



Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

THIRD QUARTER 2022 RELEASE

SEPTEMBER 2022

PRODUCER PRICE INDEX FOR THIRD QUARTER 2022

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third quarter 2022. The quarterly producer prices are denoted by the last month of the quarter and are collected as at the middle of the quarter. The third quarter year on year producer inflation was 15.78 per cent in September 2022 compared to 7.72 per cent in September 2021. The index rose from 110.34 in September 2021 to 127.76 in September 2022. Trends in the year on year Producer Price Index (PPI) and producer inflation from June 2019 to September 2022 are depicted in Figure 1 and Table 1. Over the period, producer inflation was highest in June 2022.

Figure 1: Producer Price Index and Year on Year Inflation Rates

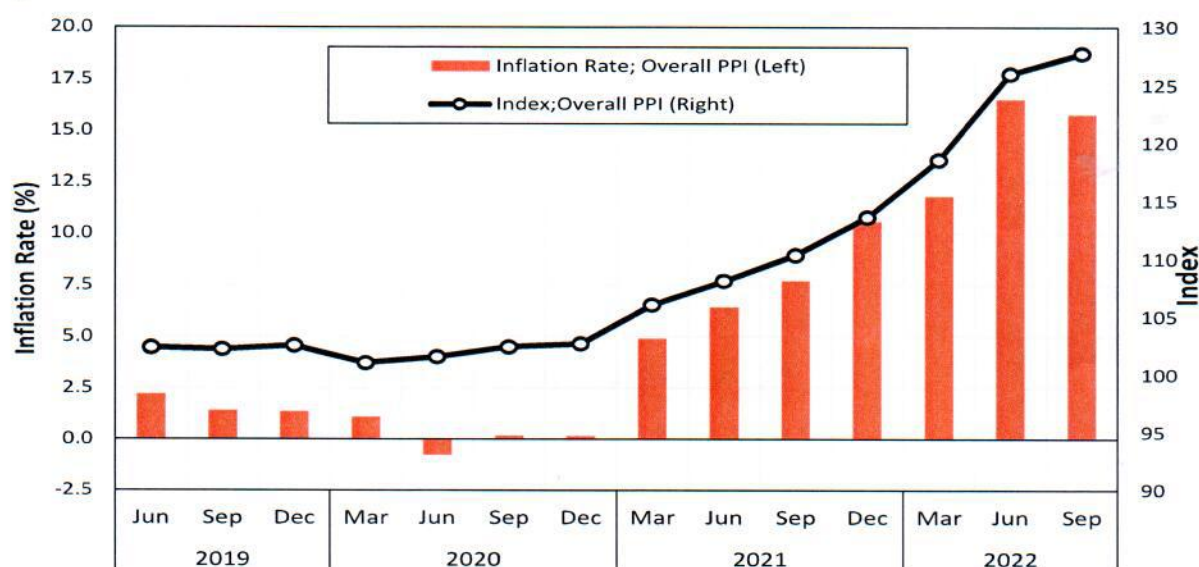


Table 1: Overall PPI and Inflation Rates, June 2019 – September 2022

March 2019 = 100

Year	Quarter ¹ Ending	Producer Price Indices	PPI-Inflation Rate (%)
2019	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	102.43	0.17
	December	102.73	0.14
2021	March	106.04	4.92
	June	108.11	6.43
	September	110.34	7.72
	December	113.60	10.59
2022	March	118.56	11.81
	June	125.99	16.53
	September	127.76	15.78

¹ Prices are collected as at the mid of the quarter

The year on year industrial producer inflations from September 2021 to September 2022 by quarter are shown in Table 2. Over the year, the industrial sectors namely: Mining and quarrying; Manufacturing; Electricity, Gas, Steam and Air Conditioning Supply; and Water Supply, Sewerage, Waste Management and Remediation Activities recorded varying changes in production prices. The Mining and Quarrying sector recorded the highest price increase at 40.0 per cent in September 2022 followed by Manufacturing and Water Supply at 17.7 and 2.1 per cent, respectively. Electricity recorded a price decrease of 6.9 per cent during the same period.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	Sept 2021 / Sept 2020	Dec 2021 / Dec 2020	Mar 2022 / Mar 2021	June 2022 / June 2021	Sept 2022 / Sept 2021
Mining and quarrying	7.5	14.6	26.3	32.6	40.0
Manufacturing	7.9	10.9	13.0	18.4	17.7
Electricity, gas, steam and air conditioning supply	6.6	7.5	-2.5	-3.7	-6.9
Water supply, sewerage, waste management and remediation activities	1.0	3.2	3.2	2.1	2.1

Table 3 shows the quarter to quarter rate of change in producer price indices for the four industrial sectors. Over the third quarter ending September 2022, Mining and Quarrying sector reported the highest price increase of 10.1 per cent followed by Manufacturing sector which increased by 1.3 per cent. Water Supply and electricity prices remained unchanged during the same period.

Table 3: Quarter to Quarter Rate of Change in Producer Price Indices

Sector	Sept 2021/ June 2021	Dec 2021/ Sept 2021	Mar 2022/ Dec 2021	June 2022/ March 2022	Sept 2022/ June 2022
Mining and quarrying	4.3	10.8	6.4	7.9	10.1
Manufacturing	1.9	3.0	5.7	6.9	1.3
Electricity, gas, steam and air conditioning supply	3.4	1.8	-8.5	0.0	0.0
Water supply, sewerage, waste management and remediation activities	0.0	2.1	0.0	0.0	0.0

Table 4 presents the percentage changes in producer prices over the same quarter a year ago and between the current quarter and previous quarter. The

overall producer prices in September 2022 increased by 1.41 per cent relative to June 2022 prices. Over the same period, manufacture of paper and paper products recorded the highest price rise of 14.93 per cent while manufacture of fabricated metal products had the highest price decline of 10.22 per cent. Over the last one year, the highest price increase was in the mining and quarrying at 41.88 per cent while the highest price decrease was in electricity at 6.86 per cent.

Table 4: Percentage Changes of PPI over a Quarter and a Year Ago

March 2019 = 100

2-Digit ISIC	ISIC Descriptions	Weights	% Change over three months ago (Sept 2022/ June 2022)	% Change over a year ago (Sept 2022/Sept 2021)
	Mining and Quarrying			
07	Mining of metal ores	1.52	11.15	39.02
08	Mining and Quarrying	0.81	8.15	41.88
	Manufacturing			
10	Manufacture of food products	37.30	2.23	25.19
11	Manufacture of beverages	5.61	6.94	7.76
12	Manufacture of tobacco products	1.01	1.08	18.66
13	Manufacture of textiles	1.34	-0.13	16.38
14	Manufacture of wearing apparel	2.47	0.87	13.43
15	Manufacture of leather and related products	1.10	1.36	5.68
16	Manufacture of wood and of products of wood and cork except furniture	1.02	0.27	4.20
17	Manufacture of paper and paper products	3.74	14.93	33.02
18	Printing and reproduction of recorded media	2.64	0.40	17.47
20	Manufacture of chemicals and chemical products	6.41	-6.55	26.21
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	-1.46	32.49
22	Manufacture of rubber and plastics products	4.41	-1.29	6.76
23	Manufacture of other non-metallic mineral products	5.91	1.57	5.54
24	Manufacture of basic metals	6.99	-9.12	0.93
25	Manufacture of fabricated metal products except machinery and equipment	2.02	-10.22	-6.61
27	Manufacture of electrical equipment	1.30	2.70	9.22
29	Manufacture of motor vehicles	1.92	1.58	5.33
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	9.23	0.00	-6.86
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	1.72	0.00	2.11
	Total	100.00	1.41	15.78

Table 5 presents the quarterly Producer Price Indices from September 2021 to September 2022. The overall producer index increased from 110.34 in September 2021 to 127.76 in September 2022.

Table 5: Quarterly Producer Price Indices, September 2021 – September 2022

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Sep-21	Dec-21	Mar-22	Jun-22	Sep-22
07	Mining of metal ores	1.519	113.93	129.22	133.39	142.50	158.39
08	Mining and Quarrying	0.809	111.60	117.92	133.14	146.40	158.33
10	Manufacture of food products	37.298	109.06	115.25	122.04	134.06	137.04
11	Manufacture of beverages	5.615	106.68	107.50	107.50	107.50	114.96
12	Manufacture of tobacco products	1.013	113.14	116.40	123.03	132.82	134.26
13	Manufacture of textiles	1.344	111.24	116.25	121.01	129.63	129.51
14	Manufacture of wearing apparel	2.469	105.29	105.94	107.27	118.40	119.44
15	Manufacture of leather and related products	1.102	116.30	120.76	119.21	121.26	122.91
16	Manufacture of wood and of products of wood and cork except furniture	1.021	94.81	99.09	98.03	98.34	98.60
17	Manufacture of paper and paper products	3.738	98.68	103.33	116.40	114.21	131.26
18	Printing and reproduction of recorded media	2.638	106.47	109.54	115.77	123.70	125.29
20	Manufacture of chemicals and chemical products	6.411	121.79	126.71	142.18	149.63	153.71
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.524	118.48	129.88	144.65	159.30	156.98
22	Manufacture of rubber and plastics products	4.407	103.88	104.67	107.43	112.34	110.90
23	Manufacture of other non-metallic mineral products	5.907	110.18	114.63	108.70	114.49	116.29
24	Manufacture of basic metals	6.992	130.96	119.05	136.58	145.44	132.18
25	Manufacture of fabricated metal products except machinery and equipment	2.016	114.25	117.49	115.55	118.84	106.70
27	Manufacture of electrical equipment	1.304	113.22	112.68	117.18	120.42	123.67
29	Manufacture of motor vehicles	1.922	93.14	89.52	93.14	96.58	98.10
35	Electricity	9.229	107.05	108.98	99.70	99.70	99.70
36	Water	1.724	101.52	103.67	103.67	103.67	103.67
	Total	100.00	110.34	113.60	118.56	125.99	127.76



Macdonald G. Obudho, MBS
Director General