Debt-Borne State vulnerability: The Case of Ghana

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Abstract:

Ghana has faced a severe debt crisis in recent years, with public debt exceeding 80% of GDP. A significant portion of government revenue was spent on debt servicing, limiting funding for infrastructure and social programs. In response, the government was forced to implement a domestic debt restructuring plan and impose new revenue measures, such as tax increases and spending cuts, to restore financial stability. The success of these reforms will be crucial in determining Ghana's future economic trajectory.

This study aims to examine Ghana's economic situation by examining the development of some key economic indicators. It then identifies the main causes of the worsening debt, the sequence of events leading up to the debt restructuring deal, and its expected impact.

Keywords: *Debt crisis– The Debt Restructuring Deal, Vulnerability, Ghana.*

Jel Classification Codes :*F34 ; H63 ; O55.*

Résumé:

Le Ghana a été confronté à une grave crise de la dette ces dernières années, la dette publique dépassant 80 % du PIB. Une part importante des recettes publiques a été consacrée au service de la dette, limitant ainsi le financement des infrastructures et des programmes sociaux. En réponse, le gouvernement a été contraint de mettre en œuvre un plan de restructuration de la dette intérieure et d'imposer de nouvelles mesures de recettes, telles que des hausses d'impôts et des coupes budgétaires, afin de rétablir la stabilité financière. Le succès de ces réformes sera crucial pour déterminer la trajectoire économique future du Ghana.

Cette étude vise à examiner la situation économique du Ghana en présentant l'évolution de certains indicateurs économiques importants. Elle identifie ensuite les principales causes de l'aggravation de la dette, la séquence des événements ayant conduit à l'accord de restructuration de la dette et ses effets attendus.

Mots clés: *Crise de la dette, Accord de Restructuration de la Dette, Vulnérabilité, Ghana.*

Jel Classification Codes : *F34 ; H63 ;O55.*

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I. Introduction

Africa saw a rise in debt between 2010 and 2019, driven by countries investing in growth and development to bridge the skills and infrastructure gap with developed countries. The debt-to-GDP ratio rose from 31% to 67%. Between 2019 and 2023, African countries responded to crises such as COVID-19, rising energy and food prices, and geopolitical instability by increasing deficit spending, leading to higher debt-to-GDP ratios. The sovereign debt crisis plays a pivotal role in shaping the fragility of African countries and exacerbating their economic and social challenges.

Ghana is suffering from a severe external debt crisis, with total external debt reaching approximately $28.5 billion in the first quarter of 2025, after reaching even higher figures in mid-2024, exceeding $31 billion. This crisis has dominated the country's economic and political landscape, leading to a formal debt default at the end of 2022 and difficult negotiations with the International Monetary Fund and creditors.

Based on the above, we tried to formulate the main problematic of this study as Follows

Ghana, a leading economic power in West Africa, faces a critical test today: either to successfully overcome its debt crisis through economic reforms that strengthen its financial independence, or to resort to temporary solutions that perpetuate its dependence. From this perspective, this article seeks to analyze the dimensions of this crisis and link it to the broader issues facing Ghana, one of several African countries grappling with debt.

How has the debt crisis contributed to weakening the Ghanaian economy?

Study Objectives

The primary objective of this study is to shed light on the debt crisis, its causes, and the consequences of the inability to repay debts resulting from the country's deteriorating economic conditions. We take Ghana as one of the countries suffering from high debt levels and its inability to repay debts, which has led to what is known as debt sustainability.

The importance of studying :

the debt crisis and debt restructuring lies in the fact that African countries are classified as poor countries despite their great wealth. However, the

lack of optimal exploitation of resources has led them to fall into the debt trap, in addition to the absence of alternative regional or national solutions that take into account the limited capabilities of such economies and develop solutions that suit them.

Literature Review :

1- J. Atsu Amegashie « **Sovereign default,After sovereign default, Ghana's economic challenges persist** ».Published in 14.02.2025, In this study, the researcher reviewed the economic situation of Ghana through some indicators, such as the value of the public debt, prevailing interest rates, and inflation rates in recent years. He also highlighted a set of main reasons that led to the deterioration of the situation and Ghana's inability to pay its debts, forcing it to conclude an agreement with creditors to restructure the debt. He attributed the reasons for this undeclared crisis to the mismanagement of financial resources and the lack of full compliance with the instructions of the International Monetary Fund. The study concluded that the continuation of such practices will lead to the sustainability of the debt in Ghana.

