

INFLATION DROPS AGAIN

Year-on-Year inflation continued to drop as it went down marginally for the fourth consecutive time this year, recording 18.04 percent in October, 2009 compared to 18.37 percent recorded last year.

If the seasonal trend is anything to go by, then inflation-average change in general price levels will inch up in November and December, which is consider festive periods. Except 2005 where inflation declined in November and December, inflation has never dropped in these months for the past 10 years.

Commenting on the raging debate where the Center for Policy Analysis (CEPA) predicted that government was going to meet its inflation target of 14.5 percent, Magnus Ebo Duncan, head of Economics and Statistics at the Ghana Statistical Service, said from his outfit's measurement, it was going to be difficult for the government to meet its inflation target for this year. "It is only in 2005 that inflation reduced from September to December. If you look at fuel price levels in November and December, it is not possible there would be drastic reduction in fuel and that tells you that some commodities which are affected by fuel price changes would not reduce in prices". Stressing further, he said, "You can stabilize your currency alright though good but you cannot control external forces"

Edward Asuo Affram, Head of Pricing at the Ghana Statistical Service (GSS), however, said that inflation might drop again in November and December but insignificant. Again, while recreation and culture, health and furnishing, household and equipment recorded the highest inflation just in like September 2009, housing, water, electricity subgroup, transport and communication recorded the least inflation.

According to figures released by the GSS, food inflation was lower at 13.35 percent but slightly higher than 12.78 percent recorded in September whilst the non-food inflation recorded 21.15 percent, lower than 22.38 in September.

Yet again, inflation in the rural area was lower than in the urban areas but the gap between the urban and the rural areas keeps narrowing.

Four regions, Ashanti, Volta, Central and Upper East and West, recorded inflation rates above the National average.

Oil, fats and fruits contributed to the decline in the change in inflation regarding food and non-food and non-alcoholic beverages group while vegetables including potatoes, bread and cereals, meat and milk recorded very high inflations

On the other hand, water and electricity, and transport and communication contributed to the fall in the non-food category.

For the regions Greater Accra region toppled the Eastern region to record the least inflation of 12.67 percent (17.95 percent for food and 9.87percent for non-food). Eastern region followed recording 13.57 percent.

Northern, Brong Ahafo, and Western followed suit with inflation of 16.69 percent respectively.

The four regions which recorded inflation above the national average were Ashanti (21.10 percent), Volta (24.66 percent), Central region (24.85 percent) and the two Upper regions (27.12 percent).

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