



Newsletter Producer Price Index (PPI) January, 2021



Republic of Ghana

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Producer Price Inflation Rate in January 2021 is 9.1%

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 January 2021 are provisional and are subject to revision when additional data become available. All other indicators are final.

January 2021 Producer Inflation

The Producer Price Inflation rate for January 2021 was 9.1 percent. This rate indicates that between January 2020 and January 2021 (year-on-year), the PPI increased by 9.1 percent. This rate represents a 2.1 percentage point increase in producer inflation relative to the rate recorded in December 2020 (7.0%). The month-on-month change in producer price index between December 2020 and January 2021 was 3.5 percent (Table 1)

Table 1: PPI for Nov., Dec. & January 2021

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
November, 2020	720.8	0.0	8.1
December rev. 2020	724.9	0.6	7.0
January, 2021	p750.2	p3.5	p9.1

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 4.1 percentage points over the December 2020 rate of 31.5 percent to record 27.4 percent in January 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, increased by 3.7 percentage points to record 7.5 percent. The utility sub-sector recorded no change in the inflation rate in January 2021.

Table 2: PPI and Inflation by Sector, January 2021 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,101.5	0.1	27.4
Manufacturing	569.5	5.1	7.5
Utilities	899.5	0.0	0.3
ALL INDUSTRY	750.2	3.5	9.1

The data in this table are provisional.

Trends

In January 2020, the producer price inflation rate for all industry was 14.5 percent. The rate declined to 6.8 percent in March 2020. The rate increased continuously to record 9.5 percent in June 2020 but declined to 9.0 percent in August 2020. The rate

increased to record 9.7 percent in September 2020 but declined continuously to record 7.0 percent in December 2020. In January 2021, the rate increased to 9.1 percent.

Manufacturing Sector

In January 2021, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 7.5 percent. Manufacture of motor vehicles, trailers, and semi-trailers recorded the highest inflation rate of 37.7 percent, while the Manufacture of electrical machinery and apparatus n.e.c. and Manufacture of machinery and equipment n.e.c. recorded the least inflation rate of 0.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 20.6 percent in January 2020. The rate declined consistently to record 15.4 percent in May 2020. However, the rate increased to -4.5 percent in June 2020 but declined to record -5.4 percent in August 2020. Thereafter, it increased to -3.0 percent in September and declined to -5.0 percent in November 2020. The rate increased to a record of 6.6 percent in January 2021 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 9.1 percent in January 2021; the monthly change rate was 3.5 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 27.4 percent, followed by the Manufacturing sub-sector with 7.5 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.3 percent.

The manufacturing sub-sector recorded the highest monthly inflation rate of 5.1 percent for the monthly changes, followed by mining and quarrying sub-sectors with 0.1 percent. The Utility sub-sector recorded no change in the inflation rate.

