

PRESS RELEASE

GHANA, MAY 2025

**PRODUCER PRICE INDEX AND
INFLATION**

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GHANA
STATISTICAL SERVICE

In this release, we present:

1. Introduction
2. Main Points
3. Price Drivers
4. Conclusion
5. Recommendation
6. Publications

Introduction

- **The Producer Price Index (PPI)** measures the average change in the selling prices of goods and services as received by domestic producers over time.
- PPI computation is based on a fixed basket of products using data on prices of **2,639 items** in the basket received by **603 domestic producers** each month, with March 2020 to February 2021 = 100 as the base year.
- The Prices collected are known as ***factory gate prices***, which are the prices firms receive for selling products or offering services.

Introduction

- These prices exclude sales and excise taxes, government subsidies, and other costs incurred by other intermediaries and consumers.
- ***Producer price inflation*** is the rate at which the price received by domestic producers for their goods and services rises or falls. It is measured as the percentage change in the PPI between two periods.
- The producer price inflation is presented on a **month-on-month** basis and a **year-on-year** basis.

Main Points: PPI and Inflation for May 2025(1/2)

1. The Producer Price Index (PPI) for May 2025 was **262.4**, up from **273.9** in April 2025 and **238.2** in May 2024.
2. Year-on-Year (Y-on-Y) producer price inflation in ex-factory prices for all goods and services was therefore **10.2%** in May 2025.
3. This means that on average, the ex-factory price of goods and services increased by **10.2%** between May 2024 and May 2025, a decrease of **8.3 percentage points**.
4. On a month-on-month (M-on-M) basis, there was producer price **deflation of 4.2%** between April and May 2025 meaning that:
 - i. The average prices that producers received for their goods and services fell by 4.2% in May compared to April 2025; or
 - ii. producers were earning 4.2% less on average for their products in May than they did in April.

Month	PPI	Inflation	
		Monthly	Yearly
May-2024	238.2	3.1%	23.4%
June-2024	244.0	2.5%	23.6%
July-2024	253.0	3.7%	29.1%
Aug-2024	259.9	2.7%	33.2%
Sept-2024	261.7	0.7%	30.5%
Oct-2024	269.6	3.0%	33.0%
Nov-2024	264.7	-1.8%	27.0%
Dec-2024	261.1	-1.4%	26.1%
Jan-2024	270.5	3.6%	28.5%
Feb-2024	274.5	1.5%	27.6%
Mar-2024	276.1	0.6%	24.4%
Apr-2025	273.9	-0.8%	18.5%
May-2025	262.4	-4.2%	10.2%

