



Newsletter

Consumer Price Index (CPI)

May, 2010



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Inflation rate moving closer to a single digit – May 2010 rate is 10.68%

May 2010 rate of inflation

The May 2010 inflation rate is 10.68%. The rate is 0.98 percentage points lower than that of April 2010 (11.66%). The rate of inflation is the percentage change in the Consumer Price Index (CPI) over the twelve-month period from May 2009 (306.48) to May 2010 (339.21). The monthly change is the percentage change in the CPI over one month (Table 1).

The Consumer Price Index

The Consumer Price Index (CPI) is the average price level measured relative to a reference period, usually called a base year. The base year for Ghana's CPI is 2002, which is equated to 100. The May 2010 CPI was 1.87 percent above that of April 2010.

Table 1: CPI April and May 2010

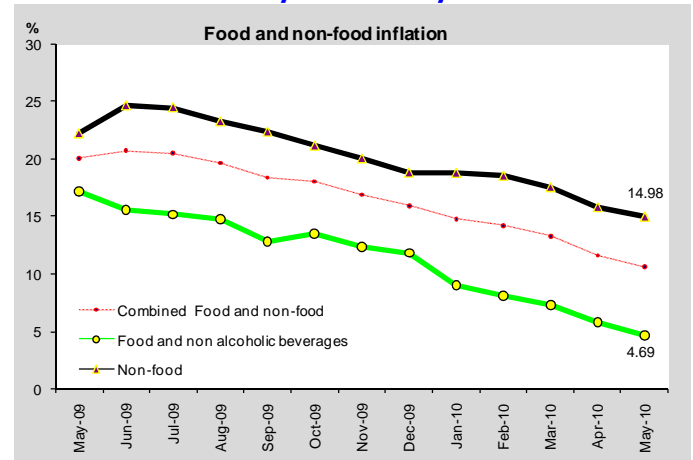
	Index	Change rate	
	2002 = 100	monthly	yearly
April	332.99	1.41%	11.66%
May	339.21	1.87%	10.68%

Inflation trend

The rate of inflation has been falling since July 2009. Significant declines of more than 1 percentage points were recorded in September and November of 2009, and January, April and May

of 2010. The cumulative decline between January 2010 and May 2010 is 4.10 percentage points (from 14.78% to 10.68%). The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010. The non-food inflation rate, on the other hand, has been more than two times higher (Figure 1).

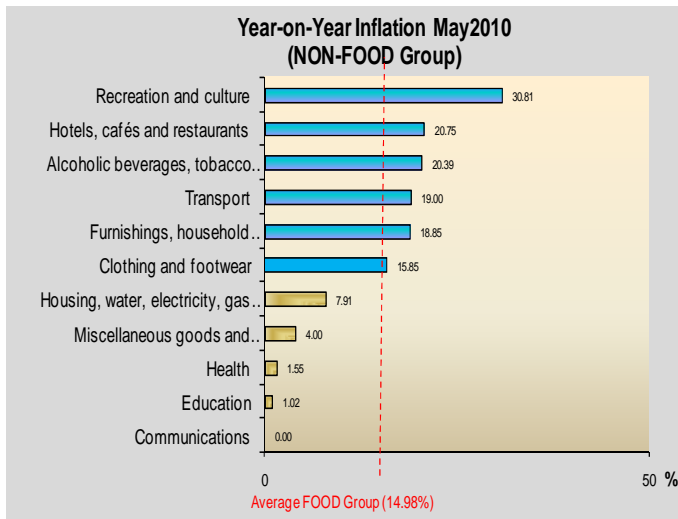
Figure1: Rate of inflation disaggregated between food and non-food from May 2009 to May 2010.



Non-food rate of inflation

Inflation in the non-food group (which accounts for 55.09 percent of average household expenditure) had six out of eleven of its subgroups recording inflation rates above the group average of 14.98 percent. Recreation and culture (30.81%), Hotel and restaurants (20.75%) and Alcoholic beverages, tobacco and narcotic (20.39%) are among the subgroups that recorded high inflation rates (Figure 2).

