



Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

FIRST QUARTER 2023 RELEASE

MARCH 2023

PRODUCER PRICE INDEX FOR FIRST QUARTER 2023

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the first quarter 2023. The quarterly producer prices are denoted by the last month of the quarter and are collected as at the middle of the quarter. The first quarter year on year producer inflation was 13.66 per cent in March 2023 compared to 11.81 per cent recorded in March 2022. The index rose from 118.56 in March 2022 to 134.76 in March 2023. Trends in the year on year Producer Price Index (PPI) and producer inflation from March 2020 to March 2023 are depicted in Figure 1 and Table 1. Over the period, producer inflation was highest in June 2022 at 16.52 per cent.

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

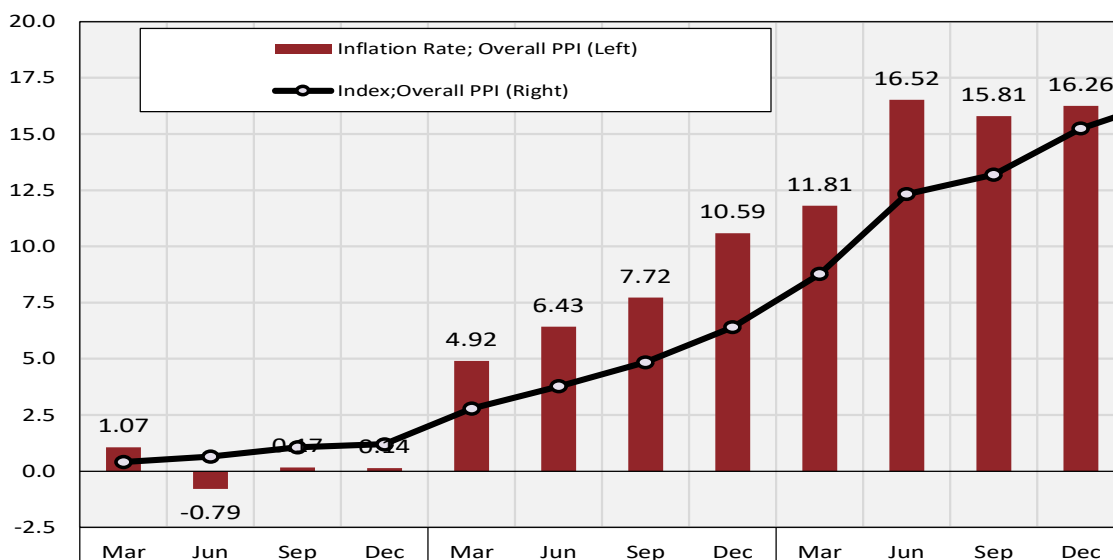


Table 1: Overall PPI and Inflation Rates, March 2020 – March 2023

March 2019 = 100

Year	Quarter ¹ Ending	Producer Price Indices	PPI-Inflation Rate (%)
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	125.98	16.52
	September	127.78	15.81
	December	132.07	16.26
2023	March	134.76	13.66

¹ Prices are collected as at the mid of the quarter

The year on year industrial producer inflations from June 2022 to March 2023 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 Electricity, Gas, Steam and Air Conditioning Supply sector recorded the highest price increase at 21.4 per cent in March 2023 followed by Mining and quarrying at 21.3 per cent. During the same period, Manufacturing recorded a price increase of 13.0 per cent while that of Water Supply, Sewerage, Waste Management and Remediation Activities remained unchanged.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	June 2022 / June 2021	Sept 2022 / Sept 2021	Dec 2022 / Dec 2021	Mar 2023 / Mar 2022
Mining and quarrying	32.6	40.0	22.7	21.3
Manufacturing	18.4	17.7	17.4	13.0
Electricity, gas, steam and air conditioning supply	-3.7	-6.9	6.2	21.4
Water supply, sewerage, waste management and remediation activities	2.1	2.1	0.0	0.0

Table 3 shows the quarter to quarter rate of change in producer price indices for the four industrial sectors. Over the first quarter ending March 2023, Mining and Quarrying sector recorded the highest price increase of 5.2 per cent followed by Electricity, Gas, Steam and Air Conditioning Supply sector which increased by 4.5 per cent. Manufacturing prices increased by 1.7 per cent while Water Supply remained unchanged during the same period.

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

Sector	June 2022/ Mar 2022	Sept 2022/ June 2022	Dec 2022/ Sept 2022	Mar 2023/ Dec 2022
Mining and quarrying	7.9	10.1	-3.0	5.2
Manufacturing	6.9	1.3	2.6	1.7
Electricity, gas, steam and air conditioning supply	0.0	0.0	16.1	4.5
Water supply, sewerage, waste management and remediation activities	0.0	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 March 2023 increased by 2.03 per cent relative to December 2022 prices. Over the same period, manufacture of chemical and chemical products recorded the highest price rise of 24.09 per cent while Manufacture of pharmaceuticals, medicinal chemical and botanical products had the highest price decline of 3.71 per cent. Over the last one year, the highest price increase was in the manufacture of chemical products at 47.02 per cent while the highest price decrease was in manufacture of basic metals at 6.87 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 (March 2023/ Dec 2022)	% Change over a year ago (March 2023/March 2022)
	Mining and Quarrying			
07	Mining of metal ores	1.52	8.54	17.65
08	Mining and Quarrying	0.81	0.00	28.26
	Manufacturing			
10	Manufacture of food products	37.30	-1.59	14.14
11	Manufacture of beverages	5.61	3.09	12.77
12	Manufacture of tobacco products	1.01	0.94	12.51
13	Manufacture of textiles	1.34	0.58	11.14
14	Manufacture of wearing apparel	2.47	0.31	21.09
15	Manufacture of leather and related products	1.10	2.15	6.93
16	Manufacture of wood and of products of wood and cork except furniture	1.02	-0.06	2.19
17	Manufacture of paper and paper products	3.74	-2.61	7.51
18	Printing and reproduction of recorded media	2.64	0.00	9.50
20	Manufacture of chemicals and chemical products	6.41	24.09	47.02
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	-3.71	5.10
22	Manufacture of rubber and plastics products	4.41	0.04	4.79
23	Manufacture of other non-metallic mineral products	5.91	2.54	9.20
24	Manufacture of basic metals	6.99	-0.70	-6.87
25	Manufacture of fabricated metal products except machinery and equipment	2.02	0.00	-0.15
27	Manufacture of electrical equipment	1.30	4.20	3.73
29	Manufacture of motor vehicles	1.92	1.41	7.03
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	9.23	4.54	21.40
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	1.72	0.00	0.00
	Total	100.00	2.03	13.66

Table 5 presents the quarterly Producer Price Indices from March 2022 to March 2023. The overall producer index increased from 132.07 in December 2022 to 134.76 in March 2023.

Table 5: Quarterly Producer Price Indices, March 2022 – March 2023

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23
07	Mining of metal ores	1.519	133.39	142.50	158.39	144.59	156.94
08	Mining and Quarrying	0.809	133.14	146.40	158.33	170.77	170.77
10	Manufacture of food products	37.298	122.04	134.06	137.03	141.55	139.29
11	Manufacture of beverages	5.615	107.50	107.50	114.96	117.60	121.23
12	Manufacture of tobacco products	1.013	123.03	132.82	134.26	137.12	138.41
13	Manufacture of textiles	1.344	121.01	129.63	129.51	133.72	134.49
14	Manufacture of wearing apparel	2.469	107.27	118.40	119.44	129.48	129.89
15	Manufacture of leather and related products	1.102	119.21	121.26	124.15	124.79	127.48
16	Manufacture of wood and of products of wood and cork except furniture	1.021	98.03	98.34	98.60	100.24	100.18
17	Manufacture of paper and paper products	3.738	116.40	114.21	131.26	128.50	125.14
18	Printing and reproduction of recorded media	2.638	115.77	123.69	125.32	126.77	126.77
20	Manufacture of chemicals and chemical products	6.411	142.18	149.53	152.66	168.46	209.04
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.524	144.65	159.30	156.98	157.88	152.03
22	Manufacture of rubber and plastics products	4.407	107.43	112.34	110.90	112.53	112.58
23	Manufacture of other non-metallic mineral products	5.907	108.70	114.49	116.29	115.76	118.70
24	Manufacture of basic metals	6.992	136.58	145.44	132.18	128.10	127.20
25	Manufacture of fabricated metal products except machinery and equipment	2.016	115.55	118.84	111.60	115.37	115.37
27	Manufacture of electrical equipment	1.304	117.18	120.42	122.55	116.66	121.56
29	Manufacture of motor vehicles	1.922	93.14	96.58	98.10	98.30	99.69
35	Electricity	9.229	99.70	99.70	99.70	115.78	121.04
36	Water	1.724	103.67	103.67	103.67	103.67	103.67
	Total	100.00	118.56	125.98	127.78	132.07	134.76



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