



TESAH'S 2025 BUDGET HIGHLIGHTS



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Introduction

On March 11, 2025, Hon. Cassiel Ato Forson, Minister of Finance, presented the government's budget statement and economic policy for the 2025 financial year. The budget aims to restore fiscal discipline, enhance macroeconomic stability, and promote sustainable growth.

Key highlights include:

- **Revenue & Expenditure:** Ambitious revenue targets despite the loss of certain tax streams, alongside measures to improve expenditure control.
- **Debt & Deficit Management:** A reduced budget deficit, with financing through domestic debt issuance, reopening of the bond market, and external support from the IMF and World Bank.
- **Macroeconomic Projections:** Economic growth expected at 4.0% in 2025, alongside declining inflation and a projected drop in public debt as a percentage of GDP.
- **Capital Markets & Investment:** Support for listing State-Owned Enterprises (SOEs) on the stock market and initiatives to deepen investor participation.
- **Monetary Policy & Inflation:** Continued efforts to lower inflation and stabilize interest rates.

This report provides a detailed summary of the budget, focusing on fiscal policy, macroeconomic trends, capital market developments, and tax measures for the year 2025.



Key Economic Indicators



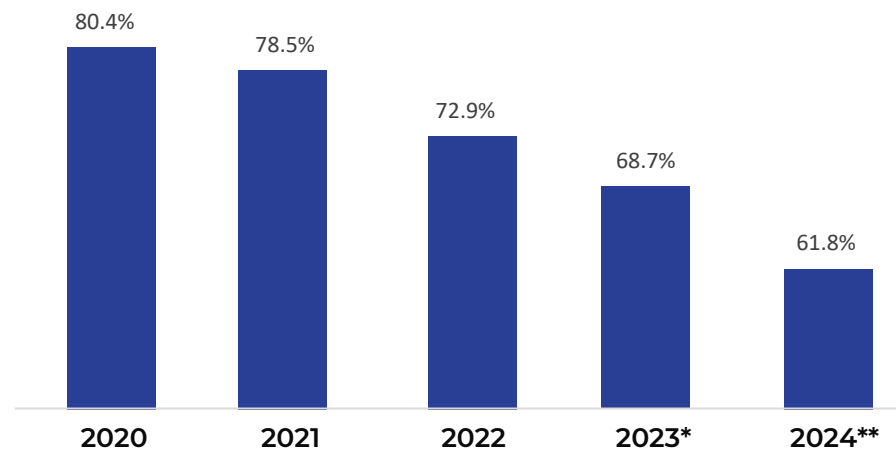
Economy At A Glance



The Economy at a Glance



Debt to GDP



Exchange Rate and Interest Rates



Exchange Rate

	USD	GBP	EUR
2023 Depreciation	25.70%	28.30%	26.80%
2024 Depreciation	19.20%	17.80%	13.70%
2024 Exchange Rate (GHS)	14.7	18.4	15.21



Interest Rates

	91-Day	182-Day	364 -Day	Monetary Policy
2023	29.36%	31.95%	32.49%	30.00%
2024	28.04%	28.68%	30.07%	27.00%

Macroeconomic Projections and Targets



Projections And Targets (2025)



GDP Growth
Oil: 4.0%
Non Oil: 4.8%



Inflation
11.9%



Gross International Reserves
3 months of import cover



Fiscal Deficit
3.1% of GDP

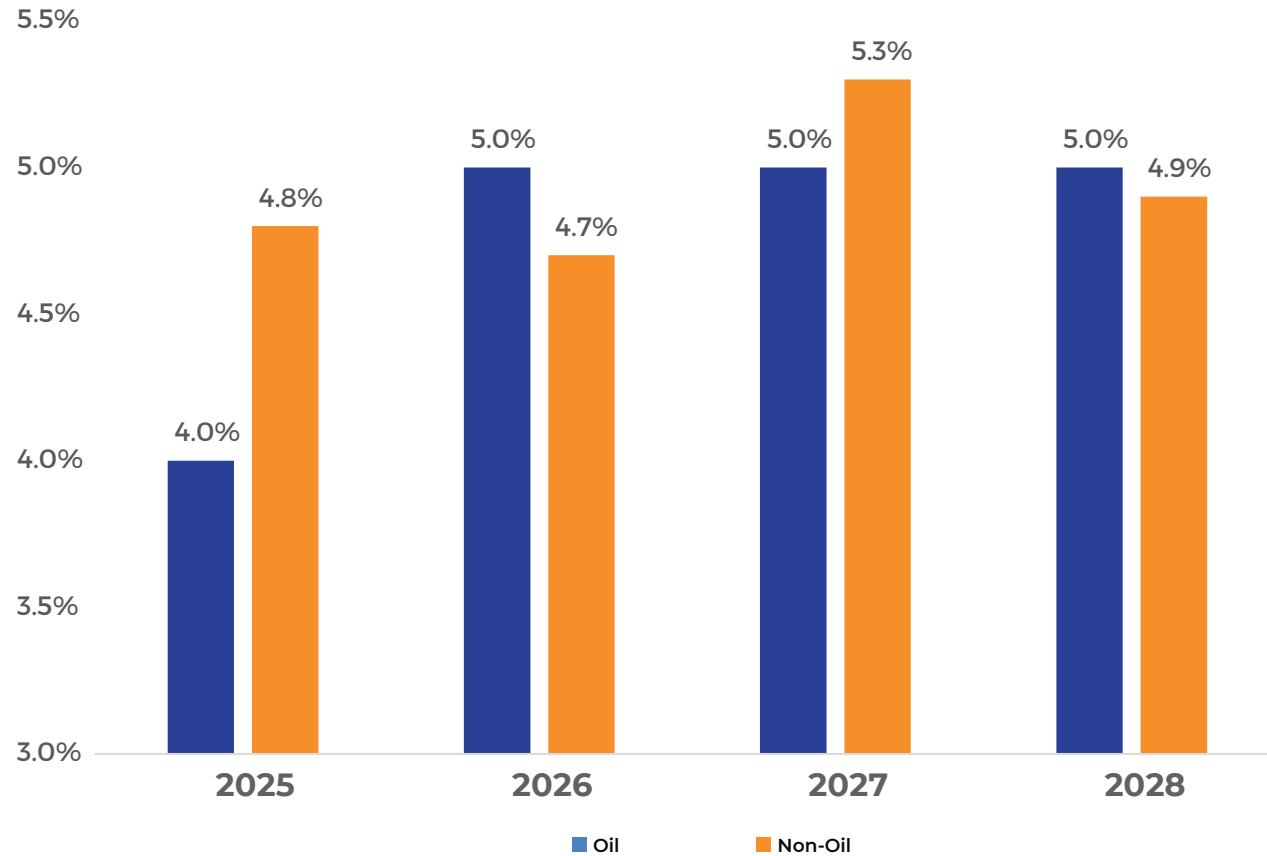


Primary Balance
Surplus of 1.5% of GDP



Fiscal Target
Total Revenue: GHS 224.9 billion
Total Expenditure: GHS 268.9 billion
Deficit: GHS 44 billion

