



Republic of Ghana

Newsletter Producer Price Index (PPI) October, 2011



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Producer Price Inflation Decline to 16.84% in October 2011

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 price indices with reference to September 2006, the base period. This release shows the producer price changes since September 2006, as well as the annual (year-on-year) and monthly inflation rates, for all industry and three major sub-sectors of industry (Mining and Quarrying, Manufacturing, and Utilities) for the last twelve months. The data for the month of October 2011 are provisional, and are subject to revision in the following month when additional data are available. All other data are final.

October 2011 Producer Inflation

The producer price index increased 16.84 percent between October 2010 and October 2011 (year-on-year), representing a decrease in producer inflation of 2.75 percentage points relative to the rate in September 2011 (19.59%). The month-on-month producer prices decreased 0.88 percent, after increasing 2.12 percent in September 2011 (Table 1).

Table 1: PPI September and October 2011

Month	Index Sept'06 =100	Change rate (%)	
		Monthly	Yearly
September 2011	252.92	2.12	19.59
October 2011	P250.69	P -0.88	P16.84

p: provisional

Producer inflation in the mining and quarrying sector dropped by 19.16 percentage points from the September rate (50.74%) to record 31.58 percent. Manufacturing which constitutes more than two-thirds of total industry, increased marginally to 16.91 percent, from a rate of 16.55 percent in September 2011. The lowest year-on-year price change of 8.01 was recorded in the Utilities sector (table 2).

Table 2: PPI and Inflation by Sector, October 2011 (September 2006=100)

Sector	Index	Change rate (%)	
		Monthly	Yearly
Mining & Quarrying	493.22	-7.56	31.58
Manufacturing	205.46	0.52	16.91
Utilities	295.41	0.32	8.01
INDUSTRY	250.69	-0.88	16.84

The data in this table are provisional

Trends

The October 2011 inflation rate was 16.84, 2.75 percentage points lower than the September rate of 19.59%.

During the 12-month period (October 2010 to October 2011), all industry recorded the highest producer inflation rate of 24.29% in April 2011. Following a slight decline between October and November, the inflation rate increased gradually peaking in April, after falling sharply between May

and June. The inflation rate resumed the increase until September 2011 (19.59 %). Comparatively higher rates ranging between 20.85 and 24.29 percent were recorded from January to May 2011. The producer inflation rate declined to 12.05 percent in June 2011, rising consistently thereafter until September 2011 when it recorded an increase of 19.59 percent.

Manufacturing Sector

During the month of October 2011, seven out of the sixteen major groups in the manufacturing sector recorded inflation rate higher than the sector average of 16.91 percent (Fig.2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate (48.44%), whilst tanning and dressing of leather and manufacture of hand luggage recorded the only negative rate (- 3.03%).

Petroleum Price Index

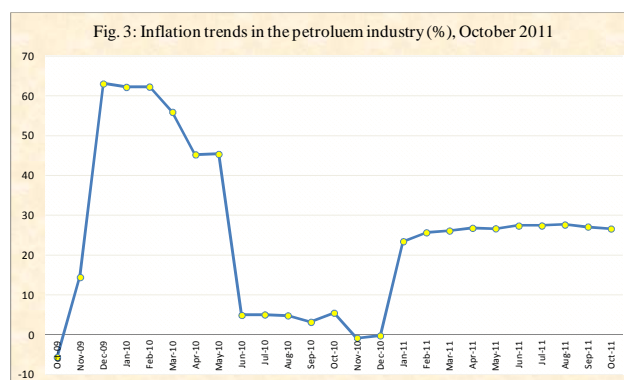
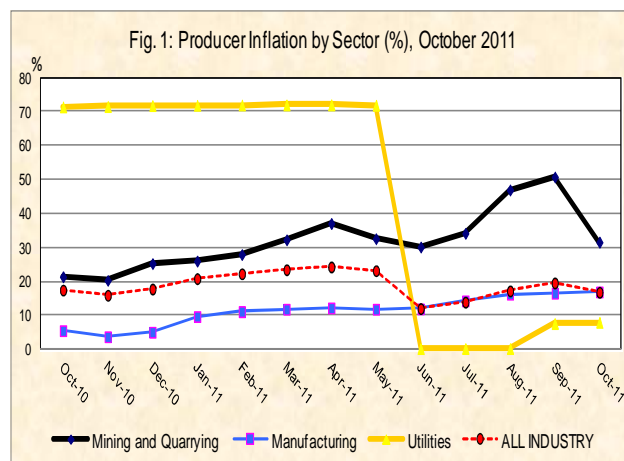
Inflation in this industry subgroup recorded four major significant changes in December 2009, April 2010, June 2010, and January 2011. In 2011, the inflation in the petroleum industry rose sharply in January, but has remained stable since (Fig 3).

