



**Inflation rate continues upward surge as it hits 27.6% for the month of May 2022, a new 18-year peak and marking a full year of quickening price growth. May inflation was driven by surging food prices and transport fares.**

## INFLATION

- ❖ Inflation increased from 23.6% in April to settle at 27.6% in May 2022
- ❖ Month-on-Month (April 2022 – May 2022) inflation was 4.1%
- ❖ Transport inflation was 39.0% surpassing both Food and Non-Food Inflation of 30.1% and 25.7% respectively
- ❖ Inflation for imported goods was 28.2% while inflation for local goods was 27.3%
- ❖ Eastern Region recorded the highest regional inflation of 31.2% whilst Upper East recorded the lowest at 19.5%

Inflation in May had accelerated much faster than expected. Inflation rate jumped by 400 basis points to the highest level in more than 18 years in May 2022 reaching 27.6%, the fastest pace since January 2004, from 23.6% in April 2022. The rate was driven by surging food prices and transport fares. The month-on-month inflation between April 2022 and May 2022 stood at 4.1%, representing a 1.0 percentage point decline from 5.1% in April. The headline inflation rate is more than double the upper ceiling of the central bank's inflation target band of 8+/-2%.

Food inflation for May rose to 30.1% which is higher than April's food inflation of 26.6%. Non-food inflation stood at 25.7% in May, compared to 21.3% recorded in the previous month. Overall month-on-month food inflation was 5.8%. Inflation for imported goods was 28.2% while inflation for local goods was 27.3%. For two (2) months running, inflation for imported items exceeded domestic inflation.

Transport recorded the highest inflation rate of 39.0%, followed by Household Equipment and Maintenance (33.8%), Housing, Water, Gas and Electricity (32.3%) and Food and Non-Alcoholic Beverages (30.1%).

At the regional level, the Eastern Region recorded the highest inflation rate of 31.2% while the Upper East Region recorded the lowest inflation rate of 19.5%.

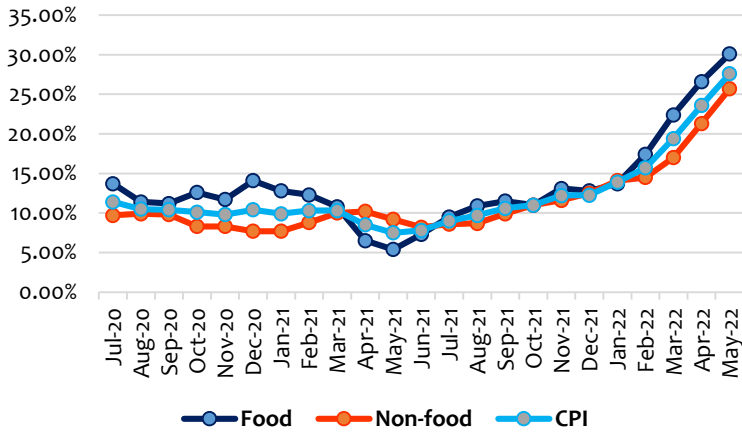
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
MAY - 2021	127.6	0.8	7.5
JUN	129.2	1.3	7.8
JUL	131.3	1.6	9
AUG	131.7	0.3	9.7
SEP	132.6	0.6	10.6
OCT	133.3	0.6	11
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6

### Outlook

The policy rate tightening by the Bank of Ghana will take time to filter through to the real economy, the concern will be the implication of all of this for the fiscal outlook. Our outlook for inflation remains negative. As around one-fifth of Ghana's cereals come from Russia, which is fighting a war in Ukraine that has sent prices for global commodities like wheat and oil soaring, 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 continues to soar is expected to drive overall inflation higher in coming months.