2- Minister for Finance and MP 'Ghana', « **The Annual Public Debt Report for the 2024 Financial Year** », 2025. The report reviewed Ghana's public debt situation in recent years, covering in detail the gross domestic product (GDP) index, interest rate developments, inflation rates, and the general budget deficit. It also addressed developments in the implementation of the debt restructuring program and Ghana's latest credit ratings from Standard & Poor's and Fitch Ratings. The government appears more optimistic about the improving economic trajectory and its commitment to its creditors, with its credit rating improving across all indicators.

3- Mohamed Zakaria Fadl , « **The Debt Burden and Its Impact on the Fragility of African States** », 2025, The study examines the impact of debt on the fragility of African states, defining fragility and the theoretical framework of debt, reviewing its structural causes and social repercussions, analyzing cases of default, and detailing solutions and strategies for debt management. The study concludes that the sovereign debt crisis plays a pivotal role in shaping the fragility of African states and exacerbating their economic and social challenges. While the debt burden is considered one of the most prominent causes of the inability to achieve stability and growth, poor debt management, weak governance, and a lack of transparency exacerbate this crisis.

- **Study Contents**

To understand the aspects of the topic and address its problems, the study was divided into the following sections: Section One: A look at the developments in

the economic situation in Ghana; Axis II: The debt crisis and the debt restructuring deal in Ghana 2025.

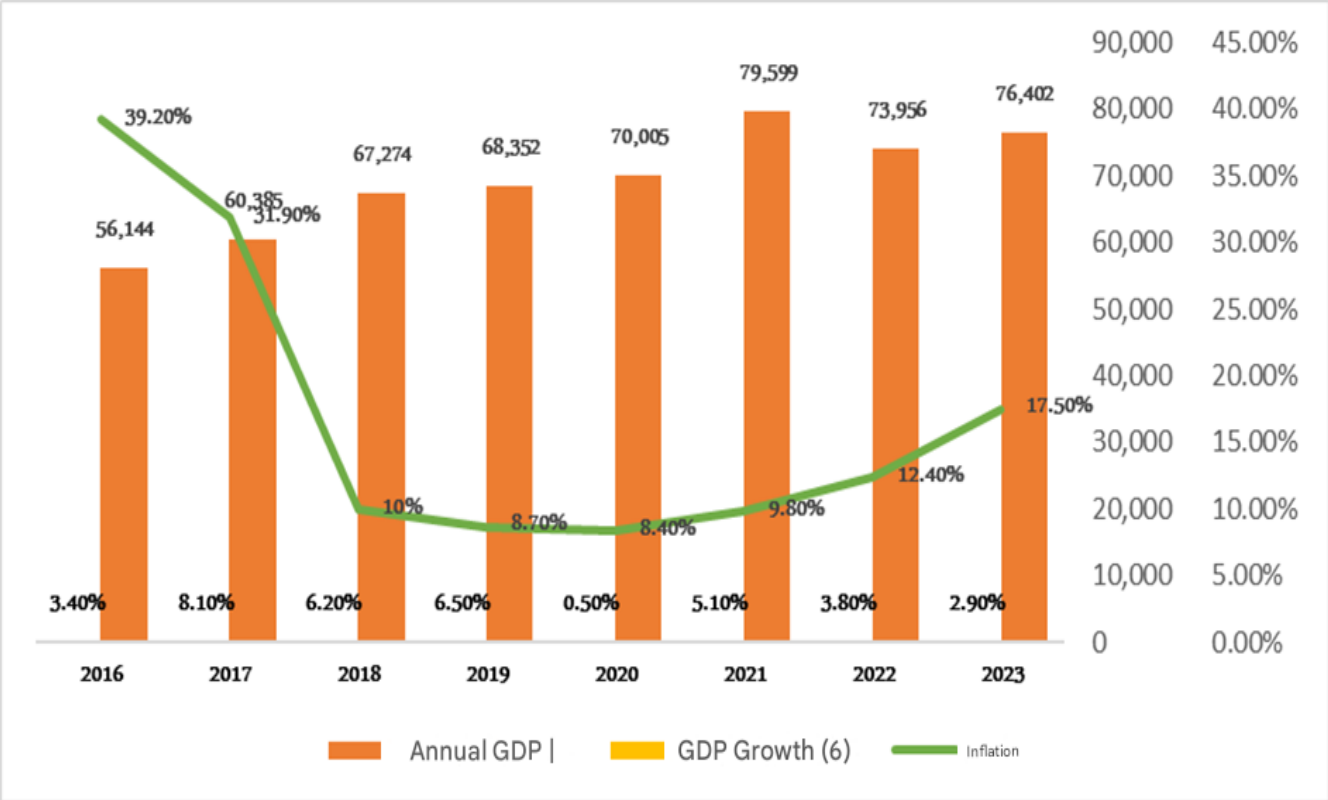
II. Economic performance in Ghana :

