



Republic of Ghana

Newsletter Producer Price Index (PPI) May, 2019



June 19, 2019

Producer Price Inflation Rate in May 2019 is 6.7%

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 2019 are provisional, and are subject to revision when additional data become available. All other indicators are final.

May 2019 Producer Inflation

The Producer Price Inflation rate for May 2019 was 6.7 percent. This rate indicates that between May 2018 and May 2019 (year-on-year), the PPI increased by 6.7 percent. This rate represents a 0.4 percentage point decrease in producer inflation relative to the rate recorded in April 2019 (7.1%). The month-on-month change in producer price index between April 2019 and May 2019 was 0.2 percent (Table 1).

Table1: PPI for April and May 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
April, 2019	626.7	0.9	7.1
April revised, 2019	626.7	0.9	7.1
May, 2019	p628.2	p0.2	p6.7

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 2.8 percentage points over the April 2019 rate of 12.3 percent to record 15.1 percent in May 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 1.3 percentage points to record 6.2 percent. The utilities sub-sector recorded inflation rate 1.1 percent indicating an increase of 0.1 percentage point over the rate recorded in April 2019.

Table 2: PPI and Inflation by Sector, May 2019 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,296.2	0.2	15.1
Manufacturing	503.6	0.3	6.2
Utilities	801.2	0.0	1.1
ALL INDUSTRY	628.2	0.2	6.7

The data in this table are provisional.

Trends

In May 2018, the producer price inflation rate for all industry was 7.1 percent. Subsequently, it increased continuously to record 8.2 percent in July 2018, but declined to 5.8 percent in September 2018. In October 2018, the rate increased to 7.2 percent, but declined continuously to record 3.4

percent in January 2019. Since then the rate resumed the upward trend to record 7.1 percent in April 2019 but declined to 6.7 percent in May 2019.

Manufacturing Sector

During the month of May 2019, six out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 6.2 percent. Manufacture of motor vehicles, trailers and semi-trailers products recorded the highest inflation rate of 10.9 percent, while Tanning and dressing of leather and Manufacture of machinery and equipment n.e.c. products recorded inflation of 0.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was increased from 35.5 percent in May 2018 to 44.2 percent in June 2018, but decreased to 31.1 percent in September 2018. However, it increased again to 36.1 percent in October 2018 but resumed a downward trend to record 3.8 percent in January 2019. The rate increased consistently to record 17.2 percent in April 2019 but declined to 9.9 percent in May 2019 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 6.7 percent in May 2019; the monthly change rate was 0.2 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 15.1 percent, followed by manufacturing sub-sector with 6.2 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of 1.1 percent

With respect to the monthly changes, Manufacturing recorded the highest inflation rate of 0.3 percent, followed by Mining and quarrying sub-sector with 0.2 percent. The Utilities sub-sector recorded no inflation change for the month of May 2019.

