



Republic of Ghana

Newsletter Producer Price Index (PPI) January, 2014



Ghana Statistical Service
P.O. Box GP 1098
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Producer Price Inflation Rate Increased to 23.3% in January 2014

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 producer price changes since September 2006, as well as the annual (year-on-year) and monthly 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 2014 are provisional, and are subject to revision when additional data become available. All other indicators are final.

January 2014 Producer Inflation

The Producer Price Inflation rate increased by 23.3 percent between January 2013 and January 2014 (year-on-year), representing an increase of 8.0 percentage points in producer inflation relative to the rate recorded in December 2013 (15.3%). The month-on-month change in producer prices between December 2013 and January 2014 was 7.2 percent (Table 1).

Table 1: PPI for December 2013 and January 2014

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
December, 2013	p 340.4	p 1.6	p 15.3
December, 2013 rev	340.4	1.6	15.3
January, 2014	p 364.7	p 7.2	p 23.3

P: Provisional

In January 2014, the producer price inflation in the Mining and Quarrying subsector increased by 7.4 percentage points over the December 2013 rate of -13.2 percent, to record -5.8 percent. Manufacturing, which constitutes more than two-thirds of total industry, increased by 6.8 percentage points to record 24.2 percent. The rate for the Utilities sub-sector rose by 14.3 percentage points relative to December 2013 (41.0%) to record 55.3 percent in January 2014.

Table 2: PPI and Inflation by Sector, January, 2014 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	582.0	9.4	-5.8
Manufacturing	308.7	5.9	24.2
Utilities	470.9	10.2	55.3
ALL INDUSTRY	364.7	7.2	23.3

The data in this table are provisional.

Trends

During the 12-month period (January 2013 to January 2014), the highest year-on-year inflation rate of 23.3 percent for all industry was recorded in January 2014. The producer price inflation fluctuated from January 2013 until March 2013 when it declined continuously over a five-month period to record the lowest rate of 4.7 percent in August 2013. In September 2013, however, the rate

inched up to record 5.8 percent. Subsequently, the rate rose continuously to record 11.6 percent in October 2013, 13.0 percent in November 2013, and 15.3 percent in December 2013. The rate increased substantially to 23.3 percent in January 2014.

Manufacturing Sector

During the month of January 2014, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 24.2 percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 76.0 percent whilst producer prices in the manufacture of electrical machinery and apparatus n.e.c. recorded the lowest inflation rate of -0.8 percent over the one year period.

Petroleum Price Index

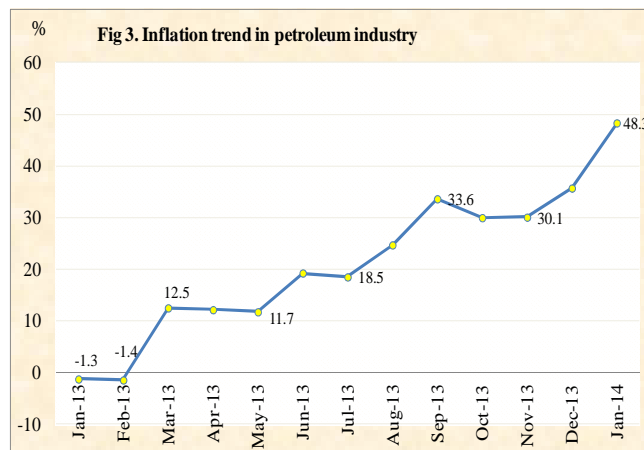
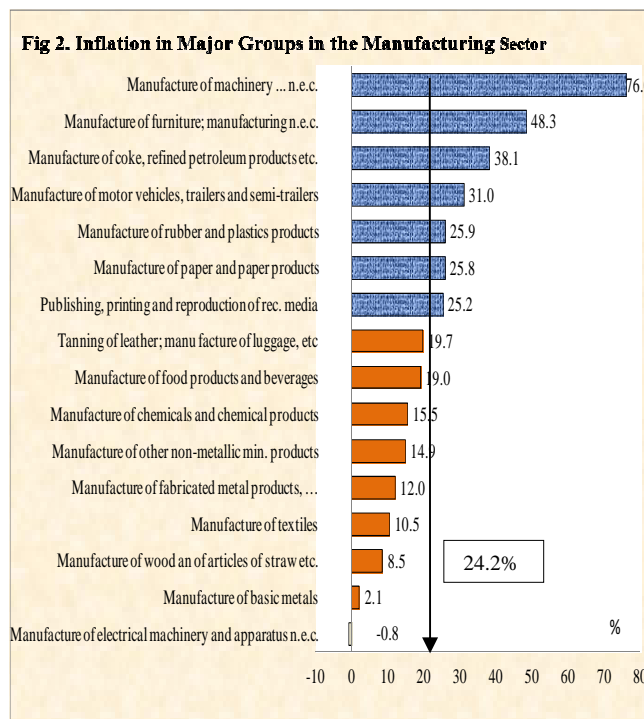
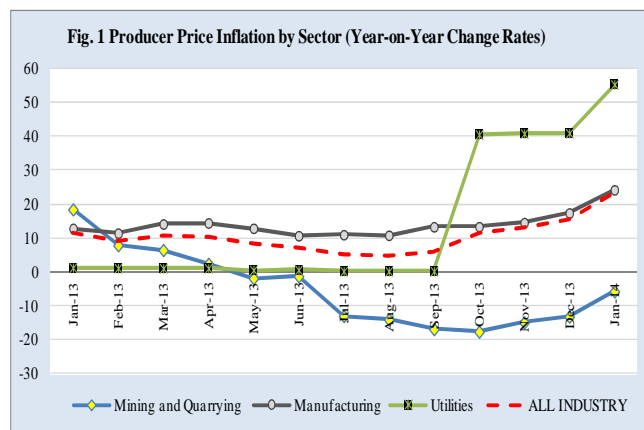
The inflation rate in the petroleum sub-sector recorded a negative inflation of 1.3 percent in January 2013. However, the inflation rate rose in March 2013 and increased consistently to record 33.6 percent in September 2013 but decreased in October 2013 to record a rate of 30.0 percent. In January 2014, increases in petroleum prices resulted in a sharp increase in the petroleum sub-sector inflation to record 48.3 percent (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 23.3 percent in January 2014; the monthly inflation rate was 7.2 percent.

The utilities sub-sector recorded the highest year-on-year producer price inflation rate of 55.3 percent, followed by the manufacturing sub-sector with 24.2 percent. The mining and quarrying sub-sector recorded an inflation rate of -5.8 percent.

The monthly changes in the producer price index indicated that utilities recorded a monthly inflation rate of 10.2 percent while mining and quarrying recorded 9.4 percent. The manufacturing sub-sector recorded the lowest monthly rate (5.9%).



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 any further explanation, please contact the Industrial Statistics Section of the GSS or call 0302-682640.