock market front, **exchanges in both Nigeria and Ghana delivered robust performances in 2025**. The Nigerian Exchange (NGX) closed the year with one of its strongest annual returns in nearly two decades, with the **NGX All-Share Index rising over 50% and market capitalisation reaching ₦99.4tn in December 2025 as investor appetite for Nigerian equities strengthened**, especially in banking and industrial sectors
- The Ghana Stock Exchange (GSE) also recorded a standout year in 2025, emerging as **one of Africa's best-performing stock markets with a total market capitalisation of GHS171.9 billion by the end of December 2025, and composite index returns exceeding 79% in local currency terms**.
- Looking ahead to 2026**, importation into West African financial markets is expected to remain resilient**, supported by ongoing macroeconomic reforms, improved liquidity conditions

Price Dynamics

- **Inflation across West Africa moderated steadily in 2025**, reflecting improvements in supply conditions and stabilising food and energy prices.
- Nigeria experienced a continued decline in headline inflation, reaching **14.45% year-on-year by November 2025 driven** by **base effects, easing food prices, improved FX stability, and tight monetary policy. Ghana's inflation fell to 5.4% in December 2025 driven by a strong decline in food and non-food inflation rates as well as the easing of inflation for locally produced and imported items.**
- In 2026, inflation across **West Africa is projected to decline to 11.1% from 15.7% in 2025**, reflecting easing food prices, moderating global cost pressures and improved macro stability. Inflation in Nigeria is projected to maintain a downward trajectory as food prices stabilise and policy measures continue to support price moderation. While Ghana's inflation may stabilise near the central bank's target of 8% +/- 2%, i.e., 6% - 10%.

Source: CBN, BoG, NBS, NGX, GSE, Strategy& Analysis

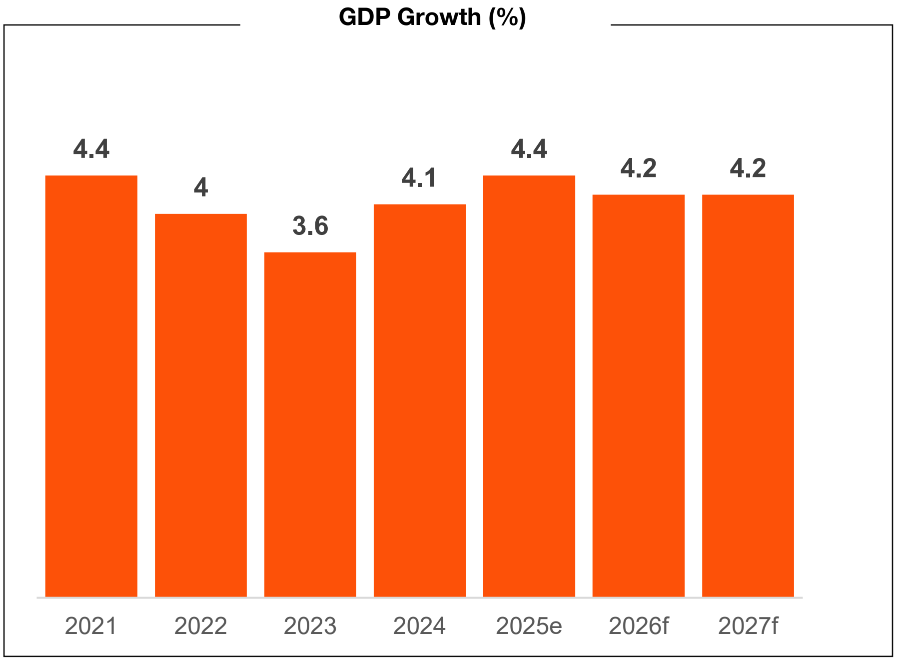
Setting the context (4/4)

Real sector dynamic

- West Africa's real sector demonstrated steady expansion in 2025, supported by recovery in manufacturing, services, and agriculture across the region. Composite PMIs in major economies consistently remained above the 50-point threshold, signalling ongoing growth in private-sector output and business activity.
- In Nigeria, the composite PMI rose to 57.6 points by December 2025, reflecting stronger industrial output and resilient service sector performance, while the country's trade balance (₦6.69 trillion surplus in Q3 2025) improved on the back of higher export earnings.
- Ghana also recorded positive momentum, with its **PMI reaching 51.1 points in the same period** indicating expansion in both manufacturing and services, and **trade surpluses ($8.5 billion in October)** supported by stabilising exports and increased production volumes and favourable prices for the country's key commodity exports as well as for its non-traditional exports (NTEs). .
- In 2026, **real sector growth in West Africa is expected to continue at a moderate pace. Nigeria's manufacturing and services activities are projected to maintain momentum, supported by ongoing economic reforms and stable trade conditions while Ghana's industrial and services sectors may expand further as investment and credit access improve.**

Source: NBS, CBN, GSS, BOF, PwC Analysis

In 2026, West Africa's GDP growth is projected to remain strong but moderate to 4.2% as economic conditions normalise across the region

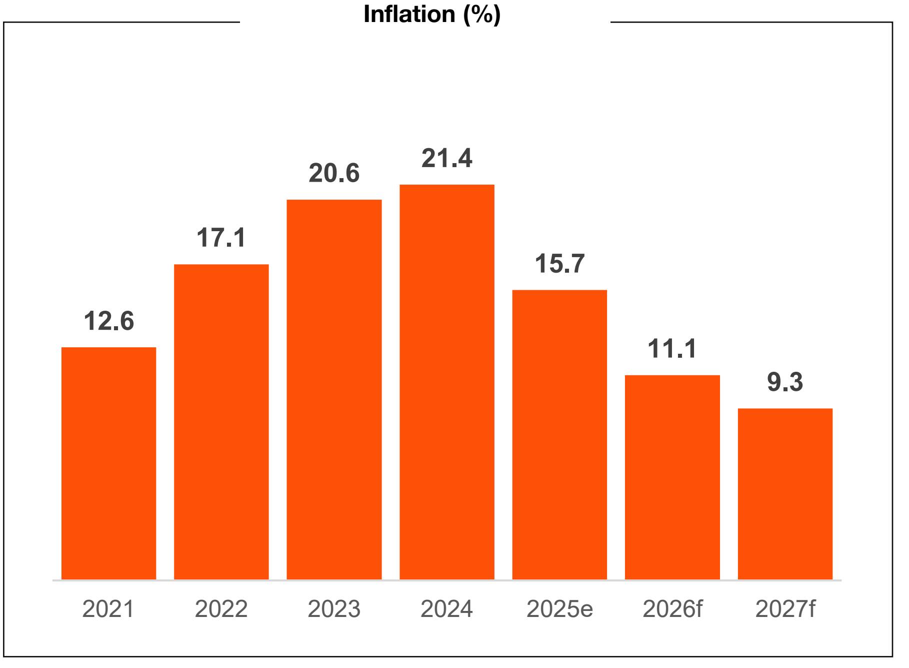


Key Insights

- West Africa's GDP growth eased from **4% to 3.6% in 2023, reflecting lingering headwinds in major economies such as Nigeria and Ghana.**
- The region **rebounded in 2024 with growth rising to 4.1%, supported by easing inflation and improving macroeconomic conditions** in these large economies.
- Growth momentum strengthened further in 2025, reaching an estimate of 4.4% **as recoveries in the major economies continued and smaller economies such as Niger began to expand more rapidly.**
- **In 2026, growth is projected to remain strong but moderate slightly to 4.2% as economic conditions normalise across the region**.

Source: Afrexim,, Strategy& Analysis

Inflation is expected to moderate further to 11.1% in 2026 signaling a gradual return to more stable price levels as the major economies recover

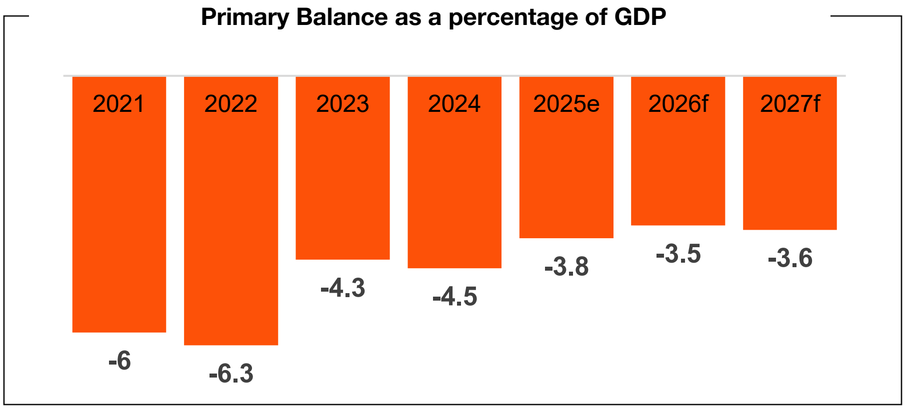


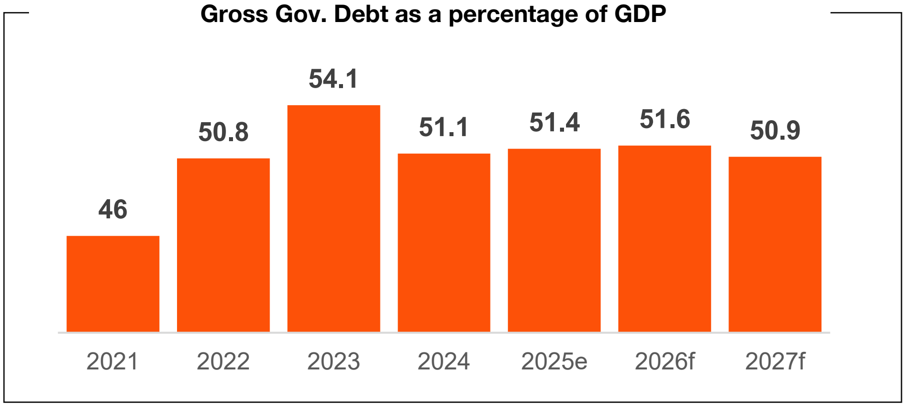
Key Insights

- West Africa's inflation surged from **12.6% in 2021 to 21.4% in 2024, driven by high food and energy prices and currency pressures in major economies like Nigeria and Ghana.**
- The region's inflationary rate was projected to see a sharp decline to **15.7% in 2025 due to the effects of policy measures.**
- **Inflation is expected to moderate further to 11.1% in 2026 and 9.3% in 2027, signaling a gradual return to more stable price levels as the major economies recover.**

Source: AfDB,, Strategy& Analysis

West Africa's fiscal position shows gradual consolidation amid high debt with a 3.5% primary deficit and stable 51.6% government debt in 2026





Key Insights

- West Africa's primary balance has remained in deficit throughout 2021–2027, but the deficit is gradually narrowing from **–6% in 2021 to a projected –3.5% in 2026, signaling slow fiscal consolidation.** Gross government debt increased sharply from **46% of GDP in 2021 to 54.1% in 2023, reflecting accumulated borrowing, before stabilising around 51–52% in 2024–2027.**
- The combination of narrowing deficits and high but stabilising debt indicates that **while governments are improving fiscal discipline, overall debt levels continue to limit fiscal space.**

