



Republic of Ghana

## Newsletter Producer Price Index (PPI) December, 2011



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## Producer Price Inflation decreased to 15.19% in December 2011

### The Producer Price Index

The Producer Price Index (PPI) measures the average change over time in the prices received by domestic producers for the production of their goods and services. The PPI for Ghana reports the price indices with reference to September 2006, the base period. This release shows the producer price changes since September 2006, as well as the annual (year-on-year) and monthly inflation rates, for all industry and three major sub-sectors of industry (Mining and Quarrying, Manufacturing, and Utilities) for the last twelve months. The figures for the month of December 2011 are provisional, and are subject to revision in the release when additional data would be available. All other indicators are final.

### December 2011 Producer Inflation

The producer price index increased 15.19 percent between December 2010 and December 2011 (year-on-year), representing a decrease in producer inflation of 2.76 percentage points relative to the rate in November 2011 (17.94%). The month-on-month change in producer prices was -0.17 percent, after recording an increase (2.48%) in November 2011 (Table 1).

**Table 1: PPI for October and November 2011**

Month	Index Sept'06 =100	Change rate (%)	
		Monthly	Yearly
November 2011	255.94	2.48	17.94
<b>December 2011</b>	<b>p255.52</b>	<b>p-0.17</b>	<b>p15.19</b>

p: provisional

The producer price index averaged 242.92 in 2011 compared to 204.68 in 2010. In December 2011, the producer price inflation in the mining and quarrying sector dropped by 18.14 percentage points over the November 2011 rate of 36.36%, to record 18.23 percent. Manufacturing, which constitutes more than two-thirds of total industry, decreased marginally to 17.23 percent, from a rate of 17.52 percent in November 2011. The utilities sector increased slightly by 1.36 percentage points from the November 2011 rate (7.71%) to record 9.07 percent in December, 2011 (Table 2)

**Table 2: PPI and Inflation by Sector, December 2011 (September 2006=100)**

Sector	Index	Change rate (%)	
		Monthly	Yearly
Mining & Quarrying	483.44	-8.37	18.23
Manufacturing	211.79	1.53	17.23
Utilities	298.80	1.41	9.07
<b>INDUSTRY</b>	<b>255.52</b>	<b>-0.17</b>	<b>15.19</b>

The data in this table are provisional

### Trends

During the 12-month period (December 2010 to December 2011), the all industry inflation rate rose steadily from December 2010 (17.79%) peaking in April 2011 (24.29%). It declined between May and June, and resumed the increase until September 2011 (19.59 %). The rate declined in October 2011, increased slightly in November 2011, recording a

rate of 17.28% percent, but declined in December 2011 to record 15.19%.

### Manufacturing Sector

During the month of December 2011, eight out of the sixteen major groups in the manufacturing sector recorded inflation rates higher than the sector average of 17.23 percent (Fig. 2). Manufacture of machinery and equipment n.e.c recorded the highest inflation rate (38.05%) whilst manufacture of motor vehicles, trailers and semi-trailers recorded the lowest rate (2.33%)

### Petroleum Price Index

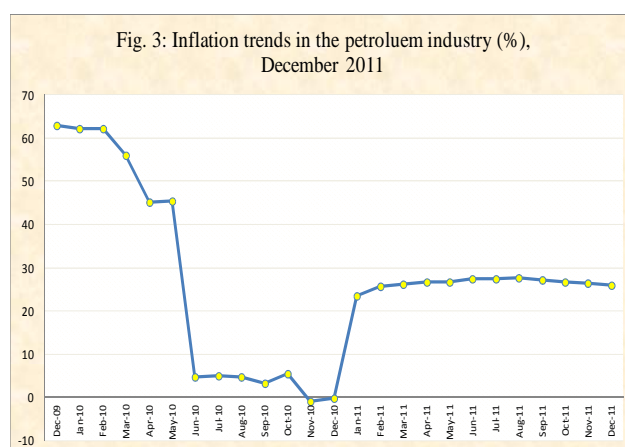
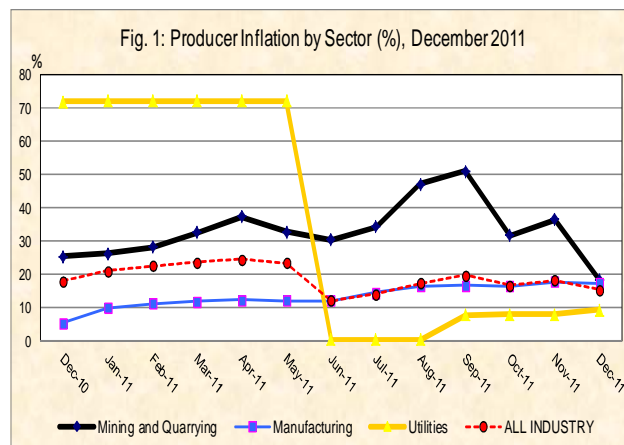
Over the last two years, inflation in the petroleum industry subgroup recorded four major significant changes in December 2009, April 2010, June 2010, and January 2011. The price increase in January 2011 resulted in a sharp rise in inflation for this subgroup in January 2011 (23.39 %), but remained stable since then, recording 25.82 percent in December 2011 (Fig 3).

