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Criticality Analysis of Key Economic Issues

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Center for Policy & Education

April 21–26, 2025

CRITICALITY ANALYSIS OF KEY ECONOMIC ISSUES

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Introduction

The objective of this report is to provide a clear and concise evaluation of the most important economic news stories in the preceding week, focusing on their factual accuracy, relevance and timeliness, and impact and significance.

2. Methodology

Selected publications are grouped under five central economic themes. These include:

- Economic Stability.
- Growth and Job Creation.
- Taxation and Revenue Mobilization.
- Trade and Investment.
- Infrastructure Digital Economy.

Evaluation

The analysis criteria are applied at this stage. News stories are evaluated based on the following:

Factual accuracy: can the facts in the news be verified; is the news published by other outlets; are there links and references to original sources.

Relevance and timeliness: is the news a developing story or does it provide updates on existing stories?

Impact and significance: does the news have a potential impact on society, policy and the economy; is it of high interest to the public?

3. Critical news stories

The week ending April 26, 2025, had the following news headlines:

1. IMF and World Bank Revise Ghana's Growth Forecast.
2. AfCFTA-Driven Export Opportunities in Ghana.
3. Kwahu Business Forum (KBIF) 2025.
4. Annual Fraud Report, 2025 -BoG.
5. Data Protection Commission to launch enforcement drive against privacy violations.

4. Trends on the critical news stories

A. IMF and World Bank Revise Ghana's Growth Forecast.

- IMF Projects 4% growth rate for Ghana in 2025 – My JoyNews.
- Ghana Economy to Grow by 4% in 2025, IMF – CitiNews.
- Finance Minister Outlines Measures to Tackle Ghana's Large Payable Build up in 2024.

B. AfCFTA- Driven Export Opportunities in Ghana.

- Trumps 10% Tariff on Ghana; An Opportunity to Boost Intra Africa Trade, Cuts-Intl - Citinews.
- Minority Urges AfCFTA Focus Amid Trump's 10% Tariffs- CitiNews.
- Africa's Payment System Must Improve to Unlock AfCFTA's Full Potential- CitiNews
- AfCFTA Benefits Not Automatic, Businesses Must Make Adequate Effort -Yamani-Selana.

C. Kwahu Business and Investment Forum (KBIF) 2025.

- Kwahu Business Forum Will Empower MSMEs Enhance Economic Growth- Citinews.
- Adb Leverages Technology For Customer Experience at Kwahu Business Forum.
- Kwahu Business Forum -DBG Reaffirms Support For Private Sector- Citinews.
- Kwahu Business Forum, Africa Must Take Advantage of Emerging Global Opportunities-Mahama.

D. Annual Fraud Report, 2025 -BoG.

- Utility tariffs to go up on May, 3- Daily Graphic.
- Electricity tariff up 14.75%, water 4.02%; Effective May 3- Citinews.
- Electricity tariffs up by 14.75%, water by 4.02% in latest review- MyJoy News.

E. Data Protection Commission to launch enforcement drive against privacy violations.

- Data Protection Commission to launch enforcement drive against privacy violations- CitiNews.
- Data Protection Commission to get tough on data privacy breaches.



5. Categorization of news stories under central economic themes

Economic Stability	Growth & Job Creation	Taxation & Revenue Mobilization	Trade & Investment	Infrastructure & Digital Economy
IMF and World Bank Revise Ghana's Growth Forecast.	Kwahu Business and Investment Forum (KBIF) 2025.	Annual Fraud Report, 2025 - BoG.	AfCFTA-Driven Export Opportunities in Ghana.	Data Protection Commission to launch enforcement drive against privacy violations.



6. Criticality Analysis

1. IMF and World Bank Revise Ghana's 2025 Growth Forecast.

Ghana The International Monetary Fund (IMF) projects Ghana's 2025 GDP growth to 4.0% in its April 2025 Regional Economic Outlook, falling short of the Government's target of 4.4%[1]. This adjustment is primarily attributed to the slower-than-expected recovery in key sectors, including agriculture and energy. This, combined with the broader impact of external economic factors, the cost of borrowing increasing, global financial conditions tightening and fluctuating commodity prices, has contributed to this. Despite this, the IMF is optimistic about the medium-term prospects of the Ghanaian economy, projecting a growth of 4.8% in 2026. The IMF has projected end-of-year inflation for 2025 at 17.5%, which is significantly above the government's target of 11.9%, indicating that the inflation target is likely to be missed. Also, according to the outlook, Ghana's debt-to-GDP ratio is projected to rise to 66.4% by the end of 2025 before gradually decreasing to 62.7% in 2026. This is an increase from Ghana's total public debt of 61.8 as of December 2024.

World Bank Projection:

The World Bank, in its April 2025 Africa's Pulse report, revised Ghana's GDP growth forecast down to 3.9% for 2025, below the government's target of 4.4%[2]. This revision is a decrease from the previous forecast of 4.3%.

The World Bank attributed the revision to ongoing inflationary pressures and external vulnerabilities such as rising commodity prices, slow global demand, and the potential impact of climate change. Notably, climate-related disruptions in key sectors like cocoa and agriculture have already impacted production in both Ghana and neighboring Côte d'Ivoire. The World Bank has projected Ghana's debt-to-GDP ratio to rise to 66.4% by the end of 2025 before gradually decreasing to 62.7% in 2026 and further to 59.9% in 2027. This reflects a gradual reduction in the debt burden over the medium term. This projection suggests that Ghana is improving its debt sustainability, provided it continues with prudent fiscal management and maintains a steady pace of economic recovery.

However, the World Bank remains optimistic about Ghana's medium-term growth, projecting a recovery to 4.6% in 2026 and 4.8% in 2027. This expected rebound is predicated on improved business conditions, better management of external risks, and continued fiscal consolidation efforts.

Key insights from the World Bank's report include: Climate-induced disruptions such as floods and droughts are expected to continue affecting agricultural productivity, especially cocoa production, a significant export for Ghana. High-frequency indicators like the Purchasing Managers Index (PMI) suggest early signs of recovery.

[1] Ghana has taken a significant step toward tightening its fiscal management with the passage of the Public Financial Management (Amendment) Act, 2025. This revised law introduces several key measures aimed at enhancing budget discipline and improving transparency across government institutions.

[2] https://hdl.handle.net/10986/42886

Ghana's PMI rose from 47.9 in January to 50.6 in March, indicating improved business activity, easing supply bottlenecks, and restored investor confidence.

Implications;

A reduction in the debt-to-GDP ratio over the next few years is a positive development, indicating that Ghana will likely have more fiscal space to allocate towards critical infrastructure, social programs, and economic development without having to rely heavily on debt financing. With the debt ratio declining from 66.4% in 2025 to 59.9% by 2027, the debt burden will ease, allowing the government to redirect more of its resources into high-priority areas. The government's ability to meet this target depends on continued debt restructuring efforts, greater tax revenue collection, and tight fiscal discipline.

The Finance Minister, speaking at a meeting with investors in Washington DC, USA[3], outlined a comprehensive plan aimed at addressing the country's large accumulation of government payables in 2024, while reinforcing fiscal discipline and transparency across public financial management. With the government's audit of payables, revised debt management rules, and enhanced procurement controls, the country is taking concrete steps toward improving fiscal responsibility. These measures are expected to gradually reduce government payables and enhance public financial management. The government's amended debt rule aiming for a debt-to-GDP ratio of 45% by 2035 is a critical step in enhancing fiscal space over the medium term.

Even though growth projections have slowed, indicators like the PMI signal have shown signs that business activity is picking up. Both the IMF and World Bank have noted a resurgence in business engagements, with Ghana showing resilience compared to other African economies.

