



Newsletter Producer Price Index (PPI) April, 2021



Producer Price Inflation Rate in April 2021 is 11.1%

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 April 2021 are provisional and are subject to revision when additional data become available. All other indicators are final.

April 2021 Producer Inflation

The Producer Price Inflation rate for April 2021 was 11.1 percent. This rate indicates that between April 2020 and April 2021 (year-on-year), the PPI increased by 11.1 percent. This rate represents a 1.9 percentage point decrease in producer inflation relative to the rate recorded in March 2021 (13.0%). The month-on-month change in producer price index between March 2021 and April 2021 was -0.1 percent. (Table 1)

Table 1: PPI for Feb., March & April 2021

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
February, 2021	747.3	-0.1	10.3
March rev. 2021	749.2	0.3	13.0
April, 2021	p748.5	p-0.1	p11.1

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 10.8 percentage points over the March 2021 rate of 22.7 percent to record 11.9 percent in April 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, decreased by 0.4 percentage points to record 13.7 percent. The utility sub-sector recorded an inflation rate of 0.2 percent for April 2021 indicating a marginal decrease of 0.1 percentage point over the March rate of 0.3 percent.

Table 2: PPI and Inflation by Sector, April 2021 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,998.8	-0.7	11.9
Manufacturing	574.0	0.0	13.7
Utilities	899.3	0.0	0.2
ALL INDUSTRY	748.5	-0.1	11.1

The data in this table are provisional.

Trends

In April 2020, the producer price inflation rate for all industry was 7.4 percent. The rate increased to record 9.5 percent in June 2020 but declined to 9.0

percent in August 2020. The rate increased to 9.7 percent in September 2020 but declined consistently to record 7.0 percent in December 2020. In January 2021, the rate increased to 8.7 percent and then to 13.0 percent in March 2021, but declined to record 11.1 percent in April 2021.

Manufacturing Sector

In April 2021, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 13.7 percent. Manufacture of motor vehicles, trailers, and semi-trailers recorded the highest inflation rate of 37.3 percent, while the Manufacture of electrical machinery and apparatus n.e.c. and Manufacture of machinery and equipment n.e.c. recorded the least inflation rate of 0.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was -15.3 percent in April 2020. The rate declined to record 15.4 percent in May 2020. In June 2020, the rate increased to -4.5 percent, but declined to record -5.4 percent in August 2020. Thereafter, it increased to -0.3 percent in September and declined to -5.0 percent in November 2020. Subsequently, the rate increased continuously to a record 31.0 percent in March 2021, but declined to 30.6 percent in April 2021. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 11.1 percent in April 2021; the monthly change rate was -0.1 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 13.7 percent, followed by the Mining and Quarrying sub-sector with 11.9 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.2 percent.

The manufacturing and utility sub-sectors recorded no monthly inflation rate, with mining and quarrying sub-sectors recording the least inflation rate of -0.7 percent.

