How a Government Budget Influences Everyday Prices

It is budget day. Somewhere in Osu, a trader has her small radio balanced on a crate of eggs, half listening while she arranges her display. In a trotro heading towards Circle, someone's phone is open to a TikTok live, an influencer breaking down what the Finance Minister actually said. In a WhatsApp group of nine people who have never agreed on anything, someone sends a screenshot of the budget statement with the caption "here we go again."

Nobody in that trotro works at the Ministry of Finance. Nobody in that WhatsApp group has read the full statement. But everyone, somehow, already knows this affects them. They just cannot explain how.

Here is how.

A government budget is not a government event. It is a pricing event.

Every year, the budget sets the terms for what things cost, what borrowing looks like, and how much cedi is chasing how many goods. It does this quietly, through channels most people never see, but feel every single time they hand over money at a checkout counter, a fuel station, or a landlord's outstretched palm.

Let's take them one at a time.

1. Taxes: the most obvious channel

There are a few ways a budget does this. Start with taxes, the one everyone already half-feels. It could be income tax, production tax, or consumption tax.

Tax is money government takes from you when you earn an income, purchase an item or manufacture a product, before it fully reaches your hand. A Value-added tax (VAT) is charged at the till, on almost everything you buy. Excise tax is charged earlier, to the company that makes the product, usually on things like drinks and alcohol. When either one rises, the price you pay rises with it. When either one falls, the price eases.

Let us look at this most recent budget. The 2026 mid-year budget has scrapped the 20% excise duty previously imposed on locally manufactured fruit juices in 2023. This is a reduction in production tax burden for local manufacturers of fruit juices. Lower excise or production taxes reduces the production cost of beverages which should ultimate slow the rate of price increases faced by consumers.

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2. Spending and borrowing: the quieter channel

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3. Subsidies and utility pricing: the invisible tax

A subsidy is government quietly covering part of a cost on your behalf, most often fuel or electricity, so the full price never reaches you. When the budget shrinks that cushion, you feel the full cost sooner.

Almost everything you buy was transported, refrigerated, or made using electricity. So, a fuel or power increase never stays where it started. It rides on the back of a trotro fare, a khebab seller's charcoal bill, a phone repair shop's generator fuel during dumsor, and eventually, your own receipt.

4. The cedi's stability: the channel nobody names

The cedi's stability comes down to investor confidence. A disciplined budget reassures investors that Ghana can manage its finances, and that keeps the cedi steady. A budget that raises alarm can push them to pull their money out, and the cedi weakens. Ghana imports a lot of what it consumes: rice, raw materials, spare parts. A weaker cedi makes those things cost more in cedi terms, even though nothing about the item itself changed. This is why a budget statement read out in Accra can quietly move the price of something on a shelf in Techiman.

None of these channels announce themselves. Nobody sends you a notification saying "the deficit financing strategy has changed. Please expect a 3% increase in your monthly transport spend." It just arrives, disguised as a slightly heavier bill, a slightly smaller portion, a slightly longer pause before your trotro mate hands over change.

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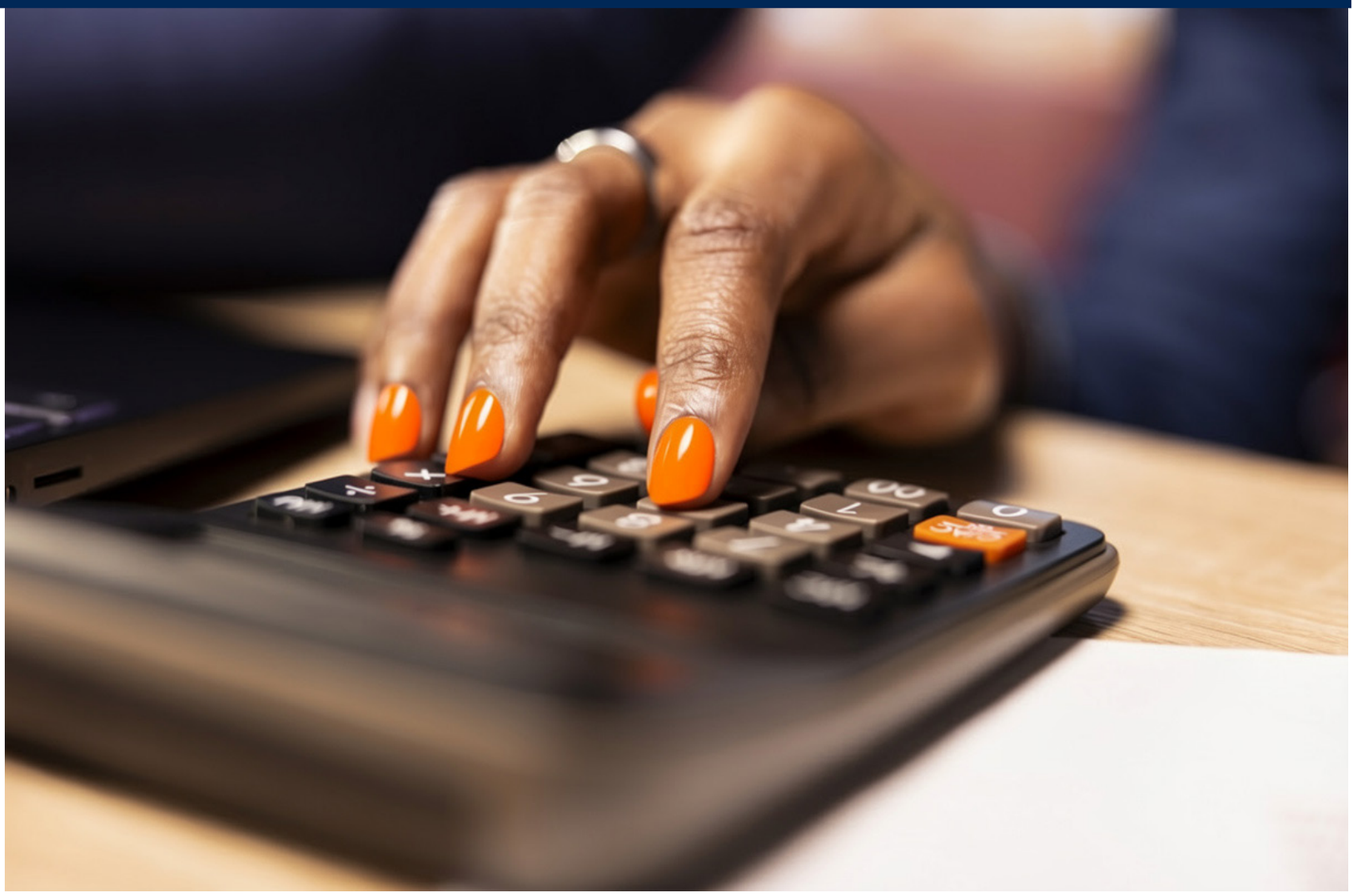

