

**HIGHLIGHTS: Headline inflation declined 780bps from 52.8% in February 2023 to 45.0% year-on-year in March 2023.**

Inflation rate in March 2023 recorded a sharp decline of 780 bps from 52.8% in February 2023 to 45.0%. The decline was observed across the food and non-food groups which recorded a year-on-year inflation rate of 50.8% and 40.6% from 59.1%, from 47.9% respectively. The Food and non-alcoholic beverages [50.8%], Transport [52.0%] and Housing, Water, Electricity, Gas and Other Fuels [64.7%] divisions which makes up about three quarters of the rate of inflation captured in March 2023 all recorded declines.

Local inflation continued on a downward trend recording a decline of 840bps year-on-year recording 41.9% for the month of March 2023. Imported inflation also declined rather sharply by 1,070bps from 62.3% in February to 51.6% year-on-year for the month of March. This was expected on the back of falling crude prices amid a period of stable currency movements.

On a month-on-month basis, a deflation of 1.2% was recorded between February 2023 and March 2023. Similarly, Food inflation and Non-food inflation recorded deflations of 0.9% and 1.5% respectively month-on-month. Five regions recorded inflation rate higher than the national average of 45% with the Western North Region recording the highest rate of 67.3%. The Volta Region remains the region with the least inflation recording an inflation rate of 25.6%.

**TREND OF INFLATION**

MONTH	CPI	INFLATION	
		MONTHLY	YEARLY
<b>MAR. '22</b>	114.9	4.1%	19.4%
<b>SEP. '22</b>	140.6	2.0%	37.2%
<b>OCT. '22</b>	144.4	2.7%	40.4%
<b>NOV. '22</b>	156.8	8.6%	50.3%
<b>DEC. '22</b>	162.8	3.8%	54.1%
<b>JAN. '23</b>	165.6	1.7%	53.6%
<b>FEB. '23</b>	168.7	1.9%	52.8%
<b>MAR. '23</b>	166.6	-1.2%	45.0%

Source: Ghana Statistical Service

Inflation decreased from 52.8% in February 2023 to settle at 45.0% in March 2023

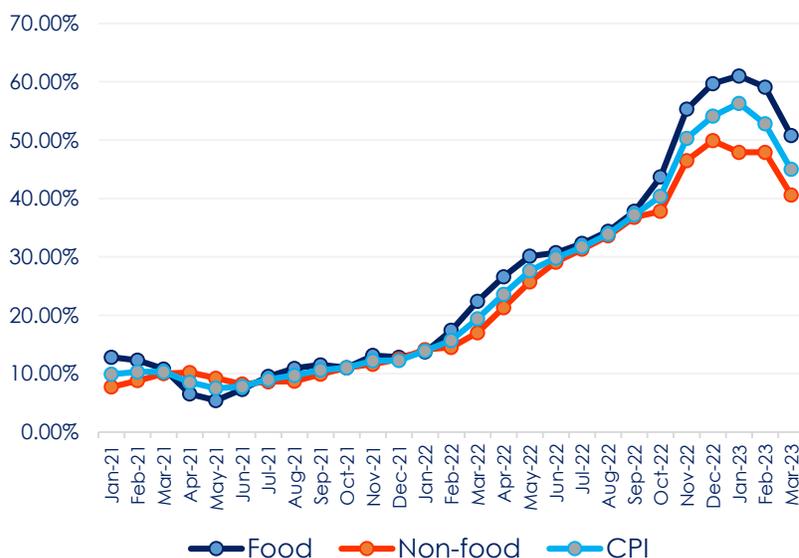
Month-on-Month (February 2023 – March 2023) inflation was -1.2%

Food inflation decreased to 50.8% while non-food inflation remained decreased to 40.6%

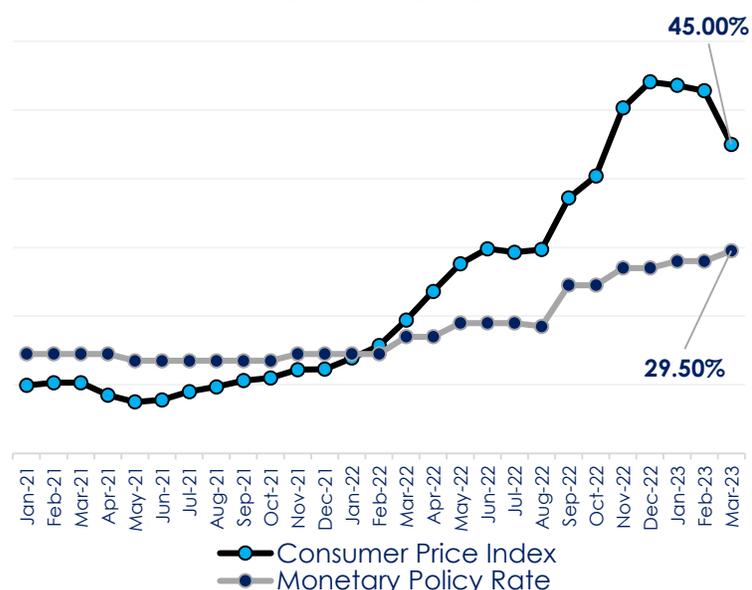
Inflation for imported goods decreased to 51.6% while inflation for local goods decreased to 41.9%

Western North Region recorded the highest regional inflation of 67.3% whilst Volta Region recorded the lowest at 25.6%

Source: Ghana Statistical Service

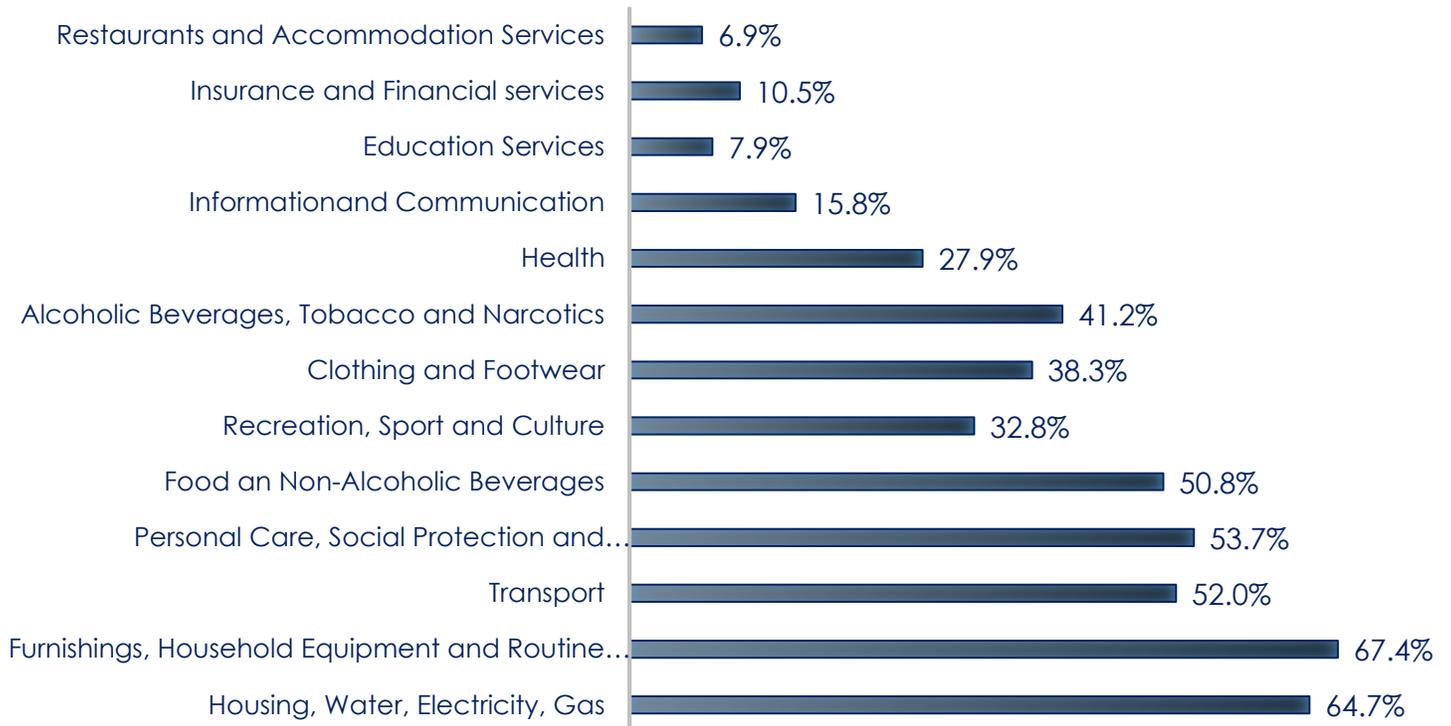
**CONSUMER PRICES**

Source: Ghana Statistical Service

**INFLATION vs POLICY RATE**

Source: Ghana Statistical Service, Bank of Ghana

## INFLATION BREAKDOWN Y-O-Y CHANGE



Source: Ghana Statistical Service

### OUTLOOK:

The Monetary Policy committee as expected increased the policy rate by 150bps to sustain the downward trend in price levels and a third consecutive month of decline in inflation only underpins the effects monetary tightening. Other factors like further declines at the pumps in and a resilient currency over the last quarter, should keep inflation on its downward spiral and at an even steeper level in the next few months.

### HOW IS CPI AND INFLATION MEASURED?

- Prices are collected for approximately 47,877 products every month.
- Price collection is done in 57 markets
- Prices are collected from 8,337 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

Wisdom Asigbetse: Analyst  
wkasigbetse@sicbrokerage.com