Kenya National Bureau of Statistics

PRODUCER PRICE INDEX RELEASE

FOURTH QUARTER 2020

December 2020

PRODUCER PRICE INDEX FOR FOURTH QUARTER 2020

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter 2020. The fourth quarter year on year producer inflation was 0.14 per cent in December 2020 compared to 1.34 per cent in December 2019. The year on year Producer Price Index (PPI) and producer inflation from 2018 to 2020 are presented in Figure 1 and Table 1. Over the period, the inflation was highest in June 2019 at 2.21 per cent. The index rose to 102.73 in December 2020 from 102.58 in December 2019.

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

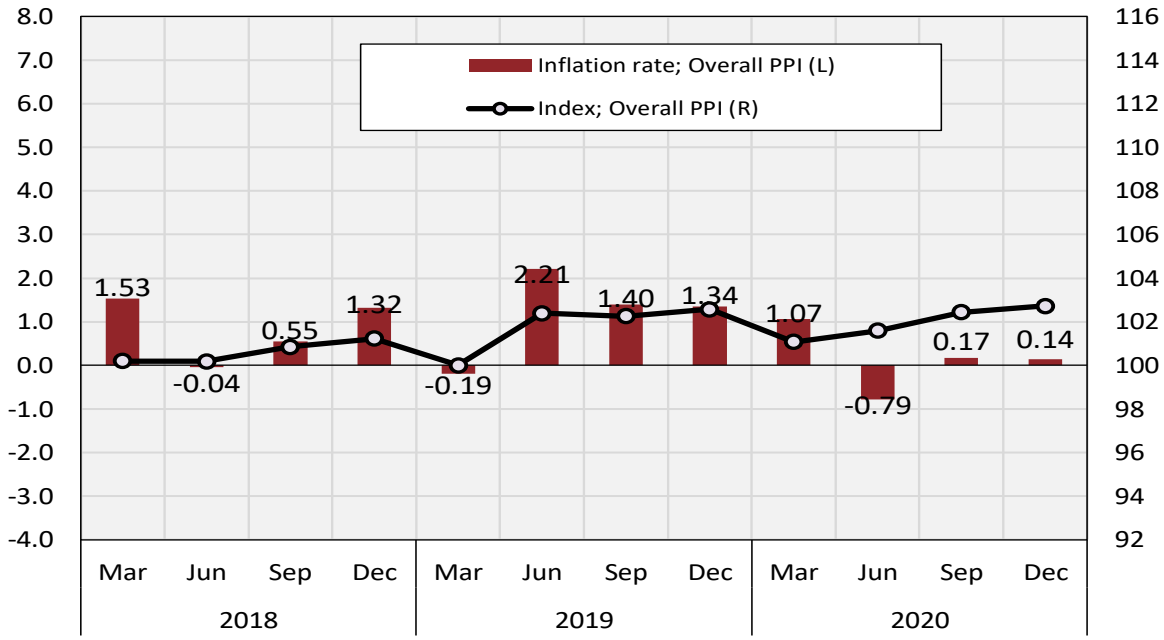


Table 1: Overall PPI and Inflation Rates, March 2018– December 2020

March 2019=100

Year	Quarter[1] Ending	Producer Price Indices	PPI- Inflation Rate (%)
2018	March	100.19	1.53
	June	100.18	-0.04
	September	100.85	0.55
	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

[1] Prices are collected as at the mid of the quarter

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 marginal increases in production prices. The Mining and Quarrying sector recorded the highest price increase at 2.4 per cent followed by Water Supply, Sewerage, Waste Management and Remediation Activities at 0.5 per cent. The year on year industrial Producer Price Indices for 2020 by quarter are depicted in Table 2.

Table 2: Year on Year Producer Inflation by Sector

Sector	March 2020/ Dec 2019	June 2020/ Marc 2020	Sept 2020/ June 2020	Dec 2020/ Sept 2020
Mining and quarrying	4.0	2.0	1.9	2.4
Manufacturing	1.4	0.0	0.3	0.0
Electricity, gas, steam and air conditioning supply	-1.3	-4.6	-3.4	0.2
Water supply, sewerage, waste management and remediation activities	0.0	1.3	0.5	0.5

Table 3 shows the quarter to quarter rate of change of producer prices. Mining and Quarrying reported the highest producer price increase of 3.9 per cent in December 2020 compared to September 2020. The producer price in Electricity, Gas, Steam and Air Conditioning Supply increased by 0.9 per cent. Producer price Index in Manufacturing and Water Supply related services remained unchanged during the quarter.

Table 3: Quarter to Quarter Rate of Change in Producer Price by Sector

Sector	2019/ Sept 2019	Mar 2020/ Dec 2019	June 2020/ Mar 2020	Sept 2020/ June 2020	Dec 2020/ Sept 2020
Mining and quarrying	3.4	-2.6	-1.6	2.9	3.9
Manufacturing	0.5	-1.3	0.9	0.3	0.1
Electricity, gas, steam and air conditioning supply	-2.7	-2.5	0.2	1.6	0.9
Water supply, sewerage, waste management and remediation activities	0.0	0.0	1.3	-0.8	0.0

Table 4 presents the percentage changes in producer prices over the same quarter a year ago and during the last quarter. The overall producer prices in December 2020 increased by 0.29 per cent compared to September 2020 prices. Over the same period, mining of metal ores registered the highest price rise at 5.14 per cent while prices for wearing apparel had the highest price decrease of 2.38 per cent. Over the last one year, the highest price increase was in the manufacture of pharmaceuticals, medicinal chemical and botanical products (10.66%). The highest drop in prices (7.55%) was observed in the manufacture of wearing apparel over the last one year.

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 2020/Sept 2020)	% Change over a year ago (Dec 2020/Dec 2019)
	Mining and Quarrying			
07	Mining of metal ores	**1.52**	5.14	4.12
08	Mining and Quarrying	**0.81**	1.36	-1.07
	Manufacturing			
10	Manufacture of food products	**37.30**	0.83	-0.92
11	Manufacture of beverages	**5.61**	-1.28	1.79
12	Manufacture of tobacco products	**1.01**	-1.66	6.12
13	Manufacture of textiles	**1.34**	-1.27	1.45
14	Manufacture of wearing apparel	**2.47**	-2.38	-7.55
15	Manufacture of leather and related products	**1.10**	2.01	5.97
16	Manufacture of wood and of products of wood and cork except furniture	**1.02**	1.38	2.20
17	Manufacture of paper and paper products	**3.74**	-0.49	-0.19
18	Printing and reproduction of recorded media	**2.64**	2.99	6.54
20	Manufacture of chemicals and chemical products	**6.41**	-1.41	-0.60
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	**1.52**	2.57	10.66
22	Manufacture of rubber and plastics products	**4.41**	-0.80	-4.93
23	Manufacture of other non-metallic mineral products	**5.91**	-0.75	5.71
24	Manufacture of basic metals	**6.99**	0.00	-0.99
25	Manufacture of fabricated metal products except machinery and equipment	**2.02**	-1.58	-1.70
27	Manufacture of electrical equipment	**1.30**	-0.74	0.21
29	Manufacture of motor vehicles	**1.92**	2.12	-3.77
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	**9.23**	0.95	0.16
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	**1.72**	0.00	0.48
	Total	**100.00**	**0.29**	**0.14**

Table 5 presents the quarterly Producer Price Indices from December 2019 to December 2020. The overall producer index increased from 102.43 in September 2020 to 102.73 in December 2020.

Table 5: Quarterly Producer Price Indices, December 2019 - December 2020

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20
07	Mining of metal ores	1.52	107.91	105.90	103.83	106.87	112.36
08	Mining and Quarrying	0.81	104.68	100.34	99.31	102.17	103.56
10	Manufacture of food products	37.30	105.42	103.56	104.68	103.59	104.45
11	Manufacture of beverages	5.61	103.92	104.18	105.62	107.16	105.79
12	Manufacture of tobacco products	1.01	100.36	100.07	101.28	108.30	106.50
13	Manufacture of textiles	1.34	100.15	100.16	102.49	102.91	101.60
14	Manufacture of wearing apparel	2.47	99.79	96.34	97.04	94.50	92.25
15	Manufacture of leather and related products	1.10	103.15	103.24	104.61	107.16	109.31
16	Manufacture of wood and of products of wood and cork except furniture	1.02	94.36	100.47	99.13	95.13	96.44
17	Manufacture of paper and paper products	3.74	94.60	95.22	95.38	94.88	94.42
18	Printing and reproduction of recorded media	2.64	100.18	100.18	100.18	103.64	106.73
20	Manufacture of chemicals and chemical products	6.41	106.08	106.64	104.21	106.96	105.45
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	98.13	97.83	119.12	105.87	108.59
22	Manufacture of rubber and plastics products	4.41	100.82	98.71	97.24	96.62	95.85
23	Manufacture of other non-metallic mineral products	5.91	99.91	99.18	100.75	106.40	105.61
24	Manufacture of basic metals	6.99	100.44	95.06	95.60	99.45	99.45
25	Manufacture of fabricated metal products except machinery and equipment	2.02	100.88	99.44	98.67	100.75	99.16
27	Manufacture of electrical equipment	1.30	100.15	100.30	100.15	101.11	100.36
29	Manufacture of motor vehicles	1.92	97.53	97.40	96.20	91.91	93.86
35	Electricity	9.23	101.22	98.67	98.86	100.44	101.39
36	Water	1.72	100.00	100.00	101.30	100.48	100.48
	Total	**100.00**	**102.58**	**101.07**	**101.58**	**102.43**	**102.73**

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