IMANI
Center for Policy & Education

CRITICALITY ANALYSIS OF KEY ECONOMIC ISSUES
March 24 – 28, 2025.

1. 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:

a. Economic Stability.
b. Growth and Job Creation.
c. Taxation and Revenue Mobilization.
d. Trade and Investment.
e. Infrastructure Digital Economy.

3. Critical news stories

The week ending March 28, 2025, had the following news headlines:

1. World Bank Releases Business Ready Index: Implications for Ghana's Business Environment.
2. Bank of Ghana increases policy rate by 100 basis point to 28%: Assessing its impacts.
3. Surge in private sector investment.
4. Cedi depreciation: Its impact on the economy.
5. Ghana's Energy Sector: Missing equipment and budget cuts.
6. Parliament approves 2025 Budget and passes Key Bills.

2. **Evaluation**: The analysis criteria are applied at this stage. News stories are evaluated based on the following:
   a. **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.
   b. **Relevance and timeliness:** is the news a developing story or does it provide updates on existing stories?
   c. **Impact and significance**: does the news have a potential impact on society, policy and the economy; is it of high interest to the public?

4. Trends on the critical news stories

A. World Bank Releases Business Ready Index: Implications for Ghana's Business Environment

i. https://www.worldbank.org/en/businessready

ii. https://gna.org.gh/2025/03/world-bank-group-launches-business-ready-report-in-ghana/

iii. https://www.ghanaweb.com/GhanaHomePage/business/World-Bank-Group-launches-Business-Ready-Report-in-Ghana-1977729#:~:text=The%20World%20Bank%20Group%20has,identifying%20key%20areas%20for%20reform

B. Bank of Ghana increases policy rate by 100 basis point to 28%: Assessing its impacts.

i. https://3news.com/business/monetary-policy-committee-of-bank-of-ghana-raises-policy-rate-to-28/

ii. https://thebftonline.com/2025/03/28/bog-raises-policy-rate-to-28-on-inflation-concerns/

iii. https://citinewsroom.com/2025/03/bog-increases-policy-rate-to-28-0/

iv. https://www.myjoyonline.com/bog-increases-policy-rate-to-28-to-tame-inflation/

C. Surge in private sector investment.

i. https://www.myjoyonline.com/ifc-to-inject-450m-to-boost-ghanas-private-sector-create-jobs/#:~:text=The%20International%20Finance%20Corporation%20(IMF,boost%20productivity%20and%20create%20jobs.

ii. https://gna.org.gh/2025/03/ifc-to-inject-us450m-to-boost-ghanas-private-sector-create-jobs/

iii. https://www.ghanabusinessnews.com/2025/03/25/ifc-to-inject-450m-to-boost-ghanas-private-sector-create-jobs/

iv. https://www.ghanabusinessnews.com/2025/03/24/canada-to-invest-20m-to-support-women-traders-in-ghana-five-west-african-countries/

D. Cedi depreciation: Its impact on the economy.

i. https://citinewsroom.com/2025/03/cedi-depreciates-5-3-against-the-dollar-in-q1-2025-shows-signs-of-recovery/

ii. https://www.myjoyonline.com/cedi-depreciates-5-3-to-dollar-in-quarter-one-2025-bog/

E. Ghana's Energy Sector: Missing equipment and budget cuts.

i. https://www.ghanaweb.com/GhanaHomePage/NewsArchive/Missing-ECG-Containers-All-you-need-to-know-about-the-mysterious-disappearance-at-Tema-Port-1977427

ii. https://www.myjoyonline.com/national-security-arrests-8-chinese-ghanaian-over-missing-ecg-containers-at-port/

iii. https://3news.com/news/missing-ecg-containers-previous-management-will-be-held-liable-for-over-procurement-energy-minister/
iv. https://www.graphic.com.gh/news/general-news/over-1-300-ecg-containers-missing-at-tema-port-investigative-report.html
v. https://citinewsroom.com/2025/03/energy-minister-slashes-ecgs-budget-to-gh%E2%82%B5250m-over-missing-containers/
vi. https://3news.com/news/energy-minister-slashes-ecg-budget-by-gh%E2%82%B5250m-amid-missing-containers-scandal/

