



Republic of Ghana

# Newsletter Producer Price Index (PPI) June, 2018



July 25, 2018

## Producer Price Inflation Rate in June 2018 is 7.7%

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

### June 2018 Producer Inflation

The Producer Price Inflation rate for June 2018 was 7.7 percent. This rate indicates that, between June 2017 and June 2018 (year-on-year), the PPI increased by 7.7 percent. This rate represents a 0.6 percentage point increase in producer inflation relative to the rate recorded in May 2018 (7.1%). The month-on-month change in producer price index between May 2018 and June 2018 was 1.2 percent (Table 1).

**Table1: PPI for May and June 2018**

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
May, 2018	p588.9	p0.7	P7.1
May, 2018 rev	588.9	0.7	7.1
<b>June, 2018</b>	<b>p596.0</b>	<b>p1.2</b>	<b>p7.7</b>

p = Provisional

The producer price inflation in the Mining and Quarrying sub-sector decreased by 3.1 percentage points over the May 2018 rate of 8.9 percent to record 5.8 percent in June 2018. The producer inflation for Manufacturing which constitutes more than two-thirds of total industry increased by 1.6 percentage points to record 10.2 percent. The producer price inflation for the utilities sub-sector remained unchanged.

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

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	1,136.1	0.9	5.8
Manufacturing	481.5	1.6	10.2
Utilities	793.2	0.1	-0.4
<b>ALL INDUSTRY</b>	<b>596.0</b>	<b>1.2</b>	<b>7.7</b>

The data in this table are provisional.

### Trends

In June 2017, the producer price inflation rate for all industry was 3.2 percent. The rate declined to record 2.0 percent in July 2017. Subsequently, it increased consistently to record 8.3 percent in October 2017 but declined to 7.1 percent in November 2017. In December 2017, the rate increased to 8.7 percent but decreased consistently to record 3.7 percent in March

2018. It increased to 6.4 percent in April 2018 and then to 7.1 percent in May 2018. The rate increased again to record 7.7 percent in June 2018.

### Manufacturing Sector

During the month of June 2018, three out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 10.2 percent. Manufacture of coke, refined petroleum products and nuclear fuel recorded the highest inflation rate of 44.2 percent, while manufacturing of food products and beverages recorded the lowest producer price inflation rate of -1.9% (Fig. 2).

### Petroleum Price Index

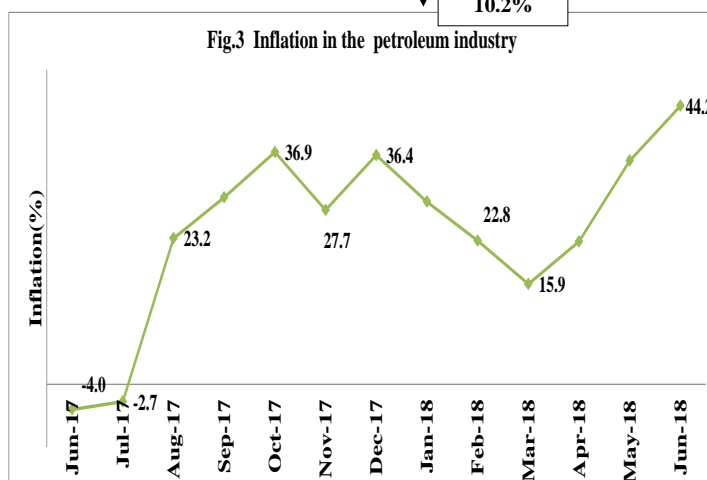
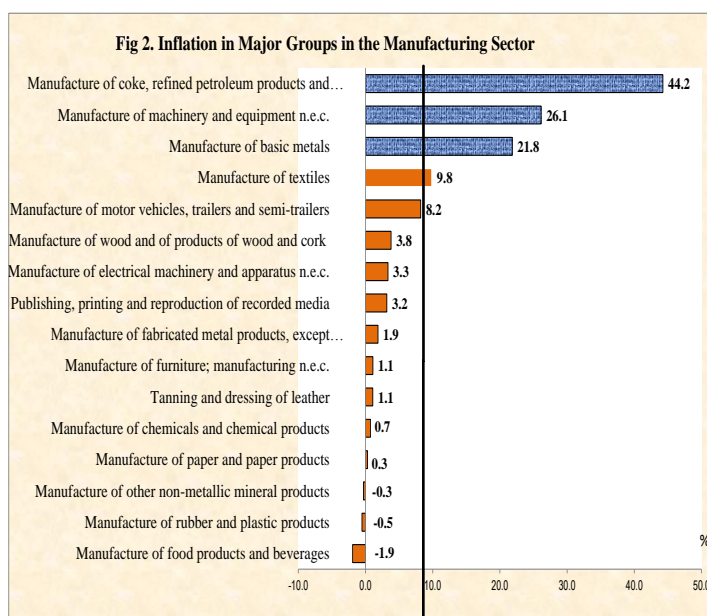
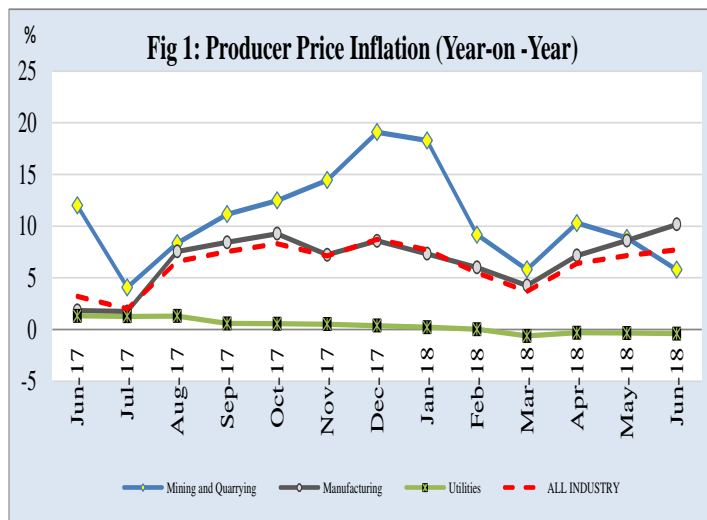
The producer inflation rate in the petroleum sub-sector was -4.0 percent in June 2017. Subsequently, it increased consistently to record 36.9 percent in October 2017 but declined to 27.7 percent in November 2017. The rate increased to 36.4 percent in December 2017 but declined consistently to record 15.9 percent in March 2018. Subsequently the rate consistently increased to record 44.2 percent in June 2018. (Fig 3).

### Highlights

The year-on-year producer inflation for all industry was 7.7 percent in June 2018; the monthly change rate was 1.2 percent.

The Manufacturing sub-sector recorded the highest year-on-year producer price inflation rate of 10.2 percent, followed by the Mining and Quarrying sub-sector with 5.8 percent. The Utilities sub-sector recorded the lowest year-on-year producer inflation of -0.4 percent.

With respect to the monthly changes, Manufacturing recorded the highest inflation rate of 1.6 percent, followed by the Mining and quarrying sub-sector which recorded 0.9 percent. The Utilities sub-sector recorded the lowest inflation rate of 0.1 percent.



Copies of the Newsletter may be obtained from the information desk of Ghana Statistical Service or the GSS website at [statsghana.gov.gh](http://statsghana.gov.gh). For details of the PPI and for 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