Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

FOURTH QUARTER 2023 RELEASE

DECEMBER 2023

PRODUCER PRICE INDEX FOR THE FOURTH QUARTER, 2023

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the fourth 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 fourth quarter year on year producer inflation was 10.49 per cent in December 2023 which was lower than 16.26 per cent recorded in December 2022. The index rose from 132.07 in December 2022 to 145.92 in December 2023. Trends in the year-on-year Producer Price Index (PPI) and producer inflation from March 2021 to December 2023 are depicted in Figure 1 while Table 1 presents the overall PPI and producer inflation rates from March 2021 to December 2023. Over the period, producer inflation was highest in June 2022.

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

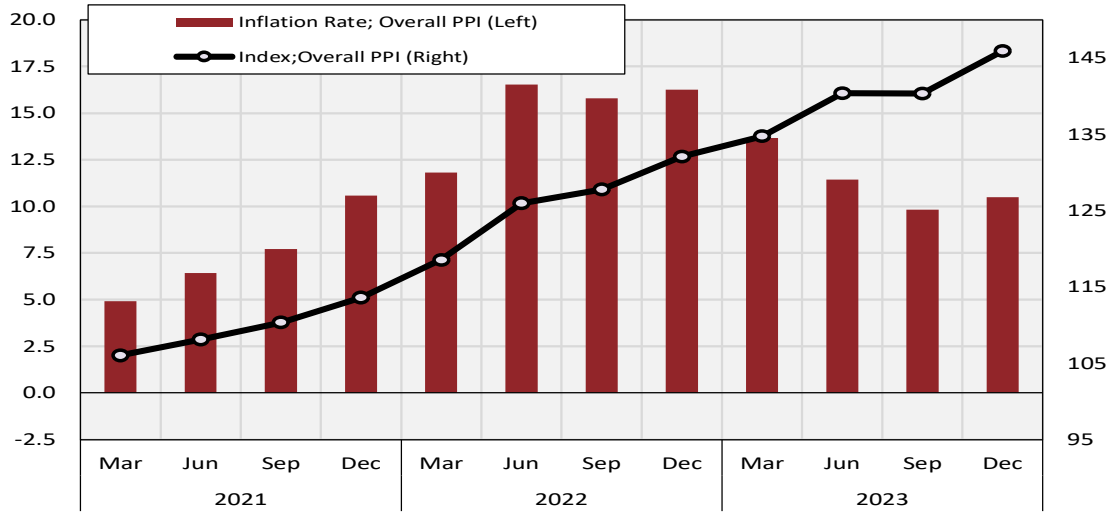


Table 1: Overall PPI and Inflation Rates, March 2021 – December 2023

March 2019 = 100

Year	Quarter[1] Ending	Producer Price Indices	PPI-YOY Inflation Rate (%)
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
	June	140.39	11.44
	September	140.35	9.83
	December	145.92	10.49

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

The year-on-year industrial producer inflation from March 2023 to December 2023 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. During the year ending on December 2023, Electricity, Gas, Steam and Air Conditioning Supply sector recorded the highest price increase at 24.2 per cent in December 2023 followed by Mining and Quarrying at 18.5 per cent. Manufacturing recorded a price increase of 9.1 per cent.

Table 2: Year-on-Year Industrial Producer Inflation by Sector

Sector	Mar 2023 / Mar 2022	June 2023 / June 2022	Sept 2023 / Sept 2022	Dec 2023 / Dec 2022
Mining and quarrying	21.3	13.0	1.9	18.5
Manufacturing	13.0	9.2	7.6	9.1
Electricity, gas, steam and air conditioning supply	21.4	39.9	41.9	24.2
Water supply, sewerage, waste management and remediation activities	0.0	0.0	0.0	0.0

Table 3 shows the quarter-to-quarter rate of change in producer price indices. Over the fourth quarter 2023, Mining and Quarrying sector reported the highest price increase of 12.8 per cent. Manufacturing and Electricity, Gas, Steam and Air Conditioning Supply, sectors recorded a price increase of 4.0 and 1.6 per cent, respectively over the same quarter. Price for Water Supply remained unchanged during the same period.

