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INDUSTRIAL PRODUCER PRICE INDEX (I-PPI)

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Industrial Producer Price Inflation Rate in January 2023 is 58.6%

The Industrial Producer Price Index

The Industrial Producer Price Index (I-PPI) measures the average change over time in the prices received by domestic producers for the production of their goods and services. The I-PPI for Ghana reports the producer price indices with reference to March 2020 to February 2021, the index reference period. This release shows the annual (year-on-year) and monthly industrial producer inflation rates for the industry sector, less construction sub-sector for four major sub-sectors (Mining and Quarrying, Manufacturing, Electricity and Gas, Water Supply, Sewerage, and Waste Management). The I-PPI figure for January 2023 is provisional and is subject to revision when additional data become available. All other indicators are final.

Jan. 2023 Industrial Producer Inflation

The I-PPI inflation rate for January 2023 was 58.6 percent. This rate indicates that between January 2022 and January 2023 (year-on-year), the I-PPI increased by 58.6 percent. This rate represents a 7.1 percentage points decrease in Industrial producer inflation relative to the rate recorded in December 2022 (65.7%). The month-on-month change in the I-PPI between December 2022 and January 2023 was 1.1 percent (Table 1).

Month	Index level	Change rate (%)	
	2020-2021=100	Monthly	Yearly
December 2022	192.0	-15.0	65.7
January 2023	p194.2	p1.1	p58.6

Table1: I-PPI for December 2022 & January 2023

p = Provisional

The Industrial producer price inflation in the Mining and Quarrying sub-sector decreased by 5.3 percentage points over the December 2022 rate of 73.4 percent to 68.1 in January 2023. The Manufacturing sub-sector decreased by 11.0 percentage points to 53.3 percent in January 2023. Electricity and gas recorded a 29.9 percent inflation rate for January 2023, a decrease of 0.5 percentage points over the December rate of (30.4%). The Water supply, Sewerage, and Waste Management Sub-sector recorded an inflation rate of 26.0 percent.

Table 2: PPI and Inflation by Sector, January 2023 (2020 2021= 100)

Sector	Index level	Change rate (%)	
	2020-2021=100	Monthly	Yearly
Mining and Quarrying	198.5	2.2	68.1
Manufacturing	203.4	-0.2	53.3
Electricity and gas	130.3	-0.3	29.9
Water supply; sewerage, waste management	131.8	2.6	26.0
ALL INDUSTRIES	194.2	1.1	58.6

The data in this table are provisional.

Mining and Quarrying Sub-Sector

In January 2023, the Extraction of crude and natural gas recorded inflation of 59.6 percent, indicating a decrease of 23.3 percentage points over the November 2022 rate of 82.9 percent. Mining of metal

ores increased to 4.7 percent in January 2023 from 67.1 percent in December 2022. Mining support service activities recorded the least inflation rate of 44.9 percent (Fig. 1).

Manufacturing Sub-Sector

In January 2023, ten of the 23 major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 53.3 percent. The manufacture of coke, refined petroleum products, and nuclear fuel recorded the highest inflation rate of 166.8 percent, followed by the manufacture of pharmaceuticals, medicinal chemicals, and botanical products at 123.7 percent. The manufacture of wearing apparel recorded the least inflation of 0.5 percent. (Fig. 2).

Water Supply, Sewerage, and Waste Management Sub-Sector

The water collection, treatment, and supply inflation remained unchanged (25.1%) in January 2023. Waste collection, treatment, and disposal activities; material recovery recorded an inflation rate of 25.7 percent, indicating an increase of 3.8 percentage points (Fig 3).

Highlights of I-PPI

The year-on-year producer inflation for the industry sector, less construction was 58.6 percent in January 2023; the monthly change rate was 1.1 percent.

The Mining and quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 68.1 percent, followed by the manufacturing sub-sector with 53.3 percent. The water supply, Sewerage, and waste management sub-sector recorded the lowest year-on-year producer inflation rate of 26.0 percent.

The Water Supply, Sewerage, and Waste Management sub-sector recorded a monthly inflation rate of 2.6 percent, followed by the mining and quarrying sub-sector (2.2%) in January 2023. The electricity and gas sub-sector recorded a marginal monthly deflation of -0.3 percent in January 2023.

Fig.1: Mining and Quarrying I-PPI (%)

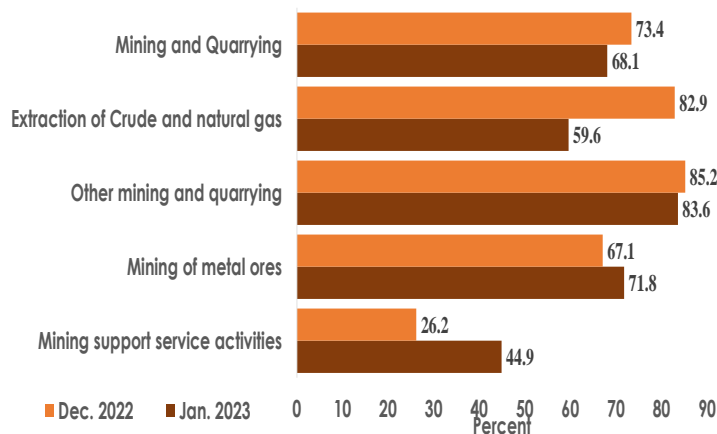


Fig.2: Inflation in Major Group in the Manufacturing Sector (%)

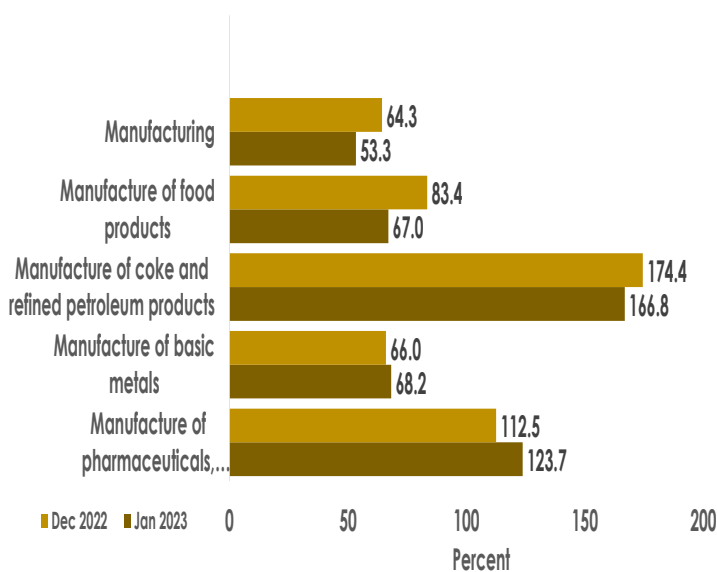


Fig.3: Water Supply, Sewerage and Waste Management I-PPI(%)