Source: Afrexim,, Strategy& Analysis

02

Issues and Considerations: Nigeria

Seven key issues that will shape the Nigerian economy in 2026

7 Key Issues

01	**Stronger momentum in the emergence of digital economy and AI:** regulatory clarity, AI adoption gaps & infrastructure constraints shape digital growth
02	**Domestic security and social stability pressures:** prevailing insecurity & land-use conflicts challenge national cohesion
03	**Consumer dilemma:** spending recovery in the face of dwindling real income
04	**Uneven sectoral growth dynamics:** uneven growth trends, structural bottlenecks & shifting demand patterns reshape industry outlook
05	**Strenghtening monetary policy effectiveness:** anchoring expectations, inflation risks & external shocks challenge to price stability
06	**Addressing fiscal sustainability and executing reforms:** elevated debt obligations, deepening revenue mobilisation strategy & acceleration of reforms shape policy choices
07	**Global dynamics and geopolitics:** shifting trade patterns, regional tensions & policy realignments redefine global outlook

The key issues identified presents implications for Nigeria in 2026 (1/2)

Key Issues	Description	Implication for Nigeria
Stronger momentum in the emergence of digital economy and AI	• **Crypto transactions totaled US$92.1 billion (Jul 2024 –Jun 2025).** • The new regulatory and tax framework formalises crypto but raises compliance costs. • **Nigeria's AI strategy (2025) and pending e-governance bill** will shape future growth.	• Digital adoption can drive diversification and innovation, but success relies on regulatory clarity, investment in infrastructure and skills.
Domestic security and social stability pressures	• **Conflict fatalities climbed from 9 897 to 10 894 in 2025** due to kidnappings, insurgency and communal violence. • **Farm-conflict incidents jumped to 287 by 2024**, especially in the North-East and North-Central.	• Worsening insecurity elevates food prices and deters investment • Restoring law and order and resolving land-use disputes are critical for maintaining social cohesion
Consumer dilemma	• Nominal **household spending rose 19.6 % in 2025**, yet spending fell 2.5 % due to surging food, transport etc. • **Poverty levels may reach 62% of population (141 million people)** in 2026, reflecting the combined effects of legacy policy gaps, global shocks and the short-term costs of ongoing reforms	• Real-income weakness constrains discretionary spending. • Businesses should adapt product offerings and pricing to a cautious consumer
Uneven sectoral growth dynamics	• **Services (ICT, finance, real estate) continue to drive growth in 2026**, while agriculture, manufacturing and trade face insecurity, high energy and logistics costs and port inefficiencies. • **GDP is projected to grow ~4.3 % in 2026**, but spillovers to labour-intensive sectors are limited. Real	• A services-led expansion may result in "jobless growth". • Reducing costs, modernising infrastructure and improving security can unlock agriculture and manufacturing, spreading growth more evenly.

Source: World Bank, IMF, EIA, Afreximbank, Strategy& Analysis

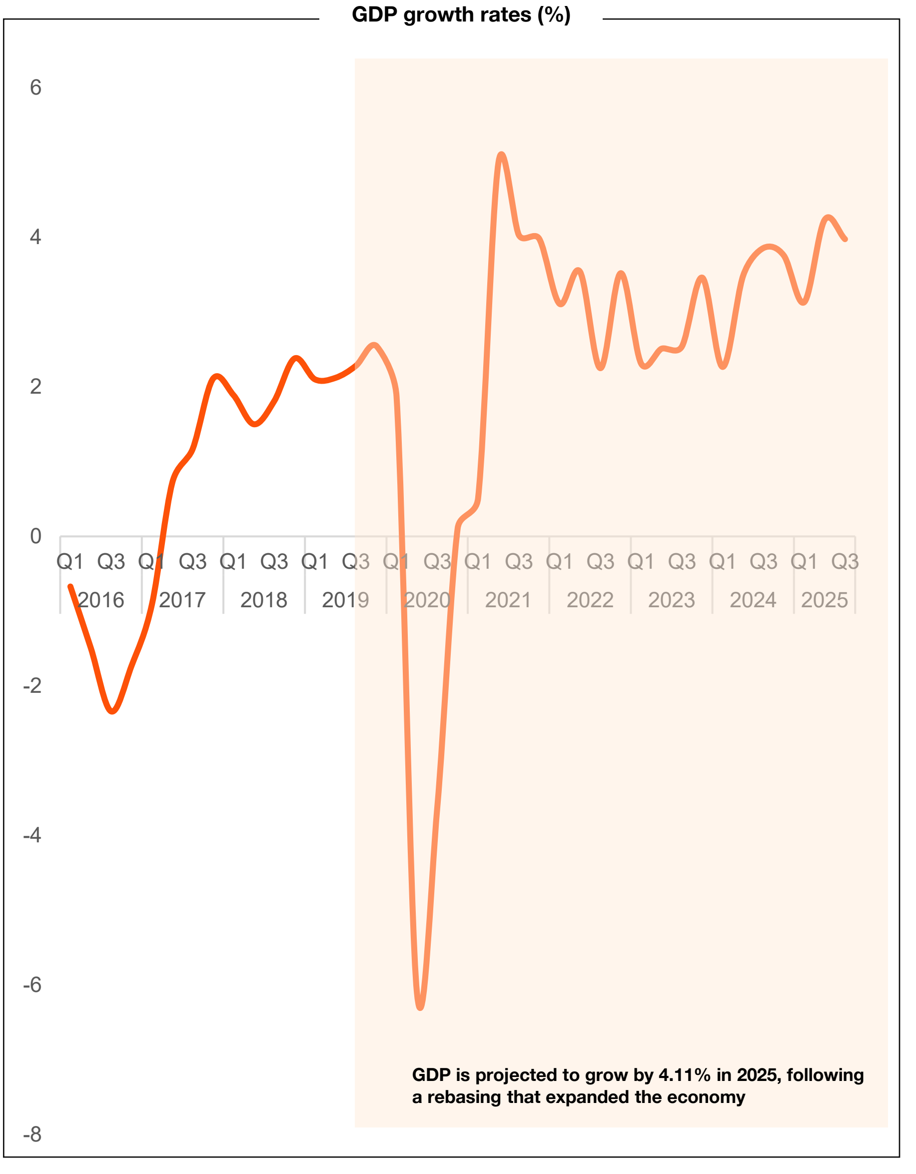
The key issues identified presents implications for Nigeria in 2026 (2/2)

Key Issues	Description	Implication for Nigeria
Strenghtening monetary policy effectiveness	• Inflation declined to **14.45% by Nov 2025**, helped by easing food prices, FX stability and tight monetary policy, while the **CBN held the MPR at 27%** before cautiously easing. • **Naira appreciated 6.9 % y/y** and reserves rose 11.1%. • Price stability faces risks from food insecurity, energy shocks, & -flow volatility.	• Continued vigilance is needed to anchor inflation expectations. • Tight but transparent policy stance should mitigate potential shocks. • Coordination with fiscal authorities will support macro stability.
Addressing fiscal sustainability and executing reforms	• **2026 budget projects revenue of ₦34.33 trillion versus expenditure of ₦58.18 trillion** (deficit of ~4.3 % of GDP). • **Debt servicing will consume 45.2% of projected revenue.** Reliance on domestic borrowing increases refinancing risk and crowding-out of private investment.	• High debt-service costs squeeze funds for infrastructure and social programmes. • Sustained revenue reforms, spending discipline and reduced leakages are essential to restore fiscal space and support growth.
Global dynamics and geopolitics	• **Global GDP growth is projected to ease to 3.1% in 2026**, with trade growth slowing to 0.5%. • Elevated global policy rates kept financial conditions tight in 2025, easing is expected in 2026, but tariff uncertainty may persist. • Oil prices are projected to soften toward US$55 per barrel in 2026.	• Subdued global and regional trade may constrain Nigeria's non-oil exports. • Rate easing may support refinancing, but regional instability and selective flows could still pressure FX stability. • Lower oil prices may weaken Nigeria's fiscal revenues and FX inflows while regional instability may disrupt regional trade and reinforce Nigeria's external vulnerability.

Source: World Bank, IMF, EIA, Afreximbank, Strategy& Analysis

GDP is projected to grow by 4.26% in 2026, driven by expansion in services sector and improvement in macroeconomic conditions

GDP growth trends



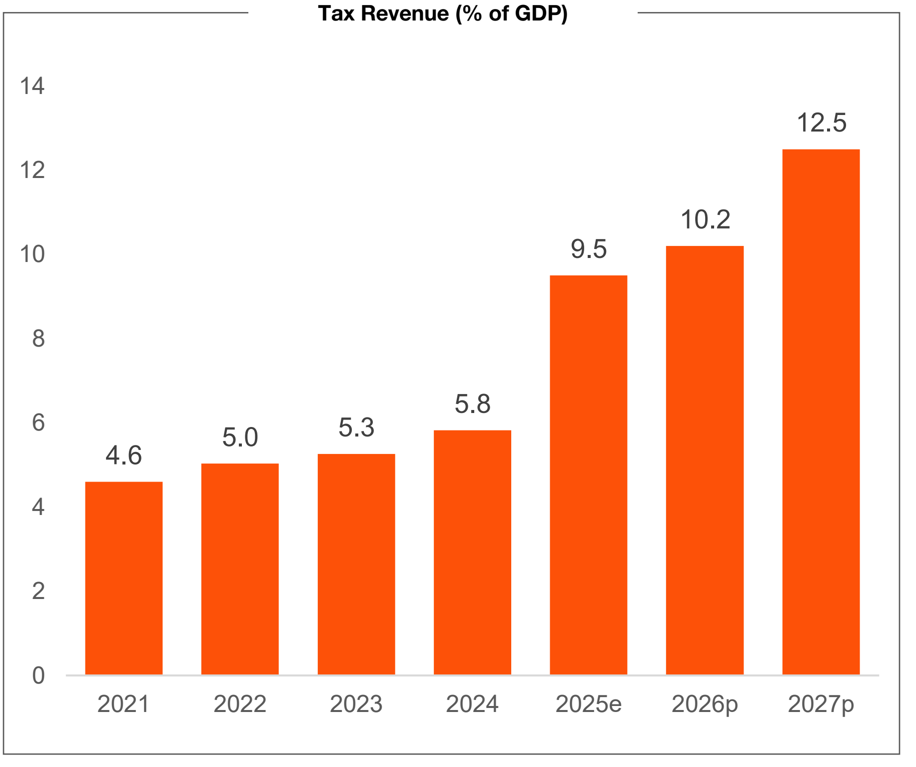
Key Insights

- **Real GDP grew by 3.98% y/y in Q3 2025**, easing from **4.23% in Q2 2025** but above **3.86% in Q3 2024**, confirming sustained growth momentum despite a high-interest-rate environment.
- Growth was supported **by finance and insurance, driven by higher interest income and increased digital transactions**; **mining and quarrying, led by petroleum and natural gas production supported by higher crude oil output, domestic gas production, and rising oil prices; and ICT, driven by telecommunications growth from expanded broadband penetration and sector investments.**
- GDP is projected to grow by **4.3% in 2026**, driven by **expanding services (especially ICT, finance and real-estate), a gradual recovery in oil and non-oil exports, and modest improvements in macro stability and investor confidence.**

Source: NBS, Fitch, Strategy& Analysis

Tax revenue mobilisation may strengthen further in 2026, supported by implemented tax reforms

Trends in tax revenue to GDP ratio



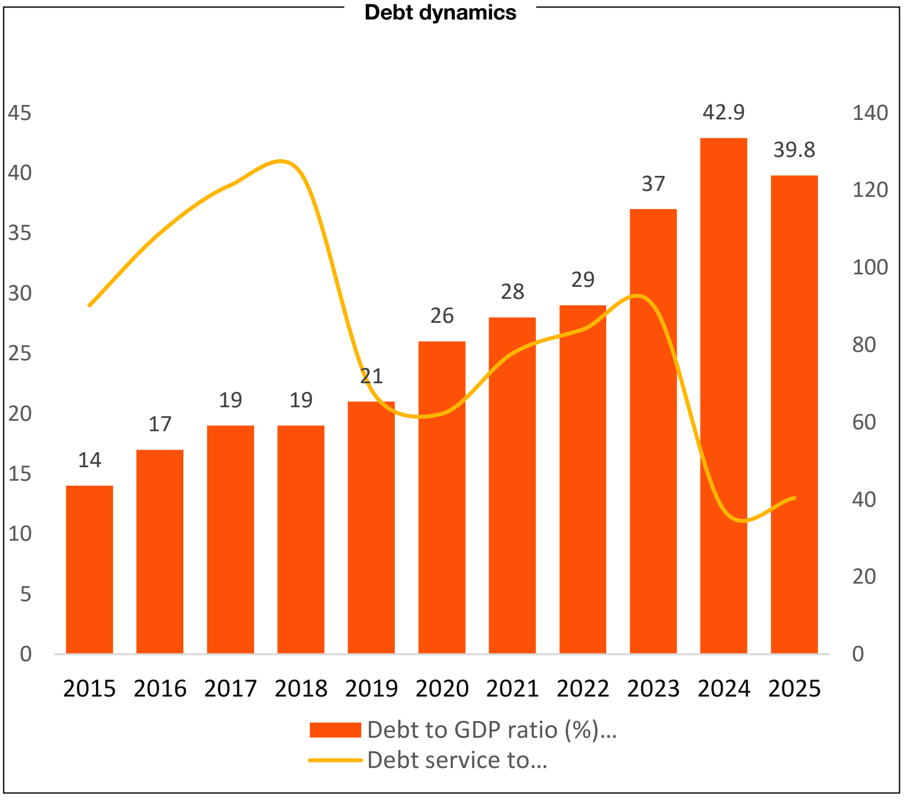
Key Insights

- Nigeria's tax-to-GDP ratio is estimated to have increased to **9.5%, reflecting recent gains from improved revenue mobilisation, enforcement, and administrative reforms**.
- Despite this improvement, tax revenue remains below the minimum desirable benchmark of **15% of GDP**, as referenced in World Bank and IMF domestic revenue mobilisation frameworks for financing core government functions.
- In 2026, tax revenue mobilisation is expected to strengthen further, **driven by the phased implementation of tax reforms, tighter compliance enforcement, expanded use of digital revenue systems, and improved remittance discipline across revenue-generating agencies**.

Source: World Bank, Strategy& Analysis

Debt pressures may ease in 2026, supported by effective tax reforms and stronger revenue mobilisation

Debt dynamics trend



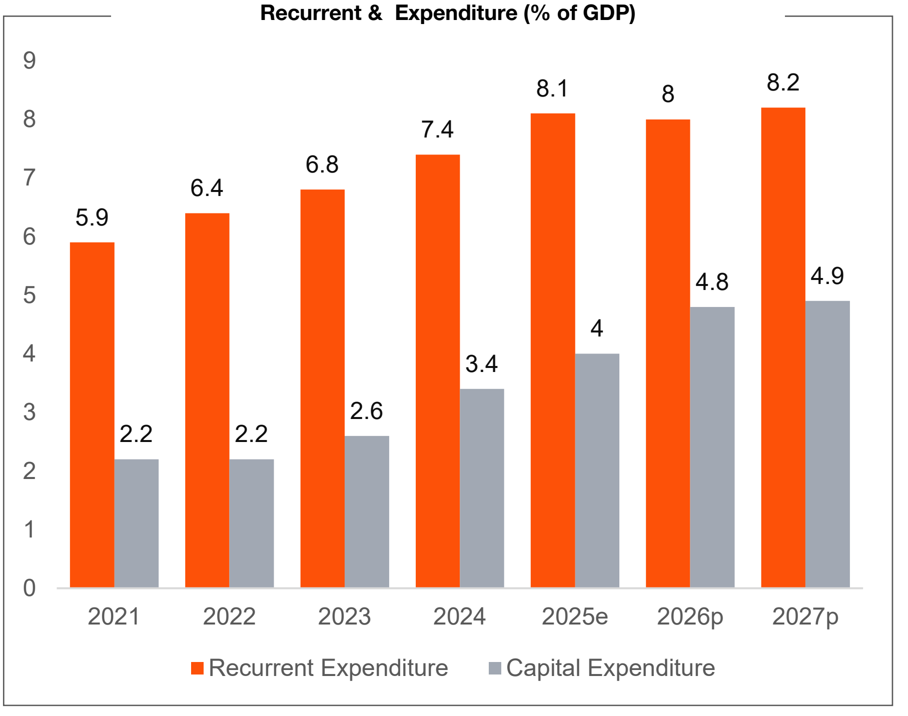
Key Insights

- **Public debt-to-GDP is estimated to have declined from 42.9% in 2024 to 39.8% in 2025**, supported by strong nominal GDP growth, the statistical effects of GDP rebasing, and improved fiscal receipts.
- This improvement has been underpinned by **strong non-oil revenue mobilisation, including ₦15.69 trillion in non-oil revenue collected between January and August 2025.**
- **Debt pressures are expected to ease in 2026, but fiscal vulnerabilities persist as debt service is budgeted at ₦15.52 trillion against projected revenue of ₦34.33 trillion, implying a debt service-to-revenue ratio of 45%.**
- In addition, the 2026 budget deficit of ₦23.85 trillion (4.28% of GDP) sustains elevated financing needs, limiting fiscal space and increasing exposure to refinancing, interest-rate, and exchange-rate risks.

Source: World Bank, Strategy& Analysis

Debt service and wage-heavy recurrent costs may crowd out fiscal space, while allocations may face execution risks in 2026

Expenditure trend: recurrent vs expenditure



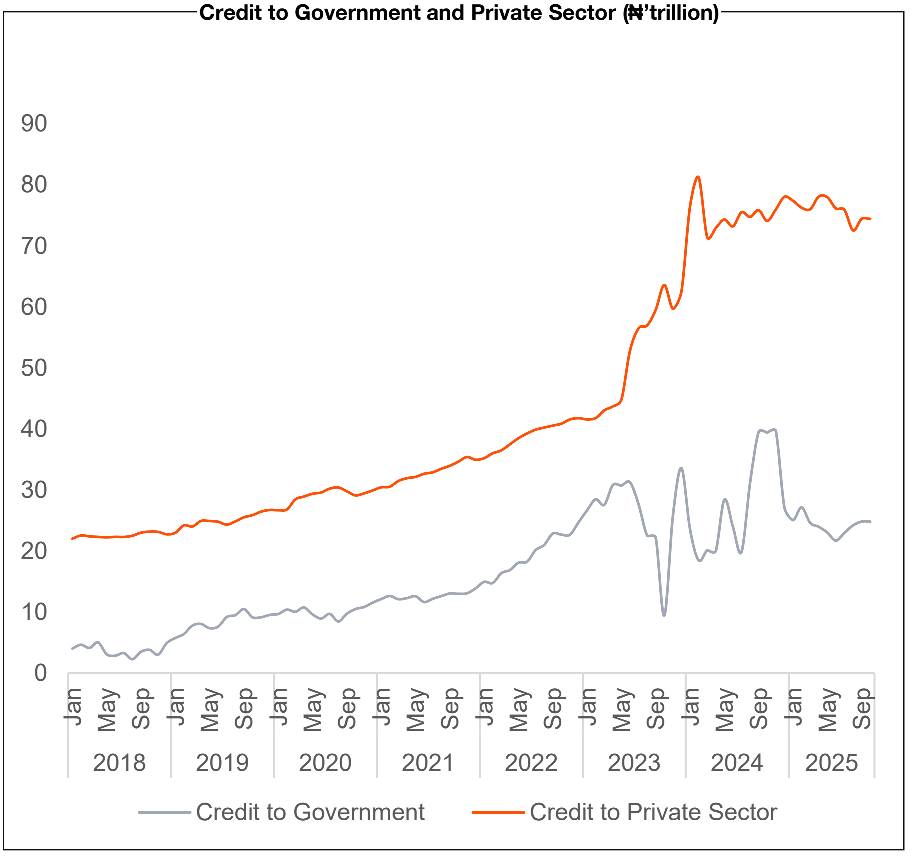
Key Insights

- **Debt service and recurrent spending may continue to crowd out fiscal space in 2026**. Debt service is budgeted at ₦15.52 trillion, while recurrent (non-debt) expenditure is **₦15.25 trillion**, bringing both items to **₦30.77 trillion, or 52.9% of total expenditure (₦58.18 trillion)**.
- **Recurrent expenditure remains structurally rigid, driven largely by personnel and statutory obligations**.
- Personnel costs, including pensions, are estimated at **₦10.75** trillion, accounting for **70.5%** of recurrent (non-debt) spending, which limits short-term fiscal flexibility when revenues underperform.
- expenditure is budgeted at **₦26.08 trillion**, signalling policy intent to support growth and infrastructure delivery and rebalance spending toward productive investment.
- **However, weak execution, delayed releases, and procurement bottlenecks mean the realised growth impact in 2026 may fall short of budgeted allocations**, increasing the risk that higher spending does not translate into proportional economic outcomes.

Source: Budget Office, World Bank, Strategy& Analysis

Credit conditions may remain tight in 2026, as both supply and demand-sides constraints may limit private-sector borrowing

