

Inflation Drops To 9.08 Percent

Ghana's annual inflation slipped to 9.08 per cent in November from 9.38 percent in October, the Ghana Statistical Service has announced.

Mr. Ebo Duncan, Head of Economic and Industry Statistics, who announced this at a news conference in Accra yesterday said the pace of inflation in the country had slowed for 17 consecutive months, falling from peaks of over 20 percent in 2009.

The downward trend of the country's inflation is attributed to both the food and non-alcoholic beverages group and the non-food group.

The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010, falling from 9.08 percent to 4.69 per cent in May 2010.

Analysts had expected inflation to stabilize or start ticking higher due to the effects of utility price hikes and a public wage increase.

"After having been more or less static around current levels for some time, Ghana's year-on-year inflation rate shows a surprise improvement in November," said Razia Khan at Standard Chartered.

"With a less-favourable base next year and some we believe limited end-of-year pressure on the FX rate, the key is whether Ghana will be able to sustain this favourable inflation performance," she said.

The Bank of Ghana's rate-setting committee last week announced it would hold the prime policy rate steady at 13.5 per cent after shaving off five full points since November 2009 as inflation has slowed.

Source: The Ghanaian Times, Thursday December 16, 2010, Page 26.