During the decade leading up to 2020, Ghana's economy grew at an average annual rate of 6.6%. Poverty declined, although inequality did not. The country enjoyed a relatively good international reputation and access to the Eurobond market. However, for several reasons, the economy was more fragile than the growth rate indicated. Key issues included:

II.1-GDP Growth and Structure

Ghana's GDP grew by 2.9% in 2023 compared to 2022. This rate is -0.9% lower than the 3.8% achieved. In the first half of 2024, Ghana's GDP increased by 5.9%, compared to 2.8% in the first half of 2023, driven by an 8.1% growth in the industrial sector, particularly in the oil and gas sector. Agriculture expanded by 5.1%, despite a significant contraction in cocoa production, while the services sector grew by 4.5%, a 6% decrease compared to the first half of 2023.

Figure (1) Growth and inflation rates in Ghana 2016-2023



Source :(kwbina gyankwakye, 2024)

Ghana's GDP for 2024 is projected to reach approximately US$82.8 billion,

registering a real annual growth rate of 5.7%, a significant improvement over the 3.1% growth recorded in 2023. In 2025, GDP is expected to range between US$86 billion and US$113 billion at current prices, with real growth continuing to range from 3.9%, according to World Bank estimates, to over 6%, according to updated official data, particularly in the second quarter of the year, which saw growth of 6.3% compared to the same period in 2024. (economics, 2025)

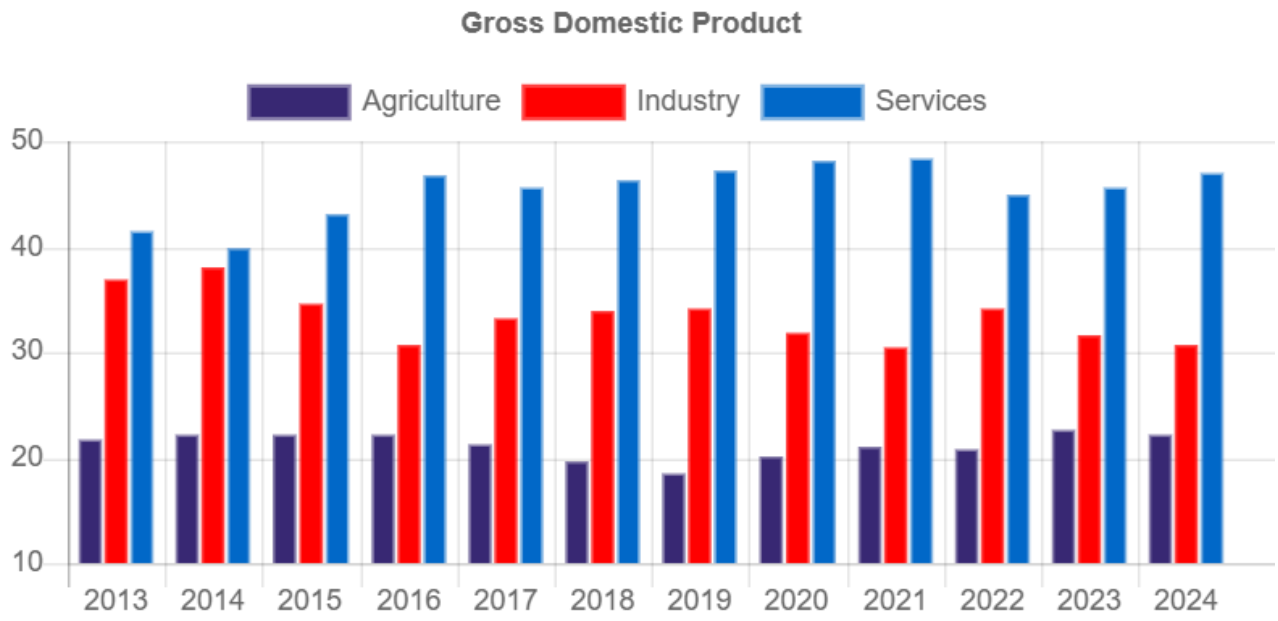
The annual variation rate of the CPI in Ghana in September of 2024 was21.5%, 11 tenths higher than the month before.The monthly variation rate of the CPI (Consumer Price Index) has been 2.8%, and thus the accumulated inflation in 2024 is 17.6%