Credit to government and private sector trend



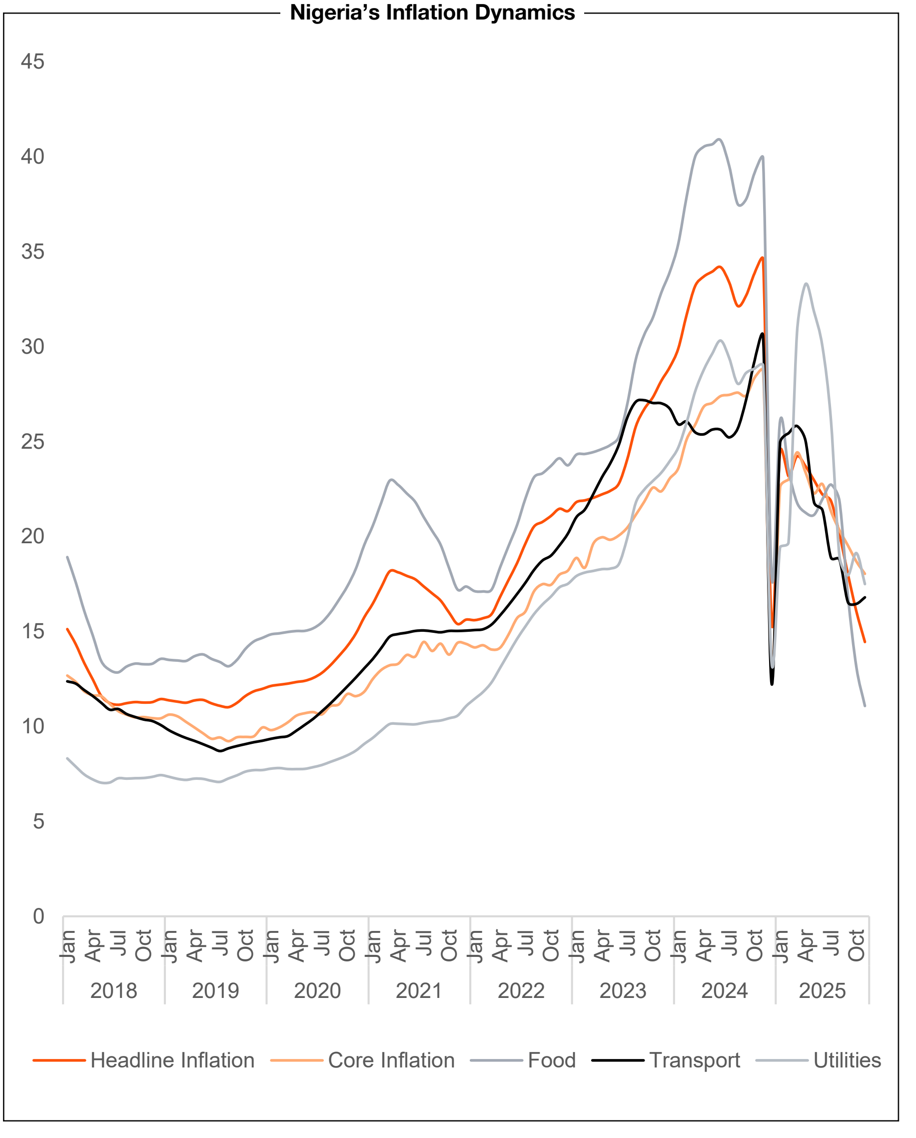
Key Insights

- **Credit to government fell sharply from ₦39.39 trillion in October 2024 to ₦24.79 trillion in October 2025, yet private-sector credit stayed almost flat (₦74.07 trillion to ₦74.41 trillion),** showing that liquidity freed from government borrowing did not translate into private lending.
- Elevated borrowing costs (policy rate at 27%) and double-digit inflation continue to suppress credit demand, as businesses face higher working needs and uncertain returns.
- Exchange rate remains high though more stable, adding FX risk for import-dependent firms and discouraging debt-funded expansion projects.
- **This combination of weak demand and cautious lending implies constrained private investment in 2026, limiting financing for industrial, infrastructure, and expansion projects despite easing government demand for funds**.

Source: CBN, Strategy& Analysis

Disinflation in 2025 was broad-based, but sustaining price stability in 2026 will hinge on internal and external shocks to contend with.

Inflation dynamics trend



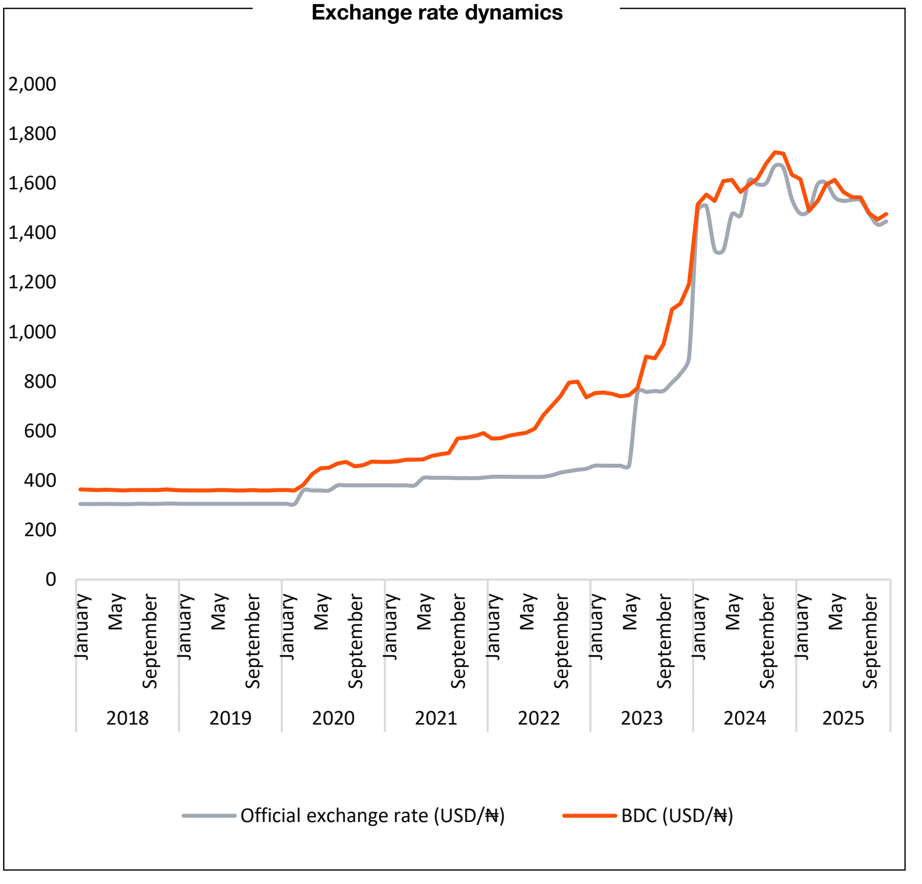
Key Insights

- Nigeria achieved sustained disinflation in 2025, with headline inflation falling for eight consecutive months to 14.45% in November, a 3.5-year low. **The decline was driven by base effects, easing food prices, improved FX stability, and tight monetary policy**.
- **Inflation is expected to moderate further in 2026, supported by FX stability, higher agricultural output, and policy consistency**. However, risks remain from pre-election fiscal pressures, insecurity in food-producing regions, and global oil price volatility.

Source: NBS, Strategy& Analysis

While exchange rate is projected to remain stable in 2026, it is subject to downside risks that could disrupt price stability

Exchange rate trend



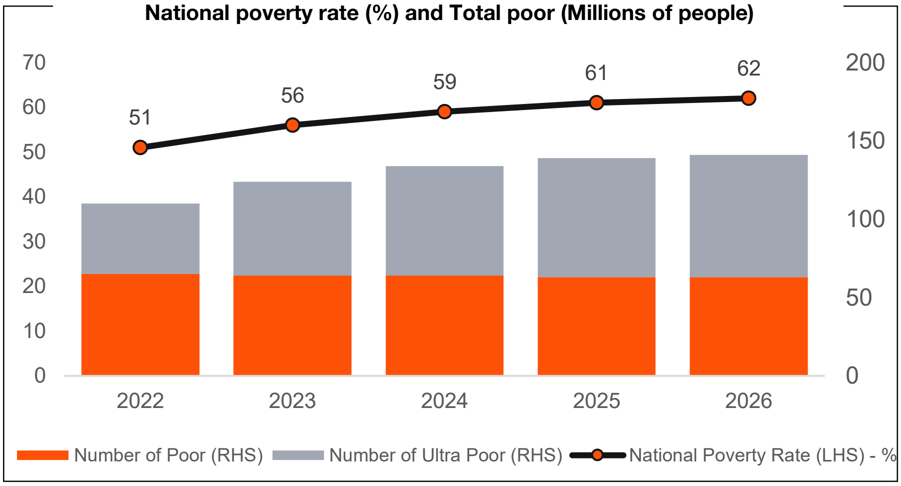
Key Insights

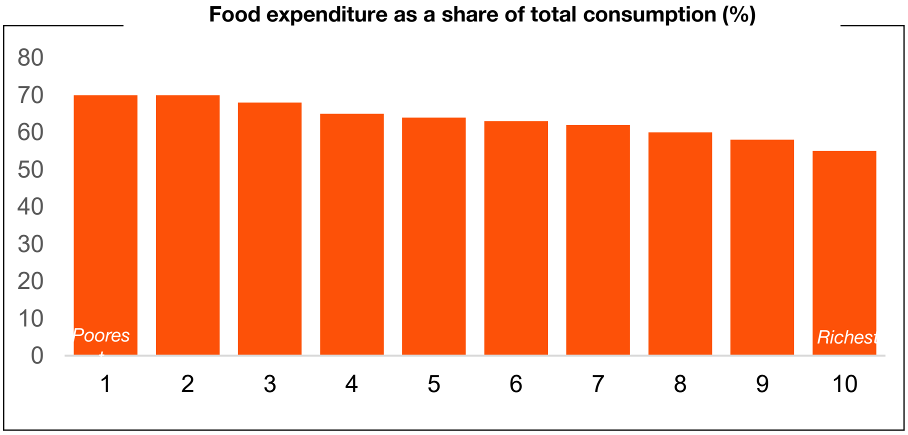
- In 2025, the exchange rate appreciated by **2.1% YtD to ₦1,446/$ in November**, supported by higher external reserves of **$44.7 billion**, strong remittance inflows, and improved transparency under the unified FX framework.
- **The outlook remains positive for 2026, with stability expected to persist on the back of a positive current-account balance, sustained FX inflows, and continued policy transparency that reinforces market confidence**.
- However, downside risks include potential external shocks, reserve depletion, reversal of portfolio flows, inflationary pressures, and a possible deterioration in the current-account balance that could disrupt price stability.

Source: CBN, Strategy& Analysis

While poverty remains high, reforms and productivity initiatives aim to slow the pace of increase and support vulnerable households

Poverty dynamics and household welfare pressures





Key Insights

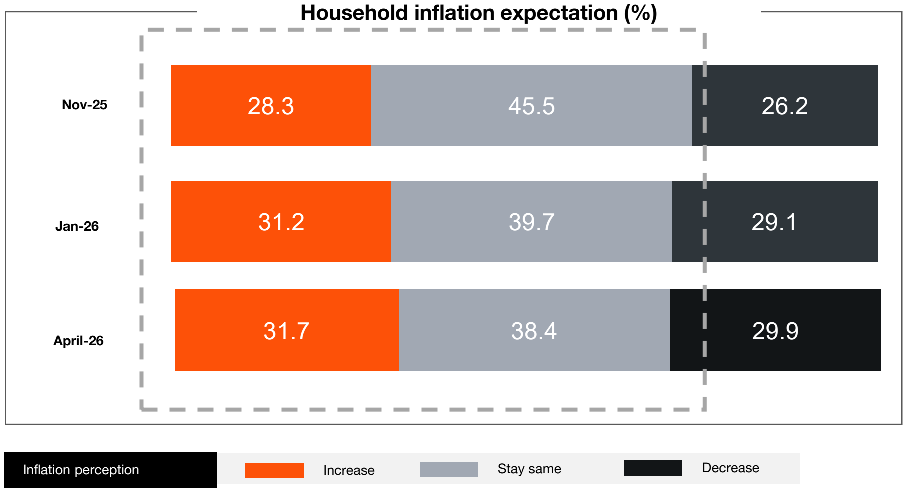
- **Poverty levels is projected to reach 62% of total population (141 million people) in 2026,** reflecting the combined effects of legacy policy gaps, global shocks and the short-term costs of ongoing reforms.
- **Unemployment is projected to reach 5.3% in 2026**, but with over 70% (92% in 2023) of workers in informal jobs, **most new jobs will remain low-pay and low-productivity, limiting real income gains. However, ongoing reforms and private-sector–led activity are expected to gradually improve job absorption** and earnings quality over the medium term.
- Food price pressures remain elevated with poor households disproportionately affected as **food accounts for almost 70% of total consumption for the bottom 10% of Nigerians.**
- With expanded social protection, productivity-focused reforms, and improved macroeconomic conditions, **poverty outcomes could stabilise over time, even as headline indicators remain under pressure in the near term.**

