

Inflation decline slightly

Figures emanating from the Ghana Statistical Service indicate that year on year inflation which is measured by the Consumer Price Index (CPI) has dropped slightly to 9.08 percent for the 12 month period ended November 2010, from 9.38 percent recorded in October, 2010.

The monthly rate, which is the percentage change in the CPI over one month, was 0.47 percent for November 2010, compared with negative 0.95 percent recorded in October 2010.

The figures show that non-food inflation which dropped slightly in the month of October was higher than the food inflation for the month of November. The non-food inflation recorded 11.5 percent while the food inflation was 5.32 percent.

For the non food group, alcoholic beverage, tobacco and narcotic recorded an inflation rate of 19.03 percent, hotel and restaurants 16.59 percent, housing water, electricity, gas and other utilities 14.62 percent, and clothing and footwear 14.15 percent.

For the food inflation which constitutes like 44.91 percent, bread and cereals recorded negative 3.20 percent as well as vegetable including potatoes was 2.93 percent.

There has been continuous fall in the inflation rate since June 2009. The largest decline in 2010 was recorded in April which was 1.66 percentage points followed by January which was 1.19 percentage points and June 1.16 percentage points.

The other months recorded declines below one percentage point, with the lowest recorded in August 2010. The cumulative decline between January this year and November 2010 was 5.70 percentage points that is from 14.78 percent to 9.08 percent.

The downward pressure on inflation could be attributed to both the food and the non-food inflation group. The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010, falling from 9.08 percent to 4.68 percent in May 2010.

It however rose to 6.13 percent in June 2010 and fell again to 5.33 percent in August 2010. It rose again to 5.67 percent in September 2010 and then fell to 5.32 percent in November 2010.

Source: Economy Times, Monday December 20, 2010, Pages 1 & 4.