



Newsletter

Consumer Price Index (CPI)

October, 2010



Ghana Statistical Service (GSS)
P.O. Box GP 1098, Accra

Tel: +233-302-682677, +233-302-664382

Fax No. +233-302-664304

November 10, 2010

October Inflation Rate stays put at 9.38%

October 2010 rate of inflation

The October 2010 inflation rate is 9.38%. The rate remains the same as that of September 2010. The rate of inflation is the percentage change in the Consumer Price Index (CPI) over the twelve-month period from October 2009 (307.57) to October 2010 (336.43). The monthly rate which is the percentage change in the CPI over one month was (-0.95%) for October 2010 compared to that of September 2010 (-1.51%), Table 1.

The Consumer Price Index

The Consumer Price Index (CPI) is the average price level measured relative to a reference period, usually called the base year is equated to a CPI of 100. The base year for Ghana's CPI is 2002, i.e. (2002 = 100). The CPI of 336.43 in October 2010 suggests that the general level of consumer prices has more than tripled since 2002. The October 2010 CPI was 3.23 points lower than that of September 2010 giving a monthly change of -0.95 percent.

Table 1: CPI September and October 2010

	Index	Change rate	
	2002 = 100	monthly	yearly
2010, September	339.66	-1.51%	9.38%
2010, October	336.43	-0.95%	9.38%

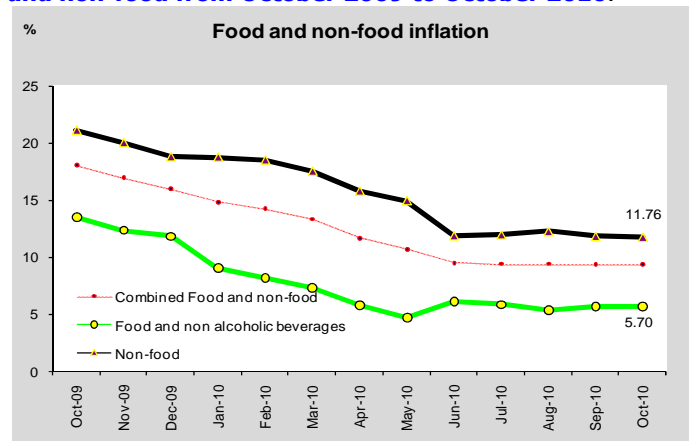
Inflation trend

The rate of inflation has been falling since June 2009. The largest decline in 2010 was recorded in April (1.66 percentage points) followed by January (1.19 percentage points) and June (1.16 percentage points). The other months recorded declines

below 1 percentage point, with the lowest recorded in September 2010 (0.02). The cumulative decline between January 2010 and October 2010 is 5.40 percentage points (from 14.78% to 9.38%).

The downward pressure on inflation can be attributed to both the food and non-alcoholic beverages group and the non-food group. The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010, falling from 9.08% to 4.69% in May 2010. Thereafter it rose to 6.13% in June 2010 and fell again to 5.33% in August 2010 rising again to 5.67 in September 2010 and then fell slightly to 5.62% in October.

Figure1: Rate of inflation disaggregated between food and non-food from October 2009 to October 2010.

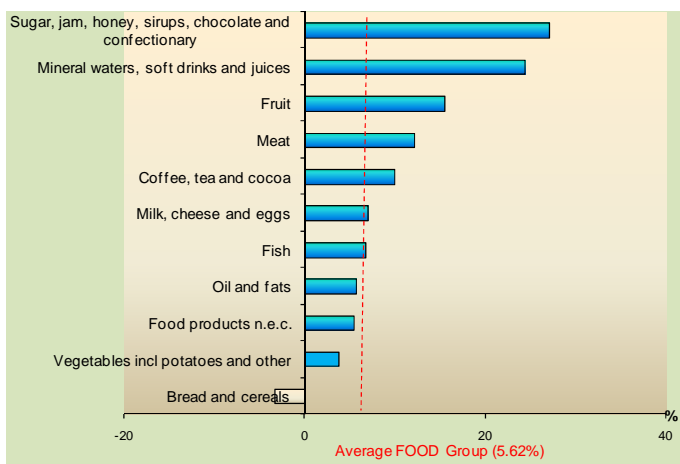


The non-food inflation rate, on the other hand, though declining has been recording double digit inflation rates (Figure 1) falling from 18.79% in January 2010 to 11.82% in October 2010 after it had increased from 11.89 in June 2010 to 12.25% in August 2010.

