



Newsletter Consumer Price Index (CPI) July 2020



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Summary

- National inflation from July 2019 to July 2020 was 11.4%.
- National month-on-month inflation from June 2020 to July 2020 was 0.5%.
- Food and Non-Alcoholic Beverages inflation was 13.7% and average Non-Food inflation 9.7%.
- Regional inflation was between 16.2% in Greater Accra and 4.2% in the Volta Region.

Government Statistician Says:

"National year-on-year inflation for July 2020 was 11.4%. The month-on-month inflation rate of 0.5% seem to indicate that prices are increasing at pre-COVID-19 levels. With the exception of fuels, most product categories saw month-on-month inflation rates comparable to the period October 2019 to March 2020."

July 2020 Inflation

The national year-on-year inflation rate was 11.4% in July 2020, which is 0.2 percentage points higher than last month (see Table 1). Month-on-month inflation between June 2020 and July 2020 was 0.5%. This is lower than the 1.0% recorded between May and June, the 1.7% recorded between April and May and the 3.2% between March and April 2020. The average month-on-month inflation recorded in the months October 2019 to March 2020 was 0.7%. Only two of the thirteen Divisions had higher than average inflation rates; Housing, Water, Electricity and Gas (20.3%) and Food and Non-Alcoholic Beverages (13.7%) (see Figure 1).

Table 1: Consumer Price Indices August 2019 to July 2020.

Month	CPI (2018 = 100)	Change (inflation %)	
		Monthly	Yearly
Aug - 2019	108.6	-	7.8
Sep	108.5	0.0	7.6
Oct	109.0	0.4	7.7
Nov	109.7	0.7	8.2
Dec	110.0	0.3	7.9
Jan - 2020	111.6	1.4	7.8
Feb	112.1	0.4	7.8
Mar	113.0	0.8	7.8
Apr	116.6	3.2	10.6
May	118.6	1.7	11.3
June	119.8	1.0	11.2
July	120.5	0.5	11.4

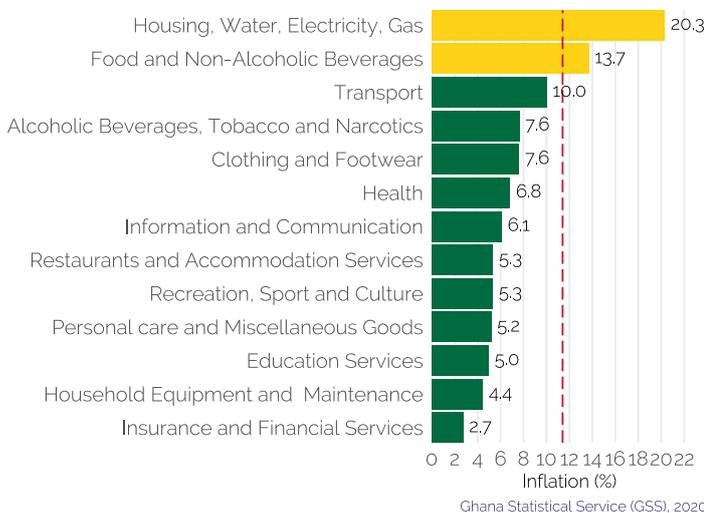


Figure 1: Year-on-year inflation July 2020, by Division. Inflation was highest for the 'Housing, Water, Electricity and Gas' and 'Food and Non-Alcoholic Beverages' Divisions.

Regional Inflation

At the regional level, the overall year-on-year inflation ranged from 4.2% in the Volta Region to 16.2% in Greater Accra. In all, but Greater Accra, Northern Region, and Volta Region, Food inflation was higher than Non-Food Inflation (See Figure 3). Especially in Western Region (19.8% Food inflation compared to 7.2% Non-Food inflation) and Ashanti (20.6% Food inflation and 4.3% Non-Food inflation), we see large differences between the Food and Non-Food inflation. These patterns are similar to those observed last month.

The overall month-on-month inflation was between - 0.5% in the Western Region and 1.6% in Upper West Region. With the exception of the Transport Division, most other Divisions saw a lower month-on-month inflation between June and July 2020 than on average between April and June 2020. See Figure 5, for the other regional month-on-month inflation rates.



Food and Non-Food Inflation

The Food and Non-Alcoholic Beverages Division recorded a year-on-year inflation rate of 13.7%. This is 0.1 percentage point lower than in June 2020 (13.8%) and 14 percentage points lower than May 2020 (15.1%). Within the Food Division, Vegetables (28.2%) and Fruits and Nuts (13.0%) were the Subclasses with the highest rates of inflation (see Figure 4). Month-on-month inflation for Fruits and Nuts stood at 0% while Vegetables recorded a negative inflation of -1.5%. As Food contributed 53.0% to year-on-year inflation, it is still the predominant driver of year-on-year inflation, but it contributed less than the previous three months. Month-on-month Food inflation was 0%, which is less than the overall month-on-month inflation and the average month-on-month food inflation.

Year-on-year Non-food inflation came in at 9.7%, which is higher than the 9.2% measured in June 2020. Month-on-month Non-Food inflation was 0.9%. The Division with the highest month-on-month inflation was Transport (3.9%). This increase is driven by an increase of prices of Diesel and Petrol. These two items saw price decreases between April and June and now seem to move back towards pre-April price levels. Compared to earlier months, Transport also contributed more to year-on-year inflation (9.2%) and month-on-month inflation (74.4%), than previous months (see Figure 6 on the final page). The Non-Food Subclasses with the lowest inflation were Life and Accident Insurance (-13.4%), Electricity (-35.5%) and Electric Appliances for Personal Care (-66.4%).