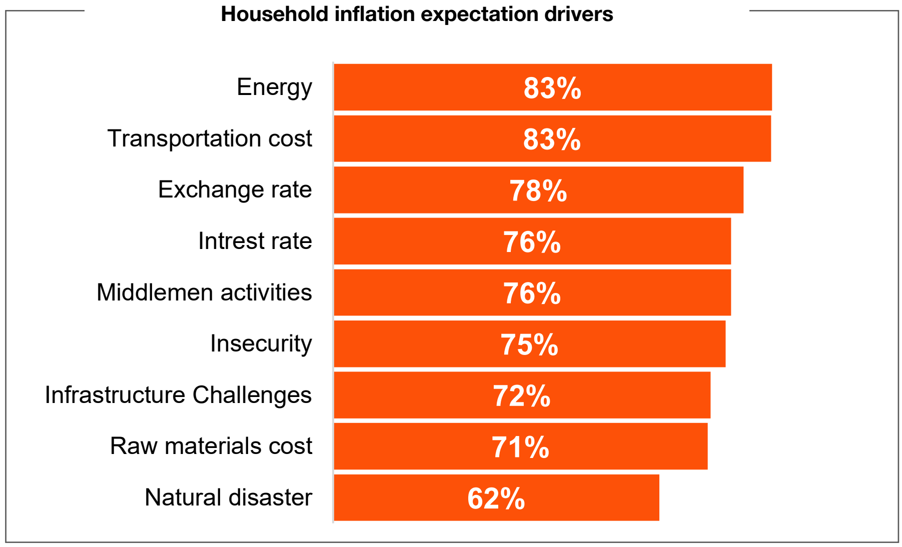
Source: Fitch, World Bank, Strategy& Analysis

Note: Ultrapoor are defined as those unable to meet basic caloric needs even if all income is spent on food Poverty rate are straight-line projections using Nigerian Living Standards Survey (NLSS) from 2018/19 and 2022/23 survey estimates

Inflation expectations remain elevated short-term, but anticipated FX stability and easing energy costs could temper pressures later in 2026

Household inflation expectations and key drivers





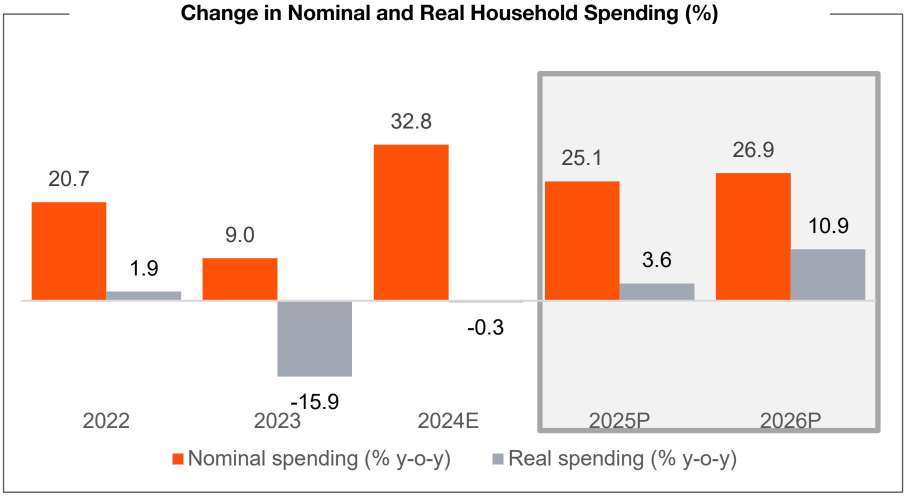
Key Insights

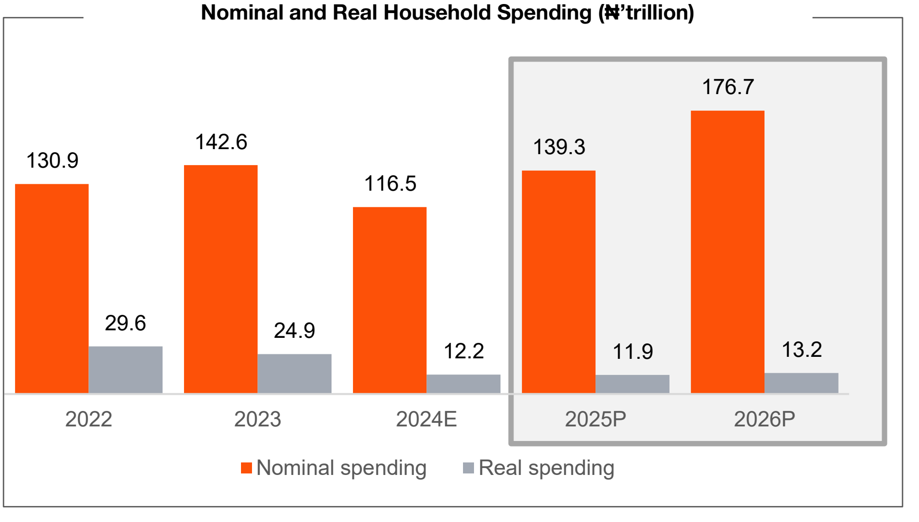
- The CBN inflation expectations survey showed **that 70.1% of households expect inflation to remain elevated over the next 3 to 6 months driven by high energy prices, increase in transportation cost, and exchange rate pressures, among others.**
- **By April 2026, 38.4% of households expect inflation to remain stable, while the share anticipating a decline increased to 29.9%**, pointing to early signs of stabilisation despite near-term pressures.
- **Household expectations suggest inflation pressures may remain elevated in early 2026,** but with a gradually improving balance of views that could support easing perceptions as FX stability and energy cost moderation take hold.

Source: CBN, Strategy& Analysis

Real spending projected to rebound in 2026 as incomes stabilise and essential cost pressures ease

Household spending dynamics: nominal versus real trends





Key Insights

- Although, nominal household spending grew by **19.6% from ₦116.5 trillion in 2024 to ₦139.3 trillion (est.) in 2025**, real household spending contracted by 2.5% from ₦12.2 trillion in 2024 to ₦11.9 trillion (est.) in 2025.
- The decline in real spending was driven by rising food prices, transportation costs, and other essential household items.
- Real household spending may begin to recover in 2026; however, the **pace of recovery may be constrained by persistent price pressures, high interest rates, and ongoing fiscal constraints.**

Source: CBN, Strategy& Analysis

03

Issues and Considerations: Ghana

Seven key issues that will shape the Ghanaian economy in 2026

7 Key Issues

01	**Gradual growth recovery led by non-oil sectors:** services, agriculture, and export activities drive recovery, while weak domestic demand and constrained public investment cap upside.
02	**Macroeconomic stabilisation under persistent shock exposure:** progress on inflation, FX, and fiscal balance continues, but vulnerability to commodity price swings, climate impacts, and global financial tightening remains elevated.
03	**Fiscal consolidation pressures and narrowing policy space:** debt restructuring, revenue mobilisation, and expenditure rationalisation limit counter-cyclical policy flexibility and public sector expansion.
04	**Monetary policy transition as disinflation takes hold:** easing inflation creates scope for cautious policy relaxation, though credibility, FX stability, and external shocks remain key constraints.
05	**External resilience anchored on commodities and remittances:** gold, cocoa, and oil exports alongside diaspora inflows support FX stability but expose the economy to terms-of-trade risks.
06	**Consumer spending gradual recovery:** amid the easing inflation, households spending remains cautious, with the fast-rising digital transactions
07	**Productivity, digitalisation, and AI adoption amid structural risks:** digital transformation and AI uptake offer upside potential but are shaped by infrastructure gaps and skills constraints.

The key issues identified holds implications for Ghana in 2026 (1/2)

Key Issues	Description	Implication for Ghana
Gradual growth recovery led by non-oil sectors	• Real GDP growth is projected at 4.8% in 2026, supported by strong performance in agriculture (8.6%) and services (7.6%) in Q3FY25**. Ghana's 2026 growth will be led by services, supported by agriculture's resilience and manufacturing's expansion.**	• Ghana's economy is becoming more balanced and less dependent on extractives. This diversification strengthens long-term stability and reduces vulnerability to external shocks.
Macroeconomic stabilisation with lingering shock exposure	• Inflation, FX, and fiscal balances improved markedly in 2025, but Ghana remains exposed to commodity price volatility, climate shocks, and global financial tightening. •	• Stability should persist in 2026, but buffers will be tested by external shocks, requiring continued policy discipline and contingency planning
Fiscal consolidation and narrowing policy space	• Primary Balance (commitment basis) recorded a surplus of 1.6% of GDP, exceeding the target of 0.6% for the first three quarters of 2025 • Overall Fiscal Balance (commitment basis) registered a deficit of 1.5% of GDP, significantly better than the target deficit of 3.2% for the first three quarters of 2025.	• Limited fiscal flexibility will constrain counter-cyclical spending, shifting the growth burden to private investment and productivity gains.
Monetary policy transition as disinflation takes hold	• Headline inflation fell to 5.4% in December 2025, within the 6–10% target range, enabling the policy rate to decline from 28% to 18% during 2025.	• Scope exists for cautious easing in 2026, supporting credit and growth, but policy will remain constrained by FX stability and credibility concerns.

Source: 2026 Budget Statement and Economic Policy, Ghana Statistical Services (GSS), PwC analysis

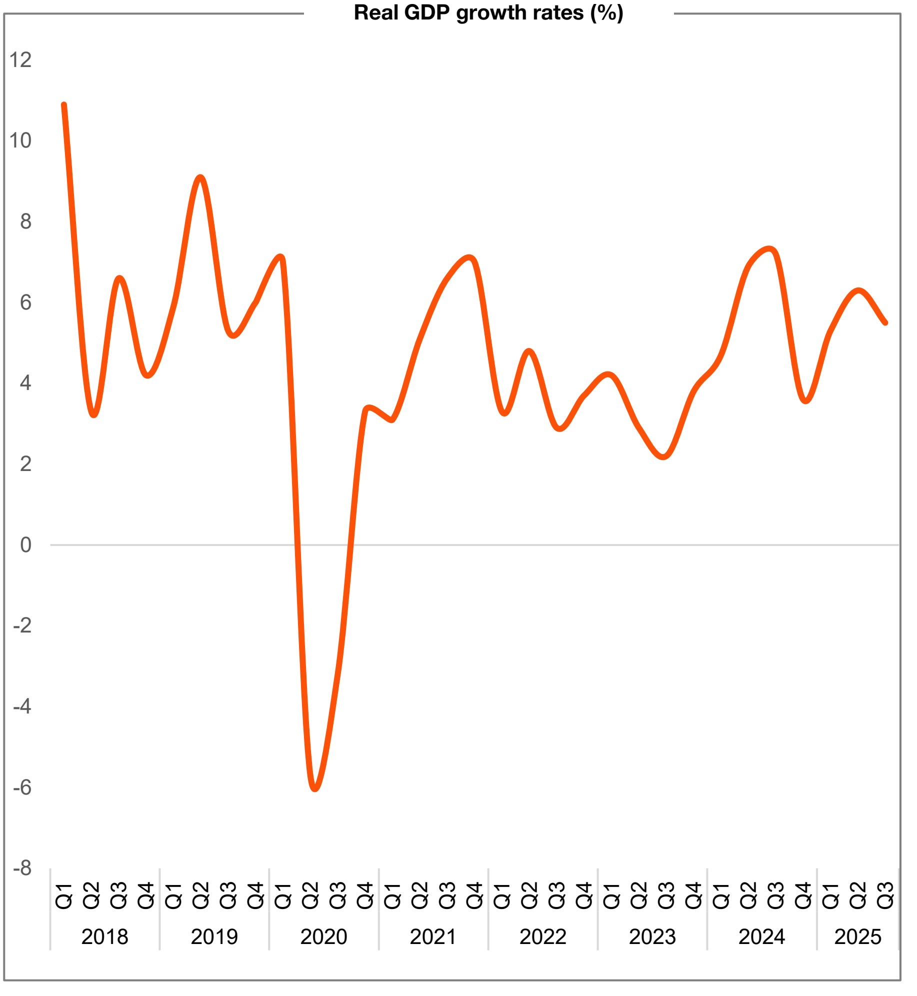
The key issues identified holds implications for Ghana in 2026 (2/2)

Key Issues	Description	Implication for Ghana
External resilience anchored on commodities and reserves	• FX inflows from gold, cocoa, oil exports, remittances, and IMF disbursements lifted gross reserves from $9bn (Dec 2024) to $11.4bn (September 2025), stabilising the cedi.	• Reserves and FX stability should remain supportive in 2026, though dependence on gold prices heightens terms-of-trade risks.
Consumer spending recovery remains cautious	• Disinflation and easing rates support household demand, but real incomes and employment growth remain constrained, even as digital transactions rise.	• Easing credit conditions in the banking industry could help consumption to recover gradually in 2026, favouring essential goods and services rather than discretionary spending.
Productivity, digitalisation, and AI amid structural gaps	• Digital transformation and AI adoption offer productivity upside, but gains are constrained by infrastructure gaps, skills shortages, and business-climate frictions.	• Digitalisation could enhance competitiveness and inclusion in 2026, but material productivity gains will depend on reforms in skills, power, and logistics.
Ghana targets higher domestic revenue with E-VAT and AI adoption	• The government's tax reforms focus on using AI to boost revenue mobilisation, simplifying VAT, and abolishing certain levies.	• These changes may reduce revenue, Government expects lower tax burdens, better education, stronger compliance, and AI integration to offset the shortfall.

