

THE **STATE** OF THE **GHANA**IAN **ECONOMY**

REPORT 2025: HIGHLIGHTS

A CHAPTER-BY-CHAPTER SNAPSHOT



**INSTITUTE OF STATISTICAL,
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REPORT 2025: HIGHLIGHTS**

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CHAPTER 1 | GHANA'S ECONOMIC PERFORMANCE IN 2025

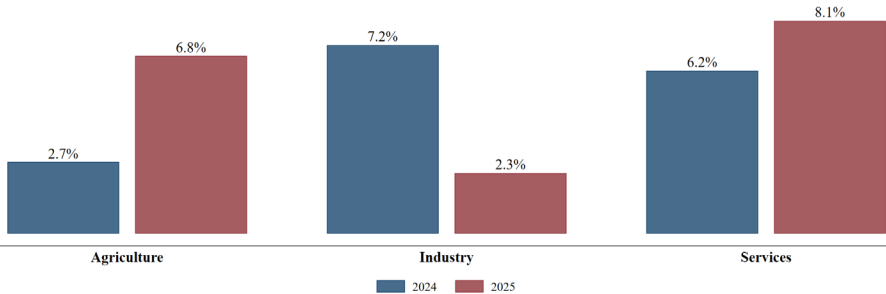
Ghana's economy strengthened in 2025, with faster growth, sharply lower inflation and an improved external position. The challenge is sustaining these gains and translating them into better livelihoods.

AT A GLANCE

6.0%	5.4%	1.0%	8.2%
GDP growth	Year-end inflation	Fiscal deficit/ GDP	Current account surplus/GDP

Note: Fiscal deficit is reported on a commitment basis. Current account balance is based on the latest Bank of Ghana data.

Figure 1: Economic growth strengthened, but sectoral performance diverged



Source: GSS, 2026; SOER 2025, Chapter 1.

WHAT HAPPENED?

Ghana's economy grew by 6.0% in 2025, up from 5.8% in 2024 and above the global (3.4%) and sub-Saharan African (4.5%) averages. Growth was driven mainly by services (8.1%) and agriculture (6.8%). Industry slowed to 2.3%, largely reflecting a sharp contraction in oil and gas production, although manufacturing and gold

production expanded. Macroeconomic conditions also improved considerably. Year-end inflation fell from 23.8% to 5.4%, the cedi strengthened, and interest rates declined. The fiscal deficit narrowed, while strong gold exports contributed to a substantial improvement in the external position and international reserves.

WHY DOES IT MATTER?

Lower inflation and a stronger currency provide relief to households and businesses, while improved fiscal and external conditions create a more favourable environment for investment. However, stronger GDP growth does not automatically translate into better livelihoods. Employment opportunities, the cost of borrowing and the distribution of growth benefits remain important concerns.

POLICY PRIORITIES

- Sustaining stability: Maintain fiscal discipline and low inflation while supporting productive investment.
- Creating better jobs: Translate growth into employment opportunities, particularly for young people.
- Strengthening resilience: Diversify production and exports, improve infrastructure and reduce dependence on commodity-driven gains.

BOTTOM LINE

Ghana's macroeconomic recovery gained momentum in 2025, but growth remained uneven across sectors. Sustaining stability while expanding productive employment will be critical to translating economic growth into improved living standards.

CHAPTER 2 | FISCAL DEVELOPMENTS

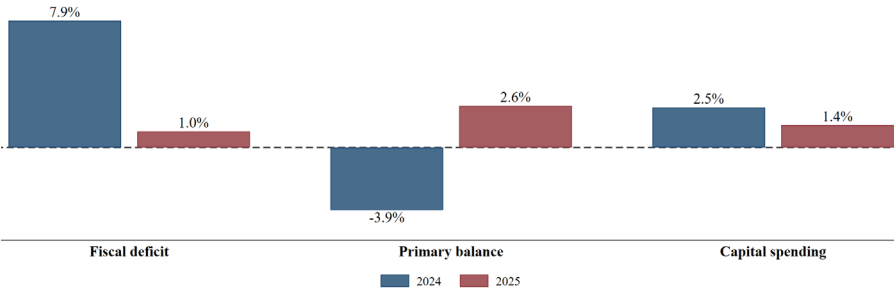
Ghana achieved substantial fiscal consolidation in 2025, with a smaller deficit and lower public debt. However, the adjustment relied heavily on expenditure restraint, including reduced capital expenditure.