We must highlight the increase of 4.2% in the prices of Food and non-alcoholic beverages, until its interannual rate reached 22.1%, which is in contrast to the decrease in the prices of Recreation and culture of 0.6%, and an interannual variation of 18.8%

. (kwbina gyankwakye, 2024)

Contribution of different sectors to the formation of the GDP in Ghana :The services sector remained the largest sector in the Ghanaian economy in the second quarter of 2024, accounting for 44.2% of GDP at basic prices. The industry and agriculture sectors accounted for 32.2% and 23.6% of GDP, respectively. The industry sector recorded the highest real GDP growth of 9.3% (year-on-year), followed by the services sector at 5.8%, while the agriculture sector recorded a growth rate of 5.4%. Financing Ghana's structural transformation requires selective investments in value-added activities that can drive the desired transformation. It also requires building resilience to global shocks, including measures to strengthen macroeconomic management and mobilize domestic resources. Key reforms should include improving the coordination and sequencing of public sector development initiatives in line with the country's fiscal position; accelerating the ongoing debt restructuring process, enhancing the scope for concessional financing, and deepening financial markets to increase access to affordable credit; and enhancing stakeholder engagement and coordination of development assistance to maximize synergies and impact.

Figure (2) **Contribution of different sectors to the formation of the GDP in Ghana *2013-2024***



Source: (service, 2025)

II.2 Public Budget.

Ghana's budget deficit improved somewhat in 2024 compared to previous years, but it remains a structural challenge for the Ghanaian economy, linked to complex external and internal factors. (Amegashie, 2025)

Ghana's budget deficit for the first half of 2024 was estimated at approximately 3.4% of GDP, an improvement from the 3.7% deficit in 2023, which was significantly lower than the previous forecast of 5.7%.

The fiscal deficit narrowed from 11.8% of GDP in 2022 to 4.5% in 2023, due to tighter fiscal policies and improved revenues.

The budget deficit is due to:

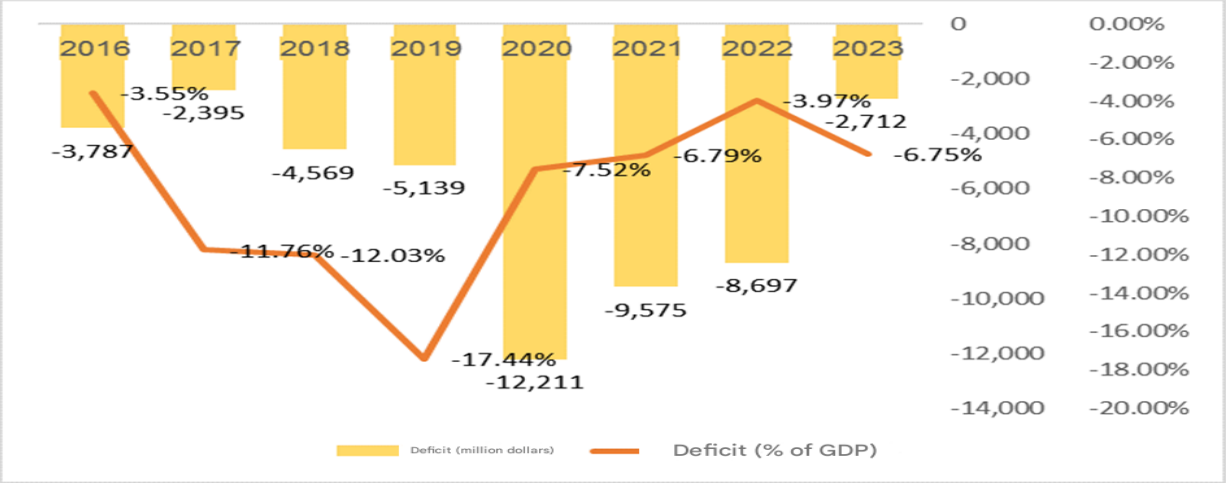
Increased government spending, particularly on energy subsidies, social obligations, and debt servicing costs.

