

PRESS RELEASE

CONSUMER PRICE INDEX AND INFLATION

11th August, 2021



**GHANA
STATISTICAL SERVICE**

In this release, we present:

- Definition and Measurement of Consumer Price Index (CPI) and Rate of Inflation
- CPI and Rate of Inflation for July 2021
- Dominant Divisions of Rate of Inflation for July 2021
- Disaggregation of Rate of Inflation for July 2021
- Highlights of CPI and Rate of Inflation for July 2021



Definition and measurement of CPI and rate of inflation (1/3)

- CPI measures changes in the price of a fixed basket of goods and services purchased by households
- The assumption is that the basket is purchased each month, hence as price changes each month, the total price of the basket will also change
- The rate of inflation is the relative change in CPI between periods
- Inflation is reported year-on-year (annual inflation) and month-on-month (monthly inflation), and granulated to determine regional and commodity type and source of inflation

Definition and measurement of CPI and rate of inflation (2/3)

- CPI does not measure price levels
- CPI is a price perspective measure and cost-of-living index is an expenditure oriented measure
- Data (market readings) are captured monthly
- Key variables are prices, quantities and expenditure weights of items
- Price reference year is 2018 (2018 = 100)



Definition and measurement of CPI and rate of inflation (3/3)

- Prices are collected for approximately 39,500 products every month.
- Price collection is done in 44 markets
- Prices are collected from 7,726 outlets.
- Products are ordered in a hierarchy of 13 Divisions, 44 Groups, 98 Classes, 156 Subclasses and 307 Items.
- Every Item can only be part of one Subclass, and every Subclass can only be part of one Class, etc.



CPI and inflation for July 2021

- CPI for July 2021 is 131.3 relative to 120.5 in July 2020
- Year-on-year inflation rate for July 2021 was 9.0%
- This means that in the month of July 2021 the general price level was 9.0% higher than July 2020
- Month-on-month inflation between June 2021 and July 2021 was 1.6%

Month	CPI	Inflation		
		Monthly	Yearly	averages
June-2020	119.8	1.0%	11.2%	
July-2020	120.5	0.5%	11.4%	
Aug - 2020	120.0	-0.4%	10.5%	Q3: 10.8%
Sep - 2020	119.8	-0.2%	10.4%	
Oct- 2020	120.1	0.2%	10.1%	
Nov-2020	120.4	0.3%	9.8%	Q4: 10.1%
Dec-2020	121.5	0.9%	10.4%	
Jan-2021	122.7	0.9%	9.9%	
Feb-2021	123.6	0.8%	10.3%	Q1: 10.2%
Mar-2021	124.7	0.9%	10.3%	
Apr-2021	126.6	1.5%	8.5%	
May-2021	127.6	0.8%	7.5%	Q2: 7.9%
June-2021	129.2	1.3%	7.8%	
July-2021	131.3	1.6%	9.0%	

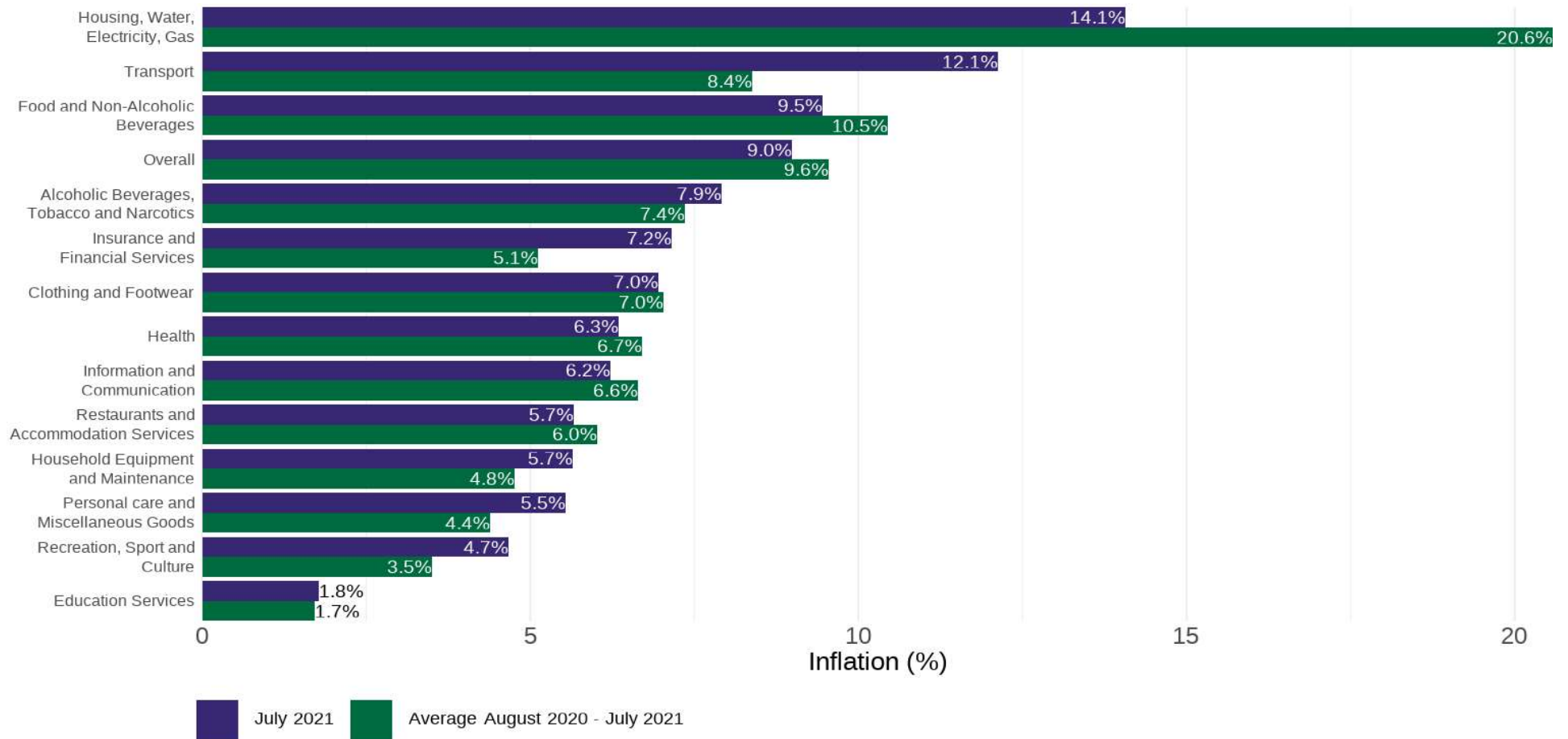


Disaggregation of July 2021 rate of inflation

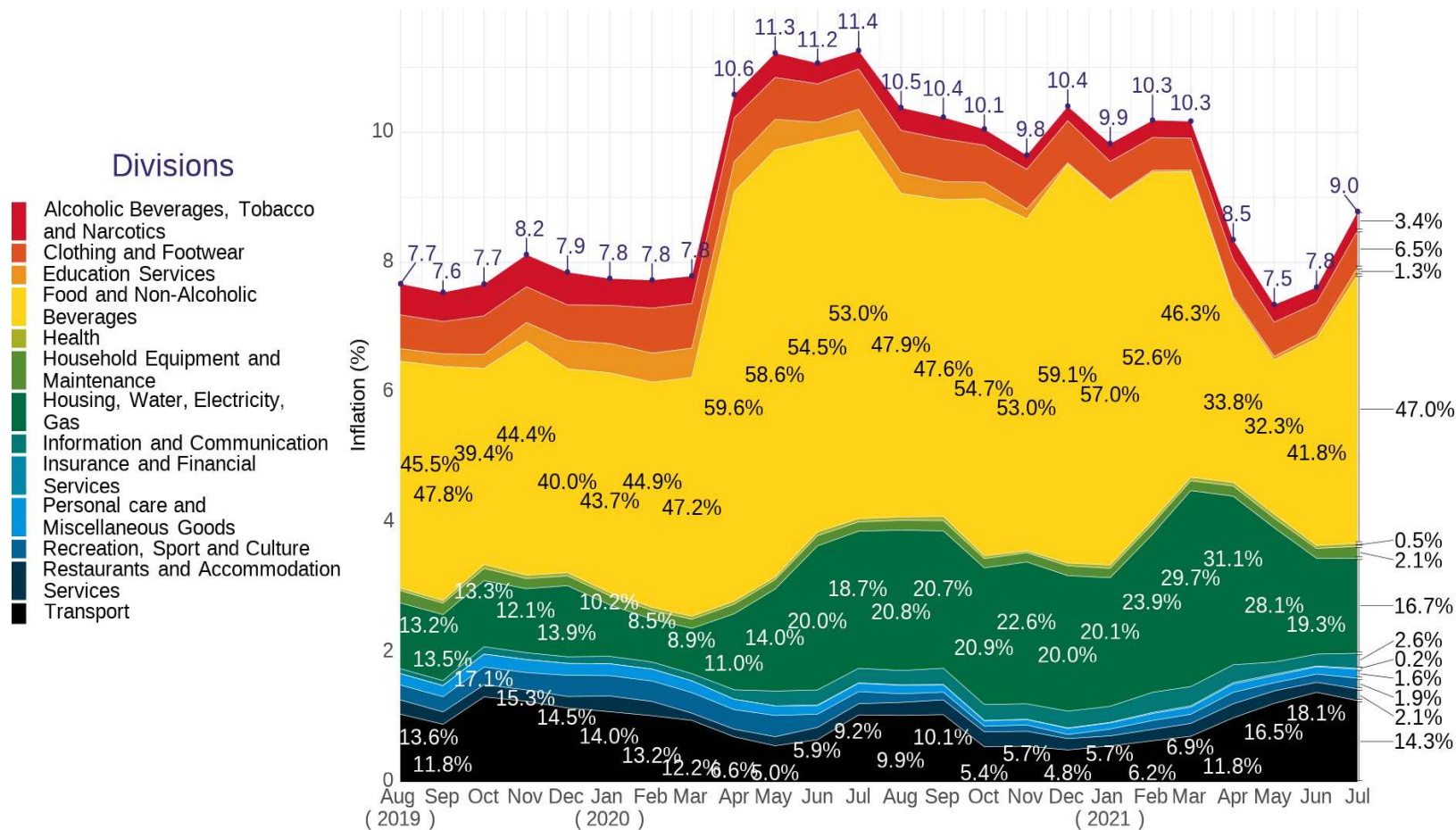
- Food inflation was 9.5%
 - Last month this was 7.3%
 - Average over last 12 month was 10.5%
 - Month-on-month Food inflation was 2.0%.
- Non-food Inflation was 8.6%
 - Last month this was 6.2 %
 - Average over last 12 month was 8.9%
 - Month-on-month Non-Food inflation was 1.3%
- Inflation for locally produced items was 9.4%
- Inflation for imported items was 7.1%



Disaggregation of year-on-year inflation by Division

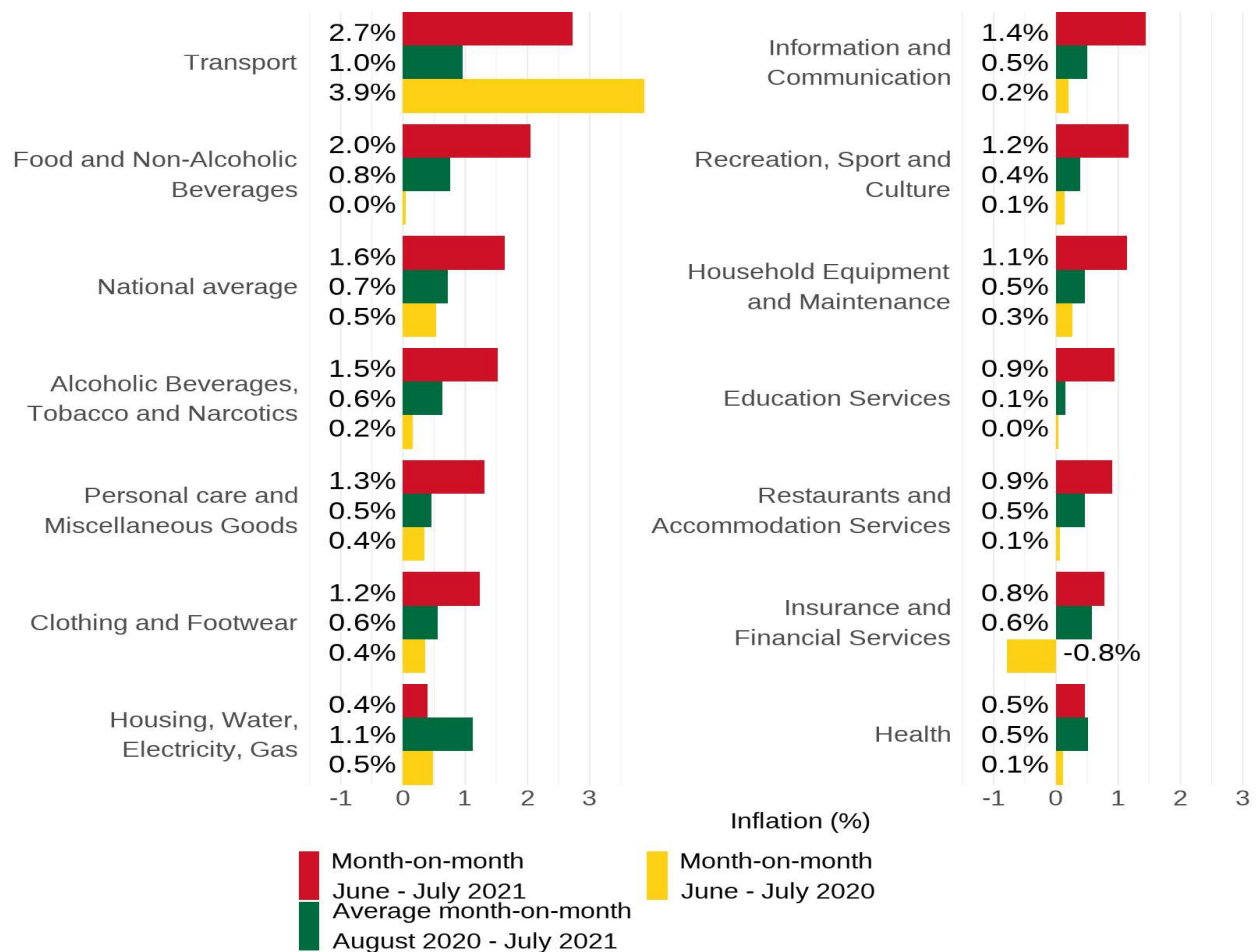


Composition of year-on-year inflation



- Food contributed 47.0% to overall inflation.
- Transport contribution has slowed (decreasing from 18.1% last month to 14.3%)

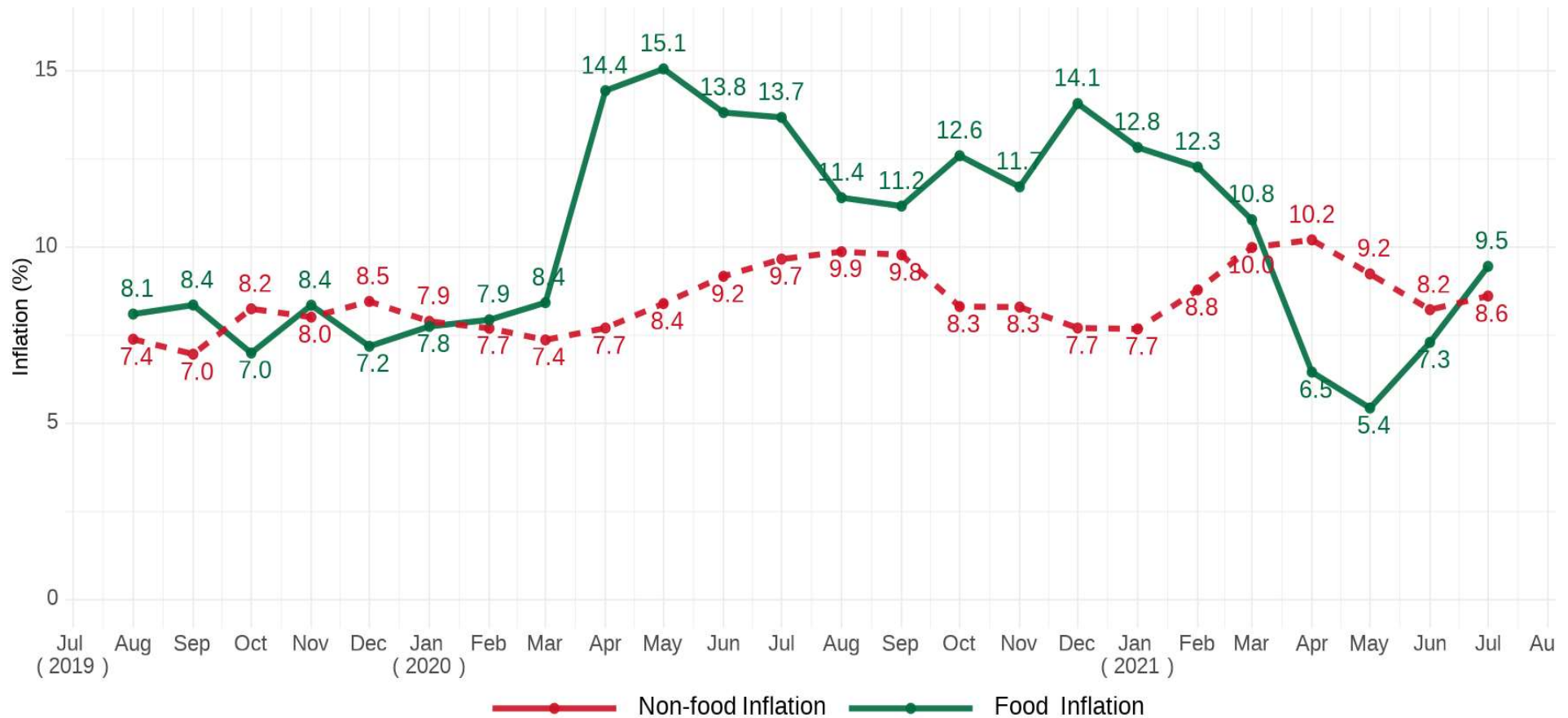
Disaggregation of month-on-month inflation



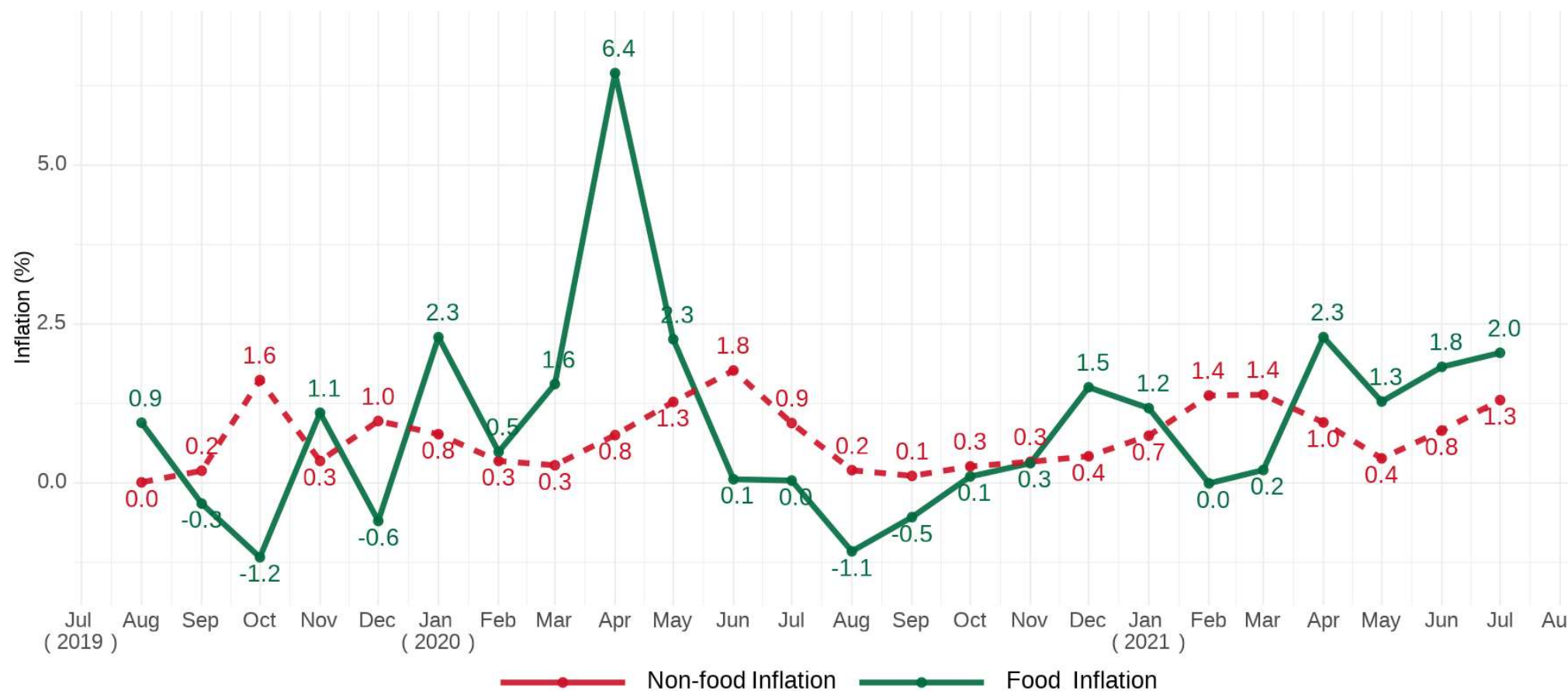
- Ten Divisions recorded higher rate of inflation relative to same period last year and the rolling average August 2020 to July 2021
- Transport recorded a lower inflation this month compared to same time last year.



