



Rate of Inflation for February 2022 rises to 15.7% mainly driven by food and non-alcoholic beverages, housing, water, electricity and gas and transport.

INFLATION

- ❖ Inflation increased from 13.9% in January to settle at 15.7% in February 2022.
- ❖ Month-on-Month (January 2022 –February 2022) inflation was 2.4%
- ❖ Year-on-Year inflation for Food and Non-Food was 17.4% and 14.5% respectively.
- ❖ Inflation for imported goods was 12.9% while inflation for local goods was 16.7%
- ❖ Gr. Accra Region recorded the highest overall inflation of 19.5% whilst Western Region recorded lowest at 11.6%

The Year-on-Year inflation rate as measured by CPI was 15.7% in February 2022, a rise compared to the 13.9% recorded in January 2022, representing a Month-on-Month inflation increase of 2.4%. The current rate is the highest since 2016.

Food inflation for the Month of February settled at 17.4% which is higher than January’s food inflation of 13.7%. Food inflation’s contribution to total inflation increased from 44.2% last month to 49.4% in February 2022. Overall Month-on-Month food inflation was 3.2%.

Non-food Year-on-Year inflation on average went up again in February 2022 compared to January 2022 (from 11.6% to 12.5%).

Greater Accra Region recorded the highest overall inflation of 19.5% whilst Western Region recorded the lowest inflation rate of 11.6% at the regional level. Eastern Region recorded the highest Month-on-Month inflation of 7.3%. All regions recorded positive Month-on-Month inflation rates with Upper East region recording the lowest of -0.9%.

Inflation rate at the end of the second month of the year stayed well above the higher band of Bank of Ghana’s year-end target of between 6% and 10%.

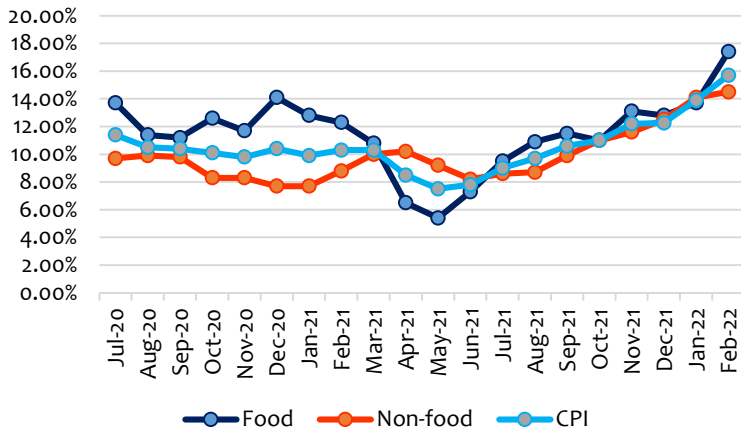
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
FEB - 2021	123.6	0.8	10.3
MAR	124.7	0.9	9.9
APR	126.6	1.5	8.5
MAY	127.6	0.8	7.5
JUN	129.2	1.3	7.8
JUL	131.3	1.6	9
AUG	131.7	0.3	9.7
SEP	132.6	0.6	10.6
OCT	133.3	0.6	11
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7

Outlook

Our outlook for inflation remains negative. We expect Russia-Ukraine conflict to have adverse effect on both economic growth as well as inflation. The spike in oil prices as the conflict continue to soar is expected to drive overall inflation higher in coming months. We also expect the inflation rate to rise for imported goods and local goods to edge higher in March as the Ghana Cedi is projected to depreciate further against the US Dollar and British Pounds.

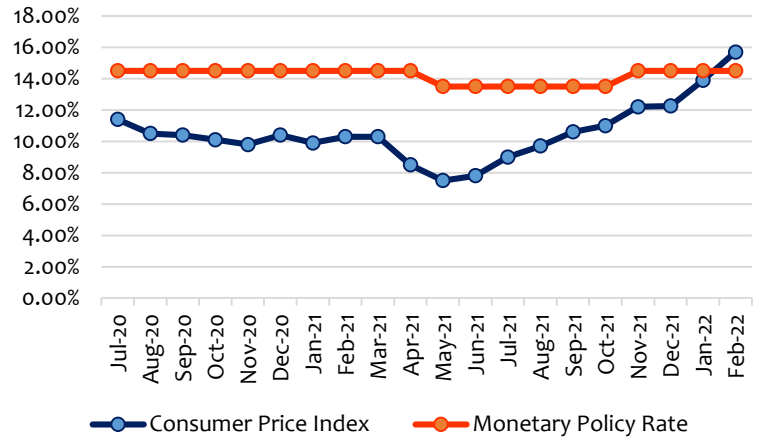


CONSUMER PRICES



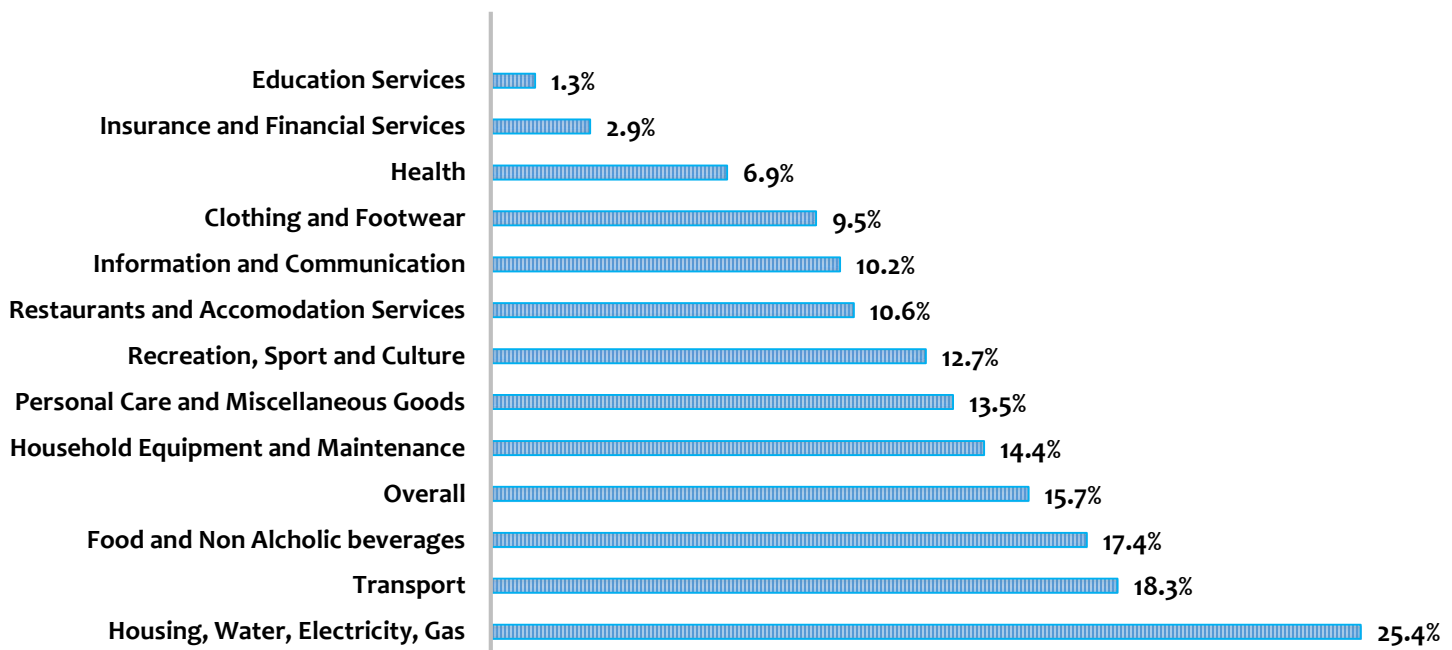
Source: Ghana Statistical Service

CPR vs MPR



Source: Ghana Statistical Service, Bank of Ghana

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

HOW IS CPI AND INFLATION MEASURED?

- Prices are collected for approximately 39,500 products every month.
- Price collection is done in 44 markets
- Prices are collected from 7,726 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.

ANALYSTS

Godwin Kojo Odoom: Senior Research Analyst
gkodoom@sicbrokerage.com

Obed Owusu Sackey: Analyst
oosackey@sicbrokerage.com