F. Parliament approves 2025 Budget and passes Key Bills.
i. https://www.myjoyonline.com/2025-appropriation-bill-passed/
ii. https://citinewsroom.com/2025/03/parliament-passes-2025-appropriation-bill/
iii. https://mofep.gov.gh/news-and-events/2025-03-27/parliament-approves-landmark-tax-and-fiscal-reforms-a-giant-step-towards-economic-transformation

5. Categorization of news stories under central governance themes

Economic Stability	Growth and Job Creation	Taxation and Revenue Mobilization.	Trade and Investment	Infrastructure and Digital Economy.
World Bank Releases Business Ready Index: Implications for Ghana's Business Environment.	Ghana's Energy Sector: Missing equipment and budget cuts.	Parliament approves 2025 Budget and passes Key Bills.	Surge in private sector investment.	
Bank of Ghana increases policy rate by 100 basis point to 28%: Assessing its impacts			Cedi depreciation: Its impact on the economy.	

6. Criticality Analysis

1. World Bank Releases Business Ready Index: Implications for Ghana's Business Environment.

The World Bank's latest Business Ready Index[1] has just been released, offering a detailed report card on Ghana's business environment. The index, which evaluates **180 economies** in ten key areas—Business Entry (40.99%), Business Location (60.39%), Utility Services (68.52%), Labor (68.57%), Financial Services (59.86%), International Trade (56.25%), Taxation (56.78%), Dispute Resolution (54.85%), Market Competition (32.19%) and Business Insolvency (64.93%) —reveals a mixed picture that carries significant implications for investors and policymakers.

In the area of business entry, Ghana's framework shows some strengths and notable weaknesses. On the regulatory side, Ghana scores 71.87, not far behind the lower middle-income average of 80.43, suggesting that the legal framework governing business startups is relatively solid. However, the availability of digital public services and transparency lags considerably, with Ghana scoring only 38.83 compared to 52.08 among its peers. The most striking gap is in the time and cost required to register new firms—Ghana's score of 12.25 is dramatically lower than the 57.30 average. These figures indicate that while the rules on the books might be decent, the practical challenges of starting a business—such as lengthy registration processes and high costs—remain a major hurdle.

Market competition presents another challenge. Ghana's score in the quality of regulations that promote fair competition stands at 36.90, falling short of the 45.38 average seen in comparable countries. The situation is even more pronounced in the provision of public services that facilitate competition, where Ghana scores just 19.68 against a benchmark of 35.75. Interestingly, the operational efficiency in implementing these services is almost on par with the regional average, with Ghana scoring 40 compared to 39.93. This suggests that while the execution of competitive policies might be effective once in place, the underlying regulatory framework and support services need strengthening to foster a truly competitive market environment.

In stark contrast, the business insolvency framework in Ghana emerges as a relative strength. Across all three pillars—regulatory quality, institutional infrastructure, and the efficiency of insolvency proceedings—Ghana outperforms its lower middle-income counterparts with scores of 76.03, 57.50, and 61.25 respectively. This robust insolvency system indicates a well-structured approach to managing business failure, which can help mitigate the risks of financial distress and provide a clear, effective process for resolving debt.

Taxation in Ghana presents a mixed picture. The quality of the regulatory framework and the efficiency of tax administration are relatively strong, with scores of 50.50 and 60.94—both exceeding the averages of lower middle-income countries. However, the practical effectiveness of tax regulations falls short, with Ghana scoring 58.90 compared to a higher benchmark of 72.41. This suggests that while the tax rules and administrative mechanisms are in place, their on-the-ground implementation may not be as effective as required, potentially creating

[1] https://www.worldbank.org/en/businessready

inefficiencies or higher compliance burdens for businesses.

Ghana's business environment, as reflected in the World Bank's Business Ready Index, presents both opportunities and challenges for the future of businesses in the country. While improvements in key areas such as utility services, labor, and business insolvency create a strong foundation for growth, there are still significant obstacles that could hinder progress if not addressed.

One of the most promising aspects of the data is the relatively high score in business insolvency. With a well-structured legal and institutional framework for handling financial distress, businesses in Ghana have a clearer path for restructuring or exiting the market. This kind of stability is crucial for investor confidence, as it reduces the risks associated with business failure. Similarly, access to financial services is improving, giving businesses more opportunities to secure funding for expansion. If this trend continues, it could fuel private sector growth, particularly for small and medium-sized enterprises (SMEs) that often struggle with financing.

At the same time, Ghana's taxation framework shows signs of progress. While tax compliance remains a challenge, the fact that the country performs above the lower middle-income average in tax regulation and administration suggests that steps are being taken to create a more efficient system. Continued efforts in digitalization and streamlining tax processes could further ease the burden on businesses and encourage formalization, leading to a broader tax base and more government revenue for infrastructure and social programs.

However, the challenges cannot be ignored. The ease of starting a business remains a weak point, with Ghana scoring significantly lower than its peers. This suggests that entrepreneurs still face bureaucratic hurdles, delays, and high costs when trying to register and launch their businesses. Without major reforms to simplify this process, many potential business owners may opt to operate in the informal sector, limiting their ability to scale and contribute meaningfully to the economy.

Market competition is another major concern. A low score in this area points to an environment where larger firms may have significant advantages over smaller players, limiting innovation and consumer choice. Stronger enforcement of competition laws and policies that support new market entrants could help level the playing field and drive economic dynamism.

Despite these challenges, the country has made notable progress in several key areas, and if policymakers focus on addressing the bottlenecks—particularly around business entry, market competition, and economic stability _ Ghana could become a more attractive destination for entrepreneurs and investors alike. stability.

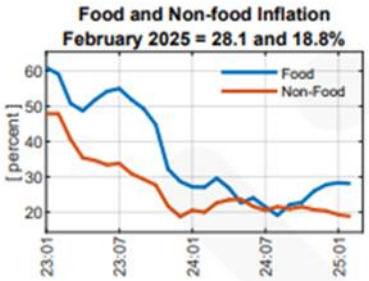
2. Bank of Ghana increases policy rate by 100 basis point to 28%: Assessing its impacts.

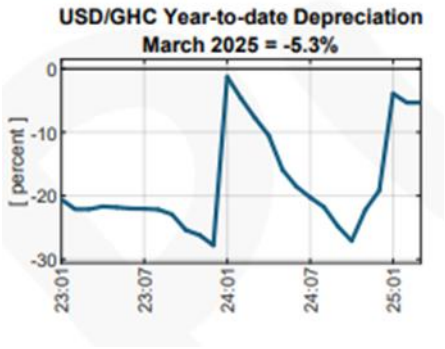
The Monetary Policy Committee (MPC) of the Bank of Ghana (BoG) has increased the policy rate by 100 basis points to 28% from 27% in March 2025[2]. This decision comes amid

[2] https://www.bog.gov.gh/wp-content/uploads/2025/03/MPC-Press-Statement-March-2025.pdf

persistent inflationary pressures and ongoing exchange rate challenges, signaling the central bank's continued commitment to stabilizing the economy.

This decision is aimed at controlling inflation and stabilizing the cedi amid ongoing macroeconomic pressures. By tightening monetary policy, the BoG aims to reduce excess liquidity in the economy, making borrowing more expensive and thereby slowing demand-driven inflation.





Source: Summary of Economic and Financial Chart, March 2025 by BoG.

Inflation has been declining gradually over the past few months:

Overall inflation: 23.8% (Dec. 2024) → 23.1% (Feb. 2025)

Food inflation: 27.8% (Dec. 2024) → 28.1% (Feb. 2025) (still elevated)

Non-food inflation: 20.3% (Dec. 2024) → 18.8% (Feb. 2025) (declining)

Although overall inflation is trending downward, food inflation remains high, indicating that cost pressures in agriculture and supply chains are still strong. The BoG's rate hike signals a preemptive approach to prevent inflation from persisting, particularly as external risks—such as exchange rate depreciation—continue to threaten price stability.

The cedi has depreciated by 5.3% against the dollar, now trading at 15.53 GHS/USD. This depreciation raises the cost of imports, which in turn fuels inflation. By increasing the policy rate, the BoG is attempting to attract foreign investors to cedi-denominated assets, thereby increasing demand for the local currency and potentially slowing down its depreciation. However, this strategy is only effective if other macroeconomic fundamentals, such as export performance and foreign reserves, remain strong.

A crucial contradiction in the economic landscape is the government's deliberate reduction of its borrowing costs, as reflected in the significant drop-in treasury bill rates:

91-day bills: 26.93% → 15.74%

182-day bills: 27.69% → 16.93%

364-day bills: 28.90% → 18.85%

This means that while the BoG is tightening monetary policy to reduce inflation and stabilize the currency, the government is tightening fiscal policy by lowering its borrowing costs. This move is likely aimed at reducing interest payments on government debt, as high borrowing costs have been a major fiscal burden. However, it also partially offsets the central bank's efforts by ensuring

that overall credit conditions remain more relaxed than they otherwise would be. This divergence between monetary and fiscal policy creates uncertainty in financial markets. While the BoG is making borrowing more expensive to cool inflation, the government is making it cheaper for itself, which could encourage more borrowing and spending. If fiscal expansion continues while the BoG tightens, inflationary pressures might not ease as quickly as expected.

The average lending rate in February 2025 stood at 30.12%, already making credit expensive for businesses and individuals. With the policy rate increasing to 28%, lending rates are likely to rise even further, leading to:

Reduced private sector investment, as borrowing becomes too expensive.

Lower consumer spending, particularly for durable goods and housing.

SMEs, which rely heavily on bank loans for expansion, will be hit the hardest. With limited access to affordable credit, their ability to scale operations or invest in innovation will be constrained, potentially slowing economic growth in the private sector.

The Bank of Ghana's decision to raise the monetary policy rate (MPR) to 28% is an effort to curb inflation and stabilize the cedi. However, this increase in the policy rate, coupled with the recent decline in treasury bill rates, presents a complex situation for inflation control. While the elevated MPR raises the cost of borrowing and is intended to reduce inflation by cooling demand, the government's decision to reduce its borrowing costs through lower treasury rates aims to decrease its debt servicing burden. This reduction in borrowing costs should ideally slow down government spending, thus contributing to reduced inflationary pressures.

However, the lower treasury bill rates may reduce the cost of government borrowing in the short term, which could lead to higher government borrowing and spending, potentially driving inflationary pressures if not properly managed. Additionally, the effectiveness of the rate hike in controlling inflation will be challenged if food prices continue to rise, as food inflation plays a significant role in overall inflation. If this trend persists, the BoG may be forced to implement further rate hikes, which could dampen economic growth.

Furthermore, if the cedi continues to depreciate, the increase in MPR alone may not be sufficient to attract the foreign capital needed to stabilize the currency. Structural measures such as boosting exports and reducing import dependence will be critical to complement the BoG's monetary tightening efforts.

3. Surge in private sector investment.

Ghana's business environment, often described as challenging, is seeing a renewed sense of optimism. The Bank of Ghana's Business Confidence Index rose from 96.6 in December 2024 to 99.7 in March 2025[3], signaling improved sentiment among businesses. Additionally, private sector credit remains strong, in February 2024, real PSC stood at -14.7%, indicating a contraction in actual credit available to businesses. However,

[3] https://www.bog.gov.gh/wp-content/uploads/2025/03/Summary-of-Economic-and-Financial-Data-March-2025.pdf

by February 2025, real PSC had rebounded to 3.1%[4], reflecting an expansion in credit access.

Despite this improvement, high interest rates remain a challenge, making debt obligations expensive for businesses. The average lending rate stood at 30.12% in February 2025, increasing the cost of borrowing.

In February 2024, total Non-Performing Loans (NPLs) were 24.6%, with 9.8% excluding the loss category. By February 2025, total NPLs had declined to 22.6%, with 8.9% excluding the loss category.

This suggests a slight improvement in loan quality, potentially due to better business conditions, enhanced risk management by banks, or more cautious lending practices. However, the relatively high NPL ratio still indicates that some businesses continue to face financial stress.

This surge in confidence is further reinforced by new foreign investments, particularly the International Finance Corporation (IFC) committing $450 million to Ghana's private sector[5] and Global Affairs Canada investing $20 million to support women traders in five west African Countries including Ghana[6]. These developments, along with Ghana's performance in financial services as measured by the World Bank's Business Ready Index, provide important insights into the country's business environment and its future trajectory.

According to the Business Ready Index, Ghana's financial services sector is performing well compared to lower-middle-income countries[7]. The index assesses four key areas: Commercial Lending, Secured Transactions, e-Payments, and Credit Information, across three dimensions—regulatory framework, accessibility, and operational efficiency.

Financial Services Scores (%)	**Ghana**	**Lower Middle-Income Countries**
Regulation Framework	75.14	67.44
Credit Information & Accessibility	44.44	46.38
Operational Efficiency	60	59.96

These figures suggest that Ghana has a strong regulatory framework for financial services, making commercial lending and secured transactions more predictable. However, credit information systems remain relatively weak, which can limit small businesses' ability to access financing.