### Highlights

The year-on-year producer inflation for all industry in December 2011 is 15.19%; the monthly rate is -0.17 percent.

Mining and quarrying recorded the highest year-on-year rate of 18.23%, followed by manufacturing (17.23%). Utilities recorded the lowest rate of 9.07%.

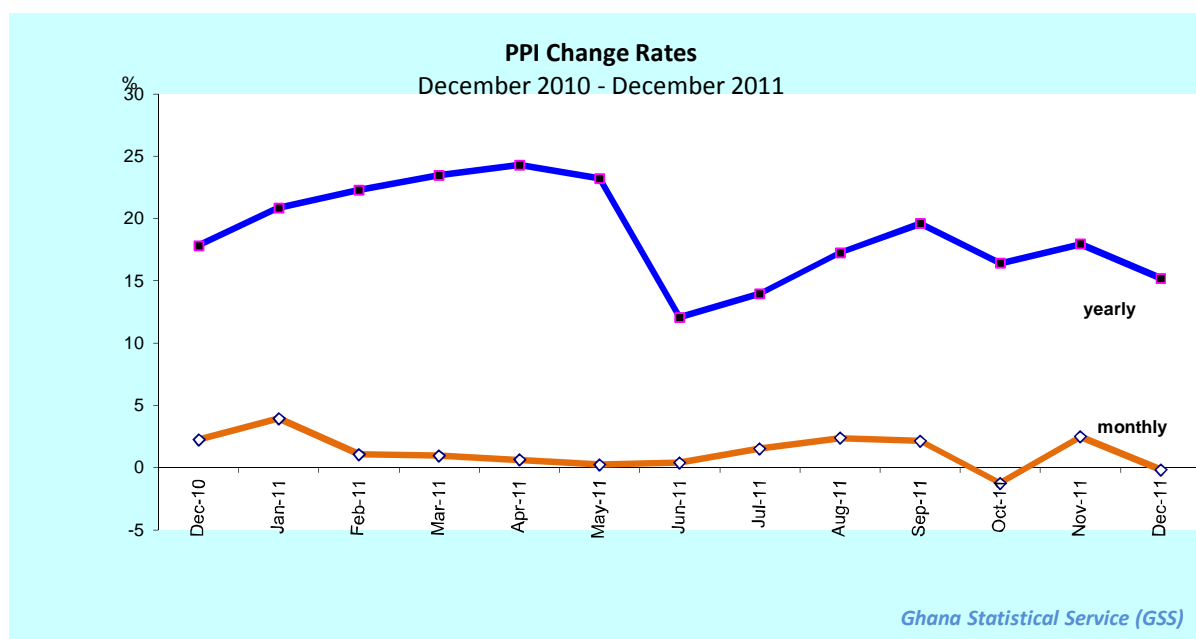
The monthly change rate indicated that, manufacturing recorded the highest monthly change of 1.53%, followed by utilities (1.41%). Mining and quarrying recorded a negative monthly change rate of 8.37%.



**Annex 1: Producer Price Index**

Year / Month	Index level	Monthly	Yearly
	Sept 2006=100	Change Rate (%)	
2007 Average	113.41	2.41	.
2008 Average	149.44	0.79	32.36
2009 Average	172.54	2.08	15.40
2010 Average	204.68	1.41	18.76
2011 Average	242.92	1.19	18.87
December-10	221.83	2.22	17.79
January-11	230.55	3.93	20.85
February-11	233.03	1.07	22.29
March-11	235.29	0.97	23.46
April-11	236.76	0.63	24.29
May-11	237.36	0.25	23.20
June-11	238.27	0.38	12.05
July-11	241.93	1.54	13.94
August-11	247.67	2.37	17.24
September-11	252.92	2.12	19.59
October-11	249.76	-1.25	16.40
November-11	255.94	2.48	17.94
December-11	p 255.52	p -0.17	p 15.19

p: provisional



**Annex 2: Producer Price Index by Sectors, November 2010 - November 2011**

Year / Month	Mining and Quarrying	Manufacturing	Utilities	ALL INDUSTRY
Index (2006=100)				
December-10	408.90	180.67	273.94	221.83
January-11	407.32	192.66	273.97	230.55
February-11	405.42	195.94	274.12	233.03
March-11	424.99	196.61	274.15	235.29
April-11	444.31	196.75	274.15	236.76
May-11	450.34	196.95	274.16	237.36
June-11	455.35	197.58	274.17	238.27
July-11	463.25	201.33	274.20	241.93
August-11	516.01	203.20	274.26	247.67
September-11	533.56	204.39	294.47	252.92
October-11	492.72	204.29	294.65	249.76
November-11	527.58	208.61	294.65	255.94
December-11	p 483.44	p 211.79	298.80	p 255.52
Monthly Change Rates (%)				
December-10	5.69	1.78	0.14	2.22
January-11	-0.39	6.64	0.01	3.93
February-11	-0.47	1.70	0.06	1.07
March-11	4.83	0.34	0.01	0.97
April-11	4.55	0.07	0.00	0.63
May-11	1.36	0.10	0.00	0.25
June-11	1.11	0.32	0.01	0.38
July-11	1.73	1.90	0.01	1.54
August-11	11.39	0.93	0.02	2.37
September-11	3.40	0.58	7.37	2.12
October-11	-7.65	-0.05	0.06	-1.25
November-11	7.08	2.11	0.00	2.48
December-11	p -8.37	p 1.53	1.41	p -0.17
Yearly Change Rates (%)				
December-10	25.28	5.11	71.76	17.79
January-11	26.02	9.69	71.81	20.85
February-11	27.94	11.16	71.89	22.29
March-11	32.27	11.83	71.96	23.46
April-11	37.07	12.22	71.97	24.29
May-11	32.60	11.84	71.84	23.20
June-11	30.15	11.99	0.27	12.05
July-11	34.18	14.32	0.29	13.94
August-11	46.93	16.31	0.31	17.24
September-11	50.74	16.55	7.67	19.59
October-11	31.45	16.24	7.74	16.40
November-11	36.36	17.52	7.71	17.94
December-11	p 18.23	p 17.23	9.07	p 15.19

p: provisional

**Annex 3: Producer Price Index by Sectors /Industry Groups, November - December 2011**

ISIC CODE	INDUSTRY GROUP (ISIC DESCRIPTION)	WEIGHTS (%)	INDEX LEVEL (September 2006 = 100)		MONTHLY INFLATION RATE (%)		ANNUAL INFLATION RATE (%)	
			Nov-11	Dec-11 (provisional)	Nov-11	Dec-11 (provisional)	Nov-11	Dec-11 (provisional)
	All Industries	100.00	255.94	255.52	2.48	-0.17	17.94	15.19
C	Mining and quarrying	13.97	527.58	483.44	7.08	-8.37	36.36	18.23
D	Manufacturing	69.75	208.61	211.79	2.11	1.53	17.52	17.23
E	Electricity, and water supply (Utilities)	16.28	294.65	298.80	0.00	1.41	7.71	9.07
<b>C</b>	<b>Mining and quarrying</b>	<b>100.00</b>						
C13	Mining of metal ores	95.01	562.02	513.19	7.37	-8.69	38.31	19.27
C132	Mining of non-ferrous metal ores, except uranium and thorium ores	95.01	562.02	513.19	7.37	-8.69	38.31	19.27
C14	Other mining and quarrying	4.99	109.27	109.27	0.00	0.00	6.58	6.12
C141	Quarrying of stone, sand and clay	3.42	101.08	101.08	0.00	0.00	8.53	7.98
C142	Mining and quarrying n.e.c.	0.87	148.38	148.38	0.00	0.00	-22.42	-22.42
<b>D</b>	<b>Manufacturing</b>	<b>100.00</b>						
D15	Manufacture of food products and beverages	25.64	231.14	235.79	3.07	2.01	15.26	14.44
D151	Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats	4.60	246.25	249.14	5.62	1.17	21.64	18.72
D152	Manufacture of dairy products	4.31	192.38	198.81	0.00	3.34	4.31	7.80
D153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	4.66	298.51	306.99	0.00	2.84	27.40	31.02
D154	Manufacture of other food products	4.80	209.20	195.34	1.48	-6.62	12.21	-9.25
D155	Manufacture of beverages	7.27	243.17	246.81	9.12	1.50	18.94	18.42
D17	Manufacture of textiles	4.27	208.25	208.25	0.00	0.00	40.12	24.40
D171	Spinning, weaving and finishing of textiles	4.28	208.25	208.25	0.00	0.00	40.12	24.40
D19	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	0.12	215.92	234.50	0.00	8.60	-2.59	5.79
D192	Manufacture of footwear	0.12	215.92	234.50	0.00	8.60	-2.59	5.79
D20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	9.03	195.97	197.15	2.21	0.60	6.74	7.20
D201	Sawmilling and planing of wood	4.94	198.04	198.04	1.35	0.00	3.67	3.67
D202	Manufacture of products of wood, cork, straw and plaiting materials	4.10	191.28	195.12	4.77	2.01	15.81	17.36
D21	Manufacture of paper and paper products	0.62	199.90	199.90	0.00	0.00	20.61	17.91
D210	Manufacture of paper and paper products	0.62	199.90	199.90	0.00	0.00	20.61	17.91
D22	Publishing, printing and reproduction of recorded media	1.14	299.38	307.22	5.29	2.62	29.18	28.91
D221	Publishing	0.40	329.88	329.88	0.00	0.00	35.64	35.64
D222	Printing and service activities related to printing	0.74	283.95	295.07	8.29	3.91	26.02	25.19
D23	Manufacture of coke, refined petroleum products and nuclear fuel	22.94	203.77	203.70	0.12	-0.04	26.46	25.82
D232	Manufacture of refined petroleum products	22.94	203.77	203.70	0.12	-0.04	26.46	25.82

