Kenya National Bureau of Statistics

PRODUCER PRICE INDEX

THIRD QUARTER 2023 RELEASE

SEPTEMBER 2023

PRODUCER PRICE INDEX FOR THE THIRD QUARTER, 2023

The Kenya National Bureau of Statistics hereby releases the Producer Price Index (PPI) for the third 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 third quarter year on year producer inflation was 8.91 per cent in September 2023 which was lower than 15.81 per cent recorded in September 2022. The index rose from 127.78 in September 2022 to 139.17 in September 2023. Trends in the year-on-year Producer Price Index (PPI) and producer inflation from March 2020 to September 2023 are depicted in Figure 1 and Table 1. Over the period, producer inflation was highest in June 2022.

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

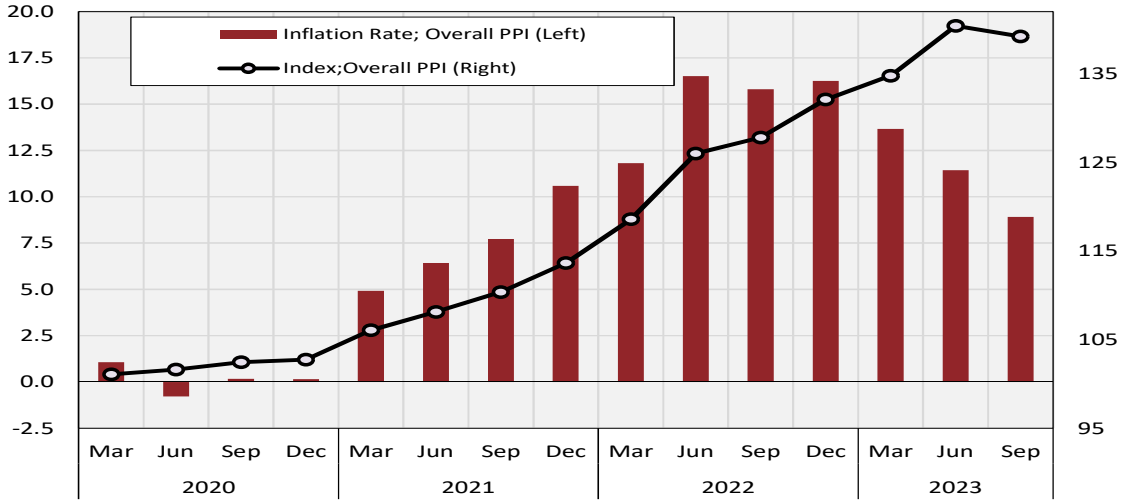


Table 1: Overall PPI and Inflation Rates, March 2020 – September 2023

March 2019 = 100

Year	Quarter[1] Ending	Producer Price Indices	PPI-YOY 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
	June	140.39	11.44
	September	139.17	8.91

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

The year on year industrial producer inflations from December 2022 to September 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 41.9 per cent in September 2023 followed by Manufacturing at 6.6 per cent. Mining and quarrying recorded a price increase of 0.9 per cent during the same period.

Table 2: Year on Year Industrial Producer Inflation by Sector

Sector	Dec 2022 / Dec 2021	Mar 2023 / Mar 2022	June 2023 / June 2022	Sept 2023 / Sept 2022
Mining and quarrying	22.7	21.3	13.0	0.9
Manufacturing	17.4	13.0	9.2	6.6
Electricity, gas, steam and air conditioning supply	6.2	21.4	39.9	41.9
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 for the four industrial sectors. Over the third quarter ending September 2023, Electricity, Gas, Steam and Air Conditioning Supply sector reported the highest price increase of 1.5 per cent. Manufacturing, and Mining and quarrying sectors recorded a price decline of 1.1 and 1.7 per cent, respectively over the same quarter. Water Supply remained unchanged during the same period.

