



Republic of Ghana

# Newsletter Producer Price Index (PPI) February, 2021



March 17, 2021

## Producer Price Inflation Rate in February 2021 is 10.3%

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

### February 2021 Producer Inflation

The Producer Price Inflation rate for February 2021 was 10.3 percent. This rate indicates that between February 2020 and February 2021 (year-on-year), the PPI increased by 10.3 percent. This rate represents a 1.6 percentage point increase in producer inflation relative to the rate recorded in January 2021 (8.7%). The month-on-month change in producer price index between January 2021 and February 2021 was -0.1 percent. (Table 1)

**Table 1: PPI for Dec., Jan. & February 2021**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
December, 2020	724.9	0.6	7.0
January rev. 2020	747.7	3.1	8.7
<b>February, 2021</b>	<b>p747.3</b>	<b>p-0.1</b>	<b>p10.3</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 3.2 percentage points over the January 2021 rate of 27.4 percent to record 24.2 percent in February 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, increased by 2.9 percentage points to record 9.8 percent. The utility sub-sector recorded no change in the inflation rate in January 2021.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,045.0	-2.7	24.2
Manufacturing	569.7	0.5	9.8
Utilities	899.5	-0.0	0.4
<b>ALL INDUSTRY</b>	<b>747.3</b>	<b>-0.1</b>	<b>10.3</b>

The data in this table are provisional.

### Trends

In February 2020, the producer price inflation rate for all industry was 10.5 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 9.7 percent in September 2020 but declined consistently to record 7.0 percent in December 2020. In January 2021, the rate increased to 8.7 percent and inched up to record 10.3 percent in February 2021.

## Manufacturing Sector

In February 2021, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 9.8 percent. Manufacture of motor vehicles, trailers, and semi-trailers recorded the highest inflation rate of 40.6 percent, while the 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 6.1 percent in February 2020. The rate declined consistently to record 15.4 percent in May 2020. In June 2020, the rate increased to -4.5 percent 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 continuously to a record of 13.7 percent in February 2021 (Fig 3).

## Highlights

The year-on-year producer inflation for all industry was 10.3 percent in February 2021; the monthly change rate was -0.1 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 24.2 percent, followed by the Manufacturing sub-sector with 9.8 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.4 percent.

The manufacturing sub-sector recorded the highest monthly inflation rate of 0.5 percent, followed by Utility sub-sectors with 0.0 percent. The mining and quarrying sub-sector recorded the least inflation rate of -2.7 percent.

