



Ghana

OUTLOOK 2026

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1.0 Executive summary

Ghana enters 2026 in a markedly stronger position than during the 2022–23 balance-of-payments and debt crisis. The IMF-supported Extended Credit Facility (ECF) programme remains on track, external debt restructuring has progressed materially, and macro-stability has largely been restored. IMF staff now project real GDP growth of about 4.8% in 2026, underpinned by firmer exports, easing inflation and a gradual recovery in domestic confidence.

Politically, the authorities face a delicate balancing act: sustaining fiscal consolidation and reform momentum while responding to social pressures after several years of high inflation, currency depreciation and income erosion. The post-2024/25 political landscape has shifted, but it has not reduced the binding constraint of fiscal discipline, particularly under the strengthened Fiscal Responsibility Framework, which caps deficits and anchors medium-term debt reduction.

On the macroeconomic front, growth in 2025 is expected in the 3.9–4.5% range, reflecting a transition from post-crisis stabilisation to a more measured expansion. Momentum is expected to strengthen gradually toward around 5% in 2026–27 as confidence effects from debt restructuring, lower inflation and improved FX availability feed through to investment, construction and services.

External balances have improved decisively. Strong export receipts from gold, cocoa and hydrocarbons, combined with import compression and lower oil prices, have pushed the current account into surplus in 2024–25, supporting cedi appreciation and reserve accumulation. The IMF expects this external position to remain broadly supportive into 2026, reducing vulnerability to external shocks, although commodity-price volatility remains a key risk.

Ghana's economic growth outlook faces rising downside risks, driven by potential volatility in global gold prices and mounting security threats from the Sahel, according to Fitch Solutions, even as its Commodities Team expects bullion to average a record \$3,700 per ounce in 2026. Beyond commodity risks, Fitch pointed to growing regional insecurity as another major threat to Ghana's economic trajectory, citing the worsening Islamist insurgency across the Sahel.

Meanwhile, inflation has fallen sharply, from above 50% at the height of the crisis to around 6.3% in November 2025, the lowest reading since the CPI rebasing. With inflation expectations easing and monetary credibility improving, the authorities and IMF project inflation to remain within the 8%±2% target band in 2026, creating scope for further but cautious policy-rate easing from current levels in the high-teens, provided fiscal discipline is maintained.

Fiscal policy remains firmly contractionary. The primary balance swung into surplus in 2025, estimated at around 1.5% of GDP, and the authorities have committed to maintaining a comparable surplus in the 2026 budget. This is central to restoring debt sustainability, rebuilding credibility with creditors and anchoring expectations under the Fiscal Responsibility Framework.

Debt risks remain elevated but are substantially reduced compared with 2023. An official creditor agreement providing about \$2.8bn in relief through rescheduling of 2022–26 payments, alongside ongoing negotiations with commercial creditors, has eased near-term financing pressures and underpins the IMF's more benign debt trajectory for 2026 and beyond. The pace and completeness of commercial restructuring remain critical swing factors.

The banking sector is liquid and broadly solvent, but continues to grapple with elevated non-performing loans (NPLs) following the Domestic Debt Exchange Programme (DDEP). Conditions are gradually improving, and private-sector credit is expected to recover only slowly in 2026, as banks rebuild capital buffers and state-owned bank recapitalisation is finalised.

Energy and power remain a double-edged risk. Ghana has ample installed generation capacity of over 5.2–5.7GW, largely thermal, but legacy arrears and contingent liabilities continue to weigh on public finances. Recent progress in renegotiating IPP contracts, implementing quarterly tariff adjustments, and strengthening the cash-waterfall mechanism is expected to reduce fiscal risks and improve sector sustainability through 2026.

Market access is gradually normalising. Domestic yields have declined sharply as inflation falls, and the authorities plan to deepen local-currency issuance in 2026. A full return to international bond markets will hinge on the timely completion of commercial debt restructuring, continued programme performance and sustained policy credibility.

Overall, Ghana's outlook for 2026 is one of fragile but improving stability: growth is recovering, inflation is under control and external pressures have eased, but the durability of the recovery will depend on maintaining reform discipline, completing debt restructuring and translating macro-stability into broader employment and income gains.

2.0 Political outlook

Ghana enters 2026 under President John Mahama's second, non-consecutive term, with the governing National Democratic Congress (NDC) focused on stabilising an economy still under IMF oversight while attempting to shift the narrative toward growth and job creation. The administration's political mandate rests heavily on restoring livelihoods after the 2022–23 crisis, while maintaining credibility with international partners and domestic investors.

Mahama and Vice-President Naana Jane Opoku-Agyemang campaigned on a flagship "24-hour economy" agenda, aimed at boosting productivity, employment and export competitiveness through round-the-clock operations in manufacturing, agro-processing, logistics, health and services. In practice, delivery in 2026 will depend on progress in power reliability, labour flexibility, access to finance and private-sector confidence, making implementation more incremental than transformative in the near term. Expectations among urban youth, organised labour and SMEs are high, raising political stakes if visible gains are slow to materialise.

