

## PRODUCER PRICE INDEX, FIRST QUARTER 2020

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the first quarter of 2020. The price changes are measured from the perspective of the producer. The prices are collected as at 15<sup>th</sup> February, 15<sup>th</sup> May, 15<sup>th</sup> August and 15<sup>th</sup> November of the year. These dates correspond to the first, second, third and fourth quarters of the year, respectively.

The Producer Price Indices are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC) Rev 4. Weights have been revised based on the Census of Industrial Production (CIP) carried out in 2018.

Figure 1 shows the Producer Price Index (PPI) for first quarter from 2017 to 2020. As shown in the Figure 1, the first quarter year on year overall producer inflation was highest in the first quarter 2017 at 3.38 and lowest in first quarter 2019 at negative 0.19 per cent. The producer price index for the first quarter 2020 was 1.07 per cent.

**Figure 1: Year on Year Percentage Changes on Producer Prices**

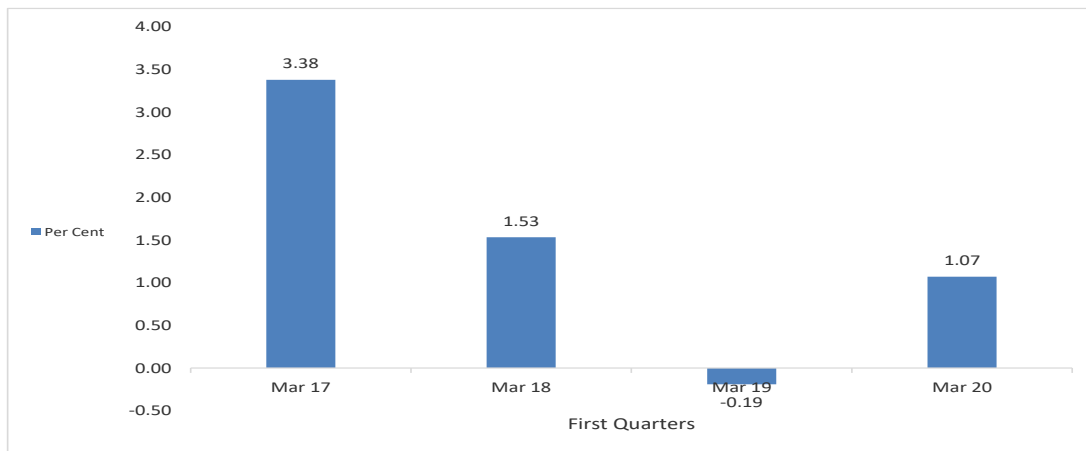


Table 1 presents percentage changes of producer prices over the previous quarter and the same quarter a year ago. The overall producer prices decreased by 1.47 per cent from December 2019 to March 2020 while the ‘year on year’ inflation was 1.07 per cent. Over the last quarter, the highest price increase was in the manufacture of wood and of products of wood and cork except furniture at 6.47

per cent while the highest decline was in the manufacture of basic metals at negative 5.36 per cent. Over the last one year, the highest increases were in manufacture of chemicals and chemical products and manufacture of beverages at 6.64 per cent and 6.06 per cent, respectively.

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

2-Digit ISIC	Descriptions	Weights	% Change over three months ago (Mar 2020/Dec 2019)	% Change over a year ago (Mar 2020/Mar 2019)
07	Mining of metal ores	1.52	-1.86	5.90
08	Mining and Quarrying	0.81	-4.15	0.34
10	Manufacture of food products	37.30	-1.77	2.95
11	Manufacture of beverages	5.61	0.16	6.06
12	Manufacture of tobacco products	1.01	-0.30	0.07
13	Manufacture of textiles	1.34	0.01	-0.21
14	Manufacture of wearing apparel	2.47	-3.39	-3.60
15	Manufacture of leather and related products	1.10	0.02	1.90
16	Manufacture of wood and of products of wood and cork except furniture	1.02	6.47	0.47
17	Manufacture of paper and paper products	3.74	0.62	-4.00
18	Printing and reproduction of recorded media	2.64	0.00	0.18
20	Manufacture of chemicals and chemical products	6.41	0.52	6.64
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	-0.31	-2.17
22	Manufacture of rubber and plastics products	4.41	-2.09	-1.29
23	Manufacture of other non-metallic mineral products	5.91	-0.73	-0.82
24	Manufacture of basic metals	6.99	-5.36	-4.94
25	Manufacture of fabricated metal products except machinery and equipment	2.02	-1.43	-0.56
27	Manufacture of electrical equipment	1.30	0.15	0.30
29	Manufacture of motor vehicles	1.92	-0.14	-2.60
35	Electricity	9.23	-2.52	-1.33
36	Water	1.72	-0.71	-0.71
	Total	100.00	-1.47	1.07

Table 2 shows the overall Producer Price Indices and year on year inflation rates.