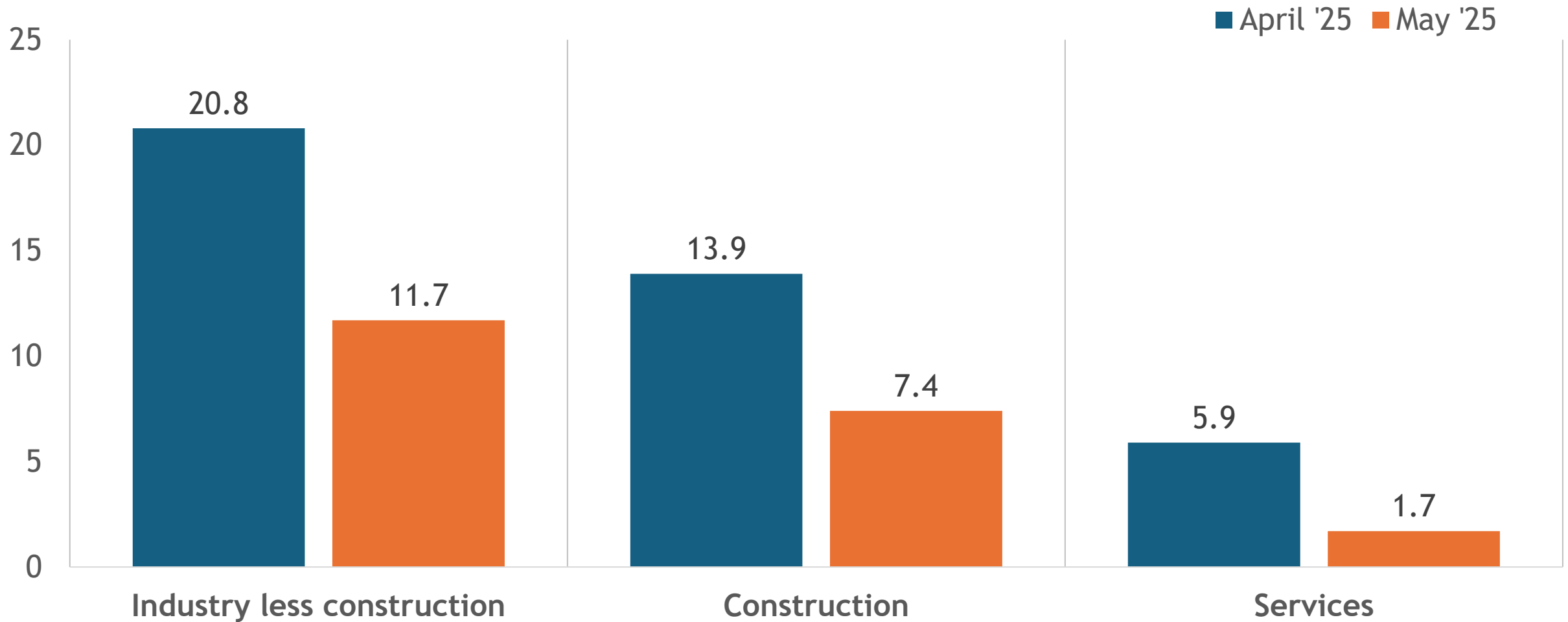
Main Points: Year-on-Year Inflation for May 2025

No	Sectors	Weights	April-25		May-25		Change in Inflation between Apr. & May
			Inflation	Contribution	Inflation	Contribution	
			%	ppt	%	ppt	ppt
1	All Activity PPI	100	18.5	18.5	10.2	10.2	-8.3
2	Mining and quarrying	43.7	24.3	10.6	13.7	6.0	-4.6
3	Manufacturing	35	19.6	6.9	10.1	3.5	-3.3
4	Electricity and gas	4.3	5.3	0.2	8.9	0.4	0.2
5	Water supply; sewerage, waste management	2.3	4.8	0.1	4.2	0.1	0.0
6	Construction	0.9	13.9	0.1	7.4	0.1	-0.1
7	Transportation and storage	2.4	16.2	0.4	-4.8	-0.1	-0.5
8	Accommodation and food service activities	0.4	20.6	0.1	6.5	0.0	-0.1
9	Information and communication	11.1	3.4	0.4	2.9	0.3	-0.1