The core political challenge in 2026 will be sustaining reform momentum under the IMF Extended Credit Facility in a context of still-fragile living standards. While inflation has eased sharply, real incomes remain compressed after several years of price shocks, and tolerance for further tax measures, subsidy rationalisation and public-sector wage restraint is limited. The risk is less one of acute instability than of reform fatigue, administrative delays and selective backtracking on politically sensitive measures, particularly in energy pricing, SOE governance and revenue mobilisation.

Opposition politics remain competitive. The New Patriotic Party (NPP), though out of power, retains a strong parliamentary and regional base and is likely to scrutinise IMF-linked reforms closely, especially where they affect fuel prices, utilities or public employment. Parliamentary dynamics in 2026 are therefore expected to be more adversarial than during the crisis period, increasing the importance of consensus-building and communication around reform sequencing.

Social pressures will remain a key watch-point. Public perceptions of corruption, uneven service delivery and youth unemployment continue to shape political sentiment. While large-scale protests are not the baseline scenario, targeted labour actions or sector-specific unrest cannot be ruled out if fiscal discipline collides with wage negotiations or subsidy adjustments. The government has signalled an intention to cushion vulnerable groups through targeted social spending, but fiscal space remains constrained.

Regionally, Mahama is expected to leverage his experience and Ghana's reputation as a relatively stable democracy to play an active diplomatic role in West Africa's coup-affected belt, including engagement with ECOWAS mediation efforts. Spill-overs from insecurity in neighbouring states, particularly in the Sahel, remain a medium-term risk, but the baseline outlook for 2026 assumes no major domestic security shock disrupting economic management.

Relations with multilateral and bilateral partners will remain central to political stability. IMF, World Bank and AfDB engagement, alongside creditor coordination on debt restructuring, continues to anchor policy discipline. Disbursements and budget support are explicitly tied to adherence to fiscal targets, SOE reforms and transparent debt negotiations. Any marked deviation from programme commitments in 2026 would risk delays in financing, renewed market pressure and political costs for the administration.

Bottom line: Ghana's political environment in 2026 is expected to remain broadly stable, but tightly constrained by IMF conditionality, social expectations and limited fiscal room. Policy credibility and reform execution—rather than electoral politics—will be the decisive tests for the Mahama administration over the year.

3.0 Macro economy – overview

Ghana's macro outlook for 2026 points to stabilisation consolidating into moderate growth, supported by tighter fiscal policy, falling inflation and stronger export earnings, but still constrained by high public debt, weak private credit and structural bottlenecks. IMF staff project real GDP growth of about 4.8% in 2026, up from an estimated 3.9–4.5% in 2025, driven mainly by gold, cocoa, hydrocarbons and a gradual recovery in services and construction.

Inflation has fallen sharply, from a peak above 50% in 2023 to around 6–7% by late 2025, and is expected to remain within the $8 \pm 2\%$ target band in 2026, allowing for cautious monetary easing from policy rates in the high-teens while preserving positive real rates.

On the fiscal side, the primary balance swung into surplus of about 1.5% of GDP in 2025 and is programmed to remain in surplus in 2026, anchoring the IMF-supported adjustment and helping to stabilise debt dynamics. Public debt remains elevated (above 80% of GDP in nominal terms), but official creditor relief and ongoing commercial restructuring materially reduce near-term financing pressures.

Ghana's public debt surged by more than GHS70bn (\$6bn) in the third quarter of 2025, reversing earlier gains as the cedi's sharp depreciation against the US dollar inflated the country's foreign-currency obligations. The increase follows a rare respite earlier in the year, when total public debt fell by GHS156.4bn between the first and second quarters, supported by a stronger currency. That improvement has now been undone by renewed exchange-rate volatility.

Externally, the current account has shifted into surplus in 2024–25, supported by higher gold and cocoa exports, improved oil receipts and restrained imports. This has enabled reserve

accumulation and cedi appreciation, trends the IMF expects to broadly continue into 2026, barring adverse commodity or financing shocks.

The main constraints on faster convergence remain weak private-sector credit growth, lingering balance-sheet effects from the Domestic Debt Exchange Programme, and contingent liabilities in the energy sector, which limit fiscal space and investment despite improved macro stability.

3.1 GDP

After the sharp crisis-era slowdown, Ghana's real GDP growth is projected to recover to around 4.5–4.8% in 2026, up from an estimated 3.9–4.5% in 2025, according to IMF and AfDB projections. Growth is expected to be led by services (around 45% of GDP) and agriculture (about 20%), with agriculture benefiting from improved cocoa output, input support and stabilising producer prices, while services are supported by trade, transport and ICT activity.

Industry (roughly 35% of GDP) is expected to make a more modest but improving contribution, with gold production stabilising, hydrocarbons output supported by upstream investment, and energy availability gradually improving.

On the demand side, private consumption growth remains constrained by fiscal consolidation and still-elevated real interest rates, while public consumption is subdued under the Fiscal Responsibility Framework. Gross fixed capital formation is expected to recover gradually, driven by mining, energy and selected infrastructure projects, as confidence improves and financing constraints ease.

The external sector is a key growth support: strong export volumes and prices for gold, cocoa and oil, combined with restrained imports, underpin net exports and reduce balance-of-payments pressure. However, per-capita income growth is likely to remain modest at around 2%, reflecting population growth near 2.1–2.2%, underscoring the need for productivity-enhancing reforms to sustain higher medium-term growth beyond 2026.

3.2 Activity indicators

High-frequency indicators through 2025 point to a firmer-than-expected recovery under the ECF programme. Services output has led growth, supported by trade, transport, ICT and financial services, while agriculture has rebounded on better weather conditions and stabilising input costs. Cocoa production remains below pre-crisis peaks but is recovering gradually, while gold output has stabilised after earlier declines.

Industrial activity has improved only unevenly. Manufacturing utilisation rates remain below historical norms, reflecting the legacy of power-sector arrears, high borrowing costs and weak private credit growth. However, easing inflation, improved FX availability and lower domestic yields are expected to support a gradual pickup in industrial and construction activity in 2026, particularly in food processing, cement, mining services and energy-related supply chains.

3.3 Inflation

Headline inflation fell to 6.3% year on year in November 2025, down from a peak above 50% in 2022–23, driven by tighter earlier monetary policy, easing food prices and a stronger cedi. Core inflation has also decelerated into the mid-single-digit range, suggesting broad-based disinflation rather than one-off effects.

The authorities and IMF project inflation to remain within the $8\pm 2\%$ target band in 2026, with an annual average around 7–8%, assuming continued fiscal discipline and no major commodity or FX shocks. Key upside risks include food supply disruptions, global oil-price volatility, and administered tariff adjustments in electricity and fuel. However, improved policy credibility, anchored expectations and a more orthodox macro framework reduce the risk of a renewed inflation spiral.

3.4 Monetary policy

The Bank of Ghana has cut the policy rate by roughly 600–1,000bp since mid-2025, bringing it down to the high-teens, as inflation fell sharply and real interest rates turned decisively positive. This has helped stabilise inflation expectations and supported the cedi, while still keeping monetary conditions restrictive by historical standards.

In 2026, the baseline is for cautious, data-dependent easing, potentially lowering the policy rate further while maintaining positive real rates to protect disinflation gains and external stability. Credit growth is expected to recover only gradually, as banks remain risk-averse following the Domestic Debt Exchange Programme (DDEP). A rules-based FX operations framework, developed with IMF support, is expected to help smooth volatility, rebuild reserves and allow the exchange rate to function as a shock absorber rather than a policy anchor.

3.5 FX and external sector

External balances have strengthened materially since the crisis, driven by higher gold and cocoa export volumes, firmer prices, and steady oil and gas exports. The current account swung into surplus in 2024–25 and is projected by the IMF to remain in a solid surplus of around 1.5–2.5% of GDP in 2026, assuming broadly stable commodity prices and continued import restraint under the ECF programme.

International reserves have been rebuilt, supported by current-account surpluses, IMF disbursements and improved confidence, with gross reserves rising to around 3.0–3.5 months of import cover by late 2025 and expected to edge higher in 2026. While still below pre-crisis comfort levels, this marks a significant improvement from the lows of 2022–23 and provides a stronger buffer against external shocks.

The cedi has stabilised and appreciated through 2025, reversing part of its crisis-era depreciation as macro credibility improved, inflation fell and FX supply from exports and official inflows increased. For 2026, the baseline assumes more two-way, market-driven FX movements, with modest depreciation pressures offset by continued export strength and programme financing, provided global risk sentiment remains broadly supportive.

External risks remain, notably from volatility in gold, cocoa and oil prices, tighter global financial conditions, or delays in completing commercial debt restructuring. Nonetheless, the combination of current-account surpluses, rebuilt reserves and a more orthodox FX framework reduces the likelihood of renewed disorderly adjustment in 2026 compared with the crisis period.

3.6 Labour and incomes

Labour-market conditions are improving only gradually after the 2022–23 crisis. Official unemployment and underemployment data remain limited, but World Bank and IMF poverty nowcasts suggest a slow recovery in household welfare, supported by disinflation and the

return to positive per-capita growth. Using the lower-middle-income poverty line, World Bank estimates indicate that poverty fell by several percentage points between 2024 and 2025, reflecting easing food inflation and stabilising real incomes, and is expected to continue edging down in 2026, albeit at a measured pace.

Employment growth remains concentrated in services, agriculture and informal activities, while formal private-sector job creation is constrained by still-tight credit conditions and cautious investment sentiment. Youth and urban underemployment remain elevated, reinforcing concerns that the near-term growth rebound may remain job-light without faster expansion in manufacturing, construction and tradable services.

Real income dynamics in 2026 will depend critically on wage policy, inflation outcomes and utility pricing. Public-sector wage adjustments are likely to be moderate under the IMF-supported fiscal framework, limiting spillovers to aggregate demand but helping preserve macro stability. In the informal sector, real incomes should benefit from lower food and transport inflation, assuming no renewed commodity or FX shocks. However, upside risks to household purchasing power remain capped by potential electricity, fuel and transport tariff adjustments, which could offset some of the gains from disinflation.

Overall, IFI assessments underline that sustained poverty reduction and income convergence will require stronger, private-sector-led job creation, improvements in productivity, and progress in energy and financial-sector reforms. Without these, labour-market improvements in 2026 are likely to remain incremental rather than transformational.

4.0 Budget & debt – overview

Ghana's fiscal strategy in 2026 is anchored on maintaining a primary surplus of around 1.5% of GDP, consolidating the sharp adjustment delivered since 2023 under the IMF Extended Credit Facility. After swinging from a primary deficit of more than 3% of GDP during the crisis to a surplus in 2025, the authorities aim to entrench fiscal discipline through tighter expenditure control, improved revenue mobilisation and stricter enforcement of the Fiscal Responsibility Framework.

The overall fiscal deficit is projected to narrow further in 2026 to the 3.5–4.0% of GDP range, from still-elevated levels earlier in the programme, as interest costs gradually ease following debt restructuring and disinflation. Public debt, which peaked above 90% of GDP at the height of the crisis, is projected by the IMF to decline steadily towards the mid-70% range over the medium term, assuming sustained primary surpluses, concessional financing and completion of commercial debt restructuring.

Fiscal policy remains constrained by high interest payments, legacy arrears and contingent liabilities, particularly in the energy sector, limiting space for discretionary spending. As a result, the 2026 budget prioritises protecting social spending, clearing arrears and maintaining capital expenditure in energy, roads and priority infrastructure, while containing the public-sector wage bill and subsidies.

The credibility of the 2026 fiscal stance hinges on strict adherence to programme ceilings, continued revenue reforms at the Ghana Revenue Authority, and disciplined cash management, including the use of quarterly expenditure commitments and arrears controls. Any slippage could delay IMF and donor disbursements and risk renewed pressure on financing conditions,

while successful implementation would further stabilise debt dynamics and support a gradual return to market access beyond 2026.

4.1 Budget balance and revenues

Ghana's 2025 fiscal outturn is on track to deliver a primary surplus of around 1.5% of GDP, following a surplus of roughly 1.1% of GDP in the first eight months of the year, reflecting tighter expenditure control and stronger-than-expected revenue performance under the IMF-supported programme. The 2026 budget is calibrated to maintain a primary surplus at a similar level, anchoring fiscal policy within the reinstated Fiscal Responsibility Framework and supporting the downward trajectory of public debt.

On the revenue side, policy focuses on broadening the tax base rather than raising headline rates, including continued VAT compliance reforms, improved income-tax enforcement, rationalisation of exemptions, and digitalisation of tax administration through the Ghana Revenue Authority. These measures are expected to lift the revenue-to-GDP ratio gradually in 2026, after years of underperformance, while reducing reliance on one-off or distortionary levies.

On the expenditure side, consolidation relies on strict wage-bill management, prioritisation of capital spending, and better targeting of social programmes to protect vulnerable households as inflation falls. A key pillar is the containment of quasi-fiscal risks, particularly in the energy sector, through tariff adjustments, tighter commitment controls and enforcement of the cash-waterfall mechanism, limiting the need for budget transfers.

Overall, the 2026 fiscal stance aims to balance debt sustainability with social and political constraints, with limited space for counter-cyclical spending. Risks centre on revenue slippage, energy-sector arrears and election-related pressures, but adherence to the primary-surplus target remains central to programme credibility, debt restructuring progress and the gradual restoration of market access.

4.2 Debt & debt restructuring

Public debt remains elevated but is on a declining path under the IMF baseline. The IMF's latest Debt Sustainability Analysis puts gross public debt at about 82–84% of GDP in 2024, falling to around 78–80% of GDP in 2025 and towards the low-70s by 2026–27, conditional on sustained primary surpluses and completion of debt restructuring.

Debt-service pressures, while easing, remain heavy. Interest payments absorbed around 47–50% of government revenue in 2023, one of the highest ratios among IMF programme countries, but are projected to decline to about 35–38% of revenue in 2025 and closer to 30–32% by 2026 as domestic yields fall, restructured external payments resume on concessional terms, and inflation declines.

Parliament's approval of the official-creditor deal under the G20 Common Framework, delivering about \$2.8bn in net present-value relief through rescheduling of 2022–26 obligations to 2039–43 at concessional rates, materially improves near-term liquidity and smooths the amortisation profile. The IMF assesses that, combined with projected growth of about 4.5–4.8%, a primary surplus of around 1.5% of GDP, and continued access to concessional financing, the restructuring places Ghana's debt on a clearly downward trajectory, although the overall risk of debt distress remains classified as high until commercial-creditor negotiations are concluded.

External buffers are rebuilding in parallel. Gross international reserves rose to the equivalent of about 2.7–3.0 months of import cover in 2025, up from crisis lows below two months, and are projected by the IMF to move above three months of cover in 2026 as current-account surpluses persist and programme disbursements continue. While still below pre-crisis comfort levels, this provides a more credible buffer against external shocks going into 2026.

5.0 Real economy

Ghana's real economy continued to recover through 2025, supported by stronger exports, improving macro stability and policy reforms. The Ghana Statistical Service's Monthly Indicator of Economic Growth showed the economy expanded 3.8%y/y in October 2025 (up from 3.0% a year earlier), with services the main driver. Services growth was 5.5%y/y and accounted for 74.7% of total growth in October, while industry also contributed as agriculture lagged.

Disinflation and fiscal clean-up improved confidence and eased financial conditions. Ghana's annual inflation rate fell to 8.0% in October 2025 (the lowest since mid-2021), before dropping further to 6.3% in November 2025, strengthening real incomes and enabling monetary easing. The Bank of Ghana cut its policy rate by 350bp to 21.5% in September 2025 and continued easing at subsequent meetings as inflation cooled.

On the fiscal/real-economy interface, the government said it cleared \$1.47bn in legacy energy-sector debts in 2025, including payments linked to World Bank guarantees and arrears to gas suppliers and independent power producers—an important step for power-sector stability and investor confidence.

Gold remained a central pillar in 2025, both for real activity and the external account. Ghana's Chamber of Mines forecast output rising 6.25% to 5.1mn ounces in 2025 (from 4.8mn ounces in 2024), supported by artisanal and large-scale production. Official exports of 55.7 tonnes worth about \$5bn were recorded in the first five months of 2025 amid stepped-up anti-smuggling measures and reforms linked to GoldBod.

The outlook for 2026 is for continued, moderate expansion, but with some divergence across forecasters. Ghana's finance ministry projected real GDP growth of at least 4.8% in 2026, alongside an inflation objective within the 8%±2% target band and a narrower fiscal deficit. A separate budget-linked outlook note put 2026 growth at 4.9% and nominal GDP at about GHS1.5 trillion, with sector shares of output around 47% services, 31% industry and 22% agriculture. The IMF's country data page, however, shows a more conservative 4.0% growth projection for 2026 (with higher projected inflation than local targets), pointing to a positive but cautious baseline.

On the commodity side, gold is likely to remain the key stabiliser for FX liquidity and the trade balance in 2026, while cocoa and oil continue to matter for exports and fiscal receipts. Policy emphasis is shifting toward formalisation and value capture. The government plans a national traceability system and a move toward refined-gold exports by 2026 as part of efforts to reduce smuggling losses and raise revenues.

The key test for 2026 is whether stabilisation translates into broader, job-rich growth: improving agricultural productivity, easing cost pressures on manufacturers, and translating macro gains into sustained private investment—while keeping reforms on track and debt vulnerabilities contained.

5.1 Agriculture

Agriculture remains a cornerstone of Ghana's economy, employing a large share of the labour force and acting as a buffer during periods of macro stress. Improved rainfall patterns and targeted input support helped stabilise output in 2024–25, particularly for staples and food crops, contributing to disinflation and rural income recovery. However, structural constraints persist. The cocoa sector faces acute challenges from swollen shoot disease, ageing trees, illegal mining-related land degradation and volatile global prices, which continue to cap productivity and export earnings despite recent price windfalls.

Looking into 2026, prospects are moderately positive provided reforms to cocoa marketing, farm rehabilitation programmes and extension services gain traction. Diversification into horticulture, rice and livestock, alongside better irrigation and climate-resilience investment, will be critical to sustaining growth and insulating rural livelihoods from weather and price shocks.

5.2 Construction & infrastructure

Construction activity slowed during the crisis as public investment was curtailed, but externally financed projects have continued in priority areas such as roads, energy, water and sanitation. Multilateral- and bilateral-funded schemes, alongside selected donor-backed urban infrastructure projects, are helping to stabilise the sector despite tight domestic financing conditions.

Over the medium term, including 2026, the outlook hinges on fiscal consolidation translating into lower sovereign risk premia. This would help crowd in private capital, particularly through public-private partnerships in housing, logistics and energy. Progress on clearing arrears and strengthening project appraisal and procurement frameworks will be essential to reviving construction as a growth and employment driver.

5.3 Retail & services

Services have been the main driver of Ghana's post-crisis recovery. Wholesale and retail trade, telecommunications, financial services and transport outperformed expectations in 2025, benefiting from disinflation, a more stable cedi and easing supply constraints. Improved confidence has supported activity in urban centres, even as household balance sheets remain under strain.

In 2026, further moderation in inflation and gradual monetary easing should support real consumption growth, though the pace is likely to be measured. High borrowing costs, tax measures introduced under consolidation, and still-weak formal employment growth will temper upside risks. Nonetheless, services are expected to remain the primary contributor to GDP growth, given their flexibility and relatively low capital intensity.

5.4 TMT / digital economy

Ghana continues to rank among West Africa's more advanced digital markets, with high mobile penetration, widespread use of mobile money and a growing fintech ecosystem supporting payments, remittances and SME activity. Digital services have played an important stabilising role during the crisis and recovery, improving financial inclusion and efficiency.

The policy focus in 2026 is expected to centre on regulatory consolidation rather than rapid liberalisation. Authorities are likely to prioritise financial stability, cybersecurity, consumer protection and digital taxation, while encouraging interoperability and innovation within existing

frameworks. Over time, improved macro stability and clearer regulation should support further investment in data infrastructure, fintech and digital public services, reinforcing productivity gains across the wider economy.

5.5 Manufacturing & industry

Ghana's manufacturing and industrial sector enters 2026 with cautiously improving prospects, supported by macroeconomic stabilisation under the IMF-backed programme, easing inflationary pressures and reduced FX volatility. After contracting or stagnating during the 2022–24 crisis period, manufacturing output is expected to return to low-to-mid single-digit growth in 2026, with most forecasts and sectoral models implying growth of around 3–5%, broadly in line with the overall economy but still below pre-crisis potential.

Operating conditions remain challenging. Input costs, particularly electricity tariffs, imported raw materials and logistics, remain elevated, while working-capital constraints persist due to still-high real interest rates and cautious bank lending. These factors will continue to cap capacity utilisation, especially for small and medium-sized firms. However, softer inflation, a firmer cedi and gradual monetary easing are expected to reduce cost volatility in 2026, allowing better-capitalised firms to rebuild margins and resume incremental investment.

Growth drivers within manufacturing are likely to be uneven but increasingly export-oriented. Sub-sectors with the strongest momentum include agro-processing (cocoa grinding, edible oils, food and beverages), cement and construction materials, consumer goods, pharmaceuticals and light engineering, particularly where firms are integrated into regional value chains. Activity in industrial parks and special economic zones is expected to pick up modestly as confidence improves, though expansion will be gradual rather than investment-led.

The sector's recovery is explicitly tied to African Continental Free Trade Area (AfCFTA) trade corridors and regional export demand. Ghana's position as host of the AfCFTA Secretariat and its improving logistics links to Nigeria, Côte d'Ivoire, Burkina Faso and Togo support a shift towards regional manufacturing exports, especially for processed foods, plastics, household goods, aluminium products and basic manufactured inputs. Export volumes to Economic Community of West African States (ECOWAS) markets are expected to grow faster than domestic sales in 2026, with manufactured exports projected to rise by high single digits from a low base, even as global demand remains mixed.

AfCFTA implementation — including rules-of-origin compliance, customs digitisation and transit facilitation along the Tema–Ouagadougou and Tema–Lagos corridors — is increasingly shaping firm strategies. Manufacturers with access to foreign currency earnings, regional distribution networks and scale advantages are best placed to benefit, while domestically focused producers remain more exposed to weak credit growth and tax pressures.

Overall, manufacturing in 2026 is likely to see a gradual, stabilisation-led recovery rather than a cyclical boom. Sustained gains beyond the 3–5% growth range will depend on deeper progress in energy-sector reform, trade facilitation, access to finance and AfCFTA execution, which together would allow Ghana's industrial base to translate macro stability into durable export-led expansion.

5.6 Metals & mining

Mining remains a cornerstone of Ghana's real economy, external balances and fiscal revenues, with gold accounting for roughly 90% of mineral export earnings and around 7–8% of GDP,

directly and indirectly. Elevated global gold prices and renewed investor appetite for politically stable producers position the sector for continued resilience in 2026, even as broader macro conditions remain tight.

Gold production is expected to remain robust in 2026, supported by optimisation and incremental expansion at established operations. Large-scale producers including Newmont, Gold Fields, AngloGold Ashanti and Asante Gold are advancing productivity upgrades, life-of-mine extensions and efficiency projects rather than major greenfield developments, reflecting capital discipline and lingering financing constraints. Under baseline assumptions, gold output is expected to be broadly flat to modestly higher year on year, with upside linked to faster permitting and sustained price strength.

Fiscal and FX significance remains high. Gold exports are a key driver of Ghana's current-account surplus and reserve accumulation under the IMF programme, while mining royalties, corporate taxes and dividends continue to provide an important — though volatile — revenue stream. The government's gold-for-reserves and domestic gold-purchase initiatives are expected to remain in place through 2026, supporting FX liquidity while limiting direct fiscal exposure.