AT A GLANCE

1.0%	2.6%	46.0%	1.4%
Fiscal deficit/ GDP	Primary sur- plus/GDP	Public debt / GDP	Capital spend- ing / GDP
Commitment basis	Commitment basis		

Note: Fiscal and primary balances are reported on a commitment basis. Figures are 2025 MoF outturns.

Figure 2: Fiscal consolidation accelerated in 2025, but public investment declined



Source: Ministry of Finance, 2024 and 2025 provisional outturns.
Note: Fiscal deficit and primary balance are reported on a commitment basis. Deficits are shown as positive values; primary balances retain their signs.

WHAT HAPPENED?

Ghana’s fiscal position improved substantially in 2025, with the overall deficit narrowing from 7.9% to 1.0% of GDP on a commitment basis and the primary

balance returning to surplus. The World Bank similarly estimates a general government deficit of 1.2% of GDP. Fiscal consolidation was driven largely by expenditure restraint rather than increased revenue mobilisation. Total revenue and grants amounted to 16.1% of GDP, while capital expenditure declined from 2.5% to 1.4% of GDP, raising concerns about public investment. Public debt also fell from 62.7% to 46.0% of GDP, reflecting fiscal adjustment and the effect of cedi appreciation on the domestic currency value of external debt.

WHY DOES IT MATTER?

Smaller deficits and lower debt reduce pressure on government financing and create conditions for greater macroeconomic stability. However, fiscal adjustment achieved through sharp reductions in capital spending may constrain infrastructure development and future growth. Sustaining fiscal consolidation therefore requires not only expenditure discipline but also stronger domestic revenue mobilisation and improved spending efficiency.

POLICY PRIORITIES

- Strengthen revenue mobilisation: Broaden the tax base, improve compliance and reduce revenue leakages.
- Protect productive investment: Improve expenditure efficiency while safeguarding priority infrastructure and social spending.
- Sustain fiscal discipline: Strengthen commitment controls, prevent arrears accumulation and manage debt refinancing risks.

BOTTOM LINE

Ghana's fiscal consolidation was substantial, but sustaining it will require stronger revenue mobilisation without sacrificing productive public investment.

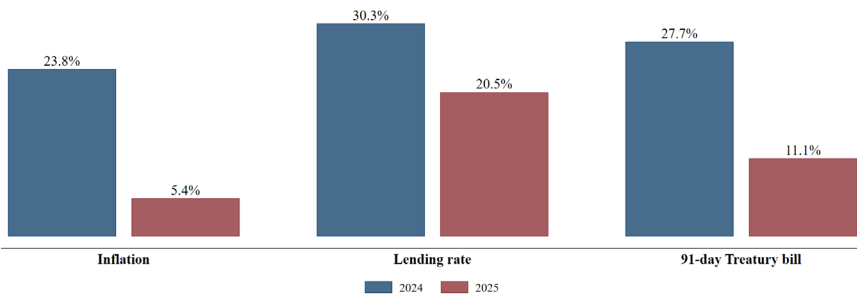
CHAPTER 3 | MONETARY AND FINANCIAL DEVELOPMENTS

Ghana recorded a sharp decline in inflation, a stronger cedi and lower interest rates in 2025. However, borrowing costs remained relatively high, and access to credit continued to constrain productive investment.

AT A GLANCE: END OF 2025

5.4%	20.5%	27.1%	18.9%
Inflation	Average bank lending rate	Cedi appreciation against US dollar	Non-performing loans

Figure 3: Inflation and interest rates fell sharply in 2025



source: SGER 2025, Chapter 3. End-of-year rates

WHAT HAPPENED?