Food rate of inflation

In the food group (which has a weight of 44.91 percent), three sub-groups; Bread and cereals (-3.38%) Vegetables including potatoes (3.78%), and Food products n.e.c (5.46%) recorded inflation rates lower than the group's average (5.62%). Four sub-groups recorded double digit inflation rates (Figure 2).

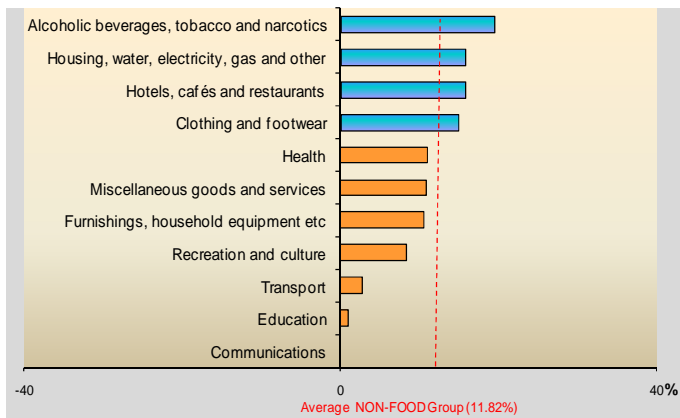
Figure 2: Inflation in food sub-groups



Non-food rate of inflation

Four sub-groups namely; Alcoholic beverages, tobacco and narcotic (19.39%), Housing, water, electricity, gas and other utilities (15.71%), Hotel and restaurants (15.70%) and Clothing and footwear (14.95%) recorded inflation rates above the Non-food group's average of 11.82 percent (Figure 3). Prices of products in the Communications sub-group remain constant throughout the period (0.0% inflation rate).

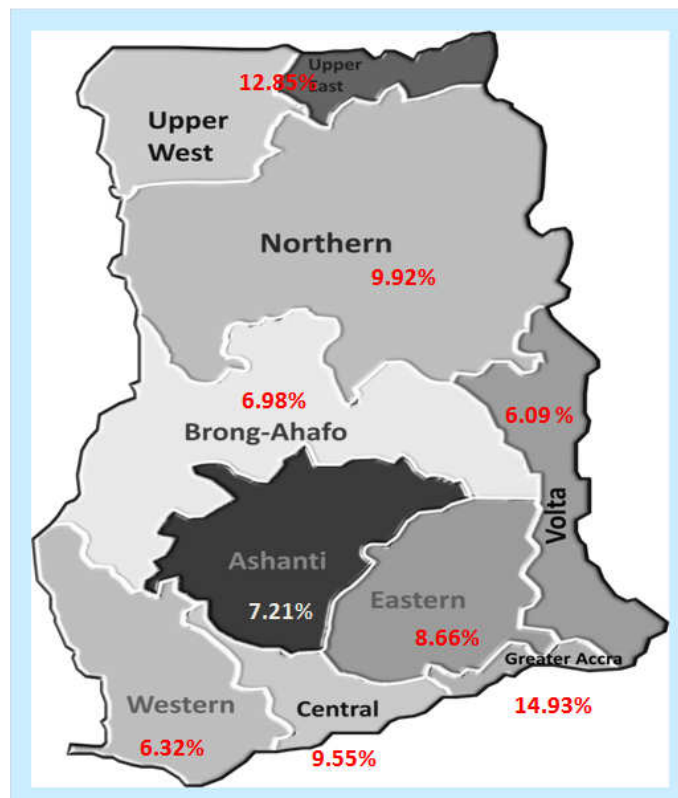
Figure 3: Inflation in non-food sub-groups



Regional differentials

Inflation rates in the regions range from 6.09 percent (Volta region) to 14.93 percent (Greater Accra region). Five regions (Volta, Western, Brong Ahafo, Eastern, and Ashanti,) recorded inflation rates below the national rate of 9.38 percent (Annex 5).

Figure 4: Regional inflation rate – October 2010



Dissemination

The detailed information on the series is contained in the CPI User's guide at GSS. The target publication date of the monthly newsletter is 15th of the month. It is released on the second Wednesday of each month, and on the third, when the 15th of the month falls on Wednesday. The next release date is 15th December 2010.

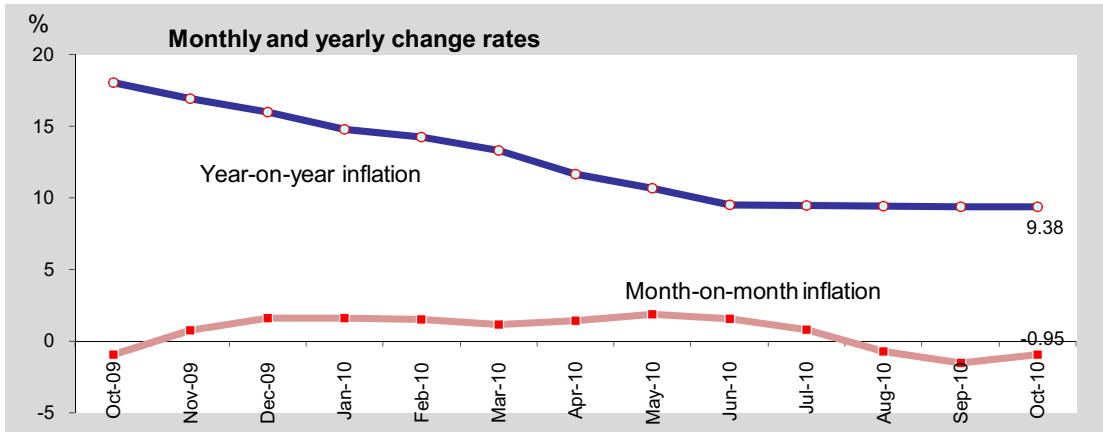
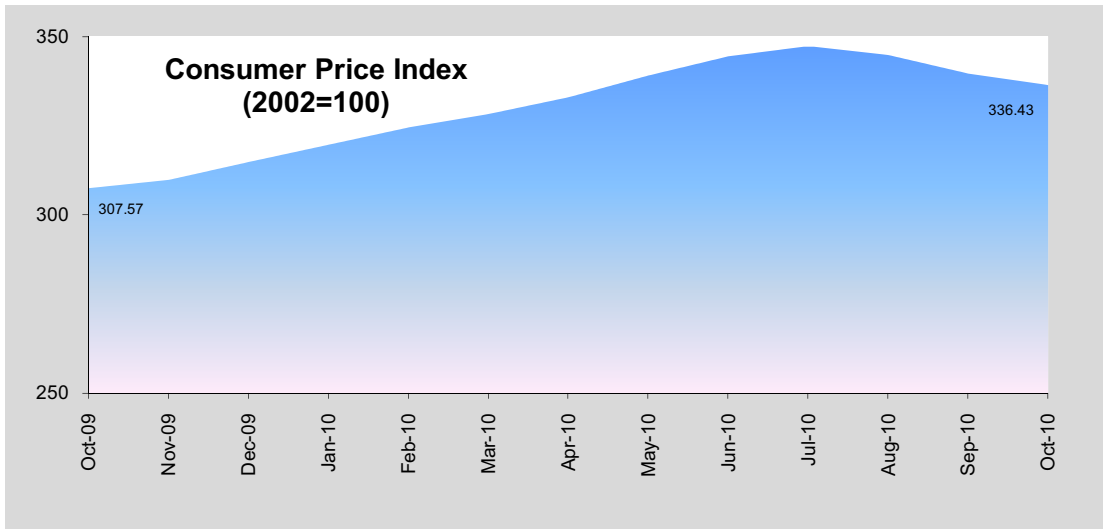
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Annex 1

