

PRESS RELEASE

CONSUMER PRICE INDEX AND INFLATION

11th March 2020



**GHANA
STATISTICAL SERVICE**

In this release, we present:

- Definition and Measurement of Consumer Price Index (CPI) and rate of inflation
- CPI and rate of inflation for February 2020
- Dominant Divisions of inflation for February 2020
- Disaggregation of February 2020 rate of inflation
- Highlights of CPI and rate of inflation for February 2020

Definition and measurement of CPI and rate of inflation (1/2)

- CPI measures changes in the price of a fixed basket of goods and services purchased by households
- The assumption is that the basket is purchased each month, hence as price changes each month, the total price of the basket will also change
- The rate of inflation is the relative change in CPI between periods
- Inflation is reported year-on-year (annual inflation) and month-on-month (monthly inflation), and granulated to determine regional and commodity type and source of inflation

Definition and measurement of CPI and rate of inflation (2/2)

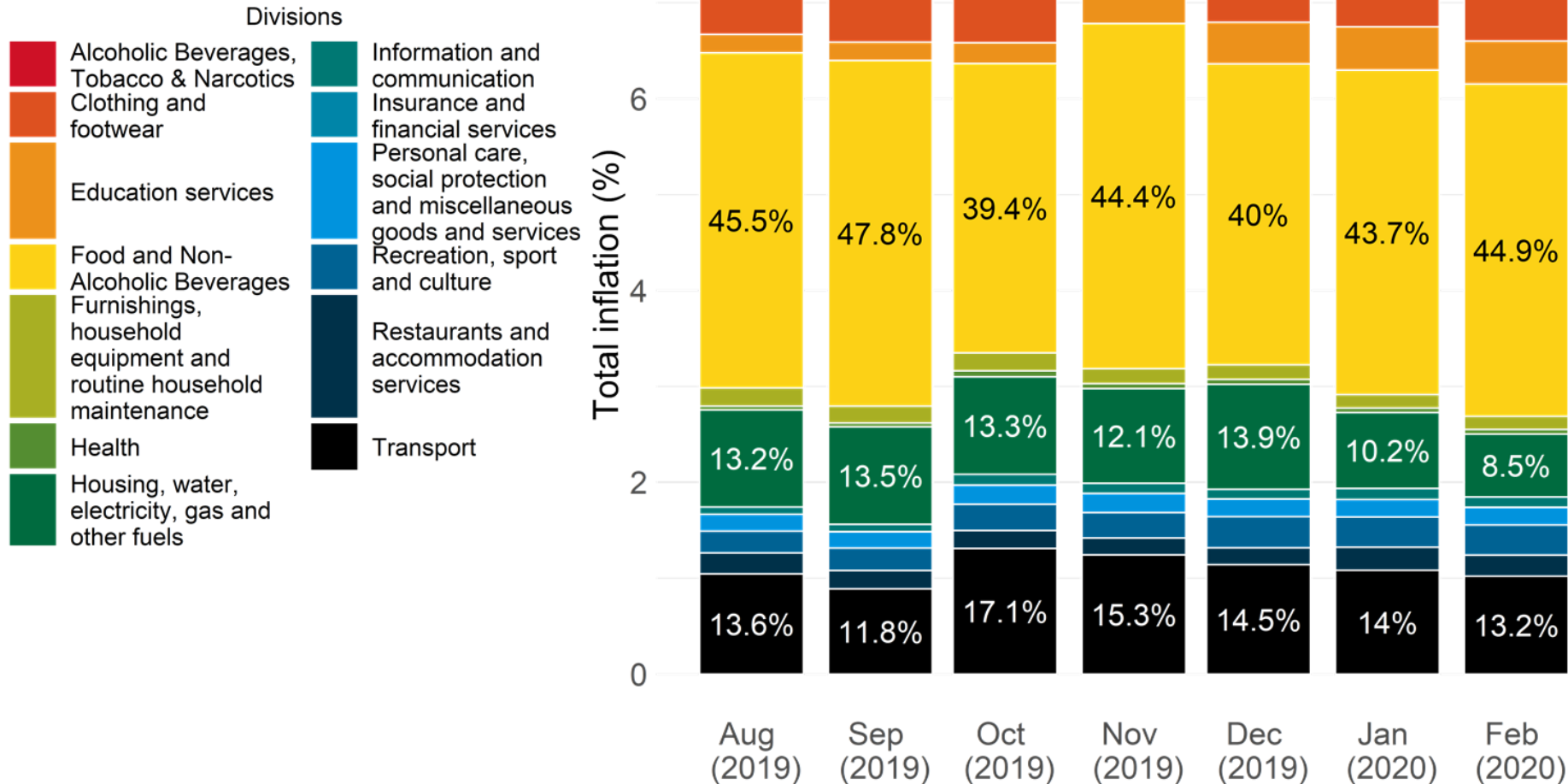
- CPI does not measure price levels
- CPI is a price perspective measure and cost-of-living index is an expenditure oriented measure
- Data (market readings) are captured monthly
- Key variables are prices, quantities and expenditure weights of items
- Price reference year is 2018 (2018 = 100)

