



INFLATION REPORT

14TH JUNE, 2023

HIGHLIGHTS: **Headline inflation reverses downward trend increasing 100bps 42.2% year-on-year in May 2023.**

Inflation rate in May 2023 recorded a 100bps increase from 41.2% in April 2023 to 42.2%. The increase was observed across the food group which recorded a year-on-year inflation rate of 51.8% and from 48.7%. The Furnishing and household equipment [57.8%], Housing, Water, Electricity, Gas and Other Fuels [54.0%], Food and non-alcoholic beverages [51.8%] divisions all recorded inflation above the yearly average of 42.2%. The Education Services [48.7%] and Insurance & Financial Services [48.7%] divisions recorded the lowest inflation rates respectively.

Local inflation continued on a downward trend recording a decline of 200bps year-on-year recording 36.2% for the month of May 2023. Imported inflation on the other hand saw slight increase of 70bps from 43.1% in April to 43.8% year-on-year for the month of May. This was expected on the back of falling crude prices amid a period of stable currency movements.

On a month-on-month basis, an inflation of 4.8% was recorded between April 2023 and May 2023. Similarly, Food inflation and Non-food inflation recorded rates of 6.2% and 3.5% respectively month-on-month. Nine regions recorded inflation rate higher than the national average of 42.20% with the Western North Region recording the highest rate of 62.50%. The Ashanti Region recorded a decline of 10bps emerging as the region with the least inflation rate of 31.00% for May 2023.

TREND OF INFLATION

MONTH	CPI	INFLATION	
		MONTHLY	YEARLY
MAY.'22	125.7	4.1%	27.6%
NOV.'22	156.8	8.6%	50.3%
DEC.'22	162.8	3.8%	54.1%
JAN.'23	165.6	1.7%	53.6%
FEB.'23	168.7	1.9%	52.8%
MAR.'23	166.6	-1.2%	45.0%
APR.'23	170.5	2.4%	41.2%
MAY.'23	178.7	4.8%	42.2%

Source: Ghana Statistical Service

Inflation increased from 41.2% in April 2023 to settle at 42.2% in May 2023.

Month-on-Month (April 2023 – May 2023) inflation was 4.8%.

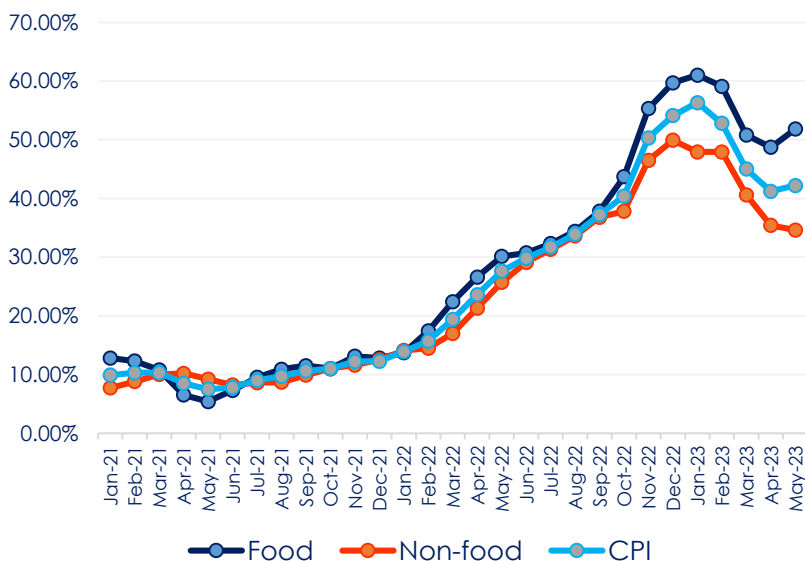
Food inflation increased to 51.8% while non-food inflation decreased further to 34.6%.

Inflation for imported goods increased to 43.8% with inflation for local goods also falling to 36.2%

Western North Region recorded the highest regional inflation of 62.5% while Ashanti Region recorded the lowest at 31.00%

