SOVEREIGN
AFRICA RATINGS

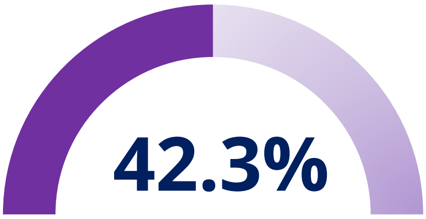
REPUBLIC OF GHANA

SOVEREIGN CREDIT RATING

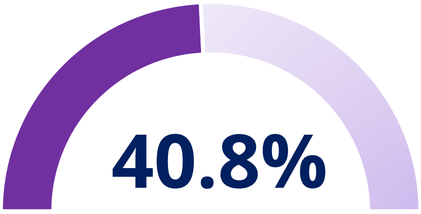
8 September 2026

RATING ACTION

SAR Sovereign Rating Model Creditworthiness Score



LCR Creditworthiness Score



FCR Creditworthiness Score

On 8 September 2026, Sovereign Africa Ratings (SAR) assigned issuer credit ratings to the Republic of Ghana. The local currency long-term and short-term ratings have been set at B and B2, respectively. The foreign currency long-term and short-term ratings have been assigned at B- and B2, respectively. The outlook across all ratings is Stable.

Date	Rating Category	Rating	Outlook
Local Currency Ratings			
08 September 2026	**Long-term**	**B**	**Positive**
08 September 2026	**Short-term**	**B2**	**Stable**
Foreign Currency Ratings			
08 September 2026	**Long-term**	**B-**	**Stable**
08 September 2026	**Short-term**	**B2**	**Stable**

RATING RATIONALE

Ghana's sovereign credit profile is undergoing a decisive structural recovery as the country exits foreign currency default status following the successful execution of comprehensive external debt restructuring frameworks. The completed exchange of approximately US$14.2 billion in Eurobonds, which delivered an external debt haircut equivalent to 6.2% of GDP, together with bilateral debt treatments under the Official Creditor Committee (OCC), has placed obligations on a more sustainable trajectory.

Economic growth has accelerated, expanding by 5.7% in 2024 and 6.0% in 2025, driven primarily by strong extractive sector performance and rising gold revenues, which reached US$11.6 billion in 2024.

Despite these improvements, the credit profile remains constrained by narrow fiscal flexibility, structural rigidities, and severe export concentration risks. The debt-to-GDP ratio has compressed sharply to 54.2% in 2026, down from peaks above 80% in 2020, yet debt servicing costs remain elevated, with interest payments projected to absorb 22.1% of domestic revenues in 2026. This burden limits the sovereign's capacity to withstand external terms-of-trade shocks and to finance priority capital projects.

Monetary policy credibility is stabilising following the formalisation of a Memorandum of Understanding that enforces zero direct central bank financing of the government budget. Headline inflation has moderated to 23.3% in 2026 and is projected to decline further to 14.0% in 2027, enabling the Bank of Ghana to maintain positive real policy rates.

Long-term creditworthiness will depend on sustaining fiscal consolidation beyond the IMF programme transition, expanding tax revenue mobilisation above 17% of GDP, and accelerating downstream natural resource beneficiation.

RATIONALE FOR THE STABLE OUTLOOK

The Stable Outlook reflects SAR's expectation that Ghanaian authorities will maintain fiscal discipline, implement structural revenue reforms and adhere to debt management commitments post debt restructuring. External liquidity vulnerabilities have been significantly mitigated by restructured debt maturities which are projected to yield immediate interest savings equivalent to 8% of revenue in 2024, 5% in 2025 and 4% in 2026.

This stability is reinforced by the expansion of the Bank of Ghana's domestic gold purchase reserve-building programme and positive real economic growth averaging 5%. These positive factors are balanced against downside risks, including election-related fiscal pressures, structural power sector arrears and terms-of-trade volatility.

RATING DISCUSSION

Economic Strength Pillar

Economic Strength carries a 25% weight in the composite score. Ghana achieves 137 points out of a maximum 250 on this pillar, equivalent to 54.8%. The score reflects a robust post-crisis growth recovery and an improved external position, balanced against structural weaknesses including low per-capita income, high export concentration, and a persistently narrow revenue base.

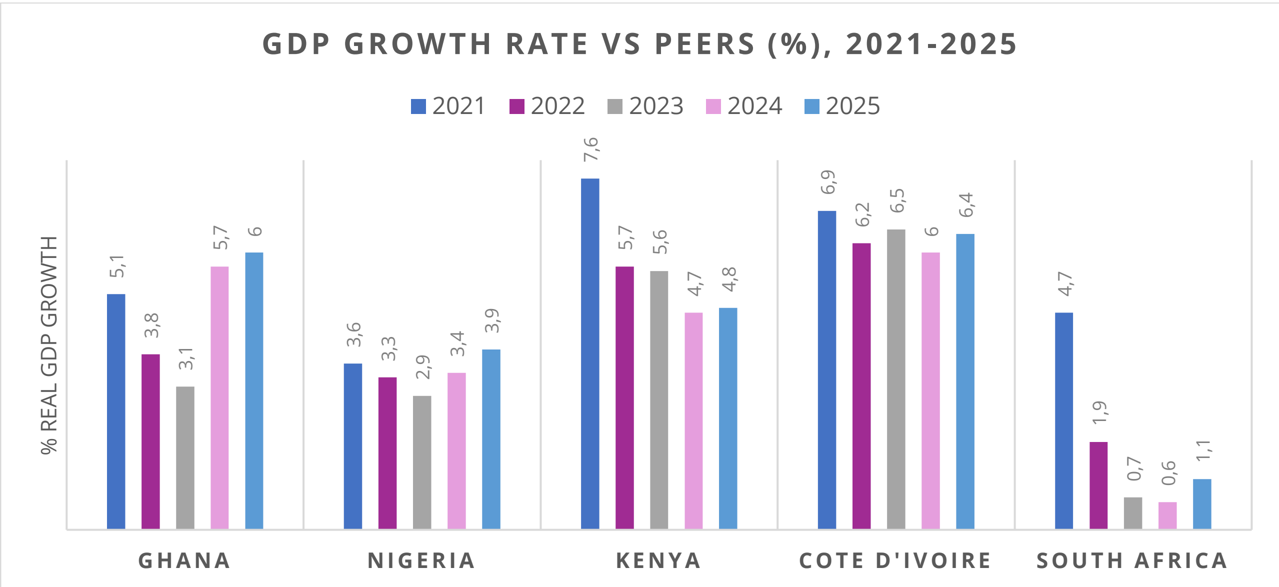
GDP Growth Volatility and Relative Size

Real GDP growth accelerated to 6.0% in 2025, the highest rate in six years, compared with a pandemic-era trough of 0.4% in 2020 and the debt-crisis slowdown of 3.8% in 2022 and 3.1% in 2023. Growth was led by services and a rebound in exports. The IMF and African Development Bank project a moderation to a still-solid 4.8%–5.0% over 2026–2027, consistent with ongoing fiscal consolidation. Growth volatility, however, remains elevated relative to regional peers. The standard deviation of annual growth between 2019 and 2025 was materially higher than in more diversified economies, underscoring Ghana's exposure to commodity-price and weather shocks as well as the scale of the 2020 and 2022 disruptions.

GDP per capita stood at approximately US$3,270 in 2025, firmly within the lower-middle-income bracket. The 2024 GDP rebasing exercise and 2025-cedi appreciation lifted per-capita income significantly from the 2023 crisis trough of US$2,090, yet Ghana continues to fall below SAR's "strong" threshold on this metric.

Within the SAR peer group of Nigeria, Kenya, Côte d'Ivoire, South Africa, and Ghana, the country accounts for 12% of combined GDP. On a global scale, Ghana represents 0.10% of world GDP, positioning it as a mid-sized, systemically non-critical economy within the Sub-Saharan African region.

Figure 1: Share in Peer Group GDP Growth



Source: IMF WEO. AfDB

Structural Nature of the Economy

Export receipts remain heavily concentrated in three primary commodities, gold, crude oil, and cocoa, which together account for 75–85% of merchandise exports. While a Gold Board and cocoa-sector reforms are underway, structural diversification into manufacturing or services exports has been slow to materialise, sustaining Ghana's vulnerability to terms-of-trade and commodity-price shocks.

The external position has swung decisively into surplus. The current account shifted from a chronic deficit averaging –3% of GDP prior to 2022 to a surplus of +4.8% of GDP in 2025, supported by record gold and cocoa receipts, an improved trade balance, and resilient remittances. This turnaround represents a key positive rating factor, although SAR expects surpluses to normalise toward +2.7%–3.0% of GDP by 2027 as import demand recovers alongside growth.

Domestic revenue mobilisation remains a structural weak point. General government revenue amounted to 16.5% of GDP in 2025, below the Sub-Saharan African regional average of 18–20% of GDP, despite steady gains from the Domestic Revenue Mobilisation Strategy and Ghana Revenue Authority digitalisation initiatives. This limited fiscal space is a primary driver of Ghana's continued reliance on debt financing relative to better-resourced peers.

Economic Strength - Variable Scorecard

Variable	2025 Value	Score (/10)	Notch	Assessment
GDP growth rate (%)	6.0	8	0	Strong
GDP growth volatility	0.02	4	0	Neutral
GDP per capita (US$)	3.270	4	0	Neutral
Share in peer group GDP (%)	12.0	4	0	Neutral
Share in world GDP (%)	0.10	4	0	Neutral
Export diversification index	0.66	4	-1	Weak
Current account balance (% GDP)	+4.8	8	+1	Strong
General government revenue (% GDP)	16.5	6	-1	Weak

Financial Strength Pillar

Sovereign Debt Trajectory and Deleveraging Mechanics

Ghana's public debt burden expanded significantly between 2013 and 2022, driven by persistent primary fiscal deficits, currency depreciation, and off-budget commitments. Gross government debt rose from 42.93% of GDP in 2013 to a peak of 92.70% in 2022.

Following the execution of the debt restructuring perimeter, which encompassed US$20.3 billion in domestic debt, US$13.1 billion in Eurobonds, and US$5.1 billion in bilateral debt, gross public debt declined to 70.30% of GDP in 2024 and 59.08% in 2025. It is projected to fall further to 54.00% in 2026 and 42.00% by 2027, yielding a forecast-period average of 51.77%.

Table 2: Ghana – Natural Resource Extraction, Domestic Beneficiation, and Electrification Access Trends (2013–2027F)

Resource Extractive & Infrastructure Metric	2020	2022	2024	2025	2026	2027 F
Natural Resource Extraction (% Exports)	66.00%	66.00%	72.00%	78.00%	80.00%	84.00%
Resource Beneficiation (MVA % of GDP)	10.90%	10.50%	10.30%	10.40%	10.00%	10.00%
Electricity Access (% Population)	86.00%	85.00%	91.00%	92.00%	93.00%	96.00%

Source: Ghana Statistical Service (GSS), World Bank, Bank of Ghana, SAR Sovereign Rating Model calculations

The deleveraging process relies on a combination of principal write-downs (averaging 37% on Eurobonds), coupon reductions, maturity extensions, real GDP growth, and local currency appreciation. However, evaluating debt sustainability solely against GDP understates underlying fiscal risk Gross debt as a percentage of government revenue reached 596.30% in 2022. Although projected to fall to 334.00% in 2026 and 250.00% in 2027. the forecast average remains high at 318.07%, underlining continuous domestic revenue mobilisation constraints.

Fiscal Consolidation. Debt Affordability. and Interest Rigidity

A major factor behind Ghana's prior sovereign default was the extreme interest burden that severely constrained fiscal policy. In both 2016 and 2020, general government interest payments absorbed more than 51% of total revenue, creating severe fiscal rigidity and crowding out capital expenditures. By 2022, interest payments still consumed 47.60% of revenue. The restructuring of domestic medium- to long-term bonds and commercial Eurobonds has successfully reduced the interest-to-revenue ratio to 28.80% in 2025 and 22.00% in 2026, with projections targeting 17.00% by 2027, yielding a forecast-period average of 22.59%.

The primary fiscal balance has shifted markedly. From a deficit of 11.80% of GDP in 2022 and 7.30% in 2024, the balance improved to a commitment deficit of 2.70% in 2025, culminating in a primary surplus outturn of 2.10%. Fiscal policy aims to achieve an overall budget surplus of 2.00% of GDP by 2027.

Despite this consolidation, off-budget liabilities remain a significant vulnerability. Explicit government financial guarantees and contingent liabilities expanded from 10.30% of GDP in 2020 to 16.20% in 2024–

2025 and are projected to rise further to 18.00% in 2026 and 20.00% in 2027, averaging 18.13% over the forecast horizon.

Monetary Dynamics. Foreign Exchange Liquidity. and Reserve Coverage

Ghana's public debt structure reflects a relative balance between foreign currency obligations, which averaged 48.04% of total gross loan debt, and domestic debt. Foreign currency reserves as a share of total external debt fell to a low of 20.10% in 2023 during the peak liquidity crisis. Supported by strong gold export receipts, official bilateral disbursements, and IMF Extended Credit Facility (ECF) tranches, reserve coverage improved to 40.00% in 2024, 38.00% in 2025, and 47.00% in 2026, averaging 41.63% across the forecast period.

Gross international reserves strengthened to US$11.9 billion at end-2025 and US$14.4 billion by mid-2026, providing more than 5.7 months of import cover. This improvement in reserve adequacy enhances Ghana's external liquidity profile and supports sovereign creditworthiness, though the sustainability of coverage remains contingent on continued export performance and disciplined external financing.