Inflation declined sharply from 23.8% at the end of 2024 to 5.4% in December 2025, amid restrictive monetary conditions and a substantial appreciation of the cedi. As inflation eased, the Bank of Ghana reduced its policy rate during the second half of the year. The cedi appreciated by approximately 27% against the US dollar, while yields on 91-day Treasury bills fell substantially. The banking sector also showed signs of recovery. Capital adequacy improved, profitability increased

and non-performing loans declined from 21.8% to 18.9%. However, average bank lending rates remained above 20% at year-end, while bank lending to the private sector contracted despite improving monetary conditions. Agriculture's share of bank credit also declined from 4.7% to 4.1%.

WHY DOES IT MATTER?

Lower inflation helps protect purchasing power, while a stronger currency reduces uncertainty for businesses and households. Declining interest rates can also encourage investment. However, these benefits depend partly on whether banks translate improved monetary conditions into affordable credit. High borrowing costs and limited lending to productive sectors can weaken the link between macroeconomic stability and economic growth.

POLICY PRIORITIES

- Preserve price and currency stability: Maintain credible monetary policy while managing the costs of liquidity operations.
- Improve access to productive credit: Address lending risks and financing constraints, particularly in agriculture and other productive sectors.
- Strengthen banking sector resilience: Sustain improvements in bank capital and asset quality while reducing non-performing loans.

BOTTOM LINE

Ghana made substantial progress towards monetary stability in 2025. The next challenge is translating lower inflation and interest rates into affordable financing for productive investment.

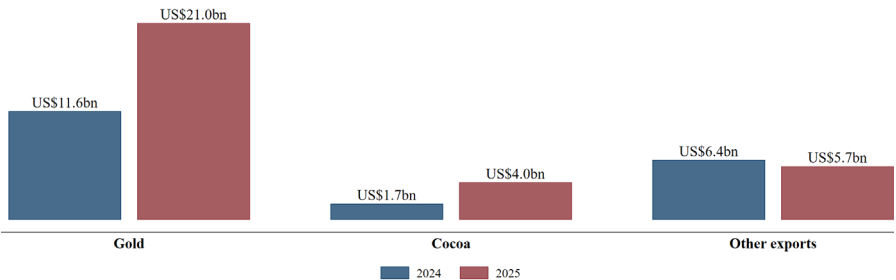
CHAPTER 4 | INTERNATIONAL TRADE AND PAYMENTS

Ghana recorded a substantial improvement in its external position in 2025, driven largely by rising gold and cocoa export earnings. However, the concentration of exports in a few primary commodities remains a major vulnerability.

AT A GLANCE

US\$13.8bn	US\$9.4bn	US\$21.0bn	68.2%
Merchandise trade surplus	Current account surplus	Gold export earnings	Minerals' share of exports

Figure 4: Gold and cocoa drove the surge in export earnings



Source: SGER 2025, Chapter 4.
Note: Source: Export earnings, US\$ billion.

WHAT HAPPENED?

Ghana’s external position strengthened considerably in 2025, with export earnings growing much faster than imports. The merchandise trade surplus widened from US\$3.8 billion to US\$13.8 billion, while the current account surplus rose from US\$1.6 billion to US\$9.4 billion. International reserves also increased, strengthening the country’s foreign exchange position, while the cedi appreciated against major international currencies. However, the improvement was heavily

concentrated in primary commodities, particularly gold and cocoa. Minerals accounted for 68.2% of merchandise exports, highlighting continued export concentration. Although non-traditional exports grew by 30.7%, Ghana's export base remained relatively undiversified.

WHY DOES IT MATTER?

Stronger export earnings and international reserves improve the availability of foreign exchange, reduce external financing pressures and can support exchange rate stability. However, dependence on gold and cocoa leaves Ghana exposed to changes in global commodity prices and production conditions. A strong trade surplus does not necessarily indicate that the economy has become more diversified or internationally competitive.

POLICY PRIORITIES

- Diversify exports: Expand manufactured and processed exports to reduce commodity dependence.
- Increase domestic value addition: Strengthen processing capacity and linkages between agriculture, mining and domestic industry.
- Build external resilience: Sustain reserve buffers and strengthen export competitiveness while reducing vulnerability to commodity price fluctuations.

BOTTOM LINE

Ghana's exceptional external sector performance in 2025 underscores both the benefits of commodity export earnings and the urgency of building a more diversified export base.

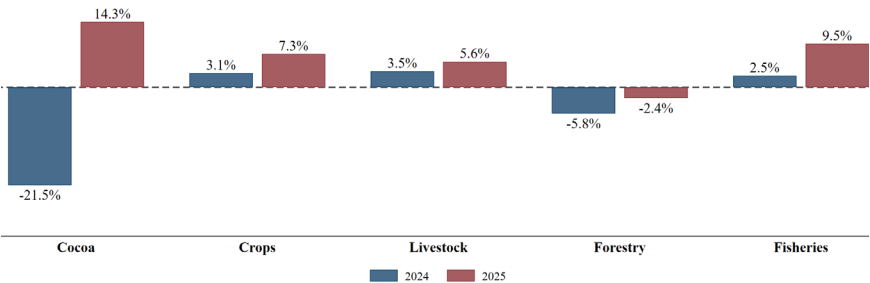
CHAPTER 5 | AGRICULTURE SECTOR

Ghana’s agricultural growth rebounded strongly in 2025, supported by improved performance in crops, cocoa and fisheries. However, uneven production outcomes and persistent structural constraints raise questions about the sustainability of this recovery.

AT A GLANCE

6.8%	22.8%	14.3%	4.9%
Agricultural GDP growth	Agriculture's share of GDP	Cocoa subsector growth	Food inflation, December

Figure 5: Agricultural growth recovered, but performance varied across subsectors



Source: SGER 2025, Chapter 5.

WHAT HAPPENED?

Agricultural growth accelerated markedly in 2025, with improved performance across most subsectors. Cocoa rebounded sharply after its severe contraction in 2024, while fisheries and other crops also recorded stronger growth. Forestry and logging continued to contract, although at a slower rate. Food inflation also fell sharply, from 28.3% in January to 4.9% in December. However, production

outcomes were mixed. Rice output increased sharply, while maize and plantain output declined. Government also introduced the Feed Ghana Programme and poultry revitalisation initiatives, although their effects on production cannot yet be established.

WHY DOES IT MATTER?

Agriculture remains central to Ghana's food security, rural livelihoods and agro-industrial development. Stronger agricultural growth can improve food availability and support economic activity, but aggregate growth may conceal weaknesses in individual commodities. Sustained improvements will depend on productivity, reliable markets and farmers' ability to invest, rather than output expansion alone.

POLICY PRIORITIES

- Raise agricultural productivity: Expand effective irrigation, mechanisation and extension services, with greater attention to crop yields.
- Strengthen markets and value chains: Improve storage, processing, transport and market access to reduce post-harvest losses and improve producer returns.
- Improve policy implementation and evaluation: Track programme delivery and outcomes, strengthen cocoa-sector financial sustainability and enforce fisheries and environmental regulations.

BOTTOM LINE

Ghana's agricultural recovery in 2025 was encouraging but uneven. Sustaining growth will require improvements in productivity, market infrastructure and policy implementation.

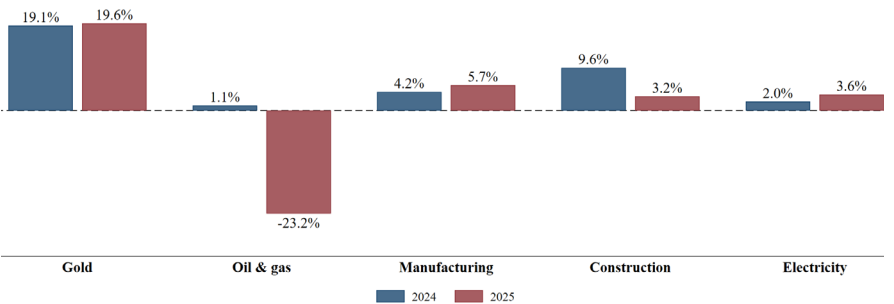
CHAPTER 6 | INDUSTRIAL SECTOR

Industrial growth slowed sharply in 2025 despite stronger manufacturing and gold production. The contraction in oil and gas, slower construction growth and persistent infrastructure constraints highlight the challenges facing Ghana’s industrial development.

