



# Newsletter Producer Price Index (PPI) March, 2013



**Ghana Statistical Service**  
P.O. Box GP 1098  
Accra

Republic of Ghana

For further details on this bulletin, contact: **Tel. 0302-682640**

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## Producer Price Inflation Increased to 10.7% in March 2013

### 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 March 2013 are provisional, and are subject to revision when additional data are available. All other indicators are final.

### March 2013 Producer Inflation

The Producer Price Index increased by 10.7 percent between March 2012 and March 2013 (year-on-year), representing an increase in producer inflation by 1.6 percentage points relative to the rate recorded in February 2012 (9.1%). The month-on-month change in producer prices between February 2013 and March 2013 was 2.6 percent. (Table 1).

**Table 1: PPI for February 2013 and March 2013**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
<b>February, 2013</b>	p 295.0	p -0.3	p 9.1
<b>February, 2012 rev</b>	295.0	-0.3	9.1
<b>March, 2013</b>	p 302.7	p 2.6	p 10.7

P: Provisional

In March 2013, the producer price inflation in the Mining and Quarrying subsector decreased by 1.4 percentage points over the February 2013 rate of 7.8 percent, to record 6.4 percent. Manufacturing, which constitutes more than two-thirds of total industry, increased to 14.2 percent, from a rate of 11.4 percent in February 2013. The rate for the Utilities sub-sector was 0.1 percentage point lower than that of February 2013.

**Table 2: PPI and Inflation by Sector, March, 2013 (September 2006= 100)**

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	594.7	-2.3	6.4
Manufacturing	259.4	4.4	14.2
Utilities	303.2	0.0	1.0
<b>ALL INDUSTRY</b>	<b>302.7</b>	<b>2.6</b>	<b>10.7</b>

The data in this table are provisional

### Trends

During the 12-month period (March 2012 to March 2013), the highest year-on-year inflation of 19.1 percent for all industry was recorded in June and October 2012 and the lowest in February 2013 (9.1%). From March to May 2012, the producer inflation fluctuated between 16.1 percent and 16.6 percent, and thereafter increased in July 2012 to 19.0 percent but dropped to 17.8 percent in August 2012. It declined further in September 2012 by 1.0 percentage point but increased to 19.1 percent in

October 2012 and dropped subsequently in November 2012 to 15.8 percent. In December 2012, it increased to 17.1 percent but declined to 11.5 percent in January 2013. It decreased again to 9.1 percent in February 2013 and inched up to 10.7 percent in March 2013.

## Manufacturing Sector

During the month of March 2013, five out of the sixteen major groups in the manufacturing subsector recorded inflation rates higher than the sector average of 14.2 percent (Fig. 2). Publishing, printing and reproduction of recorded media recorded the highest inflation rate (32.0%) whilst Manufacture of machinery and equipment n.e.c. recorded no inflation rate.

## Petroleum Price Index

During the last 12 months, the producer inflation in the petroleum sub-sector exhibited a downward trend until March 2013 when it increased by 12.5 percentage points. (Fig.3)

## Highlights

The year-on-year producer inflation for all industry was 10.7 percent in March 2013; the monthly inflation rate was 2.6 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer inflation rate of 14.2 percent, followed by Mining and quarrying (6.4%) and Utilities (1.0%).

The monthly changes in the producer price index indicated that manufacturing recorded a monthly inflation rate of 4.4 percent, while mining and quarrying recorded -2.3 percent and utilities sub-sectors remain unchanged.

