



Republic of Ghana

Newsletter Producer Price Index (PPI) November, 2014



Ghana Statistical Service
P.O. Box GP 1098
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Producer Price Inflation Rate decreased to 37.5% in November 2014

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 producer price changes since October 2006, as well as the annual (year-on-year) and monthly 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 November 2014 are provisional, and are subject to revision when additional data become available. All other indicators are final.

November 2014 Producer Inflation

The Producer Price Inflation rate for November 2014 was 37.5 percent. This rate indicates that, between November 2013 and November 2014 (year-on-year), the PPI increased by 37.5 percent, representing a 2.6 percentage point decrease in producer inflation relative to the rate recorded in October 2014 (40.1%). The month-on-month change in the producer price index between October 2014 and November 2014 was -1.0 percent (Table 1).

Table1: PPI for October and November 2014

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
October 2014	p 463.4	p 0.9	p 39.6
October, 2014 rev	465.2	1.3	40.1
November, 2014	460.7	-1.0	37.5

P: Provisional

In November 2014, the producer price inflation in the Mining and Quarrying sub-sector decreased by 8.1 percentage points over the October 2014 rate of 48.7 percent, to record 40.6 percent in November 2014. Manufacturing, which constitutes more than two-thirds of total industry, also decreased by 2.1 percentage points to record 39.0 percent. The Utilities sub-sector recorded an inflation rate of 27.6 percent in November 2014, suggesting a 0.2 percentage point decrease over the October 2014 rate of 27.8 percent.

Table 2: PPI and Inflation by Sector, November, 2014 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	755.0	-4.3	40.6
Manufacturing	395.1	-0.4	39.0
Utilities	544.6	0.0	27.6
ALL INDUSTRY	460.7	-1.0	37.5

The data in this table are provisional.

Trends

The year-on-year inflation in ex-factory prices of goods and services was 37.5 percent for November 2014. From November 2013, producer price inflation began an upward trend and increased consistently over a period of eleven months to record 48.6 percent in August 2014. However, the rate decreased

to 47.0 percent in September 2014 and to 40.1 percent in October 2014. The rate declined further to record 37.5 percent in November, 2014 (Fig.1).

Manufacturing Sector

During the month of November 2014, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 39.0 percent (Fig. 2). Manufacture of other non-metallic mineral products recorded the highest inflation rate of 69.7 percent whilst producer prices in the manufacture of machinery and equipment n.e.c recorded the lowest producer price inflation rate.

Petroleum Price Index

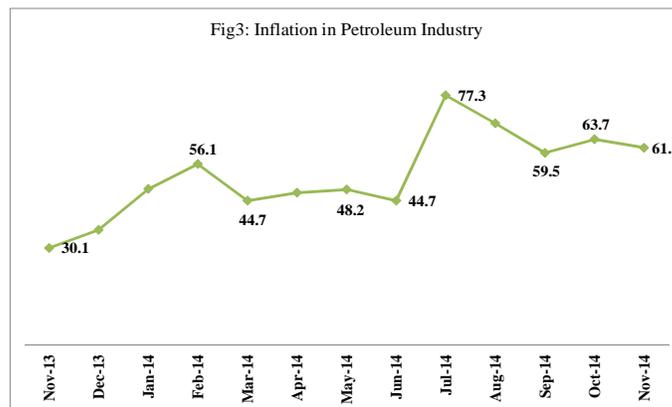
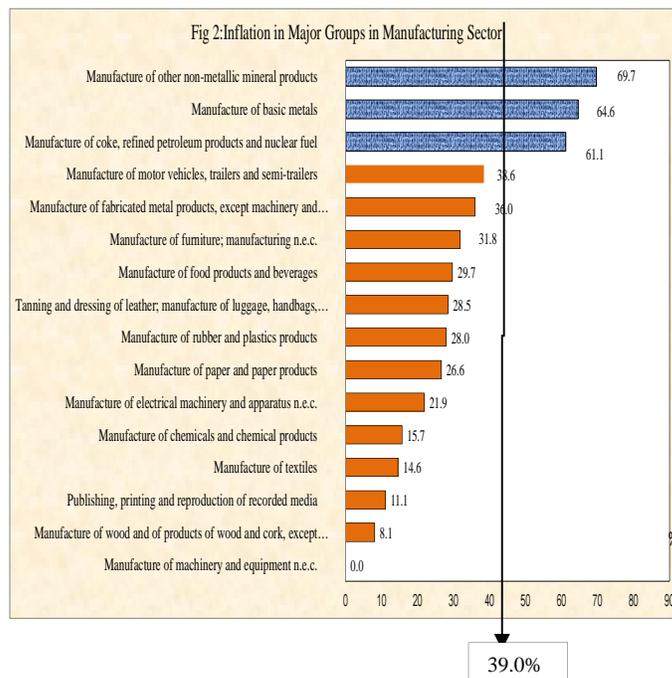
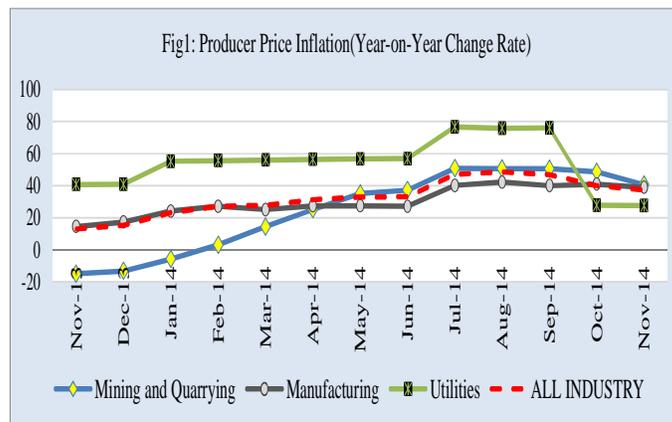
The inflation rate in the petroleum sub-sector increased consistently from November 2013 to record 56.1 percent in February 2014 but declined in March to record an inflation rate of 44.7 percent. The rate started rising in April 2014 to record 48.2 percent in May 2014. Thereafter, the rate fluctuated until September 2014 when it recorded 59.5 percent due to the base drift effect. In October, 2014, the rate again increased to 63.7 percent due to the base drift effect arising from the decrease in the petroleum prices in October, 2013. It however, declined in November, 2014 to record 61.1 percent as a result of the reduction in the prices of petroleum products (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 37.5 percent in November 2014; the monthly inflation rate was -1.0 percent.

The mining and quarrying sub-sector recorded the highest year-on-year producer inflation rate of 40.6 percent, followed by the manufacturing sub-sector with 39.0 percent. The utilities sub-sector recorded an inflation rate of 27.6 percent.

The monthly changes in the producer price index indicate that utility recorded no change in monthly inflation rate while manufacturing recorded -0.4 percent. The mining and quarrying sub-sector recorded the lowest monthly rate of -4.3 percent.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at statsghana.gov.gh. For details of the PPI and for any further explanation, please contact the Industrial Statistics Section of the GSS or call 0302-682640.