



Republic of Ghana

Newsletter Producer Price Index (PPI) May, 2016



Ghana Statistical Service
P.O. Box GP 1098
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Producer Price Inflation Rate in May 2016 is 11.3%

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 May 2016 are provisional, and are subject to revision when additional data become available. All other indicators are final.

May 2016 Producer Inflation

The Producer Price Inflation rate for May 2016 was 11.3 percent. This rate indicates that, between May 2015 and May 2016 (year-on-year), the PPI increased by 11.3 percent. This rate represents a 0.1 percentage point decrease in producer inflation relative to the rate recorded in April 2016 (11.2 %). The month-on-month change in producer price index between April and May 2016 was 0.9 percent (Table 1).

Table1: PPI for March and April 2016

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
April, 2016	p 536.3	p 1.7	p 13.2
April, 2016 rev	526.7	-0.1	11.2
May, 2016	p 531.2	p 0.9	p11.3

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 0.4 percentage point over the April 2016 rate of -1.8 percent, to record -1.4 percent in May 2016. Manufacturing, which constitutes more than two-thirds of total industry, increased by 0.1 percentage point to record 9.2 percent. The Utilities sub-sector recorded an inflation rate of 37.0 percent in May 2016 indicating a slight decrease of 0.1 percentage point over the April 2015 rate of 37.1 percent.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	905.0	2.4	-1.4
Manufacturing	429.0	0.7	9.2
Utilities	786.0	0.1	37.0
ALL INDUSTRY	531.2	0.9	11.3

The data in this table are provisional.

Trends

The year-on-year inflation in ex-factory prices of goods and services was 11.3 percent for May 2016. The rate increased from 18.8 percent in May 2015 to record 23.1 percent in June 2015. The rate then declined consistently from 10.2 percent in July 2015 to 2.9 percent in October 2015. However, it increased to record 11.0 percent in December 2015. In January 2016, the rate increased to record 16.3 percent but declined in February 2016 to 14.5

percent. In March 2016, the rate declined to record 14.3 percent, and then to 11.2 percent in April 2016. It inched up to 11.3 percent in May 2016.

Manufacturing Sector

During the month of May 2016, ten out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 9.2 percent (Fig. 2). Manufacture of paper and paper products recorded the highest inflation rate of 41.9 percent while publishing, printing and recorded media recorded the lowest producer price inflation rate (-5.7%).

Petroleum Price Index

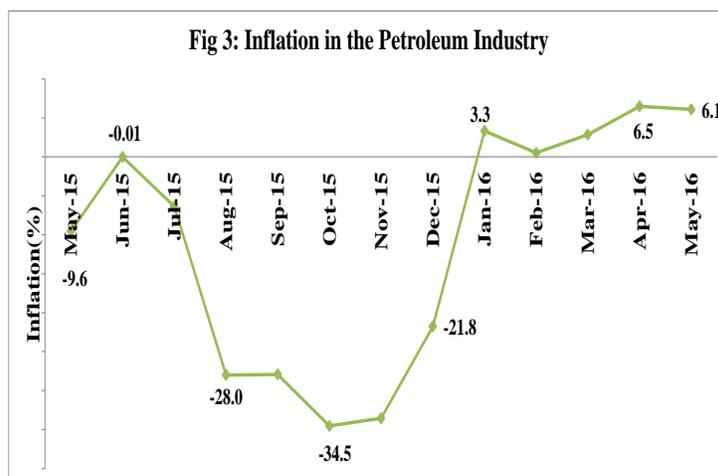
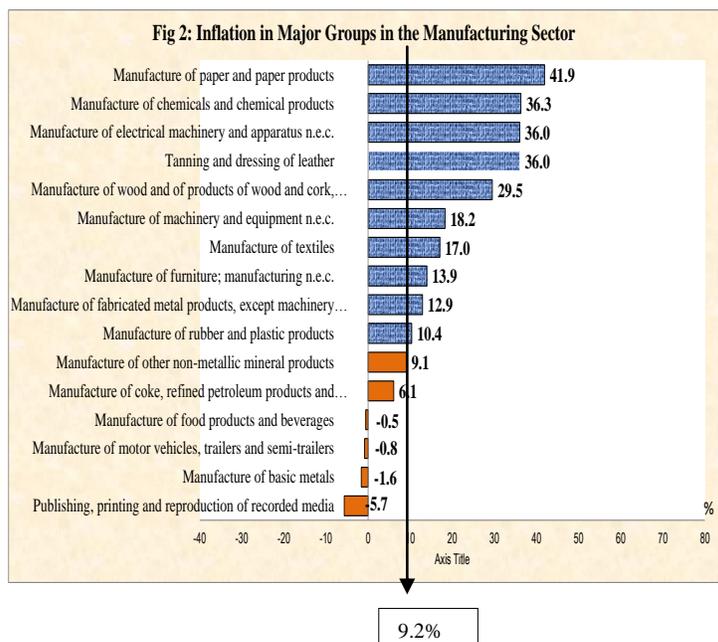
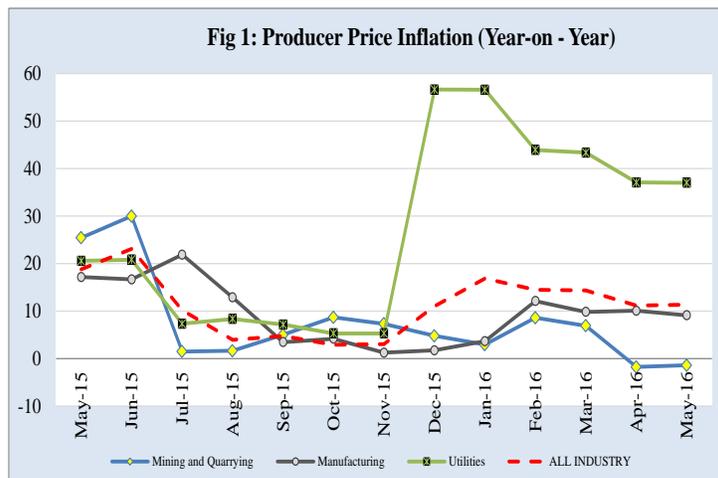
The inflation rate in the petroleum sub-sector was -9.6 percent in May 2015. The rate increased to -0.01 percent in June 2015. Subsequently, the rate declined consistently to record -34.5 percent in October, 2015. It, however, increased to -21.8 percent in December 2015 and rose further to record 3.3 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 base drift effect. The rate increased again to 6.5 percent in April 2016 but declined to 6.1 percent in May 2016 (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 11.3 percent in May 2016; the monthly change rate was 0.9 percent.

The utilities sub-sector recorded the highest year-on-year producer price inflation rate of 37.0 percent, followed by the manufacturing sub-sector with 9.2 percent. The mining and quarrying sub-sector recorded the lowest year-on-year inflation rate of -1.4 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded the highest monthly change rate of 2.4 percent, followed by the manufacturing sub-sector with 0.7percent. The utilities sub-sector recorded the lowest monthly inflation rate of 0.1 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 GSS or call 0302-682640.