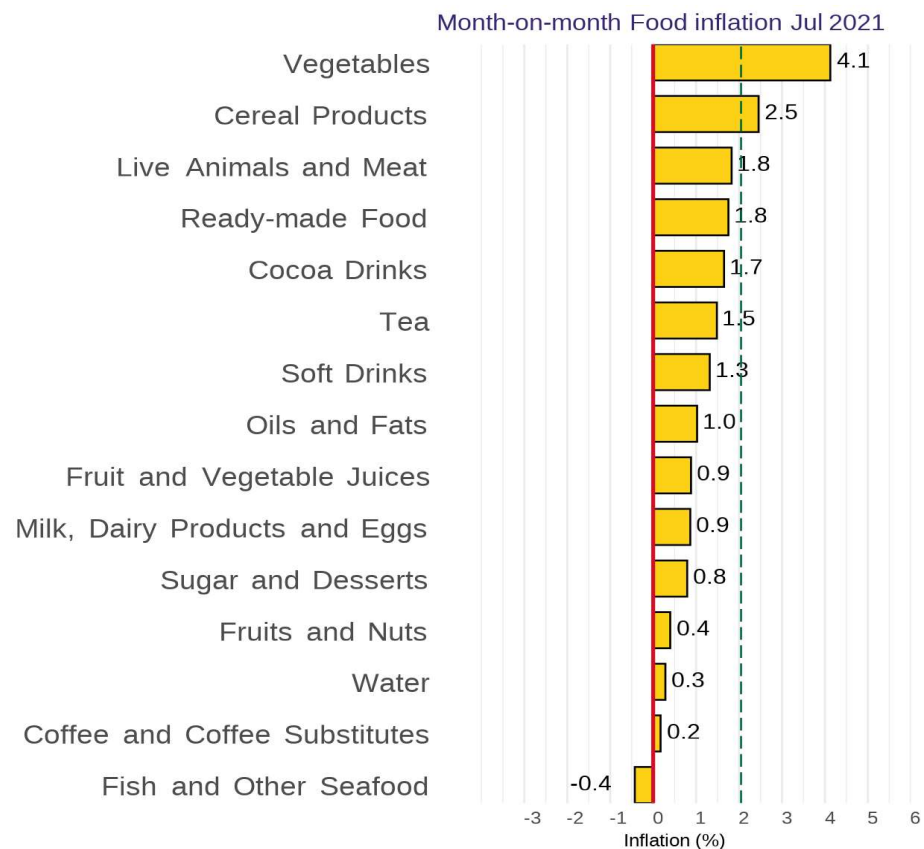
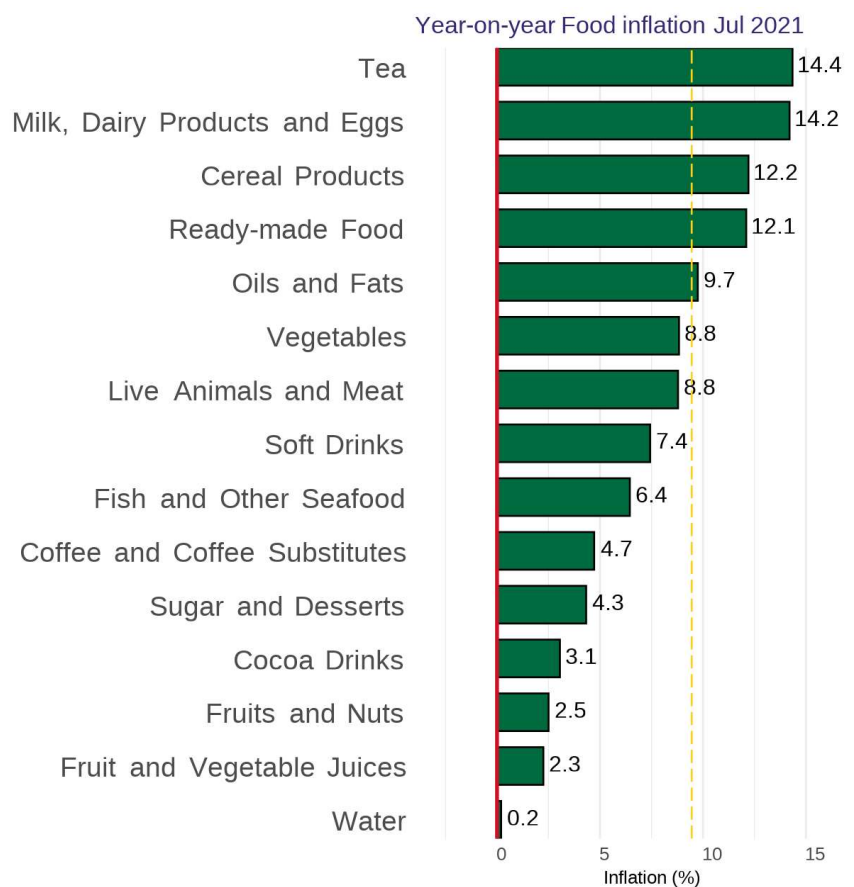
Food and Non-Food year-on-year inflation July. 19 – July. 21