Medium Term Growth Targets

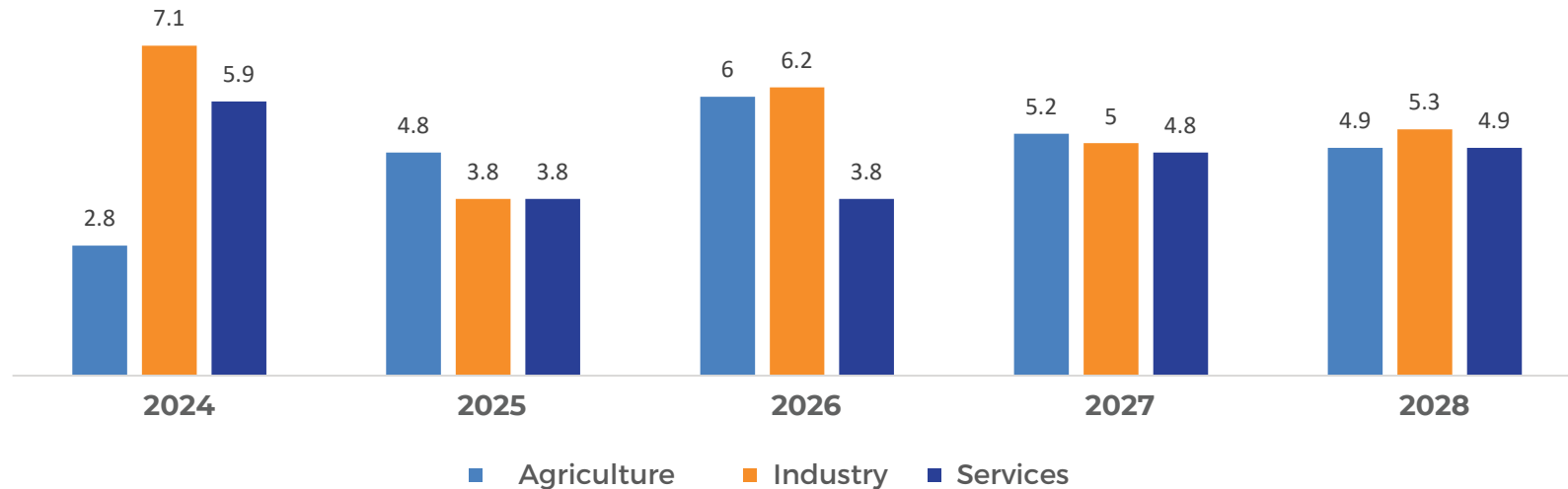


Projections And Targets (2025)

Macroeconomic Targets

	2024 Target	2024 Actual	2025 Target	Medium Term Target (2025-2028)
Real GDP (Oil)	3.1%	5.8%	4.0%	4.8%
Real GDP (Non-Oil)	2.8%	6.1%	4.8%	4.9%
Inflation	15.0%	23.8%	11.9%	8.0%
Fiscal Budget Deficit (% of GDP)	4.2%	7.9%	3.1%	Surplus of 0.1%
Gross International Reserves (months of import cover)	3	4	3	3

Sectoral Growth Targets (%)



Government's Fiscal Operations And Measures



Revenue Data (GHS' Million)

	2024 Proj . Outturn	2025 Budget
Income and Property Taxes	78,742.01	97,761.92
Taxes on Domestic Goods and Services	60,499.19	73,757.07
International Trade Taxes	19,917	26,013
Non -Tax Revenue	27,734	24,401
Other Revenue	4,928	6,700
Grants	1,716	2,675
Social contributions	1,060	1,193
Tax Refunds	(8,004)	(7,567)
TOTAL	186,593.30	224,933.63

Since 2020, the government has missed its revenue target only twice— in 2021 and 2023. While this suggests an improved ability to meet revenue expectations, the 2025 target presents a significant challenge, requiring a nearly 20% increase from the revenue achieved in 2024.

This projected revenue surge is primarily driven by three key areas:

- Income and property taxes
- Taxes on domestic goods and services
- International trade taxes

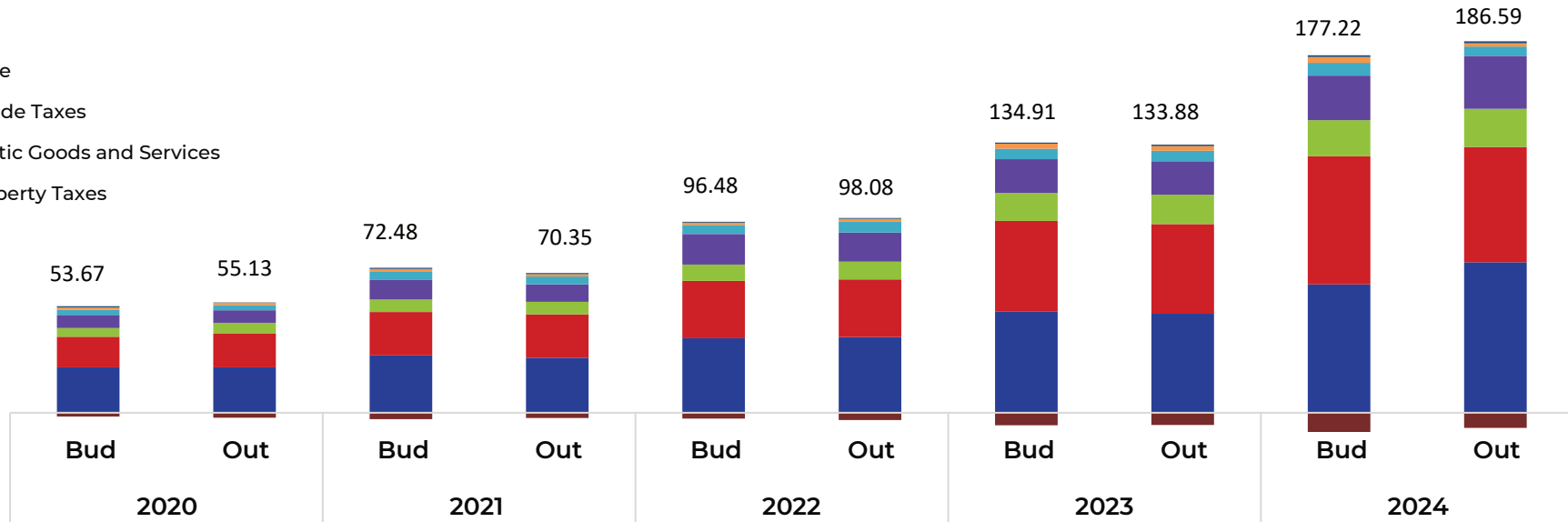
In previous years, the government's success in exceeding revenue targets was largely attributed to the introduction of new taxes, such as the E-levy, betting tax, and emission tax. However, with the removal of these taxes, the risk of revenue underperformance in 2025 has increased.

