



Newsletter Consumer Price Index (CPI) June, 2010



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Inflation rate falls to single digit – June 2010 rate is 9.52%

June 2010 rate of inflation

The June 2010 inflation rate is 9.52%. The rate is 1.16 percentage points lower than that of May 2010 (10.68%). The rate of inflation is the percentage change in the Consumer Price Index (CPI) over the twelve-month period from June 2009 (314.57) to June 2010 (344.52). The monthly change is the percentage change in the CPI over one month (Table 1). The monthly rate for June (1.57) was also lower than that of May (1.87).

percentage points) followed by January (1.19 percentage points and June (1.16 percentage points). The other months recorded declines below 1 percentage point. The cumulative decline between January 2010 and June 2010 is 5.26 percentage points (from 14.78% to 9.52%). The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010 falling from 9.08% to 4.69% in May 2010 increased to 6.13 % in June 2010. The non-food inflation rate, on the other hand, though declining has been recording double digit inflation rates (Figure 1).

The Consumer Price Index

The Consumer Price Index (CPI) is the average price level measured relative to a reference period, usually called a base year. The base year for Ghana's CPI is 2002, which is equated to 100. The June 2010 CPI was 5.31 points above that of May 2010.

Figure1: Rate of inflation disaggregated between food and non-food from June 2009 to June 2010.

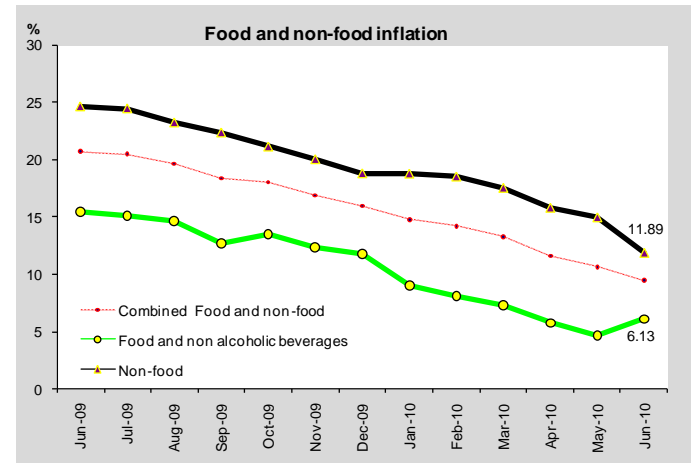


Table 1: CPI May and June 2010

	Index	Change rate (%)	
	2002 = 100	Monthly	Yearly
May	339.21	1.87	10.68
June	344.52	1.57	9.52

Food rate of inflation

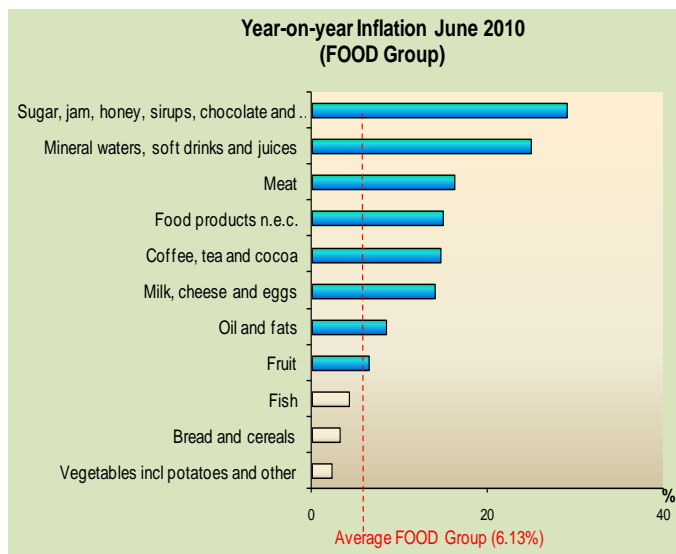
Inflation trend

The rate of inflation has been falling for 12 consecutive months. The largest decline in 2010 was recorded in April (1.66

percentage points) followed by January (1.19 percentage points and June (1.16 percentage points). The other months recorded declines below 1 percentage point. The cumulative decline between January 2010 and June 2010 is 5.26 percentage points (from 14.78% to 9.52%). The food and non-alcoholic beverages group has been recording single digit inflation rate since January 2010 falling from 9.08% to 4.69% in May 2010 increased to 6.13 % in June 2010. The non-food inflation rate, on the other hand, though declining has been recording double digit inflation rates (Figure 1).

syrups, chocolate and confectionery (29.02%) and Mineral waters, soft drinks and juices (24.90%), Figure 2.

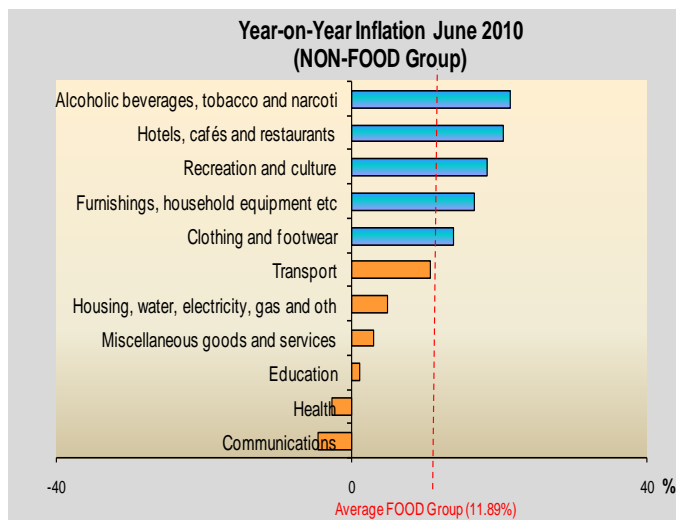
Figure 2: Inflation in food subgroups



Non-food rate of inflation

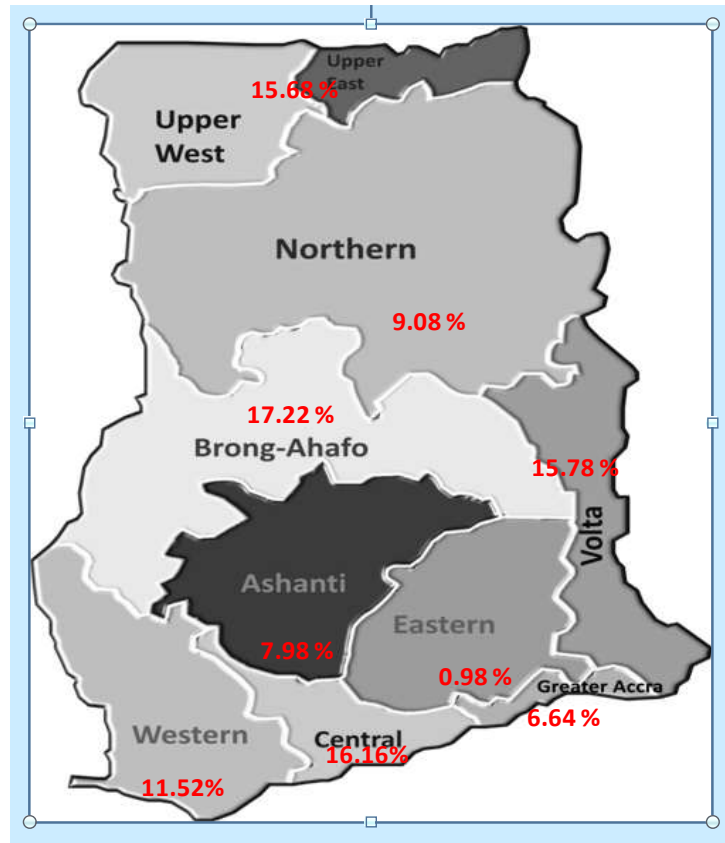
Inflation in the non-food group (which accounts for 55.09 percent of average household expenditure) had five out of eleven of its subgroups recording inflation rates above the group average of 11.89 percent. Alcoholic beverages, tobacco and narcotic (21.51%), Hotel and restaurants (20.49%) and Recreation and culture (18.31%) are among the subgroups that recorded high inflation rates. The Health and Communications subgroups recorded negative inflation rate of -2.61% and -4.51% respectively (Figure 3).

Figure 3: Inflation in non-food subgroups



Regional differentials

Inflation rates in the regions range from 0.98 percent (Eastern region) to 17.22 percent (Brong-Ahafo region). Four regions (Eastern, Greater Accra, Ashanti and Northern) recorded inflation rates below the national rate of 9.52 percent (Annex 5).



Dissemination

Detailed information on the series is contained in the CPI User's guide available at GSS. The target publication date of the monthly newsletter is 15th of the month. It is released on the second Wednesday of each month, and on the third, when the 15th of the month falls on Wednesday. The next release date is 11th August 2010.

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