



# Newsletter Consumer Price Index (CPI) March 2020



+233-55-9086744

info@statsghana.gov.gh

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## Summary

- National year-on-year inflation from March 2019 to March 2020 was 7.8%.
- Food and Non-alcoholic beverages inflation was 8.4% and average Non-food inflation 7.4%.
- Regional inflation was between 9.2% in the Volta Region and 3.7% in the Upper West Region.
- Inflation of imported goods was 5.6%, while the inflation of local goods was 8.8% on average.

## Government Statistician Says:

*“March 2020 inflation was 7.8%. This continued the trend of a stable inflation of about 8% recorded over the past seven months. Ghana saw a continued faster increase of prices of locally produced (8.8%) than of imported goods (5.6%). Households in the Volta Region saw the highest price increase (9.2%), while households in the Upper West Region only experienced a 3.5% inflation compared to last year.”*

## CPI

The Consumer Price Index (CPI) measures proportionate changes in the prices of a fixed basket of goods and services that households in Ghana consume. This index is then referenced to the price level of 2018, the base year. Relative changes in this index can be expressed as inflation (see Table 1).

## March 2020 Inflation

The national year-on-year inflation rate was 7.8% in March 2020, the same rate as last month. Month-on-month inflation between February 2020 and March 2020 was .8%. Alcoholic Beverages, Tobacco & Narcotics (11.4%), Transport (9.2%), and Recreation (9.0%) were, like last month, the Divisions with the highest rates of inflation (see Figure 1).

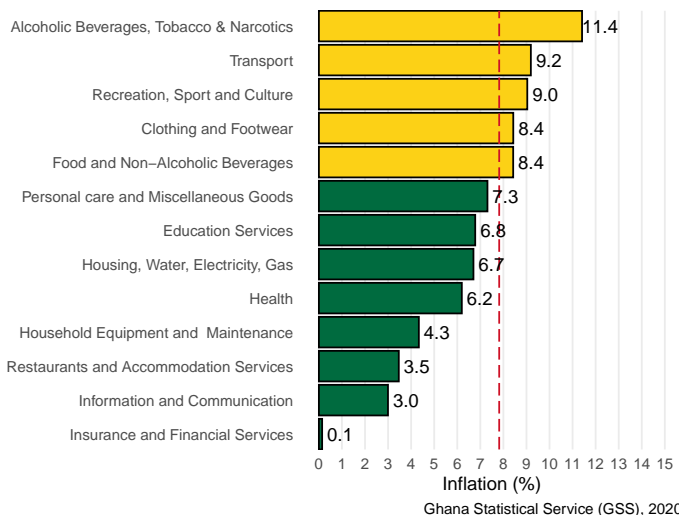
**Table 1: Consumer Price Indices Aug 2019 to Mar 2020.**

Month	CPI (2018 = 100)	Change (inflation %)	
		Monthly	Yearly
Aug - 2019	108.6	-	7.8
Sep - 2019	108.5	0.0	7.6
Oct - 2019	109.0	0.4	7.7
Nov - 2019	109.7	0.7	8.2
Dec - 2019	110.0	0.3	7.9
Jan - 2020	111.6	1.4	7.8
Feb - 2020	112.1	0.4	7.8
Mar - 2020	113.0	0.8	7.8

## Food and Non-food Inflation

The Food and Non-alcoholic Beverages Division recorded a year-on-year inflation rate of 8.4%. This is .5 percentage point higher than last month. This is the highest Food inflation since the rebasing in August 2019. This translates in Food being the predominant driver of year-on-year inflation (highest since October 2019). Even though there are four Divisions with higher inflation rates, due to its relative importance in consumption, Food has been the main driver for the last eight months. Over the last six months, Transportation became a less important contributor to inflation (see Figure 5 on the final page).

National Non-food year-on-year inflation for March 2020 was 7.4%, lower than the 7.7% recorded in February 2020. Between February 2020 and March 2020 the price level of Food and Non-alcoholic beverages increased by 1.5%. Like last month, this rise is predominantly driven by an increase in price levels of Vegetables and Fruits and Nuts (see Figure 2).



**Figure 1: Year-on-year inflation March 2020, by Division.** Inflation was highest for the ‘Alcoholic Beverages, Tobacco & Narcotics,’ ‘Transport,’ and ‘Recreation, Sport, and Culture’ Divisions.



Non-food Subclasses with the highest year-on-year inflation include: Other Transport Services (34%), Garden Products (24.1%) Postal and Courier Services (23.3%), and Narcotics (23.2%). Similar to last month, Education (not defined by level) (-8.9%), Electric Appliances for Personal Care (-8.1%), Cars (-4.4%), Sports Equipment (-3.1%), and Electricity (-.9%) had negative year-on-year inflation rates.

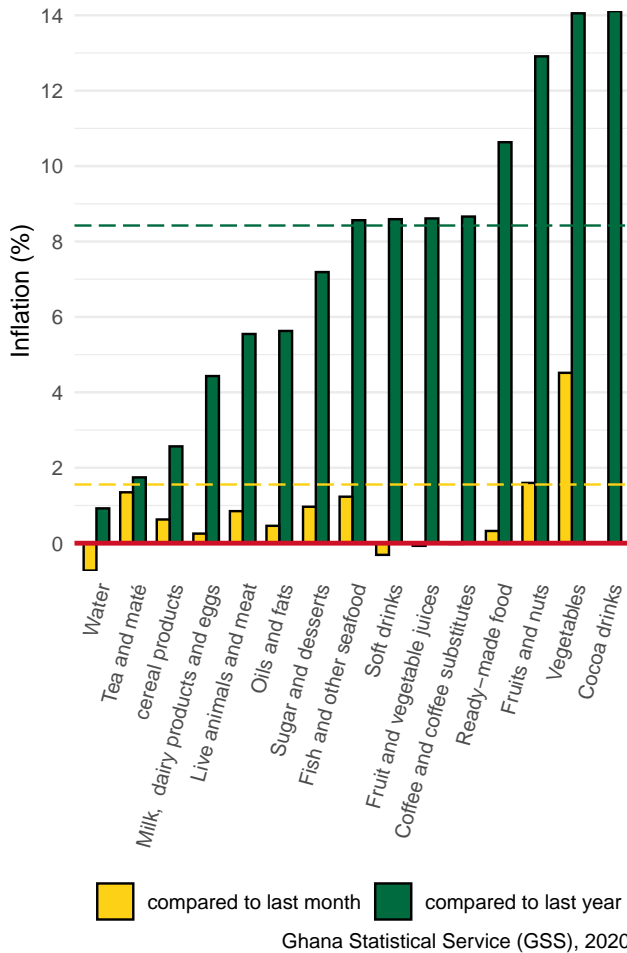


Figure 2: Year-on-year and month-on-month Food Subclass inflation, March 2020.

## Regional Inflation

At the regional level, the year-on-year inflation ranged from 9.2% in the Volta Region to 3.7% in Upper West Region (see Figure 3). Greater Accra experience the lowest regional inflation since the rebasing in August 2019.

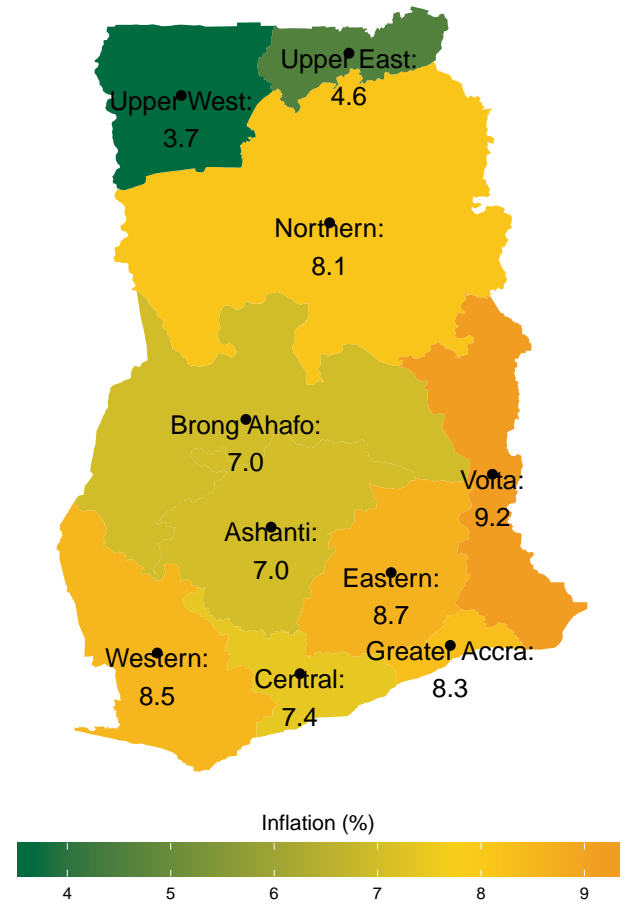


Figure 3: Year-on-year inflation, March 2020 inflation by region.

## Imported and Local Inflation

Inflation of imported goods was 5.6%, while the inflation of local goods was 8.8% on average (see Figure 4). This is the highest rate of local inflation and the lowest rate of imported goods inflation since the rebasing in August 2019. Month-on-month inflation for imported goods was .4%, while month-on-month inflation for local goods was 1%.

