



Newsletter Consumer Price Index (CPI) August 2020



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Summary

- National inflation from August 2019 to August 2020 was 10.5%.
- National month-on-month inflation from July 2020 to August 2020 was -0.4%.
- Food and Non-Alcoholic Beverages inflation was 11.4% and average Non-Food inflation 9.9%.
- Regional inflation was between 13.6% in Greater Accra and 4.7% in the Volta Region.

Government Statistician Says:

"National year-on-year inflation for August 2020 was 10.5%. The month-on-month inflation rate of negative 0.4% indicates that prices actually decreased slightly in the last month. This is driven by negative month-on-month food inflation (-1.1%). Furthermore, the contribution of food items (47.9%) to total year-on-year inflation is lower than previous months and similar to the months prior to COVID-19."

August 2020 Inflation

The national year-on-year inflation rate was 10.5% in August 2020, which is 0.9 percentage points lower than last month (see Table 1). Month-on-month inflation between July 2020 and August 2020 was -0.4%. This stands in contrast to the average 0.9% month-on-month inflation that was recorded during the months April to July 2020 and the average month-on-month inflation rate of 0.7% that was recorded in the six months prior to COVID-19. Like we saw the previous months, only two of the thirteen Divisions had higher than average inflation rates; Housing, Water, Electricity and Gas (20.8%) and Food and Non-Alcoholic Beverages (11.4%) (see Figure 1).

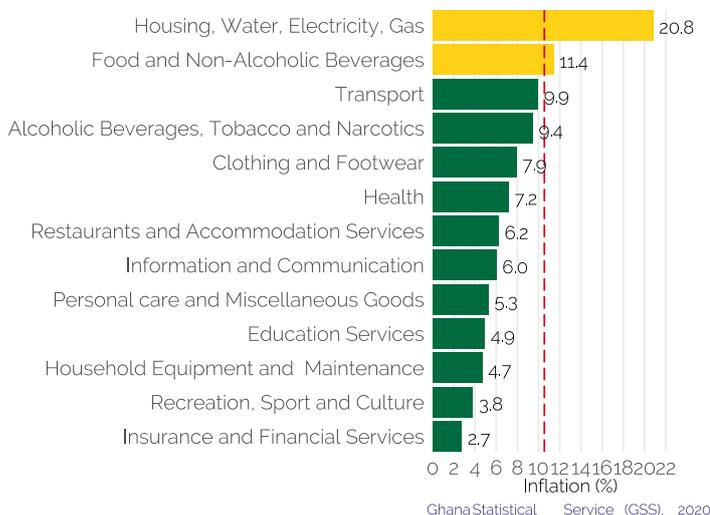


Figure 1: Year-on-year inflation August 2020, by Division. Inflation was highest for the 'Housing, Water, Electricity and Gas' and 'Food and Non-Alcoholic Beverages' Divisions.

Table 1: Consumer Price Indices August 2019 to August 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
Aug	120.0	-0.4	10.5

Regional Inflation

At the regional level, the overall year-on-year inflation ranged from 4.7% in the Volta Region to 13.6% in Greater Accra (See Figure 3). When separating inflation in Food and Non-Food inflation, it is clear that Greater Accra had a lower Food inflation (8.1%) than Non-Food inflation (17.5%). In contrast, Ashanti Region recorded the highest Food inflation (20.3%), but a relatively low Non-Food inflation (4.8%).

The overall month-on-month inflation was between -1.5% in Greater Accra and 3.4% in the Upper West Region. This high month-on-month inflation in the Upper West Region is driven by the Food and Non-Alcoholic Beverages Division and the Alcoholic Beverages, Tobacco and Narcotics Division. As shown in Figure 5, for most regions the Alcoholic Beverages, Tobacco and Narcotics Division recorded the highest month-on-month inflation.