Table 3: Ghana – Post-Restructuring Sovereign Yields, Credit Spreads, and Financial Market Indicators (2026)

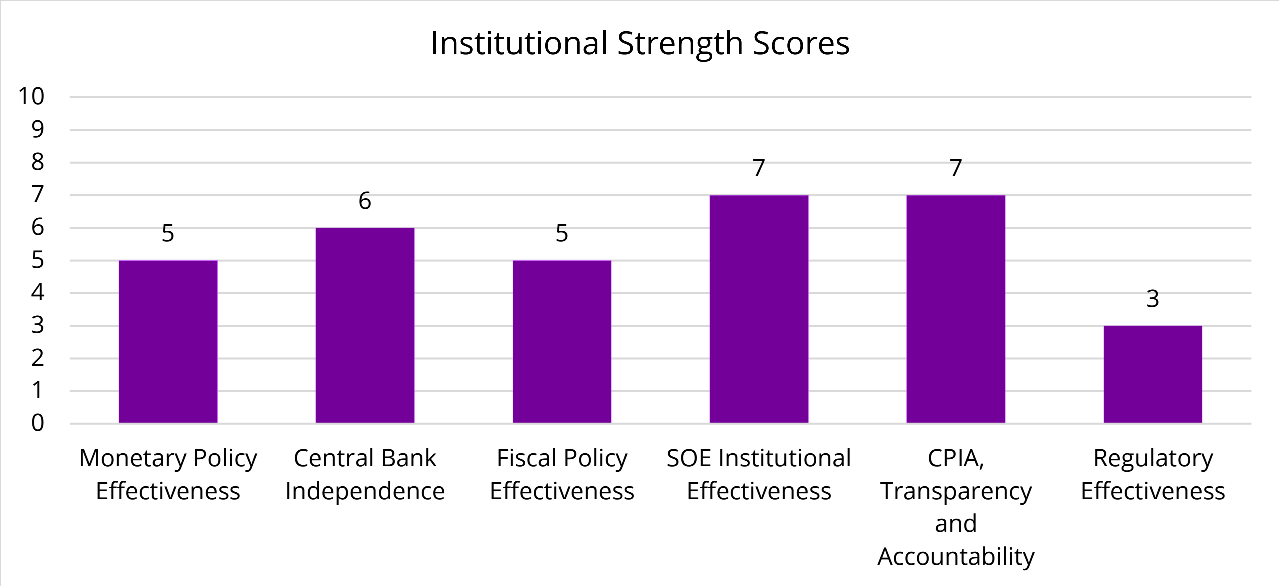
Market Indicator	Current Level / Value	Secondary Market Context
Cbonds Sovereign USD YTM Index	7.26%	Weighted average yield to maturity across restructured dollar bonds
Cbonds Sovereign USD T-Spread	259.95 bps	Credit spread over benchmark US Treasuries
Cbonds Sovereign USD G-Spread	262.02 bps	Interpolated benchmark spread over Treasuries
Sovereign 5-Year CDS Premium	250 – 350 bps	Tightened from >1,500 bps pre-restructuring levels
Ghana Stock Exchange (GSE-CI) YTD	+73.17% to +74.80%	Top-performing equity index in Africa in 2026
364-Day Domestic T-Bill Yield	11.36% – 12.99%	Eased from >35% pre-DDEP levels
91-Day Domestic T-Bill Yield	5.47% – 5.79%	Supported by lower inflation and monetary easing

Source: Cbonds, Bloomberg, Ghana Stock Exchange (GSE), Bank of Ghana (BoG), Central Securities Depository (Ghana), SAR Sovereign Rating Model calculations

Tight monetary policy by the Bank of Ghana, which maintained the policy rate at 14.0% in 2026, together with nominal effective exchange rate appreciation of 26%–28% in 2025, helped suppress consumer price inflation. End-of-period inflation decelerated from 38.10% in 2023 to 14.20% in 2025 and is projected at 14.00% in 2027, with mid-year monthly readings easing toward 5.3%–5.4%. Domestic equity market capitalisation recovered from 7.70% of GDP in 2023 to 12.00% in 2025–2027, supported by strong performance on the Ghana Stock Exchange.

Institutional Strength Pillar

Figure 4: Institutional Strength Scores



Source: SAR's calculations – World Bank data. OECD. IMF

Monetary Policy Effectiveness

The Bank of Ghana (BoG) maintains a proactive and disciplined policy capacity, steering a complex disinflation trajectory following the severe macroeconomic shocks of 2022–2023. Policy effectiveness is reinforced by decisive benchmark rate management with the Monetary Policy Committee (MPC) maintaining an elevated policy rate of 28.0% to firmly anchor inflation expectations. This restrictive posture has provided an anchor for macroeconomic stabilisation despite volatile foreign exchange dynamics, driving headline inflation down from historical highs exceeding 54% to 22.4% in early 2025 and placing consumer price growth on a sustained downward path toward the medium-term target band of 8±2%.

The institution has demonstrated a capacity for timely and assertive intervention, illustrated most clearly in early 2025 when unexpected policy rate hikes and aggressive open market operations successfully contained second-round inflation pressures arising from stubborn food and utility price spikes. By actively absorbing excess liquidity and stabilising the Ghanaian cedi through coordinated market interventions and the domestic gold-for-reserves purchase programme. The Bank protected foreign currency buffers while regional peers faced severe exchange rate depreciation. This preserved positive real policy rates and demonstrated the bank's technical competence within an evolving post-bailout policy framework.

However, the transmission of these policies remains structurally constrained by financial sector balance-sheet impairments and high informality. The Domestic Debt Exchange Programme (DDEP) imposed heavy mark-to-market losses and haircuts on commercial bank holdings of sovereign paper, elevating non-performing loans (NPLs) and restricting the credit channel as financial institutions prioritise balance-sheet repair over private-sector lending, broadening formal banking sector participation, completing commercial bank recapitalisations, and deepening domestic debt capital markets represent the most consequential levers available to Ghana to materially enhance its monetary transmission mechanism and elevate the overall effectiveness of its policy framework.

Central Bank Independence

The Bank of Ghana operates with an institutional framework characterised by strong statutory protections, which are undergoing operational reinforcement following the conclusion of the IMF Extended Credit Facility (ECF). Statutory autonomy is anchored by the Bank of Ghana Act, recently bolstered by a binding Memorandum of Understanding (MoU) with the Ministry of Finance establishing an uncompromising zero-direct central bank financing rule for the central government budget. This institutionalised firewall eliminates the monetisation of fiscal deficits, representing a critical structural reform to restore long-term macroeconomic stability.

This commitment to autonomy was tested during the height of the sovereign liquidity crisis, when the central bank provided emergency bridge financing to avoid catastrophic payments collapse before absorbing a 50% haircut on its non-marketable government debt holdings. Post-restructuring, the BoG demonstrated institutional discipline by terminating direct quasi-fiscal operations, including non-core foreign exchange programmes, and transitioning toward market-based reserve accumulation through its domestic gold purchasing programme (the "Gold for Reserves" initiative). This decisive pivot reflects a strategic prioritisation of institutional credibility over fiscal accommodation.

