

Thursday, April 16, 2026



[The Business & Financial Times](#)

Oil, what next?: Ghana at the crossroads of a global energy shock

April 15, 2026



By Wayne NYARKO

As conflict in the Middle East, particularly the escalating war involving Iran, sends shockwaves through global oil markets, the question “Oil, what next?” is no longer abstract. For Ghana, it is immediate, practical, and deeply consequential.

Though Ghana is an oil-producing nation, it remains highly exposed to global price volatility. This situation, in which the country is both a producer and a vulnerable consumer, places the country at the centre of a rapidly evolving energy and economic crisis.

A producer that still feels the pain

Since the discovery of oil in commercial quantities in the Jubilee Field in 2007, Ghana has positioned itself as one of West Africa's emerging petroleum economies. Oil exports contribute significantly to government revenue and foreign exchange earnings.

Yet Ghana does not refine enough of its own crude domestically. As a result, it imports refined petroleum products at global market prices. When oil prices surge due to geopolitical tensions – such as the current disruptions linked to Iran – Ghana pays more at the pump, regardless of its producer status.

The effects are immediate:

- Rising fuel prices
- Increased transportation costs
- Inflation across food and basic goods

For ordinary Ghanaians, the global oil crisis quickly becomes a cost-of-living crisis.

Currency pressure and fiscal strain

Higher oil prices also put pressure on the Ghanaian cedi. As import bills rise, demand for foreign currency increases, weakening the local currency and further driving inflation.

At the same time, the government faces a difficult balancing act:

- Higher oil revenues from exports
- Increased subsidies or political pressure to cushion citizens from rising fuel costs

This dual dynamic complicates fiscal planning and can widen budget deficits if not carefully managed.

Energy Security: A lingering vulnerability

The crisis has revealed that energy security is a critical weakness.

Despite its oil resources, Ghana's reliance on imported refined fuel leaves it vulnerable to global supply disruptions. Any prolonged instability affecting key shipping routes, especially chokepoints like the Strait of Hormuz, can tighten supply and increase costs.

This raises urgent questions:

- Should Ghana invest more aggressively in domestic refining capacity?
- How can it insulate itself from global oil shocks?

The answers will shape the country's energy future.

Opportunity in crisis

Yet crises often create opportunity. For Ghana, this moment could accelerate long-discussed reforms:

Revitalising Domestic Refining

Strengthening facilities like the Tema Oil Refinery could reduce dependence on imported fuels and improve price stability.

Diversifying the Energy Mix

Expanding renewable energy- solar, hydro, and wind - will reduce reliance on oil and gas for power generation and transportation over time.

Investing Oil Revenues Wisely

Channelling windfall profits into infrastructure, education, and energy transition projects could help Ghana avoid the “resource curse” that has affected many oil-rich nations.

The Risk of Delay

However, the window for action may be narrow. If Ghana remains dependent on oil revenues while also exposed to oil price shocks, it risks being caught in a cycle of boom and bust.

Moreover, as the world gradually shifts toward cleaner energy, long-term demand for oil may decline. Countries that fail to diversify could face stranded assets and shrinking revenues in the future.

What Comes Next for Ghana

Three possible paths lie ahead:

- **Short-Term Relief, Long-Term Vulnerability**

Ghana benefits from high prices now from crude export but remains exposed to future shocks.

- **Strategic Adjustment**

Investments in refining and diversification improve resilience over time.

- **Transformational Shift**

Ghana uses this crisis as a catalyst to reduce oil dependence altogether and emerge as a leader in Africa’s energy transition.

Conclusion

For Ghana, the global oil crisis triggered by conflict in Iran is more than a distant geopolitical event. It is a domestic economic reality.

“Oil, what next?” is not just a question of markets, but of policy, planning, and national direction. The choices Ghana makes today, whether to double down on oil or pivot toward a **more diversified energy future**, will determine whether it remains vulnerable to global shocks or emerges stronger from them.