



# Newsletter Producer Price Index (PPI) May, 2020



Republic of Ghana

June 17, 2020

## Producer Price Inflation Rate in May 2020 is 8.4%

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

### May 2020 Producer Inflation

The Producer Price Inflation rate for May 2020 was 8.4 percent. This rate indicates that between May 2019 and May 2020 (year-on-year), the PPI increased by 8.4 percent. This rate represents a 1.0 percentage point increase in producer inflation relative to the rate recorded in April 2020 (7.4%). The month-on-month change in producer price index between April 2020 and May 2020 was 1.2 percent (Table 1)

**Table1: PPI for March, April & May 2020**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
March, 2020	663.1	-2.1	6.8
April, rev. 2020	673.4	1.5	7.4
<b>May, 2020</b>	<b>p 681.2</b>	<b>p1.2</b>	<b>p8.4</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 4.5 percentage points over the April 2020 rate of 38.0 percent to record 42.5 percent in May 2020. The producer inflation for Manufacturing which constitutes more than two-thirds of the total industry increased by 0.6 percentage points to record 1.1 percent. The utility sub-sector recorded an inflation rate of 12.2 percent for May 2020 indicating an increase of 0.1 percentage point over the April 2020 rate of 12.1 percent.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,847.3	3.4	42.5
Manufacturing	509.3	0.9	1.1
Utilities	898.3	0.1	12.2
<b>ALL INDUSTRY</b>	<b>681.2</b>	<b>1.2</b>	<b>8.4</b>

The data in this table are provisional.

### Trends

In May 2019, the producer price inflation rate for all industry was 6.7 percent. 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 6.8 percent in March 2020. However, the rate increased again to record 8.4 percent in May 2020.

## Manufacturing Sector

During May 2020, fourteen out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 1.1 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while the Manufacture of coke, refined petroleum products and nuclear fuel recorded the least inflation rate of -15.4 percent (Fig. 2).

## Petroleum Price Index

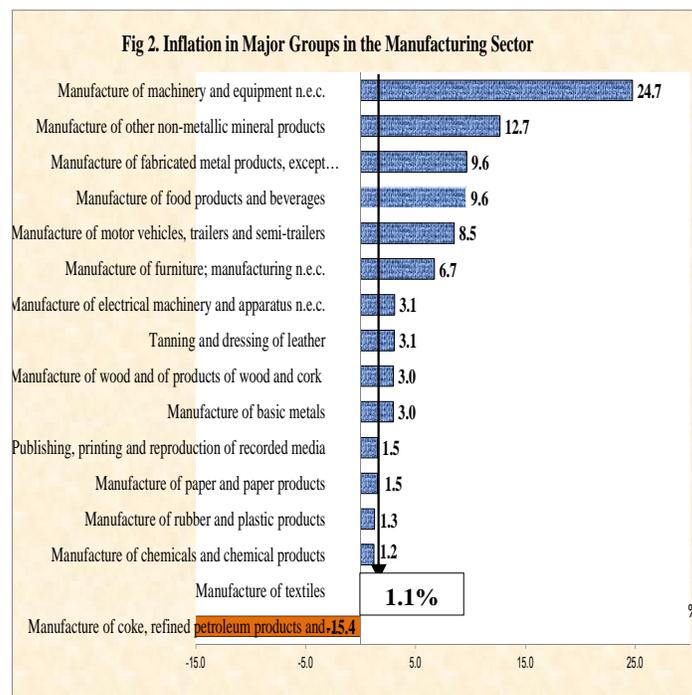
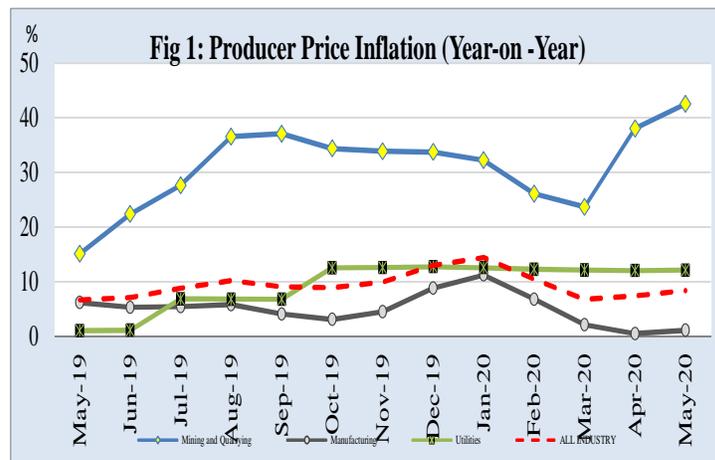
The producer inflation rate in the petroleum sub-sector was 9.9 percent in May 2019. The rate declined to record 1.2 percent in June 2019. However, it increased to 3.1 percent in August 2019 but declined again to -5.7 percent in October 2019. Thereafter the rate increased consistently to record 20.6 percent in January 2020 but constantly declined to record -15.4 percent in May 2020. (Fig 3).

## Highlights

The year-on-year producer inflation for all industry was 8.4 percent in May 2020; the monthly change rate was 1.2 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 42.5 percent, followed by the utility sub-sector with 12.2 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation rate of 1.1 percent.

For the monthly changes, the mining and quarrying sub-sector recorded the highest inflation rate of 3.4 percent, followed by manufacturing sub-sectors with 0.9 percent. The Utility sub-sector recorded the least inflation rate of 0.1 percent.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at [statsghana.gov.gh](http://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.