Without substantial new revenue initiatives, another shortfall appears likely. A major gap remains in the effective collection of property taxes and widening the tax bracket, which, if addressed, could provide a more sustainable source of revenue.

FISCAL MEASURES

Revenues

- Tax Refunds
- Social contributions
- Grants
- Other Revenue
- Non-Tax Revenue
- International Trade Taxes
- Taxes on Domestic Goods and Services
- Income and Property Taxes



01 Total Revenue & Grants for 2025:

GHS 224.9 billion (27% increase from the revised 2024 budgeted revenue of GHS 177.2 billion).



02 Tax Revenue's share:

84% of the 2025 budgeted revenue, up from 81% in the 2024 budgeted revenue.

The government anticipates a 27% upswing in total revenue for 2025, reaching GHS 224.9 billion. This growth is chiefly attributed to a projected 24% increase in Taxes on property and income.

Fiscal Measures Revenues

1 Reduction of Tax Refund Rate

Reduction of the tax refund rate by 2 percentage points, from 6% to 4% of total revenue. This adjustment is expected to enhance net tax revenue by minimizing outflows from tax refunds.

4 Increase in Growth sustainability levy for mining companies

Increase the Growth & Sustainability Levy on the gross production of mining companies from 1% to 3%. This measure aims to boost government revenue from the mining sector.

2 Voluntary Disclosure Program

The extension of the penalty and interest waiver to include individuals with undeclared foreign accounts, those with accumulated tax arrears, and persons with outstanding tax returns.

5 Re-introduction of Road Tolls

Implement a technology-driven system for the reintroduction of road tolls in 2025, ensuring efficiency and seamless collection.

7 Extension of the sunset clause

Extend the sunset clause of the Special Import Levy to 2028 to sustain revenue generation from import duties.

3 Extensive Tax Education

The government will launch an aggressive and sustained tax education campaign over the next 2-3 years to enhance compliance and boost tax revenue mobilization

6 Modified Taxation System

The implementation of digitized systems to register eligible taxpayers, facilitate the submission of tax returns, and introduce a dedicated USSD code for seamless tax payments.

8 VAT on non-life insurance

Elimination of VAT exemption on Non-Life Insurance policies, excluding motor insurance.

Fiscal Measures

Abolished Taxes

01

Betting Tax

The government will abolish the 10% withholding tax (WHT) on lottery winnings, commonly referred to as the "Betting Tax."

02

Emission Levy

Abolish the Emission Levy on industries and vehicles

03

VAT on motor insurance

Abolish the VAT on motor vehicle insurance policies.

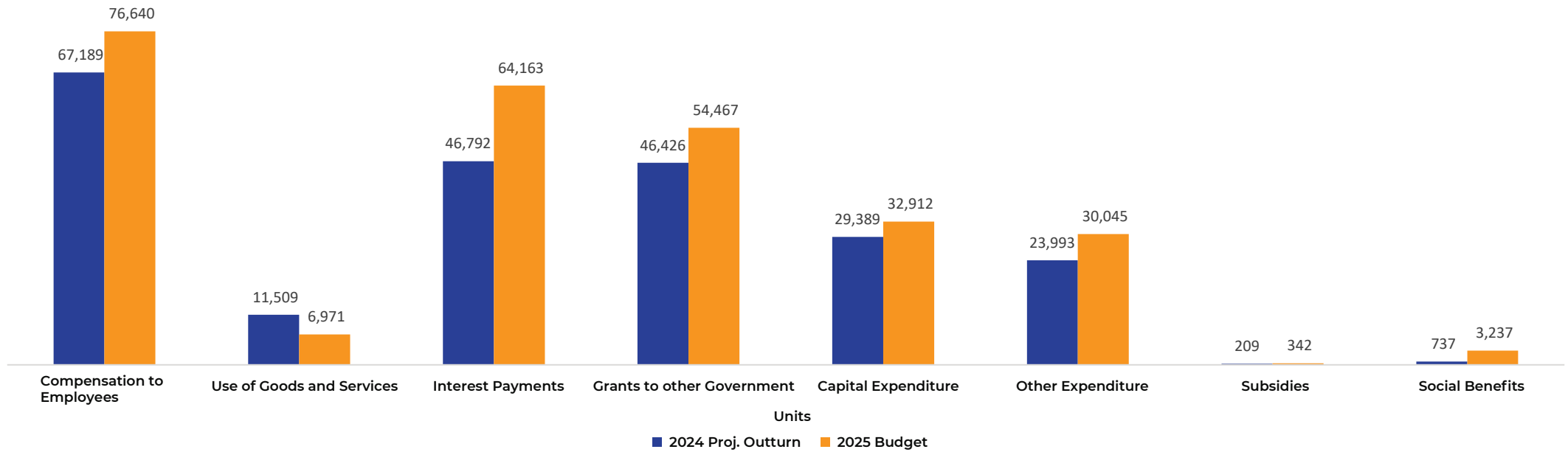
04

Abolish the 1% Electronic Transfer Levy (E-Levy).

05

Abolish the 1.5% withholding tax on purchases of unprocessed gold by small-scale miners.

Expenditure Data (GHS' Million)



