2025 BUDGET SPEECH

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MINISTER FOR FINANCE

Ministry of Finance

11th March, 2025

BUDGET SPEECH

SECTION ONE: INTRODUCTION

1. Right Honourable Speaker, on the authority of His Excellency the President, John Dramani Mahama and pursuant to Articles 179 and 180 of the 1992 Constitution of the Republic of Ghana, and sections 21 and 23 of the Public Financial Management Act, 2016 (Act 921), I respectfully present to this august House the Budget Statement and Economic Policy of Government for the 2025 Financial Year.

2. Today marks a moment of great significance and I have the singular honour to stand before this House to present, on behalf of His Excellency President John Dramani Mahama, following his extraordinary mandate, the maiden budget of his new administration.

3. I am deeply grateful to His Excellency the President for entrusting me with this responsibility.

4. Mr. Speaker, I beg to move that this House approves the Financial Policy of Government for the year ending 31st December 2025.

5. Respectfully, I also submit to this august House the following statutory reports as required by law:

   i the 2024 Annual Report on the Petroleum Funds, in line with Section 48 of the Petroleum Revenue Management Act, 2011 (Act 815), as amended;

   ii the 2024 Energy Sector Levies Report, in accordance with Section 6 of the Energy Sector Levies Act, 2015 (Act 899); and

   iii the 2024 Annual Report on collection and utilisation of African Import Union Levy in line with Section 7 of the African Union Import Levy Act, 2017 (Act 952).

6. Mr. Speaker, with this Budget, I will also be seeking a review of the following Acts to support the policies of government aimed at stabilizing the economy and promoting inclusive growth:

   i Petroleum Revenue Management Act, 2011 (Act 815);

   ii Ghana Infrastructure Investment Fund Act, 2014, (Act 877);

   iii Minerals Income Investment Fund Act, 2018 (Act 978);

iv Energy Sector Levies Act, 2015, (Act 899);

v Ghana Cocoa Board Act, 1984, PNDCL 81 (and its amendment);

vi Earmark Funds Capping and Realignment Act, 2017 (Act 947);

vii Public Procurement Authority Act, 2003 (Act 663) as amended with Act 914;

viii Ghana Education Trust Fund (GETFund) Act, 2000 (Act 581);

ix Fiscal Responsibility Act, 2018 (Act 982) and incorporate into a comprehensive Public Financial Management Act; and

x Revenue Administration Act, 2016 (Act 915).

7. Mr. Speaker, we remain committed to the pursuit of our 24-Hour Economy policy aimed at stimulating economic growth and job creation. This policy will contribute to addressing Ghana's structural economic challenges by creating an integrated, efficient and increasingly export-driven industrial economy that fully utilises our national resources, capital and labour power.

8. We will be presenting the 24-Hour Economy policy to Parliament in due course. In this respect, the Labour Act, the Ghana Investment Promotion Centre Act and other enabling legislations will be reviewed.

9. Mr. Speaker, as part of efforts to stabilise the Cedi through foreign exchange and gold reserve accumulation, I will also submit a Bill to provide a legal framework for the establishment of the Ghana Gold Board for the consideration of this Honourable House.

10. Mr. Speaker, this Budget Speech is an abridged version of the 2025 Budget Statement and Economic Policy of Government.

11. I respectfully request the Hansard Department to capture the entire Budget Statement and Economic Policy of Government for the year ending 31st December 2025.

12. Mr. Speaker, standing here evokes a sense of nostalgia as I reflect on my journey in public service. From my early days as a young parliamentarian in 2009, destiny has guided my path—from a backbencher and a member of the Finance Committee, to Deputy Minister for Finance, to Ranking Member of the Finance Committee, to Minority Leader, to Majority Leader and now, Minister responsible for Finance.

13. The invaluable experience I gained in this chamber has shaped my perspective, sharpened my focus, and prepared me for the task at hand. I fully commit to supporting the President to fix the economy.

14. I take this opportunity to extend my profound gratitude to the people of Ajumako Enyan Essiam, and to Mr. Speaker and members of this House, for your unwavering support throughout the years.

15. Mr. Speaker, this esteemed House is a sanctuary of rigorous debate, principled cooperation, and at times, constructive disagreement—all in the pursuit of the greater good of our beloved country.

16. I look forward to working with you, the Right Honourable Speaker, and my colleagues on both sides of the aisle, to reset Ghana's economy through sound policy and structural reforms that will propel our nation forward.

17. Mr. Speaker, there comes a time in a nation's history when fundamental challenges must be confronted, difficult choices must be made, and a new course must be set for the future.

18. For Ghana, that defining moment is now!

19. President John Dramani Mahama made a commitment

to reset Ghana for jobs, accountability and prosperity for all, as captured in the NDC Manifesto. In this regard, the theme for this budget is **"Resetting the Economy for the Ghana we Want".**

20. Mr. Speaker, the democratic ideals we tirelessly fought for, are being hailed. Our democracy has been consolidated with yet another peaceful transition of power.

21. That notwithstanding, our youth face an uncertain future with growing unemployment and hopelessness. This suggests that the dividends of democracy, such as economic prosperity and social justice, remain elusive.

22. Mr. Speaker, the choices before us are clear: we can either continue on a path of self-destruction by not confronting the problems or we can embark on a journey of fundamental reforms and transformation—one that resets our economic model, redefines our priorities, honours our social contract and provides opportunities for all.

23. Mr. Speaker, President Mahama has chosen the path of reforms and transformation. He will fix the economy. He will restore hope. And lead us to build the Ghana we want together.

24. This budget was preceded by the National Economic Dialogue on the theme "Resetting Ghana – Building the Economy We Want Together" on 3rd and 4th March, 2025. Through this consensus-building dialogue, the people demanded decisive action and real solutions to the severe challenges that plaque us.

25. Mr. Speaker, the 2025 budget is the culmination of the true aspirations, felt needs and genuine desires of the people of Ghana, expressed through engagements with diverse stakeholders.

26. As part of our broad consultations ahead of the budget, we recently engaged traders at major trading centers, including the Makola Market, to listen to their concerns, gauge their expectations and elicit their inputs.

27. Mr. Speaker, the extensive consultations revealed that the overriding concern among Ghanaian traders and the business community, remains price and exchange rate instability.

28. Apart from eroding their working capital, exchange rate volatilities make effective business planning impossible and increase the cost of doing business.

29. This budget outlines far-reaching measures which will be implemented in close collaboration with the Bank

of Ghana, to effectively and efficiently manage the exchange rate and inflation.

30. Mr. Speaker, we also engaged the youth of Ghana in a dialogue on new media as part of our pre-budget consultations.

31. Mr. Speaker, during my engagement with the youth it was revealed that 321 pharmacists who were employed since June 2023 have not received their salaries. We will take urgent steps to remedy this situation.

32. This conversation was an eye-opening experience – one that strengthened my belief that the voices of the youth matter in designing policies that directly or indirectly impact their lives and future.

33. Mr. Speaker, in 2016, I came to this Chamber, on behalf of the then Minister for Finance, Honourable Seth Terkper, and led the passage of the Public Financial Management Act (2016) Act 921 to deploy a robust Public Financial Management (PFM) System.

34. Even though Ghana's Public Financial Management Act remains one of the best in the world, its poor implementation has rendered our Public Financial Management system weak, allowing for abuse and costly infractions.

35. Mr. Speaker, President Mahama's Government is committed to the full implementation of this critical legislation.

36. Accordingly, we will enforce the sanctions regime, link contracting and public procurement to budgetary provisions in the Medium-Term Expenditure Framework and seek parliamentary approval for all multi-year commitments as required by law.

37. We will comply with procurement processes and link them to approved Budgets. We will also respect the limits of the appropriation approved by this august House.

38. We will rationalise the management of compensation of employees, including conducting headcounts.

39. Mr. Speaker, I now turn my attention to:

    i. the state of the Ghanaian economy in 2024;

    ii. macroeconomic policies, targets, and measures for 2025 and the medium-term;

    iii. policy initiatives and budget allocations; and

    iv. sectoral performance and outlook.

SECTION TWO: THE STATE OF THE GHANAIAN ECONOMY IN 2024

40. Mr. Speaker, at this point let me now focus on the state Ghanaian economy.

41. Mr. Speaker, we inherited an economy in deep crisis, hard hit with debt and beset by other fiscal challenges such as large accumulation of MDA arrears/payables, energy sector financing shortfalls, and large fiscal risks from the cocoa and financial sectors.

42. Weak commitment control systems and reckless public spending have reversed the progress made in fiscal consolidation even under the IMF-supported Programme which commenced in 2023.

Status of IMF-supported Programme

43. Mr. Speaker, notwithstanding the gains made under the IMF-supported Programme, that was achieved through the painful sacrifice of domestic bondholders, external creditors and taxpayers, the economy remains in distress.

44. Mr. Speaker, key performance indicators to be assessed by the IMF staff in the upcoming 4th review of the Programme scheduled for April 2025 such as the primary balance (commitment), inflation, and social protection spending for end-December 2024, are likely missed.

45. In addition, all structural benchmarks due by end-December 2024 are likely missed.

46. Mr. Speaker, inflation worsened in 2024 from 23.2% in 2023 to 23.8% in 2024.

47. The 2024 end-period inflation also exceeded the budget target of 15% by 8.8 percentage points and the IMF central target of 18% by 5.8 percentage points. This has triggered a discussion with the IMF under the Monetary Policy Consultation Clause.

48. Mr. Speaker, the primary balance on commitment basis worsened from a deficit of 0.2% of GDP in 2023 to a deficit of 3.9% in 2024.

49. Mr. Speaker, the primary balance on commitment basis target for 2024 was a surplus of 0.5% of GDP. Sadly, the previous government recorded a deficit of 3.9% of GDP. This represents a slippage of a whopping 4.4 percentage points.

Update on Arrears/Payable Accumulation

50. Mr. Speaker, at the end of December 2024, total central government arrears/payables amounted to GH¢67.5 billion, representing 5.2% of GDP. with the road sector alone accounting for GH¢21 billion.

51. Mr. Speaker, when I assumed office on 23rd January 2025, my office was inundated with requests for payment from many government contractors and suppliers.

52. To ascertain the total arrears/payables (outstanding claims) for all MDAs, the Ministry of Finance formally requested the MDAs on 28th January 2025 to submit information on all arrears/payables (outstanding claims) as at end-2024.

53. Subsequent to this, the Ministry of Finance held special hearings with the MDAs to validate the arrears/payables submitted.

54. The responses from the MDAs and the validation revealed that a staggering amount of GH¢67.5 billion is owed to government contractors and suppliers.

55. This consists of MDA outstanding Interim Payment Certificates and invoices of GH¢49.2 billion and outstanding Bank Transfer Advice of GH¢18.3 billion

at the Controller and Accountant-General's Department.

56. Mr. Speaker, this total central government arrears/payables excludes the following:

    i. US$1.73 billion owed to Independent Power Producers (IPPs);

    ii. GH¢68 billion owed by the Electricity Company of Ghana (ECG);

    iii. GH¢32 billion owed by the Ghana Cocoa Board (COCOBOD); and

    iv. GH¢5.75 billion owed by Road Fund.

57. Mr. Speaker, the Bank of Ghana is also asking for a bailout of about GH¢53 billion to address their negative equity position.

58. Mr. Speaker, as part of measures to address these mounting accumulated arrears/payables, we have commissioned an audit of these arrears/payables and guarantee value for money before payment.

59. Mr. Speaker, in addition to the GH¢67.5 billion in arrears/payables, the validation process also revealed that MDAs have committed government through contract awards in excess of GH¢194 billion,

about 16.5% of GDP as at end-2024, with the road sector alone accounting for over GH¢100 billion.

60. Mr. Speaker, most of these contracts were awarded without commencement certificates and authorization, and without budgetary provision, a blatant violation of the Public Financial Management Act, 2016 (Act 921).

Update on Debt Service Obligations

61. Mr. Speaker, apart from the huge arrears and commitments, our fiscal situation is further complicated by huge bullet debt service and constrained financing options.

62. Currently, the Government's options to financing the budget is limited to only the treasury bill market following the debt restructuring programme.

63. Moreover, the forthcoming debt service of both Domestic and Eurobond debt obligations will have profound implications for fiscal sustainability and balance of payments.

64. Mr. Speaker, the Domestic Debt Exchange Programme has resulted in huge domestic debt service payments. Over the next four years, the country is expected to pay about GH¢150.3 billion,

representing 11.6% of GDP in domestic debt service obligation alone, of which 73.3% due in 2027 (GH¢57.6 billion) and 2028 (GH¢52.5 billion).

65. The debt service obligations of 2027 and 2028 are major humps. These humps are cancerous and pose significant risk to the economy but we shall fix it!

66. Our debt service obligation for this financial year is equally burdensome with significant humps in February (GH¢9.9 billion), July (GH¢6.2 billion) and August (GH¢10.1 billion).

67. Mr. Speaker, the fiscal challenges are further compounded by the significant short-term treasury bill maturities that we have inherited.

68. These obligations, totaling about GH¢111.1 billion, require rollover on a weekly basis, placing additional pressure on cash flow and liquidity requirements.

69. Mr. Speaker, beyond domestic maturities, Ghana faces significant external debt service obligations over the next four years totaling US$8.7 billion, representing 10.9% of GDP., with heavy concentration in 2027 and 2028.

70. Again, 55% of the total external debt service of US$8.7 billion is due to be serviced in 2027 (US$2.5 billion) and 2028 (US$2.4 billion).

71. It seems the debt restructuring undertaken by the previous administration was designed to be 2027/2028-heavy.

72. Mr. Speaker, in spite of all these upcoming domestic and external debt service obligations, no buffers were built to cushion these unprecedented debt service burdens.

73. Mr. Speaker, as at 7th January 2025, the debt service reserve dollar account (Sinking Fund) had a balance of about US$64,000 against US$319 million in 2016 and the debt service reserve Cedi account had GH¢143 million against GH¢430 million in 2016.