Consumer Price Index (CPI), October 2009 - October 2010

Year / Month	Index 2002 = 100	Change rate (%)	
		Monthly	Yearly
2007 average	218.73	1.01	10.73
2008 average	254.87	1.41	16.46
2009 average	303.93	1.25	19.29
Oct-09	307.57	-0.95	18.04
Nov-09	309.89	0.75	16.92
Dec-09	314.83	1.59	15.97
Jan-10	319.83	1.59	14.78
Feb-10	324.66	1.51	14.23
Mar-10	328.35	1.14	13.32
Apr-10	332.99	1.41	11.66
May-10	339.21	1.87	10.68
Jun-10	344.52	1.57	9.52
Jul-10	347.35	0.82	9.46
Aug-10	344.87	-0.71	9.44
Sep-10	339.66	-1.51	9.38
Oct-10	336.43	-0.95	9.38

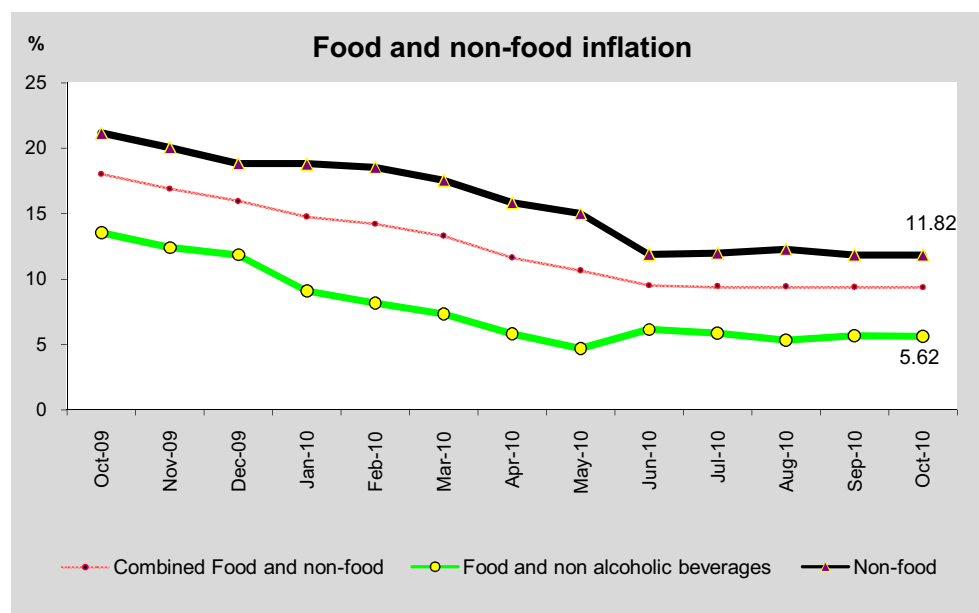


Source: Ghana Statistical Service (GSS)

Annex 2

Food and non-food inflation, October 2009 to October 2010

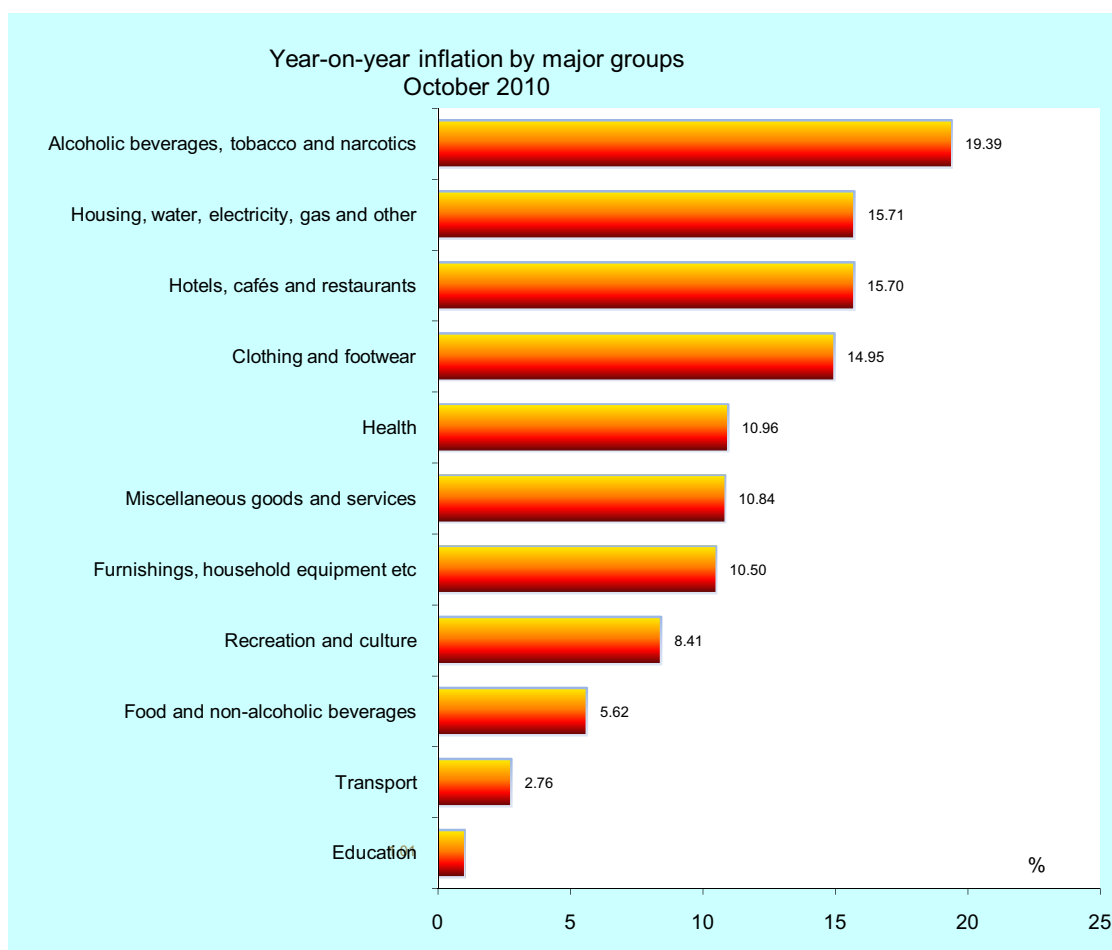
Year / Month	Year-on-year inflation (%)		
	Combined Food and non-food	Food and non alcoholic beverages	Non-food
2007 average	10.73	9.46	11.68
2008 average	16.46	15.10	17.47
2009 average	19.29	15.78	21.83
Oct-09	18.04	13.53	21.15
Nov-09	16.92	12.38	20.05
Dec-09	15.97	11.84	18.82
Jan-10	14.78	9.08	18.79
Feb-10	14.23	8.17	18.54
Mar-10	13.32	7.35	17.55
Apr-10	11.66	5.81	15.82
May-10	10.68	4.69	14.98
Jun-10	9.52	6.13	11.89
Jul-10	9.46	5.84	11.96
Aug-10	9.44	5.33	12.25
Sep-10	9.38	5.67	11.84
Oct-10	9.38	5.62	11.82



Source: Ghana Statistical Service (GSS)

Annex 3
Inflation by COICOP major groups, October 2010

item (COICOP classification)	Index 2002 = 100	Change rate (%)	
		Monthly	Yearly
Combined (Food and non-food)	336.43	-0.95	9.38
Communications	272.95	0.00	0.00
Education	281.45	0.00	1.01
Transport	496.70	0.00	2.76
Food and non-alcoholic beverages	284.11	-2.22	5.62
Recreation and culture	527.11	0.16	8.41
Furnishings, household equipment etc	299.85	0.11	10.50
Miscellaneous goods and services	284.32	0.19	10.84
Health	562.10	0.03	10.96
Clothing and footwear	267.75	0.20	14.95
Hotels, cafés and restaurants	523.87	0.01	15.70
Housing, water, electricity, gas and other	447.46	0.10	15.71
Alcoholic beverages, tobacco and narcotics	345.51	0.12	19.39



Source: Ghana Statistical Service (GSS)

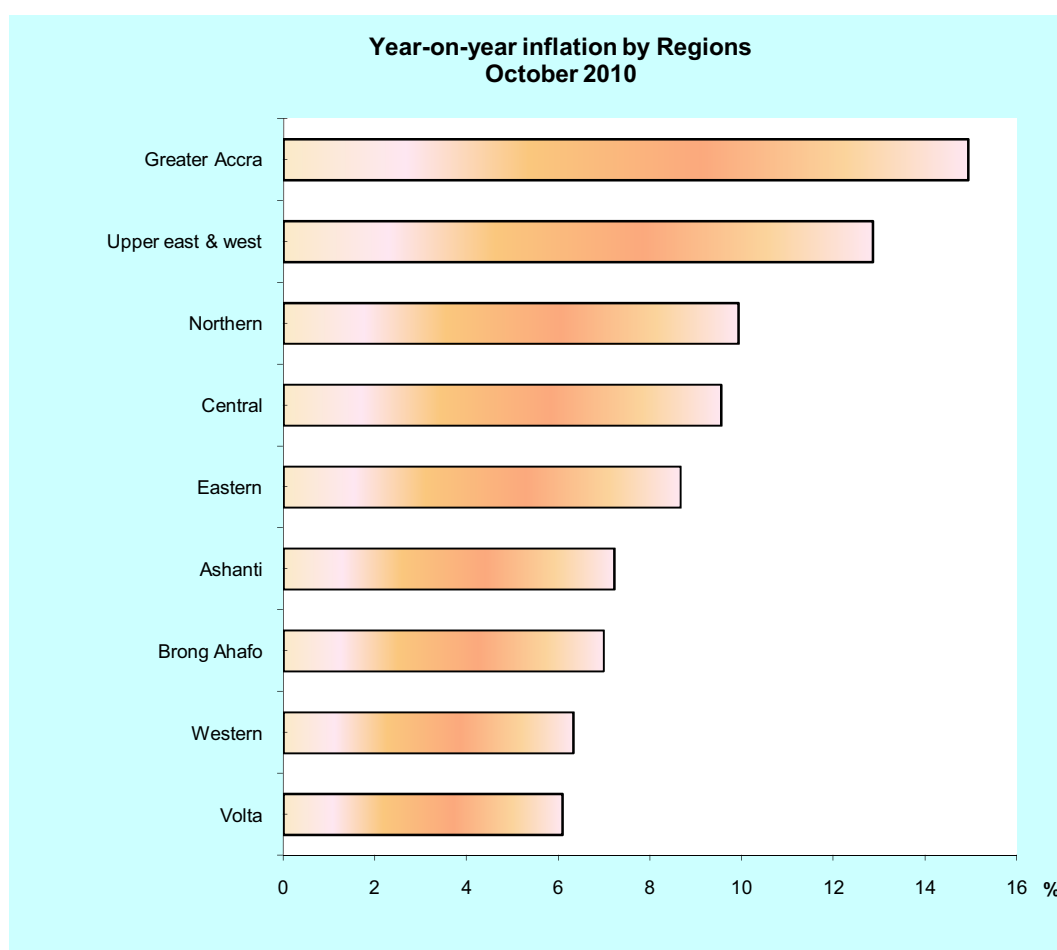
Annex 4**Contribution of major groups and subgroups to October 2010 inflation**