Nevertheless, solidifying this score requires sustaining de facto operational independence across upcoming political and electoral cycles without reverting to off-budget liquidity support. Furthermore, executing a formal multi-year sovereign recapitalisation strategy to restore the central bank’s impaired equity base – without subjecting the institution to fiscal subordination, remains the defining benchmark for institutional resilience and central bank autonomy.

Fiscal Policy Effectiveness

Ghana has demonstrated measurable progress in fiscal consolidation under the post-bailout policy framework, targeting an ambitious expansion in domestic revenue mobilisation and expenditure restraint. The sovereign successfully compressed its fiscal deficit to -3.2% of GDP in 2024 and is steering toward primary balance surpluses through rigorous enforcement of the Public Financial Management Act and structural benchmarks agreed upon with international partners.

The ongoing rollout of digital tax infrastructure by the Ghana Revenue Authority (GRA), notably the integration of the Electronic Value Added Tax (e-VAT) certified invoicing system and the expansion of the Ghana.GOV payment gateway, has systematically expanded the tax net into previously untaxed commercial activities. These compliance enhancements contributed to general government revenue rising toward 17.2% of GDP in 2026, establishing a structural foundation for sustainable domestic resource mobilisation.

Despite these achievements, debt-servicing obligations remain a primary fiscal burden, consuming an estimated 22.1% to 28.8% of domestic revenues in the medium term. While the completed restructuring of US$14.2 billion in Eurobonds and bilateral debt under the Official Creditor Committee (OCC) provided substantial cash flow relief (saving an estimated 4% to 8% of revenue annually). nondiscretionary expenditures continue to limit fiscal flexibility. A decisive improvement in this metric requires replacing expensive domestic borrowing with concessional financing, building up the sovereign debt sinking fund, and permanently realigning statutory expenditures toward productive capital investments.

SOE Institutional Effectiveness

State-owned enterprise (SOE) governance is a vital pillar of structural reform, spearheaded by the State Interests and Governance Authority (SIGA) under enhanced oversight mandates. The state has enforced standardised performance contracts, harmonised financial reporting, and mandated the timely publication of the Annual State Ownership Report to enhance commercial accountability and curb fiscal leakages across public corporations.

A notable achievement in this area is the rationalisation of commercial operations within state logistics and industrial entities, alongside targeted management overhauls in state utilities. By enforcing audited financial compliance and integrating state enterprise borrowing into the national Medium-Term Debt Management Strategy, authorities have curbed uncontrolled commercial debt accumulation that historically spilled over into the central government balance sheet.

However, severe contingent liability risks persist in the energy value chain, where legacy Power Purchase Agreement (PPA) capacity charges, operational shortfalls at the Electricity Company of Ghana (ECG), and circular sector debts require recurrent state liquidity interventions. Elevating the SOE institutional score requires resolving energy sector commercial arrears through the Energy Sector Recovery Programme (ESRP) and achieving genuine operational self-sufficiency across primary utilities, ensuring state-owned corporations can operate without recourse to central government guarantees or emergency fiscal bailouts.

Transparency and Accountability

Ghana maintains an established institutional framework for public transparency, supported by an active civil society, parliamentary scrutiny, and statutory anti-corruption bodies. The sovereign has accelerated transparency mechanisms through the digitalisation of public sector procurement and administrative service delivery, which reduces bureaucratic discretion and curtails unofficial transaction costs.

The full-scale operationalisation of the Ghana Electronic Procurement System (GHANEPS) across public sector entities represents a tangible step toward open governance. ensuring digital audit trails for public tenders and contract awards. This is complemented by statutory asset declaration mandates for senior public officials and regular compliance audits by the Auditor-General's Department, which continue to expose procurement irregularities and enforce institutional accountability.

To achieve full alignment with global best practices, the government must enhance transparency in natural resource concession awards, extractive revenue accounting, and major infrastructure contracts, Institutionalising open-contracting portals that provide public, real-time access to beneficial ownership registries and sovereign resource contracts will directly mitigate reputational risks and bolster foreign investor confidence.

Regulatory Effectiveness

Regulatory modernisation is progressing across strategic commercial corridors, evidenced by improvements in digital business registration. customs processing, and financial sector regulatory supervision. The Bank of Ghana and the Securities and Exchange Commission (SEC) have updated supervisory frameworks to enhance capital adequacy enforcement, anti-money laundering (AML) controls, and fintech integration, supporting a more formal business environment.

Concrete enforcement actions by the Environmental Protection Agency (EPA) and the Minerals Commission to regulate artisanal mining and enforce environmental safeguards around critical river basins reflect an increasing willingness to enforce administrative mandates. Similarly, the implementation of the Integrated Customs Management System (ICUMS) at maritime ports has streamlined cargo clearance timelines. reducing cross-border trade friction.

However. closing the enforcement gap across the broader informal economy and streamlining commercial dispute resolution remain structural challenges. A decisive score improvement will depend on accelerating commercial court proceedings, simplifying the corporate tax compliance architecture for small and medium enterprises, and enforcing industrial and environmental regulations systematically to create a predictable and competitive business climate commensurate with Ghana’s 5.0%–6.0% GDP growth potential.

Environmental, Social and Governance Pillar (ESG)

Environmental

Ghana's environmental credit profile is characterised by a balance between progressive multilateral climate alignment and structural challenges in domestic environmental enforcement. The sovereign's climate transition posture is distinguished favourably by its comprehensive Nationally Determined Contributions (NDCs) and active engagement with international climate adaptation mechanisms, earning a Climate Change Policy score of 10 / 10. Furthermore, ongoing investments in renewable energy integration and grid modernisation have expanded national electricity availability to 93.3% in 2026, reducing reliance on traditional biomass and supporting a cleaner baseline energy trajectory.

Despite these policy commitments, inherent environmental degradation and regulatory enforcement deficits remain major constraints on the sovereign's environmental risk profile. The Environmental Regulations and Enforcement score sits at 3 / 10, heavily weighed down by severe challenges in curbing illegal artisanal gold mining (galamsey). Widespread informal mining has resulted in critical water-basin pollution, deforestation, and arable land degradation, posing long-term ecological risks that require substantial state intervention and cleanup expenditures. While the Environmental Protection Agency (EPA) and the Minerals Commission have intensified enforcement crackdowns, field compliance across informal extractive corridors remains inconsistent.

To strengthen its environmental standing. Ghana must bridge the gap between policy design and field enforcement by scaling up mechanised, formal artisanal mining frameworks and enforcing strict environmental standards on commercial extractors. Concurrently, accelerating the domestic beneficiation of green transition minerals (such as lithium) will enable the sovereign to capture higher industrial value while managing ecological vulnerabilities. Ultimately, consistent environmental rule-of-law enforcement alongside climate-resilient agricultural infrastructure investments will be vital for supporting an upward credit trajectory.

