



Republic of Ghana

# Newsletter Producer Price Index (PPI) May, 2014



**Ghana Statistical Service**  
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## Producer Price Inflation Rate Increased to 33.1% in May 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 May 2014 are provisional, and are subject to revision when additional data become available. All other indicators are final.

### May 2014 Producer Inflation

The Producer Price Inflation rate for May 2014 was 33.1 percent. This rate indicates that, between May 2013 and May 2014 (year-on-year), the PPI changed by 33.1 percent, representing an increase of 1.8 percentage points in producer inflation relative to the rate recorded in April 2014 (31.3%). The month-on-month change in producer price index between April 2014 and May 2014 was 1.3 percent (Table 1).

**Table 1: PPI for April 2014 and May 2014**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
April 2014	p 397.3	p 2.7	p 31.5
April, 2014 rev	396.6	2.6	31.3
<b>May, 2014</b>	<b>p 401.8</b>	<b>p 1.3</b>	<b>p 33.1</b>

P: Provisional

In May 2014, the producer price inflation in the Mining and Quarrying subsector increased by 10.0 percentage points over the April 2014 rate of 25.2 percent, to record 35.2 percent in May 2014. Manufacturing, which constitutes more than two-thirds of total industry, inched up by 0.14 percentage points to record 27.5 percent. The rate for the Utilities sub-sectors increased marginally to record 56.8 percent in May 2014.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	731.7	3.4	35.2
Manufacturing	336.9	1.1	27.5
Utilities	475.8	0.2	56.8
<b>ALL INDUSTRY</b>	<b>401.8</b>	<b>1.3</b>	<b>33.1</b>

The data in this table are provisional.

### Trends

During the 12-month period (May 2013 to May 2014), the highest year-on-year inflation rate of 33.1 percent for all industry was recorded in May 2014. Between May and August 2013, the rate declined continuously to record the lowest rate of 4.7 percent in August 2013. In September 2013, however, the rate inched up to record 5.8 percent. Subsequently, the producer price inflation rate has increased consistently over the last eight months to

record 33.1 percent in May2014; this rate is the highest since January 2010.

### Manufacturing Sector

During the month of May2014, four out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 27.5percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of76.0 percent whilst producer prices in the manufacture of wood and product of wood, expect furniture; manufacture of articles of straw and plaiting materialsrecorded the lowest inflation rate of 1.9 percent over the one year period.

### Petroleum Price Index

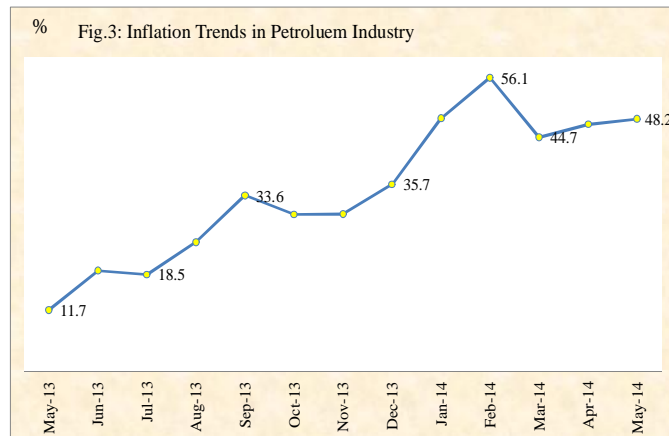
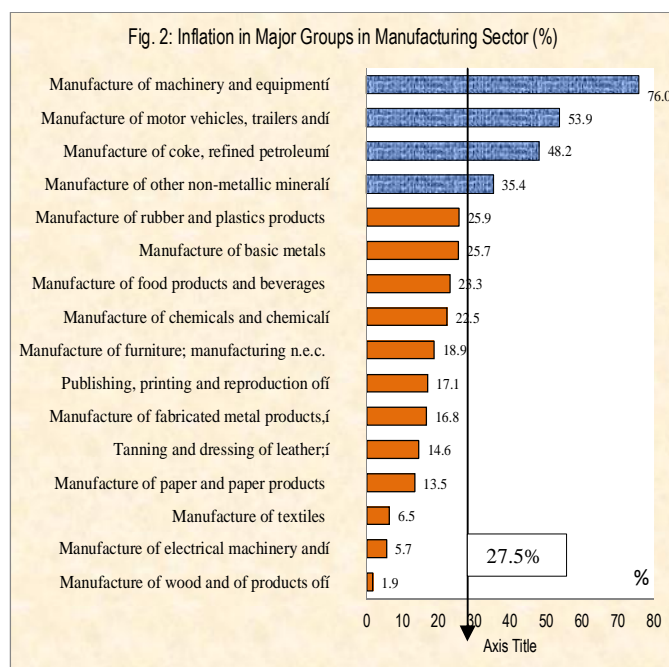
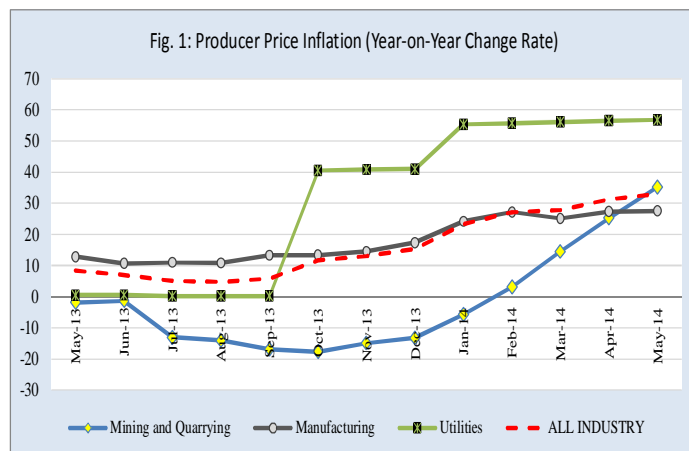
From May 2013, the inflation rate in the petroleum sub-sectorincreased consistently to record 33.6 percent in September 2013. The rate fluctuated between October and December 2013, after which itincreased consistently to record 56.1 percent in February 2014.The rate then declined to record 44.7 percent, after which it increased to 48.2percent May 2014(Fig.3).

### Highlights

The year-on-year producer inflation for all industry was33.1 percentin May2014; the monthly inflation rate was1.3 percent.

The utilities sub-sectorrecorded the highest year-on-year producer price inflation rate of56.8 percent, followed by themining and quarrying sub-sector with 35.2 percent.The manufacturing sub-sector recorded an inflation rate of 27.5 percent.

The monthly changes inthe producer price index indicated that mining and quarrying recorded a monthly inflation rate of 3.4 percentwhile manufacturing recorded1.1percent. The utilities sub-sectorrecorded the lowest monthly rate (0.2%).



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at [statsghana.gov.gh](http://statsghana.gov.gh). For details of the PPI and for any further explanation, please contact the Industrial Statistics Section of the GSS or call 0302-682640.