



Republic of Ghana

# Newsletter Producer Price Index (PPI) August, 2013



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## Producer Price Inflation Decreased to 4.7% in August 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 August 2013 are provisional, and are subject to revision when additional data become available. All other indicators are final.

### August 2013 Producer Inflation

The Producer Price Inflation increased by 4.7 percent between August 2012 and August 2013 (year-on-year), representing a decrease in producer inflation by 0.3 percentage points relative to the rate recorded in July 2013 (5.0%). The month-on-month change in producer prices between July 2013 and August 2013 was 1.0 percent. (Table 1).

**Table 1: PPI for July 2013 and August 2013**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
<b>July, 2013</b>	p 302.3	p -0.5	p 5.0
<b>July, 2013 rev</b>	302.4	-0.5	5.0
<b>August, 2013</b>	<b>p 305.4</b>	<b>p 1.0</b>	<b>p 4.7</b>

P: Provisional

In August 2013, the producer price inflation in the Mining and Quarrying subsector decreased by 1.0 percentage point over the July 2013 rate of -13.1 percent, to record -14.1 percent. Manufacturing, which constitutes more than two-thirds of total industry, was virtually unchanged as it recorded 10.8 percent, from a rate of 10.9 percent in July 2013. The rate for the Utilities sub-sector was the same as that recorded for July 2013.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	518.5	1.4	-14.1
Manufacturing	271.2	1.1	10.8
Utilities	303.7	0.0	0.2
<b>ALL INDUSTRY</b>	<b>305.4</b>	<b>1.0</b>	<b>4.7</b>

The data in this table are provisional

### Trends

During the 12-month period (August 2012 to August 2013), the highest year-on-year inflation of 19.1 percent for all industry was recorded in October 2012 and the lowest was in August 2013 (4.7%). Between August and November 2012, the producer price inflation fluctuated until December 2012 when it started declining to record 9.1% in February 2013. In March 2013, the rate increased slightly to record 10.6 percent, and subsequently it

has declined consistently over the last five-month period to record 4.7 percent in August 2013.

## Manufacturing Sector

During the month of August 2013, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 10.8 percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate (76.0%) whilst producer prices in the manufacture of electrical machinery and apparatus n.e.c. recorded the lowest inflation rate (-5.6) over the one year period.

## Petroleum Price Index

Between August 2012 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 thereafter increased steadily to record 19.3 percent in June 2013. In July 2013, the rate declined slightly to 18.5 percent due to slight declines in the prices of marine gas oil and aviation fuel. However, the rate increased to 24.7 percent in August 2013 as a result of increases in the prices of petroleum products. (Fig.3).

## Highlights

The year-on-year producer inflation for all industry was 4.7 percent in August 2013; the monthly inflation rate was 1.0 percent.

The manufacturing sub-sector recorded the highest year-on-year producer inflation rate of 10.8 percent, followed by the utilities sub-sector (0.2%). The mining and quarrying sub-sector recorded a negative inflation rate of 14.1 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded a monthly inflation rate of 1.4 percent while

manufacturing recorded 1.1 percent. The utilities sub-sector remained unchanged.