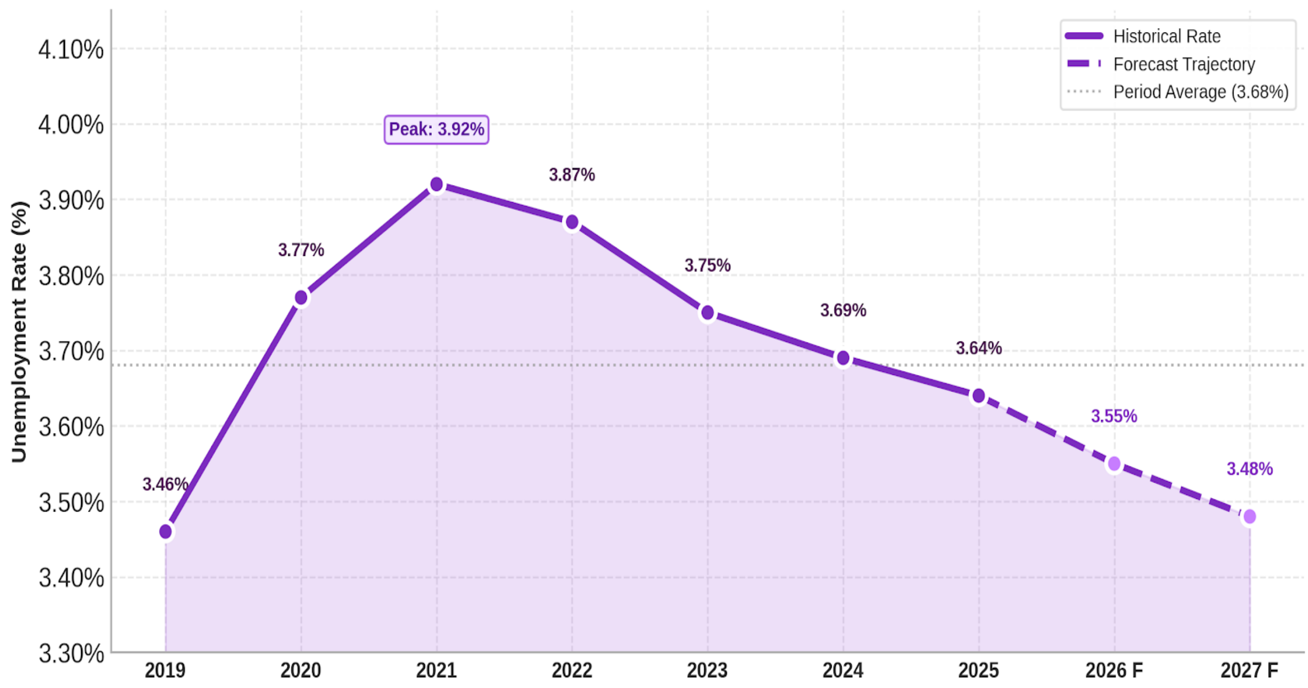
Social

Ghana's social profile presents a constructive baseline contribution to its sovereign credit assessment, anchored by a low headline unemployment rate of 3.55% in 2026 (Score: 5 / 10). While this low metric is partly reflective of high absorption within the informal and agricultural sectors, this level of labour absorption mitigates systemic social fragility, maintains baseline household livelihood support, and reduces the risk of civil unrest as a credit event.

An elevated Gini coefficient highlights deep structural disparities, with wealth concentrated in urban hubs, leaving rural households vulnerable to inflation and requiring continuous state support via programmes like LEAP.

A low standardised HDI (0.114) reflects persistent development challenges; post-restructuring fiscal consolidation has restricted capital spending on advanced healthcare and specialised education, despite gains in primary-level access.

Figure 5: Ghana - Headline Unemployment Rate Trajectory (2019–2027F)



Source: SAR's calculations – World Bank data

Governance

The governance framework is characterised by a stable constitutional architecture balanced against bureaucratic implementation bottlenecks in public administration. Ghana's political profile is anchored by its strong multi-party democratic tradition and established history of peaceful electoral transitions of power, earning a Political Stability score of 4 / 10 (index value of 0.076 in 2026). Institutional achievements, such as the full operationalisation of the Ghana Electronic Procurement System (GHANEPS) and compliance audits conducted by the Auditor-General's Department, provide a transparent administrative baseline that continues to support Foreign Direct Investment (FDI) inflows.

However, administrative delivery constraints and regional security dynamics present ongoing challenges for the Government Effectiveness dimension (Score: 3 / 10; index value of 28.24). Public financial management reforms under the Public Financial Management Act are progressing, but bureaucratic delays, contract enforcement timelines, and tax compliance friction in the informal sector continue to weigh on government efficiency. For a sustained upward rating trajectory, the sovereign must bridge the gap between its strong democratic credentials and public service delivery execution, ensuring that anti-corruption enforcement, state enterprise oversight, and fiscal discipline are maintained across upcoming political cycles.

Natural Resource Pillar

Extractive Concentration Risk and Export Vulnerability

Ghana's industrial trajectory is defined by persistent structural exposure to raw commodity exports, alongside an evolving push toward downstream value addition and resource monetisation. Natural resource extraction accounts for 80.0% of total merchandise exports in 2026 (with a forecast average of 80.6% across the projection horizon), firmly placing the sovereign in the highest risk band (70% and above) with a baseline score of 1 / 10. This extreme concentration is heavily driven by surging gold export receipts. which reached US$11.6 billion in 2024 (a 52.6% increase from 2023) and represent over 57% of total export earnings. as well as crude petroleum and cocoa.

Ghana's export structure exhibits high commodity concentration risk, leaving sovereign creditworthiness exposed to external terms-of-trade shifts. The extraction of primary resources, dominated by gold, crude oil. and cocoa, accounted for 57.00% of total exports in 2013. Over the past decade, economic concentration in primary extractives has increased rather than diversified. Natural resource extraction as a percentage of total exports rose to 68.00% in 2023, 78.00% in 2025, and is projected to reach 80.00% in 2026 and 84.00% by 2027, yielding a forecast average of 80.60%.

While high extractive volumes provide vital foreign exchange liquidity and balance of payments support, they leave fiscal revenues. terms of trade. and the cedi directly exposed to global commodity price shocks. The strategic link between extraction and macroeconomic stability is reinforced by the Bank of Ghana's domestic gold purchasing programme named Gold for Reserves which leverages mining output to rebuild national foreign currency reserves and anchor the exchange rate.

The transformation and expansion of Ghana's power base represent a crucial development within this pillar, providing the physical enabling layer required to support industrial processing and reduce economic fragility. With national electricity access reaching 93.0% of the population in 2026 (and projected to expand to 96.0% in 2027, earning a score of 9 / 10), Ghana ranks among the leading sovereigns in Sub-Saharan Africa for grid availability and household electrification.

