



**Inflation hits record high 37.2% mainly driven by elevated petroleum and transport costs, as well as higher food costs and a weakening local currency, inching closer to the 40 percent mark last seen in the early 2000s.**

## INFLATION

- ❖ Inflation increased from 33.9% in August to settle at 37.2% in September 2022
- ❖ Month-on-Month (August 2022 – September 2022) inflation was 2.0%
- ❖ Housing, water, electricity, gas and other fuels inflation rate of 68.8% surpassed the national average of 37.2%
- ❖ Inflation for imported goods was 40.7% while inflation for local goods was 35.8%
- ❖ Eastern Region recorded the highest regional inflation of 47.1% whilst Upper West recorded the lowest at 22.9%

Inflation rate in September had accelerated much faster than expected to the highest level in almost 21 years reaching 37.2%. The rate was mainly driven by Housing, Water, Electricity, Gas and Other Fuels which saw a 68.8% rise in inflation compared to 46.7% in August followed by Furnishings, Household Equipment and Maintenance (51.1%); Transport (48.6%); Personal Care, Social Protection and Miscellaneous Goods and Services (42.6%) and Food and Non-Alcoholic Beverages (37.8%). The surge in inflation in Housing, Water, Electricity and Other Fuels group was influenced by the implementation of the utility tariff in September 2022. The month-on-month inflation between August 2022 and September 2022 stood at 2.0%. The headline inflation rate is more than double the upper ceiling of the central bank's inflation target band of 8+/-2%.

Food inflation increased to 37.8% which is up from August's food inflation of 34.4%. Non-food inflation stood at 36.8%, compared to 33.6% recorded the previous month. Overall month-on-month food inflation was 2.2% while non-food inflation stood at 1.7%. Inflation for imported goods was 40.7% while inflation for local goods was 35.8%. For six (6) months running, inflation for imported items exceeded domestic inflation. At the regional level, the Eastern Region recorded the highest inflation rate of 47.1% while the Upper West Region recorded the lowest inflation rate of 22.9%.

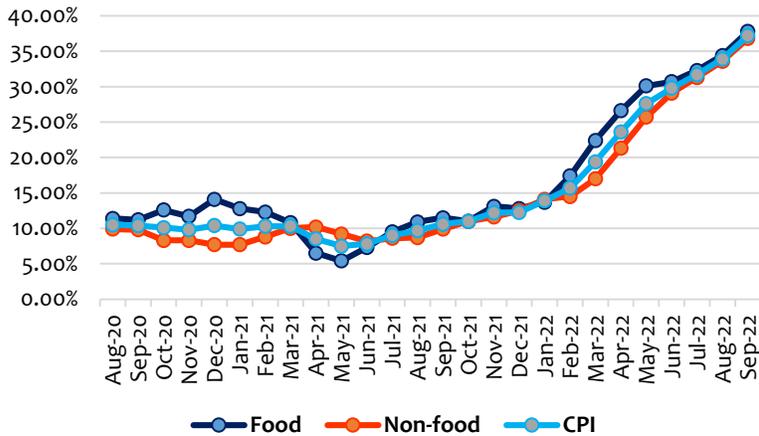
MONTH	CPI (2018=100)	CHANGE (INFLATION %)	
		MONTHLY	YEARLY
SEP - 2021	132.6	0.6	10.6
OCT	133.3	0.6	11.0
NOV	135.2	1.4	12.2
DEC	136.9	0.4	12.6
JAN - 2022	139.7	2.1	13.9
FEB	143.0	2.4	15.7
MAR	148.8	4.0	19.4
APR	156.5	5.1	23.6
MAY	162.8	4.1	27.6
JUN	167.7	3.0	29.8
JUL	173.0	3.1	31.7
AUG	176.3	1.9	33.9
SEP	140.6	2.0	37.2

### Outlook

Our inflation outlook is unchanged. We expect inflation rate to remain very high in the near term in the face of OPEC+ oil supply cut hence spiking crude oil prices and continuing investor concern over the country's large fiscal deficits putting downward pressure on the Ghana Cedi. Ghana having high exposure to importation will suffer huge rise in the cost of living. We also expect rising inflation to prompt the central bank to further hike the monetary policy rate.

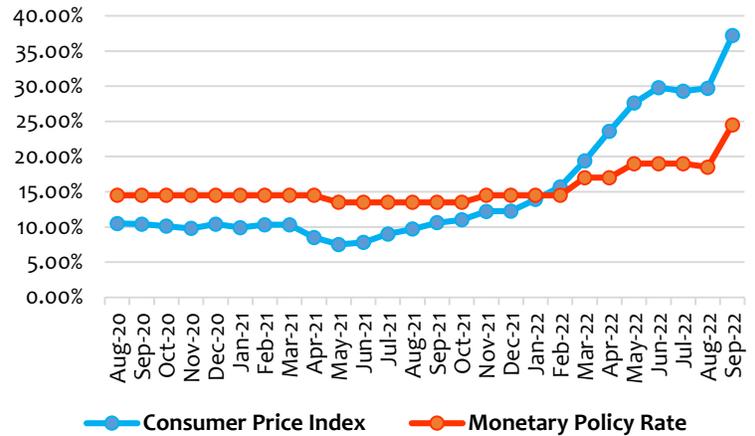


## CONSUMER PRICES



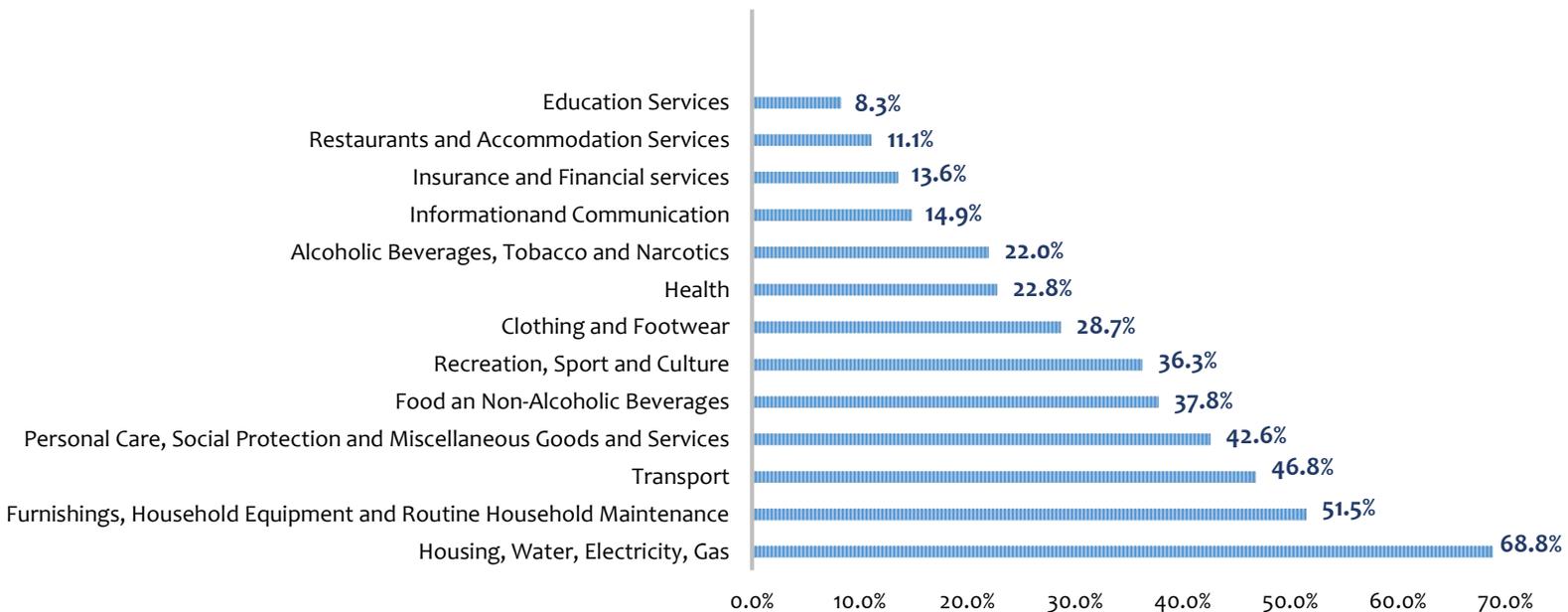
Source: Ghana Statistical Service

## 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.

## ANALYSTS

Godwin Kojo Odoom: Senior Research Analyst  
gkodoom@sicbrokerage.com

Obed Owusu Sackey: Analyst  
oosackey@sicbrokerage.com

Wisdom Asigbetse: Analyst  
wkasigbetse@sicbrokerage.com