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RESEARCH | BUDGET REVIEW

Ghana's 2027 Budget

The New Normal, Implications for Markets

13 November 2026

GHS375.0bn

In expenditure for 2027, with Capex nearly double the 2026 projection at GHS100bn

US$10bn

New Economy programme announced for 2027 to 2030

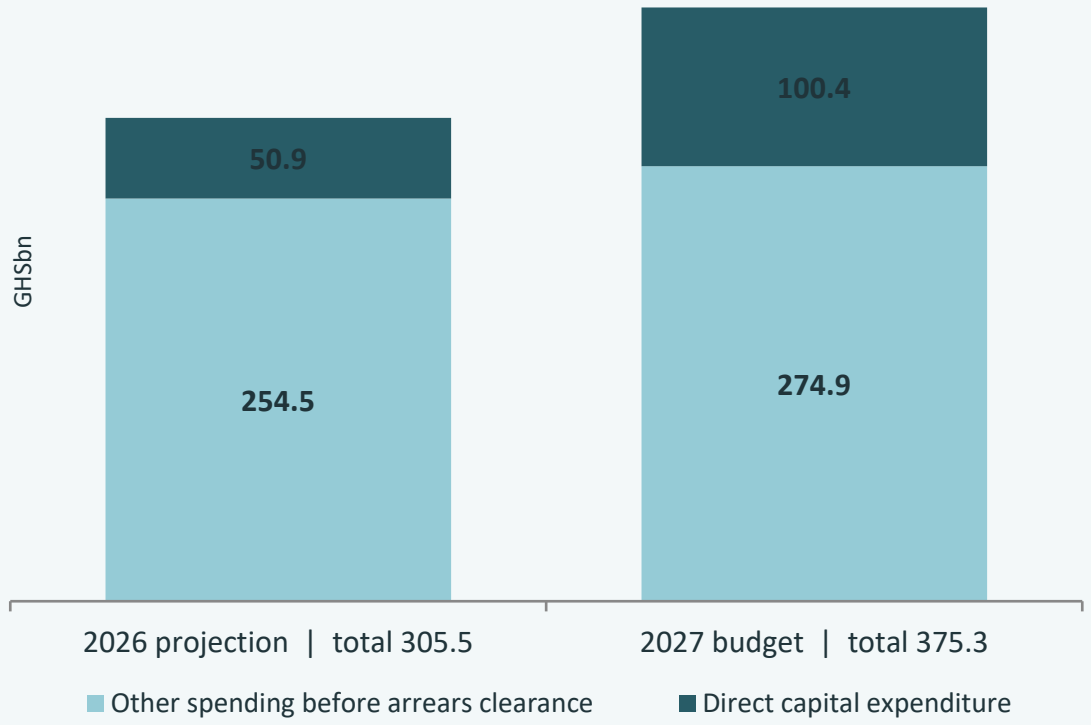
0.5% of GDP

primary surplus target, down from 1.5% in 2026

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Capital Spending Nearly Doubles In 2027

71% **of the planned spending increase shown is for capital expenditure**



2027 AT A GLANCE

Indicator	2027 Budget
Real GDP growth target	**At least 5.2%**
End-year inflation target	**8.0%**
Gross reserve target	**At least 6 months of imports**
Revenue and grants	**GHS323.4bn**
Cash expenditure, incl. arrears clearance	**GHS389.2bn**
Overall cash deficit	**GHS65.8bn | 3.6% of GDP**

Looser Policy, Smaller Cash Deficit Ratio

The primary surplus target falls from 1.5% to 0.5% of GDP on a commitment basis, and the commitment deficit widens to 2.9% of GDP.

With less arrears clearance planned, the cash deficit falls from 3.8% to 3.6% of GDP, even as it increases in cedi terms.

Source: Ministry of Finance, Laurus Africa Securities

Agriculture, Power And Minerals Take 65% of the New Economy Plan

Announced Programme Envelopes, US$bn

Seven published amounts total US$9.8bn.

