



Newsletter Producer Price Index (PPI) July, 2018



Republic of Ghana

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Producer Price Inflation Rate in July 2018 is 8.2%

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

July 2018 Producer Inflation

The Producer Price Inflation rate for July 2018 was 8.2 percent. This rate indicates that, between July 2017 and July 2018 (year-on-year), the PPI increased by 8.2 percent. This rate represents a 0.5 percentage point increase in producer inflation relative to the rate recorded in June 2018 (7.7%). The month-on-month change in producer price index between June 2018 and July 2018 was 0.2 percent (Table 1).

Table1: PPI for May and June 2018

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
June, 2018	p596.0	P1.2	P7.7
June, 2018 rev	596.0	1.2	7.7
July, 2018	p597.4	P0.2	P8.2

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 1.7 percentage points over the June 2018 rate of 5.8 percent to record 7.5 percent in July 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 0.2 percentage points to record 10.4 percent. The utilities sub-sector recorded inflation of -0.2 percent in July 2018 indicating an increase of 0.2 percentage point relative to the rate recorded in June 2018 (-0.4%).

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,141.8	0.5	7.5
Manufacturing	482.4	0.2	10.4
Utilities	794.8	0.2	-0.2
ALL INDUSTRY	597.4	0.2	8.2

The data in this table are provisional.

Trends

In July 2017, the producer price inflation rate for all industry was 2.0 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, it resumed a downward trend to

record 3.7 percent in March 2018. Since then, it increased consistently to record 8.2 percent in July 2018.

Manufacturing Sector

During the month of July 2018, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 10.4 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 42.2 percent, while manufacturing of rubber and plastic products recorded the lowest producer price inflation rate of -1.7% (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was -2.7 percent in July 2017. The rate then 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 again to record 44.2 percent in June 2018, but decreased to 42.2 percent in July 2018 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 8.2 percent in July 2018; the monthly change rate was 0.2 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 10.4 percent, followed by the Mining and Quarrying sub-sector with 7.5 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.2 percent.

With respect to the monthly changes, Mining and quarrying recorded the highest inflation rate of 0.5 percent. The Manufacturing and the Utilities sub-sectors recorded 0.2 percent.