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This is the tension most people miss: you cannot out-earn a budget you do not understand. But you can position yourself so it stops catching you off guard.

The good news buried in all of this is that 2026 has actually been a calmer budget story than most Ghanaians are used to. Inflation has been easing, the effective VAT rate has come down, the 20% excise tax on locally manufactured fruit juices has been removed and the cedi has held its ground far better than the doom-scrolling on Twitter would suggest. That does not mean prices are falling. It means the pace of the squeeze has slowed. Which is exactly the moment to stop reacting to budget headlines and start building a buffer that protects you no matter which way the next one swings.

This is where money sitting idle becomes a genuine liability. A regular savings account was never designed to keep pace with a budget cycle, a tax adjustment, or a currency wobble. It just sits there, earning close to nothing, while every channel above quietly chips away at what it can buy you six months from now.

The IC Liquidity Fund exists for exactly this gap. It is built for money that needs to stay liquid, the way a savings account promises to be, but actually works to protect its value against the very forces a national budget sets in motion. Whether VAT eases or excise taxes rise, whether the cedi has a good year or a shaky one, your money in the fund is working daily instead of waiting quietly to be eroded.

You do not need to read a 200-page budget statement to protect yourself from what is inside it. You just need your money to be positioned before budget day.

The next time the Finance Minister clears his throat in Parliament, you should be able to listen the way that trader in Osu listens: half attention, no panic. Not because the budget does not matter. But because you have already made sure it cannot quietly outrun you.

Open the IC Wealth App and start with the IC Liquidity Fund. Don't let your money sleep while the budget does whatever it's going to do.

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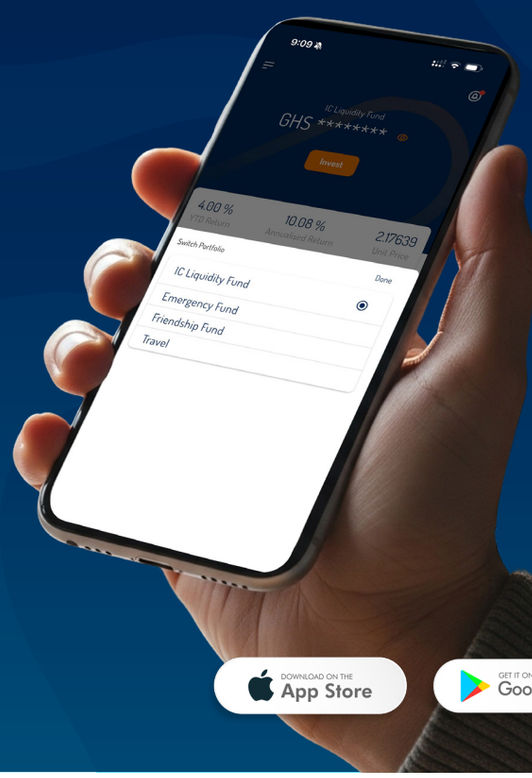
Money Should Never *Sleep*

- Download the app
- Create a goal
- Enter an amount
- Start earning returns



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