



Newsletter Producer Price Index (PPI) February, 2020



Republic of Ghana

March 18, 2020

Producer Price Inflation Rate in February 2020 is 11.8%

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 annual (year-on-year) and monthly producer 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 February 2020 are provisional and are subject to revision when additional data become available. All other indicators are final.

February 2020 Producer Inflation

The Producer Price Inflation rate for February 2020 was 11.8 percent. This rate indicates that between February 2019 and February 2020 (year-on-year), the PPI increased by 11.8 percent. This rate represents a 2.7 percentage point decrease in producer inflation relative to the rate recorded in January 2020 (14.5%). The month-on-month change in producer price index between January 2020 and February 2020 was -0.3 percent (Table 1)

Table 1: PPI for Dec., January & February 2020

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
December 2019	677.1	1.5	13.0
January, rev. 2020	687.7	1.6	14.5
February, 2020	p 685.4	p-0.3	p11.8

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 6.1 percentage points over the January 2020 rate of 32.2 percent to record 26.1 percent in February 2020. The producer inflation for Manufacturing which constitutes more than two-thirds of the total industry decreased by 2.5 percentage points to record 8.7 percent. The utility sub-sector recorded an inflation rate of 12.3 percent for February 2020 indicating a decrease of 0.3 percentage point over the January 2020 rate of 12.6 percent.

Table 2: PPI and Inflation by Sector, February 2020 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,646.1	-0.2	26.1
Manufacturing	527.8	-0.4	8.7
Utilities	895.9	-0.1	12.3
ALL INDUSTRY	685.4	-0.3	11.8

The data in this table are provisional.

Trends

In February 2019, the producer price inflation rate for all industry was 5.4 percent. In April 2019, the rate increased to 7.1 percent but declined to 6.7

percent in May 2019. Since then, the rate increased consistently to record 10.2 percent in August 2019 but declined to 8.9 percent in October 2019. The rate then increased again continuously to record 14.5 percent in January 2020 but declined to record 11.8 percent in February 2020.

Manufacturing Sector

During February 2020, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 8.7 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while the Manufacture of textiles recorded the least inflation rate of 0.2 percent (Fig. 2).

Petroleum Price Index

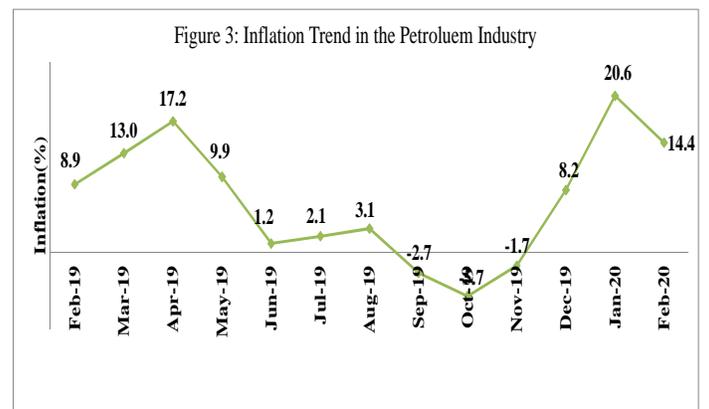
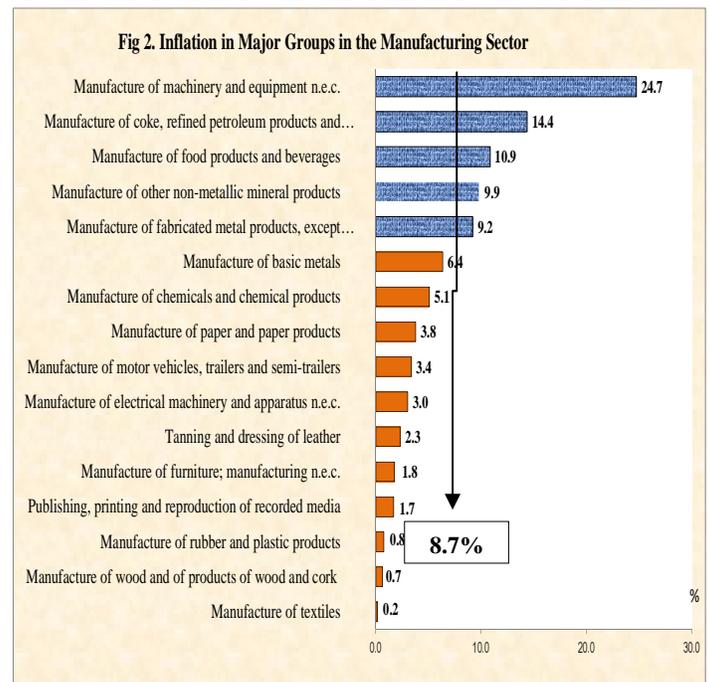
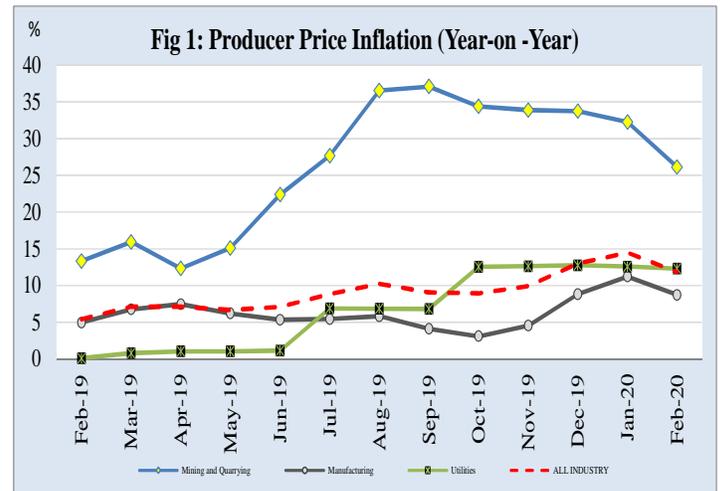
The producer inflation rate in the petroleum sub-sector was 8.9 percent in February 2019. In April 2019, the rate increased consistently to record 17.2 percent but declined to 1.2 percent in June 2019. However, it increased to 3.1 percent in August 2019 but declined again to -5.7 percent in October 2019. Thereafter the rate increased consistently to record 20.6 percent in January 2020 but declined to record 14.4 percent in February 2020 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 11.8 percent in February 2020; the monthly change rate was -0.3 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 26.1 percent, followed by utility sub-sector with 12.3 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation rate of 8.7 percent.

For the monthly changes, the utility sub-sector recorded the highest inflation rate of -0.1 percent, followed by mining and quarrying sub-sector with -0.2 percent. The Manufacturing sub-sector recorded the lowest rate of -0.4 percent.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at statsghana.gov.gh. For details of the PPI and for further explanation, please contact the Business & Industrial Statistics Section of the GSS or call 0302-682640. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana.