

**HIGHLIGHTS: Headline inflation declines to 53.6% year-on-year in January 2023, down from 54.1% in December 2022.**

Inflation rate in January 2023 recorded a marginal decline of 92 bps after several months of sustained, elevated price levels in 2022. The decline was driven by the non-food group which recorded a year-on-year inflation rate of 47.9% from 49.9%, with the Housing, Water, Electricity, Gas and Other Fuels [71.1%] and Transport [68.8%] divisions recording year-on-year declines in inflation.

Local inflation also recorded a decline of 110bps year-on-year recording 50.0% for the month of January 2023. This was in contrast to imported inflation which remained higher at 62.5% year-on-year. Food inflation, however, increased by 130bps to 61.0% which is up from December's food inflation of 59.7%.

On a month-on-month basis, inflation between December 2022 and January 2023 reduced by 210bps to 1.7%. Food and Non-food inflation also reduced month-on-month by 130bps and 280bps to record 2.8% and 0.8% respectively. Non-food imports like Diesel and Petrol recorded month on month declines in inflation of -11.45% and -6.6%. At the regional level, the Eastern Region recorded the highest inflation rate of 66.2% while the Volta Region recorded the lowest inflation rate of 34.7%.

TREND OF INFLATION

MONTH	CPI	INFLATION	
		MONTHLY	YEARLY
JAN. '22	107.8	2.1%	13.9%
SEP. '22	140.6	2.0%	37.2%
OCT. '22	144.4	2.7%	40.4%
NOV. '22	156.8	8.6%	50.3%
DEC. '22	162.8	3.8%	54.1%
JAN. '23	165.6	1.7%	53.6%

Source: Ghana Statistical Service

Inflation decreased from 54.1% in December 2022 to settle at 53.6% in January 2023

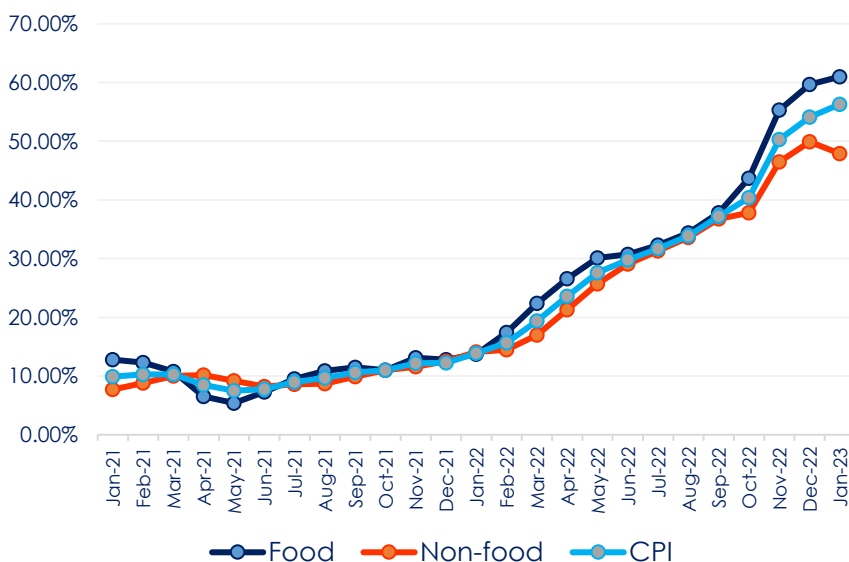
Month-on-Month (December 2022 – January 2023) inflation was 1.7%

Food inflation increased to 61.0% while non-food inflation decreased to 47.9%

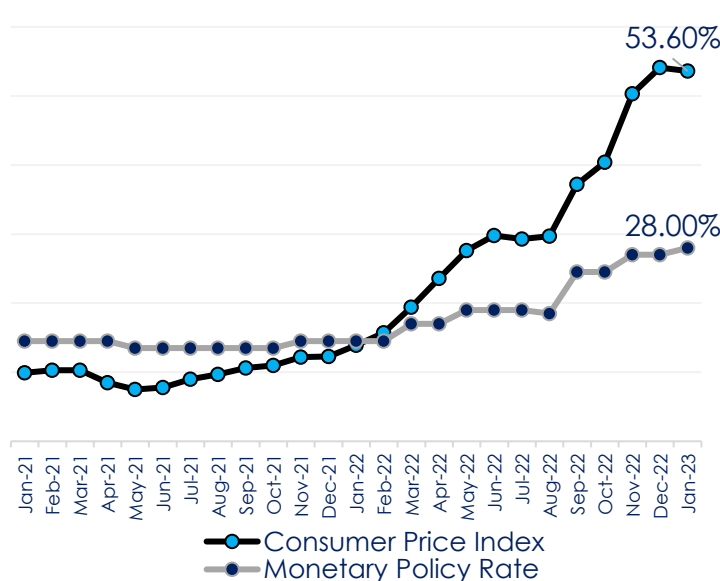
Inflation for imported goods increased to 62.5% while inflation for local goods decreased to 50.0%

