



# Newsletter Producer Price Index (PPI) January, 2017



Republic of Ghana

February 22, 2017

## Producer Price Inflation Rate in January 2017 is 3.1%

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

### January 2017 Producer Inflation

The Producer Price Inflation rate for January 2017 was 3.1 percent. This rate indicates that, between January 2016 and January 2017 (year-on-year), the PPI increased by 3.1 percent. This rate represents a 1.7 percentage point decrease in producer inflation relative to the rate recorded in December 2016 (4.8%). The month-on-month change in producer price index between December 2016 and January 2017 was 2.1 percent (Table 1).

**Table 1: PPI for December 2016 and January 2017**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
December, 2016	p 528.6	p-0.6	p 4.9
December, 2016 rev	528.1	-0.7	4.8
<b>January, 2017</b>	<b>p 539.3</b>	<b>P2.1</b>	<b>p 3.1</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 3.0 percentage points over the December 2016 rate of 15.6 percent to record 18.6 percent in January 2017. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry, decreased by 3.0 percentage points to record 2.4 percent. The Utilities sub-sector recorded an inflation rate of -6.8 percent in January 2017 indicating an increase of 0.2 percentage point over the December 2016 rate.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	968.8	4.9	18.6
Manufacturing	430.9	2.0	2.4
Utilities	795.6	0.2	-6.8
<b>ALL INDUSTRY</b>	<b>539.3</b>	<b>2.1</b>	<b>3.1</b>

The data in this table are provisional.

### Trends

In January 2016, the producer price inflation rate for all industry was 16.9 percent. In February 2016, the rate decreased to 14.5 percent and continued its downward trend to record 11.2 percent in April 2016. In June 2016, it dropped further to 7.6 percent but 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 3.1 percent in January 2017.

## Manufacturing Sector

During the month of December 2016, thirteen out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 2.4 percent. Tanning and dressing of leather recorded the highest inflation rate of 39.0 percent while manufacturing of coke, refined petroleum products recorded the lowest producer price inflation rate of -6.9% (Fig. 2).

## Petroleum Price Index

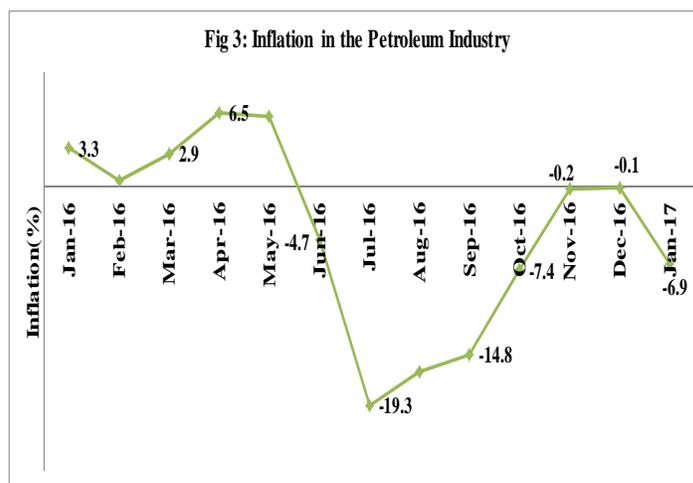
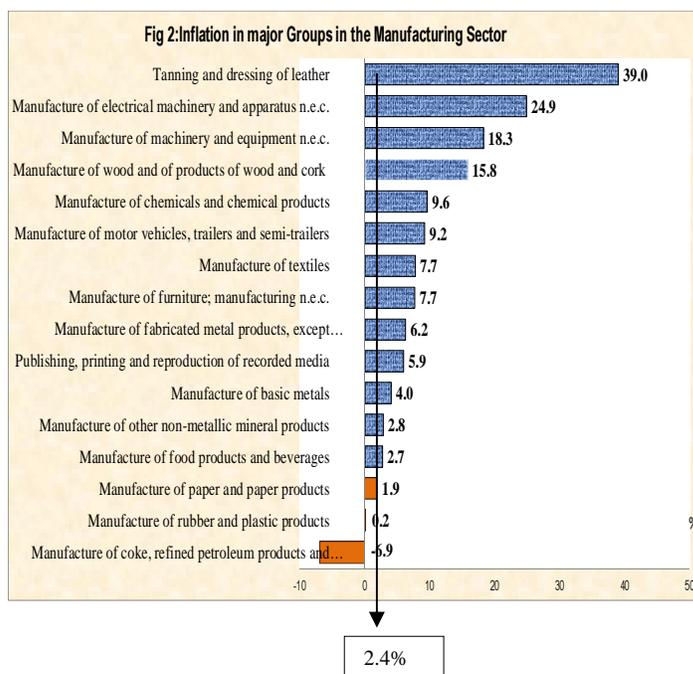
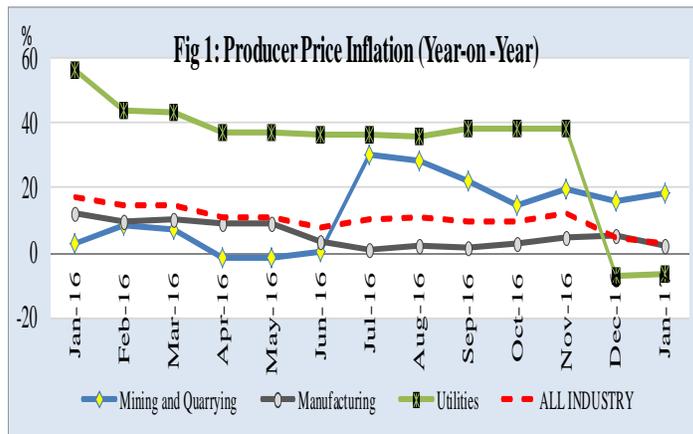
The producer inflation rate in the petroleum sub-sector was 3.3 in January 2016. In February 2016, it declined to 0.5 percent but increased to record 2.9 percent in March 2016 as a result of the base drift effect. The rate increased again to 6.5 percent in April 2016 but declined slightly to 6.1 percent in May 2016. 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. In November 2016, it increased to record -0.2 percent and then to -0.1 percent in December 2016. The rate declined to -6.9 percent in January 2017. (Fig 3).

## Highlights

The year-on-year producer inflation for all industry was 3.1 percent in January 2017; the monthly change rate was 2.1 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 18.6 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 -6.8 percent.

With respect to the monthly changes, the Mining and Quarrying recorded the highest rate of 4.9 percent followed by the Manufacturing sub-sector with 2.0 percent. The Utilities sub-sector recorded the lowest rate of 0.2 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