Highlights

The year-on-year producer inflation for all industry in October 2011 is 16.84%; the monthly rate is -0.88 percent.

Mining and quarrying recorded the highest year-on-year rate of 31.58%, followed by manufacturing (16.91%). Utilities recorded the lowest rate of 8.01%.

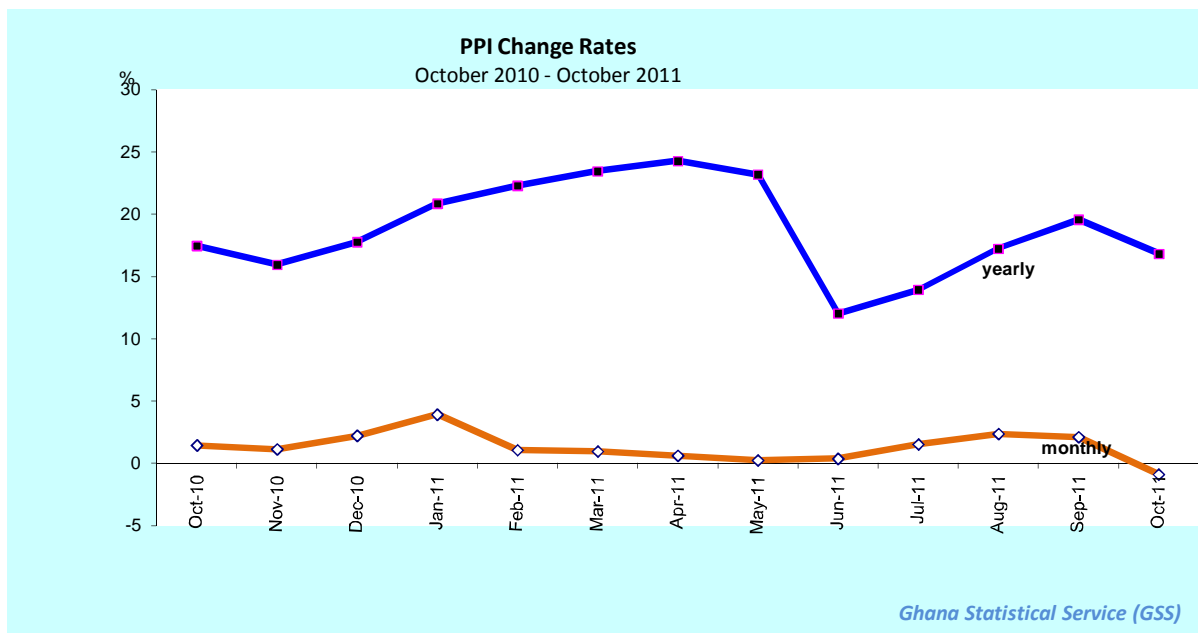
Between September 2011 and October 2011, manufacturing recorded the highest monthly change of 0.52%, followed by utilities (0.32) and mining and quarrying (-7.56%).



Annex 1: Producer Price Index

Year / Month	Index level	Monthly	Yearly
	Sept 2006=100	Change Rate (%)	
2007 Average	113.41	2.41	.
2008 Average	149.44	0.79	32.36
2009 Average	172.54	2.08	15.40
2010 Average	204.68	1.41	18.76
October-10	214.57	1.45	17.48
November-10	217.01	1.14	15.96
December-10	221.83	2.22	17.79
January-11	230.55	3.93	20.85
February-11	233.03	1.07	22.29
March-11	235.29	0.97	23.46
April-11	236.76	0.63	24.29
May-11	237.36	0.25	23.20
June-11	238.27	0.38	12.05
July-11	241.93	1.54	13.94
August-11	247.67	2.37	17.24
September-11	252.92	2.12	19.59
October-11	p 250.69	p -0.88	p 16.84

