

KENYA NATIONAL BUREAU OF STATISTICS



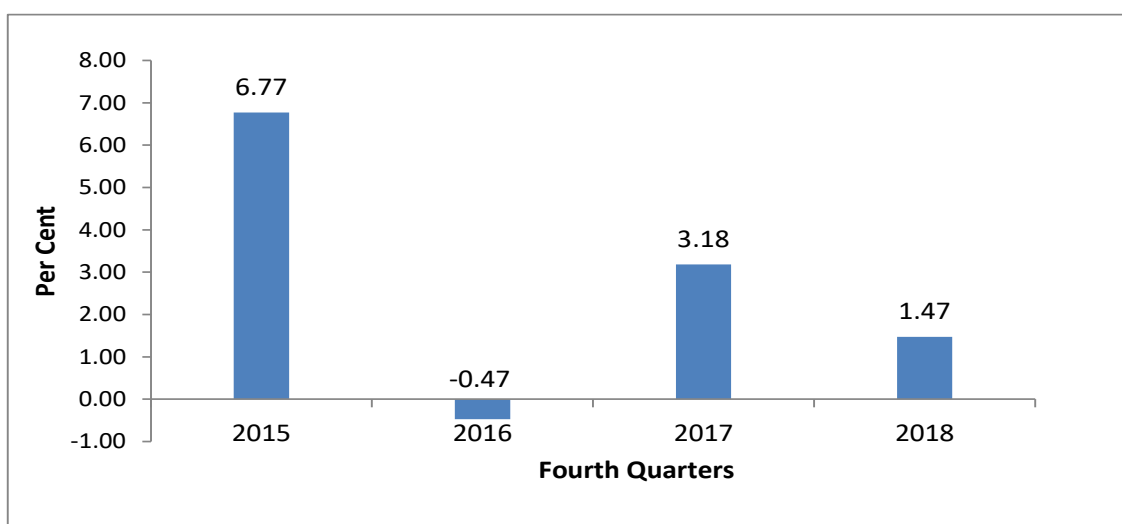
PRODUCER PRICE INDEX FOURTH QUARTER 2018

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth quarter of 2018. PPI measures the average changes in the basic prices of products receivable by the producer.

The producer prices are collected as at 15th February, 15th May, 15th August and 15th November of the year. These dates are recommended to be the price observation points for the first, second, third and fourth quarters of the year, respectively. The PPI are grouped according to the International Standards of Industrial Classifications of All Economic Activities (ISIC) Rev 4.

As shown in Figure 1, the fourth quarter year on year overall producer inflation was 1.47 per cent in December 2018 compared to 3.18 per cent recorded in December 2017.

Figure 1: Year on Year Percentage Changes on Producer Prices



Tables 1 and 2 presents percentage changes of producer prices since September 2016. The overall producer prices increased by 0.44 per cent from September 2018 to December 2018 while the 'year on year' inflation was 1.47 per cent. Over the last one year, the highest increase was on manufacture of wood and of products of wood which rose by 36.72 per cent followed by a growth of 8.26 per cent in manufacture of paper and paper products. However, during the same period, the producer price for electricity and

manufacture of non-metallic mineral products declined by 6.75 per cent and 3.02 per cent, respectively.

Table 1: Percentage Changes Over a Quarter and a Year Ago

2-Digit ISIC	Descriptions	Weight	% Change over three months ago (Dec 2018/Sep 2018)	% Change over a year ago (Dec 2018/Dec 2017)
10	Manufacture of food products	34.24	-0.27	-0.17
11	Manufacture of beverages	6.54	2.92	2.16
12	Manufacture of tobacco products	1.38	0.00	-0.58
13	Manufacture of textiles	2.29	0.77	0.93
14	Manufacture of wearing apparel	2.91	0.27	-0.09
15	Manufacture of leather and related products	0.90	0.08	1.36
16	Manufacture of wood and of products of wood and cork except furniture	2.19	1.37	36.72
17	Manufacture of paper and paper products	3.15	2.66	8.26
18	Printing and reproduction of recorded media	5.66	0.00	0.00
19	Manufacture of lubricating petroleum oils	0.01	-2.16	0.00
20	Manufacture of chemicals and chemical products	5.97	2.07	6.16
22	Manufacture of rubber and plastics products	5.47	0.00	4.06
23	Manufacture of other non-metallic mineral products	4.32	-2.63	-3.02
24	Manufacture of basic metals	6.51	0.70	3.41
25	Manufacture of fabricated metal products except machinery and equipment	3.31	-0.60	0.66
29	Manufacture of motor vehicles	1.20	0.43	1.08
35	Electricity	8.63	0.47	-6.75
36	Water	0.46	0.68	3.51
08	Mining and Quarrying	1.60	1.59	4.95
31	Manufacture of Furniture	1.83	0.67	4.15
33	Repair and installation of machinery and equipment	1.42	0.54	-0.19
	Overall	100.00	0.44	1.47

Table 2: Overall PPI and Inflation Rates, Sept. 2016 to Dec. 2018

Base Period June 2011=100

Year	Quarter	Indices	PPI-Inflation Rate (%)
2016	September	113.33	-2.76
	December	115.36	-0.47
2017	March	117.58	3.38
	June	119.42	6.39
	September	119.52	5.46
	December	119.03	3.18
2018	March	119.38	1.53
	June	119.37	-0.04
	September	120.25	0.61
	December	120.78	1.47

Table 3: Producer Prices of Selected Products

Table 3 shows producer prices of selected products in December 2017, September 2018 and December 2018. The price of one tone of sugar increased by 17.1 per cent from KSh 81,195 in December 2017 to KSh 95,041 in December 2018. Price of a 24 kilogram bale of maize flour dropped by 12.7 per cent from KSh 1,120 to KSh 978 during the same period.

Product	Unit of Measure	Price December 2017	Price September 2018	Price December 2018	% Change over last three months	% Change over 12 months
Refined Oil	20 Litres	4,367	4,708	4,596	-2.4	5.2
Milk	Fresh milk 18 crates each 500 Ml	772	776	779	0.4	0.9
Cement	One Tonne	12,887	12,996	13,269	2.1	3.0
Maize Flour	Bale (12 packets each 2 Kg)	1,120	1,071	978	-8.7	-12.7
Wheat Flour	Bale (12 packets each 2 Kg)	1,283	1,217	1,350	11.0	5.2
Sugar	One Tonne	81,195	106,525	95,041	-10.8	17.1

Table 4 presents the producer indices over the last one year. During this period, the index of manufacture of wood and products had the highest increase of 36.7 per cent to 159.79 followed by manufacture of paper and paper products which increased by 8.4 per cent to 127.38 in December 2018. However, the producer index of electricity declined from 124.25 in December 2017 to 115.87 in December 2018.

Table 4: Producer Indices

		June 2011=100				
Division	Descriptions	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18
10	Manufacture of food products	121.25	122.68	122.56	121.38	121.05
11	Manufacture of beverages	144.84	143.78	143.37	143.78	147.98
12	Manufacture of tobacco products	125.65	125.05	124.82	124.93	124.93
13	Manufacture of textiles	127.19	124.48	123.81	127.39	128.37
14	Manufacture of wearing apparel	102.36	102.06	101.94	102.00	102.27
15	Manufacture of leather and related products	104.65	105.95	105.85	105.98	106.07
16	Manufacture of wood and of products of wood and cork except furniture	116.87	126.67	126.67	157.63	159.79
17	Manufacture of paper and paper products	117.50	119.97	119.76	123.91	127.38
18	Printing and reproduction of recorded media	104.66	104.66	104.66	104.66	104.66
19	Manufacture of lubricating petroleum oils	114.76	114.76	114.76	117.30	114.76
20	Manufacture of chemicals and chemical products	127.26	128.19	128.09	132.36	135.10
22	Manufacture of rubber and plastics products	109.59	107.60	107.60	114.04	114.04
23	Manufacture of other non-metallic mineral products	110.73	110.50	110.10	110.29	107.39
24	Manufacture of basic metals	99.00	100.34	100.14	100.39	102.34
25	Manufacture of fabricated metal products except machinery and equipment	99.98	100.35	100.35	101.25	100.63
29	Manufacture of motor vehicles	123.04	122.95	122.72	123.83	124.36
35	Electricity	124.25	120.42	121.89	115.33	115.87
36	Water	143.55	145.88	145.88	147.60	148.60
08	Mining and Quarrying	136.83	136.83	136.83	141.34	143.60
31	Manufacture of Furniture	142.27	142.27	142.27	147.19	148.18
33	Repair and installation of machinery and equipment	104.38	103.76	103.52	103.63	104.19
	Total	119.03	119.38	119.37	120.17	120.78