



INFLATION

Ghana's consumer inflation rose to 54.1% year-on-year in December, up from 50.3% the previous month and its highest level in 22 years, driven by fuel, utilities and food.

- ❖ Inflation increased from 50.3% in November to settle at 54.1% in December 2022
- ❖ Month-on-Month (November 2022 – December 2022) inflation was 3.8%
- ❖ Housing, water, electricity, gas and other fuels inflation rate of 82.34% surpassed the national average of 54.1%
- ❖ Inflation for imported goods was 61.9% while inflation for local goods was 51.1%
- ❖ Gr. Accra Region recorded the highest regional inflation of 66.7% whilst Volta Region recorded the lowest at 25.8%

Inflation rate in December had accelerated much faster than expected to the highest level in almost 22 years reaching 54.1%. The rate was mainly driven by Housing, Water, Electricity, Gas and Other Fuels which rose the most up 82.34% followed by Furnishings, Household Equipment and Maintenance (71.52%); Transport (71.42%); Personal Care, Social Protection and Miscellaneous Goods and Services (60.94%) and Food and Non-Alcoholic Beverages 59.71%). The month-on-month inflation between November 2022 and December 2022 stood at 3.8%. The inflation rate remains well above the central bank's inflation target band of 8+/-2%.

Food inflation increased to 59.7% which is up from November's food inflation of 55.3%. Non-food inflation stood at 49.9%, compared to 46.5% recorded the previous month. Overall month-on-month food inflation was 4.1% while non-food inflation stood at 3.6%. Inflation for imported goods was 61.9% while inflation for local goods was 51.1%. At the regional level, the Greater Accra Region recorded the highest inflation rate of 66.7% while the Volta Region recorded the lowest inflation rate of 35.6%.

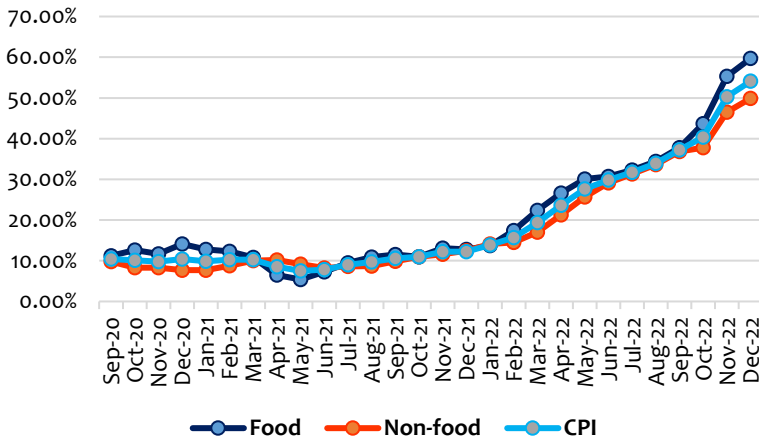
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
DEC - 2021	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8
JUL	173.0	3.1	31.7
AUG	176.3	1.9	33.9
SEP	140.6	2.0	37.2
OCT	144.4	2.7	40.4
NOV	156.8	8.6	50.3
DEC - 2022	162.8	3.8	54.1

Outlook

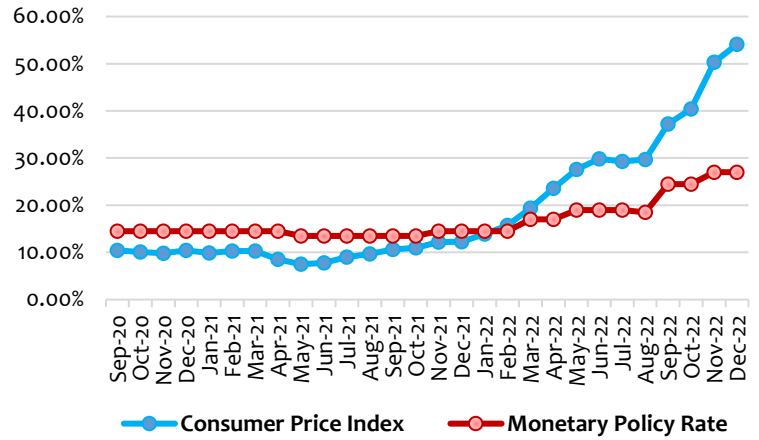
Our inflation outlook is unchanged. We expect inflation rate to remain relatively high in the near term. The consequential effects will be fuel price hikes at the pumps by OMCs, increments in transportation fares, and increasing cost of production to firms. The increase in inflation is expected to impact the already high lending rates in the country, among other economic indicators.



CONSUMER PRICES

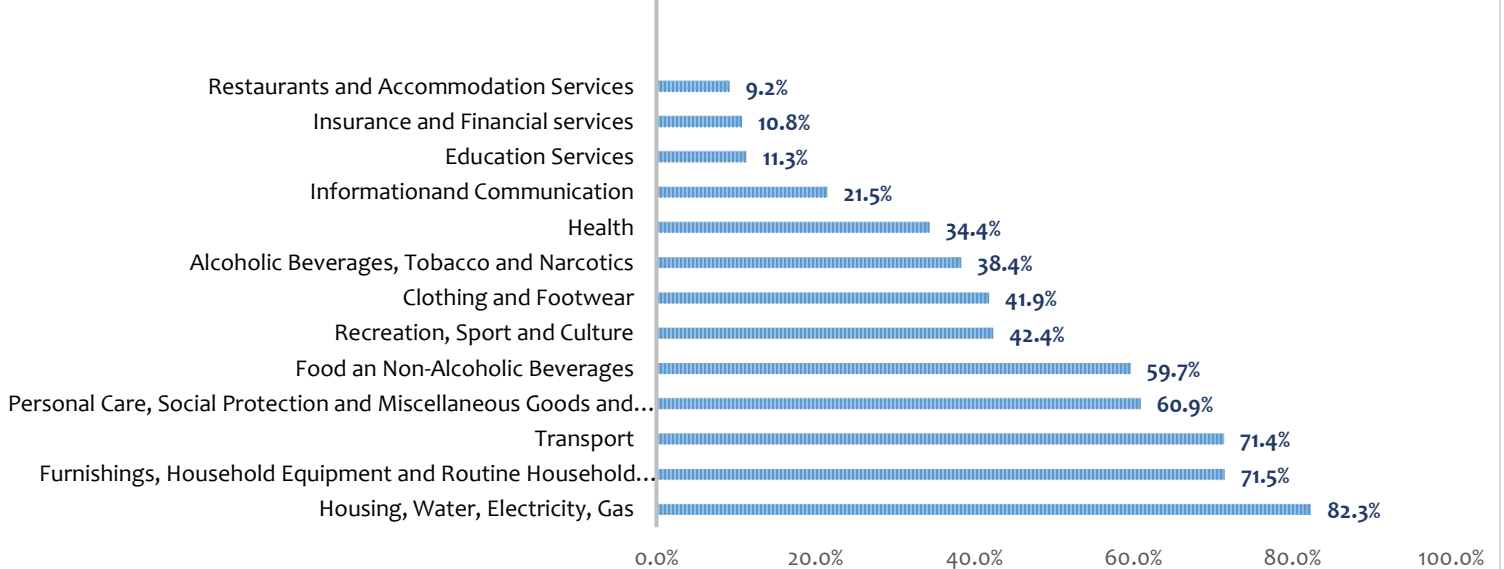


CPR vs MPR



Source: Ghana Statistical Service

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

HOW IS CPI AND INFLATION MEASURED?

- Prices are collected for approximately 47,877 products every month.
- Price collection is done in 57 markets
- Prices are collected from 8,337 outlets.
- Products are ordered in a hierarchy of 13 Divisions, 44 Groups, 98 Classes, 156 Subclasses and 307 Items
- Every Item can only be part of one Subclass, and every Subclass can only be part of one Class, etc.

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