

## PRODUCER PRICE INDEX THIRD QUARTER 2013

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the September quarter of 2013. 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 seller. The producer 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 corresponds to the first, second, third and fourth quarters respectively.

As shown in Table 1, the Producer Price Indices are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC). In the third quarter of 2013 that is from July 2013 to September 2013, the overall producer prices increased by 0.49 per cent. The 'year on year' PPI inflation, from September 2012 to September 2013 was 0.71 per cent. The main contributors for this increase were electricity, beer, cement and dairy products. The producer prices for dairy products increased by 8.9 per cent while electricity costs rose by 4.5 per cent.

**Table 1: Percentage changes over a year and a Quarter ago**

2-Digit ISIC	Descriptions	Weights	(Year on Year - Percentage change (Sep2013/Sep2012))	(Quarterly Percentage change (Sep 2013/Jun 2013))
10	Manufacture of food products	31.53	-1.14	-2.01
11	Manufacture of beverages	6.02	8.00	7.48
12	Manufacture of tobacco products	1.27	1.57	0.89
13	Manufacture of textiles	2.09	1.98	2.73
14	Manufacture of wearing apparel	2.69	0.52	0.55
15	Manufacture of leather and related products	0.81	0.45	0.35
16	Manufacture of wood and of products of wood and cork except furniture	2.02	2.05	0.00
17	Manufacture of paper and paper products	2.85	-1.23	0.74
18	Printing and reproduction of recorded media	5.23	0.00	0.00
19	Manufacture of coke and refined petroleum products	8.03	-2.29	0.38
20	Manufacture of chemicals and chemical products	5.46	-0.51	0.08
22	Manufacture of rubber and plastics products	5.04	1.65	1.27
23	Manufacture of other non-metallic mineral products	4.00	3.49	4.88
24	Manufacture of basic metals	6.01	-0.86	0.83
25	Manufacture of fabricated metal products except machinery and equipment	3.04	-8.63	-2.08
29	Manufacture of motor vehicles	1.07	6.85	0.89
35	Electricity	7.95	4.36	4.51
36	Water	0.42	14.67	10.78
08	Mining and Quarrying	1.48	6.81	7.43
31	Manufacture of Furniture	1.69	0.00	0.00
33	Repair and installation of machinery and equipment	1.31	0.08	1.11
	<b>Total</b>	<b>100.00</b>	<b>0.49</b>	<b>0.71</b>

As shown in Table 2, the overall third quarter PPI increased from 105.04 points in the second quarter 2013 to 105.78 points in the third quarter 2013 while the year on year index rose by 0.71 per cent. Food products decreased from 110.56 points in second quarter 2013 to 108.34 points in third quarter 2013 mainly due to lower producer prices of maize flour, wheat flour, sugar, sweets and tea. Beverages index increased by 7.5 per cent from 107.04 points to 115.05 points due to a rise in prices of beer. The Producer prices of other non metallic products rose by 4.9 per cent in the third quarter due to increase in prices of cement.

**Table 2: Producer Price Indices at Division level, Base period June 2011=100**

2-Digit ISIC	Descriptions	Weights	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13
10	Manufacture of food products	31.53	114.38	108.41	109.84	109.58	111.32	112.37	110.56	108.34
11	Manufacture of beverages	6.02	110.56	107.62	108.33	106.52	107.16	107.78	107.04	115.05
12	Manufacture of tobacco products	1.27	115.35	113.52	113.80	116.06	116.53	116.98	116.84	117.88
13	Manufacture of textiles	2.09	105.93	104.37	107.16	107.48	106.70	107.66	106.70	109.62
14	Manufacture of wearing apparel	2.69	101.12	99.56	99.71	99.71	99.71	99.56	99.68	100.23
15	Manufacture of leather and related products	0.81	102.52	101.18	101.35	101.34	101.46	101.57	101.45	101.81
16	Manufacture of wood and of products of wood and cork except furniture	2.02	101.52	102.09	102.66	102.66	104.20	104.20	104.77	104.77
17	Manufacture of paper and paper products	2.85	108.90	107.46	104.62	103.44	103.27	101.79	101.41	102.16
18	Printing and reproduction of recorded media	5.23	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
19	Manufacture of coke and refined petroleum products	8.03	103.30	97.02	102.85	102.85	105.74	103.41	100.12	100.50
20	Manufacture of chemicals and chemical products	5.46	106.51	107.73	105.79	106.70	107.71	107.50	106.08	106.16
22	Manufacture of rubber and plastics products	5.04	107.11	103.33	106.73	104.40	100.75	102.52	104.80	106.13
23	Manufacture of other non-metallic mineral products	4.00	113.16	109.47	111.76	111.76	112.49	113.34	110.27	115.66
24	Manufacture of basic metals	6.01	104.41	104.41	104.41	100.71	98.50	98.91	99.02	99.84
25	Manufacture of fabricated metal products except machinery and equipment	3.04	108.62	103.46	103.15	99.52	98.30	98.46	92.86	90.89
29	Manufacture of motor vehicles	1.07	105.68	110.69	103.38	104.90	112.24	113.01	111.09	112.08
35	Electricity	7.95	108.86	96.32	97.51	97.49	99.46	101.43	97.34	101.74
36	Water	0.42	100.00	100.00	102.51	104.90	104.90	108.59	108.59	120.30
08	Mining and Quarrying	1.48	110.42	106.85	112.24	107.51	103.93	108.08	106.89	114.83
31	Manufacture of Furniture	1.69	102.45	102.45	102.45	102.45	102.45	102.45	102.45	102.45
33	Repair and installation of machinery and equipment	1.31	100.00	100.00	100.00	100.00	100.00	100.00	98.98	100.08
	<b>Total</b>	<b>100.00</b>	<b>108.81</b>	<b>104.69</b>	<b>105.90</b>	<b>105.27</b>	<b>106.02</b>	<b>106.56</b>	<b>105.04</b>	<b>105.78</b>