Under the Extraction and Beneficiation attribute, the relevance of this energy footprint is twofold:

- Cost Efficiency and Industrial Competitiveness: Widespread electrification underpins industrial parks and commercial corridors; however, high end-user tariffs and legacy commercial debt across the utility value chain continue to impose cost friction on energy-intensive sectors such as gold refining, bauxite smelting, and agro processing.
- Industrial Catalyst: The high physical grid connectivity serves as a foundational platform for raising Manufacturing Value Added (MVA). By supplying stable grid capacity to special economic zones (SEZs) and processing hubs, energy availability provides the structural support needed to transition from exporting raw commodities to producing refined, standardised goods that generate sustainable, non-volatile tax revenues.

Figure 6: Trends in Natural Resource Extraction, Domestic Beneficiation, and Electrification Access (2013–2027F)

Resource Extractive & Infrastructure Metric	2013	2016	2020	2022	2024	2025	2026	2027	Forecast Average
Natural Resource Extraction (% Exports)	57.00%	52.00%	66.00%	66.00%	72.00%	78.00%	80.00%	84.00%	80.60%
Resource Beneficiation (MVA % of GDP)	11.00%	10.50%	10.90%	10.50%	10.30%	10.40%	10.00%	10.00%	10.27%
Electricity Access (% Population)	67.40%	78.30%	86.00%	85.00%	91.00%	92.00%	93.00%	96.00%	93.00%

Source: Ghana Statistical Service (GSS), World Bank, Bank of Ghana, SAR Sovereign Rating Model calculations.

Value Addition Stagnation and Downstream Beneficiation Deficit

A key structural weakness in Ghana's credit profile is the lack of progression from raw extraction to domestic industrial beneficiation. Manufacturing Value Added (MVA) as a percentage of GDP has remained flat for over a decade, measuring 11.00% in 2013, 10.50% in 2022, 10.40% in 2025, and projected at 10.00% for 2026–2027, averaging 10.27%.

This creates a structural imbalance within the domestic economy. Primary resource extraction generates foreign exchange but creates limited industrial employment or high-value manufacturing integration. Ghana remains reliant on exporting unrefined gold, raw cocoa beans, and untreated crude oil, while importing refined petroleum products, processed agricultural goods, and manufactured capital equipment. As a result, terms-of-trade gains do not translate into broader industrial capacity, keeping the economy sensitive to global commodity market cycles.

To elevate its credit profile toward a stronger speculative-grade and eventual investment-grade trajectory, Ghana must bridge the gap between industrial policy design and execution by addressing high domestic borrowing costs and logistical bottlenecks that constrain private capital deployment. Strengthening the sovereign's long-term fiscal revenue base requires a structural shift in Manufacturing Value Added (MVA) toward higher targets, ensuring that expanding gold, crude oil, and cocoa outputs are refined domestically rather than exported as raw commodities. By leveraging its extensive 93.0% electrification rate to power agro-industrial and mineral processing hubs, Ghana can retain greater value within the domestic economy, reduce vulnerability to external commodity downcycles, and build a durable, diversified external profile that supports an upward sovereign rating path.

Energy Infrastructure Access versus Off-Take Contingent Liabilities

Ghana has expanded domestic power infrastructure, increasing access to electricity from 67.40% of the population in 2013 to 90.00% in 2023, 92.00% in 2025, and a projected 96.00% by 2027 (yielding a forecast average of 93.00%). This expansion places Ghana among the leaders in regional energy access in Sub-Saharan Africa.

However. the contractual structuring of this power expansion generated severe fiscal liabilities. The state entered long-term Independent Power Producer (IPP) Power Purchase Agreements (PPAs) containing rigid "take-or-pay" clauses. Under these agreements, state entities guaranteed payment for baseline generation capacity regardless of actual power distribution or tariff collection performance. High distribution losses (reaching 31.30% in northern NEDCo zones) and commercial tariff collection gaps led to annual structural energy sector deficits of $1.4 billion to $1.6 billion (1.2% to 1.4% of GDP).

These annual shortfalls accumulated into substantial arrears owed to fuel suppliers and power producers. Non-payment for gas supplied from the Offshore Cape Three Points (OCTP) field led to the full drawdown of the $500 million World Bank Partial Risk Guarantee (PRG). In 2025. the government completed a $1.47 billion energy debt settlement programme to address these obligations.

Figure 7: Breakdown of Ghana's 2025 Energy Sector Fiscal Rescue Package (USD 1.47 Billion)

Energy Debt Settlement Component	Amount Paid (USD)	Counterparties and Programme Scope
World Bank Partial Risk Guarantee (PRG)	$597.15 Million	Full repayment (principal + interest) to fully restore the facility
Upstream Gas Invoices	$480.00 Million	Settlement of outstanding gas supply arrears to Eni and Vitol (Sankofa)
Legacy IPP Arrears	$393.00 Million	Legacy debt clearance and PPA renegotiations (Karpowership $120M. Cenpower $59.4M. etc.)
Total 2025 Energy Fiscal Rescue Package	**$1.470.15 Million**	**Clearance of legacy default risk and restoration of commercial contract stability**

Source: Ministry of Finance (MoF) Ghana – Energy Sector Recovery Programme (ESRP), World Bank Ghana Energy Sector Reports, Bank of Ghana, SAR Sovereign Rating Model calculations.

While the $1.47 billion intervention stabilised domestic power supply and restored investor credibility, it required significant extra-budgetary transfers. Without further operational reforms at state distribution utilities, tariff rationalisation, and updated off-take contracts, energy sector liabilities will remain a primary driver pushing total public contingent liabilities toward the projected 20.00% of GDP by 2027.

Infrastructure Development Pillar

Ghana scores 27 out of a maximum 50 points on this pillar (54.0%), a broadly 'moderate' outturn across all eight scored variables. The assessment reflects a genuine, multi-sector infrastructure programme with increasing use of blended and development-partner financing, offset by recurring project-delivery slippage and a maintenance-financing gap that predates and was compounded by the 2022-24 fiscal crisis.

Infrastructure Commitment

Public infrastructure investment has averaged 3-4% of GDP over the review period, concentrated on roads, energy, and the government's 'Big Push' infrastructure programme. Capital spending was compressed during the 2022-24 fiscal crisis as the IMF-supported consolidation prioritised debt sustainability over new capital works and is only now recovering toward pre-crisis levels. Delivery, however, continues to lag: a persistent gap exists between gazetted and completed projects, constrained by financing shortfalls, contractor payment arrears accumulated during the crisis, and the broader fiscal-consolidation programme.

Project diversification is reasonable in sectoral terms; investment spans energy, roads, water and sanitation, digital infrastructure, and social infrastructure, notably, the Agenda 111 regional hospitals programme. However, allocation remains weighted toward road transport relative to other sectors. Geographic coverage is still concentrated around the Accra-Tema and Kumasi urban corridors and the Western oil- and gold-producing region, with comparatively less investment reaching the northern regions. Financing innovation has improved: Ghana has increased its use of public-private partnerships and development-partner blended finance (World Bank, African Development Bank, European Union) for flagship projects. but conventional budget and concessional financing still dominate the overall programme, and the post-restructuring operating environment continues to limit access to commercial project finance.