p: provisional



Annex 2: Producer Price Index by Sectors, October 2010 - October 2011

Year / Month	Mining and Quarrying	Manufacturing	Utilities	ALL INDUSTRY
Index (2006=100)				
October-10	374.84	175.75	273.49	214.57
November-10	386.89	177.51	273.56	217.01
December-10	408.90	180.67	273.94	221.83
January-11	407.32	192.66	273.97	230.55
February-11	405.42	195.94	274.12	233.03
March-11	424.99	196.61	274.15	235.29
April-11	444.31	196.75	274.15	236.76
May-11	450.34	196.95	274.16	237.36
June-11	455.35	197.58	274.17	238.27
July-11	463.25	201.33	274.20	241.93
August-11	516.01	203.20	274.26	247.67
September-11	533.56	204.39	294.47	252.92
October-11	p 493.22	p 205.46	p 295.41	p 250.69
Monthly Change Rates (%)				
October-10	5.90	0.22	0.00	1.45
November-10	3.22	1.00	0.02	1.14
December-10	5.69	1.78	0.14	2.22
January-11	-0.39	6.64	0.01	3.93
February-11	-0.47	1.70	0.06	1.07
March-11	4.83	0.34	0.01	0.97
April-11	4.55	0.07	0.00	0.63
May-11	1.36	0.10	0.00	0.25
June-11	1.11	0.32	0.01	0.38
July-11	1.73	1.90	0.01	1.54
August-11	11.39	0.93	0.02	2.37
September-11	3.40	0.58	7.37	2.12
October-11	p -7.56	p 0.52	p 0.32	p -0.88
Yearly Change Rates (%)				
October-10	21.40	5.54	71.33	17.48
November-10	20.35	3.76	71.50	15.96
December-10	25.28	5.11	71.76	17.79
January-11	26.02	9.69	71.81	20.85
February-11	27.94	11.16	71.89	22.29
March-11	32.27	11.83	71.96	23.46
April-11	37.07	12.22	71.97	24.29
May-11	32.60	11.84	71.84	23.20
June-11	30.15	11.99	0.27	12.05
July-11	34.18	14.32	0.29	13.94
August-11	46.93	16.31	0.31	17.24
September-11	50.74	16.55	7.67	19.59
October-11	p 31.58	p 16.91	p 8.01	p 16.84

p: provisional

Annex 3: Producer Price Index by Sectors /Industry Groups, September - October 2011

ISIC CODE	INDUSTRY GROUP (ISIC DESCRIPTION)	WEIGHTS (%)	INDEX LEVEL (September 2006 = 100)		MONTHLY INFLATION RATE (%)		ANNUAL INFLATION RATE (%)	
			Sep-11	Oct-11 (provisional)	Sep-11	Oct-11 (provisional)	Sep-11	Oct-11 (provisional)
	All Industries	100.00	252.92	250.69	2.12	-0.88	19.59	16.84
C	Mining and quarrying	13.97	533.56	493.22	3.40	-7.56	50.74	31.58
D	Manufacturing	69.75	204.39	205.46	0.58	0.52	16.55	16.91
E	Electricity, and water supply (Utilities)	16.28	294.47	295.41	7.37	0.32	7.67	8.01
C	Mining and quarrying	100.00						
C13	Mining of metal ores	95.01	567.88	523.33	3.54	-7.85	52.87	33.08
C132	Mining of non-ferrous metal ores, except uranium and thorium ores	95.01	567.88	523.33	3.54	-7.85	52.87	33.08
C14	Other mining and quarrying	4.99	109.46	109.46	0.00	0.00	6.84	6.84
C141	Quarrying of stone, sand and clay	3.42	101.08	101.08	0.00	0.00	8.62	8.63
C142	Mining and quarrying n.e.c.	0.87	154.84	154.84	0.00	0.00	-19.04	-19.04
D	Manufacturing	100.00						
D15	Manufacture of food products and beverages	25.64	224.60	227.19	-1.00	1.15	15.16	17.50
D151	Production, processing and preservation of meat, fish, fruit, vegetables, oils and fats	4.60	235.95	243.85	-0.44	3.35	23.12	25.72
D152	Manufacture of dairy products	4.31	192.38	192.38	0.00	0.00	11.82	11.82
D153	Manufacture of grain mill products, starches and starch products, and prepared animal feeds	4.66	296.68	296.68	0.00	0.00	23.46	31.38
D154	Manufacture of other food products	4.80	206.10	207.33	-7.81	0.59	11.51	12.17
D155	Manufacture of beverages	7.27	223.07	228.55	0.00	2.46	9.64	11.79
D17	Manufacture of textiles	4.27	208.25	208.25	7.49	0.00	40.12	40.12
D171	Spinning, weaving and finishing of textiles	4.28	208.25	208.25	7.49	0.00	40.12	40.12
D19	Tanning and dressing of leather; manufacture of luggage, handbags, saddlery, harness and footwear	0.12	205.81	214.94	0.00	4.43	-7.15	-3.03
D192	Manufacture of footwear	0.12	205.81	214.94	0.00	4.43	-7.15	-3.03
D20	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	9.03	194.41	198.11	-0.29	1.91	8.15	8.82
D201	Sawmilling and planing of wood	4.94	197.96	197.96	-0.01	0.00	3.63	3.63
D202	Manufacture of products of wood, cork, straw and plaiting materials	4.10	185.50	198.44	-1.02	6.98	22.72	23.89
D21	Manufacture of paper and paper products	0.62	199.11	199.11	0.00	0.00	31.57	20.14
D210	Manufacture of paper and paper products	0.62	199.11	199.11	0.00	0.00	31.57	20.14
D22	Publishing, printing and reproduction of recorded media	1.14	284.34	285.47	0.60	0.40	21.13	23.22
D221	Publishing	0.40	329.88	329.88	0.00	0.00	35.64	35.64
D222	Printing and service activities related to printing	0.74	262.21	263.82	0.92	0.61	13.88	17.15
D23	Manufacture of coke, refined petroleum products and nuclear fuel	22.94	203.47	203.54	-0.02	0.04	27.09	26.58
D232	Manufacture of refined petroleum products	22.94	203.47	203.54	-0.02	0.04	27.09	26.58

