



# Newsletter Producer Price Index (PPI) October, 2012



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## Producer Price Inflation Increased to 19.6% in October 2012

### 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 producer 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 September 2012 are provisional, and are subject to revision when additional data are available. All other indicators are final.

### October 2012 Producer Inflation

The Producer Price Inflation rate was 19.6 percent in October 2012 (year-on-year), representing an increase in producer inflation by 2.8 percentage points relative to the rate recorded in September 2012 (16.8%). The month-on-month change in producer prices between September 2012 and October 2012 was 1.1 percent (Table 1).

**Table 1: PPI for September and October 2012**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
<b>September, 2012</b>	p 295.5	p 1.3	p 16.8
<b>September, 2012 rev</b>	295.5	1.3	16.8
<b>October, 2012</b>	p 298.6	p 1.1	p 19.6

p: provisional

In October 2012, the producer price inflation in the Mining and Quarrying subsector increased by 11.3 percentage points over the September 2012 rate of 19.5 percent, to record 30.8 percent. Manufacturing, which constitutes more than two-thirds of total industry, increased to 22.2 percent, from a rate of 20.5 percent in September 2012. The Utilities sector which recorded 3.0 percent inflation rate in September, 2012 decreased slightly to 2.9 percent in October, 2012 (Table 2).

**Table 2: PPI and Inflation by Sector, October, 2012 (September 2006= 100)**

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	644.6	1.1	30.8
Manufacturing	249.6	1.3	22.2
Utilities	303.2	-0.0	2.9
<b>ALL INDUSTRY</b>	<b>298.6</b>	<b>1.1</b>	<b>19.6</b>

The data in this table are provisional

### Trends

During the 12-month period (October 2011 to October 2012), all industry recorded the highest inflation in October 2012 (19.6%) and the lowest in December 2011 (13.6%). From January to May 2012, the producer inflation fluctuated between 15.0 percent and 16.6 percent. However, in June 2012, the rate rose to 19.1 percent but declined

slightly in July 2012 to 19.0 percent and further dropped to 17.8 percent in August. The declining trend continued in September 2012 to record an inflation rate of 16.8 percent. However, in October 2012 the rate increased to 19.6 percent.

## Manufacturing Sector

During the month of October 2012, six out of the sixteen major groups in the manufacturing subsector recorded inflation rates higher than the sector average of 22.2 percent (Fig. 2). Publishing, printing and reproduction of recorded media recorded the highest inflation rate (42.0%) whilst Manufacture of Machinery and Equipments n.e.c recorded negative inflation (-0.3%).

## Petroleum Price Index

During the last 12 months, the producer inflation in the petroleum industry exhibited a downward trend. The highest inflation rate in the industry was recorded in October 2011 (26.6%) and the lowest in October 2012 (16.6%) (Fig. 3).

## Highlights

The year-on-year producer inflation for all industry was 19.6 percent in October 2012; the monthly rate was 1.1 percent.

Mining and quarrying industry recorded the highest year-on-year producer inflation rate of 30.8 percent, followed by manufacturing (22.2%) and Utilities (2.9 %).

The monthly changes in the producer price index indicated that manufacturing recorded the highest rate of 1.3 percent.