CPI and rate of inflation for February 2020

- CPI for February 2020 was 112.1 relative to 111.6 in January 2020
- Year-on-year inflation rate for February 2020 was 7.8%
- This means that in the month of February 2020 the general price level was 7.8% higher than in February 2019
- Month-on-month inflation between February 2020 and January 2020 was 0.4%

Month	CPI	Inflation	
		Monthly	Yearly
Aug - 2019	108.6	-	7.8%
Sep - 2019	108.5	0.0%	7.6%
Oct - 2019	109.0	0.4%	7.7%
Nov - 2019	109.7	0.7%	8.2%
Dec - 2019	110.0	0.3%	7.9%
Jan - 2020	111.6	1.4%	7.8%
Feb - 2020	112.1	0.4%	7.8%

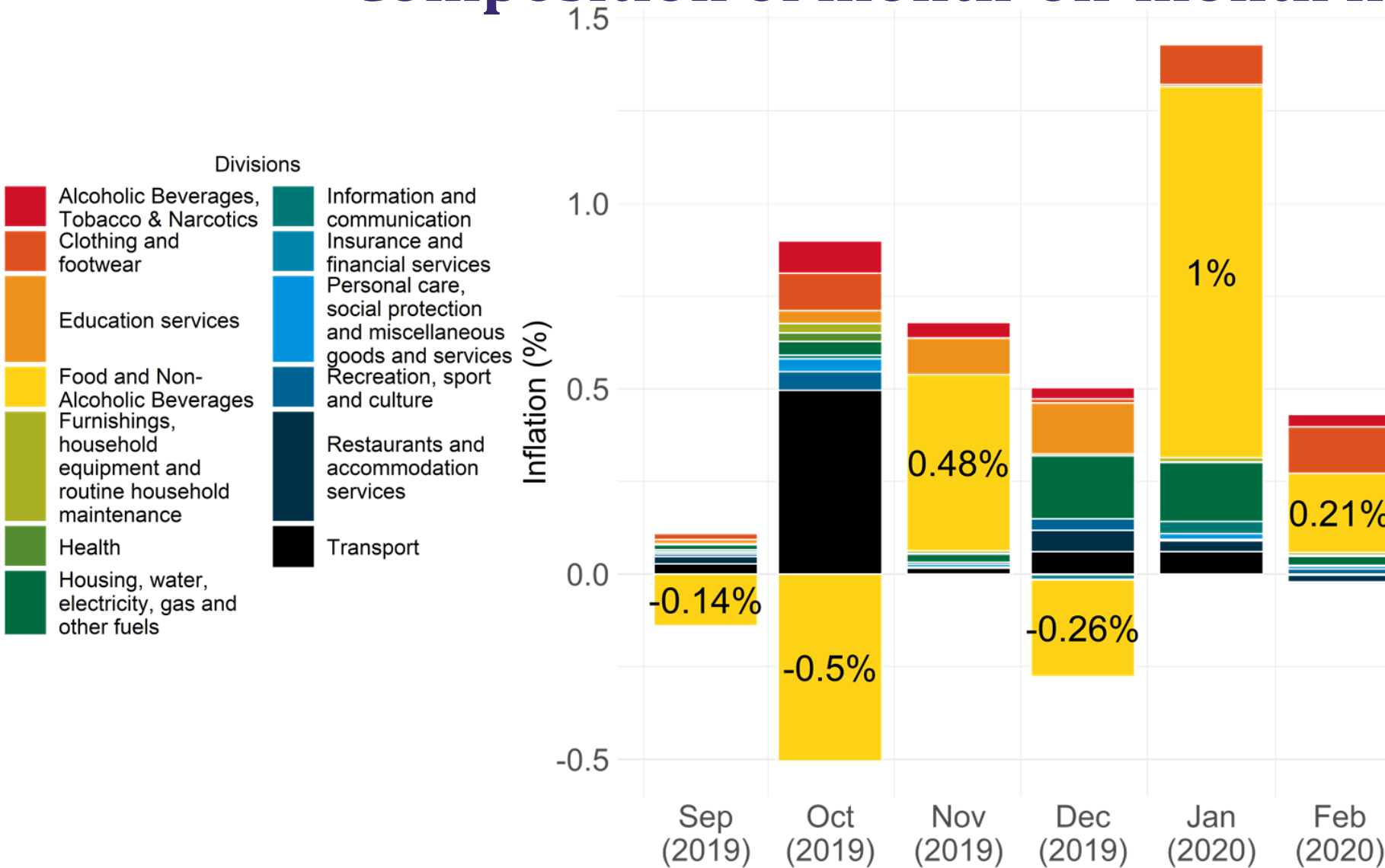
Composition of year-on-year inflation



- Food and non-alcoholic beverages remains the main drivers of inflation.
- The contribution of Housing (including water, electricity, gas, etc.) went down from 10.2% to 8.5%.

