



Rate of Inflation for August 2021 rises to 9.7% mainly driven by food and non-alcoholic beverages, housing, water, electricity and gas and transport.

INFLATION

- ❖ Inflation increased to 9.7% Year-on-Year in August 2021 from 9% Year-on-Year in July 2021
- ❖ Month-on-Month (July 2021 – August 2021) inflation was 0.3%
- ❖ Year-on-Year inflation for Food and Non-Food was 10.9% and 8.7% respectively. Variance of 2.2%
- ❖ Inflation for imported goods was 8.1% while inflation for local goods was 10.3%
- ❖ Northern Region and Upper West Region remain regions with higher overall inflation

The Year-on-Year inflation rate as measured by CPI was 9.7% in August 2021, a rise compared to the 9.0% recorded in July 2021, representing a Month-on-Month inflation increase of 0.3%. Also, Year-on-Year food inflation exceeded non-food inflation by 2.2% with more than three-quarters of the rate of inflation recorded in July 2021 being contributed by Housing, Water, Electricity and Gas (15.2%), Transport (12.8%) and Food and Non-alcoholic Beverages (10.9%). Inflation for locally produced items was 10.3% while inflation for imported items was at 8.1%

Non-food inflation went up marginally to 8.7% in August 2021 from 8.6% in July 2021. Food inflation also trended higher to record 10.9% inflation from 9.7% in July 2021.

Northern Region and Greater Accra Region recorded the highest overall inflation of 14.6% and 12.8% respectively. The Eastern region recorded the least inflation of 3.0% at the regional level.

Inflation rate recorded still remain in the Bank of Ghana's targets of 6% and 10%.

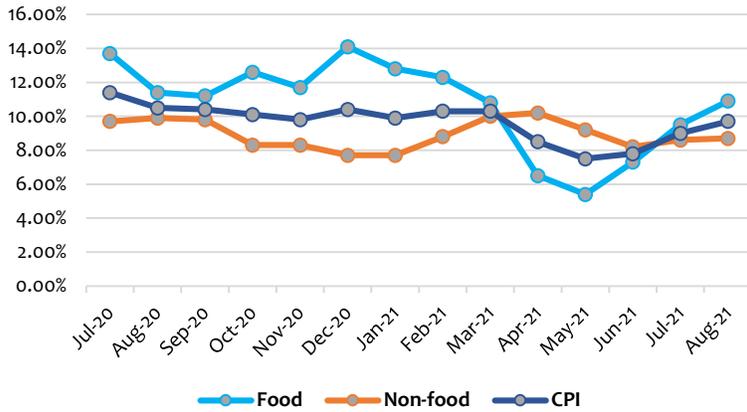
Month	CPI	Inflation		Quarterly Averages
		Monthly	Yearly	
July-2020	120.5	0.5%	11.4%	
Aug - 2020	120.0	-0.4%	10.5%	Q3: 10.8%
Sep - 2020	119.8	-0.2%	10.4%	
Oct- 2020	120.1	0.2%	10.1%	
Nov-2020	120.4	0.3%	9.8%	Q4: 10.1%
Dec-2020	121.5	0.9%	10.4%	
Jan-2021	122.7	0.9%	9.9%	
Feb-2021	123.6	0.8%	10.3%	Q1: 10.2%
Mar-2021	124.7	0.9%	10.3%	
Apr-2021	126.6	1.5%	8.5%	
May-2021	127.6	0.8%	7.5%	Q2: 7.9%
June-2021	129.2	1.3%	7.8%	
July-2021	131.3	1.6%	9.0%	
August-2021	131.7	0.3%	9.7%	

Outlook

Our outlook for inflation remains negative. We also expect inflation for imported goods to edge higher in the coming month and towards end of 2021 as the Ghana Cedi depreciates against major trading currencies. With festive season fast approaching, we expect this trend to continue.

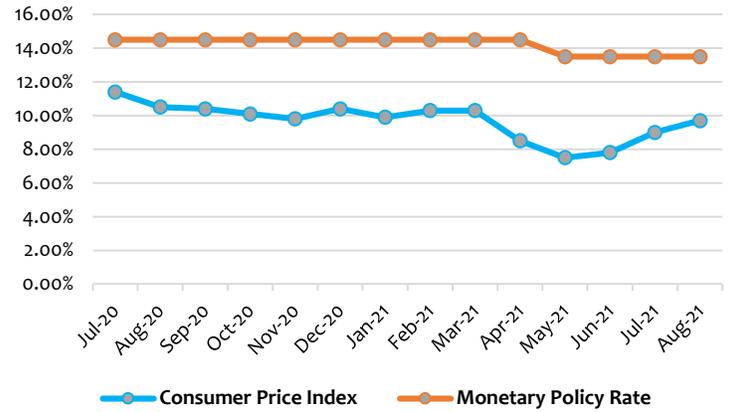


Consumer Prices



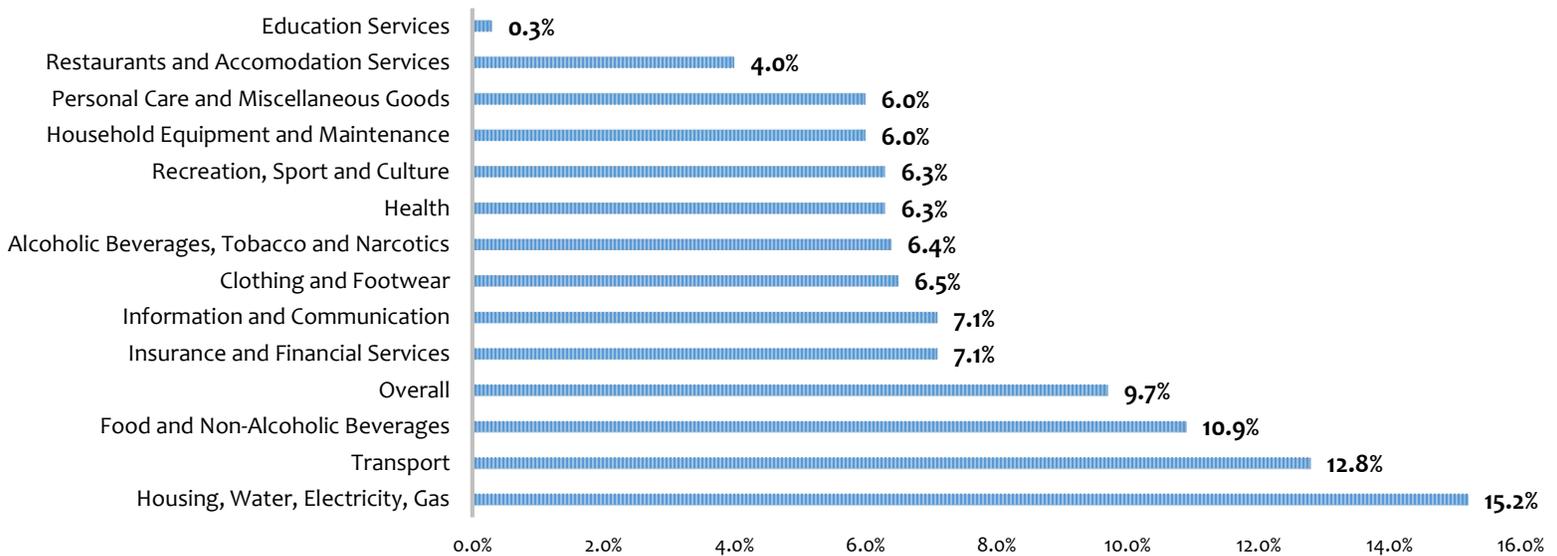
Source: Ghana Statistical Service

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.

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