Revenues declined due to slowing economic activity, declining cocoa revenues, exchange rate volatility, and high inflation.

Continued pressures on the state budget due to rising sovereign debt and financial restructuring costs.

The gouvernement seeks to reduce the public deficit to levels closer to international standards by improving revenue mobilization, controlling spending, and implementing financial and structural reforms.

Figure (3) Ghana's budget deficit from 2016 to 2023



Source: (kwbina gyankwakye, 2024)

Public spending reached 226.7 billion Ghanaian cedis, a 10.59% increase from 2023 (205.4 billion). Despite falling short of its 2023 revenue target of 79.091 billion cedis due to lower oil revenues, the government aimed to increase revenue and grants by 22.5%, reaching 176.4 billion cedis. To achieve this, the government raised stamp duties and excise taxes on beer and broadened the tax base. These measures are also intended to facilitate tax payments for the informal sector and boost domestic production. Of the 226.7 billion cedis government spending, wages accounted for the largest share at 63.7 million cedis, followed by interest payments at 55.9 million cedis, and goods and services at 11 million cedis. This year, the government allocated 28.7 million Ghanaian cedis for capital expenditures, which will be spent on long-term projects or assets.

Despite revenue growth, the deficit is estimated at 50.1 billion cedis, requiring the government to seek domestic and foreign financing to cover the budget shortfall. A significant portion of the 2024 budget was allocated to the Bureau of Government Agencies, with 2,074,827,160 cedis, a 47% increase over the previous year's proposed 1,410,712,912 cedis. Similarly, Parliament saw a 26% increase in allocations, bringing its total to 1,029,466,639 cedis. Given the high cost of government, a substantial portion of the national budget is spent on salaries and administrative expenses. Inefficiencies in the Ghanaian government incur significant costs that can erode public trust and lead to substandard public services. With its heavy reliance on foreign financing, the government must ensure that public funds are used efficiently to drive economic growth. (GHANA, 2024)

Despite Ghana's current financial difficulties, the 2024 budget does not address existing shortcomings in the use of public funds and high government costs. The number of ministries, legislators, and presidents is a significant factor.. (‘Ghana’, 2025)

II.3 Foreign Reserves

In May 2019, foreign exchange reserves amounted to £19.212 billion, and the total money supply amounted to £81.870 billion. Total gold reserves reached 8.77 tons in 2021. Meanwhile, total international reserves declined from $6.3 billion at the end of 2022 (2.7 months of import cover) to $5.0 billion (2.3 months) in November 2023. (Report., 2025)

III. The Roots of Ghana's Financial Crisis Before June 2025

Ghana, one of West Africa's most prominent economies, has witnessed a worrying upward trend in public debt levels over the past decade. The debt-to-GDP ratio rose from about 35% in 2010 to more than 92% in 2022, before declining to 85.7% in 2024, according to international institutions such as IMF. This boom in borrowing was not isolated from the structure of the Ghanaian economy, which suffers from weak domestic revenue mobilization and a high rate of dependence on the export of primary commodities such as gold, cocoa, and crude oil, without achieving effective economic diversification. (News., 2025)

III.1-Reasons for the Aggravation of Ghana's Debt Crisis

Several internal and external factors have contributed to the deepening and accelerating of the crisis, most notably the economic repercussions of the COVID-19 pandemic, the pressures resulting from the Russia-Ukraine war, and the sharp rise in global interest rates, which has contributed to an increase in the cost of servicing external debt. The crisis also revealed the vulnerability of the country's financial structure, particularly the weak efficiency of public spending and the ballooning government subsidy bill. (Report., 2025)

Moreover, the agency costs associated with debt accumulation add further complexity to the economic landscape in African countries, as the interests of international creditors diverge from local development needs, creating conflicts that hinder economic decisions focused on sustainable development. (Buchheit, 2013)

