



**Inflation rate accelerates to the highest level in 21 years since August 2001 reaching 33.9% mainly driven by housing, water, electricity and gas, which saw the highest price, followed by transport, which includes fuel.**

## INFLATION

- ❖ Inflation increased from 3.17% in July to settle at 33.9% in August 2022
- ❖ Month-on-Month (July 2022 – August 2022) inflation was 1.9%
- ❖ Housing, water electricity, gas and other fuels inflation was 46.7%
- ❖ Inflation for imported goods was 35.2% while inflation for local goods was 33.4%
- ❖ Eastern Region recorded the highest regional inflation of 41.0% whilst Upper East recorded the lowest at 22.8%

The year-on-year inflation climbed further to 33.9% in August from 31.7% in July, reaching its highest level since August 2001, representing a month-on-month inflation increase of 1.9%. The rate was mainly driven by Housing, Water, Electricity, Gas and Other Fuels which saw a 46.7% rise in inflation compared to 43.0% in July followed by Transport (45.7%); Furnishings, Household Equipment and Routine Household Maintenance (44.7%) and Recreation, Sport and Culture (36.4%).

Food inflation increased to 34.4% which is up from July's food inflation of 32.3%. Non-food inflation stood at 33.6%, compared to 31.3% recorded the previous month. Overall month-on-month food inflation was 1.8%. Inflation for imported goods was 35.2% while inflation for local goods was 33.4%. For five (5) months running, inflation for imported items exceeded domestic inflation.

At the regional level, the Eastern Region recorded the highest inflation rate of 41.0% while the Upper East Region recorded the lowest inflation rate of 22.8%.

Just weeks after the Bank of Ghana (BoG) hiking lending rate in the country's history, inflation rate at 33.9% marks the 12th consecutive month that the rate has exceeded the top of the central bank's target band of 8+/-2%. This implies that the purchasing powers of Ghanaians have been further eroded, despite measures by the central bank to tame the uptick.

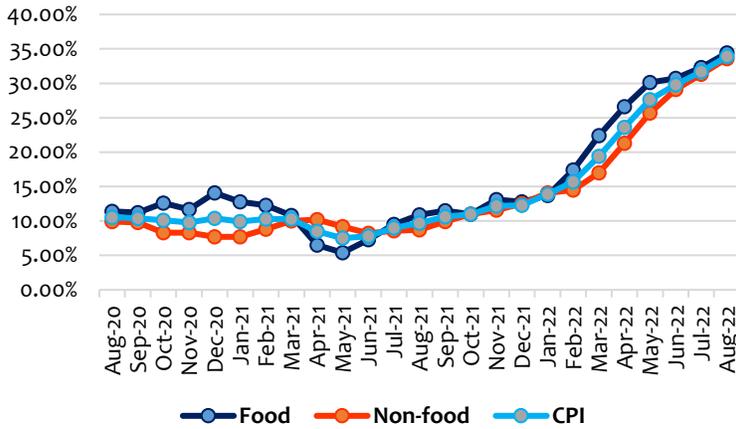
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
AUG - 2021	131.7	0.3	9.7
SEP	132.6	0.6	10.6
OCT	133.3	0.6	11
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8
JUL	173.0	3.1	31.7
AUG	176.3	1.9	33.9

### Outlook

We expect that inflation rate will remain high in the near term in the face of spiking global food, crude oil prices and continuing investor concern over the country's large fiscal deficits putting downward pressure on the Cedi. Hence, Ghana having high exposure to importation will suffer huge rise in the cost of living. We also expect rising inflation to prompt BoG to further hike the monetary policy rate. The central bank further tightening of the policy rate is believed to be one of the conditions required for the country to reach a deal with the International Monetary Fund (IMF).

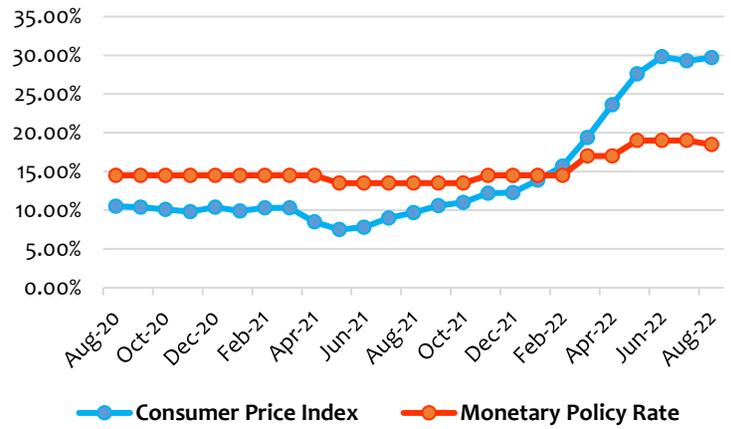


## CONSUMER PRICES



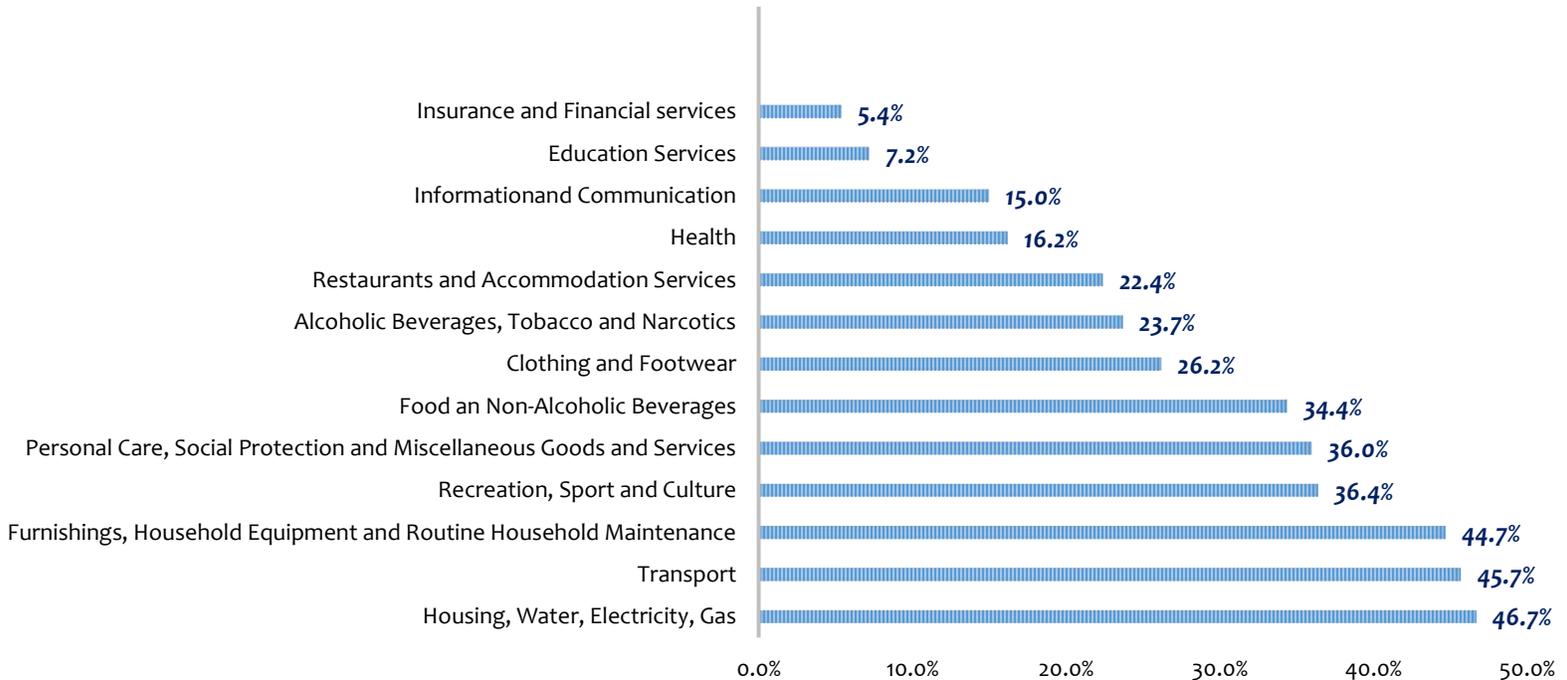
Source: Ghana Statistical Service

## CPR vs MPR



Source: Ghana Statistical Service, Bank of Ghana

## INFLATION BREAKDOWN Y-O-Y CHANGE



### 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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