



Newsletter Producer Price Index (PPI) July, 2012



Republic of Ghana

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August 22, 2012

Producer Price Inflation declines to 18.0% in July 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 July 2012 are provisional, and are subject to revision when additional data are available. All other indicators are final.

July 2012 Producer Inflation

The Producer Price Inflation rate was 18.0 percent in July 2012 (year-on-year), representing a decrease in producer inflation of 1.1 percentage points relative to the rate recorded in June 2012 (19.1%). The month-on-month change in producer prices recorded 0.7 percent, following a rate of 2.5 percent in June 2012 (Table 1).

Table 1: PPI for June and July 2012

Month	Index level	Change rate (%)	
	September 2006 = 100	Monthly	Yearly
Jun-12	283.7	2.5	19.1
Jul-12	p 285.6	p 0.7	p 18.0

p: provisional

In July 2012, the producer price inflation in the mining and quarrying sector increased by approximately 0.8 percentage points over the June 2012 rate of 19.5 percent, to record 20.3 percent. Manufacturing, which constitutes more than two-thirds of total industry, decreased to 20.0 percent, from a rate of 21.9 percent in June 2012. The Utilities sector increased by 0.5 percentage points from the June 2012 rate of 10.1 percent to 10.6 percent in July, 2012 (Table 2).

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	557.2	2.4	20.3
Manufacturing	241.7	0.4	20.0
Utilities	303.1	0.4	10.6
ALL INDUSTRY	285.6	0.7	18.0

The data in this table are provisional

Trends

During the 12-month period (July 2011 to July 2012), the all industry recorded the highest inflation in September 2011 (19.6%) and the lowest in December 2011 (13.6%). From January 2012 to May 2012, the producer inflation fluctuated between 15.0 percent and 16.6 percent. However in June 2012, the rate increased to 19.1 percent but declined in July 2012 to 18.0 percent.

Manufacturing Sector

During the month of July 2012, five out of the sixteen major groups in the manufacturing sector recorded inflation rates higher than the sector average of 20.0 percent (Fig. 2). Manufacture of textile recorded the highest inflation rate (57.1%) whilst Manufacture of machinery and equipments n.e.c recorded negative inflation (-7%).

Petroleum Price Index

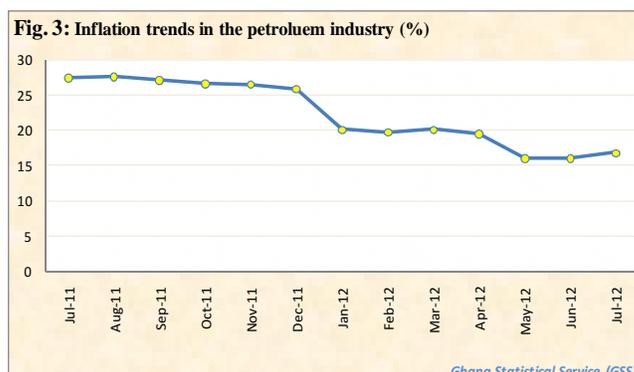
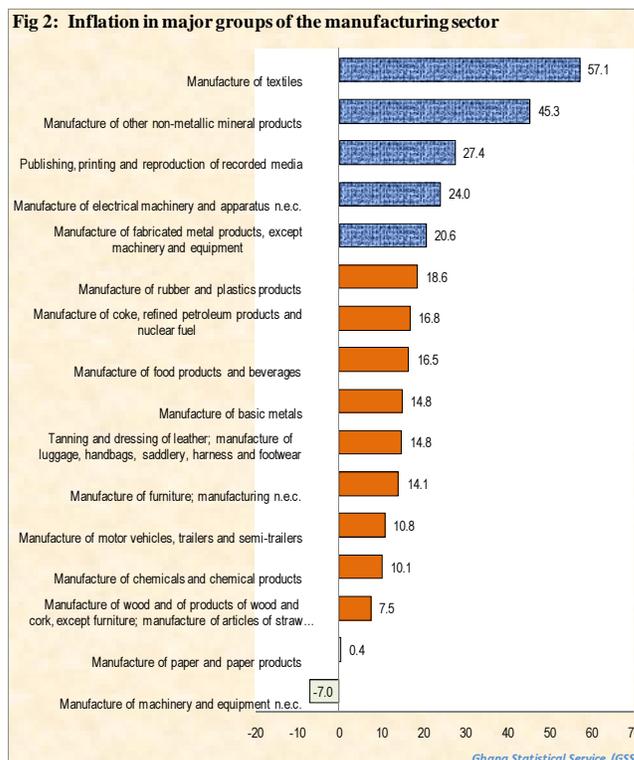
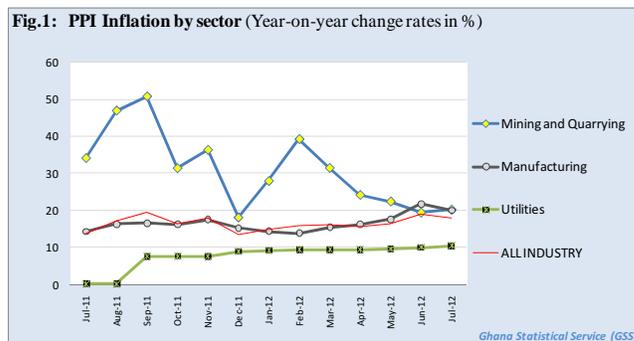
Over the last 12 months, the producer inflation in the petroleum industry subgroup has been exhibiting a downward trend from 27.4 percent in July 2011 to 16.8 percent in July 2012. (Fig. 3).

Highlights

The year-on-year producer inflation for all industry was 18.0 percent in July 2012; the monthly rate was 0.7 percent.

Mining and quarrying recorded the highest year-on-year producer inflation rate of 20.3 percent, followed by Manufacturing (20.0%) and Utilities (10.6 %).

The monthly changes in the producer price index indicated that Mining and Quarrying recorded the highest rate of 2.4 percent,



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at statsghana.gov.gh. For details of the PPI and for any further explanation, please contact the Industrial Statistics Section of the Ghana Statistical Service or call 0302-682640.