



Republic of Ghana

Newsletter Producer Price Index (PPI) September, 2014



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Producer Price Inflation Rate decreased to 46.7% in September 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 September 2014 are provisional, and are subject to revision when additional data become available. All other indicators are final.

September 2014 Producer Inflation

The Producer Price Inflation rate for September 2014 was 46.7 percent. This rate indicates that, between September 2013 and September 2014 (year-on-year), the PPI increased by 46.7 percent, representing a 1.6 percentage point decrease in producer inflation relative to the rate recorded in August 2014 (48.3%). The month-on-month change in producer price index between August 2014 and September 2014 was 1.2 percent (Table 1).

Table1: PPI for July and August 2014

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
August 2014	p 452.9	p 1.7	p 48.3
August,2014 rev	452.9	1.7	48.3
September, 2014	p 458.3	p 1.2	p 46.7

P: Provisional

In September 2014, the producer price inflation in the Mining and Quarrying sub-sector decreased slightly by -0.1 percentage point over the August 2014 rate of 50.7 percent, to record 50.6 percent in September 2014. Manufacturing, this constitutes more than two-thirds of total industry also decreased by 2.3 percentage points to record 39.6 percent. The rate for the Utilities sub-sector recorded an inflation rate of 76.1 percent in September 2014, suggesting 0.3 percentage point increase over the August 2014 rate.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	797.6	2.1	50.6
Manufacturing	389.6	1.2	39.6
Utilities	535.1	0.2	76.1
ALL INDUSTRY	458.3	1.2	46.7

The data in this table are provisional.

Trends

The year-on-year inflation in ex-factory prices of goods and services of 46.7 percent was recorded in September 2014 (September 2013 to September 2014). In September 2013, the rate inched up to record 5.8 percent after recording 4.7 percent in

August 2013. Subsequently, the producer price inflation rate increased consistently over the last eleven months to record 48.3 percent in August 2014. However, the rate decreased slightly in September 2014 to record 46.7 percent.

Manufacturing Sector

During the month of September 2014, four out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 39.6 percent (Fig. 2). Manufacture of other non-metallic mineral product recorded the highest inflation rate of 67.0 percent whilst producer prices in the manufacture of machinery and equipment n.e.c recorded the lowest producer price inflation rate.

Petroleum Price Index

The inflation rate in the petroleum sub-sector fluctuated between September 2014 and December 2013 but started rising in April 2014 to record 48.2 percent in May 2014. In June, 2014, however, the rate declined to record 44.7 percent as a result of the base drift effect from the increase in the prices of petroleum products in June 2013. In July 2014, the rate increased to record 77.3 percent as a result of increases in petroleum prices, but the rate declined in August and September 2014 to record 68.6 percent and 59.5 percent respectively due to the base drift effect (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 46.7 percent in September 2014; the monthly inflation rate was 1.2 percent.

The utilities sub-sector recorded the highest year-on-year producer price inflation rate of 76.1 percent, followed by the mining and quarrying sub-sector with 50.6 percent. The manufacturing sub-sector recorded an inflation rate of 39.6 percent.

The monthly changes in the producer price index indicated that mining and quarrying recorded a monthly inflation rate of 2.1 percent while manufacturing recorded 1.2 percent. The utility sub-sector recorded the lowest monthly rate of 0.2 percent.