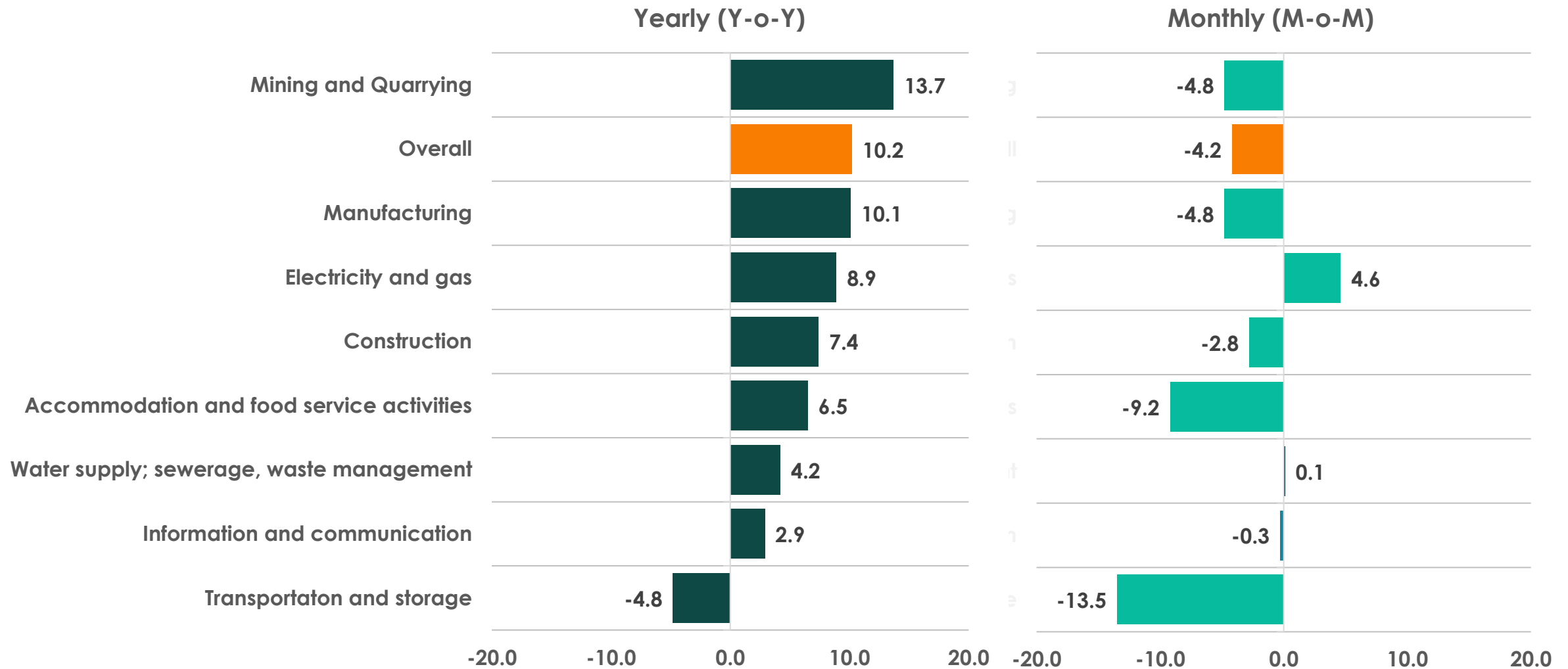
Main Points: Month-on-Month Inflation for May 2025

No	Sectors	Weights	April-25		May-25		Change in Inflation between Mar & Apr
			Inflation	Contribution	Inflation	Contribution	
			%	ppt	%	ppt	
1	All Activity PPI	100	-0.8	-0.8	-4.2	-4.2	-3.4
2	Mining and quarrying	43.7	-1.6	-0.7	-4.8	-2.1	-1.4
3	Manufacturing	35	-0.6	-0.2	-5.3	-1.9	-1.6
4	Electricity and gas	4.3	-0.4	0.0	4.6	0.2	0.2
5	Water supply; sewerage, waste management	2.3	-0.01	0.0	0.1	0.0	0.0
6	Construction	0.9	-0.2	0.0	-2.8	0.0	0.0
7	Transportation and storage	2.4	-1.5	0.0	-13.5	-0.3	-0.3
8	Accommodation and food service activities	0.4	-0.4	0.0	-9.2	0.0	0.0
9	Information and communication	11.1	1.5	0.2	-0.3	0.0	-0.2

