



**Inflation Rate for July 2021 rises up to 9% mainly driven by food and non-alcoholic beverages, housing, water, electricity and gas and transport.**

**INFLATION**

- ❖ Inflation increased to 9% Year-on-Year in July 2021 from 7.8% Year-on-Year in June 2021
- ❖ Month-on-Month (June 2021 – July 2021) inflation was 1.6%
- ❖ Year-on-Year inflation for Food and Non-Food was 9.5% and 8.6% respectively. Variance of 0.9%
- ❖ Inflation for imported goods was 7.1% while inflation for local goods was 9.4%
- ❖ Northern Region and Upper West Region overtake Greater Accra with higher overall inflation

The year-on-year inflation rate as measured by CPI was 9.0% in July 2021, a rise compared to the 7.8% recorded in June 2021, representing a Month-on-Month inflation increase of 1.6%. Month-on-Month food inflation exceeded non-food inflation by 0.7 percentage points with more than three-quarters of the rate of inflation recorded in July 2021 being contributed by Food and Non-alcoholic Beverages (9.5%); Housing, Water, Electricity and Gas (14.1%) and Transport (12.1%). Inflation for locally produced items was 9.4% while inflation for imported items was at 7.1%

Non-food inflation went up marginally to 8.6% after 3 months drop while food inflation trended higher to 9.5% from 7.3% in June 2021.

Greater Accra's persistent record of highest inflation for 16 consecutive months was halted as Upper West and Northern regions recorded the highest overall inflation of 13.8% and 13.5% respectively. The Eastern region recorded the least inflation of 3.0% at the regional level.

Inflation however is still between the Bank of Ghana's target of 8% (+/-2).

Month	CPI	Inflation		
		Monthly	Yearly	averages
June-2020	119.8	1.0%	11.2%	
July-2020	120.5	0.5%	11.4%	
Aug - 2020	120.0	-0.4%	10.5%	<b>Q3: 10.8%</b>
Sep - 2020	119.8	-0.2%	10.4%	
Oct- 2020	120.1	0.2%	10.1%	
Nov-2020	120.4	0.3%	9.8%	<b>Q4: 10.1%</b>
Dec-2020	121.5	0.9%	10.4%	
Jan-2021	122.7	0.9%	9.9%	
Feb-2021	123.6	0.8%	10.3%	<b>Q1: 10.2%</b>
Mar-2021	124.7	0.9%	10.3%	
Apr-2021	126.6	1.5%	8.5%	
May-2021	127.6	0.8%	7.5%	<b>Q2: 7.9%</b>
June-2021	129.2	1.3%	7.8%	
<b>July-2021</b>	<b>131.3</b>	<b>1.6%</b>	<b>9.0%</b>	

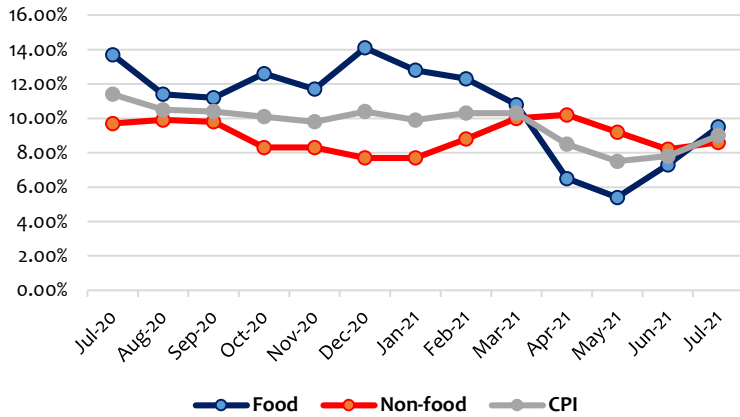
**Outlook**

Our outlook for inflation is negative. We expect inflation for imported goods to edge higher in August 2021 as the cedi continues to depreciate against major currencies with festive season approaching.

