



Newsletter Producer Price Index (PPI) August, 2019



Republic of Ghana

September 18, 2019

Producer Price Inflation Rate in August 2019 is 10.2%

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 August 2019 are provisional, and are subject to revision when additional data become available. All other indicators are final.

August 2019 Producer Inflation

The Producer Price Inflation rate for August 2019 was 10.2 percent. This rate indicates that between August 2018 and August 2019 (year-on-year), the PPI increased by 10.2 percent. This rate represents a 1.4 percentage point increase in producer inflation relative to the rate recorded in July 2019 (8.8%). The month-on-month change in producer price index between July 2019 and August 2019 was 1.2 percent (Table 1).

Table 1: PPI for June, July and August 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
June, 2019	638.3	1.6	7.1
July revised, 2019	650.3	1.9	8.8
August, 2019	p658.1	p1.2	p10.2

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 8.9 percentage points over the July 2019 rate of 27.6 percent to record 36.5 percent in August 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 0.4 percentage points to record 5.8 percent. The utilities sub-sector recorded the same inflation rate of 6.9 percent as the rate for July 2019.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,537.0	5.5	36.5
Manufacturing	511.5	0.6	5.8
Utilities	849.7	0.0	6.9
ALL INDUSTRY	658.1	1.2	10.2

The data in this table are provisional.

Trends

In August 2018, the producer price inflation rate for all industry was 7.0 percent but declined to record 5.8 percent in September 2018. In October 2018, the rate increased to 7.2 percent, but declined consistently to record 3.4 percent in January 2019.

Since then the rate resumed an upward trend to record 7.1 percent in April 2019 but declined to 6.7 percent in May 2019. Subsequently, the rate increased consistently to record 10.2 percent in August 2019.

Manufacturing Sector

During the month of August 2019, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 5.8 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while Tanning and dressing of leather recorded inflation rate of 0.0 percent (Fig. 2).

Petroleum Price Index

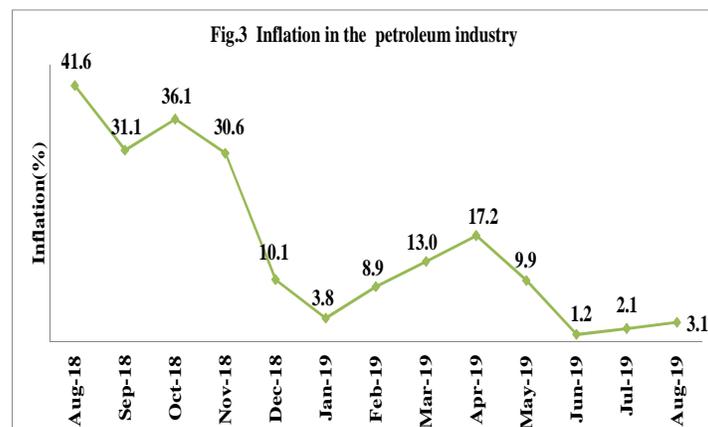
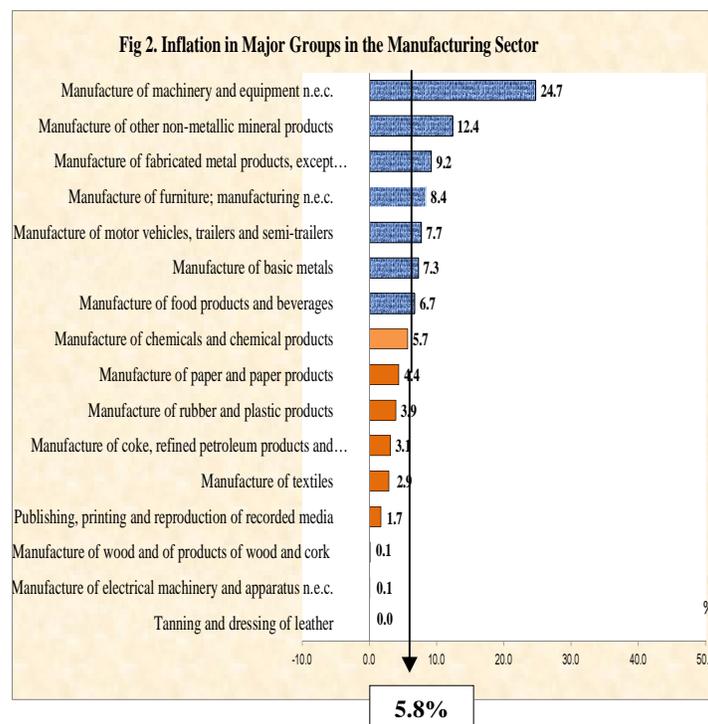
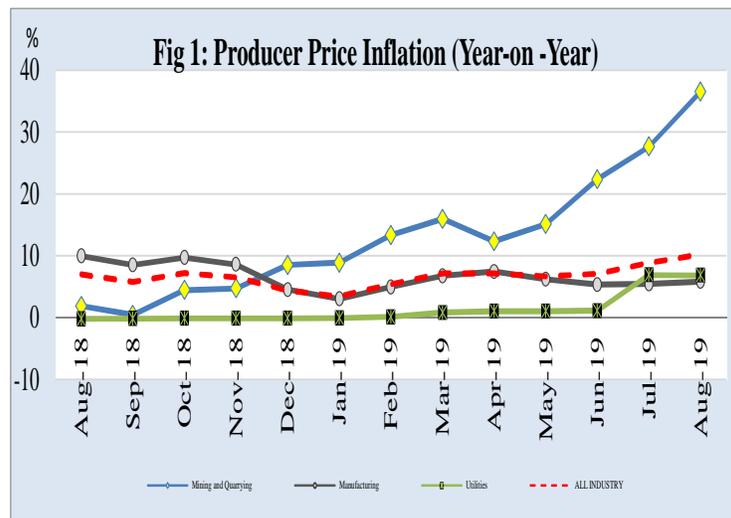
The producer inflation rate in the petroleum sub-sector was 41.6 percent in August 2018. The rate decreased to 31.1 percent in September 2018, but increased to 36.1 percent in October 2018. It decreased to record 3.8 percent in January 2019, but rate increased consistently to record 17.2 percent in April 2019, but it however decreased again to 1.2 percent in June 2019. However, it increased consistently to 3.1 percent in August 2019. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 10.2 percent in August 2019; the monthly change rate was 1.2 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 36.5 percent, followed by Utilities sub-sector with 6.9 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation of 5.8 percent.

With respect to the monthly changes, Mining and quarrying recorded the highest inflation rate of 5.5 percent, followed by manufacturing sub-sector with 0.6 percent. The Utilities sub-sector recorded no inflation rate.



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.