Food and Non-Food Inflation

The Food and Non-Alcoholic Beverages Division recorded a year-on-year inflation rate of 11.4%. This is 2.3 percentage point lower than in July 2020 (13.7%). Within the Food Division, Vegetables (21.3%) and Fish and Other Seafood (14.3%) were the Subclasses with the highest rates of inflation (see Figure 4). In contrast, month-on-month Food inflation was -1.1%, with -4.3% for the Vegetables Subclass. In August 2020 Food contributed 47.9% to the total inflation and thus is still the predominant driver of year-on-year inflation. This percentage is lower than the previous months and comparable to the contribution levels of Food to total inflation prior to COVID-19 (see Figure 6 on the final page).

Year-on-year Non-Food inflation came in at 9.9%, which is higher than the 9.7% measured in July 2020. Month-on-month Non-Food inflation was 0.2%, which is lower than the 0.9% measured in July 2020. With the exception of the Alcoholic Beverages, Tobacco and Narcotics and the Restaurant and Accommodation Services Divisions, overall Ghana recorded a lower month-on-month inflation in August than on average between April and July 2020 (see Figure 2). Total month-on-month inflation is negative, because it is pulled down by negative Food inflation (-1.1%) and negative inflation for the Recreation, Sport and Culture Division (-1.4%). The Non-Food Subclasses with the lowest inflation were Life and Accident Insurance (-14.4%), Electricity (-35.5%) and Electric Appliances for Personal Care (-66.4%). On the other side, the Non-Food Subclasses with the highest inflation were Refuse collection (49.6%), rents (40.1%) and Vehicle Maintenance and Drivers Lessons (34.1%).

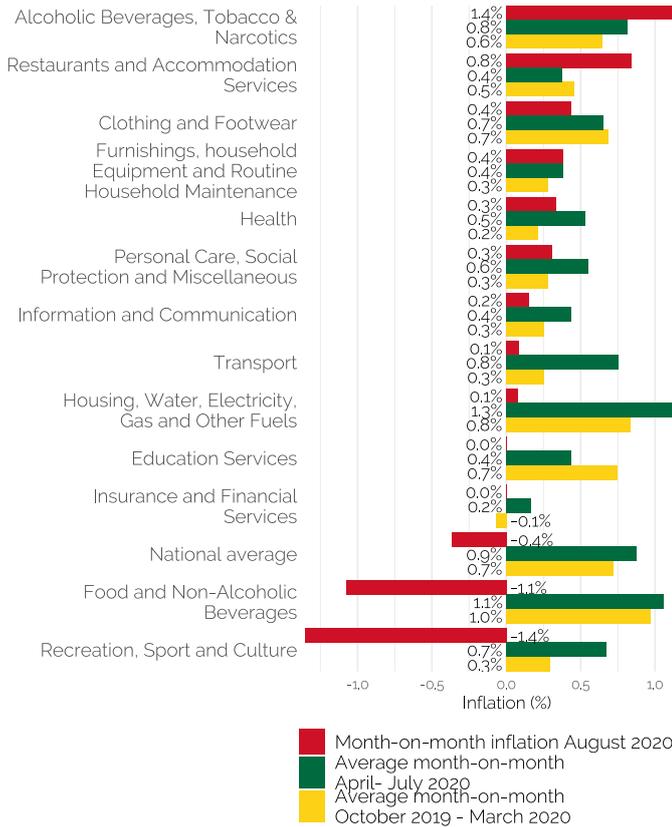


Figure 2: National month-on-month inflation rates for different Divisions

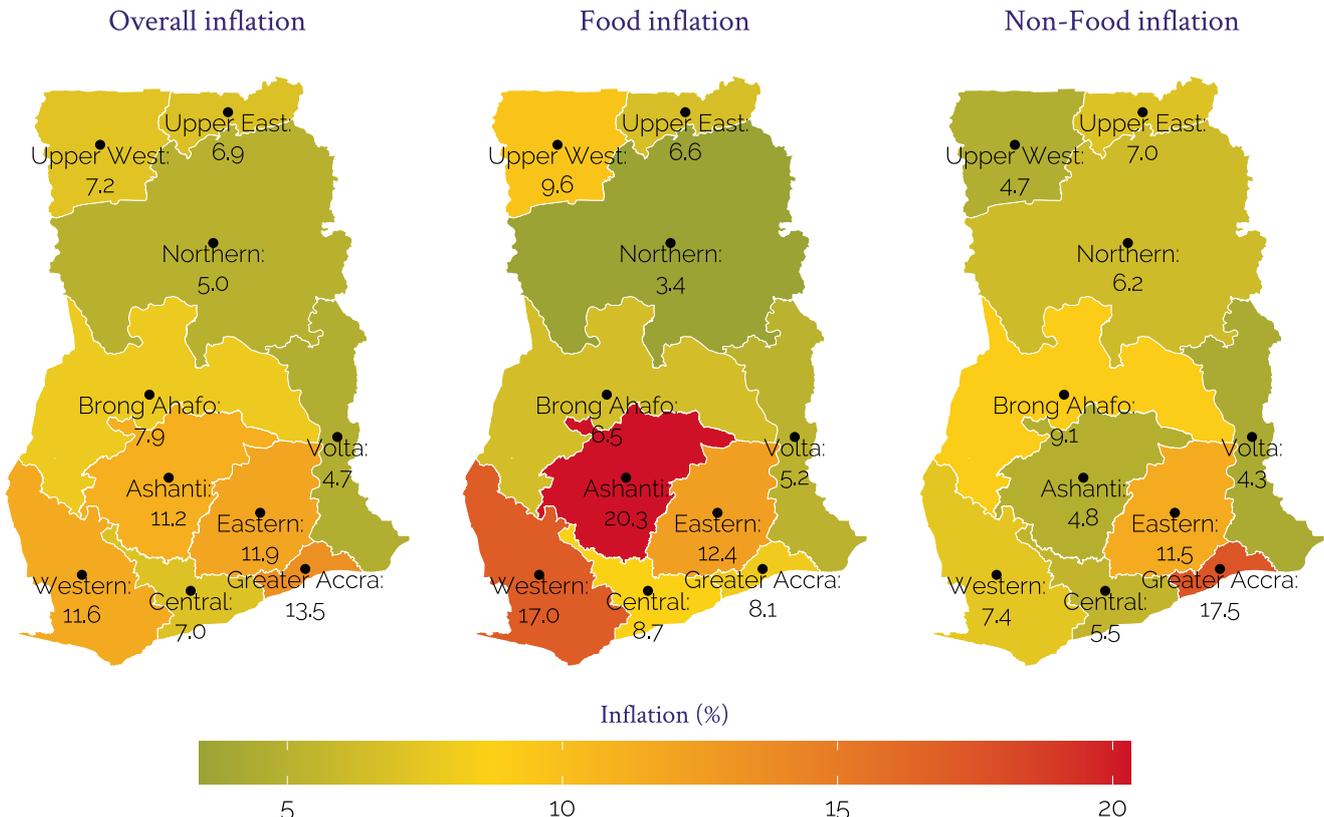
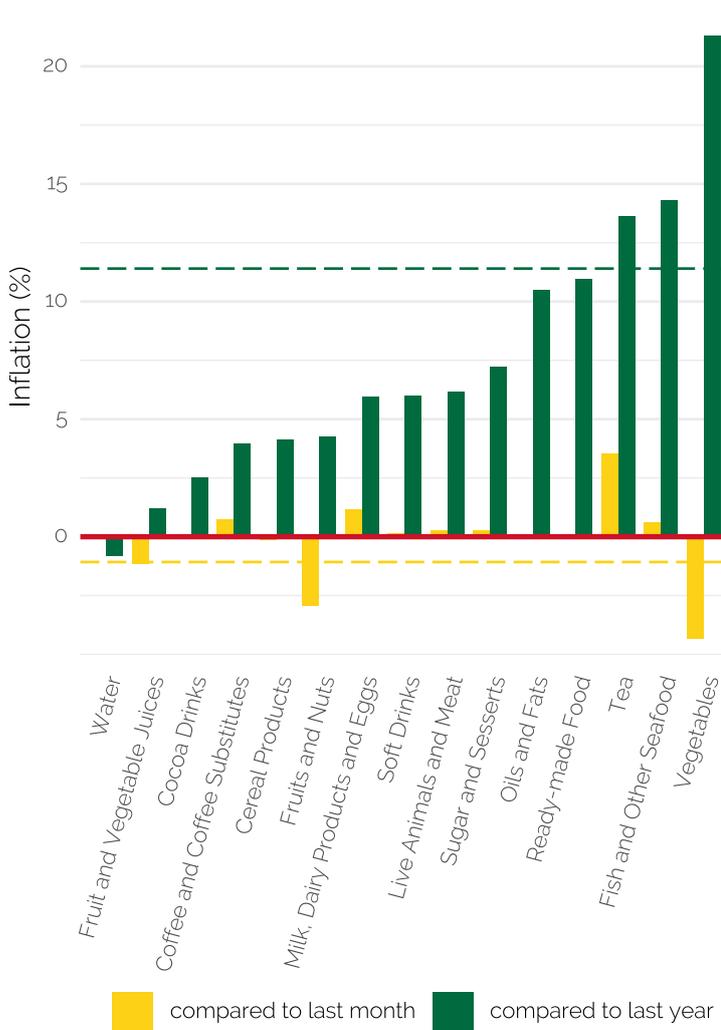


