



Newsletter Producer Price Index (PPI) March, 2017



Republic of Ghana

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Producer Price Inflation Rate in March 2017 is 6.0%

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

March 2017 Producer Inflation

The Producer Price Inflation rate for March 2017 was 6.0 percent. This rate indicates that, between March 2016 and March 2017 (year-on-year), the PPI increased by 6.0 percent. This rate represents a 0.6 percentage point increase in producer inflation relative to the rate recorded in February 2017 (5.4%). The month-on-month change in producer price index between February 2017 and March 2017 was 1.4 percent (Table 1).

Table1: PPI for January and February 2017

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
February, 2017	p 551.3	P2.2	p 5.4
February, 2017 rev	551.3	2.2	5.4
March, 2017	p 558.8	P1.4	p 6.0

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 1.1 percentage points over the February 2017 rate of 19.7 percent to record 20.8 percent in March 2017. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry, increased by 0.5 percentage points to record 4.0 percent. The Utilities sub-sector recorded an inflation rate of 1.5 percent in March 2017 indicating an increase of 0.2 percentage point over the February 2017 rate.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,081.4	2.5	20.8
Manufacturing	442.3	1.4	4.0
Utilities	797.8	0.1	1.5
ALL INDUSTRY	558.8	1.4	6.0

The data in this table are provisional.

Trends

In March 2016, the producer price inflation rate for all industry was 14.3 percent. The rate decreased to 11.2 percent in April 2016 and continued its downward trend to record 7.6 percent in June 2016. 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. It increased further to 11.9 percent in November 2016 but 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.

Manufacturing Sector

During the month of March 2017, eleven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 4.0 percent. Manufacture of electrical and machinery and apparatus n.e.c recorded the highest inflation rate of 21.2 percent while manufacturing of other non-metallic mineral products recorded the lowest producer price inflation rate of -2.3% (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 2.9 in March 2016. The rate increased to 6.5 percent in April 2016 but declined slightly to 6.1 percent in May 2016. In June 2016, the rate decreased to record -4.7 percent and then to -19.3 percent in July 2016. The rate increased to -16.3 percent in August 2016, and further to -14.8 percent in September 2016, and -7.4 percent in October 2016. In November 2016, it increased to record -0.2 percent and then to -0.1 percent in December 2015. 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 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 6.0 percent in March 2017; the monthly change rate was 1.4 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 20.8 percent, followed by the Manufacturing sub-sector with 4.0 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation rate of 1.5 percent.

With respect to the monthly changes, the Mining and Quarrying recorded the highest rate of 2.5 followed by Manufacturing sub-sectors with 1.4 percent. The Utilities sub-sector recorded the lowest rate of 0.1 percent.

