

PRODUCER PRICE INDEX THIRD QUARTER 2019

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third 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 third quarter year on year overall producer inflation was 0.49 per cent in September 2019 compared to 0.54 per cent recorded in September 2018.

Figure 1: Year on Year Percentage Changes on Producer Prices

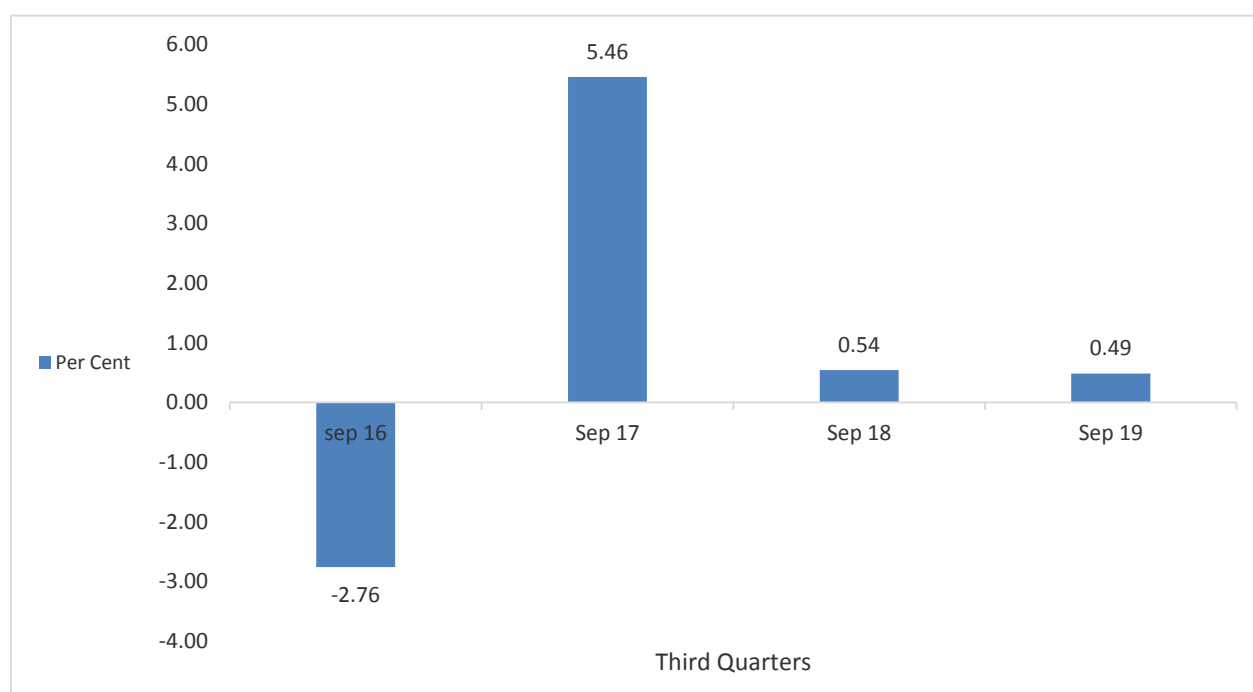


Table 1 presents percentage changes of producer prices over the previous quarter and the same quarter a year ago. The overall producer prices decreased by 0.2 per cent from June 2019 to September 2019 while the ‘year on year’ inflation was 0.49 per cent. The manufacture of food products had the highest decline in producer index from June 2019 to September 2019 at 1.89 per cent.

Over the last one year, the highest increase was on electricity, manufacture of basic metals and mining and quarrying which rose by 5.46, 4.43 and 4.40 per cent, respectively. However, during the same period manufacture of food

products and manufacture of wood and products of wood and cork except furniture declined by 1.51 per cent and 3.26 per cent, respectively.

