



Kenya National Bureau of Statistics

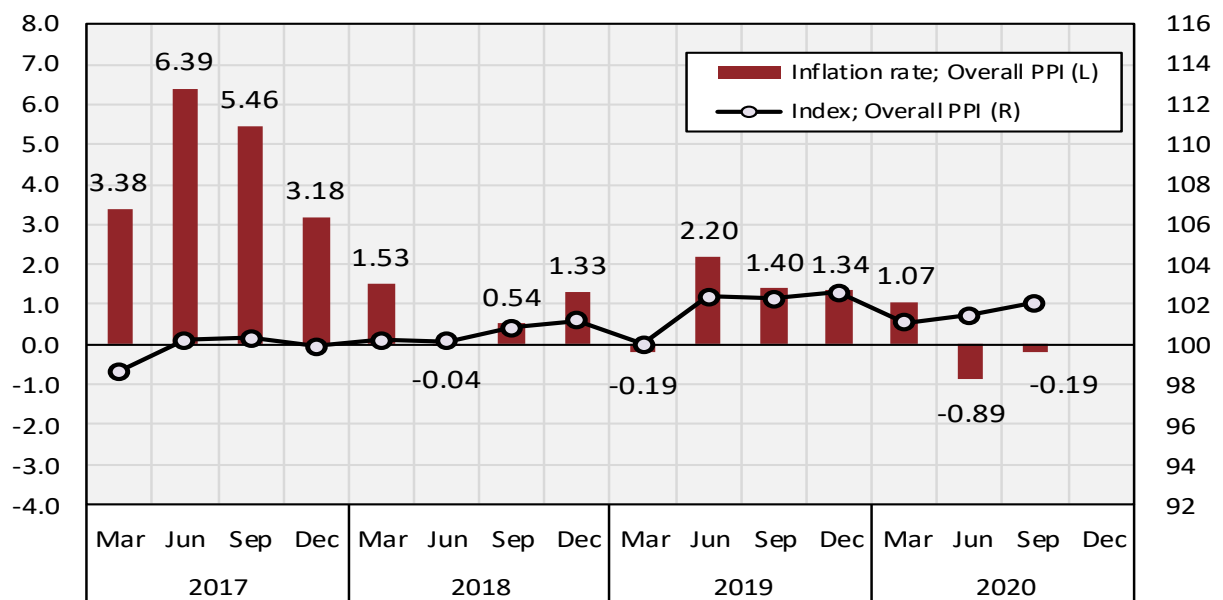
STATISTICAL RELEASE

PRODUCER PRICE INDEX
SEPTEMBER QUARTER 2020

PRODUCER PRICE INDEX FOR THIRD QUARTER 2020

The third quarter year on year producer inflation, as measured by the Producer Price Index (PPI), recorded negative 0.19 per cent in September 2020 compared to 1.4 per cent in September 2019. The PPI measures the average changes in price of products at all stages of processing from the perspective of the producer. The third quarter prices reference date was 15th August 2020. Figure 1 shows percentage changes in the PPI for the third quarter year on year from 2017 to 2020.

Figure 1: Year on Year Percentage Changes on Producer Prices



Price Changes to Industries

Over the last one year, the most significant price decreases were in *Electricity, Gas, Steam and Air Conditioning Supply* (-3.4%); *Water Supply, Sewerage, Waste Management and Remediation Activities* (-1.1%); and *Manufacturing* (-0.2%). A slight offset came from price increases from *Mining and Quarrying* at 1.9 per cent.

Over the last quarter, *Mining and Quarrying* experienced an increase of 2.9 per cent after a decrease of -3.5 per cent in the previous quarter. *Manufacturing* experienced a quarterly increase of 0.2 per cent while *Electricity, Gas, Steam and Air Conditioning Supply* increased by 1.6 per cent. *Water Supply, Sewerage, Waste Management and Remediation Activities* experienced a

quarterly decrease of 2.3 per cent after an increase of 2.0 per cent in the previous quarter.