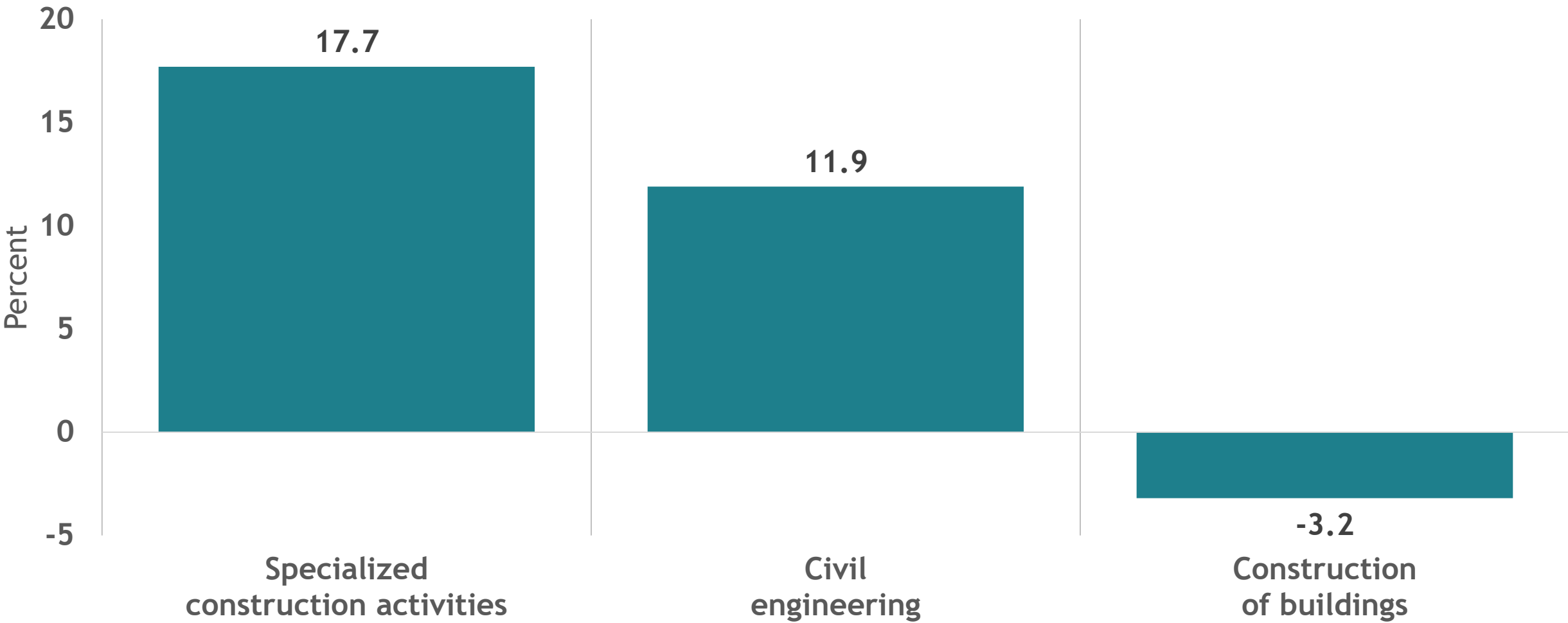
Year-on-Year Producer Inflation of Sectors, April and May 2025 (%)



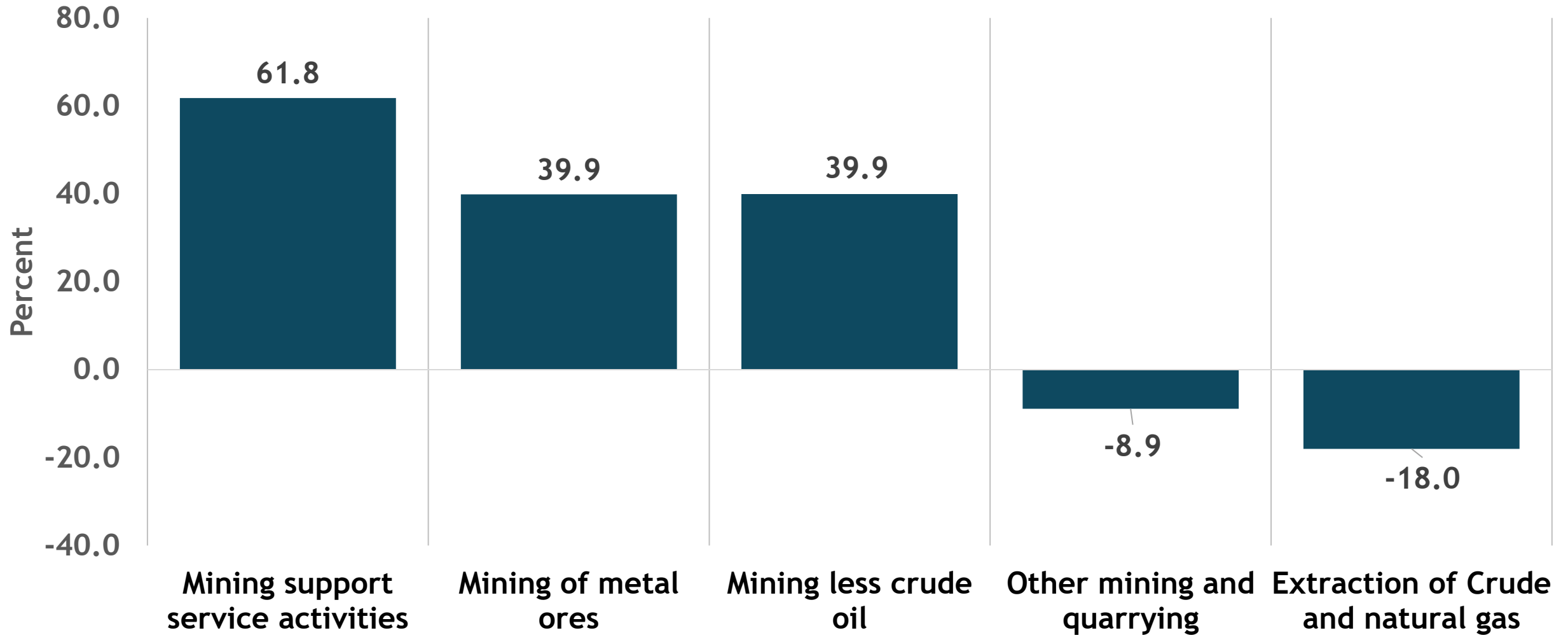
Producer Inflation of Sub-Sectors, May 2025 (%)