	Weight	Year-on-year inflation (%)	Contribution to inflation (%)
Combined (Food and non-food)	100.00	9.38	100.00
Food and non-alcoholic beverages	44.91	5.62	28.65
Sugar, jam, honey, sirups, chocolate and confectionary	1.17	27.02	3.44
Mineral waters, soft drinks and juices	0.95	24.34	2.49
Fruit	2.12	15.44	3.55
Meat	4.07	12.07	5.32
Coffee, tea and cocoa	0.69	9.93	0.74
Milk, cheese and eggs	1.69	6.90	1.26
Fish	10.24	6.75	7.49
Oil and fats	2.48	5.71	1.54
Food products n.e.c.	1.06	5.46	0.63
Vegetables incl potatoes and other	12.46	3.78	5.11
Bread and cereals	7.97	-3.38	-2.92
Non-food	55.09	11.82	71.35
Alcoholic beverages, tobacco and narcotics	2.23	19.39	4.69
Housing, water, electricity, gas and other	6.98	15.71	11.90
Hotels, cafés and restaurants	8.28	15.70	14.10
Clothing and footwear	11.29	14.95	18.29
Health	4.33	10.96	5.14
Miscellaneous goods and services	2.99	10.84	3.52
Furnishings, household equipment etc	7.83	10.50	8.91
Recreation and culture	3.04	8.41	2.78
Transport	6.21	2.76	1.85
Education	1.60	1.01	0.18
Communications	0.31	0.00	0.00

Source: Ghana Statistical Service (GSS)

Annex 5
Consumer Price Index (CPI) by Regions, October 2010

Region	Index	Change rate (%)	
	2002 = 100	Monthly	Yearly
NATIONAL	339.66	-0.95	9.38
Volta	320.13	-0.93	6.09
Western	368.68	-1.00	6.32
Brong Ahafo	326.91	0.00	6.98
Ashanti	346.56	0.00	7.21
Eastern	342.74	-0.69	8.66
Central	352.28	-1.30	9.55
Northern	357.04	0.00	9.92
Upper east & west	350.67	-0.70	12.85
Greater Accra	299.70	-0.42	14.93



Source: Ghana Statistical Service (GSS)

Annex 6
Regional CPI, October 2010

Region	Combined Food and non-food	Food and non alcoholic Beverages	Non-food
Index (2002=100)			
Western Region	349.08	320.38	371.67
Central Region	344.05	241.95	442.93
G. Accra Region	348.22	310.07	375.18
Eastern Region	337.66	294.49	378.08
Volta Region	365.00	406.45	328.05
Ashanti Region	315.96	243.86	372.04
Brong Ahafo Region	298.46	238.66	350.58
Northern Region	324.65	246.30	392.68
Upper East & West Region	353.74	282.42	425.91
NATIONAL	336.43	284.11	379.08
Month-on-month inflation			
Western Region	-0.91	-2.12	-0.07
Central Region	-0.72	-1.84	-0.13
G. Accra Region	-0.70	-1.78	-0.06
Eastern Region	-1.48	-2.74	-0.54
Volta Region	-1.00	-1.70	-0.21
Ashanti Region	-1.30	-3.28	-0.26
Brong Ahafo Region	-0.42	-1.19	0.05
Northern Region	-0.69	-2.44	0.29
Upper East & West Region	-0.93	-2.09	-0.13
NATIONAL	-0.95	-2.22	-0.16
Year-on-year inflation			
Western Region	6.32	5.43	6.93
Central Region	9.55	3.69	12.92
G. Accra Region	14.93	16.96	13.77
Eastern Region	8.66	4.59	11.83
Volta Region	6.09	3.37	9.25
Ashanti Region	7.21	1.04	10.65
Brong Ahafo Region	6.98	-1.14	12.46
Northern Region	9.92	-0.43	16.51
Upper East & West Region	12.85	10.64	14.38
NATIONAL	9.38	5.62	11.82

Source: Ghana Statistical Service (GSS)