



Republic of Ghana

# Newsletter Producer Price Index (PPI) May, 2018



June 27, 2018

## Producer Price Inflation Rate in May 2018 is 7.1%

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

### May 2018 Producer Inflation

The Producer Price Inflation rate for May 2018 was 7.1 percent. This rate indicates that, between May 2017 and May 2018 (year-on-year), the PPI increased by 7.1 percent. This rate represents a 0.7 percentage point increase in producer inflation relative to the rate recorded in April 2018 (6.4%). The month-on-month change in producer price index between April 2018 and May 2018 was 0.7 percent (Table 1).

**Table1: PPI for April and May 2018**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
April, 2018	p585.0	p0.9	P6.4
April, 2018 rev	585.0	0.9	6.4
<b>May, 2018</b>	<b>p588.9</b>	<b>p0.7</b>	<b>P7.1</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 1.4 percentage points over the April 2018 rate of 10.3 percent to record 8.9 percent in May 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 1.4 percentage points to record 8.6 percent. The utilities sub-sector recorded inflation of -0.4 percent in May 2018 indicating a decrease of 0.1 percentage point relative to the rate recorded in April 2018 (-0.3%).

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,126.0	-2.3	8.9
Manufacturing	474.1	1.5	8.6
Utilities	792.8	0.0	-0.4
<b>ALL INDUSTRY</b>	<b>588.9</b>	<b>0.7</b>	<b>7.1</b>

The data in this table are provisional.

### Trends

In May 2017, the producer price inflation rate for all industry was 3.7 percent. The rate declined consistently to record 2.0 percent in July 2017. Subsequently, it 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.

## Manufacturing Sector

During the month of May 2018, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 8.6 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 35.5 percent, while manufacturing of chemicals and chemical products recorded the lowest producer price inflation rate of -2.6% (Fig. 2).

## Petroleum Price Index

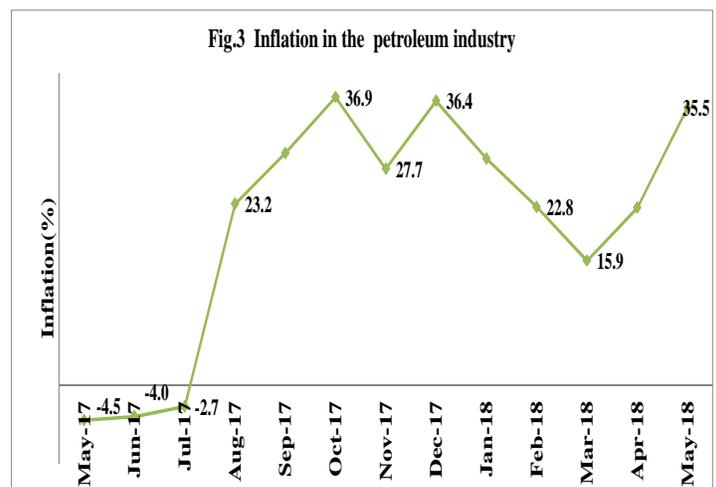
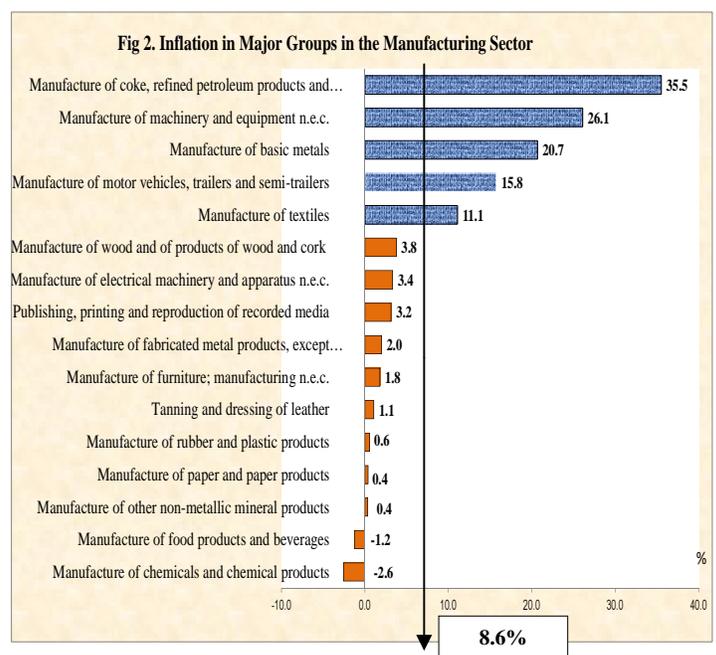
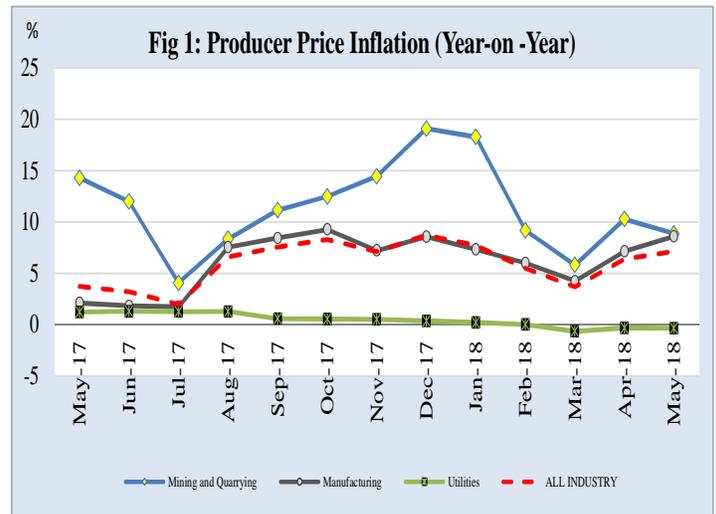
The producer inflation rate in the petroleum sub-sector was -4.5 percent in May 2017. Subsequently, it increased consistently to record 36.9 percent in October 2017 but declined to 27.7 percent in November 2017. The rate increased to 36.4 percent in December 2017 but declined consistently to record 15.9 percent in March 2018. The rate increased to 22.7 percent in April 2018 and then to 35.5 percent in May 2018 (Fig 3).

## Highlights

The year-on-year producer inflation for all industry was 7.1 percent in May 2018; the monthly change rate was 0.7 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 8.9 percent, followed by the Manufacturing sub-sector with 8.6 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.4 percent.

With respect to the monthly changes, Manufacturing recorded the highest inflation rate of 1.5 percent, followed by the Utilities sub-sector with no change. The Mining and quarrying sub-sector recorded the lowest inflation rate of -2.3 percent.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at [statsghana.gov.gh](http://statsghana.gov.gh). For details of the PPI and for 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