

Five year forecast : Ghana
April 13th 2022

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EIU

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Briefing sheet

Ghana | Summary | Briefing sheet

March 14th 2022

Political and economic outlook

- Ghana's economy relies heavily on output and exports from the hydrocarbons, gold and cocoa sub-sectors, exposing it in part to global trade headwinds. New oilfields will take time to develop and bring on stream. Agriculture and services also support the economy.
- The ruling party, the New Patriotic Party, will seek to limit the fallout from the coronavirus pandemic. Dissatisfaction over high unemployment and perceived corruption will spur sporadic unrest, but political stability will prevail on the whole. Risks to the security outlook include potential spill-over attacks from Islamist extremists in the Sahel region.
- Alongside continued attempts to soften the blow of the pandemic, the government will prioritise strengthening agro-processing and food security (via promotion of import substitution) and supporting diversified export growth and foreign direct investment, in line with its long-term Ghana Beyond Aid development strategy.
- Economic recovery will continue in 2022, driven by strong oil, gold and agricultural output, followed by an easing of real GDP growth in 2023-24 as oil output stabilises and manganese output declines. In 2025-26 the economy will benefit from the expected coming on-stream of the Pecan oilfield, and from higher gold and cocoa output.
- The cedi will remain prone to periods of volatility, given its dependence on commodity prices and evolving trends in investor sentiment towards emerging markets. The currency will weaken to GH¢9.88:US\$1 in 2026, from an average of GH¢5.80:US\$1 in 2021.
- Ghana has a strong democracy and is politically stable by regional standards. These factors, alongside a growing middle class and nascent manufacturing sector, will help to establish the country as a regional hub for machinery-making and agricultural processing.
- Ghana would benefit from an IMF programme, given investor concerns about fiscal sustainability due to high debt, but the government will prioritise policy independence.

Key indicators

	2021 ^a	2022 ^b	2023 ^b	2024 ^b	2025 ^b	2026 ^b
Real GDP growth (%)	5.0	5.2	4.7	4.0	4.5	5.0
Consumer price inflation (av; %)	10.0 ^c	13.4	10.0	8.7	8.4	8.0
Government balance (% of GDP)	-9.0	-6.9	-5.6	-6.0	-4.9	-4.3
Current-account balance (% of GDP)	-3.7	-2.4	-3.3	-4.0	-3.0	-2.7
Short-term interest rate (av; %)	12.4	13.4	14.8	15.3	16.0	17.1
Exchange rate GH¢:US\$ (av)	5.80 ^c	7.35	8.31	8.94	9.45	9.88

^a EIU estimates. ^b EIU forecasts. ^c Actual.

Key changes since February 13th

- In line with the latest exchange-rate data released by the Ghana Statistical Service (the national statistical agency), which show sharper than expected depreciation at the beginning of the year, EIU has revised its exchange-rate forecast for 2022.
- We now expect the cedi to weaken sharply in the first half of 2022, accelerating the depreciation of the currency against the US dollar on average, to GH¢7.35:US\$1 in 2022 (previously forecast at GH¢6.55:US\$1), reflecting Ghana's structural import dependency.
- The spike in global oil prices in the wake of the Russian invasion of Ukraine has led us to revise up our oil price outlook sharply. We expect prices to remain elevated in the near term, further boosting Ghana's fiscal, inflation and current-account forecasts.

- Given higher than previously expected government revenue from oil for the forecast period, we have reduced our fiscal deficit forecast for 2022—to 6.9% of GDP (from 7.2% of GDP previously)—and for 2023-26, to an average of 5.2% of GDP (from 5.4% of GDP).
- In line with rising oil, food and general commodity prices, alongside heightened logistical disruptions due to the Russia-Ukraine war, we have revised our inflation forecasts for Ghana for 2022. We now expect price growth to average 13.4% (up from 11.1% previously).
- We now forecast that the current-account deficit will average 2.4% of GDP in 2022 (down from a previous forecast of 2.8% of GDP), supported by stronger oil and gold exports; in 2023-26 we expect it to average 3.3% of GDP in 2023-26 (revised down from 3.4% of GDP).

The month ahead

- March 23rd-25th—Meeting of the Monetary Policy Committee of the Bank of Ghana (BoG, the central bank): With inflationary pressures expected to be high, we expect the BoG to increase the benchmark policy rate to 15% in the first half of 2022 (following a 100-basis-point rise in November 2021) to stem an increase in consumer prices.

Major risks to our forecast

Scenarios, Q1 2022	Probability	Impact	Intensity
Companies end up with a higher tax burden	High	High	16
Ghana suffers a major terrorist attack	Moderate	High	12
Land transactions fall through at a substantial financial cost	Moderate	High	12
Recurrent waves of the coronavirus pandemic weigh on Ghana's economic growth	Moderate	High	12
There is a renewed banking-sector crisis	Moderate	High	12

Note. Scenarios and scores are taken from our Risk Briefing product. Risk scenarios are potential developments that might substantially change the business operating environment over the coming two years. Risk intensity is a product of probability and impact, on a 25-point scale.

Source: EIU.

Political stability

Ghana | Politics | Forecast | Political stability

March 14th 2022

EIU expects Ghana's underlying political stability to endure over the forecast period, despite a highly acrimonious party-political landscape. The fierce rivalry between the two major parties—the ruling New Patriotic Party (NPP) and the opposition National Democratic Congress (NDC)—will remain the core feature of the political scene. A razor-thin NPP-led working majority in parliament (with 138 out of 275 seats) implies that achieving consensus on contentious reforms, including planned tax rises, will prove tumultuous. In November 2021 the minority government rejected the proposed 2022 budget bill over the introduction of an electronic-transaction levy (e-levy); this was

later reversed, and the 2022 budget bill was passed by an NPP-led majority, albeit without the e-levy clause.

Similar issues with achieving consensus on major legislation will slow policymaking and test the government's strength throughout the remainder of its term (until 2024). We expect a transfer of power to the NDC in the 2024 elections, driven by anti-incumbency factors and public dissatisfaction with the current government. However, irrespective of who retains power, we expect policy continuity in the medium term, with a focus on improving food security, industrialisation and economic diversification. The new government will face similar challenges to its predecessor, but overall political stability will prevail.

Public discontent with the government stems from factors such as rising prices (stoked further by the Russia-Ukraine war), unfavourable public-sector working conditions, limited economic opportunities for young people—exacerbated in part by the socioeconomic fallout from the coronavirus—and perceptions of corruption. This will continue to fuel sporadic unrest, which will be mostly non-violent and concentrated in urban centres, in 2022-26. This is illustrated by a seven-week strike that was launched on January 10th 2022 by the University Teachers Association of Ghana, over dissatisfaction with the existing salary structure for lecturers. We expect the state-controlled security forces to remain able to contain anti-government demonstrations and do not expect overall stability to be compromised.

The security situation remains stable, but potential hotspots exist. Outbreaks of violence are possible in Western Togoland, where secessionist groups have been pushing for independence since late 2020. However, incidents are isolated and unrest is not expected to spread into neighbouring regions. Security in the Sahel region has deteriorated and the reach of Islamist militant groups is spreading southwards across porous borders to coastal African states. The military is building several forward-operating bases, mainly in northern Ghana, to prevent terrorists from crossing over from Burkina Faso, where Islamist militant attacks are becoming increasingly common. The bases will help to secure Ghana's border regions and offshore oil and gas resources.

Election watch

Ghana | Politics | Forecast | Election watch

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The next parliamentary and presidential elections are due in 2024. Under constitutionally mandated term limits, the incumbent president, Mr Akufo-Addo, cannot run for a third term. The former president, John Mahama, is reportedly considering running again, but we expect the opposition NDC to try to revitalise its prospects with a fresh candidate. Our baseline forecast is that ongoing public dissatisfaction with the slow pace of improvements in governance—such as infrastructure development, job creation and easing of corruption—will trigger anti-incumbency factors and push the electorate to seek a change. The NDC therefore stands a reasonable chance of winning the 2024 elections.

International relations

Ghana | Politics | Forecast | International relations

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Ghana's trade and investment inflows will stay strong in 2022-26. China will remain a leading partner (despite an expected slowdown in its overall economic activity in 2022-26). Ghana will continue to export manganese ore and oil to China, and its machinery imports from China will increase in line with domestic industrialisation efforts. Diplomatic and economic ties with the UK will strengthen in 2022-26. The Ghana-UK Interim Trade Partnership Agreement, which came into effect in September 2021, will pave the way for a more liberalised bilateral trade structure in 2022-26.

The African Continental Free-Trade Area agreement, which aims to reduce tariffs and promote trade across the continent, and to which Ghana is a signatory, came into force in January 2021. However, we expect a limited impact on trade for several years, as most non-tariff barriers will remain in place in the medium term and logistical bottlenecks will impede trade liberalisation. Ghana aims to be a West African trading hub, attracting investment in manufacturing and industry to serve the regional market. However, a weak regional regulatory environment, poor transport links and currently low trade levels beyond commodities will hamper progress.

International economic assumptions

Ghana | Economy | Forecast | International assumptions

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	2021	2022	2023	2024	2025	2026
Economic growth (%)						
US GDP	5.7	3.4	2.1	1.8	1.9	1.7
OECD GDP	5.2	3.5	2.4	2.0	1.9	1.8
World GDP	5.6	3.9	3.1	2.8	2.7	2.6
World trade	9.9	5.5	4.4	3.9	3.6	3.7
Inflation indicators (% unless otherwise indicated)						
US CPI	4.7	5.2	1.9	2.2	2.2	2.2
OECD CPI	3.6	4.6	2.3	2.2	2.3	2.2
Manufactures (measured in US\$)	6.5	1.2	2.2	2.1	2.5	2.1
Oil (Brent; US\$/b)	70.4	82.1	71.3	66.0	59.3	53.5
Non-oil commodities (measured in US\$)	37.6	7.2	-8.1	-12.8	0.0	0.6
Financial variables						
US\$ 3-month commercial paper rate (av; %)	0.1	0.9	2.0	2.5	2.5	2.5
US\$:€ (av)	1.18	1.12	1.13	1.18	1.22	1.24
¥:US\$	109.77	117.41	118.48	118.40	118.05	117.40

Economic forecast summary

Ghana | Economy | Forecast | Forecast summary

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Forecast summary

(% unless otherwise indicated)

	2021 ^a	2022 ^b	2023 ^b	2024 ^b	2025 ^b	2026 ^b
Real GDP growth	5.0 ^c	5.2	4.7	4.0	4.5	5.0
Gross agricultural production growth	10.0 ^c	8.0	7.0	5.7	6.0	6.1
Consumer price inflation (av)	10.0	13.4	10.0	8.7	8.4	8.0
Consumer price inflation (end-period)	12.6	11.0	8.5	8.3	8.0	7.8
Short-term interbank rate	12.4 ^c	13.4	14.8	15.3	16.0	17.1
Government balance (% of GDP)	-9.0 ^c	-6.9	-5.6	-6.0	-4.9	-4.3
Exports of goods fob (US\$ bn)	14.7	16.6	16.1	15.8	16.6	17.1
Imports of goods fob (US\$ bn)	13.6	14.1	14.4	14.7	14.9	15.0
Current-account balance (US\$ bn)	-2.9 ^c	-1.8	-2.5	-3.1	-2.6	-2.6
Current-account balance (% of GDP)	-3.7 ^c	-2.4	-3.3	-4.0	-3.0	-2.7
External debt (year-end; US\$ bn)	32.2 ^c	31.9	32.6	34.0	34.3	35.8
Exchange rate GH¢:US\$ (av)	5.80	7.35	8.31	8.94	9.45	9.88
Exchange rate GH¢:¥100 (av)	5.29	6.26	7.01	7.55	8.00	8.42
Exchange rate GH¢:€ (end-period)	6.80	8.77	9.79	10.91	11.88	12.58
Exchange rate GH¢:SDR (end-period)	8.35	10.81	11.85	12.89	13.84	14.64

^a Actual. ^b EIU forecasts. ^c EIU estimates.

Policy trends

Ghana | Economy | Forecast | Policy trends

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Near-term policy will focus on limiting the fallout from the coronavirus, and supporting growth and industrialisation programmes, all of which will make fiscal consolidation challenging. Focus will

also remain on forging ahead with the national covid-19 vaccination drive, with only 15.3% of the population fully inoculated as at early March. Mass inoculation will not be achieved before mid-2023, owing to a lack of cold-storage facilities and to widespread vaccine hesitancy. The Covid-19 Alleviation and Revitalisation of Enterprises Support (CARES; 2020-23) programme was launched in November 2020 and will guide the near-term policy framework. CARES seeks to boost agricultural output and build a more substantial light-manufacturing (particularly agro-processing) sub-sector, in order to reduce imports and improve food security. As part of CARES, Ghana also aims to become self-sufficient in rice production by 2023. Complete self-sufficiency will take longer to achieve, but we expect food security and import substitution to improve over 2022-26, reflected in a dip in imports as a percentage of GDP, from 29.7% in 2022 to 26.5% in 2026.

CARES draws on the government's long-running Ghana Beyond Aid development strategy, which seeks to transform the economy through industrialisation, infrastructure development, foreign direct investment (FDI) and diversified export growth. In addition, efforts to boost exports and diversify the economy through industrialisation and value-added processing facilities will bolster the construction sector in coming years. In September 2021 Ghana Integrated Aluminium Development Corporation, a state-owned firm, signed a US\$1.2bn partnership agreement with Rocksure International, a Ghanaian mining firm, to construct and develop a bauxite mine (by 2023) and refinery (by 2025) in Ashanti, in central Ghana. The project will spur construction activity, but we expect bauxite refining to begin beyond 2026. We expect FDI inflows to strengthen as a share of GDP over 2022-26, averaging 6.1% of GDP, with investment in manufacturing, services and mining as the government's strategy progresses. Ghana would benefit from a formal IMF programme, given investor concerns about fiscal sustainability, but the government will prioritise policy independence and be reluctant to return to the Fund.

Fiscal policy

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In December 2021 parliament passed the budget (without the controversial e-levy) for 2022, which projects a 44% rise in domestic revenue compared with the 2021 budget, to GH¢100.5bn (US\$16.4bn). The budget continues to prioritise strengthening economic diversification, infrastructure development, fiscal governance and public health. New tax measures, including a 15% increase in fees for government services, will support revenue growth in 2022. A rise in global prices for oil and gold (major exports), exacerbated by disruptions related to the Russia-Ukraine war, will support revenue in that year. Non-oil revenue, including direct taxes, will stay strong in 2022-26. However, in 2023-24 falling global prices for gold (in 2023-24) and oil (in 2023-26) will weigh on output and push down revenue as a percentage of GDP. With the Pecan offshore oilfield expected to come on stream in 2025 and gold prices increasing in 2025-26, we expect revenue to rise again in 2025-26.

In late January 2022 the Ministry of Finance announced that expenditure (which was previously approved at GH¢135.6bn) would be cut by up to 20% in 2022, in a bid to strengthen expenditure-side fiscal consolidation. We expect spending to fall as a proportion of GDP in 2022-23, before rising again in 2024, driven by election-related outlays. Spending will decline again in 2025-26, but

remain high as a percentage of GDP, averaging 21.6% in 2022-26 as ongoing and planned infrastructure (mainly road and rail) development prevents further public spending cuts.

We expect the fiscal deficit to narrow to 6.9% of GDP in 2022, from an estimated 9% of GDP in 2021, then expand again around the elections in 2024. The deficit will shrink to 4.3% of GDP in 2026, reflecting our core forecast that the Fiscal Responsibility Act (FRA, which limited fiscal deficits to 5% of GDP and has been suspended until 2024) will be reimposed once election-related fiscal pressures abate. The government will remain heavily reliant on domestic borrowing in the near term, reflecting tightening external financing conditions. Downside risks to future Eurobond issuances and accessibility stem from rising international bond yields in recent months (reflecting rising investor risk aversion). On the whole, we expect the public debt/GDP ratio to shrink from 83.8% in 2022 to 78.2% at end-2026, in line with the narrowing deficit.

Monetary policy

Ghana | Economy | Forecast | Monetary policy outlook

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The Bank of Ghana (BoG, the central bank) increased the policy interest rate by 100 basis points, to 14.5%, at its November 2021 monetary policy committee meeting, in a bid to curtail rising inflationary pressures. Supply-side price pressures—including high utility and food prices, new taxes, rising global commodity prices and heightened freight charges, alongside supply-chain disruptions due to the Ukraine conflict—are likely to keep inflation (especially fuel costs) elevated in 2022. We expect progressive monetary tightening throughout 2022-26, with the rate increasing to 18% in 2026, in a bid to keep inflation within the target range of 8% (plus or minus 2 percentage points) as the cedi continues to depreciate against the US dollar.

Economic growth

Ghana | Economy | Forecast | Economic growth

March 14th 2022

We estimate that real GDP grew by 5% in 2021, given a strengthening of global and domestic conditions; such growth will have been fairly broad-based. Real GDP growth will rise to 5.2% in 2022; we expect gold production and processing to strengthen in 2022, driven by the recommissioning of the Bibiani gold mine in western Ghana, with first gold pour expected in the second half of 2022. The mine's output capacity is expected to be 190,000 ounces in the first 12 months of operation, with a planned ramp-up beyond that, to 240,000 ounces annually. Output will also be supported by government efforts to curtail illegal mining, which will boost formal sector activity. Oil output will rise marginally in 2022; that the rise in volumes will be only limited, despite spikes in oil prices due to the Russia-Ukraine war, reflects Ghana's limited production capacity.

