



Republic of Ghana

Newsletter Producer Price Index (PPI) May, 2021



June 16, 2021

Producer Price Inflation Rate in May 2021 is 11.8%

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

May 2021 Producer Inflation

The Producer Price Inflation rate for May 2021 was 11.8 percent. This rate indicates that between May 2020 and May 2021 (year-on-year), the PPI increased by 11.8 percent. This rate represents a 0.9 percentage point increase in producer inflation relative to the rate recorded in April 2021 (10.9%). The month-on-month change in producer price index between April 2021 and May 2021 was 2.0 percent. (Table 1)

Table 1: PPI for March, April & May 2021

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
March, 2021	749.2	0.3	13.0
April rev. 2021	746.8	-0.3	10.9
May, 2021	p761.8	p2.0	p11.8

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 0.8 percentage points over the April 2021 rate of 11.9 percent to record 12.7 percent in May 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, increased by 1.2 percentage points to record 14.6 percent. The utility sub-sector recorded no inflation rate for May 2021.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,082.5	4.2	12.7
Manufacturing	583.6	2.0	14.6
Utilities	899.3	0.0	0.2
ALL INDUSTRY	761.8	2.0	11.8

The data in this table are provisional.

Trends

In May 2020, the producer price inflation rate for all industry was 8.4 percent. The rate increased to record 9.5 percent in June 2020 but declined to 9.0 percent in August 2020. The rate increased to 9.7 percent in September 2020 but declined consistently to record 7.0 percent in December 2020. In March 2021, the rate increased to 13.0 percent, but in April

2021, it fell to 10.9 percent. In May 2021, the rate rose marginally to 11.8 percent.

Manufacturing Sector

In May 2021, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 14.6 percent. Manufacture of motor vehicles, trailers, and semi-trailers recorded the highest inflation rate of 33.6 percent, while the Manufacture of electrical machinery and apparatus 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 -15.4 percent in May 2020. The rate fluctuated between June 2020 (-4.5%) and November 2020 (-5.0%). Subsequently, the rate increased continuously to pick at 31.0 percent in March 2021 but declined to 29.4 percent in May 2021. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 11.8 percent in May 2021; the monthly change rate was 2.0 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 14.6 percent, followed by the Mining and Quarrying sub-sector with 12.7 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.2 percent.

The mining and quarrying sub-sector recorded the highest monthly inflation rate of 4.2 percent, followed by the manufacturing sub-sector (2.0%), with the utility sub-sector (0.0%).

