



Newsletter Producer Price Index (PPI) December, 2012



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Producer Price Inflation Increased to 17.1% in December 2012

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 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 figures for the month of December 2012 are provisional, and are subject to revision when additional data are available. All other indicators are final.

December 2012 Producer Inflation

The Producer Price Index increased by 17.1 percent between December 2011 and December 2012 (year-on-year), representing an increase in producer inflation by 1.3 percentage points relative to the revised rate recorded in November 2012 (15.8%). The month-on-month change in producer prices between November 2012 and December 2012 was -0.4 percent (Table 1).

Table 1: PPI for November and December 2012

Month	Index level		Change rate (%)	
	Sept 2006=100	Monthly	Monthly	Yearly
November, 2012	p 296.4	p -0.4	p -0.4	p 15.8
November, 2012 rev	296.5	-0.3	-0.3	15.8
December, 2012	p 295.3	p -0.4	p -0.4	p 17.1

P: Provisional

In December 2012, the producer price inflation in the Mining and Quarrying subsector increased by 8.0 percentage points over the November 2012 rate of 19.6 percent, to record 27.6 percent. Manufacturing, which constitutes more than two-thirds of total industry, increased slightly to 19.3 percent, from a rate of 19.0 percent in November 2012. The rate for the Utilities sub-sector was 1.4 percentage point lower than that of November 2012. (Table 2).

Table 2: PPI and Inflation by Sector, December, 2012 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	616.8	-2.3	27.6
Manufacturing	248.3	0.1	19.3
Utilities	303.1	0.0	1.5
ALL INDUSTRY	295.3	-0.4	17.1

The data in this table are provisional

Trends

During the 12-month period (December 2011 to December 2012), all industry recorded the highest year-on-year inflation in June and October 2012 (19.1%) and the lowest in December 2011 (13.6%). From January to May 2012, the producer inflation fluctuated between 15.0 percent and 16.6 percent, and thereafter increased significantly in July 2012 to 19.0 percent and dropped to 17.8 percent in August. It declined further in September 2012 but

increased to 19.1 percent in October 2012 and dropped subsequently in November 2012 to 15.8 percent. In December 2012 however, it increased to 17.1 percent.

Manufacturing Sector

During the month of December 2012, five out of the sixteen major groups in the manufacturing subsector recorded inflation rates higher than the sector average of 19.3 percent (Fig. 2). Manufacture of textiles recorded the highest inflation rate (40.1%) whilst Manufacture of machinery and equipments n.e.c recorded no change (0.0%).

Petroleum Price Index

During the last 12 months, the producer inflation in the petroleum sub-sector exhibited a downward trend. The highest inflation rate in the sub-sector was recorded in December 2011 (25.8%) and the lowest in May 2012 (16.0%) (Fig. 3).

Highlights

The year-on-year producer inflation for all industry was 17.1 percent in December 2012; the monthly inflation rate was -0.4 percent.

The Mining and quarrying sub-sector recorded the highest year-on-year producer inflation rate of 27.6 percent, followed by manufacturing (19.3%) and Utilities (1.5%).

The monthly changes in the producer price index indicated that manufacturing recorded a marginal increase of 0.1 percentage points while Mining and Quarrying recorded a negative inflation rate (-2.3%). There was no change in the Utilities sub-sector.

