

FACTORY PRICES DROP AGAIN

EX FACTORY prices dropped marginally for the fourth consecutive month as the Producer Price Inflation (PPI) for April 2010 recorded 17.46 percent, a 1.61 percentage point lower than that of March 2010.

According to figures released by the Ghana Statistical Service (GSS), the change in the PPI, which measures the average change over time in the prices received by domestic producers for the production of goods and services between March and April 2010, was 0.42 per cent that was recorded in the previous month.

The marginal drop means that factory prices did not change significantly in April.

Manufacturing, the most important industrial sub-sector with 69.75 per cent share of all industry, recorded an inflation of 19.57 per cent compared with 23.53 per cent in March 2010.

In this sector, there was a substantial inflation in the manufacture of coke and refined petroleum products.

Manufacture of wood and coke and manufacture of chemicals and chemical products recorded negative inflation rates of 4.63 and 2.70 per cent respectively.

Six out of 16 groups recorded inflation rates higher than the average for the manufacturing sector.

They were manufacture of beverages and dairy products; publishing; manufacture of coke, refined petroleum products and nuclear fuel; manufacture of refined petroleum products, publishing, printing and reproduction of recorded materials.

Manufacture of wood, cork, straw and plaiting materials as well as sawmilling and planing of wood on the other hand recorded negative rates.

Mining and quarrying, 13.97 per cent share, recorded an inflation rate of 25.86 per cent, which was higher than that of March.

The sub-sector also recorded the highest monthly change.

Quarrying of stone, sand and clay recorded negative inflation rates, which means that there are less constructional activities.

Utilities, which include production, transmission and distribution of electricity and collection, purification and distribution of water, recorded an insignificant 0.09 percent inflation, indicating that there was virtually no change in the price change.

The lowest price change was due to the regulated pricing of its output.

Change rates in the Petroleum Price index have had a major influence on the manufacturing sector.

This industry recorded a negative inflation in 2009, but it has so far recorded a positive inflation this year.

Source: By Charles Nixon Yeboah