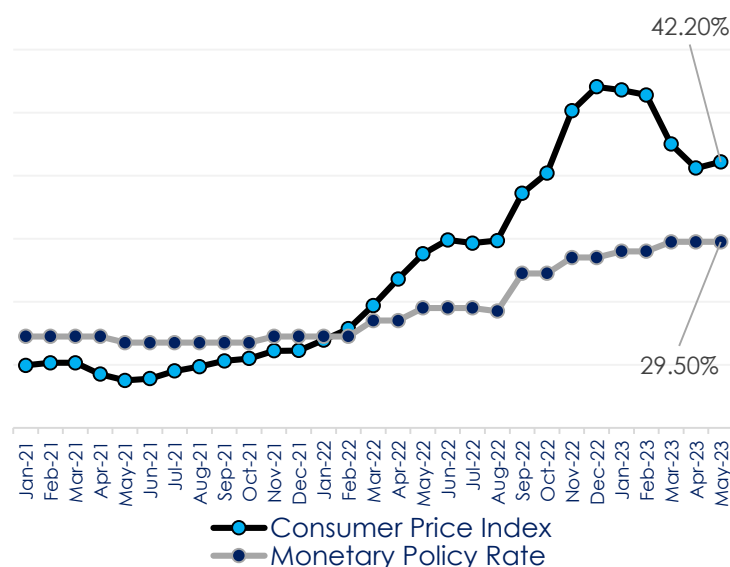
Source: Ghana Statistical Service

CONSUMER PRICES



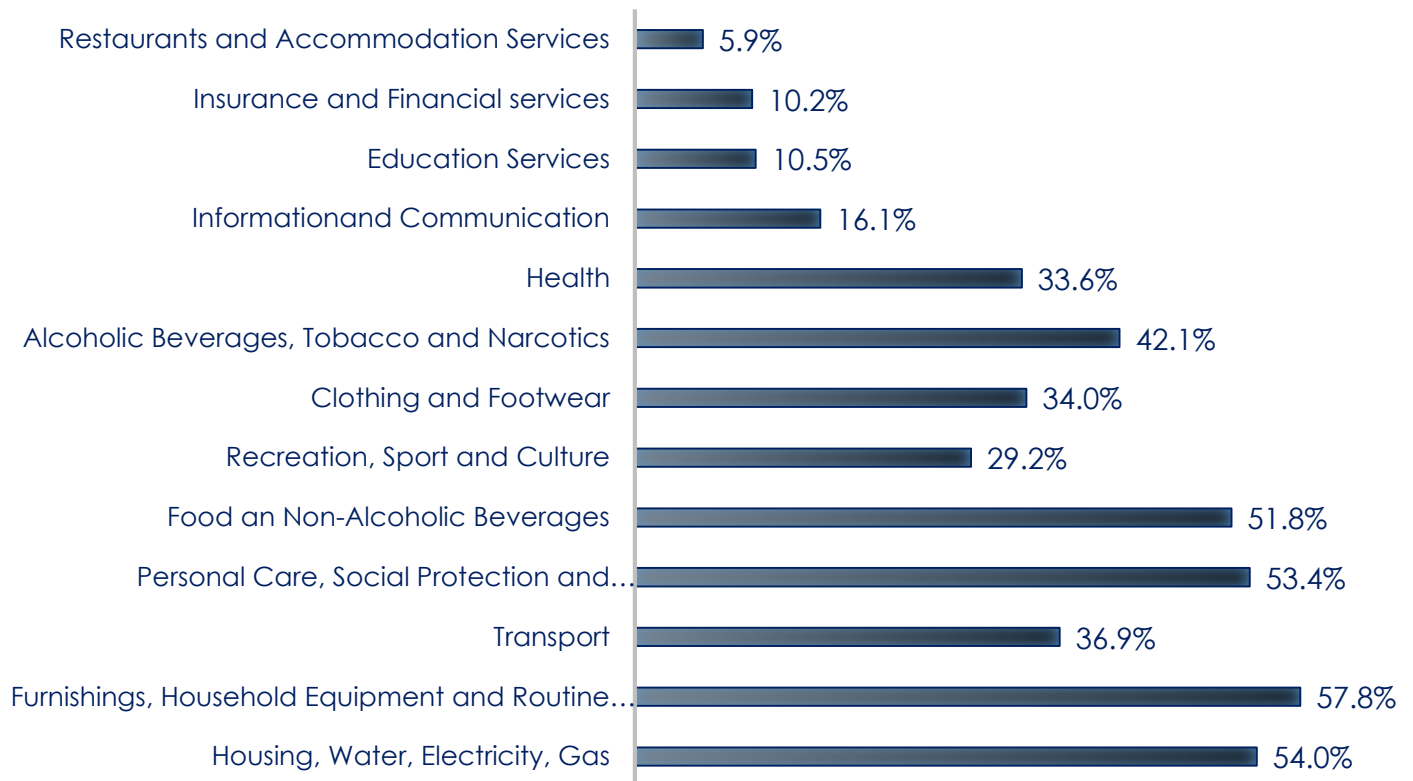
Source: Ghana Statistical Service

INFLATION vs POLICY RATE



Source: Ghana Statistical Service, Bank of Ghana

INFLATION BREAKDOWN Y-O-Y CHANGE



source: Ghana Statistical Service

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.

ANALYSTS

Wisdom Asigbetse: Research Analyst
wkasigbetse@sicbrokerage.com

Amenuve Kofi Aweso: Analyst
akaweso@sicbrokerage.com