



Newsletter Producer Price Index (PPI) December, 2017



Republic of Ghana

January 24, 2018

Producer Price Inflation Rate in December 2017 is 8.9%

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 December 2017 are provisional, and are subject to revision when additional data become available. All other indicators are final.

December 2017 Producer Inflation

The Producer Price Inflation rate for December 2017 was 8.9 percent. This rate indicates that, between December 2016 and December 2017 (year-on-year), the PPI increased by 8.9 percent. This rate represents a 1.8 percentage point increase in producer inflation relative to the rate recorded in November 2017 (7.1%). The month-on-month change in producer price index between November 2017 and December 2017 was 0.9 percent (Table 1).

Table 1: PPI for November and December 2017

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
November, 2017	p569.7	p0.1	P7.1
November, 2017 rev	569.5	0.1	7.1
December, 2017	p574.9	p0.9	p8.9

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 4.7 percentage points over the November 2017 rate of 14.4 percent to record 19.1 percent in December 2017. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 1.6 percentage point, to record 8.8 percent. The utilities sub-sector recorded an inflation rate of 0.4 percent in December 2017 indicating a decrease of 0.1 percentage point compared with the November 2017 rate.

Table 2: PPI and Inflation by Sector, December 2017 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,099.8	-0.6	19.1
Manufacturing	459.6	1.5	8.8
Utilities	797.2	0.0	0.4
ALL INDUSTRY	574.9	0.9	8.9

The data in this table are provisional.

Trends

In December 2016, the producer price inflation rate for all industry was 4.8 percent. The rate declined to record 3.1 percent in January 2017. In February 2017, the rate increased to 5.4 percent and then to 6.0 percent in March 2017 but declined consistently to record 2.0 percent in July 2017. In August 2017,

the rate increased to 6.6 percent and then to 7.5 percent in September 2017. The rate increased to 8.3 percent in October 2017 but declined to 7.1 percent in November 2017. In December 2017, the rate increased to 8.9 percent.

Manufacturing Sector

During the month of December 2017, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 8.8 percent. Manufacture of coke, refined petroleum products recorded the highest inflation rate of 36.4 percent while manufacturing of food and of food products and beverage recorded the lowest producer price inflation rate of -2.2% (Fig. 2).

Petroleum Price Index

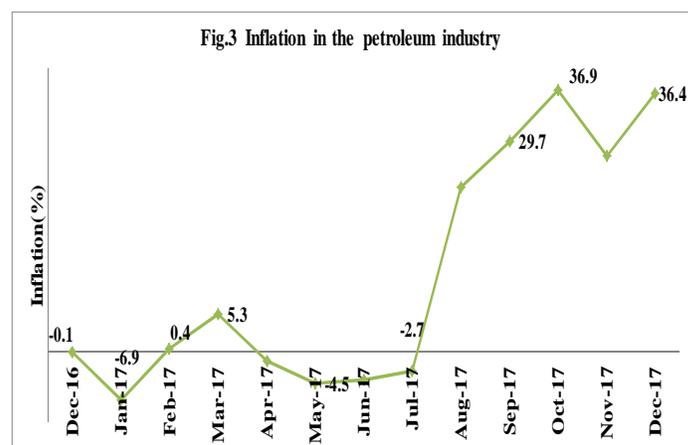
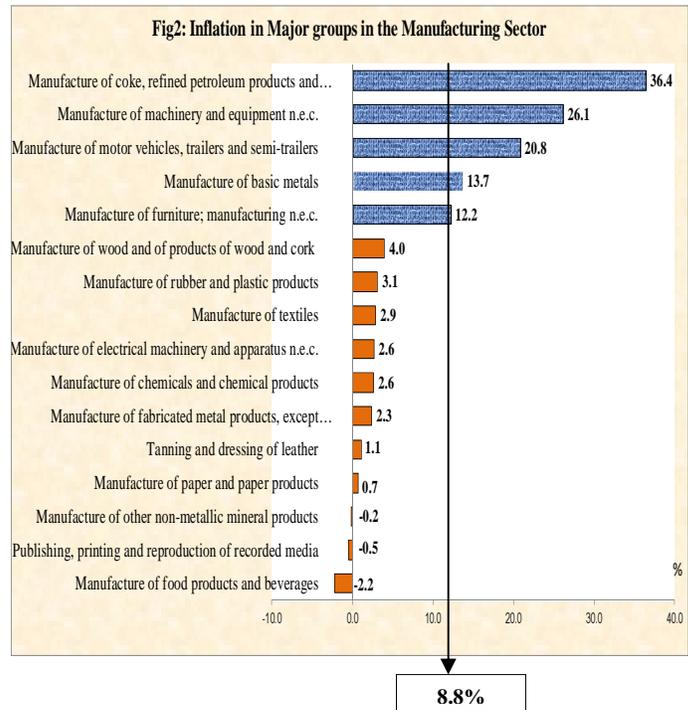
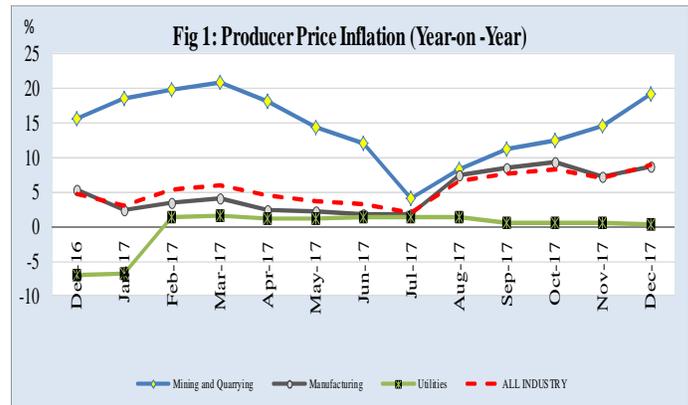
The producer inflation rate in the petroleum sub-sector was -0.1 percent in December 2016. In January 2017, the rate declined to -6.9 percent but increased consistently to 5.3 percent in March 2017. It declined to -1.2 percent in April 2017 and then to -4.5 percent in May 2017. Subsequently, it increased consistently to record 36.9 percent in October 2017 but declined to 27.7 percent in November 2017. The rate increased to 36.4 percent in December 2017 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 8.9 percent in December 2017; the monthly change rate was 0.9 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 19.1 percent followed by the Manufacturing sub-sector with 8.8 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation rate of 0.4 percent.

With respect to the monthly changes, Manufacturing recorded the highest rate of 1.5 percent. The Utilities sub-sector recorded no change while the Mining and quarrying sub-sector recorded the lowest rate of -0.6 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 GSS or call 0302-682640. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana