



# Newsletter Producer Price Index (PPI) March, 2011



Republic of Ghana

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## Producer Price Inflation Increases to 23.39% in March 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 growth since September 2006, as well as the annual (point-to-point) and monthly inflation rates, for all industry and three major sub-sectors of industry (Mining and Quarrying, Manufacturing, and Utilities). The current monthly data are provisional, and are subject to revision in the following month. All other data are final.

### March 2011 Producer Inflation

In March 2011, the Price Index with reference to the base period (September 2006) was 235.14, after recording 233.03 in February 2011. This translates to a monthly change rate (i.e., the percentage change in the PPI between February and March 2011) of **0.91** percent, after recording 1.07 percent in February 2011 (Table 1).

**Table 1: PPI February and March 2011**

| Month            | Index<br>Sept'06 =100 | Change rate (%) |        |
|------------------|-----------------------|-----------------|--------|
|                  |                       | Monthly         | Yearly |
| February<br>2011 | 233.03                | 1.07            | 22.29  |
| March<br>2011    | p235.14               | p 0.91          | p23.39 |

p: provisional

The respective yearly change (i.e., the percentage change in the PPI between March 2010 and March 2011) was **23.39** percent, indicating a 1.10 percentage points higher than that for February 2011 (Table 1).

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

| Sector                | Index         | Change rate (%) |              |
|-----------------------|---------------|-----------------|--------------|
|                       |               | Monthly         | Yearly       |
| Mining &<br>Quarrying | 424.99        | 4.83            | 32.27        |
| Manufacturing         | 196.23        | 0.15            | 11.61        |
| Utilities             | 274.15        | 0.01            | 71.96        |
| <b>INDUSTRY</b>       | <b>235.14</b> | <b>0.91</b>     | <b>23.39</b> |

The data in this table is provisional

Manufacturing, the largest industrial sub-sector (with 69.75 percent share of all industry), recorded an inflation rate of 11.61 percent.

Mining and Quarrying (with 13.97 percent share of all industry) recorded inflation rate of 32.27 percent.

Utilities, (which includes production, transmission and distribution of electricity; collection, purification and distribution of water), recorded inflation rate of 71.96 percent.

## Trends

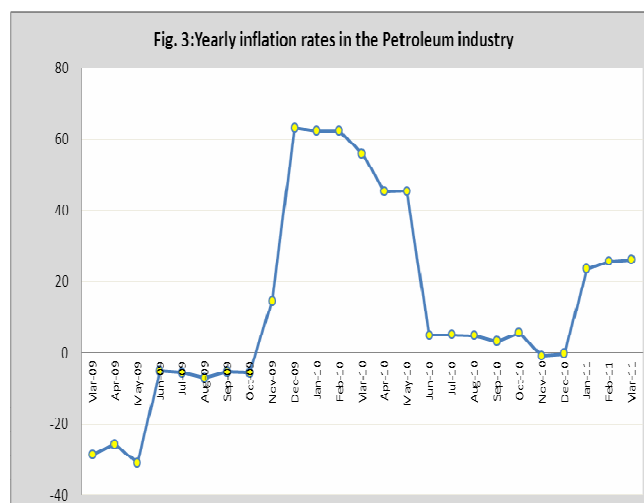
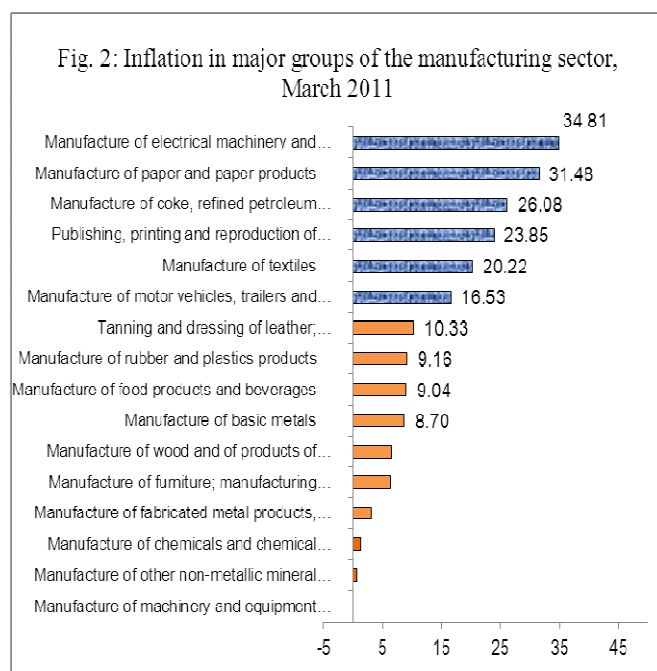
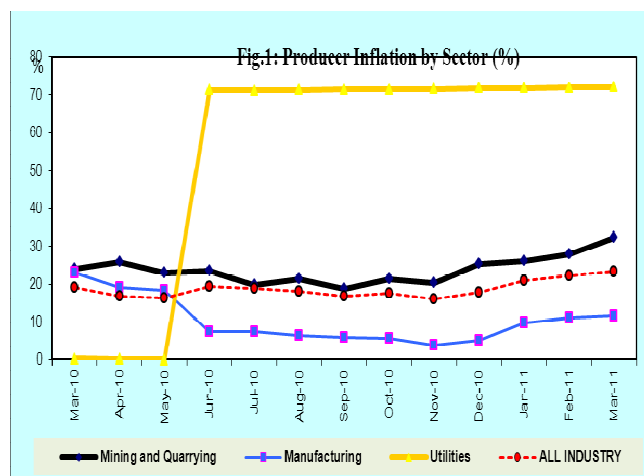
The March 2011 inflation rate is the highest (23.39%) over the 12-month period. Between March 2010 and May 2010, the rates declined, but increased in June 2010. Thereafter, the rates were quite stable until November 2010. From December 2010 to March 2011, the rates have been rising steadily (Fig. 1).

## Manufacturing Sector

Six out of the sixteen major groups in the manufacturing sector recorded inflation rates higher than the manufacturing sector average of 11.61 percent. Manufacture of electrical machinery and apparatus recorded the highest inflation rate (34.81%), while manufacture of machinery and equipment n.e.c did not change (Fig. 2).

## Petroleum Price Index

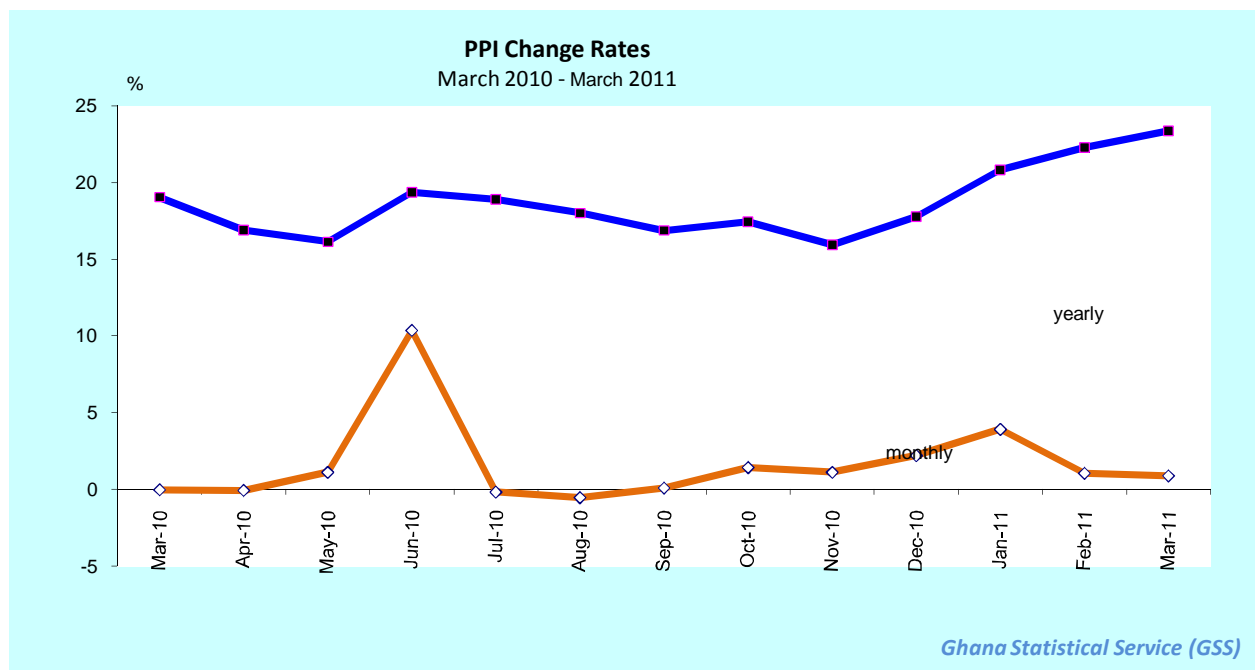
Between October 2009 and December 2009, producer inflation in the manufacture of petroleum products group recorded a sharp increase. Inflation in this sector stabilized for the first two months of 2010, but dropped between March and June 2010. The rate declined in November 2010 after increasing slightly in October 2010. In January 2011 inflation in the petroleum industry jumped and continued to increase in March 2011 recording a rate of 26.08 % (Fig 3).



