



Surging food prices and transport fares push inflation to 23.6% in April 2022 underscoring the dilemma the central bank faces in trying to balance its efforts to stop intolerable price growth persisting and boosting the economy.

INFLATION

- ❖ Inflation increased from 19.4% in March to settle at 23.6% in April 2022
- ❖ Month-on-Month (March 2022 – April 2022) inflation was 5.1%
- ❖ Transport inflation was 33.5% surpassing both Food and Non-Food inflation of 26.6% and 21.3% respectively
- ❖ Inflation for imported goods was 24.7% while inflation for local goods was 23.0%
- ❖ Central Region recorded the highest regional inflation of 26.7% whilst Upper East recorded the lowest at 18.4%

Inflation rate climbed to the highest level in more than 18 years (since January 2004) in April 2022. The year-on-year inflation rate as measured by CPI was 23.6% in April 2022, a rise compared to the 19.4% recorded in March 2022, representing a month-on-month inflationary increase of 5.1%. The current headline inflation is the highest since August 2009 (19.7%) and more than double the central bank's inflation targets band of 8+/-2%.

Food inflation for the Month of March settled at 26.6% which is higher than March's food inflation of 22.4%. Food inflation's contribution to total inflation, however, decreased from 51.4% in March 2022 to 50.0% in April 2022. Overall Month-on-Month food inflation was 5.8%. This is the first time in 29 months that inflation for imported items exceeded domestic inflation. Inflation for imported goods was 24.7% while inflation for local goods was 23.0%

Transport including fuel recorded the highest inflation rate of 33.5%, followed by Housing with an inflation rate of 28.5%.

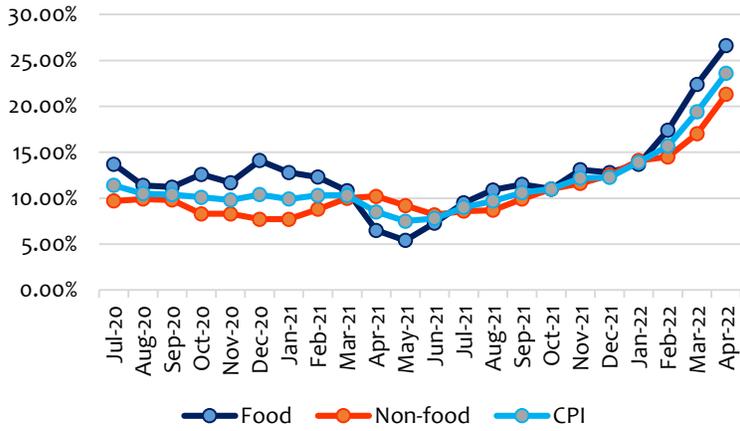
At the regional level, the Central Region recorded the highest inflation rate of 26.7% while the Upper East Region recorded the lowest inflation rate of 18.4%. Central Region recorded the highest month-on-month inflation of 8.8%.

MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
APR - 2021	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
MAR	148.8	4.0	19.4
APR - 2022	156.5	5.1	23.6

Outlook

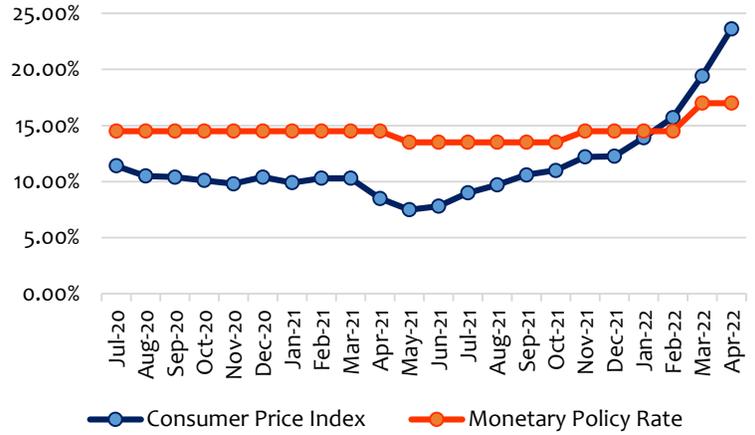
Our outlook for inflation remains negative. We expect Russia-Ukraine conflict to have adverse effect on both economic growth as well as inflation. The spike in oil prices as the conflict continues to soar is expected to drive overall inflation higher in coming months. We also expect the inflation rate to rise for imported and local goods such as cooking oil to edge higher in May due to the ongoing conflict and a ban on palm oil export by Indonesia.