A declining debt-to-GDP ratio sends a strong signal to both domestic and international investors that the government is committed to maintaining fiscal discipline and managing its debt sustainably. As Ghana's debt burden eases, investor confidence is likely to improve, which could lead to increased foreign direct investment (FDI) and greater confidence in the domestic capital markets.

Both institutions highlight the threat posed by climate change, particularly in the agriculture sector, where disruptions in cocoa production due to unpredictable weather patterns have already been noted. This remains a significant vulnerability for Ghana's economy, given that cocoa is one of its major exports. Given that food price inflation is a major driver of inflation in Ghana, improving the productivity of key crops like cocoa, maize, and rice should be prioritized. This could be achieved through enhanced technology and better climate-resilience strategies.

The government has to focus on tax reforms and expanding the tax base, especially within the informal sector, to boost government revenue and reduce reliance on debt. Also, the government must focus on strengthening public financial management institutions, especially through the Independent Fiscal Council and the Compliance Division, to ensure long-term fiscal discipline, continue efforts to restore investor confidence by implementing transparent fiscal reforms and fostering a stable macroeconomic environment.

Address climate-related risks, particularly in the agriculture sector, through targeted climate adaptation policies to protect key industries such as cocoa.

[3] https://mofep.gov.gh/news-and-events/2025-04-25/finance-minister-outlines-measures-to-tackle-ghanas-large-payable-build-up-in-2024

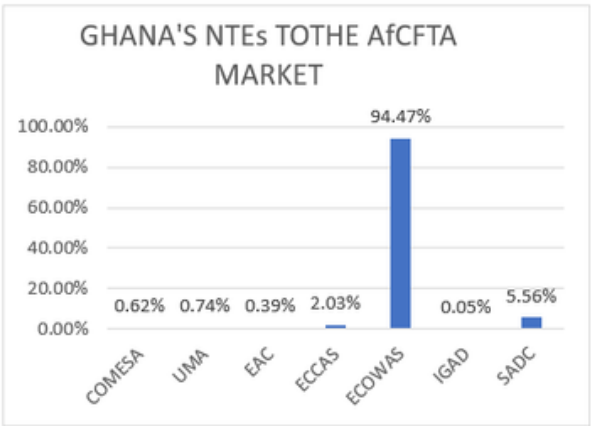
2. AfCFTA-Driven Export Opportunities in Ghana.

The recent 10% tariff imposed by the United States on Ghanaian exports has underscored the urgent need for Ghana and other African countries to strengthen their intra-African trade relationships. This tariff highlights the vulnerability of African economies to external trade disruptions and calls for a more diversified trading system. The African Continental Free Trade Area (AfCFTA) emerges as a crucial platform for mitigating the risks associated with dependency on non-African markets, particularly the U.S. and Europe. The AfCFTA is not only about reducing tariff barriers but also addressing logistical challenges and regulatory hurdles that impede trade across the continent. These efforts will open up new market opportunities for Ghanaian products, particularly in agriculture, textiles, and processed goods, sectors that are critical to the country's export base. Moreover, the AfCFTA's emphasis on industrialization and value-added production aligns with Ghana's economic priorities, particularly the government's focus on enhancing local production capabilities. By integrating more fully into regional supply chains, Ghana can boost its industrial sector and reduce dependency on raw material exports.

According to the 2023 GEPA NTE report [4], it is clear that Ghana's exports are highly concentrated within the ECOWAS region, accounting for a substantial share of 94.47% of the AfCFTA market. This dominance highlights the importance of the West African market for Ghana's NTEs and underscores the role of AfCFTA in boosting intra-regional trade. ECOWAS countries, including Burkina Faso and Côte d'Ivoire, have emerged as significant consumers of Ghanaian exports, particularly in plastic articles. These markets have seen substantial growth in demand, with Burkina Faso's consumption rising to USD 508.8 million in 2023, driven by increased demand for plastic goods.

[4] GEPA NTE 2023 REPORT.pdf - Google Drive

The significant trade within the ECOWAS region demonstrates the effectiveness of the National Export Development Strategy (NEDS) and the potential for further expansion under AfCFTA. By increasing its market share within ECOWAS and other African regions, Ghana can reduce its reliance on traditional markets outside Africa and strengthen its economic ties within the continent.



Source: 2023 GEPA NTE report

Challenges to AfCFTA Implementation and Export Expansion

Infrastructure Gaps: While Ghana is improving infrastructure, more investment is needed to enhance logistics and reduce transportation costs. Poor road networks, underdeveloped digital infrastructure, congestion at ports, and inefficiencies in customs procedures continue to hamper smooth trade flows.

Non-Tariff Barriers (NTBs): Despite the elimination of most tariffs under AfCFTA, non-tariff barriers such as regulatory challenges and bureaucratic delays remain significant barriers to trade. These NTBs remain as a challenge for small businesses looking to expand into new regional markets.

Ghana's SMEs are crucial to the country's export diversification, but often lack the capacity to expand production and meet regional demand. Capacity building and access to financing for these businesses will be critical for ensuring that Ghana maximizes the potential of AfCFTA.

To maximize the benefits of the AfCFTA and further diversify Ghana's Non-Traditional Exports (NTEs) beyond the ECOWAS market Ghana intensifies its export promotion strategies targeted at underpenetrated Regional Economic Communities (RECs). This should be complemented by investments in building digital trade infrastructure to facilitate seamless trade, market access, and real-time information flow across the continent. Strengthening digital platforms for trade facilitation, e-certification, and logistics would enhance Ghanaian exporters' competitiveness and expand their reach within the broader AfCFTA market.

3. Kwahu Business Forum (KBIF) 2025.

The 2025 Kwahu Business Forum held on 19 April focused on shaping Ghana's economic future through investment and inclusive growth, with a strong emphasis on empowering MSMEs. Highlights from the forum included:

Access to Affordable Finance: The forum emphasized expanding affordable financing options for businesses. The Ghana Development Bank and the proposed Women Development Bank are expected to play a critical role in easing credit constraints faced by MSMEs.

Building Digital Infrastructure: Discussions highlighted the need to strengthen digital financial services and infrastructure. Banks like ADB showcased new mobile banking and online onboarding services, indicating a shift toward financial digitization.

Support for Key Growth Sectors: The forum identified key sectors — agro-processing, ICT, green energy, and tourism — as strategic areas for investment and MSME development.

Inclusion of Women and Youth Entrepreneurs: The forum made strong commitments to empowering women and youth in entrepreneurship through tailored financing and business support programs.
"Feed Ghana" addresses these challenges by enhancing productivity, promoting self-sufficiency, supporting young entrepreneurs, and institutional integration.

If the initiatives and recommendations are fully implemented, Ghana's MSME sector could experience significant growth. Strengthened digital infrastructure would expand their access to financial services and digital marketplaces, especially for businesses in rural areas.

Support for key growth sectors would open up new opportunities for expansion, while a stable investment climate would reduce business risks and foster long-term planning. Finally, the inclusion of women and youth entrepreneurs would diversify the MSME landscape, driving innovation, job creation, and inclusive economic development across the country.

4. Annual Fraud Report, 2025 -BoG.

The 2024 Fraud Report, released by the Bank of Ghana (BoG), highlights trends and typologies of fraudulent activities observed within the banking sector[5].

Across banks, Specialized Deposit-taking Institutions (SDIs), and Payment Service Providers (PSPs), the report recorded a 5% increase in the number of fraud cases compared to 2023, rising from 15,865 to 16,733. More concerning than the rise in incidents, however, is the 13% growth in the total value at risk, which increased from GH¢88 million to GH¢99 million.

[5] https://www.bog.gov.gh/news/publication-of-banks-sdis-and-psps-2024-fraud-report/

Within the banking sector, although the number of fraud cases declined sharply by 26% — from 969 in 2023 to 716 in 2024 — the value at risk rose by 19%, reaching GH¢75 million. This suggests that while controls are deterring smaller-scale frauds, larger, more sophisticated schemes are slipping through. One concern is the surge in forgery and document manipulation, which alone accounted for 67% of the total value at risk in banks and SDIs which highlights vulnerabilities in internal verification processes.

Specialized Deposit-taking Institutions (SDIs), however, present a different picture. Fraud cases rose by 43%, yet the value at risk fell significantly by 48%. This indicates that while more incidents are being recorded, these tend to be of smaller amounts. The persistence of cash theft and the growing number of cases in Rural and Community Banks (RCBs) underline weaknesses in physical cash handling and branch-level controls.

For Payment Service Providers (PSPs), as digital transaction volumes surged by 19% and transaction values grew by 58%, fraudsters have increasingly targeted mobile and electronic payment channels. Fraud cases rose by 7% and the value at risk by 18%. December 2024, corresponding with the festive season.

For banks and SDIs, there was a rising involvement of staff in fraud cases, with incidents increasing by 33%. Staff cash theft continues to dominate, responsible for over 70% of internal fraud cases. Yet, despite these numbers, less than half of implicated employees were dismissed, suggesting that institutions either struggle with enforcement or face procedural delays that weaken internal accountability.

There is, however, a low rate of fraud recovery. Of the GH¢83 million in fraud value at risk, only GH¢3 million (4%) was recovered.

Legal delays and the cost of pursuing complex fraud cases appear to discourage aggressive recovery efforts, leaving banks and SDIs to absorb significant losses.

MSMEs are particularly vulnerable to the impacts of financial fraud due to their limited resources and their reliance on Payment Service Providers (PSPs), which can lead to financial strain, significant financial losses, and operational disruptions.

In response, the BoG has issued new directives aimed at tightening controls. Banks and SDIs are required to strengthen dual controls, rotate staff in sensitive positions, and ensure multi-factor authentication across digital channels. PSPs are urged to enhance agent monitoring, mandate regular PIN changes, and expand public education efforts to combat rising electronic fraud.

5. Data Protection Commission to launch enforcement drive against privacy violations.

The Data Protection Commission (DPC) of Ghana has announced an upcoming enforcement drive aimed at ensuring fewer privacy violations and promoting better compliance with the Data Protection Act, 2012 (Act 843). This is a major shift from simply raising awareness to active regulatory enforcement. This has become important as data security and personal privacy concerns grow in Ghana's increasingly digital economy. The enforcement drive will target both public and private institutions that have failed to register with the Commission or continue to collect, process, and store personal data without complying with the standards set out in the Data Protection Act, 2012 (Act 843). Organizations found to be non-compliant face inspections, administrative penalties, possible suspension of operations, and in some cases, legal proceedings.

Alongside these enforcement actions, the Commission has indicated that it will continue with public education initiatives to raise awareness about data rights and responsibilities.

Why This Is Significant?

Rising Data Risks: As Ghana's economy digitizes, with mobile money use, e-commerce, and digital public services, personal data breaches are becoming more frequent and damaging. By tightening enforcement, the DPC is not only safeguarding citizens' privacy but also helping to boost investor confidence in Ghana's regulatory environment, especially important for sectors like fintech, health tech, and e-commerce.

If effectively implemented, this drive could lay the foundation for a stronger culture of privacy and data protection as Ghana's digital economy grows.

However, challenges lie ahead. The DPC will need significant resources—both financial and human—to effectively carry out inspections and manage compliance nationwide. Resistance from businesses, particularly small and medium-sized enterprises that see data protection compliance as costly or burdensome, could also pose challenges. At the same time, public awareness about data rights remains low, which may blunt the impact of the enforcement drive if individuals do not know when their rights are being violated or how to report abuses.

IMANI
Center for Policy & Education

IMANI Center for Policy & Education is a Think Tank of considerable local and international repute based in Ghana. Founded on the 9th of March 2004, IMANI has carved a niche in Ghana's policy environment for putting out objective, independent analysis and critique on many issues, using tried and tested techniques that apply across different disciplines.

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