



Republic of Ghana

Newsletter Producer Price Index (PPI) September, 2018



October 17, 2018

Producer Price Inflation Rate in September 2018 is 5.6%

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

September 2018 Producer Inflation

The Producer Price Inflation rate for September 2018 was 5.6 percent. This rate indicates that, between September 2017 and September 2018 (year-on-year), the PPI increased by 5.6 percent. This rate represents a 1.4 percentage point decrease in producer inflation relative to the rate recorded in August 2018 (7.0%). The month-on-month change in producer price index between August 2018 and September 2018 was 0.4 percent (Table 1).

Table1: PPI for August and September 2018

| Month | Index level | Change rate (%) | |
|------------------------|---------------|-----------------|-------------|
| | Sept 2006=100 | Monthly | Yearly |
| August, 2018 | p596.9 | p-0.1 | P7.0 |
| August, 2018 rev | 596.9 | -0.1 | 7.0 |
| September, 2018 | p599.6 | p 0.4 | p5.6 |

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 1.5 percentage points over the August 2018 rate of 1.9 percent to record 0.4 percent in September 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 1.7 percentage points to record 8.3 percent. The utilities sub-sector recorded inflation rate of -0.2 percent in September 2018, same as the rate recorded in August 2018.

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

| Sector | Index level | Change rate (%) | |
|---------------------|---------------|-----------------|------------|
| | Sept 2006=100 | Monthly | Yearly |
| Mining & Quarrying | 1,142.5 | 1.5 | 0.4 |
| Manufacturing | 484.8 | 0.3 | 8.3 |
| Utilities | 795.7 | 0.1 | -0.2 |
| ALL INDUSTRY | 599.6 | 0.4 | 5.6 |

The data in this table are provisional.

Trends

In September 2017, the producer price inflation rate for all industry was 7.5 percent. The rate increased 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 consistently to record 8.2 percent in July

2018, but declined to 7.0 percent in August 2018 and further to 5.6 percent in September 2018.

Manufacturing Sector

During the month of September 2018, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 8.3 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 31.1 percent, while Manufacture of rubber and plastic products recorded the lowest producer price inflation rate of -0.4% (Fig. 2).

Petroleum Price Index

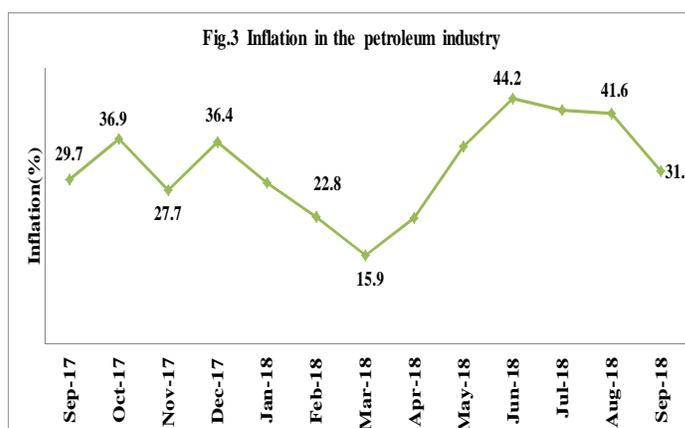
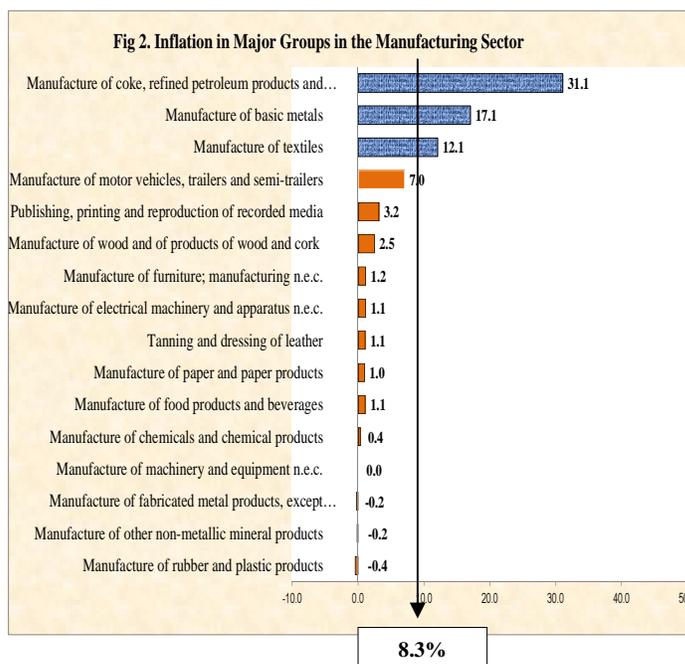
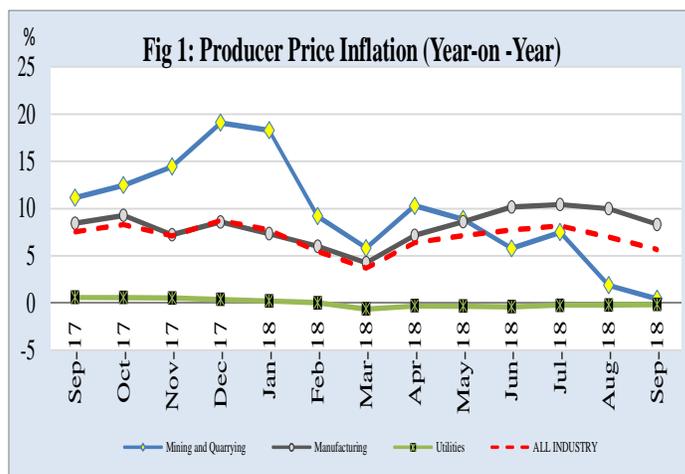
The producer inflation rate in the petroleum sub-sector was 29.7 percent in September 2017. The rate increased to record 36.9 percent in October 2017 but declined to 27.7 percent in November 2017. The rate increased to 36.4 percent in December 2017 but declined consistently to record 15.9 percent in March 2018. Subsequently the rate consistently increased to record 44.2 percent in June 2018. The rate decreased consistently to record 31.1 percent in September 2018. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 5.6 percent in September 2018; the monthly change rate was 0.4 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 8.3 percent, followed by the Mining and Quarrying sub-sector with 0.4 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 1.5 percent, followed by the Manufacturing sub-sector with 0.3 percent. The Utilities sub-sector recorded the lowest rate of 0.1 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 further explanation, please contact the Business & 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.