



Republic of Ghana

Newsletter Producer Price Index (PPI) October, 2013



Ghana Statistical Service
P.O. Box GP 1098
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November 27, 2013

Producer Price Inflation Rate Increased to 11.6% in October 2013

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 producer price changes since September 2006, as well as the annual (year-on-year) and monthly 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 October 2013 are provisional, and are subject to revision when additional data become available. All other indicators are final.

October 2013 Producer Inflation

The Producer Price Inflation increased by 11.6 percent between October 2012 and October 2013 (year-on-year), representing an increase in producer inflation by 5.8 percentage points relative to the rate recorded in September 2013 (5.8%). The month-on-month change in producer prices between September 2013 and October 2013 was 6.2 percent (Table 1).

Table 1: PPI for September 2013 and October 2013

Month	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
September, 2013	p 311.3	p 1.9	p 5.4
September, 2013 rev	312.5	2.3	5.8
October, 2013	p 332.0	p 6.2	p 11.6

P: Provisional

In October 2013, the producer price inflation in the Mining and Quarrying subsector decreased by 0.8 percentage points over the September 2013 rate of -16.9 percent, to record -17.7 percent. Manufacturing, this constitutes more than two-thirds of total industry, increased by 0.1 percentage point to record 13.4 percent. The rate for the Utilities sub-sector rose by 40.3 percentage points relative to September 2013 (0.2%) to record 40.5 percent in October 2013.

Table 2: PPI and Inflation by Sector, October, 2013 (September 2006= 100)

Sector	Index level	Change rate (%)	
	Sept 2006=100	Monthly	Yearly
Mining & Quarrying	530.5	0.2	-17.7
Manufacturing	281.4	0.8	13.4
Utilities	426.1	40.3	40.5
ALL INDUSTRY	332.0	6.2	11.6

The data in this table are provisional

Trends

During the 12-month period (October 2012 to October 2013), the highest year-on-year inflation of 19.1 percent for all industry was recorded in October 2012 and the lowest was in August 2013 (4.7%). Within the last quarter of 2012, the producer price inflation fluctuated until December 2012 when it started declining to record 9.1 percent in February 2013. In March 2013, the rate increased

slightly to record 10.6 percent, and subsequently declined over a five-month period to record the lowest rate of 4.7 percent in August 2013. In September, however, the rate inched up to record 5.8 percent and further increased significantly to 11.6 percent in October, 2013.

Manufacturing Sector

During the month of October 2013, eight out of the sixteen major groups in the manufacturing sub-sector recorded inflation rates higher than the sector average of 13.4 percent (Fig. 2). Manufacture of machinery and equipment n.e.c. recorded the highest inflation rate (76.0%) whilst producer prices in the manufacture of electrical machinery and apparatus n.e.c. recorded the lowest inflation rate (-5.6) over the one year period.

Petroleum Price Index

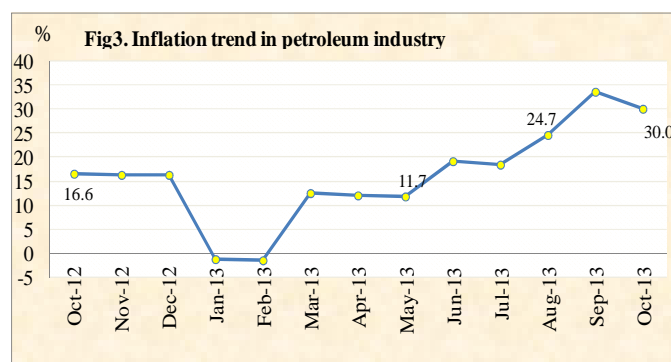
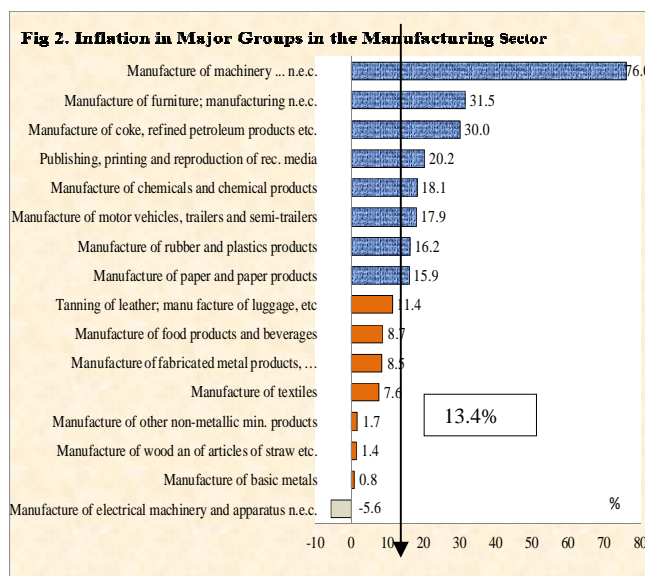
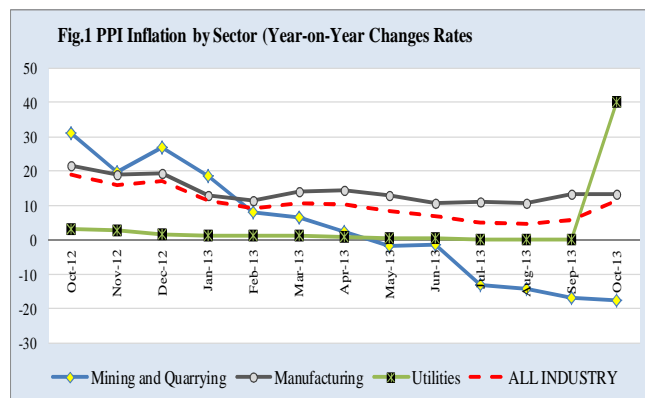
Between October 2012 and December 2012, the inflation rate in the petroleum sub-sector remained relatively stable. However, it dropped in January 2013 and subsequently rose in March 2013. The rate remained unchanged in April and May 2013. It thereafter increased steadily to record 19.3 percent in June 2013. In July 2013, the rate declined slightly to 18.5 percent due to slight decreases in the prices of marine gas oil and aviation fuel. However, the rate increased consistently to record 33.6 percent in September 2013 as a result of increases in the prices of petroleum products but decreased in October 2013 to record a rate of 30.0 percent. (Fig.3).

Highlights

The year-on-year producer inflation for all industry was 11.6 percent in October 2013; the monthly inflation rate was 6.2 percent.

The utility sub-sector recorded the highest year-on-year producer price inflation rate of 40.5 percent, followed by the manufacturing sub-sector (13.4%). The mining and quarrying sub-sector recorded an inflation rate of -17.7 percent.

The monthly changes in the producer price index indicated that utility recorded a monthly inflation rate of 40.3 percent while manufacturing recorded 0.8 percent. Mining and quarrying sub-sector recorded the lowest rate (0.2%).



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.