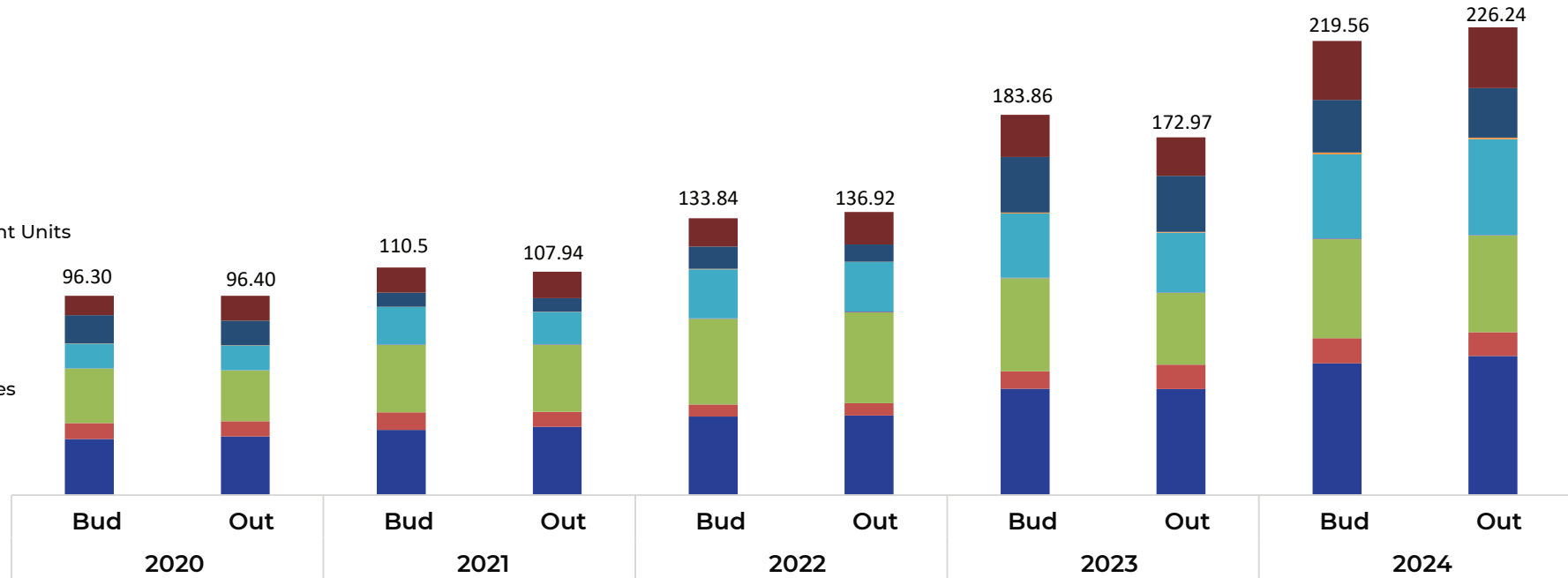
TOTAL	226,244	268,777
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Fiscal Measures

Expenditure

In Billion GHS

- Capital Expenditure
- Other Expenditure
- Social Benefits
- Grants to Other Government Units
- Subsidies
- Interest Payment
- Use of Goods and Services
- Compensation of Employees



Total Expenditure for 2025

GHS 268.78 billion (22% increase from the 2024 budgeted expenditure of GHS 219.56 billion).



Compensation of employees

34% of the 2025 budgeted revenue, slightly down from 36% in the 2024 budgeted expenditure.

Fiscal Measures

Expenditure Control Measures



Expenditure Control Measures

Amend the Public Procurement Law to Establish an Independent Value-for-Money Office, responsible for scrutinizing government procurements exceeding a threshold set by Parliament.

Require commencement certificates and budgetary provisions as prerequisites for all procurements funded by the central government.



Integration of GHANEPS and GIFMIS

Full integration of GHANEPS with GIFMIS to ensure that procurement approvals are granted only for MDA projects and purchase orders backed by approved budgets and allotments.



Reduction of GNPC's share of CAPI

Reduction of GNPC's share of net Carried & Participating Interest (CAPI) from 30% to 15% and fully restore transfers to GNPC to enhance fiscal efficiency and optimize resource allocation.



Fiscal Consolidation Program

Cut wasteful expenditures on inefficient or duplicative programs to streamline government spending. Selected initiatives, including GhanaCARES, YouStart, and One District One Factory, will be eliminated as part of the fiscal consolidation program



Reassignment of functions of Development Authorities

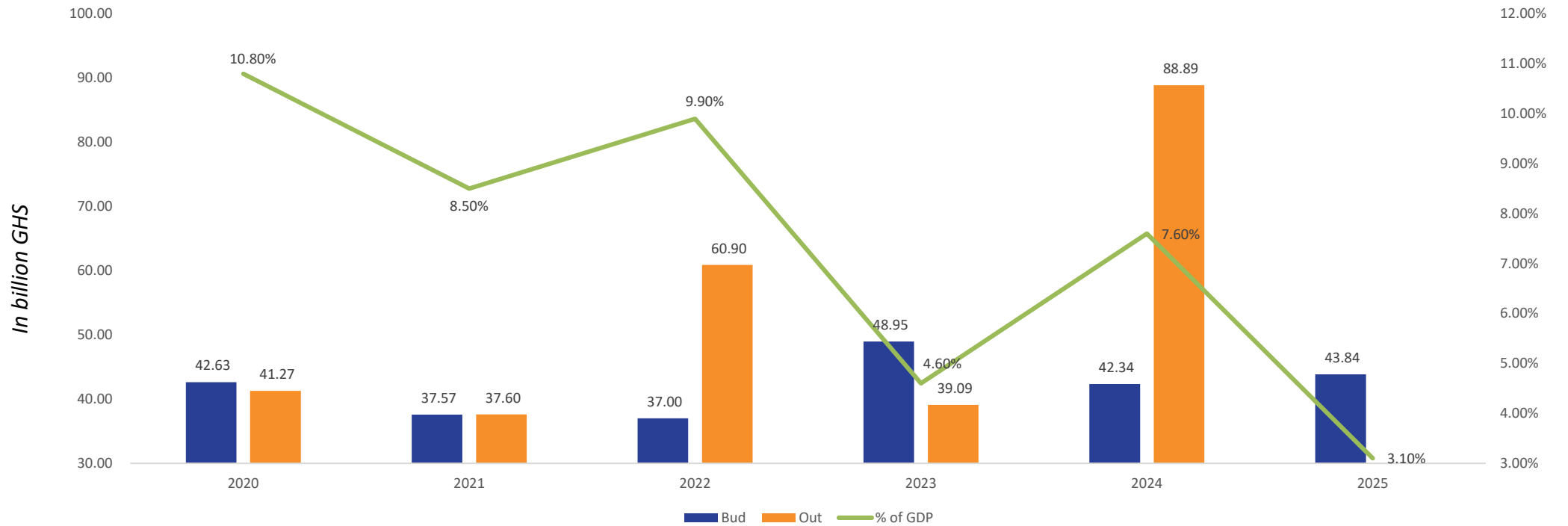
Reassign the functions of the Development Authorities (CODA, NDA, and MBDA) to the District Assemblies to enhance efficiency and decentralize development efforts.



Allocation of 80% Mineral Royalties back to the Consolidated Fund

Amendment of the Mineral Income and Investment Fund (MIIF) Act to ensure that 80% of Mineral Royalties, which were originally retained by MIIF, are transferred to the Consolidated Fund for infrastructure development.