Sustainable and Inclusive Development

Environmental and social safeguards are formally embedded in major project appraisal. Environmental Protection Agency permitting and Environmental and Social Impact Assessment requirements apply to significant infrastructure works. Still, enforcement is inconsistent, particularly around extractive-sector-adjacent infrastructure and areas affected by illegal small-scale mining ('galamsey'). Economic-impact discipline is more firmly established: cost-benefit analysis is applied to major donor-financed projects, notably under World Bank- and African Development Bank-supported programmes, supporting reasonable prioritisation of higher-return investment in energy generation and transport corridors.

Infrastructure Development - Variable Scorecard

Variable	Score (/10)	Notch	Assessment
Investment Commitment	6	0	Moderate
Project Implementation Rate	5	0	Moderate
Diversity and Scope of Projects	6	0	Moderate
Innovative Financing Models	5	0	Moderate
Sustainability and Environmental Considerations	5	0	Moderate
Economic Impact Analysis	6	0	Moderate
Maintenance and Upkeep Plans	4	0	Weak
Community Engagement and Impact	6	0	Moderate

Ministry of Finance Ghana; Ministry of Roads and Highways; World Bank Infrastructure reports.

RATING SENSITIVITIES

Factors That Could Lead to a Rating Upgrade

Fiscal Consolidation and Debt Sustainability

- Sustained primary fiscal surpluses exceeding 1.5% of GDP and general government revenue expansion toward the 17.8% of GDP target by 2027 under the Domestic Revenue Mobilisation Strategy (DRMS).
- A decisive decline in the interest-to-revenue ratio below 18.0% (from 28.8% in 2025 and 22.1% in 2026), supported by concessional financing and debt service savings from the restructured Eurobonds and Official Creditor Committee (OCC) agreements.
- Disciplined accumulation of resources in the sovereign debt sinking fund to build cash buffers ahead of medium-term commercial maturities.

Monetary Stability and External Buffer Accumulation

- Sustained disinflation bringing headline inflation into the Bank of Ghana's medium-term target band of 8±2%, accompanied by cedi exchange-rate stability.
- Significant accumulation of gross foreign currency reserves exceeding 4.5 months of import cover, supported by the ongoing Bank of Ghana domestic gold purchase programme and non-debt foreign exchange inflows.

Industrial Transformation and Beneficiation

- A sustained increase in Manufacturing Value Added (MVA) from 10.2% toward 14.0% of GDP, driven by downstream refining of gold, bauxite, and agro processing (notably cocoa).
- Measurable export diversification that reduces primary natural resource concentration below 70% of total export receipts.

Factors That Could Lead to a Rating Downgrade

Macroeconomic Vulnerabilities and Policy Slippages

- Re-emergence of unbudgeted fiscal deficits or expenditure overruns surrounding electoral cycles, undermining post-bailout fiscal discipline.
- Breach of the zero-direct central bank financing Memorandum of Understanding (MoU) between the Bank of Ghana and the Ministry of Finance, leading to deficit monetisation, renewed cedi depreciation, and inflation resurgences above 25%.

Fiscal and External Deterioration

- A reversal in public debt-to-GDP trajectory, pushing gross government debt back above 65.0% of GDP due to fiscal underperformance or domestic borrowing spikes.
- A sharp compression in the trade and current account surplus, triggered by a slump in international gold or crude oil prices or trade restrictions (such as universal tariff shocks in key export destinations).

Contingent Liability and Energy Sector Arrears

- Escalation of off-budget commercial debt and Power Purchase Agreement (PPA) legacy arrears in the energy value chain, triggering direct fiscal transfers or sovereign guarantee calls.
- Prolonged capital inadequacy or rising non-performing loans (NPLs) across domestic commercial banks stemming from Domestic Debt Exchange Programme (DDEP) carry costs, requiring state-funded recapitalisation interventions.

Industrial and Environmental Regression

- Stagnation or decline of Manufacturing Value Added (MVA) below 10.0% of GDP, reinforcing dependency on raw mineral and crop exports.
- Widespread expansion of unregulated artisanal mining (galamsey) resulting in critical ecological damage, water basin degradation, and negative impacts on commercial agriculture and cocoa yields.

KEY RATING INDICATORS

Table 1: Key Risk Indicators

Variable	2023	2024	2025	2026	2027 F
GDP Growth Rate (%)	3.1%	5.7%	6.0%	4.8%	5.0%
GDP per Capita (US$)	2090.00	2880.00	3270.00	3 314.00	3 450.00
Share in Peer Group GDP	-	-	10.75%	10.75%	10.8%
Share in World GDP	-	-	0.10%	0.10%	0.10%
Export Diversification Index	0.7	0.68	0.7	0.65	0.6
Current Account Balance as Percentage of GDP (%)	1.70%	4.40%	4.80%	3.00%	2.70%
General Government Revenue (% of GDP)	15.80%	15.90%	16.50%	17.20%	17.80%
Gross Government Debt (% of GDP)	79.1%	70.3%	59.08%	54%	42%
Gross Government Debt (% of Revenue)	530.9%	447.6%	370.3%	334%	250%
General Government Interest (% of Revenue)	30.9%	34.4%	28.8%	22%	17%
General Government Fiscal Balance (% of GDP)	-3.4%	-7.3%	-2.7%	-1%	2%
Foreign Debt (% of Total Gross Loan Debt)	49.3%	50.2%	46.5%	48%	49%
Local Currency Denominated Debt (% of Foreign Debt)	50.7%	49.8%	53.5%	52%	51%
Contingent Liabilities (% of GDP) [Government Financial Guarantees Exposed Value]	11.4%	16.2%	16.2%	18%	20%
Debt Repayment Record (Years Since Default or Restructuring Event)	0	0	1	2	3
Inflation Rate	38.1%	22.8%	14.2%	23%	14%
Exchange Rate Stability (Implied PPP Conversion)	3.2	3.6	2.6	3.06	2.85
Domestic Market Capitalisation (% of GDP)	7.7%	9.2%	12.0%	11%	12%
Broad Money Supply Growth Rate (%)	38.7%	31.9%	21.5%	33%	26%
Foreign Currency Reserves (% of Total External Debt)	20.1%	31.2%	40.0%	38%	47%
Independence of Central Bank (Transparency and Independence Index)	5	5	5	5	5
Regulatory Effectiveness (Regulatory Quality Index)	4	4	4	4	4
Fiscal Policy Effectiveness	3	3	3	3	3
Monetary Policy Effectiveness (CPIA Financial Sector Rating)	3	3	3	3	3
SOE Institutional Effectiveness	4	4	4	4	4
Transparency and Accountability	4	4	4	4	4

