



Republic of Ghana

Newsletter Producer Price Index (PPI) September, 2019



October 16, 2019

Producer Price Inflation Rate in September 2019 is 9.7%

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

September 2019 Producer Inflation

The Producer Price Inflation rate for September 2019 was 9.7 percent. This rate indicates that between September 2018 and September 2019 (year-on-year), the PPI increased by 9.7 percent. This rate represents a 0.5 percentage point decrease in producer inflation relative to the rate recorded in August 2019 (10.2%). The month-on-month change in producer price index between August 2019 and September 2019 was 0.1 percent (Table 1

Table 1: PPI for July, August & September 2019

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
July, 2019	650.3	1.9	8.8
August rev., 2019	658.1	1.2	10.2
September, 2019	p658.5	p0.1	p9.7

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 0.6 percentage points over the August 2019 rate of 36.5 percent to record 37.1 percent in September 2019. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 0.9 percentage points to record 4.9 percent. The utilities sub-sector recorded 0.1 percentage points increase over the August 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	1,565.9	1.9	37.1
Manufacturing	509.7	-0.3	4.9
Utilities	850.0	0.0	6.9
ALL INDUSTRY	658.5	0.1	9.7

The data in this table are provisional.

Trends

In September 2018, the producer price inflation rate for all industry was 5.8 percent and this increased to 7.2 percent in October 2018. Subsequently the rate decreased 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 9.7 percent in September 2019.

Manufacturing Sector

During the month of September 2019, eight out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 4.9 percent. Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate of 24.7 percent, while Tanning and dressing of leather products recorded the least inflation rate of 0.0 percent (Fig. 2).

Petroleum Price Index

The producer inflation rate in the petroleum sub-sector was 31.1 percent in September 2018. The rate increased to 36.1 percent in September 2018, but decreased sharply to record 3.8 percent in January 2019. The 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 but decreased again to 0.7 percent in September 2019. (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 9.7 percent in September 2019; 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 37.1 percent, followed by Utilities sub-sector with 6.9 percent. The Manufacturing sub-sector recorded the lowest year-on-year producer inflation of 4.9 percent.

With respect to the monthly changes, Mining and quarrying recorded the highest inflation rate of 1.9 percent, followed by utilities sub-sector which recorded no inflation rate. The manufacturing sub-sector recorded the lowest inflation of -0.3 percent.