Amid this turbulent situation, the Ghanaian government announced in December 2022 a suspension of its external debt repayments, a move many observers considered a sign that the country was entering a phase of "disorderly default." This subsequently prompted it to negotiate a $3 billion financial rescue program with the International Monetary Fund (IMF), which included a package of stringent structural reforms in public finances. (Law., 2025)

This default did not arise suddenly, but rather resulted from a long-standing accumulation of unsustainable economic policies and an excessive reliance on

debt to finance the deficit, without implementing effective reforms to the revenue system or enhancing financial transparency. With mounting social and economic pressures, Ghana found itself forced to turn to the international community to restructure its debt and request exemptions and concessions from the group of official creditors, in a scenario reminiscent of the debt crises of the 1980s, but within a more complex and competitive global context. (News. U. N., 2025)

In tracing the evolution of Ghana's public debt as a percentage of GDP, the following timeline highlights the sharp increase in debt levels during the period from 2010 to 2024.

Table (1) shows this upward trajectory, which peaked in 2022 before witnessing a slight decline in 2024, reflecting the accumulated financial pressures on the Ghanaian economy, despite attempts to address them.

Table (1): Ghana's public debt as a percentage of GDP, 2010–2023

year	debt	Debt %DGP
2016	31408	55.94
2017	34410	56.98
2018	41686	61.98
2019	39880	58.34
2020	50642	72.34
2021	62958	79.18
2022	63381	85.74
2023	61513	76.37
2024	31969.53	67

Source : (countryeconomy, 2025)

Ghana's public debt has increased significantly since 2020, directly influenced by the repercussions of the COVID-19 pandemic and the effects of the global lockdown on rising commodity prices (stagflation). This reflects the fragility of the country’s financial structure and its excessive reliance on external borrowing to cover its obligations. Ghana has previously sought financing from the I M F. Since its independence, the country has received aid from the Fund 17 times.

Despite a slight decline in 2023, the debt ratio remains at critical levels, undermining the country's ability to achieve self-sufficiency without resorting to external support.

Ghana's external debt increased to US$28,500 million in the first quarter of 2025 from US$28,300 million in the fourth quarter of 2024. Ghana's external debt averaged US$15,848.98 million from 2007 to 2025, with an all-time high of US$31,969.53 million in the third quarter of 2024 and a low of US$2, 310.06 million in the first quarter of 2007. (tradingeconomics, 2025)

***III.2*-Here is a brief timeline of key events**: (reuters, 2025)

- **IN 2022**

February – Moody's downgraded Ghana's credit rating from B3 to Caa1, saying the country has "very high credit risk," following Fitch's downgrade to B- from B in January of the same year.

March – Ghana's central bank raises interest rates by a record 250 basis points to 17% in an effort to stem skyrocketing inflation and a weakening currency.

April – The cocoa-producing nation's parliament approves an "electronic" tax on electronic payments.

May – Ghana's then-Finance Minister Ken Ofori-Atta says Ghana will manage its debt without IMF assistance.

July 1 – Ghana's government changes its mind and negotiates a loan with the IMF amid street protests against mounting economic hardship.

July 20 – Ghana's parliament approves a $750 million loan from the African Export-Import Bank as it struggles to avoid default.

August – Ghana's central bank implements another record interest rate hike, as inflation continues to rise.

December 5 – Ghana launches a domestic debt swap in an effort to address mounting debt payments.

December 12 – Ghana and the International Monetary Fund reach a "staff-level agreement" on a $3 billion bailout package, including debt restructuring.

December 20 – Ghana says it will default on most of its external debt.

December 22 – Local pension funds are exempt from a domestic debt swap after unions threaten a general strike.

- **IN 2023**

January – Ghana requests a debt restructuring under the G20 Common Framework process, which was established in response to the COVID-19 pandemic and includes China, India, and other creditor countries. It does not include the Paris Club of wealthy lenders.

February – Ghana's Finance Ministry says a domestic debt swap has closed with approximately 85% of "eligible" bondholders participating, after five deadline extensions. Meanwhile, the country's official bilateral creditors begin talks to form a committee.

March – The government of Ghana and a group of international bondholders begin debt restructuring talks for approximately $13 billion through their advisors.

