Drivers of November 2018 Inflation rate (9.3%)

The year-on-year inflation rate for November 2018 was **9.3%** compared with that of October 2018 which was 9.5% a fall of 0.2 percentage point.

REASONS FOR THE FALL IN THE RATE OF INFLATION

The **Non food group inflation** rate fell by 0.1percentage point from 9.8% in October 2018 to 9.7% in November 2018 and the **Food group inflation** rate also fell from 8.9% in October 2018 to 8.6%. These were responsible for the fall in the overall rate of inflation in November 2018.

The price drivers for November 2018 was mainly due to a fall in the rates of inflation for the Clothing and Footwear group (0.9%), Communication group (0.6%), Furnishings, Household Equipment and Routine Maintenance group (0.5%), Health group (0.4%), Alcoholic Beverages, Tobacco and Narcotics group (0.4%), Food and Non-alcoholic Beverages group (0.3%), and Transport group (0.2%), see Figure 1.

Figure 1: Changes in main COICOP groups' inflation rates
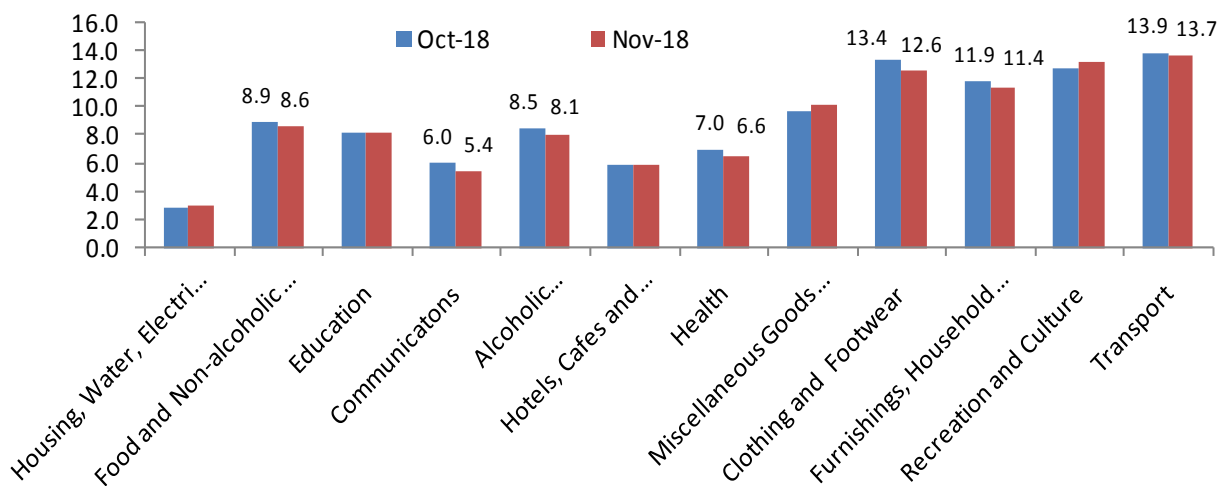

The **food group** on the other hand had the following sub-groups recording higher percentage points fall in inflation rates for November 2018 compared to October 2018.

a. Food products n.e.c. fell by **1.1** percentage points from 10.5% in October 2018 to 9.4% in November 2018.

b. Mineral water, soft drinks, fruits and vegetable juices fell by **1.0** percentage point from 10.4% in October 2018 to 9.4% in November 2018.

c. Sugar, jam, honey, chocolate and confectionery fell by **0.8** percentage point from 7.9% in October 2018 to 7.1% in November 2018.

d. Vegetables fell by **0.5** percentage point from 9.6% in October 2018 to 9.1% in November 2018.

e. Fish and seafood fell by **0.4** percentage point from 8.5% in October 2018 to 8.1% in November 2018.

f. Fruits fell by **0.4** percentage point from 11.4% in October 2018 to 11.0% in November 2018

g. Coffee, tea and cocoa fell by **0.3** percentage point from 13.1% in October 2018 to 12.8% in November 2018.

h. Milk, cheese and eggs fell by **0.2** percentage point from 7.2% in October 2018 to 7.0% in November 2018, see Figure 2.