This robust financial sector is a key reason why businesses are gaining confidence. With private sector credit remaining high despite elevated interest rates, firms are finding ways to secure funding for expansion, supported by a

[4] https://www.bog.gov.gh/wp-content/uploads/2025/03/Summary-of-Economic-and-Financial-Data-March-2025.pdf

[5] https://www.myjoyonline.com/ifc-to-inject-450m-to-boost-ghanas-private-sector-create-jobs/

[6] https://gna.org.gh/2025/03/canada-invests-ca20-million-to-support-women-traders-in-ghana-five-west-african-countries/

[7] https://www.worldbank.org/en/businessready

regulatory environment that facilitates lending and secured transactions.

The influx of IFC's $450 million investment will support key industries like manufacturing, agribusiness, and digital finance, helping firms scale up operations. The $20 million investment in women traders will enhance financial inclusion, allowing more businesses to access credit. Increased investment and financing will lead to business growth and new job opportunities, strengthening the economy. More capital availability encourages firms to invest in production, expand operations, and hire more workers.

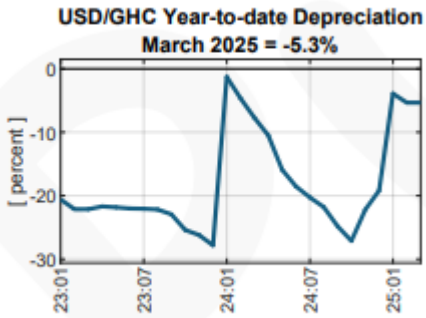
With business confidence rising, firms may be more willing to invest despite high borrowing costs. The Business Ready Index shows Ghana's financial services are well-regulated, giving businesses confidence in the stability of the banking sector. With increased financing, private firms can compete more effectively, leading to improved productivity and innovation.

However, weak credit information systems (44.44 vs. 46.38) mean smaller businesses may still struggle to access financing, requiring improvements in credit registry operations.

4. Cedi depreciation: Its impact on the economy.

Ghana's cedi has been on a depreciating trend, currently standing at GHS 15.53 per USD, reflecting a 5.3% decline. This trend has significant implications for various sectors of the economy, particularly importers, local producers, and businesses reliant on raw material imports. Over the past few months, the cedi has continued to depreciate, although it appears to have slowed down in 2025 compared to 2024.

Month	Cedi Depreciation (%)
December 2024	19.2
January 2025	3.9
February 2025:	5.3
March 2025	5.3



Source: Summary of economic and financial data, 2025

This sustained depreciation has far-reaching consequences for business operations, inflation, and economic stability. A weaker cedi increases the cost of imports, making foreign goods more expensive for businesses and consumers.

Importers must pay more cedis to purchase the same quantity of goods in dollars, leading to higher retail prices. The rise in import prices contributes to inflation, particularly for consumer goods, electronics, and machinery. Businesses may pass on higher costs to consumers, further increasing the cost of living.

Businesses that rely on imports may reduce the volume of goods purchased, affecting supply chains. This could impact industries like retail, construction, and manufacturing, which depend on foreign materials.

Many local manufacturers depend on imported raw materials. A depreciating cedi means higher costs for production inputs, making it more expensive to produce goods. Industries like food processing, textiles, and

pharmaceuticals will face rising production costs, potentially reducing profitability. Many businesses rely on imported fuel and energy inputs. A weaker cedi increases fuel and electricity costs, adding pressure to transportation and logistics expenses.

As imported goods become more expensive, locally produced alternatives may become more attractive to consumers. This could boost demand for domestic products, encouraging businesses to increase production and invest in local supply chains.

The Way Forward:

Strengthening Local Production. Encouraging businesses to source more raw materials locally can reduce dependence on imports. Government incentives for agriculture and manufacturing can improve domestic supply chains.

Boosting Foreign Exchange Reserves. Policies to increase foreign direct investment (FDI) and export earnings can support the cedi's stability. Encouraging non-traditional exports can generate foreign exchange.

The cedi's depreciation presents challenges for businesses, especially importers and manufacturers relying on foreign raw materials. However, it also creates opportunities for local producers, who may benefit from reduced competition from expensive imports.

5. Ghana's Energy Sector: Missing Equipment and budget cut.

Ghana's energy sector is currently facing a series of challenges that threaten its stability and efficiency. Two key issues have recently emerged: the disappearance of critical energy infrastructure equipment at the port and the reduction of budget allocations to the sector.