Eastern Region recorded the highest regional inflation of 66.2% whilst Volta Region recorded the lowest at 36.4%

Source: Ghana Statistical Service

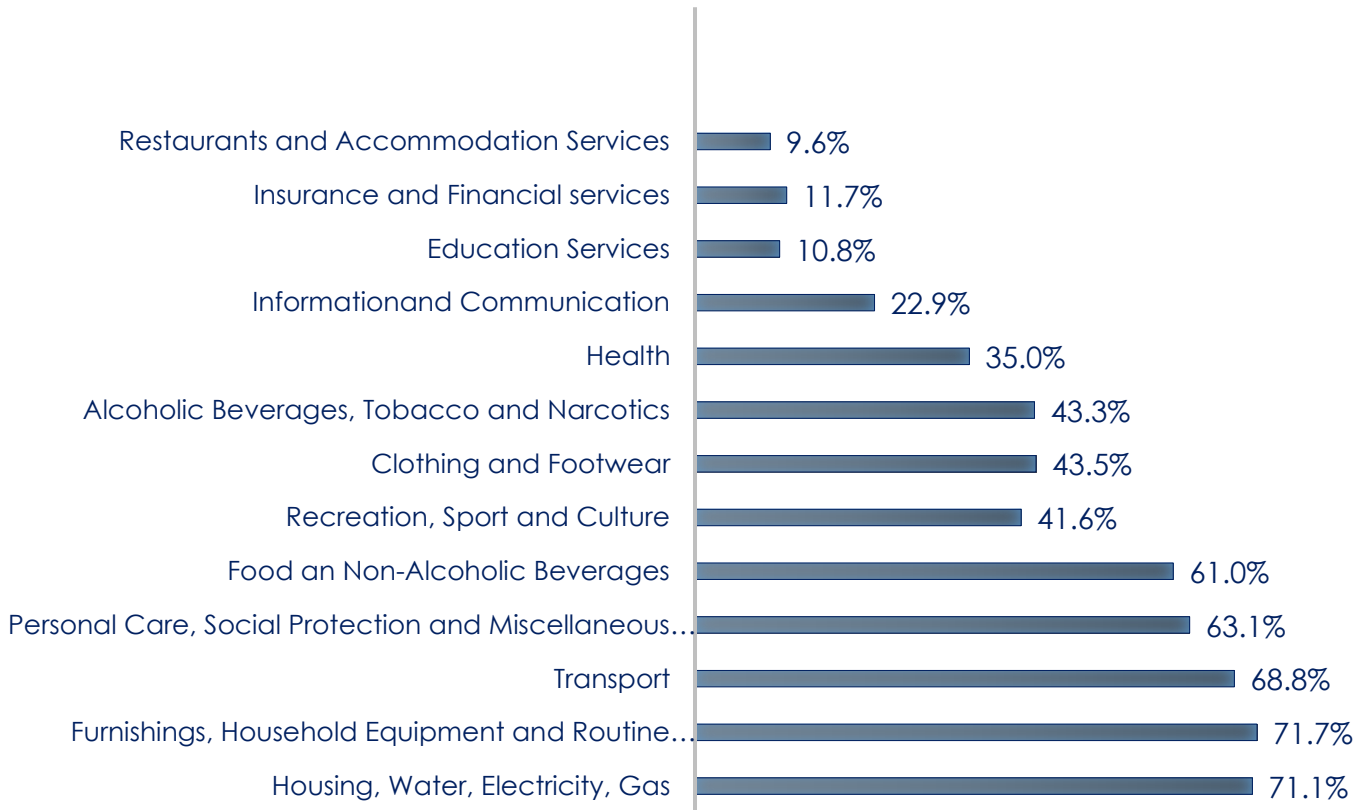
CONSUMER PRICES

Source: Ghana Statistical Service

INFLATION vs POLICY RATE

Source: Ghana Statistical Service, Bank of Ghana

INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

OUTLOOK:

The pass-through effects of the recent 100bps hike in the monetary policy rate should continue to keep inflation tamed in the short term. In addition, the positive sentiments from the announcement of a successful local debt exchange program, which has taken the country a step further to securing a board approval from the IMF should stall unnecessary currency speculations keeping imported inflation levels moderate.

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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