



Newsletter

Consumer Price Index (CPI) – February 2009



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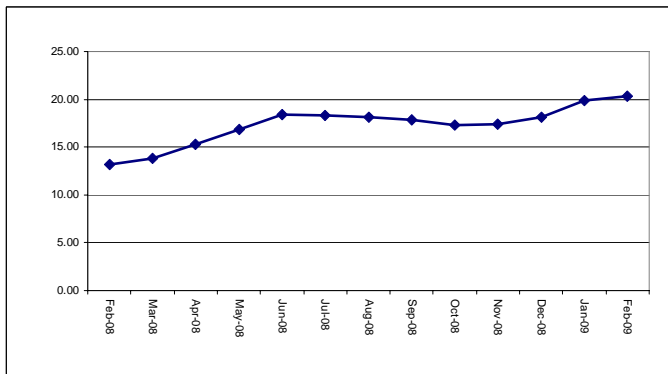
FEBRUARY INFLATION

The annual rate of inflation for February 2009 was 20.34 percent. The corresponding figure for January 2009 was 19.86 percent (Annex 1).

The Consumer Price Index (CPI)

The CPI measures the average percentage change in 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 average percentage change of 20.34 percent in the CPI over the twelve-month period from February 2008 (236.18) to February 2009 (284.20) represents the rate of inflation for February 2009.

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



Inflationary Trend

There was a gradual decline in inflation from June 2008 to October 2008. This decline could not be sustained as the rate started moving upwards since November 2008 till February 2009. The rate of inflation recorded in February 2009 (20.34%) is the highest since January 2004 (22.4 percent).

Major contributors to the Rate of Inflation

As has generally been the case, the non-food group contributed more to the level of inflation in February 2009 than the food group. The contributions of the non-food and food groups to the inflation rate in February 2009 were 11.76 and 8.58 percent respectively.

The rate of inflation was higher in the urban areas than in the rural areas.

Eight subgroups contributed more than 1 percentage point to the annual rate of inflation for February 2009. They include hotels, cafes and restaurants; furnishing, households equipment and routine maintenance; clothing and footwear; health; and recreation and culture for non-food group and vegetables including potatoes and other tuber vegetables; bread and cereals; and fish subgroups for the food group.

The contribution of a group or subgroup to the overall rate of inflation depends on the magnitude of price changes and the weight of the group in the CPI basket of goods and services. The weight reflects the importance of the group in terms of the level of consumers' utilization of items in the group. Therefore a change in the price of an item with high weight affects more consumers and vice versa.

Monthly changes in CPI

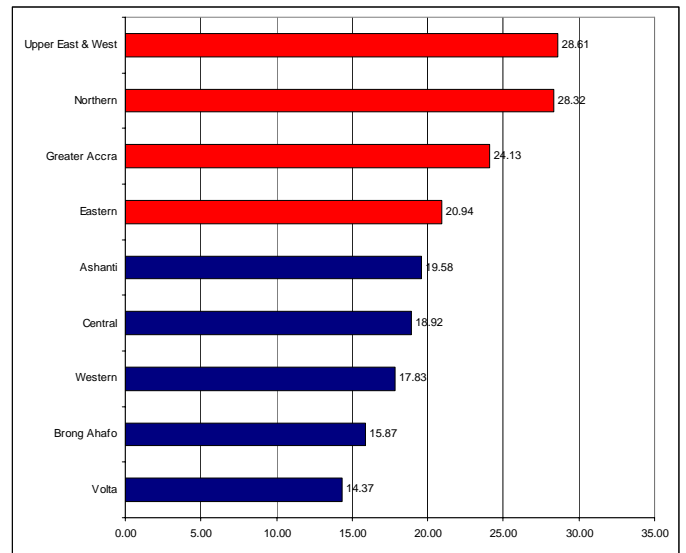
The month-to-month change (monthly rate of inflation) is the change in the CPI from previous to the current month. The monthly rate of inflation recorded in February 2009 was 2.00 percent. That of January 2008 was 2.64 percent.

Table 1: Contributions of Major groups to inflation rate

Item Groups	Weight	Rate of inflation	Contribution to national annual rate of inflation
	100.00	20.34	
FOOD AND NON-ALCOHOLIC BEVERAGES	44.91	18.95	8.58
Vegetables including potatoes and other tuber vegetables	12.46	24.09	2.84
Bread and cereals	7.97	23.66	1.78
Fish	10.24	16.80	1.63
Fruit	2.12	29.45	0.59
Meat	4.07	14.32	0.55
Milk, cheese and eggs	1.69	25.90	0.41
Food products n.e.c.	1.06	25.08	0.25
Oils and fats	2.48	9.60	0.23
Mineral waters, soft drinks and juices	0.95	12.78	0.11
Sugar, jam, honey, syrups, chocolate and confectionery	1.17	10.09	0.11
Coffee, tea and cocoa	0.69	10.24	0.07
NON-FOOD	55.09	21.34	11.76
Hotels, cafés and restaurants	8.28	36.44	2.75
Furnishings, household equip. etc	7.83	27.43	1.96
Clothing and footwear	11.29	17.70	1.82
Health	4.33	45.59	1.80
Recreation and culture	3.04	54.08	1.50
Housing, water, electricity, others	6.98	10.74	0.68
Alcoholic beverages etc	2.23	29.84	0.61
Miscellaneous	2.99	13.43	0.37
Education	1.60	16.08	0.23
Transport	6.21	0.46	0.03
Communications	0.31	1.62	0.00

NEC –not elsewhere classified

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. Because of the Easter holiday on April 10, the next release date has been moved forward to Thursday, 9th April 2009.

Regional differentials

Inflation rates recorded in the regions range from **28.61** percent (Upper East and West) to **14.37** percent (Volta). Four regions recorded inflation rates above the national rate of 20.34 percent (Annex 3).