

## INFLATION GOES UP AGAIN

GHANA'S inflation edged higher to 9.16 per cent in February from 9.08 per cent the month before, the Ghana Statistical Service (GSS) said yesterday.

Government Statistician, Grace Bediako, said non-food group items, led by transport, alcoholic beverages, housing, water and electricity recorded higher rates above the national average. The gain follows a 30 per cent hike in petrol prices implemented in January.

Inflation rose for the first time in 19 month in January and this second monthly gain will reinforce views that inflation pressures in the West Africa economy are gathering.

"While CPI still appears well-contained... There is still little immediate need for a rate hike" said Standard Bank analyst Razia Khan.

"But with global oil prices rising further, and Ghana's January domestic fuel adjustment rising only enough to compensate for a rise in global prices to USD 93/bbl from USD 75/bbl previously, it is clear that pressure persist".

"The debate on future rate hikes has now shifted to 'when' we will see that (interest rate) tightening"

"The pick-up in inflation is beginning to put pressure on the central bank to raise interest rates" Lisa Lewin, head of sub-Saharan African analysis at Business Monitor International, said in an e-mailed note yesterday.

The acceleration may not be enough yet to push the Bank of Ghana to tighten monetary policy she said.

"The rate at which inflation increases in February and March will however, be the crucial determinants" Lewin said