May – Ghana's official creditors form a committee, co-chaired by China and France, and commit to restructuring their loans to the country. These "financing assurances" pave the way for the IMF board to approve the $3 billion bailout loan five days later.
June – Ghana sends a restructuring proposal to official creditors, aiming to cut $10.5 billion in interest payments over the next three years.
October – Ghana and the International Monetary Fund reach a staff-level agreement on the first review of the $3 billion loan program, with a second $600 million payment contingent on agreeing on a debt restructuring plan with official creditors. The Ministry of Finance proposes a 30% to 40% discount for bondholders; bond prices fall in response.

- **In 2024**

January 12 – Ghana reaches a preliminary agreement to restructure $5.4 billion in debt with its official creditors, with the IMF subsequently approving the next loan disbursement a week later. The government tells overseas bondholders it wants a simple debt restructuring rather than using any "conditional state debt instruments," which link payments to variables such as economic growth or commodity prices.
February – Ghana's president replaces Ken Ofori-Atta as finance minister with his deputy, Mohamed Amin Adam, who pledged to keep the IMF program on track.
March – Ghana and the international bondholders' group begin formal talks.
April – Ghana and its bondholders fail to reach an agreement, with the government saying the proposals presented were not broad enough to reduce its debt to a level the IMF considers sustainable.
May – Ghana's government confirms receipt of a draft memorandum of understanding from its bilateral creditors. Once signed, the memorandum will formalize a $5.4 billion agreement reached in January 2024 with countries such as France and China.

June – Ghana and its international bondholders reach an agreement in principle to restructure its dollar bonds.

- **The June 2025 Deal**

In June 2025, the Ghanaian government reached a formal agreement with the 25-nation Committee of Official Creditors to restructure $2.8 billion in external debt. The Ghanaian parliament approved the details of the agreement after months of arduous negotiations, amidst stifling financing pressures and a worsening budget deficit.

The basic terms of Ghana's debt restructuring agreement included $2.8 billion in financial resources, aimed at alleviating the burden of debt service and providing fiscal space to focus on economic reform, according to Reuters reports, which pointed to the following provisions (Afrik., 2025):

Rescheduling the country's debt by extending repayment terms to between 2039

and 2043, with an interest-only grace period until 2026; interest rates were also reduced to between 1% and 3% for the rescheduled loans; Implementation of these conditions was linked to a $3 billion financial rescue plan from the International Monetary Fund, reflecting Ghana's commitment to reforms under a conditional program. (Paquet, 2025)

Fitch Ratings described the deal as an "advanced step" on the road to financial recovery, but its success hinges on the effective and decisive implementation of economic reforms and continued cooperation with the IMF.

Despite international acclaim for the agreement, observers noted that the deal does not include an actual debt write-off, but rather is limited to rescheduling and adjusting the terms. This means that the level of debt will remain relatively high, leaving the economy vulnerable to future shocks unless economic growth driven by domestic revenues is achieved.

Based on the above, the most prominent outcomes of the June 2025 deal can be summarized in the following table, which illustrates the basic elements of the agreement, its objectives, and the potential challenges facing its implementation:

Table(2) : Summary of Ghana's June 2025 Debt Restructuring Deal: Objectives and Challenges

Item	Details	Objective/Expected Impact	Constraints or Challenges
Transaction Value	$2.8 billion	Reducing the debt service burden	Does not include effective debt write-offs
Parties to the Agreement	Ghana and official creditors (25)	Enhancing state confidence and interim financial stability	Lack of effective local civil society participation
Grace Period	Interest-only payments until 2026	Providing fiscal space to implement reforms	Risk of depleting this margin without tangible results
Extended Repayment	Until 2039-2043	Reducing short-term pressure on the budget	Long-term debt sustainability
Interest Rate Reduction	Between 1% and 3%	Reducing the cost of borrowing	Depends on compliance with IMF conditions
Link to the International Monetary Fund	Financial support of $3 billion in exchange for reforms	Providing liquidity to support the macroeconomy	Reduced independence in setting fiscal policy
Lack of Debt	Part of the	Maintaining the credit	Continued high

Cancellation	principal debt not cancelled	rating and avoiding bankruptcy	debt ratio
Impact on Economic Sovereignty	Conditionality of reforms and re-prioritization	Supporting temporary stability	Reduced state capacity to make fiscal decisions

Source: Prepared by the researcher based on an analysis of the agreement clauses as reported in Africa News reports (June 25, 2025) and the content of the article.