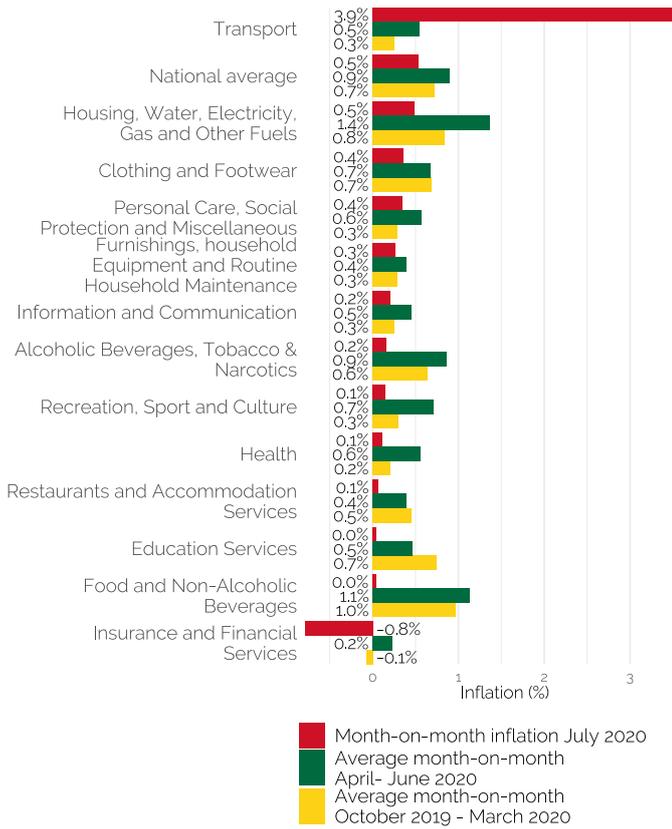


Figure 2: National month-on-month inflation rates for