



Newsletter Producer Price Index (PPI) August, 2018



Republic of Ghana

September 19, 2018

Producer Price Inflation Rate in August 2018 is 7.0%

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 August 2018 are provisional, and are subject to revision when additional data become available. All other indicators are final.

August 2018 Producer Inflation

The Producer Price Inflation rate for August 2018 was 7.0 percent. This rate indicates that, between August 2017 and August 2018 (year-on-year), the PPI increased by 7.0 percent. This rate represents a 1.2 percentage point decrease in producer inflation relative to the rate recorded in July 2018 (8.2%). The month-on-month change in producer price index between July 2018 and August 2018 was -0.1 percent (Table 1).

Table1: PPI for July and August 2018

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
July, 2018	p597.4	p0.2	p8.2
July, 2018 rev	597.4	0.2	8.2
August, 2018	p596.9	p -0.1	p7.0

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 5.6 percentage points over the July 2018 rate of 7.5 percent to record 1.9 percent in August 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 0.4 percentage points to record 10.0 percent. The utilities sub-sector recorded inflation of -0.2 percent in August 2018 indicating no change in inflation.

Table 2: PPI and Inflation by Sector, August 2018 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,125.7	-1.4	1.9
Manufacturing	483.3	0.2	10.0
Utilities	795.3	0.1	-0.2
ALL INDUSTRY	596.9	-0.1	7.0

The data in this table are provisional.

Trends

In August 2017, the producer price inflation rate for all industry was 6.6 percent. The rate increased consistently to record 8.3 percent in October 2017 but declined to 7.1 percent in November 2017. In December 2017, the rate increased to 8.7 percent but decreased consistently to record 3.7 percent in March

2018. It increased to 6.4 percent in April 2018 and then to 7.1 percent in May 2018. The rate increased again to record 7.7 percent in June 2018. In July 2018, the rate increased further to record 8.2 percent but declined to 7.0 percent in August 2018.

Manufacturing Sector

During the month of August 2018, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 10.0 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 41.6 percent, while Manufacture of other non-metallic mineral products recorded the lowest producer price inflation rate of -0.5% (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 23.2 percent in August 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 but declined consistently to record 15.9 percent in March 2018. Subsequently the rate consistently increased to record 44.2 percent in June 2018. The rate decreased to 42.2 percent in July 2018 and then to 41.6 percent in August 2018 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 7.0 percent in August 2018; the monthly change rate was -0.1 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 10.0 percent, followed by the Mining and Quarrying sub-sector with 1.9 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.2 percent.

With respect to the monthly changes, Manufacturing recorded the highest inflation rate of 0.2 percent followed by the Utilities sub-sector with 0.1 percent. The Mining and quarrying sub-sector recorded -1.4 percent.