**Table 2: Overall PPI and Inflation Rates**

Base Period March 2019=100

Year	Quarter	Produce Price Indices	PPI-Inflation Rate (%)
2016	September	95.11	-2.76
	December	96.82	-0.47
2017	March	98.68	3.38
	June	100.22	6.39
	September	100.30	5.46
	December	99.90	3.18
2018	March	100.19	1.53
	June	100.18	-0.04
	September	100.85	0.54
	December	101.22	1.33
2019	March	100.00	-0.19
	June	102.39	2.20
	September	102.26	1.40
	December	102.58	1.34
2020	March	101.07	1.07

Table 3 shows producer prices of selected products from March 2019 to March 2020. During the last three months, a bale of maize flour, wheat flour and sugar declined by 4.9, 3.5 and 5.7 per cent, respectively. However, a crate of fresh milk increased by 1.1 per cent from KSh 784 in December 2019 to KSh 793 in March 2020. Over the past 12 months, a bale of maize flour has increased significantly by 43.5 per cent.

**Table 3: Producer Prices of Some Selected Products**

Product	Unit of Measure	Price March 2019	Price June 2019	Price Sep 2019	Price Dec 2019	Price Mar 2020	% Change over last three months	% Change over 12 months
Refined Oil	20 Litres	4,461	4,550	4,480	4,665	4,665	0.0	4.6
Milk	A crate of fresh milk (18 packets each 500 ml)	779	798	798	784	793	1.1	1.8
Maize Flour	Bale (12 packets each 2 Kg)	978	1,333	1,384	1,476	1,404	-4.9	43.5
Wheat Flour	Bale (12 packets each 2 Kg)	1,421	1,470	1,470	1,407	1,357	-3.5	-4.5
Sugar	One Tonne	83,284	89,083	83,190	84,533	79,753	-5.7	-4.2

Table 4 presents quarterly producer indices from March 2019 to March 2020. The overall producer index decreased from 102.58 points in December 2019 to 101.07 points in March 2020.

**Table 4: Producer Indices**

2-Digit ISIC	Descriptions	Weights	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20
07	Mining of metal ores	1.52	100.00	100.81	102.54	107.91	105.90
08	Mining and Quarrying	0.81	100.00	99.24	104.57	104.68	100.34
10	Manufacture of food products	37.30	100.00	105.64	104.06	104.80	102.95
11	Manufacture of beverages	5.61	100.00	100.69	101.03	105.89	106.06
12	Manufacture of tobacco products	1.01	100.00	100.00	100.60	100.36	100.07
13	Manufacture of textiles	1.34	100.00	100.28	100.54	99.78	99.79
14	Manufacture of wearing apparel	2.47	100.00	100.18	100.16	99.79	96.40
15	Manufacture of leather and related products	1.10	100.00	100.10	100.34	101.88	101.90
16	Manufacture of wood and of products of wood and cork except furniture	1.02	100.00	98.26	95.28	94.36	100.47
17	Manufacture of paper and paper products	3.74	100.00	99.42	99.01	95.40	96.00
18	Printing and reproduction of recorded media	2.64	100.00	100.09	100.30	100.18	100.18
20	Manufacture of chemicals and chemical products	6.41	100.00	100.45	106.15	106.08	106.64
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	100.00	99.45	99.99	98.13	97.83
22	Manufacture of rubber and plastics products	4.41	100.00	99.40	97.31	100.82	98.71
23	Manufacture of other non-metallic mineral products	5.91	100.00	100.52	100.30	99.91	99.18
24	Manufacture of basic metals	6.99	100.00	99.97	100.33	100.44	95.06
25	Manufacture of fabricated metal products except machinery and equipment	2.02	100.00	100.00	101.20	100.88	99.44
27	Manufacture of electrical equipment	1.30	100.00	100.07	100.25	100.15	100.30
29	Manufacture of motor vehicles	1.92	100.00	95.11	97.87	97.53	97.40
35	Electricity	9.23	100.00	103.64	103.99	101.22	98.67
36	Water	1.72	100.00	100.00	100.00	100.00	99.29
	<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>102.39</b>	<b>102.26</b>	<b>102.58</b>	<b>101.07</b>