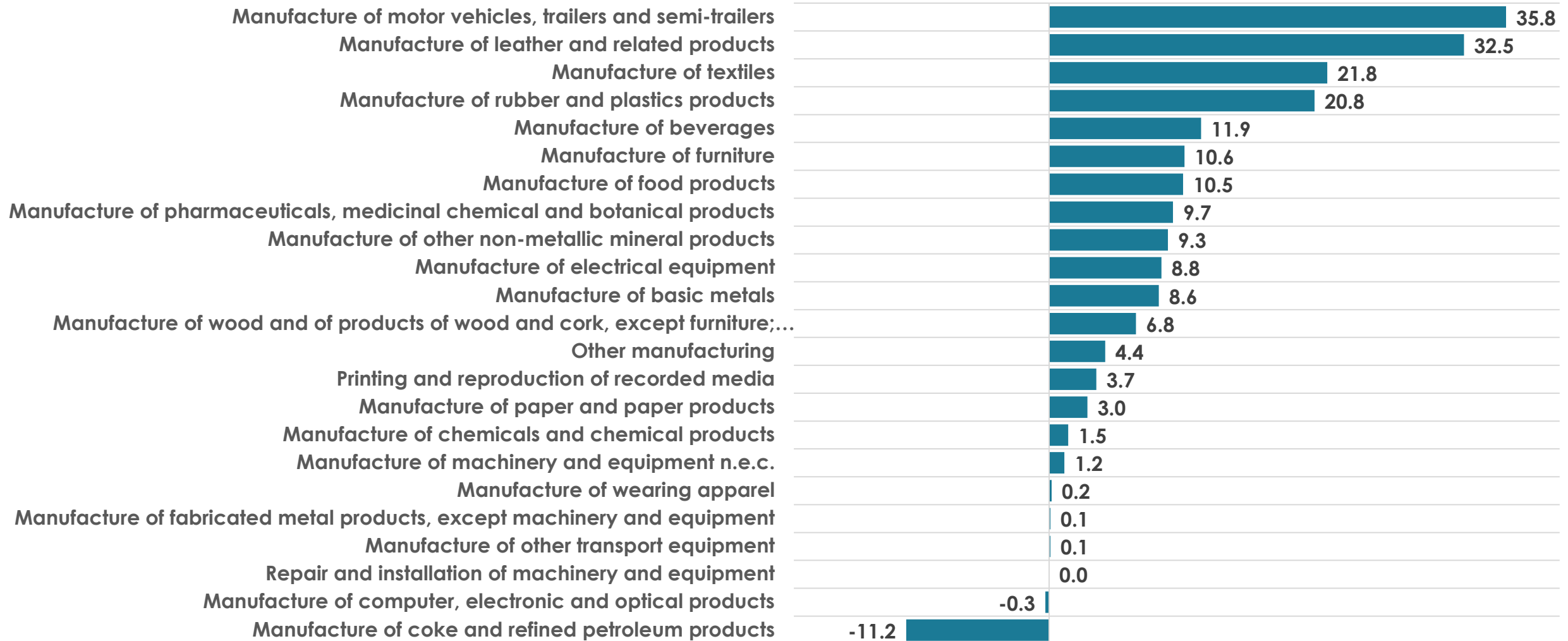
Producer Inflation of Sub-groups within the Construction Sub-Sector for May 2025



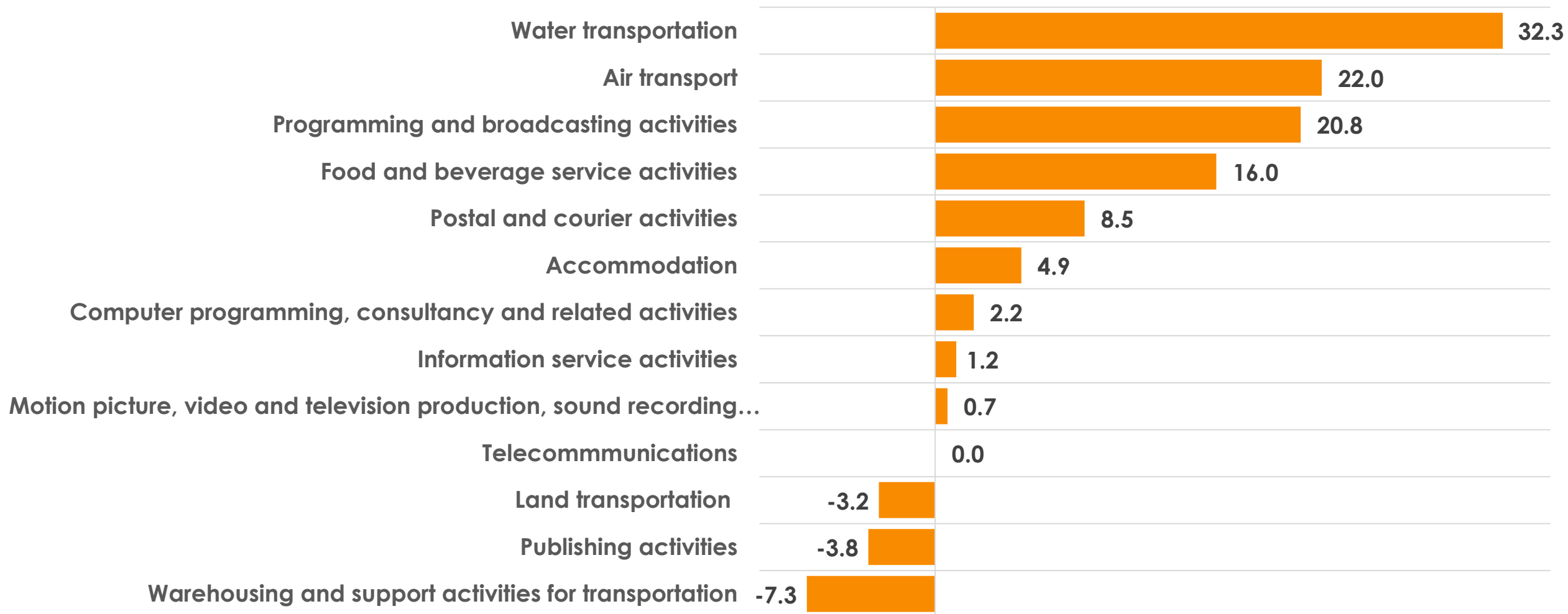
Inflation of Sub-groups within the Mining and Quarrying Sub-Sector for May 2025



