

# PRICES TUMBLE AGAIN AT FACTORY GATES

*...As producer inflation dips a fourth consecutive time*

Finance Desk Report

Ghana has recorded a drop in its Producer Price Index (PPI) the fourth time in a row, indicating a drop in inflation at the factory gates.

This decline pegged the April year on-year producer inflation at 17.46% as against 19.07% for March 2010.

April's inflation represents the lowest recorded in the last six months with the November, 2009 recording 20.36%.

Head of Economic Statistics at the GSS, Magnus Ebo Duncan, said the yearly change of 17.46% between April 2009 and April 2010 was a 1.61 percentage points lower than that of March 2010.

"Manufacturing, the largest industrial sub-sector with 69.75% share of all industry recorded the highest inflation of 19.9%." Mr. Duncan disclosed.

Mining & Quarry which has a 13.97% share of all industry also recorded an inflation rate of 25.86%, while utilities sub-sector which includes the production, transmission and distribution of electricity as well as the collection, purification and distribution of water recorded a 0.09% for the period under review.

According to the Economic Statistian, except for February, 2010, mining and quarrying exhibited the highest inflation rate between April 2009 and April 2010, with the utilities sub-sector continuing to record the lowest price change due to the regulated price fixing of its output.

"For manufacturing there was a substantial inflation in the manufacture of cork and refined petroleum products with a figure of 45.22%, while manufacture of wood products and cork and the manufacture of chemical products recorded negative inflation rates of 4.63% and 2.70% respectively," a release by the Statistical bureau stated.

Mr. Duncan explained that the rate of price change for gold, which has the highest weight in the mining and quarrying sector, was towing the same direction as the rate of change in gold prices on the world commodities market.

The producer price index measures the average change over time in the prices received by domestic producers for the production of their goods and services, the base timeline for Ghana's being September 2006