



Newsletter Producer Price Index (PPI) August, 2017



Republic of Ghana

September 27, 2017

Producer Price Inflation Rate in August 2017 is 6.6%

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 2017 are provisional, and are subject to revision when additional data become available. All other indicators are final.

August 2017 Producer Inflation

The Producer Price Inflation rate for August 2017 was 6.6 percent. This rate indicates that, between August 2016 and August 2017 (year-on-year), the PPI increased by 6.6 percent. This rate represents a 4.6 percentage points increase in producer inflation relative to the rate recorded in July 2017 (2.0%). The month-on-month change in producer price index between July 2017 and August 2017 was 1.0 percent (Table 1).

Table 1: PPI for July and August 2017

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
July, 2017	p552.4	p-0.2	p2.0
July, 2017 rev	552.3	-0.2	2.0
August, 2017	p557.8	p1.0	p6.6

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 4.2 percentage points over the July 2017 rate of 4.1 percent to record 8.3 percent in August 2017. The producer inflation for Manufacturing, which constitutes more than two-thirds of total industry increased by 5.8 percent to record 7.5 percent. The utilities sub-sector, remained unchanged.

Table 2: PPI and Inflation by Sector, August 2017 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,104.9	4.0	8.3
Manufacturing	439.3	0.5	7.5
Utilities	797.0	0.0	1.3
ALL INDUSTRY	557.8	1.0	6.6

The data in this table are provisional.

Trends

In August 2016, the producer price inflation rate for all industry was 11.0 percent. The rate declined in September 2016 to record 9.7 percent but increased marginally to 9.8 percent in October 2016, then to 11.9 percent in November 2016, but it declined to 4.8 percent in December 2016 and then to 3.1 percent in January 2017. In February 2017, the rate increased to 5.4 percent and then to 6.0 percent in

March 2017 but declined consistently to record 2.0 percent in July 2017. In August 2017, the rate increased to 6.6 percent.

Manufacturing Sector

During the month of August 2017, six out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 7.5 percent. Manufacture of machinery and equipment n.e.c recorded the highest inflation rate of 26.1 percent while manufacturing of paper and paper products recorded the lowest producer price inflation rate of -5.7% (Fig. 2).

Petroleum Price Index

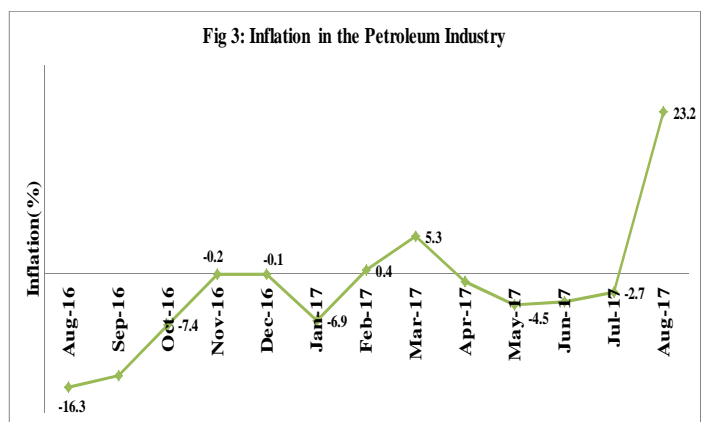
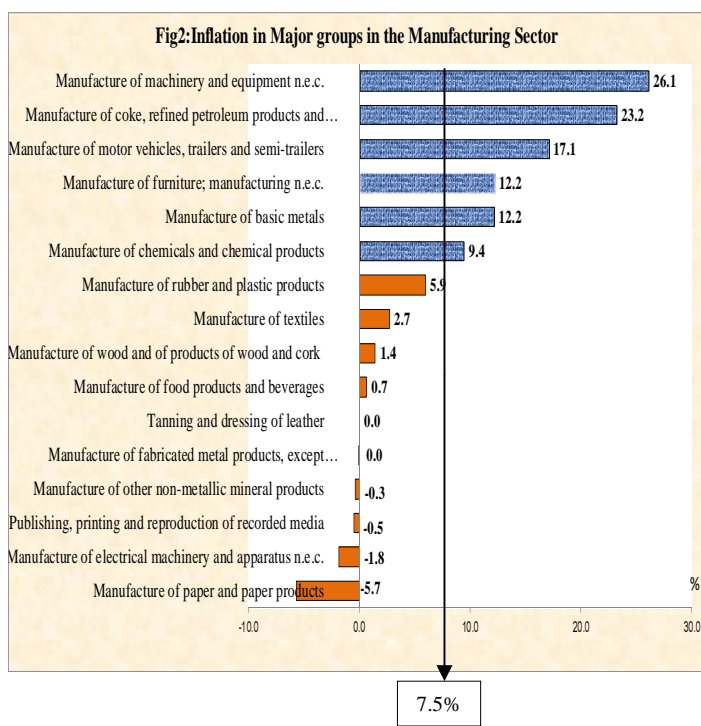
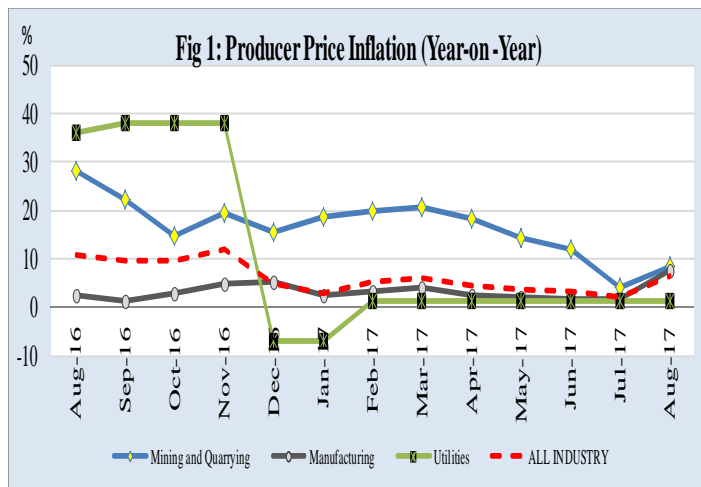
The producer inflation rate in the petroleum sub-sector was -16.3 percent in August 2016. The rate increased consistently to record -0.1 percent in December 2016. The rate declined to -6.9 percent in January 2017 but increased to 0.4 percent in February 2017 and then to 5.3 percent in March 2017. It declined to -1.2 percent in April 2017 and then to -4.5 percent in May 2017. It increased consistently to record 23.2 percent in August 2017. The significant increase in August, 2017 was due to base drift effect and increases in prices of petroleum products (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 6.6 percent in August 2017; the monthly change rate was 1.0 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 8.3 percent followed by the Manufacturing sub-sector with 7.5 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation rate of 1.3 percent.

With respect to the monthly changes, the Mining and Quarrying recorded the highest rate of 4.0 percent followed by the Manufacturing sub-sector with 0.5 percent. The Utilities sub-sector recorded no change.



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