Artisanal and small-scale mining (ASGM) will remain a politically and environmentally sensitive issue. The authorities are expected to expand formalisation schemes, licensing reforms and enforcement against illegal mining ("galamsey") in 2026, particularly given rising public concern over land degradation, water pollution and cocoa-sector damage. However, balancing enforcement with livelihoods remains a challenge, and ASGM policy execution will be closely watched by investors and development partners.

Critical minerals and diversification represent a medium-term pivot rather than a near-term growth driver. The Mahama administration is expected to maintain broad policy continuity while tightening oversight of new mineral streams, particularly lithium, following the politically contentious ratification of the Atlantic Lithium (Barari) agreement in late 2024. In 2026, activity is likely to focus on feasibility work, regulatory frameworks and investor negotiations rather than large-scale production.

Value addition and industrial linkages are rising on the policy agenda. Authorities have signalled intent to push for greater in-country processing — including spodumene concentrate beneficiation, gold refining and downstream linkages to manufacturing and battery supply chains — in line with Ghana's strategic minerals and industrialisation frameworks. While meaningful output from these initiatives is unlikely before the late 2020s, groundwork laid in 2026 could shape investment decisions and trade positioning under ECOWAS and AfCFTA rules.

Outlook and risks for 2026 are broadly balanced. Upside scenarios hinge on sustained high gold prices, regulatory stability and incremental exploration success. Downside risks include policy slippage, community disputes, stricter environmental enforcement disrupting output, or a sharp correction in global gold prices. Overall, mining is expected to remain a stabilising anchor for Ghana's macro outlook in 2026, even as the government seeks to reduce longer-term dependence on raw mineral exports.

6.0 Banking outlook

Ghana's banking sector enters 2026 having absorbed one of the most severe shocks in its history following the Domestic Debt Exchange Programme (DDEP), yet it remains operationally resilient under close regulatory oversight. Total banking-sector assets expanded strongly in 2024–25, supported by nominal GDP growth and balance-sheet restructuring. The capital adequacy ratio (CAR) stood at around 14% including regulatory reliefs in 2025 and remains above revised prudential minimums even on a relief-adjusted basis, although buffers vary significantly across institutions.

The DDEP, implemented in 2023 as part of the broader debt-restructuring strategy underpinning IMF support, fundamentally reshaped bank balance sheets. Domestic bondholders exchanged legacy cedi-denominated securities for longer-dated instruments with lower coupons, reducing the government's near-term interest burden and rollover risk. For banks, the exchange crystallised valuation losses and required capital forbearance, liquidity support and targeted recapitalisation—particularly for state-owned lenders. By late 2025, the systemic phase of the shock had largely passed, with supervisory focus shifting from crisis management to balance-sheet repair and risk normalisation.

Asset quality pressures are easing but remain elevated. Non-performing loans (NPLs), which peaked above 20% of total loans in 2023–24, edged down to around 19.5% by October 2025, reflecting improved macro conditions, better FX availability and active loan restructuring. However, NPL ratios remain well above pre-crisis norms, especially among SMEs and sectors exposed to construction, trade finance and energy. The authorities' 2026 agenda includes accelerated resolution of legacy NPLs, enhanced collateral enforcement, and the use of asset-recovery and special-purpose vehicles where appropriate.

Profitability has recovered, helped by high nominal yields, stabilising funding costs and improved treasury income following the reshaping of the domestic yield curve. As inflation falls and policy rates are gradually eased, net interest margins are expected to narrow in 2026, shifting the earnings mix toward fee income, transaction banking and FX-related services. Cost control and digitalisation will remain important differentiators across banks.

Policy priorities for 2026 centre on completing the recapitalisation of state-owned banks, strengthening crisis-management and bank-resolution frameworks, and gradually withdrawing extraordinary regulatory reliefs in a sequenced manner to avoid cliff effects. The Bank of Ghana is also advancing reforms to improve governance, risk management and supervisory stress-testing, aligned with IMF programme commitments.

Credit conditions are expected to improve only gradually. Real private-sector credit growth is likely to return to low-single-digit territory in 2026, supported by disinflation, a firmer cedi and easing sovereign crowding-out as fiscal consolidation takes hold. However, lending will remain selective, favouring larger corporates, exporters and firms with FX earnings. The banking–sovereign nexus—though less acute than in 2022–23—will continue to constrain risk appetite and balance-sheet flexibility.

Overall, the baseline outlook for 2026 is one of stability with cautious normalisation. The system is solvent and liquid, but recovery remains uneven across institutions. Sustained macro stability, completion of debt restructuring, and progress on SOE and fiscal reforms will be decisive in determining whether banks can shift from balance-sheet repair toward a more active role in financing growth, investment and job creation.

7.0 Energy & power

Ghana's power system enters 2026 with ample installed capacity, estimated at about 5.2–5.7GW, comfortably above peak demand of just under 4GW. Thermal generation dominates the mix, accounting for roughly 66–70% of output, followed by hydro at around 28–33%, with solar contributing a small but gradually rising share. This structural overcapacity has reduced the risk of load shedding but has created significant cost and fiscal challenges linked to take-or-pay contracts with independent power producers (IPPs).

Electricity demand is projected to grow by around 4–5% per year through the medium term, driven by population growth, urbanisation, services expansion and gradual industrial recovery. As a result, 2026 sits at a critical inflection point: policymakers must manage legacy overcapacity and contractual rigidities while ensuring that new demand is met at lower average system costs. The IMF has noted progress in renegotiating IPP contracts, strengthening the Cash Waterfall Mechanism and implementing quarterly tariff adjustments, steps that are essential to containing energy-sector arrears and reducing contingent fiscal liabilities. If sustained, these reforms should gradually stabilise the sector's finances through 2026.

Renewable energy remains underdeveloped, accounting for only low single-digit percentages of installed capacity, despite Ghana's strong solar potential. New utility-scale solar projects, grid-connected rooftop programmes and updated renewable-energy strategies—supported by development-finance institutions—could modestly lift the renewable share in 2026–27. However, progress will likely be incremental, constrained by grid integration challenges, financing costs and the need to prioritise least-cost dispatch within an already over-supplied system.

Power costs and competitiveness (manufacturing and mining impact)

Electricity pricing remains a binding constraint on competitiveness, particularly for manufacturing and mining. High thermal generation costs, legacy IPP contracts and periodic tariff increases have kept industrial power tariffs among the highest in the region, eroding margins for energy-intensive manufacturers such as cement, steel re-rolling, food processing and light engineering. For manufacturing, elevated electricity costs directly reduce price competitiveness in both domestic and regional markets, limiting Ghana's ability to fully leverage ECOWAS and AfCFTA trade corridors for processed goods exports.

In mining, power costs are a key input into operating margins, especially for gold producers facing rising costs for fuel, labour and environmental compliance. While high global gold prices have cushioned margins, sustained electricity cost pressures could weigh on investment decisions for lower-grade deposits and downstream value-addition projects. As a result, successful energy-sector reform is not only a fiscal priority but also a core industrial-policy lever. Progress in reducing average generation costs, improving tariff predictability and expanding lower-cost renewables would materially support manufacturing recovery and protect mining profitability through 2026 and beyond.

8.0 Markets outlook

Ghana's domestic capital markets will remain the primary financing channel in 2026, as the authorities consolidate the post-crisis stabilisation and work to restore debt sustainability under the IMF-supported programme. With inflation firmly back in single digits and monetary easing under way, yields on government securities are expected to continue their gradual decline from the extreme levels seen in 2022–23, improving debt-service dynamics and easing mark-to-market pressures on banks, pension funds and insurers. That said, yields are likely to

remain high in real terms, reflecting residual inflation risk, elevated debt ratios and still-fragile investor confidence.

The government intends to deepen and normalise the local-currency yield curve, gradually extending maturities and reducing reliance on very short-dated instruments, while carefully managing rollover risks following the Domestic Debt Exchange Programme (DDEP). Successful execution will depend on maintaining primary surpluses, predictable issuance calendars and continued coordination between the Ministry of Finance and the Bank of Ghana. The large exposure of domestic banks to sovereign paper remains a structural vulnerability, reinforcing the importance of avoiding renewed fiscal slippage that could crowd out private credit.

Foreign participation in the domestic market is expected to remain selective but gradually improving in 2026, supported by disinflation, exchange-rate stability and IMF programme credibility. However, inflows are likely to be sensitive to global risk sentiment and US interest-rate dynamics, leaving the market exposed to episodes of volatility rather than a smooth re-rating.

On international markets, Ghana is expected to remain largely absent from Eurobond issuance in 2026, as authorities prioritise completion of commercial debt restructuring and further improvement in debt metrics before re-engaging external investors. While policymakers may begin signalling a medium-term return to international markets, the baseline scenario remains continued reliance on multilateral and bilateral financing, complemented by domestic issuance, rather than fresh hard-currency borrowing.

Equity markets remain shallow and illiquid, with limited new listings and modest turnover dominated by a small number of financial and consumer names. While macro stabilisation and improving growth prospects could support valuations in 2026, meaningful market deepening will require structural reforms, including incentives for listings, stronger corporate governance and disclosure, and greater mobilisation of long-term domestic savings, particularly from pension funds.

Overall, Ghana's markets outlook for 2026 is one of gradual repair rather than rapid re-opening: declining yields, improving stability and cautious investor re-engagement, but with continued sensitivity to policy credibility, global conditions and the pace of debt-restructuring progress.