This table shows that the June 2025 deal, while providing a relative relief from financing pressures, falls short of a comprehensive structural solution to Ghana's debt crisis. Rather, it embodies a model known in economic literature as "conditional stability," whereby governments are granted a limited period of time in exchange for strict financial and economic commitments. This pattern reproduces the unequal relationship between African countries and international creditors, imposing external priorities that may not be consistent with national development needs, thus limiting the opportunity to build independent and sustainable fiscal policies.

III.3- Evaluation of the 2025 deal

A critical analysis of the deal's dimensions reveals that it provides temporary financial relief without addressing the structural roots of the country's debt crisis. The deal's structure, including grace periods, time limits, and conditional links to an IMF program, reduces the government's ability to independently determine its economic and social priorities and perpetuates continued dependence on donors and international creditors. (Report., 2025)

The deal is essentially based on debt rescheduling without actual debt write-off, meaning Ghana remains required to fully fulfill its obligations, albeit over longer periods and at a lower cost. However, adhering to the IMF's conditions—particularly those related to subsidy reforms and public spending cuts—in practice means restructuring the public budget according to external conditions that may not necessarily align with national development needs, particularly in the areas of health, education, and social protection. This has been reflected in poverty rates, which have increased from 56.7 percent (Law., 2025)

In this context, the African Sovereign Debt Justice Network (AFSDJN) warned that this deal, like similar agreements on the continent, "does not achieve financial independence, but rather postpones a potential explosion." It believes that African indebtedness is not simply a financial issue, but rather reflects a flaw in the global financial system that requires a more just and transparent reformulation, including the involvement of debtor countries in formulating the terms of the resolution, not just compliance with them.

Thus, what appears to be a temporary gain in the balance of payments could turn into a reproduction of the pattern of economic dependency if it is not coupled with radical national structural reforms that focus on mobilizing domestic resources, achieving fiscal justice, and enhancing transparency in public spending. Ghana's dilemma remains a recurring pattern on the African continent,

where crises are managed through external bailout policies, rather than establishing new social and economic contracts that rebuild trust between state and society and reduce the chronic need for external borrowing.

IV. Conclusion

Ghana's experience with the debt crisis, particularly in the context of the June 2025 restructuring deal, highlights the nature of the financial crisis facing many African countries, where domestic economic pressures intersect with international conditions within a global financial architecture that lacks fairness and transparency. Despite the apparent short-term gains of the Ghanaian deal, it remains bound by external conditions that perpetuate dependency and fail to achieve true financial independence. Therefore, overcoming this impasse requires not only renegotiating debt terms, but also adopting a comprehensive national reform vision that enhances domestic resource mobilization, moves beyond the cycle of production and export of raw materials, rationalizes spending, and builds foundations of transparency and institutional financial accountability. In the same context, there remains an urgent need to formulate a collective African approach to debt management that goes beyond scattered country-level solutions and embraces the principle of fiscal sovereignty as a strategic approach to achieving sustainable development. Decision-makers on the continent must rethink the existing economic model and engage in a regional reform process that reflects the priorities of the African peoples and enhances their negotiating presence in the international financial system.

Study results:

- Ghana's debt peaked in 2022, representing 76% of its GDP. The main reasons for the deterioration of its financial situation and its inability to repay its debts are the COVID-19 pandemic and its repercussions, in addition to the Russian-Ukrainian war and its impact on rising food prices, which placed significant pressure on public spending without alternative sources of revenue.
- cerbated by high public spending, the majority of which This was exa operational rather than investment —went to public sector wages and by debt servicing, which accounted for 24.65% —expenditures .of total spending/
- The crisis led to a slowdown in growth (falling to around 3–4% in 2022), a significant rise in inflation that exceeded 50% at the end of 2022, a decline in purchasing power, and increased poverty rates.
- The situation was further compounded by declining commodity itute a significant portion prices on international markets, which const .of Ghana's revenue
- Furthermore, Ghana's failure to comply with IMF conditions contributed significantly to its default and subsequent request for .debt restructuring
- ovide a Although the agreement reduces interest rates, it does not pr

final solution to the problem of escalating debt, but only postpones .it

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