CONSUMER PRICES



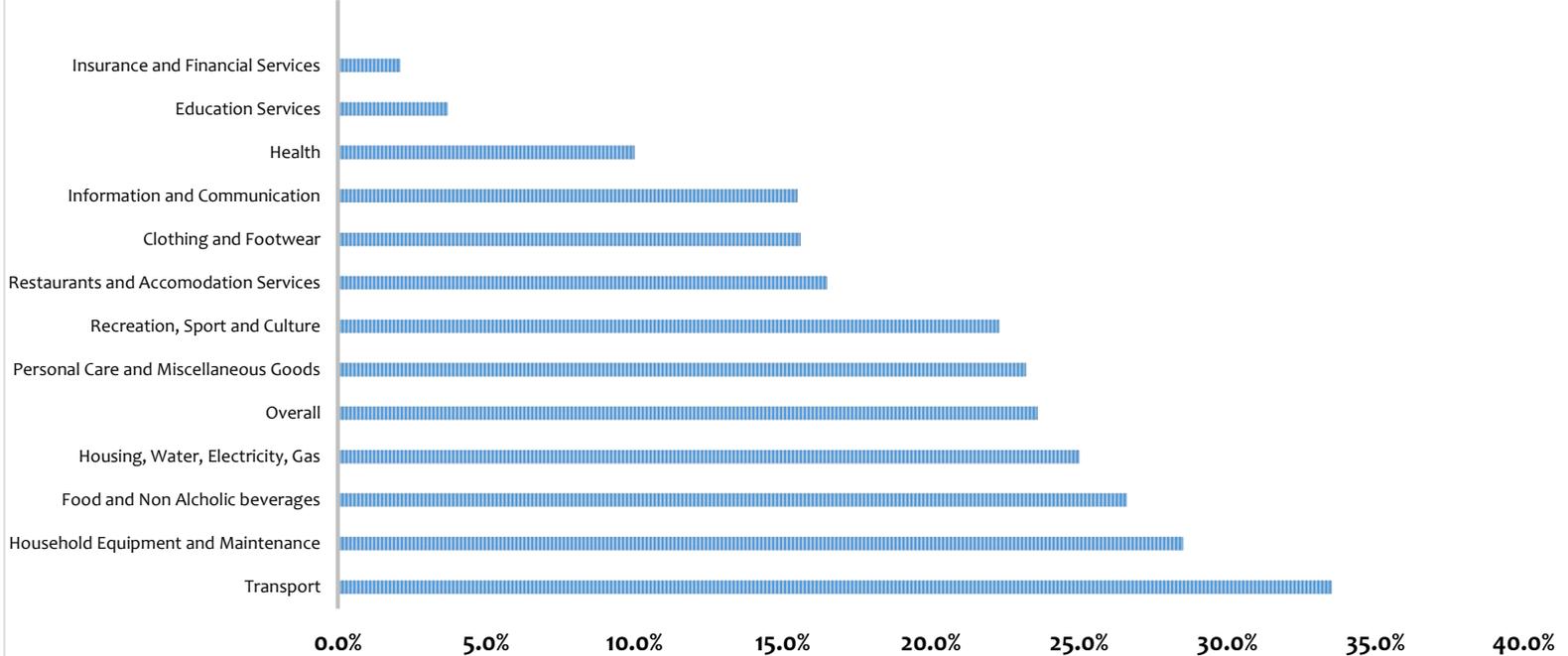
Source: Ghana Statistical Service

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.

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