



Newsletter Producer Price Index (PPI) September, 2020



Republic of Ghana

October 21, 2020

Producer Price Inflation Rate in September 2020 is 9.6%

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 figures for September 2020 are provisional and are subject to revision when additional data become available. All other indicators are final.

September 2020 Producer Inflation

The Producer Price Inflation rate for September 2020 was 9.6 percent. This rate indicates that between September 2019 and September 2020 (year-on-year), the PPI increased by 9.6 percent. This rate represents a 0.6 percentage point increase in producer inflation relative to the rate recorded in August 2020 (9.0%). The month-on-month change in producer price index between August 2020 and September 2020 was 0.1 percent (Table 1)

Table 1: PPI for July, August & September 2020

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
July, 2020	710.6	1.7	9.3
August rev. 2020	717.0	0.9	9.0
September, 2020	p717.5	p0.1	p9.6

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 6.1 percentage points over the August 2020 rate of 37.9 percent to record 31.8 percent in September 2020. The producer inflation for Manufacturing, which constitutes more than two-thirds of the total industry, increased by 1.9 percentage points to record 5.9 percent. The utility sub-sector recorded the same inflation rate of 5.8 percent as the rate for August 2020.

Table 2: PPI and Inflation by Sector, September 2020 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	2,063.5	-2.6	31.8
Manufacturing	535.8	0.7	5.9
Utilities	898.9	0.0	5.8
ALL INDUSTRY	717.5	0.1	9.6

The data in this table are provisional.

Trends

In September 2019, the producer price inflation rate for all industry was 9.1 percent. The rate declined to 8.9 percent in October 2019. The rate increased consistently to 14.5 percent in January 2020 but declined to 6.8 percent in March 2020. After that,

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 record 9.6 percent in September 2020.

Manufacturing Sector

During September 2020, seven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 5.9 percent. Manufacture of motor vehicles, trailers and semi-trailers recorded the highest inflation rate of 16.6 percent, while the Manufacture of coke, refined petroleum products, and nuclear fuel recorded the least inflation rate of -0.3 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was -2.7 percent in September 2019. The rate declined to record -5.7 percent in October 2019. After that, the rate increased consistently to record 20.6 percent in January 2020 but declined continuously to record -15.4 percent in May 2020. However, the rate increased to -4.5 percent in June 2020 but declined marginally again to -5.4 percent in August 2020. The rate increased to record -0.3 percent in September 2020 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 9.6 percent in September 2020; the monthly change rate was 0.1 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 31.8 percent, followed by the Manufacturing sub-sector with 5.9 percent. The Utility sub-sector recorded the lowest year-on-year producer inflation rate of 5.8 percent.

For the monthly changes, the mining and quarrying sub-sector recorded the highest inflation rate of 5.2 percent, followed by manufacturing sub-sectors with 0.2 percent. The Utility sub-sector recorded no monthly inflation rate in August 2020.