AT A GLANCE

2.3%	31.3%	5.7%	-23.2%
Industrial GDP growth	Industry’s share of GDP	Manufacturing growth	Oil and gas growth

Figure 6: Industrial growth varied sharply across subsectors, 2024–2025



source: GSS, as reported in SGER 2025, Chapter 6.
Note: Annual real GDP growth (%). Gold and oil and gas are components of mining and quarrying.

WHAT HAPPENED?

Industrial growth slowed sharply in 2025, reflecting contrasting subsector performances. Strong growth in gold was offset by a substantial contraction in oil and gas, resulting in an overall decline in mining and quarrying. Manufacturing growth improved, although its share of GDP continued to fall, while construction growth slowed. Registered manufacturing FDI projects increased from 66 to 99, although registrations do not necessarily translate into realised investment. Electricity generation also expanded, but the sector remained heavily dependent on thermal power.

WHY DOES IT MATTER?

Industry is important for job creation, value addition and economic diversification. Strong gold production alongside a declining manufacturing share of GDP highlights the challenge of achieving broad-based industrial development. Persistent constraints in energy supply, financing and infrastructure can limit the competitiveness and expansion of domestic manufacturing.

POLICY PRIORITIES

- Strengthen manufacturing competitiveness: Reduce production and financing costs, improve infrastructure and support investment in value addition.
- Improve energy security and efficiency: Address electricity sector financial and operational weaknesses, strengthen domestic gas supply and expand renewable energy.
- Promote diversified industrial growth: Revitalise petroleum investment, strengthen domestic industrial linkages and improve water infrastructure and service delivery.

BOTTOM LINE

Ghana's industrial slowdown in 2025 highlights the need to translate mineral-sector strength into broader industrial development, supported by competitive manufacturing and greater domestic value addition.

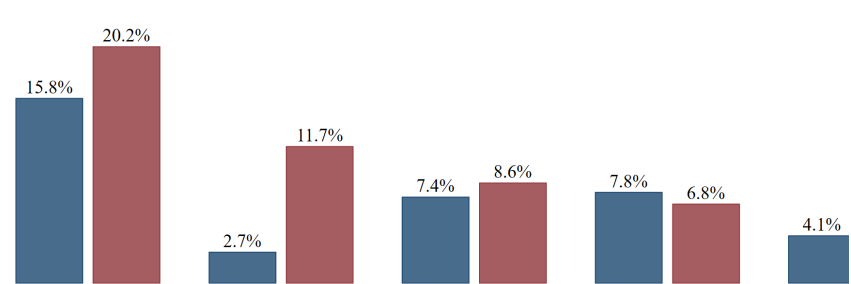
CHAPTER 7 | SERVICES SECTOR

Services remained Ghana’s main driver of economic growth in 2025, led by information and communications, education and transport. However, uneven performance across activities and persistent service quality challenges highlight the need for more inclusive, productivity-enhancing growth.

AT A GLANCE

8.1%	45.9%	20.2%	47.9%
Services GDP growth	Services’ share of GDP	Information and communications growth	Trade’s share of services output

Figure 7: Services growth varied across subsectors, 2024–2025



WHAT HAPPENED?

Services growth accelerated in 2025, led by information and communications, education and transport. Digital connectivity expanded, alongside increased port container traffic and international passenger travel. Growth moderated in trade, finance and hospitality, while real estate contracted. Social service outcomes were mixed: maternal healthcare coverage improved, but institutional maternal mortality increased. Primary school completion improved, although challenges persisted in age-appropriate enrolment and progression.

WHY DOES IT MATTER?

Services are increasingly important for Ghana's economic growth, employment and structural transformation. Modern services such as ICT, finance and logistics can raise productivity across the economy, while education and healthcare support human capital development. However, rapid growth in services does not automatically translate into productive employment or better service delivery. The quality, accessibility and productivity of services matter as much as their expansion.

POLICY PRIORITIES

- Promote productive and tradable services: Strengthen digital infrastructure, skills and competition to support ICT exports, innovation and quality jobs.
- Improve transport and logistics: Invest in efficient ports, rail and public transport while reducing transport costs and improving connectivity.
- Strengthen social service outcomes: Improve healthcare quality and workforce distribution, while prioritising learning outcomes and progression in education.

BOTTOM LINE

Ghana's services sector is expanding rapidly, but its contribution to long-term development will depend on translating growth into higher productivity, better jobs and improved service delivery.

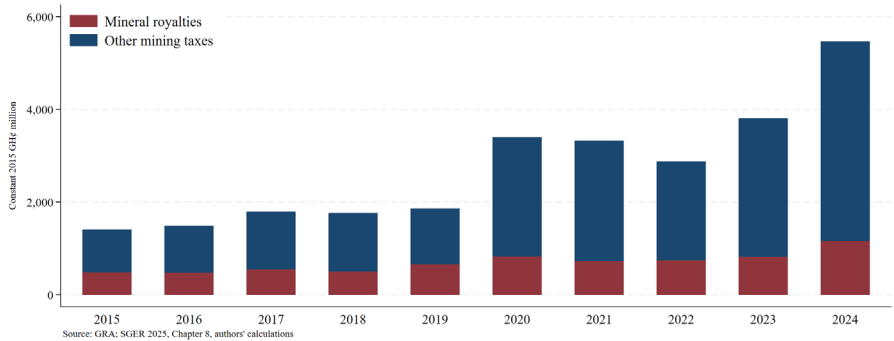
CHAPTER 8 | MINERAL PROCEEDS AND ECONOMIC DEVELOPMENT

Ghana’s mineral wealth generates substantial export earnings and government revenue, but rising mineral proceeds have not been consistently accompanied by higher public investment or education spending. The challenge is converting resource wealth into lasting development benefits.

AT A GLANCE

18.6%	GH¢23.1bn	GH¢5.4bn	20.0%
Mineral exports/ GDP, 2025	Direct mining fiscal receipts, 2025	Mineral royalties, 2025	Statutory royal- ty allocation to MDF

Figure 8: Mining sector tax revenues in real terms, 2015–2024



WHAT HAPPENED?

Real mining sector tax revenues increased substantially between 2015 and 2024, although the trend was uneven. However, public capital expenditure and education spending as shares of GDP declined over much of the period. Child mortality also fell steadily, but these improvements cannot be attributed directly to mineral revenues.

WHY DOES IT MATTER?

Mineral resources are exhaustible, and extraction imposes environmental and social costs, particularly on mining communities. Higher mineral revenues can expand fiscal space, but their development benefits depend on how effectively the proceeds are allocated and spent. Debt obligations, competing expenditure priorities and weak implementation can limit these benefits.

POLICY PRIORITIES

- Strengthen revenue mobilization: Improve production monitoring, mineral valuation, tax compliance and revenue administration.
- Improve transparency and spending effectiveness: Track mineral revenue allocations, actual expenditure and measurable development outcomes.
- Protect long-term and local development: Manage mineral windfalls prudently, ensure timely transfers to mining communities and address environmental liabilities.

BOTTOM LINE

Mineral wealth creates development opportunities, but the real test is how effectively Ghana converts mining revenues into productive investment and lasting economic and social benefits.

ABOUT ISSER

The Institute of Statistical, Social and Economic Research (ISSER) is a semi-autonomous institute within the College of Humanities at the University of Ghana. Established in 1962, ISSER is recognised as one of Ghana's leading centres for social science research, undertaking rigorous research, training and policy engagement to advance socio-economic development in Ghana and across the African continent. With a distinguished faculty of 26 PhD holders and a strong network of local and international affiliate scholars and collaborators, ISSER generates and translates evidence to inform policy, build capacity and contribute to meaningful development outcomes in Ghana and beyond.

The State of the Ghanaian Economy Report (SGER) 2025 is the 35th edition of ISSER's flagship annual publication, first published in 1992. It provides evidence-based analysis of Ghana's economic performance and emerging policy issues.

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