We expect growth to moderate in 2023-24, to an average of 4.4%, before gradually picking up again, to 4.8% on average in 2025-26. Constrained oil sector growth will keep annual growth below pre-pandemic rates of 6-8%. The government is keen to develop the hydrocarbons sector, but we expect oil production expansion to be limited at existing fields (including Jubilee and Tweneboa Enyenra Ntomme), and development work at new sites will be slow. We expect a final investment decision

(FID) on Pecan, an offshore oilfield (managed by Aker Energy, a Norwegian firm), to be reached by end-2022, but production is unlikely until 2025. Oil production volumes are therefore expected to remain below 2019 levels in 2022-24, then rise briskly from end-2025, assuming that Pecan comes on stream. Output from the gold sector will increase further from 2023 as the Ahafo North mine begins production. Manganese output will dip in 2023-34, then rise again in 2025-26, mirroring movements in global demand.

The CARES initiative will buttress agricultural sector growth during 2022-26 by supporting increases in cocoa output and agro-processing. The sector will register growth, benefiting from government investment to improve cocoa yields and from moves towards self-sufficiency for staples such as rice. This will be reflected in a rise in agriculture as a percentage of GDP, from an estimated 22.2% in 2021 to 24.3% in 2026. The construction sector will also strengthen as new infrastructure projects, including a US\$1.2bn scheme to develop a bauxite mine and refinery during the forecast period, commence. The services sector will strengthen, with tourism slowly accelerating in the second half of the forecast period as pandemic-related threats subside.

Economic growth

%	2021 ^a	2022 ^b	2023 ^b	2024 ^b	2025 ^b	2026 ^b
GDP	5.0	5.2	4.7	4.0	4.5	5.0
Private consumption	3.4	4.7	5.2	4.1	3.8	3.9
Government consumption	8.0	4.0	2.8	7.2	4.2	1.0
Gross fixed investment	4.9	5.7	6.2	6.3	6.6	7.0
Exports of goods & services	13.5	9.0	2.6	3.1	5.0	5.5
Imports of goods & services	4.2	9.0	2.3	2.0	1.0	1.1
Domestic demand	5.4	5.1	4.6	3.7	3.3	3.7
Agriculture	10.0	8.0	7.0	5.7	6.0	6.1
Industry	5.5	6.0	4.8	3.4	4.6	5.5
Services	2.0	2.9	3.2	3.5	3.6	3.9

^a EIU estimates. ^b EIU forecasts.

Inflation

Ghana | Economy | Forecast | Inflation

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We expect the headline inflation rate to remain high (averaging about 15%) throughout early 2022, driven by supply-side price pressures, including rising global oil and food prices—exacerbated by logistical bottlenecks related to the Russia-Ukraine war—and high utility and transport costs. Average inflation will rise from 10% in 2021 to 13.4% in 2022 as prices for global commodities continue to increase, domestic demand starts to pick up further and the currency depreciates sharply. Inflation is forecast to average 8.8% a year in 2023-26, falling towards the lower end of the

BoG's target range (of 8% with a symmetric band of 2%). This will reflect monetary tightening and weakening supply-side price pressures as the forecast period progresses, in part offset by ongoing local-currency depreciation.

Exchange rates

Ghana | Economy | Forecast | Exchange rates

March 14th 2022

The cedi weakened sharply in the first two months of 2022, reflecting increased demand for hard currency due to a strengthening in Ghana's (structurally import-dependent) business activity and to profit repatriation by Ghana-based multinationals (which is largely carried out during the first quarter of the calendar year). In a bid to stabilise the cedi, the BoG announced foreign-exchange interventions, with US\$450m to be released via foreign-exchange forward auctions in the first quarter of 2022; US\$300m had been released as at early March. Regardless, strengthening growth will continue to reinforce import dependency, causing the cedi to depreciate on average over 2022. Pressure from the widening of sovereign bond spreads and consequently from investor sell-offs will also exert negative spillover effect on the domestic foreign-exchange market. The cedi is expected to depreciate sharply from GH¢6.00:US\$1 at end-2021 to GH¢7.87:US\$1 at end-2022. We expect further gradual depreciation over the remainder of the forecast period, to GH¢10.06:US\$1 at end-2026, due to Ghana's sustained current-account deficit.

External sector

Ghana | Economy | Forecast | External sector

March 14th 2022

Export revenue from Ghana's major commodities (gold, oil and cocoa) will rise in 2022, in line with soaring prices of major exports (oil and gold), widening the trade surplus sharply in 2022. The surplus will narrow (but remain comparatively wide) in 2023 and in 2024, in line with a gradual decline in prices for gold (2023-24) and oil (2023-26). The trade balance will widen again in 2025-26 as an expected uptick in oil output in 2025-26 offsets falling global prices, and as global gold and cocoa demand strengthens.

