Kenya National Bureau of Statistics

PRODUCER PRICE INDEX RELEASE

FIRST QUARTER 2021

March 2021

PRODUCER PRICE INDEX FOR FIRST QUARTER 2021

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the first quarter 2021. The first quarter year on year producer inflation was 4.92 per cent in March 2021 compared to 1.07 per cent in March 2020. The index rose from 101.07 in March 2020 to 106.04 in March 2021. The year on year Producer Price Index (PPI) and producer inflation from March 2018 to March 2021 are presented in Figure 1 and Table 1. Over the period, inflation was highest in March 2021 at 4.92 per cent.

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

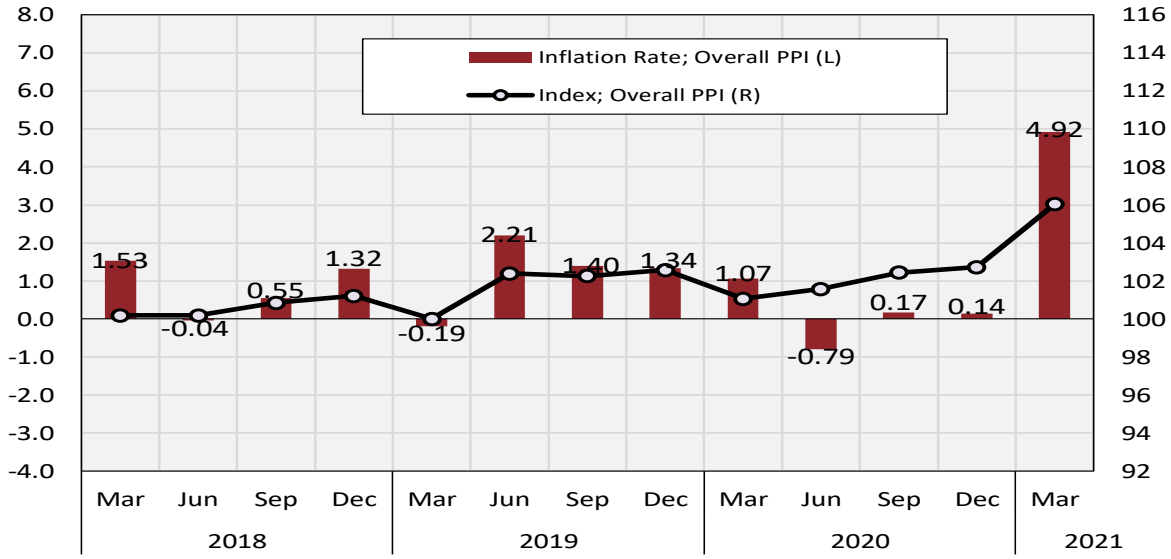


Table 1: Overall PPI and Inflation Rates, March 2018 – March 2021

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
2021	March	106.04	4.92

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

The year on year industrial producer inflations from March 2020 to March 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 marginal changes in production prices. The Manufacturing sector recorded the highest price increase at 5.1 per cent in March 2021 followed by Electricity, Gas, Steam and Air Conditioning Supply, with a 3.6 per cent rise.

Table 2: Year on Year Industrial Producer Inflations by Sector

Sector	Mar 2020 / Mar 2019	June 2020 / June 2019	Sept 2020 / Sept 2019	Dec 2020 / Dec 2019	Mar 2021 / Mar 2020
Mining and quarrying	4.0	2.0	1.9	2.4	1.5
Manufacturing	1.4	0.0	0.3	0.0	5.1
Electricity, gas, steam and air conditioning supply	-1.3	-4.6	-3.4	0.2	3.6
Water supply, sewerage, waste management and remediation activities	0.0	1.3	0.5	0.5	0.5

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 2021, Manufacturing reported the highest producer price increase of 3.7 per cent while Mining and Quarrying recorded the highest price decrease of 3.4 per cent. Producer Price Index for Water Supply and related services sector remained unchanged during the quarter.

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

Sector	Mar 2020/ Dec 2019	June 2020/ Mar 2020	Sept 2020/ June 2020	Dec 2020/ Sept 2020	March 2021 / Dec 2020
Mining and quarrying	-2.6	-1.6	2.9	3.9	-3.4
Manufacturing	-1.3	0.9	0.3	0.1	3.7
Electricity, gas, steam and air conditioning supply	-2.5	0.2	1.6	0.9	0.9
Water supply, sewerage, waste management and remediation activities	0.0	1.3	-0.8	0.0	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 March 2021 increased by 3.22 per cent compared to December 2020 prices. Over the same period, manufacture of basic metals registered the highest price rise of 12.17 per cent while prices for mining of metal ores had the highest price decline of 4.76 per cent. Over the last one year, the highest price increase was in the manufacture of pharmaceuticals, medicinal chemical and botanical products at 20.07 per cent. Manufacture of beverages, wearing

apparel and; wood and wood products, chemicals and motor vehicles recorded price decreases 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 (Mar 2021/Dec 2020)	% Change over a year ago (Mar 2021/Mar 2020)
	Mining and Quarrying			
07	Mining of metal ores	**1.52**	-4.76	1.05
08	Mining and Quarrying	**0.81**	-0.74	2.45
	Manufacturing			
10	Manufacture of food products	**37.30**	4.82	5.73
11	Manufacture of beverages	**5.61**	-2.16	-0.65
12	Manufacture of tobacco products	**1.01**	-1.93	4.37
13	Manufacture of textiles	**1.34**	1.69	3.15
14	Manufacture of wearing apparel	**2.47**	2.42	-1.93
15	Manufacture of leather and related products	**1.10**	3.38	9.46
16	Manufacture of wood and of products of wood and cork except furniture	**1.02**	0.08	-3.93
17	Manufacture of paper and paper products	**3.74**	3.24	2.37
18	Printing and reproduction of recorded media	**2.64**	-0.25	6.28
20	Manufacture of chemicals and chemical products	**6.41**	-0.16	-1.27
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	**1.52**	8.18	20.07
22	Manufacture of rubber and plastics products	**4.41**	4.55	1.53
23	Manufacture of other non-metallic mineral products	**5.91**	2.56	9.22
24	Manufacture of basic metals	**6.99**	12.17	17.35
25	Manufacture of fabricated metal products except machinery and equipment	**2.02**	1.60	1.32
27	Manufacture of electrical equipment	**1.30**	0.02	0.08
29	Manufacture of motor vehicles	**1.92**	0.30	-3.35
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	**9.23**	0.87	3.65
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	**1.72**	0.00	0.48
	Total	**100.00**	**3.22**	**4.92**

Table 5 presents the quarterly Producer Price Indices from March 2020 to March 2021. The overall producer index increased from 102.73 in December 2020 to 106.04 in March 2021.

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

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21
07	Mining of metal ores	1.52	105.90	103.83	106.87	112.36	107.01
08	Mining and Quarrying	0.81	100.34	99.31	102.17	103.56	102.80
10	Manufacture of food products	37.30	103.56	104.68	103.59	104.45	109.49
11	Manufacture of beverages	5.61	104.18	105.62	107.16	105.79	103.50
12	Manufacture of tobacco products	1.01	100.07	101.28	108.30	106.50	104.44
13	Manufacture of textiles	1.34	100.16	102.49	102.91	101.60	103.32
14	Manufacture of wearing apparel	2.47	96.34	97.04	94.50	92.25	94.48
15	Manufacture of leather and related products	1.10	103.24	104.61	107.16	109.31	113.00
16	Manufacture of wood and of products of wood and cork except furniture	1.02	100.47	99.13	95.13	96.44	96.52
17	Manufacture of paper and paper products	3.74	95.22	95.38	94.88	94.42	97.48
18	Printing and reproduction of recorded media	2.64	100.18	100.18	103.64	106.73	106.47
20	Manufacture of chemicals and chemical products	6.41	106.64	104.21	106.96	105.45	105.28
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.52	97.83	119.12	105.87	108.59	117.47
22	Manufacture of rubber and plastics products	4.41	98.71	97.24	96.62	95.85	100.22
23	Manufacture of other non-metallic mineral products	5.91	99.18	100.75	106.40	105.61	108.32
24	Manufacture of basic metals	6.99	95.06	95.60	99.45	99.45	111.55
25	Manufacture of fabricated metal products except machinery and equipment	2.02	99.44	98.67	100.75	99.16	100.75
27	Manufacture of electrical equipment	1.30	100.30	100.15	101.11	100.36	100.39
29	Manufacture of motor vehicles	1.92	97.40	96.20	91.91	93.86	94.14
35	Electricity	9.23	98.67	98.86	100.44	101.39	102.28
36	Water	1.72	100.00	101.30	100.48	100.48	100.48
	Total	**100.00**	**101.07**	**101.58**	**102.43**	**102.73**	**106.04**

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