



Newsletter Producer Price Index (PPI) August, 2012



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Producer Price Inflation declines to 16.6% in August 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 August 2012 are provisional, and are subject to revision when additional data are available. All other indicators are final.

August 2012 Producer Inflation

The Producer Price Inflation rate was 16.6 percent in August 2012 (year-on-year), representing a decrease in producer inflation of 2.4 percentage points relative to the rate recorded in July 2012 (19.0%). The month-on-month change in producer prices was 0.3 percent, following a rate of 1.5 percent in July 2012 (Table 1).

Table 1: PPI for July and August 2012

Month	Index level	Change rate (%)	
	September 2006 = 100	Monthly	Yearly
Jul-12	288.0	1.5	19.0
Aug-12	p 288.9	p 0.3	p 16.6

p: provisional

In August 2012, the producer price inflation in the mining and quarrying sector decreased by approximately 10.1 percentage points over the July 2012 rate of 27.0 percent, to record 16.9 percent. Manufacturing which constitutes more than two-thirds of total industry, decreased to 18.6 percent, from a rate of 20.0 percent in July 2012. The Utilities sector decreased by 0.1 percentage points from the July 2012 rate of 10.6 percent to 10.5 percent in August, 2012 (Table 2).

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	603.4	2.6	16.9
Manufacturing	241.1	-0.3	18.6
Utilities	303.2	0.0	10.5
ALL INDUSTRY	288.9	0.3	16.6

The data in this table are provisional

Trends

During the 12-month period (August 2011 to August 2012), the all industry inflation rate recorded the highest inflation in September 2011 (19.6%) while December 2011 recorded the lowest (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 moved out of this range to record 19.1 percent but declined

slightly in July 2012 to 19.0 percent. It declined further to 16.6 percent in August 2012.

Manufacturing Sector

During the month of August 2012, five out of the sixteen major groups in the manufacturing sector recorded inflation rates higher than the sector average of 18.6 percent (Fig. 2). Manufacture of textile recorded the highest inflation rate (50.6%) whilst Manufacture of machinery and equipments n.e.c recorded negative inflation (-7%).

Petroleum Price Index

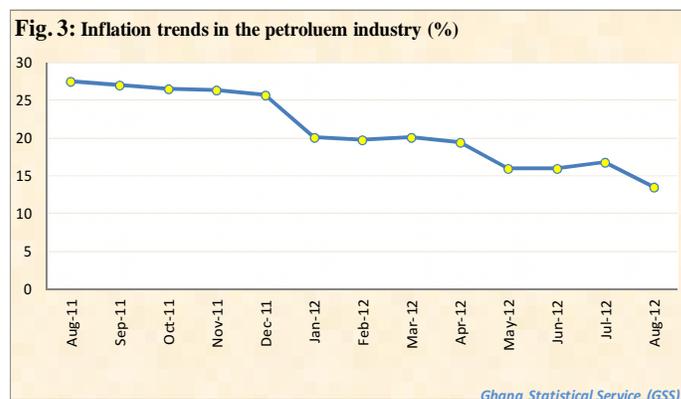
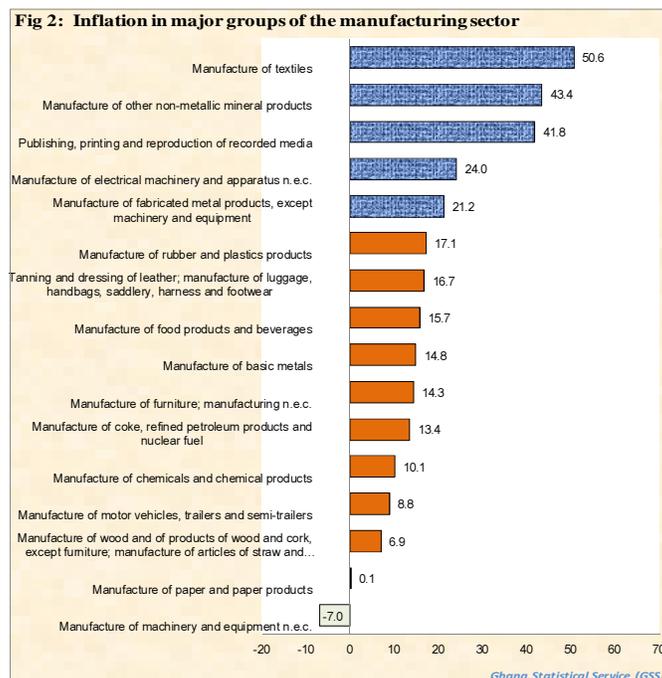
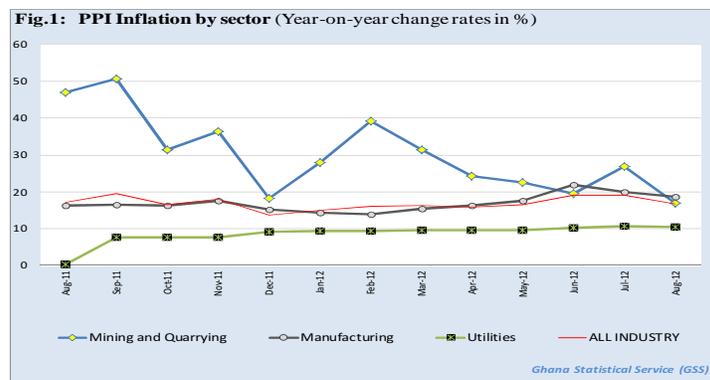
Over the last 12 months, the producer inflation in the petroleum industry subgroup exhibited a downward trend. The highest inflation rate was recorded in August 2011 (27.6%) and the lowest in August 2012 (13.4%). (Fig. 3).

Highlights

The year-on-year producer inflation for all industry was 16.6 percent in August 2012; the monthly rate was 0.3 percent.

Manufacturing recorded the highest year-on-year producer inflation rate of 18.6 percent, followed by Mining and quarrying (16.9%) and Utilities (10.5 %).

The monthly changes in the producer price index indicated that Mining and Quarrying recorded the highest rate of 2.6 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.