We also expect investors to continue increasing positions in short term debt securities due to inflation concerns.

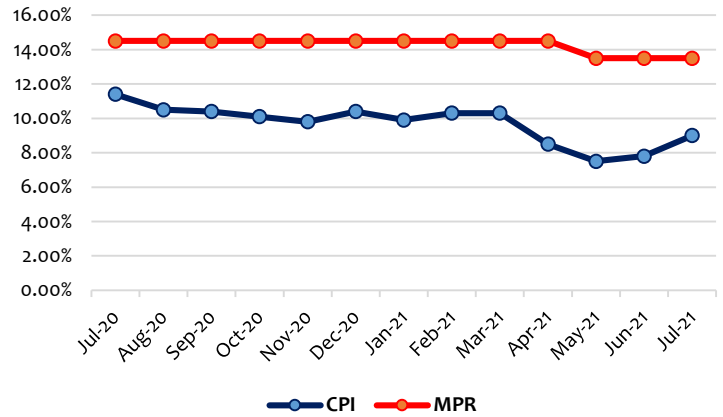


### Consumer Prices



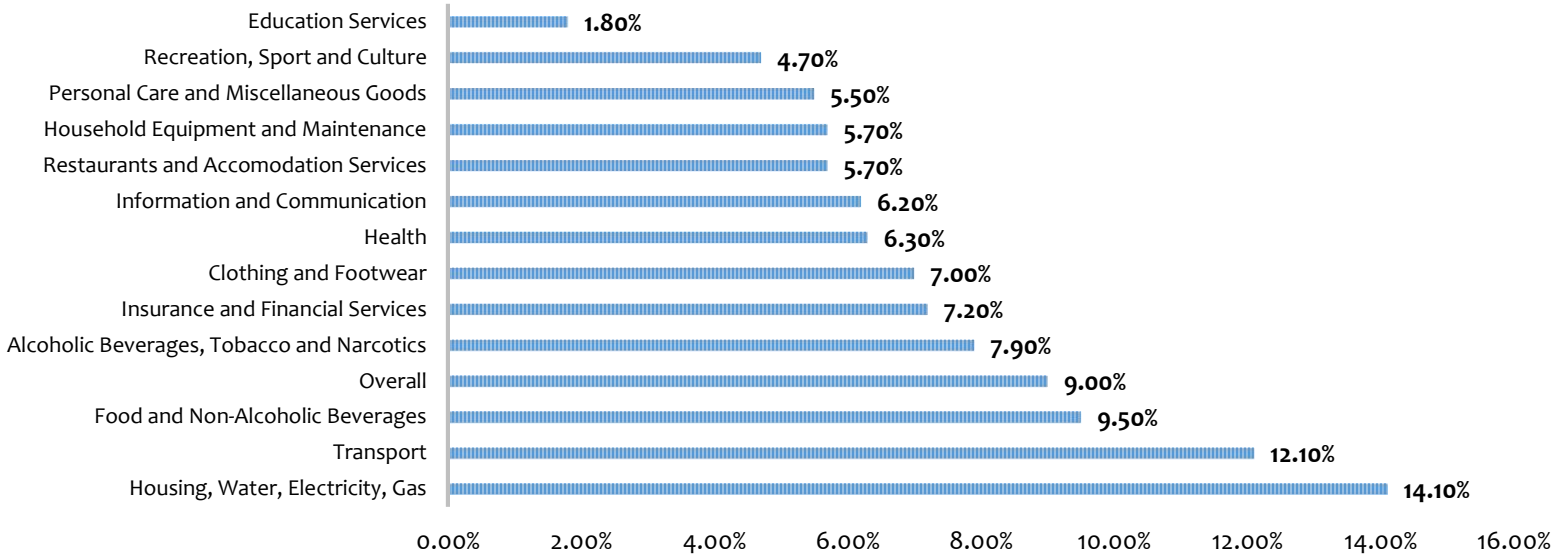
Source: Ghana Statistical Service

### CPI 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

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