The services account will remain in deficit over 2022-26, owing to expenditure on technical services for hydrocarbons projects, but this deficit will decline as a share of GDP (if only gradually) as demand for tourism slowly rises. The primary income deficit will widen in 2022-23, reflecting a pick-up in profit repatriation. It will then narrow in 2024-25, before widening again in 2026 in line with rising repatriation by oil and mining companies as new projects come on stream. The secondary income account will continue to post large surpluses, buoyed by inflows of workers' remittances.

Overall, we expect the current-account deficit to narrow to 2.4% of GDP in 2022 (from an estimated 3.7% of GDP in 2021), before expanding to 4% of GDP in 2024. It will then shrink to 2.7% of GDP in 2026 as export revenue grows and the services deficit continues to narrow. The deficit will be financed through external borrowing and rising FDI flows.

Annual data and forecast

Ghana | Economy | Charts and tables | Annual data and forecast

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	2017 ^a	2018 ^a	2019 ^a	2020 ^a	2021 ^b	2022 ^c	2023 ^c
GDP							
Nominal GDP (US\$ m)	60,438	67,304	68,372	68,550	78,433	73,122	73,911
Nominal GDP (GH¢ m)	262,798	308,587	356,544	383,486	455,128	537,322	614,296
Real GDP growth (%)	8.1	6.2	6.5	0.4	5.0	5.2	4.7
Expenditure on GDP (% real change)							
Private consumption	4.1	3.8	13.9	1.3	3.4	4.7	5.2
Government consumption	-10.8	1.8	5.4	10.1	8.0	4.0	2.8
Gross fixed investment	1.0	13.2	-10.0	1.8	4.9	5.7	6.2
Exports of goods & services	23.8	6.6	12.7	-12.8 ^b	13.5	9.0	2.6
Imports of goods & services	7.7	5.0	15.9	-8.8 ^b	4.2	9.0	2.3
Origin of GDP (% real change)							
Agriculture	6.2	4.9	4.7	7.4	10.0	8.0	7.0
Industry	15.6	10.5	6.4	-3.6	5.5	6.0	4.8
Services	3.4	2.8	7.6	1.5	2.0	2.9	3.2
Population and income							
Population (m)	29.1	29.8	30.4	31.1	31.7	32.4	33.1
GDP per head (US\$ at PPP)	5,116	5,442	5,774	5,745	6,092	6,542	6,874
Fiscal indicators (% of GDP)							
Central government budget revenue	15.8	15.4	15.0	14.4	15.5	16.3	15.9
Central government budget expenditure	20.5	19.1	19.2	25.3 ^b	24.5	23.2	21.6
Central government budget balance	-4.7	-3.7	-4.3	-10.9 ^b	-9.0	-6.9	-5.6
Public debt	55.9	57.9	63.2	77.4 ^b	79.2	83.8	82.7
Prices and financial indicators							
Exchange rate GH¢:US\$ (av)	4.35	4.58	5.21	5.59	5.80 ^a	7.35	8.31
Exchange rate GH¢:€ (av)	4.91	5.42	5.84	6.38	6.87 ^a	8.21	9.37
Consumer prices (end-period; % change)	11.8	8.1	7.9	10.5	12.6 ^a	11.0	8.5

Stock of money M1 (% change)	14.0	13.0 ^b	13.5 ^b	14.0 ^b	13.0	12.0	11.0
Stock of money M2 (% change)	16.7	15.4	21.7	29.7	12.5	13.0	12.0
Current account (US\$ m)							
Trade balance	1,188	1,809	2,257	2,043	1,108 ^a	2,520	1,653
Goods: exports fob	13,835	14,943	15,668	14,472	14,736 ^a	16,630	16,088
Goods: imports fob	-12,647	-13,134	-13,411	-12,429	-13,629 ^a	-14,110	-14,435
Services balance	-2,873	-2,515	-3,573	-4,511	-3,946	-4,245	-4,184
Primary income balance	-2,741	-3,922	-3,952	-3,399	-3,850	-3,803	-3,950
Secondary income balance	2,425	2,583	3,404	3,732	3,769	3,755	4,017
Current-account balance	-2,002	-2,044	-1,864	-2,135	-2,918	-1,773	-2,463
External debt (US\$ m)							
Debt stock	21,234	22,060	24,617	27,715	32,150	31,863	32,566
Debt service paid	2,086	2,780	2,630	2,747	3,319	2,999	2,772
Principal repayments	1,280	1,965	1,582	1,716	2,249	2,028	1,804
Interest	806	815	1,049	1,032	1,070	971	969
International reserves (US\$ m)							
Total international reserves	6,919	6,188	7,437	7,652	10,524	10,833	11,845

^a Actual. ^b EIU estimates. ^c EIU forecasts.