Figure 2: Industrial Producer Price Index

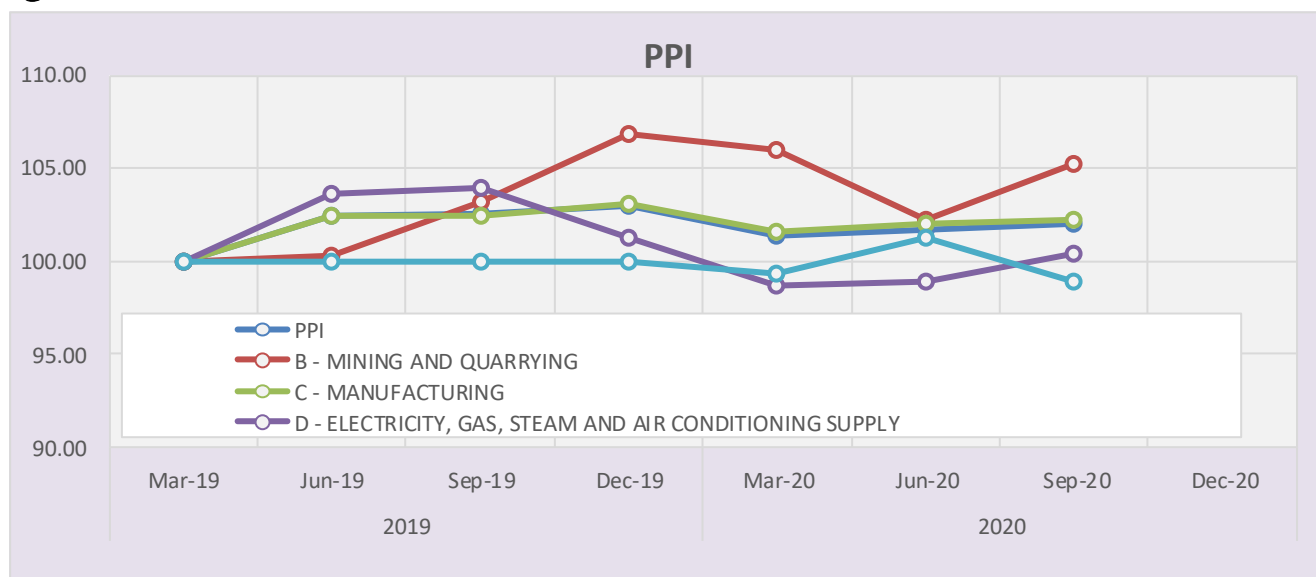


Table 1 shows the producer price indices and the corresponding inflation rates from March 2017 to September 2020. Over the period, the inflation was highest in June 2017 at 6.39 per cent. The index rose to 102.07 in September 2020 from 101.58 in June 2020 while the inflation was at negative 0.19 per cent.

Table 1: Overall PPI and Inflation Rates, March 2017– September 2020

Base Period March 2019=100			
Year	Quarter	Produce Price Indices	PPI-Inflation Rate (%)
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	0.55
	December	101.22	1.32
2019	March	100.00	-0.19
	June	102.39	2.21
	September	102.26	1.40
	December	102.58	1.34
2020	March	101.07	1.07
	June	101.58	-0.79
	September	102.07	-0.19

The percentage changes of producer prices over the previous quarter and the same quarter a year ago based on the 2-digit International Standards of Industrial Classifications of All Economic Activities (ISIC) Rev 4, are presented

in Table 2. The overall producer prices increased by 0.48 per cent in September 2020 from June 2020. The manufacture of pharmaceuticals, medicinal chemical and botanical products; manufacture of motor vehicles and manufacture of wood and products of wood and cork except furniture registered the highest price decreases during the last quarter at 16.3, 4.46 and 4.11 per cent, respectively. Over the same period, the Printing and reproduction of recorded media had the highest price increase of 11.79 per cent followed by manufacture of other non-metallic mineral products at 5.72 per cent. Over the last one year, the highest price decline was in the manufacture of motor vehicles (6.09 %) followed by manufacture of wearing apparel (5.66 %).

