



Newsletter Producer Price Index (PPI) May, 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 Decreased to 8.6% in May 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 May 2013 are provisional, and are subject to revision when additional data are available. All other indicators are final.

May 2013 Producer Inflation

The Producer Price Inflation increased by 8.6 percent between May 2012 and May 2013 (year-on-year), representing a decrease in producer inflation by 1.6 percentage points relative to the rate recorded in April 2013 (10.2%). The month-on-month change in producer prices between May 2013 and April 2013 was -0.5 percent. (Table 1).

Table 1: PPI for April 2013 and May 2013

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
April, 2013	p 302.1	p -0.1	p 10.2
April, 2013 rev	302.0	-0.1	10.2
May, 2013	p 300.5	p -0.5	p 8.6

P: Provisional

In May 2013, the producer price inflation in the Mining and Quarrying subsector decreased by 4.3 percentage points over the April 2013 rate of 2.4 percent, to record -1.9 percent. Manufacturing, which constitutes more than two-thirds of total industry, decreased to 13.2 percent, from a rate of 14.4 percent in April 2013. The rate for the Utilities sub-sector remained virtually unchanged.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	541.3	-4.3	-1.9
Manufacturing	262.2	0.2	13.2
Utilities	303.5	0.0	0.9
ALL INDUSTRY	300.5	-0.5	8.6

The data in this table are provisional

Trends

During the 12-month period (May 2012 to May 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 May 2013 (8.6%). Between May and July 2012, the producer price inflation rose steadily. Thereafter, the rate fluctuated until December 2012. However, from December 2012 to February 2013, the rate declined to 9.1 percent but increased steadily to record 10.6 percent in March 2013, and subsequently declined continuously to 8.6 percent in May 2013.

Manufacturing Sector

During the month of May 2013, six out of the sixteen major groups in the manufacturing subsector recorded inflation rates higher than the sector average of 13.2 percent (Fig. 2). Manufacture of furniture; manufacturing n.e.c. recorded the highest inflation rate (34.8%) whilst producer prices in the manufacture of machinery and equipment n.e.c. recorded no change over the one year period.

Petroleum Price Index

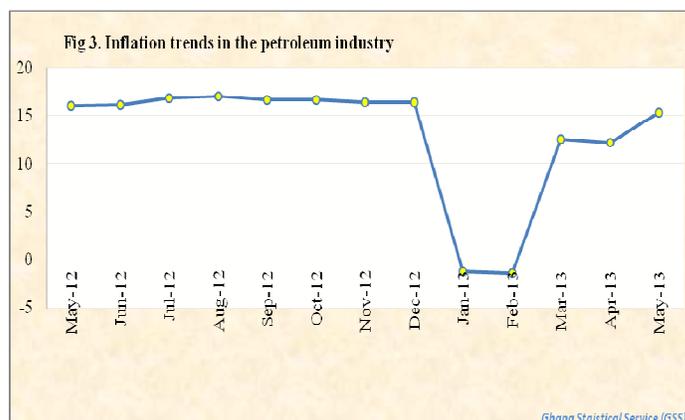
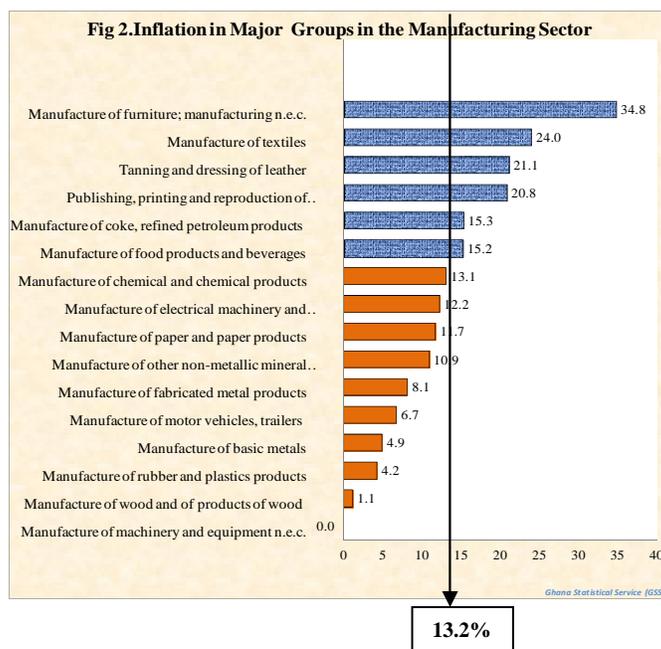
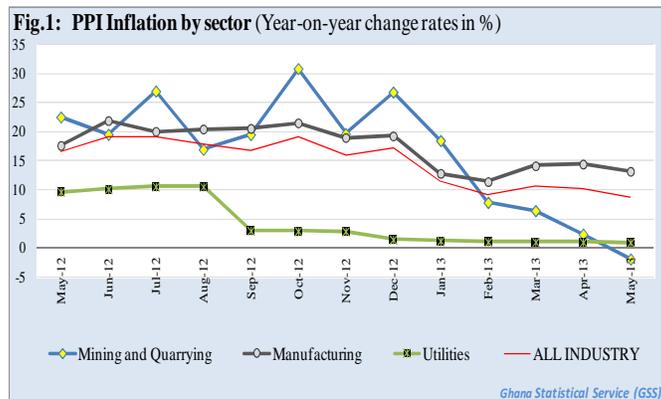
Between May and December 2012, the inflation rate in the petroleum sub-sector remained relatively stable. However, it dropped in January 2013 and subsequently rose in March 2013. The rate remained unchanged in April 2013 but increased to 15.3 percent in May 2013. (Fig.3)

Highlights

The year-on-year producer inflation for all industry was 8.6 percent in May 2013; the monthly inflation rate was -0.5 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer inflation rate of 13.2 percent, followed by the Utilities sub-sector (0.9%). Mining and quarrying recorded a negative inflation rate of 1.9 percent.

The monthly changes in the producer price index indicated that manufacturing recorded a monthly inflation rate of 0.2 percent while mining and quarrying recorded -4.3 percent. The utilities sub-sector remained unchanged.



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.