



Newsletter Producer Price Index (PPI) June, 2017



Republic of Ghana

July 26, 2017

Producer Price Inflation Rate in June 2017 is 3.6%

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

June 2017 Producer Inflation

The Producer Price Inflation rate for June 2017 was 3.6 percent. This rate indicates that, between June 2016 and June 2017 (year-on-year), the PPI increased by 3.6 percent. This rate represents a 0.1 percentage point decrease in producer inflation relative to the rate recorded in May 2017 (3.7%). The month-on-month change in producer price index between May 2017 and June 2017 was 1.1 percent (Table 1).

Table1: PPI for May and June 2017

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
May, 2017	p549.7	p-0.04	P3.7
May,2017 rev	549.6	-0.1	3.7
June, 2017	p555.5	p1.1	p3.6

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 2.3 percentage points over the May 2017 rate of 14.3 percent to record 12.0 percent in June 2017. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry, increased by 0.3 percentage points to record 2.4 percent. The rate for the utilities sub-sector was 1.3 percent, indicating a slight increase of 0.1 percentage point over the May 2017 rate.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,074.0	3.8	12.0
Manufacturing	439.6	0.7	2.4
Utilities	796.5	0.1	1.3
ALL INDUSTRY	555.5	1.1	3.6

The data in this table are provisional.

Trends

In June 2016, the producer price inflation rate for all industry was 7.6 percent. It increased to 10.4 percent in July, 2016 and then to 11.1 percent in August 2016. The rate declined in September 2016 to record 9.7 percent but increased marginally to 9.8 percent in October 2016, then to 11.9 percent in November

2016, but it declined to 4.8 percent in December 2016 and then to 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 3.6 percent in June 2017.

Manufacturing Sector

During the month of June 2017, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 2.4 percent. Manufacture of chemicals and chemical products recorded the highest inflation rate of 12.7 percent while manufacturing of paper and paper products recorded the lowest producer price inflation rate of -5.3% (Fig. 2).

Petroleum Price Index

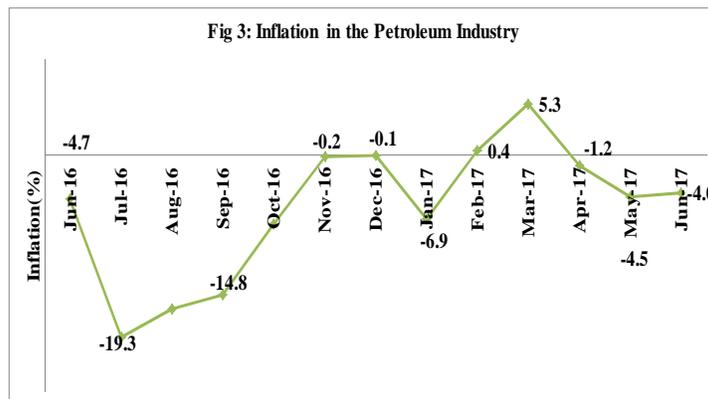
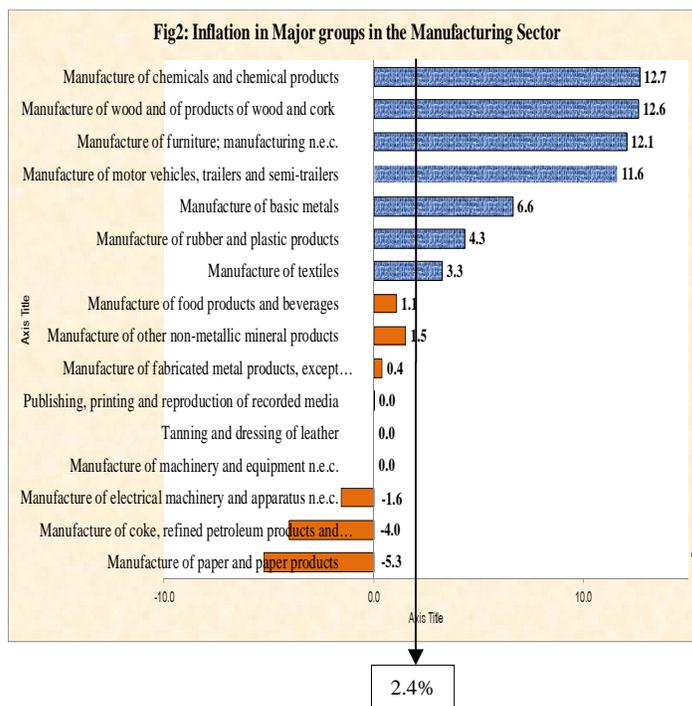
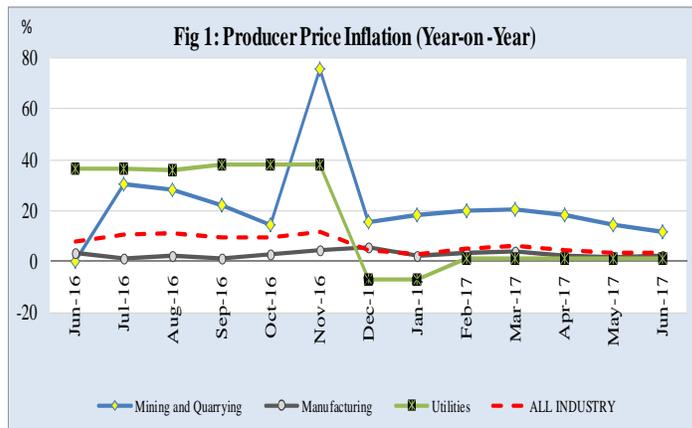
The producer inflation rate in the petroleum sub-sector was -4.7 percent in June 2016. The rate decreased to record -19.3 percent in July 2016. The rate increased consistently to record -0.1 percent in December 2016. The rate declined to -6.9 percent in January 2017 but increased to 0.4 percent in February 2017 and then 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. It increased slightly to -4.0 percent in June 2017 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 3.6 percent in June 2017; the monthly change rate was 1.1 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 12.0 percent, followed by the Manufacturing sub-sector with 2.4 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation rate of 1.3 percent.

With respect to the monthly changes, the Mining and Quarrying sub-sector recorded the highest rate of 3.8 percent followed by the Manufacturing sub-sector with 0.7 percent. The utilities sub-sector recorded the lowest 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. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana