



Republic of Ghana

Newsletter Producer Price Index (PPI) October 2021



November 17, 2021

Producer Price Inflation Rate in October 2021 is 10.6%

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

October 2021 Producer Inflation

The Producer Price Inflation rate for October 2021 was 10.6 percent. This rate indicates that between October 2020 and October 2021 (year-on-year), the PPI increased by 10.6 percent. This rate represents a 1.8 percentage point increase in producer inflation relative to the rate recorded in September 2021 (8.8%). The month-on-month change in producer price index between September 2021 and October 2021 was 2.0 percent. (Table 1)

Table 1: PPI for August, Sept. & October 2021

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
August, 2021	774.8	0.5	8.1
September rev. 2021	781.9	0.9	8.8
October, 2021	p797.2	p2.0	p10.6

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 1.5 percentage points over the September 2021 rate of 0.5 percent to record -1.0 percent in October 2021. The producer inflation for the Manufacturing sub-sector, which constitutes more than two-thirds of the total industry, increased by 3.1 percentage points to record 16.1 percent. The utility sub-sector recorded 0.2 percent inflation rate for October 2021.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,079.2	0.3	-1.0
Manufacturing	623.7	2.8	16.1
Utilities	900.4	0.0	0.2
ALL INDUSTRY	797.2	2.0	10.6

The data in this table are provisional.

Trends

In October 2020, the producer price inflation rate for all industry was 8.4 percent. The rate declined to record 7.0 percent in December 2020. In March

2021, the rate increased to 13.0 percent, but declined to 10.9 percent in April 2021. In May 2021, the rate increased to 11.8 percent but decreased continuously to record 8.1 percent in August 2021. The rate increased to 10.6 percent in October 2021.

Manufacturing Sector

In October 2021, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 16.1 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 38.2 percent, while the Publishing, printing and reproduction of recorded media recorded the least inflation rate of 0.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was -4.6 percent in October 2020. The rate declined to record -4.0 percent in December 2020. Subsequently, the rate increased continuously to pick at 31.0 percent in March 2021 but declined to 23.9 percent in June 2021. The rate increased continuously to record 27.4 percent in September 2021 and inched up to record 38.2 percent in October 2021. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 10.6 percent in October 2021; the monthly change rate was 2.0 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 16.1 percent, followed by the Utility sub-sector with 0.2 percent. The Mining and Quarrying sub-sector recorded the lowest year-on-year producer deflation rate of -1.0 percent.

The manufacturing sub-sector recorded the highest monthly inflation rate of 2.8 percent, followed by the mining and quarrying to record 0.3 percent, while the utility sub-sector recorded no change in inflation (0%).