Table 2: Percentage Changes of PPI over a Quarter and a Year Ago

2-Digit ISIC	Descriptions	Weights	% Change over three months ago (Sept 2020/June 2020)	% Change over a year ago (Sept 2020/Sept 2019)
07	Mining of metal ores	1.52	2.93	4.23
08	Mining and Quarrying	0.81	2.89	-2.29
10	Manufacture of food products	37.30	-0.65	-1.21
11	Manufacture of beverages	5.61	-1.64	1.56
12	Manufacture of tobacco products	1.01	0.00	0.68
13	Manufacture of textiles	1.34	8.05	9.64
14	Manufacture of wearing apparel	2.47	-2.57	-5.66
15	Manufacture of leather and related products	1.10	5.08	7.48
16	Manufacture of wood and of products of wood and cork except furniture	1.02	-4.11	-0.23
17	Manufacture of paper and paper products	3.74	-1.77	-4.50
18	Printing and reproduction of recorded media	2.64	11.79	11.66
20	Manufacture of chemicals and chemical products	6.41	2.17	0.31
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	-16.30	5.87
22	Manufacture of rubber and plastics products	4.41	-2.67	-1.88
23	Manufacture of other non-metallic mineral products	5.91	5.72	6.19
24	Manufacture of basic metals	6.99	4.02	-0.88
25	Manufacture of fabricated metal products except machinery and equipment	2.02	2.11	-0.44
27	Manufacture of electrical equipment	1.30	0.95	0.86
29	Manufacture of motor vehicles	1.92	-4.46	-6.09
35	Electricity	9.23	1.60	-3.41
36	Water	1.72	-2.32	-1.05
	Total	100.00	0.48	-0.19

Table 3 presents the quarterly Producer Indices from September 2019 to September 2020. The overall producer index increased from 101.58 in June 2020 to 102.07 in September 2020.

Table 3: Quarterly Producer Indices, September 2019- September 2020

2-Digit ISIC	Descriptions	Weights	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20
07	Mining of metal ores	1.52	102.54	107.91	105.90	103.83	106.87
08	Mining and Quarrying	0.81	104.57	104.68	100.34	99.31	102.17
10	Manufacture of food products	37.30	104.06	104.80	102.78	103.47	102.80
11	Manufacture of beverages	5.61	101.03	105.89	106.92	104.32	102.61
12	Manufacture of tobacco products	1.01	100.60	100.36	100.07	101.28	101.28
13	Manufacture of textiles	1.34	100.52	99.84	100.97	102.01	110.22
14	Manufacture of wearing apparel	2.47	100.16	99.79	96.40	96.99	94.50
15	Manufacture of leather and related products	1.10	100.13	101.67	101.71	102.42	107.63
16	Manufacture of wood and of products of wood and cork except furniture	1.02	95.28	94.36	100.47	99.13	95.05
17	Manufacture of paper and paper products	3.74	99.01	95.40	96.00	96.26	94.55
18	Printing and reproduction of recorded media	2.64	100.30	100.18	100.18	100.18	112.00
20	Manufacture of chemicals and chemical products	6.41	106.15	106.08	106.48	104.21	106.47
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	99.99	98.13	97.83	126.48	105.87
22	Manufacture of rubber and plastics products	4.41	97.31	100.82	98.71	98.11	95.49
23	Manufacture of other non-metallic mineral products	5.91	100.30	99.91	99.18	100.75	106.51
24	Manufacture of basic metals	6.99	100.33	100.44	95.06	95.60	99.45
25	Manufacture of fabricated metal products except machinery and equipment	2.02	101.20	100.88	99.44	98.67	100.75
27	Manufacture of electrical equipment	1.30	100.25	100.15	100.30	100.15	101.11
29	Manufacture of motor vehicles	1.92	97.87	97.53	97.40	96.20	91.91
35	Electricity	9.23	103.99	101.22	98.67	98.86	100.44
36	Water	1.72	100.00	100.00	100.00	101.30	98.95
	Total	100.00	102.26	102.58	101.07	101.58	102.07

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