



Republic of Ghana

Newsletter Producer Price Index (PPI) October, 2019



November 20, 2019

Producer Price Inflation Rate in October 2019 is 8.9%

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

October 2019 Producer Inflation

The Producer Price Inflation rate for October 2019 was 8.9 percent. This rate indicates that between October 2018 and October 2019 (year-on-year), the PPI increased by 8.9 percent. This rate represents a 0.2 percentage point decrease in producer inflation relative to the rate recorded in September 2019 (9.1%). The month-on-month change in producer price index between September 2019 and October 2019 was 1.4 percent (Table1).

Table1: PPI for August, Sept. & October 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
August, 2019	658.1	1.2	10.2
Sept. rev. 2019	655.0	-0.5	9.1
October, 2019	p664.4	P1.4	p8.9

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 2.7 percentage points over the September 2019 rate of 37.1 percent to record 34.4 percent in October 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 1.0 percentage points to record 3.1 percent. The utilities sub-sector recorded inflation rate of 12.6 percent for October 2019 indicating increase of 5.8 percentage points over the September 2019 rate of 6.8 percent.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,551.8	-0.9	34.4
Manufacturing	511.1	1.1	3.1
Utilities	896.0	5.4	12.6
ALL INDUSTRY	664.4	1.4	8.9

The data in this table are provisional.

Trends

In October 2018, the producer price inflation rate for all industry was 7.2 percent. The rate declined

continuously to record 3.4 percent in January 2019. Thereafter, it resumed an upward trend to record 7.1 percent in April 2019 but declined to 6.7 percent in May 2019. Since then, it increased consistently to record 10.2 percent in August 2019 but declined to 9.1 percent in September 2019 and then 8.9 percent in October, 2019.

Manufacturing Sector

During the month of October 2019, ten out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 3.1 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while Manufacture of coke, refined petroleum products and nuclear fuel recorded the least inflation rate of -5.7 percent (Fig. 2).

Petroleum Price Index

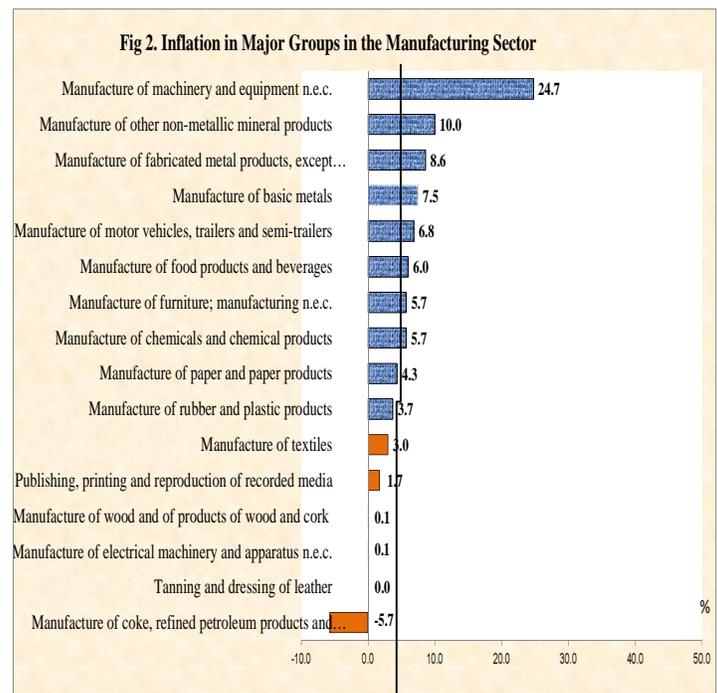
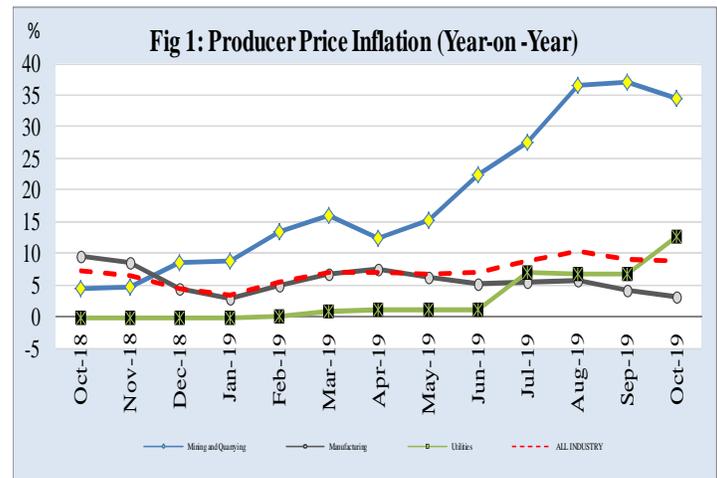
The producer inflation rate in the petroleum sub-sector was 36.1 percent in September 2018. The rate decreased continuously to record 3.8 percent in January 2019. Thereafter, the rate increased consistently to record 17.2 percent in April 2019, but declined to 1.2 percent in June 2019. However, it increased to 3.1 percent in August 2019 but declined to -2.7 percent in September 2019 and then -5.7 percent in October 2019. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 8.9 percent in October 2019; the monthly change rate was 1.4 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 34.4 percent, followed by Utilities sub-sector with 12.6 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation of 3.1 percent.

With respect to the monthly changes, utilities recorded the highest inflation rate of 5.4 percent, followed by manufacturing sub-sector with 1.1 percent. The mining and quarrying sub-sector recorded the lowest inflation of -0.9 percent.



3.1%