## 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   |
| March-10     | 190.57        | 0.01            | 19.07   |
| April-10     | 190.49        | -0.04           | 16.91   |
| May-10       | 192.66        | 1.14            | 16.15   |
| June-10      | 212.65        | 10.38           | 19.39   |
| July-10      | 212.33        | -0.15           | 18.93   |
| August-10    | 211.25        | -0.51           | 18.03   |
| September-10 | 211.49        | 0.12            | 16.90   |
| October-10   | 214.57        | 1.45            | 17.48   |
| November-10  | 217.01        | 1.14            | 15.96   |
| 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     | p 235.14      | p 0.91          | p 23.39 |

p: provisional



## Annex 2: Producer Price Index by Sectors

| Year / Month             | Mining and<br>Quarrying | Manufacturing | Utilities | ALL INDUSTRY |
|--------------------------|-------------------------|---------------|-----------|--------------|
| Index (2006=100)         |                         |               |           |              |
| March-10                 | 321.30                  | 175.81        | 159.43    | 190.57       |
| April-10                 | 324.14                  | 175.81        | 159.42    | 190.49       |
| May-10                   | 339.62                  | 176.09        | 159.55    | 192.66       |
| June-10                  | 349.87                  | 176.43        | 273.43    | 212.65       |
| July-10                  | 345.25                  | 176.11        | 273.41    | 212.33       |
| August-10                | 351.19                  | 174.70        | 273.41    | 211.25       |
| September-10             | 353.96                  | 175.36        | 273.49    | 211.49       |
| October-10               | 374.84                  | 175.75        | 273.49    | 214.57       |
| November-10              | 386.89                  | 177.51        | 273.56    | 217.01       |
| 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                  | p 196.23      | 274.15    | p 235.14     |
| Monthly Change Rates (%) |                         |               |           |              |
| March-10                 | 1.39                    | -0.25         | -0.03     | 0.01         |
| April-10                 | 0.88                    | -0.28         | -0.01     | -0.04        |
| May-10                   | 4.78                    | 0.44          | 0.08      | 1.14         |
| June-10                  | 3.02                    | 0.19          | 71.38     | 10.38        |
| July-10                  | -1.32                   | -0.18         | -0.01     | -0.15        |
| August-10                | 1.72                    | -0.80         | 0.00      | -0.51        |
| September-10             | 0.79                    | 0.38          | 0.03      | 0.12         |
| October-10               | 5.90                    | 0.22          | 0.00      | 1.45         |
| November-10              | 3.22                    | 1.00          | 0.02      | 1.14         |
| 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                    | p 0.15        | 0.01      | p 0.91       |
| Yearly Change Rates (%)  |                         |               |           |              |
| March-10                 | 24.04                   | 22.92         | 0.20      | 19.07        |
| April-10                 | 25.86                   | 19.10         | 0.09      | 16.91        |
| May-10                   | 22.93                   | 18.45         | 0.00      | 16.15        |
| June-10                  | 23.48                   | 7.52          | 71.30     | 19.39        |
| July-10                  | 19.91                   | 7.57          | 71.09     | 18.93        |
| August-10                | 21.35                   | 6.48          | 71.17     | 18.03        |
| September-10             | 18.81                   | 5.89          | 71.32     | 16.90        |
| October-10               | 21.40                   | 5.54          | 71.33     | 17.48        |
| November-10              | 20.35                   | 3.76          | 71.50     | 15.96        |
| 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                   | p 11.61       | 71.96     | p 23.39      |