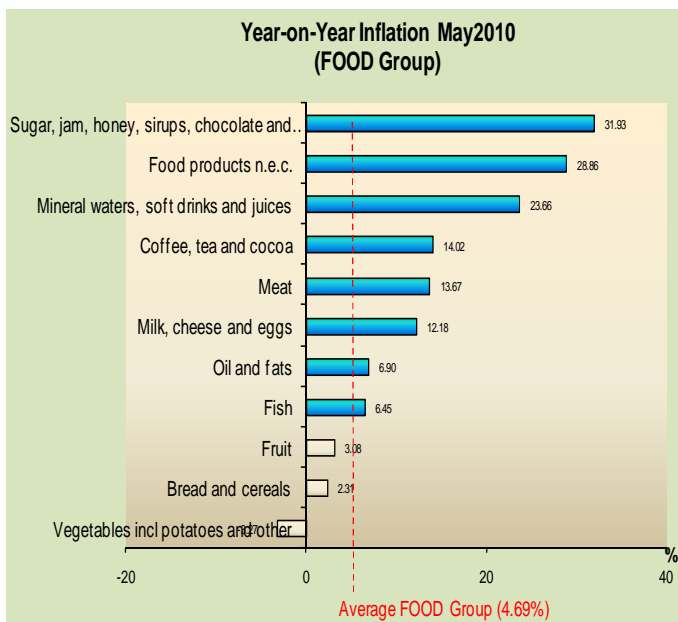
Figure 2: Inflation in non-food sub groups



Food rate of inflation

In the food group (which has a weight of 44.91 percent) sub-groups with the highest inflation rates are Sugar, jam, honey, syrups, chocolate and confectionary (31.93%), Food products n.e.c (28.86%), and Mineral waters, soft drinks and juices (23.66%). Vegetables including potatoes and other tubers recorded negative inflation rate of -3.27% (figure 3).

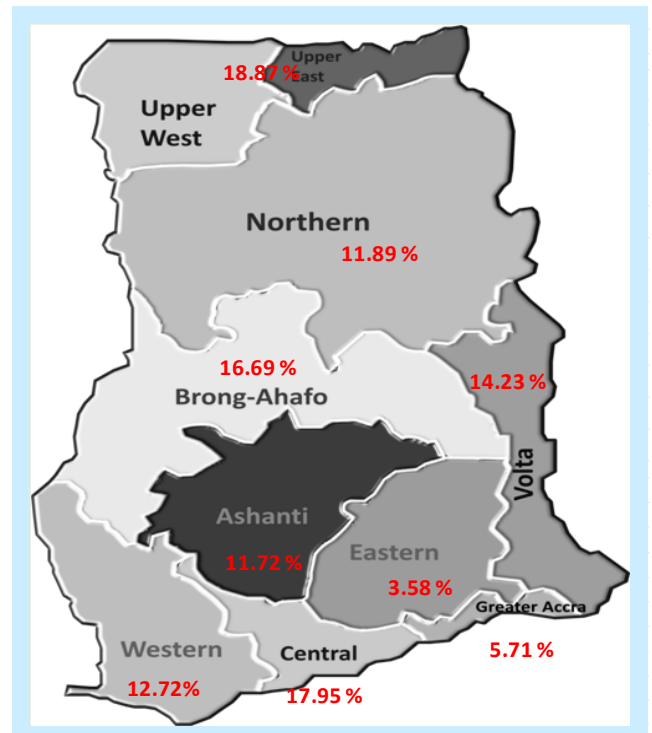
Figure 3: Inflation in food sub groups



Regional differentials

Inflation rates in the regions range from 3.58 percent (Eastern region) to 18.87 percent (Upper East & West region). Only two regions (Eastern and Greater Accra) recorded inflation rates below the national rate of 10.68 percent (Annex 5).

