

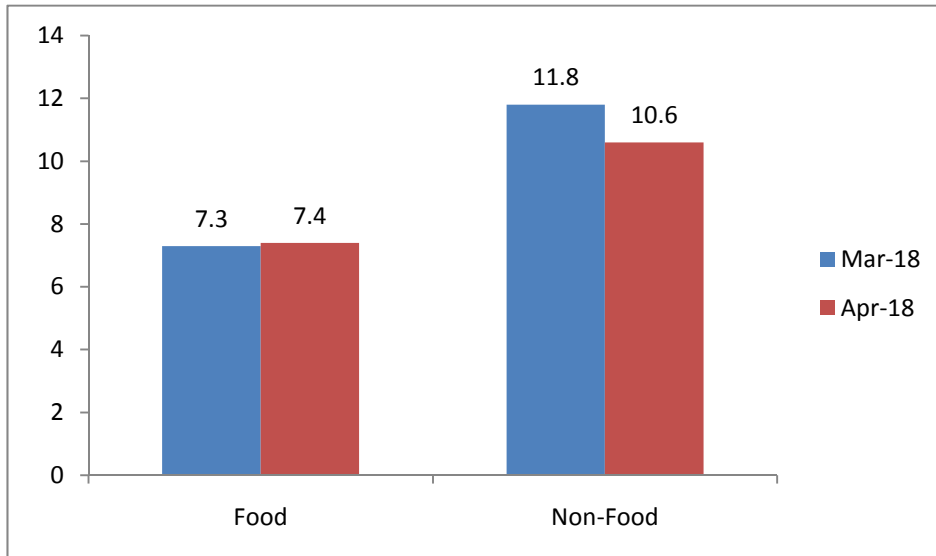
## Drivers of April 2018 Inflation rate (9.6%)

The year-on-year inflation rate for April 2018 was 9.6% compared with that of March 2018 which was 10.4% a fall of 0.8 percentage point. The April 2018 rate of inflation is thus the lowest since January 2013.

### REASONS FOR THE FALL IN THE RATE OF INFLATION

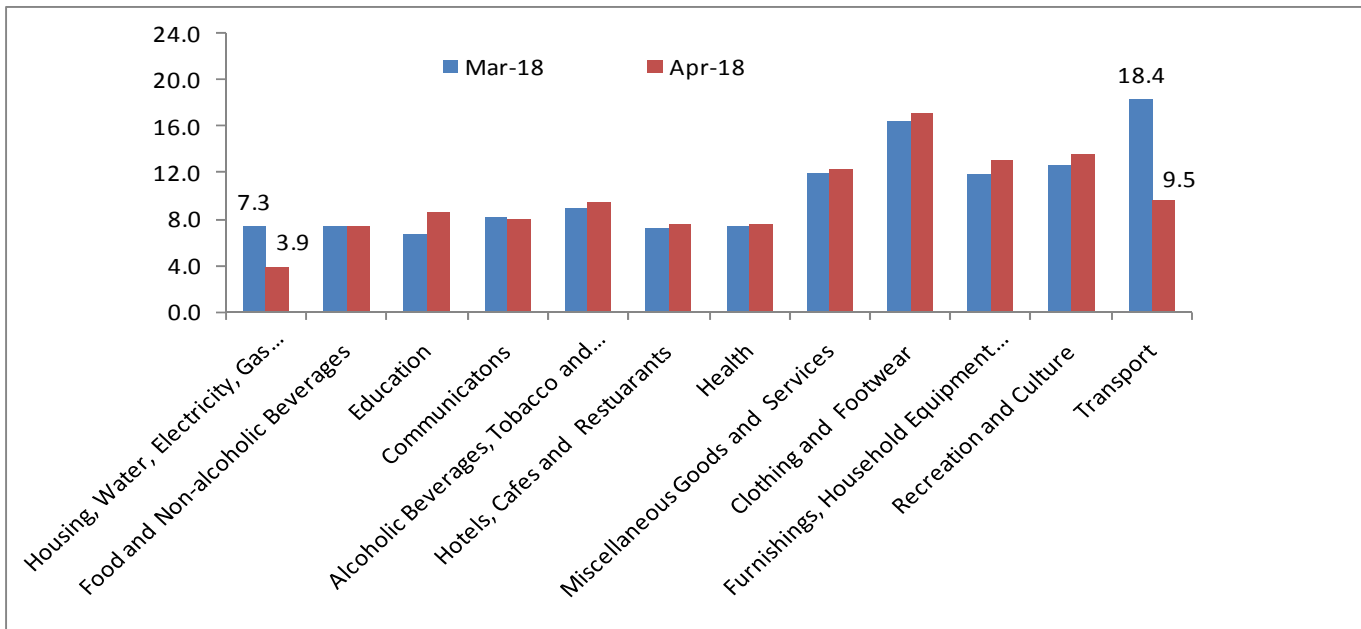
The **Non-food group** inflation rate fell by 1.2 percentage points from 11.8% in March 2018 to 10.6% in April 2018 and was mainly responsible for fall in the overall rate of inflation. The **Food group** inflation rate rose marginally from 7.3% in March to 7.4% in April 2018, Figure 1.

Figure 1: Changes in Food and Non-Food inflation rates



Within the **Non-food group**, the main price drivers for the fall in the rate of inflation in April 2018 were **Transport and Housing, Water, Electricity, Gas and Others Fuels**. The Transport group recorded the largest drop of 8.9 percentage points from 18.4% in March 2018 to 9.5% in April 2018. This is followed by the Housing, Water, Electricity, Gas and Others Fuels group with a fall of 3.4 percentage points from 7.3% in March to 3.9% in April 2018, see Figure 2.

**Figure 2: Changes in main COICOP groups' inflation rates**



Within the **Transport** sub-group, the main price drivers for the fall in the rate of inflation in April 2018 were;

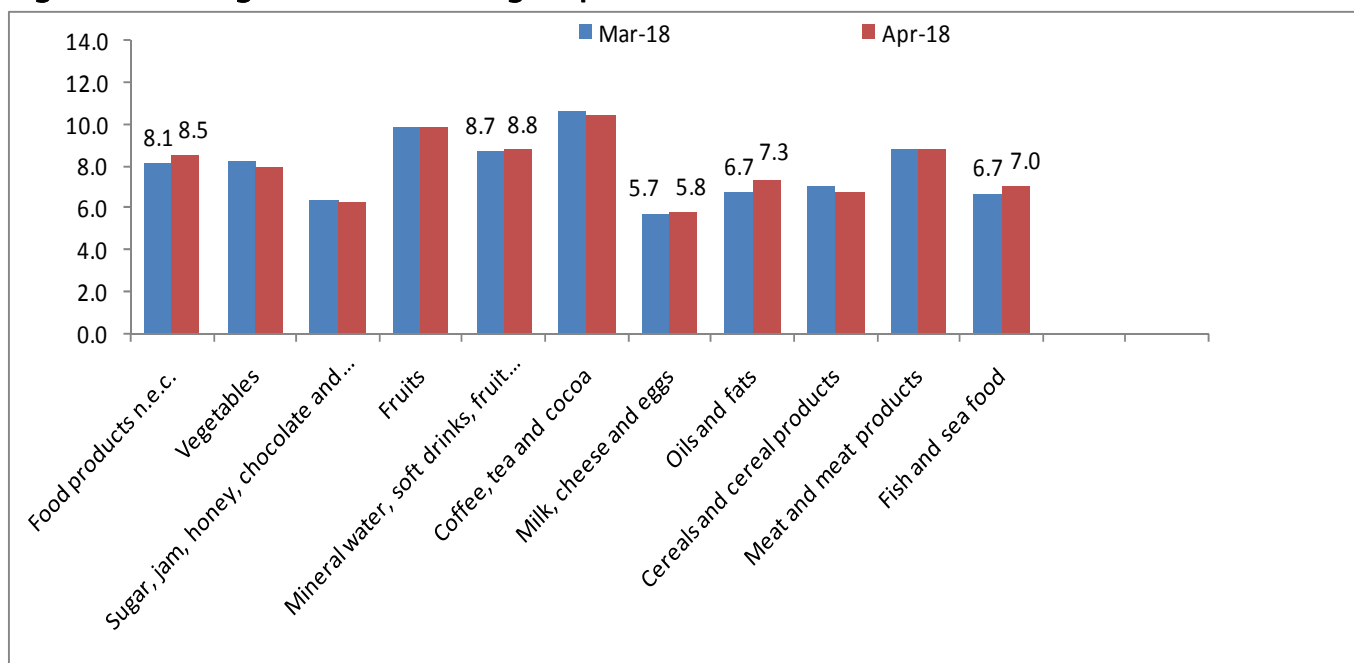
1. Urban bus (trotro) inflation rate fell from 15.1% in March 2018 to 0.1% in April 2018 due to base drift effect, thus transport fares was increased by 15.0% in April 2017 but there was no increase in April 2018.
2. Intercity bus (ordinary) inflation rate fell from 15.2% in March 2018 to 0.2% in April 2018 due to base drift effect, thus transport fares was increased by 15.0% in April 2017 but there was no increase in April 2018.
3. Shared taxi fixed route, short distance inflation rate fell from 14.7% in March 2018 to -0.2% in April 2018 due to base drift effect, thus transport fares was increased by 15.0% in April 2017 but there was no increase in April 2018.

Within the **Housing, Water, Electricity, Gas and Others Fuels** sub-group the main price drivers for the fall in the rate of inflation in April 2018 was;

Electricity inflation rate fell from -0.1% in March 2018 to -17.5% in April 2018 due to the actual price which fell by 17.5% in April 2018.

1. Within **food group** on the other hand had the following sub-groups recording higher percentage points rise in inflation rates for April 2018 compared to March 2018.
  - a. Oils and fats rose by **0.6** percentage point from 6.7% in March 2018 to 7.3% in April 2018.
  - b. Food products n.e.c. rose by **0.4** percentage point from 8.1% in March 2018 to 8.5% in April 2018.
  - c. Fish and seafood rose by **0.3** percentage point from 6.7% in March 2018 to 7.0% in April 2018.
  - d. Mineral water, soft drinks, fruits and vegetable juices rose by **0.1** percentage point from 8.7% in March 2018 to 8.8% in April 2018.
  - e. Milk, cheese and eggs rose by **0.1** percentage point from 5.7% in March 2018 to 5.8% in April 2018 see Figure 2.

**Figure 2: Changes in main food groups inflation rates**



## Please Note

In any month, the combinations of factors such as government policy, season, exchange rate, interest rate, etc. may influence the rate of inflation. The price of some item will rise while the price of some items will fall. The overall rate of inflation will rise if the rises in the prices of items are more than the falls in the prices of items and vice versa. **Tables 1** shows some of the items with high year-on-year inflation rates from April 2017 to April 2018.

**Table 1: CPI items that recorded high y/y change rate from April 2017 to April 2018**

ITEM	DESCRIPTION	Weight	Price change over 12 months
95	Imported cloth (Dutch/British)	0.4	32.7
218	Digital photo camera	0.1	31.5
189	Toyota Corolla	0.7	31.3
266	Newspaper advertisement, (funeral, 1/8 page)	0.5	31.0
220	PC laptop	0.1	30.9
99	Simple Suit	0.1	30.8
151	Mattress (foam)	0.3	30.5
191	Motor Bike eg. Yamaha AG 100	0.3	28.0
98	Kente (Men)	0.1	27.8
94	Cotton Local Super (cloth)	1.9	27.1
219	PC desktop	0.1	26.9
190	Hyundai Accent	0.7	26.8
108	Kente (Women)	0.1	26.6
156	Air conditioner	0.0	26.6
150	Double Bed (simple or ordinary)	0.2	25.9
215	TV-set (21")	0.3	25.1
244	Hotel Accommodation	0.0	25.0
155	Refrigerator	0.3	24.0
192	Bicycle	0.1	23.5
217	DVD-Player	0.2	23.0
203	Driving lesson fees	0.0	22.6
138	Rent (monthly)	1.3	21.4
158	Gas cooker	0.1	21.1
157	Microwave oven	0.0	21.1
196	Batteries (Car)	0.1	20.5
181	Corrective eye-glasses (common lens)	0.0	20.3
211	Cost of mobile phone (nokia, Techno)	0.6	20.1
107	smock	0.1	19.4
194	Tyres (car)	0.1	18.0
96	Imported cloth (China)	0.4	17.8

## Regional Performance

1. Upper West region recorded the highest regional combined inflation rate (11.7%). Education (26.8%), Transport (20.4%), Clothing and Footwear (18.2%). Miscellaneous Goods and Services (15.5%), Furnishings, Household Equipment and Routine Maintenance (12.4%) and Recreation and Culture (11.8%) were responsible for the high inflation in the Upper West region.
2. Upper West region recorded the highest regional non-food inflation rate (14.6%) due to Education, Transport, Clothing and Footwear and Miscellaneous Goods and Services.
3. Ashanti region recorded the highest food inflation rate (8.1%) due to Oils and fats (10.5%), Coffee, tea and cocoa (10.3%), Vegetables (10.0%), Non-alcoholic beverages (9.8%), Mineral water, soft drinks, fruit and vegetable juices (9.6%), Food products n.e.c (8.5%) and Meat and meat products (8.5%).