



Newsletter Producer Price Index (PPI) June, 2016



Republic of Ghana

July 27, 2016

Producer Price Inflation Rate in June 2016 is 7.6%

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 annual (year-on-year) and monthly producer 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 June 2016 are provisional, and are subject to revision when additional data become available. All other indicators are final.

June 2016 Producer Inflation

The Producer Price Inflation rate for June 2016 was 7.6 percent. This rate indicates that, between June 2015 and June 2016 (year-on-year), the PPI increased by 7.6 percent. This rate represents a 3.7 percentage point decrease in producer inflation relative to the rate recorded in May 2016 (11.0 %). The month-on-month change in producer price index between May and June 2016 was 1.2 percent (Table 1).

Table1: PPI for March and April 2016

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
May, 2016	p 531.2	p 0.9	p 11.3
May, 2016 rev	529.9	0.6	11.0
June, 2016	p 536.1	p 1.2	p 7.6

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 1.5 percentage points over the May 2016 rate of -1.4 percent, to record 0.1 percent in June 2016. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry, decreased by 5.1 percentage points to record 3.7 percent. The Utilities sub-sector recorded an inflation rate of 36.5 percent in June 2016 indicating a slight decrease of 0.5 percentage point over the May 2016 rate of 37.0 percent.

Table 2: PPI and Inflation by Sector, June 2016 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	959.0	6.0	0.1
Manufacturing	429.2	0.4	3.7
Utilities	786.2	0.0	36.5
ALL INDUSTRY	536.1	1.2	7.6

The data in this table are provisional.

Trends

The year-on-year inflation in ex-factory prices of goods and services was 11.0 percent for June 2016. The rate recorded in June 2015 was 23.1 percent. This then declined consistently to 10.2 percent in July 2015 and to 2.9 percent in October 2015. However, it rose again to record 11.0 percent in December 2015. In January 2016, the rate increased to record 16.3 percent but declined to 14.5 percent in February 2016. The rate continued its downward

trend in March 2016 to record 14.3 percent and 11.2 percent in April 2016. In May 2016, it dropped further to 11.0 percent and then 7.6 percent in June 2016.

Manufacturing Sector

During the month of June 2016, nine out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 3.7 percent (Fig. 2). Tanning and dressing of leather recorded the highest inflation rate of 39.4 percent, while manufacturing of motor vehicles, trailers and semi-trailers recorded the lowest producer price inflation rate of -7.3%.

Petroleum Price Index

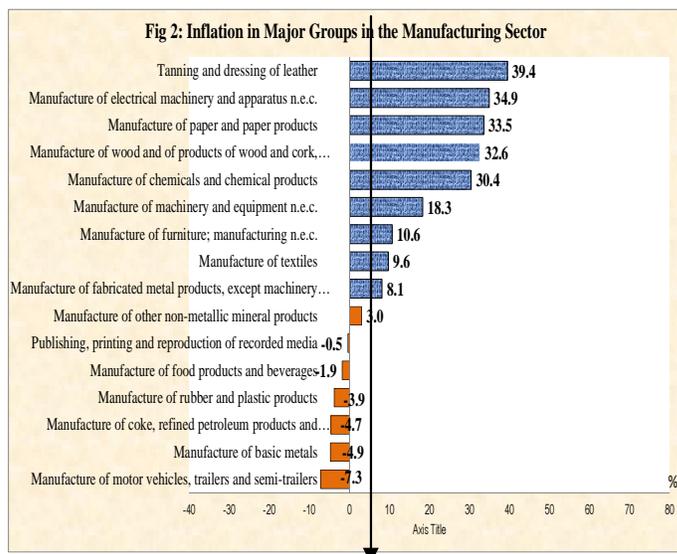
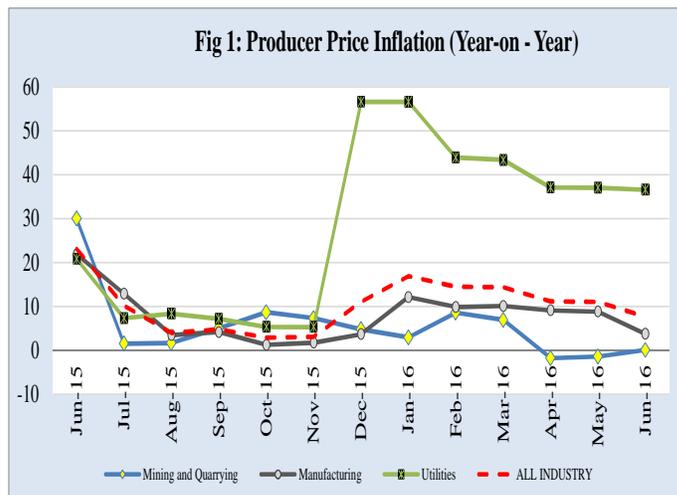
The inflation rate in the petroleum sub-sector was -0.01 percent in June 2015. Subsequently, the rate declined consistently to record -34.5 percent in October 2015. It, however, increased to -21.8 percent in December 2015 and rose further to record 3.3 percent in January 2016. It then declined to 0.5 percent in February 2016 but increased to record 2.9 percent in March 2016 as a result of the base drift effect. The rate increased again to 6.5 percent in April 2016 but declined slightly to 6.1 percent in May 2016. The rate declined again in June 2016 to record -4.7 percent as a result of the base drift effect (Fig.3).

Highlights

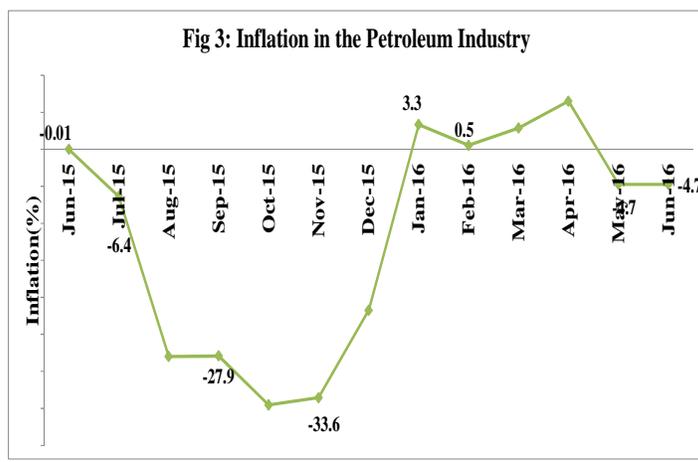
The year-on-year producer inflation for all industry was 7.6 percent in June 2016; the monthly change rate was 1.2 percent.

The utilities sub-sector recorded the highest year-on-year producer price inflation rate of 36.5 percent, followed by the manufacturing sub-sector with 3.7 percent. The mining and quarrying sub-sector recorded the lowest year-on-year inflation rate of 0.1 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded the highest monthly change rate of 6.0 percent, followed by the manufacturing sub-sector with 0.4 percent. The utilities sub-sector remained unchanged.



3.7%



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 GSS or call 0302-682640. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana