



Inflation Report

December 2021





Inflation Report

Latest figures from the Ghana Statistical Service (GSS) reveal that the Government missed its 2021 end of year inflation target of 8% as headline inflation rose further to 12.6% in December 2021, from the 12.2% recorded the previous month. The uptick in inflation was driven by the rise in the average prices of non-food items including housing, electricity, water and gas during the period. This is the seventh consecutive increase in headline inflation since June 2021 and the highest level of inflation since the rebasing in August 2019.

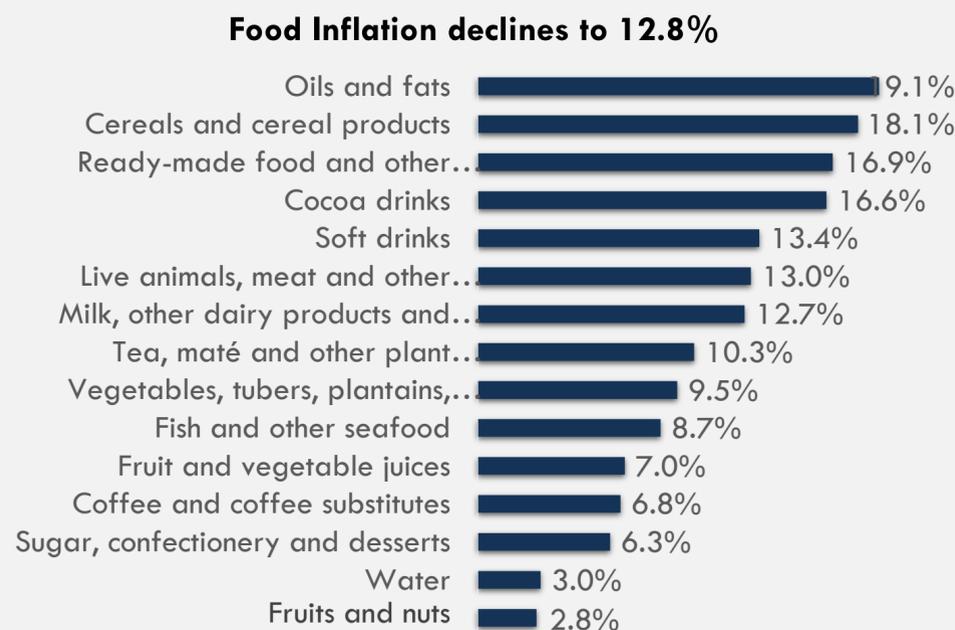
Non-food inflation which was the main driver of inflation for December 2021, increased to 12.5% (the highest since the implementation of the new series in August 2019). Housing, water, electricity, gas and other fuels recorded the highest inflation of 20.7% during the month.

Food inflation for the period under review recorded a 0.3% decline to 12.8% from the 13.1% recorded in November 2021.

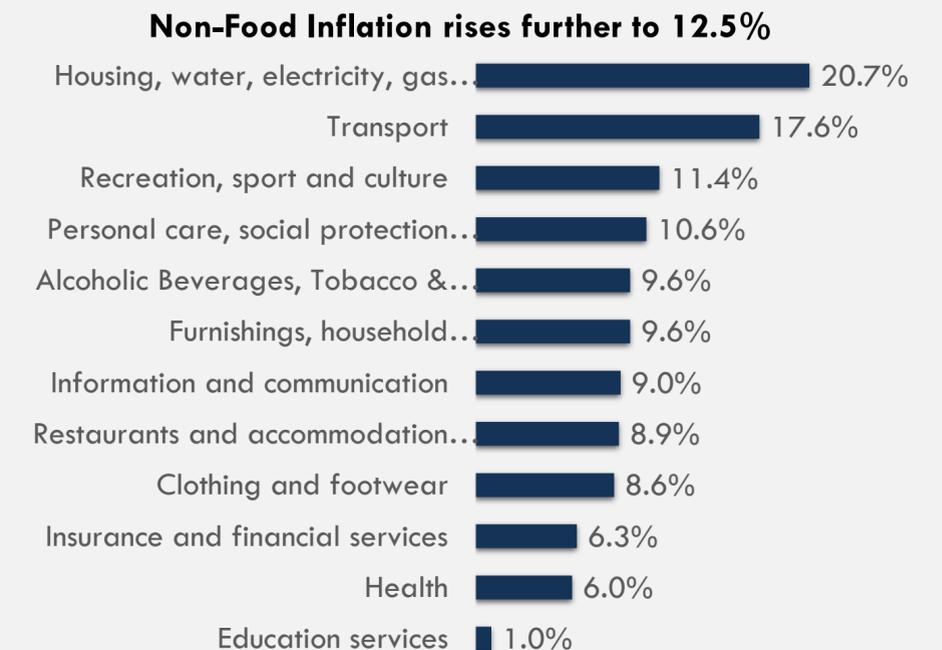
At the regional level, the Y-o-Y inflation rate ranged from 7.4% to 18.6%. The Eastern Region recorded the least inflation rate of 7.4% whereas the Upper West Region recorded the highest inflation of 18.6%. Five regions (Greater Accra, Ashanti, Brong Ahafo, Northern and Upper West) recorded inflation rates above the national average of 12.6%.

Expectations of price pressure remains elevated coming into 2022, affected by rising oil prices and the recent currency pressure. Headline inflation is likely to stay in double digits in the first half of 2022 and may suggest a 0.5% increase in MPR while the Central Bank works to re-anchor inflation expectations and safeguard its price stability objective.

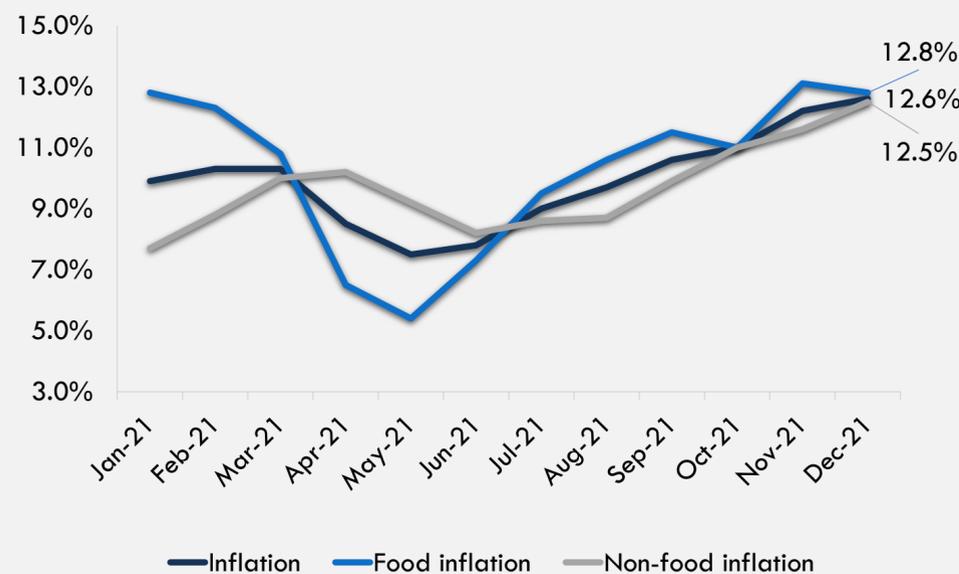
Food inflation by major subgroups



Non-food inflation by major subgroups



Headline Inflation inches up again to 12.6%





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