



Republic of Ghana

# Newsletter Producer Price Index (PPI) September, 2013



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## Producer Price Inflation Rate Increased to 5.4% in September 2013

### 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 2013 are provisional, and are subject to revision when additional data become available. All other indicators are final.

### September 2013 Producer Inflation

The Producer Price Inflation increased by 5.4 percent between September 2012 and September 2013 (year-on-year), representing an increase in producer inflation by 0.7 percentage points relative to the rate recorded in August 2013 (4.7%). The month-on-month change in producer prices between August 2013 and September 2013 was 1.9 percent (Table 1).

**Table 1: PPI for August 2013 and September 2013**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
August, 2013	p 305.4	p 1.0	p 4.7
August, 2013 rev	305.4	1.0	4.7
September, 2013	p 311.3	p 1.9	p 5.4

p: Provisional

In September 2013, the producer price inflation in the Mining and Quarrying subsector decreased by 2.8 percentage points over the August 2013 rate of -14.1 percent, to record -16.9 percent. Manufacturing, which constitutes more than two-thirds of total industry, increased by 1.82 percentage points to record 12.6 percent. The rate for the Utilities sub-sector was the same as that recorded for August 2013.

**Table 2: PPI and Inflation by Sector, September, 2013 (September 2006= 100)**

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	529.6	2.1	-16.9
Manufacturing	277.5	2.3	12.6
Utilities	303.8	0.0	0.2
<b>ALL INDUSTRY</b>	<b>311.3</b>	<b>1.9</b>	<b>5.4</b>

The data in this table are provisional

### Trends

During the 12-month period (September 2012 to September 2013), the highest year-on-year inflation of 19.1 percent for all industry was recorded in October 2012 and the lowest was in August 2013 (4.7%). Within the last quarter of 2012, the producer price inflation fluctuated until December 2012 when it started declining to record 9.1 percent in February 2013. In March 2013, the rate increased slightly to record 10.6 percent, and subsequently it

has declined over the last five-month period to record the lowest rate of 4.7 percent in August 2013. In September however, the rate inched up to record 5.4 percent.

## Manufacturing Sector

During the month of September 2013, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 12.6 percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate (76.0%) whilst producer prices in the manufacture of electrical machinery and apparatus n.e.c. recorded the lowest inflation rate (-5.6) over the one year period.

## Petroleum Price Index

Between September 2012 and December 2012, the inflation rate in the petroleum sub-sector remained relatively stable. However, it dropped in January 2013 and subsequently rose in March 2013. The rate remained unchanged in April and May 2013. It thereafter increased steadily to record 19.3 percent in June 2013. In July 2013, the rate declined slightly to 18.5 percent due to slight decreases in the prices of marine gas oil and aviation fuel. However, the rate increased consistently to record 33.6 percent in September 2013 as a result of increases in the prices of petroleum products (Fig.3).

## Highlights

The year-on-year producer inflation for all industry was 5.4 percent in September 2013; the monthly inflation rate was 1.9 percent.

The manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 12.6 percent, followed by the utilities sub-sector (0.2%). The mining and quarrying sub-sector recorded an inflation rate of -16.9 percent.

The monthly changes in the producer price index indicated that manufacturing recorded a monthly

inflation rate of 2.3 percent while mining and quarrying recorded 2.1 percent. The utilities sub-sector remained unchanged.