Reports indicate that vital energy sector equipment, intended to support ongoing power projects, has gone missing at the port. The missing items, originally procured to support power distribution projects across the country, were left uncleared for an extended period, resulting in significant financial losses due to accumulating demurrage fees. Reports indicate that over 2,500 containers had been stored at the port, with ECG incurring a staggering GHS 1.5 billion in penalties for failing to clear them on time[8].

Concerns over the disappearance of some of these containers have raised questions about ECG's procurement processes and inventory management. The exact number of missing containers was initially unclear, but the energy minister has since revealed that 1,300 containers were unaccounted for, prompting further investigations.

Following mounting public outcry, Energy Minister John Abdulai Jinapor visited the Tema Port to assess the situation firsthand. Expressing his disappointment, he described the issue as unacceptable, stating that such inefficiencies were undermining the country's efforts to stabilize and improve electricity distribution. In response, the government established an investigative committee tasked with unraveling the circumstances leading to the missing equipment, assessing ECG's procurement processes, and recommending corrective measures. The Minister emphasized that the investigation would also look into the reasons behind ECG's failure to clear the containers on time and whether procurement regulations were followed in acquiring the equipment.

[8] Jinapor laments over 2,500 ECG containers stuck at the port

As investigations progressed, reports surfaced that some of the allegedly missing containers had been found at private warehouses and other unauthorized sites. Preliminary findings suggest that portions of the equipment meant for ECG projects may have been diverted or improperly allocated without proper documentation. The Minister has since revealed that authorities have recovered 40 of the 1,300 missing ECG containers at a terminal in Kpone. This discovery raises further concerns about how the equipment was handled and whether there was intentional mismanagement or theft involved.

Compounding the crisis, the energy sector has also been hit with significant budget cuts, from GHS500 million to GHS 250 million[9]. The ongoing issues within the Energy Ministry—including the missing ECG containers, the budget cuts, and the efforts to settle debts owed to power producers—carry significant consequences for both the ministry itself and the broader economy.

Disruptions to Energy Projects – The discovery of missing containers raises concerns about mismanagement and accountability within the sector. If key equipment is not recovered, ongoing and future projects may be delayed.

Financial Constraints – The budget cut, though intended to settle debts, limits the ministry's ability to invest in new infrastructure, maintain existing assets, and support energy expansion initiatives. This could hinder progress in achieving stable electricity supply.

Reputational Damage – The controversy surrounding the missing equipment and budget cuts may erode public trust in the ministry's ability to manage resources effectively, prompting calls for greater oversight and transparency.

Threat to Energy Security – If the missing equipment and budget constraints lead to delays in power supply improvements, businesses and households could face more frequent outages, affecting productivity and daily activities.

Higher Costs for Businesses – Companies relying on stable electricity may need to invest in alternative power sources, such as generators, which will increase their operational costs and potentially lead to higher prices for consumers.

Operational Inefficiencies: The inability to complete planned projects on time may lead to increased power outages, affecting businesses and households.

To minimize the negative effects, the government must ensure a transparent investigation into the missing containers, implement strict financial controls within the Energy Ministry, and explore alternative funding mechanisms to maintain essential projects. Without decisive action, the sector's instability could have long-term consequences on Ghana's economic growth and business environment.

6. Parliament approves 2025 Budget and passes Key Bills.

Ghana's Parliament has approved the 2025 national budget and passed the Appropriation Bill[10], granting the government

[9] https://citinewsroom.com/2025/03/energy-minister-slashes-ecgs-budget-to-gh%E2%82%B5250m-over-missing-containers/

[10] https://citinewsroom.com/2025/03/parliament-passes-2025-appropriation-bill/

legal authority to withdraw funds from the Consolidated Fund to finance its planned expenditures for the year. This approval ensures that key government programs and projects can proceed as outlined in the budget.

In addition to the budget approval, Parliament has passed other critical bills aimed at strengthening the country's fiscal framework, enhancing revenue mobilization, and improving governance.

The full list of bills passed includes[11]:

Key Tax Amendments Passed by Parliament

Electronic Transfer Levy (Repeal) Bill, 2025 – Eliminates the E-Levy, providing relief to mobile money users and businesses.

Income Tax (Amendment) Bill, 2025 – Abolishes the 10% withholding tax on bet winnings and gaming, as well as the 1.5% withholding tax on unprocessed gold from small-scale miners.