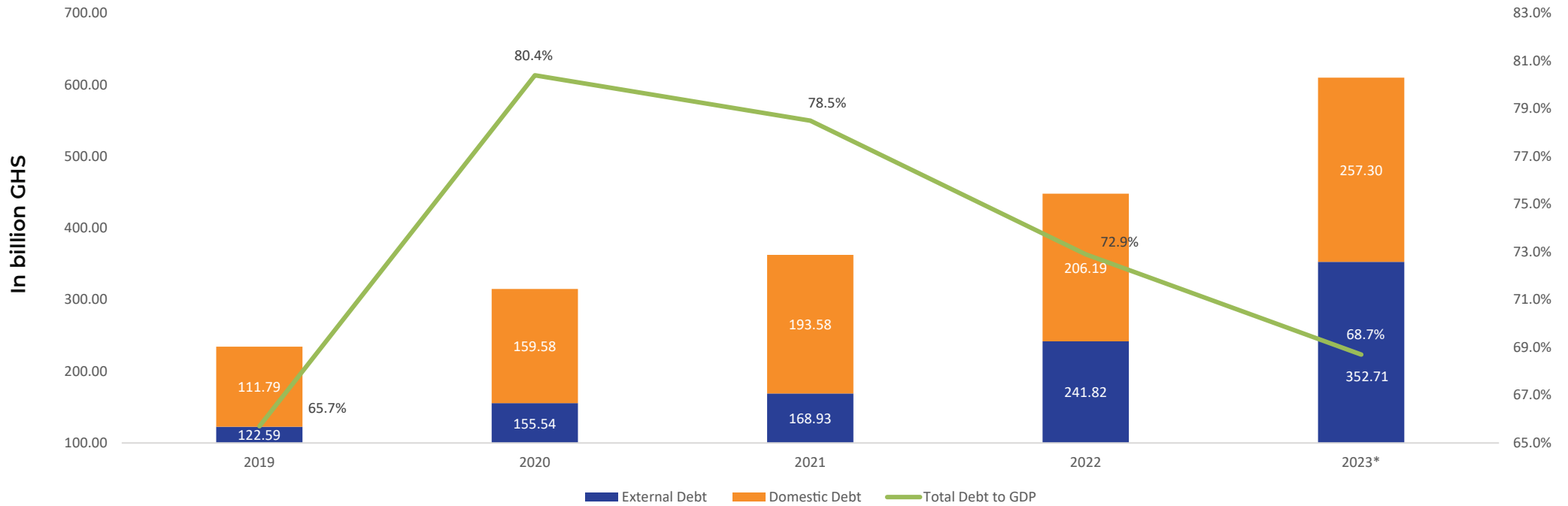
Fiscal Deficit



Deficit Financing

<p>Foreign Financing</p> <p>GHS 21.41 billion (1.5% of GDP)</p> <ul style="list-style-type: none"> • IMF Extended Credit Facility • World Bank • Program and project loans 	<p>Domestic Financing</p> <p>GHS 36.99 billion (2.6% of GDP)</p>
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Fiscal Deficit



Public Debt Surge: Ghana’s total public debt reached GHS 726.7 billion in 2024, a 19% increase from the 2023 figure of GHS 610.01 billion.

Debt Composition: 57.4% of the debt is external, while 42.6% is domestic.

Currency Depreciation Impact: The increase in external debt is worsened by the depreciation of the Ghanaian Cedi against the US Dollar.

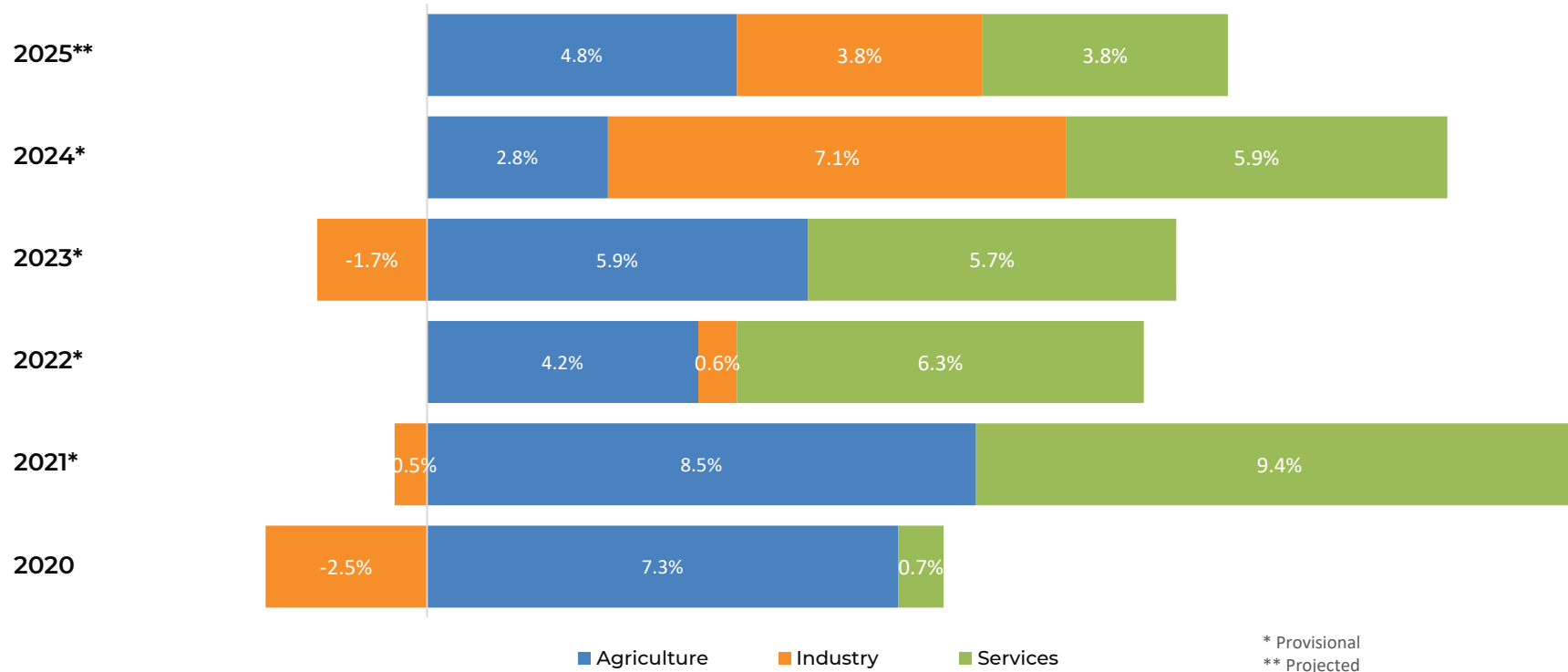
Debt-to-GDP Ratio: External debt-to-GDP declined from 39.7% in 2023 to 35.4% in 2024, driven by the recent debt restructuring.

Sectoral Outlook



Sectoral Growth

Sector Growth



Agriculture

Proj Gr. 2024 = 2.8%
Proj Gr. 2025 = 4.8%

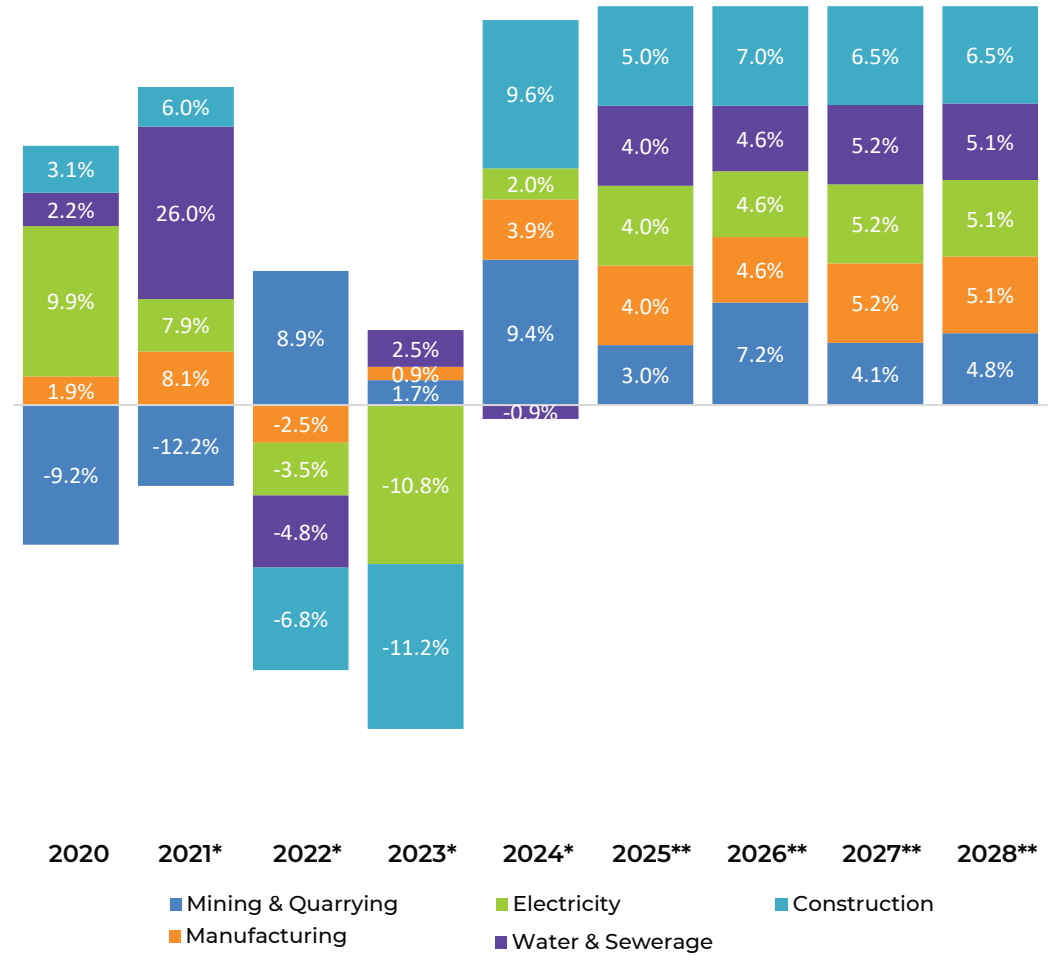
* Provisional
** Projected



Industry

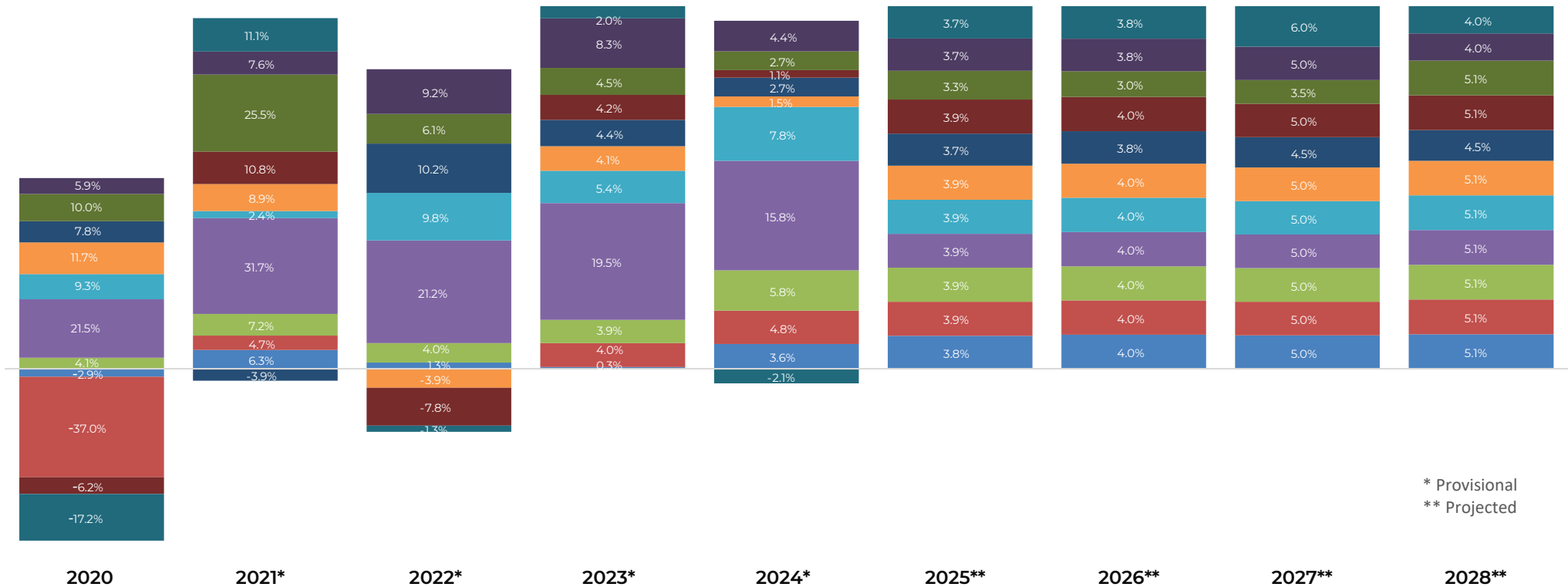
Proj Gr. 2024 = 7.1%
Proj Gr. 2025 = 3.8%

* Provisional
** Projected



Services

Proj Gr. 2024 = 5.9%
Proj Gr. 2025 = 3.8%



* Provisional
** Projected

- Trade; Repair of Vehicles, Household goods
- Hotels and Restaurants
- Transport and Storage
- Information and communication
- Financial and Insurance activities
- Real Estate
- Education
- Professional, Administrative & Support Services
- Public Administration & Defence; Social Security
- Health and Social Work
- Other Service Activities



Agriculture

Initiatives / Outlook

01

Implementation of the Feed Ghana Programme (FGP) to harness human and technical resources, enhancing agricultural production in key crops and livestock.

02

The government procured and distributed 180,625.4MT of fertilizers, 7,553MT of seeds, 381,154 liters of weedicides, and 744,000 liters of agrochemicals to 344,930 farmers nationwide.

03

AgriNext Programme will be rolled out to provide land access, connect graduates to agricultural opportunities, operationalize commercial farms, and establish mini processing plants to boost profitability and reduce food imports.

04

The government will launch the Transformational Grains Development Project (TGD), Tubers Development Project (RTDP), Vegetable Development Project —Y&REDUA' (VDP), Livestock Development Project (LDP) to prioritize the production of grains, tubers and livestock

05

Launch of the Feed Industry Program to enhance local raw material production, ensuring a stable supply of high-quality agricultural inputs for industry. This will reduce reliance on imports and create jobs for the youth.

06

Farmer support through the “Poultry Farm to Table” and “Nkoko Nketenkete” Projects by providing 30 anchor farmers with 2.4 million day-old chicks, feed, and vaccines for broiler production. Additionally, 1 million Kuroilers will be distributed to 55,000 households.

07

The Ministry will establish 50 Farmers' Service Centres across all regions and enhance the technical capacities of machinery operators to support farmers.



Finance

Initiatives / Outlook

01 _____

Ghana is restructuring \$2.7 billion in commercial debt owed to Chinese lenders, plurilateral institutions, and private banks through direct engagements, data reconciliation, and validation with key creditors.

02 _____

The government will reopen the domestic bond market to extend the maturity profile, focusing on large-sized benchmark bonds to enhance market liquidity while ensuring a cautious execution.

03 _____

ESLA Plc and Daakye Plc will be wound up after the final audit and completion of required filings with the Ghana Revenue Authority and the Office of the Registrar of Companies.

04 _____

The Ghana Stock Exchange (GSE) in collaboration with State Interests and Governance Authority (SIGA), will continue efforts to list State-Owned Enterprises (SOEs) on the stock market, helping them raise capital and strengthen their balance sheets.

05 _____

The Ghana Stock Exchange (GSE) will undergo demutualization, transitioning from a non-profit entity to a Public Limited Company (PLC). This will allow it to operate as a profit-oriented organization with shareholders.

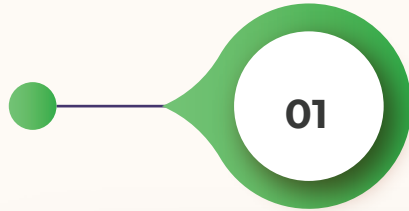
06 _____

The government is working to operationalize the Credit Rating Agency Ghana (CRAG) to establish a mandatory rating framework for financial institutions, promote a credit culture, encourage risk-based lending, and ensure fair debt pricing.



Trade And Industry

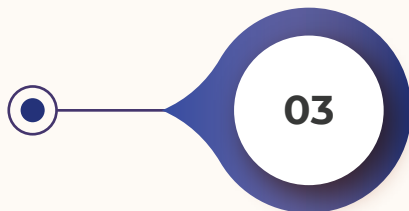
Initiatives / Outlook



As part of the AfCFTA implementation, 19 Ghanaian companies producing cosmetics, food, beverages, coconut oil, and garments received Rules of Origin Certification. Additionally, an export readiness training benefited over 200 women and youth-led enterprises. In 2025, the Ministry will continue supporting companies in obtaining AfCFTA certification.



Implementation of the Women in Trade, Agribusiness, and Industry Program to empower women entrepreneurs and support cross-border trade. Additionally, there will be a review of the Made-in-Ghana Products Policy and advocacy for the passage of the Consumer Protection, Competition, and Business Regulatory Reforms Commission Bill.



The Government will launch the Rapid Industrialization for Jobs Initiative to establish strategic industries and revive defunct ones, including the Komenda Sugar Factory and Volta Star Textiles Limited.



Health

Initiatives / Outlook

01 _____

Establishment of the Ghana Medical Care Trust Fund to support the treatment costs of cervical, breast, prostate, and childhood cancers (Burkitt's lymphoma), hypertension, heart diseases, and diabetes.

02 _____

The Korle-Bu Teaching Hospital will be refurbished into an ultramodern quaternary specialist hospital to reduce dependence on medical care and training abroad. Additionally, the government will finalize and implement the Medical Tourism Policy and Strategy to promote Ghana as a medical tourism hub.

03 _____

Implementation of the free Primary Healthcare at CHPS compounds, Health Centres, and Polyclinics, ensuring access to essential health services at the lower levels of care.

04 _____

Ho Teaching Hospital will be upgraded to provide comprehensive specialist services, enhancing regional access to advanced medical care.



Education

Initiatives / Outlook

01 —————

The government will distribute free sanitary pads to 1.3 million female students in basic and secondary schools.

02 —————

The government will engage stakeholders to introduce a 20% allowance for teachers serving in rural and underserved areas to enhance retention and motivation.

03 —————

The government will begin constructing 100 teacher accommodations under the 'Teacher Dabr Initiative' to enhance the welfare of basic school teachers.

04 —————

The government will waive academic fees for all first-year students in public tertiary institutions to enhance access to higher education. Additionally, free tertiary education will be implemented for Persons with Disabilities.

05 —————

The government will begin constructing six regional TVET Centres of Excellence to equip youth with practical and relevant skills for the evolving job market.

06 —————

The government, in collaboration with tertiary institutions and the Ghana National Chamber of Commerce and Industry (GNCCI), will launch the GNCCI Youth Chamber in tertiary institutions. This initiative will foster a dynamic entrepreneurial ecosystem and bridge the gap between academia and industry.



Energy

Initiatives / Outlook

01

To support Private Sector Participation (PSP) in electricity distribution, a committee has been formed to evaluate options for revitalizing the Electricity Company of Ghana (ECG).

02

Review the terms of the renegotiated Power Purchase Agreements (PPAs) with Independent Power Producers (IPPs) to ensure efficiency and sustainability.

03

Under the Ghana Scaling-up Renewable Energy Program (SREP), the Ministry is deploying 12,000 net-metered solar PV systems for homes, businesses, and public facilities.

04

Establishment of the Renewable Energy Investment and Green Transition (REIGT) Fund under the Renewable Energy Act, 2011 (Act 832) to support solar deployment in public health facilities, SMEs, and research on home-grown energy transition technologies.





Transportation

Initiatives / Outlook

01

The government will amend the regulatory framework to formalize the use of motorcycles and tricycles for fare-paying passengers, enhancing safety, job security, and rider welfare.

02

To revive the Ho Airport, the government will establish a pilot training academy and a Maintenance, Repair, and Overhaul (MRO) facility, positioning it as a center of excellence for aviation training and aircraft maintenance.

03

In 2025, the modernization of the Western Railway Line will continue through a public-private partnership to enhance bulk cargo and mineral haulage from Nsuta, Awaso, and Nyinahin to Takoradi Port.

New Initiatives



Initiatives



Big Push

The 'Big Push' agenda will allocate \$10 billion for rapid infrastructure development, sustaining the legacy of massive projects to drive job creation and economic growth.



Agriculture for Jobs

This initiative will modernize agriculture through innovative policies and strategic investments, enhancing food security and job creation.



'Adwumawura' Program

It is a business start-up initiative focused on creating, tracking, and mentoring at least 10,000 businesses, especially for young entrepreneurs.



