



Republic of Ghana

Newsletter Producer Price Index (PPI) January, 2019



February 20, 2019

Producer Price Inflation Rate in January 2019 is 3.4%

The Producer Price Index

The Producer Price Index (PPI) measures the average change over time in the prices received by domestic producers for the production of their goods and services. The PPI for Ghana reports the producer price indices with reference to September 2006, the base period. This release shows the annual (year-on-year) and monthly producer inflation rates for all industry and three major sub-sectors of industry (Mining and Quarrying, Manufacturing and Utilities) for the last twelve months. The figures for the month of January 2019 are provisional, and are subject to revision when additional data become available. All other indicators are final.

January 2019 Producer Inflation

The Producer Price Inflation rate for January 2019 was 3.4 percent. This rate indicates that, between January 2018 and January 2019 (year-on-year), the PPI increased by 3.4 percent. This rate represents a 1.0 percentage point decrease in producer inflation relative to the rate recorded in December 2018 (4.4%). The month-on-month change in producer price index between December 2018 and January 2019 was 0.3 percent (Table 1).

Table1: PPI for December and January 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
November, 2018	p599.3	p-1.2	p4.4
November, 2018 rev	599.3	- 1.2	4.4
December, 2018	p600.8	p0.3	p3.4

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 0.4 percentage points over the December 2018 rate of 8.5 percent to record 8.9 percent in January 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 1.5 percentage points to record 3.0 percent. The utilities sub-sector recorded the same inflation rate (-0.1%) as the rate for December 2018.

Table 2: PPI and Inflation by Sector, January 2019 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,247.7	4.6	8.9
Manufacturing	476.4	-0.7	3.0
Utilities	796.9	0.1	-0.1
ALL INDUSTRY	600.8	0.3	3.4

The data in this table are provisional.

Trends

In January 2018, the producer price inflation rate for all industry was 7.7 percent. The rate decreased consistently to record 3.7 percent in March 2018. Subsequently, it increased continuously to record 8.2

percent in July 2018, but declined to 7.0 percent in August 2018 and further to 5.8 percent in September 2018. In October 2018, the rate increased to 7.2 percent but declined continuously to record 3.4 percent in January 2019.

Manufacturing Sector

During the month of January 2019, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 3.0 percent. Manufacture of basic metals recorded the highest inflation rate of 16.8 percent, while Manufacture of machinery and equipment n.e.c. recorded 0.0 percent (Fig. 2).

Petroleum Price Index

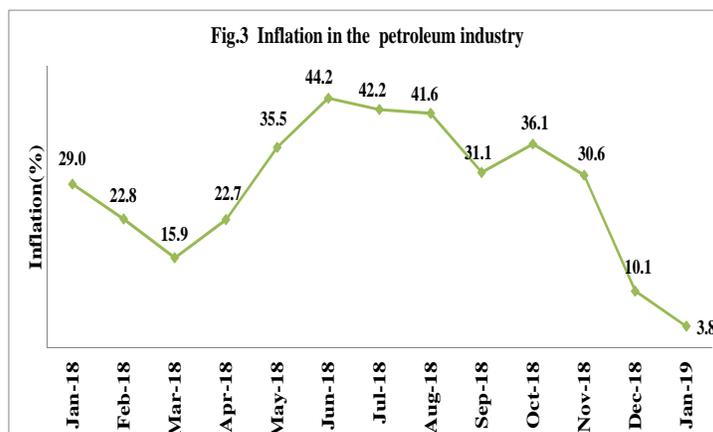
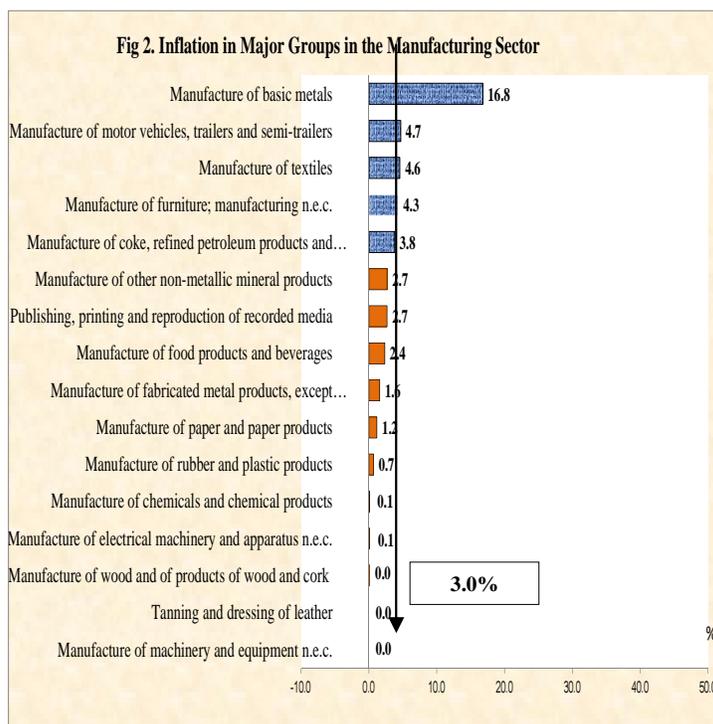
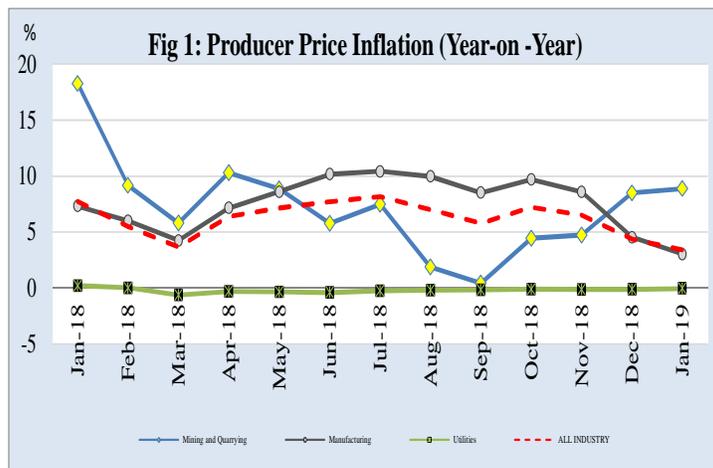
The producer inflation rate in the petroleum sub-sector was 29.0 percent in January 2018. The rate declined consistently to record 15.9 percent in March 2018. Subsequently the rate increased to 44.2 percent in June 2018, but decreased to 31.1 percent in September 2018. It however, resumed an upward trend to record 36.1 percent in October 2018. The rate then declined consistently to record 3.8 percent in January 2019 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 3.4 percent in January 2019; the monthly change rate was 0.3 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 8.9 percent, followed by manufacturing sub-sector with 3.0 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.1 percent.

With respect to the monthly changes, Mining and quarrying recorded the highest inflation rate of 4.6 percent, followed by Utilities the sub-sector with 0.1 percent. The Manufacturing sub-sector recorded the lowest inflation rate of -0.7



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at statsghana.gov.gh. For details of the PPI and for further explanation, please contact the Business & Industrial Statistics Section of the GSS or call 0302-682640. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana.