

KENYA NATIONAL BUREAU OF STATISTICS



PRODUCER PRICE INDEX FIRST QUARTER 2015

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the February quarter of 2015. Producer Price Index measures the gross changes in the trading price of products on the domestic and the non-domestic markets, at all stages of processing. The price changes are measured from the perspective of the producer. The producer prices are collected as at 15th February, 15th May, 15th August and 15th November of the year. These dates corresponds to the first, second, third and fourth quarters respectively. The Kenya Petroleum Refineries Limited (KPRL) stopped operations in September 2013. As such, the weights have been re-adjusted accordingly.

As shown in Table 1, the Producer Price Indices are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC) Rev 4. The overall producer prices increased by 1.52 per cent in the first quarter of 2015 compared to an decrease of 1.23 per cent recorded in the fourth quarter of 2014. The 'year on year' PPI inflation, from March 2014 to March 2015 was 1.09 per cent.

The main contributors in the first quarter increases were manufacture of food products, manufacture of beverages and manufacture of rubber and plastics products. Under manufacture of food products the producer prices of tea and dairy products had the highest increase while under furniture increase in prices of mattresses caused the index to go up. Although the index under manufacture of food increased over the three months, prices of wheat flour, maize flour and sugar declined during the period under review. Over the three months period, electricity decreased by 2.09 per cent while manufacture of lubricating petroleum oils declined by 13.6 per cent.

Table 1: Percentage Changes Over a Quarter and an Year Ago

2-Digit ISIC	Descriptions	Weights-*	% Change over three months ago (March 2015/December 2014)	% Change over a year ago (March 2015/March 2014)
10	Manufacture of food products	34.24	1.79	-2.06
11	Manufacture of beverages	6.54	2.52	3.74
12	Manufacture of tobacco products	1.38	0.37	1.18
13	Manufacture of textiles	2.29	1.48	3.37
14	Manufacture of wearing apparel	2.91	0.23	0.73
15	Manufacture of leather and related products	0.90	1.31	1.59
16	Manufacture of wood and of products of wood and cork except furniture	2.19	-0.15	0.25
17	Manufacture of paper and paper products	3.15	-0.42	2.51
18	Printing and reproduction of recorded media	5.66	0.00	0.00
19	Manufacture of lubricating petroleum oils	0.01	-13.60	-13.60
20	Manufacture of chemicals and chemical products	5.97	2.02	4.68
22	Manufacture of rubber and plastics products	5.47	2.85	0.95
23	Manufacture of other non-metallic mineral products	4.32	-1.17	-0.96
24	Manufacture of basic metals	6.51	0.35	3.08
25	Manufacture of fabricated metal products except machinery and equipment	3.31	-0.52	-0.99
29	Manufacture of motor vehicles	1.20	1.33	1.95
35	Electricity	8.63	-2.09	1.60
36	Water	0.46	0.89	8.01
08	Mining and Quarrying	1.60	3.86	8.99
31	Manufacture of Furniture	1.83	32.97	28.39
33	Repair and installation of machinery and equipment	1.42	0.46	1.47
	Total	100.00	1.52	1.09

* Weights re-adjusted after closure of Kenya Petroleum Refineries Limited (KPRL)

As shown in Table 2, the overall PPI increased from 108.56 points in the fourth quarter 2014 to 110.21 points in the first quarter 2015. The 'year on year' inflation was 1.09 per cent mainly caused by declines in the prices of lubricating petroleum oils, some food products and manufacture of other non-metallic mineral products. Over the year, the products which had the highest decrease were maize flour and wheat flour.

Table 2: Producer Price Indices at Division Level

Base
2011=100

June

2-Digit ISIC	Descriptions	Weights* ^a	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15
10	Manufacture of food products	34.24	110.02	107.30	106.92	105.86	107.75
11	Manufacture of beverages	6.54	123.58	124.02	124.35	125.05	128.20
12	Manufacture of tobacco products	1.38	117.55	117.81	118.00	118.50	118.93
13	Manufacture of textiles	2.29	109.04	109.65	110.09	111.07	112.72
14	Manufacture of wearing apparel	2.91	100.05	100.19	100.29	100.56	100.79
15	Manufacture of leather and related products	0.90	101.89	102.33	102.38	102.17	103.51
16	Manufacture of wood and of products of wood and cork except furniture	2.19	105.03	105.56	105.56	105.45	105.30
17	Manufacture of paper and paper products	3.15	104.25	106.33	106.69	107.32	106.87
18	Printing and reproduction of recorded media	5.66	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	0.01	132.83	132.83	132.83	132.83	114.76
20	Manufacture of chemicals and chemical products	5.97	111.18	113.63	114.10	114.07	116.38
22	Manufacture of rubber and plastics products	5.47	107.78	108.96	108.09	105.79	108.81
23	Manufacture of other non-metallic mineral products	4.32	115.60	116.09	116.46	115.84	114.48
24	Manufacture of basic metals	6.51	96.19	96.77	96.67	98.82	99.16
25	Manufacture of fabricated metal products except machinery and equipment	3.31	97.01	96.93	95.97	96.56	96.05
29	Manufacture of motor vehicles	1.20	116.83	117.34	117.42	117.55	119.11
35	Electricity	8.63	111.46	118.78	127.74	115.65	113.24
36	Water	0.46	120.30	120.30	128.78	128.78	129.93
08	Mining and Quarrying	1.60	119.22	123.56	124.50	125.10	129.93
31	Manufacture of Furniture	1.83	103.50	101.81	103.45	99.93	132.88
33	Repair and installation of machinery and equipment	1.42	99.72	100.00	100.20	100.73	101.19
	Total	100.00	109.02	109.17	109.91	108.56	110.21

* Weights re-adjusted after closure of Kenya Petroleum Refineries Limited (KPRL)