



Newsletter Producer Price Index (PPI) March, 2021



Republic of Ghana

April 21, 2021

Producer Price Inflation Rate in March 2021 is 13.0%

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

March 2021 Producer Inflation

The Producer Price Inflation rate for March 2021 was 13.0 percent. This rate indicates that between March 2020 and March 2021 (year-on-year), the PPI increased by 13.0 percent. This rate represents a 2.7 percentage point increase in producer inflation relative to the rate recorded in February 2021 (10.3%). The month-on-month change in producer price index between February 2021 and March 2021 was 0.3 percent. (Table 1)

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

Month	Index level		Change rate (%)	
	Sept 2006=100	Monthly	Yearly	
January, 2021	747.7	3.1	8.7	
February rev. 2021	747.3	-0.1	10.3	
March, 2021	p749.2	p0.3	p13.0	

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 1.5 percentage points over the February 2021 rate of 24.2 percent to record 22.7 percent in March 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, increased by 4.2 percentage points to record 14.0 percent. The utility sub-sector recorded no change in the inflation rate in February 2021.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,013.8	-1.5	22.7
Manufacturing	573.9	0.7	14.0
Utilities	899.2	-0.0	0.4
ALL INDUSTRY	749.2	0.3	13.0

The data in this table are provisional.

Trends

In March 2020, the producer price inflation rate for all industry was 6.8 percent. The rate increased continuously 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.

Manufacturing Sector

In March 2021, five out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 14.0 percent. Manufacture of motor vehicles, trailers, and semi-trailers recorded the highest inflation rate of 35.1 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 6.1 percent in March 2020. The rate declined consistently 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 of 31.0 percent in March 2021 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 13.0 percent in March 2021; 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 22.7 percent, followed by the Manufacturing sub-sector with 14.0 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 0.4 percent.

The manufacturing sub-sector recorded the highest monthly inflation rate of 0.7 percent, followed by Utility sub-sectors with 0.0 percent. The mining and quarrying sub-sector recorded the least inflation rate of -1.5 percent.