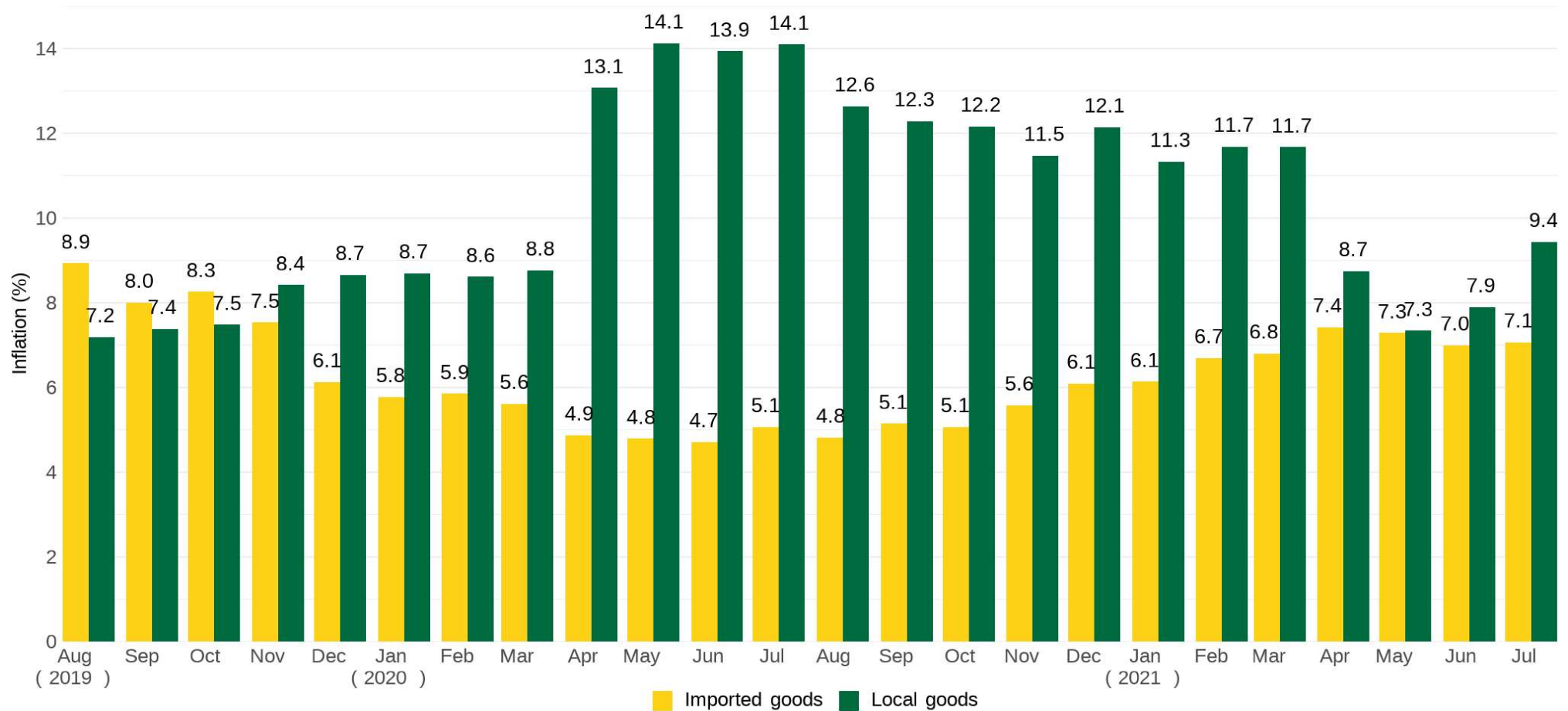
Food & Non-Food month-on-month inflation Aug. 2019–July. 2021