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

2-Digit ISIC	Descriptions	Weight	% Change over three months ago (Sep 2019/Jun 2019)	% Change over a year ago (Sep 2019/Sep 2018)
10	Manufacture of food products	34.24	-1.89	-1.51
11	Manufacture of beverages	6.54	0.66	3.03
12	Manufacture of tobacco products	1.38	0.60	0.50
13	Manufacture of textiles	2.29	0.39	-0.35
14	Manufacture of wearing apparel	2.91	0.27	0.31
15	Manufacture of leather and related products	0.90	0.14	0.25
16	Manufacture of wood and of products of wood and cork except furniture	2.19	-1.72	-3.26
17	Manufacture of paper and paper products	3.15	-0.22	1.19
18	Printing and reproduction of recorded media	5.66	0.00	0.00
19	Manufacture of lubricating petroleum oils	0.01	0.00	-2.16
20	Manufacture of chemicals and chemical products	5.97	3.72	-0.94
22	Manufacture of rubber and plastics products	5.47	-0.94	2.13
23	Manufacture of other non-metallic mineral products	4.32	-0.24	-0.99
24	Manufacture of basic metals	6.51	0.43	4.43
25	Manufacture of fabricated metal products except machinery and equipment	3.31	1.53	1.04
29	Manufacture of motor vehicles	1.20	1.45	2.29
35	Electricity	8.63	0.81	5.46
36	Water	0.46	0.00	0.68
08	Mining and Quarrying	1.60	5.45	4.40
31	Manufacture of Furniture	1.83	0.00	-1.60
33	Repair and installation of machinery and equipment	1.42	0.53	0.62
	Overall	100.00	-0.20	0.49

Table 2 shows the Producer Price Indices from September 2016 to September 2019. The producer index decreased by 0.2 per cent from 120.99 in June 2019 to 120.75 in September 2019 mainly due to decreases in prices of sugar and tea.

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	120.78	1.47
2019	March	118.95	-0.36
	June	120.99	1.35
	September	120.75	0.49

Table 3: Producer Prices of Selected Products

Table 3 shows producer prices of selected products in September 2018, December 2018, March 2019, June 2019 and September 2019. Prices of 20 litres of refined oil decreased by 1.5 per cent from KSh 4,550 in June 2019 to KSh 4,480 in September 2019. During the same period, a tonne of sugar declined by 6.6 per cent from KSh 89,083 to KSh 83,190 while a bale of maize flour increased from KSh 1,333 to KSh 1,384.

Product	Unit of Measure	Price Sep 2018	Price Dec 2018	Price March 2019	Price June 2019	Price Sep 2019	% Change over last three months	% Change over 12 months
Refined Oil	20 Litres	4,708	4,596	4,461	4,550	4,480	-1.5	-4.8
Milk	Fresh milk 18 crates each 500 ML	776	779	779	798	798.24	0.0	2.9
Maize Flour	Bale (12 packets each 2 Kg)	1,071	978	978	1,333	1,384	3.9	29.2
Wheat Flour	Bale (12 packets each 2 Kg)	1,217	1,350	1,421	1,470	1,470	0.0	20.8
Sugar	One Tonne	106,525	95,041	83,284	89,083	83,190	-6.6	-21.9

Table 4 presents quarterly producer indices from September 2018 to September 2019. The overall producer index decreased from 120.99 points in June 2019 to 120.75 points in September 2019.

Table 4: Producer Indices

2-Digit ISIC	Descriptions	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19
10	Manufacture of food products	121.38	121.02	116.53	121.85	119.55
11	Manufacture of beverages	143.78	147.98	146.78	147.16	148.14
12	Manufacture of tobacco products	124.93	124.93	124.81	124.81	125.55
13	Manufacture of textiles	127.39	128.37	125.91	126.46	126.95
14	Manufacture of wearing apparel	102.00	102.27	101.93	102.04	102.31
15	Manufacture of leather and related products	105.98	106.07	106.04	106.10	106.25
16	Manufacture of wood and of products of wood and cork except furniture	157.63	159.79	153.59	155.15	152.49
17	Manufacture of paper and paper products	123.91	126.95	125.87	125.66	125.39
18	Printing and reproduction of recorded media	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	117.30	114.76	114.76	114.76	114.76
20	Manufacture of chemicals and chemical products	132.36	132.64	127.59	126.42	131.12
22	Manufacture of rubber and plastics products	114.04	114.04	117.99	117.56	116.46
23	Manufacture of other non-metallic mineral products	110.29	107.39	109.10	109.46	109.20
24	Manufacture of basic metals	100.39	102.34	104.20	104.38	104.83
25	Manufacture of fabricated metal products except machinery and equipment	101.25	100.63	100.76	100.76	102.31
29	Manufacture of motor vehicles	123.83	124.36	126.80	124.86	126.66
35	Electricity	115.33	115.87	117.07	120.64	121.62
36	Water	147.60	148.60	148.60	148.60	148.60
08	Mining and Quarrying	141.34	143.60	141.06	139.93	147.56
31	Manufacture of Furniture	147.19	148.18	148.18	144.84	144.84
33	Repair and installation of machinery and equipment	103.63	104.19	103.51	103.73	104.28
	Total	120.17	120.61	118.95	120.99	120.75