Figure 4: Regional inflation rate – May 2010



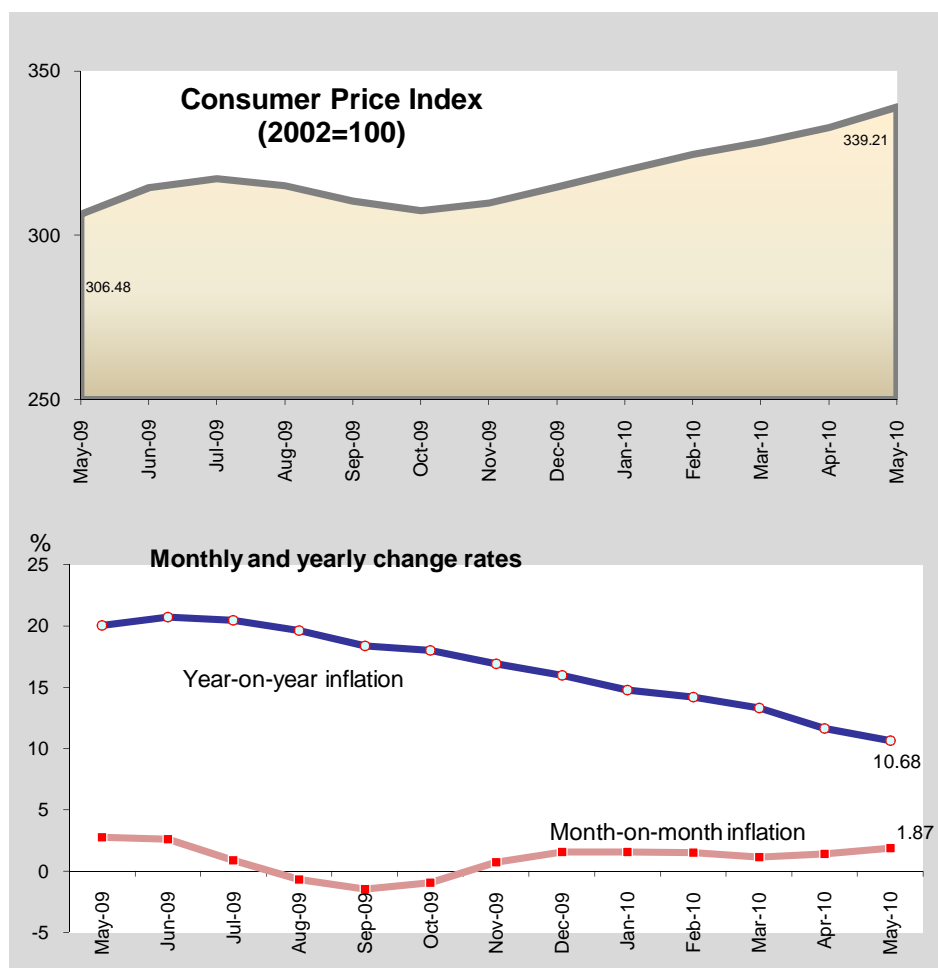
Dissemination

The detailed information on the series is contained in the CPI User's guide at GSS. The target publication date of the monthly newsletter is 15th of the month. It is released on the second Wednesday of each month, and on the third, when the 15th of the month falls on Wednesday. The next release date is 14th July 2010.

Annex 1

Consumer Price Index (CPI), May 2009 - May 2010

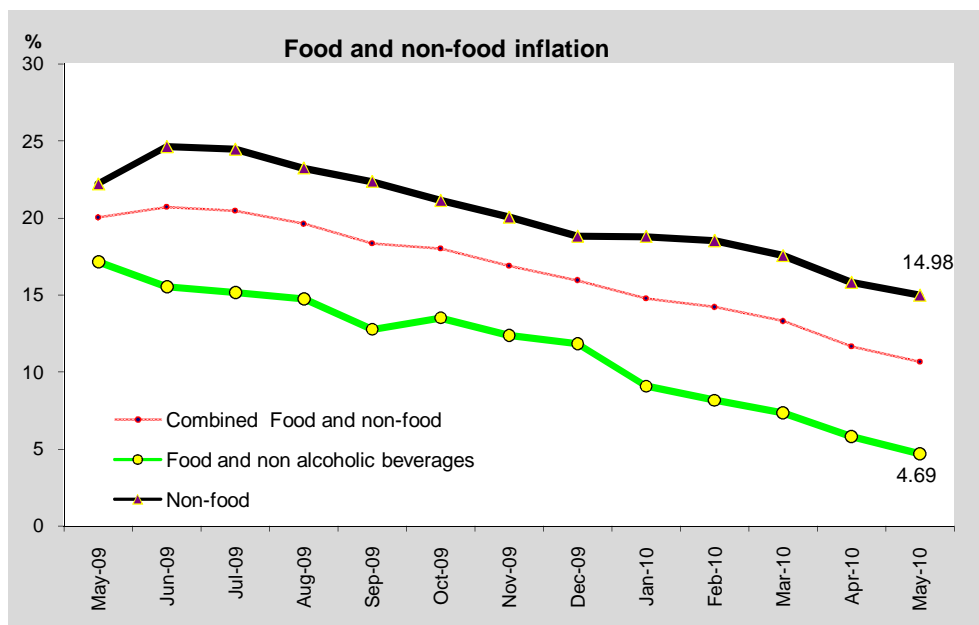
Year / Month	Index 2002 = 100	Change rate (%)	
		Monthly	Yearly
2007 average	218.73	1.01	10.73
2008 average	254.87	1.41	16.46
2009 average	303.93	1.25	19.29
May-09	306.48	2.77	20.06
Jun-09	314.57	2.64	20.74
Jul-09	317.33	0.88	20.50
Aug-09	315.13	-0.69	19.65
Sep-09	310.52	-1.46	18.37
Oct-09	307.57	-0.95	18.04
Nov-09	309.89	0.75	16.92
Dec-09	314.83	1.59	15.97
Jan-10	319.83	1.59	14.78
Feb-10	324.66	1.51	14.23
Mar-10	328.35	1.14	13.32
Apr-10	332.99	1.41	11.66
May-10	339.21	1.87	10.68



