



Republic of Ghana

Newsletter Producer Price Index (PPI) December, 2020



January 20, 2020

Producer Price Inflation Rate in December 2020 is 7.0%

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 December 2020 are provisional and are subject to revision when additional data become available. All other indicators are final.

December 2020 Producer Inflation

The Producer Price Inflation rate for December 2020 was 7.0 percent. This rate indicates that between December 2019 and December 2020 (year-on-year), the PPI increased by 7.0 percent. This rate represents a 1.1 percentage point decrease in producer inflation relative to the rate recorded in November 2020 (8.1%). The month-on-month change in producer price index between November 2020 and December 2020 was 0.6 percent (Table 1)

Table 1: PPI for Oct., Nov. & December 2020

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
October, 2020	720.6	0.3	8.4
November rev. 2020	720.8	0.0	8.1
December, 2020	p724.9	p0.6	p7.0

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 2.5 percentage points over the November 2020 rate of 34.0 percent to record 31.5 percent in December 2020. The producer inflation for Manufacturing, which constitutes more than two-thirds of the total industry, decreased by 1.0 percentage points to record 3.8 percent. The utility sub-sector decreased marginally by 0.1 percentage points over the November 2020 rate of 0.3 percent to record 0.2 percent.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,098.6	0.9	31.5
Manufacturing	541.8	0.6	3.8
Utilities	899.2	0.0	0.2
ALL INDUSTRY	724.9	0.6	7.0

The data in this table are provisional.

Trends

In December 2019, the producer price inflation rate for all industry was 13.0 percent. The rate increased to 14.5 percent in January 2020 but declined to 6.8

percent in March 2020. After that, the rate increased continuously to record 9.5 percent in June 2020 but declined continuously to record 7.0 percent in December 2020.

Manufacturing Sector

During December 2020, nine out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 3.8 percent. Manufacture of motor vehicles, trailers and semi-trailers recorded the highest inflation rate of 34.5 percent, while the Manufacture of coke, refined petroleum products, and nuclear fuel recorded the least inflation rate of -4.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 8.2 percent in December 2019. The rate increased to record 20.6 percent in January 2020 but declined consistently to record -15.4 percent in May 2020. However, the rate increased continuously to record -0.3 percent in September 2020 and declined to record -4.0 percent in December 2020 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 7.0 percent in December 2020; the monthly change rate was 0.6 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 31.5 percent, followed by the Manufacturing sub-sector with 3.8 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.2 percent.

For the monthly changes, the mining and quarrying sub-sector recorded the highest inflation rate of 0.9 percent, followed by manufacturing sub-sectors with 0.6 percent. The Utility sub-sector recorded no change in inflation rate.