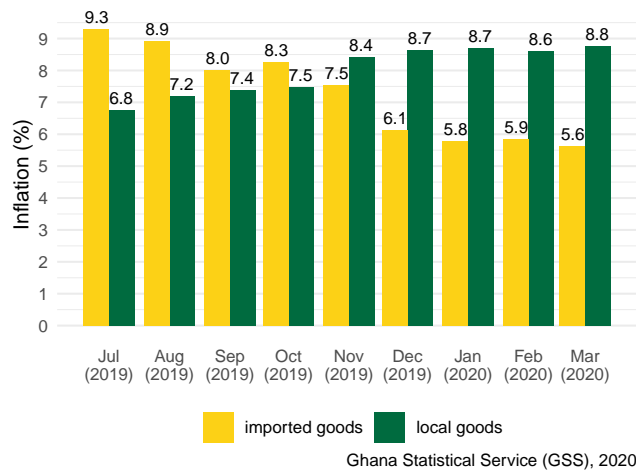
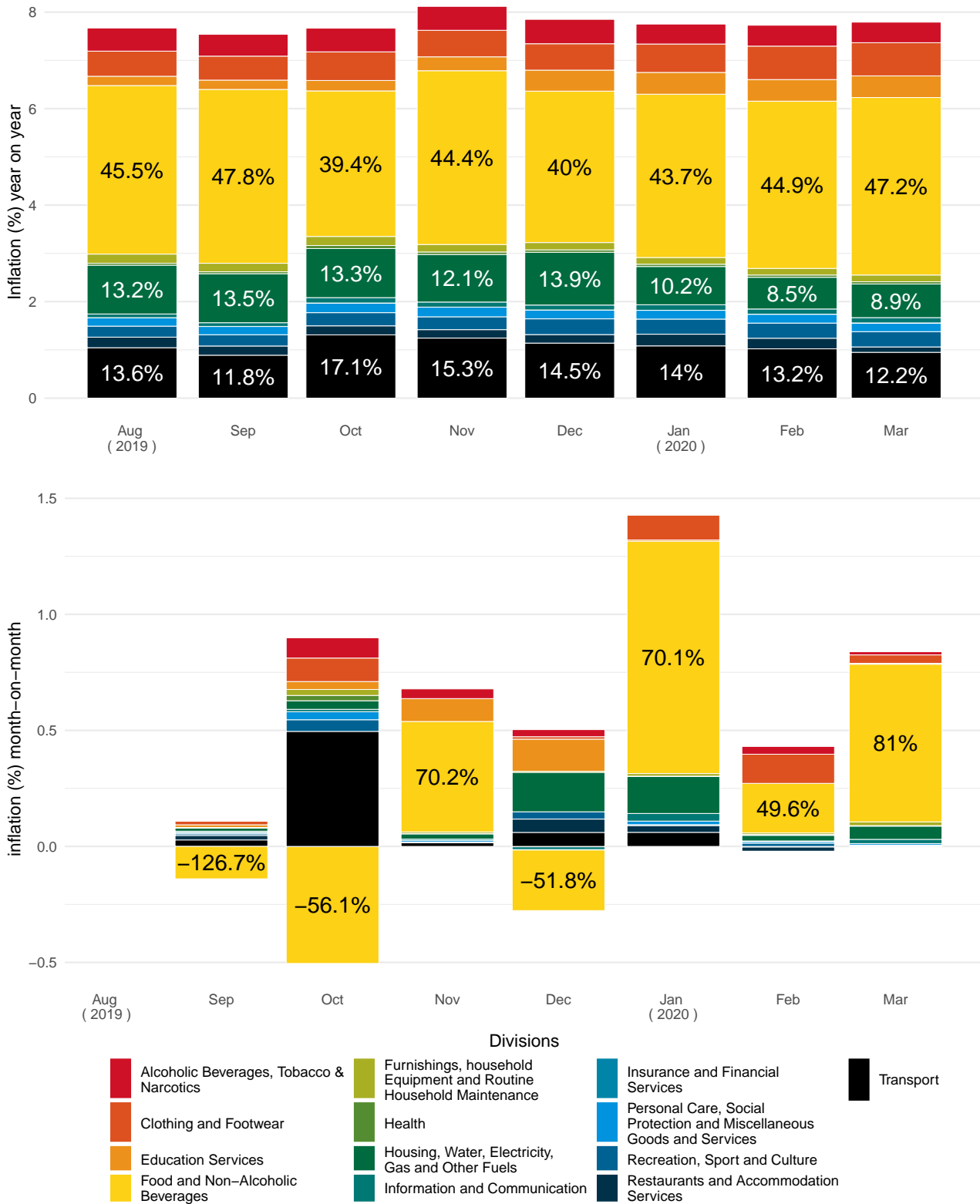


Figure 4: Comparing inflation of locally produced goods and imported goods over the last 6 months.



Ghana Statistical Service (GSS), 2020

Figure 5: Composition of year-on-year and month-on-month inflation over the last eight months. The contribution of Transport decreased, while the contribution of Food increased for the year-on-year inflation. Total year-on-year inflation has been stable since August. For the month March 2020 we see that month-on-month inflation (.8% in total) is for over 80% driven by Food inflation.

### More Information

(Head, Price Statistics, GSS) at john.agyaho@statsghana.gov.gh.

Visit the GSS website (www.statsghana.gov.gh) for further information and detailed annexes or contact: Mr. John F.K. Agyaho