Sources: IMF, International Financial Statistics; Bank of Ghana.

Quarterly data

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Five year forecast : Ghana
April 13th 2022

	2020				2021			
	1 Qtr	2 Qtr	3 Qtr	4 Qtr	1 Qtr	2 Qtr	3 Qtr	4 Qtr
Prices								
Consumer prices (2012=100)	112.3	118.5	120.2	120.8	123.8	127.9	131.9	135.2
Consumer prices (% change, year on year)	7.8	11.0	10.7	10.1	10.2	7.9	9.7	12.0
Financial indicators								
Exchange rate GH¢:US\$ (av)	5.40	5.59	5.68	5.71	5.75	5.74	5.82	5.91
Exchange rate GH¢:US\$ (end-period)	5.44	5.66	5.70	5.76	5.73	5.76	5.86	6.00
Deposit rate (av; %)	11.5	11.5	11.5	11.5	11.5	11.5	11.5	11.5
Discount rate (end-period; %)	14.5	14.5	14.5	14.5	14.5	13.5	13.5	14.5
Treasury-bill rate (av; %)	15.7	13.9	13.6	13.6	13.6	13.3	12.6	12.7
M2 (end-period; GH¢ bn)	92,905	100,499	109,134	120,522	119,445	121,891	124,632	135,587
M2 (% change, year on year)	13.5	20.3	27.1	29.7	28.6	21.3	14.2	12.5
GSE all-share index (end-period; Dec 31st 2010=1000)	2,160	1,900	1,857	1,942	2,213	2,644	2,855	2,789
Sectoral trends								
Gold price, London (US\$/troy oz)	1,583.2	1,710.4	1,912.4	1,875.0	1,797.8	1,815.0	1,789.4	1,796.3
Cocoa beans price, New York & London (US\$/tonne)	2,552.6	2,271.6	2,302.8	2,352.5	2,419.4	2,382.5	2,456.5	2,447.8
Foreign reserves (US\$ m)								
Reserves excl gold (end-period)	8,627	8,105	7,417	7,353	7,028	9,824	10,417	n/a

Sources: IMF, International Financial Statistics; Bank of Ghana, Quarterly Economic Bulletin, Statistical Bulletin; Ghana Stock Exchange.

Monthly data

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Exchange rate GH¢:US\$ (av)												
2019	4.892	5.014	5.177	5.084	5.106	5.238	5.253	5.268	5.304	5.321	5.386	5.535
2020	5.525	5.320	5.354	5.512	5.608	5.640	5.670	5.679	5.694	5.703	5.709	5.718
2021	5.758	5.755	5.725	5.728	5.730	5.750	5.782	5.824	5.856	5.879	5.904	5.944
Exchange rate GH¢:US\$ (end-period)												
2019	4.948	5.173	5.081	5.086	5.199	5.256	5.254	5.279	5.313	5.335	5.523	5.531

2020 5.465 5.292 5.440 5.598 5.618 5.665 5.675 5.682 5.700 5.707 5.711 5.757
2021 5.758 5.735 5.726 5.729 5.744 5.760 5.798 5.849 5.863 5.898 5.914 6.003

Real effective exchange rate (1997=100; CPI-based)

2019 74.13 72.60 70.51 71.73 72.86 71.24 71.17 72.85 72.99 72.62 71.76 69.68
2020 69.57 73.70 74.56 75.63 75.52 74.11 73.53 72.33 72.23 72.06 71.60 70.81
2021 69.76 70.37 71.66 71.84 71.35 71.65 73.32 73.41 73.75 74.15 75.03 75.92

M2 (% change, year on year)

2019 19.5 22.4 21.6 18.5 18.8 22.1 14.8 11.8 16.3 16.3 18.2 21.7
2020 17.0 14.5 13.5 16.7 20.4 20.3 23.9 24.8 27.1 30.0 29.9 29.7
2021 28.4 29.1 28.6 25.8 22.2 21.3 20.8 20.2 14.2 14.5 12.9 12.5

Deposit rate (av; %)

2019 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5
2020 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5
2021 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5 11.5

3-month money market rate (end-period; %)

2019 16.1 15.6 15.2 15.2 15.2 15.2 15.2 15.2 15.2 15.2 15.2 15.2
2020 15.4 15.9 15.7 14.0 13.9 13.8 13.7 13.6 13.6 13.6 13.6 13.6
2021 13.6 13.6 13.6 13.6 13.6 12.9 12.7 12.6 12.6 12.7 12.6 12.7