Source: Summary of Economic and Financial Data December 2024, 2026 Budget Statement and Economic Policy, Ghana Statistical Services (GSS)

Ghana's GDP growth is expected to remain stable in 2026, supported by targeted sectoral spending amid fiscal consolidation

GDP growth trend



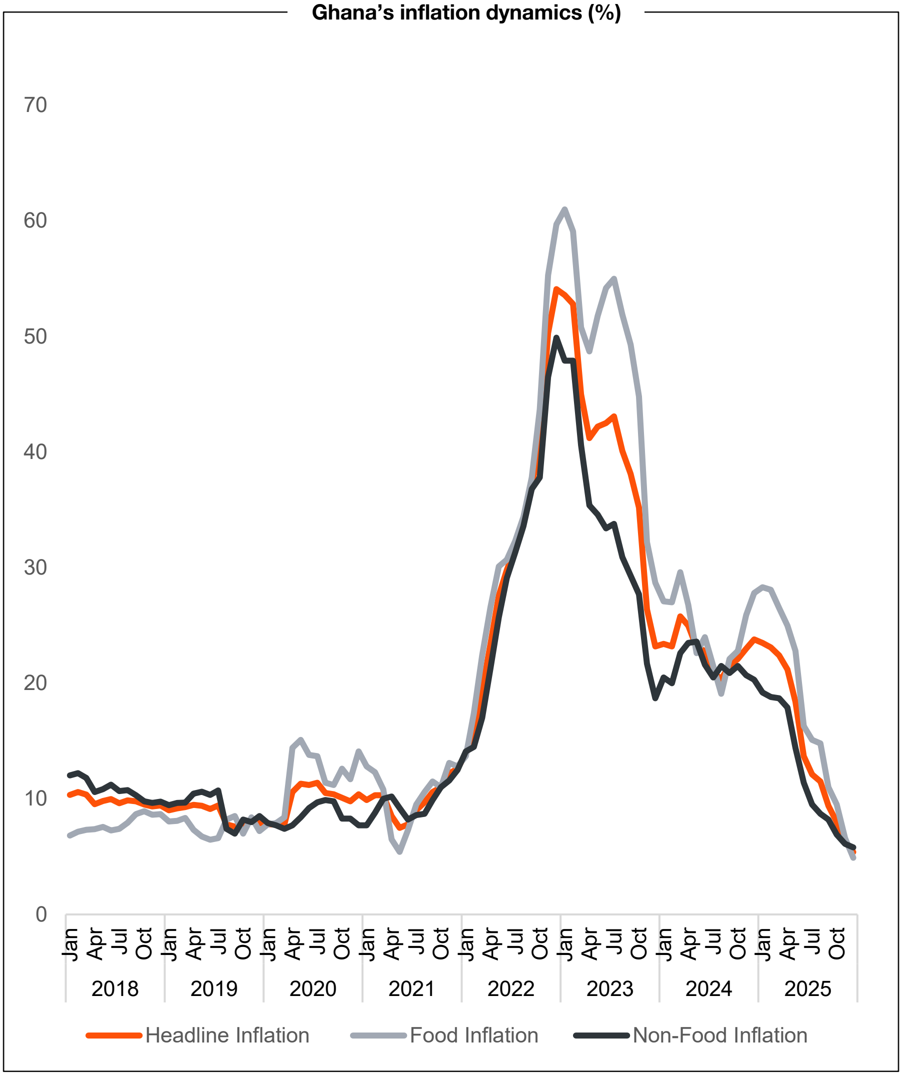
Key Insights

- **In Q3 2025, Ghana's economy recorded a 5.5% year-on-year growth driven robustly by the agriculture (8.6%) and services (7.6%) sectors**, though overall expansion was tempered by **a significant 18.2% contraction in the oil and gas industry, which weighed heavily on the overall industrial output.**
- In 2026, **real GDP growth is projected to remain steady at 4.8%**, powered by targeted infrastructure spending by Government across critical anchor and enabling sectors, e.g., energy, transport, agriculture, health and education. This spending is forecast to unlock private investment to drive growth and jobs under the 24-Hour Economy Policy, as well as encourage household spending.

Source: Ghana Statistical Services (GSS), PwC analysis

Inflation is expected to remain stable in 2026, supported by tight policy alignment, easing imported inflation, and FX resilience

Inflation trends



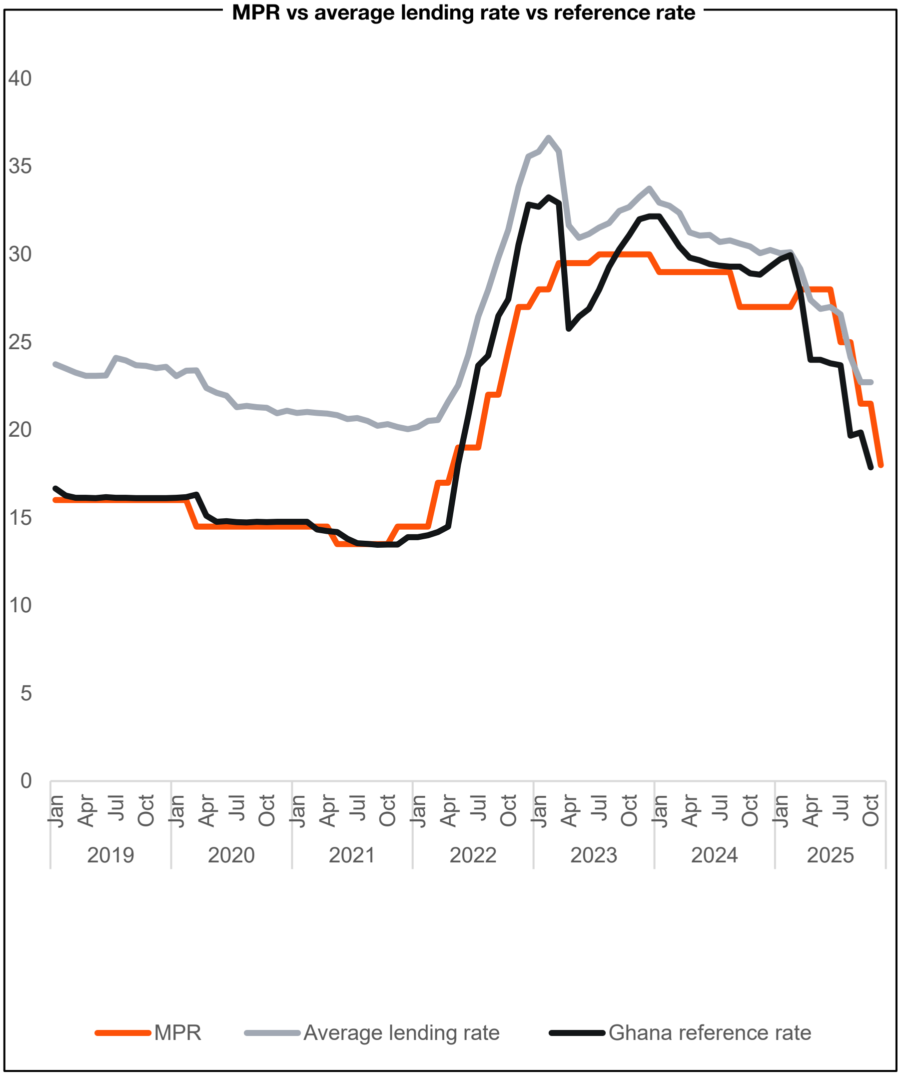
Key Insights

- **Ghana's headline inflation fell sharply to 5.4% in December 2025, marking a significant year-on-year decline of 18.4 percentage points from the 23.8% recorded in December 2024**.
- **This 12th consecutive month of disinflation was primarily driven by broad-based moderation in food inflation (which eased to 4.9%) and non-food inflation (5.8%),** supported by a strengthening cedi and sustained monetary discipline from the central bank.
- **Inflation is expected to remain within the 6–10% target range in 2026**, supported by anchored expectations, contained imported inflation, and sustained FX stability, although risks remain tilted to global commodity price movements and election-related pressures.

Source: Ghana Statistical Services (GSS), PwC analysis

Interest rates are expected to ease further in 2026, as disinflation and policy coordination support accommodative conditions

Interest rate dynamics



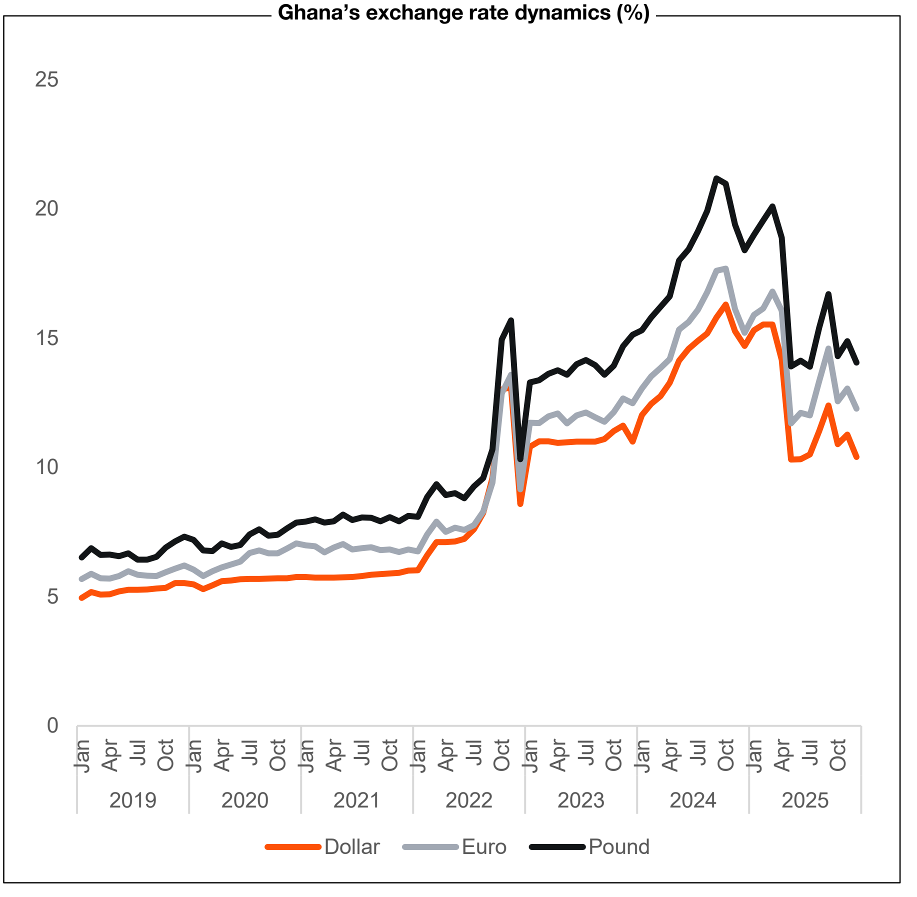
Key Insights

- The policy rate declined sharply from 28.0% in March 2025 to 18.0% by November 2025, reflecting easing inflation pressures and a shift away from aggressive tightening.
- The easing cycle was supported by improved fiscal and monetary coordination, moderating inflation expectations, and stronger FX conditions, allowing the central bank to prioritise growth support.
- Market rates followed the policy signal, with the Ghana Reference Rate falling significantly, although commercial lending rates adjusted more gradually amid lingering credit risk concerns.
- Interest rate conditions are expected to remain supportive in 2026, with further measured easing likely if disinflation persists and financial stability risks remain contained.