Producer Inflation of Sub-groups in the Manufacturing sub-sector for May 2025



Producer Inflation in the Services Sector for May 2025



Highlights for May 2025 Y-on-Y Producer Inflation

18.5%
Year-on-year
Producer
Inflation
April 2025

10.2%
Year-on-year
Producer
Inflation
May 2025

11.7%
Industry less
construction

13.7%
Mining and
quarrying

4.2%
Water supply,
sewerage and
waste
management

10.1%
Manufacturing

8.9%
Electricity and
gas

1.7%
Service

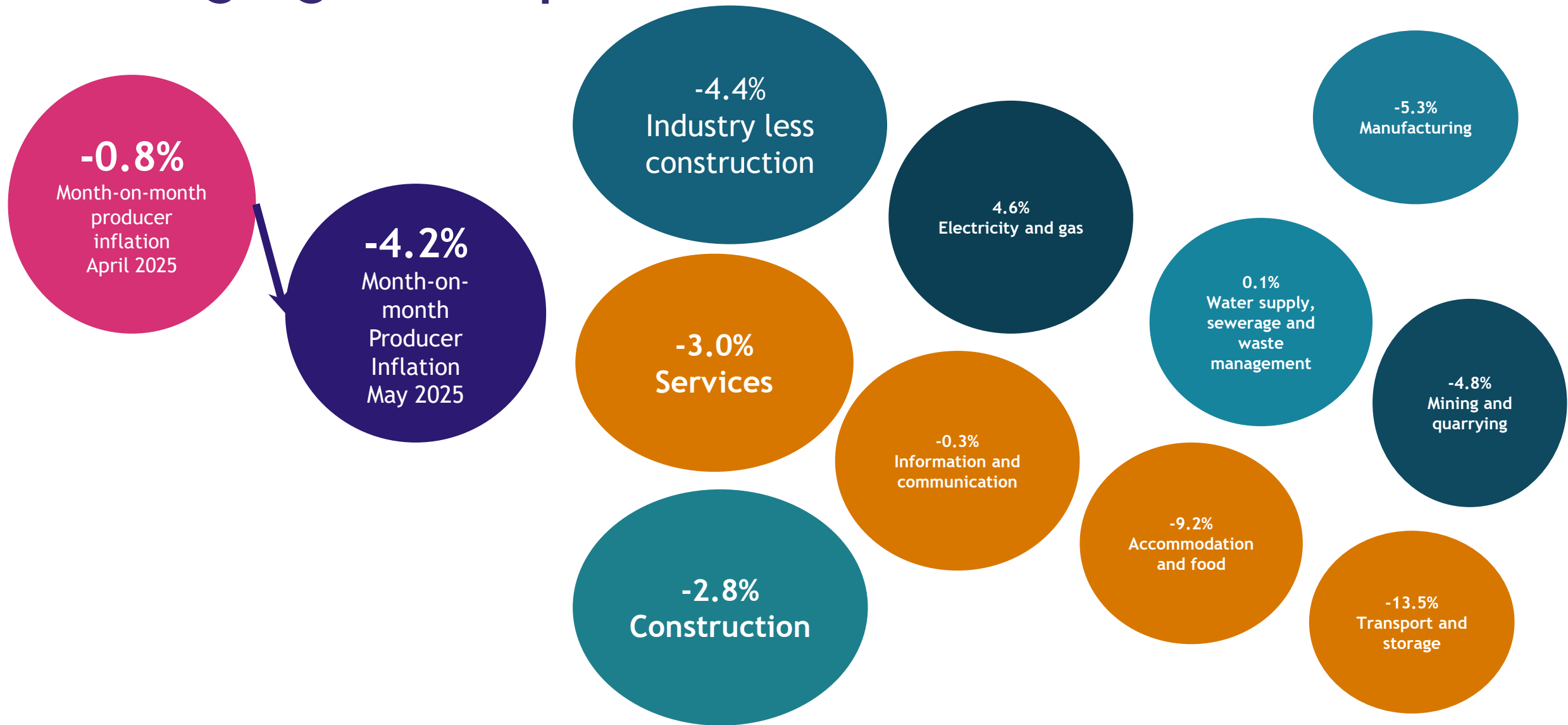
6.5%
Accommodation
and food

2.9%
Information
and
communication

-4.8%
Transport and
storage

7.4%
Construction

Highlights for April 2025 M-on-M Producer Inflation



Conclusion

1. The year-on-year Producer Price Inflation in May 2025 is 10.2%, a decline of 8.3 percentage points from 18.5% in April 2025, marking a 4th consecutive decline. Producer inflation is declining at a faster rate.
2. This rate is the lowest recorded since November 2023(1.7%)
3. On a month-on-month basis, the average prices that producers received for their goods and services fell by 4.2% in May compared to April 2025.
4. Consumers may benefit in the coming months through a reduction in inflation if businesses pass on stability in prices.
5. Producers and manufacturers may face tighter margins and more competition.

Conclusion

6. The two most important contributors to the decline of producer price inflation in May 2025 were Mining and Quarrying (10.6 ppt) and Manufacturing (9.5 ppt), both accounting for 78.7% of PPI.
7. The two sectors are key to Ghana's industrial growth. This presents a window for stabilization, investment, and responsible spending.
8. The overall outlook appears optimistic, as producer inflation is downward, and most sectors are experiencing price stability or declines.
