



Newsletter Producer Price Index (PPI) November, 2012



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Producer Price Inflation Decreased to 15.8% in November 2012

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 producer price changes since September 2006, as well as the annual (year-on-year) and monthly 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 November 2012 are provisional, and are subject to revision when additional data are available. All other indicators are final.

November 2012 Producer Inflation

The Producer Price Index increased by 15.8 percent between November 2011 and November 2012 (year-on-year), representing a decrease in producer inflation by 3.3 percentage points relative to the revised rate recorded in October 2012 (19.1%). The month-on-month change in producer prices between October 2012 and November 2012 was -0.4 percent (Table 1).

Table 1: PPI for October and November 2012

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
October, 2012	p 298.6	p 1.1	p 19.6
October, 2012 rev	297.4	0.7	19.1
November, 2012	p 296.4	p -0.4	p 15.8

P: Provisional

In November 2012, the producer price inflation in the Mining and Quarrying subsector decreased by 11.2 percentage points over the October 2012 rate of 30.8 percent, to record 19.6 percent. Manufacturing, which constitutes more than two-thirds of total industry, decreased to 18.9 percent, from a rate of 21.5 percent in October 2012. The Utilities sector remains unchanged. (Table 2).

Table 2: PPI and Inflation by Sector, November, 2012 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	631.2	-2.1	19.6
Manufacturing	248.1	0.0	18.9
Utilities	303.1	0.0	2.9
ALL INDUSTRY	296.4	-0.4	15.8

The data in this table are provisional

Trends

During the 12-month period (November 2011 to November 2012), all industry recorded the highest inflation in June and October 2012 (19.1%) and the lowest in December 2011 (13.6%). From January to May 2012, the producer inflation fluctuated between 15.0 percent and 16.6 percent. However, it increased slightly in July 2012 to 19.0 percent and dropped to 17.8 percent in August. The declining trend continued in September 2012 but increased to

19.1 percent in October 2012 before declining again in November 2012 to 15.8 percent.

Manufacturing Sector

During the month of November 2012, seven out of the sixteen major groups in the manufacturing subsector recorded inflation rates higher than the sector average of 18.9 percent (Fig. 2). Manufacture of textiles recorded the highest inflation rate (40.1%) whilst Manufacture of machinery and equipments n.e.c recorded no change (0.0%).

Petroleum Price Index

During the last 12 months, the producer inflation in the petroleum industry exhibited a downward trend. The highest inflation rate in the industry was recorded in November 2011 (26.5%) and the lowest in May 2012 (16.0%) (Fig. 3).

Highlights

The year-on-year producer inflation for all industry was 15.8 percent in November 2012; the monthly inflation rate was -0.4 percent.

The Mining and quarrying industry recorded the highest year-on-year producer inflation rate of 19.6 percent, followed by manufacturing (18.9%) and Utilities (2.9 %).

The monthly changes in the producer price index indicated that Mining and Quarrying recorded a negative inflation rate. There was virtually no change in the Manufacturing and Utilities subsectors.