Source: Ghana Statistical Service (GSS)

Annex 2
Food and non-food inflation, May 2009 to May 2010

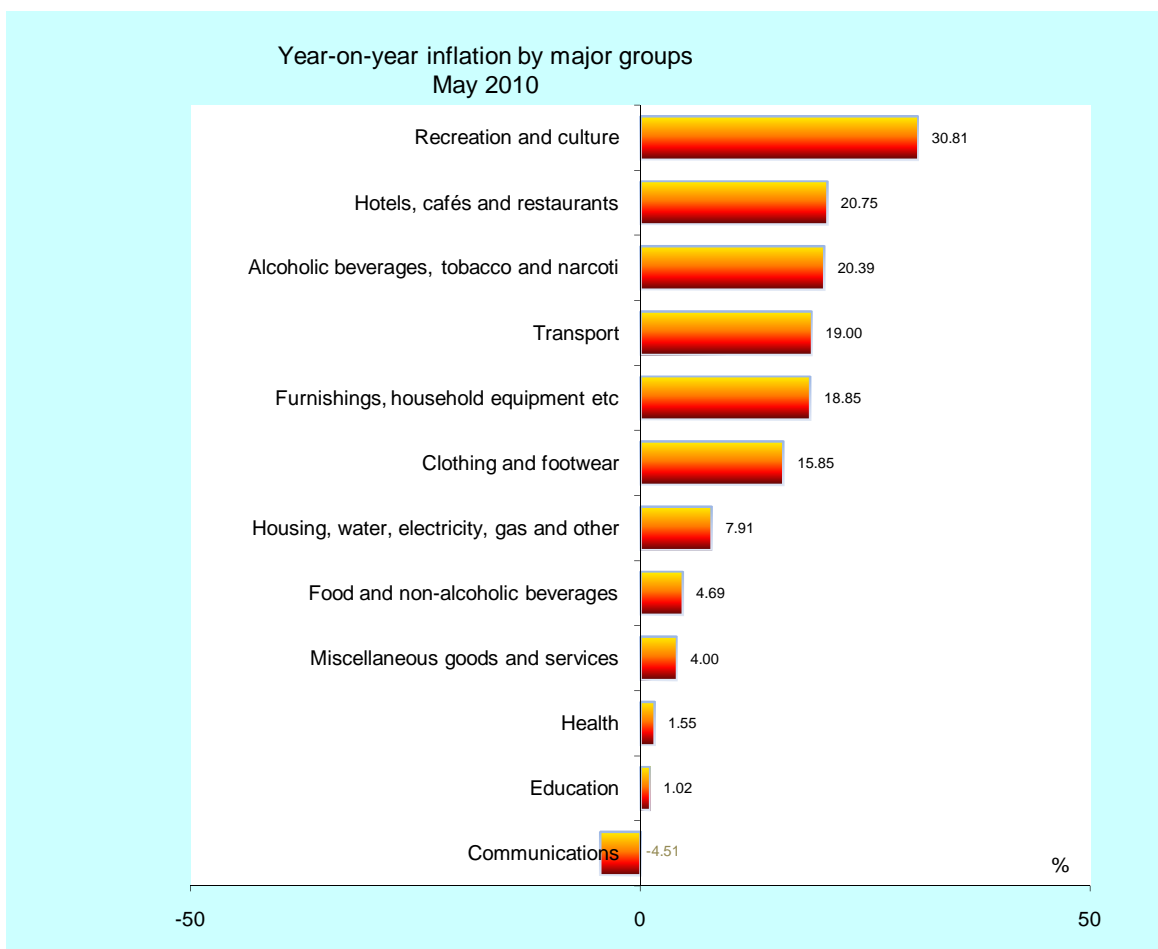
Year / Month	Year-on-year inflation (%)		
	Combined Food and non-food	Food and non alcoholic beverages	Non-food
2007 average	10.73	9.46	11.68
2008 average	16.46	15.10	17.47
2009 average	19.29	15.78	21.83
May-09	20.06	17.17	22.22
Jun-09	20.74	15.54	24.66
Jul-09	20.50	15.17	24.48
Aug-09	19.65	14.75	23.25
Sep-09	18.37	12.78	22.38
Oct-09	18.04	13.53	21.15
Nov-09	16.92	12.38	20.05
Dec-09	15.97	11.84	18.82
Jan-10	14.78	9.08	18.79
Feb-10	14.23	8.17	18.54
Mar-10	13.32	7.35	17.55
Apr-10	11.66	5.81	15.82
May-10	10.68	4.69	14.98