Big Push The 24-Hour Economy

This initiative will enable businesses to operate round the clock in three shifts, boosting production, productivity, and job creation. The policy will be presented to Parliament for consideration.



The National Apprenticeship Program

It will offer free vocational training, certification, and start-up support to help young people achieve self-employment.



The National Employment Trust

This will manage an investment fund to de-risk high-growth, job-creating sectors that traditional banks avoid, operating professionally on market principles.

Initiatives



Ghana Gold Board The Ghana Gold Board (GOLDBOD)

It is being established to enhance foreign exchange inflows and gold reserve accumulation. It will regulate, oversee, and manage the purchasing, assaying, refining, exporting, and selling of Ghana's gold resources.



The Women's Development Bank

The Women's Development Bank will be specialized to provide low-interest loans and tailored financial services to support women-owned businesses



The Digital Jobs Initiative

It is a \$3 billion public-private investment to create jobs through ICT-driven programs, including the One Million Coders Program, Regional Digital Centers, a \$50 million FinTech Growth Fund, and Zonal ICT Parks.



No-Fee-Stress Initiative

No-Academic-Fee policy for all first-year students in public tertiary institutions



Free Primary Healthcare

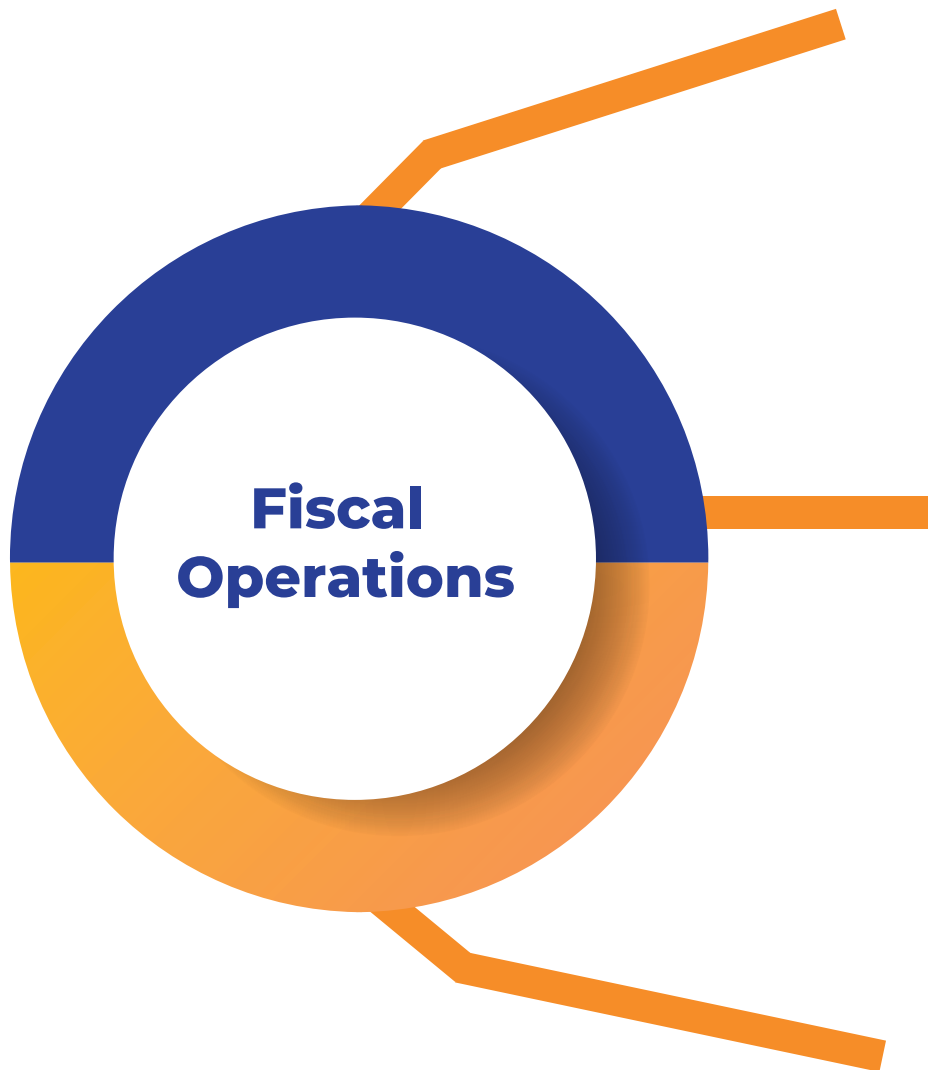


The Ghana Medical Care Trust (MahamaCares)



Free Tertiary Education for Persons with Disability (PWDs)

Key Takeaways From The Budget



Revenue

The government projects a 27% increase in total revenue for 2025, reaching GHS 224.9 billion, driven primarily by a 24% rise in income and property taxes based on its own estimates. However, there are no clear strategies outlined to achieve this ambitious target, especially considering the loss of key revenue streams like the betting tax and e-levy, which could have generated over GHS 2.1 billion.

Deficit

The budgetary operations for 2025 are projected to result in a deficit of GHS 43.84 billion. This will be primarily financed through the domestic market by issuing debt securities at the short end of the debt market and reopening the domestic bond market. Additionally, foreign financing will come from the IMF and the World Bank.

Expenditure

Total Expenditure for 2025 is projected at GHS 268.78 billion, reflecting a 22% increase from the 2024 budgeted expenditure of GHS 184 billion. To enhance expenditure control, the government plans to implement:

- Amendment of the Public Procurement Law
- Fiscal Consolidation Program
- Integration of GHANEPS and GIFMIS
- Reassignment of functions of Development Authorities

Key Takeaways From The Budget

Macroeconomic Indicators



GDP

The economy is projected to grow by 4.0% in 2025, reflecting a 1.8 percentage point decline from the provisional 2024 year-end figure of 5.8%

Public Debt

The country's total public debt is expected to increase from the provisional 61.8% of GDP in 2024 as the government opens the domestic bond market



Inflation

The Monetary Policy Committee's initiatives aimed at reducing inflation are projected to moderate inflation to 11.9% in 2025, down from 23.8% in 2024.

Key Takeaways From The Budget

Capital Markets

GDP

63% of the government's 2025 budget financing is expected to come from the domestic market.

The issuance of debt at the short end of the domestic market is expected to continue through 2025.

Debt issuances are expected at the mid to long end of the maturity curve.

Anticipated reduction in yields due to the expectation of inflation moderating.

Volumes traded are expected to remain at elevated levels throughout 2025 due to an anticipated increase in secondary market activity driven by declining treasury bill rates.

Equity

The Ghana Stock Exchange (GSE) and the State Interests and Governance Authority (SIGA) will continue collaborating to prepare State-Owned Enterprises (SOEs) for listing on the stock market.

Investor participation in the stock market is expected to increase, driven by the decline in treasury bill rates.



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