



Republic of Ghana

# Newsletter Producer Price Index (PPI) January, 2015



Ghana Statistical Service  
P.O. Box GP 1098  
Accra

February 25, 2015

## Producer Price Inflation Rate decreased to 23.5% in January, 2015

### 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 January 2015 are provisional, and are subject to revision when additional data become available. All other indicators are final.

### January 2015 Producer Inflation

The Producer Price Inflation rate for January 2015 was 23.5 percent. This rate indicates that, between January 2014 and January 2015 (year-on-year), the PPI increased by 23.5 percent, representing a 10.7 percentage point decrease in producer inflation relative to the rate recorded in December 2014 (34.2%). The month-on-month change in producer price index between December 2014 and January 2015 was -1.4 percent (Table 1).

**Table 1: PPI for December 2014 and January 2015**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
December 2014	p 456.6	p -1.0	p 34.2
December, 2014 rev	456.6	-1.0	34.2
<b>January, 2015</b>	<b>p 450.5</b>	<b>p -1.4</b>	<b>p 23.5</b>

P: Provisional

In December 2014, the producer price inflation in the Mining and Quarrying sub-sector decreased by 6.9 percentage points over the December 2014 rate of 43.3 percent, to record 36.4 percent in January 2015. Manufacturing, which constitutes more than two-thirds of total industry, also decreased by 10.5 percentage points to record 22.6 percent. The Utilities sub-sector recorded an inflation rate of 15.8 percent in January 2015, suggesting 11.7 percentage points decrease over the December 2014 rate of 27.5 percent.

**Table 2: PPI and Inflation by Sector, January, 2015 (September 2006= 100)**

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	793.8	4.2	36.4
Manufacturing	378.2	-2.4	22.6
Utilities	545.2	0.0	15.8
<b>ALL INDUSTRY</b>	<b>450.5</b>	<b>-1.4</b>	<b>23.5</b>

The data in this table are provisional.

### Trends

The year-on-year inflation in ex-factory prices of goods and services was 23.5 percent for January 2015. From January 2014, producer price inflation began an upward trend and increased consistently over seven months to record 48.6 percent in August 2014. However, the rate declined consistently since then to record 34.2 percent in December 2014.

In January 2015 the rate further declined to record 23.5 percent.

## Manufacturing Sector

During the month of January 2015, nine out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 22.6 percent (Fig. 2). Manufacture of basic metals recorded the highest inflation rate of 59.8 percent while the manufacture of Tanning and dressing of leather recorded the lowest producer price inflation rate.

## Petroleum Price Index

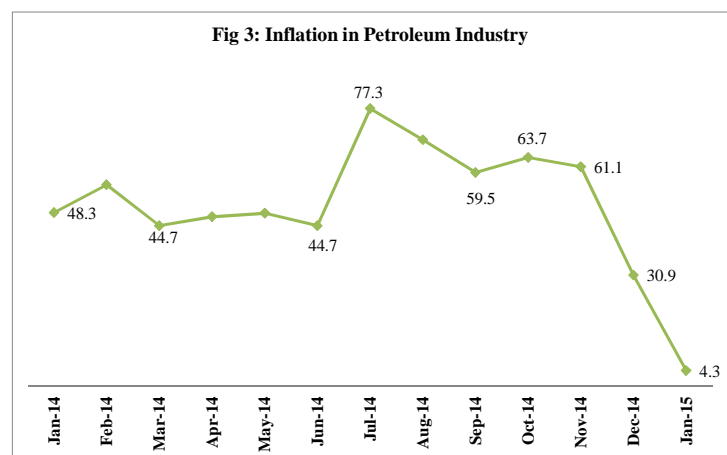
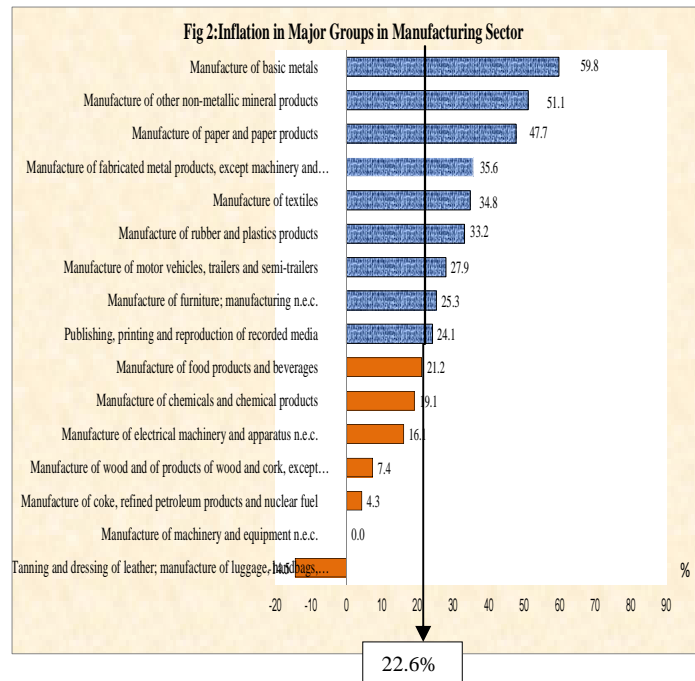
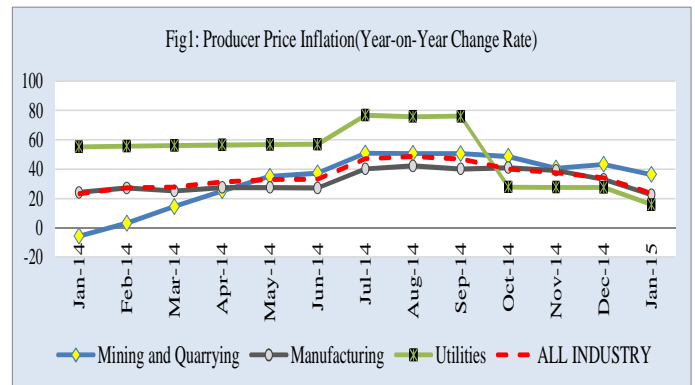
The inflation rate in the petroleum sub-sector increased from January 2014 to record 56.1 percent in February 2014 but declined in March to record 44.7 percent. The rate started rising in April 2014 to record 48.2 percent in May 2014. Thereafter, the rate fluctuated until November, 2014 to record 61.1 percent. Since then, the has consistently declined to record 4.3 percent in January 2015 as a result of base drift effect and decrease in prices of petroleum products (Fig.3).

## Highlights

The year-on-year producer inflation for all industry was 23.5 percent in January 2015; the monthly inflation rate was -1.4 percent.

The mining and quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 36.4 percent, followed by the manufacturing sub-sector with 22.6 percent. The utilities sub-sector recorded an inflation rate of 15.8 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded inflation rate of 4.2 percent while utilities recorded no change. The manufacturing sub-sector recorded the lowest monthly rate of -2.4 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 any further explanation, please contact the Industrial Statistics Section of the GSS or call 0302-682640.