



Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

FOURTH QUARTER 2021 RELEASE

DECEMBER 2021

PRODUCER PRICE INDEX FOR FOURTH QUARTER 2021

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter 2021. The quarterly producer prices are denoted by the last month of the quarter and are collected as at the middle of the quarter. The fourth quarter year on year producer inflation was 10.64 per cent in December 2021 compared to 0.14 per cent in December 2020. The index rose from 102.73 in December 2020 to 113.66 in December 2021. The year on year Producer Price Index (PPI) and producer inflation from December 2018 to December 2021 are presented in Figure 1 and Table 1. Over the period, inflation was highest in December 2021.

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

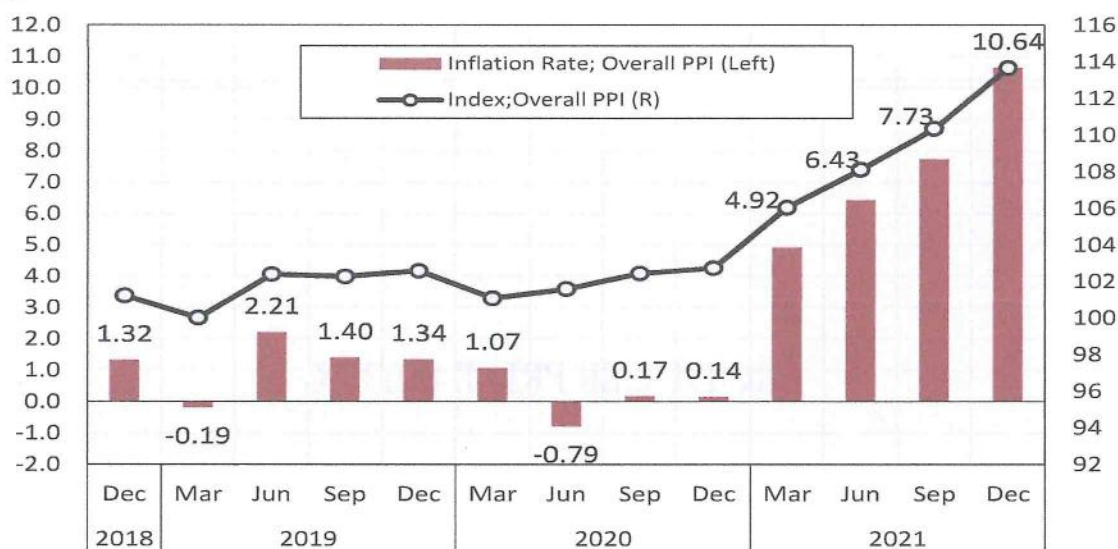


Table 1: Overall PPI and Inflation Rates, December 2018– December 2021

March 2019 = 100

Year	Quarter ¹ Ending	Producer Price Indices	PPI- Inflation Rate (%)
2018	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	102.43	0.17
	December	102.73	0.14
2021	March	106.04	4.92
	June	108.11	6.43
	September	110.35	7.73
	December	113.66	10.64

¹ Prices are collected as at the mid of the quarter

The year on year industrial producer inflations from December 2020 to December 2021 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 14.6 per cent in December 2021 followed by Manufacturing with a 11.0 per cent rise.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	Dec 2020 / Dec 2019	Mar 2021 / Mar 2020	June 2021 / June 2020	Sept 2021 / Sept 2020	Dec 2021 / Dec 2020
MINING AND QUARRYING	2.4	1.5	6.1	7.5	14.6
MANUFACTURING	0.1	5.2	6.7	8.0	11.0
ELECTRICITY, GAS, STEAM AND AIR CONDITIONING SUPPLY	0.2	3.6	4.8	6.6	7.5
WATER SUPPLY, SEWERAGE, WASTE MANAGEMENT AND REMEDIATION ACTIVITIES	0.5	0.5	0.2	1.2	3.2

Table 3 shows the quarter to quarter rate of change in producer price indices for the four industrial sectors. Over the fourth quarter ending December 2021, Mining and Quarrying reported the highest increase in producer price of 10.8 per cent. Manufacturing followed at 3.0 per cent rise while electricity supply registered a 1.8 per cent rise. Water Supply price which remained unchanged in the previous quarter recorded a 2.1 per cent rise.

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

Sector	Dec 2020 / Sept 2020	March 2021 / Dec 2020	June 2021 / March 2021	Sept 2021 / June 2021	Dec 2021 / Sept 2021
Mining and quarrying	3.9	-3.4	2.8	4.3	10.8
Manufacturing	0.1	3.7	2.0	1.9	3.0
Electricity, gas, steam and air conditioning supply	0.9	0.9	1.3	3.4	1.8
Water supply, sewerage, waste management and remediation activities	0.0	0.0	1.0	0.0	2.1

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 December 2021 increased by 3.0 per cent relative to September 2021 prices. Over the same period, mining of metal ores

registered the highest price rise of 13.42 per cent while prices for manufacture of basic metals had the highest price decline of 9.09 per cent. Over the last one year, the highest price increase was in the manufacture of fabricated metal products at 21.18 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 (Dec 2021/ Sept 2021)	% Change over a year ago (Dec 2021/Dec 2020)
	Mining and Quarrying			
07	Mining of metal ores	1.52	13.42	15.01
08	Mining and Quarrying	0.81	5.67	13.87
	Manufacturing			
10	Manufacture of food products	37.30	6.03	10.72
11	Manufacture of beverages	5.61	1.20	2.06
12	Manufacture of tobacco products	1.01	2.97	9.39
13	Manufacture of textiles	1.34	4.59	12.41
14	Manufacture of wearing apparel	2.47	0.61	14.84
15	Manufacture of leather and related products	1.10	5.72	12.48
16	Manufacture of wood and of products of wood and cork except furniture	1.02	4.51	2.74
17	Manufacture of paper and paper products	3.74	4.72	9.44
18	Printing and reproduction of recorded media	2.64	2.97	2.71
20	Manufacture of chemicals and chemical products	6.41	4.03	20.15
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	0.65	9.82
22	Manufacture of rubber and plastics products	4.41	0.21	8.61
23	Manufacture of other non-metallic mineral products	5.91	4.04	8.54
24	Manufacture of basic metals	6.99	-9.09	19.71
25	Manufacture of fabricated metal products except machinery and equipment	2.02	5.18	21.18
27	Manufacture of electrical equipment	1.30	0.86	13.78
29	Manufacture of motor vehicles	1.92	-3.88	-4.62
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	9.23	1.80	7.49
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	1.72	2.11	3.17
	Total	100.00	3.00	10.64



Table 5 presents the quarterly Producer Price Indices from December 2020 to December 2021. The overall producer index increased from 102.73 in December 2020 to 113.66 in December 2021.

Table 5: Quarterly Producer Price Indices, December 2020 – December 2021

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21
07	Mining of metal ores	1.52	112.36	107.01	110.04	113.93	129.22
08	Mining and Quarrying	0.81	103.56	102.80	105.55	111.60	117.92
10	Manufacture of food products	37.30	104.45	109.49	109.87	109.06	115.64
11	Manufacture of beverages	5.61	105.79	103.50	102.69	106.68	107.96
12	Manufacture of tobacco products	1.01	106.50	104.44	112.73	113.14	116.50
13	Manufacture of textiles	1.34	101.60	103.32	109.83	109.20	114.21
14	Manufacture of wearing apparel	2.47	92.25	94.50	104.19	105.29	105.94
15	Manufacture of leather and related products	1.10	109.31	113.00	113.87	116.30	122.96
16	Manufacture of wood and of products of wood and cork except furniture	1.02	96.44	96.52	96.78	94.81	99.09
17	Manufacture of paper and paper products	3.74	94.42	97.48	96.83	98.68	103.34
18	Printing and reproduction of recorded media	2.64	106.73	106.47	106.47	106.47	109.63
20	Manufacture of chemicals and chemical products	6.41	105.45	105.28	112.45	121.79	126.70
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	108.59	117.47	115.55	118.48	119.25
22	Manufacture of rubber and plastics products	4.41	95.85	100.22	103.33	103.88	104.10
23	Manufacture of other non-metallic mineral products	5.91	105.61	108.32	109.59	110.18	114.63
24	Manufacture of basic metals	6.99	99.45	111.55	119.05	130.96	119.05
25	Manufacture of fabricated metal products except machinery and equipment	2.02	99.16	100.75	108.60	114.25	120.16
27	Manufacture of electrical equipment	1.30	100.36	100.39	106.11	113.22	114.20
29	Manufacture of motor vehicles	1.92	93.86	94.14	92.79	93.14	89.52
35	Electricity	9.23	101.39	102.28	103.56	107.05	108.98
36	Water	1.72	100.48	100.48	101.52	101.52	103.67
	Total	100.00	102.73	106.04	108.11	110.32	113.66



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