ISIC CODE	INDUSTRY GROUP (ISIC DESCRIPTION)	WEIGHTS (%)	INDEX LEVEL (September 2006 = 100)		MONTHLY INFLATION RATE (%)		ANNUAL INFLATION RATE (%)	
			Sep-11	Oct-11 (provisional)	Sep-11	Oct-11 (provisional)	Sep-11	Oct-11 (provisional)
			D24	Manufacture of chemicals and chemical products	10.15	170.69	170.69	-0.01
D241	Manufacture of basic chemicals	0.54	254.14	254.14	0.00	0.00	11.54	11.54
D242	Manufacture of other chemical products	9.45	170.98	170.98	-0.01	0.00	13.33	13.33
D243	Manufacture of man-made fibres	0.16	109.63	109.63	0.00	0.00	0.00	0.00
D25	Manufacture of rubber and plastics products	3.90	173.06	173.56	-0.63	0.29	13.25	9.56
D251	Manufacture of rubber products	0.76	251.97	255.64	-3.47	1.46	28.42	23.10
D252	Manufacture of plastics products	3.14	158.93	158.97	0.03	0.02	10.57	7.04
D26	Manufacture of other non-metallic mineral products	8.20	193.05	193.93	4.79	0.46	8.23	8.76
D269	Manufacture of non-metallic mineral products n.e.c.	8.20	193.05	193.93	4.79	0.46	8.23	8.76
D27	Manufacture of basic metals	5.02	182.81	183.01	0.14	0.11	12.69	12.81
D271	Manufacture of basic iron and steel	2.02	231.54	231.54	0.00	0.00	25.71	25.71
D272	Manufacture of basic precious and non-ferrous metals	2.65	152.70	153.00	0.25	0.19	3.68	3.88
D28	Manufacture of fabricated metal products, except machinery and equipment	3.70	267.56	267.65	0.67	0.03	3.40	4.63
D281	Manufacture of structural metal products, tanks, reservoirs and steam generators	1.55	267.77	267.77	1.53	0.00	7.26	10.53
D289	Manufacture of other fabricated metal products; metalworking service activities	2.15	267.41	267.55	0.00	0.06	0.20	-0.24
D29	Manufacture of machinery and equipment n.e.c.	0.42	413.18	413.18	0.00	0.00	48.44	48.44
D292	Manufacture of special-purpose machinery	0.42	413.18	413.18	0.00	0.00	48.44	48.44
D31	Manufacture of electrical machinery and apparatus n.e.c.	0.41	167.89	167.89	0.00	0.00	14.99	14.99
D313	Manufacture of insulated wire and cable	0.41	167.89	167.89	0.00	0.00	14.99	14.99
D34	Manufacture of motor vehicles, trailers and semi-trailers	0.05	206.32	215.92	-2.24	4.66	8.27	13.31
D342	Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semi-trailers	0.05	206.32	215.92	-2.24	4.66	8.27	13.31
D36	Manufacture of furniture; manufacturing n.e.c.	2.44	230.14	234.04	1.57	1.70	19.12	21.12
D361	Manufacture of furniture	2.33	229.05	233.07	1.62	1.75	18.39	20.44
D369	Manufacturing n.e.c.	0.11	265.48	265.48	0.00	0.00	43.52	43.52
E	Utilities	100.00						
E40	Electricity and water supply	93.25	299.17	300.19	7.40	0.34	7.72	8.08
E401	Production, transmission and distribution of electricity	93.25	299.17	300.19	7.40	0.34	7.72	8.08
E41	Collection, purification and distribution of water	6.75	235.12	235.12	7.00	0.00	7.00	7.00
E410	Collection, purification and distribution of water	6.75	235.12	235.12	7.00	0.00	7.00	7.00