Emissions Levy (Repeal) Bill, 2025 – Scraps the carbon emissions levy, reducing operational costs for businesses.

Earmarked Funds Capping and Realignment (Amendment) Bill, 2025 – Uncaps key statutory funds to boost education, healthcare, and road infrastructure.

Revenue Administration (Amendment) Bill, 2025 – Strengthens tax collection and compliance mechanisms.

Growth and Sustainability Levy (Amendment) Bill, 2025 – Adjusts levy rates to ensure a fairer tax burden across industries.

Ghana Infrastructure Investment Fund (Amendment) Bill, 2025 – Restructures revenue sources to strengthen funding for infrastructure projects.

Special Import Levy (Amendment) Bill, 2025

Uncapping Essential Funds to Strengthen Development

Ghana Education Trust Fund (GETFund) – Ensures dedicated financing for free secondary education and free tertiary education for Persons with Disabilities.

National Health Insurance Levy – Unlocks additional resources for healthcare services, including the purchase of essential medicines, vaccines, Free Primary Healthcare, and bridging USAID financing shortfalls.

Road Fund – Guarantees full disbursement of funds for road maintenance, ensuring the improvement of Ghana's road infrastructure.

Mineral Income Investment Fund, Ghana Infrastructure Investment Fund, and Ghana National Petroleum Corporation (GNPC) Revenue Sources.

If effectively implemented, the approved Appropriation Bill and other key legislations passed by Parliament could strengthen financial stability and support economic recovery. The budget prioritizes fiscal consolidation and debt servicing, particularly in the energy sector, which could help restore investor confidence.

The success of these policies will depend on efficient execution, ensuring that funds are used effectively to stabilize the economy, promote growth, and address key structural challeng

Recommendations

1. Strengthening the Business Environment

[11] https://mofep.gov.gh/news-and-events/2025-03-27/parliament-approves-landmark-tax-and-fiscal-reforms-a-giant-step-towards-economic-transformation

The latest World Bank Business Ready Index highlights both strengths and weaknesses in Ghana's financial services sector. While regulatory frameworks are improving, gaps in credit information systems and accessibility to finance remain. Addressing these issues by enhancing financial transparency, promoting digital payments, and making credit more accessible—especially to SMEs—will drive business growth. Simplifying business registration and reducing bureaucratic hurdles will also encourage more entrepreneurs to formalize their operations.

2. Balancing Monetary Policy for Growth

The Bank of Ghana's decision to raise the policy rate to 28% is aimed at curbing inflation, but it also increases the cost of borrowing, making it harder for businesses to expand. While this measure is necessary to stabilize prices, the central bank should closely monitor inflation trends and consider a gradual easing of interest rates once inflation is under control. Collaboration with commercial banks to ensure businesses, particularly in productive sectors, have access to affordable credit will be crucial in sustaining economic growth.

3. Encouraging and Sustaining Private Sector Investments

The recent surge in private sector investments signals growing confidence in Ghana's economy. However, sustaining this momentum requires policy consistency, transparent regulations, and investment-friendly tax policies. Public-private partnerships (PPPs) in key sectors like manufacturing, agriculture, and technology should be strengthened to drive industrialization and job creation. Additionally, targeted incentives such as tax breaks and import duty reductions on critical production inputs can attract more investors and spur economic activity.

4. Addressing Currency Depreciation and Import Dependency

The cedi's continued depreciation, currently at 15.53 to the dollar, is raising the cost of imports and increasing inflationary pressures. To stabilize the currency, the government must focus on boosting foreign exchange reserves through increased exports, foreign direct investment (FDI), and remittances. Reducing import dependency by promoting local production, particularly in agriculture and manufacturing, will also be key. Encouraging non-traditional exports—such as processed cocoa, textiles, and tech services—can help Ghana diversify its revenue base and strengthen its external position.

5. Restoring Accountability and Stability in the Energy Sector

The controversy surrounding the missing ECG equipment and budget cuts in the energy sector has raised concerns about resource management and the reliability of Ghana's power supply. Recovering the lost assets and holding those responsible accountable is essential to restoring public trust. Meanwhile, the government must ensure that the reduced energy sector budget is used efficiently, with priority given to debt repayment and maintaining stable electricity supply. Encouraging private sector participation in renewable energy projects can also help reduce the sector's reliance on state funding and improve overall energy security.

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