



Republic of Ghana

Newsletter Producer Price Index (PPI) December, 2019



January 22, 2020

Producer Price Inflation Rate in December 2019 is 13.0%

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 the month of December 2019 are provisional, and are subject to revision when additional data become available. All other indicators are final.

December 2019 Producer Inflation

The Producer Price Inflation rate for December 2019 was 13.0 percent. This rate indicates that between December 2018 and December 2019 (year-on-year), the PPI increased by 13.0 percent. This rate represents a 3.1 percentage point increase in producer inflation relative to the rate recorded in November 2019 (9.9%). The month-on-month change in producer price index between November 2019 and December 2019 was 1.5 percent (Table1)

Table1: PPI for Oct., November & December 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
October, 2019	664.5	1.5	8.9
November, rev. 2019	666.8	0.3	9.9
December, 2019	p677.1	p1.5	p13.0

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 0.2 percentage points over the November 2019 rate of 33.9 percent to record 33.7 percent in December 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 4.3 percentage points to record 8.8 percent. The utilities sub-sector recorded inflation rate of 12.8 percent for December 2019 indicating a slight increase of 0.2 percentage point over the November 2019 rate of 12.6 percent.

Table 2: PPI and Inflation by Sector, December 2019 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,595.7	2.8	33.7
Manufacturing	521.9	1.6	8.8
Utilities	897.7	0.1	12.8
ALL INDUSTRY	677.1	1.5	13.0

The data in this table are provisional.

Trends

In December 2018, the producer price inflation rate for all industry was 4.4 percent. The rate declined to 3.4 percent in January 2019. Thereafter, it resumed an upward trend to record 7.1 percent in April 2019 but declined to 6.7 percent in May 2019. Since then, it increased consistently to record

10.2 percent in August 2019 but declined to 8.9 percent in October, 2019. The rate then increased consistently to record 13.0 percent in December 2019.

Manufacturing Sector

During the month of December 2019, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 8.8 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while Manufacture of wood and of products of wood and cork recorded the least inflation rate of 0.8 percent (Fig. 2).

Petroleum Price Index

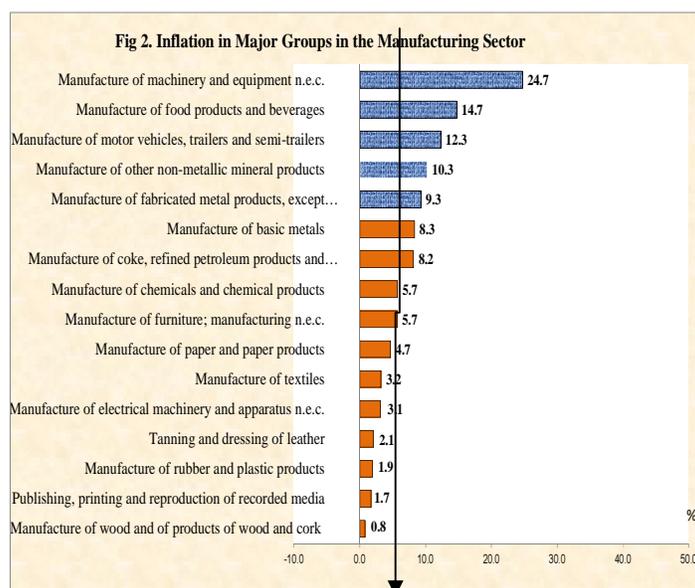
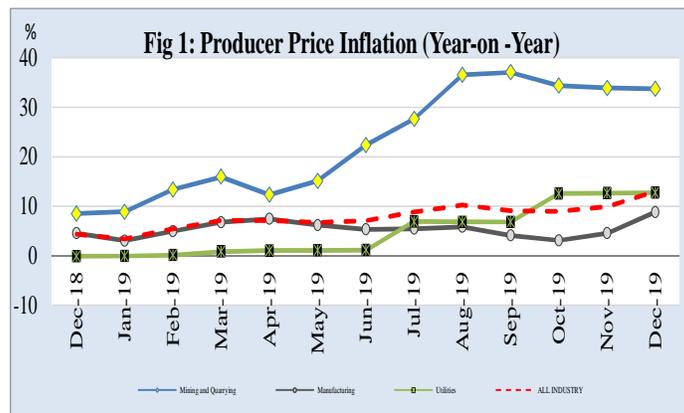
The producer inflation rate in the petroleum sub-sector was 10.1 percent in December 2018. The rate decreased to record 3.8 percent in January 2019. Thereafter, the rate increased consistently to record 17.2 percent in April 2019, but declined to 1.2 percent in June 2019. However, it increased to 3.1 percent in August 2019 but declined to -5.7 percent in October 2019. The rate increased consistently to record 8.2 percent in December 2019 and (Fig 3).

Highlights

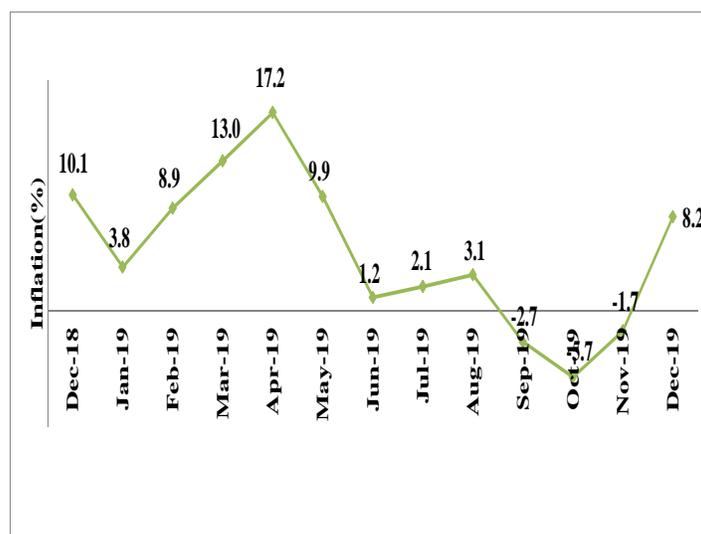
The year-on-year producer inflation for all industry was 13.0 percent in December 2019; the monthly change rate was 1.5 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 33.7 percent, followed by Utilities sub-sector with 12.8 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation rate of 8.8 percent.

With respect to the monthly changes, mining and quarrying sub-sector recorded the highest inflation rate of 2.8 percent, followed by Manufacturing sub-sector with 1.6 percent. The utilities sub-sector recorded lowest rate of 0.1 percent.



8.8%



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.