Stalled Projects under Bilateral Loans

74. Mr. Speaker, due to the bilateral creditor debt restructuring undertaken by the previous administration, a staggering number of 55 projects have come to a halt.

75. This leaves a massive amount of about US$3 billion in undisbursed loans and about US$300 million in outstanding interim payment certificates (IPCs).

76. Some of these projects are Effia Nkwanta Regional Hospital, Kejetia Market Phase 2, Bolgatanga-Bawku-Pulimakom road project and Tema-Aflao road project.

77. Delayed payments and demobilization from site could result in cost over-runs of about US$1.1 billion.

78. Mr. Speaker, the IMF-supported Programme imposes an annual disbursement ceiling of US$250 million for official bilateral loans. This constraint means that it will take a minimum of 12 years from the re-commencement of disbursements to complete these 55 stalled projects.

79. We will be engaging, in the coming days, to resolve this.

Energy Sector Fiscal Risks

80. Mr. Speaker, the increasing energy sector financing shortfalls is posing significant fiscal risks to the country's finances.

81. In 2024, the MoF supported the energy sector with payments of about GH¢20.8 billion. These resources could have been used for job creation and other development programmes like roads, schools, and hospitals if the sector inefficiencies were resolved.

82. Mr. Speaker, a recent exercise conducted by the energy sector financing modelling team under the Energy Sector Recovery Programme (ESRP) revealed that the Business as Usual (BAU) energy sector financing shortfall has increased significantly to about GH¢35 billion for 2025, even after the rather large spending for the sector's shortfall in 2024.

83. Mr. Speaker, more importantly, the shortfall for the period 2023-2026 has been estimated at about GH¢140 billion. This is over 20 times more than the allocation for Goods and Services for all MDAs for 2025.

84. Mr. Speaker, in addition to the energy sector shortfall which relates to current invoices, there are large unpaid legacy arrears due the Independent Power Producers (IPPs). The legacy arrears which stood at US$1.73 billion at the end of 2024.

Cocoa Sector Fiscal Risks

85. Mr. Speaker, the cocoa sector which has long been the backbone of the Ghanaian economy is sadly on its knees owing to gross mismanagement in the last few years and is now unable to support the economy as it should despite record-high world market prices.

86. The sector faces declining output and financing challenges characterized by unsustainable debt, roll-over contracts and quasi-fiscal expenditures including cocoa roads, a non-core function.

87. Mr. Speaker, cocoa production has dropped by nearly 50% over the past three years. In the 2023/2024 crop season, COCOBOD was unable to supply 330,000 tonnes of cocoa to meet its full contractual obligation. This under-supply has been rolled over for subsequent supply by the new administration.

88. Mr. Speaker, these 2023/24 forward sales contracts locked-in at lower prices than current market rates, have resulted in revenue losses of US$840 million for both COCOBOD and impoverished the Ghanaian farmer.

89. Mr. Speaker, the rolled-over contracts will result in additional losses of US$495 million this year. This implies that for every tonne of cocoa delivered this

year in fulfilment of the rolled-over contracts, COCOBOD and the Ghanaian farmer will lose US$4,000 in revenue.

90. There are also risks in relation to market price differentials and smuggling. The large gap between market prices and farmer payments encourages smuggling and threatens long-term sustainability of the industry.

91. Mr. Speaker, COCOBOD's outstanding debt amounts to GH¢32 billion, of which GH¢11.92 billion is due to be paid in 2025.

92. Outstanding cocoa road contracts reached GH¢21 billion (US$1.3 billion) in 2024, of which only GH¢4.4 billion has been accounted for in COCOBOD financial statements.

Financial Sector Risks

93. Mr. Speaker, the financial sector still struggles even after spending GH¢30.3 billion in the financial sector clean-up exercise by the end of 2024. This includes GH¢26.9 billion spending for the banks, Savings & Loans companies, Financial Houses, Micro-Finance Institutions, and Asset Management companies.

94. Mr. Speaker, the sector requires GH¢10.45 billion to address the remaining financial sector legacy issues and emerging risks.

95. In addition, an amount of GH¢2.2 billion is required to fully capitalise NIB and ADB.

2024 Fiscal Performance

96. Mr. Speaker, I will now update the House on fiscal performance for the 2024 financial year.

97. Mr. Speaker, the fiscal performance in 2024 was characterized by improved revenue collection but with significant expenditure overruns. In addition, large arrears/payables were accumulated.

98. In summary, Mr. Speaker, provisional data show that:

    i the **primary balance on commitment basis**, the key fiscal anchor, worsened from a deficit of 0.2% of GDP at the end of 2023 to a deficit of 3.9% of GDP at the end of 2024, that is 4.4 percentage points worse than the target surplus of 0.5% of GDP;

    ii **on cash basis, the primary balance** was a deficit of 1.2% of GDP against a target deficit of 0.6%;

iii the **overall fiscal balance on commitment basis** for 2024 was a deficit of 7.9% of GDP against a target deficit of 4.2% whilst the Overall Fiscal Balance on cash basis was a deficit of 5.2% of GDP against a target of 5.3%;

iv **total revenue and grants** amounted to GH¢186.6 billion or 15.9% of GDP, 5.3 percent above the revised target of GH¢177.2 billion or 17.4% of GDP. The performance was mainly driven by the higher-than-programmed **Oil and Gas** receipts and higher non-oil tax revenue;

v **total expenditure** on **commitment basis**, including discrepancy amounted to GH¢279.2 billion or 23.7% of GDP. This is 27.1 percent above the budgetary provision of GH¢219.7 billion or 21.5% of GDP;

vi **Primary Expenditure** on **commitment basis**, including discrepancy amounted to GH¢232.4 billion or 19.8% of GDP. This is 35.3 percent above the target of GH¢171.7 billion or 16.8 percent of GDP;

vii all expenditure lines exceeded their respective targets for the period except for Interest Payments, Goods and Services and Other

Expenditure; and

viii the **discrepancy** for 2024, being unclassified expenditure, was GH¢3.8 billion as compared to a discrepancy of GH¢12.9 billion in 2023.

Public Debt Stock

99. Mr. Speaker, as at end December 2024, provisional data indicate that gross central government and guaranteed debt was GH¢726. 7 billion from GH¢610.0 billion in 2023. This represents 61.8 percent of GDP in 2024 compared to 68.7 percent of GDP in 2023.

100. Mr. Speaker, the reduction in debt-to-GDP ratio and the dollar component of our debt stock is as a result of the 37% haircut on the principal of the Eurobond debt under the debt restructuring programme.

Ghana's Debt Restructuring Update

101. Mr. Speaker, you may recall that the government commenced the debt restructuring programme in 2022 to restore debt sustainability and economic stability.

102. Mr. Speaker, as of now, the restructuring process is approximately 93 percent completed. The remaining 7 percent relates to debt of US$2.7 billion owed to commercial creditors.

103. We are committed to completing the remaining debt restructuring as soon as possible.

Real Sector Developments in 2024

104. Mr. Speaker, provisional 2024 GDP statistics published by the Ghana Statistical Service (GSS) on 10th March 2025 shows that overall real GDP grew by 5.7 percent in 2024, compared to the growth rate of 3.1 percent recorded over the same period 2023. The key driver of this growth was largely mining and quarrying, mainly gold, which recorded a growth of 19.1%.

105. Mr. Speaker, non-oil GDP grew by 6.0 percent in 2024, compared with a growth rate of 3.6 percent recorded in 2023.

External Sector Developments

106. Mr. Speaker, Gross International Reserves (GIR) increased to a stock position of US$8.98 billion at the end of 2024 and was enough to cover 4 months of imports, exceeding the target floor of 3 months of imports cover.

107. By the end of 2024, the currency had depreciated by 19.2 percent, 17.8 percent and 13.7 percent against the US dollar, British Pound and Euro respectively.

SECTION THREE: 2025 AND MEDIUM-TERM POLICY OBJECTIVES AND TARGETS

108. Mr. Speaker, it is what it is. The state of our economy is troubling, but we will fix it! It will require some sacrifices, truthfulness, transparency and discipline.

109. We will take strong measures to confront the situation head-on.

110. Mr. Speaker, the sacrifice must come from all stakeholders, beginning with the government.

111. His Excellency President Mahama appreciates this and has led the charge by significantly downsizing his government. From the elephant 88 to 60 ministers.

112. He has also reduced the number of government ministries from 30 to 23.

113. Mr. Speaker, as part of its contribution to the resetting agenda, organised labour has followed suit by working with government and employers' association to agree on a modest increase in base pay and minimum wage for 2025.

114. On behalf of His Excellency the President, I would like to express our profound gratitude to organised labour and employers.

115. Mr. Speaker, ordinary Ghanaians have also sacrificed by enduring the negative impact of severe currency depreciation, hyperinflation, high food inflation, principal and interest haircuts, soaring interest rates, among others.

116. Mr. Speaker, it is now time for the peoples' representatives, the Parliament of Ghana and the judiciary to follow suit.

117. I would also like to call on all other stakeholders, including the business community, faith-based organisations, academia and civil society to support this national call.

118. Mr. Speaker, our immediate task is to reset our nation to restore good governance, reduce the excruciating suffering of our people and set our country on a trajectory of economic transformation.

119. Mr. Speaker, our vision is to build a prosperous and a democratic state anchored on the principles of freedom and justice, providing equal opportunities for all. Through this vision, we will work together to ***build the Ghana we all want.***

120. Mr. Speaker, the resetting agenda will be anchored on:

    i restoring hope in our democracy, renewing trust in public officials, and helping every Ghanaian attain their full potential;

    ii offering a trusted hand to the vulnerable, particularly women and youth and creating a new Ghana for coming generations; and

    iii stimulating demand by patronising made-in-Ghana goods under the 24-hour Economy Policy.

121. Mr. Speaker, I would like to first present the government's immediate and strong measures to address the current challenges we are confronted with, followed by the medium-term vision, policy objectives and targets.

Fiscal Policy Objectives

122. Mr. Speaker, consistent with Section 14 of the Public Financial Management Act, 2016 (Act 921), the fiscal policy objectives of this government is to support the economic transformation agenda to ensure the

macroeconomic stability of the country within the macroeconomic and fiscal framework.

123. More specifically, the fiscal policy objectives of government include:

i rationalising government expenditure and eliminating wasteful expenditure;

ii optimising domestic revenue mobilisation through the broadening of the tax base, increased non-tax revenue collection, adopting enhanced tax compliance measures, and modernisation of tax administration through digital technology;

iii increasing the share of domestic capital expenditure to spur economic growth and job creation;

iv reducing public debt to sustainable levels and adopting prudent debt management practices to support debt sustainability;

v reducing the fiscal deficit progressively in accordance with an amended Fiscal Responsibility Act to promote fiscal and debt sustainability; and

vi restoring confidence in Ghana's economy.

124. Mr. Speaker, our approach will be to foster economic growth, accelerate job creation, reduce inflation and stabilize the cedi.

125. To achieve this, it is crucial that we establish macroeconomic stability and ensure debt sustainability.

126. Mr. Speaker, we are confident that by prioritizing these foundational elements, we can cultivate an environment where individuals can prosper and businesses can thrive in Ghana.

127. Mr. Speaker, Ghanaians, through the recent National Economic Dialogue, have expressed a clear desire for the fiscal deficit and public debt to be reduced through cuts in government spending rather than through only tax measures. We wholeheartedly agree!

128. Mr. Speaker, going forward, we will tailor our expenditures to align with our fiscal realities. After all, “whoever pays off their debt gets rich”.

129. Mr. Speaker, we are poised to implement a three-pronged approach to achieve our objectives, beginning with this budget:

i ***Recalibrate the fiscal adjustment.*** We believe that prioritizing a spending-led fiscal adjustment can initiate a positive cycle. Firstly, it will help lower inflation and curb the depreciation of the cedi. Secondly, it will lessen government's reliance on borrowing, which in turn will reduce the crowding out of the private sector and lower interest rates. Lastly, this approach will ease the strain on monetary policy, allowing the Bank of Ghana greater flexibility to reduce monetary policy rates, ultimately resulting in lower bank lending rates;

ii ***Deliver a shock therapy.*** We are implementing a form of "shock therapy" to the economy by making significant spending cuts this year, thereby reducing the government's financing needs and frontloading fiscal adjustment. This is the downpayment for our policy credibility and creditworthiness;

iii ***Restore fiscal responsibility.*** Moving forward, we will enhance public financial management

by: i) Empowering ministers to effectively manage their budgets; ii) Ensuring strict compliance with the commencement certificate system; iii) Passing and enforcing the revised Fiscal Responsibility Act; and iv) Enforcing sanctions for non-compliance.

2025 Macroeconomic Targets

130. Mr. Speaker, in pursuit of the overarching macroeconomic objectives, the following macroeconomic targets have been set for the 2025 fiscal year:

i Overall Real GDP growth of at least 4.4 percent;

ii Non-Oil Real GDP growth of at least 5.3 percent;

iii End-Period inflation rate of 11.9 percent;

iv Primary Balance on Commitment basis at a surplus of 1.5 percent of GDP; and

v Gross International Reserves (including oil funds and encumbered/pledged assets) to cover not less than 3 months of imports.

Addressing Inflation and Exchange Rate Pressures

131. Mr. Speaker, government will implement a number of measures to complement Bank of Ghana's monetary and exchange rate policies to stabilize inflation and the exchange rate.

132. Mr. Speaker, the measures to stabilize the exchange rate include the following:

i the establishment of the GoldBod to enhance the generation and accumulation forex to support the stability of the cedi;

ii the BoG will continue to implement its FX forward auctions to support the stability of the Cedi;

iii government's strong fiscal consolidation through the reduction in public sector spending and the fiscal deficit will reduce pressures on the exchange rate; and

iv our import substitution drive under the 24-Hour economy involving the domestic production of key products originally imported will reduce imports and related FX requirement, boding well for FX stability.