Gold price, London (US\$/troy oz)

2019 1,292 1,320 1,301 1,286 1,284 1,359 1,413 1,500 1,511 1,495 1,471 1,479
2020 1,561 1,597 1,592 1,683 1,716 1,732 1,847 1,969 1,922 1,900 1,866 1,858
2021 1,867 1,808 1,718 1,760 1,850 1,835 1,808 1,785 1,775 1,777 1,822 1,790

Cocoa beans price, New York & London (US\$/tonne)

2019 2,263 2,256 2,201 2,331 2,315 2,408 2,417 2,195 2,305 2,435 2,520 2,445
2020 2,603 2,716 2,339 2,270 2,316 2,229 2,102 2,349 2,458 2,292 2,358 2,407
2021 2,391 2,405 2,461 2,368 2,413 2,366 2,327 2,484 2,558 2,568 2,393 2,382

Foreign-exchange reserves excl gold (US\$ m)

2019 5,435 5,239 8,782 8,137 7,717 7,351 7,038 7,124 6,812 6,897 6,609 7,135
2020 7,074 7,818 8,627 9,222 8,733 8,105 7,741 7,361 7,417 7,556 7,120 7,353
2021 7,579 7,473 7,028 9,668 10,140 9,824 9,489 11,217 10,417 10,473 n/a n/a

Sources: IMF, International Financial Statistics; Haver Analytics.

Annual trends charts

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Monthly trends charts

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Comparative economic indicators

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Political structure

Ghana | Summary | Political structure

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Official name

Republic of Ghana

Form of state

Unitary republic

Legal system

A new constitution, based on the US model, was approved by referendum in April 1992

National legislature

Parliament; 275 members elected by universal suffrage every four years

National elections

December 2020 (presidential and parliamentary); next elections in December 2024

Head of state

President, elected by universal suffrage for a maximum of two four-year terms; Nana Akufo-Addo won the December 2020 presidential election

National government

Cabinet appointed by the president, but subject to parliamentary approval

Main political parties

The ruling New Patriotic Party; the National Democratic Congress, the main opposition party; other parties include the Progressive People's Party, the People's National Convention, the Convention People's Party and the National Democratic Party, but none of these smaller parties currently has parliamentary representation

Key ministers

President: Nana Akufo-Addo

Vice-president: Mahamudu Bawumia

Attorney-general: Godfred Dame

Communications & digitalisation: Ursula Owusu-Ekufu

Defence: Dominic Nitiwul

Education: Yaw Osei Adutwum

Employment & labour relations: Ignatius Baffour Awuah

Energy: Matthew Opoku Prempeh

Environment, science & technology: Kwaku Afriyie

Finance: Ken Ofori-Atta (designate)

Food & agriculture: Owusu Afriyie Akoto

Foreign affairs & regional integration: Shirley Ayorkor Botchwey

Health: Kwaku Agyemang-Manu

Interior: Ambrose Dery

Lands & natural resources: Samuel Abu Jinapor

Local government: Daniel Kwaku Botwe

Railway development: John Peter Amewu

Roads & highways: Kwesi Amoako-Attah

Sanitation & water resources: Cecilia Dapaah

Trade & industry: Alan Kyerematen

Transport & aviation: Kwaku Ofori Asiamah

Works & housing: Francis Asenso-Boakyie

Central bank governor

Ernest Addison

Basic information

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Land area

238,537 sq km

Population

31.7m (2021, IMF)

Main towns

Population in '000 (2020, World Gazetteer estimates)

Accra (capital): 1,963

Kumasi: 1,468

Tamale: 361

Takoradi: 233

Atsiaman: 203

Tema: 156

Teshi Old Town: 144

Cape Coast: 143

Sekondi-Takoradi: 139

Climate

Tropical

Weather in Accra (altitude 27 metres)

Hottest months, March, April, 23-35°C; coldest month, August, 22-27°C; driest month, January, 15 mm average rainfall; wettest month, June, 178 mm average rainfall

Languages

English (official), Twi, Ewe, Fante, Ga, Hausa

Measures

Metric system

Currency

Cedi (GH¢) = 100 pesewas. Average exchange rate in 2021: GH¢5.80:US\$1

Time

GMT

Public holidays

New Year's Day (January 1st); Independence Day (March 7th); Good Friday (April 15th); Easter Monday (April 18th); May Day (May 2nd); Republic Day (July 1st); Farmers' Day (December 2nd); December 25th-26th

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