Ghana Statistical Service (GSS), 2020

Composition of month-on-month inflation

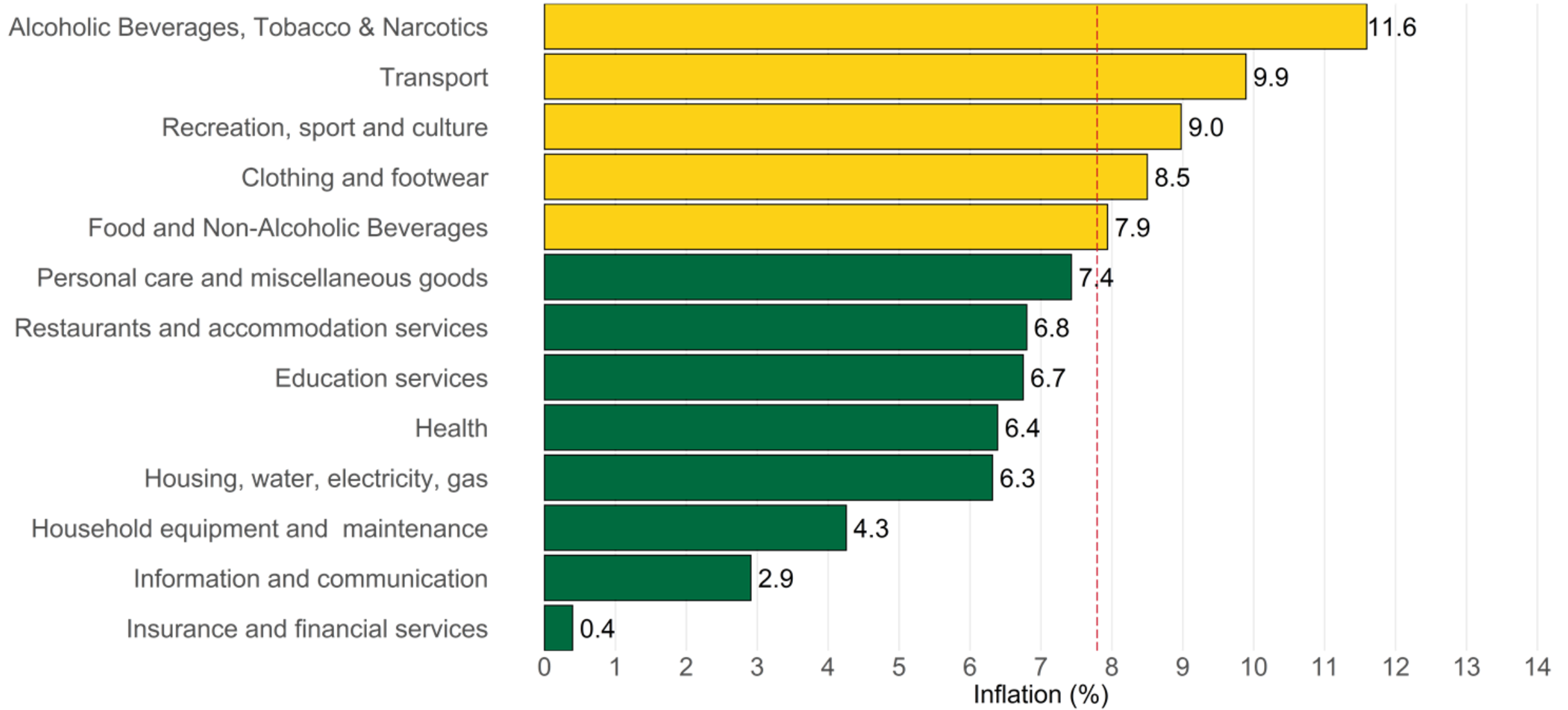


- The Food Division is the largest contributor to month-on-month inflation, but less so than in January.
- Clothing and footwear are the second largest contributor this month

Disaggregation of February 2020 Rate of Inflation

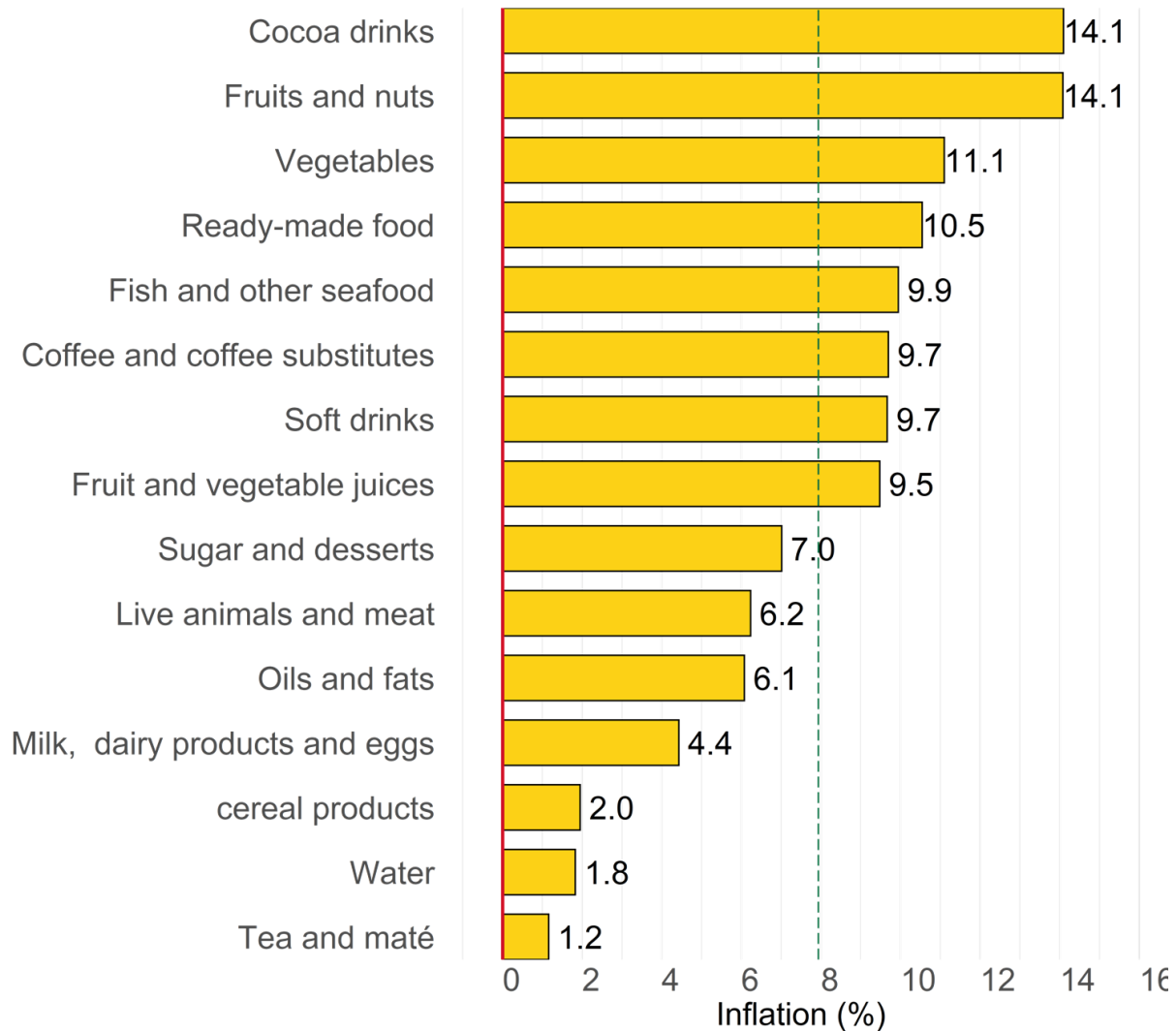
- Food inflation was 7.9%
- Non-food Inflation was 7.7%
- Inflation for locally produced items was 8.6%
- Inflation for imported items was 5.9%

Disaggregation of year-on-year inflation by Division



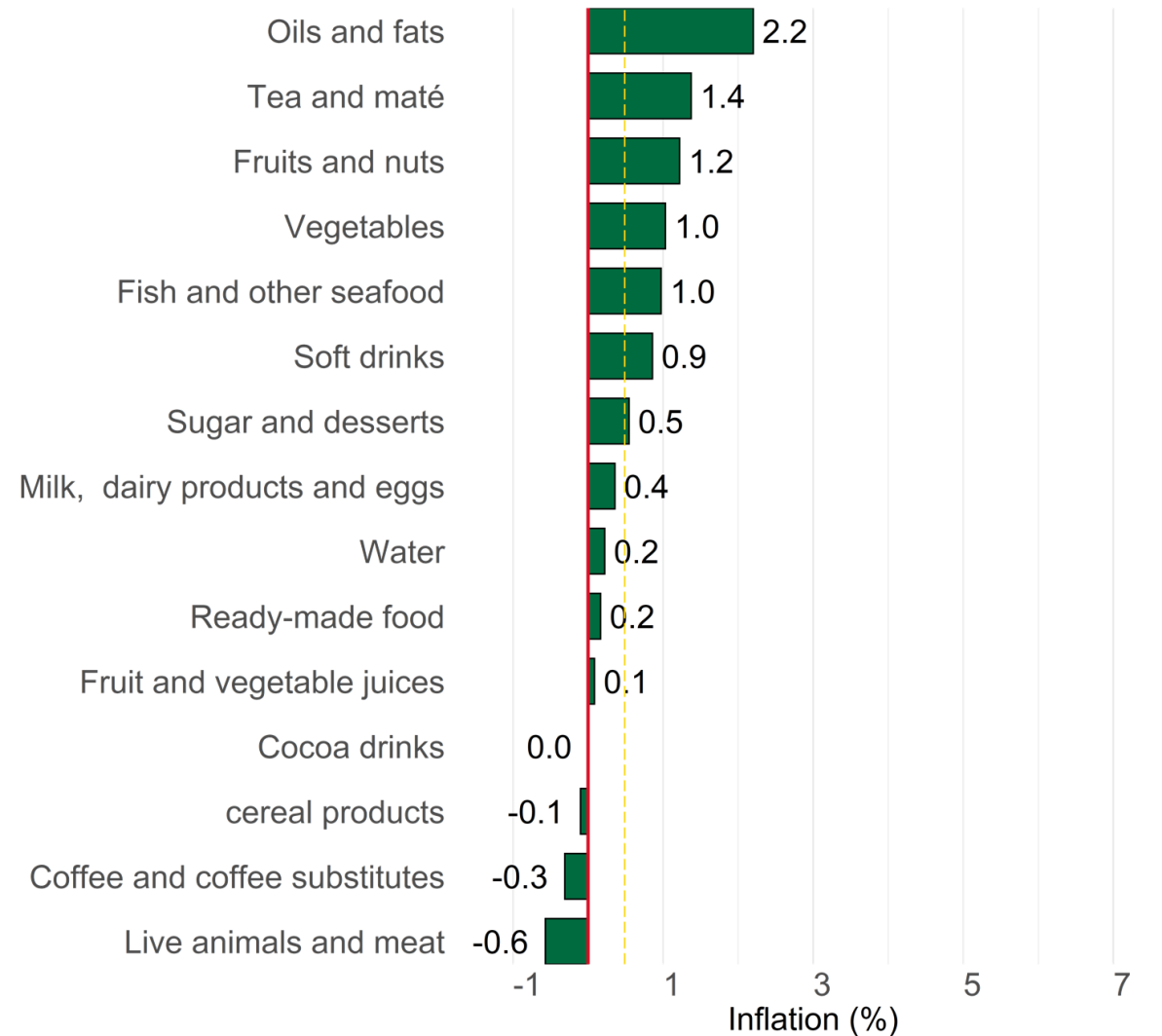
Disaggregation of YoY and MoM Food inflation by Subclass

Year-on-year food inflation Feb 2020



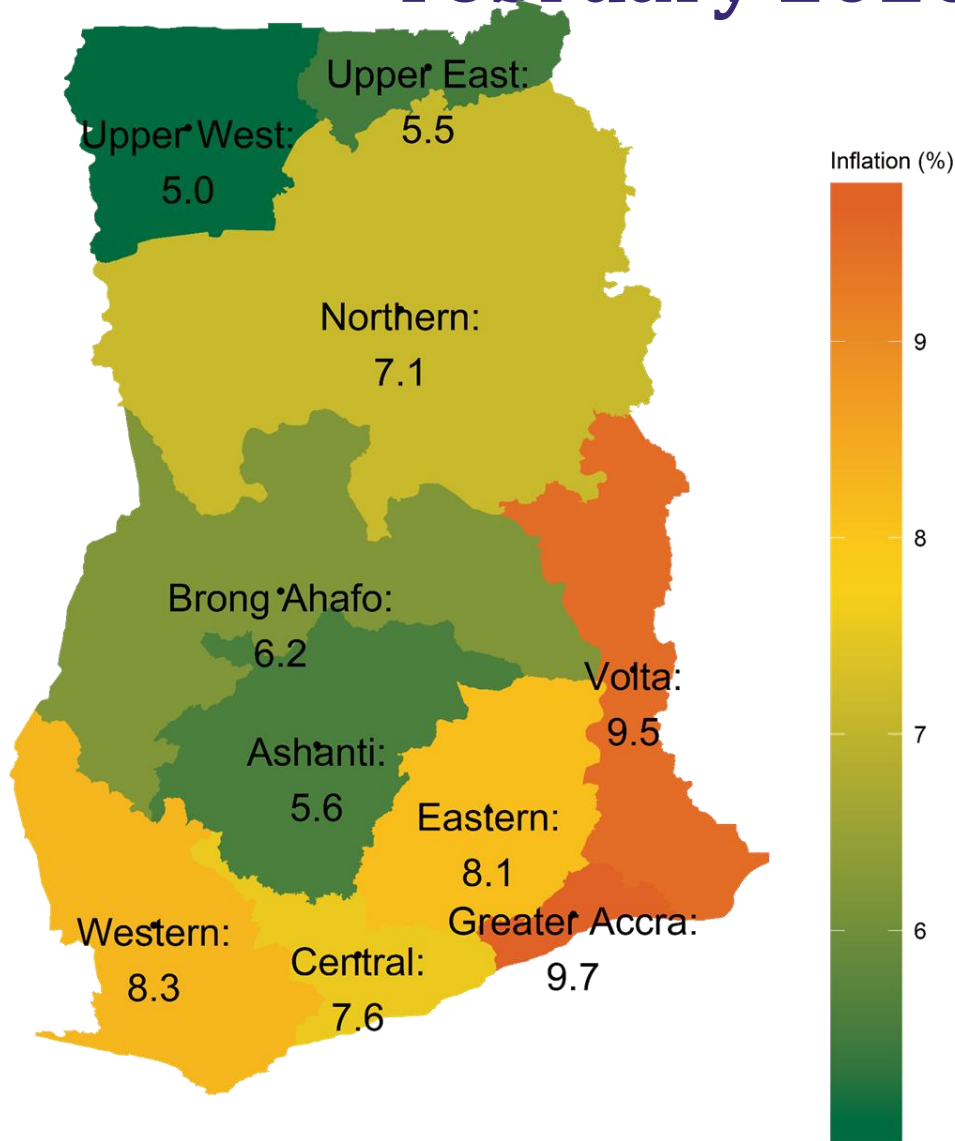
Ghana Statistical Service (GSS), 2020

Month-on-month food inflation Feb 2020



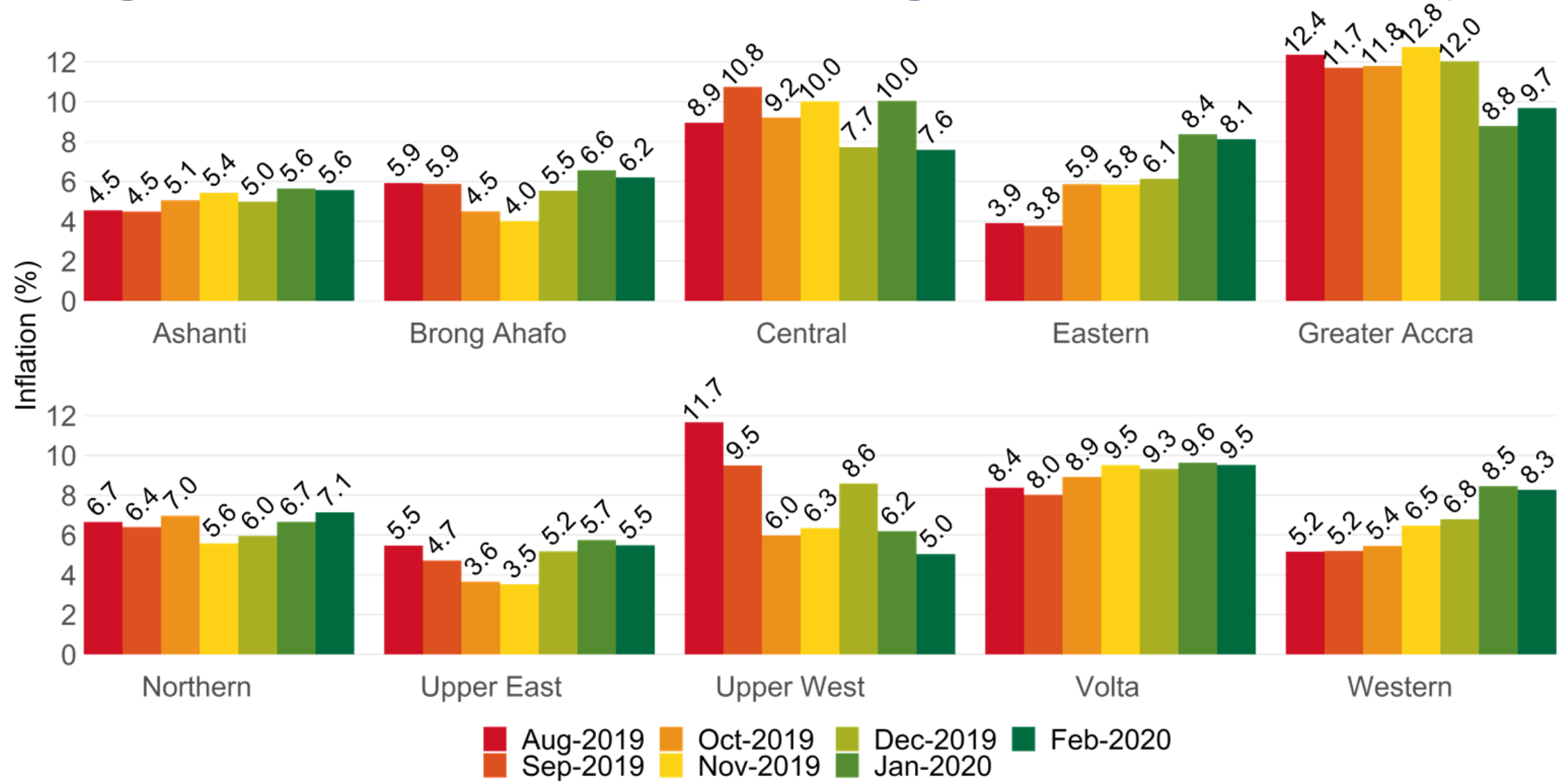
Ghana Statistical Service (GSS), 2020

February 2020 regional rate of inflation

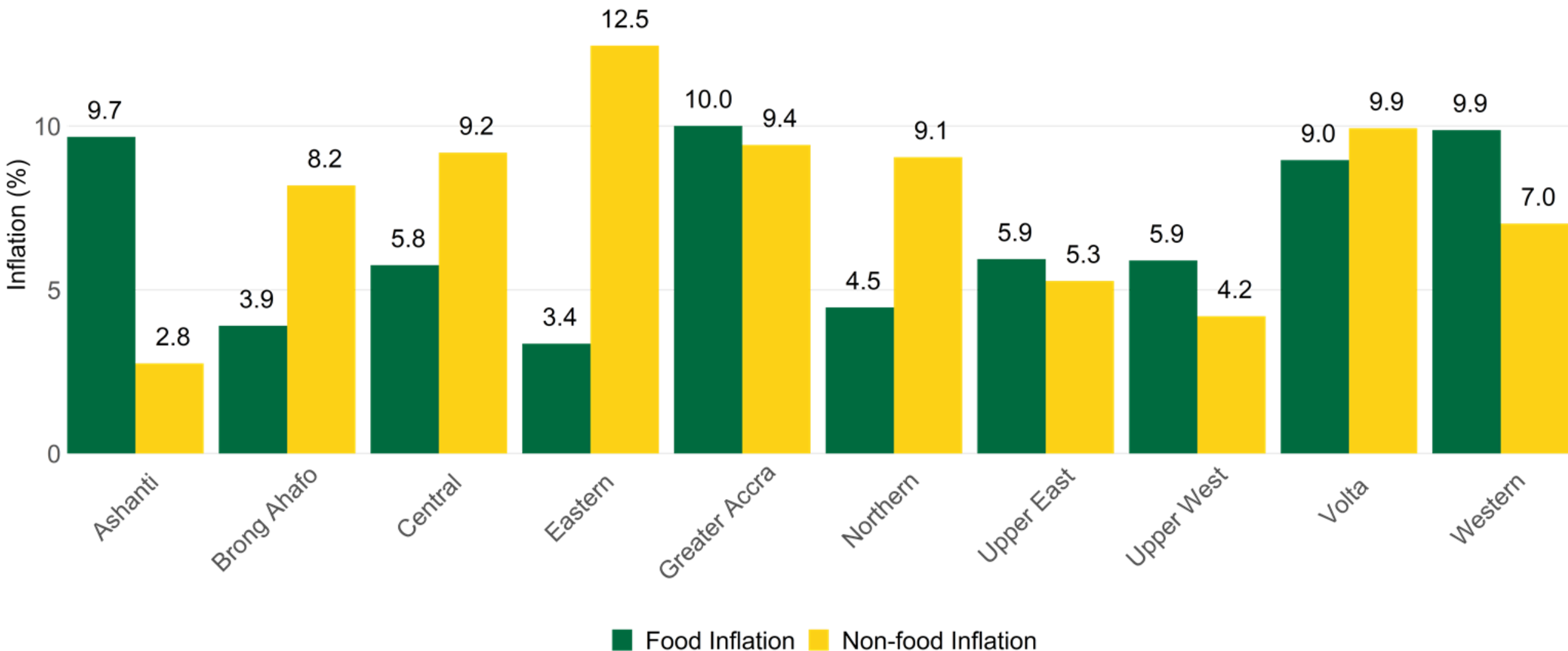


- 4 regions, Greater Accra (9.7%), Volta (9.5%), Western (8.3%), and Eastern (8.1%) recorded inflation rates above the national average of 7.8%
- Upper West Region had the lowest year-on-year inflation rate (5.0%)

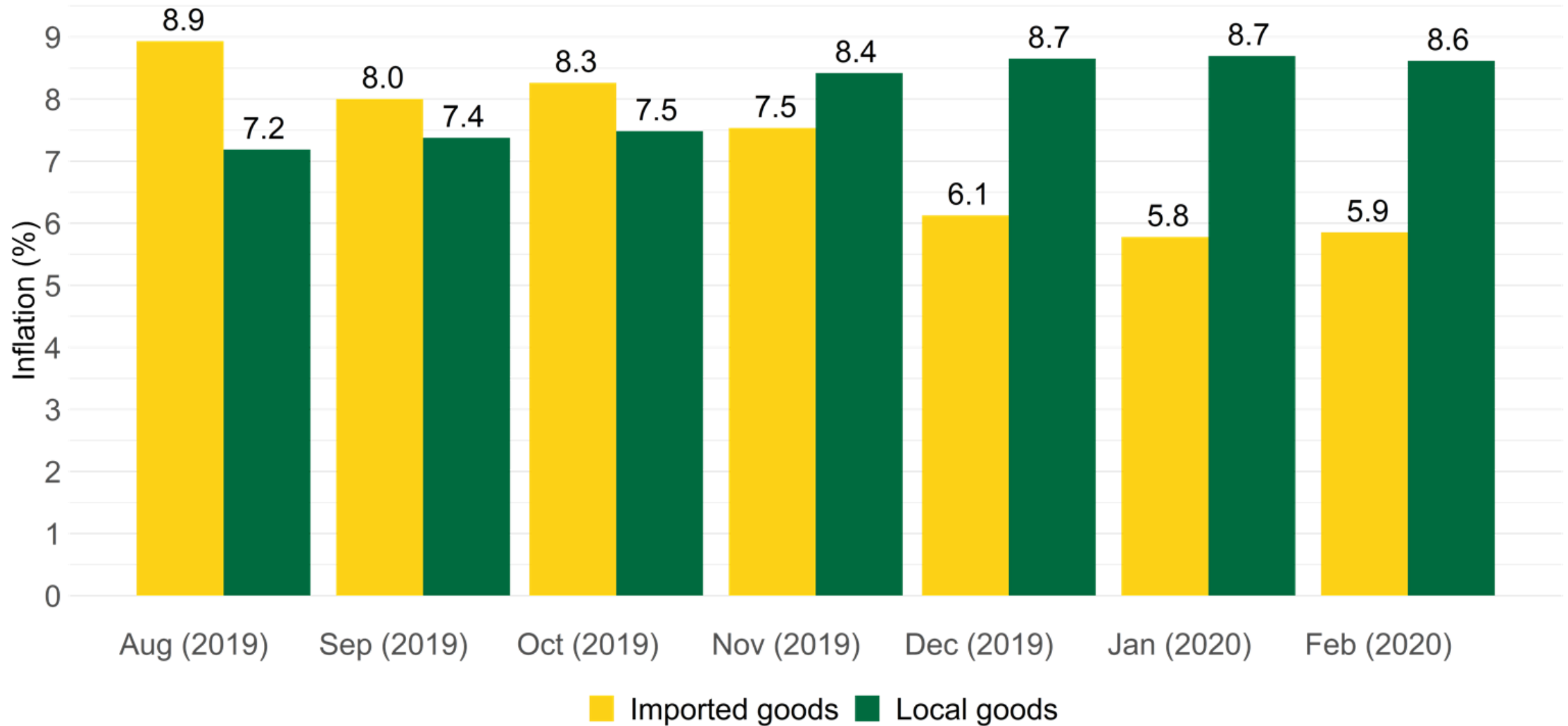
YoY regional rate of inflation for August 2019 – February 2020



Regional Food and Non-Food of inflation for February 2020



Imported and local inflation August 2019 – February 2020



Disaggregation of inflation in Greater Accra for February 2020

Year-on-year inflation (%), February 2020, Greater Accra Region

Greater Accra Region	Weight	(%)
Education services	2.7	15.8
Recreation, sport and culture	0.6	13.2
Clothing and footwear	1.8	13.1
Personal care and miscellaneous goods	0.6	12.2
Alcoholic Beverages, Tobacco & Narcotics	0.5	12.0
Food and Non-Alcoholic Beverages	11.3	10.0
Transport	3.9	7.6
Restaurants and accommodation services	1.3	7.4
Health	0.2	6.9
Household equipment and maintenance	0.8	5.1
Housing, water, electricity, gas	3.6	4.5
Information and communication	1.2	-0.4
Greater Accra - Combined		9.7

Year-on-year Food inflation (%), February 2020, Greater Accra Region

Greater Accra Region - Food	Weight	(%)
Fish and other seafood	1.6	26.0
Fruits and nuts	0.4	20.1
Water	0.1	15.5
Fruit and vegetable juices	0.1	13.3
Coffee and coffee substitutes	0.0	12.2
Live animals and meat	0.9	11.0
Vegetables	2.4	10.7
Soft drinks	0.2	10.1
Tea and mate	0.0	7.4
Oils and fats	0.3	7.1
Ready-made food	2.7	7.1
Sugar and desserts	0.2	6.4
Milk, dairy products and eggs	0.4	1.6
cereal products	2.0	0.6
Greater Accra - Food		10.0

Highlights

1. Year-on-year February 2020 inflation was 7.8%
2. Monthly change in the rate of inflation between February 2020 and January 2020 was 0.4%
3. Food inflation was 7.7% and Non-food Inflation 7.9%
4. The differential inflation rate between locally produced items (8.9%) and imported items (5.9%) was 2.9 percentage points
5. For the last 4 months inflation for locally produced goods has been growing faster than inflation for imported goods.

End of Press Release for February 2020 Consumer Price Index

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PRESS RELEASE



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February 2020