Figure 3: Year-on-year overall, Food and Non-Food inflation rates for August 2020 by region.



Imported and Local Inflation

The inflation of imported goods was 4.8%, while the inflation of local goods was 12.6% on average. Month-on-month inflation for imported goods was 0%, while month-on-month inflation for local goods was -0.8%. The main contributor to negative local inflation was the inflation of locally produced foods.

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.

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

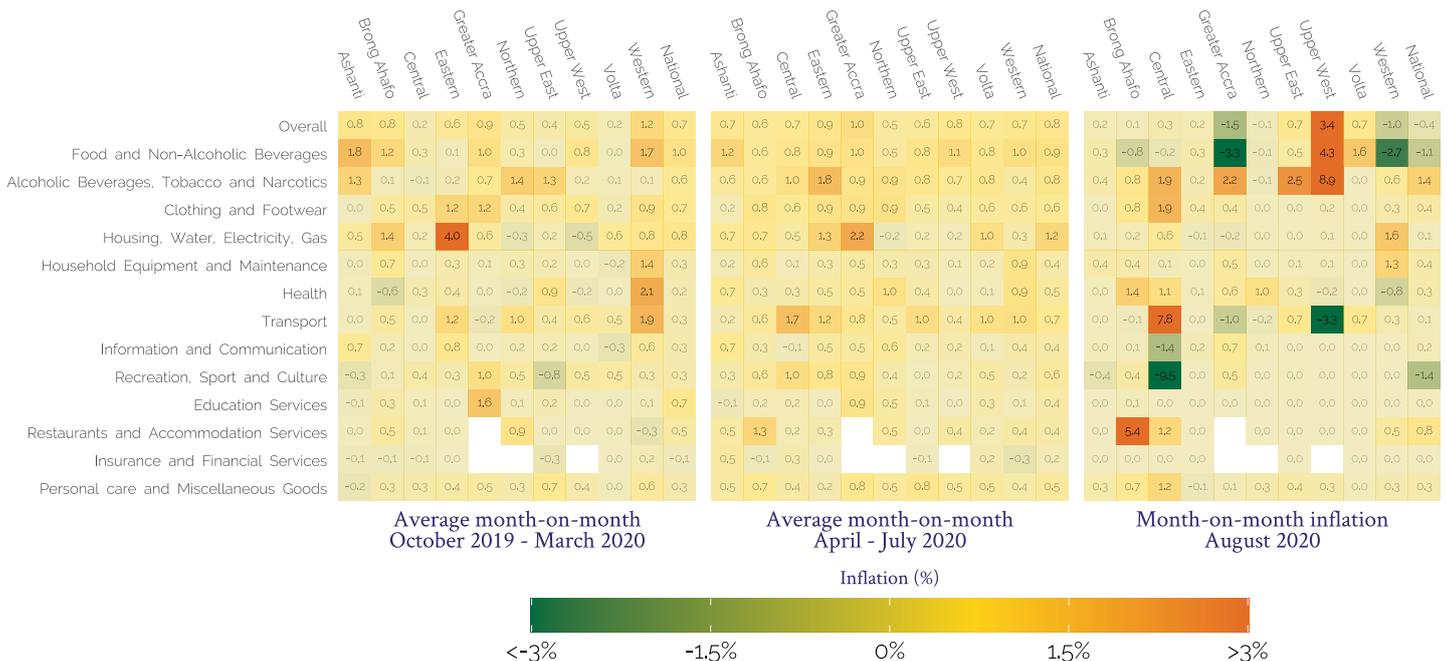
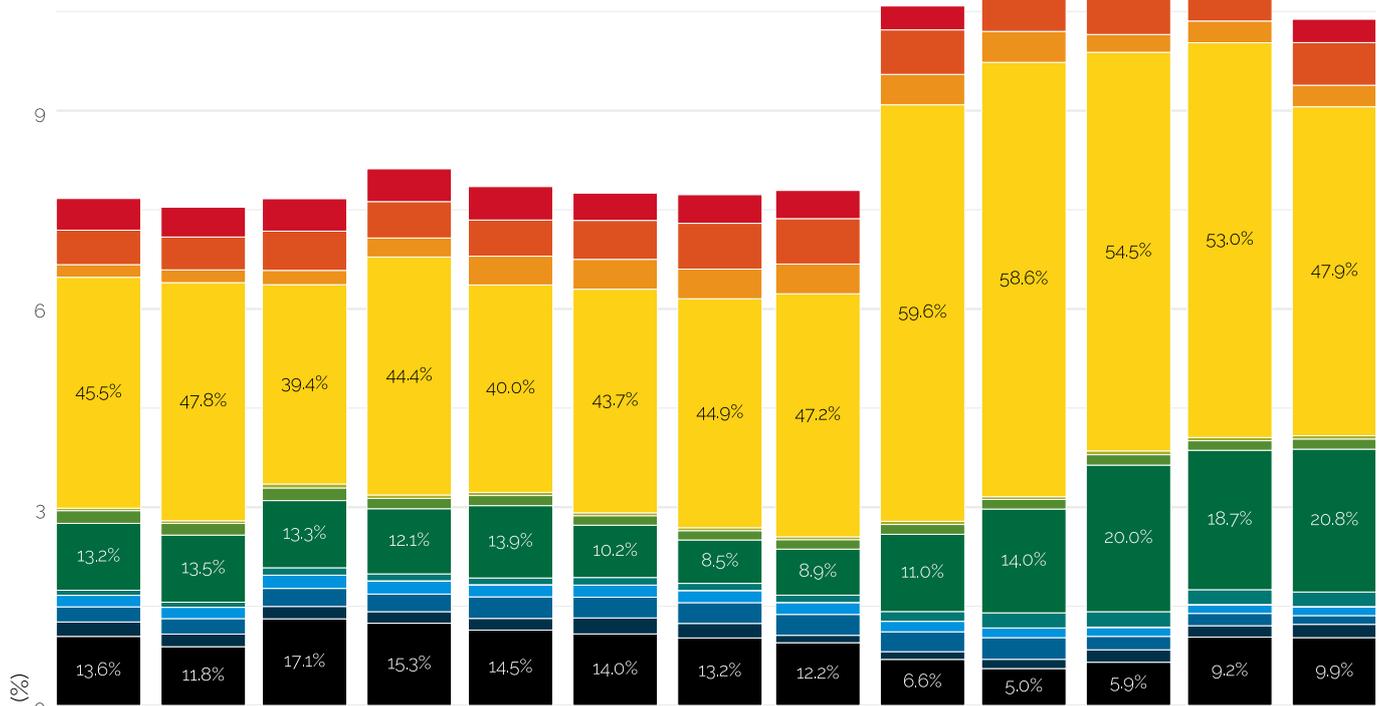


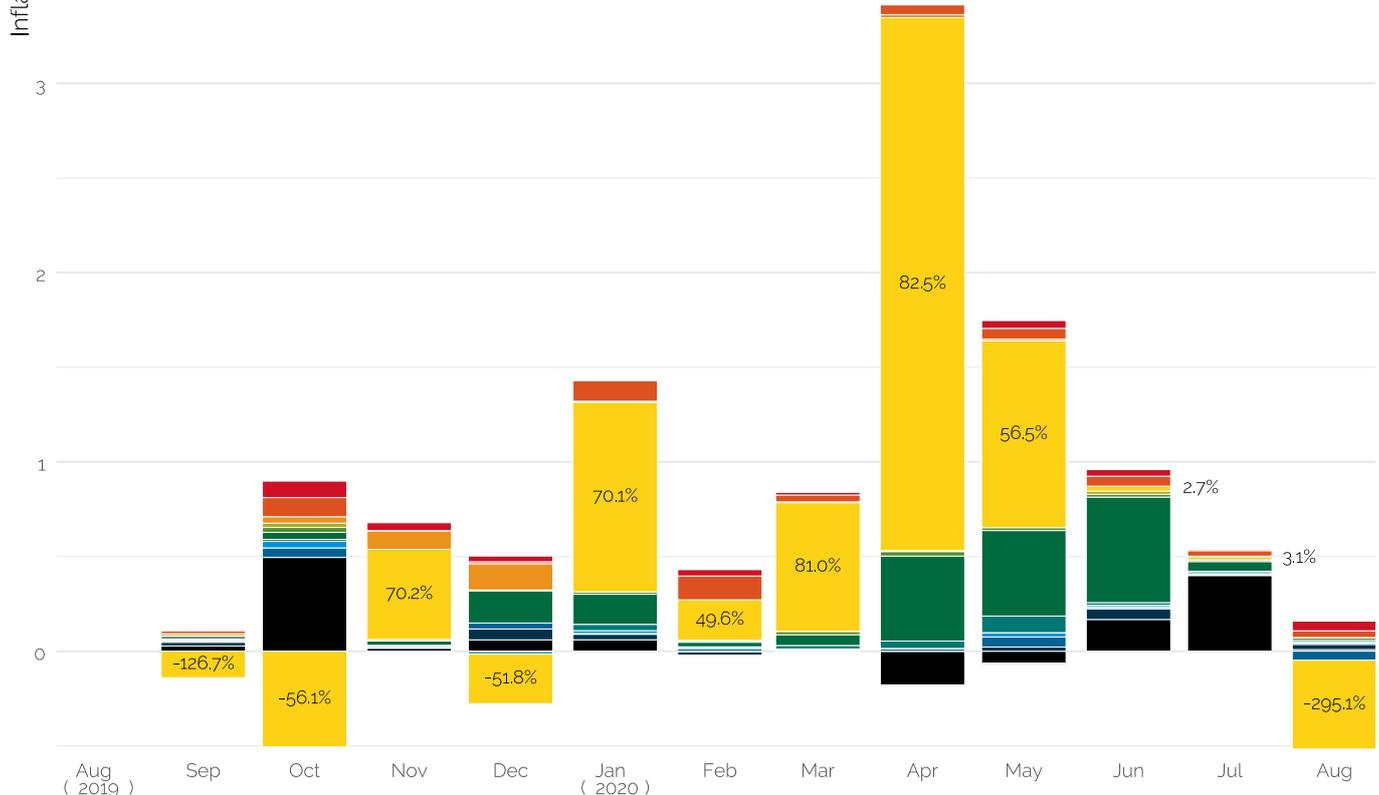
Figure 5: Heatmap tabulating the month-on-month inflation statistics for 10 regions and 13 Divisions in addition to the National and Overall averages. The average of month-on-month inflation for the period October 2019 to March 2020 is given, as well the average of month-on-month inflation for the period April to July 2020 and the inflation between the July and August 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. Due to the high weight of the Food Division and the negative month-on-month Food inflation (-1.1%) compared to total month-on-month inflation (-0.4%), Food as a high negative contribution to total inflation (-295.1%).