Source: Ghana Statistical Service (GSS)

Annex 3
Inflation by COICOP major groups, May 2010

item (COICOP classification)	Index 2002 = 100	Change rate (%)	
		Monthly	Yearly
Combined (Food and non-food)	339.21	1.87	10.68
Communications	272.95	0.00	-4.51
Education	280.77	0.14	1.02
Health	553.10	0.95	1.55
Miscellaneous goods and services	277.94	0.63	4.00
Food and non-alcoholic beverages	298.64	2.25	4.69
Housing, water, electricity, gas and other	407.97	1.27	7.91
Clothing and footwear	263.10	2.07	15.85
Furnishings, household equipment etc	294.48	1.90	18.85
Transport	493.30	0.55	19.00
Alcoholic beverages, tobacco and narcoti	333.91	4.35	20.39
Hotels, cafés and restaurants	521.27	1.34	20.75
Recreation and culture	519.65	1.83	30.81



Source: Ghana Statistical Service (GSS)

Annex 4

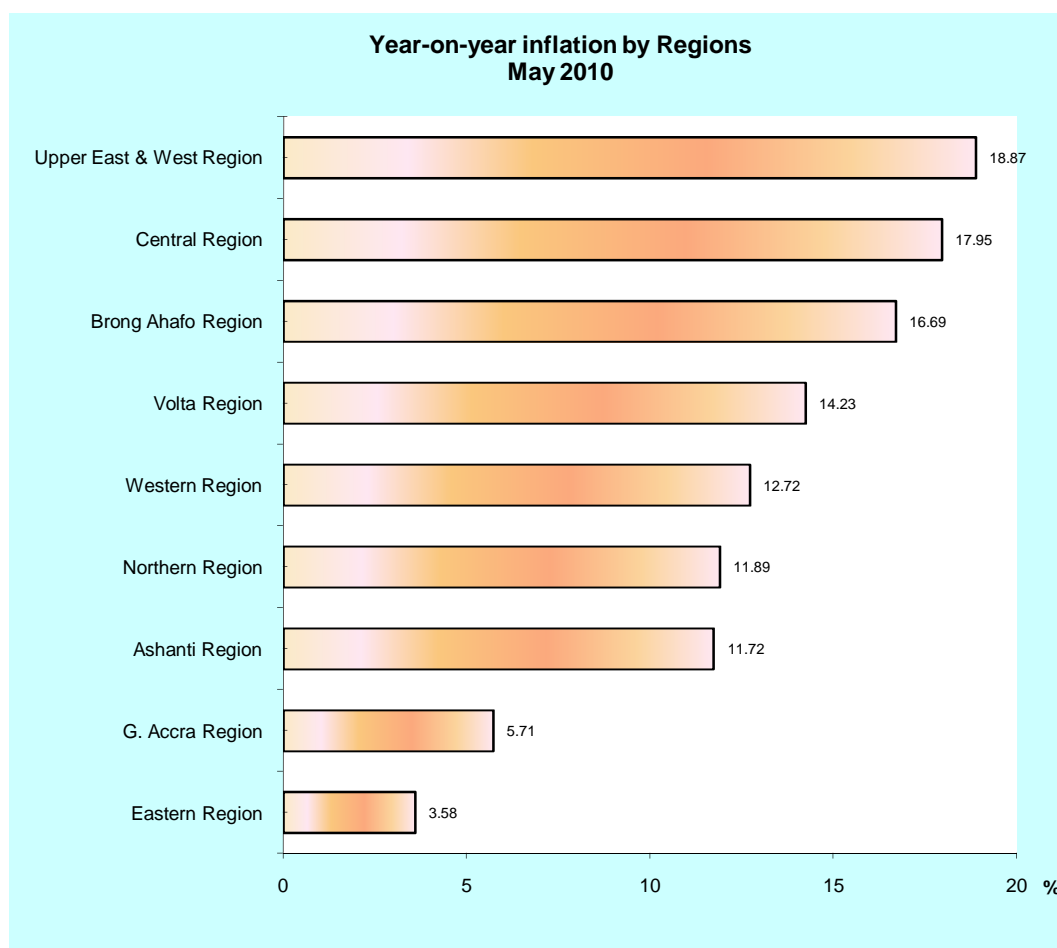
Contribution of major groups and subgroups to May 2010 inflation

