

KENYA NATIONAL BUREAU OF STATISTICS



PRODUCER PRICE INDEX SEPTEMBER QUARTER 2014

Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the September quarter of 2014. 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 producer. The producer prices are collected as at 15th February, 15th May, 15th August and 15th 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) Rev 4. The overall producer prices increased by 0.06 per cent in the third quarter of 2014 compared to 0.73 per cent recorded in the second quarter of 2014. The 'year on year' PPI inflation, from September 2013 to September 2014 was 1.58 per cent.

The main contributors in the third quarter increases were electricity, water, manufacture of chemicals and chemical products and manufacture of beverages. Under manufacture of chemicals and chemical products, the producer prices of paints, shoe polish and soap went up and this caused the index to rise by 0.4 per cent. Over the three months period, electricity increased by 0.82 per cent while manufacture of food products declined by 0.27 per cent. The index on food products dropped in the third quarter mainly due to falls in prices of maize flour, wheat flour and prepared animal feeds.

Table 1: Percentage changes over a Quarter and an Year ago

2-Digit ISIC	Descriptions	Weights	% Change over three months ago (September 2014/June 2014)	% Change over a year ago (September 2014/September 2013)
10	Manufacture of food products	31.53	-0.27	-1.25
11	Manufacture of beverages	6.02	0.26	8.12
12	Manufacture of tobacco products	1.27	0.16	0.10
13	Manufacture of textiles	2.09	0.41	0.43
14	Manufacture of wearing apparel	2.69	0.10	0.06
15	Manufacture of leather and related products	0.81	0.05	0.45
16	Manufacture of wood and of products of wood and cork except furniture	2.02	0.00	0.76
17	Manufacture of paper and paper products	2.85	0.34	4.31
18	Printing and reproduction of recorded media	5.23	0.00	0.00
19	Manufacture of coke and refined petroleum products	8.03	0.04	6.45
20	Manufacture of chemicals and chemical products	5.46	0.40	7.48
22	Manufacture of rubber and plastics products	5.04	-0.80	1.57
23	Manufacture of other non-metallic mineral products	4.00	0.31	0.69
24	Manufacture of basic metals	6.01	-0.10	-2.38
25	Manufacture of fabricated metal products except machinery and equipment	3.04	-0.99	5.57
29	Manufacture of motor vehicles	1.07	0.03	5.03
35	Electricity	7.95	0.82	0.51
36	Water	0.42	7.05	7.05
08	Mining and Quarrying	1.48	0.75	8.41
31	Manufacture of Furniture	1.69	1.62	0.98
33	Repair and installation of machinery and equipment	1.31	0.20	0.13
	Total	100.00	0.06	1.58

As shown in Table 2, the overall PPI increased from 107.64 points in the second quarter 2014 to 107.71 points in the third quarter 2014. The ‘year on year’ inflation was 1.58 per cent mainly driven by manufacture of Beverages, Manufacture of chemicals and chemicals products and mining and quarrying. Over the year, the products which had the highest increases were beer, paints, water supply and standard ash.

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

2-Digit ISIC	Descriptions	Weights	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14
10	Manufacture of food products	31.53	108.28	108.10	106.16	107.21	106.92
11	Manufacture of beverages	6.02	115.05	114.80	123.62	124.06	124.39
12	Manufacture of tobacco products	1.27	117.88	117.53	117.55	117.81	118.00
13	Manufacture of textiles	2.09	109.62	108.80	109.04	109.65	110.09
14	Manufacture of wearing apparel	2.69	100.23	100.04	100.05	100.19	100.29
15	Manufacture of leather and related products	0.81	101.81	101.94	101.79	102.21	102.26
16	Manufacture of wood and of products of wood and cork except furniture	2.02	104.77	105.03	105.03	105.56	105.56
17	Manufacture of paper and paper products	2.85	102.23	103.51	104.20	106.28	106.64
18	Printing and reproduction of recorded media	5.23	104.66	104.66	104.66	104.66	104.66
19	Manufacture of coke and refined petroleum products	8.03	101.22	107.06	107.56	107.70	107.74
20	Manufacture of chemicals and chemical products	5.46	106.16	106.97	111.18	113.64	114.10
22	Manufacture of rubber and plastics products	5.04	106.41	106.53	107.78	108.96	108.08
23	Manufacture of other non-metallic mineral products	4.00	115.66	115.08	115.60	116.09	116.46
24	Manufacture of basic metals	6.01	99.02	97.82	96.19	96.77	96.67
25	Manufacture of fabricated metal products except machinery and equipment	3.04	90.89	94.11	97.00	96.91	95.96
29	Manufacture of motor vehicles	1.07	111.82	114.67	116.88	117.41	117.45
35	Electricity	7.95	101.74	100.22	100.31	101.43	102.26
36	Water	0.42	120.30	120.30	120.30	120.30	128.78
08	Mining and Quarrying	1.48	114.83	115.80	119.22	123.56	124.50
31	Manufacture of Furniture	1.69	102.45	102.45	103.50	101.81	103.45
33	Repair and installation of machinery and equipment	1.31	100.08	100.08	99.72	100.00	100.20
	Total	100.00	106.03	106.42	106.80	107.64	107.71