



# Newsletter

## Consumer Price Index (CPI) – April 2009



Tel: +233-21-682677, +233-21- 664382

Fax No. +233-21-664304

May 15, 2009

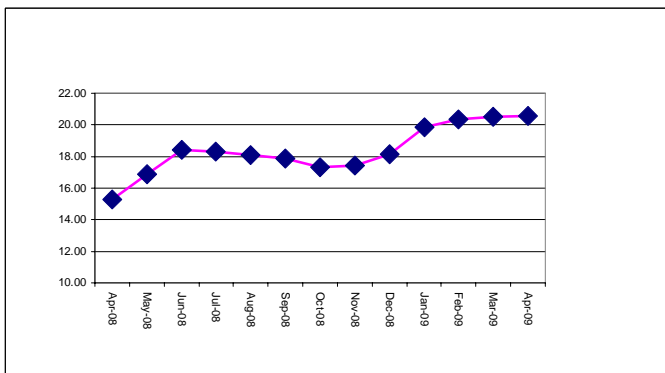
## APRIL INFLATION

The annual rate of inflation for April 2009 was 20.56 percent. The corresponding figure for March 2009 was 20.53 percent (Annex 1).

## The Consumer Price Index (CPI)

The CPI measures the average percentage change of the general price levels in the country, as experienced by consumers, with reference to the price levels in 2002, which is set to 100 (i.e. 2002 = 100). The rate of inflation for April 2009 (20.56 percent) is the percentage change in the CPI over the twelve-month period from April 2008 (247.36) to April 2009 (298.22).

Figure 1: Rate of inflation, April 2008 to April 2009



## Inflationary Trend

The rate of inflation has been on the increase for four consecutive months this year (from January to April 2009). This current trend is a continuation of the rise in the rate of inflation that started in October 2008.

The trend observed in the first four months of 2009 is similar to that of the same period in 2008, but the rate of increase is much lower in the first quarter of 2009 relative to that of the

previous year. The rate of inflation rose by 2.48 percentage points in the first four months of 2008 compared to 0.70 percentage points over the same period in 2009.

## Major contributors to the Rate of Inflation

The CPI has been primarily driven by the non-food sub-sector, which constitutes 55.09 percent of the CPI basket. In April 2009 the rate of inflation for the non-food group together was 21.46 percent and the rate of inflation for the food groups was 19.23 percent. The corresponding figures for March 2009 were 22.00 and 18.50 percent for non-food and food respectively

There are eleven subgroups in the non-food group each of which has a different inflation rate. The highest inflation are recreation and culture; health; hotels, cafes and restaurants; and alcoholic beverages.

The highest inflation for the food group include milk, cheese and eggs; vegetables, potatoes and other tuber vegetables; mineral waters, soft drinks and juices; and [bread and cereals subgroups](#).

The contribution of a group or subgroup to the overall rate of inflation depends on the magnitude of price change for items within and the weight of the group in the CPI basket of goods and services. [The weight reflects the level of consumers' utilization of items](#) in the group.

The rate of inflation was higher in the urban areas than in the rural areas for the three consecutive months from February to April 2009. The urban and rural inflation for April 2009 was 24.41 and 20.59 percent respectively.

## Monthly changes in CPI

The month-to-month change (monthly rate of inflation) is the change in the CPI relative to that of the previous [month](#). The monthly rate of inflation recorded in April 2009 was 2.92 percent, and that of March 2009, 1.95 percent; a slight decline.

Table 1: Contributions of Major groups to inflation rate

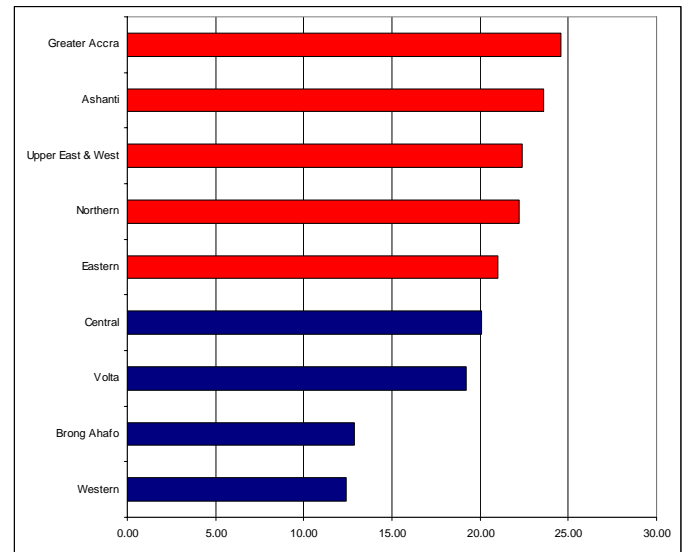
Item groups	Weight	Rate of inflation
	<b>100.00</b>	<b>20.56</b>
<b>FOOD AND NON-ALCOHOLIC BEVERAGES</b>	<b>44.91</b>	<b>19.32</b>
Milk, cheese and eggs	1.69	37.09
Vegetables including potatoes and other tuber vegetables	12.46	31.03
Mineral waters, soft drinks and juices	0.95	25.88
Bread and cereals	7.97	21.57
Fruit	2.12	17.00
Meat	4.07	16.88
Fish	10.24	14.61
Sugar, jam, honey, syrups, chocolate and confectionery	1.17	12.91
Food products n.e.c.	1.06	8.31
Coffee, tea and cocoa	0.69	6.43
Oils and fats	2.48	1.22
<b>NON-FOOD</b>	<b>55.09</b>	<b>21.46</b>
Recreation and culture	3.04	58.04
Health	4.33	52.26
Hotels, cafés and restaurants	8.28	34.85
Alcoholic beverages etc	2.23	30.50
Furnishings, household equip. etc	7.83	30.43
Clothing and footwear	11.29	22.36
Miscellaneous	2.99	15.96
Education	1.60	13.58
Housing, water, electricity, others	6.98	8.04
Communications	0.31	1.62
Transport	6.21	-4.13

NEC –not elsewhere classified

## Regional differentials

Inflation rates recorded in the regions range from [24.60](#) percent (Greater Accra) to [12.38](#) percent (Western). Five regions recorded inflation rates above the national rate of 20.56 percent (Annex 3).

Figure 2: Regional Variations



## Dissemination

The detailed information on the series is contained in the CPI User's guide/manual at GSS. The target publication date of the monthly bulletin is 15th of the month. It is released on the second Friday of each month, and on the third, when the 15th falls on Friday. The next release date is 12th June 2009.