



Republic of Ghana

Newsletter Producer Price Index (PPI) December, 2018



January 16, 2019

Producer Price Inflation Rate in December 2018 is 4.4%

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 December 2018 are provisional, and are subject to revision when additional data become available. All other indicators are final.

December 2018 Producer Inflation

The Producer Price Inflation rate for December 2018 was 4.4 percent. This rate indicates that, between December 2017 and December 2018 (year-on-year), the PPI increased by 4.4 percent. This rate represents a 2.1 percentage point decrease in producer inflation relative to the rate recorded in November 2018 (6.5%). The month-on-month change in producer price index between November 2018 and December 2018 was -1.2 percent (Table 1).

Table 1: PPI for November and December 2018

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
November, 2018	p606.6	p-0.6	p6.5
November, 2018 rev	606.6	- 0.6	6.5
December, 2018	p599.3	p-1.2	p4.4

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector increased by 3.8 percentage points over the November 2018 rate of 4.7 percent to record 8.5 percent in December 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry decreased by 4.0 percentage points to record 4.5 percent. The utilities sub-sector recorded the same inflation rate (-0.1) as the rate for November 2018.

Table 2: PPI and Inflation by Sector, December 2018 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,193.4	2.9	8.5
Manufacturing	479.6	-2.4	4.5
Utilities	796.2	0.0	-0.1
ALL INDUSTRY	599.3	-1.2	4.4

The data in this table are provisional.

Trends

In December 2017, the producer price inflation rate for all industry was 8.7 percent. The rate decreased consistently to record 3.7 percent in March 2018. Subsequently, it increased to 8.2 percent in July 2018, but declined to 7.0 percent in August 2018 and

further to 5.8 percent in September 2018. In October 2018, the rate increased to 7.2 percent but declined to 6.5 percent in November 2018 and then to 4.4 percent in December 2018.

Manufacturing Sector

During the month of December 2018, four out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 4.5 percent. Manufacture of basic metals recorded the highest inflation rate of 16.4 percent, while Manufacture of machinery and equipment n.e.c. recorded 0.0 percent (Fig. 2).

Petroleum Price Index

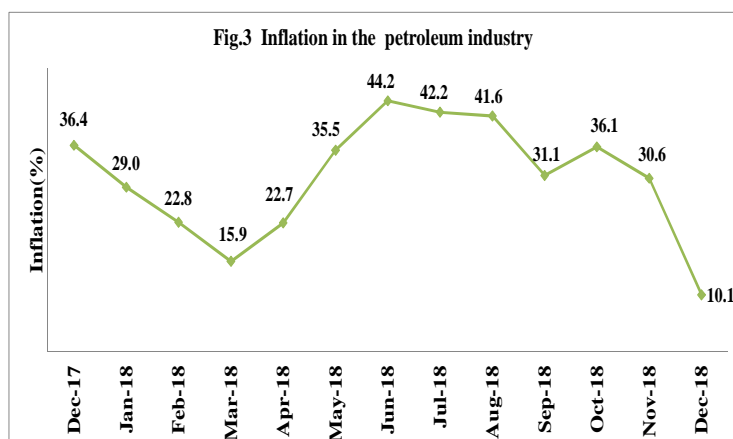
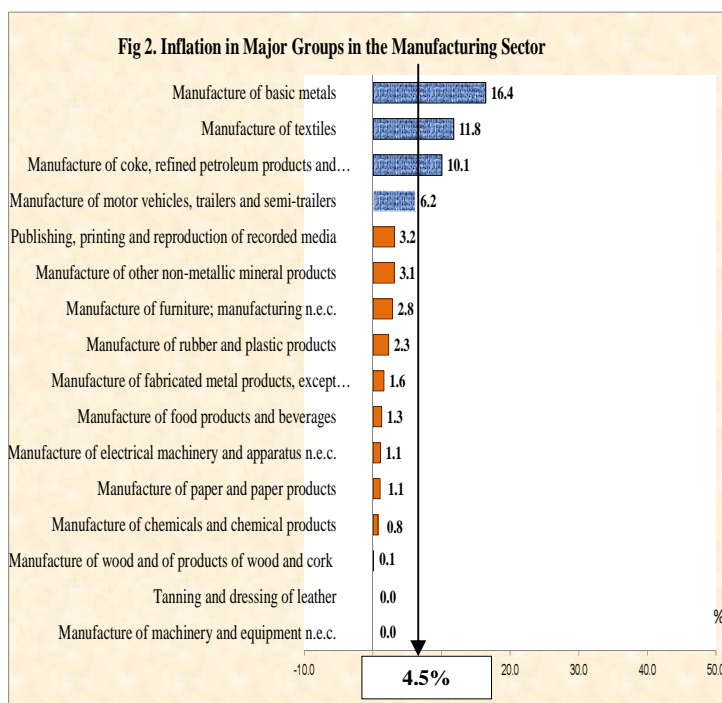
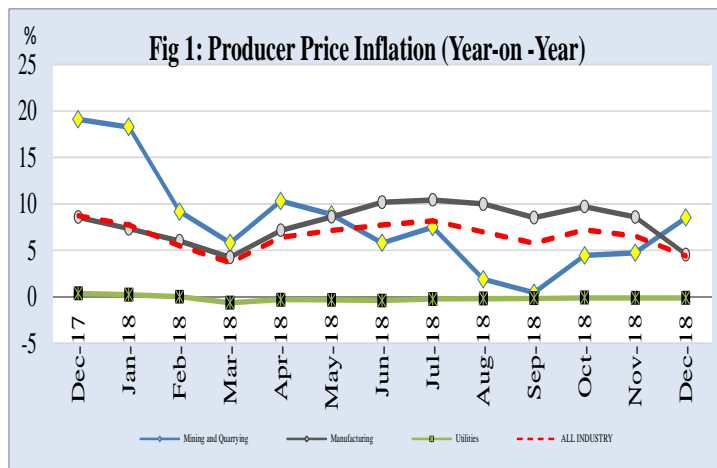
The producer inflation rate in the petroleum sub-sector was 36.4 percent in December 2017. The rate declined consistently to record 15.9 percent in March 2018. Subsequently the rate increased to record 44.2 percent in June 2018, but decreased to 31.1 percent in September 2018. It however, resumed an upward trend to record 36.1 percent in October 2018. The rate then declined consistently to record 10.1 percent in December 2018 (Fig 3).

Highlights

The year-on-year producer inflation for all industry was 4.4 percent in December 2018; the monthly change rate was -1.2 percent.

The Mining and Quarrying sub-sector recorded the highest year-on-year producer price inflation rate of 8.5 percent, followed by manufacturing sub-sector with 4.5 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.1 percent.

With respect to the monthly changes, Mining and quarrying recorded the highest inflation rate of 2.9 percent, followed by Utilities the sub-sector with 0.0 percent. The Manufacturing sub-sector recorded the lowest inflation rate of -2.4



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 further explanation, please contact the Business & 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.