1	**Commercial agriculture** Irrigation, storage and food processing	3.0
2	**Energy infrastructure** Generation, storage and the grid	2.0
3	**Critical minerals** Local refining and processing	1.5
4	**Tourism, culture and creative arts** Heritage sites and visitor infrastructure	1.0
5	**Textiles and garments** Factory upgrades and industrial enclaves	1.0
6	**Pharmaceuticals** Local manufacturing hubs	1.0
7	**Technology** Rural 4G and a National AI Centre	0.3

GHS18.9bn of petroleum budget revenue and mineral royalties sits under the 2027 New Economy allocation. Commodity receipts fund the programme before it can diversify export earnings.

US$10bn
announced for 2027 to 2030

GHS30bn
budgeted in 2027

How it is financed

A primary surplus target that is 1 percentage point lower, combined with expected gains of 0.5% of GDP from tax reforms and compliance.

The projects depend on each other

The Western Corridor Railway can move ore to processing sites. Reliable power, viable plants and buyers will determine whether Ghana earns more from processing that ore locally.

Source: Ministry of Finance, Laurus Africa Securities

Trade and Procurement Rules Move Ahead of New Production Capacity

Government Targets and Proposals

	2027	By end-2028	By end-2030
Food and cocoa	Rice import licences tied to purchases from verified local farmers and millers	At least 50% of cocoa processed locally	Commercial rice import ban proposed. Full local cocoa processing targeted
Minerals	At least 70% of small-scale gold refined locally	Raw small-scale gold export ban proposed. At least 50% of manganese and bauxite processed locally	Full local processing and raw export bans proposed for manganese and bauxite
Power	Private participation in distribution targeted by year end	First 600 MW of new thermal capacity due	Full 1,450 MW of new thermal capacity due

INVESTOR TAKEAWAY

Public procurement offers the earliest boost to local orders

- We expect funded government contracts to lift earnings first for local suppliers that can fulfil larger orders with their existing capacity.
- Food import restrictions would put upward pressure on prices if local production falls short.
- Restrictions on raw exports could reduce export receipts if local processors lack the capacity to absorb supply.

Local procurement

Proposed rules favour Ghanaian staples, textiles and medicines, which could give suppliers steadier orders. Medicines must meet quality and volume requirements. Payment timing will matter for working capital.

Excise and customs

The revised excise regime for wines, spirits, beer and stout puts pricing and margins in focus. Proposed duty and VAT exemptions for solar panels and batteries could lower the cost of backup power.

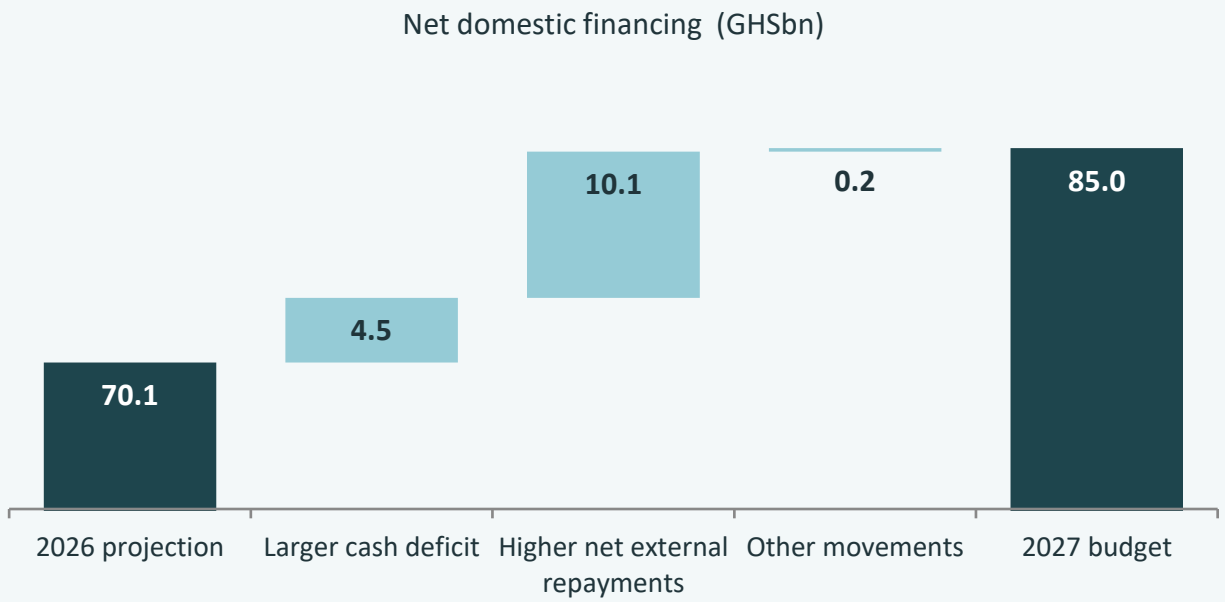
Wages and demand

The daily minimum wage rises about 15% to GHS25.04. Public sector base pay rises 9%, including 1 point for conditions of service. Higher pay supports spending and raises costs for labour-intensive firms.