Source: Bank of Ghana (BOG), PwC analysis

The Ghana cedi is expected to remain broadly stable in 2026, supported by FX inflows and policy discipline

Ghana's exchange rate trends



Key Insights

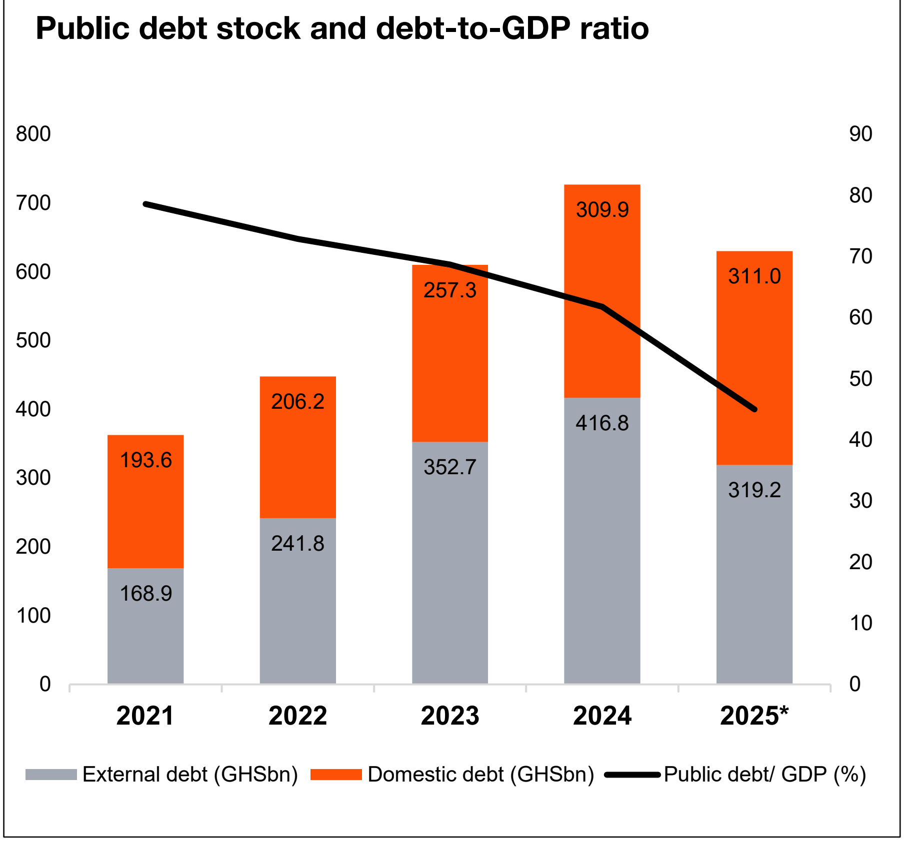
- The Ghana cedi strengthened through 2025, supported by improved FX inflows from gold, cocoa, and crude exports, alongside stronger reserve buffers that enabled targeted FX interventions by the central bank.
- Exchange rate stability was reinforced by tighter monetary management, improved investor confidence following IMF programme reviews and disbursements, and lower near-term debt service pressures after partial debt restructuring.
- The cedi is expected to face renewed depreciation pressures in 2026, reflecting structural export constraints and competitiveness considerations, although policy buffers and FX inflows should help limit excessive volatility.

Source: Bank of Ghana (BOG), PwC analysis

Public debt and the debt-to-GDP ratio declined, supported by the appreciation of the domestic currency and the implementation of prudent debt-management strategies

Public debt stock and debt-to-GDP ratio

Ghana's public debt dynamics (%)



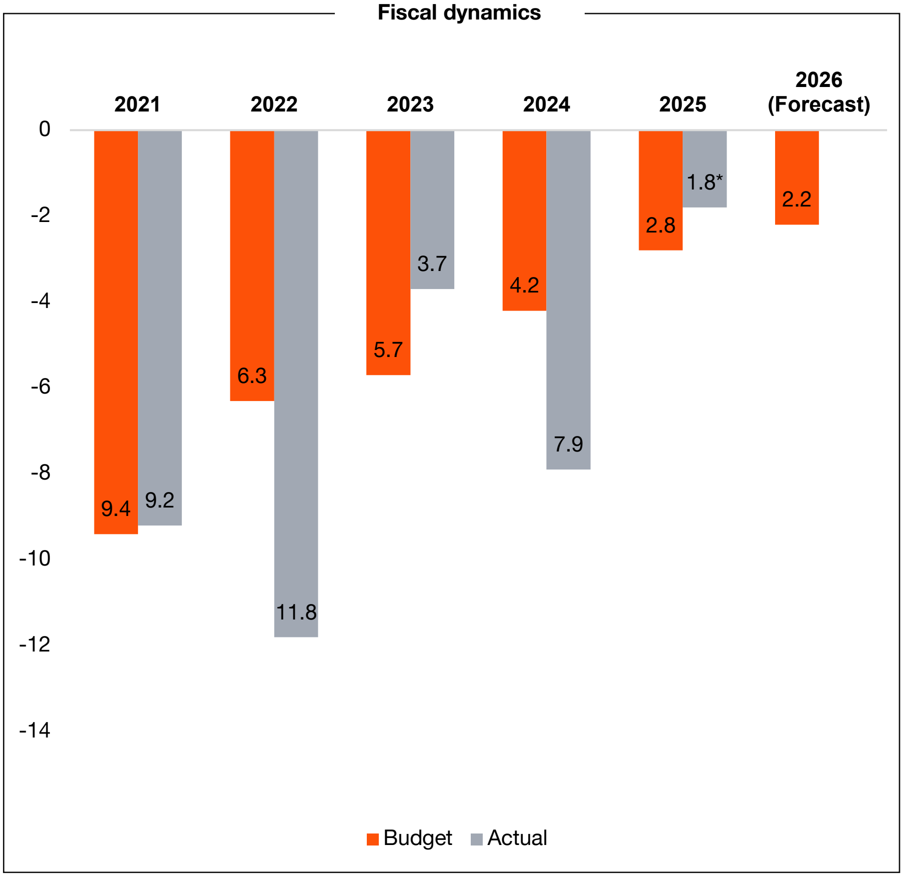
Key Insights

- As of October 2025, Ghana's public debt stood at GHS630.2 billion, down from GHS726.7 billion at the end of 2024, representing a decline of GHS96.5 billion (13%). Ghana's debt-to-GDP ratio showed progress during the period, improving from **61.8% in late 2024 to 45.0% by October 2025**, a decline that stands out as one of the strongest in the country's fiscal record.
- The reduction was supported by the cedi's appreciation and fiscal consolidation policies. Investor confidence strengthened as a result, prompting rating agencies to upgrade Ghana's sovereign credit rating. Moody's moved the rating to Caa1 in October, while S&P Global upgraded to B-/B in November, citing fiscal discipline, higher reserves, and sustained reforms.
- Ghana's Gross International Reserves (GIR) significantly increased, surpassing US$11 billion by September 2025, driven by strong gold/cocoa exports and central bank actions.

Source: 2026 Budget Statement and Economic Policy, Ghana Statistical Services (GSS), PwC analysis

The commitments-based overall fiscal deficit for 2026 is forecast at 2.2% of GDP, driven by fiscal discipline, primary surpluses, and easing financing conditions

Fiscal dynamics



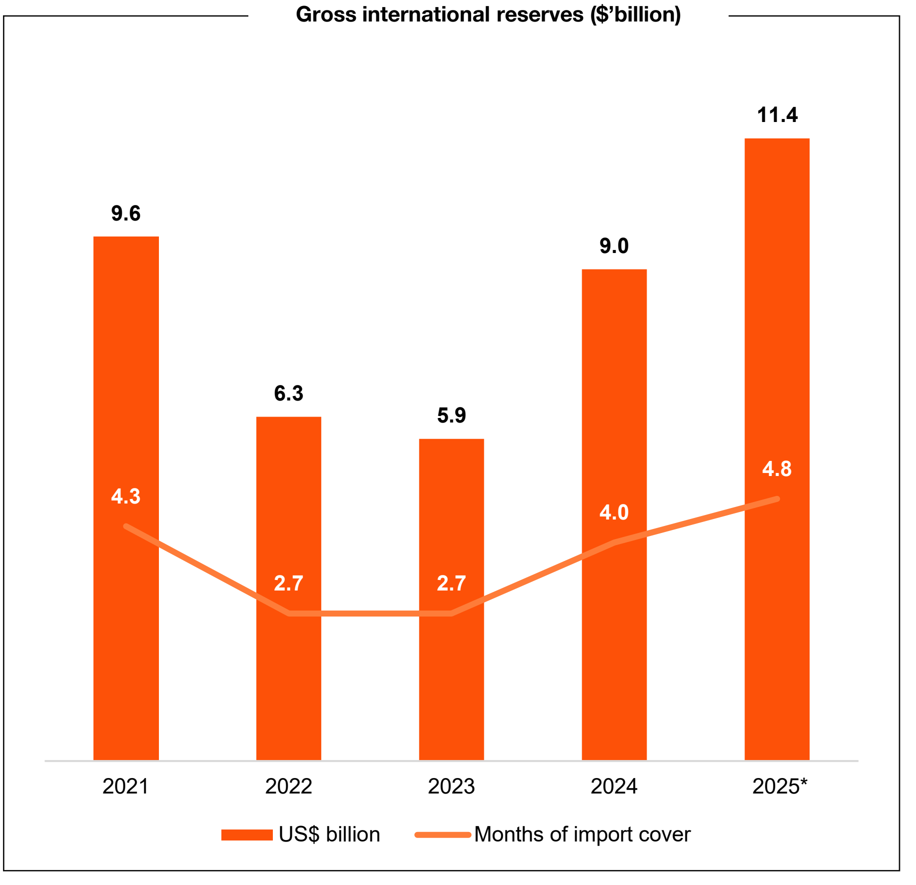
Key Insights

- Overall fiscal balance on commitment basis is projected at a deficit of GHS34.4 billion, equivalent to 2.2% of GDP in 2026. The corresponding primary balance is projected to record a surplus of GHS23.3 billion, representing 1.5% of GDP.
- Government's fiscal operations for the first three quarters of 2025 resulted in overall cash deficit of GHS32.5 billion, equivalent to 2.3% of GDP, significantly better than the target of GHS55.6 billion (4.0% of GDP).
- On a cash basis, the overall deficit is projected at GHS64.2 billion, equivalent to 4.0% of GDP, while the primary deficit stands at GHS6.5 billion (0.4% of GDP) in 2026.
- The projected cash deficit of GHS64.2 billion in 2026 will be financed by both foreign and domestic sources. The foreign financing sources include expected disbursements from the IMF Extended Credit Facility, World Bank Development Policy Operation funding, and other bilateral partners whiles domestic financing will primarily be sourced through issuance of long- and short-term Government securities.