Figure 2: Changes in main food groups inflation rates
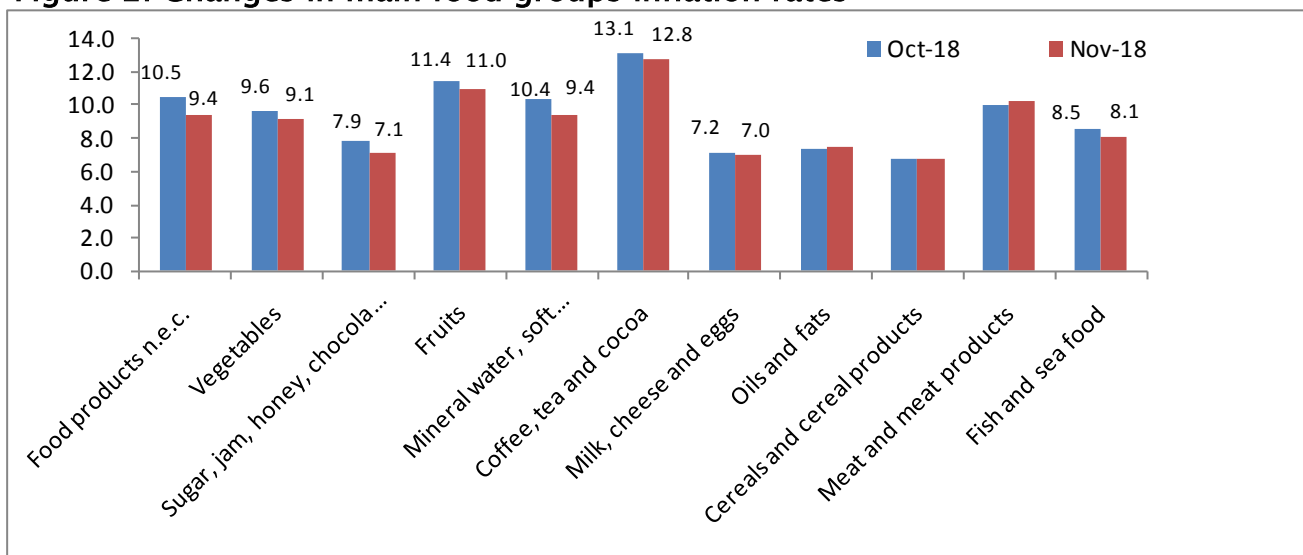
In any month, the combinations of factors such as government policy, season, exchange rate, interest rate, etc. may influence the rate of inflation. The prices of some items will rise while

the prices of some other items will fall. The overall rate of inflation will rise if the rise in the prices of items are more than the fall in the prices of items and vice versa. **Table 1** shows some of the items with high year–on–year inflation rates from November 2017 to November 2018.

Table 1: CPI items that recorded high y/y change rate from November 2017 to November 2018

ITEM	DESCRIPTION	Weight	Price change over 12 months
218	Digital photo camera	0.1	33.8
220	PC laptop	0.1	29.6
191	Motor Bike eg. Yamaha AG 100	0.3	28.6
156	Air conditioner	0.0	27.5
151	Mattress (foam)	0.3	27.4
244	Hotel Accommodation	0.0	26.3
189	Toyota Corolla	0.7	25.8
264	Legal service,(will fees)	0.5	25.8
95	Imported cloth (Dutch/British)	0.4	25.8
266	Newspaper advertisement, (funeral, 1/8 page)	0.5	25.5
217	DVD-Player	0.2	25.0
215	TV-set (21")	0.3	24.8
207	Domestic air fare - 300 km, Accra-Kumasi	0.3	24.8
184	Doctor consulting fees (herbal/native Doctor)	0.1	24.4
98	Kente (Men)	0.1	23.5
155	Refrigerator	0.3	23.5
203	Driving lesson fees	0.0	23.4
99	Simple Suit	0.1	23.2
150	Double Bed (simple or ordinary)	0.2	22.8
108	Kente (Women)	0.1	22.3
130	Sports shoes (canvas/camboo)	0.2	22.1
186	Tooth removal (private)	0.1	21.9
219	PC desktop	0.1	21.8
126	Dress shoe (men)	0.2	21.6
128	Dress shoe (women)	0.3	21.2
192	Bicycle	0.1	20.6
157	Microwave oven	0.0	20.4
196	Batteries (Car)	0.1	20.2
112	Boubou	0.1	20.2
246	Hostels private	0.0	19.8
260	Wrist watch	0.1	19.8
107	smock	0.1	19.5
190	Hyundai Accent	0.7	19.4
158	Gas cooker	0.1	19.3

Regional Performance

1. Upper West region recorded the highest regional combined inflation rate (11.5%). Transport (22.8%), Miscellaneous Goods and Services (13.9%), Clothing and Footwear (11.9%) and Recreation and Culture (11.6%) were responsible for the high inflation in the Upper West region.
2. Upper West region recorded the highest regional non-food inflation rate (13.4%) due to a rise in inflation for the Transport and Miscellaneous Goods and Services subgroups.

3. Ashanti region recorded the highest food inflation rate (9.3%) due to Coffee, tea and cocoa (13.3%), Vegetables (11.8%), Oils and fats (11.6%), Non-alcoholic beverages (11.1%), Meat and meat products (10.1%) and Mineral water, soft drinks, fruit and vegetable juices (9.9%).
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