different Divisions

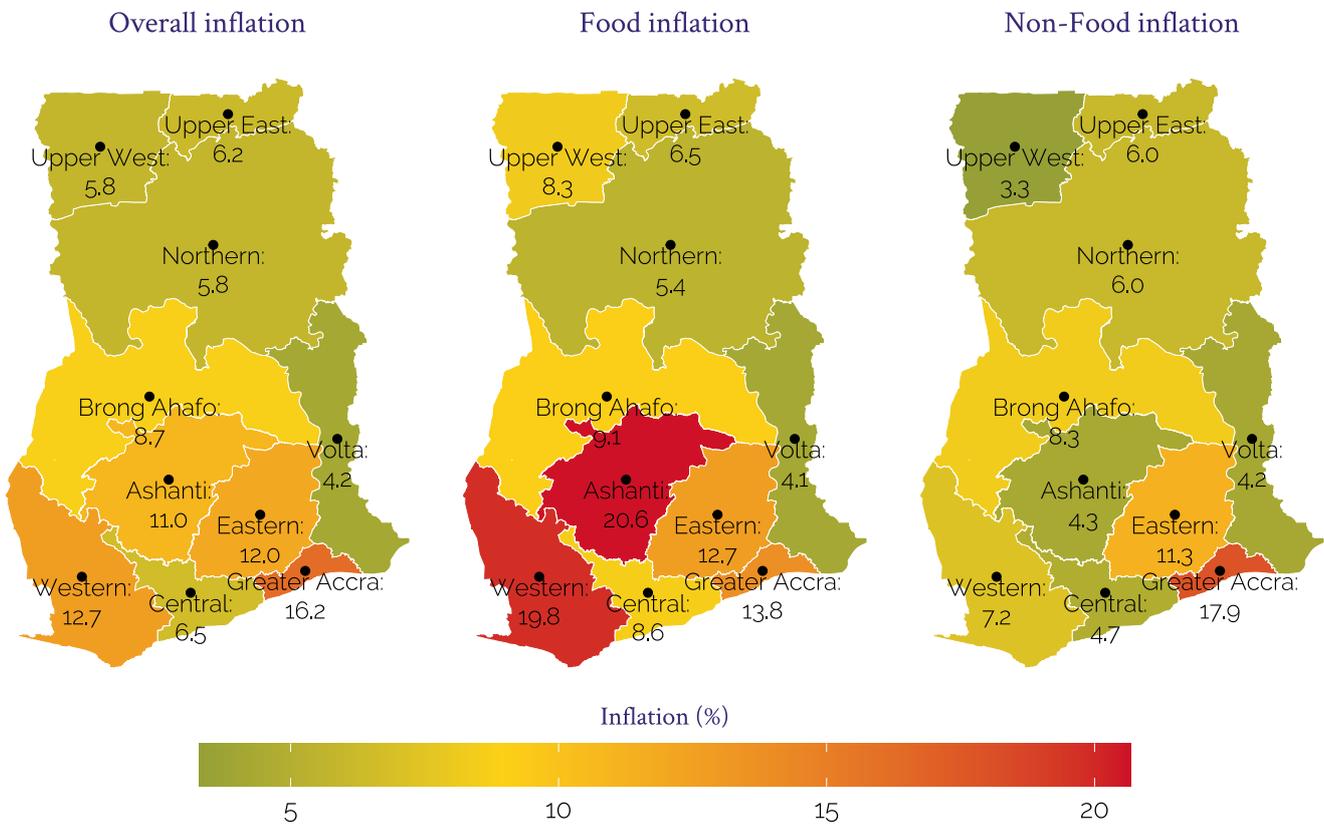
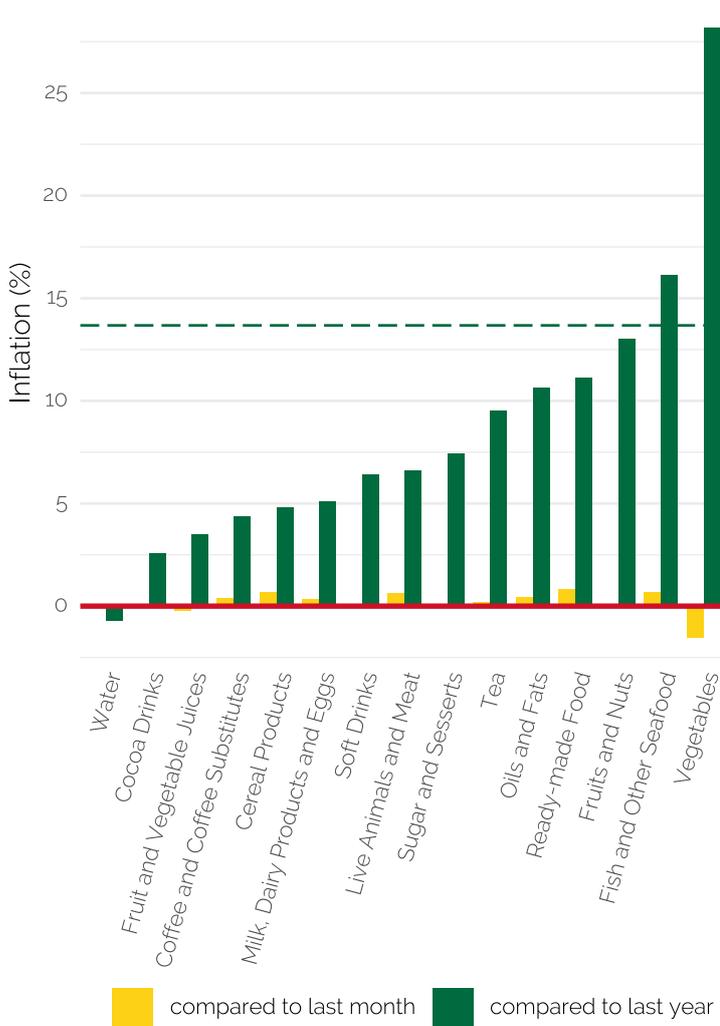


Figure 3: Year-on-year overall, Food and Non-Food inflation rates for July 2020 by region.



Imported and Local Inflation

The inflation of imported goods was 5.1%, while the inflation of local goods was 14.1% on average. Month-on-month inflation for imported goods was 1.0%, while month-on-month inflation for local goods was 0.4%. The main contributor to local inflation was the inflation of locally produced foods.

Core Inflation

Core inflation is a measure of inflation designed to present a more constant statistic of price change, that is less influenced by the month-on-month sudden drops and surges of prices of certain volatile goods and services. GSS does this by eliminating volatile products such as Food Items, Energy and Utility from the index calculation. In July 2020 the core inflation was 9.3%. This is lower than both the overall inflation and the Non-Food inflation. Last month the core inflation was 8.8%

More Information

Visit the GSS website (www.statsghana.gov.gh) for further information and detailed annexes or contact: Mr. John F.K. Agyaho (Head, Price Statistics, GSS) at john.agyaho@statsghana.gov.gh.

Ghana Statistical Service (GSS), 2020

Figure 4: Year-on-year and month-on-month Food Subclass inflation, July 2020

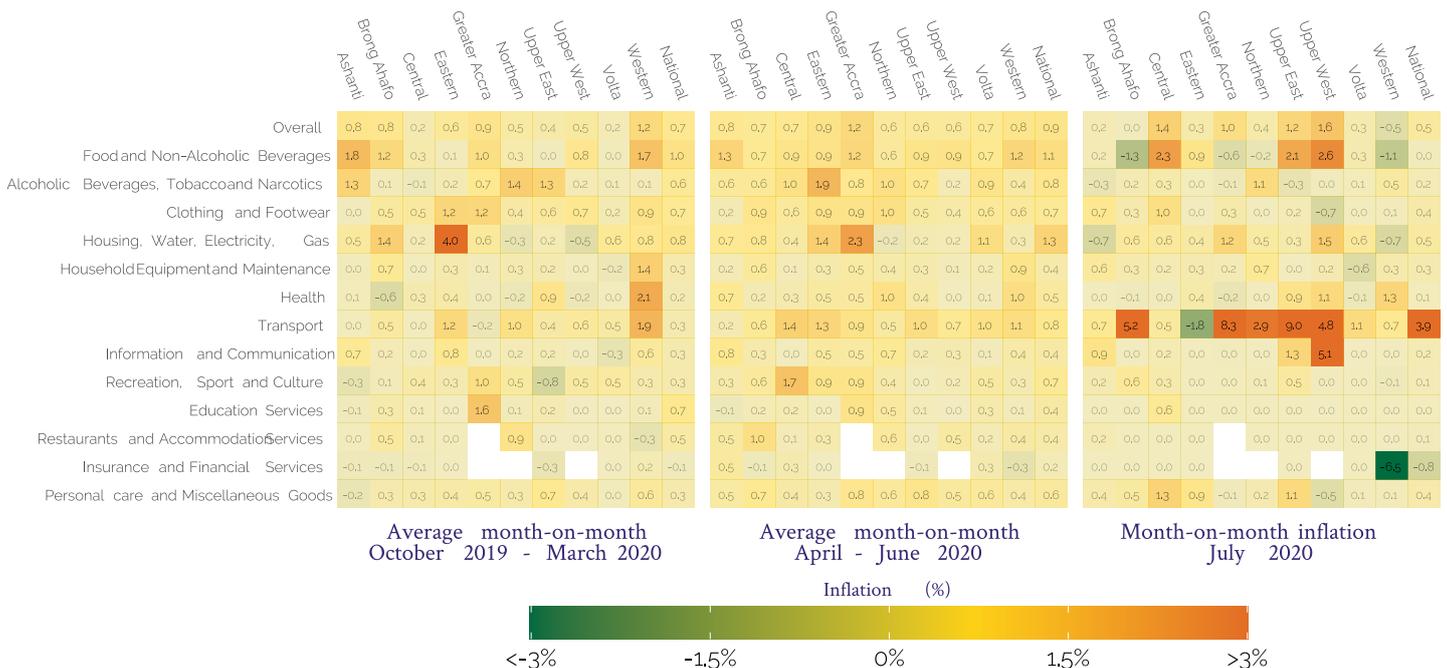
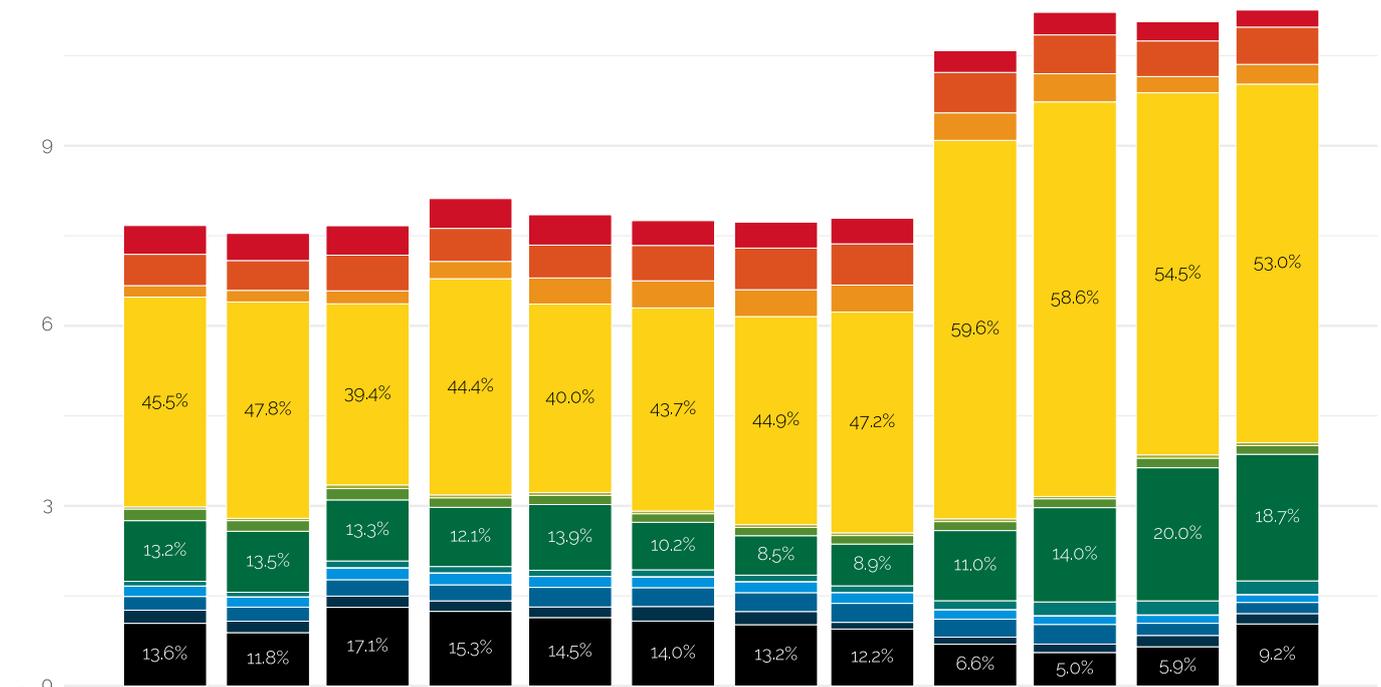