133. Mr. Speaker, we are addressing the inflation problem through a number of measures including the following:

i specific intervention including the Agriculture for Economic Transformation Agenda is expected to increase food production and reduce food inflation.

ii government will implement policies that target items with large weights in the CPI basket such as transportation and utilities to reduce their prices;

iii our aggressive fiscal consolidation drive aimed at reducing the fiscal deficit and borrowing, will contribute significantly to reducing inflationary pressures;

iv our strategy to Improve exchange rate stability will reduce imported inflation and fuel prices; and

v the BoG will maintain an appropriate monetary policy stance and use its liquidity management interventions to support the disinflation process.

2025 Fiscal Measures

134. Mr. Speaker, to achieve our expenditure-led fiscal consolidation objectives, we will implement a number of fiscal measures.

2025 Expenditure Measures

135. Mr. Speaker, the following expenditure measures will be implemented in the 2025 fiscal year and the medium-term to support the fiscal consolidation agenda:

    i conduct a comprehensive audit to validate the quantum of arrears/payables and commitments as at 31st December 2024 before payment;

    ii the mandatory use of the "Blanket Purchase Order" to capture multi-year commitments/contracts in line with Medium-Term Expenditure Framework ceilings;

    iii amend the Public Procurement Act to provide for an Independent Value-for-Money Office to scrutinize government procurements above a threshold to be determined by Parliament;

iv amend the Public Procurement Act to make commencement certificates and budgetary provisions prerequisites for all procurements to be paid by central government;

v fully integrate GHANEPS with GIFMIS to ensure that only MDAs' projects and purchase orders that have approved budgets and allotments can obtain procurement approvals;

vi operationalise the Compliance Desk at the Ministry of Finance to monitor reports on commitments and arrears accumulation to enable them, among others, publish a PFM league table for compliance;

vii strictly enforce sanctions under sections 96 to 98 of PFM Act for breaches of the PFM Act, especially those that relate to arrears accumulation and commitment control;

viii cut wasteful expenditures on inefficient and duplicative programmes to reduce expenditure under the fiscal consolidation programme. In this regard, selected expenditure items including the GhanaCARES, the YouStart and the One District One Factory will be eliminated;

ix reassign the functions of the Development Authorities (CODA, NDA, and MBDA) to the District Assemblies;

x amend the Petroleum Revenue Management Act, 2011 (Act 815) (PRMA) to allocate all ABFA resources for infrastructure projects;

xi National Health Insurance Levy (NHIL) will receive full allocation under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947);

xii the Road Fund will receive full allocation under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947);

xiii reduce the GNPC's share of net Carried & Participating Interest (CAPI) from 30% to 15% and fully restore transfers to GNPC under the Earmarked Funds Capping and Realignment Act, 2017 (Act 947);

xiv amend the Mineral Income and Investment Fund (MIIF) Act to ensure the 80% Mineral Royalties originally maintained by MIIF is transferred to the Consolidated Fund for infrastructure development; and

xv strengthen social protection through the implementation of new social intervention programmes including the No-Academic-Fee policy for all first-year students in public tertiary institutions under the 'No-Fees-Stress' initiative, the Free Tertiary Education for Persons with Disability (PWDs), Free Primary Healthcare, the Ghana Medical Care Trust (MahamaCares), and the Free Sanitary Pads for schoolgirls.

2025 Energy Sector Measures

136. Mr. Speaker, to address the energy sector challenges, including reducing the quantum of the large energy sector shortfalls, the following energy sector recovery programme interventions will be implemented:

i ECG and NEDCo will implement a number of measures including metering and the implementation of a Private Sector Participation (PSP) strategy to improve collection efficiency;

ii implement the Liquid Fuel-to-Gas Swap

through an increase in N-Gas supply from the 60 mmsc per day to 100 mmsc to take advantage of cheaper gas prices; and

iii complete the IPP capacity renegotiations to generate some savings through negotiated lower fixed capacity charges and variable O&M charges.

137. Mr. Speaker, as agreed with the IMF by the previous administration, we will implement the following ESRP measures to achieve the Structural Benchmark of the IMF programme:

i PURC will continue to implement the Quarterly Tariff Adjustment to reflect changes in inflation, exchange rate, and generation mix;

ii PURC will also undertake the major tariff adjustment which will be due in the 4th quarter of 2025 to reflect capacity charges, additional liquid fuel usage, and additional capex;

iii the Weighted Average Cost of Gas will be increased from the current $7.836 per mmbtu to $8.45 to reflect the increased prices of natural gas as well as the changes in the supply

mix; and

iv the subsidy on Weighted Average Cost of Gas the granted to some ceramic companies through the Discounted Industrial Development Tariff will be reversed.

2025 Revenue Measures

138. Mr. Speaker, Government is proposing some revenue measures to achieve the 2025 fiscal targets for the consideration and approval of Parliament.

139. This is consistent with our commitment under the IMF-supported programme to observe a non-oil tax revenue effort of 0.6 percentage points annually as part of measures to improve domestic revenue mobilisation and achieve our debt sustainability targets over the medium-term.

140. Mr. Speaker, despite our commitment to increase the non-oil tax revenue by 0.6 percentage points of GDP, we have programmed the following nuisance taxes for removal in line with our manifesto promise.

141. Mr. Speaker:

i we will abolish the 10% withholding tax on winnings from lottery, otherwise known as the "Betting Tax";

ii we will abolish the Electronic Transfer Levy (E-Levy) of 1%;

iii we will abolish the Emission Levy on industries and vehicles;

iv we will abolish the VAT on motor vehicle insurance policy; and

v we will abolish the 1.5% withholding tax on winning of unprocessed gold by small-scale miners.

142. Mr. Speaker, the removal of these taxes will ease the burden on households and improve their disposable incomes. In addition, it will support business growth and improve tax compliance.

143. Mr. Speaker, the Tax Refund Account has been abused in recent years. A study on the use of the tax refunds in the last eight (8) years revealed that GHS29.11 billion had accrued to the tax refund account with only 12.5 billion, representing 43% of

the total accrued amount is used for tax refund purposes.

144. The study also revealed that GHS16.6 billion, representing 57% of the total amount accumulated in the tax refund account was misapplied, which is a total violation of the Revenue Administration Act, 2016 (Act 915) and the Public Financial Management Act, 2016 (Act 921).

145. Instructively, there were virtually no tax refund arrears over the period.

146. Therefore, we are reducing the current tax refund ceiling by 2 percentage points from 6% to 4% of Total Revenue as defined in Section 69 of the Revenue Administration Act, 2016 (Act 915).

147. Mr. Speaker, by reducing the ceiling on the tax refund from 6% to 4%, we will save GH¢3.8 billion. This amount is enough to close the revenue shortfall from the removal of the E-Levy amounting GH¢1.9 billion and the Betty Tax of GH¢180 million.

148. Mr. Speaker, already we have saved GH¢3.8 billion for 2025 alone from only one source and this is enough to close the gap from the taxes that we have removed.

149. Mr. Speaker, to address the concerns from well-meaning Ghanaians on how we are going to close the revenue shortfall as a result of the removal of selected taxes, the answer is we have stopped the bleeding.

150. Accompanied with this budget, we will amend the Revenue Administration Act, 2016 (Act 915). This measure will improve the tax revenue, net of tax refunds by 2%, representing 0.3% Of GDP.

151. Mr. Speaker, in line with Government policy, the 2025 minimum wage recently negotiated with the National Tripartite Committee will be zero-rated. This is consistent with our resolve to protect the poor and the vulnerable.

152. Without increasing the levy, we will also review the Energy Sector Levies Act (ESLA) to consolidate the Energy Debt Recovery Levy, Energy Sector Recovery Levy (Delta Fund), and Sanitation & Pollution Levy into one levy and use the proceeds to cater for the energy sector shortfalls and service the inherited debt service obligation.

153. Mr. Speaker, the rest of the energy sector levies, including, Road Fund Levy, Energy Fund Levy, Price Stabilisation & Recovery Levy, Public Lighting Levy

and National Electrification Levy will remain to support the achievement of their intended objectives.

154. Mr. Speaker, Ghana has not sufficiently capitalized on the benefits of its extractive sector to generate revenue to support development and diversification. We have failed to leverage our natural wealth by capturing its rent and channeling it towards productive infrastructure and human capital.

155. Natural resource rent which is the difference between the revenue of a commodity and the average cost of producing it, is about 14% of GDP for Ghana. However, revenue from the extractive industry is around 1.5% of GDP only. This is because we fail to fully capture the economic rent of our natural resources.

156. Mr. Speaker, whereas global gold prices have seen some significant increase in recent times, Ghana has not been able to take full advantage of this development.

157. Consequently, we are proposing to increase the Growth & Sustainability Levy from 1% on the gross production of mining companies to 3% to enable the nation to have its fair share of the windfall from

increase in gold prices. We also propose to extend the sunset clause to 2028.

158. We will also propose to extend the sunset clause of the Special Import Levy to 2028.

159. Mr. Speaker, Ghanaians and this Honourable House will recall that road tolls on public roads were zero-rated in 2022. Demand for construction and improvement of road infrastructure continue to increase even as substantial arrears and claims in the road sector remain.

160. Mr. Speaker, while the annual average collections from road tolls have not been significant compared to its potential, the existing zero-rate policy for road tolls has exacerbated the situation and dimmed any prospects of raising enough revenue from tolls for road construction and maintenance.

161. Accordingly, Government will work with stakeholders, including the private sector, to roll out a technology-driven solution to re-introduce road tolls in 2025 as part of the Big Push Programme.

162. Mr. Speaker, Government will also strengthen the legal and regulatory regime for Non-Tax Revenues (NTR) and enforce the framework for improved service delivery. This will be achieved through the

introduction of an overarching NTR Legislation, amendment of existing relevant laws and the development of a National NTR Strategic Policy/Framework.

163. As part of the reform efforts to improve other NTR revenue streams, government will explore and operationalize a regulatory framework for the collection, management and reporting of property rates consistent with the Medium-Term Revenue Strategy (2024-2027) and the Local Government Act.

164. Mr. Speaker, the current compliance rate for SMEs and personal income tax is below 30%, which is extremely low. Government will embark on an aggressive and sustained tax education campaign in the next 2-3 years to ensure improved compliance and tax revenue mobilization.

165. We will also institute quarterly dialogue on tax issues among GRA, MoF and the business community to ensure that issues affecting businesses are addressed promptly.

VAT Reforms

166. Mr. Speaker, we commit to the people of Ghana and the business community that we will undertake comprehensive Value Added Tax (VAT) reforms this year with the aim to review the current distortions and cascading structure of the VAT regime.

167. Ghana's effective VAT rate is about 22 per cent. This is because GETFund Levy of 2.5 per cent, National Health Insurance Levy (NHIL) of 2.5 per cent and COVID-19 Levy of 1 percent are all added to the base for the final determination of the VAT rate of 15%.

168. Mr. Speaker, aside the high VAT rate, businesses are not permitted by law to claim their input for the NHIL, GETFund Levy and COVID-19 Levy, compounding the burden on households.

169. Mr. Speaker, our VAT regime has been distorted and rendered inefficient. It combines both VAT and sales tax principles with a flat rate, standard rate and levies.

170. We have requested Technical Assistance from the Fiscal Affairs Department of IMF on VAT reforms. It is expected that the IMF Mission will commence in April 2025. The recommendations from the Technical

Assistance Mission are expected to inform our VAT reforms.

171. Mr. Speaker, ahead of the IMF Technical Assistance Mission, I will inaugurate a VAT Reform Task Force to hold broad consultation with key stakeholders for their inputs.

172. Mr. Speaker, the parameters for the VAT reforms which will be completed this year will include:

i abolishing the COVID-19 Levy;

ii reversing the decoupling of GETFund and NHIL from the VAT;

iii reducing the effective VAT rate for households and businesses;

iv reversing the VAT flat rate regime;

v upwardly adjusting the VAT registration threshold to exempt micro and small businesses from the collection of VAT; and

vi improving compliance through public education and awareness.

2025 Revenue Mobilisation and Resource Allocation

173. Mr. Speaker, Total Revenue and Grants for 2025 is projected at GH¢223.8 billion or 17.2% of GDP up from GH¢186.5 billion or 17.4% of GDP. The projection is underpinned by non-oil revenue measures which are expected to yield at least 0.5 percent of GDP.

174. Total Expenditures (Commitment) for 2025 has been programmed at GH¢269.1 billion (20.7% of GDP) down from GH¢279.2 billion (26.0% of GDP) in 2024.

175. Primary Expenditure on a commitment basis (expenditures net of interest payments)—is projected at GH¢204.7 billion, representing 15.8% of GDP in 2025, a significant decline from GH¢232.4, representing 21.7% of GDP in 2024.

176. Mr. Speaker, based on the resource allocations for the 2025 fiscal year, the total appropriation for the year ending 31st December 2025 is **GH¢290,971,212,435.**

2025 Budget Balances and Financing Operations

177. Mr. Speaker, based on the estimates for total revenue & grants and total expenditure (commitment), the projected overall balance on commitment basis is a deficit of GH¢43.8 billion, equivalent to 3.1 percent of GDP. The corresponding Primary balance on commitment basis is a surplus of GH¢ 20.3 billion, equivalent to 1.5 percent of GDP.

178. On cash basis, Overall balance is a deficit of GH¢56.9 billion, equivalent to 4.1 percent of GDP. The corresponding Primary balance on cash basis is a surplus of GH¢7.3 billion, equivalent to 0.5 percent of GDP.

179. Mr. Speaker, the cash deficit of GH¢56.9 billion is expected to be financed from both foreign and domestic sources. Total Foreign net financing will amount to GH¢21.4 billion (1.5% of GDP). Foreign financing will include a provision for financing from IMF-ECF programme disbursements of US$720 million and World Bank Development Policy Operation (DPO) funding of US$600 million.

180. The residual Net Domestic Financing, will amount to GH¢36.9 billion (2.6% of GDP), representing 65.0 percent of the total financing for 2025. This is

expected to be sourced from the issuances of debt at the short end of the domestic market.

2025 Debt Policy Objectives and Liability Management

181. Mr. Speaker, the government will take steps to re-open the domestic bond market to extend the maturity profile. The reopening will be executed cautiously to establish large-sized benchmarks bonds that will enhance market liquidity.

182. To further reduce risk on the debt portfolio, government will build sufficient cash buffers to support effective implementation of the liability management strategies.

183. This will help smoothen the redemption profile and mitigate refinancing /rollover risks associated with the debt portfolio.

184. Mr. Speaker, the Government in 2025 and the medium term, will implement liability management operations to manage the risks imbedded in the Eurobond debt portfolio.

185. Mr. Speaker, beginning 2025, we will commence the operationalization of section 37 to 44 of the Public

Financial Management Act, 2016 (Act 921) for the first time since the passage of the Act in August 2016 to build sufficient buffers in the Sinking Fund as our landmark reform to manage our public debt.

Yield Curve (Interest Rates) in 2025

186. Mr. Speaker, I am pleased to report that our government's proactive fiscal management has yielded a significant reduction in treasury bill rates. This achievement is a testament to the positive shift in investor sentiment regarding our country's economic outlook.

187. Mr. Speaker, on 7th January 2025, we inherited a 91-day treasury bill rate of 28.19 percent. Just two months into this administration, we have successfully reduced this rate to 17.72 percent as at Friday, 7th March 2025. This represents a reduction of 1,047 basis points.

188. Similarly, on 7th January 2025, we inherited a 182-day treasury bill rate of 28.92 percent. We have successfully reduced this rate to 18.97 percent as at Friday, 7th March 2025. This represents a reduction of 995 basis points in two months.

189. Again, on 7th January 2025, we inherited a 364-day treasury bill rate of 30.15 percent. We have successfully reduced this rate to 19.93 percent as at Friday, 7th March 2025. This represents a reduction of 1022 basis points in just two months.

190. Mr. Speaker, on average, rates have fallen by over 1000 basis points, signifying a strong investor confidence, crowding-in the private sector, reduction in the cost of doing business and overall acceptance of the economic policies of the Mahama Administration, ultimately laying the groundwork for sustained macroeconomic stability.

SECTION FOUR: KEY POLICY INITIATIVES AND RESOURCE ALLOCATION

191. Mr. Speaker, the key policy interventions to support the economic transformation and job creation agenda include the following:

    i **24-Hour Economy** aimed at stimulating economic growth by creating an enabling environment for businesses and institutions to operate 24/7 in three shifts of eight hours each to boost production, promote productivity, and generate well-paying jobs. We will be presenting the policy to Parliament in due course for consideration. Accordingly, the Labour Act, the GIPC Act and other enabling legislations will be reviewed;

    ii roll out the implementation of our $10 billion "Big Push" policy for strategic infrastructural development to open up the country and drive sustainable economic growth and transformation under the 24-Hour Economy policy;

    iii The Ghana Gold Board (GOLDBOD). Mr. Speaker, we are establishing the Ghana Gold Board (GOLDBOD). Its primary objective will

be to support foreign exchange inflows and gold reserve accumulation for the benefit of our dear country. To achieve this, the GOLDBOD shall regulate, oversee, monitor and undertake the purchasing, assaying, refining, exporting, selling and other related activities concerning the gold resources of Ghana;

iv stabilise the Ghana Cedi and macroeconomy through an urgent economic recovery programme to shore up our foreign reserves. In addition, develop a deliberate policy to build economic buffers through external reserves to cushion the Ghana Cedi;

v implement an Economic Transformation Agenda underpinned by structural reforms anchored on promoting modernised agriculture, agri-business and value addition for import substitution, exports and job creation;

vi complement monetary policy with fiscal and real sector policies to reduce inflation. Food inflation will be reduced through the Agriculture for Economic Transformation Agenda (AETA) anchored in the 24-Hour

Economy Policy;

vii undertake key structural reforms to support inclusive economic growth, fiscal and debt sustainability, sound public financial management, efficient public service delivery and good governance;

viii restructure the Bank of Ghana to strengthen its independence and operational efficiency to deliver more effectively on its price, financial stability and development mandate;

ix enhance social protection through the introduction of various social intervention programmes to complement existing programmes to alleviate the current economic hardships and protect the vulnerable; and

x use government procurement to drive a "Made-In-Ghana agenda to promote the production and consumption of made in Ghana goods. To demonstrate this commitment, I came to this budget presentation with a bag proudly made in Ghana by Horseman.

Ghana Labour Export Programme

192. Mr. Speaker, beginning this year we will formalize the export of Ghanaian labour to other countries. This will ensure a structured and beneficial system for Ghanaian workers seeking employment abroad and create safer, legal pathways for them to work in foreign countries while protecting their rights and welfare.

193. This will also reduce illegal migration, prevent worker exploitation, and maximize the economic benefits of remittances and boost foreign exchange earnings.

2025 Allocations to Key Policy Initiatives and Interventions

194. Mr. Speaker, we will provide a Cedi equivalent of US$279 million as a revolving fund for the Ghana Gold Board (GOLDBOD) to be able to purchase and export at least 3 tonnes of gold per week from small scale miners.

195. Mr. Speaker, we have allocated GH¢13.85 billion for the Big Push Programme.

196. Mr. Speaker, an amount of GH¢499.8 million has been allocated for the No-Academic-Fee policy for all first-year students in public tertiary institutions under the 'No-Fees-Stress' initiative.

197. Mr. Speaker, we have allocated GH¢292.4 million to commence the distribution of free sanitary pads to female students in primary and secondary schools.

198. Mr. Speaker, we have allocated GH¢242.5 million to support victims of the Akosombo dam spillage;

199. We have also allocated an amount of GH¢200 million to support the victims of tidal wave disaster that recently displaced residents of Agavedzi and surrounding communities in the Ketu south constituency;

200. Mr. Speaker, the overarching concern about free secondary education has been its quality and the absence of a dedicated source of funding. H.E President John Mahama has resolved the funding challenge by uncapping the GETFund. This makes available dedicated funds for the full financing of free secondary education and free tertiary education for Persons with Disability (PWDs).

201. Consequently, the Capping and Realignment Act will be amended to uncap Ghana Education Trust Fund

(GETFund) and amend the GETFund Act to provide for full funding of the Free Senior High School education.

202. Mr. Speaker, this year the budget for the free secondary education programme is GH¢3.5 billion. By uncapping the GETFund, we will be making available an additional GH¢4.1 billion to the GETFund, specifically for the financing of the free secondary education programme and other related expenditures.

203. Aside the uncapping of GETFund, we have also absorbed the debt service, made up of interest and principal, from the Daakye bond GETFund contracted.

204. Mr. Speaker, we have also allocated an amount of GH¢564.6 million for comprehensive provision of free curricula-based textbooks covering the following:

    i four (4) sets of KG books and workbooks for about 2.8 million learners;

    ii four (4) sets of primary textbook for 800,000 learners; and

    iii nine (9) sets of JHS 3 textbooks for 540,000

learners.

205. Under the School Feeding Programme, budgetary provision has been increased from GH¢1.344 billion to GH¢1.788 billion in 2025, representing an 33% increase. The allocation for 2025 reflects an increase in the feeding cost per meal per child per day from GH¢1.50 to GH¢2.00, representing 33.3%.

206. Mr. Speaker, government has allocated GH¢145.5 million to the Capitation Grant, up from GH¢84 million in 2024, this an increase of 73.2% over the previous year's allocation.

207. We have also allocated GH¢203 million for the payment of the Teacher Trainee allowances and another GH¢480 million for Nursing Trainee allowances.

208. Mr. Speaker, we have uncapped the National Health Insurance Levy (NHIL). An amount of GH¢9.93 billion has been programmed for the National Health Insurance Scheme (NHIS) for:

    i claim payments;

    ii essential medicines;

    iii vaccines payments;

iv the Free Primary Healthcare;

v the Ghana Medical Care Trust (MahamaCares); and

vi bridging of the USAID financing shortfall, among others.

209. In 2025, Government will continue to implement reforms and increase budgetary allocations to enhance the implementation of the four targeted social protection programmes, namely NHIS, the LEAP Programme, the School Feeding Programme, and the Capitation Grant.

210. Mr. Speaker, under the LEAP programme, benefits has been indexed to inflation and the number of beneficiary households will be increased from 350,000 to 400,000 from July 2025.

211. The allocation for LEAP benefits has also been increased by 30.8% from GH¢728.8 million to GH¢953.5 million in 2025. Additionally, the budget for the School Feeding Programme as well as the cost of feeding per pupil per day has been increased by 33%.

212. Similarly, the allocation to the Capitation Grant has been increased from GH¢84 million in 2024 to

GH¢145.5 million in 2025, representing an increase of 73.2%.

213. Mr. Speaker, we have also uncapped the Road Fund. An amount of GH¢2.81 billion has been programmed for the Ghana Road Fund to be used solely for road maintenance. This represents an increase of 155.5% over the 2024 allocation of GH¢1.1 billion.

214. Mr. Speaker, we have allocated an amount of GH¢7.51 billion to the District Assembly Common Fund (DACF). In accordance with our decentralization policy objective, we propose to Parliament that a minimum of 80% of the funds should be sent directly to the District Assemblies to spur economic growth at the district level and deepen decentralization.

215. Mr. Speaker, it is worth noting that, this is in stark contrast to what has happened to the District Assembly Common Fund (DACF) in recent years where less than 50 percent of the released amount to DACF goes to the District Assemblies, with a significant portion spent at the center.

216. Mr. Speaker, we have allocated an amount of GH¢1.5 billion for Agriculture for Economic Transformation Agenda (AETA) of which Feed Ghana Programme, Ghana Grains Development Project, Vegetable

Development Project and Nkokor Nketenkete are all key components.

217. Mr. Speaker, we have also allocated GH¢51.3 million as seed fund for the establishment of the Women's Development Bank.

218. Mr. Speaker, we have also allocated GH¢300 million to the National Apprenticeship Programme.

219. Mr. Speaker, we have also allocated GH¢100 million to the 'Adwumawura' Programme.

220. Mr. Speaker, for the National Coders Programme, we have allocated GH¢100 million.

221. Mr. Speaker, an amount of GH¢100 million has been allocated for the payment of monthly allowance to all Assembly Members.

222. Mr. Speaker, in response to the recent tidal waves disaster that displaced residents of Agavedzi and surrounding communities in the Ketu South constituency, we have also allocated enough resources to the Ministry of Works and Housing to address the challenge.

Sector Performance and Outlook

223. Mr. Speaker, sector Ministers, will be presenting to this House a detailed sectoral performance and outlook as well as sector specific policy interventions to deal with the challenges at various MDAs.

224. This is a departure from the norm where Ministers for Finance present detailed sectoral performance as part of the budget speech.

SECTION FIVE: CONCLUSION

225. Mr. Speaker, the state of the economy as I have just presented, does not reflect an economy that has turned the corner; it reflects an economy in severe distress, burdened by debt repayment humps, mismanagement and a lack of accountability.

226. This budget sets Ghana on a path of fiscal responsibility, debt sustainability, macroeconomic stability and job creation. It is about resetting the economy and restoring hope.

227. Ghanaians reaffirmed their faith in a better future when they actively participated in the National Economic Dialogue on 3rd and 4th March, 2025.

228. A key outcome of the Dialogue was the confirmation that the fundamental problem with our economy is fiscal indiscipline.

229. The NPP administration awarded contracts outside the expenditure framework.

230. They borrowed over and above Ghana's capacity to repay.

231. Mr. Speaker, H.E President John Mahama's administration will be fiscally disciplined and deliver

improved public services to our people in a cost-effective manner.

232. We remain steadfast in meeting the IMF programme targets while restoring Ghana's creditworthiness.

233. We have achieved a lot in a short time, but this is only the beginning. Our commitment to reform will not waver.

234. Those who doubt our resolve underestimate the determination of the people of Ghana, who will no longer tolerate ineffective governance.

235. Together, we will navigate these turbulent times and emerge stronger.

236. Mr. Speaker, we are making progress:

    i We committed to running a lean and efficient government of 60 ministers – We have delivered!

    ii We committed to Scrapping the E-Levy – We have delivered!

    iii We committed to scrapping the Betting (winnings) tax – We have delivered!

    iv We committed to eliminate academic fees for first year public tertiary students – We have

delivered!

v We committed to providing free tertiary education for all People With Disability – We have delivered!

vi We committed to having a dedicated source of funding for free secondary education – We have delivered!

vii We committed to distributing sanitary pads to our schoolgirls - We have delivered!

viii We committed to uncap the GETFund– We have delivered!

ix We committed to uncap the NHIL– We have delivered!

x We committed to uncap the Road Fund– We have delivered!

xi We committed to hold a National Forum on Education – We have delivered!

xii We committed to hold a National Dialogue on the Economy – We have delivered!

xiii We committed to deliver Free Primary Healthcare – We are delivering!

xiv We committed to deliver the MahamaCares programme to finance the treatment of non-communicable diseases – We are delivering!

xv We committed to deliver free textbooks to school children – We are delivering!

xvi We committed to sustainable debt management – We are delivering!

xvii We committed to implement the US$10 billion Big Push Programme for accelerated infrastructure development – We are delivering!

xviii We committed to a Constitution Review process – We are delivering!

xix We committed to build the Ghana we want together – We are delivering!

xx We committed to Recover All Looted State Funds under our Operation Recover All Loot programme – We are delivering!

xxi We committed to Reset Ghana – We are delivering!

237. Mr. Speaker, I call on Parliament, the business community, civil society, investors, and all citizens to support the bold reforms outlined in this budget.

238. Together, we have the power to build a resilient economy that not only tackles today's challenges but secures a prosperous future.

239. This budget is a foundation upon which we will build a more resilient and equitable society.

240. This budget is not just about numbers—it is a blueprint for growth, stability, and opportunity.

241. With unity and determination, we can restore faith in our economy, foster innovation, and uplift every Ghanaian.

242. Mr. Speaker, on behalf of His Excellency President John Dramani Mahama, I invite this august House to join hands as we work to build the Ghana we want together.

243. Mr. Speaker, I so move.

Thank you.