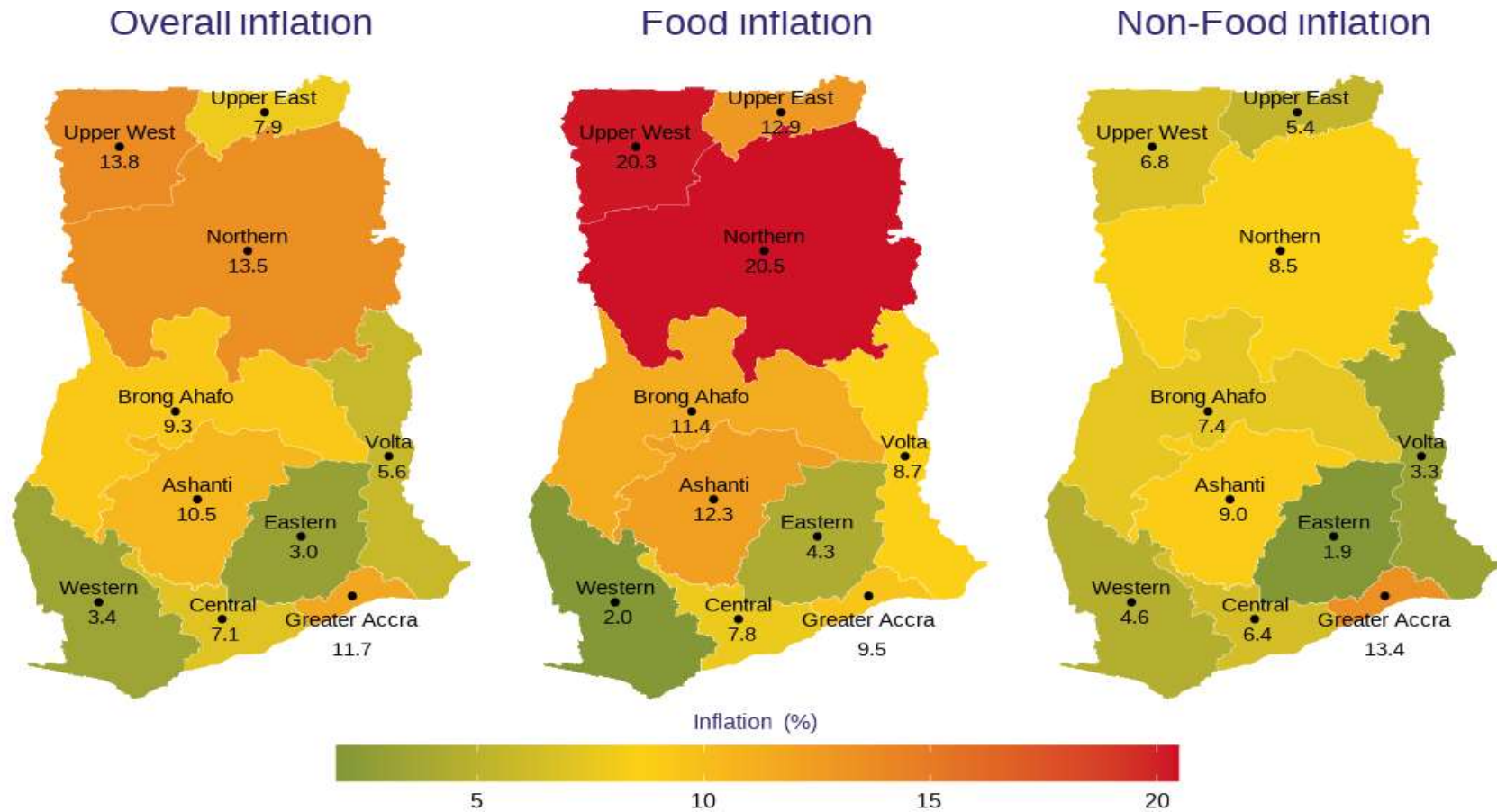
Disaggregation of YoY and MoM Food-inflation by Subclass



Imported and local inflation August 2019 – July 2021



July 2021 regional rates of inflation



Inflation in Upper West and Northern Regions for July. 2021

Upper West Region	(%)	Northern Region - Food	(%)
Food and Non-Alcoholic Beverages	20.3	Cereal Products	34.9
Alcoholic Beverages, Tobacco and Narcotics	13.5	Vegetables	30.0
Furnishing, Household Equipment and Maintenance	8.3	Milk, Dairy Products and Eggs	16.3
Clothing and Footwear	6.2	Live Animals and Meat	14.3
Personal care and Miscellaneous Goods	4.1	Fish and Other Seafood	12.2
Housing, Water, Electricity, Gas	3.7	Oils and Fats	11.9
Health	3.1	Fruits and Nuts	7.0
Recreation, Sport and Culture	0.9	Sugar and Desserts	4.9
Transport	0.0	Ready-made Food	4.5
Information and Communication	0.0		
Education Services	0.0		
Upper West - Overall	13.8	Northern Region - Food	20.5



Highlights

1. Year-on-year inflation for July 2020 – July 2021 was 9.0%.
2. Month-on-month (June 2021 - July 2021) inflation was 1.6%.
3. Year-on-year variation between food (9.5%) and non-food inflation (8.6%) was 0.9%.
4. Month-on-month food inflation exceeds non-food inflation by 0.7 percentage point (2.0% vs. 1.3%)
5. More than three-quarters of the rate of inflation recorded in July 2021 was contributed by Food and Non-alcoholic Beverages; Housing, Water, Electricity and Gas and Transport
6. Inflation for locally produced items continues its dominance over inflation for imported items by widening the gap between the two.
7. Greater Accra's persistent record of highest inflation for sixteen consecutive months has been halted as Northern (13.5%) and Upper West (13.8%) regions record higher overall inflation



End of Press Release for July 2021 Consumer Price Index

For enquiries, please contact:

https://statsghana.gov.gh/gssmain/fileUpload/Price%20Indices/CPI_Technical_Guide_v5_Published_14102020.pdf

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Ghana
Statistical Service

CPI release
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