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

Sector	Dec 2022/ Sept 2022	Mar 2023/ Dec 2022	June 2023/ March 2023	Sept 2023/ June 2023
Mining and quarrying	-3.0	5.2	0.5	-1.7
Manufacturing	2.6	1.7	3.3	-1.1
Electricity, gas, steam and air conditioning supply	16.1	4.5	15.2	1.5
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 September 2023 decreased by 0.87 per cent relative to June 2023 prices. Over the same period, manufacture of basic metals recorded the highest price rise of 11.01 per cent while manufacture of beverages had the highest price decline of 9.40 per cent. Over the last one year, the highest price increase was in electricity supply at 41.93 per cent while the highest price decrease was in manufacture of paper and paper products at 4.11 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 (Sept 2023/ June 2023)	% Change over a year ago (Sept 2023/Sept 2022)
	Mining and Quarrying			
07	Mining of metal ores	**1.52**	0.00	-1.41
08	Mining and Quarrying	**0.81**	-4.67	5.16
	Manufacturing			
10	Manufacture of food products	**37.30**	-0.81	5.69
11	Manufacture of beverages	**5.61**	-9.40	-1.67
12	Manufacture of tobacco products	**1.01**	1.21	10.32
13	Manufacture of textiles	**1.34**	-5.42	-1.81
14	Manufacture of wearing apparel	**2.47**	-8.28	0.61
15	Manufacture of leather and related products	**1.10**	5.10	8.37
16	Manufacture of wood and of products of wood and cork except furniture	**1.02**	-0.93	0.65
17	Manufacture of paper and paper products	**3.74**	0.23	-4.11
18	Printing and reproduction of recorded media	**2.64**	0.00	1.16
20	Manufacture of chemicals and chemical products	**6.41**	-6.44	32.29
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	**1.52**	-1.08	0.85
22	Manufacture of rubber and plastics products	**4.41**	0.98	5.36
23	Manufacture of other non-metallic mineral products	**5.91**	-2.95	3.02
24	Manufacture of basic metals	**6.99**	11.01	6.82
25	Manufacture of fabricated metal products except machinery and equipment	**2.02**	2.89	6.69
27	Manufacture of electrical equipment	**1.30**	5.79	6.38
29	Manufacture of motor vehicles	**1.92**	-1.43	3.89
	Electricity, Gas, Steam and Air Conditioning Supply			
35	Electricity	**9.23**	1.48	41.93
	Water Supply, Sewerage, Waste Management and Remediation Activities			
36	Water	**1.72**	0.00	0.00
	Total	**100.00**	**-0.87**	**8.91**

Table 5 presents the quarterly Producer Price Indices from September 2022 to September 2023. The overall producer index increased from 127.78 in September 2022 to 139.17 in September 2023.

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

March 2019 = 100

2-Digit ISIC	Descriptions	Weights	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23
07	Mining of metal ores	1.519	158.39	144.59	156.94	156.15	156.15
08	Mining and Quarrying	0.809	158.33	170.77	170.77	174.66	166.50
10	Manufacture of food products	37.298	137.03	141.55	139.29	146.01	144.82
11	Manufacture of beverages	5.615	114.96	117.60	121.23	124.77	113.04
12	Manufacture of tobacco products	1.013	134.26	137.12	138.41	146.33	148.11
13	Manufacture of textiles	1.344	129.51	133.72	134.49	134.45	127.17
14	Manufacture of wearing apparel	2.469	119.44	129.48	129.89	131.01	120.16
15	Manufacture of leather and related products	1.102	124.15	124.79	127.48	128.02	134.55
16	Manufacture of wood and of products of wood and cork except furniture	1.021	98.60	100.24	100.18	100.18	99.25
17	Manufacture of paper and paper products	3.738	131.26	128.50	125.14	125.58	125.87
18	Printing and reproduction of recorded media	2.638	125.32	126.77	126.77	126.77	126.77
20	Manufacture of chemicals and chemical products	6.411	152.66	168.46	209.04	215.85	201.95
21	Manufacture of pharmaceuticals, medicinal chemical and botanical products	1.524	156.98	157.88	152.03	160.03	158.31
22	Manufacture of rubber and plastics products	4.407	110.90	112.53	112.58	115.71	116.84
23	Manufacture of other non-metallic mineral products	5.907	116.29	115.76	118.70	123.44	119.80
24	Manufacture of basic metals	6.992	132.18	128.10	127.20	127.20	141.19
25	Manufacture of fabricated metal products except machinery and equipment	2.016	111.60	115.37	115.37	115.72	119.06
27	Manufacture of electrical equipment	1.304	122.55	116.66	121.56	123.24	130.38
29	Manufacture of motor vehicles	1.922	98.10	98.30	99.69	103.40	101.93
35	Electricity	9.229	99.70	115.78	121.04	139.45	141.51
36	Water	1.724	103.67	103.67	103.67	103.67	103.67
	Total	**100.00**	**127.78**	**132.07**	**134.76**	**140.39**	**139.17**

Ann M. Mburu, HSC
For: DIRECTOR GENERAL