



Republic of Ghana

Newsletter Producer Price Index (PPI) March, 2014



Ghana Statistical Service
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Producer Price Inflation Rate Increased to 27.8% in March 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 September 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 March 2014 are provisional, and are subject to revision when additional data become available. All other indicators are final.

March 2014 Producer Inflation

The Producer Price Inflation rate for March 2014 was 27.8 percent. This rate indicates that, between March 2013 and March 2014 (year-on-year), the PPI changed by 27.8 percent, representing an increase of 0.7 percentage points in producer inflation relative to the rate recorded in February 2014 (27.1%). The month-on-month change in producer prices between February 2014 and March 2014 was 3.1 percent (Table 1).

Table 1: PPI for February 2014 and March 2014

| Month | Index level | Change rate (%) | |
|--------------------|----------------|-----------------|---------------|
| | Sept 2006=100 | Monthly | Yearly |
| February, 2014 | p 375.0 | p 2.9 | p 27.1 |
| February, 2014 rev | 375.0 | 2.9 | 27.1 |
| March, 2014 | p 386.7 | p 3.1 | p 27.8 |

P: Provisional

In March 2014, the producer price inflation in the Mining and Quarrying subsector increased by 11.4 percentage points over the February 2014 rate of 3.1 percent, to record 14.5 percent in March 2014. Manufacturing, which constitutes more than two-thirds of total industry, decreased by 2.2 percentage points to record 25.0 percent. The rate for the Utilities sub-sectors increased marginally to record 56.1 percent in March 2014.

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

| Sector | Index level | Change rate (%) | |
|---------------------|---------------|-----------------|-------------|
| | Sept 2006=100 | Monthly | Yearly |
| Mining & Quarrying | 681.0 | 8.5 | 14.5 |
| Manufacturing | 323.9 | 2.5 | 25.0 |
| Utilities | 473.4 | 0.3 | 56.1 |
| ALL INDUSTRY | 386.7 | 3.1 | 27.8 |

The data in this table are provisional.

Trends

During the 12-month period (March 2013 to March 2014), the highest year-on-year inflation rate of 27.8 percent for all industry was recorded in March 2014. Between April and August 2013, the rate declined continuously to record the lowest rate of 4.7 percent in August 2013. In September 2013, however, the rate inched up to record 5.8 percent. Subsequently, the producer price inflation rate has increased consistently over the last six months to

record 27.8 percent in March 2014; this rate is the highest since January 2010.

Manufacturing Sector

During the month of March 2014, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 25.0 percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 76.0 percent whilst producer prices in the manufacture of electrical machinery and apparatus n.e.c. recorded the lowest inflation rate of -0.8 percent over the one year period.

Petroleum Price Index

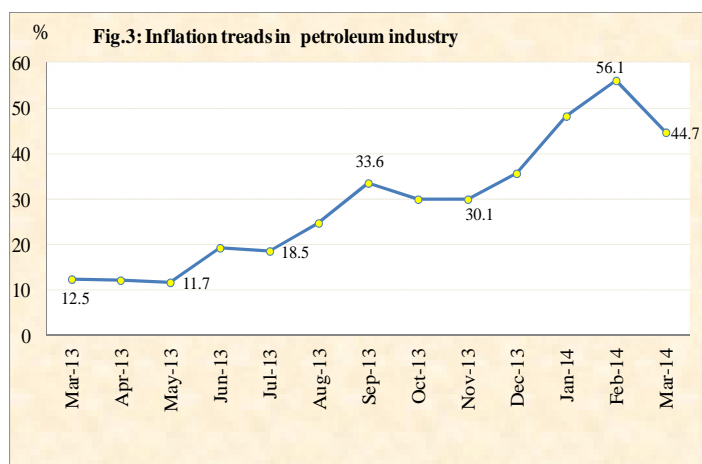
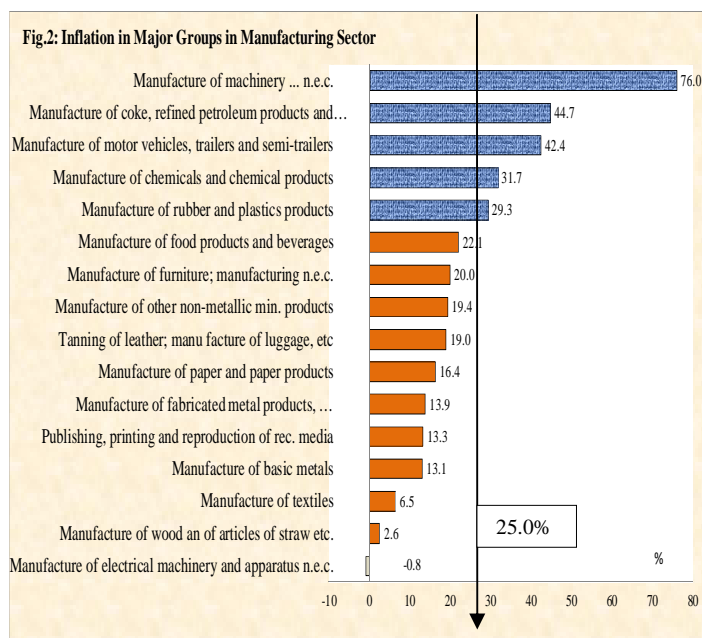
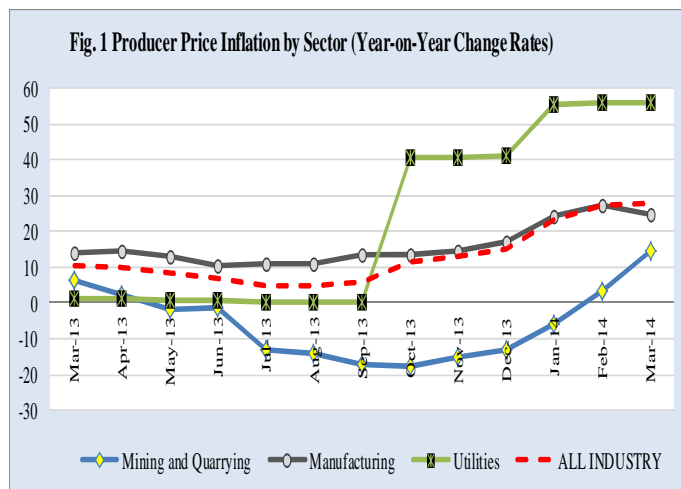
From March 2013, the inflation rate in the petroleum sub-sector increased consistently to record 33.6 percent in September 2013. The rate fluctuated between October and December 2013, after which it increased consistently to record 56.1 percent in February 2014. The rate declined to record 44.7 percent in March 2014 (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 27.8 percent in March 2014; the monthly inflation rate was 3.1 percent.

The utilities sub-sector recorded the highest year-on-year producer price inflation rate of 56.1 percent, followed by the manufacturing sub-sector with 25.0 percent. The mining and quarrying sub-sector recorded an inflation rate of 14.5 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded a monthly inflation rate of 8.5 percent while manufacturing recorded 2.5 percent. The utilities sub-sector recorded the lowest monthly rate (0.3%).



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.