p: provisional

### Annex 3: Producer Price Index by Sectors /Industry Groups

| ISIC CODE | INDUSTRY GROUP<br>(ISIC DESCRIPTION)  | WEIGHTS<br>(%) | INDEX LEVEL<br>(September 2006 = 100) |                         | MONTHLY INFLATION<br>RATE (%) |                         | ANNUAL INFLATION<br>RATE (%) |                         |
|-----------|---|----------------|---------------------------------------|-------------------------|-------------------------------|-------------------------|------------------------------|-------------------------|
|           |   |                | Feb-11                                | Mar-11<br>(provisional) | Feb-11                        | Mar-11<br>(provisional) | Feb-11                       | Mar-11<br>(provisional) |
|           | All Industries  | 100.00         | 233.03                                | 235.14                  | 1.07                          | 0.91                    | 22.29                        | 23.39                   |
| C         | Mining and quarrying  | 13.97          | 405.42                                | 424.99                  | -0.47                         | 4.83                    | 27.94                        | 32.27                   |
| D         | Manufacturing   | 69.75          | 195.94                                | 196.23                  | 1.70                          | 0.15                    | 11.16                        | 11.61                   |
| E         | Electricity, and water supply (Utilities)   | 16.28          | 274.12                                | 274.15                  | 0.06                          | 0.01                    | 71.89                        | 71.96                   |
| <b>C</b>  | <b>Mining and quarrying</b>   | <b>100.00</b>  |                                       |                         |                               |                         |                              |                         |
| C13       | Mining of metal ores  | 95.01          | 427.50                                | 449.06                  | -0.15                         | 5.04                    | 28.67                        | 33.37                   |
| C132      | Mining of non-ferrous metal ores, except uranium and thorium ores   | 95.01          | 427.50                                | 449.06                  | -0.15                         | 5.04                    | 28.67                        | 33.37                   |
| C14       | Other mining and quarrying  | 4.99           | 104.61                                | 104.82                  | -0.26                         | 0.20                    | 7.05                         | 4.61                    |
| C141      | Quarrying of stone, sand and clay   | 3.42           | 95.54                                 | 95.84                   | 0.00                          | 0.32                    | 5.95                         | 3.00                    |
| C142      | Mining and quarrying n.e.c.   | 0.87           | 154.84                                | 154.84                  | -19.04                        | 0.00                    | 15.54                        | 15.54                   |
| <b>D</b>  | <b>Manufacturing</b>  | <b>100.00</b>  |                                       |                         |                               |                         |                              |                         |
| D15       | Manufacture of food products and beverages  | 25.64          | 217.07                                | 217.23                  | 3.69                          | 0.07                    | 8.80                         | 9.04                    |
| D151      | Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats   | 4.60           | 217.59                                | 215.82                  | 2.84                          | -0.81                   | 0.89                         | -0.22                   |
| D152      | Manufacture of dairy products   | 4.31           | 192.38                                | 192.38                  | 0.00                          | 0.00                    | 13.24                        | 13.24                   |
| D153      | Manufacture of grain mill products, starches and starch products, and prepared animal feeds                                     | 4.66           | 276.23                                | 276.23                  | 17.89                         | 0.00                    | 21.79                        | 21.79                   |
| D154      | Manufacture of other food products  | 4.80           | 219.63                                | 223.48                  | 0.87                          | 1.75                    | 25.63                        | 27.97                   |
| D155      | Manufacture of beverages  | 7.27           | 208.58                                | 208.58                  | 0.08                          | 0.00                    | -4.63                        | -4.04                   |
| D17       | Manufacture of textiles   | 4.27           | 178.78                                | 178.78                  | 6.79                          | 0.00                    | 20.22                        | 20.22                   |
| D171      | Spinning, weaving and finishing of textiles   | 4.28           | 178.78                                | 178.78                  | 6.79                          | 0.00                    | 20.22                        | 20.22                   |
| D19       | Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear                               | 0.12           | 229.11                                | 229.11                  | 1.94                          | 0.00                    | 5.57                         | 10.33                   |
| D192      | Manufacture of footwear   | 0.12           | 229.11                                | 229.11                  | 1.94                          | 0.00                    | 5.57                         | 10.33                   |
| D20       | Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials | 9.03           | 192.59                                | 193.36                  | 1.62                          | 0.40                    | -0.98                        | 6.58                    |
| D201      | Sawmilling and planing of wood  | 4.94           | 197.96                                | 197.96                  | 0.00                          | 0.00                    | -5.41                        | 3.63                    |
| D202      | Manufacture of products of wood, cork, straw and plaiting materials   | 4.10           | 179.38                                | 181.94                  | 6.08                          | 1.43                    | 20.24                        | 21.82                   |
| D21       | Manufacture of paper and paper products   | 0.62           | 193.75                                | 193.75                  | 0.00                          | 0.00                    | 31.66                        | 31.48                   |
| D210      | Manufacture of paper and paper products   | 0.62           | 193.75                                | 193.75                  | 0.00                          | 0.00                    | 31.66                        | 31.48                   |
| D22       | Publishing, printing and reproduction of recorded media   | 1.14           | 279.68                                | 281.44                  | 12.38                         | 0.63                    | 23.08                        | 23.85                   |
| D221      | Publishing  | 0.40           | 329.88                                | 329.88                  | 35.64                         | 0.00                    | 35.64                        | 35.64                   |
| D222      | Printing and service activities related to printing   | 0.74           | 255.60                                | 258.09                  | 1.42                          | 0.98                    | 16.72                        | 17.86                   |
| D23       | Manufacture of coke, refined petroleum products and nuclear fuel  | 22.94          | 200.91                                | 201.38                  | 0.51                          | 0.24                    | 25.63                        | 26.08                   |
| D232      | Manufacture of refined petroleum products   | 22.94          | 200.91                                | 201.38                  | 0.51                          | 0.24                    | 25.63                        | 26.08                   |