Source: Ministry of Finance, Laurus Africa Securities

External Repayments Explain Most of the Rise in Domestic Financing

About two thirds of the GHS14.8bn increase reflects higher net external repayments



GHS29bn early redemption offer on February 2027 Domestic Debt Exchange Programme principal. Cash returned to bondholders could support demand for new securities. Timing and take-up will determine when it reaches the market.

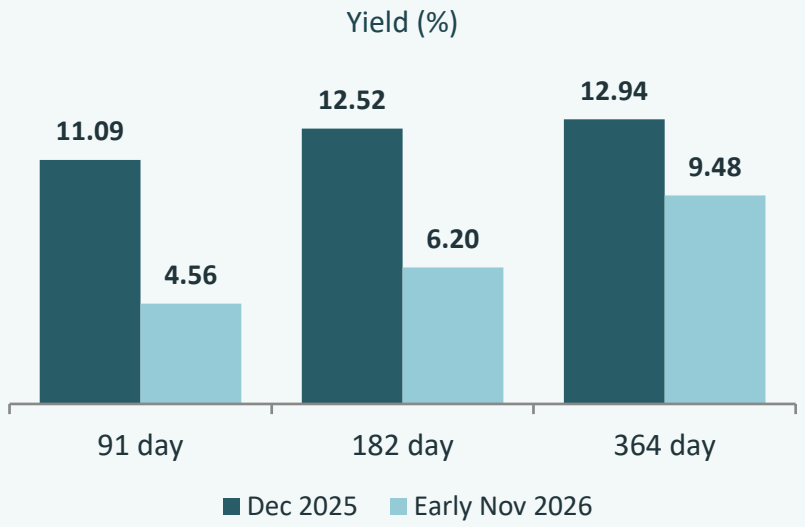
Market	What Clients Should Watch
Fixed income	We expect higher issuance of medium- and long-term government bonds to limit further declines in yields at those maturities. Extending maturities should ease the need for frequent refinancing.
Banks and equities	We see room for private credit to keep growing despite higher overall domestic borrowing. The budget projects net financing from commercial banks at GHS59.0bn in 2027, down from GHS67.7bn projected for 2026.
Cedi	We expect gold exports to remain a major source of support for the cedi, with higher external debt repayments and demand for imported equipment offsetting some of that support. Gold accounted for about 70% of export receipts in the first nine months of 2026.

Source: Ministry of Finance, Laurus Africa Securities

2027 Budget | Implications for Fixed Income and Equities

Bond Repayments and New Issuance Will Shape Where Yields Go Next.

TREASURY BILL YIELDS BEFORE THE BUDGET



Tenor	Dec 2025	Early Nov 2026	Decline
91 day	11.09%	4.56%	**653 bps**
182 day	12.52%	6.20%	**632 bps**
364 day	12.94%	9.48%	**346 bps**

2027 FINANCING AND DEBT REPAYMENTS

GHS85.0bn

planned net domestic financing, up from GHS70.1bn projected for 2026. Higher net external repayments explain about two thirds of the increase.

GHS29.0bn

February 2027 domestic debt exchange principal covered by the early redemption offer.

US$480m

reported in the dollar sinking fund as at 11 November, against US$590m due on Eurobonds in January.

WHAT INVESTORS SHOULD WATCH

Fixed Income

As early redemptions are settled, bondholders receive cash to reinvest. If they buy Treasury bills and bonds, the extra demand could help keep yields low. If new government borrowing exceeds what investors will buy at current yields, the government may have to offer higher yields.