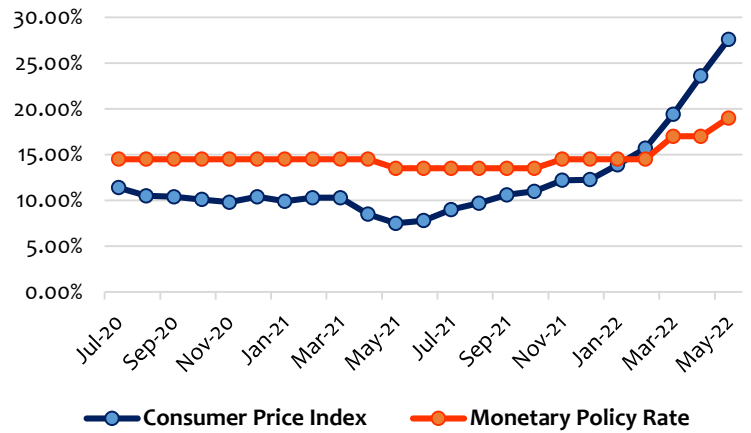


## CONSUMER PRICES



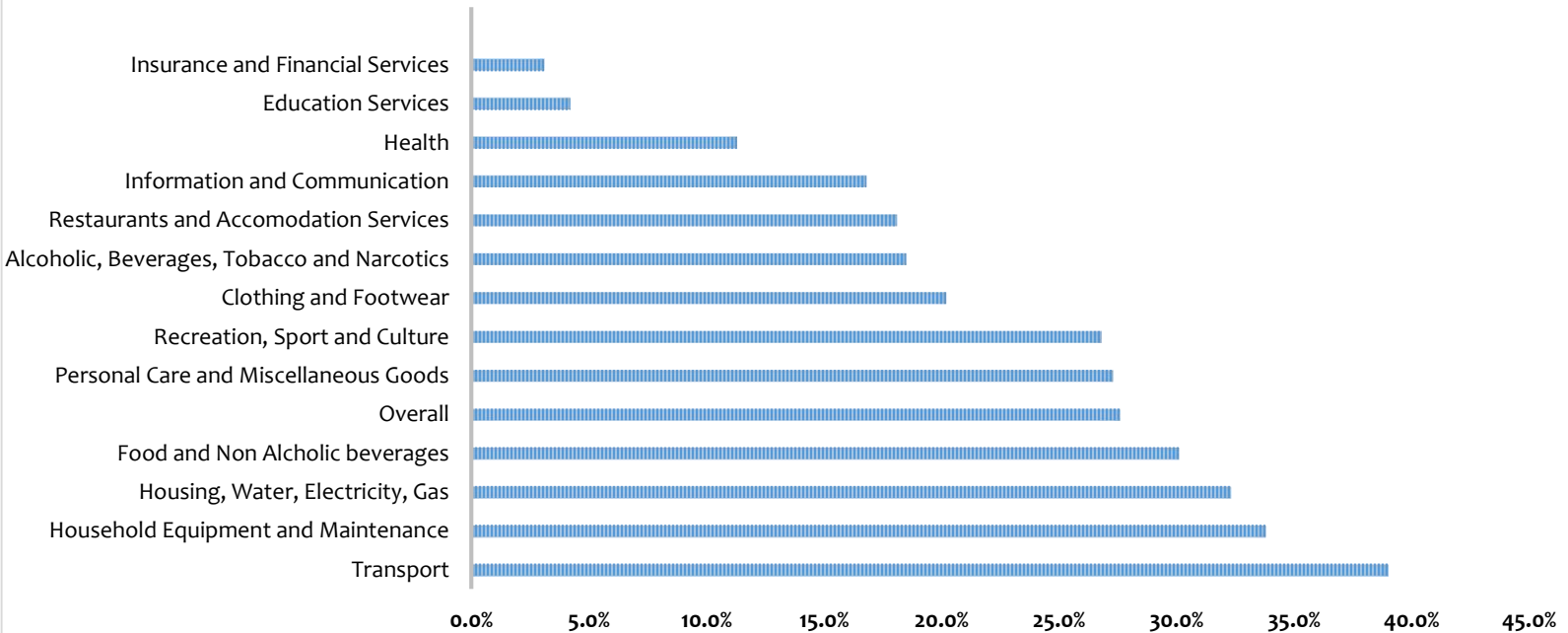
Source: Ghana Statistical Service

## 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

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