ISIC CODE	INDUSTRY GROUP (ISIC DESCRIPTION)	WEIGHTS (%)	INDEX LEVEL (September 2006 = 100)		MONTHLY INFLATION RATE (%)		ANNUAL INFLATION RATE (%)	
			Nov-11	Dec-11 (provisional)	Nov-11	Dec-11 (provisional)	Nov-11	Dec-11 (provisional)
D24	Manufacture of chemicals and chemical products	10.15	185.49	185.48	8.67	-0.00	24.29	23.82
D241	Manufacture of basic chemicals	0.54	254.14	254.14	0.00	0.00	11.54	11.54
D242	Manufacture of other chemical products	9.45	186.29	186.28	8.95	-0.00	24.99	24.50
D243	Manufacture of man-made fibres	0.16	109.63	109.63	0.00	0.00	0.00	0.00
D25	Manufacture of rubber and plastics products	3.90	177.12	180.80	1.87	2.08	10.69	12.92
D251	Manufacture of rubber products	0.76	258.02	237.80	0.95	-7.84	17.99	8.99
D252	Manufacture of plastics products	3.14	162.64	169.91	2.08	4.47	9.49	14.23
D26	Manufacture of other non-metallic mineral products	8.20	193.60	197.02	0.29	1.77	8.57	10.49
D269	Manufacture of non-metallic mineral products n.e.c.	8.20	193.60	197.02	0.29	1.77	8.57	10.49
D27	Manufacture of basic metals	5.02	183.28	197.16	0.24	7.58	12.97	14.99
D271	Manufacture of basic iron and steel	2.02	231.54	231.54	0.00	0.00	25.71	-5.24
D272	Manufacture of basic precious and non-ferrous metals	2.65	153.39	174.45	0.42	13.73	4.14	16.85
D28	Manufacture of fabricated metal products, except machinery and equipment	3.70	277.13	282.64	3.42	1.99	8.34	12.59
D281	Manufacture of structural metal products, tanks, reservoirs and steam generators	1.55	290.02	304.34	7.93	4.94	19.73	24.51
D289	Manufacture of other fabricated metal products; metalworking service activities	2.15	267.44	267.44	0.01	0.00	-0.29	4.39
D29	Manufacture of machinery and equipment n.e.c.	0.42	384.26	384.26	0.00	0.00	38.05	38.05
D292	Manufacture of special-purpose machinery	0.42	384.26	384.26	0.00	0.00	38.05	38.05
D31	Manufacture of electrical machinery and apparatus n.e.c.	0.41	160.02	186.90	-4.69	16.80	9.60	28.01
D313	Manufacture of insulated wire and cable	0.41	160.02	186.90	-4.69	16.80	9.60	28.01
D34	Manufacture of motor vehicles, trailers and semi-trailers	0.05	211.59	207.03	0.45	-2.16	8.37	2.33
D342	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	0.05	211.59	207.03	0.45	-2.16	8.37	2.33
D36	Manufacture of furniture; manufacturing n.e.c.	2.44	234.56	237.80	0.22	1.38	21.62	25.87
D361	Manufacture of furniture	2.33	233.43	236.73	0.05	1.41	20.85	25.29
D369	Manufacturing n.e.c.	0.11	272.30	272.30	-7.13	0.00	47.21	44.53
<b>E</b>	<b>Utilities</b>	<b>100.00</b>						
E40	Electricity and water supply	93.25	299.37	303.66	0.00	1.44	7.76	9.14
E401	Production, transmission and distribution of electricity	93.25	299.37	303.66	0.00	1.44	7.76	9.14
E41	Collection, purification and distribution of water	6.75	235.12	237.47	0.00	1.00	7.00	8.07
E410	Collection, purification and distribution of water	6.75	235.12	237.47	0.00	1.00	7.00	8.07