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

Sector	Mar 2023/ Dec 2022	June 2023/ March 2023	Sept 2023/ June 2023	Dec 2023/ Sept 2023
Mining and quarrying	5.2	0.5	-0.7	12.8
Manufacturing	1.7	3.3	-0.2	4.0
Electricity, gas, steam and air conditioning supply	4.5	15.2	1.5	1.6
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 December 2023 rose by 3.97 per cent relative to September 2023 prices. Over the same period, manufacture of other non-metallic mineral products recorded the highest price increase of 19.33 per cent while manufacture of leather and related products had the highest price decline of 2.58 per cent. Over the last one year, the highest price increase was

in chemical and chemical products at 30.94 per cent while the highest price decrease was in manufacture of wearing apparel at 6.40 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 2023/ Sept 2023)	% Change over a year ago (Dec 2023/Dec 2022)
	Mining and Quarrying			
07	Mining of metal ores	**1.52**	15.40	26.67
08	Mining and Quarrying	**0.81**	8.09	5.39
	Manufacturing			
10	Manufacture of food products	**37.30**	-1.28	2.01
11	Manufacture of beverages	**5.61**	6.01	8.38
12	Manufacture of tobacco products	**1.01**	1.39	9.52
13	Manufacture of textiles	**1.34**	3.06	-0.98
14	Manufacture of wearing apparel	**2.47**	0.40	-6.40
15	Manufacture of leather and related products	**1.10**	-2.58	2.16
16	Manufacture of wood and of products of wood and cork except furniture	**1.02**	9.81	8.72
17	Manufacture of paper and paper products	**3.74**	1.50	-0.57
18	Printing and reproduction of recorded media	**2.64**	9.14	9.14
20	Manufacture of chemicals and chemical products	**6.41**	8.89	30.94
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	**1.52**	0.00	1.36
22	Manufacture of rubber and plastics products	**4.41**	5.79	9.79
23	Manufacture of other non-metallic mineral products	**5.91**	19.33	27.12
24	Manufacture of basic metals	**6.99**	15.49	27.30
25	Manufacture of fabricated metal products except machinery and equipment	**2.02**	5.57	6.06
27	Manufacture of electrical equipment	**1.30**	3.43	15.60
29	Manufacture of motor vehicles	**1.92**	3.58	7.40
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	**9.23**	1.63	24.22
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	**1.72**	0.00	0.00
	Total	**100.00**	**3.97**	**10.49**

Table 5 presents the quarterly Producer Price Indices from December 2022 to December 2023. The overall producer index increased from 132.07 in December 2022 to 145.92 in December 2023.

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

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23
07	Mining of metal ores	1.519	144.59	156.94	156.15	158.72	183.16
08	Mining and Quarrying	0.809	170.77	170.77	174.66	166.50	179.97
10	Manufacture of food products	37.298	141.55	139.29	146.01	146.28	144.40
11	Manufacture of beverages	5.615	117.60	121.23	124.77	120.22	127.45
12	Manufacture of tobacco products	1.013	137.12	138.41	146.33	148.11	150.17
13	Manufacture of textiles	1.344	133.72	134.49	134.45	128.47	132.40
14	Manufacture of wearing apparel	2.469	129.48	129.89	131.01	120.71	121.20
15	Manufacture of leather and related products	1.102	124.79	127.48	128.02	130.86	127.49
16	Manufacture of wood and of products of wood and cork except furniture	1.021	100.24	100.18	100.18	99.25	108.98
17	Manufacture of paper and paper products	3.738	128.50	125.14	125.58	125.87	127.76
18	Printing and reproduction of recorded media	2.638	126.77	126.77	126.77	126.77	138.35
20	Manufacture of chemicals and chemical products	6.411	168.46	209.04	215.85	202.57	220.58
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.524	157.88	152.03	160.03	160.03	160.03
22	Manufacture of rubber and plastics products	4.407	112.53	112.58	115.71	116.78	123.54
23	Manufacture of other non-metallic mineral products	5.907	115.76	118.70	123.44	123.32	147.16
24	Manufacture of basic metals	6.992	128.10	127.20	127.20	141.19	163.07
25	Manufacture of fabricated metal products except machinery and equipment	2.016	115.37	115.37	115.72	115.91	122.37
27	Manufacture of electrical equipment	1.304	116.66	121.56	123.24	130.38	134.85
29	Manufacture of motor vehicles	1.922	98.30	99.69	103.40	101.93	105.58
35	Electricity	9.229	115.78	121.04	139.45	141.51	143.82
36	Water	1.724	103.67	103.67	103.67	103.67	103.67
	Total	**100.00**	**132.07**	**134.76**	**140.39**	**140.35**	**145.92**



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