

PRODUCER PRICE INDEX FOURTH QUARTER 2019

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter of 2019. Producer Price Index measures the average changes in the prices of products 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 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. As shown in Figure 1, the fourth quarter year on year overall producer inflation was negative 0.51 per cent in December 2019 compared to 1.33 per cent recorded in December 2018.

Figure 1: Year on Year Percentage Changes on Producer Prices

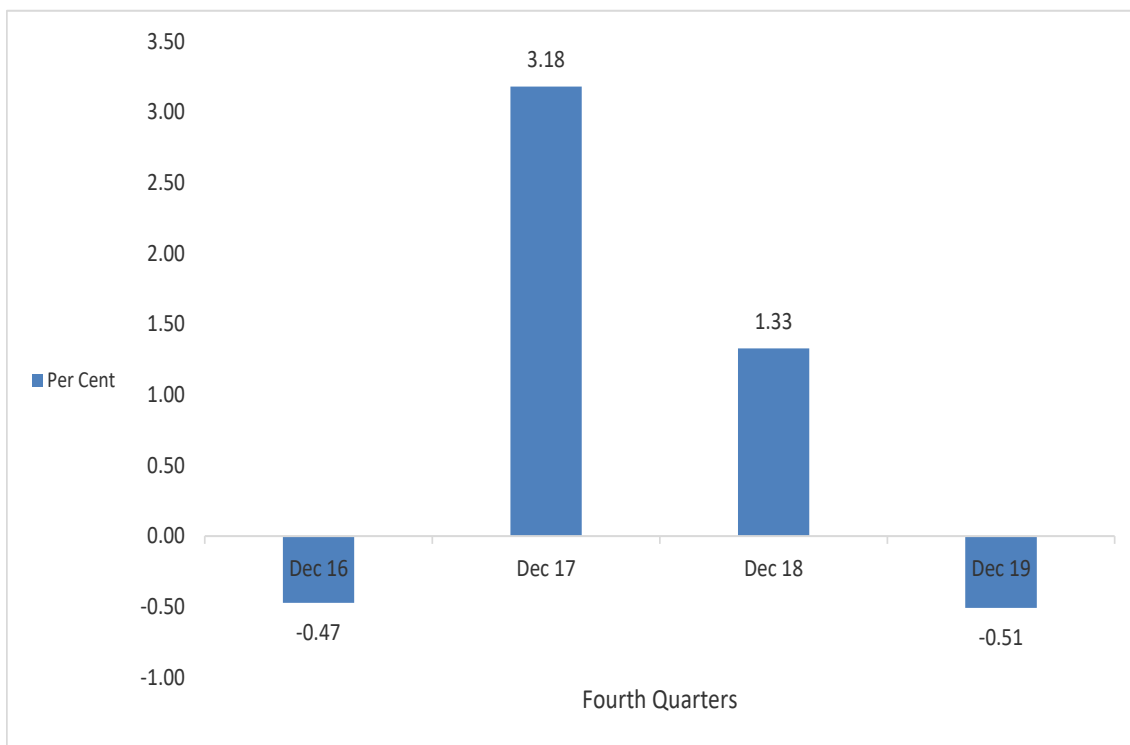


Table 1 presents percentage changes of producer prices over the previous quarter and the same quarter a year ago. The overall producer prices decreased by 0.66 per cent from September 2019 to December 2019 while the ‘year on year’ inflation was negative 0.51 per cent. The cost of electricity and manufacture of paper and paper products had the highest decline in producer index from September 2019 to December 2019 at 6.4 per cent and 3.8 per cent, respectively.

Over the last one year, the highest increases were in mining and quarrying and in manufacture of beverages at 10.1 per cent and 3.0 per cent, respectively.

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

2-Digit ISIC	Descriptions	Weight	% Change over three months ago (Dec 2019/Sep 2019)	% Change over a year ago (Dec 2019/Dec 2018)
10	Manufacture of food products	34.24	0.02	-1.09
11	Manufacture of beverages	6.54	2.90	3.01
12	Manufacture of tobacco products	1.38	-0.41	0.08
13	Manufacture of textiles	2.29	0.69	-0.43
14	Manufacture of wearing apparel	2.91	-0.26	-0.22
15	Manufacture of leather and related products	0.90	0.68	0.85
16	Manufacture of wood and of products of wood and cork except furniture	2.19	-2.84	-7.28
17	Manufacture of paper and paper products	3.15	-3.77	-4.96
18	Printing and reproduction of recorded media	5.66	0.00	0.00
19	Manufacture of lubricating petroleum oils	0.01	-0.11	-0.11
20	Manufacture of chemicals and chemical products	5.97	-1.65	-2.78
22	Manufacture of rubber and plastics products	5.47	-0.19	1.94
23	Manufacture of other non-metallic mineral products	4.32	-0.80	0.87
24	Manufacture of basic metals	6.51	-0.42	2.00
25	Manufacture of fabricated metal products except machinery and equipment	3.31	-3.68	-2.07
29	Manufacture of motor vehicles	1.20	-0.67	1.17
35	Electricity	8.63	-6.44	-1.80
36	Water	0.46	0.00	0.00
08	Mining and Quarrying	1.60	7.18	10.14
31	Manufacture of Furniture	1.83	0.00	-2.25
33	Repair and installation of machinery and equipment	1.42	-0.52	-0.43
	Overall	100.00	-0.66	-0.51

Table 2: Overall PPI and Inflation Rates

Base Period June 2011=100			
Year	Quarter	Produce Price Indices	PPI-Inflation Rate (%)
2016	September	113.33	-2.76
	December	115.36	-0.47
2017	March	117.58	3.38
	June	119.42	6.39
	September	119.52	5.46
	December	119.03	3.18
2018	March	119.38	1.53
	June	119.37	-0.04
	September	120.17	0.54
	December	120.61	1.33
2019	March	118.95	-0.36
	June	120.99	1.35
	September	120.80	0.53
	December	120.00	-0.51

Table 2 shows the overall Producer Price Indices and year on year inflation rates. In 2019, the highest rate was recorded in the second quarter at 1.35 per cent.

Table 3: Producer Prices of Some Selected Products

Table 3 shows producer prices of selected products for December 2018, March 2019, June 2019, September 2019 and December 2019. Prices of 20 litres of refined oil increased by 4.1 per cent from KSh 4,480 in September 2019 to KSh 4,665 in December 2019. During the same period, a bale of maize flour increased by 6.6 per cent from KSh 1,384 to KSh 1,476. However, a bale of wheat flour decreased from KSh 1,470 to KSh 1,407 from September 2019 to December 2019.

Product	Unit of Measure	Price Dec 2018	Price March 2019	Price June 2019	Price Sep 2019	Price Dec 2019	% Change over last three months	% Change over 12 months
Refined Oil	20 Litres	4,596	4,461	4,550	4,480	4,665	4.1	1.5
Milk	Fresh milk 18 packets per crate each 500 MI	779	779	798	798.24	784.15	-1.8	0.7
Maize Flour	Bale (12 packets each 2 Kg)	978	978	1,333	1,384	1,476	6.6	50.9
Wheat Flour	Bale (12 packets each 2 Kg)	1,350	1,421	1,470	1,470	1,407	-4.3	4.2
Sugar	One Tonne	95,041	83,284	89,083	83,190	84,533	1.6	-11.1

Table 4: Producer Indices

2-Digit ISIC	Descriptions	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19
10	Manufacture of food products	121.02	116.53	121.85	119.69	119.70
11	Manufacture of beverages	147.98	146.78	147.16	148.14	152.43
12	Manufacture of tobacco products	124.93	124.81	124.81	125.55	125.03
13	Manufacture of textiles	128.37	125.91	126.46	126.95	127.82
14	Manufacture of wearing apparel	102.27	101.93	102.04	102.31	102.05
15	Manufacture of leather and related products	106.07	106.04	106.10	106.25	106.98
16	Manufacture of wood and of products of wood and cork except furniture	159.79	153.59	155.15	152.49	148.16
17	Manufacture of paper and paper products	126.95	125.87	125.66	125.39	120.65
18	Printing and reproduction of recorded media	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	114.76	114.76	114.76	114.76	114.63
20	Manufacture of chemicals and chemical products	132.64	127.59	126.42	131.12	128.96
22	Manufacture of rubber and plastics products	114.04	117.99	117.56	116.46	116.24
23	Manufacture of other non-metallic mineral products	107.39	109.10	109.46	109.20	108.33
24	Manufacture of basic metals	102.34	104.20	104.38	104.83	104.39
25	Manufacture of fabricated metal products except machinery and equipment	100.63	100.76	100.76	102.31	98.54
29	Manufacture of motor vehicles	124.36	126.80	124.86	126.66	125.82
35	Electricity	115.87	117.07	120.64	121.62	113.78
36	Water	148.60	148.60	148.60	148.60	148.60
08	Mining and Quarrying	143.60	141.06	139.93	147.56	158.15
31	Manufacture of Furniture	148.18	148.18	144.84	144.84	144.84
33	Repair and installation of machinery and equipment	104.19	103.51	103.73	104.28	103.74
	Total	120.61	118.95	120.99	120.80	120.00

Table 4 presents quarterly producer indices from December 2018 to December 2019. The overall producer index decreased from 120.80 points in September 2019 to 120.00 points in December 2019.