9. The Ghana Statistical Service will continue to track price trends closely and provide timely updates to support informed decision-making by the public, businesses, and government

Recommendation

For Businesses:

- Review cost structure and adjust prices to remain competitive as input prices decline.
- Resume paused investments or expansion plans, supported by a more stable pricing environment.
- Increase sourcing from local suppliers to reduce costs and minimise currency/import risks.
- Engage financial partners to renegotiate or secure better loan terms due to lower input inflation.

Recommendation

For Government:

- Fast-track strategic initiatives like the Gold Board and Agriculture for Transformation Agenda to boost exchange rate stability and import substitution.
- Use detailed sub-sector data to guide inflation control, industry, and trade policies.
- Strengthen public education on producer price inflation, its causes, effects, and relevance, to promote transparency and informed decision-making.
- Communicate positive economic trends clearly to build public trust and confidence in the economy's direction.

Recommendation

For Consumers and Households

- Save more as prices are rising slowly or even falling.
- Avoid panic buying; shop wisely and avoid unnecessary stockpiling.
- Report unfair price increases despite falling production costs.
- Steer clear of high-interest loans unless necessary.
- Explore small income-generating activities like farming, trading, or home-based services.

Publications

1. PowerPoint Presentation on May 2025 Producer Price Index and Inflation
2. May 2025 PPI and Inflation Newsletter
3. Detailed PPI data on the Statsbank
4. Infographics for May 2025 PPI and Producer Inflation



THANK YOU

End of Press Release for May 2025 Producer Price Index

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