Source: 2026 Budget Statement and Economic Policy, PwC analysis

Reserve buffers are expected to remain strong in 2026, supporting FX stability and resilience amid ongoing macroeconomic adjustment

Gross reserves trend



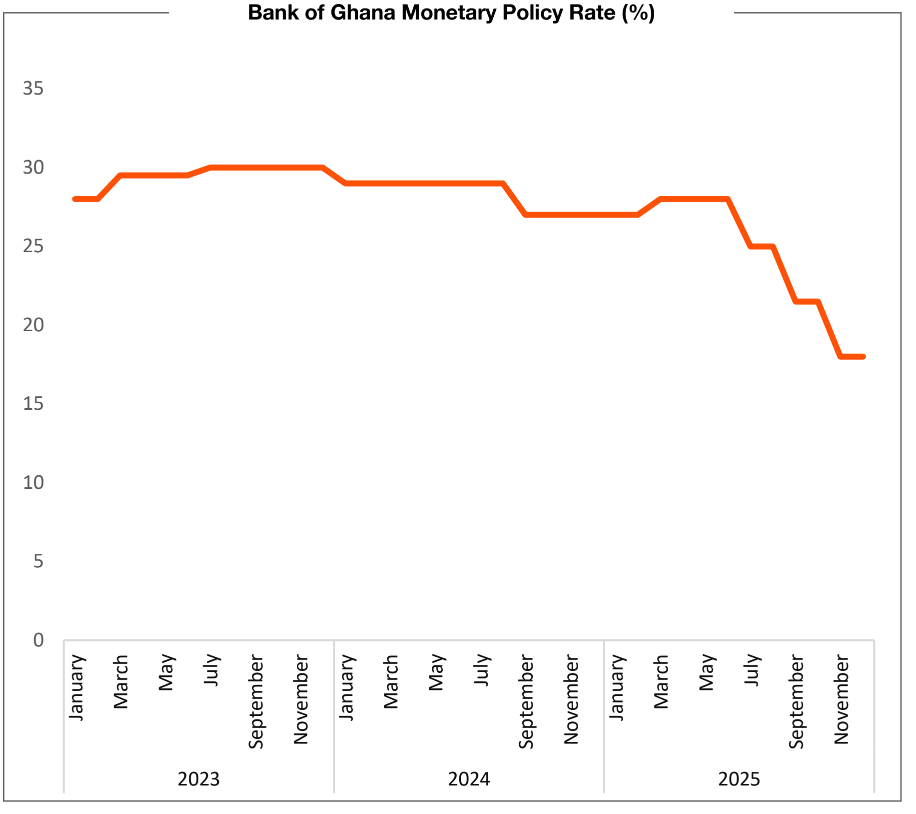
Key Insights

- Gross international reserves increased significantly from $9 billion at the end of 2024 to $11.4 billion by September 2025, reflecting stronger gold and cocoa export receipts, IMF disbursements, and improved FX market management.
- The reserve accumulation reduced external liquidity risks and supported exchange rate stability, helping to anchor inflation expectations during the adjustment period.
- Improved reserve buffers complemented ongoing debt restructuring and fiscal consolidation, strengthening investor confidence and reducing rollover pressures.
- Reserve levels are expected to remain supportive in 2026, provided commodity exports remain firm, programme financing continues, and FX demand stays contained, reinforcing resilience to external shocks.

Source: Summary of Economic and Financial Data December 2024, 2026 Budget Statement and Economic Policy, PwC analysis

Monetary conditions are expected to ease further in 2026, supporting credit growth as inflation and FX pressures continue to moderate

Bank of Ghana Monetary Policy Rate (%)



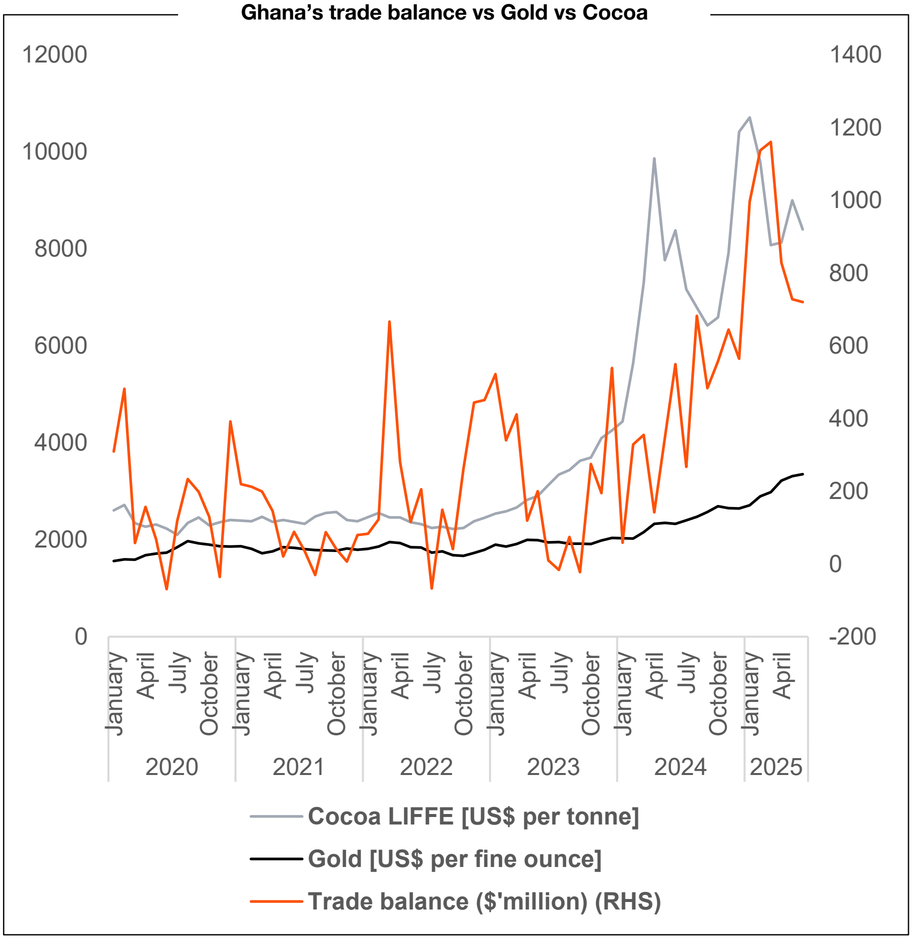
Key Insights

- The policy rate declined steadily through 2025 to 18.0%, following an extended tightening phase, reflecting sustained disinflation, easing food and energy pressures, and improved exchange rate stability.
- The easing trend was supported by improved inflation expectations, weaker demand pressures, and tighter fiscal coordination, which reduced the need for prolonged monetary restraint.
- Lower policy rates helped ease domestic financing costs and reduced pressure on government interest expenditure, supporting broader macro stabilisation efforts.
- Monetary conditions are expected to ease further in 2026 if disinflation persists, fiscal discipline holds, and FX stability is maintained, creating room to support private sector credit without undermining price stability.

Source: Bank of Ghana (BOG), PwC analysis

Ghana's trade balance is expected to remain positive in 2026, supported by strong gold exports and moderated import growth

Trade balance and commodity trends



Key Insights

- Ghana's trade balance improved from $549.4 million in June 2024 to $720.2 million in June 2025, supported by stronger gold export receipts and lower crude oil import costs.
- Gold prices, Ghana's largest export earner, increased significantly from $2,326 per ounce to $3,352 over the period, offsetting weaker cocoa prices, which declined from $10,412 per tonne to $8,402, moderating export growth.
- The trade balance is expected to remain positive in 2026, supported by firm gold demand, stabilising cocoa output, and contained imports under continued fiscal and FX discipline.

Source: FRED, CEIC Data, World Bank , ICCO, PwC analysis

04

Outlook:

Nigeria and Ghana

Nigeria's economic outlook for 2026

Outlook

Outlook	
Broad economic growth outlook	Nigeria's GDP is projected to expand to 4.3% in 2026 supported by higher crude oil production and stronger performance in dominant sectors.
Fiscal outlook	Fiscal sustainability risks are expected to persist, driven by low revenue to GDP, fiscal leakages, higher spending and elevated debt service obligations.
Inflation rate outlook	Headline inflation is projected to ease further in 2026, supported by the CBN's tight monetary policy stance, rebasing effects, and improved stability in the foreign exchange market.
Exchange rate outlook	The naira is expected to remain broadly stable through 2026, underpinned by ongoing CBN reforms and improved portfolio inflows.
Interest rate outlook	With inflation trending down, the CBN may gradually ease its monetary policy stance in 2026.

Source: Fitch, PwC Analysis

Fitch projects that average inflation will moderate to 21.46% in 2025. It takes the rebasing from 2009 to 2024 into consideration.

Ghana's Economic Outlook for 2026

Outlook

Broad economic growth outlook	Ghana's economy is expected to grow by about 4.8% in 2026, fuelled by targeted public capital expenditure and reflecting easing inflation, rising private consumption, and resilient services and export performance.
Fiscal outlook	Fiscal consolidation is expected to continue in 2026, anchored by IMF-backed reforms, improved revenue mobilisation, and disciplined expenditure management, albeit with limited fiscal flexibility.
Inflation rate outlook	Inflation is expected to remain within the 6–10% target range in 2026, supported by anchored expectations, contained imported inflation, and sustained FX stability.
Exchange rate outlook	The exchange rate is expected to remain broadly stable in 2026, underpinned by strong export receipts, remittances, and improved reserve buffers, but remains vulnerable to external shocks
Interest rate outlook	Interest rates are likely to ease gradually in 2026 as disinflation persists, although the pace of easing will remain cautious to preserve policy credibility and financial stability.

Source: 2026 Budget Statement and Economic Policy ,PwC analysis

05

Strategic Imperatives for Business Leaders

Business leaders can thrive by embracing these eight strategic imperatives

Key imperatives for businesses

01	**Make bold investment bets in geographic expansion and attractive sectors:** Drive growth by targeting high-potential sectors, and leveraging AfCFTA-enabled export opportunities.
02	**Scenario plan to build resilience to external macro and geopolitical shocks:** Stress-test strategy and 2026 assumptions against geopolitical, macro, and election risks, while preserving margins, tightening cash management.
03	**Reinvent / adapt your business model for resilience:** Respond to accelerating regulatory, competitive, and technological disruption by executing with agility in a rapidly changing market.
04	**Accelerate digital transformation and responsible AI adoption:** Define and embed a clear digital and AI agenda at the entity level to drive value.
05	**Adapt to market dynamics and changing consumer needs:** Adapt offerings, pricing, and channels through agile operations to respond to evolving consumer behaviour and market volatility.
06	**Stay proactive in regulatory engagement and advocacy:** Actively monitor and contribute to policy discussions and systematically assess how new regulations and reforms will affect your business.
07	**Proactive tax strategy and compliance:** Align systems and processes with new tax legislation, and AI-automate high-risk compliance to reduce risk and improve fiscal efficiency.
08	**Relook your strategic focus, differentiating capabilities and cost structure:** Clarify winning capabilities, radically reset the cost structure, and redirect resources and culture toward efficiency.

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Thank you