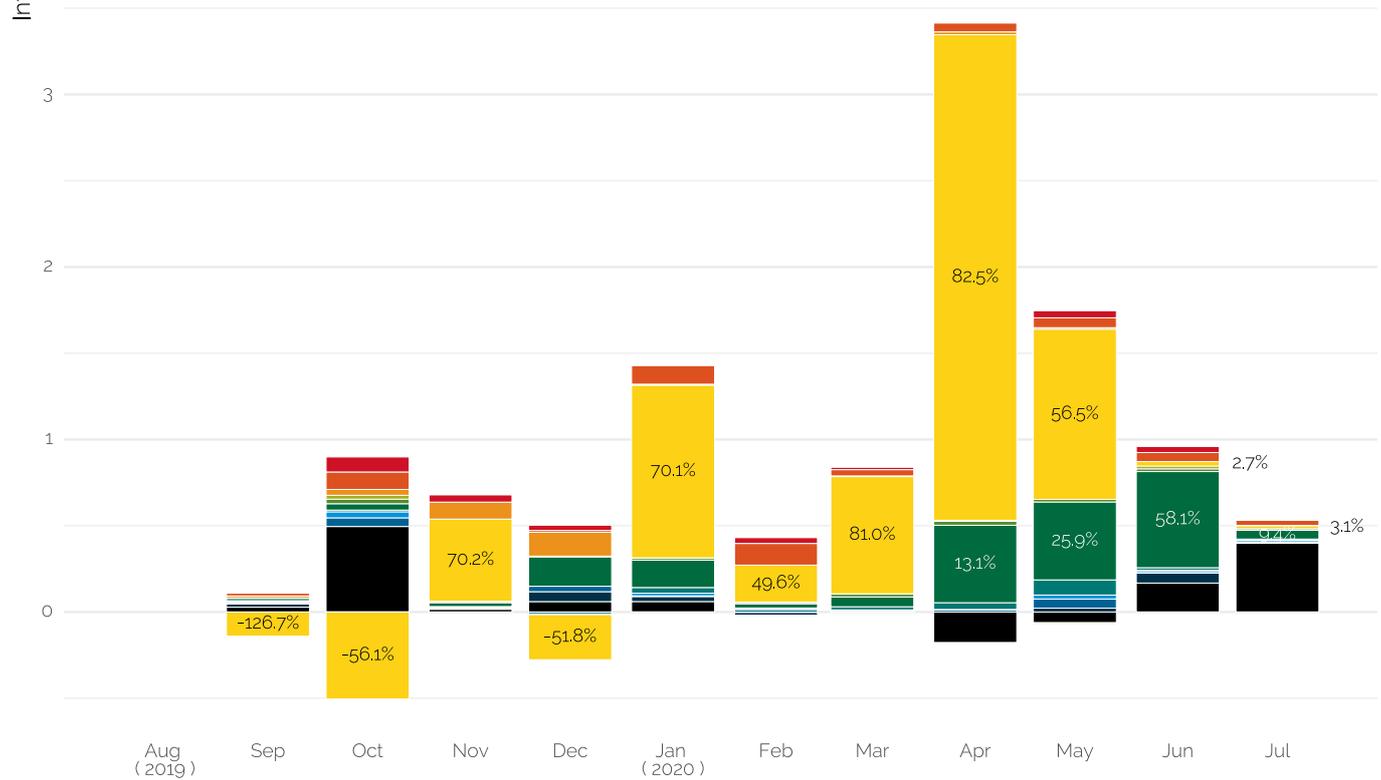
Figure 5: Heatmap tabulating the month-on-month inflation statistics for 10 regions and 13 Divisions in addition to the National and Overall averages. The average of month-on-month inflation for the period October 2019 to March 2020 is given, as well as the average of month-on-month inflation for the period April to June 2020 and the inflation between the June and July 2020.



Year-on-year inflation



Month-on-month inflation



- Divisions
- Alcoholic Beverages, Tobacco and Narcotics
 - Clothing and Footwear
 - Education Services
 - Food and Non-Alcoholic Beverages
 - Health
 - Household Equipment and Maintenance
 - Housing, Water, Electricity, Gas
 - Information and Communication
 - Insurance and Financial Services
 - Personal care and Miscellaneous Goods
 - Recreation, Sport and Culture
 - Restaurants and Accommodation Services
 - Transport

Figure 6: Composition of year-on-year and month-on-month inflation over the last ten months.