



• Dr Cassiel Ato Forson (inset) reading the budget statement Photo: Ebo Gorman

## 2025 Budget:

# Govt to spend GH¢291bn

## ...to build more resilient, equitable society

BY KINGSLEY ASARE & CYNTHIA ASAMPANA

### —Finance Minister

**T**HE government has projected to spend GH¢291 billion in the 2025 fiscal year to implement the budget and fund infrastructural projects.

The Finance Minister, Dr Cassiel Ato Baah Forson, who asked Parliament for approval for the government to spend the amount when he presented the 2025 budget statement and economic policy to the house, said the money would be used to finance the budget and government initiatives.

He said the government was estimated to raise a total revenue and grants of GH¢223.8 billion, representing 17.2 per cent of Gross Domestic Product (GDP) up from GH¢186.5 billion or 17.4 per cent of GDP.

"The projection is underpinned by non-oil revenue measures which are expected to yield at least 0.5 per cent of GDP," he stated.

This year's budget the first to be presented by the government is on the theme

"Resetting the Economy for the Ghana We Want."

The Finance Minister said the government would pursue three-pronged initiatives aimed at resetting the economy and ensuring fiscal consolidation for the year.

The strategies are to recalibrate the fiscal adjustment, deliver a shock therapy and restore fiscal responsibility.

Dr Forson asserted that those strategies would lower inflation and curb the depreciation of the cedi, lessen government's reliance on borrowing, which in turn would reduce the crowding out of the private sector.

"The strategies will help lower interest rates and 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," he stated.

Dr Forson said the economy the government inherited was in crisis and had not turned the corner as it was portrayed by the previous government.

He pledged that the government would

work to fix the economic challenges to bring relief to businesses and the citizenry.

In this direction, Dr Forson said the government had programmed total expenditures (Commitment) for 2025 at GH¢269.1 billion (20.7 per cent of GDP) down from GH¢279.2 billion (26.0 per cent of GDP) in 2024.

He said the primary expenditure on a commitment basis (expenditures net of interest payments) was projected at GH¢204.7 billion, representing 15.8 per cent of GDP in 2025, a significant decline from GH¢232.4, representing 21.7 per cent of GDP in 2024.

"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," Dr Forson, stated.

Dr Forson said based on the estimates for total revenue and grants and total expenditure (commitment), the projected overall balance on commitment basis is a deficit of GH¢43.8 billion, equivalent to 3.1 per cent of GDP.

"The corresponding primary balance on commitment basis is a surplus of GH¢20.3 billion, equivalent to 1.5 per cent of GDP. On cash basis, overall balance is a deficit of GH¢56.9 billion, equivalent to 4.1 per cent of GDP. The corresponding primary balance on cash basis is a surplus of GH¢7.3 billion, equivalent to 0.5 per cent of GDP," he said.

The Finance Minister indicated that the cash deficit of GH¢56.9 billion was expected to be financed from both foreign and domestic sources, indicating that the total foreign net financing would amount to GH¢21.4 billion (1.5 per cent of GDP).

"Foreign financing will include a provision for financing from International Monetary Fund-Extended Credit Facility programme disbursements of \$720 million and World Bank Development Policy Operation (DPO) funding of \$600 million," Dr Forson said.

He said the residual Net Domestic Financing, will amount to GH¢36.9 billion (2.6 per cent of GDP), representing 65.0 per cent of the total financing for 2025, explaining that "This is expected to be sourced from the issuances of debt at the short end of the domestic market."