Environmental Regulations and Enforcement (Environmental Protection Index)	4	4	4	4	4
Climate and Natural Disaster Risk Exposure (Climate Change Policy Index)	4	4	4	4	4
Unemployment Rate (%)	3.75	3.69	3.64	3.55	3.48
Income Inequality (Gini Coefficient)	0.4536	0.4563	0.4590	0.4617	0.4645
Social and Environmental Impact of Natural Resource Extraction (Ecosystem Vitality Index)	33.38	33.44	33.58	34	34
Labour Rights and Standards	1.66	1.66	1.67	1.673	1.678
Human Development Index (HDI. 0 to 1)	0.095	0.098	0.102	0.114	0.116
Political Effectiveness (Political Stability Index)	0.08	0.08	0.07	0.076	0.068
Governance Practices (Government Effectiveness Index) (-2.5 to 2.5)	- 1.095	-1.095	-1.090	-1.088	-1.085
Natural Resource Extraction (Natural Resources as % of Exports)	72.0%	78.0%	80%	84%	72.0%
Natural Resource Beneficiation (Manufacturing Value Added as % of GDP)	10.3%	10.4%	10%	10%	10.3%
Energy Generation and Availability (% of Population with Access to Electricity)	91%	92%	93%	96%	91%
Investment Commitment	6	6	6	6	6
Project Implementation Rate	5	5	5	5	5
Diversity and Scope of Projects	6	6	6	6	6
Innovative Financing Models	5	5	5	5	5
Sustainability and Environmental Consideration	5	5	5	5	5
Economic Impact Analysis	6	6	6	6	6
Maintenance and Upkeep Plans	4	4	4	4	4
Community Engagement and Impact	6	6	6	6	6

Rating Methodology

The principal methodology used in this rating methodology was published and is available at:

Sovereign Rating Methodology

Information and Data

SAR confirms that data and information adequacy was sufficient to conduct this credit rating.

Data and information from reputable sources were used during the credit rating process.

The quality of the data and information has been validated via cross-referencing against various data sources for consistency.

Issuer Participation

SAR confirms that the credit rating has been disclosed to the rated entity.

This is an unsolicited credit rating.

The rated entity did not participate in the rating process.

SAR had access to publicly available and internal data and information during the rating process.

The rated entity did not request that SAR conduct this credit rating assessment.

Rating Definitions

SAR Rating Definitions

Rating History

Initial Rating Date	**24 November 2023**	**Current Rating Date**	**08 September 2026**

Glossary of Terms

Term	Definition
The African Continental Free Trade Area (AfCFTA)	The African Continental Free Trade Area (AfCFTA) is a landmark trade agreement among African countries aimed at promoting intra-African trade and economic integration. It was established to create a single market for goods and services on the continent. removing trade barriers and fostering economic cooperation among African nations.
Beneficiation	The process of improving the chemical or physical properties of a raw resource (such as gold or oil) to create higher-value refined products.
BoG	The Bank of Ghana
Credit Rating Action	Any of the following is a credit rating action: 1. The process through which a credit rating is given to a rated entity or obligation. including credit ratings given during a subsequent rating process. 2. When relevant conditions are thought to have been satisfied in the anticipated rating process. a provisional note is removed from a credit rating. 3. A change to a credit rating (i.e. upgrade or downgrade). 4. Placing a credit rating under review. reconfiguring an active review. or removing a credit rating from review (i.e. credit rating confirmation). The assignment of. or modification of. an outlook linked to a rated entity or several credit ratings. 5. A credit rating affirmation. 6. A credit rating withdrawal.
Current Account Balance	Exports of goods and services minus imports of the same, plus net factor income, plus official and private net transfers.
EACOP	The East African Crude Oil Pipeline: a landmark infrastructure project for transporting crude oil. representing significant capital imports and long-cycle productive investment.
ECF	Extended Credit Facility
DRMS	Domestic Revenue Mobilisation Strategy: a fiscal framework aimed at increasing a sovereign's tax-to-GDP ratio through improved collection efficiencies and formalisation of the economy.
Employee(s)	An employee is any full-time or part-time employee of SAR or any of its subsidiaries and associated companies.
Foreign Direct Investment (FDI)	Direct investment is conducted by non-residents.
GRA	Ghana Revenue Authority
Gross Domestic Product (GDP)	The total market value of goods and services produced by resident factors of production.
GDP per Capita	GDP is divided by population.
GHG	Greenhouse Gas. Greenhouse gases are gases in the atmosphere that absorb and emit radiation within the thermal infrared range. causing the greenhouse effect.
Gini Coefficient	The Gini coefficient is a statistical measure used to assess income or wealth inequality within a population. It ranges from 0 to 1. where 0 represents perfect equality (everyone has the same income) and 1 represents perfect inequality (one person has all the income). A higher Gini coefficient indicates greater inequality.
Issuer	An issuer is any entity that issues debt. a credit commitment. debt-like obligations. or securities. Examples of such entities include special-purpose vehicles. companies. governments. and local governments.
Lead Rating Analyst (Lead Analyst)	Lead Rating Analyst is a term used to describe an analyst who is primarily responsible for providing details about a credit rating and/or for communicating with the issuer(s) regarding a specific credit rating or regarding the credit rating of a financial instrument issued by that issuer. as well as. when appropriate. for creating recommendations for the rating committee in relation to that credit rating.
Manager(s)	Managers(s) are employees who oversee personnel.

NEMA	The National Environment Management Authority: the principal agency responsible for coordinating. monitoring. and supervising all activities related to the environment.
MVA	Manufacturing Value Added: a net measure of the manufacturing sector's output. used to assess a sovereign's progress toward industrialisation and domestic value addition.
Net General Government Debt	General government debt minus general government liquid financial assets.
Net External Liabilities	Total public and private sector liabilities to non-residents minus total external assets.
Outlook	An outlook is an opinion regarding the likely path an issuer's rating could take over the medium term.
PM Score	PM (Particulate Matter) scores related to air quality.
Prohibited Recommendation	Any proposals or recommendations made either formally or informally regarding the design of financial instruments on which a CRA is envisioned to issue a credit rating may be made by an employee to a rated entity or its agent to improve the rated entity's rating. This includes suggestions about the rated entity's corporate or legal structure. assets. liabilities. or activities.
Rated Entity(ies)	A rated entity is any entity rated by a credit rating agency (CRA).
Review	A review is an indication that a rating may change in the not-too-distant future.
RAPEX	Rationalisation of Government Agencies and Public Expenditure: an administrative reform initiative designed to reduce functional duplications and improve fiscal discipline.
SAR	Sovereign Africa Ratings (Pty) Ltd is authorised to conduct business as a credit rating agency as per the Credit Ratings Services Act of 2012 of the Republic of South Africa.
Special Drawing Rights (SDR)	The SDR is an international reserve asset that was created by the International Monetary Fund in 1969 to supplement its member countries' official reserves.
Security	Security refers to any type of financial instrument. including stocks. bonds. debentures. notes. options. equity securities. convertible securities. warrants. derivative securities (derivatives). and warrants.
Total Debt Service (TDS)	Total Debt Service (TDS. current US$) refers to the total amount of money paid by a country to cover the principal and interest payments on its external debt. External debt includes loans and financial obligations owed to foreign creditors. such as other governments. international organisations. or private entities. by the country in question.

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