Bank Equities

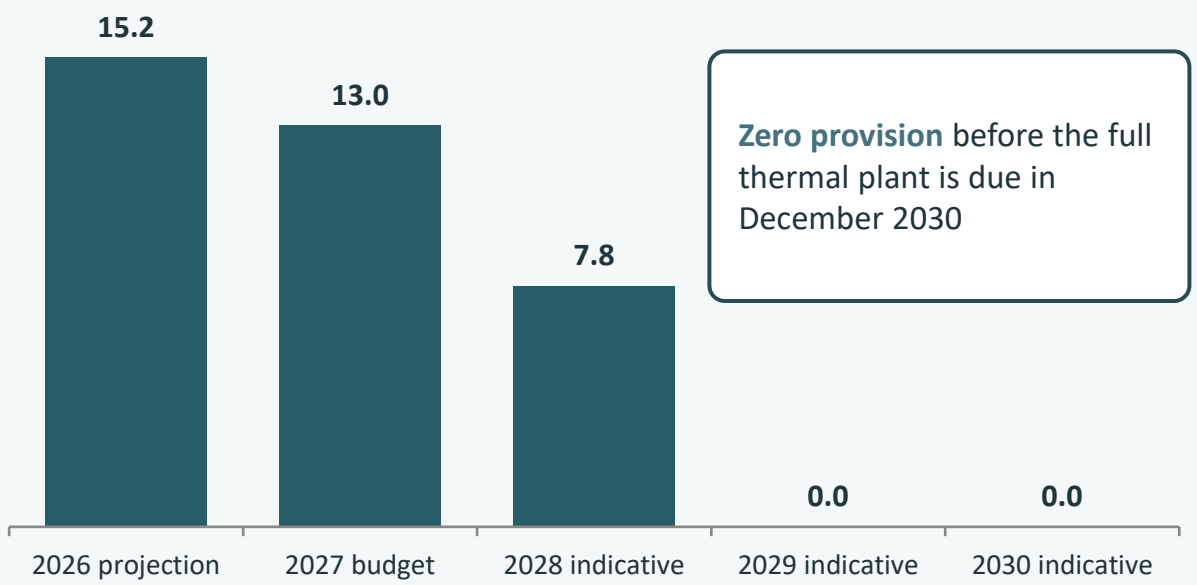
We expect loan growth to partly offset lower interest income from Treasury securities in 2027 as banks reinvest at lower yields. We favour banks with low-cost deposits and improving loan quality because they are better placed to protect margins and contain credit losses.

Consumer and Industrial Equities

We expect the proposed procurement rules, once implemented, to lift government orders for eligible Ghanaian food, textile and pharmaceutical producers. We see the strongest cash flow gains for suppliers that can fill larger orders and collect payments promptly. Among beverage makers, we expect any increase in excise costs to squeeze margins most at firms with limited room to raise prices.

Source: Ministry of Finance, Laurus Africa Securities

The Fiscal Plan Relies On Energy Savings Arriving Early



Risk	What Would Change Our View
Revenue falls short	We see a risk of higher borrowing. VAT collections missed the Jan to Oct 2026 target by 12%, while the 2027 target is 18% above the 2026 projection. If VAT and customs receipts fall short and spending stays on plan, we expect more domestic issuance and upward pressure on yields.
Project delays	We expect the earnings benefit to build gradually as funded contracts move into execution. If import restrictions precede local supply, food prices could rise. If raw export restrictions precede processing capacity, export receipts could weaken.
Weaker fiscal oversight	We view the lower primary surplus as consistent with the 45% debt target by 2034 if the reforms assessed by the IMF are delivered. Clear legal backing for the change to the 1.5% statutory floor and an independent assessment of the debt path would strengthen our confidence.

STRESS TEST

3.9% to 4.2%

2029 cash deficit, % of GDP

The budget sets aside GHS7.8bn for energy sector payment shortfalls in 2028 and assumes this support falls to zero in 2029. If the same amount is needed in 2029, the cash deficit would widen from 3.9% to 4.2% of GDP, assuming revenue and other spending stay unchanged. Better bill collection and lower electricity losses would reduce the need for government support.

Our View

We expect domestic borrowing and bond repayments to shape the market's initial response to the budget, with new projects taking longer to contribute to company earnings. Stronger tax collections and smaller energy sector shortfalls would limit the need for additional borrowing, while sustained demand at Treasury auctions would help contain yields.

Source: Ministry of Finance, Laurus Africa Securities