



Republic of Ghana

# Newsletter Producer Price Index (PPI) July, 2019



August 21, 2019

## Producer Price Inflation Rate in July 2019 is 8.8%

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

### July 2019 Producer Inflation

The Producer Price Inflation rate for July 2019 was 8.8 percent. This rate indicates that between July 2018 and July 2019 (year-on-year), the PPI increased by 8.8 percent. This rate represents a 1.7 percentage point increase in producer inflation relative to the rate recorded in June 2019 (7.1%). The month-on-month change in producer price index between June 2019 and July 2019 was 1.9 percent (Table 1).

**Table 1: PPI for May, June and July 2019**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
May, 2019	628.2	0.2	6.7
June revised, 2019	638.3	1.6	7.1
<b>July, 2019</b>	<b>p650.3</b>	<b>p1.9</b>	<b>p8.8</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 5.2 percentage points over the June 2019 rate of 22.4 percent to record 27.6 percent in July 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 0.1 percentage points to record 5.4 percent. The utilities sub-sector recorded inflation rate of 6.9 percent indicating an increase of 5.8 percentage point over the rate recorded in June 2019.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,457.5	4.8	27.6
Manufacturing	508.7	0.3	5.4
Utilities	849.6	5.9	6.9
<b>ALL INDUSTRY</b>	<b>650.3</b>	<b>1.9</b>	<b>8.8</b>

The data in this table are provisional.

### Trends

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

percent, but declined consistently to record 3.4 percent in January 2019. Since then the rate resumed an upward trend to record 7.1 percent in April 2019 but declined to 6.7 percent in May 2019. However, the rate increased to 7.1 percent in June 2019 and then to 8.8 percent in July 2019.

### Manufacturing Sector

During the month of July 2019, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 5.4 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while Tanning and dressing of leather recorded inflation rate of 0.0 percent (Fig. 2).

### Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 42.2 percent in July 2018. The rate 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 decreased to 1.2 percent in June 2019. However, in July 2019, the rate increased to record 2.1 percent (Fig 3).

### Highlights

The year-on-year producer inflation for all industry was 8.8 percent in July 2019; the monthly change rate was 1.9 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 27.6 percent, followed by Utilities sub-sector with 6.9 percent. The manufacturing sub-sector recorded the lowest year-on-year producer inflation of 5.4 percent.

With respect to the monthly changes, Utilities recorded the highest inflation rate of 5.9 percent, followed by Mining and quarrying sub-sector with 4.8 percent. The Manufacturing sub-sector recorded the lowest inflation rate of 0.3 percent.