| ISIC CODE | INDUSTRY GROUP<br>(ISIC DESCRIPTION)  | WEIGHTS<br>(%) | INDEX LEVEL<br>(September 2006 = 100) |                         | MONTHLY INFLATION<br>RATE (%) |                         | ANNUAL INFLATION<br>RATE (%) |                         |
|-----------|---|----------------|---------------------------------------|-------------------------|-------------------------------|-------------------------|------------------------------|-------------------------|
|           |   |                | Feb-11                                | Mar-11<br>(provisional) | Feb-11                        | Mar-11<br>(provisional) | Feb-11                       | Mar-11<br>(provisional) |
|           |   |                |                                       |                         |                               |                         |                              |                         |
| D24       | Manufacture of chemicals and chemical products  | 10.15          | 158.03                                | 156.61                  | 0.00                          | -0.90                   | 2.13                         | 1.22                    |
| D241      | Manufacture of basic chemicals  | 0.54           | 227.85                                | 227.85                  | 0.00                          | 0.00                    | -0.20                        | 0.00                    |
| D242      | Manufacture of other chemical products  | 9.45           | 158.18                                | 156.72                  | 0.00                          | -0.92                   | 2.21                         | 1.26                    |
| 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           | 166.20                                | 167.80                  | 2.00                          | 0.96                    | 9.71                         | 9.16                    |
| D251      | Manufacture of rubber products  | 0.76           | 238.37                                | 228.19                  | 8.24                          | -4.27                   | 34.72                        | 22.58                   |
| D252      | Manufacture of plastics products  | 3.14           | 153.15                                | 156.50                  | 0.99                          | 2.19                    | 5.11                         | 6.56                    |
| D26       | Manufacture of other non-metallic mineral products  | 8.20           | 178.62                                | 178.62                  | 0.00                          | 0.00                    | 0.60                         | 0.60                    |
| D269      | Manufacture of non-metallic mineral products n.e.c.   | 8.20           | 178.62                                | 178.62                  | 0.00                          | 0.00                    | 0.60                         | 0.60                    |
| D27       | Manufacture of basic metals   | 5.02           | 173.52                                | 173.61                  | 0.29                          | 0.05                    | 8.53                         | 8.70                    |
| D271      | Manufacture of basic iron and steel   | 2.02           | 244.34                                | 244.34                  | 0.00                          | 0.00                    | 36.51                        | 36.51                   |
| D272      | Manufacture of basic precious and non-ferrous metals  | 2.65           | 151.79                                | 151.89                  | 0.40                          | 0.07                    | 2.98                         | 3.24                    |
| D28       | Manufacture of fabricated metal products, except machinery and equipment                        | 3.70           | 263.71                                | 264.25                  | 0.66                          | 0.21                    | 3.86                         | 3.21                    |
| D281      | Manufacture of structural metal products, tanks, reservoirs and steam generators                | 1.55           | 263.00                                | 264.27                  | 0.13                          | 0.48                    | -3.53                        | -5.11                   |
| D289      | Manufacture of other fabricated metal products; metalworking service activities                 | 2.15           | 264.24                                | 264.24                  | 1.06                          | 0.00                    | 8.92                         | 8.92                    |
| D29       | Manufacture of machinery and equipment n.e.c.   | 0.42           | 278.34                                | 278.34                  | 0.00                          | 0.00                    | 0.00                         | 0.00                    |
| D292      | Manufacture of special-purpose machinery  | 0.42           | 278.34                                | 278.34                  | 0.00                          | 0.00                    | 0.00                         | 0.00                    |
| D31       | Manufacture of electrical machinery and apparatus n.e.c.  | 0.41           | 167.89                                | 167.89                  | 0.00                          | 0.00                    | 47.71                        | 34.81                   |
| D313      | Manufacture of insulated wire and cable   | 0.41           | 167.89                                | 167.89                  | 0.00                          | 0.00                    | 47.71                        | 34.81                   |
| D34       | Manufacture of motor vehicles, trailers and semi-trailers                                       | 0.05           | 213.19                                | 217.54                  | 5.07                          | 2.04                    | 12.65                        | 16.53                   |
| D342      | Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers | 0.05           | 213.19                                | 217.54                  | 5.07                          | 2.04                    | 12.65                        | 16.53                   |
| D36       | Manufacture of furniture; manufacturing n.e.c.  | 2.44           | 203.10                                | 203.78                  | 0.22                          | 0.33                    | 6.15                         | 6.45                    |
| D361      | Manufacture of furniture  | 2.33           | 202.00                                | 202.69                  | 0.23                          | 0.34                    | 5.43                         | 5.75                    |
| D369      | Manufacturing n.e.c.  | 0.11           | 238.25                                | 238.25                  | 0.00                          | 0.00                    | 29.37                        | 29.04                   |
| <b>E</b>  | <b>Utilities</b>  | <b>100.00</b>  |                                       |                         |                               |                         |                              |                         |
| E40       | Electricity and water supply  | 93.25          | 278.42                                | 278.45                  | 0.06                          | 0.01                    | 76.95                        | 77.02                   |
| E401      | Production, transmission and distribution of electricity  | 93.25          | 278.42                                | 278.45                  | 0.06                          | 0.01                    | 76.95                        | 77.02                   |
| E41       | Collection, purification and distribution of water  | 6.75           | 219.74                                | 219.74                  | 0.00                          | 0.00                    | 13.86                        | 13.86                   |
| E410      | Collection, purification and distribution of water  | 6.75           | 219.74                                | 219.74                  | 0.00                          | 0.00                    | 13.86                        | 13.86                   |