



**HIGHLIGHTS: Headline inflation declines marginally to 52.8% year-on-year in February 2023, down 80bps from 53.6% in January 2023.**

Inflation rate in February 2023 recorded a marginal decline of 80 bps sustaining the reversal in the upward trend recorded in most parts of 2022. The decline was driven by the food group which recorded a year-on-year inflation rate of 59.1% from 61.0%, a 190bps decrease. The Food and non-alcoholic beverages [59.1%], Transport [70.3%] and Housing, Water, Electricity, Gas and Other Fuels [69.6%] divisions which contributed close to three quarters of the rate of inflation recorded for the month of February 2023 all saw declines with the exception of the Transport division.

Local inflation recorded a further decline of 100bps year-on-year recording 49.0% for the month of February 2023. Imported inflation stood at 62.3% year-on-year for the month of February. Though imported inflation recorded a marginal decline of 20bps from the previous month, it still remains higher than the headline rate.

On a month-on-month basis, inflation between January 2023 and February 2023 increased by 20bps to 1.9%. Food inflation reduced month-on-month by 80bps and Non-food inflation increased month-on-month by 90bps to record 2.0% and 1.7% respectively. Non-food imports like Diesel and Petrol recorded month-on-month inflation of 3.0% and 13.3%. At the regional level, the Western North Region recorded the highest inflation rate of 63.6% while the Volta Region recorded the lowest inflation rate of 35.4%.

**TREND OF INFLATION**

MONTH	CPI	INFLATION	
		MONTHLY	YEARLY
<b>FEB. '22</b>	110.4	2.4%	15.7%
<b>SEP. '22</b>	140.6	2.0%	37.2%
<b>OCT. '22</b>	144.4	2.7%	40.4%
<b>NOV. '22</b>	156.8	8.6%	50.3%
<b>DEC. '22</b>	162.8	3.8%	54.1%
<b>JAN. '23</b>	165.6	1.7%	53.6%
<b>FEB. '23</b>	168.7	1.9%	52.8%

Source: Ghana Statistical Service

Inflation decreased from 53.6% in January 2023 to settle at 52.8% in February 2023

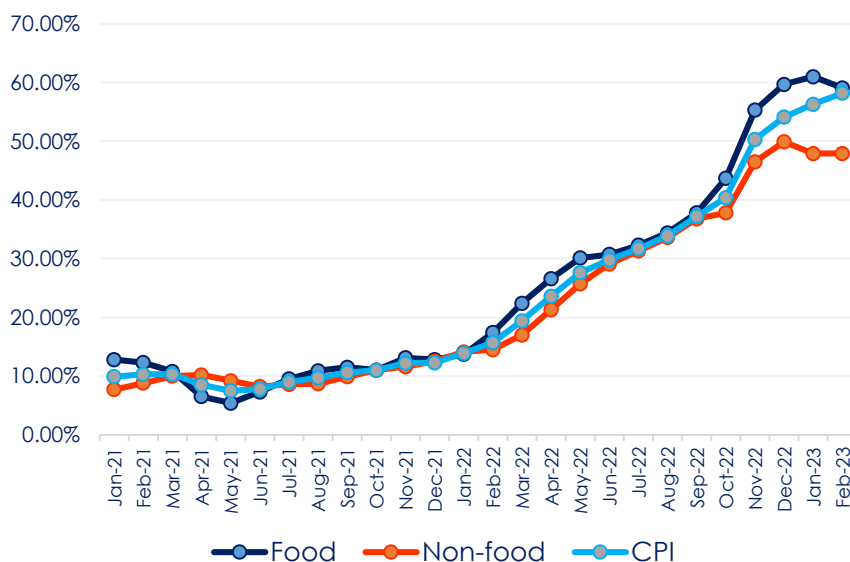
Month-on-Month (January 2023 – February 2023) inflation was 1.9%

Food inflation decreased to 59.1% while non-food inflation remained unchanged at 47.9%

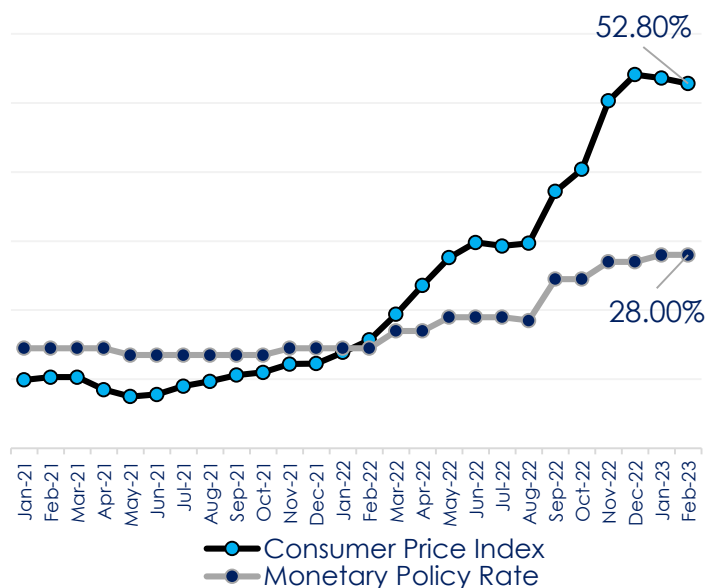
Inflation for imported goods decreased to 62.3% while inflation for local goods decreased to 49.0%

Western North Region recorded the highest regional inflation of 63.6% whilst Volta Region recorded the lowest at 35.4%

Source: Ghana Statistical Service

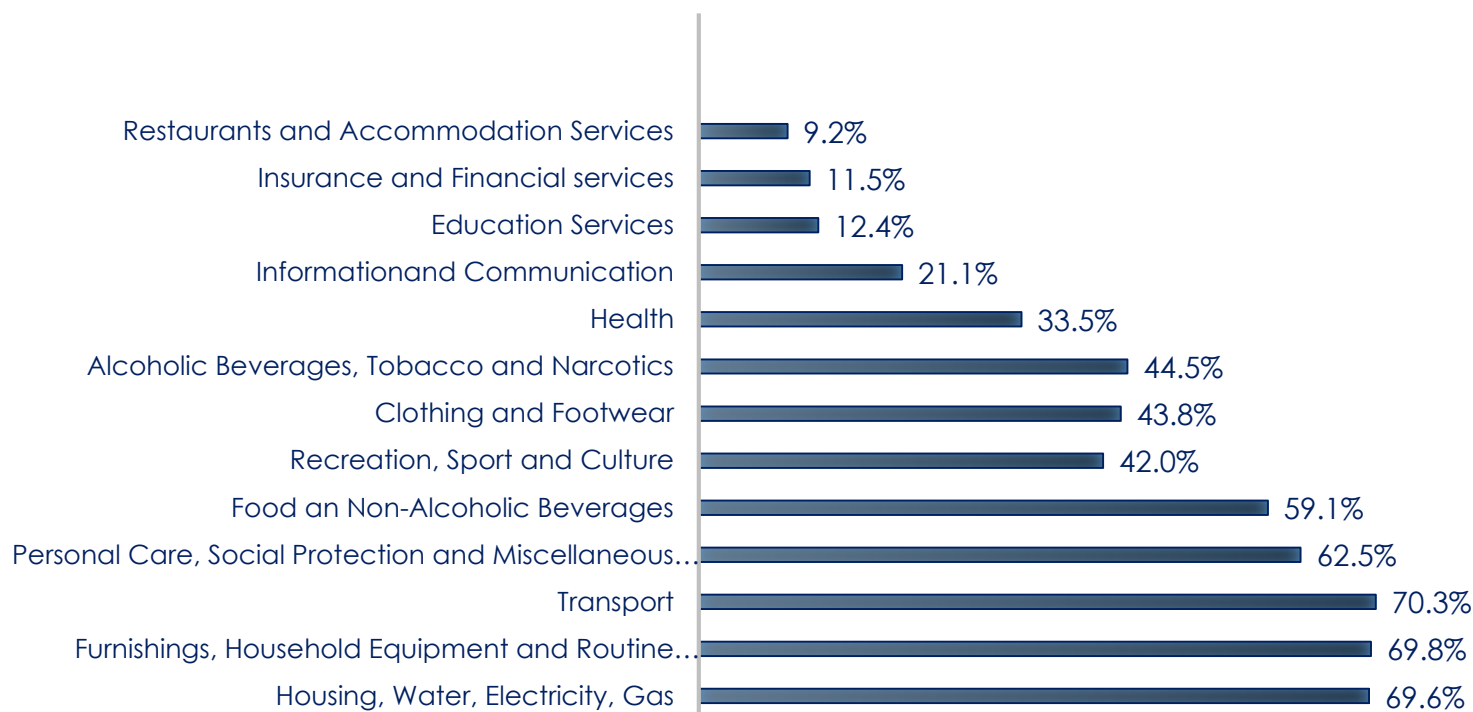
**CONSUMER PRICES**

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

### OUTLOOK:

The Monetary Policy committee of the Central bank is expected to announce their decision in the last week of March 2023. We expect the MPC to sustain the gains made in reversing the upward trend in headline inflation. A further tightening of the Monetary Policy Rate would go a long way to increase the rate of decline in inflation.

### 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

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