



Newsletter Producer Price Index (PPI) August, 2016



Republic of Ghana

September 28, 2016

Producer Price Inflation Rate in August 2016 is 11.1%

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 August 2016 are provisional, and are subject to revision when additional data become available. All other indicators are final.

August 2016 Producer Inflation

The Producer Price Inflation rate for August 2016 was 11.1 percent. This rate indicates that, between August 2015 and August 2016 (year-on-year), the PPI increased by 11.1 percent. This rate represents a 0.7 percentage point increase in producer inflation relative to the rate recorded in July 2016 (10.4%). The month-on-month change in producer price index between July and August 2016 was -3.3 percent (Table 1).

Table1: PPI for July and August 2016

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
July, 2016	p 540.8	p 0.9	p 10.3
July, 2016 rev	541.5	1.0	10.4
August, 2016	p 523.8	p -3.3	p 11.1

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 2.0 percentage points over the July 2016 rate of 30.4 percent to record 28.4 percent in August 2016. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry, increased by 1.3 percentage points to record 2.5 percent. The Utilities sub-sector recorded an inflation rate of 36.0 percent in August 2016 indicating a decrease of 0.6 percentage point over the July 2016 rate of 36.6 percent.

Table 2: PPI and Inflation by Sector, August 2016 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,019.8	-0.1	28.4
Manufacturing	409.1	-4.7	2.5
Utilities	786.8	0.0	36.0
ALL INDUSTRY	523.8	-3.3	11.1

The data in this table are provisional.

Trends

The year-on-year inflation in ex-factory prices of goods and services was 11.1 percent for August 2016. In August 2015, the rate recorded 3.9 percent but subsequently declined to record 2.9 percent in October 2015. In November 2015, it inched up slightly to record 3.0 percent and then increased further to 11.0 percent in December 2015 and to 16.3

percent in January 2016. In February 2016, the rate decreased to 14.5 percent and continued its downward trend to record 11.2 percent in April 2016. In May 2016, it dropped further to 7.6 percent and then to 7.6 percent in June 2016 but increased to 10.4 percent in July, 2016 and then to 11.1 percent in August 2016.

Manufacturing Sector

During the month of August 2016, eleven out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 2.5 percent (Fig. 2). Manufacture of wood and of products wood and cork recorded the highest inflation rate of 58.4 percent while manufacturing of coke, refined petroleum products and nuclear fuel recorded the lowest producer price inflation rate of -16.3%.

Petroleum Price Index

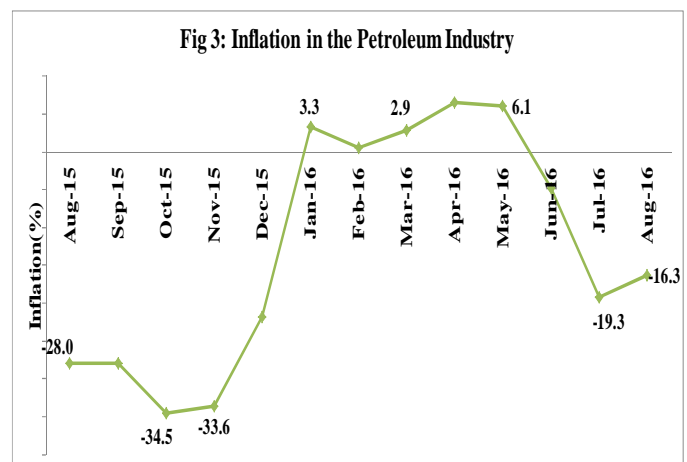
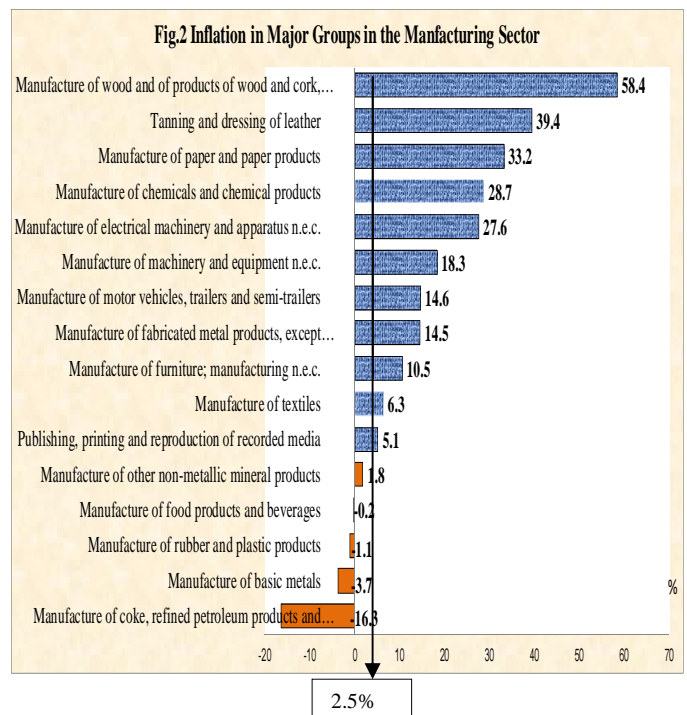
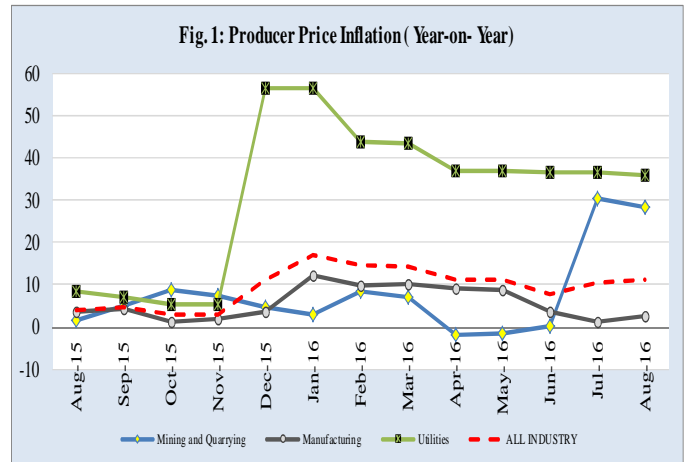
The inflation rate in the petroleum sub-sector was -28.4 percent in August 2015. Subsequently, the rate declined to record -34.5 percent in October 2015. It, however, increased to -21.8 percent in December 2015 and rose further to record 3.3 percent in January 2016. In February 2016, it declined to 0.5 percent but increased to record 2.9 percent in March 2016 as a result of the base drift effect. The rate increased again to 6.5 percent in April 2016 but declined slightly to 6.1 percent in May 2016. In June 2016, the rate decreased to record -4.7 percent and then to -19.3 percent in July 2016 but increased to -16.3 percent in August 2016 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 11.1 percent in August 2016; the monthly change rate was -3.3 percent.

The Utilities sub-sector recorded the highest year-on-year producer price inflation rate of 36.0 percent, followed by the Mining and Quarrying sub-sector with 28.4 percent. The Manufacturing sub-sector recorded the lowest year-on-year inflation rate of 2.5 percent.

With respect to the monthly changes, the Manufacturing sub-sector recorded the lowest rate of -4.7 percent followed by the Mining and Quarrying sub-sector with -0.1 percent. The rate for the Utilities sub-sector remained unchanged.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at statsghana.gov.gh. For details of the PPI and for any further explanation, please contact the Industrial Statistics Section of the GSS or call 0302-682640. You may also contact us at the following address: Ghana Statistical Service, P. O. Box GP1098, Accra, Ghana