



Newsletter Producer Price Index (PPI) January, 2020



Republic of Ghana

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Producer Price Inflation Rate in January 2020 is 13.3%

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

January 2020 Producer Inflation

The Producer Price Inflation rate for January 2020 was 13.3 percent. This rate indicates that between January 2019 and January 2020 (year-on-year), the PPI increased by 13.3 percent. This rate represents a 0.3 percentage point increase in producer inflation relative to the rate recorded in December 2019 (13.0%). The month-on-month change in producer price index between December 2019 and January 2020 was 0.5 percent (Table 1)

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

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
November, 2019	666.8	0.3	9.9
December, rev. 2019	677.1	1.5	13.0
January, 2020	p 680.7	p0.5	p13.3

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 1.5 percentage points over the December 2019 rate of 33.7 percent to record 32.2 percent in January 2020. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 0.8 percentage point to record 9.6 percent. The utilities sub-sector recorded inflation rate of 12.6 percent for January 2020 indicating a marginal decrease of 0.1 percentage point over the December 2019 rate of 12.7 percent.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,649.9	3.4	32.2
Manufacturing	522.1	0.0	9.6
Utilities	897.2	-0.1	12.6
ALL INDUSTRY	680.7	0.5	13.3

The data in this table are provisional.

Trends

In January 2019, the producer price inflation rate for all industry was 3.4 percent. 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 again consistently to record 13.3 percent in January 2020.

Manufacturing Sector

During the month of January 2020, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 9.6 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 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 again to -5.7 percent in October 2019. Thereafter the rate increased consistently to record 13.0 percent in January 2020 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 13.3 percent in January 2020; the monthly change rate was 0.5 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 32.2 percent, followed by Utilities sub-sector with 12.6 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation rate of 9.6 percent.

With respect to the monthly changes, mining and quarrying sub-sector recorded the highest inflation rate of 3.4 percent. The Manufacturing sub-sector recorded no change. The utilities sub-sector recorded lowest rate of -0.1 percent.