	Weight	Year-on-year inflation (%)	Contribution to inflation (%)
Combined (Food and non-food)	100.00	10.68	100.00
Food and non-alcoholic beverages	44.91	4.69	42.57
Coffee, tea and cocoa	0.69	14.02	0.90
Milk, cheese and eggs	1.69	12.18	1.92
Oils and fats	2.48	6.90	1.60
Meat	4.07	13.67	5.18
Sugar, jam, honey, syrups, chocolate and confectionary	1.17	31.93	3.49
Mineral waters, soft drinks and juices	0.95	23.66	2.08
Fish	10.24	6.45	6.15
Fruit	2.12	3.08	0.61
Bread and cereals	7.97	2.31	1.71
Vegetables including potatoes and other	12.46	-3.27	-3.79
Food products n.e.c.	1.06	28.86	2.85
Non-food	55.09	14.98	22.71
Recreation and culture	3.04	30.81	8.74
Hotels, cafes and restaurants	8.28	20.75	16.01
Alcoholic beverages, tobacco, narcoti	2.23	20.39	4.24
Transport	6.21	19.00	10.99
Furnishing, household equipment etc	7.83	18.85	13.75
Clothing and footwear	11.29	15.85	16.66
Housing, water, electricity, gas and other	6.98	7.91	5.14
Miscellaneous goods and services	2.99	4.00	1.12
Health	4.33	1.55	0.63
Education	1.60	1.02	0.15
Communications	0.31	-4.51	-0.13

Source: Ghana Statistical Service (GSS)

Annex 5
Consumer Price Index (CPI) by Regions, May 2010

Region	Index	Change rate (%)	
	2002 = 100	Monthly	Yearly
NATIONAL	339.21	1.87	10.68
Eastern Region	345.90	0.92	3.58
G. Accra Region	345.47	1.66	5.71
Ashanti Region	322.49	3.56	11.72
Northern Region	335.76	4.37	11.89
Western Region	348.29	0.06	12.72
Volta Region	372.21	1.66	14.23
Brong Ahafo Region	300.91	2.01	16.69
Central Region	344.11	0.02	17.95
Upper East & West Region	345.69	2.96	18.87



Source: Ghana Statistical Service (GSS)

Annex 6
Regional CPI, April 2010

Region	Combined Food and non-food	Food and non alcoholic Beverages	Non-food
Index (2002=100)			
Western Region	348.29	328.21	364.10
Central Region	344.11	253.07	432.27
G. Accra Region	345.47	315.10	366.93
Eastern Region	345.90	316.45	373.47
Volta Region	372.21	429.46	321.18
Ashanti Region	322.49	266.12	366.34
Brong Ahafo Region	300.91	250.37	344.96
Northern Region	335.76	277.01	386.76
Upper East & West Region	345.69	278.99	413.20
NATIONAL	339.21	298.64	372.27
Month-on-month inflation			
Western Region	0.06	0.02	0.09
Central Region	0.02	0.01	0.03
G. Accra Region	1.66	3.92	0.34
Eastern Region	0.92	0.51	1.24
Volta Region	1.66	1.75	1.55
Ashanti Region	3.56	4.46	3.06
Brong Ahafo Region	2.01	0.46	3.01
Northern Region	4.37	4.07	4.55
Upper East & West Region	2.96	1.13	4.25
NATIONAL	1.87	2.25	1.62
Year-on-year inflation			
Western Region	12.72	14.27	11.64
Central Region	17.95	12.63	21.19
G. Accra Region	5.71	3.88	6.86
Eastern Region	3.58	-4.46	11.00
Volta Region	14.23	24.67	3.87
Ashanti Region	11.72	1.18	18.71
Brong Ahafo Region	16.69	9.73	21.57
Northern Region	11.89	10.71	12.64
Upper East & West Region	18.87	18.73	18.97
NATIONAL	10.68	4.69	14.98

Source: Ghana Statistical Service (GSS)